



1 Explosive Turnaround Growth Stock You Won't Want to Miss

Description

While it may be tempting to invest in the U.S. markets to get your growth fix, there are red-hot growth names that trade on the TSX and don't require you to play the forex game while you swap your loonies for greenbacks at a rate that can only be described as disappointing for Canadians right now.

[Valeant Pharmaceuticals Intl Inc.](#) (TSX:VRX)(NYSE:VRX) is one growth name that many investors have written off because of its troubled past. The company recently graduated from damage control mode and is steering back into organic growth territory.

Goodbye Valeant, hello Bausch!

We're finally going to stop hearing the infamous name *Valeant* as the new management team looks to further [dissociate itself](#) from the infamous debt (and greed) fuelled acquisition spree that occurred under ex-CEO Michael Pearson just a few years ago.

Come July, the name of the firm will be *Bausch Health Companies*, a legitimate new business that's poised to return on the path to organic growth as it cuts ties with past events, which racked up a hefty debt bill that's still years from being brought down to a somewhat healthy balance sheet.

New CEO Joe Papa has done a terrific job thus far, but he's still on a tight timeline as Bausch moves into organic growth mode with ~\$1.1 billion in debt expected to be paid back in about two years. Under Papa, approximately ~\$7 billion in debt has been chipped away so far, buying the company enough time to focus on getting top-line growth back in the green in order to raise proceeds that'll cut the remaining ~\$25.4 billion in debt without the need for further divestments.

Promising catalysts could send the stock flying

The company's new drug pipeline appears promising at this point, and in a year from now, we could see Vyzulta and many other drugs become a grand success; however, like most pharma plays, it's notoriously difficult to forecast whether a new drug will be a blockbuster or a dud.

Although Papa remains, in my opinion, the best person to turn the ship around, the company is still

under immense financial stress by anyone's standards and further remnants of the company's troubled past (ongoing investigations of ex-employees) may come back to haunt investors as a disturbing reminder of the happenings under Pearson and company.

Although more ex-Valeant employees may plead guilty over the coming months, investors ought to remember that Valeant is no more. Bausch is essentially a new company with a new leader at the helm and a turnaround strategy that just might take everyone by surprise!

Bottom line

At this time, Bausch remains a high-risk investment for aggressive investors seeking massive upside potential. The company certainly has the capacity to deliver double-digit organic growth if all goes well with the new drugs coming down the pipeline; however, if those drugs fail to demonstrate the promise of the clinical trials, we may see Bausch revert to divestiture mode as the next round of debt (~\$1.1 billion) comes due in 2020.

When it comes to Bausch, it's rebound or bust. With Papa at the helm, I'd say the odds are heavily in the favour of the rebound side, as I think he's got what it takes to pull off what could be one of the greatest turnaround stories in recent memory. Just a few years ago, the company looked like a bankruptcy waiting to happen, but now it looks like the reinvented company may live to die another day.

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