



4 Top TSX Stocks to Buy Today for Sensational 2021 Returns!

Description

TSX Index stocks continue to charge higher in 2021. The global recovery from the pandemic certainly plays well for many of Canada's resource, industrial, and technology stocks. Canada underperformed last year, but 2021 could be our year. Given this, here are four of my top TSX stocks to buy today for strong returns in 2021 and beyond.

This TSX stock is a great compounder

One staple TSX technology stock to own in 2021 is **Constellation Software** ([TSX:CSU](#)). It is a serial acquirer of niche software-as-a-service (SaaS) businesses across the world. This company is an expert at picking out good companies, tweaking them, and then making them great cash-producing businesses. Given its past stock performance, it is clear that its strategy works. For the past 10 years, this Canadian stock has returned average annual returns of 38% for shareholders!

Such growth is expected to likely slow over time just due to the size of the business now. Yet, management has commenced some unique plans to further unlock value. One recent strategy was to spin-off one of its smaller, faster-growing parts. That spin-off is called **Topicus.com** ([TSXV:TOI](#)) and it is listed on the **TSX Venture** stock exchange.

A mini-Constellation software

This stock is like a mini-Constellation Software that is pursuing a software roll-up strategy, but specifically in Western Europe. Yesterday, Topicus reported very strong annual results. It saw 18% revenue growth, 37% growth in net income, and free cash flow growth of 26%. This is a fast-growing technology stock that is consistently producing ample earnings and free cash flows (which is hard to find these days).

It seems like everything Constellation touches turns to gold. Frankly, I don't think you can go wrong owning either or both of these stocks. I personally like getting some tech exposure to Europe through Topicus.com. Yet, over the long term, you likely can't go wrong holding one of the best TSX growth-by-

acquisition stocks in the world with Constellation.

Own this TSX stock for a lifetime

Another TSX stock every Canadian should have some exposure to is **Brookfield Asset Management** (TSX:BAM.A)([NYSE:BAM](#)). Like Constellation Software, BAM is an expert at allocating capital. However, its focus has been on acquiring and managing real/alternative assets like [infrastructure](#), real estate, and renewable energy. Alternative assets are a great place to be, especially in a low-for-long interest rate environment.

BAM's institutional clients (sovereign wealth funds, pension plans, endowments, etc.), for the most part, must have exposure to alternatives today. Bonds just don't yield enough income right now. So, to garner a low-risk income stream, alternatives are their best bet. Consequently, BAM has seen some incredible fundraising over the past few years.

It continues to advance new funds in areas like insurance, technology, and impact investing. All of these could eventually grow into substantial businesses and potentially be spun out down the road. Despite its strong prospects, [BAM still trades at a 30-40% discount](#) to intrinsic value. Combine its value/growth proposition, and this TSX stock is a perfect stock to tuck away and enjoy compounding returns for a lifetime.

An under-the-radar tech stock

The last TSX stock Canadians should consider owning is **Calian Group** ([TSX:CGY](#)). This technology stock has been flying under the radar for many years. Yet this stock is ready for a breakout.

Calian operates four different business platforms focused on education, healthcare, information technology, and advanced technology. It is primarily focused on serving various public institutions like the government, military, healthcare system, and large commercial entities.

The company just reported strong first-quarter 2021 results. It saw revenues and adjusted EBITDA grow year over year by 17% and 24%, respectively. Sighting strong opportunities for expansion in Europe and the U.S., management raised its 2021 revenue and profit guidance by 5% and 10%, respectively.

This business consistently keeps getting better; however, its valuation has generally stayed the same. At some point, the market will recognize this, and you will want to own this great TSX stock when it starts to fully be appreciated.

CATEGORY

1. Dividend Stocks
2. Investing
3. Stocks for Beginners
4. Tech Stocks

POST TAG

1. Editor's Choice

TICKERS GLOBAL

1. NYSE:BN (Brookfield Corporation)
2. TSX:BN (Brookfield)
3. TSX:CGY (Calian Group Ltd.)
4. TSX:CSU (Constellation Software Inc.)
5. TSXV:TOI (Topicus.Com Inc.)

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Quote Media
6. Sharewise
7. Yahoo CA

Category

1. Dividend Stocks
2. Investing
3. Stocks for Beginners
4. Tech Stocks

Tags

1. Editor's Choice

Date

2025/08/15

Date Created

2021/02/12

Author

robbybrown

default watermark

default watermark