

**Brookfield Affiliates 2024 Investor Day  
Brookfield Business Partners**

**September 24, 2024**

**Corporate Speakers:**

- Anuj Ranjan; Brookfield Business Partners; CEO
- Jaspreet Dehl; Brookfield Business Partners; CFO
- Adrian Letts, Brookfield Business Partners; Managing Partner
- Katie Zorbas; Brookfield Business Partners; Managing Director
- Pat McHugh, Scientific Games, CEO

**Participants:**

- Nik Priebe; CIBC Capital Markets; Research Division; Analyst

**PRESENTATION**

**Anuj Ranjan^**

Thank you. Good afternoon, everyone.

I was just thinking while I was sitting on the side that while I've been on the stage before at this event, it's actually my first time today as a CEO of BBU, and I'm very lucky because today happens to be our two-year high stock price, so can't ask for a better day to be on stage. Let's just hope it stays that way by the end of my presentation.

I'm very pleased to be here today to talk to you about BBU. I'm going to start by telling you a little bit about the business and the opportunities we see for BBU. I have my colleagues with me here today as well. Katie Zorbas, a Managing Director at BBU, is going to come up after me and moderate a panel with Adrian Letts, our Global Head of Business Operations, and Pat McHugh, CEO of Scientific Games, one of our largest operations. After that, we'll follow up with Jaspreet Dehl, our CFO, who's going to talk to you about why BBU is such a great investment opportunity at this time.

I'd like to start with a question, which is, what is BBU? What do you get when you buy a share of BBU? Many might think you get a collection of great businesses, advanced industrials, leading essential services. That's true. That's part of the story. Some would say you're getting an operational capability that knows how to increase margins and drive additional cash flow, which my colleagues will speak about later, and sure that's part of what you're getting when you buy a share as well. Some might say it's our investment pipeline. The fact that our next GrafTech, our next Westinghouse, our next Clarios is being searched for by our investment team.

But what you're really getting, is an engine that is built on the back of Brookfield's global private equity business that knows how to source incredible opportunities, buy them for value, make them better and increase their cash flows, and exit these businesses when their value creation plans are mature enough to recycle capital, return it to investors, or redeploy it.

That engine is quite exceptional, and we've been at it for a very long time. Brookfield's private equity business has a 25-year history. We've been doing this since 2001 and in that time, we've generated a gross IRR of 27%. We've returned nearly \$40 billion to investors and partners on the investments that we've sold and realized we've made an approximate 3x multiple on that invested capital.

When we launched BBU in 2016, it was really to give the public markets access to this private equity strategy to participate in what we've been able to do so well for our institutional partners around the world.

That's really doing the same thing that we've been doing for 25 years — the playbook that we've created to both invest and create value, doing it on a repeatable basis again and again, we really just do two things.

We're value investors — you heard it earlier from Bruce, you're going to hear it later, I'm sure, from some of my colleagues who will present. We try to find great businesses, but we try to buy them for value. How we do that is often by looking at situations that might be a bit complex. Situations like Westinghouse, for example, we might look at businesses that are perhaps misunderstood at the time, businesses like Clarios, or we might look at other businesses where the public markets don't really fully ascribe them their true value for whatever reason, businesses like Network International.

Now, we buy these businesses, and we employ a operations team led by Adrian— who you'll meet later, of 30 Business Operations folks around the world paired with our 200 investment teams strong around the world to actually go and make these businesses better, doing the same things, using the same playbook that applies to every business, no matter what sector it is or what country in the world it is.

We have— as Bruce outlined earlier, those 30 offices on the ground with real deep operational capability and boots on the ground to employ these value creation initiatives.

Now, for BBU investing alongside our global private equity business, we've deployed about \$9 billion since our inception. This has all been deployed into great, high-quality businesses, businesses that we've over that same period of time been able to enhance and improve their underlying financial performance pretty substantially.

Now, as a result of that strategy in BBU today, we own some incredible businesses that are exceptional value compounders.

What do I mean by a compounder? What we mean are businesses that are market leaders. That means they are price setters, not takers, including in inflationary environments like we've been for the last couple of years. It also includes businesses that provide essential products and services, and these products and services are those that are needed even if you're in a recession like we've been in some parts of the world, including Europe in more recent times.

