



# 2022 Annual Results Presentation

Stephen Billingham, Chairman  
Boris Schucht, Chief Executive Officer  
Ralf ter Haar, Chief Financial Officer

March 2023

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[Click here to watch our corporate video.](#)

# Today's speakers

## **Boris Schucht**

*Chief Executive Officer*



- Appointed May 2019.
- 30 years in the energy sector.
- Previously CEO at 50Hertz, one of the German Transmission System Operators.
- More than 20 years in senior executive positions across Europe, including for the Vattenfall Group.
- Director of the World Nuclear Association.
- Member of the Supervisory Board of Flughafen Wien AG (Vienna Airport).
- Diploma in Mechanical Engineering from the University of Aachen.

## **Ralf ter Haar**

*Chief Financial Officer*



- Appointed November 2014.
- Previously worked as Senior Vice President and Corporate Controller at NXP Semiconductors and CFO Asia Pacific for Alcatel-Lucent.
- More than 30 years' experience in the energy sector, high tech industries and banking.
- Holds an MSc in economics and an LLM in business law from the Erasmus University Rotterdam.

- 
- CEO's Review of Business Highlights
  - CFO's Review of 2022 Financial Results
  - Outlook
  - Q&A

# Urenco's 2022 business highlights



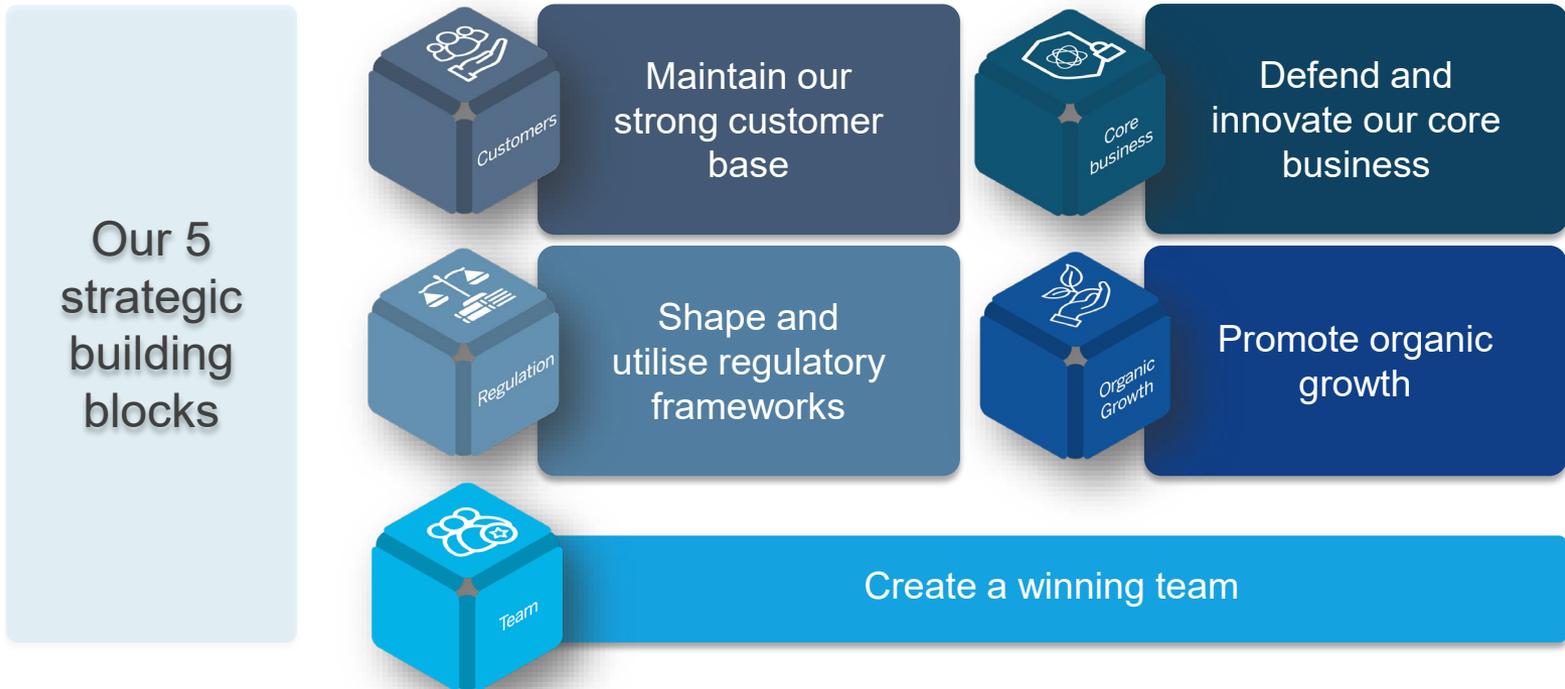
- Security of energy supply and climate change driving increased demand for nuclear power and, as a result, uranium enrichment services.
- Long-term demand for enrichment services and price levels visibly increasing; and facilitating investment in our production capacity.
- New investment programme launched to refurbish and extend our production capacity at all four sites.
- Revenue slightly increased to €1,717 million due to higher demand and price levels.
- Order book up by 24% since the start of the year, to €10.8 billion.
- Reversal of impairments recorded against our US facility led to a net income of €1,173 million.
- US Decommissioning Trust established and €482 million invested.

# Our response to the Ukraine conflict

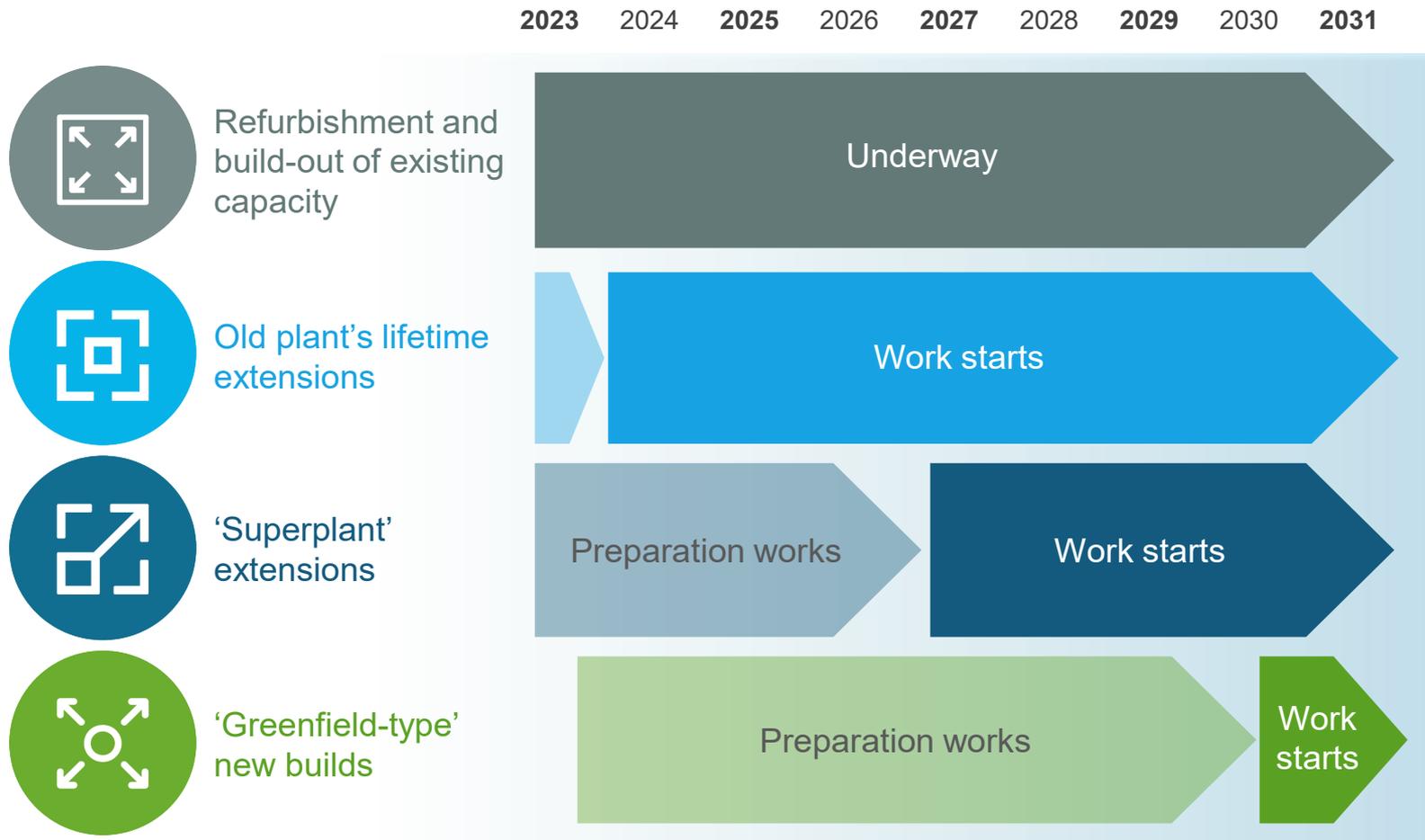


- Conflict in Ukraine dramatically changed the energy market: security of energy supply alongside climate change became focus areas for our customers.
- Urenco reacted promptly to prepare for new situation, both strategically and operationally - contracts with Russian counterparties immediately terminated.
- Existing capacity at all four sites can meet recent increased demand for enrichment services by adapting operational parameters.
- New capacity programme launched to refurbish and extend enrichment capacity to meet increased demand, both near-term and long-term.
- Continued support for our Ukrainian customer, Energoatom.

# Strategic shift due to changed geopolitical situation



# Capacity options near and long-term





- The **US Inflation Reduction Act** of 2022 includes:
- Production tax credit to support continued operation of existing nuclear power plants.
- \$700 million in new funding to support DOE's HALEU Availability Program and domestic production of HALEU. DOE is expected to issue an RFP later this year.
- Under the **Bipartisan Infrastructure Law**, DOE is funding its Advanced Reactor Demonstration Program.



- **EU:** Approved classification of nuclear as “environmentally sustainable” under Green Taxonomy in June 2022 and in February 2023 adopted two Delegated Acts under which hydrogen produced with nuclear energy is to be considered green.
- **The UK:** Confirmed ambition to ramp up domestic nuclear generation capabilities to 24GW (up to 25% of demand) in April 2022 Energy Security Strategy and committed to a £700m stake in Sizewell C in November 2022.
- Several European countries including Netherlands and Belgium announced lifetime extensions or new nuclear capacity to meet security of supply and climate goals .



