# CENTRUS ENERGY CORP.

NYSE: LEU

## America's Only NRC-Approved HALEU Producer

Fueling the Advanced Nuclear Renaissance

**$282**
**Price Target**
37.5% Upside

**$3.8B**
**Total Backlog**
To 2040

**$449M**
**2025 Revenue**
+40% YoY

**$2.0B**
**Cash & Sec.**
Balance Sheet

Investment Club Presentation • April 2026 • LONG Recommendation • HIGH Conviction

# Company Overview

## Who Is Centrus Energy?

— Nuclear fuel supplier focused on uranium enrichment & technical services

— World's most diversified supplier of enriched uranium for civilian nuclear power

— Deploying advanced centrifuge technology to produce HALEU for next-gen SMRs

— Only NRC-approved HALEU producer in the U.S.

## LEU Segment

**77% of 2025 Revenue ($346M)**

- Sells SWUs & uranium to nuclear utilities
- $2.3B contingent backlog
- Clients: U.S., Belgium, Japan, Netherlands & more

## Technical Solutions Segment

**23% of 2025 Revenue (~$102M)**

- DOE HALEU Operations Contract (cost-plus)
- Only facility actively enriching HALEU in the U.S.
- Piketon, OH centrifuge facility

# Investment Thesis

**01**

## Regulatory Moat — Only NRC-Approved HALEU Producer

Centrus is the only company approved by the U.S. Nuclear Regulatory Commission to produce HALEU. Since ~two-thirds of Small Modular Reactors require HALEU, Centrus sits directly in the path of surging next-generation reactor demand.

**02**

## AI-Driven Energy Demand Creates Structural Tailwind

Energy consumption is set to increase exponentially as AI drives demand for 24/7 carbon-free baseload power. Nuclear — and specifically advanced reactors requiring HALEU — is the only scalable answer, positioning Centrus as a critical infrastructure play.

**03**

## Geopolitical Advantage — Russian Decoupling

The U.S. is moving decisively away from Russian uranium. This makes Centrus the primary beneficiary of federal subsidies and domestic supply chain mandates. A geopolitical risk for the broader market becomes a direct competitive advantage.

# Industry Overview

The uranium enrichment industry is a key part of nuclear energy, providing ~9–10% of the world's electricity. Natural uranium contains only 0.7% U-235, but reactors need 3–5%, requiring a costly, tightly-regulated enrichment process.

### Global Oligopoly

Only Rosatom, Urenco, and Orano supply most of the world's enrichment. This concentrated structure raises energy-security concerns and accelerates country-level reshoring efforts, directly benefiting Centrus.

### Steady + Growing Demand

Nuclear plants sign long-term SWU contracts. With more reactors under construction and nuclear capacity projected to rise through 2050, demand is structurally growing.

### Market Size & Growth

The enrichment market was worth $14–15B in 2025 and is projected to grow to over $22B by 2030 as advanced reactors and SMRs come online globally — a 47% increase in 5 years.

### Uranium Enrichment Market Size

# Catalyst Path

By 2029

### Centrifuge Enrichment Facility

Construction at Piketon, OH reduces reliance on foreign enrichment, strengthens domestic supply chain, and unlocks the full $2.3B contingent LEU backlog.

8-Year Extension

### HALEU Contract Extension

Extension of its HALEU Operations Contract for up to eight years provides long-duration revenue visibility. Cost-plus structure protects margins through expansion.

Near-Term

### NNSA Sole-Source Award (~$900M)

As the only production-ready HALEU supplier for the NNSA, Centrus holds a strategic advantage that could lead to a sole-source contract worth ~$900M.

2026–2028

### DOE Task Order Awards (~$1.8B)

DOE task orders for LEU (~$900M) and HALEU (~$900M) are pending. Awards would de-risk the expansion and serve as a major re-rating catalyst.

# Key Risks

## Demand Volatility

If AI demand cools, the HALEU market may not materialize as quickly as projected. Nuclear energy's long development timelines amplify this risk — commitments made today won't generate revenue for years.

