



13 May 2021

3i Group plc announces results for the year to 31 March 2021

Strong result built on structural growth trends despite Covid-19 disruption

- **Total return of £1,726 million or 22% on opening shareholders' funds** (March 2020: £253 million, 3%) and **NAV per share of 947 pence** (31 March 2020: 804 pence) after paying 35 pence of dividends in the year. This result is net of a foreign exchange translation loss of 41 pence per share and the 13 pence per share negative accounting impact from a fundamental de-risking of the UK defined benefit pension plan.
- **Our Private Equity business delivered a gross investment return of £1,936 million or 30%** (March 2020: £352 million, 6%). Many of our portfolio companies are supported by structural growth trends and have either excelled during the pandemic or adapted to the changing environment very quickly. In FY2021 we saw strong momentum in earnings growth and cash generation in portfolio companies operating in consumer goods, e-commerce, healthcare and business and technology services, while those operating in the travel and automotive segments continued to face challenges.
- **Action** delivered annual revenue growth of 10% and EBITDA growth of 14% in the year to December 2020, despite prolonged periods of disruption as a result of the pandemic. The strength of this result proves the power of its unique customer proposition, its ability to adapt quickly to changing circumstances and the strength of its financial model and cash generation capabilities. **This strong performance underpinned value growth of £1,202 million in the year.**
- In competitive markets for new investment the **Private Equity** team remained selective and price disciplined, making **three new investments in the year in MPM, WilsonHCG and GartenHaus, for a total of £275 million.** We continued to focus on M&A activity by our portfolio companies and completed eight bolt-on acquisitions in total during the year, including the transformational acquisitions of Technogroup by Evernex and SaniTech West by our Bioprocessing platform, since rebranded as SaniSure. **In total, we contributed £124 million to fund three bolt-on acquisitions in the portfolio.** Only two of our portfolio companies have required liquidity support since the outbreak of the pandemic and in the year we provided a total of £66 million of funding to support Audley Travel and Hans Anders in this challenging environment.
- **Our Infrastructure business delivered a gross investment return of £178 million, or 16%** (March 2020: £(39) million, (4)%). This return was driven by the increase in 3i Infrastructure plc ("3iN")'s share price and strong dividend income. Our US Infrastructure portfolio proved to be resilient in the year. Regional Rail, one of our two US investments, completed a refinancing package in March 2021, returning proceeds of £74 million to 3i.
- **Scandlines delivered a solid gross investment return of £25 million, or 6%** (March 2020: £5 million, 1%) despite significant travel restrictions impacting leisure travel on its ferry crossings. Its freight activity remained stable in 2020, with volumes close to 2019 levels.
- **Total dividend of 38.5 pence per share** for FY2021, with a second FY2021 dividend of 21.0 pence per share to be paid in July 2021 subject to shareholder approval.

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

"3i delivered a strong result in FY2021 during a period of unprecedented uncertainty and disruption caused by the Covid-19 pandemic. This outcome was supported by the resilient performance of our Private Equity and Infrastructure portfolios, our strong balance sheet and the capabilities of our experienced team.

We enter our new financial year in the knowledge that we have a high quality investment portfolio with broad exposure to sectors with strong underlying growth, as well as a net asset value grounded in 'through the cycle' valuation multiples, rather than reflecting some of the very high valuations we are witnessing in markets at present. We are also maintaining strong price discipline and avoiding the exuberance seen in many of today's transactions as we add to our high-quality portfolio."

Financial highlights

	Year to/as at 31 March 2021	Year to/as at 31 March 2020
Group		
Total return	£1,726m	£253m
Operating expenses	£(112)m	£(116)m
Operating cash profit	£23m	£40m
Realised proceeds	£218m	£918m
Gross investment return	£2,139m	£318m
- As a percentage of opening 3i portfolio value	26%	4%
Cash investment	£510m	£1,248m
3i portfolio value	£10,408m	£8,098m
Gross debt	£975m	£575m
Net (debt)/cash	£(750)m	£270m
Gearing ¹	8%	nil
Liquidity	£725m	£1,245m
Net asset value	£9,164m	£7,757m
Diluted net asset value per ordinary share	947p	804p
Total dividend per share	38.5p	35p

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

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For further information regarding the announcement of 3i's annual results to 31 March 2021, 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 northern 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 2021 and have not yet been delivered to the Registrar of Companies. The statutory accounts for the year to 31 March 2020 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 2021 will be distributed to shareholders on or soon after 25 May 2021.

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 23 July 2021 to holders of ordinary shares on the register on 18 June 2021. The ex-dividend date will be 17 June 2021.