- **Japan:** Reversed no new-build policy, ordering development and construction of next-generation nuclear power plants.
- **South Korea:** Construction of Shin-Hanul-3 and -4 to resume and operations of existing reactors to continue.
- **United Arab Emirates:** Barakah-3 went into commercial operation in February 2023, joining units 1 and 2. Operating license at Barakah-4 due.



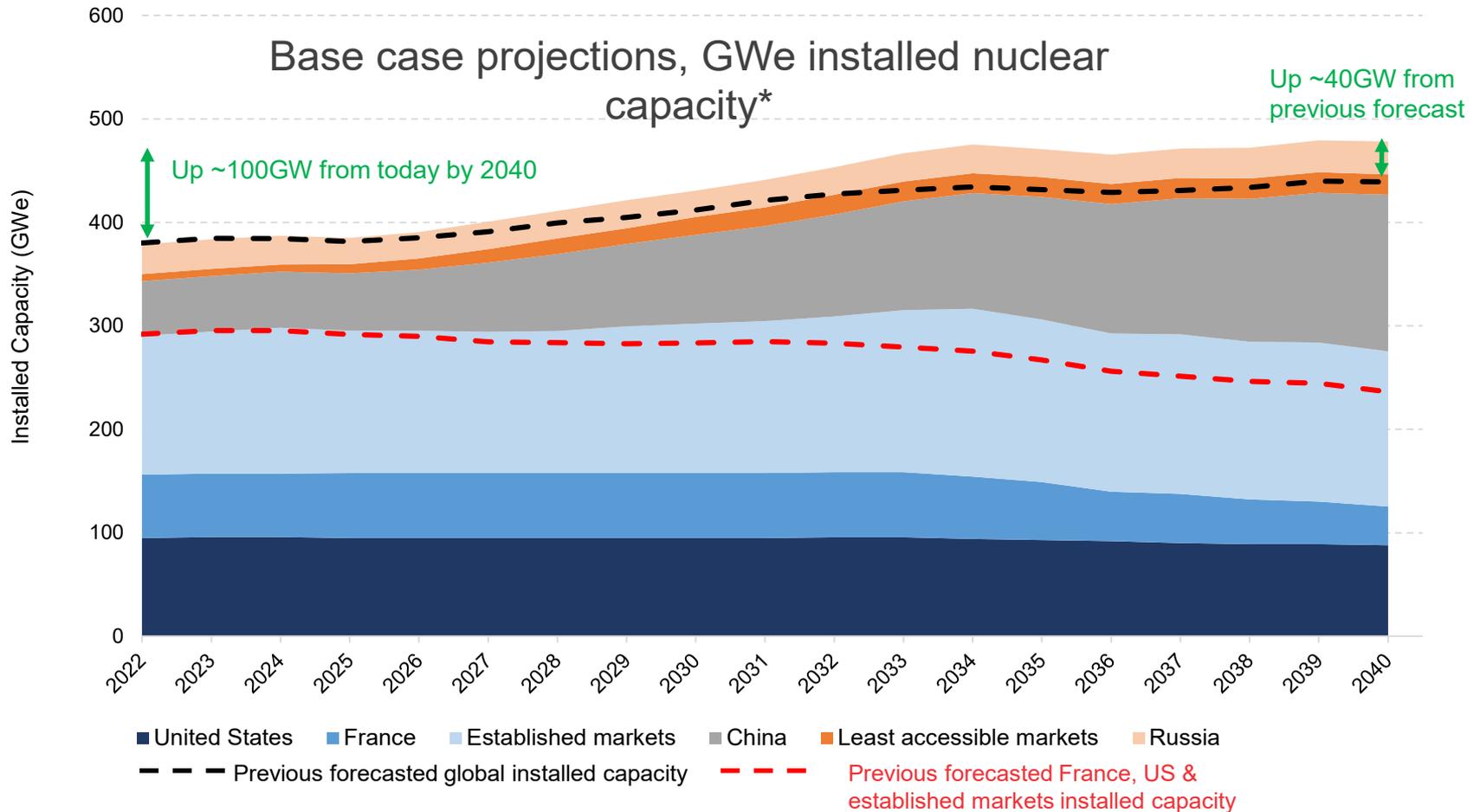
## LEU+ (enriched uranium up to 10%)

- Customers require low enriched uranium plus (LEU+) to optimise fuel cycles in existing nuclear power plants. First contract for LEU+ signed.
- LEU+ programmes at our US and UK sites. Delivery of LEU+ from 2025.

## Advanced fuels (HALEU – enriched uranium between 10% and 20%)

- Projects for next generation nuclear power plants require higher enriched fuel.
- Preparing to invest in facility to deliver advanced fuels.
- Urenco is strongly committed to supporting the development of fuels for the next generation of nuclear reactors for civil use.
- Discussions with UK and US Governments ongoing to define government support and funding for investment plans.

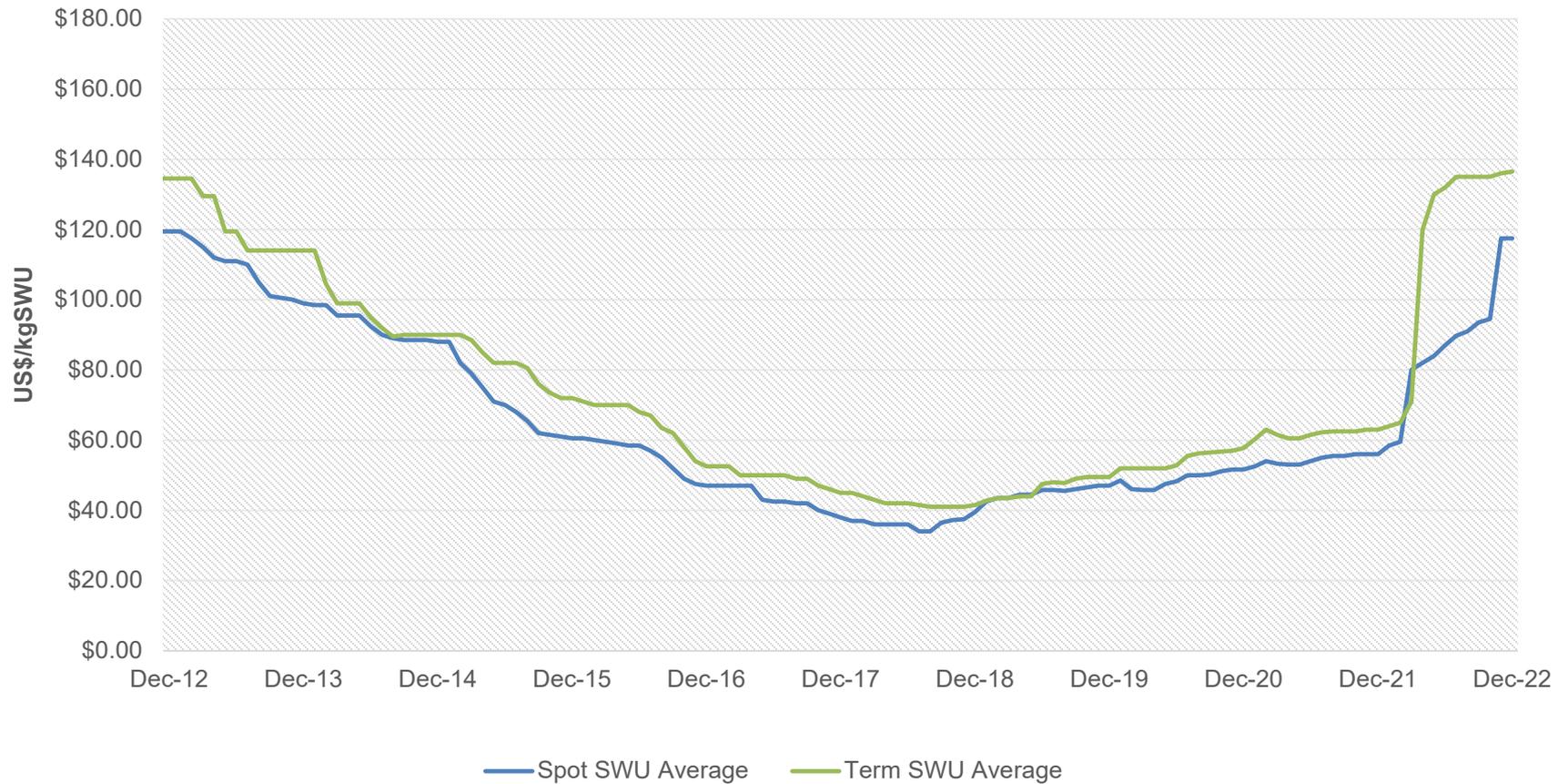
# The Urenco market forecast



- Climate change and security of supply are driving an increasing nuclear capacity.
- Demands of next generation nuclear power plants not included.

\* Excl. Gen IV and HALEU reactor demand

## SWU Prices (11-Year Period)





- 50 customers in 19 countries.
- New customer country - Bulgaria.
- Long term order book at end of 2022: €10.8 billion, increased by 24%
- Our product offering:
  - Enrichment services
  - Natural uranium
  - Conversion
  - U<sub>3</sub>O<sub>8</sub>

Total revenue split by region - 2022

**Total €1,717m**



# Our global production

Total capacity: 17,900 tSWU/year

**Urenco UK**  
Capenhurst  
Capacity:  
*4,500 tSWU/year*



**Urenco Head Office**  
Stoke Poges



**Urenco Nederland**  
Almelo  
Capacity:  
*5,100 tSWU/year*



**ETC Manufacturing**  
Almelo



**ETC Manufacturing**  
Jülich



**Urenco USA**  
Eunice  
Capacity:  
*4,600 tSWU/year*



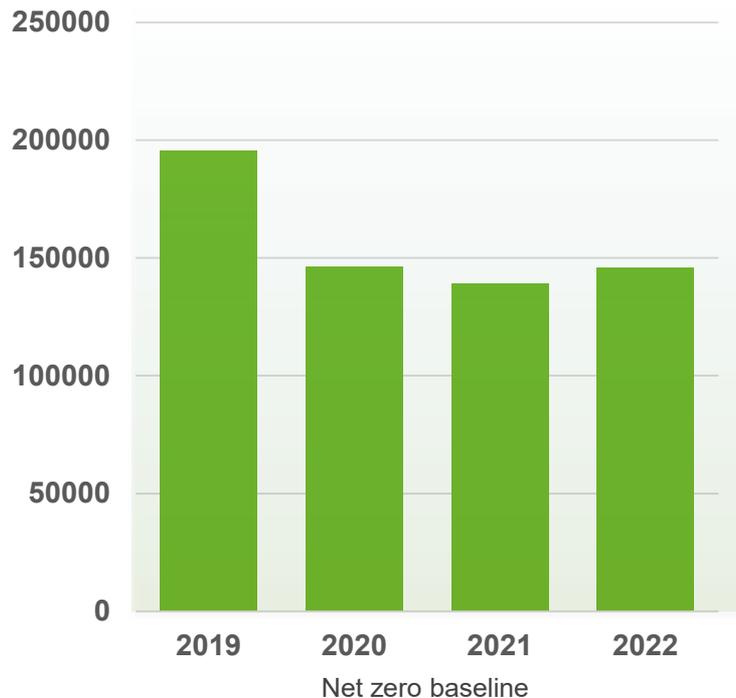
**Urenco Deutschland**  
Gronau  
Capacity:  
*3,700 tSWU/year*



