



orano

Annual Results 2021

Credit Update

March 22, 2022

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Orano's business card



orano

Giving nuclear energy its full value



MINING

- **Exploration:** search for new deposits
- **Mining projects:** development and construction of mines
- **Operation:** extraction of natural uranium, then chemical concentration into U_3O_8
- **Rehabilitation of sites** after their operation
- **#3 player** with ~10% market share

FRONT END

- **Conversion of uranium** concentrate (U_3O_8) to uranium hexafluoride (UF_6)
- **Enrichment of UF_6 by centrifugation**
- **# 2 player** with ~20% market share

BACK END

- **Recycling**
- **Nuclear Packages & Services** : packaging design and manufacturing, transportation of nuclear materials and waste
- **Dismantling & Services** : expertise in dismantling of reactor and fuel cycle plants and maintenance & site logistics services to the biggest nuclear utility in the world
- **#1 the only scaled solution** for used nuclear fuel recycling currently in operation

Orano is a unique specialist of uranium cycle, with a diversified footprint










Key Figures¹

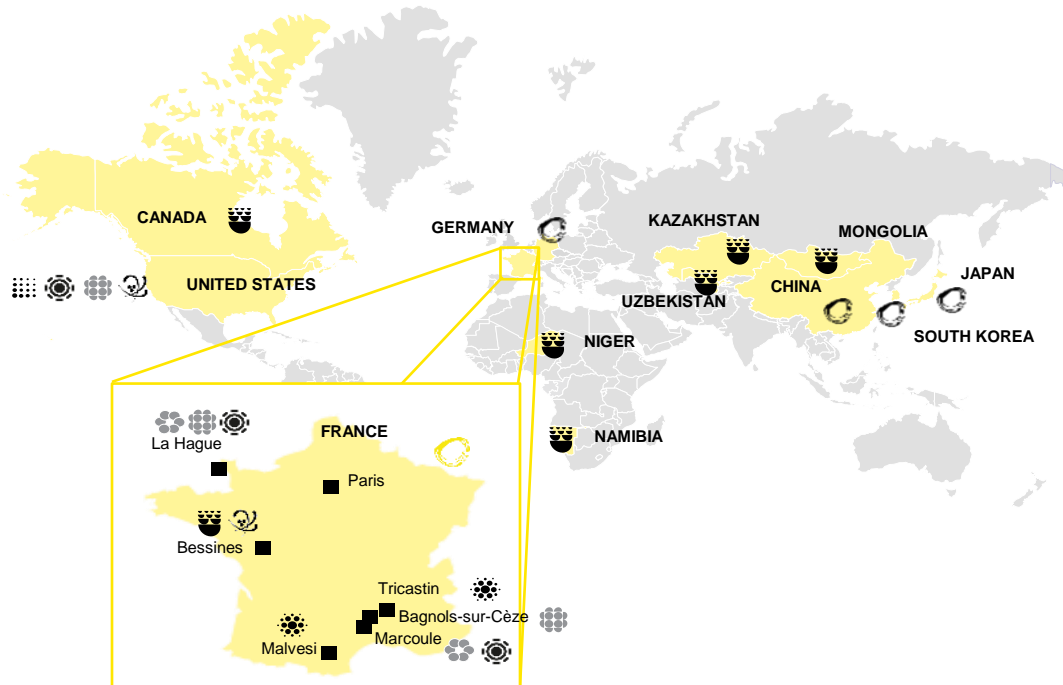
€4,726m
revenues

€1,398m
EBITDA
29.6% of Rev.

€210m
Net cash flow
from company
operations

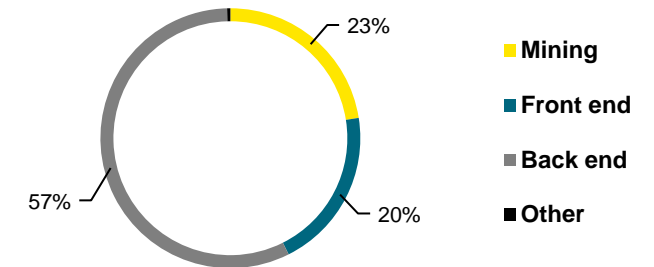
Worldwide Geographical Footprint

-  Head Office
-  Mining
-  Conversion and Enrichment
-  Decommissioning & Services
-  Recycling
-  Nuclear Packages & Services
-  Projects
-  Nuclear Medicine
-  Representative Offices

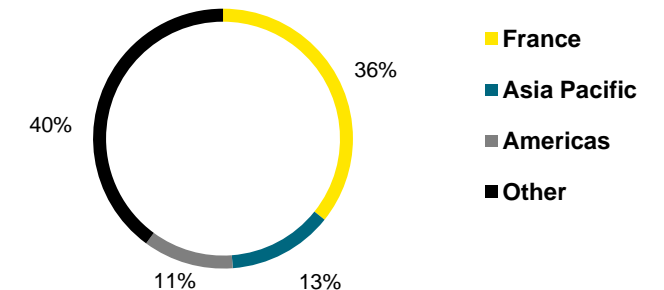


Revenue Breakdown¹

By Segment

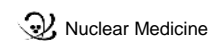


By Geography



Source: Company

¹ Based on FY2021 figures.



with Orano Med, ambitions to develop a new generation of **targeted radiotherapies against cancer** using the properties of ²¹²Pb, a rare alpha-emitting radioisotope

Our commitment (ESG)



Community

Be engaged and responsible locally in our environment

- Regional roots
- Second life of sites
- Eco-design



Climate

Contribute to carbon neutrality

- Reduction of our carbon footprint
- Nuclear acceptability



Competencies

Mobilize proud and committed employees who embody our purpose

- Professional and personal development
- Diversity and inclusion
- Innovation



Customer growth

Innovate to preserve resources and protect health

- Recycling
- Anti-cancer treatments
- Medical, industrial and research isotopes



Cash

Operate efficiently and reduce our footprint

- Efficiency
- Reduction of non-recycled waste

2

Market trend



A more favorable environment for nuclear energy



Clear support from the French State



An energy retained in the European taxonomy

Survey



(BVA study–May 2021)

