14 November 2024

3i Group plc announces results for the six months to 30 September 2024

3i Group delivered good financial performance in the first half of FY2025

- **Total return of £2,046 million or 10% on opening shareholders' funds** (September 2023: £1,669 million, 10%). **NAV per share of 2,261 pence** (31 March 2024: 2,085 pence), including a 48 pence per share loss on foreign exchange translation (September 2023: 11 pence per share loss), and after the payment of the 34.50 pence per share second FY2024 dividend in July 2024.
- **Our Private Equity business delivered a gross investment return of £2,071 million or 11%** (September 2023: £1,826 million, 11%). Action continues to deliver impressive results, and the majority of our other portfolio companies are trading resiliently against mixed macroeconomic performance across Europe and the US and wider geopolitical uncertainty. 94% of our Private Equity portfolio companies by value grew earnings in the 12 months to 30 June 2024.
- **Action** generated net sales of €9,567 million (nine reporting periods ended P9 2023: €7,912 million), operating EBITDA of €1,344 million (nine reporting periods ended P9 2023: €1,065 million) and like-for-like ("LFL") sales growth of 9.8% in the nine reporting periods ending on 29 September 2024 ("P9"). This strong performance supported value growth of £2,170 million for Action in the period. Following another successful refinancing and pro-rata share redemption, 3i received proceeds of £1,164 million from Action in the period and we reinvested a total of £768 million, increasing our gross equity stake from 54.8% to 57.9%.
- In the ten reporting periods ending 27 October 2024, Action's net sales and operating EBITDA were 21% and 26% ahead of the same period last year and LFL sales growth over the same period was 10.1%. At that date, Action's cash balance was €830 million.
- **Our Private Equity team completed the realisation of nexeye and signed the realisation of WP in the period. Total proceeds generated of £662 million, achieving sterling money multiples of 2x or greater.** The team also completed a new investment in Constellation (£98 million) and a further five bolt-on acquisitions, the majority of which were funded from the portfolio companies' own balance sheets.
- **Our Infrastructure business generated a gross investment return of £43 million, or 3%** (September 2023: £31 million, 2%). This was driven primarily by a 4% increase in 3i Infrastructure plc's ("3iN") share price in the six-month period to 30 September 2024. 3iN's underlying portfolio continues to perform well, and exits have been achieved at premiums to the opening 31 March 2024 values, as evidenced by the offer received for Valorem and by the partial syndication of Future Biogas. We also completed two bolt-on acquisitions for two investments in our North American Infrastructure Fund.
- We ended the period with liquidity of £1,286 million, net debt of £805 million and gearing of 4%. The first dividend of 30.5 pence per share for FY2025, set at 50% of the total dividend for FY2024, will be paid in January 2025.

Simon Borrows, 3i's Chief Executive, commented:

"Against an uncertain geopolitical environment and weak growth across much of Europe, we move into the second half of FY2025 with a portfolio that is well positioned to build on a solid first half.

Action is the major contributor to our returns and continues to produce sector-leading growth. With a strong business and financial model and significant white space to expand into, we believe it will continue to do so for many years to come. In addition, the leading companies in our portfolio are performing strongly and a number of the portfolio companies that were adversely impacted by challenges in 2023 are beginning to turn the corner and see improved trading.

We have seen good momentum across our investment and realisation activity in the half and we have a good pipeline of high-quality realisations for the next 12 months. We also have some interesting potential opportunities in our investment pipeline, which we will continue to review in a disciplined way and progress those that are most attractive."

Summary financial highlights under the Investment basis

3i prepares its statutory financial statements in accordance with UK adopted international accounting standards. However, we also report a non-GAAP “Investment basis”, which we believe aids users of our report to assess the Group’s underlying operating performance. The Investment basis (which is unaudited) is an alternative performance measure (“APM”) and is described on page 19. Total return and net assets are the same under the Investment basis and IFRS and we provide a reconciliation of our Investment basis financial statements to the IFRS statements from page 21. Pages 1 to 18 are prepared on an Investment basis.

Investment basis	**Six months to/as at 30 September 2024**	Six months to/as at 30 September 2023	12 months to/as at 31 March 2024
Total return[1]	**£2,046m**	£1,669m	£3,839m
Percentage return on opening shareholders’ funds	**10%**	10%	23%
Dividend per ordinary share	**30.5p**	26.5p	61.0p
Gross investment return[2]	**£2,137m**	£1,867m	£4,168m
As a percentage of opening 3i portfolio value	**10%**	10%	23%
Cash investment[2]	**£893m**	£84m	£593m
Realisation proceeds	**£1,553m**	£19m	£888m
3i portfolio value	**£22,953m**	£20,255m	£21,636m
Gross debt	**£1,191m**	£1,208m	£1,202m
Net debt[2]	**£805m**	£1,153m	£806m
Gearing[2]	**4%**	6%	4%
Liquidity	**£1,286m**	£955m	£1,296m
Diluted net asset value per ordinary share (“NAV per share”)	**2,261p**	1,886p	2,085p

1 Total return is defined as Total comprehensive income for the year, under both the Investment basis and the IFRS basis.
2 Financial measure defined as APM. Further information on page 19.

Disclaimer

These half-year results have been prepared solely to provide information to shareholders. They should not be relied on by any other party or for any other purpose. These half-year results may contain statements about the future, including certain statements about the future outlook for 3i Group plc and its subsidiaries (“3i” or “the Group”). These are not guarantees of future performance and will not be updated. Although we believe our expectations are based on reasonable assumptions, any statements about the future outlook may be influenced by factors that could cause actual outcomes and results to be materially different.

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A PDF copy of this release can be downloaded from www.3i.com/investor-relations

For further information, including a live webcast of the results presentation at 10.00am on 14 November 2024, please visit www.3i.com/investor-relations

3i Group Half-year report 2024

Chief Executive's review

The Group delivered good financial performance in the first half, generating a total return of £2,046 million in the six months to 30 September 2024, or 10% on opening shareholders' funds (September 2023: £1,669 million, 10%). NAV per share at 30 September 2024 was 2,261 pence (31 March 2024: 2,085 pence), including a 48 pence per share loss on foreign exchange translation (September 2023: 11 pence per share loss) and after the payment of the 34.50 pence per share second FY2024 dividend in July 2024.

Action continues to produce impressive results, with sales, EBITDA and cash generation ahead of our expectations. We received proceeds of £1,164 million from Action in the period, following another successful refinancing and pro-rata share redemption, and subsequently completed a significant reinvestment of £768 million, further increasing our ownership position.

Despite a muted macroeconomic backdrop across Europe and moderate growth in the US economy, the majority of our other portfolio companies have demonstrated resilient performance in the period, and we are seeing the gradual unwind of some of the challenges which weighed on performance in 2023.

Against a difficult realisation market, which is showing some signs of improvement, we secured two significant Private Equity realisations, generating total proceeds of £662 million, both at sterling money multiples of 2x or greater, and one at a good premium to our 31 March 2024 value. Likewise, our Infrastructure business maintained its track record of delivering significant uplifts on exit, following the receipt of a binding offer for an existing portfolio company and a partial syndication of another. We also deployed capital into a new Private Equity investment and saw good buy-and-build momentum across both portfolios in the period.

Private Equity

The Private Equity portfolio delivered a gross investment return ("GIR") of £2,071 million in the period, or 11% on opening value. This includes a £456 million loss on foreign exchange translation, after the impact of foreign exchange hedging, due to the strengthening of sterling in the period. Action generated a GIR of £1,827 million in the period, or 13% over its opening value. In the 12 months to the end of 30 June 2024, 94% of our portfolio companies by value grew earnings.

Action performance

In the nine reporting periods ending on 29 September 2024 ("P9"), Action generated net sales of €9,567 million (nine reporting periods ended P9 2023: €7,912 million) and operating EBITDA of €1,344 million (nine reporting periods ended P9 2023: €1,065 million), 21% and 26% ahead of the same period last year. Over the same period, LFL sales growth was 9.8%, driven by strong growth in customer transactions, outperformance in everyday necessities and a small negative price effect. LFL sales growth for the same period last year was 19.2%.

Action's strategy of passing through deflation in purchase prices to customers and sharing the benefits of increasing buying power continues to resonate well with Action's customers in what remains a tough cost of living environment. Action generated an EBITDA margin of 14.0% in the first nine reporting periods of the year compared to 13.5% in the same period last year and remains focused on cost discipline against industry-wide upward pressure on, amongst others, wages and container prices.

Action added 189 stores in the first nine reporting periods of the year (nine reporting periods ended P9 2023: 153 stores) and is now on track to add approximately 350 stores this year. Its store roll-out across Italy, Portugal, Slovakia and Spain, its most recent expansion markets, is ahead of our expectations.

In July 2024, Action successfully completed a refinancing event, raising €2.1 billion in total, including a second US dollar term loan of $1.5 billion and a €700 million term loan. It also completed a capital restructuring with a pro-rata redemption of shares, returning £1,164 million (€1,374 million) of gross proceeds to 3i. Alongside a number of existing LPs in the 2020 Co-Investment Programme, 3i took the opportunity to acquire further shares in Action and, including one small further purchase of an existing LP stake in Action later in the period, 3i reinvested a total of £768 million in Action, increasing 3i's gross equity stake from 54.8% to 57.9%.

At 30 September 2024, Action was valued using the last 12 months ("LTM") run-rate earnings to 29 September 2024 of €2,065 million. This includes our normal run-rate adjustment to reflect stores opened in the last 12 months. At that date, Action's valuation net debt, post the refinancing event, comprised total senior debt of c.€6.6 billion and cash of €733 million, resulting in a net debt to run-rate EBITDA ratio of 2.9x. Our valuation multiple remains unchanged at 18.5x net of the liquidity discount, resulting in a valuation of £15,543 million (31 March 2024: £14,158 million) for 3i's 57.9% equity stake at 30 September 2024.

Action continues to outperform a broad range of discount competitors, across all relevant operating KPIs. Its consistent and unrelenting focus on the customer is what gives us confidence in its ability to continue to execute its growth opportunity in existing and new countries. Action's excellent growth meant its valuation at 30 September 2023 of 18.5x LTM run-rate EBITDA translated to 14.6x of the run-rate EBITDA achieved a year later.

Strong trading momentum has continued into Action's P10 (30 September 2024 to 27 October 2024), generating net sales of €1,166 million and operating EBITDA of €188 million for that reporting period. Cash at the end of P10 was €830 million and Action added a further 31 stores in P10, taking the total number of stores added to 220 in the ten reporting periods to 27 October 2024. Action has good product availability ahead of the key trading period in the remainder of the final quarter of the year.

Other Private Equity portfolio performance

The Private Equity portfolio, excluding Action, delivered a GIR of £244 million, or 4% on opening value in the period, or 6% excluding the net loss on foreign exchange translation. Our portfolio companies operating in the value-for-money and private label sectors have continued to perform well and we are also seeing some encouraging developments across some of our industrial and healthcare assets.

Royal Sanders continued to deliver significant organic growth in the first half of 2024, with strong volumes across its key customers, supported by outperformance across its bolt-on acquisitions. The most recent self-funded acquisition of Karium, a platform of established brands across the hair care, body care and skin care categories, strengthens the brands division within Royal Sanders and provides significant growth opportunities. **European Bakery Group** ("EBG") traded resiliently in the period, despite pressure on selected input costs and wage inflation. After a period of strong cash generation, EBG returned proceeds of £22 million to 3i, within 12 months of 3i's further investment to support the acquisition of coolback in 2023.

Audley Travel performed strongly across its US and UK markets in the period and continues to demonstrate an excellent post-Covid recovery. It continues to gain share in both markets. **MPM** continues to grow well across all of its markets, in particular the US, its largest market.

After a challenging 2023, **Tato** saw a good recovery in sales volumes and improved profitability in the first half of 2024. While its input costs have largely stabilised, a tougher competitive dynamic is driving pricing pressure across its end markets and is expected to persist through the second half of 2024.

Cirtec Medical delivered strong top-line growth and improved margins in the period, driven by increased demand from customers across its product range and by operational improvements. The business continues to see a robust pipeline across its end markets and has a number of new programmes that will launch into production during late 2024 and the first half of 2025. **SaniSure** saw encouraging bookings momentum in the first half of 2024 and, while the recovery has not been linear, momentum has continued through the second half of 2024 and the order book development is pointing to a more positive 2025, as customer destocking ends and normal ordering patterns return. Whilst a broader recovery across the bioprocessing market has taken longer than expected, market consensus is for a return to attractive growth in 2025-2026.

MAIT completed two further bolt-on acquisitions in the period and has traded resiliently, as its focus on mission-critical enterprise resource planning and product lifecycle management areas has limited the impact of softening discretionary spending on IT hardware. **xSuite** is making good progress with its SaaS transition plan, with recurring sales performing ahead of expectations.

WilsonHCG continues to operate through a weak white-collar recruitment market. Against this backdrop, the business has maintained its core customer base through strong service and secured new customer wins, while right sizing its resourcing and operations for the current lower demand environment. We invested a further £4 million in WilsonHCG in the period to support the near-term requirements of the business. **Konges Sløjd** has seen softer business-to-business sales across its main geographies but has maintained stable margins.

Private Equity investment and realisation activity

Despite some signs of improvement, the Private Equity transaction market remains challenging. Against this backdrop, we have maintained our price discipline and deployed our capital selectively, whilst continuing our rigorous focus on asset management. We invested £98 million in **Constellation**, an IT managed services provider specialised in hybrid cloud and cyber security. We have also continued to support the development of **ten23 health**, our contract development and manufacturing organisation ("CDMO") platform, with a further investment of £30 million.

We secured two significant realisations in the period. In July 2024, we completed the sale of **nexeye**, a company which we supported financially when its stores were closed during stages of the pandemic and which doubled its sales and EBITDA during our period of ownership. This realisation achieved a small profit over 31 March 2024 value and returned proceeds of £382 million which, combined with distributions already received during our ownership, resulted in a sterling money multiple of 2.0x. In July 2024, we also signed an agreement to sell our stake in **WP**, in which we initially invested in 2015 and which has since grown to become a leading provider of innovative plastic packaging solutions with a strong presence across Europe and Latin America. This transaction completed in October 2024, at an 18% profit over 31 March 2024 value, delivering proceeds of £280 million including interest income of £3 million which, combined with the £45 million of proceeds received earlier in our period of ownership, results in a sterling money multiple of 2.2x.

Infrastructure

In the six months to 30 September 2024, our Infrastructure portfolio generated a GIR of £43 million, or 3% on opening value.

3iN generated a total return on its opening NAV of 5.1% in the six months to 30 September 2024, resulting in a NAV of 374.7 pence per share, driven by good underlying portfolio performance. **Tampnet** performed well in the period, supported by revenue growth in its fixed units in the North Sea and Gulf of Mexico and **TCR** continues to see strong demand for its rental offering. **SRL** has, however, seen softer trading across its core rental business as a result of a wider market downturn.

