

To our  
shareholders:

2024 was another strong year for Matson, as our premium, expedited services resonated with shippers amid continued global supply chain disruptions. Coupled with a resilient U.S. economy and ongoing consumer appetite for high-value and time-sensitive goods, our results exceeded expectations.

During the year, we renewed our commitment to **move freight better than anyone**. With each voyage, we strived to maintain on-time cargo availability and premium customer service. In times of supply chain disruption, Matson shines by putting our assets and expertise to work for our customers to find solutions to their needs — both great and small. When others fall short, Matson delivers.

## Our year in review

Matson earned \$476.4 million in net income and generated \$767.8 million in cash flow from operations in 2024, significantly outpacing 2023 returns. We benefited from elevated freight rates and heightened demand for our expedited China-Long Beach (the CLX and MAX) services, running these vessels full or nearly so throughout the year.

**In a few short years, we have strengthened the Matson brand by operating the two fastest ocean Transpacific services with best-in-class on-time arrivals, reliability, and customer service.**

And while we expect our Transpacific rates to moderate in the coming year, underlying demand for our expedited China service, predicated on the growth of high-value garments, e-goods and e-commerce, and the conversion of air freight, is increasing.

Domestically, our core tradelanes (Hawaii, Alaska, and Guam) continue to serve as the backbone of our network and provide critical efficiencies and flexibility for our entire fleet. And our growing Logistics segment extends our reach further into customers' supply chains with end-to-end solutions, providing a single source for ocean, land, and intermodal transport.

### Multiple demand drivers for our China service



Significant cost savings versus air freight, without meaningful additional time



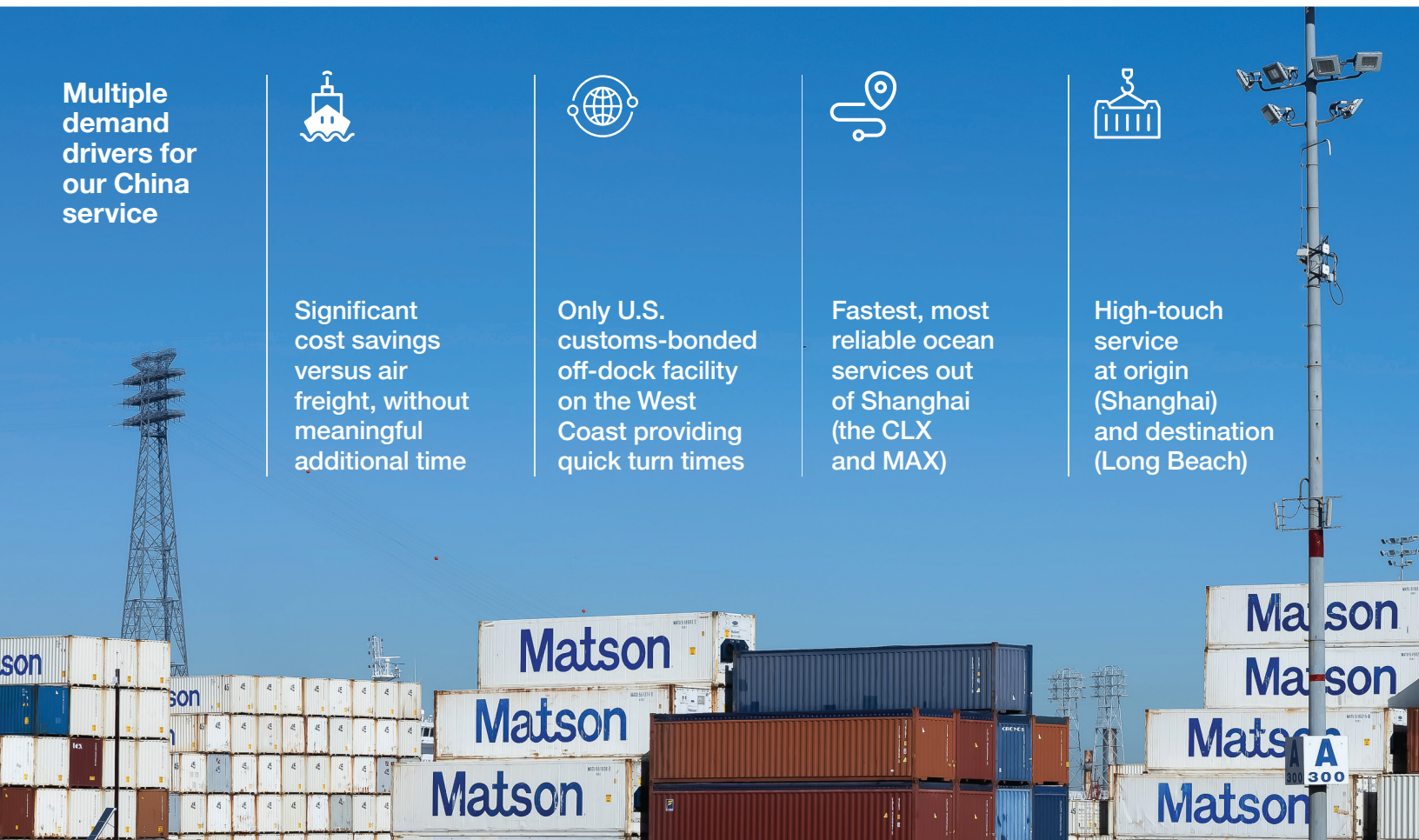
Only U.S. customs-bonded off-dock facility on the West Coast providing quick turn times



