



Will a New Acne Cure Give This Health Stock a Makeover?

Description

Bausch Health Companies ([TSX:BHC](#))([NYSE:BHC](#)) has won big on [dermatology advances](#), but will this success cure its ailing balance sheet? The company is struggling with negative earnings per share of \$2.61.

Hopefully, the new U.S. FDA approval of acne cream will help.

U.S. FDA approves new acne remedy

The common teen ailment of acne just got a new cure on the market thanks to Bausch Health and its dermatology business. Bausch Health Companies operates its dermatology business through Ortho Dermatologics, one of the most prominent dermatology researchers.

Ortho Dermatologics reported that the U.S. Food and Drug Organization (FDA) acknowledged the New Drug Application (NDA) tazarotene 0.045% lotion. The cream will be the first tazarotene skin break-out treatment accessible in a salve structure.

President of Ortho Dermatologics Bill Humphries commented, “A huge number of Americans are influenced by skin inflammation and, for a considerable lot of these patients, it tends to be hard to discover a treatment that works for them.”

Hopefully, this new cream will help Americans struggling to clear trouble skin another alternative to regain control of their appearance.

How well does it work?

The NDA submitted for the tazarotene lotion claims positive results from the phase three research using 1,614 patients with moderate to extreme skin inflammation. The study used mean noninflammatory and fiery injury tallies to gauge treatment effectiveness.

A significant level of subjects had at least a two-grade improvement by week 12. Many of the participants had “clear” or “practically clear” skin.

Both phase three ponders met standards for the effective treatment of acne. The lotion was additionally demonstrated to be well endured in the clinical study populace with few side effects. Like other harsh but effective acne treatments, patients complained of dry skin, peeling, and some redness at the site of application.

Will acne treatments remedy negative margins?

Skin breakouts are a common skin issue with a broad consumer base. In fact, it is the most widely recognized skin issue in the United States. The market is vast among teenagers and established working-age women who are interested in both clear skin and wrinkle prevention.

When hair follicles become stopped with oil and skin cells, whiteheads form as a result of clogged pores. Up to 50 million Americans have skin inflammation. Contingent upon its seriousness, skin break out can cause emotional and physical scars.

Bausch Health

Established in 1983, Bausch Health Companies fabricates physician-recommended medications and therapeutic gadgets. The organization centres on items with an expansive customer base, including psoriasis, actinic keratosis, skin break out, atopic dermatitis, and different dermatoses. The organization markets and distributes products globally throughout Canada, Europe, Asia, and Australia.

Unfortunately, the company’s balance sheet has not impressed investors, and the stock offers no dividends to shareholders. Failing to attract capital, the company has lost 0.14% of its value in the past year. While the stock has held up its value fairly well, despite its unprofitable quarterly reports, even bigger downsides might be on the horizon if it doesn’t start generating some returns for shareholders.

For the company to succeed, Bausch needs to turn around its [negative profit margin](#) of 10.88%, which will prove to be no small feat. Is the new acne drug enough to turn the odds back in Bausch’s favour?

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