



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

Full Year Trading Update

"Trading slightly ahead of expectations"

Gooch & Housego PLC (AIM: GHH), the specialist manufacturer of photonic components & systems, announces that trading for the year ended 30 September 2020 is expected to have ended slightly ahead of management's previous expectations. The Company will announce its results for the year ended 30 September 2020 on 1 December 2020.

Trading

Trading during the financial year ended 30 September reflected previously reported trends.

The Group's manufacturing locations in the UK, USA and China are now all fully open and trading levels in the latter part of the financial year reflected the recovery in the Company's manufacturing capacity and some of our larger customers' manufacturing sites reopening.

G&H has entered its new financial year with a solid order book. As at 30 September 2020 it stood at £92.4 million (30 September 2019: £94.4 million), 2.2% lower than same period previous year, or an increase of 0.8%, excluding the impact of foreign exchange.

Orders for fibre optics, hi- reliability fibre couplers for undersea cables and our A&D and life science capabilities remain robust. There continues to be improved demand for medical diagnostics, in particular for ventilator systems. Industrial laser demand remains at below 'normalised' levels, though the semiconductor subsector has demonstrated sustained improvement.

Priorities in the COVID-19 emergency

Our primary concern during the emergency is the health and safety of our staff, customers and suppliers. Extensive measures have been put in place at all of our sites to ensure we rigorously meet social distancing and cleanliness requirements and all other relevant guidelines and regulations.

Financial strength

The Company remains in a good financial position with a strong balance sheet and liquidity levels that have improved during the period.

Outlook

There remains significant global economic uncertainty in the short term due to the COVID-19 emergency, but our order book remains robust. Our telecommunications, A&D and life science businesses have held up well during the period, whilst industrial laser recovery remains difficult to predict.

Improved industrial laser demand will be driven by technical innovation such as 5G and new laser based manufacturing techniques. There remains substantial long term growth potential for our photonic technologies and system capabilities in all of our target sectors.

The streamlining of our manufacturing sites is on schedule and will deliver the profit improvements previously announced.

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

“We continue to be very proud of the way that our staff and management have responded to the COVID-19 emergency. All of our sites in the UK, USA and China are open and fully compliant with all relevant health and safety requirements.

“While there remains considerable short term economic uncertainty our order book remains robust, the Company’s balance sheet has strengthened during the period and we have continued to invest in our high priority R&D targets.

“The COVID-19 emergency has validated G&H’s long term strategy of diversification and moving up the value chain. We will continue to pursue this policy through internal investment and where appropriate, acquisitions.”

For further information contact: -

Mark Webster/Chris Jewell	Gooch & Housego PLC	01460 256440
Mark Court/ Charlotte Slater	Buchanan	020 7466 5000
Chris Baird/Patrick Robb/	Investec Bank plc	020 7597 5970
David Anderson		

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.