

Results for the half year to 30 September 2018

8 November 2018





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Richard Laing

Chairman



Today's agenda

Introduction

Richard Laing

Business review

Phil White

Financial review

James Dawes

Q&A

All



HY19 results: another strong half year

Portfolio is performing well, driving growth in net asset value ahead of target

9.3%

Total return on opening NAV

226.4p

NAV per share

Strong growth in income and non-income cash

£132m

Total income and non-income cash

Commitment to invest in Tampnet, further diversifying the portfolio

€220m

New investment commitment

Maintained an efficient balance sheet

£125m

Cash balances

On track to deliver the FY19 dividend target, 10% higher than FY18

4.325p

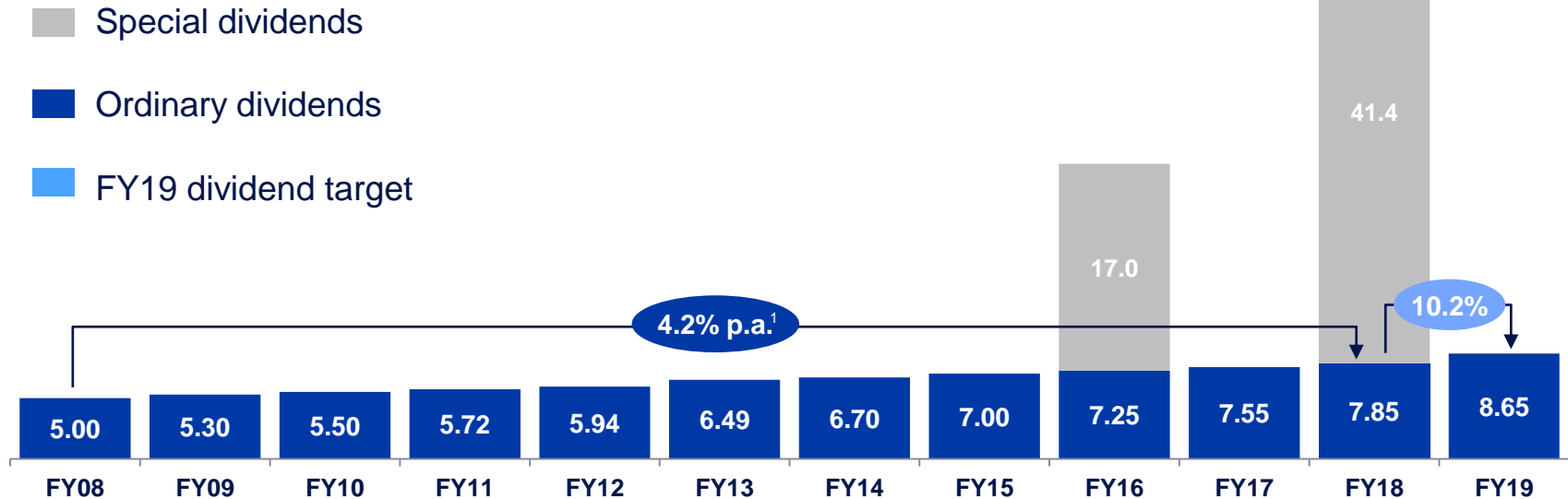
Interim dividend per share



FY19 target dividend growth of 10%

Dividend growth since IPO

(pence per share)



1. Annualised growth rate in ordinary dividends to FY18



Phil White

Managing Partner, Infrastructure
3i Investments plc

Actively managing the portfolio



- Syndicated 50% of the original investment in Attero, a European leader in waste treatment and processing
- 3i will manage and retain governance over the 50% of Attero we originally acquired
- This has reduced our exposure to uncontracted power price risk and to the energy sector in general

Further diversifying the portfolio



- €220m commitment to invest in Tampnet
- Tampnet provides low latency, high bandwidth connectivity to offshore operations in the North Sea and the Gulf of Mexico
- Sourced outside a formal auction process

Delivering strong performance across the portfolio



Infinis



WIG



TCR



Valorem



ESVAGT



Oystercatcher





- All 115 trains delivered into operation and performing well
- Attractive pricing achieved on similar transactions
- Reduced discount rate
- Exploring a possible sale



