

BROOKFIELD BUSINESS PARTNERS L.P.

# Q1 2021 Supplemental Information

All amounts in this Supplemental Information are in U.S. dollars unless otherwise specified. Unless otherwise indicated, the statistical and financial data in this document is presented as at March 31, 2021.

## CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS AND INFORMATION

*Note: This supplemental information contains “forward-looking information” within the meaning of Canadian provincial securities laws and “forward-looking statements” within the meaning of Section 27A of the U.S. Securities Act of 1933, as amended, Section 21E of the U.S. Securities Exchange Act of 1934, as amended, “safe harbor” provisions of the United States Private Securities Litigation Reform Act of 1995 and in any applicable Canadian securities regulations. Forward-looking statements include statements that are predictive in nature, depend upon or refer to future events or conditions, include statements regarding the operations, business, financial condition, expected financial results, performance, prospects, opportunities, priorities, targets, goals, ongoing objectives, strategies and outlook of Brookfield Business Partners, as well as the outlook for North American and international economies for the current fiscal year and subsequent periods, and include words such as “expects,” “anticipates,” “plans,” “believes,” “estimates,” “seeks,” “intends,” “targets,” “projects,” “forecasts” or negative versions thereof and other similar expressions, or future or conditional verbs such as “may,” “will,” “should,” “would” and “could.”*

*Although we believe that our anticipated future results, performance or achievements expressed or implied by the forward-looking statements and information are based upon reasonable assumptions and expectations, the reader should not place undue reliance on forward-looking statements and information because they involve known and unknown risks, uncertainties and other factors, many of which are beyond our control, which may cause the actual results, performance or achievements of Brookfield Business Partners to differ materially from anticipated future results, performance or achievement expressed or implied by such forward-looking statements and information.*

*Factors that could cause actual results to differ materially from those contemplated or implied by forward-looking statements include, but are not limited to: the impact or unanticipated impact of general economic, political and market factors in the countries in which we do business; including as a result of the ongoing novel coronavirus pandemic (“COVID-19”); the behavior of financial markets, including fluctuations in interest and foreign exchange rates; global equity and capital markets and the availability of equity and debt financing and refinancing within these markets; strategic actions including dispositions; the ability to complete and effectively integrate acquisitions into existing operations and the ability to attain expected benefits; changes in accounting policies and methods used to report financial condition (including uncertainties associated with critical accounting assumptions and estimates); the ability to appropriately manage human capital; the effect of applying future accounting changes; business competition; operational and reputational risks; technological change; changes in government regulation and legislation within the countries in which we operate; governmental investigations; litigation; changes in tax laws; ability to collect amounts owed; catastrophic events, such as earthquakes; hurricanes and pandemics/epidemics; the possible impact of international conflicts and other developments including terrorist acts and cyber terrorism; and other risks and factors detailed from time to time in our documents filed with the securities regulators in Canada and the United States.*

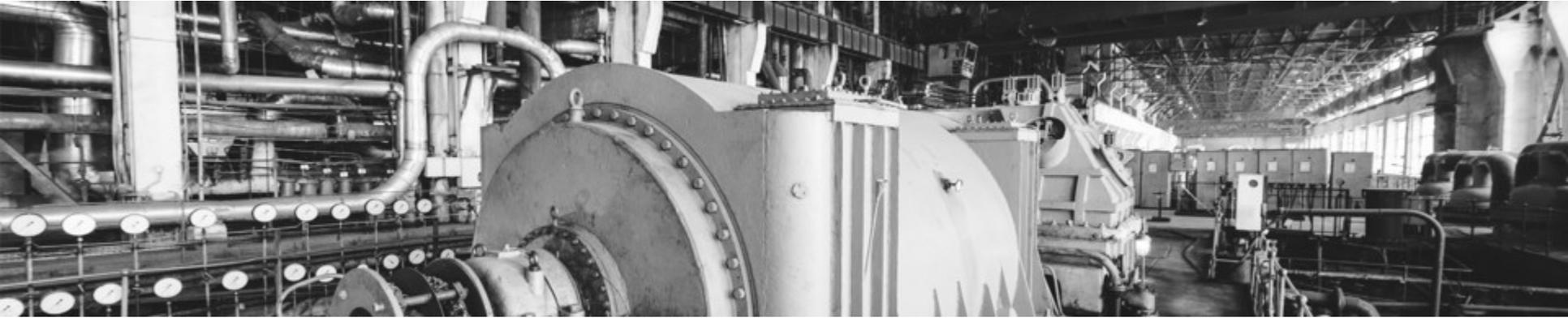
*In addition, our future results may be impacted by the government mandated economic restrictions resulting from the ongoing COVID-19 pandemic and the related global reduction in commerce and travel and substantial volatility in stock markets worldwide, which may negatively impact our revenues, affect our ability to identify and complete future transactions, impact our liquidity position and result in a decrease of cash flows and impairment losses and/or revaluations on our investments and assets, and therefore we may be unable to achieve our expected returns. See “Risks Associated with the COVID-19 Pandemic” in the “Risks Factors” section included in our Management’s Discussion and Analysis of Financial Condition and Results of Operations in our Form 20-F for the year ended December 31, 2020.*

*We caution that the foregoing list of important factors that may affect future results is not exhaustive. When relying on our forward-looking statements, investors and others should carefully consider the foregoing factors and other uncertainties and potential events. Except as required by law, Brookfield Business Partners undertakes no obligation to publicly update or revise any forward-looking statements or information, whether written or oral, that may be as a result of new information, future events or otherwise.*

## Cautionary Statement Regarding the Use of Non-IFRS Measures

*This supplemental information contains references to Non-IFRS Measures. When determining Company FFO and Company EBITDA, we include our unitholders’ share of Company FFO and Company EBITDA for equity accounted investments. Company FFO and Company EBITDA are not generally accepted accounting measures under IFRS and therefore may differ from definitions used by other entities. We believe these metrics are useful supplemental measures that may assist investors in assessing the financial performance of Brookfield Business Partners and its subsidiaries. However, Company FFO and Company EBITDA should not be considered in isolation from, or as substitutes for, analysis of our financial statements prepared in accordance with IFRS.*

References to Brookfield Business Partners are to Brookfield Business Partners L.P. together with its subsidiaries, controlled affiliates and operating entities. Brookfield Business Partners’ results include publicly held limited partnership units, redemption-exchange units, general partnership units and special limited partnership units. More detailed information on certain references made in this supplemental information will be available in our Management’s Discussion and Analysis of Financial Condition and Results of Operations in our Form 6-K for the first quarter ended March 31, 2021.



