

<b>Brookfield Business Partners - Q2 2025 Results Conference Call &amp; Webcast</b> <b>August 1, 2025</b>
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**Corporate Speakers:**

- Anuj Ranjan; Brookfield Business Partners L.P.; Chief Executive Officer
- Jaspreet Dehl; Brookfield Business Partners L.P.; Chief Financial Officer
- Adrian Letts; Brookfield Business Partners L.P.; Managing Partner
- Alan Fleming; Brookfield Business Partners L.P.; Managing Director

**Participants:**

- Devin Dodge; BMO Capital Markets, Research Division; Analyst
- Gary Ho; Desjardins Securities Inc., Research Division; Analyst
- Bart Dziarski; RBC Capital Markets, Research Division; Analyst
- Jaeme Gloyn; National Bank Financial, Research Division; Analyst

<b>PRESENTATION</b>
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**Operator**^ Welcome to Brookfield Business Partners' Second Quarter 2025 Results Conference Call and Webcast. As a reminder all participants are in listen-only mode and the conference is being recorded. After the presentation, there will be an opportunity to ask questions. To ask a question, simply press star, one, one on your touchtone phone.

Now I'd like to turn the conference over to Alan Fleming, Head of Investor Relations. Please go ahead, Mr. Fleming.

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

We'll begin the call today with Anuj Ranjan, our Chief Executive Officer, who will provide an update on our strategic initiatives. Anuj will then turn the call over to Adrian Letts, Head of our Business Operations team, to share an update on the global operating environment. Jaspreet Dehl, our Chief Financial Officer, will then discuss our financial results for the quarter. After we finish our prepared remarks, the team will be on and available to take your questions. With that, I'd like to now pass the call over to Anuj.

**Anuj Ranjan**^ Thanks, Alan, and good morning, everyone. Thank you for joining us on the call today.

We had a great quarter. Our business continues to compound value and six months into the year, our overall per unit value is higher.

Over the past few months, we've realized more than \$800 million from asset sales and distributions, and invested \$300 million to acquire two market-leading businesses. We continue to buy back under our repurchase program, which has returned nearly \$160 million to our owners since the start of the year. We also generated strong financial results with Adjusted EBITDA increasing to \$591 million, supported by resilient margins and improved performance of our existing operations.

As our business continues to scale, finding new ways to surface value will provide us flexibility to execute our playbook and the growth of the secondaries market has become one of the options at our disposal. In simple terms, secondaries are the sale or transfer of a private investment from one investor to another, often at a 10% or more discount to Net Asset Value as a way for an existing investor to get liquidity.

If you think about BBU, it's really just a large private equity secondary, which is publicly listed and should trade at a much narrower discount than it does. This should prove itself out as we continue to surface value in accretive ways, including the secondary sale of interests in our businesses at values that are accretive to our trading price.

To that point, last month we sold a portion of our interest in three of our businesses to seed a new evergreen fund managed by Brookfield. In exchange, we took back units of the new fund that have an initial redemption value of \$690 million, which represents an aggregate 8.6% discount to the NAV of the interest that we sold. At these values, the transaction is highly accretive to the market value of BBU.

As the units are redeemed, the cash will provide us added flexibility to accelerate buybacks, reinvest in growth and reduce debt, all of which will increase the per unit and share value of our business.

We've also been putting capital to work. Earlier this week, we agreed to privatize First National Financial Corporation, a leading Canadian residential and multi-family mortgage lender. First National is an essential service provider to the Canadian housing market, serving a critical role across the mortgage life cycle from underwriting and origination to funding, distribution, servicing and loan renewal. Its highly resilient earnings and strong cash flows are supported by the fees and income it earns on a large and growing base of mortgages that it services.

Alongside our partners, we see opportunities to upgrade its systems, streamline operations and strengthen its service model in a private setting, which should enhance its already strong track record of returns and cash flows. BBU's share of the equity investment is expected to be about \$145 million.

