



3 Top TSX Stocks to Buy and Hold Forever

Description

Alimentation Couche-Tard (TSX:ATD.B), **Boyd Group Services** ([TSX:BYD](#)), and **Constellation Software** ([TSX:CSU](#)) are three of the [10 TSX stocks which posted the best performance](#) in the last decade. Apart from being top performers, these three companies have another thing in common: they have all been propelled by a series of acquisitions led by exemplary capital managers.

You can buy these three **TSX** stocks and hold them forever without worrying too much about your money.

Couche-Tard

[Couche-Tard](#) has been growing for over 50 years. Today, the network totals nearly 15,000 convenience stores.

Alain Bouchard and his associates have acquired several chains of convenience stores at affordable prices.

In addition to providing it with increased purchasing power, each transaction allows the Laval-based company to achieve significant cost synergies.

Acquisitions are financed by loans repaid as quickly as possible, according to a structured program over a few years. The reports to shareholders by Couche-Tard management regarding the measures planned to justify the acquisitions have been remarkable.

While Couche-Tard has increased earnings per share by 22% on average over the past 10 years, its stock has recorded an average annual return of 28%.

While Couche-Tard has been hit by the pandemic, the situation should improve, as it is expected to report sales growth of 10.3% and EPS growth of 12.6% next year.

Constellation Software

Constellation Software is a conglomerate resulting from the acquisition of hundreds of private enterprises of various sizes, which develop and market a multitude of operating software. The company has two segments, one in the public sector and one in the private sector.

The public sector segment develops and distributes software solutions primarily to governments and government-related customers. The private sector segment develops and distributes software solutions primarily to business customers. Constellation is an active acquirer, generally making more than 40 acquisitions each year.

As Constellation's software is essential to the activities of its customers, the recurring revenues it generates are predictable in the very long term.

The success of the company is based on exemplary governance focused on high return on capital targets, efficient decentralized activities, sharing of best practices between divisions, as well as a corporate culture that encourages leaders to create long-term wealth for shareholders.

Year after year, Constellation manages to deploy the abundant liquidity it achieves in the purchase of software companies. These acquisitions totalled around \$650 million in 2019.

Constellation is one of the best TSX stocks in the tech sector you can buy. The company's exceptional economic performance has catapulted its stock price by around 42% per year on average over the past decade. Revenue is expected to increase by 17.7% in 2021, while EPS are estimated to grow by 23.1%.

Boyd Group Services

Like the two previous serial buyers, Boyd Group has methodically led the consolidation of the car repair industry.

Its network now includes 667 garages, of which almost 85% are located in the United States. As one of the few dominant groups in this industry, Boyd benefits from agreements with insurers as a preferred supplier.

These agreements provide the Winnipeg company with economies of scale by generating additional revenue per garage, as well as increased purchasing power with suppliers of parts and materials required during vehicle repair work.

These powerful economic levers have enabled the operator of collision repair centres to generate remarkable growth in earnings per share of 25% per year.

This growth has allowed its stock to soar at a rate of 46% per year over the past decade. Revenue is expected to grow by 25.4% and EPS by 574.1% next year.

CATEGORY

1. Investing
2. Tech Stocks

TICKERS GLOBAL

1. TSX:CSU (Constellation Software Inc.)

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