



Matson[®]

First Quarter 2021 Earnings Conference Call

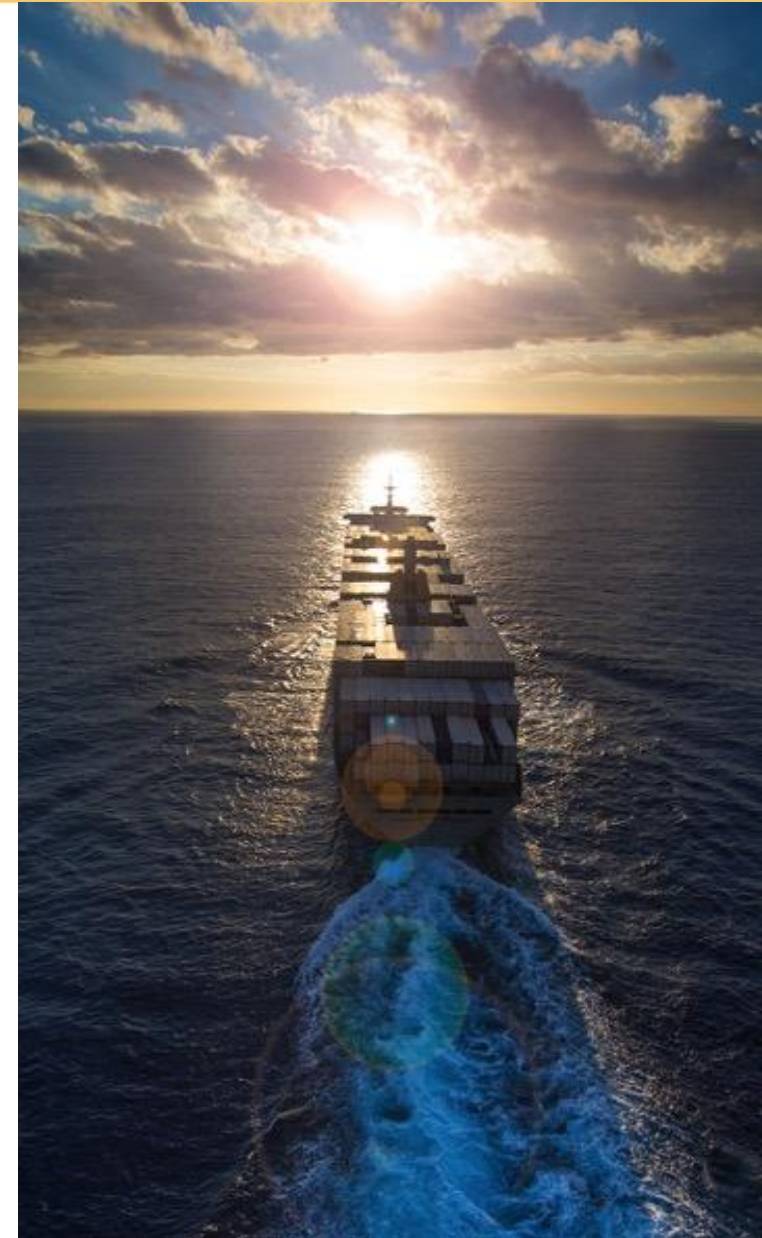
April 27, 2021

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 April 27, 2021.

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 12-21 of our Form 10-K filed on February 26, 2021 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.



