UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 2017

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission file number 1-14287

Centrus Energy Corp.

Delaware	**52-2107911**
(State of incorporation)	*(I.R.S. Employer Identification No.)*

6901 Rockledge Drive, Suite 800, Bethesda, Maryland 20817
(301) 564-3200

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☐	Smaller reporting company	☒
Accelerated filer	☐	Emerging growth company	☐
Non-accelerated filer	☐		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).
Yes ☐ No ☒

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Sections 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court.
Yes ☒ No ☐

As of November 1, 2017, there were 7,632,669 shares of the registrant's Class A Common Stock and 1,406,082 shares of the registrant's Class B Common Stock outstanding.

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FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q, including *Management's Discussion and Analysis of Financial Condition and Results of Operations* in Part I, Item 2, contains "forward-looking statements" within the meaning of Section 21E of the Securities Exchange Act of 1934 - that is, statements related to future events. In this context, forward-looking statements 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 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 outstanding 8.0% paid-in-kind ("PIK") toggle notes (the "8% PIK Toggle Notes") maturing in September 2019, our 8.25% notes maturing in February 2027 (the "8.25% Notes") and our Series B Senior Preferred Stock (the "Series B Preferred Stock"), including the potential termination of the guarantee by United States Enrichment Corporation ("Enrichment Corp.") of the 8% PIK Toggle Notes; 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; risks related to decisions made by our Class B stockholders regarding their investment in the Company based upon factors that are unrelated to the Company's performance; risks related to the use of our net operating losses ("NOLs") 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 and our ability to generate taxable income to utilize all or a portion of the NOLs and NUBILs prior to the expiration thereof; 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 entity Joint Stock Company "TENEX" ("TENEX") under a commercial supply agreement with

TENEX (the "Russian Supply Agreement"); risks related to our ability to sell the LEU we procure pursuant to our purchase obligations under our supply agreements, including the Russian Supply Agreement; 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 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 services to us; 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 trade barriers and contract terms that limit our ability to deliver LEU to customers; risks related to actions that may be taken by the U.S. government, the Russian government or other governments that could affect our ability 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; the impact of government regulation including by the U.S. Department of Energy and the U.S. Nuclear Regulatory Commission; uncertainty regarding our ability to commercially deploy competitive enrichment technology; risks and uncertainties regarding funding for the American Centrifuge project and our ability to perform under our agreement with UT-Battelle, LLC, the management and operating contractor for Oak Ridge National Laboratory, for continued research and development of the American Centrifuge technology; the potential for further demobilization or termination of the American Centrifuge project; risks related to the current demobilization of portions of the American Centrifuge project, including risks that the schedule could be delayed and costs could be higher than expected; 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; revenue and operating results can fluctuate 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 our Annual Report on Form 10-K for the year ended December 31, 2016.

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 this Quarterly Report on Form 10-Q, except as required by law.

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

	September 30, 2017	December 31, 2016
ASSETS		
Current assets		
Cash and cash equivalents	$ 135.9	$ 260.7
Accounts receivable	14.2	19.9
Inventories	124.1	177.4
Deferred costs associated with deferred revenue	94.5	89.3
Other current assets	15.6	13.3
Total current assets	384.3	560.6
Property, plant and equipment, net	5.2	6.0
Deposits for surety bonds	29.6	29.5
Intangible assets, net	87.6	93.3
Other long-term assets	15.2	24.1
Total assets	**$ 521.9**	**$ 713.5**
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current liabilities		
Accounts payable and accrued liabilities	$ 50.7	$ 46.4
Payables under SWU purchase agreements	17.3	59.6
Inventories owed to customers and suppliers	22.1	57.5
Deferred revenue	131.7	123.6
Decontamination and decommissioning obligations	16.6	38.6
Total current liabilities	238.4	325.7
Long-term debt	157.5	234.1
Postretirement health and life benefit obligations	170.0	171.3
Pension benefit liabilities	175.0	179.9
Other long-term liabilities	35.6	38.6
Total liabilities	776.5	949.6
Commitments and contingencies (Note 12)		
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 $109.6 million as of September 30, 2017	4.6	—
Class A Common Stock, par value $0.10 per share, 70,000,000 shares authorized, 7,632,669 and 7,563,600 shares issued and outstanding as of September 30, 2017 and December 31, 2016	0.8	0.8
Class B Common Stock, par value $0.10 per share, 30,000,000 shares authorized, 1,406,082 and 1,436,400 shares issued and outstanding as of September 30, 2017 and December 31, 2016	0.1	0.1
Excess of capital over par value	59.8	59.5
Accumulated deficit	(320.0)	(296.7)
Accumulated other comprehensive income, net of tax	0.1	0.2
Total stockholders' deficit	(254.6)	(236.1)
Total liabilities and stockholders' deficit	**$ 521.9**	**$ 713.5**

The accompanying notes are an integral part of these condensed consolidated financial statements.

CENTRUS ENERGY CORP.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (Unaudited)
(in millions, except share and per share data)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	**2016**	**2017**	**2016**
Revenue:				
Separative work units	$ 43.5	$ 14.1	$ 82.2	$ 128.3
Uranium	—	—	—	14.3
Contract services	6.8	7.3	19.3	32.2
Total revenue	50.3	21.4	101.5	174.8
Cost of Sales:				
Separative work units and uranium	32.4	15.9	76.8	130.7
Contract services	6.3	7.6	19.9	24.9
Total cost of sales	38.7	23.5	96.7	155.6
Gross profit (loss)	11.6	(2.1)	4.8	19.2
Advanced technology license and decommissioning costs	4.5	21.9	15.0	38.6
Selling, general and administrative	11.0	10.7	33.1	34.6
Amortization of intangible assets	2.5	1.7	5.7	7.6
Special charges for workforce reductions and advisory costs	2.4	0.6	7.1	1.2
Gains on sales of assets	(0.6)	(0.3)	(2.3)	(1.0)
Operating loss	(8.2)	(36.7)	(53.8)	(61.8)
Gain on early extinguishment of debt	—	—	(33.6)	(16.7)
Interest expense	0.7	4.7	4.3	14.8
Investment income	(0.4)	(0.1)	(1.0)	(0.5)
Loss before income taxes	(8.5)	(41.3)	(23.5)	(59.4)
Income tax benefit	—	—	(0.2)	(0.6)
Net loss	**(8.5)**	**(41.3)**	**(23.3)**	**(58.8)**
Preferred stock dividends - undeclared and cumulative	2.0	—	5.0	—
Net loss allocable to common stockholders	**$ (10.5)**	**$ (41.3)**	**$ (28.3)**	**$ (58.8)**
Net loss per common share – basic and diluted	$ (1.15)	$ (4.54)	$ (3.12)	$ (6.46)
Average number of common shares outstanding – basic and diluted (in thousands)	9,103	9,096	9,081	9,102

The accompanying notes are an integral part of these condensed consolidated financial statements.

CENTRUS ENERGY CORP.
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS) (Unaudited)
(in millions)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	**2016**	**2017**	**2016**
Net loss	$ (8.5)	$ (41.3)	$ (23.3)	$ (58.8)
Other comprehensive loss, before tax (Note 13):				
Amortization of prior service credits, net	—	(0.1)	(0.1)	(0.2)
Other comprehensive loss, before tax	—	(0.1)	(0.1)	(0.2)
Income tax benefit related to items of other comprehensive income	—	—	—	—
Other comprehensive loss, net of tax benefit	—	(0.1)	(0.1)	(0.2)
Comprehensive loss	**$ (8.5)**	**$ (41.4)**	**$ (23.4)**	**$ (59.0)**

The accompanying notes are an integral part of these condensed consolidated financial statements.

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

	Nine Months Ended September 30, 2017	Nine Months Ended September 30, 2016
Operating Activities		
Net loss	$ (23.3)	$ (58.8)
Adjustments to reconcile net loss to cash used in operating activities:		
Depreciation and amortization	6.6	8.1
PIK interest on paid-in-kind toggle notes	1.2	9.7
Gain on early extinguishment of debt	(33.6)	(16.7)
Gain on sales of assets	(2.3)	(1.0)
Inventory valuation adjustments	—	3.0
Changes in operating assets and liabilities:		
Accounts receivable	14.5	18.4
Inventories, net	17.9	45.8
Payables under SWU purchase agreements	(42.3)	(68.9)
Deferred revenue, net of deferred costs	2.9	5.8
Accounts payable and other liabilities	(35.3)	2.2
Other, net	(1.9)	0.5
Cash used in operating activities	(95.6)	(51.9)
Investing Activities		
Capital expenditures	(0.3)	(3.0)
Proceeds from sales of assets	2.1	1.2
Deposits for surety bonds - net decrease	—	0.3
Cash provided by (used in) investing activities	1.8	(1.5)
Financing Activities		
Payment of interest classified as debt	(3.4)	—
Repurchase of debt	(27.6)	(9.8)
Cash used in financing activities	(31.0)	(9.8)
Decrease in cash and cash equivalents	(124.8)	(63.2)
Cash and cash equivalents at beginning of period	260.7	234.0
Cash and cash equivalents at end of period	**$ 135.9**	**$ 170.8**
Supplemental cash flow information:		
Interest paid in cash	$ 4.2	$ 6.5
Non-cash activities:		
Conversion of interest payable-in-kind to long-term debt	$ 0.4	$ 3.4

The accompanying notes are an integral part of these condensed consolidated financial statements.

CENTRUS ENERGY CORP.
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' DEFICIT (Unaudited)
(in millions, except per share data)

	Preferred Stock, Series B	Common Stock, Class A, Par Value $.10 per Share	Common Stock, Class B, Par Value $.10 per Share	Excess of Capital Over Par Value	Accumulated Deficit	Accumulated Other Comprehensive Income	Total
Balance at December 31, 2015	$ —	$ 0.8	$ 0.1	$ 59.0	$ (229.7)	$ 4.1	$ (165.7)
Net loss	—	—	—	—	(58.8)	—	(58.8)
Other comprehensive loss, net of tax benefit (Note 13)	—	—	—	—	—	(0.2)	(0.2)
Restricted stock units and stock options issued, net of amortization	—	—	—	0.4	—	—	0.4
Balance at September 30, 2016	**$ —**	**$ 0.8**	**$ 0.1**	**$ 59.4**	**$ (288.5)**	**$ 3.9**	**$ (224.3)**
Balance at December 31, 2016	$ —	$ 0.8	$ 0.1	$ 59.5	$ (296.7)	$ 0.2	$ (236.1)
Net loss	—	—	—	—	(23.3)	—	(23.3)
Issuance of preferred stock	4.6	—	—	—	—	—	4.6
Other comprehensive loss, net of tax benefit (Note 13)	—	—	—	—	—	(0.1)	(0.1)
Restricted stock units and stock options issued, net of amortization	—	—	—	0.3	—	—	0.3
Balance at September 30, 2017	**$ 4.6**	**$ 0.8**	**$ 0.1**	**$ 59.8**	**$ (320.0)**	**$ 0.1**	**$ (254.6)**

The accompanying notes are an integral part of these condensed consolidated financial statements.

CENTRUS ENERGY CORP.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

1. BASIS OF PRESENTATION

The unaudited condensed consolidated financial statements of Centrus Energy Corp. ("Centrus" or the "Company"), which include the accounts of the Company, its principal subsidiary United States Enrichment Corporation ("Enrichment Corp.") and its other subsidiaries, as of September 30, 2017, and for the three and nine months ended September 30, 2017 and 2016, have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission ("SEC"). The condensed consolidated balance sheet as of December 31, 2016, was derived from audited consolidated financial statements, but does not include all disclosures required by generally accepted accounting principles in the United States ("GAAP"). The unaudited condensed consolidated financial statements reflect all adjustments that are, in the opinion of management, necessary for a fair statement of the financial results for the interim period. Certain information and notes normally included in financial statements prepared in accordance with GAAP have been omitted pursuant to such rules and regulations. All material intercompany transactions have been eliminated.

