

Annual Results 2020

Credit Update – 12th April 2021



Agenda

- 1. Orano's business card**
- 2. Nuclear market trends**
- 3. Highlights : 2020 results**
- 4. Outlook 2021**
- 5. Q&A**

01

Orano's business card



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

Key Figures¹

16,500
Employees

€3,684m
revenues

€931m
EBITDA
(25.3% of Rev.)

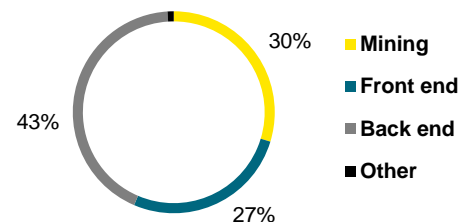
€144m
Net cash flow
from company
operations

Worldwide Geographical Footprint

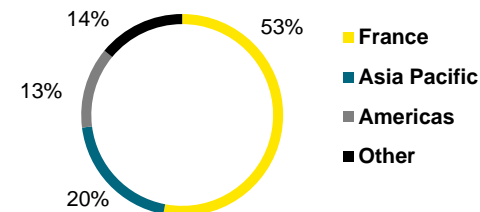


Revenue Breakdown¹

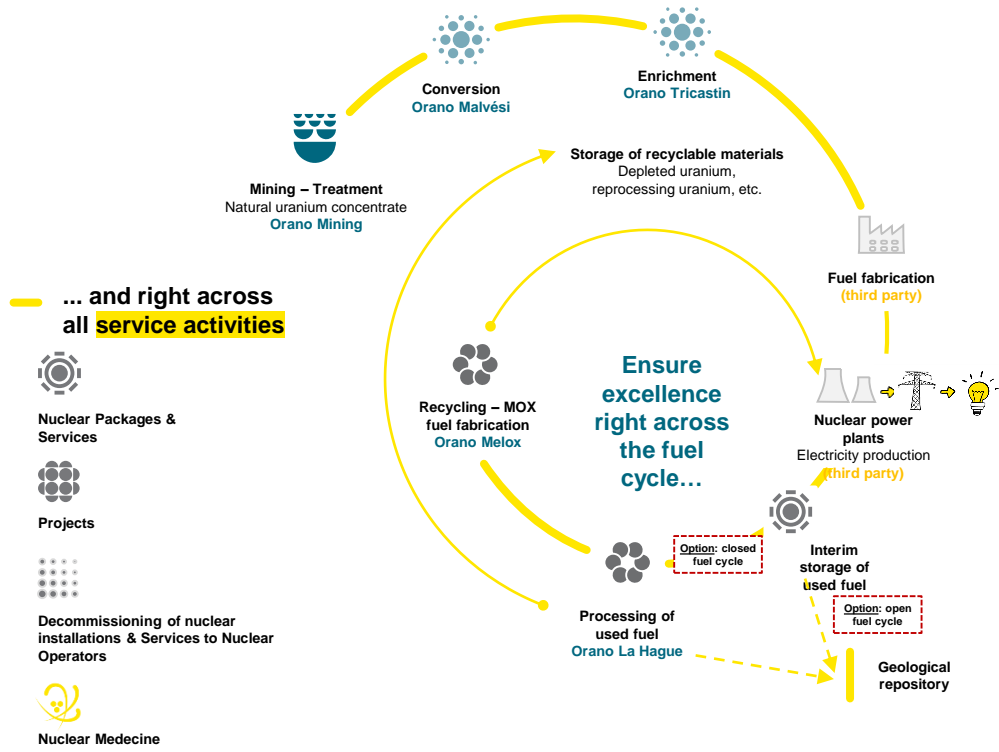
By Segment



By Geography



Orano enjoys a distinctive integrated products and services offering along the entire Nuclear fuel value chain



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

Front End

- **Conversion of uranium concentrate** (U_3O_8) to uranium hexafluoride (UF_6)
- **Enrichment of UF_6 by centrifugation**

Back End

- **Recycling**
- **Nuclear packages & services:** packaging design and manufacturing, transportation of nuclear materials and waste
- **Decommissioning & services:** (i) expertise in dismantling of reactor and fuel cycle plants and (ii) maintenance & site logistics services to the biggest nuclear utility in the world
- **Projects:** design and implementation of complex projects

Orano Med

- **Ambitions to develop a new generation of targeted radiotherapies against cancer** using the properties of ^{212}Pb , a rare alpha-emitting radioisotope

ESG stands at the core of Orano's strategy



Orano's Core Values



- Safety
- Security
- Health



- Ethics
- Transparency
- Dialogue



Overview of Orano's Internal Engagement Process



Orano's Contribution to Selected UN Sustainable Development Goals



Climate and carbon neutrality



Preserving natural resources & reducing waste



Reliable source of energy at affordable cost



Environmentally friendly industrialisation and innovation



Enhancing skills across regions



For the safety, security, health and contribution to medical progress



ESG & Sustainability Rating Process On-going

- Focus on improving Orano's reporting with the group's strategy around key ESG targets and contribution to selected UN SDGs

