Matson

2019 Investor Day

August 14, 2019 | Oakland, California

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 August 14, 2019.

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 11-20 of our 2018 Form 10-K filed on March 4, 2019 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	Joel Wine, SVP and CFO
Operations & Fleet Update	Ron Forest, President
Sand Island Investment Update	Vic Angoco, SVP, Pacific
Update on Commercial Markets	John Lauer, SVP and Chief Commercial Officer
Update on Matson Logistics	Jerome Holland, AVP Strategic Planning, Matson Logistics
Update on Span Alaska	Tom Souply, President of Span Alaska
Concluding Remarks	Matt Cox, Chairman and CEO
Questions & Answers	

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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

Current Priorities

Priority	Commentary
Complete Hawaii service fleet renewal	• *Lurline* christened June 15th; on track for delivery in 4Q19 • *Matsonia* construction started on building ways • *Daniel K. Inouye* and *Kaimana Hila* performing well
Upgrade Sand Island terminal	• Expect the three new cranes to be in service by the end of 3Q19 • Other infrastructure work in Phase I progressing well
Prepare for IMO 2020	• First scrubber installed; vessel back in service • Second of six vessels in scrubber program is in dry-dock
De-lever the balance sheet beginning in 2020	• 2Q19 leverage covenant level below 3.0x • Cash flow remains strong
Organic growth opportunities	• Shifted *Kaimana Hila* to CLX service for dry-dock relief and in light of muted outlook in Hawaii • SSAT start-up at T-5 • Leverage network into new opportunities • Niche opportunities in Logistics

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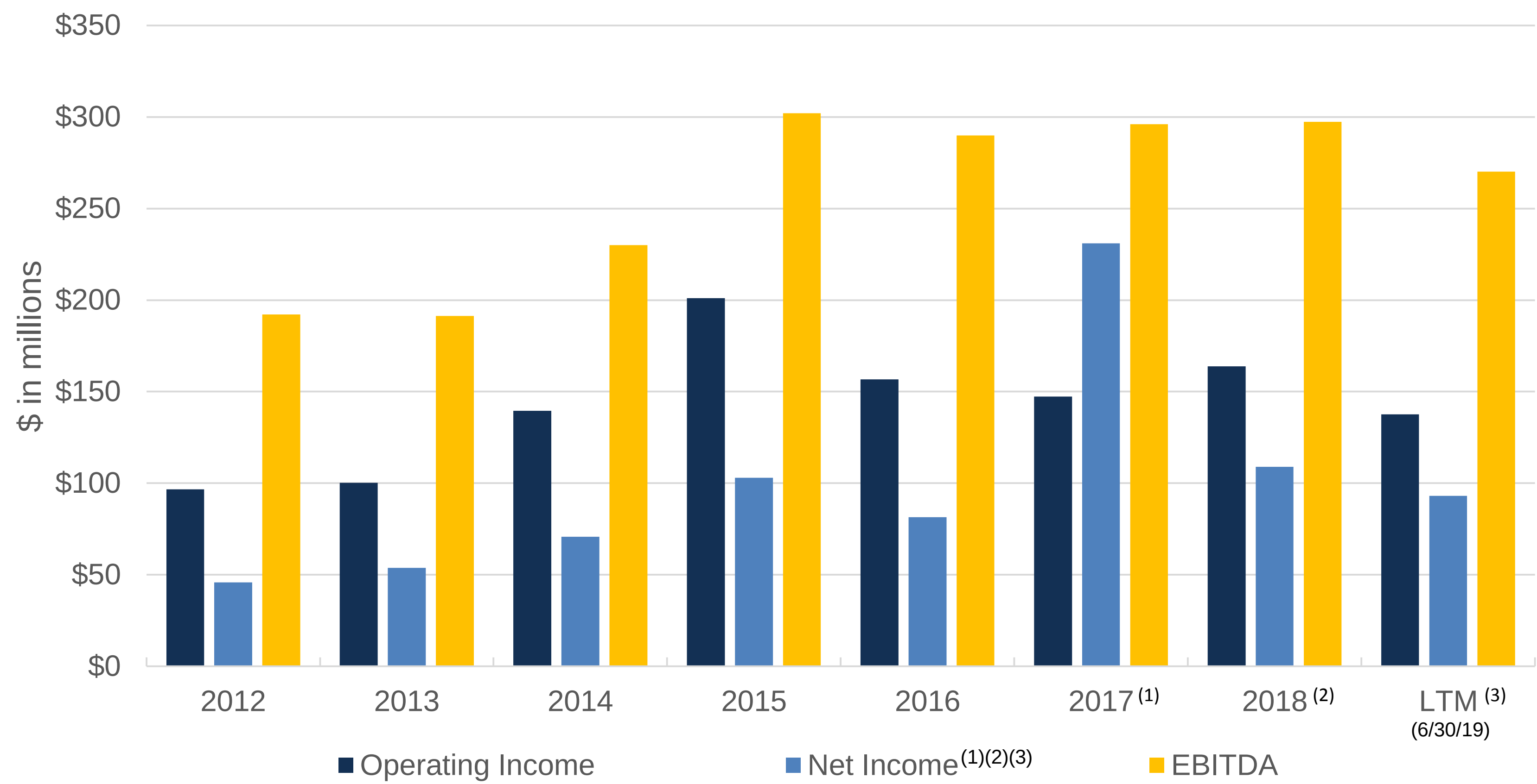
Financial Overview