# Overview

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# Q1 2021 Highlights - Operating Performance

## Key Performance Metrics

US\$ MILLIONS (except per unit amounts), unaudited	Three Months Ended March 31,	
	2021	2020
Company EBITDA <sup>(1)</sup>	\$ 387	\$ 294
Company FFO <sup>(1)</sup>	545	194
Company FFO per unit <sup>(2)</sup>	3.67	1.29
Company FFO excluding gain (loss), net on acquisitions/ dispositions <sup>(1)</sup>	217	152
Company FFO excluding gain (loss), net on acquisitions/ dispositions per unit <sup>(2)</sup>	1.46	1.01
Net income (loss) attributable to unitholders	530	(126)
Net income (loss) per limited partnership unit <sup>(2)</sup>	3.57	(0.84)

## Statements of Operating Results by Segment

US\$ MILLIONS, unaudited	Three Months Ended March 31,		Trailing Twelve Months Ended March 31,	
	2021	2020	2021	2020
Company EBITDA by segment				
Business Services	\$ 104	\$ 19	\$ 356	\$ 195
Infrastructure Services	136	156	582	489
Industrials	172	145	631	657
Corporate and Other	(25)	(26)	(92)	(100)
<b>Company EBITDA</b>	<b>\$ 387</b>	<b>\$ 294</b>	<b>\$ 1,477</b>	<b>\$ 1,241</b>
Company FFO by segment				
Business Services	\$ 70	\$ 42	\$ 257	\$ 442
Infrastructure Services	73	104	333	316
Industrials	421	57	700	369
Corporate and Other	(19)	(9)	(69)	(36)
<b>Company FFO</b>	<b>\$ 545</b>	<b>\$ 194</b>	<b>\$ 1,221</b>	<b>\$ 1,091</b>

## Performance Highlights

- Company EBITDA for the three months ended March 31, 2021 increased to \$387 million from \$294 million in the prior period, as a result of an increase in our Business Services and Industrials segments, partially offset by a decrease in our Infrastructure Services segment.
- Company FFO for the three months ended March 31, 2021 increased to \$545 million from \$194 million in the prior period. Company FFO in the current period includes a \$195 million after-tax net gain attributed to the sale of GrafTech common shares and a \$133 million after-tax net gain recognized on the sale of public securities during the quarter. Company FFO in the prior period included a \$42 million after-tax net gain recognized on the sale of our cold storage logistics business.
- Net income attributable to unitholders for the three months ended March 31, 2021 was \$530 million (\$3.57 per unit) compared to net loss of \$126 million (loss of \$0.84 per unit) in the prior period. On March 1, 2021, BBU deconsolidated its investment in GrafTech and recognized a \$472 million before-tax non-cash net gain in net income. The increase in net income was partially offset by an impairment recorded at Clarios primarily related to the closure of one of its North American recycling facilities and in-line with plans to optimize U.S. operations.
- Ended the quarter with \$2,449 million of liquidity at the corporate level including \$389 million of cash and liquid securities and \$2,060 million of undrawn credit facilities.
- During the quarter we purchased 363,102 units under our Normal Course Issuer Bid ("NCIB").

<sup>(1)</sup> Company EBITDA and Company FFO are non-IFRS measures and are key measures of our financial performance that we use to assess operating results and our business performance. Company EBITDA and Company FFO are presented as a net amount attributable to unitholders. For further information on Company EBITDA and Company FFO, see "Definitions" at the back of the Supplemental and "Reconciliation of Non-IFRS Measures" of the 2021 6-K. These terms are consistently used throughout the Supplemental.

<sup>(2)</sup> Average number of partnership units outstanding on a fully diluted time weighted average basis, assuming the exchange of redemption exchange units held by Brookfield Asset Management for limited partnership units, for the three months ended March 31, 2021 was 148.5 million (2020: 150.6 million)

# Q1 2021 Highlights - Balance Sheet & Liquidity

## Key Balance Sheet Metrics

US\$ MILLIONS, unaudited	As at	
	March 31, 2021	December 31, 2020
Total assets	\$ 54,705	\$ 54,746
Non-recourse borrowings in subsidiaries of Brookfield Business Partners	22,159	23,166
Corporate borrowings	515	610
Total equity	12,801	11,337
<b>Proportionate borrowings</b>		
Business Services	\$ 1,316	843
Infrastructure Services	2,564	2,563
Industrials	3,359	3,757
Corporate and Other	515	610
	\$ 7,754	\$ 7,773
<b>Proportionate share of cash</b>		
Business Services	\$ 449	442
Infrastructure Services	190	193
Industrials	247	314
Corporate and Other	44	105
	\$ 930	\$ 1,054
<b>Proportionate borrowings, net of cash</b>		
Business Services	\$ 867	401
Infrastructure Services	2,374	2,370
Industrials	3,112	3,443
Corporate and Other	471	505
	\$ 6,824	\$ 6,719

## Corporate Liquidity

US\$ MILLIONS, unaudited	As at	
	March 31, 2021	December 31, 2020
Corporate cash and financial assets	\$ 389	\$ 552
Committed corporate credit facilities	2,060	1,965
<b>Total liquidity<sup>(1)</sup></b>	<b>\$ 2,449</b>	<b>\$ 2,517</b>

## Liquidity Position

- We maintain a strong and flexible balance sheet with sufficient liquidity to take advantage of attractive opportunities as they arise and support our businesses.
- Corporate debt when drawn is for corporate working capital management, including the temporary funding of acquisitions and investment activities.
- On an ongoing basis, principal sources of liquidity include:
  - Cash and public securities at the corporate level
  - Undrawn corporate credit facilities
  - Cash flows from our operations
  - Monetization of mature businesses
  - Access to capital markets

(1) March 31, 2021 ending liquidity net of funding for the Sagen privatization which closed on April 1, 2021.

## Acquisitions

Acquired Company	Segment	Invested Capital <sup>(1)</sup>	Economic Interest	Acquisition Date
Everise	Business Services	\$80 million	36%	January 2021

## Monetizations

Company	Segment	Proceeds (net of tax) <sup>(1)</sup>	Gain (net of tax) <sup>(1)</sup>	Disposition Date
Public Securities	Industrials	\$133 million <sup>(2)</sup>	\$133 million	January - March 2021
GrafTech	Industrials	\$170 million	\$195 million <sup>(3)</sup>	January and March 2021

## Subsequent Events

- On April 1, 2021, together with institutional partners, we completed the privatization of Sagen MI Canada Inc. ("Sagen"). BBU invested approximately \$185 million for its share of the investment net of financing raised by the company as part of our privatization. BBU's ownership in Sagen increased to approximately 40%.
- On May 4, 2021, the Board of Directors declared a quarterly distribution in the amount of \$0.0625 per unit, payable on June 30, 2021 to unitholders of record as at the close of business on May 28, 2021.

(1) Figures presented are attributable to limited partnership unitholders, general partnership unitholders, redemption-exchange unitholders and special limited partnership unitholders.

(2) Investment in a derivative requiring no initial capital outlay, and as a result, proceeds equivalent to gain on disposition.

(3) The carrying value of equity used in determining our accounting gain was negative as a result of historical distributions.