First solicited rating under preparation

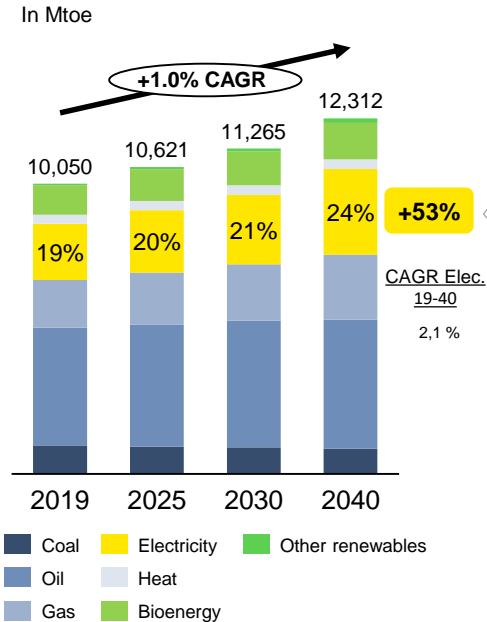
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Nuclear Market trends

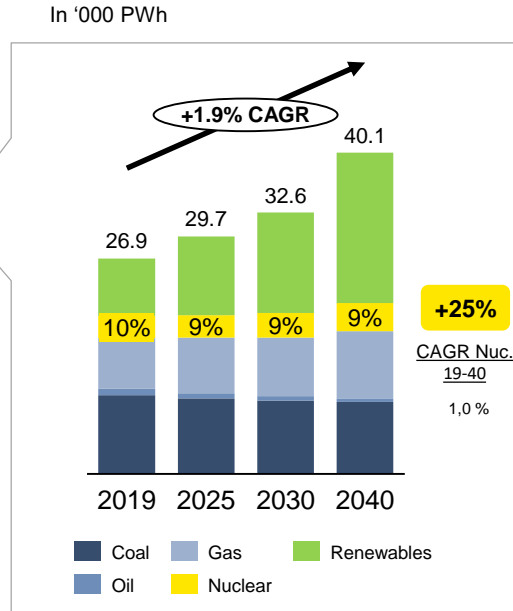


Worldwide electricity demand should continue to grow while Nuclear energy remains key to meet long-term challenges

World final energy consumption projections



World power generation mix projections

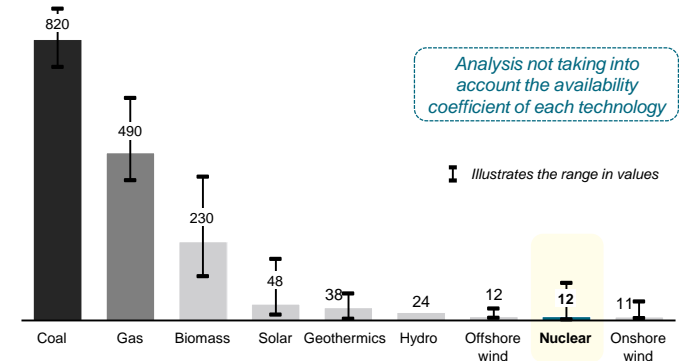


Nuclear is recognized by agencies in the fight against CO₂ emissions



“Nuclear power has historically been one of the largest contributors of carbon-free electricity globally and it has significant potential to contribute to power sector decarbonisation.”

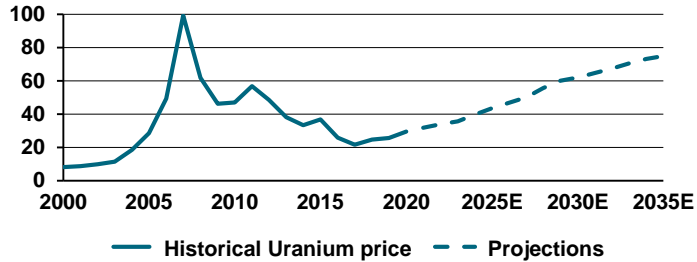
CO₂ emissions by technology in the world, in gCO₂eq / kWh



