



# Results for the half year to 30 September 2020

11 November 2020

3i Infrastructure plc



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# Richard Laing

Chair



# Today's agenda



## Introduction

Richard Laing

## Business review

Phil White

## Financial review

James Dawes

## Q&A

All

# Resilient to the challenges of Covid-19



Resilient portfolio underpinning growth in net asset value

**3.8%**

Total return on opening NAV

**259.4p**

NAV per share

Good level of income and non-income cash to support the dividend

**£48m**

Total income and non-income cash

Strong liquidity position to make new investments

**£360m**

Cash position

On track to deliver the FY21 dividend target,  
6.5% higher than FY20

**4.9p**

Dividend per share for the half year

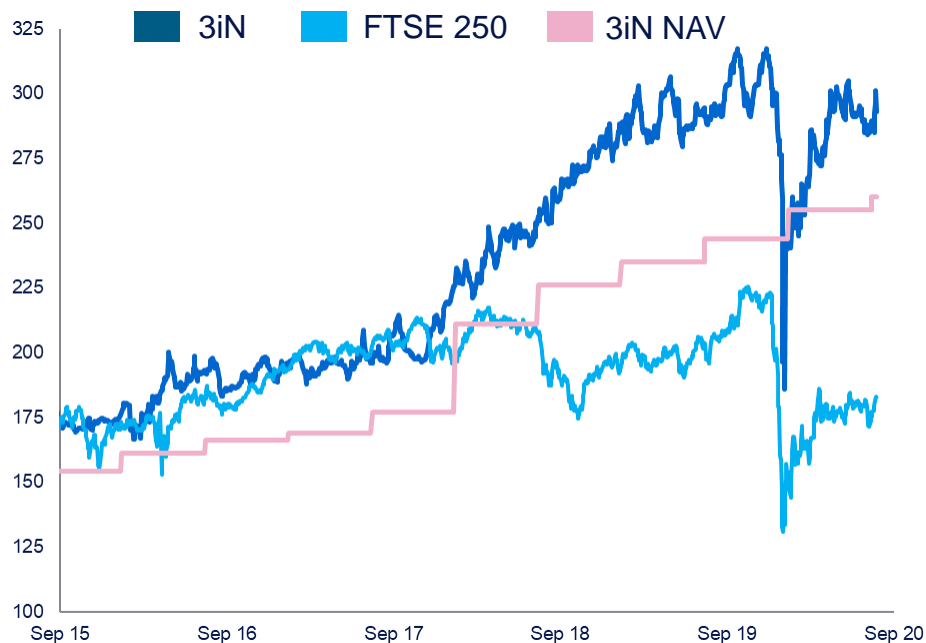
**9.8p**

Target dividend for FY21, up 6.5%

# Share price continues to outperform



## 5 year share price and NAV performance



## Total Shareholder Return

	3iN	FTSE 250	Beta
HY to 30 September 2020	18.9%	16.0%	0.13
3 years	16.1%	(2.0%)	0.33
5 years	14.9%	3.4%	0.31
Since IPO	12.7%	6.1%	N/A

Note: 1. FTSE 250 rebased to 3iN opening share price at 1 October 2015.  
2. Total shareholder return shown per annum.

