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CREDIT OPINION
30 March 2022

Update

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Urenco Ltd.

Update to credit analysis

RATINGS

Urenco Ltd.

Domicile	Stoke Poges, United Kingdom
Long Term Rating	Baa1
Type	LT Issuer Rating - Dom Curr
Outlook	Stable

Please see the ratings section at the end of this report for more information. The ratings and outlook shown reflect information as of the publication date.

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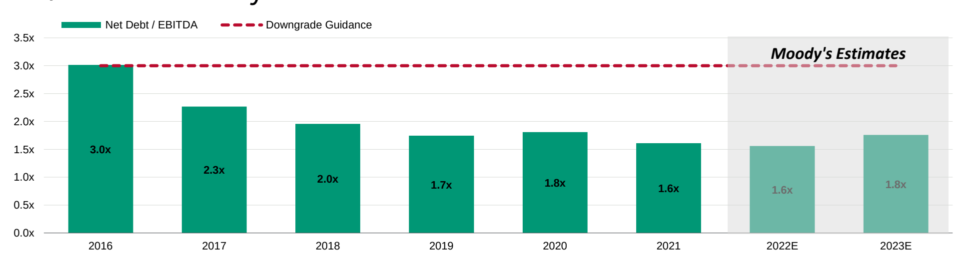
Summary

Urenco Ltd.'s (Urenco) Baa1 rating reflects the company's leading position in the concentrated global market for uranium enrichment services, which has high technological and capital entry barriers and benefits from the highly regulated nature of the industry. The rating also includes a one-notch uplift from the Baseline Credit Assessment (BCA) of baa2, reflecting our assumption of moderate government support from the sovereign shareholders, the Government of the United Kingdom (Aa3 stable) and the Government of the Netherlands (Aaa stable), as well as the company's low dependency on the UK and Dutch economies. In the aftermath of the Fukushima nuclear accident, trading conditions in the global enrichment market markedly deteriorated. This led to significant oversupply and large surplus inventory, which exerted substantial downward pressure on market prices for enrichment contracts, although prices have now bottomed out. Russia's invasion of Ukraine has the potential to disrupt the wider uranium enrichment market; however, many customers could see Urenco as a more reliable partner than Russia's Atomenergoprom JSC (AEP, Caa2 negative).

We expect Urenco's revenue and operating profit to decline in the mid-2020s. However, visibility into Urenco's cash flow generation remains good because its sales are substantially contracted for the next three to four years, although at lower prices. We expect Urenco to generate a robust annual operating cash flow of €750 million-€900 million over 2022-23. Stable capital spending of €150 million-€170 million per year and dividend payments in line with the company's stated financial policy should result in annual free cash flow (FCF) generation of €300 million-€400 million for 2022-23. We forecast that Moody's adjusted net debt/EBITDA will remain below 2.0x in 2022-23 as a result of lower financial debt and adjustments related to tails and decommissioning liabilities, offsetting the projected lower EBITDA generation.

Exhibit 1
Debt repayments and high projected cash balances should help keep Urenco's adjusted net debt/EBITDA comfortably below 3.0x



Sources: Moody's Financial Metrics™ and Moody's Investors Service estimates

Credit strengths

- » Urenco has leading market positions in key Western European and US markets, a well-diversified customer base, technological leadership and a strong order book extending into the 2030s.
- » Reduction in capital spending requirements and stable dividends support the company's FCF and resulted in substantial debt reduction in recent years, in line with its conservative financial policy.
- » Moderate government support reflects potential credit backing from its UK and Dutch state owners in a stress situation, in the context of the supportive legal framework and stringent regulatory oversight governing uranium enrichment activities.

Credit challenges

- » Trading conditions in the global uranium enrichment market have weakened after the Fukushima accident amid significant oversupply and large surplus inventory.
- » Urenco's operating profit and cash flow are likely to deteriorate further as low prices in recent years for future enrichment contracts affects the company's top line.
- » Germany's exit from nuclear power poses a risk to the continued production of nuclear fuel in the country, mitigated by the geographical diversification of Urenco's portfolio of enrichment facilities.

Rating outlook

The stable outlook on the rating reflects our expectation that, despite the weak pricing environment, Urenco's operating profitability will remain resilient and that low capital spending requirements and stable dividends will enable the company to generate sizeable positive FCF and maintain low adjusted net leverage in the next few years.

Factors that could lead to an upgrade

An upgrade of the baa2 BCA is unlikely in the foreseeable future, considering the sustained pressure on market prices for future enrichment contracts and the expected decline in Urenco's revenue and EBITDA in the mid-2020s.

