



Results for the year to 31 March 2024

9 May 2024





Business review

Simon Borrows
Chief Executive



Resilient performance in a challenging market

Year to 31 March 2024



Group

Total return
on equity

23%

Gearing

4%

NAV
per share

2,085p

Total dividend
per share

61p

Private Equity

Gross investment return

25%

Cash invested

£556m

Cash proceeds and
income

£1,317m

Infrastructure

Gross investment return

7%

Cash income

£113m

AUM

£6.7bn

Careful portfolio construction

Our portfolio is positioned to offer resilience across the economic cycle



Portfolio at 31 March 2024



Value-for-money, Private Label, Infrastructure and Healthcare sectors represent 87% of portfolio

Private Equity

Attractive return in volatile environment, resilient portfolio performance



Strong result, driven primarily by Action

- 25% gross investment return for the portfolio overall
- 33% gross investment return for Action
- 5 companies with LTM earnings growth of >20% (excluding Action)
- 93%¹ of portfolio by value growing earnings in the 12 months to December 2023

Disciplined investment. Strong cash generation

- £556m of proprietary capital deployed across further and bolt-on investments
- Over £1.3bn of proceeds and income distributions
- Realisation of nexeye agreed since the year end

Resilient portfolio, with pockets of weakness

- Defensively positioned, with exposure to sustainable long-term growth trends
- Robust performance for most of the value-for-money, private label and healthcare portfolio companies
- Some weakness for companies with discretionary consumer, construction and recruitment exposure

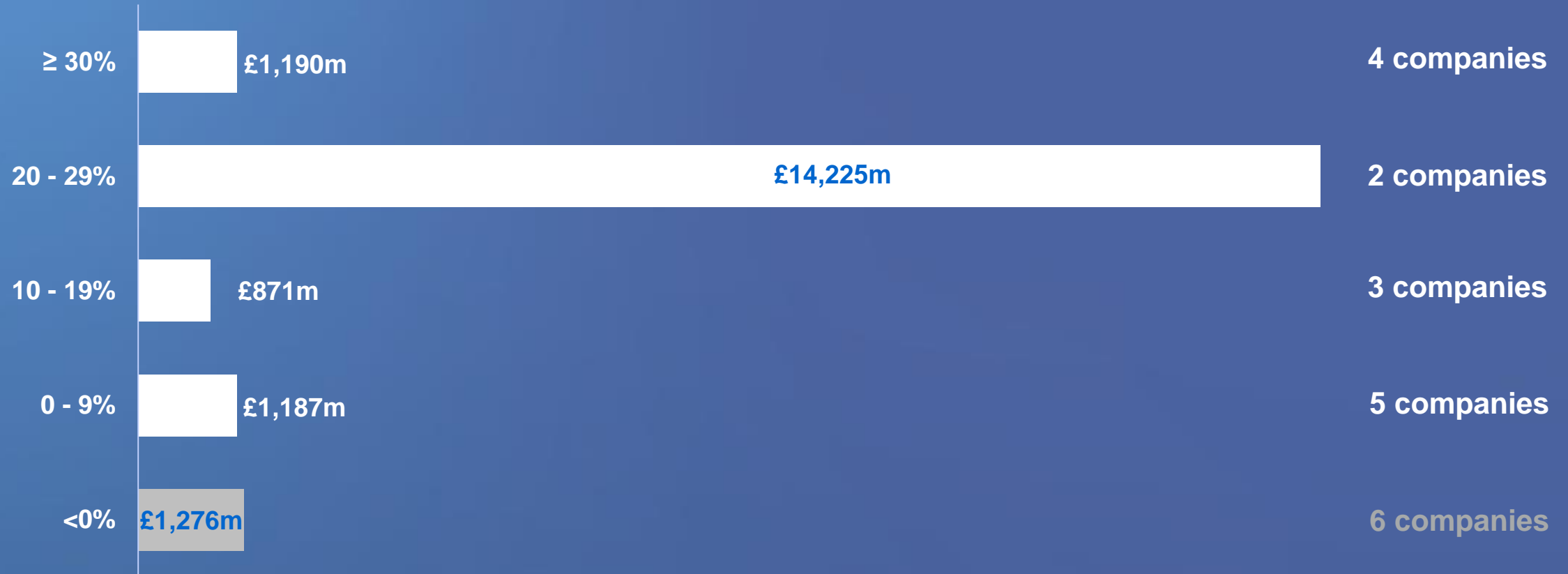
¹ LTM adjusted earnings to 31 December 2023. Includes 29 portfolio companies.

Private Equity

93% of portfolio companies by value growing earnings



Portfolio earnings growth of top 20 PE investments¹



¹ Includes top 20 Private Equity companies by value excluding ten23 health and nexeye. This represents 96% of the Private Equity portfolio by value (31 March 2023: 96%). Last 12 months' adjusted earnings to 31 December 2023 and Action based on LTM run-rate earnings to the end of P3 2024.

Private Equity

Divergence in performance across the portfolio; value movements principally performance driven



Largest value increases (>£20m)

Portfolio company	Value growth (excl FX)	Value at 31 Mar 2024	Driver of value movement
Action	£3,609m	£14,158m	Performance
Royal Sanders	£256m	£580m	Performance
European Bakery Group	£161m	£267m	Multiple
ten23 health	£60m	£192m	Other
AES	£52m	£403m	Performance
Cirtec Medical	£46m	£586m	Performance
MPM	£37m	£233m	Performance
Q Holding	£36m	£150m	Performance
Audley Travel	£31m	£192m	Performance
MAIT	£31m	£100m	Multiple

Largest value declines (>£20m)

Portfolio company	Value decline (excl FX)	Value at 31 Mar 2024	Driver of value movement
Tato	£76m	£335m	Performance
WilsonHCG	£70m	£122m	Multiple
Luqom	£60m	£222m	Multiple
arrivia	£52m	£46m	Performance
Basic-Fit	£50m	£67m	Other
SaniSure	£47m	£334m	Performance
YDEON	£37m	n.m.	Multiple
BoConcept	£34m	£133m	Performance
Formel D	£26m	n.m.	Performance

