

**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): **May 3, 2022 (May 3, 2022)**

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 May 3, 2022, Matson, Inc. (the “Company”) issued a press release announcing the Company’s earnings for the quarter ended March 31, 2022. 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 May 3, 2022](#)

99.2 [Investor Presentation, dated May 3, 2022](#)

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: May 3, 2022

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FOR IMMEDIATE RELEASE**MATSON, INC. ANNOUNCES FIRST QUARTER 2022 RESULTS**

- 1Q22 EPS of \$8.23
- 1Q22 Net Income and EBITDA of \$339.2 million and \$476.4 million, respectively
- Year-over-year increase in 1Q22 consolidated operating income driven primarily by China service strength
- Repurchased approximately 0.7 million shares in 1Q22

HONOLULU, Hawaii (May 3, 2022) – Matson, Inc. (“Matson” or the “Company”) (NYSE: MATX), a leading U.S. carrier in the Pacific, today reported net income of \$339.2 million, or \$8.23 per diluted share, for the quarter ended March 31, 2022. Net income for the quarter ended March 31, 2021 was \$87.2 million, or \$1.99 per diluted share. Consolidated revenue for the first quarter 2022 was \$1,165.5 million compared with \$711.8 million for the first quarter 2021.

“Matson is off to a solid start in 2022 with higher year-over-year operating income in both Ocean Transportation and Logistics,” said Chairman and Chief Executive Officer Matt Cox. “Within Ocean Transportation, our China service continued to see significant demand for its expedited ocean services as volume for e-commerce, garments and other goods remained elevated. The increase in consolidated operating income year-over-year was driven primarily by continued strength in the China service. Currently in the Transpacific tradelane, we are seeing supply chain challenges in China, primarily due to actions to mitigate the spread of COVID-19, as well as continued supply chain constraints and congestion on the U.S. West Coast, elevated consumption trends, and inventory restocking. Despite the near-term uncertainty presented by the supply chain challenges in China, we expect a combination of the current supply and demand factors to remain largely in place through at least the October peak season and continue to expect elevated demand for our China service for most of this year.”

Mr. Cox added, “In our domestic ocean tradelanes, we continued to see steady demand with higher year-over-year volumes in Alaska and Guam, and demand in Hawaii comparable to the level achieved in the year ago period. In Logistics, operating income increased year-over-year with strength across all of the business lines as we continued to see elevated goods consumption, inventory restocking and favorable supply and demand fundamentals in our core markets.”

First Quarter 2022 Discussion and Update on Business Conditions

Ocean Transportation: The Company’s container volume in the Hawaii service in the first quarter 2022 was 0.6 percent lower year-over-year. The decrease was primarily due to lower eastbound volume. During the quarter, we continued to see elevated hospitality-related demand as a result of strong domestic tourist arrivals and modest improvement in international visitor traffic. In the near-term, we are cautiously optimistic on further economic recovery in Hawaii in 2022. The positive trends include further improvement in the unemployment rate and increasing tourism traffic, including meaningful international visitor traffic later in the year, but incremental waves of COVID-19 variants present the possibility of further economic slowdowns and the loss of federal stimulus coupled with inflation and higher interest rates may impact discretionary income.

In China, the Company's container volume in the first quarter 2022 increased 13.4 percent year-over-year. The increase was a result of five more eastbound voyages than the prior year. Volume demand in the quarter was driven by e-commerce, garments and other goods. Matson continued to realize a significant rate premium over the Shanghai Containerized Freight Index in the first quarter 2022 and achieved average freight rates that were considerably higher than in the year ago period. Currently in the Transpacific tradelane, we are seeing supply chain challenges in China, primarily due to actions to mitigate the spread of COVID-19, as well as continued supply chain constraints and congestion on the U.S. West Coast, elevated consumption trends, and inventory restocking. Despite the near-term uncertainty presented by the supply chain challenges in China, we expect a combination of the current supply and demand factors to remain largely in place through at least the October peak season and continue to expect elevated demand for our China service for most of this year.

In Guam, the Company's container volume in the first quarter 2022 increased 10.0 percent year-over-year primarily due to higher retail-related demand. In the near-term, we are cautiously optimistic on further economic growth in Guam as tourism traffic improves as the year progresses.

In Alaska, the Company's container volume for the first quarter 2022 increased 20.2 percent year-over-year primarily due to (i) the increase in volume from the Alaska-Asia Express ("AAX"), (ii) higher northbound volume primarily due to higher retail-related demand and volume related to a competitor's dry-docking and (iii) higher southbound volume primarily due to higher seafood volume. In the near-term, we expect improving economic trends in Alaska, but the recovery's trajectory continues to remain uncertain.

The contribution in the first quarter 2022 from the Company's SSAT joint venture investment was \$34.0 million, or \$24.8 million higher than the first quarter 2021. The increase was primarily driven by higher other terminal revenue.

