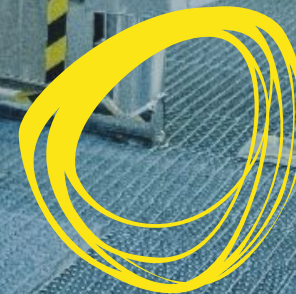


# 2023 Half-year results

Philippe Knoche, Chief Executive Officer

David Claverie, Chief Financial Officer

July 28, 2023



orano

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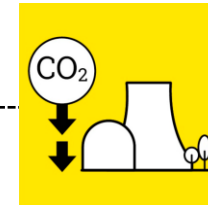
# 01 • Key messages



**orano**

Giving nuclear energy its full value

# H1 2023: an increasingly favorable environment for nuclear energy



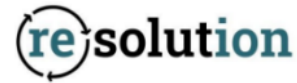
- **Energy recognized as being critical to the decarbonization of economies**
- **An interest amplified by the war in Ukraine and the need for energy sovereignty**
- **Market prices continuing the upward trend initiated in 2022**

# Important milestones in H1

**A capacity extension project in the enrichment of Tricastin, supported by local players**



**Partnership projects signed with XTC to manufacture batteries for electric vehicles**



**More ambitious decarbonization and water saving targets for the end of 2025**

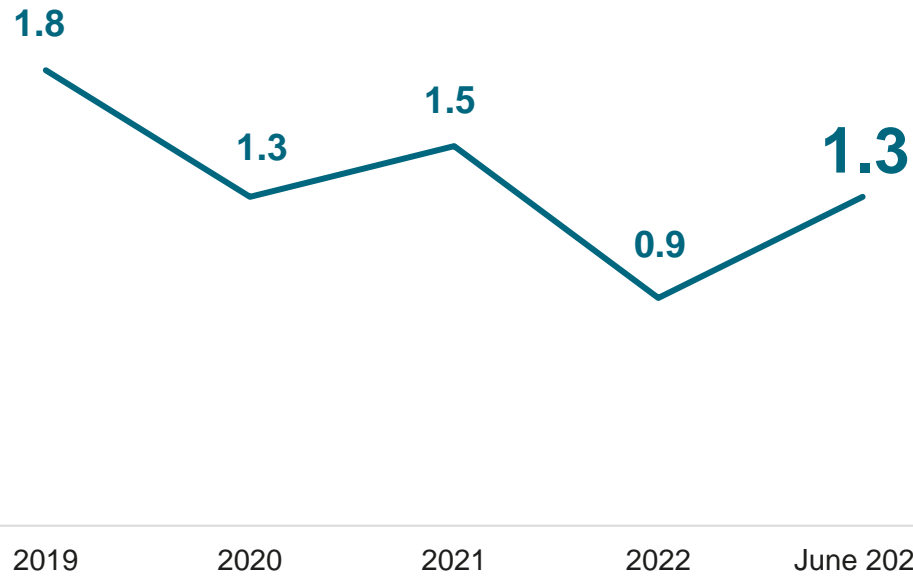
**GHG (scopes 1 & 2)**  
**-25% vs. 2019**  
compared to -15% previously

