

## Chief Executive's statement



**In FY2026, we generated a total return on shareholders' funds of £5,304 million, or 22%, closing the year with a NAV per share of 3,030 pence. Over the last 14 years, we have grown NAV per share by 986%, demonstrating our success in compounding value through volatile market cycles and generating attractive long-term returns for our shareholders.**



**Simon Borrows**  
Chief Executive



Against a backdrop of heightened geopolitical tensions and a lower growth environment, particularly in Europe, we delivered another strong performance in FY2026, underpinned by the continued compounding growth of our long-term hold assets, Action and Royal Sanders.

Action's strong track record and compelling growth journey continued in 2025. The business once again delivered year-on-year top line growth and increased profitability, while accelerating its international store rollout, opening a record number of new stores and, for the first time, entering two new countries in a single year.

Expansion momentum continued into early 2026 with entry into its fifteenth country and the business has significant further international expansion potential. We continue to have strong conviction in Action, reflected in the allocation of significant additional 3i capital to increase our stake during the year.

Royal Sanders is also experiencing robust momentum, achieving another year of top-line growth and continuing to execute its value-accretive buy-and-build strategy.

Across our remaining portfolio, we are seeing a number of standout performers in our consumer and private label sector, while our other sectors remain resilient. Our realisation activity continues to demonstrate our ability to crystallise strong outcomes for shareholders in cautious markets, with three exits from Private Equity and 3iN at money multiples materially above our 2x target.

## Chief Executive's statement continued

We have held many of our portfolio companies over a number of years through disruption and uncertainty, including the pandemic and Russia's invasion of Ukraine. Throughout these periods, our portfolios have demonstrated resilience, and the experience we have gained through these times, and the active management approach we have taken, position us well to assess and respond quickly to any potential impacts from recent geopolitical developments. Across our portfolio, we have limited direct exposure to the Middle East through either portfolio company operations or revenue generation. However, we continue to monitor both direct and indirect impacts, particularly in the event of an extended period of disruption.

Action remained the significant driver of the Group's financial performance in FY2026. In 2025, Action delivered another year of impressive earnings growth despite a more cautious consumer backdrop in France, its largest market. Store expansion continued at pace, with the business achieving several key rollout milestones. International store rollout is central to Action's long-term growth strategy, and it has significant white space potential remaining across Europe. Following an in-depth market study, the business has announced a strategic decision to enter the US in late 2027 or early 2028.

### Private Equity performance

In the year to 31 March 2026, our Private Equity portfolio, including Action, generated a GIR of £5,303 million, or 23% on opening value (2025: £5,113 million or 26%). In the last 12 months ("LTM") to 31 December 2025, 96% of our portfolio companies by value grew earnings.

### Long-term hold portfolio companies

#### Action

Action generated a GIR of £4,510 million, or 25%, on its opening value, as it delivered another year of strong performance.

Action's winning formula and customer proposition of offering good-quality products at the lowest prices continues to prove highly compelling to its customers, reflected in a record-breaking year in 2025 for customer visits, with an average of 21.6 million each week.

#### Action 2025 financial performance

In the 52 weeks to 28 December 2025, Action generated net sales of €16,000 million (2024: €13,781 million), representing growth of 16% year-on-year. Like-for-like ("LFL") sales growth was 4.9% (2024: 10.3%), driven primarily by growth in transaction volumes.

Action saw LFL sales growth across all of its markets in 2025, with particularly strong performance in its Central and Eastern and Southern European markets. In the Netherlands, Action's most mature market, it delivered an above-average LFL performance, proving the strength and relevance of its formula in an established market. However, the overall LFL performance for the year was moderated by relatively weaker trading in France, Action's largest market. Excluding France, LFL sales growth for Action was 7.2% in 2025. In France, LFL sales growth was 1.3% reflecting a number of headwinds, including underlying consumer caution and increased competition and promotional intensity across the retail sector.

Action's operating EBITDA over the same period was €2,367 million (2024: €2,076 million), 14% ahead of 2024. The operating EBITDA margin for the year was 14.8%. After adding back the one-off payment of €26 million made to staff during the year to celebrate Action's 3,000th store, the EBITDA margin was 15.0%.

