



## MATSON, INC. ANNOUNCES THIRD QUARTER 2024 RESULTS

October 30, 2024

- 3Q24 EPS of \$5.89 versus \$3.40 in 3Q23
- 3Q24 Net Income of \$199.1 million versus \$119.9 million in 3Q23
- 3Q24 Consolidated Operating Income of \$242.3 million versus \$132.1 million in 3Q23
- 3Q24 EBITDA of \$289.4 million versus \$175.1 million in 3Q23
- Repurchased approximately 0.4 million shares in 3Q24
- Raising outlook for Full Year 2024 Consolidated Operating Income

HONOLULU, Oct. 30, 2024 /PRNewswire/ -- Matson, Inc. ("Matson" or the "Company") (NYSE: MATX), a leading U.S. carrier in the Pacific, today reported net income of \$199.1 million, or \$5.89 per diluted share, for the quarter ended September 30, 2024. Net income for the quarter ended September 30, 2023 was \$119.9 million, or \$3.40 per diluted share. Consolidated revenue for the third quarter 2024 was \$962.0 million compared with \$827.5 million for the third quarter 2023.



"Matson had a very strong third quarter that exceeded our expectations with higher year-over-year operating income in both Ocean Transportation and Logistics segments. Within Ocean Transportation, our China service was the primary driver of the increase in consolidated operating income year-over-year. We saw a traditional peak season with strong freight demand leading to significantly higher year-over-year freight rates for both the CLX and MAX services. A resilient U.S. economy and a stable consumer demand environment coupled with tighter supply chain conditions supported these elevated freight rates. In the near term, we expect freight rates to moderate with normal seasonality, but remain elevated as long as the underlying economic, supply chain, and geopolitical conditions persist. As we close out the year and prepare for 2025, we remain focused on continuing to deliver a differentiated value proposition as compared to air freight with CLX and MAX services as the two fastest and most reliable expedited ocean services in the Transpacific."

Mr. Cox added, "In our domestic tradelanes, we saw higher year-over-volume in Alaska, while Hawaii and Guam saw lower year-over-year volume. Logistics operating income in the third quarter increased year-over-year due to higher contributions from supply chain management and transportation brokerage."

"Looking ahead, we expect our China service freight rates in the fourth quarter to be significantly higher than the levels achieved in the year ago period, but lower than the average rates achieved in the third quarter as the peak season demand eases. For our domestic tradelanes in aggregate, we expect full year volume to approach the levels achieved in 2023, absent a significant change in the trajectory of the U.S. economy. For Ocean Transportation in the fourth quarter 2024, we expect operating income to be meaningfully higher than the \$66.4 million achieved in the fourth quarter 2023. For Logistics, we expect operating income in the fourth quarter 2024 to be modestly higher than the level achieved last year. As a result, we now expect Matson's consolidated fourth quarter 2024 operating income to be meaningfully higher than the \$75.3 million achieved in the fourth quarter 2023.

### Third Quarter 2024 Discussion and Outlook for 2024

**Ocean Transportation:** The Company's container volume in the Hawaii service in the third quarter 2024 was 2.2 percent lower year-over-year. The decrease was primarily due to lower general demand. Hawaii's economy continues to grow slowly with stalled growth in statewide tourist arrivals due to declines in Maui tourism following last year's wildfires and the sluggish pace of recovery in Japanese tourist arrivals which have been impacted by weakness in the yen to the U.S. dollar exchange rate. The Company expects volume for the full year 2024 to be modestly lower than the level achieved in 2023, primarily due to low-to-no growth in tourism, continued challenges in population growth and lower discretionary income as a result of higher inflation and interest rates.

In China, the Company achieved significantly higher freight rates in the third quarter 2024 compared to the year ago period. The Company's container volume in the third quarter 2024 also increased 2.6 percent year-over-year due to two additional sailings. The elevated freight rates were primarily due to a traditional peak season with strong freight demand leading to significantly higher year-over-year freight rates for both the CLX and MAX services. A resilient U.S. economy and a stable consumer demand environment coupled with tighter supply chain conditions supported these elevated freight rates. In the near term, the Company expects its China service freight rates in the fourth quarter to remain elevated and to be significantly higher than the levels achieved in the year ago period as long as the underlying economic, supply chain, and geopolitical conditions persist. Regardless, the Company remains focused on continuing to deliver a differentiated value proposition as compared to air freight with CLX and MAX services as the two fastest and most reliable expedited ocean services in the Transpacific.