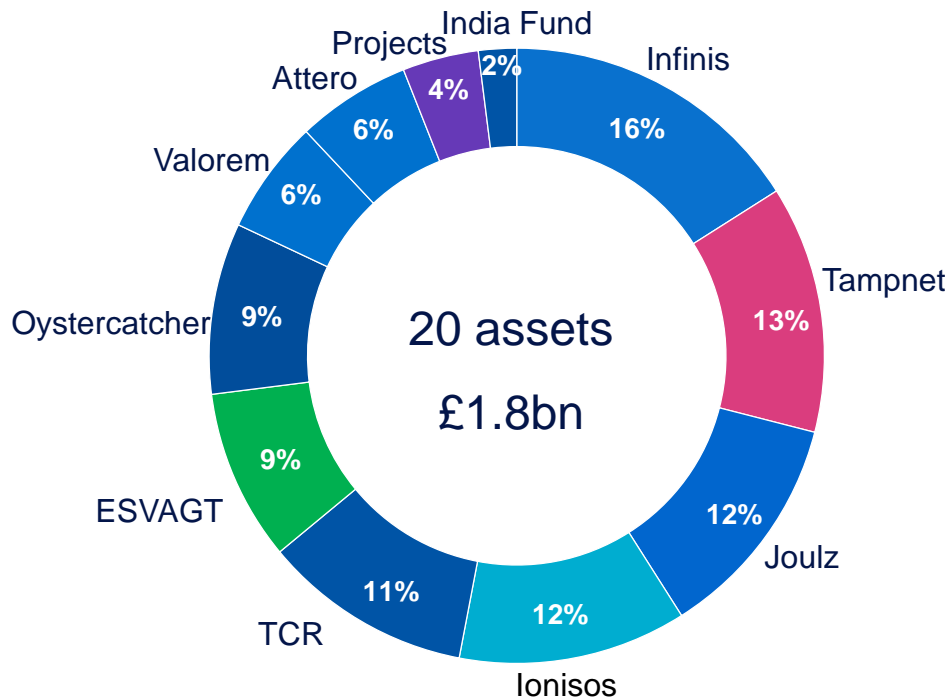


## **Phil White**

Managing Partner, Infrastructure, 3i Investments plc



# Maintain a balanced portfolio of infrastructure investments delivering yield and capital growth



## Strategy:

Companies that provide essential services

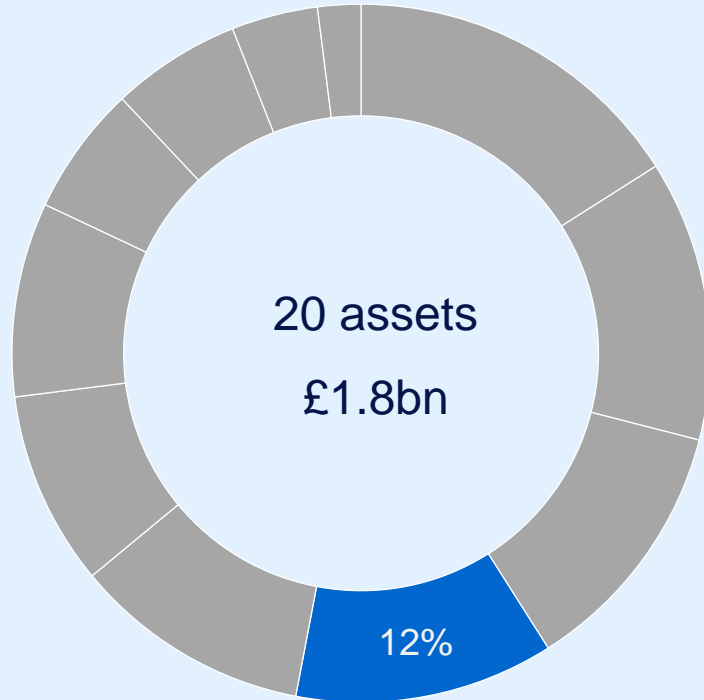
Stable and predictable returns

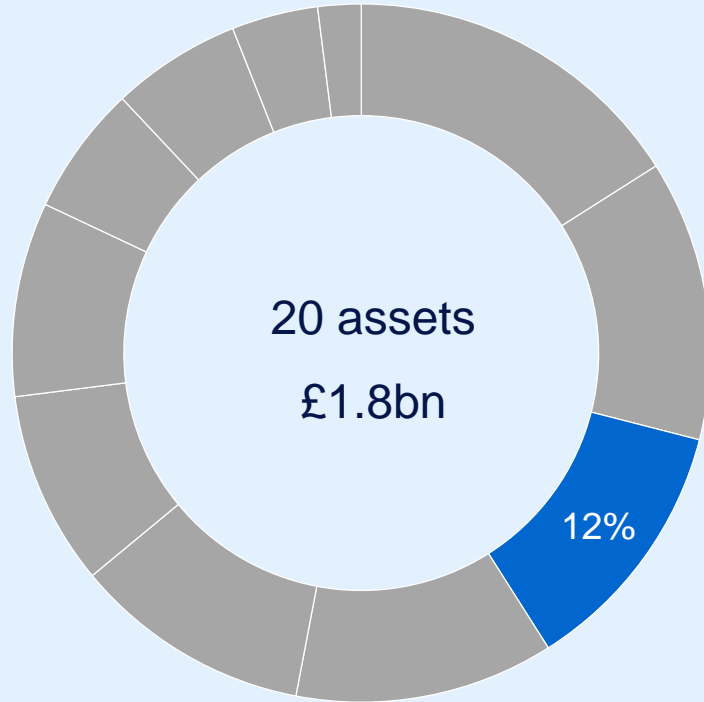
Progressive dividend to shareholders

Opportunities for growth

Supportive economic and social trends





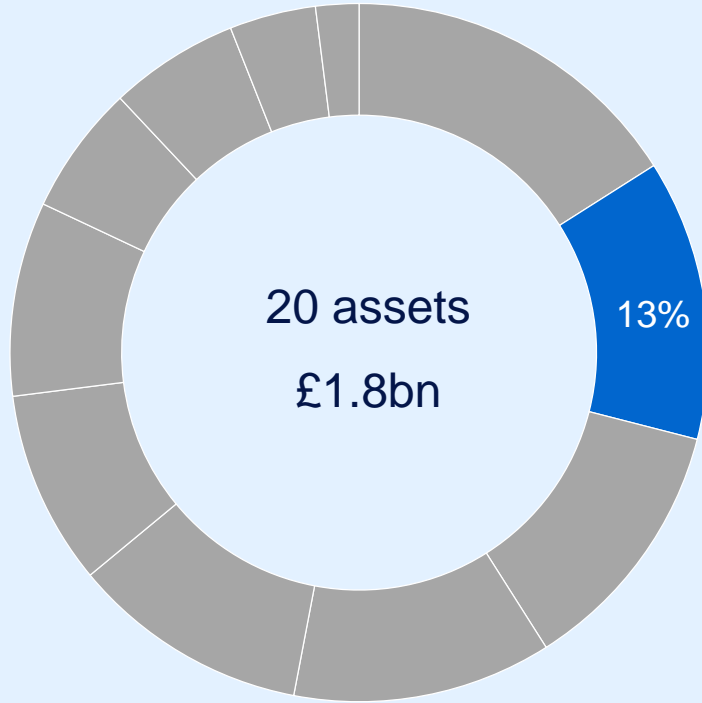


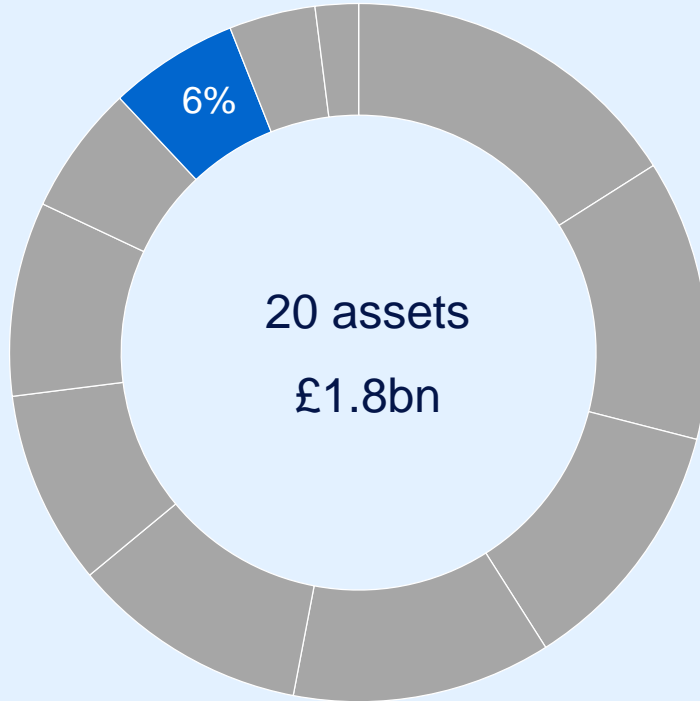
Joulz

# Tampnet

## Offshore telecom network

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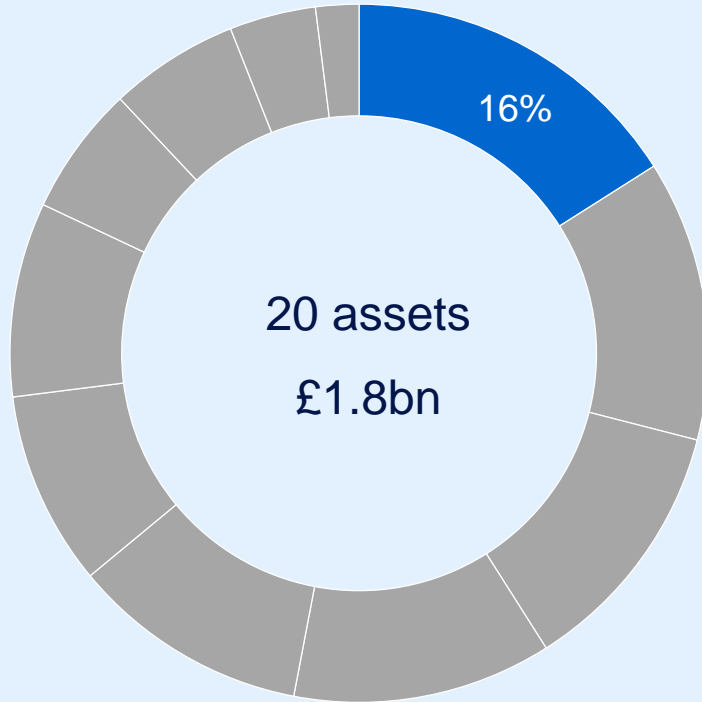