Operating results for the three and nine months ended September 30, 2017, are not necessarily indicative of the results that may be expected for the year ending December 31, 2017. The unaudited condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and related notes and *Management's Discussion and Analysis of Financial Condition and Results of Operations* included in the Annual Report on Form 10-K for the year ended December 31, 2016.

New Accounting Standards

In May 2014, the Financial Accounting Standards Board (the "FASB") issued Accounting Standards Update ("ASU") 2014-09, *Revenue from Contracts with Customers (Topic 606)*. ASU 2014-09 introduces a new five-step revenue recognition model in which an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. ASU 2014-09 also requires disclosures sufficient to enable users to understand the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers, including qualitative and quantitative disclosures about contracts with customers, significant judgments and changes in judgments, and assets recognized from the costs to obtain or fulfill a contract. The FASB has since issued amendments that clarify a number of specific issues as well as require additional disclosures. The revenue recognition standard will become effective for the Company beginning with the first quarter of 2018. The Company has started an implementation process, including a review of customer contracts, to evaluate the effect this standard will have on its consolidated financial statements and related disclosures. The Company continues to assess the potential impacts of the new standard on its consolidated financial statements, including substantive new disclosures. The Company plans to select the modified retrospective transition method upon adoption effective January 1, 2018.

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842),* which requires lessees to recognize a right-of-use asset and lease liability on the balance sheet for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting expense recognition in the statement of operations. ASU 2016-02 will become effective for the Company beginning in the first quarter of 2019, with early adoption permitted, and is to be applied using a modified retrospective approach. The Company is evaluating the effect that the provisions of ASU 2016-02 will have on its consolidated financial statements.

In March 2016, the FASB issued ASU 2016-09, *Stock Compensation - Improvements to Employee Share-Based Payment Accounting (Topic 718)*. ASU 2016-09 simplifies several aspects of the accounting for share-based payment transactions, including income tax consequences, classification of awards as either equity or liabilities, and classification on the statement of cash flows. ASU 2016-09 became effective for the Company in the first quarter of 2017. Under ASU 2016-09, entities are permitted to make an accounting policy election to either estimate forfeitures on share-based payment awards, as previously required, or to recognize forfeitures as they occur. The Company has elected to recognize forfeitures as they occur. The adoption of ASU 2016-09 did not have a material impact on the Company's consolidated financial statements.

In August 2016, the FASB issued ASU 2016-15, *Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Cash Payments*. ASU 2016-15 addresses the presentation and classification of certain cash receipts and cash payments in the statement of cash flows. It is intended to reduce diversity in practice by providing guidance on eight specific cash flow issues. ASU 2016-15 will become effective for the Company beginning in the first quarter of 2018, with early adoption permitted, and is to be applied using a retrospective approach. The Company is evaluating the effect that the provisions of ASU 2016-15 will have on its consolidated financial statements.

In October 2016, the FASB issued ASU 2016-16, *Income Taxes (Topic 740): Intra-Entity Transfers of Assets Other Than Inventory,* requiring an entity to recognize the income tax consequences of an intra-entity transfer of an asset other than inventory when the transfer occurs. ASU 2016-16 will become effective for the Company beginning in the first quarter of 2018, with early adoption permitted. The Company is evaluating the effect that the provisions of ASU 2016-16 will have on its consolidated financial statements.

In November 2016, the FASB issued ASU 2016-18, *Statement of Cash Flows (Topic 230): Restricted Cash*. ASU 2016-18 requires that the statement of cash flows explain the change during the period in the total of cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents. ASU 2016-18 is to be applied retrospectively for each period presented, and will become effective for the Company beginning in the first quarter of 2018, with early adoption permitted. The Company is evaluating the effect that the provisions of ASU 2016-18 will have on its consolidated financial statements.

In March 2017, the FASB issued ASU 2017-07, *Compensation-Retirement Benefits (Topic 715): Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost*. ASU 2017-07 requires changes to the presentation of the components of net periodic benefit cost on the statement of operations by requiring service cost to be presented with other employee compensation costs and other components of net periodic benefit cost to be presented outside of any subtotal of operating income. ASU 2017-07 also stipulates that only the service cost component of net benefit cost is eligible for capitalization in assets. The guidance will become effective for the Company beginning in the first quarter of 2018, with early adoption permitted. The Company is evaluating the effect that the provisions of ASU 2017-07 will have on its consolidated financial statements.

2. SPECIAL CHARGES

Evolving Business Needs

Evolving business needs have resulted in workforce reductions since 2013. In the nine months ended September 30, 2017, special charges included estimated employee termination benefits of $2.2 million, including $0.7 million in the three months ended September 30, 2017. Centrus expects to make payments primarily in the fourth quarter of 2017 related to the $1.4 million balance payable at September 30, 2017.

In the second quarter of 2016, the Company commenced a project to align its corporate structure to the scale of its ongoing business operations and to update related information technology systems. The Company incurred advisory costs of $0.3 million and $0.8 million related to the reengineering project in the three and nine months ended September 30, 2016, respectively. The Company incurred advisory costs of $1.7 million and $5.0 million in the three and nine months ended September 30, 2017, respectively.

Piketon Demonstration Facility

In September 2015, Centrus completed a successful three-year demonstration of its American Centrifuge technology at its facility in Piketon, Ohio. The demonstration effort was primarily funded by the U.S. government. As a result of reduced program funding, Centrus incurred a special charge in the third quarter of 2015 for estimated employee termination benefits. Of the remaining $4.9 million liability as of September 30, 2017, $2.8 million is classified as current and included in *Accounts Payable and Accrued Liabilities* in the condensed consolidated balance sheet. The remaining $2.1 million is included in *Other Long-Term Liabilities* and is expected to be paid through 2019.

A summary of termination benefit activity and related liabilities follows (in millions):

		Nine Months Ended September 30, 2017		
	Liability December 31, 2016	Charges for Termination Benefits	Paid/ Settled	Liability September 30, 2017
Workforce reductions:				
Evolving business needs	$ 0.1	$ 2.2	$ (0.9)	$ 1.4
Piketon demonstration facility	5.4	0.1	(0.6)	4.9
	$ 5.5	$ 2.3	$ (1.5)	$ 6.3

3. CONTRACT SERVICES AND ADVANCED TECHNOLOGY LICENSE AND DECOMMISSIONING COSTS

The contract services segment includes *Revenue* and *Cost of Sales* for engineering and testing work Centrus performs on the American Centrifuge technology under a government contract with UT-Battelle, LLC (“UT-Battelle”), the operator of Oak Ridge National Laboratory (“ORNL”). The recently completed fixed priced contract between Centrus and UT-Battelle (the “2017 ORNL Contract”) was for the period from October 1, 2016, through September 30, 2017 and generated revenue of approximately $25 million. On October 26, 2017, the parties executed a new fixed priced contract for the period from October 1, 2017, through September 30, 2018, that is expected to generate total revenue of approximately $16 million upon completion of defined milestones. The ORNL contracts have been funded incrementally. Funding for the program is provided to UT-Battelle by the U.S. government which is currently operating under a continuing resolution.

The 2017 ORNL Contract provided for payments for monthly reports of deliverables of approximately $2.0 million per month and additional aggregate payments of $1.0 million based on completion of defined milestones.

The Company’s contract with UT-Battelle that ended September 30, 2016 (the “2016 ORNL Contract”), provided for payments for monthly reports of deliverables of approximately $2.7 million per month. The 2016 ORNL Contract, which was signed in March 2016, provided for payments for reports related to work performed since October 1, 2015. *Revenue* in the nine months ended September 30, 2016, includes $24.2 million for reports on work performed in the nine months ended September 30, 2016, and $8.1 million for March 2016 reports on work performed in the three months ended December 31, 2015. Expenses for contract work performed in the nine months ended September 30, 2016, are included in *Cost of Sales*. Expenses for work performed in the three months ended December 31, 2015, before entering into the 2016 ORNL Contract, were included in *Advanced Technology License and Decommissioning Costs* in 2015.

American Centrifuge expenses that are outside of the Company’s contracts with UT-Battelle are included in *Advanced Technology License and Decommissioning Costs,* including ongoing costs to maintain the demobilized Piketon facility and our licenses from the U.S. Nuclear Regulatory Commission (“NRC”) at that location. In the second quarter of 2016, the Company commenced the decontamination and decommissioning (“D&D”) of the Piketon facility in accordance with the requirements of NRC and the U.S. Department of Energy (“DOE”). Refer to *Note 12, Commitments and Contingencies*, for additional details.

4. RECEIVABLES

	September 30, 2017	December 31, 2016
	(in millions)	
Utility customers and other	$ 9.1	$ 15.3
Contract services, primarily DOE	5.1	4.6
Accounts receivable	**$ 14.2**	**$ 19.9**

Centrus formerly performed site services work under contracts with DOE at the former Portsmouth and Paducah gaseous diffusion plants. Overdue receivables from DOE of $14.2 million as of September 30, 2017, and $22.8 million as of December 31, 2016, are included in *Other Long-Term Assets* based on the extended timeframe expected to resolve the Company’s claims for payment.

Centrus has unapplied payments from DOE that may be used, at DOE’s direction, (a) to pay for future services provided by the Company, or (b) to reduce outstanding receivables balances due from DOE. The balance of unapplied payments of $19.3 million as of September 30, 2017, and December 31, 2016, is included in *Other Long-Term Liabilities* pending resolution of the long-term receivables from DOE described above.

5. INVENTORIES

Centrus holds uranium at licensed locations in the form of natural uranium and as the uranium component of low enriched uranium (“LEU”). Centrus also holds separative work units (“SWU”) as the SWU component of LEU at licensed locations (e.g., fabricators) to meet book transfer requests by customers. Fabricators process LEU into fuel for use in nuclear reactors. Components of inventories follow (in millions):

	September 30, 2017			December 31, 2016		
	Current Assets	Current Liabilities (a)	Inventories, Net	Current Assets	Current Liabilities (a)	Inventories, Net
Separative work units	$ 73.7	$ 3.2	$ 70.5	$ 115.8	$ 15.2	$ 100.6
Uranium	50.2	18.9	31.3	61.4	42.3	19.1
Materials and supplies	0.2	—	0.2	0.2	—	0.2
	$ 124.1	**$ 22.1**	**$ 102.0**	**$ 177.4**	**$ 57.5**	**$ 119.9**

(a) Inventories owed to customers and suppliers, included in current liabilities, include SWU and uranium inventories owed to fabricators.

6. PROPERTY, PLANT AND EQUIPMENT

	September 30, 2017	December 31, 2016
	(in millions)	
Property, plant and equipment, gross	6.9	6.8
Accumulated depreciation	(1.7)	(0.8)
Property, plant and equipment, net	**$ 5.2**	**$ 6.0**

7. INTANGIBLE ASSETS

Intangible assets originated from the Company’s reorganization and application of fresh start accounting as of the date the Company emerged from bankruptcy, September 30, 2014, and reflect the conditions at that time. The intangible asset related to the sales order book is amortized as the order book existing at emergence is reduced, principally as a result of deliveries to customers. The intangible asset related to customer relationships is amortized using the straight-line method over the estimated average useful life of 15 years. Amortization expense is presented below gross profit on the condensed consolidated statements of operations.

