

Brookfield Business Partners – Q3 2025 Results Conference Call & Webcast November 6, 2025
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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 Capital Markets, Research Division; Analyst
- Jaeme Gloyn; National Bank Financial, Research Division; Analyst
- Bart Dziarski; RBC Capital Markets, Research Division; Analyst

PRESENTATION

Operator^ Welcome to the Brookfield Business Partners Third Quarter 2025 Results Conference Call and Webcast. The conference is being recorded. 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 available on our website.

We'll begin the call this morning with a business update from Anuj Ranjan, our Chief Executive Officer. Anuj will then turn the call over to Adrian Letts, Head of our Global Business Operations team to provide an update on the progress we're making at two of our most recent acquisitions. Jaspreet Dehl, our Chief Financial Officer, will finish with a discussion of our financial performance for the quarter. After we finish our prepared remarks, the team will then be 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. We delivered strong financial results, made good progress on our growth and recycling initiatives and continue to execute our strategy to create value for our shareholders.

Since the start of the year, we've generated more than \$2 billion of proceeds from our capital recycling program and repaid \$1 billion of borrowings on our corporate credit facility. We've also bought back just over \$160 million of our units and shares and invested an additional \$525 million in three exciting strategic growth acquisitions including First National, which we just closed at the end of October.

Apart from our growth initiatives, in September, we announced plans to simplify our corporate structure by converting all BBU LP units and BBUC shares into one new publicly traded Canadian corporation. We expect this reorganization will improve our trading liquidity, increase demand for our shares from index investors and more generally make our business more accessible for investors around the world. The feedback from the market has been excellent and since the announcement, our consolidated market cap has increased by nearly \$1 billion. We're excited about the benefits this reorganization will bring to all of our investors and we are on track to have it completed early in the new year.

Stepping back, we created our business almost a decade ago as a way to provide public investors access to Brookfield's global private equity business, which has been delivering top-tier returns for investors over the past 25 years. As a public company, we have been executing that same consistent strategy of acquiring high-quality, market-leading, vital businesses and operationally transforming them into global champions. Each dollar that is recycled is reinvested by the same team to fuel the fly wheel of our business and continue compounding long-term value.

And while the price of our shares and units has significantly improved and is up approximately 150% over the past two years, our NAV has also continued to increase. This means that our trading discount, while it's narrowed, there's still more room to go as our NAV will continue to grow going forward.

Simply put, there's never been a better time to be a BBU investor. The fourth industrial revolution, powered by AI, is happening before our very eyes and is going to happen a lot faster than people think. The productivity improvements that need to be captured from all the capital investment going into the build out of AI will be massive.

What's exciting is that the bottleneck today isn't really the technology – it's actually the operators who have the need for change management and broader expertise to implement and properly transform businesses. That's where we come in. We have both access to capital, but more importantly, the strong operational capabilities to leverage AI as another tool in our toolkit to accelerate our value creation plans and ensure our businesses are positioned to be propelled – and not disrupted by it.

We're pleased with the progress we've achieved through the first three quarters of the year and are cautiously optimistic heading into the fourth quarter. Despite all the headlines, the broader global economy has remained relatively resilient. Public markets are at record highs and transaction activity – both in public and private markets continues to pick up, supported by the downward trajectory in global interest rates. These are all

powerful tailwinds for our business as we continue to execute our strategy and find accretive ways to surface value for our shareholders.

Before wrapping up, I'd like to thank everyone who was able to join us in September for our Annual Investor Day. We had a fantastic turnout, and it was great to see many of you in person. For anyone who missed it, the webcast and the materials are available on our website. With that, I'll turn the call over to Adrian.

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

We've been making great headway at the businesses we've acquired since the start of the year and I want to spend some time today providing an update on where we've been focusing our efforts to advance our value creation plans.

Let me start with the acquisition of Chemelex. As a reminder, Chemelex is a global leader in electric heat management solutions, providing mission-critical temperature control systems used to regulate temperature across a wide range of industrial and infrastructure applications.

Chemelex has a number of things we look for in high-quality industrial businesses: it's a market leader, its products are a low absolute cost but have a high cost of failure. The business generates a majority of its earnings from recurring aftermarket revenue which underpins durable earnings and cash profile.