Fastest, most reliable ocean services out of Shanghai (the CLX and MAX)



High-touch service at origin (Shanghai) and destination (Long Beach)



## A differentiated and expanding business model

The Matson brand has become synonymous with speed, service, and reliability in providing critical supply lifelines to communities across the Pacific. During the pandemic, we strengthened the Matson brand through our operational excellence, particularly in Asia. When supply chain disruptions occurred, we delivered on schedule with regularity. While those less familiar with Matson may view us as a recent success, our reputation has been earned over decades of voyages and millions of containers.

We focus on unique, niche businesses where we can maintain and grow strong market positions and long-term customer relationships. From our first trade routes to Hawaii, Matson has expanded to serve Guam and the islands in the Western Pacific region for almost 30 years and Alaska for nearly a decade. Together, these trade routes utilize our overlapping terminal network along the U.S. West Coast, providing the scale for cost-effective operations.

Logistics grew out of our ocean transportation business, formed to coordinate the movement of our intermodal containers inland and then back to the port. We later added truckload brokerage, warehousing, freight forwarding, and supply chain management services, while keeping the Matson ethos in each service expansion. Most recently, Matson and Logistics were recognized by *Logistics Management* magazine for outstanding performance in the publication's annual Quest for Quality Awards.

In early 2006, we launched the CLX, our first ocean service from Shanghai, China to Long Beach, California, to address nascent demand for an expedited service. The CLX offers customers a viable alternative to air freight, with significantly lower transportation costs and reduced emissions, in exchange for a few extra shipping days on the water. The service is distinguished by its 10-day transit time and unique destination services, enhancing speed-to-market in an otherwise commoditized ocean tradelane.

Based on strong customer demand for the CLX during the pandemic, we doubled our capacity in the Transpacific tradelane by adding a second string of vessels we call our MAX service. This allows us to offer twice weekly departures from Shanghai, grow our presence in China, build on our well-established reputation, and meet the rising e-commerce demand.

We also have a partnership with SSA Terminals, LLC ("SSAT") to support our vessels with terminal and stevedoring services at port. Today, SSAT provides our CLX and MAX services with timely cargo discharge to Shippers Transport Express, the only U.S. customs-bonded off-dock facility on the West Coast. This facility reduces truck turn times, alleviates port and terminal congestion, and offers our customers faster access to their products.

In summary, we have built a business that is financially diversified and operationally integrated.

## The need for speed and reliability

Since its inception over 18 years ago, demand for our China service has significantly broadened due to our differentiated value proposition, superior performance, evolving retail trends, and increased complexity in global supply chains.

When we started our CLX service, we carried an assortment of products, including high-end apparel, footwear, luggage, and furniture, for some of the largest U.S. brick-and-mortar retailers. Reliability was critical, as inventories would change seasonally and predictably. Long lead times for production and shipment were the norm. We distinguished our service through leading on-time performance and service reliability in a tradelane historically characterized by underperformance in these key metrics.