	September 30, 2017			December 31, 2016		
	(in millions)					
	Gross Carrying Amount	Accumulated Amortization	Net Amount	Gross Carrying Amount	Accumulated Amortization	Net Amount
Sales order book	$ 54.6	$ 22.1	$ 32.5	$ 54.6	$ 19.9	$ 34.7
Customer relationships	68.9	13.8	55.1	68.9	10.3	58.6
Total	**$ 123.5**	**$ 35.9**	**$ 87.6**	**$ 123.5**	**$ 30.2**	**$ 93.3**

8. DEBT

A summary of long-term debt follows (in millions):

	Maturity	September 30, 2017	December 31, 2016
8.25% Notes:	Feb. 2027		
Principal		$ 74.3	$ —
Interest		58.1	—
8.25% Notes		132.4	—
8% PIK Toggle Notes	Sep. 2019 (a)	31.3	234.6
Subtotal		163.7	234.6
Less deferred issuance costs		0.1	0.5
Total debt		163.6	234.1
Less current portion		6.1	—
Long-term debt		**$ 157.5**	**$ 234.1**

(a) Maturity can be extended to September 2024 upon the satisfaction of certain funding conditions described below.

Note Exchange

On February 14, 2017, pursuant to an exchange offer and consent solicitation, Centrus exchanged $204.9 million principal amount of the Company’s 8% paid-in-kind (“PIK”) toggle notes (the “8% PIK Toggle Notes”) for $74.3 million principal amount of 8.25% notes due February 2027 (the “8.25% Notes”), 104,574 shares of Series B Preferred Stock with a liquidation preference of $1,000 per share, and $27.6 million of cash. The exchange is accounted for as a troubled debt restructuring (a “TDR”) under Accounting Standards Codification Subtopic 470-60, *Debt-Troubled Debt Restructurings by Debtors*. For an exchange classified as a TDR, if the future undiscounted cash flows of the newly issued debt and other consideration are less than the net carrying value of the original debt, a gain is recorded for the difference and the carrying value of the newly issued debt is adjusted to the future undiscounted cash flow amount and no future interest expense is recorded. All future interest payments on the newly issued debt reduce the carrying value. Accordingly, the Company recognizes the 8.25% Notes on the condensed consolidated balance sheet as the sum of the principal balance and all future interest payments. The Company recognized a gain of $33.6 million related to the note exchange for the quarter ended March 31, 2017, which is net of transaction costs of $9.0 million and previously deferred issuance costs related to the 8% PIK Toggle Notes of $0.4 million. Refer to *Note 13, Stockholders’ Equity* for details related to the newly issued preferred stock.

8.25% Notes

Interest on the 8.25% Notes is payable semi-annually in arrears as of February 28 and August 31 based on a 360-day year consisting of twelve 30-day months. The 8.25% Notes mature on February 28, 2027. As described above, all future interest payment obligations on the 8.25% Notes are included in the carrying value of the 8.25% Notes. As a result, the Company’s reported interest expense will be less than its contractual interest payments throughout the term of the 8.25% Notes. As of September 30, 2017, $6.1 million of interest is recorded as current and classified as *Accounts Payable and Accrued Liabilities* in the condensed consolidated balance sheet.

The 8.25% Notes rank equally in right of payment with all of our existing and future unsubordinated indebtedness other than our Issuer Senior Debt and our Limited Secured Acquisition Debt (each as defined below). The 8.25% Notes rank senior in right of payment to all of our existing and future subordinated indebtedness and to certain limited secured acquisition indebtedness of the Company (the “Limited Secured Acquisition Debt”). The Limited Secured Acquisition Debt includes (i) any indebtedness, the proceeds of which are used to finance all or a portion of an acquisition or similar transaction if any lender’s lien is solely limited to the assets acquired in such a transaction and (ii) any indebtedness, the proceeds of which are used to finance all or a portion of the American Centrifuge project or another next generation enrichment technology if any lender’s lien is solely limited to such assets, *provided that* a lien securing the 8.25% Notes that is junior with respect to the lien securing such indebtedness, will be effected for the 8.25% Notes, which will be limited to the assets acquired with such Limited Secured Acquisition Debt.

The 8.25% Notes are subordinated in right of payment to certain indebtedness and obligations of the Company, as described in the 8.25% Notes Indenture (the "Issuer Senior Debt"), including (i) any indebtedness of the Company (inclusive of any indebtedness of Enrichment Corp.) under a future credit facility up to $50 million with a maximum net borrowing of $40 million after taking into account any minimum cash balance (unless a higher amount is approved with the consent of the holders of a majority of the aggregate principal amount of the 8.25% Notes then outstanding), (ii) any revolving credit facility to finance inventory purchases and related working capital needs, and (iii) any indebtedness of the Company to Enrichment Corp. under the secured intercompany notes.

The 8.25% Notes are guaranteed on a subordinated and limited basis by, and secured by substantially all of the assets of, Enrichment Corp. The Enrichment Corp. guarantee is a secured obligation and ranks equally in right of payment with all existing and future unsubordinated indebtedness of Enrichment Corp. (other than Designated Senior Claims (as defined below) and Limited Secured Acquisition Debt) and senior in right of payment to all existing and future subordinated indebtedness of Enrichment Corp. and Limited Secured Acquisition Debt. The Enrichment Corp. guarantee is subordinated in right of payment to certain obligations of, and claims against, Enrichment Corp. described in the 8.25% Notes Indenture (collectively, the "Designated Senior Claims"), including obligations and claims:

- under a future credit facility up to $50 million with a maximum net borrowing of $40 million after taking into account any minimum cash balance;
- under any revolving credit facility to finance inventory purchases and related working capital needs;
- held by or for the benefit of the Pension Benefit Guaranty Corporation ("PBGC") pursuant to any settlement (including any required funding of pension plans); and
- under surety bonds or similar obligations held by or on behalf of the U.S. government pursuant to regulatory requirements.

The liens securing the Enrichment Corp. guarantee of the 8% PIK Toggle Notes and the 8.25% Notes are pari passu with each other, and are junior in priority with respect to the lien securing Limited Secured Acquisition Debt, which is limited to the assets acquired with such Limited Secured Acquisition Debt.

8% PIK Toggle Notes

Interest on the 8% PIK Toggle Notes is payable semi-annually in arrears on March 31 and September 30 based on a 360-day year consisting of twelve 30-day months. The principal amount is increased by any payment of interest in the form of PIK payments. The Company has the option to pay up to 5.5% per annum of interest due on the 8% PIK Toggle Notes in the form of PIK payments. For the semi-annual interest periods ended March 31, 2017, and September 30, 2017, the Company elected to pay interest in the form of PIK payments at 5.5% per annum.
Financing costs for the issuance of the 8% PIK Toggle Notes were deferred and are being amortized on a straight-line basis, which approximates the effective interest method, over the life of the 8% PIK Toggle Notes.

The 8% PIK Toggle Notes mature on September 30, 2019. However, the maturity date can be extended to September 30, 2024, upon the satisfaction of certain funding conditions described in the Indenture relating to the funding, under binding agreements, of (i) the American Centrifuge project or (ii) the implementation and deployment of a National Security Train Program utilizing American Centrifuge technology.

The 8% PIK Toggle Notes rank equally in right of payment with all existing and future unsubordinated indebtedness of the Company (other than the Issuer Senior Debt) and are senior in right of payment to all existing and future subordinated indebtedness of the Company. The 8% PIK Toggle Notes are subordinated in right of payment to the Issuer Senior Debt.

The 8% PIK Toggle Notes are guaranteed and secured on a subordinated, conditional, and limited basis by Enrichment Corp. Enrichment Corp. will be released from its guarantee without the consent of the holders of the 8% PIK Toggle Notes upon the occurrence of certain termination events (other than with respect to an unconditional interest claim), including (i) the involuntary termination by the PBGC of any of the qualified pension plans of the Company or Enrichment Corp., (ii) the cessation of funding prior to completion of our ongoing American Centrifuge test programs or (iii) both a decision by the Company to abandon American Centrifuge technology and either (1) the efforts by the Company to commercialize another next generation enrichment technology funded at least in part by new capital provided or to be provided by Enrichment Corp. have been terminated or are no longer being pursued or (2) the attainment of capital necessary to commercialize another next generation enrichment technology with respect to which the Company is involved which does not include new capital provided or to be provided by Enrichment Corp.

The Enrichment Corp. guarantee ranks equally in right of payment with all existing and future unsubordinated indebtedness of Enrichment Corp. (other than Designated Senior Claims and Limited Secured Acquisition Debt) and senior in right of payment to all existing and future subordinated indebtedness of Enrichment Corp. and Limited Secured Acquisition Debt. The Enrichment Corp. guarantee is subordinated in right of payment to Designated Senior Claims.

As explained above, the liens securing the Enrichment Corp. guarantee of the 8% PIK Toggle Notes and the 8.25% Notes are pari passu with each other, and are junior in priority with respect to the lien securing Limited Secured Acquisition Debt, which is limited to the assets acquired with such Limited Secured Acquisition Debt.

9. FAIR VALUE

Fair value is the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When determining the fair value of assets and liabilities, the following hierarchy is used in selecting inputs, with the highest priority given to Level 1, as these are the most transparent or reliable:

- Level 1 – quoted prices for identical instruments in active markets.
- Level 2 – quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs are observable in active markets.
- Level 3 – valuations derived using one or more significant inputs that are not observable.

Financial Instruments Recorded at Fair Value (in Millions)

	September 30, 2017				December 31, 2016			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Assets:								
Cash and cash equivalents	$ 135.9	$ —	$ —	$ 135.9	$ 260.7	$ —	$ —	$ 260.7
Deferred compensation asset (a)	1.3	—	—	1.3	1.1	—	—	1.1
Liabilities:								
Deferred compensation obligation (a)	1.3	—	—	1.3	1.1	—	—	1.1

(a) The deferred compensation obligation represents the balance of deferred compensation plus net investment earnings. The deferred compensation plan is funded through a rabbi trust. Trust funds are invested in mutual funds for which unit prices are quoted in active markets and are classified within Level 1 of the valuation hierarchy.

There were no transfers between Level 1, 2 or 3 during the periods presented.

Other Financial Instruments

As of September 30, 2017, and December 31, 2016, the balance sheet carrying amounts for *Accounts Receivable*, *Accounts Payable and Accrued Liabilities* (excluding the deferred compensation obligation described above), and payables under SWU purchase agreements approximate fair value because of the short-term nature of the instruments.

The carrying value and estimated fair value of long-term debt follow (in millions):

	September 30, 2017		December 31, 2016	
	Carrying Value	Estimated Fair Value [a]	Carrying Value	Estimated Fair Value [a]
8.25% Notes	$ 138.5 [b]	$ 59.7	-	-
8% PIK Toggle Notes	31.3	24.0	234.6	107.4

[a] Based on the most recent trading price as of the balance sheet date, which is considered a Level 2 input as of September 30, 2017, and a Level 1 input as of December 31, 2016, based on the frequency of trading.

[b] The carrying value of the 8.25% Notes as of September 30, 2017, consists of the principal balance of $74.3 million and the sum of current and noncurrent interest payment obligations until maturity. Refer to *Note 8, Debt*.

10. PENSION AND POSTRETIREMENT HEALTH AND LIFE BENEFITS

The components of net periodic benefit cost (credit) for the defined benefit pension plans were as follows (in millions):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	2016	2017	2016
Service costs	$ 0.9	$ 1.0	$ 2.8	$ 2.9
Interest costs	8.0	8.9	24.1	26.6
Expected gains on plan assets	(10.1)	(10.6)	(30.5)	(31.6)
Actuarial loss from remeasurement	—	—	—	0.8
Net periodic benefit credit	**$ (1.2)**	**$ (0.7)**	**$ (3.6)**	**$ (1.3)**

In the second quarter of 2016, the level of lump-sum payments under the non-qualified defined benefit pension plans resulted in the remeasurement of pension obligations under settlement accounting rules. The remeasurement resulted in a loss of $0.8 million included in *Selling, General and Administrative Expenses* in the second quarter of 2016. The loss includes the effect of a decrease in the discount rate used in the remeasurement of pension obligations from approximately 4.5% as of December 31, 2015, to approximately 3.7% as of June 30, 2016.

