INTERIM RESULTS

Half year ended 31st March 2025

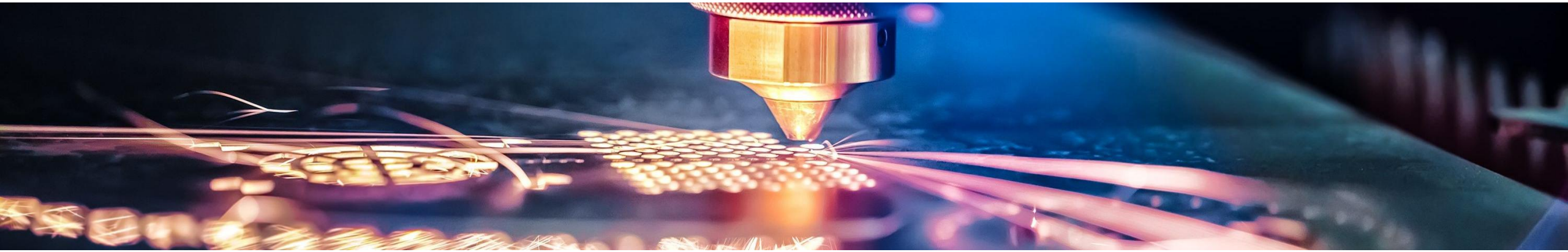
3rd June 2025

AGENDA

- Highlights
- Financial Results
- Segmental Review
- Strategy Update
- Outlook & Summary

Charlie Peppiatt - CEO

Chris Jewell - CFO



HIGHLIGHTS

- Further positive progress with delivery of the Group's strategic plan
- Revenue up 11.4% (7.5% organic, constant currency) to £70.9m (H1 2024: £63.6m)
- Adjusted operating profit up 60.5% to £6.2m (H1 2024: £3.8m)
- Integration of Phoenix Optical is proceeding well. Global Photonics extends US A&D offering
- Order book grew to £121.5m (Sept 2024: £104.5m) and continues to grow
- Net debt* £35.5m (Sept 2024: £25.8m). Leverage 1.3x
- Interim dividend of 4.9p per share (H1 2024: 4.9p)
- Full year expectations unchanged, global uncertainties increasing near-term execution risks
- Strong prospects for further profitable growth in the coming years
- Outlook for our technologies and capabilities remains strong supported by delivery of strategy

"A strong first half performance against a challenging macroeconomic background. We remain confident in our ability to deliver further progress on our journey to mid-teens returns over the medium term and provide long-term value for all stakeholders."

(Including IFRS 16 debt)*

SUMMARY INCOME STATEMENT

HY Ended 31 March	2025 £m	2024 £m
Revenue	**70.9**	**63.6**
Gross profit	**21.6**	**18.5**
Adjusted operating profit	**6.2**	**3.8**
Adjusted operating profit %	**8.7%**	**6.0%**
Adjusted profit before tax	**5.1**	**2.6**
Adjusted basic earnings per share (p.p.s)	**15.0p**	**8.3p**

"Revenue growth and the effects of the strategic actions taken by the business drove strong profit progression."

- Revenue grew by 11.4% or 7.5% on an OCC basis. A&D revenue particularly strong. Industrial recovery delayed
- Gross margins improved to 30.4% (H1 2024: 29.1%). Volume effects and the benefit of strategic actions
- R&D investment levels maintained at £3.5m (H1 2024: £3.6m)
- Adjusted operating profit up 60.5% to £6.2m (H1 2024: £3.8m)
- Adjusted effective tax rate of 22.9% (H1 2024: 19.2%)
- Non underlying items: £2.2m of which £1.1m was cash
- Uncertainty from new US tariffs but we intend to pass on cost increases to customers

CASHFLOW

HY Ended 31 March	2025 £m	2024 £m
Net cash flow from operating activities	**2.6**	**2.5**
Cash flow from investing activities		
Purchase of property, plant and equipment & intangibles	(3.4)	(3.0)
(Acquisition)/disposal of subsidiary	(2.7)	2.4
Cash flow from financing activities		
Net borrowings	5.4	(1.1)
Interest paid	(1.1)	(1.2)
Dividends paid	(2.1)	(2.1)
Net decrease in cash	**(1.3)**	**(2.5)**
Exchange gains	0.2	-
Cash	**5.5**	**4.8**
Net Debt (excl. IFRS 16)	**24.0**	**22.2**
Net Debt (incl. IFRS 16)	**35.5**	**30.4**

