

ureenco

March 2019

2018 Annual Results Presentation

Thomas Haeberle, Chief Executive Officer
Ralf ter Haar, Chief Financial Officer

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Today's speakers



Dr. Thomas Haeberle
Chief Executive Officer



- Appointed December 2015.
- Previously served as President and CEO of Infracor GmbH and as President of Degussa's Methacrylates, Building Blocks and Industrial Chemicals Business Units.
- Appointed to the Board of Evonik Degussa GmbH and Evonik Industries AG.
- More than 25 years' experience in the chemicals industry.
- PhD in Chemical Reaction Engineering from the University of Erlangen-Nürnberg.
- In March 2019 stepping down as CEO and retiring from Urenco.

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 25 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

- 2018 Annual Results
- Outlook
- Q&A

2018 highlights



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- Robust financial and operational performance, improved safety and good progress on strategic implementation.
 - Revenue increased to €1,958 million, up 1.6% year-on-year supported by established contract order book.
 - EBITDA (€1,200 million) and net income (€511 million) are slightly reduced year on year, however, margin performance remains solid.
 - Strong operating cash generation of €1,401 million and reduction in net debt to €1,371 million.
 - 100% of customer delivery commitments achieved again this year.
 - Market price increases for uranium and SWU.
 - Preparations made for the UK's withdrawal from the European Union and Euratom treaty.

Urenco enrichment capacity



Almelo, The Netherlands
Current capacity:
5.2 million SWU/a



Eunice, New Mexico
Current capacity:
4.9 million SWU/a



Capenhurst, UK
Current capacity:
4.6 million SWU/a

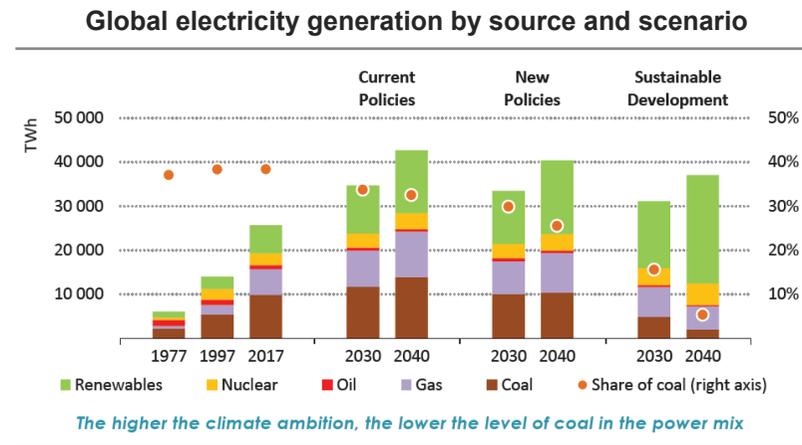


Gronau, Germany
Current capacity:
3.9 million SWU/a

- Urenco has a diverse and secure supply - only company in the world to operate commercial enrichment facilities in four countries - with strong operational performance.
- The enrichment industry has high barriers to entry:
 - Politics, technology and costs limit the number of potential enrichers;
 - Many customers tend to spread their business across several enrichment providers and consider Urenco Europe and UUSA (LES) as two suppliers.
- Group capacity: 18.6 million SWU/a.

- In the longer term, Urenco is cautiously optimistic the uranium enrichment market will improve; near-term growth is concentrated in China.
- There is an increasing global demand for sustainable, low carbon energy; with nuclear energy increasing its market share.
- As a leader in the nuclear industry our organisation has a key role to play in meeting this.

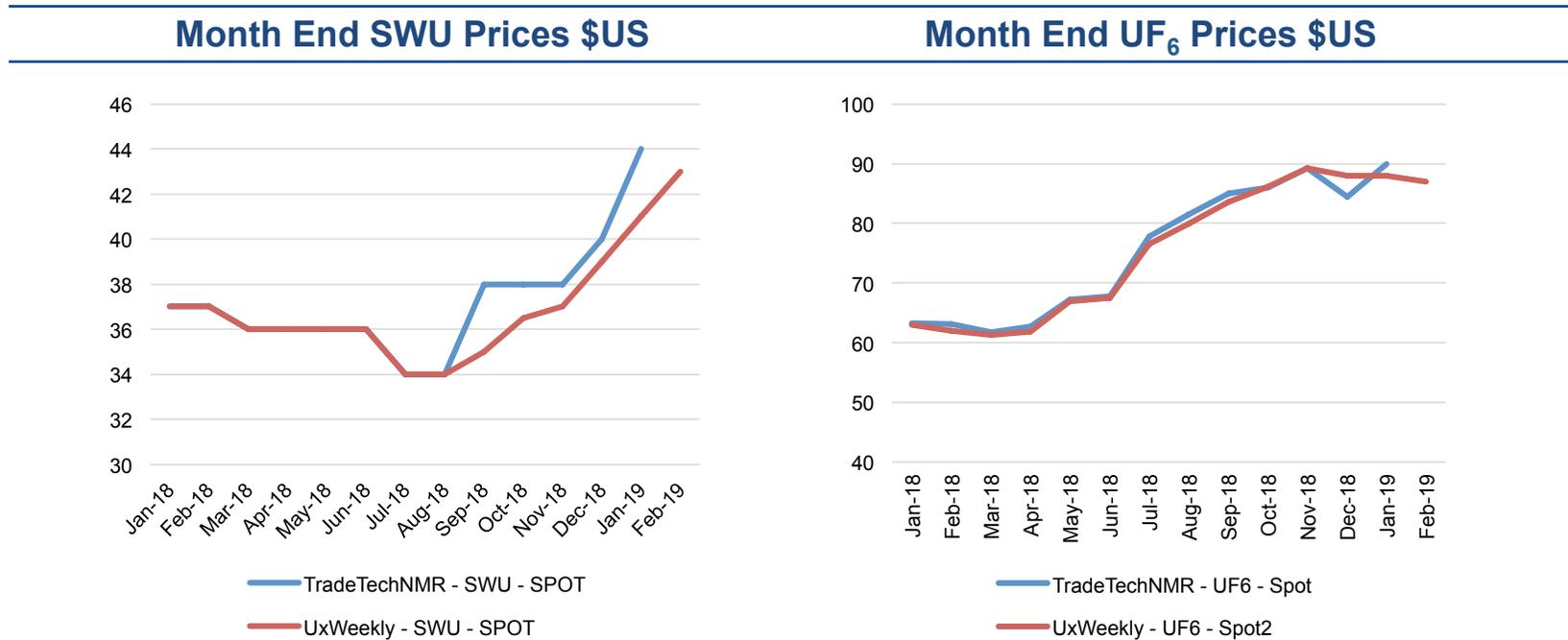
Forecast Nuclear Power Capacity Additions/Retirements by Region (GWe)



Note: TWh = terawatt-hours.

