



2 Beaten-Down TSX Stocks to Buy Low Now

Description

Companies moving toward a greener planet should be doing well in the stock market. However, that's not the case for **Northland Power** ([TSX:NPI](#)) and **Algonquin Power & Utilities** ([TSX:AQN](#))([NYSE:AQN](#)) so far in the last 12 months. Both stocks are on a losing streak, and down 9.81% and 7.32% year to date, respectively.

Nonetheless, it presents excellent buying opportunities for long-term investors. Canada is a world leader in renewable power and transitioning into a lower-carbon economy. Hence, it's not surprising for market analysts to recommend "buy" ratings for these utility stocks. The current share prices are good entry points. You can also hold them for income and [growth](#).

Growth-oriented IPP

Northland Power holds the distinction of being one of Canada's pioneering independent power producers (IPP). The \$9.1 billion company from Toronto develops, builds, and operates clean and [green global power](#) infrastructure assets. Apart from North America, the owned assets are in Asia, Europe, Latin America, and selected global jurisdictions.

The renewable energy firm has been in existence for 33 years already. NPI's operating facilities worldwide are offshore & onshore wind, regulated utilities, natural gas, and solar. As of August 11, 2021, it has 16 development projects. The strength in Asia is regional partnerships, while expansion of its offshore wind portfolio in Europe is ongoing.

In North and Latin America, the development projects are in New York, Brazil, Chile, and Colombia. Management keeps adding utilities to NPI's asset base because the primary goal is to generate perpetual, stable cash flows. The year-to-date (six months ended June 30, 2021) declines in net income (58.5%) and adjusted EBITDA compared to last year could be the reasons for the stock's underperformance.

For the rest of 2021, management expects NPI's full-year results to be at the low end of its guidance range. Nonetheless, the company can counter the continuing impact of the pandemic and pursue its

growth objectives because it has sufficient liquidity (\$1.445 million). At \$40.34 per share, the utility stock pays a 2.97% dividend.

World-class renewables

Algonquin Power & Utilities has two core business segments (regulated services and renewable energy) that contribute to revenue. The goal of this \$11.64 billion company is to lead the transition to a low carbon economy. It will pursue decarbonization partnership opportunities to realize the objective.

The regulated services group consists of utility systems (rate-regulated electric, natural gas, water, and wastewater collection) and transmission operations. Management expects this group to deliver continued earnings growth. Pursuing accretive acquisitions of more utility systems is an ongoing concern.

Algonquin's renewable energy group owns and operates a diversified portfolio of non-regulated renewable and clean power generation assets. Its global footprint consists of 53 renewable and clean energy facilities. The combined gross generating capacity of its diversified fleet of hydroelectric, wind, solar, and thermal facilities is 1.5GW.

In the full year 2020, Algonquin's net earnings rose 50.1% to US\$727.8 million versus the full year 2019. So far, in the first half of 2021, revenue and adjusted net earnings growth were 44.3% and 43.5% compared to the same period last year. The share price is \$18.80, and the dividend yield is 4.57% if you invest today.

Strong growth profiles

The pullback of Northland Power and Algonquin Power & Utilities in the stock market are [buying opportunities for long-term investors](#). Both companies boast strong growth profiles and are ready to transition to clean energy.

CATEGORY

1. Dividend Stocks
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2. TSX:AQN (Algonquin Power & Utilities Corp.)
3. TSX:NPI (Northland Power Inc.)

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