

# news release

**Date:** 9 August 2023

## Urenco Group – Half Year 2023 Unaudited Financial Results

**London – 9 August 2023** – Urenco Group (“Urenco” or “the Group”), an international supplier of uranium enrichment services and nuclear fuel cycle products, today announces its results for the half year ended 30 June 2023.

### Summary

- Revenue at €700.3 million, EBITDA at €298.5 million up 13.8% and 6.6% respectively compared to first half 2022.
- Net income down at €32.7 million, predominantly due to increased depreciation charges following the reversal of impairment recognised at 31 December 2022.
- Order Book continues to grow and now stands at €12.0 billion, 11% up since the start of the year.
- Capacity expansion programme on track and new investment confirmed at our US site.
- S&P Global credit rating upgraded from BBB+ to A-.

### Financial Highlights

	<b>Six months to 30 June 2023 (unaudited) €m</b>	<b>Re-stated <sup>(iii)</sup> Six months to 30 June 2022 (unaudited) €m</b>
<b>Revenue</b>	<b>700.3</b>	615.4
<b>EBITDA<sup>(i)</sup></b>	<b>298.5</b>	280.0
<b>EBITDA margin - %<sup>(ii)</sup></b>	<b>42.6%</b>	45.5%
<b>Income from operating activities</b>	<b>107.7</b>	151.4
<b>Net income</b>	<b>32.7</b>	90.1
<b>Capital expenditure</b>	<b>97.0</b>	58.9
<b>Cash generated from operating activities <sup>(iii)</sup></b>	<b>268.5</b>	427.6

(i) EBITDA is defined as earnings before exceptional items, interest (including other finance costs), taxation, depreciation and amortisation and results of joint venture and other investments. Depreciation and amortisation are adjusted to remove elements of such charges included in changes to inventories and SWU assets and net costs of nuclear provisions.

(ii) EBITDA margin - % is defined as EBITDA divided by revenue

(iii) Cash inflows of €64.7 million previously recorded in Cash generated from operating activities have been re-stated to other sections of the cash flow statement. This is to correctly reflect the nature of the cash inflows and to be consistent with the presentation for the first six months of 2023.

**Boris Schucht, Chief Executive of Urenco Group, commenting on the half year results, said:**

“Urenco’s half year results for 2023 show positive momentum for the company in the new energy landscape.

We are acting on the growing support for nuclear and delivering more for our customers, as demand for low-carbon fuel increases. We are committed to supporting customers with their need for security of supply, which has become more pronounced since the Russian invasion of Ukraine. Coupled with the climate crisis and the resulting drive for the world to meet net zero targets, we are continuing to observe an increase in the value of our Order Book as we enter into contracts with existing and new customers for deliveries well into the future.

Urenco’s finances remain robust. Revenue of €700.3 million and EBITDA of €298.5 million are up on H1 2022 (€615.4 million and €280.0 million respectively), due to higher SWU and uranium sales prices and higher volumes of uranium delivered. Net income of €32.7 million is lower than H1 2022 (€90.1 million), primarily due to increased depreciation expenses, following last year’s reversal of impairment charges against our assets in the USA. We retain a strong balance sheet, with net cash at €622.2 million at the end of June 2023, down €5.0 million from 31 December 2022 (€627.2 million), after having paid €150.0 million in dividends to shareholders in March this year.

Our key priority is our capacity programme, which will refurbish and potentially expand the enrichment capacity at each of our four enrichment locations. We have already confirmed the first expansion project at our USA site, UUSA, in New Mexico, which is supported by contracts and will see new centrifuges coming online from 2025 onwards. The capacity programme will ensure we are fully equipped for future uranium enrichment requirements.

Urenco recognises that delivery is pivotal and to help achieve this, we are increasing our workforce, ensuring we have the right people and the skills in place to meet growing customer demand. As we do all of this, sustainability remains integral to Urenco and we have a clear roadmap to ensure we reach our net zero target on our direct emissions (Scope 1) by 2030, while rapidly ramping up our operations.”

