



orano

2022 Half-year results

July 29, 2022

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David Claverie, Chief Financial Officer

Table of contents

1

Key messages

3

Outlook

2

Results

4

Q&A

1

Key messages



orano

Donnons toute sa valeur au nucléaire

Significant events in the first half-year 2022

February

- A vast nuclear recovery plan in France is announced by President Emmanuel Macron

February

- Cameco announces the restart of the McArthur River mine in Canada

February

- Start of the war in Ukraine
- Orano sets up a dedicated unit to ensure full compliance by group companies with the sanctions imposed by the EU against Russia

March

- Announcement by Orano Med and RadioMedix of Phase II clinical trials for the development of AlphaMedix™

April

- LT price of enrichment exceeds \$100/SWU

May

- After CERIS Group acquired in March, Orano buys INEVO Group to develop its engineering activities in the healthcare-pharmaceuticals sector

May

- Orano refinances its syndicated credit facility for €880 million with a margin indexed to ESG criteria

June

- Orano signs a contract of around €250 million with JAEA for the processing and recycling of Japanese used fuel from the Fugen reactor

Ukraine-Russia war: very limited direct exposure to Orano

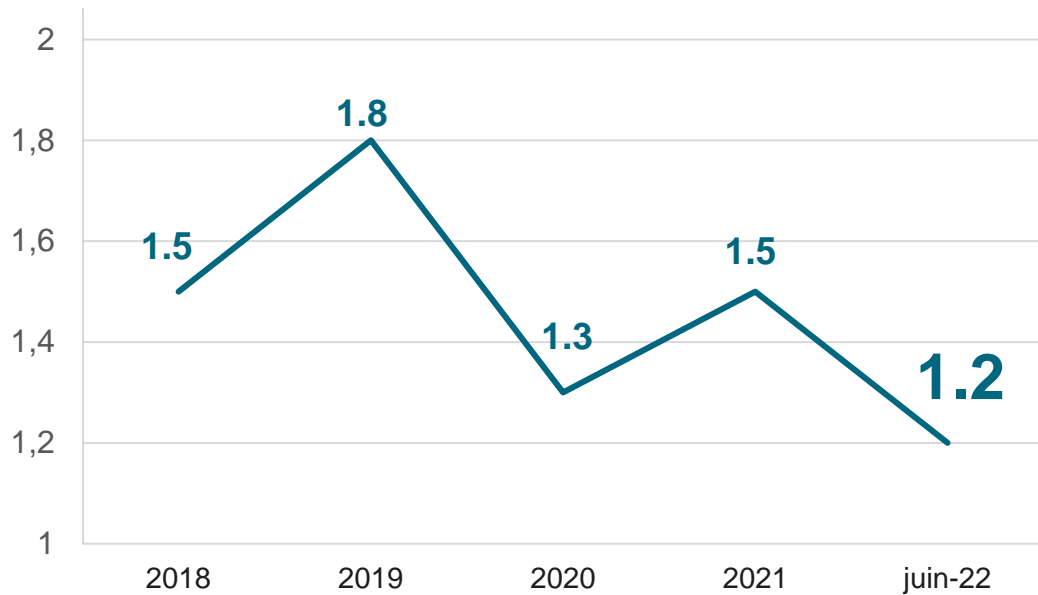


- Orano has no facilities or employees in Russia
- A dedicated unit monitors the application of sanctions against Russia for all group transactions or activities
- Russia represented less than 2% of the group's trade and 0.05% of the backlog at the end of June.

