**Brookfield Infrastructure Partners L.P.**
**Q1 2021 Results Conference Call & Webcast**

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**Corporate Speakers:**

- David Krant; Brookfield Infrastructure Partners Limited; Chief Financial Officer & Managing Director of Infrastructure
- Sam Pollock; Brookfield Infrastructure Partners Limited; Chief Financial Officer
- Gabriele Montesi; Brookfield Infrastructure Partners Limited; Managing Director of Infrastructure
- Ben Vaughan; Brookfield Infrastructure Partners Limited; Chief Operating Officer

**Participants:**

- Rupert Merer; National Bank Financial, Inc.; MD & Research Analyst
- Robert Kwan; RBC Capital Markets; MD & Energy Infrastructure Analyst
- Andrew Kuske; Credit Suisse AG; MD, Head of Canadian Equity Research and Global Coordinator for Infrastructure Research

## PRESENTATION

**Operator:** Ladies and gentlemen, thank you for standing by, and welcome to Brookfield Infrastructure Partners First Quarter 2021 Results Conference Call and Webcast. (Operator Instructions) Please be advised that today's conference is being recorded. (Operator Instructions). It is now my pleasure to introduce CFO, David Krant.

**David Krant:** Thank you, operator, and good morning, everyone. Thank you all for joining us for Brookfield Infrastructure Partners' First Quarter Earnings Conference Call for 2021. My name is David Krant, and I am the Chief Financial Officer of Brookfield Infrastructure Partners.

Joining me today is Sam Pollock, our Chief Executive Officer; and our guest speaker this quarter, Gabriele Montesi, Managing Director based in our London office. Following our remarks, we look forward to taking your questions.

At this time, I'd like to remind you that in responding to questions, as well as talking about 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 would encourage you to review our annual report on Form 20-F, which is available on our website.

We are pleased to report that Brookfield Infrastructure had a strong first quarter and that 2021 looks like it will be an excellent year. Coming off an extremely resilient 2020, the business generated first quarter Funds from Operations, or FFO, of $431 million or $0.93 per unit, up 20% compared to the prior year. This solid start reflects the benefit of inflationary revenue escalators, as well as new contracts and capital expansion projects completed in the last year. Taking into account the 5% distribution increase announced in February, our payout ratio for the quarter was 70% of FFO.

Many of our businesses are benefiting from higher volumes associated with robust demand for various industrial and agricultural commodities. Performance for the balance of the year will be further aided by GDP and consumer-related volume growth, which has not yet meaningfully contributed to results. The vaccine rollout remains in the early days in many countries. However, in the U.S. and U.K., where solid progress has been made, we are seeing immediate improvement in economic growth and consumer activity. These positive early indicators give us optimism that this trend will continue, and our business will benefit as more regions participate in this recovery.

Now moving on to our strong results for the quarter. FFO grew organically by 8% due to inflationary tariff increases, modestly higher volumes associated with the early stages of economic recovery, and the completion of $800 million worth of capital projects commissioned in the last 12 months.

Results for the quarter were further supplemented by favorable market dynamics produced by weather events that led to exceptional performance in our midstream segment. These positive factors were partially offset by the impact of foreign exchange in a number of our segments and a higher management fee relative to the prior year.

The utility segment generated FFO of $166 million, up 7% over the prior year on a constant currency basis. All businesses within the segment are performing well, with results benefiting from inflation indexation and the commissioning of almost $400 million of capital into rate base over the last year. These contributions were partially offset by the sale of two mature businesses in 2020.

New connection activity at our U.K. regulated distribution operations exceeded plan by approximately 15% during the quarter. These results reflect good levels of construction activity that has been unaffected by government-imposed restrictions as well as positive momentum in the housing sector. The business also recorded strong connection sales with several large multi-utility projects secured during the quarter. We believe this momentum will persist, supported by advanced vaccination rollout and economic restrictions having largely been lifted.

Within our utility operations in Brazil, results at our regulated gas transmission business increased 21% in local currency terms, compared to the prior year. This increase is primarily attributable to an annual inflationary tariff adjustment that was confirmed at the end of 2020. Following the quarter, a new law was enacted to promote continued

investment in growth in Brazil's energy sector. The law removes the expiration date of pipeline authorizations, thereby, converting this asset base to a perpetual franchise.

We have also advanced the build-out of our electricity transmission operations in the country, with the completion of approximately 600 kilometers of transmission lines during the quarter. The platform now has approximately 2,600 kilometers of operating transmission lines, which distribute electricity that is primarily generated from renewable energy sources. We are on track to complete the balance of the projects, which represent a further 2,700 kilometers over the next 18 months.

