

Brookfield Investor Conference

September 21, 2021

Corporate Speakers:

- Suzanne Fleming; Brookfield Asset Management, Managing Partner & Global Head of Communications and Branding
- Cyrus Madon; Brookfield Business Partners; CEO
- Jaspreet Dehl; Brookfield Business Partners; CFO
- Doug Bayerd; Brookfield Business Partners; Managing Director

Participants:

- Geoffrey Kwan; RBC Capital Markets; Analyst
- Jaeme Gloyn; National Bank; Analyst

PRESENTATION

Suzanne Fleming^ Good morning everyone. And welcome to the second part of Brookfield's 2021 Investor Day. My name is Suzanne Fleming. And I head Communications for Brookfield. And thank you everyone who is joining us here in person in New York and to those of you who are joining us online.

Today we're going to hear from our listed affiliates so first will be Brookfield Business Partners followed by Brookfield Infrastructure Partners. We'll round out the day with the Renewable and Transition Business.

And as you know, Mark Carney joined us recently so he'll talk today a little bit about the Global Transition to Net-Zero.

Each session will have its own Q&A and for those of you in line there's a question box at the bottom of the screen. And for those of you in the room just raise your hand and we'll get a mic over to you or use the QR code that's on the table in front of you. And if you've joined us in person we invite you to stay for lunch. It will be served outside afterwards.

So we'd like to remind you that in responding to questions and in talking about new initiatives in our financial and operating performance for the Brookfield companies presenting today, we may make forward-looking statements, including forward-looking statement within the meaning of all applicable and Canadian and U.S. laws.

These statements reflect predictions of future events and trends and do not relate to historic events. They're subject to known and unknown risks and future events may differ materially from such statements.

For further information on these risks and their potential impacts on our Company please see our filings with the securities regulators in Canada and the U.S. and the information available on our website. And with that I'll hand it over to Cyrus.

Cyrus Madon[^] Thank you, Suzanne. Well welcome to our Investor Day for 2021. I'll be joined today by Doug Bayerd, a managing director in our group who leads technology investing for us and Jaspreet Dehl, our Chief Financial Officer.

Today we wanted to give you a report card on how we think we've been doing for the last five years and what we've done with the business over the last five years since we launched Brookfield Business Partners.

So as a reminder our overall objective at BBU is to generate increased value per unit over a long period of time and we do that primarily through capital appreciation of the operations we own. That was our objective when we launched BBU. It remains our objective today.

So how do we do that? Well we buy high-quality businesses. We take a hands-on approach to managing those businesses and drive operational improvement, drive cash flow, drive value creation and we monetize those businesses at the appropriate time.

Now to do all of this we need organizational capabilities. So as our business has grown, we've been scaling up our operations to make all of this happen. You can see over the last five years we bought 18 businesses and invested \$6 billion at BBU share to do this. Now the total purchase price of these businesses was closer to \$20 billion and I'm talking about the equity funded to buy these companies. Which means that BBU gets to buy control of very large-scale, very high-quality businesses by partnering with institutional investors. And this is an enormous advantage that BBU has.

We also made a number of bolt-on acquisitions within our operations to strengthen them over the last five years.

Similarly, we sold nine companies for \$3 billion at our share. We generated 30% returns on these sales for our unitholders. Now when we start selling the larger businesses that we've been buying over the last five years, the scale of our monetizations is going to increase dramatically.

All of this activity means our business has grown a lot. Our Company EBITDA is now \$1.6 billion, far above the \$240 million it was when we created BBU. But size and scale alone don't really matter. As I said, we want to create value and performance on a per unit basis.

So let's look at our FFO per unit. It's tripled over that same period of time. And our FFO per unit including gains has more than quadrupled. Now we'd encourage you to look at FFO per unit including gains because buying and selling interests in businesses is part of what we do at BBU.

So what does this all mean for value creation? Well our net asset value is now \$56 a unit. That represents an 18% annual compound increase in value. Jaspreet is going to take you through this in more detail when she speaks to you.

