



Results for the year to 31 March 2023

11 May 2023



Business review

Simon Borrows
Chief Executive



Resilient performance in a challenging market

Year to 31 March 2023



Group

Total return
on equity

36%

Gearing

2%

NAV
per share

1,745p

Total dividend
per share

53p

Private Equity

Gross investment return

40%

Proprietary capital invested

£381m

Realisations

£857m

Infrastructure

Gross investment return

6%

Cash income

£107m

3iN dividend

£29m

Thematic origination

We back businesses that benefit from long-term growth trends



**Value-for-money
and discount**



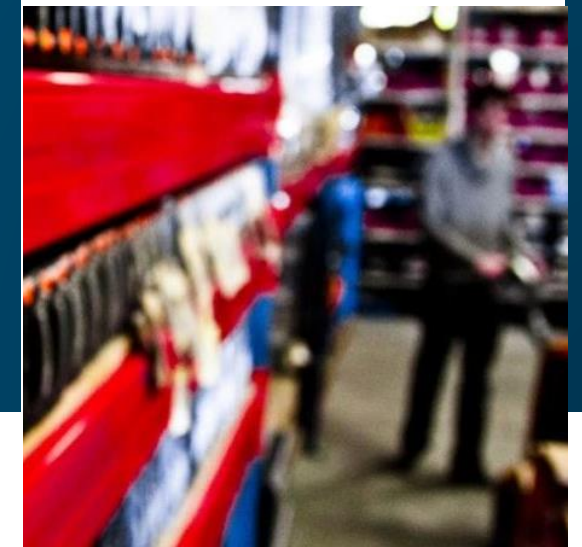
**Demographic and
social change**



**Energy transition,
energy security and
resource scarcity**



**Digitalisation,
automation
and big data**



Careful portfolio construction

Our portfolio is positioned to offer resilience across the economic cycle



Portfolio at 31 March 2023



Value-for-money, Private Label, Infrastructure and Healthcare represent 83% of portfolio

Climate

- Performed initial top-down climate scenario analysis, currently refining second phase of work
- Improving quality and coverage of GHG portfolio data collection and selected dedicated software tool
- Wrote to SBTi to commit to set science-based targets for 3i and portfolio



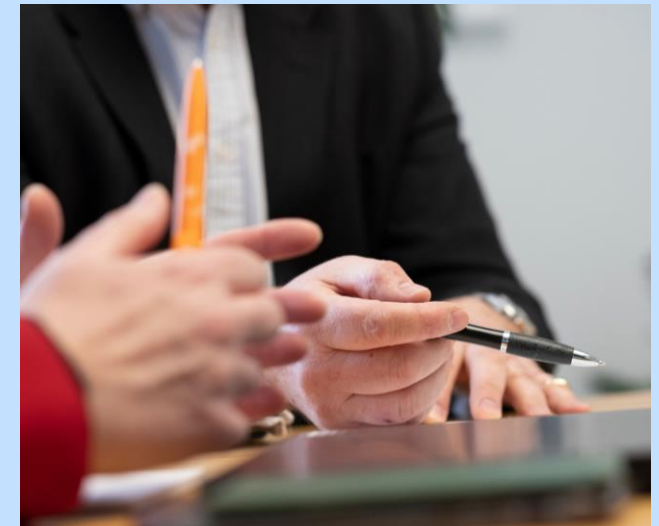
Resources and skills

- Embedded dedicated sustainability resource in investment teams and centrally
- Trained employees and the Board on climate change
- Provided specialist training on climate change where relevant



Investing in our people

- Initiatives to improve DE&I performance
 - Leading with impact programme
 - Mentoring
- Continued focus on mental health, partnership with Headspace for Work
- Promotion of other wellness initiatives





Exceptional performance at Action, resilient performance across rest of portfolio

- 40% gross investment return
- 90%¹ of portfolio growing earnings in the 12 months to December 2022
- Multiples reduced for assets facing challenging trading conditions

Selective investment; realisations and cash income evidence quality of the portfolio

- £381m of proprietary capital deployed across new, bolt-on and further investments
- £857m of realisations in the period, including Havea (>3x MM) and Christ, last investment in EFV
- £351m cash income from the portfolio

Portfolio well positioned in a challenging environment

- Exposed to long-term megatrends and strategically positioned to continue to drive attractive returns
- Prudently valued, funded and hedged for interest rate risk

Private Equity

Strong earnings growth across the portfolio



Portfolio earnings growth of top 20 PE investments (96% of PE portfolio by value)¹



¹ Includes top 20 Private Equity companies by value excluding ten23 health. This represents 96% of the Private Equity portfolio by value (31 March 2022: 96%). Last 12 months' adjusted earnings to 31 December 2022 and Action based on LTM run-rate earnings to the end of P3 2023.

Private Equity

Most themes contributed; softer trading from our online retailers and discretionary consumer investments



Value-for-money and private label

Healthcare

Industrial technology

Business & technology services

Travel



Online retail & discretionary consumer

Private Equity

Valuations reflect challenging conditions for some assets



Largest value increases (>£20m)

Portfolio company	Value growth (excl FX)	Value at 31 Mar 2023	Driver of value movement
Action	£3,708m	£11,188m	
SaniSure	£99m	£389m	
AES	£82m	£351m	
WilsonHCG ¹	£70m	£196m	
Royal Sanders	£60m	£369m	
Audley Travel	£44m	£162m	
nexeye	£34m	£393m	
Dutch Bakery	£26m	£73m	
Q Holding	£21m	£117m	
Dynatect ¹	£20m	£128m	

Largest value declines (>£20m)

Portfolio company	Value decline (excl FX)	Value at 31 Mar 2023	Driver of value movement
Luqom	£242m	£271m	
YDEON	£115m	£37m	
BoConcept	£36m	£160m	
Formel D	£24m	£27m	
Mepal	£22m	£69m	

Performance Multiple

¹ Net of a negative movement in multiple.

