Matson

First Quarter 2018 Earnings Conference Call

May 1, 2018

Forward-Looking Statements

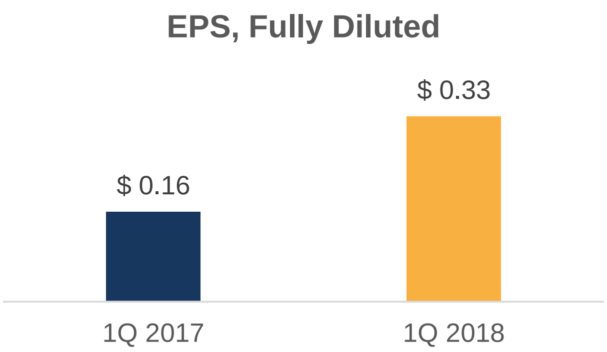
Statements made during this call and presentation that set forth expectations, predictions, projections or are about future events are based on facts and situations that are known to us as of today, May 1, 2018.

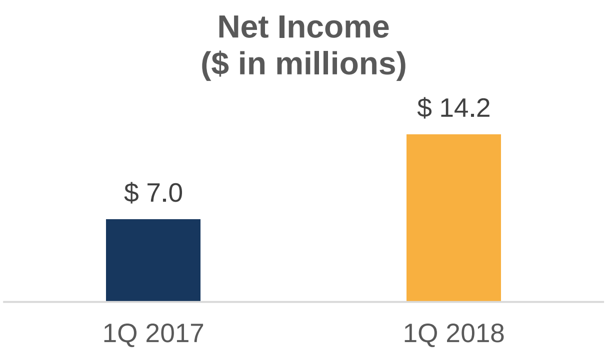
We believe that our expectations and assumptions are reasonable. Actual results may differ materially, due to risks and uncertainties, such as those described on pages 13-21 of our 2017 Form 10-K filed on February 23, 2018, and other subsequent filings by Matson with the SEC. Statements made during this call and presentation are not guarantees of future performance.

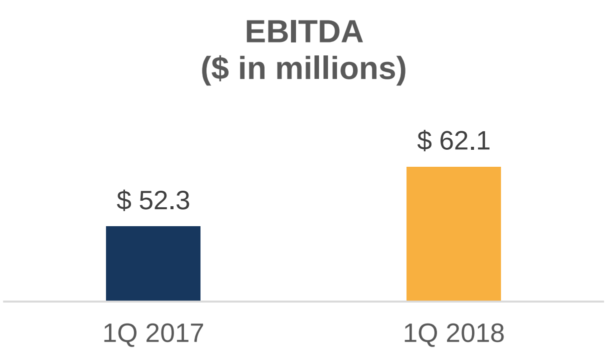
We do not undertake any obligation to update our forward-looking statements.

Opening Remarks

- Matson's results were higher YoY in 1Q18
  - Favorable contributors include:
    - Lower vessel operating costs
    - Higher contribution from SSAT
    - Higher volume in Alaska
    - Timing of fuel surcharge collections
    - Higher contribution from Logistics
  - Unfavorable trends include:
    - Lower volume in China
    - Lower contribution from Guam
- New vessel build program on track
- Raising full year 2018 outlook
  - Expect improvements across core tradelanes except Guam and China
  - Expect 2018 operating income to be modestly higher than level achieved in FY 2017







