



This 6% Yield Dividend Stock Is on an Absolute Tear, up Over 24% So Far in 2019!

Description

Shares in **Brookfield Renewable Partners** ([TSX:BEP.UN](#))([NYSE:BEP](#)) are up more than 24% through the first three months of 2019.

But with a dividend currently yielding the company's shareholders 6.4% annually, strong exposure to the fast-expanding renewable energy market, and backed by a seasoned leadership team, no one should be surprised the stock has been on such a roll of late.

In this post, I'll take a closer look at what has gotten investors so bullish on BEP shares of late in addition to what the future holds for this leading renewable power company:

- 14% growth in funds from operation (FFO) during 2018
- 5% increase to the firm's quarterly dividend announced in February
- An investment-grade balance sheet
- Investment of \$550 million towards future growth initiatives
- Extension of near-term debt maturities, increasing the average duration of debt to 10 years

Things are looking quite rosy for BEP shareholders these days coming off a strong 2018, which saw strong growth in gigawatt hours generated, translating into double-digit percentage growth in FFO.

As FFO generates the cash flows that are used to distribute dividends to the company's shareholders, 2018's results were certainly an encouraging sign to say the least.

In February, BEP's CEO Sachin Shah remarked that the company believes that "Our combination of operational depth and financial strength positions us well to deliver long-term, stable returns for unitholders."

Shah went on to say, "In light of our recent growth, strong balance sheet and access to capital, we are pleased to announce that our board has declared a 5% increase to the quarterly distribution, bringing our annual payout to US\$2.06 per unit."

At the time, that brought the company's dividend yield on its common stock a very respectable 7.22% and the market has responded positively since then, proceeding to send the company's share price nearly 10% higher in the weeks since the announcement.

Meanwhile, Brookfield Renewables's balance sheet remains in great shape. The company has no material debt maturities over the next four years with the average duration of its total outstanding financial obligations currently sitting at 10 years in length.

In addition to \$2.2 billion in available liquidity, that should provide the firm with ample flexibility to pursue internal positive NPV projects as well as through large-scale and smaller tuck-in acquisitions, continuing to build on the \$550 million that BEP directed towards growth initiatives in 2018.

Bottom line

The future is certainly bright for BEP and the company's shareholders, and even if an investment in the company's green energy power projects does end up taking longer than initially expected to bear fruit, at least shareholders can take solace in the current 6.4% annual dividend.

Meanwhile, those interested in other options within the renewable energy space, may want to consider **Algonquin Power & Utilities** and **TransAlta Renewables**, both of which offer [solid dividend yields of their own](#) and are likewise off to [strong starts to the 2019 calendar year](#).

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Date

2025/09/08

Date Created

2019/04/07

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