



5 Things to Love About Brookfield Infrastructure Partners L.P.

Description

With a 20% year-to-date return, a 70% return since January 2016, good access to cash, and a plethora of opportunities for smart, profitable growth, **Brookfield Infrastructure Partners L.P.** ([TSX:BIP.UN](#))([NYSE:BIP](#)) remains a must-own stock.

With this stock, investors get their income needs met while gaining exposure to the infrastructure investment trend that is taking place worldwide.

Outstanding quarter

Brookfield recently reported third-quarter 2017 results which demonstrated the strength in the business and a visible pipeline for the future.

The company generated a return on invested capital of 13% in the quarter, as funds from operations increased 28% to \$301 million, with every segment reporting increases.

Most notable was the utilities segment, which represents 56% of total cash flow, which saw a 67% increase, as the newly acquired Brazilian regulated gas transmission operations contributed to the results, as well as additions to the rate base and inflation adjustments.

Safe, reliable dividend

Brookfield's dividend has increased 12% compared to last year, and the stock currently has a dividend yield of 4%.

The dividend is reliable and secure, as the company's assets are long-life assets which provide essential services and that have long-term contracts and predictable cash flows.

And, at a 65% payout ratio, the company remains well within its targeted range of between 60% and 70%.

Geographic diversity

Brookfield continues to expand its geographic reach and diversity, and announced in the third quarter the acquisition of two toll roads in India that add to its existing portfolio of roads in India.

The roads are in the final stages of construction and will be fully commissioned in early 2018.

The company's toll road portfolio in India is now over 600 kilometres.

Good visibility

Going forward, the organic capital backlog, which includes construction that is in progress, is approximately \$2.3 billion — almost double what it was last year.

Aging public infrastructure, economic growth in Asia, water scarcity, and unprecedented data usage are big drivers for this company.

And anecdotally, looking at the aging infrastructure play, for example, we can be sure that investment in the world's aging infrastructure will take decades rather than years, so Brookfield's growth has a lot of legs to it.

Brookfield currently has liquidity of \$3.6 billion, so it is well positioned to capitalize on future opportunities.

Access to capital

Lastly, and very importantly, the company is backed by the [\\$52 billion market capitalization behemoth](#), **Brookfield Asset Management Inc.** (TSX:BAM.A)([NYSE:BAM](#)), which has a stake in Brookfield Infrastructure's assets and provides management and administration services for it.

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1. Dividend Stocks
2. Investing

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Date

2025/08/27

Date Created

2017/11/14

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