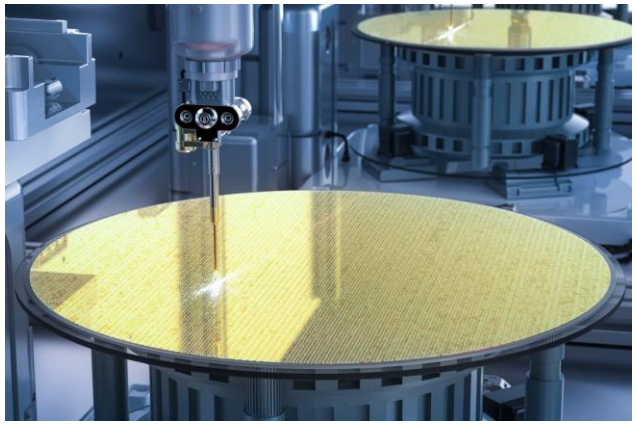
- Working capital increased by £6.7m driven by higher inventory holdings as a result of uncertainties in the supply chain
- Capital investment – for fibre optic module assembly and additional crystal growth capacity
- Net outflow from the acquisition of Phoenix £2.7m. Deferred contingent consideration of up to £3.35m dependent upon three year trading to 30 June 2027
- Leverage for bank reporting: 1.3 net debt / EBITDA
- Debt facility extended to March 2030, increased by $10m and with an improved margin grid

G&H

INDUSTRIAL

Financials (42% of Group revenue)

	HY25	HY24	Change
Revenue	£30.1m	£31.7m	(4.9)%
Adjusted Operating Profit	£3.8m	£3.5m	10.2%
% Margin	12.6%	10.9%	170bps



- Industrial revenue declined by 6.5% on an organic constant currency basis compared with H1 2024
- Macroeconomic uncertainties and new tariff policies impacting near term demand
- Recovery in the industrial laser and semiconductor markets has been further delayed
- Some offset from growth in our sub-sea data cable market and increased G&H content
- Profit margins grew despite lower volumes thanks to margin accretive new products and outsourcing benefits

Industrial Lasers	Optical Comms	Metrology	Remote Sensing	Semi-conductor	Scientific Research

G&H

AEROSPACE & DEFENCE

Financials (33% of Group revenue)

	HY25	HY24	Growth
Revenue	£23.5m	£16.6m	41.4%
Adjusted Operating Profit	£0.6m	£(1.6)m	n/a
% Margin	2.6%	(9.4)%	1200bps

- Revenue grew 30% on an organic, constant currency basis
- Growth from super polished optical components due to added capacity and yield improvements at Moorpark facility
- Additional value-add from sub system and coatings plus higher volumes drove margin growth
- Integration of Phoenix proceeding to plan with commercial synergies being achieved
- Supply of germanium restricted by Chinese government. G&H has moved quickly to secure alternative sources

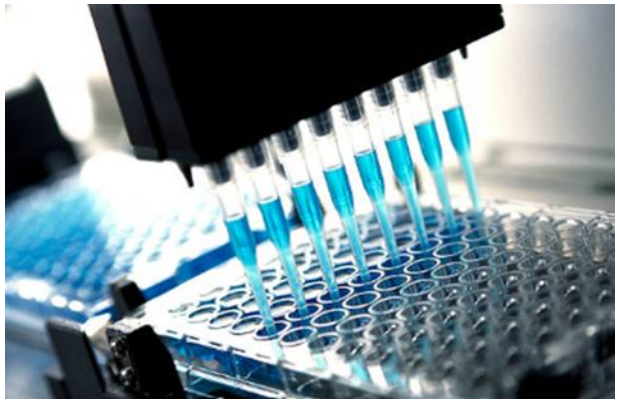
Target Designation & Range Finding	Guidance & Navigation	Counter-measures	Space Photonics	Periscopes & Sighting Systems	Opto-mechanical Subsystems

G&H

LIFE SCIENCES

Financials (25% of Group revenue)

