Brookfield

Brookfield Infrastructure Partners

September 2021

2021
INVESTOR
DAY

Agenda

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Year in review

Sam Pollock, CEO

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2021 has been an excellent year for Brookfield Infrastructure

Executed **strategic priorities**

Delivered **record financial results**

Maintained a **strong balance sheet**

Advanced several of our **ESG priorities**

Strategic priorities – capital deployment

We are on pace to invest **over $3 billion** into new growth initiatives

$billions	2018	2019	2020[1]	YTD 2021[2]
New Investments	$ 1.1	$ 1.7	$ 1.2	$ 2.4
Growth Capex (Equity Component)	0.4	0.4	0.4	0.2
Total Growth Investment	**1.5**	**2.1**	**1.6**	**2.6+**

1. Includes the toehold investment in IPL.
2. As at June 30, 2020.

Converted toehold investment into a transformational acquisition

Privatization of Inter Pipeline is underway[1]

- **Large-scale** and **highly contracted**
- Acquired **~20%** economic interest alongside institutional partners at **~C$12 per share**
- Invested **~$1.8 billion** YTD

1. Completion of Inter Pipeline acquisition is subject to shareholder vote for Plan of Arrangement.

Strategic priorities – capital recycling

~$2 billion raised from three asset sales

Enwave

$1B proceeds

~30% IRR

~6.0x MoC

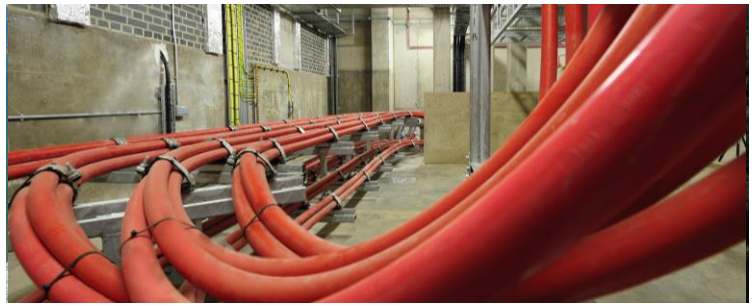
NGPL

$400M proceeds

~21% IRR

~2.4x MoC

Smart Meter Portfolio



$350M proceeds

~58% IRR

~4.7x MoC

Delivered strong financial results

Economic recovery has led to record results for BIP

- 2021 YTD FFO per unit is **~20%** above 2020
- Organic growth of **9%**, with strong tailwinds
- GDP-sensitive transport assets are performing well

  Volume Growth[1]

  Roads **+21%**

  Ports **+16%**

  Rail **+5%**

1. Based on performance YTD June 30, 2021 compared to YTD June 30, 2020.

Strengthened our financial position

- Issued **$1.4 billion** of BIPC shares
- Insulated business from rising rates with **$9 billion** of refinancings
  - Extended average duration by **~5 years**
- Following IPL privatization, **~85%** of our FFO will be generated in, or hedged to, U.S. dollars

Maintained an excellent balance sheet

~$3 billion
of corporate liquidity

No significant debt maturities
in next five years

BBB+
credit rating

85%
of debt non-recourse

ESG principles are foundational to our business

- Published **inaugural ESG Report** in September
- Raised **$400 million** green preferred securities over the last 12 months
- Identified several initiatives to **reduce carbon emissions**
- Commenced feasibility study for a **green hydrogen export facility** at Australian regulated terminal

PRI

TCFD TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

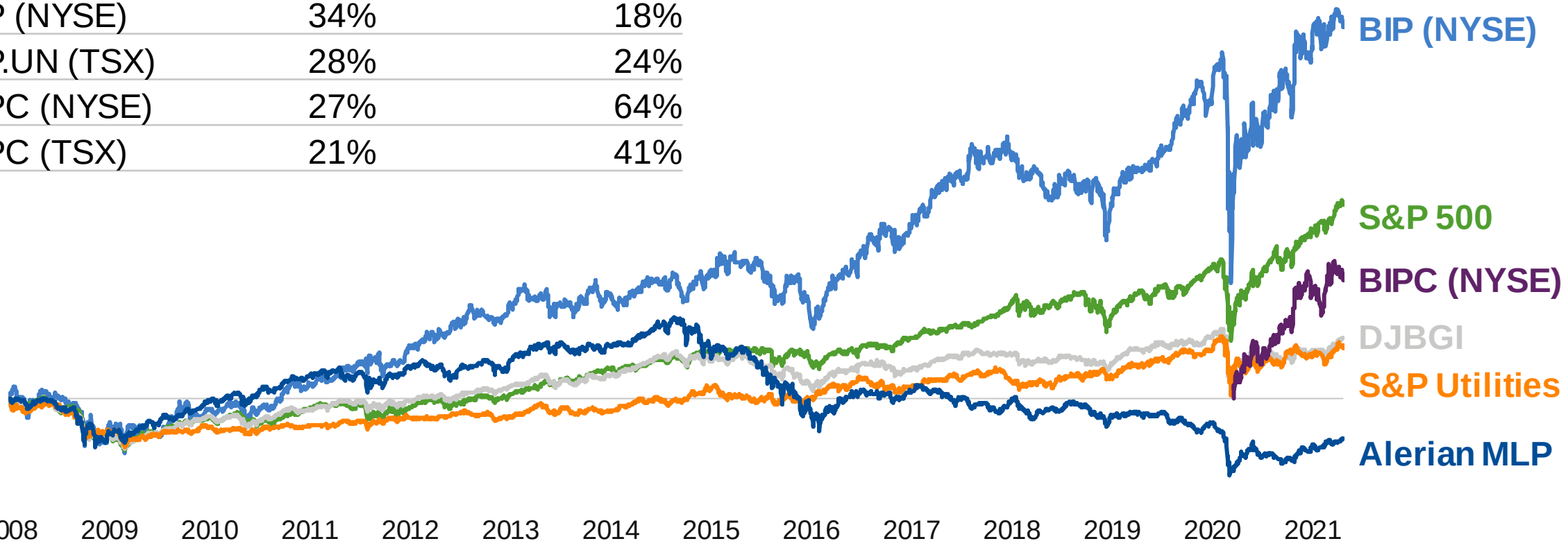
NET ZERO ASSET MANAGERS INITIATIVE

SASB ALLIANCE

Resulting in another year of solid price performance

Annualized Total Returns[1]

