



## Why a Name Change Is a Brilliant Move for These 2 Canadian Companies

### Description

For publicly traded companies, investors often have long-term memory with respect to scandals, particularly those that have resulted in significant share price declines in recent years.

In this article, I'm going to discuss two companies in the midst of turnaround efforts and why these firms have picked a great time to put a new name on their doors.

### Bausch Health Companies

For investors in Valeant Pharmaceuticals, the past three years have certainly been a bumpy ride. An over-leveraged balance sheet due to acquisitions made in the pharmaceutical space that relied on ever-increasing prices and relatively relaxed regulatory oversight have put the company's balance sheet at risk.

The recently re-named company **Bausch Health Companies** ([TSX:BHC](#))([NYSE:BHC](#)) has a new name and a relatively new management team, which has put a number of strategies in place to pay down debt, refinance existing debt, and increase cash flow, providing a much-needed share price boost to investors who held on or who doubled down in 2017/2018.

As it turns out, Valeant/Bausch has certainly become one of the [best contrarian plays](#) for investors looking for beaten-up stocks in recent years — if the company's management team can continue to do what it says it is going to do, this may be only the beginning of a long-term revival for shareholders.

### Bombardier

One company I have been markedly more bearish on in recent years is **Bombardier** ([TSX:BBD.B](#)) for a number of reasons and [scandals](#) which have “flown under the radar,” so to speak, for many investors of late.

Say what you want about the company's majority sale of its CSeries plane to Airbus SA (and I've commented quite a bit on this), but having the backing of a major international player in the aerospace industry is something shareholders apparently direly needed. The decision of Airbus to re-name the

CSeries program to the A220 has been linked to new orders for this niche jet, and expectations are that this program may in fact turn profitable in the years to come, despite significant manufacturing changes that will need to be made to eliminate the threat of tariffs over the long run from the U.S.

I'm not yet ready to turn bullish on Bombardier stock, but for investors who are buying into the long-term story here, I would recommend revisiting many of the alleged issues with how the company's management team has obtained contracts around the world before jumping in with two feet. Any additional regulatory scrutiny would certainly be a headwind for shareholders, and while Bombardier very clearly has the current Canadian federal government backing the outfit, political change could result in a light being shone on Bombardier and revealing more of what may be beneath the surface.

Stay Foolish, my friends.

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