

**Brookfield Affiliates 2023 Investor Day
Brookfield Business Partners**

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Corporate Speakers:

- Cyrus Madon; Brookfield Business Partners; CEO
- Anuj Ranjan; Brookfield Business Partners; President
- Stuart Levings; Sagen MI Canada Inc.; President and CEO
- Jaspreet Dehl; Brookfield Business Partners; CFO

Participants:

- Gary Ho; Desjardins Securities Inc.; Research Division; Analyst
- Steve Ko; Starvine Capital Corporation; Portfolio Manager

PRESENTATION

Cyrus Madon^ Well, welcome to our investor day for BBU.

Presenting with me today are Anuj Ranjan, our President, Jaspreet Dehl, our Chief Financial Officer, and Stuart Levings, the CEO of Sagen, our mortgage insurance business.

Just curious, are any of you new to BBU that are here? A couple of people. Okay. All right. Well, for those of you that are new, BBU is Brookfield's industrials and services business, and it allows investors to participate in Brookfield's private equity activities.

We had a very active year since we spoke to you last. We closed on \$1.4 billion of acquisitions. We secured \$1.9 billion in proceeds, primarily through the sale of companies. We refinanced \$11 billion of borrowings as you heard us talk about earlier on really great terms- Jaspreet is going to get into the detail there, and we continue to generate very strong operating results.

Now, as you can see on here, the size of our business grew pretty meaningfully. We reached \$2.5 billion of Adjusted EBITDA over the last year, and our Adjusted EFO reached \$1.2 billion. Growing in size alone is not our overall objective. It is to increase cashflow and value on a per share basis. Our Adjusted EFO remains strong. Now it dipped a little bit primarily because of increased interest rates, but we're confident, we have conviction over the long term we will continue increasing our Adjusted EFO per share.

A common question that we've been getting is how are we coping in this investment and operating environment? I'm going to repeat a little bit of what we just talked about if you don't mind.

As we all know, rates are up quite a bit very rapidly. Labor markets remain very, very tight. That has had some impact on our businesses. Inflation remains high, although it's come off quite a bit. It's still high from a historical basis. What does that mean for our investment approach?

Well, because BBU is a partner to Brookfield's private equity activities, it's helpful to look at Brookfield's private equity history. Over 25 years you'll see that some of the best investments we made were during these periods of volatility and uncertainty. Simply because in tough environments, capital dries up and investors lose confidence. Competition for assets and businesses is typically reduced. The last three years have presented phenomenal opportunities to BBU for this reason.

Over that same 25 years, Brookfield has generated strong returns for investors in its private equity strategy and within BBU, but that's in the past.

What does that mean for the future? Well, we think the setup for continued value creation is great and here's why.

First, over the last five years, BBU invested \$7 billion at its share paying an overall acquisition multiple of less than 10 times EBITDA. During the same period, the average market multiple was north of 14 times, so we clearly invested for value.

Second, BBU bought super high-quality businesses. They provide products and services that are critical to their customers. This enables us to maintain revenue in all sorts of environments. We also bought market leaders, which means we have pricing power in an inflationary environment, which has been really important recently. Our businesses have durable competitive advantages which support strong margins. These businesses also have high returns on capital, which means that capital reinvestment generates strong returns. All of this means our large-scale, high-quality businesses are generating strong and resilient cash flows. Finally, over the same five years, our overall blended EBITDA margin has consistently improved. Quite simply, we own great businesses and we're making them better. The quality of our underlying operations is the best in our history.

Now six of our businesses, which we refer to as The Super Six, generate the majority of BBU's Adjusted EBITDA and Free Cash Flow. Each of these businesses are truly exceptional in their own right. They're market leaders providing mission critical products and services with strong margins and excellent growth potential. Now I wanted to touch on two of these in particular, starting with Clarios. Clarios is the global leader in the manufacturing and distribution of low-voltage battery systems for the automotive industry. One in three cars in the world are powered by our batteries. Clarios is five times larger than its nearest competitor. Its software, system integration and battery technology are unmatched by any of its peers. 75% of its revenue is generated from replacement batteries, providing it with super stable demand. Every vehicle, including every electric vehicle, I'm going to repeat that, every electric vehicle needs a Clarios type low-voltage battery.

