



**Item 2.02 Results of Operations and Financial Condition.**

On August 4, 2020, Centrus Energy Corp. (the “Company”) issued a press release announcing financial results for the quarter ended June 30, 2020. A copy of the press release is being furnished as Exhibit 99.1 and is incorporated herein by reference.

The information furnished pursuant to this Item 2.02, including Exhibit 99.1, shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934 (the “Exchange Act”) or otherwise subject to the liabilities under that Section and shall not be deemed to be incorporated by reference into any filing of the Company under the Securities Act of 1933 or the Exchange Act.

**Item 9.01 Financial Statements and Exhibits**

(d) Exhibits.

<u>Exhibit</u>	<u>Description</u>
99.1	<a href="#">Press release dated August 4, 2020</a>

## SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Centrus Energy Corp.

Date: August 4, 2020

By:

/s/ Philip O. Strawbridge

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Philip O. Strawbridge  
Senior Vice President, Chief Financial Officer,  
Chief Administrative Officer and Treasurer

**FOR IMMEDIATE RELEASE:**

August 4, 2020

**Centrus Reports Second Quarter 2020 Results**

- Net income of \$33.7 million - an improvement of \$49.3 million compared to the net loss of \$15.6 million in 2Q 2019
- Gross profit of \$43.8 million in 2Q 2020, including \$32.4 million collected on a claim settlement
- NRC acceptance of application to expand license at Piketon, Ohio, facility to produce High-Assay, Low-Enriched Uranium (HALEU)
- Consolidated cash balance of \$119.3 million as of June 30, 2020

BETHESDA, Md. - Centrus Energy Corp. (NYSE American: LEU) today reported net income of \$33.7 million for the quarter ended June 30, 2020, compared to a net loss of \$15.6 million for the second quarter of 2020. The net income allocable to common stockholders was \$31.7 million, or \$3.28 (basic) and \$3.19 (diluted) per common share, compared to a net loss allocable to common stockholders of \$17.6 million or \$1.84 per common share (basic and diluted), for the second quarter of 2019.

“Despite the unprecedented health crisis posed by COVID-19, with a large portion of our staff shifting to telework, our dedicated employees have rallied to produce outstanding results,” said Dan Poneman, Centrus president and chief executive officer. “We are continuing to make progress on the High-Assay, Low-Enriched Uranium (HALEU) program, including the Nuclear Regulatory Commission’s acceptance of our application to amend our license at Piketon to permit the production of HALEU for review. We will continue our efforts to protect the health and safety of our employees and their families as our highest priority.”

**Financial Results**

Centrus generated total revenue of \$75.7 million for the second quarter of 2020, an increase of \$65.1 million from the prior year period.

Revenue from the LEU segment increased \$60.8 million in the three months and \$56.4 million in the six months ended June 30, 2020, compared to the corresponding periods in 2019. SWU revenue in the three and six months ended June 30, 2020, includes \$32.4 million collected from a customer in settlement of a supply contract rejected in bankruptcy court. Excluding these proceeds, revenue from the sales of SWU increased \$26.2 million in the three months and \$44.5 million in the six months ended June 30, 2020. The volume of SWU sold increased 97% for the six-month period and the average SWU price increased 134%, reflecting the variability in timing of utility customer orders and the particular contracts under which SWU were sold during the periods. Revenue from uranium sales increased \$2.2 million in the three months and declined \$20.5 million in six months ended June 30, 2020, compared to the corresponding periods in 2019. For the six-month period, the volume of uranium sold declined 79%.

Cost of sales for the LEU segment increased \$11.2 million in the three months and declined \$13.8 million in the six months ended June 30, 2020, compared to the corresponding periods in 2019. There were no sales of SWU in the corresponding three-month period in 2019. For the six-month period, the decline in cost of sales reflects the decline in uranium sales volume, partially offset by the increase SWU sales volume and a decline in the average cost of sales per SWU. The average cost of sales per SWU declined approximately 39% in the six months ended June 30, 2020, compared to the corresponding period in 2019, primarily due to lower pricing in supply contracts.