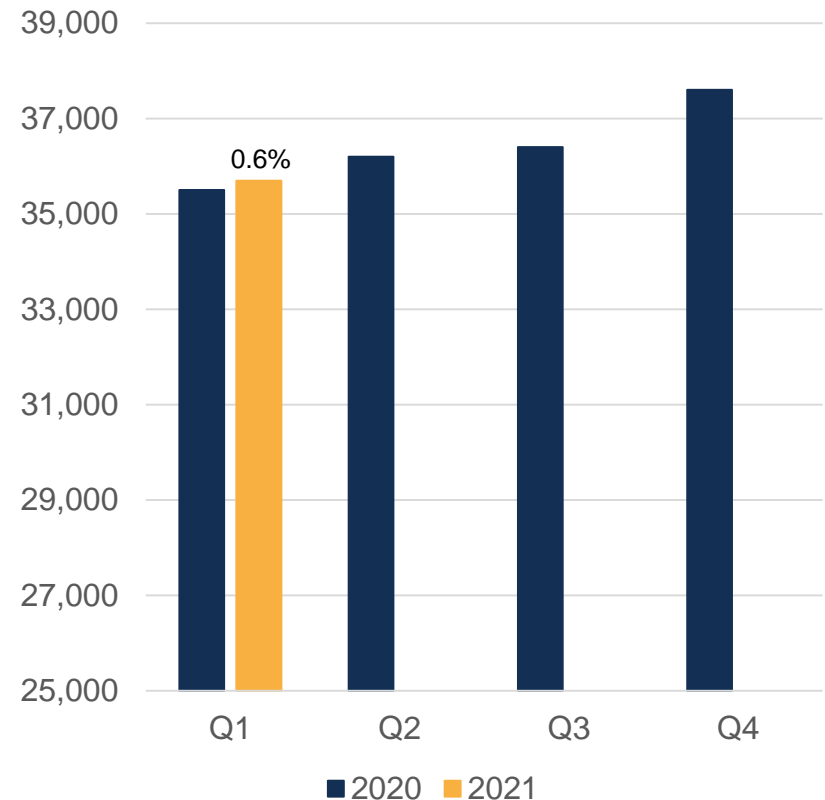
Opening Remarks

- Recap of Matson's 1Q21 results:
 - Off to a strong start to 2021 with continued solid performance in Ocean Transportation and Logistics
 - Ocean Transportation:
 - China strength – CLX+ voyages and increased capacity in the CLX service
 - In other core tradelanes, continued to see steady demand for sustenance and home improvement goods with higher year-over-year volumes
 - Logistics:
 - Continued elevated goods consumption and inventory restocking in addition to favorable supply and demand fundamentals in our core markets
- Matson is focused on reliable services and helping customers during this unique period of supply chain congestion

First Quarter 2021 Performance

- Container volume increased 0.6% YoY
 - Higher demand for sustenance and home improvement goods
 - Partially offset by:
 - One less westbound sailing
 - Continued negative impact from low tourism activity
 - Lapped first pandemic shelter-in-place in March

Container Volume (FEU Basis)



Note: 2Q 2020 volume figure includes volume related to Pasha's vessel dry-docking.

Hawaii Service – Current Business Trends

- Hawaii economic recovery is underway, although recovery trajectory remains uncertain
- Unemployment remains elevated
 - Employment expected to recover with improving tourism trends as the year progresses
- Increasing tourist arrivals, but daily arrivals remain well below 2019 levels
 - Tourism has picked up the last few months and is expected to accelerate into the summer with widespread vaccinations
 - Daily tourist arrivals tracking towards UHERO’s latest 2021 projection
- April 2021 westbound container volume increased approximately 19% YoY
 - One additional sailing
 - Lapped period of shelter-in-place order, near zero tourism and temporary retail store closures

Select Hawaii Economic Indicators⁽¹⁾

	2019	2020P	2021P	2022P
Real GDP	1.2%	(7.5)%	3.7%	3.1%
Construction Jobs Growth	0.3%	(3.2)%	0.6%	3.6%
Population Growth	(0.3)%	(0.6)%	(0.6)%	(0.5)%
Unemployment Rate	2.7%	12.0%	7.1%	4.4%
Visitor Arrivals ('000s)	10,385.8	2,738.2	4,978.4	8,004.5
% change	5.0%	(73.6)%	81.8%	60.8%

