



3 Canadian Stocks to Buy and Hold for the Next 10 Years

Description

Equity markets are an excellent avenue to create wealth, provided you are disciplined enough to stay invested for long periods. Staying invested over the long term will protect your investments from short-term volatilities and risks while maximizing your returns, thus creating significant wealth. Meanwhile, identifying stocks with high growth potential to deliver superior returns is also equally important.

This article will discuss three such Canadian stocks, which can beat the broader equity markets over the next 10 years.

Constellation Software

Constellation Software ([TSX:CSU](#)), which has returned over 3,500% in the last 10 years at a CAGR of 43.2%, is my first pick. Its strong and consistent performance has driven its stock price higher.

Constellation Software acquires and manages small software companies, which have gained a dominant position in their specific markets. Its portfolio consists of over 260 companies operating across 100 markets. Meanwhile, the company earns a significant share of its revenue from public sector customers, thus shielding its financials from an economic downturn.

In the [first three quarters of this year](#), Constellation Software's top line and EPS grew by 13.6% and 19.2%, respectively. It also generated \$682 million of free cash flows. Further, the company had \$565 million of cash as of September 30. So, it is well-positioned to make new acquisitions, which could drive its financials and stock price.

WELL Health Technologies

WELL Health Technologies ([TSX:WELL](#)) is a telehealthcare service provider, which has returned over 7,000% since going public in April 2016. This year alone, the company has returned 420.5%, driven by increased demand for telehealth services, as people were afraid to visit the hospital during the pandemic.

Meanwhile, telehealthcare services' demand could thrive even in the post-pandemic world, given its convenience and accessibility. WELL Health has continued its expansion by acquiring Circle Medical Technologies, DoctorCare, Easy Allied Health, Insig Corporation, Source 44, and ExcelleMD in the fourth quarter. Further, it has signed several letters of intent to acquire other companies. With over \$100 million of liquidity, the company is well-positioned to complete its future acquisitions.

WELL Health's EMR unit is the third-largest Electronic Medical Records provider in Canada, serving over 2,000 clinics. The company has also established a market place for digital health applications called "apps.health," which currently hosts over 25 apps. Given the favourable market condition and its high growth prospects, I believe WELL Health will beat the broader equity markets over the next decade.

Lightspeed POS

Amid the pandemic, many small-scale retailers took their businesses online to survive, driving the demand for **Lightspeed's** ([TSX:LSPD](#))([NYSE:LSPD](#)) services. Meanwhile, the structural shift towards online shopping has created a multi-year growth opportunity for the company. Further, the company has been focusing on developing innovative products to expand its customer base and increase average revenue per user. Its payment volumes are growing at a healthy rate, which is encouraging.

The small- and medium-scale business is mostly underpenetrated. AMI Partners estimates that there are around 47 million retailers and restaurants worldwide. So, with its customer base standing at 80,000, the company has significant scope for expansion. Along with organic growth, the company is focusing on acquisitions to expand its business.

With cash and cash equivalents of \$513.1 million as of September 30, the company could undertake future acquisitions. So, [I believe Lightspeed's growth prospects look healthy](#).

CATEGORY

1. Investing
2. Tech Stocks

TICKERS GLOBAL

1. NYSE:LSPD (Lightspeed Commerce)
2. TSX:CSU (Constellation Software Inc.)
3. TSX:LSPD (Lightspeed Commerce)
4. TSX:WELL (WELL Health Technologies Corp.)

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