Logistics: In the first quarter 2022, operating income for the Company's Logistics segment was \$16.4 million, or \$10.3 million higher compared to the level achieved in the first quarter 2021. The increase was due primarily to higher contributions from all services as we continued to see elevated goods consumption, inventory restocking and favorable supply and demand fundamentals in our core markets.

Results By Segment

Ocean Transportation — Three months ended March 31, 2022 compared with 2021

(Dollars in millions)	Three Months Ended March 31,			
	2022	2021	Change	
Ocean Transportation revenue	\$ 943.9	\$ 560.5	\$ 383.4	68.4 %
Operating costs and expenses	(527.7)	(446.4)	(81.3)	18.2 %
Operating income	\$ 416.2	\$ 114.1	\$ 302.1	264.8 %
Operating income margin	44.1 %	20.4 %		
Volume (Forty-foot equivalent units (FEU), except for automobiles) (1)				
Hawaii containers	35,500	35,700	(200)	(0.6)%
Hawaii automobiles	8,600	10,700	(2,100)	(19.6)%
Alaska containers	20,800	17,300	3,500	20.2 %
China containers	46,600	41,100	5,500	13.4 %
Guam containers	5,500	5,000	500	10.0 %
Other containers (2)	5,300	4,000	1,300	32.5 %

- (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) Includes containers from services in various islands in Micronesia and the South Pacific, and Okinawa, Japan.

Ocean Transportation revenue increased \$383.4 million, or 68.4 percent, during the three months ended March 31, 2022, compared with the three months ended March 31, 2021. The increase was primarily due to higher revenue in China, higher fuel-related surcharge revenue, and higher revenue in Alaska. The higher revenue in China was primarily due to considerably higher average freight rates and higher volume. The higher revenue in Alaska was primarily the result of higher volume.

On a year-over-year FEU basis, Hawaii container volume decreased 0.6 percent primarily due to lower eastbound volume; Alaska volume increased 20.2 percent primarily due to (i) the increase in volume from AAX, (ii) higher northbound volume primarily due to higher retail-related demand and volume related to a competitor's dry-docking, and (iii) higher southbound volume primarily due to higher seafood volume; China volume was 13.4 percent higher as a result of five more eastbound voyages than the prior year; Guam volume was 10.0 percent higher primarily due to higher retail-related demand; and Other containers volume increased 32.5 percent primarily due to the addition of China-Auckland Express volume in the South Pacific.

Ocean Transportation operating income increased \$302.1 million during the three months ended March 31, 2022, compared with the three months ended March 31, 2021. The increase was primarily due to considerably higher average freight rates and higher volume in China and a higher contribution from SSAT, partially offset by higher operating costs and expenses primarily due to the CCX and CLX+ services and the timing of fuel-related surcharge recovery.

The Company's SSAT terminal joint venture investment contributed \$34.0 million during the three months ended March 31, 2022, compared to a contribution of \$9.2 million during the three months ended March 31, 2021. The increase was primarily driven by higher other terminal revenue.

Logistics — Three months ended March 31, 2022 compared with 2021

(Dollars in millions)	Three Months Ended March 31,			
	2022	2021	Change	
Logistics revenue	\$ 221.6	\$ 151.3	\$ 70.3	46.5 %
Operating costs and expenses	(205.2)	(145.2)	(60.0)	41.3 %
Operating income	\$ 16.4	\$ 6.1	\$ 10.3	168.9 %
Operating income margin	7.4 %	4.0 %		

Logistics revenue increased \$70.3 million, or 46.5 percent, during the three months ended March 31, 2022, compared with the three months ended March 31, 2021. The increase was primarily due to higher transportation brokerage and supply chain management revenue.

Logistics operating income increased \$10.3 million, or 168.9 percent, for the three months ended March 31, 2022, compared with the three months ended March 31, 2021. The increase was primarily due to higher contributions from all services.

Liquidity, Cash Flows and Capital Allocation

Matson's Cash and Cash Equivalents increased by \$110.4 million from \$282.4 million at December 31, 2021 to \$392.8 million at March 31, 2022. Matson generated net cash from operating activities of \$273.9 million during the three months ended March 31, 2022, compared to \$122.9 million during the three months ended March 31, 2021. Capital expenditures totaled \$37.4 million for the three months ended March 31, 2022, compared with \$38.5 million for the three months ended March 31, 2021. Total debt decreased by \$14.3 million during the three months to \$614.7 million as of March 31, 2022, of which \$549.7 million was classified as long-term debt. As of March 31, 2022 Matson had available borrowings under its revolving credit facility of \$642.0 million.

During the first quarter 2022, Matson repurchased approximately 0.7 million shares for a total cost of \$68.6 million. On January 27, 2022 the Company announced an increase of three million shares in its existing share repurchase program. As of the end of the first quarter 2022, there were approximately 2.8 million shares remaining in the share repurchase program.

As previously announced, Matson's Board of Directors declared a cash dividend of \$0.30 per share payable on June 2, 2022 to all shareholders of record as of the close of business on May 12, 2022.