### Action store expansion and distribution network

Action once again delivered record store expansion in 2025, adding 384 net new stores and surpassing 3,000 locations. As at 28 December 2025, the business operated 3,302 stores across 14 European countries. The year also marked Action's entry into Switzerland and Romania, its first expansion into two new markets within a single year. Performance in both geographies has been encouraging and reinforces our confidence in the continued scalability of the format across Europe. Since entering Italy in 2021 and Spain in 2022, Action has opened more than 320 stores in the two countries combined. In March 2026, Action opened its first store in Croatia, its fifteenth country. In the first three periods of 2026 (P3 2026 ending 29 March 2026), Action added a further 33 net new stores, meaning the business had 3,335 stores across 15 countries at that date.

Action's estimate of additional white space potential in existing and identified in-scope European countries is c.4,650 stores as at the end of 2025, including the addition of Croatia and Slovenia as new countries in 2026 and Bulgaria in 2027.

Action continued to strengthen its supply chain infrastructure during the year, opening three new distribution centres ("DCs") in Wallersdorf (Germany), Dunikowo (Poland) and Novara (Italy). As a result, the total DC network now stands at 18 across Europe, with plans to open a further three DCs in 2026 in France, Italy and Spain, to facilitate its further store growth.

## Chief Executive's statement continued

### 3i Group transaction activity with Action

During the year, we continued to increase our stake in Action, completing a number of separate transactions. In September 2025 and January 2026, we acquired approximately 5.1% of Action's equity from GIC in exchange for the issuance of new ordinary shares in 3i Group plc, representing an equivalent consideration of £1.7 billion.

In October 2025, following a further successful refinancing and capital restructuring at Action which returned £944 million of gross proceeds to 3i, we redeployed £755 million to acquire an additional 2.2% stake from existing LPs. In addition, we took the opportunity to acquire additional stakes in Action investing a further £72 million during the year.

As a result of all of these transactions, we increased our equity stake in Action from 57.9% to 65.4%.

In addition to the refinancing, Action also repriced €3.1 billion of its existing term-loan debt, extending the maturity of a portion of the debt and generating an annual interest cost saving of €14 million.

Action continues to generate strong cashflow, achieving an 83% cash conversion of EBITDA in 2025. The business made a dividend distribution to all shareholders in December 2025, returning £246 million to 3i. In total, 3i received £1.2 billion in cash from Action in FY2026. Action had a cash balance of €751 million as of 29 March 2026 and a net debt to run-rate EBITDA ratio of 2.8x. In May 2026, Action approved a further dividend distribution to all shareholders, expected to return c. £255 million to 3i.

### IN FOCUS ACTION



➤ Action case study see pages 26-33



**Our largest investment, Action, is an example of our strategy of compounding value over the long term.**



**Simon Borrows**  
Chief Executive

Net sales 2025

**€16.0bn**

+16% vs LY

Operating EBITDA 2025

**€2,367m**

+14% vs LY

Net new stores 2025

**+384**

+352 in 2024

Action's geographic footprint (countries)

**15**

Number of Action distribution centres

**18**

## Chief Executive's statement continued

### 3i Group valuation of Action

At 31 March 2026, we valued our 65.4% stake in Action at £23,743 million. Our approach to the valuation of Action remains consistent. The valuation reflects the continued strong growth in Action's LTM run-rate EBITDA, its low leverage and an unchanged LTM run-rate EBITDA valuation multiple of 18.5x, net of the liquidity discount. Further detail on the Action run-rate EBITDA methodology can be found on page 29. We continue to benchmark our long-term, through-the-cycle view on Action's multiple against a broad peer group of discounters, with a higher weighting towards the top-quartile subset of North American value-for-money retailers, noting that Action's operating KPIs continue to compare strongly against its peer group.

In addition, the transactions we completed in Action during the year have involved third-party investors, including a number of existing LPs in the 2020 Co-Investment Programme, both selling and buying stakes in Action, providing validation of our valuation methodology and our assessment of Action's fair value. Each of these transactions were executed at the previous published valuation at that date.

### Action performance in the first three periods of 2026

In the first three periods of 2026, Action delivered net sales of €4,010 million and operating EBITDA of €498 million, 14% and 7% ahead of the same period last year. LFL sales growth was 3.6%, impacted by poor weather conditions in Northern Europe in Q1. The operating EBITDA margin was 12.4%. Action's trading is typically weighted to the second half of its financial year, with most new store openings taking place in the final quarter.

