



Matson[®]

First Quarter 2023 Earnings Conference Call

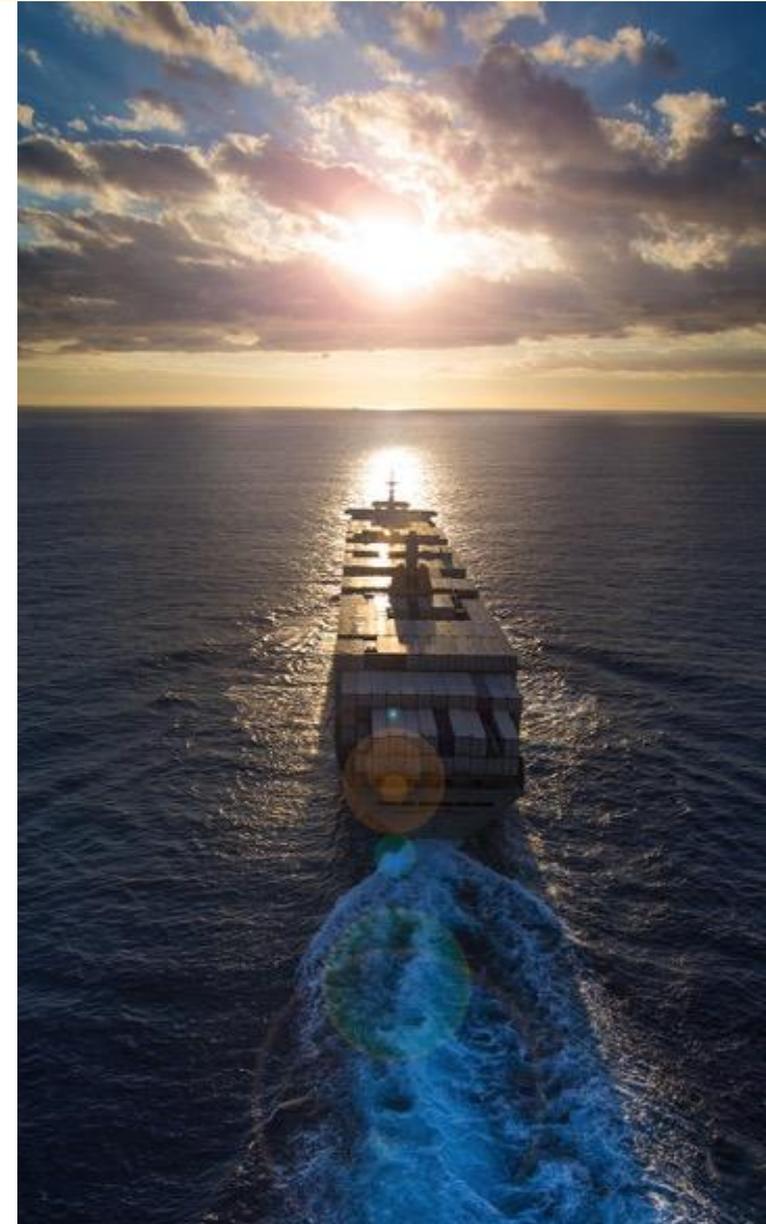
May 4, 2023

Forward-Looking Statements

Statements made during this presentation that set forth expectations, predictions, projections or are about future events are based on facts and situations that are known to us as of May 4, 2023.

We believe that our expectations and assumptions are reasonable. Actual results may differ materially, due to risks and uncertainties, such as those described on pages 14-24 of our Form 10-K filed on February 24, 2023 and other subsequent filings by Matson with the SEC. Statements made during this presentation are not guarantees of future performance.

We do not undertake any obligation to update our forward-looking statements.