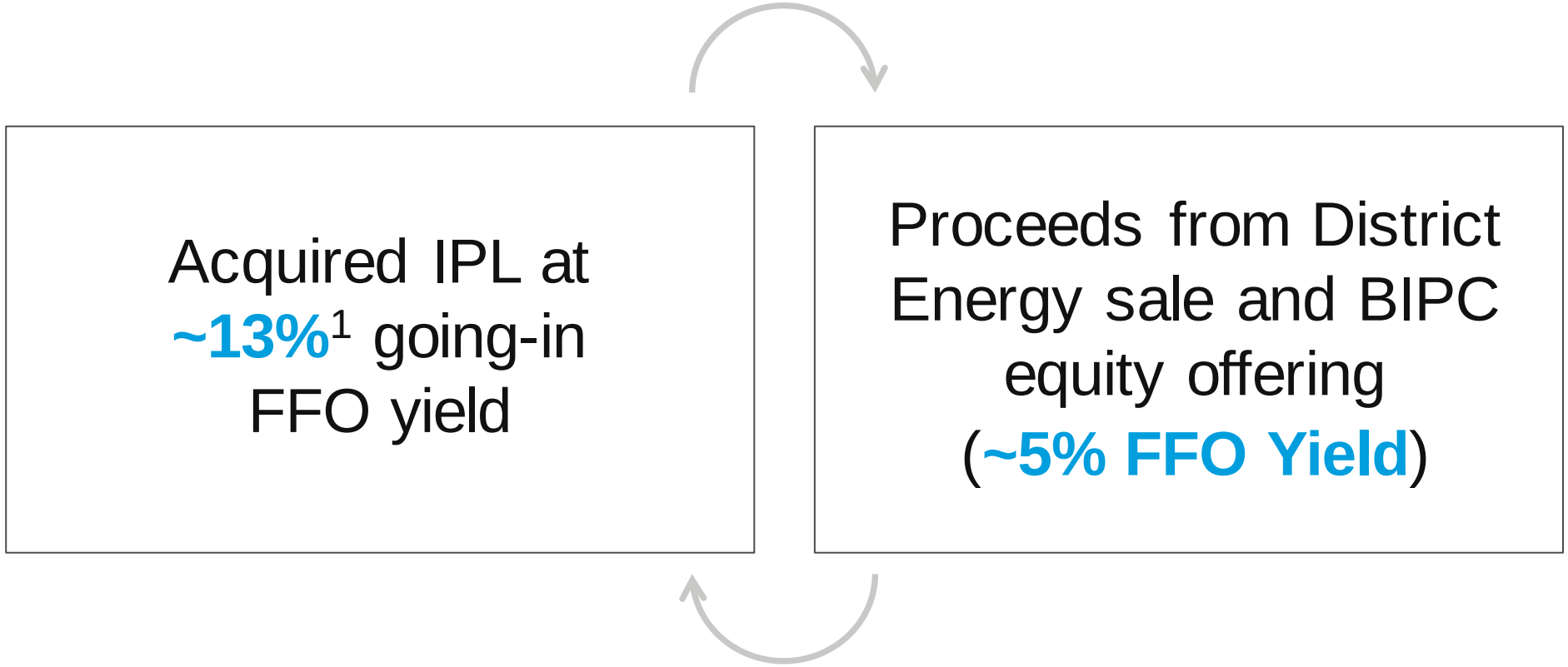
	LTM	Since Inception
BIP (NYSE)	34%	18%
BIP.UN (TSX)	28%	24%
BIPC (NYSE)	27%	64%
BIPC (TSX)	21%	41%



1. As of September 10, 2021. Source: Bloomberg.

We see meaningful growth opportunities in the near term

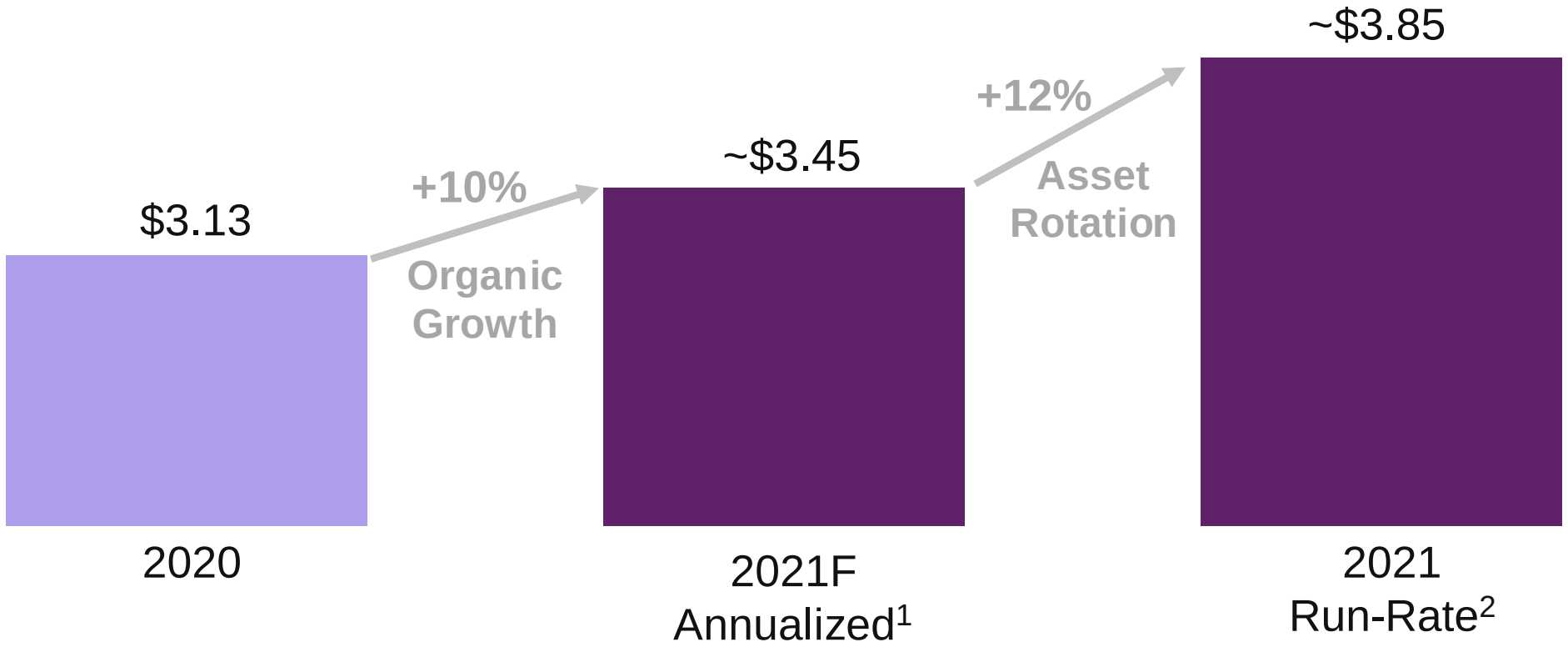
Significant benefits from asset rotation