Good portfolio with increased diversification



Large experienced team



Interesting pipeline, mostly in Continental Europe



James Dawes

CFO, Infrastructure

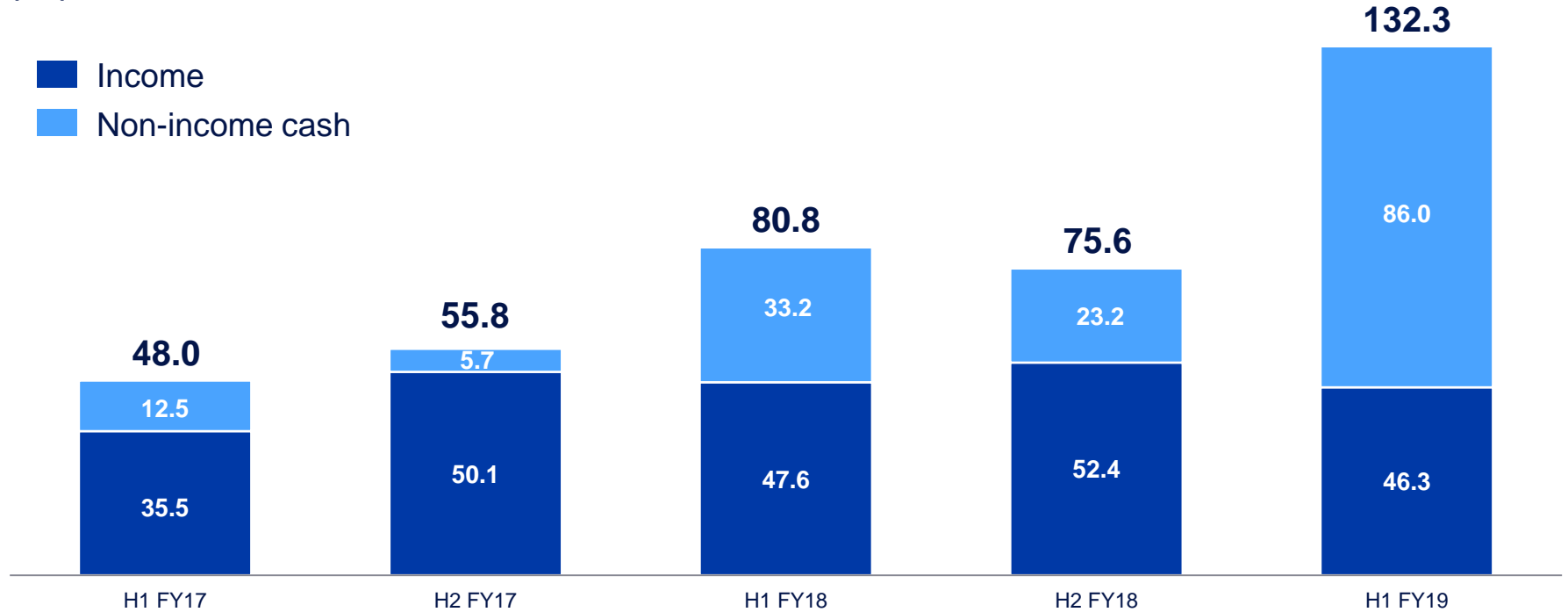
3i Investments plc

Growth in total income and non-income cash



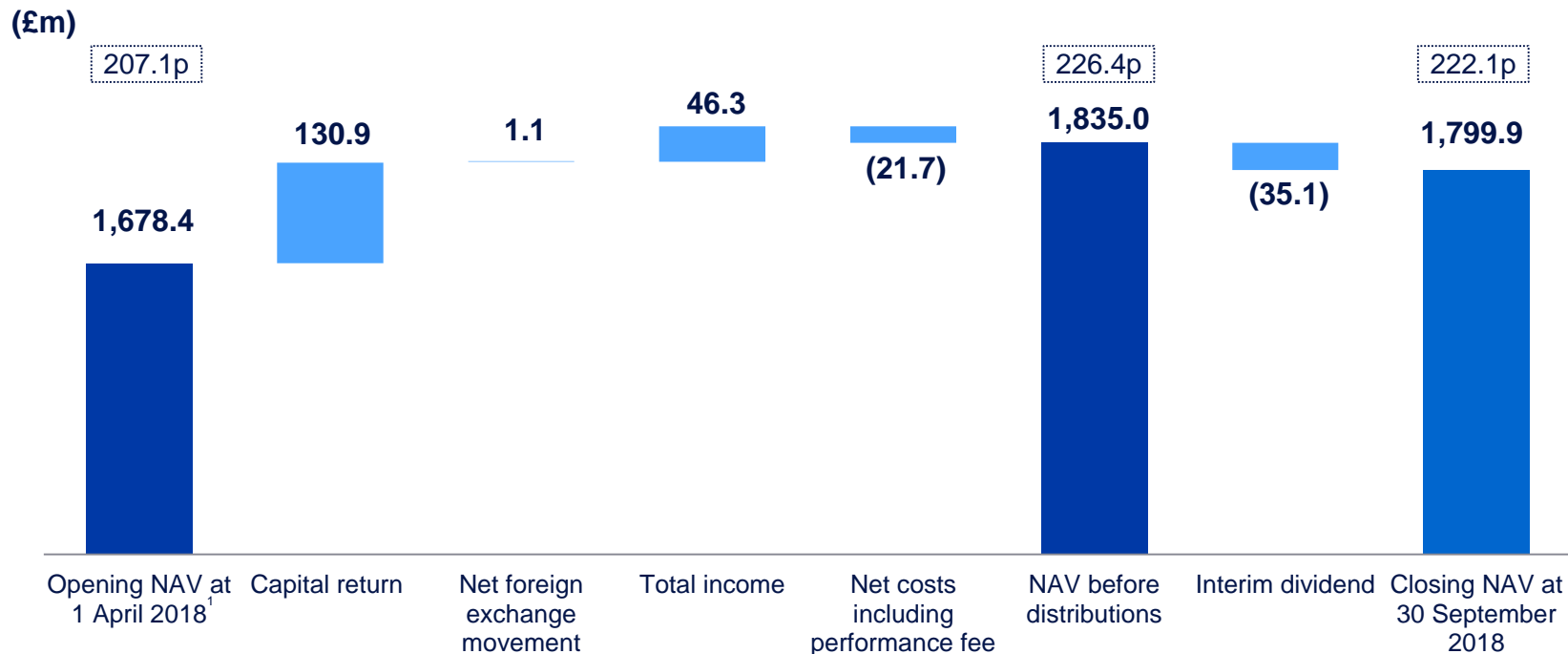
(£m)