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

Matson

Hawaii Service

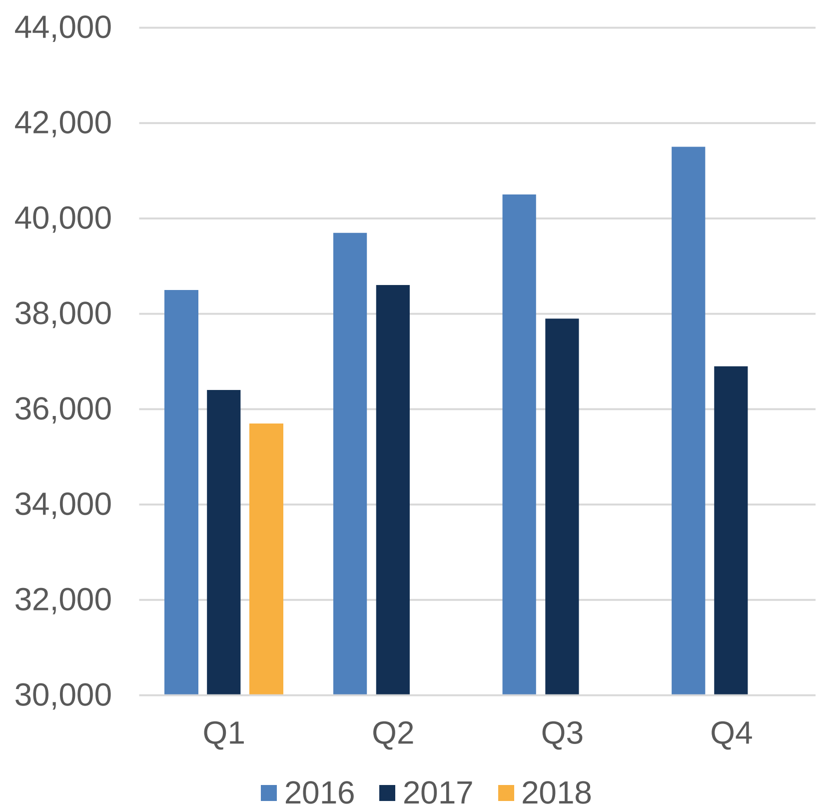
First Quarter 2018 Performance

- Container volume decreased 1.9% YoY
  - Primarily due to lower eastbound volume
  - 1 sailing at end of 1Q18 pushed into Q2
  - Stable market share
- Modest uptick in economic conditions in Hawaii
- Core westbound volume essentially flat YoY
- Construction-related volumes were relatively flat YoY

Full Year 2018 Outlook

- Expect flat-to-modest volume growth as Hawaii economy remains strong
- Expect stable market share

Container Volume (FEU Basis)



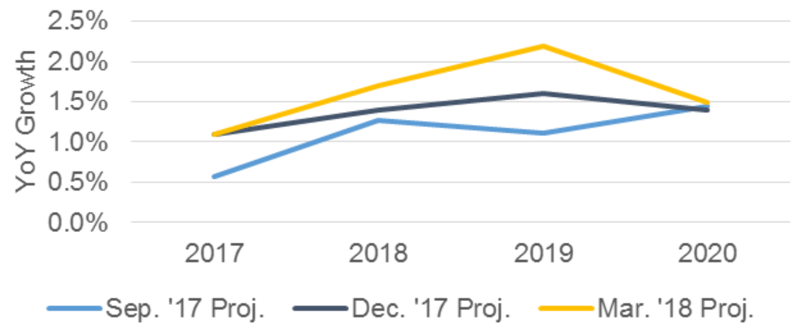
Note: Competitor service issues from 3Q 2015 through 2Q 2016 positively impacted container volume. 4Q 2016 volume includes the benefit of a 53rd week.

Matson

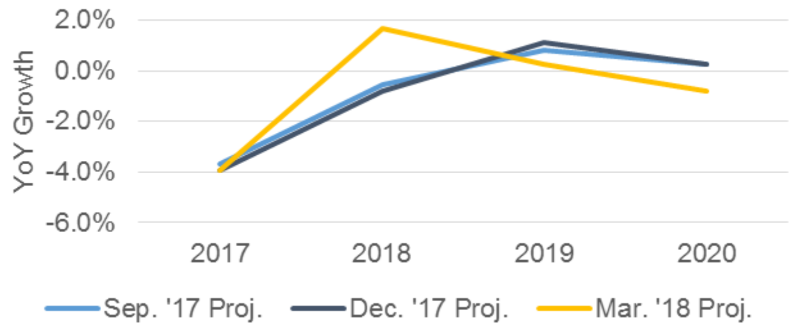
Hawaii Economic Indicators

Latest UHERO projections indicate a modest pickup in economic activity in the short-term, but construction cycle over the medium-term looks positive.