**Water**  
**-20% vs. 2019**  
compared to -10% previously

# Our safety and security fundamentals

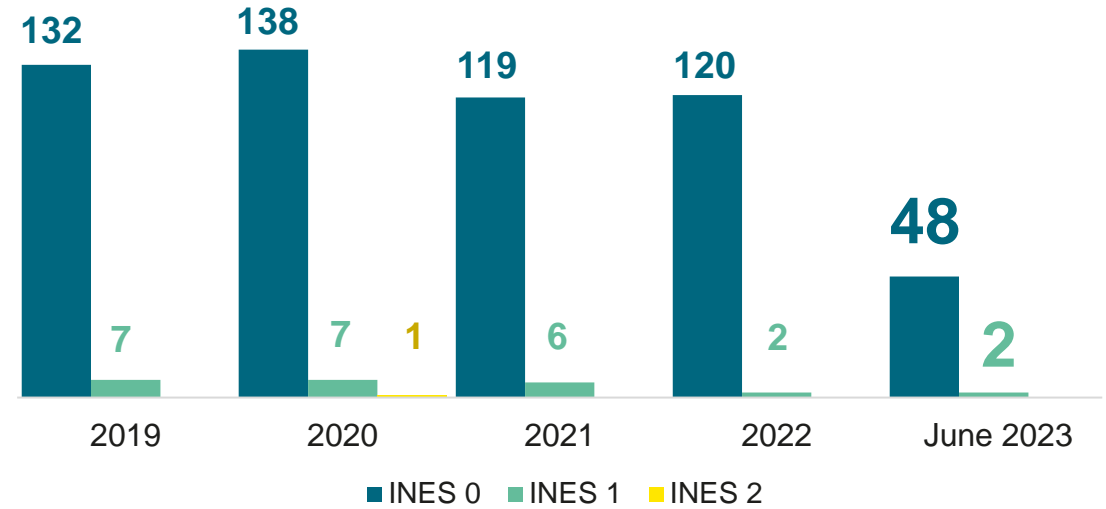
## Occupational Safety

Frequency rate of workplace accidents with lost time



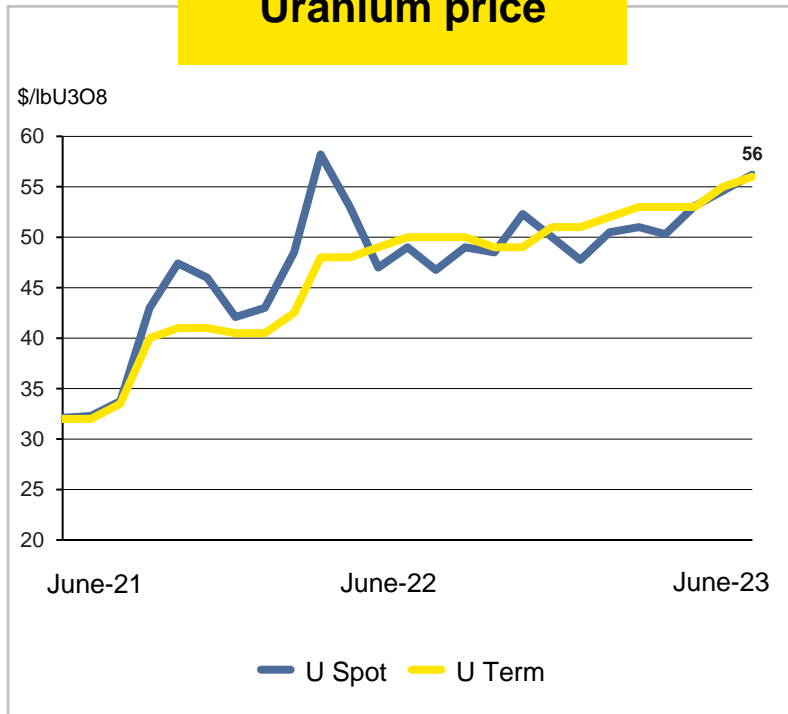
## Nuclear safety

Number of events INES 0 - INES 1 and INES 2

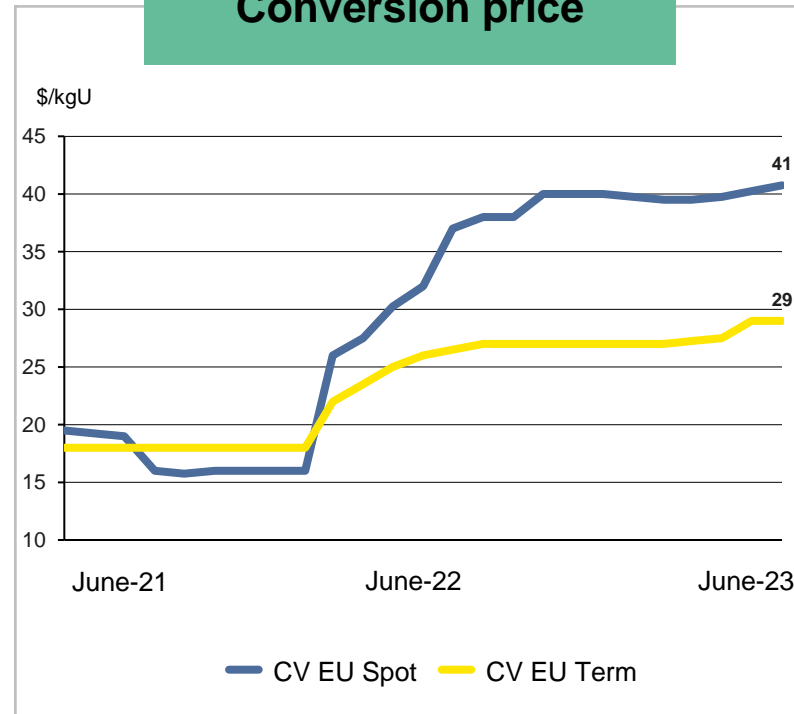


# Price trends in our markets

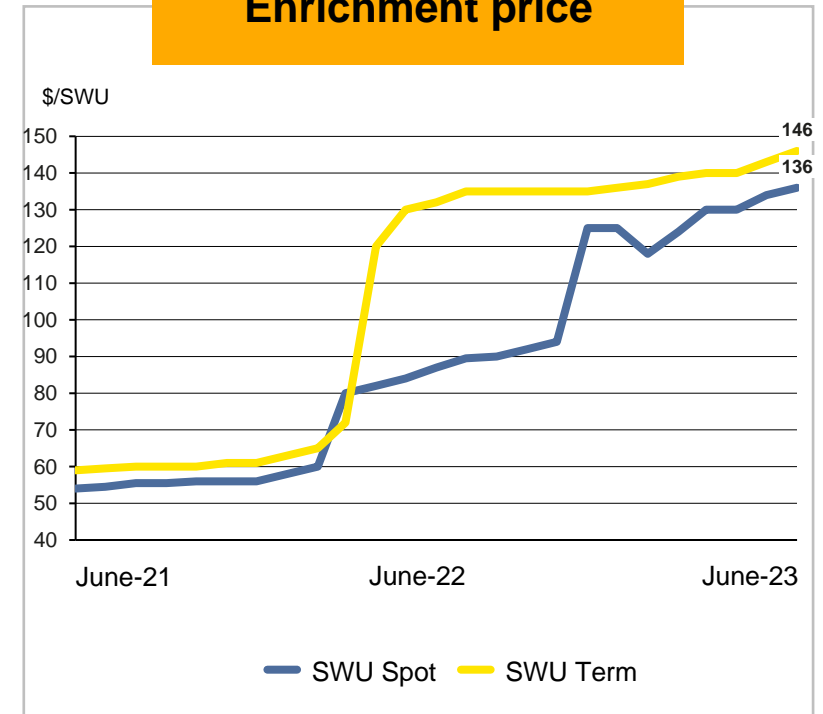
## Uranium price



## Conversion price



## Enrichment price



Source: UxC

# Sustained commercial activity in exports

## Sales contracts

€1.6 bn

in orders taken during H1 2023

85%  
for export



- **Orders** mainly signed with **international customers** with **distribution** between the **Back End and Mining segments** and the **Front End segment** of **58%** and **42%** respectively.
- Note the entry into force **in early July** of a **€1.7-billion multi-year contract** for the supply of uranium to a European utility company. This **order** will be **recorded in the backlog during the second half** of 2023.

## Backlog\*

Over 6 years of  
revenue

26,099

Dec. 31, 2022

25,702

June 30, 2023 \*\*

\* in millions of euros.

\*\* of which impact of market indicators and conversion of approx. +€300 million.



