

BROOKFIELD BUSINESS PARTNERS L.P.

Q1 2019 Supplemental — Information

Three Months Ended March 31, 2019

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, 2019.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS AND INFORMATION

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. In some cases, forward-looking statements can be identified by terms 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; the behavior of financial markets, including fluctuations in interest and foreign exchanges rate; 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 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; changes in tax laws, catastrophic events, such as earthquakes and hurricanes; the possible impact of international conflicts and other developments including terrorist acts; and other risks and factors detailed from time to time in our documents filed with the securities regulators in Canada and the United States.

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 USE OF NON-IFRS MEASURES

This Supplemental Information contains references to Company FFO and Company EBITDA. When determining Company FFO and Company EBITDA, we include our unitholders’ proportionate share for equity accounted investments. Our definition of Company FFO and Company EBITDA may differ from definitions of Company FFO, Funds from Operations or Company EBITDA used by other entities. We believe that Company FFO and Company EBITDA are useful supplemental measures that may assist investors in assessing the financial performance of Brookfield Business Partners and its subsidiaries. Company FFO and Company EBITDA should not be considered as the sole measures of our performance and should not be considered in isolation from, or as a substitute 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 for the quarter ended March 31, 2019.



Overview

Key Performance Metrics

US\$ MILLIONS, unaudited	Three Months Ended March 31,	
	2019	2018
Net income (loss) attributable to unitholders	\$ 62	\$ 74
Net income (loss) per limited partnership unit ^{2,3}	0.48	(0.53)
Company EBITDA ¹	266	191
Company FFO ¹	205	138
Company FFO per unit ²	1.59	1.07

Key Balance Sheet Metrics

US\$ MILLIONS, unaudited	As at	
	March 31, 2019	December 31, 2018
Total assets	\$ 27,972	\$ 27,318
Consolidated non-recourse borrowings, net of cash ⁴	8,815	8,917
Proportionate non-recourse borrowings, net of cash ⁴	2,350	2,453
Corporate borrowings	nil	nil
Equity attributable to others	3,416	3,531
Equity attributable to unitholders	3,033	2,963

Financial Performance - Three Months Ended March 31, 2019

- Company EBITDA increased by \$75 million from \$191 million in Q1-2018 to \$266 million in Q1-2019. The increase was primarily due to stronger results in our infrastructure services segment as a result of the acquisition of Westinghouse in Q3-2018 and in our business services segment with higher contributions from our construction services business, partially offset by a decrease in our industrials segment due to lower contributions from GrafTech. The adoption of IFRS 16 increased Company EBITDA by approximately \$18 million in Q1-2019
- Company FFO increased by \$67 million from \$138 million in Q1-2018 to \$205 million in Q1-2019. The increase was primarily due to the factors contributing to the increase in Company EBITDA above, partially offset by higher interest expense due to the inclusion of incremental borrowings in our infrastructure services segment. The adoption of IFRS 16 increased Company FFO by approximately \$14 million in Q1-2019
- Net income attributable to unitholders was \$62 million, compared to net income of \$74 million in the prior period. Higher contributions from most of our operations during the quarter were offset by higher depreciation and amortization in our infrastructure services segment, as well as unrealized movements in derivative hedge positions and higher transaction costs
- Total assets increased from \$27,318 million at December 31, 2018 to \$27,972 million at March 31, 2019 primarily due to the recognition of right of use lease assets recorded on the adoption of IFRS 16 on January 1, 2019
- As at March 31, 2019 and December 31, 2018, Brookfield Business Partners ("BBU") had corporate borrowings of \$nil and access to undrawn credit facilities, totaling \$1,325 million
- Proportionate non-recourse borrowings, net of cash represents total borrowings within each of our businesses without recourse to other businesses or to BBU. The decrease is primarily related to the classification of our facilities management business as held for sale during the quarter, combined with debt repayments at GrafTech and Teekay Offshore

1) 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 "Use of Non-IFRS Measures" of the 2019 6-K. These terms are consistently used throughout the Supplemental.

2) 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, 2019 was 129.2 million (2018: 129.3 million).

3) Income (loss) attributed to limited partnership units on a fully diluted basis is reduced by incentive distributions declared to special limited partnership unitholders during the three months ended March 31, 2018.

4) A breakdown by segment is provided on Page 27 of this supplemental.

Subsequent Events

- On April 30, 2019, the Board of Directors declared a quarterly distribution in the amount of \$0.0625 per unit, payable on June 28, 2019, to unitholders of record as at the close of business on May 31, 2019
- On April 30, 2019, we closed our acquisition of Clarios Power Solutions for a purchase price of approximately \$13.2 billion. The transaction was funded with \$3 billion of equity, of which Brookfield Business Partners expects its share to be \$750 million for a 25% ownership interest, which will be determined once institutional partner participation is finalized
- In April 2019, we signed an agreement to sell our executive relocation services business, BGRS, which will generate net proceeds of approximately \$230 million for Brookfield Business Partners. The sale is expected to close in the second quarter of 2019
- In April 2019, together with institutional partners, we recapitalized Cardone Industries ("Cardone") for approximately \$195 million, which is being used to support near term liquidity requirements in the business. We acquired an 85% controlling interest in Cardone, Brookfield Business Partners' share of Cardone is 35% for approximately \$80 million (inclusive of the prior investment value of \$33 million)
- In April 2019, we completed our first public market sale of shares of our palladium mining operations. We sold approximately 5.7 million shares for \$10 per share, which generated net proceeds of approximately \$15 million for Brookfield Business Partners
- In April 2019, together with institutional partners, we agreed to acquire all of Teekay Corporation's remaining interests in Teekay Offshore, including the 49% GP interest, LP units, warrants and a loan commitment for a total of \$100 million, Brookfield Business Partners' share is approximately \$45 million. With the transaction, the ownership interest of Brookfield Business Partners, together with institutional partners in Teekay Offshore will be approximately 73%, Brookfield Business Partners' share will be approximately 30%. Prior to or following closing, a portion of Brookfield Business Partners' share may be syndicated to other institutional investors. The acquisition is expected to close in the second quarter of 2019