Revenue from the technical solutions segment increased \$4.3 million in the three months and \$15.0 million in the six months ended June 30, 2020, compared to the corresponding periods in 2019. The increases were primarily the result of work performed under the HALEU Contract. Revenue in the current periods included work performed under the UT-Battelle contract and revenue in the prior periods included work performed under an agreement with DOE to decontaminate and decommission its K-1600 facility in Tennessee. The K-1600 contract was completed in October 2019.

Cost of sales for the technical solutions segment increased \$5.8 million in the three months and \$12.0 million in the six months ended June 30, 2020, compared to the corresponding periods in 2019, reflecting in part the mix of technical solutions work performed in each of the periods including work performed under the HALEU Contract in the current period. Cost of sales benefited by \$3.0 million in the three months and \$5.3 million in the six months ended June 30, 2020, for previously accrued contract losses attributable to work performed under the HALEU Contract in 2020.

Centrus realized a gross profit of \$43.8 million in the three months ended June 30, 2020, an improvement of \$48.1 million compared to the gross loss of \$4.3 million in the corresponding period in 2019. In the six months ended June 30, 2020, the Company realized a gross profit of \$63.4 million, an increase of \$73.2 million compared to the gross loss of \$9.8 million in the corresponding period in 2019. Gross profit in the three and six months ended June 30, 2020, included the \$32.4 million collected from a customer in settlement of a supply contract rejected in bankruptcy court. We ended the second quarter of 2020 with a consolidated cash balance of \$119.3 million.

Selling, general and administrative expenses increased \$2.7 million (or 35%) in the three months ended June 30, 2020, and increased \$3.1 million (or 20%) in the six months ended June 30, 2020, compared to the corresponding periods in 2019. Consulting costs increased \$2.1 million for the quarter and \$2.9 million for the six months, related to initiatives including capital financing evaluation costs, claim recoveries, and international trade and included \$2.0 million of previously deferred costs related to capital financing evaluation work. Compensation expense increased \$0.8 million for the quarter, primarily due to an increase in the share price of the Company's common stock and the remeasurement of obligations under long-term incentive plans, and other SG&A expenses declined by a net \$0.2 million.

As we have noted in recent years our revenues can vary significantly from quarter to quarter depending upon the timing of when customers elect to take their annual deliveries and other factors. Therefore, our operating results and cash flows can fluctuate significantly from quarter to quarter and year to year. Operating results for the three and six months ended June 30, 2020, are not necessarily indicative of the results that may be expected for the year ending December 31, 2020.

## About Centrus Energy Corp.

Centrus is a trusted supplier of nuclear fuel and services for the nuclear power industry. Centrus provides value to its utility customers through the reliability and diversity of its supply sources - helping them meet the growing need for clean, affordable, carbon-free electricity. Since 1998, the Company has provided its utility customers with more than 1,750 reactor years of fuel, which is equivalent to 7 billion tons of coal.

With world-class technical capabilities, Centrus offers turnkey engineering and advanced manufacturing solutions to its customers. The Company is also advancing the next generation of centrifuge technologies so that America can restore its domestic uranium enrichment capability in the future. Find out more at [www.centrusenergy.com](http://www.centrusenergy.com).

