



## Gear Up for a Hot Summer With This Hot Renewables Play

### Description

When it comes to portfolio diversification, there appears to be a change in many investors' fundamental approach in the past two years. Various aspects that investors did not take into account previously are now being considered. Yes, total returns continue to be the topmost priority. That said, exogenous factors like [ESG considerations](#) are now being factored in right now. Hence, it isn't surprising to me that stocks in the ESG space are delivering strong returns lately.

Indeed, it appears that investing money while being socially responsible at the same time can be quite profitable. That's why I believe investors should consider [indirect ESG plays](#) like **Algonquin Power & Utilities** ([TSX:AQN](#))([NYSE:AQN](#)) to maximize their long-term portfolio returns. Let's delve deeper into why I think one should be buying shares of this company.

### Recent declines provides an attractive entry point

This year, Algonquin Power stock price has dropped substantially. Shares of Algonquin now trade below the \$19 mark at the time of writing. For investors seeking an attractive entry point on an otherwise impressive growth stock, this is it.

Indeed, Algonquin's decline of nearly 20% from its peak is notable. This is a company with a tremendous amount of growth potential from here. And the company's business model is one of the best in the utilities space right now. For companies with significant renewables exposure, Algonquin's multiple trades on the lighter side of the sector. For long-term value investors, this is a good thing.

Algonquin's recent revenue and earnings growth highlight just how attractive of an entry point this is for investors. Indeed, the company's revenue growth and earnings growth have been complemented by strong dividend growth over time. Accordingly, investors are buying into a stock with strong fundamental value, growth, and income potential. That's hard to find on the market today.

### Bottom line

Algonquin's regulated utilities base and heavy renewable energy exposure (roughly one-third of the company's business) makes this a top pick worth considering on its own. Indeed, as far as renewable power generation goes, Algonquin has capacity to produce in excess of 1,400 megawatts of power. Given the favourable political landscape in this regard, Algonquin's growth trajectory could be improved from here.

Algonquin's current yield of 4.3% is really the cherry on top. As far as stable, growing ESG plays go, Algonquin remains a top pick for any investor with a reasonably long investing time horizon. This is a company providing growth, income, and value, with a long-term growth catalyst underpinning these attributes. That's hard to find today.

## CATEGORY

1. Dividend Stocks
2. Investing

## POST TAG

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## TICKERS GLOBAL

1. NYSE:AQN (Algonquin Power & Utilities Corp.)
2. TSX:AQN (Algonquin Power & Utilities Corp.)

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