



## Valeant Pharmaceuticals Intl Inc. on Fire to Start the Year

### Description

**Valeant Pharmaceuticals Intl Inc.** (TSX:VRX)(NYSE:VRX) has made plenty of moves to lighten its debt load, while advancing some of its key treatments heading into 2017.

The company is heating up as we enter mid-January, recently announcing plans to sell three medications for a total of more than \$2 billion in an effort to lighten the company's outstanding debt. Valeant is selling its cancer business Dendreon and three skincare products. The cancer treatment originally cost it \$495 million, and the company is flipping quite the profit as it is selling it for \$820 million to Chinese conglomerate Sanpower Group.

Valeant is also selling skincare brands CeraVe, AcneFree, and Ambi to L'Oreal for a whopping \$1.3 billion. The move is being made a reality thanks to an effort by the company, consisting of several small transactions between 2008 and 2012 and amounting to about \$150 million for the combination of the three. All in all, the company is making about eight times what it paid for the products.

Overall, the company has about \$30 billion in debt. In order to pay this off, Valeant said it was willing to offload up to \$8 billion in products. Gastroenterology business Salix may even be sold off at a loss, but this move is unlikely as the company is positioning itself for further success. CEO Joseph Papa said the executive team will be looking to pay \$5 billion over the next year and a half.

Asset sales and operation results from the company will help it reach this mark, according to Papa. Some have criticized the company for raising prices, but this move will undoubtedly help the company reap higher profits.

One of Valeant's recent successes is the Jan. 10 announcement that its latest psoriasis treatment has been quite effective. The company announced positive results from a Phase Three, multi-centre, double-blind, randomized clinical study that examines how safe IDP-118 is, consisting of halobetasol propionate and tazarotene to treat plaque psoriasis.

The Phase Three study examined 203 adult subjects with moderate to severe psoriasis, and it was quite effective, showing a treatment success rate of 35.76% to 6.98% at eight weeks. Many reached a "clear" to "almost clear" status from the treatment. The Phase Two part of the treatment was also

successful.

Valeant is expected to beat earnings expectations for its most recent quarter as well.

The company also expanded its partnership with Bausch & Lomb Incorporate regarding its Presbyopia contact lenses. These products have been around since Feb. 2016, when the global eye-health company first developed them. The product was originally available in parameters between -7D and +2D. The expansions allow the power range of the lenses to now be +4.50D to -10.00D.

VRX stock gained 7.5% on Jan. 10, while rising 12.1% year-to-date. Valeant has been on a hot streak to start the year, and there is no telling where this stock can go moving forward. The company has been reversing the weak trend it ended 2016 with by rolling on all cylinders in the new year.

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