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## Forward-Looking Statements

This news release contains “forward-looking statements” within the meaning of Section 21E of the Securities Exchange Act of 1934. In this context, forward-looking statements mean statements related to future events, may address our expected future business and financial performance, and often contain words such as “expects”, “anticipates”, “intends”, “plans”, “believes”, “will”, “should”, “could”, “would” or “may” and other words of similar meaning. Forward-looking statements by their nature address matters that are, to different degrees, uncertain. For Centrus Energy Corp., particular risks and uncertainties that could cause our actual future results to differ materially from those expressed in our forward-looking statements include but are not limited to the following, which may be amplified by the novel coronavirus (COVID-19) pandemic: risks related to our significant long-term liabilities, including material unfunded defined benefit pension plan obligations and postretirement health and life benefit obligations; risks relating to our 8.25% notes (the “8.25% Notes”) maturing in February 2027 and our Series B Senior Preferred Stock; risks related to the use of our net operating loss (“NOLs”) carryforwards and net unrealized built-in losses (“NUBILs”) to offset future taxable income and the use of the Rights Agreement (as defined herein) to prevent an “ownership change” as defined in Section 382 of the Internal Revenue Code of 1986, as amended (the “Code”) and our ability to generate taxable income to utilize all or a portion of the NOLs and NUBILs prior to the expiration thereof; risks related to the limited trading markets in our securities; risks related to our ability to maintain the listing of our Class A Common Stock on the NYSE American LLC (the “NYSE American”); risks related to decisions made by our Class B stockholders and our Series B Senior Preferred stockholders regarding their investment in the Company based upon factors that are unrelated to the Company’s performance; risks related to the Company’s capital concentration; risks related to natural and other disasters, including the continued impact of the March 2011 earthquake and tsunami in Japan on the nuclear industry and on our business, results of operations and prospects; the impact and potential extended duration of the current supply/demand imbalance in the market for low-enriched uranium (“LEU”); our dependence on others for deliveries of LEU including deliveries from the Russian government-owned entity TENEX, Joint-Stock Company (“TENEX”), under a commercial supply agreement with TENEX and deliveries under a long-term supply agreement with Orano Cycle (“Orano”); risks related to existing or new trade barriers and contract terms that limit our ability to deliver LEU to customers; risks related to actions, including government reviews, that may be taken by the United States government, the Russian government or other governments that could affect our ability to perform under our contract obligations or the ability of our sources of supply to perform under their contract obligations to us, including the imposition of sanctions, restrictions or other requirements, and risks relating to the potential expiration of the 1992 Russian Suspension Agreement (“RSA”) and/or a renewal of the RSA on terms not favorable to us or legislation imposing new or increased limits on imports of Russian LEU; risks related to our ability to sell the LEU we procure pursuant to our purchase obligations under our supply agreements; risks relating to our sales order book, including uncertainty concerning customer actions under current contracts and in future contracting due to market conditions and lack of current production capability; risks related to financial difficulties experienced by customers, including possible bankruptcies, insolvencies or any other inability to pay for our products or services or delays in making timely payment; pricing trends and demand in the uranium and enrichment markets and their impact on our profitability; movement and timing of customer orders; risks related to the value of our intangible assets related to the sales order book and customer relationships; risks associated with our reliance on third-party suppliers to provide essential products and services to us; the impact of government regulation including by the U.S. Department of Energy (“DOE”) and the U.S. Nuclear Regulatory Commission; uncertainty regarding our ability to commercially deploy competitive enrichment technology; risks and uncertainties regarding funding for deployment of the American Centrifuge technology and our ability to perform and absorb costs under our agreement with DOE to demonstrate the capability to produce high assay low enriched uranium (“HALEU”) and our ability to obtain and/or perform under other agreements; risks relating to whether or when government or

commercial demand for HALEU will materialize; the potential for further demobilization or termination of our American Centrifuge work; risks related to our ability to perform and receive timely payment under agreements with DOE or other government agencies, including risk and uncertainties related to the ongoing funding of the government and potential audits; the competitive bidding process associated with obtaining a federal contract; risks related to our ability to perform fixed-price and cost-share contracts, including the risk that costs could be higher than expected; risks that we will be unable to obtain new business opportunities or achieve market acceptance of our products and services or that products or services provided by others will render our products or services obsolete or noncompetitive; risks that we will not be able to timely complete the work that we are obligated to perform; failures or security breaches of our information technology systems; risks related to pandemics and other health crises, such as the global COVID-19 pandemic; potential strategic transactions, which could be difficult to implement, disrupt our business or change our business profile significantly; the outcome of legal proceedings and other contingencies (including lawsuits and government investigations or audits); the competitive environment for our products and services; changes in the nuclear energy industry; the impact of financial market conditions on our business, liquidity, prospects, pension assets and insurance facilities; the risks of revenue and operating results fluctuating significantly from quarter to quarter, and in some cases, year to year; and other risks and uncertainties discussed in this and our other filings with the Securities and Exchange Commission, including under Part 1. Item1A - "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2019.

