



## The 1 Stock I'd Buy Right Now

### Description

**Bausch Health Companies** ([TSX:BHC](#))([NYSE:BHC](#)) is the one stock I'd buy right now.

This global healthcare company develops and manufactures a variety of pharmaceutical products, ranging from eye care and gastroenterology products to medical devices, over-the-counter products, and dentistry products.

Bausch's products are sold in about 100 different countries around the world. The top three countries in which the company operates are the United States/Puerto Rico, China, and Canada.

### Bausch stock is still in the red for the year

Bausch, formerly Valeant Pharmaceuticals International, the disgraced company that was once Canada's most valuable publicly-traded company, has so far missed the wave that has pushed other healthcare stocks higher over the past three months. Its stock is down about 30% since the start of the year.

Bausch stock fell this year largely due to the pessimism surrounding its generic pharmaceutical business. With the pandemic and lockdowns in several cities, people have been avoiding nonessential doctor visits, which in turn translated into lower prescriptions issued. In addition, with the closure of several stores, sales of Bausch + Lomb contact lenses are likely to have declined.

However, as global economies gradually reopen, prescriptions issued are expected to increase and support Bausch pharmaceutical business, which should help drive the stock higher.

### The company's finances are improving

Bausch currently has \$912 million in cash and \$1 billion available under its revolving credit facility, and its debt is not due until 2022. Thus, the company is well placed to withstand any storm from the point of view of liquidity.

Similarly, Bausch continues to emphasize the importance of repaying its massive debt resulting from the company's previous business strategy. From 2015 to 2016, Bausch stock lost around 90% of its market value due to the company's destructive acquisition strategy. Indeed, the company bought drugs and inflated their prices, which led to a highly leveraged business model.

Bausch CEO Joseph Papa has boosted revenue, reduced losses, and paid off the mountain of debt he inherited when he took over in 2016.

Bausch's current long-term debt is \$24.4 billion. It has been able to repay \$7.9 billion of its debt since Papa took control of the company. In the first quarter of 2020, the eye care company repaid \$220 million of its debt with cash generated from operations.

## Bausch has a drug that could help treat COVID-19

[Papa said](#) that he sees a return to business starting in the third quarter. The company is expanding its footprint in Canada.

Bausch is also part of the hunt to find ways to treat COVID-19, but not through a vaccine.

One of Bausch's existing drugs, Virazole, which hospitals use to treat respiratory infections in infants and children, could help adults suffering from COVID-19.

In May, Bausch received approval from Health Canada to start a trial. Papa hopes to see results in six months.

## Why you should buy Bausch stock

Bausch stock is a good long-term buy in the healthcare sector. The massive stock sale following the COVID-19 pandemic has created an excellent opportunity to acquire the healthcare company at a cheap price.

If you add this low price to the opportunistic healthcare sector and the pharmaceutical industry, the upside for Bausch is huge. [Bausch stock is a smart risk to take.](#)

### CATEGORY

1. Investing

### TICKERS GLOBAL

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

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