**Outlook and Order Book**

Our role in the nuclear fuel cycle has become more fundamental with the need to decarbonise the world’s economies and the drive for energy independence and security in numerous countries. An unsustainable overdependence on fossil fuel imports has seen a change in mindset towards low-carbon nuclear energy in several countries, while other nations have decided to increase or diversify their existing enriched uranium supply, which we are capable of supporting.

SWU (enrichment) spot prices as reported by UxC are increasing. From \$125/SWU at the end of 2022, they have shown a rising trend and reached \$136/SWU in June 2023.

We are extending existing contracts and signing new ones to maintain and expand our customer base in current and additional markets. We have great visibility on future cash flows through the long-term nature of our order book. Extending to the 2030s, our order book value as of 30 June 2023 is €12.0 billion, based on €/€ of 1 : 1.09 (31 December 2022: €10.8 billion based on €/€ of 1 : 1.07).

As a responsible supplier, we have also commenced a project to expand our Tails Management Facility (TMF) in the UK to process greater tails volumes, which is the by-product of the enrichment process.

We are ramping up operations at our stable and medical isotopes facility to meet increased demand, especially for the medical sector. In addition, we are progressing towards producing advanced fuels for the next generation of nuclear reactors, with the first delivery confirmed for 2025.

We monitor the various political uncertainties that could impact us. We continue to engage with and be encouraged by the actions of several countries to actively support nuclear. In the first half of 2023, Canada, France, Japan, the UK and the US made a joint statement alongside the G7 Energy Ministers' Meeting to collaborate on nuclear fuel supplies. This was complemented by the leaders of the US and the UK issuing the *Atlantic Declaration* which specified the development of a civil nuclear partnership between the two countries.

In Ukraine, we will continue to provide support to our customer and its employees.

Our strategy remains focused on ensuring we continue to be a flexible, innovative supplier that can help deliver secure, low carbon and affordable energy to the world.

The principal risks for the Group for the six months ended 30 June 2023 are consistent with those mentioned in the consolidated financial statements of the Group for the year ended 31 December 2022.

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**The Half Year 2023 Unaudited Financial Results are available on the Urenco website.**

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## **About Urenco Group**

Urenco is an international supplier of uranium enrichment services, fuel cycle products and related solutions with sustainability at the core of our business. Operating in a pivotal area of the nuclear fuel supply chain for over 50 years, we understand the importance of energy security and facilitate the reliable delivery of low carbon electricity generation for consumers around the world.

With our head office near London, UK, Urenco's global presence ensures diversity and security of supply for customers through enrichment facilities in Germany, the Netherlands, the UK and the USA. Through our technology and the expertise of our people, the Urenco Group provides safe, cost effective and reliable services, operating within a framework of high environmental, social and governance standards, complementing international safeguards.

Urenco is making a positive contribution to global climate change goals through our core business and we are committed to achieving net zero carbon emissions by 2040.

We are committed to continued investment in the responsible management of nuclear materials; innovation activities with clear sustainability benefits, such as nuclear medicine, industrial efficiency and research; and nurturing the next generation of scientists and engineers.

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## **Disclaimer**

This press release is not intended to be read as the Group's statutory accounts as defined in section 435 of the Companies Act 2006. Information contained in this release is based on the 2022 Consolidated Financial Statements of the Urenco Group, which were authorised for issue by the Board of Directors on 8 March 2023. The auditor's report on the 2022 Consolidated Financial Statements of the Group was unqualified and did not contain a statement under section 498 of the Companies Act 2006. The Group's 2022 statutory accounts have been delivered to the registrar of companies.

This release and the information contained within it does not constitute an offering of securities or otherwise constitute an invitation or inducement to underwrite, subscribe for or otherwise acquire securities in any company within the Urenco Group.

Any forward-looking statements contained within this release are inherently subject to risks and uncertainties. Actual results may differ materially from those expressed or implied by such forward-looking statements and, accordingly, any person reviewing this release should not rely on such forward-looking statements.