



# Matson<sup>®</sup>

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## *Fourth Quarter 2021 Preliminary Earnings Supplement*

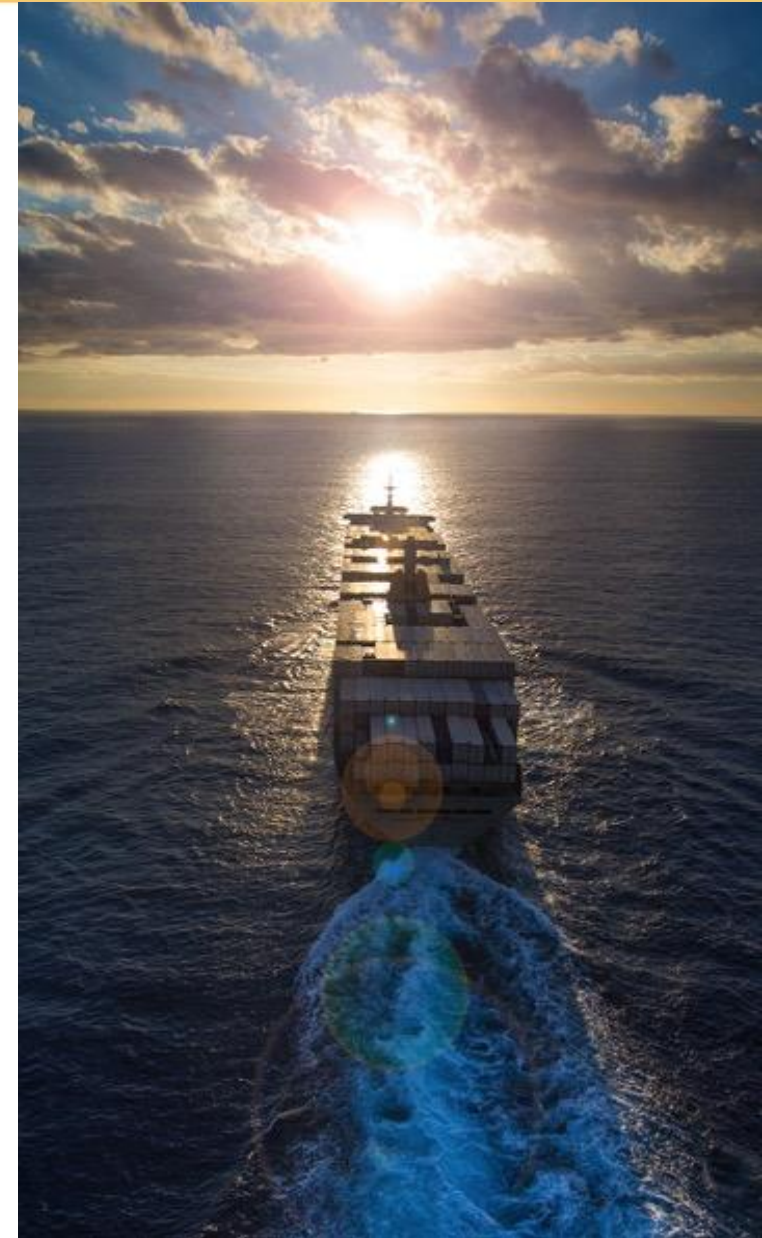
January 19, 2022

# 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 January 19, 2022.*

*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.*



# Preliminary Fourth Quarter 2021 Results

- Matson finished off a strong year with continued improvement in economic and business trends in our markets driving solid performance in both Ocean Transportation and Logistics
- China service continued to see significant demand
  - Volume for e-commerce, garments and other goods remained elevated
  - Was the primary driver of the increase in 4Q21 consolidated operating income year-over-year
- Transpacific tradelane is currently experiencing supply chain congestion due to a combination of ongoing elevated consumption trends, U.S. domestic supply chain constraints, and inventory restocking
  - For 2022, expect these conditions to remain largely in place through at least the October peak season and expect elevated demand for our China service for most of the year
- Ocean Transportation
  - China strength – CCX volume and the benefit of a 53<sup>rd</sup> week
  - In Hawaii, Alaska and Guam, continued to see strong demand with higher year-over-year volumes, including the benefit of a 53<sup>rd</sup> week, compared to the largely pandemic-reduced volumes in 4Q20
- Logistics
  - Continued to see elevated goods consumption, inventory restocking and favorable supply and demand fundamentals in our core markets
- Repurchased approximately 1.0 million and 2.5 million shares in 4Q21 and FY 2021 for a total cost of \$84.5 million and \$200.1 million, respectively