In Guam, the Company's container volume in the third quarter 2024 decreased 9.4 percent year-over-year. The decrease was primarily due to lower demand from retail and food and beverage segments. In the near term, the Company expects the Guam economy to remain stable with a low unemployment rate, but slow growth in tourism. For the full year 2024, the Company expects volume to be lower than the level achieved last year.

In Alaska, the Company's container volume for the third quarter 2024 increased 1.4 percent year-over-year primarily due to higher retail-related

demand. In the near term, the Company expects continued economic growth in Alaska supported by a low unemployment rate, jobs growth and lower levels of inflation. For the full year 2024, the Company expects volume to approximate the level achieved last year.

The contribution in the third quarter 2024 from the Company's SSAT joint venture investment was \$6.9 million, or \$5.6 million higher than the third quarter 2023. The increase was primarily due to higher lift volume. For 2024, the Company expects the contribution from SSAT to be higher than the levels achieved in 2023 due to an expected increase in lift volume.

As a result of the outlook trends noted above, the Company expects fourth quarter 2024 operating income for Ocean Transportation to be meaningfully higher than the \$66.4 million achieved in the fourth quarter 2023.

*Logistics:* In the third quarter 2024, operating income for the Company's Logistics segment was \$15.4 million, or \$1.5 million higher compared to the level achieved in the third quarter 2023. The increase was primarily due to higher contributions from supply chain management and transportation brokerage. The Company expects operating income in the fourth quarter of 2024 to be modestly higher than the level achieved last year.

*Consolidated Operating Income:* The Company expects Matson's fourth quarter 2024 consolidated operating income to be meaningfully higher than the \$75.3 million achieved in the fourth quarter 2023.

*Depreciation and Amortization:* For full year 2024, the Company expects depreciation and amortization expense to be approximately \$180 million, inclusive of dry-docking amortization of approximately \$27 million.

*Interest Income:* The Company expects interest income for the full year 2024 to be approximately \$47 million. This includes the receipt on April 19, 2024 of \$10.2 million in interest income earned on the federal tax refund related to the Company's 2021 federal tax return.

*Interest Expense:* The Company expects interest expense for the full year 2024 to be approximately \$8 million.

*Other Income (Expense):* The Company expects full year 2024 other income (expense) to be approximately \$7 million in income, which is attributable to the amortization of certain components of net periodic benefit costs or gains related to the Company's pension and post-retirement plans.

*Income Taxes:* In the third quarter 2024, the Company's effective tax rate was 21.2 percent. For the fourth quarter 2024, the Company expects its effective tax rate to be approximately 22.0 percent.

*Capital and Vessel Dry-docking Expenditures:* In the third quarter 2024, the Company made capital expenditure payments excluding vessel construction expenditures of \$58.0 million, capitalized vessel construction expenditures of \$1.6 million, and dry-docking payments of \$2.9 million. For the full year 2024, the Company expects to make other capital expenditure payments, including maintenance capital expenditures, of approximately \$110 to \$120 million, new vessel construction expenditures (including capitalized interest and owner's items) of approximately \$77 million, expenditures for LNG installations and reengining on existing vessels of approximately \$85 to \$90 million, and dry-docking payments of approximately \$35 million.

## Results By Segment

### Ocean Transportation — Three months ended September 30, 2024 compared with 2023

(Dollars in millions)	Three Months Ended September 30,			
	2024	2023	Change	
Ocean Transportation revenue	\$ 798.7	\$ 669.4	\$ 129.3	19.3 %
Operating costs and expenses	(571.8)	(551.2)	(20.6)	3.7 %
Operating income	\$ 226.9	\$ 118.2	\$ 108.7	92.0 %
Operating income margin	28.4 %	17.7 %		
Volume (Forty-foot equivalent units (FEU), except for automobiles) (1)				
Hawaii containers	36,200	37,000	(800)	(2.2) %
Hawaii automobiles	8,400	10,100	(1,700)	(16.8) %
Alaska containers	22,200	21,900	300	1.4 %
China containers	40,000	39,000	1,000	2.6 %
Guam containers	4,800	5,300	(500)	(9.4) %
Other containers (2)	4,700	4,300	400	9.3 %

(1) Approximate volume included for the period are based on the voyage departure date, but revenue and operating income are adjusted to reflect the percentage of revenue and operating income earned during the reporting period for voyages in transit at the end of each reporting period.

