Brookfield Infrastructure Partners L.P. (Q3 2026 Results)
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Corporate Speakers:

- Sam Pollock, Chief Executive Officer
- David Krant, Chief Financial Officer
- Ben Vaughan, Chief Operating Officer
- Lief Williams, Managing Director
- Dave Joynt, Managing Partner

Participants:

- Cherilyn Radbourne; TD Cowen; Analyst
- Maurice Choy; RBC Capital Markets; Analyst
- Devin Dodge; BMO Capital Markets; Analyst
- Frederic Bastien; Raymond James; Analyst

PRESENTATION

Operator: Welcome to the Brookfield Infrastructure Partners L.P. Third Quarter 2026 Results Conference Call and Webcast.

David Krant: Thank you, Shannon and good morning, everyone. Welcome to Brookfield Infrastructure Partners' third quarter 2026 earnings conference call. As introduced, my name is David Krant and I am the Chief Financial Officer of Brookfield Infrastructure.

I'm joined today by our Chief Executive Officer, Sam Pollock; and our Chief Operating Officer, Ben Vaughan. Also joining us today is Dave Joynt, a Managing Partner in our investments team; and Lief Williams, a Managing Director focused on AI infrastructure investments.

I'll begin the call today with a discussion of our financial and operating results, followed by a discussion of our asset sale initiatives and balance sheet strength. I'll then turn the call over to Sam who will discuss our capital deployment activity and provide an outlook for the business.

Now at this time I'd 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 the future results may differ materially. For further information on known risk factors, I'd encourage you to review our latest annual report on Form 20-F which is available on our website.
Now beginning with our financial and operating results, we're pleased to report that we generated FFO of $717 million or $0.91 per unit. This marks the third consecutive quarter in which we've achieved our 10% FFO per unit growth target.

The increase was driven by strong organic growth at the high end of our target range, supported by inflationary price increases, strong asset utilizations and the commissioning of approximately $1.4 billion of capital projects from our backlog.

Results also benefited from contributions from new investments completed over the last 12 months, which continue to generate returns above the lost yield from asset sales completed over the same period.

I'll now go through our results by segment in a little more detail. Starting with our utilities, where we generated FFO of $200 million, an increase of 5% over the prior year. The increase was driven by inflation indexation and the contribution of approximately $600 million of capital commissioned into rate base. Results also benefited from recent acquisitions including our South Korean industrial gas business and our New Zealand energy infrastructure platform. These contributions were partially offset by foregone earnings from asset sales completed over the last 12 months.

Moving to transport, where FFO was $315 million, representing a 10% increase over the prior year. The increase was driven by volume strength in our port operations, increased volumes and tariffs on our toll roads and the contribution from the acquisition of our North American railcar leasing platform. Results were impacted by foregone earnings from asset sales completed in the prior year including the sale of our Australian container terminal and a partial sale of our U.K. port operation.

In midstream, our FFO was $178 million, up 14% compared to the prior year. The increase reflects strong organic growth across the portfolio, particularly at our Canadian diversified midstream business which benefited from strong asset utilization and elevated commodity prices. Results also reflected a full quarter contribution from our U.S. refined products pipeline which we acquired in the third quarter of 2025 compared with the partial-quarter contribution in the prior year.

Lastly, FFO from our Data segment was $172 million, representing a 25% increase over the prior year. The increase was driven by strong organic growth across the segment including contributions from our partnership with Intel to develop semiconductor foundries in Arizona, following the completion of our equity funding during the quarter. Results also included a full quarter contribution from our U.S. bulk fiber network which we acquired in the third quarter of 2025.

I'll now turn to an update on our asset sales, on a year-to-date basis, you'll note we have secured nearly $1.5 billion of proceeds. We are also nearing binding offers on several advanced sale processes that could generate over $1 billion of incremental proceeds next to the partnership before year-end. In parallel, we continue to advance additional monetization opportunities which position us for a strong start in 2027 for our capital recycling plan.

In terms of our balance sheet, our approach to financing remains straightforward: Maintain conservative leverage, extend maturities when opportunities arise and ensure our businesses have the financial flexibility to perform through market cycles. Today more than 90% of our debt, excluding Brazil, is fixed rate, and our debt maturities are well staggered. This provides meaningful protection against movements in interest rates and allows us to focus on operating and growing our operations. At the corporate level, we have approximately $3.2 billion of liquidity, together with our access to a broad range of capital markets and limited near-term refinancing requirements, this puts us in an excellent position.