- Income
- Non-income cash



NAV progression to a new high

HY19 growth driven by capital return



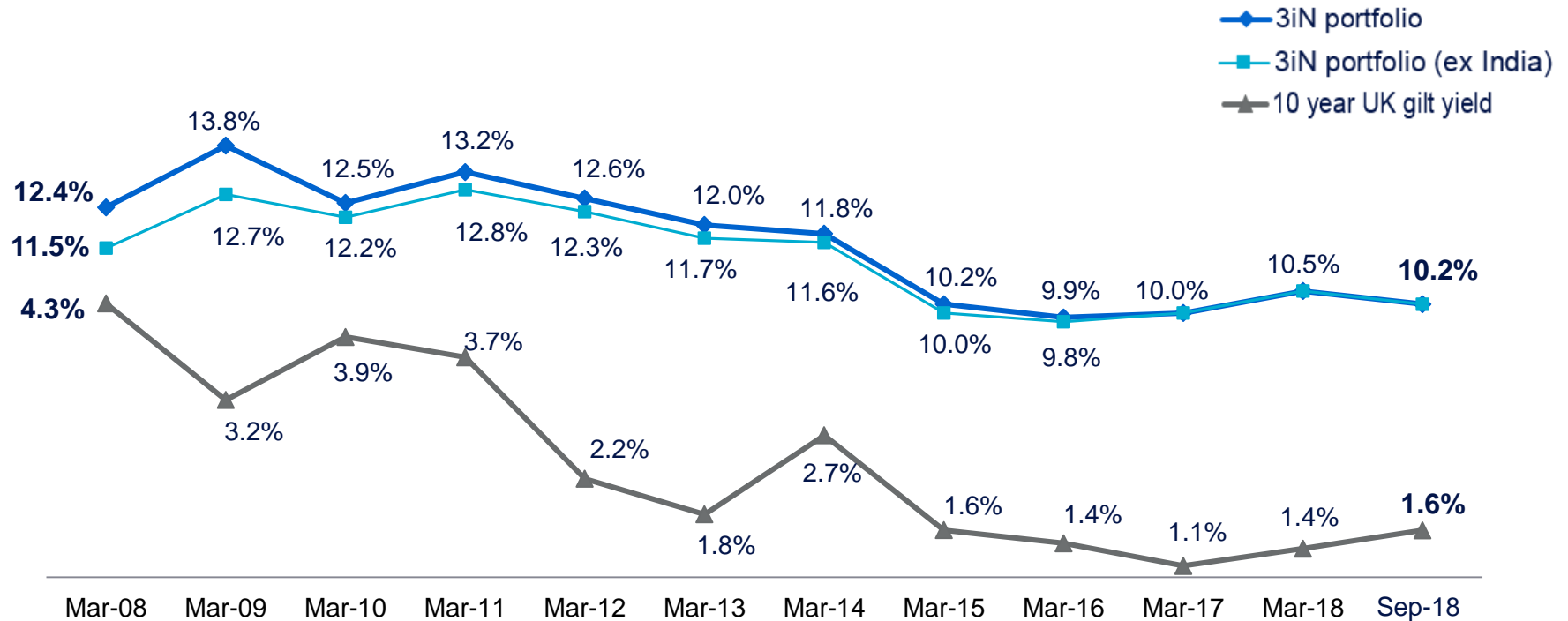
1. Net of final dividend for the prior year of £31.8m

Discount rate movement



