

**Brookfield Infrastructure Partners L.P. (BIP Q4 2024 Results)**  
**January 30, 2025**

**Corporate Speakers:**

- Sam Pollock, Chief Executive Officer
- David Krant, Chief Financial Officer
- Ben Vaughan, Chief Operating Officer
- Dave Joynt, Managing Partner and Head of Transport Investing
- Roberto Marcogliese, Managing Partner, Head of Data Investing

**Participants:**

- Cherilyn Radbourne; TD Cowen; Analyst
- Devin Dodge; BMO Capital Markets; Analyst
- Maurice Choy; RBC Capital Markets; Analyst
- Robert Hope; Scotiabank; Analyst
- Robert Catellier; CIBC Capital Markets; Analyst
- Frederic Bastien; Raymond James; Analyst
- Ryan Levine; Citigroup Global Markets; Analyst

**PRESENTATION**

**Operator:** Good day. And thank you for standing by. Welcome to the Brookfield Infrastructure Partners' Fourth Quarter 2024 Results Conference Call and Webcast. (Operator Instructions)

**David Krant:** Thank you, Liz. And good morning, everyone. Welcome to Brookfield Infrastructure Partners' fourth quarter 2024 earnings conference call.

As introduced, my name is David Krant, and I'm the Chief Financial Officer of Brookfield Infrastructure. I'm joined today by our Chief Executive Officer, Sam Pollock. And joining us for the Q&A portion of the call is our Chief Operating Officer, Ben Vaughan.

I'll begin the call today by highlighting our financial and operating results for the past year, followed by some brief remarks on our base business and its solid foundation. I'll then turn the call over to Sam, who will provide an update on our capital recycling initiatives before concluding with an outlook for the business.

At this time, I would like to remind you that in our remarks today, 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 would encourage you to review our latest annual report on Form 20-F, which is available on our website.

2024 was another excellent year for Brookfield Infrastructure. Some of our key accomplishments include delivering on our capital recycling target, deploying over \$1.1

billion of equity into growth initiatives, adding approximately \$1.8 billion of new projects to our capital backlog and completing approximately \$10 billion of financings, which makes it our most active year in the capital markets.

I'm pleased to report that we ended the year with funds from operations, or FFO, of \$3.12 per unit, representing a 6% increase compared to 2023. When normalizing for the impact of foreign exchange, FFO per unit was up 10% versus the prior year. This would be in line with our target and better reflects the current operational performance and strength of our business.

Considering our conservative payout ratio ended the year at 67% and a favorable outlook for 2025, which Sam will speak to soon, the Board of Directors have approved a quarterly distribution increase of 6% to \$1.72 per unit or share on an annualized basis. This marks the sixteenth consecutive year of distribution increases within or above our target range.

I'll now go through our annual results and discuss our business segments in more detail. FFO in 2024 totaled \$2.5 billion, an increase of 8% compared to 2023. Organic growth for the year was 7%, driven by elevated levels of inflation in the countries where we operate, stronger volumes across our critical infrastructure networks and the commissioning of over \$1 billion of new capital projects from our backlog. In addition, we deployed over \$2 billion into new investments during the second half of 2023 and completed three accretive tuck-in acquisitions this year, which are all fully contributing to earnings.

Taking a closer look at our results by segment, starting with utilities, we generated FFO of \$760 million, which is up 7% year-over-year on a comparable basis. After taking into account asset sales and currency it compares to \$879 million in the prior year. The reduction was primarily attributable to capital recycling activity, which included the sale of our Australian utility business in the third quarter of 2023 and a recapitalization of our Brazilian gas transmission business in the first quarter. The base business continued to perform well during the year, driven by inflation indexation and the contribution from nearly \$470 million of capital commissioned into rate base.

Moving on to our transport business. FFO was \$1.2 billion, representing a step change increase of nearly 40% from the prior year. This was primarily attributable to the acquisition of our global intermodal logistics company in the third quarter of 2023 and an incremental 10% stake in our Brazilian integrated rail and logistics operation in the first quarter of this year. We generated strong results across the remaining businesses, driven by higher volumes and average tariff increases of 7% across our rail networks and 6% across our road portfolio.