And our market cap has more than tripled from \$2 billion from capital appreciation and a couple of equity issuances along the way.

As I said earlier, we can't scale the size of our business without building organizational capability. Today we have a 150 investment and business operations professionals within BBU compared to just 50 five years ago. This is a global team. It's on the ground in every region we operate in.

Our business operations team works really closely with the management of our companies to drive performance improvement and there are a few members of them here today.

We've now created something that we call the Brookfield Playbook. This is a very detailed outline of our investment and business operations' processes so we can maintain consistency as we grow. And it's something that all our people use throughout the organization. It's an online tool. It's sort of a living, breathing thing that keeps getting better. And it's a tremendous training tool for our young people. Finally, we built really strong data analytics and digital capabilities to accelerate our progress.

So apart from growing our business, we have a stronger profile than we did five years ago. We started this business with a number of smaller-scale operations, a fair bit of commodity exposure, and earnings volatility. Today we own global market-leading companies with super high-quality operations selling essential products and services.

And what that means is even during an economic downturn like the one we just lived through, our operations remain resilient and our cash flows are stable. Quite simply Brookfield Business Partners is a very high-quality business today.

Our largest businesses include the global leader in advanced automotive batteries, the global leader in nuclear technology services, leading services providers in residential mortgage insurance in Canada, healthcare services in Australia, and water and wastewater services in Brazil. We're diversified by type of operation and region which further mitigates our business risk.

And these operations are much larger than the operations we owned five years ago. The average asset size, the number of employees, the EBITDA, it's all grown. To put this in perspective our average EBITDA for our five largest businesses is up from \$75 million five years ago to \$800 million today. So again a reflection of the growing scale of our underlying operations.

We are really pleased with our progress and hopefully you'll give us a pretty good grade for the last five years. But more importantly, where are we going to go from here?

Well we're going to keep buying larger-scale, high-quality businesses. Today we see new investment opportunities in all our key regions. We're seeing buyouts, corporate

carveouts, partnerships, underperforming situations globally and because our team has grown so much our deal flow is actually accelerating.

We see far more opportunities today than we did five years ago and this is a common question we get from our investors, you know, “it's a competitive market are you still seeing stuff?”

And yes, I can tell you I have never seen so much scale and quality of deal flow as in the last year. So what this means for BBU is we have a much wider range of opportunities to choose from. We look at a lot of great deals at any point in time and this means we're going to keep growing but the quality of what we buy is going to keep getting better.

Modulaire is a great example of the type of business we want to own. We recently announced the acquisition of Modulaire for \$5 billion. It's a leading provider of modular unit leasing services in Europe and Australia. The business serves stable industrial, infrastructure, and public-sector end markets. It's got a very large and established branch network.

As a longtime supplier to our construction operation, we're quite familiar with Modulaire and the value proposition it provides. And the business is benefiting from more demand for temporary space solutions and a lower cost and more sustainable alternative to permanent construction.

This company has grown historically through M&A and we're going to put a lot of attention into integrating all those acquisitions, increase its overall corporate efficiency. We're also going to help Modulaire grow by leveraging the relationships we have in infrastructure, commercial real estate, and construction. And we're going to increase the penetration of value-added products and services it provides to its customers across its fleet of 240,000 modular units.

We also announced the acquisition of another high-quality business recently called DexKo. DexKo is the leading provider of engineered components for towable equipment in North America and Europe. This is a market leader. It has a really strong competitive position, has a flexible cost structure. And it's the only business in its industry which has integrated manufacturing and distribution which gives it a huge competitive advantage.

We intend to continue growing this business, expanding into adjacent products, and supporting management in its M&A strategy which has been very successful. And like Modulaire, we're going to work to improve operating efficiencies by reducing costs, implementing procurement strategies across its footprint. These are two really good high-quality businesses. Both of them are market leaders. Both of them generate high returns on capital.

Now in order to accelerate our growth, we're expanding our reach - we've been expanding our reach into new sectors. Today we're really active in business services, infrastructure

services, and industrials. We've made investments in technology and healthcare, but these are areas we're putting a far greater emphasis on.

