

**Brookfield Business Partners L.P.
Q1 2021 Earnings Conference Call**

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Corporate Speakers:

- Alan Fleming; Brookfield Business Partners L.P.; SVP
- Cyrus Madon; Brookfield Business Partners L.P.; CEO
- Denis Turcotte; Brookfield Business Partners L.P.; COO
- Jaspreet Dehl; Brookfield Business Partners L.P.; CFO

Participants:

- Devin Dodge; BMO Capital Markets Equity Research; Analyst
- Geoffrey Kwan; RBC Capital Markets; Analyst
- Gary Ho; Desjardins Securities Inc.; Analyst
- Andrew Kuske; Credit Suisse AG; MD, Head of Canadian Equity Research and Global Co-ordinator for Infrastructure Research
- Nikolaus Priebe; CIBC Capital Markets; Research Analyst
- Jaeme Gloyn; National Bank Financial, Inc.; Analyst

PRESENTATION

Operator: Thank you for standing by, and welcome to the Brookfield Business Partners First Quarter 2021 Results Conference Call and Webcast. (Operator Instructions) As a reminder, today's program is being recorded.

And now I'd like to introduce your host for today's program, Alan Fleming, Senior Vice President of Investor Relations. Please go ahead, sir.

Alan Fleming: Good morning, and thank you for joining Brookfield Business Partners 2021 First Quarter Conference Call.

Before we begin, I'd like to remind you that in responding to questions and talking about our growth initiatives and our financial and operating performance, we may make forward-looking statements. These statements are subject to known and unknown risks, and future results may differ materially. For further information on known risk factors, I encourage you to review our filings with the securities regulators in Canada and the U.S., which are available on our website.

On the call with me today is Cyrus Madon, Chief Executive Officer; Denis Turcotte, Chief Operating Officer; and Jaspreet Dehl, Chief Financial Officer. I'll turn the call over first to Cyrus to provide an update on our business, and Denis will then discuss some recent activities at BrandSafway. Jaspreet will finish with a review of our financial results. We'll then be available to take your questions.

And with that, I'll pass the call over to Cyrus.

Cyrus Madon: Thanks, Alan. Good morning, everyone, and thanks for joining us on the call today. We had a strong start to the year. We generated record company FFO during the quarter, and most of our businesses have fully recovered from the unprecedented volatility of the last year. As we have discussed in the past, we build value in BBU by buying good businesses at reasonable prices and improving their performance and cash flows.

And as we make progress on different initiatives to surface value, we expect to see some variability in our earnings and cash flows. But we've been really pleased with how our operations continue to perform and we're optimistic looking ahead. All our businesses are very well positioned to benefit as global economies continue to reopen, vaccination rates accelerate and things get back to normal.

We've also been pushing forward key initiatives that will drive growth in our business. In April, we completed the privatization of our Canadian mortgage insurance business, Sagen. BBU invested about \$185 million for our share of the transaction, which increased our ownership interest to 40%. Sagen is now one of BBU's largest investments and I thought I'd spend a little bit of time today reminding you why we like this business and what we're doing to improve the returns it generates.

Sagen provides Canadian mortgage lenders with insurance against homeowner default. Mortgage insurance is mandatory in Canada for home purchases with a down payment of less than 20%. Sagen ensures mortgages for only owner-occupied homes which average around CAD 380,000 or USD 300,000. These buyers are typically young, first-time homebuyers with growing household incomes.

Like many businesses we own, Sagen is a market-leading essential service provider. Historically, the business has generated consistent earnings and reasonable returns on equity across both housing and economic cycles. Even last year, Sagen has not seen an increase in default rates, as strong government support programs and reduced discretionary spend has led to falling household debt levels.

We were able to acquire Sagen for a book value. And as a private company, we think we can run this business more efficiently. As part of the privatization, Sagen raised approximately \$750 million of long-dated favorable financing, and it's now operating with \$500 million of excess capital. Sagen will distribute this cash later this year, subject to regulatory approvals, of course, and should also continue to provide ongoing distributions to BBU. Now over the longer term, we remain confident that we can improve Sagen's return on equity to at least 15% and probably higher than that.

