

The background of the slide is a deep blue with a subtle, wavy texture representing ocean waves. On the left side, there is a vertical strip showing a close-up of a ship's propeller, with its blades and the central hub visible. The Matson logo is positioned in the upper left area, above a thin yellow horizontal line that spans across the slide.

Matson®

2018 Investor Day

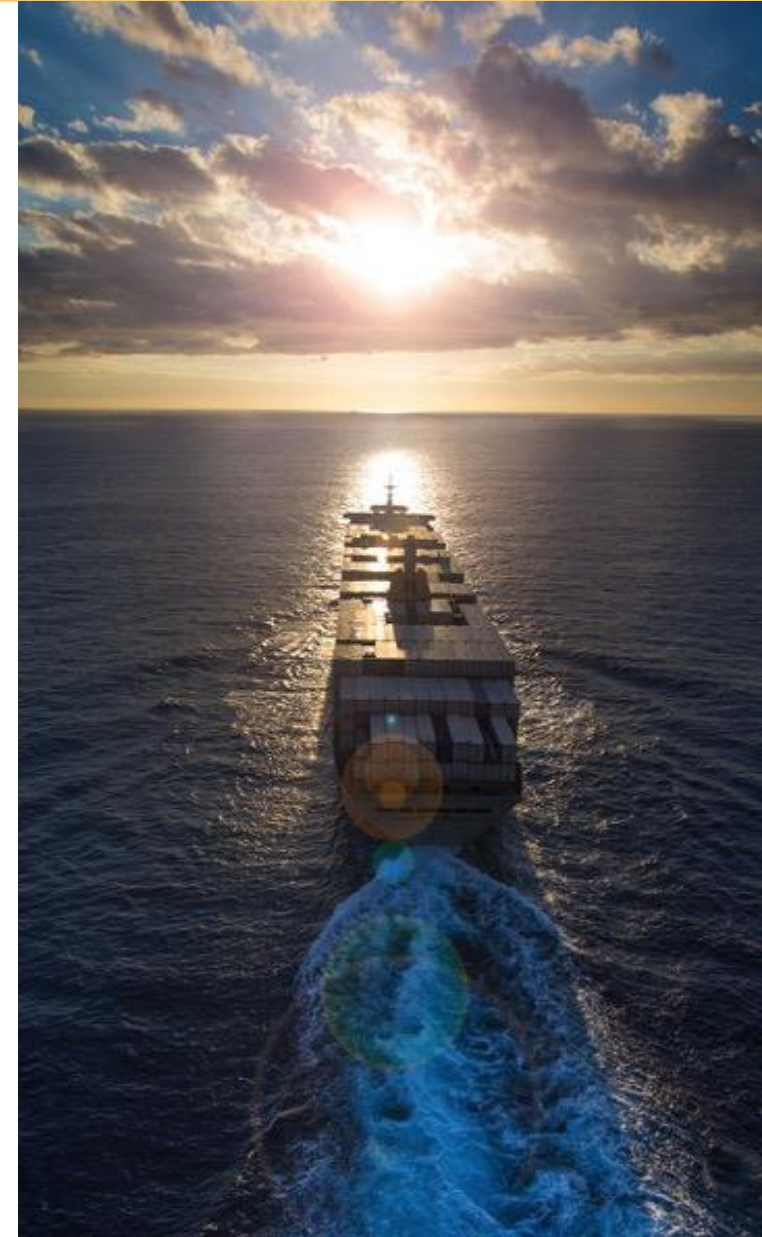
March 13, 2018 | New York City

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 today, March 13, 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 presentation are not guarantees of future performance.

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



Agenda

Introduction & Corporate Priorities

Matt Cox, Chairman and CEO

Financial Overview & Outlook Recap

Joel Wine, SVP and CFO

Operations & Fleet Renewal

Ron Forest, President

Sand Island Investments & Benefits

Vic Angoco, SVP, Pacific

Update on Commercial Markets

John Lauer, SVP and Chief Commercial Officer

Update on Matson Logistics

Rusty Rolfe, President of Matson Logistics

Update on Span Alaska

Tom Souply, President of Span Alaska

Concluding Remarks

Matt Cox, Chairman and CEO

Questions & Answers

The background of the slide is a photograph of a large white cargo ship, likely a container ship, sailing on a blue sea. The ship is viewed from a low angle, showing its massive hull and a large cylindrical structure, possibly a lifeboat or a ventilation stack, on the side. The sea is a deep blue with visible waves. The sky is a lighter blue. The Matson logo is overlaid on the right side of the image.

Matson®

Introduction & Corporate Priorities

Matt Cox, Chairman and CEO

Matson's Mission & Vision

Our Mission

To move freight better than anyone

Our Vision

To create shareholder value by:

- Being our customers' first choice
- Leveraging our core strengths to drive growth and increase profitability
- Improving the communities in which we work and live
- Being an environmental leader in our industry
- Being a great place to work



Matson Today: Connecting the Pacific



Corporate Priorities

- **Near-term:**

- Maintain the trust of our customers with reliable service
- Complete Hawaii fleet renewal program
- Integrate new vessels and complete Sand Island crane program
- Maintain investment grade credit metrics during capex bulge period
- Continue to pursue organic growth initiatives / leverage network

- **Medium-term:**

- Pursue opportunistic acquisitions – niche / complementary businesses

- **Longer-term:**

- Alaska fleet renewal in late 2020s



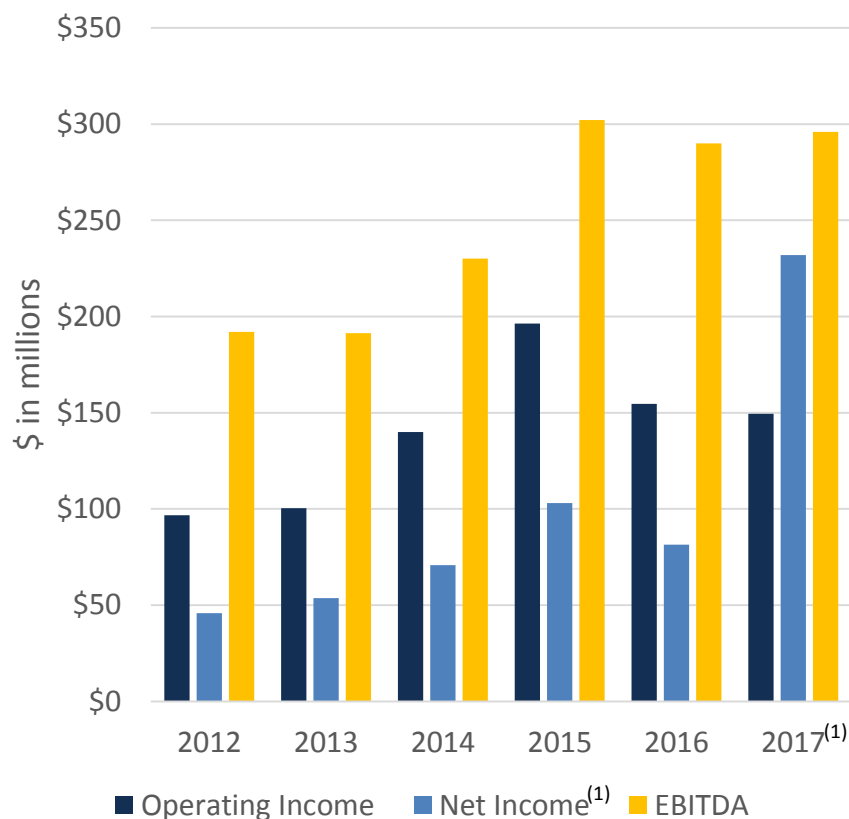
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Financial Overview & Outlook Recap

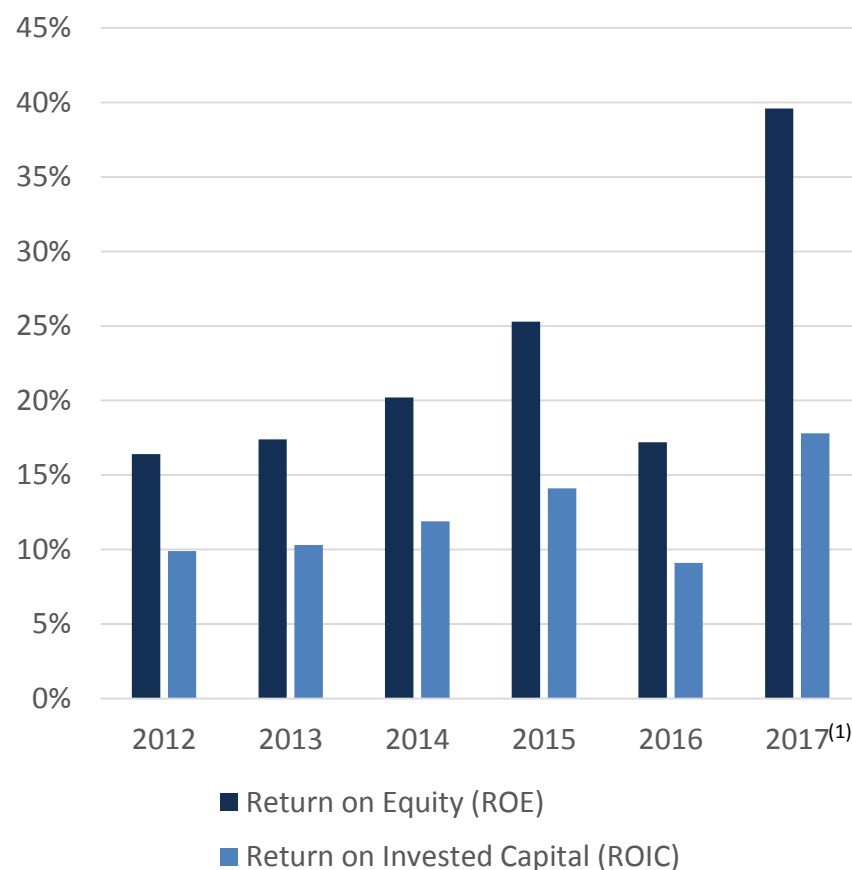
Joel Wine, SVP and CFO

Matson's Annual Performance Since Separation

Operating Income, Net Income and EBITDA



Financial Return Metrics

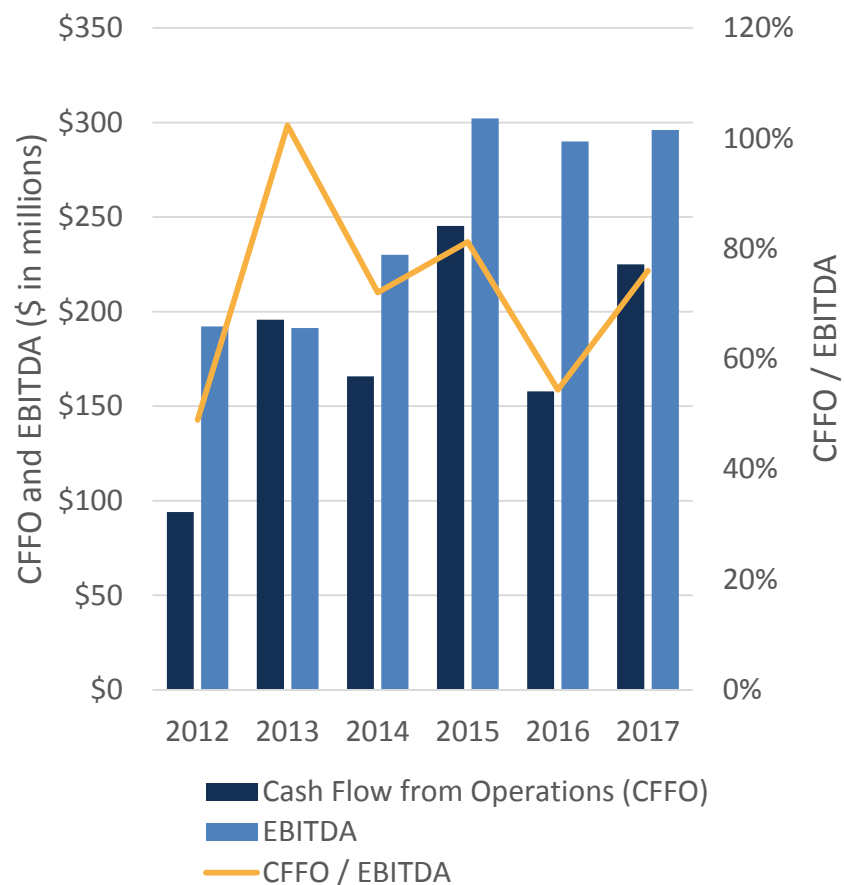


See Appendix for a reconciliation of GAAP to non-GAAP Financial Metrics

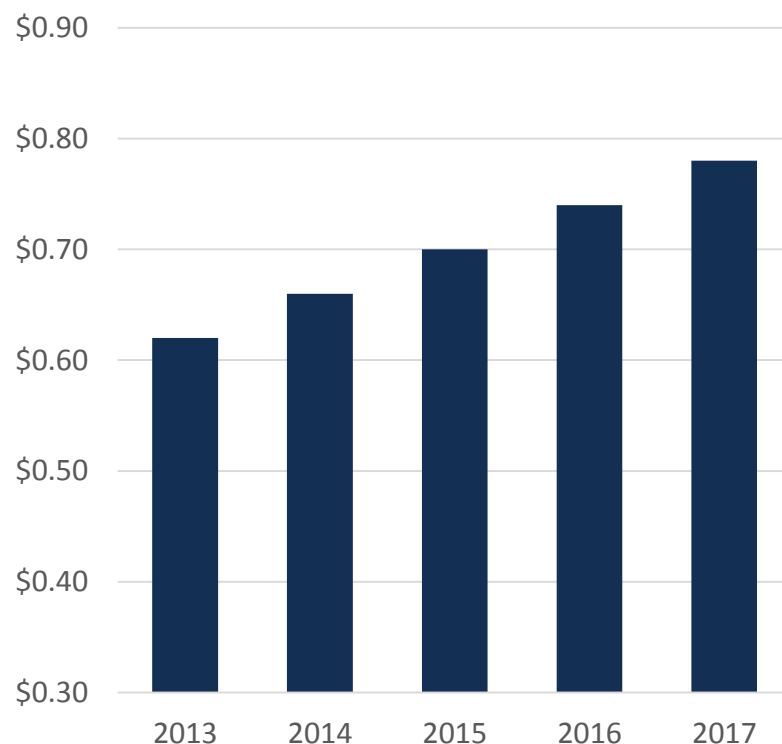
(1) Net Income in 2017 includes the benefit of a one-time, non-cash adjustment of \$155.0 million related to the enactment of the Tax Cuts and Jobs Act.