# Urenco's 2022 sustainability highlights

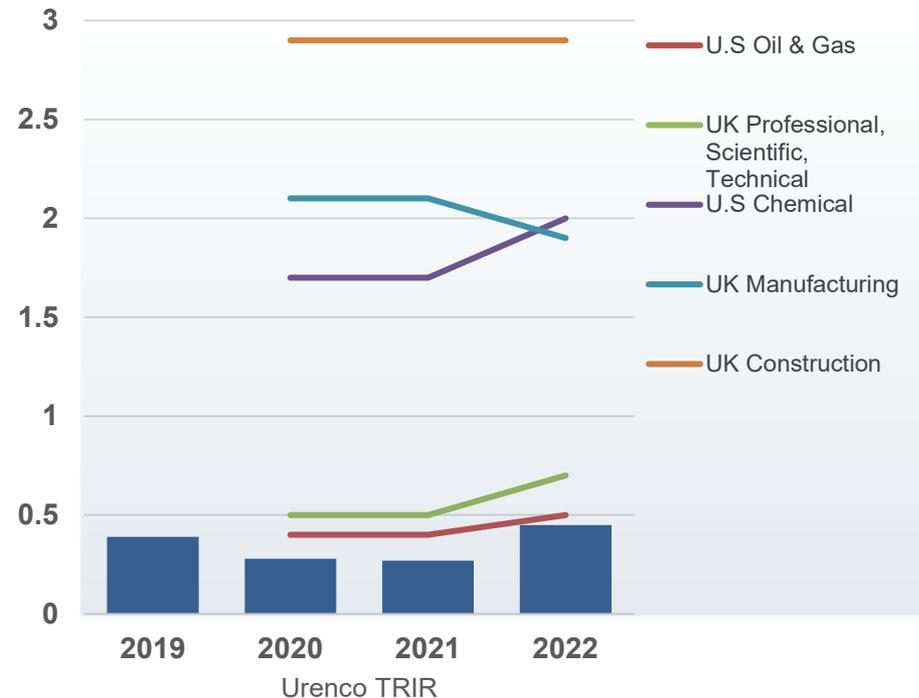


**Carbon emissions (scope 1 & 2) metric tons CO2e (direct energy and electricity)**



- Slight increase in carbon emissions due to higher carbon intensities of electricity supplies to our sites in the Netherlands and Germany.

**Safety: Total Reportable Injury Rate reduction (TRIR: LTIs/MTIs per 200,000 hours worked)**



- A full return to sites post-Covid resulted in a slight increase in injuries.
- Results remain strong compared to industry benchmarks.

# Urenco's 2022 sustainability highlight

## our sustainability net zero

2030

### Scope 1 and 2 emissions

100%\* reduction by 2030  
(2019 baseline)

\*Exceeds minimum SBTi standards for 1.5°C pathway

### Scope 3 emissions

30% reduction by 2030  
(2019 baseline)

2040

Net zero  
By 2040



- Ambitious net zero targets set
- Carbon Disclosure Project score from B- to “B”
- Total social investment spend € 1.7 million (2022)



We joined the World Business Council for Sustainable Development - the premier global, CEO-led community of over 200 of the world's leading sustainable businesses

\*Joined Science Based Target initiative (SBTi) to validate net zero targets.



## Urenco Stable and Medical Isotopes

- Increased supply of stable isotopes for medical, industrial and research.
- Equivalent of around two million patient treatments in medical sector.

## Decommissioning and nuclear stewardship

- Urenco Nuclear Stewardship celebrated 10<sup>th</sup> anniversary in 2022.
- Ramp up of production at Tails Management Facility.

- CEO's Review of Business Highlights

- CFO's Review of 2022 Financial Results

- Outlook

- Q&A

# Financial summary 2022 vs. 2021

(€ million)



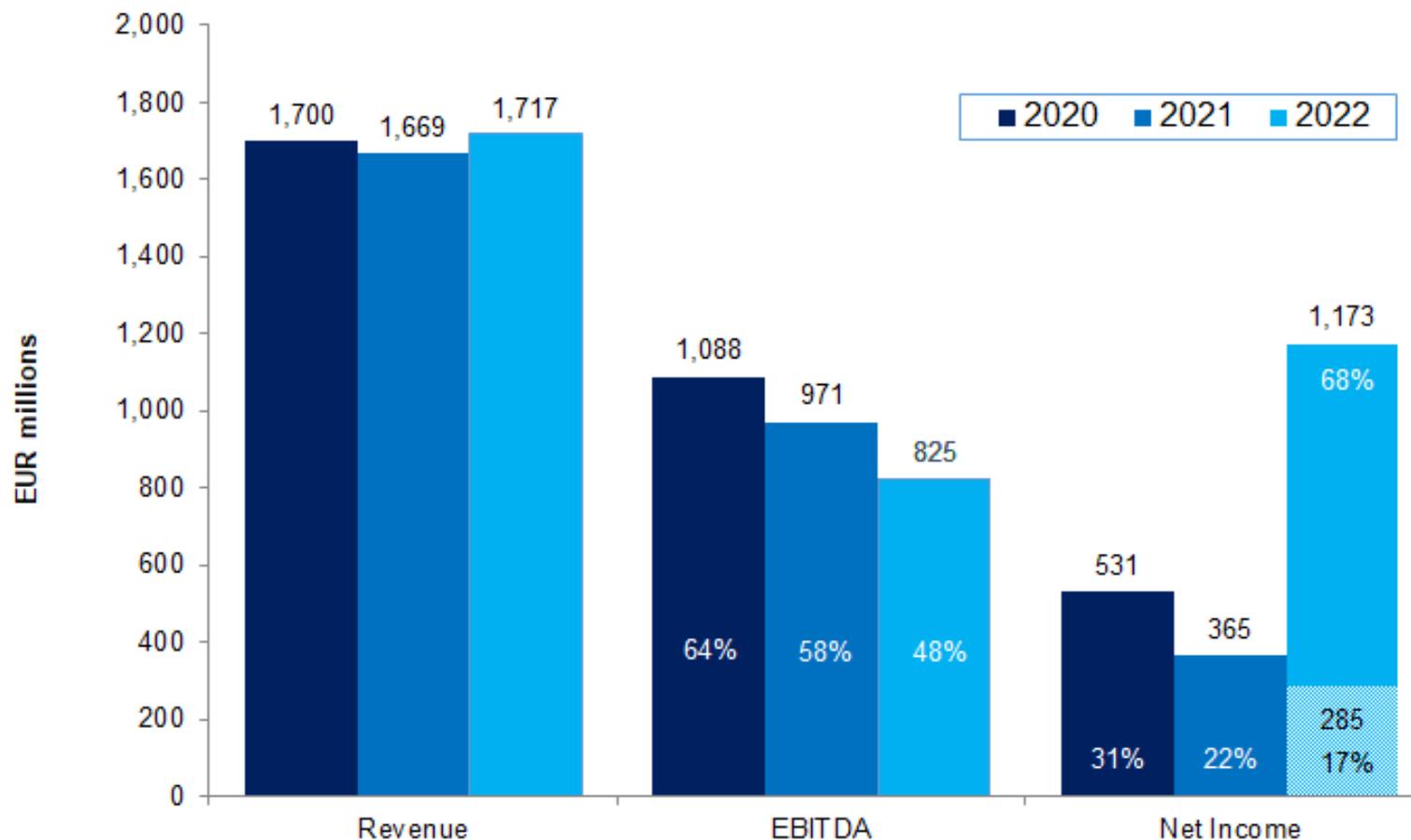
<b>Year ended 31 December</b>	<b>2022</b>	<b>2021</b>
Revenue	<b>1,717</b>	<b>1,669</b>
EBITDA	<b>825</b>	<b>971</b>
EBITDA margin %	<b>48%</b>	<b>58%</b>
Income from operating activities – pre exceptional items	<b>444</b>	<b>636</b>
Exceptional items <sup>1</sup>	<b>921</b>	<b>0</b>
Net income – pre exceptional items	<b>285</b>	<b>365</b>
Net income margin – pre exceptional items	<b>17%</b>	<b>22%</b>
Net Income – post exceptional items	<b>1,173</b>	<b>365</b>
Capital expenditure <sup>2</sup>	<b>184</b>	<b>142</b>
Cash generated from operating activities	<b>1,134</b>	<b>1,028</b>
(Net Cash) / Net Debt	<b>(627)</b>	<b>12</b>

## Note

1. Exceptional items in 2022 comprise a €921m pre tax reversal of impairment charges relating to the USA cash generating unit; €888m on a post-tax basis. No exceptional items in 2021.
2. Capital expenditure reflects investment in property, plant and equipment and intangibles, plus prepayments in respect of fixed asset purchases for the period and includes capital accruals reported in working capital payables

# Financial summary 2020 – 2022

(€ million)



\* 2022 Net Income of €1,173 million is shown after exceptional items comprising a reversal of impairment on USA operations (€888 million post tax). Before exceptional items, Net Income was €285 million.