Today Clarios is working with virtually every automaker on their next generation electric and autonomous vehicle platforms. In fact, since we acquired Clarios, its low-voltage systems have been chosen for 140 electric vehicle platforms. Clarios is doing extraordinarily well financially. It's generating about \$500 million in Free Cash Flow every year, even after making significant investments into advanced battery production. It will soon exceed \$2 billion of EBITDA and we have line of sight to \$1 billion of annual Free Cash Flow, and BBU owns 28% of this incredible business.

The second business I want to talk to you about is Scientific Games, the newest member to The Super Six. Scientific Games is also a global market leader. It provides technology and systems for governments to run their lottery systems, and it includes Powerball, Mega Millions, Lotto 649 and scratch lottery cards. The lottery industry has been incredibly resilient across multiple decades. In fact, over the last three decades, U.S. lottery sales have only dipped once. In 2009, they dipped less than 1%. There are very few industries that are so stable and have year on year growth. Because of this backdrop, Scientific Games generates stable cash flow, which grows over time. But the real excitement for this business is the growth that we expect from something called iLottery, which is lottery on your phone or your tablet or your computer. iLottery is still in its infancy, but over time we expect that most U.S. states will adopt this as a big driver of incremental growth to their lotteries. The business is already the primary technology provider to three of the top iLotteries in the world.

I hope you'll agree that these are two exceptional businesses. The main point here being that BBU owns several of exceptional quality.

Before I conclude, I want to touch on prospects for monetizations and capital recycling. That's another question we get a lot. Since the inception of BBU, we've sold 16 companies, we generated net proceeds of \$6 billion and very strong returns for BBU. But given what we own today, the best is yet to come.

While the last couple of years have been tough for the capital markets, we're definitely seeing signs of improvement, which should support additional monetizations. Debt markets have stabilized. In fact, I'd say they've improved meaningfully for strong companies. Equity markets are stabilizing and M&A activity in the private markets is definitely starting to pick up.

To give you a little bit of context, about a third of our cash flow today comes from businesses that are early in our value creation plans, a third are midway through our plans and about a third are reaching a state of maturity. This means we should always have businesses that are ready for sale. Markets permitting, we'll have a very active capital recycling program to fund our growth. If I can leave you with one important thought, it is this, please don't confuse value and value creation with monetizations. BBU is a very valuable business no matter when we decide to sell an operation.

With that, I'm going to hand it over to Anuj.

Anuj Ranjan^ Thank you, Cyrus.

We are value investors, and those of you who know us well know that we're no stranger to complexity. In fact, we often seek out complexity because it creates an opportunity to acquire for value.

We often like to buy businesses that are out of favor, misunderstood, sometimes not totally resonating with the public markets. Through Brookfield's broader platform across sectors and in many geographies around the world, in which we operate, we have an ability to distinguish ourselves as a partner of choice.

A great example of this is Network International, an acquisition that we recently announced in June. This is the leading payment processing and merchant acquiring business in the Middle East. It forms the financial backbone of the 15 economies that it operates in, and it services more than 150,000 merchants, manages 18 million credit and debit cards, processing almost \$50 billion of annual payments. It's an incredible business, very high quality that provides essential technology and services that allow both governments and merchants to securely process online and offline transactions. It's got huge tailwinds. Network has been growing 20% year-on-year for many years, and that's driven by the fact that cash is continuously moving to card and there is a continuous shift to online payments.

We were able to acquire this business for some of the reasons that I mentioned earlier. It was out of favor. While it's largely a Middle Eastern business, it was listed on the London Stock Exchange. With the markets correcting in London over the last couple of years, in addition to the fact that it did not really resonate as a Middle Eastern business with the shareholders set in that market, it was trading at what we felt was quite a deep value.