In addition to its strong underlying fundamentals, what made this acquisition particularly interesting to us was the value creation opportunity. The business was a "carve-out of a carve-out" and had been non-core to a series of previous corporate owners. We saw a clear path to margin improvement by adding a strong management team and improving operational efficiency.

With any business we acquire, being able to hit the ground running, having the right management team in place out of the gates, establishing a transformation office to drive accountability and crystallizing optimization savings as quickly as possible is so important to what we do and fundamental to our success.

That's exactly what we've done at Chemelex and I'm really pleased with the tremendous amount of progress we've achieved in just over six months of owning the business.

Since closing, we've gotten off to a strong start completing the carve-out and rebrand of the business as a standalone company. We strengthened the management team and set up a transformation office to guide operational changes and refocus the business after years of being an underappreciated segment under previous ownership. Alongside new leadership, we built out a 100-day plan focused on identifying cost savings opportunities and executing commercial initiatives aimed at rationalizing low-volume SKUs and improving margins primarily in our aftermarket product business. We also put in place a

new go-to-market strategy aimed at driving growth through expansion into new verticals and geographies. Finally, we completed a project plan to optimize our manufacturing footprint and our primary production facility. Our investment will enhance equipment, improve measurement and sensing via AI and machine learning as well as enhanced process flow from an improved layout – all of which we expect will increase throughput, reduce labor costs and improve product lead time.

We're also off to a strong start at Antylia Scientific, which we acquired in May this year. As a reminder, Antylia is a leading manufacturer and distributor of specialty consumable products and equipment for lab-based testing and research markets. Antylia has a sticky base of over 50,000 customers, producing high-quality mission-critical products that support accuracy and repeatability for lab-based processes.

Our value creation plans are progressing well. We've strengthened the leadership team to accelerate execution, enhanced our go-to-market efforts with key sales and product hires. In addition, we are working to enhance the business' digital capabilities like search engine optimization and an AI quoting tool that will improve sales productivity while also building out the business' e-Commerce presence. We've deployed significant resource to jumpstart our value creation initiatives and are working on improvement opportunities across procurement, site rationalization and automation of the manufacturing and distribution process.

With that, I'll hand it over to Jaspreet for a review of our financial results.

Jaspreet Dehl[^] Thanks, Adrian and good morning, everyone. Third quarter Adjusted EBITDA was \$575 million compared to \$844 million in the prior period. Current period results reflect the impact of lower ownership in three businesses following the partial sale of our interest and includes \$77 million of tax benefits. This compares to \$296 million of tax benefits included in the prior year results.

Excluding tax benefits and contribution from acquired and disposed operations, Adjusted EBITDA was \$512 million compared to \$501 million in the prior period. Adjusted EFO of \$284 million during the quarter benefited from lower current tax expense at our advanced energy storage operation and lower interest expense due to the reduction in corporate borrowings compared to last year.

Turning to segment performance –

Our Industrial segment generated third quarter Adjusted EBITDA of \$316 million compared to \$500 million in the prior period. Excluding the impact of tax benefits, segment performance increased 17% over the prior year.

Increased underlying performance at our advanced energy storage operation was driven by higher overall volumes, growing demand for higher-margin advanced batteries and continued benefits from operational and commercial improvement initiatives. Adjusted EBITDA of our engineered components manufacturer increased on a same-store basis

compared to prior year, after adjusting for the impact of a partial sale of our interest in the business earlier this year. Improved performance reflects higher volumes driven by recent customer wins and the benefit of commercial actions and ongoing optimization initiatives, which are supporting resilient margins despite relatively weak market conditions.

Moving to our Business Services segment, we generated third quarter Adjusted EBITDA of \$188 million compared to \$228 million last year. Current period results reflect an \$11 million impact related to the sale of a partial interest in our dealer software and technology services operation.

Our residential mortgage insurer continues to benefit from resilient demand across the businesses' served market segment, which includes first-time homebuyers as well as low losses on claims. Results during the quarter reflected the timing impact of slower revenue recognition under the IFRS 17 Accounting Standard due to more conservative model assumptions given an uncertain Canadian economic outlook. At our dealer software and technology services operation, stable bookings were supported by continued renewal activity and commercial initiatives, which largely offset the impact of customer churn during the quarter. Results also reflect the impact of ongoing strategic investments to strengthen its customer service and product offerings.

