



Brookfield Renewable Partners LP: A High Yield With a Side of Dividend Growth and Capital Gains

Description

Brookfield Renewable Partners LP ([TSX:BEP.UN](#))([NYSE:BEP](#)) is a fine example of a security that offers the best of both worlds: a high dividend yield, and the opportunity for a great deal of capital appreciation. Usually, it's one or the other, but in some circumstances, you can have both, but with Brookfield Renewables, not only do you get both, but you also get a promising runway for dividend growth!

A [high-yield dividend-growth player](#) that can offer TSX-beating capital gains may sound too good to be true, but it isn't. The company, led by a sound management team, will continue to capitalize on opportunities in the rapidly emerging renewable energy space, and long-term shareholders stand to reap huge rewards.

Solid Q3 2017 results were in line with analyst expectations

The company recently released its Q3 2017 numbers on Wednesday, which caused a slight rally followed by a hefty 3.08% plunge in the day that followed as investors had the opportunity to fully digest the Q3 results.

Brookfield Renewables clocked in an adjusted EBITDA of \$357 million, pretty much in line with what the Street was expecting. FFO/unit for the quarter was recorded at \$0.29 before maintenance capex and debt amortization, slightly missing analyst expectations of \$0.32 thanks in part to lower hydro margins in the U.S.

The results were really nothing to get excited about; if impatient investors start throwing in the towel to cause a sell-off, it may be time to accumulate shares, since the company's long-term growth profile still looks as solid as ever.

Management hinted that it may start a larger development program in the red-hot Indian market at some point in the future. That's definitely a positive development, even though no details have been confirmed on this as of yet.

Once the **TerraForm Global Inc.** deal is completed, Brookfield Renewables will have ownership of ~300 MW worth of solar and wind capacity in India, a country that's in dire need of renewable sources of energy.

Bottom line

Brookfield is a terrific security to accumulate on any signs of weakness. The company has a bountiful 5.7% dividend yield that will likely grow by leaps and bounds over the next five years and beyond. The company is firing on all cylinders with a development pipeline that's expected to have [169 MW of completed capacity over the next two years](#), which translates to ~US\$20.7 million in FFO.

There's no doubt the quarter was mixed, but it really wasn't as bad as the general public may think. I'd recommend scooping up shares on the dip experienced on Thursday if you've got the discipline to hang on for the long haul.

With Brookfield Renewables, you get a high-yield, a growing dividend, and the promise of top-notch capital gains.

Stay smart. Stay hungry. Stay Foolish.

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Date

2025/09/23

Date Created

2017/11/03

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