Matson's Annual Performance Since Separation *(continued)*

Cash Flow from Operations and EBITDA



Dividend per Share



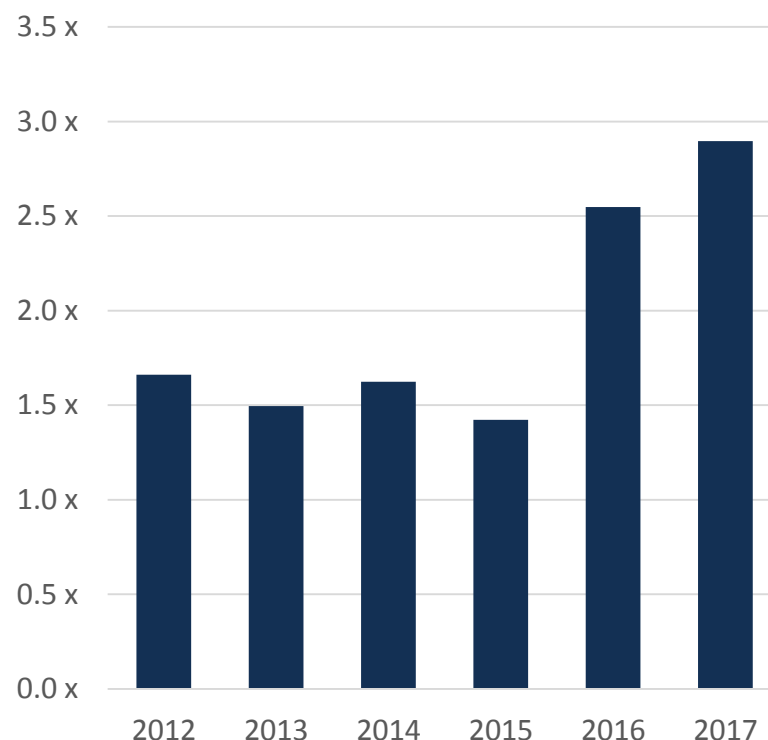
See Appendix for a reconciliation of GAAP to non-GAAP Financial Metrics

Balance Sheet and Capital Structure

Summary Balance Sheet

(\$ in millions)	December 31, 2017
ASSETS	
Cash and cash equivalents	\$ 19.8
Other current assets	246.2
Total current assets	266.0
Investment in Terminal Joint Venture	93.2
Property and equipment, net	1,165.7
Intangible assets, net	225.2
Goodwill	323.7
Other long-term assets	173.7
Total assets	\$ 2,247.5
LIABILITIES AND SHAREHOLDERS' EQUITY	
Current portion of debt	\$ 30.8
Other current liabilities	255.5
Total current liabilities	286.3
Long-term debt	826.3
Other long-term liabilities	456.7
Total long-term liabilities	1,283.0
Total shareholders' equity	678.2
Total liabilities and shareholders' equity	\$ 2,247.5

Total Debt-to-EBITDA



- Expect leverage to peak in late 2019 / early 2020 in the low-to-mid 3x's

See Appendix for a reconciliation of GAAP to non-GAAP Financial Metrics

Financial Benefits of New Vessels

For the current 10-ship deployment, expect the annual financial benefits of the new vessels to be approximately \$28 to \$31 million with almost all of the benefits beginning after the arrival of the 3rd vessel in 4Q19.

	\$ in millions		
<hr/>			
Reduction in Operating Costs (annual)⁽¹⁾			
Lower vessel operating costs (ex-fuel) ⁽²⁾	\$ 8	-	\$ 9
Improved auto/rolling stock efficiencies ⁽³⁾	7	-	9
10-ship deployment reduced to 9-ships ⁽⁴⁾	13	-	13
<hr/>			
Sub-total Reduction in Operating Costs (annual)	\$ 28	-	\$ 31
11-ship deployment reduced to 10 ships ⁽⁵⁾	12	-	14
<hr/>			
Total Reduction in Operating Costs (annual)	\$ 40	-	\$ 45
<hr/>			
Net Reduction in Depreciation and Amortization (annual) ⁽⁶⁾	\$ 5	-	\$ 8

(1) Magnitude and timing of benefits subject to change based on fleet configuration and in-service timing. Actual operating costs may vary compared to those used. Analysis excludes the net effects of fuel and any changes in volume.

(2) When all four of the new vessels are fully deployed on an annual basis.

(3) Only applicable to the two Kanaloa Class vessels.

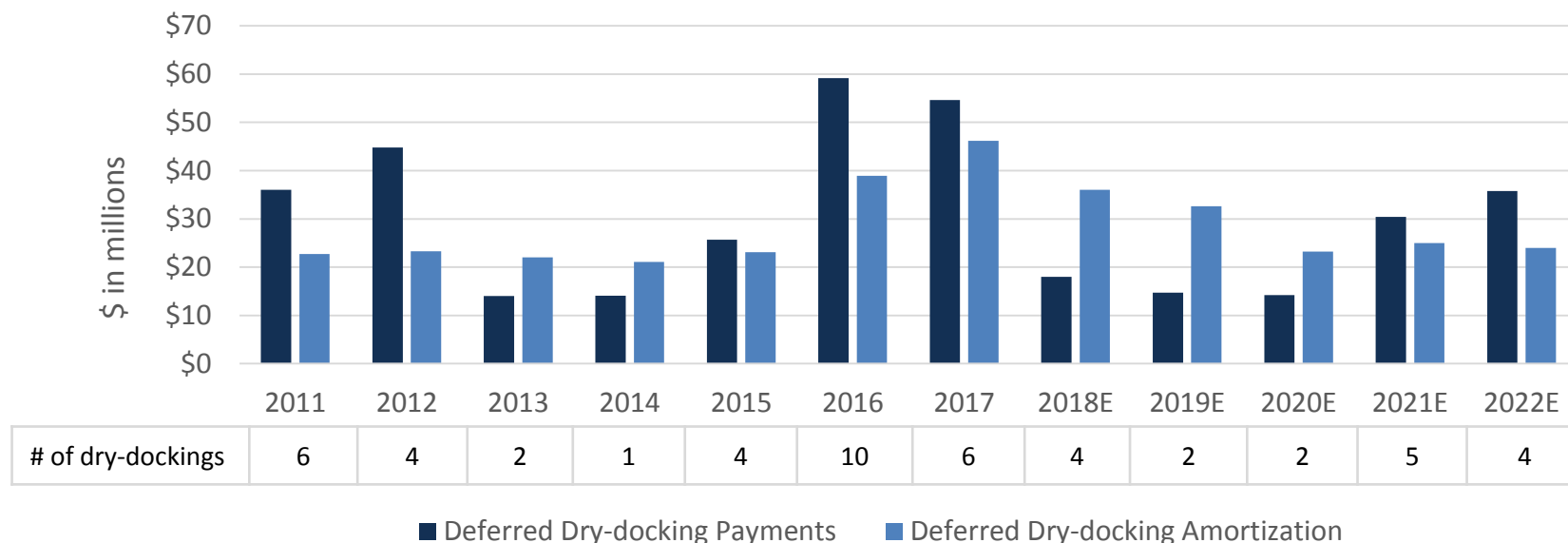
(4) Currently projected to occur in the fourth quarter of 2019.

(5) Not currently applicable given Hawaii volume currently served with a 10-ship deployment. This amount represents future potential savings in higher Hawaii volume scenarios that would have required an 11-ship deployment.

(6) Expected reduction in annual depreciation and amortization from four new vessels compared to seven existing steamships that will be scrapped.

Financial Benefits of New Vessels *(continued)*

Expect lower dry-dock payments and amortization with incoming new vessels in the first 5 years from in-service.



- For 2019 and 2020, expect:
 - Slightly lower dry-docking payments of approximately \$15 million per annum
 - Dry-docking amortization of approximately \$33 million and \$23 million, respectively
- For 2021 and 2022, expect:
 - Dry-docking payments of approximately \$31 million and \$36 million, respectively
 - Dry-docking amortization in 2021 and 2022 of approximately \$25 million and \$24 million, respectively

Steel Price Adjustments

No further steel price adjustments on any of the new vessels.

- De minimis net impact of steel price adjustments received across the four new vessels
- Per the contracts, there are no further steel price adjustments on any of the new vessels

Investment Highlights

Unique Network Connecting the Pacific	<ul style="list-style-type: none">• Providing critical supply lifelines to island economies throughout the Pacific• Strong market positions in attractive niche markets with multi-decade customer relationships• Dual head-haul economics on China service• Dedicated terminals with best-in-class truck turns and unmatched cargo availability
World-Class Operator and Premium Service Provider	<ul style="list-style-type: none">• Well-maintained fleet with industry-leading on-time performance• Hawaii Neighbor Island barge fleet and Micronesia feeder vessels create hub-and-spoke efficiency• Fastest transit and cargo availability creates competitive advantage and premium rates for China service• Fastest transit time to Guam from U.S. West Coast with superior on-time performance
Stable, Growing and Defensible Cash Flow Generation	<ul style="list-style-type: none">• Increasingly diversified earnings from distinct tradeline service routes• Financial strength to invest in fleet renewal, equipment and pursue strategic opportunities and return capital to shareholders
Commitment to Investing in Businesses	<ul style="list-style-type: none">• Investing approximately \$1 billion in Hawaii fleet renewal and supporting infrastructure• Nearly \$700 million in investments for Alaska entry over last 3 years
Commitment to Returning Cash to Shareholders	<ul style="list-style-type: none">• Over \$225 million returned to shareholders through share repurchases and dividends since becoming public in 2012• Compelling dividend yield with dividend growth history
Strong Balance Sheet	<ul style="list-style-type: none">• Investment grade credit metrics• Balance sheet strength leads to low cost of capital



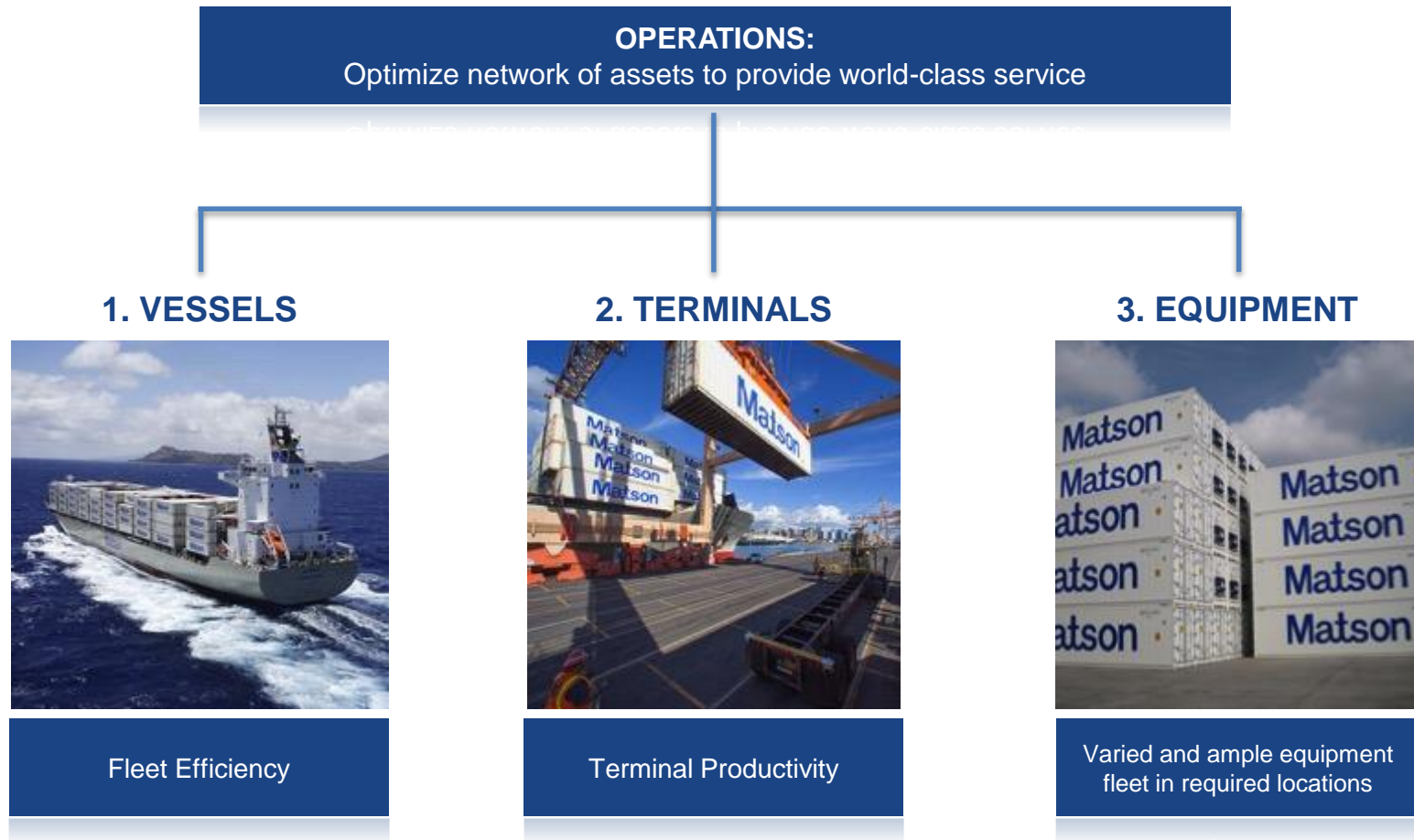
Matson®

Operations & Fleet Renewal

Ron Forest, President

Focus on Operational Excellence

Our Mission: *To Move Freight Better Than Anyone*



Safety & Environment

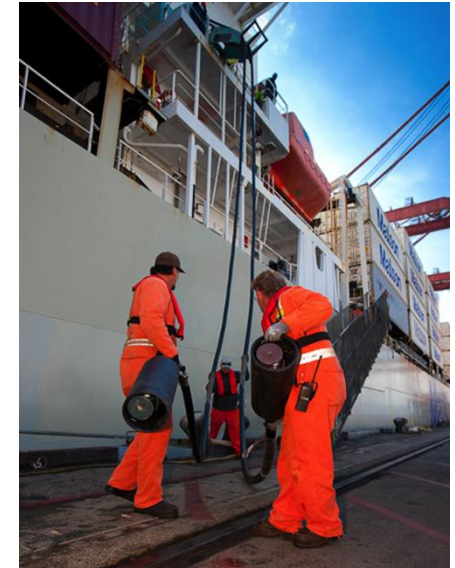
Keen focus on meeting or exceeding all safety and environmental regulations and being proactive and prepared for emergencies.