### Royal Sanders

Royal Sanders continued to strengthen its position as a leading European personal care platform in 2025, delivering another year of robust growth, supported by above market performance from its key customers. A core pillar of our investment thesis in Royal Sanders remains its role as a consolidator in the personal care market, with nine acquisitions completed under our ownership, including the acquisition of Vendoleo in December 2025. These acquisitions have been highly value-accretive and have consistently exceeded expectations, with a strong pipeline of further potential opportunities identified for the coming years. We made a further investment of £56 million during the year, reflecting our continued confidence in the long-term potential of the business.

### Private Equity portfolio companies

#### Consumer and private label portfolio companies

**Audley Travel** delivered a strong result in 2025, supported by demand for premium tailor-made travel, despite a more cautious backdrop in some long-haul markets. The business benefited from operational improvements and will soon launch new technology initiatives aimed at enhancing both the customer journey and the overall service experience. Despite a largely flat online lighting market, **Luqom's** positive momentum continued in 2025, benefiting from a differentiated lighting product range and clear operational progress, which has enabled it to strengthen its market position. **European Bakery Group** ("EBG") demonstrated its resilience in an environment of rising input costs and evolving customer demand. It strengthened its footprint with the acquisition of a significant production site in Germany in March 2026, adding extra capacity, as well as new customer contracts. We recognised a dividend of £8 million from the business at the end of FY2026.

## Chief Executive's statement continued

### Healthcare portfolio companies

**Cirtec Medical** delivered a broadly stable performance in 2025, while managing a significant product transition to a customer's next-generation device, which we reflected in a modestly lower valuation at 31 March 2026. The business continues to build good momentum across new customer programmes and is well positioned in what remains a high-growth end market.

With the bioprocessing market returning to growth and demand strengthening across key end markets, **SaniSure** ended 2025 with impressive momentum, following strong operational execution and commercial traction with major biopharmaceutical partners. This progress is reflected in a high-quality, full pipeline across its product offering.

The **ten23 health** development lab in Basel and the fill-finish lines in Visp continued to perform well in 2025, supported by strong demand for pre-filled syringes, cartridges and other specialised injectable formats. Further production capacity is expected to come online across its second site in Visp in 2027. We invested a further £37 million in the year. The remaining vascular business of **Q Holding**, Q Medical Devices, saw sustained demand in the year, driven by customer launches.

### Industrial portfolio companies

**Tato's** trading was broadly flat in 2025, with early momentum in the first quarter of the year easing as weaker volumes and more competitive markets impacted performance from the second quarter. Across its global footprint, solid growth in China, Mexico and India was offset by a weaker US outcome and flat trading in Europe. **AES** delivered a steady year with solid operational performance and continued strategic progress, with significant investment in factory capacity, robotics and new technology that will further improve its product and service offerings over the longer term. Both Tato and AES remain highly cash generative, and we received a total of £27 million of dividends in FY2026.

### Services and Software portfolio companies

**Evernex** saw strong commercial momentum, underpinned by good performance in its core third-party maintenance services. The business also continued its buy-and-build strategy, completing the acquisitions of Sunrise Technologies in Morocco and Comptest in Poland. **OMS Prüfservice** outperformed the wider German testing market in 2025, with robust demand in its core testing segments, and returned £32 million of cash funding to 3i in just one year since our initial investment.

**xSuite's** move to a subscription model progressed well in 2025, with approximately two thirds of revenue now from recurring sales. Its core product, accounts payable invoice automation, is deeply rooted in customers' finance systems, which currently makes it less exposed to the AI-driven pressure affecting the wider software market. We have nevertheless reflected the broader market de-rating in our valuation of this asset. The recruitment market has continued to be muted. As a result, **Wilson** continues to experience challenging trading conditions.