In the period, 3iN invested £30 million to support **Future Biogas**'s acquisition of a 51% stake in a portfolio of six anaerobic digestion plants. At the end of September 2024, 3iN completed the syndication of 23% of its stake in Future Biogas to an external investor, at a 15% uplift on 31 March 2024 value. At the beginning of October 2024, 3iN received a binding offer for its stake in **Valorem**. Subject to acceptance of the offer, the expected net proceeds of €309 million represent a 15% uplift on 31 March 2024 value and a money multiple of 3.5x.

3iN's share price increased to 341 pence at 30 September 2024 (31 March 2024: 327 pence). Whilst this increase in the share price largely reflects improved market sentiment for the infrastructure asset class, 3iN continues to trade at a discount to its 30 September 2024 NAV, even after several periods of outperformance from its portfolio and the business delivering another realisation significantly above carrying value.

We have seen good buy-and-build momentum in our North American Infrastructure Fund with both **Regional Rail** and **Amwaste** completing bolt-on acquisitions in the period. **Smarte Carte** commenced cart operations in London Heathrow in June 2024, and steady US and international passenger numbers were reflected in its volumes across its various offerings in the period.

Scandlines continues to show resilience. The leisure segment had a record peak summer season, whilst freight remained stable against a benign macroeconomic backdrop. Cash generation remains strong and 3i received a dividend of £12 million from Scandlines in the period.

Balance sheet, liquidity, foreign exchange and dividend

We ended the period with cash of £386 million (31 March 2024: £396 million) and total liquidity of £1,286 million (31 March 2024: £1,296 million), including an undrawn RCF of £900 million. Net debt was £805 million, with gearing of 4% (31 March 2024: £806 million, 4%). Since the end of the period, we received proceeds of £280 million from the realisation of WP.

We continued to reduce the carried interest liability associated with Action, with carry crystallisation payments totalling £283 million in the period, meaning our equity stake in Action, after the reinvestment in the period and net of the carried interest liability, has increased to 57.4% (31 March 2024: 53.2%). Going forward, the Buyouts 2010-12 vintage (which relates to our investment in Action) will accrue net carried interest payable at a rate of less than 1% (31 March 2024: c.3%) of Action's GIR.

Due to the strengthening of sterling in the period, we recorded a total foreign exchange translation loss of £466 million (September 2023: £107 million loss), including a gain on foreign exchange hedging.

In line with our dividend policy, we will pay a first FY2025 dividend of 30.5 pence per share, which is half of our FY2024 total dividend. This first FY2025 dividend will be paid to shareholders on 10 January 2025.

Outlook

Against an uncertain geopolitical environment and weak growth across much of Europe, we move into the second half of FY2025 with a portfolio that is well positioned to build on a solid first half.

Action is the major contributor to our returns and continues to produce sector-leading growth. With a strong business and financial model and significant white space to expand into, we believe it will continue to do so for many years to come. In addition, the leading companies in our portfolio are performing strongly and a number of the portfolio companies that were adversely impacted by challenges in 2023 are beginning to turn the corner and see improved trading.

We have seen good momentum across our investment and realisation activity in the half, and we have a good pipeline of high-quality realisations for the next 12 months. We also have some interesting potential opportunities in our investment pipeline, which we will continue to review in a disciplined way and progress those that are most attractive.

Simon Borrows
Chief Executive
13 November 2024

Private Equity

Our Private Equity portfolio generated a GIR of £2,071 million (September 2023: £1,826 million), or 11% of the opening portfolio value (September 2023: 11%), including a loss on foreign exchange on investments, after the impact of foreign exchange hedging, of £456 million (September 2023: £127 million loss).

Table 1: Gross investment return for the six months to 30 September

Investment basis	2024 £m	2023 £m
Realised profits over value on the disposal of investments	**11**	1
Unrealised profits on the revaluation of investments	**2,467**	1,907
Dividends	**5**	–
Interest income from investment portfolio	**40**	40
Fees receivable	**4**	5
Foreign exchange on investments	**(555)**	(146)
Movement in fair value of derivatives	**99**	19
Gross investment return	**2,071**	1,826
Gross investment return as a % of opening portfolio value	**11%**	11%

Investment and realisation activity

In July 2024, **Action** raised €2.1 billion in a refinancing event and also completed a capital restructuring with a pro-rata redemption of shares. 3i received total proceeds £1,164 million from this share redemption. 3i, alongside a number of existing LPs in the 2020 Co-Investment Programme, took the opportunity to acquire further shares in Action and, including one small further purchase of an existing LP stake in Action later in the period, it reinvested a total of £768 million in Action, increasing 3i's gross equity stake from 54.8% to 57.9%.

In the period, we invested £98 million to acquire **Constellation**, a hybrid cloud and cybersecurity managed services provider, which is well positioned to be a key consolidator in a fragmented IT services French market. We also invested a total of £44 million across further and bolt-on investments, of which £30 million related to a further investment in **ten23 health**, £5 million to support **xSuite**'s bolt-on acquisition of tangro, and £4 million to support **WilsonHCG** through current market headwinds. Following good performance and cash generation, we received £22 million back from **EBG** as a return of funding within 12 months of our investment to support its acquisition of coolback in 2023.

Our portfolio companies completed four self-funded bolt-on acquisitions, including two for **MAIT** and one for **Royal Sanders**, which continued their significant buy-and-build growth strategies, and one for **AES**, which expanded its product offering in North America.

We secured two significant realisations in the period, crystallising money multiples of 2x or greater. In July 2024, we completed the sale of **nexeye**, which achieved a small profit over 31 March 2024 value and returned proceeds of £382 million which, combined with distributions already received during our ownership, resulted in a sterling money multiple of 2.0x. In July 2024, we also agreed the realisation of **WP**. This transaction completed in October 2024, at an 18% profit over 31 March 2024 value, delivering proceeds of £280 million which, combined with the £45 million of proceeds received earlier in the period of ownership, results in a sterling money multiple of 2.2x.

In total, in the period to 30 September 2024, 3i invested £888 million in Private Equity (September 2023: £50 million) and generated total proceeds of £1,548 million (September 2023: £1 million).

Table 2: Private Equity cash investment in the six months to 30 September 2024

Portfolio company	Type	Business description/ bolt-on description	Date	£m
Constellation	New	IT managed services provider	July 2024	98
Total new investment				**98**
Action	Reinvestment	General merchandise discount retailer	various	768
Total reinvestment				**768**
ten23 health	Further	Biologics focused CDMO	various	30
WilsonHCG	Further	Global provider of recruitment process outsourcing and other talent solutions	September 2024	4
Other	Further	n/a	various	5
Total further investment				**39**
xSuite	Further	tangro: Specialist in inbound document management software	June 2024	5
Total further investment for bolt-on investment				**5**
Total Private Equity gross investment				**910**
European Bakery Group	Return of investment	Industrial bakery group specialised in home bake-off bread and snack products	July 2024	(22)
Total return of investment				**(22)**
Total Private Equity net investment				**888**

Table 3: Private Equity portfolio bolt-on acquisitions funded by the portfolio company in the six months to 30 September 2024

Portfolio company	Name of acquisition	Business description of bolt-on investment	Date
MAIT	CAD N'ORG	Provider of software and consulting services	April 2024
MAIT	ISAP	Provider of consulting services	April 2024
Royal Sanders	Karium	Platform of established brands across the hair care, body care and skin care categories	June 2024
AES	Condition Monitoring Services	Reliability service provider	August 2024

Table 4: Private Equity realisations in the six months to 30 September 2024

Investment	Country	Calendar year first invested	3i realised proceeds £m	Profit in the period[1] £m	Profit on opening value[2] %	Money multiple[3]	IRR
Full realisation							
nexeye	Netherlands	2017	382	10	3 %	2.0x	10 %
Refinancing							
Action	Netherlands	2011	1,164	–	– %	n/a	n/a
Other realisations							
Others	n/a	n/a	2	1	n/a	n/a	n/a
Total Private Equity realisations			**1,548**	**11**	**n/a**	**n/a**	**n/a**

1 Cash proceeds realised in the period less opening value.
2 Profit in the year over opening value.
3 Cash proceeds over cash invested. Money multiples are quoted on a GBP basis.

Portfolio performance

Table 5: Unrealised profits/(losses) on the revaluation of Private Equity investments[1]
in the six months to 30 September

Investment basis	2024 £m	2023 £m
Earnings based valuations		
Action performance	**2,170**	1,810
Performance increases (excluding Action)	**319**	353
Performance decreases (excluding Action)	**(66)**	(219)
Multiple movements	**8**	(23)
Other bases		
Discounted cash flow	**(16)**	(5)
Quoted portfolio	**9**	(31)
Other movements in unquoted investments	**(1)**	22
Imminent sale	**44**	–
Total	**2,467**	1,907

1 More information on our valuation methodology, including definitions and rationale, is included in our Annual report and accounts 2024 on page 217.

Action performance and valuation

As detailed in the Chief Executive's review, **Action** performed strongly in the period.

At 30 September 2024, Action continued to be valued using its LTM run-rate earnings to the end of P9 2024 of €2,065 million, which included our normal adjustment to reflect stores opened in the last 12 months. We continue to value Action at a multiple of 18.5x net of the liquidity discount (31 March 2024: 18.5x). Its performance across key operating KPIs continues to compare favourably against all peers that we use to benchmark its results. Whilst the overall average multiple of the peer group reduced marginally in the period, the top quartile peers within this group continue to outperform and maintain their premium rating. In addition, recent transactions with 3i and various LPs in the co-investment vehicles have taken place at a 3i carrying value of Action, providing further support for our valuation mark.

Action ended P9 2024 with a cash balance of €733 million and a net debt to LTM run-rate earnings ratio of 2.9x. This result is after the refinancing event which took place in July 2024.

At 30 September 2024, the valuation of our 57.9% stake in Action was £15,543 million (31 March 2024: 54.8%, £14,158 million). We recognised unrealised profits from Action of £2,170 million (September 2023: £1,810 million), as shown in Table 5.

Table 6: Action financial metrics

Financial metrics	Last nine months to P9 2024 (29 September 2024) €m	Last nine months to P9 2023 (1 October 2023) €m
Net sales	**9,567**	7,912
LFL sales growth	**9.8%**	19.2%
Operating EBITDA	**1,344**	1,065
Operating EBITDA margin	**14.0%**	13.5%
Net new stores added	**189**	153
	Last 12 months to P9 2024 (29 September 2024) €m	Last 12 months to P9 2023 (1 October 2023) €m
Net sales	**12,979**	10,710
Operating EBITDA	**1,894**	1,530
Operating EBITDA margin	**14.6%**	14.3%
Run-rate EBITDA	**2,065**	1,634

Performance (excluding Action)

Excluding Action, the Private Equity portfolio valued on an earnings basis generated £319 million of value growth from performance increases in the period (September 2023: £353 million), more than offsetting £66 million of performance decreases (September 2023: £219 million).

Royal Sanders performed strongly in the period, with continued growth at key customers and its recent bolt-on acquisitions, including the most recent self-funded acquisition of Karium. **EBG** sustained good trading in the period despite persistent pricing and input cost headwinds, demonstrating the high quality of the business.

Audley Travel saw impressive UK and US booking volumes in the period and is expecting a strong end to 2024, with full coverage across its order book already achieved. **MPM** continues to grow its presence in the US market, while continuing to outperform in its more mature markets.

Tato returned to growth in the first half of 2024, as end-market demand has gradually improved, resulting in increased volumes. Its margins have benefitted from substantially lower input costs compared to the prior year. Tato continues to experience intensifying pricing competition, which is expected to persist through the second half of 2024.

Commercial traction at **Cirtec Medical** has led to a robust pipeline across all parts of its business, with demand from new and existing customers contributing to a positive result in the period. **SaniSure** saw solid improvement across all of its key metrics in the first half of 2024 and is making good progress in strategic initiatives across high value R&D developments. While the recovery from post-Covid destocking has not been entirely linear, leading to inconsistent near-term trading, bookings momentum remains strong and indicative of a return to attractive growth in 2025-2026.

MAIT traded resiliently in the period despite softer IT hardware spend in its markets. Its recent bolt-on acquisitions position the business well for further consolidation of a fragmented market and for capitalising on increasing demand for its services. Operating in a similar market environment, **Evernex** has delivered stable top line growth, benefitting from significant contract wins towards the end of 2023. **xSuite**'s SaaS transition is well progressed, leading to an increased proportion of recurring revenue. tangro, its most recent acquisition, is already contributing to the business positively.

Over the last 18 months, reduced employee turnover and lower new hiring activity has impacted the US recruitment industry, impacting performance at **WilsonHCG**. A recovery to more typical turnover levels remains slow as employees continue to “stay put”, albeit we are beginning to see some initial encouraging indicators across the US economy. We will continue to support Wilson through these headwinds. We have seen some softer performance from **Konges Sløjd**, which is being impacted by a slowdown in orders following constrained customer spending, as well as from **Dynatect**, which has been impacted by the delayed ramp of a key contract.

Overall, 94%[1] of our Private Equity portfolio companies by value grew LTM adjusted earnings in the 12 months to 30 June 2024.

1 Based on LTM adjusted earnings to June 2024. Includes 29 companies.

Table 7: Portfolio earnings growth of the top 20 Private Equity investments[1]

	Number of companies at 30 September 2024	3i carrying value at 30 September 2024 £m
<0%	**5**	**1,058**
0-9%	**5**	**1,374**
10-19%	**6**	**1,147**
20-29%	**2**	**15,638**
≥30%	**2**	**945**

1 Includes top 20 Private Equity companies by value excluding ten23 health and WP. This represents 96% of the Private Equity portfolio by value (31 March 2024: 96%). LTM adjusted earnings to 30 June 2024 and Action based on LTM run-rate earnings to P9 2024. P9 2024 runs to 29 September 2024.

Leverage

Our Private Equity portfolio is funded with all senior debt structures, with long-dated maturity profiles. As at 30 September 2024, 90% of portfolio company debt was repayable from 2027 to 2031. Average leverage was 3.1x at 30 September 2024 (31 March 2024: 2.7x). Excluding Action, leverage across the portfolio was 3.7x (31 March 2024: 3.9x). Table 8 shows the ratio of net debt to adjusted earnings by portfolio value at 30 September 2024.

Table 8: Ratio of net debt to adjusted earnings[1]

	Number of companies at 30 September 2024	3i carrying value at 30 September 2024 £m
<1x	**1**	**39**
1-2x	**3**	**338**
2-3x	**4**	**16,045**
3-4x	**5**	**1,336**
4-5x	**2**	**201**
5-6x	**4**	**1,317**
>6x	**2**	**2**

1 This represents 92% of the Private Equity portfolio by value (31 March 2024: 91%). Quoted holdings, ten23 health, WP and companies with net cash are excluded from the calculation. Net debt and adjusted earnings as at 30 June 2024. Action based on net debt at P9 2024 and LTM run-rate earnings to P9 2024.