Our safety and security fundamentals

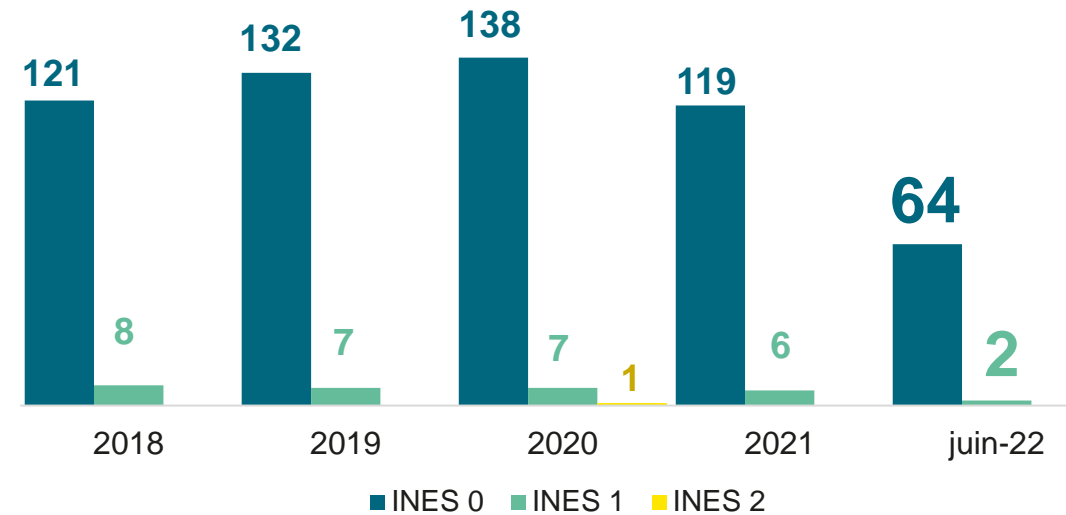
Occupational Safety

Frequency rate of workplace accidents with lost time



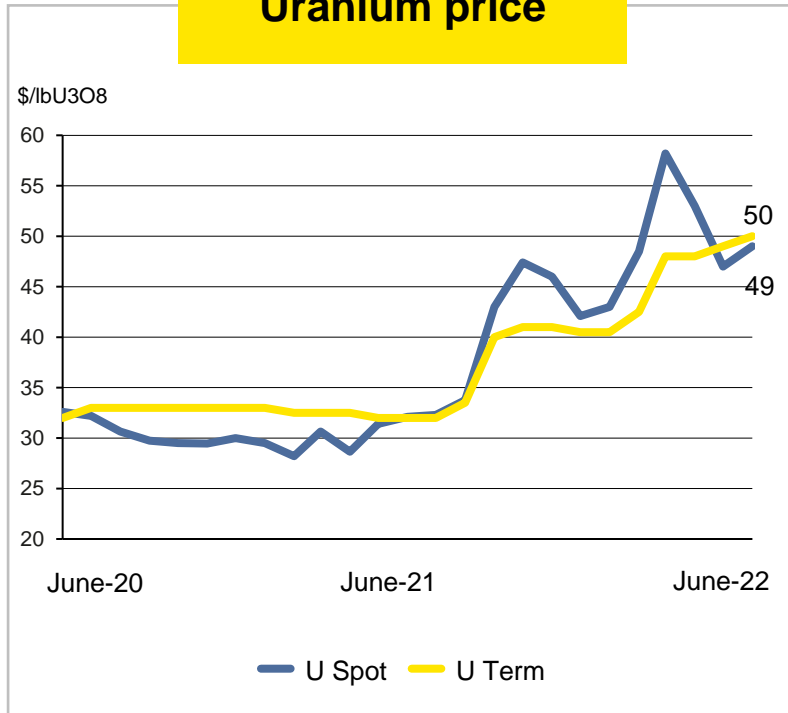
Nuclear safety

Number of events INES 0 - INES 1 and INES 2

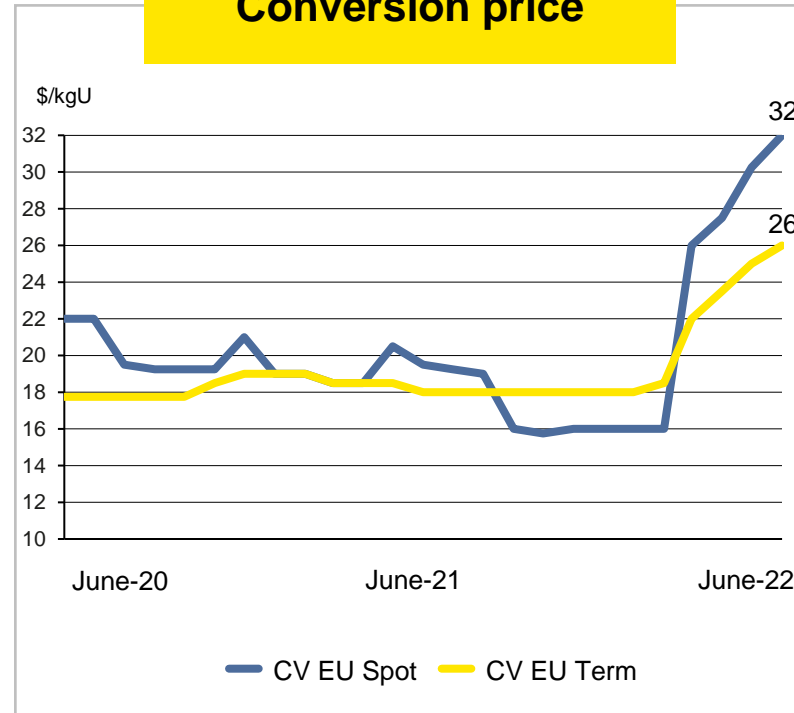


Price trends in our markets

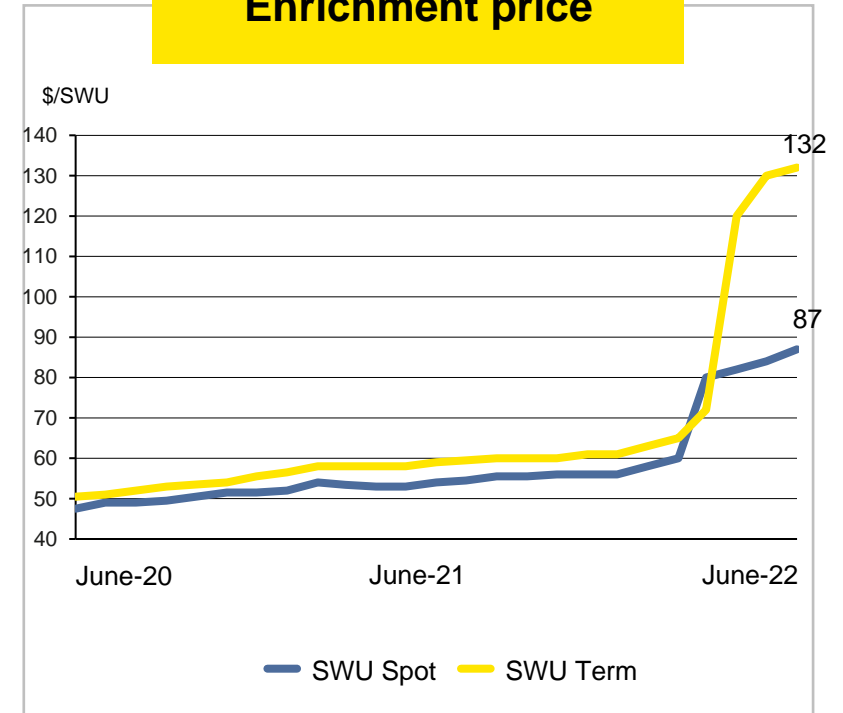
Uranium price



Conversion price



Enrichment price



Source: UxC

Sustained commercial activity in exports

Sales contracts

€1.5 bn
in orders taken

86%
for export



- Orders mainly signed with international customers with **distribution** between the **Back End sector** and **Mining - Front End sectors** of respectively **60%** and **40%**.
- Note for Back End, **the contract for the transport, processing and recycling of used fuel from the Fugen reactor in Japan.**

Backlog*

Over 6 years of
revenue

25,774

Dec. 31, 2021

26,536

June 30, 2022 **

* in millions of euros.