With the advent of e-tailing, the traditional retail experience expanded to include “influencer” marketing and large e-commerce platforms. The pandemic accelerated these trends and necessitated speed-to-market to meet customer expectations. Manufacturing and inventory management evolved to keep pace. Lead times tightened from months to weeks. Technology reduced production cycles and “just-in-time” manufacturing became common. Forecasted demand has given way to pull-through manufacturing and online orders now dictate demand.

With this added complexity came a greater need for both speed and reliability — areas where Matson excels. We operate the two fastest Transpacific services from Shanghai (the CLX and MAX) supported by company-owned chassis, containers, and reserve vessels for a seamless, reliable customer experience. And demand regularly exceeds our capacity, leading to premium rates for time-sensitive and high-value goods.

Going forward, we expect continued evolution of the retail customer buying experience, leading to e-commerce growth and sales of high-value goods. Further, we expect the ongoing conversion of air freight to ocean transportation to accelerate, as customers appreciate the lower cost and reduced environmental footprint our service offers, without a sacrifice in time to market.

We have been both at the convergence and, in some cases, the leader, of these fortuitous trends and fully expect to advance our offerings in lock-step with changes to the retail, manufacturing, and distribution landscape.

Since our first year  
as a public company<sup>1</sup>

**23.7%**  
CAGR

EPS has  
grown from  
\$1.08 to \$13.93

**21.5%**  
CAGR

Net income  
has grown from  
\$45.9 million to  
\$476.4 million

**13.1%**  
CAGR

EBITDA  
has grown from  
\$168.8 million to  
\$738.9 million

**20.6%**  
CAGR

Book value  
has grown from  
\$279.9 million to  
\$2,652.0 million

**41.9%**  
INCREASE

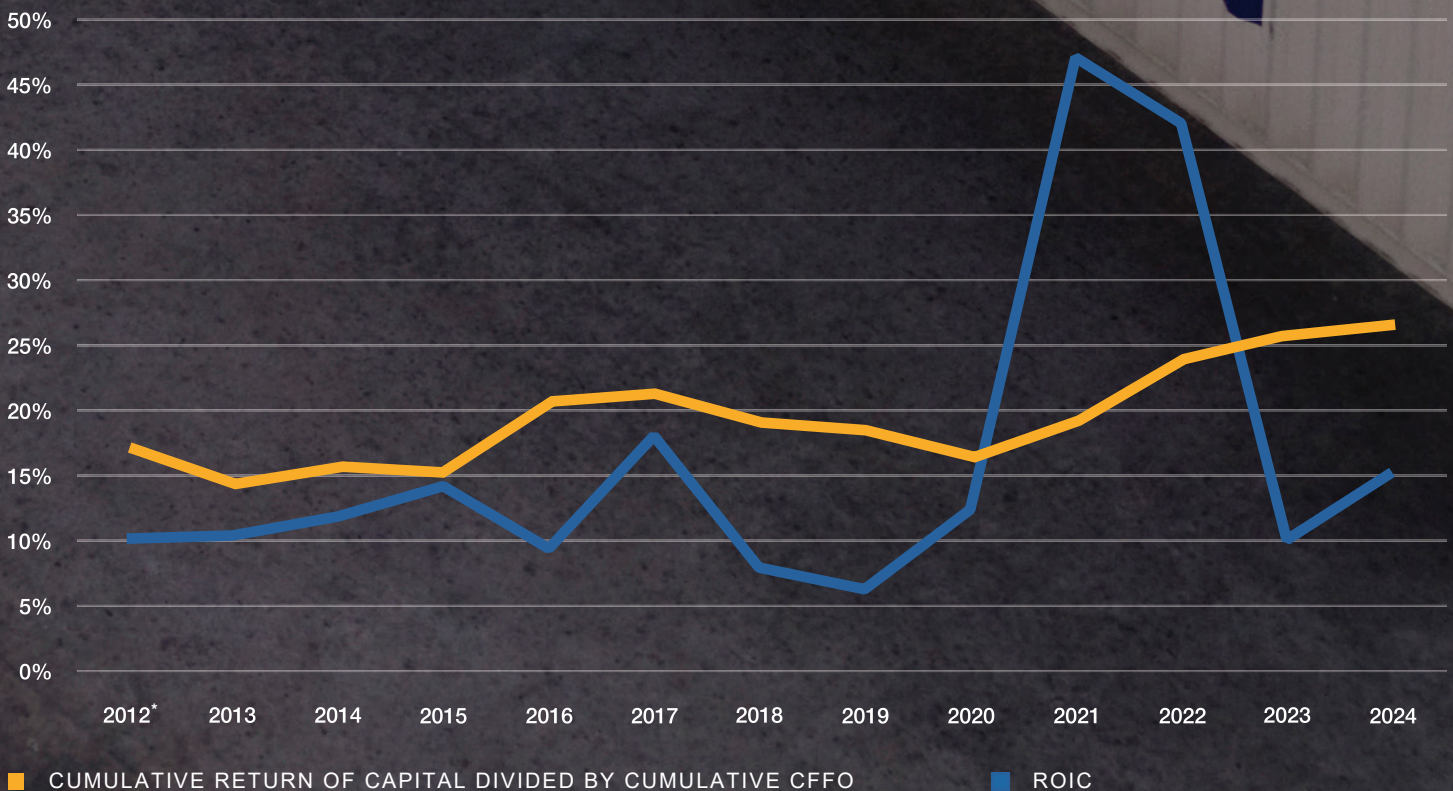
Dividends  
per share have  
grown from  
\$0.93 to \$1.32