Stepping back, we've made great progress since the start of the year, and the reasons to own BBU have arguably never been clearer. First, we trade at a material discount to the private market value of our assets. Second, those assets are mission-critical providers of products and services which generate strong cash flow across economic cycles. Lastly,

every dollar that is recycled and redeployed is done so by the same Brookfield team, which has generated tremendous returns on capital for decades.

With that, I'll now pass the call over to Adrian Letts, our Global Head of Business Operations, to provide an update on the operating environment.

**Adrian Letts**^ Thank you, Anuj, and good morning everyone. It's great to be joining you on the call today.

With the first half of the year now behind us, I wanted to provide some observations on how the operating environment has evolved over the past few months and how our businesses have been responding. The global economy today is in a much different spot than the outlook most had expected at the start of this year.

With inflation in check, unemployment levels low and many central banks moving toward an easing cycle, growth expectations across most developed markets were high heading into the year.

However, as we know, tariffs, rising global trade tensions and geopolitical conflicts have introduced much more uncertainty in a relatively short time. While this continues, we do see signs that it is stabilizing, however, we remain cautious. The U.S. has been very resilient — GDP expectations for the second half of the year have stabilized, unemployment remains low and consumer sentiment has inched higher in the past few months.

In Europe, although it will take a while for things to play through, stimulus spending is increasing including Germany greenlighting a \$500 billion infrastructure fund and other countries such as the U.K. have put forward plans to reduce barriers to competition and accelerate delivery of infrastructure projects.

Outside of Europe, it remains very clear that the GCC markets, where we operate in the Middle East are very strong and India remains a growth economy.

Growth is very important to our value creation plans and while our businesses have not been immune to slowdowns over the past few months, our principles are serving us very well.

We deliberately buy high-quality, market-leading businesses that have strong competitive advantages and provide mission-critical products and services. This means they generally have pricing power, which has enabled us to pass through the direct effects of tariffs in select cases where we're seeing some impact in our operations. It also means that notwithstanding some pockets of softness, our volumes and activity levels on balance have held up well in spite of the backdrop. Most importantly, we're not standing still.

We have continued to make significant progress in our value creation plans across the business. As a result, we've been able to maintain and, in some cases, increase margins in

more difficult near-term environments while continuing to strengthen the long-term positioning of our businesses.

For example, at DexKo, while volumes have contracted, margins have increased approximately 200 basis points since our acquisition due to the phenomenal job the business has done to right size its cost structure, strengthen its market position and optimize productivity.

Similarly, at Modulaire, where utilization levels have been impacted by overall sluggish capital investment in Europe, the team is continuing to drive growth in value added products and services and streamline the organizational structure, which has contributed to resilient margins which are higher than when we bought the business four years ago.

Even at Clarios, where performance continues to exceed expectations, overall battery volumes have seen some impact from a slowdown in global automotive production levels, yet margins, which exceeded 20% through the first half of the calendar year, continue to increase, supported by improved service levels, increased operational effectiveness and a higher mix of technologically advanced batteries.

These are just a few examples of the work underway across each of our businesses, including our more recent acquisitions like Network International and Chemelex, where our integration and value creation plans are off to very strong starts.

As Anuj said, we're really pleased with the progress we've made over the past six months. We've been through cycles like these before, and our playbook is tested. All the work we've done to optimize the operating platform should amplify performance when a broader based recovery does take hold.

With that, I'll hand it over to Jaspreet for a review of our financial results and we'll stay on the line to take any more questions after prepared remarks.

**Jaspreet Dehl**^ Thanks, Adrian, and good morning, everyone.

Second quarter Adjusted EBITDA of \$591 million increased compared to \$524 million in the prior period. Results reflected improved underlying operating performance, tax benefits and contribution from recent acquisitions.

Adjusted EFO of \$234 million during the quarter benefited from lower interest expense due to a reduction in corporate borrowings compared to the prior period.