## Units Outstanding

UNITS, unaudited	As at		
	March 31, 2021	December 31, 2020	March 31, 2020
Limited partnership units	78,668,882	79,031,984	80,507,735
Redemption-exchange units	69,705,497	69,705,497	69,705,497
General partnership and special limited partnership units	8	8	8
<b>Total units outstanding</b>	<b>148,374,387</b>	<b>148,737,489</b>	<b>150,213,240</b>

## Partnership Capital Structure<sup>(1)</sup>

US\$ MILLIONS (except price amount), unaudited	As at	
	March 31, 2021	December 31, 2020
Partnership units outstanding, end of period	148.4	148.7
Price <sup>(2)</sup>	\$ 40.39	\$ 37.92
Market capitalization	\$ 5,994	\$ 5,639
Proportionate net debt	6,824	6,719
Enterprise value (EV)	\$ 12,818	\$ 12,358

(1) The table presents supplemental measures to assist users in understanding and evaluating the partnership's capital structure.

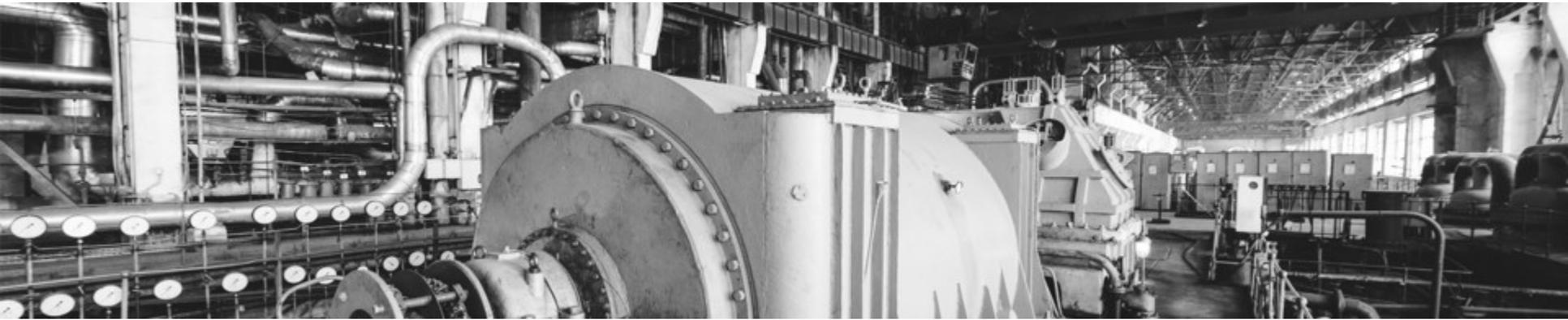
(2) TSX: BBU.UN translated to USD at March 31, 2021 and December 31, 2020 respectively at the closing CAD-USD foreign exchange rate.

## Incentive Distribution Right ("IDR")

- The Special Limited Partner is entitled to an incentive distribution of 20% based on the volume-weighted average increase in the partnership's unit price over an incentive distribution threshold. The IDR is recorded as a distribution in equity once approved by the partnership's board.
- During the first quarter of 2021, the volume weighted average price per unit was \$39.88, which was below the previous incentive distribution threshold of \$41.96 per unit resulting in an incentive distribution of \$nil.

## Normal Course Issuer Bid ("NCIB")

- Under our NCIB, Brookfield Business Partners is authorized to repurchase annually up to 5% of its issued and outstanding limited partnership units ("units"), or 4,016,508 units, including up to 20,432 units on the TSX during any trading day. Brookfield Business Partners can make block purchases that exceed this daily purchase restriction, up to a maximum of 2,000,000 units and subject to the annual aggregate limit.
  - During the three months ended March 31, 2021, a total of 363,102 units were repurchased.



## Operating Segments

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- Our strategy is to acquire and manage high-quality businesses that benefit from barriers to entry and/or low production costs.
- We target long-term capital appreciation driven by both organic growth and acquisitions where we can leverage our expertise to improve operations and enhance cash flows.
- Our business is principally focused on operations where the broader Brookfield platform provides us with a competitive advantage.
- The table below presents BBU's economic interest in our more significant subsidiaries. Company EBITDA and Company FFO presented in this supplemental represents our proportionate share based on the economic interest in our underlying businesses.

Segment	Description	Select Portfolio Companies	Economic Interest <sup>(1)</sup>
<b>Business Services</b>	Service businesses in real estate, mortgage insurance, construction, health services and fuel distribution and marketing	• Multiplex	• 100%
		• Healthscope	• 28%
		• Sagen	• 24%
<b>Infrastructure Services</b>	Infrastructure businesses servicing the power generation, offshore oil production industries and industrial and commercial facilities	• Westinghouse	• 44%
		• Altera	• 43%
		• BrandSafway	• 17%
<b>Industrials</b>	Industrial businesses including manufacturing, water and wastewater services and natural gas production	• Clarios	• 28%
		• GrafTech International	• 13%

(1) As at March 31, 2021, does not include impact of subsequent events.

The following table presents our proportionate share of our Business Services segment financial results:

US\$ MILLIONS, unaudited	Three Months Ended March 31,	
	2021	2020
Revenues	\$ 1,922	\$ 2,012
Direct operating costs	(1,787)	(1,965)
General and administrative expenses	(34)	(36)
Equity accounted Company EBITDA	3	8
<b>Company EBITDA</b>	<b>\$ 104</b>	<b>\$ 19</b>
Gain (loss) on acquisitions / dispositions, net	—	46
Other income (expense), net	(2)	2
Interest income (expense), net	(12)	(15)
Current income tax (expense) recovery	(18)	(9)
Realized disposition gain, current income taxes and interest expense related to equity accounted investments	(2)	(1)
<b>Company FFO</b>	<b>\$ 70</b>	<b>\$ 42</b>

The following table presents select balance sheet information of our Business Services segment on a proportionate basis:

US\$ MILLIONS, unaudited	As at	
	March 31, 2021	December 31, 2020
Cash	\$ 449	442
Non-recourse borrowings in subsidiaries of Brookfield Business Partners	1,316	843
Net debt (cash)	\$ 867	401
Equity attributable to unitholders	2,398	2,225

## Financial Results - Three Months Ended March 31, 2021

- Company EBITDA for the three months ended March 31, 2021 was \$104 million compared to \$19 million in the prior period.
  - Sagen contributed \$39 million to Company EBITDA in Q1 2021, compared to \$36 million in Q1 2020. The business benefited from strong premiums earned and low mortgage default rates during the quarter, supported by the strength of Canadian housing activity and increased market share.
  - Multiplex contributed \$20 million to Company EBITDA in Q1 2021, compared to a loss of \$47 million in Q1 2020. Results in the quarter benefited from stable project activity as most sites remained open during the quarter. Prior year results were impacted by a shut down of project activity in the U.K. as a result of the economic shutdown.
  - Healthscope contributed \$18 million to Company EBITDA in Q1 2021, compared to \$14 million in Q1 2020. Results in the quarter benefited from increased hospital admission rates and higher surgical activity, partially offset by lost contribution from the pathology business which was sold in Q4 2020. The business continues to incur higher operating costs associated with increased health and safety measures.
- Company FFO increased by \$28 million, primarily due to the factors noted above, partially offset by the after-tax net gain of \$42 million recognized on the sale of our cold storage logistics business in Q1 2020.

