9 May 2024

3i Group plc announces results for the year to 31 March 2024

Strong result supported by resilient growth in our portfolio companies

- **Total return of £3,839 million or 23%** on opening shareholders' funds (2023: £4,585 million, 36%) and **NAV per share of 2,085 pence** (31 March 2023: 1,745 pence). This includes a 33 pence per share loss on foreign exchange translation (FY2023: 65 pence per share gain).

- **Our Private Equity business delivered a gross investment return of £4,059 million or 25%** (2023: £4,966 million, 40%). This result was driven primarily by Action's very strong performance in FY2024. We continued to see strong growth from a number of our portfolio companies operating in the value-for-money and private label, and healthcare sectors. This more than offset softer performance from a number of portfolio companies operating in the discretionary consumer sector or in sectors that are working through adverse phases of their market cycles.

- **Action** generated a gross investment return of £3,718 million, or 33%. It delivered annual revenue growth of 28%, like-for-like sales growth of 16.7% and EBITDA growth of 34% in 2023. Performance in the first quarter of 2024 was strong, with net sales of €3,004 million (Q1 2023: €2,485 million), operating EBITDA of €397 million (Q1 2023: €309 million) and like-for-like sales growth of 9.8%. The LTM run-rate EBITDA to P3 2024, which ended on 31 March 2024 totalled €1,848 million (LTM run-rate EBITDA to 2 April 2023: €1,439 million), representing a 28% increase over the same period last year. This strong performance supported value growth of £3,609 million for Action in FY2024, in addition to dividends to 3i of £375 million. 3i also received proceeds of £762 million from Action via a pro-rata share redemption.

- At the end of week 18 (5 May 2024) Action's year-to-date like-for-like sales growth was maintained at 9.8% and 62 new stores had been opened. At that date, Action's cash balance was €663 million.

- The **Private Equity** team **invested £556 million** in the year, principally in a further stake in Action, and in smaller further investments in Royal Sanders and ten23 health, as well as in European Bakery Group to support the acquisition of coolback. In addition, our Private Equity portfolio companies completed a further six bolt-on acquisitions funded through their own balance sheets.

- **Our Infrastructure business generated a gross investment return of £99 million, or 7%** (2023: £86 million, 6%). This return reflects the modest share price gains for 3i Infrastructure plc ("3iN"), which continued to lag the strong performance of the underlying portfolio and NAV return. Our US Infrastructure portfolio continued to perform well.

- In total across the Group, we received over **£1.4 billion** of cash from the portfolio. During the year, we issued a six-year €500 million bond and extended the tenor of the £400 million tranche of our £900 million revolving credit facility to November 2026, with both transactions further strengthening our liquidity profile. We ended the year with liquidity of £1,296 million, net debt of £806 million and gearing of 4%.

- **Total dividend of 61 pence per share** for FY2024, with a second FY2024 dividend of 34.5 pence per share to be paid in July 2024 subject to shareholder approval.

Simon Borrows, 3i's Chief Executive, commented:
"The shape of today's portfolio has served us well in this challenging year and reflects investment decisions taken over the last 12 years. Action's compelling growth story continues to be a major driver of the Group's return, with overall resilient performance across the remaining portfolio. We expect that the current macro-economic conditions and geopolitical uncertainty will persist in the near term and that this will continue to impact confidence and pricing expectations in the wider mid-cap M&A market. Our rigorous and disciplined approach to capital allocation remains unchanged. We have been building resilient portfolio companies that are capable of navigating through these challenging trading conditions."

Financial highlights

	Year to/as at 31 March 2024	Year to/as at 31 March 2023
Group		
Total return	**£3,839m**	£4,585m
Operating expenses	**£(147)m**	£(138)m
Operating cash profit	**£467m**	£364m

Realised proceeds	**£888m**	£857m
Gross investment return	**£4,168m**	£5,104m
- As a percentage of opening 3i portfolio value	**23%**	36%
Cash investment	**£593m**	£397m
3i portfolio value	**£21,636m**	£18,388m
Gross debt	**£1,202m**	£775m
Net debt	**£(806)m**	£(363)m
Gearing[1]	**4%**	2%
Liquidity	**£1,296m**	£1,312m
Net asset value	**£20,170m**	£16,844m
Diluted net asset value per ordinary share	**2,085p**	1,745p
Total dividend per share	**61p**	53.0p

1 Gearing is net debt as a percentage of net assets.

ENDS

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For further information regarding the announcement of 3i's annual results to 31 March 2024, including a live webcast of the results presentation at 10.00am, please visit www.3i.com.

Notes to editors

3i is a leading international investment manager focused on mid-market Private Equity and Infrastructure. Our core investment markets are Europe and North America. For further information, please visit: www.3i.com.

Notes to the announcement of the results

Note 1

All of the financial data in this announcement is taken from the Investment basis financial statements. The statutory accounts are prepared under IFRS for the year to 31 March 2024 and have not yet been delivered to the Registrar of Companies. The statutory accounts for the year to 31 March 2023 have been delivered to the Registrar of Companies. The auditor's reports on the statutory accounts for these years are unqualified and do not contain any matters to which the auditor drew attention by way of emphasis or any statements under section 498(2) or (3) of the Companies Act 2006. This announcement does not constitute statutory accounts.

Note 2

Copies of the Annual report and accounts 2024 will be posted to shareholders on or soon after 22 May 2024.

Note 3

This announcement may contain statements about the future including certain statements about the future outlook for 3i Group plc and its subsidiaries ("3i"). 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.

Note 4

Subject to shareholder approval, the proposed second dividend is expected to be paid on Friday 26 July 2024 to holders of ordinary shares on the register on Friday 21 June 2024. The ex-dividend date will be Thursday 20 June 2024.

Chair's statement

"Our strong result in FY2024 reflects another year of thoughtful and careful allocation of capital and active asset management of our portfolio companies".

3i delivered a strong result in FY2024, underpinned by another year of excellent performance from Action and overall resilient performance from the wider portfolio, which continues to operate well through a challenging macro-economic environment and geopolitical uncertainty.

Performance
I am pleased to report that 3i delivered a strong set of results in the financial year to 31 March 2024 ("FY2024"), with a total return of £3,839 million (2023: £4,585 million). Net asset value ("NAV") increased to 2,085 pence per share (31 March 2023: 1,745 pence per share) and our total return on opening shareholders' funds was 23% (2023: 36%). Action delivered another year of strong performance and was the major driver of the Group's FY2024 result. The remaining portfolio saw bifurcated performance, with a number of our portfolio companies delivering a strong contribution, more than offsetting those that saw weaker performance.

Market environment
The global economy saw a very modest recovery in 2023, as the macro-economic environment and geopolitical landscape remained fragile. Whilst inflation has started to moderate, consumer sentiment remains quite strained, with a continued focus on affordability. These trends have supported growth from our value-for-money and private label portfolio companies in the year. Action's remarkable growth story continued in 2023, as the business once again generated sector-leading results across its key performance indicators and increased its store presence across Europe. We increased our exposure to these returns, through the allocation of further 3i capital into Action in FY2024.

We have also seen an encouraging recovery in the healthcare market and our Infrastructure portfolio continued to trade robustly overall, generating strong recurring yields. Our discretionary consumer businesses remained under pressure and some of our more cyclical businesses continued to experience weaker end-markets.

The global M&A market was subdued in 2023, impacted by unfavourable financing conditions and pricing misalignment between vendors and buyers. Against this backdrop, we have continued to assess new investments and explore potential exits but have remained disciplined in deploying or realising capital where we believe valuations are not reflective of intrinsic business value. As a result, our activity in the year focused primarily on reinvesting our capital into some of our existing portfolio companies, and refinancing some of our existing portfolio companies at attractive terms. We also continued to accelerate growth in some of our portfolio companies by acquisition.

Dividend
Our dividend 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 and in FY2024, we generated cash inflows of £1.4 billion from our portfolio companies. During the year, we successfully issued a six-year €500 million bond at a coupon of 4.875%, further strengthening our liquidity profile.

In line with the Group's policy and in recognition of the Group's financial performance, the Board recommends a second FY2024 dividend of 34.5 pence (2023: 29.75 pence), subject to shareholder approval, which will take the total dividend to 61.0 pence (2023: 53.0 pence). Based on this recommended dividend and expected payment in July 2024, we will have returned £3.8 billion to shareholders in dividends since our restructuring was announced in June 2012, growing our total dividend by an average compound annual growth rate of 18% over this period.

Board and people
As announced last year, Caroline Banszky retired from our Board after our 2023 Annual General Meeting ("AGM") and was succeeded by Stephen Daintith as Audit and Compliance Committee Chair. Stephen, who is CFO of Ocado Group plc, has a wealth of financial and operating experience, and knowledge that he brings to the role.

Environmental, Social, and Governance ("ESG")
We made good progress across our ESG agenda in FY2024, and particularly on our climate change approach and strategy. We are reporting for the first time in alignment with the Task Force for Climate-related Financial Disclosures ("TCFD") recommendations, in compliance with FCA requirements, including aggregate portfolio emissions. We are

also pleased to announce that our near-term science-based emissions reduction targets ("science-based targets") were approved by the Science Based Targets initiative ("SBTi") in March 2024 and our teams have now started to work to meet these targets over the coming years.

Outlook

In the near term, we expect our investment and realisation activity to reflect our cautious view on the M&A market and wider macro-economic environment. We will only deploy capital and realise assets when we feel we are achieving optimal value for our shareholders.

Trading momentum at the start of FY2025 remains strong at Action, whilst a number of our other assets are well positioned to continue to grow despite the uncertain macro-economic outlook.

David Hutchison
Chair
8 May 2024

Chief Executive's statement

"The power of Action's compounding growth coupled with several other strongly performing portfolio companies underpins both our FY2024 result, and our conviction in allocating capital into our existing "winners"."

3i delivered another strong result in FY2024, against a backdrop of persistent global macro-economic headwinds and geopolitical uncertainty.

The shape of today's 3i portfolio has served us well in this challenging year and reflects investment decisions taken over the last 12 years.

Action's compelling growth story continues to be a major driver of the Group's return, with overall resilient performance across the remaining portfolio.

Amidst more difficult markets to match buyers and sellers, we have remained disciplined in capital deployment, prioritising reinvestment in our existing portfolio either directly or through buy-and-build acquisitions, whilst receiving good proceeds and income from some of our other high-quality portfolio companies.

In FY2024, we generated a total return on shareholders' funds of £3,839 million, or 23% (2023: £4,585 million, or 36%), ending the year with a NAV per share of 2,085 pence (31 March 2023: 1,745 pence per share), including a 33 pence per share loss (31 March 2023: 65 pence per share gain) on foreign exchange translation. Action remains a major driver of our overall result, following another very strong year of earnings growth, cash generation and the achievement of a number of important expansion milestones. We also increased our exposure to Action's returns in the year by acquiring further equity in the business and continuing to reduce the associated carried interest liability.

We have seen resilient performance across the remaining portfolio. A number of assets operating in the value-for-money and private label consumer and healthcare sectors delivered strong growth and some are exhibiting characteristics which could allow them to compound growth over the longer term. An example of this is Royal Sanders, which we have now designated as a longer-term hold asset, following consistent delivery of organic and acquisitive growth since acquisition (see further details below). Our stronger performing assets more than offset softer performance from a number of portfolio companies operating in the discretionary consumer sector or in sectors that are working through adverse phases of their market cycles.

Our permanent capital, strong balance sheet and disciplined approach to capital allocation mean that we are under no pressure to invest or realise when market conditions are unfavourable and there is misalignment on pricing. This is particularly important in the current environment of subdued global private equity deal activity, characterised by a persisting dislocation between private and public market valuations.

Whilst we continued to build our origination pipeline in FY2024, we have remained extremely disciplined in considering new investment, primarily in response to unrealistic vendor expectations. Instead we focused our capital deployment into some of our most successful portfolio companies. Our Private Equity portfolio companies remained acquisitive, completing seven bolt-on acquisitions, whilst in Infrastructure, 3i Infrastructure plc ("3iN") completed further investments in three portfolio companies and our North American Infrastructure Fund completed three bolt-on acquisitions.

We generated total realised proceeds and portfolio income of £1.4 billion across our portfolios in FY2024, and in April 2024, we agreed the sale of nexeye, generating expected exit proceeds of c.€452 million. These exit proceeds, combined with distributions already received, result in a 2.0x money multiple.

Private Equity performance

In the year to 31 March 2024, our Private Equity portfolio, including Action, generated a GIR of £4,059 million or 25% on opening value (2023: £4,966 million, or 40%). Action generated a GIR of £3,718 million, or 33%, on its opening value. In the last 12 months ("LTM") to the end of 31 December 2023, 93% of our portfolio companies by value grew earnings.

Action

Action, the fastest growing non-food discount retailer in Europe and our largest portfolio company, delivered another step up in performance in 2023, confirming the relevance of its winning formula to its customers. Action's continued focus on ensuring customers benefit from the lowest prices, as a result of its buying power and flexibility in its category assortment, saw the business reduce prices across 42% of its product catalogue in 2023, increasing the price gap against its competitors.

In the 12 months to 31 December 2023, Action generated net sales of €11,324 million, 28% ahead of 2022 and like-for-like ("LFL") sales growth of 16.7%, mainly as result of an increase in footfall and transaction volumes. Operating EBITDA was €1,615 million in 2023, 34% ahead of 2022. Action's improved EBITDA margin of 14.3% compared to 13.6% in the previous year, reflected its scale benefits and continuous focus on cost control.

Action achieved a number of milestones in its store expansion roadmap in 2023. In total, the business added 303 stores in the year, another store opening record, and surpassed 750 stores in France, 500 in Germany, 300 in Poland, 100 in Austria and 50 in Italy. Action also entered Slovakia, its eleventh country and a new expansion market, with 15 new stores at the end of 2023. Action's youngest roll-out markets, Poland and the Czech Republic, and newly entered markets Italy, Spain and Slovakia, are all showing strong trading, providing sizable expansion opportunities. Action's expertise in store roll-outs, efficient operations and dedicated resourcing means it can accelerate its ability to grow a significant store network after the pilot phase. In February 2024, Action entered Portugal, its twelfth country, with three stores opened to the end of March 2024. At the end of Action's P3 2024 (which ended on 31 March 2024), Action had 2,608 stores across 12 countries. Action's estimate of additional white space potential in existing and identified, in-scope countries is c.4,700 stores, and includes extending to Switzerland and Romania in 2025.

Action continues to optimise its storage and distribution channels to ensure it can serve its vast and rapidly growing store network. In 2023, the business opened two further distribution centres, in France and Poland, growing its distribution centre network to 13 across Europe.

Action continues to make good progress in delivering its Sustainability Programme, which is focused on the four pillars of people, planet, product and partnerships. It has continued to develop its employees, to improve the sustainability of its products and supply chain, to reduce its Scope 1 and 2 emissions and to expand its community partnerships. Importantly, it has measured its Scope 3 emissions and has committed to set science-based targets. Further details on Action's sustainability progress can be found in the Sustainability section of our Annual report and accounts 2024.

Action's conversion of EBITDA to free cashflow is very strong, achieving 104% in 2023, as a result of particularly strong sales in the last quarter of 2023, and contributing to significant deleveraging over the course of the year. This, coupled with its remarkable growth, positioned the business well for its debut US dollar term loan issuance in the US leveraged loan market in October 2023. The issue was oversubscribed, with Action raising $1.5 billion at very attractive pricing. In October 2023, Action also completed a capital restructuring with a pro-rata redemption of shares. 3i used £455 million of the £762 million gross proceeds from the share redemption to acquire further shares in Action, increasing our gross equity stake from 52.9% to 54.8%.

In addition, Action made two dividend distributions to all shareholders, in December 2023 and March 2024, returning £375 million to 3i. This means that 3i received over £1.1 billion of cash from Action in FY2024. Cumulatively, since we first invested in 2011, Action has returned over £2.9 billion to 3i, and the potential for future distributions is considerable. After paying the dividends, Action had a cash balance of €558 million as at 31 March 2024 and a net debt to run-rate earnings ratio of 2.2x.

At 31 March 2024, we valued our 54.8% stake in Action at £14,158 million. This 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. We 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 Action's operating KPIs continue to remain superior to this peer group.

Action had strong trading momentum in the first three periods of 2024, delivering sales of €3,004 million and operating EBITDA of €397 million, 21% and 29% ahead of the same period last year, primarily driven by the increased volume of transactions. Action delivered LFL sales growth of 9.8% and added 42 stores in the three-month period.

Longer-term hold assets

Action is a truly unique business and, since our initial investment in 2011, has benefitted from our rigorous active management, strong governance model and ambitious long-term expansion strategy. We have been clear for some time that we are going to hold Action for the long term, enabling us to benefit from its compounding growth and returns. Across the remaining portfolio, a number of other companies are also starting to demonstrate significant compounding potential, with impressive earnings growth and cash generation. For example, since our initial investment in 2018, we have supported **Royal Sanders**' successful international expansion strategy, organically and by accessing new markets, with six bolt-on acquisitions, which have contributed strongly to earnings growth. The business is now a best-in-class operator in its sector and is cash generative, returning a total of £231 million in distributions to 3i over the six-year period, including £109 million from a successful refinancing in FY2024. Recognising this consistent performance, we have now designated Royal Sanders as a longer-term hold asset.