Private Equity

Action – strong 2022 performance



+30%
Sales growth

+46%
EBITDA growth

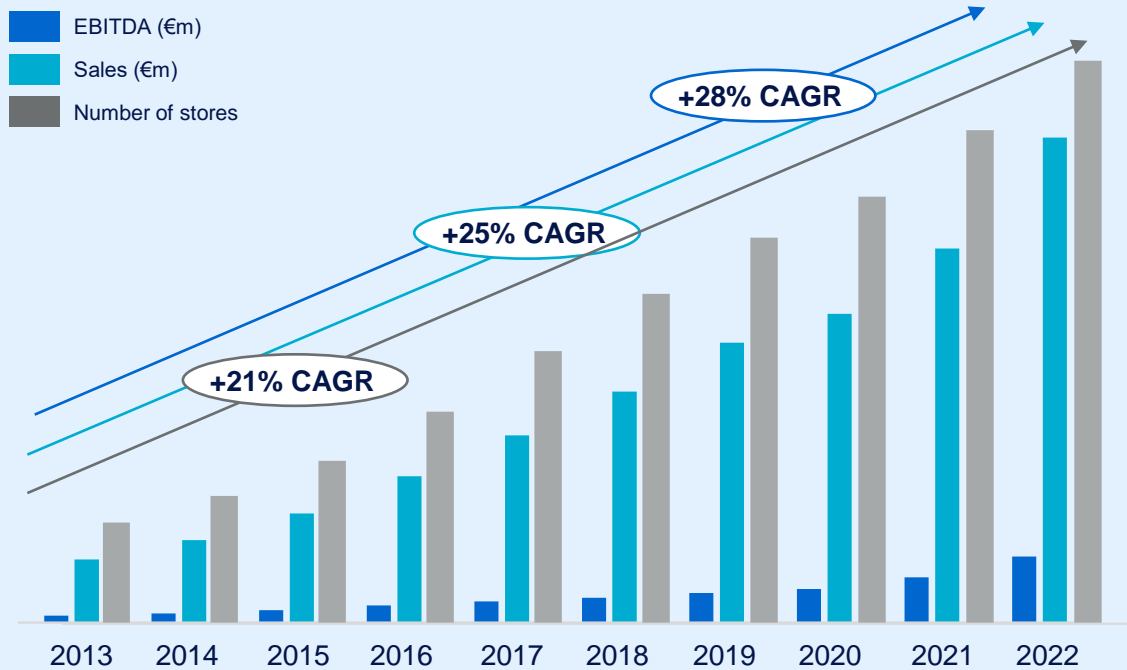
+18%
LFL growth

78%
Cash conversion

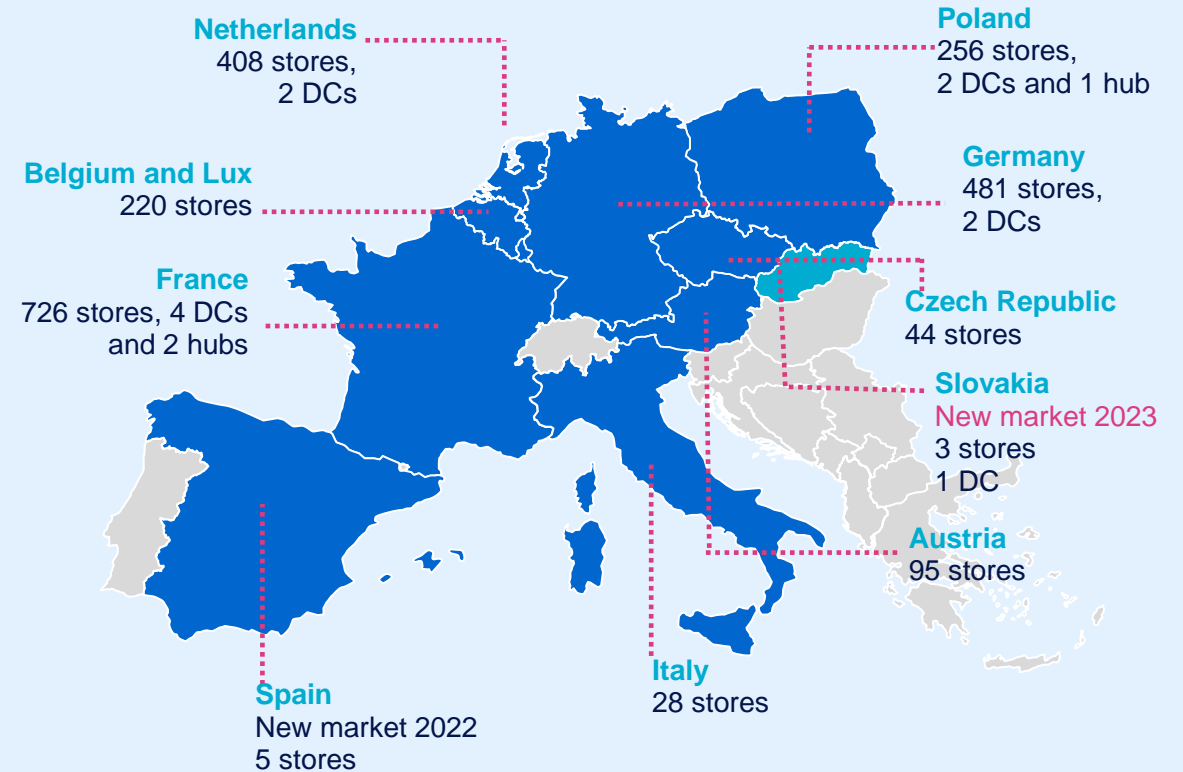
280
Net new stores

2,263
Total stores

An unbroken high growth track record



Expansion across Europe continues¹



¹ All stores as at 31 December 2022, except Slovakia, showing stores opened to P3 2023

Private Equity

Action – strong start to the year



- Q1 2023 trading: net sales of €2.5bn (36% increase since Q1 2022), 24% LFL sales growth, LTM EBITDA of €1,328m
- Q2 2023 trading: strong P4 to start Q2
- Store openings: 52 stores added in the year to date (vs 44 at the same time last year)
- Banking: successful amend and extend undertaken in April



Private Equity

Action - consistently strong business performance



- 11 countries and significant white space
- Everyday low prices
- 14 categories and flexible SKUs
- Focus on quality and sustainability
- Variable sourcing mix and routes
- Scale benefits shared with customers
- Self-funded store expansion with one-year payback period

Flexible business model, everyday value offering and international footprint make Action an exceptional, resilient and adaptable company

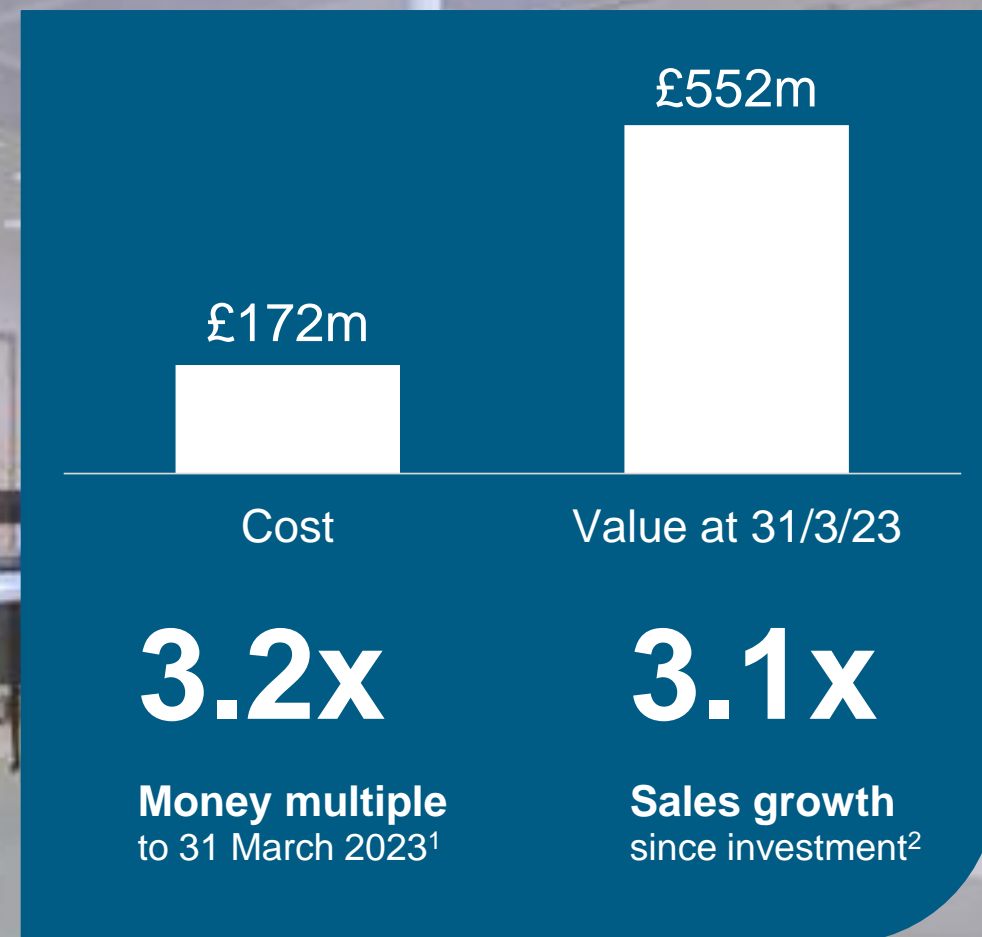


Significant scale and depth built since initial investment

- Nine bolt-on acquisitions to add product diversification and vertical integration
- Build-out of international operations in Europe and Costa Rica

Positioned for significant growth

- Exposure to highest growth end markets and cutting edge customers
- Leading position in core end markets
- Robust pipeline



¹ GBP money multiple.

