



Matson[®]

Fourth Quarter 2020 Earnings Conference Call

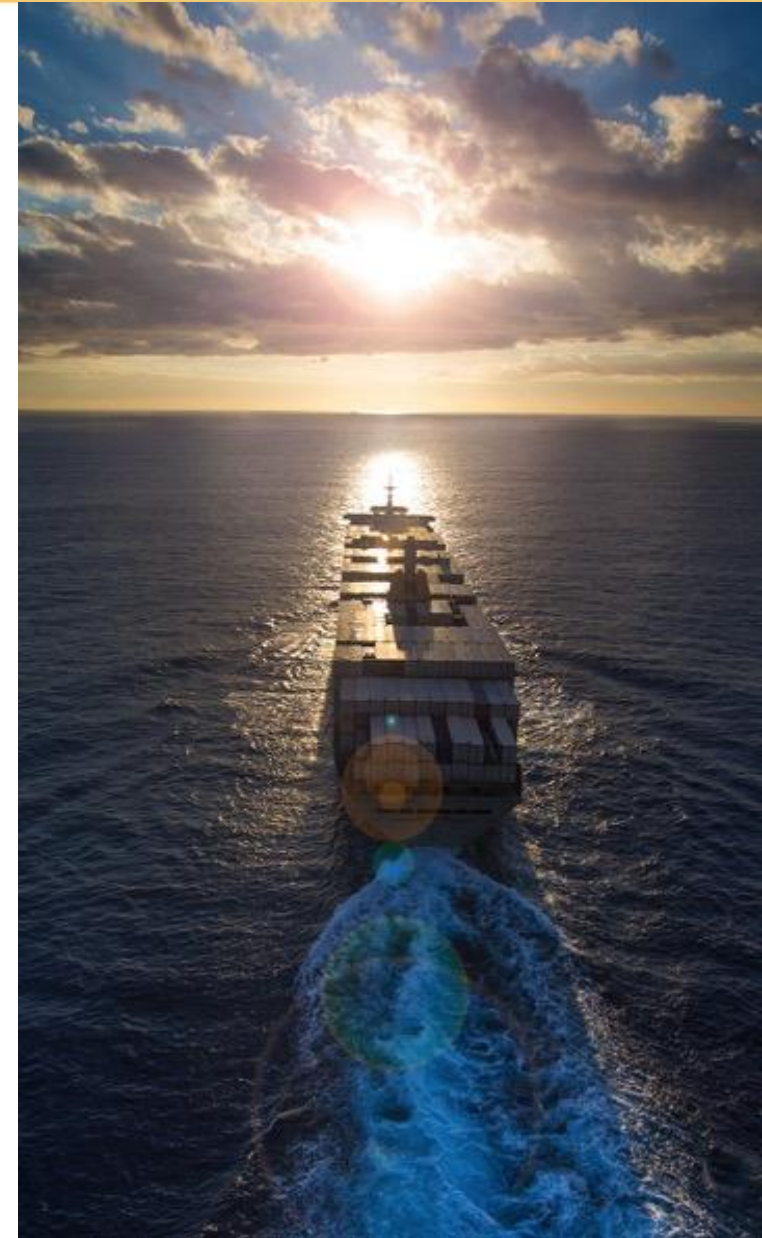
February 23, 2021

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 February 23, 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 24-34 of our Form 10-Q filed on November 2, 2020 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.



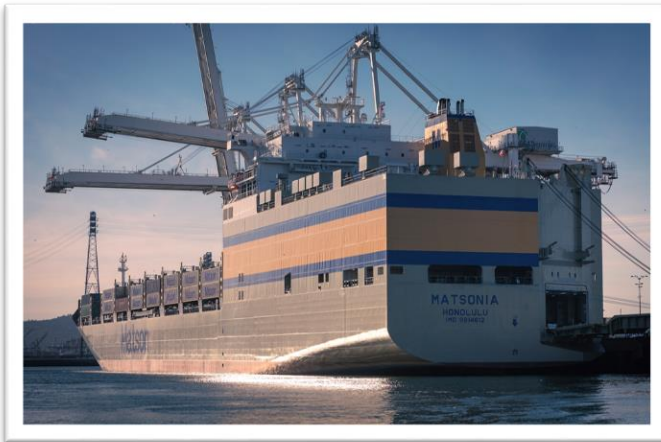
Opening Remarks

- Recap of Matson's 4Q20 results:
 - Capped off a strong year 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 elevated demand for sustenance and home improvement goods lead to higher quarterly YoY volume growth
 - Logistics:
 - Improved performance as a result of elevated goods consumption and inventory restocking and tight supply and demand fundamentals in our core markets
- Recap of Matson's FY 2020 results:
 - Ocean Transportation:
 - China service was primary driver of increase in consolidated operating income year-over-year
 - Hawaii and Guam container volume approached the 2019 levels despite the economic challenges from the pandemic; Alaska container volume was modestly higher than the 2019 level
 - Logistics:
 - Operating income was modestly lower YoY largely due to pandemic's impacts on the business lines in 1H20