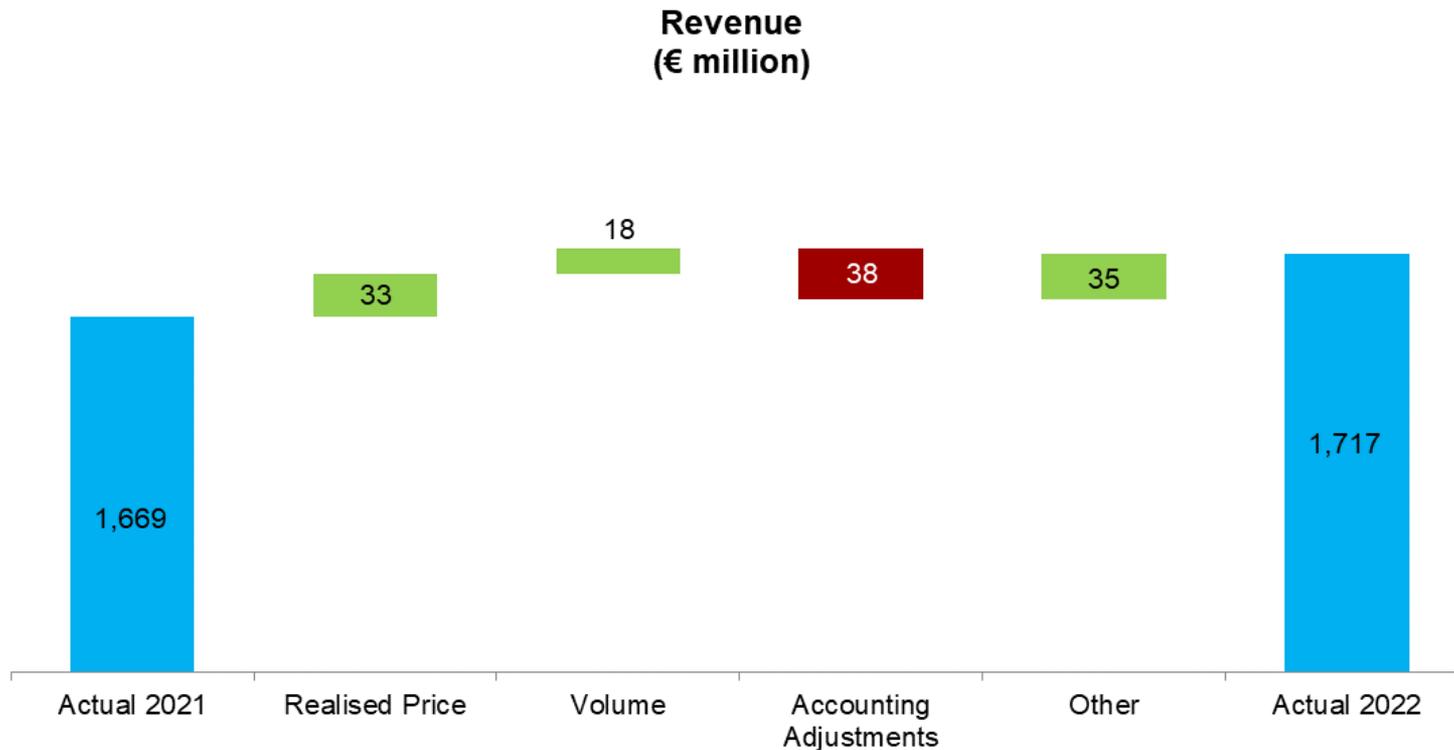
\* 2021 Net Income contains no exceptional items.

\* 2020 Net Income of €531 million is shown before exceptional items (€26 million post tax). After exceptional items, Net Income was €505 million.

# Revenue

(€ million)

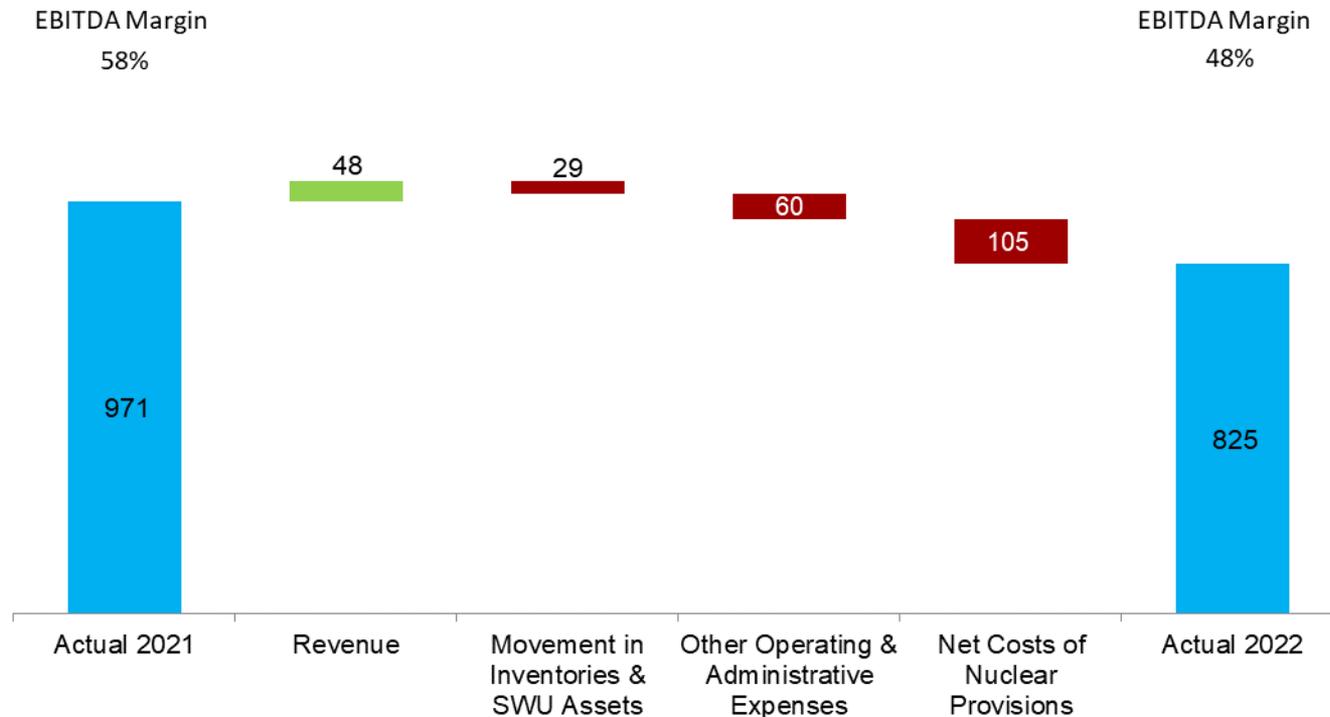
- Revenue impacted by:
  - Higher realised prices for both SWU and Uranium.
  - Higher SWU volumes partially offset by lower Uranium volumes.
  - Higher deferred revenue associated with IFRS15.
  - Higher Stable Isotopes and other non-enrichment revenue.



# EBITDA

(€ million)

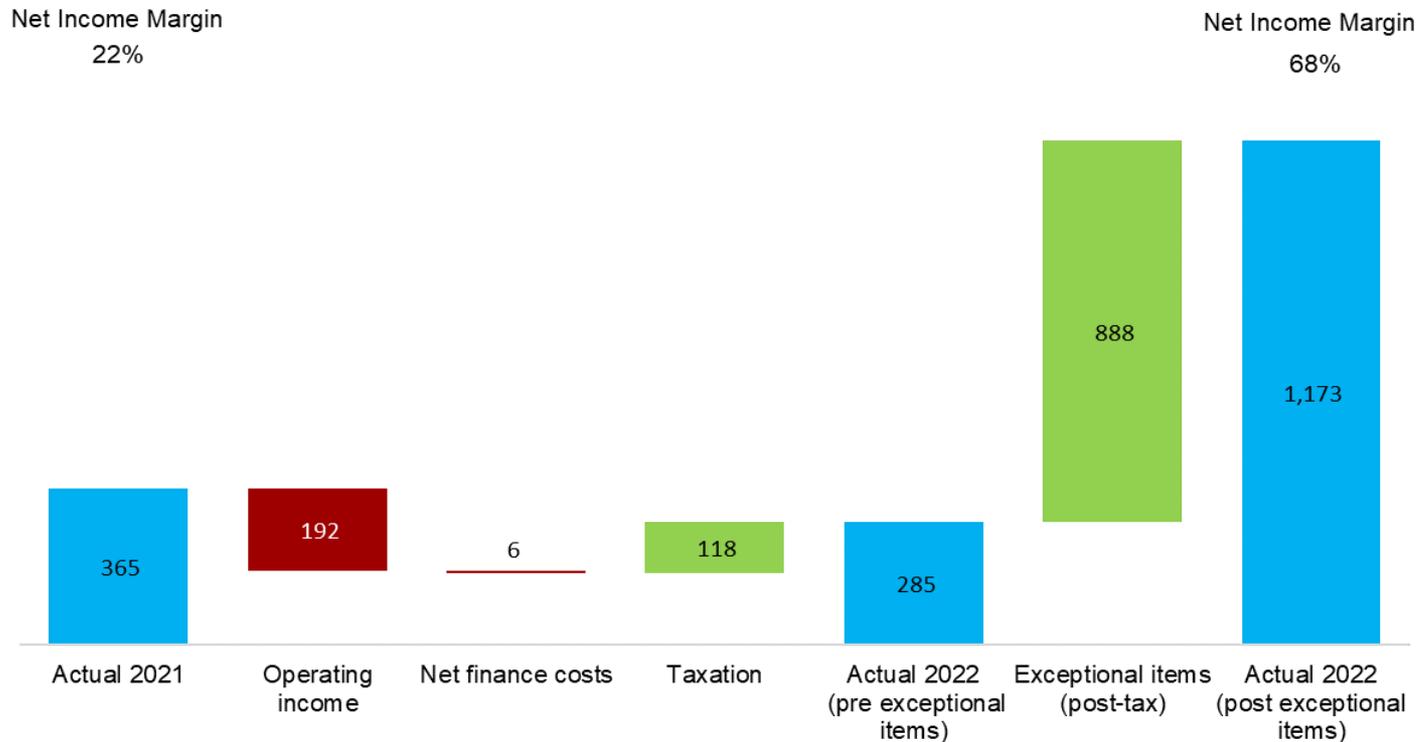
- EBITDA trajectory driven by:
  - Higher revenues partially offset by increased costs of production and inventory.
  - Increased OPEX driven by higher inflation, continued ramp up of TMF and generally more activity as we position the business for future growth.
  - Higher net costs of nuclear provisions.



