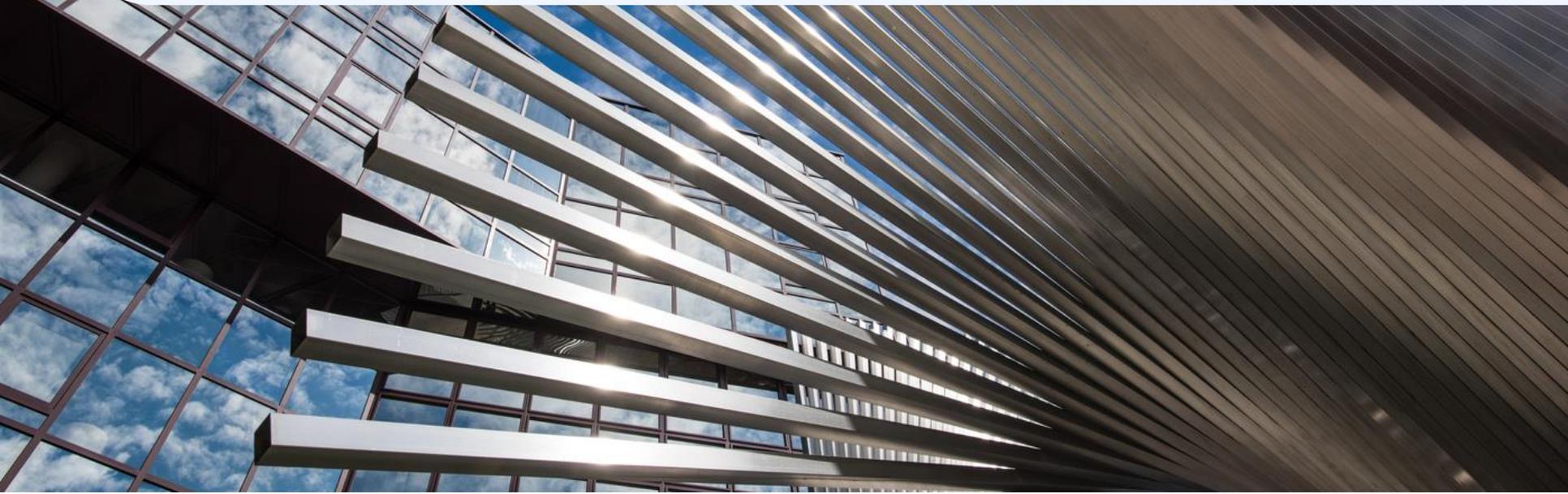




Results for the year to 31 March 2020

14 May 2020



Resilient performance despite severe disruption from Covid-19

Year to 31 March 2020



Group		Private Equity	Infrastructure	Scandlines
Total return on equity	Total dividend per share	Proprietary capital invested	Cash income	Cash realisations
3%	35p	£1,062m ¹	£78m	£70m
NAV per share	Net cash	Realisation proceeds	3iN TSR	Dividend income
804p	£270m	£848m ¹	(7)%	£37m

¹ Gross of the divestment and re-investment in Action.

People and operations

- Flexible remote working for all employees
- Business travel cancelled
- Extensive use of videoconferencing
- Mental health and wellbeing advice to employees

Balance sheet and liquidity

- Prudent balance sheet management
- Net cash of £270m at the end of March
- Renewed £400m RCF
- Capacity to support portfolio if necessary

Portfolio management

- Teams and resources focused on supporting existing portfolio
- Close management of operational, liquidity and supply chain issues
- Rigorous monitoring and frequent forecasting

Private Equity

Our investment approach provides some resilience to Covid-19



Private Equity

Action - EFV transaction closed in January 2020



- Transaction value of €10.25bn delivered a 31x money multiple and a 73% IRR

€10.25bn

- 3i re-invested proceeds and excess carry to increase its holding

£591m

- 3i's direct holding in Action increased to 52.6% gross and 46.2% net (before and after ongoing carry liability)

52.6% gross
46.2% net

Private Equity

Action – continued strong growth in 2019



2019

Highlights

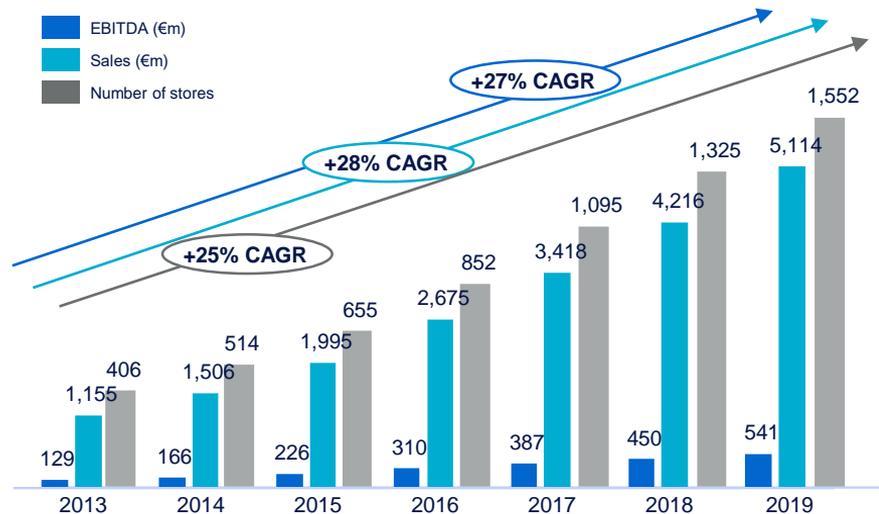
+21% revenue growth

+20% EBITDA growth

1,552 stores

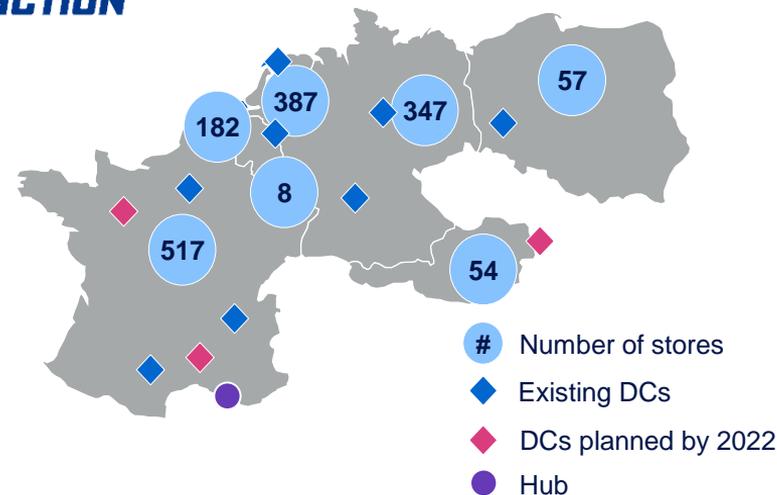
230 new stores

A continued high growth track record



A truly pan-European footprint

ACTION



Investing to become a €10bn turnover business and expand EBITDA margin

Private Equity

Action – virtually all stores now open



As at 11th May	YTD stores / DCs	Stores / DCS open	Full assortment	Comment
Netherlands	389	All open	✓	All stores remained open throughout crisis
Belgium	183	All open	✓	All stores reopened on 11 May
Luxembourg	9	All open	✓	All stores open
France	523	>510	✓	Gradual reopening of stores since April. Additional safety measures put in place for high traffic stores
Germany	357	355 open	✓	
Austria	56	All open	✓	All stores reopened 2 May
Poland	67	All open	✓	All stores open
Total	1,584	1,573		
DCs	8	8	n/a	As of 4 May all DCs now operational and ramping back up to full availability

