

Chair's statement



FY2026 saw 3i deliver another year of consistent execution against its strategy, driving long-term growth for shareholders despite market volatility and geopolitical uncertainty.



David Hutchison
Chair



FY2026 was another year of consistent execution against our strategy, with total return again exceeding 20% and net assets surpassing £30 billion. This outcome was driven by the continued compounding growth of Action and Royal Sanders, disciplined capital allocation into our best investments, and attractive returns from exits across our portfolio, against heightened geopolitical uncertainty and a continued challenging global economy.

Performance and market environment

In our financial year to 31 March 2026 ("FY2026"), the Group generated a total return of £5,304 million (2025: £5,049 million) or 22% (2025: 25%) on opening shareholders' funds. Net asset value ("NAV") increased to 3,030 pence per share (31 March 2025: 2,542 pence per share).

Global economic conditions during the year were largely shaped by geopolitical developments. In our principal markets, Europe experienced subdued growth while the US economy showed relative resilience. Against this backdrop, consumers remained highly value-conscious, with discretionary spending tightly managed.

In 2025, Action continued to deliver its winning formula and execute its expansion strategy impressively. It delivered another year of strong key operating metrics, which compare well against its most relevant peers, and achieved expansion into two new countries in a single year, alongside a record number of store openings across 14 countries. Action entered its fifteenth country in early 2026. Reflecting our long-term conviction, we increased our equity stake in Action meaningfully during the year, through a combination of cash and non-cash consideration, including the issuance of 3i Group plc shares, with total investment of £2.6 billion.

Action remained the principal driver of the Group's return in FY2026. Royal Sanders, another long-term holding, delivered a strong performance and continued to play a key role as a consolidator in the fragmented private label and contract manufacturing personal care market.

Across the broader portfolio, consumer and private label was our best performing sector in the year. We saw positive contributions from our healthcare, services and software and industrial sectors, with only a small number of assets delivering softer performance, largely reflecting asset-specific issues or end-market conditions. We continue to monitor rapid developments in artificial intelligence ("AI") closely, and our current direct exposure to the software sector is limited.



[Action case study see pages 26-33](#)

Chair's statement continued

Our investment activity remained focused on further investment in several of the strongest assets within our portfolio. We continued our strong track record of delivering realisations at money multiples of over 2x our invested capital across both Private Equity and 3i Infrastructure plc ("3iN"), with the disposals of MPM, MAIT and TCR. These transactions highlight sustained demand for high-quality assets despite ongoing caution in the market.

Dividend

Our policy is to maintain or grow the dividend year on year, subject to the strength of our balance sheet and the outlook for investments and realisations. Cash generation remains strong, with cash inflows of £1.9 billion from our portfolio companies in FY2026.

In line with our policy and in recognition of the Group's financial performance, the Board recommends a second FY2026 dividend of 48.0 pence (2025: 42.5 pence), subject to shareholder approval, which will take the total dividend to 84.5 pence (2025: 73.0 pence). Based on the recommended dividend and the expected payment in July 2026, we will have paid a total of £5.4 billion to shareholders in dividends since our restructuring was announced in June 2012, growing our total dividend by a compound annual growth rate of 18% over this period.

Board and people

After serving as a non-executive Director for over nine years, Stephen Daintith will not be standing for re-election at the 2026 AGM and accordingly will retire from the Board at the end of that Meeting. I would like to thank him for his contribution to the Board and chairing of the Audit and Compliance Committee. I am pleased to confirm that Hemant Patel will become the next Chair of the Audit and Compliance Committee.

Sustainability

Managing sustainability-related risks, alongside the opportunities arising from embedding sustainability considerations into the long-term development of our portfolio companies, remains integral to protecting and enhancing portfolio value.

We welcomed the validation of our near-term science-based emissions reduction targets ("science-based targets") in FY2024 and note the strong progress achieved across all of them, including the early delivery of our portfolio engagement target. The Board continues to enhance its oversight of climate-related risks to ensure these are systematically integrated into investment processes and portfolio management practices.

Outlook

The Group's performance in FY2026 was underpinned by our two high-quality long-term hold assets delivering consistent compounding growth and a broader portfolio that has, once again, demonstrated resilience through periods of uncertainty and disruption. This performance provides a strong foundation as we enter FY2027 against an increasingly uncertain geopolitical backdrop.

We are committed to allocating capital efficiently and in the best interests of shareholders to drive sustainable long-term returns. Our capital management approach incorporates our disciplined focus on new investments and realisations, further investment in existing portfolio companies when opportunities arise, and the active management of our own capital structure.

Despite the progress in the year, the Board is conscious that the second half of the year has been challenging for shareholders, as the share price has adjusted from the significant premium to NAV that had built up, particularly over the preceding two years. Our focus is, as it has been since 2012, on building sustainable value in the portfolio as measured by growth in NAV and dividends per share, where the benefits of compounding returns accrue to shareholders over the long term.

FY2026 was another year of consistent delivery of returns in excess of our 15% return target per annum, whilst the performance of the portfolio underpins our confidence for the future.

David Hutchison

Chair
13 May 2026

Alternative Performance Measure ("APM")

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 is an APM and is described on page 88. Total return, which is defined as Total comprehensive income for the year 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 89. We assess our performance using a variety of measures that are not specifically defined under IFRS and are therefore termed APMs. These include: gross investment return ("GIR") as a percentage of opening value, cash realisations, cash investment, operating cash profit, net (debt)/cash and gearing. These APMs are referred to throughout the report and their purpose, calculation and reconciliation to IFRS can be found on page 93.