

# Should You Buy Shares of Brookfield Asset Management Inc. Today?

## Description

**Brookfield Asset Management Inc.** (TSX:BAM.A)([NYSE:BAM](#)), one of the world's leading asset managers with over \$200 billion in assets under management, announced fourth-quarter earnings before the market opened on February 13, and its stock has responded by rising over 1.5% in the trading sessions since.

Let's take a look at the quarterly results to determine if we should consider establishing long-term positions today, or if we should look elsewhere for an investment instead.

## Breaking down the quarterly results

In the fourth quarter of fiscal 2014, Brookfield's consolidated net income increased 99.9% to \$1.7 billion, or \$1.59 per share, from the \$850 million, or \$1.08 per share, reported in the year-ago period. Revenue decreased 14.5% to \$4.69 billion. These strong results can be attributed to the company's fee-bearing capital increasing 11.7% to \$88.54 billion, which led to fee-related revenues increasing 25.6% to \$206 million and fee-related earnings increasing 45.1% to \$103 million.

Here's a quick breakdown of eight other important statistics from the report compared to the year-ago period.

1. Total assets under management increased 9.1% to \$204 billion.
2. Total capitalization increased 14.8% to \$129.48 billion.
3. Debt-to-capitalization remained flat at 42%.
4. Direct costs decreased 6.5% to \$3.43 billion.
5. Gross profit margin expanded 700 basis points to 50%.
6. Funds from operations decreased 48.1% to \$535 million.
7. Core liquidity increased 17.9% to \$6.92 billion.
8. Brookfield ended the quarter with \$3.16 billion in cash and cash equivalents, a decrease of 4.6% from the third quarter.

Brookfield announced a 6.3% increase to its quarterly dividend to \$0.17 per share, and the next payment will come on March 31 to shareholders of record at the close of business on February 27.

## Is now the time to buy Brookfield Asset Management?

Brookfield Asset Management is one of the world's largest asset managers, and increased assets and fee-bearing capital led it to post very strong fourth-quarter results. Its stock has responded accordingly by rallying over 1.5%.

Even after the post-earnings pop in Brookfield's stock, I think it represents a great long-term investment opportunity, because it still trades at very inexpensive valuations, including just 14.6 times fiscal 2014's consolidated earnings of \$4.67 per share.

Furthermore, Brookfield pays an annual dividend of \$0.68 per share, which gives its stock a 1% yield at today's levels, and the company has increased its dividend for three consecutive years.

I think Brookfield Asset Management represents one of the best long-term investment opportunities in the market today. Foolish investors should take a closer look and strongly consider establishing long-term positions today.

## CATEGORY

1. Investing

## TICKERS GLOBAL

1. NYSE:BN (Brookfield Corporation)
2. TSX:BN (Brookfield)

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