For immediate release **19 February 2020**

Gooch & Housego PLC
("G&H" or the "Company")

AGM Trading Update

"Continued progress despite challenging industrial sector environment"

Gooch & Housego PLC (AIM: GHH), the specialist manufacturer of photonic components & systems, will hold its Annual General Meeting at 11.00am today at the Company's headquarters in Ilminster, Somerset.

Current trading and outlook

During the first four months of the financial year trading reflected previously reported trends. A challenging macro-economic environment for our industrial laser sector contrasts with high levels of demand for fibre optics, hi-reliability fibre couplers used in undersea cables and our A&D and life science capabilities.

Technical innovation in industrial laser end markets and new laser-based manufacturing techniques are expected to ultimately drive improved demand. Some industrial laser sub-sectors, such as semiconductors have started to show signs of improvement. The impact of the coronavirus is difficult to quantify at this stage, given factories in China are only just reopening after an extended New Year holiday, but it may act as a 'drag' on this sector's short term performance.

The Company's hi-reliability fibre coupler business has a full order book for the current financial year and we are looking at ways of increasing capacity still further for FY 2021. Our A&D business is reaping the benefits of the investment made last year to accommodate new US A&D contracts. Life sciences continues to perform strongly, in particular our ITL business, acquired in August 2018.

Overall we expect to show progress on last year's result and we will continue to monitor the potential impact of the coronavirus on our industrial laser products. We will provide further updates throughout the year.

As at 31 January 2020 our order book was at £94.1 million (31 January 2019: £91.4 million), an increase of 3.0% over the same period last year.

Continued execution of our strategy

Our longstanding strategy is to diversify our business and move up the value chain. We continue to make considerable progress on both these counts. A&D represents around a third of our revenue and life sciences continues to grow strongly, now representing over 20%. Systems or sub system products now represent over a third of our revenue, boosted by the systems engineering capability acquired with ITL.

G&H remains committed to investing in manufacturing cost reduction programmes, increasing hi-reliability fibre coupler capacity, A&D, life science and systems capability and high return R&D projects.

Financial strength

The Company remains in a strong financial position, which will allow us to continue to make further organic and acquisitive investment in line with our strategic objectives.

Mark Webster, Chief Executive Officer of Gooch & Housego, commented:

"Trading in the first four months reflects a challenging macro-economic environment for industrial lasers, contrasting with high levels of demand for fibre optics, hi-reliability fibre couplers for undersea cables and our A&D and life science capabilities.

"Technical innovation, such as 5G and new laser-based industrial manufacturing techniques will ultimately drive improved demand in the industrial laser sector. We remain confident in the long term growth potential for our chosen photonic technologies in all of our target sectors.

"G&H will continue to pursue further progress on our long term goals of greater diversification and moving up the value chain".

For further information contact: -

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Notes to editors

1. Gooch & Housego is a photonics technology business headquartered in Ilminster, Somerset, UK with operations in the USA and Europe. A world leader in its field, the company researches, designs, engineers and manufactures advanced photonic systems, components and instrumentation for applications in the Aerospace & Defence, Industrial, Life Sciences and Scientific Research sectors. World leading design, development and manufacturing expertise is offered across a broad range of complementary technologies.

2. All financial information included in this announcement is sourced from unaudited management accounts and excludes any specific items. This announcement contains certain forward-looking statements that are based on management's current expectations or beliefs as well as assumptions about future events. These are subject to risk factors associated with, amongst other things, the economic and business circumstances occurring from time to time in the countries and sectors in which G&H operates. It is believed that the expectations reflected in these statements are reasonable but they may be affected by a wide range of variables which could cause actual results, and G&H's plans and objectives, to differ materially from those currently anticipated or implied in the forward-looking statements. Investors should not place undue reliance on any such statements. Nothing in this announcement should be construed as a profit forecast.