



3 Proven TSX Stocks: Buy the Dip Today!

Description

If you have been looking to buy some shares of these three proven **TSX** stocks, you're in luck. **Killam Apartment REIT** ([TSX:KMP.UN](#)), **Capital Power** ([TSX:CPX](#)), and **Converge Technology Solutions** ([TSX:CTS](#)) have all announced equity offerings at prices per share that are below their recent trading prices.

You could potentially access the newly issued shares. If you can't access them, it's possible that the market prices will fall to around their equity offering prices, and you can buy the shares on the open market.

Killam Apartment REIT

Killam Apartment REIT is in the stable asset class of multi-family residential real estate. It owns, operates, and develops its portfolio with a focus on the eastern part of Canada. About 21% of its net operating income comes from Ontario, 21% from New Brunswick, and 39% from Nova Scotia.

The residential REIT has maintained or increased its cash distribution every year since at least 2007. It continued increasing its cash flow and dividends through the pandemic with a safe payout ratio.

Its recent payout ratio was about 68%, and its Q1 occupancy was 96.6%. Its relatively low payout ratio and high and stable occupancy make its cash distribution safe. Currently, it yields close to 3.6%.

The dividend stock is issuing new shares at \$18.50 per share — a discount of 2.7% from its recent trading levels. It's raising \$95 million of gross proceeds from the equity offering to help fund the acquisition of a \$190.5 million portfolio in Ontario. The 12-month consensus price target of \$21.29 suggests 15% near-term upside potential from \$18.50.

Capital Power

Capital Power has a focus in Alberta, which has been doing well with a rebound in energy prices from

the lows of the pandemic. Based on Capital Power's strong Q1 results, the utility expects to modestly beat the top end of its adjusted EBITDA, a cash flow proxy, and adjusted funds from operations (AFFO) guidance ranges for the year.

Specifically, in Q1, it reported adjusted EBITDA growth of 29% year over year to \$303 million. As well, it posted AFFO-per-share growth of 33% to \$1.49.

The power producer intends to invest \$500 million of growth capital. A part of that is going into seven renewable projects that are expected to be in service by the end of 2021 through 2022.

[Capital Power](#) is a Canadian Dividend Aristocrat with seven consecutive years of dividend increases. Its five-year dividend-growth rate is 7.1%. It will make another dividend hike within the next few months.

The stock just announced an equity offering for gross proceeds of about \$250 million at \$38.45 per share — a discount of 3.4% from the end of yesterday's trading session. The proceeds will primarily go to growing the business, including its development pipeline that has 985 MW of projects in advanced stages of development.

The 12-month consensus price target of \$41.54 suggests a fairly valued stock and 8% near-term upside potential from \$38.45. It also yields 5.3% to boost returns.

Converge Technology Solutions

[Converge stock](#) has been a darling to early investors. In the past year alone, it has been a five-bagger! The growth stock has been taking advantage of its rising stock price.

It just announced an equity offering to raise gross proceeds of \$100 million at \$7.50 per share, a nice discount of 8.5% from its market close price of \$8.20 on Tuesday after the stock climbed 7.89% on the day. It intends to use the proceeds for acquisitions, working capital, and other general corporate purposes.

Since 2017, Converge has been making acquisitions. But its stock really started taking off from its M&A strategy last year, as it demonstrated it was growing as a premier North American hybrid IT provider.

The company is still relatively small for future acquisitions to make an impact on its top and bottom lines. Its trailing 12-month revenue stands just north of \$1 billion, while net income was \$907K. It's still growing in North America but also expanding into Europe.

CATEGORY

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

TICKERS GLOBAL

1. TSX:CPX (Capital Power Corporation)
2. TSX:KMP.UN (Killam Apartment REIT)

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