



3 Reasons to Buy Bausch Health (TSX:BHC) Stock

Description

Bausch Health Companies ([TSX:BHC](#))([NYSE:BHC](#)) stock has a long and sordid history. Once an investor darling that could do no wrong, it eventually landed in the penalty box. Countless debt-financed acquisitions brought it there. Today, the company still struggles with a shocking amount of debt clouding what is otherwise a pretty solid company with a pretty solid long-term growth profile.

The lack of predictability and the unprecedented levels of uncertainty have taken all stocks down in 2020. The coronavirus has truly wreaked havoc on economic growth and stock prices. As this continues to unfold, we need to focus on those stocks that will be most immune to the crisis.

Enter Bausch Health stock.

Innovation drives Bausch Health forward

Within this environment, Bausch Health [continues to drive innovation forward](#). To this end, the company continues to chase approvals for its many innovative solutions. Bausch Health's emphasis is on its integrated specialty pharmaceutical and branded generic businesses. Its areas of focus are eye health, gastroenterology, and dermatology. Bausch has a goldmine of products and competencies that have been overshadowed by its dark history.

With this, Bausch is continuing to pursue the development of innovative health solutions. Through its leading global eye health business, Bausch and Lomb, Bausch Health is working hard to improve eye health.

In May, the company received approvals for two leading-edge contact lenses. These lenses address some of the common problems that contact lens wearers face. These problems compromise a patient's vision and often lead to the discontinuation of contact lens wearing. These problems include dry eye and dysphotopsia (an unwanted image that patients see after cataract surgery).

These are small steps toward Bausch's goals of returning to revenue growth. The company also has many other products that it is working on in its other areas of specialty.

Bausch Health looks to help treat the coronavirus

Bausch Health operates globally. This diversification will mean that the outlooks in different countries will differ dramatically. The company continues to advance its pipeline and is even working on COVID-19 therapies.

The company has Virazole in clinical trial for the treatment of COVID-19. It is one of Bausch Health's drugs that is currently approved in many countries, including Canada and the United States. It treats severe pneumonia and respiratory infections in infants and young children caused by RSV (respiratory syncytial virus). Two key benefits of Virazole are that it is inhaled directly into the lungs and that it limits viral replication. The drug has already been given to patients on a compassionate-use basis.

Bausch Health stock is defensive, despite its debt problem

The healthcare sector is [a famously defensive sector](#), and this is increasingly an attractive place to be in this increasingly tenuous economic environment. With goods and services (i.e., drugs and medical care) that are insensitive to fluctuations in the economy and consumer wealth, the healthcare space is an attractive one at this time.

Net debt has been reduced by approximately \$8 billion compared to a few years ago, declining from over \$30 billion to the current \$22 billion. While this is still high and certainly elevates the risk profile of the stock, it is at least moving in the right direction.

Foolish bottom line

Bausch Health continues to strive for a better business than it was. With a renewed focus on financials and profitability, Bausch Health is becoming good stewards of investors' capital. It can focus on improving the health of patients more effectively now that its strategy is financially sound.

CATEGORY

1. Coronavirus
2. Investing

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