



ALERT: 3 Reasons I'm Buying Boralex Stock Today

Description

Boralex ([TSX:BLX](#)) is a Montreal-based company that is engaged in the development, construction, and operation of renewable energy power facilities primarily in Canada, France, and the United States. Today, I want to discuss why I'm looking to snatch up this renewable energy stock to kick off the New Year. Let's jump in.

How did Boralex stock perform in 2022?

Shares of Boralex opened at \$34.39 per share when trading began on January 4, 2022. The stock would close at \$40.94 on December 29, 2022. This means that the stock climbed 19% over the course of the previous year. That is a solid performance in the face of a very challenging year for most domestic and global equities.

Readers who want more information on its performance can play with the interactive chart that tracks the stock's recent price fluctuations below.

This renewable energy stock is a buy-the-dip opportunity

Boralex stock rose 19% in 2022, but it still suffered a [sharp drop](#) after hitting a 52-week high of \$51.55 in late August 2022. The Relative Strength Index (RSI) is a technical indicator that measures the price momentum of a given security. This [renewable energy stock](#) has spent time in technically oversold territory in September and October. It has steadily gained momentum since the middle of November but is not too late to take advantage of the second-half dip it suffered last year.

Investors should be encouraged by its recent earnings

This company released its third-quarter (Q3) fiscal 2022 results on November 9. EBITDA stands for earnings before interest, taxes, depreciation, and amortization. In the nine-month period ending September 30, 2022, the company delivered adjusted EBITDA of \$379 million — up \$7 million, or 2%,

from the first three quarters of 2021. Meanwhile, operating income fell \$2 million year over year to \$105 million.

Boralex delivered net cash flows of \$90 million in Q3 fiscal 2022 — up \$43 million from Q3 fiscal 2021. It posted consolidated net earnings of \$15 million in Q3 2022, which was up from \$6 million in the prior year.

On the business front, Boralex produced 1,019 gigawatt hours of power, which was down 8% from the third quarter of fiscal 2021. Revenues from energy sales and feed-in premiums also plunged 20% to \$101 million consolidated. The company faced challenges due to unfavourable conditions for wind farms in France as well as hydroelectric power stations in the United States.

Looking ahead, the company projects strong earnings growth as it aims to execute its 2025 Strategic Plan. Boralex has a pipeline of projects that total 3,928 megawatts (MW) in wind and solar projects and 792 MW in energy storage projects in addition to a Growth Path of 696 MW in wind and solar and three MW in storage projects.

Boralex boasts a modest but consistent dividend

This renewable energy stock currently offers a [quarterly dividend](#) of \$0.165 per share. That represents a modest 1.6% yield. Investors can count on consistent income from this stock for the long haul.

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