Apart from that, we continue to progress our capital recycling activities. During the quarter, we generated about \$300 million of net after-tax proceeds for BBU from the sales of public securities and GrafTech common shares. We've also been taking advantage of low interest rate and strong capital market environment to refinance

borrowings and enhance capital structures. Clarios, Westinghouse and GrafTech all repriced the borrowing rates on their respective term loans during the quarter.

Public markets are robust, and we're exploring monetization opportunities. At Clarios, we've made considerable progress on our business improvement plans focused on optimizing its U.S. operations. And today, the business sits at the forefront of technology development as the industry shifts to advanced batteries, across all platforms, including electric vehicles.

There is strong capital market demand for high-quality industrial businesses, and we believe Clarios is in a good position to garner a strong following in the public market. To that end, we're exploring a potential public offering of Clarios shares. If we do move forward, proceeds from a potential offering would be expected to reduce Clarios' leverage.

We're in a great position today and are continuing to work on a strong acquisition pipeline of high quality businesses, including those in health care and technology services.

So with that, I'm going to turn it over to Denis.

Denis Turcotte: Thanks, Cyrus. Good morning, everyone. Our business operations team is continuing to work closely with the management teams across all our portfolio companies on initiatives to surface value, strengthen their market positions and enhance their underlying cash flows. As Cyrus mentioned earlier, many of our operations are very well positioned to benefit as global economies continue to reopen and business conditions normalize.

To focus on one in particular, I thought I'd spend some time today talking about BrandSafway and some of the things the team is working on to position the business as activity levels recover.

It's been just over a year since we acquired an interest in the company. As many of you know, the business provides work access solutions to customers, predominantly in the industrial and commercial end markets. It's the market leader in North America and generates about 2/3 of its revenue from recurring critical maintenance activities at customer sites. The business operates in a highly fragmented industry, and its size and scale make it an attractive platform for meaningful consolidation opportunities.

Over the past year, activity levels in the business were impacted by shutdowns and restrictions at commercial sites and the deferral of annual maintenance outages at industrial locations. In response, BrandSafway has been very focused on managing its highly variable cost structure, which benefits from a flexible labor force and attractive contracting terms.

The business has also actioned on permanent cost reductions through organizational restructuring, renegotiating supplier contracts, reducing G&A spend and exiting lower return locations. All to align the organization to its customer base, improve its overall cost structure and strengthen its industry-leading position. As activity levels normalize, these actions should improve BrandSafway's long-term profitability.

From a market perspective, we're beginning to see signs of improving momentum across many of BrandSafway's core industrial end markets in refining, petrochemical and power generation. Customer profit pressures from the impact of depressed commodity prices last year are abating. And with the pace of vaccinations in North America accelerating, customers are revisiting required maintenance work that has been deferred over the last 12 months. Much of this work can only be pushed out for so long. And as business conditions continue to improve, BrandSafway expects to see increasing levels of maintenance and turnaround activity returning later this year.

The business is also well positioned for longer-term trends, driven by the expected increased focus on infrastructure spending in the U.S. The company is uniquely positioned to serve this market through its extensive coverage of the U.S., domain knowledge and specialty services and innovations that increase worker productivity.

In addition, BrandSafway is continuing to focus on a strong pipeline of acquisition opportunities in its core and adjacent markets. Over the last year, the business has closed on 3 add-on acquisitions, which further expand its geographic footprint in new markets and bring additional capabilities and product offerings to the business. BrandSafway has been able to execute these acquisitions at accretive EBITDA multiples prior to synergies, which further increase returns and future growth opportunity.

One of the most valuable attributes of BrandSafway platform is the positioning they enjoy inside the fence, as we call it, given their strong relationships and ability to respond quickly to large-scale customers. The company has proven that it is able to support customers in a value-added way, providing new products and services and will continue to benefit from these win-win relationships in the future.

While it's been a challenging environment for BrandSafway over the last year, the management team has done a great job of responding, and the business is emerging in a very strong position. We remain confident in the long-term resilience of the business, and we expect to see a full recovery in performance as activity levels continue to normalize through the end of this year and into 2022.

With that, I'll hand it over to Jaspreet.

Jaspreet Dehl: Thanks, Denis, and good morning, everyone. I'll now provide a quick update on the financial performance for the quarter. As Cyrus mentioned, we're off to a strong start to the year. BBU generated company EBITDA of \$387 million for the first quarter of 2021 compared to \$294 million last year. Company FFO increased to \$545 million or \$3.67 per unit compared to \$194 million or \$1.29 per unit in the prior period.