# Infinis

## Generator of electricity

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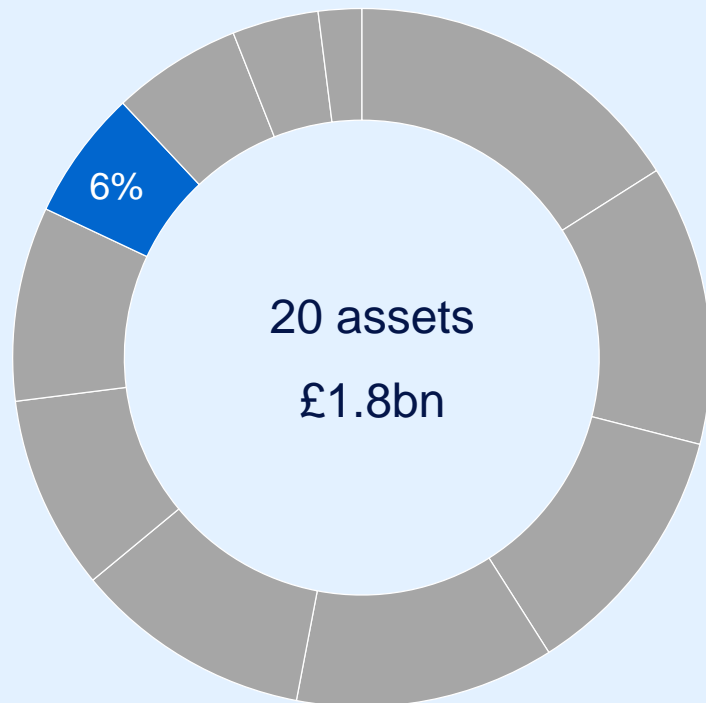