# Preliminary Fourth Quarter 2021 Results (continued)

(\$ in millions, except per share data)	Quarter Ended December 31, 2020	Quarter Ended December 31, 2021 Preliminary Range
<b>INCOME STATEMENT</b>		
<b>Operating Income</b>		
Ocean Transportation	\$ 108.1	\$ 445.0 - \$ 455.0
Logistics	9.6	14.0 - 15.0
Total operating income	117.7	459.0 - 470.0
Other income (expense), net	1.6	1.7 - 1.7
Interest expense	(4.9)	(4.7) - (4.7)
Income before income taxes	114.4	456.0 - 467.0
Income taxes	28.8	90.8 - 84.6
<i>Effective income tax rate (2)</i>	25.2%	20% - 18%
<b>Net income</b>	<b>\$ 85.6</b>	<b>\$ 365.2 - \$ 382.4</b>
Diluted EPS	\$ 1.96	\$ 8.70 - \$ 9.10

(\$ in millions)	Quarter Ended December 31, 2021
<b>BALANCE SHEET</b>	
<b>Total debt</b>	
Private placement term loans	\$ 288.3
Title XI debt	340.7
Revolving credit facility	-
Total debt (1)	\$ 629.0
Cash and cash equivalents	~ \$ 280.0

(1) Total debt is presented before any adjustment for deferred loan fees as required by U.S. GAAP.

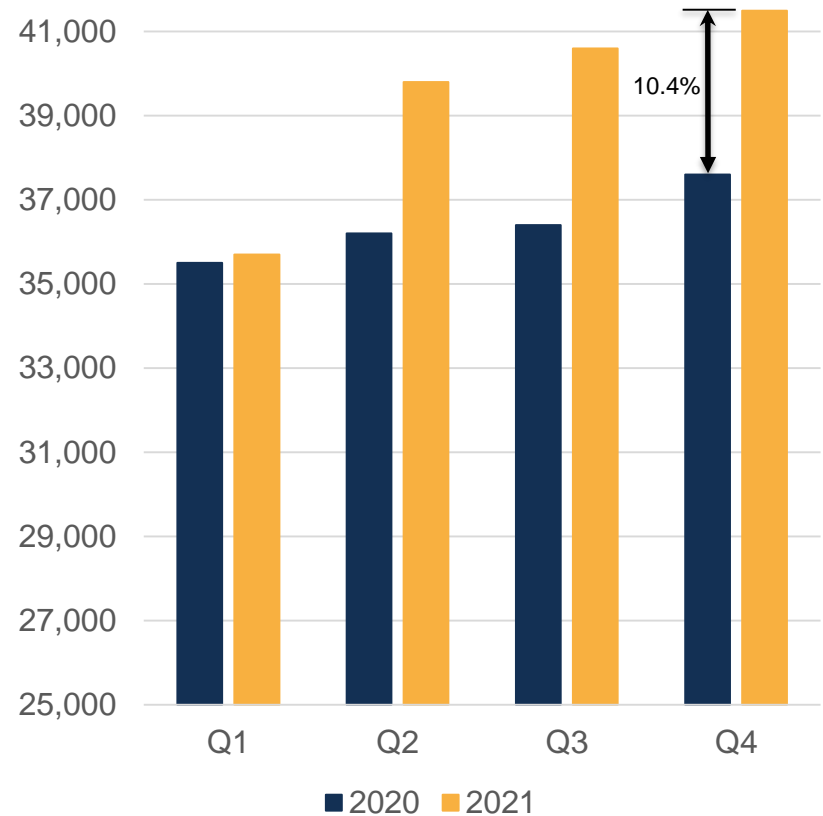
(2) The 4Q21 effective income tax rate range benefited from a deduction related to foreign-derived intangible income ("FDII") under section 250 of the Internal Revenue Code. Matson benefits from a FDII deduction as it relates to U.S. corporations that generate income from services provided to foreign countries.



## Fourth Quarter 2021 Performance

- Container volume increased 10.4% YoY
  - Higher retail and hospitality-related demand compared to 4Q20, which was negatively impacted by state’s COVID-19 mitigation efforts
  - Includes benefit of extra week in 4Q21
  - Continued rebound in tourism and Hawaii economy despite slowdown early in the quarter due to state’s efforts to address COVID-19 Delta variant
- 4Q21 volume 11.3% higher than 4Q19 volume
  - Includes benefit of extra week in 4Q21
- Cautiously optimistic on further economic recovery in Hawaii in 2022
  - Improving unemployment rate
  - Increasing tourism traffic, including international visitors later in the year
  - Further waves of COVID-19 variants present possibility of economic slowdowns