Joel Wine, SVP and CFO

Matson's Performance Since Separation

Operating Income, Net Income and EBITDA



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 $154.0 million related to the enactment of the Tax Cuts and Jobs Act (the "Tax Act").
(2) Net Income in 2018 includes a non-cash tax expense of $2.9 million related to discrete adjustments as a result of applying the provisions of the Tax Act.
(3) LTM Net Income includes a non-cash tax benefit of $3.1 million related to discrete adjustments as a result of applying the provisions of the Tax Act.

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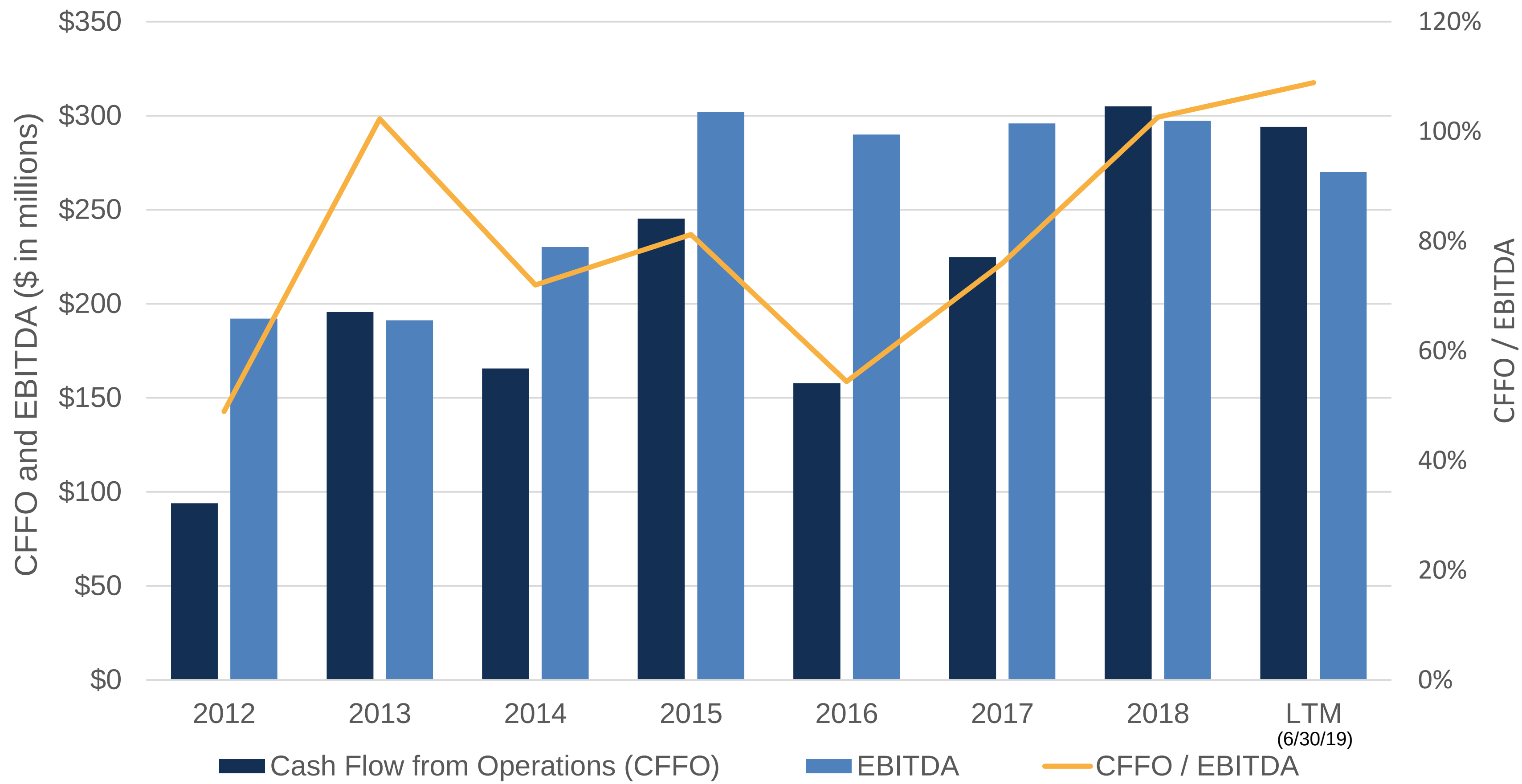
Matson's Performance Since Separation