Healthcare portfolio companies

As one of the most differentiated and attractive businesses in the medical device outsourcing market, **Cirtec Medical** continues to demonstrate its commercial momentum, leveraging the capabilities and offerings of its nine acquisitions since our initial investment in 2017. The business delivered good top-line growth in 2023, driven by outperformance at a number of its sites, and is well positioned for another year of growth in 2024. **ten23 health**, our biologics-focused contract development and manufacturing organisation ("CDMO"), had another important year as it continued to execute against key operational and capability expansion initiatives. The business saw good customer uptake at its Visp and Basel sites and enters 2024 with a strong development and manufacturing pipeline. The remaining business of **Q Holding**, Q Medical Devices, performed well, largely driven by growth with new and existing customers. Since our investment in 2019, **SaniSure** saw a period of rapid expansion through the majority of 2022, reflecting strong growth in its bioprocessing end market and elevated demand during the pandemic. Over the past 18 months, however, the industry has been rebalancing stock levels, impacting demand for SaniSure's products. SaniSure somewhat mitigated the impact of this destocking with a strong order book coming into 2023 and through operational efficiencies, but its sales were softer through the majority of the year. Bookings across the industry are expected to further normalise from the middle of 2024 and SaniSure is very well positioned to capitalise on a full market recovery, as one of the market leaders in this space.

Other consumer portfolio companies

Following the transformational acquisitions of coolback and Panelto in 2023, supported with a 3i investment of £38 million, **European Bakery Group** ("EBG", formerly Dutch Bakery) has established itself as a key consolidator in its market, with a good pipeline of further potential M&A. Strong volume growth was an important driver of EBG's top-line growth in 2023. **MPM** continues to deliver good performance across all of its key markets, including the US, now its largest. Its online channel has strong momentum and the business has significant headroom for growth across its channels. **Audley Travel**'s strong post-pandemic recovery has continued, driven by growth in booking numbers, and it ended 2023 with bookings ahead of 2019 pre-pandemic levels. Despite macro-economic uncertainty impacting consumer sentiment, Audley Travel saw strong performance in the US and the UK in the first quarter of 2024.

In April 2024, we agreed the sale of **nexeye,** the value-for-money optical platform in which we first invested in 2017. During our ownership we have supported the business in its market expansion and customer proposition. We expect to complete the sale in H1 FY2025, returning exit proceeds of c.€452 million to 3i. These exit proceeds, combined with distributions already received, result in a 2.0x money multiple.

We have continued to see challenging performance across the majority of our online retail and discretionary consumer businesses. **Luqom**'s trading in 2023 remained impacted by lower consumer demand and discounting in the market due to overstocking. Encouragingly, there are initial green shoots of trading recovery in early 2024 and the business continues to expand its international footprint with the roll-out of webshops in further countries.

Whilst we have seen some improvements in trading at the start of 2024, the outlook for **YDEON** remains more challenged. Muted consumer demand continues to impact the furniture market and, whilst **BoConcept** largely outperformed its peers in 2023, softer order intake persisted, particularly across China and North America, coinciding with a slowdown in their real estate markets.

Industrial Technology portfolio companies

AES traded well in 2023, with strong financial, strategic and operational performance. Its new factory in Rotherham became operational in the year and is equipped with state-of-the-art automation in production and storage, resulting in increased capacity and efficiency. **WP** delivered good volume growth in 2023, outperforming the wider market. This was driven by its diversified geographic presence, new contract wins and the ramp-up of new projects. The business distributed £42 million to 3i in the year, including proceeds from a successful amend and extend of its funding facilities completed in December 2023.

Tato experienced pressure on volumes across all of its regions in 2023, in line with the wider specialty chemicals and biocides industry, as a result of inflation and supply driven pressure on input costs, subdued end-market demand and heightened pricing competition. Encouragingly, performance at the start of 2024 is showing signs of improvement.

Services portfolio companies

Evernex delivered a number of third-party maintenance contract wins in 2023, including a new significant client in the US, progressing its North American expansion strategy. As a global consolidation platform in its sector, the business completed its sixth acquisition since our initial investment in 2019, acquiring Maminfo in Brazil, and doubling the group's presence in this region. **MAIT** has also seen good momentum in its performance in 2023, through a combination of organic sales growth and strategic M&A, completing the bolt-on acquisitions of etagis and Quadrix in the year.

The market for white collar recruitment faced significant headwinds in 2023, following reduced hiring demand and lower voluntary employee turnover. As a result of these challenging trading conditions, **WilsonHCG** has seen pressure on recruiter spend across the majority of its end-markets resulting in a top-line decline against 2022. New customer wins and optimisation of resource have somewhat mitigated the short-term softness, and have positioned the business well for a wider market recovery, albeit the timing of this rebound remains uncertain. **arrivia** exhibited favourable performance in 2023, driven by strong recovery within its core travel markets. However, the loss of a significant client will impact bookings going forward.

Infrastructure performance

In the year to 31 March 2024, our Infrastructure portfolio generated a GIR of £99 million, or 7% on opening value (2023: £86 million, or 6%).

3iN generated a total return on opening NAV of 11.4% in FY2024, again exceeding its 8-10% return objective, and delivered its dividend target of 11.9 pence, a 6.7% increase on last year. Its underlying portfolio continues to perform robustly, delivering income growth and capital returns throughout the economic cycle, with particularly strong performance from **TCR**, **Tampnet** and **Valorem**. The demand for high-quality infrastructure assets was reflected in the successful realisation of **Attero** for proceeds of €214 million, a 31% uplift on opening value. Whilst 3iN continues to perform well, its muted share price performance, with an increase of only 4% in the year to 327 pence at 31 March 2024, was reflective of weak demand across the market for shares of listed infrastructure investment companies and a lack of liquidity in the FTSE 250 index.

Our proprietary capital investment in **Smarte Carte** performed well in 2023, as a result of sustained US and international travel volumes and positive contract economics. The addition of a long-term contract with London's Heathrow Airport provides Smarte Carte with a foothold for further expansion into the European market. Our North American Infrastructure Fund had its final close in December 2023. The Fund completed a new investment in **Amwaste**, a provider of non-hazardous solid waste disposal services in the southeastern region of the US. **Regional Rail** and **EC Waste**, two existing investments in the Fund, completed a total of three bolt-on acquisitions, as they continue to execute their scaling strategies.

We have agreed to sell our operational projects infrastructure fund capability to certain members of 3i's Infrastructure team. The transfer will comprise the mandates for the management of the **BIIF** and **3i European Operational Projects Funds** ("3i EOPF"). The rationale for the sale is to simplify 3i's Infrastructure business and to facilitate its focus on core-plus infrastructure. This sale is expected to complete shortly and its impact will not be material to the Group.

Scandlines performance

Scandlines delivered a steady performance during the year. Leisure traffic volumes were ahead of last year after a strong summer. This offset a reduction in freight volumes which was disproportionately felt across its Scandinavian and German markets, as a result of the more challenging macro-economic backdrop. Cash generation remains strong and we received dividends totalling £25 million from Scandlines in the year.

Sustainability

During the year, we continued to advance our sustainability agenda. Our main focus stayed on climate change. We achieved progress across several initiatives, including:

- Climate transition and targets – we are pleased to announce that our science-based targets were validated by the SBTi on 22 March 2024. Our targets cover our direct Scope 1 and 2 emissions, as well as the Scope 3 emissions associated with our portfolio. Our targets are described in the Sustainability section of our Annual report and accounts 2024.

- Climate strategy and risk management – we completed a second phase of climate change scenario analysis. The results provided further insights into climate change physical and transition risks and opportunities across our portfolio, and were used to enhance the climate element of our ESG investment assessment framework.

- Data and disclosures – we further improved our portfolio greenhouse gas ("GHG") emissions data coverage and enhanced the quality and consistency of this data through the roll-out of a dedicated portfolio ESG data collection software. This has allowed us to make aggregate portfolio emissions data disclosures for the first time, in compliance with TCFD-aligned disclosure requirements for asset managers. Our TCFD disclosures can be found in the Sustainability section of our Annual report and accounts 2024.

We have also begun to address other important areas that impact the sustainability of our portfolio, including biodiversity and human rights.

3i is keen to support charities which relieve poverty, promote education and support elderly and disabled people. Our charitable giving for the year totalled £1.05 million. This included supporting our nine charity partners, matching staff fundraising, making a number of one-off donations and promoting the give-as-you-earn scheme in the UK, through which we matched c.£55,000 of staff donations. Our portfolio companies also supported a variety of charities relevant to them and their operations, with donations totalling c.£4.7 million.

Balance sheet and foreign exchange management

Our proprietary capital model and conservative balance sheet strategy are a clear advantage in challenging macro-economic conditions. We are under no pressure to invest or accelerate the realisation of investments in order to protect shareholder value over the longer term. We ended the year as net divestors, and continued to reduce the carried interest liability related to Action, with total payments of £735 million in the year. As a result of these payments and the further investment in Action increasing our gross equity stake from 52.9% to 54.8%, our net holding in Action, after carried interest, is now 53.2% (31 March 2023: 48.9%). Over the last five years, we have increased 3i's net ownership of Action from 33% to 53.2%, through stake purchases and carry buy-back transactions.

We also further strengthened our balance sheet and liquidity position with the successful issue of a six-year €500 million bond at a coupon of 4.875% and successfully extended the tenor of the £400 million tranche of our £900 million Revolving Credit Facility ("RCF") to November 2026. We ended FY2024 with net debt of £806 million and 4% gearing, after returning £541 million of cash dividends to shareholders in the year and with liquidity, including our undrawn RCF, of £1,296 million, meaning we are well funded when suitable investment opportunities arise. We remain disciplined on costs and generated an operating cash profit of £467 million in the year, or £92 million excluding dividends received from Action.

In FY2024, we generated an unrealised gain of £116 million from our foreign exchange hedging. In total, including the gain on hedging, we recorded a total foreign exchange loss of £316 million in the year, as sterling strengthened against the euro and US dollar.

Outlook

We expect that the current macro-economic conditions and geopolitical uncertainty will persist in the near term and that this will continue to impact confidence and pricing expectations in the wider mid-cap M&A market. Against this backdrop, our rigorous and disciplined approach to capital allocation remains unchanged; we are long-term thematic investors, with the aim of compounding value via organic and acquisition growth, and our active asset management means we are on the front foot, building resilient portfolio companies that are capable of navigating through these challenging trading conditions.

Over the last financial year, 3i has delivered a very strong total shareholder return of 71%, the majority of which relates to our share price performance. Indeed, 3i's share price has come a long way since the restructuring of the Group in June 2012. Whilst Action continues to power ahead, some of our other significant portfolio companies are also showing strong growth and longer-term compounding characteristics. Together with Action, these other portfolio companies should support strong future returns for our shareholders.

I would like to close by thanking the team at 3i and the teams in our portfolio companies for another good performance in challenging trading conditions.

Simon Borrows
Chief Executive
8 May 2024

Private Equity

At a glance

Gross investment return
£4,059m
or 25%
(2023: £4,966m or 40%)

Cash investment
£556m
(2023: £381m)

Realised proceeds
£866m
(2023: £857m)

Portfolio dividend income
£439m
(2023: £345m)

Portfolio growing earnings
93%[1]
(2023: 90%)

Portfolio value
£19,629m
(2023: £16,425m)

1 LTM adjusted earnings to 31 December 2023. Includes 29 portfolio companies.

We invest in mid-market businesses headquartered in Europe and North America. Once invested, we work closely with our portfolio companies to deliver ambitious growth plans, and to realise strong cash returns for 3i shareholders and other investors.

In the year to 31 March 2024, our Private Equity portfolio delivered a GIR of £4,059 million, or 25%, on the opening portfolio value (2023: £4,966 million or 40%), after a £341 million foreign exchange loss, including the impact of foreign exchange hedging.

Action delivered another year of very strong earnings growth and cash generation, and accounted for the majority of the Private Equity GIR in FY2024. In the year, we also received significant realised proceeds from Action and completed a further reinvestment in the business. Across the remaining portfolio, we saw strong growth from portfolio companies operating in the value-for-money and private label and healthcare sectors, more than offsetting softer performance from portfolio companies exposed to the discretionary consumer sector or operating in cyclically impacted end-markets. We designated Royal Sanders as a longer-term hold asset in the Private Equity portfolio, following its consistent performance since acquisition and due to its compounding growth characteristics.

Low levels of global private equity transaction activity persisted through FY2024. We remained very disciplined on price given the difficulties to match buyers' and vendors' expectations, prioritising reinvestment into some of our existing portfolio companies and continuing our buy-and-build momentum. We also generated proceeds from some of our existing portfolio from refinancing activities and portfolio income.

Overall, the Private Equity portfolio value increased to £19,629 million (31 March 2023: £16,425 million). The contribution of Action to the Private Equity performance is detailed in Note 1 of the financial statements.

Table 1: Gross investment return for the year to 31 March

Investment basis	2024 £m	2023 £m
Realised profits over value on the disposal of investments	**–**	169
Unrealised profits on the revaluation of investments	**3,874**	3,746
Dividends	**439**	345
Interest income from investment portfolio	**80**	77
Fees receivable	**7**	7
Foreign exchange on investments	**(437)**	493
Movement in fair value of derivatives	**96**	129
Gross investment return	**4,059**	4,966
Gross investment return as a % of opening portfolio value	**25%**	40%

Investment and realisation activity

Transaction activity at **Action** was the main driver of Private Equity investment and realisations in FY2024. In October 2023, Action successfully completed its debut US dollar term loan issuance in the US leveraged loan market, raising $1.5 billion at very attractive pricing. In October 2023, Action also completed a capital restructuring with a pro-rata redemption of shares. We reinvested £455 million of the £762 million of proceeds from the share redemption to acquire further shares in Action, increasing our gross equity stake from 52.9% to 54.8%.

We typically refinance our most cash generative assets where appropriate for the business and where market conditions allow. In December 2023, **Royal Sanders** completed an all-senior debt refinancing, upsizing its debt facilities and returning £109 million to 3i, of which £48 million was recognised as income. We also completed a £29 million purchase of an incremental stake in the business.

Our buy-and-build strategy remains an integral part of our approach to value creation and in FY2024, our portfolio companies completed seven bolt-on acquisitions. This included Dutch Bakery's combination with coolback, a German bakery group specialised in bake-off bread, to create the **European Bakery Group** ("EBG"), a pan-European bakery platform. We supported this acquisition with a £38 million investment in July 2023. In August 2023, EBG completed the self-funded acquisition of Panelto, a manufacturer of bake-off artisan breads, establishing a UK and Ireland platform within the group. Further details of selected portfolio bolt-on acquisitions are in the Private Equity business review of our Annual report and accounts 2024.

We continued to develop **ten23 health** with further investment totalling £25 million and provided £12 million of capital to support **Luqom**, **YDEON** and **Digital Barriers** through challenging trading conditions.

WP returned cash of £42 million to 3i in the year, of which £2 million was recognised as income, primarily from a successful amend and extend of its debt facilities.

In total, in the year to 31 March 2024, our Private Equity team invested £556 million (2023: £381 million) and generated total proceeds of £866 million (2023: £857 million).

In April 2024, we agreed the sale of **nexeye,** generating expected exit proceeds of c.€452 million. These exit proceeds, combined with distributions already received, result in a 2.0x money multiple. The transaction is expected to complete in H1 FY2025.

Investments

	Portfolio company	Business description	Date	Proprietary capital investment £m
Reinvestment	Action	General merchandise discount retailer	November 2023	455
	Royal Sanders	Private label and contract manufacturing producer of personal care products	Various	29
	Total reinvestment			**484**
Further investment to finance portfolio bolt-on acquisitions	European Bakery Group	coolback: German bakery group specialising in bake-off bread	July 2023	38
	Total further investment to finance portfolio bolt-on acquisitions			**38**
Further investment to support portfolio companies	Luqom	Online specialist lighting retailer	Various	6
	Digital Barriers	Video technology provider	January 2024	4
	YDEON	Online retailer of garden buildings, sheds, saunas and related products	January 2024	2
	Total further investment to support portfolio companies			**12**
Other further investment	ten23 health	Biologics focused CDMO	Various	25
	Other	Various	Various	2
	Total other further investment			**27**
FY2024 Private Equity gross investment				**561**
Return of investment	Konges Sløjd	Premium brand offering apparel and accessories for babies and children	September 2023	(5)
	Total return of investment			**(5)**
FY2024 Private Equity net investment				**556**

	Portfolio company	Name of acquisition	Business description of bolt-on investment	Date
Private Equity portfolio bolt-on acquisitions funded from the portfolio company balance sheets	Royal Sanders	Lenhart	Manufacturer of private label products for the personal care industry	April 2023
	MAIT	etagis	Provider of production planning software for ERP systems	June 2023
	AES	Triseal	Engineering company specialising in design, manufacture and application of mechanical seals and associated rotating equipment	June 2023
	European Bakery Group	Panelto	Manufacturer of bake-off artisan breads	August 2023
	MAIT	Quadrix	Product lifecycle management software provider	October 2023
	Evernex	Maminfo	Brazilian provider of third-party maintenance services	January 2024

Realisations

	Portfolio company	Type	Business description	Date	3i realised proceeds £m
Realisations	Action	Capital restructuring proceeds	General merchandise discount retailer	November 2023	762
	Royal Sanders	Refinancing	Private label and contract manufacturing producer of personal care products	December 2023	61
	WP	Refinancing & other	Global manufacturer of innovative plastic packaging solutions	March 2024	40
	Other	Various	Various	Various	3
FY2024 Private Equity realisations					**866**

Action performance and valuation

As detailed in the Chief Executive's statement, Action delivered another year of very strong performance in 2023, and we reflected this in our valuation of Action at 31 March 2024.