■ Performance ■ Multiple ■ Other

Private Equity

Action – strong 2023 performance



+28%
Net sales growth

+34%
Operating EBITDA
growth

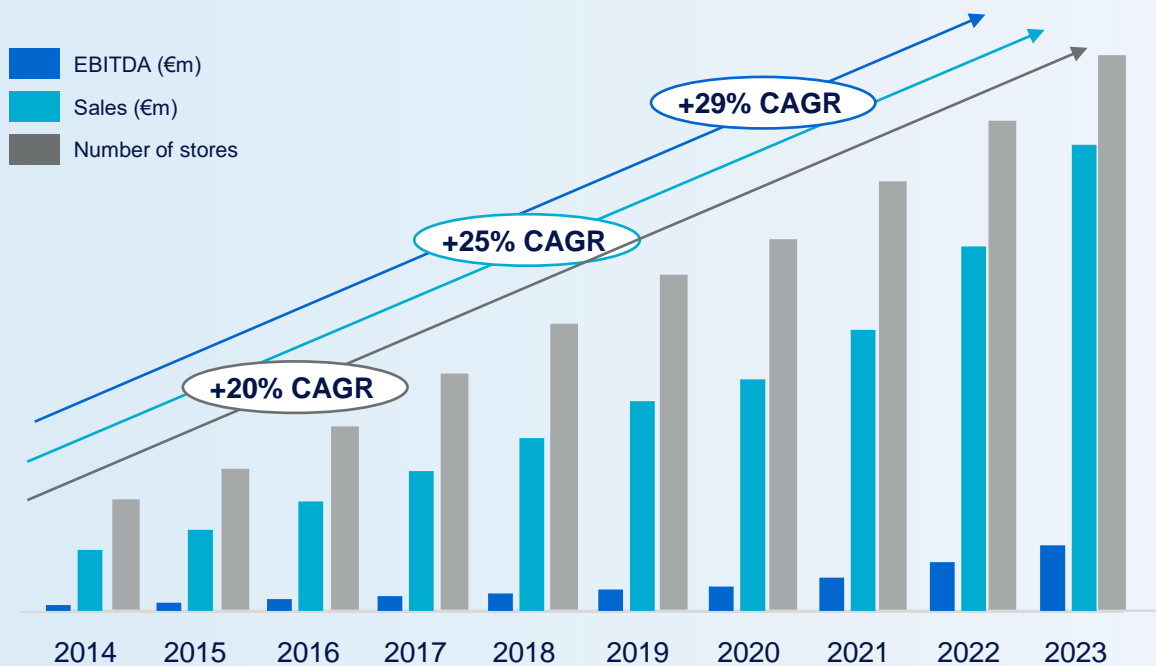
+16.7%
LFL growth

104%
Cash conversion

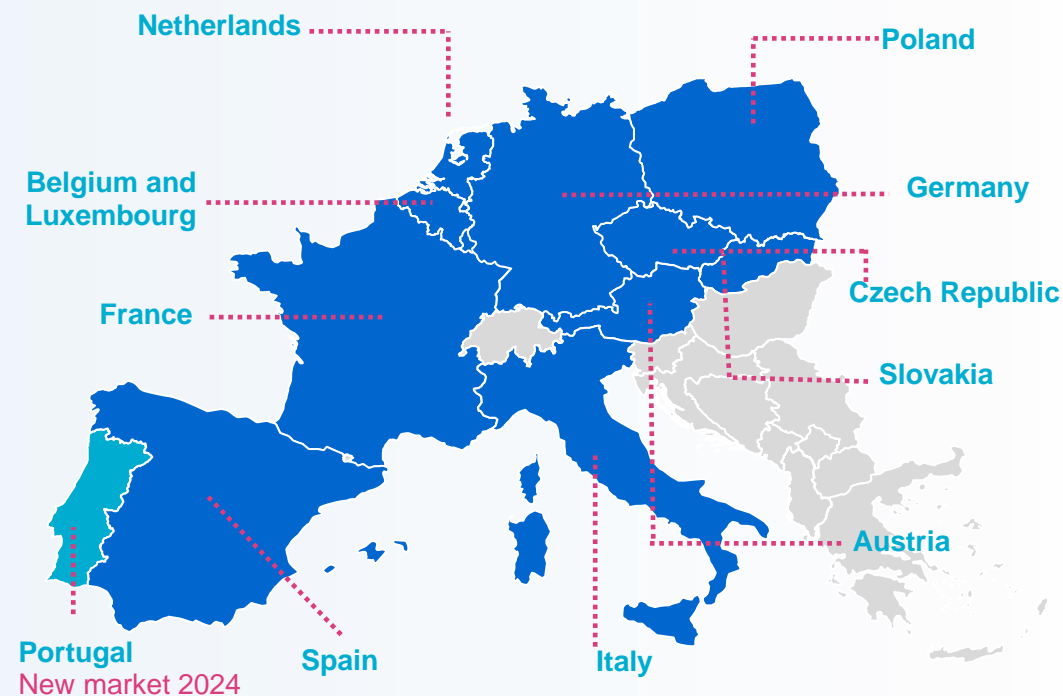
303
Stores added

2,566
Total stores

An unbroken high growth track record



Expansion across Europe continues



Private Equity

Action – a strong start to the year



- Strong trading YTD to P3 (31 March 2024)
 - Net sales of €3,004m, up 21% on PY
 - Operating EBITDA of €397m, up 29% on PY
 - LFL sales growth of 9.8%
 - 42 stores added, vs 34 in PY
 - Cash balance of €558m
- Week 18 data (5 May 2024) confirms strong trading
 - year-to-date LFL sales growth of 9.8%, all volume driven
 - 62 stores added, vs 49 in same period in PY
 - Cash balance of €663m



Strong like-for-like growth maintained in the year to week 18, all volume driven

Core PE portfolio

- Our origination engine, investing with a 2x MM objective
- Exit typically after 4-6 year investment timeframe
- Selected assets have the potential to become longer-term compounders

Longer-term compounders



- 3-4 other assets to be identified
- EBITDA ~€/\$100m, cash generative
- Can continue to meet 15% return hurdle

ACTION

- Returns materially in excess of 3i's return objective
- ~125x MM to date on initial investment
- Significant growth and cash flow potential
- No exit planned

We have designated Royal Sanders as a new asset in our longer-term hold segment



Royal Sanders can continue to compound growth over the longer term

- Winning customer portfolio
- End-market with attractive organic growth opportunity
- Strong operational discipline and cost efficiency
- Successful track record of consolidation, with six acquisitions since 3i's initial investment
- Further scope to consolidate fragmented industry
- Exceptional management team

3.5x

Revenue growth since investment

£231m

Distributions
to 31 March 2024

Private Equity

Many of our platform assets continued to grow through acquisitions



£38m proprietary capital investment



Self funded



Etaxis

Quadrix

Self funded



Triseal

Self funded



Self funded

Private Equity

Over £1.3bn of cash proceeds and distributions from the portfolio



£762m proceeds from pro-rata share redemption and **£375m** dividends



£109m distributions following a refinancing



£42m refinancing and other proceeds

Private Equity

nexeye (2017) | successful realisation announced in April



nexeye transformed into leading European provider of value-for-money eye care

- strengthened and developed organisation
- acquisition and roll-out of eyes + more in Germany
- investment in existing and new stores
- built best-in-class digital infrastructure and omnichannel customer journey
- doubled revenues and EBITDA

c.£407m **2x**

Total expected return¹

Money multiple



¹ Including £21m of distributions received during holding period.



Portfolios continue to perform strongly

- 7% gross investment return, with 3iN share price lagging strong underlying portfolio performance
- 3iN generated total return of 11.4% (ahead of target) and delivered dividend objective for FY2024
- Good performance from North American assets

Good cash income and growth in AUM

- £113m cash income from fee and portfolio income
- AUM at £6.7bn at 31 March 2024, vs £6.4bn at the end of March 2023
- Good progress in North American infrastructure Fund, with one new investment and three bolt-on acquisitions

Well positioned to deliver growth over the cycle

- Broadly counter-cyclical and exposed to defensive sectors
- Prudently funded

3i's science-based targets were approved in March 2024

Our targets cover our own operations and our portfolio



Scope 1 and 2

(own operations)

3i commits to reduce its absolute Scope 1 and 2 GHG emissions by **42%** by FY2030

From a FY2023 base year



SCIENCE
BASED
TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

Scope 3

(financed emissions - targets cover 82% of activities by invested capital as of FY2023)

3i is committed to:

- **31%** of its eligible portfolio by invested capital setting SBTi-validated targets by FY2028
- **100%** by FY2040

- A **68%** per MWh reduction in GHG emissions from the electricity generation sector within its eligible portfolio by FY2030