FFO from our transport segment was $162 million, an increase of 17% over the prior year. The gradual reopening of economies has contributed to volume growth at our rail and ports businesses. Supported by robust demand for commodities in Australia and Brazil, volumes on our rail networks increased almost 10%. Volumes on our container terminals increased by almost 20%, compared to the prior year, driven primarily by consumer-led activity in the United States and Australia. Results also benefited from the contribution of our U.S. LNG export terminal that was acquired in September. These positive factors were partially offset by asset sales as a result of our capital recycling initiatives and foreign exchange.

During the quarter, the regulator of our Australian bulk export terminal provided a final decision confirming the transition to a light-handed regulatory framework. Under this model, we will directly negotiate pricing with the users of the terminal, instead of operating under a single regulated tariff. The new framework will become effective in July and will allow the company to establish rates that better reflect the economic value of the facility to customers. Contracts with customers will retain the favorable features that existed under previous frameworks, such as our availability-based revenues and the socialization of customer obligations.

FFO from our midstream segment totaled $146 million for the quarter, nearly a twofold increase over the prior year. The strong performance reflects robust customer demand and the completion of an expansion at our U.S. gas pipeline. Results for the quarter also benefited from the operational strength and preparedness of our gas storage business through the extreme weather conditions experienced in the United States.

In March, our U.S. gas pipeline commissioned the second phase of its Gulf Coast expansion. The project will increase transport capacity in the region and was completed on time and below budget. Relative to a $200 million total capital investment, or approximately $75 million, net to BIP, the expansion will generate annual EBITDA of approximately $45 million on a 100% basis, or $17 million, net to BIP. This FFO is under long-term contract with an investment-grade counterparty. Completion of this important project coincided with a partial monetization of the business that Sam will touch on in his remarks.

FFO from the data segment totaled $60 million, an increase over 40% versus the prior year. This reflects the contribution of the Indian telecom tower acquisition completed in

August, as well as organic growth of 7% across our existing businesses. This organic growth includes inflationary price increases built into our telecom tower and data center customer contracts, as well as the rollout of additional points-of-presence and Fiber-to-the-Home at our French telecom operation.

We advanced two priorities within our data transmission and distribution platform during the quarter. First off, we significantly de-risked the cash flow profile of our French telecom business through the execution of 15-year contract extensions with two mobile network operators, or MNO customers. Secondly, our Indian telecom tower operation finalized a long-term master services agreement and commenced hosting services for a second leading MNO. We are now focused on the rollout of these services to additional tower locations across our network in India as well as increasing co-location on our tower infrastructure.

Now before turning the call over, I'll briefly touch on our balance sheet, which is in excellent shape due to ample liquidity levels and a well-laddered maturity profile. Credit markets also remain highly supportive for the type of assets we own. With no material asset maturities in 2021, our focus for the year will be on completing opportunistic financings across our portfolio. With revenues largely adjusted for inflation, our focus on financing assets with long-term fixed rate debt will provide further operational leverage in an economic recovery.

We have a healthy pipeline of prospective investment opportunities and substantial available liquidity to support these. Total liquidity currently exceeds $4 billion, of which $2.6 billion is at the corporate level. Secured capital recycling initiatives will add over $1.3 billion to our corporate liquidity in the coming months, and we expect to further enhance our position by $1 billion to $1.5 billion through the monetization of additional mature assets in the next year.

With that, I will now pass the call over to Gabs.

**Gabriele Montesi:** Thank you, David, and good morning, everyone. I'm pleased to be joining you on today's call to provide a spotlight on our U.K. port operation, PD Ports. We acquired PD Ports in 2010 as part of the recapitalization of Babcock & Brown Infrastructure. Ever since, our management team has worked tirelessly to diversify the port's customer base and reinvent the business. Today, as we shift towards a more sustainable economy, we believe PD Ports is on the brink of yet another transformation. But, before I jump into more detail around its growth potential, let me take a step back and provide a quick overview of the merits of the business.

As with any island country, port infrastructure is vital to the U.K. economy with an estimated 90% of the country's goods traded arriving by sea. Our operations span 13 sites and serve as the gateway to Northern England through critical rail and road linkages. This group of scarce, well-located and connected landlord ports unlock worldwide markets and offer direct transfer links to all corners of the U.K.