These factors may not constitute all factors that could cause actual results to differ from those discussed in any forward-looking statement. Accordingly, forward-looking statements should be not be relied upon as a predictor of actual results. Readers are urged to carefully review and consider the various disclosures made in this report and in our other filings with the Securities and Exchange Commission that attempt to advise interested parties of the risks and factors that may affect our business. We do not undertake to update our forward-looking statements to reflect events or circumstances that may arise after the date of the Quarterly Report on Form 10-Q, except as required by law.

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**CENTRUS ENERGY CORP.**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME (LOSS)**  
(Unaudited; in millions, except share and per share data)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	2019	2020	2019
Revenue:				
Separative work units	\$ 58.6	\$ —	\$ 89.3	\$ 12.4
Uranium	4.8	2.6	4.8	25.3
Technical solutions	12.3	8.0	26.6	11.6
Total revenue	75.7	10.6	120.7	49.3
Cost of Sales:				
Separative work units and uranium	18.9	7.7	32.2	46.0
Technical solutions	13.0	7.2	25.1	13.1
Total cost of sales	31.9	14.9	57.3	59.1
Gross profit (loss)	43.8	(4.3)	63.4	(9.8)
Advanced technology costs	0.7	5.1	1.6	11.7
Selling, general and administrative	10.4	7.7	18.9	15.8
Amortization of intangible assets	1.7	1.2	3.1	2.3
Special charges (credits) for workforce reductions	—	(2.9)	(0.1)	(3.0)
Gain on sales of assets	—	(0.1)	—	(0.5)
Operating income (loss)	31.0	(15.3)	39.9	(36.1)
Nonoperating components of net periodic benefit expense (income)	(2.2)	—	(4.4)	(0.1)
Interest expense	—	1.0	0.1	2.0
Investment income	—	(0.7)	(0.4)	(1.4)
Income (loss) before income taxes	33.2	(15.6)	44.6	(36.6)
Income tax expense (benefit)	(0.5)	—	(0.4)	(0.1)
Net income (loss) and comprehensive income (loss)	33.7	(15.6)	45.0	(36.5)
Preferred stock dividends - undeclared and cumulative	2.0	2.0	4.0	4.0
Net income (loss) allocable to common stockholders	\$ 31.7	\$ (17.6)	\$ 41.0	\$ (40.5)
Net income (loss) per common share:				
Basic	\$ 3.28	\$ (1.84)	\$ 4.25	\$ (4.24)
Diluted	\$ 3.19	\$ (1.84)	\$ 4.15	\$ (4.24)
Average number of common shares outstanding (in thousands):				
Basic	9,675	9,565	9,647	9,549
Diluted	9,927	9,565	9,882	9,549



**CENTRUS ENERGY CORP.**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
(Unaudited; in millions, except share and per share data)

