



The Top Stock to Buy in the Best Growth Industry Heading Into 2020

Description

There is no doubt that the renewable industry will be one of the best growth industries to be invested in over the next decade.

Renewables have already been gaining momentum and becoming more popular, as government incentives encouraged companies to build the infrastructure and assets.

Through competition and innovation, these companies have managed to scale the costs and have figured out how to compete with other forms of energy to increase their competitiveness.

Now, as many around the world have called for more work to be done to try to avoid the climate catastrophe we are in, renewables, more than ever, seem like the best place to invest, especially while the portion of power that comes from renewables dramatically increases every year.

There are a number of renewable stocks out there by now, but only a select few are going to be the clear-cut winners in this industry. With that being said, one company you know will be leading the pack is **Brookfield Renewable Partners** ([TSX:BEP.UN](#))([NYSE:BEP](#)).

Brookfield has long been a name that investors synonymize with high-quality management. Since Bruce Flatt took over as CEO of the parent **Brookfield Asset Management** in the early 2000s, the stock has had an incredible track record.

The reason it has performed so well is due to the shrewd investing culture the company has, led by one of the best Canadian investors ever: Bruce Flatt.

This has extended to all the Brookfield companies; you know you are getting a quality company that invests with discipline and solely for the [long term](#), protecting your money at all costs, and that's no different with Brookfield Renewables.

The company aims to generate 12-15% returns for unitholders over the long term. That's what's most important about Brookfield, it won't do anything risky to chase profits in a specific year or quarter, but instead it makes shrewd decisions it knows will benefit all unitholders over the long term.

This was once again evident in its most recent earnings report; the company had a number of highlights that show the progress it has been making.

The first thing to note is the 27% increase in funds from operations over the third quarter last year, increasing it to \$133 million.

It also showed its impressive investing prowess by selling off some older assets it made a profit on and recycling that capital into new projects.

In the quarter, it sold off two mature European wind farms, which cemented an 18% compounded annual return on those assets for BEP. In addition, it's now sold five of the six assets it owned in South Africa and has returned almost twice as much capital as it initially invested in the country.

It also made some acquisitions in the quarter, buying up a 200-megawatt wind farm in China, while also investing roughly \$100 million in **TerraForm Power**.

BEP continues to prioritize the diversification of its assets, both from a geographic and technology perspective. This way, it's better positioned to withstand volatility in the market or specific regional disruptions.

It continues to be strong and stable from a capital perspective, with roughly \$2.5 billion in available liquidity for BEP to use on strategic and special opportunities.

In its outlook, it recognized keeping its balance sheet robust was among the top priorities for the company. It also aims to generate more cash flows from its existing assets in addition to looking for new acquisitions that fit its portfolio.

It's not unsurprising that BEP would have such prudent priorities and highlights the fact that BEP is a top operator and the best investment available for investors looking for exposure in renewables.

With a dividend that currently yields roughly 4.6% and a target to make returns of 12-15% a year, there isn't a better long-term company to invest in than Brookfield Renewables.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:BEP (Brookfield Renewable Partners L.P.)
2. TSX:BEP.UN (Brookfield Renewable Partners L.P.)

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