Advanced Safety Culture:

- Employees empowered to stop work if conditions unsafe
- Near Miss program for many years
- Received Jones F Devlin awards for vessel safety

Environmental Achievements/Awards:

- U.S. Coast Guard's William M. Benkert Marine Environmental Protection Award for Excellence 2006 and 2012
- First "green port" lease with the Port of Long Beach. Diesel fleet retrofitted for and using alternative marine power (AMP) in Long Beach and Oakland
- Matson's Moku Pahu was the first approved in the USCG Shipboard Technology Evaluation Program (STEP) for ballast water treatment
- Member of Clean Cargo Working Group

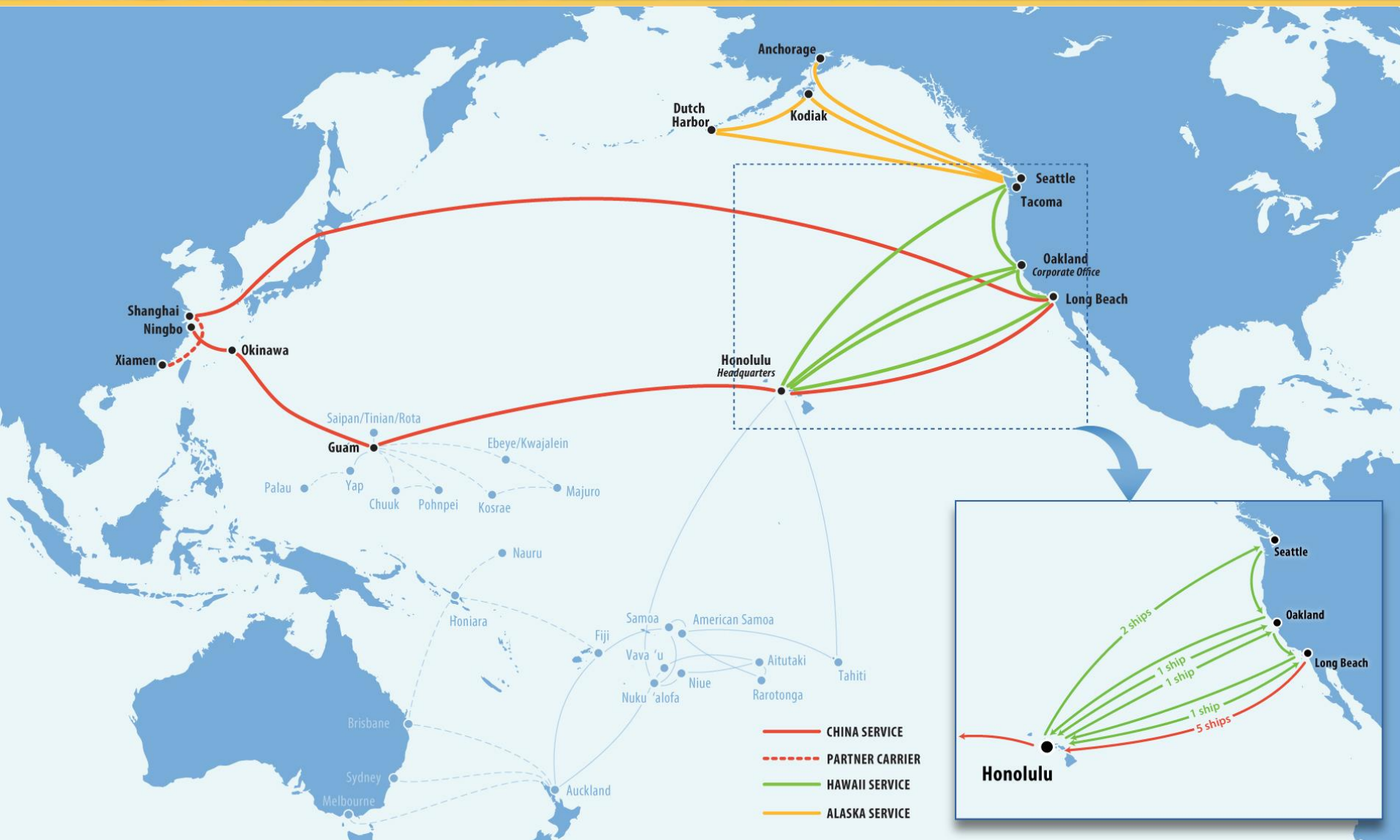


Cold Ironing (AMP)



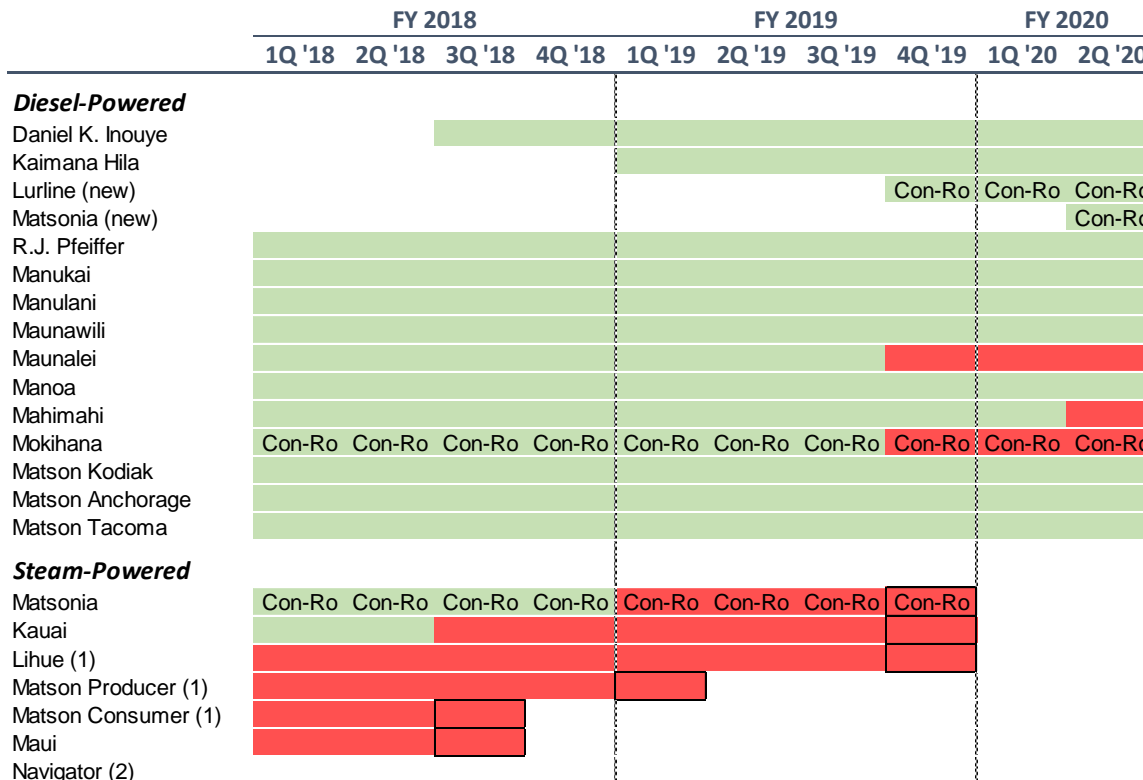
Ballast Water Treatment System

Hawaii, CLX and Alaska Tradelanes



The Fleet Today (versus 2020)

Over the next 2 years we will phase out the 7 steam-powered vessels, bring the 4 new vessels into service and optimize the fleet for our core markets.



- 2020 is projected to be the first year with the full 9-ship deployment
 - Average age of the 9-ship fleet will be 13 years
- 12 months from now, we will have no steamships in active deployment

= active in fleet
 = not active in fleet
 = vessel out of class or not in compliance with EPA emissions requirements
 Con-Ro = container and roll-on/roll-off vessel

Note: fleet configuration and vessel reserve status subject to change.

(1) Currently a reserve vessel.

(2) Navigator went out of class in November 2017.

Hawaii and CLX Fleet Configuration in 2020

Schedule After the <i>Matsonia</i> Enters Service in 2Q 2020			
PNW/OAK	CLX (LGB Wed)	OAK (end week)	LGB (Sat)
<i>Daniel K. Inouye</i>	<i>R.J. Pfeiffer</i>	<i>Lurline</i>	<i>Lurline</i>
<i>Kaimana Hila</i>	<i>Manukai</i>	<i>Matsonia</i>	<i>Matsonia</i>
	<i>Manulani</i>		
	<i>Maunawili</i>		
	<i>Manoa</i>		

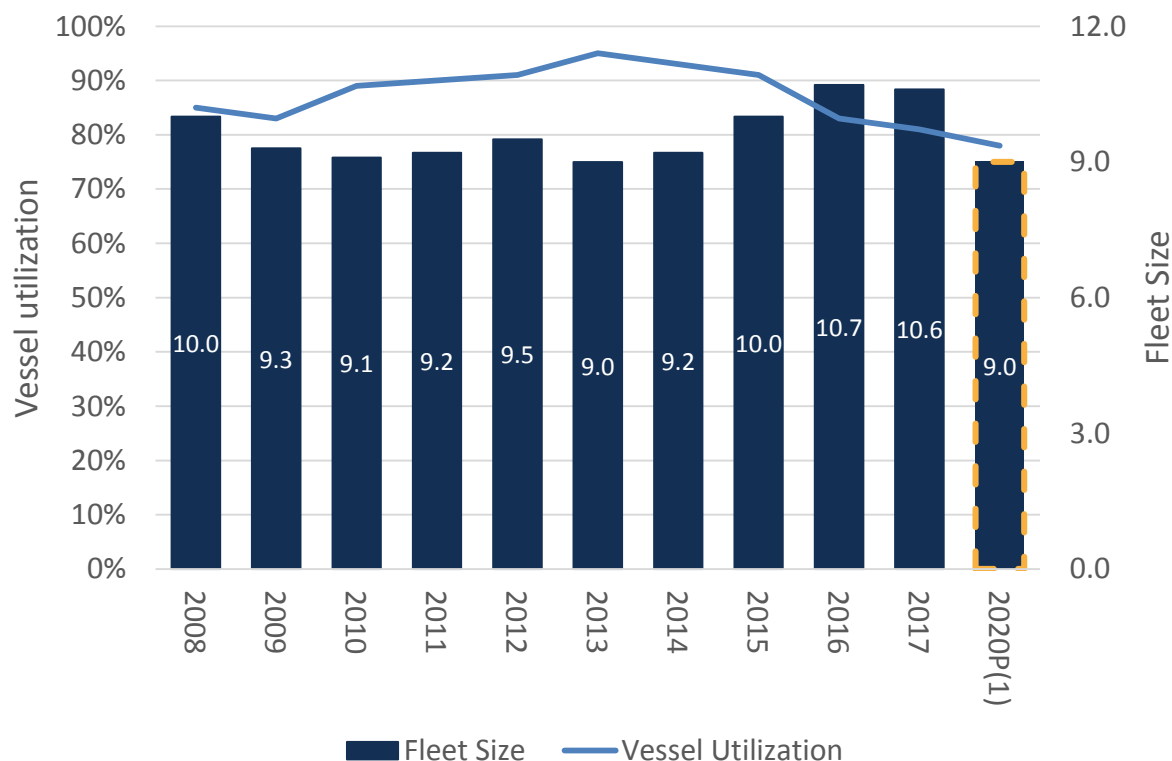
Note: fleet configuration subject to change.

- *Manoa* will move into the CLX – a larger ship for this tradelane
- Reserve ships will be *Mahimahi*, *Mokihana* and *Maunalei*
- Ideally sized Roll-on / Roll-off (Ro-Ro) capacity
 - Weekly service
 - Greater flexibility to manage containers and auto/rolling-stock space

Hawaii Fleet Efficiency

By the end of 2019, we expect to be in a 9-ship deployment.

Hawaii Tradelane Utilization and Fleet Size



Loadable Container Capacity⁽²⁾

Vessel	Container TEUs ⁽³⁾
<i>Daniel K. Inouye</i>	3,220
<i>Kaimana Hila</i>	3,220
<i>Lurline</i>	2,750
<i>Matsonia</i>	2,750

Source: Management

(1) Calculated as actual 2017 Hawaii and Guam volume on a weekly basis divided by the weekly capacity of the projected fleet configuration.