We were able to become a partner of choice. Brookfield as a whole has been in the Middle East operating since 1997. We've invested over \$8 billion across real estate, infrastructure and private equity and we have multiple offices in the region, deep relationships with the banks who are the important counterparts and customers for a payment processing business. Because we already own the number two player in the market, which we acquired in 2022 called Magnati, we were able to bring an operational value creation plan unlike anybody else would've been able to with this business.

We're actually very excited about putting Magnati and Network together. We're going to create the leader in the market with a 70% market share of payments in these regions, a very fast-growing region where as I said growth has been over 20% year-on-year. We were able to acquire the business though for 11x EBITDA, considering how fast it grows and considering the fact that we can leverage the technology in both businesses to reduce CapEx and have a better tech stack. We think that this is quite an attractive business that we were able to buy and we're very excited about its potential.

This type of value creation of increasing margins and bringing operational benefits to the businesses we own is becoming more and more important in the world and the environment that we're in.

It'll come as no surprise to any of you that the acquisition multiples in the private equity sector have increased dramatically over the last 10 years. In fact, it's gone up almost four turns of EBITDA since 2010.

If you look at that past period since 2010, so the last 13 years, the private equity industry has benefited from this multiple expansion. In fact, about 50% of the whole private equity industry returns have come from multiple expansion. The vast majority of it has been multiple expansion or revenue growth, and only very little has been on operational improvements.

For our business, on the other hand, the majority of what we have been able to do in our businesses, the majority of the value that we've created are things that we control. Things like

operational improvement, where we've been able to increase margins and increase the cash flow of the underlying businesses and by buying businesses for value as I've outlined earlier. Now don't get me wrong we do love multiple expansion, we've been a beneficiary of multiple expansion, I'd like to win in the casino as well. But we like to invest based on things that we know that we can achieve in the businesses that we own.

We roll up our sleeves and get involved in the operations to enhance their cash flows.

We've done this by creating a repeatable process that we can apply to every business we acquire across regions and across sectors. The best way to outline this is with examples. If you take Westinghouse for example, we were able to refocus the business on more profitable products. We were able to work with the management team to put in place a better organizational design and we were able to invest in technology which ultimately grew EBITDA by \$350 million.

Another example is the BrandSafway, while BrandSafway was impacted by the pandemic we were still able to use that opportunity to invest in the organizational structure and design. Largely actually, we focused on procurement and optimizing the branch network and getting more out of our branches. We've already seen some significant cost synergies as a result.

With this, we've been able to make 20 acquisitions over the last five years and we've actually generated \$1 billion of EBITDA improvements across all of these businesses - \$300 million at BBU's share.

Another couple of examples I'd like to talk about where we are doing the same include DexKo. DexKo is a leading manufacturer of highly engineered components and parts for the trailer industry. It's a market leader with about 50% market share in its core product offerings, and it's vertically integrated providing a holistic solution for its customers. The fragmented nature of its customer base allows the company to have significant pricing power even in this inflationary market, and as a result of all of this, that it has quite strong margins and a very resilient cash flow profile.

Through some of the same items that I've already described, focusing on things like procurement, on vertically integrating and an acquisition of TexTrail, which allowed us to realize significant synergies in the business. We've been able to increase margins by about 200 basis points, and that's just the beginning of our value creation plan.

Another example is CDK, this is the software company that Cyrus, was referring to earlier. A mature software business that provides mission-critical technology and services to the automotive industry. It's an industry leader and its product is mission-critical, in the sense that its customers rely on it every day for their daily workflow and their employees do as well.

As a result of the great relationship it shares with its customers, it has got a very high customer retention rate and annual recurring revenue and very strong cash flow generation.