Turning to segment performance — our Industrials segment generated second quarter Adjusted EBITDA of \$307 million, an increase compared to \$213 million in 2024. Results included \$71 million of tax benefits at our advanced energy storage operation and contributions from recent acquisitions including our electric heat tracing systems manufacturer, which we acquired in January.

Strong performance at our advanced energy storage operation benefited from growing demand and increased volumes of advanced batteries as well as continued strong commercial and operational execution.

Volumes at our engineered components manufacturer improved across many international and North American end markets, which contributed to increased contribution during the quarter.

Moving to the Business Services segment, which generated second quarter Adjusted EBITDA of \$205 million, an increase compared to \$182 million last year, which included the impact of \$38 million related to one-time costs at our dealer software and technology services operation.

Our residential mortgage insurer is benefiting from increased volumes of new insurance premiums written and low losses on claims. Results during the quarter reflect the timing impact of slower revenue recognition under IFRS 17 accounting standards due to revised model assumptions given the current macroeconomic uncertainty and consensus view of the Canadian housing market.

At our dealer software and technology services operation, stable performance included costs associated with the ongoing investments in product modernization and technology upgrades. This is expected to continue over the next twelve to eighteen months.

Finally, our Infrastructure Services segment generated second quarter Adjusted EBITDA of \$109 million compared to \$157 million during the same quarter last year. This reflects the sale of our offshore oil services' shuttle tanker operation earlier this year.

Industry fundamentals at our lottery services operation remain resilient despite the impact of fewer hardware deliveries and lower lottery jackpot sizes compared to prior year.

Turning to our balance sheet and capital allocation priorities, our strong balance sheet provides us options to support our capital allocation. We ended the quarter with approximately \$2.9 billion of corporate liquidity pro forma for announced acquisitions and realizations, including the expected redemption value of the fund units we received in exchange for the sale of a partial interest in three businesses last month.

During the quarter, we continued to maintain an increased pace of repurchase activity under our buyback program. As Anuj mentioned, since February, we've acquired 6.5 million units and shares, returning nearly \$160 million to our owners including \$56 million returned during the quarter. Buying our own units and shares well below their fair value is an easy and efficient way for us to generate returns for our investors and increase the per unit value of our business.

We plan to renew our normal course issuer bid later this month, which will provide us capacity to repurchase an additional 8 million units and shares over the subsequent twelve months. With that, I'll close my remarks, and we'll open up the call for questions.

## QUESTIONS AND ANSWERS

**Operator**<sup>^</sup> Our first question comes from Devin Dodge.

**Devin Dodge**<sup>^</sup> I wanted to start with Scientific Games. When we look at the earnings from this investment, call it, over the last 12 months or so, the trajectory has been flat to down.

The business is having some nice commercial wins and I'm sure there's a lot of work being done in the background to improve the operating performance, but it just seems like this progress often gets offset by other factors we've seen like hardware deliveries, lower jackpots and inflation was a challenge at one point. It just made it harder to assess the earnings power of the business.

So, the question for you is how is Scientific Games performing relative to your underwriting assumptions, and when do you expect all the work that's being done to show up in earnings?

**Adrian Letts**<sup>^</sup> Thanks, Devin. It's Adrian Letts. I think the first thing to say is if you look at the results this quarter, you're absolutely right. Hardware deliveries were lower this year and we saw some impact from a performance penalty at one of our JVs.

But if you adjust for those impacts, EBITDA performance was flat. Stepping back, the industry remains very resilient, which was central to our original investment thesis and at the same time overall industry growth has been a bit slower than we expected.

We're continuing to scale up and put our shoulder behind digital capabilities and we continue to see a high-growth segment of the market.

We've talked about the work that we've done in realigning the business with digital, having its own reporting line under new leadership. We hired a new business leader in that part of the organization who brings a strong depth of experience. But as you know it takes time for the legislation to be put in place in the U.S., which will allow lottery operators to introduce digital lottery.