# Results in line with expectations, marked by strong half-year variability



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



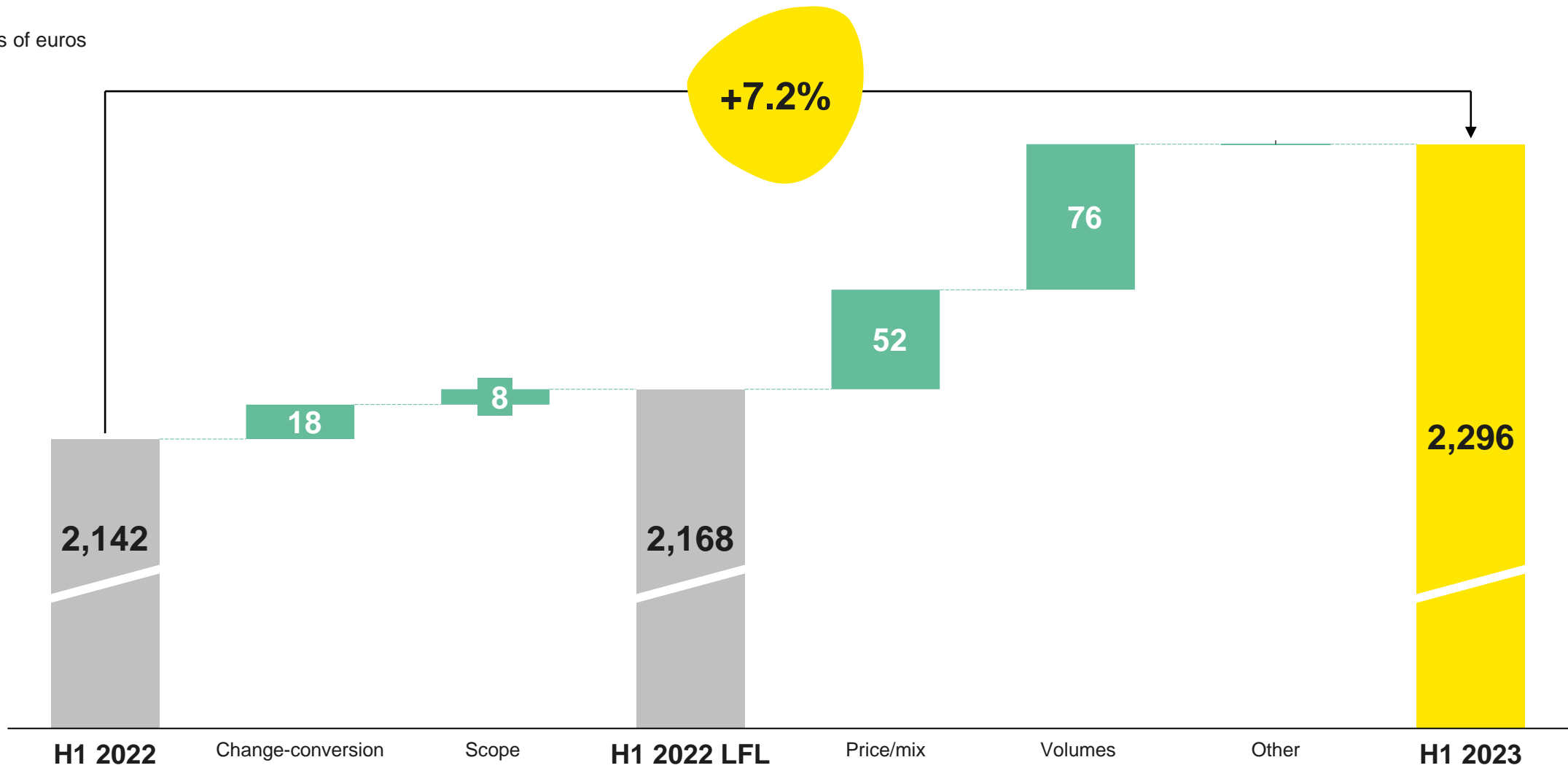
# 02 • Results at June 30, 2023

a. Income statement



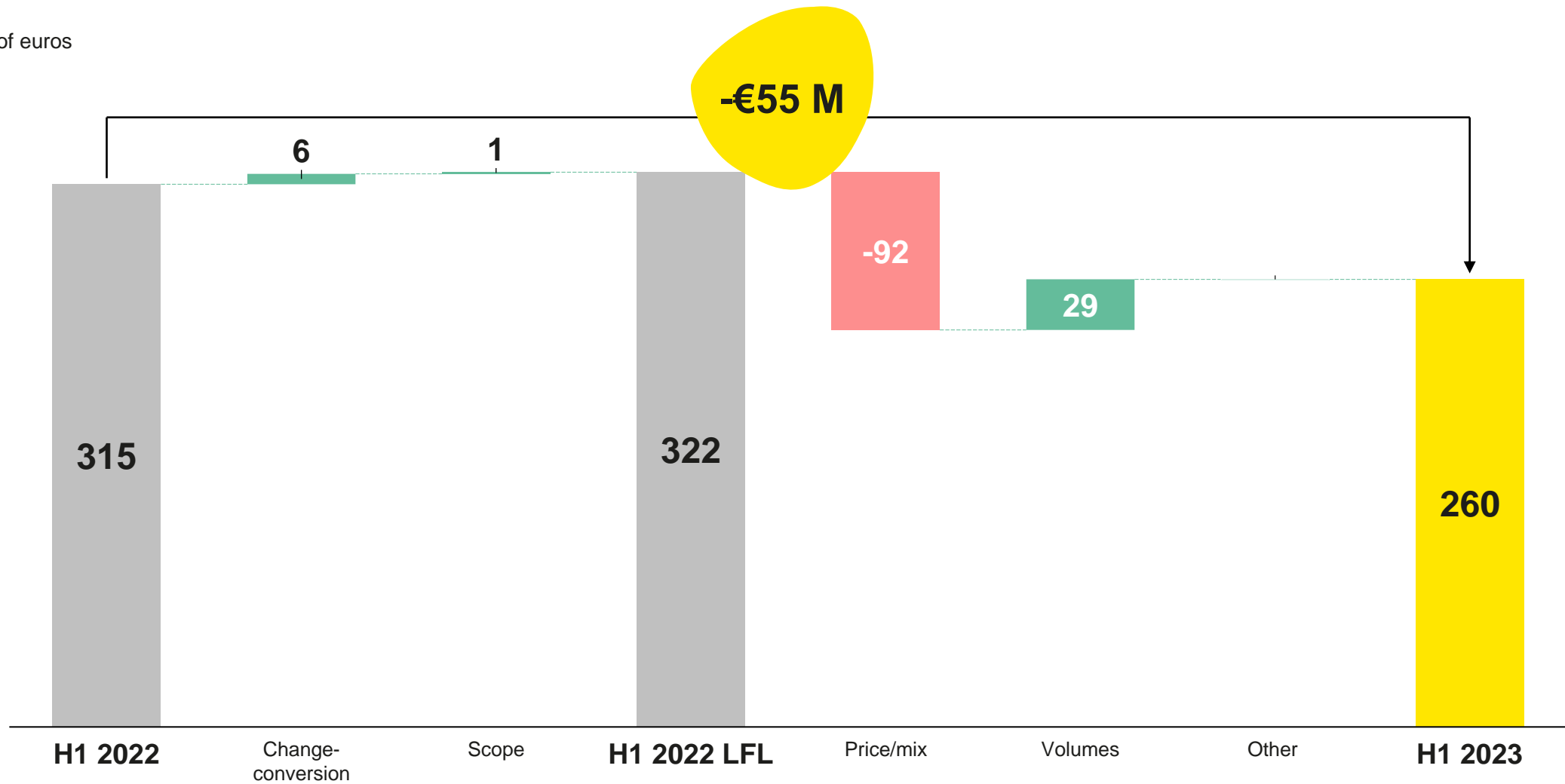
# Increasing revenue in a buoyant market

In millions of euros



# Drop in operating income impacted by a temporary unfavorable mix effect

In millions of euros



# Change in revenue and operating income by business

In millions of euros

## Mining



	H1 2022	H1 2023	Delta
Revenue	746	737	-9
Operating income	186	146	-40
% of revenue	24.9%	19.9%	-4.9 pts

## Front End



	H1 2022	H1 2023	Delta
Revenue	527	615	+88
Operating income	164	149	-15
% of revenue	31.0%	24.3%	-6.8 pts

## Back End



	H1 2022	H1 2023	Delta
Revenue	858	936	+78
Operating income	(22)	(19)	+3
% of revenue	-2.6%	-2.0%	-0.6 pts

## Corporate \*



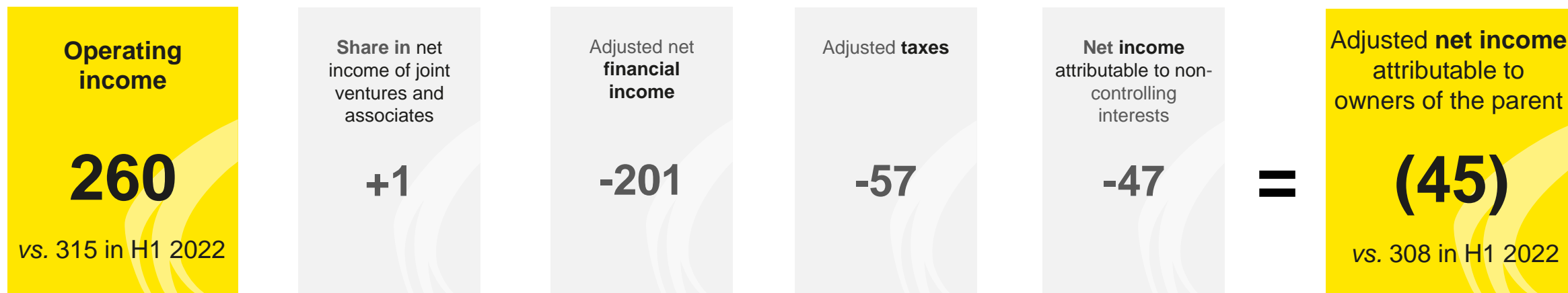
	H1 2022	H1 2023	Delta
Revenue	10	8	-2
Operating income	(12)	(17)	-5

\* "Corporate and other operations" includes Orano Med.