	HY25	HY24	Growth
Revenue	£17.3m	£15.3m	12.7%
Adjusted Operating Profit	£2.1m	£2.2m	(7.6)%
% Margin	12.0%	14.7%	270bps



- Revenue grew by 14.2% compared with H1 2024 on an organic, constant currency basis
- Medical diagnostic revenue grew along with some recovery in our medical laser revenues
- North American Life Sciences centre moved to volume production on two instrument programmes
- Margin decline due to volume pricing on diagnostic instrument programme and competition on medical laser components
- End-of-life notice issued to customers for many of our Pockels cells products

Optical Coherence Tomography (OCT)	Laser Surgery	Microscopy	Systems

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G&H STRATEGY – SUSTAINABLE GROWTH

New strategy focused on becoming an 'innovative customer focused technology company' making a 'better world with photonics' and the 'first choice' for all our stakeholders

OFFERING DIFFERENTIATED PERFORMANCE THROUGH 4 KEY STRATEGIC PRIORITIES:

1
Establish dynamic high-performance teams and a purpose-led culture

PEOPLE

▶

2
Deliver exceptional customer experience and superior operational execution

SELF-HELP

▶

3
Create enhanced value through technology and platform solutions

TECHNOLOGY

▶

4
Focus investment to accelerate accretive growth, both organic and inorganic

INVESTMENT

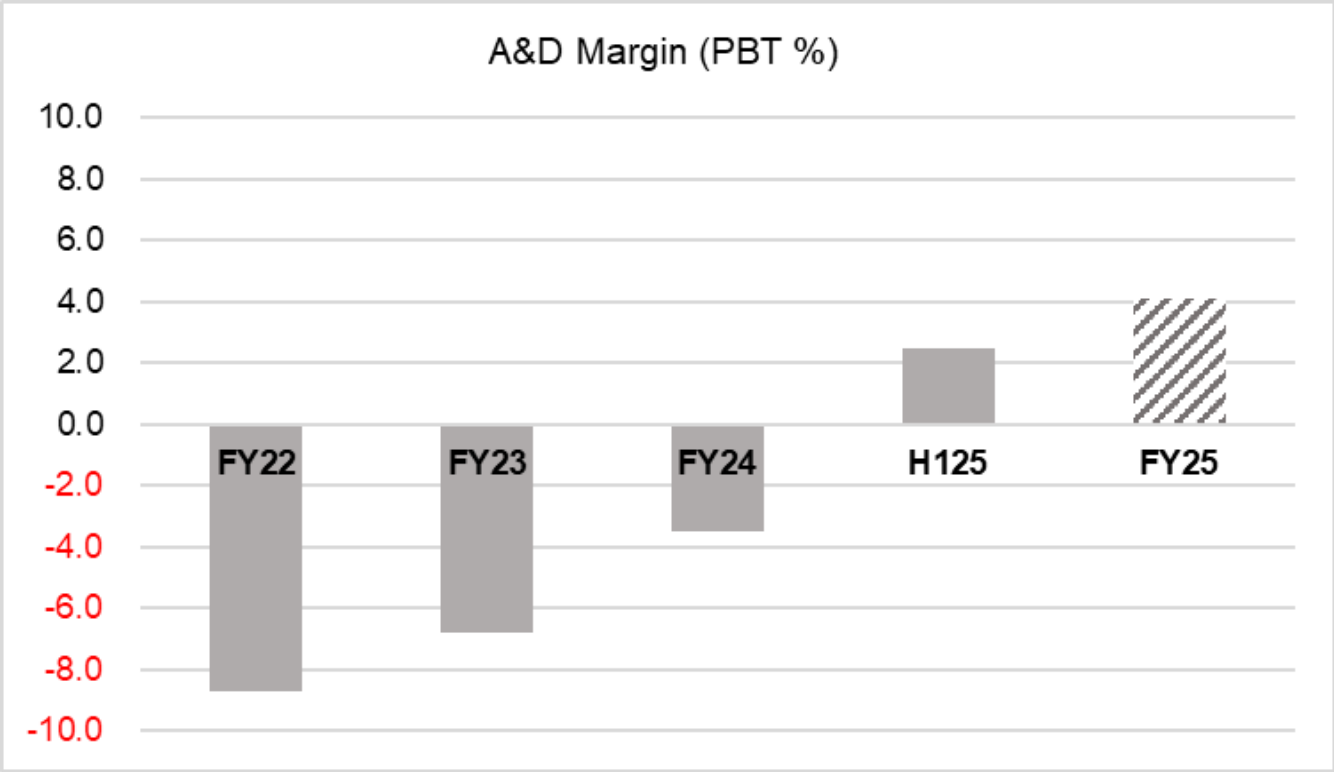
Achieved by following G&H's guiding values to deliver fundamental and sustainable improvement for employees, company profitability and our planet