It also includes businesses that generate high margins and have a great moat and barriers to entry, allowing us to generate substantial cash flows like one of the businesses we own today named Sagen, which many in this room would be I'm sure, quite familiar with.

Sagen is a business we bought about four years ago. It's been in business since 1995, providing mortgage insurance to Canadian home buyers. As all of you in this room know, if you buy a home and you have less than a 20% down payment then you need mortgage insurance for that balance and Sagen is the largest private insurer in the space. If you think about essential product or service, this defines it being essential to Canadian banks.

When we bought the business it had a 12% return on equity, our teams, that I spoke about earlier went and really dug into the business and improved it over the short time that we've owned it, just four years, improving the return on equity to about 20% today, which is very sustainable and stable and likely to grow. As a result, we generate about \$350 million today of cash distributions, again, likely growing over our future hold period. When you take all that combined in Sagen, and this is what we mean by a compounder, we've been able to return 85% of our invested capital to date. By the end of the year, we'll have returned all of it, and we still own the business, and we'll continue to generate substantial cash flow.

Another business that we own that's a great compounder, as we describe it, is Clarios. This business is truly unmatched scale, produces one in every three car batteries, so one in every three cars on the road is powered by a Clarios battery. It's 4x larger than its next biggest competitor, truly unmatched scale. The interesting thing that's happening in this business is there's a shift in technology to more advanced AGM or advanced glass mat batteries, used for more complicated and advanced vehicles, including electric vehicles. This new product is twice as profitable as the current battery that makes up the majority of what Clarios is producing. Today, about 30% of the batteries we sell are the newer technology, which will go to 50% by 2028. You can imagine what's going to happen to our margins —they're only going to grow.

As a result, today, after even investing in further growth in the business, we generate about \$700 million of cash and that will only increase. If you look at Clarios also, over the time that we've held it, about \$2.6 billion of cumulative free cash flow has been generated, which is about 90% of our total invested capital to date. We've used most of that capital to pay down debt, but as a result, today we're sitting on a business that generates strong 20% free cash flow yield, growing to 30% over the coming years.

Now, I've described a few of these businesses, and I could have gone into more detail on many more, but I'd say this compounding value of these businesses that I've described, two of them we've only owned for about four years. It's just getting started in BBU.

The reason is that out of that \$9 billion that we invested since our inception, half of that, or \$4.5 billion, has only been invested within the last three years. Our value creation plans in those businesses, those 12 companies that we've bought over the last three years, we've only just started to scratch the surface.

Now, we haven't been throwing money out to buy businesses over the last three years. These were all bought very well. We paid an average 10x multiple on these 12 companies versus 15x in the market comparables.

Our value creation today estimates of about \$500 million of run rate Adjusted EBITDA improvements. These are not fully factored in because these businesses have only been owned in many cases for one or two years. We've just started the journey that I have outlined to you that we've already completed with Clarios and Sagen, we're just starting that journey on 12 businesses.

Now, if you think about that \$500 million of Adjusted EBITDA that we are going to add in our existing businesses, what does that mean for BBU? Well, at a 10x to 15x multiple, it means \$5 billion to \$7.5 billion of additional value to BBU. Again, I want to reinforce that. That is, if we do nothing else, then execute our value creation plans on just the businesses we've bought within the last three years, when our hope is we will do much, much more.

This all comes together and fuels what I referred to earlier as our compounding engine or our private equity engine that you're really owning when you buy a share of BBU.

This flywheel of being able to buy businesses for value, exceptional businesses for value, execute on our operational improvements, increasing margins and free cash flow, using that free cash flow which compounds upon itself within these businesses, but also exiting at the right time certain businesses to generate proceeds which we can either use to pay down debt, return to shareholders, or buy more businesses. That whole engine and recycling of capital is really what we think BBU represents.

Look, the proof is always in the pudding. At BBU alone, since its inception, we have exited 20 businesses in that time. We've generated \$6 billion of proceeds. We only spent \$2 billion to acquire those businesses, so generating a 3x multiple of capital, or a 30% IRR.