Multiple movements

When selecting multiples to value our portfolio companies, we take a long-term, through-the-cycle approach and consider a number of factors including recent performance, outlook and bolt-on activity, comparable recent transactions and exit plans, as well as the performance of quoted comparable companies. At each reporting date, our valuation multiples are considered as part of a robust valuation process, which includes independent challenge throughout, including from our external auditors, culminating in the quarterly Valuations Committee of the Board.

Global indices have generally performed well over the period, despite the geopolitical uncertainty, as inflation has begun to stabilise, leading to interest rate cuts. We moved one multiple up and one down in the period, reflecting relative momentum in trading. This resulted in a net multiple-driven unrealised value gain of £8 million in the period (September 2023: £23 million unrealised value loss).

Action's valuation multiple at 30 September 2024 remained unchanged at 18.5x net of the liquidity discount. Based on the valuation at that date, a 1x movement in Action’s post-discount multiple would increase or decrease the valuation of 3i’s investment by £994 million.

Quoted portfolio

Basic-Fit is the only quoted investment in our Private Equity portfolio. We recognised an unrealised value gain of £9 million from Basic-Fit in the period (September 2023: unrealised value loss of £31 million) as its share price increased to €23.42 at 30 September 2024 (31 March 2024: €20.68). At 30 September 2024, our residual 5.7% shareholding was valued at £74 million (31 March 2024: £67 million).

Imminent sale

Following the agreement reached to sell **WP** in July 2024, we valued the business on an imminent sale basis as at 30 September 2024, at an 18% profit over 31 March 2024 value. This transaction completed in October 2024.

Sum of the parts

ten23 health was valued on a sum of the parts basis as at 30 September 2024, mainly using a discounted cash flow ("DCF") methodology.

Assets under management

The assets under management of the Private Equity business, including third-party capital, increased to £28.3 billion (31 March 2024: £27.5 billion) principally due to unrealised value movements offset by net divestment and foreign exchange losses in the period.

Private Equity 3i proprietary capital by vintage

The performance of our vintages (Table 9) is driven by our portfolio companies. The primary driver of the Other category is Action and Royal Sanders, both of which have provided strong value contribution in the period.

Table 9: Private Equity 3i proprietary capital

Vintages[1]	3i proprietary capital value[3] 30 September 2024 £m	Vintage money multiple[4] 30 September 2024	3i proprietary capital value[3] 31 March 2024 £m	Vintage money multiple[4] 31 March 2024
2013–2016	**859**	**2.6x**	788	2.5x
2016–2019	**985**	**1.8x**	1,363	1.8x
2019–2022	**1,738**	**1.6x**	1,743	1.6x
2022-2025	**299**	**0.9x**	224	1.0x
Other[2]	**17,049**	**n/a**	15,511	n/a
Total	**20,930**		19,629	

1 Assets included in these vintages are disclosed in the Glossary on page 48.
2 Includes Action's value of £15,543 million for a 57.9% stake (31 March 2024: £14,158 million, 54.8% stake) held directly and indirectly via co-investment vehicles.
3 3i carrying value is the unrealised value for the remaining investments in each vintage.
4 Vintage money multiple (GBP) includes realised and unrealised value as at the reporting date for all investments in the vintage.

Table 10: Private Equity assets by sector

Sector	Number of companies	3i carrying value at 30 September 2024 £m
Action (Consumer)	**1**	**15,543**
Consumer & Private Label	**12**	**2,111**
Healthcare	**4**	**1,244**
Industrial	**6**	**1,167**
Services & Software	**13**	**865**
Total	**36**	**20,930**

Infrastructure

Our Infrastructure portfolio generated a GIR of £43 million in the period, or 3% on the opening portfolio value (September 2023: £31 million, 2%), including a loss on foreign exchange translation of investments of £28 million (September 2023: £8 million gain).

Table 11: Gross investment return for the six months to 30 September

Investment basis	2024 £m	2023 £m
Realised losses over value on the disposal of investments	**–**	(3)
Unrealised profits on the revaluation of investments	**47**	2
Dividends	**18**	18
Interest income from investment portfolio	**6**	6
Foreign exchange on investments	**(28)**	8
Gross investment return	**43**	31
Gross investment return as a % of opening portfolio value	**3%**	2%

Fund management

3iN

In the six months to 30 September 2024, 3iN generated a total return on opening NAV of 5.1% (September 2023: 6.3%) and is on track to meet its dividend target for the year to 31 March 2025 of 12.65 pence per share, up 6.3% year-on-year.

Across 3iN's underlying portfolio, **Tampnet** performed well in the period, driven by sustained offshore activity and demand for bandwidth upgrades. The business continues to expand its fibre network, with new developments across the Gulf of Mexico. **TCR** continues to experience strong commercial momentum and has secured notable new contract wins. 3iN also saw good contributions in the period from **Joulz**, **Global Cloud Xchange** and **Infinis**. We have seen softer performance from **SRL** following a continued reduction in market activity levels as a result of reduced local authority capital expenditure. **DNS:NET** is now tracking more closely to expectations as it continues its fibre rollout across Germany.

In August 2024, **Future Biogas** acquired a 51% stake in a portfolio of six anaerobic digestion facilities for £68 million, of which £30 million was funded by 3iN. In September 2024, 3iN syndicated 23% of its stake in Future Biogas for proceeds of £30 million, at a 15% uplift to 31 March 2024 value. After the period end, 3iN received a binding offer for its 33% stake in **Valorem** for anticipated proceeds of €309 million, a 15% uplift on 31 March 2024 value. The transaction is expected to complete in Q1 2025, subject to acceptance of the offer and regulatory clearances.

As its investment manager, 3i received a management fee from 3iN of £26 million in the period (September 2023: £25 million).

North American Infrastructure Fund

The assets within this Fund delivered resilient trading overall in the period. **EC Waste** saw good performance across its collection contracts and transfer stations and **Regional Rail** benefitted from higher demand across its railroads. It continued to expand its network, adding 70 miles of track in Ohio through the bolt-on acquisition of Cincinnati Eastern Railroad. **Amwaste** saw mixed trading in the period and completed a bolt-on with the acquisition of C&C Sanitation, furthering both collection and post-collection services in Georgia. In the period, we invested £4 million across the bolt-on acquisitions in the Fund and received a distribution of £5 million from Regional Rail. All assets were valued on a DCF basis at 30 September 2024.

Other funds

3i Managed Infrastructure Acquisitions LP performed in line with expectations in the period.

Assets under management

Infrastructure AUM decreased to £6.2 billion at 30 September 2024 (31 March 2024: £6.7 billion), reflecting the sale of our operational projects infrastructure fund capability in May 2024. We generated fee income of £31 million from our fund management activities in the period (September 2023: £34 million).

Table 12: Assets under management as at 30 September 2024

Fund/strategy	Close date	Fund size	3i commitment/ share	Remaining 3i commitment	% invested[2] at September 2024	AUM[3] £m	Fee income earned in the period £m
3iN[1]	Mar-07	n/a	£918m	n/a	n/a	3,145	26
3i Managed Infrastructure Acquisitions LP	Jun-17	£698m	£35m	£5m	87%	1,444	2
3i managed accounts	various	n/a	n/a	n/a	n/a	758	2
3i North American Infrastructure Fund	Dec-23[4]	US$744m	US$300m	US$78m	76%	531	1
US Infrastructure	Nov-17	n/a	n/a	n/a	n/a	283	–
Total						**6,161**	**31**

1 AUM based on the share price at 30 September 2024.
2 % invested is the capital deployed into investments against the total Fund commitment.
3 We completed the sale of our operational projects infrastructure fund capability in May 2024, which managed the BIIF and 3i European Operational Projects Funds ("3i EOPF"), with total AUM of £796 million at 31 March 2024. We have retained our direct proprietary stake in 3i EOPF, which has been excluded from the table above.
4 First close completed in March 2022. Final close completed in December 2023.

3i's proprietary capital Infrastructure portfolio

The Group's proprietary capital infrastructure portfolio consists of its 29% quoted stake in 3iN, its investment in Smarte Carte and direct stakes in other funds.

Quoted stake in 3iN

At 30 September 2024, our 29% stake in 3iN was valued at £918 million (31 March 2024: £879 million) as its share price increased by 4% to 341 pence in the period (31 March 2024: 327 pence). We recognised an unrealised gain of £39 million (September 2023: unrealised loss of £23 million) and £16 million of dividend income (September 2023: £15 million) in the period.

North America Infrastructure proprietary capital

Smarte Carte performed resiliently in the period as it continues to benefit from improved contract economics, as well as from ongoing business development initiatives including expansion of its international airport footprint with commencement of cart operations at London Heathrow Airport, a new carts contract win at Sydney International Airport and near completed roll-out of 450 new United States Postal Service lockers. At 30 September 2024, the business was valued on a DCF basis.

Table 13: Unrealised profits/(losses) on the revaluation of Infrastructure investments[1] in the six months to 30 September

	2024 £m	2023 £m
Quoted	**39**	(23)
DCF	**5**	22
Fund/other	**3**	3
Total	**47**	2

1 More information on our valuation methodology, including definitions and rationale, is included in our Annual report and accounts 2024 on page 217.

Scandlines

Scandlines generated a GIR of £23 million (September 2023: £10 million) or 4% of opening portfolio value in the period (September 2023: 2%).

Table 14: Gross investment return for the six months to 30 September

Investment basis	2024 £m	2023 £m
Unrealised profit on the revaluation of investments	**13**	–
Dividends	**12**	10
Foreign exchange on investments	**(15)**	(7)
Movement in fair value of derivatives	**13**	7
Gross investment return	**23**	10
Gross investment return as a % of opening portfolio	**4%**	2%

Performance

Scandlines performed steadily in the period. The leisure segment had a record peak summer season, whilst freight continued to deliver stable volumes in a challenging market environment. Cash generation remains strong and 3i received a dividend of £12 million in the period. At 30 September 2024, Scandlines was valued at £519 million (31 March 2024: £519 million) on a DCF basis.

Foreign exchange

We hedge the balance sheet value of our investment in Scandlines for foreign exchange translation risk. We recognised a loss of £15 million on foreign exchange translation (September 2023: £7 million loss) offset by a fair value gain of £13 million (September 2023: £7 million) from derivatives in our hedging programme.

Overview of financial performance

We generated a total return of £2,046 million, or a profit on opening shareholders' funds of 10%, in the six months to 30 September 2024 (September 2023: £1,669 million, or 10%). The diluted NAV per share at 30 September 2024 increased to 2,261 pence (31 March 2024: 2,085 pence) including the 48 pence per share loss on foreign exchange translation in the period (September 2023: 11 pence per share loss), and after the payment of the second FY2024 dividend of £332 million, or 34.5 pence per share in July 2024 (September 2023: £286 million, 29.75 pence per share).

Table 15: Gross investment return for the six months to 30 September

Investment basis	2024 £m	2023 £m
Private Equity	**2,071**	1,826
Infrastructure	**43**	31
Scandlines	**23**	10
Gross investment return	**2,137**	1,867
Gross investment return as a % of opening portfolio	**10%**	10%

The GIR was £2,137 million in the period (September 2023: £1,867 million), and includes a £486 million foreign exchange loss on translation of our investments (September 2023: £119 million loss), net of the impact of foreign exchange hedging in the period. Further information on the drivers of GIR can be found in the Private Equity, Infrastructure and Scandlines business reviews.

Table 16: Operating cash (loss) / profit for the six months to 30 September

Investment basis	2024 £m	2023 £m
Cash fees from external funds	**33**	38
Cash portfolio fees	**–**	6
Cash portfolio dividends and interest	**48**	44
Cash income	**81**	88
Cash operating expenses[1]	**(83)**	(82)
Operating cash (loss)/profit	**(2)**	6

1 Cash operating expenses include operating expenses paid and lease payments.

We generated an operating cash loss of £2 million in the period (September 2023: £6 million profit). Cash income decreased to £81 million (September 2023: £88 million), principally due to the sale of our operational projects infrastructure fund capability in May 2024. Cash operating expenses incurred during the period remained broadly in line with the prior period at £83 million (September 2023: £82 million). We expect to end our financial year with an operating cash profit based on our expected pipeline of cash income more than offsetting cash operating expenditure in the second half of FY2025.

Net foreign exchange movements

The Group recorded a total foreign exchange translation loss of £466 million (September 2023: £107 million loss), including the impact of foreign exchange hedging in the period as a result of sterling strengthening by 3% against the euro, and by 6% against the US dollar.

At 30 September 2024, the notional value of the Group's forward foreign exchange contracts was €2.6 billion and $1.2 billion. The €2.6 billion includes the €600 million notional value of the forward foreign exchange contracts related to the Scandlines hedging programme.

Table 17 sets out the sensitivity of net assets to foreign exchange movements at 30 September 2024 after the hedging programme.

Table 17: Net assets[1] and sensitivity by currency at 30 September 2024

	FX rate	Net assets £m	%	1% sensitivity £m
Sterling	n/a	**4,904**	22	n/a
Euro[2]	1.2020	**15,619**	72	156
US dollar[2]	1.3414	**1,146**	5	11
Danish krone	8.9603	**197**	1	2
Other	n/a	**28**	–	n/a
Total		**21,894**		

1 The Group's foreign exchange hedging is treated as a sterling asset within the above table.
2 The sensitivity impact calculated on the net assets position includes the impact from foreign exchange hedging.

Carried interest and performance fees

We receive carried interest and performance fees from third-party funds and 3iN. We also pay carried interest and performance fees to participants in plans relating to returns from investments. These are received and/or paid subject to meeting certain performance conditions and when cash proceeds have been received following a realisation, refinancing event or other cash distribution and performance hurdles are passed in cash terms. Due to the length of time between investment and realisation, the schemes are usually active for a number of years and their participants include both current and previous employees of 3i.

In Private Equity (excluding Action), we typically accrue net carried interest payable of c.12% of GIR and for Action the net carried interest payable accrual is now c.1% (March 2024: c.3%) of Action's GIR, based on the assumption that all investments are realised at their balance sheet value.

In the period to 30 September 2024, we reduced our carried interest and performance fees payable balance to £464 million (31 March 2024: £818 million), primarily driven by the crystallisation of the net carried interest liability in the Buyouts 2010-2012 carry scheme of £283 million, which relates principally to Action. As a result of these payments and the reinvestment in Action in the period (see Private Equity section on page 7 for further details), our net holding in Action, after carried interest, is now 57.4% (31 March 2024: 53.2%).

The strong performance of Action in the Buyouts 2010-2012 vintage and the good performance of a number of other portfolio companies in our other vintages in Private Equity led to a £42 million (September 2023: £147 million) carried interest payable expense in the period.

The carried interest and performance fees cash paid in the period was £381 million (September 2023: £510 million). The total performance fees and carried interest cash received in the period was £44 million (September 2023: £37 million), primarily from Infrastructure.