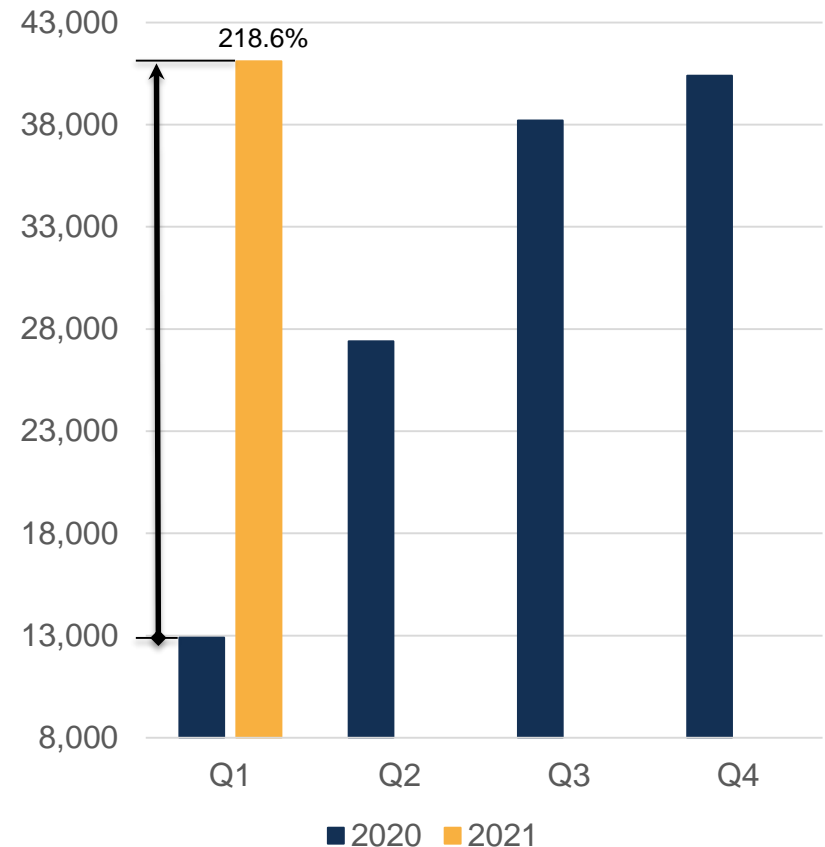
(1) Source: https://uhero.hawaii.edu/wp-content/uploads/2021/03/21Q1_Public.pdf

China Service

First Quarter 2021 Performance

- Container volume increased 218.6% YoY
 - Very strong pre- and post-Lunar New Year periods
- Demand driven by e-commerce and other high-demand goods
 - Continued supply chain constraints
 - Low inventory-to-sales ratio reported by retailers
 - Continued consumption of imported goods in lieu of services
 - Benefitting from additional stimulus payments

Container Volume (FEU Basis)

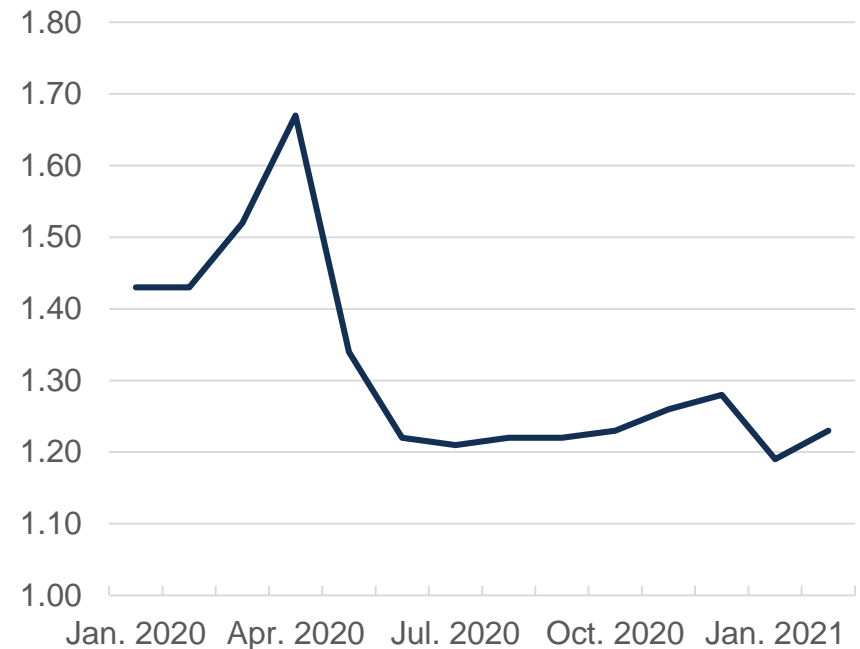


Note: 2Q 2020 volume figure includes volume related to seven CLX+ voyages. 3Q 2020, 4Q 2020 and 1Q 2021 volume figures include weekly CLX+ voyages.