But we've been winning our fair share, including a significant digital lottery as part of the contract we were recently awarded for the U.K. and today, we're the largest digital lottery service provider globally.

While we've been winning these new opportunities, some of the contract awards have been slower to ramp up, and we're working and continuing to strengthen our capability to accelerate these. As the contracts ramp up over the next twelve months, we fully expect to flow through to earnings and cash flow.

It's in line with our investment thesis. It's a little bit behind in terms of where we'd like, but we're still incredibly positive on the business and see a big opportunity.

**Devin Dodge**^ Okay. That's really good color there. I appreciate that.

Second question, BrandSafway — I think the Letter to Unitholders mentioned the repositioning of the business towards higher growth markets. Just wondering if you could provide a little bit more color behind that initiative and how easily you can pivot the business toward those markets.

**Adrian Letts**^ Yes. Devin, I'll take that one again.

Look, there are lower expected volumes across all segments, particularly in the rental business, which is higher margin and North American industrials are recovering, but the commercial markets remain soft.

We do see pockets of opportunity and we've begun to reposition the business to strengthen the regional focus, and we're starting to see some upturn, although its early.

Management is really focused on executing the transformation plan. Pricing continues to be a bit challenging in the market given some demand challenges and volume softness, which we expect to continue through the second half of the year.

But as we start to reposition into some of the growth markets we see, we do see some cautious optimism into next year.

**Operator**^ Our next question comes from Gary Ho.

**Gary Ho**^ A few high-level ones here for me, maybe I'll start with Anuj.

I listened in on one of your recent interviews, and you mentioned leveraging AI to improve productivity in your businesses, improving margins of those businesses. I think some of the examples you gave were automation, customer service and robotics.

I'm wondering if I can pick your brain on several of these larger projects you have ongoing in your portfolio, maybe highlighting ones that have more meaningful financial impact or provide a bit more competitive moat or strengthen your market positions in those assets.

**Anuj Ranjan**^ Yes, we definitely see AI as a great tool. Stepping back, we've always bought leading industrial businesses and improved their margins with operations and AI is another tool in that toolkit to do it in a much more dramatic way and much faster.

In terms of use cases, to be honest, there's probably 700 use cases right now that we're running across the portfolio it's pretty vast and pretty large. I can talk about a couple that are higher impact in a few of our bigger operations.

At Clarios, we've been implementing a way to optimize order intake, so having an executable shipment plan to all our servicing plants while optimizing service performance.

In this, we automated the analysis of a lot of business processes and we've had millions of dollars saved from customer service penalties. We've had a 10% improvement in the quantity that we can fulfill and a 14% improvement in overall service performance, so that's been pretty meaningful. We're also working on a larger-scale automation in terms of robotics that we could fit into some of our manufacturing facilities as well.

At Everise, where we've been quite a leader, we've enabled automated AI-driven agent recruiting, screening, hiring and training for our operations at scale. Just a reminder that this business employs over 14,000 people, so there's quite a bit of HR work that you can automate. We reduced training time there by about 20%. We've reduced the cost of hiring a full time employee by about 40%, and we've increased the speed to offer or hire across five different countries by about 5x, so that's another example.

We've done similar things with CDK, where we launched AIVA, which is an artificial intelligence virtual assistant and our core software offerings, which helps dealers provide quick conversational responses to consumers in real time, answers every call, schedules appointments, uses intuitive conversations, speaks 50 languages and has a GPT-like experience for customers. We've got 4x increase in touch points per lead. We have a 47% increase in sales calls per lead and overall improved the dealer experience.

The last one I'll touch on is Nielsen, where we've been able to reduce the manual effort required in video segmentation of our ad intelligence operations and we've been able to reduce cost and labor. We've shifted away from manual video coding, which was done by 1,000 people. We've accelerated some market launches and we've also enhanced the data quality. This is about \$10 million in annual run rate cost savings that we're projecting and it achieves about an 80% accuracy across the segments. It's faster, it's more scalable client delivery down to days versus 2+ months to do the same thing before. These are just a few key case studies, but I'd just say that there's hundreds and hundreds of these across the portfolio.