Private Equity

Action – consistently strong performance in the Netherlands



- Year-to-date LfL at end of week 11 was over 7%
- Dutch stores (open throughout crisis) continuing to perform well, with LfL at end week 19 of over 7%
- Social distancing arrangements in place throughout store network
- Very high volumes of essentials range sold during lockdown period



Private Equity

Action – strong spring back post lockdown



- Q1 2020 finished ahead of prior year on sales and EBITDA
- P4 sales were 41% of last year
- Strong trading in May as stores re-open across all territories
- Restricted footfall compensated by much larger basket size
- Selected cost measures to minimise impact on 2020 EBITDA
- Current expectation for new openings in 2020 of 152 stores
- New country expansion to recommence in H2 2020
- Cash remains significant at >€300m as at P4 with target of €500m by end of July



Confidence in business model, plan, white space opportunity and competitive positioning remains as strong as ever



Good earnings momentum

- 93% of portfolio by value grew earnings to end December
- Strong contribution from bolt-on acquisitions
- Consumer and healthcare sectors performed particularly well

Limited areas of weakness

- Auto sector and some industrials

Private Equity

Covid-19 has impacted the portfolio asymmetrically



Stable to positive



Healthcare
Personal care
Essential ingredients



B2B services



Online retail

Likely temporary impact



Bricks and mortar
retail and leisure



Industrials and
automotive

Likely prolonged impact



Travel



Largest value increases (>£20m)

Portfolio company	Value growth (excl FX)	Value at 31 Mar 2020	Key driver of value movement
Action	£461m	£3,536m	↑ Performance/ Transaction valuation
Tato	£79m	£196m	↑ Performance
Royal Sanders	£47m	£198m	↑ Performance
Cirtec	£41m	£302m	↑ Performance

Largest value declines (>£20m)

Portfolio company	Value decline (excl FX)	Value at 31 Mar 2020	Key driver of value movement
Schlemmer	£(103)m	nil	Administration
ICE	£(102)m	£69m	↓ Multiple
Audley Travel	£(98)m	£124m	↓ Multiple
Basic-Fit	£(92)m	£93m	↓ Share price
Hans Anders	£(44)m	£196m	↓ Performance
Formel D	£(43)m	£141m	↓ Performance
BoConcept	£(40)m	£119m	↓ Multiple ↓ Performance
Dynatect	£(40)m	£39m	↓ Performance
Q Holding	£(30)m	£222m	↓ Performance
Magnitude	£(24)m	£121m	↓ Performance
WP	£(21)m	£244m	↓ Performance

Private Equity

Good realisations in the year



Basic-Fit



Vintage year	2013
Proceeds	£76m
Money multiple	4.2x
IRR	37%

Opportunistic reduction of our holding in positive markets

Aspen Pumps



Vintage year	2015
Proceeds	£205m
Money multiple	4.1x
IRR	34%

Excellent realisation of a post-2012 investment

ACR



Vintage year	2006
Proceeds ¹	£105m
Money multiple	1.0x
IRR	-

Positive outcome for a challenged legacy investment

¹ Recognised realised proceeds at 31 March 2020; proceeds expected to be received in Q3 2020.

Magnitude Software



£139m new investment

- Provider of unified application data management solutions

Evernex



£214m new investment

- Provider of third-party maintenance of critical IT infrastructure

Bioprocessing Platform



£60m new investment

- Single-use bioprocessing product platform

Private Equity

Strong progress on buy-and-build assets with 13 bolt-on acquisitions



CHRIST + VALMANO

Havea + PHC
- GROUP - PASQUALI HEALTHCARE

lampenwelt + QLF
BRANDS

ASPEN® PUMPS + TNC Clips

DYNATECT™ + thodacon®
DYNAMIC EQUIPMENT PROTECTION Thodacon Werkzeugmaschinenchutz GmbH

BASIC-FIT + FITLAND
REAL FITNESS. REAL RESULTS.

WPW innovative packaging + ORANGE

Q HOLDING COMPANY + TBL®
when precision matters Performance Plastics

evernex + STOREX
Our Partnership. Your Advantage.

ICE. Powered by Innovation + WMPH Vacations
We Make People Happy :-)

AESSEAL + GEFFEN
EXPERIENCE THE EXCEPTIONAL Allround Machine Support

Formel D + CPS QUALITY
MEMBER OF THE Formel D Group
dynamics
MEMBER OF THE FORMEL D GROUP



3iN relative share price performance – FY2020

(rebased to 3iN, pence per share)



Source: Bloomberg

FY2020 highlights

Total dividend per share	9.2p
Investments and commitments	£376m
Realisations	£581m
Total return	11.4%
Share price on 31 March	247.5p

Scandlines

Solid 2019 performance; short-term Covid-19 impact since March 2020



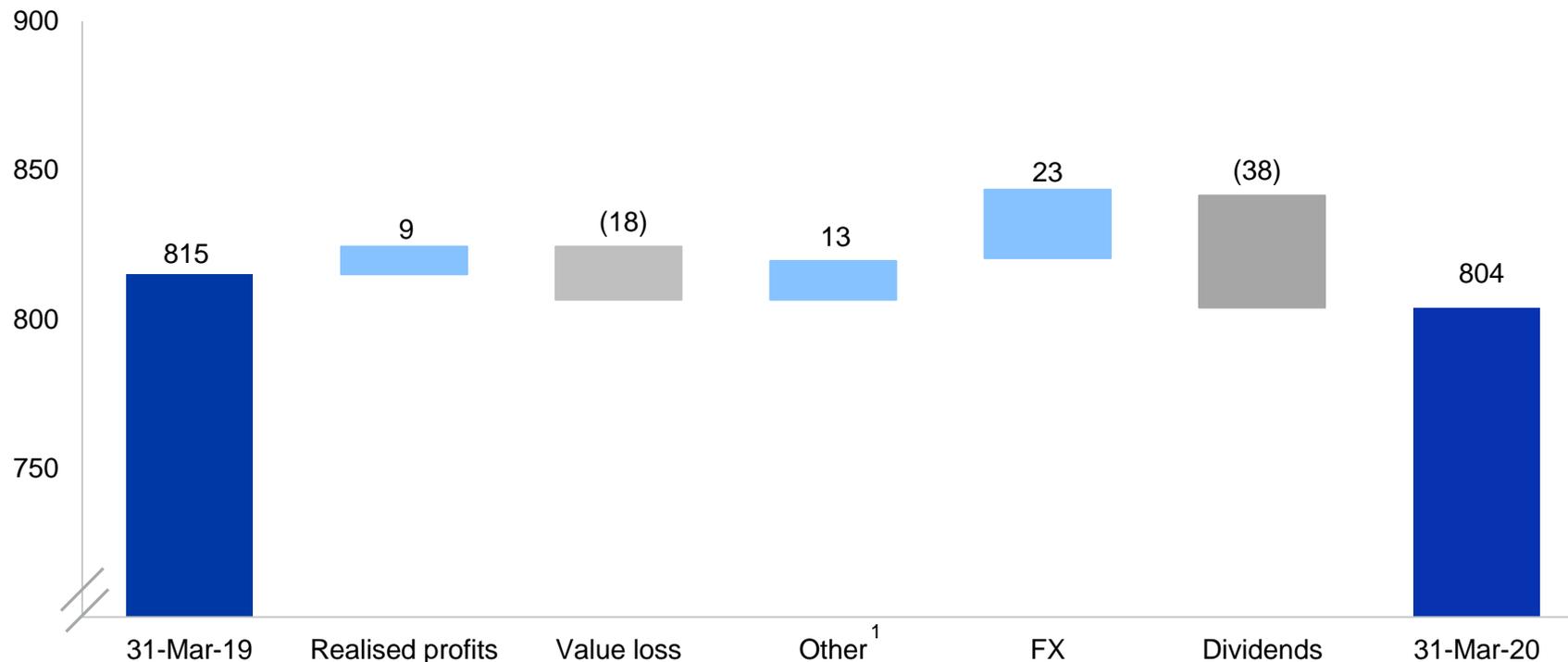
- Good performance and solid results for 2019
- Proceeds of £70m and dividend income of £21m from investment grade refinancing
- Additional dividend income of £16m in the year
- Major short-term Covid-19 impact on car volumes as a result of border restrictions; freight traffic continues to flow
- Value decline reflects temporary impact of Covid-19 on leisure travel and elevated levels of uncertainty
- Pandemic highlights Scandlines' strategic importance to supply chains across region

