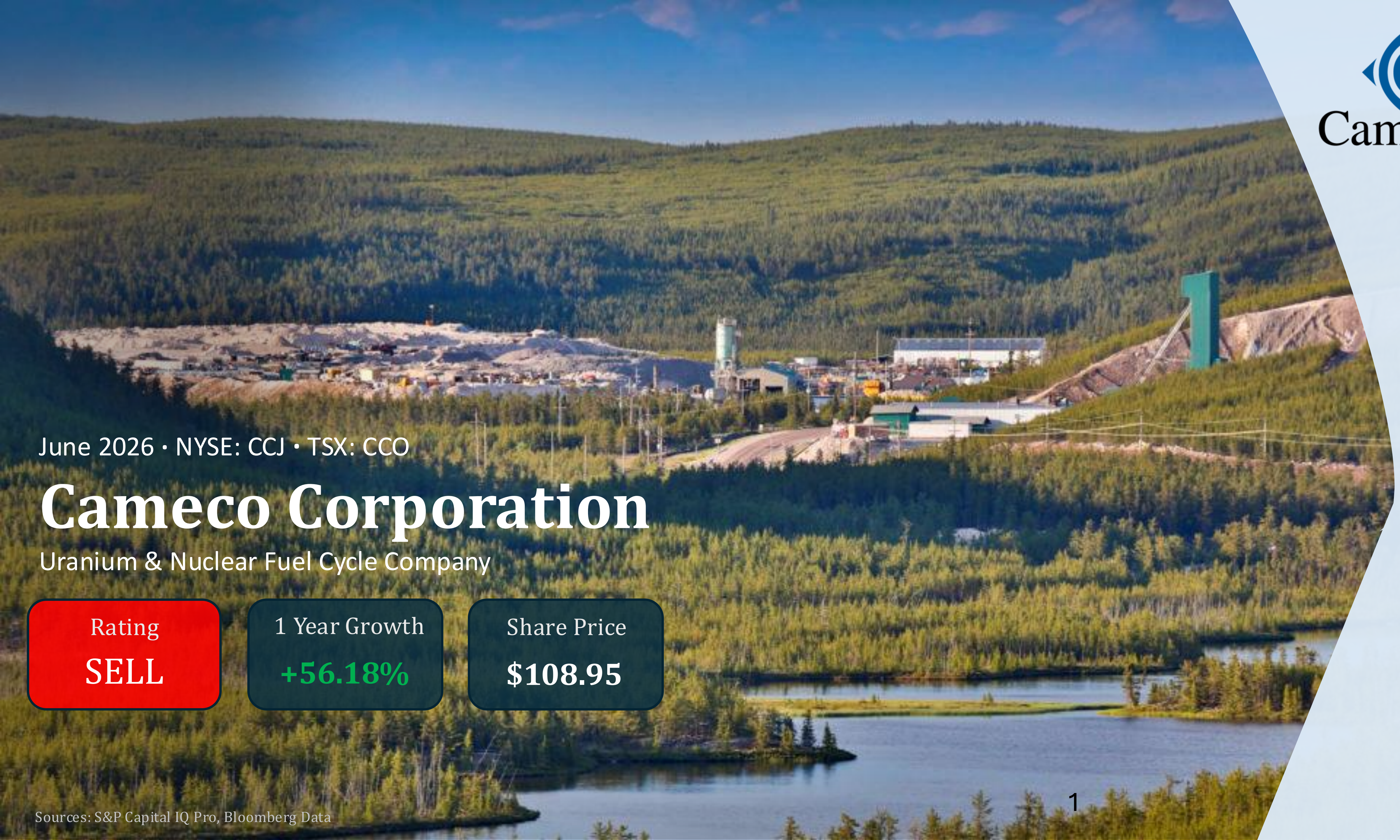


June 2026 · NYSE: CCJ · TSX: CCO

Cameco Corporation

Uranium & Nuclear Fuel Cycle Company

Rating	1 Year Growth	Share Price
SELL	+56.18%	$108.95

Sources: S&P Capital IQ Pro, Bloomberg Data

Fundamental Analysis outlines a current premium with the market mispricing the stock