² Based on LTM sales to 31 March 2023

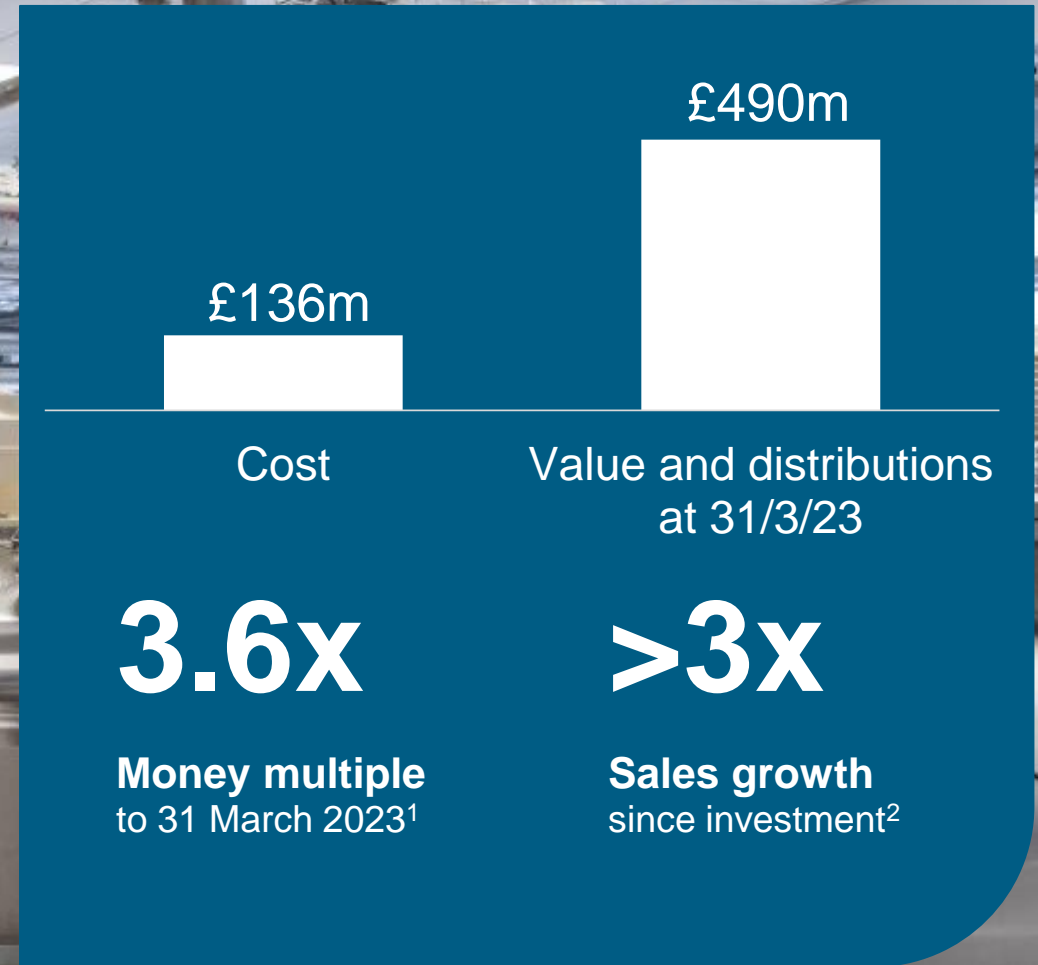


Leading consolidator in its industry

- Five bolt-on acquisitions completed since investment
- Consistent and strong track record of organic growth

Well positioned to continue to grow organically and through acquisitions

- ‘Winning with the winners’ as customers include many of Europe’s fastest-growing retailers and brand owners
- Supportive market fundamentals



¹ GBP money multiple.
² Based on LTM sales to 31 March 2023

Private Equity

We made four new investments in the year...



Accounts payable process automation specialist
focused on the SAP ecosystem

£94m proprietary capital investment



Premium brand offering apparel and accessories
for babies and children

£60m proprietary capital investment



Online travel agency in the Benelux focused on
affordable holidays

£37m proprietary capital investment



Provider of unique video compression
technology

£30m proprietary capital investment

Private Equity

...and continued to build existing platforms through targeted bolt-ons



LUQOM
G R O U P



BRUMBERG

£34m proprietary
capital investment

arrivia



RED WEEK

£23m proprietary
capital investment

WilsonHCG
HUMAN CAPITAL GROUP



personify

£6m proprietary
capital investment

ma't



Nittmann & Pekoll

Self funded

evernex



XSi

Self funded

evernex



integra

Self funded

AESSEAL
ENVIRONMENTAL TECHNOLOGY



Vibtech Analysis Ltd.
Keeping Canadian Companies Competitive

DATUM
ROTATING MACHINERY SERVICES

Self funded

SANISURE
Solution Based Innovation



Q's Twinsburg site

Self funded

Cirtec
MEDICAL



Q's Precision
Components

Self funded

dutchbakery



Trade
Factory

Self funded

Private Equity

Realisations and cash income evidence quality of the portfolio



Havea

Full realisation

- £471m proceeds
- 50% uplift on opening value
- 3.1x MM
- 24% IRR

CHRIST

Full realisation

- £47m proceeds
- 45% uplift on opening value
- 1x MM (including investment in Amor)
- Last asset in EuroFund V

 **HOLDING COMPANY**
when precision matters

Partial realisation

- £332m proceeds
- Sale of QSR, Precision Components and Twinsburg site
- 2.8x MM from proceeds to date and remaining value

£857m

Realised proceeds

£351m

Cash income



Portfolios continue to perform well, but GIR impacted by 3iN's share price volatility

- 6% gross investment return, impacted by share price decline for 3iN
- 3iN generated total return of 14.7% (ahead of target) and delivered dividend objective for FY2023
- Good performance from North American assets, and in particular Smarte Carte

Good contribution to operating cash profit

- £107m cash income from fee and portfolio income
- Good contributions to cash income from all managed funds
- AUM at £6.4bn at 31 March 2023, vs £5.7bn at the end of March 2022

Portfolios well positioned to deliver growth in real terms over the cycle

- Broadly counter-cyclical and exposed to defensive sectors
- Prudently funded
- Benefiting from positive correlation to inflation



Strong growth in the period of ownership

- Entrenched market footprint, including 50 of the top 50 US airports
- Revenue growth of 12%, through development of ancillary services
- Improved margin profile through technology upgrades

Attractive opportunities for further growth

- Enhanced products with new and existing customers
- International expansion utilising new technologies and improved customer value proposition
- Penetration of new locations, including a growing relationship with the US Postal Service

£177m

£344m

Cost

Value and distributions
at 31/3/23

1.9x

Money multiple¹
to 31 March 2023



Financial review

James Hatchley

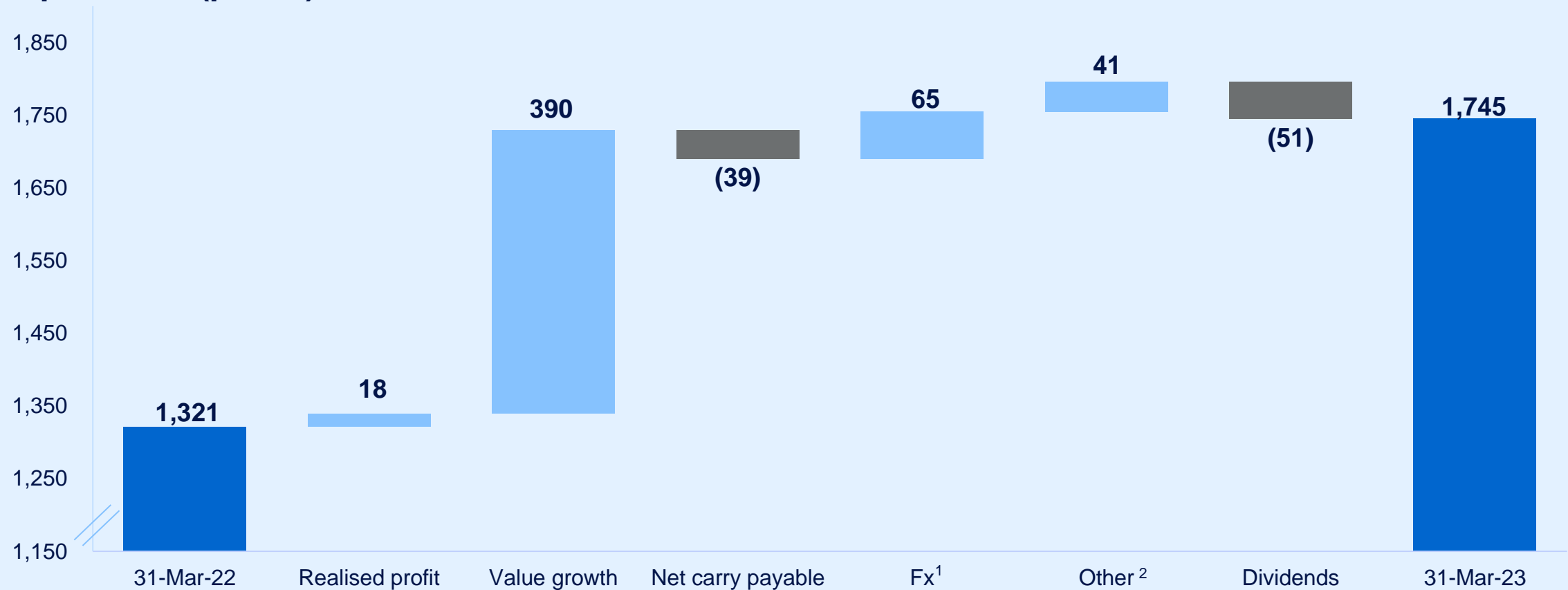
Group Finance Director



Total return on equity of 36% for the financial year



NAV per share (pence)



NAV per share up 32% to 1,745 pence

¹ FX net of derivatives.

