



TFSA Investors: 1 Global Value Stock to Own

Description

Brookfield Business Partners ([TSX:BBU.UN](#))([NYSE:BBU](#)) seeks to build value through [enhancing the cash flows](#) of the company's businesses. It pursues an operations-oriented acquisition strategy and opportunistically recycles capital generated from operations and dispositions into the company's existing businesses, new acquisitions, and investments.

Concise business strategy

The company looks to ensure that each of Brookfield's businesses has a clear, concise business strategy built on competitive advantages, while focusing on profitability, sustainable operating product margins, and cash flows. It emphasizes [downside protection](#) by utilizing business plans that do not rely exclusively on top-line growth or excessive leverage.

Brookfield grows by primarily acquiring positions of control or significant influence in businesses at attractive valuations and by enhancing earnings of the businesses it operates. In addition to pursuing accretive acquisitions within the company's current operations, Brookfield opportunistically pursues transactions where the company's expertise provides it with the insight into global trends to source acquisitions that are not available or obvious to competitors.

Long-term ownership structure

The company offers a long-term ownership structure to companies whose management teams are seeking additional sources of capital but prefer not to be public as a standalone business. From time to time, Brookfield recycles capital opportunistically, but it has the ability to own and operate businesses for the long term.

Brookfield's global scale and leading operations allow it to efficiently allocate capital around the world toward those sectors and geographies where it sees the greatest opportunities to realize targeted returns.

Limited impact of pandemic

Brookfield's companies, like most globally, faced challenging business conditions as a result of the global economic shutdown. Near-term cash flows were impacted by the economic shutdown during the year, but given the resilience and recovery of the company's larger businesses, the long-term viability of the company's cash flows and terminal values has been largely unaffected.

As a result, the overall impact of the pandemic-driven economic shutdown to the company's intrinsic value has been limited. Within the company's business services segment, Brookfield continues to grow the company's portfolio.

Exciting portfolio activity

Recently, the company completed the acquisition of Everise. Everise is a business process outsourcing company which specializes in managing customer interactions for large global healthcare and technology clients primarily based in the United States. The company's share of the \$240 million equity investment is expected to be approximately \$85 million, which will give it an approximate 35% economic ownership interest. Everise is an essential service provider and has a strong track record of delivering best-in-class service and meaningfully reducing customer costs, which results in stable profitability.

Brookfield has identified several opportunities to grow, particularly in the high-growth healthcare and technology sectors. It has also made progress on operational improvements at portfolio companies. At Healthscope, performance in the year reflected the company's critical role as part of Australia's healthcare infrastructure. While results during the year benefited from payments received under state agreements, the company's activity levels have returned to normal following the easing of restrictions on elective surgeries in Australia.

In short, Brookfield continues to advance initiatives to build value within all businesses it owns.

CATEGORY

1. Investing

TICKERS GLOBAL

1. NYSE:BBU (Brookfield Business Partners L.P.)
2. TSX:BBU.UN (Brookfield Business Partners)

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
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Author

nikhilwaterloo

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