The components of net periodic benefit cost for the postretirement health and life benefit plans were as follows (in millions):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	2016	2017	2016
Interest costs	$ 1.8	$ 2.1	$ 5.4	$ 6.1
Expected gains on plan assets	—	(0.1)	—	(0.2)
Amortization of prior service credits, net	—	(0.1)	(0.1)	(0.2)
Net periodic benefit cost	**$ 1.8**	**$ 1.9**	**$ 5.3**	**$ 5.7**

11. NET INCOME (LOSS) PER COMMON SHARE

Basic net income (loss) per common share is calculated by dividing income (loss) allocable to common stockholders by the weighted average number of shares of common stock outstanding during the period. In calculating diluted net income (loss) per common share, the number of shares is increased by the weighted average number of potential shares related to stock compensation awards. No dilutive effect is recognized in a period in which a net loss has occurred.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	2016	2017	2016
Net loss allocable to common stockholders (in millions)	$ (10.5)	$ (41.3)	$ (28.3)	$ (58.8)
Shares in thousands:				
Average common shares outstanding - basic	9,103	9,096	9,081	9,102
Potentially dilutive shares related to stock options (a)	—	—	—	—
Average common shares outstanding - diluted	9,103	9,096	9,081	9,102
Net loss per common share – basic and diluted	$ (1.15)	$ (4.54)	$ (3.12)	$ (6.46)
(a) Common stock equivalents excluded from the diluted calculation as a result of a net loss in the period (in thousands)	13	14	60	7
Options outstanding and considered anti-dilutive as their exercise price exceeded the average share market price (in thousands)	327	375	30	490

12. COMMITMENTS AND CONTINGENCIES

American Centrifuge

Milestones Under the 2002 DOE-USEC Agreement

The Company and DOE signed an agreement dated June 17, 2002, as amended (the “2002 DOE-USEC Agreement”), pursuant to which the parties made long-term commitments directed at resolving issues related to the stability and security of the domestic uranium enrichment industry. DOE consented to the assumption by Centrus of the 2002 DOE-USEC Agreement and other agreements between the Company and DOE subject to an express reservation of all rights, remedies and defenses by DOE and Centrus under those agreements as part of the Company’s Chapter 11 bankruptcy process. The 2002 DOE-USEC Agreement requires Centrus to develop, demonstrate and deploy advanced enrichment technology in accordance with milestones and provides for remedies in the event of a failure to meet a milestone under certain circumstances.

DOE has specific remedies under the 2002 DOE-USEC Agreement if Centrus fails to meet a milestone that would adversely impact its ability to begin commercial operations of the American Centrifuge Plant on schedule, and such delay was within Centrus’ control or was due to its fault or negligence or if Centrus abandons or constructively abandons the commercial deployment of an advanced enrichment technology. These remedies include terminating the 2002 DOE-USEC Agreement, revoking Centrus’ access to DOE’s centrifuge technology that is required for the success of the American Centrifuge project, requiring Centrus to transfer certain rights in the American Centrifuge technology and facilities to DOE, and requiring Centrus to reimburse DOE for certain costs associated with the American Centrifuge project.

The 2002 DOE-USEC Agreement provides that if a delaying event beyond the control and without the fault or negligence of Centrus occurs that could affect Centrus' ability to meet an American Centrifuge Plant milestone, DOE and Centrus will jointly meet to discuss in good faith possible adjustments to the milestones as appropriate to accommodate the delaying event. The Company notified DOE that it had not met the June 2014 milestone within the time period provided due to events beyond its control and without the fault or negligence of the Company. The assumption of the 2002 DOE-USEC Agreement provided for under the Plan of Reorganization did not affect the ability of either party to assert all rights, remedies and defenses under the agreement and all such rights, remedies and defenses are specifically preserved and all time limits tolled expressly including all rights, remedies and defenses and time limits relating to any missed milestones. DOE and Centrus have agreed that all rights, remedies and defenses of the parties with respect to any missed milestones since March 5, 2014, including the June 2014 and November 2014 milestones, and all other matters under the 2002 DOE-USEC Agreement continued to be preserved, and that the time limits for each party to respond to any missed milestones continue to be tolled.

Piketon Facility Costs and D&D Obligations

Effective October 1, 2015, the U.S. government discontinued funding of the American Centrifuge demonstration cascade at Piketon. Funding for American Centrifuge is now limited to research and development work at the Company's facilities in Oak Ridge, Tennessee. As a result of reduced program funding, Centrus incurred a special charge in the third quarter of 2015 for estimated employee termination benefits, and began reductions in force. Refer to *Note 2, Special Charges*, for details. Centrus began to incur expenditures in the second quarter of 2016 associated with the D&D of the Piketon facility in accordance with the requirements of the NRC and DOE. Centrus leases the Piketon facility from DOE. At the conclusion of the lease on June 30, 2019, without mutual agreement between Centrus and DOE regarding other possible uses for the facility, Centrus is obligated to return the facility to DOE in a condition that meets NRC requirements and in the same condition as the facility was in when it was leased to Centrus (other than due to normal wear and tear). Centrus must remove all Company-owned capital improvements at the Piketon facility, unless otherwise consented to by DOE, by the conclusion of the lease term. The D&D work is expected to extend through 2017 and be substantially completed by year-end. As of September 30, 2017, Centrus has accrued $16.6 million on the balance sheet as *Decontamination and Decommissioning Obligations* for the estimated fair value of the remaining costs to complete the D&D work.

Centrus is required to provide financial assurance to the NRC and DOE for D&D costs under a regulatorily-prescribed methodology that includes potential contingent costs and reserves. As of September 30, 2017, Centrus has provided financial assurance to the NRC and DOE in the form of surety bonds that are fully cash collateralized by Centrus for $29.6 million. Centrus expects to receive cash when surety bonds are reduced and/or cancelled as the Company fulfills its D&D and lease obligations.

Centrus has received state economic incentives in exchange for commitments by the Company to make investments in capital improvements and employee training. Should the commitments under the incentive agreements not be met, the Company may be required to repay a portion of the state incentives.

13. STOCKHOLDERS' EQUITY

Series B Preferred Stock

On February 14, 2017, Centrus issued 104,574 shares of Series B Preferred Stock as part of the securities exchange described in *Note 8, Debt*. The issuance of the Series B Preferred Stock was a non-cash financing transaction. The Series B Preferred Stock has a par value of $1.00 per share and a liquidation preference of $1,000 per share (the "Liquidation Preference"). The Series B Preferred Stock is recorded on the condensed consolidated balance sheet at fair value less transaction costs, or $4.6 million as of September 30, 2017.

Holders of the Series B Preferred Stock are entitled to cumulative dividends of 7.5% per annum of the Liquidation Preference. Centrus is obligated to pay cash dividends on the Series B Preferred Stock in an amount equal to the Liquidation Preference to the extent that dividends are declared by the Board and:

(a) its pension plans and Enrichment Corp.'s pension plans are at least 90% funded on a variable rate premium calculation in the current plan year;

(b) its net income calculated in accordance with GAAP (excluding the effect of pension remeasurement) for the immediately preceding fiscal quarter exceeds $7.5 million;

(c) its free cash flow (defined as the sum of cash provided by (used in) operating activities and cash provided by (used in) investing activities) for the immediately preceding four fiscal quarters exceeds $35 million;

(d) the balance of cash and cash equivalents calculated in accordance with GAAP on the last day of the immediately preceding quarter would exceed $150 million after pro forma application of the dividend payment; and

(e) dividends may be legally paid under Delaware law.

Centrus has not met these criteria for the periods from issuance through September 30, 2017, and has not declared, accrued or paid dividends on the Series B Preferred Stock as of September 30, 2017. Dividends on the Series B Preferred Stock are cumulative to the extent not paid at any quarter-end, whether or not declared and whether or not there are assets of the Company legally available for the payment of such dividends in whole or in part. As of September 30, 2017, the Series B Preferred Stock has an aggregate liquidation preference of $109.6 million, including accumulated dividends of $5.0 million.

Outstanding shares of the Series B Senior Preferred Stock are redeemable at the Company's option, in whole or in part, for an amount of cash equal to the Liquidation Preference, plus an amount equal to the accrued and unpaid dividends, if any, whether or not declared, through date of redemption.

Rights Agreement

On April 6, 2016 (the "Effective Date"), the Company's Board of Directors (the "Board") adopted a Section 382 Rights Agreement (the "Rights Agreement"). The Board adopted the Rights Agreement in an effort to protect shareholder value by, among other things, attempting to protect against a possible limitation on the Company's ability to use its net operating loss carryforwards and other tax benefits, which may be used to reduce potential future income tax obligations. As reported on the Company's Annual Report on Form 10-K for the year ended December 31, 2016, the Company had federal net operating losses of $725.8 million as of December 31, 2016, that currently expire through 2036.

In connection with the adoption of the Rights Agreement, the Board declared a dividend of one preferred-share-purchase-right for each share of the Company's Class A Common Stock and Class B Common Stock outstanding as of the Effective Date. The rights initially trade together with the common stock and are not exercisable. In the absence of further action by the Board, the rights would generally become exercisable and allow a holder to acquire shares of a new series of the Company's preferred stock if any person or group acquires 4.99% or more of the outstanding shares of the Company's common stock, or if a person or group that already owns 4.99% or more of the

Company’s Class A Common Stock acquires additional shares representing 0.5% or more of the outstanding shares of the Company’s Class A Common Stock. The rights beneficially owned by the acquirer would become null and void, resulting in significant dilution in the ownership interest of such acquirer.

The Board may exempt any acquisition of the Company’s common stock from the provisions of the Rights Agreement if it determines that doing so would not jeopardize or endanger the Company’s use of its tax assets or is otherwise in the best interests of the Company. The Board also has the ability to amend or terminate the Rights Agreement prior to a triggering event.

Effective on February 14, 2017, in connection with the settlement and completion of the exchange offer and consent solicitation, the Company amended the Rights Agreement solely to exclude acquisitions of the Series B Preferred Stock issued as part of the exchange offer and consent solicitation from the definition of “Common Shares.”

The Company’s stockholders approved the Rights Agreement at the 2017 annual meeting of stockholders on May 31, 2017. Unless earlier terminated in accordance with the Rights Agreement, the rights issued under the Rights Agreement expire on April 6, 2019.

Stock-Based Compensation

A summary of stock-based compensation costs follows (in millions):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	**2016**	**2017**	**2016**
Total stock-based compensation costs:				
Restricted stock units	$ —	$ —	$ —	$ 0.1
Stock options	0.1	0.1	0.3	0.3
Expense included in selling, general and administrative expense	**$ 0.1**	**$ 0.1**	**$ 0.3**	**$ 0.4**
Total recognized tax benefit	$ —	$ —	$ —	$ —

As of September 30, 2017, there was $0.5 million of unrecognized compensation cost related to unvested stock-based payments granted, of which $0.4 million relates to stock options and $0.1 million relates to unvested restricted stock units. That cost is expected to be recognized over a weighted-average period of 1.2 years.

Stock-based compensation cost is measured at the grant date, based on the fair value of the award, and is recognized on a straight-line basis over the requisite service period. Stock options vest and become exercisable in equal annual installments over a three- or four-year period and expire 10 years from the date of grant.

Assumptions used in the Black-Scholes option pricing model to value option grants follow. There were no option grants in the nine months ended September 30, 2017.