Source: World Energy Outlook 2018: Nuclear power capacity additions and retirements by key region in the new policies scenario

Market pricing

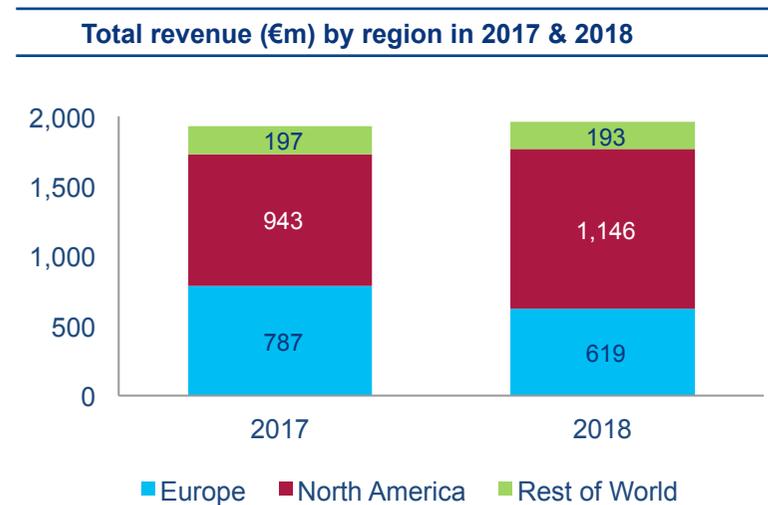
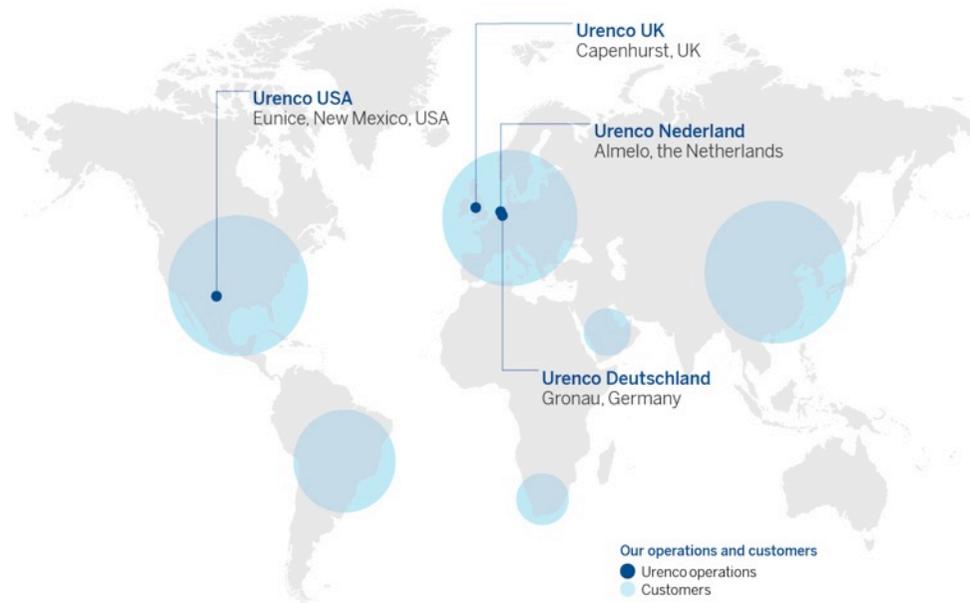


- Current price levels would not support reinvestment in our enrichment facilities; however, in 2018 there was evidence of higher prices.

Our commercial achievements



- We supply more than 50 customers in 19 countries.
- We have successfully agreed a number of new contracts, covering SWU, natural uranium (U_3O_8), conversion, enriched uranium (UF_6) and enrichment of reprocessed uranium.



Our strategy



- Long term strategy implementation progressing well; key achievements in all three pillars.
- On track to realise €300 million in cumulative cash savings by end of 2019.
- Signing new contracts to maintain global customer base, including in China and opening a marketing office in Beijing in 2019.
- Exploring new business ventures: nuclear stewardship; fuelling the next generation of reactors.

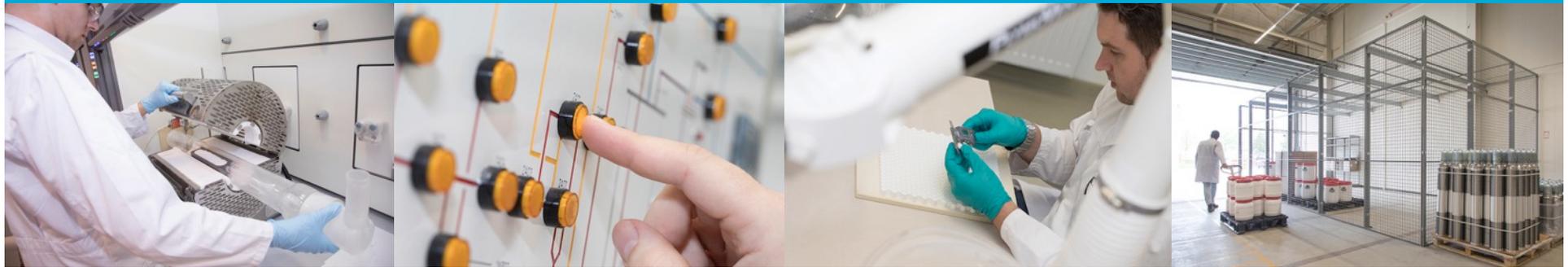
Tails Management Facility (TMF)

ureenco



- Construction is complete at Urenco's UK deconversion facility. Active commissioning is underway and production starts this year.
- The plant will convert in-house UF_6 tails to U_3O_8 , which is chemically more stable.
- A new Oxide Store safely stores U_3O_8 until final disposal.
- The TMF is crucial to our commitment to uranium stewardship and sustainability.

Expanding Urenco Stable Isotopes



- Producing enriched stable isotope products with social, environmental and commercial value.
- New medical, industrial and research applications continue to be developed.
- We are expanding our product portfolio to meet this increased demand.



Mitigation plans executed:

- Stock, equipment and other materials built up to continue production at our UK site for at least 18 months.
- Agreements in place to satisfy customer needs in case transport is disrupted.
- Export licences agreed post Brexit.

Nuclear Regulations and Agreements implemented:

- UK Nuclear Safeguards Regulations and bilateral international safeguards agreements with the International Atomic Energy Agency implemented.
- New international Nuclear Co-operation Agreements between the UK and USA and between UK and Canada.



Germany – end of domestic nuclear power generation

- Confident we can continue to demonstrate that we are a long term, sustainable operator in the country.

US – trade policies

- Provided input to the US Department of Commerce investigation into the potential impacts of imported uranium on US national security.
- There is long standing co-operation between the USA, UK, the Netherlands and Germany with respect to civil nuclear fuel and we are confident that this will continue.

Sustainability programme



- **Health and safety, safeguards and security:**
No lost time injuries.
- **Environmental impact:**
Reduction in CO₂ emissions and water usage.
- **Employee engagement:**
Strong employee motivation.
Enhanced diversity and inclusion goals for recruitment, succession planning and training.
- **Community engagement:**
One third of Urenco employees volunteered in their local communities.
Education programme reached 100,000 school children during 2018.

