



## 2 Green Energy Stocks for a Lucrative and Ethical Investment

### Description

Renewables are pretty interesting to look through at the moment, with a huge range of valuations, dividend yields, market multiples and other factors, each of which is making every green energy stock a little different. Compare this with many other sectors, such as financials, telecoms, or utilities, in which you will see much more homogenisation across related tickers.

They are also great stocks to add to your portfolio if you want to balance out a traditional energy section, or if you are light on energy altogether. For the climate conscious, green energy stocks are also a good way to start building an ethical portfolio.

Besides this, there is money to be made from energy stocks, with capital gains available to the shrewd short-term investor, as well as sizeable dividends for the long term buyer.

### Polaris Infrastructure ([TSX:PIF](#))

Is a small-cap renewable energy stock to keep an eye on, and it's worth including here as a ticker to watch in future. With a Latin American base of operations, Polaris Infrastructure is involved in geothermal energy projects that are sure to become part of the renewables portfolio landscape in years to come.

Discounted by more than 50% of its future cash flow value, Polaris Infrastructure is an [attractively valued renewables stock](#) to say the least (compare it with the next stock in this article!) A P/E of 24.6 isn't bad for the sector, while a PEG of 0.3 times growth and P/B of 0.8 times book are comfortably low.

Are you a growth investor? Let's face it, anyone who likes their dividend stocks wants to see a bit of growth. And this stock has it in spades: a 72.4% expected annual growth in earnings is on the cards over the next 1-3 years.

Though return on equity was low at just 3% last year, and debt of 87.1% of net worth is a little high, check out that dividend yield of 6.24%. Competitors to compare and contrast with would be **Northland Power** or **TransAlta Renewables**.

## Boralex ([TSX:BLX](#))

For a renewable energy stock that operates in France, Canada and the U.S., take a look at [Boralex](#), a little-talked about ticker with some good things going for it, one of which is a discount of more than 50% of its future cash flow value. A huge 119.9% expected annual growth in earnings over the next 1 to 3 years is another.

Sadly, what Boralex does not have going for it is value. A P/E of 1484 times earnings has to be one of the highest on the **S&P/TSX Composite Index**, while a PEG of 12.4 times growth is also rather steep to say the least.

A P/B of 2.2 times book isn't too bad, though you may want to correlate any asset valuation with that debt level of 462.1% of net worth. A dividend yield of 3.23% may not be enough to tempt value investors. Consider competitors such as the American stock, **Calpine**, for a geothermal play.

### The bottom line

There are two very different plays here: the value investor will surely go for Polaris Infrastructure, as will the casual dividend investor. Meanwhile, the growth investor will be drawn to the high growth forecast of Boralex.

However, both stocks offer an intriguing play if you are looking to broaden your portfolio with green energy, or begin looking into ethical investing.

### CATEGORY

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

### TICKERS GLOBAL

1. TSX:BLX (Boralex Inc.)
2. TSX:PIF (Polaris Renewable Energy)

### PARTNER-FEEDS

1. Msn
2. Newscred
3. Sharewise
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vhetherington

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