



TFSA Users: 2 Green Energy Dividend Beasts Yielding Up to 6.4%

Description

Before the Canadian election I'd suggested that investors should get in on [green energy stocks](#). These are an especially nice target for TFSA investors right now.

Renewable equities have put together solid capital growth over the past decade while also offering high dividend yields. This is a great way to gobble up [tax-free gains](#) going forward.

Today I want to look at two top renewable energy stocks that you can plug in your TFSA in November.

Innergex Renewable

Innergex Renewable ([TSX:INE](#)) is a Quebec-based developer, owner, and operator of run-of-river hydroelectric facilities, wind energy, and solar farms in North America.

Shares have climbed 38.6% in 2019 as of early afternoon trading on November 14. The company released its third-quarter 2019 results on November 12.

Revenues from continuing operations rose 23% year over year to \$142.8 million. Innergex posted strong results across the board that beat analyst expectations. Adjusted EBITDA from continuing operations climbed 28% to \$107.4 million. Net earnings came in at \$9.70 million of \$9.45 million in Q3 2018.

Year to date, Innergex has reported net earnings of \$16.1 million compared to \$11.4 million at the same time last year.

Production at Innergex increased 35% in the third quarter and production proportionate posted 30% growth. The company benefited from the contribution of its Cartier wind farms project, which was acquired in October 2018. It has also ramped up production at the Phoebe solar project that's on track for full commissioning.

The stock is trading at a premium right now with a sky-high price-to-earnings ratio and a price-to-book

value of 4.6. Shares had an RSI of 76 at the time of this writing, putting the stock in technically overbought territory. Innergex boasts a quarterly dividend of \$0.175 per share, representing a 4.1% yield.

TransAlta Renewables

TransAlta Renewables ([TSX:RNW](#)) is a Calgary-based company and one of the largest generators of wind power in the country. The stock has increased 49% in 2019 so far. TransAlta has an excellent balance sheet and a strong track record as a dividend payer.

It released its third-quarter 2019 results on November 6. Adjusted funds from operations rose 3% year over year to \$69 million in Q3 2019. Cash available for distribution increased \$2 million year over year.

Renewable energy production was up from Q3 2018 and has increased in the year-to-date period as well. Management said that Q3 2019 results were mostly in line with expectations. The stock rose marginally as the response to earnings was lukewarm.

Shares of TransAlta boast a P/E ratio of 19.6 and a P/B value of 1.7. However, the stock last had an RSI of 72, putting both green energy stocks at overbought levels. Value investors may want to wait for a more attractive entry point, but I like Innergex and TransAlta in the long term.

TransAlta is my top pick right now, as it offers better value and a monthly dividend of \$0.07833 per share, which represents a tasty 6.4% yield.

CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing

TICKERS GLOBAL

1. TSX:INE (Innergex Renewable Energy)
2. TSX:RNW (TransAlta Renewables)

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