**Gary Ho**^ That's great. The second question I have, now that the One Big Beautiful Bill has signed, has your team kind of done some work on the potential read-through either positives or negatives? Obviously, you have the 45X.

If you can elaborate on the status and what you hope to receive at Clarios, and then second, how does the accelerated depreciation impact some of your businesses in the U.S.?

**Jaspreet Dehl**^ Gary, it's Jaspreet. I'll take that.

The team is working through all of the provisions in the One Big Beautiful Bill. I'm sure you know it's about 1,000 pages, so we're still going through it, but I'd say overall our assessment is that it's going to be a net positive.

There's a number of tax changes or extensions that are being provided. You mentioned the bonus depreciation, specifically for our industrial businesses in the U.S., and we've got a



number of them, Clarios being the largest, then DexKo, now Chemelex. That should help all of those businesses with the accelerated depreciation.

They're restoring the deduction on R&D and that will be helpful to CDK.

Across most of the business, the enhancement to the deductibility of interest is going to be helpful for a number of our businesses which were capped on the interest deductibility.

Overall, while we're still working through all of the details and the exact impact, we expect it's going to be net positive for our business.

The second part of your question on 45X. We're still waiting on the cheque for last year's filing. With the changes that were made with the bill that was passed, it's all positive and it kind of keeps intact all of the benefits. We're not expecting that there's going to be any change in our filing or our entitlement to the tax benefits and it's more of a matter of time to get it processed. I think a lot of the tax processing this year has been slower than normal. We fully expect that we will get paid, it's just a matter of time.

**Gary Ho**^ Okay great, thanks Jaspreet.

While I have you, it just sounds like on the capital allocation, you remain committed to renewing your buybacks later this month.

We have seen your BBUC shares versus unit spread blow out. Just remind me, you look at both structures economically the same — any thoughts on narrowing that discount? I believe your IDR is tied to the unit price and not the corporate shares?

**Jaspreet Dehl**^ Yes. That's right. The IDR is tied to the unit price and I think it's really, Gary, a matter of just the market activity. Now from a buyback perspective, we've been buying back whatever is available in the market on both the units and the shares.

As you're aware, there are limitations on what we can buy on a daily or weekly basis with our trading volumes so we've been buying back equally on both BBU LP units as well as BBUC shares. I don't think the buyback is necessarily kind of driving any of that discrepancy between the price of the units versus shares.

But the whole rationale for setting up BBUC was to attract a broader base of investors. We have had some net new investors buying into both the units and the shares, and maybe that explains some of it — the broadening of that premium.

But look, I think the shares and the units have both been trending in a good direction. We're glad to see that but also at these levels, we'll continue our buyback program because it still is very accretive relative to intrinsic value.

**Operator**^ Our next question comes from Bart Dziarski.

**Bart Dziarski**<sup>^</sup> Just wanted to talk about the secondary transaction. Could you give us some color as to how you decided on the three assets that were vended in versus, say, other portfolio investments, like how did those three come about?

**Jaspreet Dehl**<sup>^</sup> Bart, it's Jaspreet. Maybe I can get started and then I can let Anuj add to it.

We went through a process and we identified investments where we had an outsized share through co-investment or others and the equity that we had invested in certain businesses where we would look and be open to selling down.

We put a list together, we looked at valuations and we had discussions with the team that's running the new fund strategy. We also set up an independent special committee of our Board to oversee the process.

The team that's looking after the evergreen fund strategy, they looked at the assets. They did a review based on the requirements of that fund and came back to us on which assets they would be open to buying from BBU. We had a valuation discussion and looked at where secondaries trade, and ended up kind of with the deal that we did.

