



9 May 2024

3i Group plc announces results for the year to 31 March 2024

Strong result supported by resilient growth in our portfolio companies

- **Total return of £3,839 million or 23%** on opening shareholders' funds (2023: £4,585 million, 36%) and **NAV per share of 2,085 pence** (31 March 2023: 1,745 pence). This includes a 33 pence per share loss on foreign exchange translation (FY2023: 65 pence per share gain).
- **Our Private Equity business delivered a gross investment return of £4,059 million or 25%** (2023: £4,966 million, 40%). This result was driven primarily by Action's very strong performance in FY2024. We continued to see strong growth from a number of our portfolio companies operating in the value-for-money and private label, and healthcare sectors. This more than offset softer performance from a number of portfolio companies operating in the discretionary consumer sector or in sectors that are working through adverse phases of their market cycles.
- **Action** generated a gross investment return of £3,718 million, or 33%. It delivered annual revenue growth of 28%, like-for-like sales growth of 16.7% and EBITDA growth of 34% in 2023. Performance in the first quarter of 2024 was strong, with net sales of €3,004 million (Q1 2023: €2,485 million), operating EBITDA of €397 million (Q1 2023: €309 million) and like-for-like sales growth of 9.8%. The LTM run-rate EBITDA to P3 2024, which ended on 31 March 2024 totalled €1,848 million (LTM run-rate EBITDA to 2 April 2023: €1,439 million), representing a 28% increase over the same period last year. This strong performance supported value growth of £3,609 million for Action in FY2024, in addition to dividends to 3i of £375 million. 3i also received proceeds of £762 million from Action via a pro-rata share redemption.
- At the end of week 18 (5 May 2024) Action's year-to-date like-for-like sales growth was maintained at 9.8% and 62 new stores had been opened. At that date, Action's cash balance was €663 million.
- The **Private Equity** team **invested £556 million** in the year, principally in a further stake in Action, and in smaller further investments in Royal Sanders and ten23 health, as well as in European Bakery Group to support the acquisition of coolback. In addition, our Private Equity portfolio companies completed a further six bolt-on acquisitions funded through their own balance sheets.
- **Our Infrastructure business generated a gross investment return of £99 million, or 7%** (2023: £86 million, 6%). This return reflects the modest share price gains for 3i Infrastructure plc ("3iIN"), which continued to lag the strong performance of the underlying portfolio and NAV return. Our US Infrastructure portfolio continued to perform well.
- In total across the Group, we received over **£1.4 billion** of cash from the portfolio. During the year, we issued a six-year €500 million bond and extended the tenor of the £400 million tranche of our £900 million revolving credit facility to November 2026, with both transactions further strengthening our liquidity profile. We ended the year with liquidity of £1,296 million, net debt of £806 million and gearing of 4%.
- **Total dividend of 61 pence per share** for FY2024, with a second FY2024 dividend of 34.5 pence per share to be paid in July 2024 subject to shareholder approval.

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

"The shape of today's portfolio has served us well in this challenging year and reflects investment decisions taken over the last 12 years. Action's compelling growth story continues to be a major driver of the Group's return, with overall resilient performance across the remaining portfolio. We expect that the current macro-economic conditions and geopolitical uncertainty will persist in the near term and that this will continue to impact confidence and pricing expectations in the wider mid-cap M&A market. Our rigorous and disciplined approach to capital allocation remains unchanged. We have been building resilient portfolio companies that are capable of navigating through these challenging trading conditions."

Financial highlights

	Year to/as at 31 March 2024	Year to/as at 31 March 2023
Group		
Total return	£3,839m	£4,585m
Operating expenses	£(147)m	£(138)m
Operating cash profit	£467m	£364m
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Realised proceeds	£888m	£857m
Gross investment return	£4,168m	£5,104m
- As a percentage of opening 3i portfolio value	23%	36%
Cash investment	£593m	£397m
3i portfolio value	£21,636m	£18,388m
Gross debt	£1,202m	£775m
Net debt	£(806)m	£(363)m
Gearing ¹	4%	2%
Liquidity	£1,296m	£1,312m
Net asset value	£20,170m	£16,844m
Diluted net asset value per ordinary share	2,085p	1,745p
Total dividend per share	61p	53.0p

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 2024, 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 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 2024 and have not yet been delivered to the Registrar of Companies. The statutory accounts for the year to 31 March 2023 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 2024 will be posted to shareholders on or soon after 22 May 2024.

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 26 July 2024 to holders of ordinary shares on the register on Friday 21 June 2024. The ex-dividend date will be Thursday 20 June 2024.