(continued)

Cash Flow from Operations and EBITDA



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

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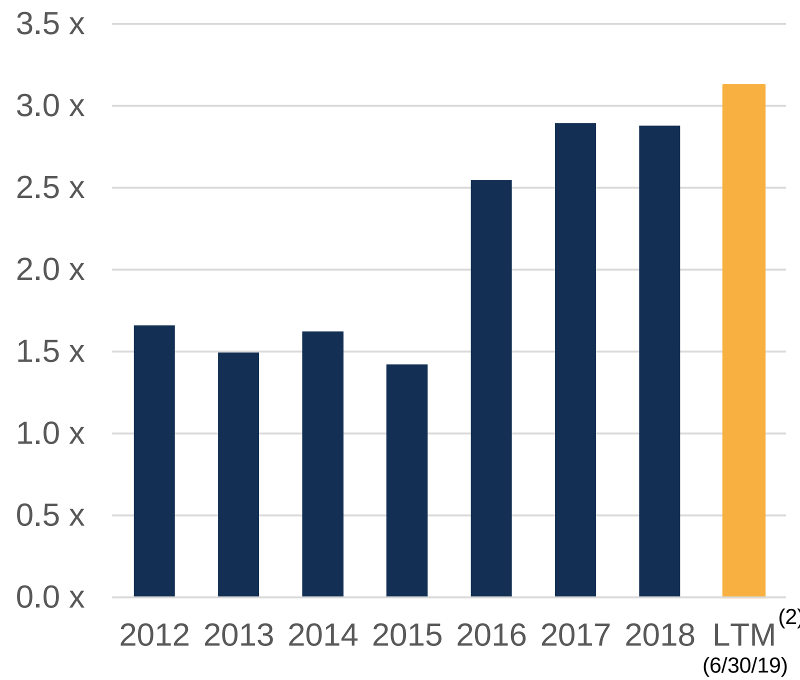
Balance Sheet and Capital Structure

Summary Balance Sheet

($ in millions)	June 30, 2019	December 31, 2018
ASSETS		
Cash and cash equivalents	$ 24.0	$ 19.6
Other current assets	265.6	298.8
Total current assets	289.6	318.4
Investment in Terminal Joint Venture	86.7	87.0
Property and equipment, net	1,398.7	1,366.6
Intangible assets, net	208.4	214.0
Goodwill	327.8	327.8
Other long-term assets	346.3	116.6
Total assets	**$ 2,657.5**	**$ 2,430.4**
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current portion of debt	$ 53.6	$ 42.1
Other current liabilities	371.8	328.7
Total current liabilities	425.4	370.8
Long-term debt	791.0	814.3
Other long-term liabilities	675.9	490.0
Total long-term liabilities	1,466.9	1,304.3
Total shareholders' equity	765.2	755.3
Total liabilities and shareholders' equity	**$ 2,657.5**	**$ 2,430.4**

Total Debt-to-EBITDA (1)



- Expect leverage to peak in early 2020 in the low-to-mid 3xs
- We are continuing to look at capital structure optimization alternatives, including Title XI

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

(1) EBITDA on an as-reported basis, which is lower than the EBITDA calculated under the debt agreements.

(2) Total debt / EBITDA per debt agreement covenant was 2.98x as of June 30, 2019.