Statement of Operating Results

US\$ MILLIONS, unaudited	Three Months Ended March 31,	
	2019	2018
Revenues	\$ 9,201	\$ 8,194
Direct operating costs	(8,193)	(7,649)
General and administrative expenses	(178)	(118)
Depreciation and amortization expense	(311)	(106)
Interest income (expense), net	(184)	(86)
Equity accounted income (loss), net	7	17
Impairment expense, net	—	—
Gain (loss) on acquisitions/dispositions, net	(2)	16
Other income (expense), net	(90)	(14)
Income (loss) before income tax	\$ 250	\$ 254
Income tax (expense) recovery		
Current	(30)	(28)
Deferred	(19)	(10)
Net income (loss)	\$ 201	\$ 216
Attributable to:		
Limited partners	\$ 32	\$ (35)
Non-controlling interests attributable to:		
Redemption-Exchange Units held by Brookfield Asset Management Inc.	30	(34)
Special Limited Partners	—	143
Interest of others	139	142
Net income (loss)	\$ 201	\$ 216

Financial Performance - Three Months Ended March 31, 2019

- **Revenues and direct operating costs** increased by \$1,007 million and \$544 million, respectively, primarily due to the acquisition of Westinghouse and the consolidation of Teekay Offshore in Q3-2018, partially offset by a decrease in both revenues and direct operating costs at Greenergy primarily due to lower volumes in Brazil
- **General and administrative expenses** increased by \$60 million compared to the prior period primarily due to the acquisition of Schoeller Allibert ("Schoeller") and Westinghouse during Q2-2018 and Q3-2018, respectively
- **Depreciation and amortization expense** increased by \$205 million compared to the prior period primarily due to the acquisition of Westinghouse and consolidation of Teekay Offshore in Q3-2018
- **Interest expense, net** increased by \$98 million, primarily due to the inclusion of borrowings related to the acquisition of Westinghouse and the consolidation of Teekay Offshore
- **Equity accounted income (loss), net** decreased by \$10 million, primarily due to the consolidation of Teekay Offshore which was equity accounted in Q1-2018, combined with the loss of contribution after the dispositions of our 33% ownership interest in Berkshire Hathaway HomeServices ("HomeServices") and Quadrant Energy ("Quadrant") in Q2-2018 and Q4-2018, respectively
- **Gain (loss) on acquisitions/dispositions, net** relate to the sale of business units in our infrastructure support products manufacturing operations, which we are in the process of exiting. In Q1-2018, a business unit was sold for a gain of \$16 million and during Q1-2019, we exited a business unit at a loss of \$2 million
- **Other expense, net** recorded in Q1-2019 of \$90 million includes unrealized mark to market losses on derivative positions at Teekay Offshore, transaction costs associated with the sale of our facilities management business and restructuring costs at Westinghouse. In Q1-2018, other expense of \$14 million was primarily related to fair value movements on hedges in our corporate segment and Canadian energy operations
- **Total tax expense** increased by \$11 million, as a result of a \$2 million increase in current taxes and a \$9 million increase in deferred taxes. Current taxes increased primarily due to higher taxable income generated at GraffTech in higher rate jurisdictions, offset by a current tax recovery at Westinghouse. Deferred taxes increased as prior year included a recovery in our business services segment and recognition of deferred tax expense in Q1-2019 at Westinghouse

Statement of Financial Position

Brookfield

US\$ MILLIONS, unaudited	As at	
	March 31, 2019	December 31, 2018
Assets		
Cash and cash equivalents	\$ 1,540	\$ 1,949
Financial assets	1,257	1,369
Accounts and other receivable, net	5,012	5,160
Inventory and other assets	3,246	3,075
Assets held for sale	1,005	63
Property, plant and equipment	7,789	6,947
Deferred income tax assets	253	280
Intangible assets	5,169	5,523
Equity accounted investments	537	541
Goodwill	2,164	2,411
	\$ 27,972	\$ 27,318
Liabilities and equity		
Liabilities		
Corporate borrowings	nil	nil
Accounts payable and other	9,519	9,082
Liabilities associated with assets held for sale	781	9
Non-recourse borrowings in subsidiaries of Brookfield Business Partners	10,355	10,866
Deferred income tax liabilities	868	867
	\$ 21,523	\$ 20,824
Equity		
Limited partners	1,583	1,548
Non-controlling interests attributable to: Redemption-Exchange Units, Preferred Shares and Special Limited Partnership Units held by Brookfield Asset Management Inc.	1,450	1,415
Interest of others	3,416	3,531
	\$ 6,449	\$ 6,494
	\$ 27,972	\$ 27,318