Note: Compounded annual growth rate is abbreviated as CAGR. Earnings per share is abbreviated as EPS. Earnings before interest, income taxes, depreciation, and amortization is abbreviated as EBITDA.  
1. Measured from fiscal year ended December 31, 2012 to December 31, 2024.

# Matson

In our view, return on invested capital (“ROIC”) is the best financial metric to measure our performance as both an operator and capital allocator over the long run. For 2024, our ROIC was 15.1% and we have averaged 16.4% since 2012. For added perspective, the chart below shows our annual ROIC performance as well as the return of capital as a percentage of cash flow from operations (“CFFO”).



Note: Return of capital is defined as the sum of share repurchases and dividends.  
\*Based on operations from July 1, 2012 through December 31, 2012.

**We have successfully driven shareholder returns by balancing strategic long-term planning with opportunistic growth and a steady share repurchase program.**

### **01 Long-Lived Assets Create Sustainable, Recurring Cash Flows**

We make annual investments to maintain the quality of our fleet, increase capacity, and add to shoreside assets. These investments, including cranes, containers, and chassis, serve as the foundation of our operations, allowing us to uphold our commitment to service reliability. We have also committed significant resources in the past few years to upgrade our fleet with LNG capabilities.

In 2022, we contracted with Philly Shipyard to build three new Aloha Class vessels for expected delivery in 2027 and 2028. With these vessels, annual capacity in our China service will increase by ~15,000 containers, which we expect will provide a significant lift to net income and EBITDA. We will also have our youngest fleet since becoming a public company. As such, we do not currently expect to build any new vessels for another decade.