At 31 March 2024, Action was valued using its LTM run-rate EBITDA to the end of P3 2024 of €1,848 million, which includes the usual adjustment to reflect stores opened in the last 12 months and one-off expenses of €18.5 million, the majority of which related to a specific net payment to each full-time Action employee in December 2023 to mark Action's 30-year trading anniversary. Action continues to outperform the peers we use to benchmark its performance across its most important KPIs, supporting our valuation multiple of 18.5x net of the liquidity discount (31 March 2023: 18.5x).

Action ended P3 2024 with cash of €558 million and a net debt to run-rate earnings ratio of 2.2x after paying two dividend distributions in FY2024, of which 3i received £375 million.

At 31 March 2024, the valuation of our 54.8% stake in Action was £14,158 million (31 March 2023: 52.9%, £11,188 million) and we recognised unrealised profits from Action of £3,609 million (March 2023: £3,708 million) as shown in Table 3.

Table 2: Action financial metrics

	Last 12 months to P12 2023 (31 December 2023) €m	Last 12 months to P12 2022 (1 January 2023) €m
Net sales	**11,324**	8,859
LFL sales growth	**16.7%**	18.1%
Operating EBITDA	**1,615**	1,205
Operating EBITDA margin	**14.3%**	13.6%
Net new stores added	**303**	280
	Last 3 months to P3 2024 (31 March 2024) €m	Last 3 months to P3 2023 (2 April 2023) €m
Net sales	**3,004**	2,485
LFL sales growth	**9.8%**	24.3%
Operating EBITDA	**397**	309
Operating EBITDA margin	**13.2%**	12.4%
Net new stores added	**42**	34
	Last 12 months to P3 2024 (31 March 2024) €m	Last 12 months to P3 2023 (2 April 2023) €m
Run-rate EBITDA	**1,848**	1,439

Performance (excluding Action)

Excluding Action, the Private Equity portfolio valued on an earnings basis generated £689 million (March 2023: £520 million) of value growth from performance increases, offsetting £368million of performance decreases (March 2023: £310 million).

Royal Sanders, which operates in the private label and contract manufacturing market for personal care products, was the largest contributor to our Private Equity performance increases (excluding Action) in FY2024. A combination of continued growth of key customers and the benefits of its previous bolt-on acquisitions beginning to manifest resulted in the business delivering strong top-line and earnings growth and cash generation in the year, underscoring its good track record since we invested in 2018. As a result, we have now designated Royal Sanders as a longer-term hold asset, as we continue to support the compounding growth potential of the business. Also operating in the private label space, **EBG** was another standout performer in FY2024. Following the formation of the combined EBG platform earlier in the year (as shown in investments and realisations activity above), the business is benefitting from an expanded footprint in new geographies and product categories.

MPM saw good top-line growth in 2023, driven primarily by increased volumes across its key markets. The US, now its largest market, continues to see encouraging sales development and there is significant headroom to scale it further, including through the online channel. **Audley Travel**'s reputable brand and customer loyalty continues to support its strong recovery post the pandemic.

Low consumer confidence impacted the home and living category in **Luqom**'s core DACH and Nordic regions in 2023, resulting in financial underperformance. In response, the business has focused on an operational transformation to ensure it is well positioned for improved market conditions. Encouragingly, it has started 2024 with more positive trading. **YDEON** faced a sustained deterioration of consumer confidence in its markets in 2023, particularly in its core German market. There are some signs of improving performance for YDEON at the start of 2024, albeit the wider market environment remains challenging. Whilst largely outperforming the general furniture market, **BoConcept** saw softer order intake across most of its regions in 2023. This was partially offset by stabilising input and shipping costs.

Across our healthcare portfolio, **Cirtec Medical** saw strong commercial traction with new wins in 2023, including both production and product development programmes, and has a strong pipeline moving into 2024 that is expected to support continued growth.

Since our initial investment in 2021, we have invested our capital in developing the infrastructure, commercial activities and team expertise of **ten23 health**. In 2023, the business continued to develop the production and development services capabilities of its Basel and Visp sites, and grew a good pipeline of customer programmes.

Q Medical Devices (**Q Holding**) performed well in 2023, with strong demand from most of its customers across its business units, and also benefitted from a number of operational initiatives.

Demand for single-use bioprocessing products remained muted across the industry in 2023, as destocking persisted for longer than expected, impacting **SaniSure** as a participant in this market. Over this period, SaniSure has focused on driving further improvements in its business and processes to position itself for a recovery in demand. Whilst it is difficult to predict when ordering patterns may normalise, we have seen positive momentum in its order book in the first quarter of 2024. SaniSure is well positioned to be an outsized beneficiary of the return to normalised market growth.

AES delivered another year of strong performance in 2023, driven by order volume growth across its global end-markets. The business continued to progress reliability, automation and capacity and completed the bolt-on acquisition of Tri-Seal, an Australian sealing technology provider.

A combination of good demand in personal care products and new customers drove good volume growth in **WP** in 2023. Weak end-market demand across the consumer DIY and construction markets resulted in soft trading performance for **Tato** in 2023. The business has, however, benefitted from selling down highly-priced inventory over the year and is now delivering improved margin performance. Tato remains highly cash generative and returned £7 million of dividend income to 3i in the year.

Evernex saw good financial performance in 2023, driven primarily by third-party maintenance sales growth, particularly in southern Europe, North America, the Middle East, Africa and Brazil. The business also secured a significant contract in the US as part of its North American expansion strategy. In January 2024, Evernex completed the bolt-on acquisition of Maminfo in Brazil, enabling the business to deliver its capabilities across all Brazilian states. Also operating in the IT services market, **MAIT** continues to grow its revenues through a combination of organic growth and M&A. The business completed the acquisitions of etagis and Quadrix in the year, achieving further progress in its buy-and-build strategy.

WilsonHCG continues to operate in a challenging white collar recruitment market, resulting in softer performance across the majority of its end-markets. The business has carefully optimised its resources ensuring that it can service new customer wins in the year, and is ready to scale quickly when market demand returns. **arrivia**'s encouraging post-pandemic recovery and performance in 2023, was somewhat offset by the loss of a significant client at the end of the year. This is expected to impact bookings going forward.

Table 3: Unrealised profits on the revaluation of Private Equity investments[1] in the year to 31 March

	2024 £m	2023 £m
Earnings based valuations		
Action performance	**3,609**	3,708
Performance increases (excluding Action)	**689**	520
Performance decreases (excluding Action)	**(368)**	(310)
Multiple increases	**68**	38
Multiple decreases	**(107)**	(205)
Other bases		
Sum of the parts	**60**	–
Discounted cash flow	**(13)**	4
Other movements on unquoted investments[2]	**(14)**	4
Quoted portfolio	**(50)**	(13)
Total	**3,874**	3,746

1 Further information on our valuation methodology, including definitions and rationale, is included in the Portfolio valuation – an explanation section in our Annual report and accounts 2024.

2 FY2024 includes nexeye valued on an imminent sale basis.

Overall, 93% of the portfolio by value grew LTM adjusted earnings in the year (31 March 2023: 90%). Table 4 shows the earnings growth of our top 20 Private Equity investments.

Table 4: Portfolio earnings growth of the top 20 Private Equity[1] investments

	Number of companies	3i value at 31 March 2024 £m
<0%	6	1,276
0-9%	5	1,187
10-19%	3	871
20-29%	2	14,225
≥30%	4	1,190

1 Includes top 20 Private Equity companies by value excluding ten23 health and nexeye. This represents 96% of the Private Equity portfolio by value (31 March 2023: 96%). Last 12 months' adjusted earnings to 31 December 2023 and Action based on LTM run-rate earnings to the end of P3 2024.

Leverage

Our Private Equity portfolio is funded with all-senior debt structures, with long-dated maturity profiles. As at 31 March 2024, 85% of portfolio company debt was repayable from 2027 and beyond.

Across our Private Equity portfolio, term debt is well protected against interest rate rises, with over 70% of total term debt hedged at a weighted average tenor of more than three years. The average all-in debt cost on the total hedged term debt is less than 6.5%.

Average leverage across the portfolio was 2.7x (31 March 2023: 2.5x). Excluding Action, leverage across the portfolio was 3.9x (31 March 2023: 4.0x).

Table 5 shows the ratio of net debt to adjusted earnings by portfolio value.

Table 5: Ratio of net debt to adjusted earnings[1]

	Number of companies	3i value at 31 March 2024 £m
1-2x	4	206
2-3x	5	15,009
3-4x	5	1,120
4-5x	2	527
5-6x	3	963
>6x	3	124

1 This represents 91% of the Private Equity portfolio by value (31 March 2023: 92%). Quoted holdings, nexeye, ten23 health, and companies with net cash are excluded from the calculation. Net debt and adjusted earnings at 31 December 2023 and Action based on LTM run-rate earnings to the end of P3 2024.

Multiple movements

When selecting multiples to value our portfolio companies we take a long-term, through-the-cycle approach and consider a number of factors including recent performance, outlook and bolt-on activity, comparable recent market transactions and exit plans, and the performance of quoted comparable companies. At each reporting date our valuation multiples are considered as part of a robust valuation process, which includes independent challenge throughout, including from our external auditors, culminating in the quarterly Valuations Committee of the Board.

Whilst public equity markets generally recovered in the year to the end of March 2024, we have remained cautious in reflecting this recovery in the valuation multiples we use for our portfolio companies, given the persisting dislocation between quoted equity market multiples and the valuations of private market transactions.

We increased the multiples for three of our portfolio companies in the year to reflect their performance against their respective investment cases and the scaling or professionalising of these businesses, and we adjusted four multiples downwards to reflect private market transaction dynamics, and in some instances, soft performance. In total, we recognised a net £39 million unrealised value reduction from multiple movements in the year (March 2023: £167 million).

We have made no changes to our approach for the valuation of Action. Action's performance and KPIs continue to compare very favourably in relation to its peer group, which consists of North American and European value-for-money retailers. This supports our post-discount valuation multiple of 18.5x, which is unchanged from the prior year. We take comfort from the fact that Action's continued growth meant that its valuation at 31 March 2023 translated to only 14.4x the run-rate EBITDA achieved one year later.

Based on the valuation at 31 March 2024, a 1.0x movement in Action's post discount multiple would increase or decrease the valuation of 3i's investment by £866 million.

Quoted portfolio

Basic-Fit is the only quoted investment in our Private Equity portfolio. In 2023, the business saw 13% growth in its membership numbers and added 202 clubs to its network.

In the 12 months to 31 March 2024, its share price decreased by 43.1% to €20.68 (31 March 2023: €36.32). This price values our 5.7% shareholding in Basic-Fit at £67 million (31 March 2023: £121 million).

Imminent sale

Given the advanced stage of the sale process, we valued **nexeye** on an imminent sale basis at 31 March 2024, and we agreed the sale of the portfolio company in April 2024.

Sum of the parts

At 31 March 2024, **ten23 health** was valued on a sum of the parts basis, mainly using a discounted cash flow ("DCF") methodology.

Assets under management

The assets under management of the Private Equity portfolio, including third-party capital, increased to £27.5 billion (31 March 2023: £22.9 billion), primarily due to unrealised value movements in the year.

Private Equity 3i proprietary capital by vintage

The performance of our vintages (Table 7) is driven by our portfolio companies. Action, the only remaining asset in the Buyouts 10-12 Vintage and the primary driver of 'Other' category continues to perform very strongly. In the year, we designated Royal Sanders as a longer-term hold Private Equity asset, crystallising the return from Royal Sanders to date within its previous 2016-19 vintage, at a 5.3x sterling money multiple. Royal Sanders now sits in the 'Other' category.

Table 6: Private Equity assets by sector as at 31 March 2024

Sector	Number of companies[1]	3i carrying value 2024 £m
Action (Consumer)	**1**	**14,158**
Consumer	**13**	**2,292**
Healthcare	**4**	**1,262**
Industrial Technology	**6**	**1,107**
Services	**9**	**644**
Software	**3**	**166**
Total	**36**	**19,629**

1 The case count excludes legacy insolvent assets.

Table 7: Private Equity 3i proprietary capital as at 31 March

Vintages	3i proprietary capital value[3] 2024 £m	Vintage money multiple[4] 2024	3i proprietary capital value[3] 2023 £m	Vintage money multiple[4] 2023
Buyouts 2010–2012[1]	**1,389**	**16.0x**	2,968	15.1x
Growth 2010–2012[1]	**22**	**2.1x**	23	2.1x
2013–2016[1]	**788**	**2.5x**	814	2.5x
2016–2019[1]	**1,363**	**1.8x**	1,872	1.8x
2019–2022[1]	**1,743**	**1.6x**	1,524	1.5x
2022-2025[1]	**224**	**1.0x**	228	1.0x
Other[2]	**14,100**	**n/a**	8,996	n/a
Total	**19,629**		16,425	

1 Assets included in these vintages are disclosed in the Glossary.
2 Includes value of £12,769 million (31 March 2023: £8,220 million) held in Action through the 2020 and 2023 Co-investment vehicles and 3i.
3 3i proprietary capital is the unrealised value for the remaining investments in each vintage.
4 Vintage money multiple (GBP) includes realised value and unrealised value as at the reporting date.

Infrastructure

At a glance

Gross investment return

£99m
or 7%
(2023: £86m or 6%)

AUM

£6.7bn
(2023: £6.4bn)

Cash income

£113m
(2023: £107m)

We manage a range of funds investing principally in mid-market economic infrastructure and operational projects in Europe and North America. Infrastructure is a defensive asset class that provides a good source of income and fund management fees for the Group, enhancing the returns on our proprietary capital.

Our Infrastructure portfolio generated a GIR of £99 million or 7% on the opening portfolio value (2023: £86 million, 6%), driven primarily by an increase in the share price of our quoted stake in 3iN, good value growth from our US infrastructure portfolio and dividend income. 3iN's underlying portfolio continues to perform strongly, and it completed follow-on investments in three portfolio companies, two self-funded bolt-on acquisitions and disposed of one asset in the year.

We completed the final close of our North American Infrastructure Fund, and the Fund made one new investment and three bolt-on acquisitions for its existing portfolio companies in the year.

Table 8: Gross investment return for the year to 31 March

Investment basis	**2024 £m**	2023 £m
Realised losses over value on the disposal of investments	**(4)**	–
Unrealised profits on the revaluation of investments	**72**	23
Dividends	**35**	33
Interest income from investment portfolio	**11**	14
Fees payable	**(6)**	–
Foreign exchange on investments	**(9)**	16
Gross investment return	**99**	86
Gross investment return as a % of opening portfolio value	**7%**	6%

Fund management

3iN

3iN generated a total return on opening NAV of 11.4% for the year to 31 March 2024, exceeding its total return target of 8% to 10% per annum, and delivered its dividend target of 11.9 pence per share, a 6.7% increase on last year.

This result was underpinned by the strong performance of 3iN's portfolio companies, as they continued to benefit from long-term sustainable growth trends. **TCR** outperformed our expectations for the year due to a number of contract wins, further increasing its global presence and strong utilisation rates of its fleet as air traffic levels continue to grow post the pandemic. **Tampnet** traded well in the year, driven by the outperformance of its fixed and mobile units and by the delivery of new installations across the North Sea and the Gulf of Mexico. **Valorem** saw revenues from electricity generation ahead of expectations driven by favourable wind conditions. Other notable contributors include **Infinis**, **Joulz**, **ESVAGT** and **Global Cloud Xchange**. **DNS:NET** continues to face challenges with its fibre network roll out in Germany resulting in weaker performance in the year.

During the year, 3iN completed the realisation of Attero for proceeds of €214 million, a 31% uplift on opening value. 3iN also completed follow on investments in Future Biogas, DNS:NET and Ionisos and a bolt-on acquisition for both TCR and Tampnet, both of which required no further investment.

As investment manager to 3iN, in FY2024, we recognised a management and support services fee of £51 million (2023: £49 million) and a NAV-based performance fee of £41 million (2023: £35 million). This performance fee comprised a third of the potential performance fee for each of FY2024, FY2023 and FY2022, after the performance hurdle was met in each year. In addition, we received a performance fee of £21 million on the realisation of Attero from managed funds that invested alongside 3iN.

North American Infrastructure Fund

Our North American Infrastructure Fund completed its final close in December 2023, with final commitments of $739 million. As part of this process, we received further external commitments during the year, which resulted in a pro-rata rebalancing of existing fund holdings, resulting in proceeds to 3i of £22 million.

The Fund completed a £32 million new investment in Amwaste, a provider of non-hazardous solid waste disposal services in the southeastern region of the US. Regional Rail continued its growth via new customer additions and bolt-on activity, with the acquisitions of Indiana Eastern Railroad, Ohio South Central Railroad and Clinton Terminal Railroad, adding over 100 miles of freight rail to the platform. Freight load traffic across Regional Rail's existing railroads continued to grow. EC Waste saw good performance from its landfill and transfer stations and, the business completed the acquisition of a further landfill site in Puerto Rico in the year.

Assets under management

Infrastructure AUM increased to £6.7 billion (2023: £6.4 billion), principally due to an increase in the share price of 3iN and good performance across our US infrastructure portfolio and 3i Managed Infrastructure Acquisitions Fund ("3i MIA").

During the year, we agreed to sell our operational projects infrastructure fund capability, comprising the management of the BIIF and 3i EOPF funds, to certain members of the 3i Infrastructure team, with the aim of simplifying 3i's Infrastructure business and facilitating its focus on core-plus infrastructure. At 31 March 2024, this represented total AUM of £796 million. The sale is expected to complete shortly. There is no material impact to 3i Group's net assets or return from this transaction.