26% of reinvestment already returned since reinvestment in FY19

NAV down 1% to 804 pence due to Covid-19 impact on Q4 valuations



NAV per share (pence)

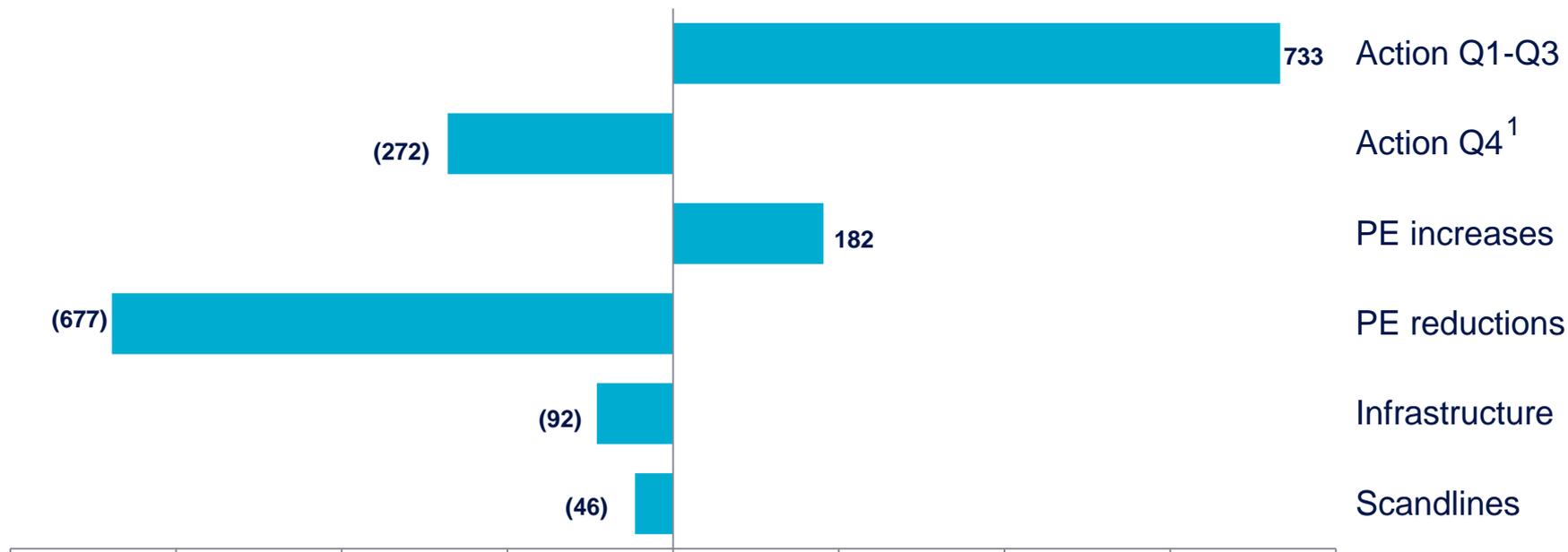


¹ Other includes portfolio income, third party fee income, operating costs and the fair value movement on FX hedging derivatives.

Group valuation decrease of £172 million



Value movement by basis (£ million)



1. At 31 March 2020 Action was valued at fair value of the transaction (EV of €10.25bn). The reduction of £272m represents the value movement between the December 2019 and March 2020 basis.

Thoughtful and thorough valuations process



March

- Portfolio company review focus on early impact of Covid-19
- Detailed short-term liquidity and banking analysis
- Central guidance issued to all investment teams

31 March

- Market multiples known

April

- Regular updates on liquidity, banking and management responses
- Auditor review and challenge
- Valuation Committee challenge

May

- Ongoing monitoring of trading, liquidity and banking

14 May

- Results announced

Private Equity

Action - development of valuation since 30 September 2019



Holding in Action increased from 45.3% to 52.6%

Private Equity

Action – a considered approach to valuation



EV/ run rate EBITDA (post discount)

18.2x

18.0x

c17x

Enterprise value (post discount)

€10.25bn

€10.80bn

€10.25bn

Valuation at March 2020 reduced to level consistent with EFV transaction, to reflect

- Covid-19 impact
- ongoing uncertainty
- independent fair value mark established by EFV transaction
- triangulation against peer group and DCF model