Cameco

I issue a SELL recommendation with a 12-month target share price of $81.39, representing a 25% discount on the current share price

Market Mispricing - DCF and relative valuation both indicate ~30% downside from current levels

Unsustainable Growth - Reverse DCF implies the market is pricing in 7.6–8.5% perpetual growth

Westinghouse Acquisition - The 49% equity-method stake adds ~$5/share but cannot bridge the valuation gap

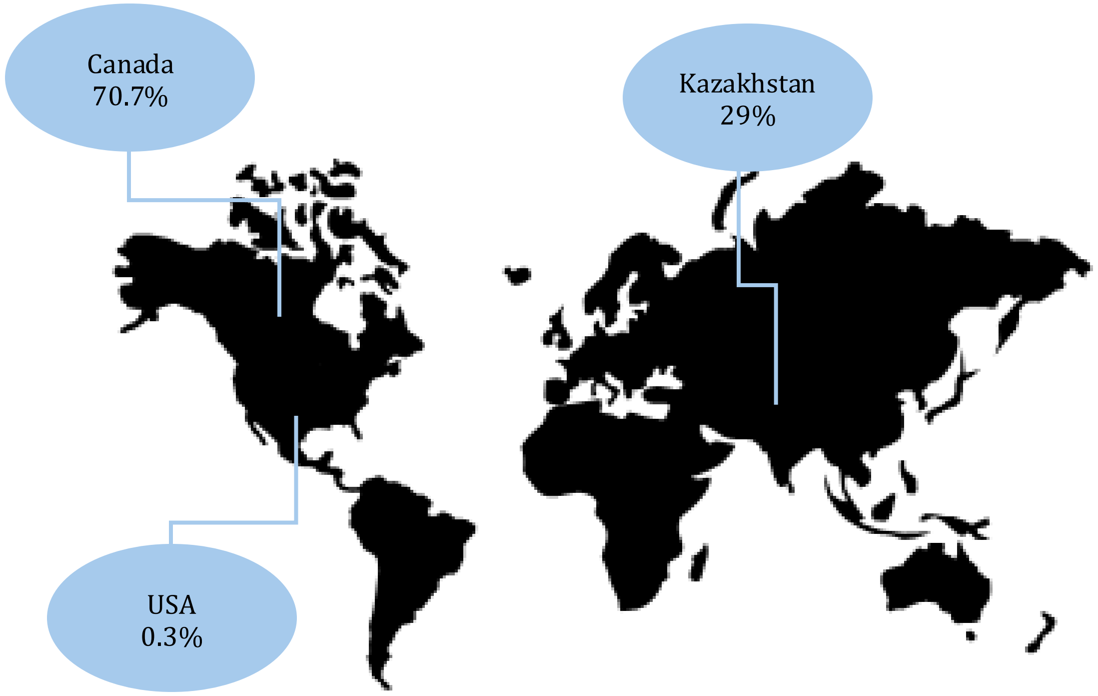
SELL RECOMMENDATION

Sources: Independent Financial Model, S&P Capital IQ Pro

Business Overview

A tier-one integrated fuel platform with a dominant upstream position

The Western world's top producer of Uranium…



28m lb. Average Committed sales for 2026-2030

32m lb. Cameco's share of tier-one licensed capacity

1. Mining
2. Refining
3. Conversion
4. Enrichment
5. Fuel Fabrication
6. Reactor Services

…controlling a large share of the world's Uranium production

1st

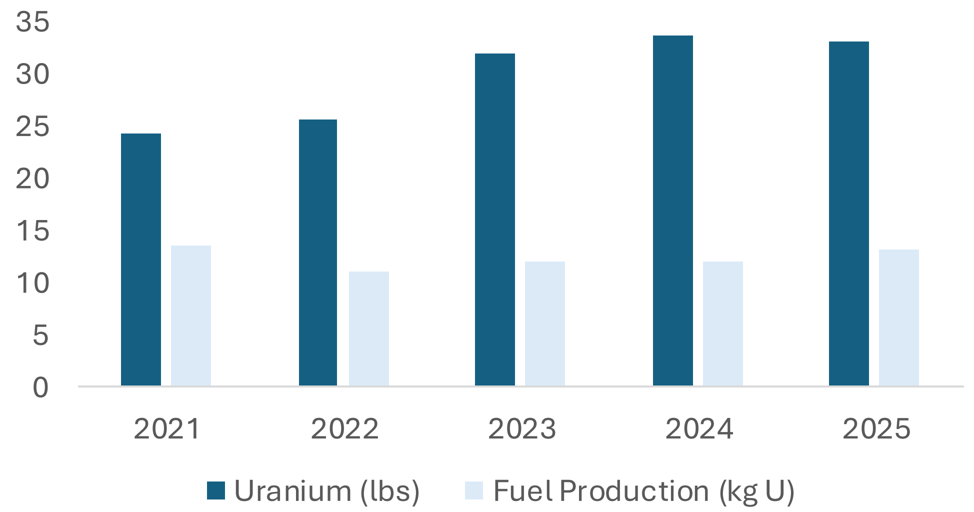
World's largest publicly traded Uranium company

15%

Accounts for 15% of the world's production

…and diversifying revenue streams with additional production

Sales Volume by Segment 2021-2025 (millions)



Sources: Cameco 40-F Annual Report, Cameco Investor Presentation, World Nuclear Association

