



Millenials: Maximize Your TFSA Gains With This Dividend Champion

Description

A common and interesting characteristic of renewable power utility stocks is that they bounce back better than the rest in the stock market. **Northland Power Inc.** ([TSX:NPI](#)) is one of them. Long-term investors are endeared to this stock because it's a long-term performer with a five-year average dividend yield of 5.39%

Aside from being [a high-quality dividend stock](#), the core business of Northland will be around for years, if not generations. A company that's producing energy using biomass, natural gas, wind, and solar technology are capable of generating stable and uninterrupted cash flows.

Business for generations to come

For people familiar with independent power producers, Northland Power is known not only as a top clean and green developer but the constructor, owner, and operator of sustainable infrastructure assets. This \$4.3 billion Canadian company has long-term contracts in the continents of North America, Europe, and Asia.

The locked-in high-quality projects of Northland Power are what you can call revenue contracts. All of them will deliver predictable cash flows while simultaneously increasing shareholder value. Last year was a validation that the company is heading north and well-positioned for further growth.

Northland Power's partnership with Taiwan on the development of the Hai Long offshore wind farms is now in full swing. The total power generation expected is over 1,044 MW in power generation, of which 626 MW belongs to Northland. The development project will run until 2025.

Brighter prospects ahead

Currently, Northland Power has \$8 billion in power generation assets comprising 26 power generation facilities, 14 solar facilities, including two offshore, four on-shore wind farms, and six thermal facilities. The largest power production projects are mostly in offshore wind.

Likewise in 2018, Northland expanded in the North Sea with two offshore wind farms being operated plus one more about to be completed. The business prospects are getting brighter as Northland Power seeks to partner with Japan, South Korea, and other Asian countries turning their backs on nuclear and carbon-based energy.

Top rate investment prospect

Northland Power's financial numbers are not glowing, but show strength and stability. The \$891 million total adjusted EBITDA in 2018 represents a 17% increase from 2017. The company's free cash flow per share grew significantly by 30% (from \$1.461 to \$1.90).

Northland Power wants prospective investors to know that the stock has outperformed the TSX since the company went public in 1997. Management intends to keep this record intact. Investors are assured of unhampered distribution and payment of dividends throughout its existence.

More successful international ventures with long-term purchase contracts coming would push the needle for NPI. The stock is currently trading at \$24.10 at writing and on course to hit the 52-week high of \$26.21.

But given Northland Power's total shareholder returns, which are among the best in the sector, some analysts would go as far as predicting a +24.5% jump to \$30. Their bullish sentiments are based on the tailwinds and [all the signs are green](#).

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