Sep-19
Transaction EV

Dec-19 EV

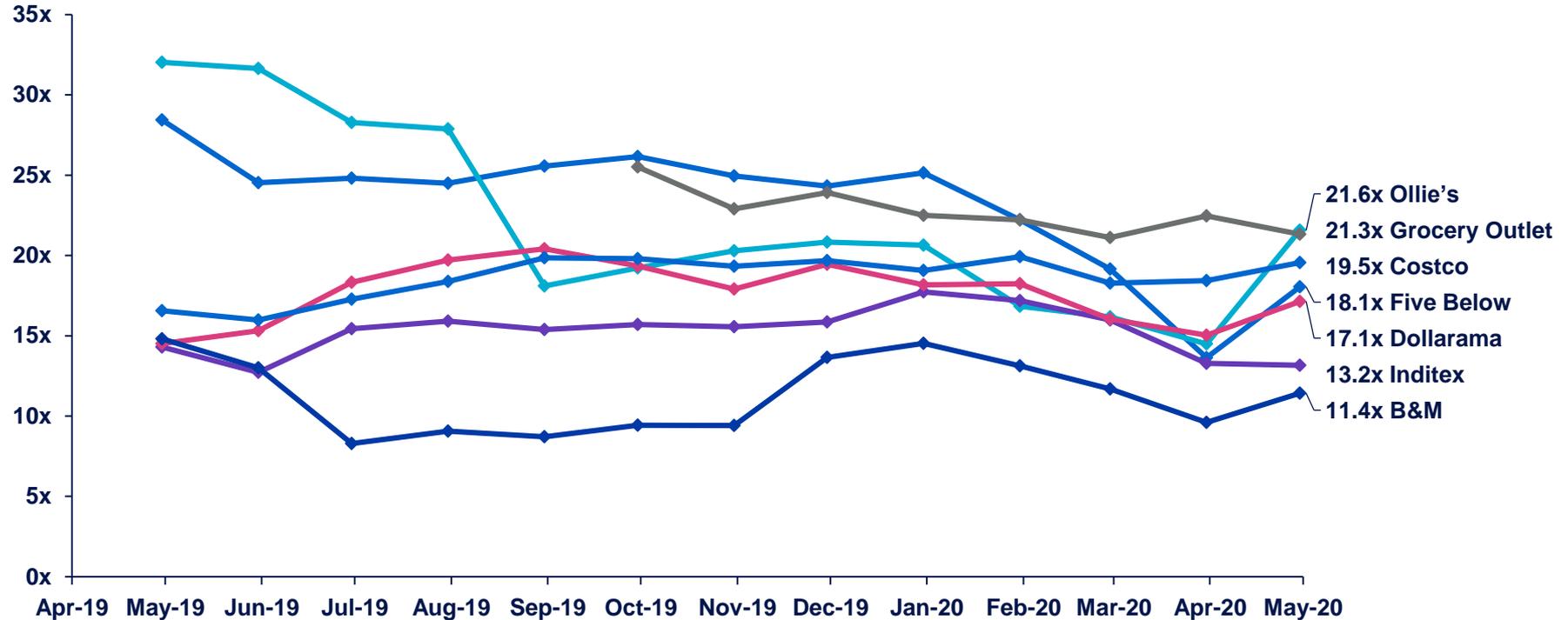
Mar-20 Actual

Private Equity

Action – peers have been affected in a different way



EV / EBITDA (LTM)



Data as at 30 April 2020. EBITDA on a pre-IFRS 16 basis



No material change to valuation approach

- December LTM
- Modest/no change to multiple

Examples



Impact of Covid-19 reflected through earnings

- March LTM/
maintainable earnings
- Modest/no change to multiple

Examples



Impact of Covid-19 reflected through multiple

- March LTM
- Significant reduction in multiple

Examples



Private Equity

Strong performance for 11 months of the year



Year to 31 March £ million	2020	2019
Gross investment return	352	1,148
% of opening portfolio	6%	20%
Realised profit	90	131
Realisations^{1,2}	848	1,235
Cash investment²	1,062	332
Portfolio value	6,552	6,023

1 The 2019 realisations are gross of the Scandlines transaction. The £529 million reinvestment is included within Scandlines.

2 The 2020 realisations and investment are gross of the Action transaction (£402m and £591m respectively).

Private Equity

Carried interest receivable and payable



Year to/ended 31 March £ million	2020	2019
Income statement		
Carried interest receivable	79	128
Carried interest payable	(63)	(206)
Net total return	16	(78)
Balance sheet		
Carried interest receivable	11	609
Carried interest payable	(998)	(942)
Net total payable	(987)	(333)

£679 million EFV carry received in January 2020

Infrastructure

Reassuring performance from 3iN



Year to 31 March £ million	2020	2019
3iN	(76)	167
Smarte Carte	(22)	3
Regional Rail	10	-
Other funds	(4)	(8)
Portfolio revaluation	(92)	162
Dividend, interest income and FX	53	48
Gross investment return	(39)	210
% of opening portfolio	(4)%	25%

Scandlines

Solid performance for 11 months



Year to 31 March £ million	2020	2019
Valuation	429	529
Gross investment return	5	49
% of opening portfolio	1%	9%

Valuation adjusted to reflect border closure and economic impact

Operating cash profit provides resilience



Year to 31 March £ million	2020	2019
Private Equity	45	45
Infrastructure	78	82
Scandlines	37	28
Cash income	160	155
Operating cash expenses ¹	(120)	(109)
Operating cash profit	40	46

Objective is to at least break even

¹ Operating cash expenses includes leases paid.

Simple balance sheet and conservative capital management



£8,098m

- High quality, defensive portfolio

£845m

- Gross cash held centrally with no material restrictions

£575m

- 2023 and 2032 bonds with no financial covenants

£400m

- Undrawn five-year RCF refinanced in March 2020

£1.2bn liquidity at 31 March 2020

Total dividend set at 35 pence per share



Our dividend policy aims to maintain or grow the dividend year-on-year subject to:

- maintaining our conservative balance sheet strategy
- careful consideration of the outlook for investments and realisations and market conditions

Second FY2020 dividend of 17.5 pence per share brings total dividend for the year to 35 pence per share



Focus on managing existing portfolio

Investment and realisations lower than in previous years

Prudent management of balance sheet and liquidity

Benefit from proprietary capital model

No change in return objectives and dividend policy



Additional information

Our business model

Delivering sustainable returns over the cycle



What we offer

Value creation

Who benefits

- Conservative balance sheet management
- Tight grip on operating costs
- Operating cash profit