From a FY2023 base year



Financial review

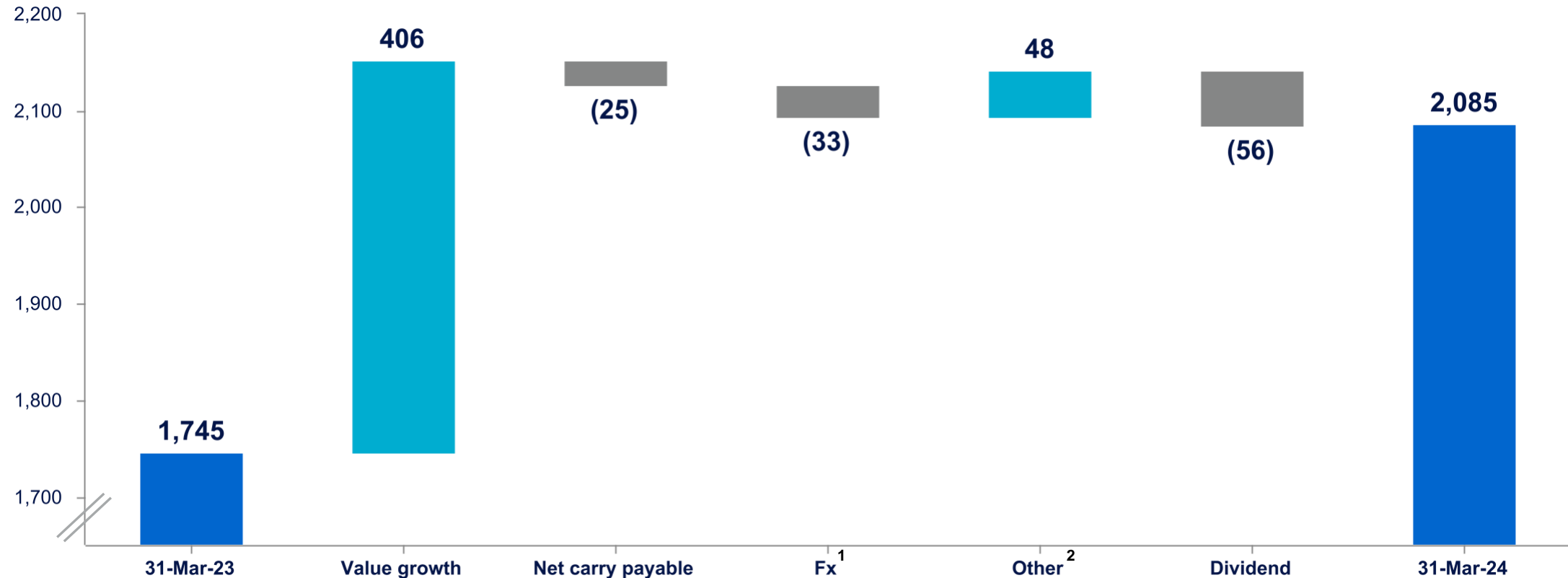
James Hatchley
Group Finance Director



Total return on equity of 23% for the financial year



NAV per share (pence)



NAV per share up 19% to 2,085 pence

¹ FX net of derivatives.

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

Strong value growth against a backdrop of persistent macroeconomic headwinds

£3.9bn value increase driven by Action's performance



Value movement by basis excluding FX (£ million)

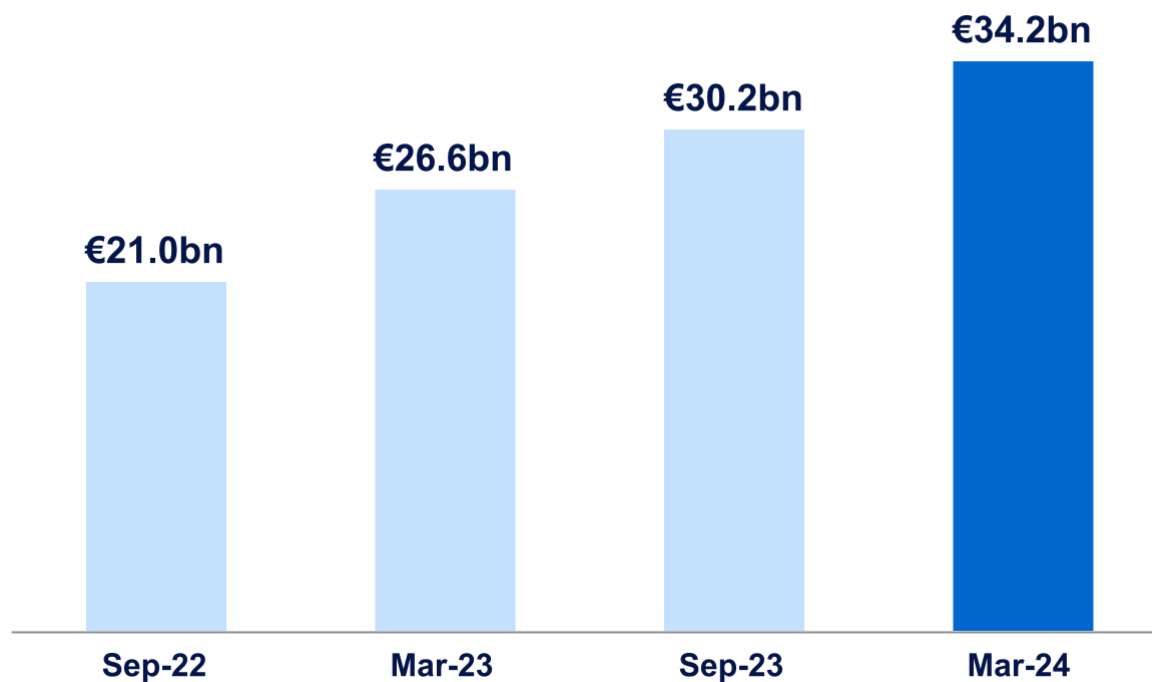


Portfolio value of £21.6 billion

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



Enterprise value (post discount)



- LTM operating EBITDA to P3 2024 of €1,703m
- LTM run-rate EBITDA earnings of €1,848m
- Net debt of €3,986m at 31 March 2024
- 18.5x (Mar-23: 18.5x) multiple post discount
- 3i equity stake increased to 54.8% (Mar-23: 52.9%)
- Valuation at 31 March 2024 of £14,158m

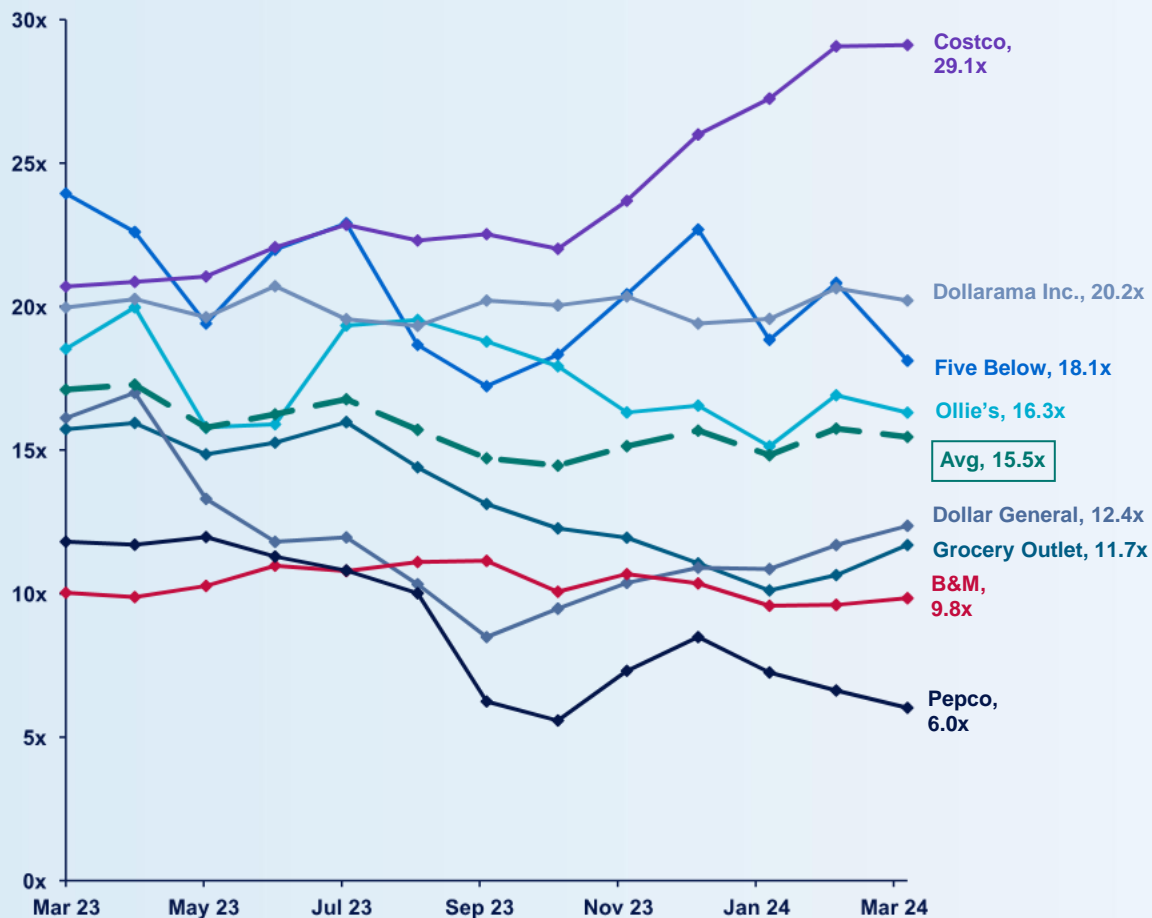
Valuation at 31 March 2023 translates to a 14.4x run-rate EBITDA achieved one year later