### **02 Market Expansion Through Mergers and Acquisitions**

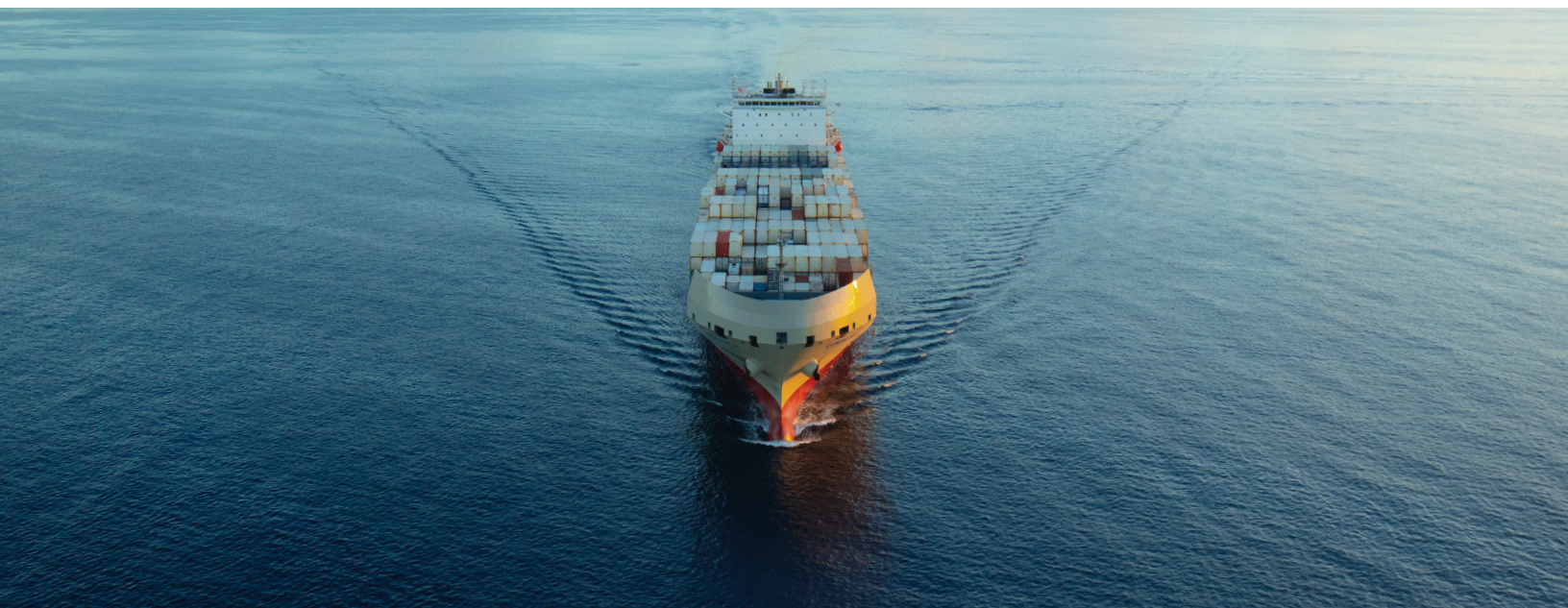
We strategically use our balance sheet to propel our growth via M&A. From 2015 to 2016, we expanded into Alaska through two significant acquisitions totaling approximately \$700 million. These acquisitions offered highly complementary services, a differentiated value proposition, and a long-term opportunity for growth. They were a natural fit for Matson, adding new routes for our vessels and leveraging our operational expertise.

### **03** Consistent Return of Capital Leads to Exceptional Shareholder Returns

We have returned approximately \$1.5 billion of capital to our investors in the form of dividends and share repurchases since going public and this past year marked the twelfth consecutive annual increase of our dividend, a testament to the strength of our business and consistency of our cash flows. Since its inception four years ago, our share repurchase program has retired ~26% of our then outstanding stock, which is a meaningful value creator for our shareholders. We expect to continue to grow our dividend in line with the growth in our long-term cash flows and we expect to be a steady purchaser of our shares in the absence of any large organic or inorganic growth investments.

### **04** Investment-Grade Metrics Provide a Key Advantage

Our balance sheet remains a pillar of strength, and we view it as a competitive advantage. We have strategically pursued low financial leverage to provide flexibility as we explore strategic opportunities. We like to think of our low leverage as a coiled spring to be utilized for the right investment opportunity.



## A patient and disciplined investor

Our growth is both incremental and punctuated by leaps forward, as exemplified by our large investments in Alaska and our China trade.

**We invest, we scale, and we optimize to compound shareholder returns in niches where service matters and where we can earn premium rates and returns on invested capital.**

This specifically includes potential opportunities in the China and Asian markets, but we also know from prior experience and success that the size, demand, and freight quality must be aligned.

We approach M&A in the same manner. As we carefully evaluate potential acquisitions, we weigh each opportunity against reinvesting in our own operations and returning capital to our shareholders. Potential growth, cultural alignment, and seasoned management are prerequisite for any investment we might make. While our bar is admittedly high and we only pursue a transaction when it meets all our criteria, we continue to look for opportunities to take yet another leap forward.

We remain an unapologetically patient, disciplined, and nimble investor.



## In closing

The past several years have been defined by supply chain and geopolitical uncertainty. Yet from this **Matson has emerged stronger than it has ever been, poised for an even better future.**

This is testament to the dedicated effort of all our employees who work united in a singular mission to move our customers' freight better than anyone else. I am grateful for our Board of Directors who provide guidance and expertise to assist us on our journey.

