



## Looking for Growth? Forget Cannabis. Go Retro With These 2 Previous Growth Kings

### Description

Canada has had many darling growth companies over the years, and with the rise of the cannabis industry and technology companies such as **Shopify Inc.** ([TSX:SHOP](#))([NYSE:SHOP](#)), perhaps a new dawn is on the horizon, and Canadians need to focus on the new kids on the block.

That being said, I'm going to touch on two previous Canadian growth gems and discuss why they may not be all that "washed up" compared to the up-and-coming competition.

### Valeant

One of my previous picks for a [turnaround play](#) in 2017 was Canadian pharmaceutical giant **Valeant Pharmaceuticals Intl Inc.** (TSX:VRX)(NYSE:VRX). The thesis behind Valeant has not changed, and since the beginning of 2017, Valeant has actually performed quite well, up more than 45% over the past 52 weeks alone.

The company's management team has done an excellent job of paying down debt, already far exceeding a short-term goal of \$5 billion in debt reductions, and it has begun to focus on generating growth through its core drug segments, which are poised to take advantage of high-growth potential in the years to come.

With a large debt overhang still encumbering Valeant, the question will be whether the expected growth from the products in Valeant's pipeline will live up to expectations and provide enough organic cash flow to begin paying down debt the old-fashioned way, avoiding further debt restructurings or asset sales.

### BlackBerry

In the tech sector, **BlackBerry Ltd.** ([TSX:BB](#))([NYSE:BB](#)) has really begun to turn the corner as of approximately mid-2017. Over the past 52 weeks, BlackBerry has provided investors with a return of no less than 77.5% — not too shabby for a company that many wrote off a long time ago, and one which has largely been forgotten by many investors who've taken big losses over the past decade.

The company has done an excellent job of transitioning toward a [pure-play software company](#), away from its traditional hardware roots. With ambitions of becoming a top global player in software supporting the autonomous vehicle segment, BlackBerry has a significant amount of upside should the company's management team continue to exceed expectations in the quarters and years to come.

### Bottom line

The Canadian cannabis sector and technology companies like Shopify have proven their ability to dole out quick double-digit (or even triple-digit) returns to investors willing to make the momentum bet that all will continue in perpetuity and everything will go according to plan.

BlackBerry and Valeant are two companies which show what can happen when complacency sets in for growth companies on the "expectations treadmill." Every earnings report, investors will demand outsized growth returns; anything less, and a sharp correction could be in order.

With BlackBerry and Valeant now off the treadmill and on the path to creating organic growth, these companies offer better long-term fundamentals, in my opinion, than the aforementioned young up-and-coming TSX growth players.

Stay Foolish, my friends.

### CATEGORY

1. Investing
2. Tech Stocks

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1. Editor's Choice

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1. NYSE:BB (BlackBerry)
2. NYSE:BHC (Bausch Health Companies Inc.)
3. NYSE:SHOP (Shopify Inc.)
4. TSX:BB (BlackBerry)
5. TSX:BHC (Bausch Health Companies Inc.)
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