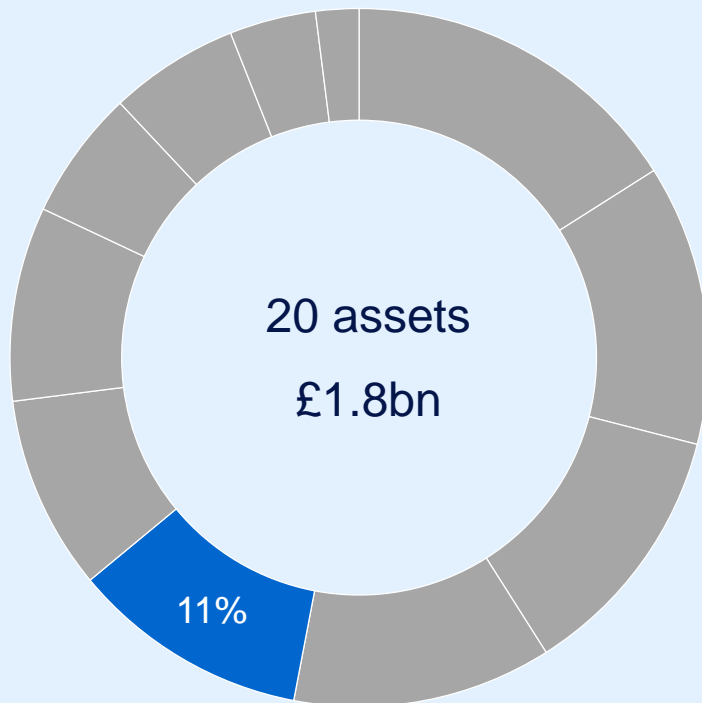
# Valorem

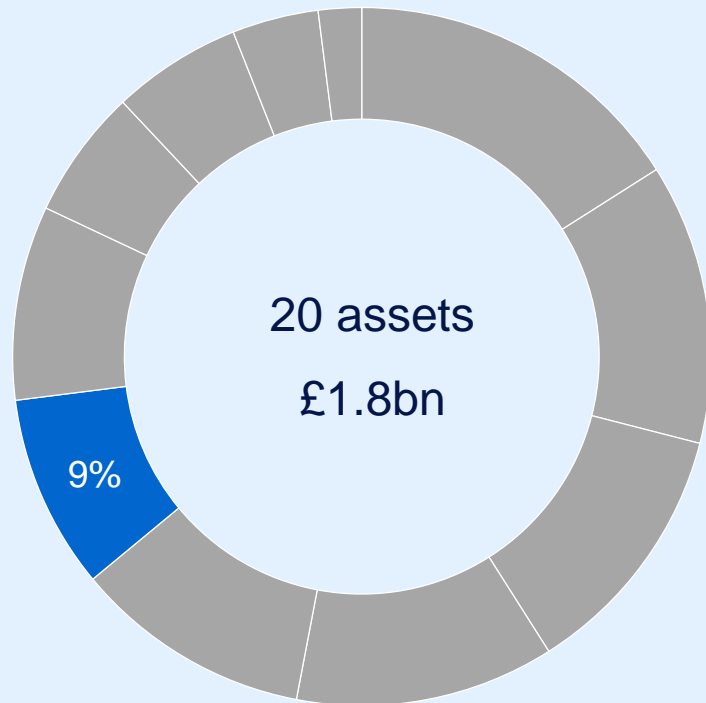
## Onshore wind developer

3i Infrastructure plc



## Ground support equipment in airports





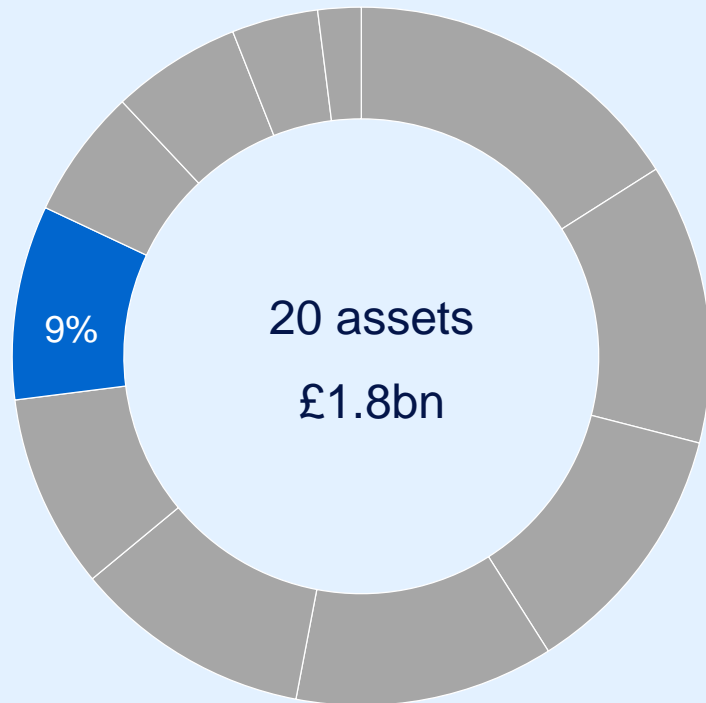
**ESVAGT**



# Oystercatcher

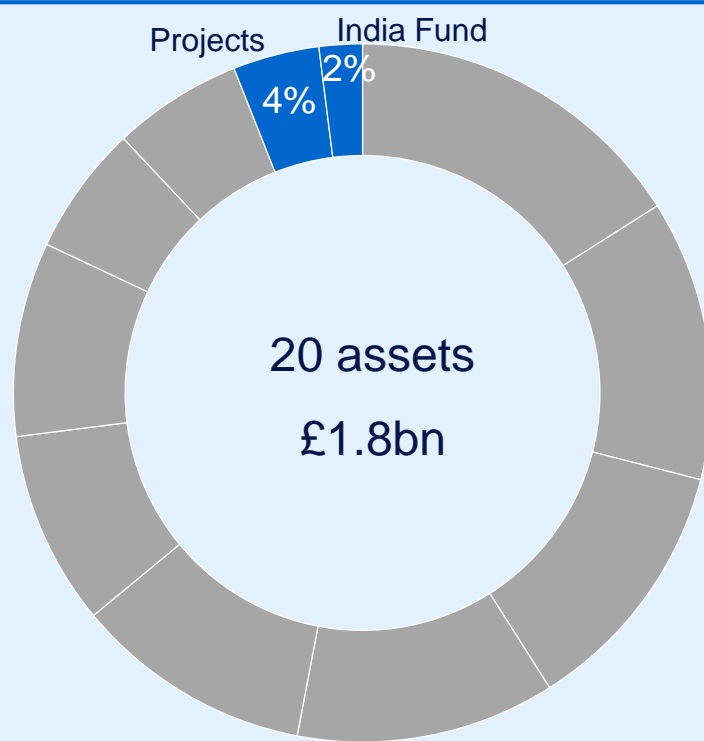
## Oil product storage terminals

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Oystercatcher

# Projects portfolio and India fund



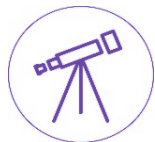
# Engaged asset management approach to positively influence our companies



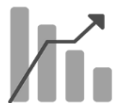
- 1 Strengthen portfolio company management teams
- 2 Invest and develop companies to support a sustainable future
- 3 Growing our platform businesses through acquisitions