Our midstream segment generated FFO of \$625 million, which on a comparable basis had grown 11% versus the prior year. The growth reflects higher volume increases across our midstream assets due to robust customer activity levels, particularly at our North American gas storage business. When considering the impact of asset sales and foreign exchange, the total FFO decreased from \$684 million in the prior year, primarily relating to capital recycling activities at our U.S. gas pipeline.

Lastly, FFO from our data segment was \$333 million, representing a 21% increase over the prior year. The increase is attributable to strong organic growth and the contribution of several new investments completed over the last 12 months including three data center platforms and a tower portfolio in India.

Taking a closer look at our data storage numbers, we've invested over \$9 billion of capital across three primary digital infrastructure verticals, namely data centers, fiber networks and telecom towers. Data centers are one of the most significant areas of investment with over \$3.6 billion of capital invested in the last six years alone. Putting aside our investment in a U.S. retail colocation business, we have approximately \$2.8 billion invested in high-growth global hyperscale data center platforms. The organic growth backlog in these businesses is approximately \$1.4 billion at our share and is anchored by long-term availability-based contracts with highly creditworthy counterparties. As we execute our backlog of growth, we are very focused on maintaining our project level returns. We will not pursue growth at all costs and have maintained our yield on cost on new developments.

We anticipate being able to enhance returns in the years ahead as we execute our strategy to sell fully contracted sites as they are built. This will create liquidity to fund future growth as well as crystallize significant developer profits.

Before turning it over to Sam, I'd like to briefly touch on the macroeconomic backdrop and the strong positioning of our base business. There's been a focus on a change in the government in the U.S. and the resulting shift in policy including the timing and magnitude of potential tariffs on foreign imports. Simultaneously the U.S. economy is showing strength and employment levels remain robust. Long-term interest rates have increased recently and remain at elevated levels as investors temper their expectations around future interest rate cuts and anticipate a prolonged period of higher inflation.

As we've demonstrated, we are well positioned to benefit from higher inflation in our business. Our businesses provide essential services with regulated or contracted revenue streams, many of which are indexed to inflation. During the past three years, inflation has contributed meaningfully to our FFO growth, averaging more than a 5% annual compound growth rate. Today our business remains highly indexed to inflation, which we expect will continue to drive organic growth into 2025.

At the same time we have been proactive in managing our capital structures and mitigating risks relating to interest rates at both the corporate and portfolio company levels. We completed over \$9 billion of nonrecourse asset-level financings during the past year. And today, our weighted average debt maturity is eight years, of which 90% of our debt is fixed rate. This strong position not only mitigates the risk, but allows the benefits of inflation to compound in our results with limited impact from rising interest rates. Put very simply, increased revenue from inflation indexation and fixed interest costs equals greater bottom-line cash flow over time.

That concludes my remarks for this morning, and I'll now turn the call over to Sam.

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**Sam Pollock:** Thank you, David. that was great. And good morning, everyone. For my remarks today, I'm going to discuss our capital recycling initiatives and then conclude with an outlook for the year ahead.

In 2024, we achieved our targeted \$2 billion of capital recycling proceeds in a challenging but improving asset sale environment. As we ended the year, we were seeing greater investor interest in high-quality infrastructure assets and a large universe of buyers able to transact. This momentum has accelerated into 2025, and I'm pleased to announce that we have already secured approximately \$200 million in proceeds from asset sales just one month into the new year.

At our global intermodal logistics operation, we agreed to sell a minority equity interest in a portfolio of fully contracted containers. In total, we expect to receive over \$120 million with closing expected in the first half of 2025. This inaugural sale provides a structure and framework for us to further monetize derisked and contracted assets, which will generate meaningful liquidity at attractive returns.