Factors that could lead to a downgrade

A downgrade of Urenco's baa2 BCA and the Baa1 issuer rating would depend on one or more of the following developments:

- » A faster-than-expected decline in revenue and a deterioration in operating cash flow, preventing the reduction in balance-sheet leverage that is required to maintain a solid financial profile in light of lower expected profitability
- » FCF turning negative, preventing debt reduction and resulting in higher adjusted net leverage above 3.0x in the coming years versus 1.6x as of year-end 2021
- » Changes in the company's sovereign ownership, which may lead to the elimination of the one-notch uplift to the BCA

Exhibit 2

KEY INDICATORS

Urenco Ltd.

	12/31/2016	12/31/2017	12/31/2018	12/31/2019	12/31/2020	12/31/2021	12/31/2022 Proj.
Revenue (USD Billion)	$2.1	$2.2	$2.3	$2.0	$1.9	$2.0	$1.7
PP&E (net) (USD Billion)	$5.6	$5.9	$5.6	$5.1	$5.2	$5.1	$4.8
EBITDA Margin	58.6%	60.7%	58.2%	65.2%	61.9%	56.9%	52.8%
ROA (Return on Average Assets)	8.2%	12.2%	12.5%	12.6%	11.1%	9.3%	6.3%
Debt / EBITDA	3.2x	2.3x	2.4x	2.4x	2.9x	2.7x	2.6x
RCF / Debt	18.1%	24.0%	29.2%	29.4%	20.4%	23.8%	22.8%
EBITDA / Interest Expense	8.3x	10.0x	12.6x	14.4x	14.2x	13.3x	13.2x

All ratios are based on adjusted financial data and incorporate Moody's Global Standard Adjustments for Non-Financial Corporations.
Sources: Moody's Financial Metrics™ and Moody's Investors Service estimates

Profile

Urenco Ltd. was created in 1971 following the collaboration agreement signed between the governments of the UK, Germany (Aaa stable) and the Netherlands to combine their activities in the development and exploitation of the gas centrifuge process for the production of enriched uranium. Therefore, Urenco is one-third owned by the UK government, one-third by the Dutch government and one-third by German utilities RWE Power AG, a 100% directly owned subsidiary of RWE AG (Baa2 stable), and PreussenElektra GmbH, which is 100% owned by E.ON SE (Baa2 stable).

Headquartered in Stoke Poges, UK, Urenco is an international supplier of enrichment services to power utility customers that typically supply it with natural uranium, uranium hexafluoride (UF_6), which Urenco then enriches to international specifications for use in nuclear power stations. The company supplies more than 50 customers in 21 countries from its operations spread across four sites in four countries, including Almelo in the Netherlands; Capenhurst in the UK; Eunice, New Mexico in the US; and Gronau in Germany. Urenco started uranium oxide production at its new Tails Management Facility (TMF) in late 2021. The TMF is a major investment for the company's management of nuclear materials, providing the deconversion and storage of the by-product formed by the enrichment process.

With a current enrichment capacity of 18.1 million separative work units (SWUs, the standard measure of the effort required to increase the concentration of the fissionable U_{235} isotope) per year, Urenco is one of the four main companies in this market, alongside the French group Orano SA (formerly Areva NC); Russian groups TENEX and TVEL (both fully owned by AEP); and China National Nuclear Corporation.

Urenco is the holding company for the Urenco Group, which comprises the following:

» Urenco Enrichment Company Ltd. (UEC), which supplies enrichment services from the group's European sites;

» Urenco USA Holdings Ltd, the holding company for the group's operations in the US;

» Enrichment Technology Company Ltd. (ETC), a 50:50 joint venture with Orano that manufactures and supplies the centrifuge enrichment technology;

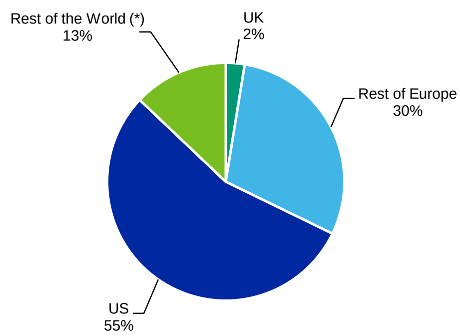
» Urenco ChemPlants, a wholly owned subsidiary that owns and operates the group's TMF in the UK for the safe disposal of uranium enrichment's by-product; and

» Urenco Nuclear Stewardship, which is responsible for the management of nuclear materials, decommissioning and recycling.

Urenco reported revenue of €1,669 million in 2021 (€1,700 million in 2020), while its Moody's-adjusted EBITDA was €950 million for the same period (€1,053 million in 2020). The group's order book amounted to €8.7 billion, corresponding to around five years of revenue based on the 2021 level.

