

ureenco

Annual report
and accounts **2018**

Chief Executive Officer's review

Urenco has had another successful year. We are delivering on our customer commitments, positively addressing the challenges in the global enrichment market and realising our strategic goals.

Strategic highlights

This year has seen key achievements in all three pillars of our strategy.

We remain on track to realise €300 million in cumulative cash savings over the three-year period to the end of 2019.

We are signing new contracts to maintain our global customer base and seek to continue to raise our profile in China, opening a marketing office there in 2019.

Stable Isotopes is an area of growth. We are confident that our recent investment in increased capacity will serve the market well and deliver solid returns.

We are continuing to explore several possible new business ventures, including developing our capabilities in nuclear stewardship.

Through our Enrichment Technology Company, we are applying our knowledge of advanced materials to products for the decarbonisation of the transport sector.

We are also working towards providing support to our customers to fuel all nuclear new builds, including the next generation of reactors.

More information is on page 8.

Financial overview

Our 2018 results reflect the robustness of our operations and the success of our strategy. This performance is underpinned by our established contract order book.

Revenue was strong this year at €1,957.7 million (€1,926.9 million in 2017) as a result of increased SWU and uranium related sales. EBITDA of €1,200.4 million (€1,249.5 million in 2017) reflects strong underlying business performance and cost discipline, but with higher net costs of nuclear provisions incurred in 2018. Our net income at €511.3 million (€514.9 million in 2017) reflects the EBITDA decline, offset by lower financing and taxation costs.

Our balance sheet had continued to strengthen with net debt more than halved in the past three years.

The enrichment market and prices

This year's financial performance does not reflect current or mid-term market conditions, as we are continuing to deliver to our customers under our long established contract order book.

Current price levels would not support reinvestment in our enrichment facilities. There has been evidence of higher prices in the last months of 2018.

Operational success

It was a very successful year for our production sites. They met all their performance targets, providing an increased portfolio of products and proving the resilience of our technology.

Safety and security is our core value and key priority. As part of usual business and our commitment to continuous improvement, we reviewed and enhanced our procedures this year. They remain in line with industry best practice and legal requirements and have full buy-in from our employees.

Globally our safety performance improved. We had no employee or contractor work related lost time injuries. This is a significant achievement. There was, however, an increase in injuries requiring medical treatment.

This year we held our first simultaneous safety stand down across all sites and repeated the safety survey we launched last year. The survey showed an improvement in our safety culture, including importantly our employees' belief that injuries are preventable and their sense of empowerment to address safety issues.

Tails Management Facility

Commissioning has commenced at our Tails Management Facility (TMF) in the UK and operations are planned to start in 2019.

This responsible management of the by-product of our enrichment services, tails, is crucial to our commitment to uranium stewardship and sustainability.

We are proud of the fact that during the construction of the TMF we achieved 6.7 million hours of safe working. The TMF was one of the safest construction sites in the UK.

Leadership changes

In March 2019 I plan to step down as CEO and retire from Urenco. My successor, Boris Schucht, will take up his appointment in May. He brings a wealth of experience in the energy sector to support the ongoing delivery of our strategic objectives.



Priorities for 2019

We continue to focus on safe and secure operations and drive the implementation of our strategy.

We will be progressing our work to increase the diversity of our organisation and enhance the inclusivity of our culture. This includes empowering our valued employees to make more decisions, demonstrate their leadership and drive positive change across our business. Recognising employee contribution is of huge importance and in 2019 we will be implementing the next stage of our new 'Celebrating U' initiative with global employee awards. We will also be taking further action in relation to our biennial employee survey. This year, our employee 'pulse' survey showed a 7.4% increase in our 'engaged and committed' score, with clear support shown for our strategy. Our employees said they feel listened to, that their opinions matter and that they have the right tools for their job.

I have very much enjoyed my time with Urenco and am pleased that I have been able to create and implement a new strategic direction. I am confident that the business is now in an excellent position to achieve future success.

A handwritten signature in black ink, appearing to read 'Thomas Haerberle'.

Thomas Haerberle
Chief Executive Officer

Pictured:
[Thomas Haerberle](#).