The following table presents our proportionate share of our Infrastructure Services segment financial results:

US\$ MILLIONS, unaudited	Three Months Ended March 31,	
	2021	2020
Revenues	\$ 480	\$ 498
Direct operating costs	(355)	(347)
General and administrative expenses	(17)	(16)
Equity accounted Company EBITDA	28	21
<b>Company EBITDA</b>	<b>\$ 136</b>	<b>\$ 156</b>
Gain (loss) on acquisitions / dispositions, net	—	—
Other income (expense), net	(1)	(3)
Interest income (expense), net	(39)	(40)
Current income tax (expense) recovery	(7)	(2)
Realized disposition gain, current income taxes and interest expense related to equity accounted investments	(16)	(7)
<b>Company FFO</b>	<b>\$ 73</b>	<b>\$ 104</b>

The following table presents select balance sheet information of our Infrastructure Services segment on a proportionate basis:

US\$ MILLIONS, unaudited	As at	
	March 31, 2021	December 31, 2020
Cash	\$ 190	193
Non-recourse borrowings in subsidiaries of Brookfield Business Partners	2,564	2,563
Net debt (cash)	\$ 2,374	2,370
Equity attributable to unitholders	663	628

## Financial Results - Three Months Ended March 31, 2021

- Company EBITDA for the three months ended March 31, 2021 was \$136 million compared to \$156 million in the prior period.
  - Westinghouse contributed \$71 million to Company EBITDA in Q1 2021, compared to \$82 million in Q1 2020. Current quarter results reflect normal seasonality aligned with the timing of customer outage cycles whereby fuel assembly shipments as well as scope and volume of planned services of customer outages were lower than prior year. Business performance for the year is in-line with full-year targets with higher contribution expected in the second half of the year due to the timing of the fall outage cycle.
  - Altera contributed \$47 million to Company EBITDA in Q1 2021, compared to \$63 million in Q1 2020. Current quarter results were impacted by reduced contribution from FPSO and FSO operations, partially offset by the stability of Altera's shuttle tanker operations.
  - BrandSafway contributed \$18 million to Company EBITDA during Q1 2021, compared to \$11 million in Q1 2020. The increase is primarily due to a full quarter of contribution following our acquisition at the end of January 2020.
- Company FFO decreased by \$31 million, primarily due to higher equity accounted current taxes and interest related to BrandSafway due to a full quarter of contribution.

The following table presents our proportionate share of our Industrials segment financial results:

US\$ MILLIONS, unaudited	Three Months Ended March 31,	
	2021	2020
Revenues	\$ 771	\$ 695
Direct operating costs	(596)	(528)
General and administrative expenses	(23)	(29)
Equity accounted Company EBITDA	20	7
<b>Company EBITDA</b>	<b>\$ 172</b>	<b>\$ 145</b>
Gain (loss) on acquisitions / dispositions, net	402	(1)
Other income (expense), net	—	—
Interest income (expense), net	(58)	(65)
Current income tax (expense) recovery	(91)	(21)
Realized disposition gain, current income taxes and interest expense related to equity accounted investments	(4)	(1)
<b>Company FFO</b>	<b>\$ 421</b>	<b>\$ 57</b>

The following table presents select balance sheet information of our Industrials segment on a proportionate basis:

US\$ MILLIONS, unaudited	As at	
	March 31, 2021	December 31, 2020
Cash	\$ 247	314
Non-recourse borrowings in subsidiaries of Brookfield Business Partners	3,359	3,757
Net debt (cash)	\$ 3,112	3,443
Equity attributable to unitholders	1,421	1,218

## Financial Results - Three Months Ended March 31, 2021

- Company EBITDA for the three months ended March 31, 2021 was \$172 million compared to \$145 million in the prior period.
  - Clarios contributed \$125 million to Company EBITDA in Q1 2021, compared to \$89 million in Q1 2020. Battery sales volumes increased approximately 24% compared to Q1 2020 due to strong growth in aftermarket demand and an increase in higher margin advanced battery volumes. The impact of favorable pricing and mix was partially offset by higher freight costs during the quarter.
  - GrafTech contributed \$22 million to Company EBITDA in Q1 2021, compared to \$45 million in Q1 2020 due to our reduced ownership compared to Q1 2020 and lower graphite electrode prices.
- Company FFO increased by \$364 million, primarily due to the gain recognized on the sale of GrafTech shares during the quarter and the gain recognized on the sale of public securities in Q1 2021.
  - During the quarter, the Brookfield consortium sold 50 million common shares of GrafTech, reducing its ownership interest to 36.6% (BBU share 13%). As a result, we deconsolidated our investment in GrafTech as at March 1, 2021 and account for GrafTech as an equity accounted investment. BBU recognized a \$195 million after-tax net gain on disposition in Company FFO during the quarter. Gains on the sale of GrafTech shares prior to Q1 2021 were recorded in equity as there was no change in control on previous sales.
  - During the quarter, we disposed a portion of our investment in public securities, generating an after-tax net gain of approximately \$133 million.

The following table presents our proportionate share of our Corporate and Other segment financial results:

US\$ MILLIONS, unaudited	Three Months Ended March 31,	
	2021	2020
Revenues	\$ —	\$ —
Direct operating costs	(3)	(2)
General and administrative expenses	(22)	(24)
Equity accounted Company EBITDA	—	—
<b>Company EBITDA</b>	<b>\$ (25)</b>	<b>\$ (26)</b>
Gain (loss) on acquisitions / dispositions, net	—	—
Other income (expense), net	—	—
Interest income (expense), net	(4)	6
Current income tax (expense) recovery	10	11
Realized disposition gain, current income taxes and interest expense related to equity accounted investments	—	—
<b>Company FFO</b>	<b>\$ (19)</b>	<b>\$ (9)</b>

The following table presents select balance sheet information of our Corporate and Other segment on a proportionate basis:

US\$ MILLIONS, unaudited	As at	
	March 31, 2021	December 31, 2020
Cash	\$ 44	\$ 105
Corporate borrowings	515	610
Net debt (cash) <sup>(1)</sup>	\$ 471	\$ 505
Equity attributable to unitholders	(428)	(579)