	Nine Months Ended September 30, 2016
Risk-free interest rate	1.9%
Expected volatility	75%
Expected option life (years)	6
Weighted-average grant date fair value	$1.77
Options granted (in thousands)	15

A total of 30,000 restricted stock units were issued to non-employee, independent members of the Board of Directors in the nine months ended September 30, 2017, including 5,000 restricted stock units in the three months ended September 30, 2017. The restricted stock units vest on the earlier of May 31, 2018, or the date of the 2018 Annual Meeting, absent a defined event that would accelerate vesting. Settlement of restricted stock units is made in shares of Class A Common Stock only upon the director's retirement or other end of service.

Shares Outstanding

A total of 38,751 shares of Class A Common Stock were issued in settlement of vested restricted stock units to three former members of the Board of Directors following the end of their service on May 31, 2017.

Shares of Class B Common Stock that are sold in the market are converted to shares of Class A Common Stock. In the nine months ended September 30, 2017, a total of 30,318 shares of Class B Common Stock were sold in the market and converted to shares of Class A Common Stock as of September 30, 2017.

Changes in the number of shares outstanding follow:

	Preferred Stock, Series B	Common Stock, Class A	Common Stock, Class B
Balance at December 31, 2015	—	7,563,600	1,436,400
Balance at September 30, 2016	**—**	**7,563,600**	**1,436,400**
Balance at December 31, 2016	—	7,563,600	1,436,400
Issuance of Preferred Stock	104,574	—	—
Issuance of Class A Common Stock	—	38,751	—
Conversion of Common Stock from Class B to Class A	—	30,318	(30,318)
Balance at September 30, 2017	**104,574**	**7,632,669**	**1,406,082**

Accumulated Other Comprehensive Income (Loss)

The sole component of accumulated other comprehensive income (loss) ("AOCI") relates to activity in the accounting for pension and postretirement health and life benefit plans. Amortization of prior service credits is reclassified from AOCI and included in the computation of net periodic benefit cost as detailed in *Note 10, Pension and Post-Retirement Health and Life Benefits*.

14. SEGMENT INFORMATION

Centrus has two reportable segments: the LEU segment with two components, SWU and uranium, and the contract services segment. The LEU segment includes sales of the SWU component of LEU, sales of both the SWU and uranium components of LEU, and sales of uranium. The contract services segment includes revenue and cost of sales for work that Centrus performs under a fixed-price agreement as a contractor to UT-Battelle. The contract services segment also includes limited services provided by Centrus to DOE and its contractors at the Piketon facility. Gross profit is Centrus' measure for segment reporting. There were no intersegment sales in the periods presented. For additional details on each segment, refer to Item 2, *Management's Discussion and Analysis of Financial Condition and Results of Operations*.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	2016	2017	2016
	(in millions)			
Revenue				
LEU segment:				
Separative work units	$ 43.5	$ 14.1	$ 82.2	$ 128.3
Uranium	—	—	—	14.3
	43.5	14.1	82.2	142.6
Contract services segment	6.8	7.3	19.3	32.2
Revenue	**$ 50.3**	**$ 21.4**	**$ 101.5**	**$ 174.8**
Segment Gross Profit (Loss)				
LEU segment	$ 11.1	$ (1.8)	$ 5.4	$ 11.9
Contract services segment	0.5	(0.3)	(0.6)	7.3
Gross profit (loss)	**$ 11.6**	**$ (2.1)**	**$ 4.8**	**$ 19.2**

Item 2. ***Management's Discussion and Analysis of Financial Condition and Results of Operations***

The following discussion should be read in conjunction with, and is qualified in its entirety by reference to, the condensed consolidated financial statements and related notes appearing elsewhere in this report.

Overview

Centrus Energy Corp. ("Centrus" or the "Company") is a trusted supplier of low-enriched uranium ("LEU") for commercial nuclear power plants. References to "Centrus", the "Company", or "we" include Centrus Energy Corp. and its wholly owned subsidiaries as well as the predecessor to Centrus, unless the context otherwise indicates. LEU is a critical component in the production of nuclear fuel for reactors that produce electricity. We supply LEU to both domestic and international utilities for use in nuclear reactors worldwide. We are a leader in the development of advanced uranium enrichment technology and are performing research and demonstration work to support U.S. energy and national security through our contract with UT-Battelle, LLC ("UT-Battelle"), the operator of Oak Ridge National Laboratory ("ORNL").

As a long-term supplier of LEU to our customers, our goal is to provide value through the reliability and diversity of our supply sources. We provide LEU from multiple sources including our inventory, long- and mid-term supply contracts and spot purchases. Our long-term objective is to resume commercial enrichment production and we are exploring alternative approaches to that end.

We have a contract with UT-Battelle to conduct research and development of our advanced centrifuge technology for the U.S. government. We believe that this technology could play a critical role in meeting our national and energy security needs and achieving our nation's non-proliferation objectives.

The nuclear industry in general, and the nuclear fuel industry in particular, is in a period of significant change, which could significantly transform the competitive landscape Centrus faces. The nuclear fuel cycle industry remains oversupplied, creating downward pressures on commodity pricing, with uncertainty regarding the timing of industry expansion globally. Nuclear generators in some parts of the world, including the U.S., are under pressure from changes in electricity demand and the effects of new, lower cost sources of electricity generation in their markets. Changes in the competitive landscape may adversely affect pricing trends, change customer spending patterns, demand for fuel, and financial conditions, and otherwise create uncertainty. These changes may affect the company's existing contracts and its ability to obtain new contracts. To address these changes, we may seek to adjust our cost structure and operations and evaluate opportunities to grow our business organically or through acquisitions and other strategic transactions. We are actively considering, and expect to consider from time to time in the future, potential strategic transactions, which could involve, without limitation, acquisitions and/or dispositions of businesses or assets, joint ventures or investments in businesses, products or technologies. In connection with any such transaction, we may seek additional debt or equity financing, contribute or dispose of assets, assume additional indebtedness, or partner with other parties to consummate a transaction.

Business Segments

Centrus has two reportable segments: the LEU segment with two components, separative work units ("SWU") and uranium, and the contract services segment.

LEU Segment

Revenue from Sales of SWU and Uranium

The LEU segment is currently our primary business focus. Revenue from our LEU segment is derived primarily from:

- sales of the SWU component of LEU,
- sales of both the SWU and uranium components of LEU, and
- sales of natural uranium.

Revenue for our LEU segment accounted for approximately 88% of our total revenue in 2016. The majority of our customers are domestic and international utilities that operate nuclear power plants, with international sales constituting approximately 25-40% of revenue from our LEU segment in recent years. Our agreements with electric utilities are primarily long-term, fixed-commitment contracts under which our customers are obligated to purchase a specified quantity of the SWU component of LEU (or the SWU and uranium components of LEU) from us. Our agreements for natural uranium sales are generally shorter-term, fixed-commitment contracts.

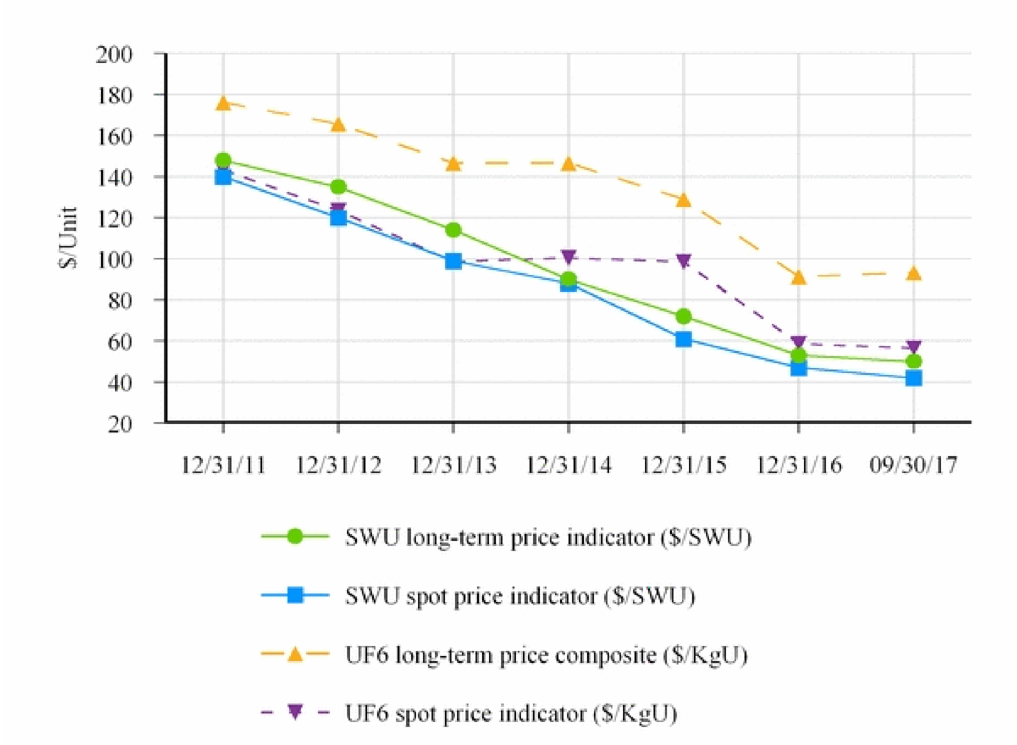
Our revenues, operating results and cash flows can fluctuate significantly from quarter to quarter and year to year. Revenue is recognized at the time LEU or uranium is delivered under the terms of our contracts. The timing of customer demand is affected by, among other things, electricity markets, reactor operations, maintenance and refueling outages, and customer inventories. In the current market environment, some customers are building inventories and may choose to take deliveries under annual purchase obligations later in the year. Customer payments for the SWU component of LEU average roughly $10-15 million per order. As a result, a relatively small change in the timing of customer orders for LEU may cause significant variability in operating results.

Utility customers in general have the option to defer physical receipt of LEU or uranium purchased from Centrus beyond the contractual sale period. In such cases, title to LEU or uranium is transferred to the customer and a performance obligation for Centrus is created and a receivable is recorded. Cash is collected for the receivable under normal credit terms. The performance obligation is represented as *Deferred Revenue* on the balance sheet and the customer-titled product is classified as *Deferred Costs Associated with Deferred Revenue*. Risk of loss remains with Centrus until physical delivery occurs. The recognition of revenue and related cost of sales occurs at the time physical delivery occurs and risk of loss transfers to the customer. The timing of physical delivery, subject to notice period requirements, is at the option of the customer. Deferred revenue and deferred cost activity in the nine months ended September 30, 2017, follows:

(in millions)	Deferred Revenue	Deferred Cost	Gross Profit Deferred or (Recognized)	Margin
Balance at December 31, 2016	$ 123.6	$ 89.3	$ 34.3	28%
Deferred sales in the period	66.4	44.9	21.5	32%
Previously deferred sales recognized in the period	(58.3)	(39.7)	(18.6)	32%
Balance at September 30, 2017	$ 131.7	$ 94.5	$ 37.2	28%

Our financial performance over time can be significantly affected by changes in prices for SWU and uranium. Since 2011, market prices for SWU and uranium have significantly declined. Since our sales order book includes contracts awarded to us in previous years, the average SWU price billed to customers typically lags behind published price indicators by several years, which means that average prices under contract today exceed current market prices. The long-term SWU price indicator, as published by TradeTech, LLC in *Nuclear Market Review*, is an indication of base-year prices under new long-term enrichment contracts in our primary markets. The following chart summarizes TradeTech's long-term and spot SWU price indicators, the long-term price for uranium hexafluoride ("UF6"), as calculated by Centrus using indicators published in *Nuclear Market Review*, and TradeTech's spot price indicator for UF6:

SWU and Uranium Market Price Indicators



Our contracts with customers and suppliers are denominated in U.S. dollars, and although revenue has not been directly affected by changes in the foreign exchange rate of the U.S. dollar, we may have a competitive price advantage or disadvantage obtaining new contracts in a competitive bidding process depending upon the weakness or strength of the U.S. dollar. Costs of our primary competitors are denominated in other currencies.

