



Better Buy: Brookfield Renewable Stock or CNQ?

Description

The utility and [energy sectors](#) are two of the most popular areas to invest in today. Of all the companies that operate in those areas, **Brookfield Renewable** ([TSX:BEP.UN](#)) and **Canadian Natural Resources** ([TSX:CNQ](#)) are two of the most talked-about companies. This is because both companies are [very well established](#) in their respective industries and offer stocks that are attractive to investors.

In this article, I'll discuss which stock is the better buy today.

Background on these companies

Brookfield Renewable is a subsidiary of **Brookfield Asset Management**. Brookfield Renewable owns and operates renewable utility facilities across North and South America, Europe, and Asia. All considered, it is one of the largest producers of renewable utilities in the world, boasting a generation capacity of 21 gigawatts (GW). Its development pipeline also features an additional 69 GW of generation capacity.

Founded in 1973, Canadian Natural Resources is a Calgary-based company that acquires, produces, and sells natural gas and crude oil. It operates assets across North America, the United Kingdom's North Sea, and offshore Africa. Canadian Natural Resources is notable for being one of the largest independent producers of natural gas and crude oil in Canada.

Diving into the numbers

Looking at [Brookfield Renewable](#), we can see that its revenue has grown tremendously over the past few years. In 2018, the company reported US\$2.98 billion in revenue. This compares to US\$4.61 billion in revenue collected over the past 12 months. That signifies a compound annual growth rate (CAGR) of about 11.5%. This strong growth in Brookfield Renewable's revenue has been reflected in its stock price, which has grown 94.6% over the past four years.

Turning over to Canadian Natural Resources, we can see an even more impressive increase in

revenue over the past four years. In 2018, the company reported \$22.28 billion in revenue. This compares to \$48.71 billion in revenue generated over the past 12 months. That represents a CAGR of 21.6%. This superior growth has been reflected in an even more impressive four-year gain of 137.4% in Canadian Natural Resource's stock price.

Between these two companies, I'd say Canadian Natural Resources has grown better over the past four years.

Don't forget the dividend

Both of these companies are also very strong dividend stocks. Looking at Brookfield Renewable, investors can note that it has managed to increase its distribution in each of the past 11 years. Over that period, this dividend has grown at a CAGR of 6%. As of this writing, investors can take advantage of a 4.41% forward dividend yield.

Canadian Natural Resources, however, boasts a dividend-growth streak of 21 years. Over that period, this stock's dividend has increased at a CAGR of 22.3%. Canadian Natural Resources stock offers a forward dividend yield of 4.26%.

If looking solely at these dividend numbers, I'd say Canadian Natural Resources is the better buy.

Foolish takeaway

Brookfield Renewable and Canadian Natural Resources are two very popular stocks among Canadians. In this article, I compared both companies in terms of growth and dividends. Personally, I favour Brookfield Renewable because of its leadership positioning within the global renewable utility industry. However, I think the best buy today appears to be Canadian Natural Resources.

CATEGORY

1. Investing

TICKERS GLOBAL

1. TSX:BEP.UN (Brookfield Renewable Partners L.P.)
2. TSX:CNQ (Canadian Natural Resources Limited)

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