



Results for the year to 31 March 2022

12 May 2022



Business review

Simon Borrows
Chief Executive



An excellent result exceeding our financial targets

Year to 31 March 2022



Group

Total return
on equity

44%

NAV
per share

1,321p

Gearing

6%

Total dividend
per share

46.5p

Private Equity

Gross investment return

47%

Proprietary capital invested

£529m¹

Cash generation

£1.1bn

Infrastructure

Gross investment return

21%

Cash income

£91m

3iN dividends

£27m

¹ Gross of return of funding.

Our purpose



We generate attractive returns for our shareholders and co-investors by investing in private equity and infrastructure assets.

As proprietary capital investors we have a long-term, responsible approach.

We create value through thoughtful origination, disciplined investment and active management of our assets, driving sustainable growth in our investee companies.

How we deliver our purpose



Permanent capital

A long-standing network

An experienced and diverse team

Careful portfolio construction

Rigorous portfolio management

Strong values and institutional culture

A strong brand and reputation

Thematic approach to investment

We back businesses that benefit from long-term structural growth trends



Demographic and social change



Climate change and resource scarcity



Digitalisation, technological disruption and big data



Challenges to globalisation and the economic order

Value for money

Internationalisation



Advancing our sustainability agenda

Significant progress in FY2022



Governance

- New ESG Committee set up to advise the Chief Executive
- Refining investment process to incorporate earlier assessment of ESG risks and opportunities
- Engagement with EY for TCFD alignment project for compliance by 2024

Environment

- Completing process of GHG emissions data collection from portfolio
- Carrying out our first climate scenario analysis
- Bespoke seminars being organised for the 3i team on climate risks and opportunities

Social

- Engagement of DE&I consultant to identify areas for further improvement
- Participation in GAIN and #10000BlackInterns internship schemes and Career Ready mentoring scheme
- £1m donation to MSF and Unicef in response to the crisis in Ukraine, in addition to regular charitable donations

Private Equity

Excellent performance in FY2022



Excellent performance across the portfolio

- **47%** gross investment return, predominantly earnings driven
- **93%** of portfolio growing earnings in the 12 months to December 2021

Good level of investment activity and strong cash generation from the portfolio

- **£529m¹** of proprietary capital deployed across new, bolt-on and further investments
- **£1.1bn** of cash generated from realisations, refinancings and other capital and income distributions

Portfolio well positioned in a challenging environment

- Exposed to long-term trends and strategically positioned to continue to drive attractive returns
- With proven resilience in a challenging environment

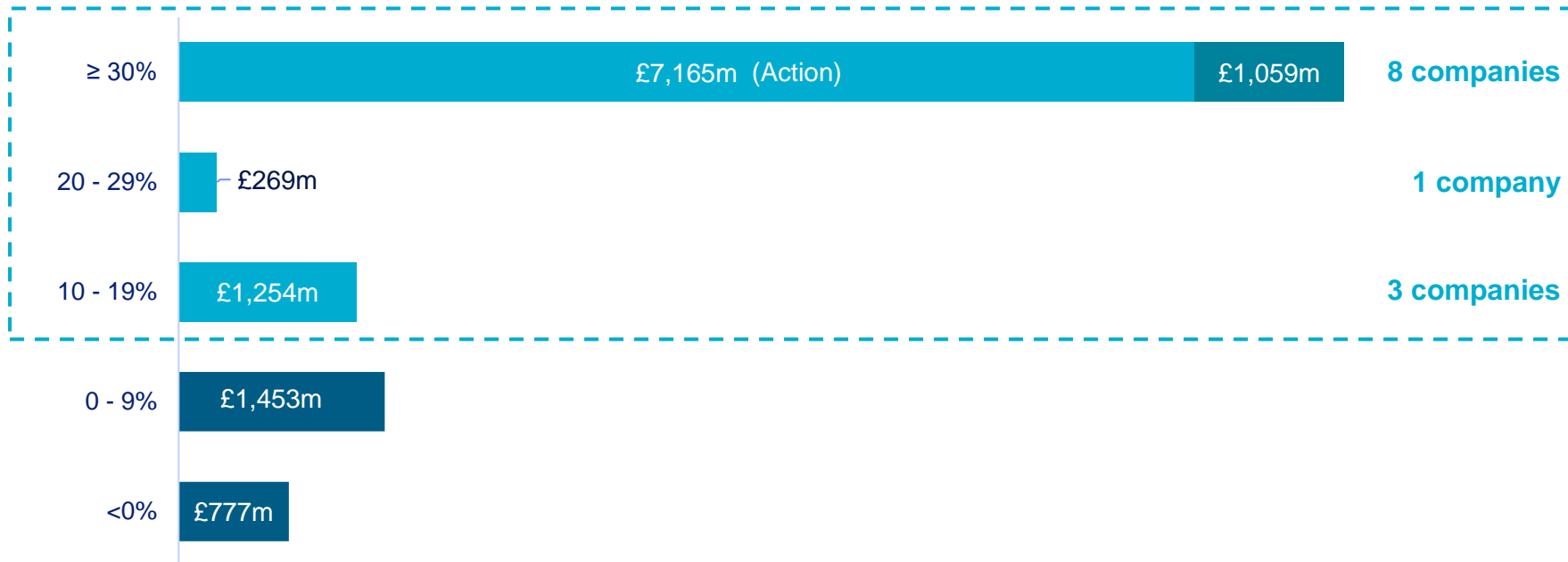
¹ Gross of return of capital.

Private Equity

Strong earnings growth across the portfolio



Portfolio earnings growth of top 20 PE investments¹



¹ Includes top 20 Private Equity companies by value. This represents 96% of the Private Equity portfolio by value. Last 12 months' adjusted earnings to 31 December 2021 and Action based on last 12 months run-rate earnings to the end of P3 2022.

Private Equity

Portfolio value growth of £3.5bn predominantly performance driven



Largest value increases (>£20m)¹

Portfolio company	Value growth (excl FX)	Value at 31 Mar 2022	Driver of value movement
Action	£2,655m	£7,165m	
Q Holding ²	£200m	£398m	
SaniSure	£141m	£277m	
BoConcept	£103m	£184m	
Hans Anders	£86m	£345m	
Luqom	£59m	£448m	
AES	£58m	£269m	
Havea	£55m	£304m	
Cirtec Medical	£46m	£513m	
Dynatect	£46m	£102m	
Tato	£39m	£407m	
Wilson HCG	£33m	£115m	
MPM	£28m	£162m	
Magnitude ²	£180m	Sold	

Largest value declines (>£20m)

Portfolio company	Value decline (excl FX)	Value at 31 Mar 2022	Driver of value movement
WP	£(40)m	£234m	
Formel D	£(23)m	£39m	

Performance
 Multiple
 Other

¹ Excludes Basic-Fit, which increased in value by £25m in the year. Basic-Fit is valued on a mark-to-market basis.

