



TFSA Investors: 3 Stocks That Can Turn \$10,000 to \$100,000 by 2030

Description

Are you an investor looking for stocks that have multiple secular tailwinds with the potential to grow your wealth multifold in the upcoming decade? One of the few industries that is recession-proof and growing at a rapid pace is renewable energy. The world has no option but to transition to clean energy in the next few years. Here are three companies that will benefit from this shift.

Brookfield Renewable Partners

The first stock on the list is **Brookfield Renewable Partners** ([TSX:BEP.UN](#))([NYSE:BEP](#)), a Canadian clean energy giant. The stock [has already returned](#) 18% annually to shareholders since 2000 and is well poised to outpace the broader market in the upcoming decade.

Brookfield has also increased its payouts at an annual rate of 6% in the last two decades and has forecast to increase dividends between 6% and 9% annually in the upcoming years.

The company owns and operates renewable energy assets in 17 countries across four continents, and its focus on expansion will help it sustain dividend growth in the future.

Brookfield has a strong balance sheet, and it continues to benefit from contractually secured cash flows, making it immune to economic recessions. It has a forward yield of 3.2%, which means a \$10,000 investment will generate \$320 in annual dividends.

Canadian Solar stock has risen 150% in the last year

Another renewable energy company that should be on your radar is **Canadian Solar** (NYSE:CSIQ), a stock that has surged 150% in the last 12 months. Canadian Solar has operations in 23 countries and a well-diversified revenue base. In 2019, the Americas accounted for 44% of company sales, followed by Asia and Europe at 32% and 24%, respectively.

Further, Canadian Solar is now eyeing diversification of products and services by leveraging its early-

mover advantage. It has a storage backlog of 1,201 megawatt-hours (MWh) and a pipeline of 3,482 MWh.

The company's focus on expansion has helped it generate annual returns of 18% in the last 10 years. While Canadian Solar's high debt-to-EBITDA multiple of 5.4 might concern investors, it has a cash balance of US\$578 million and is also looking to lower its leverage going forward.

Canadian Solar might soon [have access to low-cost capital](#), as it is in the process of listing on the China market via an IPO. The proceeds will help its expansion plans, which will mean Canadian Solar can enhance its pricing power and increase market share.

A domestic utility giant

Algonquin Power & Utilities ([TSX:AQN](#))([NYSE:AQN](#)) is another company worth watching in the renewables space. It operates regulated utilities while its non-regulated business sells wholesale power. AQN is heavily focused on expanding its renewable power assets that include wind and solar.

In the last year, Algonquin reported sales of \$1.6 billion and is relatively cheap considering the stock is trading at 15 times trailing earnings with a dividend yield north of 4%. Algonquin started paying dividends in 2012 and has since increased payouts by 126%.

Further, its payout ratio is below 50%, which means there is enough room to increase dividends in the upcoming quarters. In the last decade, AQN has managed to outpace the broader markets and has increased shareholder returns via a combination of organic growth and acquisitions.

During its Q2 earnings call, Algonquin announced a multi-year agreement to develop 500 MW of renewable energy projects, which will power **Chevron's** operations in several countries.

The Foolish takeaway

We can see that the three companies are potential multi-baggers with the ability to turn your TFSA investment of \$10,000 to \$100,000 or more over the long term.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NASDAQ:CSIQ (Canadian Solar Inc.)
2. NYSE:AQN (Algonquin Power & Utilities Corp.)
3. NYSE:BEP (Brookfield Renewable Partners L.P.)
4. TSX:AQN (Algonquin Power & Utilities Corp.)
5. TSX:BEP.UN (Brookfield Renewable Partners L.P.)

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