Industry Overview

Nuclear tailwinds are real…but already priced into Cameco's market price

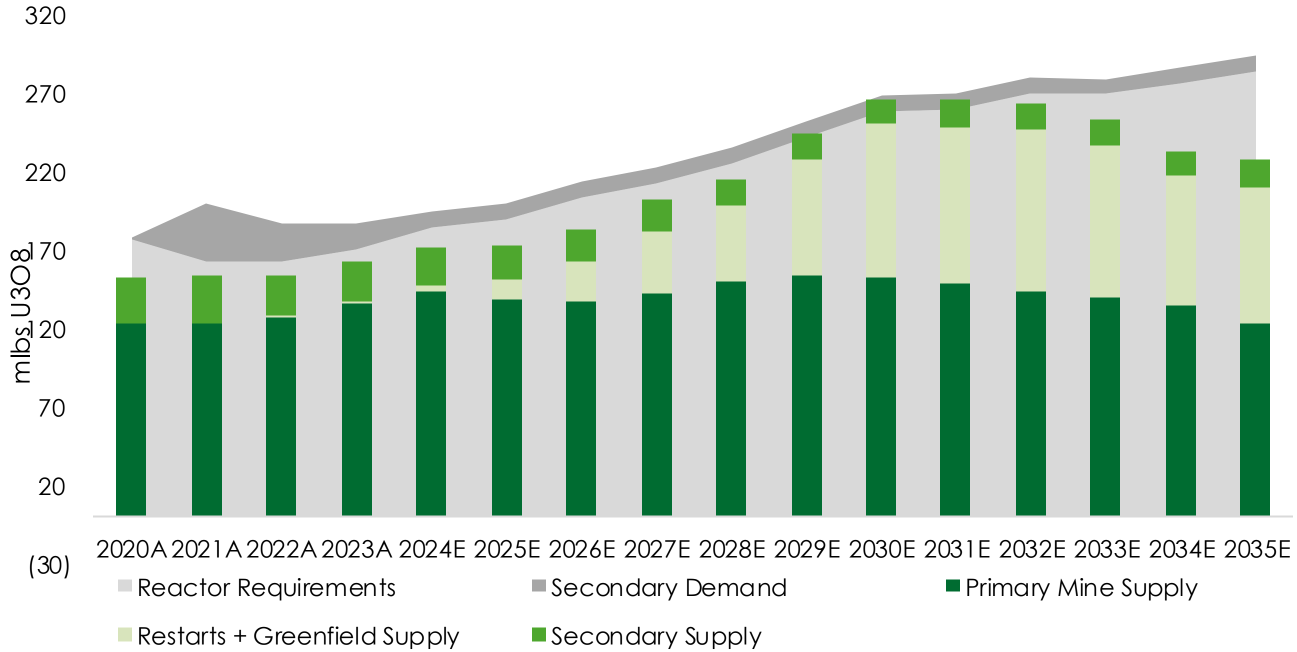
Demand Drivers

COP28 — 31 nations committed to tripling global nuclear capacity by 2050

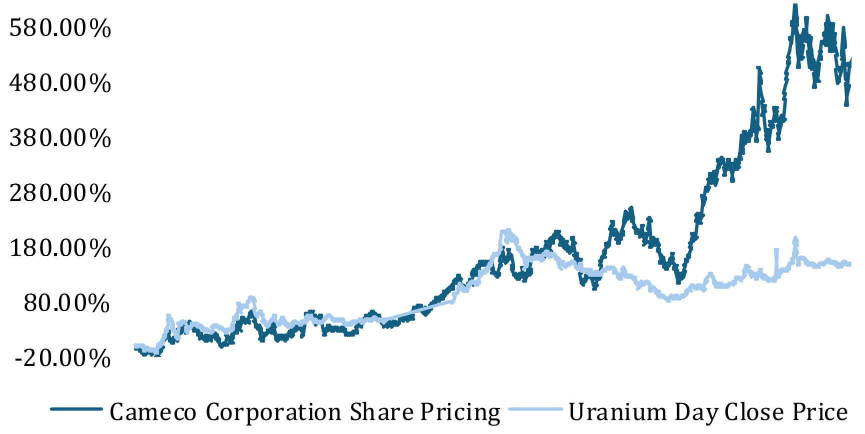
Energy Security — Geopolitical disruption has accelerated Western decoupling from Russian supply (35% globally)