Expertise

Access to capital

BLN

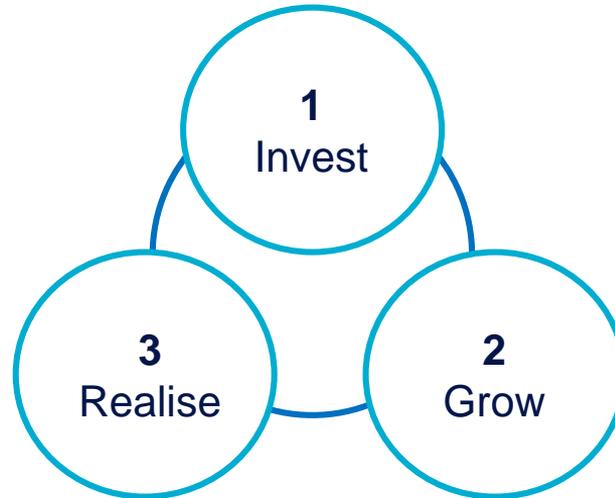
Active partnership

Reputation

Institutional culture

Strong corporate governance

Responsible approach



Shareholders

Portfolio companies

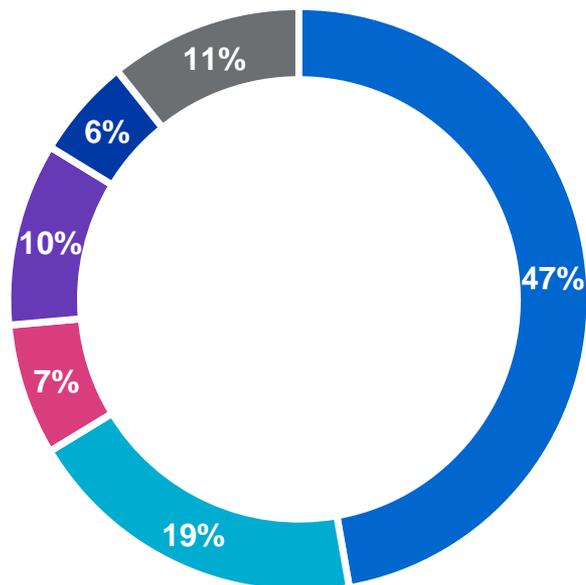
Employees

The portfolio has defensive underlying exposures



Portfolio value as at 31 March 2020

Examples



Value-for-money

Action, Hans Anders, Basic-Fit

Infrastructure

3iN, Scandlines,
Regional Rail, SmarteCarte

Healthcare

Cirtec, Q Holding, Bioprocessing
platform

**Exposure to consumer
staples / essentials**

WP, Royal Sanders, Havea, Tato

B2B Services

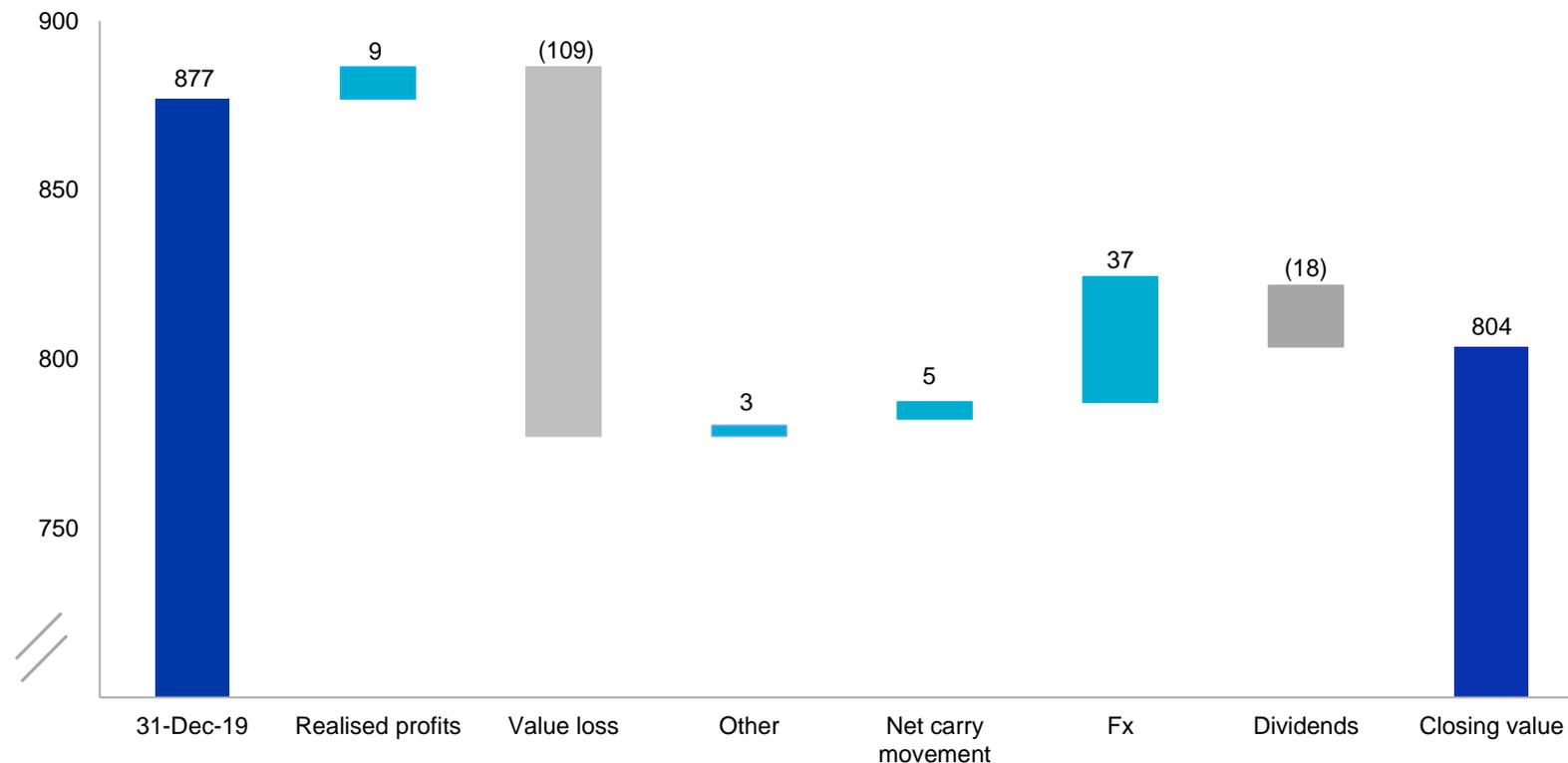
Evernex, Magnitude

Other

Q4 NAV declined from 877 pence to 804 pence



NAV per share (pence)



1 Other includes portfolio income, third party fee income, operating costs and the fair value movement on FX hedging derivatives.

3i Group

20 large investments

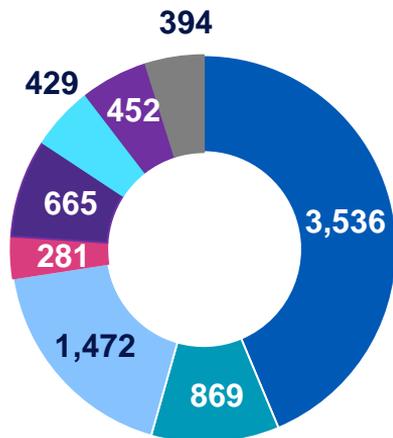


Investment	Business description	Valuation Mar 19 £m	Valuation Mar 20 £m
Action	General merchandise discount retailer	2,731	3,536
3i Infrastructure plc	Quoted investment company, investing in infrastructure	744	665
Scandlines	Ferry operator between Denmark and Germany	529	429
Cirtec Medical	Outsourced medical device manufacturing	248	302
WP	Supplier of plastic packaging solutions	241	244
Q Holding	Manufacturer of precision engineered elastomeric components	241	222
Evernex	Provider of third-party maintenance services for data centre infrastructure	-	217
Royal Sanders	Private label and contract manufacturing producer of personal care products	147	198
Tato	Manufacturer and seller of speciality chemicals	117	196
Hans Anders	Value-for-money optical retailer	246	196
Regional Rail	Owens and operates short-line freight railroads and rail-related businesses	-	195
Havea	Manufacturer of natural healthcare and cosmetics products	174	182
Smarte Carte	Provider of self-serve vended luggage carts, electronic lockers and concession carts	181	172
AES Engineering	Manufacturer of mechanical seals and support systems	172	158
Lampenwelt	Online lighting specialist retailer	119	144
Formel D	Quality assurance provider for the automotive industry	169	141
Audley Travel	Provider of experiential tailor-made travel	270	124
Magnitude Software	Leading provider of unified application data management solutions	-	121
BoConcept	Urban living designer	152	119
BasicFit	Discount gyms operator	254	93

Group investment portfolio

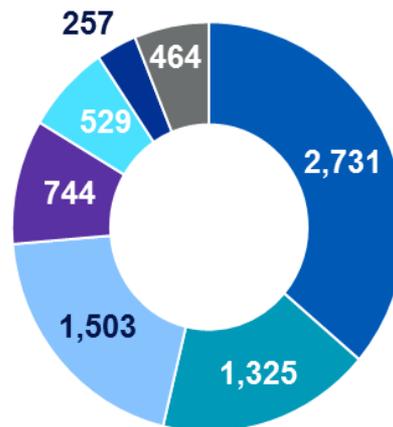


Portfolio value at 31 March 2020 (£m)



- Action
- 2013-2016 Private Equity
- 2016-2019 Private Equity
- 2019-2022 Private Equity
- 3iN
- Scandlines reinvestment
- Other Infrastructure
- Other

