



# Results for the year to 31 March 2025

15 May 2025





# Business review

**Simon Borrows**

Chief Executive



# An excellent result in a challenging market

## Year to 31 March 2025



### Group

Total return  
on equity

25%

NAV  
per share

2,542p

Gearing

3%

Total dividend  
per share

73p

### Private Equity

Gross investment return

26%

Cash invested

£1,177m

Proceeds and dividend  
income

£2,277m

### Infrastructure

GIR

3%

NIR<sup>1</sup>

6%

Cash income

£106m

AUM

£6.3bn

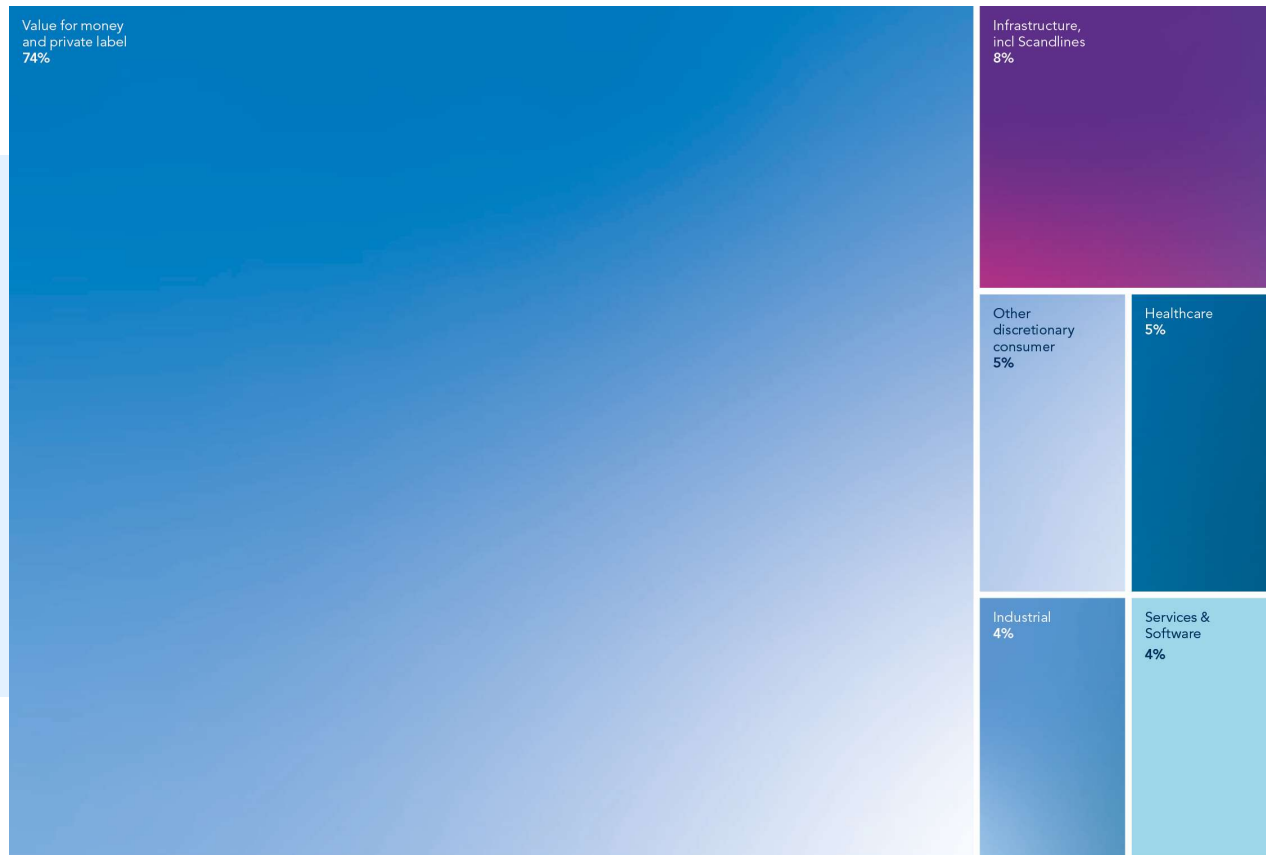
<sup>1</sup> Net Investment Return, including fee income and operating costs.

## Careful portfolio construction

Our portfolio is positioned to offer consistency and resilience across the economic cycle



### Portfolio at 31 March 2025



**Value-for-money and private label, Infrastructure and Healthcare sectors represent 87% of portfolio**



# Private Equity

Strong return driven principally by Action; ex-Action portfolio resilient



## Strong result, driven primarily by Action

- 26% gross investment return for the portfolio overall
- 32% gross investment return for Action
- 6 companies with LTM earnings growth of >20% (excluding Action)
- 97%<sup>1</sup> of portfolio by value growing earnings in the 12 months to December 2024

## Disciplined investment, strong cash generation

- £1.2bn of proprietary capital deployed across new, further and bolt-on investments
- £1.8bn of proceeds generated from realisations and refinancing activity
- £450m of dividend income distributions

## Portfolio performing well

- Defensively positioned, with exposure to sustainable long-term growth trends
- Continued robust performance for the value-for-money, private label and healthcare assets
- Some investments with cyclical exposures (eg recruitment, discretionary consumer spending) weaker in this environment

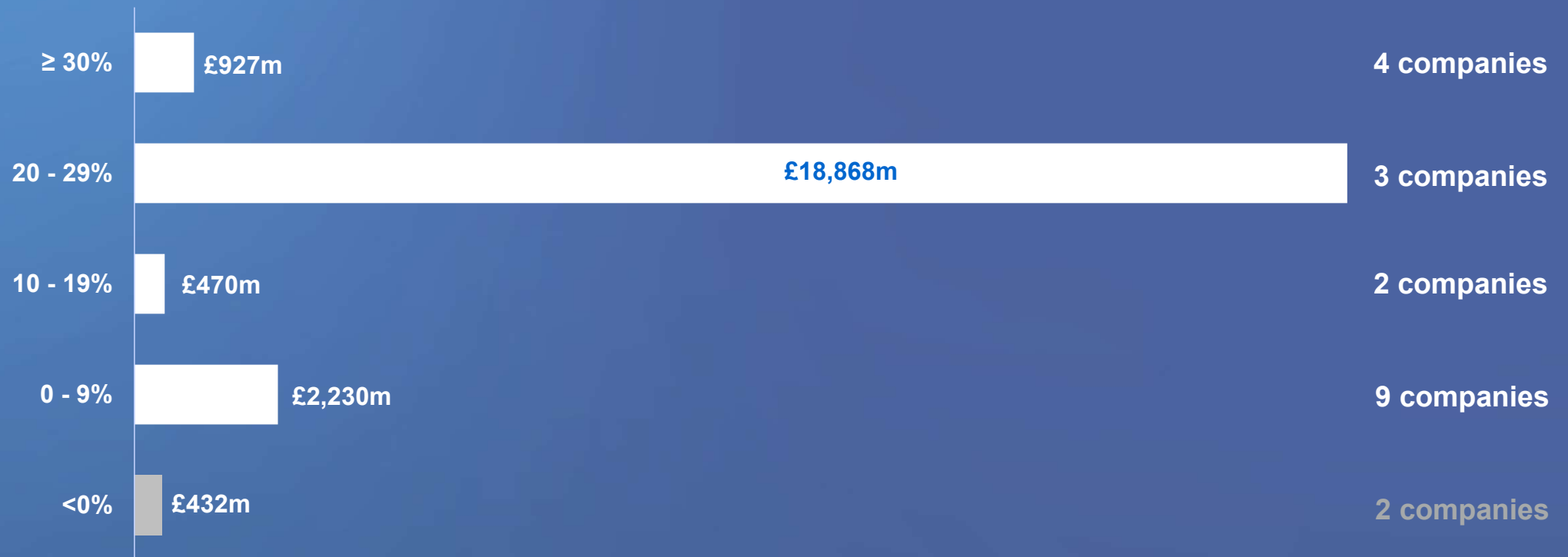
<sup>1</sup> LTM adjusted earnings to 31 December 2024. Includes 30 portfolio companies.