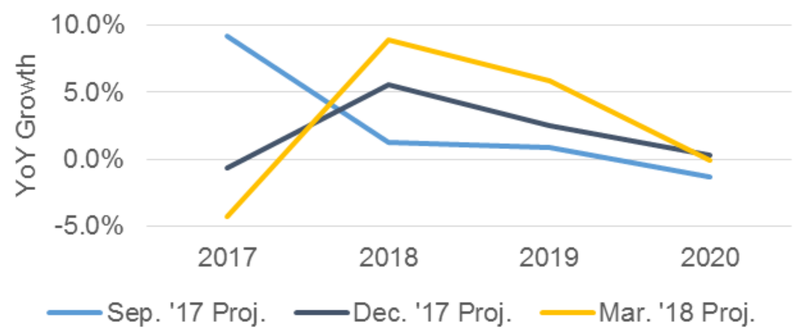
Real GDP Growth



Construction Jobs Growth



Real Building Permits Growth



"We continue to have a fairly sanguine view of [construction] industry prospects, given the substantial number of residential projects still in the pipeline and ongoing public infrastructure work. Our outlook for the industry remains largely unchanged, with essentially the current level of employment continuing through the end of the decade." *– UHERO, March 2, 2018*

Source: http://www.uhero.hawaii.edu/assets/18Q1_StateUpdate_Public.pdf

China Expedited Service (CLX)

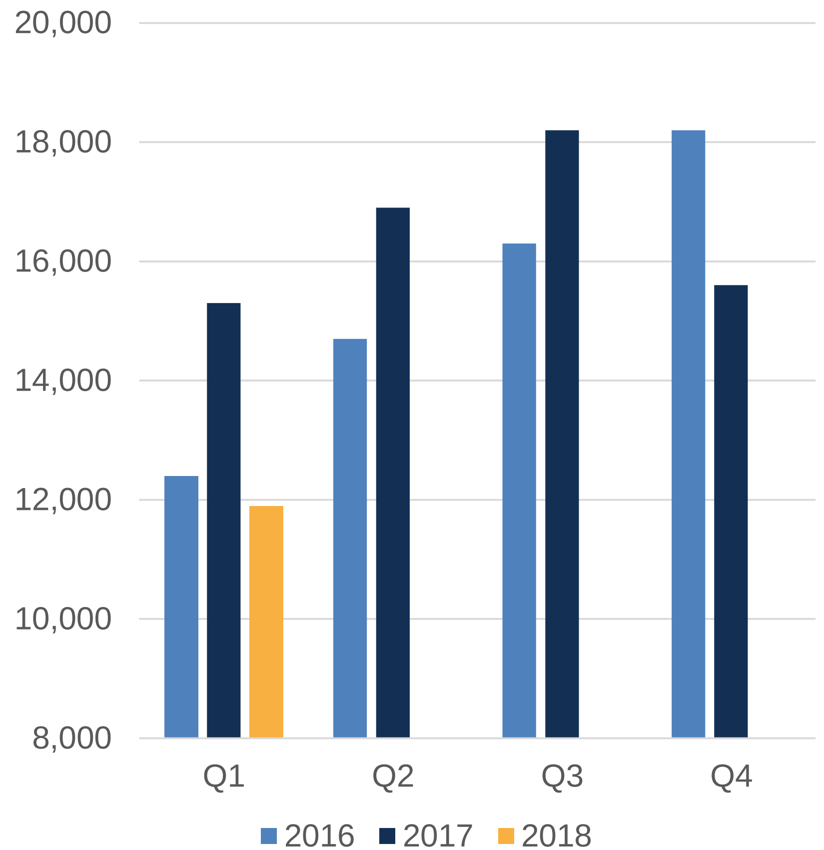
First Quarter 2018 Performance

- Container volume decreased 22.2% YoY
  - Nearly 2/3 of decline due to two fewer sailings:
    - 1 sailing at end of 1Q18 pushed into Q2
    - 1 dry-dock return voyage in 1Q17
  - Lower volume during Lunar New Year period
- Continued to realize a sizeable rate premium

Full Year 2018 Outlook

- Transpacific capacity increases in excess of demand growth
- Expect continued strong demand for Matson's highly differentiated expedited service
- Expect average rate to approximate the favorable level achieved in 2017
- Expect volume to be modestly lower than 2017 level, which included dry-dock return volume

Container Volume (FEU Basis)



Note: Hanjin bankruptcy positively impacted 4Q 2016 volume. Additionally, 4Q 2016 volume includes the benefit of a 53rd week.

