



12 November 2020

## 3i Group plc announces results for the six months to 30 September 2020

### Strong results driven by resilient performance

- Total return of £1,142 million or 15% on opening shareholders' funds (September 2019: £767 million, 10%) and NAV per share of 905 pence (March 2020: 804 pence) after paying a dividend of 17.5 pence per share in the period and a 12 pence per share negative accounting impact from the further de-risking of the UK defined benefit pension plan.
- Our Private Equity business delivered a gross investment return of £1,245 million or 19% (September 2019: £666 million, 11%), supported by continued good earnings growth and cash generation in portfolio companies operating in the consumer, e-commerce, healthcare and business services sectors and a sustained recovery in our retail investments following the lifting of Covid-related trading restrictions through the summer. Our investments in the travel and automotive sectors continue to experience challenging conditions.
- Action's performance through the Covid-19 pandemic has exceeded our expectations, with strong like-for-like sales, EBITDA and cash flow growth. This supported an increase in value of our stake in Action of £644 million in the period. At 30 September 2020, we valued our 52.6% stake in Action at £4,269 million, based on a multiple of 18x Action's September 2020 run-rate earnings.
- In challenging markets, the Private Equity business maintained its selective approach to capital deployment, making one new investment in GartenHaus whilst focusing on growing the existing portfolio. We funded the transformational acquisitions of Technogroup by Evernex and of SaniTech West by our bioprocessing platform, which we have now rebranded as SaniSure. Private Equity realisations totalled £82 million in the period.
- Our Infrastructure business delivered a gross investment return of £134 million, or 12% (September 2019: £88 million, 9%), driven by resilient performance across all portfolios. Our 30% stake in 3i Infrastructure plc ("3iN") contributed particularly strongly to this return through a 17% share price increase since 31 March 2020. The Infrastructure business continues to contribute materially to our operating cash profit, with fee income across the business of £19 million and dividend income from 3iN of £12 million in the period.
- First dividend for FY2021 set at 17.5 pence, in line with our dividend policy.

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

"In the six months to 30 September 2020, our Private Equity portfolio delivered a gross investment return ("GIR") of 19%, demonstrating its resilience in a difficult macroeconomic environment. Our thorough portfolio management processes enabled us to respond quickly and effectively to the challenges that arose as a result of the pandemic, including, more recently, decisive measures to address increases in infection rates across much of Europe. Encouragingly, most of our portfolio companies outperformed our rebased Covid-19 full-year outlook during the period. In this environment, we will remain disciplined in our investment approach and focused on enhancing the value of our portfolio through organic growth and value-accretive add-ons."

## Summary financial highlights under the Investment basis

3i prepares its statutory financial statements in accordance with International Financial Reporting Standards as adopted by the European Union (“IFRS”). 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 19. 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 16 are prepared on an Investment basis.

	Six months to/as at 30 September 2020	Six months to/as at 30 September 2019	12 months to/as at 31 March 2020
<b>Investment basis</b>			
Total return <sup>1</sup>	<b>£1,142m</b>	£767m	£253m
% return on opening shareholders’ funds	<b>15%</b>	10%	3%
Dividend per ordinary share	<b>17.5p</b>	17.5p	35.0p
Gross investment return <sup>2</sup>	<b>£1,394m</b>	£798m	£318m
As a percentage of opening 3i portfolio value	<b>17%</b>	11%	4%
Cash investment <sup>2</sup>	<b>£233m</b>	£312m	£1,248m
Realisation proceeds	<b>£82m</b>	£71m	£918m
3i portfolio value	<b>£9,578m</b>	£8,551m	£8,098m
Gross debt	<b>£975m</b>	£575m	£575m
Net (debt)/cash <sup>2</sup>	<b>£(288)m</b>	£50m	£270m
Gearing <sup>2</sup>	<b>3%</b>	nil	nil
Liquidity	<b>£1,087m</b>	£975m	£1,245m
Diluted net asset value per ordinary share (“NAV per share”)	<b>905p</b>	873p	804p

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 17.

### 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 12 November 2020, please visit [www.3i.com/investor-relations](http://www.3i.com/investor-relations)