Teleconference and Webcast

A conference call is scheduled on May 3, 2022 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 first quarter results.

Date of Conference Call:	Tuesday, May 3, 2022
Scheduled Time:	4:30 p.m. ET / 1:30 p.m. PT / 10:30 a.m. HT
Participant Toll Free Dial-In #:	1-877-312-5524
International Dial-In #:	1-253-237-1144

The conference call will be broadcast live along with an additional slide presentation on the Company's website at www.matson.com, under Investors. A replay of the conference call will be available approximately two hours after the call through May 10, 2022 by dialing 1-855-859-2056 or 1-404-537-3406 and using the conference number 3729448. The slides and audio webcast of the conference call will be archived for one full quarter on the Company's website 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 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. Its integrated, asset-light logistics services include rail intermodal, highway brokerage, warehousing, freight consolidation, Asia supply chain services, and forwarding to Alaska. Additional information about the Company is available at www.matson.com.

GAAP to Non-GAAP Reconciliation

This press release, the Form 8-K and the information to be discussed in the conference call include non-GAAP measures. While 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.

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, supply chain challenges in China, actions to mitigate the spread of COVID-19, supply chain constraints and congestion on the U.S. West Coast, consumption trends and consumer spending levels, inventory restocking, duration of current supply and demand factors, demand for Matson’s China service, demand for e-commerce, garments and other goods, duration of CCX service, tourism levels, unemployment rates, waves of COVID-19 variants, economic recovery and drivers in Hawaii, Alaska and Guam, import volume into U.S. West Coast, inflation, interest rates, discretionary income, refueling initiatives, capital expenditures, the costs and timing of liquefied natural gas installations on certain vessels, vessel deployments and operating efficiencies, vessel transit times, cargo availability times, labor shortages, labor contract renewals, and higher fuel costs. 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 economic conditions 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 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 a foreign shipping market, 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; freight levels and increasing costs and availability of truck capacity or alternative means of transporting freight; 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, 2021 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, INC. AND SUBSIDIARIES
Condensed Consolidated Statements of Income
(Unaudited)

(In millions, except per share amounts)	Three Months Ended	
	March 31,	
	2022	2021
Operating Revenue:		
Ocean Transportation	\$ 943.9	\$ 560.5
Logistics	221.6	151.3
Total Operating Revenue	<u>1,165.5</u>	<u>711.8</u>
Costs and Expenses:		
Operating costs	(703.7)	(544.7)
Income from SSAT	34.0	9.2
Selling, general and administrative	(63.2)	(56.1)
Total Costs and Expenses	<u>(732.9)</u>	<u>(591.6)</u>
Operating Income	432.6	120.2
Interest expense	(4.8)	(7.3)
Other income (expense), net	2.0	1.4
Income before Income Taxes	<u>429.8</u>	<u>114.3</u>
Income taxes	(90.6)	(27.1)
Net Income	<u>\$ 339.2</u>	<u>\$ 87.2</u>
Basic Earnings Per Share	\$ 8.29	\$ 2.01
Diluted Earnings Per Share	\$ 8.23	\$ 1.99
Weighted Average Number of Shares Outstanding:		
Basic	40.9	43.4
Diluted	41.2	43.8

MATSON, INC. AND SUBSIDIARIES
Condensed Consolidated Balance Sheets
(Unaudited)

(In millions)	March 31, 2022	December 31, 2021
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 392.8	\$ 282.4
Other current assets	482.0	422.1
Total current assets	<u>874.8</u>	<u>704.5</u>
Long-term Assets:		
Investment in SSAT	92.7	58.7
Property and equipment, net	1,894.6	1,878.3
Goodwill	327.8	327.8
Intangible assets, net	178.5	181.1
Other long-term assets	609.1	542.7
Total long-term assets	<u>3,102.7</u>	<u>2,988.6</u>
Total assets	<u>\$ 3,977.5</u>	<u>\$ 3,693.1</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities:		
Current portion of debt	\$ 65.0	\$ 65.0
Other current liabilities	545.2	547.4
Total current liabilities	<u>610.2</u>	<u>612.4</u>
Long-term Liabilities:		
Long-term debt, net of deferred loan fees	535.7	549.7
Deferred income taxes	431.1	425.2
Other long-term liabilities	489.8	438.4
Total long-term liabilities	<u>1,456.6</u>	<u>1,413.3</u>
Total shareholders' equity	1,910.7	1,667.4
Total liabilities and shareholders' equity	<u>\$ 3,977.5</u>	<u>\$ 3,693.1</u>

MATSON, INC. AND SUBSIDIARIES
Condensed Consolidated Statements of Cash Flows
(Unaudited)