**Resilient portfolio with strong market positions**



**Strong liquidity to make new investments and invest in our portfolio**



**Continuing to deliver progressive dividend**

## James Dawes

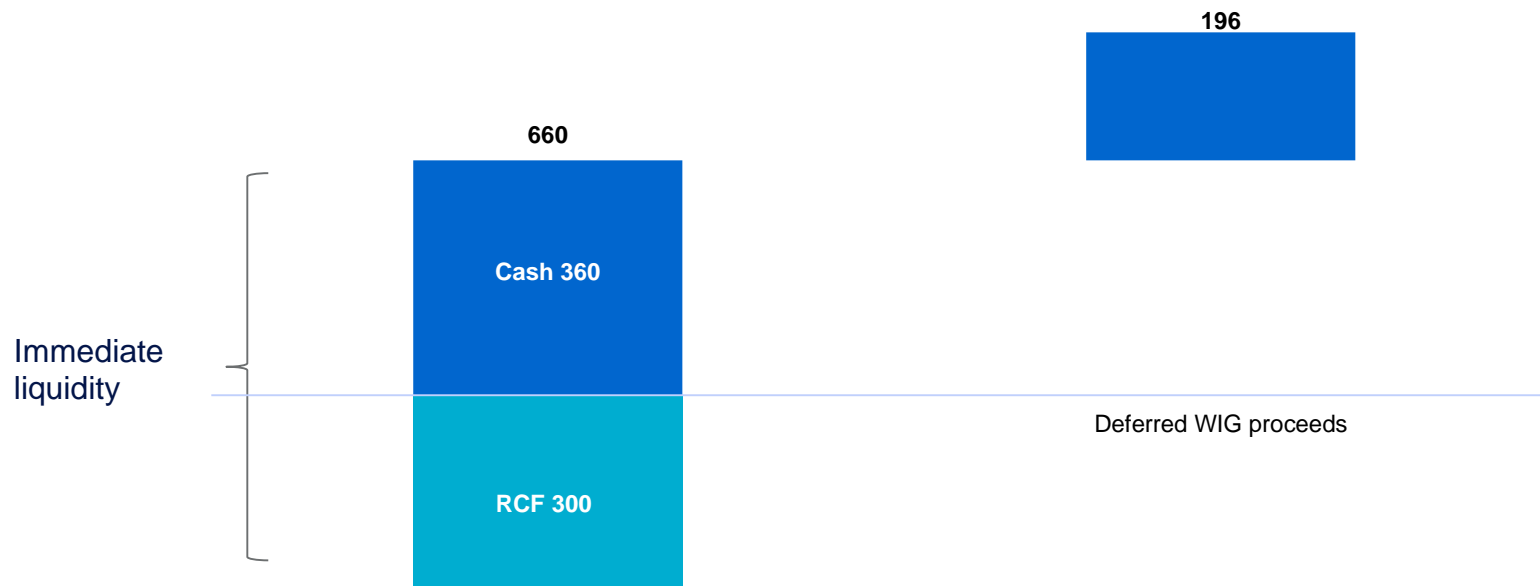
CFO, Infrastructure, 3i Investments plc



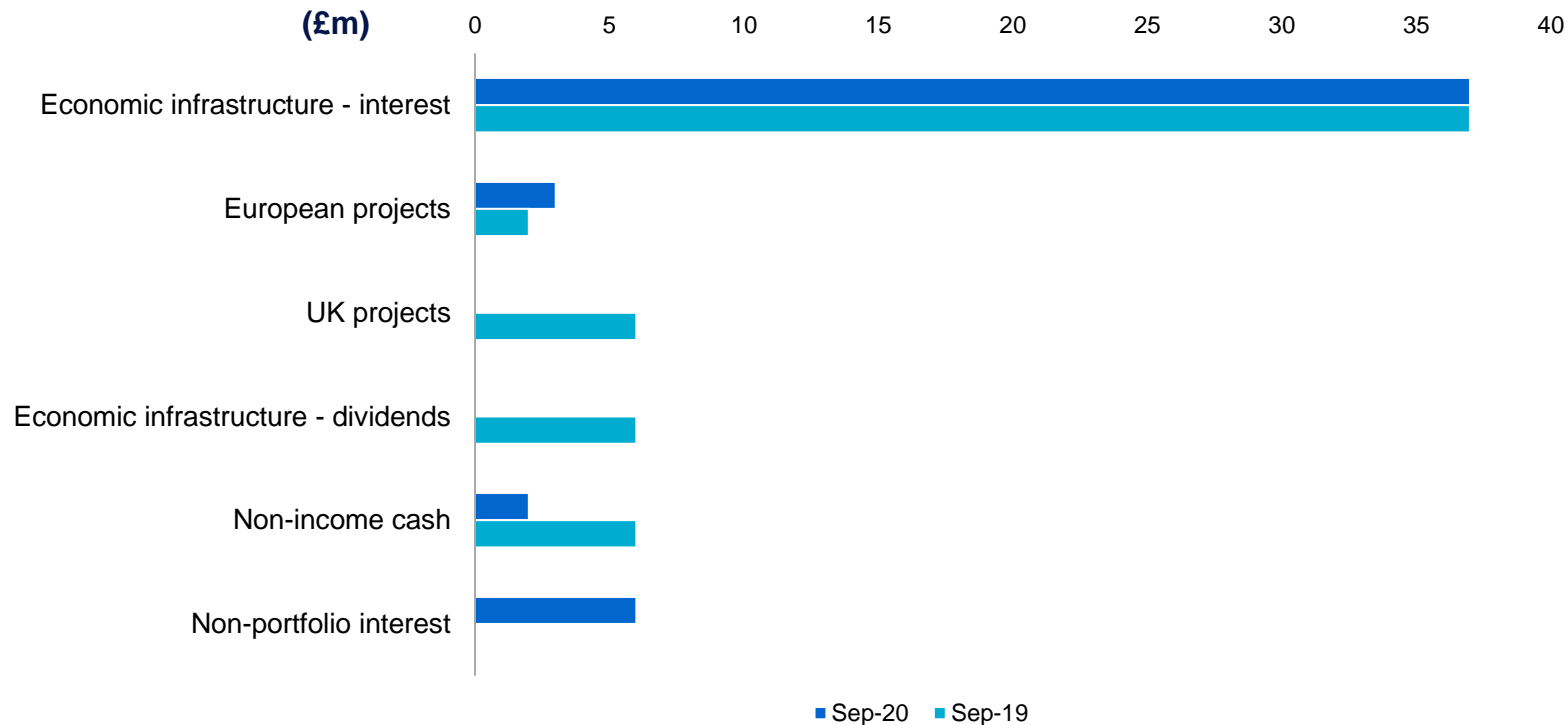
# Strong liquidity



(£m)



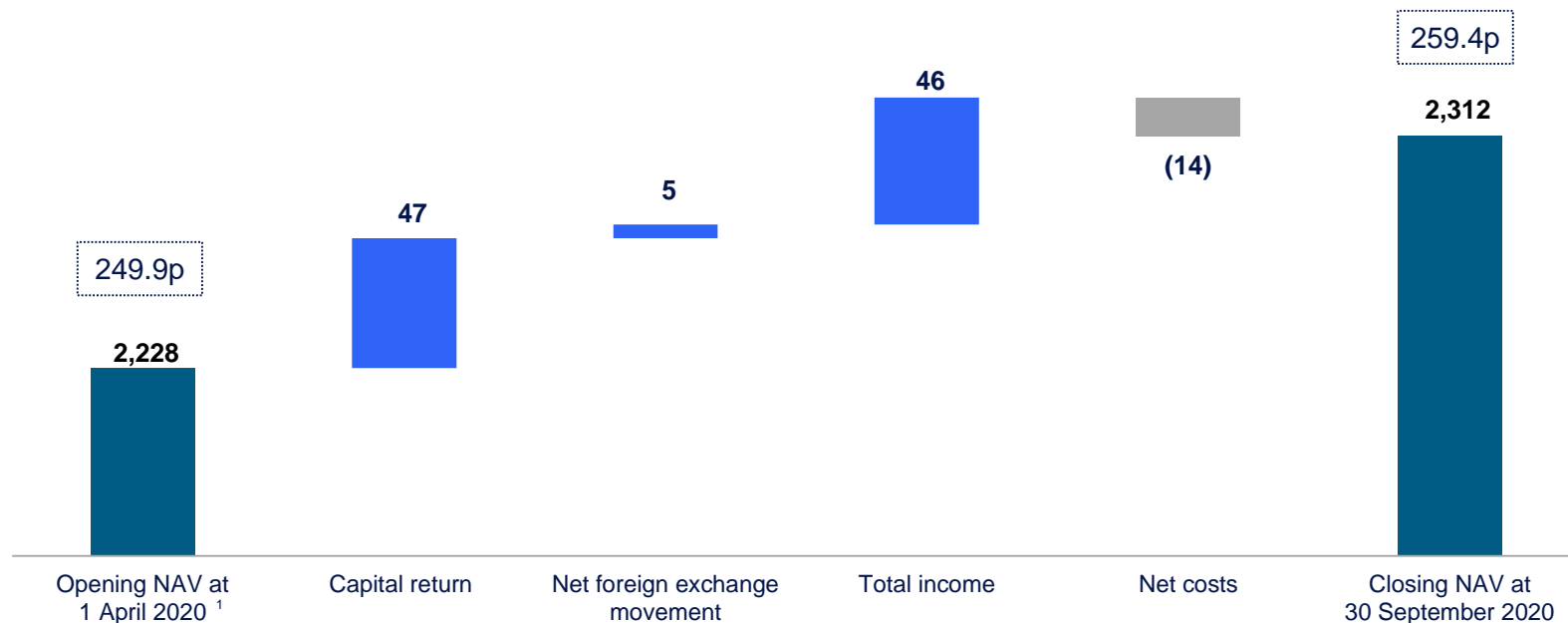
# Income in line with expectations



# NAV progression

## HY21 growth driven by capital return and income

(£m)