# Adjusted net income as of June 30, 2023\*

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.



# Published net income as of June 30, 2023

In millions of euros

## Reconciliation of adjusted net income to published net income

Adjusted net income attributable to owners of the parent

**(45)**

vs. 308 in H1 2022

Unwinding expenses on end-of-lifecycle liabilities

**-203**

Net impact of change in rate on end-of-lifecycle commitments

**-59**

Return on earmarked assets

**+423**

Effect of tax adjustments

**0**

**=**

Published net income attributable to owners of the parent

**117**

vs. (359) in H1 2022



# 02 • Results at June 30, 2023

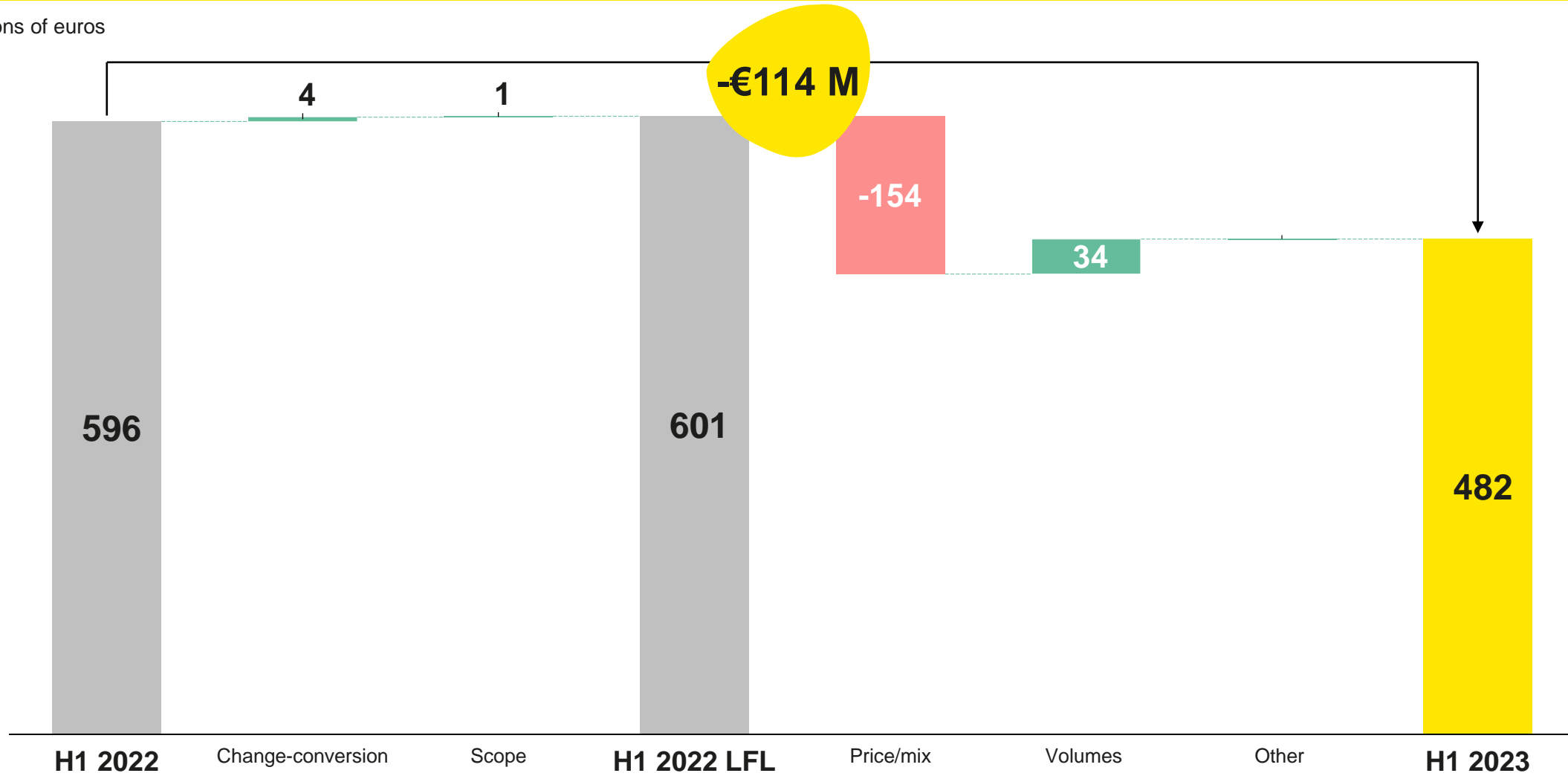
b. Cash flow





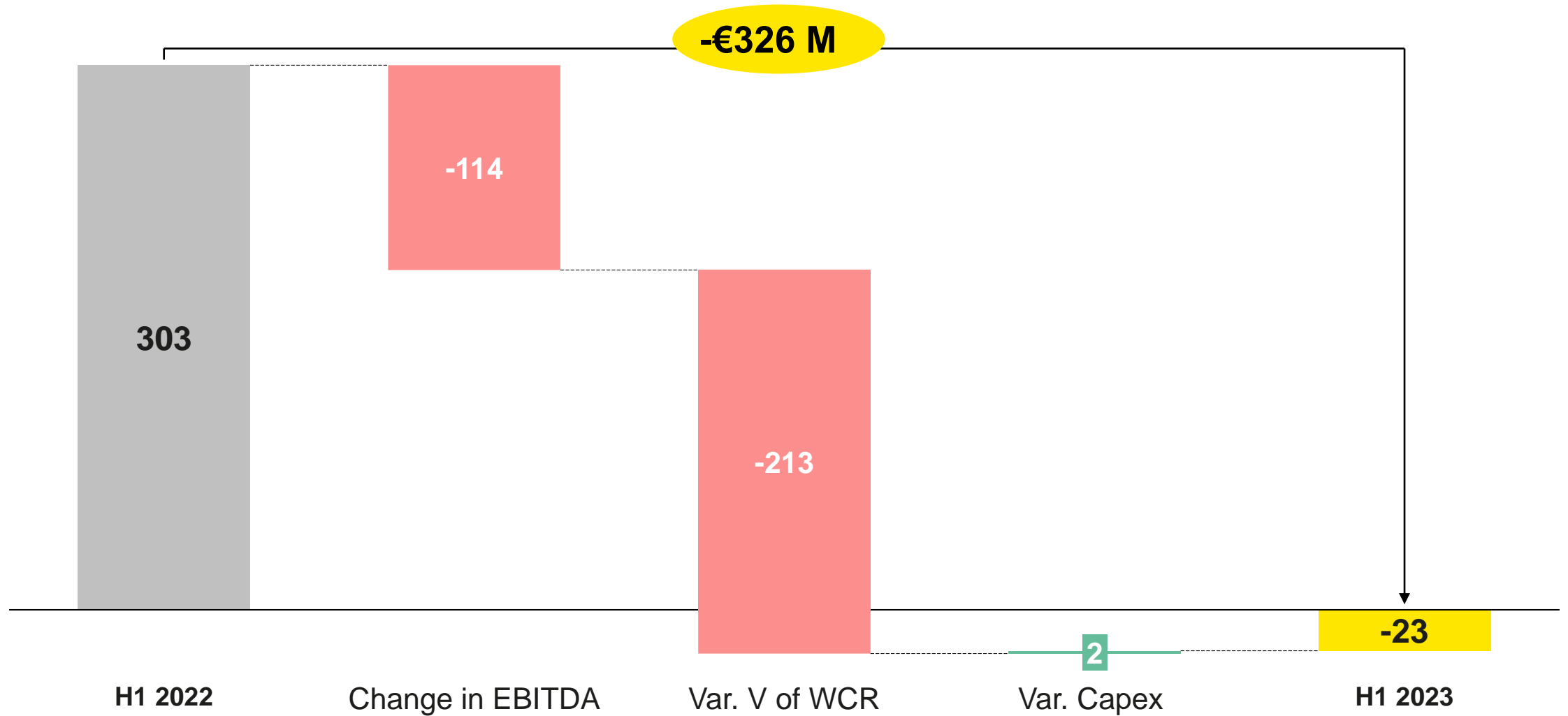
# Decrease in EBITDA impacted by a temporary unfavorable mix effect