** of which impact market indicators and conversion of c. +€1.4 billion.

Good operational performance

Net income impacted by financial markets



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



2

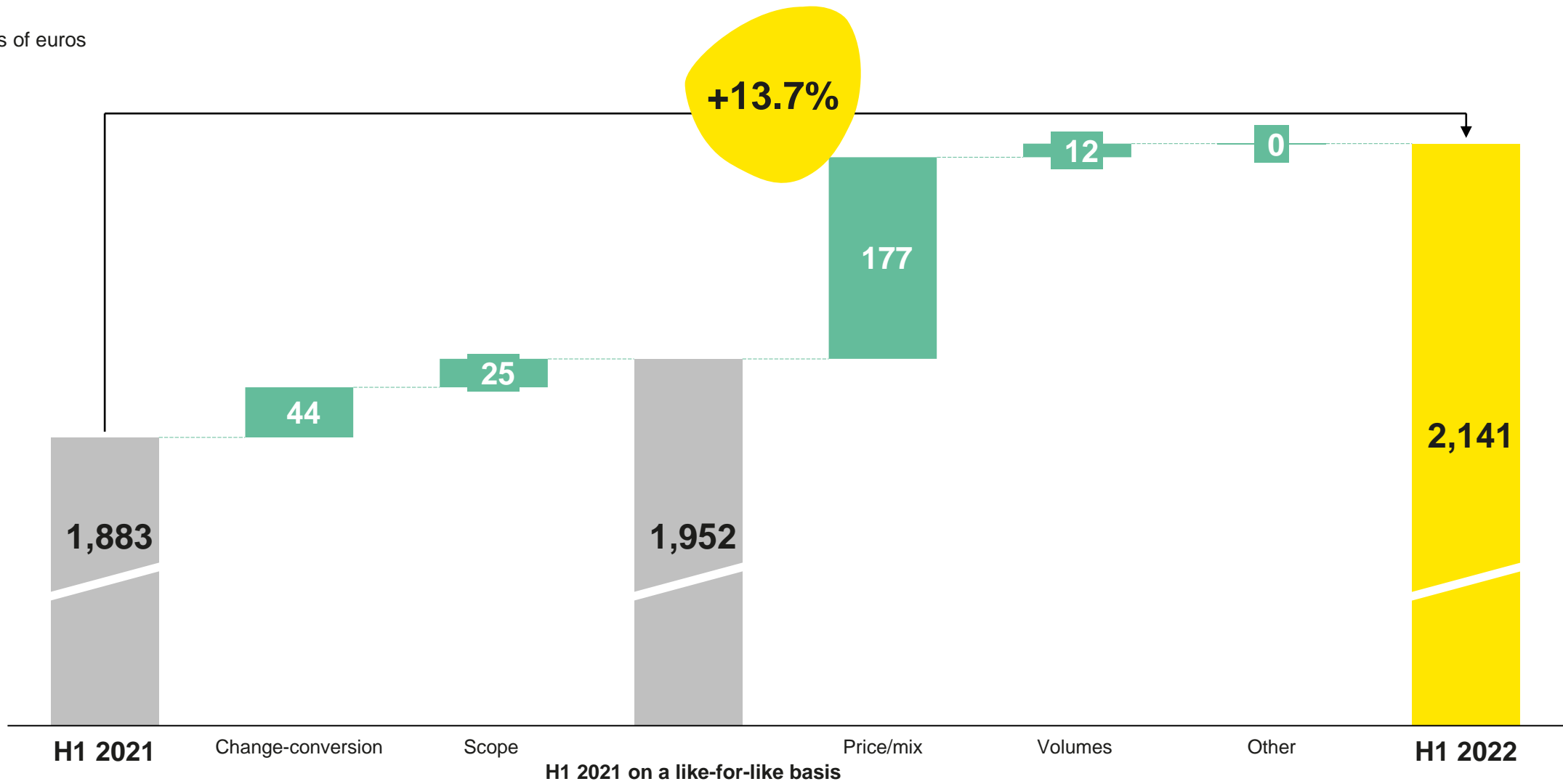
Results at June 30, 2022

a. Statement of income



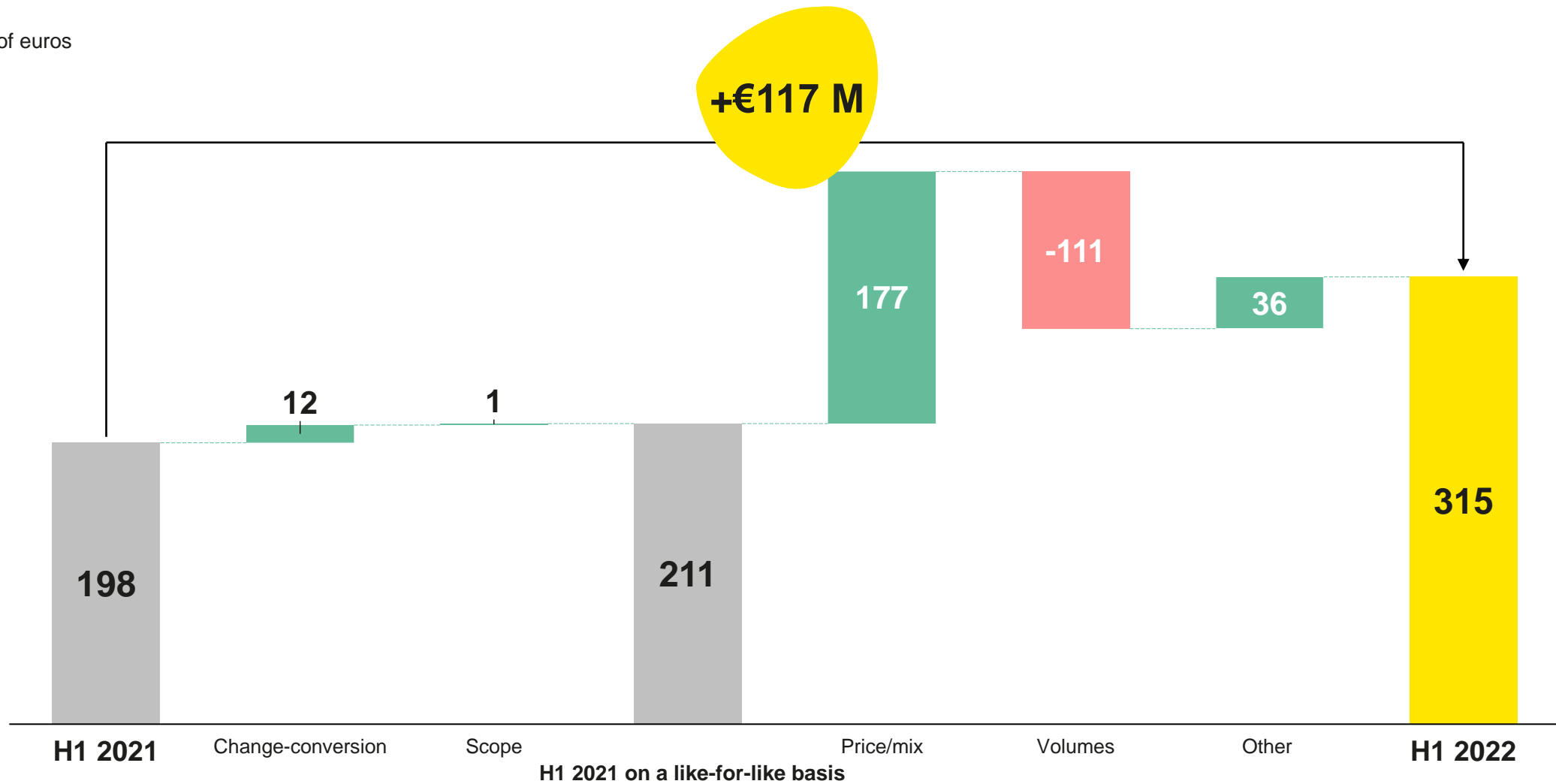
Revenue growth

In millions of euros



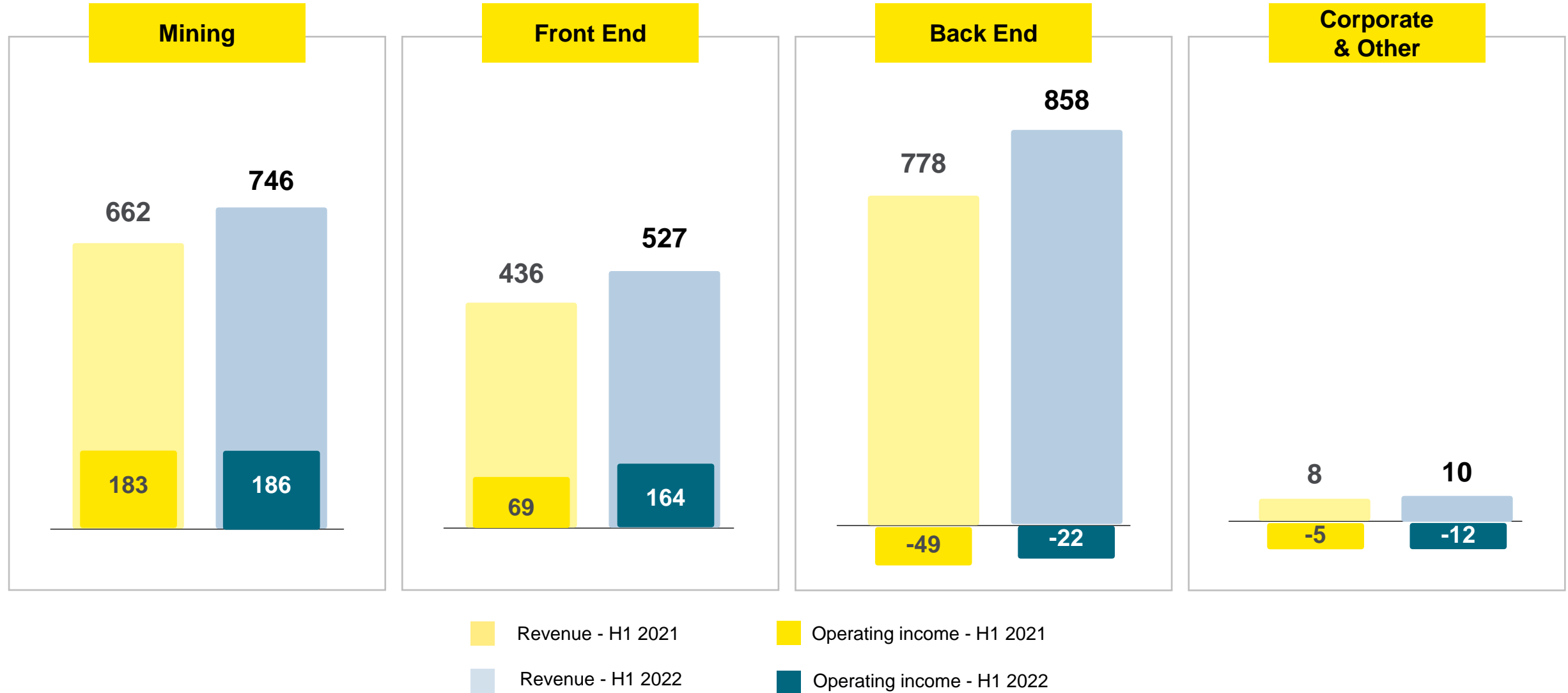
Increase in operating income driven by a price/mix effect

In millions of euros



Change in revenue and operating income by business

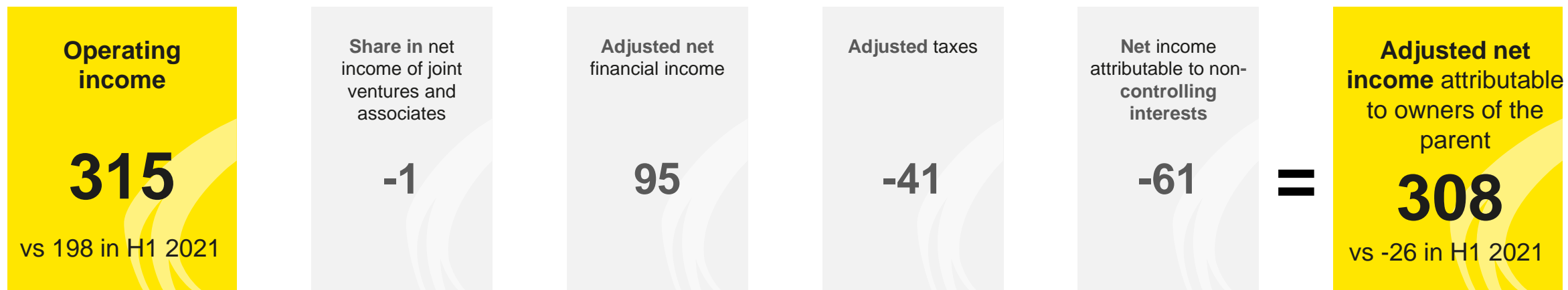
In millions of euros



Adjusted net income as of June 30, 2022*

In millions of euros

Reconciliation of operating income to adjusted net income



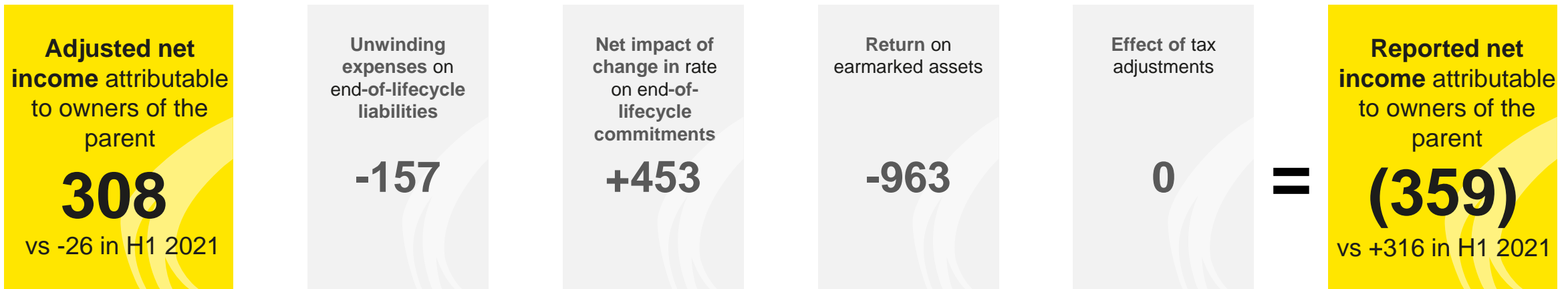
Performance indicator, reflecting Orano's industrial performance independently of the impact of the financial markets and regulatory changes related to end-of-lifecycle commitments.