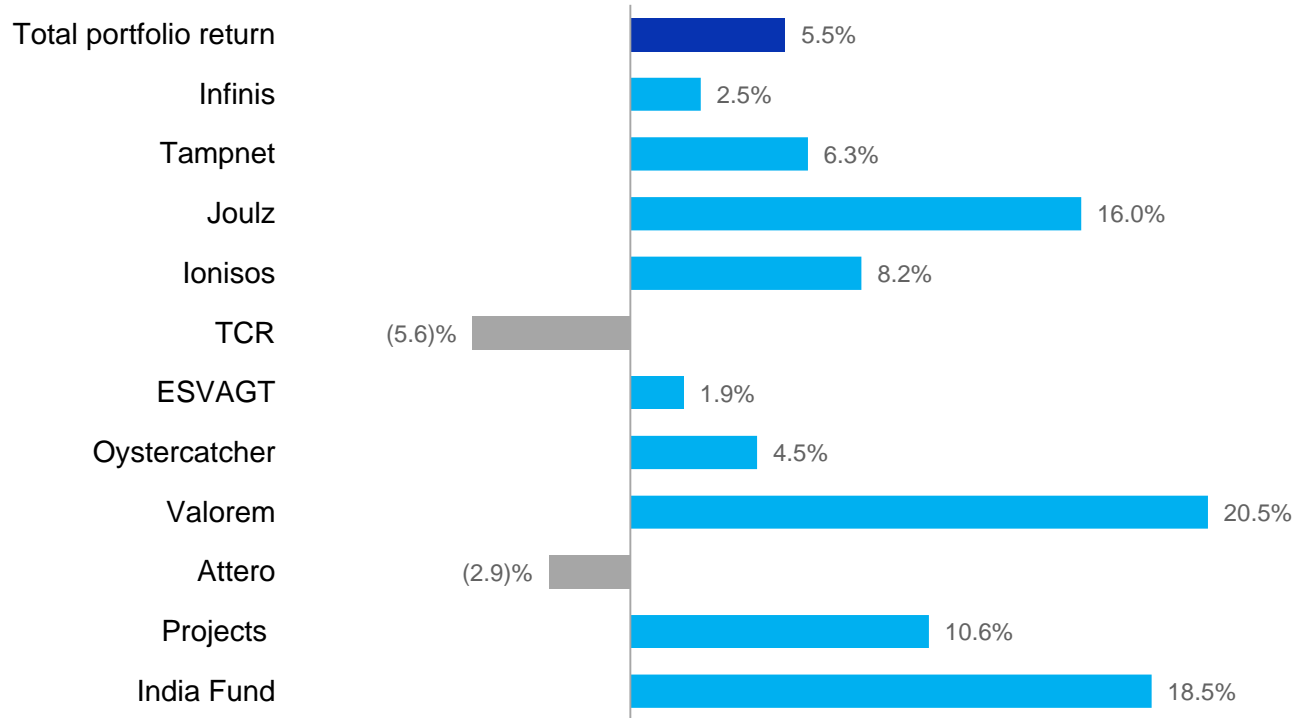


1. Net of final dividend for the prior year of £41m.



# Strong return from a diversified portfolio for the half year to 30 September 2020

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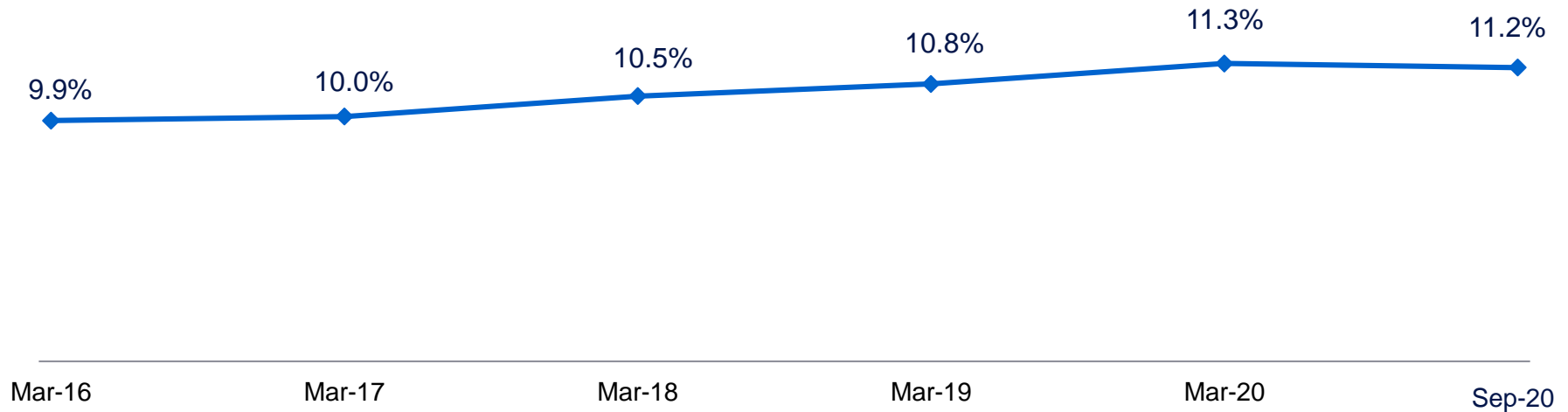


# Discount rate movement

The weighted average discount rate is 11.2%



## Portfolio weighted average discount rate





# Q&A

# Appendix



# Portfolio summary

## 30 September 2020 (£m)



Portfolio assets	Directors' valuation 31 March 2020	Investment in the year	Divestment in the year	Accrued income movement	Value movement	Foreign exchange translation	Directors' valuation 30 September 2020	Allocated foreign exchange hedging	Underlying portfolio income in the period	Portfolio total return in the period <sup>1</sup>
Infinis	285	-	(2) <sup>2</sup>	-	(2)	-	281	-	9	7
Tampnet	205	2 <sup>3</sup>	-	-	14	4	225	(7)	2	13
Joulz	187	-	-	3	24	5	219	(2)	3	30
Ionisos	194	-	-	4	9	5	212	(2)	4	16
TCR	195	-	-	6	(19)	5	187	(3)	6	(11)
ESVAGT	141	25 <sup>3,4</sup>	-	-	(4)	4	166	(7)	10	3
Oystercatcher	154	-	-	-	6	1	161	-	-	7
Valorem	88	-	-	-	15	2	105	(1)	2	18
Attero	103	1 <sup>3</sup>	-	-	(5)	2	101	(1)	1	(3)
<b>Economic infrastructure portfolio</b>	<b>1,552</b>	<b>28</b>	<b>(2)</b>	<b>13</b>	<b>38</b>	<b>28</b>	<b>1,657</b>	<b>(23)</b>	<b>37</b>	<b>80</b>
Projects	68	-	-	-	4	1	73	(1)	3	7
India fund	27	-	-	-	5	-	32	-	-	5
<b>Total portfolio</b>	<b>1,647</b>	<b>28</b>	<b>(2)</b>	<b>13</b>	<b>47</b>	<b>29</b>	<b>1,762</b>	<b>(24)</b>	<b>40</b>	<b>92</b>
Adjustments related to unconsolidated subsidiaries <sup>5</sup>	5	-	-	3	(3)	-	5	-	3	-
<b>Reported in the Consolidated financial statements</b>	<b>1,652</b>	<b>28</b>	<b>(2)</b>	<b>16</b>	<b>73</b>	<b>-</b>	<b>1,767</b>	<b>(24)</b>	<b>43</b>	<b>92</b>