Opening Remarks

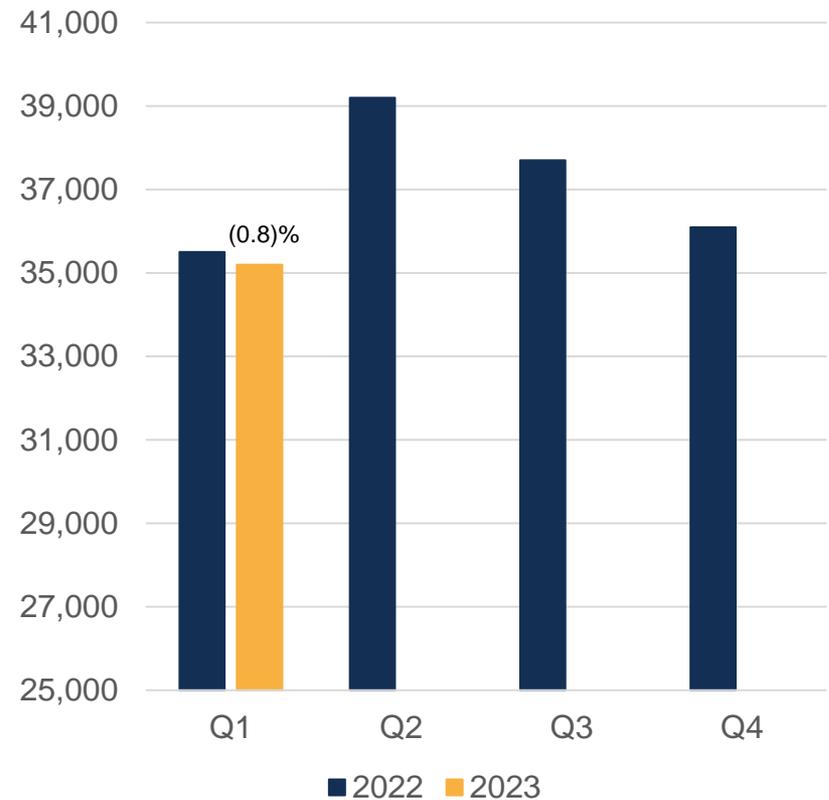
- Despite being down from the extraordinary pandemic driven demand level over the last two years, Matson's Ocean Transportation and Logistics business segments performed well in a challenging business environment
- Ocean Transportation 1Q23:
 - Our China service generated lower year-over-year volume and freight rates, which were the primary contributors to the decline in our consolidated operating income
 - Lower year-over-year volumes in Hawaii, Alaska and Guam compared to year ago period
- Logistics 1Q23:
 - Lower YoY operating income primarily due to lower contributions from supply chain management and transportation brokerage

Hawaii Service

First Quarter 2023 Performance

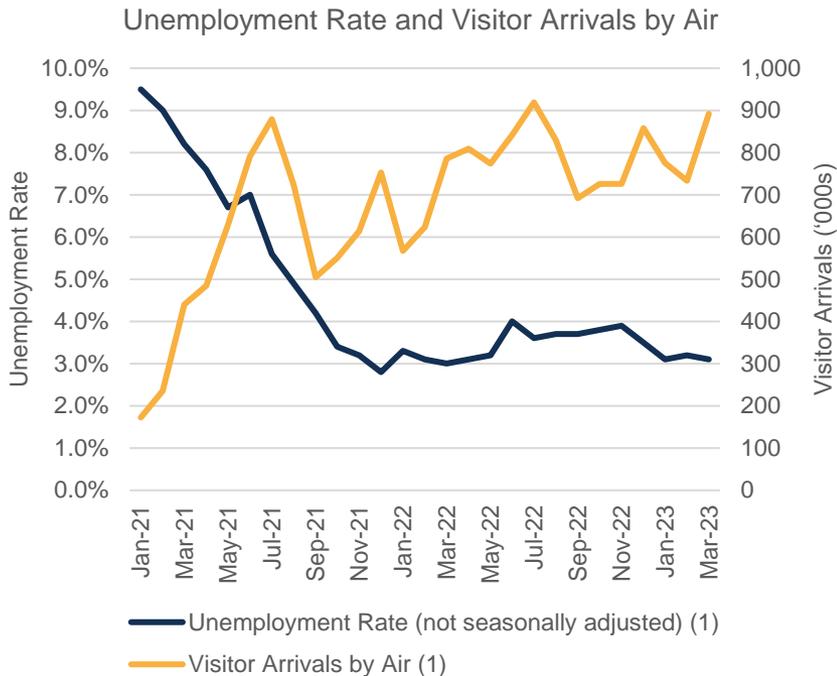
- Container volume decreased 0.8% YoY
 - Lower eastbound volume
 - Muted growth in westbound volume
 - 1Q23 volume 0.9% higher than volume achieved in 1Q19

Container Volume (FEU Basis)



Hawaii Service – Current Business Trends

Select Hawaii Economic Indicators



(1) Source: https://files.hawaii.gov/dbedt/economic/data_reports/mei/2023-03-state.xls

(2) Source: https://uhero.hawaii.edu/wp-content/uploads/2023/03/23Q1_Forecast.pdf

UHERO Projections (2)

	2021	2022	2023P	2024P
Real GDP	6.3%	2.5%	1.7%	1.3%
Construction Jobs Growth	0.7%	0.4%	3.9%	1.4%
Population Growth	(0.3)%	(0.5)%	(0.1)%	0.0%
Unemployment Rate	6.0%	3.5%	4.1%	4.2%
Visitor Arrivals ('000s)	6,777.0	9,247.8	9,863.2	9,721.1
% change	150.2%	36.5%	6.7%	(1.4)%