² Other reflects: (i) the value uplift for Q Holding following the agreed sale of QSR and the Q4 value growth of QMD; and (ii) the uplift achieved on the sale of Magnitude. Note that the £180m profit in relation to Magnitude is not included in the £3.5bn unrealised value growth in the subheading.

Private Equity

Action – strong 2021 performance despite continued Covid disruption



+23%
Sales growth

+36%
EBITDA growth

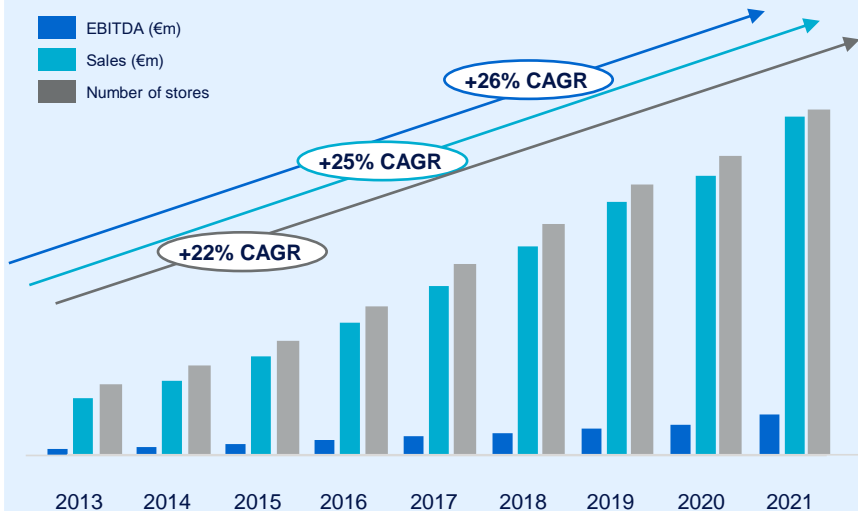
+11%
LFL growth

93%
Cash conversion

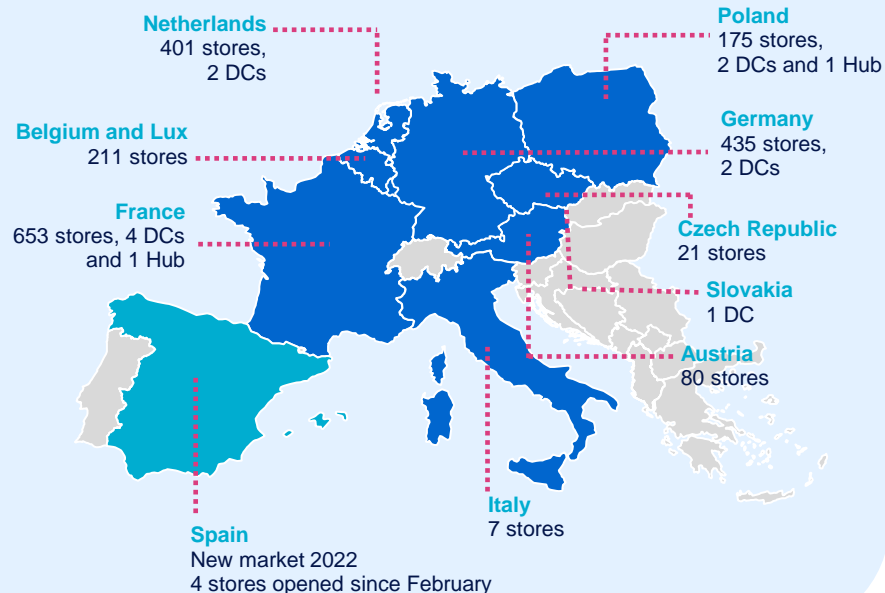
267
Net new stores

1,983
Total stores

An unbroken high growth track record



Expansion across Europe continues¹



¹ All stores as at 31 December 2021, except Spain, showing stores opened since February 2022.



- **Q1 trading:** net sales of €1.8bn (42% increase vs Q12021), 28% LFL sales, LTM EBITDA of €932m
- **Q2 trading:** good P4 to start Q2
- **Store openings:** 4 pilots opened in Spain so far, on track to open more stores in 2022 than last year
- **Outlook:** on track for another year of growth
- Hajir has made a strong start as Action's CEO

Action's scale and flexibility of assortment support resilience to supply chain disruptions and inflationary pressures exacerbated by the conflict in Ukraine



£277m value

3.7x money multiple¹



Built up the platform through acquisitions

- Platform created by combining four complementary companies within nine months of ownership
- Scaled organically and with three further acquisitions

Significant further growth potential

- Launch of new proprietary product platforms
- International expansion, including in APAC
- Additional M&A and strategic partnerships

Considerable growth since initial investment

- Double digit organic revenue and EBITDA CAGRs

¹ To date, in sterling terms, includes unrealised value.



£184m value

2.4x money multiple¹



Improved store base and accelerated store expansion

- Expanded and repositioned store base with +70 net new stores opened
- Strengthened the franchisee base, resulting in a significant decline in the number of store closures

Value creation across a number of levers

- Strengthened organisation and management team
- Developed B2B as a new revenue stream
- Strengthened omnichannel proposition

Considerable growth since initial investment

- EBITDA: 1.8x

¹ To date, in sterling terms, includes unrealised value.



£345m value

1.8x money multiple¹



Significant expansion, organically and through acquisitions

- Acquired eyes+more in Germany and Belgian franchisee for eyes+more
- Expanded store base, particularly in Belgium and Germany

Significant operational improvements

- Developed omnichannel platform
- Improved store operations, IT and procurement

Considerable growth since initial investment

- Sales: 1.8x
- EBITDA: 1.8x

¹ To date, in sterling terms, includes unrealised value.

Private Equity

Good level of new investment in a challenging environment...



£69m proprietary capital investment



£53m proprietary capital investment



£46m proprietary capital investment



£87m proprietary capital investment



£43m proprietary capital investment



£37m proprietary capital investment

Private Equity

...supplemented by continued bolt-on investment activity



Private Equity

New investment: Mepal



- Lifestyle consumer brand
- Strong track record of innovation and design
- Important focus on ESG
- £87m 3i investment

Organic international and online growth opportunity



Netherlands

Consumer

Private Equity

Our Private Equity portfolio is increasingly cash generative



Full and partial realisations

Magnitude	£346m
Basic-Fit	£146m
BoConcept	£17m
Other	£28m

Refinancings

BoConcept	£73m
Royal Sanders	£80m ¹
SaniSure	£59m
Wilson HCG	£10m

Distributions

Action	£284m
Hans Anders	£19m
Tato	£14m
Other	£10m

£1.1bn of cash generated from realisations, refinancings and distributions

¹ Refinancing returned £80m of capital proceeds and £4m of income.

