

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D. C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): **July 20, 2023 (July 20, 2023)**

Matson, Inc.

(Exact Name of Registrant as Specified in its Charter)

Hawaii
(State or Other Jurisdiction of
Incorporation)

001-34187
(Commission File Number)

99-0032630
(I.R.S. Employer Identification
No.)

1411 Sand Island Parkway
Honolulu, Hawaii
(Address of principal executive offices)

96819
(zip code)

Registrant's telephone number, including area code: **(808) 848-1211**
(Former Name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, without par value	MATX	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 2.02. Results of Operations and Financial Condition.

On July 20, 2023, Matson, Inc. (the “Company”) issued a press release announcing the Company’s preliminary earnings for the quarter ended June 30, 2023. A copy of the press release is attached hereto as Exhibit 99.1. In addition, the Company posted an investor presentation to its website. A copy of the investor presentation is attached hereto as Exhibit 99.2.

The information in this report (including Exhibits 99.1 and 99.2) is being furnished pursuant to Item 2.02 and shall not be deemed to be “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended.

Item 9.01. Financial Statements and Exhibits.

(a) - (c) Not applicable.

(d) Exhibits.

The exhibit listed below is being furnished with this Form 8-K.

99.1 [Press Release issued by Matson, Inc., dated July 20, 2023](#)

99.2 [Investor Presentation, dated July 20, 2023](#)

104 Cover Page Interactive Data File (formatted in Inline XBRL and included as Exhibit 101).

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

MATSON, INC.

/s/ Joel M. Wine

Joel M. Wine

Executive Vice President and Chief Financial Officer

Dated: July 20, 2023



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FOR IMMEDIATE RELEASE

MATSON ANNOUNCES PRELIMINARY 2Q23 RESULTS, PROVIDES BUSINESS UPDATE AND ANNOUNCES 2Q23 EARNINGS CALL DATE

- Expects 2Q23 operating income for Ocean Transportation to be \$78.0 to \$83.0 million
- Expects 2Q23 operating income for Logistics to be \$13.5 to \$14.5 million
- Expects 2Q23 net income and diluted EPS to be \$76.3 to \$81.5 million and \$2.14 to \$2.28, respectively
- Year-over-year decrease in consolidated operating income driven primarily by lower contribution from China service
- Repurchased approximately 0.6 million shares in 2Q23
- Announces second quarter earnings call date on August 1, 2023

HONOLULU, Hawaii (July 20, 2023) – Matson, Inc. (“Matson” or the “Company”) (NYSE: MATX) today announces preliminary second quarter financial results, provides a business update and announces that its second quarter earnings call will be held on August 1, 2023.

“Matson’s Ocean Transportation and Logistics business segments performed well despite a challenging business environment and sluggish economic growth,” said Chairman and Chief Executive Officer Matt Cox. “Within Ocean Transportation, our China service saw higher sequential quarterly freight demand but generated lower year-over-year volume and freight rates, which were the primary contributors to the year-over-year decline in our consolidated operating income. Currently in the Transpacific marketplace, we are seeing modest reductions in deployed capacity and retail inventories are in a relatively better position than earlier in the year, but retailers continue to carefully manage inventory levels in the face of lower consumer demand. We further expect the tradelane to experience a muted peak season, but for Matson, we expect our China service to be near full during the traditional peak season. Absent an economic ‘hard landing’ in the U.S., we continue to expect trade dynamics to gradually improve for the remainder of the year as the Transpacific marketplace transitions to a more normalized level of consumer demand and retail inventory stocking levels. Regardless of the economic environment, we expect to continue to earn a significant rate premium to the Shanghai Containerized Freight Index reflecting our fast and reliable ocean services and unmatched destination services.”

Mr. Cox added, “In our domestic ocean tradelanes, we saw lower year-over-year volumes in Hawaii, Alaska and Guam compared to the year ago period. The year-over-year decline in Hawaii volume was primarily due to lower retail-related volume. The year-over-year volume declines in Guam and Alaska were primarily driven by lower general demand and lower seafood volume, respectively. In Logistics, operating income decreased year-over-year primarily due to lower contributions from transportation brokerage and supply chain management. As a result, Matson expects second quarter operating income for Ocean Transportation of \$78.0 to \$83.0 million and Logistics operating income of \$13.5 to \$14.5 million. We also expect second quarter 2023 net income and diluted EPS to be \$76.3 to \$81.5 million and \$2.14 to \$2.28, respectively.”