The business today is highly diversified through the following revenue streams. First, our statutory harbor authority status provides the perpetual right to look after a river system and charge customers to pass-through it. These fees contribute over 40% of EBITDA and provide recurring, stable and inflation-linked cash flows.

Second, as a landlord port, we lease land adjacent to the port under long-term agreements with high-quality counterparties. These leases have embedded inflation escalation, extremely high renewal rates given the strategic location of the port and contribute approximately 40% of EBITDA.

Last, our port operation services contribute approximately 20% of EBITDA and involve handling services integral to our customer supply chains. The evolution of the port, however, did not happen overnight. To best position the business and enable it to benefit from attractive regional dynamics, we delivered on several value creation activities over the past decade.

And to mention just a few, we developed a port-centric strategy focused on integration with customer supply chains and attracting new volumes to the port. We've reinvested over $120 million of operating cash flows to expand facilities, enhance capacity and modernize our infrastructure. We actively attract the new long-term customers to the region, including the development of the world's largest biomass power station, and we invested in port automation to transition away from carbon-intensive activities and into renewable and sustainably sourced goods and products.

And we refinanced PD Ports' legacy capital structure increasing debt levels in the business commensurate with growing EBITDA. The business has performed extremely well in the last decade, and the next 10 years look to be even better. With the success of its vaccine rollout, the U.K. is poised to experience near-term economic expansion ahead of many other parts of the world. This coincides with emergence from nearly a half-decade of Brexit-induced trade overhang.

Furthermore, to encourage additional investment and promote new trade relationship with the EU, the U.K. government awarded eight coveted freeport status designations, one of which was given to Teesside, PD Ports' main location. This status provides benefits from tax savings, simplify custom procedures, streamline redevelopment processes and government support.

In addition to a favorable macroeconomic backdrop, the business has highly visible near-term growth. First, PD Ports receives annual inflationary tariff increases on 80% of its revenues, which bodes well for near-term inflationary expectations. Second, we anticipate highly captive customers to continue to provide growth opportunities and incremental revenues as legacy conservancy and property charges contractually reset to market rates. Further, we have large-scale expansions underway, including expected new volumes from the development of the world's largest polyhalite mine and an almost twofold increase in our container terminal capacity.

Finally, the region is recognized as a renewal energy hub and has received core status as the Center of Renewable Engineering from the U.K. government. We are confident that this highly visible growth opportunity should contribute to doubling EBITDA over the next five years and could even triple results by 2030.

So, with that, I thank you for your time this morning, and will turn the call over to Sam.

**Sam Pollock:** Thank you, Gabs, and good morning, everyone. For my remarks today, I'll discuss the strategic initiatives we currently have underway, and then conclude the call with our outlook for the balance of 2021.

As David mentioned, our pipeline of prospective investment opportunities is robust, and we have substantial available liquidity for these initiatives. We also expect to further enhance our capital position through the monetization of additional mature assets in the next year and a half. The combination of the current low interest rate environment and demand for well contracted mature assets has allowed us to make meaningful progress on our near-term capital recycling targets.

I'll begin by highlighting some sales that we have secured or completed recently. In early March, in conjunction with our partners in the business, we completed the sale of a 25% minority interest in our U.S. gas pipeline. For BIP's share, which was 12.5%, net proceeds totaled $412 million. This implies an enterprise value of approximately $5.2 billion on a 100% basis, which values the company around $300 million above our IFRS carrying value. Further, since the recapitalization of the business in 2015, over 75% of invested capital has been returned to us, and we realized an IRR of 21% on this partial sale.

Next, as we talk about last quarter, we're advancing two separate transactions to complete the divestment of our U.S. and Canadian district energy platforms for $4.1 billion. These sales achieve a multiple of capital of over six times and underscore the meaningful value created over eight years of ownership. We anticipate closing of the Canadian transaction to occur in the next month with the sale of the U.S. operation falling shortly thereafter. Total proceeds to Brookfield Infrastructure from these sales are approximately $950 million.

Then lastly, subsequent to quarter end, we agreed to sell our portfolio of smart meters in the United Kingdom at an attractive valuation, reflecting the highly contracted nature of the business and high-growth trajectory under the U.K.'s energy transition plan. Brookfield Infrastructure will receive net proceeds after debt repayment of approximately $350 million. The portfolio will be carved out of our U.K. regulated distribution business and sold on a standalone basis. During our ownership period, and including the proceeds from the sale, we earned an IRR of 58%.