Table 9: Assets under management as at 31 March 2024

Fund/strategy	Close date	Fund size	3i commitment/ share	Remaining 3i commitment	% invested[3] at 31 March 2024	AUM £m	Fee income earned in 2024 £m
3iN[1]	Mar-07	n/a	£879m	n/a	**n/a**	**3,011**	**51**
3i Managed Infrastructure Acquisitions LP	Jun-17	£698m	£35m	£5m	**87%**	**1,399**	**4**
3i managed accounts	various	n/a	n/a	n/a	**n/a**	**689**	**4**
BIIF[4]	May-08	£680m	n/a	n/a	**91%**	**437**	**3**
3i North American Infrastructure Fund	Dec-23[2]	US$739m	US$300m	US$85m	**75%**	**541**	**3**
3i European Operational Projects Fund[4]	Apr-18	€456m	€40m	€4m	**87%**	**359**	**3**
US Infrastructure	Nov-17	n/a	n/a	n/a	**n/a**	**306**	**–**
3i India Infrastructure Fund	Mar-08	US$1,195m	US$250m	n/a	**73%**	**–**	**–**
Total						**6,742**	**68**

1 AUM based on the share price at 31 March 2024.
2 First close completed in March 2022. Final close completed in December 2023.
3 % invested is the capital deployed into investments against the total Fund commitment.
4 Fee income earned is non-recurring.

3i's proprietary capital infrastructure portfolio

The Group's proprietary capital infrastructure portfolio consists of its 29% quoted stake in 3iN, its investment in Smarte Carte and direct stakes in other managed funds.

Quoted stake in 3iN

Our 29% stake in 3iN (31 March 2023: 29%) was valued at £879 million (31 March 2023: £841 million) at 31 March 2024, as its share price increased by 4% year-on-year to 327 pence (31 March 2023: 313 pence). As a result, we recognised an unrealised gain of £38 million (2023: unrealised loss of £93 million) and £31 million of dividend income (2023: £29 million).

North American Infrastructure proprietary capital

Smarte Carte traded well in 2023 across most of its business lines, supported by favourable economics and new contract wins. The business continues to grow its international presence, recently signing a new carts contract at London Heathrow Airport, one of the largest cart operations in the world with over 14,000 trolleys. At 31 March 2024, Smarte Carte was valued at £306 million on a DCF basis (31 March 2023: £300 million).

Table 10: Infrastructure portfolio movement for the year to 31 March 2024

Investment	Valuation	Opening value at 1 April 2023 £m	Investment £m	Disposals at opening book value £m	Unrealised profit £m	Other movements[1] £m	Closing value at 31 March 2024 £m
3iN	Quoted	841	–	–	38	–	**879**
Smarte Carte	DCF	300	–	–	7	(1)	**306**
North American Infrastructure Fund[2]	DCF	171	36	(26)	20	(2)	**199**
3i MIA	Fund	65	–	–	6	–	**71**
3i EOPF	Fund	32	–	–	1	–	**33**
Total		1,409	36	(26)	72	(3)	**1,488**

1 Other movements include foreign exchange.
2 Includes Regional Rail, EC Waste and Amwaste.

Scandlines

At a glance

Gross investment return

£10m
or 2%

(2023: £52m or 10%)

Dividend income

£25m

(2023: £38m)

Scandlines is held for its ability to deliver long-term capital returns, whilst generating cash dividends.

Performance

Scandlines' performance was stable in the year, and it generated a GIR of £10 million, or 2% of opening portfolio value (2023: £52 million, 10%).

Leisure volumes continued to grow, following a strong peak over the summer. Freight volumes were softer compared to record levels in 2022, as a result of normalising demand, and a weaker macro-economic environment particularly in Scandinavia and Germany. The business remained cash generative in the year, resulting in the receipt of £25 million of dividend income in FY2024 (2023: £38 million).

Scandlines continues to invest in upgrading its fleet and reducing its emissions. A new freight ferry for the Rødby-Puttgarden route, which will be capable of sailing without direct emissions when fully operating on electricity, is in the later stages of construction.

We continue to value Scandlines on a DCF basis and, at 31 March 2024, its value of £519 million (31 March 2023: £554 million) reflected the dividends received in the year and a degree of caution on the outlook.

Foreign exchange

We hedge the balance sheet value of our investment in Scandlines. We recognised a £15 million loss on foreign exchange translation (March 2023: gain of £21 million) offset by a £20 million fair value gain (March 2023: loss of £7 million) from derivatives in our hedging programme.

Table 11: Gross investment return for the year to 31 March

Investment basis	**2024 £m**	2023 £m
Unrealised losses on the revaluation of investments	**(20)**	–
Dividends	**25**	38
Foreign exchange on investments	**(15)**	21
Movement in fair value of derivatives	**20**	(7)
Gross investment return	**10**	52
Gross investment return as a % of opening portfolio value	**2%**	10%

Financial review

Strong financial performance

Highlights - Investment basis

Gross investment return	Operating profit before carried interest	Total return
£4,168m	**£4,077m**	**£3,839m**
(2023: £5,104m)	(2023: £4,956m)	(2023: £4,585m)
Total return on opening shareholders' funds	**Diluted NAV per share at 31 March 2024**	**Total dividend**
23%	**2,085p**	**61.0p**
(2023: 36%)	(31 March 2023: 1,745p)	(31 March 2023: 53.0p)

Table 12: Total return for the year to 31 March

Investment basis	2024 £m	2023 £m
Realised (losses)/profits over value on the disposal of investments	**(4)**	169
Unrealised profits on the revaluation of investments	**3,926**	3,769
Portfolio income		
Dividends	**499**	416
Interest income from investment portfolio	**91**	91
Fees receivable	**1**	7
Foreign exchange on investments	**(461)**	530
Movement in the fair value of derivatives	**116**	122
Gross investment return	**4,168**	5,104
Fees receivable from external funds	**72**	70
Operating expenses	**(147)**	(138)
Interest receivable	**13**	4
Interest payable	**(61)**	(54)
Exchange movements	**29**	(29)
Other income/(expense)	**3**	(1)
Operating profit before carried interest	**4,077**	4,956
Carried interest		
Carried interest and performance fees receivable	**62**	41
Carried interest and performance fees payable	**(305)**	(418)
Operating profit before tax	**3,834**	4,579
Tax charge	**(2)**	(2)
Profit for the year	**3,832**	4,577
Re-measurements of defined benefit plans	**7**	8
Total comprehensive income for the year ("Total return")	**3,839**	4,585
Total return on opening shareholders' funds	**23%**	36%

Investment basis and Alternative Performance Measures ("APMs")

In our Strategic report, we report our financial performance using our Investment basis. We do not consolidate our portfolio companies as private equity and infrastructure investments are not operating subsidiaries. IFRS 10 sets out an exception to consolidation and requires us to fair value other companies in the Group (primarily intermediate holding companies and partnerships). As explained in the Investment basis, Reconciliation of Investment basis and IFRS sections below, the total comprehensive income and net assets are the same under our audited IFRS financial statements and our Investment basis. The Investment basis is simply a "look through" of IFRS 10 to present the underlying performance and we believe it is more transparent to readers of our Annual report and accounts.

In October 2015, the European Securities and Markets Authority ("ESMA") published guidelines about the use of APMs. These are financial measures such as KPIs that are not defined under IFRS. Our Investment basis is itself an APM, and we use a number of other measures which, on account of being derived from the Investment basis, are also APMs.

Further information about our use of APMs, including the applicable reconciliations to the IFRS equivalent where appropriate, is provided at the end of the Financial review and should be read alongside the Investment basis to IFRS reconciliation. Our APMs are gross investment return as a percentage of the opening investment portfolio value, cash realisations, cash investment, operating cash profit, net cash/(debt) and gearing.

Realised losses/profits

In the year, we recognised a small realised loss of £4 million (2023: profit of £169 million) relating to Infrastructure. We generated total realised proceeds of £888 million (2023: £857 million) primarily from Action's capital restructuring.

Unrealised value movements

We recognised an unrealised profit of £3,926 million (2023: £3,769 million). Action's continued strong performance contributed £3,609 million (2023: £3,708 million). We also saw good contributions from a number of our other Private Equity investments including Royal Sanders, EBG, AES, Cirtec Medical, Q Holding, MPM, ten23 health, MAIT and Audley Travel, offsetting negative contributions from arrivia, Tato, WilsonHCG, Luqom, SaniSure and Basic-Fit. Our infrastructure portfolio delivered a good return, driven by the increase in the share price of our quoted investment in 3iN.

Further information on the Private Equity, Infrastructure and Scandlines valuations is included in the business reviews.

Table 13: Unrealised value movements on the revaluation of investments for the year to 31 March

Investment basis	**2024 £m**	2023 £m
Private Equity	**3,874**	3,746
Infrastructure	**72**	23
Scandlines	**(20)**	–
Total	**3,926**	3,769

Portfolio income

Portfolio income increased to £591 million for the year (2023: £514 million), primarily due to dividend income of £499 million (2023: £416 million), particularly from Action and Royal Sanders and interest income from portfolio companies, the majority of which is non-cash.

Fees receivable from external funds

Fees received from external funds increased to £72 million (2023: £70 million). 3i receives a fund management fee from 3iN, which amounted to £51 million in FY2024 (2023: £49 million).

The remaining fee income received in the year of £21 million (2023: £21 million) includes fees from 3i MIA, our management of the 3i 2020 Co-investment Programme related to Action and other funds.

Operating expenses

Operating expenses increased in the year to £147 million (2023: £138 million) driven by a higher share-based payment charge reflecting the strong performance of 3i's share price during the year which was offset by delayed staff recruitment.

Interest payable

The Group recognised interest payable of £61 million (2023: £54 million). Interest payable predominantly includes interest on the Group's loans and borrowings and amortisation of capitalised fees.

Operating cash profit

We generated an operating cash profit of £467 million in the year (2023: £364 million). Cash income increased to £594 million (2023: £497 million), principally due to an increase in dividend income, which included £375 million of cash dividends from Action (2023: £325 million). We also received cash dividends from Royal Sanders, 3iN, Scandlines, Tato and AES, as well as cash fees from our external funds. Excluding the dividends received from Action, the operating cash profit was £92 million.

Cash operating expenses of £127 million (2023: £133 million), decreased in the year due to the timing of payments. Cash operating expenses are lower than the £147 million (2023: £138 million) of operating expenses recognised in the Consolidated statement of comprehensive income as a result of share-based payments and other non-cash expenses.

Table 14: Operating cash profit for the year to 31 March

Investment basis	2024 £m	2023 £m
Cash fees from external funds	**74**	67
Cash portfolio fees	**12**	5
Cash portfolio dividends and interest	**508**	425
Cash income	**594**	497
Cash operating expenses[1]	**(127)**	(133)
Operating cash profit	**467**	364

1 Cash operating expenses include operating expenses paid and lease payments.

Carried interest and performance fees

We receive carried interest and performance fees from third-party funds and 3iN. We also pay carried interest and performance fees to participants in plans relating to returns from investments. These are received and/or paid subject to meeting certain performance conditions. In Private Equity (excluding Action), we typically accrue net carried interest payable of c.12% of GIR and for Action carried interest payable of c.3% of Action's GIR, based on the assumption that all investments are realised at their balance sheet value. Carried interest is paid to participants when cash proceeds have actually been received following a realisation, refinancing event or other cash distribution and performance hurdles are passed in cash terms. Due to the length of time between investment and realisation, the schemes are usually active for a number of years and their participants include both current and previous employees of 3i.

In the year to 31 March 2024, we reduced our carried interest and performance fees payable balance to £818 million (2023: £1,351 million), primarily driven by £735 million paid in relation to Action, as a result of crystallising a further portion of the carried interest liability in the Buyouts 2010-12 carry scheme. As a result of these payments and the further investment in Action in the year, our net holding in Action, after carried interest, is now 53.2% (31 March 2023: 48.9%).

The strong performance of Action in the Buyouts 2010-12 vintage and good performance of a number of portfolio companies in our other vintages in Private Equity led to a £262 million increase in carried interest payable in FY2024.

In Infrastructure, 3iN pays a performance fee based on its NAV on an annual basis, subject to a hurdle rate of return. The continued strong performance of the assets held by 3iN and the sale of Attero, resulted in the recognition of £62 million (2023: £35 million) of performance fees receivable. £43 million (2023: £25 million) was recognised as carried interest and performance fees payable. During the year, we received £58 million of performance fees and paid £33 million to the Infrastructure team.

Overall, the effect of the income statement charge of £305 million (2023: £418 million), cash payments of £778 million (2023: £51 million), as well as currency translation meant that the balance sheet carried interest and performance fees payable was £818 million (31 March 2023: £1,351 million).

Table 15: Carried interest and performance fees for the year to 31 March

Investment basis Statement of comprehensive income	2024 £m	2023 £m
Carried interest and performance fees receivable		
Private Equity	**–**	4
Infrastructure	**62**	37
Total	**62**	41
Carried interest and performance fees payable		
Private Equity	**(262)**	(392)
Infrastructure	**(43)**	(26)
Total	**(305)**	(418)
Net carried interest payable	**(243)**	(377)

Table 16: Carried interest and performance fees at 31 March

Investment basis Statement of financial position	2024 £m	2023 £m
Carried interest and performance fees receivable		
Private Equity	**5**	6
Infrastructure	**42**	37
Total	**47**	43
Carried interest and performance fees payable		
Private Equity	**(803)**	(1,325)
Infrastructure	**(15)**	(26)
Total	**(818)**	(1,351)

Table 17: Carried interest and performance fees paid in the year to 31 March

Investment basis cash flow statement	2024 £m	2023 £m
Carried interest and performance fees cash paid		
Private Equity	**745**	24
Infrastructure	**33**	27
Total	**778**	51

Net foreign exchange movements

The Group recorded a total foreign exchange translation loss of £316 million including the impact of foreign exchange hedging in the year (March 2023: £623 million gain), as a result of sterling strengthening by 3% against the euro and by 2% against the US dollar.

At 31 March 2024, the notional value of the Group's forward foreign exchange contracts was €2.6 billion and $1.2 billion. The €2.6 billion includes the €600 million notional value of the forward foreign exchange contracts related to the Scandlines hedging programme.

Including the impact from foreign exchange hedging, 75% of the Group's net assets are denominated in euros or US dollars. Based on the Group's net assets at 31 March 2024, including the impact from foreign exchange hedging, a 1% movement in euro and US dollar foreign exchange rates would impact total return by £140 million and £12 million, as shown in Table 18 below.

Table 18: Net assets[1] and sensitivity by currency at 31 March

	FX rate	£m	%	1% sensitivity £m
Sterling	n/a	**4,817**	24	**n/a**
Euro[2]	1.1695	**13,947**	69	**140**
US dollar[2]	1.2633	**1,180**	6	**12**
Danish krone	8.7236	**200**	1	**2**
Other	n/a	**26**	–	**n/a**

1 The Group's foreign exchange hedging is treated as a sterling asset within the above table.
2 The sensitivity impact calculated on the net assets position includes the impact of foreign exchange hedging.

Pension

The Group's UK defined benefit plan ("the Plan") is fully insured following previous buy-in policies with Legal & General in May 2020 and February 2019 and Pension Insurance Corporation in March 2017. These polices provide long-term security for the Plan members and 3i is no longer exposed to any material longevity, interest or inflation risk in the Plan or any ongoing requirement to fund the Plan. The Trustees of the Plan wrote to members on 18 March 2024 to confirm that they were proceeding with their plan to buy out members' benefits and to distribute the surplus to the Company. This transaction is expected to complete in FY2025.

During the year the Group recognised a £7 million re-measurement gain on the Plan, following a reduction in the tax rate used to restrict the surplus to 25% (31 March 2023: 35%), following a legislative change made by the government effective from 6 April 2024. There was no re-measurement gain (2023: £8 million) on the German defined benefit plan.

Tax

The Group's parent company continues to operate in the UK as an approved investment trust company. An approved investment trust is a UK investment company, which is required to meet certain conditions set out in the UK tax rules to obtain and maintain its tax status. This approval allows certain investment profits of the Company, broadly its capital profits, to be exempt from tax in the UK. The Group's tax charge for the year was £2 million (2023: £2 million).

The Group's overall UK tax position for the financial year is dependent on the finalisation of tax returns of the various corporate and partnership entities in the UK group.

Balance sheet and liquidity

During the year, we successfully issued a six-year €500 million bond at a coupon of 4.875% and extended the tenor of the £400 million tranche of our £900 million RCF to November 2026, with both transactions further strengthening our liquidity profile.

At 31 March 2024, the Group had net debt of £806 million (31 March 2023: £363 million) and gearing of 4% after the receipt of strong cash income of £594 million and net cash proceeds of £280 million, offsetting the payment of carried interest and performance fees of £778 million and Group dividend payments of £541 million.

The Group had liquidity of £1,296 million as at 31 March 2024 (31 March 2023: £1,312 million), comprising cash and deposits of £396 million (31 March 2023: £412 million) and an undrawn RCF of £900 million.

The investment portfolio value increased to £21,636 million at 31 March 2024 (31 March 2023: £18,388 million), mainly driven by unrealised profits of £3,926 million in the year.

Further information on investments and realisations is included in the Private Equity, Infrastructure and Scandlines business reviews.

Table 19: Simplified consolidated balance sheet at 31 March

Investment basis Statement of financial position	**2024 £m**	2023 £m
Investment portfolio	**21,636**	18,388
Gross debt	**(1,202)**	(775)
Cash and deposits	**396**	412
Net debt	**(806)**	(363)
Carried interest and performance fees receivable	**47**	43
Carried interest and performance fees payable	**(818)**	(1,351)
Other net assets	**111**	127
Net assets	**20,170**	16,844
Gearing[1]	**4%**	2%

1. Gearing is net debt as a percentage of net assets.

Going concern

The Annual report and accounts 2024 are prepared on a going concern basis. The Directors made an assessment of going concern, taking into account the Group's current performance and the outlook, and performed additional analysis to support the going concern assessment. Further details on going concern can be found in the Resilience statement in our Annual report and account 2024.

