



3 Remarkable Reasons to Invest in This Underdog Energy Stock in 2020

Description

The New Year always feels like we are given a clean slate, an opportunity to plot a new course, and a chance to take advantage of everything we've learned in the years that have passed to make sure that this year is better than any that came before it.

It's also an excellent opportunity to take better control of your financial future, securing the kinds of savvy investments that can pay off big time.

There are plenty of investment vehicles out there to capitalize on today, but I want to highlight a specific underdog stock that not enough people are talking about right now.

Northland Power ([TSX: NPI](#)) is a Toronto-based energy company that operates in Canada, Europe, and a handful of other international markets. It has [grown by leaps and bounds](#) over the last five years. With at least 5% compound annual growth rates (CAGR) over that time, the share price today is almost exactly \$10 higher than it was five years ago. The growth has been steady, stable, and predictable year after year.

Below are three remarkable reasons Northland Power should be a big part of your New Year's investment push.

1. A stable utility company

Northland Power has seen considerable growth throughout its history but especially within the last five or six years.

Between 2014 and 2017, this company's revenue jumped by nearly 22% CAGR and, with only a handful of very short downturns, the company has seen its share value grow steadily week after week, month after month, day after day.

Revenue over the last six months of 2019 is up nearly 20%, which helped the company buy several electric generating production facilities in both Taiwan and Germany. Both of those new electric plants

take advantage of green energy, which is another reason we are so bullish on Northland.

2. Stable and sizeable dividend yields

Throughout much of its recent history, Northland has produced dividend yields that have exceeded 4% annually. The current forward annual dividend yield sits at around 4.44%, and analysts believe that these kinds of dividend payments are going to continue to be delivered, at around this yield rate, for the foreseeable future.

Investors know that [dividend yield rates](#) between 4% and 6% are very favourable, helping them to build and grow their portfolios pretty quickly through the reinvestment of those dividends. With Northland offering dividend yields in that range, you're right in the middle of that sweet spot.

3. Future-proofing its business model

Independent market analysts anticipate Northland will see significant growth in its earnings throughout 2020, with some expecting a growth rate of 13.3% over the next year and nearly 14% by the time 2020 closes.

Other analysts believe that Northland is currently trading at 55.6% less than its "fair market value."

A lot of the future potential of this company has to do with it investing so heavily in clean-burning natural gas, as well as renewable, green energy sources.

As highlighted earlier, Northland just recently brought on a major wind project in Taiwan and another wind project in Germany. The company has also made significant investments in wind, solar, and biomass solutions throughout Canada, Europe, and other locales around the world.

At last close, Northland was trading at \$27.09. Now is the time to jump on board so that you can ring in the New Year with a bang!

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