Commentary

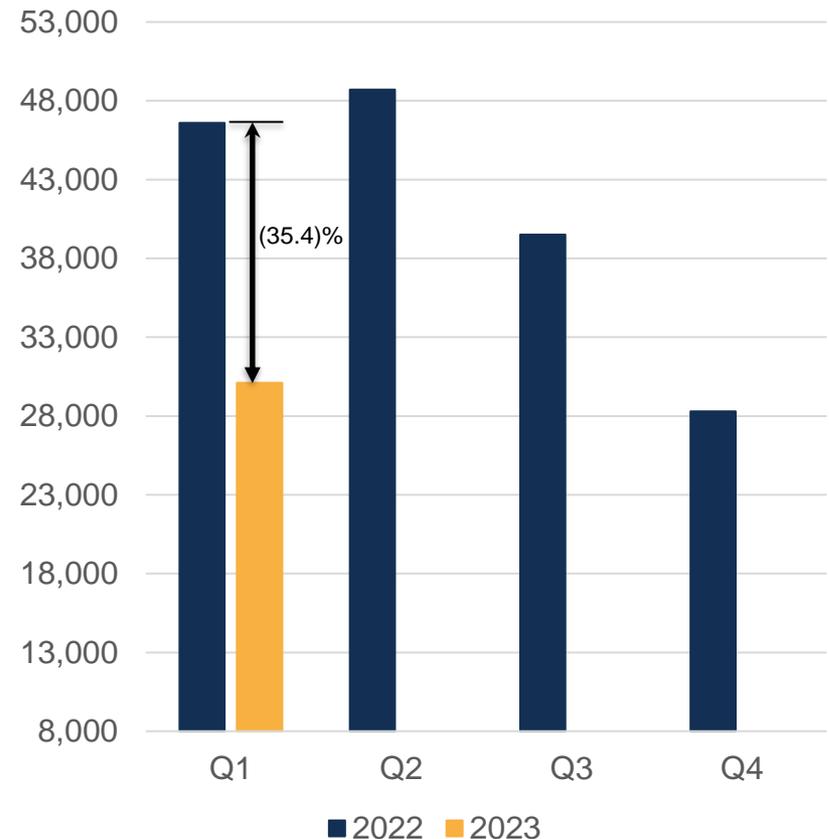
- Expect economic growth in near-term supported by:
 - Continued strength in tourism
 - Low unemployment rate
- In near-term, we expect muted freight demand
- Economic growth trajectory is uncertain given negative trends as a result of higher inflation and higher interest rates

China Service

First Quarter 2023 Performance

- Container volume decreased 35.4% YoY
 - No CCX service in 1Q23
 - CCX service discontinued in 3Q22
 - Nearly two-thirds of YoY volume decline related to CCX in 1Q22
 - Lower demand for our CLX and CLX+ services
- Lower average freight rates YoY, but higher than in 1Q19

Container Volume (FEU Basis)



Note: CCX service started in 3Q21 and ended in 3Q22.

China Service – Current Business Trends

- In 1Q23, retail customers continued to conservatively manage inventories amid weakening consumer demand, increasing interest rates and economic uncertainty
- Currently in the Transpacific marketplace, business conditions are mixed with general improvement in tradelane capacity and some improvement in retailer inventories, but we continue to see conservative management of inventories by retail customers in light of economic uncertainty
 - As such, we expect our CLX and CLX+ services in 2Q23 to reflect freight demand levels below normalized conditions with lower YoY volumes and rates
 - Absent an economic “hard landing” in the U.S., we continue to expect improved trade dynamics in 2H23 as the Transpacific marketplace transitions to a more normalized level of demand
- Regardless of the economic environment, we expect to continue to earn a significant rate premium to the SCFI reflecting our fast and reliable ocean services and unmatched destination services

Evolution of Our Transpacific Expedited Services Through and Beyond Pandemic

2020

- **May:** introduced CLX+ vessel charters to supplement CLX given high demand during early pandemic period
- **September:** introduced Alaska-Asia Express service (AAX) as CLX+ backhaul route; and made judgment that on-going market demand would support a permanent CLX+ service

2021

- **June:** introduced China-Auckland Express (CAX) to address high level of demand
- **July:** introduced China-California Express (CCX), using reserve Jones Act vessels, due to high level of demand as a result of port congestion issues in Southern California

2022

- **September:** ended CCX service, as expected, as West Coast port congestion significantly improved; CCX service delivered ~22k and ~16k containers in 2022 and 2021, respectively