China Service – Current Business Trends

- April 2021 eastbound container volume increased approximately 151% YoY
- Significant supply chain congestion continues, particularly at the California ports
 - Expect these conditions will most likely persist through the second quarter and into the traditional peak season
- Expect demand in the Transpacific tradelane to remain favorable
 - Elevated consumption trends are expected to continue beyond the second quarter
 - Retail and e-commerce demand remain strong
 - Low retail inventory/sales ratio

U.S. Retail Trade Inventories/Sales
(Adjusted)



Source: <https://www.census.gov/mtis/www/mrtsinv92-present.xls>

We expect significant demand for our expedited CLX and CLX+ services to remain throughout the peak season into late October.

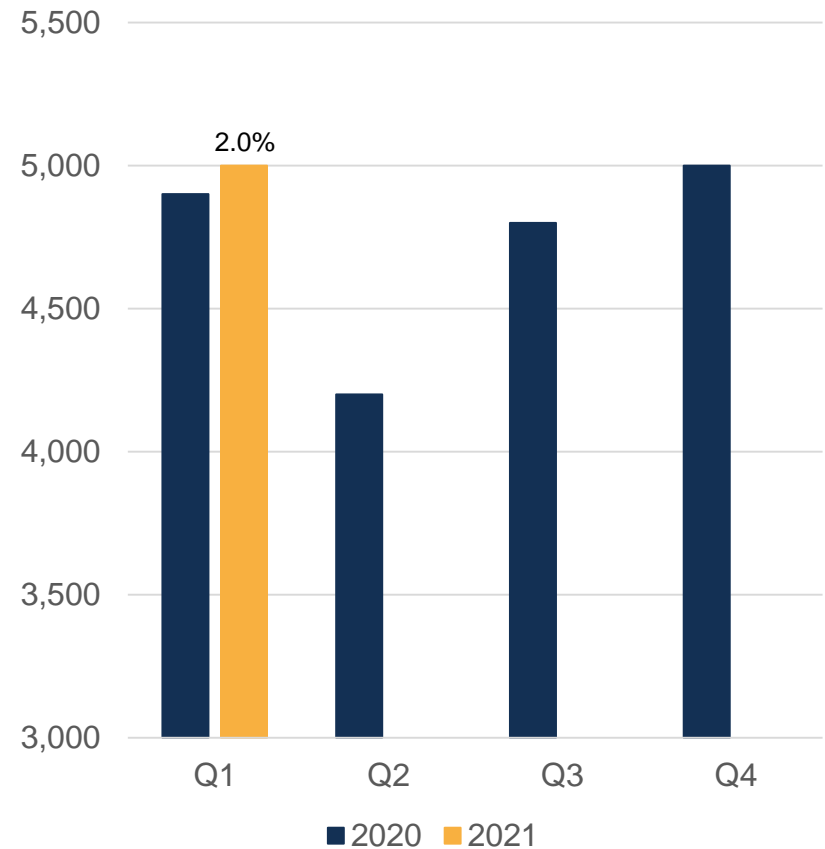
First Quarter 2021 Performance

- Container volume increased 2.0% YoY
 - Higher demand for sustenance and home improvement goods
 - Partially offset by negative impact from low tourism activity

Current Business Trends

- Guam economy in downturn as tourism levels remain depressed; uncertain economic recovery trajectory
- April 2021 westbound container volume increased approximately 25% YoY
 - Lapped period of reduced tourism and temporary retail store closures