2021 Priorities

- Continue to safeguard the health and safety of our employees
- Maximize the opportunity in our China service
 - Maintain CLX and CLX+ as the fastest services in the Transpacific
 - Continue to invest in new equipment to support growth
- Position domestic trades for continued economic recovery as pandemic subsides
- Position Logistics for opportunities in chaotic environment
- Continue to evaluate growth opportunities
- Maintain financial flexibility with investment grade balance sheet

Completed Hawaii Fleet Renewal in 4Q 2020



Matsonia
(Delivered 4Q 2020)



Lurline
(Delivered 4Q 2019)



Kaimana Hila
(Delivered 1Q 2019)



Daniel K. Inouye
(Delivered 4Q 2018)

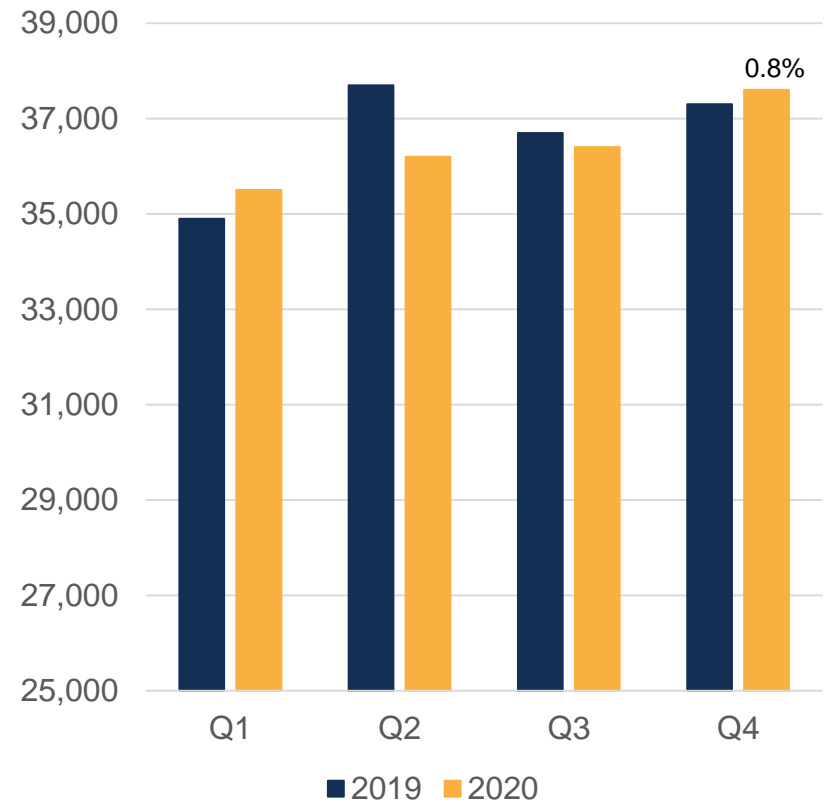
Fourth Quarter 2020 Performance

- Container volume increased 0.8% YoY
 - An additional westbound sailing
 - Higher demand for sustenance and home improvement goods
 - Continued negative impact from low tourism activity
 - Pre-travel testing program provided uptick in tourist traffic in the quarter versus 3Q

Full Year 2020 Performance

- Container volume decreased 0.6% YoY:
 - Lower volume as a result of the pandemic and its effects on tourism
 - Partially offset by:
 - Volume from Pasha in 2Q20 due in part to the dry-docking of one of its vessels
 - Higher demand for sustenance and home improvement goods

Container Volume (FEU Basis)



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

Hawaii Service – Current Business Trends

- Hawaii economy remains in significant downturn
 - Tourism activity remains well below 2019 levels
- Economic recovery trajectory remains highly uncertain as tourism-related businesses in difficult environment
 - UHERO projects meaningful pickup in visitor traffic in 2022
- Unemployment remains elevated and UHERO projects it to be well above 2019 levels for next several years
- January 2021 westbound container volume decreased 5.7% YoY
 - Primarily due to one less sailing compared to prior year; normalizing for one less sailing, volume decreased 3.1% YoY
 - Slow start in January, but picked up in February; lapping first pandemic shelter-in-place in March

Select Hawaii Economic Indicators⁽¹⁾

	2019	2020P	2021P	2022P
Real GDP	1.2%	(10.2)%	0.1%	5.2%
Construction Jobs Growth	(0.4)%	1.0%	0.0%	0.7%
Population Growth	(0.3)%	(0.1)%	(0.5)%	(0.8)%
Unemployment Rate	2.7%	12.7%	10.9%	5.6%
Visitor Arrivals ('000s)	10,385.8	2,666.7	4,409.7	8,151.7
% change	5.0%	(74.3)%	65.4%	84.9%