The weighted average discount rate has decreased to 10.2%

Portfolio weighted average discount rate (%)



Dividend fully covered



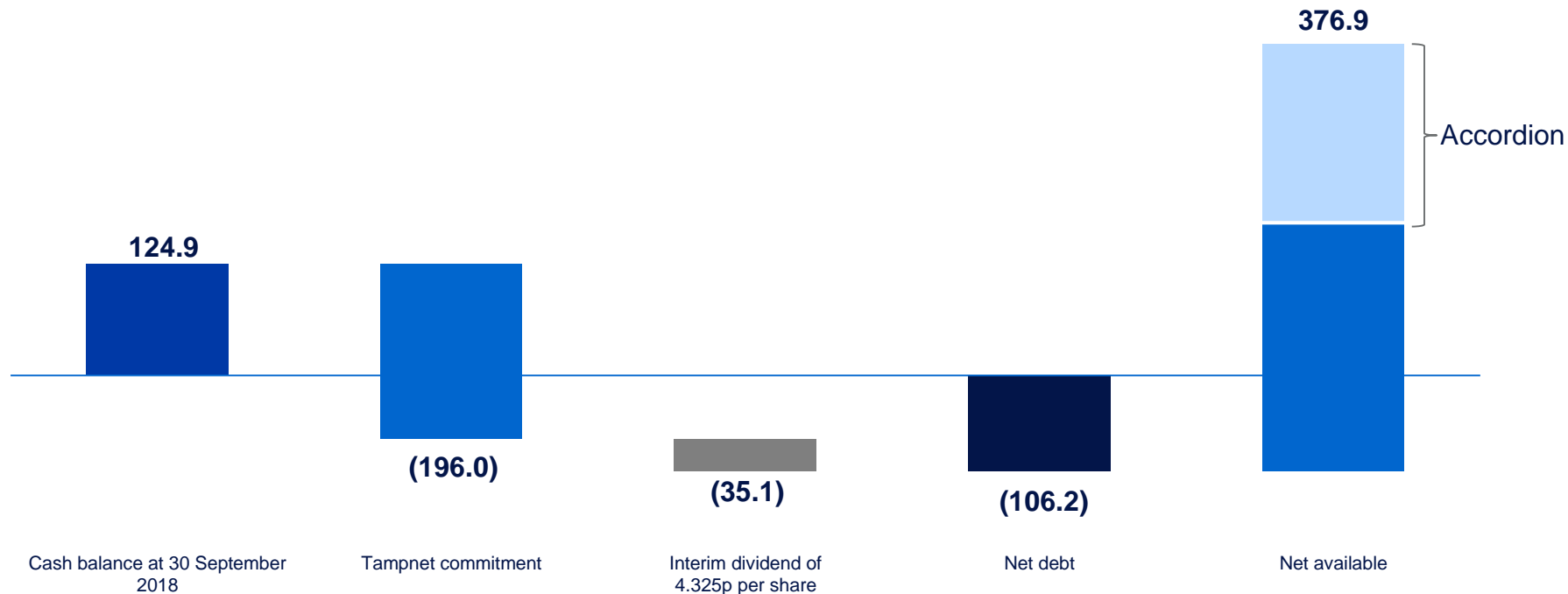
1. Net costs excludes transaction fees payable, performance fee and non-portfolio foreign exchange