2023
&
Beyond

- **February:** Paused CAX service due to lower demand
- **CLX+:** 5 chartered vessels in permanent service
- **CLX:** 3 vessels scheduled for LNG equipment installation extended dry-dockings (*Daniel K. Inouye* Jan-June 2023; *Manukai* June 2023 – June 2024; *Kaimana Hila* June-Dec 2024)
 - Kanaloa Class vessels to enter service in 2Q23 to cover dry-docking vessels and add capacity
- **Volumes:** Expect annual run rate for CLX and CLX+ services to be ~60-65k containers each until new Aloha Class vessels are in service
 - New Aloha Class vessels expected to add ~500 containers of capacity per vessel per voyage to CLX when vessels are in service in 2026 and 2027

Guam Service

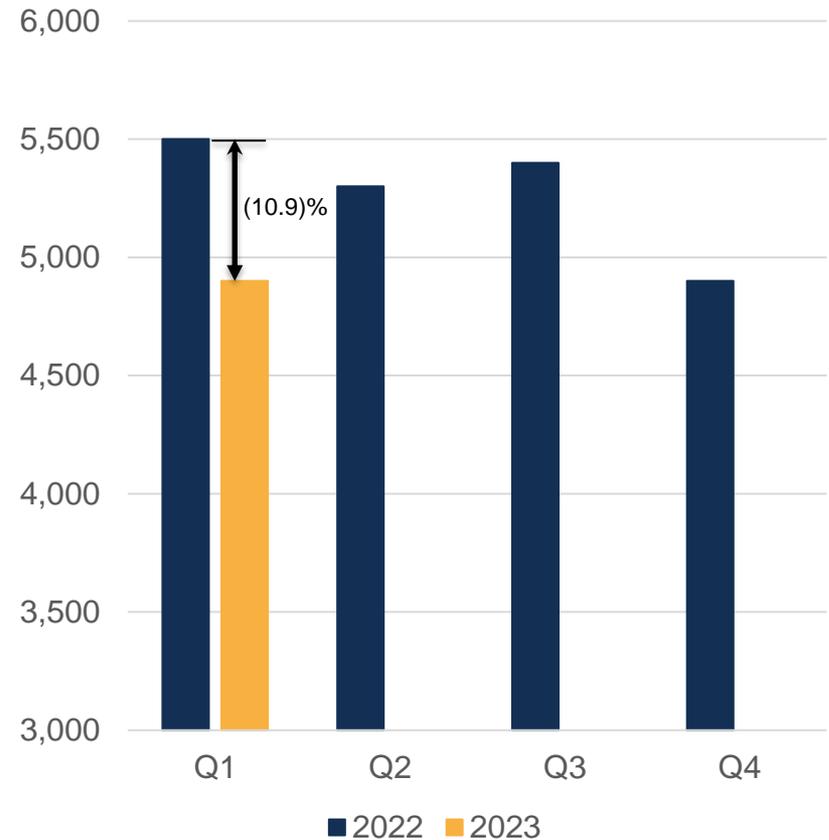
First Quarter 2023 Performance

- Container volume decreased 10.9% YoY primarily due to lower retail-related demand
 - 1Q23 volume 3.9% lower than volume achieved in 1Q19

Current Business Trends

- In near-term, expect muted freight demand despite continued improvement in economy with increasing tourism and a low unemployment rate
- Economic growth trajectory is uncertain given negative trends as a result of higher inflation and higher interest rates

Container Volume (FEU Basis)