Company FFO includes \$195 million after-tax gain on the sale of GrafTech common shares during the quarter, and \$133 million after-tax gain on the sale of public securities. The increase in first quarter company EBITDA over 2020 reflects improved contributions from our business services and industrial segments, which were partially offset by reduced contributions from our infrastructure segment.

I'll now go through each of the segment performances, starting with business services. Within our business services segment, we generated company EBITDA of \$104 million. This was a meaningful increase compared to last year. Sagen contributed Company EBITDA of \$39 million. Results benefited from strong new underwriting activity and higher premiums earned this quarter as well as low levels of mortgage default rates, which were supported by a strong housing market and home price appreciation.

Healthscope generated Company EBITDA of \$18 million in the quarter. Performance was strong, driven by a recovery to pre-pandemic levels and improved performance at the flagship Northern Beaches Hospital in Sydney. Healthscope continues to operate with higher than normal costs associated with increased health and safety measures for both patients and staff.

Moving on to our construction business. Multiplex reported Company EBITDA of \$20 million for the year compared to a loss of \$47 million in the same period last year. Productivity levels at Multiplex have normalized, and project sites were open across most regions during the quarter. Bidding activity has also improved. And during the quarter, Multiplex secured new contracts in Australia and in the U.K. This has increased backlog to approximately \$7 billion for the business.

Moving on to our industrials segment. We generated Company EBITDA of \$172 million for the first quarter. Clarios reported strong performance and company EBITDA of \$125 million in the quarter. Total battery sales volumes increased 24% year-over-year in Q1. Aftermarket demand continues to be very strong, and we're seeing a gradual recovery in original equipment battery volumes as well.

During the quarter, Clarios recognized an impairment charge primarily related to the closure of one of its North American recycling facilities. And this is part of the broader optimization of its U.S. operations that we've talked to you about in the past.

GrafTech generated reduced Company EBITDA of \$22 million this quarter. This was a result of our lower ownership interest and lower realized pricing of graphite electrodes. During the quarter, we continued to monetize our GrafTech position, which reduced our ownership and resulted in a change in control and the deconsolidation of our investment in GrafTech.

As a result, Company FFO for the quarter includes the after-tax gain of \$195 million from the sale of common shares during the quarter. Historically, these gains on monetizations on the sale of GrafTech shares have been recorded in equity as there was

no change in control prior to Q1 2021. Going forward, BBU will account for GrafTech as an equity accounted investment.

And finally, our infrastructure services segment generated Company EBITDA of \$136 million for the first quarter of 2021. Westinghouse reported Company EBITDA of \$71 million. Results in the quarter reflected normal seasonality based on the scheduled timing of customer outage activity in the U.S. This resulted in reduced outage volumes and fewer planned fuel assembly shipments compared to prior year. The business is still performing very well and remains on track to generate targeted full year EBITDA growth.

Altera Infrastructure contributed reduced Company EBITDA this quarter compared to the same period last year due to reduced contributions from its FPSO and FSO operations. Altera's shuttle tanker business remains stable. We are also reviewing options to reduce leverage and reposition the business longer term.

And finally, BrandSafway contributed \$18 million in Company EBITDA for the quarter as activity levels continue to gradually recover despite impact from ongoing restrictions at customer sites and near-term project delays.

Turning to liquidity. Liquidity remains strong, and we ended the quarter with approximately \$2.4 billion of liquidity at the corporate level. This includes \$389 million of cash and marketable securities as well as approximately \$2.1 billion of undrawn credit facility. We remain very confident in the strength of our financial position to support our businesses and continue to fund our growth activities.

With that, I'd like to close our comments and turn the call back over to the operator for questions.

QUESTIONS AND ANSWERS

Operator: (Operator Instructions) Our first question comes from the line of Devin Dodge from BMO.

Devin Dodge: Cyrus, in the letter, there were some comments related to the new investment environment, more companies electing to go public given the strong market conditions. Just wondering if this has been concentrated in certain sectors? And can you comment on if this trend applies to corporate carve-outs as well?