Finally, our Infrastructure Services segment generated third quarter Adjusted EBITDA of \$104 million compared to \$146 million during the same quarter last year. Results reflect the sale of our offshore oil services' shuttle tanker operation and a \$7 million impact related to the sale of a partial interest in our work access services operation earlier this year.

Stable performance at our lottery service operation benefited from improved margin performance driven by productivity gains and favorable mix of services despite the timing of terminal deliveries, which were lower compared to the prior period. The business is focused on executing a significant pipeline of system implementations, which include the rollout of digital lottery services in the U.K., which is expected to go live early next year.

Turning to our balance sheet and capital allocation priorities –

We ended the quarter with approximately \$2.9 billion of pro forma liquidity at the corporate level, including the fair value of units we received in exchange for the sale of partial interest to the new Brookfield Evergreen Fund earlier this year. We're in a great position with significant liquidity and flexibility to support our growth and balanced capital allocation priorities.

To that end, during the quarter, we renewed our normal course issuer bid, which provides us with the ability to buy back an additional 8 million units in shares. As a reminder, in February, we launched our current \$250 million buyback program and as Anuj mentioned, to date, we've repurchased just over \$160 million of units and shares under

this program. Going forward, we'll continue to remain opportunistic when it comes to our repurchase activity, balanced against our continued growth objectives.

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

QUESTIONS AND ANSWERS

Operator^ Our first question comes from the line of Devin Dodge with BMO Capital Markets.

Devin Dodge^ I wanted to start with a question on BRK. They had a regulatory filing last week about potentially pursuing an IPO. Just wondering if an IPO, is that still the most likely path for an exit? And is the IPO market open in Brazil even with interest rates remaining quite high?

Jaspreet Dehl^ Devin, it's Jaspreet. I could start and then Anuj can add anything that I've missed.

I'd say we've talked about BRK in the past. It is one of our more mature investments, and it is one that we're looking actively to monetize. IPO is one option that is available to us, and we always make sure that we keep all optionality. The capital markets environment in Brazil is still difficult. Interest rates are high, but they seem to have peaked. So you are starting to see some green shoots. We think BRK is an excellent business, and it would make a great public company.

We're keeping that optionality open and having some early discussions to gauge interest, but it doesn't mean that there are not other options that we would look at and review.

Devin Dodge^ Makes sense. Maybe just continue with BRK. It's been relatively quiet on investing in new concessions recently. Do you expect the business to be more active going forward? Or is financial leverage a bit too much of a constraint currently?

Jaspreet Dehl^ The focus has been kind of two-fold in the business.

One has been just operational initiatives to continue to increase margins and EBITDA, which the team has done a great job. The EBITDA is up, I think, double digits in the business year-over-year. The second piece has been around the concessions that we do have continuing to appropriately allocate capital to the development of the underlying concessions, get our inflation and other increases that were allowed under the existing concessions.

There's been a lot of focus on that side as opposed to going out and looking for inorganic growth. The organic growth within the business, we're quite happy with and we'll be opportunistic. But right now our focus, just given we've executed on everything that we wanted to do within BRK – we've created an incredible platform, which we think is going

to be really valuable and there continues to be a massive need in the country just around water treatment and sewage and BRK and the platform we've created can play a really important role there. So we think there is a lot of opportunities for growth, but our focus right now is more around monetizing the asset.

Devin Dodge^ Okay. Makes sense. And then last question here for me is on La Trobe. Lots of media coverage related to some actions taken by the regulator. Can you provide a bit of context for the issues, kind of where it stands now? And if this has had much of an impact on the underlying fundamentals of the business, including redemptions?

Anuj Ranjan^ It's Anuj here. I'll take that one.

La Trobe, I'd say this issue is more of a disclosure issue that the regulators raised. The regulator does this quite often in Australia. It's happened, I think, 90 times in the last year or two to other fund managers.

It's something that our team is working through and is going to implement some changes over the next little while in terms of some of the disclosures. It hasn't had any real impact to the underlying fundamentals of the business, which remain very strong.

The business is performing great and it's doing really well. We're still very confident in its future growth perspectives and that many of the parties who are interested in La Trobe continue to see it the same way.

Operator^ Our next question comes from the line of Gary Ho with Desjardins Capital Markets.

Gary Ho^ Maybe start off with Anuj here, just very high level. Just seeing the success of nuclear and Westinghouse today, just gets me thinking kind of what could have been had BBU just kept that asset today. Just curious, does development of those assets make you consider keeping assets longer for the fullness of time to reap the full potential? Just want to pick your brain on that.