- CEO's Review



2018 Annual Results

- Outlook
- Q&A

Financial summary 2018 vs. 2017

(€ million)

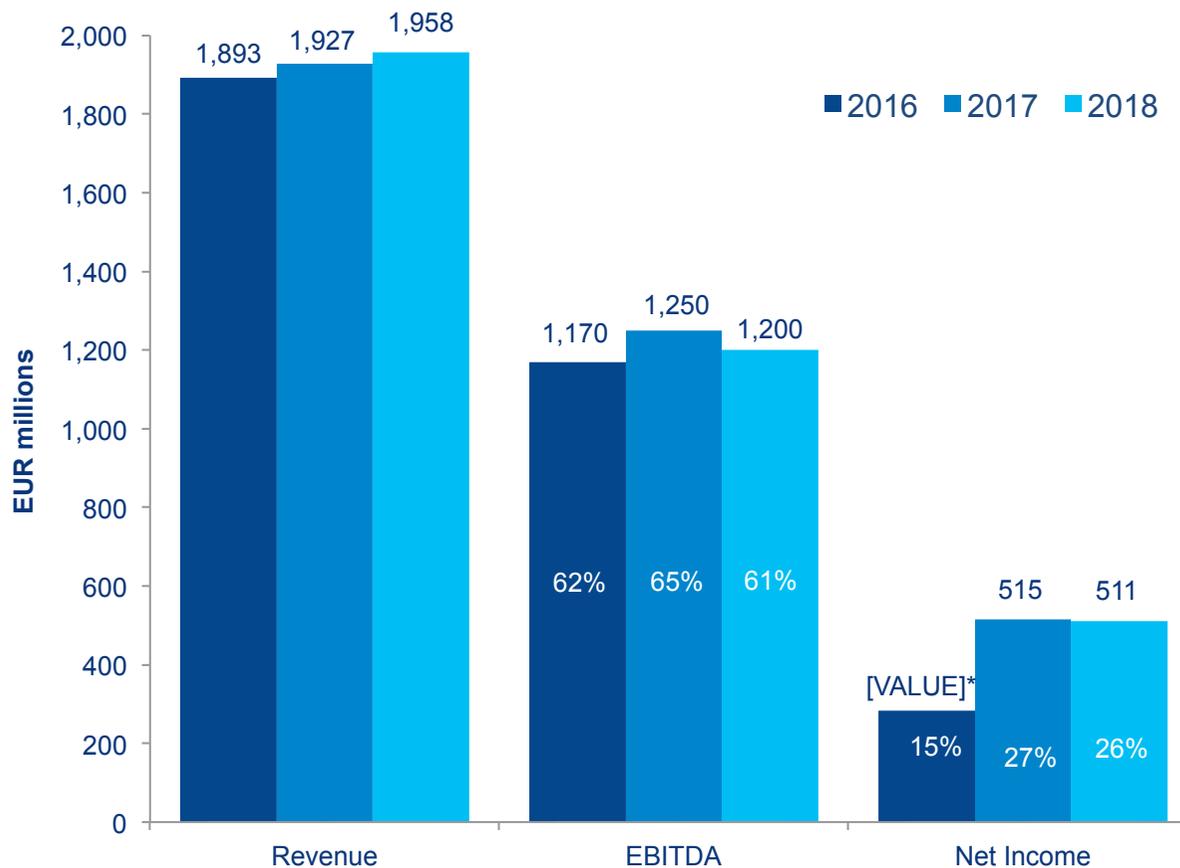


Year ended 31 December	2018	2017
Revenue	1,958	1,927
EBITDA	1,200	1,250
<i>EBITDA margin %</i>	61.3%	64.8%
Income from Operating Activities	827	872
Net Income	511	515
<i>Net income margin %</i>	26.1%	26.7%
Capital expenditure ¹	183	299
Cash generated from operating activities	1,401	1,314
Net debt	1,371	2,105

1. Capital expenditure reflects investment in property, plant and equipment plus the prepayments in respect of fixed asset purchases for the period.

Financial summary 2016 – 2018

(€ million)



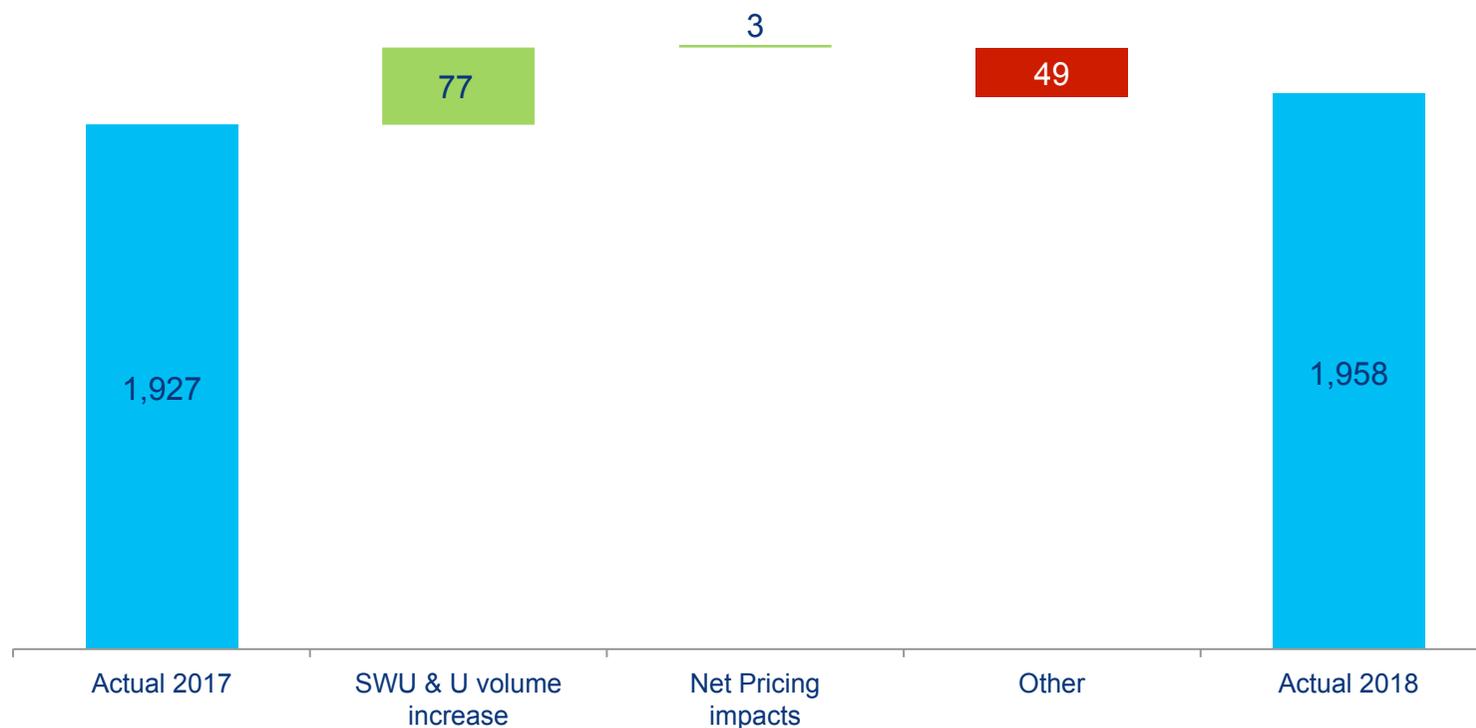
*2016 Net Income of €284 million is shown before exceptional items of €740 million (post-tax).
 After exceptional items, Urenco reported a Net Loss of €456 million in 2016.
 There were no exceptional items in 2017 and 2018.

Revenue

(€ million)



- Revenue increase due to: (i) additional SWU and uranium volumes; (ii) lower fair value gains on uranium related commodity contracts.