(1) Source: https://uhero.hawaii.edu/wp-content/uploads/2020/12/20Q4_Public.pdf

China Service

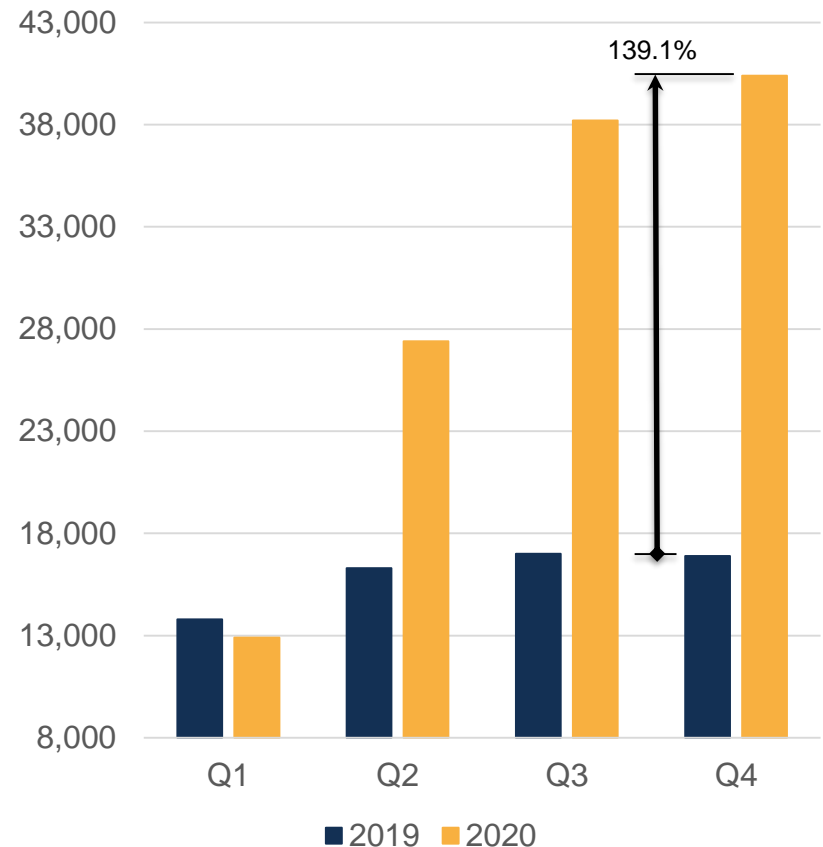
Fourth Quarter 2020 Performance

- Container volume increased 139.1% YoY
- Favorable supply and demand dynamics in transpacific tradelane

Full Year 2020 Performance

- Container volume increased 85.8% YoY
- Evolving freight demand in pandemic environment
- Leveraged CLX's 15-years of reliable service to initiate a new service, CLX+
 - Unrivaled destination services

Container Volume (FEU Basis)



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

China Service – Current Business Trends

- January 2021 eastbound container volume increased 130.4% YoY
 - Supply and demand factors continued to remain favorable
 - Continued trend of inventory restocking and elevated consumption of goods
- Very strong pre-Lunar New Year period and abbreviated post-Lunar New Year period slowdown as vessels were near full
- Investing approximately \$55 million in new equipment to support CLX+/AAX growth and increase availability of equipment in our network
- Expect supply and demand dynamics in transpacific tradelane to remain largely favorable in the first half of 2021 as pandemic persists
- As pandemic subsides with widespread vaccination, expect some supply and demand factors that we are currently benefitting from to remain and continue to drive demand for CLX and CLX+

Guam Service

Fourth Quarter 2020 Performance

- Container volume increased 4.2% YoY
 - Higher demand for sustenance and home improvement goods
 - Lower tourism activity as a result of the pandemic