Matson

Guam Service

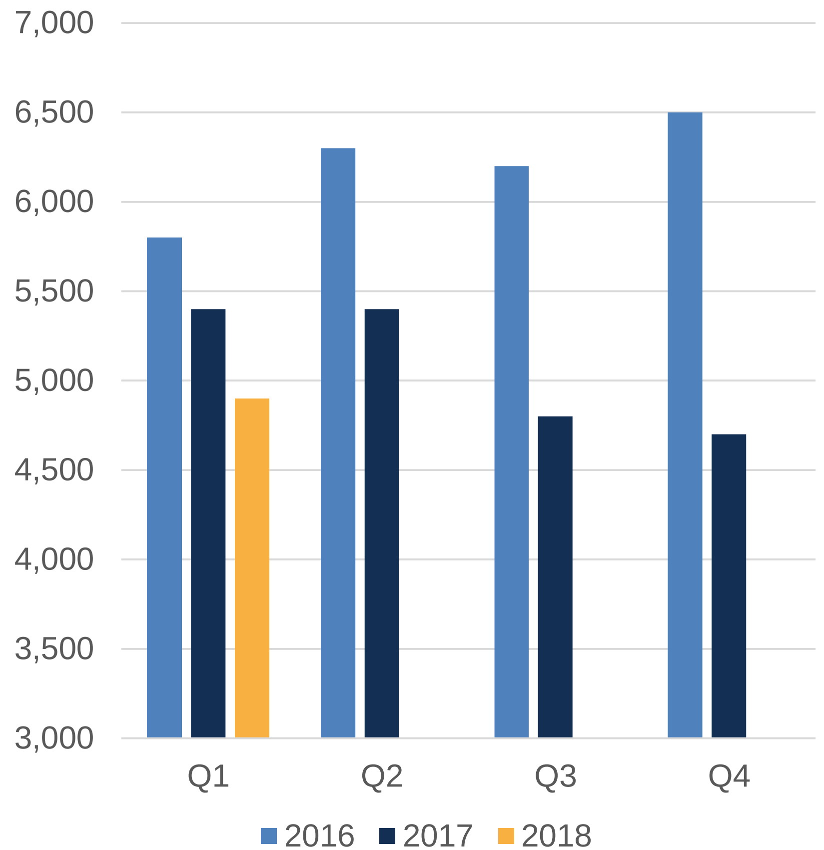
First Quarter 2018 Performance

- Container volume decreased 9.3% YoY
  - Continued competitive pressure from APL
- Market was essentially flat YoY

Full Year 2018 Outlook

- Expect heightened competitive environment and lower volume
- Matson's significant transit advantage expected to remain with superior on-time performance

Container Volume (FEU Basis)



Note: 4Q 2016 volume includes the benefit of a 53rd week. APL increased service frequency to weekly in December 2016.