Exhibit 3

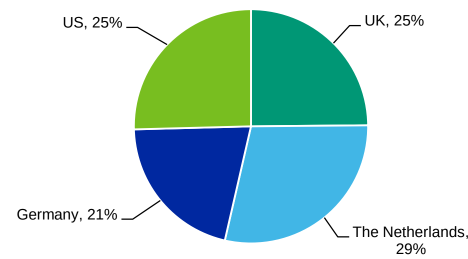
More than half of its 2021 revenue was generated from the US market



(*)Rest of the World is predominantly Asia.
Source: Urenco's 2021 Annual Report

Exhibit 4

Urenco's installed enrichment capacity is evenly balanced across its four sites



Source: Company

Detailed credit considerations

The global uranium enrichment market has bottomed out after years of oversupply

Through the 2010's, Urenco executed a programme of investment-led growth, which included the construction of sizeable production facilities in the key US market, as well as capacity additions in Europe. As of year-end 2021, the company had a global capacity of 18,100 tonnes of separative work per year (tSW/a), which accounted for around 30% of the global market for uranium enrichment services, compared with around 19% in 2005.

Capacity additions and steady price increases implemented in the supply-driven enrichment market, prevailing until the Fukushima accident in 2011, have allowed Urenco to deliver steady growth in revenue and position its adjusted EBITDA margin in the mid-50s to low-60s in percentage terms on average in the past decade. The strong margin reflects the high barriers to entry in the industry as a result of its high capital intensity and protected technological know-how. The Treaty of Almelo safeguards Urenco's centrifuge technology from free dissemination and arguably provides more effective protection than patent laws.

However, following the Fukushima nuclear accident in 2011, trading conditions deteriorated as the global enrichment market faced oversupply. While Japan has been struggling to reopen its nuclear plants, several European countries have reduced their commitments to nuclear power, especially Germany, which decided to entirely phase out nuclear power by 2022. At the same time, the US nuclear plants have been under pressure from a combination of low natural gas prices and a push towards renewable energy, despite federal government incentives supporting new nuclear generation. The state-owned Chinese operator China National Nuclear Corporation has built a small but significant position in the enrichment market in the last few years. According to the World Nuclear Association, it should account for around 16% of the market in 2020 and has the potential to develop into a stronger competitor over the next few years, particularly because a large part of the new demand for enrichment services is likely to come from China.

The enrichment market had built a sizeable surplus inventory in the aftermaths of the Fukushima accident, which started to unwind over the last couple of years. This has exerted significant downward pressure on market prices for future enrichment contracts. SWU spot prices reached a low of $34/kgSWU in 2018 from more than $150/kgSWU as of year-end 2010. As a result, the company will generate lower revenue and profit on new orders, which will weigh on its financial results in the late 2020s. However, SWU spot prices are gradually recovering since 2018, and average SWU spot prices increased to around $59.50/kgSWU as of year-end 2021. While uranium enrichment services will remain Urenco's core business, the company plans to further strengthen its presence in some ancillary activities, such as nuclear stewardship, next-generation fuels and stable isotopes.

No major disruptions from Brexit and the coronavirus pandemic; Russia's invasion of Ukraine could affect the uranium market

Urenco mitigated the potential risk from the UK's withdrawal from the EU and the Euratom, for example, by stock and equipment build-ups to ensure operational continuity at the UK plant and export licences to grant customer deliveries. As a result, Urenco did not experience any significant disruptions to its operations. With regard to a post-Brexit legal system, a civil Nuclear Cooperation Agreement (NCA) between the UK and Euratom has been agreed. At a national level, the UK has implemented international safeguard agreements with the International Atomic Energy Agency, as well as NCAs with the US and Canada, to secure ongoing nuclear trading activity after Brexit. These agreements are specifically relevant to Urenco because of the UK government's 33.3% ownership stake in the company and because around 25% of Urenco's enrichment capacity, as well as the newly built TMF, are in the UK. These assets serve not only the UK customers but also foreign markets, including customers in the EU. Accordingly, having these agreement in place ensures that Urenco's European sites can continue to work together efficiently as part of the company's global organisation.

Also, the company did not experience any major disruptions from the pandemic because uranium enrichment services have a critical infrastructure status, in particular in the Netherlands and the UK. The company does not rely on a large number of employees to run its day-to-day business. Hence, social distancing requirements are relatively easily to maintain.

Russia's invasion of Ukraine has the potential to affect the global uranium and uranium enrichment market. Russia is a minor producer of uranium ore, accounting for only around 5% of the global production. However, the world's largest producer, Kazakhstan, produces more than 40% of global uranium ore, and most of Kazakhstan's uranium ore production is transported via Russia before being exported. Uranium prices have risen sharply over the last few months, driven by the protests in Kazakhstan in early 2022 and Russia's invasion of Ukraine. In addition, Russia's AEP accounts for around 40% of the global uranium enrichment capacity and supplies many nuclear power plant operators outside Russia. Although no sanctions have been issued to date, many customers — some of them are also supplied by Urenco — are looking to reduce their exposure to AEP, which could result in higher demand and higher prices for Urenco's nuclear enrichment services.