## Nuclear Waste Management

Persistent logistical and financial challenges of nuclear waste management continue to threaten the long-term feasibility of nuclear as a primary energy solution and could dampen public and regulatory support.

## Execution & Supply Gap Risk

Centrus is navigating a high-stakes decoupling from Russian supply chains before domestic manufacturing is fully established. This transition requires massive CapEx and carries a high probability of cost overruns.

## Revenue Concentration

Revenue is heavily concentrated among a few large utility companies. Any shift in procurement strategies or failure to execute large-scale projects could result in significant financial downturns.

# Valuation

## Intrinsic Value: DCF Analysis

- Current price: ~$205/share (at time of analysis)
- 2026E Revenue: $450M ⟶ P/S of 9.1x at current price
- WACC: 9% | Terminal EBITDA Margin: 34%
- Sole domestic HALEU moat reflected in terminal value
- $3.8B backlog provides base-case downside protection
- Revenue re-acceleration to 15% CAGR by 2028 as HALEU scales
- Comparable re-rating: 12.5x 2026 Sales = $282 target

Price Target

**$282**

per share • Upside: 37.5%

**Bear Case** — **$120–$140**

DOE delayed; AI demand disappoints; HALEU market fails to materialize

**Base Case** — **$282**

DOE confirmed; HALEU ramp on schedule; 15% revenue CAGR by 2028

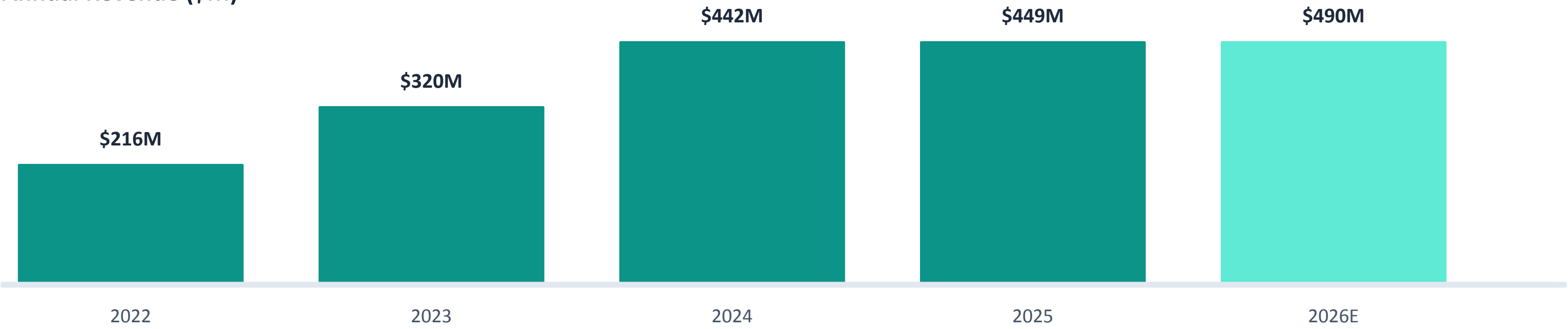
**Bull Case** — **$380–$450**

NNSA sole-source + both DOE task orders; HALEU exceeds projections

# Financial Snapshot

| | | |
|---|---|---|
| **$448.7M**<br>2025 Revenue | **$117.5M**<br>Gross Profit | **$77.8M**<br>Net Income |
| **17.3%**<br>Net Margin | **$2.0B**<br>Cash & Securities | **$3.8B**<br>Total Backlog |

### Annual Revenue ($M)




Source: SEC filings, FactSet. 2026E based on analyst consensus (~$490M, 7% CAGR).

# Investment Recommendation

**BUY | NYSE: LEU | Price Target: $282**

- ✓ Only NRC-approved HALEU producer — regulatory moat with no domestic challenger
- ✓ AI + electrification create a multi-decade structural tailwind for nuclear energy
- ✓ Russian uranium decoupling transforms a geopolitical risk into a competitive advantage
- ✓ Four independent catalysts (centrifuge facility, contract extension, DOE awards, NNSA) not yet fully priced in

# Questions?

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