These markets are enormous. They represent a large proportion of global M&A activity, and we like them because we can find providers of essential products and services with very attractive growth fundamentals. So very similar to what we're doing elsewhere.

And we'll use the same approach as we do across the rest of our business. We're going to look for high-quality businesses that we can buy for value, apply our operating model to enhance cash flows and value.

We're building dedicated resources within BBU to support the growth of our business in these areas. And Doug Bayerd is going to talk to you shortly about what we're doing in technology.

We're also going to keep improving the businesses we own today. We've targeted \$400 million in annual operating improvements at our advanced automotive battery business. We've already achieved a \$175 million of that. We targeted \$350 million of annual improvement at our nuclear technology service business and we've achieved a majority of that. And in our residential mortgage insurance business, we've already improved the return on equity from 12% when we bought it to 17% and we think we can do better. So our business operations capability is going to remain a very key part of what we do at BBU.

So where does this get us to? Well in the next five years we should have a much larger business, higher-quality operations, and meaningfully improved value per unit. To put this in context we think we can probably grow at 15% a year in our NAV. We should end up with a unit price well over a \$100 per unit and our overall NAV should exceed \$16 billion.

Now it's possible we do something more strategic with BBU which would accelerate this growth. I'm looking at all the investment bankers in the room to help us out with this but at a minimum we feel confident this is what we should be able to achieve.

So with that I'm going to turn it over to Doug. Doug joined us recently. He has a great background in technology. He's been a terrific addition to our team and I think you're going to find what he has to say really exciting. Thank you.

Doug Bayerd[^] Thanks Cyrus. My name is Doug Bayerd. I've been at Brookfield for the last six months helping to build out our technology investment sector. I think it's important to note I've been a value investor in software and tech services and technology generally for the last 20 years.

But value doesn't mean cheap necessarily. Value means what's the value that we're going to bring to a certain situation at this time of its evolution. In short, why am I the right owner, at this stage, right now.

And that's what's so exciting to me about joining Brookfield, I saw the power of the ecosystem and the institutional knowledge that Brookfield possesses and the opportunity for a team to synthesize that and apply it to technology. And I'll go through what we're doing through this presentation.

So as Cyrus mentioned, we're broadening our investment sector focus. We're looking at healthcare and technology, but it doesn't mean it changes the types of businesses that we're looking at. The same high-quality businesses that we've been investing in, in business services, infrastructure, industrials, we'll continue to look in both healthcare and technology.

I'm fortunate to have a dedicated team here, where we believe that the dedication and the focus allows us to pick our spots both in terms of reacting as deals come in, having a thesis but I think even more importantly being proactive in our approach, targeting the right sellers, getting our message out there, making sure that people understand what it is that we bring to the table and why we're differentiated in what it is a crowded space in technology investing.

We can leverage the rest of BBU in terms of as additional deals come in and complexity or scale so we have an unlimited size in terms of how large we can get. And then we have the entire Brookfield ecosystem that we can rely on, that allows us to have that differentiation and knowledge base.

And obviously the operations team. We have dedicated operations for technology and in the broader team because a lot of the situations that we come upon spans and layers how to be more efficient. It's the same for a company that develops blast furnaces or develops a software program.

And so what makes us unique? Why are we a preferred partner in this technology ecosystem? I believe it's three-fold. First, we're able to deploy significant amounts of capital at scale and we're patient. We allow the management teams to develop and build the investment thesis that we all underwrote together.

We have operational expertise that allows us to come in and supplement a good management team and there may be things, M&A or other events that a management team comes upon once every five years. Our ops team does it monthly. Let's come in, let's help them do it faster and cheaper than they would on a stand-alone basis.

And then the strength of the Brookfield platform, the six-hundred-plus billion dollars of assets we have, but what that represents is over 300 portfolio companies in 30 plus countries with a 150,000 FTEs. That's an asset that is incredibly difficult to replicate. And an asset that allows us to differentiate ourselves in the market as we're talking to sellers and management teams and explain how we can bring more than just capital to an equation.