## Private Equity

97% of portfolio companies by value growing earnings



### Portfolio earnings growth of top 20 PE investments<sup>1</sup>







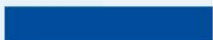

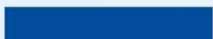

<sup>1</sup> Includes top 20 Private Equity companies by value excluding ten23 health. This represents 97% of the Private Equity portfolio by value (31 March 2024: 96%). Last 12 months' adjusted earnings to 31 December 2024 and Action based on LTM run-rate earnings to the end of P3 2025. P3 2025 runs to 30 March 2025.

# Private Equity

Portfolio performance much improved year-on-year; value movements principally performance driven



## Largest value increases (>£20m)<sup>1</sup>

| Portfolio company      | Value growth (excl FX) | Value at 31 Mar 2025 | Driver of value movement   |
|------------------------|------------------------|----------------------|--|
| Action                 | £4,324m                | £17,831m             |    |
| Royal Sanders          | £256m                  | £865m                |    |
| Audley Travel          | £84m                   | £276m                |    |
| Tato                   | £47m                   | £382m                |    |
| Cirtec Medical         | £41m                   | £614m                |    |
| EBG                    | £37m                   | £278m                |  |
| Q Holding <sup>2</sup> | £25m                   | £172m                |  |
| xSuite                 | £21m                   | £122m                |  |

## Largest value declines (>£20m)

| Portfolio company | Value decline (excl FX) | Value at 31 Mar 2025 | Driver of value movement  |
|-------------------|-------------------------|----------------------|---|
| Wilson            | £88m                    | £39m                 |  |

 Performance  Multiple

<sup>1</sup> One portfolio company has been excluded due to commercial sensitivity

<sup>2</sup> Net of a negative movement in multiple

# Private Equity

We are building a core compounding portfolio selected from our 'origination engine'



## Origination engine

- Investments made 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



- Returns materially in excess of 3i's return objective
- ~159x MM to date on initial investment
- Significant growth and cash flow potential
- Core long-term holding



# Private Equity

Action – strong 2024 performance



**+22%**  
Sales growth

**+29%**  
EBITDA growth

**+10.3%**  
LFL growth

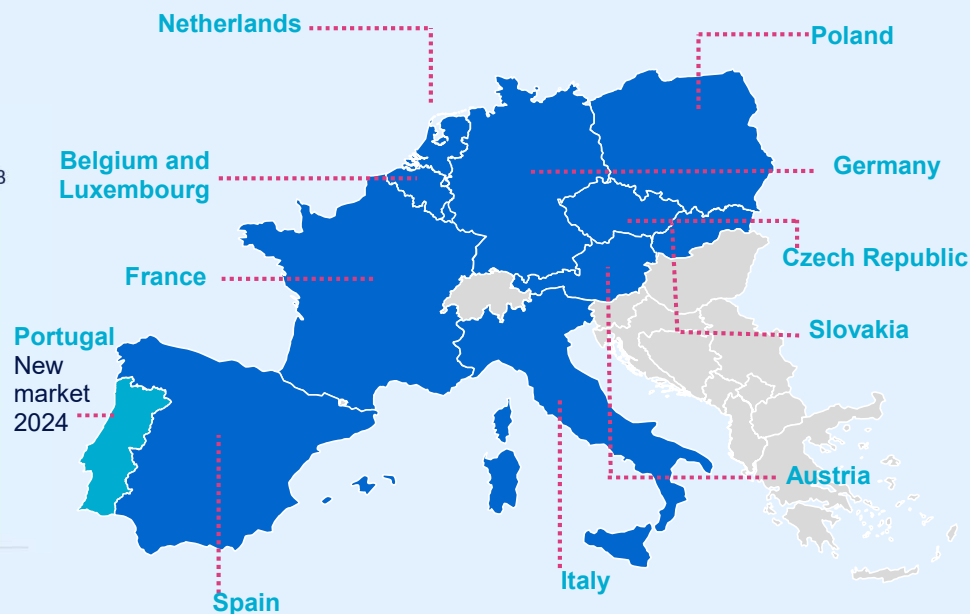
**352**  
Stores added

**2,918**  
Total stores

## An unbroken high growth track record



## Expansion across Europe continues



Note: including impact of 53<sup>rd</sup> week in 2015 and 2020.

## Private Equity

Action – proceeds from share redemption partially redeployed to increase 3i's stake to 57.9%



Gross proceeds to 3i from pro-rata share redemption

**£1,164m**

3i re-investment of proceeds in purchase of Action shares

**£768m**

Net proceeds

**£396m**

3i net interest in Action

From 54.8% to **57.9%**

## Private Equity

### Action – a good start to 2025



- **Robust trading YTD to P3 (30 March 2025)**

- Net sales of €3,521m, up 17.2% on PY
- Operating EBITDA of €464m, up 16.9% on PY
- LFL sales growth of 6.2%
- 49 stores added, vs 42 in PY
- Cash balance of €347m

- **Week 19 data (11 May 2025)**

- year-to-date LFL sales growth of 6.8%
- 76 stores added, vs 64 in same period in PY
- Cash balance of €427m



**Continuing significant investments in expansion capability, including IT, systems and DCs**

## Private Equity

Royal Sanders – continued strong performance vs investment case



### Strong performance against investment case

- Significant organic growth – “winning with the winners”
- Eight bolt-on acquisitions completed since first investment
- Fragmented market with further consolidation opportunities

**£231m**

**Distributions to 3i**  
since investment

### Excellent progress in FY2025

- Strong organic growth
- Historic and recent acquisitions all contributing to earnings
- Bolt-on acquisitions of Karium and Treaclemoon completed in the year

**£256m**

**Value growth**  
year to 31 March 2025

**44%**

**Return over opening value<sup>1</sup>**  
year to 31 March 2025



<sup>1</sup> Pre FX impact.

# Private Equity

Portfolio performance ex-Action resilient



## Consumer & private label

- **EBG** – resilient performance despite rising input and wage inflation; return of £22m of cash to 3i
- **Audley & MPM** – strong 2024 and encouraging start to 2025
- **Discretionary consumer** – good year for Mepal and Luqom, other investments seeing some softness

## Healthcare

- **Cirtec** – strong top line growth
- **SaniSure** – solid rebound after a period of industry-wide destocking
- **ten23** – good progress, further investment of £54m to support development

## Industrial

- **Tato** – good recovery in sales and profitability in challenging markets
- **AES** – strong year supported by strong demand in key end markets
- **Dynatect** – stable, despite delays in ramp-up of key contract

## Services & software

- **Evernex** – stable top-line performance, well positioned for normalisation of market conditions
- **MAIT and xSuite** – good performance and bolt-on activity
- **Wilson** – challenging recruitment market, £6m invested to support business

**US tariffs of little relevance to our portfolio, which has an overwhelmingly domestic European focus**

# Private Equity

Three new investments completed in the year



## Water Wipes

Global premium natural wet wipe brand

**£121m | Ireland | Consumer & Private Label**

- Clear premium segment leader, accredited by allergy institutions
- Market growth due to hygiene awareness and demand for convenience
- 3i will support further international growth and product innovation



## Constellation

IT managed services provider

**£98m | France | Services and Software**

- Strong track record of consolidation since inception in 2016
- Well positioned to be a consolidator in fragmented markets
- 3i to support further organic and acquisition-led growth



## OMS Prüfservice

Specialised testing service provider

**£99m | Germany | Services and Software**

- Largest specialised electrical systems and equipment service provider in DACH
- Well positioned for future growth due to digitalisation of workplaces and outsourcing trends
- 3i supporting further growth in core business and new growth opportunities



## Private Equity

Many of our platform assets continued to grow through acquisitions



KARIUM treaclemoon™



evernex



ma't



TFH technical services



CAD 'N ORG  
ENGINEERING AND CONSULTING GMBH

xSuite  
It's simple. It's digital.



tangro®



armonjie

Feelserv

Note: count excludes asset deals.

## Private Equity

Two full realisations, achieved at good returns



### nexeye

**Value-for-money leader in the in north-west European optical retail**

**Netherlands | Consumer & Private Label**

- Doubled sales and EBITDA during period of ownership through organic growth and a significant acquisition
- £382m net proceeds received
- 2.0x sterling money multiple



### WP

**Provider of innovative packaging solutions**

**Netherlands | Industrial**

- Almost doubled EBITDA during period of ownership through organic growth and four acquisitions
- £280m<sup>1</sup> net proceeds received
- 2.2x sterling money multiple

<sup>1</sup> Including interest income of £3 million. An additional £8 million of deferred consideration was received post year-end in April 2025.