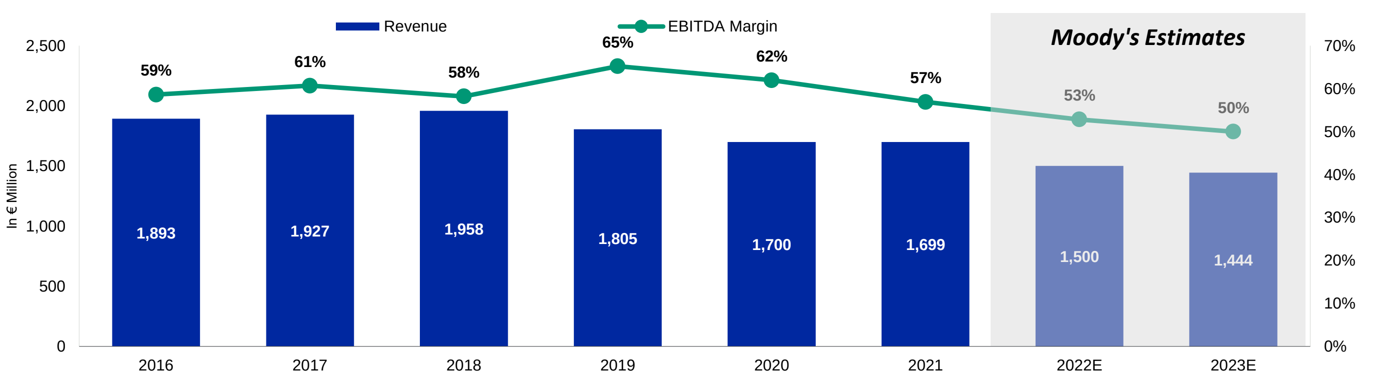
Urenco's deliveries of enriched uranium to its Ukranian customer National Nuclear Energy Generating Company of Ukraine (Energoatom) are currently suspended. However, this is of limited financial significance to Urenco because Energoatom represents only a small share of Urenco's revenue.

Sizeable order book underpins medium-term operating profitability and cash flow

Urenco has a high degree of visibility into revenue and cash flow at present. Although significantly down from a pre-Fukushima peak of €21 billion, its order book still had a value of around €8.7 billion (equivalent to around five years of the annual turnover based on the 2021 level) at contracted prices. Urenco's backlog extends into the 2030s and relies substantially on the existing nuclear plants and large customers, predominantly in key western markets. The customer base is reasonably diversified, with more than 50 utility customers in 21 countries, but reflects the geographical concentration of the nuclear industry. Proximity to clients is key to ensure the timely and continued delivery of enriched uranium to nuclear power plants.

Exhibit 5

Urenco benefits from high EBITDA margins of more than 50%



Source: Moody's Financial Metrics™ and Moody's Investors Service estimates

With sales for the next few years substantially contracted, the company has good cash flow visibility in the medium term. However, as contracts agreed before the market downturn decline gradually, Urenco's revenue and profitability are being increasingly hurt by the market downturn. However, Urenco mitigates the effect of lower SWU prices by using spare capacity to generate ancillary revenue from the sale of uranium feed material conserved through underfeeding, whereby centrifuges work harder to produce the same quantity of enriched uranium out of lower volumes of UF_6.

In response to the continued difficulties in the enrichment market, Urenco carried out a comprehensive strategic review of its business and market in 2016, setting out a range of actions aimed at improving future efficiency and productivity. As of year-end 2019, the company exceeded the targeted €300 million of cumulative cash savings and efficiencies across the business. Urenco's key areas of focus are now the expansion within the Asian region; additional cost reductions and efficiencies; and the development of uranium-related ancillary activities, where Urenco's presence is not significant yet. To support the execution of its strategy, Urenco established a new technology and development function in 2020.

In 2021, Urenco reported relatively resilient results, despite its revenue falling 1.8% to €1,669 million because of lower uranium volumes, which was not fully offset by higher SWU volume and higher realised SWU and uranium prices. Also, the revenue in 2020 benefitted from the receipt of one-off bankruptcy proceeds. Urenco's Moody's-adjusted EBITDA amounted to €950 million in 2021 (around 10% below the €1,053 million generated in 2020), reflecting lower revenue, as well as increased production costs and higher operating and administrative expenses, partially related to the ramp-up of the TMF's operations. Although Urenco's Moody's-adjusted EBITDA margin fell to 56.9% in 2021 from an extraordinary high level of 61.9% in 2020, it remained very strong.