58%

of French people mistakenly believe that nuclear energy produces CO2 and has an impact on the climate vs. 69% two years ago

Progressively a better informed public opinion

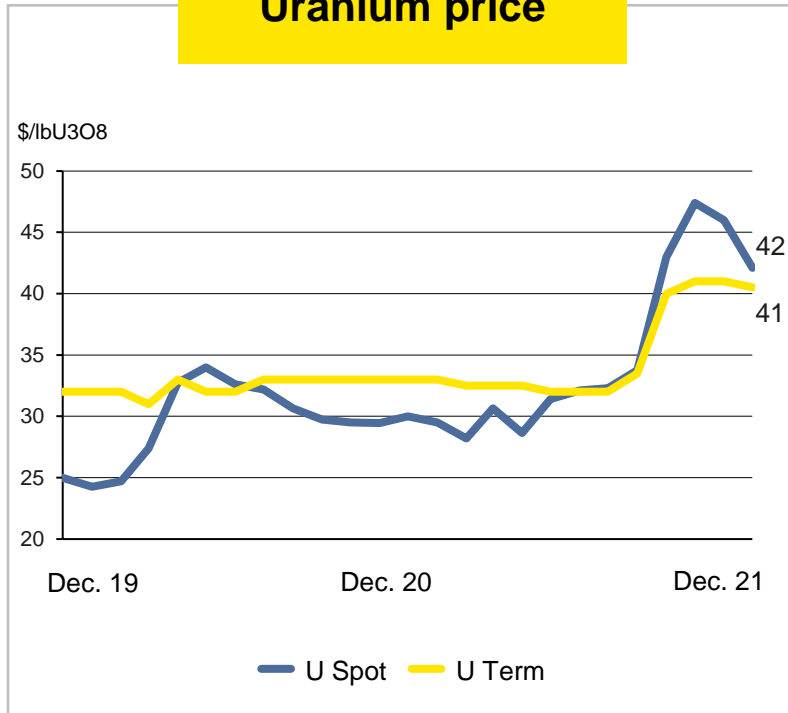


Forward-looking scenarios using nuclear power in the energy mix

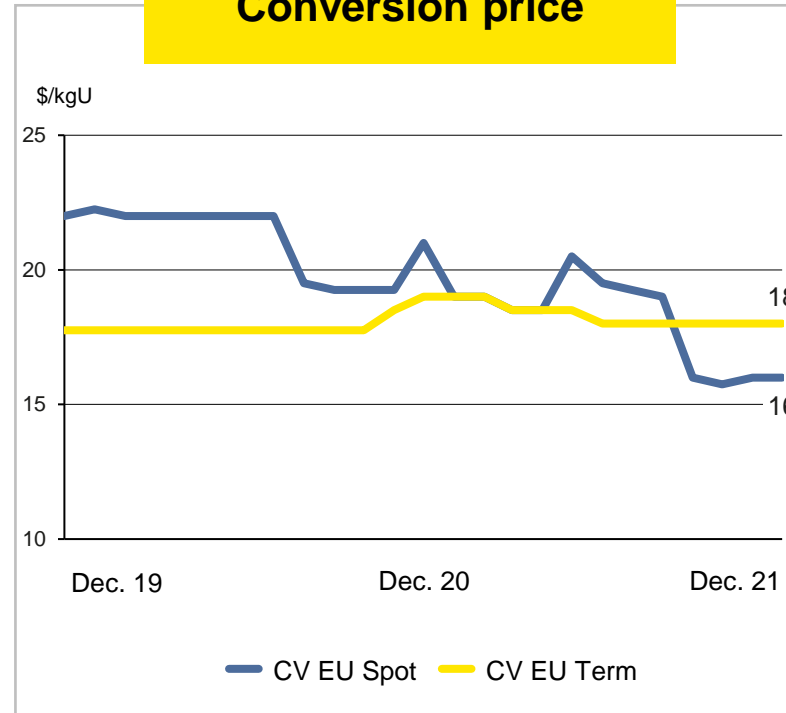
Validation of the benefits of nuclear power