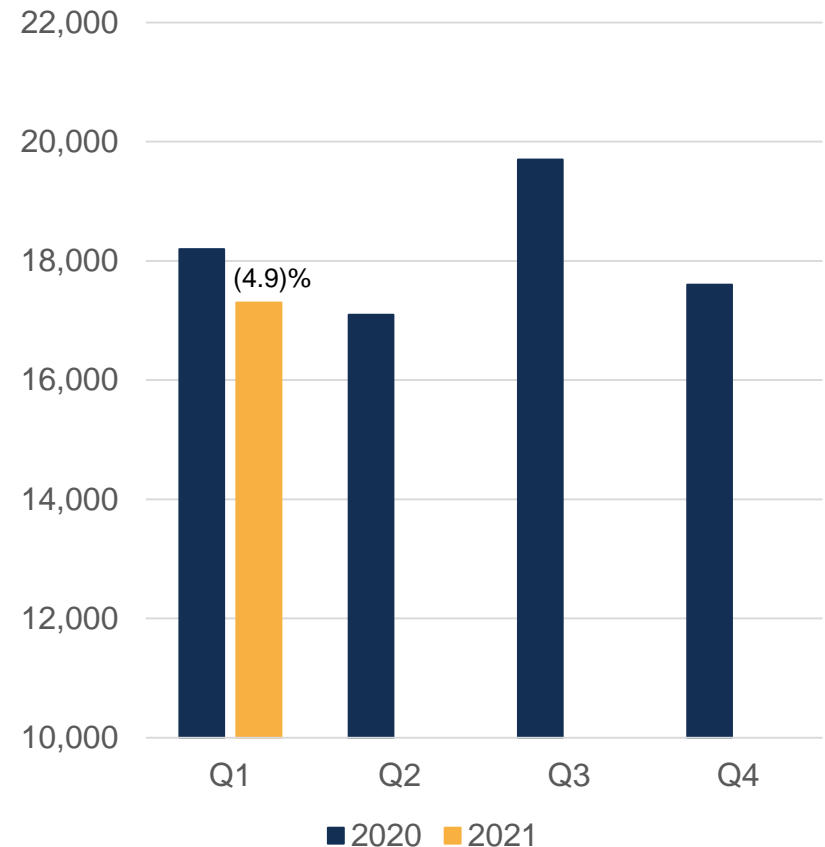
Container Volume (FEU Basis)



First Quarter 2021 Performance

- Container volume decreased 4.9% YoY
 - Lower northbound volume primarily due to:
 - One less sailing this year
 - TOTE dry-dock volume in year ago period
 - Lower southbound volume
 - Partially offset by AAX volume
 - Volume approximately 2.5% higher YoY after normalizing for the one less sailing and TOTE's dry-docking volume

Container Volume (FEU Basis)



Note: 1Q 2020 volume figure includes volume related to TOTE's vessel dry-docking.

Alaska Service – Current Business Trends

- Expect the Alaska economy to slowly recover
 - Unemployment rate slightly higher than national average at 6.6% (February 2021)⁽¹⁾
 - Retail industry most impacted by pandemic and is expected to recover slowly
 - Economic recovery trajectory remains highly uncertain
- Tourism to remain challenged in near term
 - No cruise tourism activity this summer
- Modest pick up in oil production and exploration activity with improvement in oil prices
- Delayed start to 'A' fishing season in 1Q21 due to pandemic challenges, extending into early 2Q21
- April 2021 northbound container volume increased approximately 11% YoY