At a North American hyperscale data center platform, we secured the sale of a non-core site to a technology company. The sale was transacted at an attractive capitalization rate and will generate gross proceeds of over \$1 billion and crystallize developer profit of approximately \$350 million. Proceeds after debt repayment and transaction costs will be about \$400 million, resulting in net proceeds to BIP of over \$60 million with closing expected later this year.

We believe the level of asset sale activity we've experienced so far in 2025 will be indicative of the year ahead. We have several advanced transactions that should be signed in the first half of the year, and we are very confident in our ability to deliver the \$5 billion to \$6 billion in asset sale proceeds that we've guided to over the next two years.

Supporting this confidence is the return of buyers for core assets, which many of our mature businesses target from a risk return perspective on exit. We have seen this activity firsthand in Brookfield's own super core infrastructure fund, which has been experiencing an influx of capital as fundraising increased to the highest levels in almost three years at the end of 2024, and this has continued into 2025.

With respect to the outlook for growth, we feel very positive. As David mentioned in his remarks, much of our data segment's value is not yet reflected in our current financial results given its development focused profile. However, as projects come online, we expect them to contribute meaningfully to earnings and drive overall growth in the coming years.

In terms of new development, we've entered 2025 with a pipeline of early-stage capital deployment opportunities that is the deepest it's been in years. Activity levels continue to improve and the need for private capital to invest in critical infrastructure globally

continues to rise. This creates ample opportunities for large-scale, well-capitalized global infrastructure owners and operators like us.

Digitalization remains a key driver of our current deal flow with the data sector accounting for over 40% of our anticipated capital deployment. We expect growth in this sector to persist outpacing all other areas of our business and positioning it to become our largest sector within five years.

We are also excited by the deployment opportunities in other segments of our portfolio that are benefiting from digitalization, such as our midstream and utility sectors, both of which we expect to be active deploying capital in the years ahead.

So that concludes my remarks. But before we go into our formal Q&A, we thought we'd call an audible and have someone from our team address the news that came out this week regarding DeepSeek. And so, in that regard, I'd like to welcome Roberto Marcogliese, who is the Head of our Telecom business here in North America. And I thought I'd just pose a question to him that's probably on a lot of people's minds. And Rob, I guess the simple question is, what happened this week? What is the news regarding DeepSeek and what they did? And how does that impact our business going forward?

**Roberto Marcogliese:** Thank you, Sam. And good morning, everyone.

So as Sam said, earlier this week, DeepSeek, which is a Chinese-based artificial intelligence company, announced the training of a new large language model, which effectively is capable of achieving the same performance of some of the current industry-leading models.

If we kind of take a step back, that announcement in of itself is not what is the focus is, people always thought there was going to be increased competition. But what was interesting about the announcement is that DeepSeek was able to drive significant optimization and train its model for only \$6 million in less than two months, while using approximately 2,000 older generation NVIDIA chips. And so relative to the approach that's been used historically, this was quite novel, and this ultimately has raised a number of questions around whether less hardware, less servers, less power, less data centers would be required to kind of propel AI forward and reach artificial general intelligence and ultimately beyond.

Faced with that uncertainty, obviously the stock market reacted quite quickly and effectively erased hundreds of billions of dollars of market cap value from companies in a number of different sectors that benefited from the enthusiasm related to AI. And so, from our perspective, while this may be true in the short term, we never really expected that demand for compute would scale on a straight-line basis.

Our expectation, and as we've seen a number of other technologies, is that we'd always see a level of continuous improvement, whether it's at the server hardware level or software. And then those improvements would ultimately be offset by new use cases and in most

cases, more complex use cases, whether its things like robotics, which will ultimately need more compute to actually have those robots run.

The DeepSeek announcement from our perspective is really just a piece of that improvement puzzle and we expect more advancements to come as we're still in the very early innings of this technology cycle. Over the long term, I would say our positive outlook hasn't changed for data center demand growth. And we're actually very excited by the prospect of having a more cost-effective AI tool, which should accelerate innovation, increase overall demand for AI in their applications and ultimately make the technology more widely accessible to everyone.