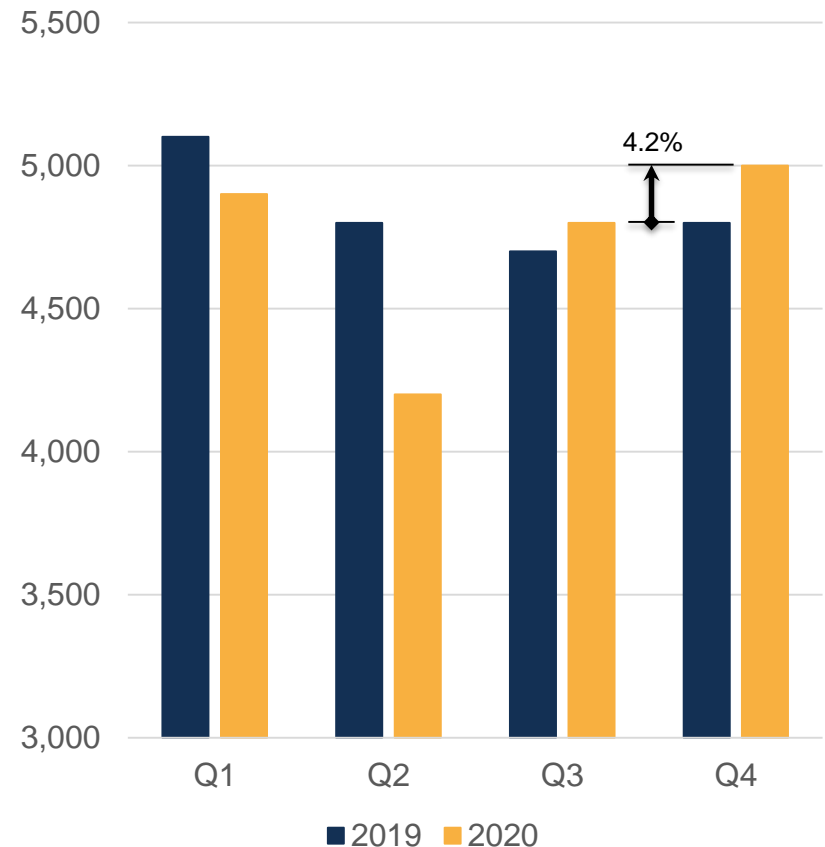
Full Year 2020 Performance

- Container volume decreased 2.6% YoY
 - Lower demand for retail-related goods resulting from the pandemic and its related effects

Current Business Trends

- Guam economy in downturn as tourism levels remain depressed; uncertain economic recovery trajectory
- January 2021 westbound container volume increased 1.8% YoY

Container Volume (FEU Basis)



Alaska Service

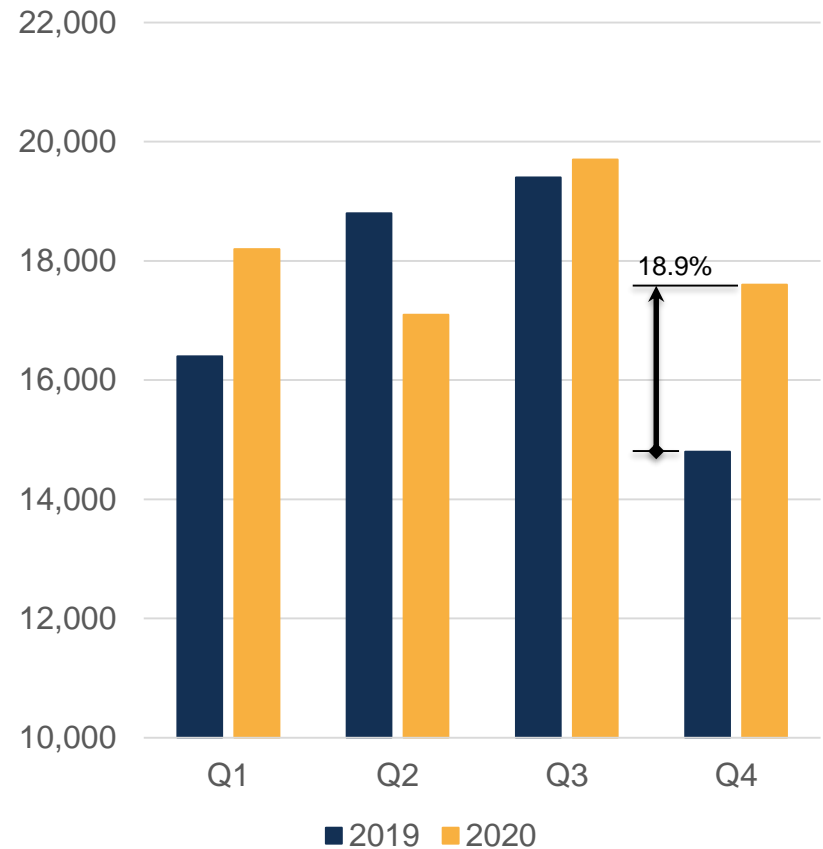
Fourth Quarter 2020 Performance

- Container volume increased 18.9% YoY
 - Higher northbound volume:
 - Two additional sailings
 - Higher demand for sustenance and home improvement goods
 - Modestly higher southbound volume

Full Year 2020 Performance

- Container volume increased 4.6% YoY
 - Higher northbound volume:
 - Including volume associated with the dry-docking of a competitor's vessel
 - One additional sailing
 - Modestly lower southbound volume