We are well ahead of plan, I must say that I think a year ago at this very forum we stood and told you that we would increase margins by 10%. I'm glad to say that we've actually delivered that actually slightly better increasing EBITDA by over \$250 million in the business by reducing

costs, improving the organizational structure and focusing the businesses on products that are more relevant to their customers.

The upside is quite significant for BBU going forward.

This is probably the most important slide I'll have up here today, and the point I would like you to take away from this is that even if we do nothing, if we don't acquire any more businesses. The fact that our value creation plan is still, in some cases an early to a mid-stage, we are continuously improving margins and BBU's Adjusted EBITDA will increase by almost 20% without any more investment or growth. Being able to improve EBITDA over the medium term continuously purely through operational improvements and because we bought these businesses for value is quite unique.

If I could leave you with three things, it would be that we're value investors, over 25 years we've continuously bought businesses at single digit multiples. We roll up our sleeves, we get into the business, and we improve the margins and we improve their cash flows, and as a result of this the potential for BBU is tremendous.

Next up is my colleague, Stuart Levings, who is the CEO of Sagen. As many of you know and as Stuart, will tell you, Sagen is the leading private mortgage insurer in Canada and we're excited to have him here today to talk about against the backdrop that you heard earlier of higher interest rates, understanding the housing market and the mortgage insurance market, and frankly why this is one of BBU's best businesses and why we're still so excited.

Thank you.

Stuart Levings^ Thank you, Anuj, and good afternoon, everyone.

Sagen and is an essential service provider in the housing finance sector focused on helping first-time home buyers achieve responsible homeownership. We work with all the major lenders in Canada providing default risk transfer and capital relief, the exchange for a single upfront and importantly non-refundable premium.

Mortgage insurance is also a mandatory product for all home purchases with a down payment less than 20%. Now, this is good for us because it eliminates any potential adverse selection.

As Anuj noted, Sagen has been in business providing mortgage insurance since 1995 and is the largest private sector mortgage insurance today. We build deep relationships with our customers, leveraging our data and our analytical capabilities to provide value beyond the mortgage insurance transaction and we've seen great market share growth under Brookfield's ownership.

The Canadian mortgage insurance market is one of the best in the world. We have three disciplined providers and a conservative lending environment based on industry underwriting practices and strict regulations from OSFI, our federal supervisor. Legislation provides for lender recourse, which basically means that borrowers are liable for their debt even if they turn their home back to the lender. Canadians don't typically walk away if their home prices fall below their mortgage amount. We receive our premiums upfront as I noted, and we invest it for the duration of the policy. The U.S. market on the other hand is quite different, it's heavily competed

with numerous providers in a state regulated environment. There is limited recourse, which meant during the global financial crisis we saw a tremendous number of homeowners walk away from their debt, so-called jingle mail if some of you recall. In the U.S. model it's often a monthly paid premium as well, and what that means is that once that borrowers LTV or loan-to-value drops below 80% they start paying. What that does is it highly concentrates the risk with the remaining portfolio, because those are the borrowers who can't seem to get their mortgage paid down as much.

We insure high-quality mortgages with strong borrowers and essentially act as a second set of eyes on high-ratio mortgages. Our insured borrowers are typically first-time home buyers purchasing entry-level owner-occupied homes. That is important because we have no exposure to investors and rental properties. We insure mortgages all over Canada, with the majority of them in major urban areas and we benefit from a diverse Canadian economy with rarely more than one or two provinces in a simultaneous economic downturn.

Our solid business model has delivered durable earnings and cash flows through a variety of economic cycles, including very stable performance during the Global Financial Crisis. The business experience record results in 2021 and 2022 due to tailwinds in the Canadian housing market that far exceeded our own expectations. Performance is now normalizing again in line with our historical norms.

Since the acquisition by BBU in 2019, we've been able to make significant improvements in our returns which have increased approximately 800 basis points from around 12% to a sustainable 20% today. Our efforts focused on growing market share to benefit from scale as well as improving our expense ratio through productivity, eliminating some public company costs and redesigning our IT platform. We also added an appropriate amount of cost-efficient leverage and optimized our investment portfolio to enhance returns.

