



30 January 2025

3i Group plc

## FY2025 Q3 performance update

### A good compounding quarter for 3i

- Increase in NAV per share to 2,457 pence (30 September 2024: 2,261 pence) and total return of 20% for the nine months to 31 December 2024, after a negative foreign exchange translation impact of £476 million, or 49 pence.
- Action produced another outstanding result with very strong sales, EBITDA and cash generation in 2024. In the 12 months to 29 December 2024, net sales and operating EBITDA were 22% and 29% ahead of 2023.
- Action's like-for-like ("LFL") sales growth was 10.3% in the year (2023: 16.7%) and 352 net new stores were added compared to 303 in 2023.
- 3i received a dividend from Action of £215 million in December 2024. After this distribution, Action ended 2024 with a cash balance of €814 million. Action also completed an amend and extend transaction on approximately 40% of its senior debt in November 2024, resulting in a significant interest cost saving and extended debt maturities.
- The majority of our remaining Private Equity portfolio companies are performing resiliently, despite a difficult macroeconomic environment. We continued to see strong contributions from a number of our consumer and private label portfolio companies. A small number of assets exposed to discretionary consumer spending and the recruitment market continue to experience challenging conditions.
- We signed a £121 million new investment in WaterWipes in December 2024, which completed in January 2025, and completed four bolt-on acquisitions across our existing Private Equity portfolio. We also completed the realisation of WP in October 2024, which returned proceeds of £280 million to 3i, at an 18% premium over 31 March 2024 value. In January 2025, we signed a new investment in OMS Prüfservice, with completion expected in Q4 FY2025.
- We enter the final quarter of our financial year with a well-funded balance sheet. At the end of December 2024, the Group had gross cash of £792 million, an undrawn RCF of £900 million and gearing was 2%.

### Simon Borrows, Chief Executive, commented:

"Action's excellent 2024 result is another step in its remarkable growth journey and it has had a good start to 2025. Action's performance has been driven by: consistently sharing the benefits of scale with its customers through very competitive price points; a flexible category assortment; and a record number of new store openings. All new countries have performed ahead of budget and we have once again seen a good step up in sales densities as a result of growth in the volume of customer transactions across all markets.

We continue to see some significant growth within our other leading consumer and private label portfolio companies, more than offsetting weaker trading at a small number of companies which continue to face specific market challenges. We have also executed on a number of realisations, and managed to secure new investments in familiar sub-sectors without compromising on our price discipline.

Whilst we remain cautious on the macroeconomic and geopolitical environment, we believe 3i is well positioned for a strong financial year to 31 March 2025."

## Private Equity

### Action performance and valuation at 31 December 2024

In the 12 months to 29 December 2024, Action generated net sales of €13,782 million (2023: €11,324 million) and provisional operating EBITDA, subject to audit, of €2,076 million (2023: €1,615 million), which were 22% and 29% ahead of 2023. LFL sales growth was 10.3% for the year (2023: 16.7%) and 11.5% in Q4 2024 against 11.4% in Q4 in the previous year. Transaction volumes accounted for 102% of the LFL increase over the year. The business delivered strong EBITDA margin performance of 15.1% in 2024 (2023: 14.3%), underpinned by its LFL performance and strong operational execution.

Despite the unseasonably warm weather in December 2024, Action generated very strong sales of its Christmas and holiday items in the run up to the end of its financial year. In its final quarter (P10-P12) of 2024, Action generated net sales of €4,215 million (Q4 2023: €3,412 million) and operating EBITDA of €732 million (Q4 2023: €550 million), 31% and 35% of the overall 2024 net sales and operating EBITDA result.

Action added 352 net new stores in 2024, taking its total store footprint to 2,918 at 29 December 2024. Trading across Action's most recent expansion markets of Italy, Spain, Slovakia and Portugal has exceeded our expectations, whilst its largest mature markets of France, Germany, Netherlands and Poland all traded ahead of the LFL sales growth budget for the year. Cash generation remained strong, and Action paid an interim dividend to shareholders in December 2024, resulting in a distribution of £215 million to 3i. Action finished the year with a cash balance of €814 million, resulting in a net debt to run-rate EBITDA ratio of 2.6x.

In November 2024, Action completed an amend and extend and repricing transaction for approximately 40% of its c.€6.6 billion total senior term debt, pushing out Action's debt maturities and delivering c.€14 million of recurring annual debt interest cost savings for the business.

At 31 December 2024, Action was valued using an LTM run-rate EBITDA to 29 December 2024 of €2,251 million, which includes the usual adjustment to reflect stores opened in the last 12 months. The multiple of 18.5x, net of the liquidity discount, remained unchanged, resulting in a valuation of £17,139 million for 3i's 57.9% equity stake (30 September 2024: £15,543 million).