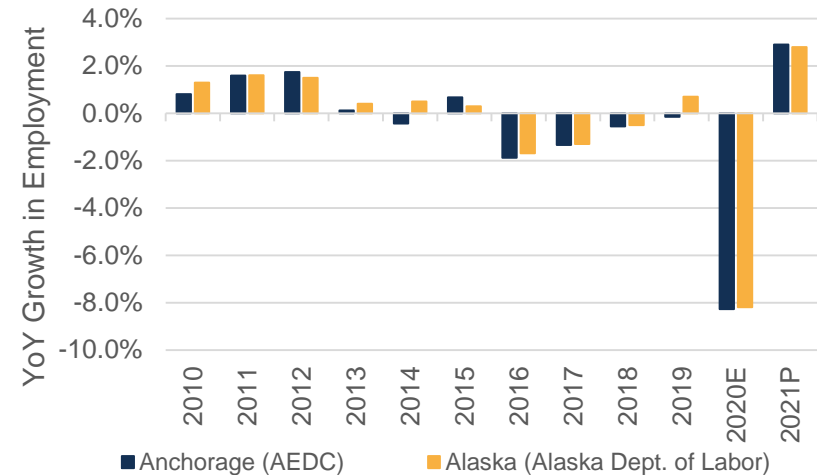
Container Volume (FEU Basis)



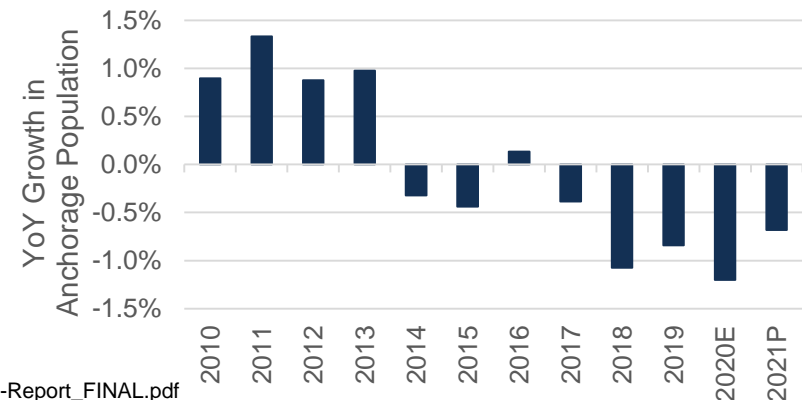
Alaska Service – Current Business Trends

- Alaska economic recovery trajectory remains highly uncertain
 - Jobs market remains challenging in pandemic environment
- Low oil price environment expected to continue to negatively impact oil exploration and production
- January 2021 northbound container volume decreased 12.4% YoY
 - One less sailing than prior year; normalizing for one less sailing, volume increased 2.9% YoY
- Pandemic challenges lead to delayed start to 'A' fishing season and AAX

Anchorage and Alaska Employment Growth⁽¹⁾⁽²⁾



Anchorage Population⁽¹⁾



(1) Source: https://aedcweb.com/wp-content/uploads/2021/02/AEDC-Anchorage-Economic-Forecast-Report_FINAL.pdf

(2) Source: <https://labor.alaska.gov/trends/jan21.pdf>

SSAT Joint Venture

Fourth Quarter 2020 Performance

- Terminal joint venture contribution was \$10.9 million, \$7.9 million higher than last year primarily due to higher lift volume

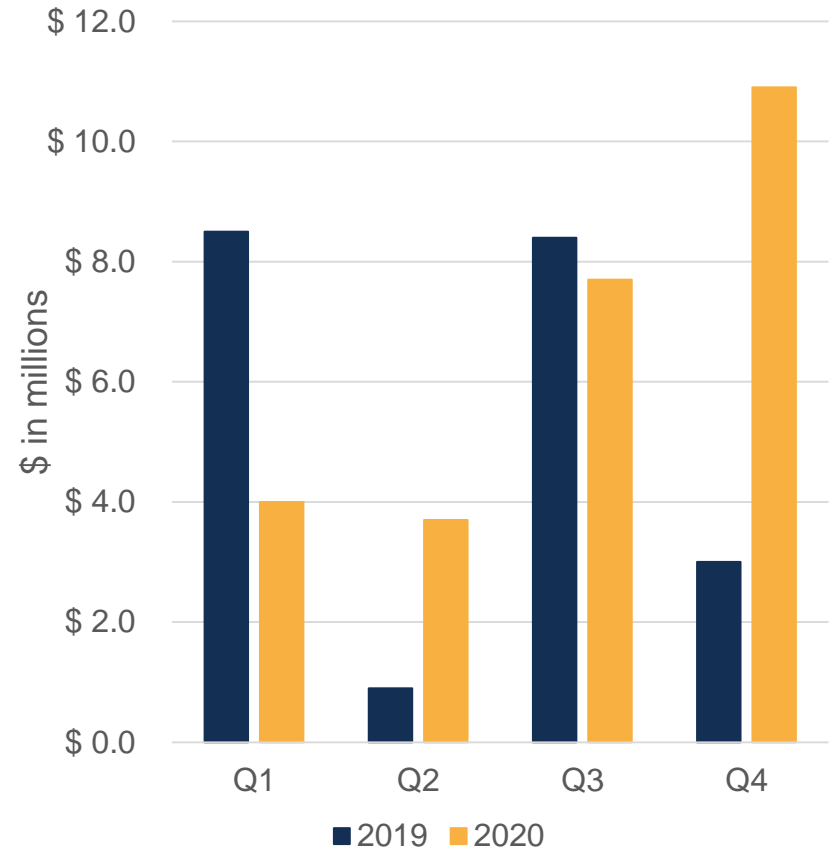
Full Year 2020 Performance

- Terminal joint venture contribution was \$26.3 million, \$5.5 million higher than last year largely due to lower operating costs

Current Business Trends

- In January 2021, saw continued strong import volume into U.S. West Coast

Equity in Income of Joint Venture



Note: 2Q 2019 equity in income negatively impacted by the timing of lease accounting.

