



These 2 Top TSX Stocks Have Grown 3,000% Over the Past 10 Years!

Description

Looking for some incredible growth stories with the potential to continue growing for the next decade? Well, I'm going to highlight two of my top growth picks for investors to consider today. These companies have produced 10-year aggregate equity returns of around 3,000% each!

Boyd Group

Boyd Group ([TSX:BYD](#)) is a company that's grown nearly 3,000% over the past 10 years! That's right — a 30-bagger for investors who've held through the past decade.

Boyd is a company with an interesting business model. Like my next pick, Boyd's growth model is built on acquisitions. This is a company that has done a fantastic job of acquiring auto body and auto repair shops over the years. A rather unglamorous business, Boyd has produced incredible results over the years and is well deserving of its premium multiple. Indeed, this is a very well run company, with extremely consistent returns on equity over time.

Boyd's opportunity to continue to acquire its growth appears to be limitless. This sector continues to be highly fragmented. Accordingly, investors and analysts expect to see similar continued growth into the foreseeable future.

The consolidation formula Boyd's management team has executed is about as close to perfection as one will see. Indeed, the track record of synergistic acquisitions made by this management team is truly impressive. Boyd's management team has been very prudent in applying hurdle rates and metrics for its acquisitions. Accordingly, this is a company that doesn't pay more than they need to for acquisitions, but just enough to take smaller players off the market and create value through scale.

The pandemic has resulted in less driving, so Boyd's core business may be under pressure for a while. That said, with this stock at all-time highs, it seems investors continue to bank on the idea that Boyd will be able to consolidate at better prices moving forward.

Constellation Software

A company with a very similar business model and growth trajectory is **Constellation Software** ([TSX:CSU](#)). This company has similarly produced [a return of more than 3,000%](#) over the past 10 years.

Constellation's focus is on consolidating the very fragmented software sector. Currently, there are thousands of small players across the software spectrum waiting to be acquired. Constellation's management team has been incredibly successful in identifying niche software solutions and integrating these into its business model. Accordingly, the market has rewarded this company with a well-deserved premium multiple.

Furthermore, Constellation's focus on building a long-term loyal investor base looks to be paying off. I expect this company to continue to outperform and would recommend investors looking for growth consider this top pick.

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2. Tech Stocks

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TICKERS GLOBAL

1. TSX:BYD (Boyd Group Income Fund)
2. TSX:CSU (Constellation Software Inc.)

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