The independent committee of the Board then hired a financial advisor to do a third-party valuation around the fairness of the transaction, and that's how we kind of ultimately ended up with that 8.6% discount, which we think from a BBU perspective, is very accretive just given the fact that our units are trading at closer to a 50% discount relative to our view of NAV.

Being able to monetize these assets at that 8.6% discount, getting that cash in the door and redeploying it, whether to buy back units, pay down debt or fund future growth into new investments where we think we could earn a higher return, we thought was very good for BBU.

These are still businesses that we like and we have a lot of conviction around, and we've retained significant ownership in all of them. We've only sold down part of our ownership and we expect that we'll continue to participate in the upside of these businesses through our retained ownership.

**Bart Dziarski**<sup>^</sup> Very helpful, and if I could just follow up on the mark.

The ~9% discount to NAV, I totally agree that it is highly accretive to your unit. When we look at secondary pricing, like pricing improved last year to about 6%, call it and I would think BBU with your alpha generated versus other buyout players over the long term would probably warrant a smaller discount.

Can you just help us understand how that ~9% was sort of calibrated and triangulated against what you're seeing in the market?

**Jaspreet Dehl**^ Yes. I'd say there's a wide range of discounts that secondaries trade at and it's based on a lot of different factors, the age of the investment and where they are on the maturity scale, the types of businesses, the control versus not and the vintage of the fund.

There's a lot of factors that go into the discounts and I'd say the discounts vary quite a bit, but broadly if you look over the years, about a 10% discount on average is pretty normal.

You might have a year where there was a particular transaction that narrowed the discount a little bit and there are years where it's been significantly wider, but based on a lot of the work that we did, we were quite comfortable that around the 10% range is quite a normal discount for secondary trades.

**Operator**^ Our next question comes from Jaeme Gloyn.

**Jaeme Gloyn**^ Just wanted to follow up on that theme on secondaries and you talked about significant demand in secondaries increasing over the past several years. Just curious as to the decision to place it with BAM and are you receiving other inbound? Is it a case of the bid-ask is too wide or the discount is too wide, from other third-party players?

Maybe walk us through how this increase in secondaries demand is starting to, or has been flowing through into the BBU businesses that you might look to monetize?

**Anuj Ranjan**^ Thanks for the question. It's Anuj here.

I wouldn't say that we were actively looking to monetize through secondary transactions at the time that we did this, although perhaps that could change in the future.

The opportunity arose, and it was quite a unique opportunity for BAM or Brookfield. With its brand, its capability and its reach in the retail wealth markets was able to provide something that we thought was quite accretive to our shareholders and at probably a better discount to NAV than what we felt could be achieved in the broader secondary markets just based on our analysis, given some of the criteria that Jaspreet mentioned earlier about timing of investments, how close they are to liquidity otherwise and things like that.

It was more opportunistic, but there is definitely a growing secondary market. It is well established. There are opportunities outside of this as well to explore secondaries if we chose to. We just weren't actively looking at that at the time that we came across this opportunity.

**Jaeme Gloyn**^ Okay. Understood.

Shifting into the operations. Looking at the Other Business Services line, nice step-up in growth there. Can you talk to some of the organic drivers and businesses that are supporting that result in the Other Business Services segment?

**Jaspreet Dehl**<sup>^</sup> Yes. It's Jaspreet. So just a couple of things. The biggest impact is probably coming through from our construction operations. You might recall last year, we had a couple of projects in Australia that were quite challenged and had some cost overruns, so we booked those cost overruns through EBITDA, and the business has now completed those projects and they're behind us. Overall, the book at our construction business is quite good. All the projects are performing well and you're seeing normalized EBITDA performance come through.

I'd say just that year-over-year depressed performance last year versus a more normalized performance this year is accounting for that increase. Then I'd say broadly, some of the other businesses are also marginally better. Some of that is offset by the sale of our road fuels operation business, so that would have been in the results last year and since we sold the business, it's not in our results this year.