We expect Urenco's revenue to decline significantly to around €1.5 billion and EBITDA to fall to around €800 million in 2022 because of the difficult market conditions in recent years, with contracts secured before the market downturn at higher contracted prices gradually maturing. For 2023, we project a further decline in revenue and EBITDA generation. Notwithstanding this projected deterioration, the company should be able to maintain a robust EBITDA margin above 50%. However, as mentioned earlier, the Russia-Ukraine crisis could result in higher uranium enrichment volumes for Urenco than currently foreseen.

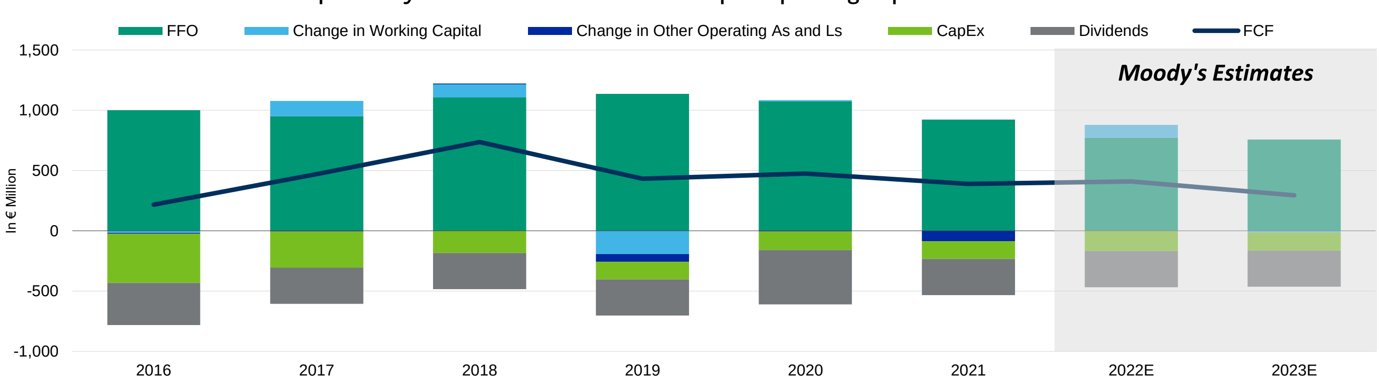
FCF generation enabled significant debt and leverage reduction in recent years

The large investment programme undertaken by Urenco led to a significant increase in financial leverage in the period through 2015, when Urenco's Moody's-adjusted total debt peaked at €3.95 billion (including €619 million for decommissioning and tail disposal provisions), with net debt/EBITDA at 3.1x.

However, since the completion of the third phase of the capacity expansion project in the US in 2015, Urenco's capital spending declined by about 70% to around €150 million annually (Moody's-adjusted) in 2019-21. Lower capital spending, combined with an annual dividend of €300 million between 2017 and 2019 and also in 2021 (the dividend was higher at €450 million in 2020 as Urenco also paid an interim dividend of $150 million for the year 2020 already in December 2020), allowed Urenco to generate cumulative FCF of €2.5 billion over 2017-21. Overall, the company has reduced its Moody's-adjusted total and net debt by €989 million and €1,812 million, respectively, since 2016. Accordingly, its leverage metrics have improved, with adjusted net debt/EBITDA falling to 1.6x as of year-end 2020 from 3.1x in 2015.

Exhibit 6

Positive FCF in 2022-23 is underpinned by resilient FFO and moderate capital spending requirements



Source: Moody's Financial Metrics™ and Moody's Investors Service estimates

We forecast cash flow from operations (FFO) of around €775 million in 2022, which is more than sufficient to cover moderate capital spending of around €170 million. Capital spending should remain low in 2022 and beyond because Urenco completed the construction of its nuclear TMF and no additional capacity expansions are currently budgeted for. After dividend payments of €300 million to its shareholders, we expect Urenco to remain FCF positive, with FCF of around €400 million in 2022. Urenco's FCF should be sufficient to meet its scheduled debt repayments when due while allowing for a discretionary build-up of cash to fund future nuclear decommissioning costs. As we project a continued decline in Urenco's Moody's-adjusted net debt, the company's Moody's-adjusted net debt/EBITDA metric should remain below 2x in 2022-23 despite declining EBITDA generation.

ESG considerations

Urenco's ratings also factor in the following environmental, social and governance (ESG) considerations.

As an owner and operator of nuclear enrichment facilities and the associated obligations towards the safe storage of nuclear tails, Urenco faces environmental risks, which, however, are well managed in our view. Its Moody's-adjusted debt figures include provisions for tail disposals and decommission of nuclear plant and machinery.