Private Equity

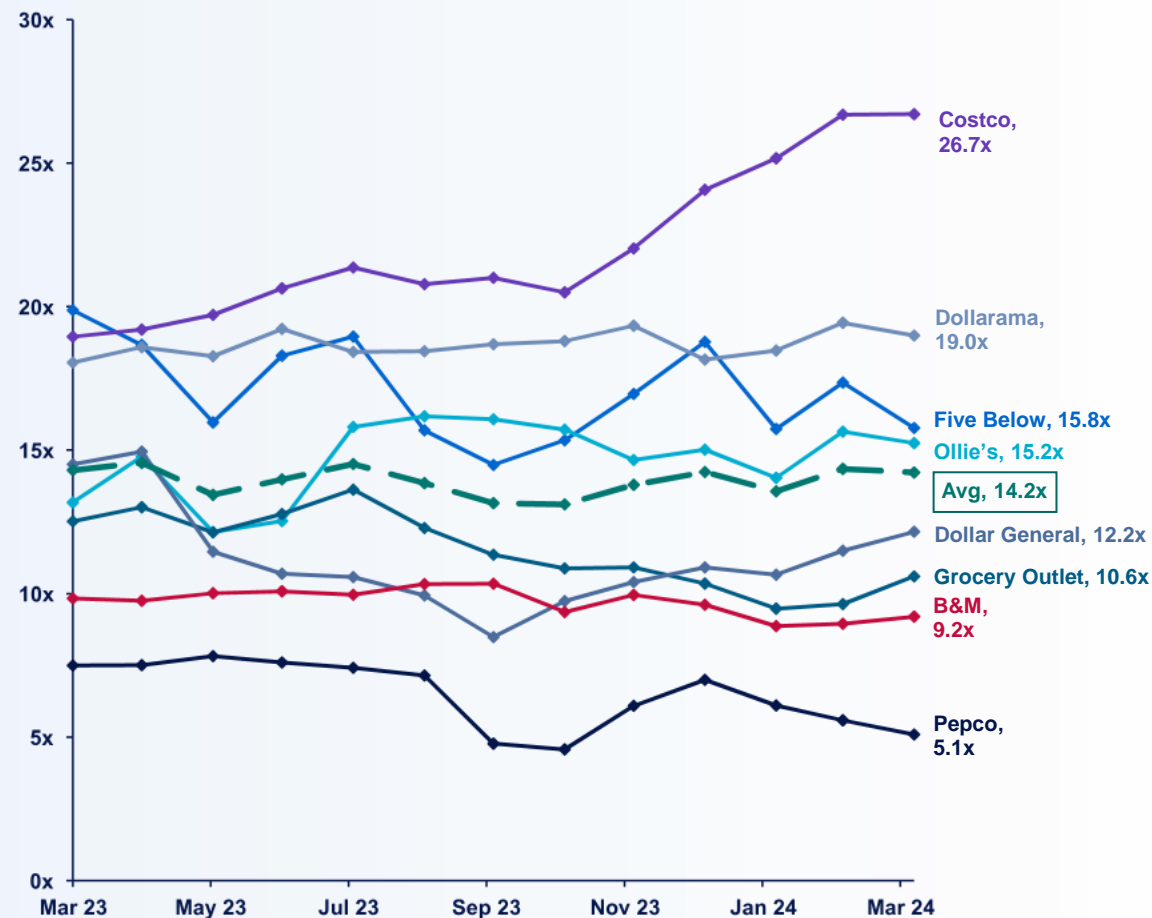
Action – peer group multiples support 18.5x run-rate EBITDA multiple for Action



EV / LTM EBITDA



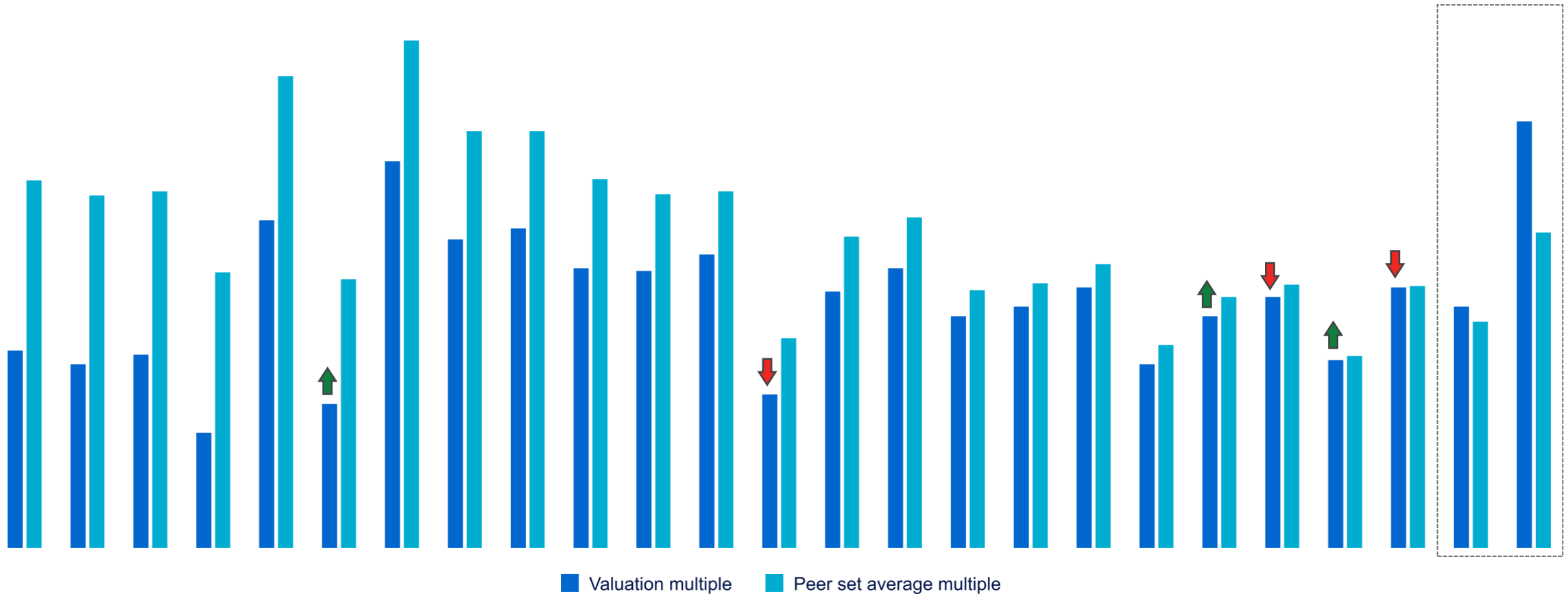
EV / NTM EBITDA



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 two 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.
Note: one asset that was marked down during the year is not included in the chart above, as it was valued on an "other" basis at 31 March 2024.

