



Here's What \$5,000 Invested in This TSX Stock Will Make in 5 Years

Description

Green energy production is a major international growth trend. **Northland Power** ([TSX:NPI](#)) is an appealing buy in this space for its exposure to steep offshore wind farm upside. This green power stock also provides investors with access to other renewable sources of energy, such as solar. Its dividend is currently yielding in the region of 4% and is fed by a strongly diversified braid of revenue sources.

One TSX stock that turns wind farms into windfalls

Most important to the long-term investor, though, are Northland's five-year total returns. Investors in Northland are looking at a projected 130% total returns 2025. Investing \$5,000 in this top green economy stock will see shareholders cream a cool \$6,500 over the next five years.

Estimated annual earnings growth of 11.8% should see Northland's business steadily increase its base of operations. The sector itself is set to grow by 30% annually. While Northland falls below this threshold, this name is a steady play for growth nonetheless. Investors should focus on the vast opportunities in this breakthrough-driven name that is steadily disrupting the status quo.

There is at least one hidden risk of the current market that could continue to have an impact on green energy, though. This is a relatively new sector, after all, and as such it is heavily reliant on networking. It's tougher to make deals at the moment, since policymakers and business people can't meet face to face. Conferences and other larger-scale events are also off the table.

However, if this is the biggest headache for green power at the moment, then the situation is salvageable. Indeed, green power is a [global megatrend](#) that could reward investors with mountains of upside for years to come.

The main draw here is arguably the combination of [passive income and wind power growth](#). Northland has deals in place from the Netherlands to Taiwan and is a clear buy for any investor seeking expansive businesses.

Offshore wind versus nuclear energy stocks

Offshore wind is a potentially vast, multinational growth industry. In terms of scale, it's not that far off nuclear energy as a long-term alternative energy source. There are certainly proponents on both sides. Nuclear energy bulls see a bright future for uranium. On the flip side, wind power aficionados eye the natural energy generation from offshore farms as faster and cheaper.

Investors should consider their picks as real world businesses, however. There's also no reason why a stock portfolio cannot accommodate both Northland and **Cameco**, for instance. Investors have an undervalued commodity in uranium, and Cameco's market ratios reflect this. In summary, TSX investors should look beyond the machinations of the green power sector and focus on upside.

The bottom line

A profound shift in energy generation is underway. Investors have the opportunity to ride upside in a global megatrend. There have been countless signposts pointing to the green economy as a growth sector. The latest, and most obvious, was the oil price crash. Investors should use rallies to trim hydrocarbon from their portfolios. Meanwhile, value investors still have wind farms and cheap uranium to consider.

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Date

2025/07/05

Date Created

2020/05/07

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