G&H

PATH TO MID-TEEN RETURNS

- We remain confident in our ability to deliver mid-teens returns (700-800 bps accretion) by 2028
- G&H's differentiated photonics expertise aligned to structural growth drivers from megatrends
- Challenging macroeconomic backdrop has increased near-term execution risks
- Strong prospects for further profitable growth in the coming years

A&D BUSINESS TURNAROUND



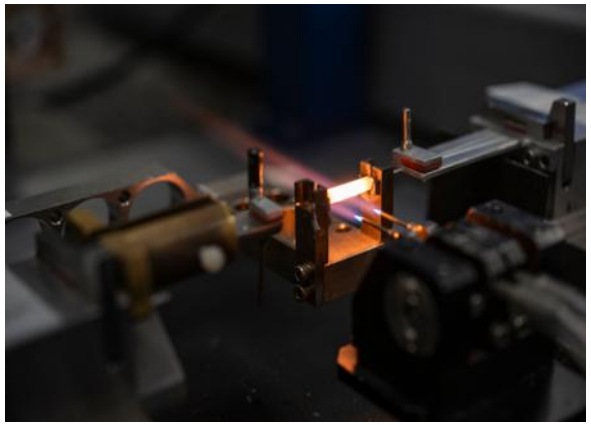
- Delivered 11.2% margin improvement in A&D business unit since launch of new strategy
- Further growth expected in FY2026 with strong demand for G&H's A&D Optical Systems
- Positive book to bill (1.4) and NBO multi-year programme pipeline growing
- Artemis and Phoenix delivering synergies
- Productivity improvements at Moorpark & Ilminster precision optics sites
- Encouraging key customer response to Global Photonics acquisition and G&H's US plans

"The overhaul and turnaround of the A&D business unit supported by operational improvements, the refocusing of our R&D resources and complementary 'speed to value' acquisitions positions G&H well to meet increased demand from existing customers, capture new business opportunities and become a full optical systems solutions provider for defence primes in the UK, US and EMEA."

OUTSOURCING

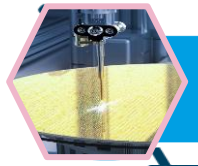
Proactive outsourcing of products earlier in their life cycle where technological sovereignty is not a differentiator

- Dedicated leadership and resources added
- Supply of acousto-optic products expanding
- Hi-Rel couplers further ramp-up in FY2025
- Partners qualified in Thailand, India and Czechia
- Growth plans to >25% of Group revenue



People	Self-Help	Technology	Investment

VALUE CREATION FROM TECHNOLOGY FOCUS


Expand AO in Semiconductor & EUV

Last-time buy of Pockels cells made in Cleveland, US

Grow fiber technology for Submarine Networks

Grow Optical System Business

Maximize Precision Optics with added value

Move up the value chain in Fiber-Optics

Become a leader in Bio-photonics IVD

- R&D spend £3.5m (H1 2024: £3.6m)
- Investment into innovation hubs and R&D organisation to enable strategy
- Technology roadmap focus reduced to 6 ‘vital few’ areas where G&H can differentiate and drive ‘value creation’
- Decision taken to exit Pockels cell manufacture for medical lasers due to lower cost Asian competition. Proactive last-time build underway.
- >£50m of margin accretive business from new products in these areas over the medium term

NEW PRODUCT SUCCESS – LIFE SCIENCES

OrganOx *metra* liver transplantation machine enables functional assessment of donor organs prior to transplant reducing early allograft rejection and improving transplantation logistics for both transplant recipients and hospitals