Private Equity

Good overall portfolio performance



Year to 31 March £ million	2024	2023
Gross investment return	4,059	4,966
of which foreign exchange ¹	(341)	622
GIR % of opening portfolio	25%	40%
Realisations	866	857
Cash investment	556	381

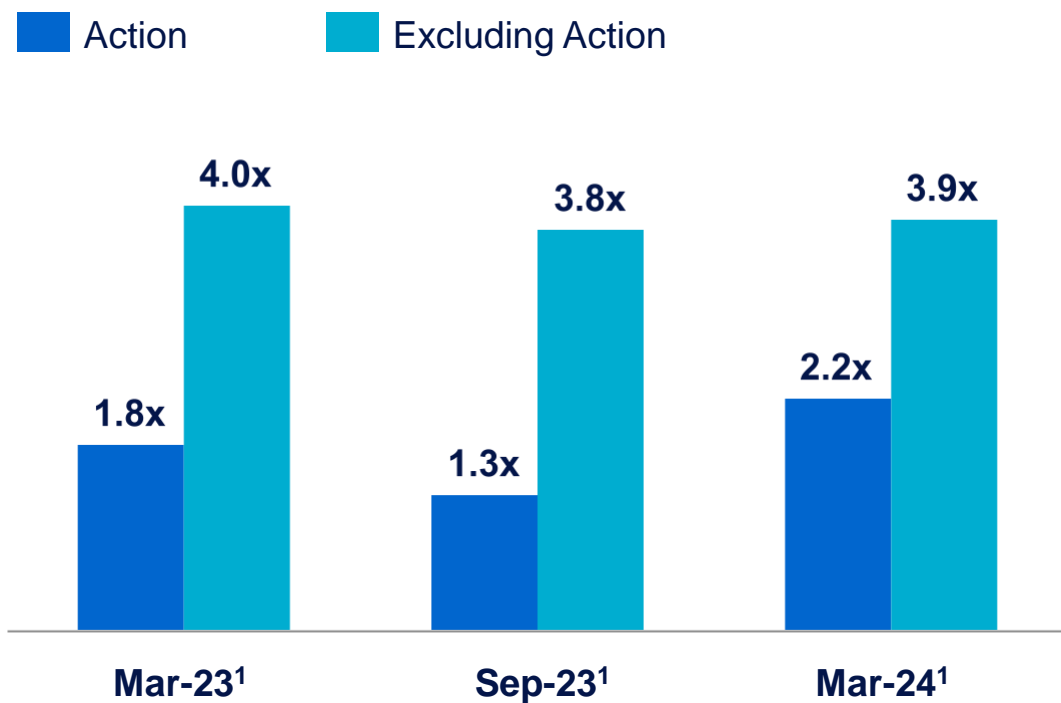
£ million	31 March 2024	31 March 2023
Portfolio Value	19,629	16,425

Note: Investment and realisations may differ to the cashflow due to timing of cash movements.

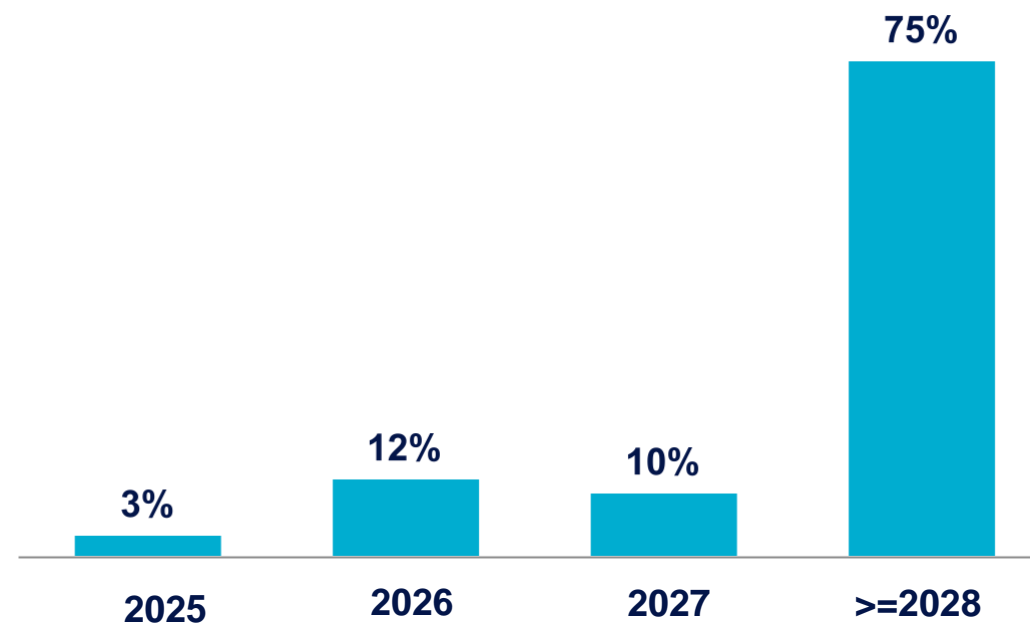
1. Including the impact of foreign exchange hedging



Ratio of total net debt to earnings



Debt maturity (% of fair value)



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

¹ This represents 91% (Sep-23: 93%, Mar-23: 92%) of the Private Equity portfolio by value. Quoted holdings, nexeye, ten23 health, and companies with net cash are excluded from the calculation. Net debt and adjusted earnings as of 31 December 2023 (Sep-23: 30-Jun-23, Mar-23: 31-Dec-22) and Action based on net debt and last 12 months run-rate earnings to the end of P3 2024 (Sep-23: P9 2023, Mar-23: P3 2023).

Private Equity

Carried interest liability reduced in the year

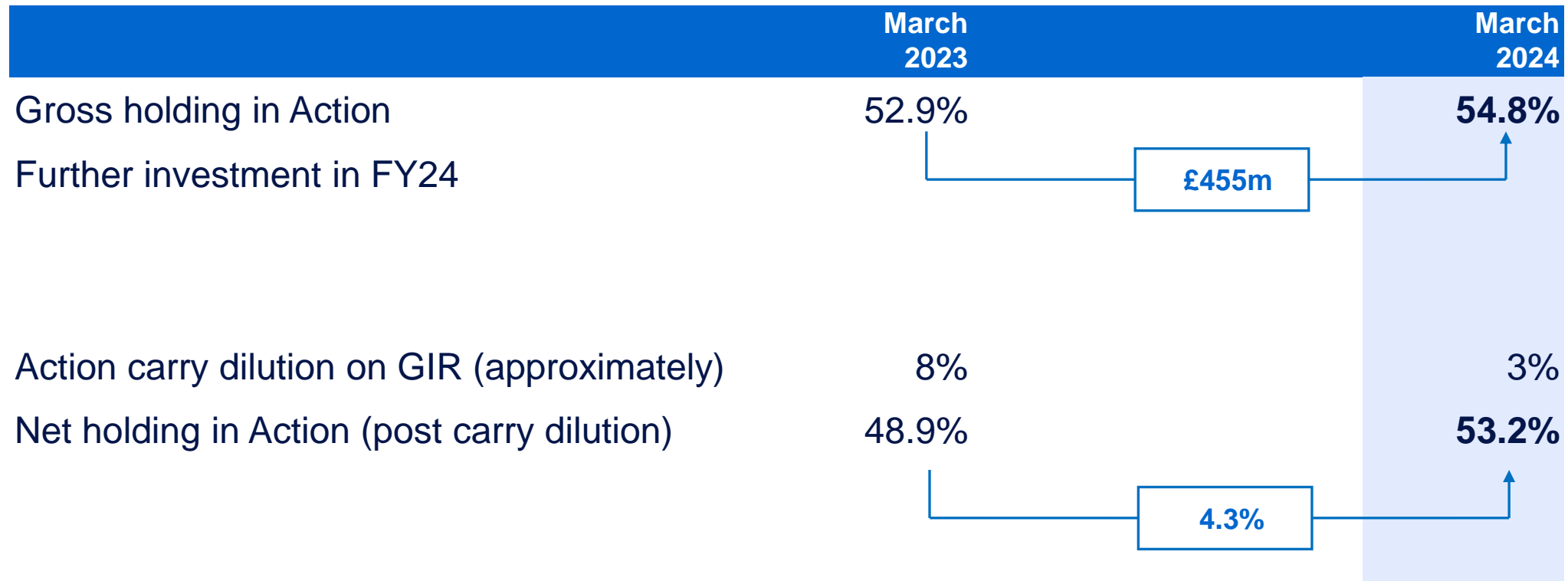


Year to 31 March £ million	2024	2023
Income statement		
Carried interest receivable	–	4
Carried interest payable	(262)	(392)
Net total expense	(262)	(388)

