



Brookfield Infrastructure Partners L.P. (BIP)

Updated May 9th, 2026 by Kay Ng

Key Metrics

Current Price:	\$37	5 Year Annual Expected Total Return:	13.1%	Market Cap:	\$17B
Fair Value Price:	\$41	5 Year Growth Estimate:	7.0%	Ex-Dividend Date:	05/29/26
% Fair Value:	90%	5 Year Valuation Multiple Estimate:	2.1%	Dividend Payment Date:	06/30/26
Dividend Yield:	4.9%	5 Year Price Target	\$57	Years Of Dividend Growth:	16
Dividend Risk Score:	C	Sector:	Utilities	Rating:	Hold

Overview & Current Events

Brookfield Infrastructure Partners L.P. is one of the largest global owners and operators of infrastructure networks, which includes operations in sectors such as energy, water, freight, passengers, and data. Brookfield Infrastructure Partners is one of multiple publicly-traded listed companies under Brookfield Corporation (BN). Brookfield Infrastructure Partners is a Bermuda-based limited partnership that is treated as a partnership for U.S. and Canadian tax purposes, and it reports financial results in U.S. dollars. It spun off Brookfield Infrastructure Corp. (BIPC, TSX:BIPC) in early 2020 for investors who prefer to invest in a corporation.

BIP reported strong results for Q1 2026 on 04/29/26. For the quarter, the diversified utility reported funds from operations (“FFO”) of \$689 million, up 9.8% year over year (“YOY”), driven by its data and midstream segments that experienced increases of 46% and 12%, respectively. The FFO increase reflects organic growth at the high end of its target range of 6% to 9%, driven by higher inflation-linked revenues, strong utilization in its midstream segment, and the commissioning of over \$1.7 billion of projects from its capital backlog since Q1 2025. The increase also reflects the contribution from \$1.4 billion of new investments completed over the last 12 months, offset by the foregone earnings from over \$3.6 billion of asset sales completed over the same period. FFO per unit (“FFOPU”) was \$0.90 (up 9.8%). CEO Sam Pollock noted, “Our strategic partnerships with high-quality counterparties are increasingly an important driver of growth, expanding our opportunity set and reinforcing our position as a partner of choice for large-scale infrastructure investment.” In Q1, BIP secured ~\$400 million of net investment opportunities, including the launch of a new equipment leasing platform with an original equipment manufacturer for large, mission-critical and long-lived industrial equipment and an additional project (to install up to 1 GW of behind-the-meter power generation) under its \$5 billion strategic partnership with Bloom Energy. It also secured \$1 billion towards its capital recycling goal this year, demonstrating its ability to self-fund growth by selling mature assets at good valuations. We maintain our 2026 FFOPS estimate at \$3.55.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
FFOPS	\$1.81	\$2.07	\$2.07	\$2.27	\$2.09	\$2.43	\$2.71	\$2.95	\$3.12	\$3.32	\$3.55	\$4.98
DPS	\$1.03	\$1.16	\$1.25	\$1.34	\$1.29	\$1.36	\$1.44	\$1.53	\$1.62	\$1.72	\$1.82	\$2.41
Shares¹	173	277	278	294	295	305	458	462	462	464	462	518

BIP spun off BIPC in 2020. In June 2022, BIP/BIPC had a 3-for-2 share split. The table above shows the split-adjusted FFOPS & DPS values. BIP’s earnings are reduced by preferred unit and incentive distributions. So, the FFOPS is a better metric than the EPS to track its business health. The FFOPS adjusts for non-cash items such as depreciation, amortization, and certain non-recurring items to more realistically represent the firm’s underlying earnings power. BIP uses FFO, which are relatively in line with its cash flows, to determine its dividend growth. From 2016-2025, the FFOPS and DPS had a CAGR of 7.0% and 5.8%, respectively. BIP has a strong track record of selling mature assets and redeploying capital for attractive long-term returns. Additionally, its infrastructure portfolio also expects to experience strong organic growth of 6-9% per year. BIP intends to make new investments of ~\$1.5 billion each year. End of Q1 2026,

¹ Share count is in millions.