We remain, as always, stewards of your capital, dedicated to providing outstanding ocean and logistics services, pursuing growth opportunities, and growing shareholder value through disciplined, reasoned investments.

Sincerely,



Matt Cox  
Chairman and Chief Executive Officer  
February 28, 2025



## INVESTOR INFORMATION

Corporate news releases, SEC filings, the company's annual report and other pertinent information about the company are available at [www.matson.com](http://www.matson.com).

Shareholders and institutional investors with questions about the company may correspond with Investor Relations at [investor-relations@matson.com](mailto:investor-relations@matson.com).

## TRANSFER AGENT & REGISTRAR | Computershare

For questions regarding stock certificates, dividends, or other related matters, representatives of the Transfer Agent may be reached at 150 Royall Street, Suite 101, Canton, MA 02021 or 1-800-454-0477. [www.computershare.com/investor](http://www.computershare.com/investor)

## AUDITORS | Deloitte & Touche LLP, Honolulu, HI

## 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 net debt, earnings before interest, income taxes, depreciation and amortization ("EBITDA"), return on invested capital ("ROIC"), and return on equity ("ROE").

	For the years ended December 31				
(\$ in millions, except ROIC and ROE)	2024	2023	2022	2021	2020
Total debt	400.9	440.6	517.5	629.0	760.1
Less: total cash and cash equivalents	(266.8)	(134.0)	(249.8)	(282.4)	(14.4)
<b>Net debt</b>	<b>134.1</b>	306.6	267.7	346.6	745.7
Net income	476.4	297.1	1,063.9	927.4	193.1
Add: income taxes	123.0	75.9	288.4	243.9	65.9
Subtract: interest income	(48.3)	(36.0)	(8.2)	—	—
Add: interest expense	7.5	12.2	18.0	22.6	27.4
Add: depreciation and amortization	180.3	167.5	164.1	156.4	137.3
<b>EBITDA</b>	<b>738.9</b>	516.7	1,526.2	1,350.3	423.7
Net income (A)	476.4	297.1	1,063.9	927.4	193.1
Subtract: interest income (tax-effected) <sup>1</sup>	(38.4)	(28.7)	(6.5)	—	—
Add: interest expense (tax-effected) <sup>1</sup>	6.0	9.7	14.2	17.9	20.4
<b>Total return (B)</b>	<b>444.0</b>	278.1	1,071.6	945.3	213.5
Average total debt	420.8	479.1	573.3	694.6	859.3
Average shareholders' equity (C)	2,526.4	2,348.8	1,982.2	1,314.3	883.5
<b>Total invested capital (D)</b>	<b>2,947.2</b>	2,827.9	2,555.5	2,008.9	1,742.8
<b>ROIC = (B)/(D)</b>	<b>15.1%</b>	9.8%	41.9%	47.1%	12.3%
<b>ROE = (A)/(C)</b>	<b>18.9%</b>	12.6%	53.7%	70.6%	21.9%

Note: Total debt is presented before any reduction for deferred loan fees as required by GAAP.

1. The effective tax rates each year in the period 2020-2024 were 25.4%, 20.8%, 21.3%, 20.3%, and 20.5% respectively.

## FORWARD-LOOKING STATEMENTS

Statements in this Annual Report 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 performance and financial results, net income, EBITDA, cash flows, capital allocation strategy, rates, demand for our China service, conversion of air freight to ocean transportation, cost savings of expedited ocean services versus air freight, our ability to grow our businesses, evolution of the retail customer buying experience and sales growth, the new-build program including delivery dates for new vessels, refueling initiatives, vessel and trackage capacity, vessel speeds, acquisitions, dividends, execution of our share repurchase program, and maintaining investment-grade metrics. 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; loss or damage to key customer relationships; agreements with key vendors and third parties; 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, if at all; any unanticipated dry-docking or repair costs for our vessels; joint venture relationships; conducting business in foreign markets; modernization of terminals in Hawaii and Alaska; heightened security measures, 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; cybersecurity attacks; our ability to access the debt capital markets or increases in the cost of debt; changes in the value of pension assets; exposure under multi-employer pension and post-retirement plans; 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 Annual Report should be read in conjunction with our Annual Report on Form 10-K and our other filings with the SEC through the date of this report, 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.