

Get a Lifetime of Quality Income From This Stock

Description

Brookfield Infrastructure Partners L.P. ([TSX:BIP.UN](#))([NYSE:BIP](#)) is trading at its lowest levels in the last year. If you look at its long-term chart for a period of five years or longer, you'll see how well the stock has performed.

Typically, that's the kind of stock you want to own and buy on meaningful dips. The stock is +13% below its 52-week high. This is a meaningful dip for the quality utility.

The business

Brookfield Infrastructure owns and operates critical infrastructure networks around the world. Its assets transport and store energy, water, freight, passengers, and data.

The management employs a value-investing approach and aims to buy high-quality assets when they're undervalued and potentially sell them when there are better opportunities available.

Recent results and development

Brookfield Infrastructure's first-quarter funds from operations per unit increased 19.7% to US\$0.85 compared to the same quarter last year.

In March, the company sold its stake in a Chilean electricity transmission company for a pre-tax rate of return of ~18%, as it saw opportunities to invest elsewhere for "significantly higher returns."

Brookfield Infrastructure is also progressively acquiring a Colombian gas-distribution company. It already has an 11% interest in the company, and along with its institutional partners, in time, it aims to own a controlling interest in the company.



Brookfield Infrastructure outperforms

Brookfield Infrastructure has [outperformed](#) its industry and the market in the long run. Specifically, in the five- and 10-year periods that ended on March 31, the stock delivered annualized total returns of 22% and 27%, respectively.

In the same periods, the **S&P Utilities Index** and the **S&P 500 Index** delivered annualized total returns of 9% and 7%, and 13% and 9%, respectively. The Canadian utility index and the Canadian market performed worse in those periods.

Why you should own Brookfield Infrastructure

Brookfield Infrastructure is an excellent consideration for long-term investors because of its ability to generate quality, growing cash flow that translates to an increasing income stream for its shareholders.

On the Toronto Stock Exchange, Brookfield Infrastructure has [increased its distribution](#) for a decade. Its three-year dividend-growth rate is 10.8%. Management aims to increase the company's distribution by 5-9% per year. In recent history, it has increased its distribution at the high end of the range.

Currently, at ~\$49.60 per share, Brookfield Infrastructure offers a yield of ~4.9%. Notably, it offers a U.S. dollar-denominated distribution, which will cause its yield to fluctuate along with the strength of the U.S. dollar against the Canadian dollar and the changing share price.

Investor takeaway

Brookfield Infrastructure is a quality company that you can buy and hold for a growing income stream. Now is a good time to scale in after the stock has dipped meaningfully and offers a yield of ~4.9%.

CATEGORY

1. Dividend Stocks
2. Investing

POST TAG

1. Editor's Choice

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1. NYSE:BIP (Brookfield Infrastructure Partners L.P.)
2. TSX:BIP.UN (Brookfield Infrastructure Partners L.P.)

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