Alaska Service

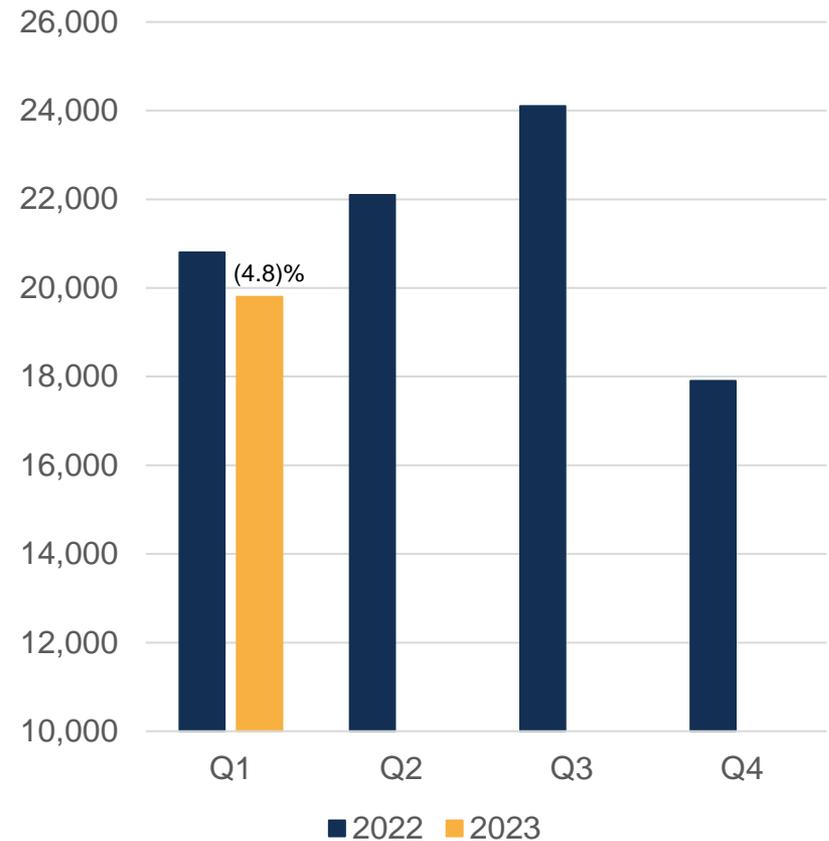
First Quarter 2023 Performance

- Container volume decreased 4.8% YoY
 - Lower export seafood volume from AAX primarily due to 3 less sailings
 - Lower southbound volume primarily due to lower domestic seafood and household goods volume
 - Higher northbound volume primarily due to 2 additional sailings
- 1Q23 volume 20.7% higher than volume achieved in 1Q19

Current Business Trends

- In the near-term, expect continued economic growth in the State
 - Continued jobs growth
 - Increased energy-related exploration and production
- However, economic growth trajectory is uncertain given negative trends as a result of higher inflation and higher interest rates

Container Volume (FEU Basis)



SSAT Joint Venture

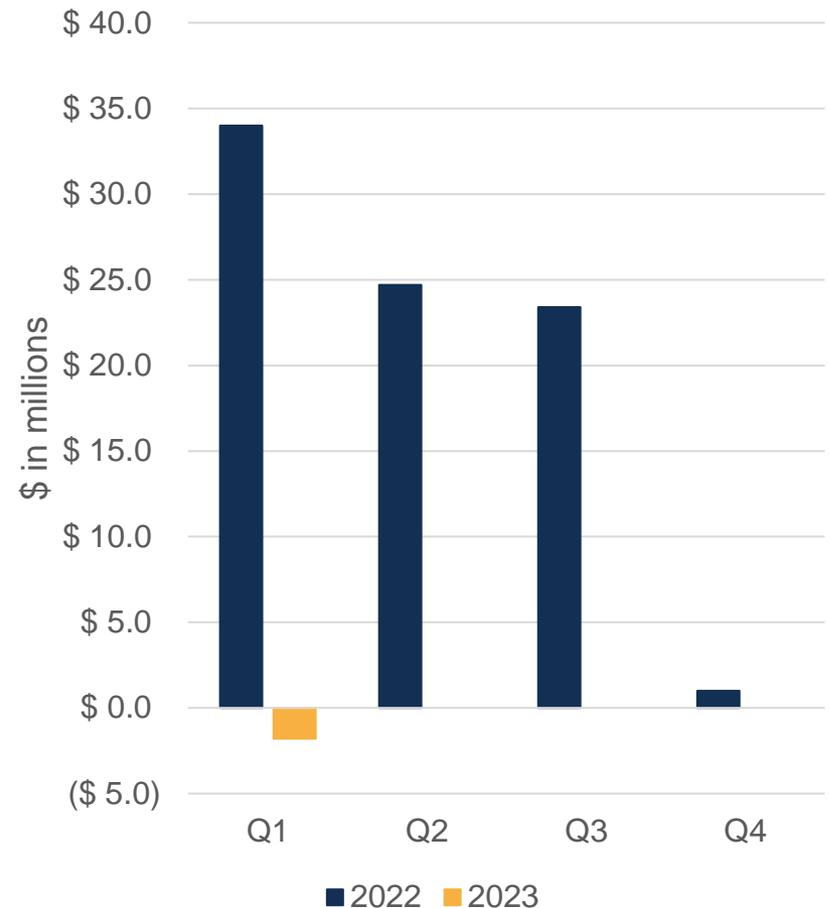
First Quarter 2023 Performance

- Terminal joint venture contribution was \$(1.8) million; YoY decrease of \$35.8 million
 - Primarily due to lower other terminal revenue and lower lift volume

Current Business Trends

- Expect 2Q23 lift volume to reflect challenging environment in Transpacific tradelane and lower YoY other terminal revenue
- Absent an economic “hard landing,” expect to trend to pre-pandemic profitability levels in 2H23