(2) Includes containers from services in various islands in Micronesia and the South Pacific, and Okinawa, Japan.

Ocean Transportation revenue increased \$129.3 million, or 19.3 percent, during the three months ended September 30, 2024, compared with the three months ended September 30, 2023. The increase was primarily due to significantly higher freight rates in China, higher freight rates in the domestic tradelanes and higher volume in China.

On a year-over-year FEU basis, Hawaii container volume decreased 2.2 percent primarily due to lower general demand; Alaska volume increased 1.4 percent primarily due to higher retail-related demand; China volume was 2.6 percent higher due to two additional sailings; Guam volume decreased 9.4 percent primarily due to lower demand from retail and food and beverage segments; and Other containers volume increased 9.3 percent.

Ocean Transportation operating income increased \$108.7 million, or 92.0 percent, during the three months ended September 30, 2024, compared with

the three months ended September 30, 2023. The increase was primarily due to significantly higher freight rates in China and higher freight rates in the domestic tradelanes, partially offset by higher vessel operating costs.

The Company's SSAT terminal joint venture investment contributed \$6.9 million during the three months ended September 30, 2024, compared to a contribution of \$1.3 million during the three months ended September 30, 2023. The increase was primarily driven by higher lift volume.

### Ocean Transportation — Nine months ended September 30, 2024 compared with 2023

(Dollars in millions)	Nine Months Ended September 30,			
	2024	2023	Change	
Ocean Transportation revenue	\$ 2,067.6	\$ 1,837.3	\$ 230.3	12.5 %
Operating costs and expenses	(1,704.1)	(1,608.9)	(95.2)	5.9 %
Operating income	\$ 363.5	\$ 228.4	\$ 135.1	59.2 %
Operating income margin	17.6 %	12.4 %		
Volume (Forty-foot equivalent units (FEU), except for automobiles) (1)				
Hawaii containers	105,900	108,600	(2,700)	(2.5) %
Hawaii automobiles	23,400	29,300	(5,900)	(20.1) %
Alaska containers	62,500	62,200	300	0.5 %
China containers	106,700	105,800	900	0.9 %
Guam containers	14,300	15,100	(800)	(5.3) %
Other containers (2)	12,700	12,800	(100)	(0.8) %

(1) Approximate volume included for the period are based on the voyage departure date, but revenue and operating income are adjusted to reflect the percentage of revenue and operating income earned during the reporting period for voyages in transit at the end of each reporting period.

(2) Includes containers from services in various islands in Micronesia and the South Pacific, and Okinawa, Japan.

Ocean Transportation revenue increased \$230.3 million, or 12.5 percent, during the nine months ended September 30, 2024, compared with the nine months ended September 30, 2023. The increase was primarily due to significantly higher freight rates in China and higher freight rates in the domestic tradelanes, partially offset by lower volume in Hawaii.

On a year-over-year FEU basis, Hawaii container volume decreased 2.5 percent primarily due to lower general demand; Alaska volume increased 0.5 percent; China volume increased 0.9 percent primarily due to one additional sailing; Guam volume decreased 5.3 percent primarily due to lower general demand and one less sailing; and Other containers volume decreased 0.8 percent.

Ocean Transportation operating income increased \$135.1 million, or 59.2 percent, during the nine months ended September 30, 2024, compared with the nine months ended September 30, 2023. The increase was primarily due to significantly higher freight rates in China and higher freight rates in the domestic tradelanes, partially offset by higher vessel operating costs.

The Company's SSAT terminal joint venture investment contributed \$8.5 million during the nine months ended September 30, 2024, compared to a loss of \$1.9 million during the nine months ended September 30, 2023. The increase was primarily driven by higher lift volume.