Anuj Ranjan^ It's a great question. Westinghouse is an amazing business.

It's done incredibly well after we sold it, as you've all seen. Many of the reasons it's doing incredibly well are things that would not have been knowable at the time that we sold it, and we had a very good outcome for the time that we owned it.

I think our role as we see it is to buy and truly operationally transform these vital businesses to the global economy, and that's exactly what we did with Westinghouse. So it's a great playbook, and it's a great outcome that we're all still really proud of. Our goal is to make businesses so good that others find value in them, and frankly, after we exit, others should continue to do well off the businesses that we exit that we've done our job right. So we don't have any regrets in that sense.

In terms of our strategy, the nice thing about BBU is it's always presented us a bit of that optionality of some businesses that we thought could be longer-term holders that we could find that makes sense. And so I'd say we've not changed our strategy from the beginning. We have co-invested alongside Brookfield's broader Private Equity business. And we have sometimes occasionally considered owning businesses on a longer-term duration. And I think that sort of optionality that we have continues to exist.

We do, of course, look at many companies in our portfolio today and some of them are exceptional. And if there was an opportunity to own them longer, we could always consider it.

But I'd say our focus still is on -- we want to compound value over the long term. And much of the compounding that we do is by improving those margins dramatically in the early years. And if we do our job right and we get paid the right value on exit, we still find that sometimes recycling that capital in the new opportunities where we can deploy that same playbook will allow us to generate these sorts of exceptional returns that we've made over the past 25 years.

Gary Ho^ Yes. That makes sense. And while I have you, can you maybe just talk about the new evergreen fund, the Brookfield Private Equity Fund? Are there other opportunities to further monetize parts of maybe BBU into these vehicles over time? Maybe talk about how you pick and choose these assets to sell.

Anuj Ranjan^ Sure. Maybe just to start with, we very recently launched the BPE fund, as I think some of you saw in the press release in Canada and I can say it's been going very well.

We're very, very pleased with the results so far. By next quarter, I assume that we will have some redemptions and be able to share more information in terms of the cash inflows to BBU as a result of that sale, which we think is going to be very successful.

In terms of future opportunities, I'd say it's a function of two things. One is it is accretive for BBU unitholders and BBUC shareholders and the share price. And obviously the share price since we did the first one is better today, but it's still a material discount, we feel to NAV. So part of it depends on how things go over the next little while. And of course, it depends on the inflows that BPE may continue to have in the market.

But if that natural opportunity exists in the future, we could explore opportunities. I would say it's not something that we're actively advancing at this moment, but it's an option that we always have in the future if it makes sense for both sets of investors.

Gary Ho^ Okay. And then if I can sneak one more in just on CDK, your results dipped year-over-year. I know part of that was due to some ongoing strategic investments made in product enhancements. Just wondering if you can provide a bit more details on these initiatives, maybe quantify the impact in the quarter and also future spend in the next 12 to 18 months.

Adrian Letts^ Yes, current quarter reflects continued investment, as you said, in modernizing the technology.

I think it's important to step back first, though, margins are ahead of where we bought the business, and we continue to see the benefits of the operations and improvement that we've done across the business. Churn has stabilized and we've started to roll out some of the new features and products that we've been investing in and customer response has been overwhelmingly positive.

We will continue to invest, and it's something that we'd always planned to do. We think now is the right time but we're expecting to see the benefits come through next year.

Gary Ho^ And are you able to quantify the amount in the quarter?

Jaspreet Dehl^ Gary, it's Jaspreet. I don't think we've kind of broken that out specifically to say what the contributions are from each piece. But I'd say the bulk of the decrease that you're seeing is related to the technology spend. There's positive kind of commercial actions, there is some churn, but the bulk of the year-over-year decrease is related to the technology spend.

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

Jaeme Gloyn^ Did the tax credits, have you received cash for that at this stage yet?

Jaspreet Dehl^ Jaeme, it's Jaspreet. We have not, we're still waiting. We were told that it's being processed. And I think with the government shutdown in the U.S. there's delays and slowdowns in the processing. But our expectation is that we will receive the credit, and it's more just a matter of timing.

Jaeme Gloyn^ Okay. Understood. Pro forma liquidity is probably the best it's been in some time. Should we expect a ramp-up here in deployments? Or is that still somewhat contingent on recycling some of the other assets?