Private Equity

Realisation: Sale of Q Holding's QSR division



- Sale of QSR to Datwyler agreed in April 2022
- Proceeds to 3i of c\$255m after debt repayment
- 2.5x money multiple
- Uplift of >100% for valuation of combined group to March 2021 valuation

Infrastructure

Making progress on strategic initiatives



Strong performance across portfolios

- **21%** gross investment return, with strong performance across investment vehicles and assets
- **17%** increase in 3iN's share price in the year
- US infrastructure portfolio continues to perform well

Good contribution to operating cash profit

- **£91m** cash income from fee and portfolio income
- 16% year-on-year increase in AUM to **£5.7bn** driving increase in fee income

Making progress in AUM development and strategic initiatives

- **£1bn** invested or committed by 3iN
- Investment in EC Waste completed by US Infrastructure team

Scandlines

Strong performance despite continued disruption to leisure traffic from Covid



- Gross investment return of £112m, or 26% of opening value
- Freight volumes in 2021 above 2019 levels
- Gradual recovery of leisure traffic in summer, before emergence of Omicron
- Resumptions of distributions, with dividend of £13m to 3i
- Continued investment in sustainability agenda, with new zero emissions ferry ordered for delivery in 2024



Financial review

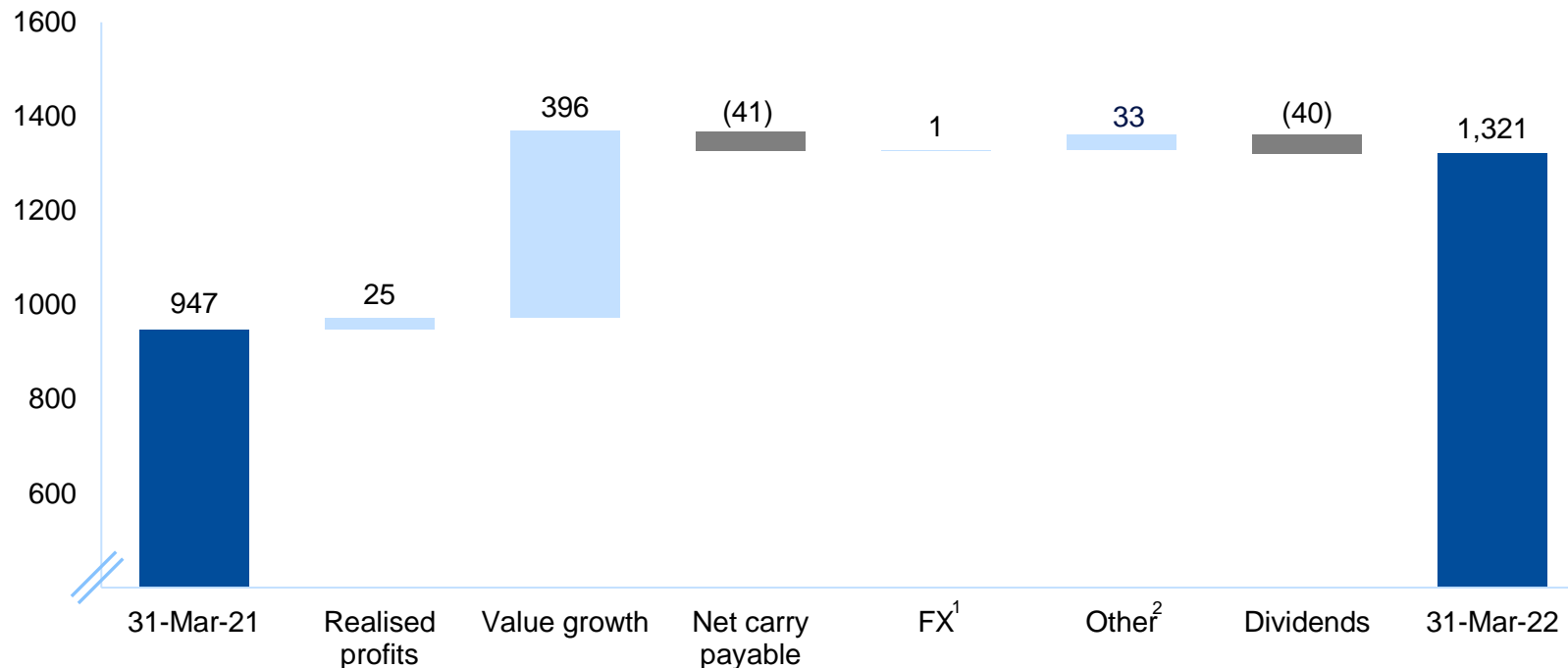
Julia Wilson
Group Finance Director



An excellent financial performance



NAV per share (pence)



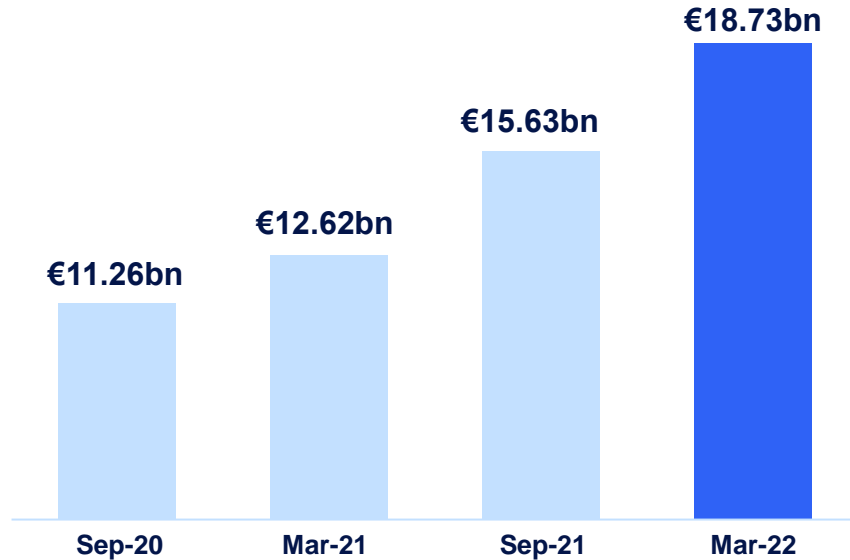
NAV per share up 39% to 1,321 pence and total return on equity of 44%

¹ FX net of derivatives.

² Other includes portfolio income, third-party fee income and operating costs.