## Financial Results - Three Months Ended March 31, 2021

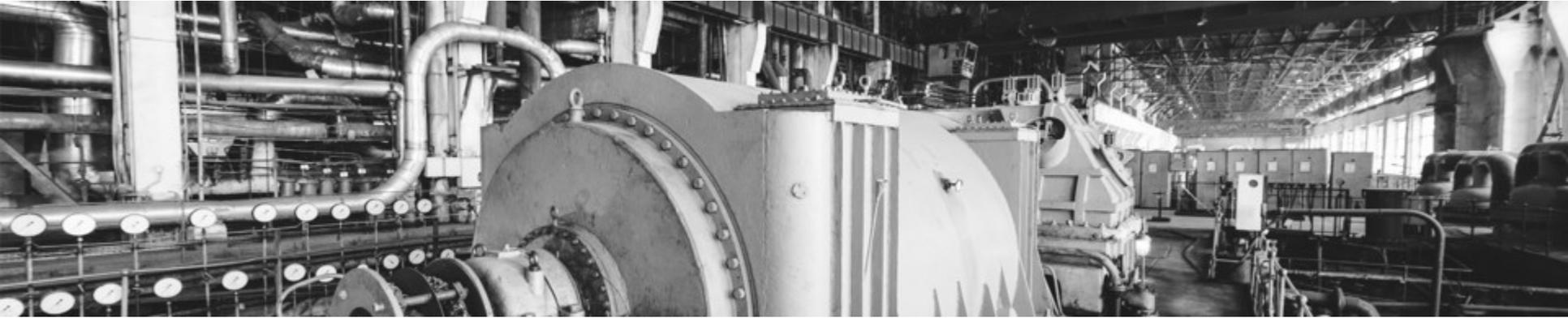
- General and administrative expenses are comprised of management fees and corporate expenses, including audit and other expenses.
- We pay Brookfield a base management fee equal to 0.3125% quarterly (1.25% annually) of total capitalization, plus recourse debt, net of cash held by corporate entities. Management fees were \$18 million compared to \$16 million in the prior year.
- Company FFO included a current income tax recovery of \$10 million primarily related to corporate expenses, including management fees, partially reducing the corporate current tax expense that has been recognized in the operating segments.
- Current period Company FFO also includes interest expense on corporate borrowings. Prior period FFO included interest income recognized on Cardone, which was consolidated beginning February 2020.

(1) March 31, 2021 ending liquidity net of funding for the Sagen privatization which closed on April 1, 2021.

# Summary of Segment Performance & Significant Subsidiaries

The following tables present selected financial results for our significant subsidiaries:

Segment	Portfolio Company	Three Months Ended March 31, 2021		Three Months Ended March 31, 2020	
		Company EBITDA	Company FFO	Company EBITDA	Company FFO
Business Services	Sagen	\$ 39	\$ 27	\$ 36	\$ 33
	Multiplex	20	15	(47)	(48)
	Healthscope	18	10	14	5
	Other	27	18	16	52
	<b>Total</b>	<b>104</b>	<b>70</b>	<b>19</b>	<b>42</b>
Infrastructure Services	Westinghouse	71	43	82	60
	Altera	47	28	63	40
	BrandSafway	18	2	11	4
	<b>Total</b>	<b>136</b>	<b>73</b>	<b>156</b>	<b>104</b>
Industrials	Clarios	125	64	89	30
	GrafTech	22	226	45	34
	Other	25	131	11	(7)
	<b>Total</b>	<b>172</b>	<b>421</b>	<b>145</b>	<b>57</b>
Corporate		(25)	(19)	(26)	(9)
<b>Total BBU</b>		<b>\$ 387</b>	<b>\$ 545</b>	<b>\$ 294</b>	<b>\$ 194</b>



# Consolidated Statements of Operations & Financial Position

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# Consolidated Statements of Operating Results

Brookfield

US\$ MILLIONS, unaudited	Three Months Ended March 31,	
	2021	2020
Revenues	\$ 9,829	\$ 10,146
Direct operating costs	(8,436)	(8,901)
General and administrative expenses	(251)	(244)
Depreciation and amortization expense	(542)	(538)
Interest income (expense), net	(348)	(364)
Equity accounted income (loss), net	29	(9)
Impairment expense, net	(201)	(113)
Gain (loss) on acquisitions / dispositions, net	1,807	183
Other income (expense), net	39	(217)
Income (loss) before income tax	\$ 1,926	\$ (57)
Income tax (expense) recovery		
Current	(193)	(75)
Deferred	34	98
Net income (loss)	\$ 1,767	\$ (34)
<b>Attributable to:</b>		
Limited partners	\$ 281	\$ (67)
Non-controlling interests attributable to:		
Redemption-Exchange Units held by Brookfield Asset Management Inc.	249	(59)
Special Limited Partners	—	—
Interest of others in operating subsidiaries	1,237	92
Net income (loss)	\$ 1,767	\$ (34)

## Financial Performance - Three Months Ended March 31, 2021

- **Revenues and direct operating costs** decreased by \$317 million and \$465 million, respectively. The decrease is primarily attributable to lower volumes at Greenergy as a result of lockdown restrictions imposed in the U.K. early in the quarter, combined with lower contribution from GrafTech following the deconsolidation of our investment beginning March 1, 2021. The decrease was partially offset by an increase in volumes and favorable pricing and mix at Clarios, combined with contribution from the acquisition of Everise on January 8, 2021.
- **Equity accounted income, net** increased by \$38 million, primarily due to increased contribution from equity accounted investments at Clarios and Altera, combined with contribution from GrafTech following the deconsolidation of our investment.
- **Impairment expense, net** of \$201 million recorded during the quarter is primarily related to Clarios. During the quarter, Clarios announced the closure of one of its North American recycling facilities as part of the company's broader plans to improve the efficiency of its U.S. operations and recorded a non-cash impairment expense primarily related to property, plant and equipment. Impairment expense, net of \$113 million recorded in the prior period was primarily related to impairment of property, plant and equipment at Altera due to changes in underlying assumptions such as impact of contract modifications, changes in lay-up cost estimates, expected value on sale of vessels, revenue forecasts and vessels re-contracting.

# Consolidated Statements of Operating Results

Brookfield

US\$ MILLIONS, unaudited	Three Months Ended March 31,	
	2021	2020
Revenues	\$ 9,829	\$ 10,146
Direct operating costs	(8,436)	(8,901)
General and administrative expenses	(251)	(244)
Depreciation and amortization expense	(542)	(538)
Interest income (expense), net	(348)	(364)
Equity accounted income (loss), net	29	(9)
Impairment expense, net	(201)	(113)
Gain (loss) on acquisitions / dispositions, net	1,807	183
Other income (expense), net	39	(217)
Income (loss) before income tax	\$ 1,926	\$ (57)
Income tax (expense) recovery		
Current	(193)	(75)
Deferred	34	98
Net income (loss)	\$ 1,767	\$ (34)
<b>Attributable to:</b>		
Limited partners	\$ 281	\$ (67)
Non-controlling interests attributable to:		
Redemption-Exchange Units held by Brookfield Asset Management Inc.	249	(59)
Special Limited Partners	—	—
Interest of others in operating subsidiaries	1,237	92
Net income (loss)	\$ 1,767	\$ (34)

## Financial Performance - Three Months Ended March 31, 2021

- **Gain (loss) on acquisitions and dispositions, net** \$1,807 million is primarily comprised of a gain recognized on the deconsolidation of GrafTech of \$1,764 million<sup>(1)</sup> and a \$41 million gain recognized on the sale of our investment in public securities.<sup>(2)</sup> The prior period gain is primarily comprised of the gain recognized on the sale of our cold storage logistics business.
- **Other income, net** of \$39 million includes mark-to-market net gains related to public securities and derivative instruments. Other expense of \$217 million in the prior period primarily consisted of unrealized losses on derivative instruments used to reduce exposure to interest rate variability on Altera's outstanding floating-rate debt, unrealized losses on the investment portfolio and derivatives at Sagen, and provisions recorded at Multiplex.
- **Total tax expense** was a net expense of \$159 million in Q1 2021, compared to a net recovery of \$23 million in Q1 2020. Current tax expense increased by \$118 million, and deferred tax recovery decreased by \$64 million.
  - Current tax expense increased primarily due to higher taxable income generated at Sagen, as well as tax associated with the sale of investments within our Industrials segment.
  - Deferred tax recovery decreased primarily due to an increase in deferred tax expense associated with the non-cash gain recognized on the deconsolidation of GrafTech.