Second Quarter Tradelane Volume (Forty-foot equivalent units (FEU)) (1)(2):

For the three months ended June 30, 2023 compared to the three months ended June 30, 2022 and on a FEU basis:

- Hawaii container volume decreased 7.1 percent primarily due to lower retail-related volume;
- Alaska container volume decreased 7.2 percent due to (i) lower export seafood volume from the Alaska-Asia Express service (“AAX”), (ii) lower northbound volume due to one less sailing and (iii) lower southbound volume primarily due to lower household goods and domestic seafood volume;
- China container volume was 24.6 percent lower primarily due to (i) CCX volume in 2Q22 (CCX service was discontinued in 3Q22), (ii) lower capacity in the CLX due to the dry-docking of *Daniel K. Inouye* and (iii) one less CLX+ sailing;
- Guam container volume was 7.5 percent lower primarily due to lower general demand; and
- Other container volume decreased 29.0 percent.

(1) Approximate volumes included for the period are based on the voyage departure date, but revenue and operating income are adjusted to reflect the percentage of revenue and operating income earned during the reporting period for voyages in transit at the end of each reporting period.

(2) Other containers includes containers from services in various islands in Micronesia and the South Pacific, and Okinawa, Japan.

Liquidity, Debt and Share Repurchases

Matson’s cash and cash equivalents as of June 30, 2023 was approximately \$120.0 million, which excludes \$583.9 million in cash on deposit within the Capital Construction Fund (CCF). Total debt as of June 30, 2023 was \$462.4 million.⁽³⁾ During the second quarter of 2023, Matson made an approximately \$50.0 million milestone payment from the CCF as part of the new vessel build program.

During the second quarter of 2023, Matson repurchased approximately 0.6 million shares for a total cost of \$42.4 million. As of June 30, 2023, the Company had approximately 3.3 million shares remaining in its share repurchase program.

A slide presentation that accompanies this press release is available on the Company’s website at www.matson.com, under Investors.

(3) Total debt is presented before any reduction for deferred loan fees as required by GAAP.

Teleconference and Webcast

A conference call is scheduled on August 1, 2023 at 4:30 p.m. ET when Matt Cox, Chairman and Chief Executive Officer, and Joel Wine, Executive Vice President and Chief Financial Officer, will discuss Matson’s second quarter results.

Date of Conference Call:	Tuesday, August 1, 2023
Scheduled Time:	4:30 p.m. ET / 1:30 p.m. PT / 10:30 a.m. HT

The conference call will be broadcast live along with an additional slide presentation on the Company’s website at www.matson.com, under Investors.

Participants may register for the conference call at:

<https://register.vevent.com/register/BI2405370e930a41939d6774bd4e7cc3dc>

Registered participants will receive the conference call dial-in number and a unique PIN code to access the live event. While not required, it is recommended you join 10 minutes prior to the event starting time. A replay of the conference call will be available approximately two hours after the event by accessing the webcast link at www.matson.com, under Investors.

About the Company

Founded in 1882, Matson (NYSE: MATX) is a leading provider of ocean transportation and logistics services. Matson provides a vital lifeline of ocean freight transportation services to the domestic non-contiguous economies of Hawaii, Alaska, and Guam, and to other island economies in Micronesia. Matson also operates premium, expedited services from China to Long Beach, California, provides service to Okinawa, Japan and various islands in the South Pacific, and operates an international export service from Dutch Harbor to Asia. The Company's fleet of owned and chartered vessels includes containerships, combination container and roll-on/roll-off ships and custom-designed barges. Matson Logistics, established in 1987, extends the geographic reach of Matson's transportation network throughout North America and Asia. Its integrated, asset-light logistics services include rail intermodal, highway brokerage, warehousing, freight consolidation, supply chain management, and freight forwarding to Alaska. Additional information about the Company is available at www.matson.com.