Reported net income as of June 30, 2022

In millions of euros

Reconciliation of adjusted net income to published net income



2

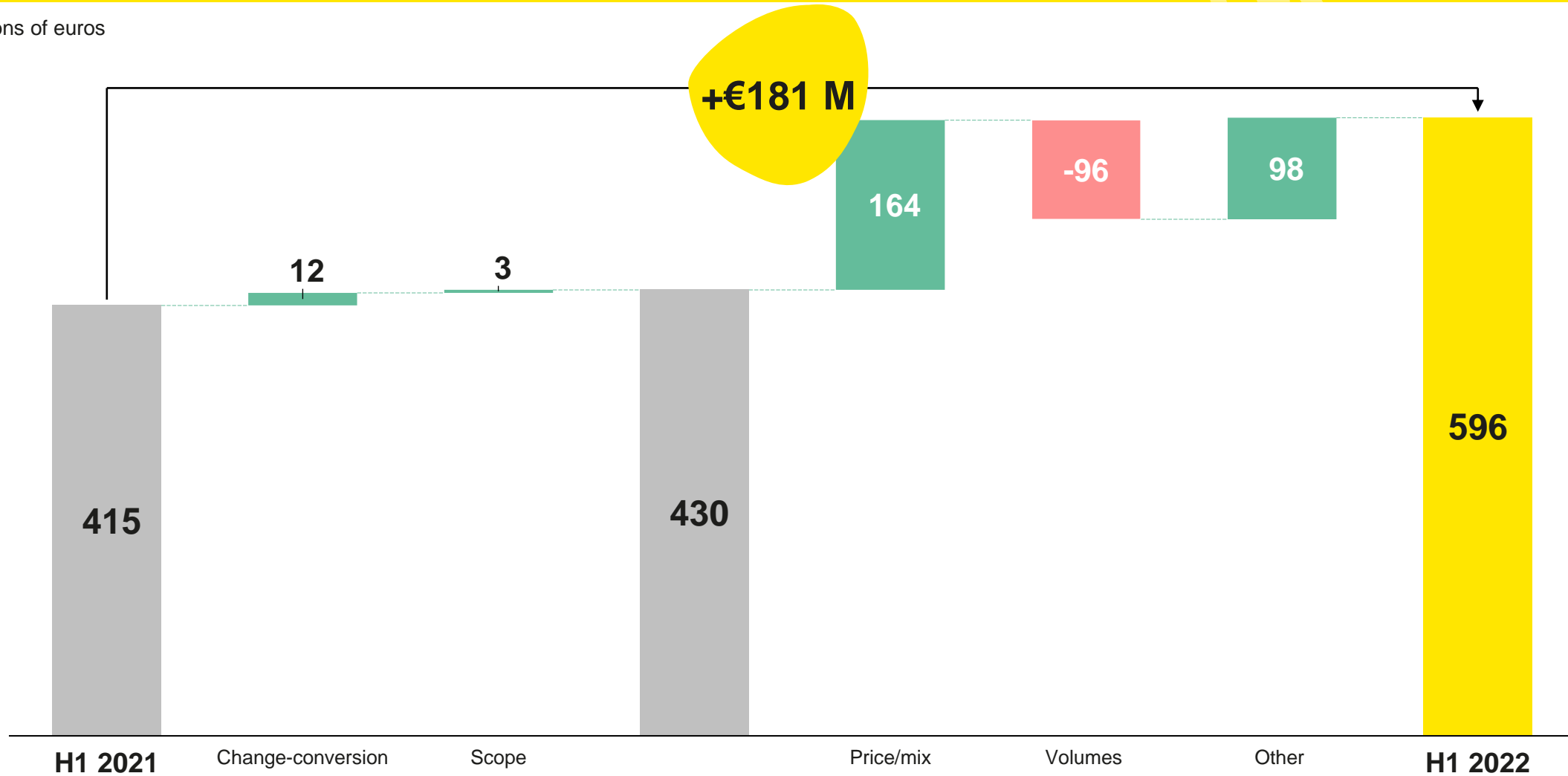
Results at June 30, 2022

b . Cash flow



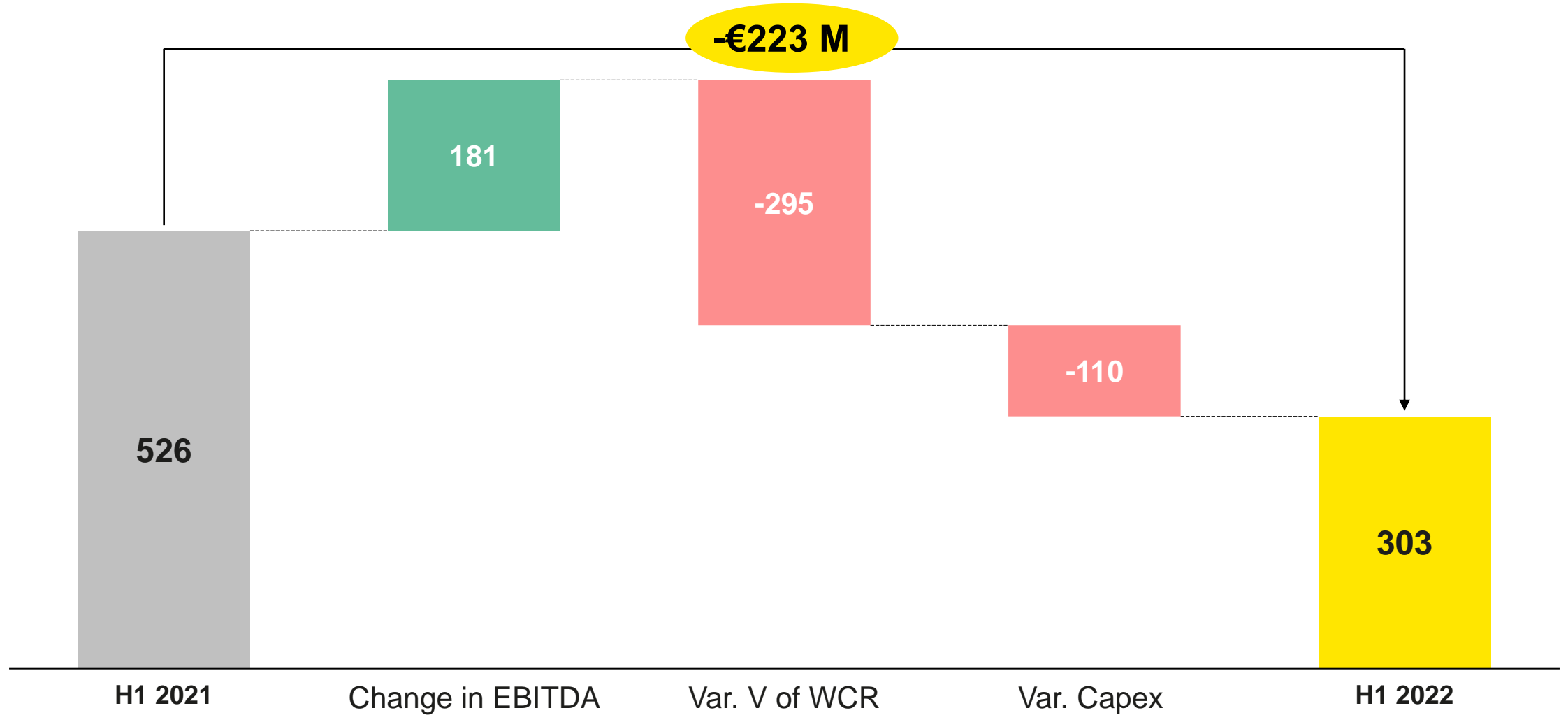
Increase in EBITDA driven by price / mix effects

In millions of euros



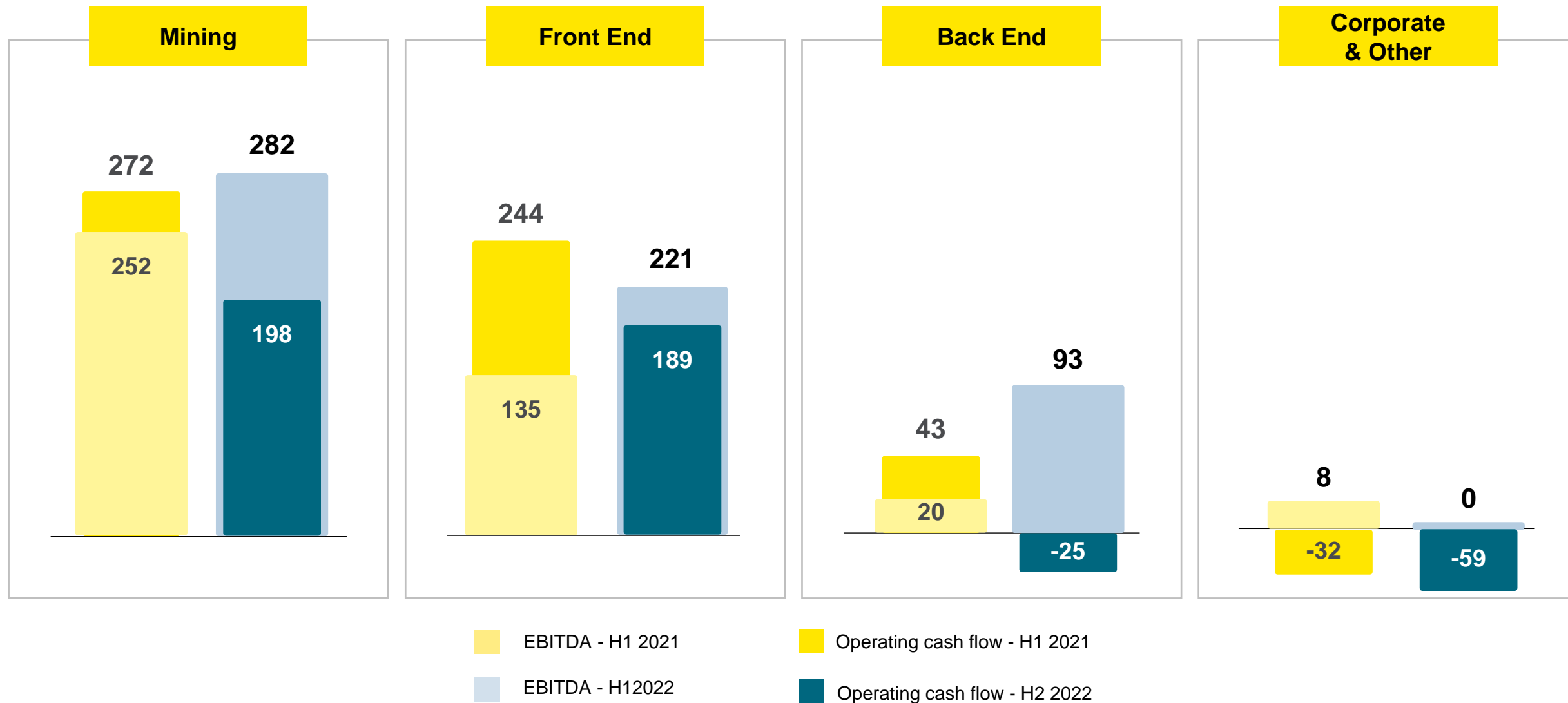
Decrease in operating cash flow impacted by a lower contribution from the change in WCR

