

BROOKFIELD BUSINESS PARTNERS L.P.

# Q2 2020 Supplemental — Information

Second Quarter June 30, 2020

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 June 30, 2020.

## **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, including as a result of the recent novel coronavirus outbreak (“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.

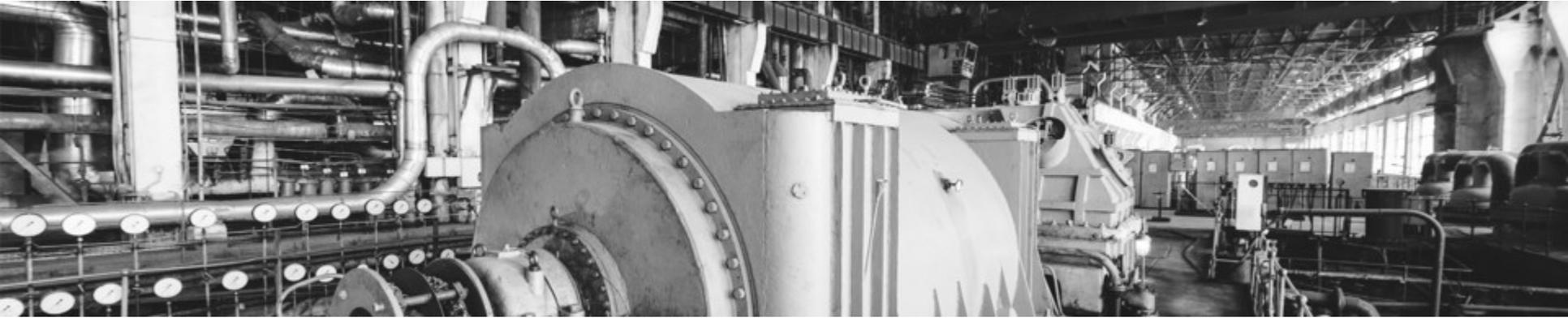
In addition, our future results may be impacted by the economic shutdown resulting from the COVID-19 pandemic and the related global reduction in commerce and travel and substantial volatility in stock markets worldwide, which may negatively impact our revenues, affect our ability to identify and complete 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 and Uncertainties” section included in our Management’s Discussion and Analysis of Financial Condition and Results of Operations for the second quarter ended June 30, 2020 to be made available.

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 June 30, 2020.*



# Overview

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# Q2 2020 Highlights - Operating Performance

## Key Performance Metrics

US\$ MILLIONS, unaudited	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	2019	2020	2019
Company EBITDA <sup>(1)</sup>	286	237	580	503
Company FFO <sup>(1)</sup>	173	435	367	640
Company FFO per unit <sup>(2)</sup>	1.15	3.35	2.44	4.94
Company FFO excluding gain (loss) on acquisitions/dispositions <sup>(1)</sup>	173	138	325	343
Company FFO excluding gain (loss) on acquisitions/dispositions per unit <sup>(2)</sup>	1.15	1.06	2.16	2.65
Net income (loss) attributable to unitholders	(109)	107	(235)	169
Net income (loss) per limited partnership unit <sup>(2)</sup>	(0.73)	0.82	(1.57)	1.30

## Statements of Operating Results by Segment

US\$ MILLIONS, unaudited	Three Months Ended June 30,		Six Months Ended June 30,		Trailing Twelve Months Ended June 30,	
	2020	2019	2020	2019	2020	2019
Company EBITDA by segment						
Business Services	\$ 64	\$ 61	\$ 83	\$ 106	\$ 198	\$ 168
Infrastructure Services	148	88	304	223	549	439
Industrials	98	108	243	215	647	448
Corporate and Other	(24)	(20)	(50)	(41)	(104)	(82)
<b>Company EBITDA</b>	<b>\$ 286</b>	<b>\$ 237</b>	<b>\$ 580</b>	<b>\$ 503</b>	<b>\$ 1,290</b>	<b>\$ 973</b>
Company FFO by segment						
Business Services	\$ 39	\$ 342	\$ 81	\$ 374	\$ 139	\$ 422
Infrastructure Services	87	54	191	156	349	301
Industrials	62	46	119	127	385	386
Corporate and Other	(15)	(7)	(24)	(17)	(44)	(51)
<b>Company FFO</b>	<b>\$ 173</b>	<b>\$ 435</b>	<b>\$ 367</b>	<b>\$ 640</b>	<b>\$ 829</b>	<b>\$ 1,058</b>

## Performance Highlights

- Company EBITDA increased to \$286 million in Q2 2020 from \$237 million in Q2 2019, as a result of an increase in our Infrastructure Services segment, partially offset by a decrease in our Industrials segment.
- Company FFO excluding gain (loss) on dispositions for the three months ended June 30, 2020 increased to \$173 million from \$138 million in the same period in 2019, primarily due to incremental contributions from recent acquisitions, partially offset by reduced performance across our operations as a result of the economic shutdown. Company FFO for the three months ended June 30, 2019 of \$435 million included after-tax gains of \$297 million recognized on the dispositions of our facilities management business ("BGIS") and our executive relocation business ("BGRS").
- Net loss attributable to unitholders for the three months ended June 30, 2020 was \$109 million (loss of \$0.73 per unit) compared to net income of \$107 million (\$0.82 per unit) in the prior year. Net loss in the current period includes provisions at Multiplex and Cardone Industries ("Cardone") related to productivity and cost impacts from the global economic shutdown, offset by unrealized mark to market net gains on financial assets including public securities investments and derivatives.

<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 "Use of Non-IFRS Measures" of the 2020 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 and six months ended June 30, 2020 was 150.1 million and 150.3 million (2019: 129.9 million and 129.5 million).

# Q2 2020 Highlights - Balance Sheet & Liquidity

## Key Balance Sheet Metrics

US\$ MILLIONS, unaudited	As at	
	June 30, 2020	December 31, 2019
Total assets	\$ 50,278	\$ 51,751
Non-recourse borrowings in subsidiaries of Brookfield Business Partners	22,202	22,399
Corporate borrowings	253	nil
Total Equity	9,757	11,053
<b>Proportionate non-recourse borrowings</b>		
Business Services	\$ 808	\$ 773
Infrastructure Services	2,520	2,208
Industrials	3,866	3,878
Corporate and Other	253	nil
	\$ 7,447	\$ 6,859
<b>Proportionate share of cash</b>		
Business Services	\$ 408	\$ 344
Infrastructure Services	206	199
Industrials	207	192
Corporate and Other	40	63
	\$ 861	\$ 798
<b>Proportionate non-recourse borrowings, net of cash</b>		
Business Services	\$ 400	\$ 429
Infrastructure Services	2,314	2,009
Industrials	3,659	3,686
Corporate and Other	213	(63)
	\$ 6,586	\$ 6,061

## Corporate Liquidity

US\$ MILLIONS, unaudited	As at	
	June 30, 2020	December 31, 2019
Corporate cash and financial assets	\$ 243	\$ 274
Committed corporate credit facilities	1,667	2,075
<b>Total liquidity</b>	<b>\$ 1,910</b>	<b>\$ 2,349</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
- Subsequent to quarter-end, we increased our credit capacity by \$500 million to an aggregate capacity of \$2.6 billion resulting in total proforma liquidity, including funding for known transactions, of approximately \$2.3 billion.

