



1 Millionaire-Maker Tech Stock to Buy in 2021

Description

Constellation Software ([TSX:CSU](#)) stock has seen substantial growth over the last 15 years. Since May 2006, the company's valuation of \$1,728.40 represents a growth of over 9,300% in a decade and a half. Early investors in the company know first-hand about its potential as a millionaire-maker tech stock.

Recent years have also been fantastic for the company and its investors. In the fourth quarter of the financial year 2020, Constellation's revenue grew by 14% on a year-over-year basis. A series of acquisition-based growth that totaled \$236 million allowed Constellation's revenues to grow to a massive \$1.1 billion in Q4 2020.

I will discuss why Constellations Software could be an excellent long-term investment for Canadian investors looking to grow their wealth.

Massive returns for your TFSA

Capital gains is where all the potential lies when it comes to Constellation. The massive return on investment it has provided investors over the years speaks for itself. The company continues to spark more interest among seasoned and newer investors alike.

Investors looking to park their capital for the long run could consider investing in the stock and storing it in their TFSAs. The stock can provide long-term tax-free returns and excellent liquidity due to the tax-free withdrawals from the account. Any assets stored in your TFSA can grow [without incurring any income tax](#) that the Canada Revenue Agency (CRA) could collect when the next tax season arrives.

Growth-by-acquisition

Constellation Software has enjoyed substantial growth over the years by acquiring more companies to make more money. The company's management has announced plans to potentially eliminate its dividends. That might throw off many dividend-seeking investors. However, the decision could prove to

be good news for investors who are in it for the long haul.

Typically, companies that focus on growth invest all their profits into acquiring more companies. Constellation is a company that has made several deals over the years, and its move to stop paying out dividends to its shareholders is a sign that the company could be planning more aggressive growth plans. The cycle of continuing to reinvest new cash flows into excellent businesses substantially [benefits long-term shareholders](#).

Given its prolific performance over the last decade and its plans for the future, Constellation Software could be an excellent stock to consider adding to your portfolio.

Foolish takeaway

The onset of COVID-19 shook global economies. As the world becomes increasingly digital, tech companies are playing a more important role as the driving force for equity security markets worldwide.

Constellation Software is trading for a massive \$1,728.40 at writing, making the barrier to entry quite high. However, I think it could be a viable investment for investors who want to bank on its continued growth through the years as the company acquires more high-quality businesses under its belt.

CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing

TICKERS GLOBAL

1. TSX:CSU (Constellation Software 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. Energy Stocks
3. Investing

Date

2025/06/29

Date Created

2021/04/02

Author

adamothonman

default watermark

default watermark