Price trends in our markets

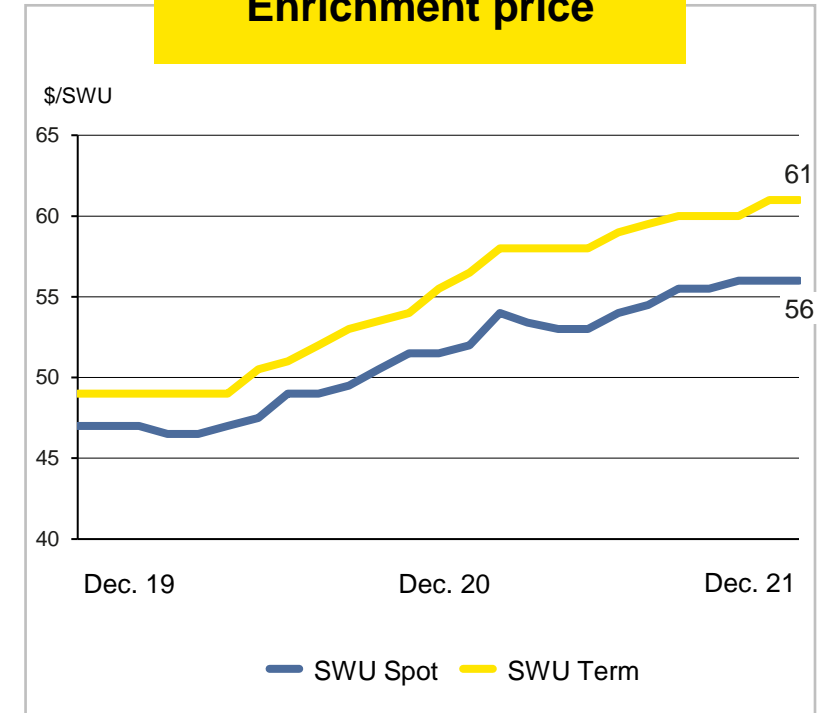
Uranium price



Conversion price



Enrichment price



Source: UxC

3

Financial results 2021



Strong results for 2021 driven by the balance of long-term export contracts

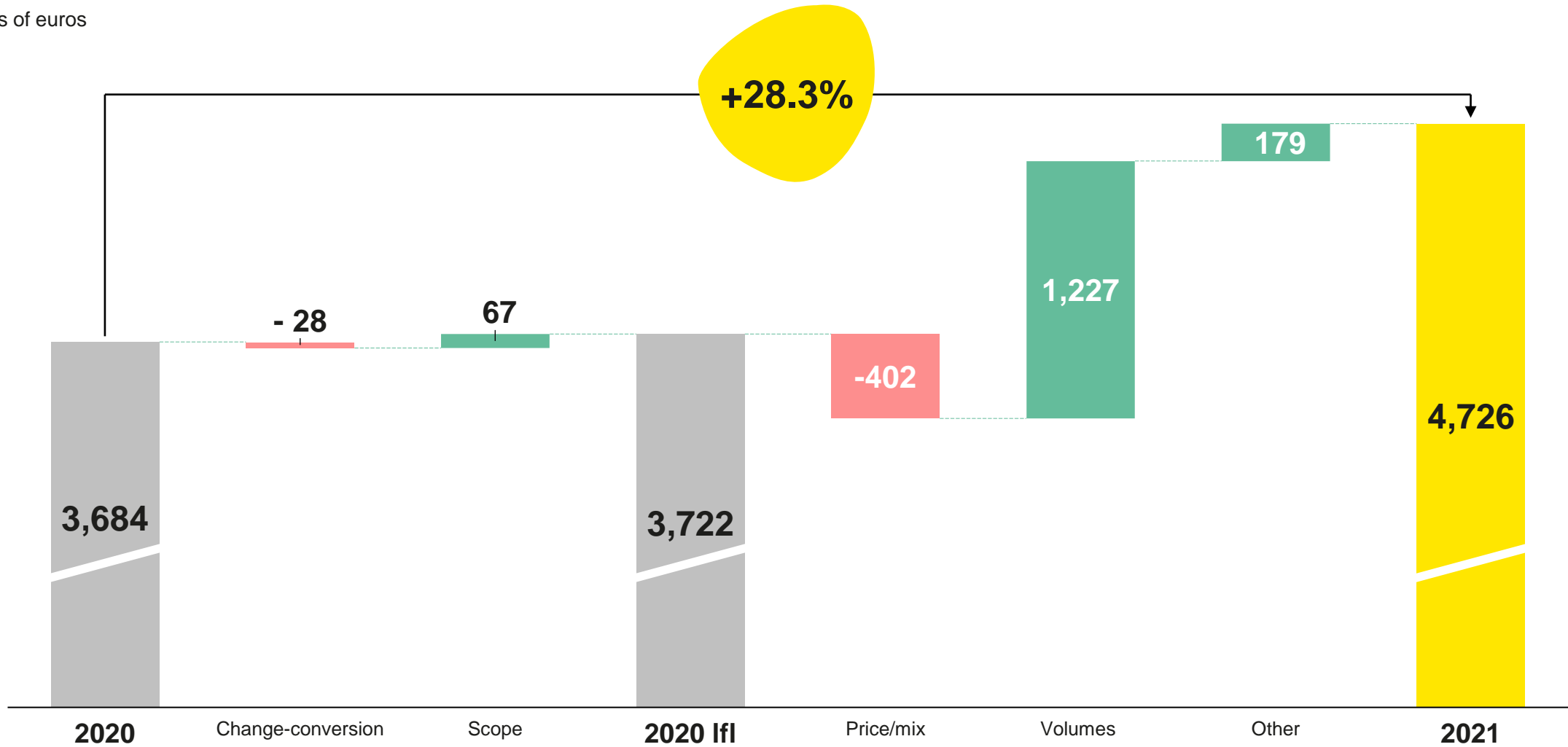


* Indicator, reflecting Orano's industrial performance independently of the impact of the financial markets and regulatory changes related to end-of-lifecycle commitments.