In millions of euros



# Temporary decrease in operating cash flow

In millions of euros



# Change in EBITDA and operating cash flow by business

In millions of euros

## Mining



	H1 2022	H1 2023	Delta
<b>EBITDA</b>	282	205	-77
<i>% of revenue</i>	37.8%	27.9%	-9.9 pts
<b>Operating cash flow</b>	198	51	-147

## Front End



	H1 2022	H1 2023	Delta
<b>EBITDA</b>	221	177	-44
<i>% of revenue</i>	41.9%	28.7%	-13.2 pts
<b>Operating cash flow</b>	189	124	-65

## Back End



	H1 2022	H1 2023	Delta
<b>EBITDA</b>	93	107	+14
<i>% of revenue</i>	10.9%	11.5%	+0.6 pts
<b>Operating cash flow</b>	(25)	(87)	-62

## Corporate\*



	H1 2022	H1 2023	Delta
<b>EBITDA</b>	0	(7)	-7
<i>% of revenue</i>	n.a.	n.a.	
<b>Operating cash flow</b>	(59)	(111)	-52

\* "Corporate and other operations" includes Orano Med.

# Net cash flow from company operations

In millions of euros

*Transition from operational CF to net CF*

**Operating cash flow**

**(23)**

vs. 303 in H1 2022

End-of-lifecycle cash flow

-6

Income tax

-30

Cash from financial transactions

-91

Other items

-39

=

**Net cash flow from company operations**

**(189)**

vs. 87 in H1 2022



# 02 • Results at June 30, 2023

c. Balance sheet



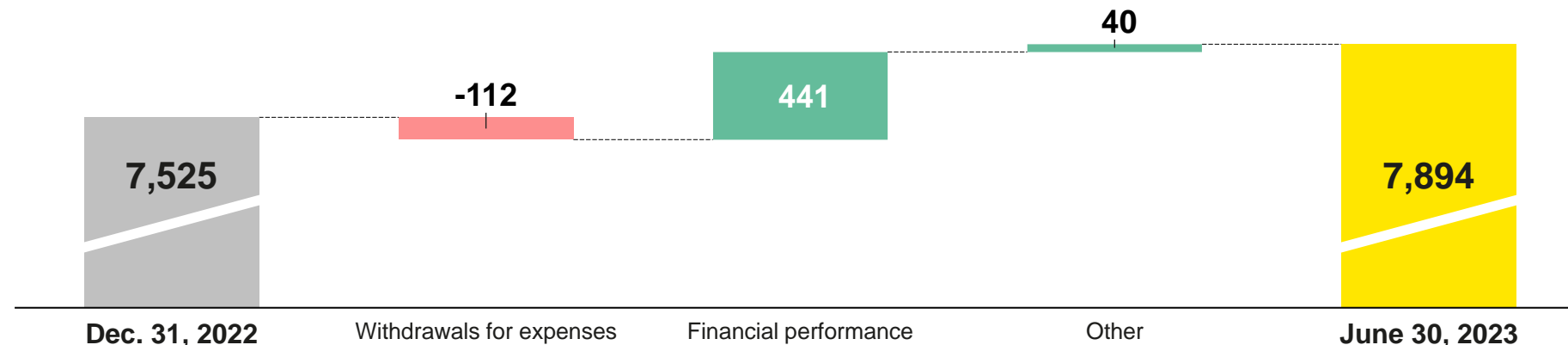
# Condensed balance sheet

In billions of euros	Dec. 31, 2022	Change	June 30, 2023
a - Goodwill	1.3	-	1.3
b - Non-current assets	9.8	+0.2	10.0
c - End-of-lifecycle assets	7.6	+0.3	7.9
d - Deferred tax assets	0.1	-	0.1
e- Operating WCR assets	2.8	+0.5	3.3
f - Other assets	0.8	-0.3	0.5
g - Cash	0.9	-0.2	0.7
<b>Total assets</b>	<b>23.2</b>	<b>+0.7</b>	<b>23.8</b>
h - Equity	1.7	+0.1	1.8
i - Employee benefits	0.5	-	0.5
j - Provisions for end-of-lifecycle operations	8.2	+0.2	8.4
k - Other provisions	2.5	+0.1	2.6
l - Financial liabilities	2.8	-	2.8
m - Operational WCR liabilities	6.9	+0.3	7.2
n - Other liabilities	0.6	-	0.6
<b>Total liabilities</b>	<b>23.2</b>	<b>+0.7</b>	<b>23.8</b>
<b>Net debt</b>	<b>(1.7)</b>	<b>+0.2</b>	<b>(1.9)</b>