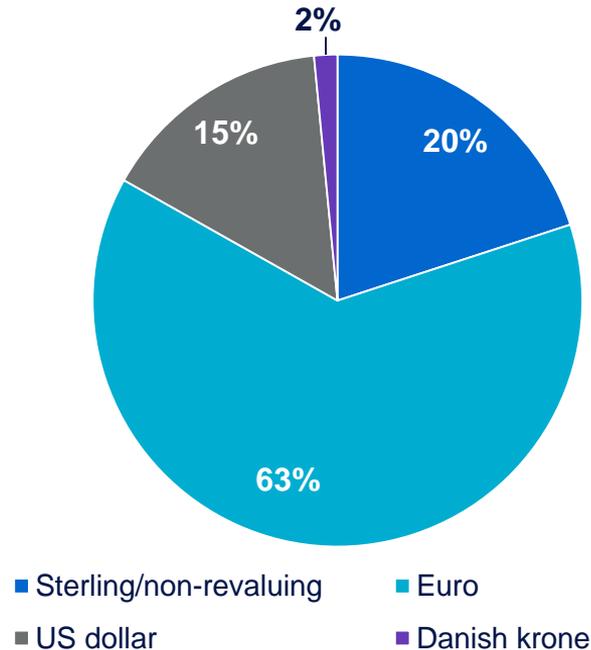
Portfolio value at 31 March 2019 (£m)



- Action
- 2013-2016 Private Equity
- 2016-2019 Private Equity
- 3iN
- Scandlines reinvestment
- Other infrastructure
- Other

Note: The 2013 further Scandlines investment is not allocated to the 2013-2016 vintage for the purposes of this analysis.

Net asset exposure by currency



Currency	Net assets	Change YTD	Impact
Sterling	£1,511m	n/a	n/a
Euro ¹	£4,904m	(2.6)%	£142m
US dollar ¹	£1,191m	(4.8)%	£71m
Danish krone	£119m	(2.6)%	£3m
Other ²	£32m	n/a	£(1)m
Total	£7,757m		£215m

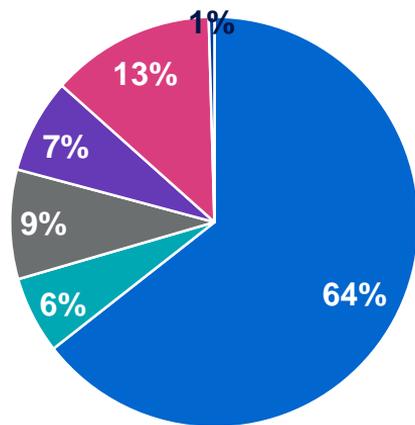
1% movement in euro = £48 million, 1% in US dollar = £12 million

¹ Net of impact of FX hedging derivatives.
² Other mainly includes Indian rupee.

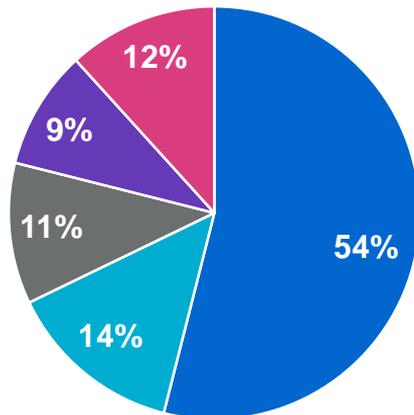
Private Equity portfolio by value



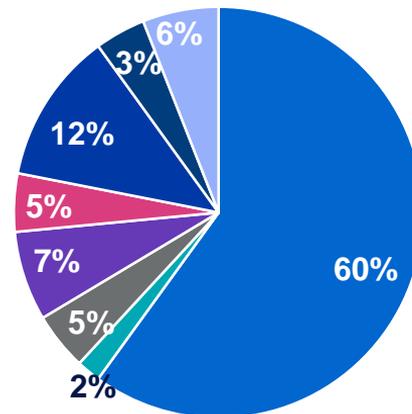
By office location (%)



By sector (%)



By vintage (%)



■ Benelux ■ France ■ Germany
 ■ UK ■ US ■ Others

■ Action (Consumer) ■ Consumer
 ■ Industrials ■ B&TS*
 ■ Healthcare

■ Pre 2014 ■ 2014 ■ 2015
 ■ 2016 ■ 2017 ■ 2018
 ■ 2019 ■ 2020

Portfolio of 32 investments (31 March 2019: 32)

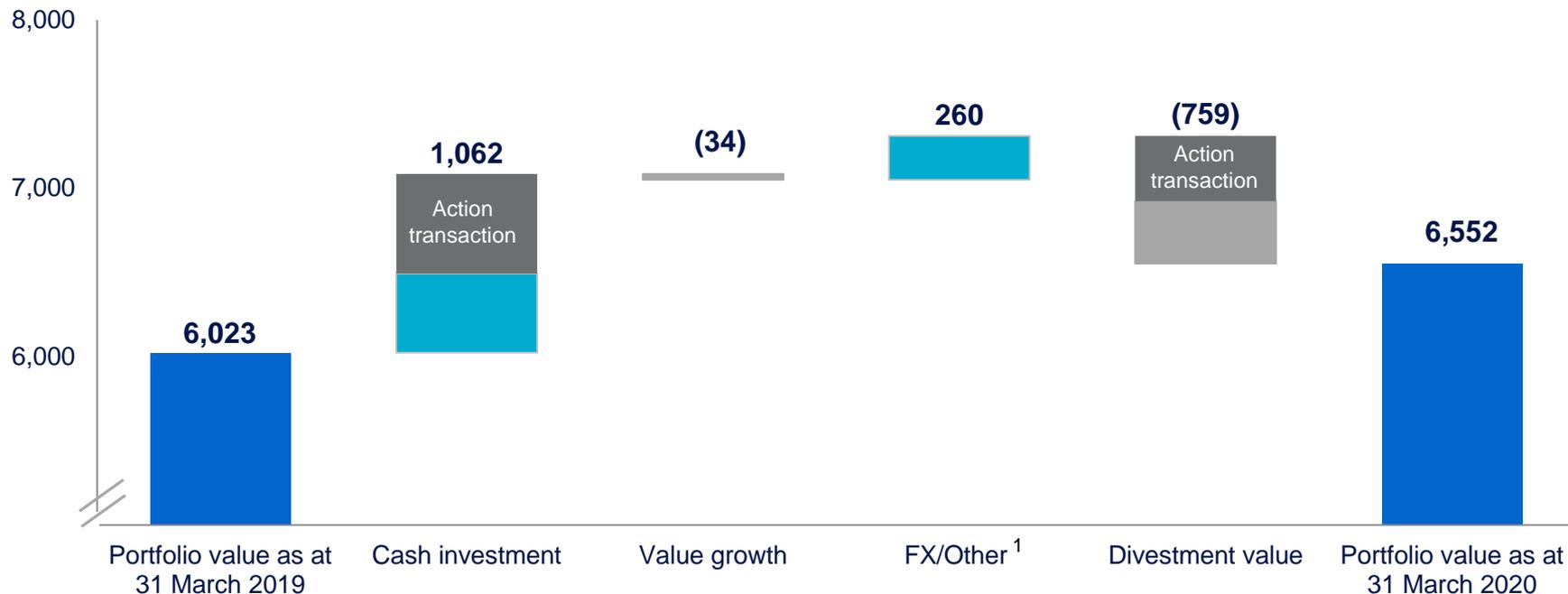
* Business and Technology Services.