£ million	31 March 2024	31 March 2023
Balance sheet		
Carried interest receivable	5	6
Carried interest payable	(803)	(1,325)
Net total payable	(798)	(1,319)

Private Equity

GIR dilution from Action carried interest payable reduced significantly since March 2023



Infrastructure and Scandlines

Good performance in the year



Year to 31 March £ million	2024	2023
Infrastructure gross investment return	99	86
Unrealised profits on revaluations ¹	72	23
Dividend and interest income from the portfolio	46	47
GIR % of opening portfolio	7%	6%

£ million	31 March 2024	31 March 2023
Infrastructure portfolio value	1,488	1,409

£ million	31 March 2024	31 March 2023
Scandlines value	519	554
Dividend income	25	38

¹ The unrealised value gain of £72 million (2023: £23 million) includes a £38 million unrealised value gain from 3iN (2023: £93 million value loss) and a value gain of £34 million from US Infrastructure and other funds (2023: £116 million).

Operating cash position

Objective to at least break even



Year to 31 March £ million	2024	2023
Private Equity	456	351
<i>Of which Action dividend</i>	375	325
Infrastructure	113	107
Scandlines	25	39
Cash income	594	497
Operating cash expenses ¹	(127)	(133)
Operating cash profit	467	364

¹ Operating cash expenses includes leases paid.



£21,636m

- Portfolio value
- High quality, well constructed portfolio

£396m

- Gross cash, with good counterparty diversification
- c.89% held in AAA-rated money market funds

£1,202m

- Gross fixed term debt made up of bonds expiring 2029, 2032 and 2040
- Average cost of 4.8%

£900m

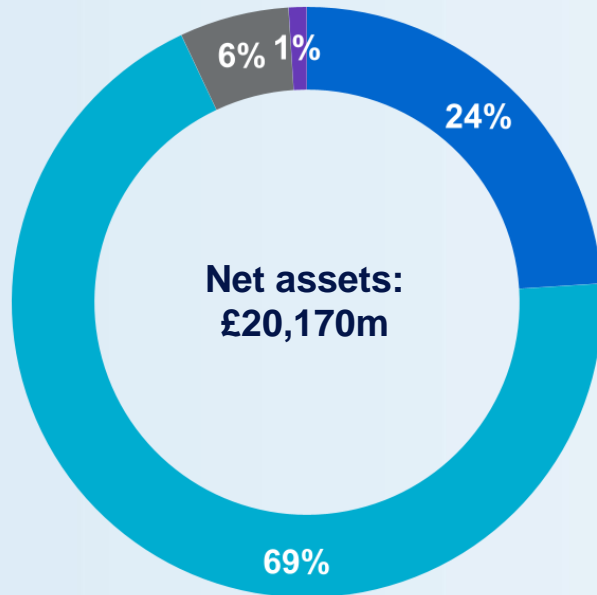
- Undrawn RCF
- Base £500m RCF available until 2027 and additional £400m available until 2026

£1,296m

- Liquidity at 31 March 2024



Net assets by currency 31 March 2024



■ Sterling ■ Euro ■ US dollar ■ Danish krone

75% of net assets exposure is euro or US\$

(in £m)	Foreign exchange movements (excl hedging)	Hedging gain	Total
FY2023	501	122	623
FY2024	(432)	116	(316)

- Foreign exchange hedging programme maintained at €2.6bn (incl. Scandlines) and \$1.2bn
 - partial reduction of FX sensitivity
 - locks rate for future sterling outflows

Including the hedging programme: 1% movement in euro = £140m, 1% movement in US dollar = £12m

Total FY2024 dividend of 61 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 FY2024 dividend of 34.5 pence per share brings total dividend for the year to 61 pence per share**



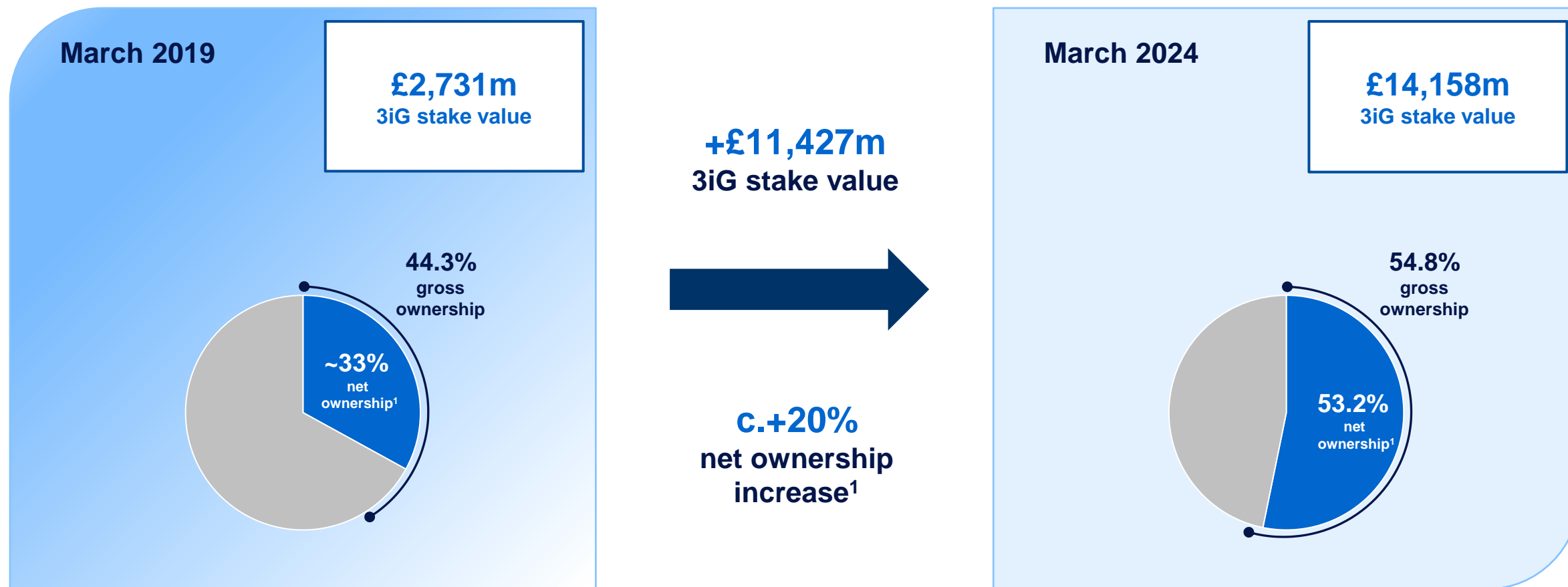
Closing remarks

Simon Borrows
Chief Executive



Action: high-return capital allocation

>£1.1bn further investment in Action over the last five years delivering 41% average returns²



1. Net of carried interest dilution. Mar-19 net ownership based on vintage carried interest payable dilution.
2. Action average GIR FY2020-FY2024 (% over opening value).