While we have surfaced back from the sale of mature businesses, we've also made significant progress on two investment initiatives during the quarter. First, in February, alongside our institutional partners, we formally launched a $5 billion takeover offer to

shareholders of Inter Pipeline Limited to privatize the company. If successful, we will deploy approximately $2 billion of cash and BIPC shares into a high-quality portfolio of Canadian midstream assets.

Second, subsequent to quarter end, alongside our institutional partners, we acquired the remaining 10% interest in our Brazilian regulated gas transmission business that was not already owned. We are funding the acquisition with additional asset level debt, and thus do not require further capital. The investment is a great opportunity to increase our exposure to a fully contracted, inflation-linked cash flow producing asset that we have owned and operated for four years, and therefore, we know very well.

Looking at the balance of the year, as the vaccine rollout progresses, we anticipate that global economies will reopen, albeit at varying speeds. Based on our experience to date, GDP growth will be robust as the combination of pent-up demand and substantial fiscal monetary stimulus fuels a strong recovery. The economic recovery in Asia and the U.S. has already contributed to solid demand and rising prices for several commodities. As a result of higher prices for materials, the demand for higher wages, the central focus for many economies has turned towards inflation. This economic backdrop should create a favorable environment for our operations.

As we've said many times, one of the core attributes of our business is its predictable performance through economic cycles. The resilience of our operations was proven over the past year; however, Brookfield Infrastructure stands to deliver stronger performance during periods of economic expansion. We believe that our full cycle investment strategy is well suited to the current environment. We are aggressively executing capital recycling initiatives to capture attractive valuations for our high-quality de-risked assets. We've already been highly successful in this effort and are well underway in meeting our near-term target of $2.5 billion of proceeds from asset sales.

We are also determined to remain disciplined in our capital deployment for new investments and pursue opportunities that meet our strict risk-adjusted return profile. We will focus on commissioning our strong backlog of organic growth projects and pursue tuck-in acquisitions where we have strategic advantages and larger multi-factor transactions where we can leverage our operating expertise and scale.

That concludes my remarks for today. I'll pass the call back to the operator for questions.

## QUESTIONS AND ANSWERS

**Operator:** (Operator Instructions) Our first question comes from the line of Rupert Merer with National Bank.

**Rupert Merer:** With the sale of the smart meter business in the U.K., how are you thinking about the remaining portion of the U.K. utility? Maybe you can talk about some of the conditions there that might make the remaining part of the business less mature or less interesting for recycling at this point?

**Sam Pollock:** Rupert, I'll tackle that one. I've probably said on many occasions that every one of our businesses could be sold at some point in time. The only caveat to that was probably BUUK. That's probably a business that we will never sell, or at least can't foresee it at the moment. And really, it's because it has such a unique position in the market where it's able to reinvent itself with new products and essentially serve the homebuilding market in the United Kingdom, which is always growing and adding new products.

So, this was an opportunity where we developed a specific line of products in that business. We matured the business. And once we thought it was fully bagged, we sold that particular product line. But we have many product lines in the company, and we're looking at new product lines going forward.

So, I think the short answer is, we would not look to sell the business, but we may, in the future, if we have certain businesses within the business that makes sense to harvest, that's probably what we would look to do.

**Rupert Merer:** So how easy is it to separate the smart meter business from the rest of the utility operations? Or any loss in operating efficiency or opportunities to cross sell?

**Sam Pollock:** Look, every carve-out requires some complexity, but this was a relatively stand-alone investment initiative, and one that others have standalone businesses like it. So, it was easy for us to replicate what other businesses look like. We don't foresee any dissynergies from the sale if that's what your question was.

**Rupert Merer:** Yes. Okay. Great. And then just secondly, so strong volume growth in rail, strong volume growth at the ports. Given the pandemic really started in Q2 last year, what's the outlook for volume growth into Q2? I mean, I imagine we should expect more of the same of what we saw in Q1, but, potentially, could we see bigger year-over-year volume increases in Q2?

**Sam Pollock:** Yes. Maybe I'll start and then Dave can jump in or Ben. But what you're seeing is a varying speed recovery. As you are aware, we have operations around the world. Some jurisdictions, like Asia and North America, or the U.S., have started to recover quicker. And so, we have seen those volumes in those markets improve in the first quarter. I expect that to continue. In fact, I think in our port and rail operations, we are seeing lots of new activity in customer-initiated demand. So, I think we'll continue to see growth in those regions.