Now, with that, I'd like to turn it over to my colleagues, Katie, Adrian, and Pat, who are going to come and speak about the real hard work, which is the value creation that we do to these businesses to make them that much better. Thank you.

**Katie Zorbas**<sup>^</sup>

Thank you, Anuj, and thank you both for being here today.

We wanted to have a discussion today around the importance of our operational approach and how our Business Operations team really create value within our portfolio companies. Now, our entire investment team within private equity truly has an operations first mentality, but it's our Business Operations team comprised of about 30 to 35 people who are really the driving force behind turning that \$500 million that Anuj just talked about into reality.

So, we're really lucky to have Adrian here with us today, who leads that Business Operations team, as well as Pat, the CEO of Scientific Games, here to share their insights with us. So, let's start with a couple of brief introductions.

Pat, I'm going to turn it over to you first, just elaborate a little bit on your background and give us a little bit of an overview on Scientific Games.

**Pat McHugh**<sup>^</sup>

Sure. Thanks, Katie. Good to be here with you and Adrian.

I'm Pat McHugh, CEO of Scientific Games. I've been in the lottery industry for more than two decades now. Most of my background was in operations technology, I became a group CEO in 2019.

Scientific Games is a leader in providing games, technology, analytics, and services to government-sponsored lotteries around the world. It's probably helpful to know that the industry exists to generate funding for social programs for good causes. As an industry, we generate over \$100 billion annually to programs like education, programs for senior citizens, for environmental causes, and that's what really drives the industry. We're a trusted leader in the industry. We have a global reach serving 140 lotteries across 50 countries. What drives demand for our products and services is this constant growth need by governments for funding those social causes, especially during when governments are facing financial challenges. So, we work with stakeholders to meet the funding needs of those programs by driving performance for their lotteries.

**Katie Zorbas**^

Perfect. Thanks.

Adrian, you joined Brookfield Business Partners in 2022, so a couple of years ago now. Tell us a little bit about what led you to Brookfield and also elaborate for us on what the role of Business Operations professional really entails within private equity.

**Adrian Letts**^

Thank you so much, Katie.

I joined about two years ago. Most recently, prior to Brookfield, I led a PE-backed retail energy company, which we rapidly scaled from half a million customers to 5 million customers in three years. Prior to that, I was part of the global leadership team at a leading retailer, and I led the transformation of digital and e-commerce for that business, growing it from 10% to 20% as part of total revenue.

Today, I lead a team of 30 people globally, and I think what's important is the team I lead are true operators. Many like myself are former CEOs or COOs or CCOs in businesses and have a true understanding of, actually, what it takes to create value. Look, I think the value that I can bring is having sat on the other side of the table, having seen what a private equity investor is looking for and how you drive a value creation plan and what it actually means to bring that to life.

**Katie Zorbas**^

Knowing that you have that kind of unique vantage point, having been a CEO in industry but also now running our Business Operations team, what is it you think that truly differentiates our approach from many of our peers?

**Adrian Letts**^

Bruce made this comment for us.

We were operators long before we were asset managers, and I think that is pervasive in the culture that we have. In many organizations, Business Operations team is seen as a consulting team, an in-house

consulting team to opine on a value creation plan and perhaps be dropped in if things aren't going the way that they should.

For us, it's very different having people who really understand what it takes to lead. Having people who understand what it takes to manage change in a large organization and the impact that has on everybody within the organization, I think, is a true differentiator that we're able to bring to bear and deploying our value creation plans and generating value.

**Katie Zorbas**^

Pat, let's maybe just bring that to life with a real-life example. Give us your perspective on the partnership at Scientific Games. It's been a little over two years now since we acquired the business. We carved it out from a publicly listed entity. What has been the biggest change for you with that change in ownership?

**Pat McHugh**^

Well, the relationship has been great, and it's been very effective in growing the business. I've been with the company for a long time and I can tell you that is the relationship with Brookfield has created the most productive time in our history. We're much more focused on growth investment. We've streamlined business decisions. To Adrian's point, when we ask for help, we get help, not overhead, which is incredibly important for us. Anytime we've needed assistance from Brookfield, they've been able to provide relationships or operational experience that's really added value.