Financial Position as at March 31, 2019

- **Cash and cash equivalents** included \$556 million of corporate cash, \$406 million at our infrastructure services operations, \$345 million at our business services operations, and \$233 million in our industrials segment
- **Financial assets** decreased by \$112 million primarily due to a fair value adjustment on derivatives at Greenergy, combined with lower restricted cash at Westinghouse
- **Accounts and other receivable, net** decreased by \$148 million primarily due to a decrease in trade receivables at Westinghouse and classification of our facilities management business as held for sale during the quarter, partially offset by an increase in trade receivables at Greenergy due to an increase in fuel prices at the end of the quarter
- **Inventory and other assets** increased by \$171 million, primarily due to an increase at Westinghouse, combined with an increase at Greenergy due to an increase in fuel prices at the end of the quarter, partially offset by the classification of our facilities management business as held for sale during the quarter
- **Assets held for sale** increased by \$942 million, primarily due to the classification of our facilities management business as held for sale during the quarter

Statement of Financial Position

US\$ MILLIONS, unaudited	As at	
	March 31, 2019	December 31, 2018
Assets		
Cash and cash equivalents	\$ 1,540	\$ 1,949
Financial assets	1,257	1,369
Accounts and other receivable, net	5,012	5,160
Inventory and other assets	3,246	3,075
Assets held for sale	1,005	63
Property, plant and equipment	7,789	6,947
Deferred income tax assets	253	280
Intangible assets	5,169	5,523
Equity accounted investments	537	541
Goodwill	2,164	2,411
	\$ 27,972	\$ 27,318
Liabilities and equity		
Liabilities		
Corporate borrowings	nil	nil
Accounts payable and other	9,519	9,082
Liabilities associated with assets held for sale	781	9
Non-recourse borrowings in subsidiaries of Brookfield Business Partners	10,355	10,866
Deferred income tax liabilities	868	867
	\$ 21,523	\$ 20,824
Equity		
Limited partners	1,583	1,548
Non-controlling interests attributable to: Redemption-Exchange Units, Preferred Shares and Special Limited Partnership Units held by Brookfield Asset Management Inc.	1,450	1,415
Interest of others	3,416	3,531
	\$ 6,449	\$ 6,494
	\$ 27,972	\$ 27,318

Financial Position as at March 31, 2019

- **Property, plant and equipment** increased by \$842 million primarily due to the recognition of right of use lease assets recorded on the adoption of IFRS 16 on January 1, 2019
- **Intangible assets** decreased by \$354 million, primarily due to the classification of our facilities management business as held for sale during the quarter, combined with a purchase price allocation adjustment at Westinghouse
- **Goodwill** decreased by \$247 million, primarily due to the classification of our facilities management business as held for sale during the quarter, combined with a purchase price allocation adjustment at Westinghouse
- **Accounts payable and other** increased by \$437 million, primarily due to the recognition of lease liabilities recorded on the adoption of IFRS 16, combined with an increase in short-term borrowings at Greenery, partially offset by the classification of our facilities management business as held for sale during the quarter
- **Liabilities associated with assets held for sale** increased by \$772 million due to the classification of our facilities management business as held for sale during the quarter
- **Non-recourse borrowings in subsidiaries of Brookfield Business Partners** decreased by \$511 million primarily due to the classification of our facilities management business as held for sale during the quarter, combined with debt repayments at GrafTech and Teekay Offshore

Units Outstanding

UNITS, unaudited	As at		
	March 31, 2019	December 31, 2018	March 31, 2018
Limited partnership units	66,096,771	66,185,798	66,185,798
Redemption-exchange units	63,095,497	63,095,497	63,095,497
General partnership and special limited partnership units	8	8	8
Total units outstanding	129,192,276	129,281,303	129,281,303

Reconciliation of Net Income per Unit

US\$, unaudited	Three Months Ended March 31,	
	2019	2018
Net income (loss) per unitholder excluding incentive distribution ¹	\$ 0.48	\$ 0.57
Incentive distribution per unit ¹	—	(1.10)
Net income (loss) attributable to limited partnership unit^{1,2}	\$ 0.48	\$ (0.53)

Total Equity

US\$, unaudited	As at	
	March 31, 2019	December 31, 2018
Business Services	\$ 2,041	\$ 2,064
Infrastructure Services	2,203	2,511
Industrials	1,771	1,785
Corporate and Other	434	134
Total Equity	\$ 6,449	\$ 6,494

Automatic Repurchase Plan

- During the first quarter of 2019, in connection with our normal issuer course bid ("NCIB"), BBU entered into an automatic purchase plan. The maximum amount of units which may be repurchased on the NCIB was amended from 3,371,900 units, being 10% of the public float, to 3,309,389, which equals 5% of the total issued and outstanding units. As of March 31, 2019, 89,027 units had been repurchased

Incentive Distribution Right ("IDR")

- The Special Limited Partner is entitled to an incentive distribution of 20% based on the volume-weighted average increase in unit price of the partnership's unit 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 2019, the volume weighted average price per unit was \$34.09, which was below the previous incentive distribution threshold of \$41.96/unit resulting in an incentive distribution of \$nil

1) 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, 2019 was 129.2 million (2018: 129.3 million).
 2) Income (loss) attributed to limited partnership units on a fully diluted basis is reduced by incentive distributions declared to special limited partnership unitholders during the three months ended March 31, 2018.