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

2. Shareholder loan repaid.

3. Capitalised income.

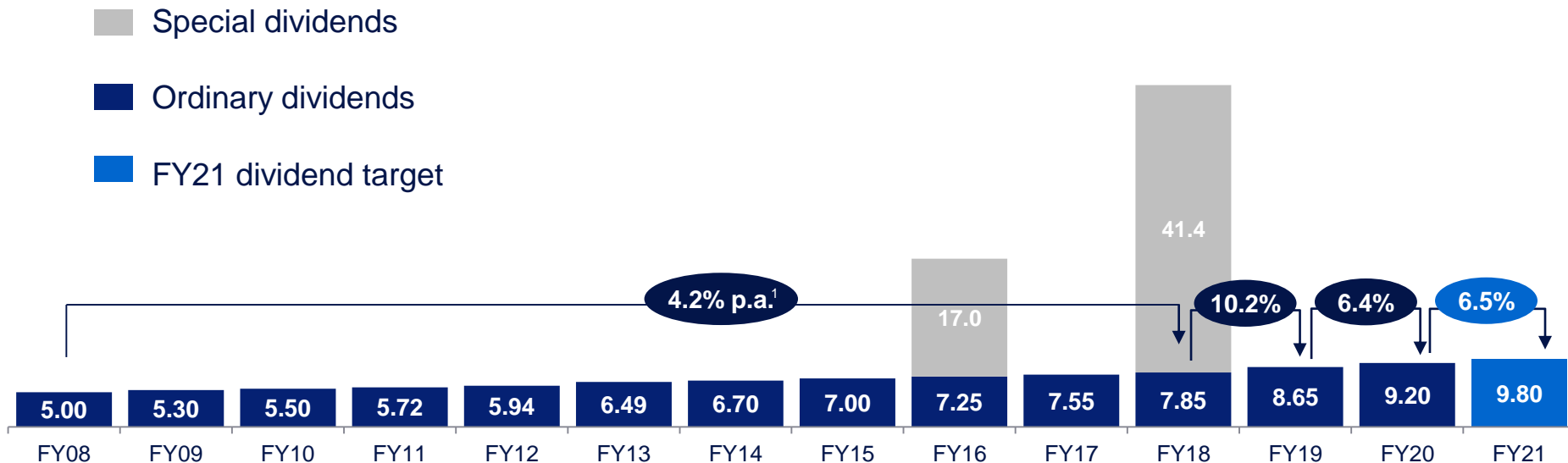
4. Follow on investment in ESVAGT of £15 million.

5. Income statement adjustments explained in the September 2020 Half Year Report.

# FY21 target dividend growth of 6.5%



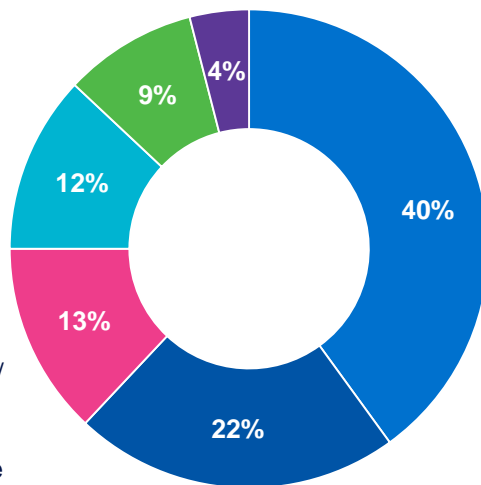
## Dividend growth since IPO (pence per share)



<sup>1</sup> Annualised growth rate in ordinary dividends to FY18.

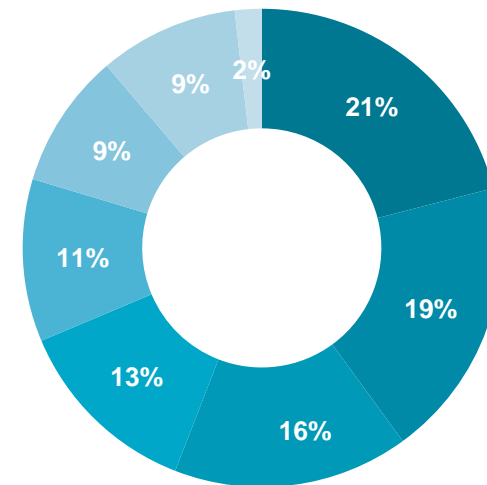
## Portfolio value by sector

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



## Portfolio value by country

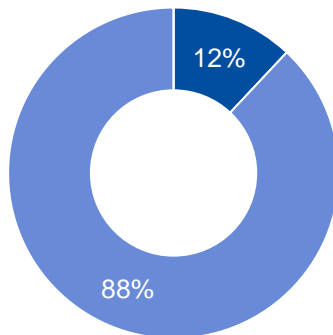
- Netherlands
- France
- UK
- Norway
- Belgium
- Luxembourg
- Denmark
- India



## Inflation linkage

### Assets with revenues:

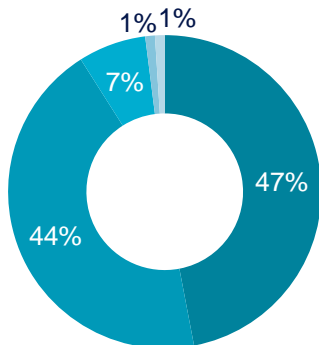
- Directly linked to inflation
- Partly linked to inflation



Sensitivity	+1% point	-1% point
Change in inflation over underlying assumption for next 2 years	£21m	£(21)m

