Should You Buy Brookfield Asset Management Today?

Description

Brookfield Asset Management (TSX:BAM.A)(NYSE:BAM) has been a major player during the last year. The asset manager's shares are up 37% year to date and 66% in the last year alone! It's also been continuing its deal streak, making strong acquisitions to build its portfolio for the future. But have investors gotten in too strong and too quickly for Brookfield stock? Or does it still hold significant value on the **TSX** today? Let's look at what's been going on to figure out what you should do with Brookfield stock today.

Strong reports

During the last few months, Brookfield announced strong results from its earnings reports. The company recently reported $24 billion in capital raised, including $9 billion from its flagship property fund, and $7 billion from its global transition fund. These two funds are expected to exceed $30 billion before they close for capital, according to management. Meanwhile, funds from operations and net income came in at $1.6 billion and $2.4 billion during the last quarter — significant increases from the year before.

Investments were strong, bringing in $1.1 billion of carried interest or 20% growth year over year to a total of $6.2 billion. The company also announced two major acquisitions, including the recent acquisition of American National Group for $5.1 billion and the $1 billion strategic partnership with Elion Partners. Both are in strong areas of investment and are set to expand further from these acquisitions and thus bring in even more cash flow in the years to come when they come online early next year.

Value

Now, there's all this momentum going on, but what about value for Brookfield stock? While the price-to-earnings (P/E) is in fair value territory of about 32.4 as of writing, its other fundamentals are quite strong. Brookfield currently has an EV/EBITDA of 17.6 and P/B ratio of 2.7. Shares are up 64% in the last year, as I've said, but are set to remain around this level, according to analysts, over the next year. Analysts, however, continue to raise guidance for the company. This is because Brookfield has been on a steady streak of finding new ways of bringing in larger funds. There is likely even more growth and value set to come given this information.

And you can see the positive momentum given the historical data provided by the company. Shares are up 592% in the last decade. That's a compound annual growth rate (CAGR) of 21.34% over that time! Furthermore, it offers a dividend yield of 0.93% on the TSX today. That's not high, sure, but you can still use it to reinvest in this strong company. That yield has also grown at a dividend CAGR of 7.58% during the last decade, including during the pandemic.

Foolish takeaway

Given the value and future outlook of Brookfield combined with the strong press releases and reports, I'd consider this stock a solid company for your watchlist. Whether it's real estate, infrastructure, clean energy, the company manages it all. It has its hand in all the pies that have future growth ahead. It continues to find new ways of bringing in cash, and this has led to stable growth for decades. So, if you're an investor looking for a strong stock to consider long term on the TSX today, Brookfield is a strong one to consider.

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