Corporate Liquidity

US\$, unaudited	As at	
	March 31, 2019	December 31, 2018
Corporate cash and financial assets	\$ 823	\$ 888
Committed corporate credit facilities	1,325	1,325
Total liquidity	\$ 2,148	\$ 2,213

The following table presents our proportionate share of cash within each segment:

Proportionate Cash

US\$, unaudited	As at	
	March 31, 2019	December 31, 2018
Business Services	\$ 292	\$ 335
Infrastructure Services	143	113
Industrials	60	66
Corporate and Other	556	621
Total	\$ 1,051	\$ 1,135

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
- 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
- Total corporate liquidity was \$2,148 million at March 31, 2019 and included:
 - \$556 million of cash
 - \$267 million of financial assets comprised of public securities
 - \$1,325 million of corporate credit facilities, which are all undrawn

Proportionate Non-Recourse Borrowings

The following table presents our proportionate non-recourse borrowings, net of cash:

US\$ MILLIONS, unaudited	As at	
	March 31, 2019	December 31, 2018
Proportionate non-recourse borrowings		
Business Services	\$ 406	\$ 534
Infrastructure Services	1,987	2,003
Industrials	1,008	1,051
Corporate and Other	nil	nil
	\$ 3,401	\$ 3,588
Proportionate share of cash		
Business Services	\$ 292	\$ 335
Infrastructure Services	143	113
Industrials	60	66
Corporate and Other	556	621
	\$ 1,051	\$ 1,135
Proportionate non-recourse borrowings, net of cash		
Business Services	\$ 114	\$ 199
Infrastructure Services	1,844	1,890
Industrials	948	985
Corporate and Other	(556)	(621)
	\$ 2,350	\$ 2,453

- Our approach to financial risk management is designed to protect our overall business:
 - No debt at the corporate level
 - Operating segment borrowings with no recourse to Brookfield Business Partners and a level of debt that is sustainable for the underlying business
 - Long dated debt with average debt maturity of 5.6 years
- Proportionate non-recourse borrowings, net of cash of \$2,350 million represents debt within each of our consolidated operations at BBU's underlying ownership interest in the business. This debt has no recourse across businesses or to BBU



Operating Segments

- 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

Segment	Description	Notable Portfolio Companies	Economic Interest ¹
Business Services	Service businesses in commercial and residential real estate, construction, and fuel distribution and marketing	• Relocation Services	• 100%
		• Real Estate Services	• 100%
		• Multiplex (Construction Services)	• 100%
		• Facilities Management ²	• 26%
		• Greenergy (Fuel Distribution Business)	• 14%
		• Fuel Marketing Business	• 26%
		• Entertainment Facilities	• 13%
Infrastructure Services	Infrastructure businesses servicing the power generation and offshore oil production industries	• Westinghouse	• 44%
		• Teekay Offshore	• 25%
Industrials	Industrial businesses including manufacturing, metals and mining, water and wastewater services, and natural gas production	• GrafTech International	• 27%
		• BRK Ambiental	• 26%
		• North American Palladium	• 23%
		• Schoeller	• 14%
		• Ember Resources	• 41%
		• CWC Energy Services	• 56%

1) As at March 31, 2019, does not include impact of subsequent events.

2) Classified as held-for-sale as at March 31, 2019.

The following tables present our proportionate share of the Business Services segment¹:

US\$ MILLIONS, unaudited	Three Months Ended March 31,	
	2019	2018
Revenues	\$ 2,140	\$ 2,160
Direct operating costs	(2,069)	(2,102)
General and administrative expenses	(34)	(37)
Equity accounted Company EBITDA	8	8
Company EBITDA	\$ 45	\$ 29
Realized disposition gain, net	—	—
Other income (expense), net	—	—
Interest income (expense), net	(3)	(6)
Equity accounted current taxes and interest	(1)	—
Current income taxes	(9)	(6)
Company FFO	\$ 32	\$ 17

US\$ MILLIONS, unaudited	As at	
	March 31, 2019	December 31, 2018
Cash	\$ 292	\$ 335
Non-recourse borrowings in subsidiaries of Brookfield Business Partners	406	534
Net debt (cash) ²	\$ 114	\$ 199
Equity attributable to unitholders	1,485	1,493

Financial Results - Three Months Ended March 31, 2019

- Revenue and direct operating costs decreased by \$20 million and \$33 million, respectively. Revenue and direct operating costs were lower at Greenergy primarily due to lower volumes in Brazil. Despite lower volumes, margin generated at Greenergy was higher in Q1-2019 driven by growing regulatory demand for biofuels in the U.K. Revenue and direct operating costs in our construction services business increased by \$49 million and \$38 million, respectively, due to higher project activity in Australia
- Company EBITDA increased by \$16 million, primarily due to an increase at our construction services business as a result of improved project execution and increased project activity in Australia, combined with increased contribution from Greenergy
- Company FFO increased by \$15 million, primarily due to the factors described above
- During the quarter, our construction services business delivered six projects across its regions of operation. The backlog in our construction services business at the end of the quarter was approximately \$7.6 billion, 85% of which is in Australia and the U.K.
- The breakdown of financial results from our construction business has been provided on Page 23 of this Supplemental

1) The comparative figures have been updated to conform with the resegmentation of our business as of Q4-2018.