# Net Income

(€ million)

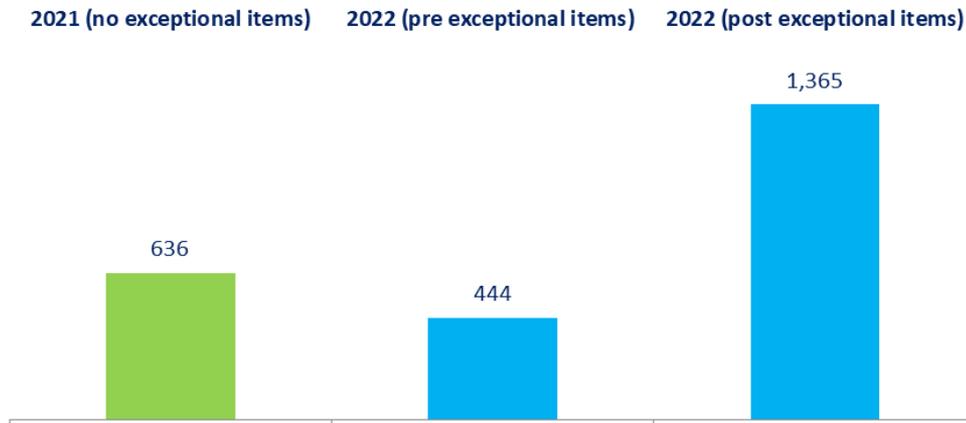
- Increase in Net Income (post exceptional items) reflects:
  - Decline in Net Income (pre-exceptional items) stemming from lower operating income, partially offset by reduced tax expenses.
  - Net Income post exceptional items positively impacted by non-cash impairment reversal against our US assets.



# Exceptional items

(€ million)

## Income from Operating Activities



### 2022

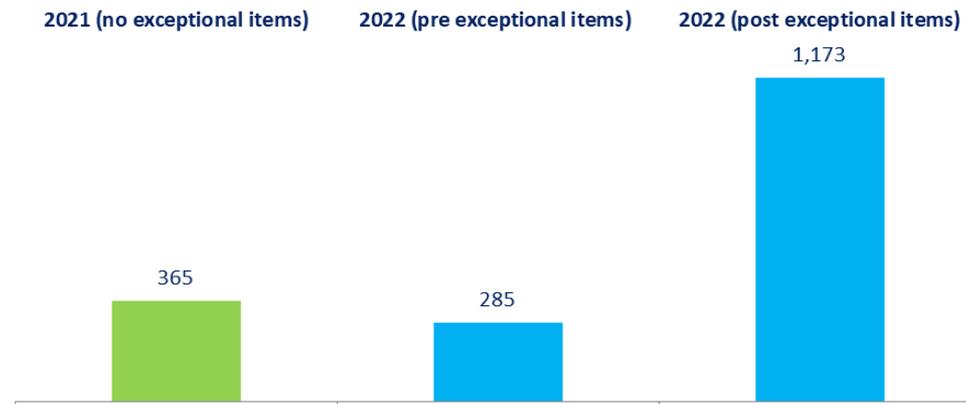
#### Reversal of impairment on USA assets

- Pre-tax €922 million
- Post-tax €888 million

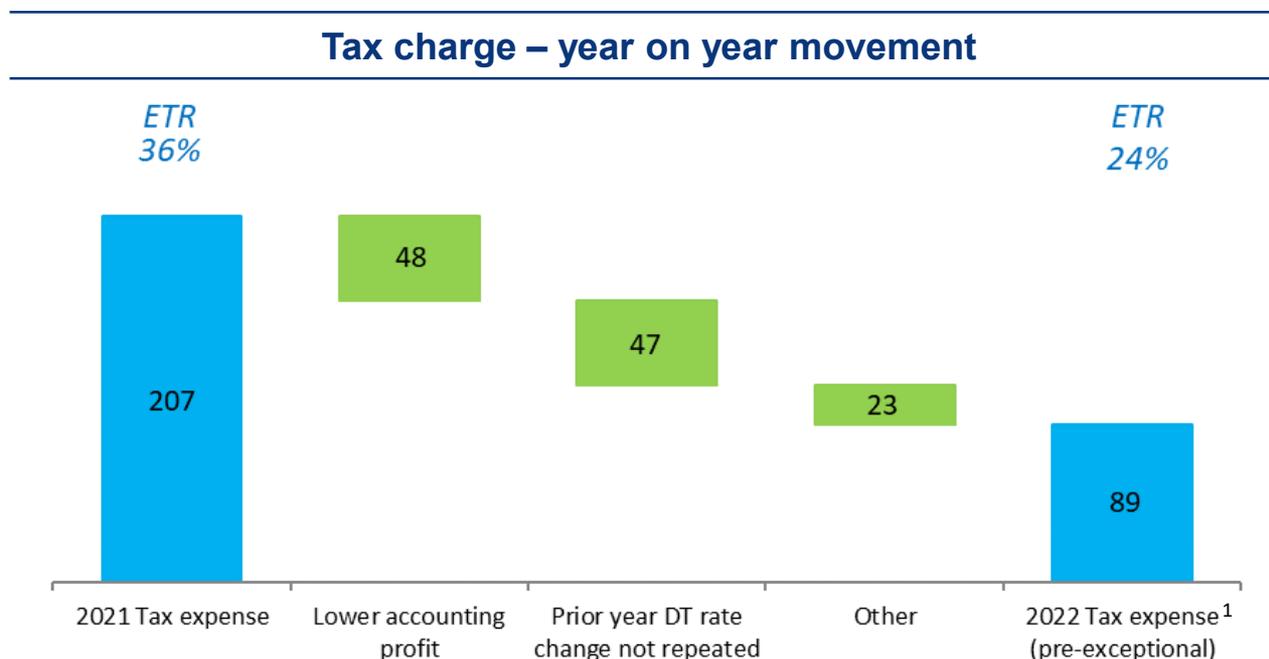
### 2021

#### No exceptional items

## Net Income



- Tax charge in 2022 was €89m, pre-exceptional items (2021: €207m); the decrease is mainly due to lower accounting profits in 2022, together with the prior year impact of revaluing the Group's net UK deferred tax liability from 19% to 25%. This wasn't repeated in 2022.
- Cash tax paid in 2022 was €80m (2021: €146m) due to the timing and phasing of cash tax payments which can often span multiple years.



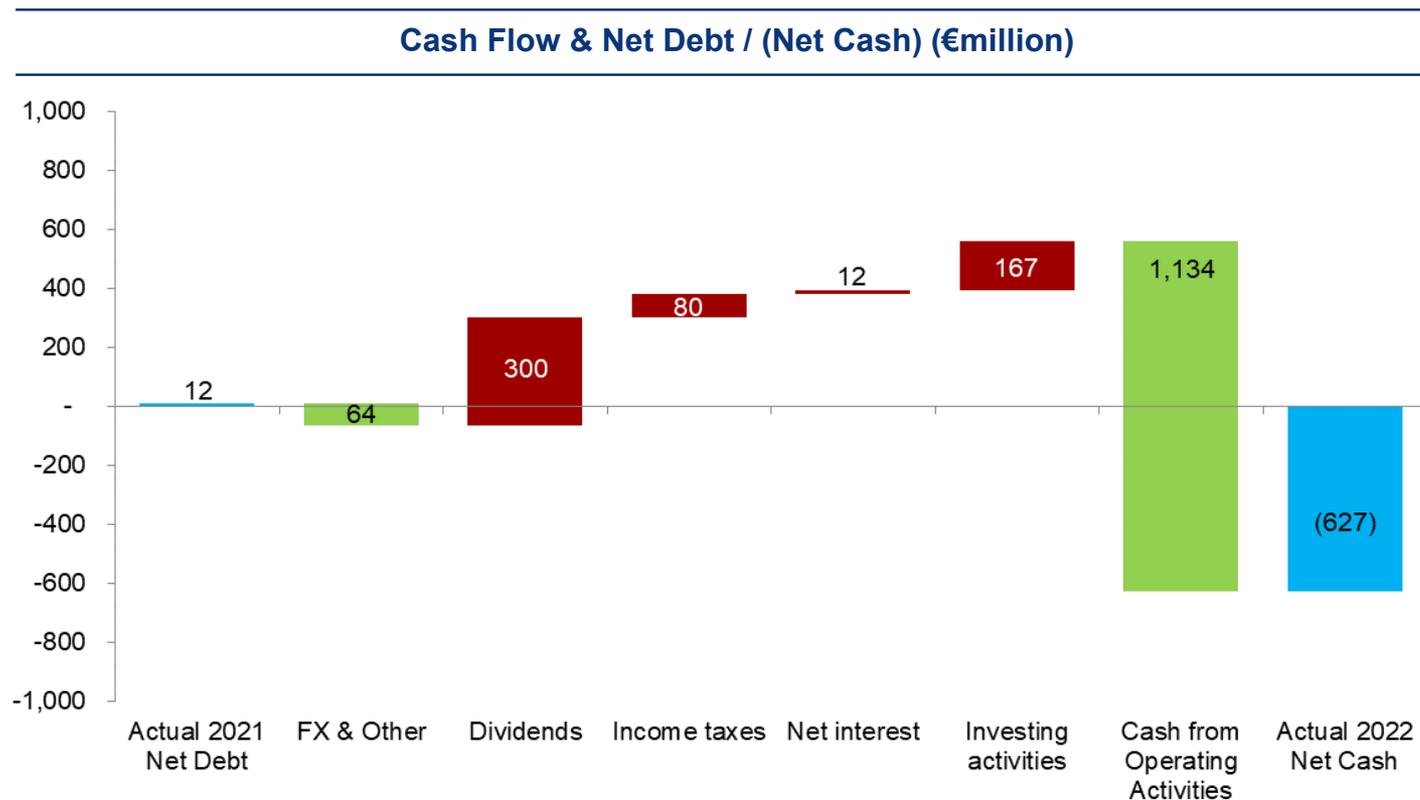
**Note**

1. €123m post-exceptional items

# Cash flow & Net Cash

(€ million)

- Cash generated from operating activities remains very strong at €1,134 million, largely reflecting favourable working capital movements.
- Cash dividends paid in the year of €300 million (2021: €300 million).
- Net debt reduced from €12m in 2021 to €627m net cash in 2022.

