



## 2 Bargain Stocks to Spend Big on

### Description

Bargain hunters have excellent choices on the stock market in October 2021. If you want [value for money](#) and superior returns, include **Converge Technology Solutions (TSX:CTS)** and **Stingray Group (TSX:RAY.A)** in your shopping list. They trade below \$10 and are among TSX's top performers this year.

Both names carry strong buy ratings from market analysts. You can spend big on these [growth stocks](#), given the forecasted capital gains of up to 47% in the next 12 months. The businesses have long growth runways ahead.

### Explosive returns

Converge outperforms **Shopify**, the top draw in the [technology sector](#). The share price is \$9.38 compared to the tech giant's \$1,656.01. However, Shopify's return from a year ago is only 17.2% versus the small-cap stock's 348.8%. Current investors also enjoy an 88.7% year-to-date gain. Market analysts see an upside potential of 46.92%, or a 12-month average price target of 46.9%.

The \$2.04 billion company engages in distributing of computer products, storage devices & systems, software, and peripherals. It's relatively new (five years in the business) but starting to carve a name in Canada and the United States. Converge has formed strategic alliances with **IBM**, **Microsoft**, and **Dell**, among others.

Through its regional sales and services organizations, Converge delivers advanced analytics, cloud, cybersecurity, and managed services offerings. The customer base consists of private and public entities across various industries. Because of its world-class solutions and services, clients reduce costs, increase efficiency, and create competitive advantages.

In Q2 2021, Converge achieved another record quarter of performance. According to its CEO, Shaun Maine, it was the result of the team's excellent execution in all aspects of the business. Gross profit, total revenue, and adjusted EBITDA grew 43%, 52%, and 86% versus Q1 2020. Net income was \$1 million compared to the \$4.4 million net loss in the same period last year.

Management continues to pursue opportunities that should drive business growth. Converge recently made five strategic acquisitions, including REDNET AG in Germany. The latter is the first major acquisition in Europe, which should lead to many more as Converge expand its global footprint.

## Back to normal operations

Stingray flies under the radar and deserves the strong buy rating. The stock is a steal at \$7.22 per share (+13.02% year to date), because it also pays a generous dividend of 4.16%. Thus, you'll earn two ways from capital gains and dividends. Based on analysts' forecasts, the price could climb by 29.22% (\$9.33) or up to 38.5% (\$10).

The \$519.67 million music, media, and technology company suffered an 18.7% drop in revenue in fiscal 2021 (year ended March 31, 2021) versus fiscal 2020. However, the bottom line, or net income, soared 229% to \$45.1 million. The reverse happened in Q1 fiscal 2022 (three months ended June 30, 2021), as revenue increased 23.9% and net income declined 40.2% compared to Q1 fiscal 2021.

Nonetheless, management is encouraged by the revenue increase and return to normal commercial operations. Eric Boyko, Stingray's co-founder, president, and CEO, was impressed with the overall organic growth, particularly in Stingray's U.S. business segment.

Besides the partnership with **Shaw Communications** in June this year, Stingray acquired Calm Radio, the world's largest online music streaming service, in July 2021. The purchase increased the portfolio of curated music content and the subscriber base further.

## Take advantage

Bargain hunters should take advantage now while Converge Technology and Stingray trade cheap.

### CATEGORY

1. Dividend Stocks
2. Investing
3. Tech Stocks

### TICKERS GLOBAL

1. TSX:RAY.A (Stingray Group Inc.)

### PARTNER-FEEDS

1. Business Insider
2. Koyfin

3. Msn
4. Newscred
5. Quote Media
6. Sharewise
7. Smart News
8. Yahoo CA

#### **PP NOTIFY USER**

1. cliew
2. kduncombe

#### **Category**

1. Dividend Stocks
2. Investing
3. Tech Stocks

#### **Date**

2025/08/13

#### **Date Created**

2021/10/08

#### **Author**

cliew

default watermark

default watermark