Dividend

The Board has recommended a second FY2024 dividend of 34.5 pence per share (2023: 29.75 pence), taking the total dividend for the year to 61.0 pence per share (2023: 53.0 pence).Subject to shareholder approval, the dividend will be paid to shareholders in July 2024.

Key accounting judgments and estimates

A key judgement is the assessment required to determine the degree of control or influence the Group exercises and the form of any control to ensure that the financial treatment of investment entities is accurate. The introduction of IFRS 10 resulted in a number of intermediate holding companies being presented at fair value, which has led to reduced transparency of the underlying investment performance. As a result, the Group continues to present a non-GAAP Investment basis set of financial statements to ensure that the commentary in the Strategic report remains fair, balanced and understandable. The reconciliation of the Investment basis to IFRS is shown further on in this document.

In preparing these accounts, the key accounting estimates are the carrying value of our investment assets, which is stated at fair value, and the calculation of carried interest payable.

Given the importance of the valuation of investments, the Board has a separate Valuations Committee to review the valuation policy, process and application to individual investments. However, asset valuations for unquoted investments are inherently subjective, as they are made on the basis of assumptions which may not prove to be accurate. At 31 March 2024, 96% by value of the investment assets were unquoted (31 March 2023: 95%)

The valuation of the proprietary capital portfolio is a primary input into the carried interest payable and receivable balances, which are determined by reference to the valuation at 31 March 2024 and the underlying investment management agreements.

Investment basis

Consolidated statement of comprehensive income
for the year to 31 March

	2024 £m	2023 £m
Realised (losses)/profits over value on the disposal of investments	**(4)**	169
Unrealised profits on the revaluation of investments	**3,926**	3,769
Portfolio income		
Dividends	**499**	416
Interest income from investment portfolio	**91**	91
Fees receivable	**1**	7
Foreign exchange on investments	**(461)**	530
Movement in the fair value of derivatives	**116**	122
Gross investment return	**4,168**	5,104
Fees receivable from external funds	**72**	70
Operating expenses	**(147)**	(138)
Interest receivable	**13**	4
Interest payable	**(61)**	(54)
Exchange movements	**29**	(29)
Other income/(expense)	**3**	(1)
Operating profit before carried interest	**4,077**	4,956
Carried interest		
Carried interest and performance fees receivable	**62**	41
Carried interest and performance fees payable	**(305)**	(418)
Operating profit before tax	**3,834**	4,579
Tax charge	**(2)**	(2)
Profit for the year	**3,832**	4,577
Other comprehensive income		
Re-measurements of defined benefit plans	**7**	8
Total comprehensive income for the year ("Total return")	**3,839**	4,585

Consolidated statement of financial position

as at 31 March

	2024 £m	2023 £m
Assets		
Non-current assets		
Investments		
Quoted investments	**946**	962
Unquoted investments	**20,690**	17,426
Investment portfolio	**21,636**	18,388
Carried interest and performance fees receivable	**2**	3
Other non-current assets	**36**	33
Intangible assets	**4**	5
Retirement benefit surplus	**61**	53
Property, plant and equipment	**4**	3
Right of use asset	**49**	9
Derivative financial instruments	**83**	73
Total non-current assets	**21,875**	18,567
Current assets		
Carried interest and performance fees receivable	**45**	40
Other current assets	**53**	41
Current income taxes	**1**	1
Derivative financial instruments	**82**	48
Cash and cash equivalents	**396**	412
Total current assets	**577**	542
Total assets	**22,452**	19,109
Liabilities		
Non-current liabilities		
Trade and other payables	**(50)**	(11)
Carried interest and performance fees payable	**(280)**	(1,049)
Loans and borrowings	**(1,202)**	(775)
Derivative financial instruments	**–**	(3)
Retirement benefit deficit	**(21)**	(20)
Lease liability	**(45)**	(5)
Deferred income taxes	**(1)**	(1)
Provisions	**(2)**	(4)
Total non-current liabilities	**(1,601)**	(1,868)
Current liabilities		
Trade and other payables	**(136)**	(85)
Carried interest and performance fees payable	**(538)**	(302)
Derivative financial instruments	**–**	(1)
Lease liability	**(4)**	(5)
Current income taxes	**(3)**	(4)
Total current liabilities	**(681)**	(397)
Total liabilities	**(2,282)**	(2,265)
Net assets	**20,170**	16,844
Equity		
Issued capital	**719**	719
Share premium	**791**	790
Other reserves	**18,752**	15,443
Own shares	**(92)**	(108)
Total equity	**20,170**	16,844

Consolidated cash flow statement

for the year to 31 March

	2024 £m	2023 £m
Cash flow from operating activities		
Purchase of investments	**(603)**	(330)
Proceeds from investments	**883**	885
Net cash flow from derivatives	**69**	23
Portfolio interest received	**8**	19
Portfolio dividends received	**500**	406
Portfolio fees received	**12**	5
Fees received from external funds	**74**	67
Carried interest and performance fees received	**58**	58
Carried interest and performance fees paid	**(778)**	(51)
Operating expenses paid	**(121)**	(128)
Co-investment loans received	**42**	3
Tax paid	**(3)**	–
Other cash income	**3**	–
Interest received	**13**	4
Net cash flow from operating activities	**157**	961
Cash flow from financing activities		
Issue of shares	**1**	1
Purchase of own shares	**–**	(30)
Dividends paid	**(541)**	(485)
Repayment of long-term borrowing	**–**	(200)
Proceeds from long-term borrowing	**422**	–
Lease payments	**(6)**	(5)
Interest paid	**(40)**	(54)
Net cash flow from financing activities	**(164)**	(773)
Cash flow from investing activities		
Purchase of property, plant and equipment	**(3)**	(1)
Net cash flow from investing activities	**(3)**	(1)
Change in cash and cash equivalents	**(10)**	187
Cash and cash equivalents at the start of year	**412**	229
Effect of exchange rate fluctuations	**(6)**	(4)
Cash and cash equivalents at the end of year	**396**	412

Background to Investment basis financial statements

The Group makes investments in portfolio companies directly, held by 3i Group plc, and indirectly, held through intermediate holding company and partnership structures ("Investment entity subsidiaries"). It also has other operational subsidiaries which provide services and other activities such as employment, regulatory activities, management and advice ("Trading subsidiaries"). The application of IFRS 10 requires us to fair value a number of intermediate holding companies that were previously consolidated line by line. This fair value approach, applied at the intermediate holding company level, effectively obscures the performance of our proprietary capital investments and associated transactions occurring in the intermediate holding companies.

The financial effect of the underlying portfolio companies and fee income, operating expenses and carried interest transactions occurring in Investment entity subsidiaries are aggregated into a single value. Other items which were previously eliminated on consolidation are now included separately.

To maintain transparency in our report and aid understanding we introduced separate non-GAAP "Investment basis" Statements of comprehensive income, financial position and cash flow in our 2014 Annual report and accounts. The Investment basis is an APM and the Strategic report is prepared using the Investment basis as we believe it provides a more understandable view of our performance. Total return and net assets are equal under the Investment basis and IFRS; the Investment basis is simply a "look through" of IFRS 10 to present the underlying performance.

Reconciliation of Investment basis and IFRS

A detailed reconciliation from the Investment basis to IFRS basis of the Consolidated statement of comprehensive income, Consolidated statement of financial position and Consolidated cash flow statement is shown on the following pages.

Reconciliation of Investment basis and IFRS

Reconciliation of consolidated statement of comprehensive income

for the year to 31 March

	Notes	**Investment basis 2024 £m**	**IFRS adjustments 2024 £m**	**IFRS basis 2024 £m**	Investment basis 2023 £m	IFRS adjustments 2023 £m	IFRS basis 2023 £m
Realised (losses)/profits over value on the disposal of investments	1,2	**(4)**	**5**	**1**	169	(105)	64
Unrealised profits on the revaluation of investments	1,2	**3,926**	**(1,184)**	**2,742**	3,769	(1,872)	1,897
Fair value movements on investment entity subsidiaries	1	**–**	**861**	**861**	–	2,112	2,112
Portfolio income							
Dividends	1,2	**499**	**(136)**	**363**	416	(187)	229
Interest income from investment portfolio	1,2	**91**	**(62)**	**29**	91	(62)	29
Fees receivable	1,2	**1**	**2**	**3**	7	3	10
Foreign exchange on investments	1,3	**(461)**	**223**	**(238)**	530	(327)	203
Movement in the fair value of derivatives		**116**	**–**	**116**	122	–	122
Gross investment return		**4,168**	**(291)**	**3,877**	5,104	(438)	4,666
Fees receivable from external funds		**72**	**–**	**72**	70	–	70
Operating expenses	4	**(147)**	**1**	**(146)**	(138)	1	(137)
Interest receivable	1	**13**	**(4)**	**9**	4	–	4
Interest payable		**(61)**	**–**	**(61)**	(54)	–	(54)
Exchange movements	1,3	**29**	**23**	**52**	(29)	23	(6)
Income from investment entity subsidiaries	1	**–**	**21**	**21**	–	30	30
Other income/(expense)		**3**	**–**	**3**	(1)	–	(1)
Operating profit before carried interest		**4,077**	**(250)**	**3,827**	4,956	(384)	4,572
Carried interest							
Carried interest and performance fees receivable	1,4	**62**	**–**	**62**	41	–	41
Carried interest and performance fees payable	1,4	**(305)**	**254**	**(51)**	(418)	380	(38)
Operating profit before tax		**3,834**	**4**	**3,838**	4,579	(4)	4,575
Tax charge	1,4	**(2)**	**–**	**(2)**	(2)	–	(2)
Profit for the year		**3,832**	**4**	**3,836**	4,577	(4)	4,573
Other comprehensive income							
Exchange differences on translation of foreign operations	1,3	**–**	**(4)**	**(4)**	–	4	4
Re-measurements of defined benefit plans		**7**	**–**	**7**	8	–	8
Other comprehensive income for the year		**7**	**(4)**	**3**	8	4	12
Total comprehensive income for the year ("Total return")		**3,839**	**–**	**3,839**	4,585	–	4,585

The IFRS basis is audited and the Investment basis is unaudited.

Notes to the Reconciliation of consolidated statement of comprehensive income above:

1 Applying IFRS 10 to the Consolidated statement of comprehensive income consolidates the line items of a number of previously consolidated subsidiaries into a single line item "Fair value movements on investment entity subsidiaries". In the "Investment basis" accounts we have disaggregated these line items to analyse our total return as if these Investment entity subsidiaries were fully consolidated, consistent with prior years. The adjustments simply reclassify the Consolidated statement of comprehensive income of the Group, and the total return is equal under the Investment basis and the IFRS basis.

2 Realised profits, unrealised profits and portfolio income shown in the IFRS accounts only relate to portfolio companies that are held directly by 3i Group plc and not those portfolio companies held through Investment entity subsidiaries. Realised profits, unrealised profits and portfolio income in relation to portfolio companies held through Investment entity subsidiaries are aggregated into the single "Fair value movement on investment entity subsidiaries" line. This is the most significant reduction of information in our IFRS accounts.

3 Foreign exchange movements have been reclassified under the Investment basis as foreign currency asset and liability movements. Movements within the Investment entity subsidiaries are included within "Fair value movements on investment entities".

4 Other items also aggregated into the "Fair value movements on investment entity subsidiaries" line include fees receivable from external funds, audit fees, administration expenses, carried interest and tax.

Notes to the Reconciliation of consolidated statement of financial position on the next page

1. Applying IFRS 10 to the Consolidated statement of financial position aggregates the line items into the single line item “Investments in investment entity subsidiaries”. In the Investment basis we have disaggregated these items to analyse our net assets as if the Investment entity subsidiaries were consolidated. The adjustment reclassifies items in the Consolidated statement of financial position. There is no change to the net assets, although for reasons explained below, gross assets and gross liabilities are different. The disclosure relating to portfolio companies is significantly reduced by the aggregation, as the fair value of all investments held by Investment entity subsidiaries is aggregated into the “Investments in investment entity subsidiaries” line. We have disaggregated this fair value and disclosed the underlying portfolio holding in the relevant line item, ie, quoted investments or unquoted investments. Other items which may be aggregated include carried interest, other assets and other payables, and the Investment basis presentation again disaggregates these items.
2. Intercompany balances between Investment entity subsidiaries and trading subsidiaries also impact the transparency of our results under the IFRS basis. If an Investment entity subsidiary has an intercompany balance with a consolidated trading subsidiary of the Group, then the asset or liability of the Investment entity subsidiary will be aggregated into its fair value, while the asset or liability of the consolidated trading subsidiary will be disclosed as an asset or liability in the Consolidated statement of financial position for the Group.
3. Investment basis financial statements are prepared for performance measurement and therefore reserves are not analysed separately under this basis.

Reconciliation of consolidated statement of financial position

as at 31 March

	Notes	**Investment basis 2024 £m**	**IFRS adjustments 2024 £m**	**IFRS basis 2024 £m**	Investment basis 2023 £m	IFRS adjustments 2023 £m	IFRS basis 2023 £m
Assets							
Non-current assets							
Investments							
Quoted investments	1	**946**	**(67)**	**879**	962	(121)	841
Unquoted investments	1	**20,690**	**(6,497)**	**14,193**	17,426	(8,749)	8,677
Investments in investment entity subsidiaries	1,2	**–**	**5,804**	**5,804**	–	7,844	7,844
Investment portfolio		**21,636**	**(760)**	**20,876**	18,388	(1,026)	17,362
Carried interest and performance fees receivable	1	**2**	**1**	**3**	3	–	3
Other non-current assets	1	**36**	**(8)**	**28**	33	(3)	30
Intangible assets		**4**	**–**	**4**	5	–	5
Retirement benefit surplus		**61**	**–**	**61**	53	–	53
Property, plant and equipment		**4**	**–**	**4**	3	–	3
Right of use asset		**49**	**–**	**49**	9	–	9
Derivative financial instruments		**83**	**–**	**83**	73	–	73
Total non-current assets		**21,875**	**(767)**	**21,108**	18,567	(1,029)	17,538
Current assets							
Carried interest and performance fees receivable	1	**45**	**–**	**45**	40	–	40
Other current assets	1	**53**	**(6)**	**47**	41	(11)	30
Current income taxes		**1**	**–**	**1**	1	–	1
Derivative financial instruments		**82**	**–**	**82**	48	–	48
Cash and cash equivalents	1	**396**	**(38)**	**358**	412	(250)	162
Total current assets		**577**	**(44)**	**533**	542	(261)	281
Total assets		**22,452**	**(811)**	**21,641**	19,109	(1,290)	17,819
Liabilities							
Non-current liabilities							
Trade and other payables	1	**(50)**	**45**	**(5)**	(11)	7	(4)
Carried interest and performance fees payable	1	**(280)**	**250**	**(30)**	(1,049)	1,006	(43)
Loans and borrowings		**(1,202)**	**–**	**(1,202)**	(775)	–	(775)
Derivative financial instruments		**–**	**–**	**–**	(3)	–	(3)
Retirement benefit deficit		**(21)**	**–**	**(21)**	(20)	–	(20)
Lease liability		**(45)**	**–**	**(45)**	(5)	–	(5)
Deferred income taxes		**(1)**	**–**	**(1)**	(1)	–	(1)
Provisions		**(2)**	**–**	**(2)**	(4)	–	(4)
Total non-current liabilities		**(1,601)**	**295**	**(1,306)**	(1,868)	1,013	(855)
Current liabilities							
Trade and other payables	1	**(136)**	**2**	**(134)**	(85)	9	(76)
Carried interest and performance fees payable	1	**(538)**	**514**	**(24)**	(302)	268	(34)
Derivative financial instruments		**–**	**–**	**–**	(1)	–	(1)
Lease liability		**(4)**	**–**	**(4)**	(5)	–	(5)
Current income taxes		**(3)**	**–**	**(3)**	(4)	–	(4)
Total current liabilities		**(681)**	**516**	**(165)**	(397)	277	(120)
Total liabilities		**(2,282)**	**811**	**(1,471)**	(2,265)	1,290	(975)
Net assets		**20,170**	**–**	**20,170**	16,844	–	16,844
Equity							
Issued capital		**719**	**–**	**719**	719	–	719
Share premium		**791**	**–**	**791**	790	–	790
Other reserves	3	**18,752**	**–**	**18,752**	15,443	–	15,443
Own shares		**(92)**	**–**	**(92)**	(108)	–	(108)
Total equity		**20,170**	**–**	**20,170**	16,844	–	16,844

The IFRS basis is audited and the Investment basis is unaudited. Notes: see page before.