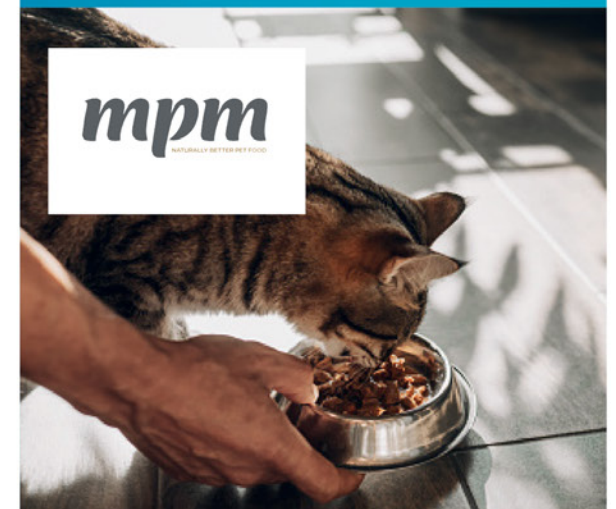
### IN FOCUS MPM

Total proceeds to 3i  
**£395m**

Sterling money multiple  
**3.2x**

IRR  
**28%**

[MPM case study](#) see page 38



## Chief Executive's statement continued

### Private Equity realisations

We completed two significant Private Equity realisations in FY2026, generating total proceeds of £542 million.

In September 2025, we completed the sale of **MPM**, generating proceeds of £395 million. Since our investment in December 2020, MPM more than doubled sales and EBITDA, materially expanded its international footprint and strengthened its omnichannel platform, with strong growth across pet specialty, food, drug, mass retail and online channels. The business also invested in brand development, product innovation and operational capability, further enhancing its position as a premium product. The transaction delivered an 18% uplift to the 31 March 2025 valuation, a 3.2x money multiple and a 28% IRR.

In November 2025, we completed the sale of **MAIT**, generating proceeds of £147 million. Since our investment in 2021, MAIT has delivered strong organic growth and completed 14 acquisitions, strengthening its position as a leading IT solutions provider to the manufacturing mid market. EBITDA more than doubled over the period, with a significant increase in recurring revenues. The transaction delivered a 34% uplift to the 31 March 2025 valuation, a 2.8x money multiple and a 28% IRR.

[Investment and realisation activity](#) from page 36

### Infrastructure performance

In the year to 31 March 2026, our Infrastructure portfolio generated a GIR of £106 million, or 7% on the opening portfolio value (2025: £52 million, 3%) reflecting a 5% increase in 3iN's share price to 333 pence at 31 March 2026 (31 March 2025: 318 pence) and a good level of dividend income.

In the year to 31 March 2026, 3iN generated a total return on opening NAV of 8.5%, continuing its consistent track record of returns in line or above its 8–10% target range. This performance reflects the work of 3i's highly experienced infrastructure investment team and a strong infrastructure portfolio. The primary driver of 3iN's return was the announced realisation of **TCR** in the year. This realisation is expected to generate proceeds of €1.6 billion for 3iN and 3i managed funds. Of these total proceeds, 3iN will receive €1,140 million, representing a c.50% uplift on its 31 March 2025 value. TCR has been an excellent investment for 3iN, more than doubling the number of airports in which it operates and completing six bolt-on acquisitions to drive growth and expand into new markets. Upon completion, a portion of the TCR proceeds are expected to be recycled into 3iN's new investment of **Lefdal Mine Datacenter**, a high quality data centre campus on the west coast of Norway.

#### IN FOCUS MAIT

Total proceeds to 3i

£147m

Sterling money multiple

2.8x

IRR

28%

[MAIT case study](#) see page 37



## Chief Executive's statement continued

3iN's result was achieved notwithstanding a material write-down of **DNS:NET**, which has been adversely affected by the deterioration in the financing environment for fibre roll-out in Germany.

Our proprietary capital investment in **Smarte Group** (formerly Smarte Carte) saw resilient trading in 2025, as good performance across its international carts, lockers and ancillary airport service segments offset weaker US carts performance. Across the North American Infrastructure Fund, we received cash proceeds of £17 million, primarily from Regional Rail following its refinancing in March 2026.

### Scandlines performance

Scandlines delivered a resilient result in FY2026, and our investment generated a GIR of £55 million, or 10% of opening portfolio value (2025: £46 million, 9%). Leisure performed well, offsetting softer freight volumes as demand continues to be affected by the weakened economic situation in Germany and Scandinavia. Scandlines remains highly cash generative with strong cash conversion and we received dividends of £21 million in FY2026.