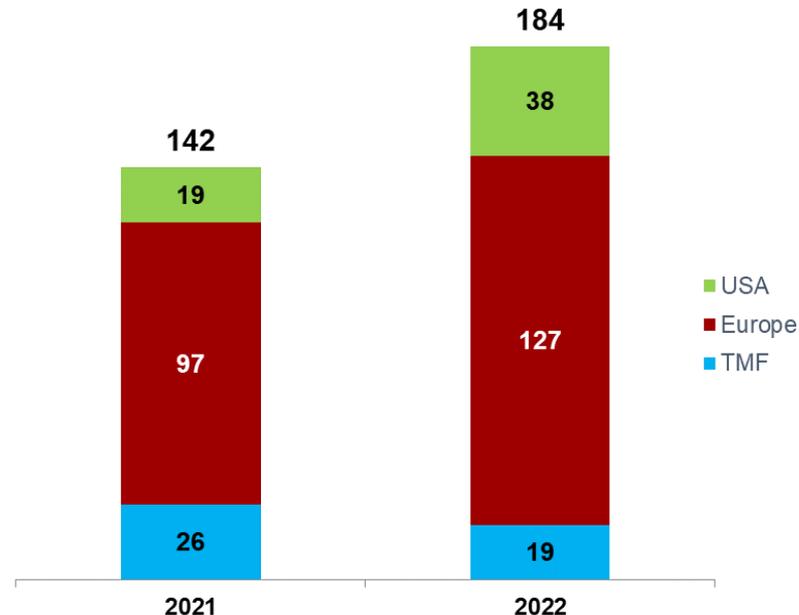


# Capital expenditure

(€ million)

- Capital expenditure increased to €184 million in 2022.
- Commissioning of TMF complete.
- Capital expenditure on maintenance of enrichment assets now at a sustainable level. Additional expenditure now taking place to expand capacity in the near term.

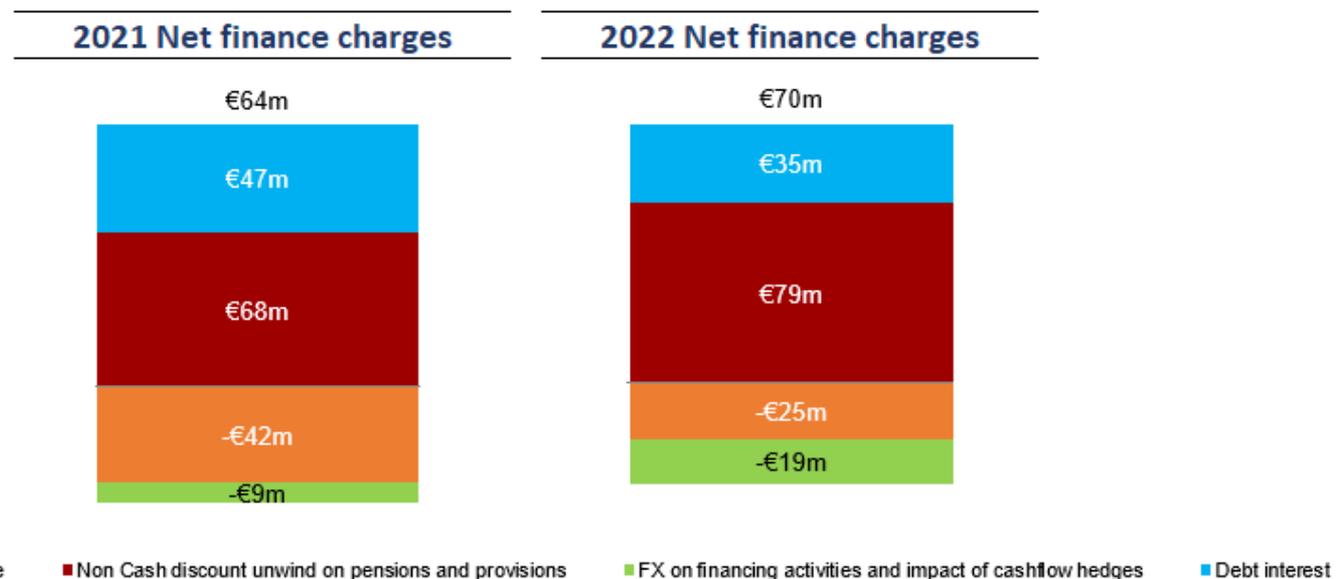
Capital expenditure by region – € million



# Net finance charges

(€ million)

- Higher unwinding of discount on provisions primarily due to the increase in nuclear provisions.
- Lower debt interest due to debt and swap maturities in 2022 replaced with debt at a lower overall interest rate.
- Reduction in capitalised interest due to progression of TMF to operational status.

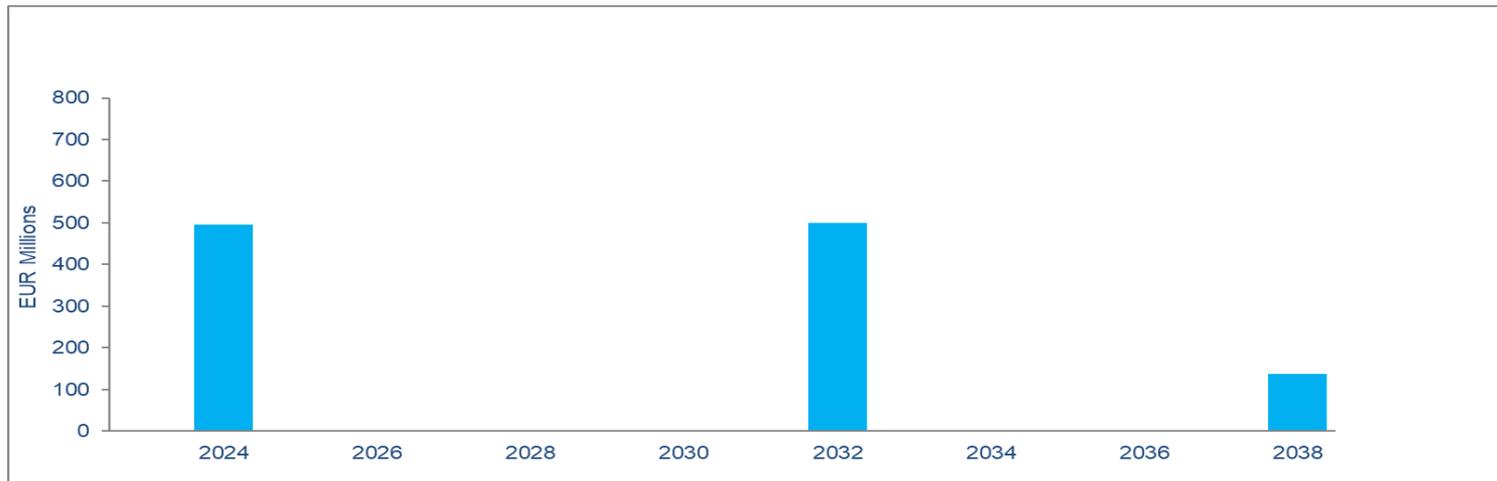


## Key credit ratios:

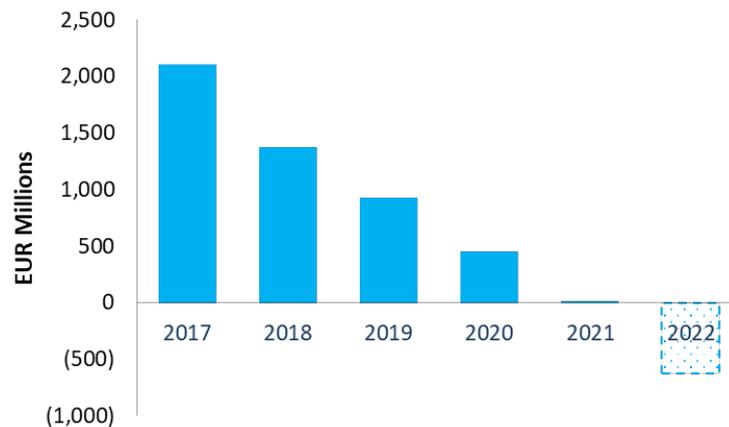
	2021	2022
• Funds Flow from Operations / Total Adjusted Debt (FFO/TAD)	36.2%	31.4%
• EBITDA / Interest cover	8.4x	7.2x

# Debt structure – 31 December 2022

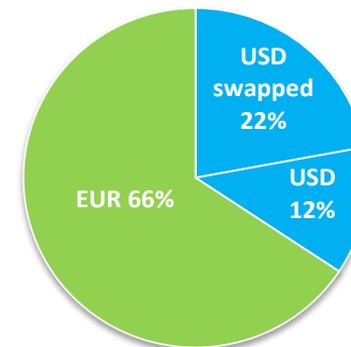
## Debt maturity profile – Gross debt €1.1 billion



## (Net cash) / Net debt € million



## Currency mix



## Liquidity

- Cash and short term investments €1,793 million at 31 December 2022.
- Includes €482 million in US decommissioning trust.
- €500 million sustainability–linked committed revolving credit facility (RCF), maturing 2027, undrawn.
- Eurobond issued June 2022 - €500 million.

## Credit Rating

- Maintain strong investment-grade credit rating and healthy capital ratios in order to support long term business success:
  - Moody's Baa1 (stable)
  - S&P BBB+ (stable)

## Financial Policy

- Dividend payments should not normally exceed earnings and be set to protect BBB+ / Baa1 credit rating and only higher if ratings headroom exists.

- 
- CEO's Review of Business Highlights
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Climate  
change &  
security of  
supply

Growing  
order book

Investing  
in  
capacity

Committed  
to  
net zero

Deep  
expertise  
in related  
areas

- Climate change and security of supply remain the main drivers for nuclear energy.
- Growing customer base and increasing supply of enrichment services and serving all major utilities in our markets with a 24% increase in our order book.
- Responding to increased demand with our capacity programme.
- Committed to 100% net zero emissions by 2040.
- Developing fuels for next generation of reactors; enhancing stable and medical isotopes production; expertise in nuclear stewardship.