Cyrus Madon: Yes. I would just say it's sort of a broad comment. And just to give you a little bit of color, we were quite active in three or four situations over the last three, four months. And in each of them, we like the businesses, but we didn't ultimately get to where we needed to be, for different reasons. One of the sellers decided to do an IPO instead, figuring they could get a much higher valuation. Another one was able to do a large-scale dividend recap just given where finance rates are. In one situation, we were just outbid.

So I'd just make it as a general comment, and I'm not sure -- it's too early to call this a trend, but certainly, just given where capital markets are recently, what we've been observing. And we've chosen to be disciplined and continue doing what we're doing and just figuring, look, it's probably a good time to be a seller in this environment. But that's what we've been experiencing.

Devin Dodge: Okay. That's good color. Maybe just a question on Westinghouse. There seems to be a shift in sentiment in the U.S. towards being more, I'll say, supportive for the nuclear sector. Is this something that you're seeing in the business? And if so, does this impact the timing of your potential monetization efforts?

Cyrus Madon: Well, why don't I -- I'm going to let Denis speak to what you're calling a shift in sentiment, which I'm not really sure there's been a shift, I think both recent U.S. administrations have been supportive in nuclear, but Denis can give you a little bit of color.

But just on timing of monetization, what I would say is this is a great company, super high-quality business, super high-quality management team, incredible market position and seldom do we find companies with all of those characteristics and highly, highly cash generative. So we're in no rush to sell this. Our intention -- our current intention, for sure, is to maintain control, at least control of this company for a long period of time.

If we do decide to sell, it will probably be that we'll look to sell a minority interest or something like that. But otherwise, we're very, very pleased with the business, and we think -- it has considerable upside from here from what we've already achieved. But Denis, maybe you can comment on what you're seeing.

Denis Turcotte: Sure, sure. As Cyrus mentioned, I think politically, the support has been there for quite a while, as governments are struggling with their power needs, growing in every sector. And they understand the reality of the importance of nuclear in providing baseload power.

I would agree with you, though, that you're starting to see sentiment shift in a positive direction more broadly, whether it be in the public press, whether it be in even different stakeholder groups, environmental groups, et cetera, that tend off and sway public opinion, are all starting to recognize that if the world wants to achieve zero-carbon, it will only be through expanding nuclear capacity. There's no other way around it.

Operator: Our next question comes from the line of Geoff Kwan from RBC Capital Markets.

Geoffrey Kwan: Just wanted to go back on Westinghouse. Just more so was, I think that they've done a couple of bolt-on acquisitions or announced some, I think, in the past week or so. Just wondering if there's any color you can provide on kind of the combined

purchase price as well as the combined EBITDA that would be additive to Westinghouse's results?

Denis Turcotte: Sure. Yes, they did just -- although it's not finalized, it was announced. There's an agreement, and we'll close on it very shortly, given it's a small tuck-in acquisition here in Canada. It's a company that will provide engineering services and a variety of kind of technical capabilities that help us service the CANDU market in Canada. And yes, we will continue to do that. These are small in nature.

They typically are in that \$10 million to \$20 million revenue range, and they've got the typical kind of margins you would expect and 20% to 28% margins, depending on which acquisition you refer to. And we'll continue to do that. We've got a growing, a large and growing pipeline, all linked to providing capabilities that directly support our strategic plan moving forward.

Geoffrey Kwan: Okay. That's helpful. And actually, maybe if I can ask a broader question because I think Westinghouse has done some other or others in terms of bolt-on deals since you made the acquisition. If I remember correctly, the trailing EBITDA, when you acquired Westinghouse was, I think was around \$450 million or I think it's a little bit below that, but relative to where it is today, yes, like how much would have -- with these bolt on acquisitions?

Obviously, the new ones that wouldn't be included in the current numbers, but what has been done historically? Like how much has that added to the EBITDA at Westinghouse versus where it is today?

Denis Turcotte: Maybe I'll get Jaspreet to give you more specific numbers.

Jaspreet Dehl: Geoff, so I don't think we have ever talked about kind of the exact amount of the contribution. But as Denis alluded, these are smaller bolt-on acquisitions. They were more strategic in nature. Where we've got an opportunity is either to expand our presence in a particular geography or expand the service offering. And the initial EBITDA contributions are expected to kind of grow, and that's the investment that we're making. I'd say day 1, they're not largely meaningful within the context of the overall business. I'd say, 5% to 10%, if even that.