But what you'll also see is, in regions that are lagging, where there's still restrictions related to COVID, particularly South America, where we have all the toll roads, we have our railroad, as well as India and a few other places, even Canada for that matter, which is a bit behind, you'll see those markets start to pick up in the coming quarters. And so, we should see further improvement in results from businesses in those jurisdictions.

**Operator:** Thank you, and our next question comes from the line of Robert Kwan with RBC Capital Markets.

**Robert Kwan:** If I can start with PD Ports, you talked about the potential doubling of EBITDA over the next five years and not being fairly visible and quite possibly tripling by 2030. Just wondering, is there one or two things that really need to come together for that type of EBITDA growth to materialize? Or is it really just a collection of all the things that you've outlined?

**Sam Pollock:** Well, maybe I'll let Gabs take a first stab at that and then I can also add to it. So, Gabs, do you want to drive the growth wedges?

**Gabriele Montesi:** Yes. Rob, I think you should note that there's a number of different levers that will come to fruition in the coming years. There is a very strong commercial pipeline that we built in recent years with a very favorable macro-outlook. And then there's a number of larger projects, like, for example, the Anglo American Polyhalite mine, that will have a meaningful contribution to results.

But there is a number of those. We have LNG regasification. It is expected to come online in the coming years. And we also have additional momentum, for example, with the designation of Teesside as a freeport. We expect that to drive further investment in the area, and it's a critical element of the government strategy to stimulate the local economy, which will benefit PD Ports. So, there's a number of different elements that will come together and contribute to those expected results.

**Robert Kwan:** Got it. And how much of that is locked in today versus things that you think will unfold?

**Gabriele Montesi**: The way we think about it is, there is an element of that, that is contractually locked in, for example, the MGT power plant. And then there's element there what we think is captive. These are essentially customers that have invested significant amount of capital in the area or in the port itself, and they really have a vested interest in continuing to operate through PD Ports, and those of the likes of Anglo American, we're developing a multibillion mine with over 100 years lifetime.

And then on top of that, we have more investment-driven growth like the container terminal expansion. So roughly, you can probably split those predominantly between captive and contracted, with additional optionality around the non-contracted growth.

**Sam Pollock:** Yes, Robert, maybe I'll just add. There are really three elements to the growth wedges and Gabs described two of them. But the other one relates to the uplift in rent from the rent reviews, which we expect to see a number of them come to fruition over the coming quarters and some to be reflected, which you just know just got signed and arbitrated over the last two quarters. And so, there's significant lift from that.

There's the lift from the investments from captive customers, which Gabs mentioned, which is MGT, the LNG as well as Anglo American operations, which are all well underway and very, very visible. And then, there are certain expansion initiatives that we're undertaking that we have in our control, which are reflective of the near capacity that we're at with our container terminal operation where we know just from the growth for the last number of years that we require further investments to meet that demand.

So, I'd say, for the growth in the next five years, we're extremely confident about the doubling and then the tripling, obviously, there's a few things that have to happen, but a lot of that's very visible as well.

**Robert Kwan:** Got it. But in terms of DBI and now that you've got the final approval to move to the new regulatory framework, in terms of your optimism there, what's the ability to move your fees up to something, let's say, example, like at a point? Or is your optimism really more about protection against some of the potential declines you could have seen in cost of capital parameters given the low interest rate environment around future access arrangement?

**Ben Vaughan:** Robert, it's Ben here. I'd say our optimism is more hinged around the fact that our asset is fully used and utilized. So, it's oversubscribed by its users. So, there's a strong demand for the service that it provides. And we think there could be room in the rate structure for some appreciation over time, given that it's oversubscribed and in strong demand. I don't know if I understood your question, but that's the fundamental underpinning of why we think this is a favorable development.

**Robert Kwan:** Got it. Yes, that's helpful. So you're expecting an actual or potential increase in EBITDA and cash flow versus just kind of protecting what you've got?

**Ben Vaughan:** I think that's correct. That's correct.

**Sam Pollock:** That's correct. Look, I think if you look at how some of the light touch regulatory approach has worked for the airports in Australia, they are very constructive for both customers and for the owners. We expect that same environment for this facility.

**Robert Kwan:** Okay. If I can just finish with what you're seeing on the acquisition side, we've obviously seen an equity price recovery. So, I don't know if that kind of takes away from potential other privatization opportunities. But as you think about your discussions on carve-outs, you think rising equity prices may be taking pressure off of some of those companies to think about carve-outs? And also, if you can just touch on what you're seeing from a government privatization point of view, that would be great.