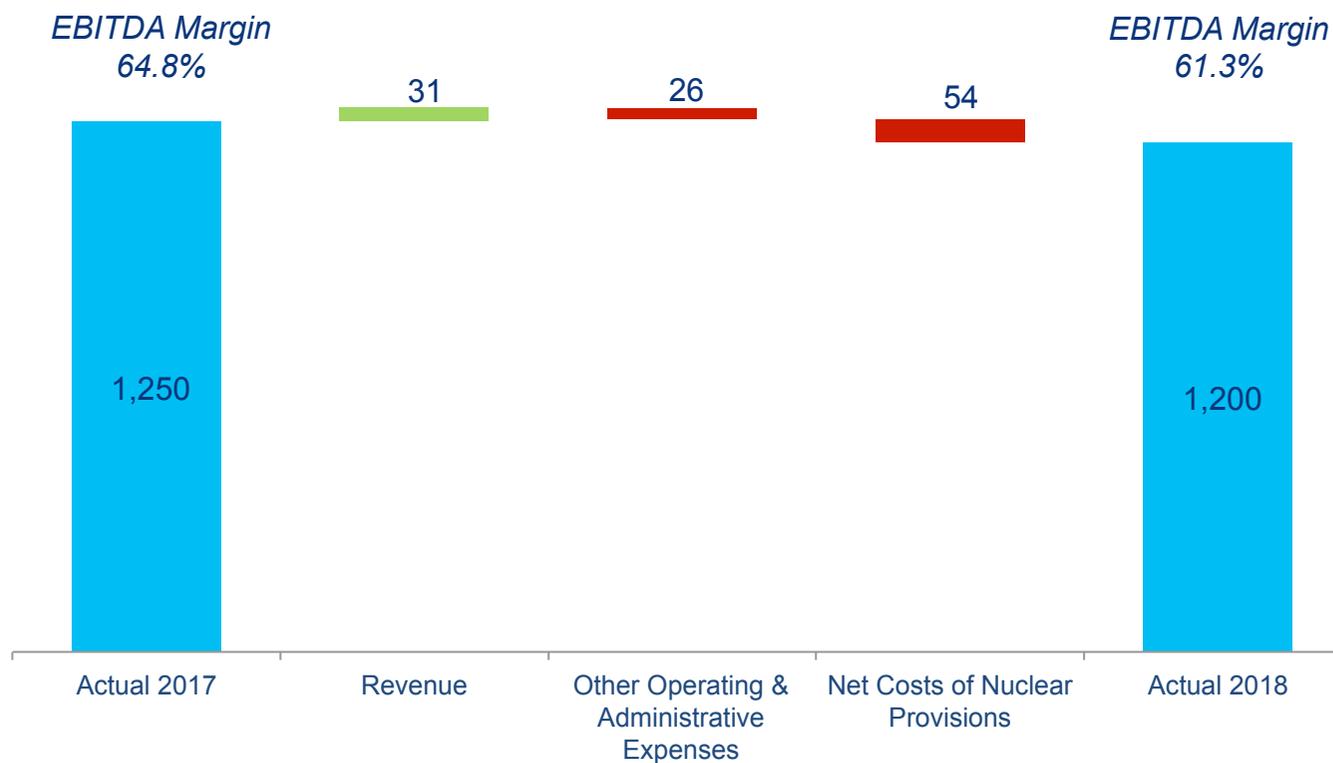


EBITDA

(€ million)



- EBITDA decrease in 2018 driven by: (i) increased revenues; (ii) higher reported operating and administrative expenses; (iii) higher net costs for nuclear provisions.

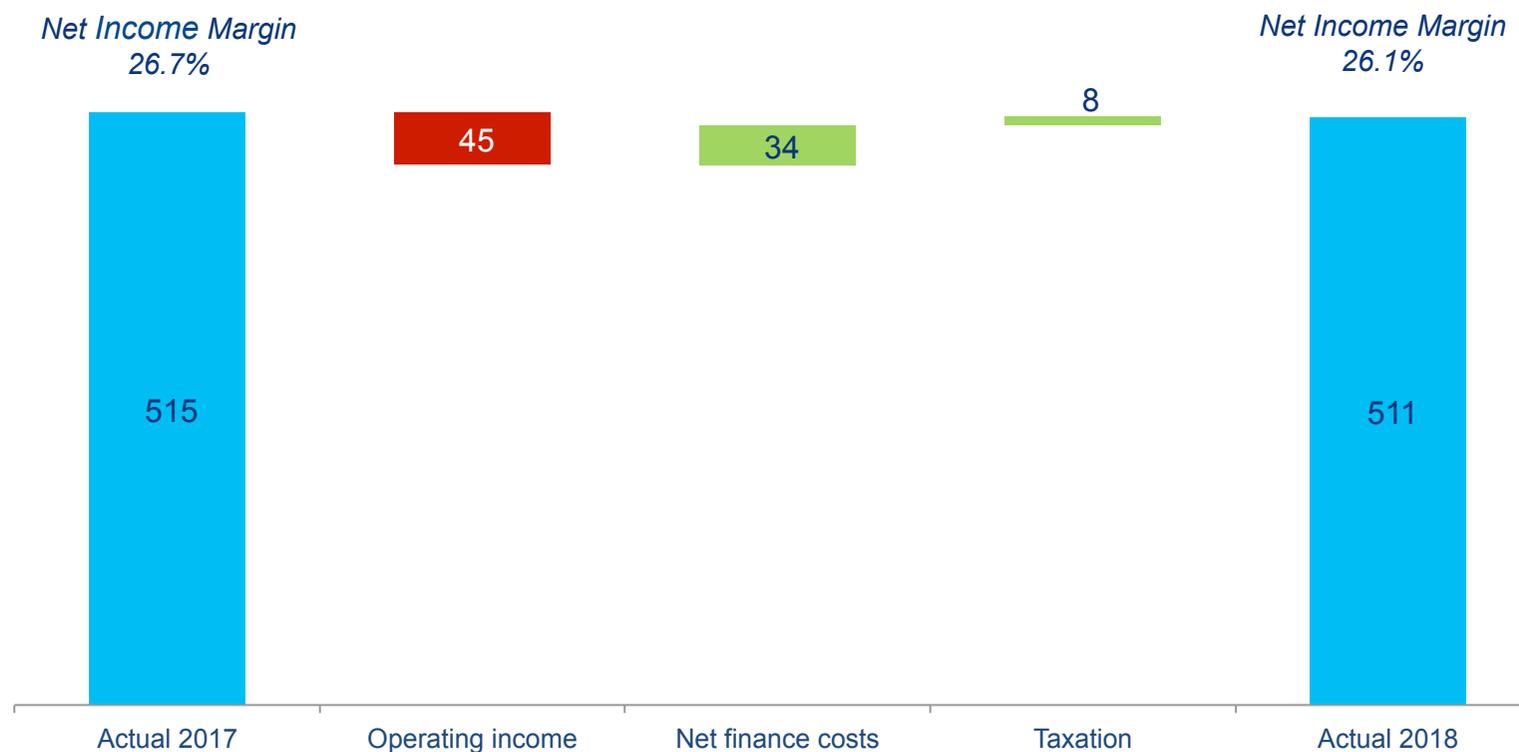


Net income

(€ million)



- The slight decrease in net income reflects: (i) the impact of lower EBITDA, offset by lower depreciation; (ii) lower net finance costs and taxation expense.