Geoffrey Kwan: Okay. My next question was, Cyrus, you were talking about technology. And I know that at the Brookfield Asset Management, they've talked about wanting to make more investments in this more kind of mature technology. But this would be, call it, I think, kind of call it a newer vertical for BBU. Just wanted to understand, I guess, from your perspective, what's been done in terms of sizing up the sector, is there a thesis? Are there subsectors? Are there kind of people that you brought in to have a lot of experience in that? Or did you already have it and just kind of re-delegate because I know Brookfield Asset Management has some other technology investments within the empire.

Cyrus Madon: Yes. So we're focused more on mature technologies. Let's put it this way. If we're buying software, it's going to be software companies that generate cash flow and where we see growth potential. And today, we're more focused on technology services. And Everise would be a great example of an initial tech services business. And we've seen several similar businesses since.

So I think that's an easy way for us to grow into it. We have actually put together a stand-alone, call it, technology team. We've hired some external resources, added a few of our existing people and are very focused on it. Similarly, we're doing the same thing in health care. We've made, as you know, made a very large health care investment, but we are adding resources in health care as well.

Geoffrey Kwan: Okay. And just my last question was, I think, Jaspreet, you were talking about with respect to Altera, mentioned reducing leverage. Is that something like putting more equity into it? Or is it something else? And would that be BBU and his partners? Or would that maybe be some other entity that might be brought in?

Cyrus Madon: Look, it's -- Geoff, it's Cyrus. I'll answer the question. In all likelihood, it's going to require some form of equity now. And we haven't finalized anything. So this may move around a little bit. But we are considering some sort of equity infusion that would come from BBU and its partners.

I will remind you that we, apart from having equity invested in the company, we also are a large debt holder in the company as well. So there are several ideas we're working on to deleverage the business, but those are part of it. And apart from that, we'll also extend debt maturities and just bolster the balance sheet generally.

Operator: Our next question comes from the line of Gary Ho from Desjardins Capital Management.

Gary Ho: Maybe just staying on Altera. Cyrus, you mentioned potential repositioning of the business longer term. Can you elaborate what you're considering and how long that repositioning might take?

Cyrus Madon: Yes, so look, I'll let Denis maybe talk to what's going on in the business a little bit. So to give you just a little bit of flavor of what the business is seeing in the marketplace. But as I said, it's early days for us. We haven't reached any conclusions. We're considering a bunch of different alternatives.

But the objective is to have a long-term sustainable balance sheet for the business. That's our primary objective. And there are many ways we can do that. It might even involve selling one or two or three assets or something like that. But we haven't reached any conclusion yet. But it might be helpful for Denis to give you a little flavor of what we're seeing in the business.

Denis Turcotte: Sure, Cyrus. As everybody, I think, the impact of COVID on the oil sector, the rapid drop in global consumption, the associated impact on pricing, let's remind everybody, oil actually turned to a negative price for periods of time over the last 12 months. So that has had ripple effects through the sector and has caused a lot of -- just variation in operating rates of some of our customers. So the net effect has been you'll see that corresponding ripple effect through our income statement.

The good news here, though, to me, is we continue to operate the assets extremely well. We're very focused on continuing to improve the business. And now that oil's sprung back, customer interest has really started to improve as it relates to repurposing and recontracting some of our vessels, in particular in the FPSO segment. So I think there will be this continued volatility to a degree because these are big assets, and people are making decisions around contracting and recontracting that extend multiple years. But I see more positive signs in the industry than I do negative.

Gary Ho: Okay. Got it. That's helpful. And then my next question, just on the public securities holdings. You sold some of that in last quarter and also in Q1. But you mentioned, I think you still maintain some exposure there. Just wondering the thinking behind that, do you still see potentially taking one or two of those private? Just wondering if you can share some color on that.

Jaspreet Dehl: So I'll take that. So you're right. We've sold some of our position in Q4 and then a larger position in Q1. We're still holding about a third of the original positions. And I'd say we want to kind of keep the option open. And these are great businesses that we've been following for a period of time. And the idea has always been that if we could do something broader, that would be interesting. So for now, we're going to maintain our position and be opportunistic. If we're able to do something broader, that's great. Otherwise, there may just be upside in the equity positions.

