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Bulletin: Cameco Q2 Earnings and Conference Call

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Cameco 2Q 2026 Earnings and Conference Call

Cameco Corp. CCJ:NYSE; CCO: TSX)

Cameco reported its 2Q 2026 Earnings and conducted a conference call before the opening of the North American markets today. Much of the discussion was concentrated around Westinghouse Electric Company – particularly surrounding the Westinghouse IPO filing and its underlying commercial backdrop…but first let's address the operational results:

1. **Financial Results vs. Expectations**

- **Earnings Miss:** Adjusted EPS came in at $0.13 (adjusted net earnings of ~$77 million), missing Wall Street consensus estimates of $0.28 per share.

- **Revenue:** Quarterly revenue was $573.5M, falling short of analyst targets (~$592.3M) and down year-over-year.

- **Why the YoY Drop?** Year-over-year comparison was primarily due to lower equity earnings from Westinghouse, which had benefited in Q2 2025 from a large one-time project contribution (the Dukovany project in the Czech Republic).

2. **Operational Highlights & Guidance**

- **Production Outlook Maintained:** Full-year 2026 uranium production guidance remains unchanged at 19.5 million to 21.5 million pounds of U3O8 (Cameco's share).

- **Operational Snags:** Temporary spring road condition disruptions affected supply routes at Key Lake and McArthur River in northern Saskatchewan. In addition, Cigar Lake experienced a brief ~2-week post-quarter operational suspension, but management confirmed these events will not impact full-year production targets.

- **Guidance Revisions:** Updated outlook metrics for average realized price, revenue, and cost of sales across the uranium and fuel services segments to factor in higher spot prices and foreign exchange impacts driven by U.S. dollar strength.

UI Commentary

While Cameco delivered 15% higher realized uranium prices in Q2, costs grew faster: more market purchases (2.9M lbs. U3O8) at approx. $91/lb., product loan revaluations, and Cigar Lake's maintenance shutdown falling in Q2 instead of Q3 as usual. Cameco mined 3.9M lbs in Q2, its lowest second quarter since 2022. The drop was attributable to a decline in Cigar Lake production which declined by -43% due to Q3 2026 maintenance moved to Q2 2026. McArthur River and Key Lake production rose by +28%. Key Lake's annual maintenance is scheduled for Q3 2026 – the shutdown will run longer than usual. The net effect was that Cameco’s 2Q 2026’s gross margin compressed to 23.4%.

3. **Market Backdrop & Long-Term Position**

- **Strong Pricing Environment:** Long-term uranium contract prices and fuel services pricing continue to reach multi-year highs.
- **Contract Book Security:** Five-year contract coverage remains strong with average annual deliveries expected to exceed 28 million pounds.
- **Westinghouse Strategic Value:** Westinghouse remains a core growth asset, highlighting 91 global AP1000 commercial reactor opportunities and benefiting from a conditional $17.5B U.S. Department of Energy commitment for long-lead component procurement.
- **Balance Sheet:** Cameco ended the quarter with $1.1B in cash and cash equivalents, $1.0B in total debt, and an undrawn $1.0B revolving credit facility.

4. **Proposed Westinghouse Initial Public Offering (IPO)**

- **Confidential Form S-1 Submission:** Cameco announced alongside its earnings that Westinghouse confidentially submitted a draft registration statement on Form S-1 to the U.S. SEC for a proposed IPO of its common stock.
- **Ownership Structure:** Westinghouse is currently co-owned by Cameco (49%) and Brookfield Renewable Partners / Brookfield Asset Management (51%).
- **Strategic Rationale & Management Intent:**
  - **Unlocking Value & Capital Flexibility:** Executives highlighted that an IPO allows the market to establish a distinct, visible valuation for Westinghouse as a standalone, pure-play global nuclear technology giant independent of Cameco's mining-centric multiples.
  - **Funding Growth Standalone:** Rather than relying directly on parent company cash infusions (or retained earnings) to fund the heavy growth cycle ahead, Westinghouse will gain direct access to global capital markets to fund its long-term growth pipeline.
  - **Execution Details Pending:** Management noted that because the filing is a confidential draft submission, specific details regarding share counts, pricing, or exact timing cannot yet be disclosed and remain subject to regulatory

reviews and market conditions.

Westinghouse Backlog of Future Orders & Growth Pipeline

- **Massive Global Opportunity Pipeline:** Management emphasized the massive scale of the multi-decade AP1000 commercial reactor pipeline, explicitly identifying 91 AP1000 deployment opportunities globally.
- **Significant U.S. Government Backing:** The execution pipeline received a major boost via a conditional $17.5 billion commitment from the U.S. Department of Energy (DOE). This program specifically supports the procurement of long-lead nuclear components for up to 10 new AP1000 reactors.
- **Core Business Drivers (Beyond AP1000):**
  - Executives stressed that Westinghouse's core base business – providing nuclear fuel assembly services, engineering solutions, and ongoing outage/maintenance support – continues to deliver recurring cash flow tied to existing operational fleet facilities globally.
  - **Growth from SMRs** (Small Modular Reactors, e.g., the AP300) and microreactors (eVinci) continues to advance in parallel with large-scale AP1000 buildouts.

UI Commentary:

With respect to all the discussion about Westinghouse, it's important to realize none of the AP1000 or AP300 growth story/pipeline (91 identified opportunities and various stages of maturity) will result in 2026 cash flow…but clearly the future growth is playing a major role in how Cameco is viewed by the market. Grant Isaac, Cameco COO dropped the hammer several times during the call regarding the current state of the uranium market, including that, "The supply stack is increasingly uncertain with depletion of brownfield, greenfield sliding sideways or even backwards and restarts are running into trouble………We have only ever found ourselves at this high a uranium price ($97 making its way to triple digits) on the back end of a contracting cycle, never at the front end."

While the tone of the call was upbeat with the theme of future strong growth provided by their 49% Westinghouse ownership along with a uranium LT price that in Cameco's view has a lot of room to run, when the market opened up the shares of Cameco came under pressure. Cameco traded in the pre-market as high as $94/sh., but sold off sharply from that in today's normal trading session. We think Cameco's present price level represents an attractive entry point in view of the 2H 2026 sector strength we anticipate.

Cameco shares in New York are presently trading at $86.90/sh. (-1.5%)

Sincerely,
Justin Huhn
Founder & Publisher
Uranium Insider

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