3i has significant long-term potential



Permanent capital. Long-term, sustainable approach

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

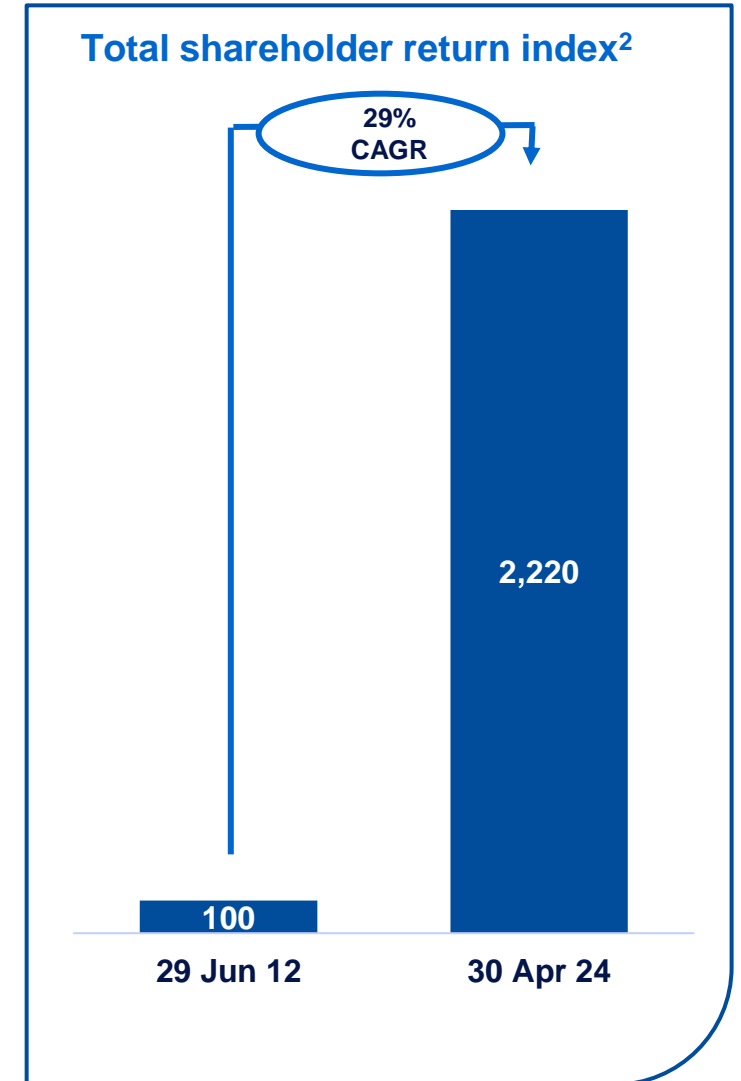
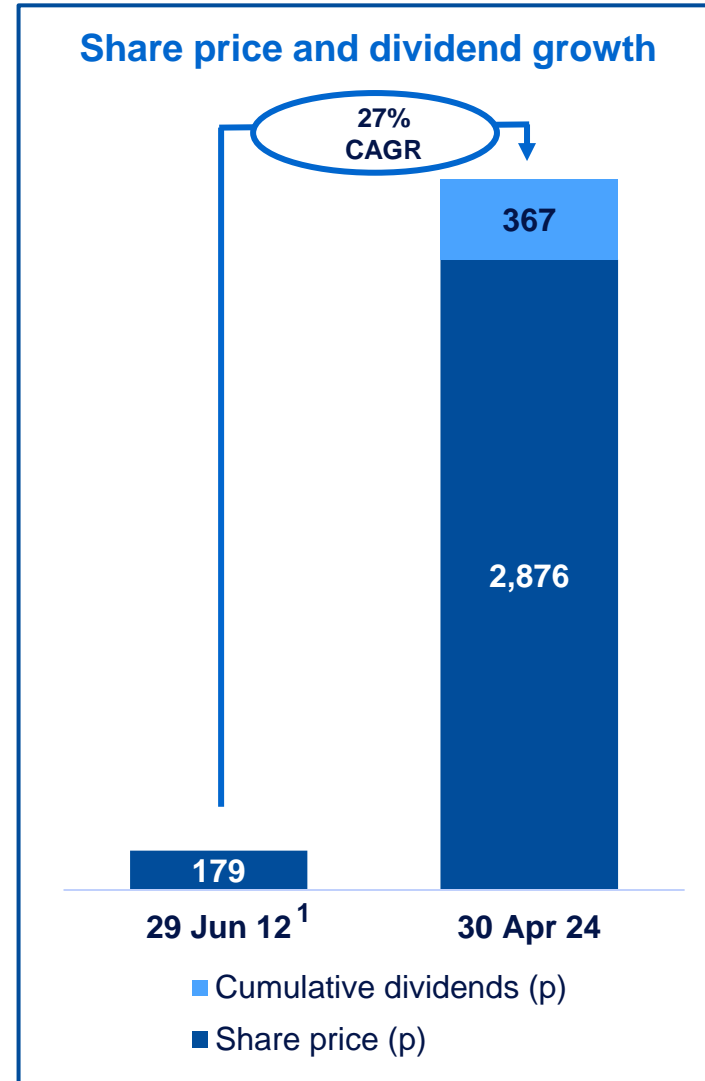
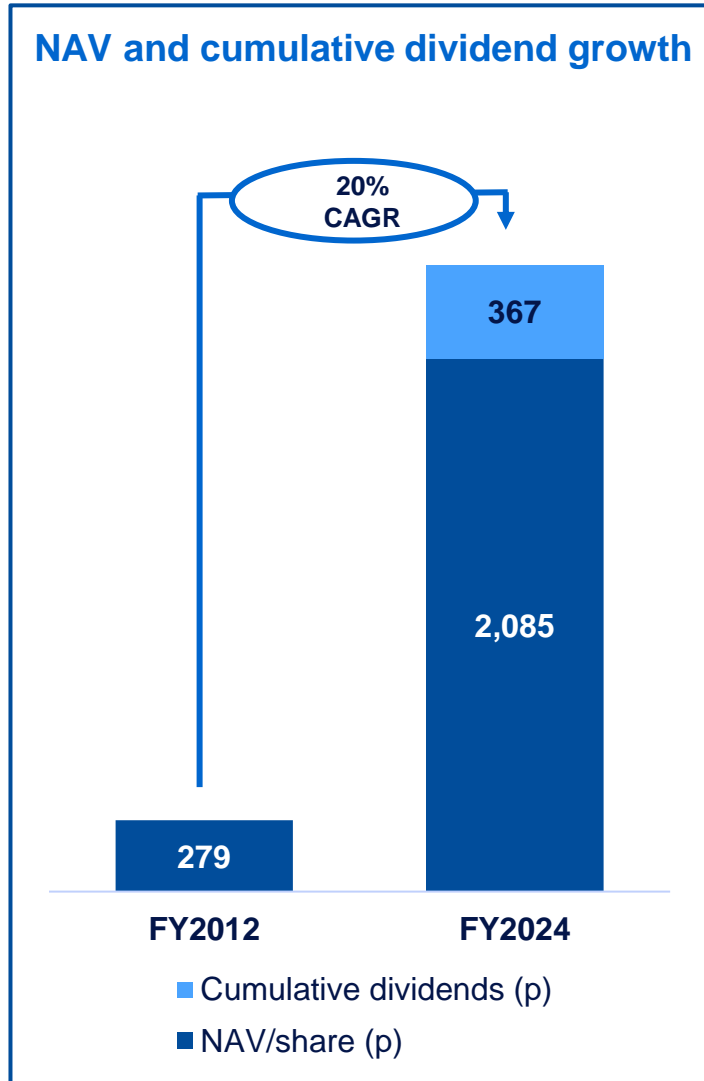
Proven model, underpinned by robust processes, patience and price discipline

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

Strong returns to shareholders since the restructuring in 2012



Source: 3i, Bloomberg.
 1. Announcement of restructuring.
 2. Includes dividends reinvested in 3i shares.