- G&H awarded design for manufacture, regulatory qualification support and full production of the Organox *metra* machine
- Successful accelerated ramp-up to volume mass production following Organox's FDA regulatory approval for US market expansion
- Supporting development of next generation kidney transplant machine

"G&H is an excellent fit for us given their track record of successfully bringing medical devices to market, coupled with their UK headquarters and US presence." Craig Marshall, CEO Organox

People	Self-Help	Technology	Investment

ACQUISITION OF GLOBAL PHOTONICS

- G&H to acquire Global Photonics for $17.5m
- Well-regarded privately owned US precision optics business
- CY24 revenue $11.1m with normalised EBITDA $1.8m
- Proven optical systems designer and manufacturer
- Experienced team of 38 employees
- Located near Tampa in Florida, a hub for photonics talent
- Well-invested facility with lithography and coating capabilities
- Long standing relationship with tier one US A&D customers

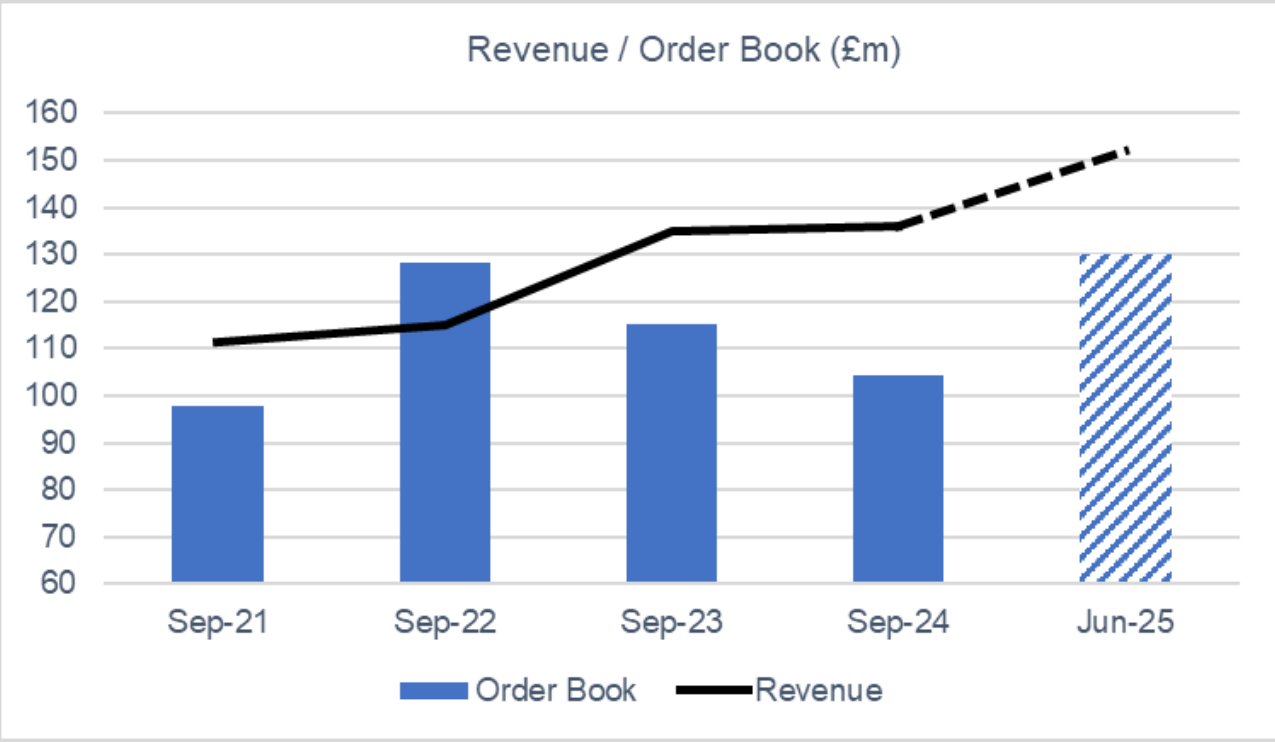
"This acquisition accelerates our plan to become the partner of choice for high-precision optical systems in UK, EMEA and US. It will open exciting new growth channels in North America."