Uranium Market expected to turn the corner

Evolution of Uranium Spot Price

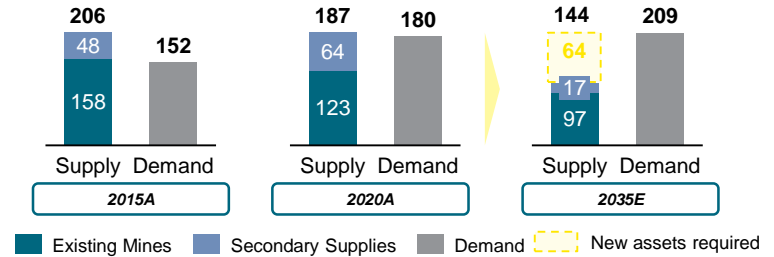
US\$/lb U3O8



Uranium Prices Deemed to Recover, Driven by Supply & Demand

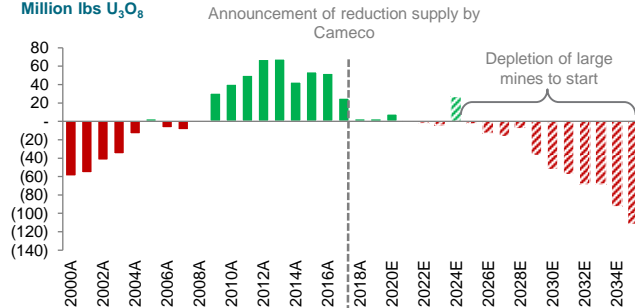
Million lbs U₃O₈

Demand expected to exceed existing supply sources in 2035



Evolution of Uranium Market Balance (Supply–Demand)

Million lbs U₃O₈



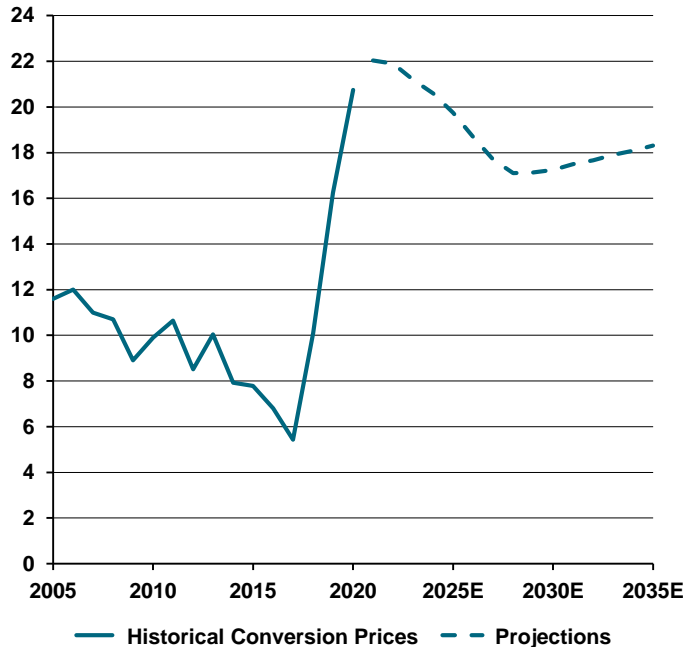
Key Considerations

- Market improving in 2020 following announcement of supply reduction due to Covid (Cigar Lake in Canada...)
- Progressively demand expected to exceed existing supply sources

In Conversion, supply and demand dynamics have drastically improved, driving prices back up

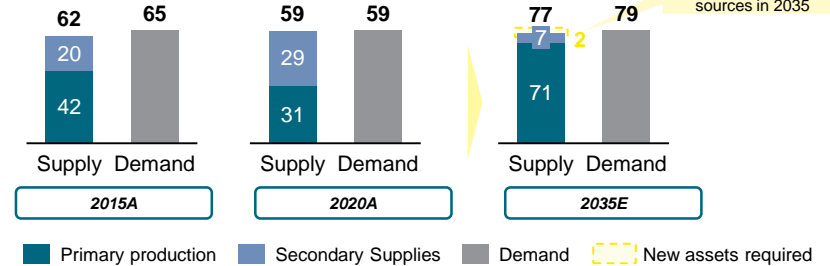
Historical and Projected Evolution of Conversion Prices

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



Projected Conversion Supply and Demand

Conversion Supply and Demand (million kgU as UF6)

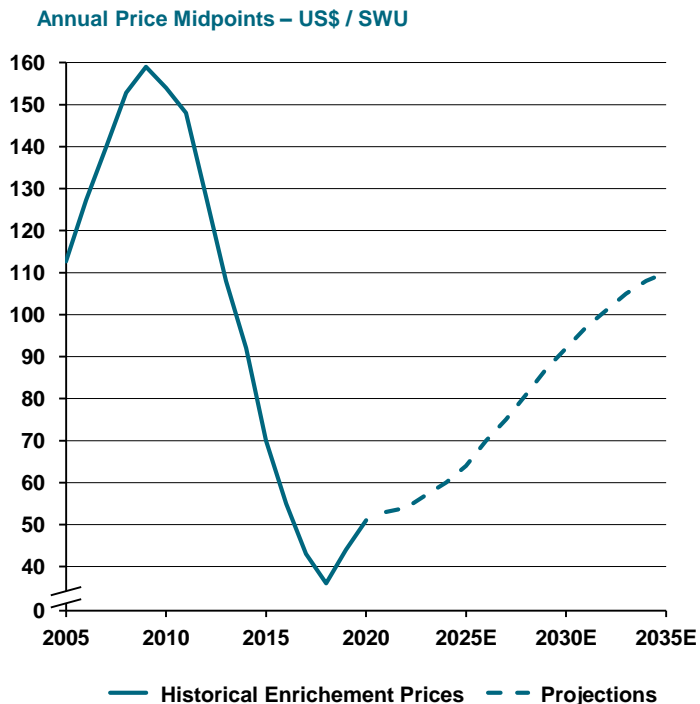


Key Considerations

- The current tight supply / demand fundamentals will likely shape the market for the coming years