And so as you think about where we're going to focus within technology, we're going to focus on areas that we think leverage our strategic advantage. These areas are the same areas where Brookfield has been investing for decades, real estate and construction, transportation and logistics, energy power and utilities, industrials, services, right, all areas where we have if not tens, hundreds of billions of dollars invested, management teams that we can rely on.

We are the customer too in a lot of sense to software companies and technology service companies we're looking at. We know the pain points. We know how to help management teams drive into different markets and we have M&A. We have boots on the ground across the world that can be helpful.

So we think about a five trillion-dollar market as Cyrus mentioned within technology. We're focused in software and technology services. These are the two most mature markets within technology. And so we have the opportunity to continue to deploy capital at scale within software and tech services.

When you think within software itself, we're focused on both application software and infrastructure software. Application software is a specific software used for a specific use case typically by one vertical within an enterprise.

So think of accounting software, the finance team is going to use this accounting software in order to develop 10-Ks, tax, what have you. Similarly a CRM, a sales team is going to use a CRM in order to manage their pipeline contacts and drive deals to close. It's mission critical. It's part of their daily process.

Infrastructure software is slightly different, where it actually sits horizontally. So think of plumbing within your house. It's going to be connected to every different point within an organization. Takes that data and brings it to one place and then ultimately allows you to analyze that data in order to make more critical decisions with better information. Again, we're looking for high-quality businesses within each of these sectors.

Within IT services we're really playing on a macro theme of outsourced IT spend. And so we're playing this two-fold both in digital services and traditional IT services. Digital services is simply just digitization of what have been manual processes in the past, allowing people to do things faster and cheaper than they had historically.

And then traditional IT services really as we see enterprises continue to increase in scale, as technology continues to become more complex, we're finding that what has been an in-house operation, CIOs are realizing, "I don't know how to do this anymore. I clearly can't do it effectively. Let's outsource this to the experts who can do it actually cheaper than I can because I just can't even get the people anymore that know how to do these things."

Within both sectors again, for us, it's high-quality businesses. No different than the other sectors within BBU. For me the first question we always ask is, is this a mission-critical product? And we define that as, is this a product that's sold to an enterprise and used in

the daily workflow of that end user. Quite simply, “Do I have to use this software? Do I have to have these services in order to actually do my job?”

And we see this in terms of high-recurring revenue. Quantitatively you can see it in the high-recurring revenue of your historical results.

We also look for companies in growing markets where they’re market leaders. They may not be the largest in their market but they're taking share from those larger legacy corporations. They're winning new logos from people who are larger than them and they have more resources.

And they're doing that because they have the product leadership. They have a product that people want. There's a pull. It's not just a push sale. And then we see, you know, in terms of new logo growth, they continue to drive additional sales with new customers.

And so the benefit of software, the benefit of tech services, and our technology is all these things are qualitative, yet they're quantitative in the results. We can look at historical results and extrapolate that into the future with a high degree of certainty in order to understand the free cash flow that this company will generate on a go-forward basis.

As we think about opportunities it really is a consistent approach to value creation. Again, no different than the other sectors within BBU. We’ll work with our operations team to find those levers that we can pull as the owner of this company: Why are we the right owners at this stage? How can we be a catalyst for change?

Buy-and-build consolidation, think of it as we may buy a point solution within software and then buy additional point solutions in order to create a suite that allows us to cross-sell these point solutions to our customer base but also have a stickier solution that we can sell and see that revenue retention continue to increase.

Go to market, well there may be a broken channel that we can help identify and help the management team fix.

Product portfolio optimization could be that we need to go buy a couple of products or it could be we actually need to put some products in the maintenance mode and focus on the products that are actually driving the majority of our free cash flow.

Cost-structure optimization could be, think of, disparate R&D centers around the world. Let's consolidate that into a center of excellence both onshore and offshore.

And then management enhancement. We invest behind great management teams but as our companies scale, as we create change, a lot of times we do see that we need to supplement those management teams with additional C-suite where applicable.