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BIP had a record capital backlog of ~\$9.6 billion across its operations: ~\$1.3 billion utilities, \$817 million in transport, \$219 million in midstream, and ~\$7.3 billion in data. BIP targets an FFOPS growth rate of +10% and dividend growth of 5-9%. To be more conservative, we use the midpoint of the latter: 7% for our FFOPS growth rate through 2030.

Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
P/FFO	10.9	13.0	11.3	13.2	13.3	16.3	12.9	11.5	10.5	10.0	10.4	11.5
Avg. Yld.	5.3%	4.3%	5.3%	4.5%	4.7%	3.6%	3.9%	4.7%	5.1%	5.2%	4.9%	4.2%

We value BIP based on its funds from operations. From 2016-2025, BIP's average P/FFO was 12.3. The utility has a top management team, and it continues to grow at an above-average pace in the utility space while expanding its diversified portfolio of quality infrastructure assets. We think a target multiple of 11.5x and a yield of ~4.2% are fair for this quality utility. The stock appears to be fairly valued.

Safety, Quality, Competitive Advantage, & Recession Resiliency

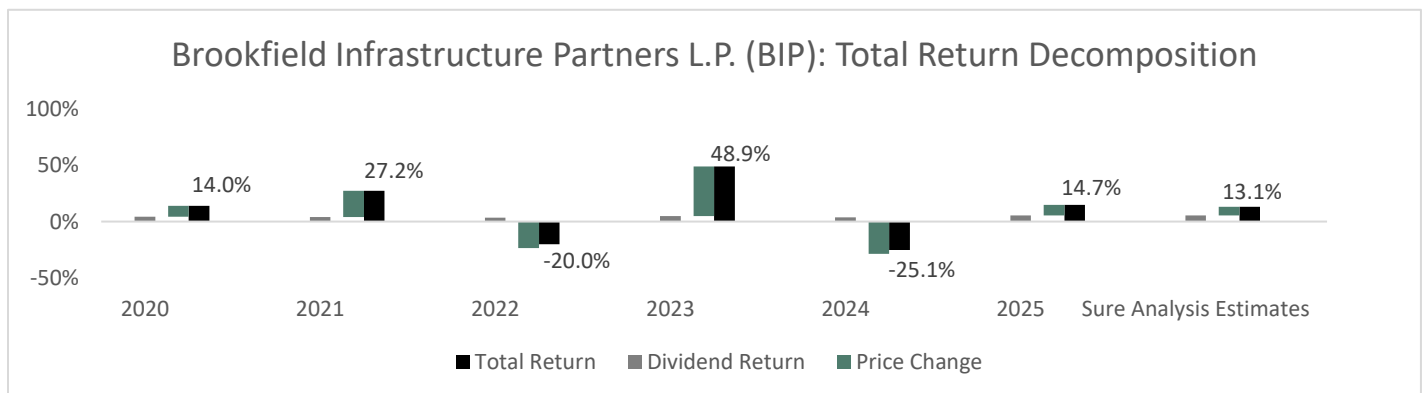
Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	57%	56%	60%	59%	62%	56%	53%	52%	52%	62%	51%	48%

The COVID-19 pandemic demonstrated the resiliency of BIP's business. The company defines the payout ratio as distributions paid (inclusive of GP incentive and preferred unit distributions) divided by FFO, which averaged 70% from 2016-2025. According to this formula, its 2025 payout ratio is 66%, within management's FFO payout ratio target of 60% to 70%. BIP's FFOPS remains stable even through recessions because of the essential services provided by its diversified infrastructure portfolio. Stable FFO and a sustainable payout ratio leads to a secure dividend. BIP benefits from the qualitative competitive advantages of the Brookfield family of companies, which includes access to large-scale capital, vast experience owning and operating real assets, and a truly global operating presence. These factors allow BIP to invest in the most compelling global infrastructure opportunities. BIP has current liquidity of \$5.3 billion, including ~\$2.5 billion at the corporate level and ~\$1.2 billion of cash across its businesses. Additionally, BIP maintains a solid credit rating of BBB+. It primarily obtains financing at the asset level. So, in a worst-case scenario, it'd end up handing over a struggling asset to a creditor; the rest of the business wouldn't be impacted. In any case, BIP is set to grow. Its ongoing capital recycling program helps provide capital to be reinvested for its target returns of 12-15% on its investments.