## Other Developments

- On May 27, 2020, together with institutional partners, we completed the acquisition of a 31% ownership interest in IndoStar Capital Finance Limited (“IndoStar”) for a purchase price of approximately \$165 million. On July 9, 2020, together with institutional partners, we completed an additional acquisition of common shares in IndoStar, for an aggregate investment of approximately \$130 million. IndoStar is an Indian financing company, focused on commercial vehicle lending and affordable home finance. Our share of the investment was approximately \$105 million, for a 20% ownership interest.
- On May 13, 2020, together with institutional partners, we completed a recapitalization of Cardone, committing \$180 million of new equity to the business. BBU's share of the new equity was approximately \$95 million for a 52% ownership interest.
- On July 13, 2020, together with institutional partners, we subscribed for \$260 million of convertible preferred shares of Superior Plus Corp. (“Superior”). Superior is a leading North American propane distributor and specialty chemical producer. BBU's share of the investment is approximately \$45 million.
- On July 22, 2020, the partnership executed a partial distribution of GrafTech common shares to our institutional partners that reduced the size of our control position in the company. BBU continues to own approximately 69 million shares in GrafTech, 17 million of which we own directly and have the flexibility to sell outside of the BBU consortium.
- On August 5, 2020 the Board of Directors declared a quarterly distribution in the amount of \$0.0625 per unit, payable on September 30, 2020 to unitholders of record as at the close of business on August 31, 2020.

## Units Outstanding

UNITS, unaudited	As at		
	June 30, 2020	December 31, 2019	June 30, 2019
Limited partnership units	80,330,164	80,890,655	79,933,771
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>150,035,669</b>	150,596,160	149,639,276

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

US\$ MILLIONS, unaudited	As at	
	June 30, 2020	December 31, 2019
Partnership units outstanding, end of period	150.0	150.6
Price <sup>2</sup>	30.78	41.37
Market Capitalization	4,618	6,230
Proportionate net debt	6,586	6,061
<b>Enterprise Value (EV)</b>	<b>11,204</b>	12,291

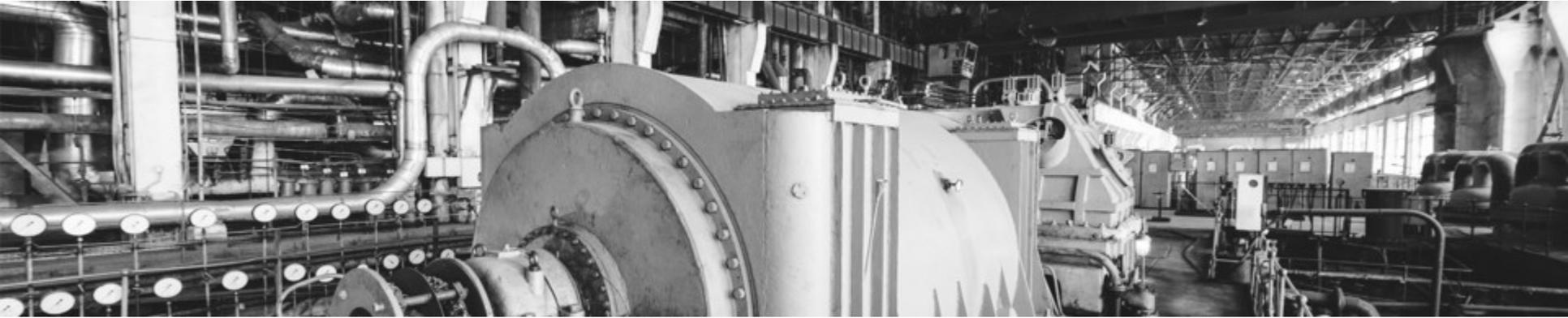
## Incentive Distribution Right ("IDR")

- 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 second quarter of 2020, the volume weighted average price per unit was \$29.75, which was below the previous incentive distribution threshold of \$41.96/unit resulting in an incentive distribution of \$nil.

## Normal Course Issuer Bid ("NCIB")

- During the third quarter of 2019, we renewed the NCIB for our limited partnership units (the "units"). Under the NCIB, Brookfield Business Partners is authorized to repurchase annually up to 5% of its issued and outstanding units, or 4,050,188 units, including up to 18,026 units on the TSX during any trading day. Brookfield Business Partners can make one block purchase per week which exceeds this daily purchase restriction, subject to the annual aggregate limit.
  - During the three month and six month period ended June 30, 2020, a total of 177,571 units and 560,491 units respectively, were repurchased.

(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 June 30, 2020 and December 31, 2019, respectively, closing CAD-USD foreign exchange rate.



## 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 that we control. 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 commercial and residential real estate, mortgage insurance, construction, health services and fuel distribution and marketing	<ul style="list-style-type: none"> <li>• Multiplex</li> <li>• Healthscope</li> <li>• Genworth</li> </ul>	<ul style="list-style-type: none"> <li>• 100%</li> <li>• 28%</li> <li>• 24%</li> </ul>
<b>Infrastructure Services</b>	Infrastructure businesses servicing the power generation, offshore oil production industries and industrial and commercial facilities	<ul style="list-style-type: none"> <li>• Westinghouse</li> <li>• Altera</li> <li>• BrandSafway</li> </ul>	<ul style="list-style-type: none"> <li>• 44%</li> <li>• 43%</li> <li>• 17% <sup>(2)</sup></li> </ul>
<b>Industrials</b>	Industrial businesses including manufacturing, water and wastewater services, natural gas production and metals and mining	<ul style="list-style-type: none"> <li>• GrafTech International</li> <li>• Clarios</li> </ul>	<ul style="list-style-type: none"> <li>• 26%</li> <li>• 28%</li> </ul>

(1) As at June 30, 2020, does not include impact of subsequent events.