Jaspreet Dehl^ I'd say our capital allocation priorities are still around funding the growth of the business and maintaining leverages at a good level, so kind of maintaining that. And then the \$250 million buyback program.

I'll let Anuj provide additional commentary, but the pipeline is very robust. We're opportunistic and selective in terms of where we want to deploy our capital. If we find the right opportunities, we have the liquidity available to fund growth. So far this year, we've deployed \$525 million into three what we think are really great businesses. And if there are opportunities to continue to deploy capital, we'll do that.

Anuj Ranjan^ I think everything Jaspreet said is right. Generally speaking, the investment environment is looking very good right now.

Obviously financing markets are very strong and very enabling for private equity-style transactions. But more importantly, we're just finding great businesses that we really like, many who we have been following for many years, that are possibly coming available at great prices. And some of those are deals that we've done so far this year that BBU has participated in.

So the pipeline is very strong. There's some incredible opportunities that we're working on. I don't know if they'll go through or not, but if they did, I think BBU would look to participate in them. This is a great time to be putting money to work, and we're really excited about the overall landscape.

Jaeme Gloyn^ And then last one, just on DexKo. Volumes are up year-over-year. EBITDA looks like it's up low double digits. Has this sort of turned the corner? Are you feeling more confident in the near-term outlook for DexKo? Maybe an update on that business and what we should expect in the coming year?

Adrian Letts^ It's Adrian here. I'll give you some color.

We are pleased with the performance. The business continues to do well in, what is an improving but still somewhat challenging market. Market demand remains below normal cycle levels, but we're seeing some signs of an early recovery in both North America and internationally. And we're hopeful that as we start to go through 2026, we'll see some further green shoots.

Operator^ Our next question comes from the line of Bart Dziarski with RBC Capital Markets.

Bart Dziarski^ Just wanted to ask around AI, and you highlighted AI benefits across Clarios and Sagen at the Investor Day. And I was wondering if you could highlight some of the AI benefits you might be seeing across the other large investments. So I'm thinking CDK, DexKo and Scientific Games.

Adrian Letts^ It's Adrian here. Just some comments on CDK, Scientific Games and DexKo.

So we talked in the past about the benefits that we're seeing in Clarios. We've installed sensors across the business, started to measure and understand quantum of data to really help operationalize and improve the throughput of manufacturing and manage inventory levels.

If you talk to CDK, I think the most important thing to talk about from a CDK standpoint is the data opportunity we have there to improve workflow. The volume going through the CDK platform, which is responsible for over 50% of dealerships in North America, the volume of transactions presents a really interesting insight and opportunity that we can start to build out the product proposition for our customers to benefit from that.

If you think about Scientific Games, equally, the understanding of lottery behavior, purchasing patterns and the like is a tremendous opportunity for us to bring to bear to support licensees, licensors in monetizing and growing lotteries within their particular jurisdictions.

And then if I talk to DexKo, it's similar to Clarios in terms of understanding sales patterns, managing inventory better and really seeking to improve the operational performance of the business.

Bart Dziarski^ Great. And then a follow-up on the capital allocation. So the prior \$2 billion of proceeds, about half of that was used to pay down debt, so \$1 billion. And if I'm reading it right, it doesn't sound like this next \$2 billion will be used primarily towards debt reduction. It's most likely capital deployment and buyback. Do I have that reading right? Or am I misunderstanding?

Jaspreet Dehl^ I'd say the corporate leverage is at a level that we feel quite comfortable. As we have monetization activity and we have proceeds, we'll pay down the line. But to the extent that there are great new investment and acquisition opportunities, we do feel like we've got sufficient liquidity today to participate in that growth.

On the buyback side, we announced the \$250 million buyback program earlier this year, and we've deployed about \$160 million of that \$250 million. So considering that our units and shares continue to trade at a discount to our view of intrinsic value, we will continue our buyback activity.

So I'd say all of those facets are still in play – it's hard to predict the timing of acquisition monetization activity so we will continue to use working capital lines.

Operator^ Thank you. And I'm currently showing no further questions at this time. I would now like to turn the call back over to Anuj Ranjan for closing remarks.

Anuj Ranjan^ Thank you all for joining us, and we look forward to speaking with you next quarter.

Operator^ This concludes today's conference. Thank you for your participation. You may now disconnect.