Forward-Looking Statements

Statements in this news release 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; retail inventories; deployed capacity in the Transpacific; consumer demand; Matson's capacity utilization in the peak season; economic uncertainty; trade dynamics; and Matson's rate premium to the Shanghai Containerized Freight Index. 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 its application, or our failure to maintain our status as a United States citizen under the Jones Act; changes in macroeconomic conditions, geopolitical developments, or governmental policies, including from the COVID-19 pandemic; our ability to offer a differentiated service in China for which customers are willing to pay a significant premium; new or increased competition or improvements in competitors' service levels; our relationship with customers, agents, vendors and partners and changes in related agreements; fuel prices, our ability to collect fuel-related surcharges and/or the cost or limited availability of required fuels; evolving stakeholder expectations related to environmental, social and governance matters; timely or successful completion of fleet upgrade initiatives; the ability of Philly Shipyard to construct and deliver the new Aloha Class vessels on the contemplated timeframe; the occurrence of poor weather, natural disasters, maritime accidents, spill events and other physical and operating risks, including those arising from climate change; transitional and other risks arising from climate change; the magnitude and timing of the impact of public health crises, including COVID-19; significant operating agreements and leases that may not be replaced on favorable terms; any unanticipated dry-dock or repair expenses; joint venture relationships; conducting business in foreign shipping markets, including the imposition of tariffs or a change in international trade policies; any delays or cost overruns related to the modernization of terminals; war, terrorist attacks or other acts of violence; consummating and integrating acquisitions; relations with our unions; satisfactory negotiation and renewal of expired collective bargaining agreements without significant disruption to Matson's operations; loss of key personnel or failure to adequately manage human capital; the use of our information technology and communication systems and cybersecurity attacks; changes in our credit profile and our future financial performance; our ability to obtain future debt financings; 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 release should be read in conjunction with our Annual Report on Form 10-K for the year ended December 31, 2022 and our other filings with the SEC through the date of this release, 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.



Matson[®]

***Second Quarter 2023
Preliminary Earnings Supplement***

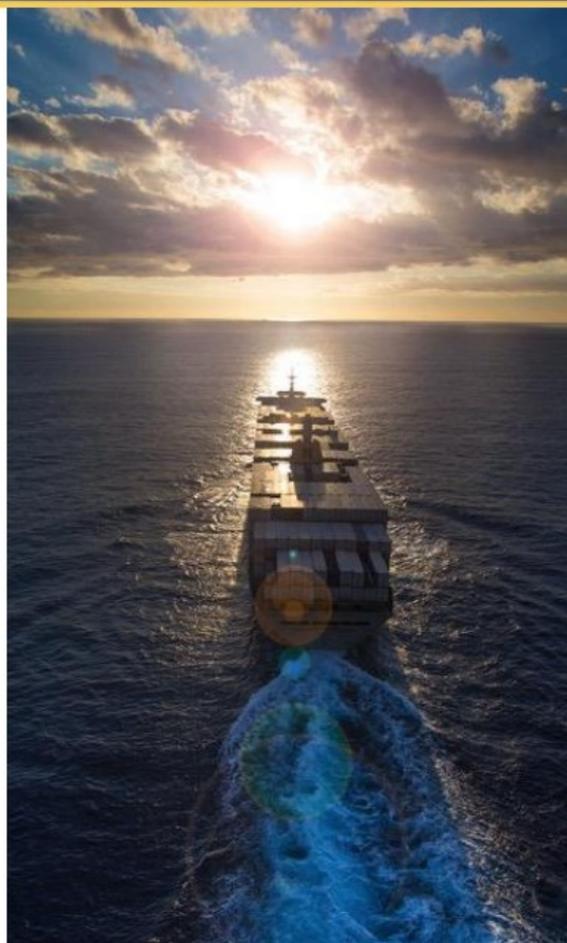
July 20, 2023

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 July 20, 2023.

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 14-24 of our Form 10-K filed on February 24, 2023 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 Second Quarter 2023 Results

- Matson's Ocean Transportation and Logistics business segments performed well despite a challenging business environment and sluggish economic growth
- Ocean Transportation:
 - Our China service saw higher sequential quarterly freight demand but generated lower year-over-year volume and freight rates, which were the primary contributors to the decline in our consolidated operating income
 - Lower year-over-year volumes in Hawaii, Alaska and Guam compared to year ago period
- Logistics:
 - Lower YoY operating income primarily due to lower contributions from transportation brokerage and supply chain management
- In 2Q23:
 - Repurchased ~0.6 million shares for a total cost of \$42.4 million
 - Made a ~\$50.0 million milestone payment from the CCF as part of the new vessel build program

Preliminary Second Quarter 2023 Results (continued)