Sagen is a very well capitalized company with a strong conservative balance sheet. As I noted, we add cost-efficient leverage while maintaining our strong investment grade credit ratings which are very important to our customers and we took a proactive approach to refinancing our debt so as to avoid a stacked maturities profile.

The business has been able to generate significant cash flows, in just three years of ownership we've returned over 60% of invested capital to shareholders in the form of cash distributions.

Our insurance portfolio is essentially the strongest it's ever been due in large part to our strong risk management framework, our conservative underwriting stance, as well as the environment in which we operate, including very strong house price appreciation over the last decade.

We've continuously improved our underwriting approach, adding high-quality borrowers with an average credit score of around 754 today and above average family incomes. The above average family income is largely because we have a lot of dual-income borrowers and dual-income families and that's essentially the only way that many first-time homebuyers can afford a home in major urban areas today. The above average income with borrowers purchasing below average or starter entry homes results in various strong debt-service ratios.

Our insurance risk is backed by strong underlying collateral with significant embedded equity driven by principal paydown and of course, a decade of strong house price appreciation. We view mortgages with a loan-to-value below 80% as essentially low risk, or in some cases even off risk and we have 74% of our portfolio in that category. Embedded equity is a very important component of our business performance because it acts as a buffer against potential economic headwinds.

We operate with a proactive risk management framework. We actively engage with lenders on loss mitigation strategies. Our focus there is on avoiding unnecessary foreclosures, foreclosures that will be driven by a temporary financial difficulty, especially where the borrower is still employed and able to make some level of payment. We leverage predictive analytics and our own database and stress testing to inform our risk appetite, which we then adjust in terms of underwriting criteria in response to emerging economic risks. As I noted before, we're well capitalized under OSFI's capital test, which essentially requires us to hold significant amounts of capital to withstand a very severe tail event.

The global pandemic saw an unprecedented level of home sales as consumers had extra disposable income and a desire for more space. As we all know, this demand was further fueled by record low interest rates resulting in extremely high levels of new underwriting volume for us in 2020 and 2021. Demand cooled somewhat after that as rates began to rise in 2022 and very quickly, industry stakeholders started to shift their attention to "so what happens when all these mortgages renew in five years' time at significantly higher interest rates?".

Well, in our view, Sagen is very well positioned to manage the impact of higher interest rates on mortgage renewals. First of all, approximately 80% of our portfolio is comprised of fixed rate mortgages, which as the name says, means that their payments don't change as interest rates change, and that's because first-time home buyers generally prefer payment certainty.

Secondly, and probably the most impactful in our industry over the last five years, is the mortgage rate stress test. This stress test requires that borrowers qualify at a mortgage rate at least 200 basis points higher than their contract rate. That means that in our portfolio, all our borrowers have been qualified at a rate of at least 4.9% as it was, currently much higher when you add the 200 basis points onto today's mortgage rates.

This rate buffer will be extremely important in helping to absorb any potential payment shock at renewal. When we forecast out the expected renewal rate around 2025-2026, the essential rate that they're going to be paying is around 4.9%-5%, which is exactly in line with that qualifying rate.

We've seen the benefit of the mortgage rate stress test already in our current renewals. We've seen many fixed rate mortgages renew this year at rates that are substantially higher than what they had as a contract rate and yet delinquencies have barely risen. We've also seen how adjustable-rate mortgages behave who have seen significant payment changes, and they too are managing just fine at this point. In our view, less than 1% of our portfolio is actually at significant risk of payment shock based on high debt-service ratios. In the event that payment shock would in fact drive a default, we would allow and do allow our lenders to extend the amortization as an escape valve to reduce that payment amount.

Now, lenders are doing that themselves already on their own portfolios as well and the reason why it really works well for Sagen and for the high-ratio industry as a whole is that our buyers are typically first-time home buyers as I noted, which means they are a younger profile with a lot more potential for income growth over the next five years. That basically means that between income growth and equity build in their property, there is a very, very low risk of default at the next renewal.