Enterprise value (post discount)



- LTM EBITDA to P3 2022 of €932m
- LTM run-rate EBITDA earnings of €1,012m
- 18.5x (Mar-21:18.5x) multiple post discount
- Strong cash flow with €669m paid in dividends to all shareholders

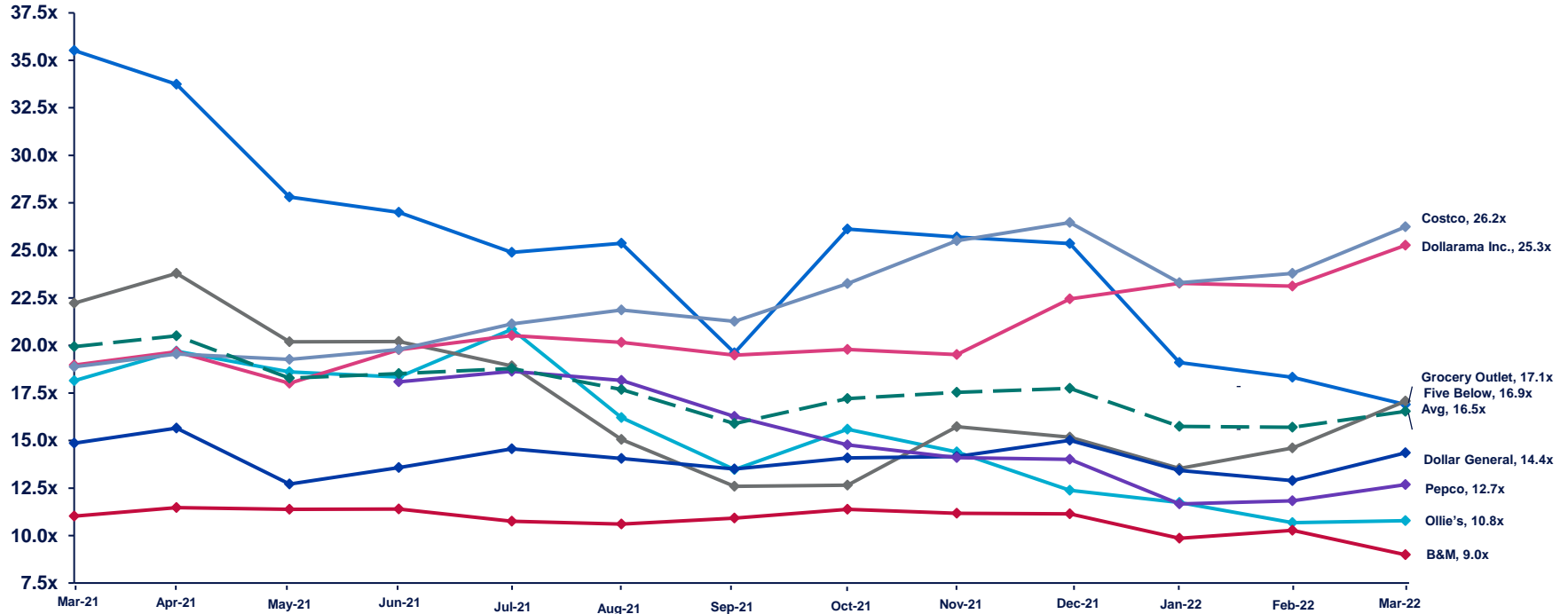
Valuation at 31 March 2022 £7,165m

Private Equity

Action performing strongly compared to peers



EV/LTM EBITDA



Source: CAPIQ
Based on pre IFRS-16/ASC 842 multiples.

Strong value growth from high quality portfolio valued at £14.3bn



Value movement by basis (£ million)

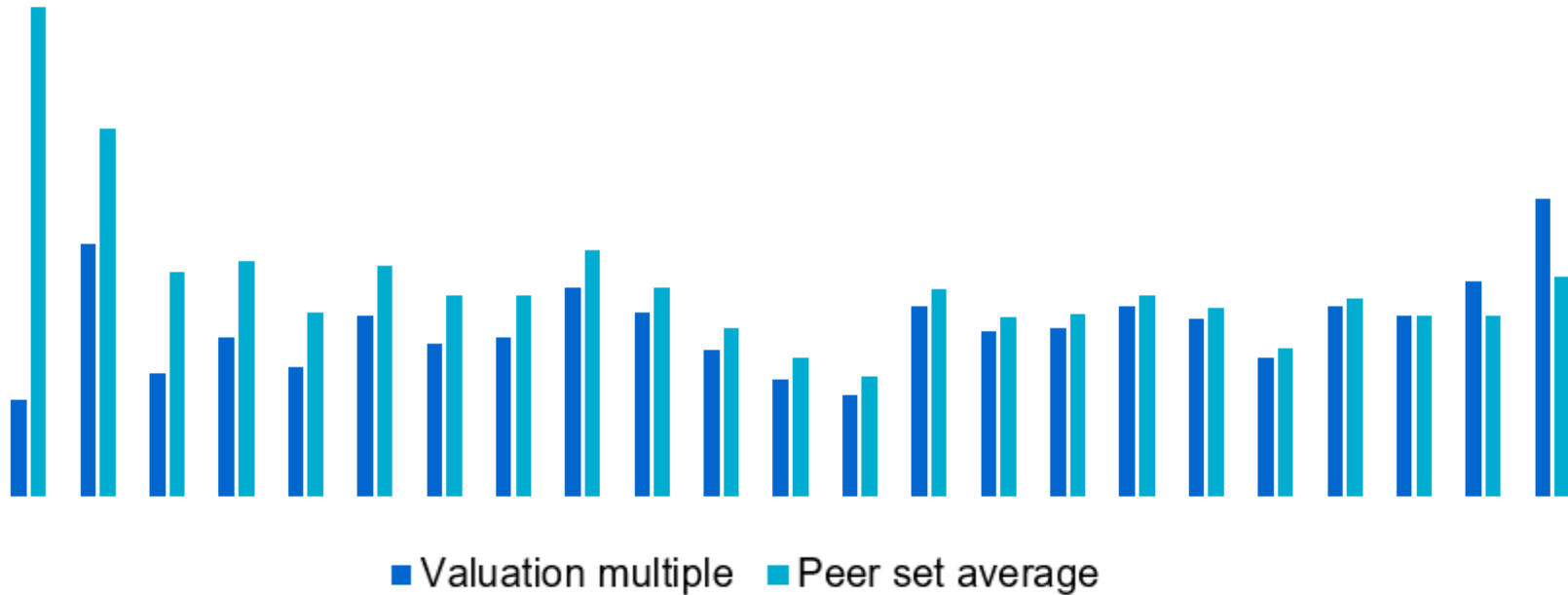


£3.8bn value increase driven by earnings growth and cash generation

¹ Performance includes value movements relating to earnings and net debt movements in the period.

Private Equity

LTM valuation multiples compared to the peer set¹



£241 million of value growth from an increase in multiples

¹ Valuation multiples used for 23 companies valued on an earning basis compared to 3i comparable set of peer companies.

Excellent performance and good level of transaction activity in Private Equity



Year to 31 March £ million	2022	2021
Realised profit	228	29
Unrealised profit	3,545	2,161
Portfolio income	410	117
Foreign exchange on investments	(11)	(371)
Gross investment return	4,172	1,936
% of opening portfolio	47%	30%
Realisations	684	114
Cash investment	457	508

Note: Investment and realisations may differ to the cashflow due to timing of cash movements.

Strong performance from the Infrastructure portfolio



Year to 31 March £ million	2022	2021
3iN	137	132
US Infrastructure	36	26
Other funds	5	10
Portfolio revaluation	178	168
Gross investment return	21%	16%
Realisation proceeds	104	104
Cash investments	85	2
Cash income	91	67

Note: Investment and realisations may differ to the cashflow due to timing of cash movements.