(In millions)	Three Months Ended March 31,	
	2022	2021
Cash Flows From Operating Activities:		
Net income	\$ 339.2	\$ 87.2
Reconciling adjustments:		
Depreciation and amortization	35.6	34.5
Amortization of operating lease right of use assets	36.2	23.9
Deferred income taxes	6.6	6.5
Share-based compensation expense	4.7	4.8
Income from SSAT	(34.0)	(9.2)
Distribution from SSAT	—	10.5
Other	(0.2)	(1.1)
Changes in assets and liabilities:		
Accounts receivable, net	(27.7)	(7.7)
Deferred dry-docking payments	(8.6)	(9.5)
Deferred dry-docking amortization	6.7	6.6
Prepaid expenses and other assets	(31.5)	(4.8)
Accounts payable, accruals and other liabilities	(16.2)	5.6
Operating lease liabilities	(35.4)	(22.5)
Other long-term liabilities	(1.5)	(1.9)
Net cash provided by operating activities	273.9	122.9
Cash Flows From Investing Activities:		
Capitalized vessel construction expenditures	(9.4)	—
Other capital expenditures	(37.4)	(38.5)
Proceeds from disposal of property and equipment	0.4	1.4
Cash deposits into Capital Construction Fund	(10.7)	—
Withdrawals from Capital Construction Fund	10.7	—
Net cash used in investing activities	(46.4)	(37.1)
Cash Flows From Financing Activities:		
Repayments of debt	(14.4)	(14.4)
Proceeds from revolving credit facility	—	108.1
Repayments of revolving credit facility	—	(154.9)
Payment of financing costs	—	(3.0)
Dividends paid	(12.9)	(10.1)
Repurchase of Matson common stock	(70.4)	—
Tax withholding related to net share settlements of restricted stock units	(19.4)	(14.1)
Net cash used in financing activities	(117.1)	(88.4)
Net Increase (Decrease) in Cash, Cash Equivalents and Restricted Cash	110.4	(2.6)
Cash, Cash Equivalents and Restricted Cash, Beginning of the Period	287.7	19.7
Cash, Cash Equivalents and Restricted Cash, End of the Period	\$ 398.1	\$ 17.1
Reconciliation of Cash, Cash Equivalents and Restricted Cash, End of the Period:		
Cash and Cash Equivalents	\$ 392.8	\$ 11.8
Restricted Cash	5.3	5.3
Total Cash, Cash Equivalents and Restricted Cash, End of the Period	\$ 398.1	\$ 17.1
Supplemental Cash Flow Information:		
Interest paid, net of capitalized interest	\$ 4.5	\$ 5.7
Income tax payments and (refunds), net	\$ 103.1	\$ (0.4)
Non-cash Information:		
Capital expenditures included in accounts payable, accruals and other liabilities	\$ 7.1	\$ 8.8

MATSON, INC. AND SUBSIDIARIES
Total Debt to Net Debt and Net Income to EBITDA Reconciliations
(Unaudited)

NET DEBT RECONCILIATION

<u>(In millions)</u>	<u>March 31,</u> <u>2022</u>
Total Debt (1):	\$ 614.7
Less: Cash and cash equivalents	(392.8)
Net Debt	<u>\$ 221.9</u>

EBITDA RECONCILIATION

<u>(In millions)</u>	<u>Three Months Ended</u> <u>March 31,</u>			<u>Last Twelve</u> <u>Months</u>
	<u>2022</u>	<u>2021</u>	<u>Change</u>	
Net Income	\$ 339.2	\$ 87.2	\$ 252.0	\$ 1,179.4
Add: Income taxes	90.6	27.1	63.5	307.4
Add: Interest expense	4.8	7.3	(2.5)	20.1
Add: Depreciation and amortization	35.1	32.3	2.8	134.9
Add: Dry-dock amortization	6.7	6.6	0.1	24.4
EBITDA (2)	<u>\$ 476.4</u>	<u>\$ 160.5</u>	<u>\$ 315.9</u>	<u>\$ 1,666.2</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.



Matson.

