



30 September 2019

3i Infrastructure plc – Pre-close update

Portfolio performance in line with expectations, on track to meet targets

3i Infrastructure plc (“3i Infrastructure” or the “Company”) is a long-term investor in infrastructure businesses and assets. This statement relates to the period from 1 April 2019 to 27 September 2019 (the “period”).

Highlights

Investment activity

- Completion of the c.€210 million acquisition of c.95% of Ionisos, alongside management. Ionisos is a leading owner and operator of cold sterilisation facilities servicing the medical, pharmaceutical and cosmetic industries.

Portfolio activity

- The portfolio overall continues to perform in line with expectations.
- Our newest investment, Joulz, has performed ahead of our expectations in the first few months since acquisition.
- Valorem has completed the bolt-on acquisition of Force Hydraulique Antillaise SAS (“FHA”) and continues to perform well, growing its installed capacity of wind and solar projects at a faster pace than assumed in our investment case.
- Softer demand for capacity experienced by Oystercatcher is persisting longer than we had expected. In line with industry peers, Attero faces some uncertainty relating to a proposed tax on waste imports to the Netherlands, which is expected to be debated in the Dutch parliament later in the calendar year.

Financial update

- The portfolio continues to deliver a good level of income. Total portfolio income and non-income cash was £57 million in the period.
- The Company is on track to deliver its dividend target for the year ending 31 March 2020 of 9.20 pence per share.

- The Company's cash balance was £17 million at 27 September 2019 with a drawn balance on its Revolving Credit Facility ("RCF") of £192 million, leaving £108 million undrawn.

Commenting on today's announcement, Richard Laing, Chair of 3i Infrastructure, said: "Building on a strong performance in recent years, the Company has made a good start to the year, delivering a total shareholder return for the period of 8%. We are on track to meet our target return and dividend target for the year."

Phil White, Managing Partner and Head of Infrastructure, 3i Investments plc, Investment Manager of the Company, added: "The portfolio continues to perform in line with expectations overall and deliver a good level of income. We are very pleased to have completed the acquisition of Ionisos, which further diversifies the portfolio, and we continue to develop an attractive pipeline of investment opportunities."

Portfolio activity

On 25 September 2019, 3i Infrastructure invested c.€210 million to acquire c.95% of Ionisos, alongside management. Ionisos is a leading owner and operator of cold sterilisation facilities servicing the medical, pharmaceutical and cosmetics industries. Headquartered in Civrieux, France, Ionisos is the third largest cold sterilisation provider globally and operates a network of facilities in Europe with market leading positions in France and Spain. It has a highly diversified customer base of more than 1,000 customers and delivers a mission-critical service for its customers for whom cold sterilisation is an essential component of the manufacturing process. Demand for sterilisation is driven by attractive market fundamentals and non-cyclical market factors, including an ageing population in Western Europe, growing demand for medical services increasingly relying on single use products that would be damaged by the heat and/or humidity of hot sterilisation methods, and increasingly stringent regulation governing the sterilisation of medical, pharmaceutical and cosmetics products.

In July 2019, following a competitive process, Tampnet was awarded a contract for building and operating a 5G LTE network on two platforms offshore Newfoundland, Canada. Magnus Mandersson has been appointed Chairman of Tampnet. Magnus has 25 years of experience in the global telecommunications sector.

Valorem completed the acquisition of a 51% stake in FHA, the leading developer and operator of hydro power plants in the French Caribbean islands, alongside its founder Raphael Gros. The transaction was funded by Valorem's balance sheet and external debt.

Mel Kroon has been appointed Chairman of Attero. Mel was Chairman of TenneT Holding. Richard Lewis has been appointed to the Infinis board as an additional non-executive director. Richard has extensive experience in the energy sector.

Portfolio returns

The portfolio overall continues to perform in line with expectations and is delivering a good level of income. Total portfolio income and non-income cash was £57 million in the period, comprising portfolio income of £51 million and non-income cash of £6 million. This compares with £46 million of portfolio income and £86 million of non-income cash (the majority of which consisted of one-off refinancing gains) received in the same period last year.

As usual, an important element of the determination of the Company's results for the half-year to 30 September 2019 will be the valuation exercise carried out on the investment portfolio at that date. 3i Infrastructure expects to announce its results for the half-year to 30 September 2019 on 7 November 2019.

Balance sheet

The cash balance was £17 million at 27 September 2019, and the drawn balance on the RCF was £192 million following the completion of the investment in Ionisos.

The undrawn RCF balance of £108 million provides liquidity for new investments and could be supplemented by the £200 million accordion feature if required.

Ends

For information, please contact:

Richard Laing	Chair, 3i Infrastructure plc	+44 1534 847 410
Thomas Fodor	Shareholder enquiries	+44 20 7975 3469
Kathryn van der Kroft	Media enquiries	+44 20 7975 3021

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 is a long-term investor in infrastructure businesses and assets. The Company's 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 acts as Investment Manager to 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 2019 to 27 September 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.