Good performance from Scandlines



Year to 31 March £ million	2022	2021
Gross investment return	112	25
% of opening portfolio	26%	6%

Year to 31 March £million	2022	2021
Valuation	533	435

Operating cash position



Year to 31 March £ million	2022	2021
Private Equity	346	64
Infrastructure	91	67
Scandlines	13	–
Cash income	450	131
Operating cash expenses ¹	(110)	(108)
Operating cash profit	340	23

Objective is to at least break even

¹ Operating cash expenses includes leases paid.

Simple balance sheet and conservative capital management



£14,305m

- High quality, strong portfolio

£229m

- Gross cash held centrally with no material restrictions

£975m

- Gross debt made up of bonds expiring in 2023, 2032 and 2040

£500m

- Undrawn RCF at 31 March 2022 and maturity extended to 2027

£729m liquidity at 31 March 2022

Total dividend set at 46.5 pence per share



- Our dividend policy aims to maintain or grow the dividend year-on-year subject to:
 - maintaining our conservative balance sheet strategy
 - careful consideration of the outlook for investments and realisations and market conditions

Second FY2022 dividend of 27.25 pence per share brings total dividend for the year to 46.5 pence per share

Our ten-year track record and outlook



Simon Borrows
Chief Executive



Our strategic transformation

Consistent execution of a clearly defined strategy over the last 10 years



2012

- **472** employees in **19** offices¹
- **1.7%** operating cost/AUM
- Debt management and developing markets
- **£22m** AUM per head¹

Overhaul of
processes and group
organisation

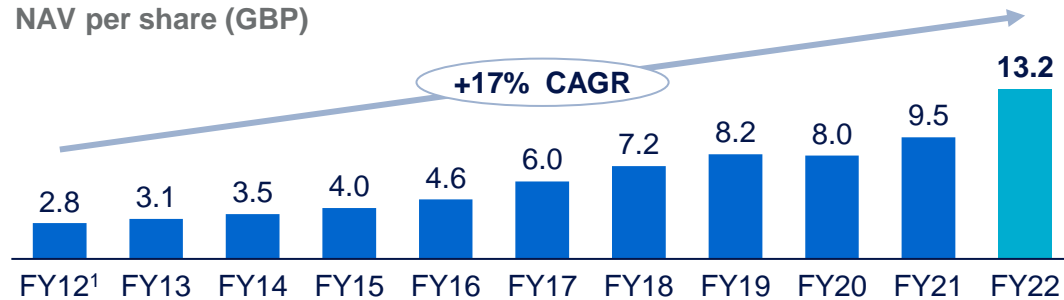
2022

- **236** employees in **7** offices
- **0.6%** operating cost/AUM
- Defined market and asset selection
- Investment focus, discipline and consistency
- **£97m** AUM per head¹

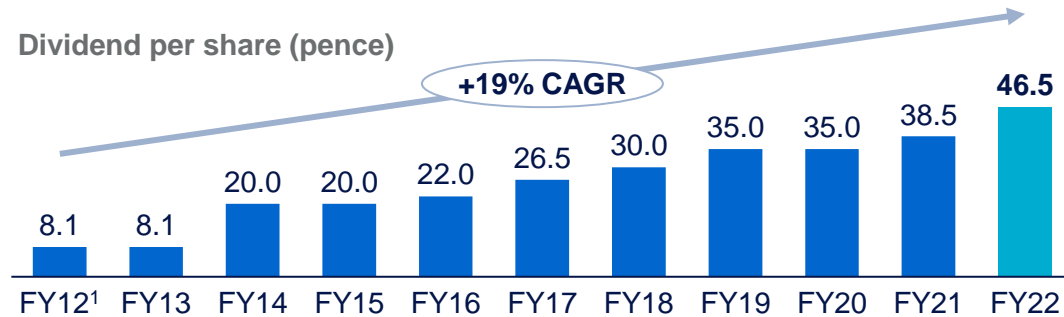
¹ Based on average number of employees in the year.

Our ten-year track record

Strong value creation for shareholders



£10.1bn NAV growth since FY2012



£2.5bn dividends paid to shareholders FY2013–22

22% average total return on equity FY2013–22

¹ Restructuring year.

Outlook

3i can continue to deliver strong returns in the future



Permanent capital, long-term approach

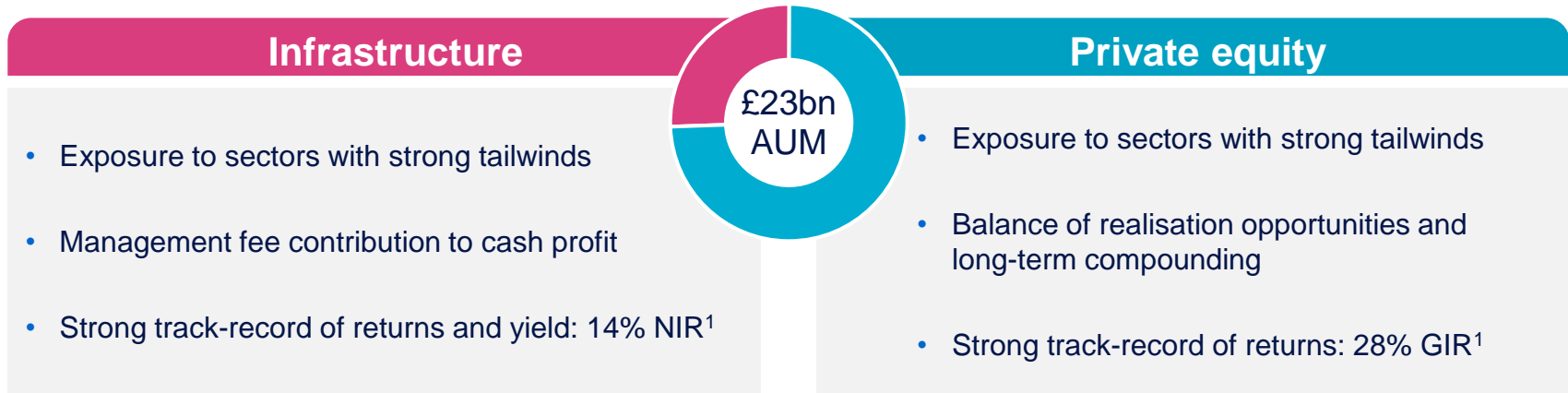
Proven model, underpinned by robust processes and price discipline

Thematic approach to investment, with exposure to long-term secular growth trends

Resilient portfolio, positioned to withstand current macro challenges

Significant growth platforms in Action and other consumer and healthcare assets

Pure alternative asset exposure with focus and investment discipline



Coverage of operating expenses through cash income

FTSE100 liquidity offering exposure to northern Europe and North America

A pure alternative asset exposure offering potential for long-term compounding of value and growth in dividends

¹ FY2013-22 year average.



