



11 May 2023

3i Group plc announces results for the year to 31 March 2023

Very strong FY2023 performance in challenging markets

- **Total return of £4,585 million or 36%** on opening shareholders' funds (2022: £4,014 million, 44%) and **NAV per share of 1,745 pence** (31 March 2022: 1,321 pence). This includes a 65 pence per share gain on foreign exchange translation.
- **Our Private Equity business delivered a gross investment return of £4,966 million or 40%** (2022: £4,172 million, 47%). This result was driven primarily by Action's very strong performance in FY2023, with a good contribution from a number of our other portfolio companies operating in the value-for-money and private label, healthcare, industrial technology and business and technology services. We saw weaker trading in a small proportion of our portfolio, most notably our discretionary consumer segment.
- **Action** delivered annual revenue growth of 30% and EBITDA growth of 46% in 2022 and has started 2023 well. Action's LTM run-rate EBITDA to P3 2023, which ended on 2 April 2023, was €1,439 million (3 April 2022: €1,012 million), representing a 42% increase over the same period last year. This strong performance supported value growth of £3,708 million for Action in the year, in addition to cash dividend distributions to 3i of £325 million.
- The **Private Equity** team **invested £381 million** in the year, deploying capital in four new investments and three bolt-on acquisitions. In addition, our Private Equity portfolio companies completed a further eight bolt-on acquisitions funded through their own balance sheets. **Realisations** from the Private Equity portfolio totalled **£857 million** in the year and included the sales of Havea and Christ at uplifts of 50% and 45% respectively to their opening values, as well as the sales of Q Holding's QSR and Precision Components businesses, and of its Twinsburg site.
- **Our Infrastructure business generated a gross investment return of £86 million, or 6%** (2022: £241 million, 21%). This return was impacted by the decline in the share price of 3i Infrastructure plc ("3iN"), despite its strong NAV return in the year, offset in part by good contributions from our US Infrastructure assets, including notably Smarte Carte.
- The portfolio continues to trade resiliently in the current environment, with 83% exposure to the value-for-money and private label, infrastructure and healthcare sectors.
- Across the Group, we received over **£1.3 billion** of cash primarily via portfolio company realisations and income in the year. After repaying the £200 million fixed-rate bond due in March 2023, we ended the year with liquidity of £1.3 billion, net debt of £363 million and gearing of 2%.
- **Total dividend of 53.0 pence per share** for FY2023, with a second FY2023 dividend of 29.75 pence per share to be paid in July 2023 subject to shareholder approval.

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

"Our portfolio has been carefully assembled and its resilience and consistent financial performance in recent years reflects the benefits of thematic investing, disciplined pricing and active asset management. No portfolio company reflects this approach better than Action, which continues to be 3i's largest and most resilient portfolio investment. We are now focused on developing a select number of other companies to fulfil their potential to also become long-term compounders for the Group. Whilst we expect macroeconomic conditions to remain challenging in the near term, we have started FY2024 with good momentum and are confident that we have the right people, portfolio and processes to continue to compound value from our portfolio and deliver consistent returns through the cycle."

Financial highlights

	Year to/as at 31 March 2023	Year to/as at 31 March 2022
Group		
Total return	£4,585m	£4,014m
Operating expenses	£(138)m	£(128)m
Operating cash profit	£364m	£340m
Realised proceeds	£857m	£788m
Gross investment return	£5,104m	£4,525m
- As a percentage of opening 3i portfolio value	36%	43%
Cash investment	£397m	£543m
3i portfolio value	£18,388m	£14,305m
Gross debt	£775m	£975m
Net debt	£(363)m	£(746)m
Gearing ¹	2%	6%
Liquidity	£1,312m	£729m
Net asset value	£16,844m	£12,754m
Diluted net asset value per ordinary share	1,745p	1,321p
Total dividend per share	53.0p	46.5p

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

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For further information regarding the announcement of 3i's annual results to 31 March 2023, including a live webcast of the results presentation at 10.00am, please visit www.3i.com.

Notes to editors

3i is a leading international investment manager focused on mid-market Private Equity and Infrastructure. Our core investment markets are northern Europe and North America. For further information, please visit: www.3i.com.

Notes to the announcement of the results

Note 1

All of the financial data in this announcement is taken from the Investment basis financial statements. The statutory accounts are prepared under IFRS for the year to 31 March 2023 and have not yet been delivered to the Registrar of Companies. The statutory accounts for the year to 31 March 2022 have been delivered to the Registrar of Companies. The auditor's reports on the statutory accounts for these years are unqualified and do not contain any matters to which the auditor drew attention by way of emphasis or any statements under section 498(2) or (3) of the Companies Act 2006. This announcement does not constitute statutory accounts.

Note 2

Copies of the Annual report and accounts 2023 will be posted to shareholders on or soon after Wednesday 24 May 2023

Note 3

This announcement may contain statements about the future including certain statements about the future outlook for 3i Group plc and its subsidiaries ("3i"). 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.

Note 4

Subject to shareholder approval, the proposed second dividend is expected to be paid on Friday 28 July 2023 to holders of ordinary shares on the register on Friday 23 June 2023. The ex-dividend date will be Thursday 22 June 2023.