Taxation

(€ million)



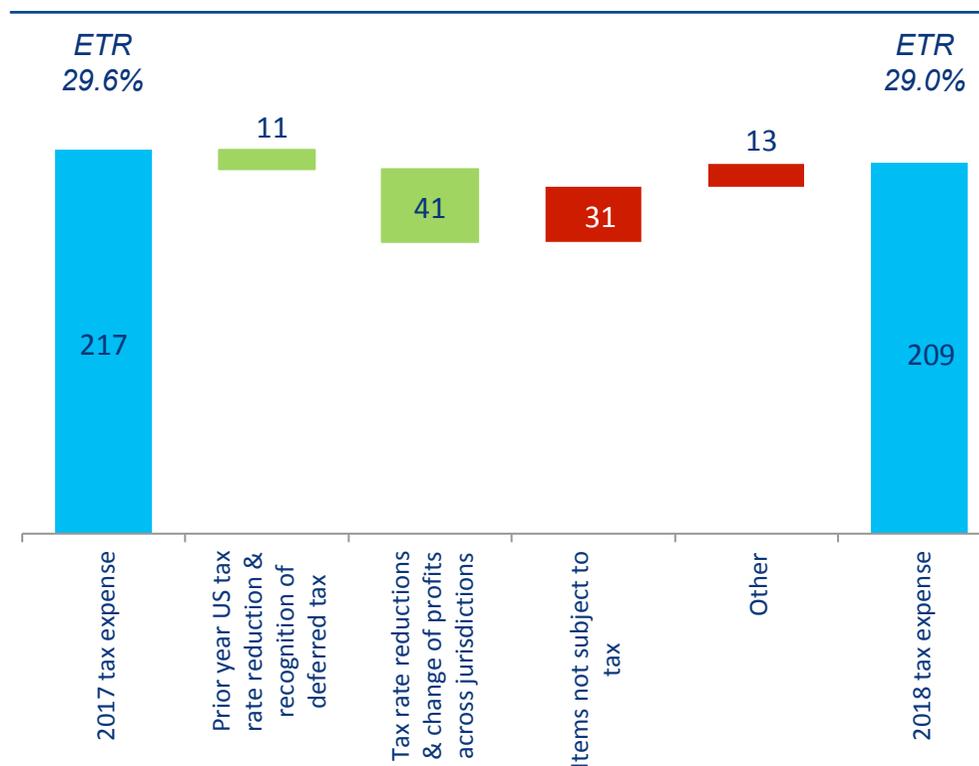
Consolidated tax charge

- Tax charge was €209 million (2017: €217 million).
- Group's average US corporate tax rate has fallen from 38% to 26%.

Cash tax paid

- Cash tax of €119 million (2017: €123 million) is lower than the consolidated tax charge due to non-cash deferred tax impacts of US investments.
- Urenco remains a substantial corporate tax payer in Europe.

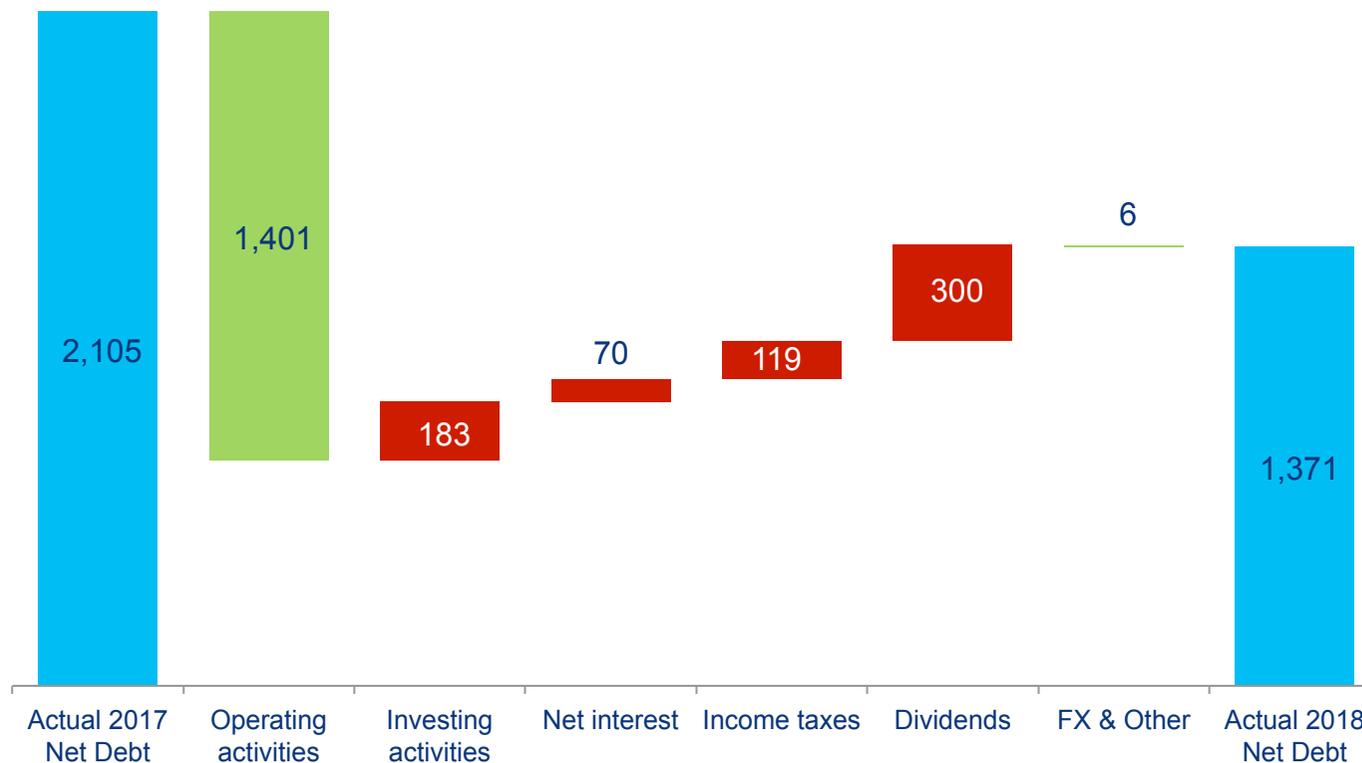
Tax charge – year on year movement



Cash flow & Net debt

(€ million)

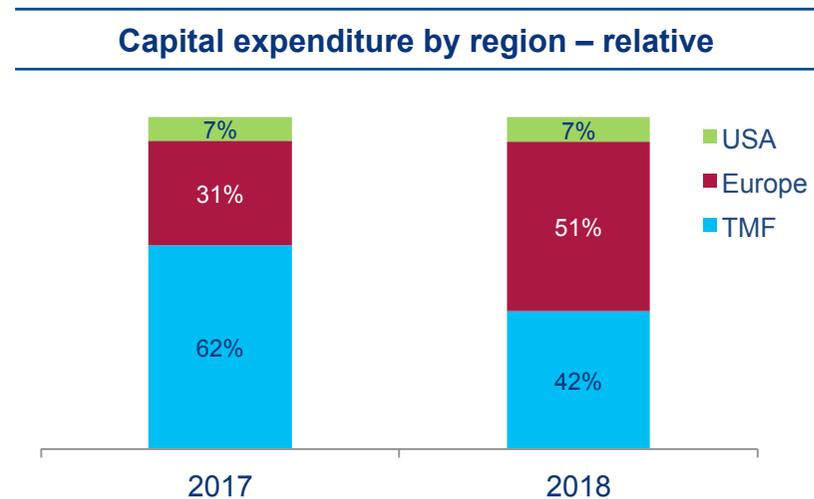
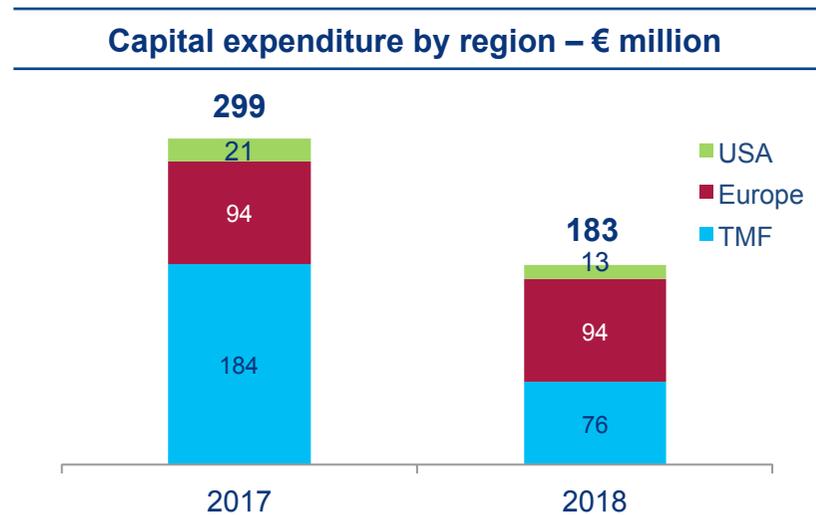
- Cash generated from operating activities improved by €87 million, driven by favourable operating costs and working capital movements.
- Capital expenditure of €183 million is €116 million lower than prior year.
- Net debt reduced by €734 million to €1,371 million.