Results in **~12%** FFO per unit accretion[2]

1. Represents estimated going-in FFO yield for IPL pre-Heartland.
2. Assumes full-year contribution from IPL, post-full privatization.

This will contribute to an increase in FFO per unit by over 20%



Run-rate payout ratio to improve to **68%**

1. YTD June 20, 2021 results annualized and adjusted for the impact of gas storage and the BRL.
2. Assumes full-year contribution from IPL, post-full privatization.

The long-term outlook is very favorable

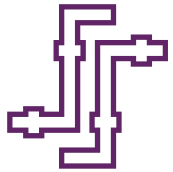
The infrastructure super-cycle is playing out as expected

Sovereign and corporate debt rising

- Governments and corporates have added significant incremental debt
- U.S. $1.2 trillion infrastructure overhaul plan[1]

Data infrastructure in need of an upgrade

- Total global data usage is expected to increase ~30% annually until 2025[2]
- 100-year data upgrade investment opportunity



Midstream sector requires capital

- Increasing scarcity value
- Favorably positioned to help customer transition to net zero

Transport assets critically bottlenecked

- Minimal incremental capacity
- International travel is still hindered by restrictions

1. Source: White House Briefing Room Announcement (June 24, 2021).
2. Source: Statista.

We continue to execute our proven investment strategy

Buying for value

De-risking assets

Building platforms

What does ‘platform value’ mean to BIP?

Brookfield Infrastructure Glossary

Grow-tility

[grow-til-i-tee] *noun*

1. Business with utility-like defensive attributes but offers premium growth potential

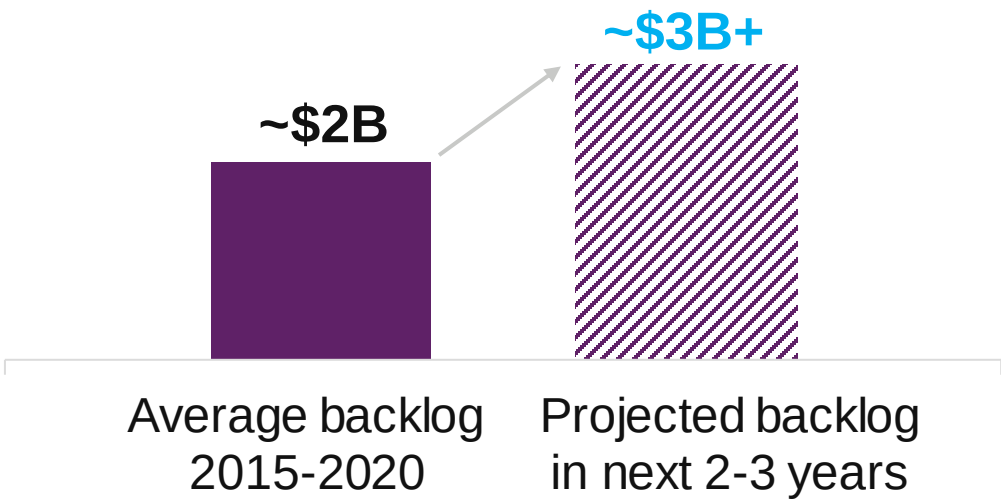
Platform

[plat-form] *noun*

1. Business with substantial medium- to long-term organic and consolidation growth potential
2. Resources in place to execute growth strategy

Building platforms will create significant value for shareholders

50% increase in backlog



Outsized profit realized on exit

Illustrative Exit Metrics	Individual Investment	Platform
Investment IRR	~13%	**20%+**
Multiple of Capital (MoC)[1]	~2x	**4x+**