(2) Represents the number of full containers that can be loaded on the vessel.

(3) Refer to page 7 of 2017 Form 10-K.

Benefits of the New Vessels

There are a number of important benefits to the new vessels for the Hawaii service as a result of technological advancements and modern vessel design.

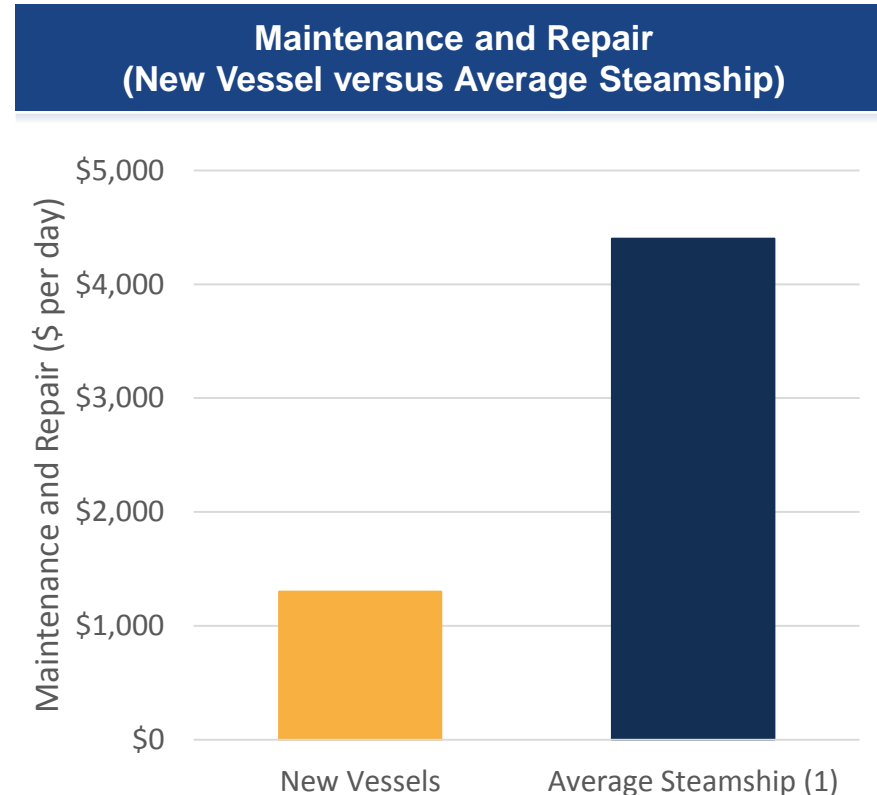
- Enhanced speed
 - Modern design features will allow for greater speeds⁽¹⁾ on either conventional fuel oils or liquefied natural gas (LNG)
- Modernized capacity capability
 - Additional 45-foot container capacity and reefer outlets
 - Will allow Matson to better transport perishable goods to the islands
 - Designed to carry construction materials more effectively
 - Wider beam to provide enhanced stability and loadability while reducing ballast water requirements
- More environmentally-friendly
 - The technology advancements in the design of the vessels will reduce fuel consumption and result in significant emissions reductions over time

(1) Up to 23 knots on the Kanaloa Class vessels and up to 23.5 knots on the Aloha Class vessels.

Benefits of the New Vessels (continued)

Routine maintenance, repair and dry-dock expense will be significantly lower for the new vessels versus the steamships.

- Maintenance and repair (M&R) expense will be lower than the steamships
 - Increasing M&R with the steamships as they aged; difficulty in obtaining parts, specialized machining
 - Approaching the lifecycle of the steamships (~40 years) has its challenges
 - Systems wearing out
 - Dwindling pool of available experienced steamship engineers
- No dry-dockings in the first 5 years from in-service date on the new vessels
 - Avoid expensive steamship dry-dockings as high as \$12 million per vessel



Source: Management

(1) Average per diem of three steamships being replaced by the new vessels.

Benefits of the New Vessels *(continued)*

- State-of-the-art safety features
- State-of-the-art hull design
- State-of-the-art bow thrusters and a special rudder offer maneuverability advantages
 - Can operate with fewer tugs unless difficult weather conditions
 - The three existing C9 vessels had bow thrusters removed
 - Necessitates additional expense to manage



Bow Thruster Tunnel



Side View of Rudder

Benefits of the New Vessels *(continued)*

- New vessels are dual-fuel capable
 - New vessels can operate on traditional fuel oils and LNG
 - Operating on LNG requires additional investment
 - Space for LNG tanks and piping in the future
 - Can convert space to additional container holds
 - Continue to monitor LNG market
- Auto and Ro-Ro efficiencies with the Kanaloa Class ships
 - Weekly Ro-Ro service, which we don't have today
 - Self-sustaining stern ramps on new vessels attached to the ship
 - Avoids vessel shifting to Pier 32
 - Avoids consumption of yard space due to shoreside ramp
 - Stern ramp allows for more productive vessel stevedoring operation
 - Increased ramp capacity and vessel Ro-Ro opening to handle bigger Ro-Ro cargo



Cylindrical C-Type LNG Tanks



Ramp on the Kanaloa Class

Hawaii Fleet Renewal

We are preparing for the arrival of the Daniel K. Inouye. Sea trials are expected in late 2Q.

Vessel	Delivery Estimate	% Completed ⁽¹⁾	Milestone Payments Remaining (\$ in millions) ⁽¹⁾⁽²⁾
<i>Daniel K. Inouye</i>	3Q '18	86%	\$30.1
<i>Kaimana Hila</i>	1Q '19	43%	\$127.0
<i>Lurline</i>	4Q '19	5%	\$180.8
<i>Matsonia</i>	2Q '20	0%	\$221.6



The *Daniel K. Inouye* in the water on February 23, 2018.

Source: Management

(1) As of March 1, 2018.

(2) Excludes capitalized interest and owner's items.

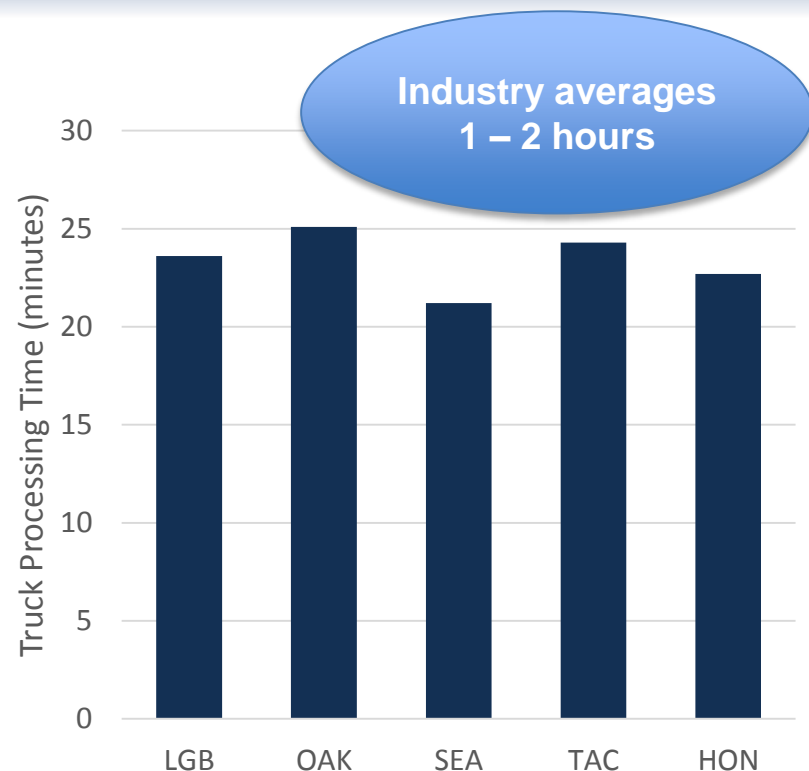
Matson's Terminals

Our terminals provide a number of competitive advantages to our truckers and customers.

- Guaranteed berths / cranes at dedicated terminals used by Matson⁽¹⁾
 - Helps to quick turn our vessels and maintain schedule
- Matson's turn times are at least 50% lower than the industry average
 - Considered best-in-class
 - Quick turns provide our customers the opportunity to do more business in a day
 - Continuous improvement to drive down turn time (e.g., incorporating gate technology)

(1) Dedicated terminals in Oakland, Tacoma, Long Beach, and Honolulu.

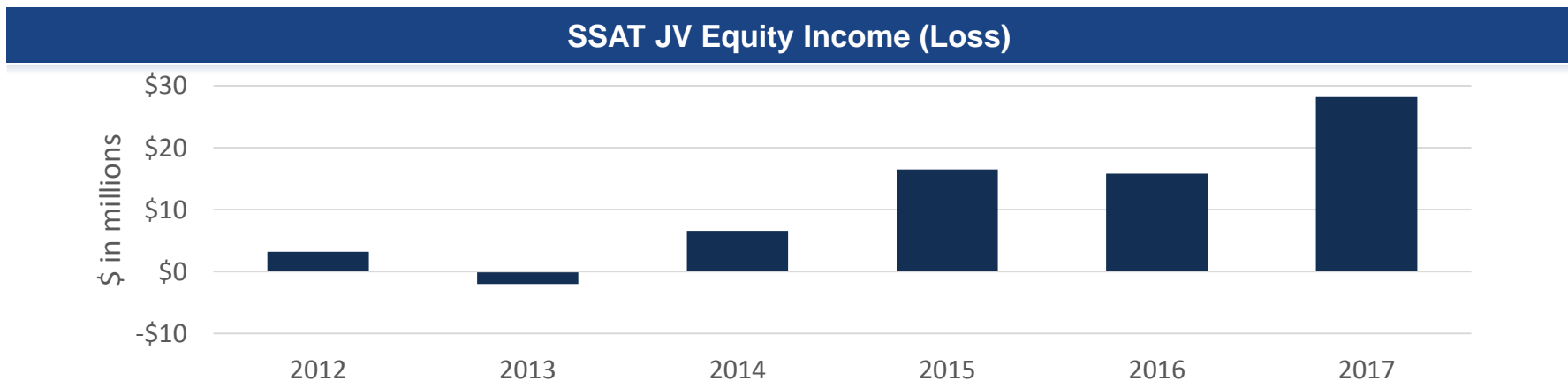
Truck Turn Times (2017)



Source: Management estimates.

SSAT Joint Venture

- Matson owns a 35% interest in SSA Terminals, LLC (SSAT), the leading U.S. West Coast terminal operator
 - SSAT provides terminal and stevedoring services to carriers at 7 terminal facilities
 - Services provided to Matson at terminals in Long Beach, Oakland, Seattle, and Tacoma
 - Long Beach: fastest cargo availability from China
- Record contribution from the JV in 2017
 - New container volume from Oakland terminal
 - International alliance realignments proved to be beneficial



Equipment Fleet

Our equipment fleet has competitive advantages as well.

- Matson owns a substantial amount of its equipment with a variety of sizes
 - Helps accommodate a range of customers (e.g., higher percentage of reefers than peers to accommodate time-sensitive perishables)
 - Incorporate features into our equipment versus leased (e.g., flat racks are non-standard)
 - Helps with branding
- We supply our own chassis at the terminals
 - Truckers don't need to chase one down at a chassis pool (saves customers time and money)
 - Helps the trucker assure chassis availability in times of high demand

