

# Infrastructure

## At a glance

### Gross investment return

£52m  
or 3%

(2024: £99m or 7%)

### AUM

£6.3bn

(2024: £6.7bn)

### Cash income

£106m

(2024: £113m)

We manage funds investing principally in mid-market economic infrastructure 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 as well as long-term capital gains.

Our Infrastructure portfolio generated a GIR of £52 million, or 3% on the opening portfolio value (2024: £99 million, 7%). This performance was principally driven by a good level of dividend and interest income alongside value growth from our infrastructure funds, which more than offset the subdued share price performance of our quoted stake in 3iN.

3iN's underlying portfolio continues to deliver good performance, and 3iN completed a significant realisation in the year, achieving an impressive money multiple of 3.6x, reaffirming the strong market demand for high-quality infrastructure assets. In addition, 3iN successfully executed two significant refinancings which returned cash proceeds and completed two strategic further investments and a syndication within its portfolio companies.

Our North American Infrastructure Fund ("NAIF") continued to advance its buy-and-build strategy, with two portfolio companies completing three acquisitions, further enhancing their growth trajectory and operational scale.

**Table 4: Gross investment return for the year to 31 March**

Investment basis	2025 £m	2024 £m
Realised profits / (losses) over value on the disposal of investments	1	(4)
Unrealised profits on the revaluation of investments	17	72
Dividends	37	35
Interest income from investment portfolio	12	11
Fees payable	(4)	(6)
Foreign exchange on investments	(11)	(9)
<b>Gross investment return</b>	<b>52</b>	<b>99</b>
<b>Gross investment return as a % of opening portfolio value</b>	<b>3%</b>	<b>7%</b>

## Infrastructure continued

## Fund management

## 3iN

3iN generated a total return on opening NAV of 10.1% for the year to 31 March 2025, ahead of its total return target of 8% to 10% per annum, and delivered its dividend target of 12.65 pence per share, a 6.3% increase on last year.

This result was driven by good performance and momentum across the majority of 3iN's portfolio companies, as the portfolio continues to benefit from long-term growth drivers.

**TCR** saw further strong performance in 2024, with higher rental volumes across its ground support equipment. The business increased its global footprint with 22 more airports and has significant white space ahead of it. In February 2025, TCR closed a refinancing, returning a £60 million distribution to 3iN.

**Tampnet**'s North Sea and Gulf of Mexico fibre operations performed well. It continues to win new contracts, including the first fibre-backed contract in the Mexican deepwater. Utilisation rates were good across **ESVAGT**'s fleet of service operation vessels and the business is well positioned in its sector and markets to capitalise on the positive trajectory in the offshore wind market in Europe and more recently in South Korea. **Oystercatcher**, the holding company for the stake in Advorio Singapore, successfully completed a debt raise in the year, enabling a distribution to 3iN of £108 million.

**DNS:NET** is seeing improved performance in its fibre rollout, albeit we remain cautious on the outlook for the sector. In January 2025, 3iN completed an investment of £24 million in the business to continue to fund the fibre roll-out. **Infinis** delivered a strong result as it saw higher than expected levels of exported power from its captured landfill methane business. Other notable contributors include **Future Biogas** and **FLAG** (formerly Global Cloud Xchange).

The portfolio has a small number of portfolio companies experiencing softer trading. **SRL** experienced a downturn in activity in 2024, as a result of reduced UK local authority capital expenditure. Whilst the market remains challenging, the overall outlook into the second half of 2025 is improving. **Ionisos** also performed below our expectations, due to volume weakness in the German construction industry.

In January 2025, 3iN completed the realisation of its 33% stake in **Valorem** for net proceeds of €310 million, generating a 21% gross annual IRR and a 3.6x gross money multiple. 3iN also completed two transactions with **Future Biogas**; in August 2024, Future Biogas acquired majority control in a portfolio of six anaerobic digestion facilities for £68 million, of which £30 million was funded by 3iN. In September 2024, 3iN syndicated 23% of its stake in Future Biogas for proceeds of £30 million, at a 15% uplift to 31 March 2024 value.

