



Annual report and accounts **2019**



# CHAIRMAN'S FOREWORD

In 2019 we achieved robust underlying<sup>1</sup> financial results, safe and strong performances and agreed important new business with our customers. This comes against a backdrop of market and geopolitical challenges. In 2020, Urenco celebrates the 50th anniversary of the Treaty of Almelo, the international agreement that set up the company.

## Global enrichment market

With nuclear energy providing approximately 10% of the world's electricity<sup>2</sup>, it is vital that the nuclear industry receives a cost effective and diverse supply of uranium enrichment services as an integral part of the nuclear fuel cycle. Nuclear is the world's second largest source of low-carbon power<sup>3</sup> and Urenco has a key role in sustaining this.

The enrichment market remains challenging, with lower prices increasingly reflected in the reduced value of our contract order book. Enriched uranium inventories mean that the market has excess capacity. We have adjusted the operation of our enrichment facilities to take account of the current market demand and are efficiently using uranium feed. Enriched uranium inventories are forecast to decrease in the mid-term. In 2019, we accepted new business at levels that will enable us to reinvest in our enrichment facilities. We have once again fulfilled all of our delivery commitments and our customer satisfaction remains high.

## Political environment

We are well prepared for the UK's withdrawal from the European Union (EU) and Euratom Treaty. We have ensured our products are in the right locations across the world and have built up our stock of critical items.

Germany is continuing to phase out nuclear power. We are in regular contact, and communicating transparently, with the German authorities. We are confident that we are demonstrating our long-term, sustainable commitment to our operations in Germany and the positive contribution they make to the German economy, particularly in relation to the retention of skills and advanced technology.

In the United States, we are engaging with policy makers, on the nuclear fuel cycle and the future of uranium mining in the country. We are carefully analysing the debates to determine any potential impact they may have on our business activities and will continue to maintain our deliveries to US customers and others around the world.

## Our positioning

We are a geographically diverse supplier with the benefit of four enrichment facilities in the UK, Germany, the Netherlands and the USA. This gives us unique expertise, diversity of supply and the ability to manage market and geopolitical risks. Our additional services in responsible nuclear stewardship and the production of stable isotopes, strengthen our position as a global leader in the nuclear industry.

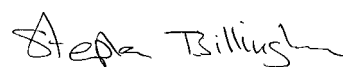
## Our people

Our employees' development is vital for the continued long-term success of Urenco. We are constantly developing the internal training and progression programmes we offer. A key project in 2019 was a refresh of our values and brand to reflect our future direction. The result was based on the views of our employees and our main external stakeholders.

We are also strongly committed to investing in apprentices and new graduates. We now have more than 50 working across the organisation. Our global education initiative, the Richie programme, continues to thrive and we are strengthening our partnerships with the schools involved.

Our new Chief Executive Officer (CEO), Boris Schucht, joined us in May from 50Hertz in Germany and brings years of experience in the energy sector in Europe. 2020 will be my final year as Chairman of Urenco having joined the Board in 2009. In 2020 we will also be celebrating 50 years of Urenco. This is a significant achievement and preparations are underway to celebrate this milestone.

In my 11 years on the Board, I have been proud of and continuously impressed by the energy, expertise and commitment of our employees, whom I thank on behalf of the Board. Urenco has a bright future and I look forward to seeing the company continue to service the nuclear industry for the next 50 years.



**Stephen Billingham, CBE**  
Chairman

<sup>1</sup> Underlying financial results relates to the financial results pre-exceptional items recorded in 2019.

<sup>2</sup> <https://www.world-nuclear.org/information-library/current-and-future-generation/nuclear-power-in-the-world-today.aspx>

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