**Katie Zorbas**^

Pat, elaborate on that partnership a little bit more in terms of how it actually works in practical terms with your management team working alongside our Business Operations team.

**Pat McHugh**^

I think common values and culture are really important. Our team is passionate about the business. We're very hands-on. We want to win, we want to grow. The Brookfield culture very much aligns with that, like Adrian was talking about. From an execution standpoint, we are in constant communication and collaboration on the business, have very clear short-term and long-term goals, and we're very focused on execution. I've seen firsthand what Adrian was talking about as far as this hands-on operational approach. Right from the start, we did our carve-out. Brookfield immediately assigned full-time operational support to us, people in HR, and finance enterprise systems. We worked as one team, executed all the carve-out activities from our parent company flawlessly, and were able to keep the team focused on commercial execution without any hiccups.

Then even another great example is coming out of COVID, navigating the challenges we had post-COVID, which were cost input inflation, supply chain or availability issues on electronic components. We worked with the Brookfield's operations teams to have very specific strategic targeted objectives to navigate those well. I can also tell you that the level of sophistication that the Brookfield team brought to those initiatives really raised the bar on performance of our team as well.

**Katie Zorbas**^

Adrian, let's dive a little bit deeper into value creation. Anuj talked about our established playbook, which we've developed over time, over the last number of years, institutionalizing that knowledge. It's something that we apply across sectors, across geographies, no matter what type of business it is, it's the

same playbook that we use. Can you comment a little bit on what those specific levers are and the different work streams we're actually using to create value?

**Adrian Letts^**

Look, I think the first statement to make is that we get involved very early on. We participate as the Business Operations team in due diligence and really work hand in glove with our investment partners to think through what the value creation plan is going to be. We really try and start quickly and get out of the gate early. So formulating that plan, pre-acquisition, is very important. To your point, we don't try and look at everything. We look through broadly a couple of different lenses, whether that be the organizational structure of the businesses at optimum, thinking through revenue opportunities like pricing and share of wallet, thinking through the operating model, and the SG&A. Then capital, and capital efficiency, whether that be working capital or how you deploy capital in a business, is very important. But what we'll do is then isolate down to four or five things and really focus on where we think we can bring the most value, and we leverage the expertise within the team.

You're talking about CEOs who have done this sort of thing themselves, CCOs who have really thought through pricing and share of wallet, and then operating professionals who've led transformation in factory footprints. Bringing those to bear as a plan is really important. But actually, the most important thing is working very closely with the management team to really align on what it is that we're going to go after, and then how are we going to sequence it. A smaller number of initiatives at any point in time is easier to execute, and making sure that we're aligned with the leadership teams of the companies is critical. But, Pat, why don't you elaborate a little bit more on that in terms of what we've done with Scientific Games?

**Pat McHugh^**

Yeah, absolutely.

To that point, we worked with Brookfield to really simplify down to four key strategic growth pillars for us, and that the entire organization is focused around that first one is expansion of our existing products and services into existing contracts that's anchored with what we call Scientific Games Enhanced Partnership, where the lotteries outsource game category managed services. We can prove that we've significantly outperformed the market. So it creates value for our lottery customers to fund those beneficiary programs and then turn value for us.

Second strategic pillar is expansion into new markets, new territories. Some great examples of that are our omni-channel solutions that we recently won, U.K. National Lottery, New Zealand National Lottery and Brazil.

Third strategic pillar growth pillar is operational efficiencies, where we are relentless on driving margin improvement through reducing input costs, optimizing our product mix, and making sure that we have strategic initiatives for operational efficiencies across the business.

The fourth pillar is iLottery, which is the adoption of digital sales and programs by government lotteries. In the U.S., we're still in the infancy in that there's only 12 lotteries in the U.S. that have enabled or enacted internet sales of lottery products. We think that all lotteries will go there eventually. Latest being Massachusetts, which just passed legislation this year. We think that the digital market, that expansion can eclipse our retail market while also driving our retail products. What we've seen in that pillar is when lotteries adopt iLottery not only see huge growth from digital engagement, but that omni-channel

experience drives performance across the business. So, we're well positioned through our relationships, our experience in games, and technology. We're already operating some of the largest iLottery programs in the world and we're investing in new technologies like AI to drive and leverage the use of data and engagement across digital channels into consumers.