# End of lifecycle commitments: *Regulated scope*

In millions of euros

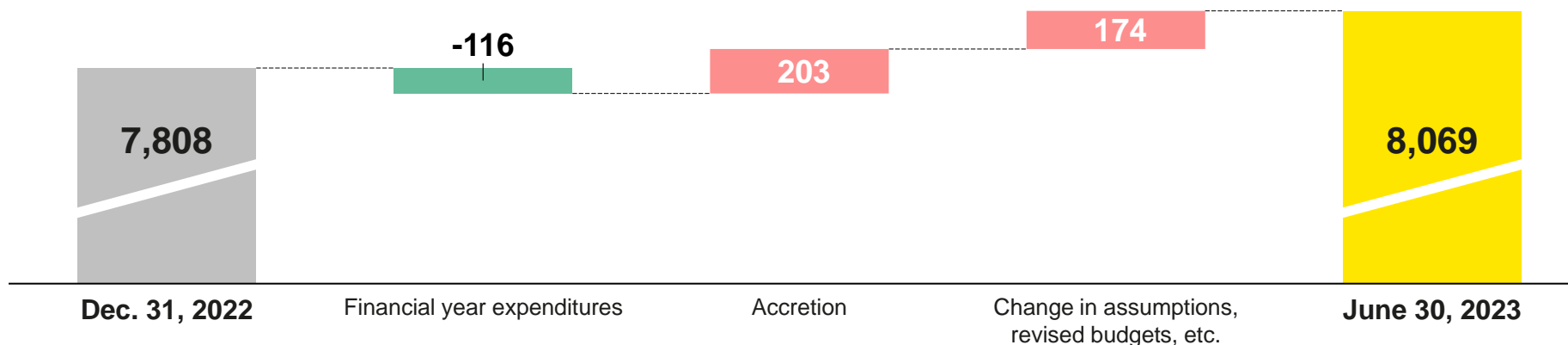
**ASSETS**  
in market value



**Coverage ratio:**



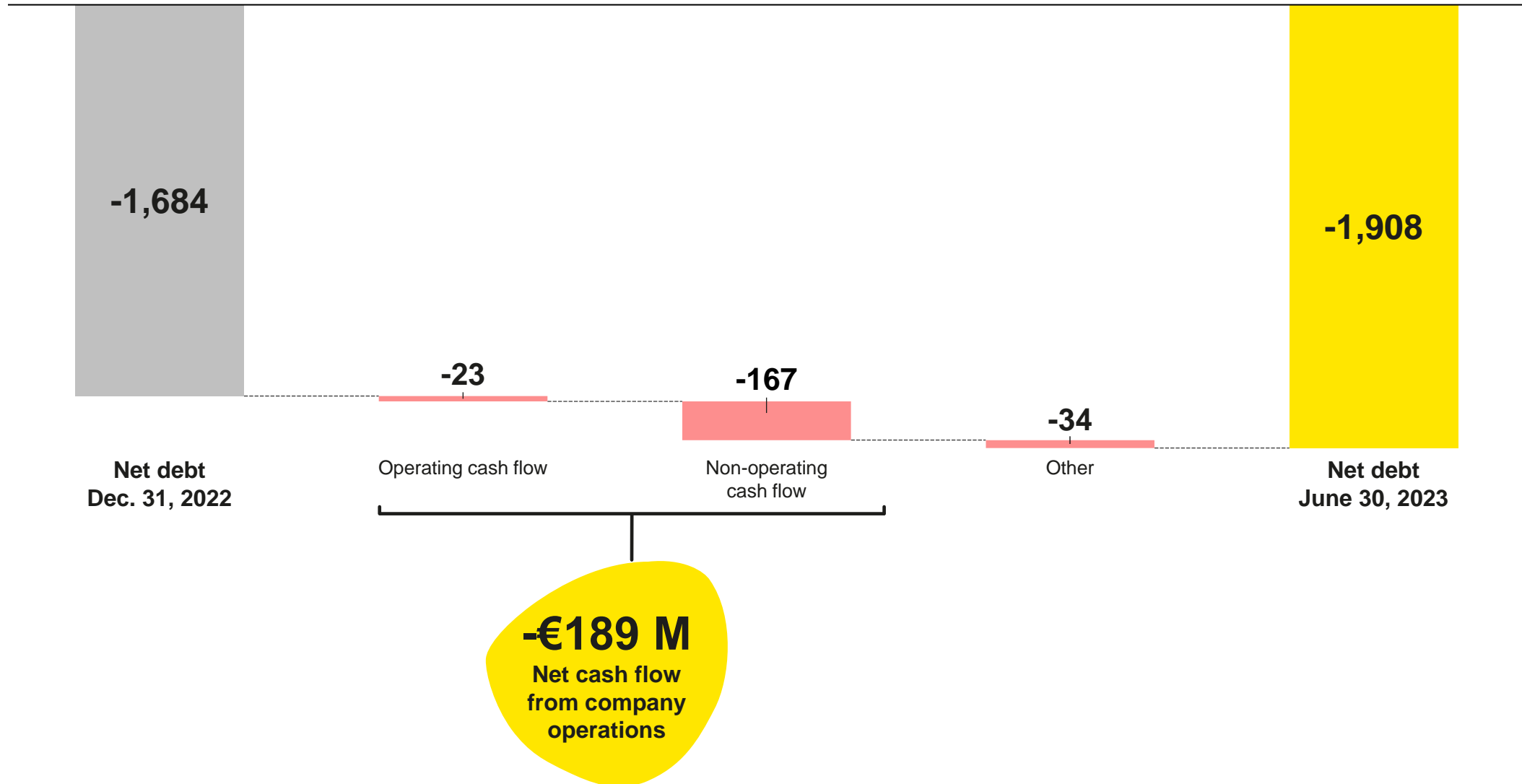
**LIABILITIES**



NB: All else being equal, the annualized accretion and impact of discount rate and inflation assumptions would lead to a coverage ratio of 94.4%.

# Slight temporary increase in net debt

In millions of euros



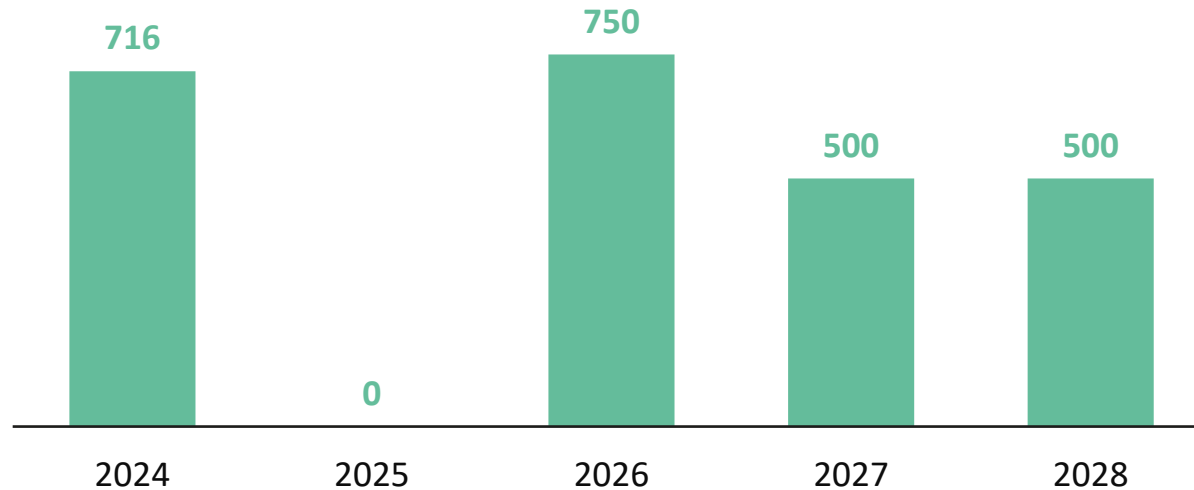


# Debt structure and liquidity at June 30, 2023

## Gross financial debt €2.8 bn

Of which bond debt: €2.5 bn

In millions of euros



Other borrowings: €0.3 bn

## Liquidity position at June 30, 2023

€0.9 bn



Liquidity enhanced by an undrawn RCF:

- €880 million, 10 banking partners
- Maturity up to **May 2028**
- **1-year extension option (until 2029)**

Financial assets cash management

Cash assets

# 03 • Outlook



# Improved financial outlook for 2023 in line with a buoyant market



Growth in Revenue  
**more than 10%**  
compared to 2022



EBITDA margin rate  
between  
**23% and 25%**



**Positive**  
net cash flow

# ● Q&A

## ● **Appendices**

1. Income statement at June 30, 2023
2. Balance sheet
3. Key figures by business
4. Definition of key indicators used by Orano
5. Sensitivity
6. Non-financial performance