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

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

US\$ MILLIONS, unaudited	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	2019	2020	2019
Revenues	\$ 1,593	\$ 2,296	\$ 3,605	\$ 4,436
Direct operating costs	(1,503)	(2,215)	(3,468)	(4,284)
General and administrative expenses	(29)	(31)	(65)	(65)
Equity accounted Company EBITDA	3	11	11	19
<b>Company EBITDA</b>	<b>\$ 64</b>	<b>\$ 61</b>	<b>\$ 83</b>	<b>\$ 106</b>
Realized disposition gain (loss), net	—	336	46	336
Other income (expense), net	1	—	3	—
Interest income (expense), net	(16)	(9)	(31)	(12)
Equity accounted current taxes and interest	(1)	(1)	(2)	(2)
Current income taxes	(9)	(45)	(18)	(54)
<b>Company FFO</b>	<b>\$ 39</b>	<b>\$ 342</b>	<b>\$ 81</b>	<b>\$ 374</b>

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

US\$ MILLIONS, unaudited	As at	
	June 30, 2020	December 31, 2019
Cash	\$ 408	\$ 344
Non-recourse borrowings in subsidiaries of Brookfield Business Partners	808	773
Net debt (cash) <sup>(1)</sup>	\$ 400	\$ 429
Equity attributable to unitholders	1,842	2,161

(1) Proportionate debt at Multiplex as at June 30, 2020 and December 31, 2019 was \$10 million and \$13 million, respectively. Proportionate cash at Multiplex as at June 30, 2020 and December 31, 2019 was \$222 million and \$184 million, respectively.

## Financial Results - Three Months Ended June 30, 2020

- Company EBITDA for the three months ended June 30, 2020 was \$64 million compared to \$61 million in the prior period.
  - Multiplex contributed \$9 million to Company EBITDA in Q2 2020 compared to \$23 million in Q2 2019. Multiplex reported strong performance in its Australian operations which were offset by continued reduced project productivity as a result of ongoing restrictions on construction works in the U.K.
  - Healthscope contributed \$17 million to Company EBITDA in Q2 2020 compared to \$5 million in Q2 2019, primarily due to a full quarter of results in 2020 following our acquisition in June 2019. Healthscope's Q2 2020 results reflect the material impact of the Australian government's decision in early April to suspend all non-critical elective surgeries, which was partially offset by government funding received during the quarter in return for making its hospital network available to the public.
  - Genworth contributed \$25 million to Company EBITDA in Q2 2020, the business was acquired in Q4 2019. Genworth experienced reduced underwriting activity in April, which rebounded meaningfully by the end of the quarter. Results were impacted by higher loss reserves being provisioned for mortgages in the payment deferral program.
  - The increase in Company EBITDA compared to the prior period was partially offset by the dispositions of BGIS and BGRS in Q2 2019.
- Company FFO decreased by \$303 million, primarily due to gains recognized on the dispositions of BGIS and BGRS in Q2 2019. Excluding gains on dispositions Company FFO in Q2 2019 was \$45 million compared to \$39 million in Q2 2020.

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

US\$ MILLIONS, unaudited	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	2019	2020	2019
Revenues	\$ 485	\$ 437	\$ 983	\$ 944
Direct operating costs	(344)	(342)	(691)	(705)
General and administrative expenses	(23)	(17)	(39)	(31)
Equity accounted Company EBITDA	30	10	51	15
<b>Company EBITDA</b>	<b>\$ 148</b>	<b>\$ 88</b>	<b>\$ 304</b>	<b>\$ 223</b>
Realized disposition gain (loss), net	—	—	—	—
Other income (expense), net	(10)	—	(13)	(1)
Interest income (expense), net	(35)	(34)	(75)	(70)
Equity accounted current taxes and interest	(14)	(1)	(21)	(1)
Current income taxes	(2)	1	(4)	5
<b>Company FFO</b>	<b>\$ 87</b>	<b>\$ 54</b>	<b>\$ 191</b>	<b>\$ 156</b>

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

US\$ MILLIONS, unaudited	As at	
	June 30, 2020	December 31, 2019
Cash	\$ 206	\$ 199
Non-recourse borrowings in subsidiaries of Brookfield Business Partners	2,520	2,208
Net debt (cash)	\$ 2,314	\$ 2,009
Equity attributable to unitholders	757	470

## Financial Results - Three Months Ended June 30, 2020

- Company EBITDA for the three months ended June 30, 2020 was \$148 million compared to \$88 million in the prior period.
  - Westinghouse contributed \$65 million to Company EBITDA in Q2 2020 compared to \$40 million in Q2 2019. Prior period results included cost accruals from a project in Europe which were not incurred in the current period. The business completed all planned fuel shipments during the quarter while experiencing some deferrals of non-critical outage maintenance work in the US. In addition, Q2 2020 results reflect the positive impact of ongoing cost saving and efficiency initiatives.
  - Altera contributed \$63 million to Company EBITDA in Q2 2020 compared to \$48 million in Q2 2019, the increase is due to the increase in our ownership interest to 43%. Utilization in the towage operations continues to be weak, offset by the commencement of contracts as well as overall higher utilization in the shuttle tanker business.
  - BrandSafway contributed \$20 million to Company EBITDA during Q2 2020. The business is an equity accounted investment and was acquired in January 2020. Results for the quarter were negatively impacted by reduced activity at customers facilities related to the economic shutdown.
- Company FFO increased by \$33 million, primarily due to the factors described above, partially offset by higher equity accounted current taxes and interest due to the acquisition of BrandSafway and realized losses on derivatives at Altera.

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

US\$ MILLIONS, unaudited	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	2019	2020	2019
Revenues	\$ 612	\$ 569	\$ 1,307	\$ 819
Direct operating costs	(500)	(446)	(1,028)	(578)
General and administrative expenses	(19)	(19)	(48)	(31)
Equity accounted Company EBITDA	5	4	12	5
<b>Company EBITDA</b>	<b>\$ 98</b>	<b>\$ 108</b>	<b>\$ 243</b>	<b>\$ 215</b>
Realized disposition gain (loss), net	—	—	(1)	—
Other income (expense), net	1	(5)	1	(5)
Interest income (expense), net	(63)	(44)	(128)	(62)
Equity accounted current taxes and interest	(1)	(1)	(2)	(1)
Current income taxes	27	(12)	6	(20)
<b>Company FFO</b>	<b>\$ 62</b>	<b>\$ 46</b>	<b>\$ 119</b>	<b>\$ 127</b>

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

US\$ MILLIONS, unaudited	As at	
	June 30, 2020	December 31, 2019
Cash	\$ 207	\$ 192
Non-recourse borrowings in subsidiaries of Brookfield Business Partners	3,866	3,878
Net debt (cash)	\$ 3,659	\$ 3,686
Equity attributable to unitholders	829	947