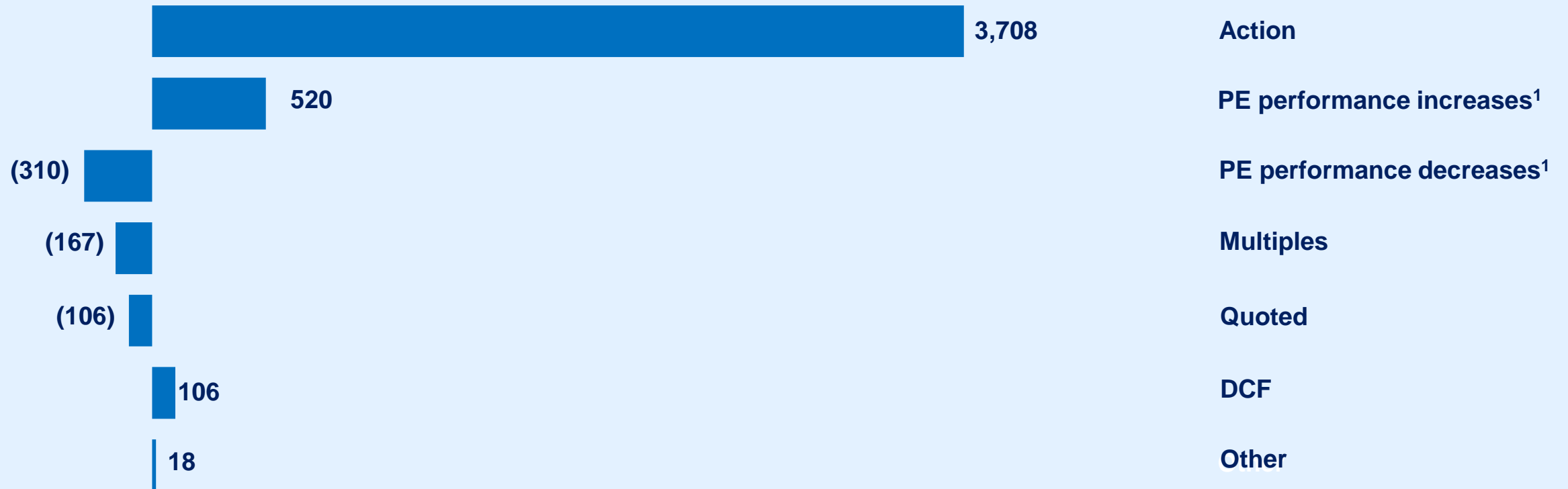
² Other includes portfolio income, third-party fee income and operating costs.

Strong value growth despite challenging macroeconomic climate

£3.8bn value increase driven by Action's performance



Value movement by basis excluding FX (£ million)



Portfolio value of £18.4 billion

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

Private Equity

Action valuation basis unchanged



- LTM Operating EBITDA to P3 2023 of €1,328m
- LTM run-rate EBITDA earnings of €1,439m
- Net debt of €2,545m at 31 March 2023
- 18.5x (Mar 22:18.5x) multiple post discount
- 3i equity stake increased to 52.9% (Mar 22: 52.7%)¹
- Valuation at 31 March 2023 of £11,188m

Outcome for March 2023 implied prospective multiple of 13.0x at March 2022

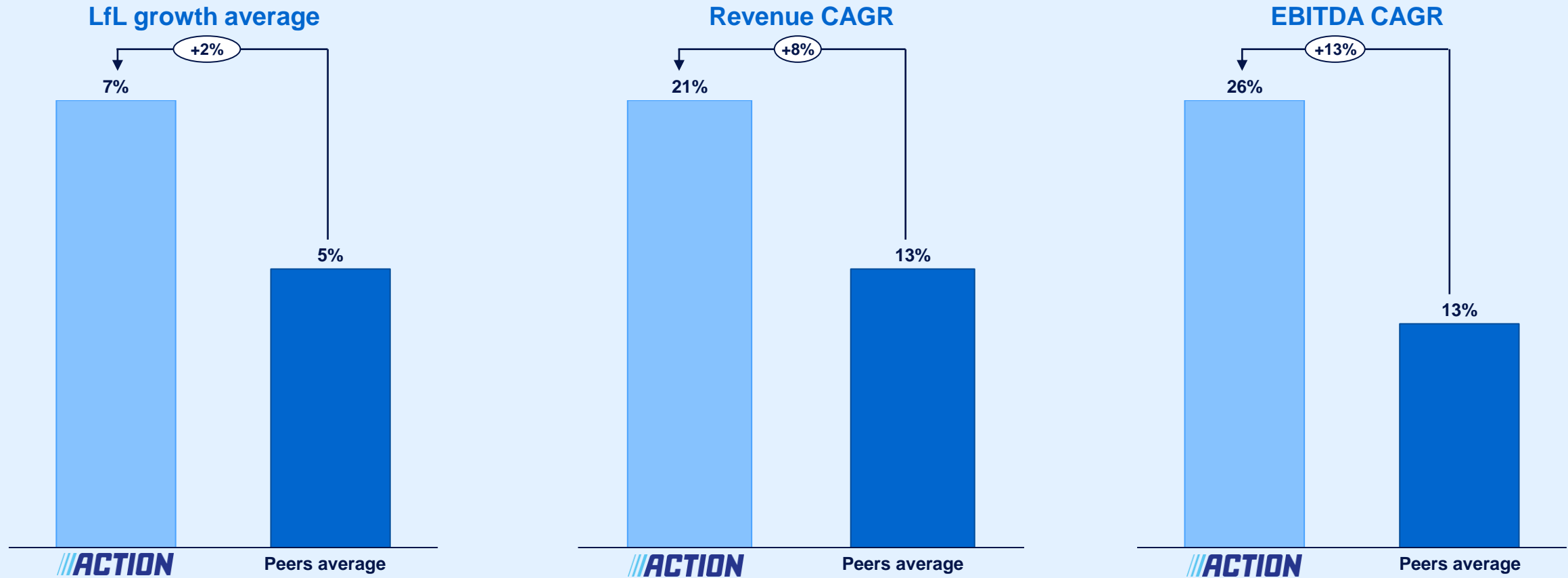
¹ In March 2023 we completed a transaction to provide a liquidity window for existing external investors in Action who are invested via our 3i 2020 Co-investment Programme. As part of this transaction, 3i invested £30m to purchase an additional small stake in Action from our managed 3i 2020 Co-investment Programme at the December 2022 net asset value.

Private Equity

Action continues to outperform the peers whilst sharing scale benefits with customers



Performance over the last five years



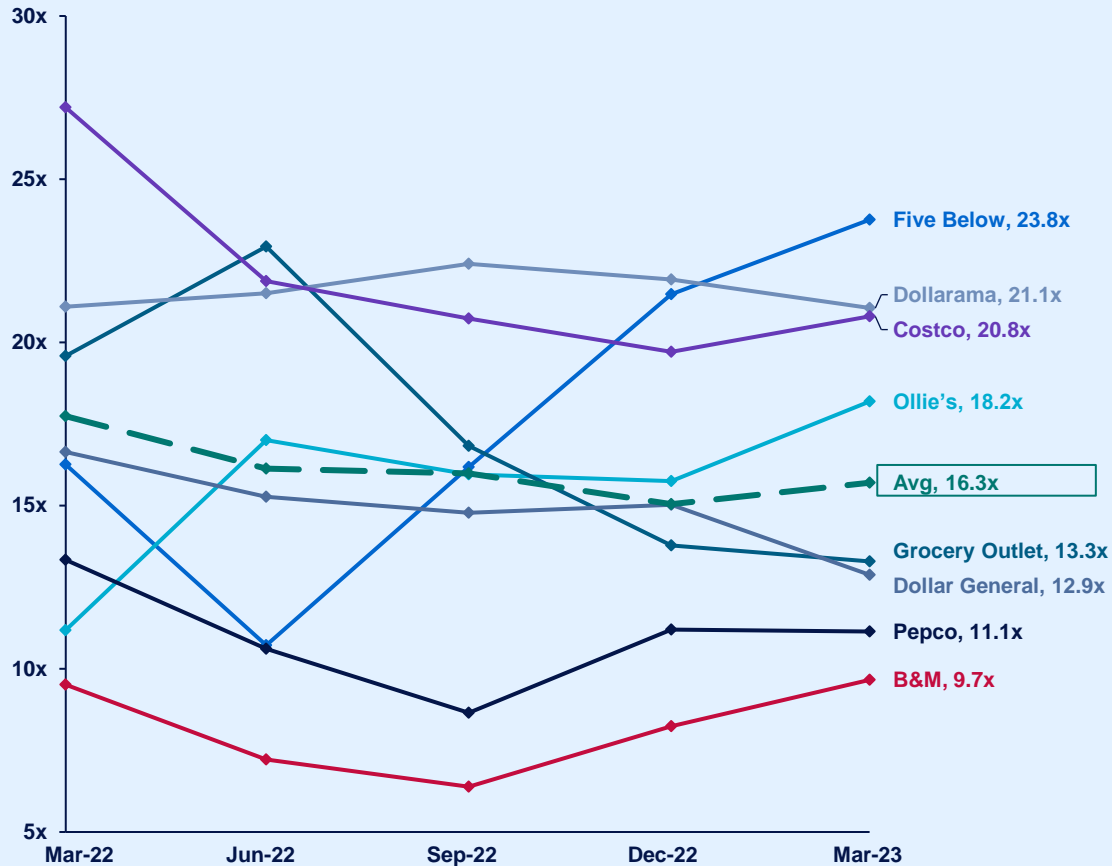
Strong performance over a five-year period including Covid-related closures for Action