(\$ in millions, except per share data)	Quarter Ended June 30, 2022	Quarter Ended June 30, 2023 Preliminary Range
INCOME STATEMENT		
Operating Income		
Ocean Transportation	\$ 470.0	\$ 78.0 - \$ 83.0
Logistics	23.1	13.5 - 14.5
Total operating income	493.1	91.5 - 97.5
Other income (expense), net	1.8	1.8 - 1.8
Interest income	-	8.7 - 8.7
Interest expense	(4.5)	(2.9) - (2.9)
Income before taxes	490.4	99.1 - 105.1
Income taxes	109.7	22.8 - 23.6
<i>Effective income tax rate</i>	22.4%	23.0% - 22.5%
Net income	\$ 380.7	\$ 76.3 - \$ 81.5
Diluted EPS	\$ 9.49	\$ 2.14 - \$ 2.28

(\$ in millions)	Quarter Ended June 30, 2023
BALANCE SHEET	
Total debt	
Private placement term loans	\$ 175.5
Title XI debt	286.9
Revolving credit facility	-
Total debt (1)	\$ 462.4
Cash and cash equivalents	~ \$ 120.0
Capital Construction Fund	\$ 583.9

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

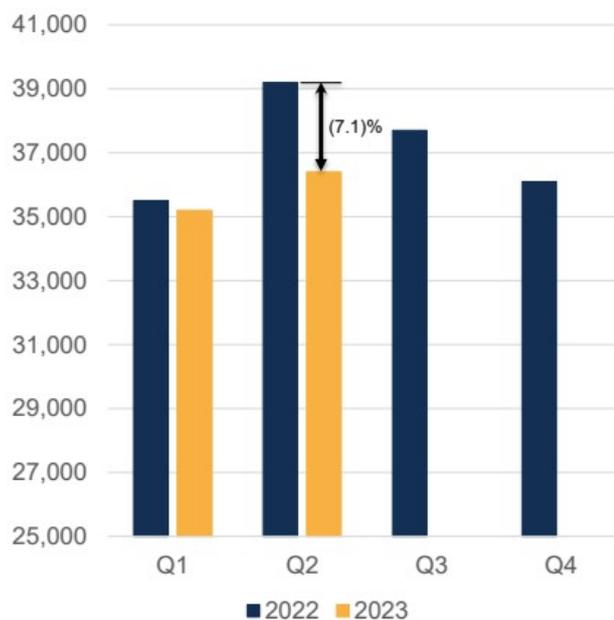
Commentary on the Transpacific Tradelane

- Currently in the Transpacific marketplace, we are seeing modest reductions in deployed capacity and retail inventories are in a relatively better position than earlier in the year, but retailers continue to carefully manage inventory levels in the face of lower consumer demand
- We further expect the tradelane to experience a muted peak season, but for Matson, we expect our China service to be near full during the traditional peak season
- Absent an economic “hard landing” in the U.S., we continue to expect trade dynamics to gradually improve for the remainder of the year as the Transpacific marketplace transitions to a more normalized level of consumer demand and retail inventory stocking levels
- Regardless of the economic environment, we expect to continue to earn a significant rate premium to the Shanghai Containerized Freight Index (SCFI) reflecting our fast and reliable ocean services and unmatched destination services

Second Quarter 2023 Performance

- Container volume decreased 7.1% YoY
 - Lower retail-related volume
 - 2Q23 volume 3.4% lower than volume achieved in 2Q19
- During 2Q23, total tourist arrivals increased modestly YoY with an increase in international arrivals partially offset by a decline in domestic tourist arrivals

Container Volume (FEU Basis)