AI Boom — Hyperscalers (MSFT, Google, AMZN) signing nuclear offtake agreements for baseload power

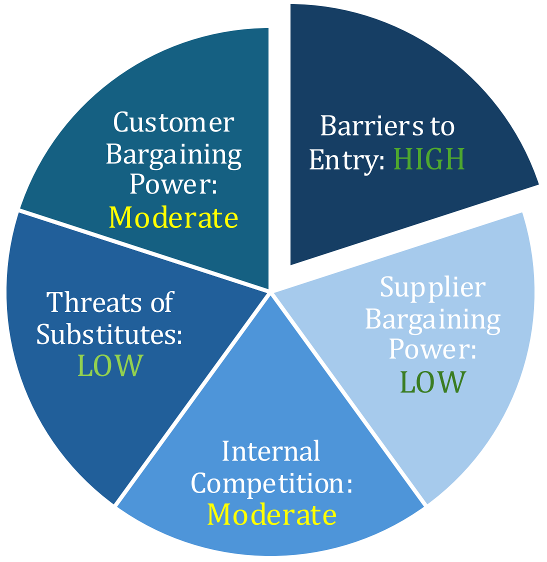
Supply Deficit — Global uranium production covers only ~75% of reactor requirements; gap filled by secondary supplies which are depleting



5 Year Returns Cameco vs Uranium Spot Price



Cameco's Competitive Position



Sources: COP28 Global Stocktake, UxC, World Nuclear Association, S&P Capital IQ Pro, Bloomberg

