



## Dividend Investors: 3 Renewable Energy Stocks With Growing Yields That Pay Over 4%

### Description

As the world goes greener, there is a push for energy that is environmentally friendly. Although oil and gas is not going anywhere anytime soon, many economies are trying to move away from a dependence on the commodity. Not only because a reliance on fluctuating commodity prices can wreak havoc on a country's finances, but also because people are becoming more concerned with climate change and the impact that our consumption has on the world.

From an investment standpoint, this suggests that companies involved in renewable energy will have tremendous opportunities in the future. I'm going to look at three companies in the industry that may be great investments today.

**Innergex Renewable Energy Inc.** ([TSX:INE](#)) is a producer of hydroelectric, wind, and solar energy with over 30 facilities and operations in many provinces in Canada as well as in Idaho and in France. The interesting combination of energy types and geography gives Innergex some unique diversification for investors looking at this industry.

Over the years, Innergex has been steadily growing its revenue, and since 2013 sales have increased 47% to just shy of \$300 million this past fiscal year. In its most recent quarter, revenues of \$109 million were up 25% year over year, and the company was also able to bank an impressive 13% profit margin. Innergex also pays a very good dividend of 4.5%, which has increased an average of 3% over the past four years.

Although Innergex is a good buy, its stock price currently trades at over 65 times its earnings, and it is near its 52-week high, making it an inopportune time to buy. You may want to keep an eye on this one and wait out a dip in price before buying.

**Brookfield Renewable Partners LP** ([TSX:BEP.UN](#))([NYSE:BEP](#)) is an owner and operator of many energy assets over the world, including 250 facilities in 15 different markets that span both North and South America as well as Europe. The company's portfolio includes wind and hydroelectric assets that

have a capacity of more than 10,000 megawatts.

Brookfield also offers a very balanced and diversified portfolio of assets to investors. In 2016, the company was able to achieve impressive sales growth of over 50% from the prior year. The big challenge for the company has been its bottom line, which has been shrinking over the years as decreasing gross margins and increasing amortization expenses have contributed to eroding profits. However, the company has been able to post a profit in its last two quarters, but a 4% margin in the bottom line does not generate a lot of optimism, as Brookfield's earnings per share in the trailing 12 months still sits in a negative.

The stock pays a great dividend of 5.5%, and its payouts have grown 35% in five years.

**TransAlta Renewables Inc.** ([TSX:RNW](#)) is more of a domestic power producer with hydroelectric and wind facilities across the country with a capacity of over 1,100 megawatts. Although the company is not as diversified as the others on the list, it has been able to show steady growth over the past few years. TransAlta also offers investors the highest yield, with payouts of 6.7% per year.

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1. Dividend Stocks
2. Energy Stocks
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1. Editor's Choice

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