



29 March 2019

3i Infrastructure plc – Pre-close update

3i Infrastructure plc ('3i Infrastructure' or 'the Company') announces its performance update as it enters the close period for the year ending 31 March 2019. The data in this statement relates to the period from 1 October 2018 to 28 March 2019 (the 'period').

Highlights

- Completion of the sale of Cross London Trains ('XLT') for proceeds of £333 million
- Completion of the €226 million investment in Tampnet AS ('Tampnet')
- Commitment to acquire 100% of Joulz Diensten B.V. ('Joulz') for approximately €220 million
- Wireless Infrastructure Group ('WIG') acquired Highpoint Communications Limited ('Highpoint') in Ireland and Arqiva's Indoor Networks business in the UK
- TCR completed the bolt-on acquisition of Aerolima SAS ('Aerolima')
- The Company's portfolio overall continues to perform well
- Total income and non-income cash was £69 million in the period. The Company remains on track to deliver its full year dividend target of 8.65 pence per share, which will be fully covered with a significant surplus
- The Company's cash balance was £262 million at 28 March 2019, and the undrawn balance of its Revolving Credit Facility ('RCF') was £284 million

Richard Laing, Chair of 3i Infrastructure plc, said: "3i Infrastructure continues to outperform its objectives and remains on track to deliver a full year dividend of 8.65 pence per share, 10% higher than last year."

Phil White, Managing Partner and Head of Infrastructure, 3i Investments plc, Investment Manager of the Company, added: "We are very pleased to have completed the sale of XLT and reinvested the proceeds into Tampnet and Joulz. These are attractive assets which further diversify the portfolio. In addition we have completed several accretive bolt-on acquisitions, strengthening the market position of our platform companies."

Investment activity

On 13 March 2019, the Company completed the sale of its 33.3% stake in XLT to a consortium of funds managed by Dalmore and Equitix. XLT was established to procure and lease 115 passenger trains for use on the Thameslink rail franchise in London. The transaction was announced on 5 February 2019 with proceeds to 3i Infrastructure of £333 million.

On 14 March 2019, following the receipt of regulatory approvals in Europe and the USA, the Company completed the acquisition of Tampnet for €226 million, investing alongside Danish pension fund ATP, with each party acquiring 50%. 3i Investments plc will manage the investment on behalf of the consortium. Tampnet is the leading offshore telecoms network operator in the North Sea and the Gulf of Mexico. The transaction was announced on 27 July 2018.

On 13 March 2019, the Company agreed to invest approximately €220 million to acquire 100% of Joulz, a leading owner and provider of essential energy infrastructure equipment and services in the Netherlands. Joulz is being acquired from Stedin Holding NV, a municipality-owned Dutch distribution grid operator. Joulz leases essential energy infrastructure equipment and meters to a large and diversified customer base of industrial, commercial and public sector customers. Joulz is set to benefit from the Dutch Government's commitment to decarbonising the economy through the electrification of heat and transport, a focus on increased energy efficiency and the expansion of renewable generation. Completion is subject to certain third party approvals and is expected to occur in the first quarter of the next financial year.

On 27 February 2019, TCR completed the acquisition of Aerolima, another independent ground service equipment lessor in France. The transaction adds approximately 2,000 pieces of equipment and 12 workshops to TCR's existing business. The transaction was funded from TCR's cash flow and debt facilities.

On 29 October 2018, WIG acquired Arqiva's Indoor Networks business in the UK, and in Ireland, it acquired Highpoint. The purchase of Arqiva's entire portfolio of Indoor Networks adds 42 networks across the UK, covering busy locations such as Canary Wharf and Luton Airport. Highpoint consists of a portfolio of 27 telecoms towers, and is an opportunity for WIG to build scale in its Irish business by more than doubling its existing presence. Both acquisitions were funded through WIG's cash flow and debt facilities.

Portfolio and returns

The Company's portfolio overall continues to perform well.

Attero has delivered two of its strategic initiatives in the period. On 3 October 2018, it opened a new 120MW steam turbine at its Moerdijk energy-from-waste facility. Excess heat from the waste incineration process is used to produce steam and drive the turbine, creating an environmentally friendly and renewable source of electricity. On 15 March 2019, it opened a new Polymer Recycling Plant ('PRP'). The PRP will enable Attero to recycle 24,000 tonnes of used plastic packaging per annum into high quality regranulate for use by manufacturers. Attero's debt structure has been refinanced on improved terms under an investment grade structure, with lower cost of debt and longer maturity, taking advantage of favourable debt markets.

ESVAGT signed several material contract extensions for larger Emergency Response and Rescue Vessels. The option for a third wind support vessel was exercised by MHI Vestas

under the new contract announced on 17 September 2018. ESVAGT appointed a new CFO Sisse Mai in December 2018.

Oystercatcher continues to experience softer demand for storage of certain product types. We expect that there may be some improvement over the next year as IMO 2020 comes into force.

Infinis continues to be impacted by regulatory uncertainty, including the suspension of capacity market payments.

Portfolio income (dividends, interest receivable and any fees received from portfolio assets) totalled £68.5 million in the period and non-income cash of £0.2 million was also received.

As usual, an important element of the determination of the Company's results for the full year to 31 March 2019 will be the valuation exercise carried out on the investment portfolio at that date. 3i Infrastructure expects to announce its results for the year to 31 March 2019 on 9 May 2019.

Balance sheet

The Company manages its balance sheet and liquidity position actively, seeking to maintain adequate liquidity to pursue new investment opportunities, while not diluting shareholder returns by holding surplus cash balances. At 28 March 2019, the Company had a cash balance of £262 million, and an undrawn balance under its RCF of £284 million out of the £300 million available. We expect the majority of this cash balance to be used to fund the investment in Joulz, together with the final dividend for the year and expenses. The undrawn RCF balance provides liquidity for new investments, and could be supplemented by the £200 million accordion feature if required.

Ends

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About 3i Infrastructure plc

3i Infrastructure plc is a Jersey-incorporated, closed-ended investment company, an approved UK Investment Trust (with effect from 15 October 2018), listed on the London Stock Exchange and regulated by the Jersey Financial Services Commission. It is a long-term investor in infrastructure businesses and assets. Its market focus is on economic infrastructure and greenfield projects in developed economies, principally in Europe, investing in operating businesses and projects which generate long-term yield and capital growth.

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 October 2018 to 28 March 2019 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.