



TSX Stocks: 2 Top Picks for Long-Term Growth

Description

In the last few years, growth stocks have been the top performers on the **TSX**. And while short-term growth is always exciting, consistent long-term growth has the potential to compound investors' money at an impressive pace.

The best growth stocks will almost always be businesses in long-term growth industries. These industries continue to become more popular and more economical, providing a significant advantage over the products or services they're replacing.

Plus, the more essential the industry, the safer the stocks will be. For these reasons, I believe one of the best long-term growth industries to invest in today is the renewable energy industry.

It's clear that renewable energy is extremely important. Climate change is increasingly becoming an issue. This has led many governments around the world to make several changes.

Renewable energy one of the easiest ways to help fight climate change. Plus, technology has improved considerably over the years, bringing costs down and improving economics.

A lot of renewable energy stocks on the TSX will likely be winners in the long term, but these two are the best of the best.

Top-performing green energy stock on the TSX

One of the top stocks on the TSX, as you can tell by its performance in the last few months, is **Northland Power** ([TSX:NPI](#)).

One of the main reasons why it's such a good investment is because of its reliability. During the recent earnings call, management reaffirmed its 2020 guidance for earnings before interest, taxes, depreciation, and amortization (EBITDA) as well as free cash flow (FCF) per share.

That's a positive sign, especially in these uncertain times. A central part of why it's so reliable is due to

Northland's long-term power-purchase agreements, which help keep revenue stable.

The company's current performance and reliability are essential but only half the reason why [Northland](#) is a top choice in the renewable energy sector.

The TSX stock also has one of the best development pipelines as well as a management team capable of executing the growth for decades.

Its current pipeline will provide significant growth for at least the next few years. And as more countries and states invest in green energy, Northland will consistently see its sales rise for decades to come.

The stock price has had a tremendous run-up in the last few months. However, this is only the beginning. In the meantime, the TSX stock returns cash to shareholders with a 3.25% dividend.

Largest renewable energy stock on the TSX

The other top renewable energy stock I'd recommend is **Brookfield Renewable Partners** ([TSX:BEP.UN](#))([NYSE:BEP](#)).

In its most recent quarter, the company earned nearly \$400 million in EBITDA. That's down just 1% from last year and in line with the first quarter, showing how resilient the stock has been through the pandemic.

Brookfield is the largest green energy stock on the TSX by far. The company currently has roughly 9,000 megawatts of capacity. Plus, it also has another 2,400 megawatts of capacity under construction. That's roughly four times the size of Northland Power.

The company is so large, these projects span four continents. And it's well diversified, investing in solar, wind, hydro, as well as battery capacity.

[Brookfield](#) is always a name that represents high-quality investments and assets, and that's no different in the renewable energy sector.

Plus, it also pays a dividend similar to Northland Power. Currently yielding 3.75%, it's an attractive complement to the significant growth potential.

Bottom line

At a time with so much economic uncertainty, finding TSX stocks that offer stability in addition to long-term growth is a winning combination.

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.)
3. TSX:NPI (Northland Power Inc.)

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Author

danieldacosta

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