On occasion, Centrus will accept payment in the form of uranium. Revenue from the sale of SWU under such contracts is recognized at the time LEU is delivered and is based on the fair value of the uranium received in exchange for the SWU.

Cost of Sales for SWU and Uranium

Cost of sales for SWU and uranium is based on the amount of SWU and uranium sold and delivered during the period and unit inventory costs. Unit inventory costs are determined using the monthly moving average cost method. Changes in purchase costs have an effect on inventory costs and cost of sales over current and future periods. Cost of sales includes costs for inventory management at off-site licensed locations. Cost of sales also includes legacy costs related to former employees of the Portsmouth and Paducah gaseous diffusion plants. Actuarial gains and losses related to the retiree benefit plans are recognized immediately in the statements of operations when plan obligations are remeasured at year-end or when lump-sum payments reach certain levels.

Contract Services Segment

The contract services segment includes revenue and cost of sales for American Centrifuge work we perform as a contractor to UT-Battelle. Direct costs incurred in performing the contract work are consistent with the funding levels. Centrus records an unbilled receivable and revenue based on the progress towards the achievement of monthly deliverables. Monthly reports and invoices affirming the achievement of monthly deliverables are submitted shortly following each month. The achievement of monthly deliverables has resulted in revenue consistent with the funding levels. The contract services segment also includes limited services provided by Centrus to the U.S. Department of Energy ("DOE") and its contractors at the Piketon facility.

American Centrifuge

The Company has a long record as a global leader in advanced technology, manufacturing and engineering. Our manufacturing, engineering and testing facilities and our highly-trained workforce are deeply engaged in advancing the next generation of uranium enrichment technology. We are exploring a number of options for returning to domestic production in the future.

In September 2015, Centrus completed a successful three-year demonstration of the existing American Centrifuge technology at its facility in Piketon, Ohio, with 120 machines linked together in a cascade to simulate industrial operating conditions. Since then our government contracts with UT-Battelle have provided for continued engineering and testing work on the American Centrifuge technology at the Company's facilities in Oak Ridge, Tennessee. Our recently completed contract with UT-Battelle (the "2017 ORNL Contract") was for the period from October 1, 2016, through September 30, 2017, and generated revenue of approximately $25 million. On October 26, 2017, the parties executed a new fixed priced contract for the period from October 1, 2017, through September 30, 2018, that is expected to generate total revenue of approximately $16 million upon completion of defined milestones. The ORNL contracts have been funded incrementally. Funding for the program is provided to UT-Battelle by the U.S. government which is currently operating under a continuing resolution.

American Centrifuge expenses that are outside of our contracts with UT-Battelle are included in *Advanced Technology License and Decommissioning Costs*, including ongoing costs to maintain the demobilized Piketon facility and our NRC licenses at that location. In the second quarter of 2016, the Company commenced with the decontamination and decommissioning ("D&D") of the Piketon facility in accordance with the requirements of the NRC and DOE. For additional details on costs, schedule and accrued liabilities related to the D&D of the Piketon facility, refer to *Results of Operations* below and *American Centrifuge - Piketon Facility Costs and D&D Obligations* in *Note 12, Commitments and Contingencies,* of the condensed consolidated financial statements.

Site Services Work and Related Receivables

We formerly performed work under contracts with DOE and its contractors to maintain and prepare the former Portsmouth Gaseous Diffusion Plant (the "Portsmouth GDP") for D&D. In September 2011, our contracts for maintaining the Portsmouth facilities and performing services for DOE at Portsmouth expired and we completed the transition of facilities to DOE's D&D contractor for the Portsmouth site. Additionally, we provided limited services to DOE and its contractors at the Paducah Gaseous Diffusion Plant (the "Paducah GDP") until the leased portions of the Paducah GDP were returned to DOE on October 21, 2014.

There is the potential for additional revenue to be recognized, based on the outcome of DOE reviews and audits, as the result of the release of previously established receivable related reserves. However, uncertainty exists because contract billing periods since June 2002 have not been finalized with DOE, and we have not yet recognized this additional revenue. Certain receivables from DOE are included in other long-term assets based on the extended timeframe expected to resolve claims for payment. Additional details are provided in *Note 4, Receivables* to the condensed consolidated financial statements.

2017 Outlook

We anticipate SWU and uranium revenue in 2017 in a range of $175 million to $200 million, reflecting an expected decline in SWU and uranium volumes delivered compared to 2016. We anticipate total revenue in a range of $200 million to $225 million. Our revenues continue to be most heavily weighted to the fourth quarter, and we expect more than one-half of our annual revenue in the fourth quarter of 2017, compared to 44% in the fourth quarter of 2016. We expect to end 2017 with a cash and cash equivalents balance in a range of $150 million to $175 million.

Our financial guidance is subject to a number of assumptions and uncertainties that could affect results either positively or negatively. Variations from our expectations could cause differences between our guidance and our ultimate results. Among the factors that could affect our results are:

- Additional short-term purchases or sales of SWU and uranium;
- Timing of customer orders, related deliveries, and purchases of LEU or components;
- The outcome of legal proceedings and other contingencies;
- Potential use of cash for strategic initiatives;
- Actions taken by our customers, including actions that might affect our existing contracts, as a result of market and other conditions impacting our customers and the industry; and
- Additional costs for decontamination and decommissioning of the Company’s facility in Ohio.

Results of Operations

Segment Information

The following tables present elements of the accompanying condensed consolidated statements of operations that are categorized by segment (dollar amounts in millions):

	Three Months Ended September 30, 2017	Three Months Ended September 30, 2016	$ Change	% Change
LEU segment				
Revenue:				
SWU revenue	$ 43.5	$ 14.1	$ 29.4	209 %
Uranium revenue	—	—	—	–
Total	43.5	14.1	29.4	209 %
Cost of sales	32.4	15.9	(16.5)	(104)%
Gross profit (loss)	$ 11.1	$ (1.8)	$ 12.9	717 %
Contract services segment				
Revenue	$ 6.8	$ 7.3	$ (0.5)	(7)%
Cost of sales	6.3	7.6	1.3	17 %
Gross profit (loss)	$ 0.5	$ (0.3)	$ 0.8	267 %
Total				
Revenue	$ 50.3	$ 21.4	$ 28.9	135 %
Cost of sales	38.7	23.5	(15.2)	(65)%
Gross profit (loss)	$ 11.6	$ (2.1)	$ 13.7	652 %

	Nine Months Ended September 30, 2017	Nine Months Ended September 30, 2016	$ Change	% Change
LEU segment				
Revenue:				
SWU revenue	$ 82.2	$ 128.3	$ (46.1)	(36)%
Uranium revenue	—	14.3	(14.3)	(100)%
Total	82.2	142.6	(60.4)	(42)%
Cost of sales	76.8	130.7	53.9	41 %
Gross profit	$ 5.4	$ 11.9	$ (6.5)	(55)%
Contract services segment				
Revenue	$ 19.3	$ 32.2	$ (12.9)	(40)%
Cost of sales	19.9	24.9	5.0	20 %
Gross profit (loss)	$ (0.6)	$ 7.3	$ (7.9)	(108)%
Total				
Revenue	$ 101.5	$ 174.8	$ (73.3)	(42)%
Cost of sales	96.7	155.6	58.9	38 %
Gross profit	$ 4.8	$ 19.2	$ (14.4)	(75)%

Revenue

Revenue from the LEU segment increased $29.4 million (or 209%) in the three months and declined $60.4 million (or 42%) in the nine months ended September 30, 2017, compared to the corresponding periods in 2016. The volume of SWU sales increased 178% in the three-month period and declined 30% in the nine-month period. We expect more than one-half of our annual revenue in the fourth quarter of 2017. We expect SWU volumes delivered will decline in 2017 compared to 2016. Refer to *2017 Outlook* above. The average price billed to customers for sales of SWU increased 11% in the three-month period and declined 8% in the nine-month period, reflecting the particular contracts under which SWU were sold during the periods. We expect the average SWU price for sales during the full year 2017 will be approximately 3% lower than in 2016.

Revenue from the contract services segment declined $0.5 million (or 7%) in the three months ended September 30, 2017, compared to the corresponding period in 2016, reflecting the reduced scope of contract work for American Centrifuge technology services in the current period. Revenue from the contract services segment declined $12.9 million (or 40%) in the nine months ended September 30, 2017, compared to the corresponding period in 2016, due to the reduced scope of work and the timing of revenue recognition in the prior period. As a result of the contract signed with UT-Battelle in March 2016, revenue in the nine months ended September 30, 2016, included $24.2 million for work in the nine months ended September 30, 2016, as well as $8.1 million for March 2016 reports on work performed in the fourth quarter of 2015.

Cost of Sales

Cost of sales for the LEU segment increased $16.5 million (or 104%) in the three months and declined $53.9 million (or 41%) in the nine months ended September 30, 2017, compared to the corresponding periods in 2016, primarily due to the changes in SWU sales volumes noted above and declines in the average cost of sales per SWU.

Cost of sales is affected by sales volumes, unit costs of inventory, and direct charges to cost of sales such as inventory valuation adjustments and legacy costs related to former GDP employees and other residual costs related to the Paducah GDP. Refer to *Impact of Legacy Costs* below.

Our inventories are valued at the lower of cost or net realizable value. Valuation adjustments for our uranium inventory to reflect declines in uranium market price indicators totaled $3.0 million in the nine months ended September 30, 2016, including $2.3 million in third quarter of 2016.

Cost of sales for the contract services segment declined $1.3 million (or 17%) in the three months and $5.0 million (or 20%) in the nine months ended September 30, 2017, compared to the corresponding periods in 2016, due to the reduced scope of contract work.

Gross Profit

We realized a gross profit of $11.6 million in the three months ended September 30, 2017, an increase of $13.7 million compared to the gross loss of $2.1 million in the corresponding period in 2016. We realized an increase in gross profit of $12.9 million for the LEU segment primarily due to increases in the average SWU sales price and SWU sales volume, and a decline in the average SWU cost.

We realized a gross profit of $4.8 million in the nine months ended September 30, 2017, a decline of $14.4 million compared to the gross profit of $19.2 million in the corresponding period in 2016. We realized a decline in gross profit of $6.5 million for the LEU segment primarily due to the decline in the average SWU sales price and the decline in SWU sales volume for the nine months compared to the prior period, partially offset by a decline in the average SWU cost.

We realized a decline in gross profit of $7.9 million for the contract services segment in the nine months ended September 30, 2017, compared to the corresponding period in 2016. Revenue for the contract services segment in the nine months ended September 30, 2016, included a billing for March 2016 reports on work performed in the fourth quarter of 2015. Related expenses were included in *Advanced Technology License and Decommissioning Costs* in 2015 as they were incurred before a contract was in place. We realized a gross loss of $0.6 million for the contract services segment in the nine months ended September 30, 2017, due to costs incurred which are not fully recoverable from the revenue under the contract with UT-Battelle.

Impact of Legacy Costs

The Company ceased uranium enrichment at the Portsmouth GDP in 2001 and the Paducah GDP in 2013. Included in cost of sales are costs related to benefits for former GDP employees and other residual costs related to the Paducah GDP. These legacy costs are distinct from the Company's current costs of acquiring SWU and uranium for sale. The following table presents the impact of legacy costs on gross profit for the LEU segment (dollar amounts in millions):

	Nine Months Ended September 30,	
	2017	**2016**
LEU segment (GAAP)		
Gross profit	$ 5.4	$ 11.9
Gross margin	*6.6%*	*8.3%*
Legacy costs included in cost of sales:		
Pension and postretirement health and life benefits	$ 2.2	$ 3.2
Disability obligations and other	0.4	3.9
Legacy costs	$ 2.6	$ 7.1
LEU segment excluding legacy costs (non-GAAP)		
Gross profit excluding legacy costs	$ 8.0	$ 19.0
Gross margin excluding legacy costs	*9.7%*	*13.3%*

We believe the non-GAAP financial measures above, when considered together with the corresponding GAAP measures and the reconciliation above, can provide additional understanding of the Company's financial performance and underlying profitability. Management uses the non-GAAP financial measures to provide investors with a more complete understanding of the Company's historical results and trends.

