



Bausch Health: Now Is the Time to Buy This Value Stock

Description

Joseph Papa joined **Bausch Health** ([TSX:BHC](#))([NYSE:BHC](#)) a few years back and began the journey to position the company on a path for future success and growth. While the journey is in an early stage, and there are still some legacy issues to resolve, Bausch Health appears to be on a path to [stabilize the business](#), deliver on financial commitments and execute existing and new product opportunities.

Every day, Bausch Health focuses on opportunities to generate value for shareholders, recover relationships with the company's partners, make positive contributions to the healthcare community, and build a special place for the company's 20,000 employees. The company has advised that this multi-year journey will require three distinct phases, which includes turning around the business and transforming the company.

Focused on improving lives

Over the last year, Bausch Health's attention was directed at laying the foundation for a company focused on improving peoples' lives with healthcare products. This appears to be a philosophy that guides the company's daily decisions and actions. A few years back, the company made some important strides. It recruited a strong new leadership team with significant industry experience and a determination to turn around the business.

Further, Bausch Health re-affirmed a commitment to uphold the highest standards of integrity and ethical corporate behaviour, and established a patient access and pricing committee to oversee pricing actions. Bausch Health realized that it could only earn back the trust of the company's shareholders and stakeholders with transparency and therefore introduced reporting segments that offer enhanced visibility into the company's performance.

Obtained approvals for key products

Also, Bausch Health recognized that the company's employees are critical to being successful and has improved sales force retention rates. Bausch Health identified core areas of the company's business

where it believes the return on investment will yield long-term growth. Finally, as it refocuses research and development (R&D) investments, the company celebrated several approvals for key products including Oral Relistor, Bausch + Lomb Ultra for presbyopia and, brodalumab for moderate-to-severe psoriasis.

In addition, Bausch Health has taken the necessary steps to stabilize the company and is now focused on navigating the company's turnaround and transformation. The company had made a commitment to paying down \$5 billion in debt from divestiture proceeds and cash flows from operations within an 18-month timeframe. Since making that commitment, the company has paid down approximately \$2.5 billion in debt.

Flexibility to operate the business

Furthermore, Bausch Health divested or agreed to [divest a number of assets](#), which will reduce the complexity of the company's portfolio and which will generate total asset sales proceeds of approximately \$2.7 billion. Bausch Health made all scheduled payments due and announced key divestitures of several products in the company's consumer skincare business and the sale of the company's Dendreon business.

Bausch Health plans to use net proceeds from both asset sales to reduce company's debt. Bausch Health sees opportunities to generate value for shareholders and has now also refinanced debt obligations to provide an improved near-term maturity profile. This provides more flexibility under Bausch Health's requirements to operate the business.

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