Efficient balance sheet

Good level of funds available for future investment



(£m)





Half year share price performance



Total Shareholder Return

	3iN	FTSE 250
Half year	16.2%	6.1%
Since IPO (per annum)	12.7%	8.1%

Note: FTSE 250 rebased to 3iN opening share price at 1 April 2018



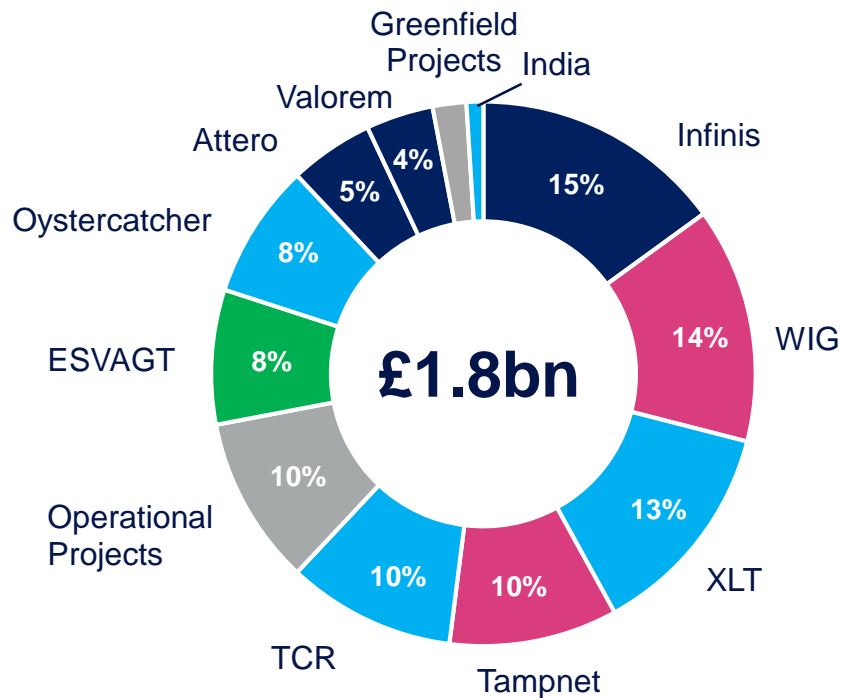
Q&A

Appendix



Portfolio summary

30 September 2018



- Transportation / Logistics
- Utilities
- Communications
- Natural Resources / Energy