## Container Volume (FEU Basis)



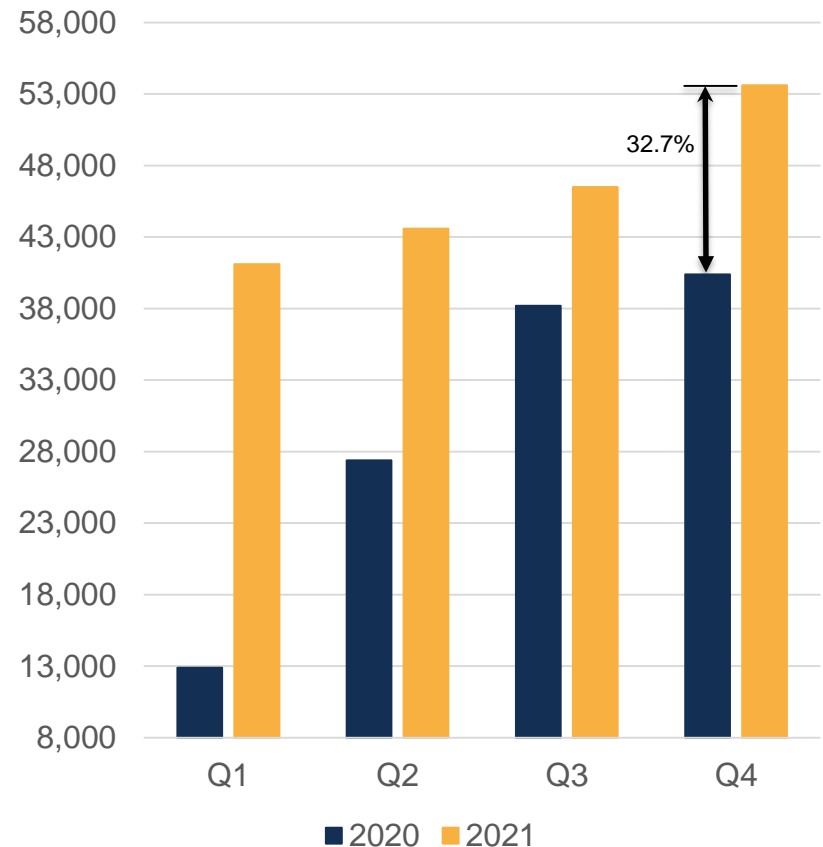
*Note:* 2Q20 volume figure includes volume related to Pasha’s vessel dry-docking.  
4Q21 volume figure includes the benefit of a 53<sup>rd</sup> week.

# China Service

## Fourth Quarter 2021 Performance

- Container volume increased 32.7% YoY
  - CCX volume
  - Includes benefit of extra week in 4Q21
  - Total number of eastbound voyages, including impact of 53<sup>rd</sup> week, increased by 9 YoY: 8 from CCX and one from CLX
- Demand driven by e-commerce, garments and other goods
  - Sustained and elevated consumption trends and low inventory levels driving increased demand for expedited ocean services
- Expect to keep CCX service at least through October 2022 peak season