Further details of Action's 2024 performance and 2025 guidance will be provided during the Action Capital Markets Seminar in March 2025.

### Action financial metrics

	Last 12 months to P12 2024 (29 December 2024)	Last 12 months to P12 2023 (31 December 2023)
Financial metrics	€m	€m
Net sales	13,782	11,324
LFL sales growth	10.3%	16.7%
Operating EBITDA	2,076	1,615
Operating EBITDA margin	15.1%	14.3%
Run-rate EBITDA	2,251	1,753
Net new stores added	352	303

### Portfolio (excluding Action) performance

**Royal Sanders** delivered further impressive organic growth, and **MPM** generated strong sales volumes across its markets, with particularly noteworthy performance in the US. **Audley Travel** delivered another quarter of good booking volumes and had a strong end to 2024. **Luqom** continued to see an encouraging recovery and saw good seasonal sales in its final quarter of 2024.

**Cirtec Medical** continues to see encouraging demand from its customers for its key products, and **SaniSure's** most recent trading is in line with our latest expectations, tracking well with the broader market uptick.

We received cash dividends from both **Tato** and **AES** in the period, totalling £12 million.

The white-collar recruitment market remains significantly subdued, with voluntary staff turnover below 2019 levels, resulting in further underperformance of **WilsonHCG** and the recognition of a total value reduction of £76 million in the year to date. **BoConcept** has seen softer order intake, as prolonged weaker consumer sentiment in certain geographic markets continues to weigh on discretionary purchases. **Dynatect** continues to experience delays in the ramp-up of a key contract.

The ratio of net debt to EBITDA across the Private Equity portfolio decreased from 3.1x at 30 September 2024 to 2.8x at 31 December 2024. The average Private Equity portfolio leverage excluding Action was 3.7x (September 2024: 3.7x).

The overall averages of our quoted comparable multiples across the portfolio were largely stable over the quarter and we made no adjustments to portfolio company valuation multiples in the period. The weighted average multiple of the Private Equity portfolio (excluding Action) was 13.4x at 31 December 2024 (30 September 2024: 13.3x).

## Private Equity investments

Portfolio company	Type	Business description	Date	£m
Royal Sanders	Further	Private label and contract manufacturing producer of personal care products	Oct 2024	39
ten23 health	Further	Biologics focused CDMO	Various	15
Other	Further	Various	Various	4
<b>Total Q3 cash investment</b>				<b>58</b>
<b>Total investment in H1 FY2025</b>				<b>888</b>
<b>Total cash investment as at 31 December 2024</b>				<b>946</b>

In the quarter, we completed a further £39 million investment in **Royal Sanders**, and we continued to develop the **ten23 health** platform with a further investment of £15 million.

In December 2024, we signed the acquisition of **WaterWipes**, a global, premium, natural wet wipe brand focused on the baby category, with new product innovation in the adult category. This transaction completed on 22 January 2025 with 3i investing £121 million. In January 2025, we also signed a new investment in **OMS Prüfservice**, the largest specialised service provider in testing electrical systems and equipment for B2B customers in the DACH region, with completion expected in Q4 FY2025.

In the period, we completed four bolt-on investments, all of which were self-funded by our portfolio companies. **Constellation** completed its first bolt-on acquisition under our ownership, with the addition of ILKI, a cloud architecture specialist based in France, and **Evernex** acquired Ultra Support, a leading UK-based third-party maintenance provider, adding local in-house technical and delivery capabilities, as well as a granular geographic coverage of the UK. **MAIT** acquired TFH technical services, a Dutch consulting provider specialising in the implementation and use of product lifecycle management software solutions and **AES** added PSS Marine Seal to its core business.

## Private Equity realisations

Portfolio company	Type	Date	£m
WP	Full Realisation	Oct 2024	277
Other	Various	Various	1
<b>Total Q3 FY2025 realised proceeds</b>			<b>278</b>
<b>Total realised proceeds in H1 FY2025</b>			<b>1,548</b>
<b>Total realised proceeds as at 31 December 2024</b>			<b>1,826</b>

In October 2024, we completed the sale of **WP** at an 18% profit over the value at 31 March 2024, delivering proceeds of £280 million, including interest income of £3 million. These proceeds, combined with the £45 million of proceeds received earlier in our period of ownership, resulted in a sterling money multiple of 2.2x.

Whilst we remain cautious on the wider M&A market, we have a good pipeline of high-quality realisations for the next 12 to 18 months.

## Infrastructure

**3i Infrastructure plc**'s ("3iN") share price decreased by 7% in the quarter to December 2024, closing at 317 pence (30 September 2024: 341 pence), valuing 3i's 29% stake at £853 million (30 September 2024: £918 million).