Overall, the effect of the income statement charge of £48 million (September 2023: £176 million), cash payments of £381 million (September 2023: £510 million), as well as currency translation meant that the balance sheet carried interest and performance fees payable was £464 million (31 March 2024: £818 million).

Table 18: Carried interest and performance fees for the six months to 30 September

Investment basis Statement of comprehensive income	2024 £m	2023 £m
Carried interest and performance fees receivable		
Infrastructure	–	21
Total	**–**	21
Carried interest and performance fees payable		
Private Equity	**(42)**	(147)
Infrastructure	**(6)**	(29)
Total	**(48)**	(176)
Net carried interest payable	**(48)**	(155)

Table 19: Carried interest and performance fees

Investment basis Statement of financial position	30 September 2024 £m	31 March 2024 £m
Carried interest and performance fees receivable		
Private Equity	**4**	5
Infrastructure	**–**	42
Total	**4**	47
Carried interest and performance fees payable		
Private Equity	**(456)**	(803)
Infrastructure	**(8)**	(15)
Total	**(464)**	(818)

Table 20: Carried interest and performance fees paid for the six months to 30 September

Investment basis cash flow statement	2024 £m	2023 £m
Carried interest and performance fees paid		
Private Equity	**370**	492
Infrastructure	**11**	18
Total	**381**	510

Balance sheet and liquidity

At 30 September 2024, the Group had net debt of £805 million (31 March 2024: £806 million) and gearing of 4% (31 March 2024: 4%) following the nexeye realisation and the net inflow from the Action transaction, offsetting the payment of carried interest and performance fees of £381 million and the second FY2024 dividend of £332 million. Since the end of the period, we received total proceeds of £280 million from the realisation of WP.

The Group had liquidity of £1,286 million at 30 September 2024 (31 March 2024: £1,296 million), comprising cash and deposits of £386 million (31 March 2024: £396 million) and an undrawn RCF of £900 million (31 March 2024: £900 million).

The investment portfolio value increased to £22,953 million at 30 September 2024 (31 March 2024: £21,636 million), mainly driven by unrealised profits of £2,527 million in the period.

In May 2024, the UK defined benefit pension plan ("the Plan") completed a full buy-out. As at 30 September 2024, no pension liability or insured assets remain. The Plan's only remaining assets are those surplus assets that were not needed to complete the buy-out.

Table 21: Simplified consolidated balance sheet

Investment basis Statement of financial position	30 September 2024 £m	31 March 2024 £m
Investment portfolio	**22,953**	21,636
Gross debt	**(1,191)**	(1,202)
Cash and deposits	**386**	396
Net debt	**(805)**	(806)
Carried interest and performance fees receivable	**4**	47
Carried interest and performance fees payable	**(464)**	(818)
Other net assets	**206**	111
Net assets	**21,894**	20,170
Gearing[1]	**4%**	4%

1 Gearing is net debt as a percentage of net assets.

Going concern

The Half-year consolidated financial statements are prepared on a going concern basis following the assessment by the Directors, taking into account the Group's current performance and outlook.

Alternative Performance Measures ("APMs")

We assess our performance using a variety of measures that are not specifically defined under IFRS and are therefore termed APMs. The APMs that we use may not be directly comparable with those used by other companies. Our Investment basis is itself an APM.

The explanation of and rationale for the Investment basis and its reconciliation to IFRS is provided from page 21. The table below defines our additional APMs and should be read in conjunction with our Annual report and accounts 2024.

Gross investment return as a percentage of opening portfolio value

Purpose	Calculation	Reconciliation to IFRS
A measure of the performance of our proprietary investment portfolio. For further information, see the Group KPIs in our Annual report and accounts 2024.	It is calculated as the gross investment return, as shown in the Investment basis consolidated statement of comprehensive income, as a % of the opening portfolio value.	The equivalent balances under IFRS and the reconciliation to the Investment basis are shown in the Reconciliation of consolidated statement of comprehensive income and the Reconciliation of consolidated statement of financial position respectively.

Cash realisation

Purpose	Calculation	Reconciliation to IFRS
Cash proceeds from our investments support our returns to shareholders, as well as our ability to invest in new opportunities. For further information, see the Group KPIs in our Annual report and accounts 2024.	The cash received from the disposal of investments in the period as shown in the Investment basis consolidated cash flow statement.	The equivalent balance under IFRS and the reconciliation to the Investment basis is shown in the Reconciliation of consolidated cash flow statement.

Cash investment

Purpose	Calculation	Reconciliation to IFRS
Identifying new opportunities in which to invest proprietary capital is the primary driver of the Group's ability to deliver attractive returns. For further information, see the Group KPIs in our Annual report and accounts 2024.	The cash paid to acquire investments and recognising syndications in the period as shown on the Investment basis consolidated cash flow statement.	The equivalent balance under IFRS and the reconciliation to the Investment basis is shown in the Reconciliation of consolidated cash flow statement.

Operating cash profit/(loss)

Purpose	Calculation	Reconciliation to IFRS
By covering the cash cost of running the business with cash income, we reduce the potential dilution of capital returns. For further information, see the Group KPIs in our Annual report and accounts 2024.	The cash income from the portfolio (interest, dividends and fees) together with fees received from external funds less cash operating expenses and leases payments as shown on the Investment basis consolidated cash flow statement. The calculation is shown in Table 16 of the Overview of financial performance.	The equivalent balance under IFRS and the reconciliation to the Investment basis is shown in the Reconciliation of consolidated cash flow statement.

Net cash/(net debt)

Purpose	Calculation	Reconciliation to IFRS
A measure of the available cash to invest in the business and an indicator of the financial risk in the Group's balance sheet.	Cash and cash equivalents plus deposits less loans and borrowings as shown on the Investment basis consolidated statement of financial position.	The equivalent balance under IFRS and the reconciliation to the Investment basis is shown in the Reconciliation of consolidated statement of financial position.

Gearing

Purpose	Calculation	Reconciliation to IFRS
A measure of the financial risk in the Group's balance sheet.	Net debt (as defined above) as a % of the Group's net assets under the Investment basis. It cannot be less than zero.	The equivalent balance under IFRS and the reconciliation to the Investment basis is shown in the Reconciliation of consolidated statement of financial position.

Principal risks and uncertainties

3i's risk appetite statement, approach to risk management and governance structure are set out in the Risk section of the Annual report and accounts 2024, which can be accessed on the Group's website at www.3i.com.

The Half-year report provides an update on 3i's strategy and business performance, as well as on market conditions, which is relevant to the Group's overall risk profile and should be viewed in the context of the Group's risk management framework and principal risks as disclosed in the Annual report and accounts 2024.

Principal risks

The principal risks to the achievement of the Group's strategic objectives are reported on pages 89 to 93 of the Annual report and accounts 2024, and categorised into four main areas:

External – External risks from external factors including political, legal, regulatory, economic and competitor changes, which affect the Group's investment portfolio and operations.

Investment – Investment risks in respect of specific asset investment decisions, the subsequent performance of an investment or exposure concentrations across business line portfolios.

Operational – Operational risks from inadequate or failed processes, people and systems or from external factors affecting these.

Capital management – Capital management risks in relation to the management of capital resources including liquidity risk, currency exposures and leverage risk.

The principal risks and risk mitigation plans are reviewed quarterly by the Group Risk Committee and have remained broadly similar over the half-year period. During the period, the risk of "Government fiscal and economic policy changes" was promoted from the watchlist to a principal risk due to the increasing pressure on government deficits across core markets causing likely changes in fiscal and economic policies and creating uncertainty for businesses.

The principal risks and uncertainties are expected to be substantially the same over the remaining six months of the financial year. They continue to be closely monitored and may be subject to change.

Reconciliation of the Investment basis to IFRS

Background to Investment basis used in the Half-year report

The Group makes investments in portfolio companies directly, held by 3i Group plc, and indirectly, held through intermediate holding company and partnership structures ("investment entity subsidiaries"). It also has other operational subsidiaries which provide services and other activities such as employment, regulatory activities, management and advice ("Trading subsidiaries"). The application of IFRS 10 requires us to fair value a number of investment entity subsidiaries that were previously consolidated line by line. This fair value approach, applied at the investment entity subsidiary level, effectively obscures the performance of our proprietary capital investments and associated transactions occurring in the investment entity subsidiaries.

The financial effect of the underlying portfolio companies and fee income, operating expenses and carried interest transactions occurring in investment entity subsidiaries are aggregated into a single value. Other items which were previously eliminated on consolidation are now included separately.

To maintain transparency in our report and aid understanding, we include a separate non-GAAP "Investment basis" consolidated statement of comprehensive income, financial position and cash flow. The Investment basis is an APM and the Chief Executive's review and the Business and Financial review are prepared using the Investment basis, as we believe it provides a more understandable view of our performance. Total return and net assets are equal under the Investment basis and IFRS; the Investment basis is simply a "look through" of IFRS 10 to present the underlying performance.

A more detailed explanation of the effect of IFRS 10 is provided in the Annual report and accounts 2024 on page 75.

Reconciliation between Investment basis and IFRS

A detailed reconciliation from the Investment basis to IFRS basis of the Consolidated statement of comprehensive income, Consolidated statement of financial position and Consolidated cash flow statement is shown on pages 22 to 25.

Reconciliation of consolidated statement of comprehensive income

		Six months to 30 September 2024			Six months to 30 September 2023		
	Notes	**Investment basis (unaudited) £m**	**IFRS adjustments (unaudited) £m**	**IFRS basis (unaudited) £m**	Investment basis (unaudited) £m	IFRS adjustments (unaudited) £m	IFRS basis (unaudited) £m
Realised profits/(losses) over value on the disposal of investments	1,2	**11**	**(6)**	**5**	(2)	3	1
Unrealised profits on the revaluation of investments	1,2	**2,527**	**(598)**	**1,929**	1,909	(715)	1,194
Fair value movements on investment entity subsidiaries	1	**–**	**305**	**305**	–	524	524
Portfolio income							
Dividends	1,2	**35**	**(12)**	**23**	28	(11)	17
Interest income from investment portfolio	1,2	**46**	**(31)**	**15**	46	(32)	14
Fees receivable	1,2	**4**	**3**	**7**	5	1	6
Foreign exchange on investments	1,4	**(598)**	**220**	**(378)**	(145)	74	(71)
Movement in the fair value of derivatives		**112**	**–**	**112**	26	–	26
Gross investment return		**2,137**	**(119)**	**2,018**	1,867	(156)	1,711
Fees receivable from external funds		**33**	**–**	**33**	36	–	36
Operating expenses	1,3	**(75)**	**–**	**(75)**	(68)	–	(68)
Interest receivable	1	**10**	**(2)**	**8**	6	(2)	4
Interest payable	1	**(34)**	**–**	**(34)**	(28)	–	(28)
Exchange movements	1,4	**20**	**75**	**95**	12	8	20
Income from investment entity subsidiaries	1	**–**	**11**	**11**	–	11	11
Other income		**2**	**(2)**	**–**	–	–	–
Operating profit before carried interest		**2,093**	**(37)**	**2,056**	1,825	(139)	1,686
Carried interest							
Carried interest and performance fees receivable	1,3	**–**	**–**	**–**	21	–	21
Carried interest and performance fees payable	1,3	**(48)**	**41**	**(7)**	(176)	142	(34)
Operating profit before tax		**2,045**	**4**	**2,049**	1,670	3	1,673
Tax charge	1,3	**(1)**	**–**	**(1)**	(1)	–	(1)
Profit for the period		**2,044**	**4**	**2,048**	1,669	3	1,672
Other comprehensive expense that may be reclassified to the income statement							
Exchange differences on translation of foreign operations	1,4	**–**	**(4)**	**(4)**	–	(3)	(3)
Other comprehensive income that will not be reclassified to the income statement							
Re-measurements of defined benefit plans		**2**	**–**	**2**	–	–	–
Other comprehensive income/ (expense) for the period		**2**	**(4)**	**(2)**	–	(3)	(3)
Total comprehensive income for the period ("Total return")		**2,046**	**–**	**2,046**	1,669	–	1,669

Notes:

1 Applying IFRS 10 to the Consolidated statement of comprehensive income consolidates the line items of a number of previously consolidated subsidiaries into a single line item "Fair value movements on investment entity subsidiaries". In the Investment basis accounts we have disaggregated these line items to analyse our total return as if these investment entity subsidiaries were fully consolidated, consistent with prior periods. The adjustments simply reclassify the Consolidated statement of comprehensive income of the Group, and the total return is equal under the Investment basis and the IFRS basis.

2 Realised profits, unrealised profits and portfolio income shown in the IFRS accounts only relate to portfolio companies that are held directly by 3i Group plc and not those portfolio companies held through investment entity subsidiaries. Realised profits, unrealised profits and portfolio income in relation to portfolio companies held through investment entity subsidiaries are aggregated into the single "Fair value movement on investment entity subsidiaries" line. This is the most significant reduction of information in our IFRS accounts.

3 Other items also aggregated into the "Fair value movements on investment entity subsidiaries" line include operating expenses, carried interest and performance fees receivable, carried interest and performance fees payable and tax. Operating expenses, carried interest and performance fees receivable and tax do not impact fair value movements on investment entity subsidiaries for the six months to 30 September 2024.

4 Foreign exchange movements have been reclassified under the Investment basis as foreign currency asset and liability movements. Movements within the investment entity subsidiaries are included within "Fair value movements on investment entity subsidiaries".