Fourth Quarter 2020 Performance

- Operating income of \$9.6 million; YoY increase of \$2.0 million
 - Due primarily to higher contribution from transportation brokerage

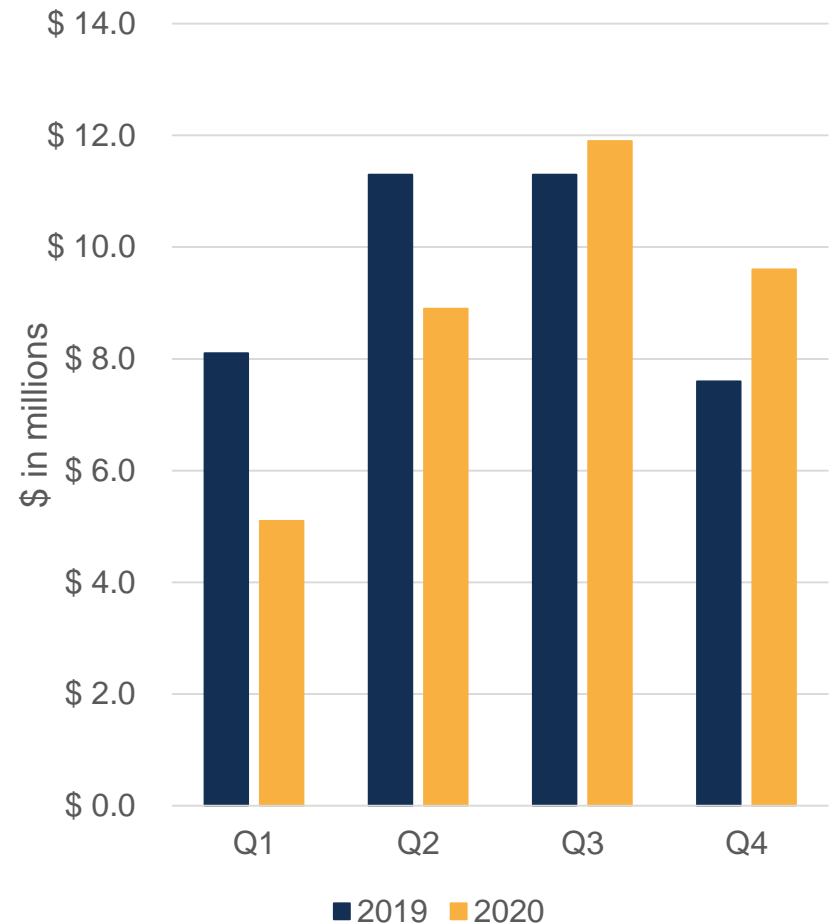
Full Year 2020 Performance

- Operating income of \$35.5 million, a decline of \$2.8 million YoY
 - Largely due to lower contribution from freight forwarding

