



1 Canadian Stock That Turned \$10,000 Into \$1.2 Million

Description

Many investors get into the stock market thinking they're going to strike it rich. They're going to find that one stock that sees them bring in buckets of cash, so they can quit their job and buy an island somewhere — an incredibly risky strategy.

Instead, it's far better — and more lucrative — to find a solid Canadian stock that you buy and [leave alone](#). Even a small stake can bring in incredible cash if you buy and hold for decades, not days.

One Canadian stock in particular would be **Constellation Software** ([TSX:CSU](#)). Constellation stock is a prime example of how even an investment of \$10,000 can make you a millionaire. In fact, that amount would be worth \$1.2 million today if invested in 2006. So, how is that possible from this tech stock?

A stable and efficient business model

When Constellation stock came on the market, it was a little Canadian stock trading at just \$9 per share. Fast forward to today, those shares are now worth \$2,097! That's growth of 23,200%! So, how did it do it?

The answer isn't just coming along at the right time in the right industry, though it's part of it. Constellation stock is like a finance manager for software. It acquires, builds, and manages software businesses across the world. Not only does it offer these services to private companies but governments as well. That makes Constellation a vital part of the economy, providing stability other [tech stocks](#) don't have on the **TSX** today.

Constellation stock now has a market capitalization worth \$44.43 billion as of writing. And analysts don't see that going anywhere. The company has a team with now decades' worth of experience to see it continue growing for decades more.

You could see just how successful the company remains during its latest earnings report. Revenue grew 35% year over year to \$1.249 billion, and it completed yet another flurry of acquisitions.

How it stays on top

But what about the future of this company? Constellation stock isn't going to be a Canadian stock that continues creating million-dollar income forever, is it? Well, while I wouldn't expect another 15 years of 23,000% growth, you could still certainly be a millionaire from holding this stock for decades.

In fact, you may not have to wait so long if you just want stellar returns. An analyst recently pegged the target share price of Constellation stock at \$2,400 — a potential upside of 14% as of writing. Furthermore, analysts in general believe the Canadian stock is set to outperform in the tech sector on the TSX today.

Clearly, analysts believe that its focus on growth through acquisitions right now is key. The last several years have been huge for Constellation stock, and it doesn't show any signs of slowing down — especially as others try to get in on the sector.

The company now serves over 125,000 customers in over 100 countries. It's increased sales from \$2.47 billion in 2017 to \$3.96 billion as of 2020 and to \$4.5 billion so far in 2021 with a goal of \$5.1 billion this year and \$5.92 billion in 2022.

And while the Canadian stock was one of the most overbought stocks on the TSX today, Motley Fool investors can now pick it up with a relative strength index of just 46, well within fair-value range. This comes from the market pullback, creating a prime opportunity if you have the cash available.

Don't expect a future like the past

While we can't predict the future, Motley Fool investors should know that it's unlikely this Canadian stock will take off like it has before. That being said, if we look at just the last five years, Constellation stock has seen a compound annual growth rate of 32%. If that continues for another five years, a \$10,000 investment could be worth \$42,078.37!

With a stable business model, sales set to continue in the double digits as well as earnings per share, Constellation stock is still a prime Canadian stock to pick up today and hold for decades. While you may have to wait a bit longer than [15 years](#), it could certainly be a millionaire-maker stock.

CATEGORY

1. Investing
2. Tech Stocks

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1. Editor's Choice

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