# Income statement at June 30, 2023

## Appendix 1

In billions of euros	H1 2022	H1 2023
<b>Revenue</b>	<b>2,142</b>	<b>2,296</b>
Cost of sales	(1,730)	(1,963)
<b>Gross margin</b>	<b>411</b>	<b>333</b>
Research and development expense	(51)	(62)
Marketing and sales expense	(20)	(17)
General expense	(51)	(58)
Other operating income	65	110
Other operating expense	(39)	(47)
<b>Operating income</b>	<b>315</b>	<b>260</b>
Share in net income of joint ventures and associates	(1)	1
<b>Operating income after share in net income of joint ventures and associates</b>	<b>315</b>	<b>261</b>
Financial income from cash and cash equivalents	4	6
Cost of gross debt	(72)	(62)
<b>Cost of net debt</b>	<b>(67)</b>	<b>(56)</b>
Other financial income	751	428
Other financial expense	(1,256)	(412)
<b>Other financial income and expense</b>	<b>(504)</b>	<b>16</b>
<b>Net financial income (expense)</b>	<b>(572)</b>	<b>(40)</b>
Income tax	(41)	(57)
<b>Net income from continuing operations</b>	<b>(298)</b>	<b>164</b>
Net income from operations sold or held for sale	0	0
<b>Net income for the period</b>	<b>(298)</b>	<b>164</b>
<b>Net income attributable to owners of the parent</b>	<b>(359)</b>	<b>117</b>
<b>Net income attributable to non-controlling interests</b>	<b>61</b>	<b>47</b>

# Balance sheet - Assets

## Appendix 2

ASSETS (in millions of euros)	Dec. 31, 2022	June 30, 2023
<b>Non-current assets</b>	<b>19,097</b>	<b>19,617</b>
Goodwill	1,325	1,309
Intangible assets	1,266	1 297
Property, plant and equipment	8,534	8,773
Rights of use – leases	75	76
End-of-lifecycle assets (third party share)	93	88
Financial assets earmarked for end-of-lifecycle operations	7,501	7,851
Securities of joint ventures and companies	15	16
Other non-current assets	172	148
Deferred tax assets	116	89
<b>Current assets</b>	<b>4,080</b>	<b>4,227</b>
Inventories and in-process	1,443	1,604
Trade accounts receivable and related accounts	689	904
Contract assets	98	101
Other operating receivables	618	659
Other non-operating receivables	43	40
Current tax assets	40	40
Other current financial assets	270	196
Cash and cash equivalents	879	683
<b>Total assets</b>	<b>23,177</b>	<b>23,844</b>

# Balance sheet - Liabilities

## Appendix 2

LIABILITIES (in millions of euros)	Dec. 31, 2022	June 30, 2023
<b>Equity</b>	<b>1,648</b>	<b>1,821</b>
Capital	132	132
Consolidated premiums and reserves	1,600	1,381
Actuarial gains and losses on employee benefits	(142)	(113)
Unrealized gains and losses on financial instruments	(70)	-
Currency translation reserves	72	49
<b>Equity attributable to owners of the parent</b>	<b>1,591</b>	<b>1,450</b>
Non-controlling interests	57	371
<b>Non-current liabilities</b>	<b>11,719</b>	<b>11,948</b>
Employee benefits	475	461
Provisions for end-of-lifecycle operations	8,159	8,427
Non-current provisions	359	358
Share in negative net equity of joint ventures and associates	23	25
Non-current lease liabilities	65	68
Non-current financial liabilities	2,635	2,606
Deferred tax liabilities	2	2
<b>Current liabilities</b>	<b>9,810</b>	<b>10,075</b>
Current provisions	2,179	2,259
Current financial liabilities	189	177
Current lease liabilities	16	16
Trade payables and related accounts	1,010	1,123
Contract liabilities	5,396	5,474
Other operating liabilities	995	1,004
Other non-operating liabilities	3	12
Current tax liabilities	21	9
<b>Total liabilities and equity</b>	<b>23,177</b>	<b>23,844</b>



# Key figures by business – Mining

## Appendix 3



In millions of euros	H1 2022	H1 2023	Change
<b>Revenue</b>	<b>746</b>	<b>737</b>	<b>-9</b>
<b>Operating income</b>	<b>186</b>	<b>146</b>	<b>-40</b>
<b>EBITDA</b>	<b>282</b>	<b>205</b>	<b>-77</b>
<i>% of revenue</i>	37.8%	27.9%	-9.9 pts
Change in operating WCR	63	(63)	-126
Net CAPEX	(146)	(92)	+54
<b>Operating cash flow</b>	<b>198</b>	<b>51</b>	<b>-147</b>

- **Revenue** stability attributable to (i) a less favorable mix of invoiced contracts compared to the first half of 2022, largely offset by (ii) a positive price effect over the period in connection with the increase in uranium prices.
- Decrease in **operating income** and **EBITDA** due to (i) a less favorable mix of invoiced contracts, (ii) lower production volumes in Kazakhstan and (iii) the impact of inflation. This decrease was partly offset by the price effect on revenue.
- Decrease in **operating cash flow** mainly due to a smaller decrease in inventories in H1 2023 and payment delays. Investment amounts is down following the acquisition of an additional stake in the Cigar Lake JV in Canada during the first half of 2022.

# Key figures by business – Front End

## Appendix 3

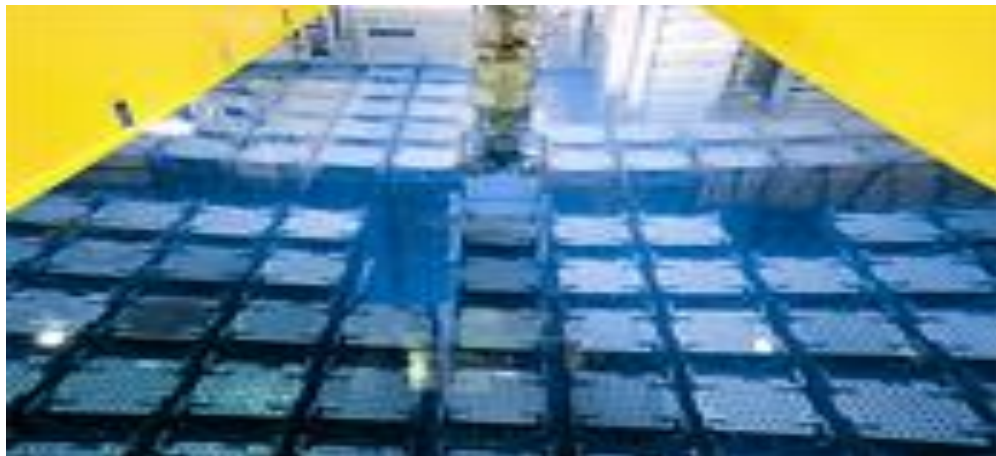


In millions of euros	H1 2022	H1 2023	Change
<b>Revenue</b>	<b>527</b>	<b>615</b>	<b>+88</b>
<i>Operating income before end-of-cycle activity</i>	170	151	-19
<b>Operating income</b>	<b>164</b>	<b>149</b>	<b>-15</b>
<b>EBITDA</b>	<b>221</b>	<b>177</b>	<b>-44</b>
<i>% of revenue</i>	41.9%	28.7%	-13.2 pts
Change in operating WCR	0	(9)	-9
Net CAPEX	(32)	(44)	-12
<b>Operating cash flow</b>	<b>189</b>	<b>124</b>	<b>-65</b>

- Increase in **revenue** attributable to an increase in volumes sold and a favorable price effect.
- Decrease in **operating income** and **EBITDA**. The effects of the increase in revenue were partially offset by (i) a less favorable mix of invoiced contracts and, to a lesser extent, (ii) higher production costs in the inflationary context. It should be noted that the comparable basis for 2022 was temporarily improved by an insurance claim.
- Slightly less favorable contribution of **change in operating WCR** between the two periods, notably due to an increase in inventory purchases.
- **Operating cash flow** was lower over the period, in line with the changes in EBITDA and WCR, as well as an increase in rejuvenation investments.

