



Canadian Investors: 2 of the Best Stocks to Buy Now

Description

Shopify ([TSX:SHOP](#))([NYSE:SHOP](#)) and **Brookfield Infrastructure Partners** ([TSX:BIP.UN](#))([NYSE:BIP](#)) are two of the best stocks to buy now. These two companies have outperformed in the long run and are likely to reward its long-term shareholders with extraordinary returns.

Shopify stock

Shopify is one of the best stocks to buy now to gain from the long-term e-commerce growth trend. The growth stock has appreciated more than 4,000% in the past five years, turning a \$10,000 investment to about \$417,000 in the period!

The company is still doing very well. It reported splendid first-quarter results. Shopify stock's revenue was US\$988.6 million for the quarter ended March 31 — an increase of 110% from US\$470.0 million in the quarter of the prior year. The reopening of the global economies and government stimulus measures helped boost e-commerce sales around the world.

Cost of revenues of US\$429.9 million for the quarter didn't jump as much, increasing 102%, which is good to see. As a result, its gross profit climbed 117% to US\$558.7 million.

The tech stock also swung from a net loss of US\$31.4 million to a net income of almost US\$1.3 billion. Notably, the magnificent net income did not have anything to do with the company's operations. Rather, it included a US\$1.3 billion unrealized gain on its equity investment in **Affirm** due to its initial public offering in January 2021.

The adjusted net income is a better metric to gauge the company's performance. For the quarter, Shopify's adjusted net income was US\$254.1 million — an increase of 11 times from US\$22.3 million in the previous year's quarter. On a per-share basis, it was US\$2.01, up more than 10 times.

According to the analyst consensus price target, [Shopify stock](#) is undervalued by about 21% and can appreciate approximately 27% over the next 12 months.

A dividend stock Canadians would love

Brookfield Infrastructure is at the top of the pack among its utility peers. It delivered annualized returns of about 21% in the past five years. That's roughly three times the returns versus the U.S. and Canadian utility index returns of 7-8%!

Unlike Shopify stock, BIP stock will generate more predictable returns. The global infrastructure is a fitting choice for those seeking a passive, growing income. The company enjoys high EBITDA margins of +50%. It has paid a growing dividend since inception more than 10 years ago. Its five-year dividend-growth rate is 8.8%.

Brookfield Infrastructure offers a safe dividend. Approximately 95% of its cash flow is regulated or contracted.

Because of the utility company's vast geographical reach across multiple continents, it has a growing empire of utilities, transport, midstream, and data infrastructure assets. Growth will come organically as well as from acquisitions and capital recycling.

BIP provides a dividend yield of about 3.8% today with a payout ratio of about 70% of funds from operations. That dividend stream is poised to grow. Management aims to increase that cash distribution by 5-9% per year.

According to analysts, BIP stock is reasonably valued and can appreciate approximately 9% over the next 12 months.

The Foolish takeaway

Look nowhere else for the best stocks. Buy Shopify stock and [Brookfield Infrastructure Partners](#) now and buy more when they correct. They are more likely to deliver outperforming returns than not.

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1. Editor's Choice

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2. NYSE:SHOP (Shopify Inc.)
3. TSX:BIP.UN (Brookfield Infrastructure Partners L.P.)
4. TSX:SHOP (Shopify Inc.)

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