



## Why Nordion Shares Soared Today

### Description

*Although we don't believe in timing the market or panicking over market movements, we do like to keep an eye on big changes — just in case they're material to our investing thesis.*

**What:** Shares of **Nordion Inc** (TSX: NDN) popped 11% today after sterilization services provider Sterigenics agreed to acquire the Canadian medical isotopes supplier for U.S. \$727 million.

**So what:** The all-cash deal values Nordion at U.S. \$11.75 per share and represents a 13% premium to its closing price on Friday. Nordion is one of the world's biggest producers of molybdenum-99, an isotope used in medical imaging, so Sterigenics is naturally making the move to expand its presence in the growing field of gamma sterilization.

**Now what:** The transaction isn't subject to any financial conditions and is expected to close in the second half of this year. "This transaction delivers value to our shareholders and is a good strategic fit for Nordion", said Nordion CEO Steve West. "We believe this partnership is beneficial to Nordion's employees and our customers, as Nordion and Sterigenics combine their global expertise, industry knowledge and the same focus on high quality standards and values. This transaction also marks the successful completion of Nordion's strategic review."

But while Nordion shareholders can certainly wait for the full price of \$11.75, rolling at least some of today's profit into more diversified plays like **Balchem** and **Covidien** seems prudent.

### CATEGORY

1. Investing

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Author  
bpacampara

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