



## TFSA Investors: 3 TSX Dividend Stocks That Are Serious Bargains Today!

### Description

With the **TSX Index** hitting highs since the March market crash, it is harder to find solid value/dividend stocks to add to your Tax-Free Savings Account (TFSA). One thing to note with the TFSA is that you can't apply capital losses against any other investment gains. The TFSA is completely tax sheltered and segregated from other non-registered investments you might own.

So you want to [own stocks that are safely and steadily "going up."](#) Look for stocks with strong balance sheets, a long history of growth, well-covered dividends, and great future growth prospects. Below are three TSX stocks that meet these criteria and would be perfect adds for your TFSA portfolio in August.

### TFSA stock 1: Telus

The first TFSA stock to buy is **Telus** ([TSX:T](#))([NYSE:TU](#)). In my opinion, Telus is one of the most attractive Canadian telecom stocks. Year-to-date the stock is down about 5% and it is trading with an attractive 4.87% dividend.

While it faced challenges in its recent second quarter, it fared much better than peers like **BCE** and **Rogers**. Telus actually grew revenues by 3.6% year over year. Adjusted EBITDA only declined by ~3%. Telus added a strong 114,000 net new customers in the quarter.

Rather than purchasing costly sports/entertainment franchises, Telus has been investing in digital growth verticals. Telus International is beginning to meaningfully contribute to organic EBITDA growth and Telus Health is now the top provider of digital health services in Canada.

Combine these verticals with solid wireless and wireline businesses, and Telus has an intriguing investment thesis for a long TFSA hold.

### TSX stock 2: WSP Global

**WSP Global** ([TSX:WSP](#)) is another great TFSA stock that demonstrates a strong history of growth. It

is a consulting, engineering, and design firm that has been rapidly consolidating the global design/consulting sector.

It just reported solid second quarter results. Although net revenues were down 1.2% since last year, adjusted EBITDA was up 4%, and net earnings per share were in line with the prior year at \$0.83. Interestingly, its backlog increased 5.9% from December 31, 2019 to a record \$8.6 billion (or 11.5 months of revenue).

This stock is interesting, firstly because it has large exposure to infrastructure and transportation design/engineering. It could enjoy some major tailwinds from global government infrastructure stimulus spending.

Secondly, WSP significantly reduced its debt burden last quarter down to 0.4 times net debt to adjusted EBITDA (from 1.1 times). The company is in a strong financial position to self-fund its growth by consolidation strategy.

Finally, the company pays a 1.75% dividend that is well funded by strong free cash flows (\$410 million this quarter). The stock is down about 11% from its February highs with many years of upside in your TFSA.

## TFSA stock 3: Dream Industrial REIT

Looking for an income boost for your TFSA? **Dream Industrial REIT** ([TSX:DIR.UN](https://www.toronto.com/stock/TSX:DIR.UN)) is a perfect dividend stock with turnaround potential. This REIT owns industrial properties across Canada, the U.S., and Europe. Its stock is down ~17% year to date, and it trades with a really attractive dividend yield (6.3%) and valuation (~5% discount to net asset value).

Despite some challenges presented by COVID-19, [DIR's portfolio has upheld relatively well](#). Occupancy sits at 95.6%. Over the second quarter, it collected almost 98% of rents due. Except for western Canada, the portfolio is seeing solid rental rate growth from strong thematic demand for industrial property.

DIR has a great balance sheet with 28.1% net debt to assets and over \$1.2 billion of unencumbered assets. It is finalizing two very attractive acquisitions in Germany and is in exclusive negotiations for four properties in the Netherlands and one in Montreal. DIR has about \$300 million of dry powder to meet its leverage target, so it still has ample room to grow this year.

Considering its cheap valuation, great dividend, and growth potential, this is a great stock to buy for your TFSA today!

### CATEGORY

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

### TICKERS GLOBAL

1. NYSE:TU (TELUS)
2. TSX:DIR.UN (Dream Industrial REIT)
3. TSX:T (TELUS)
4. TSX:WSP (WSP Global)

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