Equity in Income of Joint Venture



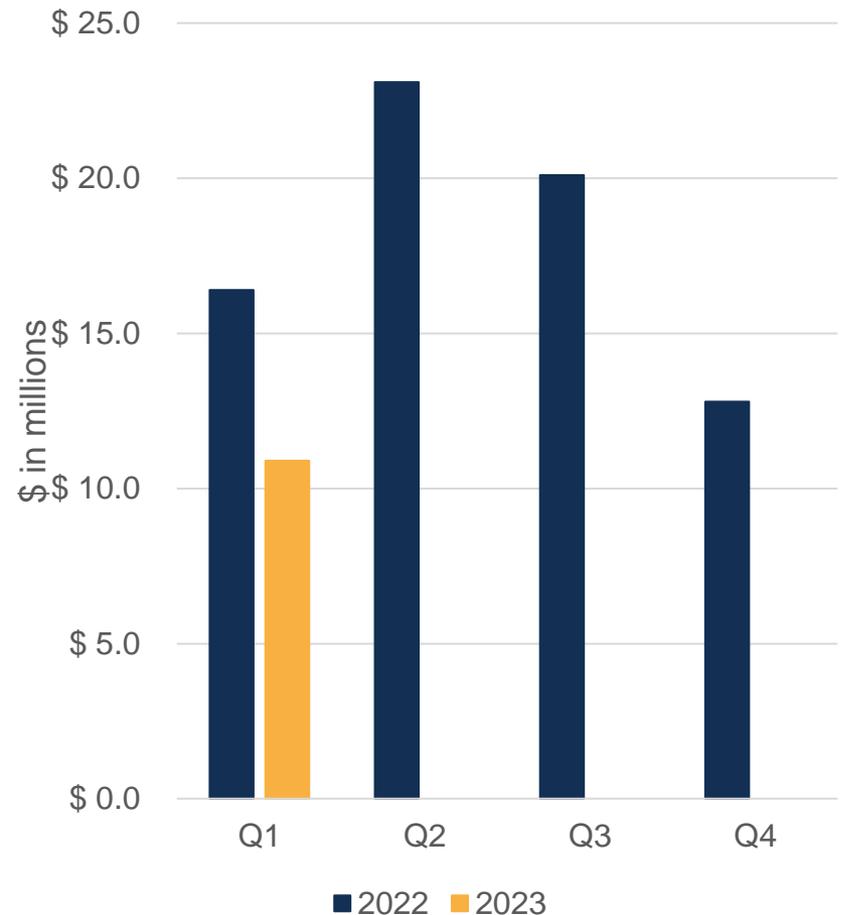
First Quarter 2023 Performance

- Operating income of \$10.9 million; YoY decrease of approximately \$5.5 million
 - Lower contribution from supply chain management consistent with lower demand in Transpacific tradelane
 - Lower contribution from transportation brokerage

Current Business Trends

- Expect continued growth in Alaska to be supportive of freight forwarding demand
- Expect supply chain management to track the China service – challenging 2Q23
- Expect near-term challenges for transportation brokerage with lower freight demand driven primarily by retail customers continuing to manage down inventories, excess capacity and declining accessorial fees