Enrichment Market is expected to follow the same course

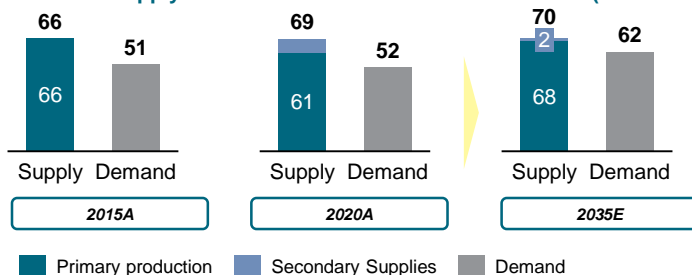
Historical and Projected Evolution of Enrichment Prices



Source: UxC Conversion Market Outlook Q4 2020.

Projected Enrichment Supply and Demand

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



Key Considerations

- An increase in prices will be required to secure breakeven investment for the renewal of enrichment cascades

03

Highlights : 2020 Results



Activity preserved and continued deleveraging despite the health crisis

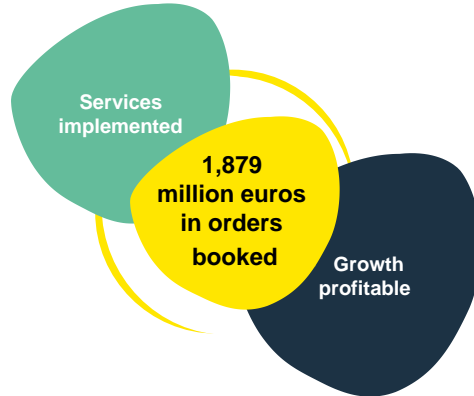
- **Order intake of 1.9 billion euros** to renew short-cycle activities **and lack of impact of the crisis on the backlog**
- **Activity maintained and operational performance improved despite Covid-19**, revenue with a slight decrease of -2.5% like-for-like at 3.7 billion euros and an EBITDA rate up to 25.3% compared to 23.8% in 2019
- **Positive net cash-flow of +144 millions euros and net debt down to 2.15 billion euros**
- **Adjusted net income* of -91 million euros**, penalized by production stoppages and postponements of activities in the context of the health crisis, an additional provision for end-of-lifecycle operations
- **Net income attributable to owners of the parent at -70 million euros**, reflecting the same effects

* Performance indicator introduced at year-end 2018, reflects Orano's industrial performance independently of the impact of the financial markets and regulatory changes related to end-of-lifecycle commitments.

Good commercial activity despite the crisis

Sales contracts

- **Services** contracts and **Supply** contracts for **storage casks** with U.S. customers
- Contracts for the **supply of MOX fuels** for Asian customers

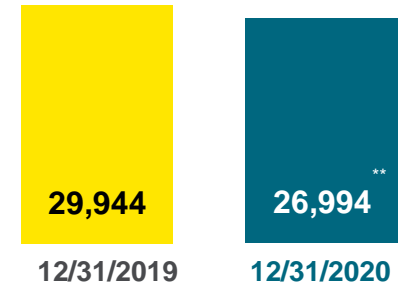


- **Several natural uranium** supply and **enrichment and conversion** services **contracts** in the U.S. and Asia

Backlog *

Over
7 years
of revenue

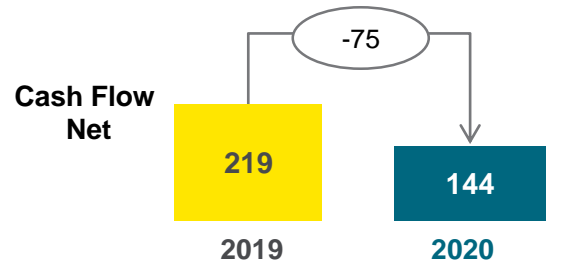
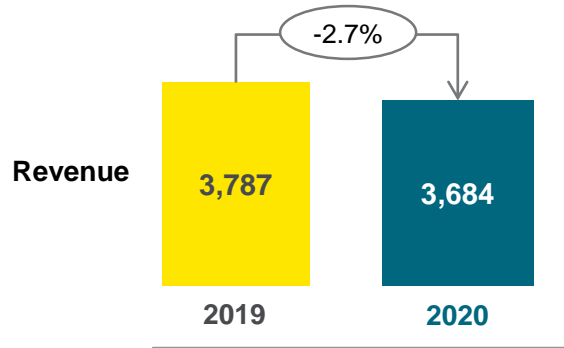
* in millions of euros



