



3 Top Canadian Stocks That Could Make You a Millionaire by 2030

Description

One needs to take higher risks to build wealth in a shorter time span. It's not prudent to demand above-average returns from stable, dividend-paying stocks. Higher return generally comes with higher risks. Let's discuss three top Canadian stocks that seem worthy of their higher risks.

Constellation Software: Consistent profitability

Investors can consider top tech company **Constellation Software** ([TSX:CSU](#)) for creating long-term wealth. The \$33 billion software company stock has returned 4,180% in the last decade, notably beating the **TSX** stocks at large. If one had invested \$25,000 in Constellation Software stock back in 2010, he or she would be sitting on a reserve of more than \$1.1 million today.

Constellation Software mainly acquires smaller tech companies with a leadership position in niche markets. Its client base includes commercial businesses as well as government and related parties. Notably, its long-term relationships with customers enable predictable and recurring revenues. It has exhibited above-average growth in all these years with consistent profitability.

The company might get even better buyout opportunities amid the pandemic. Its strong balance sheet and an experienced management team could pull some attractive deals.

Constellation Software stock has soared 20% this year and is currently trading at \$1,540. It looks expensive from the valuation standpoint. However, tech stocks usually trade with premiums because of their higher profit margins and better growth prospects.

Notably, it's not practical to demand the same growth from a company for the future. Constellation Software will likely continue to grow at an above-average pace with its unique business model and its growing software portfolio.

Cargojet: E-commerce growth could be a huge driver

Cargojet ([TSX:CJT](#)) has also created enormous wealth for its shareholders in the last few years. Since 2012, it has returned approximately 2,900%, beating even the country's top growth stocks.

Cargojet's top line [expanded](#) to \$196 million for the second quarter of 2020, a rise of more than 65% year over year. The pandemic has dented businesses globally, but it has been a growth driver for Cargojet lately.

Despite its steep performance in the last few years, Cargojet still offers attractive growth prospects. E-commerce growth has particularly powered Cargojet stock in the last few years. Notably, changing consumer behaviour will likely underpin its growth for the foreseeable future, especially after the pandemic.

Tech titan **Shopify** also offers healthy growth prospects for the next decade. It has substantially outperformed **TSX** stocks at large in the last few years. Its growing dominance in the large addressable market paint a highly optimistic picture. Despite being very expensive, investors kept running after Shopify stock for all these years. It has returned a massive 4,660% since its listing in May 2015.

Top Canadian stocks: Defensive versus aggressive

Investors should note that with growth stocks like Cargojet, Shopify, or Constellation Software, it may take much less time to build a solid reserve against defensive stocks. This is where taking a high risk can pay off.

For example, [stable, dividend-paying stocks](#) like **Fortis** or **Enbridge** have returned only 150% each in the last 10 years, falling extremely short of growth stocks discussed above.

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TICKERS GLOBAL

1. TSX:CJT (Cargojet Inc.)
2. TSX:CSU (Constellation Software Inc.)

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