# Infrastructure

Return continues to lag the good performance of the underlying portfolios



## Portfolios continue to perform robustly

- 3% gross investment return, underpinned by our North American and MIA funds and good dividend and interest income
- 6% net investment return, including fee income
- 3iN total return of 10.1% for FY2025, above 8-10% objective, supported by strong realisations (including Valorem, which generated a MM of 3.6x) and other activity

## Good cash income

- £106m in fee and portfolio income
- Good progress in development of North American Infrastructure Fund, with three bolt-on acquisitions by portfolio companies in the year
- AUM of £6.3bn after sale of Operational Projects Fund capability

## Well positioned to deliver growth over the cycle

- Broadly counter-cyclical
- Significant exposure to sustainable growth trends
- Prudently funded

## 3i's science-based emissions reduction targets

Good progress on portfolio targets achieved in year 1



### Portfolio engagement target

3i commits to **31%** of its listed and eligible portfolio by invested capital setting SBTi-validated targets by FY2028 and 100% by FY2040

**23%**

of listed and eligible portfolio by invested capital with SBTi-validated targets by end of FY2025

### Electricity generation portfolio target

3i commits to a **68%** per MWh reduction in GHG emissions from the electricity generation sector within its eligible portfolio by FY2030 from a FY2023 base year

**51%**

per MWh reduction in GHG emissions from electricity generation sector within eligible portfolio by end of FY2025



# Financial review

**James Hatchley**

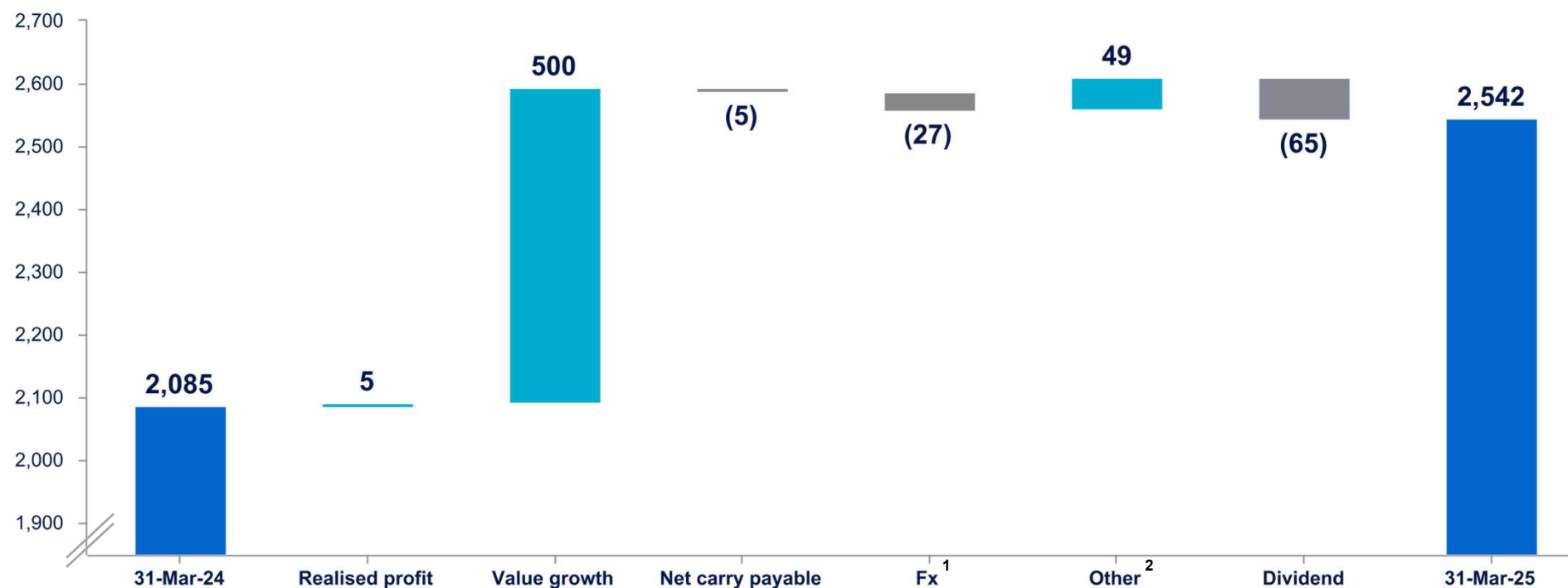
Group Finance Director



Total return on equity of 25% for the financial year



## NAV per share (pence)



**NAV per share up 22% to 2,542 pence**

<sup>1</sup> FX net of derivatives.

<sup>2</sup> Other includes portfolio income, third-party fee income and operating costs.



# Strong value growth against a backdrop of persistent macroeconomic headwinds

£4.8bn value increase driven by our long-term hold assets



## Value movement by basis excluding FX (£ million)



Portfolio value of £25.6 billion

<sup>1</sup> Performance includes value movements relating to earnings and net debt in the period.



## Enterprise value (post discount)



- LTM Operating EBITDA to P3 2025 of €2,143m
- LTM run-rate EBITDA earnings to P3 2025 of €2,328m
- Net debt of €6,290m at P3 2025
- 18.5x (Mar-24: 18.5x) multiple post discount
- 3i equity stake increased to 57.9% (Mar-24: 54.8%)
- Valuation at 31 March 2025 of £17,831m

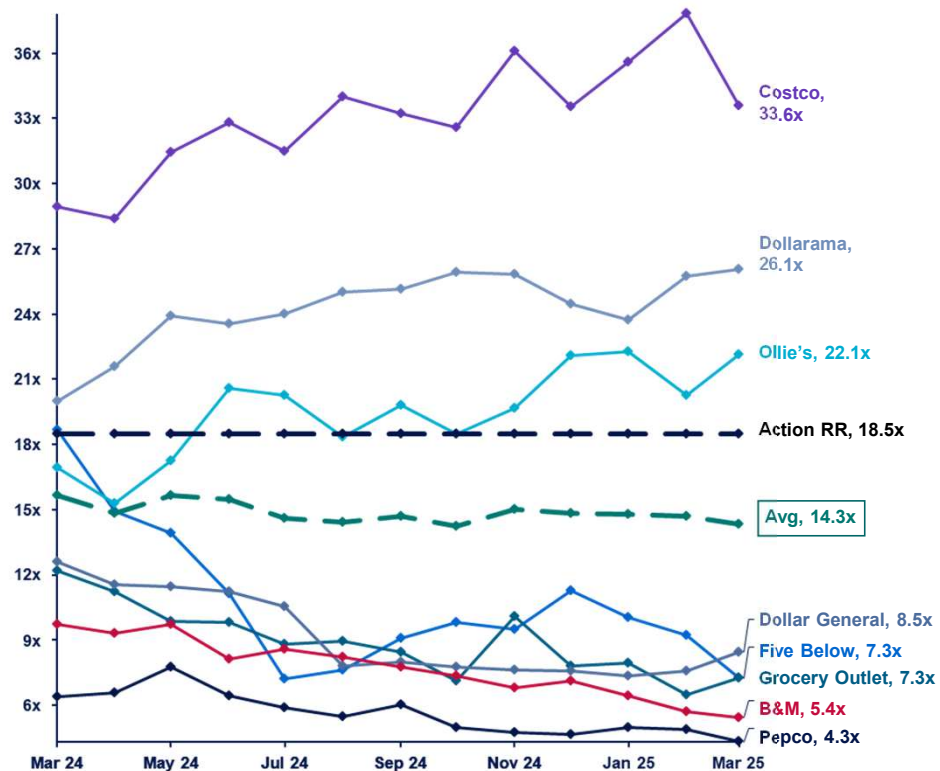
**Valuation at 31 March 2024 translates to a 14.7x RR EBITDA achieved a year later**