These non-GAAP financial measures are used in addition to and in conjunction with results presented in accordance with our GAAP results. The non-GAAP financial measures should be viewed in addition to, and not as a substitute for, or superior to, financial measures calculated in accordance with GAAP. The non-GAAP financial measures used by the Company may be calculated differently from, and therefore may not be comparable to, non-GAAP financial measures used by other companies.

Non-Segment Information

The following tables present elements of the accompanying condensed consolidated statements of operations that are not categorized by segment (dollar amounts in millions):

	Three Months Ended September 30, 2017	Three Months Ended September 30, 2016	$ Change	% Change
Gross profit (loss)	$ 11.6	$ (2.1)	$ 13.7	652 %
Advanced technology license and decommissioning costs	4.5	21.9	17.4	79 %
Selling, general and administrative	11.0	10.7	(0.3)	(3)%
Amortization of intangible assets	2.5	1.7	(0.8)	(47)%
Special charges for workforce reductions and advisory costs	2.4	0.6	(1.8)	(300)%
Gains on sales of assets	(0.6)	(0.3)	0.3	100 %
Operating loss	(8.2)	(36.7)	28.5	78 %
Interest expense	0.7	4.7	4.0	85 %
Investment income	(0.4)	(0.1)	0.3	300 %
Loss before income taxes	(8.5)	(41.3)	32.8	79 %
Income tax benefit	—	—	—	–
Net loss	(8.5)	(41.3)	32.8	79 %
Preferred stock dividends - undeclared and cumulative	2.0	—	2.0	–
Net loss allocable to common stockholders	**$ (10.5)**	**$ (41.3)**	$ 30.8	75 %

	Nine Months Ended September 30, 2017	Nine Months Ended September 30, 2016	$ Change	% Change
Gross profit	$ 4.8	$ 19.2	$ (14.4)	(75)%
Advanced technology license and decommissioning costs	15.0	38.6	23.6	61 %
Selling, general and administrative	33.1	34.6	1.5	4 %
Amortization of intangible assets	5.7	7.6	1.9	25 %
Special charges for workforce reductions and advisory costs	7.1	1.2	(5.9)	(492)%
Gains on sales of assets	(2.3)	(1.0)	1.3	130 %
Operating loss	(53.8)	(61.8)	8.0	13 %
Gain on early extinguishment of debt	(33.6)	(16.7)	16.9	101 %
Interest expense	4.3	14.8	10.5	71 %
Investment income	(1.0)	(0.5)	0.5	100 %
Loss before income taxes	(23.5)	(59.4)	35.9	60 %
Income tax benefit	(0.2)	(0.6)	(0.4)	(67)%
Net loss	(23.3)	(58.8)	35.5	60 %
Preferred stock dividends - undeclared and cumulative	5.0	—	5.0	–
Net loss allocable to common stockholders	**$ (28.3)**	**$ (58.8)**	$ 30.5	52 %

Advanced Technology License and Decommissioning Costs

Advanced technology license and decommissioning costs consist of American Centrifuge expenses that are outside of our contracts with UT-Battelle, including ongoing costs to maintain the demobilized Piketon facility and our NRC licenses at that location. Costs declined $17.4 million (or 79%) in the three months ended September 30, 2017, compared to the corresponding period in 2016. The prior period included a $15.0 million charge to increase the accrued D&D liability for the Piketon demonstration facility based on updated cost estimates. Costs declined $23.6 million (or 61%) in the nine months ended September 30, 2017, compared to the corresponding period in 2016, due to the $15.0 million increase in the D&D liability in the prior period and demobilization costs incurred in early 2016 in preparation for the D&D of the Piketon facility. D&D costs commenced in the second quarter of 2016 and are charged against the D&D liability. For additional details on the D&D of the Piketon facility, refer to *American Centrifuge - Piketon Facility Costs and D&D Obligations* in *Note 12, Commitments and Contingencies,* of the condensed consolidated financial statements.

Selling, General and Administrative

Selling, general and administrative ("SG&A") expenses increased $0.3 million (or 3%) in the three months and declined $1.5 million (or 4%) in the nine months ended September 30, 2017, compared to the corresponding periods in 2016. Consulting costs declined $0.3 million in the three-month period and $1.4 million in the nine-month period. Compensation and benefit costs were flat in the three-month period and declined $0.3 million in the nine-month period ended September 30, 2017, including the effect of an $0.8 million loss in the prior period related to the remeasurement of pension obligations.

Amortization of Intangible Assets

Amortization expense for the intangible asset related to the September 2014 sales order book is a function of SWU sales volume under that order book, which increased in the three-month period and declined in the nine months ended September 30, 2017, compared to the corresponding periods in 2016. Amortization expense for the intangible asset related to customer relationships is amortized on a straight-line basis.

Special Charges for Workforce Reductions and Advisory Costs

Special charges in the nine months ended September 30, 2017, included estimated employee termination benefits of $2.3 million, including $0.7 million in the third quarter, less $0.2 million for unvested employee departures. Advisory costs related to the Company's project to align its corporate structure to the scale of its ongoing business operations and to update related information technology were $1.7 million and $5.0 million in the three and nine months ended September 30, 2017, respectively, compared to $0.3 million and $0.8 million in the corresponding periods of 2016.

Gain on Early Extinguishment of Debt

In the first quarter of 2017, the Company recognized a gain of $33.6 million related to the exchange of securities and cash on February 14, 2017, which is net of transaction costs of $9.0 million and previously deferred issuance costs related to the 8% PIK Toggle Notes of $0.4 million. Refer to *Note 8, Debt* of the condensed consolidated financial statements.

In June 2016, we repurchased 8% PIK Toggle Notes having an aggregate principal and accrued interest balance of $26.6 million for cash payments of $9.8 million. The gain on the early extinguishment of the notes was $16.7 million, net of commissions and unamortized deferred issuance costs totaling $0.1 million.

Interest Expense

Interest expense declined $4.0 million (or 85%) in the three months and $10.5 million (or 71%) in the nine months ended September 30, 2017, compared to the corresponding periods in 2016, due to the early extinguishment of 87% of the outstanding principal amount of the 8% PIK Toggle Notes on February 14, 2017. No interest expense is recognized on the new 8.25% Notes as described in *Note 8, Debt*, of the condensed consolidated financial statements.

Income Tax Benefit

The income tax benefit was $0 in the three months and $0.2 million in the nine months ended September 30, 2017. The income tax benefit was $0 in the three months and $0.6 million in the nine months ended September 30, 2016. The income tax benefit in both nine-month periods resulted from discrete items for reversals of previously accrued amounts associated with liabilities for unrecognized benefits.

Net Loss

Our net loss was $8.5 million in the three months ended September 30, 2017, compared to a net loss of $41.3 million in the three months ended September 30, 2016. The favorable variance of $32.8 million was primarily the result of the $13.7 million improvement in gross profit, $15.0 million of accrued D&D costs in the prior period, and the $4.0 million decline in interest expense.

Our net loss was $23.3 million in the nine months ended September 30, 2017, compared to a net loss of $58.8 million in the nine months ended September 30, 2016. The favorable variance of $35.5 million was primarily the result of the $23.6 million decline in advanced technology license and decommissioning costs, including D&D cost accruals, the $16.9 million increase in gains on the early extinguishment of debt, and the $10.5 million decline in interest expense, partially offset by the $14.4 million decline in gross profit and the $5.9 million increase in special charges.

Preferred Stock Dividends - Undeclared and Cumulative

Holders of the Series B Preferred Stock are entitled to cumulative dividends of 7.5% per annum of the aggregate liquidation preference at origination of $104.6 million. We did not meet the criteria for a dividend payment obligation for the quarter ended September 30, 2017, and we have not declared or paid dividends on the Series B Preferred Stock since issuance on February 14, 2017. Dividends on the Series B Preferred Stock are cumulative to the extent not paid at any quarter-end, whether or not declared and whether or not there are assets of the Company legally available for the payment of such dividends in whole or in part.

Liquidity and Capital Resources

We ended the third quarter of 2017 with a consolidated cash balance of $135.9 million. We anticipate having adequate liquidity to support our business operations for at least the next 12 months from the date of this report. Our view of liquidity is dependent on our operations and the level of expenditures and government funding for the American Centrifuge program. Liquidity requirements for our existing operations are affected primarily by the timing and amount of customer sales and our inventory purchases.

We believe our sales order book in our LEU segment is a source of stability for our liquidity position. Centrus' sales order book extends for more than a decade. Although, based on current market conditions, we see limited uncommitted demand for LEU for the remainder of this decade before an anticipated rise in uncommitted demand in the 2020s, we continue to seek and make additional sales, including sales for delivery during that time period.

Substantially all revenue-generating operations of the Company are conducted at the subsidiary level. Centrus' principal source of funding for American Centrifuge activities is provided: (i) under the contract with UT-Battelle, the operator of ORNL; and (ii) from Centrus' wholly owned subsidiary United States Enrichment Corporation ("Enrichment Corp.") to Centrus and its 100% indirectly owned subsidiary American Centrifuge Operating, LLC pursuant to two secured intercompany financing notes. The financing obtained from Enrichment Corp. funds American Centrifuge activities pending receipt of payments related to work performed under the contract with UT-Battelle, American Centrifuge costs that are outside the scope of work under the contract with UT-Battelle, including D&D costs and ongoing costs to maintain the Piketon facility and our NRC licenses at that location, and general corporate expenses, including cash interest payments on our debt.

Capital expenditures are expected to be insignificant for at least the next 12 months.

In September 2015, Centrus completed a successful three-year demonstration of the American Centrifuge technology at its facility in Piketon, Ohio. U.S. government funding for American Centrifuge is now limited to research and development work at our facilities in Oak Ridge, Tennessee. As a result of reduced program funding, workforce reductions commenced in the fourth quarter of 2015 and we expect to make payments of $4.9 million for remaining workforce reductions through 2019.

Centrus began to incur expenditures in the second quarter of 2016 associated with the D&D of the Piketon facility in accordance with the requirements of the NRC and DOE. In the nine months ended September 30, 2017, D&D costs of $22.1 million were charged against the accrued D&D liability. The D&D work is expected to be substantially completed by year-end. As of September 30, 2017, we have accrued $16.6 million for the estimated fair value of the remaining costs to complete the D&D work.

Centrus has previously provided financial assurance to the NRC and DOE for D&D and lease turnover costs in the form of surety bonds of approximately $16 million and $13 million, respectively, which are fully cash collateralized by Centrus. Centrus expects to receive cash when surety bonds are reduced and/or cancelled as the Company fulfills its D&D and lease obligations.

In the event that funding by the U.S. government is further reduced or discontinued, the American Centrifuge project may be subject to further demobilization, costs, delays and termination. Any such actions may have a material adverse impact on our ability to deploy the American Centrifuge technology and on our liquidity.

