



TFSA and RRSP Investors: Own a Diversified Portfolio of High-Quality Utility Assets

Description

Algonquin Power & Utilities ([TSX:AQN](#))([NYSE:AQN](#)) owns and operates a [diversified portfolio](#) of regulated and non-regulated generation, distribution, and transmission utility assets which are expected to deliver predictable earnings and cash flows. Algonquin Power (AQN) seeks to maximize total shareholder value through real per-share growth in earnings and cash flows to support a growing dividend and share price appreciation.

Prudent financial objectives

One of AQN's financial objectives is to maintain a BBB flat investment grade credit rating. To realize that objective, AQN monitors and strives to adhere to various targets communicated by rating agencies related to assessments of financial and business risk at AQN. These targets currently include expectations that AQN satisfies specific leverage targets and continues to generate no less than approximately the company's current portion of earnings before interest, taxes, depreciation, and amortization (EBITDA), as determined by applicable rating agency methodologies.

In pursuing a growth strategy, AQN evaluates investment opportunities across two primary business units. These consist of the regulated services group, which primarily owns and operates a portfolio of [regulated assets](#) in the United States, Canada, Chile, and Bermuda, and the renewable energy group, which primarily owns and operates a diversified portfolio of renewable generation assets. The company also undertakes development activities for both business units, working with a global reach to identify, develop, acquire, or invest in renewable power-generating facilities, regulated utilities, and other complementary infrastructure projects.

Diversified portfolio

The regulated services group operates a diversified portfolio of regulated utility systems serving approximately one million customer connections. The group seeks to provide safe, high-quality, and

reliable services to the company's customers and to deliver stable and predictable earnings to the company.

In addition to encouraging and supporting organic growth within the company's service territories, the regulated services group seeks to deliver continued growth in earnings through accretive acquisitions of additional utility systems.

Continuing growth

The renewable energy group generates and sells electrical energy produced by a diverse portfolio of renewable power generation and clean power-generation facilities primarily located across the United States and Canada. The group seeks to deliver continuing growth through development of new greenfield power-generation projects and accretive acquisitions of additional electric energy generation facilities. In addition to directly owned and operated assets, the renewable energy group has investments in generating assets with approximately 1.1 gigawatt (GW) of net generating capacity.

Lucrative pipeline assets

AQN's renewable energy group also works to identify, develop, and construct new greenfield power-generating facilities and transmission lines, as well as to identify and acquire existing projects, in various stages of development and construction, that would be complementary and accretive to the group's existing portfolio.

Further, the group's \$3.1 billion development pipeline from 2021 through the end of 2025 consists of anticipated investments in renewable generation projects and facilities. The projects identified are at various stages of development and construction and have advanced to a stage where the resolutions to major project uncertainties are probable but not certain, and where it is expected that the project will meet management's risk-adjusted return expectations.

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Author

nikhilwaterloo

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