**Jaeme Gloyn**<sup>^</sup> Okay. On the buybacks, or I guess, maybe a broader capital allocation question here as well too, but I believe you had mentioned targeting \$250 million of share buybacks. I think that was in 2025. Maybe just refresh me on that previous guidance and does it still hold?

Then the second question around this is, how are you viewing the Brookfield preferred share and then paydown of corporate borrowings as part of the use of this liquidity today that is at all-time highs for BBU.

**Jaspreet Dehl**<sup>^</sup> Yes. I think we've always talked about our capital allocation priorities in three buckets: paying down the corporate leverage so that we can continue to have flexibility at the BBU level to fund the growth of the business and not have our bridge facilities or RCFs kind of fully drawn.

The second is around funding growth of the business when we see good opportunities to make accretive acquisitions.

Then finally, at the current trading price, repurchases continue to be a very good use of capital for us just because they're so accretive to underlying intrinsic value. Those are still our three priorities and we've progressed on all three this year.

We paid down our corporate line by about \$1 billion. With the First National announcement, that will be the third acquisition for BBU and on each of the acquisitions, we've committed \$150 million to \$200 million, so decent size to continue to fund growth.

Specifically on your question on repurchases, at these trading levels, it makes a lot of sense to continue to buy back. You're exactly right, it was a \$250 million repurchase program that we announced earlier this year. We've now bought back nearly \$160 million on that \$250 million, and we are at the point where we're bumping up against our NCIB limit, but that NCIB will renew mid-August and when that renews, we'll continue the buyback program, so we're still committed to that \$250 million.

**Jaeme Gloyn**^ Okay, and just a quick comment on the preferred shares.

**Jaspreet Dehl**^ Yes. On the preferred shares, we paid half of them down, and we've still got the other half outstanding. Brookfield Corporation does have the right to ask for a redemption of those shares from either equity issuances or monetization activity.

That is an ongoing dialogue that we have with Brookfield. But as you know they're very supportive and our largest shareholder, so we'll continue to have those discussions as we continue to generate proceeds. But I'd say the priorities for capital allocations are the things that I laid out.

**Jaeme Gloyn**^ Last one. I noticed in the Letter to Unitholders, there's a couple of nice refinancing transactions at the operating companies.

Can you just refresh where we are on a debt maturity schedule? How the rates of upcoming maturities compared to current environment? Just a comment on that for the operating companies.

**Jaspreet Dehl**^ Sure. We don't have any large-scale debt maturities in the next twelve months. We've gotten ahead of all of those maturities. The debt that is maturing over the next twelve months is all more of the operating company debt. If you think of a business like La Trobe in Australia, where we've got debt to fund the mortgage loans that they make, those are maturing and get refinanced on a regular basis.

But if you think about any of the debt in our larger businesses, there is nothing maturing over the next twelve months. We've been very proactive in pushing out any of our debt maturities. Most recently, we did two refinancings.

One was at Modulaire, where our debt was maturing in 2028, but the technicals around the debt markets have been very positive, so we decided to extend the maturity on that debt out another three years.

And then we also did a refinancing at Clarios for debt that was maturing in 2027 and that maturity has now been pushed out five years.

We also did something a little bit more opportunistic at Chemelex, where we were able to reprice the spread on our debt. The debt was priced at SOFR plus 350, and we were able to narrow that spread to SOFR plus 300. So that will be a nice interest expense savings for the business.

We're very active and we stay on top of our debt maturities. The average weighted maturity in the portfolio is close to six years, just shy of six years now and we've got quite a bit of our debt hedged as well, so we feel pretty good about managing the debt within the businesses.

**Operator**^ That concludes today's question and answer session. I'd like to turn the call back to Anuj Ranjan for closing remarks.

**Anuj Ranjan**^ Thank you all for joining and we'll see you next quarter.

**Operator**^ This concludes today's conference call. Thank you for participating. You may now disconnect.