We think that the extending of amortization is a very effective default management tool in the Canadian industry. Provided employment remains strong, which we believe is the outlook, we think that this strategy will prevent any major wave of defaults as mortgages renew in 2025 and 2026.

Now, we also expect to continue generating resilient performance based on both the current and long-term fundamentals of our industry.

Recent market fundamentals are stabilizing. Home prices have begun to recover as sales activity responds to a more stable interest rate environment and ongoing strength in the labor markets. Home prices and employment levels, as you can imagine, are essential business drivers for our performance, impacting both the frequency and severity of any insurance claims.

The long-term fundamentals are also very positive. Strong population growth driven primarily by immigration continues to drive housing demand. We know that Canadian immigrants tend to be very well-educated and often buy a home within the first few years of arriving in Canada. However, a chronic undersupply of new construction has led to an ongoing imbalance between demand and supply, and now that in itself makes it difficult for new homebuyers to get into a home, but it also provides tremendous support for Canadian housing prices even in an economic downturn.

Now, as this rate tightening cycle does take hold and the economy slows, we do expect to see a modest increase in unemployment over the next 12 to 18 months. That will cause our loss ratio to rise from its current record low levels, but still well within our long-run expectation of around 15% to 25%.

So let me wrap up with this. Sagen has demonstrated its ability to generate strong returns and cash flows through a variety of economic cycles due in large part to the strength of our business model, our disciplined risk appetite and the very supportive environment in which we operate. We feel confident in the business' ability to sustain our improved return on equity at 20% and approximately \$350 million of annual earnings and distributions based on our outlook for the Canadian economy. This translates into approximately \$150 million of earnings and distributions at BBU's share.

With that, I'd like to thank you for your attention and I'm going to turn it over to Jaspreet Dehl, CFO at BBU.

Jaspreet Dehl^ Thanks, Stuart. Good afternoon, everyone.

There's three main topics that I wanted to cover with you today. The first is around how we think about financing our operations. Cyrus and Anuj talked about the strong performance and quality of our businesses as well as the value creation plans that we have in place at these operations.

What's crucial is having resilient capital structures through any kind of economic cycle that allows us the time and space to execute on these operational plans. I'm going to spend some time today discussing the refinancings that we've been able to do in the current environment. I'll then discuss the strength and positioning of our balance sheet. And finally, the value proposition for BBU.

Many of you have seen the slide before, but I thought it was worth sharing as I wanted to reiterate to you that our approach to financing remains unchanged.

When we think about financing our business, all of our debt sits within our operating companies with no recourse back up to BBU and no cross-collateralization across businesses. We want to make sure that the debt that we put in place within our operating companies is serviceable in any economic cycle. We want to make sure over the long term it's sustainable and manageable for the company. Finally, our focus continues to be on ensuring that we have no permanent debt at the corporate level.

Now, when we talk about financing our operating companies, we have access to diversified sources of financing. These include the term loan and bond markets in the U.S., as well as in Europe, bank financing through our global banking relationships and the private credit market where that's appropriate.

Being part of the broader Brookfield ecosystem provides us with a tremendous advantage when we look to access the capital markets. We have deep strength within Brookfield or an expertise to help us ensure that we get best execution on the refinancings that we take to market and we do it at the appropriate time and take advantage of windows.

As Cyrus mentioned, overall markets seem to be stabilizing, and that's true for the credit markets as well. We've seen banks sell down the majority of the unsyndicated leverage loan financing that was on their balance sheet. We've also seen corporate bond issuances pick up. On the other side, we've seen limited new M&A related issuances and what this seems to have created is pent-up demand from credit investors to put capital to work.

But capital isn't available to everyone today. What we're seeing is a clear bifurcation in where people want to put their capital and it's gravitating to towards high-quality issuers that have shown that they can withstand the high interest rate environment and also run their businesses in a challenging operating environment.