Capital expenditure

(€ million)

- Construction of TMF complete, commissioning well-advanced and operations planned for 2019.
- Level of capital expenditure on enrichment assets now at envisaged sustainable level.
- Efficient capital allocation is a key element of Strategy 2020.



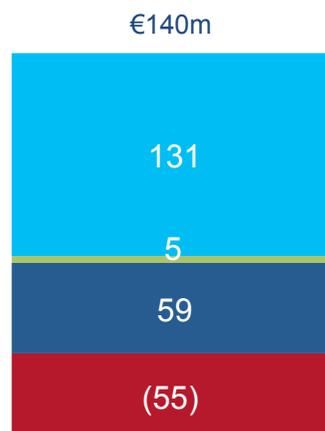
Net finance charges

(€ million)

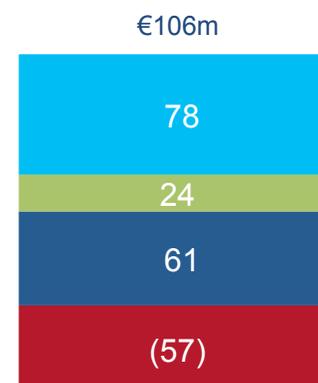


- Reduction in interest charges for debt reflect lower levels of net debt.

2017 Net finance charges



2018 Net finance charges



■ Non Cash discount unwind on pensions and provisions ■ FX on financing activities and impact of cashflow hedges ■ Debt interest

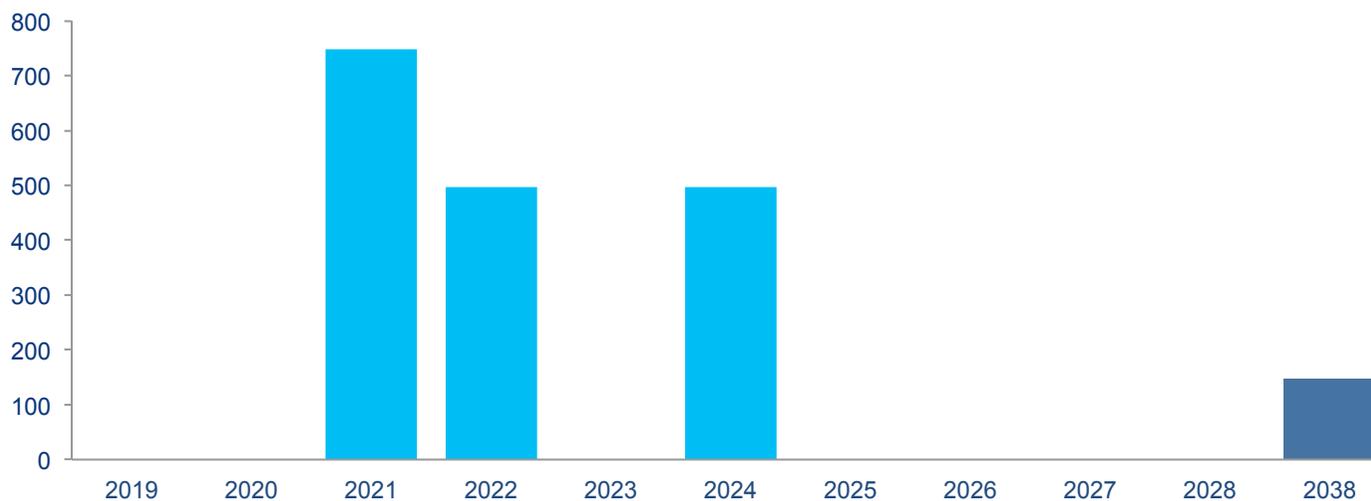
Key credit ratios:

	2017	2018
Funds Flow from Operations / Total Adjusted Debt (FFO/TAD)	30.5%	34.3%
EBITDA / Interest cover	6.6x	8.6x

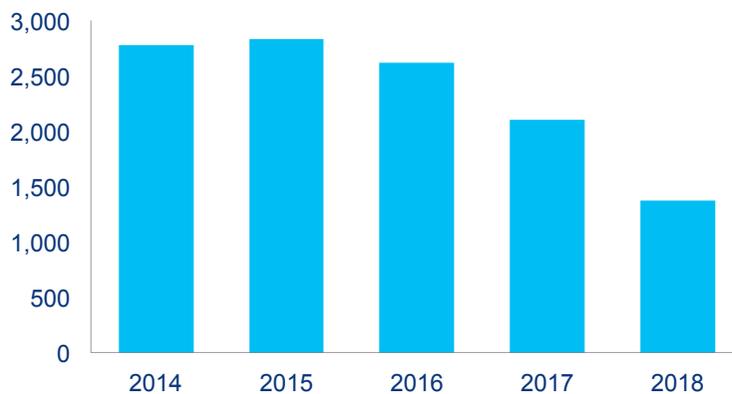
Debt structure – 31 December 2018



Debt maturity profile – Net debt €1.4 billion



Net debt € million



Currency mix



Liquidity

- €750 million committed revolving credit facility (RCF) maturing 2023 undrawn at December 2018.
- €360 million of bilateral facilities and €100 million EIB loan repaid.
- Tender for 2021 Eurobonds in January 2019 – repaid €215.6 million.
- Cash balance €531 million at 31 December 2018.

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
 - 2018 Annual Results



Outlook

- Q&A



- Contract order book remains strong.
- Increase in revenue and reduction in net debt.
- Addressing geopolitical and market challenges.
- Achievements in all areas of our strategy.
- Boris Schucht joins Urenco as Chief Executive Officer in May 2019.

Urenco is well positioned to ensure our long term future with a broad and sustainable offering for the nuclear industry.

Introducing Boris Schucht



- Mr Schucht has been Chief Executive Officer of 50Hertz, the North-East German Transmission System Operator, since 2010.
- Mr Schucht previously held a number of senior executive positions within the energy sector across Europe, including WEMAG AG and the Vattenfall Group.