Private Equity

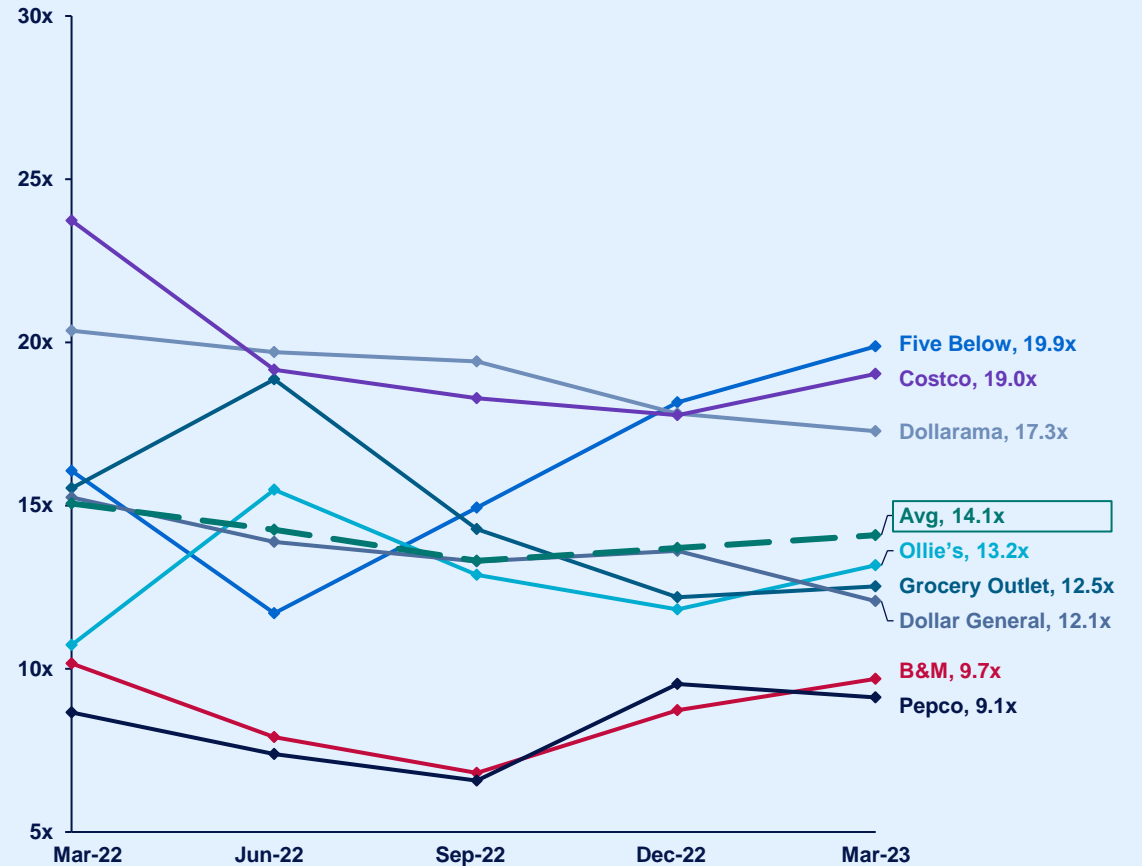
Action – peer group multiples support 18.5x run-rate EBITDA multiple for Action



EV/LTM EBITDA



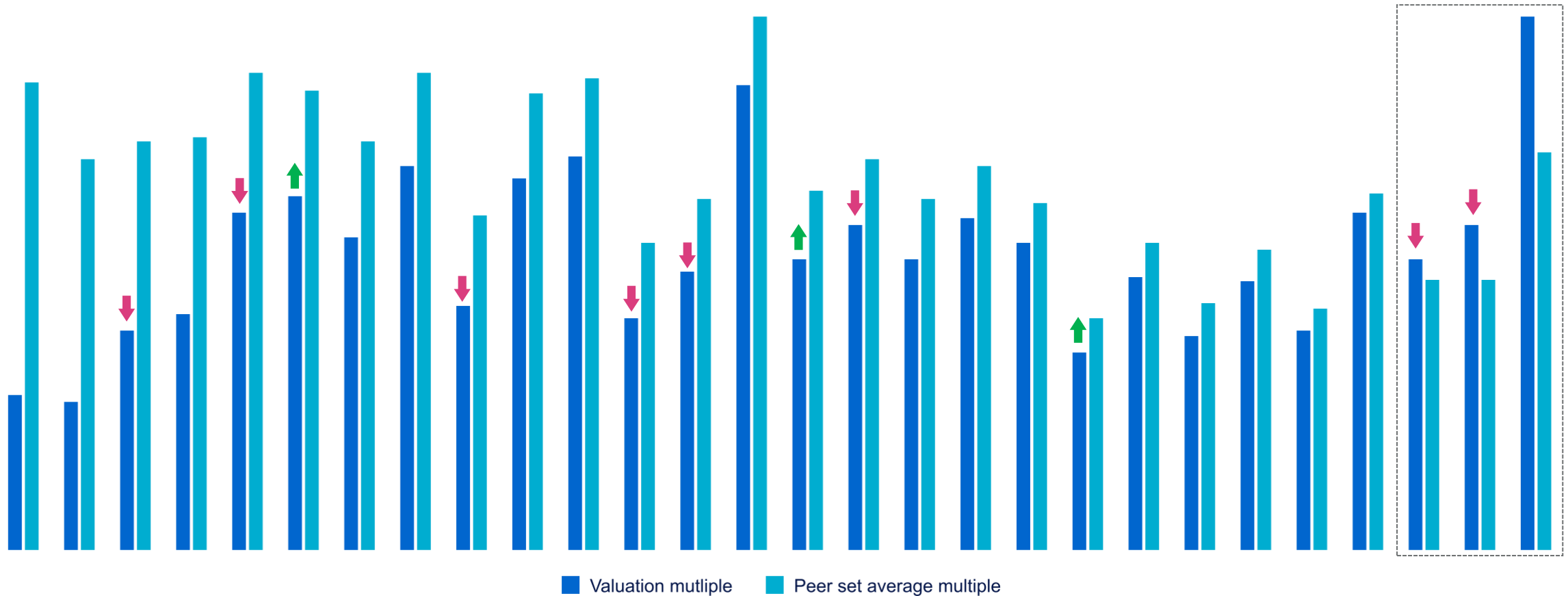
EV/NTM EBITDA



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

Private Equity

Valuation multiples continue to compare favourably to average multiples for peer sets¹



Only three companies have valuation marks above their peer set averages
All multiples are within peer set ranges

¹ Valuation multiples used for assets valued on an earnings basis compared to a peer group that represents the average of the reference peer groups of 3i's portfolio assets.

Private Equity

Strong portfolio performance



Year to 31 March £ million	2023	2022
Gross investment return	4,966	4,172
of which foreign exchange ¹	622	(11)
GIR % of opening portfolio	40%	47%
Realisations	857	684
Cash investment	381	457

£ million	31 March 2023	31 March 2022
Portfolio Value	16,425	12,420

Note: Investment and realisations may differ to the cashflow due to the timing of cash movements.
¹ 2023 includes the benefit of the medium-term foreign exchange hedging programme implemented in the year.