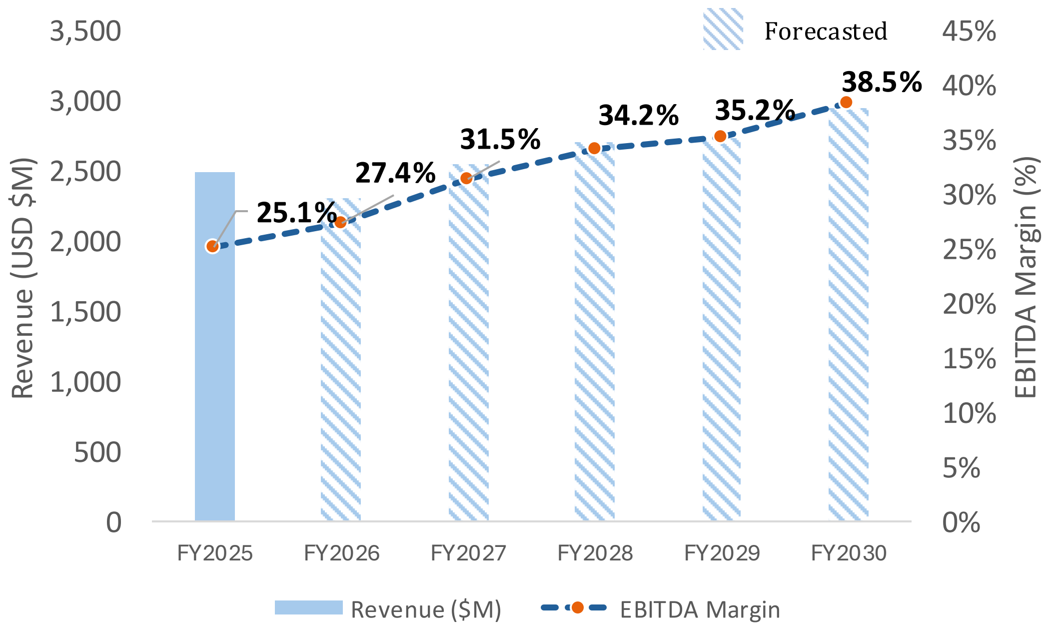
Financial Analysis

Revenue growth is consensus; margins must do the heavy lifting

3-statement snapshot | FY2025A–FY2030F

	FY25A	FY26F	FY27F	FY28F	FY29F	FY30F
Revenue ($bn)	2.49	2.30	2.55	2.71	2.74	2.95
EBITDA margin	25.1%	27.4%	31.5%	34.2%	35.2%	38.5%
Net income ($mm)	422	500	644	760	807	955
EPS ($/sh)	0.97	1.15	1.48	1.75	1.85	2.19

Revenue & EBITDA Margin | FY2025–FY2030



Key assumptions (base case)	FY2026	FY2027	FY2028	FY2029	FY2030
REVENUE DRIVERS					
Uranium sales volume (M lbs)	30.5	31.0	32.0	28.0	27.0
Uranium spot price (USD/lb)	$85	$87	$90	$92	$95
Fuel services volume (M kgU)	13.5	14.0	14.0	13.5	13.5
PRICE & CASH FL OW DRIVERS					
Realised U price (USD/lb)	$62.5	$67.1	$71.0	$74.0	$79.8
Capital expenditure (USD mm)	$370	$295	$275	$265	$260
WEC equity income (USD mm)	$251	$274	$298	$319	$340

Sources: Independent Financial Model, S&P Capital IQ Pro, Cameco 40-F Annual Report

Thesis I: Valuation Framework

What is priced in – Justifying today's price requires an unattainable perpetual growth