Matson

Alaska Service

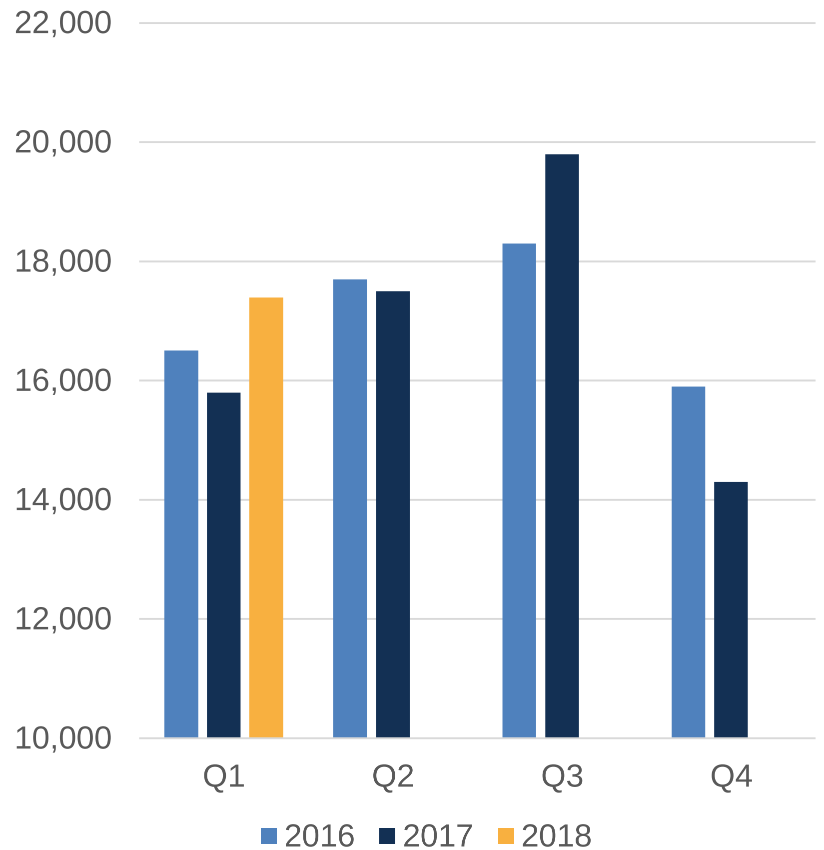
First Quarter 2018 Performance

- Container volume increased 10.1% YoY primarily due to higher NB volume
  - TOTE dry-dock volume
  - 1 sailing at end of 4Q17 pushed into January
- Early signs of Alaska economy beginning to stabilize

Full Year 2018 Outlook

- Expect FY 2018 volume to be modestly higher than the level achieved in 2017
  - Increase in NB volume, partially offset by lower SB seafood volume

Container Volume (FEU Basis)



Note: 4Q 2016 volume includes the benefit of a 53rd week. 1Q 2018 and 4Q 2017 volume figures include volume related to a competitor's vessel dry-docking.

Matson

SSAT Joint Venture

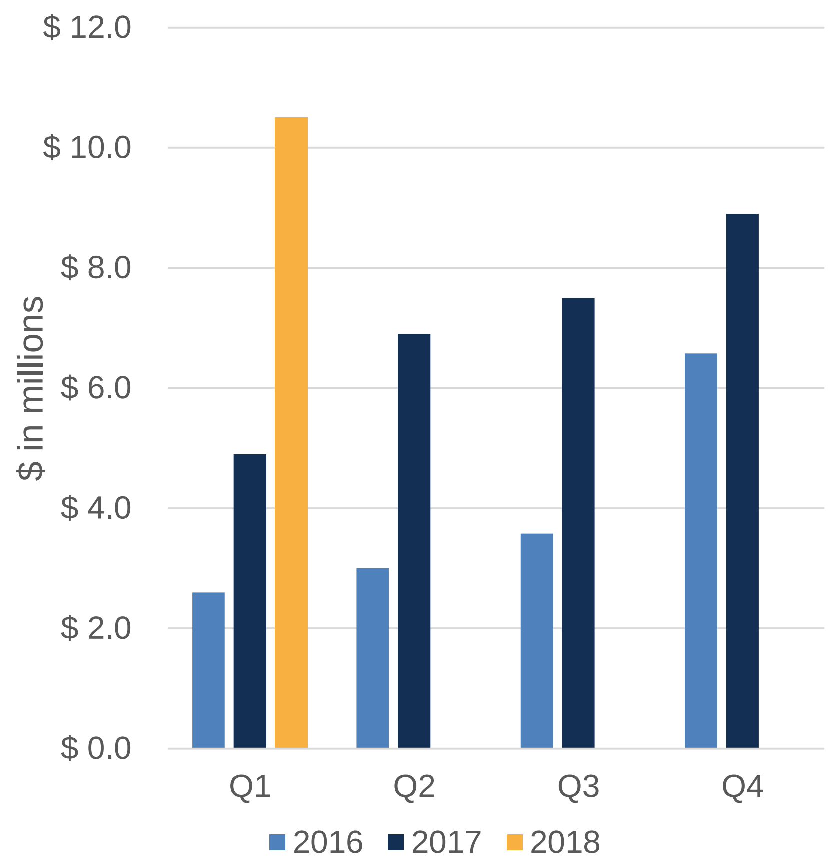
First Quarter 2018 Performance

- Terminal joint venture contribution was $10.5 million, $5.6 million higher than last year
  - Nearly half of increase related to increased lift volume
  - Balance of YoY increase related to one-time items

Full Year 2018 Outlook

- Expect FY 2018 terminal joint venture contribution to be higher than the 2017 level
  - Expect to continue to benefit from launch of new global shipping alliances