# Private Equity

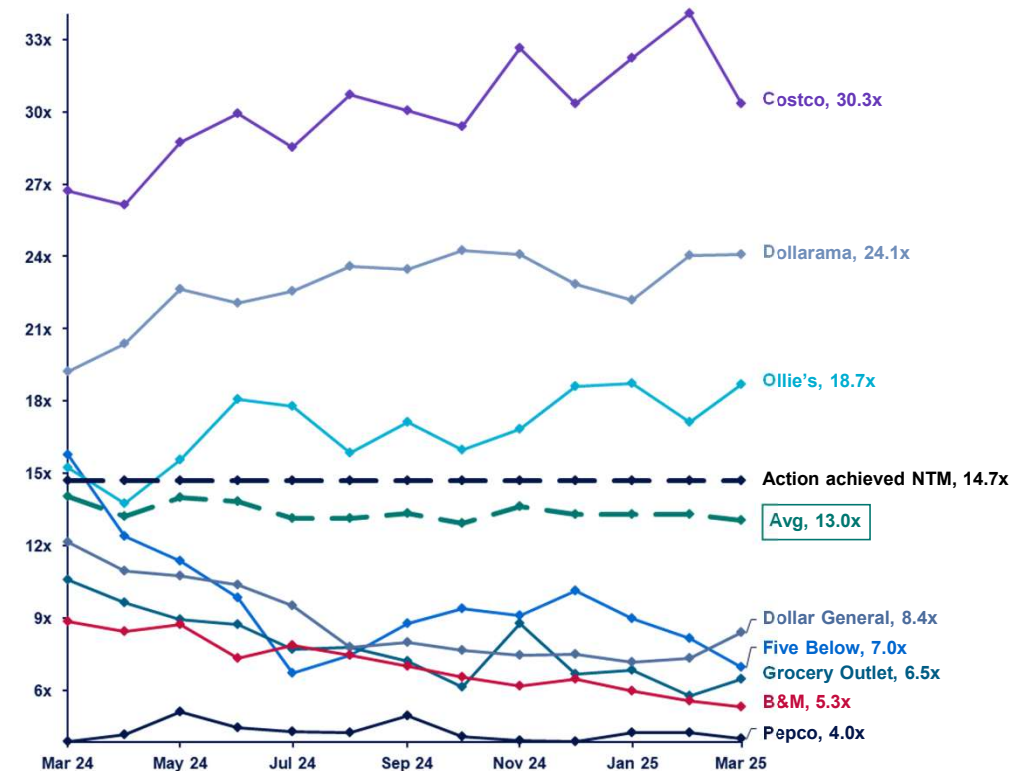
Action – peer group multiples support 18.5x run-rate EBITDA multiple for Action



## EV / LTM EBITDA



## EV / NTM EBITDA



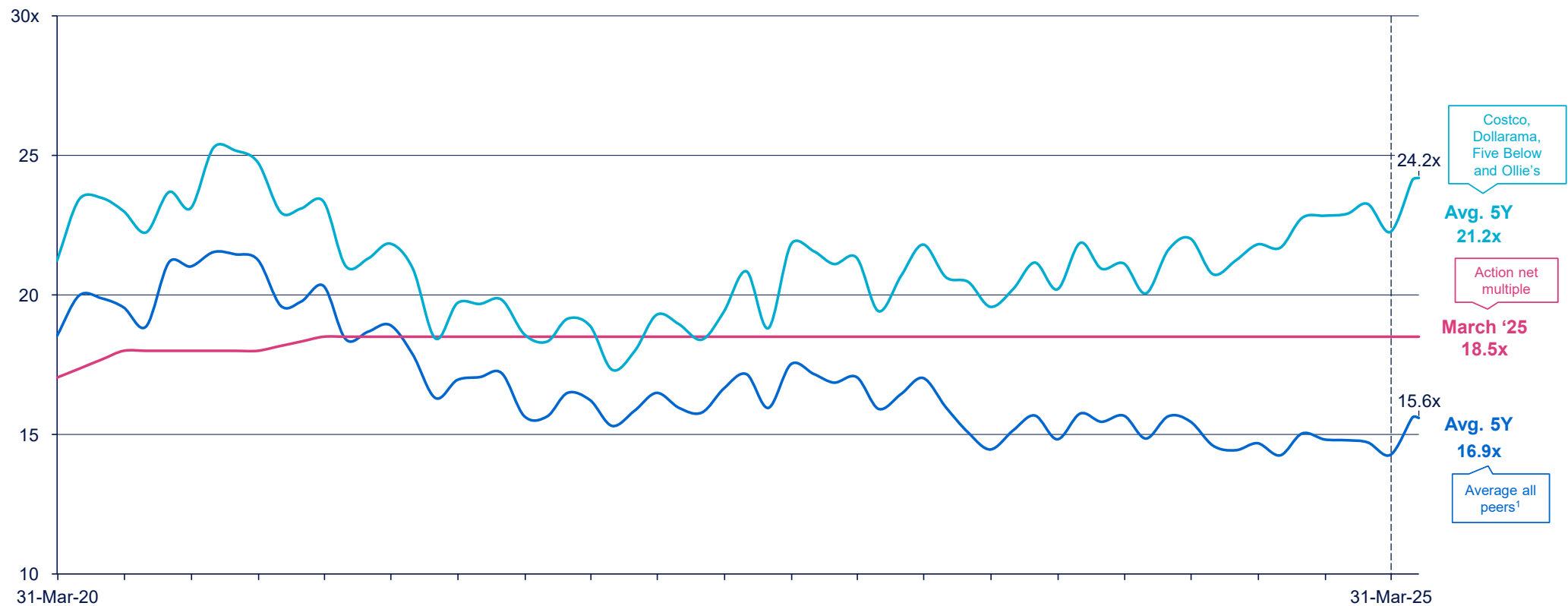
Source: CapIQ.  
Based on pre IFRS-16/ASC 842 multiples.

# Long-term valuation multiples: Action

Last five years to 9 May 2025



## EV / LTM EBITDA

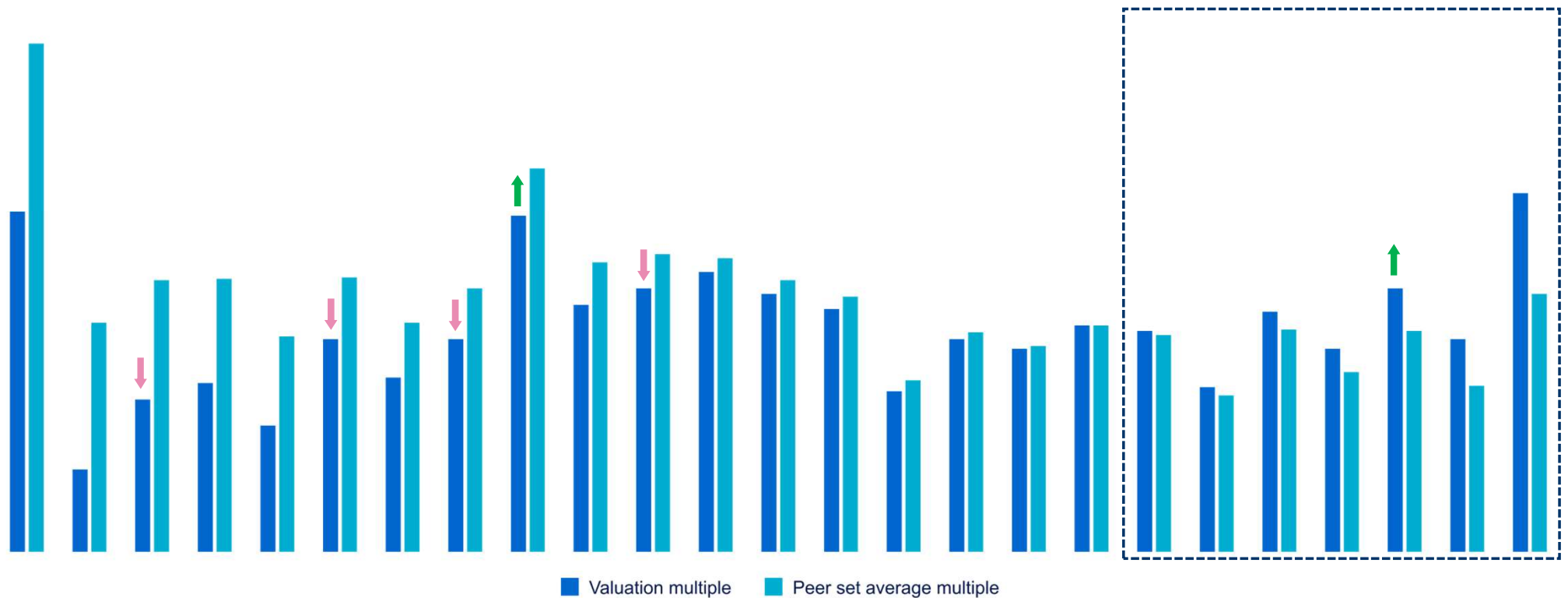


Source: CapIQ.

