



14 November 2019

3i Group plc announces results for the six months to 30 September 2019

Good momentum across our portfolios

- **Total return of £767 million or 10%** on opening shareholders' funds (30 September 2018: £728 million, 10%) and **NAV per share of 873 pence** (31 March 2019: 815 pence) after paying the 20 pence second FY2019 dividend in July 2019.
- Good trading performance across the **Private Equity** portfolio, with underlying earnings growth underpinning a **gross investment return of £666 million or 11%**. This was driven by assets including Action, Hans Anders and Aspen Pumps.
- **Considered approach to new investment in Private Equity**, with the new investments in Magnitude Software completed and in Evernex announced in the period. We also made seven bolt-on acquisitions for portfolio companies and announced a further since the period end, most of which were self-funded.
- We have been working with our Eurofund V ("EFV") investors, and have agreed a **transaction to provide liquidity** for the fund's investors from the sale of their holding in Action. This transaction values Action at a post-discount enterprise value of €10.25 billion, representing a **net multiple of 18.2x 30 September 2019 run-rate EBITDA and 20.3x 30 September 2019 LTM EBITDA**. The transaction is scheduled to close in early January 2020.
- Good contribution from our **Infrastructure** business, with a **gross investment return of £88 million, or 9%**, driven principally by share price appreciation and dividend income from 3i Infrastructure plc ("3iN"). Strong levels of investment activity across our Infrastructure portfolios, with new investments and bolt-on acquisitions completed or announced for 3iN, the 3i European Operational Projects Fund and for our US Infrastructure portfolio.
- Positive contribution from **Scandlines**, which delivered a **gross investment return of £44 million in the period, or 8%**, driven by good trading performance. Scandlines also completed a refinancing in the period, returning capital proceeds to 3i of £70 million, in addition to dividend income of £21 million. A further £6 million of dividend income was received earlier in the period.
- **First FY2020 dividend of 17.5 pence per share** to be paid in respect of the first six months of the financial year, in line with our dividend policy.

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

"We saw good performance across our portfolios in the first half of the year, reflected in an attractive total return of 10% for our shareholders. Despite the uncertain macroeconomic environment, the majority of our investments have moved into the second half of the year with decent momentum. We are very pleased with the progress made in providing liquidity to EFV investors through the sale of their holdings in Action. Importantly, the proposed new shareholding structure will maintain the 3i-led governance model at Action."

Summary financial highlights under the Investment basis

3i prepares its statutory financial statements in accordance with International Financial Reporting Standards as adopted by the European Union (“IFRS”). However, we also report a non-GAAP “Investment basis” which we believe aids users of our report to assess the Group’s underlying operating performance. The investment basis (which is unaudited) is an alternative performance measure (“APM”) and is described on page 18. Total return and net assets are the same under the Investment basis and IFRS and we provide a reconciliation of our Investment basis financial statements to the IFRS statements from page 19.

Investment basis	Six months to/as at 30 September 2019	Six months to/as at 30 September 2018	12 months to/as at 31 March 2019
Total return	£767m	£728m	£1,252m
% return on opening shareholders’ funds	10%	10%	18%
Dividend per ordinary share	17.5p	15.0p	35.0p
Gross investment return	£798m	£789m	£1,407m
As a percentage of opening 3i portfolio value	11%	12%	21%
Cash investment	£312m	£779m	£859m
Realisation proceeds	£71m	£1,057m	£1,242m
Realised profit in the period ¹	–	£75m	£132m
Money multiple on full realisations in Private Equity ²	n/a	4.8x	3.0x
3i portfolio value	£8,551m	£7,119m	£7,553m
Gross debt	£575m	£575m	£575m
Net cash	£50m	£512m	£495m
Liquidity	£975m	£1,437m	£1,420m
Diluted net asset value per ordinary share	873p	776p	815p

1 Realised profits over opening value on the disposal of investments.

2 Cash proceeds over cash invested.

Disclaimer

These half-year results have been prepared solely to provide information to shareholders. They should not be relied on by any other party or for any other purpose. These half-year results may contain statements about the future, including certain statements about the future outlook for 3i Group plc and its subsidiaries (“3i” or “the Group”). 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.

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A PDF copy of this release can be downloaded from www.3i.com/investor-relations

For further information, including a live videocast of the results presentation at 10.00am on 14 November 2019, please visit www.3i.com