Portfolio summary

30 September 2018 (£m)



Portfolio assets	Directors' valuation 31 March 2018	Investment in the period	Divestment in the period	Accrued income movement	Value movement	Foreign exchange translation	Directors' valuation 30 September 2018	Allocated foreign exchange hedging	Underlying portfolio income in the period	Asset total return in the period ²
Infinis	310.7	-	(45.7) ³	5.1	37.9	-	308.0	-	10.3	48.2
WIG	300.4	7.1 ⁴	(42.7) ³	2.9	11.6	-	279.3	-	6.9	18.5
XLT	166.3	-	-	1.2	103.6	-	271.1	-	2.4	106.0
TCR	179.5	-	-	6.4	4.7	2.2	192.8	(1.9)	5.7	10.7
ESVAGT	149.1	8.1 ⁴	-	4.4	(1.8)	3.3	163.1	(2.7)	8.5	7.3
Oystercatcher	181.3	-	-	-	(31.7)	5.3	154.9	(4.2)	4.0	(26.6)
Attero	-	88.4 ⁵	(1.3) ⁶	0.2	6.0	1.0	94.3	(0.9)	0.7	6.8
Valorem	54.8	10.7 ⁷	-	0.7	6.7	0.9	73.8	(0.8)	1.3	8.1
	1,342.1	114.3	(89.7)	20.9	137.0	12.7	1,537.3	(10.5)	39.8	179.0
Projects	167.0	29.7 ^{4,7}	(1.0) ³	2.4	(0.2)	0.3	198.2	(0.2)	6.7	6.6
3i India Infrastructure Fund	36.8	-	-	-	(5.9)	(1.2)	29.7	-	-	(7.1)
	203.8	29.7	(1.0)	2.4	(6.1)	(0.9)	227.9	(0.2)	6.7	(0.5)
Total portfolio	1,545.9	144.0	(90.7)	23.3	130.9	11.8	1,765.2	(10.7)	46.5	178.5
Adjustments related to unconsolidated subsidiaries ⁸	6.4	-	(0.3)	-	0.3	-	6.4	(0.4)	0.3	0.2
Reported in the consolidated financial statements	1,552.3	144.0	(91.0)	23.3	143.0	-	1,771.6	(11.1)	46.8	178.7

1. The movement in accrued income comprises £10.7 million of movement in the period and £12.6 million in relation to the reclassification of the opening balance at 31 March 2018

2. This comprises the aggregate of value movement, foreign exchange translation, allocated foreign exchange hedging and underlying portfolio income in the period

3. Shareholder loan repaid

4. Capitalised income

5. Net of syndication

6. Represents receipt of realised value gain on syndication

7. Drawdown of commitment

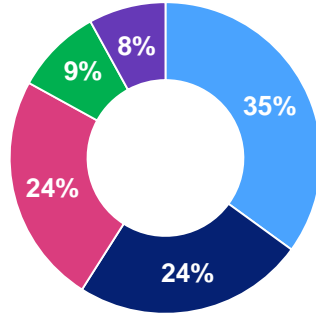
8. Income statement adjustments explained in the September results press release



Portfolio breakdowns

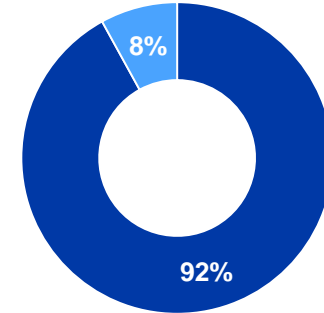
Portfolio value by sector

- Transportation / logistics
- Utilities
- Communications
- Natural Resources / energy
- Social infrastructure



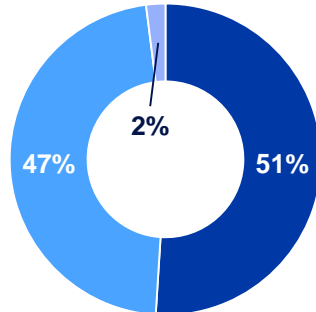
Projects by type

- Operational Projects
- Primary Projects



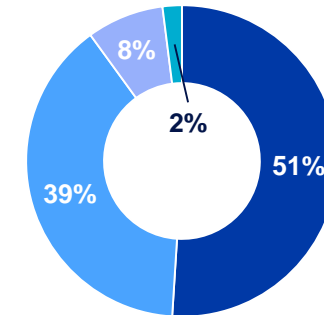
Portfolio value by geography

- UK
- Continental Europe and Singapore
- India



Portfolio value by currency

- GBP
- EUR
- DKK
- INR



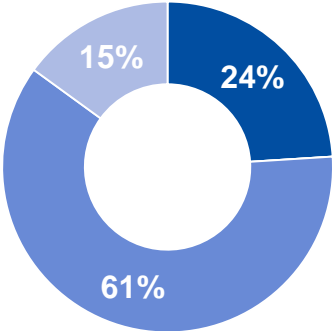


Sensitivities to total return

Inflation linkage

Assets with revenues:

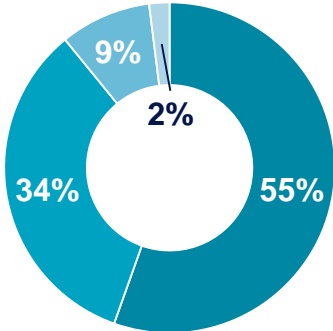
- Directly linked to UK inflation
- Partly linked to inflation
- Not linked to inflation



Sensitivity (for European assets only)	+1% point	-1% point
Change in inflation over underlying assumption for next 2 years	£34.0m	£(33.0)m

Foreign exchange

- Sterling
- Euro/SGD
- DKK
- INR



Sensitivity	+5%	-5%
Change in foreign exchange rate ¹	£4.7m	£(4.4)m

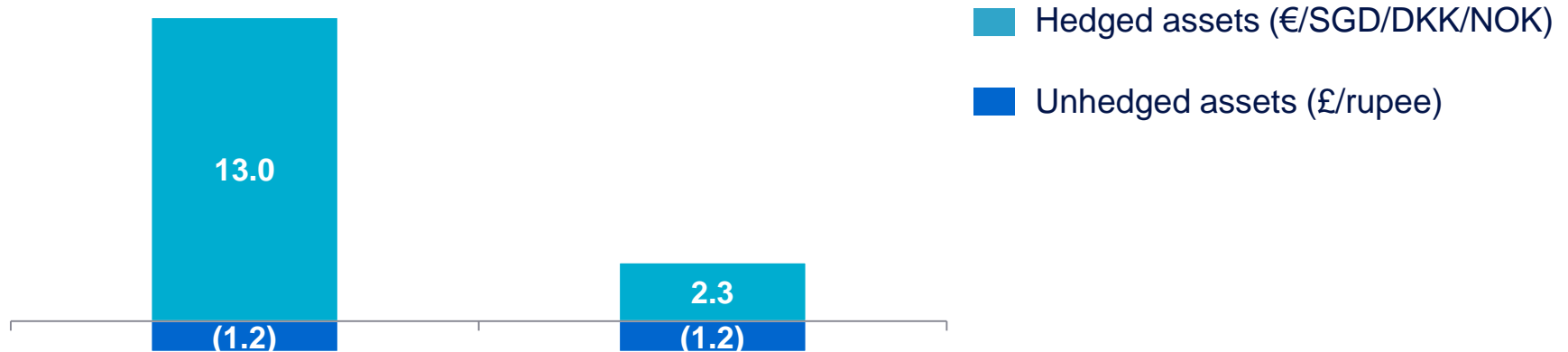
1. The sensitivity calculation assumes that the hedging programme movements are fully effective

FX substantially hedged

(£m)