When we find these great companies, when we have value alignment with those management teams, we're going to be flexible in where we invest in those companies. It's important to us to really put on a risk-adjusted basis, we want to put capital in those great businesses with great teams.

So we could be looking at traditional control-leveraged buyouts, non control, preferred shares, even debt. For us it's about putting the capital in, in order to see those risk-adjusted returns.

I've been really pleased with the progress to date. The last six months we've looked at over 30 deals. That equates to over \$10 billion, the potential equity investment. You know, and it really runs the gamut in terms of opportunities.

We have one business we looked at, it's \$500 million-plus of EBITDA, infrastructure software, mission critical sits within these organizations 15-plus year history. And again it's like plumbing in your house. You may have brass plumbing and PVC comes out but you're not going to change the plumbing: It's too complex, it's too difficult, it touches too many places.

And then another business that we looked at is an ERP business for packaging and plastics. We were really attracted to this asset because of the fact it's a carveout from a much larger organization that doesn't know software at all. We can come in, we can work with that management team, give them the tools to actually understand their business better and help them manage it. And then also give them the equity incentive as real owners of their business and help them create some significant value on the up-side.

A good example of putting our technology thesis into practice is Everise. So we bought this business, a technology services business that provides critical services to technology and healthcare providers. But what's that really mean? So Everise quite simply is an extension of the workflow of healthcare providers around the world.

What we do if you call in, you may be a client, and you're calling in order to figure out, do I need to schedule a surgery, what do I do? And you call, you're calling the healthcare provider, it actually routes to Everise, and we help you by going through a pre-agreed systematic approach. Maybe you don't need a surgery, maybe it's another consultation with your doctor. And in this way, we can actually increase the quality of care to the patients and also help our customers make sure they're doing it in a cost-effective manner.

We were attracted to the business because of the high-recurring cash flows that we saw, 95%-plus for a technology services business is really a great mark. And I believe you have this platform and for us it was about how do we continue to enact change? How can we work with the management team to bring additional value?

We were able to convince the seller to work with us on a proprietary basis in order to find a solution, find a transaction, and work with the team.

And so as we look at the base platform, we look at what we've been able to accomplish so far, we found growth both organically and through inorganic opportunity.

We've been working with them in terms of how do we improve our retention metrics with our customers by selling additional products, cross-selling? How do we bring in additional high-profile clients? And we believe that our investment in Everise has helped attract the next tier of clients. How do we work with share gains and win in the marketplace?

And then there was a large pipeline of add-ons that the management team had sourced but given capital constraints with the previous owner they hadn't executed upon and now they have the deep pockets and dedicated approach of Brookfield and so they have the confidence to go look to how do I enact on my M&A pipeline?

We've been working on margin improvements. We've been working with them on increasing not just their gross margins but thinking through digitization. How do we drive a TAM expansion? How do we think about how we could actually drive revenue by offering additional services to the client base?

So it's still early days but we've been really pleased with the progress we've made to date with Everise and I look forward to continuing to tell you about it.

As I think about the technology sector outlook and you know, think back on the last six months but more importantly think about the future and where we're going, I'm really excited.

We've got a dedicated team, we're focused, and we're, quite honestly leveraging our competitive advantage. There are just so few competitors that can bring what we can bring to the table. The addition will bring all this value beyond just capital. Everybody's money's green but we can bring that that differentiated knowledge base.

And that's turning, that's resonating with sellers. So we're seeing our pipeline increase but even beyond just the total number of deals, total number of equity dollars we can put to work. We're seeing the pipeline and sellers understand what our message is and bring us the types of deals that we're excited about.

So as I think about the opportunities coming up, we're going to continue to take swings in or at bats. And I'm excited to come back in the future and tell you guys about some of the home runs that we've hit. With that I'd like to turn it over to Jaspreet.

Jaspreet Dehl^ Good morning everyone. I'm going to take about 10 to 15 minutes of your time and really talk about three topics. The first is providing an update on our financial performance, followed by a discussion on Brookfield Business Corporation, the new paired entity that we're in the process of launching, and then finally provide an update on our view of value.