Operating Income



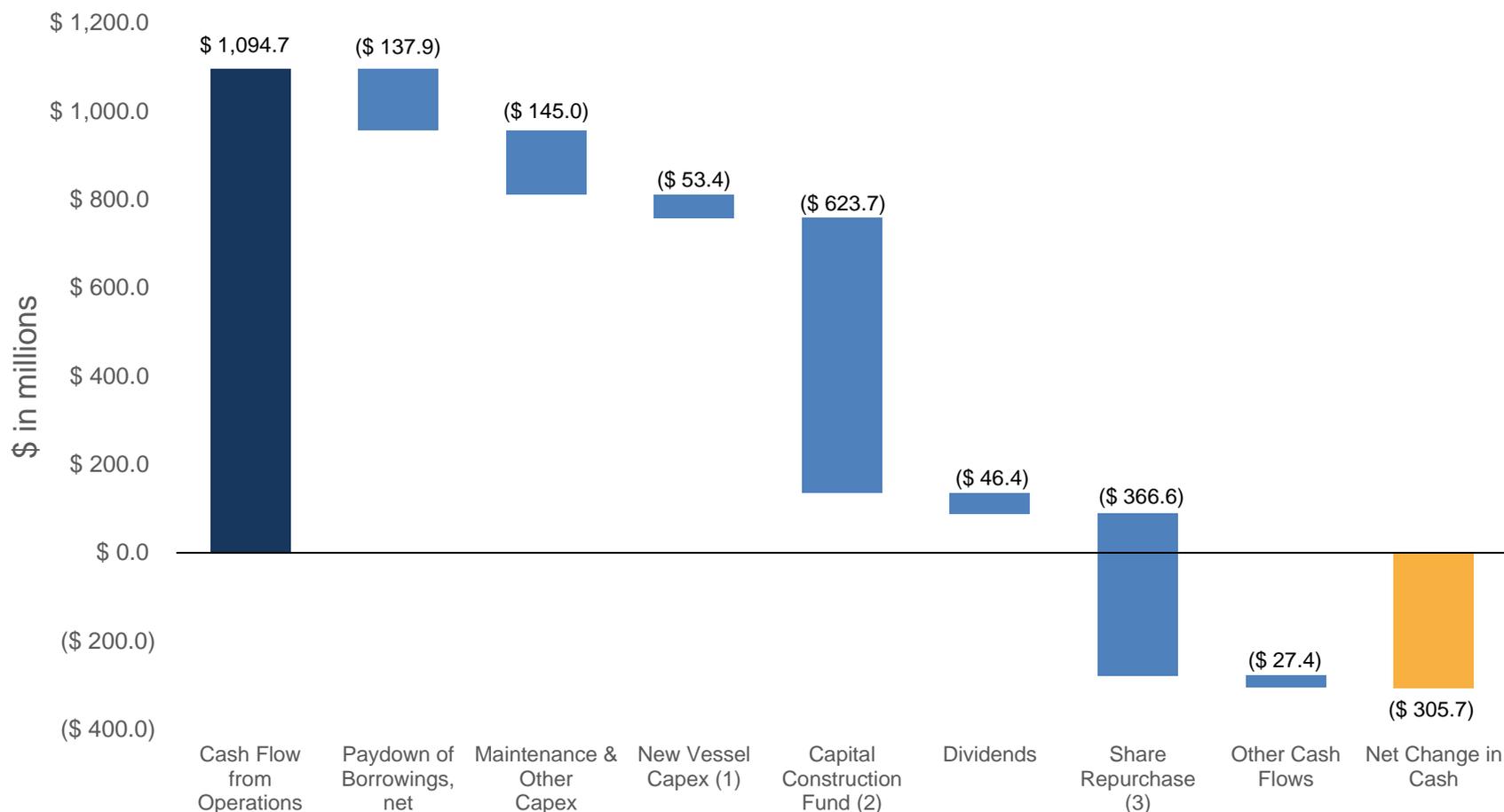
Financial Results – Summary Income Statement

(\$ in millions, except per share data)	First Quarter		
	Quarters Ended 3/31		Δ
	2023	2022	\$
Revenue			
Ocean Transportation	\$ 551.0	\$ 943.9	(\$ 392.9)
Logistics	153.8	221.6	(67.8)
Total Revenue	\$ 704.8	\$ 1,165.5	(\$ 460.7)
Operating Income			
Ocean Transportation	\$ 27.8	\$ 416.2	(\$ 388.4)
Logistics	10.9	16.4	(5.5)
Total Operating Income	\$ 38.7	\$ 432.6	(\$ 393.9)
Interest income	8.2	—	
Interest expense	(4.5)	(4.8)	
Other income (expense), net	1.8	2.0	
Income taxes	(10.2)	(90.6)	
Net Income	\$ 34.0	\$ 339.2	(\$ 305.2)
GAAP EPS, diluted	\$ 0.94	\$ 8.23	(\$ 7.29)
Depreciation and Amortization (incl. dry-dock amortization)	\$ 41.2	\$ 41.8	(\$ 0.6)
EBITDA	\$ 81.7	\$ 476.4	(\$ 394.7)

See the Addendum for a reconciliation of GAAP to non-GAAP Financial Metrics.

Cash Generation and Uses of Cash

Last Twelve Months Ended March 31, 2023



(1) Includes capitalized interest and owner's items.

(2) Includes cash deposits into Capital Construction Fund (CCF) and interest income on cash deposits in CCF, net of withdrawals for milestone payments.

(3) Includes taxes.