***First Quarter 2022
Earnings Conference Call***

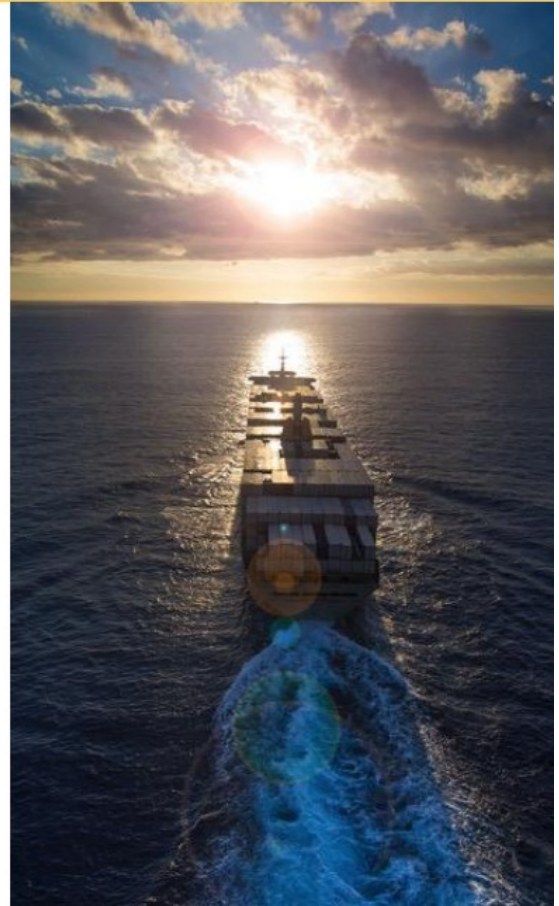
May 3, 2022

Forward-Looking Statements

Statements made during this presentation that set forth expectations, predictions, projections or are about future events are based on facts and situations that are known to us as of May 3, 2022.

We believe that our expectations and assumptions are reasonable. Actual results may differ materially, due to risks and uncertainties, such as those described on pages 13-24 of our Form 10-K filed on February 25, 2022 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.



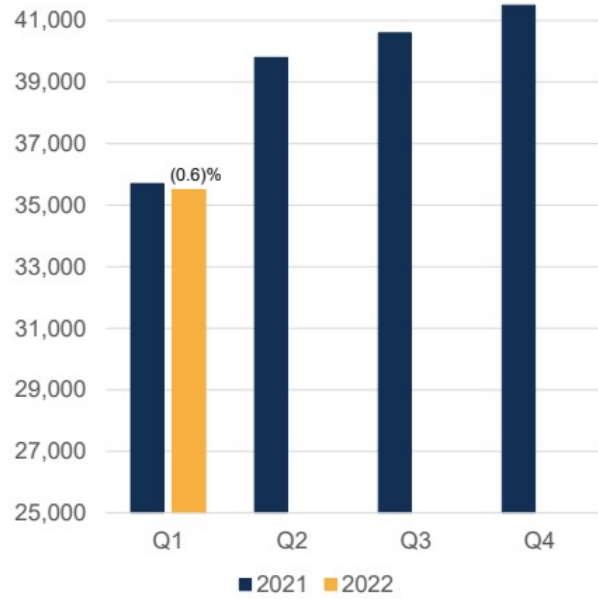
Opening Remarks

- Recap of Matson's 1Q22 results:
 - Matson is off to a solid start in 2022 with higher year-over-year operating income in both Ocean Transportation and Logistics
- Ocean Transportation:
 - China strength – continued strong demand for our expedited ocean services
 - Higher year-over-year volumes in Alaska and Guam, comparable level of demand in Hawaii
- Logistics:
 - Strength across all services
 - Continued to see elevated goods consumption, inventory restocking and favorable supply and demand fundamentals in our core markets

First Quarter 2022 Performance

- Container volume decreased 0.6% YoY
 - Primarily due to lower eastbound volume
 - Continued to see elevated hospitality-related demand
 - Strong domestic tourist arrivals and modest improvement in international tourist trends

Container Volume (FEU Basis)



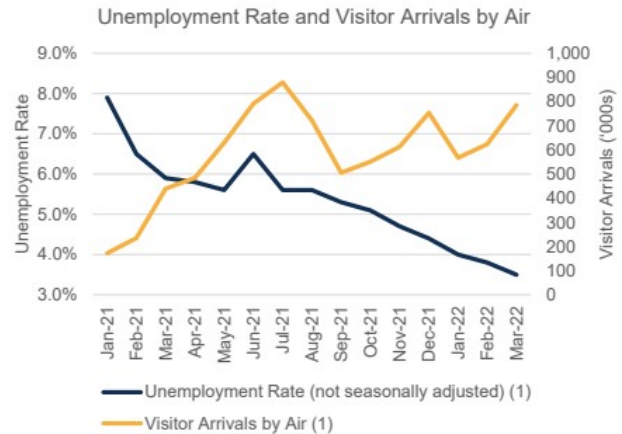
Note: 4Q21 volume figure includes the benefit of a 53rd week.

Hawaii Service – Current Business Trends

- Cautiously optimistic on further economic recovery in Hawaii in 2022
 - Improving unemployment rate
 - Increasing tourism arrivals, including international visitors later in the year
 - Further waves of COVID-19 variants present possibility of economic slowdowns
 - Loss of federal stimulus coupled with inflation and higher interest rates may impact discretionary income
- Positive outlook from latest UHERO forecast
 - Expect tourism arrivals to reach 90% of pre-pandemic level by year end
 - Economy on good recovery trend with (i) further gains in employment and (ii) growth in construction jobs and GDP

(1) Source: http://files.hawaii.gov/dbedt/economic/data_reports/meil2022-03-state.xls
 (2) Source: https://uhero.hawaii.edu/wp-content/uploads/2022/03/22Q1_Forecast_r.pdf