Reconciliation of consolidated statement of financial position

	Notes	Investment basis (unaudited) £m	IFRS adjustments (unaudited) £m	IFRS basis (unaudited) £m	Investment basis (unaudited) £m	IFRS adjustments (unaudited) £m	IFRS basis (audited) £m
			As at 30 September 2024				As at 31 March 2024
Assets							
Non-current assets							
Investments							
Quoted investments	1	**992**	**(74)**	**918**	946	(67)	879
Unquoted investments	1	**21,961**	**(6,787)**	**15,174**	20,690	(6,497)	14,193
Investments in investment entity subsidiaries	1,2	**–**	**6,423**	**6,423**	–	5,804	5,804
Investment portfolio		**22,953**	**(438)**	**22,515**	21,636	(760)	20,876
Carried interest and performance fees receivable	1	**2**	**–**	**2**	2	1	3
Other non-current assets	1	**28**	**(6)**	**22**	36	(8)	28
Intangible assets		**3**	**–**	**3**	4	–	4
Retirement benefit surplus		**62**	**–**	**62**	61	–	61
Property, plant and equipment		**6**	**–**	**6**	4	–	4
Right of use asset		**45**	**–**	**45**	49	–	49
Derivative financial instruments		**97**	**–**	**97**	83	–	83
Total non-current assets		**23,196**	**(444)**	**22,752**	21,875	(767)	21,108
Current assets							
Carried interest and performance fees receivable	1	**2**	**–**	**2**	45	–	45
Other current assets	1	**50**	**(3)**	**47**	53	(6)	47
Current income taxes		**1**	**–**	**1**	1	–	1
Derivative financial instruments		**125**	**–**	**125**	82	–	82
Cash and cash equivalents	1	**386**	**(17)**	**369**	396	(38)	358
Total current assets		**564**	**(20)**	**544**	577	(44)	533
Total assets		**23,760**	**(464)**	**23,296**	22,452	(811)	21,641
Liabilities							
Non-current liabilities							
Trade and other payables	1	**(40)**	**36**	**(4)**	(50)	45	(5)
Carried interest and performance fees payable	1	**(297)**	**267**	**(30)**	(280)	250	(30)
Loans and borrowings		**(1,191)**	**–**	**(1,191)**	(1,202)	–	(1,202)
Retirement benefit deficit		**(20)**	**–**	**(20)**	(21)	–	(21)
Lease liability		**(43)**	**–**	**(43)**	(45)	–	(45)
Deferred income taxes		**(1)**	**–**	**(1)**	(1)	–	(1)
Provisions		**(2)**	**(1)**	**(3)**	(2)	–	(2)
Total non-current liabilities		**(1,594)**	**302**	**(1,292)**	(1,601)	295	(1,306)
Current liabilities							
Trade and other payables	1	**(101)**	**6**	**(95)**	(136)	2	(134)
Carried interest and performance fees payable	1	**(167)**	**156**	**(11)**	(538)	514	(24)
Lease liability		**(3)**	**–**	**(3)**	(4)	–	(4)
Current income taxes		**(1)**	**–**	**(1)**	(3)	–	(3)
Total current liabilities		**(272)**	**162**	**(110)**	(681)	516	(165)
Total liabilities		**(1,866)**	**464**	**(1,402)**	(2,282)	811	(1,471)
Net assets		**21,894**	**–**	**21,894**	20,170	–	20,170
Equity							
Issued capital		**719**	**–**	**719**	719	–	719
Share premium		**792**	**–**	**792**	791	–	791
Other reserves	3	**20,464**	**–**	**20,464**	18,752	–	18,752
Own shares		**(81)**	**–**	**(81)**	(92)	–	(92)
Total equity		**21,894**	**–**	**21,894**	20,170	–	20,170

The notes relating to the table above are on the next page.

Statement of consolidated statement of financial position continued

Notes:

1 Applying IFRS 10 to the Consolidated statement of financial position aggregates the line items of investment entity subsidiaries into the single line item "Investments in investment entity subsidiaries". In the Investment basis, we have disaggregated these items to analyse our net assets as if the investment entity subsidiaries were consolidated. The adjustment reclassifies items in the Consolidated statement of financial position. There is no change to the net assets, although for reasons explained below, gross assets and gross liabilities are different. The disclosure relating to portfolio companies is significantly reduced by the aggregation, as the fair value of all investments held by investment entity subsidiaries is aggregated into the "Investments in investment entity subsidiaries" line. We have disaggregated this fair value and disclosed the underlying portfolio holding in the relevant line item, i.e., quoted investments or unquoted investments. Other items which may be aggregated include carried interest, other assets and other payables, and the Investment basis presentation again disaggregates these items.

2 Intercompany balances between investment entity subsidiaries and trading subsidiaries also impact the transparency of our results under the IFRS basis. If an investment entity subsidiary has an intercompany balance with a consolidated trading subsidiary of the Group, then the asset or liability of the investment entity subsidiary will be aggregated into its fair value, while the asset or liability of the consolidated trading subsidiary will be disclosed as an asset or liability in the Consolidated statement of financial position of the Group.

3 Investment basis financial statements are prepared for performance measurement and therefore reserves are not analysed separately under this basis.

Reconciliation of consolidated cash flow statement

		Six months to 30 September 2024			Six months to 30 September 2023		
	Notes	**Investment basis (unaudited) £m**	**IFRS adjustments (unaudited) £m**	**IFRS basis (unaudited) £m**	Investment basis (unaudited) £m	IFRS adjustments (unaudited) £m	IFRS basis (unaudited) £m
Cash flow from operating activities							
Purchase of investments	1	**(893)**	**845**	**(48)**	(99)	83	(16)
Proceeds from investments	1	**1,556**	**(450)**	**1,106**	1	–	1
Amounts paid to investment entity subsidiaries	1	**–**	**(1,266)**	**(1,266)**	–	(430)	(430)
Amounts received from investment entity subsidiaries	1	**–**	**535**	**535**	–	157	157
Net cash flow from derivatives		**54**	**–**	**54**	45	–	45
Portfolio interest received	1	**7**	**(1)**	**6**	6	(1)	5
Portfolio dividends received	1	**41**	**(12)**	**29**	38	(11)	27
Portfolio fees received	1	**–**	**–**	**–**	6	–	6
Fees received from external funds		**33**	**–**	**33**	38	–	38
Carried interest and performance fees received	1	**44**	**–**	**44**	37	–	37
Carried interest and performance fees paid	1	**(381)**	**364**	**(17)**	(510)	481	(29)
Operating expenses paid		**(80)**	**–**	**(80)**	(80)	–	(80)
Co-investment loans (paid)/received	1	**(6)**	**4**	**(2)**	1	2	3
Tax paid	1	**(3)**	**–**	**(3)**	–	–	–
Other cash income	1	**1**	**–**	**1**	43	(43)	–
Other cash expenses		**(8)**	**–**	**(8)**	–	–	–
Interest received	1	**10**	**(2)**	**8**	6	(2)	4
Net cash flow from operating activities		**375**	**17**	**392**	(468)	236	(232)
Cash flow from financing activities							
Issue of shares		**1**	**–**	**1**	1	–	1
Dividends paid		**(332)**	**–**	**(332)**	(286)	–	(286)
Proceeds from long-term borrowing		**–**	**–**	**–**	422	–	422
Lease payments		**(3)**	**–**	**(3)**	(2)	–	(2)
Interest paid		**(41)**	**–**	**(41)**	(21)	–	(21)
Net cash flow from financing activities		**(375)**	**–**	**(375)**	114	–	114
Cash flow from investing activities							
Purchase of property, plant and equipment		**(3)**	**–**	**(3)**	(1)	–	(1)
Net cash flow from investing activities		**(3)**	**–**	**(3)**	(1)	–	(1)
Change in cash and cash equivalents	**2**	**(3)**	**17**	**14**	(355)	236	(119)
Cash and cash equivalents at the start of period	2	**396**	**(38)**	**358**	412	(250)	162
Effect of exchange rate fluctuations	1	**(7)**	**4**	**(3)**	(2)	–	(2)
Cash and cash equivalents at the end of period	**2**	**386**	**(17)**	**369**	55	(14)	41

Notes:
1 The Consolidated cash flow statement is impacted by the application of IFRS 10 as cash flows to and from investment entity subsidiaries are disclosed, rather than the cash flows to and from the underlying portfolio. Therefore, in our Investment basis financial statements, we have disclosed our consolidated cash flow statement on a "look through" basis, in order to reflect the underlying sources and uses of cash flows and disclose the underlying investment activity.
2 There is a difference between the change in cash and cash equivalents of the Investment basis financial statements and the IFRS financial statements because there are cash balances held in investment entity subsidiaries. Cash held within investment entity subsidiaries will not be shown in the IFRS statements but will be seen in the Investment basis statements.

IFRS Financial statements

Condensed consolidated statement of comprehensive income

	Notes	**Six months to 30 September 2024 (unaudited) £m**	Six months to 30 September 2023 (unaudited) £m
Realised profits over value on the disposal of investments	2	**5**	1
Unrealised profits on the revaluation of investments	3	**1,929**	1,194
Fair value movements on investment entity subsidiaries	8	**305**	524
Portfolio income			
Dividends		**23**	17
Interest income from investment portfolio		**15**	14
Fees receivable	4	**7**	6
Foreign exchange on investments		**(378)**	(71)
Movement in the fair value of derivatives		**112**	26
Gross investment return		**2,018**	1,711
Fees receivable from external funds	4	**33**	36
Operating expenses		**(75)**	(68)
Interest received		**8**	4
Interest paid		**(34)**	(28)
Exchange movements		**95**	20
Income from investment entity subsidiaries		**11**	11
Other income		**–**	–
Operating profit before carried interest		**2,056**	1,686
Carried interest			
Carried interest and performance fees receivable	4	**–**	21
Carried interest and performance fees payable		**(7)**	(34)
Operating profit before tax		**2,049**	1,673
Tax charge		**(1)**	(1)
Profit for the period		**2,048**	1,672
Other comprehensive income that may be reclassified to the income statement			
Exchange differences on translation of foreign operations		**(4)**	(3)
Other comprehensive expense that will not be reclassified to the income statement			
Re-measurements of defined benefit plans		**2**	–
Other comprehensive income for the period		**(2)**	(3)
Total comprehensive income for the period ("Total return")		**2,046**	1,669

Earnings per share			
Basic (pence)	5	**212.2**	173.5
Diluted (pence)	5	**211.6**	173.0

The Notes to the accounts section forms an integral part of these financial statements.

Condensed consolidated statement of financial position

	Notes	30 September 2024 (unaudited) £m	31 March 2024 (audited) £m
Assets			
Non-current assets			
Investments			
Quoted investments	7	**918**	879
Unquoted investments	7	**15,174**	14,193
Investments in investment entity subsidiaries	8	**6,423**	5,804
Investment portfolio		**22,515**	20,876
Carried interest and performance fees receivable		**2**	3
Other non-current assets		**22**	28
Intangible assets		**3**	4
Retirement benefit surplus		**62**	61
Property, plant and equipment		**6**	4
Right of use asset		**45**	49
Derivative financial instruments		**97**	83
Total non-current assets		**22,752**	21,108
Current assets			
Carried interest and performance fees receivable		**2**	45
Other current assets		**47**	47
Current income taxes		**1**	1
Derivative financial instruments		**125**	82
Cash and cash equivalents		**369**	358
Total current assets		**544**	533
Total assets		**23,296**	21,641
Liabilities			
Non-current liabilities			
Trade and other payables		**(4)**	(5)
Carried interest and performance fees payable		**(30)**	(30)
Loans and borrowings		**(1,191)**	(1,202)
Retirement benefit deficit		**(20)**	(21)
Lease liability		**(43)**	(45)
Deferred income taxes		**(1)**	(1)
Provisions		**(3)**	(2)
Total non-current liabilities		**(1,292)**	(1,306)
Current liabilities			
Trade and other payables		**(95)**	(134)
Carried interest and performance fees payable		**(11)**	(24)
Lease liability		**(3)**	(4)
Current income taxes		**(1)**	(3)
Total current liabilities		**(110)**	(165)
Total liabilities		**(1,402)**	(1,471)
Net assets		**21,894**	20,170
Equity			
Issued capital		**719**	719
Share premium		**792**	791
Capital redemption reserve		**43**	43
Share-based payment reserve		**30**	42
Translation reserve		**(10)**	(6)
Capital reserve		**19,014**	17,154
Revenue reserve		**1,387**	1,519
Own shares		**(81)**	(92)
Total equity		**21,894**	20,170

The Notes to the accounts section forms an integral part of these financial statements.

Condensed consolidated statement of changes in equity

For the six months to 30 September 2024 (unaudited)	Share capital £m	Share premium £m	Capital redemption reserve £m	Share-based payment reserve £m	Translation reserve £m	Capital reserve[1] £m	Revenue reserve[1] £m	Own shares £m	Total equity £m
Total equity at the start of the period	**719**	**791**	**43**	**42**	**(6)**	**17,154**	**1,519**	**(92)**	**20,170**
Profit for the period	–	–	–	–	–	**2,001**	**47**	–	**2,048**
Exchange differences on translation of foreign operations	–	–	–	–	**(4)**	–	–	–	**(4)**
Re-measurements of defined benefit plans	–	–	–	–	–	**2**	–	–	**2**
Total comprehensive income for the period	–	–	–	–	**(4)**	**2,003**	**47**	–	**2,046**
Share-based payments	–	–	–	**9**	–	–	–	–	**9**
Release on exercise/forfeiture of share awards	–	–	–	**(21)**	–	–	**21**	–	–
Exercise of share awards	–	–	–	–	–	**(11)**	–	**11**	–
Ordinary dividends	–	–	–	–	–	**(132)**	**(200)**	–	**(332)**
Purchase of own shares	–	–	–	–	–	–	–	–	–
Issue of ordinary shares	–	**1**	–	–	–	–	–	–	**1**
Total equity at the end of the period	**719**	**792**	**43**	**30**	**(10)**	**19,014**	**1,387**	**(81)**	**21,894**

1 Refer to the Glossary on pages 47 to 49 for the nature of the capital and revenue reserves.

For the six months to 30 September 2023 (unaudited)	Share capital £m	Share premium £m	Capital redemption reserve £m	Share-based payment reserve £m	Translation reserve £m	Capital reserve[1] £m	Revenue reserve[1] £m	Own shares £m	Total equity £m
Total equity at the start of the period	719	790	43	31	(2)	14,044	1,327	(108)	16,844
Profit for the period	–	–	–	–	–	1,582	90	–	1,672
Exchange differences on translation of foreign operations	–	–	–	–	(3)	–	–	–	(3)
Re-measurements of defined benefit plans	–	–	–	–	–	–	–	–	–
Total comprehensive income for the period	–	–	–	–	(3)	1,582	90	–	1,669
Share-based payments	–	–	–	17	–	–	–	–	17
Release on exercise/forfeiture of share awards	–	–	–	(16)	–	–	16	–	–
Exercise of share awards	–	–	–	–	–	(16)	–	16	–
Ordinary dividends	–	–	–	–	–	(190)	(96)	–	(286)
Purchase of own shares	–	–	–	–	–	–	–	–	–
Issue of ordinary shares	–	1	–	–	–	–	–	–	1
Total equity at the end of the period	719	791	43	32	(5)	15,420	1,337	(92)	18,245

1 Refer to the Glossary on pages 47 to 49 for the nature of the capital and revenue reserves.
The Notes to the accounts section forms an integral part of these financial statements.

Condensed consolidated cash flow statement

	Notes	**Six months to 30 September 2024 (unaudited) £m**	Six months to 30 September 2023 (unaudited) £m
Cash flow from operating activities			
Purchase of investments		**(48)**	(16)
Proceeds from investments		**1,106**	1
Amounts paid to investment entity subsidiaries		**(1,266)**	(430)
Amounts received from investment entity subsidiaries		**535**	157
Net cash flow from derivatives		**54**	45
Portfolio interest received		**6**	5
Portfolio dividends received		**29**	27
Portfolio fees received		**–**	6
Fees received from external funds		**33**	38
Carried interest and performance fees received		**44**	37
Carried interest and performance fees paid		**(17)**	(29)
Operating expenses paid		**(80)**	(80)
Co-investment loans (paid)/received		**(2)**	3
Tax paid		**(3)**	–
Other cash income		**1**	–
Other cash expenses		**(8)**	–
Interest received		**8**	4
Net cash flow from operating activities		**392**	(232)
Cash flow from financing activities			
Issue of shares		**1**	1
Dividend paid	6	**(332)**	(286)
Proceeds from long-term borrowing		**–**	422
Lease payments		**(3)**	(2)
Interest paid		**(41)**	(21)
Net cash flow from financing activities		**(375)**	114
Cash flow from investing activities			
Purchases of property, plant and equipment		**(3)**	(1)
Net cash flow from investing activities		**(3)**	(1)
Change in cash and cash equivalents		**14**	(119)
Cash and cash equivalents at the start of the period		**358**	162
Effect of exchange rate fluctuations		**(3)**	(2)
Cash and cash equivalents at the end of the period		**369**	41

The Notes to the accounts section forms an integral part of these financial statements.