## Financial Results - Three Months Ended June 30, 2020

- Company EBITDA for the three months ended June 30, 2020 was \$98 million compared to \$108 million in the prior period.
  - Clarios contributed \$59 million to Company EBITDA in Q2 2020, compared to \$4 million in Q2 2019. Prior period results included a negative impact from our purchase price accounting on the acquisition of the business. For the current quarter, Company EBITDA was impacted by overall lower volumes as a result of reduced demand associated with the economic shutdown and higher costs related to the closing and safe re-opening of plants. While OEM demand remains weak, aftermarket battery demand is up sharply from trough levels in April and aftermarket volumes for the quarter were higher than the prior year.
  - GrafTech contributed \$40 million to Company EBITDA, compared to \$77 million in the prior period. Results in the quarter were impacted by reduced demand and sales price as the global economic shutdown impacted graphite electrode demand.
  - The disposition of our palladium mining operations, North American Palladium ("NAP") in Q4 2019 contributed to the decrease in Company EBITDA relative to the prior period.
- Company FFO increased by \$16 million, primarily due to a current tax recovery recognized on the extinguishment of debt at Cardone, partially offset by higher interest expense primarily due to a full quarter of contribution from Clarios following our acquisition in April 2019 and the consolidation of Cardone starting in Q1 2020.

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

US\$ MILLIONS, unaudited	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	2019	2020	2019
Revenues	\$ —	\$ —	\$ —	\$ —
Direct operating costs	(3)	(2)	(5)	(4)
General and administrative expenses	(21)	(18)	(45)	(37)
Equity accounted Company EBITDA	—	—	—	—
<b>Company EBITDA</b>	<b>\$ (24)</b>	<b>\$ (20)</b>	<b>\$ (50)</b>	<b>\$ (41)</b>
Realized disposition gain (loss), net	—	—	—	—
Other income (expense), net	—	—	—	—
Interest income (expense), net	(1)	8	5	14
Equity accounted current taxes and interest	—	—	—	—
Current income taxes	10	5	21	10
<b>Company FFO</b>	<b>\$ (15)</b>	<b>\$ (7)</b>	<b>\$ (24)</b>	<b>\$ (17)</b>

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

US\$ MILLIONS, unaudited	As at	
	June 30, 2020	December 31, 2019
Cash	\$ 40	\$ 63
Corporate borrowings	253	nil
Net debt (cash)	\$ 213	\$ (63)
Equity attributable to unitholders	(343)	214

## Financial Results - Three Months Ended June 30, 2020

- 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 the total capitalization, plus recourse debt, net of cash held by corporate entities. Management fees were \$16 million compared to \$12 million in the prior year.
- Company FFO included a net current income tax recovery of \$10 million primarily generated on the corporate expenses and management fees, partially reducing the corporate current tax expense that has been recognized in the operating segments.

# Summary of Segment Performance & Significant Subsidiaries

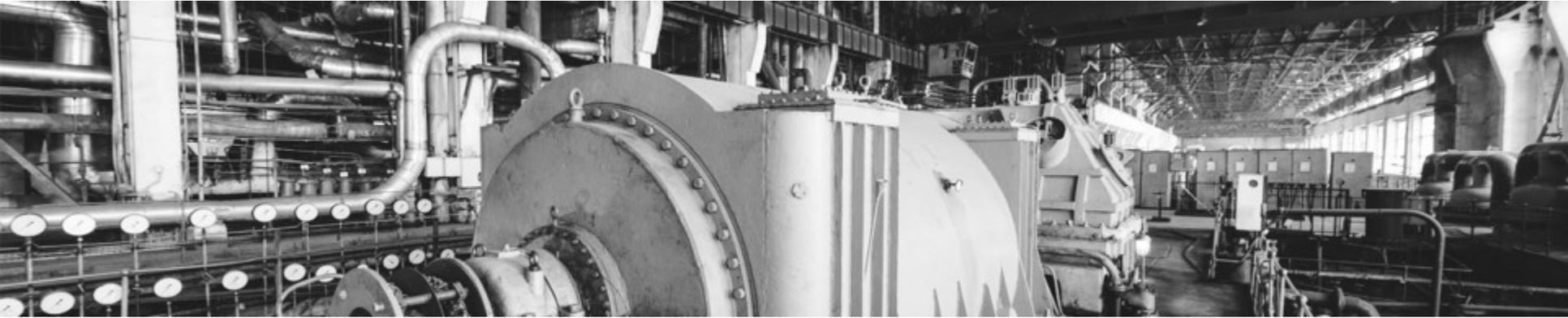
The following tables present selected financial results for our significant subsidiaries:

Segment	Portfolio Company	Three Months Ended June 30, 2020		Three Months Ended June 30, 2019	
		Company EBITDA	Company FFO	Company EBITDA	Company FFO
Business Services	Multiplex	\$ 9	\$ 8	\$ 23	\$ 16
	Healthscope	17	7	5	—
	Genworth	25	18	—	—
	Other	13	6	33	326
	<b>Total</b>	<b>64</b>	<b>39</b>	<b>61</b>	<b>342</b>
Infrastructure Services	Westinghouse	65	47	40	18
	Altera	63	31	48	36
	BrandSafway	20	9	—	—
	<b>Total</b>	<b>148</b>	<b>87</b>	<b>88</b>	<b>54</b>
Industrials	Clarios	59	8	4	(35)
	GrafTech	40	31	77	62
	Other	(1)	23	27	19
	<b>Total</b>	<b>98</b>	<b>62</b>	<b>108</b>	<b>46</b>
Corporate		(24)	(15)	(20)	(7)
<b>Total BBU</b>		<b>\$ 286</b>	<b>\$ 173</b>	<b>\$ 237</b>	<b>\$ 435</b>

# Summary of Segment Performance & Significant Subsidiaries

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

Segment	Portfolio Company	Six Months Ended June 30, 2020		Six Months Ended June 30, 2019	
		Company EBITDA	Company FFO	Company EBITDA	Company FFO
Business Services	Multiplex	\$ (38)	\$ (40)	\$ 46	\$ 34
	Healthscope	31	12	5	—
	Genworth	61	51	—	—
	Other	29	58	55	340
	<b>Total</b>	<b>83</b>	<b>81</b>	<b>106</b>	<b>374</b>
Infrastructure Services	Westinghouse	147	107	132	90
	Altera	126	71	91	66
	BrandSafway	31	13	—	—
	<b>Total</b>	<b>304</b>	<b>191</b>	<b>223</b>	<b>156</b>
Industrials	Clarios	148	38	4	(35)
	GrafTech	85	65	154	123
	Other	10	16	57	39
	<b>Total</b>	<b>243</b>	<b>119</b>	<b>215</b>	<b>127</b>
Corporate		(50)	(24)	(41)	(17)
<b>Total BBU</b>		<b>\$ 580</b>	<b>\$ 367</b>	<b>\$ 503</b>	<b>\$ 640</b>