(1) Total gain on the deconsolidation of GrafTech was \$1,764 million, comprising a non-cash gain of \$1,367 million (\$472 million, net to BBU) and a \$397 million gain recognized in the consolidated statements of operating results on the sale of common shares during the quarter. A \$239 million gain was recognized in equity related to the sale of GrafTech common shares during the quarter. Brookfield Business Partners' after-tax share of the gain on the sale of GrafTech common shares recognized in the consolidated statements of operating results and equity was \$195 million, which has been included in Company FFO.

(2) Total gain on the sale of our investment in public securities was \$519 million, comprising a gain of \$41 million recognized in Q1 2021 and \$478 million previously recorded as an unrealized mark-to-market change in value. Brookfield Business Partners' after-tax share of the gain on the sale of its investment in public securities included in Company FFO was \$133 million.

# Consolidated Statements of Financial Position

Brookfield

US\$ MILLIONS, unaudited	As at	
	March 31, 2021	December 31, 2020
<b>Assets</b>		
Cash and cash equivalents	\$ 2,637	\$ 2,743
Financial assets	9,761	8,796
Accounts and other receivable, net	5,158	4,989
Inventory and other assets	5,569	5,280
Property, plant and equipment	13,066	13,982
Deferred income tax assets	713	761
Intangible assets	10,803	11,261
Equity accounted investments	1,725	1,690
Goodwill	5,273	5,244
	<b>\$ 54,705</b>	<b>\$ 54,746</b>
<b>Liabilities and equity</b>		
<b>Liabilities</b>		
Corporate borrowings	\$ 515	610
Accounts payable and other	17,663	17,932
Non-recourse borrowings in subsidiaries of Brookfield Business Partners	22,159	23,166
Deferred income tax liabilities	1,567	1,701
	<b>\$ 41,904</b>	<b>\$ 43,409</b>
<b>Equity</b>		
Limited partners	\$ 2,141	\$ 1,928
Non-controlling interests attributable to: Redemption-Exchange Units, Preferred Shares and Special Limited Partnership Units held by Brookfield Asset Management Inc.	1,913	1,564
Interest of others in operating subsidiaries	8,747	7,845
	<b>\$ 12,801</b>	<b>\$ 11,337</b>
	<b>\$ 54,705</b>	<b>\$ 54,746</b>

## Financial Position as at March 31, 2021

- **Cash and cash equivalents** included \$1,258 million in our Business Services segment, \$899 million in our Industrials segment, \$436 million in our Infrastructure Services segment and \$44 million of corporate cash.
- **Financial assets** increased by \$965 million primarily due to restricted cash held at quarter-end associated with the Sagen privatization which closed on April 1, 2021, partially offset by the impact of the disposition of our investment in public securities.
- **Accounts and other receivable, net** increased by \$169 million primarily due to an increase in prices at Greenergy and acquisition of Everise on January 8, 2021, partially offset by the deconsolidation of GrafTech on March 1, 2021.
- **Inventory and other assets** increased by \$289 million. Other assets increased primarily due to an equity accounted investment classified as assets held for sale. Inventory decreased primarily due to the deconsolidation of GrafTech on March 1, 2021, partially offset by higher inventory on hand at Clarios.
- **Property, plant and equipment** decreased by \$916 million primarily due to the deconsolidation of GrafTech on March 1, 2021, and an impairment recorded at Clarios.
- **Deferred income tax assets** decreased by \$48 million, primarily due to the deconsolidation of GrafTech on March 1, 2021.

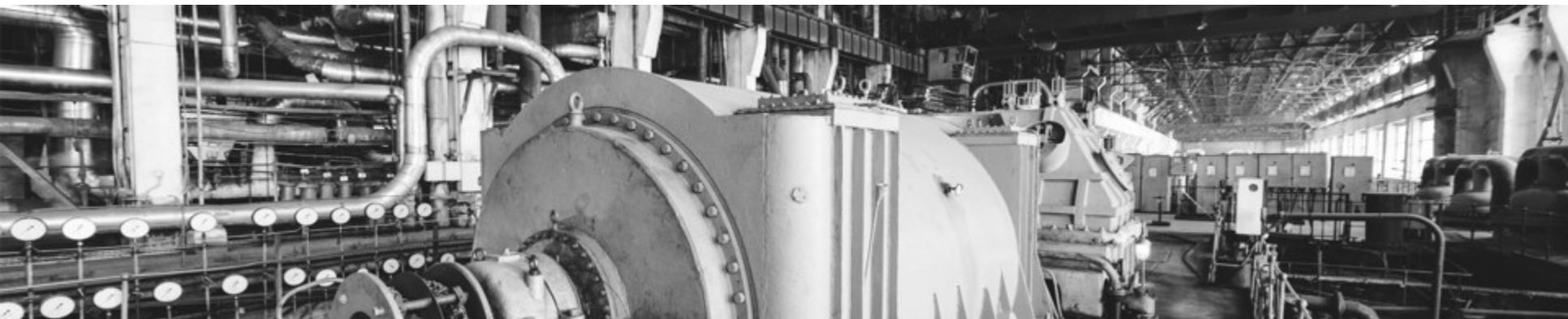
# Consolidated Statements of Financial Position

Brookfield

US\$ MILLIONS, unaudited	As at	
	March 31, 2021	December 31, 2020
<b>Assets</b>		
Cash and cash equivalents	\$ 2,637	\$ 2,743
Financial assets	9,761	8,796
Accounts and other receivable, net	5,158	4,989
Inventory and other assets	5,569	5,280
Property, plant and equipment	13,066	13,982
Deferred income tax assets	713	761
Intangible assets	10,803	11,261
Equity accounted investments	1,725	1,690
Goodwill	5,273	5,244
	<b>\$ 54,705</b>	<b>\$ 54,746</b>
<b>Liabilities and equity</b>		
<b>Liabilities</b>		
Corporate borrowings	\$ 515	610
Accounts payable and other	17,663	17,932
Non-recourse borrowings in subsidiaries of Brookfield Business Partners	22,159	23,166
Deferred income tax liabilities	1,567	1,701
	<b>\$ 41,904</b>	<b>\$ 43,409</b>
<b>Equity</b>		
Limited partners	\$ 2,141	\$ 1,928
Non-controlling interests attributable to: Redemption-Exchange Units, Preferred Shares and Special Limited Partnership Units held by Brookfield Asset Management Inc.	1,913	1,564
Interest of others in operating subsidiaries	8,747	7,845
	<b>\$ 12,801</b>	<b>\$ 11,337</b>
	<b>\$ 54,705</b>	<b>\$ 54,746</b>