In April 2021, Urenco announced its commitment to net-zero carbon emissions in advance of 2040. In addition to regularly measuring and reporting on greenhouse gas emissions, the company will implement decarbonisation strategies in line with the targets of the Paris Agreement, including efficiency improvements, using more renewable energy, reducing material usage and implementing other carbon emission elimination strategies. For a credit perspective, Urenco's exposure to the energy transition will be determined by the future role of nuclear energy in the drive to achieve a net-zero economy. While policymakers' potential inclusion of nuclear energy in the future low-carbon energy mix could benefit the nuclear energy industry — and by extension — Urenco, we note that nuclear is a polarizing source of energy in some parts of the world.

The ratings factor in Urenco's conservative funding strategy and financial policy. Urenco aims to maintain solid liquidity through a combination of high cash balances (€1,076 million as of 31 December 2021, including short-term investments) and access to sizeable, long-term committed credit facilities. With regard to its funding strategy, the company's capital structure entails a mix of longer-dated debt that matches the long-term nature of the group's investments. Furthermore, Urenco uses a range of financial instruments to manage the foreign-currency risk it is exposed to, so as to reduce the volatility in income and cash flow. Finally, Urenco has a track record of managing its debt maturities by raising funds in advance of the ultimate repayment dates of debt instruments. Urenco's stated financial policy is geared towards the ambition to maintain a strong investment-grade rating and strong credit ratios to support its business in the long term. Dividend payments should not normally exceed earnings and should be set to protect the current Baa1 credit rating, with the option to be increased only if the rating capacity exists.

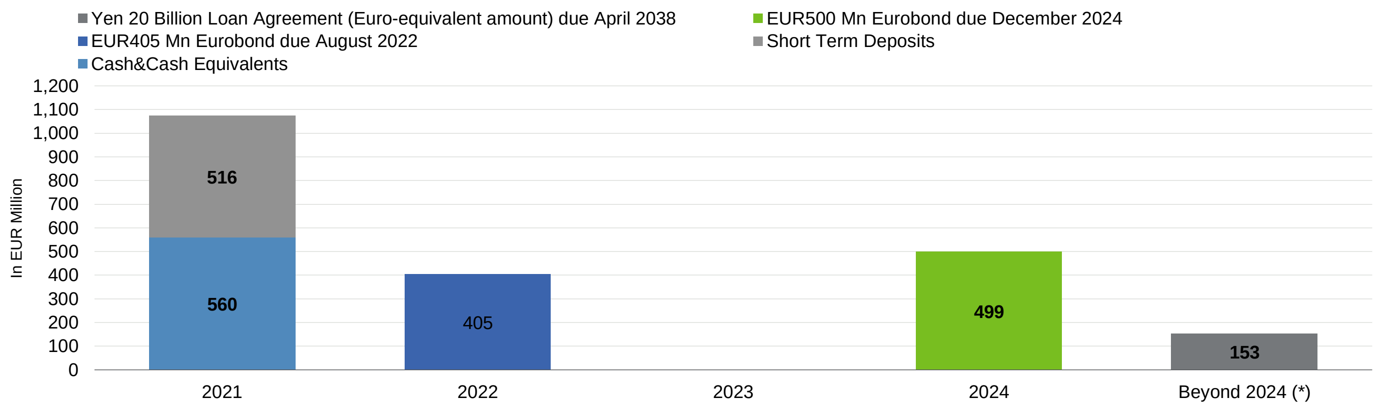
Urenco's board of directors comprises nine members, seven of whom are independent; however, all directors are nominated by the shareholders. The two executive directors elected into position by the board are Urenco's CEO and CFO. Each of Urenco's three shareholders appoints two non-executive directors, and the seventh is elected onto the board by the unanimous resolution of the shareholders and acts as chairman.

Liquidity analysis

Urenco's liquidity is strong. As of year-end 2021, the group reported a cash balance of €560 million and short-term bank deposits (which we consider cash-like) of €516 million. Furthermore, Urenco had access to a €500 million revolving credit facility, which is fully undrawn and matures in October 2026. The facility has no financial covenants. The company's notes and bank facility benefit from the change of control provisions.

During 2021, the company repaid the remaining amount of the €534.4 million eurobond, which matured in February 2021. In addition, in July 2020, Urenco repurchased and cancelled €95.0 million of the August 2022 eurobonds. Accordingly, the next debt maturity is the remaining €405 million of the €500 million eurobond, which is due to expire in August 2022 (see Exhibit 7). We expect the combination of Urenco's positive FCF and projected high cash balances over the next couple of years to be sufficient to cover the 2022 and 2024 debt maturities.

Exhibit 7
Urenco's next debt maturity falls due in August 2022



(*)¥20 billion loan agreement due April 2038, in euro equivalent as of 31 December 2021.
Source: Urenco's 2021 Annual Report

Application of GRI rating methodology

Urenco is one-third owned by the UK government, one-third by the Dutch government and one-third by German utilities RWE Power AG and PreussenElektra GmbH. As a result, Urenco qualifies as a government-related issuer (GRI). In accordance with our Government-Related Issuers Methodology, Urenco's Baa1 senior unsecured issuer rating reflects the combination of the following inputs: the company's BCA of baa2; the Aa3 local-currency rating, with a stable outlook, of the UK government; and the Aaa rating, with a stable outlook, of the Dutch government; and the company's low dependence on and moderate support from the sovereign shareholders.

