

news release

Date: 9 August, 2024

Urenco Group – Half Year 2024 Unaudited Financial Results

London – 9 August 2024 – 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 2024.

Summary

- Revenue at €649.3 million, although lower than the first six months of 2023, remains in line with full-year expectations, with deliveries typically more weighted towards the second half of the year.
- EBITDA at €209.1 million is lower than the first half of 2023, driven primarily by lower customer deliveries of enrichment and uranium volumes and higher operating expenses.
- Net income at €0.8 million, largely due to decreased EBITDA.
- Cash generated from operating activities during the period impacted by lower customer deliveries combined with increased operating expenses and working capital movements, as the business repositions itself for growth.
- Order Book continues to grow, now at €16.2 billion, a 10.2% increase since the start of the year.
- Announced the construction of Urenco Advanced Fuels Facility in Capenhurst, UK, jointly funded with the UK Government.

Financial Highlights

	Six months to 30 June 2024 (unaudited) €m	Re-stated⁽ⁱⁱⁱ⁾ Six months to 30 June 2023 (unaudited) €m
Revenue	649.3	700.3
EBITDA⁽ⁱ⁾	209.1	298.5
EBITDA margin - %⁽ⁱⁱ⁾	32.2%	42.6%
Income from operating activities	35.7	107.7
Net income	0.8	32.7
Capital expenditure ⁽ⁱⁱⁱ⁾	129.7	73.0
Cash generated from operating activities	(105.5)	268.5

(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) Capital expenditure includes net cash flows on the purchases of property, plant and equipment and intangible assets of €152.3 million (2023: €97.0 million) less the reduction in capital accruals of €22.6 million (2023: €24.0 million). Capital expenditure for the first six months of 2023 has been re-stated from €97.0 million to €73.0 million, to include the impact of the reduction in capital accruals of €24.0 million.

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

“Urenco’s half year results for 2024 are lower than in 2023, although in line with expectations.

Revenue stands at €649.3 million (H1 2023: €700.3 million) due to reduced volumes of enrichment and uranium sales in this period. This is impacted by the timing of deliveries to customers, which, as in previous years, tends to be weighted towards the second half of the year. EBITDA of €209.1 million is down on 2023 (H1 2023: €298.5 million) due to the reduction in revenue, increased headcount and inflationary pressures. Net income of €0.8 million is lower than 2023 (H1 2023: €32.7 million), driven primarily by the decrease in EBITDA. Net cash is €592.4 million at the end of June 2024, seasonally down €439.8 million from 31 December 2023 (€1,032.2 million).

Our capital expenditure plan is progressing at pace with confirmed capacity investments of 1.8 million SWU in total. The first new centrifuges will come online in 2025. In the six months to June this year, we broke ground on the capacity extension in Almelo, the Netherlands, and committed to additional new centrifuges being installed in Gronau, Germany. These developments will keep our capacity stable to ensure we can continue to meet customer requirements in the mid and long term. As a result of more supportive government policies and longer-term customer orders at sustainable pricing levels, we intend to further expand capacity at our US site. In order to meet our additional demand for centrifuges, we have taken the first steps to further increase the manufacturing capacity of our joint venture: Enrichment Technology Company (ETC).

Our work on next generation fuels also gained momentum this half year, with the UK Government having agreed to co-fund a civil advanced fuels facility at our site in Capenhurst, UK. This facility will produce high-assay low enriched uranium (HALEU) which is a critical resource needed by next-generation reactor developers in North America and Europe. The facility will be ideally positioned to serve a broad market. We are also continuing to work closely with the US Department of Energy, which is looking to develop a supply of advanced fuels.

Sustainability is integral to Urenco. Our goal is to achieve a 90% reduction in carbon emissions by 2030 for scopes 1 and 2 – a near-term target which has been approved by the Science Based Targets initiative (SBTi). This contributes to our wider objective to become a net zero business by 2040. I am pleased to say that in the past six months we have taken steps to reduce our scope 2, or indirect, carbon emissions by changing our electricity supply to our site in the Netherlands. We have also launched a solar park installation at our German site, which could supply the equivalent of around 1,400 four-person households with electricity.”

Outlook and Order Book

An increasing acceptance of the role nuclear has to play in mitigating climate change, combined with geopolitical developments which have brought domestic energy security to the forefront, are positively impacting on several Government policies for nuclear.

The 'Prohibiting Russian Uranium Imports Act' passed by the US Congress, has provided confidence and clarity to the market, creating the opportunity for further investment in new nuclear fuel cycle facilities for current and advanced reactors, subject to robust anti-circumvention measures being in place. Similar discussions continue in Europe, where there have also been positive signals on future commitment to nuclear energy.

The market remains encouraging. SWU (enrichment) spot prices are increasing, as reported by UxC, from \$159/SWU at the end of 2023 to \$174/SWU in June 2024. We are extending existing contracts and signing new ones, such as with the nuclear operators in North America, Asia and Europe, thereby maintaining and expanding our customer base. This also applies to the advanced fuels market, where we will be making our first delivery in 2025. We have good visibility on future cash flows through the long-term nature of our order book. Extending to the 2040s, our order book value as of 30 June 2024 is €16.2 billion, based on €/€ of 1:1.07 (31 December 2023: €14.7 billion, based on €/€ of 1:1.10).

The principal risks for the Group for the six months ended 30 June 2024 are consistent with those in the consolidated financial statements of the Group for the year ended 31 December 2023. Our strategy remains focused on ensuring we continue to be a flexible, innovative supplier, helping to further energy security and net zero goals globally.

Board changes

Stephen Billingham stepped down as a director and Chairman of the Urenco Board on 30 June, 2024 and was succeeded by Justin Manson, who was previously a Urenco Board non-executive director from 2016. Stephen served on Urenco's Board for almost 15 years, from 2016 as Chairman, and prior to that, as a non-executive director. He has been one of the longest serving directors in the company's history. The Board of Urenco greatly appreciates and thanks Stephen for the significant contribution he has made.

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The Half Year 2024 Unaudited Financial Results are available on the Urenco website [here](#).

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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 2023 Consolidated Financial Statements of the Urenco Group, which were authorised for issue by the Board of Directors on 13 March 2024. The auditor's report on the 2023 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 2023 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.