So when we kind of dig into our business, we don't see any material impacts over the long term. With respect to the two most recent data center investments that we made in the U.S. and Europe, we have actually already surpassed our underwriting expectations in terms of the overall pace of lease-up across our existing land bank.

Our platform benefits from significant contracted growth, which is underpinned by some of the most creditworthy counterparties in the world on their long-term availability-based contractual frameworks. And the next point, I think, is actually very important.

We took a very purposeful approach. And today, over 90% of our development are centered on building capacity in Tier one data center locations, which are in close proximity to GDP and population centers and therefore afford maximum flexibility as these facilities can support multiple use cases such as cloud, training, inferences and content, given that they benefit from the lowest latency.

We continue to expect strong data center growth with upside from emerging new use cases and future use cases that are yet to be developed. The capital required to support digitalization is staggering and will continue to create demand for large-scale and flexible capital from infrastructure investors like us.

And with that, I'll hand the call back to Sam.

**Samuel Pollock:** Okay. Well thanks, Rob. And hopefully, that was a good warm-up to the Q&A session. So operator, maybe I'll turn it back over to you, and we'd be pleased to open up the line now for questions.

## QUESTIONS AND ANSWERS

**Operator:** Our first question will come from the line of Cherilyn Radbourne with TD Cowen.

**Cherilyn Radbourne:** Thanks very much and good morning. Maybe sticking with the data theme for a second. And thank you for those comments on DeepSeek.

We've been hearing anecdotally that development premiums for hyperscale centers have started to compress to some degree, which I guess is not totally surprising given the level of activity in the sector.

Can you give some perspective on that comment as it relates to your own development backlog?

**Sam Pollock:** Well, maybe I'll start and since we have Rob here, he can always jump in.

But I think as David alluded to in some of his remarks, Cherilyn, at the moment, we've been quite successful in holding our yield to cost on our projects. There are two elements to it.

One is what we can contract at. And over the last year and a bit, we've seen rates in fact increase. And it's been a good market from that perspective.

And the second component is the ability to control costs. And I'd say for the most part, obviously in a large portfolio, there will be some where they don't go entirely according to plan. But I'd say on our large projects, we've been able to bring projects in on time on budget. And in fact, given we're doing a lot of large campus style projects, with the learnings we have and some of the initial deployments, we are, in fact, bringing costs down over time.

So, all in all, a long-winded way of saying that we're not losing our premiums. That's not to say down the road, the competition won't tighten things a little bit. But today, that's not the case. Anything to add, Rob?

**Roberto Marcogliese:** No, Sam, I would agree. Again, I think it goes back to our Tier one focus where I think a lot of the power bottlenecks have occurred. And so, there's a premium for that scarcity.

**Sam Pollock:** Cherilyn, you usually have two questions. Do you have another one?

**Cherilyn Radbourne:** Yes. Much more sort of macro.

With respect to a stronger U.S. dollar, just curious whether that impacts where you're seeing the best opportunities to invest for value. And likewise, does that have an impact on your capital recycling lineup for the year?

**Sam Pollock:** Okay. Maybe I'll tackle that one again.

Look, I guess as far as an initial or direct impact on where we would invest, I wouldn't say the FX plays directly, but it is a sign of capital flows. And obviously I think a lot of strength in the U.S. dollar is a result of just a huge capital expenditure boom going on in the U.S.

And obviously that drives the need for capital. And as a result, we are probably investing more in the U.S. than historically we may have just because of that dynamic. So, it isn't so much an FX thing, but the things are obviously all interrelated.

And as it relates to sales, our businesses are, for the most part, hedged to a large degree. We're not sort of taking into account FX in determining whether or not a business is ready for sale. Typically, we look at where we are in the business plan and do we think the business will attract attractive value on a local basis.

So, I guess the short answer is no, we're not taking that into account.

**Devin Dodge:** I wanted to start with a question on Triton.

I'm just wondering if you could provide a bit more color on the sale of the minority interest in a portfolio of containers that you talked about in your opening remarks there.