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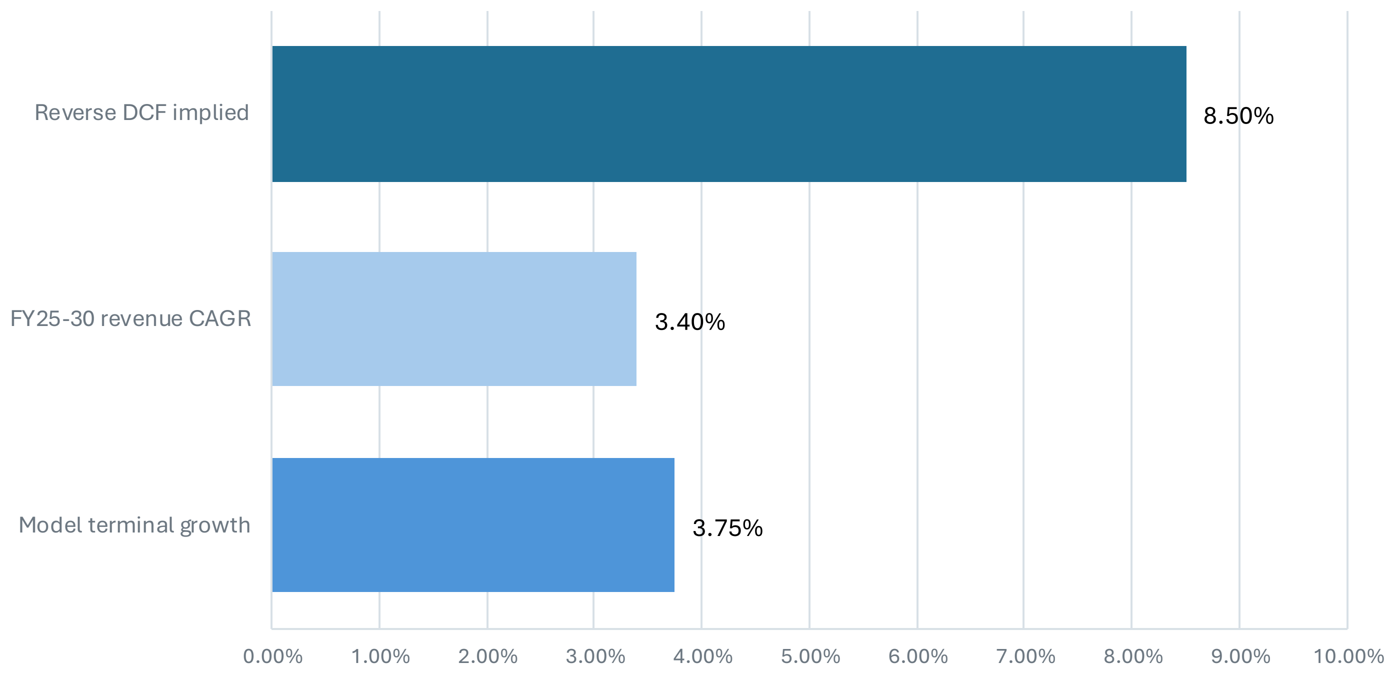
8.5%

Implied perpetual growth at the current share price

Reverse DCF assumes a 9.0% WACC and average of $240,997 FCF over FY2026-FY2030 period

Growth assumption comparison



Benchmarking the 8.5% reverse-DCF output

Model terminal growth	FY25–30 revenue CAGR	Reverse DCF ask	
3.75%	**3.4%**	**8.5%**	**~2.3x model terminal growth**

Sources: Independent Financial Model

Thesis II: Valuation Framework

DCF is the anchor; multiples are a cross-check, not the target

Cameco

WACC anchor

9.02%

Base-case WACC from direct CCJ beta

Risk-free rate	4.43%
Adjusted beta	0.98x
Equity risk premium	4.69%
Cost of equity	9.12%
After-tax cost of debt	3.16%

Peer-unlevered beta cross-check: 6.64% WACC

Why not MSCI Energy beta?

Energy-sector beta imports oil & gas cyclicality into a uranium contractor with fuel-services exposure. It understates the stock-specific volatility visible in CCJ trading data.

Risk: false precision from the wrong sector proxy

Bloomberg exit multiple issue

An exit multiple tied to today's uranium peer premium risks circularity: it capitalises the same market enthusiasm this pitch is testing.

Use multiples as a cross-check, not the target

Framework decision

1. DCF receives primacy because it forces explicit assumptions on uranium pricing, capex and terminal growth.
2. EV/EBITDA is retained only as a sanity check: the peer-implied value is still materially below the market price.

Bloomberg DCF Predicts a share value of $209.86 but...

1. **Bloomberg Exit Multiple | 73.3x EV/EBITDA |** Re-inputs today's peak trading multiple as terminal assumption.
2. **Implied WACC | 14.6% WACC |** Internally contradictory: High WACC + peak multiple

Sources: Independent Financial Model, Bloomberg, Damodaran Online, S&P Capital IQ Pro

DCF

Base-case value is terminal-value heavy, yet still far below the market price

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DCF output summary

PV discrete UFCF	PV terminal value	Enterprise value
$879mn	$11,723mn	$12,602mn
7% of enterprise value	93% of enterprise value	DCF operating value

UFCF build pressure point

FY2026 UFCF begins at only $54mm after taxes and capex; the DCF relies on recovery to ~$399mm by FY2030 and a large terminal-value contribution.