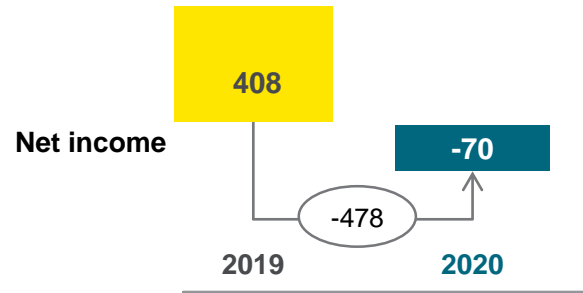
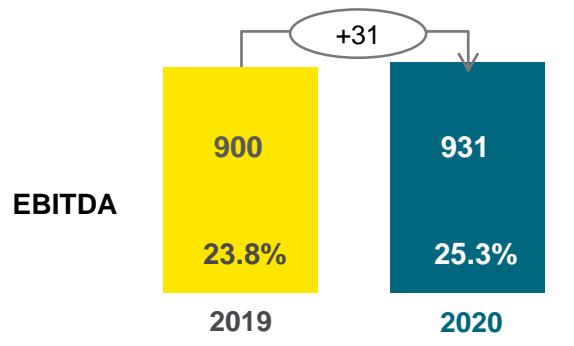
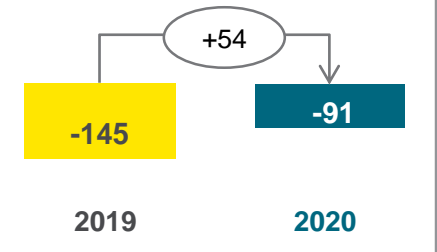
** of which unfavorable conversion change of around -€90 million

Key figures at December 31, 2020

In millions of euros



Adjusted net income (*)



(*) Performance indicator introduced at year-end 2018, reflects Orano's industrial performance independently of the impact of the financial markets and regulatory changes related to end-of-lifecycle commitments.

Summary of Covid-19 effects

Estimated amounts *(in millions of euros)*

	2020
Mines: temporary shutdowns of mining sites, delay in deliveries	(87)
Front End: disruption of production	(12)
Back End: shutdown of certain facilities and disruption of service activities	(89)
Corporate: prevention and protection measures*	(2)
Total impact on operating income	(190)

* Purchases of masks and protective equipment centralized at Corporate at June 30, 2020 are allocated by sector at December 31, 2020.

Adjusted net income (*)

<i>In millions of euros</i>	2019	2020	Change
Operating income	468	340	(128)
Share in net income of joint ventures and associates	(19)	15	+34
Adjusted net financial income	(514)	(343)	+171
Adjusted taxes	(36)	(54)	(18)
Net income attributable to non-controlling interests	(44)	(50)	(6)
Adjusted net income attributable to owners of the parent	(145)	(91)	+54

(*) Performance indicator introduced at year-end 2018, reflects Orano's industrial performance independently of the impact of the financial markets and regulatory changes related to end-of-lifecycle commitments.

Transition from adjusted net income to reported net income

<i>In millions of euros</i>	2019	2020	Change
Adjusted net income attributable to owners of the parent	(145)	(91)	+54
<i>Undiscounting of end-of-lifecycle liabilities</i>	(299)	(283)	+16
<i>Impact of change in rate on end-of-lifecycle operations</i>	(8)	34	+42
<i>Return on earmarked assets</i>	860	270	-590
Total adjustments in Financial Income	553	21	-532
Effect of tax adjustments	(0)	(0)	0
Reported net income attributable to owners of the parent	408	(70)	-478

Net cash flow from company operations

In million of euros	2019	2020	Variation
EBITDA	900	931	+ 31
1 Change in WCR	356	127	(229)
Net Capex	(554)	(511)	+ 44
Operating cash-flow	702	548	(154)
End-of-lifecycle cash-flow	(144)	(58)	+ 86
1 Income tax	(110)	12	+ 122
Cash from financing operation	(212)	(194)	+ 18
2 Other items	(17)	(165)	(148)
Non operating cash-flow	(483)	(404)	+ 79
Net cash-flow from company operations	219	144	(75)