(1) Source: <https://labor.alaska.gov/trends/apr21.pdf>

SSAT Joint Venture

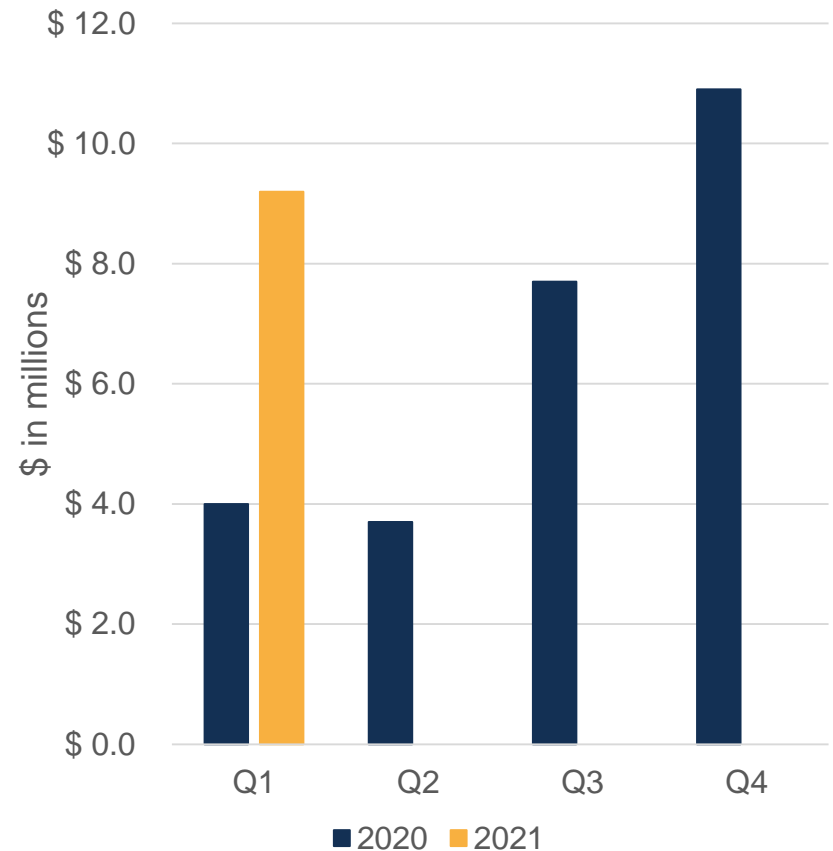
First Quarter 2021 Performance

- Terminal joint venture contribution was \$9.2 million, \$5.2 million higher than last year
 - Primarily due to higher lift volume

Current Business Trends

- Continue to see strong import volume into U.S. West Coast

Equity in Income of Joint Venture



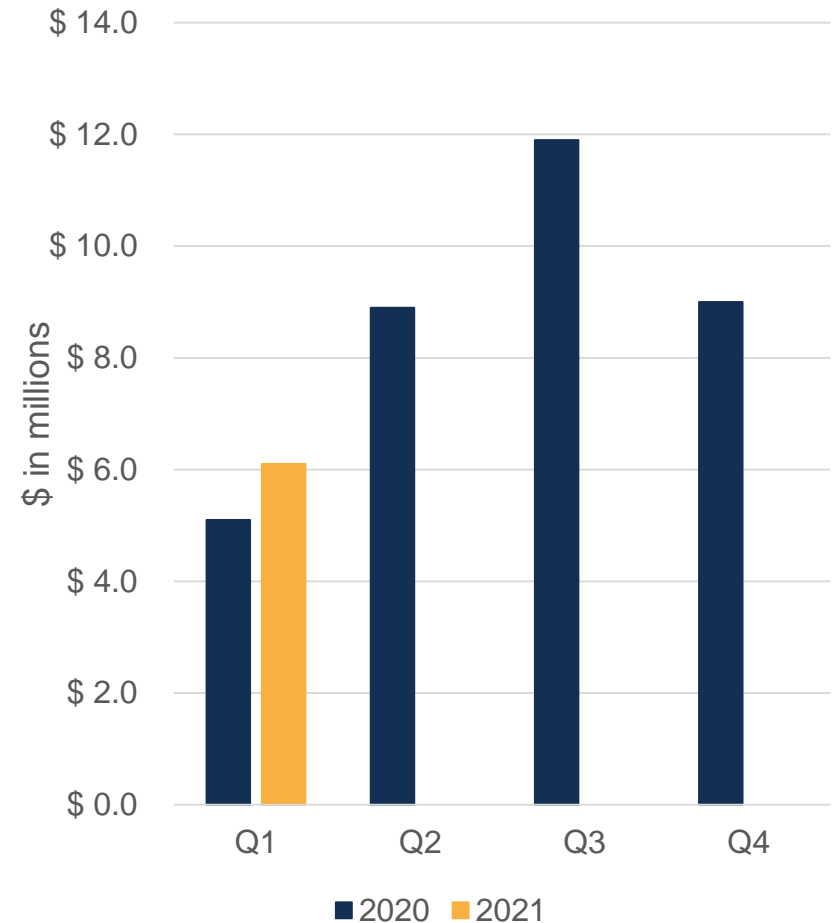
First Quarter 2021 Performance

- Operating income of \$6.1 million; YoY change of \$1.0 million
- Higher contributions from transportation brokerage and supply chain management
- Benefitted from:
 - Elevated goods consumption and inventory restocking
 - Tight supply and demand fundamentals in core markets

Current Business Trends

- Some business lines continue to benefit from elevated container volumes into Southern California
- Span Alaska tracking with Alaska northbound trends

