



## Bausch Health Companies (TSX:BHC) Stock: A Top Canadian Healthcare Stock to Buy Today

### Description

The mention of **Bausch Health Companies** ([TSX:BHC](#))([NYSE:BHC](#)) stock will likely bring up vastly different reactions in different investors.

These reactions will depend on our own individual experiences with the stock. Some will remember it as the former Valeant Pharmaceuticals that crashed and burned. Others will think fondly of Bausch Health stock's recovery from lows of \$11.45 in 2017. Before the pandemic hit, Bausch Health stock had surged 300% from its 2017 lows.

Without further ado, let's take a look at why I believe that Bausch Health Companies stock is a healthcare stock to buy today.

### Bausch Health recovers from coronavirus lows

Back in the second quarter of 2020, Bausch Health reported a sharp drop in revenue. Revenue declined 23% as the world shut down. Surgeries declined significantly and patients were postponing or limiting doctor visits. Consumers scaled back their contact lens purchases as they stayed home more. Things were tough.

At the time, we weren't sure how long lockdowns would last, what a recovery would look like, or how long it would take. Today, Bausch Health reported its third-quarter earnings, and [we can already see a recovery taking shape](#). Revenue increased 28% sequentially and was down only 3% versus last year. All business segments reported a 20-30% sequential growth rate.

### A healthcare stock investing in innovation to drive long-term growth

As with any healthcare business, Bausch's business needs investment to ensure long-term growth.

Bausch is significantly invested in the eye health business. It represents approximately 55% of Bausch's total revenue, and it is an area that Bausch has been very active in. So, its \$10 million investment to gain the option to acquire Allegro's Ophthalmic's eye disease assets fits right in.

Of particular interest to Bausch is Allegro's retinal disease medicine, risuteganib. This drug is to treat diabetic macular edema (DME) and dry age-related macular degeneration (AMD). The drug has two phase-three studies for AMD with early results showing good promise. Age-related macular degeneration is a condition that severely affects central vision. There is currently no treatment. It is estimated that it affects 16 million people in the U.S., and that it will affect 196 people globally by 2040. There is a big unmet need for treatment.

The other therapeutic areas that Bausch is investing in are myopia and dry eye.

## Bausch Health stock remains a defensive one

Bausch Health's volatile stock price performance notwithstanding, the fact remains [that this is a defensive stock](#). So, now that the company is managing itself better, the stock can finally begin to trade like one. In fact, with debt levels under control and prior legal battles being resolved, the risk in the stock has diminished significantly. But the reward potential remains. Bausch's business is a defensive and resilient one. Healthcare spending is insensitive to the general economic woes. The aging population will drive growth in this sector and new technologies, therapies, and treatment will continue to improve outcomes.

## Motley Fool: The bottom line

The bottom line is that healthcare is a defensive business. Accordingly, Bausch Health Companies stock can be viewed as a defensive stock. With its past troubles largely behind it, Bausch Health is moving forward in a positive direction. Bausch Health stock is down 6.5% today, making it a healthcare stock to buy now.

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1. Investing

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