Select Hawaii Economic Indicators

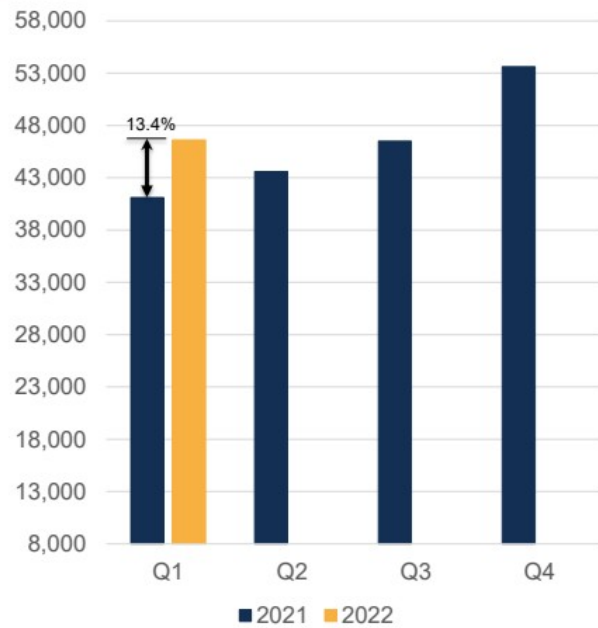


UHERO Projections (2)	2020	2021	2022P	2023P
Real GDP	(11.1)%	4.0%	3.8%	3.3%
Construction Jobs Growth	(2.4)%	1.1%	1.1%	3.4%
Population Growth	(0.3)%	(0.7)%	(0.3)%	(0.1)%
Unemployment Rate	11.8%	7.2%	5.1%	3.3%
Visitor Arrivals ('000s)	2,708.3	6,777.1	8,746.1	9,455.2
% change	(73.9)%	150.2%	29.1%	8.1%

First Quarter 2022 Performance

- Container volume increased 13.4% YoY
 - Total number of eastbound voyages increased by 5 YoY
- Demand driven by e-commerce, garments and other goods
 - Sustained and elevated consumption trends and low inventory levels led to increased demand for our expedited ocean services

Container Volume (FEU Basis)



Note: CCX service started in 3Q21. 4Q21 volume figure includes the benefit of a 53rd week.

China Service – Current Business Trends

- Transpacific tradelane is currently experiencing:
 - Supply chain challenges in China
 - Continued supply chain constraints and congestion on the U.S. West Coast
 - Elevated consumption trends
 - Inventory restocking
- Managing our China business with customers as a portfolio of expedited ocean services
 - Provide customers multiple options for freight management given the supply-demand challenges in the tradelane
- For 2022, expect a combination of the current supply and demand factors to remain largely in place through at least the October peak season
 - Expect elevated demand for our China service for most of this year
 - Expect to keep CCX service at least through October 2022 peak season



Source: <https://www.census.gov/mtis/www/data/text/timeseries1.xlsx>

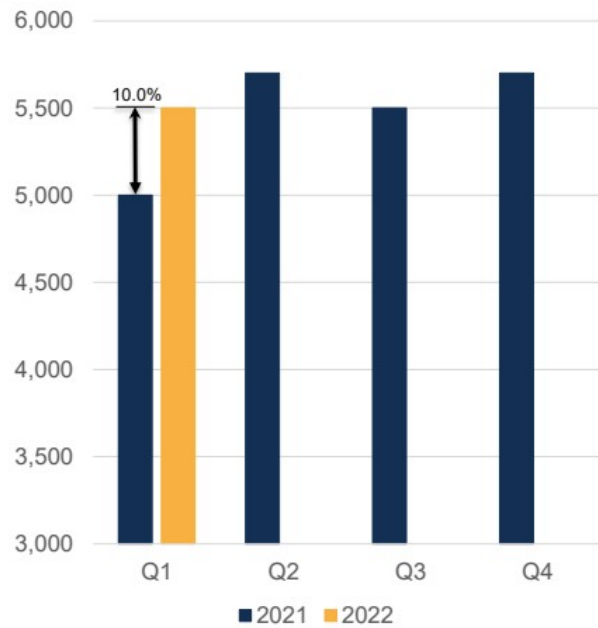
First Quarter 2022 Performance

- Container volume increased 10.0% YoY
 - Higher retail-related demand

Current Business Trends

- Cautiously optimistic on further economic recovery in Guam in 2022
 - Expect improvement in tourism traffic as the year progresses

Container Volume (FEU Basis)