<sup>1</sup> Peers include B&M, Costco, Dollarama, Dollar General, Five Below, Grocery Outlet, Ollie's Bargain Outlet, Pepco Group

# Private Equity

Our multiples reflect our long-term, through-the-cycle approach to valuations



**Seven companies have valuation marks above their peer set averages as a result of recent market volatility**

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

Good overall portfolio performance including two significant realisations



| Year to 31 March<br>£ million          | 2025         | 2024  |
|--|--------------|-------|
| Gross investment return                | 5,113        | 4,059 |
| of which foreign exchange <sup>1</sup> | (273)        | (341) |
| GIR % of opening portfolio             | 26%          | 25%   |
| <b>Realisations</b>                    | <b>1,827</b> | 866   |
| <b>Cash investment</b>                 | <b>1,177</b> | 556   |

| £ million       | 31 March<br>2025 | 31 March<br>2024 |
|-----------------|------------------|------------------|
| Portfolio Value | <b>23,558</b>    | 19,629           |

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

<sup>1</sup> Including the impact of foreign exchange hedging.

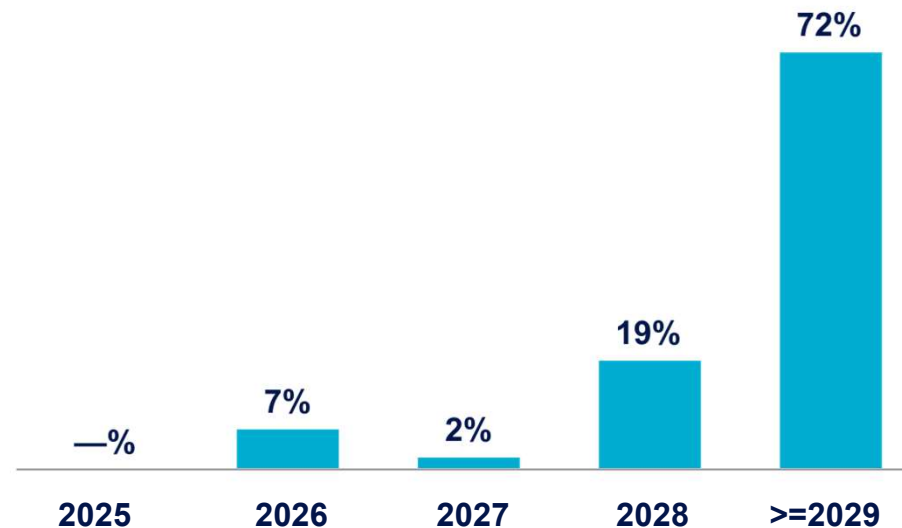
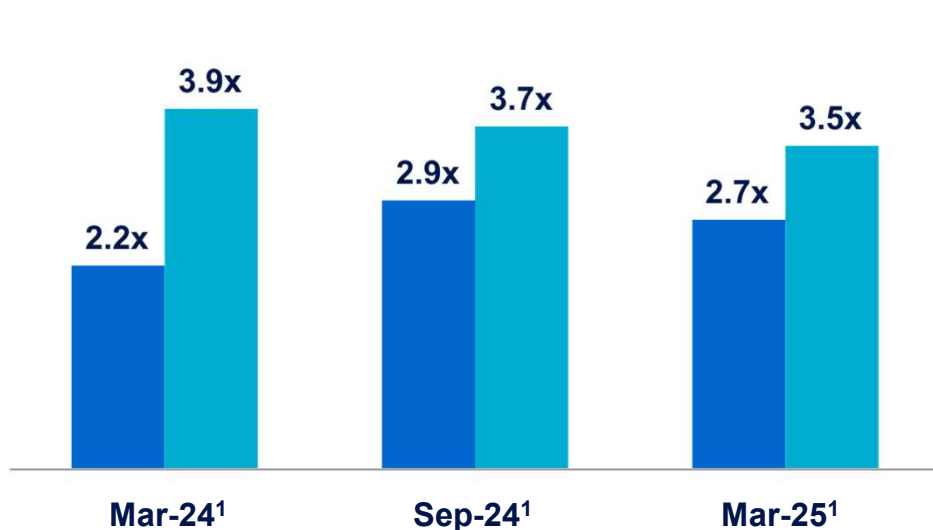




## Ratio of total net debt to earnings

## Debt maturity (% of portfolio debt)

■ Action    ■ Excluding Action



**91% of debt matures between 2028 and 2032**

<sup>1</sup> This represents 93% (Sep-24: 92%, Mar-24: 91%) of the Private Equity portfolio by value. Quoted holdings, deferred consideration, ten 23health, insightsoftware and companies with net cash are excluded from the calculation. Net debt and adjusted earnings as of 31 December 2024 (Sep-24: 30-Jun-24, Mar-24: 31-Dec-23) and Action based on net debt and last 12 months run-rate earnings to the end of P3 2025 (Sep-24: P9 2024, Mar-24: P3 2024).

# Infrastructure and Scandlines

Steady returns in the year



| Year to 31 March<br>£ million                   | 2025 | 2024 |
|---|------|------|
| Infrastructure gross investment return          | 52   | 99   |
| Realised profits/(losses) over value            | 1    | (4)  |
| Unrealised profit on revaluations <sup>1</sup>  | 17   | 72   |
| Dividend and interest income from the portfolio | 49   | 46   |
| Fees payable                                    | (4)  | (6)  |
| Foreign exchange                                | (11) | (9)  |
| GIR % of opening portfolio                      | 3%   | 7%   |

| £ million                      | 31 March 2025 | 31 March 2024 |
|--------------------------------|---------------|---------------|
| Infrastructure portfolio value | 1,492         | 1,488         |

| £ million        | 31 March 2025 | 31 March 2024 |
|------------------|---------------|---------------|
| Scandlines value | 529           | 519           |
| Dividend income  | 22            | 25            |

<sup>1</sup> The unrealised value gain of £17 million (2024: £72 million) includes a £23 million unrealised value loss from 3iN (2024: £38 million value gain) and a value gain of £40 million primarily from the North American infrastructure portfolio and other funds (2024: £34 million).

## Operating cash position

Objective to at least break even



| Year to 31 March<br>£ million        | 2025       | 2024  |
|--------------------------------------|------------|-------|
| Private Equity                       | 470        | 456   |
| <i>of which Action dividend</i>      | 433        | 375   |
| Infrastructure                       | 106        | 113   |
| Scandlines                           | 22         | 25    |
| <b>Cash income</b>                   | <b>598</b> | 594   |
| Operating cash expenses <sup>1</sup> | (129)      | (127) |
| <b>Operating cash profit</b>         | <b>469</b> | 467   |

<sup>1</sup> Operating cash expenses includes leases paid.