I'm just trying to get a sense for how much of the fleet this includes, is this like a perpetual investment? Or does it roll off as the containers are handed back? And what that implied equity value translates into in terms of implied FFO yield or some other valuation metric?

**Sam Pollock:** Okay. Thanks, Devin. And as it turns out, we have Dave Joynt here, who is responsible for that transaction. We haven't expected him to speak, but since it's a direct question on Triton, probably a good one for him to answer.

So Dave, do you want to tackle that one?

**Dave Joynt:** Yes, good morning Devin. Just with respect to the transaction itself, I guess my comment on this is what we have done is we have taken a pool of leased-up containers, and we've sold down a minority interest in that pool itself, which has stand-alone financing. And the strategy behind all of this is that Triton is a business that has tremendous unit economics on the deployment of capital.

But the real magic comes into leasing it up, putting them on long-term leases for people. And I think what we found is that there is a pool of buyers that have interest in buying into a yield-oriented vehicle that runs off over time over the life of the containers, which, as you might know is sort of on average about sort of 15 years.

And then in terms of your question around valuation, I guess all I'm probably at liberty to say here is that given the nature of what we sold, which is a derisked long-term cash flowing portfolio, this is done at a lower cost of capital than we would have in the market.

**Devin Krant:** And Dave, it makes up about 10% of the portfolio, would you say?

**Dave Joynt:** Yes. On a net to the business basis, its about 6%.

**Devin Dodge:** Okay thanks for that. Good color there. And then second question, just maybe sticking with capital recycling. Again, you guys were talking about the sale of one non-core data center being sold.

But can you just provide a bit of a broader update on the self-funding model for your data center platform and what forms that's likely to take?

**Sam Pollock:** Hi Devin, yes, I'd expect there will be a lot more news in the next couple of quarters regarding our capital recycling program for the data centers.

It is an ongoing exercise as new facilities come on stream.

We do have a program of setting up stabilized pools of data centers and bringing in institutional investors to invest in those stabilized assets. And so, I think we're pretty advanced in both the North American and the European pool of assets, and we hope to have news for you and our shareholders in the coming quarters on our success in that regard.

**Maurice Choy:** Maybe sticking with the capital recycling theme.

I think you mentioned that data center is positioned to be your largest sector within five years. By FFO, Transport is currently your largest sector being about three or 4x larger than data. You've already mentioned that you've got good growth for new capital, but there's also obviously a self-funding or recycling program for data.

So, should we think about Transport as making up a large part of your medium-term asset sales? And if so, what about transport trends are you seeing that motivates this strategy?

**Sam Pollock:** Maurice, that's a good question.

I guess there's lots of moving parts there, though, that I think might be adding to some of the confusion. I think the first thing is in the data sector, it's not all data centers. So, on the data center component of it, we are probably managing the total capital in that component, but it will still grow, even though we're recycling, I still expect it to grow.

But we're investing in lots of other areas of the data sector complex, whether it be towers, fiber optic systems. And those will continue to grow and don't have the same capital recycling profile that the data centers do.

In relation to the divestiture of our transport assets, there's no real pace of divestitures that's different than any other sector.

It's all driven by where they are in their life cycle and whether or not we think we can get the appropriate values for them. And there are probably a few transport assets that we've held for a long period of time that are probably coming up for sale, but that's not indicative of any view that we have regarding transportation or our ability and desire to invest in new transportation assets.

We will always have a diversified pool of investments across all our sectors. And there will be periods of time when we'll deploy more in one sector than another.

I think all we want to do, in our comments earlier, was just to highlight that today our deal flow is more centered around the digitalization theme. And thus, those sectors that are impacted by that theme, which is obviously the data sector as well as the midstream sector, is probably where you'll see most of the capital in the near term go. Hopefully, that clarifies our comments.