**Sam Pollock:** Okay. So, I think there's two questions there. Maybe I'll start with the government situation, just the opportunities with, I guess, both the Canadian and U.S. governments have been vocal about encouraging infrastructure development. I'd say it's early days because we're still trying to determine what role they would like the private sector to play in a lot of those very ambitious infrastructure plans. We do think it makes

sense for the private sector to have a big role in it, but that's still to be determined. And I think just given the amount of projects that are being contemplated, that will lead to opportunities.

As it relates to the rest of the world, there's lots of opportunities that are being similarly discussed elsewhere. I think with balance sheet constrains, it's only a matter of time before new programs, new incentives are put in place for the private sector to generate growth through infrastructure.

As it relates to carve-outs from different companies, look, it is a very highly liquid market environment. And so, companies looking to source capital, have a number of opportunities in both the debt and credit markets to source capital. But I would say that we've always been successful in finding opportunities around the world. We have a large team in place where we can come up with win-win transactions with companies that are looking to not only just look for the lowest cost of capital, but also for flexibility and expertise to work with in building companies.

And today, I think where we see a lot of that and where we see a lot of opportunities is in the data sector where we're working with a number of the telecom companies in either expanding our data center operations with a lot of new build investment opportunities, as well as fiber developments, particularly with the Fiber-to-the-Home. So I'm optimistic that we will find great opportunities, but I also don't want to minimize what is a fairly liquid environment and with fairly high valuations.

**Operator:** (Operator Instructions) And our next question comes from the line of Andrew Kuske with Credit Suisse.

**Andrew Kuske:** Maybe a nitpicky question first just on the accounting, and it relates to the weather impacts that you saw, and I guess this really centers on the Rockpoint business and gas storage. So that $55 million of FFO impact in the quarter, how much would you view as being, sort of, normal storage kind of gains in a quarter versus what you booked?

**David Krant:** Andrew, it's David here. I think as you know, in that business, well, it does have a little volatility period to period. So normal storage levels is tough to say. In fact, the number you referenced would be relative to last year, albeit last year was quite low. So, I think normally, it's probably about $10 million of FFO a quarter, and we did outperform it there. So I think there's a bit of judgment on that, but that's how I'd say.

**Andrew Kuske:** Okay. Appreciate that color. And then a bigger, broader question. And I guess if you look back over the last year, obviously, you've got one of your toeholds is now very public, in that process. So maybe I'll let just put that one aside. But the other toehold positions that you took over the course of the year and, in some cases, have exited, what's the post-op on just the returns that you've made and then the rationale for you leaving? Was it strictly valuation based, or you couldn't foresee a probability of getting control or you just saw better risk-adjusted returns elsewhere? I know that's a lot

sort of packed into that question, but if you could give us color it would be much appreciated.

**Sam Pollock:** Andrew, look, I see the toeholds as really just one tool in our toolkit as far as creating transaction opportunities. Often, we see situations where, based on our knowledge of the sector and our transactions that we've undertaken, where we see a mismatch between private and public valuations, and that will provide us an impetus to take a position, really not knowing at that time if we can convert that into a private transaction.

And so, often, that will result in a transaction as it has over the last 12 years, on occasion, and sometimes it just results in a gain. But it's an important part of our business development activity to monitor for mispriced securities, take positions and then see if we can create something out of it. And sometimes, it leads to something, sometimes it just turns out to be a good investment and at the appropriate time when we think that we don't have an ability to convert, we'll just sell it off.

**Andrew Kuske:** I appreciate the color. And then if I may, just an extension of that, have you increased your dialogue with governments around PPP arrangements, which you had in the past, although a long time ago or water infrastructure? And maybe this is more super core focused or core plus, but have you increased your dialogue there just given government finances being strained?

**Sam Pollock:** Yes. I'd say, today, every government around the world is seeking input from us on thoughts of how the private sector can be helpful and how the governments can be helpful to the private sector in investing further capital. So, they're looking for ideas around various tax credits or other incentives to spur that infrastructure development. And so that's feedback that we give on a pro forma basis. Hopefully it leads to opportunities.

Today, I'd say, we have not seen the level of investment opportunities from governments that we expected or hoped to see, but I still remain highly confident that over the next five to 10 years there will be significant volumes of opportunities from that sector.

**Operator:** I'm showing no further questions at this time. So with that, I'll turn the call back over to CEO, Sam Pollock, for any closing remarks.

**Sam Pollock:** Okay. Thank you, operator, and thank you, everyone, who participated in our call today. We appreciate your interest in the company and look forward to providing you further updates in the next quarter. Thank you very much.

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