Cyrus touched on how much our business has grown over the last few years. And this has been a very deliberate attempt to invest in essential service providers. We've been very focused on ensuring that we're putting our capital into businesses that are going to be resilient through all market cycles.

And this served us really well last year. We saw a very strong recovery in our business, year over year, with substantial growth in both Company FFO and Company EBITDA. They both increased approximately 20% year over year.

And it's not just overall financial performance that increased but contributions per unit were higher as well. Company FFO per unit including and excluding gains has increased substantially as we continue to build value in our business.

And our financial performance is underpinned by a very strong balance sheet. We've been focused on ensuring that we maintain the financial strength of our business and we've done that by refinancing our non-recourse debt where appropriate, as well as locking in interest rates in this historically low interest rate environment.

Today approximately 75% of our non-recourse debt it has fixed interest rates of approximately 4.8% with an average term of approximately five years. In addition, our corporate debt which is borrowings on our working capital facility is at about \$400 million and at a very reasonable cost of 3%.

From a liquidity position we're in a very, very strong position. We've got \$1.5 billion of liquidity and this is pro forma for the three transactions that we announced this quarter. And this doesn't include the \$5.5 billion of liquidity that exists within our operations.

We've talked to you about this in the past but I wanted to revisit it. In addition to the really strong liquidity position today we've also got significant levers to continue to enhance our liquidity.

The first is distributions from our ongoing operations. As we've invested in large-scale resilient businesses, the profile of our cash flows has improved quite significantly.

Second, is financing within our operation. Every day we continue to work with all of our operations to enhance the underlying EBITDA of those businesses. And this leads to natural delevering in all of our operations. We've got an opportunity where it's appropriate to up-finance some of these businesses and we can do that and either fund growth in the operations or they can be distributions up to us.

We've also got the ability at the corporate level to upsize the working capital lines that we have which we use as bridge facilities between acquisition and monetization activities.

Third, is proceeds from asset sales. We will be monetizing assets but we'll only do it when it maximizes value for the business. And it's not based on a perceived need for cash.

And finally the capital markets. Again, we'll access capital markets where it's appropriate and accretive to our overall business.

So I wanted to spend a couple of minutes just talking about distributions and monetization. As Cyrus highlighted, the profile of our business is quite different today than it was five years ago when we launched BBU. Today our business is composed of large-scale, resilient cash flow operations. And this has a direct impact on how much free cash flow these businesses can generate and provide up to BBU, or they could use these proceeds to deleverage or fund growth within the business.

Five years ago we were generating a \$130 million of annualized free cash flow. And this is BBU's proportionate share. At the end of last year, this number had grown to \$550 million. And where we stand today on a run-rate basis, our operations have the ability to generate \$700 million of free cash flow. This is five times larger than it was when we launched BBU five years ago. And just to be clear our definition of free cash flow is essentially Company EBITDA, less cash taxes, interest, and maintenance capex.

So we've got substantial cash flow that we're going to generate within our businesses and these cash flows can be used to fund a lot of growth within BBU. But, we also expect that we're going to generate additional proceeds through monetization.

So if we look back over the last five years, and Cyrus touched on this before, where we've sold about half the businesses that we owned when we launched BBU and we've sold these businesses generating \$3 billion of proceeds to fund our growth.

More importantly, we've generated very strong returns on these monetizations with an average IRR of approximately 30% and a four times multiple of capital on our invested capital. And this is really important. We're always focused on ensuring that we're maintaining discipline so that we're maximizing the returns that we're generating on our assets when we monetize them.

And we want to be disciplined around monetizing assets just as disciplined as we are when we're making acquisitions. And when we make decisions around monetizing our operations, we ensure that we're maximizing returns for our unitholders. We may try to be opportunistic from time to time, but we'll only pull the trigger if it's maximizing the overall value of our business.

So, as we stand today, we've got a number of large-scale businesses that are leaders in their markets and generate significant EBITDA and cash flow. At the right time we will look to monetize these assets and that monetization activity is going to generate several billion dollars of cash for BBU.

