

Ocean Wilsons Holdings

Strong FY23 results with strategic review in FY24

FY23 preliminary results

Investment companies

Ocean Wilsons Holdings' (OCN's) FY23 results highlight a robust performance from the Brazilian subsidiary Wilson Sons, as well as growth from the investment portfolio. Our forecasts are under review following the announcement but, prior to this, we valued OCN at 2,564p/share, which implies it is currently trading at a 48% discount. Given the strong trading and optimistic outlook, risks appear to be to the upside.

Year end	Revenue (US\$m)	PBT* (US\$m)	EPS* (c)	DPS (c)	P/E (x)	Yield (%)
12/21	396.4	110.8	181.2	70.0	9.3	4.1
12/22	440.1	38.5	(51.9)	70.0	N/A	4.1
12/23**	486.6	130.7	189.6	85.0	9.1	5.0
12/24e	521.7	135.5	214.7	100.0	7.9	5.9

Note: *PBT and EPS are normalised, excluding amortisation of acquired intangibles, exceptional items and share-based payments. **On a company-reported basis.

OCN enjoyed a robust trading period in FY23, reporting revenue of \$486.6m, (FY22: \$440.1m), up by 10.6%, and operating profit of \$125.7m (FY22: \$113.8m), an increase of 10.5%, both benefitting from positive trading in Wilson Sons, its 57% owned Brazilian subsidiary.

Profit before tax increased \$92.6m to \$130.7m, due largely to the increase in operating profit and to the \$77.1m swing in the investment portfolio returns in the year. Earnings per share (company basis) was 189.6 cents (FY22: 52.8 cents) from which OCN intends to pay a dividend per share of 85 cents (up from 70 cents) in June 2024. Net debt (including leases) rose by 8.8% to \$478.1m and net assets increased by 8.2% to \$815.8m.

Wilson Sons traded well in FY23, with towage volumes up by 4.1% to 57,107 harbour manoeuvres and strong growth in both vessel turnarounds and operating days, largely driven by the buoyant offshore energy sector. Boosts in trade flows resulted in growth of 16.2% in container handling volumes to 1,064.2k TEUs.

The investment portfolio generated a gross return of 10.1% and net return of 8.9%, against OCN's performance benchmark of 6.4%. The portfolio benefitted from strong growth in some of the largest technology companies that are held within various funds. Overall, the portfolio was broadened by adding value-oriented funds and increasing the weight of defensive assets, neutrally positioning the portfolio.

The strategic review remains ongoing, but Friday's statement outlines an expectation that it will be complete in 2024. In the meantime, our forecasts and valuation are under review following these positive results.

25 March 2024

Price **1,331p**

Market cap **£485m**

US\$1.27/£, BRL4.97/US\$

Net debt (US\$m) excluding leases of 253.9
US\$224.2m at 31 December 2023

Shares in issue 35.4m

Free float 36%

Code OCN

Primary exchange LSE

Secondary exchange Bermuda

Share price performance



Business description

Ocean Wilsons Holdings is an investment company based in Bermuda. It has a controlling shareholding in Wilson Sons, a quoted maritime services company in Brazil, and holds a portfolio of international investments.

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