# Simple balance sheet and conservative capital management

At 31 March 2025



## Portfolio value

- High quality, well constructed portfolio

**£25,579m**

## Gross cash

- Held centrally with no material restrictions
- 93% held in AAA-rated money market funds

**£423m**

## Gross fixed term debt

- Made up of bonds expiring 2029, 2032 and 2040
- Average cost of 4.8%

**£1,194m**

## Capital management

- Upgraded ratings from S&P (A- stable) and Moody's (A3 stable)



## Undrawn RCF

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

**£900m**

## Liquidity

**£1,323m**

**Aim to operate within a range of net cash equivalent to ~2.5% NAV  
and a level of net debt equivalent to ~5% of NAV**

## Private Equity

Carried interest payable now free from Action accrual



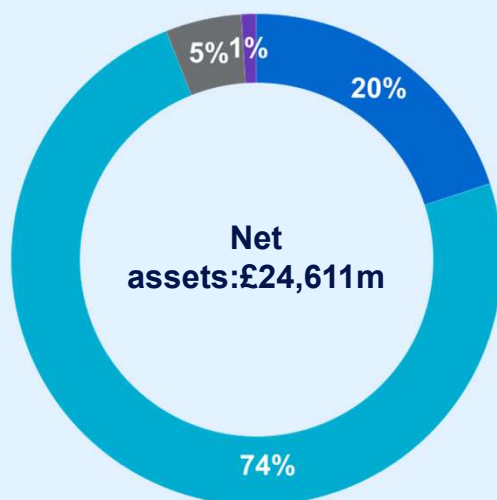
| Year to 31 March<br>£ million | 2025 | 2024  |
|-------------------------------|------|-------|
| Income statement              |      |       |
| Carried interest payable      | (70) | (262) |

| £ million                   | 31 March 2025 | 31 March 2024 |
|-----------------------------|---------------|---------------|
| Balance sheet               |               |               |
| Carried interest receivable | 4             | 5             |
| Carried interest payable    | (348)         | (803)         |
| <b>Net total payable</b>    | <b>(344)</b>  | <b>(798)</b>  |

## Net asset exposure by currency



### Net assets by currency<sup>1</sup> 31 March 2025



■ Sterling ■ Euro ■ US dollar ■ Danish krone

**79% of net assets denominated in euro or US\$**

| (in £m) | Foreign exchange movements<br>(excl hedging) | Hedging impact | Total |
|---------|--|----------------|-------|
| FY2024  | (432)  | 116            | (316) |
| FY2025  | (341)  | 82             | (259) |

- Foreign exchange hedging programme in FY2025 maintained at €2.6bn (incl. Scandlines) and \$1.2bn
  - partial reduction of FX sensitivity
  - locks rate for future sterling outflows
- In April 2025, completed a further €400m of forward foreign exchange contracts to increase the notional value of the euro foreign exchange hedging programme to €3.0bn

**Including the hedging programme: 1% movement in euro = £179m<sup>2</sup>, 1% movement in US dollar = £12m**

<sup>1</sup> The sterling segment includes both the UK-based portfolio and the effect of the hedging programme.

<sup>2</sup> Sensitivity based on net assets at 31 March 2025 including the further Euro hedging in April 2025.



Total FY2025 dividend of 73 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 FY2025 dividend of 42.5 pence per share brings total dividend for the year to 73 pence per share**



# Closing remarks

**Simon Borrows**

Chief Executive



## Our approach to portfolio construction underpins consistent and resilient performance over time



### Portfolio is resilient through the cycle...

- Carefully constructed, with exposure to defensive sectors and long-term growth trends
- Actively managed for growth
- Prudently leveraged
- Cash generative

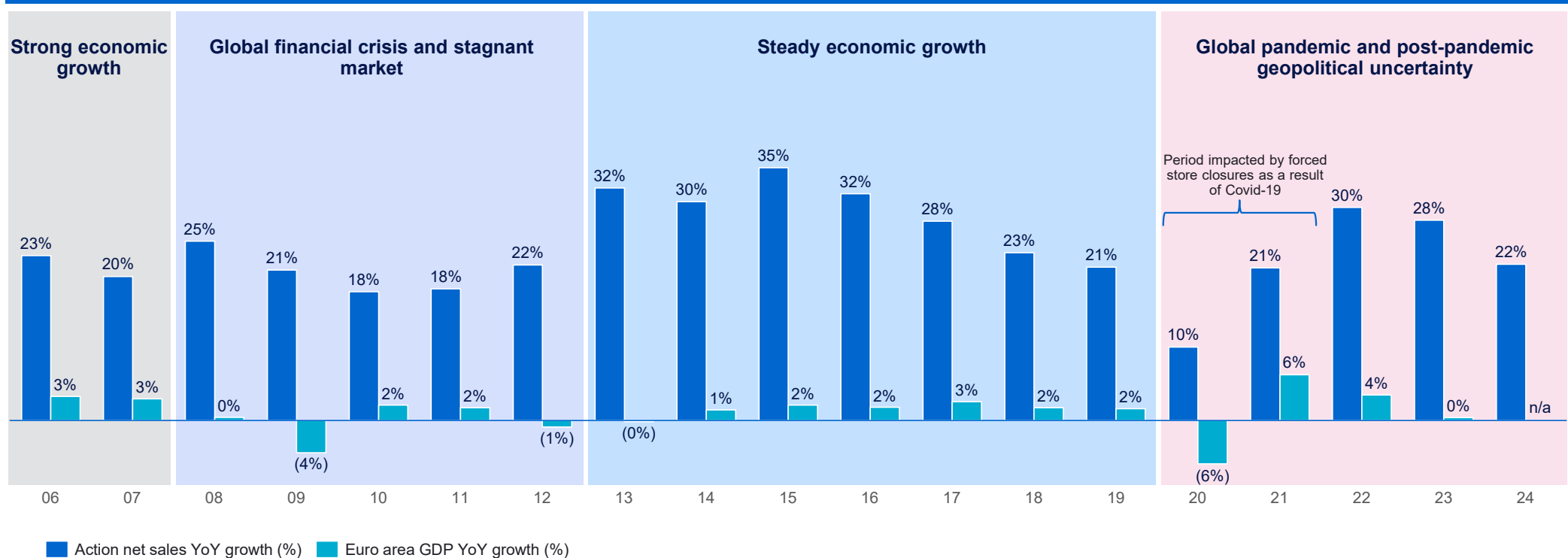
### ...and to external shocks

- Proven track record of resilience through past shocks, eg Covid
- Overwhelming domestic European focus, and no material direct exposure to current proposed changes to US tariffs
- Likely benefit from redirection of trade flows from Far East into Europe