The change in cash and cash equivalents from our condensed consolidated statements of cash flows are as follows on a summarized basis (in millions):

	Nine Months Ended September 30,	
	2017	**2016**
Cash used in operating activities	$ (95.6)	$ (51.9)
Cash provided by (used in) investing activities	1.8	(1.5)
Cash used in financing activities	(31.0)	(9.8)
Decrease in cash and cash equivalents	**$ (124.8)**	**$ (63.2)**

Operating Activities

The net reduction of $42.3 million in the SWU purchase payables balance, due to the timing of purchase deliveries, was a significant use of cash in the nine months ended September 30, 2017. Other major uses of cash were corporate costs including benefits funding and costs for D&D of the American Centrifuge demonstration cascade. Sources of cash included the monetization of inventory as inventories declined $17.9 million in the nine-month period and receivables from utility customers declined $6.2 million.

In the corresponding period in 2016, the net reduction of $68.9 million in the SWU purchase payables balance, due to the timing of purchase deliveries, was a significant use of cash. Other major uses of cash were corporate costs including benefits funding and costs for D&D of the American Centrifuge demonstration cascade. Sources of cash included the monetization of inventory as inventories declined $45.8 million in the nine-month period and receivables from utility customers declined $18.4 million.

Investing Activities

Capital expenditures were $0.3 million in the nine months ended September 30, 2017, and $3.0 million in the corresponding period of 2016.

Financing Activities

In February 2017, Centrus exchanged $204.9 million principal amount of the Company's 8% paid-in-kind ("PIK") toggle notes ("8% PIK Toggle Notes") for $74.3 million principal amount of 8.25% notes maturing in February 2027 (the "8.25% Notes"), 104,574 shares of Series B Preferred Stock and $27.6 million of cash. Refer to *Note 8, Debt* of the condensed consolidated financial statements.

In June 2016, Centrus repurchased 8% PIK Toggle Notes having an aggregate principal balance of $26.1 million and accrued interest payable balance of $0.5 million for cash payments of $9.8 million.

Working Capital

	September 30, 2017	December 31, 2016
	(in millions)	
Cash and cash equivalents	$ 135.9	$ 260.7
Accounts receivable	14.2	19.9
Inventories, net	102.0	119.9
Other current assets and liabilities, net	(106.2)	(165.6)
Working capital	**$ 145.9**	**$ 234.9**

Capital Structure and Financial Resources

On February 14, 2017, pursuant to an exchange offer and consent solicitation, we exchanged $204.9 million principal amount of our 8% PIK Toggle Notes for $74.3 million principal amount of the 8.25% Notes, 104,574 shares of Series B Preferred Stock with liquidation preference of $1,000 per share, and $27.6 million of cash. Following the exchange offer, $29.6 million principal amount of 8% PIK Toggle Notes remained outstanding. The Company recognized a gain related to the note exchange of $33.6 million in the first quarter of 2017, which is net of transaction costs of $9.0 million and previously deferred issuance costs related to the 8% PIK Toggle Notes of $0.4 million.

Interest on the 8.25% Notes is payable semi-annually in arrears as of February 28 and August 31 based on a 360-day year consisting of twelve 30-day months. The 8.25% Notes are guaranteed on a subordinated and limited basis by, and secured by substantially all assets of, Enrichment Corp. Additional terms and conditions of the 8.25% Notes and the Enrichment Corp. guarantee are described in *Note 8, Debt* of the condensed consolidated financial statements.

The principal amount of the 8% PIK Toggle Notes is increased by any payment of interest in the form of PIK payments. The Company has the option to pay up to 5.5% per annum of interest due on the 8% PIK Toggle Notes in the form of PIK payments. For the semi-annual interest periods ended March 31, 2017, and September 30, 2017, the Company elected to pay interest in the form of cash payments at 2.5% per annum and PIK payments at 5.5% per annum. The principal amount of the 8% PIK Toggle Notes was $31.3 million as of September 30, 2017. The 8%

PIK Toggle Notes are guaranteed and secured on a subordinated, conditional, and limited basis by Enrichment Corp. Enrichment Corp. will be released from its guarantee without the consent of the holders of the 8% PIK Toggle Notes upon the occurrence of certain termination events (other than with respect to an unconditional interest claim). Additional terms and conditions of the 8% PIK Toggle Notes and the Enrichment Corp. guarantee are described in *Note 8, Debt* of the condensed consolidated financial statements.

Holders of the Series B Preferred Stock are entitled to cumulative dividends of 7.5% per annum of the Liquidation Preference. We are obligated to pay cash dividends on our Series B Preferred Stock to the extent that: our pension plans and Enrichment Corp.'s pension plans are at least 90% funded on a variable rate premium calculation in the current plan year; our net income calculated in accordance with generally accepted accounting principles in the United States ("GAAP") (excluding the effect of pension remeasurement) for the immediately preceding fiscal quarter exceeds $7.5 million; our free cash flow (defined as the sum of cash provided by (used in) operating activities and cash provided by (used in) investing activities) for the immediately preceding four fiscal quarters exceeds $35 million; the balance of cash and cash equivalents calculated in accordance with GAAP on the last day of the immediately preceding quarter would exceed $150 million after pro forma application of the dividend payment; and dividends may be legally paid under Delaware law. Centrus has not met these criteria for the periods from issuance through September 30, 2017, and has not declared, accrued or paid dividends on the Series B Preferred Stock as of September 30, 2017.

The nuclear industry in general, and the nuclear fuel industry in particular, are in a period of significant change. We are actively considering, and expect to consider from time to time in the future, potential strategic transactions, which at any given time may be in various stages of discussions, diligence or negotiation with respect to a number of potential acquisitions. If we pursue opportunities that require capital, we believe we would seek to satisfy these needs through a combination of working capital, cash generated from operations or additional debt or equity financing.

We are managing our working capital to seek to improve the long-term value of our LEU business and are planning to continue funding the Company's qualified pension plans in the ordinary course because we believe that is in the best interest of all stakeholders. We expect that any other uses of working capital will be undertaken in light of these strategic priorities and will be based on the Company's determination as to the relative strength of its operating performance and prospects, financial position and expected liquidity requirements. In addition, we expect that any such other uses of working capital will be subject to compliance with contractual restrictions to which the Company and its subsidiaries are subject, including the terms and conditions of their debt securities and credit facilities. The Company continually evaluates alternatives to manage our capital structure, and may opportunistically repurchase, exchange or redeem Company securities from time to time.

Off-Balance Sheet Arrangements

Other than outstanding letters of credit and surety bonds, our SWU purchase commitments and the license agreement with DOE relating to the American Centrifuge technology disclosed in our Annual Report on Form 10-K for the year ended December 31, 2016, there were no material off-balance sheet arrangements at September 30, 2017, or December 31, 2016.

New Accounting Standards Not Yet Implemented

Reference is made to *New Accounting Standards* in *Note 1, Basis of Presentation,* of the condensed consolidated financial statements for information on new accounting standards.

Item 4. ***Controls and Procedures***

Evaluation of Disclosure Controls and Procedures

Centrus maintains disclosure controls and procedures that are designed to ensure that information required to be disclosed by Centrus in reports it files or submits under the Securities Exchange Act of 1934, as amended, (the "Exchange Act") is recorded, processed, summarized and reported on a timely basis and that such information is accumulated and communicated to management, including the Chief Executive Officer and the Chief Financial Officer, as appropriate to allow for timely decisions regarding required disclosures.

As previously disclosed in *Part II, Item 9A, Controls and Procedures* of our Annual Report on Form 10-K for the year ended December 31, 2016, management identified a material weakness in the Company's internal control over financial reporting. Because of this material weakness, our Chief Executive Officer and Chief Financial Officer concluded that the Company's disclosure controls and procedures were not effective as of December 31, 2016.

As of September 30, 2017, the end of the period covered by this report, our management performed an evaluation, under the supervision and with the participation of the Chief Executive Officer and the Chief Financial Officer, of the effectiveness of our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Securities Exchange Act). Based on this evaluation, the Chief Executive Officer and the Chief Financial Officer concluded that the Company's disclosure controls and procedures were not effective due to the previously identified material weakness in internal control over financial reporting, which continued to exist as of September 30, 2017.

Notwithstanding the material weakness described below, our management concluded that the condensed consolidated financial statements included in this report fairly present, in all material respects, our financial position, results of operations and cash flows as of the dates, and for the periods presented, in accordance with GAAP.

Efforts to Address Material Weakness

The Company has made, and expects to continue to make, progress in improving internal control over accounting for our D&D obligation. Management has enhanced its review process of D&D costs incurred and projected costs remaining to complete the D&D work and has formalized applicable procedures as remedial controls and has begun related controls testing. The material weakness will not be considered remediated until the remedial controls operate for a sufficient period of time and management has concluded, through testing, that these controls are operating effectively. We expect that the remediation of this material weakness will be completed by the end of 2017.

Changes in Internal Control Over Financial Reporting

During the quarter ended September 30, 2017, the Company implemented a new enterprise resource planning (ERP) system in which a significant portion of our business transactions originate and are processed and recorded. The implementation included the outsourcing of payroll functions. As a result of the ERP system implementation, we modified certain existing controls as well as implemented new controls to adapt to changes in our processes. We concluded, as part of our evaluation described in the above paragraphs, that the implementation of the ERP system has not materially affected our internal control over financial reporting. Other than the ERP system implementation and steps taken to work towards the remediation of the material weakness identified above, there were no changes in our internal control over financial reporting during the quarter ended September 30, 2017, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II

Item 1. *Legal Proceedings*

There have been no material changes to the Legal Proceedings set forth under Part I, Item 3, *Legal Proceedings,* in our Annual Report on Form 10-K for the year ended December 31, 2016.

Centrus is subject to various legal proceedings and claims, either asserted or unasserted, which arise in the ordinary course of business. While the outcome of these claims cannot be predicted with certainty, we do not believe that the outcome of any of these legal matters, individually and in the aggregate, will have a material adverse effect on our cash flows, results of operations or consolidated financial condition.

Item 1A. *Risk Factors*

There have been no material changes to the Risk Factors described in Part I, Item 1A, *Risk Factors*, in our Annual Report on Form 10-K for the year ended December 31, 2016.

Item 6. *Exhibits*

31.1	Certification of the Chief Executive Officer pursuant to Rule 13a-14(a)/15d-14(a) under the Securities Exchange Act of 1934, as amended.
31.2	Certification of the Chief Financial Officer pursuant to Rule 13a-14(a)/15d-14(a) under the Securities Exchange Act of 1934, as amended.
32.1	Certification of Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350.
101	Condensed consolidated financial statements from the Quarterly Report on Form 10-Q for the quarter ended September 30, 2017, filed in interactive data file (XBRL) format.

SIGNATURES

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:	November 14, 2017	By:	/s/ Stephen S. Greene
			Stephen S. Greene
			Senior Vice President, Chief Financial Officer and Treasurer
			(Duly Authorized Officer and Principal Financial Officer)

EXHIBIT 31.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER

I, Daniel B. Poneman, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Centrus Energy Corp.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting that are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

November 14, 2017

/s/ Daniel B. Poneman

Daniel B. Poneman
President and Chief Executive Officer

EXHIBIT 31.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER

I, Stephen S. Greene, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Centrus Energy Corp.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting that are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

November 14, 2017

/s/ Stephen S. Greene

Stephen S. Greene

Senior Vice President, Chief Financial Officer and Treasurer

EXHIBIT 32.1

CERTIFICATION OF CEO AND CFO PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the quarterly report on Form 10-Q of Centrus Energy Corp. for the quarter ended September 30, 2017, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), pursuant to 18 U.S.C. § 1350, Daniel B. Poneman, President and Chief Executive Officer, and Stephen S. Greene, Senior Vice President, Chief Financial Officer and Treasurer, each hereby certifies, that, to his knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Centrus Energy Corp.

November 14, 2017	/s/ Daniel B. Poneman
	Daniel B. Poneman
	President and Chief Executive Officer
November 14, 2017	/s/ Stephen S. Greene
	Stephen S. Greene
	Senior Vice President, Chief Financial Officer and Treasurer