Final Thoughts & Recommendation

BIP allows investors to invest in real global infrastructure assets. It should continue to grow at a good pace going forward. We believe BIP is fairly valued and can deliver total returns of about 13.1% over the next five years from a yield of 4.9%, 7.0% FFO growth, and valuation expansion of 2.1%. We rate BIP as a "hold."

Total Return Breakdown by Year



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Income Statement Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenue	2,115	3,535	4,652	6,597	8,885	11,537	14,427	17,930	21,039	23,100
Gross Profit	1,052	2,026	2,444	3,202	4,042	3,290	3,917	4,461	5,363	6,224
Gross Margin	49.7%	57.3%	52.5%	48.5%	45.5%	28.5%	27.2%	24.8%	25.4%	26.9%
SG&A Exp.	166	239	223	279	312	406	433	413	405	426
D&A Exp.	447	671	801	1,214	1,705	2,036	2,158	2,739	3,644	4,024
Operating Profit	439	1,116	1,420	1,709	2,025	2,884	3,484	4,048	4,958	5,798
Operating Margin	20.8%	31.6%	30.5%	25.9%	22.8%	25.0%	24.1%	22.6%	23.6%	25.1%
Net Profit	369	124	329	211	324	766	341	367	391	449
Net Margin	17.4%	3.5%	7.1%	3.2%	3.6%	6.6%	2.4%	2.0%	1.9%	1.9%
Free Cash Flow	63	767	523	961	1,058	790	397	1,753	205	268
Income Tax	15	173	364	278	291	614	560	581	356	589

Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Assets (bns)	21.3	29.5	36.6	56.3	61.3	74.0	73.0	100.8	104.6	128.1
Cash & Equivalents	702	341	444	699	742	1,406	1,279	1,857	2,071	3,201
Accounts Receivable	395	738	1,044	1,741	1,463	1,847	2,276	3,734	3,873	
Inventories	101	108	141	242	221	400	531	512	454	
Goodwill & Intang.	4,967	11,195	15,494	20,939	18,401	23,193	20,611	30,330	28,622	34,975
Total Liabilities	11,631	16,003	21,912	34,131	39,658	47,570	47,415	66,770	74,737	92,610
Accounts Payable	266	864	463	973	1,461	1,877	1,872	1,099	994	
Long-Term Debt	8,326	10,164	15,106	21,118	23,396	29,253	30,233	45,820	51,094	64,498
Shareholder's Equity	5,013	5,587	5,471	6,007	5,382	6,871	6,317	4,068	4,704	4,889

Profitability & Per Share Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Return on Assets	1.9%	0.5%	1.0%	0.5%	0.5%	1.1%	0.5%	0.4%	0.3%	0.6%
Return on Equity	8.1%	2.3%	6.0%	3.7%	3.7%	12.5%	5.2%	5.8%	5.9%	13.7%
ROIC	3.2%	0.8%	1.6%	0.7%	0.7%	1.7%	0.7%	0.6%	0.3%	4.2%
Shares Out.	173	277	278	294	295	305	458	459	462	460
Revenue/Share	8.64	13.36	16.80	23.10	23.10	38.88	31.49	39.03	45.54	50.22
FCF/Share	0.26	2.90	1.89	3.36	3.36	2.66	0.87	3.82	0.44	0.58

Note: All figures in millions of U.S. Dollars unless per share or indicated otherwise.

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