Equity in Income of Joint Venture



Matson

Matson Logistics

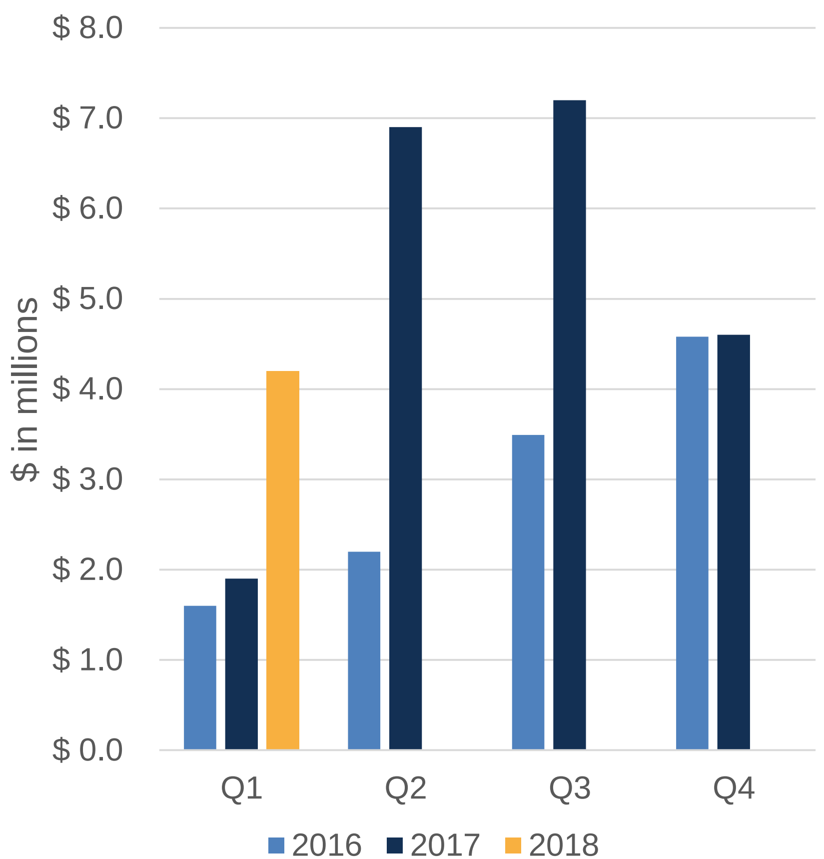
First Quarter 2018 Performance

- Operating income increased $2.3 million YoY to $4.2 million
  - Improved performance across most service lines
    - Tight truck market plays to Matson Logistics' strengths in customer service
  - Span Alaska marked improvement YoY as economy is showing signs of stabilizing

2018 Outlook

- Expect FY 2018 operating income to moderately increase over 2017 level of $20.6 million
- Expect 2Q 2018 operating income to increase from the level achieved in the prior year period of $6.9 million

Operating Income



Note: Acquired Span Alaska in 3Q 2016.

Matson

Financial Results – Summary Income Statement

($ in millions, except per share data)	Quarters Ended 3/31 2018	2017	Δ $	%
Revenue				
Ocean Transportation	$ 379.3	$ 370.0	$ 9.3	2.5%
Logistics	132.1	104.4	27.7	26.5%
Total Revenue	$ 511.4	$ 474.4	$ 37.0	7.8%
Operating Income				
Ocean Transportation	$ 24.5	$ 15.3	$ 9.2	60.1%
Logistics	4.2	1.9	2.3	121.1%
Total Operating Income	$ 28.7	$ 17.2	$ 11.5	66.9%
Depreciation and Amortization (incl. dry-dock amortization)	$ 32.6	$ 35.9	($ 3.3)	-9.2%
Interest Expense	$ 5.0	$ 6.3	($ 1.3)	
Income Tax Rate	42.0% (1)	30.7%		
Net Income	$ 14.2	$ 7.0	$ 7.2	
EPS, diluted	$ 0.33	$ 0.16	$ 0.17	
EBITDA	$ 62.1	$ 52.3	$ 9.8	18.7%

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

(1) Includes a non-cash tax adjustment of $3.3 million resulting from a reduction in the alternative minimum tax receivable under the Tax Cuts and Jobs Act.