FX gains/(losses) before hedging

FX gains/(losses) after hedging

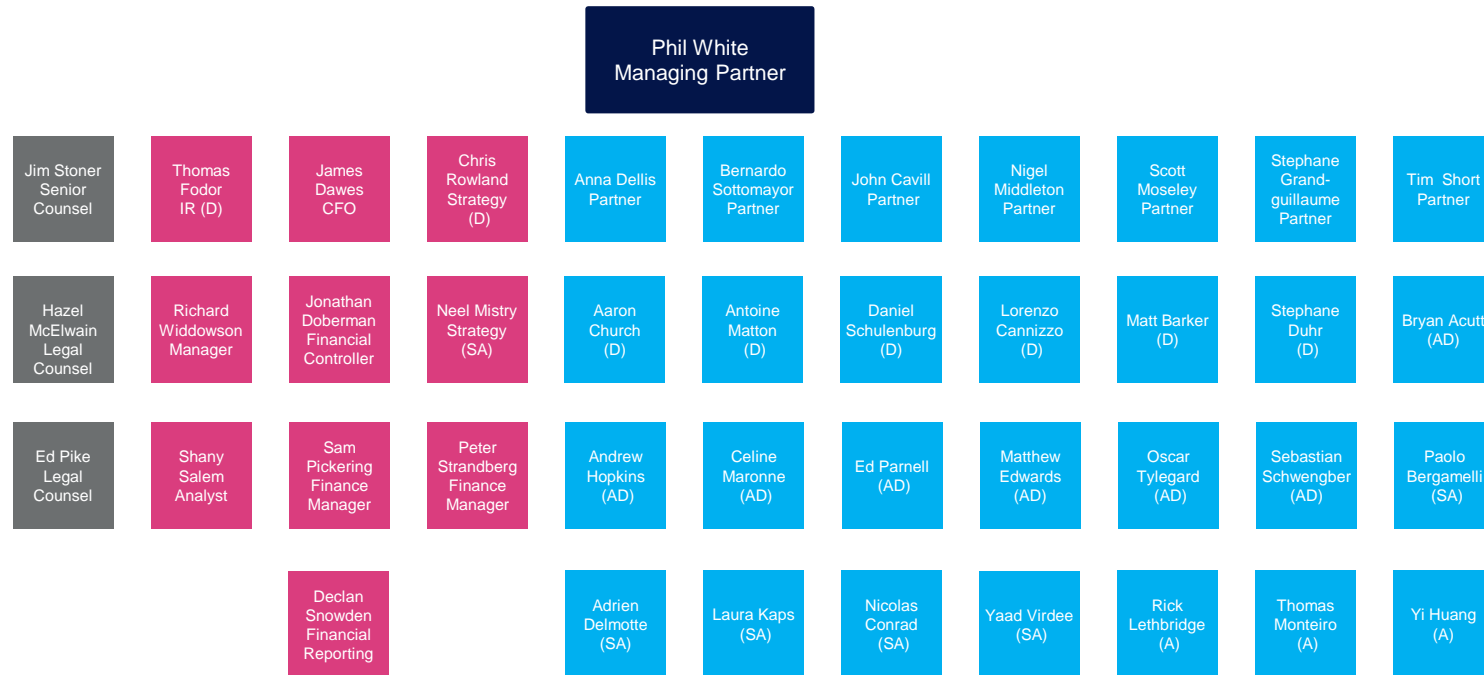


Note: SGD exposure is within Oystercatcher, a euro denominated investment

The 3i Infrastructure European team



50-strong experienced and well resourced team established in 2006



D Director	European investment team	Finance, Ops, IR & Strategy	Legal
AD Associate Director			
SA Senior Associate			
A Associate			

Note: Excludes assistants and graduates



Tax resident in the UK from the same date

Board of Directors	<ul style="list-style-type: none">• Independent Chairman, four independent non-executive directors and one 3i Group appointed non-executive director• Committed to observe requirements of the UK Corporate Governance Code• Responsibilities include:<ul style="list-style-type: none">– overall supervision of 3i Investments plc as the investment manager– monitoring of investments and divestments
Investment Manager	<ul style="list-style-type: none">• Services provided by 3i Investments plc as the Company's investment manager include:<ul style="list-style-type: none">– origination, execution and realisation of investments– providing valuations of the Company's investment on a half-yearly basis– managing funding requirements and treasury management– managing the portfolio– providing support services in respect of the administration of the Company
Fees	<ul style="list-style-type: none">• New tiered fee structure with effect from 1 April 2019 (fees for FY19 as per previous agreement with 3i):<ul style="list-style-type: none">– 1.4% p.a. in respect of the portion of the gross investment value of the Company's portfolio up to £1.25 billion; 1.3% p.a. above £1.25 billion up to £2.25 billion; and 1.2% above £2.25 billion– one-off transaction fee of 1.2% of the acquisition price of each new Investment– performance fee equal to 20% of the Company's total return in excess of 8%, payable in three equal annual instalments, with the 2nd and 3rd instalments only payable if the performance of the Company exceeds 8% in those years or is above the 8% hurdle over the three years on an annual basis

3i Infrastructure plc

