



9 November 2023

## 3i Group plc announces results for the six months to 30 September 2023

### Good performance against a challenging macroeconomic and geopolitical backdrop

- Total return of £1,669 million or 10% on opening shareholders' funds (September 2022: £1,765 million, 14%). NAV per share of 1,886 pence (31 March 2023: 1,745 pence), including an 11 pence per share loss (September 2022: 74 pence per share gain) on foreign exchange translation, and after the payment of the 29.75 pence per share second FY2023 dividend in July 2023.
- Our Private Equity business delivered a gross investment return of £1,826 million or 11% (September 2022: £1,970 million, 16%). Action continues to perform very well and a number of our portfolio companies operating in the value-for-money, private label and healthcare sectors are delivering good organic growth. We continue to see weaker performance in our portfolio companies exposed to discretionary consumer spending and more cyclical end-markets. 89% of our Private Equity portfolio companies by value grew earnings in the 12 months to 30 June 2023.
- Action's net sales in the nine months ending on 1 October 2023 ("P9") grew to €7.9 billion (nine months ended P9 2022: €6.1 billion) and like-for-like ("LFL") sales growth was very strong at 19.2%, driven primarily by higher customer footfall. Last 12 months' ("LTM") operating EBITDA to the end of P9 was €1,530 million (LTM P9 2022: €1,036 million), representing a 48% increase over the same period last year. Trading momentum has remained strong at Action, with LFL sales growth in P10 (2 October to 29 October 2023) of 13.4% (P10 2022: 12.0%). In the ten months ending 29 October 2023, net sales and operating EBITDA were 30% and 43% ahead of last year, and LFL sales growth over the same period was 18.5%.
- In October 2023, Action successfully completed its debut US dollar term loan issuance in the US leveraged loan market, raising \$1.5 billion. The loan has been fully hedged back to the euro, with 70% of the debt fixed at an all-in cost of 6.3%. Action also completed a capital restructuring with a pro-rata redemption of shares. 3i used €524 million of the €877 million gross proceeds received to acquire further shares in Action, increasing our gross equity stake in Action from 52.9% to 54.8%. Action's cash balance was €1,030 million as at 3 November 2023.
- Our Infrastructure business generated a gross investment return of £31 million, or 2% (September 2022: £35 million, 3%). The return was impacted by a 2.7% decline in 3i Infrastructure plc's ("3iN") share price, despite the 6.3% total return on 3iN's opening NAV it achieved in the first half. 3iN agreed to sell its stake in Attero in the period for proceeds of c.€215 million, at a c.31% uplift on the valuation at 31 March 2023. We completed one new investment in our North American Infrastructure platform.
- We further strengthened our liquidity profile through the successful issue of a six year €500 million euro bond in June 2023. Our gearing at 30 September 2023 remained low at 6%. The first dividend of 26.50 pence per share for FY2024, set at 50% of the total dividend for FY2023, will be paid in January 2024.

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

"Against a tough macroeconomic environment, we delivered another good result in the period for 3i. Action continues to perform very well. Its LFL sales growth, continued new store expansion and significant free cash flow from operations have once again underlined what an exceptional business it is. The strong performance of a number of our other investments in the value-for-money, private label and healthcare sectors underpins our confidence that a number of these investments will also become longer-term compounders over time.

We remain cautious about the investment and realisation market given the macroeconomic environment in general, the breadth of geopolitical risk and our belief that the full implications of the global recalibration of interest rates are still yet to work fully through the system. We will continue to look for opportunities to deploy capital into this uncertainty, but we will not change our patient and disciplined approach. We have a strong balance sheet and are under no pressure to sell companies if the price or terms do not properly reflect the prospects of the business."

## Summary financial highlights under the Investment basis

3i prepares its statutory financial statements in accordance with UK adopted international accounting standards. However, we also report a non-GAAP “Investment basis” which we believe aids users of our report to assess the Group’s underlying operating performance. The Investment basis (which is unaudited) is an alternative performance measure (“APM”) and is described on page 18. Total return and net assets are the same under the Investment basis and IFRS and we provide a reconciliation of our Investment basis financial statements to the IFRS statements from page 20. Pages 1 to 17 are prepared on an Investment basis.

	<b>Six months to/as at 30 September 2023</b>	Six months to/as at 30 September 2022	12 months to/as at 31 March 2023
<b>Investment basis</b>			
Total return <sup>1</sup>	<b>£1,669m</b>	£1,765m	£4,585m
% return on opening shareholders’ funds	<b>10%</b>	14%	36%
Dividend per ordinary share	<b>26.50p</b>	23.25p	53.00p
Gross investment return <sup>2</sup>	<b>£1,867m</b>	£2,016m	£5,104m
As a percentage of opening 3i portfolio value	<b>10%</b>	14%	36%
Cash investment <sup>2</sup>	<b>£84m</b>	£298m	£397m
Realisation proceeds	<b>£19m</b>	£193m	£857m
3i portfolio value	<b>£20,255m</b>	£16,417m	£18,388m
Gross debt	<b>£1,208m</b>	£1,129m	£775m
Net debt <sup>2</sup>	<b>£1,153m</b>	£1,074m	£363m
Gearing <sup>2</sup>	<b>6%</b>	8%	2%
Liquidity	<b>£955m</b>	£801m	£1,312m
Diluted net asset value per ordinary share (“NAV per share”)	<b>1,886p</b>	1,477p	1,745p

1 Total return is defined as Total comprehensive income for the year, under both the Investment basis and the IFRS basis.

2 Financial measure defined as APM. Further information on page 18.

### Disclaimer

These half-year results have been prepared solely to provide information to shareholders. They should not be relied on by any other party or for any other purpose. These half-year results may contain statements about the future, including certain statements about the future outlook for 3i Group plc and its subsidiaries (“3i” or “the Group”). 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.

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A PDF copy of this release can be downloaded from [www.3i.com/investor-relations](http://www.3i.com/investor-relations)

For further information, including a live webcast of the results presentation at 10.00am on 9 November 2023, please visit [www.3i.com/investor-relations](http://www.3i.com/investor-relations)