*Resulting in continued strong financial and operational performance.*

- 
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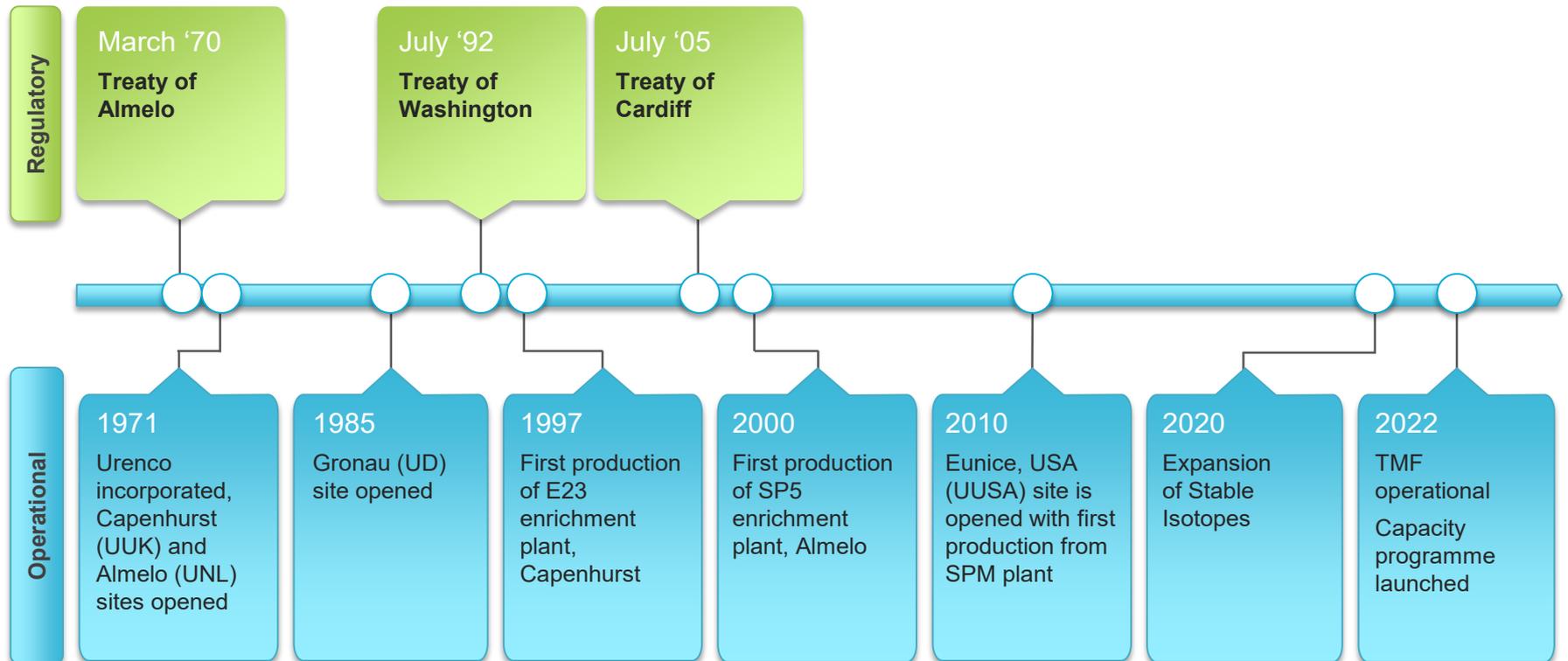


## Questions & Answers



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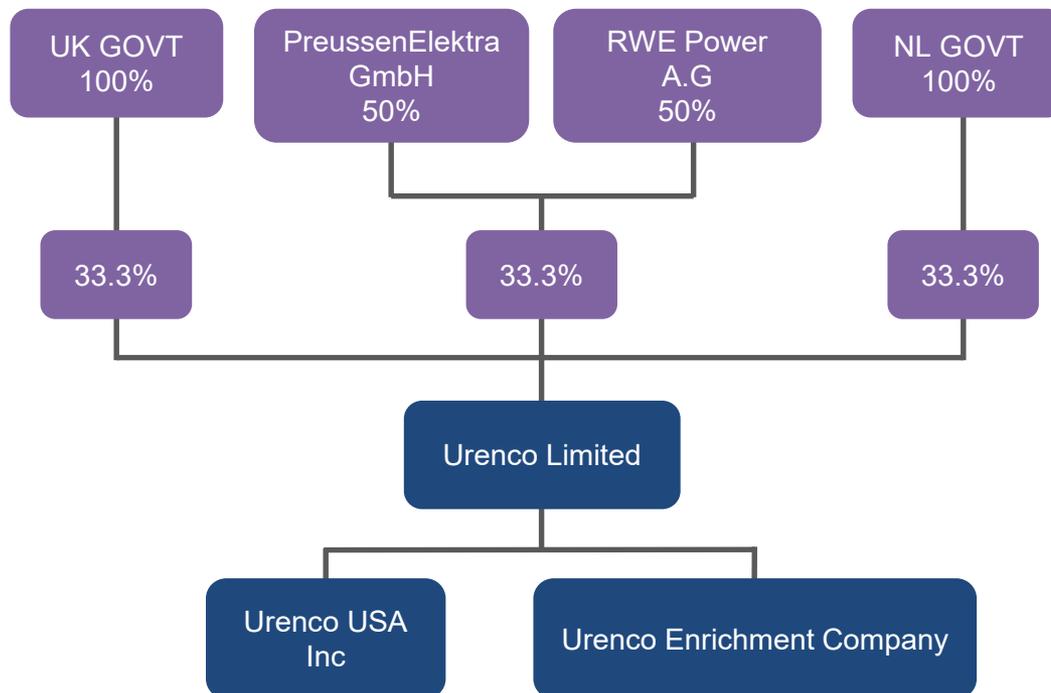


# Our centrifuge technology

- An explanation of our uranium enrichment process:  
[www.urenco.com/about/tours/cascade-hall](http://www.urenco.com/about/tours/cascade-hall)

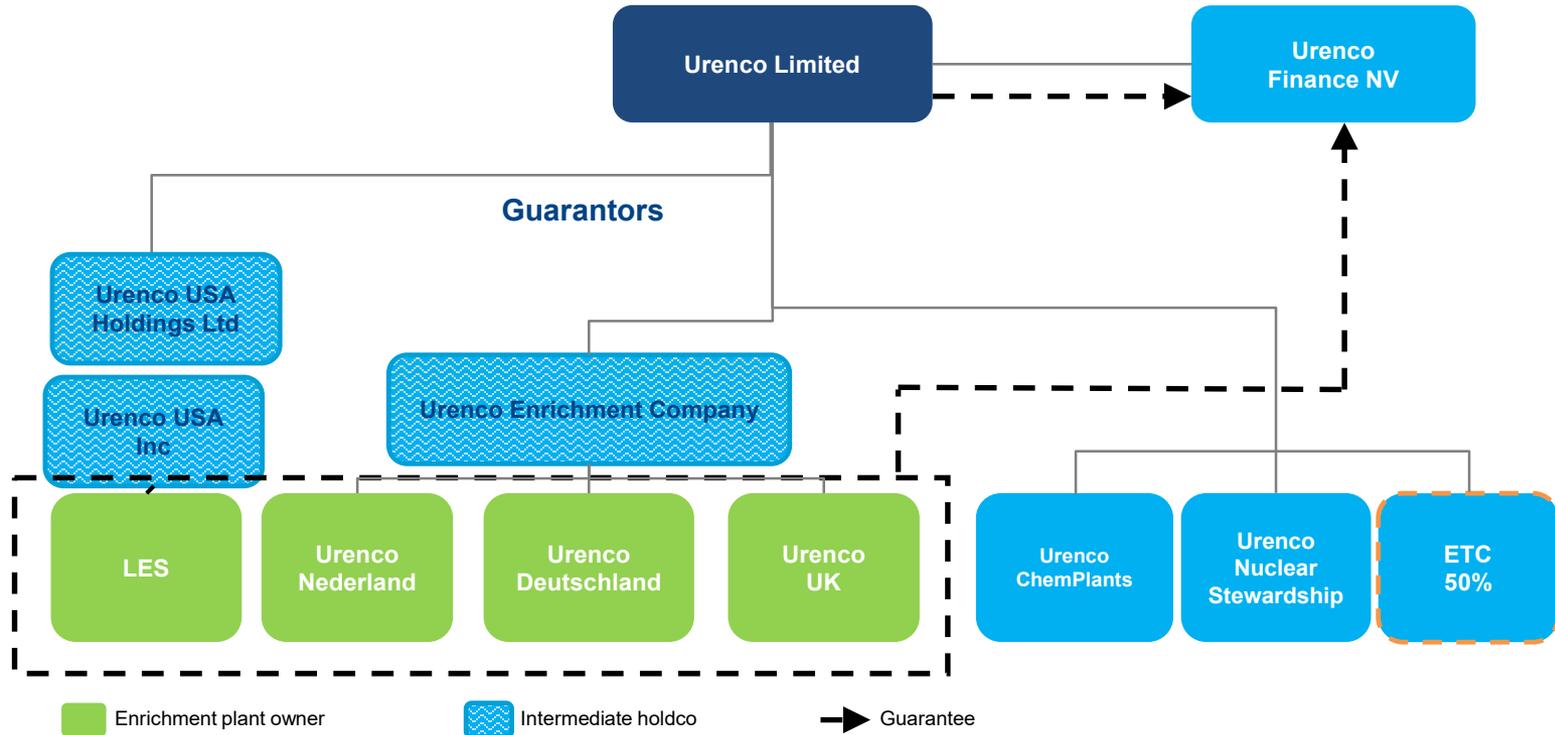


# Ownership and oversight



- Treaties of Almelo, Washington and Cardiff
- Government representatives, named the 'Joint committee' provide oversight of Urenco's security and safeguards
- Urenco's shareholders and Board are responsible for the corporate governance of the company and approving commercial decisions