In addition we have a number of other businesses that are smaller in size but where we continue to do work every day, which as we get closer to monetization, will also generate additional liquidity for us.

So overall our financial performance has been really strong and resilient. And we've got significant liquidity to continue to fund the growth of our operations.

While we've been very focused on ensuring that we're building value within BBU we've also been looking at opportunities to expand our investor base. As most of you are probably aware, we announced the launch of Brookfield Business Corporation or BBUC earlier this year. BBUC is basically going to provide our limited partners or other investors with an opportunity to invest in a corporate structure to gain exposure to our business.

And this is really focused on expanding our investor base to new investors who don't have the ability or don't have the inclination to invest in a limited partnership. We'll effectuate the creation of BBUC through a tax-efficient transfer of some of our operations into a corporate entity. We'll then do a special distribution whereby unitholders, for every two units of BBU LP that you hold, will receive one BBUC share.

We'll continue to provide a \$0.25 distribution on our LP units. And in addition, we'll be providing a \$0.25 distribution on each BBUC share. We expect at launch, BBUC will be approximately \$2 billion.

Similar to our Brookfield Infrastructure and Renewable companies, BBUC will be structured to be economically equivalent and exchangeable into BBU LP units.

The launch of BBUC does not impact the financial disclosure that we provide our investors on a consolidated basis nor does it impact how we manage the underlying business.

We also expect that with the launch of BBUC we'll have a broader appeal to a larger investor base given the preferred tax treatment as well as the broader index inclusion. We're working through the regulatory process now and hope to launch BBUC and do the special distribution before the end of the year.

And with that I'm going to spend a few minutes on our view of value for BBU today. Similar to prior years this represents our view on spot value or spot NAV and more of a liquidation value as opposed to a long-term franchise value.

So in our view today, the total value at BBU is between \$8.0 billion and \$8.6 billion which translates to \$54 per unit to \$58 per unit. We've provided a build up by segment.

Some of the key drivers year over year in our NAV include: One, Graftech which has a lower contribution this year. We valued Graftech at the market price but with the monetizations that we've been doing this year, the overall contribution to NAV has been lower. This is more than offset by additional value through some of our other operations.

The two larger ones include our advanced battery manufacturing business, Clarios, where we continue to execute on our operational improvements, as well as our residential mortgage insurance business where, as Cyrus highlighted, we've already been successful in increasing the overall return on equity.

As we look forward, we remain very confident in the upside potential within our business. As we continue to execute on the operational improvements within all of our businesses, we think there's an embedded growth of up to \$75 per unit within our operations today.

Cyrus discussed the potential of doubling the size of BBU over the next 5 years, and this is very readily achievable given that we're more than halfway there with our current portfolio.

Just to be clear, the \$75 upside per unit does not include any expansion in multiples. The primary drivers are continued execution of our operational improvements and enhancement of EBITDA at Westinghouse and Clarios.

It also doesn't include any of the exciting technology investments or other new acquisitions we may make over the next few years or monetizations and recycling activity.

So where we stand today, we've been very actively buying back BBU units because today our units are trading at the largest discount to our spot NAV that we've seen. And I'm not advising anybody to do this, but if you're looking to sell any blocks, please make sure you call me. And thank you for your time. And I'll hand it over to Cyrus to go through Q&A.

QUESTIONS AND ANSWERS

Cyrus Madon^ Okay. So I have a number of questions that have come in here. And maybe I'll take one or two of these and then open it up to the floor.

The first is, "You've always targeted a 15% to 20% return on your investments. Are those returns achievable in the current environment with rates so low and the amount of capital that's chasing deals?"

Well, as we showed you and pointed out to you today, we do think we can keep doing that. For all the reasons we talked about, deal flow is accelerating, the quality of what we're buying is better, the quality of what we're seeing is better, our team is bigger and better, and as long as we can maintain the processes that we have in place, this is achievable. And of course, with interest rates coming down so much, you know, we've been refinancing all of our companies at lower rates and the incremental cash flow over a five-year period is enormous. So the answer is, yes. We feel quite confident in that.