Reefer



Flat Rack

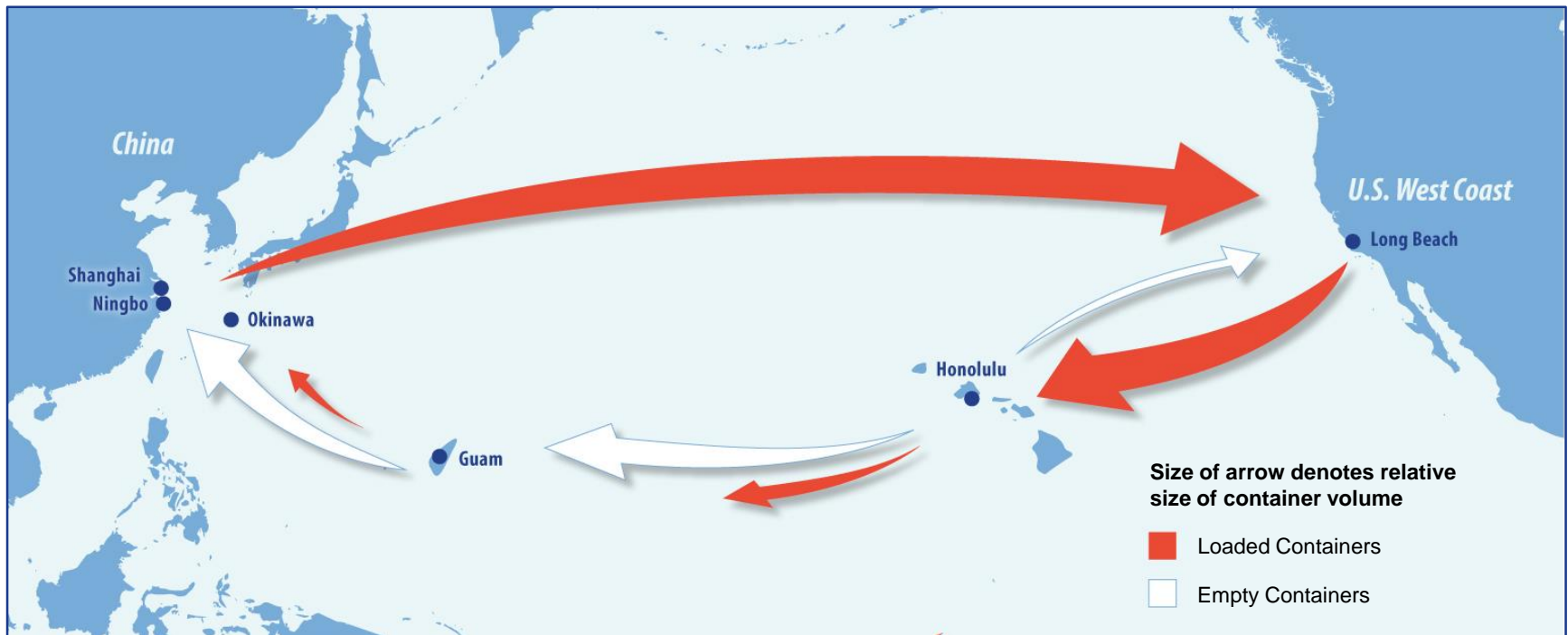


45' Container



Equipment Fleet *(continued)*

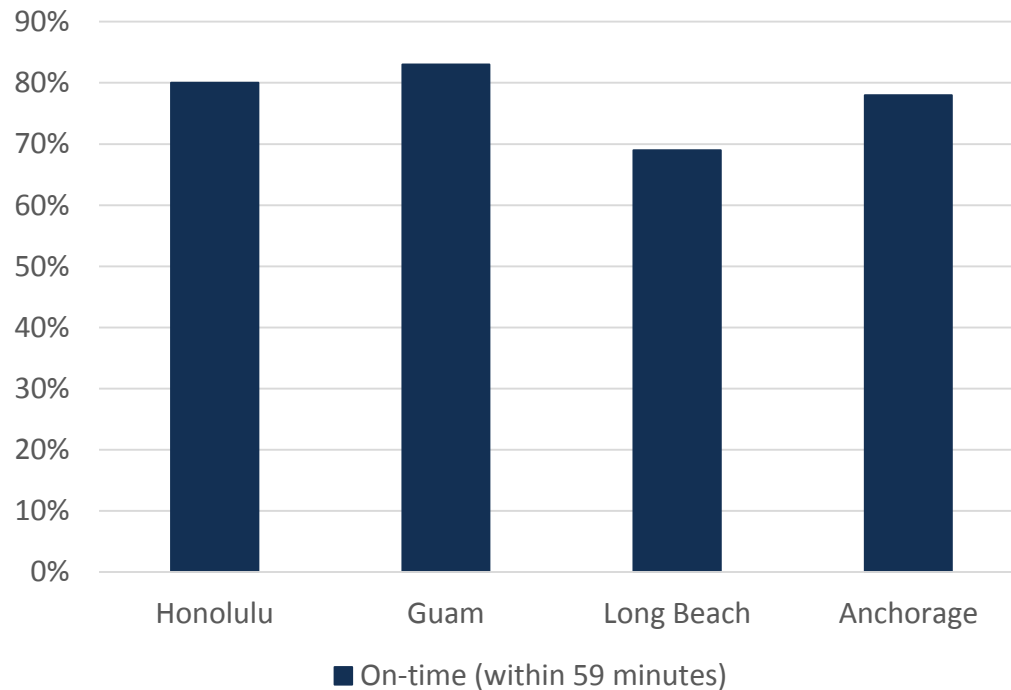
- Significant managerial focus to manage equipment flows in our unique Pacific network to support our customers
 - CLX model provides market leading WB and EB revenue load utilization
 - No other Pacific ocean carrier has this type of loaded/empty equipment flow to manage



Tying it All Together

A coordinated effort and focus across the fleet, the terminals and equipment leads to industry-leading performance.

2017 On-time Performance



**Awarded Logistic Management's
Quest for Quality**

**Rated #1 Ocean Carrier in the
world 3 of the last 4 years.**



Awarded
2017
2016 (#1)
2015 (#1)
2014 (#1)
2011
2010
2009
2008
2007
2006
2005
2004
2003

Source: Management estimates.



Sand Island Investments & Benefits

Vic Angoco, SVP, Pacific

Sand Island Investments

The Sand Island investments we are making today are meant to address increased volume and activity over the next 40-50 years.

- **Phase 1: \$60 million crane program** (announced August 2017)
 - Three new gantry cranes and retrofit of three existing gantry cranes
 - Requires electrification and other related infrastructure upgrades
- **Phase 2: Yard and gate upgrade**
 - Lane expansion with automated gate
 - Start in 2020 at the earliest
 - Approximately 1 year project
- **Phase 3: Piers 51A and 51B expansion**
 - Timing based on Pasha moving to Kapālama Container Terminal (KCT) in 2022/2023
 - Work involved includes demolition and rebuild to work operationally with the remaining Sand Island pier operations
 - Approximately 1 year project

Phases 2 and 3 will fit within our \$40-50 million maintenance capex per annum target in the 2020-2024 timeframe.

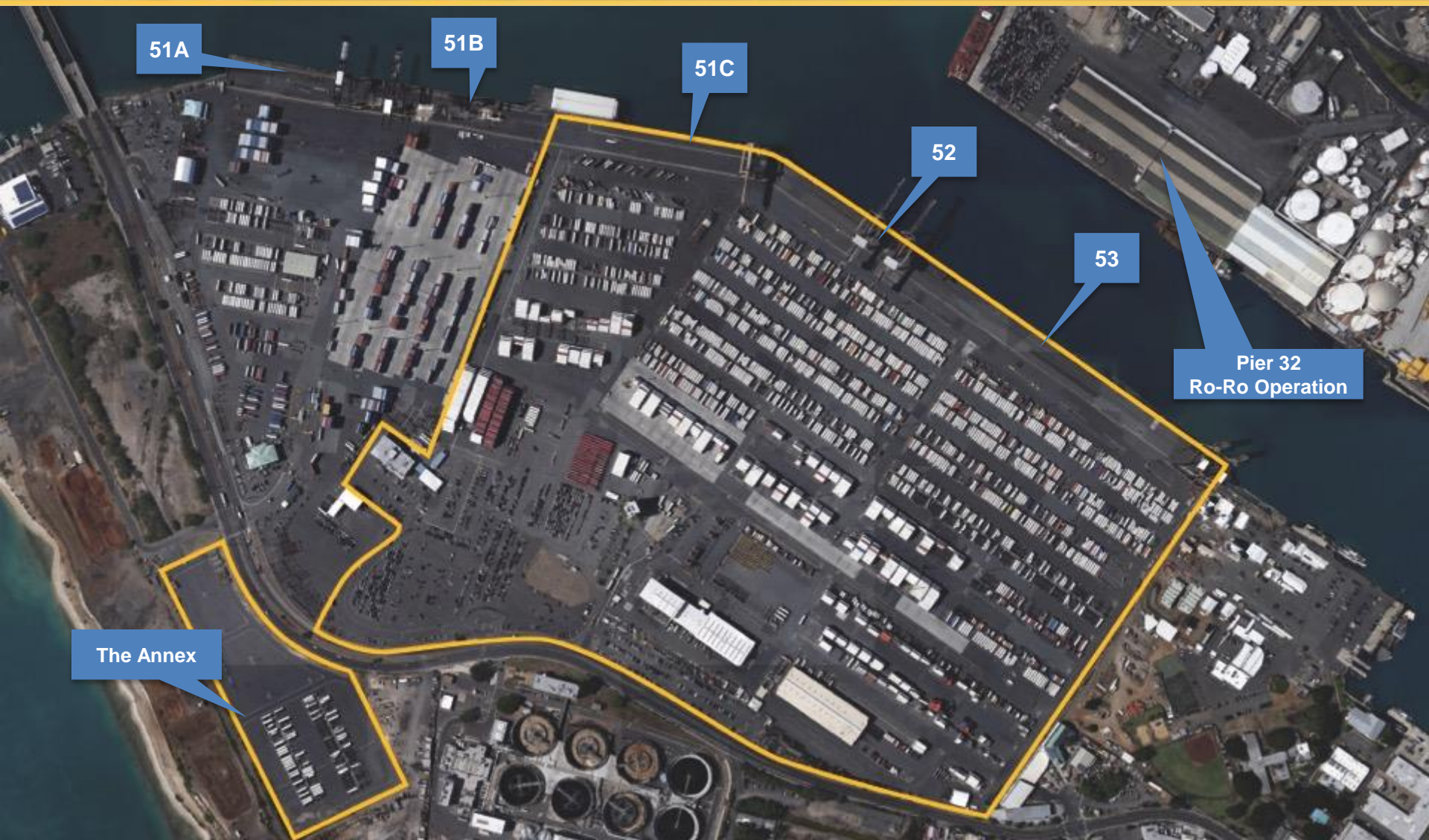
Overview of Honolulu Harbor



Sand Island Operations Today

- Matson currently occupies Piers 51C, 52 and 53
 - Roll-on / Roll-off (Ro-Ro) operation at Pier 32 across from Piers 52 and 53
 - Load-on / Load-off (Lo-Lo) operation at Piers 51C, 52 and 53
 - Barge operation typically done at Pier 51C
- Currently have 7 ship-to-shore (STS) cranes at Sand Island
 - 5 cranes work the line haul vessels on Piers 52 and 53
 - All 5 cranes electrically powered
 - 1 crane works the barges at Pier 51C
 - Crane is powered by a diesel generator
 - A second crane at Pier 51C is not operational

Sand Island Operations Today (continued)



Sand Island Operations Today (continued)

We face a number of operational challenges with the current Sand Island configuration.

- Matson is conducting Ro-Ro and Lo-Lo operations at two different pier locations
 - Adds the expense of shifting vessel (e.g., fuel, labor, tugs and pilots) – as much as four times a month with a Ro-Ro vessel
 - Adds the cost of moving privately-owned vehicles (POVs) from Pier 32 to our vehicle processing center (VPC) facility on Sand Island
 - Dealers and rental car companies pick up vehicles directly at Pier 32
 - Adds the expense of small office and labor at Pier 32

Sand Island Operations Today (continued)

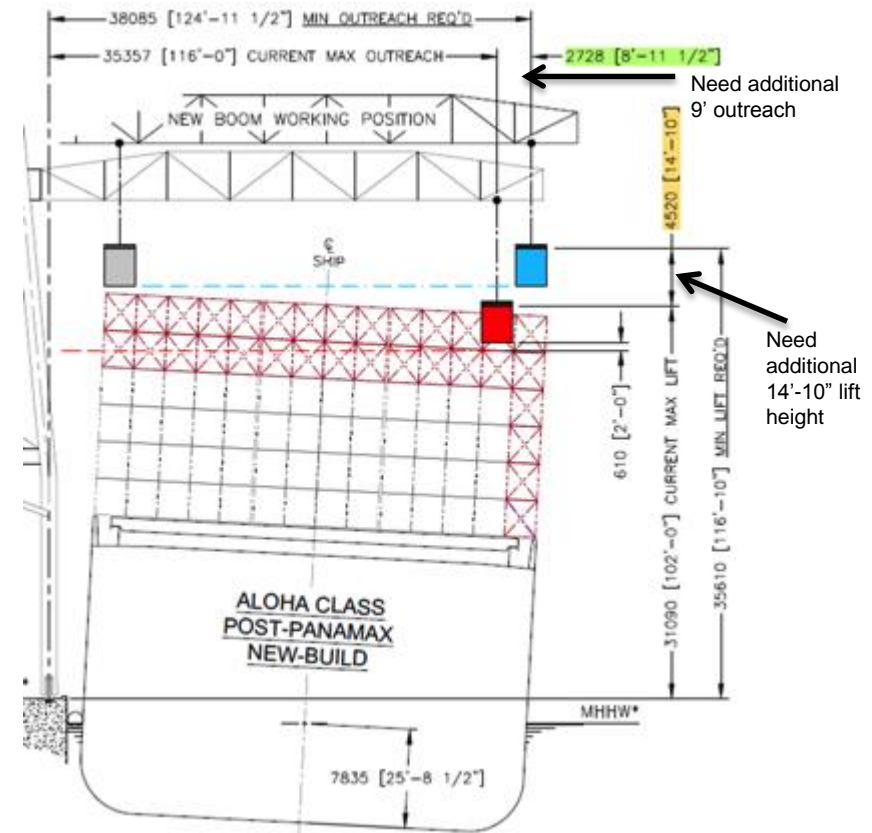
We face a number of operational challenges with the current Sand Island configuration.

- Terminal is congested, which is leading to increased inefficiencies and operating costs
 - Not enough space in the container yard to run the most efficient operation
 - Stevedoring productivity (vessel moves per hour) can be impacted – running out of chassis parking stalls leads to stacking of containers
 - Truck turn times are modestly impacted by yard congestion
 - Use the annex across the street from Sand Island for container and chassis overflow to help keep operations running smoothly during peak periods

Sand Island Operations Today *(continued)*

The existing cranes cannot manage the container traffic carried by the new vessels.

- The 5 current cranes on Piers 52 and 53 will not be able to work the full capacity of the 4 new vessels
- 3 existing cranes do not have the lift height to manage EB empties (vessels ride higher with less weight)
- Will have 1 less call per week with new vessels, increasing load-back volume per vessel
 - Would be difficult to evacuate empties amongst the vessels
 - Would result in additional operating cost to manage terminal congestion



Sand Island Operations Today *(continued)*

There are other issues to consider with the existing cranes.