## Consolidated Statements of Operations & Financial Position

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# Consolidated Statement of Operating Results

Brookfield

US\$ MILLIONS, unaudited	Three Months Ended June 30,	
	2020	2019
Revenues	\$ 7,370	\$ 10,717
Direct operating costs	(6,285)	(9,776)
General and administrative expenses	(228)	(211)
Depreciation and amortization expense	(533)	(441)
Interest income (expense), net	(353)	(313)
Equity accounted income (loss), net	18	23
Impairment expense, net	(29)	(324)
Gain (loss) on acquisitions / dispositions, net	(4)	522
Other income (expense), net	149	(181)
Income (loss) before income tax	\$ 105	\$ 16
Income tax (expense) recovery		
Current	(23)	(93)
Deferred	67	41
Net income (loss)	\$ 149	\$ (36)
<b>Attributable to:</b>		
Limited partners	\$ (59)	\$ 55
Non-controlling interests attributable to:		
Redemption-Exchange Units held by Brookfield Asset Management Inc.	(50)	52
Special Limited Partners	—	—
Interest of others in operating subsidiaries	258	(143)
Net income (loss)	\$ 149	\$ (36)

## Financial Performance - Three Months Ended June 30, 2020

- **Revenues and direct operating costs** decreased by \$3,347 million and \$3,491 million, respectively. The decrease in revenue and direct operating costs is primarily attributed to the impact of the global economic shutdown across most of our operations. The more significant decreases were experienced at Greenergy due to lower volumes and at Multiplex due to lost productivity. Revenue and direct operating costs were further decreased due to the dispositions of BGIS and BGRS in Q2 2019, partially offset by a full quarters contribution from Clarios and Healthscope, combined with the acquisition of Genworth in Q4 2019.
- **General and administrative expenses** increased by \$17 million compared to the prior period primarily due to the full quarter contribution from the acquisition of Healthscope in Q2 2019.
- **Depreciation and amortization expense** increased by \$92 million compared to the prior period primarily due to the full quarter contributions from the acquisitions of Clarios and Healthscope in Q2 2019.
- **Interest expense, net** increased by \$40 million, primarily due to higher borrowings related to the acquisitions of Clarios and Healthscope in Q2 2019, as well as the consolidation of Cardone starting in Q1 2020, partially offset by a decrease at Westinghouse due to lower interest rates on long-term debt and at GrafTech due to debt repayments.
- **Equity accounted income (loss), net** is primarily comprised of our investment in BrandSafway and One Toronto and equity accounted investments within the Clarios, Altera and Westinghouse business operations.

# Consolidated Statement of Operating Results

Brookfield

US\$ MILLIONS, unaudited	Three Months Ended June 30,	
	2020	2019
Revenues	\$ 7,370	\$ 10,717
Direct operating costs	(6,285)	(9,776)
General and administrative expenses	(228)	(211)
Depreciation and amortization expense	(533)	(441)
Interest income (expense), net	(353)	(313)
Equity accounted income (loss), net	18	23
Impairment expense, net	(29)	(324)
Gain (loss) on acquisitions / dispositions, net	(4)	522
Other income (expense), net	149	(181)
Income (loss) before income tax	\$ 105	\$ 16
Income tax (expense) recovery		
Current	(23)	(93)
Deferred	67	41
Net income (loss)	\$ 149	\$ (36)
<b>Attributable to:</b>		
Limited partners	\$ (59)	\$ 55
Non-controlling interests attributable to:		
Redemption-Exchange Units held by Brookfield Asset Management Inc.	(50)	52
Special Limited Partners	—	—
Interest of others in operating subsidiaries	258	(143)
Net income (loss)	\$ 149	\$ (36)

## Financial Performance - Three Months Ended June 30, 2020

- **Impairment expense, net** of \$29 million in the current period is primarily related to a plant closure at Clarios and impairment on vessels at Altera. The prior period impairment expense is primarily comprised of impairments related to our investment in Altera.
- **Loss on acquisitions/dispositions, net** of \$4 million for the current period relates to a loss on the sale of a business unit within our infrastructure support products manufacturing operations. The prior period net gain is primarily comprised of the disposition of BGIS (\$341 million before tax) and BGRS (\$180 million before tax).
- **Other income, net** of \$149 million includes mark-to-market gains on public securities and a gain on the extinguishment of debt at Cardone, which were partially offset by provisions recognized at Multiplex and Cardone. Other income also includes the impact of unrealized gains and losses on derivative positions, as well as transaction and restructuring costs. Other expense of \$181 million in the prior period was primarily comprised of transaction costs associated with the acquisition of Clarios and Healthscope in Q2 2019, combined with restructuring costs at Westinghouse and unrealized losses on derivatives at Altera.
- **Total tax expense** was a net recovery of \$44 million in Q2 2020, compared to a net expense of \$52 million in Q2 2019. Current tax expense decreased by \$70 million, and deferred tax recovery increased by \$26 million. Current taxes decreased primarily due to the tax associated with the dispositions of BGIS and BGRS in the prior period, combined with a current tax recovery recognized on the extinguishment of debt at Cardone. Deferred tax recovery increased primarily due to losses incurred within Clarios, for which a tax benefit has been recognized.

# Consolidated Statement of Financial Position

Brookfield

US\$ MILLIONS, unaudited	As at	
	June 30, 2020	December 31, 2019
<b>Assets</b>		
Cash and cash equivalents	\$ 2,138	\$ 1,986
Financial assets	6,335	6,243
Accounts and other receivable, net	4,745	5,631
Inventory and other assets	5,188	5,282
Property, plant and equipment	13,650	13,892
Deferred income tax assets	718	667
Intangible assets	10,820	11,559
Equity accounted investments	1,648	1,273
Goodwill	5,036	5,218
	<b>\$ 50,278</b>	<b>\$ 51,751</b>
<b>Liabilities and equity</b>		
<b>Liabilities</b>		
Corporate borrowings	\$ 253	nil
Accounts payable and other	16,449	16,496
Non-recourse borrowings in subsidiaries of Brookfield Business Partners	22,202	22,399
Deferred income tax liabilities	1,617	1,803
	<b>\$ 40,521</b>	<b>\$ 40,698</b>
<b>Equity</b>		
Limited partners	\$ 1,731	\$ 2,116
Non-controlling interests attributable to: Redemption-Exchange Units, Preferred Shares and Special Limited Partnership Units held by Brookfield Asset Management Inc.	1,354	1,676
Interest of others in operating subsidiaries	6,672	7,261
	<b>\$ 9,757</b>	<b>\$ 11,053</b>
	<b>\$ 50,278</b>	<b>\$ 51,751</b>