Operating Income



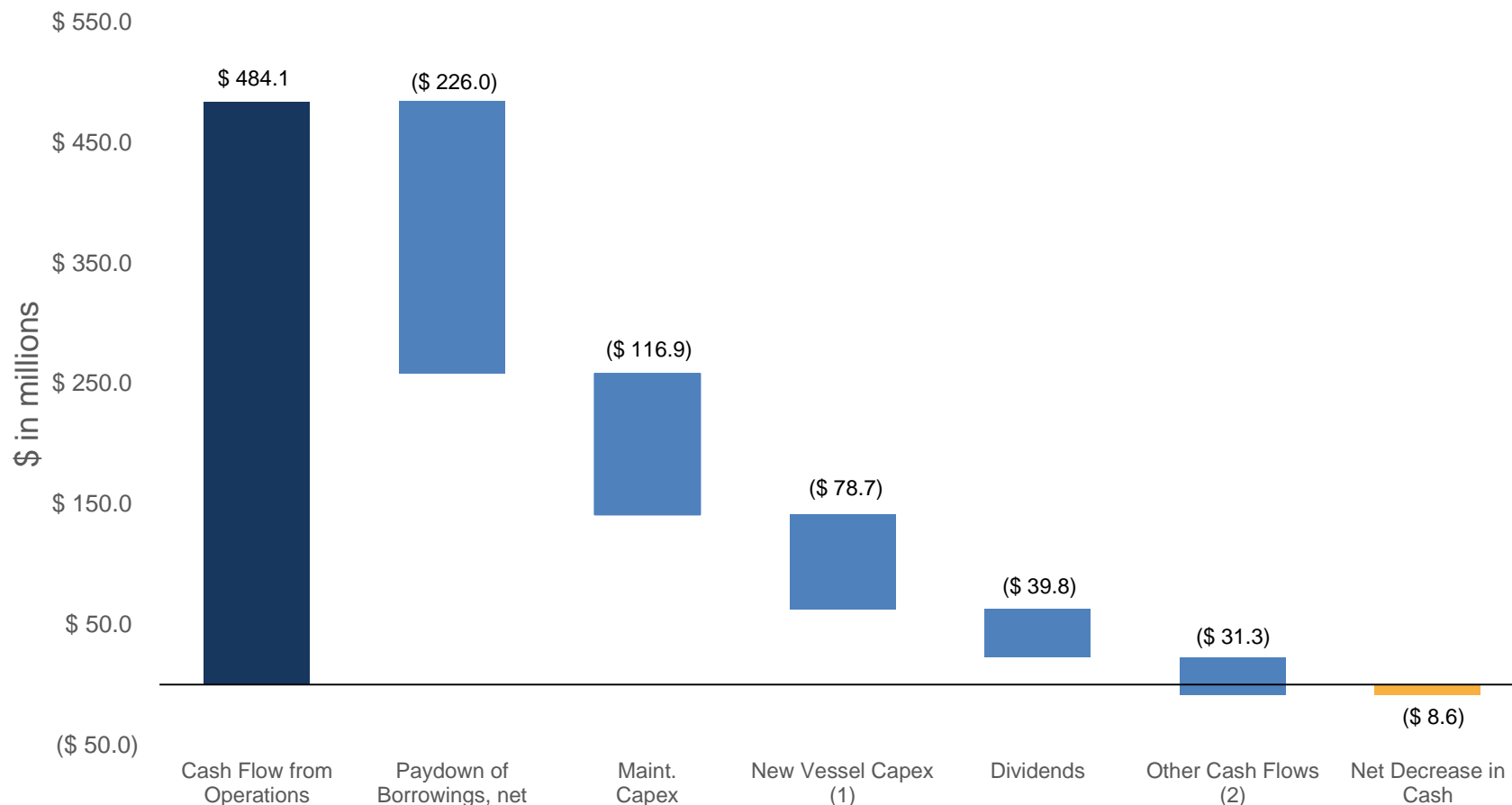
Financial Results – Summary Income Statement