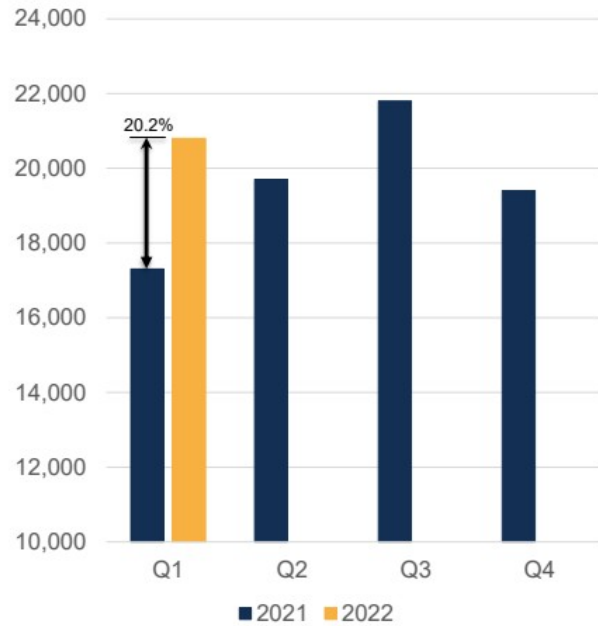
First Quarter 2022 Performance

- Container volume increased 20.2% YoY
 - Increase in AAX seafood volume
 - Higher northbound volume primarily due to:
 - Higher retail-related demand
 - TOTE dry-dock volume
 - Higher southbound volume primarily due to higher seafood volume

Current Business Trends

- Improving economic trends in Alaska, but economic recovery trajectory remains uncertain
 - High energy prices spurring exploration and production activity
 - Resumption of summer tourism

Container Volume (FEU Basis)



Note: 4Q21 volume figure includes the benefit of a 53rd week.

SSAT Joint Venture

First Quarter 2022 Performance

- Terminal joint venture contribution was \$34.0 million; YoY change of \$24.8 million
 - Primarily due to higher other terminal revenue

Current Business Trends

- Continue to see elevated import volume into U.S. West Coast

Equity in Income of Joint Venture



First Quarter 2022 Performance

- Operating income of \$16.4 million; YoY change of \$10.3 million
- Higher YoY operating income contributions from all services
- Benefitted from:
 - Elevated goods consumption and inventory restocking
 - Favorable supply and demand fundamentals in core markets

Current Business Trends

- Some business lines continue to benefit from elevated container volumes into Southern California

Operating Income



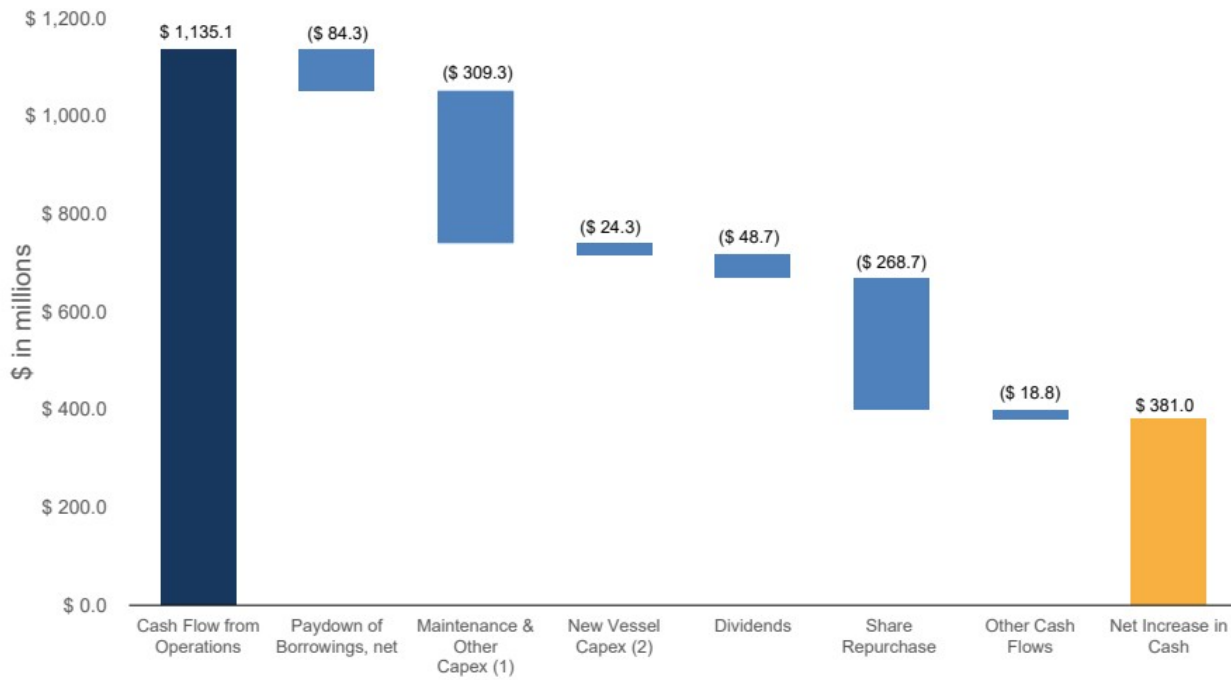
Financial Results – Summary Income Statement