## Financial Position as at June 30, 2020

- **Cash and cash equivalents** included \$848 million at our business services operations, \$775 million in our industrials segment, \$475 million at our infrastructure services operations and \$40 million of corporate cash.
- **Financial assets** increased by \$92 million primarily due to the acquisition of public securities during the quarter, combined with the acquisition of IndoStar, partially offset by foreign exchange movements at Genworth.
- **Accounts and other receivable, net** decreased by \$886 million primarily due to lower trade receivables at Clarios as a result of lower sales volumes and Greenergy as a result of lower sales volumes and prices, combined with lower receivables at Multiplex, as well as, the impact of foreign exchange movements at BRK Ambiental and Greenergy, partially offset by the consolidation of Cardone starting in Q1 2020.
- **Inventory and other assets** decreased by \$94 million. Inventory increased primarily due to the consolidation of Cardone starting in Q1 2020, partially offset by foreign exchange movements at Greenergy. Other assets decreased due to the sale of Nova Cold at the beginning of the year, which was classified as held for sale within other assets in the prior period.
- **Property, plant and equipment** decreased by \$242 million primarily due to impairment on vessels at Altera, combined with a decrease in the asset retirement obligation at Ember, and foreign exchange movements at Ouro Verde, Greenergy, and Healthscope. The decrease was partially offset by the consolidation of Cardone starting in Q1 2020 and an increase in the asset retirement obligation at Westinghouse.
- **Deferred income tax assets** increased by \$51 million, primarily due to an increase at Multiplex and Healthscope as a result of losses incurred.

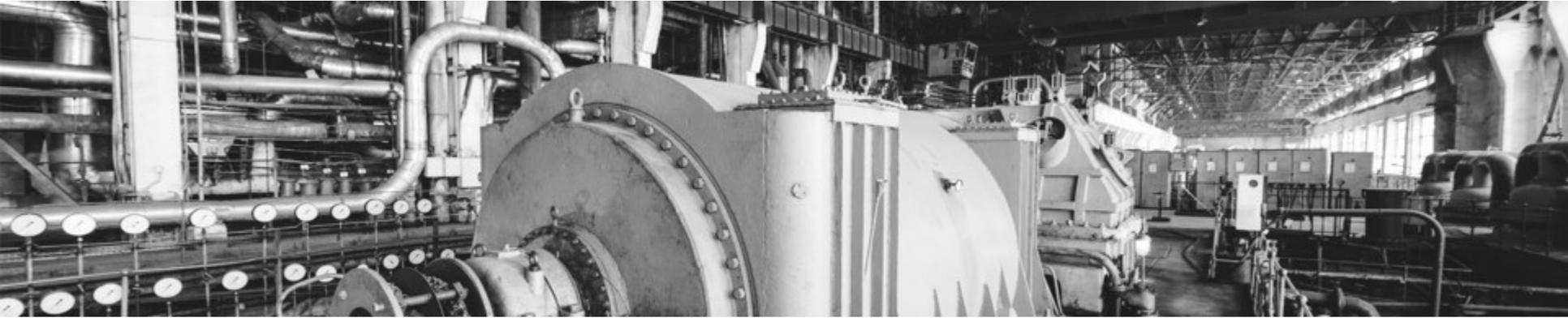
# Consolidated Statement of Financial Position

Brookfield

US\$ MILLIONS, unaudited	As at	
	June 30, 2020	December 31, 2019
<b>Assets</b>		
Cash and cash equivalents	\$ 2,138	\$ 1,986
Financial assets	6,335	6,243
Accounts and other receivable, net	4,745	5,631
Inventory and other assets	5,188	5,282
Property, plant and equipment	13,650	13,892
Deferred income tax assets	718	667
Intangible assets	10,820	11,559
Equity accounted investments	1,648	1,273
Goodwill	5,036	5,218
	<b>\$ 50,278</b>	<b>\$ 51,751</b>
<b>Liabilities and equity</b>		
<b>Liabilities</b>		
Corporate borrowings	\$ 253	nil
Accounts payable and other	16,449	16,496
Non-recourse borrowings in subsidiaries of Brookfield Business Partners	22,202	22,399
Deferred income tax liabilities	1,617	1,803
	<b>\$ 40,521</b>	<b>\$ 40,698</b>
<b>Equity</b>		
Limited partners	\$ 1,731	\$ 2,116
Non-controlling interests attributable to: Redemption-Exchange Units, Preferred Shares and Special Limited Partnership Units held by Brookfield Asset Management Inc.	1,354	1,676
Interest of others in operating subsidiaries	6,672	7,261
	<b>\$ 9,757</b>	<b>\$ 11,053</b>
	<b>\$ 50,278</b>	<b>\$ 51,751</b>

## Financial Position as at June 30, 2020

- **Intangible assets** decreased by \$739 million, primarily due to the foreign exchange movements in intangibles at BRK Ambiental and within our Clarios operations.
- **Equity accounted investments** increased by \$375 million, primarily due to the acquisition of BrandSafway in Q1 2020.
- **Goodwill** decreased by \$182 million, primarily due to the finalization of purchase price adjustments at Clarios.
- **Corporate borrowings** of \$253 million, represent drawdowns on the corporate credit facility primarily related to the closing of the BrandSafway acquisition.
- **Accounts payable and other** decreased by \$47 million, primarily due to a decrease in accounts payable at Greenery due to lower product costs payable as a result of lower pricing, combined with the sale of Nova Cold at the beginning of the year, and foreign exchange movements at Greenery, Healthscope, Genworth and BRK Ambiental. The decrease was partially offset by the consolidation of Cardone starting in Q1 2020 and an increase in derivative liabilities at Altera.
- **Non-recourse borrowings in subsidiaries of Brookfield Business Partners** decreased by \$197 million primarily due to foreign exchange movements at BRK Ambiental, combined with debt repayments at Clarios and GrafTech, partially offset by the consolidation of Cardone in Q1 2020 and an increase in long-term debt at Genworth.
- **Deferred tax liabilities** decreased by \$186 million, primarily due to foreign exchange movements at BRK Ambiental and finalization of purchase price adjustments at 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>	Greenergy <sup>(3)</sup>	May 2017	\$88 million	18%
	One Toronto	January 2018	\$6 million	14%
	Imagine	October 2018	\$21 million	31%
	Healthscope	June 2019	\$285 million	28%
	Ouro Verde	July 2019	\$45 million	35%
	Genworth	December 2019	\$670 million	24%
<b>Infrastructure Services</b>	Altera	September 2017	\$427 million	43%
	Westinghouse	August 2018	\$405 million	44%
	BrandSafway	January 2020	\$445 million	17% <sup>(4)</sup>
<b>Industrials</b>	BRK Ambiental	April 2017	\$383 million	26%
	Schoeller Allibert	May 2018	\$45 million	14%
	Clarios	April 2019	\$820 million	28%
	Cardone	February 2020	\$294 million	52%