Revenue & EBITDA Margin | FY2025–FY2030

$/Share	2.75%	3.25%	3.75%	4.50%	5.25%
8.0%	$33.6	$36.5	$40.2	$47.6	$59.0
8.5%	$30.5	$32.9	$35.8	$41.5	$49.7
9.0%	$28.0	$29.9	**$32.3**	$36.7	$43.0
9.5%	$25.8	$27.4	$29.3	$32.9	$37.8
10.0%	$23.9	$25.3	$26.9	$29.8	$33.7

Equity bridge to per-share value

Enterprise value	$12,602
+ Westinghouse stake	$2,179
– Net debt	($739)
Equity value	**$14,041**
÷ FD shares	435mm

Base-case equity value / share **$32.3**

~70% downside vs. $108.95 current price

Market-price hurdle

The DCF grid never reaches the current share price.

$108.95 Current price

DCF scenario	$/share	vs. $108.95
Bear	$15.0	–86%
Base	$32.3	–70%
Bull	$51.5	–53%

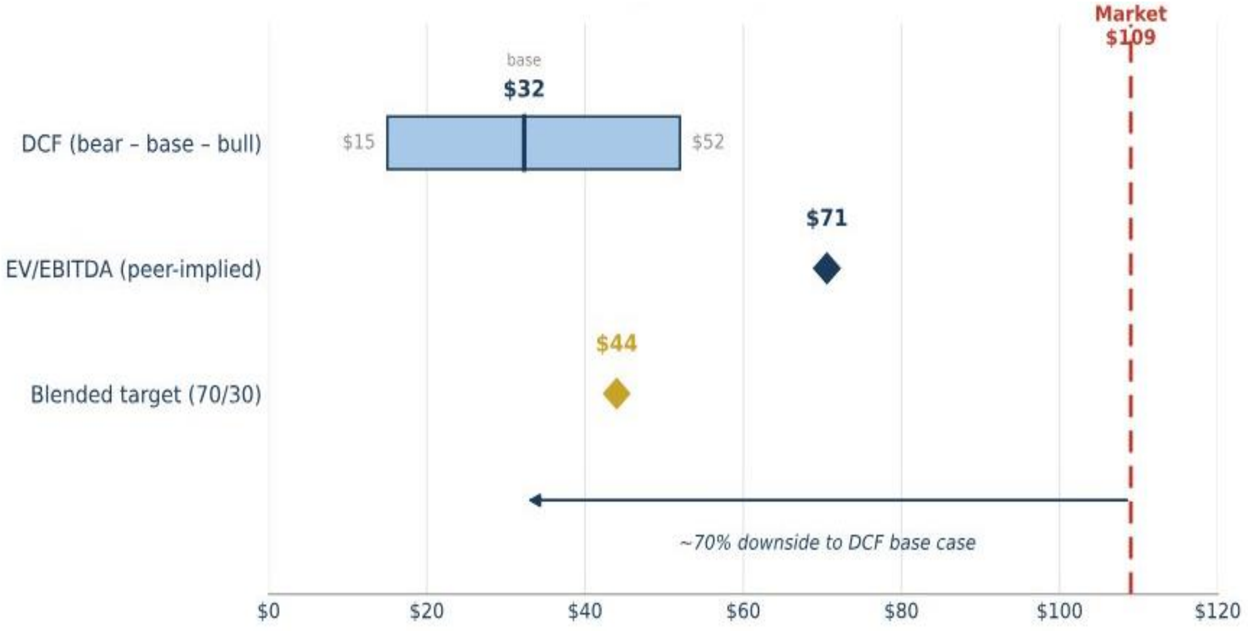
All 3 scenarios imply massive downside – the value has been priced in already.