**Maurice Choy:** Yes. Absolutely, it does. And just to finish off, I couldn't help but to notice a relatively favorable update at the midstream segment, NorthRiver having new G&P expansions under take-or-pay. You've got additional pipeline connections into pipeline.

So can I just get your take on how you think your thesis for these two businesses are playing out? What are some of the initiatives we should be watching out for this year, such as the NEBC connector?

**Sam Pollock:** Great. Maurice, we're pleased to talk about that. And in fact, I'm going to pass it over to Ben Vaughan to talk a bit about our enthusiasm for what's going on in that sector.

**Ben Vaughan:** Yes. Maurice, thanks for the question. You mentioned the NEBC connector. That's one great opportunity that we have in the Western Canadian region with our assets, but it's only one of many. And really, what we're seeing across the board in Western Canada is our fleet of assets being and becoming fully utilized and then the market calling on us to expand our capacity.

And so we have about \$1 billion of backlog of projects today. We see another potential for \$2 billion to \$3 billion of very attractive growth projects. And with the current sentiment of needing more of that energy, we're pretty excited about the projects. They're generally very straightforward in nature.

I would describe them as relatively bite-sized given the size of the overall assets and relatively low risk in terms of their execution.

So we just have a lot of additional projects to provide our clients with access to our either processing systems or our transportation networks. And so, in general, the connector is one of many projects, and we see this as part of our midstream growth wedge for the coming years as being pretty strong.

**Sam Pollock:** And maybe just to add to that, Ben.

I guess we'd say that they're pretty much all brownfield expansions, connectors to pipelines or expanding plants and the build multiples for these expansions are very, very attractive. And that's probably what gets us really excited, particularly given that many of them are contracted out of the gate.

So maybe we'll leave it there, but hopefully, that gives you a sense of why we're very enthusiastic about the midstream sector at the moment.

**Robert Hope:** I want to circle back on the data center commentary. You speak about the data sector accounting for about 40% of the anticipated capital deployment. Just wanted to have some clarification there.

Is that 40% of the expected deal flow that you expect to see over the next coming years, we'll say, coming years?

And then when you take a look at your organic backlog, would that be kind of secondary to that, just given the fact that you do have quite a lot of wood to chop there as well?

**David Krant:** Hi Rob, so on the first point, I think what we were referring to on the 40% was our pipeline today is highly comprised of investment opportunities in the digital space.

So yes, that's currently what we see ahead of us for the near term. You're right, in addition, the other thing worth highlighting is we have highlighted in previous calls that our backlog is at a record level, nearly \$8 billion over the next three years.

And if you were to look at what sector that's primarily driven by, it's going to be over 70% in the data side as well. And that's, as Sam alluded to, not just data centers but also our partnership on the foundry side as well as the build-out of fiber and build-to-suit towers in Germany and France.

So I'd say it's broad-based, and that will continue to drive our positive outlook for the organic growth profile rather than the new deployment. So those two together are what give us the belief that data will continue to be an increasingly meaningful part of our business.

**Robert Hope:** All right. And then maybe just going back to Maurice's comments or questions regarding data being the largest sector in five years. Transport does have, what, a \$900 million FFO head start here.

So back of the envelope math does imply significant amount of capital that's kind of not in the backlog to get there. Can you maybe just help us frame the roadmap of how data gets the largest contributor to cash flow?

**Sam Pollock:** Robert, I think the short answer is there's new investments and divestitures. So it's kind of a general directional comment from our part.

But how you get there is some assets will be sold, that will reduce that. And then you'll have just more investments on the data side. And obviously we may be wrong in where it ends up. It was just to give a sense of direction where we think things are going.

**Robert Catellier:** I just want to go back to the data comments again. First of all, thank you for addressing the DeepSeek news right at the front.

But I take it from your comments that you're still rather bullish on the outlook for data in general, data centers as well. I'm just wondering though how this week's news may influence your approach to making new investments in data. For example, will you shift your investment a bit to some of the other verticals that you mentioned like the towers?

And then if not, how are you going to manage your commercial approach to data centers to mitigate any emerging risk that you might see from the DeepSeek news?