1. MoC calculated assuming a 7-year investment hold period.

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Spotlight on Inter Pipeline

Scott Peak, Managing Partner

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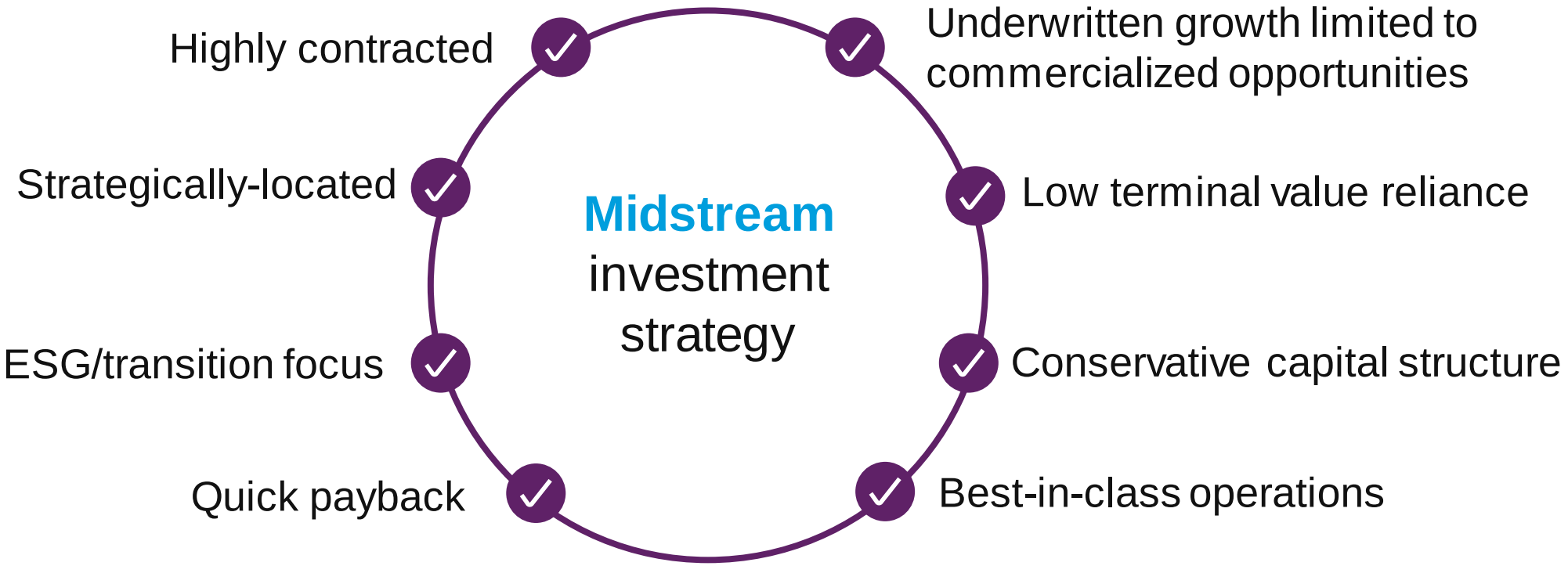
Midstream investment approach

Current environment provides unique opportunity to selectively acquire high-quality assets



Strategic investment in a highly contracted midstream platform

- **$13 billion** EV take-private transaction
- Sourced on a proprietary basis
- Value based
- Attractive cash yield
- Majority of EBITDA from long-term contracted pipelines

Represents a unique opportunity for our business

Critical infrastructure for North American hydrocarbon transportation

80% of EBITDA contracted with ~63% under firm take-or-pay contracts, with an average remaining life of **over 12 years**

Well-positioned to support our customers' large-scale initiatives to **reduce carbon footprint**

Checks all the boxes for a value-based investment opportunity

Attractive entry point	**~10x** run-rate EBITDA multiple
Quick payback period	Less than **eight years**
Robust cash yield	**13%** going-in FFO yield **16%+** run-rate FFO yield
Conservative capital structure	Will retain investment-grade corporate balance sheet
Large-scale transaction	**~$2.5 billion** BIP investment
Customer quality and credit strength	**97%** of long-haul pipeline revenue and **75%** of all revenue from investment-grade customers

Why were we successful?

Patiently monitored IPL until a corporate transaction catalyst materialized

Moved quickly and **secured a deep-value toehold in 2020** representing ~20% economic interest

Made an **all-cash offer** that was viewed favorably by independent proxy advisors and certain investors

Provided **share alternative** and secured support from IPL shareholders seeking to remain invested

BIPC continues to generate strong market interest

To date, we have issued **22 million** BIPC shares to IPL shareholders, representing **over 95%** of the maximum allotment

1

BIPC **improved the attractiveness** of our offer

2

Strong interest from diverse IPL shareholder base highlights demand for BIPC

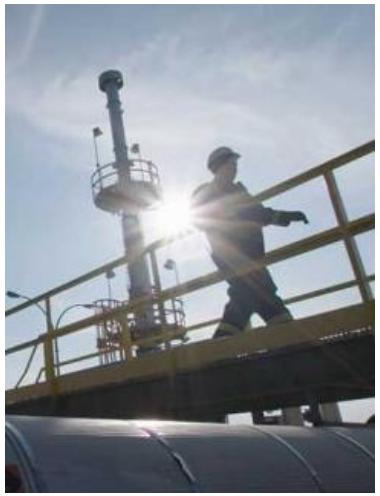
3

Transaction **increased BIPC market cap** by 50%

What are IPL's business segments, and what is our business strategy?

IPL represents critical, long-term contracted infrastructure

>60% EBITDA

	Transportation	Facilities Infrastructure	Heartland Petrochemical Complex	Marketing
				
% EBITDA[1]	54%	8%	28%	9%
% Contracted	100%	100%	68%[2]	0%
Avg. Contract Tenor (Years)	17	5	9	n/a

1. LTM EBITDA proforma completion of Heartland Petrochemical Complex
2. Based on contracted operating capacity

Business plan execution leveraging our best practices

Brookfield's Value-Add Approach

Active stakeholder engagement
Customers, employees, communities, regulators

Rigorous risk management framework
Currency, commodity, counterparty

Alignment, opportunity, accountability
Business plan, value-creation metrics, goal setting

Simplify, streamline, optimize
Capital markets, resources, management

Leverage the Brookfield network
Global reach across over 30 countries

In less than a month, we have already made a significant impact

- **Re-constituted** the IPL Board
- Agreed Plan of Arrangement to **privatize IPL** by year-end
- Hosted IPL **employee town hall**, introducing Brookfield and our strategic priorities for the business
- Initiated a **100-day plan**, including segment business plan reviews with IPL management and operational teams