Sources: Independent Financial Model, Cameco 40-F Annual Report (for WEC book value)

Peer comps confirm downside, but do not override the DCF target

Cameco

Valuation Football Field (USD/Share)



FY26 EV/EBITDA peer set

Cameco	32.3x
Centrus	48.2x
BWX Technologies	29.7x
Constellation	13.1x
Kazatomprom	6.6x
Peer mean	23.6x

Cameco's premium demands a better outcome than the model's base case.

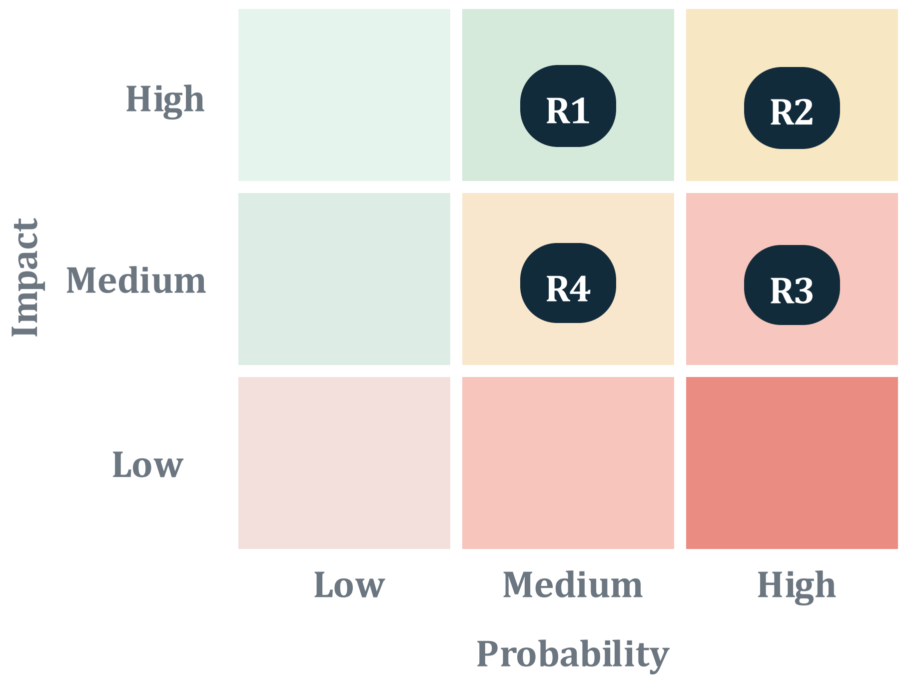
DCF base	EV/EBITDA base	70/30 blended base	70/30 blended bull	70/30 blended bear
$32.3	$70.1	$43.6	$81.4	$19.18

Sources: Independent Financial Model, S&P Capital IQ Pro, Bloomberg

Risks

Upside risks are real, but require a material break from the base case

Probability x Impact Matrix



R1 **Supply disruption**

A durable uranium shortage lifts contract pricing beyond our base case.

R2 **Accelerated nuclear build**

Faster reactor approvals pull demand forward and extend the cycle.

R3 **WEC outperformance**

Higher service backlog conversion validates a richer earnings mix.

R4 **Regulatory catalyst**

Policy action improves funding, permitting or fuel-security economics.

Sources: UxC, World Nuclear Association, Cameco Investor Presentation

Conclusion

The uranium bull case is already capitalised…

Cameco

Recommendation

SELL

$81.39

12-month target price

≈25.3% downside from $108.95

The pitch in three conviction points

1

Reverse DCF implies stretched long-term assumptions

Justifying today's share price requires ~8.5% perpetual growth versus a 3.75% base case model terminal growth rate.

2

DCF output remains far below market

Even with 93% of enterprise value from terminal value, the base case reaches only $32.3/share.

3

Relative valuation is a cross-check

FY26 EV/EBITDA peer work implies ~$70/share — still well below the current price, so it cannot overturn SELL.

…but:

What would change this view?

Durable realised uranium pricing above the base case, faster WEC profit conversion, or regulatory/fuel-security catalysts that lift free cash flow without expanding terminal-value risk.

Sources: Independent Financial Model