2) Proportionate debt at our construction services business as at March 31, 2019 and December 31, 2018 was \$32 million and \$36 million, respectively. Proportionate cash at our construction services business as at March 31, 2019 and December 31, 2018 was \$217 million and \$237 million, respectively.

The following table presents our proportionate share of the Infrastructure Services segment¹:

US\$ MILLIONS, unaudited	Three Months Ended March 31,	
	2019	2018
Revenues	\$ 507	\$ 2
Direct operating costs	(363)	—
General and administrative expenses	(14)	—
Equity accounted Company EBITDA	5	35
Company EBITDA	\$ 135	\$ 37
Realized disposition gain, net	—	—
Other income (expense), net	(1)	—
Interest income (expense), net	(36)	—
Equity accounted current taxes and interest	—	(15)
Current income taxes	4	—
Company FFO	\$ 102	\$ 22

US\$ MILLIONS, unaudited	As at	
	March 31, 2019	December 31, 2018
Cash	\$ 143	\$ 113
Non-recourse borrowings in subsidiaries of Brookfield Business Partners	1,987	2,003
Net debt (cash) ²	\$ 1,844	\$ 1,890
Equity attributable to unitholders	846	977

Financial Results - Three Months Ended March 31, 2019

- Revenue and direct operating costs increased by \$505 million and \$363 million, respectively, due to the acquisition of Westinghouse and the consolidation of Teekay Offshore in Q3-2018
- Company EBITDA increased by \$98 million from \$37 million to \$135 million in Q1-2019
 - Westinghouse contributed \$92 million to Company EBITDA in Q1-2019. The strong performance in the quarter was a result of the shipment of a significant number of fuel assemblies in Q1-2019 to support the spring outage season at customer plants. Westinghouse typically ships to customers in late Q1 and early Q2 for the spring outage season. In 2019, a high number of fuel assemblies were delivered in the first quarter contributing to strong Q1-2019 results. In addition, results in Q1-2019 benefited from the provision of engineering services for new plant projects that Westinghouse is currently engaged to perform. The business also continues to benefit from productivity gains as a result of the business improvement initiatives underway
 - Teekay Offshore contributed \$43 million to Company EBITDA. Higher fleet utilization in the towage segment, together with contributions from recent growth projects supported strong performance in the quarter
- Company FFO increased by \$80 million, primarily due to the factors described above. The acquisition of Westinghouse contributed \$72 million of the increase in Company FFO

1) The comparative figures have been updated to conform with the resegmentation of our business as of Q4-2018.

2) Proportionate debt at Westinghouse as at March 31, 2019 and December 31, 2018 was \$1,303 million and \$1,305 million, respectively. Proportionate cash at Westinghouse as at March 31, 2019 and December 31, 2018 was \$97 million and \$57 million, respectively.

The following table presents our proportionate share of the Industrials segment¹:

US\$ MILLIONS, unaudited	Three Months Ended March 31,	
	2019	2018
Revenues	\$ 250	\$ 270
Direct operating costs	(132)	(127)
General and administrative expenses	(12)	(11)
Equity accounted Company EBITDA	1	8
Company EBITDA	\$ 107	\$ 140
Realized disposition gain, net	—	4
Other income (expense), net	—	—
Interest income (expense), net	(18)	(22)
Equity accounted current taxes and interest	—	(2)
Current income taxes	(8)	(6)
Company FFO	\$ 81	\$ 114

US\$ MILLIONS, unaudited	As at	
	March 31, 2019	December 31, 2018
Cash	\$ 60	\$ 66
Non-recourse borrowings in subsidiaries of Brookfield Business Partners	1,008	1,051
Net debt (cash)	\$ 948	\$ 985
Equity attributable to unitholders	268	359

Financial Results - Three Months Ended March 31, 2019

- Revenue decreased by \$20 million primarily due to our lower ownership of GrafTech, partially offset by the acquisition of Schoeller and stronger pricing at our palladium mining operations. Direct operating costs increased by \$5 million, primarily due to the acquisition of Schoeller
- Company EBITDA decreased by \$33 million due to lower contributions from GrafTech and the sale of Quadrant in Q4-2018, partially offset by stronger performance at our palladium mining operations. At GrafTech, Company EBITDA contributions decreased primarily as a result of a decrease in our ownership of the business from 34% in Q1-2018 to 27% in Q1-2019. Our palladium mining operations' results benefited from higher sales volume and strong pricing of palladium during the quarter
- Company FFO decreased by \$33 million, primarily due to the factors described above
- A reconciliation of financial results from our Industrials segment has been provided on Page 24 of this Supplemental

1) The comparative figures have been updated to conform with the resegmentation of our business as of Q4-2018.