# Action has a track record of delivering strong growth through all phases of the economic cycle

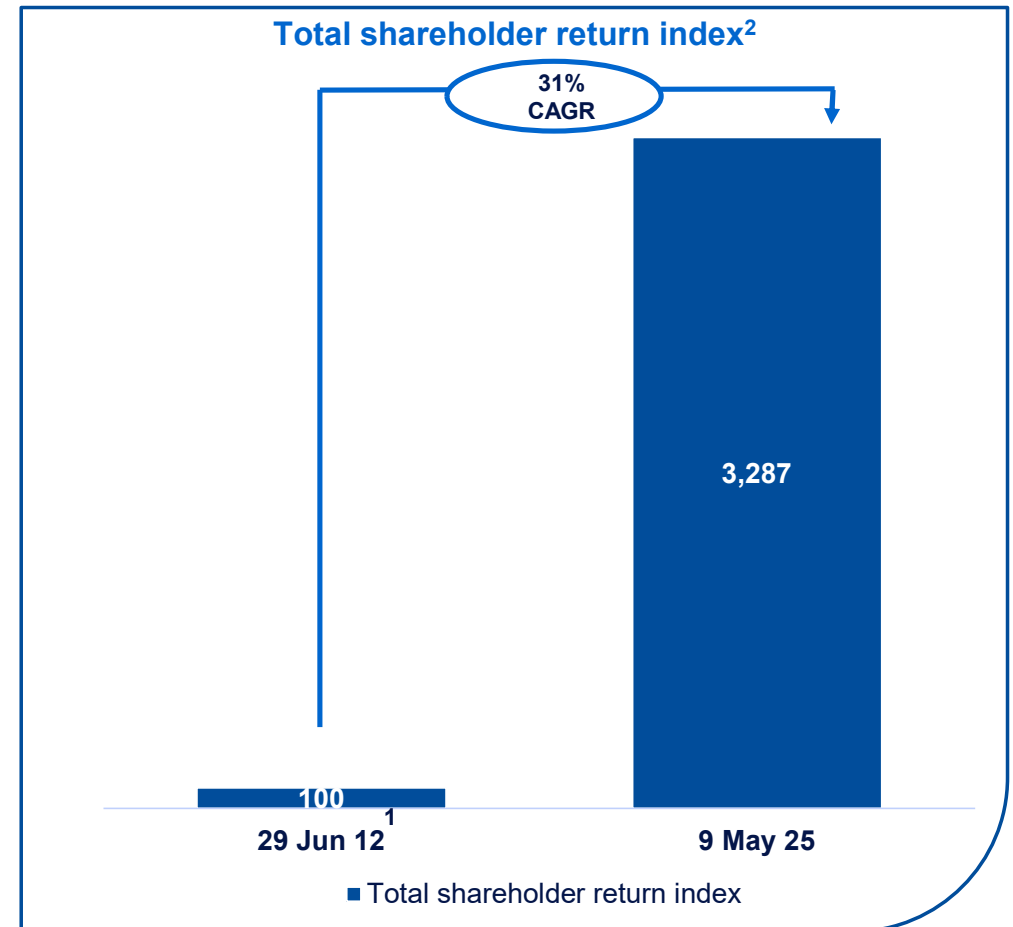
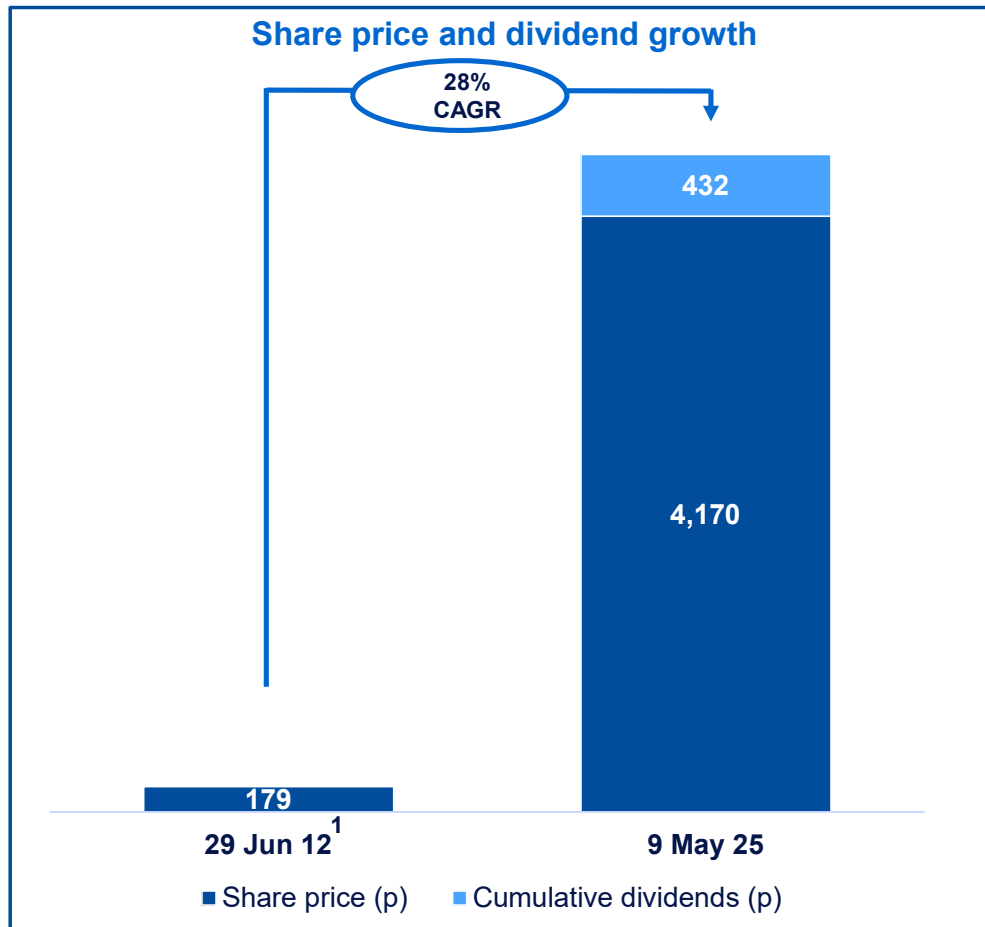


**Action net sales<sup>1</sup> vs. economic development**



Source: World Bank.  
<sup>1</sup> Including impact of 53rd week in 2015 and 2020.

Our approach has supported the delivery of strong returns since our restructuring in 2012



Source: 3i, Bloomberg.

1 Announcement of restructuring.

2 Includes dividends reinvested in 3i shares.

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

Compounding growth platforms in Action, Royal Sanders and other consumer and healthcare assets

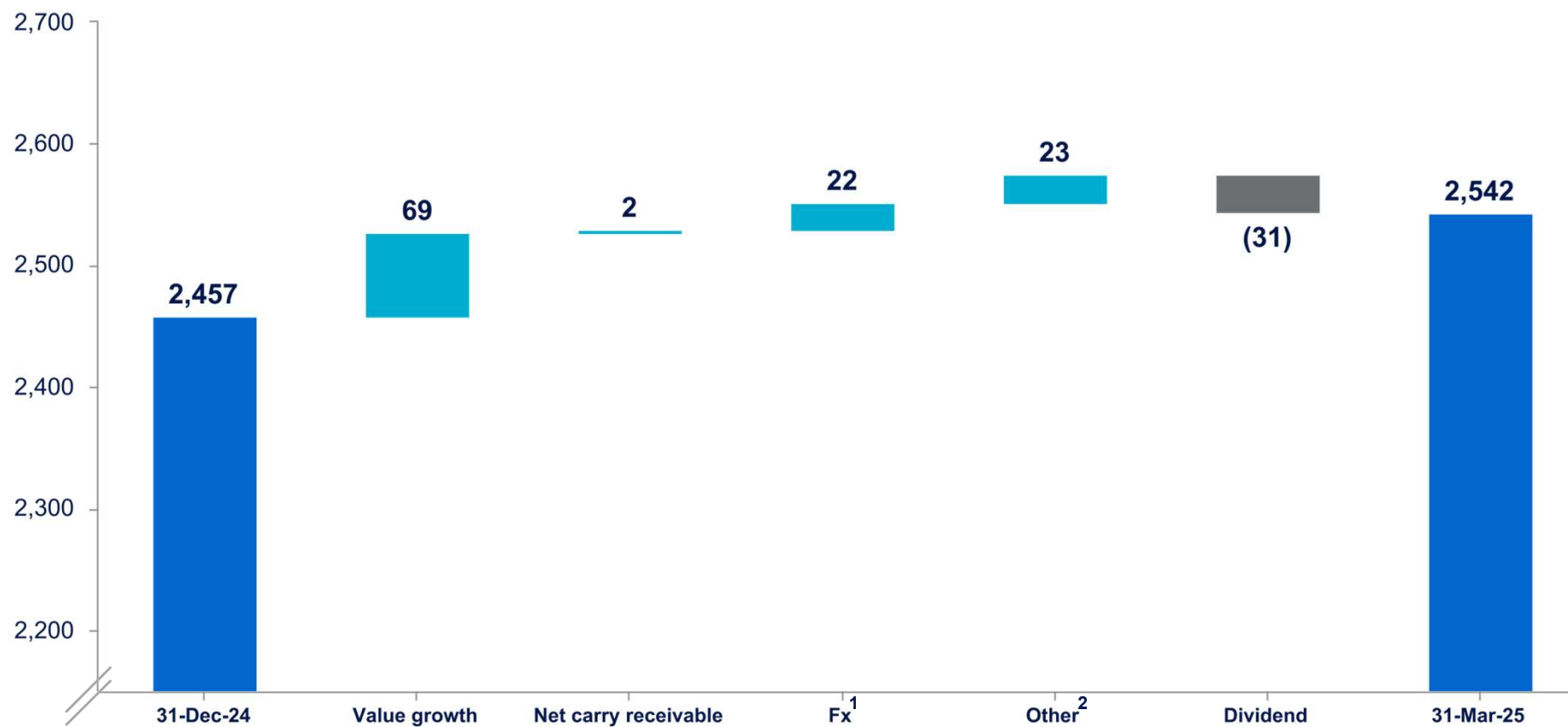


## Additional information

Q4 NAV increased from 2,457 pence to 2,542 pence



## NAV per share (pence)



<sup>1</sup> FX net of derivatives.