Business plan strategy by segment

Execute 100-day implementation plan, and focus on longer-term business plan

Transportation

- Optimize operations
- Harvest contracted cash flow
- Selectively invest in green transition initiatives alongside customers
- Accretively enhance network

Facilities Infrastructure

- Optimize operations
- Reduce carbon footprint
- Pursue accretive contractual arrangements

Heartland Petrochemical Complex

- Complete HPC on-time, on-budget
- Actively participate in further hydrogen production and emissions reduction initiatives

Corporate

- Alignment and accountability
- Maintain prudent risk management
- Exit non-core assets
- Rationalize public company costs
- Optimize cost of capital

We believe supporting and **participating in our customers' public decarbonization objectives will create value** within IPL's platform

Customers will value our help to meet net-zero commitments

IPL's largest customers are part of an initiative to achieve **net-zero GHG emissions** from local operations by 2050—creating a **significant opportunity** for a company with our expertise

Carbon Capture

Expand offerings to customers by supporting construction of carbon capture and sequestration infrastructure

Hydrogen Byproduct

Heartland to yield excess hydrogen, which we will seek to enhance and monetize

Renewable Generation

Reduce direct emissions through electrification

In summary, Inter Pipeline represents…

- A significant capital deployment opportunity
- Continued expansion of Brookfield-owned and operated infrastructure platforms
- An accretive investment for BIP and BIPC holders
- Highly contracted business with attractive energy transition investment opportunities

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Building platform value

David Krant, CFO

2021
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Market-based multiples will significantly undervalue our marquee franchises where we have created platform value

This is because the value of a business has two elements

1

In-place cash flows

Use of market-based multiples can be appropriate

+

2

Value for organic growth “engine”

Market-based multiples will not capture the **incremental value** associated with an embedded growth platform

The value for “growth” (or goodwill) may exceed the value for in-place cash flows if we are successful in building platforms

This significant form of value creation is often not seen until exit

Illustrative Exit Metrics	Individual Investment	Platform
Investment IRR	~13%	20%+
Multiple of Capital (MoC)[1]	~2x	4x+
AFFO Yield at Exit	~7–9%	<5%

1. MoC calculated assuming a 7-year investment hold period.

We build platform value in a variety of ways

- Invest in businesses with favorable growth dynamics
- Hire strong management teams
- Source recurring streams of organic growth opportunities
- Actively manage balance sheet and capital resources
- Maintain a commercial focus
- Develop strategic partnerships

Enwave is a textbook example of how we build a platform

Identified a sustainable energy opportunity and methodically built the leading North American district energy (DE) business

- Acquired largest geothermal cooling DE system in 2012
- Completed series of tuck-in acquisitions, targeting the best district energy systems in the fastest-growing and most populated cities across North America

It also shows how we drive organic growth within a franchise

- Connected 135+ new buildings—leveraging Brookfield's real estate platform
- Refocused sales culture to drive organic growth and utilize existing capacity
- Assembled a top-tier management team that excelled in integration and optimization
- Maintained investment-grade rated balance sheet
- Grew EBITDA from $25 million to $140 million—a 20% CAGR

This can lead to exceptional shareholder returns on exit

~30x

EV/EBITDA multiple

<4%

AFFO exit yield

6x

Multiple of capital

Building platform value takes time and significant effort, but it can often go unnoticed

Today, we're building platforms within many of our businesses

Residential Infrastructure

Brazilian Electricity Transmission

U.K. Last-Mile Business

U.K. Ports

N.A. Sub-Metering

Global Fiber Networks

Telecom Towers

Global Data Centers

Which will create meaningful future value

Expect to deploy **$5 billion** building platforms over the next five years

~$1.8B

Last-mile utility connections in the U.K.