STRATEGY ACCELERATOR - GLOBAL PHOTONICS

- ‘Speed to value’ strategic Optical Systems acquisition
- M1A2 ICWS periscopes and fire control system optics
- Revenue synergies through combined commercial pipeline
- Scalable ‘Made in USA’ footprint and capacity
- USA laser protection coating centre of excellence
- Replicates success of UK optical systems hub in USA
- G&H Stingray technology centre in Keene, New Hampshire
- Volume manufacture of imaging & sighting systems in Tampa

“Global Photonics is a strong strategic and operational fit for G&H, bringing deep application expertise, strong relationships with US defence primes and complementary manufacturing capabilities.”

FULL YEAR OUTLOOK



*Continuing Operations - adjusted to remove EM4 / * Current order book and forecast revenue*

- Order book remains strong, especially for the Group's transformed A&D business
- US tariffs and consequent retaliatory measures from China and other nations are fluid and increasing near-term uncertainty and disruption
- Semiconductor market recovery further delayed
- >95% cover for full year revenues
- Current order book >£125m

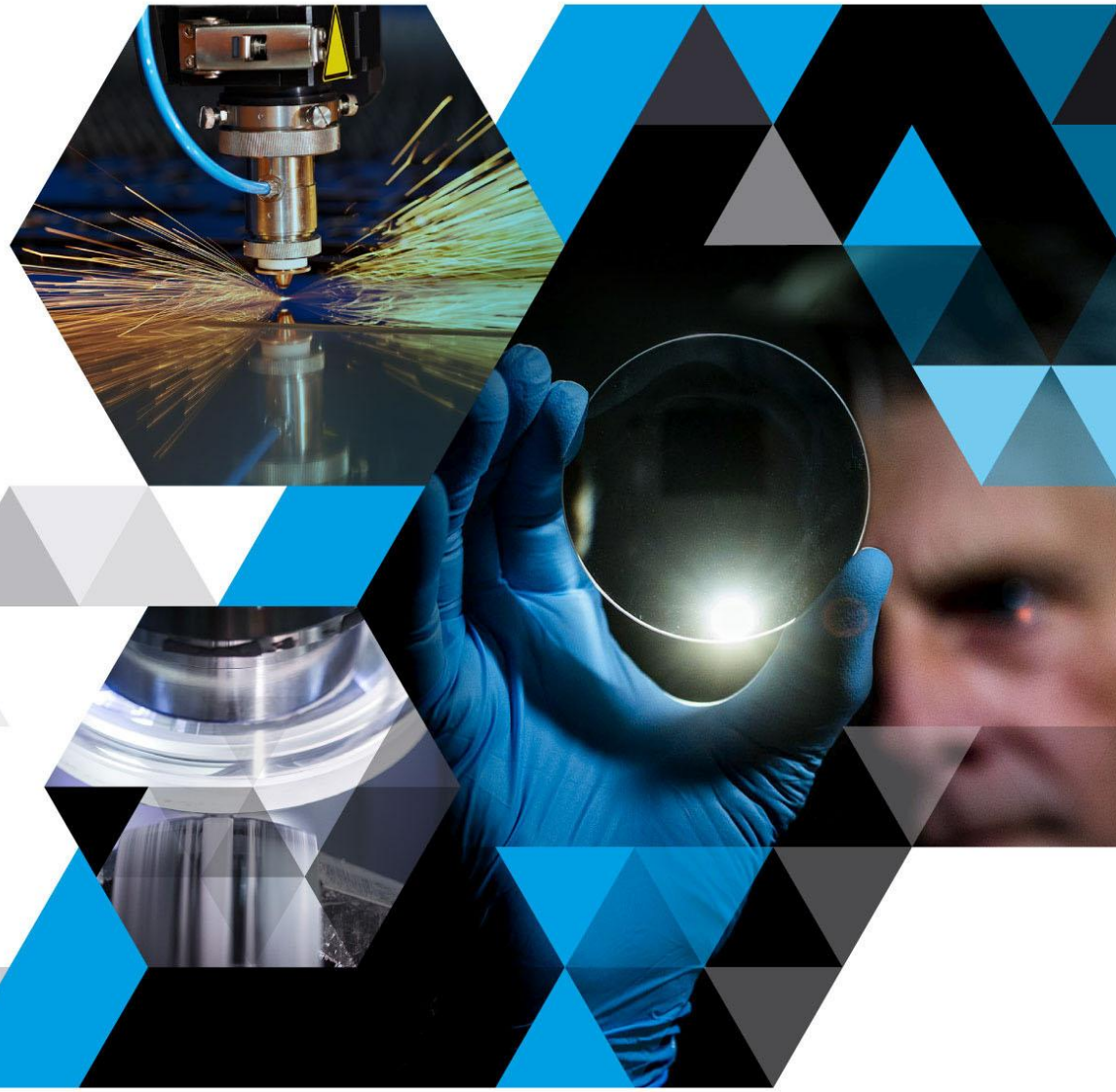
"G&H is well-positioned to benefit from recovering demand levels in our Industrial and Life Sciences markets. Our A&D business is seeing multi-year strong demand for our optical systems, advanced coatings, ring laser gyros, armoured vehicle periscopes and our imaging solutions for air, sea and land equipment."