Additional information

Our business model

Delivering sustainable returns over the cycle



What we offer

Permanent capital

A long-standing office network

An expert and diverse team

Careful portfolio construction

Rigorous portfolio management

Strong values and institutional culture

A strong brand and reputation

Value creation

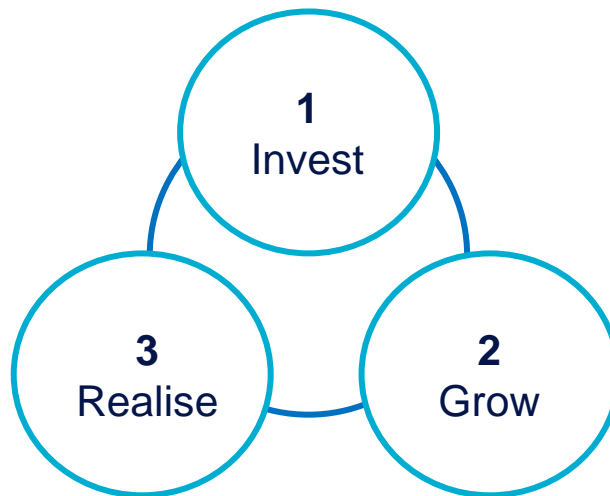
- Conservative balance sheet management
- Tight grip on operating costs
- Operating cash profit

Who benefits

Shareholders

Portfolio companies

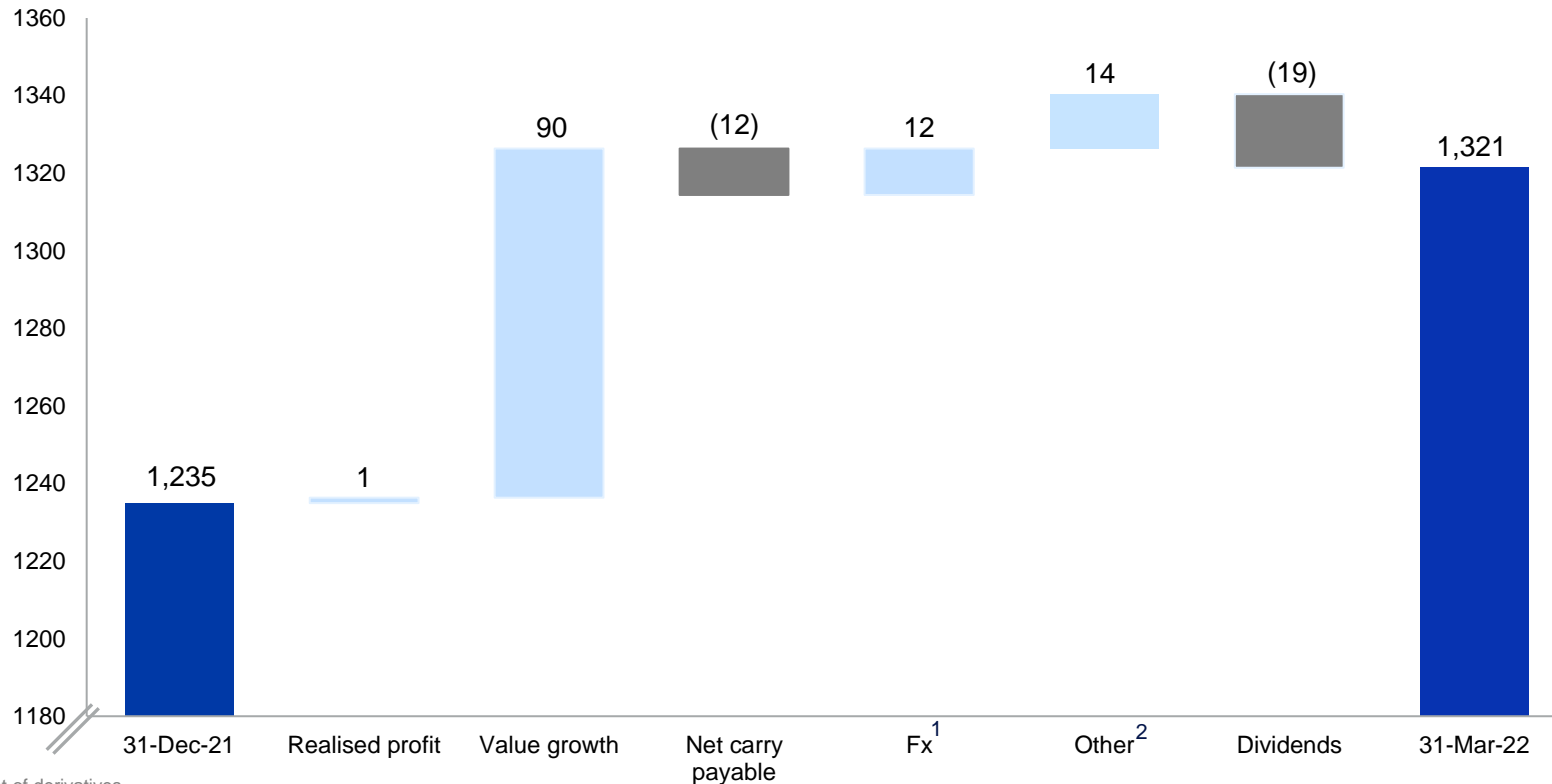
Our people



Q4 NAV increased from 1,235 pence to 1,321 pence



NAV per share (pence)



¹ FX net of derivatives.

² Other includes portfolio income, third-party fee income and operating costs.

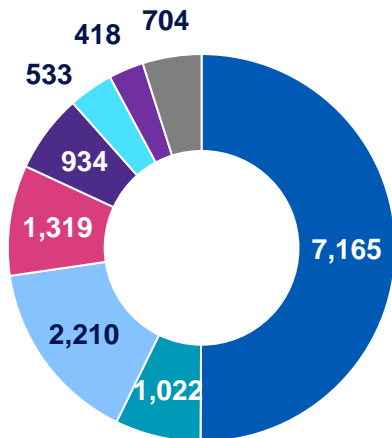
3i Group

20 large investments



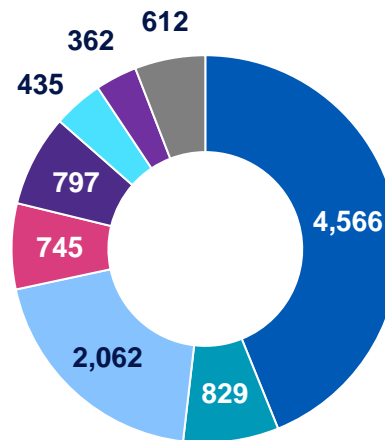
Investment	Business description	Valuation Mar 22 (£m)	Valuation Mar 21 (£m)
Action	General merchandise discount retailer	7,165	4,566
3i Infrastructure plc	Quoted investment company, investing in infrastructure	934	797
Scandlines	Ferry operator between Denmark and Germany	533	435
Cirtec Medical	Outsourced medical device manufacturing	513	444
Luqom	Online lighting specialist retailer	448	307
Tato	Manufacturer and seller of speciality chemicals	407	368
Q Holding	Manufacturer of precision engineered elastomeric components	398	187
Hans Anders	Value-for-money optical retailer	345	262
Havea	Manufacturer of natural healthcare and cosmetics products	304	242
Royal Sanders	Private label and contract manufacturing producer of personal care products	297	364
Evernex	Provider of third-party maintenance services for data centre infrastructure	291	281
SaniSure	Manufacturer, distributor and integrator of single-use bioprocessing systems and components	277	183
AES	Manufacturer of mechanical seals and support systems	269	212
WP	Supplier of plastic packaging solutions	234	259
Smarte Carte	Provider of self-serve vended luggage carts, electronic lockers and concession carts	207	160
BoConcept	Urban living designer	184	161
MPM	An international branded, premium and natural pet food company	162	124
GartenHaus	An online retailer of garden buildings, sheds, saunas and related products	131	66
Basic-Fit	Discount gyms operator	129	214
Audley Travel	Provider of experiential tailor-made travel	117	85