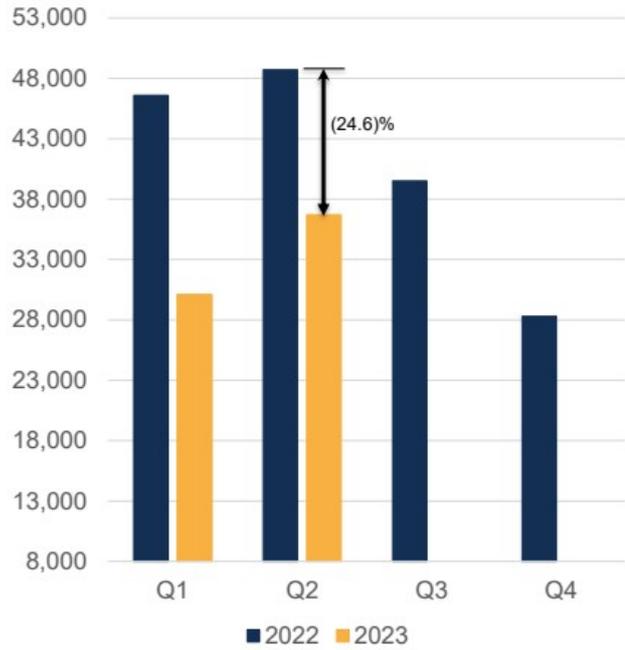


China Service

Second Quarter 2023 Performance

- Container volume decreased 24.6% YoY
 - No CCX service in 2Q23
 - CCX service discontinued in 3Q22
 - Lower capacity in the CLX due to the dry-docking of *Daniel K. Inouye*
 - One less CLX+ sailing
- Lower average freight rates YoY, but higher than in 2Q19

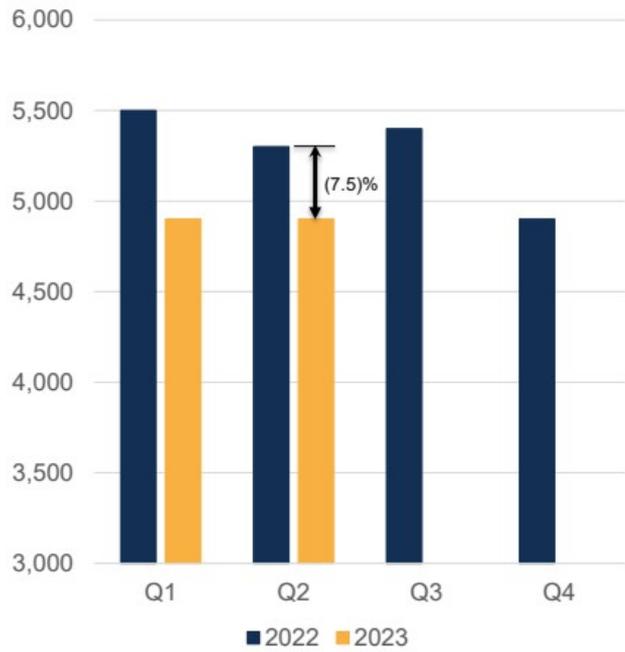
Container Volume (FEU Basis)



Second Quarter 2023 Performance

- Container volume decreased 7.5% YoY primarily due to lower general demand
 - 2Q23 volume 2.1% higher than volume achieved in 2Q19

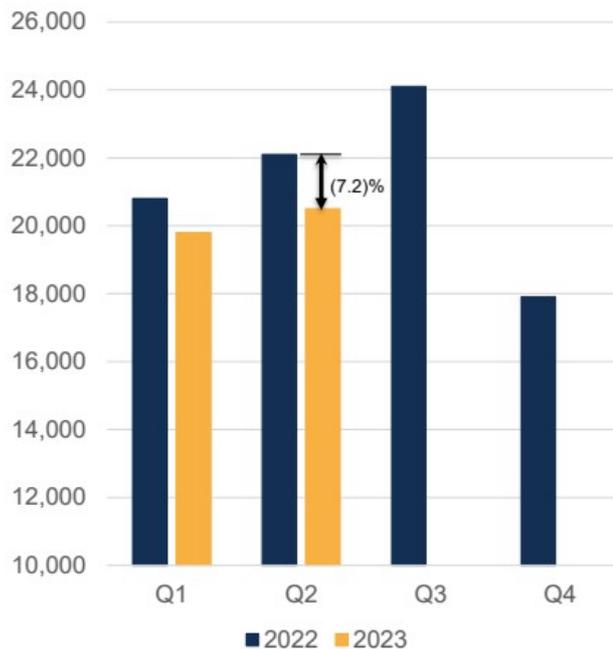
Container Volume (FEU Basis)



Second Quarter 2023 Performance

- Container volume decreased 7.2% YoY
 - Lower export seafood volume from AAX
 - Lower northbound volume due to one less sailing
 - Lower southbound volume primarily due to lower household goods and domestic seafood volume
- 2Q23 volume 9.0% higher than volume achieved in 2Q19

Container Volume (FEU Basis)



Second Quarter 2023 Performance

- Operating income of \$13.5 to \$14.5 million; YoY decrease of approximately \$8.6 to \$9.6 million
 - Lower contributions from transportation brokerage and supply chain management

Operating Income