In millions of euros



Change in EBITDA and operating cash flow by business

In millions of euros



Positive net cash flow from company operations

In millions of euros

Transition from operational CF to net CF

Operating cash flow

303

vs 526 in H1 2021

End-of-lifecycle cash flow

-5

Income tax

-7

Cash from financial transactions

-111

Other items

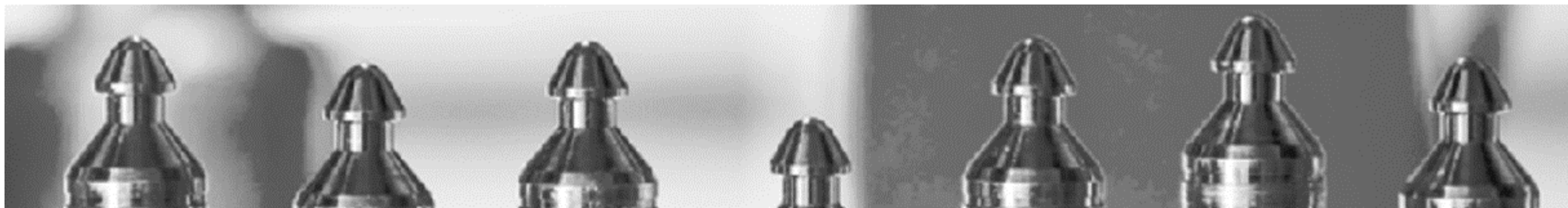
-94

=

Net cash flow from company operations

87

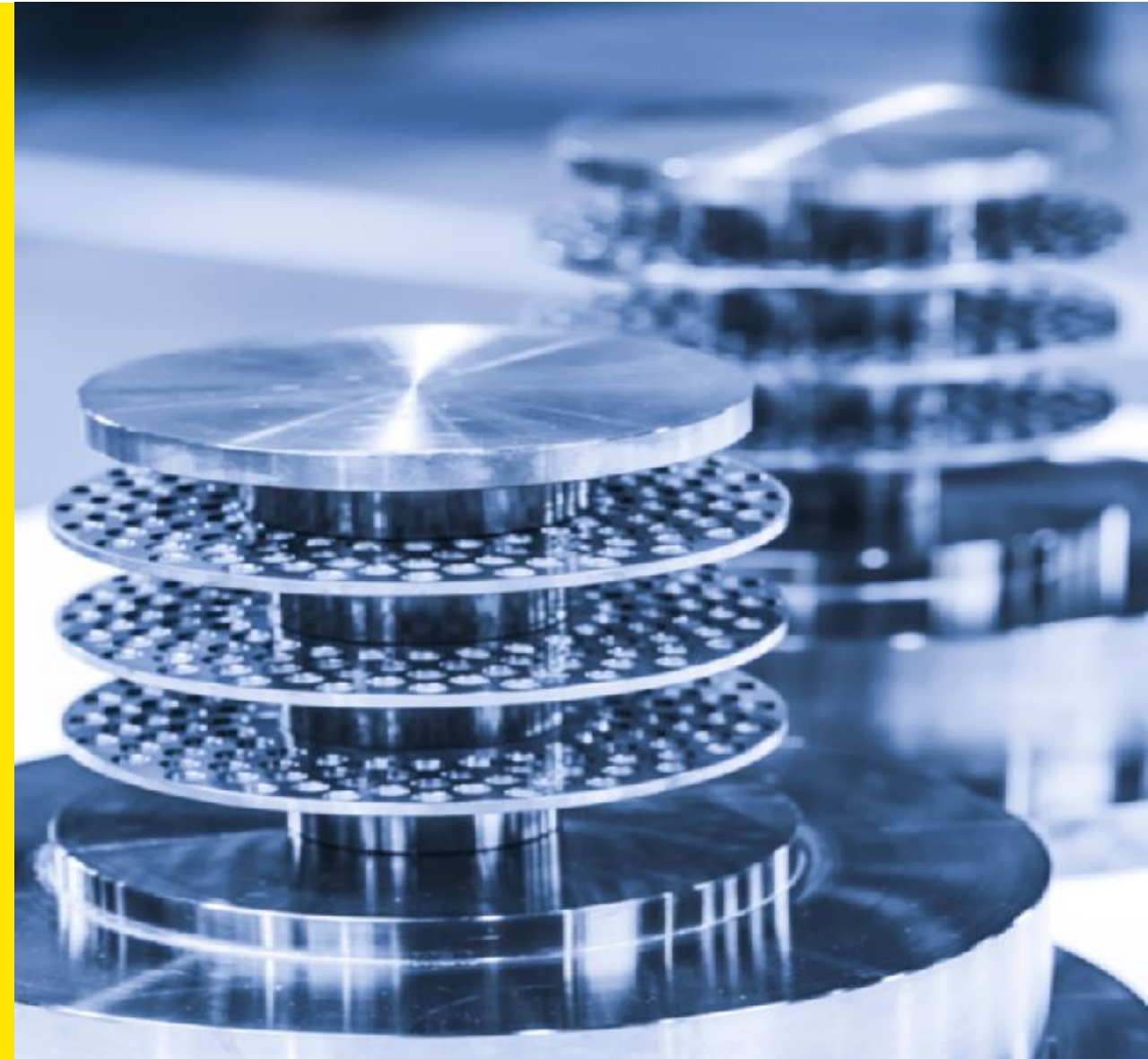
vs 334 in H1 2021



2

Results at June 30, 2022

c . Balance sheet



Condensed balance sheet

In billions of euros	Dec. 31, 2021	Change	June 30, 2022
a - Goodwill	1.3	+0.1	1.4
b - Non-current assets	10.2	-0.4	9.8
c - End-of-lifecycle assets	8.6	-1.1	7.5
d - Deferred tax assets	0.1	-	0.1
e - Operating WCR assets	2.8	+0.1	2.9
f - Other assets	0.7	-	0.7
g - Cash	1.2	-0.1	1.1
Total assets	25.0	-1.6	23.4
h - Equity	1.9	-0.2	1.6
i - Employee benefits	0.5	-0.1	0.4
j - Provisions for end-of-lifecycle operations	9.3	-1.1	8.2
k - Other provisions	2.9	-0.3	2.6
l - Financial debt	3.4	-0.3	3.1
m - Operational WCR liabilities	6.5	+0.4	6.9
n - Other liabilities	0.5	+0.1	0.6
Total liabilities	25.0	-1.6	23.4
Net debt	(1.9)	-0.1	(1.8)