We have the flexibility to fund our existing growth initiatives and the capacity to pursue new investments when attractive opportunities arise. With that, that concludes my remarks for this morning.

I'll now turn the call over to Sam.

Sam Pollock: Thank you, David and good morning, everyone. Building on the progress David just outlined, we've also been active in deploying capital. Year-to-date, we deployed approximately $1.8 billion of equity across new investments and organic growth projects, and we remain on track to deploy over $2 billion in 2026.

One of the most compelling aspects of our business today is the growing scale and breadth of organic investment opportunities within our portfolio. Across our four segments, we are deploying capital to expand utility systems, increase capacity in our transport networks, enhance our midstream capabilities and develop data infrastructure to support accelerating demand for digital connectivity.

So far in 2026, we have invested approximately $700 million of equity into organic growth projects. These projects leverage our existing asset base, establish customer relationships and operating expertise, allowing us to deploy capital at attractive risk-adjusted returns with greater visibility and lower execution risk. Alongside this organic activity, investment across AI infrastructure continues to accelerate, adding to our established pipeline of M&A in traditional sectors.

The significant capital required to develop AI factories, deploy compute capacity and secure associated energy infrastructure is creating new avenues for us to deploy capital, particularly through strategic partnerships with leading global corporations.

This momentum is reflected in our recently signed agreement formalizing a strategic partnership with NAVER to develop sovereign AI capabilities including over 200 megawatts of compute capacity for one of the largest AI factories in

Asia Pacific. As part of the partnership, we will finance and own the compute capacity through a dedicated leasing company with contracted cash flows providing a return on and full recovery of our invested capital over the initial contract term. The first GPU deployment is expected in the first half of 2027 with full deployment by the end of 2028. This expected equity commitment is approximately $100 million.

Now beyond NAVER, our growing pipeline of actual investment opportunities gives us confidence in achieving our forward-looking objective of deploying approximately $500 million of capital on average annually in AI infrastructure. Most recently, we entered into a strategic partnership with Drax to potentially develop a large-scale AI factory in the United Kingdom.

So with that, let me now turn to the outlook.

We remain confident in our ability to close out the year with strong financial performance and achieve our 10% FFO per unit growth target. A key focus is converting our expanding investment pipeline into new capital deployment. We're advancing opportunities across sectors and geographies through both traditional M&A and strategic capital partnerships, providing multiple avenues to deploy capital at attractive risk-adjusted returns. Our scale, operating expertise and track record have established Brookfield as a partner of choice for leading global corporations seeking long-duration capital and an aligned operating partner. This position provides access to differentiated investment opportunities that often arise from relationships developed over many years rather than competitive options.

Another key priority is completing the announced corporate simplification. Following the successful BIP unitholder and BIPC shareholder votes, we have now received all required approvals and expect the simplification to close on November 19. Following closing and subject to approval by its Board of Directors, BIP Inc. intends to declare and pay a fourth quarter dividend on its Class A shares in an amount consistent with BIP's current quarterly distribution of $0.455 per unit. We believe the simplified structure will make Brookfield Infrastructure easier to own, improve consolidated trading liquidity, broaden our investor base and support increased index demand.

This concludes my remarks, and I'll pass it back now to the operator and we'd be happy to take some questions.

QUESTIONS AND ANSWERS

Cherilyn Radbourne: Thanks very much and good morning. I was hoping to get some perspective on what the U.S. midterms mean if anything, for the value of your in-place DC capacity and the development pipeline.

Sam Pollock: Hi Cherilyn, I guess we expected that question. Maybe I'll just make a couple of quick comments, and we have Lief Williams from our AI strategy group here as well and maybe I'll ask him just to give a general sense of what's happening these days in that sector.

But I think the two obvious things to say is that it's far too early to speculate on changes that might occur to regulation and other impacts to the sector because we're still in the heightened political environment.

But obviously to the extent that development slows down which, frankly, we expected it to slow down in any event because of constraints to supplies as well as capital. So I think a slowdown was expected in any event.

But to the extent that there is a lower supply in the coming years, that's going to make existing assets more valuable. So for businesses like C-Square, where we have an in place, set of data centers and customers providing compute. We expect rates to get higher, and it should be good for the business.

