



Is Bellus Health Stock Still a Buy After 30% Earnings Jump?

Description

Shares of **Bellus Health** ([TSX:BLU](#)) jumped an astounding 30% last week after the chronic-cough therapy company reported strong earnings. Once a steal, Bellus stock is now back to near 52-week highs. So is this biotech stock still a buy?

What happened with Bellus Health

During the first quarter, management reported they would have an end-of-phase 2 meeting with the Federal Drug Administration in June 2022. This could allow Bellus to enter the third phase in the second half of 2022.

The second phase allowed the company to showcase the effectiveness of its SOOTHE trial. Its BLU-5937 remedy improved the severity and quality of life for those with chronic cough.

Bellus remained in a solid cash position with US\$234 million on hand. It announced a net loss of US\$14.4 million compared with a loss of US\$15.8 million the year before — the improvement was thanks to lower costs surrounding research and development for BLU-5937.

So what?

It's not just that Bellus is improving its financial position; it's also getting closer to getting BLU-5937 to market. Chronic cough affects millions of Americans, and the company is also meeting with European agencies to get them on board as well.

Obtaining FDA approval is an enormous milestone for any biotech company. Once a product is approved in the U.S., it allows other countries to fast-track their approvals, which would lead to an enormous increase in revenue for the company.

Now what

A few things. First, management is set to discuss the results of its trials during a [thoracic conference](#) in late May. Then of course there is the meeting with the FDA to look forward to in June. Both will allow investors some insight into when we can expect BLU-5937 to come to market.

Meanwhile, analysts remain solidly behind Bellus stock. In particular, they see a high likelihood of the company being able to expand the product on a global scale. Some analysts noted the company will be able to take on an increased market share of up to 32%. Therefore, the company continues to see an increase in its target price.

Bottom line

Bellus looks to be in a strong financial position, with potentially less than a year before its BLU-5937 is available for purchase. With FDA approval, the company would be able to expand rapidly. So even at around \$11 per share, investors should watch for more boosts in the future.

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