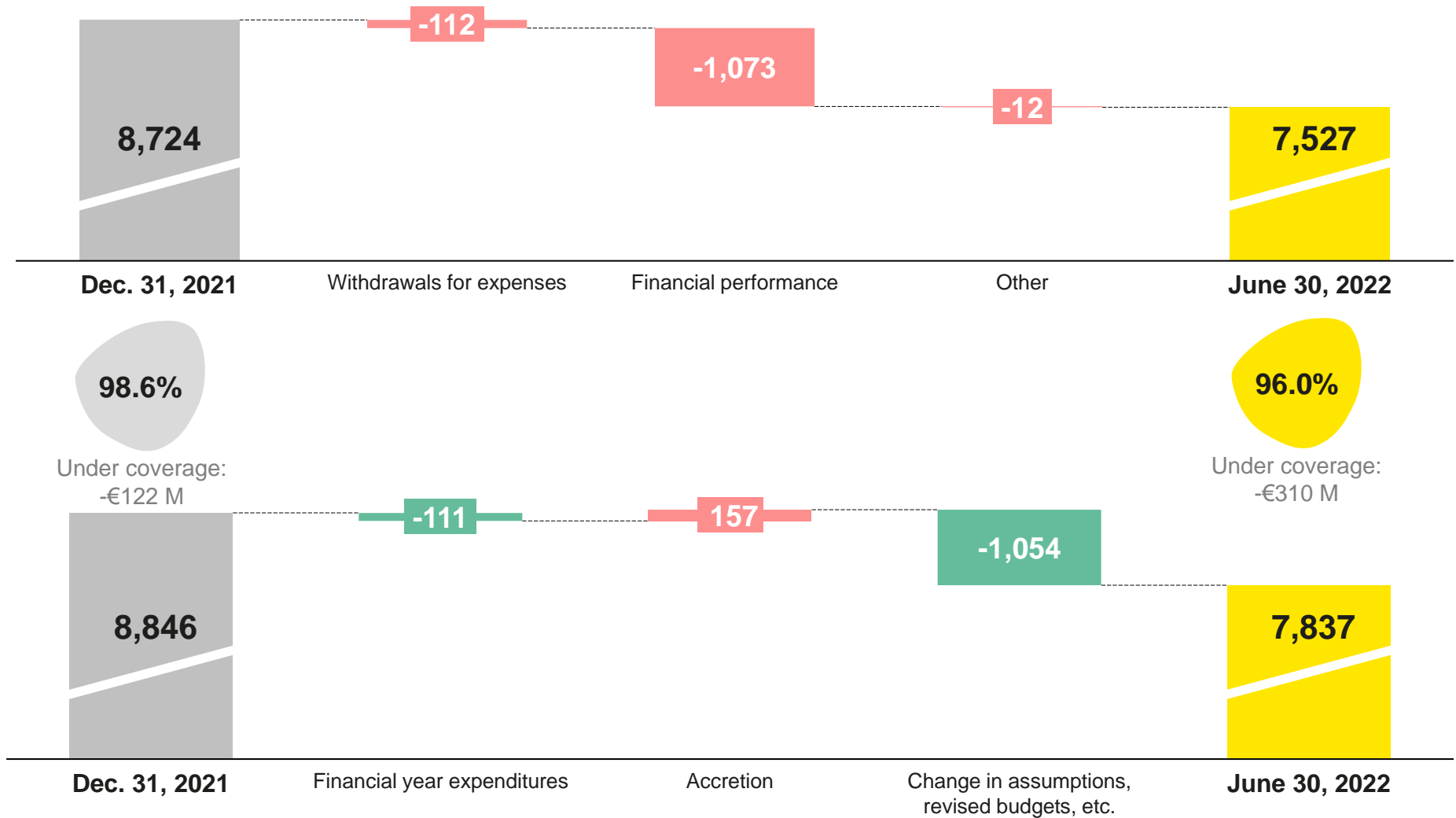
End-of-lifecycle commitments: *Regulated scope*

In millions of euros

ASSETS in market value

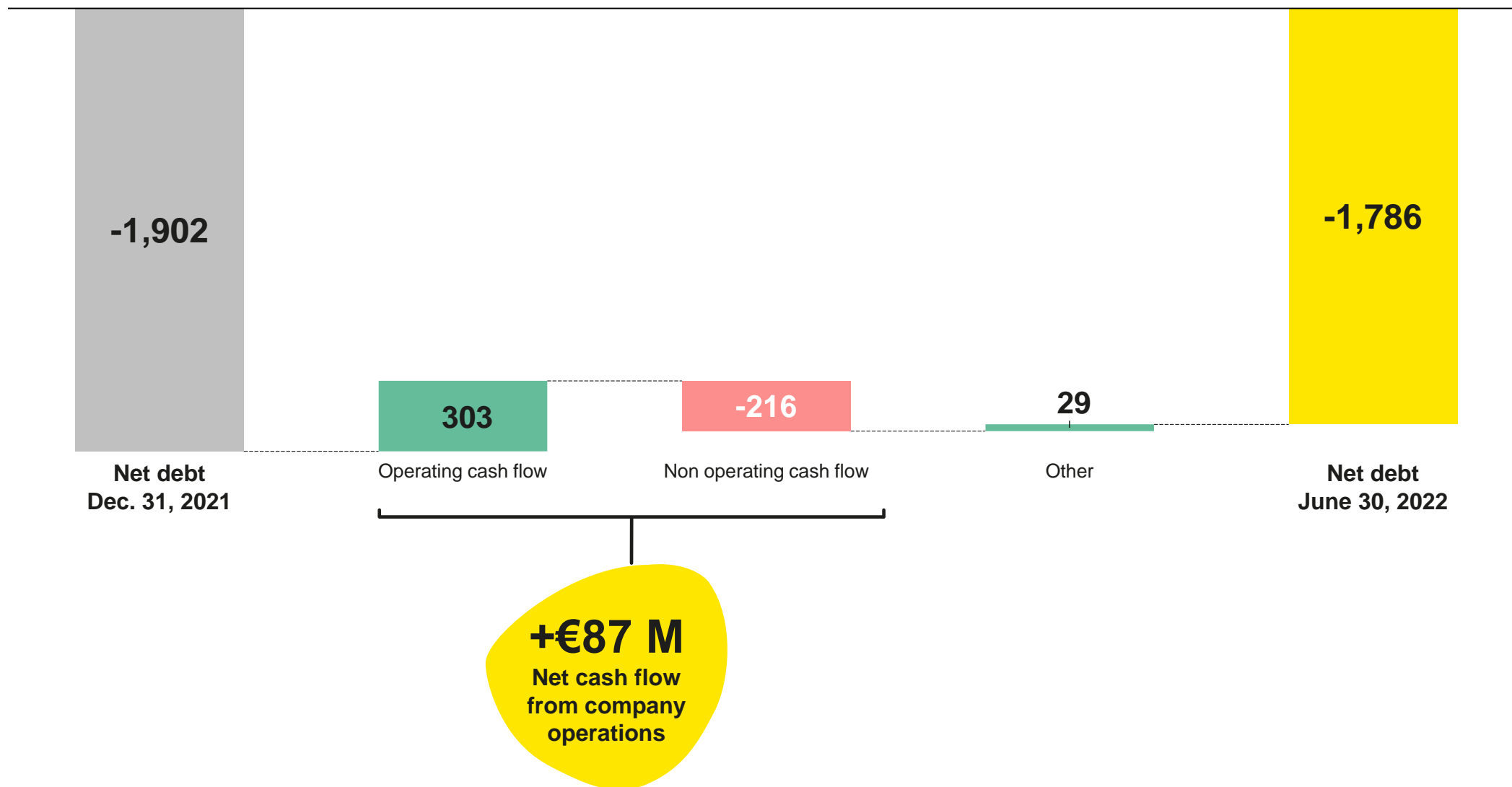
Coverage ratio:

LIABILITIES



Decrease in net debt

In millions of euros

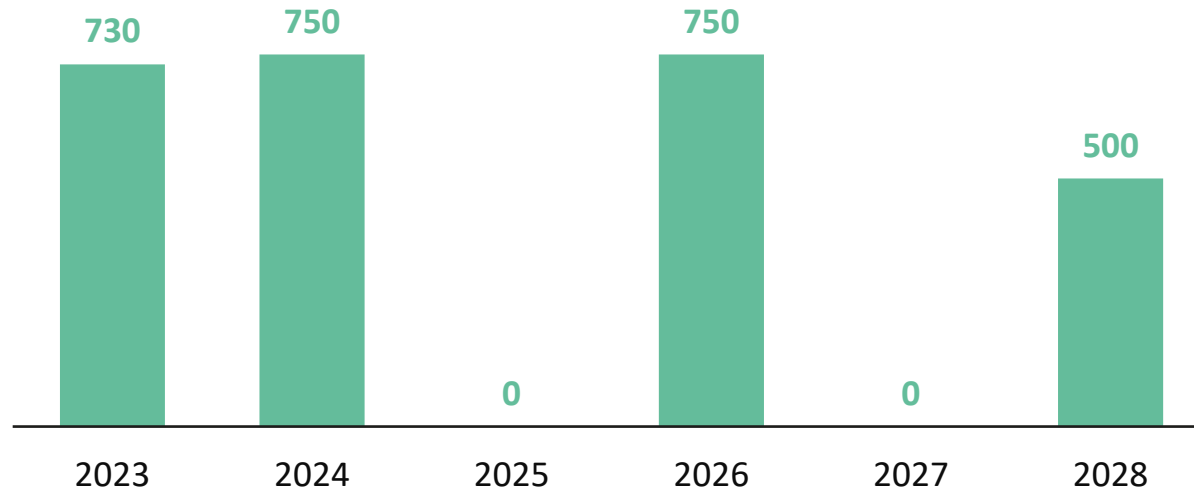


Debt structure and liquidity as of June 30, 2022

Gross financial debt €3.2 bn

Of which bond debt: €2.7 bn

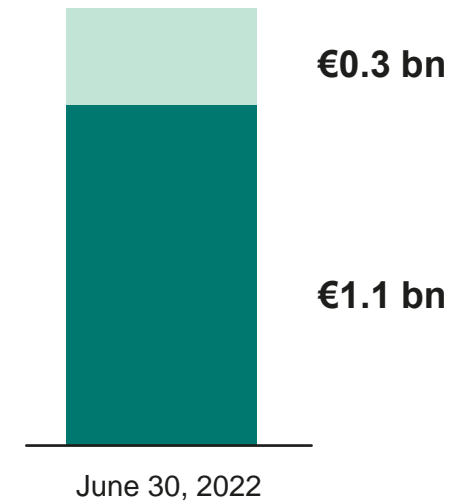
In millions of euros



Other borrowings: €0.5 bn

Liquidity position at June 30, 2022

€1.4 bn



Liquidity enhanced by an undrawn RCF:

- 880 million euros, 10 banking partners
- Maturity up to **May 2027**
- **No drawdowns** made

Financial assets cash management

Cash assets

3

Outlook



2022 outlook strengthened



Revenue
around **€4.2 bn**



EBITDA margin rate
between
23% and 26%



Positive
net cash flow

Q & A

Appendices

1. **Statement of income at June 30, 2022**
2. **Balance sheet**
3. **Key figures by business**
4. **Definition of the indicators used by Orano**
5. **Sensitivity**
6. **Non-financial performance**

Statement of income at June 30, 2022

Appendix 1

In billions of euros	H1 2021	H1 2022
Revenue	1,883	2,142
Cost of sales	(1,557)	(1,730)
Gross margin	327	411
Research and development expense	(48)	(51)
Marketing and sales expense	(18)	(20)
General expense	(57)	(51)
Other operating income	37	65
Other operating expense	(43)	(39)
Operating income	198	315
Share in net income of joint ventures and associates	5	(1)
Operating income after share in net income of joint ventures and associates	203	315
Financial income from cash and cash equivalents	4	4
Cost of gross debt	(74)	(72)
Cost of net debt	(69)	(67)
Other financial income	564	751
Other financial expense	(319)	(1,256)
Other financial income and expense	245	(504)
Net financial income (expense)	176	(572)
Income tax	(29)	(41)
Net income from continuing operations	350	(298)
Net income from operations sold or held for sale	0	0
Net income for the period	350	(298)
Net income attributable to owners of the parent	316	(359)
Net income attributable to non-controlling interests	34	61

Balance sheet – assets

Appendix 2

ASSETS (in millions of euros)	Dec. 31, 2021	June 30, 2022
Non-current assets	20,517	19,052
Goodwill	1,268	1,345
Intangible assets	1,226	1,298
Property, plant and equipment	9,010	8,471
Rights of use – leases	83	82
End-of-lifecycle assets (third party share)	110	100
Financial assets earmarked for end-of-lifecycle operations	8,513	7,435
Securities of joint ventures and companies	12	13
Other non-current assets	161	169
Deferred tax assets	133	139
Current assets	4,428	4,356
Inventories and in-process	1,428	1,441
Trade accounts receivable and related accounts	639	797
Contract assets	94	110
Other operating receivables	610	560
Other non-operating receivables	40	44
Current tax assets	69	34
Other current financial assets	315	315
Cash and cash equivalents	1,232	1,054
Total assets	24,945	23,407

Balance sheet – liabilities

Appendix 2

LIABILITIES (in millions of euros)	Dec. 31, 2021	June 30, 2022
Equity	1,858	1,583
Capital	132	132
Consolidated premiums and reserves	1,990	1,626
Actuarial gains and losses on employee benefits	(225)	(123)
Unrealized gains and losses on financial instruments	12	(169)
Currency translation reserves	(34)	119
Equity attributable to owners of the parent	1,876	1,585
Non-controlling interests	(18)	(3)
Non-current liabilities	13,186	11,243
Employee benefits	526	438
Provisions for end-of-lifecycle operations	9,249	8,177
Non-current provisions	406	370
Share in negative net equity of joint ventures and associates	20	27
Non-current lease liabilities	69	68
Non-current financial liabilities	2,915	2,163
Deferred tax liabilities	2	2
Current liabilities	9,901	10,582
Current provisions	2,444	2,245
Current financial liabilities	526	979
Current lease liabilities	23	24
Trade payables and related accounts	851	908
Contract liabilities	5,175	5,329
Other operating liabilities	857	1,069
Other non-operating liabilities	3	11
Current tax liabilities	22	15
Total liabilities and equity	24,945	23,407

Key figures by business – Mining

Appendix 3



In millions of euros	H1 2021	H1 2022	Change
Revenue	662	746	+84
Operating income	183	186	+3
EBITDA	252	282	+30
<i>% of sales</i>	38.0%	37.8%	-0.2 pts
Change in operating WCR	75	63	-12
Net CAPEX	(54)	(146)	-92
Operating cash flow	272	198	-74

- Increase in **revenue** related to: (i) positive price/exchange rate effects over the period driven by the increase in uranium prices and an appreciation of the dollar against the euro, reduced by (ii) a less favorable sales volume compared to the first half-year 2021
- Stability of **operating income** and increase of the **EBITDA** with: (i) the increase in revenue, (ii) the absence of Covid impacts in 2022 (four months of production shutdowns in Canada in the first half-year 2021) which partly offset (iii) an increase in the cost of materials, and (iv) a less favorable production mix over the period
- Decrease in **operating cash flow** mainly due to an increase in investments over the period with in particular: (i) a larger stake in the Cigar Lake JV in Canada (from 37.1% to 40.5%), and (ii) the preparation of the development of South Tortkuduk in Kazakhstan

Key figures by business – Front End

Appendix 3



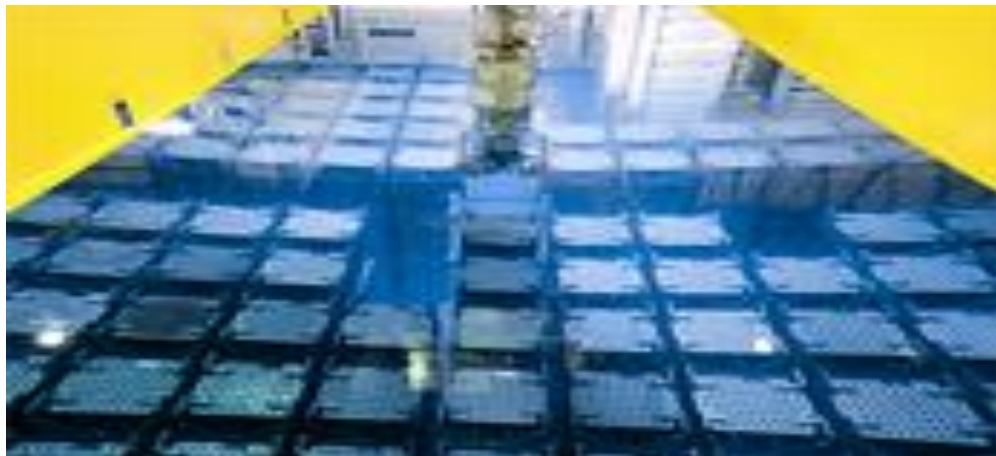
In millions of euros	H1 2021	H1 2022	Change
Revenue	436	527	+91
<i>Operating income before end-of-cycle activity</i>	69	170	+101
Operating income	69	164	+95
EBITDA	135	221	+86
<i>% of sales</i>	30.9%	41.9%	+11 pts
Change in operating WCR	150	0	-150
Net CAPEX	(41)	(32)	+9
Operating cash flow	244	189	-55

- Increase in **revenue** benefiting from a more contributory flow of the backlog between the semesters to which is added an increase in market prices and a favorable currency effect.
- Increase in **operating income and EBITDA** in line with the increase in revenue and one-off income recorded in H1 2022, partly offset by higher production costs due to the inflation of the price of reagents over the period.

- Contribution of **the change in operating WCR** between the two periods less favorable due to the chronic collection of deliveries, occasionally increasing trade receivables and an increase in the volume of purchases stored.
- Decrease in operating **cash flow** given a lower contribution from changes in operating WCR

Key figures by business – Back End

Appendix 3



In millions of euros	H1 2021	H1 2022	Change
Revenue	778	858	+80
<i>Operating income before end-of-cycle activity</i>	<i>(44)</i>	<i>(18)</i>	<i>+26</i>
Operating income	(49)	(22)	+27
EBITDA	20	93	+73
<i>% of sales</i>	<i>2.6%</i>	<i>10.9%</i>	<i>+8.3 pts</i>
Change in operating WCR	170	55	-115
Net CAPEX	(147)	(174)	-27
Operating cash flow	43	(26)	-69

- Growth in **revenue** in connection with (i) a scope effect following the acquisition in 2021 by Emballages Nucléaires et Services (ENS), of the nuclear activities of Daher and STSI from the Geodis Group, (ii) a more favorable contract mix for ENS, and (iii) a positive price effect in respect of the removal of certain contingencies in Recycling.
- Improvement of **operating income** reflecting the same effects, mainly reduced by expenses in Recycling related to the recovery plan for the Melox plant.
- Increase in **EBITDA**, as in operating income, to which is added a reimbursement of expenses for employee benefits for the period (following the outsourcing of these liabilities in 2021).
- Decrease in **Operating cash flow** mainly due to (i) an unfavorable impact of the change in operating working capital between the two periods following the consumption of advances received on contracts in Recycling and the receipt in H1 2021 of a significant advance on export contract for ENS, and (ii) the increase in recycling investments for the relaunch of the production plan for the Melox plant and the renewal program for the La Hague plant.