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

(2) As at June 30, 2020, 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	2020		2019				2018	
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
Revenues	\$ 7,370	\$ 10,146	\$ 11,320	\$ 11,794	\$ 10,717	\$ 9,201	\$ 10,209	\$ 9,990
Direct operating costs	(6,285)	(8,901)	(9,969)	(10,389)	(9,776)	(8,193)	(9,205)	(9,080)
General and administrative expenses	(228)	(244)	(228)	(215)	(211)	(178)	(209)	(174)
Depreciation and amortization expense	(533)	(538)	(518)	(534)	(441)	(311)	(286)	(251)
Interest income (expense), net	(353)	(364)	(388)	(389)	(313)	(184)	(181)	(148)
Equity accounted income, net	18	(9)	52	32	23	7	9	(9)
Impairment expense, net	(29)	(113)	(285)	—	(324)	—	(38)	(180)
Gain (loss) on acquisitions / dispositions, net	(4)	183	190	16	522	(2)	147	247
Other income (expense), net	149	(217)	(46)	(83)	(181)	(90)	(73)	(42)
Income (loss) before income tax	105	(57)	128	232	16	250	373	353
Income tax (expense) recovery								
Current	(23)	(75)	(93)	(108)	(93)	(30)	(63)	(43)
Deferred	67	98	52	58	41	(19)	84	(25)
Net income (loss)	\$ 149	\$ (34)	\$ 87	\$ 182	\$ (36)	\$ 201	\$ 394	\$ 285
<b>Attributable to:</b>								
Limited Partners	\$ (59)	\$ (67)	\$ (57)	\$ 13	\$ 55	\$ 32	\$ 70	\$ (1)
Non-controlling interests attributable to:								
Redemption-Exchange Units held by Brookfield Asset Management Inc.	(50)	(59)	(48)	11	52	30	66	—
Special Limited Partners	—	—	—	—	—	—	—	94
Interest of others in operating subsidiaries	258	92	192	158	(143)	139	258	192
Net income (loss)	\$ 149	\$ (34)	\$ 87	\$ 182	\$ (36)	\$ 201	\$ 394	\$ 285

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 JUNE 30, 2020 US\$ MILLIONS, unaudited	Attributable to unitholders					Total	Attributable to Others	As per IFRS Financials
	Business Services	Infrastructure Services	Industrials	Corporate and Other				
Revenues	\$ 1,593	\$ 485	\$ 612	\$ —	\$ 2,690	\$ 4,680	\$ 7,370	
Direct operating costs	(1,503)	(344)	(500)	(3)	(2,350)	(3,935)	(6,285)	
General and administrative expenses	(29)	(23)	(19)	(21)	(92)	(136)	(228)	
Equity accounted Company EBITDA <sup>(1)</sup>	3	30	5	—	38	25	63	
<b>Company EBITDA</b>	<b>\$ 64</b>	<b>\$ 148</b>	<b>\$ 98</b>	<b>\$ (24)</b>	<b>286</b>			
Realized disposition gain (loss), net <sup>(2)</sup>	—	—	—	—	—	(4)	(4)	
Other income (expense), net <sup>(3)</sup>	1	(10)	1	—	(8)	(11)	(19)	
Interest income (expense), net	(16)	(35)	(63)	(1)	(115)	(238)	(353)	
Equity accounted current taxes and interest <sup>(1)</sup>	(1)	(14)	(1)	—	(16)	(6)	(22)	
Current income taxes	(9)	(2)	27	10	26	(49)	(23)	
<b>Company FFO</b>	<b>\$ 39</b>	<b>\$ 87</b>	<b>\$ 62</b>	<b>\$ (15)</b>	<b>173</b>			
Depreciation and amortization expense					(179)	(354)	(533)	
Impairment expense, net					(11)	(18)	(29)	
Gain on acquisition and disposition <sup>(2)</sup>					—	—	—	
Other income (expense), net <sup>(3)</sup>					(87)	255	168	
Deferred income taxes					12	55	67	
Non-cash items attributable to equity accounted investments <sup>(1)</sup>					(17)	(6)	(23)	
<b>Net income (loss)</b>					<b>\$ (109)</b>	<b>\$ 258</b>	<b>\$ 149</b>	

(1) The sum of these amounts equates to equity accounted income of \$18 million as per IFRS statement of operating results.

(2) The sum of these amounts equates to the loss on disposition of \$4 million as per IFRS statement of operating results.

(3) The sum of these amounts equates to the other income of \$149 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 SIX MONTHS ended JUNE 30, 2020 US\$ MILLIONS, unaudited	Attributable to unitholders					Total	Attributable to Others	As per IFRS Financials
	Business Services	Infrastructure Services	Industrials	Corporate and Other				
Revenues	\$ 3,605	\$ 983	\$ 1,307	\$ —	\$ 5,895	\$ 11,621	\$ 17,516	
Direct operating costs	(3,468)	(691)	(1,028)	(5)	(5,192)	(9,994)	(15,186)	
General and administrative expenses	(65)	(39)	(48)	(45)	(197)	(275)	(472)	
Equity accounted Company EBITDA <sup>(1)</sup>	11	51	12	—	74	61	135	
<b>Company EBITDA</b>	<b>\$ 83</b>	<b>\$ 304</b>	<b>\$ 243</b>	<b>\$ (50)</b>	<b>\$ 580</b>			
Realized disposition gain (loss), net <sup>(2)</sup>	46	—	(1)	—	45	134	179	
Other income (expense), net <sup>(3)</sup>	3	(13)	1	—	(9)	(10)	(19)	
Interest income (expense), net	(31)	(75)	(128)	5	(229)	(488)	(717)	
Equity accounted current taxes and interest <sup>(1)</sup>	(2)	(21)	(2)	—	(25)	(11)	(36)	
Current income taxes	(18)	(4)	6	21	5	(103)	(98)	
<b>Company FFO</b>	<b>\$ 81</b>	<b>\$ 191</b>	<b>\$ 119</b>	<b>\$ (24)</b>	<b>\$ 367</b>			
Depreciation and amortization expense					(358)	(713)	(1,071)	
Impairment expense, net					(63)	(79)	(142)	
Gain on acquisition and disposition <sup>(2)</sup>					—	—	—	
Other income (expense), net <sup>(3)</sup>					(183)	134	(49)	
Deferred income taxes					59	106	165	
Non-cash items attributable to equity accounted investments <sup>(1)</sup>					(57)	(33)	(90)	
<b>Net income (loss)</b>					<b>\$ (235)</b>	<b>\$ 350</b>	<b>\$ 115</b>	

(1) The sum of these amounts equates to equity accounted income of \$9 million as per IFRS statement of operating results.

