



Another aspect of this deal we like is the company's focus on replicating cash flows into the future via royalties. If the deal is structured in such a way that the company can maintain the free cash flows from the Salix assets for a period of time without holding the debt associated with the assets, we view this potential deal very favourably.

Further analysis of the specifics of the deal will be needed for any long-term investor to make a decision one way or another on how such divestitures will affect Valeant.

### **More deals to come?**

Speculation is now abounding from analysts suggesting the proposed sale of Salix may be one of many divestitures. We will continue to monitor the company's asset portfolio and future divestitures, placing significant emphasis on the structure of the Salix deal. If this divestiture is completed in a fashion favourable to equity holders, we will see future divestitures as increasingly positive for the company.

### **Stock price reaction**

In recent days, the company's stock price has fluctuated significantly, initially moving higher after news of the company's debt-reduction initiative, then moving lower on news of weak Q3 earnings. We view the potential for future positive "shocks" to the stock price as a more likely scenario than downward movements and will continue to monitor this stock accordingly.

### **CATEGORY**

1. Investing

### **TICKERS GLOBAL**

1. NYSE:BHC (Bausch Health Companies Inc.)
2. TSX:BHC (Bausch Health Companies Inc.)

### **PARTNER-FEEDS**

1. Yahoo CA

### **Category**

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