## Foreign exchange

- GBP
- EUR/SGD
- NOK
- DKK
- INR



Sensitivity	+5%	-5%
Change in foreign exchange rate <sup>1</sup>	£6m	£(6)m



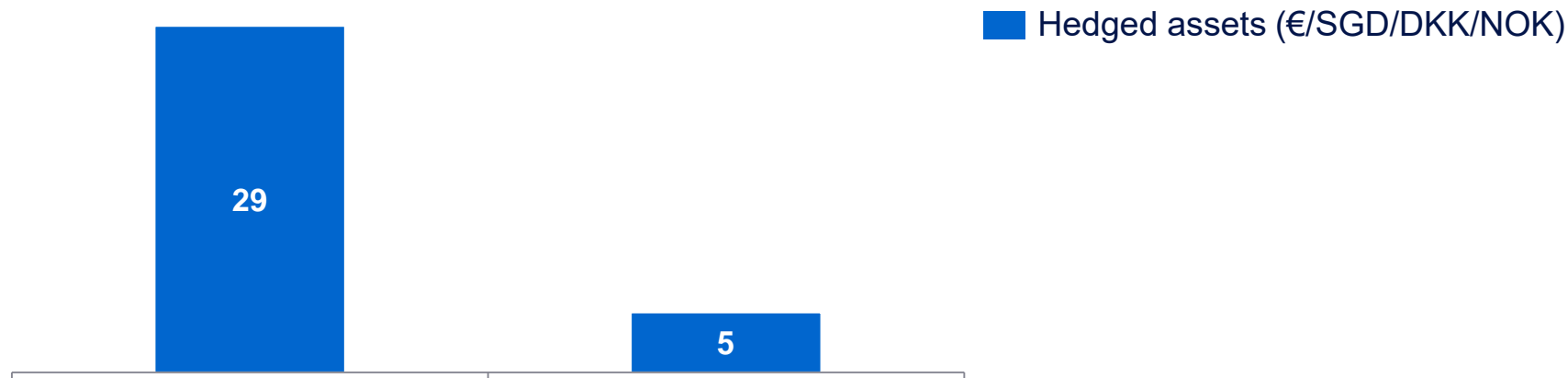
# Hedging programme mitigates volatility



(£m)

**FX gain before  
hedging**

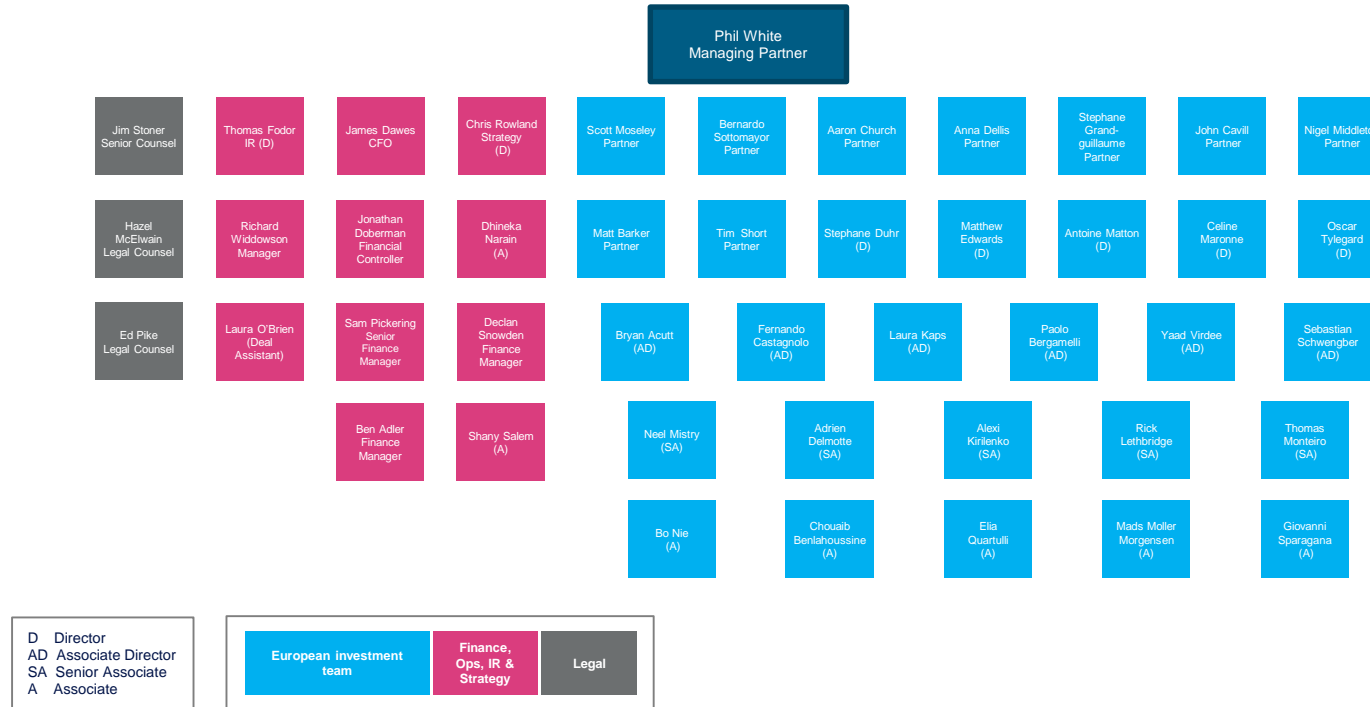
**FX gain after  
hedging**



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

# Introduction and Background

## Experienced and well resourced team established in 2006



**50-strong Infrastructure team in Europe, with c.30 Investment Professionals and dedicated legal, finance, IR and strategy executives**



<b>Board of Directors</b>	<ul style="list-style-type: none"><li>• Independent Chair, five independent non-executive directors and one 3i Group appointed non-executive director</li><li>• Committed to observe requirements of the AIC Code of Corporate Governance</li><li>• Responsibilities include:<ul style="list-style-type: none"><li>– overall supervision of 3i Investments plc as the Investment Manager</li><li>– monitoring of investments and divestments</li></ul></li></ul>
<b>Investment Manager</b>	<ul style="list-style-type: none"><li>• Services provided by 3i Investments plc as the Company's Investment Manager include:<ul style="list-style-type: none"><li>– origination, execution and realisation of investments</li><li>– providing valuations of the Company's portfolio on a half-yearly basis</li><li>– managing funding requirements and treasury management</li><li>– managing the portfolio</li><li>– providing support services in respect of the administration of the Company</li></ul></li></ul>
<b>Fees</b>	<ul style="list-style-type: none"><li>• Tiered management fee: 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</li><li>• One-off transaction fee: 1.2% of the acquisition price of each new investment</li><li>• No fee on cash or other net assets</li><li>• 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</li></ul>

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