Reconciliation of consolidated cash flow statement

for the year to 31 March

	Notes	Investment basis 2024 £m	IFRS adjustments 2024 £m	IFRS basis 2024 £m	Investment basis 2023 £m	IFRS adjustments 2023 £m	IFRS IFRS basis 2023 £m
Cash flow from operating activities							
Purchase of investments	1	**(603)**	**97**	**(506)**	(330)	284	(46)
Proceeds from investments	1	**883**	**(340)**	**543**	885	(658)	227
Amounts paid to investment entity subsidiaries	1	**–**	**(674)**	**(674)**	–	(535)	(535)
Amounts received from investment entity subsidiaries	1	**–**	**580**	**580**	–	841	841
Net cash flow from derivatives		**69**	**–**	**69**	23	–	23
Portfolio interest received	1	**8**	**(3)**	**5**	19	(7)	12
Portfolio dividends received	1	**500**	**(134)**	**366**	406	(183)	223
Portfolio fees received	1	**12**	**–**	**12**	5	–	5
Fees received from external funds		**74**	**–**	**74**	67	–	67
Carried interest and performance fees received	1	**58**	**–**	**58**	58	–	58
Carried interest and performance fees paid	1	**(778)**	**725**	**(53)**	(51)	22	(29)
Operating expenses paid	1	**(121)**	**–**	**(121)**	(128)	–	(128)
Co-investment loans received	1	**42**	**(37)**	**5**	3	2	5
Tax paid	1	**(3)**	**–**	**(3)**	–	–	–
Other cash income	1	**3**	**(1)**	**2**	–	–	–
Interest received	1	**13**	**(4)**	**9**	4	–	4
Net cash flow from operating activities		**157**	**209**	**366**	961	(234)	727
Cash flow from financing activities							
Issue of shares		**1**	**–**	**1**	1	–	1
Purchase of own shares		**–**	**–**	**–**	(30)	–	(30)
Dividends paid		**(541)**	**–**	**(541)**	(485)	–	(485)
Repayment of long-term borrowing		**–**	**–**	**–**	(200)	–	(200)
Proceeds from long-term borrowing		**422**	**–**	**422**	–	–	–
Lease payments		**(6)**	**–**	**(6)**	(5)	–	(5)
Interest paid		**(40)**	**–**	**(40)**	(54)	–	(54)
Net cash flow from financing activities		**(164)**	**–**	**(164)**	(773)	–	(773)
Cash flow from investing activities							
Purchase of property, plant and equipment		**(3)**	**–**	**(3)**	(1)	–	(1)
Net cash flow from investing activities		**(3)**	**–**	**(3)**	(1)	–	(1)
Change in cash and cash equivalents	2	**(10)**	**209**	**199**	187	(234)	(47)
Cash and cash equivalents at the start of year	2	**412**	**(250)**	**162**	229	(17)	212
Effect of exchange rate fluctuations	1	**(6)**	**3**	**(3)**	(4)	1	(3)
Cash and cash equivalents at the end of year	2	**396**	**(38)**	**358**	412	(250)	162

The IFRS basis is audited and the Investment basis is unaudited.

Notes to the Reconciliation of consolidated cash flow statement above:

1 The Consolidated cash flow statement is impacted by the application of IFRS 10 as cash flows to and from Investment entity subsidiaries are disclosed, rather than the cash flows to and from the underlying portfolio. Therefore in our Investment basis financial statements, we have disclosed our cash flow statement on a “look through” basis, in order to reflect the underlying sources and uses of cash flows and disclose the underlying investment activity.

2 There is a difference between the change in cash and cash equivalents of the Investment basis financial statements and the IFRS financial statements because there are cash balances held in Investment entity subsidiaries. Cash held within Investment entity subsidiaries will not be shown in the IFRS statements but will be seen in the Investment basis statements.

Alternative Performance Measures (“APMs”)

We assess our performance using a variety of measures that are not specifically defined under IFRS and are therefore termed APMs. The APMs that we use may not be directly comparable with those used by other companies. Our Investment basis is itself an APM. The explanation of and rationale for the Investment basis and its reconciliation to IFRS is provided above. The table below defines our additional APMs.

Gross investment return as a percentage of opening portfolio value

Purpose	Calculation	Reconciliation to IFRS
A measure of the performance of our proprietary investment portfolio.	It is calculated as the gross investment return, as shown in the Investment basis Consolidated statement of comprehensive income, as a % of the opening portfolio value.	The equivalent balances under IFRS and the reconciliation to the Investment basis are shown in the Reconciliation of the consolidated statement of comprehensive income and the Reconciliation of the consolidated statement of financial position respectively. For further information see the Group KPIs in our Annual report and accounts 2024.

Cash realisations

Purpose	Calculation	Reconciliation to IFRS
Cash proceeds from our investments support our returns to shareholders, as well as our ability to invest in new opportunities.	The cash received from the disposal of investments in the year as shown in the Investment basis Consolidated cash flow statement.	The equivalent balance under IFRS and the reconciliation to the Investment basis is shown in the Reconciliation of the consolidated cash flow statement. For further information see the Group KPIs in our Annual report and accounts 2024.

Cash investment[1]

Purpose	Calculation	Reconciliation to IFRS
Identifying new opportunities in which to invest proprietary capital is the primary driver of the Group’s ability to deliver attractive returns.	The cash paid to acquire investments in the year as shown on the Investment basis Consolidated cash flow statement.	The equivalent balance under IFRS and the reconciliation to the Investment basis is shown in the Reconciliation of the consolidated cash flow statement. For further information see the Group KPIs in our Annual report and accounts 2024.

Operating cash profit

Purpose	Calculation	Reconciliation to IFRS
By covering the cash cost of running the business with cash income, we reduce the potential dilution of capital returns.	The cash income from the portfolio (interest, dividends and fees) together with fees received from external funds less cash operating expenses and leases payments as shown on the Investment basis Consolidated cash flow statement. The calculation is shown in Table 14 of the Financial review.	The equivalent balance under IFRS and the reconciliation to the Investment basis is shown in the Reconciliation of the consolidated cash flow statement. For further information see the Group KPIs in our Annual report and accounts 2024.

Net (debt)/cash

Purpose	Calculation	Reconciliation to IFRS
A measure of the available cash to invest in the business and an indicator of the financial risk in the Group’s balance sheet.	Cash and cash equivalents plus deposits less loans and borrowings as shown on the Investment basis Consolidated statement of financial position.	The equivalent balance under IFRS and the reconciliation to the Investment basis is shown in the Reconciliation of the consolidated statement of financial position.

Gearing

Purpose	Calculation	Reconciliation to IFRS
A measure of the financial risk in the Group’s balance sheet.	Net debt (as defined above) as a % of the Group’s net assets under the Investment basis. It cannot be less than zero.	The equivalent balance under IFRS and the reconciliation to the Investment basis is shown in the Reconciliation of the consolidated statement of financial position.

1 Cash investment of £593 million is different to cash investment per the cash flow of £603 million due to a £10 million investment in Private Equity which was recognised in FY2023 and paid in FY2024.

Audited financial statements

Consolidated statement of comprehensive income

for the year to 31 March

	Notes	2024 £m	2023 £m
Realised profits over value on the disposal of investments		**1**	64
Unrealised profits on the revaluation of investments		**2,742**	1,897
Fair value movements on investment entity subsidiaries		**861**	2,112
Portfolio income			
Dividends		**363**	229
Interest income from investment portfolio		**29**	29
Fees receivable		**3**	10
Foreign exchange on investments		**(238)**	203
Movement in the fair value of derivatives		**116**	122
Gross investment return		**3,877**	4,666
Fees receivable from external funds		**72**	70
Operating expenses		**(146)**	(137)
Interest receivable		**9**	4
Interest payable		**(61)**	(54)
Exchange movements		**52**	(6)
Income from investment entity subsidiaries		**21**	30
Other income/(expense)		**3**	(1)
Operating profit before carried interest		**3,827**	4,572
Carried interest			
Carried interest and performance fees receivable		**62**	41
Carried interest and performance fees payable		**(51)**	(38)
Operating profit before tax		**3,838**	4,575
Tax charge		**(2)**	(2)
Profit for the year		**3,836**	4,573
Other comprehensive income that may be reclassified to the income statement			
Exchange differences on translation of foreign operations		**(4)**	4
Other comprehensive income that will not be reclassified to the income statement			
Re-measurements of defined benefit plans		**7**	8
Other comprehensive income for the year		**3**	12
Total comprehensive income for the year		**3,839**	4,585

Earnings per share			
Basic (pence)	2	**397.9**	475.0
Diluted (pence)	2	**396.7**	473.8

The Notes to the accounts section forms an integral part of these financial statements.

Consolidated statement of financial position
as at 31 March

	2024 £m	2023 £m
Assets		
Non-current assets		
Investments		
Quoted investments	**879**	841
Unquoted investments	**14,193**	8,677
Investments in investment entity subsidiaries	**5,804**	7,844
Investment portfolio	**20,876**	17,362
Carried interest and performance fees receivable	**3**	3
Other non-current assets	**28**	30
Intangible assets	**4**	5
Retirement benefit surplus	**61**	53
Property, plant and equipment	**4**	3
Right of use asset	**49**	9
Derivative financial instruments	**83**	73
Total non-current assets	**21,108**	17,538
Current assets		
Carried interest and performance fees receivable	**45**	40
Other current assets	**47**	30
Current income taxes	**1**	1
Derivative financial instruments	**82**	48
Cash and cash equivalents	**358**	162
Total current assets	**533**	281
Total assets	**21,641**	17,819
Liabilities		
Non-current liabilities		
Trade and other payables	**(5)**	(4)
Carried interest and performance fees payable	**(30)**	(43)
Loans and borrowings	**(1,202)**	(775)
Derivative financial instruments	**–**	(3)
Retirement benefit deficit	**(21)**	(20)
Lease liability	**(45)**	(5)
Deferred income taxes	**(1)**	(1)
Provisions	**(2)**	(4)
Total non-current liabilities	**(1,306)**	(855)
Current liabilities		
Trade and other payables	**(134)**	(76)
Carried interest and performance fees payable	**(24)**	(34)
Derivative financial instruments	**–**	(1)
Lease liability	**(4)**	(5)
Current income taxes	**(3)**	(4)
Total current liabilities	**(165)**	(120)
Total liabilities	**(1,471)**	(975)
Net assets	**20,170**	16,844
Equity		
Issued capital	**719**	719
Share premium	**791**	790
Capital redemption reserve	**43**	43
Share-based payment reserve	**42**	31
Translation reserve	**(6)**	(2)
Capital reserve	**17,154**	14,044
Revenue reserve	**1,519**	1,327
Own shares	**(92)**	(108)
Total equity	**20,170**	16,844

The Notes to the accounts section forms an integral part of these financial statements.

David Hutchison
Chair
8 May 2024

Consolidated statement of changes in equity
for the year to 31 March

2024	**Share capital £m**	**Share premium £m**	**Capital redemption reserve £m**	**Share-based payment reserve £m**	**Translation reserve £m**	**Capital reserve[1] £m**	**Revenue reserve[1] £m**	**Own shares £m**	**Total equity £m**
Total equity at the start of the year	**719**	**790**	**43**	**31**	**(2)**	**14,044**	**1,327**	**(108)**	**16,844**
Profit for the year	**–**	**–**	**–**	**–**	**–**	**3,309**	**527**	**–**	**3,836**
Exchange differences on translation of foreign operations	**–**	**–**	**–**	**–**	**(4)**	**–**	**–**	**–**	**(4)**
Re-measurements of defined benefit plans	**–**	**–**	**–**	**–**	**–**	**7**	**–**	**–**	**7**
Total comprehensive income for the year	**–**	**–**	**–**	**–**	**(4)**	**3,316**	**527**	**–**	**3,839**
Share-based payments	**–**	**–**	**–**	**27**	**–**	**–**	**–**	**–**	**27**
Release on exercise/forfeiture of share awards	**–**	**–**	**–**	**(16)**	**–**	**–**	**16**	**–**	**–**
Exercise of share awards	**–**	**–**	**–**		**–**	**(16)**	**–**	**16**	**–**
Ordinary dividends	**–**	**–**	**–**	**–**	**–**	**(190)**	**(351)**	**–**	**(541)**
Purchase of own shares	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Issue of ordinary shares	**–**	**1**	**–**	**–**	**–**	**–**	**–**	**–**	**1**
Total equity at the end of the year	**719**	**791**	**43**	**42**	**(6)**	**17,154**	**1,519**	**(92)**	**20,170**

1 Refer to Note 20 in our Annual report and accounts 2024 for the nature of the capital and revenue reserves.

2023	Share capital £m	Share premium £m	Capital redemption reserve £m	Share-based payment reserve £m	Translation reserve £m	Capital reserve[1] £m	Revenue reserve[1] £m	Own shares £m	Total equity £m
Total equity at the start of the year	719	789	43	33	(6)	10,151	1,125	(100)	12,754
Profit for the year	–	–	–	–	–	4,064	509	–	4,573
Exchange differences on translation of foreign operations	–	–	–	–	4	–	–	–	4
Re-measurements of defined benefit plans	–	–	–	–	–	8	–	–	8
Total comprehensive income for the year	–	–	–	–	4	4,072	509	–	4,585
Share-based payments	–	–	–	19	–	–	–	–	19
Release on exercise/forfeiture of share awards	–	–	–	(21)	–	–	21	–	–
Exercise of share awards	–	–	–	–	–	(22)	–	22	–
Ordinary dividends	–	–	–	–	–	(157)	(328)	–	(485)
Purchase of own shares	–	–	–	–	–	–	–	(30)	(30)
Issue of ordinary shares	–	1	–	–	–	–	–	–	1
Total equity at the end of the year	719	790	43	31	(2)	14,044	1,327	(108)	16,844

1 Refer to Note 20 in our Annual report and accounts 2024 for the nature of the capital and revenue reserves.

The Notes to the accounts section forms an integral part of these financial statements.

Consolidated cash flow statement
for the year to 31 March

	Notes	2024 £m	2023 £m
Cash flow from operating activities			
Purchase of investments		**(506)**	(46)
Proceeds from investments		**543**	227
Amounts paid to investment entity subsidiaries		**(674)**	(535)
Amounts received from investment entity subsidiaries		**580**	841
Net cash flow from derivatives		**69**	23
Portfolio interest received		**5**	12
Portfolio dividends received		**366**	223
Portfolio fees received		**12**	5
Fees received from external funds		**74**	67
Carried interest and performance fees received		**58**	58
Carried interest and performance fees paid		**(53)**	(29)
Operating expenses paid		**(121)**	(128)
Co-investment loans received		**5**	5
Tax paid		**(3)**	–
Other cash income		**2**	–
Interest received		**9**	4
Net cash flow from operating activities		**366**	727
Cash flow from financing activities			
Issue of shares		**1**	1
Purchase of own shares		**–**	(30)
Dividends paid	3	**(541)**	(485)
Repayment of long-term borrowing		**–**	(200)
Proceeds from long-term borrowing		**422**	–
Lease payments		**(6)**	(5)
Interest paid		**(40)**	(54)
Net cash flow from financing activities		**(164)**	(773)
Cash flow from investing activities			
Purchases of property, plant and equipment		**(3)**	(1)
Net cash flow from investing activities		**(3)**	(1)
Change in cash and cash equivalents		**199**	(47)
Cash and cash equivalents at the start of the year		**162**	212
Effect of exchange rate fluctuations		**(3)**	(3)
Cash and cash equivalents at the end of the year		**358**	162

The Notes to the accounts section forms an integral part of these financial statements.

Material accounting policies

Reporting entity

3i Group plc (the “Company”) is a public limited company incorporated and domiciled in England and Wales. The consolidated financial statements (“the Group accounts”) for the year to 31 March 2024 comprise of the financial statements of the Company and its consolidated subsidiaries (collectively, “the Group”).

The Group accounts have been prepared and approved by the Directors in accordance with section 395 of the Companies Act 2006 and the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008. The Company has taken advantage of the exemption in section 408 of the Companies Act 2006 not to present its Company statement of comprehensive income and related Notes.

A Basis of preparation

The Group and Company accounts have been prepared and approved by the Directors in accordance with UK-adopted international accounting standards. The financial statements are presented to the nearest million sterling (£m), the functional currency of the Company.

The following standards, amendments and interpretations have been adopted by the Group for the first time during the year. These new standards have not had a material impact on the Group.

Effective for annual periods beginning on or after		
IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies	1 January 2023
IFRS 17	Insurance Contracts	1 January 2023

The principal accounting policies applied in the preparation of the Group accounts are disclosed below, but where possible, they have been shown as part of the Note to which they specifically relate in order to assist the reader’s understanding. These policies have been consistently applied and apply to all years presented, except for in relation to the adoption of new accounting standards.

Going concern

These financial statements have been prepared on a going concern basis as disclosed in the Directors’ report. The Directors have made an assessment of going concern for a period of at least 12 months from the date of approval of the accounts, taking into account the Group’s current performance, financial position and the principal and emerging risks facing the business.

The Directors’ assessment of going concern, which takes into account the business model (further detail in our Annual report and accounts 2024) and the Group’s liquidity of £1,296 million, indicates that the Group and parent company will have sufficient funds to continue as a going concern, for at least the next 12 months from the date of approval of the accounts. As detailed within the Financial review earlier in this document, on the Investment basis the Group covers its cash operating costs, £127 million at 31 March 2024, with cash income generated by our Private Equity and Infrastructure businesses and Scandlines, £594 million at 31 March 2024. The Group’s liquidity comprises cash and deposits of £396 million (31 March 2023: £412 million) and an undrawn multi-currency facility of £900 million (31 March 2023: £900 million), which has no financial covenants. During the year the Group further strengthened its liquidity profile through the successful issue of a six-year €500 million bond at a coupon of 4.875% and successfully extended the tenor of the £400 million tranche of our £900 million RCF to November 2026. Post the year end in April 2024, we agreed the sale of nexeye, generating expected exit proceeds of c.€452 million. These exit proceeds, combined with distributions already received, result in a 2.0x money multiple. The transaction is expected to complete in H1 FY2025.