In terms of development, I think for developers who have a strong track record, access to capital and strong local support and that means having projects in the right jurisdictions, I think they will continue to be successful. In our case, we've been running our business extremely prudently and maybe just to add to that, that's where I'll turn it over to Lief, to describe how we've been running the business to position ourselves for this particular environment.

Lief Williams: Yes. Thank you, Sam. I think what I would add is from a bipartisan perspective, A big area of focus has been rate payer protection and really trying to ensure that from a grid perspective, the ratepayer is protected and from a power perspective, there is additionality. That's a theme we've been looking forward to for the last 18 months.

I would say if you look at the large three AI factory projects we've been advancing, so the Edmonton site, the Paduca site and the Drax site in the U.K. All three of those hit all of those attributes, and so we think that development will continue for the right projects to develop the right way and that's really been the priority from our perspective.

Cherilyn Radbourne: For my second question, maybe flipping to a jurisdiction that's a bit more friendly, at the moment. Can you talk about what you think Build Canada Strong, and the mega productivity deduction imply for your Canadian midstream business?

Samuel Pollock: Okay. Well maybe I'll start there and if any of my colleagues want to add to it, they can jump in as well.

Look, I think as we've probably said on previous calls, the tone from the various governments over the last year has been trending positive and we've seen both federally and provincially a number of governments much more supportive of new projects, particularly projects out West.

We think that there's a lot of momentum in the energy sector, in particular, to expand egress both to Asia and south. I think while we can't point to a number of projects yet the direction of travel is positive and so we remain optimistic that things will get done and that our pipeline today of energy projects has probably never been larger and our favorable view on the sector has not changed.

Maurice Choy: Maybe to take even bigger picture as we talk about the changing policy and political landscapes around the world that seems to be quite rapid, not the least being the U.S. Just keen to hear where you think you see the greatest opportunities in this location in any of the four pillars of business that you have.

Samuel Pollock: Hi Maurice, so today, if we look from a geographic perspective for the last couple of years, most of the opportunities have arisen out of the U.S. and a lot of that was driven by the explosion in data center activity which led to behind the meter power opportunities, utility opportunities as well as midstream.

So a lot of that took place and as we just said, I think we expect that to continue even if it's moderated somewhat. The other theme that has been very prevalent has been energy security and we just touched on that a little bit, with Cherilyn's question regarding projects in Canada which really, I think, are being developed in response to energy security issues around the world.

We have participated in investments in New Zealand, where energy security was part of our Clarus thesis and we're pursuing a number of opportunities in Europe related to that theme as well. So I would say energy is still a big component. There are opportunities in Europe, in particular, related to utilities, not dissimilar to what we see here in North America.

They have issues there as well with raising capital to invest in utilities so that they can expand transmission and distribution in particular, and so investments into rate base opportunities are quite prevalent. On the transportation side, maybe I've got Dave joined here with me, who runs our transportation business, do you want to comment on where we see transportation opportunities?

Dave Joynt: Yes. I would probably just make two comments on that. I think number one, despite what you might think, Global trade continues to be really strong and it's not just as direct as it was in the past where it would go directly from factories in Asia and go directly into demand markets in Europe and North

America, but it's actually making many steps kind of along the way, and so I think that overall demand for global trade just increases overall investment requirements in everything from ports to rail and other sort of like inland infrastructure assets. So I think overall that is probably very strong.

And then I think the second thing that I would comment is another large theme continues to be around supply chain security. So beyond Sam's comment about energy security, people are also concerned about the security of their supply chain, and there are significant investments being made around the world in order to, whether it's reshore or simply to create captive supply chains in order to get their goods from their supply destinations to the end markets, a lot of investment in that market as well.

Maurice Choy: Understood. If I could just finish off with a question on the corporate simplification. My congratulations to your team for the hard work and getting this across the line. I just wanted to hear your sense as to when the benefits that you've outlined for the simplification may materialize timing-wise, over the coming weeks, months or quarters?

David Krant: Hi Maurice, it's David. Look, I think in terms of the benefit, it's going to be, and to remind everyone, we think there's a number of them. Obviously, the combined company is going to have a much larger market cap, a bigger free float and therefore better trading liquidity. So I would expect those benefits to come in from day one in terms of liquidity. People have access to trade the shares, as we noted in our release yesterday, from the 23rd onwards.so I think that that's probably more imminent.

