



## 1 Stock to Buy and Hold for the Next 30 Years

### Description

While it has its highs and lows, the stock market generally goes up over time. The average return of the market over the past 30 years is around 7%. This does not mean that every — or even the vast majority — of companies perform well; the average investor generally sees returns that are lower than those of the market. It can be difficult to find companies capable of keeping up with the market over long periods. However, I believe **Brookfield Infrastructure Partners** ([TSX:BIP.UN](#))([NYSE:BIP](#)) may have what it takes; here is why.

### Brookfield's business model

Brookfield owns and operates high-quality assets in several key sectors. These include the utilities sector, the energy sector, the transport sector, and the data infrastructure sector. Brookfield's utilities segment is especially noteworthy since it accounts for the lion's share of its earnings. The firm owns over \$4 billion worth of asset within this segment across North America, Europe, Asia, and Australia. Much of Brookfield's utilities business is regulated and supported by long-term contracts, which guarantees somewhat stable earnings.

In addition, most of these contracts are inflation-linked, which allows the company to increase the rates it charges to keep up with inflation. Brookfield can continue growing its business — and especially its utilities segments — by making acquisitions. Indeed, making shrewd acquisitions has been an essential factor in the company's growth. Of course, acquisitions are subject to risks. However, Brookfield's track record is indicative of a team that knows which companies to acquire and how to properly integrate these companies under its umbrella.

### Recent financial results

Brookfield's latest earnings report was excellent. Though the firm's net income decreased year over year, the two results aren't comparable since last year's includes an unusual gain. An apples-to-apples comparison reveals that Brookfield performed well, as its earnings increased across every major business segment. The firm's utilities sector's funds from operations (FFO) was \$143 million, up from \$139 million year over year, while the transport segment, energy segment, and data infrastructure segment grew their FFOs by 1.5%, 78%, and 58%, respectively. Brookfield's FFO per unit increased

by 13%.

Brookfield made several acquisitions during the quarter. The Toronto-based firm bought an integrated telecommunications provider in New Zealand that provides broadband and wireless services to 2.5 million customers. Brookfield also acquired a rail business with operations in the U.S., Canada, the U.K., and Australia, and a majority stake in two U.S. natural gas pipelines that transport gas into Mexico. These acquisitions (among others) should help fuel Brookfield's growth in the future.

## The bottom line

Brookfield's business is tied to several key sectors of the economy, and the firm continues to grow its assets along with its earnings. As a bonus, the infrastructure company offers investors a dividend yield of 4.59% (at writing). Investors looking for [a stock to buy and hold for a long time](#) should consider purchasing shares of Brookfield.

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