



## Why Cameco Corp. Tanked 6.3% on Friday

### Description

**Cameco Corp.** ([TSX:CCO](#))([NYSE:CCJ](#)), one of the world’s largest uranium producers, announced its third-quarter earnings results before the market opened on Friday, and its stock responded by falling 6.3% in the day’s trading session. The stock now sits more than 39% below its 52-week high of \$17.65 reached back on January 16, so let’s break down the quarterly results to determine if now is finally the time to buy.

### The results that ignited the sell-off

Here’s a quick breakdown of eight of the most notable financial statistics from Cameco’s three-month period ended September 30, 2017, compared with the same period in 2016:

Metric	Q3 2017	Q3 2016	Change
Revenue: Uranium segment	\$385 million	\$526 million	(26.8%)
Revenue: Fuel services segment	\$69 million	\$77 million	(10.4%)
Revenue: NUKEM segment	\$32 million	\$67 million	(52.2%)
Total revenue	\$486 million	\$670 million	(27.5%)
Gross profit	\$51 million	\$146 million	(65.1%)
Adjusted net earnings (losses)	(\$50 million)	\$118 million	>(100%)
Adjusted earnings per common share (EPS)	(\$0.13)	\$0.30	>(100%)
Cash provided by operations	\$154 million	\$385 million	(60%)

## What should you do now?

As the numbers above show, it was a horrible quarter overall for Cameco, which has been [an ongoing theme](#) for the company in 2017; in the first nine months of the year, its revenue is down 12.7% year over year to \$1.35 billion, its gross profit is down 35.2% year over year to \$199 million, and its adjusted net earnings have fallen from a positive \$0.21 per share in the year-ago period to a loss of \$0.36 per share.

With all of this being said, I think the sell-off in Cameco's stock on Friday was warranted. Furthermore, I would avoid the stock going forward, because I would not risk investing in a company with revenues and earnings in a rapid decline, and because there are much [better investment options](#) elsewhere in the industry today.

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2. Metals and Mining Stocks

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