## Financial Position as at March 31, 2021

- **Intangible assets** decreased by \$458 million, primarily due to foreign exchange movements at Clarios and BRK Ambiental, combined with the deconsolidation of GrafTech on March 1, 2021.
- **Equity accounted investments** increased by \$35 million, primarily due to the deconsolidation of our investment in GrafTech on March 1, 2021, partially offset by the classification of an equity accounted investment to assets held for sale.
- **Corporate borrowings** of \$515 million represents drawdowns on our corporate credit facilities primarily related to acquisition of businesses.
- **Accounts payable and other** decreased by \$269 million, primarily due to a decrease in work in progress and decommissioning liabilities at Westinghouse and the deconsolidation of GrafTech on March 1, 2021, partially offset by an increase due to the acquisition of Everise on January 8, 2021.
- **Non-recourse borrowings in subsidiaries of Brookfield Business Partners** decreased by \$1,007 million primarily due to the deconsolidation of GrafTech on March 1, 2021, partially offset by borrowings related to the Sagen and Everise transactions.
- **Deferred tax liabilities** decreased by \$134 million, primarily due to the deconsolidation of GrafTech on March 1, 2021, combined with foreign exchange movements at BRK Ambiental and Clarios.



# Appendix

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# Acquisitions Since Spin-Off

The following tables summarizes acquisitions we have completed since spin-off of the partnership on June 20, 2016:

Segment	Portfolio Company	Acquisition Date	Invested Capital <sup>(1)</sup>	Economic Interest <sup>(2)</sup>
<b>Business Services</b>	Greenery <sup>(3)</sup>	May 2017	\$88 million	18%
	One Toronto Gaming	January 2018	\$6 million	14%
	Imagine	October 2018	\$21 million	31%
	Healthscope	June 2019	\$285 million	28%
	Ouro Verde	July 2019	\$45 million	35%
	Sagen	December 2019	\$670 million	24%
	IndoStar	July 2020	\$105 million	20%
	Everise	January 2021	\$80 million	36% <sup>(4)</sup>
<b>Infrastructure Services</b>	Altera	September 2017	\$427 million	43%
	Westinghouse	August 2018	\$405 million	44%
	BrandSafway	January 2020	\$445 million	17%
<b>Industrials</b>	BRK Ambiental	April 2017	\$421 million	26%
	Schoeller Allibert	May 2018	\$45 million	14%
	Clarios	April 2019	\$820 million	28%
	Cardone	February 2020	\$333 million	52%

(1) Figures are presented net to Brookfield Business Partners L.P.

(2) As at March 31, 2021, does not include impact of subsequent events, unless otherwise noted.

(3) Includes fuel marketing business, which was acquired in July 2017.

(4) A portion of Brookfield Business Partners' investment may be syndicated to other institutional partners.

# Summary of Results by Quarter

The following table presents our results from operations for the eight most recent quarters

US\$ MILLIONS, unaudited	2021		2020			2019		
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Revenues	\$ 9,829	\$ 10,049	\$ 10,070	\$ 7,370	\$ 10,146	\$ 11,320	\$ 11,794	\$ 10,717
Direct operating costs	(8,436)	(8,557)	(8,722)	(6,285)	(8,901)	(9,969)	(10,389)	(9,776)
General and administrative expenses	(251)	(260)	(236)	(228)	(244)	(228)	(215)	(211)
Depreciation and amortization expense	(542)	(547)	(547)	(533)	(538)	(518)	(534)	(441)
Interest income (expense), net	(348)	(394)	(371)	(353)	(364)	(388)	(389)	(313)
Equity accounted income, net	29	31	17	18	(9)	52	32	23
Impairment expense, net	(201)	(114)	(7)	(29)	(113)	(285)	—	(324)
Gain (loss) on acquisitions / dispositions, net	1,807	95	—	(4)	183	190	16	522
Other income (expense), net	39	188	(9)	149	(217)	(46)	(83)	(181)
Income (loss) before income tax	1,926	491	195	105	(57)	128	232	16
Income tax (expense) recovery								
Current	(193)	(84)	(102)	(23)	(75)	(93)	(108)	(93)
Deferred	34	(27)	(8)	67	98	52	58	41
Net income (loss)	\$ 1,767	\$ 380	\$ 85	\$ 149	\$ (34)	\$ 87	\$ 182	\$ (36)
<b>Attributable to:</b>								
Limited Partners	\$ 281	\$ 45	\$ (10)	\$ (59)	\$ (67)	\$ (57)	\$ 13	\$ 55
Non-controlling interests attributable to:								
Redemption-Exchange Units held by Brookfield Asset Management Inc.	249	40	(9)	(50)	(59)	(48)	11	52
Special Limited Partners	—	—	—	—	—	—	—	—
Interest of others in operating subsidiaries	1,237	295	104	258	92	192	158	(143)
Net income (loss)	\$ 1,767	\$ 380	\$ 85	\$ 149	\$ (34)	\$ 87	\$ 182	\$ (36)

Revenue and operating costs vary from quarter to quarter primarily due to acquisitions of businesses, fluctuations in foreign exchange rates, business and economic cycles, and weather and seasonality in underlying operations. Broader economic factors and commodity market volatility, in particular, can have a significant impact on a number of our operations. Net income is impacted by periodic gains and losses on acquisitions, monetizations and impairments.

# Reconciliation of Non-IFRS Measures to IFRS Measures

## Proportionate Operating Results to Consolidated Operating Results

For the THREE MONTHS ended MARCH 31, 2021 US\$ MILLIONS, unaudited	Attributable to Unitholders					Total	Attributable to Others	As per IFRS Financials
	Business Services	Infrastructure Services	Industrials	Corporate and Other				
Revenues	\$ 1,922	\$ 480	\$ 771	\$ —	\$ 3,173	\$ 6,656	\$ 9,829	
Direct operating costs	(1,787)	(355)	(596)	(3)	(2,741)	(5,695)	(8,436)	
General and administrative expenses	(34)	(17)	(23)	(22)	(96)	(155)	(251)	
Equity accounted Company EBITDA <sup>(1)</sup>	3	28	20	—	51	45	96	
<b>Company EBITDA</b>	<b>\$ 104</b>	<b>\$ 136</b>	<b>\$ 172</b>	<b>\$ (25)</b>	<b>387</b>			
Gain (loss) on acquisitions/dispositions, net <sup>(2)</sup>	—	—	402	—	402	732	1,134	
Other income (expense), net <sup>(3)</sup>	(2)	(1)	—	—	(3)	(10)	(13)	
Interest income (expense), net	(12)	(39)	(58)	(4)	(113)	(235)	(348)	
Current income tax (expense) recovery <sup>(4)</sup>	(18)	(7)	(91)	10	(106)	(96)	(202)	
Realized disposition gain, current income taxes and interest expenses related to equity accounted investments <sup>(1)</sup>	(2)	(16)	(4)	—	(22)	(7)	(29)	
<b>Company FFO</b>	<b>\$ 70</b>	<b>\$ 73</b>	<b>\$ 421</b>	<b>\$ (19)</b>	<b>545</b>			
Depreciation and amortization expense					(182)	(360)	(542)	
Impairment expense, net					(58)	(143)	(201)	
Gain (loss) on acquisitions/dispositions, net <sup>(2)</sup>					223	450	673	
Current income tax (expense) recovery <sup>(4)</sup>					9	—	9	
Other income (expense), net <sup>(3)</sup>					25	27	52	
Deferred income tax (expense) recovery					(6)	40	34	
Non-cash items attributable to equity accounted investments <sup>(1)</sup>					(26)	(12)	(38)	
<b>Net income (loss)</b>					<b>\$ 530</b>	<b>\$ 1,237</b>	<b>\$ 1,767</b>	

(1) The sum of these amounts equates to equity accounted income (loss), net of \$29 million as per the unaudited interim condensed consolidated statements of operating results.