Government support considerations

Our assessment of government support remains moderate and continues to reflect the strategic and sensitive nature of Urenco's activities for both the UK and the Dutch governments (each owns one-third of Urenco's share capital), specifically in terms of national security arrangements, sensitive information and legal restrictions on the scope of the company's activities.

The assessment recognises the fact that government ownership and the current legal framework require strong government oversight of the policies and operations of the company, with respect to the obligations of the governments on the nonproliferation of uranium enrichment technologies. However, our assessment of a moderate level of support also reflects our view that the complexity of the current shareholding structure will require international cooperation in designing support mechanisms and may constrain the timeliness of the preventive measures aimed at supporting the company as a going concern in a financial distress situation.

There have been discussions in the past with regard to the potential divestment by Urenco's core sovereign shareholders of their stake in the company. Although this would be credit negative for Urenco, these discussions have died down and are unlikely to be revived in the foreseeable future. Furthermore, any sale process would be further complicated by security and non-proliferation issues, which are unique to Urenco and remain the primary concern of governments and shareholders. The Treaty of Almelo provides a framework for the consistent operation of the company, and any change in ownership would have to adhere to the provisions of this treaty. In this context, we consider it appropriate to incorporate a one-notch uplift in Urenco's rating relative to its BCA.

Default dependence

The low default dependence assigned to Urenco reflects our assessment that events that may cause financial distress at Urenco are unlikely to be correlated to events that would cause a default either by the UK or the Dutch government. Therefore, low default dependence reflects the nature of Urenco's business activities, as well as the substantial geographical diversification of its revenue, which further limits the company's exposure to events related to either parent government.

Methodology and scorecard

Although there is no perfect rating methodology fit for Urenco's nuclear enrichment operations, we decided to apply our Chemical Industry rating methodology, which caters to some of the features of the uranium enrichment market.

Exhibit 8
Rating factors
Urenco Ltd.

Chemical Industry Scorecard	Current FY 12/31/2021 Measure	Current FY 12/31/2021 Score	Moody's 12-18 Month Forward View As of 3/24/2022 Measure	Moody's 12-18 Month Forward View As of 3/24/2022 Score
Factor 1 : Scale (15%)	**Measure**	**Score**	**Measure**	**Score**
a) Revenue (USD Billion)	$2.0	Ba	$1.7 - $1.8	Ba
b) PP&E (net) (USD Billion)	$5.1	Baa	$4.7 - $4.8	Baa
Factor 2 : Business Profile (25%)				
a) Business Profile	Baa	Baa	Baa	Baa
Factor 3 : Profitability (10%)				
a) EBITDA Margin	56.9%	Aa	52% - 53%	Aa
b) ROA (Return on Average Assets)	9.3%	Ba	6% - 8%	B
Factor 4 : Leverage & Coverage (30%)				
a) Debt / EBITDA	2.7x	Baa	2.6x - 3x	Baa
b) RCF / Debt	23.8%	Baa	21% - 23%	Baa
c) EBITDA / Interest Expense	13.3x	Baa	12x - 13x	Baa
Factor 5 : Financial Policy (20%)				
a) Financial Policy	Baa	Baa	Baa	Baa
Rating:				
a) Scorecard-Indicated Outcome		Baa2		Baa2
b) Actual Rating Assigned				Baa1
Government-Related Issuer	**Factor**			
a) Baseline Credit Assessment	baa2			
b) Government Local Currency Rating	Aaa/Aa3			
c) Default Dependence	Low			
d) Support	Moderate			
e) Actual Rating Assigned	Baa1			

All ratios are based on adjusted financial data and incorporate Moody's Global Standard Adjustments for Non-Financial Corporations. The forward view represents Moody's view, not the view of the issuer and unless noted in the text, does not incorporate significant acquisitions and divestitures.
Sources: Moody's Financial Metrics™ and Moody's Investors Service estimates

Appendix

Exhibit 9
Nuclear liabilities represent the largest adjustment to Urenco's reported financial indebtedness
Historical reconciliation between reported and Moody's-adjusted gross debt

(in EUR Millions)	FYE Dec-15	FYE Dec-16	FYE Dec-17	FYE Dec-18	FYE Dec-19	FYE Dec-20	FYE Dec-21
As Reported Debt	**3,219**	**2,872**	**2,164**	**1,902**	**1,715**	**1,615**	**1,087**
Pensions	71	143	81	46	65	57	31
Operating Leases	38	39	33	28	-	-	-
Non-Standard Adjustments	619	543	433	785	1,062	1,396	1,488
Moody's-Adjusted Debt	**3,947**	**3,596**	**2,711**	**2,761**	**2,843**	**3,068**	**2,607**