We can see here that in the high yield bond market, prior to the Fed's rate hiking cycle, the differential between a single B rated bond and a CCC rated bond was about 250 basis points. That differential in two years has doubled to over 500 basis points.

This bifurcation in credit quality has actually been good for us as it favors the types of businesses that we own and the debt of our businesses has traded quite well in the market. In fact, if you look at the debt of some of our Super Six businesses like Clarios, CDK, Scientific Games,

they're trading at or near par today. This puts us in a unique position where we have access to capital at a reasonable cost, and we've been able to amend and extend our maturities and in some cases get increased flexibility on terms.

What have we been doing? We've been taking advantage of the opportunities to refinance existing borrowings as well as amend and extend any maturities.

Cyrus mentioned this earlier, but we've refinanced \$11 billion of non-recourse borrowings during the year. This includes Clarios, where we saw a lot of demand from investors and we were able to upsize our offering. And we were able to do these refinancings at reasonable costs, optimizing pricing across the board.

I thought I'd dive a little bit deeper into a couple of the refinancings that we've done, just to give you a sense of what we've been doing. Anuj talked about CDK Global, and the incredible performance at this business. We were able to refinance out about \$750 million of private capital out of the capital structure at CDK and replace it with first lien notes. In doing so, we were able to reduce the overall cost of that tranche of borrowing by 320 basis points.

At our work access services operation, BrandSafway, where we did see the business being impacted through the COVID shutdowns, we've seen a very good recovery over the last few quarters. We refinanced the debt at BrandSafway and saw borrowing costs increase about 90 basis points. We also put some capital in to delever the balance sheet at BrandSafway. We were comfortable investing this incremental equity because we feel confident that it should provide good returns to us.

If you step back and you look at all of the refinancings that we've done, we've been able to effectively manage all of our maturities. We were able to extend the weighted average maturity on the refinancings by about three years. In a lot of cases, we were able to get improved flexibility in the terms within our debt documents. If you looked at the cost of all of the debt that we refinanced the day before we refinanced it, versus the day after, the cost is very similar. Just to put a finer point to it, the overall cost on a weighted average basis was 25 basis points higher.

Where do we go from here? As we look forward, we think we're very well positioned.

Our balance sheet remains strong, the weighted average debt maturity for our borrowings is 5.8 years and most importantly, we don't have any significant maturities over the next 12 months.

The majority of our refinancing needs are behind us, and what this means is that it gives us significant flexibility to opportunistically manage long-term maturities over the next few years. I feel like Jared set me up well for the next slide where he talked about how there may be a wall of maturities coming in over the next couple of years.

If you look at our borrowings and all of the debt that's maturing within the next three years, 80% of that debt is in six operations, and we've listed the operations here.

The biggest piece of the debt is at Clarios. Cyrus talked about the high quality of this business. It's generating a lot of Free Cash Flow, we've been delevering the business and we don't anticipate any issues refinancing this debt.

The others including La Trobe, BRK Ambiental, these are businesses that will refinance the debt. It's just part of normal course operations.

At Altera, we restructured the balance sheet last year and we made sure that the capital structure in that business is sustainable in any environment and we don't foresee any issues just rolling over normal course debt.

We have a little bit of debt at Schoeller, about €250 million, which we're managing through right now, and in due course will refinance.

Then finally, Westinghouse, which we expect we'll close the transaction in the coming months, and not need to refinance that debt.

As we close the Westinghouse transaction, we'll generate \$1.5 billion of proceeds that we'll use to pay down the borrowings on our working capital facility that we made to bridge acquisition and monetization activity. That will give us significant flexibility in our balance sheet for growth as we are looking forward.

So, if we look forward and talk about Adjusted EFO and cash flows, the disposition of Westinghouse and the higher rate environment have impacted our Adjusted EFO, excluding gains.

