



2 Fallen Stars That Will Fly High Again

Description

BlackBerry Ltd. ([TSX:BB](#))([NYSE:BB](#)) and **Valeant Pharmaceuticals Intl Inc.**

([TSX:VRX](#))([NYSE:VRX](#)) are down over 90% from their all-time highs. While the longer-term chart looks ugly, there are many reasons to reconsider these fallen stars as we head into 2018.

Both businesses have reinvented themselves and are much different than they were before their catastrophic plunges. Unfortunately, the long-term chart is a huge reason why many investors opt to ignore these fallen stars, but as each business get back on the map, I believe investors will gradually forgive them as they gradually head back into the green.

Valeant and BlackBerry shares will likely not completely rebound back to all-time highs over the next few years, since that would imply a return of over 1,000% to recover from their +90% declines; however, over the next decade and beyond, I think both stocks are capable of seeing their all-time highs again, especially with their promising new growth profiles.

Let's take a closer look at each business and see which, if any, you should buy today.

BlackBerry Ltd.

I've been skeptical of BlackBerry's abilities to reinvent itself for quite some time. Shares of the company have pretty much gone nowhere over the last five years, as the company turned a corner with its business model. The new and improved BlackBerry has a front-row seat to the self-driving car space with its "industry-leading" cybersecurity solution that could be in the connected cars of tomorrow.

Why is the stock a buy now after all the years of underperformance?

This year was full of cybersecurity breaches, and next year is likely going to be more of the same. All eyes will be on preventative measures, as we gradually shift towards mission-critical systems in a few years.

Today, the privacy of a firm's users are at stake, but in a few years, with self-driving cars on the road, the penalties for breaches will be exponentially more severe. Lives will be at stake, and there is simply

no room for cutting costs in the cybersecurity department. Firms like BlackBerry that are on the cutting edge of cybersecurity will be poised to benefit, especially if BlackBerry becomes the hands-down solution of choice for safeguarding the vehicles of tomorrow.

In addition to the promising QNX tech, BlackBerry is also slated to make a huge splash in enterprise IoT devices, like Radar, which aims to drive efficiency, utilization, and cost savings for enterprise trucking fleets.

BlackBerry is poised to [capitalize on two red-hot markets](#) in cybersecurity and IoT, so I don't think its shares will be kept down for too long, especially over the next five years, as this new tech works its way into everyday lives.

Valeant Pharmaceuticals Intl Inc.

You're probably well aware of the [downfall](#) of this company, so I'll just cut to the chase. Valeant is under new management with CEO Joseph Papa, who's done an incredible job of cutting debt, repairing the balance sheet, and sparking organic growth. Papa has essentially saved the company, which was on a brink just a few short years ago.

Papa's new plan addresses the issues that investors were afraid of. Going into 2018, Valeant could finally reap major rewards from the products of its promising drug pipeline. Vyzulta could be a major hit that could boost Bausch + Lomb, which has been a major bright spot for Valeant of late.

The days of serial M&A, price gouging, and accounting fraud are long gone. The new management team is cleaning up the mess at a quicker rate than they originally anticipated, and as a result, shares have surged over the past month.

More recently, the stock plunged 11.27% following a downgrade from **JPMorgan Chase & Co.**, which claimed Valeant's valuation had gone out of control after the recent rally. While the recent rally was incredible (almost doubling in a month and a half), I think there's still substantial value left in shares when you consider the progress and the company's organic growth runway. I'd treat the recent downgrade dip as nothing more than an opportunity to buy more.

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CATEGORY

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2. NYSE:BHC (Bausch Health Companies Inc.)
3. TSX:BB (BlackBerry)
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