- CEO's Review
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Q&A



Questions & Answers



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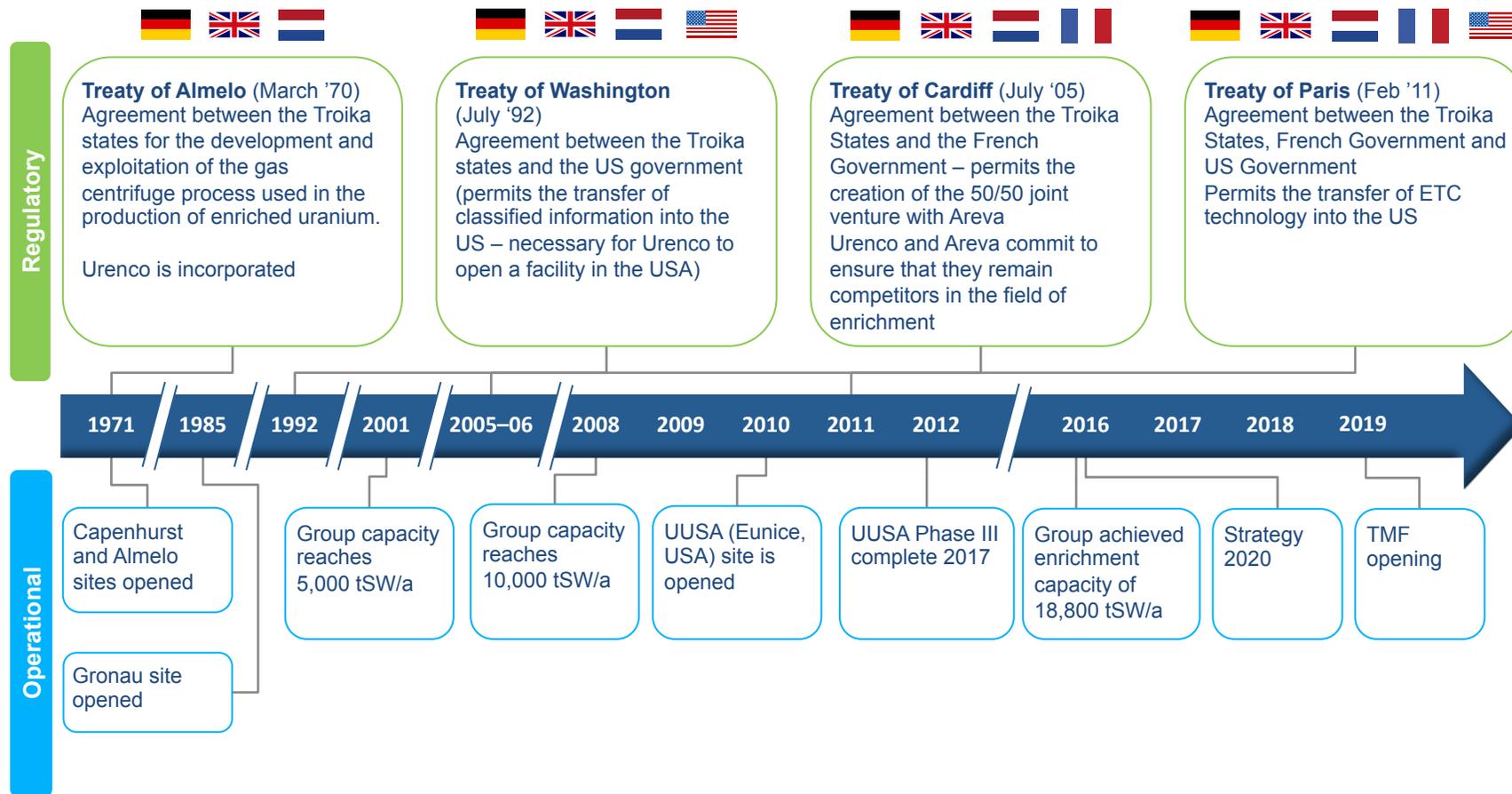
Gerard.Tyler@urengo.com