As a proprietary investor, the Group has a long-term, responsible investment approach, and is not subject to external pressure to realise investments before optimum value can be achieved. The Board has the ability to take certain actions to help support the Group in adverse circumstances. Mitigating actions within management control during extended periods of low liquidity include, for example, drawing on the existing RCF or temporarily reducing new investment levels. The Group manages liquidity with the aim of ensuring it is adequate and sufficient, by regular monitoring of investments, realisations, operating expenses and portfolio cash income and there have been no post balance sheet changes that would be materially detrimental to liquidity. The Directors are of the opinion that the Group’s cash flow forecast is sufficient to support the Group given the current market, economic conditions and outlook.

Having performed the assessment on going concern, the Directors considered it appropriate to prepare the financial statements of the Company and Group on a going concern basis, and have concluded that the Group has sufficient financial resources, is well placed to manage business risks in the current economic environment, and can continue operations for a period of at least 12 months from the date of issue of these financial statements.

B Basis of consolidation

In accordance with IFRS 10, the Company meets the criteria as an investment entity and therefore is required to recognise subsidiaries that also qualify as investment entities at fair value through profit or loss. It does not consolidate the investment entities it controls. Subsidiaries that provide investment-related services, such as advisory, management or employment services, are not accounted for at fair value through profit and loss and continue to be consolidated unless those subsidiaries qualify as investment entities, in which case they are recognised at fair value. Subsidiaries are entities controlled by the Group. Control, as defined by IFRS 10, is achieved when the Group has all of the following:

- power over the relevant activities of the investee;
- exposure, or rights, to variable returns from its involvement with the investee; and
- the ability to affect those returns through its power over the investee.

The Group is required to determine the degree of control or influence the Group exercises and the form of any control to ensure that the financial treatment is accurate.

Subsidiaries are fully consolidated from the date on which the Group effectively obtains control. All intragroup balances and transactions with subsidiaries are eliminated upon consolidation. Subsidiaries are de-consolidated from the date that control ceases.

The Group comprises several different types of subsidiaries. For a new subsidiary, the Group assesses whether it qualifies as an investment entity under IFRS 10, based on the function the entity performs within the Group. For existing subsidiaries, the Group annually reassesses the function performed by each type of subsidiary to determine if the treatment under IFRS 10 exception from consolidation is still appropriate. The types of subsidiaries and their treatment under IFRS 10 are as follows:

General Partners ("GPs") – Consolidated

General Partners provide investment management services and do not hold any direct investments in portfolio assets. These entities are not investment entities.

Investment managers/advisers – Consolidated

These entities provide investment-related services through the provision of investment management or advice. They do not hold any direct investments in portfolio assets. These entities are not investment entities.

Holding companies of investment managers/advisers – Consolidated

These entities provide investment related services through their subsidiaries. Typically they do not hold any direct investment in portfolio assets and these entities are not investment entities.

Limited partnerships and other intermediate investment holding structures – Fair valued

The Group makes investments in portfolio assets through its ultimate parent company as well as through other limited partnerships and corporate subsidiaries which the Group has created to align the interests of the investment teams with the performance of the assets through the use of various carried interest schemes. The purpose of these limited partnerships and corporate holding vehicles, many of which also provide investment related services, is to invest for investment income and capital appreciation. These partnerships and corporate subsidiaries meet the definition of an investment entity and are accounted for at fair value through profit and loss.

Portfolio investments – Fair valued

Under IFRS 10, the test for accounting subsidiaries takes wider factors of control as well as actual equity ownership into account. In accordance with the investment entity exception, these entities have been held at fair value with movements in fair value being recognised in profit or loss.

Associates – Fair valued

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies. Investments that are held as part of the Group's investment portfolio are carried in the Consolidated statement of financial position at fair value even though the Group may have significant influence over those companies.

Further detail on our application of IFRS 10 can be found in the Reconciliation of Investment basis to IFRS section.

C Critical accounting judgements and estimates

The reported results of the Group are sensitive to the accounting policies, assumptions and estimates that underpin the preparation of its financial statements. UK company law and IFRS require the Directors, in preparing the Group's financial statements, to select suitable accounting policies, apply them consistently and make judgements and estimates that are reasonable and prudent. The Group's estimates and assumptions are based on historical experience and expectation of future events and are reviewed periodically. The actual outcome may be materially different from that anticipated.

(a) Critical judgements

In the course of preparing the financial statements, one judgement has been made in the process of applying the Group's accounting policies, other than those involving estimations, that has had a significant effect on the amounts recognised in the financial statements as follows:

I. Assessment as an investment entity

The Board has concluded that the Company continues to meet the definition of an investment entity, as its strategic objective of investing in portfolio investments and providing investment management services to investors for the purpose of generating returns in the form of investment income and capital appreciation remains unchanged.

(b) Critical estimates

In addition to these significant judgements the Directors have made two estimates, which they deem to have a significant risk of resulting in a material adjustment to the amounts recognised in the financial statements within the next financial year. The details of these estimates are as follows:

I. Fair valuation of the investment portfolio

The investment portfolio, a material group of assets of the Group, is held at fair value. Details of valuation methodologies used and the associated sensitivities are disclosed in Note 13 Fair values of assets and liabilities in our Annual report and accounts 2024. Given the importance of this area, the Board has a separate Valuations Committee to review the valuations policies, process and application to individual investments. A report on the activities of the Valuations Committee (including a review of the assumptions made) is included in our Annual report and accounts 2024.

II. Carried interest payable

Carried interest payable is calculated based on the underlying agreements, and assuming all portfolio investments are sold at their fair values at the balance sheet date. The actual amounts of carried interest paid will depend on the cash realisations of these portfolio investments and valuations may change significantly in the next financial year. The fair valuation of the investment portfolio is itself a critical estimate, as detailed above. The sensitivity of carried interest payable to movements in the investment portfolio is disclosed in Note 15 in our Annual report and accounts 2024.

D Other accounting policies

(a) Gross investment return

Gross investment return is equivalent to "revenue" for the purposes of IAS 1. It represents the overall increase in net assets from the investment portfolio net of deal-related costs and includes foreign exchange movements in respect of the investment portfolio. The substantial majority is investment income and outside the scope of IFRS 15. It is analysed into the following components with the relevant standard shown where appropriate:

i. Realised profits or losses over value on the disposal of investments are the difference between the fair value of the consideration received in accordance with IFRS 13 less any directly attributable costs, on the sale of equity and the repayment of interest income from the investment portfolio, and its carrying value at the start of the accounting period, converted into sterling using the exchange rates in force at the date of disposal. See Note 2 in our Annual report and accounts 2024 for more details.

i. Unrealised profits or losses on the revaluation of investments are the movement in the fair value of investments in accordance with IFRS 13 between the start and end of the accounting period converted into sterling using the exchange rates in force at the date of fair value assessment. See Note 3 in our Annual report and accounts 2024 for more details.

ii. Fair value movements on investment entity subsidiaries are the movements in the fair value of Group subsidiaries which are classified as investment entities under IFRS 10. The Group makes investments in portfolio assets through these entities which are usually limited partnerships or corporate subsidiaries. See Note 12 in our Annual report and accounts 2024 for more details.

iii. Portfolio income is that portion of income that is directly related to the return from individual investments. It is recognised to the extent that it is probable that there will be economic benefit and the income can be reliably measured. The following specific recognition criteria must be met before the income is recognised:

- Dividends from equity investments are recognised in profit or loss when the shareholders' rights to receive payment have been established;
- Interest income from the investment portfolio is recognised as it accrues. When the fair value of an investment is assessed to be below the principal value of a loan, the Group recognises a provision against any interest accrued from the date of the assessment going forward until the investment is assessed to have recovered in value; and
- The accounting policy for fee income is included in Note 4 in our Annual report and accounts 2024.

iv. Foreign exchange on investments arises on investments made in currencies that are different from the functional currency of the Company, being sterling. Investments are translated at the exchange rate ruling at the date of the transaction in accordance with IAS 21. At each subsequent reporting date, investments are translated to sterling at the exchange rate ruling at that date.

v. Movement in the fair value of derivatives relates to the change in fair value of forward foreign exchange contracts which have been used to minimise foreign currency risk in the investment portfolio. See Note 18 in our Annual report and accounts 2024 for more details.

(b) Foreign currency translation

For the Company and those subsidiaries and associates whose balance sheets are denominated in sterling, which is the Company's functional and presentational currency, monetary assets and liabilities and non-monetary assets held at fair value denominated in foreign currencies are translated into sterling at the closing rates of exchange at the balance sheet date. Foreign currency transactions are translated into sterling at the average rates of exchange over the year and exchange differences arising are taken to profit or loss.

The statements of financial position of subsidiaries, which are not held at fair value, denominated in foreign currencies are translated into sterling at the closing rates. The statements of comprehensive income for these subsidiaries and associates are translated at the average rates and exchange differences arising are taken to other comprehensive income. Such exchange differences are reclassified to profit or loss in the period in which the subsidiary or associate is disposed of.

(c) Treasury assets and liabilities

Short-term treasury assets, and short and long-term treasury liabilities are used in order to manage cash flows.

Cash and cash equivalents comprise cash at bank and amounts held in money market funds which are readily convertible into cash and there is an insignificant risk of changes in value. Financial assets and liabilities are recognised in the balance sheet when the relevant Group entity becomes a party to the contractual provisions of the instrument. Derecognition occurs when rights to cash flows from a financial asset expire, or when a liability is extinguished.

Notes to the accounts

1 Segmental analysis

Operating segments are the components of the Group whose results are regularly reviewed by the Group's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance.

The Chief Executive, who is considered to be the chief operating decision maker, managed the Group on the basis of business divisions determined with reference to market focus, geographic focus, investment funding model and the Group's management hierarchy. A description of the activities, including returns generated by these divisions and the allocation of resources, is given in the Strategic report. For the geographical segmental split, revenue information is based on the locations of the assets held. To aid the readers' understanding we have split out Action, Private Equity's largest asset, into a separate column. Action is not regarded as a reported segment as the chief operating decision maker reviews performance, makes decisions and allocates resources to the Private Equity segment, which includes Action.

The segmental information that follows is presented on the basis used by the Chief Executive to monitor the performance of the Group. The reported segments are Private Equity, Infrastructure and Scandlines.

The segmental analysis is prepared on the Investment basis. The Investment basis is an APM and we believe it provides a more understandable view of performance. For more information on the Investment basis and a reconciliation between the Investment basis and IFRS section earlier in this document.

Investment basis Year to 31 March 2024	**Private Equity £m**	*Of which Action £m*	**Infrastructure £m**	**Scandlines £m**	**Total[4] £m**
Realised losses over value on the disposal of investments	**–**	–	**(4)**	**–**	**(4)**
Unrealised profits/(losses) on the revaluation of investments	**3,874**	*3,609*	**72**	**(20)**	**3,926**
Portfolio income					
Dividends	**439**	*377*	**35**	**25**	**499**
Interest income from investment portfolio	**80**	–	**11**	**–**	**91**
Fees receivable	**7**	*6*	**(6)**	**–**	**1**
Foreign exchange on investments	**(437)**	*(332)*	**(9)**	**(15)**	**(461)**
Movement in the fair value of derivatives	**96**	*58*	**–**	**20**	**116**
Gross investment return	**4,059**	*3,718*	**99**	**10**	**4,168**
Fees receivable from external funds	**4**		**68**	**–**	**72**
Operating expenses	**(92)**		**(52)**	**(3)**	**(147)**
Interest receivable					**13**
Interest payable					**(61)**
Exchange movements					**29**
Other income					**3**
Operating profit before carried interest					**4,077**
Carried interest					
Carried interest and performance fees receivable	**–**		**62**	**–**	**62**
Carried interest and performance fees payable	**(262)**		**(43)**	**–**	**(305)**
Operating profit before tax					**3,834**
Tax charge					**(2)**
Profit for the year					**3,832**
Other comprehensive income					
Re-measurements of defined benefit plans					**7**
Total return					**3,839**
Realisations[1]	**866**	*762*	**22**	**–**	**888**
Cash investment[2]	**(556)**	*(455)*	**(36)**	**(1)**	**(593)**
Net divestment/(investment)	**310**	*307*	**(14)**	**(1)**	**295**
Balance sheet					
Opening portfolio value at 1 April 2023	**16,425**	*11,188*	**1,409**	**554**	**18,388**
Investment[3]	**683**	*455*	**36**	**1**	**720**
Value disposed	**(866)**	*(762)*	**(26)**	**–**	**(892)**
Unrealised value movement	**3,874**	*3,609*	**72**	**(20)**	**3,926**
Foreign exchange (including other movements)	**(487)**	*(332)*	**(3)**	**(16)**	**(506)**
Closing portfolio value at 31 March 2024	**19,629**	*14,158*	**1,488**	**519**	**21,636**

Notes on next page.

Segmental analysis continued

1 Realised proceeds may differ from cash proceeds due to timing of cash receipts. During the year, Private Equity recognised £866 million of realised proceeds, of which £5 million relates to WHT.
2 Cash investment per the segmental analysis is different to cash investment per the cash flow due to a £10 million investment in Private Equity which was recognised in FY2023 and paid in FY2024.
3 Includes capitalised interest and other non-cash investment.
4 The total is the sum of Private Equity, Infrastructure and Scandlines, "Of which Action" is part of Private Equity.

Interest receivable, interest payable, exchange movements, other income, tax charge and re-measurements of defined benefit plans are not managed by segment by the chief operating decision maker and therefore have not been allocated to a specific segment.

Investment basis Year to 31 March 2023	Private Equity £m	*Of which Action* *£m*	Infrastructure £m	Scandlines £m	Total[4] £m
Realised profits over value on the disposal of investments	169	–	–	–	169
Unrealised profits on the revaluation of investments	3,746	*3,708*	23	–	3,769
Portfolio income					
Dividends	345	*328*	33	38	416
Interest income from investment portfolio	77	–	14	–	91
Fees receivable	7	*1*	–	–	7
Foreign exchange on investments	493	*285*	16	21	530
Movement in the fair value of derivatives	129	*22*	–	(7)	122
Gross investment return	4,966	*4,344*	86	52	5,104
Fees receivable from external funds	4		66	–	70
Operating expenses	(88)		(48)	(2)	(138)
Interest receivable					4
Interest payable					(54)
Exchange movements					(29)
Other income					(1)
Operating profit before carried interest					4,956
Carried interest					
Carried interest and performance fees receivable	4		37	–	41
Carried interest and performance fees payable	(392)		(26)	–	(418)
Operating profit before tax					4,579
Tax charge					(2)
Profit for the year					4,577
Other comprehensive income					
Re-measurements of defined benefit plans					8
Total return					4,585
Realisations[1]	857	–	–	–	857
Cash investment[2]	(381)	*(30)*	(16)	–	(397)
Net divestment/(investment)	476	*(30)*	(16)	–	460
Balance sheet					
Opening portfolio value at 1 April 2022	12,420	*7,165*	1,352	533	14,305
Investment[3]	496	*30*	16	–	512
Value disposed	(688)	–	–	–	(688)
Unrealised value movement	3,746	*3,708*	23	–	3,769
Foreign exchange (including other movements)	451	*285*	18	21	490
Closing portfolio value at 31 March 2023	16,425	*11,188*	1,409	554	18,388

1 Realised proceeds may differ from cash proceeds due to timing of cash receipts. During the year, Private Equity received £1 million and Infrastructure received £33 million of cash proceeds which were recognised as realised proceeds in FY2022. Private Equity recognised £6 million of realised proceeds which are to be received in FY2024.
2 Cash investment per the segmental analysis is different to cash investment per the cash flow due to a £57 million syndication in Infrastructure which was recognised in FY2022 and received in FY2023 and a £10 million investment in Private Equity which was recognised in FY2023 and is to be paid in FY2024.
3 Includes capitalised interest and other non-cash investment.
4 The total is the sum of Private Equity, Infrastructure and Scandlines, "Of which Action" is part of Private Equity.

Interest received, interest paid, exchange movements, other income, tax charge and re-measurements of defined benefit plans are not managed by segment by the chief operating decision maker and therefore have not been allocated to a specific segment.

Segmental analysis continued

Investment basis Year to 31 March 2024	Europe[1] £m	North America £m	Other £m	Total £m
Realised losses over value on the disposal of investments	**(1)**	**(3)**	**–**	**(4)**
Unrealised profits on the revaluation of investments	**3,919**	**7**	**–**	**3,926**
Portfolio income	**579**	**12**	**–**	**591**
Foreign exchange on investments	**(416)**	**(44)**	**(1)**	**(461)**
Movement in the fair value of derivatives	**88**	**28**	**–**	**116**
Gross investment return	**4,169**	**–**	**(1)**	**4,168**
Realisation	**865**	**22**	**1**	**888**
Cash investment	**(532)**	**(61)**	**–**	**(593)**
Net (investment)/divestment	**333**	**(39)**	**1**	**295**
Balance sheet **Closing portfolio value at 31 March 2024**	**19,485**	**2,124**	**27**	**21,636**

Investment basis Year to 31 March 2023	Europe[1] £m	North America £m	Other £m	Total £m
Realised profits over value on the disposal of investments	169	–	–	169
Unrealised profits on the revaluation of investments	3,445	317	7	3,769
Portfolio income	498	16	–	514
Foreign exchange on investments	418	113	(1)	530
Movement in the fair value of derivatives	22	100	–	122
Gross investment return	4,552	546	6	5,104
Realisation	525	332	–	857
Cash investment	(323)	(74)	–	(397)
Net (investment)/divestment	202	258	–	460
Balance sheet Closing portfolio value at 31 March 2023	16,239	2,122	27	18,388

1 Includes UK.

2 Per share information

The calculation of basic net assets per share is based on the net assets and the number of shares in issue at the year end. When calculating the diluted net assets per share, the number of shares in issue is adjusted for the effect of all dilutive share awards. Dilutive share awards are equity awards with performance conditions attached see Note 27 in our Annual report and accounts 2024 for further details.