### Logistics — Three months ended September 30, 2024 compared with 2023

(Dollars in millions)	Three Months Ended September 30,			
	2024	2023	Change	
Logistics revenue	\$ 163.3	\$ 158.1	\$ 5.2	3.3 %
Operating costs and expenses	(147.9)	(144.2)	(3.7)	2.6 %
Operating income	\$ 15.4	\$ 13.9	\$ 1.5	10.8 %
Operating income margin	9.4 %	8.8 %		

Logistics revenue increased \$5.2 million, or 3.3 percent, during the three months ended September 30, 2024, compared with the three months ended September 30, 2023. The increase was primarily due to higher revenue in freight forwarding, supply chain management, and transportation brokerage.

Logistics operating income increased \$1.5 million, or 10.8 percent, during the three months ended September 30, 2024, compared with the three months ended September 30, 2023. The increase was primarily due to higher contributions from supply chain management and transportation brokerage.

### Logistics — Nine months ended September 30, 2024 compared with 2023

(Dollars in millions)	Nine Months Ended September 30,			
	2024	2023	Change	
Logistics revenue	\$ 463.9	\$ 468.4	\$ (4.5)	(1.0) %
Operating costs and expenses	(423.6)	(429.3)	5.7	(1.3) %
Operating income	\$ 40.3	\$ 39.1	\$ 1.2	3.1 %
Operating income margin	8.7 %	8.3 %		

Logistics revenue decreased \$4.5 million, or 1.0 percent, during the nine months ended September 30, 2024, compared with the nine months ended September 30, 2023. The decrease was primarily due to lower revenue in transportation brokerage.

Logistics operating income increased \$1.2 million, or 3.1 percent, during the nine months ended September 30, 2024, compared with the nine months ended September 30, 2023. The increase was primarily due to a higher contribution from supply chain management.

### **Liquidity, Cash Flows and Capital Allocation**

Matson's Cash and Cash Equivalents increased by \$136.3 million from \$134.0 million at December 31, 2023 to \$270.3 million at September 30, 2024. As of September 30, 2024, the Company's Capital Construction Fund was \$635.4 million consisting of cash and cash equivalents and investments in fixed-rate U.S. Treasuries. Matson generated net cash from operating activities of \$593.1 million during the nine months ended September 30, 2024, compared to \$399.1 million during the nine months ended September 30, 2023. Capital expenditures (including capitalized vessel construction expenditures) totaled \$184.7 million for the nine months ended September 30, 2024, compared with \$187.5 million for the nine months ended September 30, 2023. Total debt decreased by \$30.0 million during the nine months to \$410.6 million as of September 30, 2024, of which \$370.9 million was classified as long-term debt.<sup>1</sup> As of September 30, 2024, Matson had available borrowings under its revolving credit facility of \$644.2 million.

During the third quarter 2024, Matson repurchased approximately 0.4 million shares for a total cost of \$48.1 million. As of the end of the third quarter 2024, there were approximately 1.0 million shares remaining in the Company's share repurchase program. Matson's Board of Directors also declared a cash dividend of \$0.34 per share payable on December 5, 2024 to all shareholders of record as of the close of business on November 7, 2024.

<sup>1</sup> Total debt is presented before any reduction for deferred loan fees as required by GAAP.

### **Teleconference and Webcast**

A conference call is scheduled on October 30, 2024 at 4:30 p.m. ET when Matt Cox, Chairman and Chief Executive Officer, and Joel Wine, Executive Vice President and Chief Financial Officer, will discuss Matson's third quarter results.

Date of Conference Call: Wednesday, October 30, 2024

Scheduled Time: 4:30 p.m. ET / 1:30 p.m. PT / 10:30 a.m. HT

The conference call will be broadcast live along with an additional slide presentation on the Company's website at [www.matson.com](http://www.matson.com), under Investors.

Participants may register for the conference call at:

<https://register.vevent.com/register/BI3cd881662f5648948a7c2f905510e4eb>

Registered participants will receive the conference call dial-in number and a unique PIN code to access the live event. While not required, it is recommended you join 10 minutes prior to the event starting time. A replay of the conference call will be available approximately two hours after the event by accessing the webcast link at [www.matson.com](http://www.matson.com), under Investors.