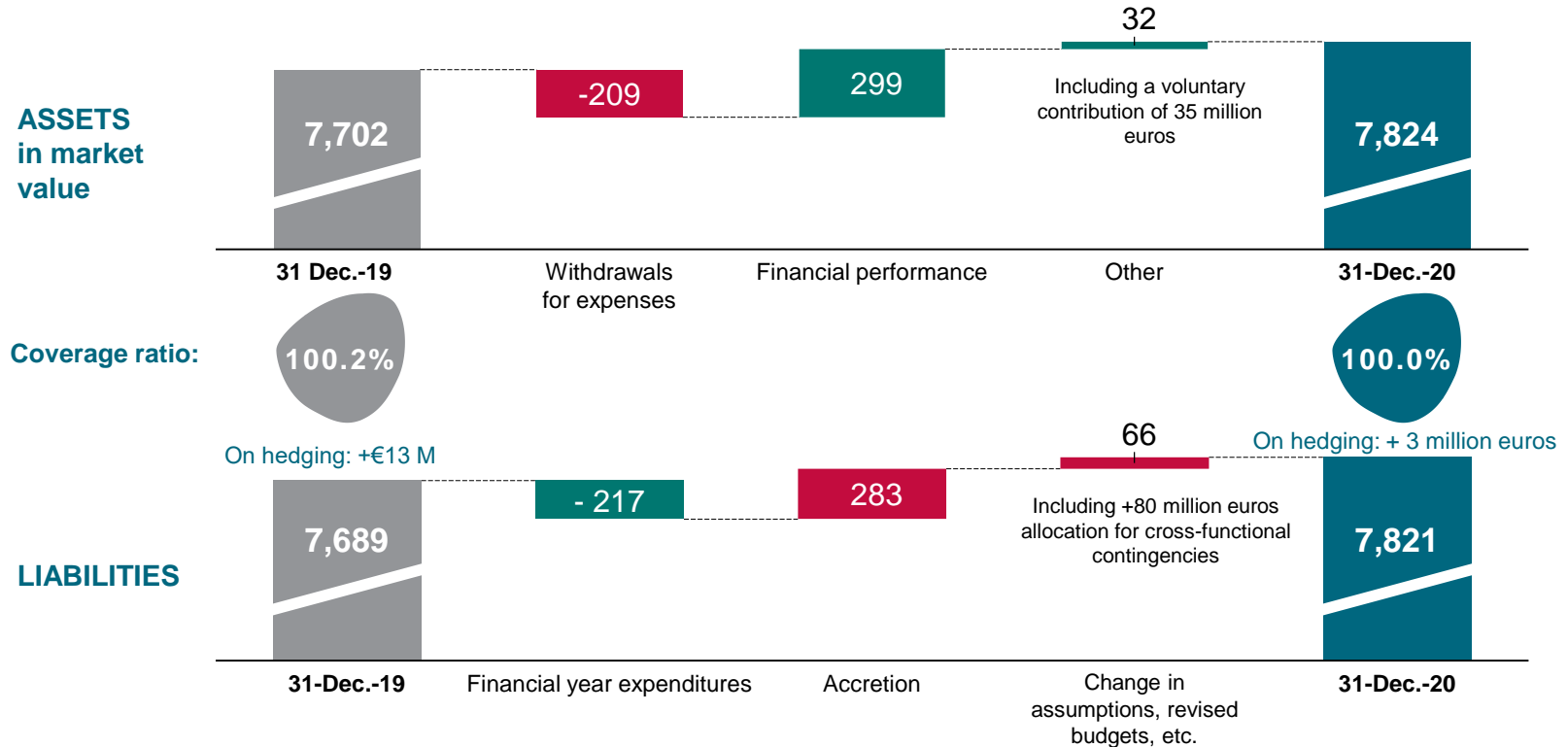
1 Of which a reclassification impact between operational and non-operational for the financing of tax income in 2019 and the reverse in 2020, plus a cut-off effect for a significant collected VAT in 2019

2 Of which balances of transaction with minority shareholders in the Mining activity (dividends, Capital increase)

End-of-lifecycle commitments

Regulated scope

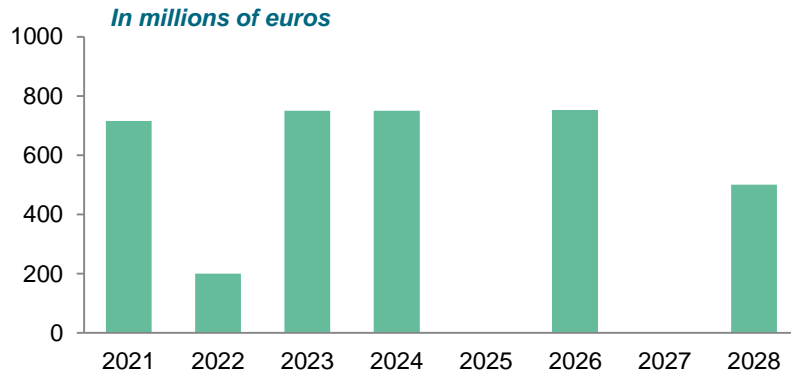
In millions of euros



Debt structure and liquidity at December 31, 2020

Financial debt 4.2 billion euros

- Including bond debt: 3.7 billion euros

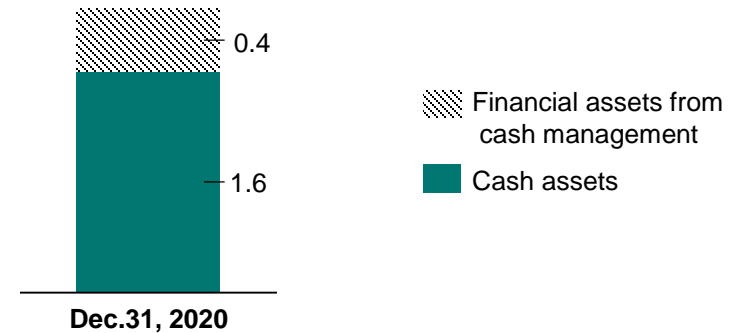


- Issue on September 1, 2020 of a bond issue of €500 M maturing in March 2028
- Partial buyback for an amount of 35 million euros of the 2021 bonds partly completed as part of a Tender Offer in March 2020