Next question, this is from Geoff Kwan, “Are you using existing portfolio companies to identify potential technology targets?”

Doug, maybe you can come up here and talk about that. “Are you using existing portfolio companies to identify potential technology targets?”

Doug Bayerd^ And the answer is, we are. So we're doing it a few different ways. We actually canvassed all the CIOs for our portfolio companies and we have a quarterly meeting with them where we walk through what products they use, what products are they thinking of implementing into their technology stack.

That gives us a sense of not only where could we have differentiated knowledge on potential companies but also where our CIOs taking their businesses, just to have a finger on the pulse of what's going on.

And then I think beyond even our portfolio companies, we do leverage the rest of Brookfield. So a good example, we were looking at a property management software company, and they provide those services to people who own multifamily housing. But we happen to own a little bit of multifamily housing within Brookfield and so it was a great way for us to talk to the people who run those departments and ask them where their pain points are with software and what they would, you know, do they like this software, their competitors, and it gave us some valuable insight that was you know, for us made it a much easier decision ultimately not to move forward.

Cyrus Madon^ Thanks. I'll take one more here. “Please update us on talent retention and your ability to grow the team in a tight labor market?”

Well as I said today, we've grown a lot, you know, 50 to 150 professionals globally and we are successful. We have very, very high retention and we have for decades. And I think it's just, you know, the work we do, for an investor, is probably the most interesting work any investor anywhere can find. So it's super interesting.

We have a wonderful group of people to work with. Everyone is truly collaborative here at Brookfield, so we attract a certain kind of person, like Doug, who wants to work in that kind of environment.

And finally because we're growing and you know, you were here for the presentation yesterday - the BAM presentation, because we're growing in every vertical in so many ways, we can then offer enormous growth opportunities for our younger people and put them in leadership roles at a really young stage in their career. So, we feel confident about that.

Are there any questions in the audience here?

Jaeme Gloyn[^] Good morning. This is Jaeme Gloyn from National Bank. Question is on a theme around the technology and innovation investments. We heard the Brookfield Asset Management presentation yesterday talk about significant investments there as well. How does Brookfield as a complex determine what investments go to BBU versus BAM in their technology strategies as well? And maybe some of the criteria that you look at?

Cyrus Madon[^] Yes. So when we're buying companies that are more mature, they're generating cash, and they're larger size, that fits BBU. That's exactly what we want because we can take it and we can do a lot with it to create value. We do all the things that we talked about today, Doug talked about today.

Venture, I'll say, more venture-stage financing has been done at the BAM level and it's possible over time we start doing that in BBU as BBU gets larger. It's quite possible we do that over time but right now that's the approach we've been taking.

Any other questions? Suzanne, how are we doing? OK, she says I have a minute.

“What type of color can you share on the decision to pull the Clarios offering?”

So for those of you that don't know, we attempted to do an initial public offering of our advanced energy storage business and we pulled the offering in the summer. And look, what we concluded is, fundamentally we just made a mistake. When you cut through it all, we made a mistake. We went at a very busy time in the market. There were six offerings pulled that week. We went in the summer, you know, shame on me and us for doing that - not typically a great time to try and raise capital.

And the offering was too large. We should have, you know, we were trying to do what would have been probably the largest IPO of an industrial company in history. So, look, when we think about it and come back to the market at some point, we will change some of those parameters in we'll be confident it will get done.

I will tell you we have had several SPACs frothing at the mouth, wanting to de-SPAC into Clarios because it's such an incredible business.

The other alternative we have and we kick around is, should we just keep it private? Jaspreet talked about the deleveraging. I mean our earnings are growing so our debt to EBITDA is dropping. You know, we could add a billion and a half dollars to this company if we wanted to and I'm not saying we're going to do it. And, you know, pay 3% interest rates. So I mean there are lots of opportunities here for this business.

So with that I'm getting the hook. Thank you very much.