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

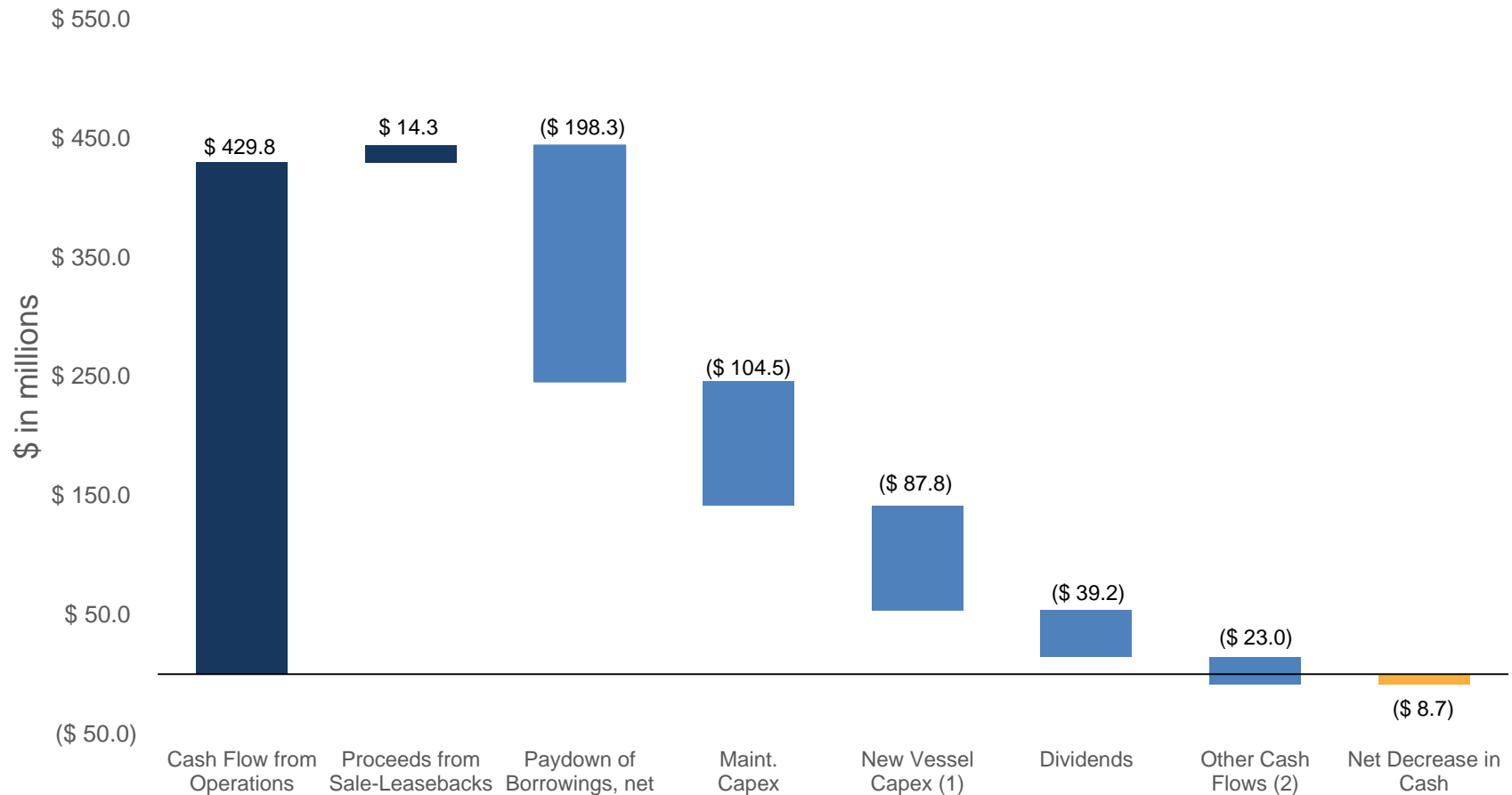
(\$ in millions, except per share data)	Year-to-Date				Fourth Quarter			
	YTD Ended 12/31		Δ		Quarters Ended 12/31		Δ	
	2020	2019	\$	%	2020	2019	\$	%
Revenue								
Ocean Transportation	\$ 1,853.9	\$ 1,666.6	\$ 187.3	11.2%	\$ 543.9	\$ 416.1	\$ 127.8	30.7%
Logistics	529.4	536.5	(7.1)	(1.3)%	156.2	124.6	31.6	25.4%
Total Revenue	\$ 2,383.3	\$ 2,203.1	\$ 180.2	8.2%	\$ 700.1	\$ 540.7	\$ 159.4	29.5%
Operating Income								
Ocean Transportation	\$ 244.8	\$ 90.8	\$ 154.0	169.6%	\$ 108.1	\$ 17.8	\$ 90.3	507.3%
Logistics	35.5	38.3	(2.8)	(7.3)%	9.6	7.6	2.0	26.3%
Total Operating Income	\$ 280.3	\$ 129.1	\$ 151.2	117.1%	\$ 117.7	\$ 25.4	\$ 92.3	363.4%
Interest Expense	(27.4)	(22.5)			(4.9)	(5.6)		
Other income (expense), net	6.1	1.2			1.6	0.3		
Income Taxes	(65.9)	(25.1) ⁽¹⁾			(28.8)	(4.5)		
Net Income	\$ 193.1	\$ 82.7	\$ 110.4	133.5%	\$ 85.6	\$ 15.6	\$ 70.0	448.7%
GAAP EPS, diluted	\$ 4.44	\$ 1.91	\$ 2.53	132.5%	\$ 1.96	\$ 0.36	\$ 1.60	444.4%
Depreciation and Amortization (incl. dry-dock amortization)	\$ 137.3	\$ 134.0	\$ 3.3	2.5%	\$ 37.0	\$ 35.3	\$ 1.7	4.8%
EBITDA	\$ 423.7	\$ 264.3	\$ 159.4	60.3%	\$ 156.3	\$ 61.0	\$ 95.3	156.2%

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

(1) Includes a non-cash tax benefit of \$2.9 million resulting from discrete adjustments in applying the provisions of the Tax Cuts and Jobs Act of 2017 ("Tax Act").

Cash Generation and Uses of Cash

Last Twelve Months Ended December 31, 2020



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

(2) Includes \$18.5 million in financing costs related to Title XI bonds and amendments to debt agreements in the first half of 2020.