Portfolio value at 31 March 2022 (£m)



- Action
- 2016-2019 Private Equity
- 3iN
- Other Infrastructure
- 2013-2016 Private Equity
- 2019-2022 Private Equity
- Scandlines
- Other

Portfolio value at 31 March 2021 (£m)

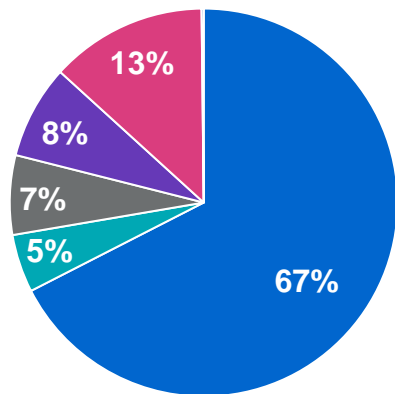


- Action
- 2016-2019 Private Equity
- 3iN
- Other Infrastructure
- 2013-2016 Private Equity
- 2019-2022 Private Equity
- Scandlines
- Other

Private Equity portfolio by value

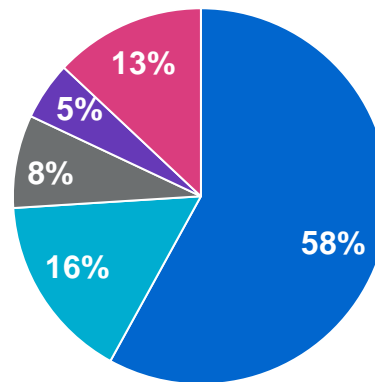


By office location (%)



- Netherlands
- France
- Germany
- UK
- US
- Others

By sector (%)



- Action (Consumer)
- Consumer
- Industrial Technology
- B&TS*
- Healthcare

Portfolio of 37 investments (31 March 2021: 33)

* Business and Technology Services.

Private Equity

Carried interest payable a result of strong value growth in the year

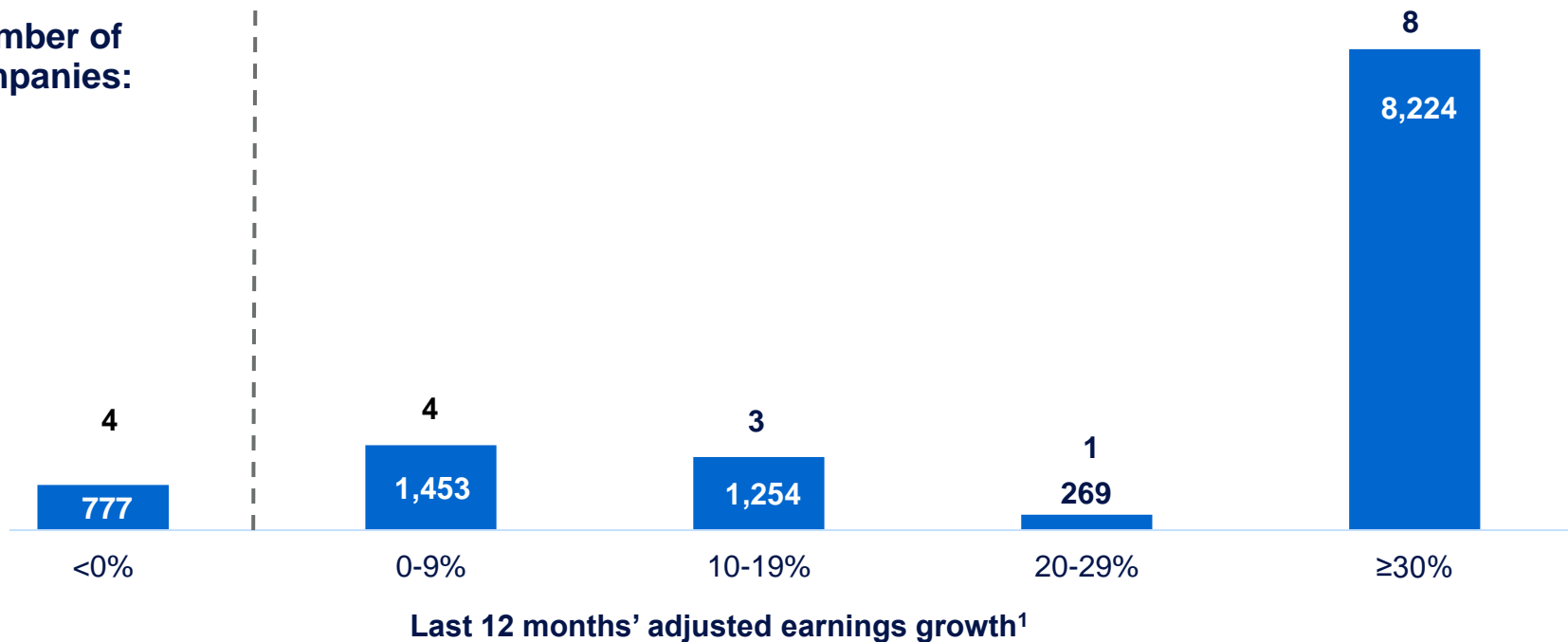


Year to 31 March £ million	2022	2021
Income statement		
Carried interest receivable	3	(3)
Carried interest payable	(416)	(173)
Net total expense	(413)	(176)
Balance sheet		
Carried interest receivable	8	8
Carried interest payable	(926)	(533)
Net total payable	(918)	(525)



3i carrying value at 31 March 2022 (£ million)