Financial Results – Summary Balance Sheet

(\$ in millions)	March 31, 2023	December 31, 2022
ASSETS		
Cash and cash equivalents	\$ 88.5	\$ 249.8
Other current assets	478.2	509.8
Total current assets	566.7	759.6
Investment in SSAT	81.5	81.2
Property and equipment, net	1,967.1	1,962.5
Intangible assets, net	188.1	174.9
Capital Construction Fund (CCF)	623.7	518.2
Goodwill	327.8	327.8
Other long-term assets	472.4	505.8
Total assets	\$ 4,227.3	\$ 4,330.0
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current portion of debt	\$ 46.3	\$ 76.9
Other current liabilities	489.5	504.7
Total current liabilities	535.8	581.6
Long-term debt, net of deferred loan fees	417.9	427.7
Other long-term liabilities	1,003.3	1,023.8
Total long-term liabilities	1,421.2	1,451.5
Total shareholders' equity	2,270.3	2,296.9
Total liabilities and shareholders' equity	\$ 4,227.3	\$ 4,330.0

Share Repurchase

- 1Q23: ~0.7 million shares repurchased for total cost of \$42.1 million
- In April, Board approved adding 3 million shares to existing program and extended program end date to 12/31/25

Debt Levels

- Total Debt of \$476.7 million⁽¹⁾
 - All outstanding debt is fixed rate
 - Average interest rate of 2.04%
- In January 2023, prepaid \$14.3 million for all outstanding principal on *Maunawili* Title XI
- In March 2023, prepaid \$12.1 million for all outstanding principal on *Manukai* Title XI

See the Addendum for a reconciliation of GAAP to non-GAAP Financial Metrics.

(1) Total Debt is presented before any reduction for deferred loan fees as required by GAAP.

Capital Construction Fund (CCF)

- In February 2023, deposited \$100 million in cash into CCF and pledged accounts receivable to reduce taxable income in 2022
- Currently, don't expect to make additional cash contributions to the CCF for milestone payments until 2026
- CCF cash balance on 3/31/23 of \$623.7 million
 - Nearly two-thirds of remaining milestone payments to be funded with restricted cash in CCF ⁽¹⁾
 - CCF restricted cash currently held in U.S. Treasury obligations fund with daily liquidity; securities held within the fund had a wtd. average life of 35 days
- Continue to expect a tax refund of ~\$119 million for cash deposited into the CCF for 2021 taxes
 - Expect the refund to be used for general corporate purposes and to be included in cash and cash equivalents on balance sheet
- Next milestone payment to be made from CCF this quarter of ~\$50 million

(1) Based on remaining milestone payments on May 4, 2023 of ~\$949 million. Excludes any interest income on cash deposits that may be earned in future years.

Closing Thoughts

- We expect the consolidated operating income in 2Q23 to be higher than 1Q23
 - Normal seasonality returns to our domestic tradelanes and Logistics
 - Expect our China service to experience freight demand below normalized conditions
- In the near-term, we expect:
 - Continued economic growth in Alaska to be supportive of improved freight demand; muted freight demand in Hawaii and Guam
 - Recognize uncertainty in macroeconomic environment
 - Within Transpacific, expect improved trade dynamics in 2H23 as the market transitions to a more normalized level of demand
- Feel good about our market positioning in Ocean Transportation and Logistics
 - Leverage Matson brand for growth opportunities



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Appendix

Appendix – Non-GAAP Measures

Matson reports financial results in accordance with U.S. generally accepted accounting principles (“GAAP”). The Company also considers other non-GAAP measures to evaluate performance, make day-to-day operating decisions, help investors understand our ability to incur and service debt and to make capital expenditures, and to understand period-over-period operating results separate and apart from items that may, or could, have a disproportional positive or negative impact on results in any particular period. These non-GAAP measures include, but are not limited to, Earnings Before Interest, Income Taxes, Depreciation and Amortization (“EBITDA”).

MATSON, INC. AND SUBSIDIARIES Net Income to EBITDA Reconciliations (Unaudited)

(In millions)	Three Months Ended			Last Twelve Months
	2023	2022	Change	
Net Income	\$ 34.0	\$ 339.2	\$ (305.2)	\$ 758.7
Subtract: Interest income	(8.2)	—	(8.2)	(16.4)
Add: Interest expense	4.5	4.8	(0.3)	17.7
Add: Income taxes	10.2	90.6	(80.4)	208.0
Add: Depreciation and amortization	35.0	35.1	(0.1)	139.1
Add: Dry-dock amortization	6.2	6.7	(0.5)	24.4
EBITDA (1)	\$ 81.7	\$ 476.4	\$ (394.7)	\$ 1,131.5

- (1) EBITDA is defined as earnings before interest, income taxes, depreciation and amortization (including deferred dry-docking amortization). EBITDA should not be considered as an alternative to net income (as determined in accordance with GAAP), as an indicator of our operating performance, or to cash flows from operating activities (as determined in accordance with GAAP) as a measure of liquidity. Our calculation of EBITDA may not be comparable to EBITDA as calculated by other companies, nor is this calculation identical to the EBITDA used by our lenders to determine financial covenant compliance.