~$800M

Data centers in S.A., Asia and Europe

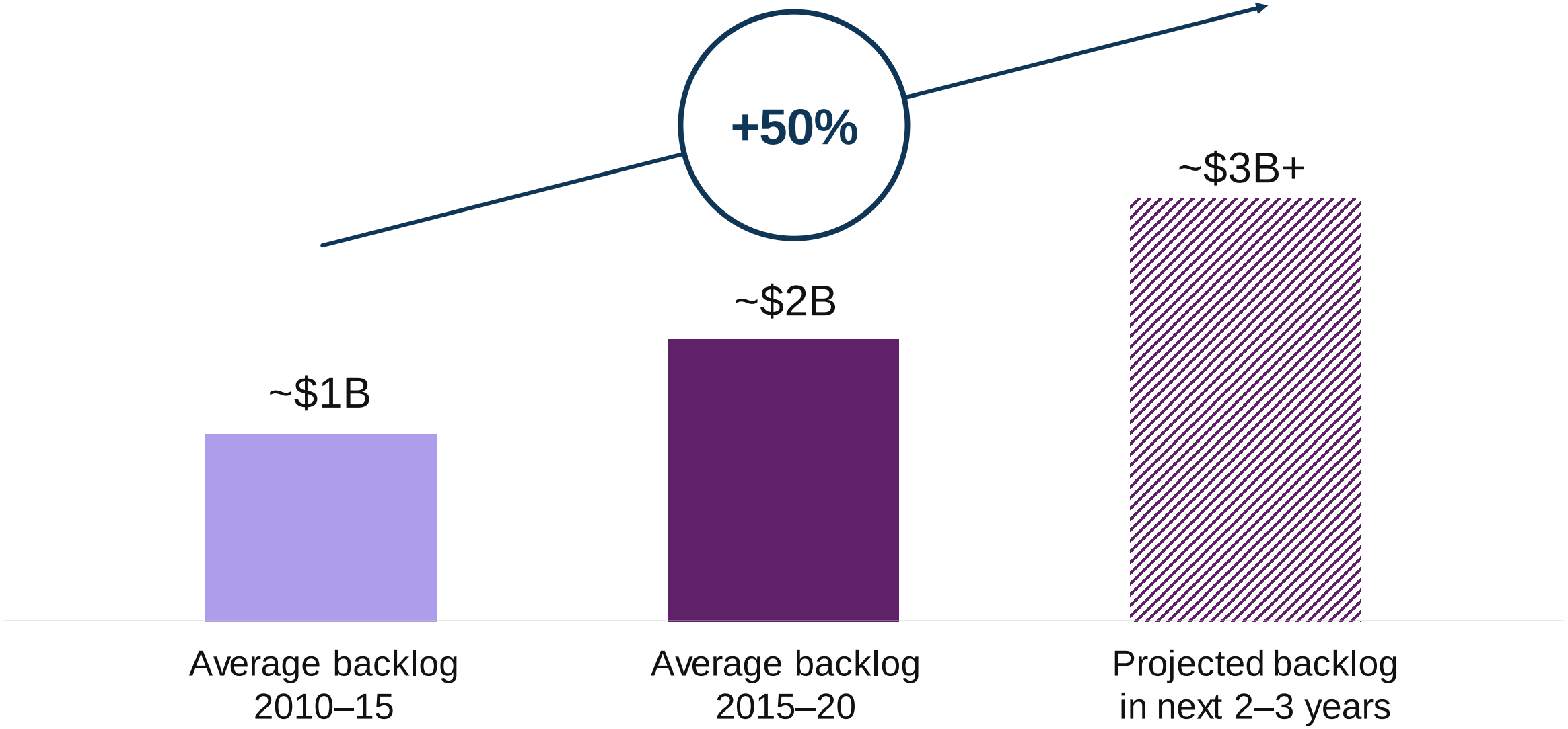
~$600M

Telecom towers in Europe, U.K. and India

~$500M

Residential infrastructure in N.A., U.K. and Europe

And lead to a meaningful increase in our backlog



Platform building was historically overlooked in our valuation

Realized	Consensus Multiples[1]	Realized	Premium
District Energy	~15x	30x	**100%**
Chilean Electricity Transmission	12x	16x	**~33%**
North American Transmission	12x	16x	**~33%**

1. Consensus multiples are based on multiples from analyst's sum of the parts analysis prior to the sale of the asset.

And it continues to be across our largest franchises

Under Development	Consensus Multiples[1]	Platform Value	Premium
N.A. Residential Infrastructure	14x	15–20x	10–40%
Brazil Transmission	14x	16–18x	15–30%
U.K. Regulated Distribution	16x	20–25x	25–50%
U.K. Port Operation	15x	20–25x	33–67%
Data Centers	19x	20–25x	10–25%
Telecom Towers	19x	25–30x	30–60%

1. Consensus multiples are based on current multiples from analyst's sum of the parts analysis.

We could realize a 25–50% premium if we are successful in capturing platform value across our businesses

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Data center development playbook

Sikander Rashid,
Managing Partner

2021
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Data centers make an ideal sector for platform investment

We believe we can make over $2 billion of profit, if we are successful in our strategy

Why data centers are a desired asset class

1

Strong Infrastructure Characteristics

- Highly contracted cash flows
- Attractive margins and cash flow conversion
- Scalable platform generating significant barriers to entry

2

Highly Attractive Tailwinds

- Cloud industry to surpass $350 billion by 2024[1]
- Large capex requirements to meet industry demand
- Data center lease revenues are ~$50 billion and growing over 8%[2]

1. Source: Cushman and Wakefield.
2. Source: Raymond James.

Data centers represent one of the fastest-growing asset classes

Every minute on the internet, there are:

198 million
emails sent

69 million
messages sent

500 hours
of content uploaded

Data center capacity requirement of over 6,000 MW over the next three years alone[1]

1. Source: Structure Research.

Methodically building a global hyperscale data center platform

1. Acquired and leveraged **established businesses**
2. Added experienced **resources** in growth markets
3. Developed **strategic partnerships** in the sector
4. Provided **capital resources**

We started with a leading platform in Brazil

In 2019, we acquired Ascenty

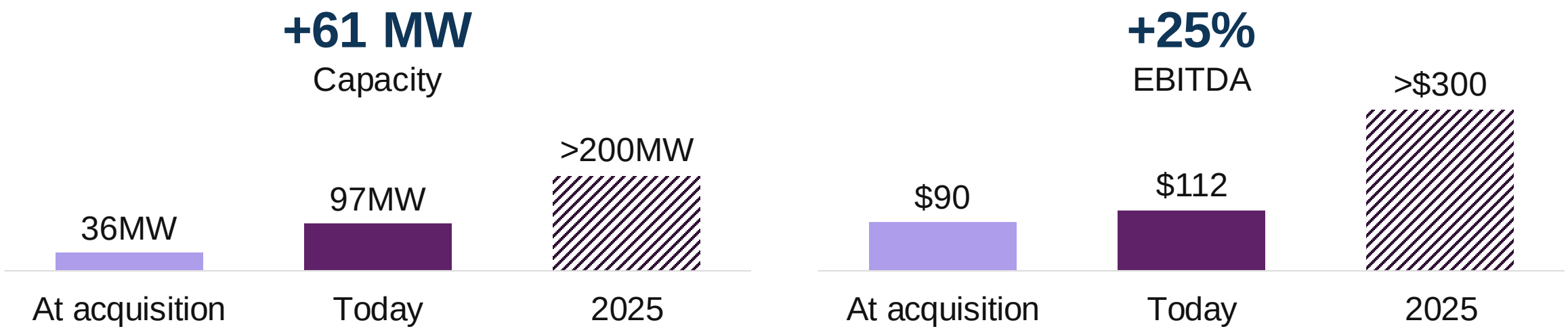
- **Scalable** business with strong management
- 50/50 partnership with **leading** hyperscale operator, Digital Realty
- **36 MW** of operating capacity at acquisition, with clear development pipeline
- **Strong** customer relationships with global technology companies

