



## Cameco Goes Nuclear With Big Acquisition! Is it Time to Buy Shares?

### Description

**Cameco** ([TSX:CCO](#)), together with **Brookfield Renewable Partners**, recently announced an exciting acquisition. The two companies reached an agreement to buy out Westinghouse Electric Company. Per the terms of the year, Brookfield will own 51% of Westinghouse and Cameco will own 49%.

This deal is an exciting development for Cameco, which, until recently, was only tangentially involved in the energy sector. Best known as a uranium [miner](#), it previously only supplied fuel for nuclear reactors. When the Westinghouse deal closes, CCO will be in the nuclear power plant business as well. Westinghouse supplies equipment to an [incredible 50%](#) of the world's nuclear reactors. It's a business with a great position in its industry, and it lines up with Cameco's own operations perfectly.

### What Westinghouse Electric does

Westinghouse Electric does a number of different things involving electricity. The segment most relevant to Cameco is Westinghouse Nuclear, which provides the following nuclear energy products/services:

- Uranium fuel (this business segment takes Uranium like that which Cameco supplies and turns it into usable fuel rods)
- Safety products for nuclear reactors
- Heat exchangers
- Electrical parts
- Engineering consulting (i.e., helping utility companies run their nuclear power plants)
- Waste management
- Spent fuel handling

This is a pretty wide array of nuclear power services. And it's not surprising that a business like this exists. Running a nuclear program is a complex task, and countries that want to operate nuclear reactors may need help with it. Westinghouse does a lot more than just nuclear power. In addition to that, it also supplies TVs, charging systems, lightbulbs, and more. But its nuclear segment is by far the

most interesting, and the one that has the most opportunities for Cameco.

## How Cameco gains from the deal

The most obvious way in which Cameco benefits from the Westinghouse deal is in being able to share in the company's profits. In this sense, it's no different from the other partner in the deal, Brookfield Renewable Partners.

However, Cameco also benefits in locking in a major buyer for its products. Cameco makes its money by selling uranium and nuclear fuel. Westinghouse sells nuclear fuel. One way in which their interests line up is in how Cameco's uranium can be used by Westinghouse to make fuel. It's possible that the two companies already have such a relationship, in which case, Cameco buying Westinghouse will cement the partnership.

The deal may also help Cameco find new partners. Westinghouse does business with half of the world's nuclear projects. That's a lot of contacts, and a lot of potential buyers for Cameco.

Finally, Westinghouse has a lot of expertise it could share with Cameco. It has a whole business segment dedicated to helping utility companies run their nuclear reactors. Should Cameco decide to break into the nuclear utilities business, it will have all the expertise it needs right at its fingertips.

So, buying out Westinghouse helps Cameco in more ways than one. It locks down a ready buyer for Cameco's product, supplies networking opportunities, and provides valuable expertise. It may not change the game for Cameco overnight, but it's a step in the right direction.

### CATEGORY

1. Investing
2. Metals and Mining Stocks

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1. NYSE:CCJ (Cameco Corporation)
2. TSX:BEP.UN (Brookfield Renewable Partners L.P.)
3. TSX:CCO (Cameco Corporation)

### PARTNER-FEEDS

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