



Brookfield Infrastructure Partners (TSX:BIP.UN) Q1 Conference Call: Here's What We Learned

Description

Brookfield Infrastructure Partners ([TSX:BIP.UN](#))([NYSE:BIP](#)) stock has done incredibly well over the last 10 years, rising by more than 400% in value. Now armed with a 5% dividend yield, shares are also beloved by retirees and other income investors.

While they are paid to own the stock, investors can also gain by listening to what Brookfield's executives have to say. After all, the company has investments in every corner of the globe, giving it unique insight into the global economy.

Plenty of opportunities

While many investors believe that global equity markets are overpriced, Brookfield is finding plenty of opportunities in the private sector, investing in a wide variety of businesses across multiple geographies.

For example, the company's U.K. distribution business continued to grow following a record year in 2018. By the end March, its order book was at an all-time high, 12% higher than the year prior.

Brookfield is also increasingly bullish on its Brazilian businesses. In its Electricity Transmission segment, the company is working to finish 4,300 kilometers of transmission lines.

In April, management exercised an option to acquire a 50% interest in 500 kilometers worth of transmission lines. Bahir Manios, Brookfield's CFO, says he plans on "exercising our buyout options for the remaining operating lines later this year."

Brookfield is also witnessing encouraging economic activity throughout its transportation businesses. This segment grew 6% last quarter due to higher traffic levels across its toll road portfolio and strong container volumes at its ports and terminals.

Based on management's comments, it appears that Brookfield's biggest issue is simply organic limits

to how many deals it can close in a single quarter.

As far as the business is concerned, the global economic looks fantastic. Prices may be high overall, but there's value to be had if you dig deep enough.

This story keeps going

Brookfield's entire business model depends on modernization and population growth, which is why its management team keeps such a close watch on the health of the global economy.

While it can be a tricky game to play in any single year, betting on the world growing has been a winning proposition for centuries. This thesis should have plenty of decades left to run.

By 2050, the United Nations expects the world's population to surpass nine billion people, up from 7.7 billion today. This factor alone should provide ample long-term investment opportunities on which Brookfield can capitalize.

By investing directly in infrastructure projects, Brookfield is your best way at benefiting from a growing world.

But don't worry: the company has plenty of short-term opportunities as well. Analysts expect EPS to grow at an annual rate of 15.6% over the next five years.

Management likely isn't worried about near-term expectations, however. Since its inception, Brookfield has focused on full-cycle returns, showing a willingness to buy when others are fearful while monetizing its portfolio during periods of exuberance.

For both short-term and long-term growth, Brookfield Infrastructure Partners looks like a great bet.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

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

PARTNER-FEEDS

1. Msn
2. Newscred
3. Sharewise
4. Yahoo CA

Category

1. Dividend Stocks

2. Investing

Date

2025/08/26

Date Created

2019/05/12

Author

rvanzo

default watermark

default watermark