27

Data centers across South America

Our investment is playing out as expected

- Added **seven new locations** (61 MW capacity)
- Expanded into **Chile and Mexico**
- Pipeline of further **~90 MW** of capacity



Many large markets are a long way from maturity

Brookfield's competitive advantages help build up the platform

Local presence allows for premier site identification

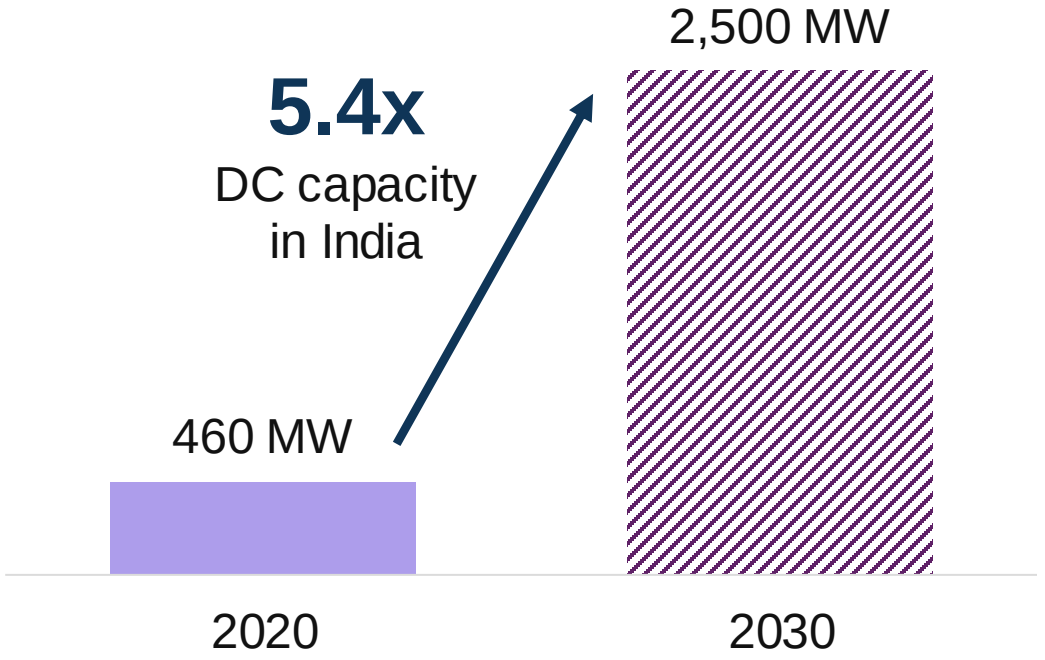
Global business affords access to strong customer relationships

Development and construction expertise helps to manage risk

Renewables platform provides leverage to build net-zero facilities

India: Recreated partnership with Digital Realty

- **19%** annual data demand growth through 2025[1]
- Cloud penetration: **20% (today)** to **50% (2025)**[2]
- Fragmented market



1. Source: Brookfield estimate.
2. Source: Data Quest India and International Data Corporation.

Asia Pacific: Leveraging our Australian business to expand

Two high-quality data centers in Sydney and Adelaide

- Long-term **contracts**
- **Scalable business** to capture APAC growth
- Announced Sydney pipeline: **>40MW**

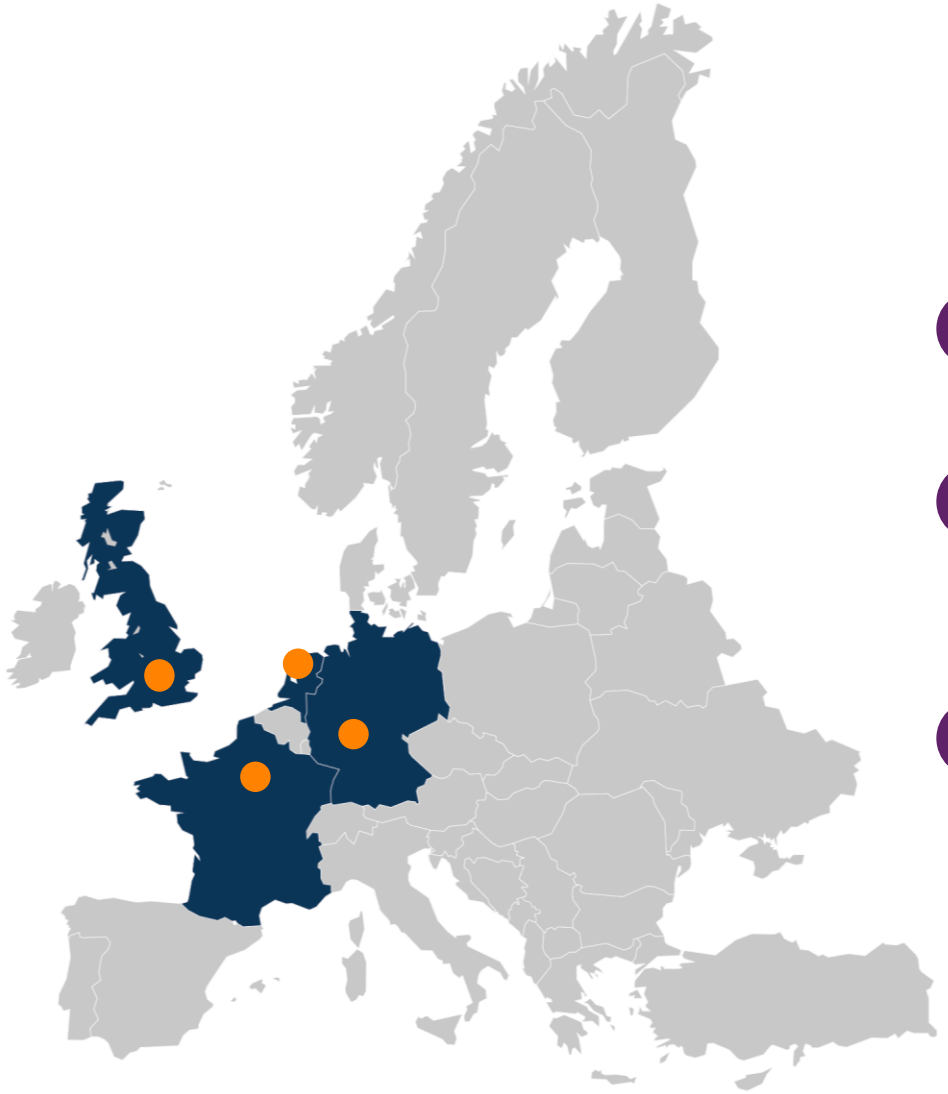
Highly attractive illustrative target markets for expansion