Financial Results – Summary Balance Sheet

(\$ in millions)	December 31, 2020	December 31, 2019
ASSETS		
Cash and cash equivalents	\$ 14.4	\$ 21.2
Other current assets	291.5	268.4
Total current assets	305.9	289.6
Investment in SSAT	48.7	76.2
Property and equipment, net	1,689.9	1,598.1
Intangible assets, net	192.0	202.9
Goodwill	327.8	327.8
Other long-term assets	336.3	350.8
Total assets	\$ 2,900.6	\$ 2,845.4
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current portion of debt	\$ 59.2	\$ 48.4
Other current liabilities	452.3	388.3
Total current liabilities	511.5	436.7
Long-term debt, net of deferred loan fees	685.6	910.0
Other long-term liabilities	742.3	693.0
Total long-term liabilities	1,427.9	1,603.0
Total shareholders' equity	961.2	805.7
Total liabilities and shareholders' equity	\$ 2,900.6	\$ 2,845.4

Debt Levels

- Total Debt of \$760.1 million⁽¹⁾
 - \$63.5 million of debt reduction in 4Q20
 - Revolver balance of \$71.8 million
- Net Debt of \$745.7 million⁽²⁾
- Leverage ratio per amended debt agreements of approximately 1.7x⁽³⁾

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 \$760.1 million less cash and cash equivalents of \$14.4 million.

(3) Based on Total Debt and EBITDA as defined in the amended debt agreements of \$760.1 million and \$441.5 million, respectively.

New Vessel Payments

Vessel Construction Expenditures

(\$ in millions)	FY 2020				FY
	1Q	2Q	3Q	4Q	
Cash Capital Expenditures	\$ 7.2	\$ 5.7	\$ 39.3	\$ 28.2	\$ 80.4
Capitalized Interest	1.9	1.7	2.0	1.8	7.4
Capitalized Vessel Construction Expenditures	\$ 9.1	\$ 7.4	\$ 41.3	\$ 30.0	\$ 87.8

Actual Vessel Progress Payments⁽¹⁾

(\$ in millions)	Cumulative through 12/31/20
Two Aloha Class Containerships	\$ 407.1
Two Kanaloa Class Con-Ro Vessels	517.1
Total New Vessel Progress Payments	\$ 924.2



Matsonia, January 2021

(1) Excludes owner's items, capitalized interest and other cost items associated with final milestone payments.

Capital Expenditures Update

- Overview of 2021 capital expenditures
 - Maintenance capex of \$60-70 million
 - Includes most recent unit cost pricing on annual equipment replenishment
 - Scrubber installation payments of approximately \$20 million
 - Includes payments on seventh scrubber installation and carryover of payments on 2020 installations
 - Approximately \$55 million on new equipment to support CLX+ / AAX growth and increase availability of equipment in our network
 - Payments on new neighbor island flat-deck barge of approximately \$25 million
 - Avoids expensive dry-docking, ends old crane platform, and provides more efficiency to Hawaii barge operations
- Expect to be at maintenance capex level of \$60-70 million in 2022

Capital Allocation

- No change in capital allocation strategy
- Uses of cash after funding our ordinary dividend and maintenance capex (in no particular order):
 - Organic growth
 - Reduce debt
 - Acquire businesses
 - Return capital to shareholders
- In 2021, expect to continue to reduce outstanding debt
- Acquisition criteria:
 - Target must have an enduring competitive advantage
 - Target must be strategic or complementary
 - Target must generate a cash-on-cash return in excess of 10% initially, and have ability to grow organically
 - Target must be a good cultural fit



Matson®

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)	December 31, 2020
Total Debt (1):	\$ 760.1
Less: Cash and cash equivalents	(14.4)
Net Debt	<u>\$ 745.7</u>

EBITDA RECONCILIATION

(In millions)	Three Months Ended December 31,		
	2020	2019	Change
Net Income	\$ 85.6	\$ 15.6	\$ 70.0
Add: Income taxes	28.8	4.5	24.3
Add: Interest expense	4.9	5.6	(0.7)
Add: Depreciation and amortization	29.7	26.9	2.8
Add: Dry-dock amortization	7.3	8.4	(1.1)
EBITDA (2)	<u>\$ 156.3</u>	<u>\$ 61.0</u>	<u>\$ 95.3</u>

(In millions)	Years Ended December 31,		
	2020	2019	Change
Net Income	\$ 193.1	\$ 82.7	\$ 110.4
Add: Income taxes	65.9	25.1	40.8
Add: Interest expense	27.4	22.5	4.9
Add: Depreciation and amortization	112.2	99.7	12.5
Add: Dry-dock amortization	25.1	34.3	(9.2)
EBITDA (2)	<u>\$ 423.7</u>	<u>\$ 264.3</u>	<u>\$ 159.4</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.