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

US\$ MILLIONS, unaudited	Three Months Ended March 31,	
	2019	2018
Revenues	\$ —	\$ 3
Direct operating costs	(2)	(2)
General and administrative expenses	(19)	(16)
Equity accounted Company EBITDA	—	—
Company EBITDA	\$ (21)	\$ (15)
Realized disposition gain, net	—	—
Other income (expense), net	—	—
Interest income (expense), net	6	—
Equity accounted current taxes and interest	—	—
Current income taxes	5	—
Company FFO	\$ (10)	\$ (15)

US\$ MILLIONS, unaudited	As at	
	March 31, 2019	December 31, 2018
Cash	\$ 556	\$ 621
Corporate borrowings	nil	nil
Net debt (cash)	\$ (556)	\$ (621)
Equity attributable to unitholders	434	134

Financial Results - Three Months Ended March 31, 2019

- General and administrative expenses are comprised of management fees and corporate expenses, including audit and other expenses. Management fees were \$12 million compared to \$13 million in the prior year
 - Our base management fee is equal to 0.3125% quarterly (1.25% annually) of the total capitalization, plus recourse debt, net of cash held by corporate entities

Summary of Selected Segmented Financial Information

The following tables present selected financial results by operating segment on a proportionate basis:

Statements of Operating Results¹

US\$ MILLIONS, unaudited	Three Months Ended March 31,		Trailing Twelve Months Ended March 31,	
	2019	2018	2019	2018
Company EBITDA by segment				
Business Services	\$ 45	\$ 29	\$ 144	\$ 146
Infrastructure Services	135	37	393	71
Industrials	107	140	457	269
Corporate and Other	(21)	(15)	(76)	(48)
Company EBITDA	\$ 266	\$ 191	\$ 918	\$ 438
Company FFO by segment				
Business Services	\$ 32	\$ 17	\$ 146	\$ 108
Infrastructure Services	102	22	273	43
Industrials	81	114	439	178
Corporate and Other	(10)	(15)	(58)	(34)
Company FFO	\$ 205	\$ 138	\$ 800	\$ 295

Statements of Financial Position

US\$ MILLIONS, unaudited	As at	
	March 31, 2019	December 31, 2018
Equity attributable to unitholders by segment		
Business Services	\$ 1,485	\$ 1,493
Infrastructure Services	846	977
Industrials	268	359
Corporate and Other	434	134
Equity attributable to unitholders	\$ 3,033	\$ 2,963

1) The comparative figures have been updated to conform with the resegmentation of our business as of Q4-2018.



Appendix

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 ¹	Economic Interest ²
Business Services	Greenergy	May 2017	\$45 million	14%
	Fuel Marketing Business	July 2017	\$43 million	26%
	One Toronto	January 2018	\$6 million	13%
	Imagine	October 2018	\$21 million	50.1%
Infrastructure Services	Teekay Offshore	September 2017	\$317 million	25%
	Westinghouse	August 2018	\$405 million	44%
Industrials	BRK Ambiental	April 2017	\$383 million	26%
	Schoeller	May 2018	\$45 million	14%

1) Figures are presented net to Brookfield Business Partners L.P.
 2) As at March 31, 2019, does not include impact of subsequent events.

Summary of Results by Quarter

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

US\$ MILLIONS, unaudited	2019		2018			2017		
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Revenues	\$ 9,201	\$ 10,209	\$ 9,990	\$ 8,775	\$ 8,194	\$ 8,379	\$ 7,640	\$ 4,870
Direct operating costs	(8,193)	(9,205)	(9,080)	(8,200)	(7,649)	(8,034)	(7,295)	(4,673)
General and administrative expenses	(178)	(209)	(174)	(142)	(118)	(107)	(95)	(76)
Depreciation and amortization expense	(311)	(286)	(251)	(105)	(106)	(109)	(109)	(88)
Interest income (expense), net	(184)	(181)	(148)	(83)	(86)	(67)	(66)	(50)
Equity accounted income, net	7	9	(9)	(7)	17	8	37	14
Impairment expense, net	—	(38)	(180)	—	—	(9)	—	(23)
Gain (loss) on acquisitions/dispositions, net	(2)	147	247	90	16	—	(14)	9
Other income (expense), net	(90)	(73)	(42)	(7)	(14)	(72)	(41)	(9)
Income (loss) before income tax	\$ 250	\$ 373	\$ 353	\$ 321	\$ 254	\$ (11)	\$ 57	\$ (26)
Income tax (expense) recovery								
Current	(30)	(63)	(43)	(52)	(28)	(11)	(19)	(4)
Deferred	(19)	84	(25)	39	(10)	16	6	4
Net income (loss)	\$ 201	\$ 394	\$ 285	\$ 308	\$ 216	\$ (6)	\$ 44	\$ (26)
Attributable to:								
Limited Partners	\$ 32	\$ 70	\$ (1)	\$ 40	\$ (35)	\$ (79)	\$ (8)	\$ (3)
Non-controlling interests attributable to:								
Redemption-Exchange Units held by Brookfield Asset Management Inc.	30	66	—	38	(34)	(83)	(8)	(3)
Special Limited Partners	—	—	94	41	143	117	25	—
Interest of others	139	258	192	189	142	39	35	(20)
Net income (loss)	\$ 201	\$ 394	\$ 285	\$ 308	\$ 216	\$ (6)	\$ 44	\$ (26)

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, specifically within our industrials segment. Net income is impacted by periodic gains and losses on acquisitions, monetization and impairments.