**Katie Zorbas^**

Great. I want to stay on that theme. Digitization, automation, AI, Andy and Bruce talked about it earlier. Adrian, as we think about it within private equity, we think about the risks and opportunities across the portfolio. Just elaborate on that for us, but also comment on how those things may make its way into our playbook of value creation.

**Adrian Letts^**

Look, and it's been commented by Pat and Bruce and others, we definitely think AI is going to be a big opportunity but also a risk. We look at this from the perspective of how can it accelerate the value creation plans that we have without our portfolio companies, but equally, what are the risks that it presents?

We've been exploring it for quite a long time with our portfolio companies and the team, and we've set up a value creation office specifically focused on AI to really make sure that we're leveraging best practice market understanding and applying it in the best possible way we can. We've seen some great results, whether it be Everise, where we have AI listening to the calls that the agents are handling and prompting them on how to better support the consumer that's calling in.

We are using AI in Clarios to do predictive maintenance to really optimize factory performance, reduce scrap, reduce downtime, and then in Sagen, which Anuj referred to earlier, we have years of proprietary housing data, which we're using to great effect to better understand risk and better underwrite customers.

It's definitely going to help us think through that value creation playbook that I talked about and really drive the efficiency and speed at which we can execute in our portfolio companies. But equally, there's a risk. The other thing that we're constantly doing with people such as Pat is just really trying to understand how the landscape within which our portfolio companies operate could change, and what's the disruption, what could happen, what could throw off the value creation plan that we've mapped out?

Think through that is really important, but bringing it back to the Business Operations team, ultimately, AI is a tool, and the human judgment that we can bring to the table in conjunction with our leadership teams is really, I think, how we're going to harness this the best.

**Katie Zorbas^**

We're less than a minute left, so I'm going to wrap it up with our last question. It would be great to hear from you both just as we look to the future, what excites you most about the business specifically at Scientific Games, but then also more broadly within Brookfield private equity?

**Pat McHugh^**

Sure. As I said before, we're in growth mode. Our value proposition about driving profits for our customers that are help funding these beneficiary programs out for the market that is driving performance for us really is the momentum that's got us going. I'm very excited about these omni-channel solutions. We're integrating retail and digital in that space. We've been winning consistently, and we have this an

all-time peak in business development opportunity. We have more than a dozen very large-scale opportunities in progress now that could generate \$100 million in incremental EBITDA. It's a combination of the momentum we've had so far in the business, this huge pipeline of opportunities really makes us excited about the growth going forward.

**Adrian Letts^**

For me, I'll keep it simple. We have great companies that we're building and continue to build, and have some really great people globally on the ground in the regions that we operate supporting our companies. Look, we've created a huge amount of value, as Anuj illustrated already, and I'm super excited about the future and the things that we can continue to do.

**Katie Zorbas^**

Excellent. So, a lot of exciting things happening in the business. Hopefully this helped bring our approach to life for everyone. Thank you both for that. Now, we're going to pass it over to Jaspreet to tie it all together and talk about BBU performance and the go-forward outlook.

**Jaspreet Dehl^**

Good afternoon, and thank you for joining us.

I want to leave you with four key messages today. The first is that our business is performing very well and our financial results are very strong. The second is that we're building value in the business every day and this value will translate to strong and growing cash flows. Third, as we execute on the operational plans that we have across our businesses, we're very well positioned to generate significant proceeds. Finally, despite being at a two-year high, there's tremendous upside potential in BBU as we continue to compound value.

So, we've had an excellent year and made really good progress on a lot of initiatives. We achieved record Adjusted EBITDA margins of 20% this year, completed nine monetizations and generated \$2.2 billion of proceeds.

We own some really high-quality businesses today and we were able to take advantage of the credit markets and refinance about 50% of our debt at really favorable rates.