### Sustainability

The climate agenda remains central to our sustainability activities, and we have made strong progress across all three of our science-based targets. We have achieved our FY2028 portfolio engagement target early. This target required us to use our influence to encourage our portfolio companies to set their own science-based targets. To date, ten portfolio companies across our portfolios (including 3iN portfolio companies), representing 52% of 3i's invested capital, have set approved science-based targets, with seven already demonstrating meaningful reductions in emissions.

We have also continued to strengthen our assessment of climate-related risks and opportunities within our investment and portfolio management processes, with particular emphasis this year on physical climate risks. This work, alongside our science-based targets, supports portfolio companies in implementing appropriate mitigation measures to address the wide range of operational, commercial and reputational risks associated with climate change. Beyond climate, we have maintained our focus on supporting portfolio companies in effectively identifying and managing their most material sustainability-related issues.

### Charitable donations

We continue to support charities which relieve poverty, address homelessness, promote education and youth development and support elderly and disabled people. We donated £1.2 million across these initiatives as part of our ordinary charitable activities. Our portfolio companies also supported a variety of charities relevant to them and their operations, with donations totalling £6.7 million.

### IN FOCUS TCR

Expected realised proceeds for 3iN and 3i managed funds

€1.6bn

Money multiple<sup>1</sup>

3.6x

Gross realised IRR<sup>1</sup>

20%

<sup>1</sup> Return on 3iN's stake

[TCR case study see page 45](#)



## Chief Executive's statement continued

### Balance sheet and foreign exchange movement

We ended FY2026 with net debt of £547 million and 2% gearing, after returning £765 million of cash dividends to shareholders in the year. During the year, we refinanced our existing £900 million revolving credit facility ("RCF") with a new five-year £1.2 billion facility at improved pricing. As a result, our liquidity at 31 March 2026, including our undrawn RCF, was £1,864 million. We remain disciplined on costs and generated an operating cash profit of £276 million in the year.

As a result of the two share issuance transactions in the year, we increased the number of 3i Group plc shares in issue by 51 million.

Due to sterling weakening against the euro and strengthening against the US dollar in the year, we recorded a total foreign exchange translation gain of £786 million (March 2025: £259 million loss), including a loss on foreign exchange hedging of £14 million (March 2025: £82 million gain).

On 14 May 2026, the Company announced that it will commence a share buyback programme of its ordinary shares of 73 19/22p each for up to a maximum aggregate consideration of £750 million, to be completed by no later than 31 December 2026.

### 3i share price volatility

For the first time since the pandemic, our share price declined materially in the second half of FY2026, after several years of very strong share price growth. In our view, this performance does not reflect the strong returns delivered during the year or the Company's long-term potential. We acknowledge that share price progression in public markets is not always linear, and our confidence in the long-term compounding potential of Action and the opportunities within the wider portfolio is undiminished. We believe we are well positioned to continue to deliver strong returns for our shareholders over time.

### Outlook

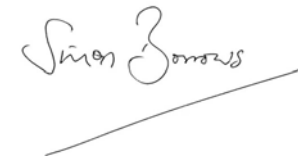
I said last year that the market environment would remain complex with heightened geopolitical uncertainty. This turned out to be a good general description of the complex backdrop we operated in for FY2026 and continues to set the tone for the year to come, as the duration and indirect impacts from the Middle East situation remain uncertain.

FY2026 was another good year for 3i with strong contributions from each of Action, the broader Private Equity portfolio and Infrastructure. The market environment remains complex with heightened geopolitical risk from the unresolved Middle East situation in particular. As a result, we expect to see an increase in inflation over the coming months. Action continues to differentiate itself from its competitors with its continued focus on quality at the lowest price, which has made it a consumer favourite across Europe. Its growth story is underpinned by the combination of a powerful, multi-year, store roll-out programme into significant white space potential and compounding in LFL sales growth, with some of the best store economics we have seen in a retail concept.

Across the rest of the portfolio we are also seeing some good momentum and, while we are cautious about the potential for an active M&A market, we will continue to focus on new investments where the balance of risk and return is in our favour.

The announcement of our buyback programme reinforces our consistent focus on optimising value creation. In addition, our focus on active asset management across the portfolio has served us well over many years and gives us confidence in our ability to continue to compound returns for 3i shareholders both this year and over the long term.

I would like to close by thanking the team at 3i and the teams in our portfolio companies for another year of strong performance.



**Simon Borrows**  
Chief Executive  
13 May 2026