Segmented Financial Information

The following tables present a reconciliation of consolidated operating results by segment to Company EBITDA and Company FFO¹:

For the THREE MONTHS ended MARCH 31, US\$ MILLIONS, unaudited	Business Services		Infrastructure Services		Industrials		Corporate and Other		Total	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Revenues	\$ 6,935	\$ 7,347	\$ 1,289	\$ 2	\$ 977	\$ 842	\$ —	\$ 3	\$ 9,201	\$ 8,194
Direct operating costs	(6,778)	(7,234)	(892)	—	(521)	(413)	(2)	(2)	(8,193)	(7,649)
General and administrative expenses	(67)	(67)	(34)	—	(58)	(35)	(19)	(16)	(178)	(118)
Equity accounted Company EBITDA	8	8	21	35	4	16	—	—	33	59
Company EBITDA attributable to others	(53)	(25)	(249)	—	(295)	(270)	—	—	(597)	(295)
Company EBITDA	\$ 45	\$ 29	\$ 135	\$ 37	\$ 107	\$ 140	\$ (21)	\$ (15)	\$ 266	\$ 191
Realized disposition gain, net	—	—	—	—	(2)	16	—	—	(2)	16
Other income (expense), net	—	—	(4)	—	2	—	—	—	(2)	—
Interest income (expense), net	(20)	(19)	(101)	—	(69)	(67)	6	—	(184)	(86)
Equity accounted current taxes and interest	(1)	—	(3)	(15)	(1)	(4)	—	—	(5)	(19)
Current income taxes	(10)	(8)	9	—	(34)	(20)	5	—	(30)	(28)
Company FFO attributable to others (net of Company EBITDA attributable to others)	18	15	66	—	78	49	—	—	162	64
Company FFO	\$ 32	\$ 17	\$ 102	\$ 22	\$ 81	\$ 114	\$ (10)	\$ (15)	\$ 205	\$ 138

1) The comparative figures have been updated to conform with the resegmentation of our business as of Q4-2018.

Reconciliation of Business Services

The following table presents our proportionate share of our Business Services segment's financial results, showing the contribution from our construction services business:

US\$ MILLIONS, unaudited	Three Months Ended March 31,					
	Construction Services	Other Business Services	2019 Total	Construction Services	Other Business Services	2018 Total
Revenues	\$ 1,092	\$ 1,048	\$ 2,140	\$ 1,043	\$ 1,117	\$ 2,160
Direct operating costs	(1,058)	(1,011)	(2,069)	(1,020)	(1,082)	(2,102)
General and administrative expenses	(11)	(23)	(34)	(10)	(27)	(37)
Equity accounted Company EBITDA	—	8	8	—	8	8
Company EBITDA	\$ 23	\$ 22	\$ 45	\$ 13	\$ 16	\$ 29
Realized disposition gain, net	—	—	—	—	—	—
Other income (expense), net	—	—	—	—	—	—
Interest income (expense), net	—	(3)	(3)	—	(6)	(6)
Equity accounted current taxes and interest	—	(1)	(1)	—	—	—
Current income taxes	(5)	(4)	(9)	(4)	(2)	(6)
Company FFO	\$ 18	\$ 14	\$ 32	\$ 9	\$ 8	\$ 17

Reconciliation of Industrials

The following table presents our proportionate share of our Industrials segment's financial results, showing the contribution from our previously disclosed Industrials segment:

US\$ MILLIONS, unaudited	Three Months Ended March 31,					
	Energy ¹	Other Industrials ²	2019 Total	Energy ¹	Other Industrials ²	2018 Total
Revenues	\$ 32	\$ 218	\$ 250	\$ 46	\$ 224	\$ 270
Direct operating costs	(22)	(110)	(132)	(29)	(98)	(127)
General and administrative expenses	(2)	(10)	(12)	(3)	(8)	(11)
Equity accounted Company EBITDA	—	1	1	7	1	8
Company EBITDA	\$ 8	\$ 99	\$ 107	\$ 21	\$ 119	\$ 140
Realized disposition gain, net	—	—	—	—	4	4
Other income (expense), net	—	—	—	—	—	—
Interest income (expense), net	(2)	(16)	(18)	(3)	(19)	(22)
Equity accounted current taxes and interest	—	—	—	(2)	—	(2)
Current income taxes	—	(8)	(8)	—	(6)	(6)
Company FFO	\$ 6	\$ 75	\$ 81	\$ 16	\$ 98	\$ 114

1) Energy comprises investments previously disclosed in our Energy segment, which has been reallocated to Industrials under the resegmentation of our business as of Q4-2018.
 2) Other industrials includes the previously disclosed Industrials.

Reconciliation of Non-IFRS Measures to IFRS Measures

Proportionate Operating Results to Consolidated Operating Results

For the THREE MONTHS ended MARCH 31, 2019 US\$ MILLIONS, unaudited	Attributable to unitholders					Total	Attributable to Others	As per IFRS Financials
	Business Services	Infrastructure Services	Industrials	Corporate and Other				
Revenues	\$ 2,140	\$ 507	\$ 250	\$ —	\$ 2,897	\$ 6,304	\$ 9,201	
Direct operating costs	(2,069)	(363)	(132)	(2)	(2,566)	(5,627)	(8,193)	
General and administrative expenses	(34)	(14)	(12)	(19)	(79)	(99)	(178)	
Equity accounted Company EBITDA ¹	8	5	1	—	14	19	33	
Company EBITDA	\$ 45	\$ 135	\$ 107	\$ (21)	266			
Realized disposition gain (loss), net ²	—	—	—	—	—	(2)	(2)	
Other income (expense), net ³	—	(1)	—	—	(1)	(1)	(2)	
Interest income (expense), net	(3)	(36)	(18)	6	(51)	(133)	(184)	
Equity accounted current taxes and interest ¹	(1)	—	—	—	(1)	(4)	(5)	
Current income taxes	(9)	4	(8)	5	(8)	(22)	(30)	
Company FFO	\$ 32	\$ 102	\$ 81	\$ (10)	205			
Depreciation and amortization expense					(98)	(213)	(311)	
Realized disposition gain (loss) reported in prior periods ²					—	—	—	
Impairment expense, net					—	—	—	
Gain on acquisition and disposition ²					—	—	—	
Other income (expense), net ³					(30)	(58)	(88)	
Deferred income taxes					(7)	(12)	(19)	
Non-cash items attributable to equity accounted investments ¹					(8)	(13)	(21)	
Net income (loss)					\$ 62	\$ 139	201	