(\$ in millions, except per share data)	First Quarter		
	Quarters Ended 3/31		Δ
	2022	2021	\$
Revenue			
Ocean Transportation	\$ 943.9	\$ 560.5	\$ 383.4
Logistics	221.6	151.3	70.3
Total Revenue	\$ 1,165.5	\$ 711.8	\$ 453.7
Operating Income			
Ocean Transportation	\$ 416.2	\$ 114.1	\$ 302.1
Logistics	16.4	6.1	10.3
Total Operating Income	\$ 432.6	\$ 120.2	\$ 312.4
Interest expense	(4.8)	(7.3)	
Other income (expense), net	2.0	1.4	
Income taxes	(90.6)	(27.1)	
Net Income	\$ 339.2	\$ 87.2	\$ 252.0
GAAP EPS, diluted	\$ 8.23	\$ 1.99	\$ 6.24
Depreciation and Amortization (incl. dry-dock amortization)	\$ 41.8	\$ 38.9	\$ 2.9
EBITDA	\$ 476.4	\$ 160.5	\$ 315.9

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

Cash Generation and Uses of Cash

Last Twelve Months Ended March 31, 2022



(1) Includes \$117.3 million of early buy-out and operating lease termination payments.

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

Financial Results – Summary Balance Sheet

(\$ in millions)	March 31, 2022	December 31, 2021
ASSETS		
Cash and cash equivalents	\$ 392.8	\$ 282.4
Other current assets	482.0	422.1
Total current assets	874.8	704.5
Investment in SSAT	92.7	58.7
Property and equipment, net	1,894.6	1,878.3
Intangible assets, net	178.5	181.1
Goodwill	327.8	327.8
Other long-term assets	609.1	542.7
Total assets	\$ 3,977.5	\$ 3,693.1
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current portion of debt	\$ 65.0	\$ 65.0
Other current liabilities	545.2	547.4
Total current liabilities	610.2	612.4
Long-term debt, net of deferred loan fees	535.7	549.7
Other long-term liabilities	920.9	863.6
Total long-term liabilities	1,456.6	1,413.3
Total shareholders' equity	1,910.7	1,667.4
Total liabilities and shareholders' equity	\$ 3,977.5	\$ 3,693.1

Share Repurchase

- January 27, 2022: announced an additional 3 million shares to existing repurchase program
- 1Q22: ~0.7 million shares repurchased for total cost of \$68.6 million

Debt Levels

- Total Debt of \$614.7 million⁽¹⁾
- Net Debt of \$221.9 million⁽²⁾

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 \$614.7 million less cash and cash equivalents of \$392.8 million.

Update on New Vessel and LNG Projects

- Continue to evaluate refueling options for the Alaska tradelane
 - Either three new purpose-built vessels for Alaska, or
 - Three new LNG-ready Aloha Class vessels for the CLX and move three smaller, older CLX vessels into the Alaska service allowing us to upsize the CLX service by approximately 500 containers of capacity per vessel
- LNG installation projects remain on track
 - *Daniel K. Inouye* LNG install currently scheduled for 1Q23 and to last ~5 months (current estimated total cost ~\$35 million)
 - Re-engine *Manukai* to operate on LNG and conventional fuels (current estimated total cost ~\$60 million) – currently scheduled following *Daniel K. Inouye* install and to take ~1 year to complete
- Continue to evaluate LNG installation projects on *Kaimana Hila*, *Lurline* and *Matsonia*
 - Total estimated LNG installation costs for all 3 vessels is ~\$115 million
- Reiterate 2022 capex of \$160 to \$180 million

Closing Remarks

- Supply chain issues likely to persist globally and potentially longer than many expect – expedited freight solutions will be in high demand to manage through this difficult supply chain environment
 - Consumer spending picture remains positive
 - Low inventories, production disrupted in China
 - Labor shortages throughout the supply chain infrastructure
 - Labor contract renewals
 - Higher fuel costs
- Matson is better positioned to react and adapt to an evolving operating environment such as this
 - Own and control key assets (e.g., vessels, equipment)
 - Competitive advantages in China service provide differentiated expedited ocean services
 - Experience in managing through difficult periods, maintaining a high level of service and delivering on commitments to customers



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.

NET DEBT RECONCILIATION

(In millions)	March 31, 2022
Total Debt (1):	\$ 614.7
Less: Cash and cash equivalents	(392.8)
Net Debt	<u>\$ 221.9</u>

EBITDA RECONCILIATION

(In millions)	Three Months Ended			Last Twelve Months
	2022	2021	Change	
Net Income	\$ 339.2	\$ 87.2	\$ 252.0	\$ 1,179.4
Add: Income taxes	90.6	27.1	63.5	307.4
Add: Interest expense	4.8	7.3	(2.5)	20.1
Add: Depreciation and amortization	35.1	32.3	2.8	134.9
Add: Dry-dock amortization	6.7	6.6	0.1	24.4
EBITDA (2)	<u>\$ 476.4</u>	<u>\$ 160.5</u>	<u>\$ 315.9</u>	<u>\$ 1,666.2</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.