- Several cranes are over 40 years old
 - Risk of reduced availability
 - Maintenance costs will continue to increase with age
 - Parts obsolescence is a concern
- Increased crane downtime would impact service levels



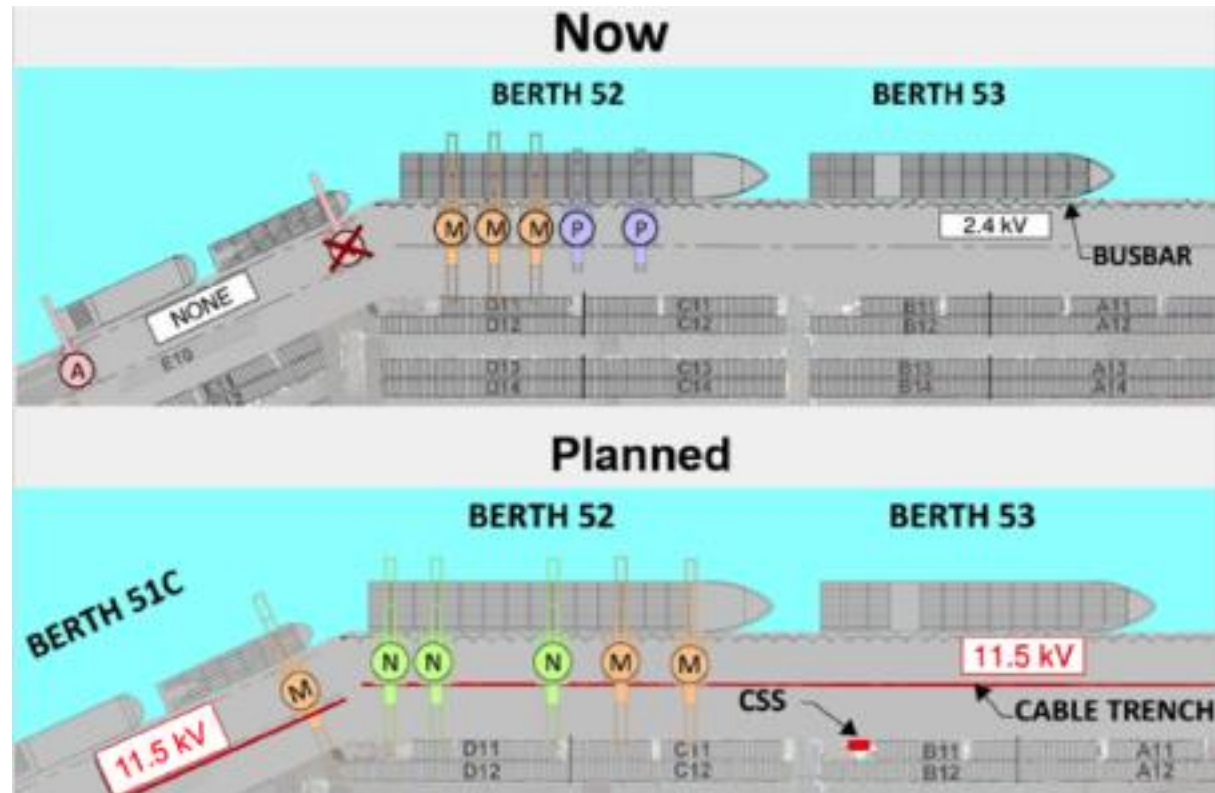
Sand Island Investments – Phase 1

Pursued a plan to minimize costs, disruptions and risks.

- Course of action in Phase 1 includes:
 - Purchasing 3 new gantry cranes
 - Upgrading the power supply on 3 existing cranes (from 2.4kV to 11.5kV)
 - Upgrading the infrastructure to support new electrical power supply
 - Demolishing 4 existing cranes
 - Moving one existing crane to Pier 51C

Sand Island Investments – Phase 1

- Relative to operating cost today of existing cranes, financial benefits include:
 - Lower annual crane maintenance
 - Decrease in downtime due to newer equipment and improved diagnostics
 - Potential for increased productivity with new modern cranes
 - Allows full access of new vessels



Sand Island Investments – Phases 2 and 3

- Phase 2
 - Automated and expanded gate
 - Other yard layout improvements to address inefficiencies and improve electrical redundancy at site
- Phase 3 – opportunity to optimize auto / rolling-stock operations
 - Expand into 51A and 51B when Pasha moves to KCT
 - New auto/VPC layout to support Ro-Ro operation
 - Optimize 51A and 51B layout; includes demolition of existing buildings, etc.



Update on Commercial Markets

John Lauer, SVP and Chief Commercial Officer

Market Overview

- Primary competitor is Pasha Hawaii
 - 2 services from LA, 1 from Oakland, no PNW
 - Doesn't own an inter-island barge service
- Service reliability and frequency important
- Westbound container volume driven primarily by consumption and replenishment, population growth and construction
 - Tourism activity at record levels – good for consumption/replenishment
 - Population growth has been low
- Hawaii construction market different than prior real estate cycles
 - Not a boom-bust nature of past cycles
 - Slow transition to residential construction on Oahu
 - Neighbor islands haven't seen a lot of activity
- Housing "crisis" in Hawaii

Economic Statistics

	2017	2018P	2019P
Real GDP	1.1%	1.7%	2.2%
Unemployment Rate	2.5%	2.0%	2.5%
Population Growth	(0.1)%	0.0%	0.4%
Real Visitor Expenditures	3.6%	2.4%	0.5%
Construction Job Growth	(4.0)%	1.6%	0.3%
Total Commitments to Build (% change)	(12.8)%	11.1%	1.0%
Honolulu Housing Affordability Index	(3.0)%	(5.6)%	(1.5)%

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

Hawaii Service *(continued)*

Overview of Service

- 3.5 calls per week into Hawaii with inbounds from LA, OAK and SEA
- Operate a dedicated neighbor island barge service, which is a key service differentiator
- Key Westbound customer verticals:
 - Food and beverage
 - Retail merchandise
 - Construction

Matson's Focus

- Maintain industry-leading market position
- Maintain reliability as the #1 ocean carrier to Hawaii
- Continue to pass cost increases on to customers
- Minimize disruption for customers as new vessels come into service and Sand Island port development progresses

Current 10-Ship Deployment



- 9-ship deployment offers:
 - 2 weekly Long Beach departures
 - 2 weekly fixed-day Oakland departures, and
 - 1 weekly Seattle departure

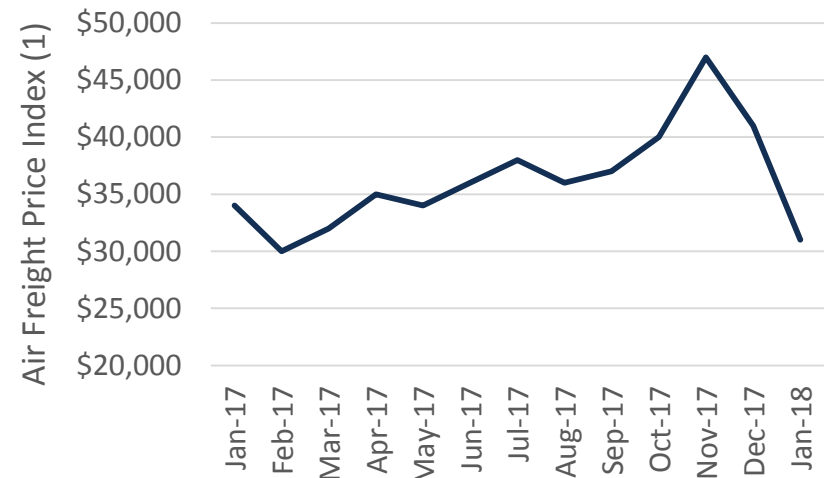
China Expedited Service

Market Overview

- Primary competitors include transpacific ocean carriers and air freight carriers
- Good indicators for overall Eastbound volume trends: U.S. imports to West Coast, U.S. retail statistics and U.S. GDP forecasts
- Service differentiations by service/transit time and reliability to the West Coast
 - Air freight: extremely time sensitive, high value commodities, cost a secondary consideration
 - Expedited ocean service: time sensitive, high value commodities, some sensitivity to price
 - Standard ocean service: modest time sensitivity, lower value commodities, very price sensitive

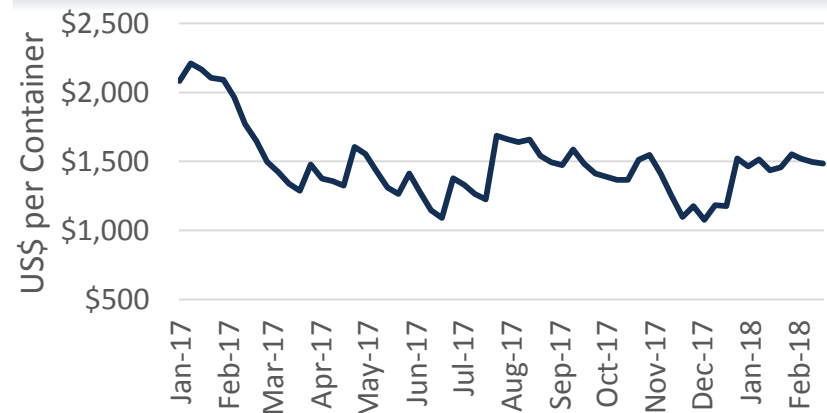
(1) Drewry air freight index is quoted in USD per kg. Assume a FEU container is approximately 10,000 kg or 10 metric tons.

Air Freight Index⁽¹⁾ – Shanghai to LA



Source: Bloomberg

SCFI – Shanghai to LA



Source: Shanghai Shipping Exchange

China Expedited Service *(continued)*

Overview of Service

- Weekly service from Ningbo/Shanghai to Long Beach
 - Uniquely focused on U.S. arrival day
- A premium service providing an alternative to deferred air freight and other ocean carriers
 - 4-to-6 day service disadvantage to deferred air freight
 - 5-to-10 day service advantage over other ocean carriers
- Dedicated terminal space in Long Beach with off-dock container yard
- Key customer verticals:
 - Garments
 - Footwear
 - Tightly managed supply chains

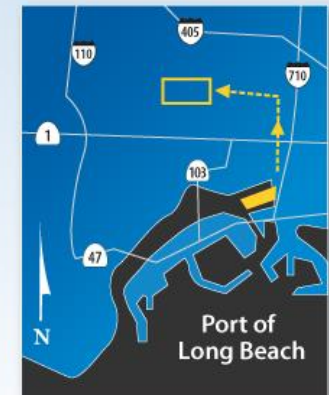
Matson's Focus

- Maintain reliability as a premium service provider
- Attract new customers away from air freight

#1 Transpacific Service

Since 2006

- *10-day express service from Shanghai – 12 days from Ningbo*
- *12-year record of consistent, unmatched reliability and predictability*
- *Exclusive use Long Beach terminal – unrivaled speed*
- *100% next-day cargo availability on owned and operated chassis at bonded off-dock facility*



Easy access off-dock container yard

China Expedited Service *(continued)*



Cut-Offs and Transit Times

	CY CUT-OFF	DEPARTS	ARRIVES LONG BEACH	AVAILABLE	OCEAN TRANSIT
Shanghai	Tuesday 18:00	Thursday	Sunday	Monday	10
Ningbo	Monday 18:00	Tuesday	Sunday	Monday	12
Xiamen	Friday 12:00	Saturday	Sunday	Monday	15

Source: Management

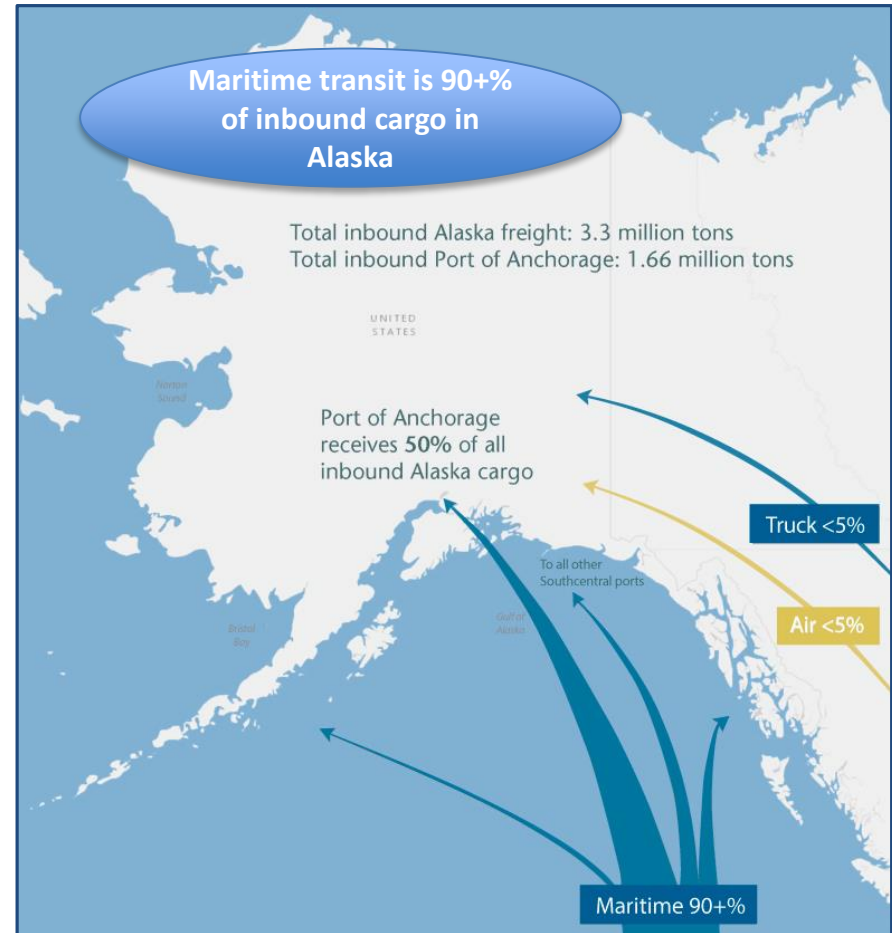
Ocean Service and Transit Time

Time Advantage	
Origin	1 – 2 days
Ocean transit	3 – 5 days
Destination	1 – 3 days
Total Service	5 – 10 days

Source: Management

Market Overview

- Primary competitor is Totem Ocean Trailer Express (TOTE)
 - Does not own a reserve vessel
- Air freight rates are very high relative to the cost of goods being shipped
- Volume growth tied to Alaska's economy
 - Recession has primarily impacted NB volumes
 - Oil & gas industry has significantly retrenched
- AEDC believes recession may hit bottom in 2018
- Economic trajectory primarily dependent on:
 - Resolution of State budget issues
 - Oil & gas exploration and production activity