	June 30, 2020	December 31, 2019
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 119.3	\$ 130.7
Accounts receivable	31.2	21.1
Inventories	83.0	64.5
Deferred costs associated with deferred revenue	145.4	144.1
Other current assets	7.2	9.2
Total current assets	386.1	369.6
Property, plant and equipment, net of accumulated depreciation of \$2.4 as of June 30, 2020 and \$2.2 as of December 31, 2019	3.6	3.7
Deposits for financial assurance	5.7	5.7
Intangible assets, net	66.4	69.5
Other long-term assets	7.1	7.4
Total assets	\$ 468.9	\$ 455.9
<b>LIABILITIES AND STOCKHOLDERS' DEFICIT</b>		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 49.7	\$ 50.7
Payables under SWU purchase agreements	3.0	8.1
Inventories owed to customers and suppliers	7.6	5.6
Deferred revenue and advances from customers	248.2	266.3
Current debt	6.1	6.1
Total current liabilities	314.6	336.8
Long-term debt	111.0	114.1
Postretirement health and life benefit obligations	132.4	138.6
Pension benefit liabilities	131.6	141.8
Advances from customers	44.4	29.4
Other long-term liabilities	26.6	32.1
Total liabilities	760.6	792.8
Stockholders' deficit:		
Preferred stock, par value \$1.00 per share, 20,000,000 shares authorized		
Series A Participating Cumulative Preferred Stock, none issued	—	—
Series B Senior Preferred Stock, 7.5% cumulative, 104,574 shares issued and outstanding and an aggregate liquidation preference of \$131.2 as of June 30, 2020 and \$127.2 as of December 31, 2019	4.6	4.6
Class A Common Stock, par value \$0.10 per share, 70,000,000 shares authorized, 8,783,189 and 8,347,427 shares issued and outstanding as of June 30, 2020 and December 31, 2019, respectively	0.8	0.8
Class B Common Stock, par value \$0.10 per share, 30,000,000 shares authorized, 719,200 and 1,117,462 shares issued and outstanding as of June 30, 2020 and December 31, 2019, respectively	0.1	0.1
Excess of capital over par value	61.9	61.5
Accumulated deficit	(360.0)	(405.0)
Accumulated other comprehensive income, net of tax	0.9	1.1
Total stockholders' deficit	(291.7)	(336.9)
Total liabilities and stockholders' deficit	\$ 468.9	\$ 455.9

**CENTRUS ENERGY CORP.**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(Unaudited; in millions)

	Six Months Ended June 30,	
	2020	2019
<b>OPERATING</b>		
Net income (loss)	\$ 45.0	\$ (36.5)
Adjustments to reconcile net loss to cash used in operating activities:		
Depreciation and amortization	3.4	2.6
PIK interest on paid-in-kind toggle notes	—	0.7
Gain on sales of assets	—	(0.5)
Inventory valuation adjustments	—	2.3
Changes in operating assets and liabilities:		
Accounts receivable	(10.1)	24.6
Inventories, net	0.2	(6.6)
Accounts payable and other liabilities	(1.8)	(15.8)
Payables under SWU purchase agreements	(5.1)	(31.1)
Deferred revenue and advances from customers, net of deferred costs	(19.3)	27.0
Accrued loss on long-term contract	(5.3)	—
Pension and postretirement benefit liabilities	(16.6)	(11.1)
Other, net	1.2	(0.7)
Cash used in operating activities	<u>(8.4)</u>	<u>(45.1)</u>
<b>INVESTING</b>		
Capital expenditures	(0.1)	—
Proceeds from sales of assets	—	0.5
Cash (used in) provided by investing activities	<u>(0.1)</u>	<u>0.5</u>
<b>FINANCING</b>		
Exercise of stock options	0.2	—
Payment of interest classified as debt	(3.1)	(3.1)
Cash used in financing activities	<u>(2.9)</u>	<u>(3.1)</u>
Decrease in cash, cash equivalents and restricted cash	(11.4)	(48.2)
Cash, cash equivalents and restricted cash, beginning of period	136.6	159.7
Cash, cash equivalents and restricted cash, end of period	<u>\$ 125.2</u>	<u>\$ 111.5</u>
Supplemental cash flow information:		
Interest paid in cash	\$ —	\$ 0.4
Non-cash activities:		
Conversion of interest payable-in-kind to debt	\$ —	\$ 0.7