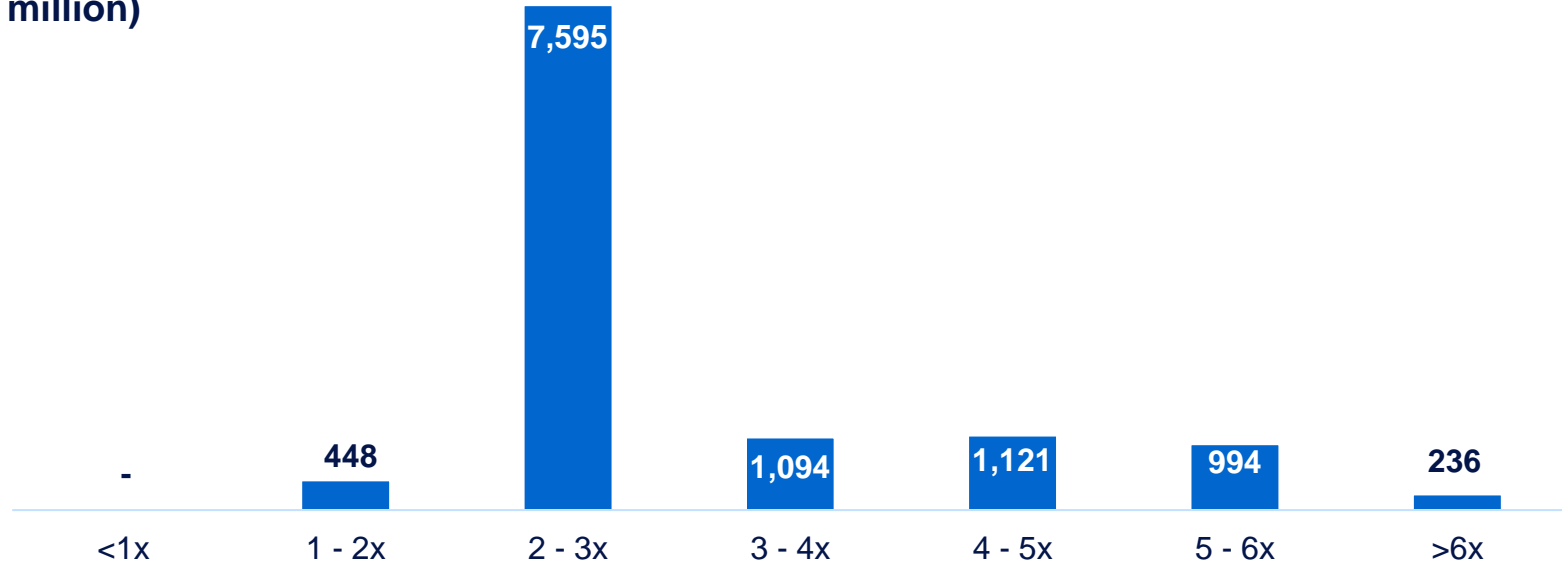
Number of
companies:



¹ Includes top 20 Private Equity companies by value. This represents 96% of the Private Equity portfolio by value (31 March 2021: 98%). Last 12 months' adjusted earnings to 31 December 2021 and Action based on last 12 months run-rate earnings to the end of P3 2022.



Ratio of net debt to adjusted earnings¹ by 3i value at 31 March 2022 (£ million)



3.3x leverage across the whole portfolio

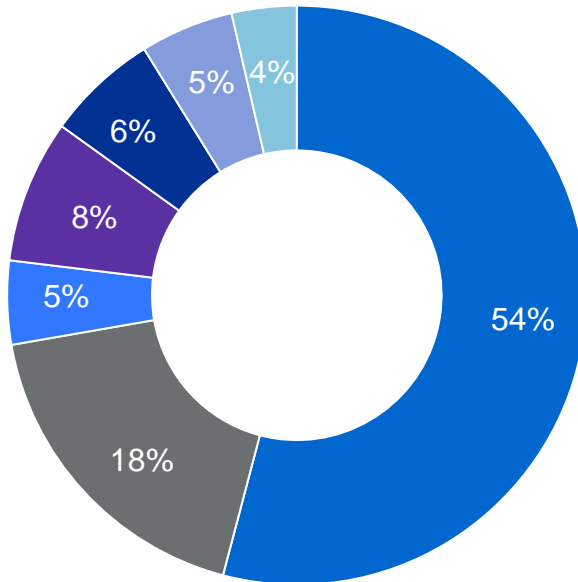
¹ This represents 92% of the Private Equity portfolio by value (31 March 2021: 88%). Quoted holdings, deferred consideration and companies with net cash are excluded from the calculation. Net debt and adjusted earnings as at 31 December 2021 and Action based on net debt and last 12 months run-rate earnings to the end of P3 2022.

Infrastructure

AUM of £5.7 billion at 31 March 2022



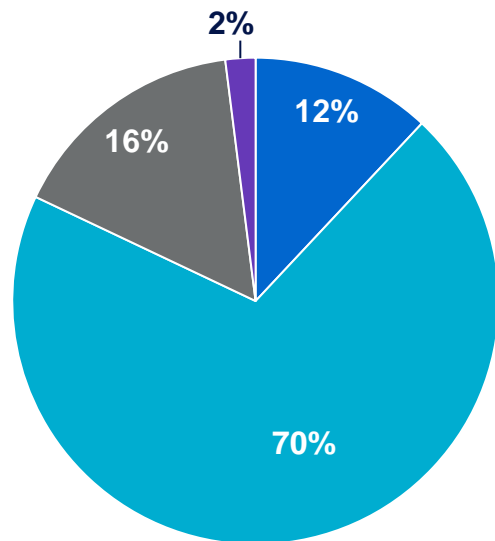
AUM by fund or strategy



- 3i Infrastructure plc
- 3i Managed Infrastructure Acquisitions LP
- 3i European Operational Projects Fund
- BIIF
- 3i managed accounts
- 3i North America Infrastructure platform
- US Infrastructure

AUM increased by £772m in the year

Net asset exposure by currency



- Sterling/non-revaluing
- Euro
- US dollar
- Danish krone

Currency	Fx rate	Net assets £m	Change YTD	Impact £m
Sterling	n/a	1,562	n/a	-
Euro ¹	1.1833	8,953	0.8%	(70)
US dollar	1.3165	2,033	(4.6)%	81
Danish krone	8.8031	184	0.8%	(2)
Other	n/a	22	n/a	-
Total		12,754		9

1% movement in euro = £89 million, 1% in US dollar = £20 million

¹ Sensitivity impact is net of derivatives.

Cash movements



Year to 31 March £ million	2022	2021
Cash inflow		
Realisation proceeds	758	319
Portfolio income	450	131
Proceeds from long-term borrowing	-	395
Other net cash inflow	15	23
	1,223	868
Cash outflow		
Purchase of investments	(596)	(479)
Operating expenses ¹	(110)	(108)
Dividend paid	(389)	(338)
Net carry paid	(13)	(510)
Other net cash outflow ²	(111)	(53)
	(1,219)	(1,488)

1 Operating cash expenses includes leases paid.

2 Other net cash outflows include the purchase of own shares £(54)m and interest paid £(52)m (2021: nil and £(46)m respectively).

Operating expenses



Year to 31 March £	2022	2021
Total operating expenses	128m	112m
AUM	23bn	17bn
	0.6%	0.7%

Our operating costs equate to less than 1% of our AUM