Notes to the condensed consolidated financial statements

Basis of preparation and accounting policies

Compliance with International Financial Reporting Standards ("IFRS")

The Half-year condensed consolidated financial statements of 3i Group plc have been prepared in accordance with the Disclosure Guidance and Transparency Rules of the Financial Conduct Authority and IAS 34 Interim Financial Reporting as adopted for use in the UK. The Half-year condensed consolidated financial statements should be read in conjunction with the Annual report and accounts 2024 which have been prepared and approved by the Directors in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and in accordance with UK-adopted international accounting standards. The Annual report and accounts for the year ended 31 March 2025 will be prepared in accordance with UK-adopted international accounting standards.

The Half-year condensed consolidated financial statements are presented to the nearest million sterling (£m), which is also the functional currency of the Company. The accounting policies applied by 3i Group plc for the Half-year condensed consolidated financial statements are consistent with those described on pages 164 to 202 of the Annual report and accounts 2024. There was no change in the current period to the critical accounting estimates and judgements applied in 2024, which are stated on page 166 of the Annual report and accounts 2024.

The financial information for the year ended 31 March 2024 and for the six months ended 30 September 2024 contained within this Half-year report does not constitute statutory accounts as defined in section 434 of the Companies Act 2006. The statutory accounts for the year to 31 March 2024, prepared under IFRS in conformity with the requirements of the Companies Act 2006, have been reported on by KPMG LLP and delivered to the Registrar of Companies. The report of the Auditor on these statutory accounts was unqualified and did not contain a statement under section 498(2) or section 498(3) of the Companies Act 2006.

Going concern

These condensed consolidated financial statements are prepared on a going concern basis. The Directors have made an assessment of going concern for a period of at least 12 months from the date of approval of the accounts, taking into account the Group's current performance, financial position and the principal and emerging risks facing the business.

To support the going concern assessment, the Directors considered an analysis of the Group's liquidity, solvency and regulatory capital position. The Group manages and monitors liquidity regularly, ensuring it is adequate and sufficient and is underpinned by its monitoring of investments, realisations, operating expenses and receipt of portfolio cash income. At 30 September 2024, the Group has liquidity of £1,286 million (31 March 2024: £1,296 million). Liquidity comprised of cash and deposits of £386 million (31 March 2024: £396 million) and an undrawn facility of £900 million (31 March 2024: £900 million), which has no financial covenants. Since the period end, in October 2024, we received proceeds of £280 million from the realisation of WP, further strengthening our liquidity.

As a proprietary investor, the Group has a long-term, responsible investment approach, and is not subject to significant external pressure to realise investments before optimum value can be achieved. The Board has the ability to take certain actions to help support the Group in adverse circumstances. Mitigating actions within management control during extended periods of low liquidity include, for example, drawing on the existing RCF or temporarily reducing new investment levels.

Having performed the assessment on going concern, the Directors considered it appropriate to prepare the condensed consolidated financial statements of the Group on a going concern basis and have concluded that the Group has sufficient financial resources, is well placed to manage business risks in the current macroeconomic and geopolitical environment and can continue operations for a period of at least 12 months from the date of issue of these financial statements.

1 Segmental analysis

The tables below are presented on the Investment basis, which is the basis used by the chief operating decision maker, the Chief Executive, to monitor the performance of the Group. A description of the Investment basis and a reconciliation of the Investment basis to the IFRS financial statements is provided on pages 21 to 25. Further detail on the Group's segmental analysis can be found on pages 168 to 170 of the Annual report and accounts 2024. The remaining Notes are prepared on an IFRS basis.

Investment basis Six months to 30 September 2024	Private Equity £m	*Of which is Action £m*	Infrastructure £m	Scandlines £m	Total[3] £m
Realised profits over value on the disposal of investments	**11**	*–*	**–**	**–**	**11**
Unrealised profits on the revaluation of investments	**2,467**	*2,170*	**47**	**13**	**2,527**
Portfolio income					
Dividends	**5**	*–*	**18**	**12**	**35**
Interest income from investment portfolio	**40**	*–*	**6**	**–**	**46**
Fees receivable	**4**	*2*	**–**	**–**	**4**
Foreign exchange on investments	**(555)**	*(389)*	**(28)**	**(15)**	**(598)**
Movement in the fair value of derivatives	**99**	*44*	**–**	**13**	**112**
Gross investment return	**2,071**	*1,827*	**43**	**23**	**2,137**
Fees receivable from external funds	**2**	*–*	**31**	**–**	**33**
Operating expenses	**(50)**	*–*	**(24)**	**(1)**	**(75)**
Interest received					**10**
Interest paid					**(34)**
Exchange movements					**20**
Other income					**2**
Operating profit before carried interest					**2,093**
Carried interest					
Carried interest and performance fees payable	**(42)**	*(18)*	**(6)**	**–**	**(48)**
Operating profit before tax					**2,045**
Tax charge					**(1)**
Profit for the period					**2,044**
Other comprehensive income					
Re-measurements of defined benefit plans					2
Total return					**2,046**
Realisations[1]	**1,548**	*1,164*	**5**	**–**	**1,553**
Cash investment	**(888)**	*(768)*	**(5)**	**–**	**(893)**
Net realisations	**660**	*396*	**–**	**–**	**660**
Balance sheet					
Opening portfolio value at 1 April 2024	**19,629**	*14,158*	**1,488**	**519**	**21,636**
Investment[2]	**925**	*768*	**5**	**–**	**930**
Value disposed	**(1,537)**	*(1,164)*	**(5)**	**–**	**(1,542)**
Unrealised value movement	**2,467**	*2,170*	**47**	**13**	**2,527**
Other movement (including foreign exchange)	**(554)**	*(389)*	**(31)**	**(13)**	**(598)**
Closing portfolio value at 30 September 2024	**20,930**	*15,543*	**1,504**	**519**	**22,953**

1 Realised proceeds may differ from cash proceeds due to timing of receipts. During the period cash proceeds of £5 million were received in the Private Equity portfolio, which were recognised as a receivable in the prior year. The Private Equity portfolio also incurred £2 million of withholding tax on a distribution received.
2 Includes capitalised interest and non-cash investment.
3 The total is the sum of Private Equity, Infrastructure and Scandlines. "Of which is Action" is part of Private Equity.

Interest received, interest paid, exchange movements, other income, tax charge and re-measurements of defined benefit plans are not managed by segment by the chief operating decision maker and therefore have not been allocated to a specific segment.

1 Segmental analysis continued

Investment basis Six months to 30 September 2023	Private Equity £m	*Of which is Action £m*	Infrastructure £m	Scandlines £m	Total[4] £m
Realised profits/(losses) over value on the disposal of investments	1	*–*	(3)	–	(2)
Unrealised profits on the revaluation of investments	1,907	*1,810*	2	—	1,909
Portfolio income					
Dividends	–	*–*	18	10	28
Interest income from investment portfolio	40	*–*	6	–	46
Fees receivable	5	*4*	–	–	5
Foreign exchange on investments	(146)	*(136)*	8	(7)	(145)
Movement in the fair value of derivatives	19	*22*	–	7	26
Gross investment return	1,826	*1,700*	31	10	1,867
Fees receivable from external funds	2	*–*	34	–	36
Operating expenses	(43)	*–*	(24)	(1)	(68)
Interest received					6
Interest paid					(28)
Exchange movements					12
Operating profit before carried interest					1,825
Carried interest					
Carried interest and performance fees receivable	–	*–*	21	–	21
Carried interest and performance fees payable	(147)	*(127)*	(29)	–	(176)
Operating profit before tax					1,670
Tax charge					(1)
Profit for the period					1,669
Other comprehensive income					
Re-measurements of defined benefit plans					–
Total return					1,669
Realisations[1]	1	*–*	18	–	19
Cash investment[2]	(50)	*–*	(33)	(1)	(84)
Net investment	(49)	*–*	(15)	(1)	(65)
Balance sheet					
Opening portfolio value at 1 April 2023	16,425	*11,188*	1,409	554	18,388
Investment[3]	92	*–*	33	1	126
Value disposed	–	*–*	(21)	–	(21)
Unrealised value movement	1,907	*1,810*	2	–	1,909
Other movement (including foreign exchange)	(149)	*(136)*	10	(8)	(147)
Closing portfolio value at 30 September 2023	18,275	*12,862*	1,433	547	20,255

1 Realised proceeds may differ from cash proceeds due to timing of receipts. During the period, Infrastructure recognised realised proceeds of £18 million, which are to be received after the period end.
2 Cash investment per the segmental analysis is different to cash investment per the cash flow due to a £10 million investment in Private Equity which was recognised in FY2023 and paid in the period and a £5 million syndication in Infrastructure which was recognised in the period and to be received after the period end.
3 Includes capitalised interest and non-cash investment.
4 The total is the sum of Private Equity, Infrastructure and Scandlines. "Of which is Action" is part of Private Equity.

Interest received, interest paid, exchange movements, tax charge and re-measurements of defined benefit plans are not managed by segment by the chief operating decision maker and therefore have not been allocated to a specific segment.

2 Realised profits over value on the disposal of investments

Six months to 30 September 2024	Unquoted investments £m	Total £m
Realisations	**1,106**	**1,106**
Valuation of disposed investments	**(1,101)**	**(1,101)**
	5	**5**
Of which:		
– profit recognised on realisations	**5**	**5**
– losses recognised on realisations	**–**	**–**
	5	**5**

Six months to 30 September 2023	Unquoted investments £m	Total £m
Realisations	1	1
Valuation of disposed investments	–	–
	1	1
Of which:		
– profit recognised on realisations	1	1
– losses recognised on realisations	–	–
	1	1

3 Unrealised profits on the revaluation of investments

Six months to 30 September 2024	Unquoted investments £m	Quoted investments £m	Total £m
	1,890	**39**	**1,929**
Movement in the fair value of investments			
Of which:			
– unrealised gains	**1,909**	**39**	**1,948**
– unrealised losses	**(19)**	**–**	**(19)**
	1,890	**39**	**1,929**

Six months to 30 September 2023	Unquoted investments £m	Quoted investments £m	Total £m
Movement in the fair value of investments	1,217	(23)	1,194
Of which:			
– unrealised gains	1,355	–	1,355
– unrealised losses	(138)	(23)	(161)
	1,217	(23)	1,194

4 Revenue

Items from the Consolidated statement of comprehensive income which fall within the scope of IFRS 15 are included in the table below:

Six months to 30 September 2024	Private Equity £m	Infrastructure £m	Total £m
Total revenue by geography[1]			
UK	**–**	**29**	**29**
Northern Europe	**8**	**1**	**9**
North America	**1**	**1**	**2**
Other	**–**	**–**	**–**
Total	**9**	**31**	**40**
Revenue by type			
Fees receivable[2] from portfolio	**7**	**–**	**7**
Fees receivable from external funds	**2**	**31**	**33**
Carried interest and performance fees receivable[2]	**–**	**–**	**–**
Total	**9**	**31**	**40**

Six months to 30 September 2023	Private Equity £m	Infrastructure £m	Total £m
Total revenue by geography[1]			
UK	1	30	31
Northern Europe	7	24	31
North America	–	1	1
Other	–	–	–
Total	**8**	**55**	**63**
Revenue by type			
Fees receivable[2] from portfolio	6	–	6
Fees receivable from external funds	2	34	36
Carried interest and performance fees receivable[2]	–	21	21
Total	**8**	**55**	**63**

1 For fees receivable from external funds and carried interest and performance fees receivable the geography is based on the domicile of the fund.

2 Fees receivable and carried interest receivable above are different to the Investment basis figures included in Note 1. This is due to the fact that Note 1 is disclosed on the Investment basis and the table above is shown on the IFRS basis. For an explanation of the Investment basis and a reconciliation between Investment basis and IFRS basis see pages 20 to 24.

5 Per share information

The calculation of basic net assets per share is based on the net assets and the number of shares in issue at the period end. When calculating the diluted net assets per share, the number of shares in issue is adjusted for the effect of all dilutive share awards.

	30 September 2024	31 March 2024
Net assets per share (£)		
Basic	**22.68**	20.92
Diluted	**22.61**	20.85
Net assets (£m)		
Net assets attributable to equity holders of the Company	**21,894**	20,170

	30 September 2024	31 March 2024
Number of shares in issue		
Ordinary shares	**973,387,299**	973,366,445
Own shares	**(7,979,124)**	(8,997,664)
	965,408,175	964,368,781
Effect of dilutive potential ordinary shares		
Share awards	**3,036,191**	3,104,739
Diluted shares	**968,444,366**	967,473,520

The calculation of basic earnings per share is based on the profit attributable to shareholders and the weighted average number of shares in issue. The weighted average shares in issue for the period to 30 September 2024 are 965,017,251 (30 September 2023: 963,658,775). When calculating the diluted earnings per share, the weighted average number of shares in issue is adjusted for the effect of all dilutive share awards. The diluted weighted average shares in issue for the period to 30 September 2024 are 967,767,493 (30 September 2023: 966,205,837).

	Six months to 30 September 2024	Six months to 30 September 2023
Earnings per share (pence)		
Basic	**212.2**	173.5
Diluted	**211.6**	173.0
Earnings (£m)		
Profit for the period attributable to equity holders of the Company	**2,048**	1,672

6 Dividends

	Six months to 30 September 2024 pence per share	**Six months to 30 September 2024 £m**	Six months to 30 September 2023 pence per share	Six months to 30 September 2023 £m
Declared and paid during the period				
Second dividend	**34.50**	**332**	29.75	286
	34.50	**332**	29.75	286
Proposed first dividend	**30.50**	**294**	26.50	255

The Group introduced a simplified dividend policy in May 2018. In accordance with this policy, subject to maintaining a conservative balance sheet approach, the Group aims to maintain or grow the dividend each year. The first dividend has been set at 50% of the prior year’s total dividend.

The dividend can be paid out of either the capital reserve or the revenue reserve subject to the investment trust rules, see the statement of changes in equity for details of reserves.

6 Dividends continued

The distributable reserves of the parent company as at 30 September 2024 were £10,087 million (31 March 2024: £8,282 million) and the Board reviews the distributable reserves bi-annually, including consideration of any material changes since the most recent audited accounts, ahead of proposing any dividend. The Board also reviews the proposed dividends in the context of the requirements of being an approved investment trust.