	2024	2023
Net assets per share (£)		
Basic	**20.92**	17.50
Diluted	**20.85**	17.45
Net assets (£m)		
Net assets attributable to equity holders of the Company	**20,170**	16,844

	2024	2023
Number of shares in issue		
Ordinary shares	**973,366,445**	973,312,950
Own shares	**(8,997,664)**	(10,660,078)
	964,368,781	962,652,872
Effect of dilutive potential ordinary shares		
Share awards	**3,104,739**	2,849,520
Diluted shares	**967,473,520**	965,502,392

The calculation of basic earnings per share is based on the profit attributable to shareholders and the weighted average number of shares in issue. The weighted average shares in issue for the year to 31 March 2024 are 964,007,876 (2023: 962,674,183). When calculating the diluted earnings per share, the weighted average number of shares in issue is adjusted for the effect of all dilutive share awards. The diluted weighted average shares in issue for the year to 31 March 2024 are 966,901,059 (2023: 965,273,696).

	2024	2023
Earnings per share (pence)		
Basic	**397.9**	475.0
Diluted	**396.7**	473.8
Earnings (£m)		
Profit for the year attributable to equity holders of the Company	**3,836**	4,573

3 Dividends

	2024 pence per share	2024 £m	2023 pence per share	2023 £m
Declared and paid during the year				
Ordinary shares				
Second dividend	**29.75**	**286**	27.25	262
First dividend	**26.50**	**255**	23.25	223
	56.25	**541**	50.50	485
Proposed dividend	**34.50**	**332**	29.75	285

The Group introduced a simplified dividend policy in May 2018. In accordance with this policy, subject to maintaining a conservative balance sheet approach, the Group aims to maintain or grow the dividend each year. The first dividend has been set at 50% of the prior year's total dividend.

The dividend can be paid out of either the capital reserve or the revenue reserve subject to the investment trust rules, see Note 20 in our Annual report and accounts 2024 and the statement of changes in equity on previous pages for details of reserves.

The distributable reserves of the Company are £8,282 million (31 March 2023: £4,940 million) and the Board reviews the distributable reserves bi-annually, including consideration of any material changes since the most recent audited accounts, ahead of proposing any dividend. The Board also reviews the proposed dividends in the context of the requirements of being an approved investment trust. Shareholders are given the opportunity to approve the total dividend for the year at the Company's Annual General Meeting. Details of the Group's continuing viability and going concern can be found in the Risk management section of our Annual report and accounts 2024.

20 large investments

The 20 investments listed below account for 95% of the portfolio at 31 March 2024 (31 March 2023: 94%). All investments have been assessed to establish whether they classify as accounting subsidiaries under IFRS and/or subsidiaries under the UK Companies Act. This assessment forms the basis of our disclosure of accounting subsidiaries in the financial statements.

The UK Companies Act defines a subsidiary based on voting rights, with a greater than 50% majority of voting rights resulting in an entity being classified as a subsidiary. IFRS 10 applies a wider test and, if a Group is exposed, or has rights to variable returns from its involvement with the investee and has the ability to affect these returns through its power over the investee then it has control, and hence the investee is deemed an accounting subsidiary. Controlled subsidiaries under IFRS are noted below. None of these investments are UK Companies Act subsidiaries.

In accordance with Part 5 of The Alternative Investment Fund Managers Regulations 2013 ("the Regulations"), 3i Investments plc, as AIFM, requires all controlled portfolio companies to make available to employees an annual report which meets the disclosure requirements of the Regulations. These are available either on the portfolio company's website or through filing with the relevant local authorities.

Investment Description of business	Business line Geography First invested in Valuation basis	**Residual cost[1] March 2024 £m**	Residual cost[1] March 2023 £m	**Valuation March 2024 £m**	Valuation March 2023 £m	Relevant transactions in the year
Action* General merchandise discount retailer	Private Equity Netherlands 2011/2020/2024 Earnings	**1,108**	653	**14,158**	11,188	£762 million of capital restructuring proceeds and a £375 million cash dividend received. Completed a £455 million reinvestment
3i Infrastructure plc* Quoted investment company, investing in infrastructure	Infrastructure UK 2007 Quoted	**305**	305	**879**	841	£31 million dividend received
Cirtec Medical* Outsourced medical device manufacturing	Private Equity US 2017 Earnings	**172**	172	**586**	552	
Royal Sanders* Private label and contract manufacturing producer of personal care products	Private Equity Netherlands 2018 Earnings	**165**	136	**580**	369	£109 million received from the refinancing, of which £48 million is a dividend Completed £29 million of further investment and acquired Lenhart in April 2023
Scandlines Ferry operator between Denmark and Germany	Scandlines Denmark/Germany 2018 DCF	**530**	530	**519**	554	£25 million dividend received
AES Engineering Manufacturer of mechanical seals and provision of reliability services	Private Equity UK 1996 Earnings	**30**	30	**403**	351	£6 million dividend recorded. Acquisition of Triseal in June 2023
nexeye* Value-for-money optical retailer	Private Equity Netherlands 2017 Imminent sale	**270**	269	**377**	393	Sale agreed in April 2024.
Tato Manufacturer and seller of specialty chemicals	Private Equity UK 1989 Earnings	**2**	2	**335**	411	£7 million dividend recorded

Investment Description of business	Business line Geography First invested in Valuation basis	**Residual cost[1] March 2024 £m**	Residual cost[1] March 2023 £m	**Valuation March 2024 £m**	Valuation March 2023 £m	Relevant transactions in the year
SaniSure* Manufacturer, distributor and integrator of single-use bioprocessing systems and components	Private Equity US 2019 Earnings	**76**	76	**334**	389	
Evernex* Provider of third-party maintenance services for data centre infrastructure	Private Equity France 2019 Earnings	**316**	299	**331**	305	Acquisition of Maminfo in January 2024
Smarte Carte* Provider of self-serve vended luggage carts, electronic lockers and concession carts	Infrastructure US 2017 DCF	**194**	189	**306**	300	£5 million distribution received
European Bakery Group* Industrial bakery group specialised in home bake-off bread and snack products	Private Equity Netherlands 2021 Earnings	**84**	46	**267**	73	EBG formed following the acquisition of coolback in July 2023 (3i further investment of £38 million) and Panelto in August 2023
WP* Global manufacturer of innovative plastic packaging solutions	Private Equity Netherlands 2015 Earnings	**238**	257	**234**	274	£42 million distribution received
MPM* An international branded, premium and natural pet food company	Private Equity UK 2020 Earnings	**169**	153	**233**	181	
Luqom* Online lighting specialist retailer	Private Equity Germany 2017 Earnings	**262**	245	**222**	271	£6 million further investment
ten23 health* Biologics focused CDMO	Private Equity Switzerland 2021 Other	**129**	104	**192**	111	£25 million further investment
Audley Travel* Provider of experiential tailor-made travel	Private Equity UK 2015 Earnings	**303**	271	**192**	162	
Q Holding* Manufacturer of catheter products serving the medical device market	Private Equity US 2014 Earnings	**162**	162	**150**	117	
BoConcept* Urban living designer	Private Equity Denmark 2016 Earnings	**121**	110	**133**	160	
Dynatect* Manufacturer of engineered, mission critical protective equipment	Private Equity US 2014 Earnings	**65**	65	**130**	128	
		4,701	**4,074**	**20,561**	**17,130**	

*Controlled in accordance with IFRS.
1 Residual cost includes cash investment and interest, net of cost disposed.

List of Directors and their functions

The Directors of the Company and their functions are listed below:

David Hutchison, Chair
Simon Borrows, Chief Executive and Executive Director
James Hatchley, Group Finance Director and Executive Director
Jasi Halai, Chief Operating Officer and Executive Director
Stephen Daintith, Independent non-executive Director
Lesley Knox, Independent non-executive Director
Coline McConville, Independent non-executive Director
Peter McKellar, Independent non-executive Director
Alexandra Schaapveld, Independent non-executive Director

By order of the Board
K J Dunn
Company Secretary
8 May 2024

Registered Office: 16 Palace Street, London SW1E 5JD

Glossary

3i 2013-2016 vintage includes Audley Travel, Basic-Fit, Dynatect, JMJ, Q Holding and WP. Realised investments include Aspen Pumps, ATESTEO, Blue Interactive, Christ, Geka, Kinolt, Óticas Carol and Scandlines further.

3i 2016-2019 vintage includes arrivia, BoConcept, Cirtec Medical, Formel D, Luqom and nexeye. Realised investments include Havea, Magnitude Software, Royal Sanders (transferred out of the vintage in March 2024) and Schlemmer.

3i 2019-2022 vintage includes European Bakery Group, Evernex, insightsoftware, MAIT, Mepal, MPM, ten23 health, SaniSure, WilsonHCG, Yanga and YDEON.

3i 2022-2025 vintage includes Digital Barriers, Konges Sløjd, VakantieDiscounter and xSuite.

3i Buyouts 2010-2012 vintage includes Action. Realised investments include Amor, Element, Etanco, Hilite, OneMed and Trescal.

3i Growth 2010-2012 vintage includes BVG. Realised investments include Element, Hilite, Go Outdoors, Loxam, Touchtunes and WFCI.

Alternative Investment Funds ("AIFs") At 31 March 2024, 3i Investments plc as AIFM, managed seven AIFs. These were 3i Group plc, 3i Growth Capital B LP, 3i Growth Capital C LP, 3i Europartners Va LP, 3i Europartners Vb LP, 3i Managed Infrastructure Acquisitions LP and 3i Infrastructure plc. 3i Investments (Luxembourg) SA as AIFM, managed one AIF, 3i European Operational Projects SCSp.

Alternative Investment Fund Manager ("AIFM") is the regulated manager of AIFs. Within 3i, these are 3i Investments plc and 3i Investments (Luxembourg) SA.

APAC The Asia Pacific region.

Approved Investment Trust Company This is a particular UK tax status maintained by 3i Group plc, the parent company of 3i Group. An approved Investment Trust company is a UK company which meets certain conditions set out in the UK tax rules which include a requirement for the company to undertake portfolio investment activity that aims to spread investment risk and for the company's shares to be listed on an approved exchange. The "approved" status for an investment trust must be agreed by the UK tax authorities and its benefit is that certain profits of the company, principally its capital profits, are not taxable in the UK.

Assets under management ("AUM") A measure of the total assets that 3i has to invest or manages on behalf of shareholders and third-party investors for which it receives a fee. AUM is measured at fair value. In the absence of a third-party fund in Private Equity, it is not a measure of fee generating capability.

B2B Business-to-business.

Board The Board of Directors of the Company.

CAGR is the compound annual growth rate.

Capital redemption reserve is established in respect of the redemption of the Company's ordinary shares.

Capital reserve recognises all profits and losses that are capital in nature or have been allocated to capital. Following changes to the Companies Act, the Company amended its Articles of Association at the 2012 Annual General Meeting to allow these profits to be distributable by way of a dividend.

Carried interest payable is accrued on the realised and unrealised profits generated taking relevant performance hurdles into consideration, assuming all investments were realised at the prevailing book value. Carried interest is only actually paid when the relevant performance hurdles are met and the accrual is discounted to reflect expected payment periods.

Carried interest receivable The Group earns a share of profits from funds which it manages on behalf of third parties. These profits are earned when the funds meet certain performance conditions and are paid by the fund once these conditions have been met on a cash basis. The carried interest receivable may be subject to clawback provisions if the performance of the fund deteriorates following carried interest being paid.

Company 3i Group plc.

DACH The region covering Austria, Germany and Switzerland.

Discounting The reduction in present value at a given date of a future cash transaction at an assumed rate, using a discount factor reflecting the time value of money.

EBITDA is defined as earnings before interest, taxation, depreciation and amortisation and is used as the typical measure of portfolio company performance.

EBITDA multiple Calculated as the enterprise value over EBITDA, it is used to determine the value of a company.

EMEA The region covering Europe, the Middle East and Africa.

Executive Committee The Executive Committee is responsible for the day-to-day running of the Group (see the Governance section of our Annual report and accounts 2024).

Fair value movements on investment entity subsidiaries The movement in the carrying value of Group subsidiaries, classified as investment entities under IFRS 10, between the start and end of the accounting period converted into sterling using the exchange rates at the date of the movement.

Fair value through profit or loss ("FVTPL") is an IFRS measurement basis permitted for assets and liabilities which meet certain criteria. Gains and losses on assets and liabilities measured as FVTPL are recognised directly in the Statement of comprehensive income.

Fee income (or Fees receivable) is earned for providing services to 3i's portfolio companies and predominantly falls into one of two categories. Negotiation and other transaction fees are earned for providing transaction related services. Monitoring and other ongoing service fees are earned for providing a range of services over a period of time.

Fees receivable from external funds are earned for providing management and advisory services to a variety of fund partnerships and other entities. Fees are typically calculated as a percentage of the cost or value of the assets managed during the year and are paid quarterly, based on the assets under management to date.

Foreign exchange on investments arises on investments made in currencies that are different from the functional currency of the Company. Investments are translated at the exchange rate ruling at the date of the transaction. At each subsequent reporting date investments are translated to sterling at the exchange rate ruling at that date.

Gross investment return ("GIR") includes profit and loss on realisations, increases and decreases in the value of the investments we hold at the end of a period, any income received from the investments such as interest, dividends and fee income, movements in the fair value of derivatives and foreign exchange movements. GIR is measured as a percentage of the opening portfolio value.

Interest income from investment portfolio is recognised as it accrues. When the fair value of an investment is assessed to be below the principal value of a loan, the Group recognises a provision against any interest accrued from the date of the assessment going forward until the investment is assessed to have recovered in value. International Financial Reporting Standards ("IFRS") are accounting standards issued by the International Accounting Standards.

International Financial Reporting Standards ("IFRS") are accounting standards issued by the International Accounting Standards Board ("IASB"). The Group's consolidated financial statements are prepared in accordance with UK adopted international accounting standards.

Investment basis Accounts prepared assuming that IFRS 10 had not been introduced. Under this basis, we fair value portfolio companies at the level we believe provides useful comprehensive financial information. The commentary in the Strategic report refers to this basis as we believe it provides a more understandable view of our performance.

IRR Internal Rate of Return.

Key Performance Indicator ("KPI") is a measure by reference to which the development, performance or position of the Group can be measured effectively.

Like-for-like compare financial results in one period with those for the previous period.

Liquidity includes cash and cash equivalents (as per the Investment basis Consolidated cash flow statement) and undrawn RCF.

Money multiple is calculated as the cumulative distributions plus any residual value divided by paid-in capital.

Net asset value ("NAV") is a measure of the fair value of our proprietary investments and the net costs of operating the business.

Operating cash profit is the difference between our cash income (consisting of portfolio interest received, portfolio dividends received, portfolio fees received and fees received from external funds as per the Investment basis Consolidated cash flow statement) and our operating expenses and lease payments (as per the Investment basis Consolidated cash flow statement).

Operating profit includes gross investment return, management fee income generated from managing external funds, the costs of running our business, net interest payable, exchange movements, other income, carried interest and tax.

Organic growth is the growth a company achieves by increasing output and enhancing sales internally.

Performance fee receivable The Group earns a performance fee from the investment management services it provides to 3i Infrastructure plc ("3iN") when 3iN's total return for the year exceeds a specified threshold. This fee is calculated on an annual basis and paid in cash early in the next financial year.

Portfolio effect is the level of risk based on the diversity of the investment portfolio.

Portfolio income is that which is directly related to the return from individual investments. It is comprised of dividend income, income from loans and receivables and fee income.

Proprietary Capital is shareholders' capital which is available to invest to generate profits.

Public Private Partnership ("PPP") is a government service or private business venture which is funded and operated through a partnership of government and one or more private sector companies.

Realised profits or losses over value on the disposal of investments is the difference between the fair value of the consideration received, less any directly attributable costs, on the sale of equity and the repayment of loans and receivables and its carrying value at the start of the accounting period, converted into sterling using the exchange rates at the date of disposal.

Revenue reserve recognises all profits and losses that are revenue in nature or have been allocated to revenue.

Revolving credit facility ("RCF") The Group has access to a credit line which allows us to access funds when required to improve our liquidity.

Segmental reporting Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Executive who is considered to be the Group's chief operating decision maker. All transactions between business segments are conducted on an arm's length basis, with intrasegment revenue and costs being eliminated on consolidation. Income and expenses directly associated with each segment are included in determining business segment performance.

Share-based payment reserve is a reserve to recognise those amounts in retained earnings in respect of share-based payments.

SORP means the Statement of Recommended Practice: Financial Statements of Investment Trust Companies and Venture Capital Trusts.

Syndication is the sale of part of our investment in a portfolio company to a third party, usually within 12 months of our initial investment and for the purposes of facilitating investment by a co-investor or portfolio company management in line with our original investment plan. A syndication is treated as a negative investment rather than a realisation.

Total return comprises operating profit less tax charge less movement in actuarial valuation of the historic defined benefit pension scheme.

Total shareholder return ("TSR") is the measure of the overall return to shareholders and includes the movement in the share price and any dividends paid, assuming that all dividends are reinvested on their ex-dividend date.

Translation reserve comprises all exchange differences arising from the translation of the financial statements of international operations.

Unrealised profits or losses on the revaluation of investments is the movement in the carrying value of investments between the start and end of the accounting period converted into sterling using the exchange rates at the date of the movement.