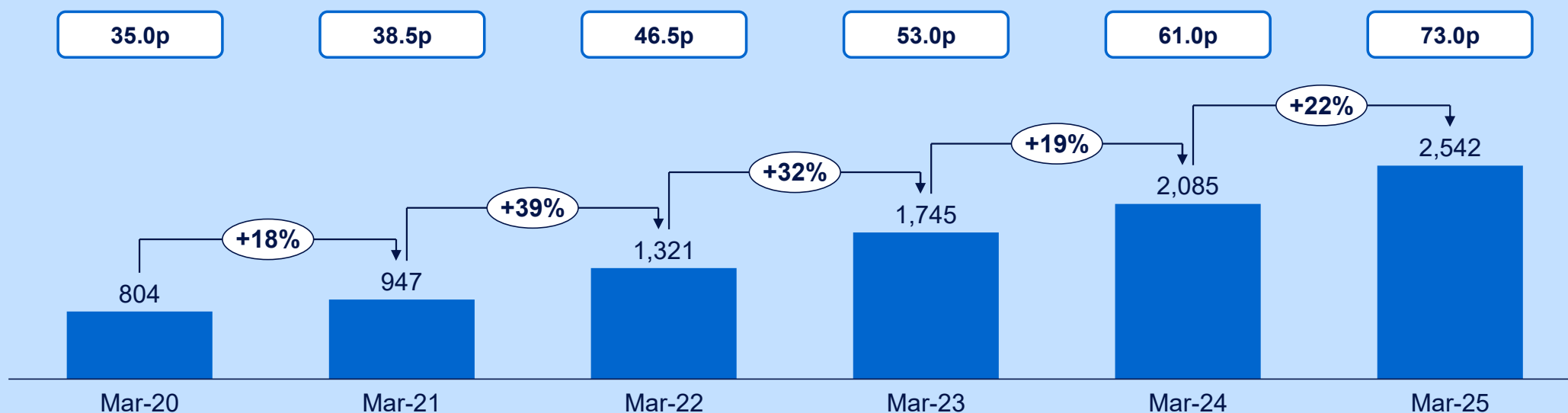
<sup>2</sup> Other includes portfolio income, third-party fee income and operating costs.



## 3i Group is delivering consistently strong returns



NAV per share and declared dividend per share, GBPp

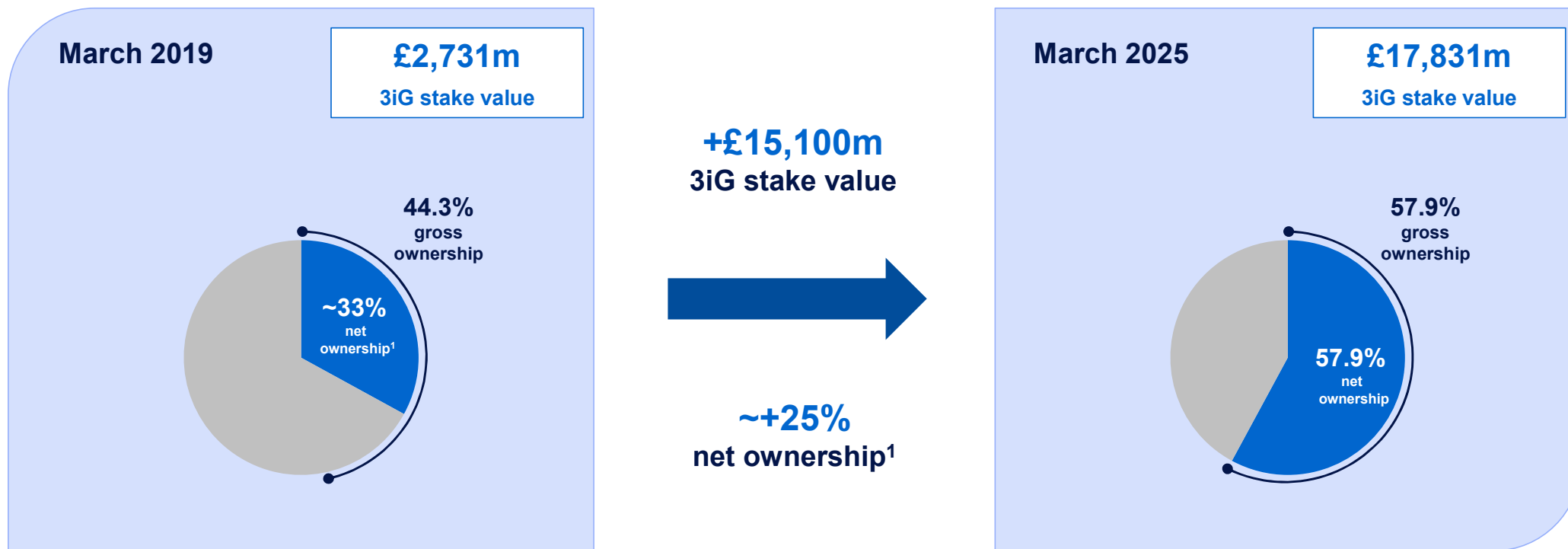


**30%** average total return<sup>1</sup> and **16%** DPS CAGR since FY2020

<sup>1</sup> Average FY21-FY25 as percentage of opening shareholders' funds.

# Private Equity

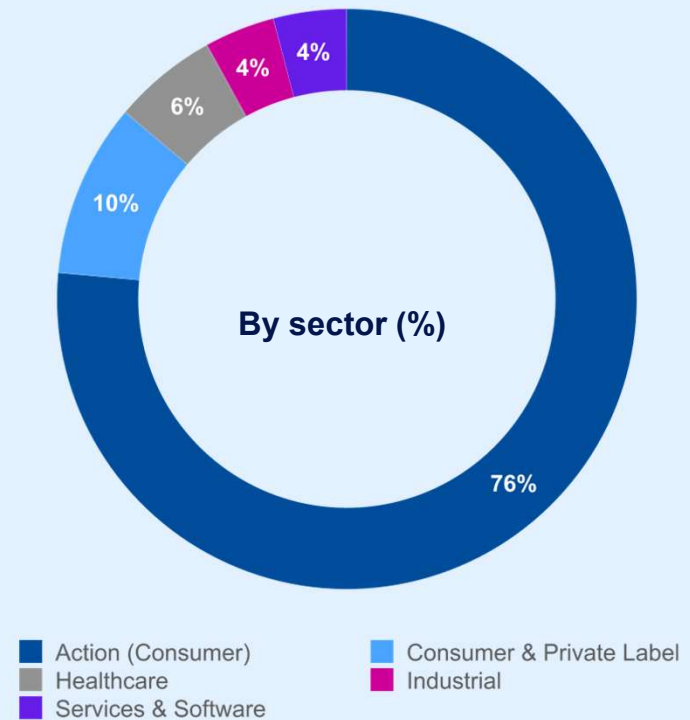
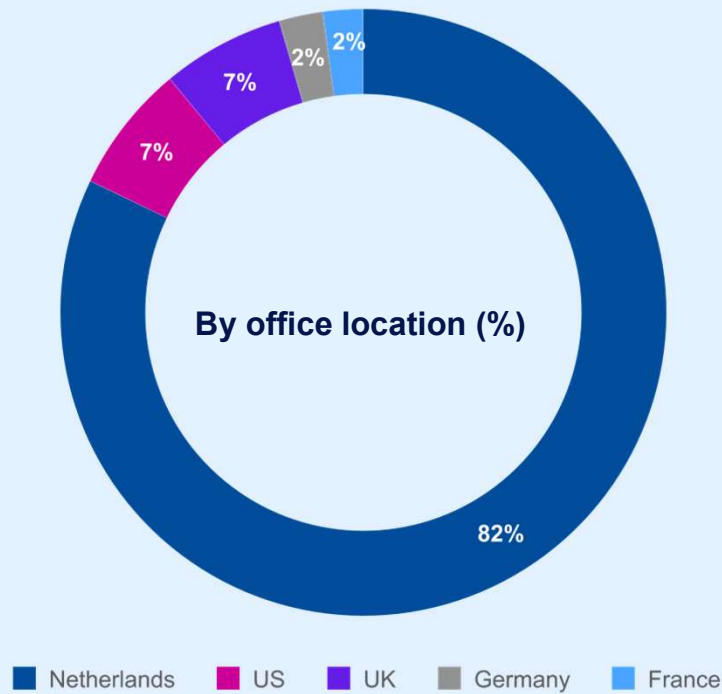
Action carry fully crystallised in the year - no future dilution to returns



**~25%** net holding increase since Mar-19 given **£1.9bn** further investments and extinction of carried interest liability

<sup>1</sup> Net of carried interest dilution. Mar-19 net ownership based on vintage carried interest payable dilution.

## Private Equity portfolio by value at 31 March 2025



**Portfolio of 36 investments (31 March 2024: 36)**