7 Investment portfolio

This section should be read in conjunction with Note 11 on page 176 to 177 of the Annual report and accounts 2024, which provides more detail about initial recognition and subsequent measurement of investments at fair value.

Non-current	**Six months to 30 September 2024 £m**	Year to 31 March 2024 £m
Opening fair value	**15,072**	9,518
Additions	**570**	3,596
– of which loan notes with nil value	**(1)**	(6)
Disposals, repayments and write-offs	**(1,101)**	(542)
Fair value movement[1]	**1,929**	2,742
Other movements and net cash movements[2]	**(377)**	(236)
Closing fair value	**16,092**	15,072
Quoted investments	**918**	879
Unquoted investments	**15,174**	14,193
Closing fair value	**16,092**	15,072

1 All fair value movements relate to assets held at the end of the period and are recognised in unrealised profits on the revaluation of investments.
2 Other movements includes the impact of foreign exchange and accrued interest.

3i's investment portfolio is made up of longer-term investments, with average holding periods greater than one year, and thus is classified as non-current.

The table below reconciles between purchase of investments in the cash flow statement and additions as disclosed in the table above.

	Six months to 30 September 2024 £m	Year to 31 March 2024 £m
Purchase of investments	**48**	506
Transfer of portfolio investments from investment entity subsidiaries[1]	**1,108**	3,068
Transfer of portfolio investments to investment entity subsidiaries[2]	**(593)**	–
Investment paid	**–**	(2)
Investment	**563**	3,572
Capitalised interest received by way of loan notes	**7**	24
Additions	**570**	3,596

1 £1,108 million (31 March 2024: £2,770 million) related to Action. See Note 8 for further details.
2 £593 million (31 March 2024: nil) related to Action. See Note 8 for further details.

Included within profit or loss is £15 million (30 September 2023: £14 million) of interest income. Interest income included £3 million (30 September 2023: £3 million) of accrued income capitalised during the period, £6 million of cash income (30 September 2023: £5 million) and £6 million (30 September 2023: £6 million) of accrued income remaining uncapitalised at the period end.

Quoted investments are classified as Level 1 and unquoted investments are classified as Level 3 in the fair value hierarchy; see Note 9 for details.

8 Investments in investment entity subsidiaries

This section should be read in conjunction with Note 12 on page 177 to 178 of the Annual report and accounts 2024, which provides more detail about accounting policies adopted, entities which are typically investment in investment entities and the determination of fair value.

Level 3 fair value reconciliation – investments in investment entity subsidiaries

Non-current	**Six months to 30 September 2024 £m**	Year to 31 March 2024 £m
Opening fair value	**5,804**	7,844
Amounts paid to investment entity subsidiaries	**1,266**	674
Amounts received from investment entity subsidiaries	**(535)**	(580)
Fair value movement on investment entity subsidiaries	**305**	861
Transfer of portfolio investments from investment entity subsidiaries	**(1,108)**	(3,068)
Transfer of portfolio investments to investment entity subsidiaries	**593**	–
Transfer of assets to investment entity subsidiaries	**98**	73
Closing fair value	**6,423**	5,804

Transfer of portfolio investments from and to investment entity subsidiaries includes the transfer of investment portfolio between investment entity subsidiaries and the Company at fair value. The consideration for these transfers can either be cash or intra-group receivables. During the period the Company received a transfer of assets of £1,108 million (31 March 2024: £3,068 million) from partnerships which are classified as investment entity subsidiaries, of which £1,108 million (31 March 2024: £2,770 million) related to Action. During the period the Company transferred assets of £593 million (31 March 2024: nil) to partnerships which are classified as investment entity subsidiaries, of which £593 million (31 March 2024: nil) related to Action.

Restrictions

3i Group plc, the ultimate parent company, receives dividend income from its subsidiaries. There are no restrictions on the ability to transfer funds from these subsidiaries to the Group at 30 September 2024 (31 March 2024: £21 million).

Support

3i Group plc continues to provide, where necessary, ongoing support to its investment entity subsidiaries for the purchase of portfolio investments.

9 Fair values of assets and liabilities

This section should be read in conjunction with Note 13 on pages 178 to 181 of the Annual report and accounts 2024, which provides more detail about accounting policies adopted, the definitions of the three levels of fair value hierarchy, valuation methods used in calculating fair value and the valuation framework which governs oversight of valuations. There have been no changes in the accounting policies adopted or the valuation methodologies used.

Valuation

The fair values of the Group's financial assets and liabilities not held at fair value are not materially different from their carrying values, with the exception of loans and borrowings. The fair value of loans and borrowings is £1,147 million (31 March 2024: £1,166 million), determined with reference to their published market prices. The carrying value of the loans and borrowings is £1,191 million (31 March 2024: £1,202 million) and accrued interest payable (included within trade and other payables) is £18 million (31 March 2024: £29 million).

Valuation hierarchy

The Group classifies financial instruments measured at fair value according to the following hierarchy:

Level	Fair value input description	Financial instruments
Level 1	Quoted prices (unadjusted) from active markets	Quoted equity instruments
Level 2	Inputs other than quoted prices included in Level 1 that are observable either directly (i.e., as prices) or indirectly (i.e., derived from prices)	Derivative financial instruments
Level 3	Inputs that are not based on observable market data	Unquoted investments

9 Fair values of assets and liabilities continued

The table below shows the classification of financial instruments held at fair value into the valuation hierarchy at 30 September 2024:

				30 September 2024				31 March 2024
	Level 1 £m	**Level 2 £m**	**Level 3 £m**	**Total £m**	Level 1 £m	Level 2 £m	Level 3 £m	Total £m
Assets								
Quoted investments	**918**	**–**	**–**	**918**	879	–	–	879
Unquoted investments	**–**	**–**	**15,174**	**15,174**	–	–	14,193	14,193
Investments in investment entity subsidiaries	**–**	**–**	**6,423**	**6,423**	–	–	5,804	5,804
Other financial assets	**–**	**222**	**18**	**240**	–	165	17	182
Total	**918**	**222**	**21,615**	**22,755**	879	165	20,014	21,058

We determine that in the ordinary course of business, the net asset value of an investment entity subsidiary is considered to be the most appropriate to determine fair value. The underlying portfolio is valued under the same methodology as directly held investments, with any other assets or liabilities within investment entity subsidiaries fair valued in accordance with the Group's accounting policies. Note 8 details the Directors' considerations about the fair value of the underlying investment entity subsidiaries.

Level 3 fair value reconciliation – unquoted investments

	Six months to 30 September 2024 £m	Year to 31 March 2024 £m
Opening fair value	**14,193**	8,677
Additions	**570**	3,596
– of which loan notes with nil value	**(1)**	(6)
Disposals, repayments and write-offs	**(1,101)**	(542)
Fair value movement[1]	**1,890**	2,704
Other movements and net cash movements[2]	**(377)**	(236)
Closing fair value	**15,174**	14,193

1 All fair value movements relate to assets held at the end of the period and are recognised in unrealised profits on the revaluation of investments.
2 Other movements includes the impact of foreign exchange and accrued interest.

Unquoted investments valued using Level 3 inputs also had the following impact on profit or loss: realised profits over value on disposal of investment of £5 million (30 September 2023: £1 million), dividend income of £7 million (30 September 2023: £2 million) and foreign exchange losses of £378 million (30 September 2023: £71 million loss).

9 Fair values of assets and liabilities continued

Assets move between Level 1 and Level 3 when an unquoted equity investment lists on a quoted market exchange. There were no transfers in or out of Level 3 during the period. In the six months to 30 September 2024, one asset moved from an earnings-based valuation to an imminent sale basis valuation. One asset was acquired in the period and valued in line with its price of recent investment. Action remains unchanged on an earnings-based valuation. The changes in valuation methodology in the period reflect our view of the most appropriate method to determine the fair value of these assets at 30 September 2024. Further information can be found in the Private Equity and Infrastructure sections of the Business and Financial review starting on page 7.

The following table summarises the various valuation methodologies used by the Group to fair value Level 3 instruments, the inputs and the sensitivities applied and the impact of those sensitivities to the unobservable inputs. Overall, Action continues to perform strongly and the majority of our remaining portfolio has performed resiliently in the period. When selecting multiples to value our portfolio companies, we continue to take a long-term, through-the-cycle approach. All numbers in the table below are on an Investment basis.

Level 3 unquoted investments

Methodology	Description	Inputs	Fair value at 30 September 2024 £m	Sensitivity on key unobservable input	Fair value impact of sensitivities £m +5%/-5%
Earnings (Private Equity)	Most commonly used Private Equity valuation methodology. Used for investments which are typically profitable and for which we can determine a set of listed companies and precedent transactions, where relevant, with similar characteristics	Earnings multiples are applied to the earnings of the company to determine the enterprise value **Earnings multiples** When selecting earnings multiple, we consider: 1.Comparable listed companies' current performance and through-the-cycle averages 2. Relevant market transaction multiples 3. Company performance, organic growth and value-accretive add-ons, if any 4. Exit expectations and other company specific factors For point 1 and 2 of the above we select companies in the same industry and, where possible, with a similar business model and profile in terms of size, products, services and customers, growth rates and geographic focus The pre-discount multiple ranges from 7.5x - 20.0x (31 March 2024: 7.5x - 20.0x)	**20,212** (31 March 2024: 18,916)	For the assets valued on an earnings basis, we have applied a 5% sensitivity to the earnings multiple Action is our largest asset, and we have included a 5% sensitivity on Action's earnings multiple of 19.5x (equivalent to 18.5x net)	**1,203** (31 March 2024: 1,103) **(1,202)** (31 March 2024: (1,104)) **919** (31 March 2024: 801) **(919)** (31 March 2024: (801))

9 Fair values of assets and liabilities continued

Methodology	Description	Inputs	Fair value at 30 September 2024 £m	Sensitivity on key unobservable input	Fair value impact of sensitivities £m +5%/-5%
		Other inputs: **Earnings** Reported earnings are adjusted for non-recurring items, such as restructuring expenses, for significant corporate actions and, in exceptional cases, run-rate adjustments to arrive at maintainable earnings The most common measure is earnings before interest, tax, depreciation and amortisation (“EBITDA”) Earnings are usually obtained from portfolio company management accounts to the preceding quarter end, with reference also to forecast earnings and the maintainable view of earnings Action, our largest asset, is valued using run-rate earnings			
Discounted cash flow (Private Equity/ Infrastructure/ Scandlines)	Appropriate for businesses with long-term stable cash flows, typically in Infrastructure or alternatively businesses where DCF is more appropriate in the short term	Long-term cash flows are discounted at a rate which is benchmarked against market data, where possible, or adjusted from the rate at the initial investment based on changes in the risk profile of the investment The range of discount rates used in our DCF valuations is 10.5% to 16.9% (31 March 2024: 10.5% to 16.9%). An outlier has been excluded from the range	**1,005** (31 March 2024: 1,047)	For the assets valued on a DCF basis, we have applied a 5% sensitivity to the discount rate	**(33)** (31 March 2024: (34)) **34** (31 March 2024: 36)
NAV (Infrastructure)	Used for investments in unlisted funds	Net asset value reported by the fund manager. The valuation of the underlying portfolio is consistent with IFRS	**105** (31 March 2024: 104)	A 5% increase on closing NAV	**5** (31 March 2024: 5)
Imminent sale (Private Equity)	Used for assets where a sale has been agreed	A 2.5% discount is typically applied to expected proceeds	**279** (31 March 2024: 377)	n/a	n/a
Other (Private Equity/ Infrastructure)	Used where elements of a business are valued on different bases	Values of separate elements prepared on or triangulated against one of the methodologies listed above	**360** (31 March 2024: 246)	A 5% increase in the closing value	**18** (31 March 2024: 12)

10 Related parties

All related party transactions that took place in the six months ending 30 September 2024 are consistent in nature with the disclosures in Note 29 on pages 197 to 200 of the Annual report and accounts 2024. Related party transactions which took place in the period and materially affected performance or the financial position of the Group, together with any material changes in related party transactions as described in the Annual report and accounts 2024 that could materially affect the performance, or the financial position of the Group are detailed below.

Investments

The Group makes investments in the equity of unquoted and quoted investments where it does not have control but may be able to participate in the financial and operating policies of that company. IFRS presumes that it is possible to exert significant influence when the equity holding is greater than 20%. The Group has taken the investment entity exception as permitted by IFRS 10 and has not equity accounted for these investments, in accordance with IAS 28, but they are related parties. The total amounts included for investments where the Group has significant influence, but not control, are as follows:

Consolidated statement of comprehensive income	**Six months to 30 September 2024 £m**	Six months to 30 September 2023 £m
Realised profits over value on the disposal of investments	**–**	1
Unrealised profits/(losses) on the revaluation of investments	**41**	(36)
Portfolio income	**5**	–

Consolidated statement of financial position	**30 September 2024 £m**	31 March 2024 £m
Unquoted investments	**795**	754

Management arrangements

The Group acted as Investment Manager to 3iN, which is listed on the London Stock Exchange, for the period to 30 September 2024. The following amounts have been recognised in respect of the management relationship:

Consolidated statement of comprehensive income	**Six months to 30 September 2024 £m**	Six months to 30 September 2023 £m
Unrealised profit/(losses) on the revaluation of investments	**39**	(23)
Dividends	**16**	15
Fees receivable from external funds	**26**	25

Consolidated statement of financial position	**30 September 2024 £m**	31 March 2024 £m
Quoted equity investments	**918**	879
Performance fees receivable	**–**	42

Statement of Directors' responsibilities

The Directors, who are required to prepare the financial statements on a going concern basis unless it is not appropriate, are satisfied that the Group has the resources to continue in business for the foreseeable future. In making this assessment, the Directors have considered information relating to present and future conditions, including future projections of profitability and cash flows.

The Directors confirm that to the best of their knowledge:

(1) the condensed set of financial statements has been prepared in accordance with IAS 34 "Interim Financial Reporting" as adopted for use in the UK; and

(2) the Half-year report includes a fair review of the information required by:

1 DTR 4.2.7R of the Disclosure Guidance and Transparency Rules, being an indication of important events that have occurred during the first six months of the financial year ending 31 March 2025 and their impact on the condensed set of financial statements; and a description of the principal risks and uncertainties for the remaining six months of the financial year; and
2 DTR 4.2.8R of the Disclosure Guidance and Transparency Rules, being (i) related party transactions that have taken place in the first six months of the financial year ending 31 March 2025 which have materially affected the financial position or performance of 3i Group during that period; and (ii) any changes in the related party transactions described in the Annual report and accounts 2024 that could materially affect the financial position or performance of 3i Group during the first six months of the financial year ending 31 March 2025.