**Sam Pollock:** Yes. Rob, thanks for that question. And I guess I would make two comments in that regard.

First, when we evaluate any new opportunities, it's always on a risk-adjusted basis. To the extent that we can buy towers at a better risk-adjusted return than new investments into data centers, then we'll do that. And we always have done that, and that will continue to be our playbook going forward.

As it relates to managing our development activities with our existing platforms in data centers, we don't really build anything of any particular size on spec. There's always nuances to what I just said there.

We do need to buy land, and we control the amount of land that we have in inventory at any one moment in time so that we're not overexposed to slowdowns in leasing activity. And obviously we try to mitigate that by getting options on land and things like that.

And then to the extent we think it makes sense to improve the land a little bit to speed up the delivery for clients when they can effectively commission it. Again, we manage how much capital we ever have at risk in that regard. So there is a lot of analysis that goes on with that.

But suffice it to say, our overall thesis is building new facilities with contracts in hand and with certainty around commercial obligations. And we don't really do things on spec with all those nuances that I mentioned there.

**Robert Catellier:** That's great, and thanks again for addressing this issue right upfront in an open manner.

So my next question is, you had a comment in the unitholder letter about interest rates and investor sentiment impacting the unit price towards the end of last year. And at the same time you have a very strong organic backlog.

So it makes me wonder with that background, what your current view might be on unit price repurchases before making new investments in the current environment, particularly if maybe there's some uncertainty in some things like DeepSeek or the change in U.S. presidential administration.

**David Krant:** I think where you're getting at is around just our capital allocation approach and whether we see it more attractive to be buying units rather than deploying capital. And I think as you would have seen in our letter and heard on this call we feel pretty good about the interest environment.

It's quite balanced. We're excited about the pace of our asset sale program, but also believe that those proceeds, we can find really attractive investment opportunities to compound returns over long periods of time.

So as we've said in the past, we're going to assess the relative risk-adjusted returns on buying units back depending on our unit price and the investment pipeline we have in front of us at any given time.

So today, I think we're in a good position, as you would have seen in our letter.

**Frederic Bastien:** So, one platform we haven't talked much about is utilities, and it's conspicuously absent from your recycling efforts so far this year.

I'm sure it's simply a function of timing, but hoping that you can provide a bit of color here.

**Sam Pollock:** Fred, yes, I guess you probably answered your own question there.

For the most part, our larger utilities have significant growth ahead of them. And so we're not looking to monetize them at this point in time. There is, though, a number of businesses in that sector, which we have sold, like Los Ramones, which is more recent. And then I think we've telegraphed that we'll be looking to monetize a portion of our Brazilian electricity transmission business in the coming year as well.

And so there always is and maybe it's not as meaningful as some of the other sectors and maybe we don't talk about them enough. They've been great investments for us.

Our returns on Los Ramones are over 20%. Our returns in U.S. dollars for the Brazilian transmission business will be well in the 20s and in local currencies, well in the 30s.

And so you're right to point out that we probably should mention those assets more and the success we have. We are looking for new opportunities in utilities, and we will be monetizing some of the existing assets as they mature.

**Frederic Bastien:** That's helpful. Wondering also, maybe this hasn't been asked directly, but is this new U.S. administration positive for your business?

**Sam Pollock:** Without taking any views one way or another from a political perspective, look, I think we view as positive any steps that reduce regulatory burden and encourage growth. And I think we've seen a lot of positive steps being taken in that regard. And I think as an infrastructure owner, those can only be helpful to our business.

We can't comment on all the other things that might go on, tariffs or whatnot, that's more complicated. I don't think tariffs will affect us in a direct way negatively. Obviously, it does have impacts that we need to manage from a Capex perspective. It might impact some of our clients, which could have a longer-term impact. But obviously inflation, if it has an uptick on inflation, that's good for us as well.

So look, I'll kind of leave it at that. Any reduction in regulatory burden and increase in growth is good for us. And at the moment, that seems to be the direction that the new administration is taking.