Private Equity

Increase in portfolio value driven by cash investments



£ million



£1,062 cash investment includes further investment in Action (£591m)

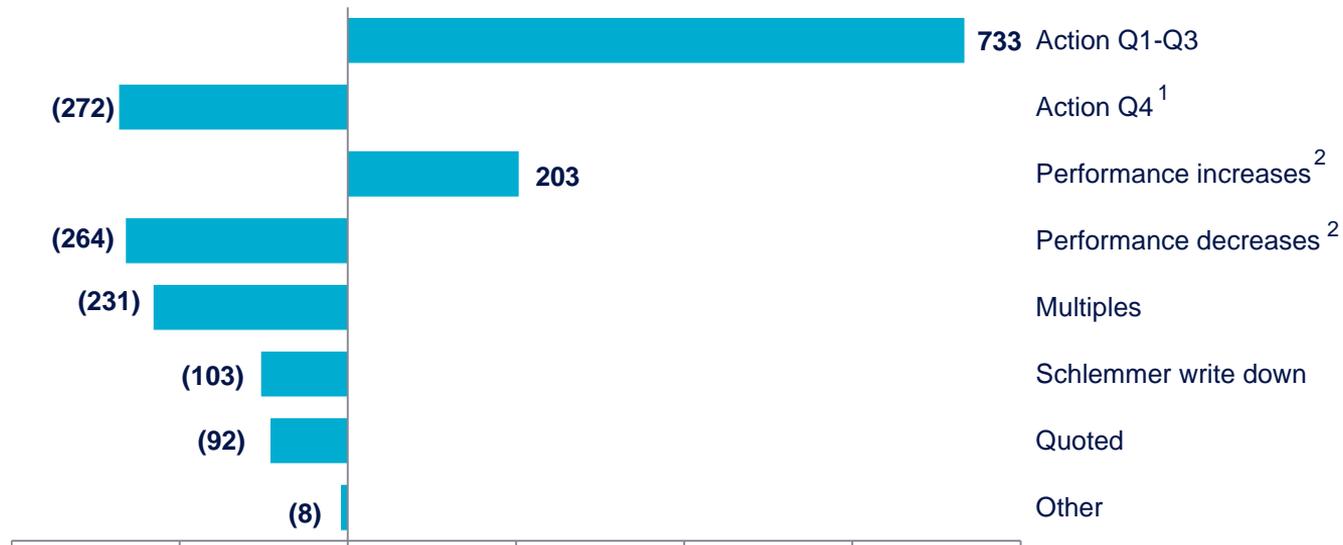
¹ Includes capitalised interest and other non-cash investment.

Private Equity

£34 million value decrease



Value movement by basis (£ million)



Value decrease driven by a combination of performance and multiples

1. At 31 March 2020, Action is valued at the fair value of the Transaction EV (post discount). This reduction represents the value movement between December 2019 and March 2020 on this basis.
2. Performance includes value movements relating to earnings and net debt movements in the period.

Private Equity

Top 20 assets continue to show good earnings growth



3i carrying value at 31 March 2020

(£ million)

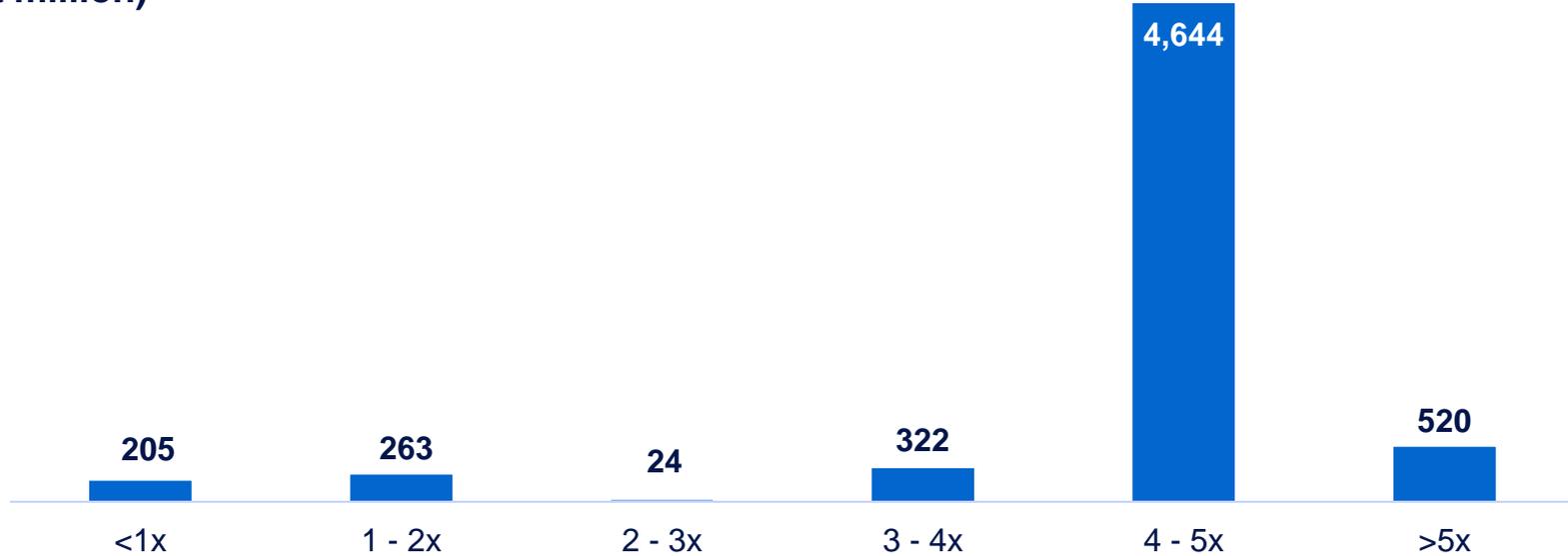


¹ Calculated based on LTM to 31 December 2019 earnings for the top 20 investments. 18 assets are based on EBITDA and 2 on EBITA. Calculation includes Basic Fit.

Private Equity Portfolio leverage



Ratio of total net debt to earnings by 3i carrying value at 31 March 2020¹ (£ million)



4.1x leverage across the whole portfolio

¹ This represents 91% of the Private Equity portfolio by value (31 March 2019: 88%). Quoted holdings, deferred consideration and companies with net cash are excluded from the calculation.

Private Equity

Proprietary capital and external funds



Vintage ¹	Proprietary capital value at 31 Mar 2020	Vintage multiple at 31 Mar 2020
Buyouts 2010-2012	£1,623m	9.5x
Growth 2010-2012	£20m	2.1x
2013-2016	£869m	2.2x
2016-2019	£1,472m	1.0x
2019-2022	£281m	1.0x
Other ²	£2,287m	n/a
Total proprietary capital value	£6,552m	

External capital	External capital value as at 31 Mar 2020	Gross money multiple at 31 Mar 2020 ³	Fee income received in the year
3i Eurofund V	£26m	3.0x	-
3i Growth Capital Fund	£9m	1.9x	-
3i 2020 Co-investment vehicles	£2,024m	1.0x	£1m
Other	£145m	n/a	£1m
Total external	£2,204m		£2m

1 Assets in these vintages are disclosed on glossary section of the Annual report

2 Includes value of £1,193m held in Action through 3i Co-investment 2020 LP and 3i Group.

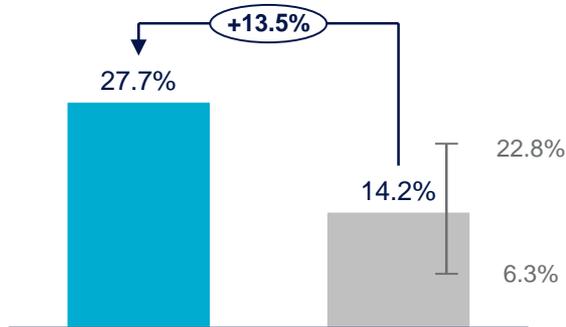
3. Gross money multiple in external fund currency