Source: <https://www.portofalaska.com/business/cargo-distribution/>

Alaska Service *(continued)*

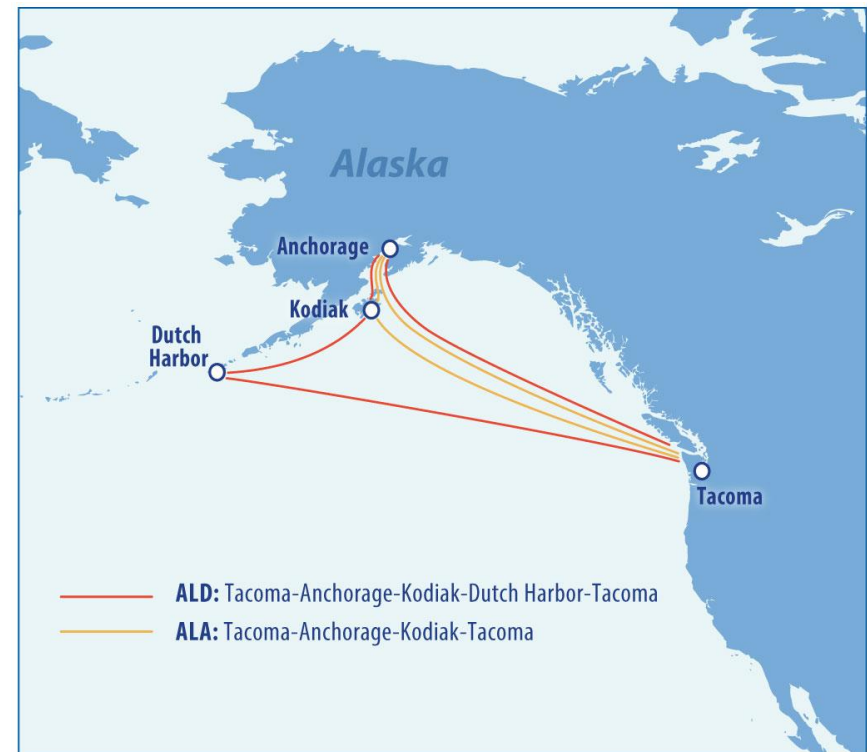
Overview of Service

- Twice weekly service to Anchorage, Kodiak
- Weekly service into Dutch Harbor
- Matson is the only U.S. containership operator serving Kodiak and Dutch Harbor
- Key customer segments:
 - Food and beverage (NB)
 - Retail (NB)
 - Seafood (SB)
- Span Alaska an important driver of business

Matson's Focus

- Leverage industry-leading customer service, financial strength and investment in trade
- Expand penetration of national account/cross-trade customers

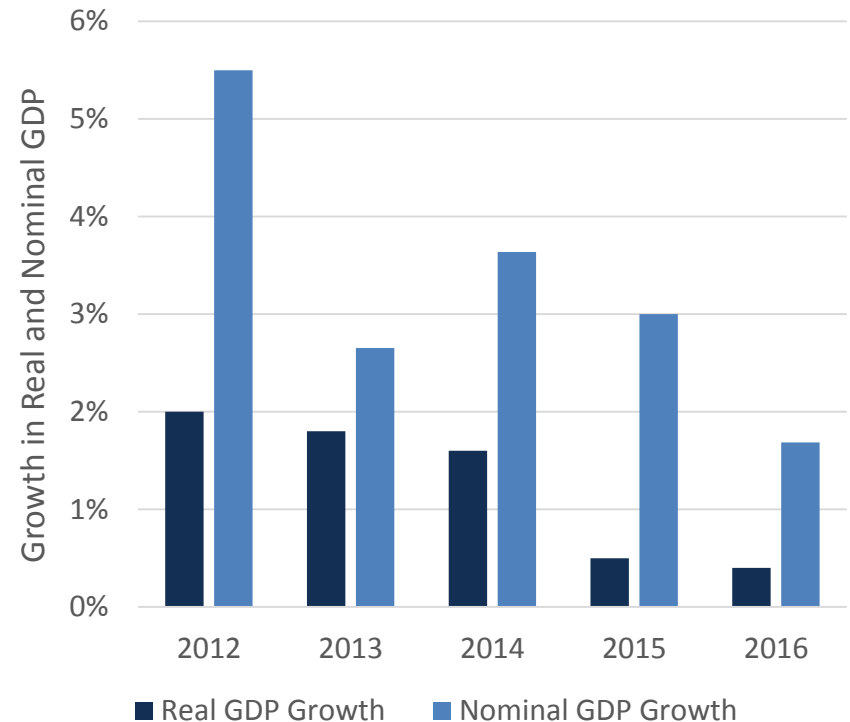
Current 3-Ship Deployment



Market Overview

- Historically a two-player market
 - Horizon exited tradelane in 2012
- Primary competitor today is APL
 - Initiated bi-weekly service in January 2016, went to a weekly service in December 2016
 - Trans-ships in Yokohama to Guam via a feeder service
- Volume growth tied to Guam's economy and U.S. military activity
 - Guam's Real GDP growth ~ 0.5%
 - Military construction activity
 - First wave of Marines relocating from Okinawa to Guam has been delayed ~ arriving around 2025
 - Peak construction year forecast to be 2022

Real and Nominal GDP



Source: https://www.bea.gov/newsreleases/general/terr/2017/guamgdp_090417.pdf

Guam Service *(continued)*

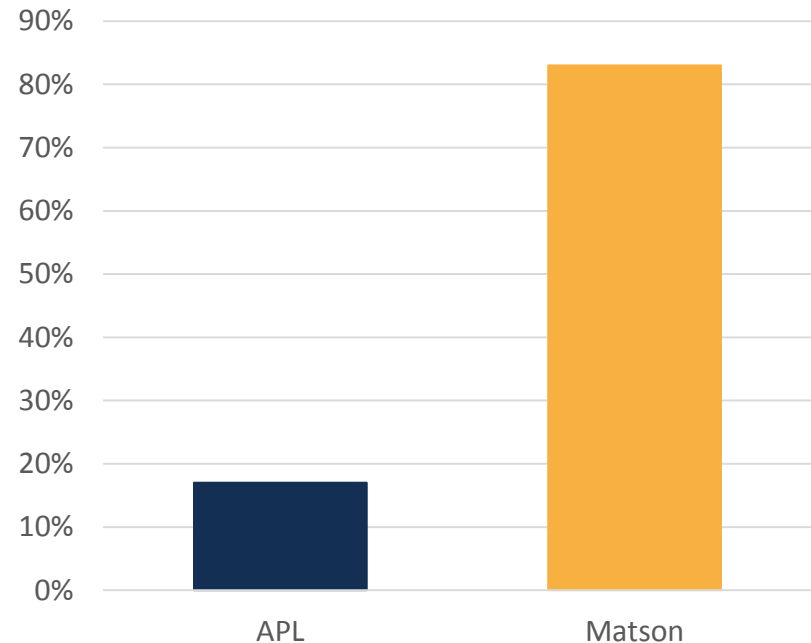
Overview of Service

- Weekly service to Guam as part of CLX service
 - 5-to-8 day transit advantage from U.S. West Coast
- Provide feeder vessel services from Guam to the islands of Micronesia
- Key customer segments:
 - Military
 - Food and retail
 - Household goods

Matson's Focus

- Leverage transit advantage and service reliability
- Fight for every piece of freight
- Identify and secure construction projects

On-time Performance (2017)



Source: Management estimates.

Note: On-time performance within 59 minutes



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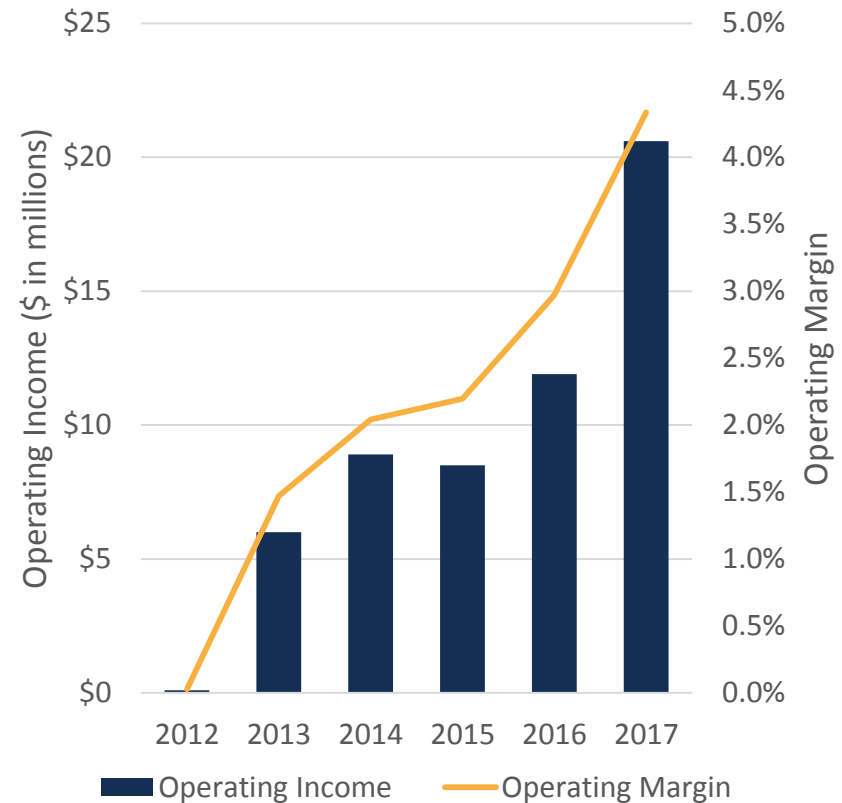
Update on Matson Logistics

Rusty Rolfe, President of Matson Logistics

Overview of Services

- Transportation Brokerage
 - Domestic and international rail intermodal services
 - Long-haul and regional highway trucking services
 - Less-than-truckload and expedited freight services
- Less-than-Container Load (LCL) and Freight Forwarding
 - Span Alaska
- Warehouse
 - Over 1.5 million sq. ft. across 4 buildings in attractive port-based locations
 - PO management and NVOCC services

Operating Income and Margin



Note: Acquired Span Alaska in 3Q 2016.

Transportation Brokerage

- Current market dynamics
 - Constrained capacity and higher transportation costs
 - U.S. economic growth
 - Electronic Logging Device (ELD) mandate impact
 - Driver and equipment shortages
 - Rail congestion and service issues
- Focus in 2018
 - Increase margins
 - Organic growth
 - Continue to invest in people, equipment and technology



Warehousing

- Current market dynamics
 - Tight labor and real estate markets in both East and West regions
 - All four of Matson Logistics' buildings at full capacity
- Focus in 2018
 - Improving customer yield
 - Process flow improvement and labor reduction
 - Cross-selling opportunities across all lines of business



Oakland, CA



Savannah, GA

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Update on Span Alaska

Tom Souply, President of Span Alaska

Span Alaska Overview

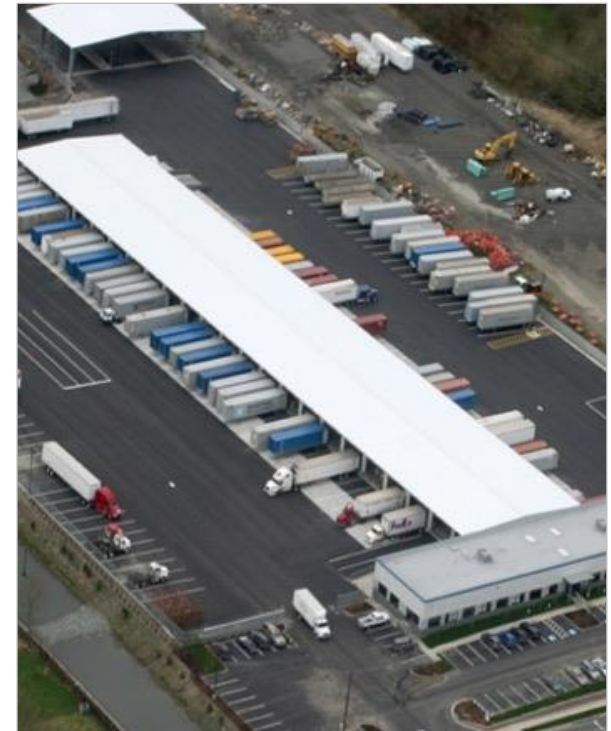
The market leader in Less-than-Container Load freight consolidation and forwarding services to the Alaska market.