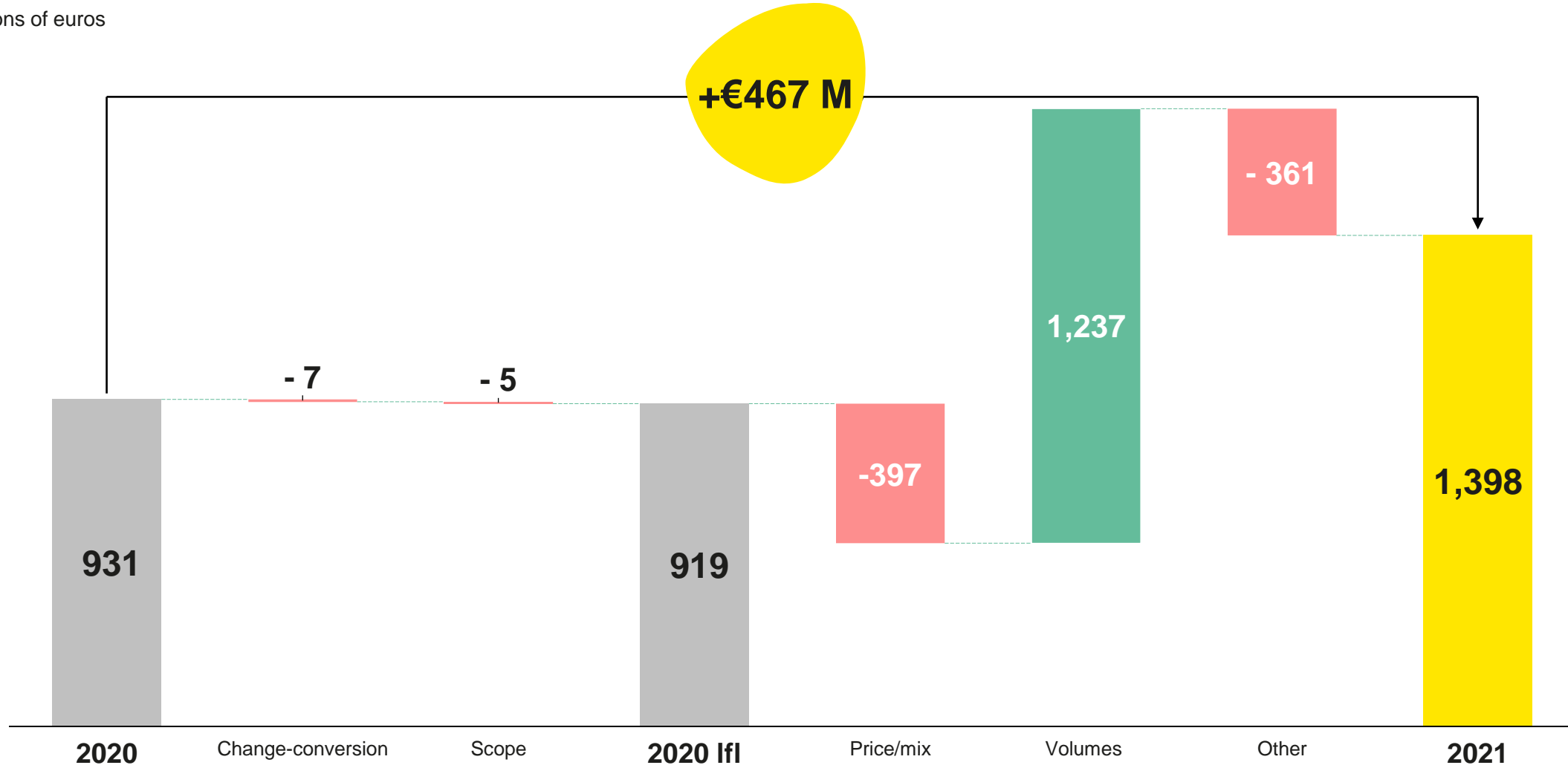
Strong growth in revenue

In millions of euros



EBITDA up with mixed and one-off effects

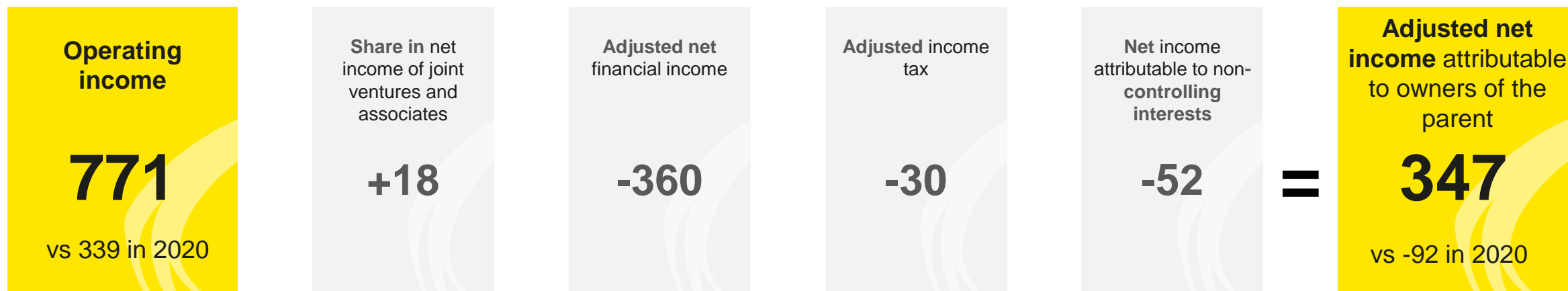
In millions of euros



Adjusted net income for 2021*

In millions of euros

Transition from operating income to adjusted net income



* Performance indicator, reflecting Orano's industrial performance independently of the impact of the financial markets and regulatory changes related to end-of-lifecycle commitments.



Net income as reported 2021

In millions of euros

Transition from adjusted net income to reported net income

Adjusted net income attributable to owners of the parent

347

vs -92 in 2020

Undiscounting of end-of-lifecycle liabilities

-266

Net impact of rate changes on end-of-lifecycle commitment

-231

Return on earmarked assets

+828

Effect of tax adjustments

0

=

Reported net income attributable to owners of the parent

678

vs -71 in 2020



Positive net cash flow from company operations

In millions of euros

Transition from operating CF to net CF

Operating cash flow

964

vs 548 in 2020

Cash flow from end-of-lifecycle operations

-372

Income tax

-90

Cash from financial transactions

-207

Other items

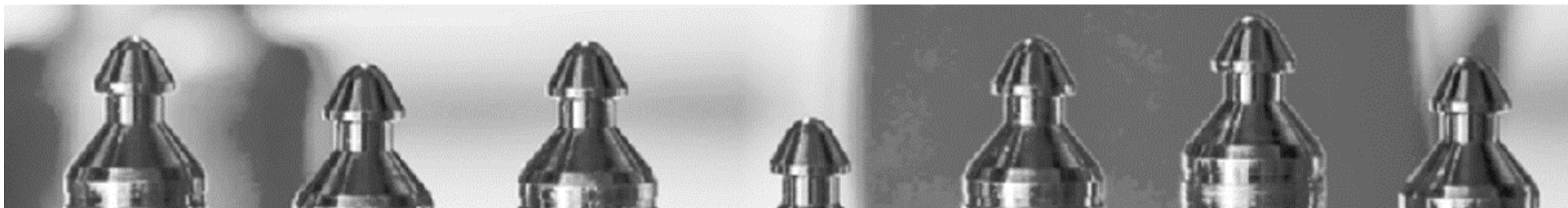
-84

=

Net cash flow from company operations:

210

vs 144 in 2020



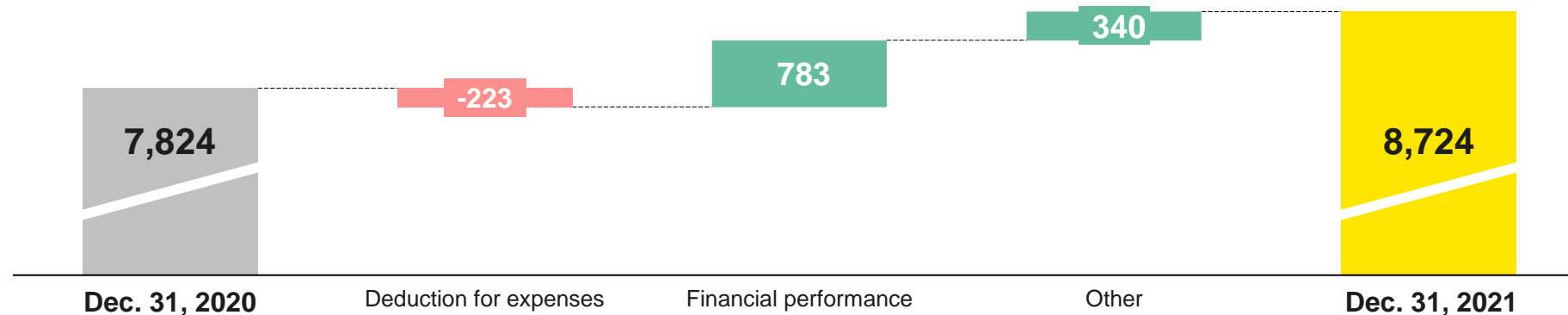
Condensed balance sheet

In billions of euros	Dec. 31, 2020	Change	Dec. 31, 2021
a - Goodwill	1.2	+0.1	1.3
b - Non-current assets	9.6	+0.6	10.2
c - End-of-lifecycle assets	7.7	+0.9	8.6
d - Deferred tax assets	0.1	-	0.1
e - Operating WCR assets	2.9	- 0.1	2.8
f - Other assets	0.8	- 0.1	0.7
g - Cash	1.6	-0.3	1.2
Total assets	23.8	+1.2	25.0
h - Equity	1.1	+0.8	1.9
i - Employee benefits	1.1	-0.5	0.5
j - Provisions for end-of-lifecycle operations	8.2	+1.1	9.3
k - Other provisions	2.5	+0.4	2.9
l - Financial liabilities	4.2	-0.8	3.4
m - Operating WCR liabilities	5.8	+0.8	6.5
n - Other liabilities	1.1	-0.6	0.5
Total liabilities	23.8	+ 1.2	25.0
Net debt	(2.1)	-0.2	(1.9)

End-of-lifecycle commitments: *Regulated scope*

In millions of euros

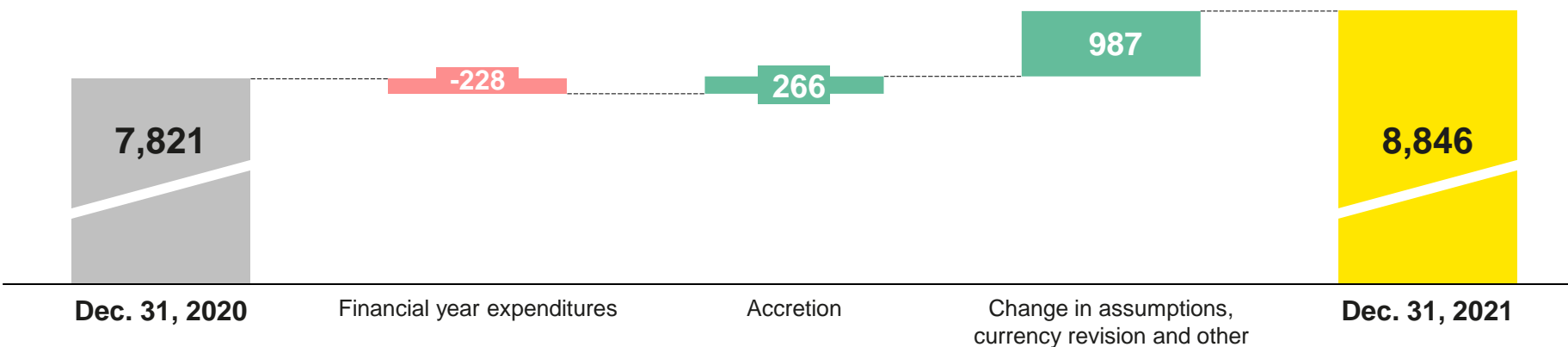
ASSETS (market value)



Coverage ratio:



LIABILITIES

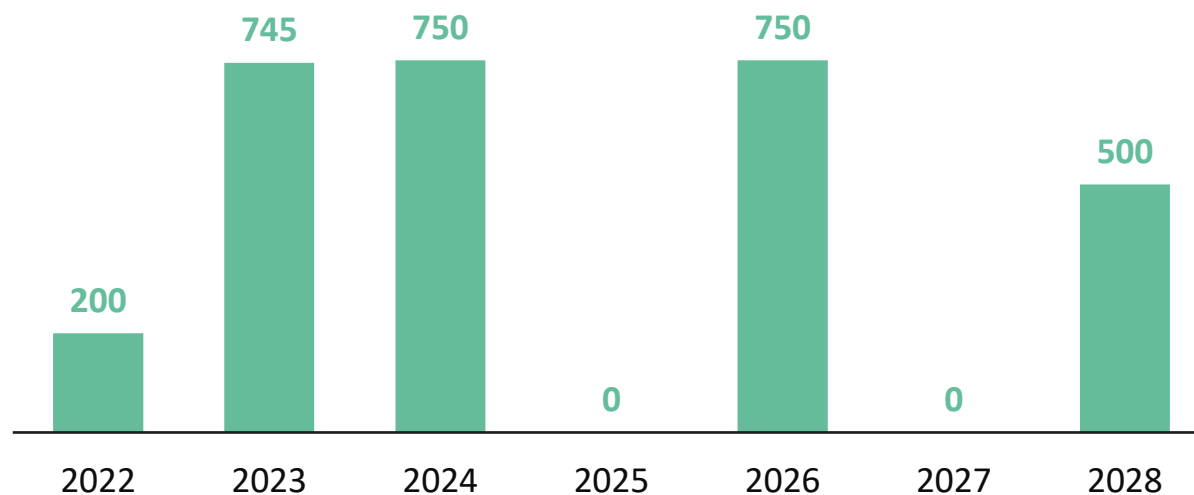


Debt structure and liquidity at December 31, 2021

Gross financial debt €3.4 bn

Of which bond debt: €3.0 bn

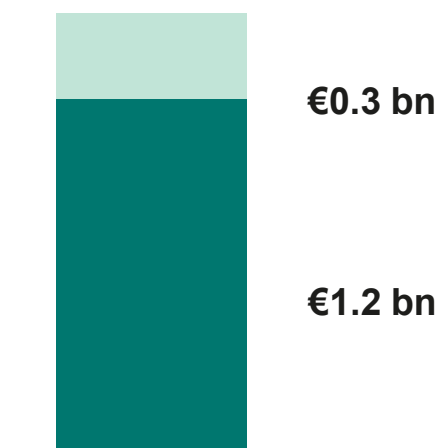
In millions of euros



Other items of the financial debt: €0.4 bn

Liquidity position at December 31, 2021

€1.5 bn



December 31, 2021

Cash management financial assets

Cash assets

Liquidity enhanced by an undrawn RCF:

- €940 M, 11 banking partners
- Maturity up to **July 2023**
- **No drawdowns** made

4

Outlook 2022



Return in 2022 to the momentum expected before the pandemic



Revenue close to
€4 bn



EBITDA margin rate
between **23% and 26%**



Positive
net cash flow

5

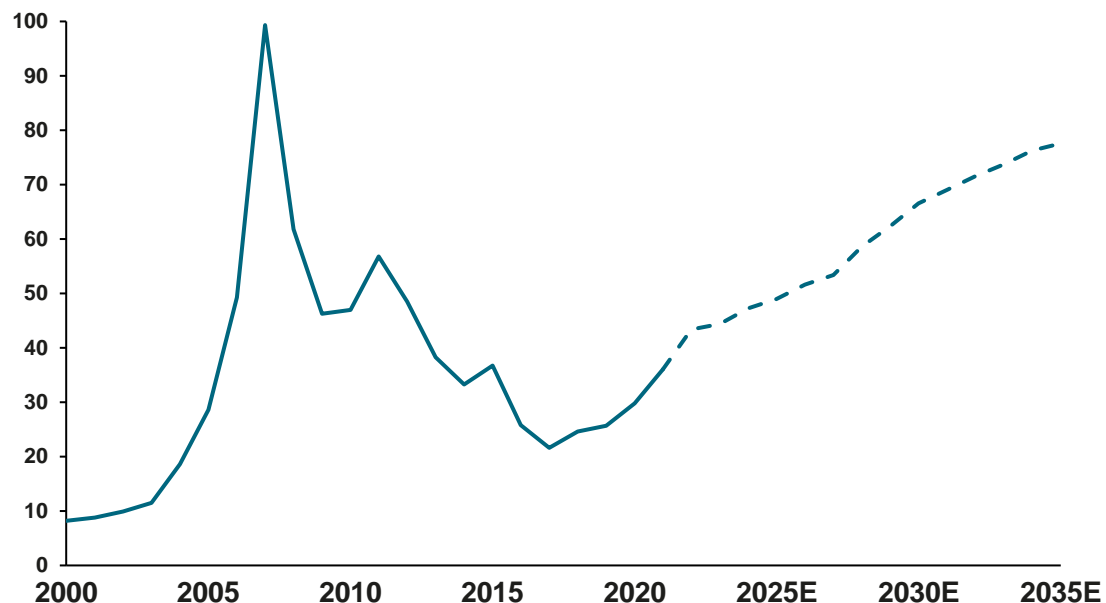
Q & A

Appendices

Uranium Market

Evolution of Uranium Spot Price

US\$/lb U₃O₈



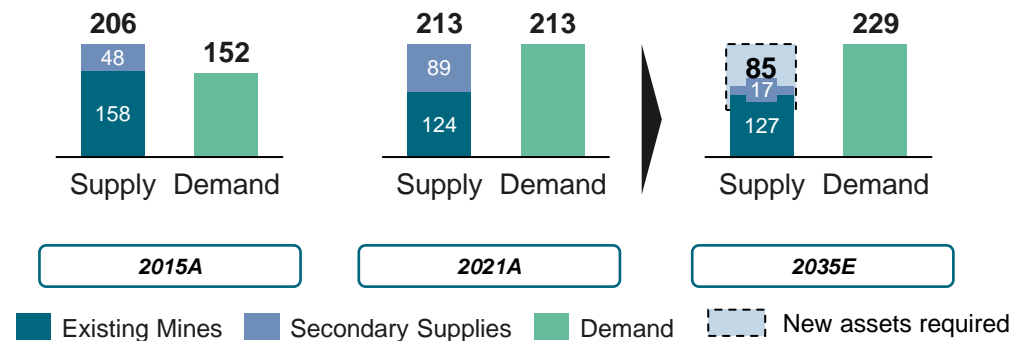
— Historical Uranium price - - Projections

Source: Company, UxC Uranium Market Outlook

Uranium Prices Deemed to Recover, Driven by Supply & Demand

Million lbs U₃O₈

Demand expected to exceed existing supply sources in 2035



2021 Key Considerations

- Although no mines or fuel cycle facilities were fully closed in 2021 due to COVID, production rates in some cases were impacted (e.g., mine supply shortfalls in Kazakhstan)
- Since SPROTT took over from Uranium Participation Corp. (UPC), the fund has purchased 22.4 million pounds U₃O₈, which makes it the **biggest single buyer in the spot market in 2021** and the reason why the spot price increased constantly during H2 with around \$ 44 per pound end of Feb 22
- SPROTT was not the only financial-related spot buyer in 2021, as **Yellow Cake was also quite prolific**, along with sizeable purchases by other funds.