We recognised dividend income of £17 million from 3iN in the quarter.

Bolt-on activity within the North America Infrastructure Fund continued with **Amwaste** completing the acquisition of

Georgia based Waste Away Environmental LLC, whilst **Regional Rail** completed the buyout of a minority stake in its Canadian rail operations.

**Scandlines** saw resilient freight and leisure volumes in the period. Cash generation remains strong, and we received a dividend of £7 million in the period.

## Top 10 investments by value<sup>1</sup> at 31 December 2024

	Valuation basis	Valuation currency	Valuation Sep-24 £m	Valuation Dec-24 £m	Activity in the quarter
<b>Action</b>	Earnings	EUR	15,543	17,139	£215 million dividend proceeds received
<b>3iN</b>	Quoted	GBP	918	853	£17 million dividend recognised
<b>Royal Sanders</b>	Earnings	EUR	695	783	£39 million further investment
<b>Cirtec Medical</b>	Earnings	USD	583	628	
<b>Scandlines</b>	DCF	EUR	519	520	£7 million dividend received
<b>AES Engineering</b>	Earnings	GBP	407	406	£4 million dividend received. Self-funded acquisition of PSS Marine Seal in October 2024
<b>Tato</b>	Earnings	GBP	372	377	£8 million dividend received
<b>SaniSure</b>	Earnings	USD	312	334	
<b>Evernex</b>	Earnings	EUR	329	329	Self-funded acquisition of Ultra Support in November 2024
<b>Smarte Carte</b>	DCF	USD	283	312	

1. The valuations are translated at the spot rate of the balance sheet date. Sterling weakened by 6.6% against the US dollar and strengthened by 0.6% against the euro in the quarter to 31 December 2024. Individual valuations exclude the benefit of the foreign exchange hedges.

The 10 investments in the table above comprised 89% (30 September 2024: 87%) of the total investment portfolio value of £24,461 million (30 September 2024: £22,953 million).

## Total return and NAV position

In the third quarter of our financial year, the Group recorded a total foreign exchange translation loss of £10 million, including the impact of foreign exchange hedging, as a result of sterling weakening by 6.6% against the US dollar and strengthening by 0.6% against the euro. In the nine months to 31 December 2024, we recorded a total foreign exchange translation loss £476 million, including the impact of foreign exchange hedging.

Based on the net assets at 31 December 2024 and including the impact of hedging, a 1% movement in the euro and US dollar would result in a net total return movement of £173 million and £12 million respectively. The diluted NAV per share increased to 2,457 pence (30 September 2024: 2,261 pence) or 2,426.5 pence after deducting the 30.5 pence per share (£293 million) first FY2025 dividend, which was paid on 10 January 2025.

## Balance sheet

At 31 December 2024, cash was £792 million (30 September 2024: £386 million), and, including our undrawn £900 million revolving credit facility, liquidity was £1,692 million (30 September 2024: £900 million and £1,286 million respectively). Net debt was £396 million, and gearing was 2% (30 September 2024: £805 million and 4%).

In the period, we completed the final carry buy back associated with Action, with a further £70 million to be paid in Q4 FY2025. This means there is now no dilution to our gross equity stake in Action of 57.9% and we will no longer accrue carried interest payable for the Buyouts 2010-12 vintage (which relates to our investment in Action).

**- ENDS -**

## Notes

1. Balance sheet values are stated net of foreign exchange translation. Where applicable, the GBP equivalents at 31 December 2024 in this update have been calculated at a currency exchange rate of €1.2097: £1 and \$1.2527: £1 respectively.
2. At 31 December 2024 3i had 968 million diluted shares.
3. Action was valued using a post-discount run-rate EBITDA multiple of 18.5x based on its LTM run-rate earnings to 29 December 2024 of €2,251 million.
4. As at 31 December 2024, the notional amount of the forward foreign exchange contracts held by the Group was €2.6 billion (including €600 million associated with Scandlines) and \$1.2 billion.

## For further information, please contact:

Silvia Santoro

Group Investor Relations Director

Telephone: 020 7975 3258

Kathryn van der Kroft

Communications Director

Telephone: 020 7975 3021

## About 3i Group

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

All statements in this performance update relate to the nine-month period ended 31 December 2024 unless otherwise stated. The financial information is unaudited and is presented on 3i's non-GAAP Investment basis in order to provide users with the most appropriate description of the drivers of 3i's performance. Net asset value ("NAV") and total return are the same on the Investment basis and on an IFRS basis. Details of the differences between 3i's consolidated financial statements prepared on an IFRS basis and under the Investment basis are provided in the Annual report and accounts. There have been no material changes to the financial position of 3i from the end of this quarter to the date of this announcement.