Despite crosswinds in the operating environment, our business performance has continued to improve. Same store Adjusted EBITDA increased 6% year over year, and margins improved by 100 basis points.

This solid performance is building on a longer-term track record of very strong financial results. Since 2019, so this is a five-year track record, Adjusted EBITDA has grown at an annualized rate of 19%, and over the same time frame, Adjusted EBITDA margins have increased by 1,000 basis points. So, it hasn't just been about increasing the size and scale of our business, it's also been about increasing profitability.

In addition to the strong financial results, the execution of our operational plans is building value every day. As the interest rate environment normalizes, those will be great tailwinds for our business.

Adrian and Pat talked about the operational capabilities that we have within BBU, but we're also focused on building value within Scientific Games. Pat specifically talked to you about the initiatives that we have underway. Similarly, we're building value in all of our businesses. We've got detailed operational plans and things that we want to do across all of our businesses, this is going to continue to drive Adjusted EBITDA growth.

We expect over the next three to five years, this execution is going to grow Adjusted EBITDA from \$2.3 billion today to \$2.8 billion. This in turn is going to improve Adjusted EBITDA margins by 500 basis points.

At the same time, interest rates are coming down. The 3-Month SOFR curve, if you look forward two years, is expected to be 200 basis points below where it is today and that is great for BBU. 100 basis points reduction in base rates should decrease our annual interest costs by about \$40 million.

Now, we have the vast majority of our debt hedged today, and over the next two years, a lot of these hedges are going to roll off, and as they roll off, this \$40 million is going to continue to increase.

Our disciplined approach to financing has served us really well, and we've benefited from having strong access to capital. We refinanced \$25 billion of debt over the last 12 months, and we've been able to extend our maturities and give our businesses more flexibility and we've done that while decreasing the weighted average rate on this debt by 50 basis points.

Now, all of this debt, just as a reminder, is non-recourse to BBU, and there's no cross-collateralization of this debt across our operations.

Stepping back, what does this mean? We're going to continue to increase the performance in our business. Lower interest rates are going to be tailwinds. Today, we're generating about \$500 million of Free Cash Flow. Free Cash Flow is just our Adjusted EFO, excluding gains and maintenance capex. As we continue to execute, we expect this is going to grow to \$800 million. Now, we've got a choice on what we do with this cash. We can invest it in our existing operations, we can use it to deliver, or we can use this cash to continue to grow our overall business.

Beyond what we're doing to improve our existing operations, we've also demonstrated the ability to crystalize very strong returns.

We've been quite active over the last year, and we've generated \$2 billion of proceeds from monetization of assets. In some cases, like our business Everise, we were able to create a substantial amount of value over a short period of time. This allowed us to sell half of the business, generate 2x the equity that we had invested in the business and we're continuing to hold the balance of our interest to participate in the upside.

In some other cases, it's taken us longer. Hammerstone is a business that we'd own for a long time through pretty challenging market environments. This year we closed the sale of that business, realizing 2.6x our original equity and a 14% IRR.

In addition to Everise and Hammerstone, we monetized seven other investments, generating an overall return on those investments of 22%.

We did all of this amidst a very challenging backdrop. But the market environment for realizations is now improving, especially as interest rates decrease. This will provide us with a lot of optionality. In the past, we've sold a lot of our businesses to strategic buyers or to sponsors and we'll continue to do that. But as IPO markets open, we have the optionality of listing some of our businesses, which we think would make great public companies. There's also a lot of businesses where we're continuing to increase EBITDA and cash flows. We can sell minority interests in these businesses, or we can prudently upfinance these businesses and produce distributions for BBU. Then there's always a few businesses that generate a lot of Free Cash Flow, and we can keep these businesses for the long term, generating a very good return on our equity.

Over the next two years, we're targeting to generate \$2 billion of proceeds through our capital recycling initiatives.

This will enhance our already strong balance sheet and increase the \$1.5 billion of liquidity that we have available in the business to fund our growth.

Our priority today is to pay down our corporate borrowings, but we will continue to invest in strategic acquisitions to grow our business as well as reinvest in our existing operations to generate incremental returns. We're also focused on diversifying our investor base, and we'll opportunistically buy back our units, where buying back the units is going to enhance the intrinsic value per unit of our business.