As investment manager to 3iN, in FY2025, we recognised a management and support services fee of £51 million (2024: £51 million) and a NAV-based performance fee of £29 million (2024: £41 million). This performance fee comprised a third of the potential performance fee for each of FY2025, FY2024 and FY2023, after the performance hurdle was met in each year.

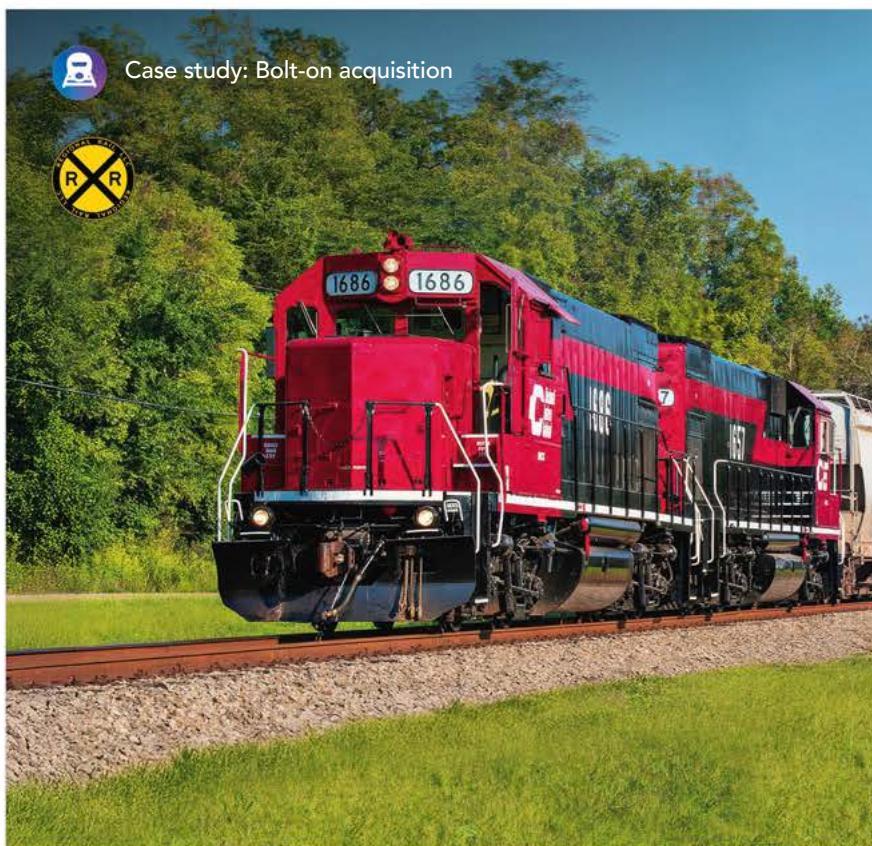
## Regional Rail acquired Cincinnati Eastern Railroad in July 2024, adding 70 miles of track in Ohio.

The railroad provides freight hauling and storage services to customers across a variety of end markets, including aggregates, food & agriculture, and paper products, and is poised to benefit from continued industrial development in the region.

The acquisition further expands Regional Rail's Midwest US presence and diversifies its customer and commodity exposures. Regional Rail has grown from three railroads in the Northeast US to 16 operations across North America.



For more information  
[www.regional-rail.com](http://www.regional-rail.com)



Case study: Bolt-on acquisition

## Infrastructure continued

## North American Infrastructure Fund ("NAIF")

The NAIF delivered resilient performance and saw a good level of bolt-on activity in FY2025.

