



30 September 2022

3i Infrastructure plc - Pre-close update

Portfolio generating strong momentum, expected to exceed target returns

3i Infrastructure plc ('3iN' or the 'Company') is an investment company whose purpose is to invest responsibly in infrastructure, delivering long-term sustainable returns to shareholders and having a positive impact on our portfolio companies and their stakeholders. This statement relates to the period from 1 April 2022 to 29 September 2022 (the 'Period').

Highlights

- **Portfolio performing strongly:** Our portfolio has continued to perform robustly and ahead of expectations set at March 2022. 3iN's portfolio demonstrates a positive correlation between inflation, power prices and total portfolio value. In addition, our strategy of identifying resilient companies, positioned to benefit from structural mega-trends, provides the foundation for sustainable value growth and positive real returns across the portfolio. We expect to report growth in net asset value ahead of the Company's target return for the Period.
- **No near-term portfolio refinancing exposure:** Following the recent refinancing of Tampnet, there are no material refinancing requirements in the portfolio until 2026. Over 85% of our long-term debt facilities are either hedged or fixed rate.
- **Extension of 3iN's credit facilities:** The Company has extended its existing Revolving Credit Facility ('RCF') of £900 million to November 2025.
- **FY23 dividend target:** The Company is on track to deliver the FY23 dividend target of 11.15 pence per share, up 6.7% from FY22, which we expect to be fully covered.
- **Income exceeded expectations in the Period:** Income of £73 million and non-income cash of £25 million were received in the Period, both slightly ahead of expectations. This compares with income of £56 million and no non-income cash received in the same period last year.

Scott Moseley and Bernardo Sottomayor, Managing Partners and Co-Heads of European Infrastructure, 3i Investments plc, Investment Manager of the Company, commented: "This is a high quality and differentiated portfolio, with proven resilience, that is structurally positioned to continue to deliver value growth in real terms. The market for infrastructure investments remains competitive, with significant fund-raising activity amongst our private markets' competitors and strong demand for quality infrastructure assets."



Portfolio update

The portfolio is delivering strong performance from its differentiated exposure to mega-trends including energy transition, digitalisation and connectivity. Additionally, power prices and inflation have provided a strong tailwind in the Period.

Infinis, **Attero** and **Valorem** are making good progress in expanding their renewable energy development platforms. Infinis' plans to develop solar energy generation and battery storage are progressing well, as is the conversion of the pipeline of renewable energy projects at **Valorem**.

TCR has continued to perform ahead of our expectations and has now returned to its pre-COVID EBITDA. As the air travel industry recovers from the pandemic, TCR is seeing an uptick in interest for its full service rental model. The acquisition of DWS's 48% stake will enable 3iN to take full advantage of future growth opportunities in airports around the world.

ESVAGT has outperformed our expectations in the Period. The emphasis on security of energy supply in Europe is providing positive momentum in both the Emergency Response and Rescue Vessel segment and offshore wind.

Tampnet performed strongly in the Period, benefitting from accelerating digitalisation offshore, the renewed focus on energy security and industrial innovation in its core North Sea and Gulf of Mexico basins and inflation linkage of its revenues.

As is generally the case across the German fibre-to-the-home market, **DNS:NET** is experiencing some delays in the roll-out of its network in Berlin. In our view, this is a timing issue and we remain confident in achieving the roll-out targets.

On 2 September 2022, 3iN completed its \$377 million investment to acquire a 100% stake in **Global Cloud Xchange ('GCX')**, a leading global data communications service provider and owner of the world's largest private subsea fibre optic network.

The remainder of the portfolio performed well during the Period. As usual, an important element of the determination of the Company's results for the half-year to 30 September 2022 will be the valuation exercise carried out on the investment portfolio at that date. Given the significant risk premium included in our long-term discount rates and the continued appetite for high quality infrastructure businesses, we do not anticipate that rising risk-free rates will impact our discount rates in the Period.

Balance sheet

At 29 September 2022, the Company's cash balance was £15 million, with drawings of £310 million under the RCF. The cash balance and drawings are after the completion of **GCX** and include proceeds from the syndication of 16.9% of the Company's stake in **ESVAGT** of £91 million, the sale of the **European projects portfolio** of £106 million and the proceeds of £101 million from the vendor loan note due from the sale of **WIG** in 2019, all of which completed in the Period. The acquisition of DWS's stake in **TCR** for c.£334 million is due to complete in October 2022.

On 6 July 2022, the Company restructured and extended its existing RCF to £900 million maturing in November 2024, comprising a base facility of £600 million and commitments under an accordion facility of £300 million. The previous commitments under the one-year credit facility of £400 million to January 2023 have been cancelled. In September 2022, the £900 million RCF has been extended to November 2025. This provides increased flexibility over how and when to repay drawings under the facility, as well as longer-term liquidity to make further investments.



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About 3i Infrastructure plc

3i Infrastructure plc is a Jersey-incorporated, closed-ended investment company, an approved UK Investment Trust, listed on the London Stock Exchange and regulated by the Jersey Financial Services Commission. The Company's purpose is to invest responsibly in infrastructure, delivering long-term sustainable returns to shareholders and having a positive impact on our portfolio companies and stakeholders.

3i Investments plc, a wholly-owned subsidiary of 3i Group plc, is authorised and regulated in the UK by the Financial Conduct Authority and is the investment manager of 3i Infrastructure plc.

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This statement aims to give an indication of material events and transactions that have taken place in the period from 1 April 2022 to 29 September 2022 and their impact on the financial position of 3i Infrastructure plc. These indications reflect the Board's current view. They are subject to a number of risks and uncertainties and could change. Factors which could cause or contribute to such differences include, but are not limited to, general economic and market conditions and specific factors affecting the financial prospects or performance of individual investments within the portfolio of 3i Infrastructure plc.