# Key figures by business – Back End

## Appendix 3



In millions of euros	H1 2022	H1 2023	Change
<b>Revenue</b>	<b>858</b>	<b>936</b>	<b>+78</b>
<i>Operating income before end-of-cycle activity</i>	<i>(18)</i>	<i>(16)</i>	<i>+2</i>
<b>Operating income</b>	<b>(22)</b>	<b>(19)</b>	<b>+3</b>
<b>EBITDA</b>	<b>93</b>	<b>107</b>	<b>+14</b>
<i>% of revenue</i>	<i>10.9%</i>	<i>11.4%</i>	<i>+0.5 pts</i>
Change in operating WCR	55	11	-44
Net CAPEX	(174)	(205)	-31
<b>Operating cash flow</b>	<b>(25)</b>	<b>(87)</b>	<b>-62</b>

- **Revenue growth** due to a favorable volume effect of (i) Nuclear Packaging and Services (NPS) for the packaging manufacturing activities both in the USA and Europe, and (ii) Dismantling and Services (D&S) with notably extended maintenance for the EDF fleet.
- Slight improvement in **operating income** and **EBITDA**, mainly resulting from the effects recorded on revenue.
- Decrease in **Operating cash flow** mainly due to (i) an unfavorable impact of the change in operating WCR between the two periods due to a less favorable collection schedule and (ii) the increase in investments, particularly in Recycling.

# Key figures by business – Corporate\*

## Appendix 3



In millions of euros	H1 2022	H1 2023	Change
<b>Revenue</b>	<b>10</b>	<b>8</b>	<b>2</b>
<i>Operating income before end-of-cycle activity</i>	<i>(12)</i>	<i>(17)</i>	<i>-5</i>
<b>Operating income</b>	<b>(12)</b>	<b>(17)</b>	<b>-5</b>
<b>EBITDA</b>	<b>0</b>	<b>(7)</b>	<b>-7</b>
Change in operating WCR	(54)	(89)	-35
Net CAPEX	(5)	(14)	-9
<b>Operating cash flow</b>	<b>(59)</b>	<b>(111)</b>	<b>-52</b>

- **Operating income and EBITDA** down mainly due to the increase in Orano Med's development costs in accordance with its business plan.
- Increase in the negative contribution of **Change in WCR** between the two periods due to a temporary increase in a VAT credit to be collected during the second half of the year.

- **Operating cash flow** was lower over the period, in line with the changes in EBITDA and WCR and an increase in digital investments.

\* "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 company operations thus 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 adjustments, 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 (Net operating WCR):

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, other operating 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 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-lifecycle 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

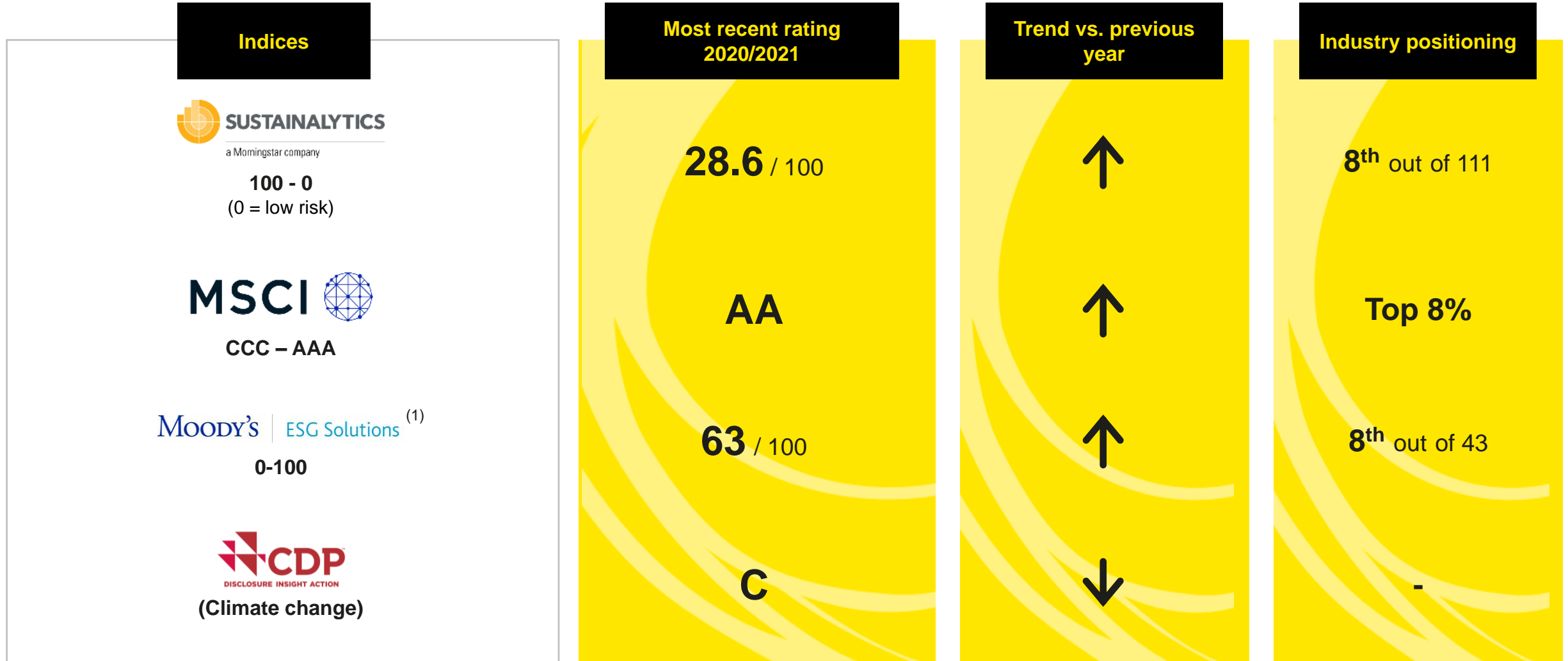
- As part of the update of its trajectories, the group has updated its sensitivities in relation to the net cash flow from company operations generation, which are presented below:

Annual averages over the periods concerned (in millions of euros)	Period 2024 - 2027	
Change in the US dollar/Euro rate: +/- 10 cents	+45 -41	Sensitivity cushioned by foreign exchange hedges subscribed
Change in the price of one pound of uranium: +/- 5 USD/lb.	+2 -7	Sensitivity cushioned by the backlog
Change in the price of the enrichment service unit: +/- 5 USD/SWU	+/-1	Sensitivity cushioned by the backlog

- These sensitivities were assessed independently from one another.

# Non-financial performance

Appendix 6



(1) This rating was originally conducted by V.E., which is now part of Moody's ESG Solutions.

## Important information

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