SUMMARY

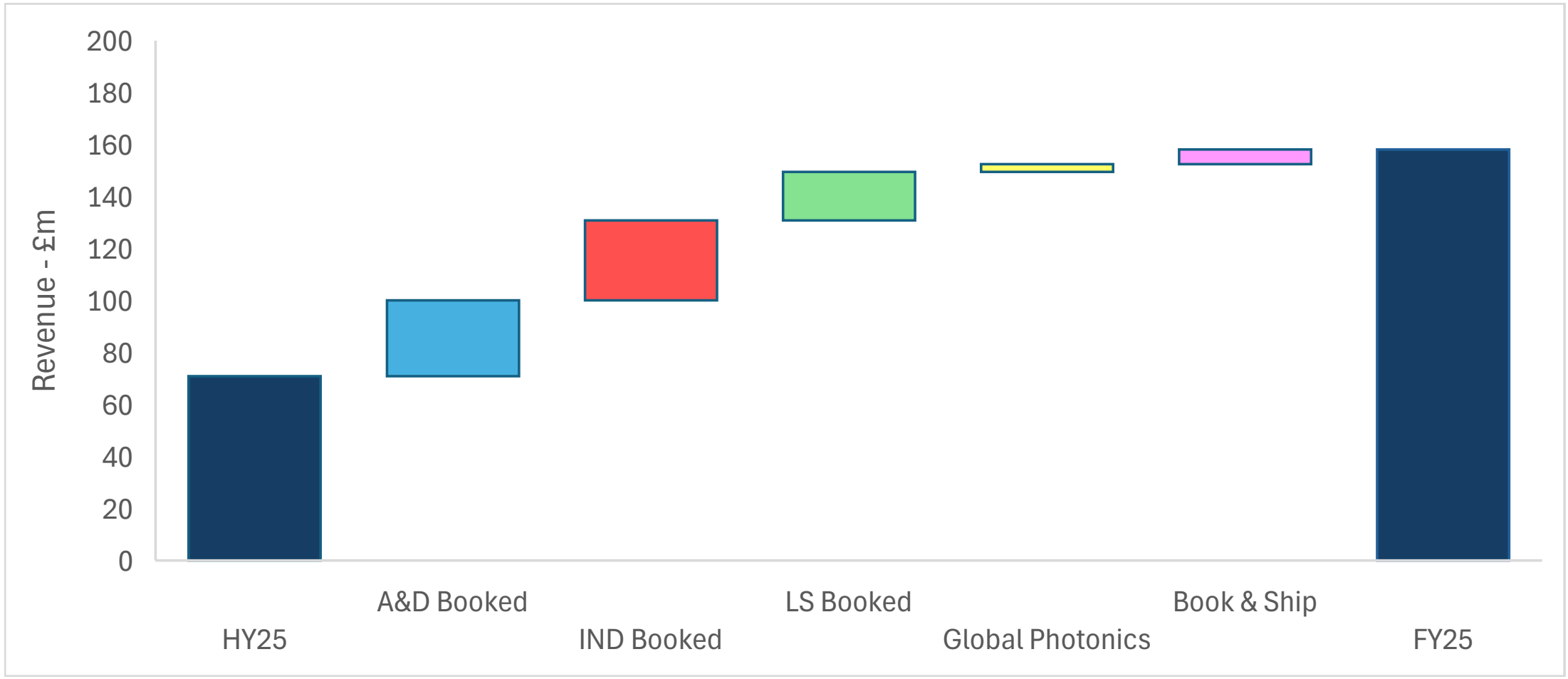
- Operational improvements position G&H well to benefit from upturn in semiconductor and other markets
- Further progress with outsourcing strategy and ‘speed to value’ portfolio activities
- Engineering resources focused on customer-led next generation accretive development projects
- ‘Value creation’ synergies from acquisitions underway with Global Photonics enhancing our US offering
- Exciting pipeline of significant new multi-year contract opportunities