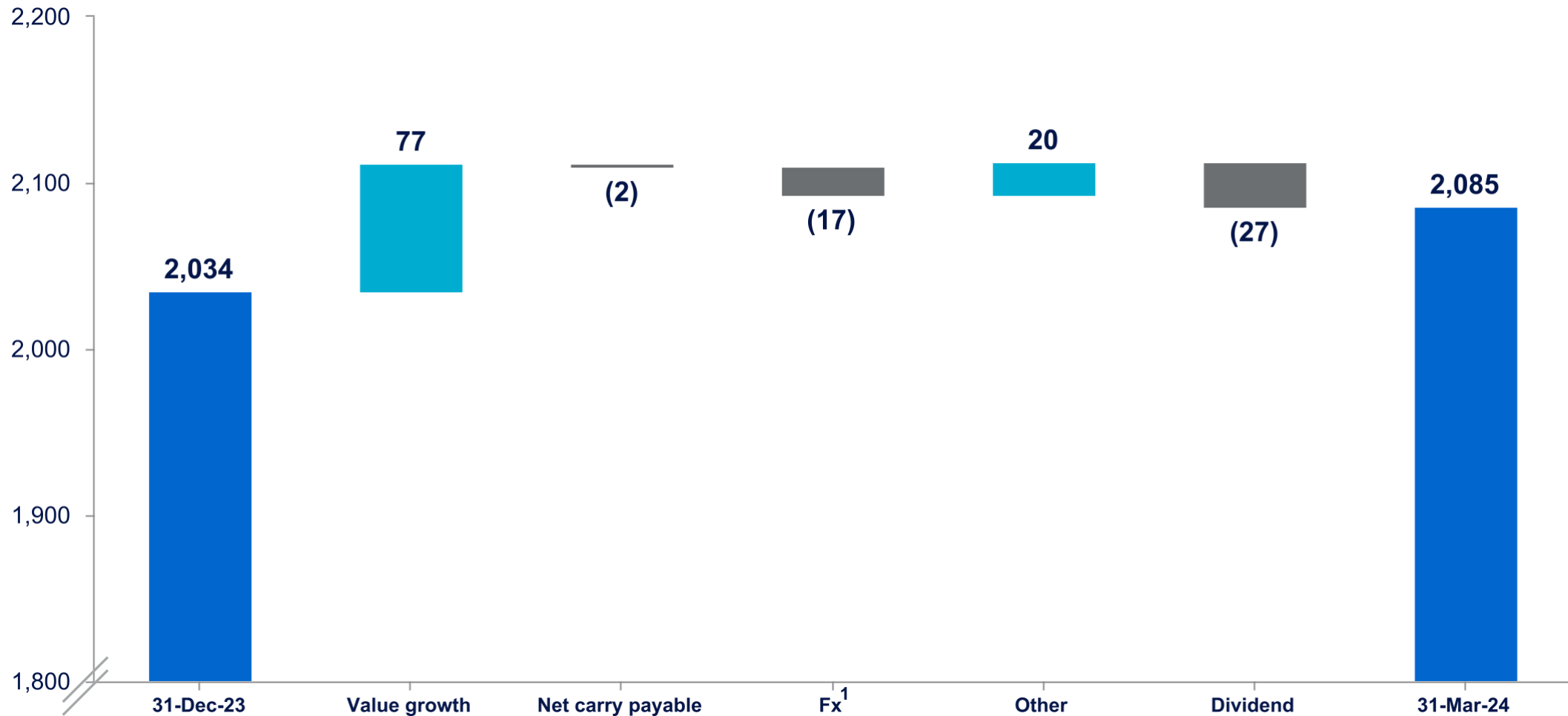


Additional information

Q4 NAV increased from 2,034 pence to 2,085 pence



NAV per share (pence)



1 FX net of derivatives.

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

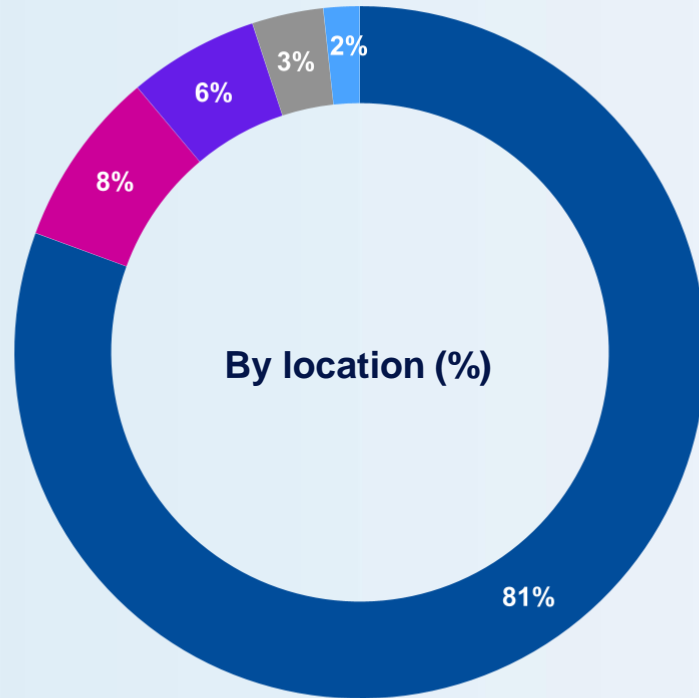
3i Group

20 large investments

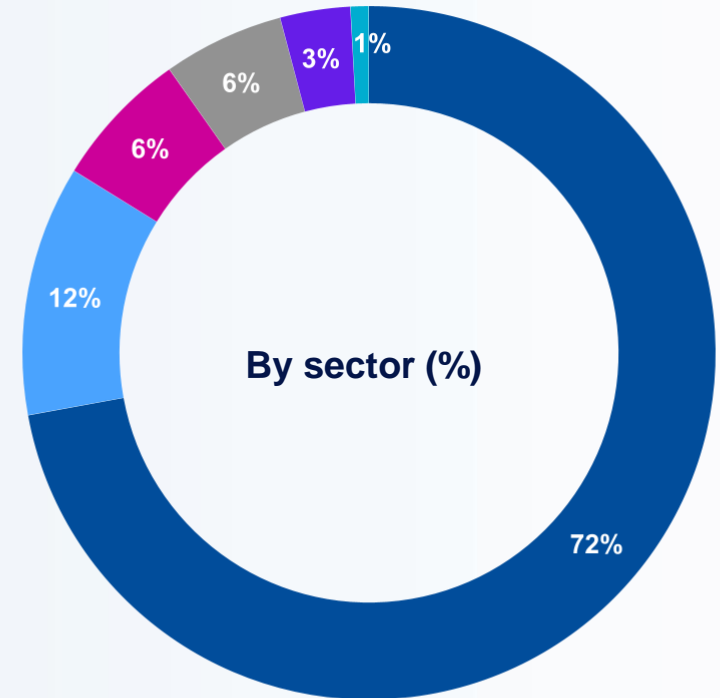


Investment	Business description	Valuation March 2024 (£m)	Valuation March 2023 (£m)
Action	General merchandise discount retailer	14,158	11,188
3i Infrastructure plc	Quoted investment company, investing in infrastructure	879	841
Cirtec Medical	Outsourced medical device manufacturing	586	552
Royal Sanders	Private label and contract manufacturing producer of personal care products	580	369
Scandlines	Ferry operator between Denmark and Germany	519	554
AES Engineering	Manufacturer of mechanical seals and provision of reliability services	403	351
nexeye	Value-for-money optical retailer	377	393
Tato	Manufacturer and seller of specialty chemicals	335	411
SaniSure	Manufacturer, distributor and integrator of single use bioprocessing systems and components	334	389
Evernex	Provider of third-party maintenance services for data centre infrastructure	331	305
Smarte Carte	Provider of self-serve vended luggage carts, electronic lockers and concession carts	306	300
European Bakery Group	Industrial bakery group specialised in home bake-off bread and snack products	267	73
WP	Global manufacturer of innovative plastic packaging solutions	234	274
MPM	An international branded, premium and natural pet food company	233	181
Luqom	Online lighting specialist retailer	222	271
ten23 health	Biologics focused CDMO	192	111
Audley Travel	Provider of experiential tailor-made travel	192	162
Q Holding	Manufacturer of catheter products serving the medical device market	150	117
BoConcept	Urban living designer	133	160
Dynatect	Manufacturer of engineered, mission critical protective equipment	130	128

Private Equity portfolio by value at 31 March 2024



■ Netherlands ■ US ■ UK ■ Germany ■ France



■ Action (Consumer) ■ Consumer ■ Industrial Technology ■ Services ■ Healthcare ■ Software

Portfolio of 36 investments¹

¹ The case count excludes legacy insolvent assets.