**Regional Rail** generated growth organically, by transporting increased product volumes, and through continued bolt-on activity. The acquisition of Cincinnati Eastern Railroad during the year added 70 miles of track in Ohio. Regional Rail also completed the buyout of a minority stake in its Canadian rail operations. **EC Waste** performed well across its transfer station and landfill segments. **Amwaste** saw mixed trading in the year. The business completed two bolt-on acquisitions including C&C Sanitation and Waste Away Environmental, furthering both collection and post-collection services in Southeast United States. In February 2025, the NAIF completed the sale of its minority stake in **Shared Tower**.

## Assets under management

Infrastructure AUM decreased to £6.3 billion (31 March 2024: £6.7 billion), reflecting the sale of our European Operational Projects Fund capability in May 2024, and the decrease in the share price of 3iN. This was partially offset by good performance across NAIF and 3i Managed Infrastructure Acquisitions Fund ("3i MIA"). We generated fee income of £61 million from our Infrastructure fund management activities in the period (2024: £68 million).

## 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

At 31 March 2025, our 29% stake in 3iN was valued at £856 million (31 March 2024: £879 million), as its share price decreased by 3% year on year to 318 pence (31 March 2024: 327 pence). As a result, we recognised an unrealised value loss of £23 million (2024: unrealised profit of £38 million). This was offset by £33 million of dividend income in FY2025 (2024: £31 million).

## North American Infrastructure proprietary capital

**Smarte Carte** delivered strong performance in 2024, supported by steady US domestic and international passenger traffic. Its carts business outperformed the prior year, driven by the successful execution of a new long-term contract at London's Heathrow Airport and continued benefits from improved pricing economics that Smarte Carte shares with its airport partners. Additionally, Smarte Carte made significant progress in expanding its international footprint and advancing various business development initiatives. This includes the successful rollout of 450 new United States Postal Service lockers and securing several ancillary service wins across its international locations.

At 31 March 2025, Smarte Carte was valued at £308 million on a DCF basis (31 March 2024: £306 million). We also received cash interest income of £6 million in the year from the business.

Table 5: Assets under management as at 31 March 2025

Fund/strategy	Close date	Fund size	3i commitment/share	Remaining 3i commitment	% invested <sup>2</sup> at 31 March 2025	AUM <sup>3</sup> £m	Fee income earned in 2025 £m
3iN <sup>1</sup>	Mar-07	n/a	£856m	n/a	n/a	2,933	51
3i MIA	Jun-17	£698m	£35m	£5m	87%	1,733	4
3i managed accounts	various	n/a	n/a	n/a	n/a	776	4
North American Infrastructure Fund	Dec-23 <sup>4</sup>	US\$744m	US\$300m	US\$73m	77%	561	2
Smarte Carte	Nov-17	n/a	n/a	n/a	n/a	308	–
<b>Total</b>						<b>6,311</b>	<b>61</b>

1 AUM based on the share price at 31 March 2025.

2 % invested is the capital deployed into investments against the total Fund commitment.

3 We retained a proprietary stake in Alba EOPF (formerly 3i EOPF), following the sale of our operational projects infrastructure fund capability in May 2024. It has been excluded from the table above.

4 First close completed in March 2022. Final close completed in December 2023.

Table 6: Infrastructure portfolio movement for the year to 31 March 2025

Investment	Valuation	Opening value at 1 April 2024 £m	Investment £m	Disposals at opening book value £m	Unrealised profit/(loss) £m	Other movements <sup>1</sup> £m	Closing value at 31 March 2025 £m
3iN	Quoted	879	–	–	(23)	–	856
Smarte Carte	DCF	306	–	–	5	(3)	308
North American Infrastructure Fund <sup>2</sup>	DCF	199	3	(9)	18	(4)	207
3i MIA	Fund	71	–	–	17	–	88
Alba EOPF	Fund	33	1	–	–	(1)	33
<b>Total</b>		<b>1,488</b>	<b>4</b>	<b>(9)</b>	<b>17</b>	<b>(8)</b>	<b>1,492</b>

1 Other movements include foreign exchange.

2 Includes Regional Rail, EC Waste, Amwaste. Shared Tower was divested in the year.