Key figures by business – Corporate*

Appendix 3



In millions of euros	H1 2021	H1 2022	Change
Revenue	8	10	+2
<i>Operating income before end-of-cycle activity</i>	(5)	(12)	-7
Operating income	(5)	(12)	-7
EBITDA	8	0	-8
Change in operating WCR	(35)	(54)	-19
Net CAPEX	(5)	(5)	0
Operating cash flow	(32)	(60)	-28

- **Operating income and EBITDA** down mainly due to the increase in Orano Med's development costs in accordance with its business plan.
- Evolution of the **Change in working capital requirement**, negative between the two periods due to a more favorable cut-off for the first half-year 2021 in connection with a VAT credit and a refund of receivables for the Research Tax Credit.

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

*"Corporate and other operations" includes Orano Med

Definition of key indicators used by Orano (1/5)

Appendix 4

On a comparable basis/lfl:

At constant exchange rates and consolidation scope.

Net cash flow from company operations:

Net cash flow from company operations is equal to the sum of the following items:

- operating cash flow;
- cash flow from end-of-lifecycle operations;
- change in non-operating receivables and liabilities;
- repayment of lease liabilities;
- financial income;
- tax on financial income;
- dividends paid to minority shareholders of consolidated subsidiaries;
- net cash flow from operations sold, discontinued and held for sale, and cash flow from the sale of those operations;
- acquisitions and disposals of current and non-current financial assets, with the exception of bank deposits held for margin calls on derivative instruments or collateral backed by structured financing and cash management financial assets.

The net cash flow from the Company's activities corresponds to the change in net debt (i) with the exception of transactions with the shareholders of Orano SA, accrued interest not yet due for the financial year and currency translation differences, and (ii) including accrued interest not yet due for financial year N-1.

Definition of key indicators used by Orano (2/5)

Appendix 4

Net operating working capital requirement (NOWC):

Net operating WCR represents all of the current assets and liabilities related directly to operations.

It includes the following items:

- net inventories and work in progress;
- net trade accounts receivable and related accounts;
- contract assets;
- advances paid;
- other accounts receivable, accrued income and prepaid expenses;
- less: trade payables and related accounts, contract liabilities and accrued liabilities.

Note: Operating WCR does not include non-operating receivables and payables such as income tax liabilities, amounts receivable on the sale of non-current assets, and liabilities in respect of the purchase of non-current assets.

Backlog:

The backlog is determined on the basis of firm orders, excluding unconfirmed options, using the contractually set prices for the fixed component of the backlog and, for the variable component, the market prices based on the forecast price curves prepared and updated by Orano. Orders in hedged foreign currencies are valued at the rate hedged. Non-hedged orders are valued at the rate in effect on the last day of the period. With respect to contracts for which revenue is recognized in advance, the amount included in the backlog corresponds to the difference between the revenue of the contract at completion and the revenue already recognized for the contract, it therefore includes financial components, indexation hypothesis and contract price revision assumptions taken into account by the group to value the revenue at completion.

Definition of key indicators used by Orano (3/5)

Appendix 4

Operating cash flow (OCF):

Operating cash flow (OCF) represents the amount of cash flows generated by operating activities before corporate taxes and taking into account the cash flows that would have occurred in the absence of offsetting between the payment of income taxes and the repayment of the Research Tax Credit receivable. It is equal to the sum of the following items:

- EBITDA;
- plus the decrease or minus the increase in operating working capital requirement between the beginning and the end of the period (excluding reclassifications, currency translation differences and changes in consolidation scope);
- minus acquisitions of property, plant and equipment and intangible assets, net of changes in accounts payable related to fixed assets;
- plus sales of property, plant and equipment and intangible assets included in operating income, net of changes in receivables on the sale of fixed assets;
- plus prepayments received from customers during the period on non-current assets;
- plus acquisitions (or disposals) of consolidated companies (excluding equity associates), net of the cash acquired.

Definition of key indicators used by Orano (4/5)

Appendix 4

Net debt:

Net debt is defined as the sum of all short and long-term borrowings, less cash and cash equivalents, financial instruments recorded on the assets side of the balance sheet including borrowings, bank deposits constituted for margin calls on derivative instruments and collateral backed by structured financing and cash management financial assets.

EBITDA:

EBITDA is equal to operating income restated for net depreciation, amortization and operating provisions (excluding net impairment of current assets) as well as net gain on disposal of property, plant and equipment and intangible assets, gains and losses on asset leases and effects of takeovers and losses of control.

EBITDA is restated as follows:

- i. reflect the cash flows for the period related to employee benefits (benefits paid and contribution to hedging assets) in lieu of the service cost recognized;
- ii. exclude the cost of end-of-life operations for the group's nuclear facilities (dismantling, retrieval and conditioning of waste) carried out during the financial year.

Definition of key indicators used by Orano (5/5)

Appendix 4

Cash flows from end-of-lifecycle operations:

This indicator encompasses all of the cash flows linked to end-of-lifecycle operations and to assets earmarked to cover those operations. It is equal to the sum of the following items:

- revenue from the portfolio of earmarked assets, cash from disposals of earmarked assets;
- full and final payments received for facility dismantling;
- minus acquisitions of earmarked assets;
- minus cash spent during the year on end-of-lifecycle operations;
- minus full and final payments paid for facility dismantling.

Adjusted net income attributable to owners of the parent:

This indicator is used to reflect Orano's industrial performance independently of the impact of financial markets and regulatory changes in respect of end-of-lifecycle commitments. It comprises net income attributable to owners of the parent, adjusted for the following items:

- return on earmarked assets;
- impact of changes in discount and inflation rates;
- unwinding expenses on end-of-lifecycle operations (regulated scope);
- significant impacts of regulatory changes on end-of-lifecycle commitment estimates (adjustment impacting operating income);
- related tax effects.

Update of the sensitivity of Orano's net cash flow generation to market indicators.

- As part of the update of its trajectories, the group has updated its sensitivities in relation to the net cash flow from company operations generation, which are presented below:


Annual averages for the periods concerned (in millions of euros)	Period 2023/2026	
Change in the US dollar/Euro rate: +/- 10 cents	+39 -26	Sensitivity cushioned by foreign exchange hedges subscribed to
Evolution of the price of the pound of uranium +/- 5 USD/lb	+7 -4	Sensitivity cushioned by the backlog
Evolution of the price of the enrichment service unit: +/- 5 USD/SWU	+/- 2	Sensitivity cushioned by the backlog

- These sensitivities were assessed independently from one another.


Non-financial performance

Appendix 6

Indexes

 **SUSTAINALYTICS**
a Morningstar company
100 - 0
(0 = low risk)

MSCI 
CCC - AAA

 PART OF
Moody's ESG Solutions
0-100


DISCLOSURE INSIGHT ACTION
Climate
F-A

Most recent rating 2020/2021

28.6 / 100

AA

63 / 100

B-

Trend vs. previous year



First
assessment

Industry positioning

8th out of 111

Top 8%

8th out of 43

-

Important information

This document and the information it contains do not constitute an offer to sell or buy or a solicitation to sell or buy Orano's debt securities in the United States or in any other country.

This document contains forward-looking statements relative to Orano's financial position, results, operations, strategy and outlook. These statements may include indications, forecasts and estimates as well as the assumptions on which they are based, and statements related to projects, objectives and expectations concerning future operations, products and services or future performance. These forward-looking statements may generally be identified by the use of the future, the conditional or forward-looking terms such as "expect", "anticipate", "believe", "plan", "could", "predict", or "estimate", as well as other similar terms. Although Orano's management believes that these forward-looking statements are based on reasonable assumptions, bearers of Orano shares are hereby advised that these forward-looking statements are subject to numerous risks and uncertainties that are difficult to foresee and generally beyond Orano's control, which may mean that the expected results and developments differ significantly from those expressed, induced or forecast in the forward-looking statements and information.

These risks include those developed or identified in Orano's public documents, including those listed in Orano's Annual Activity Report for 2021 (available online on Orano's website at www.orano.group). The attention of bearers of Orano shares is drawn to the fact that the realization of all or part of these risks is likely to have a significant unfavorable impact on Orano. Thus, these forward-looking statements do not constitute guarantees as to Orano's future performance. These forward-looking statements can be assessed only as of the date of this document. Orano makes no commitment to update the forward-looking statements and information, except as required by applicable laws and regulations.



orano

Giving nuclear energy its full value