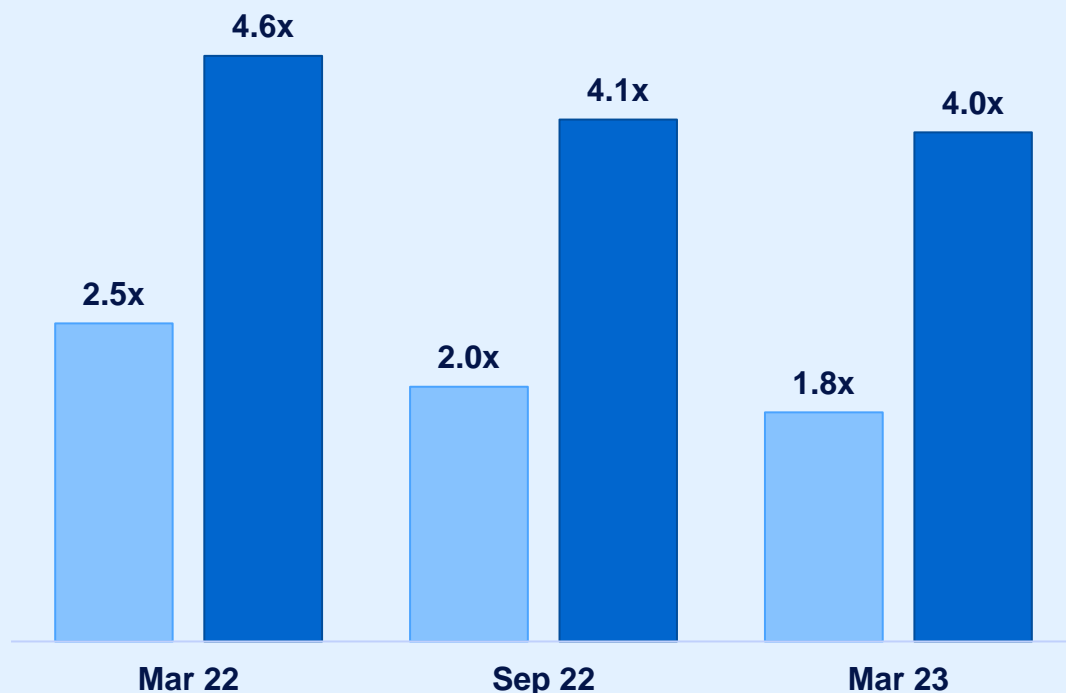
Private Equity

Portfolio leverage is moderate with senior-only capital structures

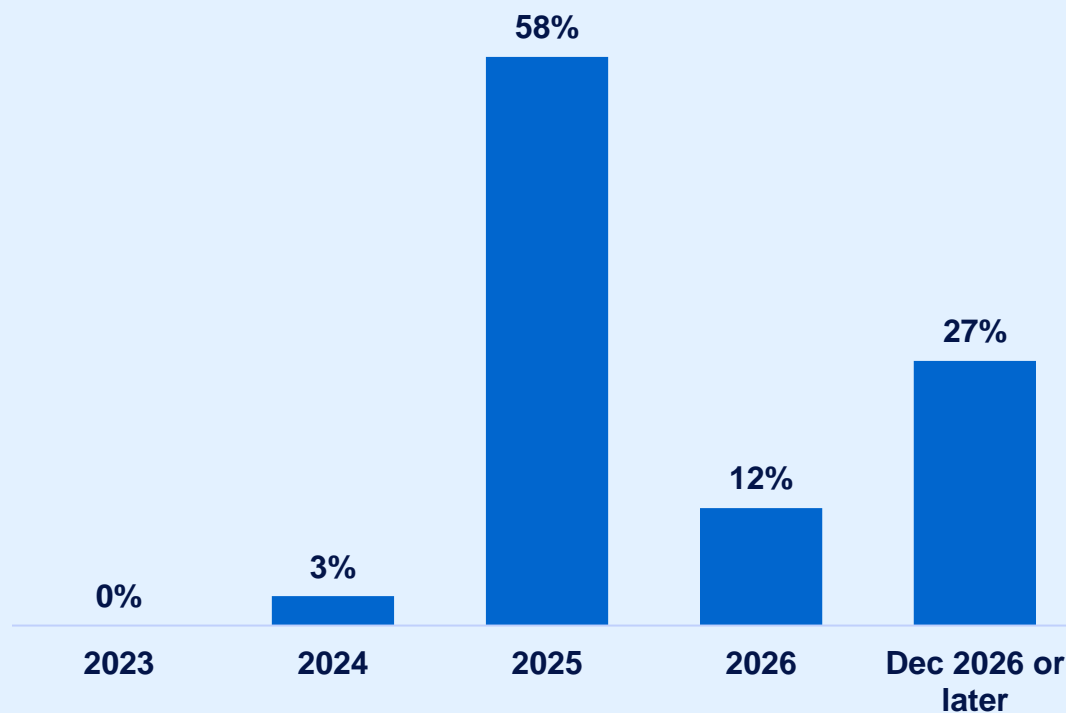


Ratio of total net debt to earnings¹ - 31 March 2023

■ Action ■ Excluding Action



Debt maturity (% of gross debt) - 31 March 2023



Over 70% of PE portfolio term debt hedged against interest rate risk

¹ This represents 92% (Sep-22: 87%, Mar-22: 92%) of the Private Equity portfolio by value. Quoted holdings, deferred consideration and companies with net cash are excluded from the calculation. Net debt and adjusted earnings as of 31 December 2022 (Sep-22: 30-Jun-22, Mar-22: 31-Dec-21) and Action based on net debt and last 12 months run-rate earnings to the end of P3 2023 (Sep-22: P9 2022, Mar-22: P3 2022).

Private Equity

c.£200m crystallisation of carried interest agreed in the year



Year to 31 March £ million	2023	2022
Income statement		
Carried interest receivable	4	3
Carried interest payable	(392)	(416)
Net total expense	(388)	(413)

£ million	2023	2022
Balance sheet		
Carried interest receivable	6	8
Carried interest payable	(1,325)	(926)
Net total payable	(1,319)	(918)

Net total carry payable at 31 March 2023 yet to reflect £200m carry crystallisation

Infrastructure and Scandlines

Good performance in the period



Year to 31 March £ million	2023	2022
Infrastructure gross investment return	86	241
Realised profits over value	—	10
Unrealised profit on revaluations ¹	23	178
Dividend and interest income from the portfolio	47	43
Fees receivable	—	(3)
Foreign exchange	16	13
GIR % of opening portfolio	6%	21%

£ million	31 March 2023	31 March 2022
Infrastructure portfolio value	1,409	1,352

£ million	31 March 2023	31 March 2022
Scandlines value	554	533
Dividend income	38	13

¹ The unrealised value gain of £23 million (2022: £178 million) includes a £(93) million unrealised value loss from 3iN (2022: £137 million value gain) offset by a value gain of £116 million from US Infrastructure and other funds (2022: £41 million).

Operating cash position

Objective to at least break even



Year to 31 March £ million	2023	2022
Private Equity	351	346
<i>of which Action dividend</i>	325	284
Infrastructure	107	91
Scandlines	39	13
Cash income	497	450
Operating cash expenses ¹	(133)	(110)
Operating cash profit	364	340

¹ Operating cash expenses includes leases paid.



£18,388m

- Portfolio value
- High quality, well constructed portfolio

£412m

- Gross cash, with good counterparty diversification
- c.91% held in AAA-rated money market funds

£775m

- Gross fixed term debt made up of bonds expiring 2032 and 2040

£900m

- Undrawn RCF
- Base £500m RCF available until 2027 and additional £400m available until 2025¹

£1,312m

- Liquidity

Aim to operate within a range of £500 million net cash to £1 billion net debt

¹ The extension of the facility was agreed after the year end.

Total FY2023 dividend of 53 pence per share



- Our dividend policy aims to maintain or grow the dividend year-on-year subject to:
 - maintaining our conservative balance sheet strategy
 - careful consideration of the outlook for investments and realisations and market conditions
- **Second FY2023 dividend of 29.75 pence per share brings total dividend for the year to 53 pence per share**



Closing remarks

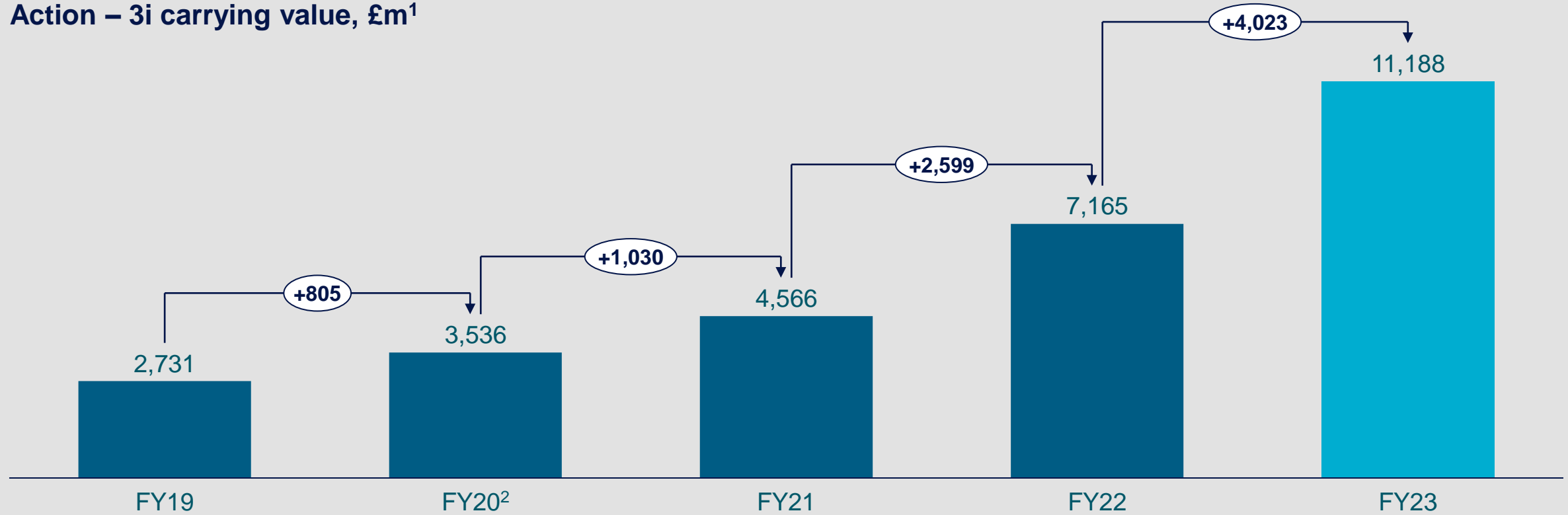
Simon Borrows
Chief Executive



Action has been an extraordinary investment...