Delta 2021 vs 2020

- Expected slight decrease in **revenue** consistent with the less favorable backlog flows compared to 2020.
- Decrease in **operating income** and **EBITDA** linked to a less favorable mix effect on volumes sold in the backlog, partially offset by: (i) a slightly positive volume effect between the two periods, and (ii) the lower impacts on activities of the Covid-19 crisis in 2021 (4 months of production interruptions in Canada versus 6 months in 2020)

In millions of euros	2020	2021	Change
Revenue	1,079	1,065	- 14
Operating income	371	269	- 102
EBITDA	502	429	- 73
<i>% of revenue</i>	46.5%	39.9%	-6.6 pts
Change in operating WCR	(19)	43	+62
Net Capex	(110)	(125)	- 15
Operating cash flow	373	347	- 26

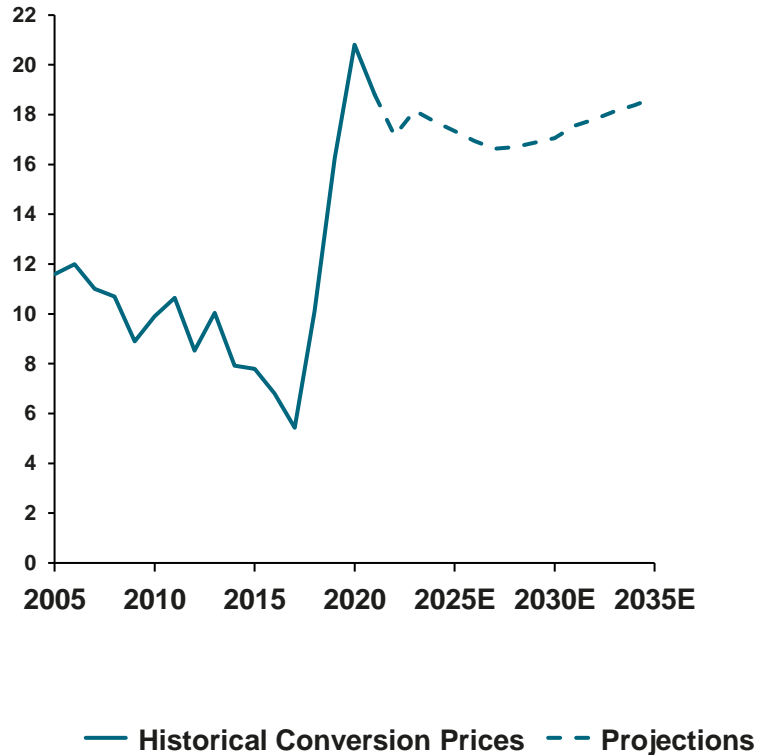
Delta 2021 vs 2020

- **Favorable change** in **WCR** due to the consumption of natural uranium inventories following production stoppages in Canada in the 1st half-year.
- A good level of **operating cash flow** maintained, with investments in the continuity of 2020 program after a historical low in 2019.

Conversion

Historical and Projected Evolution of Conversion Prices

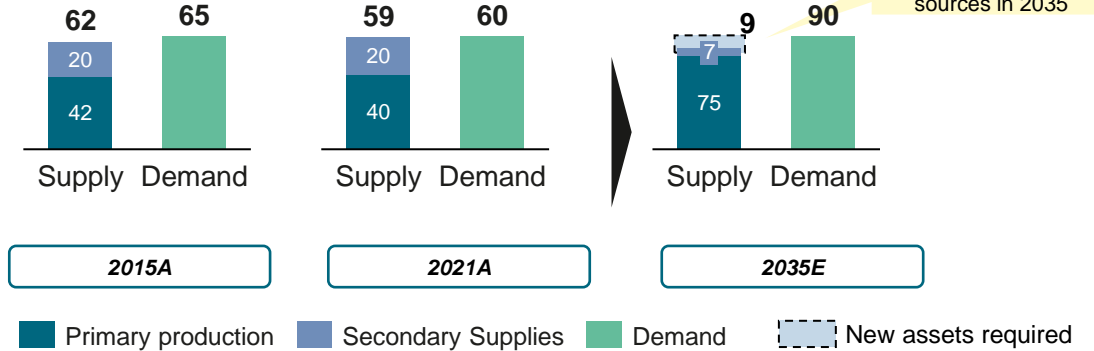
EU Annual Mid Price – US\$ / kgU as UF6



Source: Company, UxC Conversion Market Outlook

Projected Conversion Supply and Demand

Conversion Supply and Demand (million kgU as UF6)



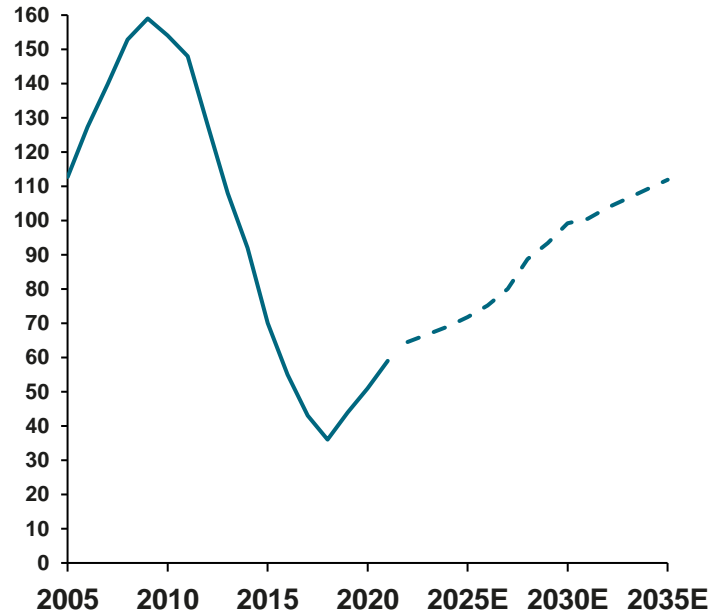
2021 Key Considerations

- The capacity is in place of be in place to cover the market demand, with :
 - In February, Honeywell announced that it was moving forward with a **restart of its Metropolis plant by April 2023**
 - Since May 2021, **Orano's Philippe Coste plant** was producing regularly at the full production rate of **~1,000 tons UF6 per month**
- However, **since conversion supplies remain tight, conversion prices have shown resiliency**