- Asset-light logistics business
- Aggregates Less-than-Container Load (LCL) freight in Auburn, WA for consolidation and shipment to Alaska
- Move freight through a network of terminals in Alaska
 - Enabling the transport of freight to all major population centers
- Ocean Transportation's largest northbound freight customer



Span Alaska Overview *(continued)*

- LCL freight accounts for ~50% of the Alaska NB ocean freight market
- Diversified end market: Wholesale Distribution, Retail & Household Goods, Construction & Building Materials, Food & Beverage, Government, Oil, Vehicles
- LCL FREIGHT
 - 80% of goods transported to the Auburn terminal by customer-owned vehicles
 - Handles general cargo, keep-from-freezing, freeze & chill, and hazardous material handling for LCL shipments
- TRUCK SERVICES
 - Complements core LCL services
 - Drayage services to/from the Port of Tacoma
 - Transportation services between Span Alaska's deconsolidation facilities and customers' final destinations in Alaska
- OTHER LOGISTICS SERVICES
 - Brokered freight consolidation in the Lower 48 states through agent terminal in Chicago

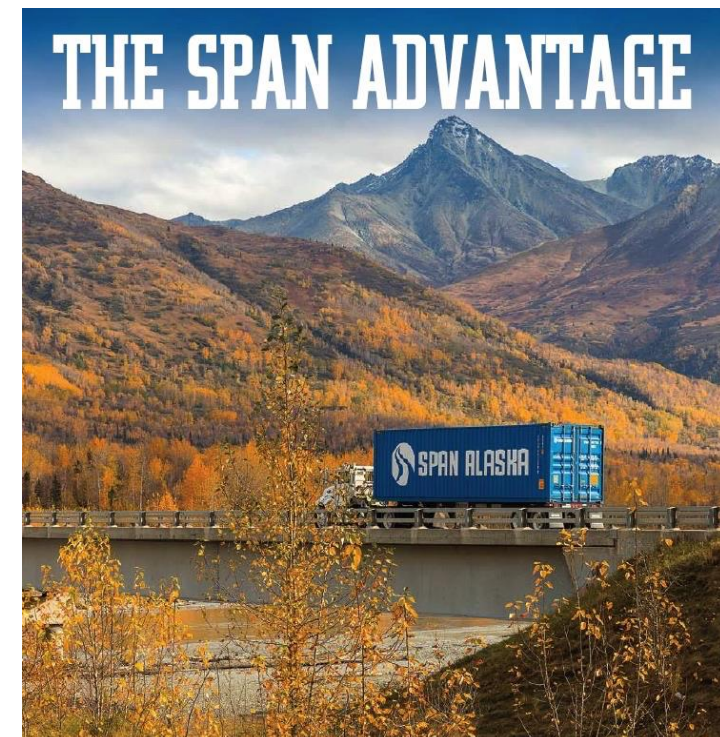


Span Alaska's Auburn, WA facility

The Span Advantage

Alaska's premier freight provider since 1978.

- Long-tenured and loyal employee base
 - Management with 20-30-40 years in the business
 - Employee loyalty / low turnover
- Serving every major metro in Alaska with direct service and expert handling from Span employees
- State-of-the-art IT provides customers with high freight visibility
 - Tracking and automated status updates at every step to final mile
- High-touch level of service from customer service and the sales reps
- Auburn facility is purpose-built to provide an efficient operation



State of Alaska's Economy

It's all about oil prices.

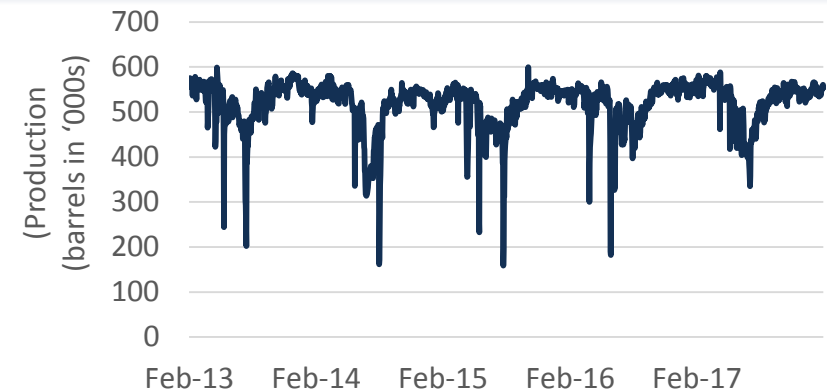
- Alaska North Slope oil price compression has led economy into a multi-year recession
 - 2018 will likely mark the 3rd sequential year of job losses
 - State budget has been negatively impacted
 - Complexity in managing the measures to close the budget gap
 - Businesses have retrenched on investment awaiting scope of budget fixes

Alaska North Slope Crude Oil Spot Price



Source: Bloomberg

Alaska Crude Oil Production



Source: Bloomberg

Source: <http://labor.alaska.gov/trends/mar18.pdf#cover>

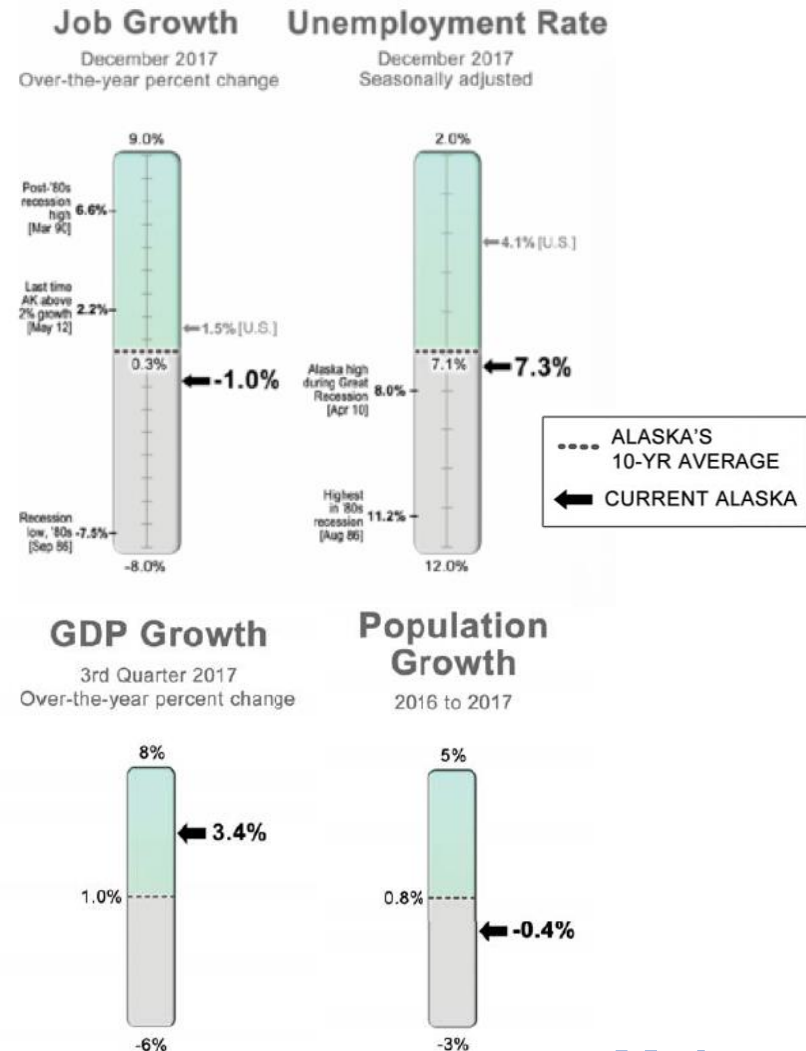
State of Alaska's Economy (continued)

A number of key economic indicators remain challenging, but GDP trend is promising.

Gauging Alaska's Economy

Alaska Department of Labor & Workforce Development
(March 2018)

- December was the 27th consecutive month Alaska has recorded job losses.
- Alaska's unemployment rate is the highest in the nation, but is only two-tenths of a percentage point above its 10-year average.
- It's promising for economic recovery that gross domestic product growth has been positive for three consecutive quarters after declining for the previous 17 consecutive quarters.
- The state's population has remained remarkably stable during the state's recession, although 2017 was the first year of population decline since 1988.



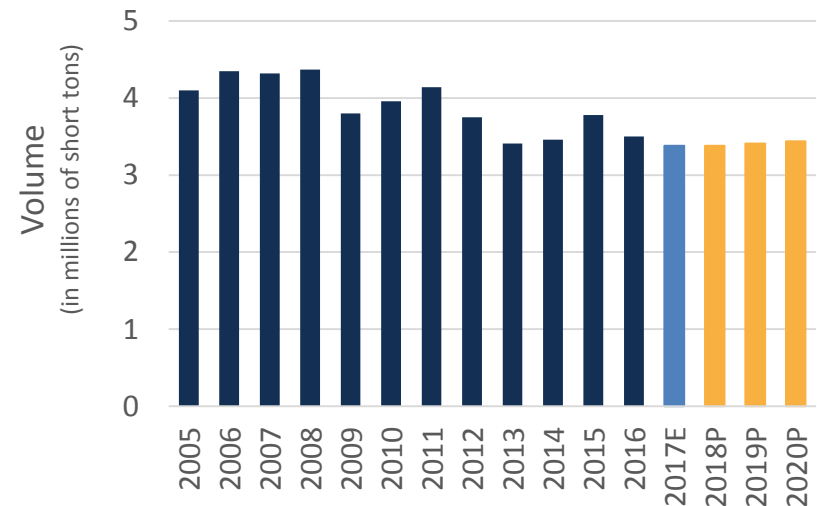
Source: <http://labor.alaska.gov/trends/mar18.pdf#cover>

State of Alaska's Economy *(continued)*

Bottoming of recession is near, but the economic recovery trajectory is uncertain.

- AEDC believes job losses will turn the corner in 2018
- AEDC forecasts nearly flat volume at the Port of Anchorage for the next 3 years
- Economic recovery trajectory highly dependent on business investment, budget fixes, etc.
- Residential and commercial real estate values are generally stable
- Number of positive contributors in the near-future:
 - F-35 Project/ Eielson AFB- Fairbanks
 - Other military projects

Port of Anchorage Volume



Source: https://aedcweb.com/wp-content/uploads/2017/07/2017_3-Year_Outlook.pdf

Stress our advantages to drive business opportunities.

Current Market Dynamics

- Heightened competitive environment, but certainly manageable
 - Smaller competitors facing financial pressure
- Several key competitors aligned with ocean carriers
 - Carlile / TOTE
 - Lynden / AML

Our Focus in 2018

- Continue to differentiate Span Alaska
- Continue to excel at the quality of service and execution
- Intensified sales focus
 - Sales team focused on new accounts
 - Cross-selling across Matson platform
- Consistently focused on aligning headcount to volume levels
- Continue to invest in people, equipment and technology



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Concluding Remarks

Matt Cox, Chairman and CEO

Concluding Remarks

New vessels will be sources of significant long-term competitive advantage for Matson.

- Larger scale of new vessels coupled with leading market share allow for unique advantages
- Hawaii fleet renewal program on track and on budget
- Reaffirm expected financial benefits related to the vessel investments
- Matson will be fully compliant with upcoming 2020 fuel emissions regulations
- Expect no steamships in active deployment in 12 months

Honolulu terminal investments will add to our competitive advantages.

- Honolulu terminal investments to reduce congestion/complexity and increase efficiency
- Matson's terminal will be the most efficient in the trade

Concluding Remarks *(continued)*

We are very well-positioned in the markets we serve.

- Hawaii: Remain the market leader
- Alaska: Fully integrated, performing at a steady level, well-positioned for recovery
- China: Maintain highly differentiated service offering
- Guam: Competing effectively with new entrant
- SSAT: Very well-positioned in light of recent international carrier consolidations
- Logistics: Larger contributor to consolidated earnings with focus on organic growth

Near-term focus on organic growth and network service expansions.

Significant post-2020 cash flows allow for quick pay down of debt.

- Tax Reform to be a material economic benefit to Matson – expect no federal cash taxes payable until at least 2023



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Questions & Answers



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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, Taxes, Depreciation and Amortization (“EBITDA”), Return on Invested Capital (“ROIC”), Return on Equity (“ROE”), Total Debt-to-EBITDA and Net Debt-to-EBITDA.

(\$ in millions, except ROIC and ROE)	For the years ended December 31,					
	2012	2013	2014	2015	2016	2017
Total debt	\$ 319.1	\$ 286.1	\$ 373.6	\$ 429.9	\$ 738.9	\$ 857.1
Less: total cash and cash equivalents	(19.9)	(114.5)	(293.4)	(25.5)	(13.9)	(19.8)
Less: cash on deposit in Capital Construction Fund	-	-	(27.5)	-	(31.2)	(0.9)
Net debt	299.2	171.6	52.7	404.4	693.8	836.4
Net income	\$ 45.9	\$ 53.7	\$ 70.8	\$ 103.0	\$ 81.4	\$ 232.0 ⁽¹⁾
Add: loss from discontinued operations	6.1	-	-	-	-	-
Add: income taxes	33.0	32.2	51.9	74.8	49.1	(106.8) ⁽¹⁾
Add: interest expense	11.7	14.4	17.3	18.5	24.1	24.2
Add: depreciation and amortization	95.4	91.0	90.1	105.8	135.4	146.6
EBITDA	192.1	191.3	230.1	302.1	290.0	296.0
Net income (A)	\$ 45.9	\$ 53.7	\$ 70.8	\$ 103.0	\$ 81.4	\$ 232.0 ⁽¹⁾
Add: loss from discontinued operations	6.1	-	-	-	-	-
Add: interest expense (tax-effected) ⁽²⁾	7.2	9.0	10.0	10.7	15.1	14.9
Total return (B)	59.2	62.7	80.8	113.7	96.5	246.9
Average total debt	\$ 319.1 ⁽³⁾	\$ 302.6	\$ 329.9	\$ 401.8	\$ 584.4	\$ 798.0
Average shareholders' equity (C)	279.9 ⁽³⁾	309.1	351.0	407.1	472.8	586.6
Total invested capital (D)	599.0 ⁽³⁾	611.7	680.9	808.9	1,057.2	1,384.6
ROIC = (B)/(D)	9.9%	10.3%	11.9%	14.1%	9.1%	17.8%
ROE = (A)/(C)	16.4%	17.4%	20.2%	25.3%	17.2%	39.6%

(1) Includes the benefit of a one-time, non-cash adjustment of \$155.0 million related to the enactment of the Tax Cuts and Jobs Act.

(2) The effective tax rates each year in the period 2012-2017 were 38.8%, 37.5%, 42.3%, 42.1%, 37.6% and (85.3)%, respectively. In 2017, the adjusted effective tax rate, excluding the benefit of a one-time, non-cash adjustment related to the Tax Cuts and Jobs Act, would have been 38.5%.

(3) The 2012 calculation is based on total invested capital as of December 31, 2012 due to the timing of the separation from Alexander & Baldwin.