Action – 3i carrying value, £m¹

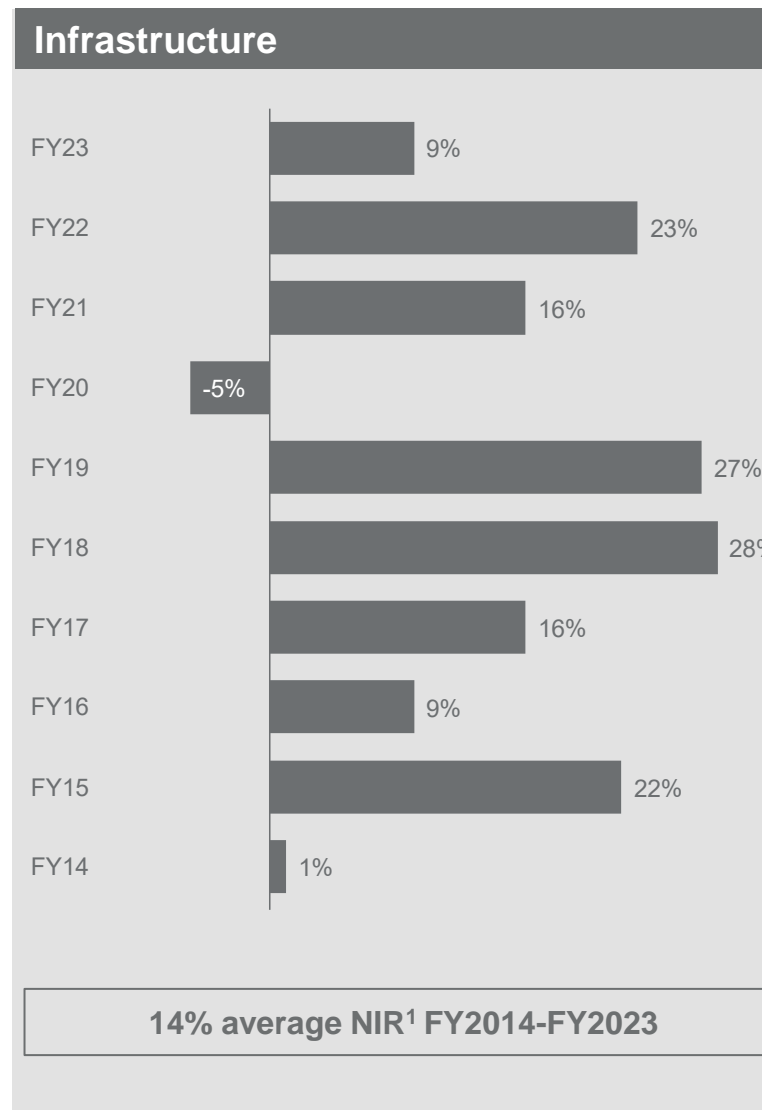
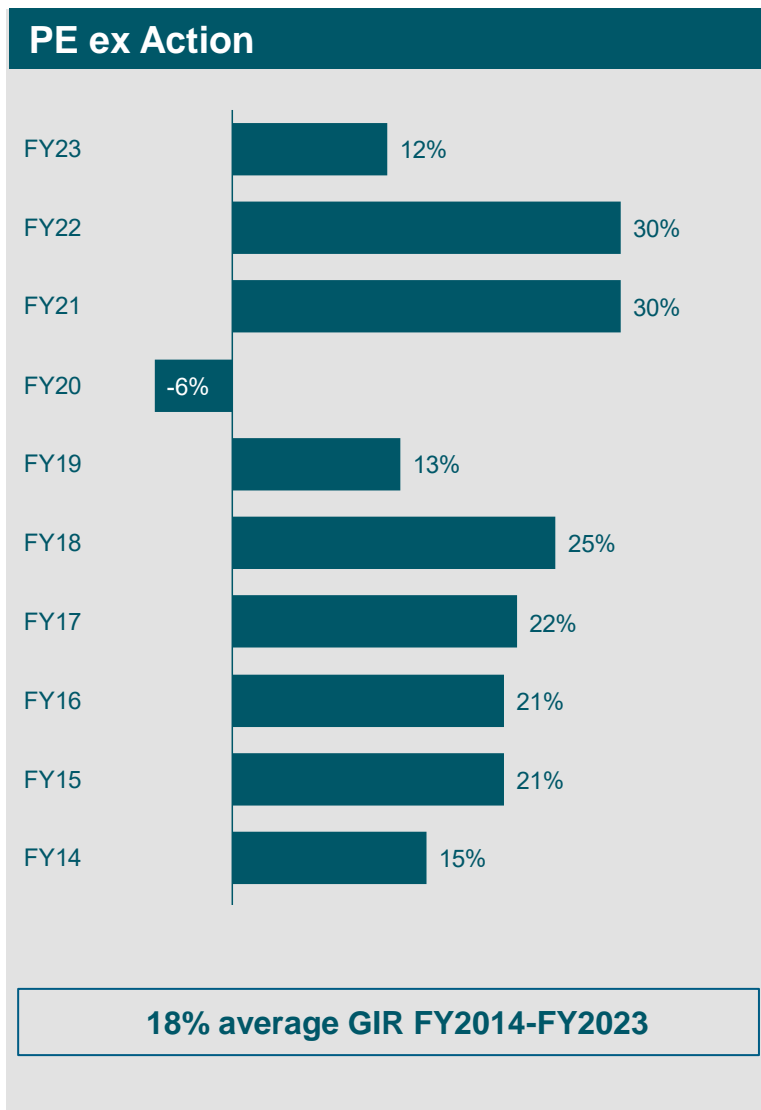
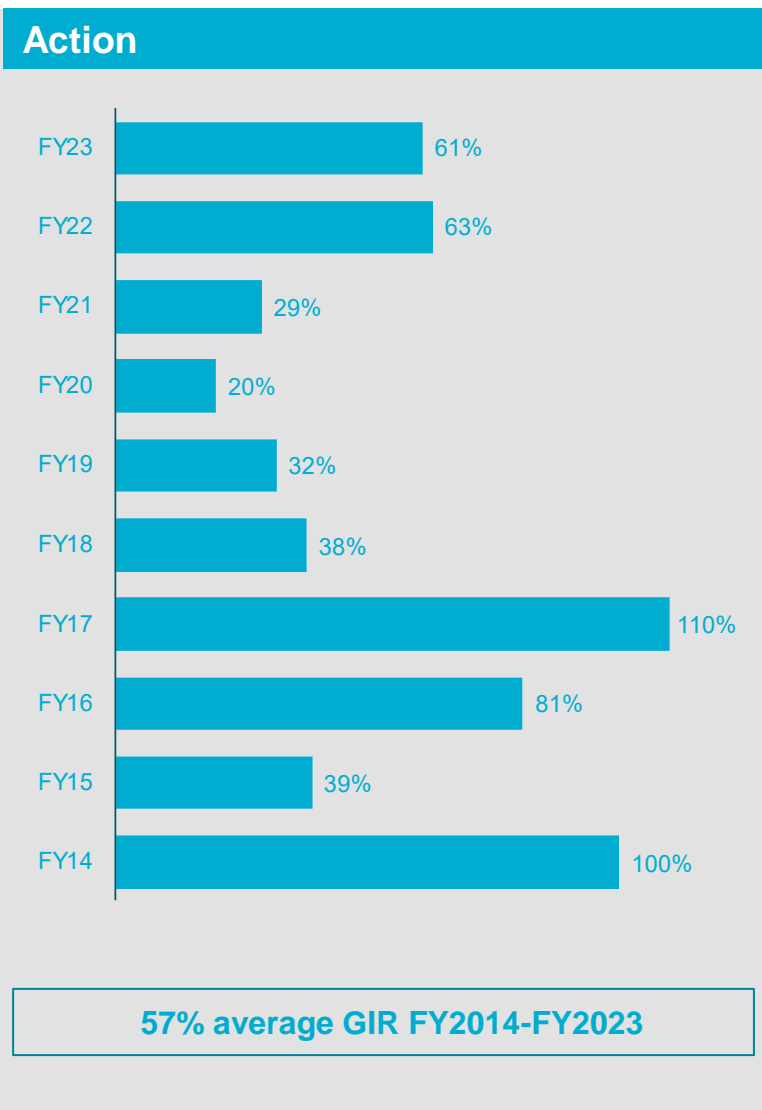


Step change in carrying value growth over recent years as **compounding** starting to manifest
Over **£600m** distributions to 3i in the last 18 months, or over **£1.8bn** through the ownership period

¹ 3i financial years.