### **About the Company**

Founded in 1882, Matson (NYSE: MATX) is a leading provider of ocean transportation and logistics services. Matson provides a vital lifeline of ocean freight transportation services to the domestic non-contiguous economies of Hawaii, Alaska, and Guam, and to other island economies in Micronesia. Matson also operates premium, expedited services from China to Long Beach, California, provides service to Okinawa, Japan and various islands in the South Pacific, and operates an international export service from Alaska to Asia. The Company's fleet of owned and chartered vessels includes containerships, combination container and roll-on/roll-off ships and custom-designed barges. Matson Logistics, established in 1987, extends the geographic reach of Matson's transportation network throughout North America and Asia. Its integrated, asset-light logistics services include rail intermodal, highway brokerage, warehousing, freight consolidation, supply chain management, and freight forwarding to Alaska. Additional information about the Company is available at [www.matson.com](http://www.matson.com).

### **GAAP to Non-GAAP Reconciliation**

This press release, the Form 8-K and the information to be discussed in the conference call include non-GAAP measures. While 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").

### **Forward-Looking Statements**

Statements in this news release that are not historical facts are "forward-looking statements," within the meaning of the Private Securities Litigation Reform Act of 1995, including without limitation those statements regarding outlook; operating income; depreciation and amortization, including dry-docking amortization; interest income; interest expense; other income (expense); tax rate; capital and vessel dry-docking expenditures; volume, freight rates and demand; economic, supply chain, and geopolitical conditions; supply and demand dynamics in the Transpacific; economic growth and drivers in Hawaii, Alaska and Guam; population growth; discretionary income; interest rates; tourism levels; recovery from the Maui wildfires; unemployment rates; jobs growth; inflation levels; contribution from and lift volume at SSAT; vessel transit times; refueling initiatives; timing and amount of milestone payments and related costs; and the timing, manner and volume of repurchases of common stock pursuant to the repurchase program. These statements involve a number of risks and uncertainties that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement, including but not limited to risks and uncertainties relating to repeal, substantial amendment or waiver of the Jones Act or changes in its application, or the Company were determined not to be a United States citizen under the Jones Act; changes in macroeconomic conditions, geopolitical developments, or governmental policies; our ability to offer a differentiated service in China for which customers are willing to pay a significant premium; new or increased competition; our relationship with customers and vendors and changes in related

agreements; fuel prices, our ability to collect fuel-related surcharges and/or the cost or limited availability of required fuels; evolving regulations and stakeholder expectations related to sustainability matters; timely or successful completion of fleet upgrade initiatives; the Company's vessel construction agreements with Philly Shipyard; the occurrence of weather, natural disasters, maritime accidents, spill events and other physical and operating risks; transitional and other risks arising from climate change; actual or threatened health epidemics, outbreaks of disease, pandemics or other major health crises; significant operating agreements and leases that may not be renewed/replaced on favorable or acceptable terms; any unanticipated dry-docking or repair costs; joint venture relationships; conducting business in foreign shipping markets, including the imposition of tariffs or a change in international trade policies; any delays or cost overruns related to the modernization of terminals; war, actual or threatened terrorist attacks, efforts to combat terrorism and other acts of violence; consummating and integrating acquisitions; work stoppages or other labor disruptions caused by our unionized workers and other workers or their unions in related industries; loss of key personnel or failure to adequately manage human capital; the use of our information technology and communication systems and cybersecurity attacks; changes in our credit profile, disruptions of the credit markets, changes in interest rates and our future financial performance; our ability to access the debt capital markets; continuation of the Title XI and CCF programs; costs to comply with and liability related to numerous safety, environmental, and other laws and regulations; and disputes, legal and other proceedings and government inquiries or investigations. These forward-looking statements are not guarantees of future performance. This release should be read in conjunction with our Annual Report on Form 10-K for the year ended December 31, 2023 and our other filings with the SEC through the date of this release, which identify important factors that could affect the forward-looking statements in this release. We do not undertake any obligation to update our forward-looking statements.