(2) The sum of these amounts equates to the gain (loss) on acquisitions/disposition, net of \$1,807 million as per the unaudited interim condensed consolidated statements of operating results.

(3) The sum of these amounts equates to the other income (expense), net of \$39 million as per the unaudited interim condensed consolidated statements of operating results.

(4) The sum of these amounts equates to current income tax (expense) recovery of \$(193) million as per the unaudited interim condensed consolidated statements of operating results.

# Reconciliation of Non-IFRS Measures to IFRS Measures

## Proportionate Operating Results to Consolidated Operating Results

For the THREE MONTHS ended MARCH 31, 2020 US\$ MILLIONS, unaudited	Attributable to Unitholders					Total	Attributable to Others	As per IFRS Financials
	Business Services	Infrastructure Services	Industrials	Corporate and Other				
Revenues	\$ 2,012	\$ 498	\$ 695	\$ —	\$ 3,205	\$ 6,941	\$ 10,146	
Direct operating costs	(1,965)	(347)	(528)	(2)	(2,842)	(6,059)	(8,901)	
General and administrative expenses	(36)	(16)	(29)	(24)	(105)	(139)	(244)	
Equity accounted Company EBITDA <sup>(1)</sup>	8	21	7	—	36	36	72	
<b>Company EBITDA</b>	\$ 19	\$ 156	\$ 145	\$ (26)	\$ 294			
Gain (loss) on acquisitions/dispositions, net	46	—	(1)	—	45	138	183	
Other income (expense), net <sup>(2)</sup>	2	(3)	—	—	(1)	1	—	
Interest income (expense), net	(15)	(40)	(65)	6	(114)	(250)	(364)	
Current income tax (expense) recovery	(9)	(2)	(21)	11	(21)	(54)	(75)	
Realized disposition gain, current income taxes and interest expenses related to equity accounted investments <sup>(1)</sup>	(1)	(7)	(1)	—	(9)	(5)	(14)	
<b>Company FFO</b>	\$ 42	\$ 104	\$ 57	\$ (9)	\$ 194			
Depreciation and amortization expense					(179)	(359)	(538)	
Impairment expense, net					(52)	(61)	(113)	
Other income (expense), net <sup>(2)</sup>					(96)	(121)	(217)	
Deferred income tax (expense) recovery					47	51	98	
Non-cash items attributable to equity accounted investments <sup>(1)</sup>					(40)	(27)	(67)	
<b>Net income (loss)</b>					\$ (126)	\$ 92	\$ (34)	

(1) The sum of these amounts equates to equity accounted income (loss), net of \$(9) million as per the unaudited interim condensed consolidated statements of operating results.

(2) The sum of these amounts equates to the other income (expense), net of \$(217) million as per the unaudited interim condensed consolidated statements of operating results.

# Reconciliation of Non-IFRS Measures to IFRS Measures

## Total Equity Reconciliation to Equity Attributable to Unitholders

US\$ MILLIONS, unaudited	As at	
	Mar 31, 2021	Dec 31, 2020
Total equity	\$ 12,801	\$ 11,337
Less: Interest of others in operating subsidiaries	8,747	7,845
<b>Equity attributable to unitholders</b>	<b>\$ 4,054</b>	<b>\$ 3,492</b>

## Proportionate Balance Sheet Items Reconciliation to Consolidated Balance Sheet Items

US\$ MILLIONS, unaudited	Attributable to Unitholders						Attributable to Others	As per IFRS Financials
	Business Services	Infrastructure Services	Industrials	Corporate and Other	Total			
<b>Cash</b>								
March 31, 2021	\$ 449	\$ 190	\$ 247	\$ 44	\$ 930	\$ 1,707	\$ 2,637	
December 31, 2020	442	193	314	105	1,054	1,689	2,743	
<b>Borrowings</b>								
March 31, 2021	\$ 1,316	\$ 2,564	\$ 3,359	\$ 515	\$ 7,754	\$ 14,920	\$ 22,674	
December 31, 2020	843	2,563	3,757	610	7,773	16,003	23,776	
<b>Borrowings, net of cash</b>								
March 31, 2021	\$ 867	\$ 2,374	\$ 3,112	\$ 471	\$ 6,824	\$ 13,213	\$ 20,037	
December 31, 2020	401	2,370	3,443	505	6,719	14,314	21,033	

- Company Funds From Operations (Company FFO), where applicable, is a key measure of our financial performance and we use Company FFO to assess our business performance. Company FFO is a non-IFRS measure which does not have any standard meaning prescribed by IFRS and therefore may not be comparable to similar measures presented by other companies. Company FFO is calculated as net income and equity accounted income excluding the impact of depreciation and amortization, deferred income taxes, transaction costs, non-cash valuation gains or losses, impairment expense and other items. In order to provide additional insight regarding performance on a cumulative realized basis, Company FFO includes realized disposition gains or losses, along with associated tax impacts, recorded in net income, other comprehensive income, or directly in equity, such as ownership changes. These include gains or losses arising from transactions during the reporting period together with fair value changes recorded in prior periods. Company FFO is presented net to unitholders. For further information on Company FFO see “Reconciliation of Non-IFRS Measures” of the 2021 6-K.
- Company EBITDA, where applicable, is a key measure of our financial performance and we use Company EBITDA to assess operating results and our business performance. Company EBITDA is non-IFRS measure which does not have any standard meaning prescribed by IFRS and therefore may not be comparable to similar measures presented by other companies. Company EBITDA is calculated as Company FFO excluding the impact of the partnership's share of realized disposition gains and losses, interest income and expense, and current income taxes. Company EBITDA is presented net to unitholders. For further information on Company EBITDA see “Reconciliation of Non-IFRS Measures” of the 2021 6-K.
- Equity accounted Company EBITDA is exclusive of non-cash items, realized disposition gains, current income taxes and interest income and interest expenses included within equity accounted income, and other items.
- Equity attributable to unitholders is exclusive of the equity interest of others in our operating subsidiaries.
- Net income (loss) attributable to unitholders is exclusive of the net income (loss) attributable to others in our operating subsidiaries.
- Unitholders are defined as limited partnership unitholders, general partnership unitholders, special limited partnership unitholders, and redemption-exchange unitholders.
- Net debt is calculated by subtracting cash and cash equivalents from borrowings.
- Proportionate share is our economic interest in the financial position and operating results at our subsidiaries, excluding our equity accounted investments.