Operator: Our next question comes from the line of Andrew Kuske from Credit Suisse.

Andrew Kuske: I'll start with a high-level question. And if you could maybe give some color around your businesses where you've experienced revenue enhancements either from just outright units sold versus the past few quarters, or pricing improvements that you've had on a per unit basis? And then any color around just the cost reductions and the impacts you've had, there's clearly, I think a year ago when we had this call, there was the triage effort of really stripping out costs, given the environment that we're in at that point in time. So any color on those topics would be appreciated.

Denis Turcotte: Sure. Look, we have such a wide disparity of businesses here that it's hard to make general comments. But probably the businesses most relevant to your question, are these industrial, whether they be manufacturing-based or service-based businesses. And as I've mentioned on previous calls, the management teams have just done phenomenal jobs through 2020 to cut costs, cut discretionary spending, et cetera.

And all of them are really looking at every opportunity to use that to have permanent structural reductions. And even though we are seeing some inflation manifest in certain areas, in particular in some of the commodity sectors. And we're anticipating over the next year or two, I'm sure there'll be a little bit of creep as it relates to labor costs, the structural cost improvements that have been made, I think, are going to serve us well, and we don't anticipate reduced margins and in fact see expanding margins in almost all of our businesses, predominantly on the cost side, because we're trying not to bank on anything on the revenue side from a direct pricing point of view, although we have price increase initiatives going on across all of our businesses as well.

There's always this, what I call hysteresis or time lags, right, in all these businesses are in effect, supply chain businesses. And when you get increases going on in early-stage links in those supply chains, it just takes time for costs to roll through. And similarly, it took time for price increases to be implemented.

Andrew Kuske: Okay. That's helpful. And then maybe if I could just delve into Multiplex and the book of business there that you've got in the backlog. Is there decomposition you can give of the backlog between, say, resi, office, infrastructure, how does the backlog look? And then prospectively, what opportunities do you see?

Cyrus Madon: Yes. Andrew, just hold on a second here. If we have that readily available, we'll tell you, and otherwise, we're going to have to let people know another time, but...

Jaspreet Dehl: Yes. No. So I'd say high level, and we can definitely follow-up, Andrew. But high level, the backlog is, again, Australia and the U.K., Australia is a bit larger than London. And it's across, kind of, sectors. So office, residential, not that much variability. We won a significant hospital contract this quarter in Australia, which is going to be a large part of the backlog, it's about AUD 1.5 billion. And this is public information. So that is a new large contract that we did win this quarter. And so a significant portion of the backlog, almost 20% now has the health sector. But outside of that, there's nothing that sticks out. It's kind of well balanced between office, residential and kind of tourism and leisure, so some hotels.

Andrew Kuske: Very helpful. And if I could just sneak in one more. Just running with the thesis if you do inject capital into Altera or do something with maturity schedule on the debt. Do you see an opportunity to really expand and diversify the business into things like LNG and NGL tankers just to really grow the overall business?

Cyrus Madon: All of those things are on the table, Andrew. So step one is fix the balance sheet and then step two is longer term, how do we position this business so that it's successful for the long term. But all of those things are opportunities.

Operator: Our next question comes from the line of Nik Priebe from CIBC Capital Markets.

Nikolaus Priebe: Yes. Just on the subject of the Clarios IPO, I appreciate that you can't reveal anything about the expected pricing range or the implied valuation there. But can you help us understand what motivated you to pursue a public listing for that business? Just given that Clarios was only acquired two years ago, and it sounds like you're still engaged in the execution of your thesis with that investment.

Cyrus Madon: Yes. So look, Nick, we're in a quiet period. So we have to be extremely careful what we say here. But I would just say generally, for all our investments, if we've made progress in our transition plan to enhance cash flows, if we see very clear runway to continue making that progress, and then if there's a buyer market that is highly interested in one of our assets, we would consider beginning to monetize at that point in time or raise equity to deleverage the business at that point in time.

So that's really our broad general thinking, and I don't think it's any different in the Clarios situation. And I talked about earlier, public market valuations are strong. That's creating obvious competition for private equity buyers. The flip side of that, it's also providing great opportunities to begin monetizing some investments.