(\$ in millions, except per share data)	First Quarter		
	Quarters Ended 3/31		Δ
	2021	2020	\$
Revenue			
Ocean Transportation	\$ 560.5	\$ 400.9	\$ 159.6
Logistics	151.3	113.0	38.3
Total Revenue	\$ 711.8	\$ 513.9	\$ 197.9
Operating Income			
Ocean Transportation	\$ 114.1	\$ 7.9	\$ 106.2
Logistics	6.1	5.1	1.0
Total Operating Income	\$ 120.2	\$ 13.0	\$ 107.2
Interest Expense	(7.3)	(8.6)	
Other income (expense), net	1.4	0.6	
Income Taxes	(27.1)	(1.2)	
Net Income	\$ 87.2	\$ 3.8	\$ 83.4
GAAP EPS, diluted	\$ 1.99	\$ 0.09	\$ 1.90
Depreciation and Amortization (incl. dry-dock amortization)	\$ 38.9	\$ 32.9	\$ 6.0
EBITDA	\$ 160.5	\$ 46.5	\$ 114.0

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, 2021



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

(2) Includes \$15.4 million in financing costs related to Title XI bonds in the second quarter of 2020.

Financial Results – Summary Balance Sheet

(\$ in millions)	March 31, 2021	December 31, 2020
ASSETS		
Cash and cash equivalents	\$ 11.8	\$ 14.4
Other current assets	302.1	291.5
Total current assets	313.9	305.9
Investment in SSAT	47.5	48.7
Property and equipment, net	1,684.0	1,689.9
Intangible assets, net	189.3	192.0
Goodwill	327.8	327.8
Other long-term assets	367.2	336.3
Total assets	\$ 2,929.7	\$ 2,900.6
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current portion of debt	\$ 59.2	\$ 59.2
Other current liabilities	459.9	452.3
Total current liabilities	519.1	511.5
Long-term debt, net of deferred loan fees	624.3	685.6
Other long-term liabilities	757.4	742.3
Total long-term liabilities	1,381.7	1,427.9
Total shareholders' equity	1,028.9	961.2
Total liabilities and shareholders' equity	\$ 2,929.7	\$ 2,900.6

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.

(2) Net Debt is Total Debt of \$698.9 million less cash and cash equivalents of \$11.8 million.

(3) Based on Total Debt and EBITDA as defined in the amended debt agreements of \$698.9 million and \$558.1 million, respectively.

Debt Levels

- Total Debt of \$698.9 million⁽¹⁾
 - \$61.2 million of debt reduction in 1Q21
 - Revolver balance of \$25.0 million
- Net Debt of \$687.1 million⁽²⁾
- Leverage ratio per amended debt agreements of approximately 1.25x⁽³⁾

Debt Amendments

- Amended revolving credit facility and Note Purchase Agreements on March 31, 2021
- Maintained \$650 million facility size on the new 5-year revolver
- Returned to the revolver's 2017 pricing grid with increases in base leverage level to 3.50x and maximum leverage level to 4.00x for M&A
- Bank facility LIBOR margin ranges from 1.00% to 1.75%, based on the actual leverage ratio
- Private note coupon step-ups of 0.25% if leverage ratio is between 3.25x and 3.50x



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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”), and Net Debt/EBITDA.

NET DEBT RECONCILIATION

(In millions)	March 31, 2021
Total Debt (1):	\$ 698.9
Less: Cash and cash equivalents	(11.8)
Net Debt	<u>\$ 687.1</u>

EBITDA RECONCILIATION

(In millions)	Three Months Ended			Last Twelve Months
	2021	March 31, 2020	Change	
Net Income	\$ 87.2	\$ 3.8	\$ 83.4	\$ 276.5
Add: Income taxes	27.1	1.2	25.9	91.8
Add: Interest expense	7.3	8.6	(1.3)	26.1
Add: Depreciation and amortization	32.3	26.8	5.5	117.7
Add: Dry-dock amortization	6.6	6.1	0.5	25.6
EBITDA (2)	<u>\$ 160.5</u>	<u>\$ 46.5</u>	<u>\$ 114.0</u>	<u>\$ 537.7</u>

- (1) Total Debt is presented before any reduction for deferred loan fees as required by GAAP.
- (2) EBITDA is defined as the sum of net income plus income taxes, interest expense and 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.