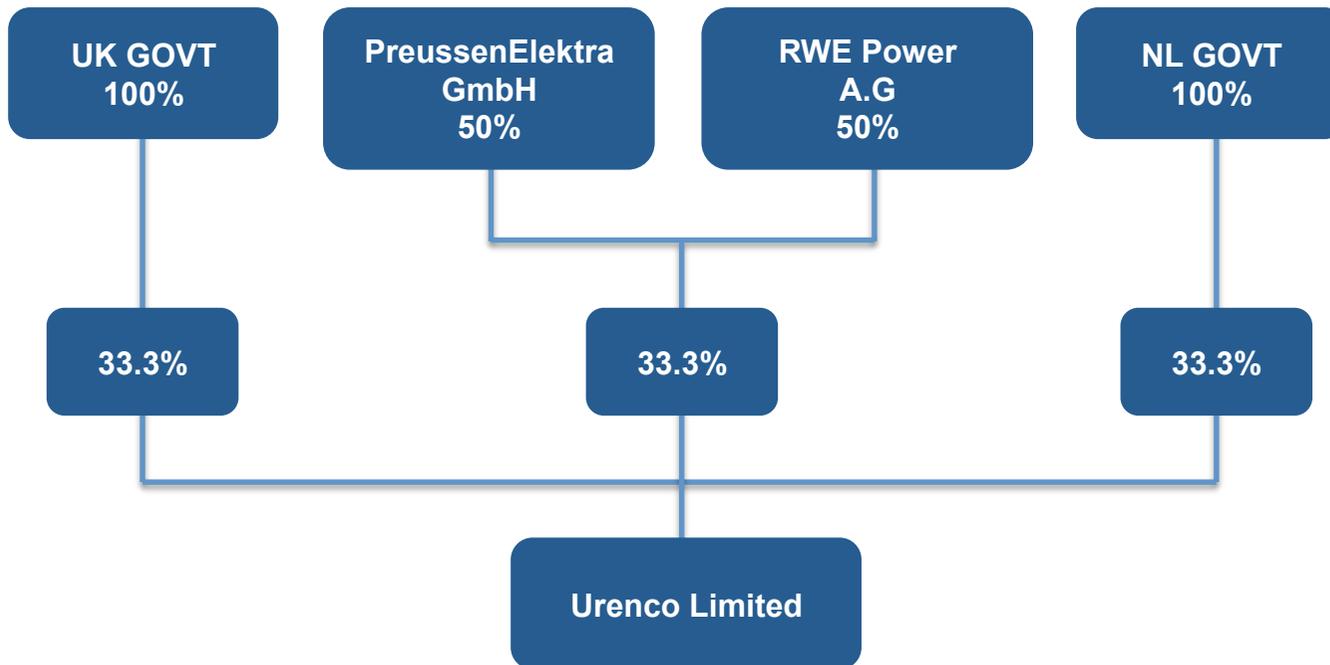
Urengo Limited

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Bucks SL2 4JS

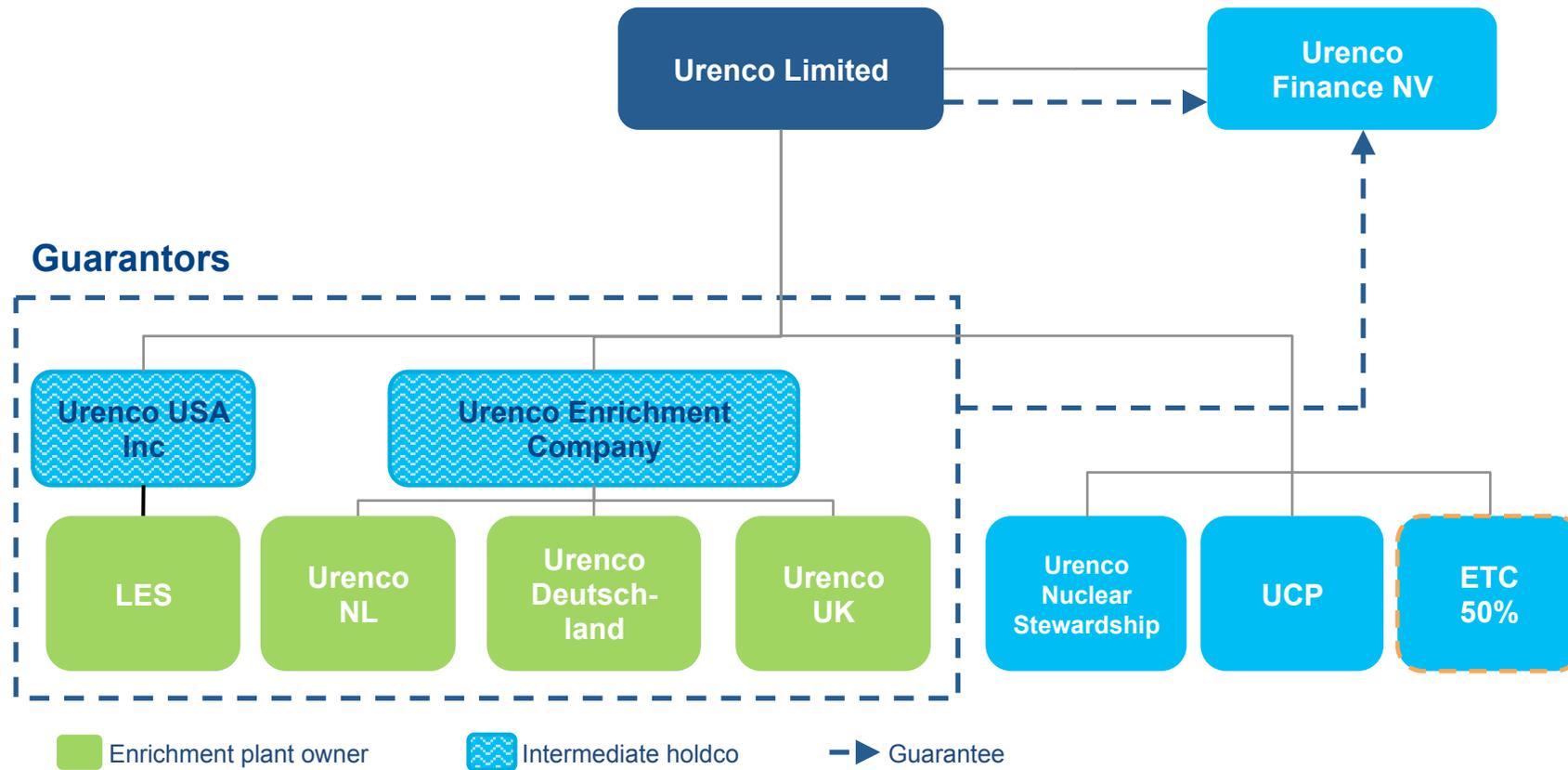
Timeline of Urenco key dates



Company ownership



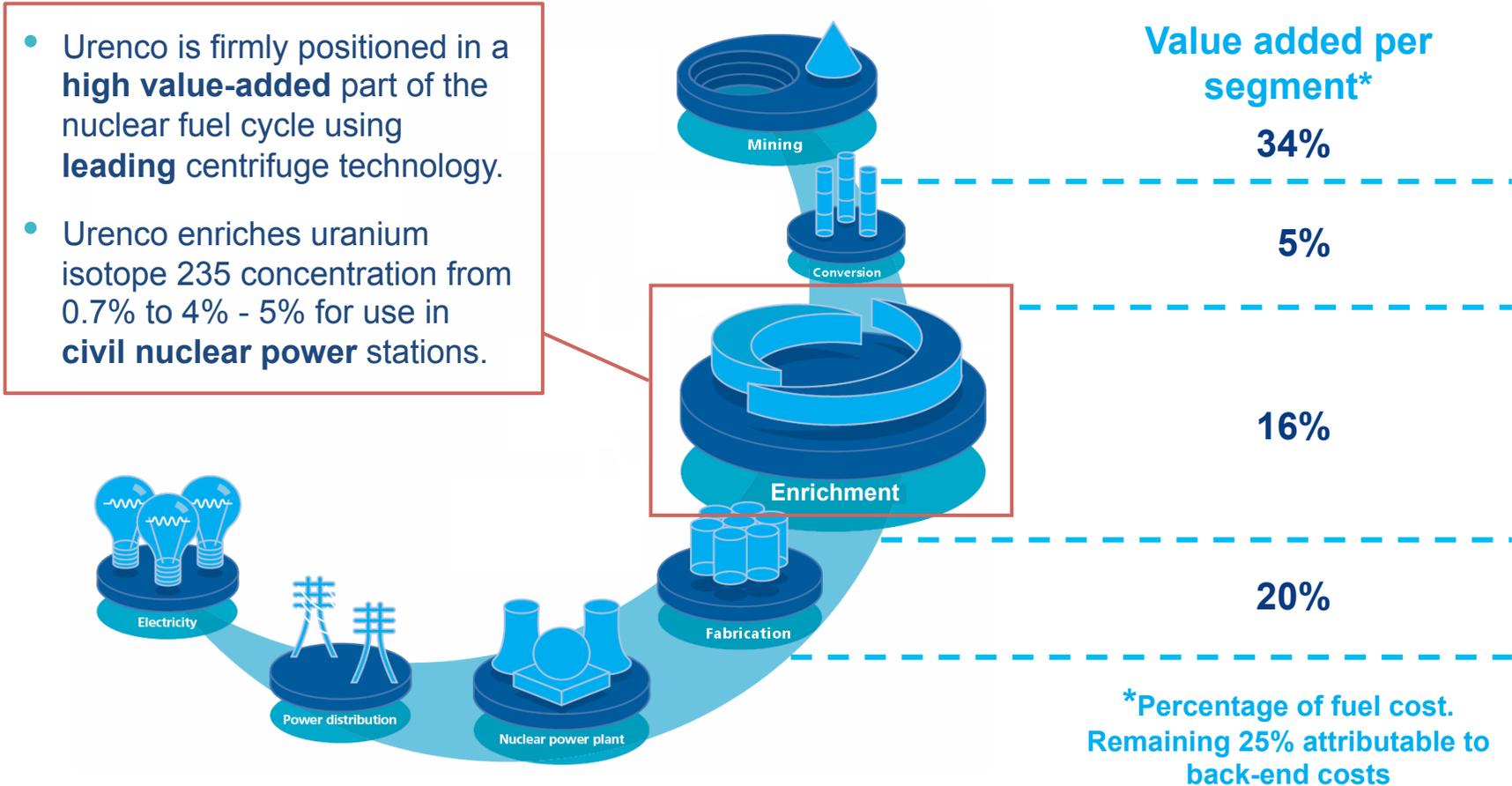
Group structure



- 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 subsidiaries¹

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

Global nuclear market overview



Notes

- 1. All percentages are approximate
- 2. Based on typical 1,000MWe reactor operating on 18 month cycle and average reported prices for 2016.

Our role in the nuclear industry – the enrichment process