Private Equity - Action

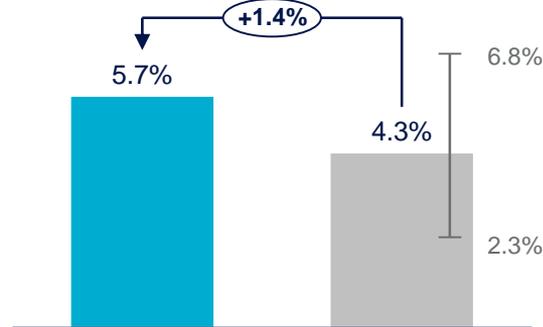
Leading KPIs versus comparable set – last five years



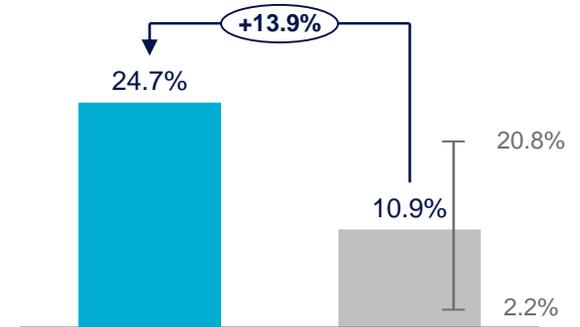
Sales growth (% , 5yr CAGR)



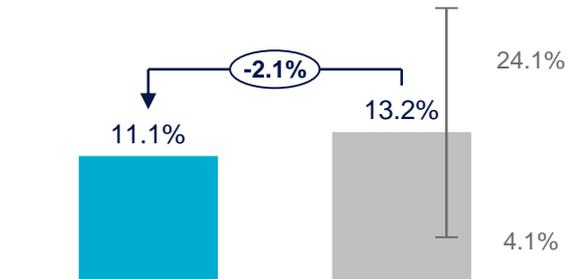
Like-for-like sales growth (% , 5yr average)



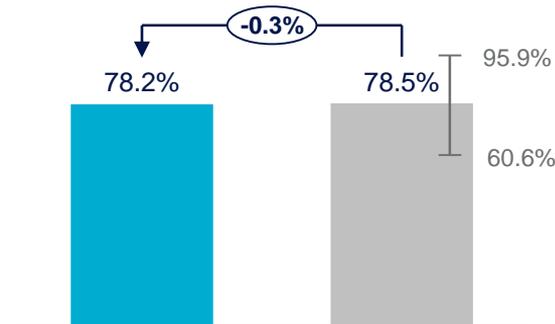
Store growth (% , 5yr CAGR)



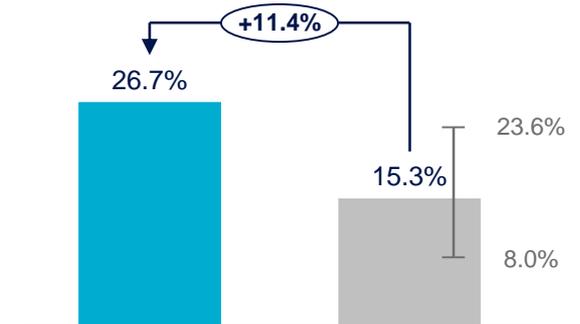
EBITDA margin (% , 5yr average)



Cash flow conversion (% , 5yr average)



EBITDA growth (% , 5yr CAGR)



■ Action ■ Comparable Set

Source: Capital IQ.

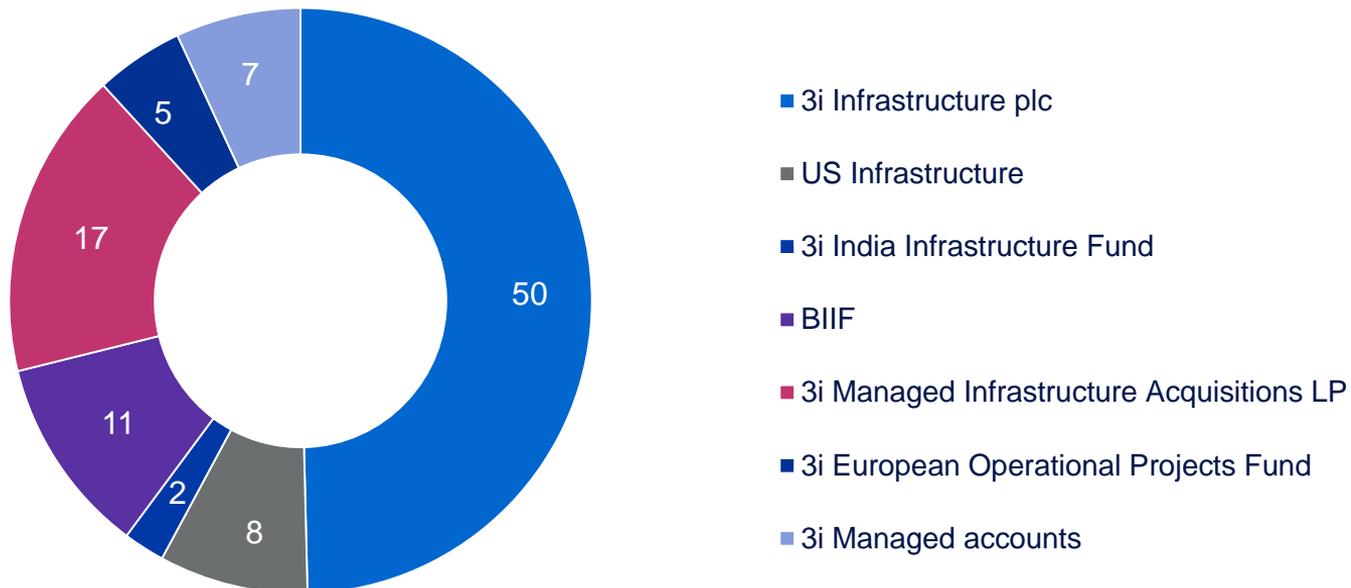
Note: Cash conversion is equal to 'Cash flow from operations / EBITDA'. Grocery Outlet figures since FY16. B&M LFL is B&M UK only.

Infrastructure

AUM of £4.4 billion at 31 March 2020



AUM by fund or strategy (%)



AUM increased by £243m in the year

Infrastructure

Assets under management



	Close date	Fund size	3i commitment/ share	Remaining 3i commitment at March 2020	% invested at March 2020	AUM ¹	Fee income received in the year
3iN ¹	Mar 07	n/a	£665m	n/a	n/a	£2,202m	£28m
3i Managed Infrastructure Acquisitions LP	Jun 17	£698m	£35m	£5m	86%	£756m	£6m
3i European Operational Projects Fund	Apr 18	€456m	€40m	€18m	52%	£217m	£2m
3i India Infrastructure Fund	Mar 08	US\$1,195m	US\$250m	US\$35m	73%	£102m	-
BIIF	May 08	£680m	n/a	n/a	90%	£486m	£4m
3i Managed accounts	Various	n/a	n/a	n/a	n/a	£308m	£2m
US Infrastructure	Various	n/a	n/a	n/a	n/a	£370m	-
Total Infrastructure AUM						£4,441m	£42m

¹ 3iN AUM is based on share price at 31 March 2020. In all other cases, AUM is based on NAV.