Some of the other maybe medium- to longer-term benefits in terms of index demand and flows will be harder to predict and will happen at various times over the next three to nine months based on our estimates. But we think that the initial benefits will be soon, and so we're really excited to have that chapter behind us.

Devin Dodge: So I'm going to start with a question on Radiant. We started to see more of these arrangements with third parties to fund compute capacity including Brookfield's agreement with NAVER, I know the total addressable market is really large. But just wondering how much of that is currently in discussion with technology companies? And how do you differentiate versus your competitors?

Lief Williams: Yes. Sure. Thanks for the question, Devin. Look, I think you're right. The addressable market is significantly sized. I would say from a sheer dollars per megawatt perspective, the compute market is about 3x larger than the data center market.

So we see a tremendous addressable market, but I would say we're very focused on the Brookfield side and on the Radiant side at sticking to our knitting, so this is take-or-pay contracts, full return on and of capital over the contract period. No

technology risk and investment grade counterparties. The NAVER transaction is a great example of that focus.

And I would say you'll see more transactions like that from us over the coming quarters. From a differentiation perspective, I think you're starting to see that in the market right now. I think having access to capital in periods of volatility will be a difference maker. Capital is becoming scarcer and I think that strong sponsor like Brookfield with deep access to capital, will be able to take advantage of the volatility.

Devin Dodge: Second question is on Arc infrastructure. There were some legislation that came forward in Western Australia involving the renationalization of the freight network, at least to the extent that you're able can you speak to where you are in those discussions with the government? And what's the range of outcomes that are being considered?

Samuel Pollock: Hi Devin, I don't think we can really talk about that at the moment. I think the government has put forward legislation that allows them to have the opportunity to buy it back. Those are conversations that we're having today, and we'll see where they end up.

Frederic Bastien: Question on the NAVER partnership. Your $100 million equity commitment looks relatively modest against the $9 billion project size. Given that you typically invest alongside Brookfield and some institutional partners.
Can you give us a sense of the total equity commitment at the group level and perhaps clarify whether the $9 billion represents total project costs including debt financing or equity alone?

David Krant: So the $9 billion is the total capital spend for the GPUs so that's the CapEx component. From an equity funding perspective, typical for these structures, you would have a loan to cost in the 80% range, maybe slightly lower than that. So you're probably around $1.75 billion of equity, and so we're estimating here BIP's share of that will be somewhere in the 5% to 10%.

We do expect to offer equity investments here to potential fund investors, and given we're in the fundraising process, it's hard to speculate on where that shakes out. But I'd say the investment we wanted to put a number just so people had a sense of what to expect. So $100 million, maybe upwards to $200 million would be where we'd expect it to be once it's settled.

Frederic Bastien: And can you clarify what sort of investments you'd be looking at the group level including Brookfield and your partners?

Samuel Pollock: It's plus or minus $1.7 billion to $1.8 billion total equity into the deal.

Frederic Bastien: And that's yours. Like that's the group level investment.

Samuel Pollock: At a group level, and as Dave mentioned, a portion of that will go into the fund, the AI fund, and then a portion will go to co-investors who are partners in the fund, and BIP will participate through the fund.

Frederic Bastien: My other question around, I guess, you've been super active in data and certainly feels like investment opportunities are heating up in midstream. How is the opportunity set evolving across your two other segments, utilities and transport.

Samuel Pollock: I would say if we had to rank sort of pace of deployment, data would still be the most active followed by midstream. I think those are the two areas where we're seeing the most deal flow at the moment, and then probably transportation would be next and then utilities, they can be lumpy.

So the utility transactions tend to be larger, just less frequent. So it's possible in any given year, we could have a large utility transaction, and there's some that we're pursuing at the moment, but they tend to be a little bit more sporadic. So whereas the transportation side tend to be smaller deals, but more often.

So that's kind of the lay the land. It's always hard to speculate because we have, as you can appreciate, a large number of transactions underway at any one particular time and it's hard to predict which ones will become actionable and which ones might fall away for various reasons.

Operator: And I'm currently showing no further questions at this time. I'd now like to hand the call back over to Sam Pollock, Chief Executive Officer, for closing remarks.

Samuel Pollock: All right. Thank you, Operator, for helping us out today, and thank you to everyone who joined the call. We'd like to wish everyone a happy upcoming holiday season, and we look forward to providing you our fourth quarter and year-end results early in the new year. Thank you and have a great weekend.