



Is Dream Unlimited Stock the Best Deal on the TSX Today?

Description

Dream Unlimited ([TSX:DRM](#)) announced its earnings results last week, and there were pretty much crickets across the board. While earnings beat estimates, the news came just as the **TSX** was seeing some positive action for the first time in months.

That left Dream Unlimited stock on the [back burner](#) for many. But today, I'm going to dig into these results and see whether it's now one of the best deals on the TSX today.

What happened?

Dream Unlimited is the head company of several real estate investment trusts (REITs). It's been launching several REITs in spaces that include industrial and residential properties. It's even working with the government to receive funding for affordable housing and net-zero-carbon-emission communities. It also announced this quarter a joint venture to form a \$1.5 billion develop-to-hold global sovereign wealth fund made of 68 acres for development.

As for the earnings results, first-quarter revenue increased to \$53 million year over year — up 6%. Earnings also increased to \$57 million — a huge win from a loss of about \$4.8 million the year before. Diluted earnings per share also came in at \$0.96 — up from a loss of \$0.10 per share the year before.

“In the first four months of 2022 we were chosen to develop LeBreton Flats Library Parcel, Quayside, launched Dream Residential REIT, and created the \$1.5 billion GTA industrial development fund as well as growing Dream Industrial REIT, Dream Impact Fund and Trust, adding significant value to our company and growing our pipeline of irreplaceable real estate and funds.”

Michael Cooper, chief responsible officer

Analysts were watching the TSX that day

Here's the thing: Dream Unlimited stock reported solid results, but they weren't exactly exciting. It basically was business as usual, except for the new residential REIT. However, I'm a bit surprised analysts weren't more excited about the earnings-per-share beat.

Earnings per share were estimated at \$0.56 but instead came in much higher at \$0.96 per share. And this seems to be the reason why only two analysts weighed in on Dream Unlimited stock. Both analysts didn't have much to say beyond reiterating a buy rating and their share price for the stock. That remains at about \$57 per share.

That's significant and falls within the target price consensus of analysts today. Shares of Dream Unlimited stock trade at about \$44.50 as of writing. This would represent a potential upside of 28%! And as Dream is an REIT supporter, it offers a 0.89% dividend yield as well.

Foolish takeaway

There was a lot of noise going on during Dream Unlimited stock's earnings [announcement](#). But it remains that fundamentally the stock is a strong buy. It offers exposure to several areas of booming real estate and continues to trade at a cheap price. That's both in terms of potential upside but also as it trades at 1.35 times book value and 18.19 times earnings.

Is it the best deal on the TSX today? Maybe not. But it certainly offers some significant growth for those wanting dividends and returns for the next few years.

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