

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 US\$224.2m at 31 December 2023 253.9

Shares in issue 35.4m

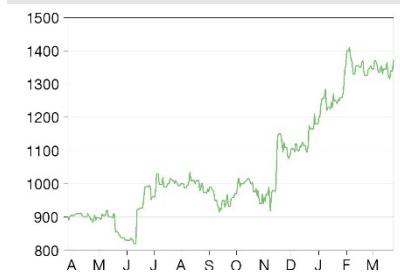
Free float 36%

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.

Analyst

Andy Murphy +44 (0)20 3077 5700

industrials@edisongroup.com

[Edison profile page](#)

Ocean Wilsons Holdings is a research client of Edison Investment Research Limited

General disclaimer and copyright

This report has been commissioned by Ocean Wilsons Holdings and prepared and issued by Edison, in consideration of a fee payable by Ocean Wilsons Holdings. Edison Investment Research standard fees are £60,000 pa for the production and broad dissemination of a detailed note (Outlook) following by regular (typically quarterly) update notes. Fees are paid upfront in cash without recourse. Edison may seek additional fees for the provision of roadshows and related IR services for the client but does not get remunerated for any investment banking services. We never take payment in stock, options or warrants for any of our services.

Accuracy of content: All information used in the publication of this report has been compiled from publicly available sources that are believed to be reliable, however we do not guarantee the accuracy or completeness of this report and have not sought for this information to be independently verified. Opinions contained in this report represent those of the research department of Edison at the time of publication. Forward-looking information or statements in this report contain information that is based on assumptions, forecasts of future results, estimates of amounts not yet determinable, and therefore involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of their subject matter to be materially different from current expectations.

Exclusion of Liability: To the fullest extent allowed by law, Edison shall not be liable for any direct, indirect or consequential losses, loss of profits, damages, costs or expenses incurred or suffered by you arising out of or in connection with the access to, use of or reliance on any information contained on this note.

No personalised advice: The information that we provide should not be construed in any manner whatsoever as, personalised advice. Also, the information provided by us should not be construed by any subscriber or prospective subscriber as Edison's solicitation to effect, or attempt to effect, any transaction in a security. The securities described in the report may not be eligible for sale in all jurisdictions or to certain categories of investors.

Investment in securities mentioned: Edison has a restrictive policy relating to personal dealing and conflicts of interest. Edison Group does not conduct any investment business and, accordingly, does not itself hold any positions in the securities mentioned in this report. However, the respective directors, officers, employees and contractors of Edison may have a position in any or related securities mentioned in this report, subject to Edison's policies on personal dealing and conflicts of interest.

Copyright: Copyright 2024 Edison Investment Research Limited (Edison).

Australia

Edison Investment Research Pty Ltd (Edison AU) is the Australian subsidiary of Edison. Edison AU is a Corporate Authorised Representative (1252501) of Crown Wealth Group Pty Ltd who holds an Australian Financial Services Licence (Number: 494274). This research is issued in Australia by Edison AU and any access to it, is intended only for "wholesale clients" within the meaning of the Corporations Act 2001 of Australia. Any advice given by Edison AU is general advice only and does not take into account your personal circumstances, needs or objectives. You should, before acting on this advice, consider the appropriateness of the advice, having regard to your objectives, financial situation and needs. If our advice relates to the acquisition, or possible acquisition, of a particular financial product you should read any relevant Product Disclosure Statement or like instrument.

New Zealand

The research in this document is intended for New Zealand resident professional financial advisers or brokers (for use in their roles as financial advisers or brokers) and habitual investors who are "wholesale clients" for the purpose of the Financial Advisers Act 2008 (FAA) (as described in sections 5(c) (1)(a), (b) and (c) of the FAA). This is not a solicitation or inducement to buy, sell, subscribe, or underwrite any securities mentioned or in the topic of this document. For the purpose of the FAA, the content of this report is of a general nature, is intended as a source of general information only and is not intended to constitute a recommendation or opinion in relation to acquiring or disposing (including refraining from acquiring or disposing) of securities. The distribution of this document is not a "personalised service" and, to the extent that it contains any financial advice, is intended only as a "class service" provided by Edison within the meaning of the FAA (i.e. without taking into account the particular financial situation or goals of any person). As such, it should not be relied upon in making an investment decision.

United Kingdom

This document is prepared and provided by Edison for information purposes only and should not be construed as an offer or solicitation for investment in any securities mentioned or in the topic of this document. A marketing communication under FCA Rules, this document has not been prepared in accordance with the legal requirements designed to promote the independence of investment research and is not subject to any prohibition on dealing ahead of the dissemination of investment research.

This Communication is being distributed in the United Kingdom and is directed only at (i) persons having professional experience in matters relating to investments, i.e. investment professionals within the meaning of Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "FPO") (ii) high net-worth companies, unincorporated associations or other bodies within the meaning of Article 49 of the FPO and (iii) persons to whom it is otherwise lawful to distribute it. The investment or investment activity to which this document relates is available only to such persons. It is not intended that this document be distributed or passed on, directly or indirectly, to any other class of persons and in any event and under no circumstances should persons of any other description rely on or act upon the contents of this document.

This Communication is being supplied to you solely for your information and may not be reproduced by, further distributed to or published in whole or in part by, any other person.

United States

Edison relies upon the "publishers' exclusion" from the definition of investment adviser under Section 202(a)(11) of the Investment Advisers Act of 1940 and corresponding state securities laws. This report is a bona fide publication of general and regular circulation offering impersonal investment-related advice, not tailored to a specific investment portfolio or the needs of current and/or prospective subscribers. As such, Edison does not offer or provide personal advice and the research provided is for informational purposes only. No mention of a particular security in this report constitutes a recommendation to buy, sell or hold that or any security, or that any particular security, portfolio of securities, transaction or investment strategy is suitable for any specific person.