Matson

Financial Results – Summary Balance Sheet

($ in millions)	March 31, 2018	December 31, 2017
ASSETS		
Cash and cash equivalents	$ 13.7	$ 19.8
Other current assets	255.1	246.2
Total current assets	268.8	266.0
Investment in Terminal Joint Venture	96.7	93.2
Property and equipment, net	1,215.0	1,165.7
Intangible assets, net	222.4	225.2
Goodwill	323.7	323.7
Other long-term assets	161.3	173.7
Total assets	**$ 2,287.9**	**$ 2,247.5**
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current portion of debt	$ 36.5	$ 30.8
Other current liabilities	239.1	255.5
Total current liabilities	275.6	286.3
Long-term debt	867.1	826.3
Other long-term liabilities	462.8	456.7
Total long-term liabilities	1,329.9	1,283.0
Total shareholders' equity	682.4	678.2
Total liabilities and shareholders' equity	**$ 2,287.9**	**$ 2,247.5**

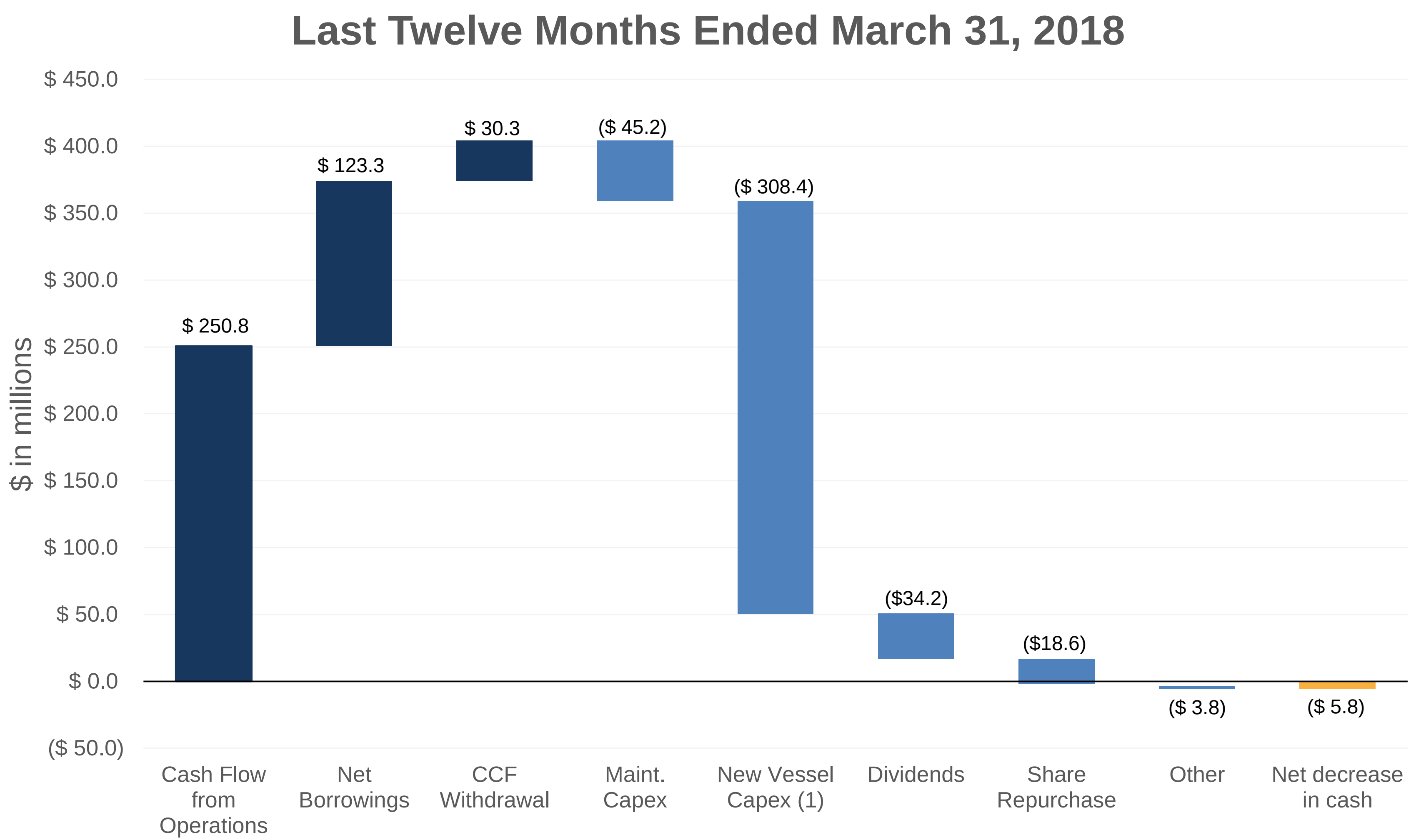
Debt Levels

- Total debt of $903.6 million
- Net debt of $889.0 million
- Net debt-to-LTM EBITDA of 2.9x