Tokyo

Seoul

Singapore

Quickly expanding our platform in Europe



- 2021 take-up of **>370 MW** in FLAP[1] markets
- Acquired **100 MW** renewable energy powered project in Amsterdam
- **Plans to expand** into other European markets

1. Frankfurt, London, Amsterdam, Paris

What does a hyperscale data center platform mean for BIP?

We could generate ~$2 billion of profit if we execute well

$650M

Net-to-BIP equity deployment expectation

+$100M

EBITDA growth from today expected by 2025 (5x increase from 2021)

>4x

expected multiple of capital

For investors seeking to compound wealth over time

Brookfield is creating value by:

- Investing on a value basis
- Building platforms to drive organic growth and create goodwill
- Recycling capital at attractive valuations

BIP is your Grow-tility

~4%
Distribution yield

5-9%
Distribution growth target

10%
CAGR
Distribution growth since inception

19%
CAGR
10-year total return

Questions?

Q&A

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Notice to Recipients

All amounts are in U.S. dollars unless otherwise specified. Unless otherwise indicated, the statistical and financial data in this presentation is presented as of June 30, 2021.

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Factors that could cause actual results of Brookfield Infrastructure to differ materially from those contemplated or implied by the statements in this presentation include general economic and political conditions in the jurisdictions in which we operate and elsewhere which may impact the markets for our products and services, the impact of health pandemics on market conditions (including the availability, distribution and acceptance of effective vaccines relating to such health pandemics), the ability to achieve growth within Brookfield Infrastructure's businesses and in particular completion on time and on budget of various large capital projects, which themselves depend on access to capital and continuing favorable commodity prices, the impact of market conditions on our businesses, the fact that success of Brookfield Infrastructure is dependent on market demand for an infrastructure company, which is unknown, the performance of global capital markets, the availability and terms of equity and debt financing for Brookfield Infrastructure, the ability to effectively complete transactions in the competitive infrastructure space (including the ability to complete announced and potential transactions that may be subject to conditions precedent, and the inability to reach final agreement with counterparties to transactions being currently pursued, given that there can be no assurance that any such transaction will be agreed to or completed) and to integrate acquisitions into existing operations, the future performance of these acquisitions, the market conditions of key commodities, the price, supply or demand for which can have a significant impact upon the financial and operating performance of our business, changes in technology which have the potential to disrupt the business and industries in which we invest, uncertainty with respect to future sources of investment opportunities, our ability to achieve the milestones necessary to deliver the targeted returns to our unitholders, our active pipeline of new investment opportunities and growing backlog of committed organic growth capital expenditure projects may not be completed as planned, and other risks and factors described in the documents filed by Brookfield Infrastructure Partners L.P. (the "Partnership") with the securities regulators in Canada and the United States including under "Risk Factors" in the Partnership's most recent Annual Report on Form 20-F, its most recent interim report, and the prospectus qualifying the special distribution of BIPC's shares. Except as required by law, Brookfield Infrastructure undertakes no obligation to publicly update or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise.

IMPORTANT NOTE REGARDING NON-IFRS FINANCIAL MEASURES

To measure performance we focus on net income as well as funds from operations ("FFO"), adjusted funds from operations ("AFFO"), adjusted EBITDA, rate base, return on rate base, adjusted EBITDA to interest ratio, consolidated leverage, corporate interest coverage, constant currency basis and adjusted EBITDA margin, which we refer to throughout this presentation. We define FFO as net income excluding the impact of depreciation and amortization, deferred income taxes, breakage and transaction costs and non-cash valuation gains or losses. We define AFFO as FFO less maintenance capital expenditures. We define adjusted EBITDA as net income excluding the impact of depreciation and amortization, interest expense, current and deferred income taxes, breakage and transaction costs and non-cash valuation gains or losses. We define rate base as a regulated or notionally stipulated asset base. We define return on rate base as adjusted EBITDA divided by time weighted average rate base. We define adjusted EBITDA to interest ratio as adjusted EBITDA divided by interest expense on a proportionate basis, taking into account Brookfield Infrastructure's ownership in operations. We define consolidated leverage as net debt divided by net debt plus the market value of Brookfield Infrastructure based on the closing price of Brookfield Infrastructure's units on the New York Stock Exchange (assuming full conversion of Brookfield's interest in Brookfield Infrastructure into units of Brookfield Infrastructure). We define corporate interest coverage as AFFO plus interest expense incurred on corporate debt divided by interest expense incurred on corporate debt. We define constant currency basis as current period earnings translated at prior period foreign exchange rates which allows the Partnership to remove the impact of changes in rates from our operating results. We define adjusted EBITDA margin as adjusted EBITDA divided by revenues. These measures are not calculated in accordance with, and do not have any standardized meaning prescribed by International Financial Reporting Standards ("IFRS"). These measures are therefore unlikely to be comparable to similar measures presented by other issuers. These measures have limitations as analytical tools. See the Reconciliation of Non-IFRS Financial Measures section of the Partnership's most recent Annual Report on Form 20-F and most recent interim report for a more fulsome discussion including reconciliations to the most directly comparable IFRS measures.