



ACT NOW, TFSA Investors: Hold This Safe Dividend Stock Forever

Description

Algonquin Power & Utilities ([TSX:AQN](#))([NYSE:AQN](#)) is a diversified generation, transmission, and distribution utility company with \$10 billion of total assets. The company has two wholly owned subsidiaries: Liberty Utilities and Liberty Power. Algonquin [delivers continuing growth](#) through an expanding pipeline of renewable energy development projects, organic growth within the rate regulated generation, distribution and transmission businesses, and the pursuit of accretive acquisitions. The company was founded in 1988 and corporate headquarters is in Oakville, Canada.

Algonquin owns and operates a [diversified portfolio](#) of regulated and non-regulated generation, distribution, and transmission utility assets, which are expected to deliver growing earnings and cash flows. Algonquin seeks to maximize total shareholder value through real per share growth in earnings and cash flows to support a steady dividend and share price appreciation.

The company has a price-to-earnings ratio of 25.19, a price-to-book ratio of 2.81, and market capitalization of 9.67 billion. Debt is modestly used at Algonquin, as evidenced by a debt-to-equity ratio of 1.01. The company has excellent performance metrics with an operating margin of 21.72% and a return on equity of 9.23%.

Algonquin's operations are organized across North American subsidiaries consisting of Liberty Utilities Group, which owns and manages a portfolio of regulated electric, natural gas, water distribution and wastewater collection utility systems, and transmission operations, and Liberty Power Group, which owns and operates a diversified portfolio of non-regulated renewable and thermal electric generation assets. Algonquin also has a 41.5% ownership stake in **Atlantica Yield**, a company that acquires, owns, and operates a diversified international portfolio of contracted renewable energy, power generation, electric transmission, and water assets.

Liberty Utilities Group operates a diverse portfolio of regulated utility systems throughout the United States, serving approximately 768,000 connections. It seeks to provide safe, high-quality, and reliable services to customers and to deliver stable and growing earnings to Algonquin. In addition to encouraging and supporting organic growth within service territories, Liberty Utilities Group seeks to deliver continued growth in earnings through accretive acquisitions of additional utility systems.

Liberty Power Group generates and sells electrical energy produced by a diverse portfolio of non-regulated renewable power generation and clean power generation facilities located across North America. It seeks to deliver continuing growth through development of new greenfield power generation projects and accretive acquisitions of additional electrical energy generation facilities.

Atlantica owns and operates a portfolio of international clean energy and water infrastructure assets under long-term contracts with an average remaining contract life of approximately 18 years.

Algonquin's current quarterly dividend to shareholders is \$0.1282 per common share, or \$0.5128 per common share per year. Algonquin feels the annual dividend payout allows for both an immediate return on investment for shareholders and retention of sufficient cash within Algonquin to fund growth opportunities.

The company reported revenues of \$365.6 million, consistent with the previous year. Earnings before interest, tax, depreciation, and amortization had a year-over-year increase of 13%, and net income increased by 40%. The company reported funds from operations were \$120.1 million — a year-over-year decrease of 6%.

Overall, the company owns some great assets that could do very well over the long term.

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