



Thousands of Investors Are Getting Rich Off These 3 Stocks

Description

Great stocks often stay great for decades at a time. Consider Warren Buffett's **Berkshire Hathaway**. From 2000 to 2002, shares doubled in price. Many investors likely took profits, yet over the next five years, shares doubled again. Since then, shares have doubled *yet again*. Doubling in price is just what Berkshire Hathaway stock does time and time again.

Other stocks have the same impressive history *and* the same potential to do it again. Thousands of investors have gotten rich off the following stocks, but the opportunity to create [massive wealth](#) isn't over.

Find a niche

Constellation Software ([TSX:CSU](#)) has perfected its niche. In 2010, the company was worth less than \$800 million. Nine years later, the stock has exploded higher by 3,600%, reaching a market cap of \$28 billion. Whatever Constellation is doing, it's making shareholders rich.

Fortunately, it should be able to replicate its success several times over in the coming years. That's because its secret recipe is actually quite simple. Constellation develops and acquires niche software that provides mission-critical services to its users. Through six subsidiaries, the company offers high-value, vertically focused software for end markets like biosciences, hospitality, mining, car dealerships, legal, and much more. Anywhere a specific industry relies on a niche software product, Constellation aims to fill the demand.

Over the last decade, sales have increased by around 24% per year. Net income has increased by nearly 40% per year. Both sales and profits are still increasing by double-digit rates, and given the validated business model, this growth should be sustained for another decade or more.

Keep it simple

Boyd Group Income Fund (TSX:BYD.UN) has a similar history of success. Since 2010, shares have

increase by nearly 5,000%. The stock hasn't had a single losing year in more than a decade. Few companies can execute as well as Constellation, but Boyd exceeds the high bar.

Boyd doesn't invent or acquire specialized software. Instead, its business model is far more simple. When it was founded, Boyd had the single mission of rolling-up the collision centre market in North America. At the time, nearly the entire market was fragmented, owned largely by small, local, independent owners with few opportunities to retire without giving up the business. Boyd positioned itself as the lone buyer.

Today, Boyd is the largest collision centre operator on the continent, yet the market still remains incredibly fragmented, providing additional years of runway. This company should be able to continue repeating its recipe for success.

Define the market

As with the other stocks on this list, **Shopify** ([TSX:SHOP](#))([NYSE:SHOP](#)) stock has been a juggernaut, rising more than 1,000% since its IPO a few years ago. Now valued at \$50 billion, it's not difficult to see this as a \$250 billion company one day. That's because Shopify is doing what nearly every recent successful tech company has done: platform.

When you create a Shopify e-commerce store, everything is built in, from inventory tracking and payment processing to marketing and design. It really is some fantastic technology. Apart from the great user experience, the Shopify platform also has some lucrative financial benefits. If a customer wants to switch to an e-commerce competitor, they will lose *everything* they've built. Nearly every mission-critical digital service that they rely on daily will be lost.

So far, Shopify has garnered more than a million users who have cumulatively grossed more than \$100 billion in sales through its platform. That's a great start, and doubling or tripling in size again shouldn't be a gargantuan task.

CATEGORY

1. Investing
2. Tech Stocks

TICKERS GLOBAL

1. NYSE:BRK.B (Berkshire Hathaway Inc.)
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3. NYSE:SHOP (Shopify Inc.)
4. TSX:CSU (Constellation Software Inc.)
5. TSX:SHOP (Shopify Inc.)

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Date

2025/08/17

Date Created

2019/11/01

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