(2) The sum of these amounts equates to the gain on disposition of \$179 million as per IFRS statement of operating results.

(3) The sum of these amounts equates to the other expense of \$68 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 JUNE 30, 2019 US\$ MILLIONS, unaudited	Attributable to unitholders					Total	Attributable to Others	As per IFRS Financials
	Business Services	Infrastructure Services	Industrials	Corporate and Other				
Revenues	\$ 2,296	\$ 437	\$ 569	\$ —	\$ 3,302	\$ 7,415	\$ 10,717	
Direct operating costs	(2,215)	(342)	(446)	(2)	(3,005)	(6,771)	(9,776)	
General and administrative expenses	(31)	(17)	(19)	(18)	(85)	(126)	(211)	
Equity accounted Company EBITDA <sup>(1)</sup>	11	10	4	—	25	38	63	
<b>Company EBITDA</b>	\$ 61	\$ 88	\$ 108	\$ (20)	\$ 237			
Realized disposition gain (loss), net <sup>(2)</sup>	336	—	—	—	336	186	522	
Other income (expense), net <sup>(3)</sup>	—	—	(5)	—	(5)	9	4	
Interest income (expense), net	(9)	(34)	(44)	8	(79)	(234)	(313)	
Equity accounted current taxes and interest <sup>(1)</sup>	(1)	(1)	(1)	—	(3)	(7)	(10)	
Current income taxes	(45)	1	(12)	5	(51)	(42)	(93)	
<b>Company FFO</b>	\$ 342	\$ 54	\$ 46	\$ (7)	\$ 435			
Depreciation and amortization expense					(138)	(303)	(441)	
Impairment expense, net					(128)	(196)	(324)	
Gain on acquisition and disposition <sup>(2)</sup>					—	—	—	
Other income (expense), net <sup>(3)</sup>					(71)	(114)	(185)	
Deferred income taxes					19	22	41	
Non-cash items attributable to equity accounted investments <sup>(1)</sup>					(10)	(20)	(30)	
<b>Net income (loss)</b>					\$ 107	\$ (143)	\$ (36)	

(1) The sum of these amounts equates to equity accounted income of \$23 million as per IFRS statement of operating results.

(2) The sum of these amounts equates to the gain on disposition of \$522 million as per IFRS statement of operating results.

(3) The sum of these amounts equates to the other expense of \$181 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 SIX MONTHS ended JUNE 30, 2019 US\$ MILLIONS, unaudited	Attributable to unitholders					Total	Attributable to Others	As per IFRS Financials
	Business Services	Infrastructure Services	Industrials	Corporate and Other				
Revenues	\$ 4,436	\$ 944	\$ 819	\$ —	\$ 6,199	\$ 13,719	\$ 19,918	
Direct operating costs	(4,284)	(705)	(578)	(4)	(5,571)	(12,398)	(17,969)	
General and administrative expenses	(65)	(31)	(31)	(37)	(164)	(225)	(389)	
Equity accounted Company EBITDA <sup>(1)</sup>	19	15	5	—	39	57	96	
<b>Company EBITDA</b>	\$ 106	\$ 223	\$ 215	\$ (41)	\$ 503			
Realized disposition gain (loss), net <sup>(2)</sup>	336	—	—	—	336	184	520	
Other income (expense), net <sup>(3)</sup>	—	(1)	(5)	—	(6)	8	2	
Interest income (expense), net	(12)	(70)	(62)	14	(130)	(367)	(497)	
Equity accounted current taxes and interest <sup>(1)</sup>	(2)	(1)	(1)	—	(4)	(11)	(15)	
Current income taxes	(54)	5	(20)	10	(59)	(64)	(123)	
<b>Company FFO</b>	\$ 374	\$ 156	\$ 127	\$ (17)	\$ 640			
Depreciation and amortization expense					(236)	(516)	(752)	
Impairment expense, net					(128)	(196)	(324)	
Gain on acquisition and disposition <sup>(2)</sup>					—	—	—	
Other income (expense), net <sup>(3)</sup>					(101)	(172)	(273)	
Deferred income taxes					12	10	22	
Non-cash items attributable to equity accounted investments <sup>(1)</sup>					(18)	(33)	(51)	
<b>Net income (loss)</b>					\$ 169	\$ (4)	\$ 165	

(1) The sum of these amounts equates to equity accounted income of \$30 million as per IFRS statement of operating results.

(2) The sum of these amounts equates to the gain on disposition of \$520 million as per IFRS statement of operating results.

(3) The sum of these amounts equates to the other expense of \$271 million as per IFRS statement of operating results.

# Reconciliation of Non-IFRS Measures to IFRS Measures

## Total Equity Reconciliation to Equity Attributable to Unitholders

US\$ MILLIONS, unaudited	As at	
	Jun 30, 2020	Dec 31, 2019
Total equity	\$ 9,757	\$ 11,053
Less: Interest of others in operating subsidiaries	6,672	7,261
<b>Equity attributable to unitholders</b>	<b>\$ 3,085</b>	<b>\$ 3,792</b>

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

US\$ MILLIONS, unaudited	Attributable to unitholders						Attributable to Others	As per IFRS Financials <sup>(1)</sup>
	Business Services	Infrastructure Services	Industrials	Corporate and Other	Total			
<b>Cash</b>								
June 30, 2020	\$ 408	\$ 206	\$ 207	\$ 40	\$ 861	\$ 1,277	\$ 2,138	
December 31, 2019	344	199	192	63	798	1,188	1,986	
<b>Non-recourse borrowings</b>								
June 30, 2020	\$ 808	\$ 2,520	\$ 3,866	\$ 253	\$ 7,447	\$ 15,008	\$ 22,455	
December 31, 2019	773	2,208	3,878	nil	6,859	15,540	22,399	
<b>Non-recourse borrowings, net of cash</b>								
June 30, 2020	\$ 400	\$ 2,314	\$ 3,659	\$ 213	\$ 6,586	\$ 13,731	\$ 20,317	
December 31, 2019	429	2,009	3,686	(63)	6,061	14,352	20,413	

(1) Non-recourse borrowings includes \$253 million and \$nil of corporate borrowings as at June 30, 2020 and December 31, 2019, respectively, as per IFRS statement of financial position.

- 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 2020 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 (expense), current income taxes, the impact of realized disposition gains (losses), current income taxes and interest income (expense) related to equity accounted investments, and other items. Company EBITDA is presented net to unitholders. When determining Company EBITDA, we include our proportionate share of Company EBITDA of equity accounted investments. For further information on Company EBITDA see “Use of Non-IFRS Measures” of the 2020 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