

# Ocean Wilsons Holdings

Disposal

## Sale of Wilson Sons investment

Ocean Wilsons announced today that it has agreed to sell its 56.47% stake in Wilson Sons to SAS Shipping Agencies Services, a wholly owned subsidiary of MSC Mediterranean Shipping Company, for R\$4.4bn (equivalent to R\$17.50 per share). The consideration will be converted into US dollars, which, at the current exchange rate, implies a purchase price of US\$768m. The transaction is expected to trigger a Brazilian withholding tax liability of up to US\$142m and to ultimately realise net cash proceeds of 'at least US\$593m'. The transaction is expected to complete in H225. A 'meaningful' proportion of the proceeds will be returned to shareholders and some may be reinvested in Ocean Wilsons.

Year end	Revenue (US\$m)	PBT* (US\$m)	EPS** (c)	DPS (c)	P/E (x)	Yield (%)
12/22	440.1	38.5	(52.8)	70.0	N/A	3.7
12/23	486.6	131.0	189.6	85.0	10.6	4.2
12/24e	526.5	143.6	232.4	100.0	8.6	5.0
12/25e	589.4	173.1	288.9	125.0	7.0	6.2

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

Ocean Wilsons announced today that it has agreed to sell its 56.47% stake in Wilson Sons to SAS Shipping Agencies Services, a wholly owned subsidiary of MSC Mediterranean Shipping Company for R\$4.352bn, (equivalent to R\$17.50 per share). The consideration will be converted into US dollars, which, at the current rate, would imply a purchase price of US\$768m.

It is anticipated that the transaction will crystallise a Brazilian withholding tax liability, based on rates of between 15% and 22.5%, of up to US\$142m and that it will ultimately realise net cash proceeds of 'at least US\$593m'. The tax charge is expected to represent a 'worst-case' scenario and will be withheld from the proceeds by SAS, with any reduction in the charge being passed on to Ocean Wilsons.

The transaction agreement includes provisions for Wilson Sons to pay the dividend declared by its board on 11 October and to continue paying dividends to shareholders of up to US\$22m per quarter until completion. Any excess dividends will reduce the R\$ purchase price by the same amount.

The transaction is expected to complete in H225, subject to the receipt of applicable regulatory clearances.

The board expects to return a 'meaningful' proportion of the proceeds to shareholders, either through a special dividend, a share buyback, or both. It is also reviewing several options regarding the remainder, which could include reinvestment in Ocean Wilsons.

The board is aware that the transaction may result in the transfer of the company's listing from the FCA's 'commercial companies' category to its 'closed-ended investment funds' category.

### Investment companies

21 October 2024

**Price** 1,503p

**Market cap** £532m

US\$1.31/£, R\$5.58/US\$

Net debt (US\$m, excluding leases of US\$202.5m) at 30 June 2024 234.2

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

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