But when you couple that with the value creation margin improvements that we've already realized, and everything we have planned within the business, we expect Adjusted EFO will grow about 20%. Just to be clear, this doesn't factor in any potential normalization of interest or the benefit of any future debt paydowns.

If we roll this up to Free Cash Flow, that results in an increase in Free Cash Flow generation in the portfolio of businesses that we own today, from approximately \$500 million to \$700 million, or a 40% increase.

Before I wrap up, I thought I'd spend a few minutes just framing what this all means from a value perspective for BBU.

At today's market price, BBU is a tremendous value opportunity based on any metric. Take any one of our Super Six businesses, I took Clarios here for illustrative purposes.

That one business alone has about \$10 of equity value. What this means is that at \$16 today, you can get the rest of BBU, so if you take out Clarios, you're left with the fabulous five plus all of the other portfolio companies, for basically \$6 per unit. You do need to factor in the working capital lines that we've got drawn today, but any way you cut it this is an amazing entry point for BBU.

Then what's the reason to stay invested? Because the longer-term value proposition is very compelling. We've grown BBU into a high-quality business today that's generating a 19% EBITDA margin, and that EBITDA margin was 18% last year. That's in line with the highest quality services and industrial companies.

But our trading performance hasn't correlated with the underlying quality of our earnings. And to put this in context, we're generating about a 15% Free Cash Flow yield today and trading at an 8x EV to EBITDA multiple. Compare that to high-quality diversified services and industrial companies, they're trading at a mid-teens EV to EBITDA multiple, and about a 5% Free Cash Flow yield. The point is that this is the opportunity over time, and we do think that the quality of earnings and cash flow generation is being underappreciated today, the significant upside in the value of our units, even at a very reasonable multiple of the earnings that we generate today.

Thank you, and I'll pass it back over to Cyrus for Q&A.

Cyrus Madon^ Thanks, Jaspreet.

I think we have time for a few questions and I'd just ask you to raise your arm and someone will bring you a microphone.

Gary Ho^ Thanks, Cyrus. Gary Ho from Desjardins here. You talked about monetization, and you said the best is yet to come. Can you talk about the channels that you hope to monetize your assets? Is it through IPO? Are some of your Super Six too big for strategics or is it selling to other private funds?

Cyrus Madon^ Yeah, I think it's all of the above. The really large Clarios-type business probably is best done as an IPO. That said, it may be that one or two sponsors or a strategic might want to buy half the business and own it with us for the long term that's another alternative. But some of the smaller businesses certainly may be sold to sponsors or to strategics, that's usually our preferred exit because we get all our cash back at once.

Gary Ho^ Thanks. Then the second question, the number I was looking for in your presentation was the intrinsic NAV, which you've taken out this year. Just wondering where that stands. If you can't provide that, maybe the Super Six NAV, where that stands.

Cyrus Madon^ Well look, we realize that providing you NAV wasn't actually helping us or you, but what we thought might be better is to provide a comparative to other companies that Jaspreet did. But I will say this we don't think our NAV has gone down, if that's what you're asking.

Steve Ko^ Hi. Steve Ko, Starvine Capital. Given this stark discount to intrinsic value that you point out and that the trading volume is low, so it makes it hard to take advantage of a normal course issuer bid or to take in a lot of shares opportunistically. What are some other levers you think can be utilized to capitalize on this stark discount, which would be very accretive?

Cyrus Madon^ I will start by saying that we care a lot about our share price, primarily because it impacts all of you in this room and we realize it impacts you very directly, so I will start by saying that.

It matters a lot to us that we get this trading better to make all of you successful. But that said, we take a balanced approach to capital allocation. As you know, we've been very acquisitive the last couple of years, we are still buying back shares, and we'll continue to do the same.

Our view is that as rates stabilize and at the point in time where the Fed says rates may come down, it's going to change the demand supply shape for our shares in that we're going to have lots of marginal buyers at that point who are looking for a risk on investment and that we should start trading markedly better at that time.

Okay, well, with that we will call it to an end. Thank you very much for your time.