



\$3,000 Invested in These 2 Stocks Could Make You Rich

Description

Canada has an abundance of small, hidden gems that may get overlooked on a global basis. This is due to the size of some of these companies. In the Environmental, Social, and Governance (ESG) space, several Canadian companies are doing their part to help save the environment. Many even do so profitably.

In this article, I'm going to cover two of the highest-quality companies that fit this description: **Northland Power** ([TSX:NPI](#)), and **Algonquin Power & Utilities Corp.** ([TSX:AQN](#))([NYSE:AQN](#)).

Northland Power

Northland Power is one of the largest **TSX**-listed pure play renewable power options in Canada. Despite this, Northland Power still falls under the radar of many global investors for reasons previously mentioned. This pricing discrepancy/market inefficiency is one of the reasons Northland Power continues to be a [top ESG pick of mine](#) for investors.

Northland has been focused on growing its renewable energy capacity. The company has offshore wind facilities continuing to come online. Northland is expected to have around 3500 megawatts of renewable energy capacity by the end of this year.

The company has been focused on growing its portfolio of assets organically over time. Additionally, Northland has lined up a series of partnerships in growth markets, particularly in Asia. I see these moves as extremely bullish for long-term growth.

Northland has provided investors with a dividend yield in the 4%-5% range for some time. This is a very juicy yield for the growth potential offered by this company. The company's capital inflows are only set to increase over time. Therefore, I see natural stock price momentum on the horizon.

Additionally, the company should be able to finance new renewable power projects and get said projects approved by regulators relatively easily. Banks and governments have a vested interest in seeing Northland succeed.

This is a high-growth, relatively low-risk way for ESG investors to approach this space. These factors make Northland a top pick of mine.

Algonquin Power

Algonquin Power & Utilities Corp. ([TSX:AQN](#))([NYSE:AQN](#)) is another one of my top picks. This company is a hidden gem in the ESG space. This is due mainly to its highly diversified portfolio of income streams. In addition, this company boasts strong growth in its renewable power segment.

Algonquin has grown revenues in this segment both organically and via acquisition in recent years. Moreover, Algonquin's management team has shown strength in their ability to identify acquisition targets in the ESG space. They then create synergies with these companies. Thus, this is a bullish thesis for long-term investors in this space.

Similar to Northland, Algonquin's dividend yield has fluctuated with its stock price in the 4%-5% range. These dividend yields make both companies excellent long-term income stocks as well. An added benefit Algonquin investors receive is U.S. exposure.

Most Algonquin's assets are in the United States. The company earns and reports in U.S. dollars. Also, the dividend is also paid in USD. This provides Canadian investors bullish on a long-term U.S. economic recovery and growth direct access to currency diversification.

In addition, the company's cash flows are extremely stable. Most of its revenue comes from regulated utilities, which provides additional defensiveness and safety to investor portfolios.

Stay Foolish, my friends.

CATEGORY

1. Dividend Stocks
2. Investing

POST TAG

1. canada
2. ESG
3. green
4. renewables

TICKERS GLOBAL

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

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Date

2025/09/27

Date Created

2020/07/01

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