² FY20 includes impact of 9.1% ownership increase.

... but all of 3i's segments have generated strong returns



¹ Includes fees.

3i has significant long-term potential



Permanent capital. Long-term, sustainable approach

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

Proven model, underpinned by robust processes, patience and price discipline

Active management of portfolio companies with significant influence and board representation

Resilient and prudently funded portfolio, positioned to withstand current macro challenges

Significant growth platforms in Action and other consumer and healthcare assets

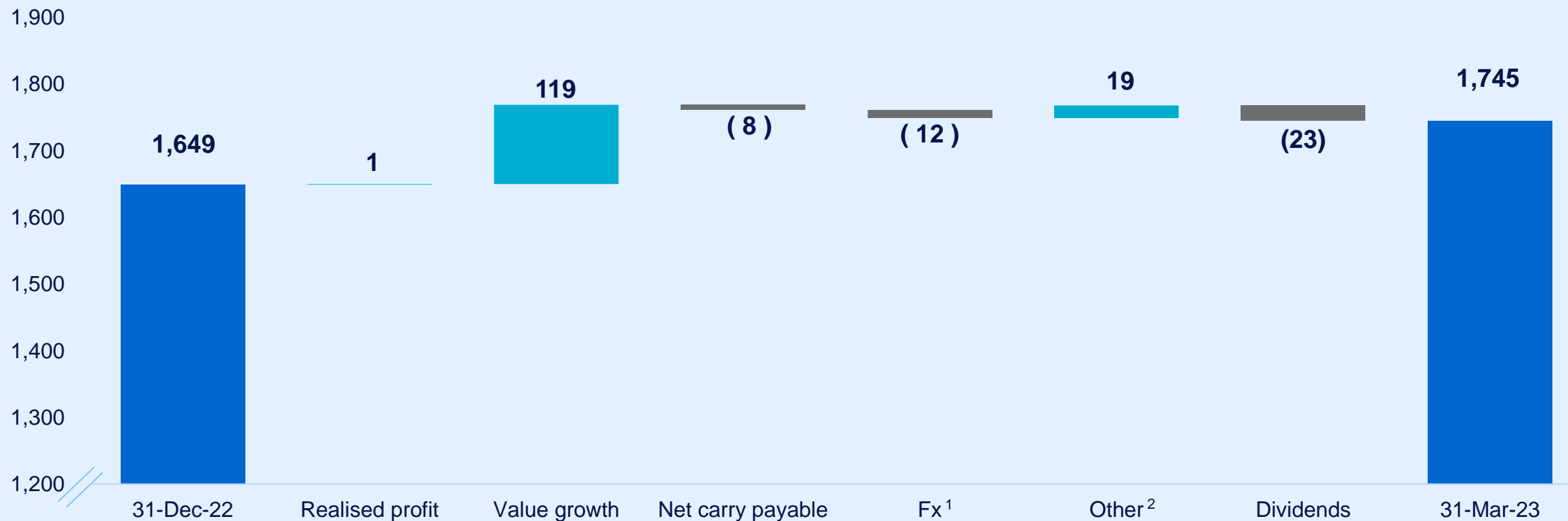


Additional information

Q4 NAV increased from 1,649 pence to 1,745 pence



NAV per share (pence)



¹ FX net of derivatives.

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

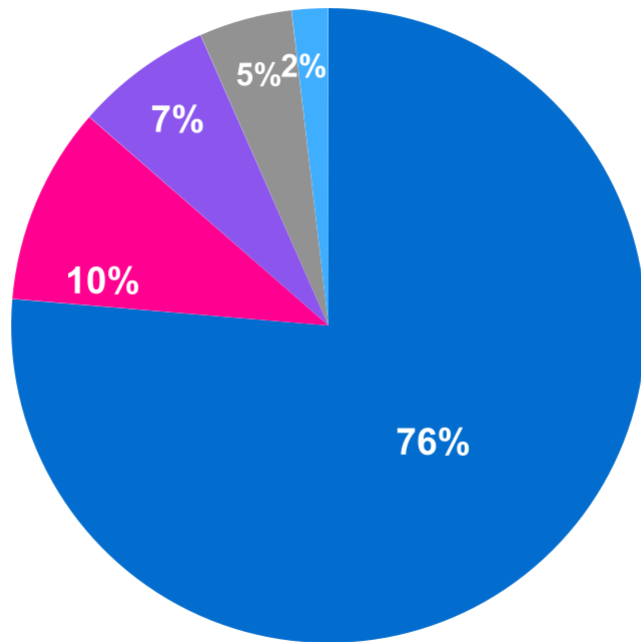
3i Group

20 large investments



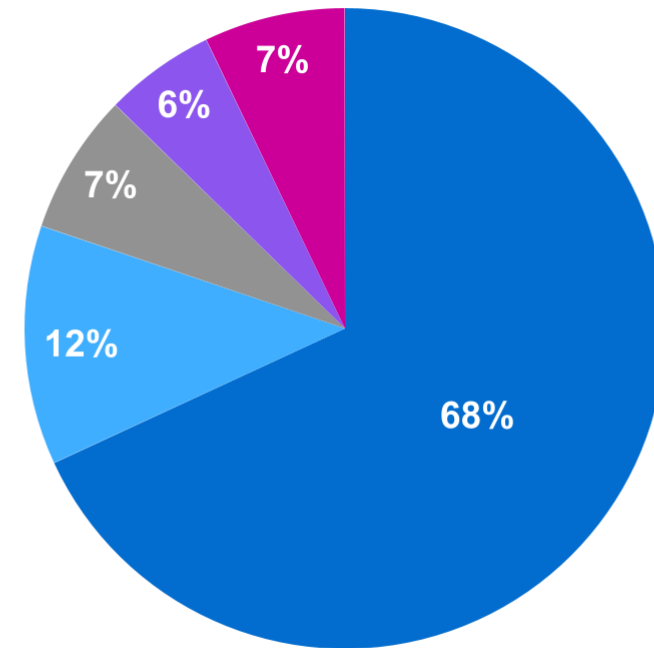
Investment	Business description	Valuation March 2023 (£m)	Valuation March 2022 (£m)
Action	General merchandise discount retailer	11,188	7,165
3i Infrastructure plc	Quoted investment company, investing in infrastructure	841	934
Scandlines	Ferry operator between Denmark and Germany	554	533
Cirtec Medical	Outsourced medical device manufacturing	552	513
Tato	Manufacturer and seller of specialty chemicals	411	407
nexeye	Value-for-money optical retailer	393	345
SaniSure	Manufacturer, distributor and integrator of single-use bioprocessing systems and components	389	277
Royal Sanders	Private label and contract manufacturing producer of personal care products	369	297
AES	Manufacturer of mechanical seals and support systems	351	269
Evernex	Provider of third-party maintenance services for data centre infrastructure	305	291
Smarte Carte	Provider of self-serve vended luggage carts, electronic lockers and concession carts	300	207
WP	Global manufacturer of innovative plastic packaging solutions	274	234
Luqom	Online lighting specialist retailer	271	448
WilsonHCG	Global provider of recruitment process outsourcing and other talent solutions	196	115
MPM	An international branded, premium and natural pet food company	181	162
Audley Travel	Provider of experiential tailor-made travel	162	117
BoConcept	Urban living designer	160	184
Dynatect	Manufacturer of engineered, mission critical protective equipment	128	102
Basic-Fit	Discount gyms operator	121	129
Q Holding	Manufacturer of catheter products serving the medical device market	117	398

By office location (%)



■ Netherlands ■ US ■ UK ■ Germany ■ France

By sector (%)



■ Action (Consumer) ■ Consumer
■ Industrial Technology ■ Business & Technology Services
■ Healthcare

Portfolio of 39 investments (31 March 2022: 37)



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

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

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