1) The sum of these amounts equates to equity accounted income of \$7 million as per IFRS statement of operating results.

2) The sum of these amounts equates to the loss on disposition of \$2 million as per IFRS statement of operating results.

3) The sum of these amounts equates to the other expense of \$90 million as per IFRS statement 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, 2018 ⁴ US\$ MILLIONS, unaudited	Attributable to unitholders					Total	Attributable to Others	As per IFRS Financials
	Business Services	Infrastructure Services	Industrials	Corporate and Other				
Revenues	\$ 2,160	\$ 2	\$ 270	\$ 3	\$ 2,435	\$ 5,759	\$ 8,194	
Direct operating costs	(2,102)	—	(127)	(2)	(2,231)	(5,418)	(7,649)	
General and administrative expenses	(37)	—	(11)	(16)	(64)	(54)	(118)	
Equity accounted Company EBITDA ¹	8	35	8	—	51	8	59	
Company EBITDA	\$ 29	\$ 37	\$ 140	\$ (15)	191			
Realized disposition gain (loss), net ²	—	—	4	—	4	12	16	
Other income (expense), net ³	—	—	—	—	—	—	—	
Interest income (expense), net	(6)	—	(22)	—	(28)	(58)	(86)	
Equity accounted current taxes and interest ¹	—	(15)	(2)	—	(17)	(2)	(19)	
Current income taxes	(6)	—	(6)	—	(12)	(16)	(28)	
Company FFO	\$ 17	\$ 22	\$ 114	\$ (15)	138			
Depreciation and amortization expense					(35)	(71)	(106)	
Realized disposition gain (loss) reported in prior periods ²					—	—	—	
Impairment expense, net					—	—	—	
Gain on acquisition and disposition ²					—	—	—	
Other income (expense), net ³					(6)	(8)	(14)	
Deferred income taxes					(4)	(6)	(10)	
Non-cash items attributable to equity accounted investments ¹					(19)	(4)	(23)	
Net income (loss)					\$ 74	\$ 142	216	

1) The sum of these amounts equate to equity accounted income of \$17 million as per IFRS statement of operating results.

2) The sum of these amounts equates to the gain on disposition of \$16 million as per IFRS statement of operating results.

3) The sum of these amounts equates to the other expense of \$14 million as per IFRS statement of operating results.

4) The figures have been updated to conform with the resegmentation of our business as of Q4-2018.

Reconciliation of Non-IFRS Measures to IFRS Measures

Total Equity to Equity Attributable to Unitholders

US\$ MILLIONS, unaudited	As at	
	March 31, 2019	December 31, 2018
Total equity	\$ 6,449	\$ 6,494
Less: Interest of others in operating subsidiaries	3,416	3,531
Equity attributable to unitholders	\$ 3,033	\$ 2,963

Proportionate Balance Sheet Items to Consolidated Balance Sheet Items

US\$ MILLIONS, unaudited	Attributable to unitholders					Total	Attributable to Others	As per IFRS Financials
	Business Services	Infrastructure Services	Industrials	Corporate and Other				
Cash								
March 31, 2019	\$ 292	\$ 143	\$ 60	\$ 556	\$ 1,051	\$ 489	\$ 1,540	
December 31, 2018	335	113	66	621	1,135	814	1,949	
Non-recourse borrowings								
March 31, 2019	\$ 406	\$ 1,987	\$ 1,008	nil	\$ 3,401	\$ 6,954	\$ 10,355	
December 31, 2018	534	2,003	1,051	nil	3,588	7,278	10,866	
Non-recourse borrowings, net of cash								
March 31, 2019	\$ 114	\$ 1,844	\$ 948	\$ (556)	\$ 2,350	\$ 6,465	\$ 8,815	
December 31, 2018	199	1,890	985	(621)	2,453	6,464	8,917	

- 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 excluding the impact of depreciation and amortization, deferred income taxes, breakage and transaction costs, non-cash gains or losses as appropriate, and other items. Company FFO is presented net to unitholders. When determining Company FFO, we include our proportionate share of Company FFO of equity accounted investments. For further information on Company FFO see “Use of Non IFRS Measures” of the 2019 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 FFO is further adjusted as Company EBITDA to exclude the impact of realized disposition gains (losses), interest income, interest expense, current income taxes, realized disposition gain, current income taxes and interest income and interest expenses related to equity accounted investments, and other items. Company EBITDA is presented net to unitholders. For further information on Company EBITDA see “Use of Non-IFRS Measures” of the 2019 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