**MATSON, INC. AND SUBSIDIARIES**  
**Condensed Consolidated Statements of Income**  
(Unaudited)

<b>(In millions, except per share amounts)</b>	<b>Three Months Ended</b>		<b>Nine Months Ended</b>	
	<b>September 30,</b>		<b>September 30,</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Operating Revenue:				
Ocean Transportation	\$ 798.7	\$ 669.4	\$ 2,067.6	\$ 1,837.3
Logistics	163.3	158.1	463.9	468.4
Total Operating Revenue	<u>962.0</u>	<u>827.5</u>	<u>2,531.5</u>	<u>2,305.7</u>
Costs and Expenses:				
Operating costs	(654.3)	(624.1)	(1,913.4)	(1,826.3)
Income (Loss) from SSAT	6.9	1.3	8.5	(1.9)
Selling, general and administrative	(72.3)	(72.6)	(222.8)	(210.0)
Total Costs and Expenses	<u>(719.7)</u>	<u>(695.4)</u>	<u>(2,127.7)</u>	<u>(2,038.2)</u>
Operating Income	242.3	132.1	403.8	267.5
Interest income	10.4	9.3	38.0	26.2
Interest expense	(1.8)	(2.4)	(6.1)	(9.8)
Other income (expense), net	1.9	1.2	5.5	4.8
Income before Taxes	252.8	140.2	441.2	288.7
Income taxes	(53.7)	(20.3)	(92.8)	(54.0)
Net Income	<u>\$ 199.1</u>	<u>\$ 119.9</u>	<u>\$ 348.4</u>	<u>\$ 234.7</u>
Basic Earnings Per Share	\$ 5.98	\$ 3.42	\$ 10.28	\$ 6.59
Diluted Earnings Per Share	\$ 5.89	\$ 3.40	\$ 10.13	\$ 6.56
Weighted Average Number of Shares Outstanding:				
Basic	33.3	35.1	33.9	35.6
Diluted	33.8	35.3	34.4	35.8

**MATSON, INC. AND SUBSIDIARIES**  
**Condensed Consolidated Balance Sheets**  
(Unaudited)

<b>(In millions)</b>	<b>September 30,</b>	<b>December 31,</b>
	<b>2024</b>	<b>2023</b>
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 270.3	\$ 134.0
Other current assets	381.5	468.3
Total current assets	<u>651.8</u>	<u>602.3</u>

Long-term Assets:		
Investment in SSAT	93.3	85.5
Property and equipment, net	2,190.6	2,089.9
Goodwill	327.8	327.8
Intangible assets, net	164.0	176.4
Capital Construction Fund	635.4	599.4
Other long-term assets	379.3	413.3
Total long-term assets	<u>3,790.4</u>	<u>3,692.3</u>
Total assets	<u>\$ 4,442.2</u>	<u>\$ 4,294.6</u>

#### LIABILITIES AND SHAREHOLDERS' EQUITY

Current Liabilities:		
Current portion of debt	\$ 39.7	\$ 39.7
Other current liabilities	<u>538.0</u>	<u>522.6</u>
Total current liabilities	<u>577.7</u>	<u>562.3</u>
Long-term Liabilities:		
Long-term debt, net of deferred loan fees	360.2	389.3
Deferred income taxes	692.6	669.3
Other long-term liabilities	<u>255.0</u>	<u>273.0</u>
Total long-term liabilities	<u>1,307.8</u>	<u>1,331.6</u>
Total shareholders' equity	<u>2,556.7</u>	<u>2,400.7</u>
Total liabilities and shareholders' equity	<u>\$ 4,442.2</u>	<u>\$ 4,294.6</u>