Nikolaus Priebe: Yes. Okay, fair enough. And then do you have a read on the tax reform that's been proposed south of the border and how that might impact some of the U.S. domiciled operations across the portfolio? Like the step-up in the corporate tax rate is relatively straightforward. But is there any other nuance to the plan that stands out that could have an impact either positively or negatively for the portfolio of companies?

Jaspreet Dehl: Nick, yes. So we've had our tax teams obviously gone through it and looked at any proposed changes. And we don't see any material impact just given kind of our structure and the way we structure our investments. We're not anticipating any material impact from any of the changes that have been currently proposed.

Operator: Our next question comes from the line of Jaeme Gloyn from National Bank.

Jaeme Gloyn: First question on the BrandSafway and talking about the upcoming improvements there and sort of back half of this year. I'm just curious, I mean you purchased this business in January 2020, and it's basically just operated through COVID. So could you give us a little bit more color as to what, like an optimally running BrandSafway looks like in terms of BBU's EBITDA share and revenue share?

Jaspreet Dehl: So I'd say, kind of high level, we generated \$18 million this quarter at our share from BrandSafway. And that's definitely been impacted by the deferrals and the lower activity levels that we're seeing. And I'd say from a normalized basis, we'd expect that EBITDA would be at least 20% to 25% over kind of where we're seeing.

And then there's also the smaller part of the business. The majority of this business is recurring maintenance contracts and the other part of the business is kind of more new construction work. And that's going to have variability and normalization of that side is really dependent on kind of when we see that activity come back.

Jaeme Gloyn: Okay. Great. That's helpful. In the business services segment, I guess, what would be called the other components that kind of includes some of the recent transactions with IndoStar and Everise. It looked like a decent contribution this quarter to EBITDA. Is that something that's repeatable? Or is there anything underneath the surface that you can pull out and highlight for us as to sustainability of that performance?

Jaspreet Dehl: So you said at IndoStar?

Jaeme Gloyn: Well, it's the other businesses that's not Genworth, Healthscope and Multiplex.

Jaspreet Dehl: Just -- sorry, within business services, right?

Jaeme Gloyn: Yes. Correct.

Jaspreet Dehl: So the Genworth, Multiplex are the larger contributors. I'd say the other businesses -- and Healthscope, of course. But outside of those three, the other businesses are fairly small. There's a large number of them, the most significant ones, IndoStar, the Everise transaction we just closed, as well as Greenergy. Those businesses for the quarter have been operating fairly on plan. Greenergy is a volume business and with some of the lockdowns that we saw in the U.K. earlier in the quarter, we did see some impact on that business in Q1, but it was starting to recover kind of in March as lockdown restrictions were lifted. So I'd say maybe there's a little bit of normalization in that business.

And then IndoStar, it performed well in the quarter, but the situation on the ground in India with COVID and kind of the health crisis, we're monitoring that closely, and we'll see if that has an impact kind of going forward. But I'd say there's a few puts and takes, but on balance, there's a number of smaller businesses. And I'd expect kind of fairly stable ongoing contribution.

Jaeme Gloyn: Okay. Great. And then, I guess, higher level and getting back to the commentary about activity on the purchase side and for whatever reason, whether it's an IPO decision or outside bid. Can you give us a little bit of color as to what industries or themes we're targeting with some of those potential acquisitions that didn't occur? And then the follow-up to that is as we see the Clarios IPO and speculation around our Westinghouse sale, are these capital recycling transactions that required precursor to a larger deal? Or how else are you thinking about deploying capital?

Cyrus Madon: Okay. So I'll start with the second one first. We have ample capital, and we do not need to recycle anything in order to pursue our acquisition strategy. And we're going to continue generating capital in several quarters as we look ahead. So that is not an issue for us.

As to the types of businesses we've been looking at, working on, it's a pretty wide variety there. Technology services is definitely one area. We looked at some building products

companies. We looked at, I'll just say, general industrial businesses with very strong market positions. So just a wide variety of things and in a number of different regions as well, North America, Europe, elsewhere.

Operator: This does conclude the question-and-answer session of today's program. I'd like to hand the program back to Cyrus Madon for any further remarks.

Cyrus Madon: Thank you very much for joining us today, and we look forward to speaking with you next quarter. Thank you.

Operator: Thank you, ladies and gentlemen, for your participation in today's conference. This does conclude the program. You may now disconnect. Good day.