“Medium-term market dynamics for our technologies and capabilities in all our target sectors remains strong supported by the progress that we continue to make with delivering against our strategy.”

APPENDICES



REVENUE BRIDGE – HY 2025 TO FY 2025E



- FY2025E revenue substantially booked

FINANCIAL GUIDANCE – YEAR ENDING SEPT 2025

- Capital expenditure
  - Circa £7m-8m
- Research & Development
  - Circa £7m (5% of revenue)
- Tax
  - Adjusted effective tax rate of 23-24%
- Foreign exchange
  - USD 1 cent = £0.7m revenue and £0.05m operating profit impact

STRATEGIC PROGRESS DASHBOARD - FY 2022 TO FY 2024

PEOPLE	FY2022	FY2023	FY2024	RAG
Open Positions	78	52	24	
ISO14001 Accreditions	1	3	5	
HRIS Implementation	-	-	US Sites	
Employee Engagement Survey	-	-	78%	
Scope 1&2 Emissions/Rev tCO2e (£m)	31.6	21.1	18	

TECHNOLOGY	FY2022	FY2023	FY2024	RAG
R&D Investment (£m) excluding EM4	7.2	7.4	7.8	
R&D Investment (% Sales)	6.2%	5.5%	5.8%	
New Products Revenue (£m)	17.9	23.7	25.3	
New Products (Number)	54	57	48	

PEOPLE | **SELF-HELP** | **TECHNOLOGY** | **INVESTMENT**

SELF-HELP	FY2022	FY2023	FY2024	RAG
Average Leadtime PO (weeks)	42	30	18	
Factory Pastdue Backlog (£m)	11.2	5.5	3.2	
On Time Delivery	67.4%	81.1%	83.9%	
Sites Achieving Efficency Target (%)	33%	45%	56%	
Outsourcing (LCR) Revenue	<5%	7.7%	8.5%	
Customer Survey NPS	10	11	42	

INVESTMENT	FY2022	FY2023	FY2024	RAG
Net Cap Ex (£m)	6.7	5.8	5.2	
Portfolio Adjustments / M&A	0	3	2	
Cash Conversion (Op Cashflow less Capex/EBITA)	-28%	77%	86%	
Debt Leverage (Net Debt / EBITDA)	0.7	1.1	0.9	

ESG - A RESPONSIBLE BUSINESS

Environment

- Carbon intensity emissions reduced by 13.9%
- Migration of more sites to renewable electricity supplies
- Scope 3 measurement commencing
- Two more sites working towards ISO 14001 – Environmental Management

Social

- Completed the roll out of new HR Information System
- One stop shop for all employee management and training activities

Governance

- Governance compliance training rolled out using our new HR Information system

“We work to maintain the highest standards of corporate governance and ensure we operate in an ethical and responsible way.”

INVESTOR TIMETABLE

- 25 July 2025 – Interim Dividend Payment Date
- 7 October 2025 – Full Year Trading Update
- 2 December 2025 – Preliminary Announcement

CAUTIONARY STATEMENT

- For the purposes of the following disclaimers, references to this ‘document’ shall be deemed to include references to the presenters’ speeches, the questions and answers session and any other related verbal or written communications.

- This document contains forward-looking statements. These have been made by the Directors in good faith based on the information available to them up to the time of their approval of this document. The Directors can give no assurance that these expectations will prove to have been correct. Due to the inherent uncertainties, including both economic and business risk factors underlying such forward-looking information, actual results may differ materially from those expressed or implied by these forward-looking statements.

- The Directors undertake no obligation to update any forward-looking statements whether as a result of new information, future events or otherwise.

G&H