List of Directors and their functions

The Directors of the Company and their functions are listed below:

David Hutchison, Chair
Simon Borrows, Chief Executive and Executive Director
James Hatchley, Group Finance Director and Executive Director
Jasi Halai, Chief Operating Officer and Executive Director
Stephen Daintith, Independent non-executive Director
Lesley Knox, Senior Independent non-executive Director
Coline McConville, Independent non-executive Director
Peter McKellar, Independent non-executive Director
Alexandra Schaapveld, Independent non-executive Director

By order of the Board

K J Dunn
Company Secretary

13 November 2024

Registered Office:
16 Palace Street
London
SW1E 5JD

Independent review report to 3i Group plc

Conclusion
We have been engaged by 3i Group plc (“the Company”) to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 September 2024 which comprises the condensed consolidated statement of comprehensive income, the condensed consolidated statement of financial position, the condensed consolidated statement of changes in equity, the condensed consolidated cash flow statement and the related explanatory notes.

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 September 2024 is not prepared, in all material respects, in accordance with IAS 34 Interim Financial Reporting as adopted for use in the UK and the Disclosure Guidance and Transparency Rules (“the DTR”) of the UK’s Financial Conduct Authority (“the UK FCA”).

Basis for conclusion
We conducted our review in accordance with International Standard on Review Engagements (UK) 2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity (“ISRE (UK) 2410”) issued for use in the UK. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. We read the other information contained in the half-yearly financial report and consider whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusions relating to going concern
Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis for conclusion section of this report, nothing has come to our attention that causes us to believe that the directors have inappropriately adopted the going concern basis of accounting, or that the directors have identified material uncertainties relating to going concern that have not been appropriately disclosed.

This conclusion is based on the review procedures performed in accordance with ISRE (UK) 2410. However, future events or conditions may cause the Group to cease to continue as a going concern, and the above conclusions are not a guarantee that the Group will continue in operation.

Directors' responsibilities
The half-yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly financial report in accordance with the DTR of the UK FCA.

As disclosed in the ‘Basis of preparation and accounting policies’ note, the annual financial statements of the Group are prepared in accordance with UK-adopted international accounting standards.

The directors are responsible for preparing the condensed set of financial statements included in the half-yearly financial report in accordance with IAS 34 as adopted for use in the UK.

In preparing the condensed set of financial statements, the directors are responsible for assessing the Group’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Our responsibility
Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review. Our conclusion, including our conclusions relating to going concern, are based on procedures that are less extensive than audit procedures, as described in the Basis for conclusion section of this report.

The purpose of our review work and to whom we owe our responsibilities

This report is made solely to the Company in accordance with the terms of our engagement to assist the Company in meeting the requirements of the DTR of the UK FCA. Our review has been undertaken so that we might state to the Company those matters we are required to state to it in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company for our review work, for this report, or for the conclusions we have reached.

Jonathan Mills

for and on behalf of KPMG LLP
Chartered Accountants
15 Canada Square
Canary Wharf
London
E14 5GL

13 November 2024

Portfolio and other information

20 large investments

The investments listed below are the 20 largest investments by value, excluding two assets due to commercial sensitivity. These assets account for 94% of the portfolio value at 30 September 2024 (31 March 2024: 95%).

Investment Description of business	Business line Geography First invested in Valuation basis	**Residual cost[1] September 2024 £m**	Residual cost[1] March 2024 £m	**Valuation September 2024 £m**	Valuation March 2024 £m	Relevant transactions in the period
Action* General merchandise discount retailer	Private Equity Netherlands 2011 Earnings	**1,876**	1,108	**15,543**	14,158	£1,164 million of gross proceeds received. Reinvestment of £768 million
3i Infrastructure plc* Quoted investment company investing in infrastructure	Infrastructure UK 2007 Quoted	**305**	305	**918**	879	£16 million dividend received
Royal Sanders* Private label and contract manufacturing producer of personal care products	Private Equity Netherlands 2018 Earnings	**165**	165	**695**	580	Acquisition of Karium in June 2024
Cirtec Medical* Outsourced medical device manufacturing	Private Equity US 2017 Earnings	**172**	172	**583**	586	
Scandlines Ferry operator between Denmark and Germany	Scandlines Denmark/Germany 2018 DCF	**531**	530	**519**	519	£12 million dividend received
AES Engineering Manufacturer of mechanical seals and provider of reliability services	Private Equity UK 1996 Earnings	**30**	30	**407**	403	Acquired Condition Monitoring Services in August 2024
Tato Manufacturer and seller of specialty chemicals	Private Equity UK 1989 Earnings	**2**	2	**372**	335	£5 million dividend received
Evernex* Provider of third-party maintenance services for data centre infrastructure	Private Equity France 2019 Earnings	**324**	316	**329**	331	
SaniSure* Manufacturer, distributor and integrator of single use bioprocessing systems and components	Private Equity US 2019 Earnings	**76**	76	**312**	334	
Smarte Carte* Provider of self-serve vended luggage carts, electronic lockers and concession carts	Infrastructure US 2017 DCF	**191**	194	**283**	306	£6 million distribution received

20 large investments continued

Investment Description of business	Business line Geography First invested in Valuation basis	**Residual cost[1] September 2024 £m**	Residual cost[1] March 2024 £m	**Valuation September 2024 £m**	Valuation March 2024 £m	Relevant transactions in the period
WP* Global manufacturer of innovative plastic packaging solutions	Private Equity Netherlands 2015 Imminent sale	**247**	238	**279**	234	Sale agreed in July 2024 Divestment completed in October 2024
European Bakery Group* Industrial bakery group specialised in home bake-off bread and snack products	Private Equity Netherlands 2021 Earnings	**62**	84	**257**	267	Return of funding of £22 million
Luqom* Online lighting specialist retailer	Private Equity Germany 2017 Earnings	**268**	262	**215**	222	
ten23 health* Biologics focused CDMO	Private Equity Switzerland 2021 Other	**159**	129	**208**	192	£30 million further investment
Q Holding* Manufacturer of catheter products serving the medical device market	Private Equity US 2014 Earnings	**162**	162	**141**	150	
BoConcept* Urban living designer	Private Equity Denmark 2016 Earnings	**125**	121	**141**	133	
MAIT* IT services provider of PLM & ERP software applications and IT infrastructure solutions for larger SME clients in the DACH region	Private Equity Germany 2021 Earnings	**53**	53	**105**	100	Acquired CAD 'N ORG and ISAP in April 2024
Dynatect* Manufacturer of engineered, mission critical protective equipment	Private Equity US 2014 Earnings	**65**	65	**105**	130	
xSuite* Accounts payable process automation specialist focused on the SAP ecosystem	Private Equity Germany 2022 Earnings	**98**	93	**103**	98	£5 million invested in the period to support the acquisition of tangro
Constellation* IT managed services provider	Private Equity France 2024 Other	**98**	–	**96**	–	Acquired in July 2024
		5,009	4,105	**21,611**	19,957	

* Controlled in accordance with IFRS.

1 Residual cost includes cash investment and interest net of cost disposed.

Glossary

3i 2013-2016 vintage includes Audley Travel, Basic-Fit, Dynatect, JMJ, Q Holding, WP (divested in October 2024). Realised investments include Aspen Pumps, ATESTEO, Blue Interactive, Christ, Geka, Kinolt, Óticas Carol, Scandlines further.

3i 2016-2019 vintage includes arrivia, BoConcept, Cirtec Medical, Formel D and Luqom. Realised investments include Havea, Magnitude Software, nexeye, Royal Sanders (transferred out of the vintage in March 2024) and Schlemmer.

3i 2019-2022 vintage includes European Bakery Group, Evernex, insightsoftware, MAIT, Mepal, MPM, ten23 health, SaniSure, WilsonHCG, Yanga and YDEON.

3i 2022-2025 vintage includes Digital Barriers, Konges Sløjd, VakantieDiscounter, xSuite and Constellation.

3i Buyouts 2010-2012 vintage includes Action. Realised investments include Amor, Element, Etanco, Hilite, OneMed and Trescal.

Approved Investment Trust Company This is a particular UK tax status maintained by 3i Group plc, the parent company of 3i Group. An approved Investment Trust company is a UK company which meets certain conditions set out in the UK tax rules which include a requirement for the company to undertake portfolio investment activity that aims to spread investment risk and for the company's shares to be listed on an approved exchange. The "approved" status for an investment trust must be agreed by the UK tax authorities and its benefit is that certain profits of the company, principally its capital profits, are not taxable in the UK.

Assets under management ("AUM") A measure of the total assets that 3i has to invest or manages on behalf of shareholders and third-party investors. AUM is measured at fair value. In the absence of a third-party fund in Private Equity, it is not a measure of fee generating capability.

Board The Board of Directors of the Company.

Capital redemption reserve is established in respect of the redemption of the Company's ordinary shares.

Capital reserve recognises all profits and losses that are capital in nature or have been allocated to capital. Following changes to the Companies Act, the Company amended its Articles of Association at the 2012 Annual General Meeting to allow these profits to be distributable by way of a dividend.

Carried interest payable is accrued on the realised and unrealised profits generated taking relevant performance hurdles into consideration, assuming all investments were realised at the prevailing book value. Carried interest is only actually paid when the relevant performance hurdles are met, and the accrual is discounted to reflect expected payment periods.

Carried interest receivable The Group earns a share of profits from funds which it manages on behalf of third parties. These profits are earned when the funds meet certain performance conditions and are paid by the fund once these conditions have been met on a cash basis. The carried interest receivable may be subject to clawback provisions if the performance of the fund deteriorates following carried interest being paid.

Company 3i Group plc.

DACH The region covering Austria, Germany and Switzerland.

EBITDA is defined as earnings before interest, taxation, depreciation and amortisation and is used as the typical measure of portfolio company performance.

EBITDA multiple Calculated as the enterprise value over EBITDA, it is used to determine the value of a company.

Executive Committee The Executive Committee is responsible for the day-to-day running of the Group (see the Governance section of our Annual report and accounts 2024).

Fair value movements on investment entity subsidiaries The movement in the carrying value of Group subsidiaries, classified as investment entities under IFRS 10, between the start and end of the accounting period converted into sterling using the exchange rates at the date of the movement.

Fair value through profit or loss ("FVTPL") is an IFRS measurement basis permitted for assets and liabilities which meet certain criteria. Gains and losses on assets and liabilities measured as FVTPL are recognised directly in the Statement of comprehensive income.

Fee income (or Fees receivable) is earned for providing services to 3i's portfolio companies and predominantly falls into one of two categories. Negotiation and other transaction fees are earned for providing transaction related services. Monitoring and other ongoing service fees are earned for providing a range of services over a period of time.

Fees receivable from external funds are earned for providing management and advisory services to a variety of fund partnerships and other entities. Fees are typically calculated as a percentage of the cost or value of the assets managed during the year and are paid quarterly, based on the assets under management to date.

Foreign exchange on investments arises on investments made in currencies that are different from the functional currency of the Company. Investments are translated at the exchange rate ruling at the date of the transaction. At each subsequent reporting date investments are translated to sterling at the exchange rate ruling at that date.

Gross investment return ("GIR") includes profit and loss on realisations, increases and decreases in the value of the investments we hold at the end of a period, any income received from the investments such as interest, dividends and fee income, movements in the fair value of derivatives and foreign exchange movements. GIR is measured as a percentage of the opening portfolio value.

Interest income from investment portfolio is recognised as it accrues. When the fair value of an investment is assessed to be below the principal value of a loan, the Group recognises a provision against any interest accrued from the date of the assessment going forward until the investment is assessed to have recovered in value.

International Financial Reporting Standards ("IFRS") are accounting standards issued by the International Accounting Standards Board ("IASB"). The Group's consolidated financial statements are prepared in accordance with UK adopted international accounting standards.

Investment basis Accounts prepared assuming that IFRS 10 had not been introduced. Under this basis, we fair value portfolio companies at the level we believe provides useful comprehensive financial information. The commentary in the Strategic report refers to this basis as we believe it provides a more understandable view of our performance.

Key Performance Indicator ("KPI") is a measure by reference to which the development, performance or position of the Group can be measured effectively.

Like-for-like ("LFL") compare financial results in one period with those for the previous period.

Liquidity includes cash and cash equivalents (as per the Investment basis Consolidated cash flow statement) and undrawn RCF.

Money multiple is calculated as the cumulative distributions plus any residual value divided by paid-in capital.

Net asset value ("NAV") is a measure of the fair value of our proprietary investments and the net costs of operating the business.

Operating cash profit is the difference between our cash income (consisting of portfolio interest received, portfolio dividends received, portfolio fees received, and fees received from external funds as per the Investment basis Consolidated cash flow statement) and our operating expenses and lease payments (as per the Investment basis Consolidated cash flow statement).

Operating profit includes gross investment return, management fee income generated from managing external funds, the costs of running our business, net interest payable, exchange movements, other income, carried interest and tax.

Organic growth is the growth a company achieves by increasing output and enhancing sales internally.

Performance fees receivable The Group earns a performance fee from the investment management services it provides to 3i Infrastructure plc ("3iN") when 3iN's total return for the year exceeds a specified threshold. This fee is calculated on an annual basis and paid in cash early in the next financial year.

Portfolio income is that which is directly related to the return from individual investments. It is comprised of dividend income, income from loans and receivables and fee income.

Proprietary Capital is shareholders' capital which is available to invest to generate profits.

Realised profits or losses over value on the disposal of investments is the difference between the fair value of the consideration received, less any directly attributable costs, on the sale of equity and the repayment of loans and receivables and its carrying value at the start of the accounting period, converted into sterling using the exchange rates at the date of disposal.

Revenue reserve recognises all profits and losses that are revenue in nature or have been allocated to revenue.

Revolving credit facility ("RCF") The Group has access to a credit line which allows us to access funds when required to improve our liquidity.

Segmental reporting Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Executive who is considered to be the Group's chief operating decision maker. All transactions between business segments are conducted on an arm's length basis, with intrasegment revenue and costs being eliminated on consolidation. Income and expenses directly associated with each segment are included in determining business segment performance.

Share-based payment reserve is a reserve to recognise those amounts in retained earnings in respect of share-based payments.

Syndication is the sale of part of our investment in a portfolio company to a third-party, usually within 12 months of our initial investment and for the purposes of facilitating investment by a co-investor or portfolio company management in line with our original investment plan. A syndication is treated as a negative investment rather than a realisation.

Total return comprises operating profit less tax charge less movement in actuarial valuation of the historic defined benefit pension scheme.

Total shareholder return ("TSR") is the measure of the overall return to shareholders and includes the movement in the share price and any dividends paid, assuming that all dividends are reinvested on their ex-dividend date.

Translation reserve comprises all exchange differences arising from the translation of the financial statements of international operations.

Unrealised profits or losses on the revaluation of investments is the movement in the carrying value of investments between the start and end of the accounting period converted into sterling using the exchange rates at the date of the movement.

Information for shareholders

Note

The first FY2025 dividend is expected to be paid on 10 January 2025 to holders of ordinary shares on the register on 29 November 2024. The ex-dividend date will be 28 November 2024.

3i Group plc

Registered office:
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Registered in England No. 1142830
An investment company as defined by section 833 of the Companies Act 2006.