**MATSON, INC. AND SUBSIDIARIES**  
**Condensed Consolidated Statements of Cash Flows**  
(Unaudited)

(In millions)	Nine Months Ended September 30,	
	2024	2023
Cash Flows From Operating Activities:		
Net income	\$ 348.4	\$ 234.7
Reconciling adjustments:		
Depreciation and amortization	114.7	108.1
Amortization of operating lease right of use assets	102.1	108.2
Deferred income taxes	16.2	(9.3)
Share-based compensation expense	19.1	17.6
(Income) loss from SSAT	(8.5)	1.9
Distributions from SSAT	14.0	—
Other	(9.1)	(1.7)
Changes in assets and liabilities:		
Accounts receivable, net	(31.7)	(37.1)
Deferred dry-docking payments	(20.2)	(17.3)
Deferred dry-docking amortization	21.0	18.6
Prepaid expenses and other assets	116.9	65.8
Accounts payable, accruals and other liabilities	27.6	34.4
Operating lease liabilities	(104.0)	(109.9)
Other long-term liabilities	(13.4)	(14.9)
Net cash provided by operating activities	<u>593.1</u>	<u>399.1</u>
Cash Flows From Investing Activities:		
Capitalized vessel construction expenditures	(39.8)	(52.1)
Capital expenditures (excluding vessel construction expenditures)	(144.9)	(135.4)
Proceeds from disposal of property and equipment, net	4.4	0.1
Payments for asset acquisitions	(0.7)	(12.4)
Cash and interest deposited into the Capital Construction Fund	(63.6)	(120.8)
Withdrawals from Capital Construction Fund	35.8	49.9
Net cash used in investing activities	<u>(208.8)</u>	<u>(270.7)</u>
Cash Flows From Financing Activities:		

Repayments of debt	(30.0)	(67.2)
Dividends paid	(33.5)	(33.8)
Repurchase of Matson common stock	(167.4)	(108.2)
Tax withholding related to net share settlements of restricted stock units	(17.0)	(12.5)
Net cash used in financing activities	<u>(247.9)</u>	<u>(221.7)</u>
Net Increase (Decrease) in Cash, Cash Equivalents and Restricted Cash	136.4	(93.3)
Cash and Cash Equivalents, and Restricted Cash, Beginning of the Period	<u>136.3</u>	<u>253.7</u>
Cash and Cash Equivalents, and Restricted Cash, End of the Period	<u>\$ 272.7</u>	<u>\$ 160.4</u>
Reconciliation of Cash, Cash Equivalents and Restricted Cash, End of the Period:		
Cash and Cash Equivalents	\$ 270.3	\$ 156.5
Restricted Cash	<u>2.4</u>	<u>3.9</u>
Total Cash and Cash Equivalents, and Restricted Cash, End of the Period	<u>\$ 272.7</u>	<u>\$ 160.4</u>
Supplemental Cash Flow Information:		
Interest paid, net of capitalized interest	\$ 5.3	\$ 9.6
Income tax payments (refunds), net	\$ (85.1)	\$ (5.3)
Non-cash Information:		
Capital expenditures included in accounts payable, accruals and other liabilities	\$ 26.9	\$ 7.8
Non-cash payments for asset acquisitions	\$ —	\$ 4.1

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

(In millions)	Three Months Ended			Last Twelve Months
	September 30,			
	2024	2023	Change	
Net Income	\$ 199.1	\$ 119.9	\$ 79.2	\$ 410.8
Subtract: Interest income	(10.4)	(9.3)	(1.1)	(47.8)
Add: Interest expense	1.8	2.4	(0.6)	8.5
Add: Income taxes	53.7	20.3	33.4	114.7
Add: Depreciation and amortization	37.9	35.6	2.3	149.2
Add: Dry-dock amortization	7.3	6.2	1.1	27.7
EBITDA (1)	<u>\$ 289.4</u>	<u>\$ 175.1</u>	<u>\$ 114.3</u>	<u>\$ 663.1</u>

(In millions)	Nine Months Ended		
	September 30,		
	2024	2023	Change
Net Income	\$ 348.4	\$ 234.7	\$ 113.7
Subtract: Interest income	(38.0)	(26.2)	(11.8)
Add: Interest expense	6.1	9.8	(3.7)
Add: Income taxes	92.8	54.0	38.8
Add: Depreciation and amortization	113.4	106.4	7.0
Add: Dry-dock amortization	21.0	18.6	2.4
EBITDA (1)	<u>\$ 543.7</u>	<u>\$ 397.3</u>	<u>\$ 146.4</u>

(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.

SOURCE Matson, Inc.

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