**Ryan Levine:** In terms of the recent announcement around Stargate in Abilene, Texas, given your strategic position in that region, can you speak to the impact to both data and data center development that it may have for Brookfield?

**Sam Pollock:** Sure. Obviously it's all very new. And the good news is we are in discussions with all the different stakeholders related to Stargate on many different levels. So we're close to what those people are doing. And then I think we'll have a role to play in any major developments in the U.S. in that regard.

But that's kind of at the macro level. On the micro level of what it means to any of our existing investments today, Rob, I don't know maybe you can address that?

**Roberto Marcogliese:** I think the impact is limited for us in the Texas market. We have one large campus, about 360 megawatts. It's fully leased and under construction. And so, it's going to be leased on a 15-year basis.

So, we don't think that that necessarily has implications for what we have today.

Obviously, there's lots of land development being pursued across the country. And again, I think from our perspective, we have targeted the Tier one data center markets, and we're seeing great demand where, again, we see a lot of scarcity of power. And if we decide to look at other markets, we will be focused on ensuring we get the right contractual protections.

**Ryan Levine:** And then in terms of the uncertainty surrounding DeepSeek and demand for infrastructure, does that give you a pause around developing new assets? And you

mentioned a large portion of your pipeline is tied to that opportunity. Are you expecting to see a slowdown in that deal flow or pace of those transactions?

**Roberto Marcogliese:** At a high level across all of our data center platforms, we're largely sold out from a development capacity perspective over the next three or four years.

So, we don't see a slowdown in terms of our own build-out. And then I think as Sam alluded to earlier in the call, we've obviously been very selective in terms of our land banking approach, and we've taken, I call it, like a ladder approach where we're buying land at different stages of development that we think will tie to when that capacity will be required.

But ultimately speaking, I mean we don't have a ton of excess land bank today, and so we can throttle up and down how much land we want to buy and develop. And so in the short term, we don't see any impacts to our business in long term.

As I said in my remarks earlier, I think we're very bullish on bringing the cost of AI applications down. And I think that will just drive more demand for the product, which will ultimately take training or inferencing to actually be able to deliver to the end customer. We think there may be bumps along the way in the short to medium term, but long term, we're bullish in terms of the compute requirement.

**Sam Pollock:** Yes. And look, as Rob mentioned, growth isn't going to be linear for data centers, but we expect growth to remain robust. What we have is the leading developers in pretty much every market in the world.

In the U.S., we have Compass, which is one of the best, and we think, if not the best developer, Data4 in Europe, Ascenty down in South America, and then we've got smaller but growing businesses in Asia. To the extent that there's going to be data center development, we are going to get our market share because the large technology companies are going to want to use the best developers.

And added on top of that is our relationship with our renewable power group, which is helping source new renewable sites in a market that's quite constrained. And so, the Brookfield complex has obviously the best ingredients of any group to play a big role in digitalization.

So, I didn't mean to get that advertising out there but nothing has really changed as far as our views and the opportunity ahead.

**Ryan Levine:** Great. And then just last question, just to clarify, in terms of the contractual protections that were just highlighted, do you feel comfortable that if demand for load is materially less than what the industry is forecasting, you have legal protections to derisk the opportunity for investors and other stakeholders.

**Roberto Marcogliese:** We do, yes. We have take-or-pay contracts.

**Sam Pollock:** Yes. The big thing is we don't have terms in our contract where people can cancel for convenience. That is probably the biggest risk some developers might have as they might agree to some of those terms.

We do not agree to those terms.

**Operator:** I'm showing no further questions in the queue at this time. I would now like to turn the call back over to Mr. Sam Pollock for any closing remarks.

**Sam Pollock:** Well Liz, thank you very much for helping us with the call. And we'd like to thank everyone who joined us this morning. We hope it's useful for everyone, particularly on the DeepSeek conversation. And we just again reiterate that we've had a great start to the year.

And look forward to providing our first quarter results at the end of April. Goodbye.

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