Source: Moody's Financial Metrics™

Exhibit 10
Historical breakdown of Moody's adjustments to EBITDA

(in EUR Millions)	FYE Dec-15	FYE Dec-16	FYE Dec-17	FYE Dec-18	FYE Dec-19	FYE Dec-20	FYE Dec-21
As Reported EBITDA	**1,160**	**994**	**1,177**	**1,106**	**520**	**1,050**	**964**
Pensions	5	3	(11)	6	6	(0)	(3)
Operating Leases	4	4	3	3	-	-	-
Interest Expense – Discounting	(46)	(51)	(56)	(59)	(69)	(69)	(68)
Unusual	(30)	110	10	30	659	6	(9)
Non-Standard Adjustments	49	50	46	54	62	67	66
Moody's-Adjusted EBITDA	**1,142**	**1,110**	**1,169**	**1,140**	**1,177**	**1,053**	**950**

Source: Moody's Financial Metrics™

Exhibit 11

Historical and projected evolution of Urenco's key financials and credit metrics

	FYE	FYE	FYE	FYE	FYE	FYE	FYE	FYE
(in EUR Millions)	2016	2017	2018	2019	2020	2021	2022 Proj.	2023 Proj.
INCOME STATEMENT								
Revenues	1,893	1,927	1,958	1,805	1,700	1,669	1,500	1,444
EBITDA	1,110	1,169	1,140	1,177	1,053	950	793	722
EBIT	618	824	809	821	724	619	410	350
Interest Expense	133	117	91	82	74	71	60	57
Net Income	204	395	477	502	459	320	216	176
BALANCE SHEET								
Total Debt	3,596	2,711	2,761	2,843	3,068	2,607	2,079	2,152
Cash&Cash Equivalents	253	59	531	787	1,159	1,076	843	882
Net Debt	3,343	2,652	2,230	2,055	1,909	1,531	1,236	1,270
CASH FLOW								
Funds from Operations	1,000	950	1,107	1,136	1,074	921	774	758
Change in Working Capital items	(16)	126	107	(194)	10	1	105	(14)
Change in Other Oper. As and Ls	(7)	(5)	7	(63)	(6)	(88)	-	-
Cash Flow from Operations	977	1,071	1,221	879	1,079	834	878	744
Capital Expenditures (CAPEX)	(410)	(302)	(185)	(147)	(154)	(145)	(169)	(149)
Dividends	(350)	(300)	(300)	(300)	(450)	(300)	(300)	(300)
Free Cash Flow (FCF)	217	470	736	432	475	389	409	295
Retained Cash Flow (RCF)	650	650	807	836	624	621	474	458
RCF / Debt	18.1%	24.0%	29.2%	29.4%	20.4%	23.8%	22.8%	21.3%
RCF / Net Debt	19.4%	24.5%	36.2%	40.6%	32.7%	40.6%	38.3%	36.0%
FCF / Debt	6.0%	17.3%	26.7%	15.2%	15.5%	14.9%	19.7%	13.7%
PROFITABILITY								
EBIT Margin %	32.6%	42.8%	41.3%	45.5%	42.6%	37.1%	27.3%	24.2%
EBITDA Margin %	58.6%	60.7%	58.2%	65.2%	61.9%	56.9%	52.8%	50.0%
INTEREST COVERAGE								
EBIT / Interest Expense	4.6x	7.1x	8.9x	10.0x	9.7x	8.7x	6.8x	6.1x
EBITDA / Interest Expense	8.3x	10.0x	12.6x	14.4x	14.2x	13.3x	13.2x	12.6x
LEVERAGE								
Debt / EBITDA	3.2x	2.3x	2.4x	2.4x	2.9x	2.7x	2.6x	3.0x
Net Debt / EBITDA	3.0x	2.3x	2.0x	1.7x	1.8x	1.6x	1.6x	1.8x

All ratios are based on adjusted financial data and incorporate Moody's Global Standard Adjustments for Non-Financial Corporations.

Sources: Moody's Financial Metrics™ and Moody's Investors Service estimates

Ratings

Exhibit 12

Category	Moody's Rating
URENCO LTD.	
Outlook	Stable
Issuer Rating -Dom Curr	Baa1
URENCO FINANCE N.V.	
Outlook	Stable
Bkd Senior Unsecured -Dom Curr	Baa1

Source: Moody's Investors Service

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CLIENT SERVICES

Americas	1-212-553-1653
Asia Pacific	852-3551-3077
Japan	81-3-5408-4100
EMEA	44-20-7772-5454

Moody's
INVESTORS SERVICE