Let's put all of that together.

We've made significant progress over the last few years. We've grown the Adjusted EBITDA in the business. We've enhanced margins by over 1,000 basis points. We own really high-quality businesses today that generate substantial Free Cash Flow and we're building an excellent track record as a public company.

We've generated \$6 billion from monetizing businesses, a 30% IRR

The future looks really bright too. We've got a lot of operational plans underway that should generate an additional \$500 million of EBITDA. Our Free Cash Flow should continue to grow, and we expect we'll be 60% higher over the next three to five years. As we generate additional proceeds in the business, it'll help keep the flywheel of our business turning.

All of this puts us in an exceptional position to continue to compound value for our shareholders.

As an investor, BBU represents an incredibly compelling investment opportunity. Today, our stock is trading at about \$22, and over the long term, we expect as we continue to execute on our plan, the upside is almost 4x. This implies a very reasonable 10x to 11x multiple on our Adjusted EBITDA, and Anuj

talked about this. That's more in line with where we like to buy companies, not where we like to monetize our assets. So, with that, I'll hand it back to Anuj for a Q&A. Thank you.

**Anuj Ranjan^**

Thanks, Jaspreet.

I'm going to leave you with just a few things, and those are really that we've built an engine here, and what you're getting in BBU is an engine that knows how to buy business as well. Those businesses generate a lot of cash flow. Our operating teams know how to make those businesses better, and that cash flow compounds upon itself, and at the right time in a business's maturity, we'll seek to exit businesses and recycle that capital. That engine, we've been working as a private equity group at Brookfield for 25 years and as BBU for many years, and we will continue to do the same thing that has made us successful doing this all throughout.

I'll now turn it over to Q&A, and I think we have just a couple of minutes to take some questions. I have an iPad here for anyone who might submit it online, but we'll start with anyone in the audience.

**Nik Priebe^**

Jaspreet had a slide there that showed the current value today at being more than 2x the current share price. I just wanted to talk about that discount to NAV and maybe actions that could be taken to narrow that discount over time. We've seen some anecdotal evidence of LP interest transacting in the secondaries market, at much narrower NAV discounts than with the BBU shares trade. Would you ever contemplate the sale of a portion of your LP interest in order to finance a buyback to improve that spread between where public and private markets trade? Is that a trade that you would ever or have ever contemplated?

**Anuj Ranjan^**

I'll start, and then Jaspreet still got her mic. She can always add in. All options are open for us. We are actively monetizing businesses. What I prefer to do is take businesses that have totally matured to their value creation plans are ready for us to exit and exit the entire business or part of that business in the market and then use those proceeds to both pay down corporate debt as Jaspreet said. Depending where the stock is trading, if it's still at the same place, we'd look to opportunistically buy back shares and of course, recycle them in a new investments as in when we see fit. Very specifically, that's one option of selling a slice in a secondary trade but also some of our businesses are sort of ripe for monetization today. Businesses like Clarios where we've done quite a bit and the growth prospects are still very strong.

I'll take this one here from the iPad. You spoke about targeting \$2 billion of proceeds from your capital recycling over the next couple of years. What are you seeing in terms of the transaction environment, and do you need the IPO markets to be open or to achieve your target?

Yes, of course, the conducive public markets would be helpful in continuing to exit businesses and realize proceeds for BBU. We've actually been able to including in this year, sell quite a few businesses privately. These include businesses like Greenergy, businesses like Hammerstone, businesses like Everise, where through private trades we've realized quite a bit of proceeds, quite a bit of cash at BBU. So, the IPO markets being strong is great, and it acts as a great advantage for some of our businesses, like we did with Graftech. It's also a good alternative, but it's not the thing we're betting on in order to get those realizations.

I think we're out of time. I'll just say the stock price is still up, so we've done a good job. It was all Jaspreet. It's really good because our Executive Chairman, actually the founder of BBU, and our former CEO, Cyrus Madden, who's still very active in the businesses here and he's a big shareholder of BBU. I know he wouldn't be happy if we let him down.

So, thank you everybody. Thank you for your time.