## Container Volume (FEU Basis)

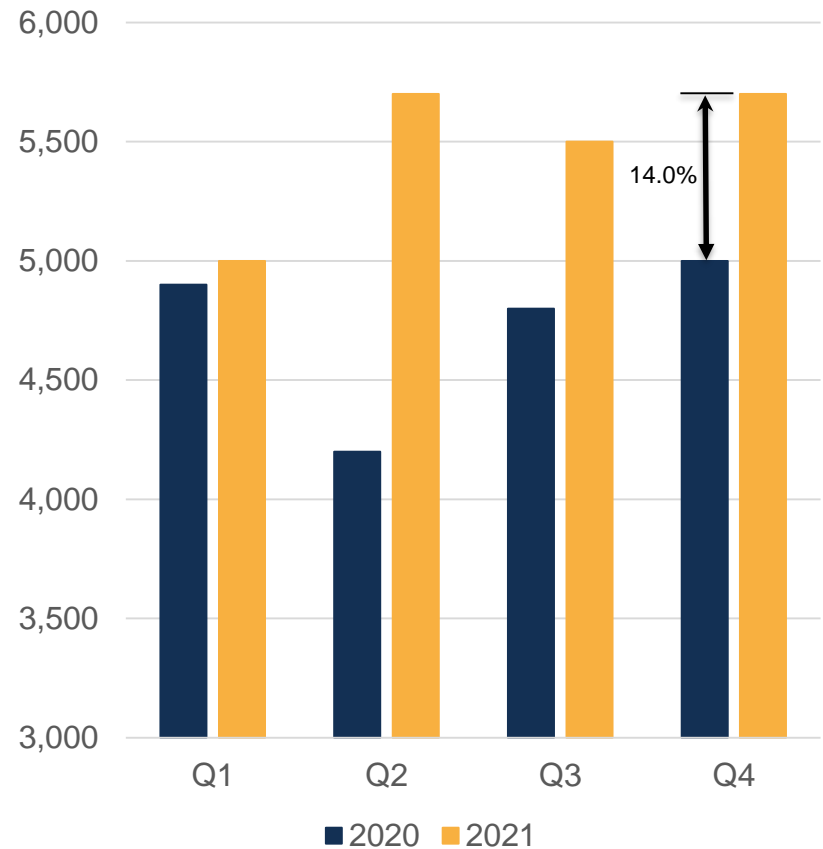


Note: 2Q20 volume figure includes volume related to seven CLX+ voyages. 3Q21 volume figure includes volume related to five CCX voyages. Weekly CLX+ voyages started in 3Q20. 4Q21 volume figure includes the benefit of a 53<sup>rd</sup> week.

## Fourth Quarter 2021 Performance

- Container volume increased 14.0% YoY
  - Higher retail-related demand compared to pandemic-reduced level in year ago period
- 4Q21 volume 18.8% higher than 4Q19 volume
- Cautiously optimistic on further economic recovery in Guam in 2022
  - Expect improvement in tourism traffic as the year progresses

## Container Volume (FEU Basis)

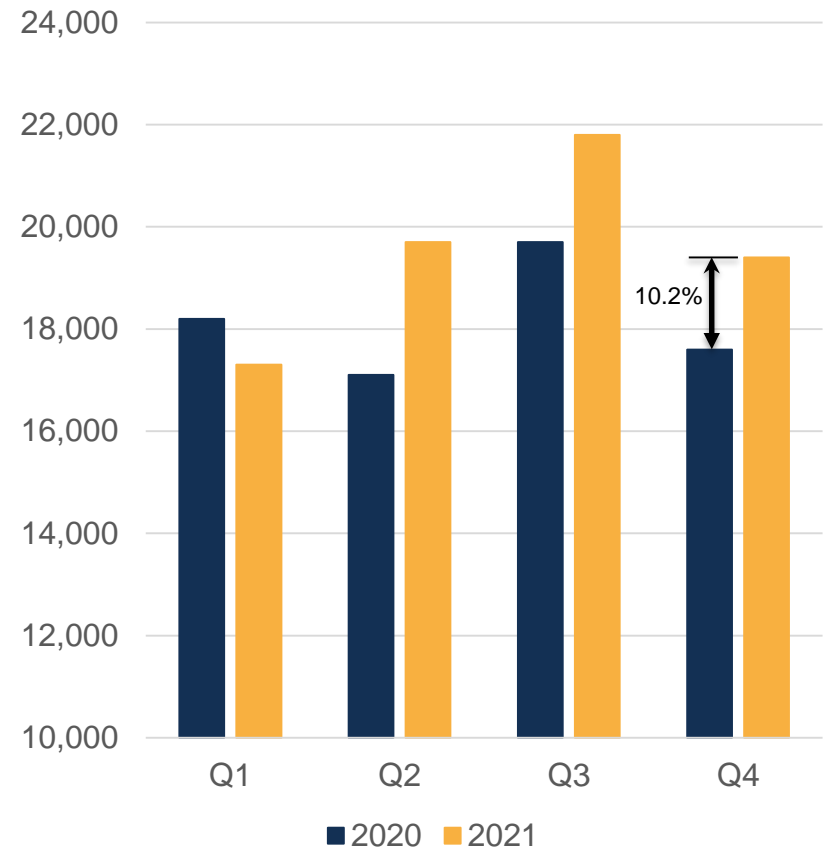


# Alaska Service

## Fourth Quarter 2021 Performance

- Container volume increased 10.2% YoY
  - Increase in Alaska-Asia Express (AAX) seafood volume
  - Includes benefit of extra week in 4Q21
  - Higher southbound volume
- 4Q21 volume 31.1% higher than 4Q19 volume
  - Includes benefit of extra week in 4Q21
- Improving economic trends in Alaska, but economic recovery trajectory remains uncertain

## Container Volume (FEU Basis)



*Note:* 1Q20 volume figure includes volume related to TOTE's vessel dry-docking. AAX service started in 4Q20. 4Q21 volume figure includes the benefit of a 53<sup>rd</sup> week.



## Fourth Quarter 2021 Performance

- Operating income of \$14.0 to \$15.0 million; YoY change of approximately \$4.4 to \$5.4 million
- Benefitted from:
  - Elevated goods consumption and inventory restocking
  - Favorable supply and demand fundamentals in core markets

## Operating Income