- Other borrowings: €0.5 billion

Liquidity situation at December 31, 2020

2.0 billion euros

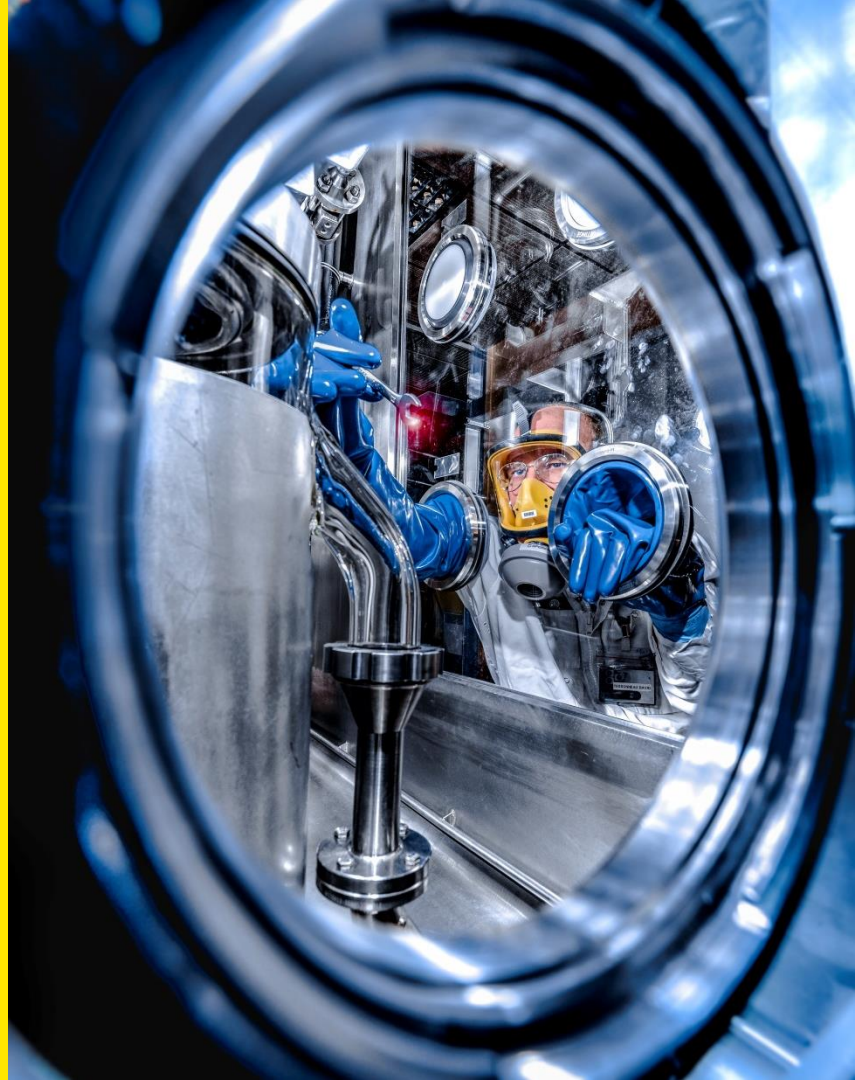


- Liquidity enhanced by an extended non-drawn RCF:

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

04

Outlook 2021



Financial outlook for 2021*

**Continuing
positive net
cash flow**

A recovery in revenue growth

Consolidation of EBITDA rate between 23% and 26%

() This outlook remains dependent on the evolution of the pandemic and does not include the planned Chinese used fuel processing and recycling plant, currently under negotiation.*

05

Q&A

Appendices

Key figures by business – Mining



<i>In millions of euros</i>	2019	2020	Change
Revenue	1,279	1,079	-200
Operating income	446	371	-75
EBITDA	634	502	-132
<i>% of sales</i>	<i>49.5%</i>	<i>46.5%</i>	<i>-3.0 pts</i>
Change in operating WCR	(74)	(19)	+55
Net CAPEX	(71)	(110)	-39
Operating cash flow	489	373	-116

- Decrease in **revenue** in line with the less favorable flow of the backlog compared to 2019, accentuated by delays in deliveries negotiated with certain customers, in the context of the Covid-19 pandemic.
- Decrease in **operating income** and **EBITDA** related to: (i) the expected reduction in volumes sold, (ii) the negative impact of the COVID-19 crisis on activities with production interruptions in Canada (Cigar Lake mine and McClean Lake plant) and in Kazakhstan to a lesser extent and delivery delays for certain customers, (iii) and the positive contribution of the Value 2020 performance plan.
- Favorable **change** in **WCR** due to the consumption of natural uranium stocks following production stoppages.
- Continued good level of **operating cash flow** and a slight upturn in investments after a historically low level in 2019.