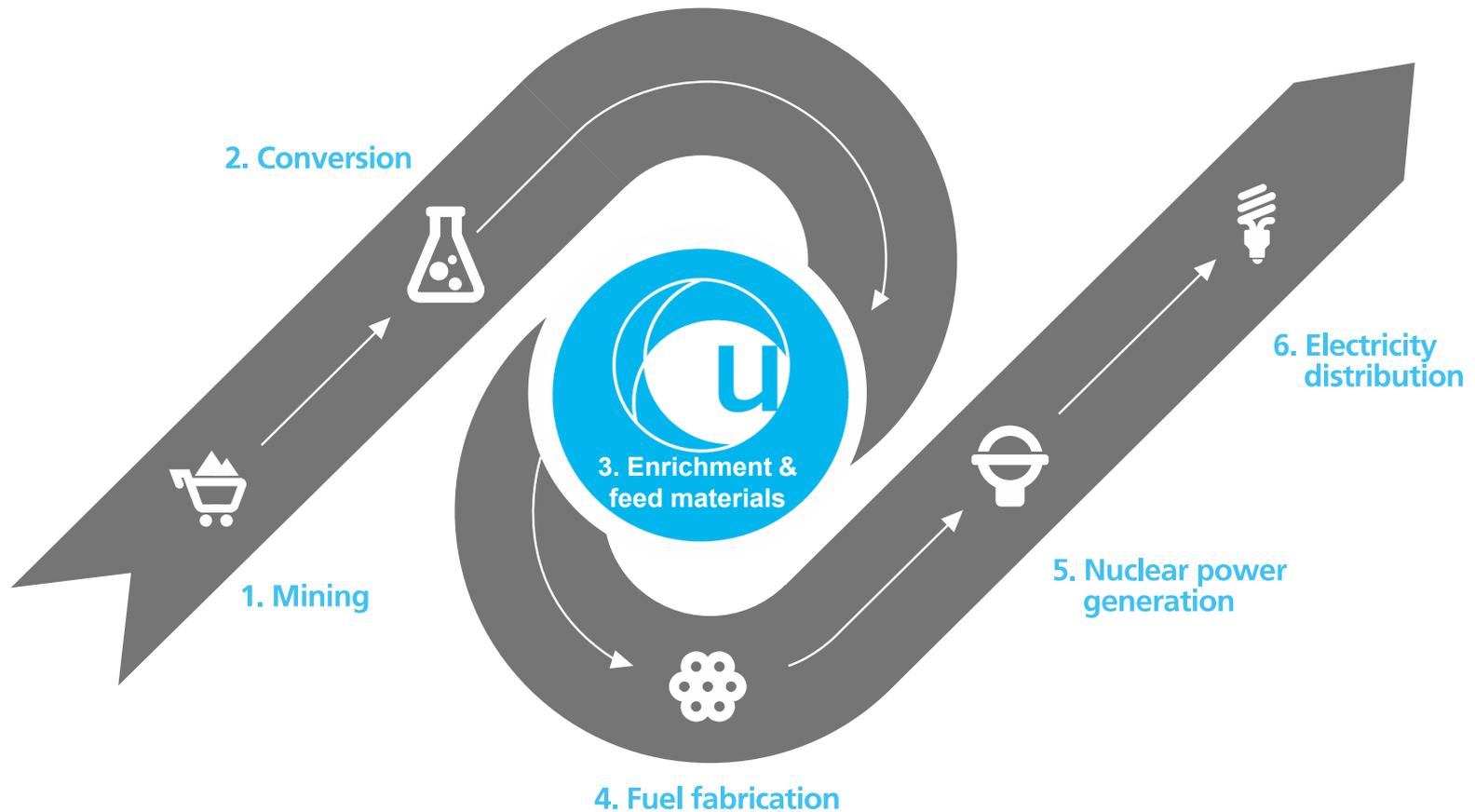
# Group structure



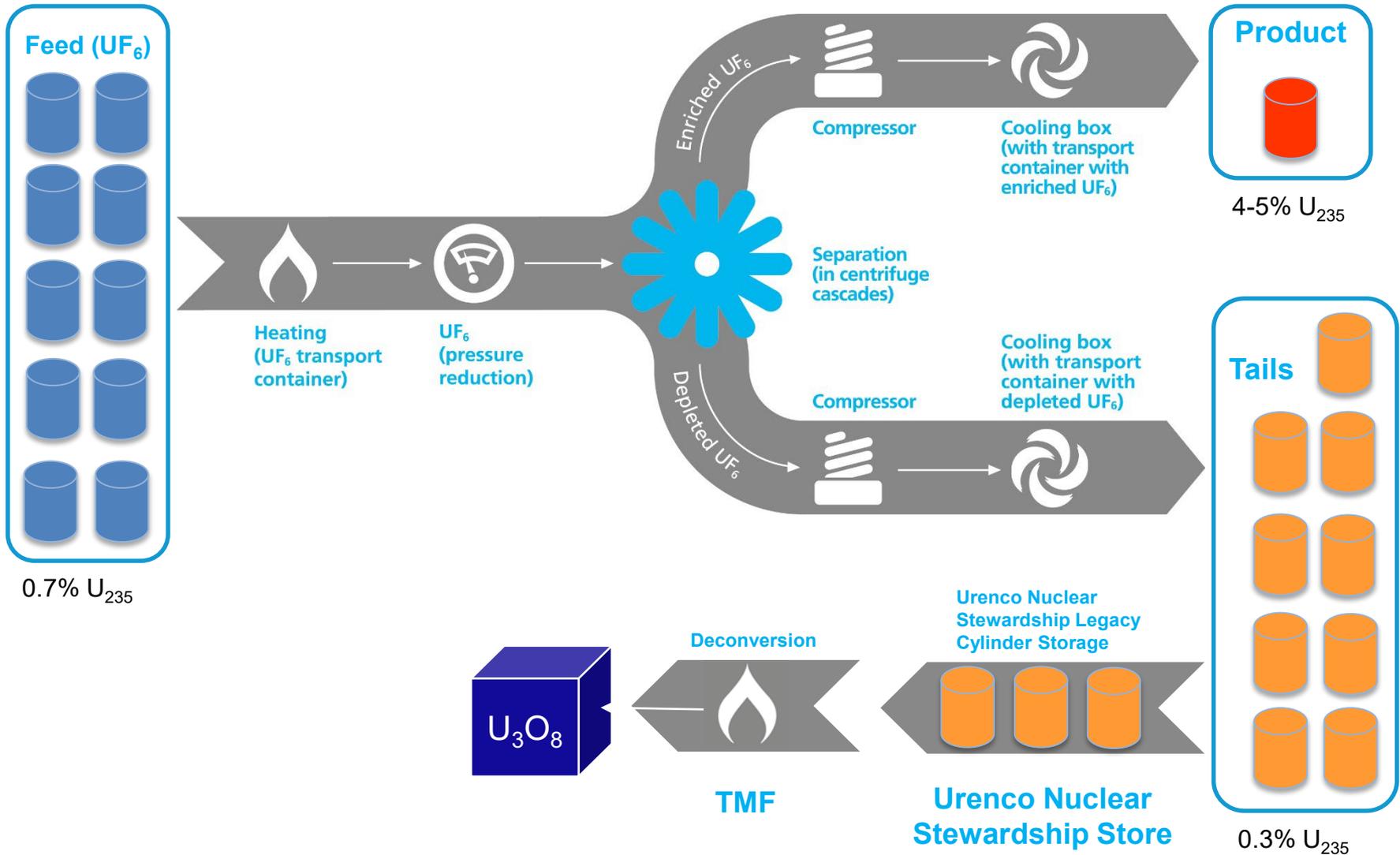
- All borrowing for the Group is undertaken by Urenco Limited and Urenco Finance NV
- Repayment of the EMTN programme is guaranteed by Urenco Limited and certain key subsidiaries<sup>1</sup>

**Note** Major entities only. Simplified structure. ETC is held 22% by Urenco Limited, 28% by Urenco Deutschland  
 1. Subject to the terms and conditions of the notes. Refer to the Base Prospectus for further information

# The nuclear fuel cycle



# Enrichment · Tails · Deconversion

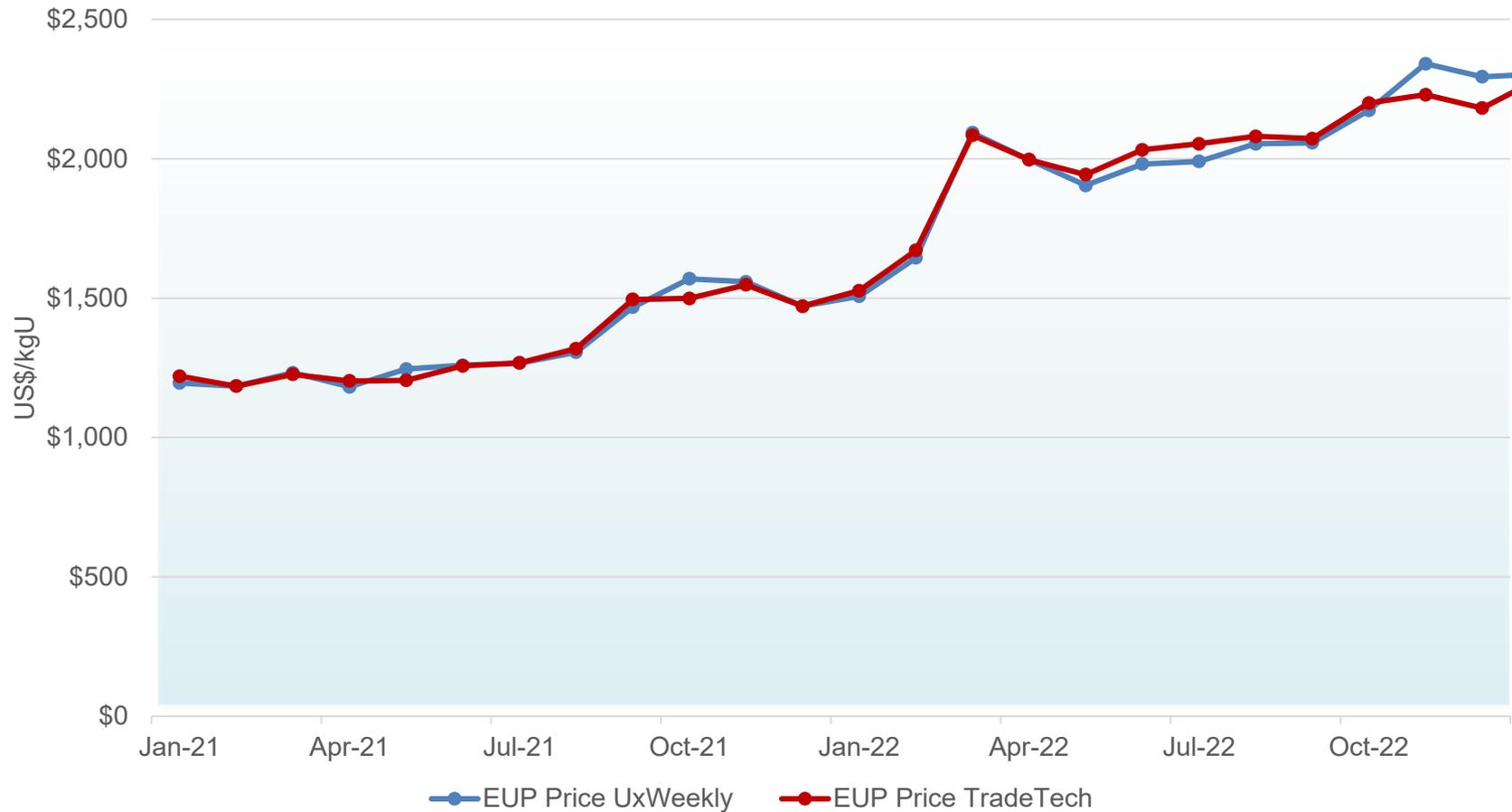


## UF6 (feed) Month-End Prices



# EUP Price development

## EUP Month End Prices



EUP Prices calculated at 4.4Product Assay and 0.22 Tails Assay