



2 Top Value Stocks to Buy Right Now on Sale

Description

The S&P/TSX Composite continues its [incredible rally](#) from a pandemic-ravaged economy in 2020. Despite the substantial gains, investors can find hidden gems or value stocks the market is underestimating. You can buy a couple of them at discounted prices and reap the rewards in the medium or long term.

TSX's healthcare sector experienced a broad weakness that it was one of the worst performers last year. However, it has regained lost ground and is now the second-best performing sector with a 27.65% year-to-date gain. Among the [bargain deals](#) today are **Trillium Therapeutics** (TSX:TRIL)(NASDAQ:TRIL) and **Bausch Health** ([TSX:BHC](#))([NYSE:BHC](#)).

Transformation program

Trillium Therapeutics trades at \$11.81 per share, 37% off its 2020 year-end closing. This value stock was the bright spot in the healthcare space last year with its 1,308% total return. The current share price is a good entry point before it soars again. Analysts forecast the stock to climb to \$21 or a 78% return potential.

The \$1.22 billion clinical-stage immuno-oncology company from Mississauga develops therapies for cancer treatment. Like most biotech firms, Trillium's growth hinges on successful clinic trials of its lead drug candidates. The company's two clinical programs, TTI-621 and TTI-622, focuses on CD47 that cancer cells or tumours frequently use to evade the immune system.

In Q1 2021 (quarter ended March 31, 2020), Trillium reported a \$10.8 million net loss versus the \$16.6 million net loss in Q1 2020. The research and development expenses grew to \$5.9 million due mainly to higher manufacturing costs. Trillium had to support its expanded clinical operations and higher clinical trial costs related to increased patient enrollment.

Jan Skvarka, Trillium's president and CEO, said, "Building on a robust foundation anchored in a demonstrated monotherapy proof of concept of TTI-622 and TTI-621 in multiple lymphoma indications. We have initiated an ambitious Phase 1b/2 program in nine patient settings across hematologic and

solid tumor cancers.”

Skvarka is confident Trillium is well positioned to execute its recently initiated Phase 1b/2 program with a major transformation program. It should generate a robust flow of new data over the next couple of years.

Innovation in eye health

Bausch Health was an underperformer, if not the worst in the sector last year with its -32% total return. However, the stock (\$31.82 per share) is among the actively traded equities today. The year-to-date gain is nearly 47%, notwithstanding the \$610 million net loss in Q1 2021 (quarter ended March 31, 2021).

However, the \$11.47 billion firm from Laval generated \$443 million cash from operations, nearly 70% more than in the same period last year. Bausch engages in the manufacture of pharmaceutical, medical device, and over-the-counter (OTC) products. The primary focus is on eye health, gastroenterology, and dermatology.

The thing to watch for is the next generation of Bausch + Lomb eyeTELLIGENCE software. Bausch and Lochan LLC, a software development company, will collaborate to develop the clinical decision support software and launch its first phase by 2022.

Bausch will become the first company to connect the operating room to the cloud using eyeTELLIGENCE technology. According to Dr. Mark Lobanoff, founder of Lochan, the next generation of eyeTELLIGENCE software will help surgeons use data to make faster treatment and procedural decisions.

Must-buys

Value investors should include Trillium Therapeutics and Bausch Health in their shopping lists. The respective share prices could soar in 2021 and beyond.

CATEGORY

1. Investing

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

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