Key figures by business – Front End



<i>In millions of euros</i>	2019	2020	Change
Revenue	901	999	+98
<i>Operating income before end-of-cycle activity</i>	188	234	+46
Operating income	191	224	+33
EBITDA	249	317	+68
<i>% of sales</i>	27.6%	31.8%	+4.2 pts
Change in operating WCR	35	97	+62
Net CAPEX	(139)	(129)	+10
Operating cash flow	146	286	+140

- Increase in **revenue** driven by enrichment activities.
- Growth in **operating income** with a positive effect on the volume and price of additional enrichment sales and the contribution of the Value 2020 performance plan. However, momentum adversely impacted by labor movements in the conversion business.
- **EBITDA** in line with operating income restated for non-cash costs (+4.2 points of margin).
- Good level of **operating cash flow** under the combined effect of: (i) the increase in EBITDA, (ii) an improvement in the change in operating WCR with the continued destocking in conversion and enrichment, (iii) and the end of the investment program for the Philippe Coste plant in the conversion business.

Key figures by business – Back End



<i>In millions of euros</i>	2019	2020	Change
Revenue	1,594	1,592	-2
<i>Operating income before end-of-cycle activity</i>	(116)	(98)	+18
Operating income	(135)	(209)	-74
EBITDA	112	146	+34
<i>% of sales</i>	7.0%	9.2%	+2.2 pts
Change in operating WCR	261	138	-123
Net CAPEX	(319)	(260)	+59
Operating cash flow	54	24	-30

- **Revenue** stable with, on the one hand, growth in Nuclear Packages and Services and Dismantling and Services over the period and, on the other hand, the impacts of the Covid-19 crisis with (i) the temporary shutdown of the la Hague recycling plant, and (ii) difficulties in accessing certain customer sites for Dismantling and Services activities.
- Decrease in **operating income** related to the impacts of the Covid-19 crisis described above and to an additional provision for end-of-cycle activities. This decrease is partially offset by the improvement in the US activities in Nuclear Packages & Services.
- Despite the impacts of Covid-19, **EBITDA** increased due to the improved performance of the US Nuclear Packages and Services activities and exceptional income related to the repayment of residual assets in respect of externalized social liabilities.
- **Operating cash flow** down due to a lower contribution from contract pre-financing, mitigated by a delay in investments due to the health crisis.

Key figures by business – Corporate*



In millions of euros	2019	2020	Change
Revenue	12	13	+1
<i>Operating income before end-of-cycle activity</i>	<i>(33)</i>	<i>(48)</i>	<i>-15</i>
Operating income	(33)	(47)	-14
EBITDA	(94)	(34)	+60
Change in operating WCR	133	(89)	-222
Net CAPEX	(25)	(12)	+13
Operating cash flow	13	(135)	-149

- Decrease in **operating income** mainly related to a reversal in 2019 of a provision that no longer applies.
- **EBITDA** significantly improved with the end of social restructuring spending.
- Degradation of the change in **WCR** partly related to a refund at the beginning of the year of VAT collected at the end of 2019 and the replenishment of receivables for the Research Tax Credit (non-operating cash flow counterparty).
- **Operating cash flow** significantly negative over the period due to the change in WCR.

(*) "Corporate and other operations" includes Orano Med.

Sensitivity

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 average for the periods in question (in million of euros)	Period 2021–2022	Period 2023–2028	
Change in the US dollar/Euro rate: +/- 10 cents	+36 -34	+66 -67	Sensitivity cushioned by foreign exchange hedges Subscribed to
Change in the price of a pound of uranium: +/- 5 USD/lb	+18 -20	+51 -49	Sensitivity cushioned by the backlog
Change in the price of an enrichment service unit: +/- 5 USD/SWU	+/-3	+/-4	Sensitivity cushioned by the backlog

These sensitivities were assessed independently from one another

Disclaimer

Important information

This document contains forward-looking statements relative to Orano's financial position, results, operations, strategy and outlook. These statements include 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 are generally identified by the words "expect to", "anticipate", "believe", "plan", "could", "foresee" or "estimate", and by other similar terms. Although Orano's management believes that these forward-looking statements are reasonable, 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 2020 (available online at end of April 2021 from Orano's website at www.orano.group). The attention of investors and bearers of Orano shares is drawn to the fact that the realization of all or part of these risks is liable 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

Donnons toute sa valeur au nucléaire