



Buy This Top Dividend Stock Right Now

Description

I can't get my mind off **Innergex Renewable Energy** ([TSX:INE](#)) lately. The Quebec-based renewable energy company has earned its share of fans and critics over the years, but at the moment the company is enjoying an impressive rally with the stock up over 15% year to date, more than erasing the dismal end to 2018 that most of the market experienced.

There are plenty of reasons to consider adding Innergex to your portfolio right now. Here are just a few of those reasons to ponder while the stock continues to climb.

Innergex runs an impressive business

This should come as no surprise, particularly seeing the growth that the company has realized over the years.

Innergex currently operates 70 different renewable energy sites that are scattered across Canada, the U.S., Europe, and South America that provide nearly 3,400 MW of generating capacity across hydro, wind, geothermal and solar elements. Despite operating in that diversified environment, the real appeal to investors comes in the form of Innergex's business model, which is not unlike a traditional fossil fuel company, where regulated contracts called PPAs stipulate the amount of power generated will be sold and for how much.

Even better is the fact that the contracts can span decades in duration, providing the company with a steady stream of recurring, stable revenue.

Incredibly, nearly one-quarter of Innergex's current generating capacity is bound to PPAs that have an expiration of 2040 or *later*. As impressive as that sounds, that figure is not even factoring in new facilities coming online or existing facilities nearing the end of their PPAs that will have those terms extended or updated. By way of example, both Hawaii electric and Maui electric recently signed PPAs spanning 25 years in duration set to begin in 2022.

The renewable factor will be more important than you may realize

One of the often-overlooked advantages of investing in Innergex is the renewable aspect itself. Whereas the long-term viability of purely fossil fuel-burning facilities is declining by the year, the inverse could be said for Innergex. As those traditional facilities near the end of their PPAs, they are steadily being replaced by a new generation of renewable energy facilities from companies such as Innergex.

In short, Innergex has the will, financial muscle, and expertise to expand into different markets where there is an opportunity to do so and has already demonstrated that ability in the past year, such as Innergex's entry into the Chilean market through the acquisition of two hydro facilities this past summer. That deal was seen by many as the first of several potential moves into new markets.

Innergex has an appetizing dividend

One of the most popular reasons why investors flock to Innergex would be the company's [dividend](#). Innergex currently provides a very handsome 4.71% yield that is not only competitive with its peers but has also seen consecutive annual increases stemming back five years. Also worth noting is that Innergex's last annual uptick to its dividend was paid in March last year, meaning that investors could expect a similar hike soon if that record is to be expanded.

In terms of results, Innergex is set to announce results for both the fourth quarter of 2018 as well as its full-year results tomorrow. Given the fact that the company has witnessed an impressive increase to both revenue and production over the first nine months of the year, there is little reason to doubt that Innergex will provide another strong quarter.

In my opinion, Innergex remains an excellent long-term option for investors looking to diversify their energy portfolios with a renewable energy company as well as those investors looking to add to their [portfolio of income-producing investments](#).

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