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

Matson®

Cash Generation and Uses of Cash



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

Matson

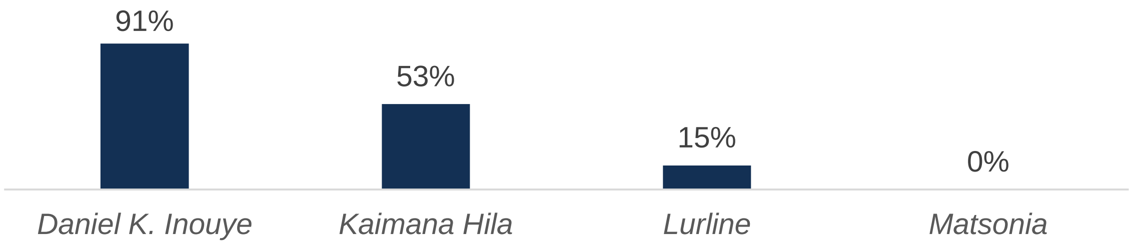
New Vessel Payments and Percent of Completion

Vessel Construction Expenditures

($ in millions)	FY 2018 1Q
Cash Capital Expenditures	$ 54.0
Capitalized Interest	3.7
Capitalized Vessel Construction Expenditures	$ 57.7

First block in the dock on the *Kaimana Hila*.

Percent of Completion (as of April 30, 2018)



Actual and Estimated Vessel Progress Payments

($ in millions)	Cumulative through 12/31/17	Fiscal Year Ending December 31, 2018	2019	2020	Total
Two Aloha Class Containerships	$ 253.8	$ 137.7	$ 19.4	$ 0.0	$ 410.9
Two Kanaloa Class Con-Ro Vessels	111.2	207.6	174.5	23.3	516.6
Total New Vessel Actual and Progress Payments	$ 365.0	$ 345.3	$ 193.9	$ 23.3	$ 927.5

Matson®

2018 Outlook

	Outlook Items	
	FY 2018	**2Q 2018**
Operating income:		
Ocean Transportation	Modestly higher than $128.8 million achieved in FY 2017	To approach 2Q17 level of $39.0 million
Logistics	Moderately higher than $20.6 million achieved in FY 2017	Moderately higher than 2Q17 level of $6.9 million
Depreciation and Amortization	Approximately $132 million, including $36 million in dry-dock amortization	-
EBITDA	Lower than FY 2017 level of $296.0 million	-
Interest Expense	Approximately $23 million	-
GAAP Effective Tax Rate	Approximately 28% for remaining 3 quarters; 42% in 1Q due to adjustment under Tax Cuts and Jobs Act(1)	-

(1) Includes a non-cash tax adjustment of $3.3 million resulting from a reduction in the alternative minimum tax receivable under the Tax Cuts and Jobs Act.

Matson

Matson

Addendum

Addendum – 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, 2018
Total Debt:	$ 903.6
Less: Cash and cash equivalents	(13.7)
Capital Construction Fund - cash on deposit	(0.9)
Net Debt	$ 889.0

EBITDA RECONCILIATION

(In millions)	Three Months Ended March 31, 2018	2017	Change	Last Twelve Months
Net Income	$ 14.2	$ 7.0	$ 7.2	$ 239.2
Add: Income taxes	10.3	3.1	7.2	(99.6)
Add: Interest expense	5.0	6.3	(1.3)	22.9
Add: Depreciation and amortization	23.4	24.4	(1.0)	99.4
Add: Dry-dock amortization	9.2	11.5	(2.3)	43.9
EBITDA (1)	$ 62.1	$ 52.3	$ 9.8	$ 305.8

(1) 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.