Enrichment

Historical and Projected Evolution of Enrichment Prices

Annual Price Midpoints – US\$ / SWU

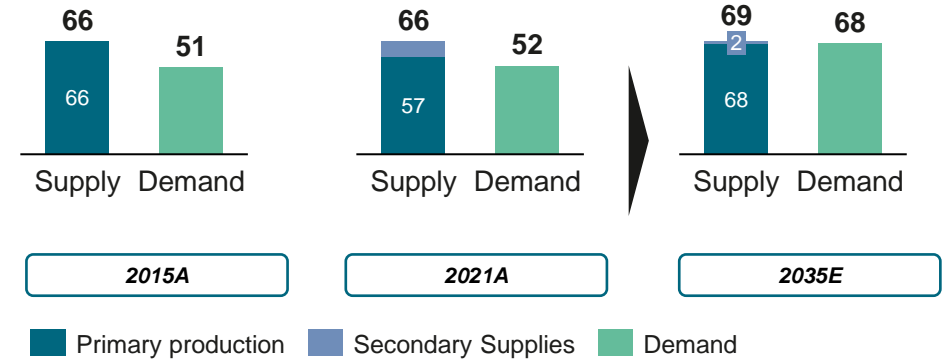


— Historical Enrichment Prices - - Projections

Source: Company, UxC Conversion Market Outlook

Projected Enrichment Supply and Demand

Enrichment Supply and Base Demand at transactional tails (million SWU)



2021 Key Considerations

- **Better contracting momentum from customers in 2021** after various trade issues in the USA in 2020.
- **In the short term, trade bans against Russia may affect supply** particularly in the US and hence support higher prices with contracts reallocation opportunities
- **Customers are still anticipating the mid-term need for the renewal of certain capacities.**



Delta 2021 vs 2020

- Decrease in **revenue in line** with the backlog out-flow.
- Decrease in **operating income** in connection with the change in revenue and a reversal of a provision in 2020 which became surplus to requirements, partially offset by: (i) the ramp-up of production at Philippe Coste plant, and (ii) the absence of Covid effect in 2021
- Decrease in **EBITDA** in line with the voluntary payment to earmarked assets to cover employee benefit obligations, partly offset by the increase in production volumes in conversion

In millions of euros	2020	2021	Change
Revenue	999	951	- 48
<i>Operating income before end-of-cycle activity</i>	234	191	- 43
Operating income	224	176	- 48
EBITDA	317	204	- 113
<i>% of revenue</i>	31.8%	21.5%	- 10.3 pts
Change in operating WCR	97	(6)	- 103
Net Capex	(129)	(95)	+ 34
Operating cash flow	286	103	- 183

Delta 2021 vs 2020

- **Change in operating WCR** up as a result of the build-up of inventories thanks to the ramp-up of Philippe Coste plant
- Decrease in **operating cash flow** with the dual impact of changes in EBITDA and operating WCR, partly offset by the end of the investment program at Philippe Coste plant



Delta 2021 vs 2020

- Strong growth in **revenue** in line with (i) the one-off contribution of the balance of long-term contracts with the German utilities, and (ii) the absence of Covid impacts, which had penalized activities in 2020. An increase partly offset by (iii) difficulties in the Recycling plants leading to production losses and an impact on the progress of processing–recycling contracts.
- Increase in **operating income** reflecting the same effects reduced by additional end-of-lifecycle provisions (i) for long-term commitments related to the settling of the aforementioned export contracts, and (ii) better hedging of certain risks.

In millions of euros	2020	2021	Change
Revenue	1,592	2,693	+1,101
<i>Operating income before end-of-cycle activity</i>	<i>(98)</i>	<i>617</i>	<i>+ 715</i>
Operating income	(209)	346	+555
EBITDA	146	764	+618
<i>% of revenue</i>	<i>9.2 %</i>	<i>28.4 %</i>	<i>+ 19.2 pts</i>
Change in operating WCR	138	169	+ 31
Net Capex	(260)	(390)	- 130
Operating cash flow	24	543	+519

Delta 2021 vs 2020

- Increase in **EBITDA** in the same way as operating income. The voluntary one-off payment to earmarked assets covering employee benefit obligations is offset by the neutralization of additional end-of-lifecycle provisions impacting operating income.
- Increase in **Operating cash flow** in line with the increase in EBITDA reduced by a resumption of investments following the disruptions generated by the health crisis in 2020, and more particularly in plants to relaunch production.



Delta 2021 vs 2020

- **Operating income and EBITDA** improved in line with fewer purchases of Covid protective equipment than in 2020.
- **Change in WCR** improved, mainly due to (i) an unfavorable VAT cut-off in 2020, and (ii) the one-off reimbursement in 2021 of Research Tax Credit receivables.

* includes Orano Med.

In millions of euros	2020	2021	Change
Revenue	13	18	+5
<i>Operating income before end-of-cycle activity</i>	<i>(48)</i>	<i>(20)</i>	<i>+ 28</i>
Operating income	(47)	(20)	+ 27
EBITDA	(34)	1	+35
Change in operating WCR	(89)	(14)	+ 75
Net Capex	(12)	(17)	- 5
Operating cash flow	(135)	(30)	+105

Delta 2021 vs 2020

- **Operating cash flow** significantly improved over the period, in line with changes in EBITDA and WCR.

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Giving nuclear energy its full value