



## 3 Former Darlings to Reconsider Today

### Description

Have you ever wondered what happens to some of the less-desirable stocks on the market from prior years? Some of them have managed to turn around, and quite drastically. Here's a look at three stocks to reconsider buying that investors were once told to stay away from.

### Forget the past: New name, new business

The first stock to reconsider is **Bausch Health** ([TSX:BHC](#))([NYSE:BHC](#)). It's been several years now since Bausch (under its former name, Valeant) saw its stock price drop over 90%. The stock was a darling of the market. After that epic drop, the stock was resigned to the discount bin and straddled with billions in debt.

Fast forward to today, Bausch is renewed, refreshed, and profitable. In the most recent quarter, the company reported revenue gains of 26% over the same period last year.

Those gains allowed Bausch to repay US\$500 million worth of debt. The company is also forecasting to pay down a further US\$350 million. Year to date, the stock is up over 40%, and looking back over the trailing 12-month period, it shows a gain of 77%. Even better is the fact that this stock could rise further still.

Is that enough to consider buying? Whereas it was once one of the riskiest stocks on the market, Bausch has improved its fortunes drastically. There's still plenty of long-term potential for further growth too. This makes it an ideal stock to have a small position in.

### Sold off everything ... except the smaller (profitable) jets

There are a lot of things that investors will recall about **Bombardier** ([TSX:BBD.B](#)). The one-time train and plane maker has sold off much of its former self in recent years, including its famed rail business.

All that remains today is Bombardier's smaller business jet business, and that might be just perfect

news for investors of the Montreal-based company.

Apart from paying down debt and greatly reducing costs, Bombardier has been busy rolling out new business jets. Specifically, the highly successful Global 7500 has broken speed and distance records and received near-universal praise. More importantly, the jet has a full order book.

That successful recipe may soon be repeating itself. Bombardier launched an updated version of its smaller mid-sized Challenger 350 jet earlier this month. The new version, dubbed the Challenger 3500, includes many of the unique features that made the Global line of jets so popular.

Bombardier is already taking orders for the 10-passenger jet, which carries a list cost of US\$26.7 million. Entry into service is not expected before next year.

Is that enough to consider buying? In a word, perhaps. What Bombardier has done with its business jet business so far is impressive. This appears to be its niche or goldilocks zone of the market. More importantly, this segment is one that Bombardier can handle.

The stock may still be risky, and Bombardier still carries a lot of debt, but these are encouraging signs.

## Will you reconsider a stock that almost went nuclear?

**Cameco** ([TSX:CCO](#))([NYSE:CCJ](#)) is another stock with a rough past. Cameco is one of the largest uranium miners on the planet. To be clear, nuclear energy is clean, but it's hardly without risks.

The aftermath of the Fukushima reactor disaster in 2011 reminded everyone of those risks. Uranium prices bottomed out at sub-US\$20 per pound, falling from nearly US\$60 per pound. Demand for nuclear power globally disappeared almost immediately. For Cameco, the company was left mining something that was dropping in value and nobody wanted.

Cameco eventually shuttered some facilities, cut staff, and slashed its [dividend](#) to drive down costs. The company also began to fill existing long-term orders from its inventory backlog. All of those efforts helped Cameco survive, while the market improved.

Fast forward to today, and uranium trades at just over US\$50 per pound. Market conditions are improving. There is a [growing demand](#) for nuclear power again. U.S. president Biden has already noted the appeal of utilizing nuclear power to fuel a renewable energy push.

That push will take Cameco on for the ride. But should you reconsider buying? Cameco's stock price is up over 55% year to date right now. As impressive as that sounds, particularly with improving market conditions, this might be one to wait on before buying. In short (pun intended), WallStreetBets is at it again, and Cameco is one of the targeted stocks.

### CATEGORY

1. Investing

### TICKERS GLOBAL

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

2. NYSE:CCJ (Cameco Corporation)
3. TSX:BBD.B (Bombardier)
4. TSX:BHC (Bausch Health Companies Inc.)
5. TSX:CCO (Cameco Corporation)

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## **Category**

1. Investing

## **Date**

2025/08/25

## **Date Created**

2021/09/25

## **Author**

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