



11 November 2021

## 3i Group plc announces results for the six months to 30 September 2021

### High quality portfolio drives strong result

- **Total return of £2,199 million or 24% on opening shareholders' funds** (September 2020: £1,142 million, 15%) and **NAV per share of 1,153 pence** (31 March 2021: 947 pence) after paying 21 pence second dividend in July 2021.
- **Our Private Equity portfolio continues to perform strongly, with a gross investment return of £2,373 million in the period, or 27%** (September 2020: £1,245 million, 19%). The majority of top 20 Private Equity investments demonstrated considerable momentum in the period, and in particular those in our chosen areas of focus of value-for-money, e-commerce, consumer and healthcare. These continue to benefit from our active management and long-term structural growth trends, some of which were accelerated by the pandemic.
- **Action** continues to surpass expectations. Its growth has accelerated since the lifting of Covid-related restrictions, resulting in sales in the nine months to the end of period nine 2021 of €4.8 billion, 25% ahead of the same period last year. Like-for-like sales growth over the same period was also strong at 12.9%, compared to negative 2.5% in the same period last year. Action delivered last twelve months EBITDA of €765 million to the end of period nine 2021 (September 2020: €579 million). Strong trading continued into October 2021, with sales increasing to €5.4 billion and last twelve months EBITDA of €777 million. The international roll-out is proceeding well and the business is on track to open about 270 new stores in 2021.
- In competitive markets for new investment our **Private Equity business has continued to deploy capital selectively**, with new investments in MAIT and the newly created ten23 health platform, as well as bolt-on investments for Cirtec Medical, Luqom and Havea in the period. Investment activity has continued since the period end, with a new investment in Dutch Bakery, transformational bolt-on acquisitions for GartenHaus and ten23 health and a bolt-on acquisition for Evernex. We signed the realisation of Magnitude Software in September 2021, which completed at the start of November 2021, returning £345 million of proceeds to 3i, representing a 109% uplift on 31 March 2021 value. The sale achieved a sterling money multiple of 2.5x and sterling IRR of 44% after a holding period of two and a half years. In November 2021, we completed a £36 million co-investment in insightsoftware, the company that acquired our investment in Magnitude Software and announced the partial sale of our stake in Basic-Fit at €44.25 per share, generating proceeds of c.£146 million.
- **Our Infrastructure business delivered a gross investment return of £60 million, or 5%** (September 2020: £134 million, 12%). This return was driven by the increase in 3i Infrastructure plc's share price and dividend income. Our other Infrastructure investment vehicles and our direct US investments performed in line with expectations in the period.
- **First FY2022 dividend of 19.25 pence per share**, in line with policy. This will be paid to shareholders in January 2022.

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

"We saw good growth from our two investment portfolios in the first half of the year and this momentum has continued into November. 3i is beginning to see a significant compounding effect from the performance of today's carefully selected Private Equity portfolio.

Despite the social and economic uncertainty that we have seen over the last 18 months, competition for private assets remains very strong. While we will continue to deploy capital selectively in new and bolt-on investments, we are also in a good position to benefit from favourable market conditions through our realisation pipeline to deliver attractive returns for our shareholders."

## 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.

<b>Investment basis</b>	<b>Six months to/as at 30 September 2021</b>	Six months to/as at 30 September 2020	12 months to/as at 31 March 2021
Total return <sup>1</sup>	<b>£2,199m</b>	£1,142m	£1,726m
% return on opening shareholders’ funds	<b>24%</b>	15%	22%
Dividend per ordinary share	<b>19.25p</b>	17.5p	38.5p
Gross investment return <sup>2</sup>	<b>£2,463m</b>	£1,394m	£2,139m
As a percentage of opening 3i portfolio value	<b>24%</b>	17%	26%
Cash investment <sup>2</sup>	<b>£59m</b>	£233m	£510m
Realisation proceeds	<b>£124m</b>	£82m	£218m
3i portfolio value	<b>£12,784m</b>	£9,578m	£10,408m
Gross debt	<b>£975m</b>	£975m	£975m
Net (debt) <sup>2</sup>	<b>£(931)m</b>	£(288)m	£(750)m
Gearing <sup>2</sup>	<b>8%</b>	3%	8%
Liquidity	<b>£544m</b>	£1,087m	£725m
Diluted net asset value per ordinary share (“NAV per share”)	<b>1,153p</b>	905p	947p

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 11 November 2021, please visit [www.3i.com/investor-relations](http://www.3i.com/investor-relations)