



TFSA Investors: 1 Secret Way to Build Immense Wealth

Description

Boralex ([TSX:BLX](#)) is a power producer whose core business is dedicated to the development and operation of renewable [energy power stations](#) in North America and Europe. The company operates 86 wind farms, 16 hydroelectric power stations, 2 thermal power stations, and three solar energy facilities representing an asset base of 2,050 megawatt (MW), namely 990 MW in Canada, 978 MW in France and 82 MW in the United States.

Boralex is also engaged in [projects under development](#) representing more than 225 MW, including 58 MW under construction or ready-to-build that should be commissioned by the end of 2021. Boralex's cash flows are predictable, as most of the company's operating assets are subject to long-term power purchase agreements providing for fixed and indexed prices. Boralex employs over 480 employees and the company has diversified expertise and in-depth experience of power generation in wind, hydroelectric, thermal and solar energy.

The company has a price to earnings ratio of 80.65, a price-to-book ratio of 5.55, a dividend yield of 1.25% and a market capitalization of \$5.42 billion. Debt is prudently managed at Boralex, as evidenced by a debt to equity ratio of 3.20. The company has excellent performance metrics with an operating margin of 31.39% and a return on equity of 0.81%.

Boralex is well positioned in the utility sector since Canada requires maintaining the highest degree of environmental preservation and protection, in particular by taking climate change into account. Canada's utility sector is focused on reducing overall greenhouse gas emissions by supporting the development of renewable, green and cleaner energy sources to meet future demand and contribute to environmental goals and priorities.

Although Boralex's operations are not dependent on any specific contractual agreement, the company has three major customers to whom it sells electricity under long-term contracts. The competitive conditions that Boralex faces primarily result from the fact that the company's activities are mainly dependent on the call for tender programs of the authorities located in different jurisdictions where it carries them out.

Substantially all of the company's assets are covered by long-term indexed power purchase agreements. The weighted average of remaining life of these contracts is 12.5 years. In the United States, part of the electricity produced is sold on the market. Boralex targets development opportunities in locations where the company is already present, and which offer strong growth potential for renewable energies.

Boralex's growth potential outside Canada is exciting. In France, the company has the necessary strengths to capitalize on development opportunities when they arise due to Boralex's long-standing presence and in-depth market knowledge. With a pipeline of more than 1,000 MW of projects under development in France, Boralex is in a unique position to actively participate in the request for proposals for the awarding of premium contracts.

In the United States, Boralex is deploying resources to develop a niche of small and medium-sized sites, a sector that requires specific expertise and where competition is far less concentrated. The company is particularly attentive to development opportunities in the solar energy sector, where technology is evolving rapidly, and production costs are constantly decreasing. Long-term investors of the company's stock are likely to be richly rewarded.

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