Capital Allocation Strategy

- FY 2019 cash flow priorities:
  - Maintenance capex
  - New vessel payments
  - Sand Island terminal Phase I upgrade
- Capital allocation in FY 2020 through FY 2022:
  - Maintenance capex and scrubbers
  - Reduce leverage to the “low-2xs”
  - Organic growth
  - Acquisitions
- Next major capital demand is re-fleeting Alaska vessels in late 2020s

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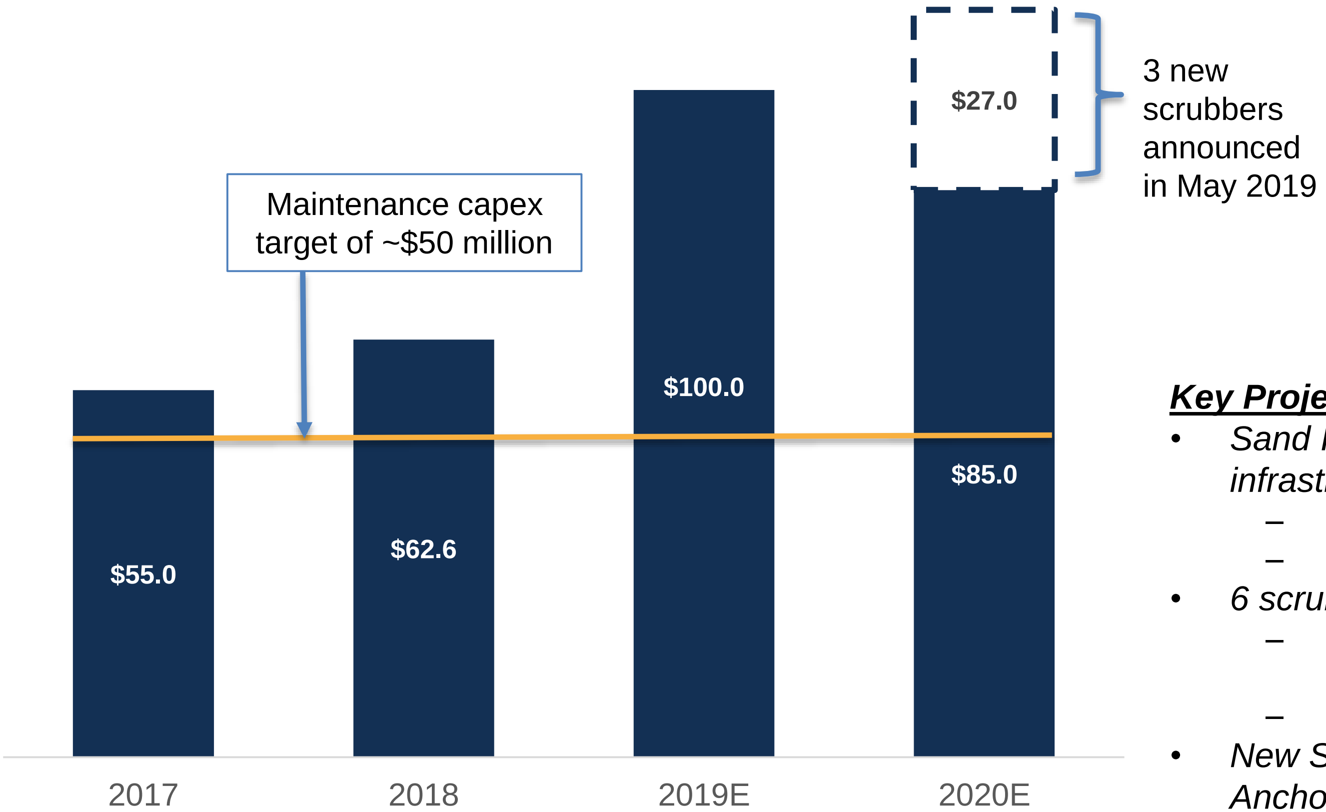
Actual and Estimated Other Capital Expenditures

($ in millions)

Actual and Estimated Other Capital Expenditures (including maintenance capex)(1)



Key Projects:

- *Sand Island cranes and related infrastructure*
  - *Cost ~ $60 million*
  - *Timing: 2018 to 2020*
- *6 scrubbers*
  - *Cost ~$9-10 million per vessel*
  - *Timing: 2019 and 2020*
- *New Span Alaska facility in Anchorage*
  - *Cost ~ $26 million*
  - *Timing: 2018 and 2019*

(1) Cost and timing of projects subject to change.

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2019 Outlook

	FY 2019 Outlook Items	
	Full Year	**Third Quarter**
Operating Income:		
Ocean Transportation	Approximately 20% lower than the $131.1 million achieved in FY 2018 after adjusting 2018 result for full year impact of vessel sale-leaseback	Moderately lower than the 3Q18 level of $48.7 million
Logistics	10-15% higher than FY 2018 level of $32.7 million	Approximate the 3Q18 level of $9.9 million
Depreciation and Amortization	Approximately $133 million, including $38 million in dry-dock amortization	-
EBITDA	To approximate $270 million	-
Other Income/(Expense)	Approximately $2.7 million	-
Interest Expense **(excluding capitalized interest)**	Approximately $25 million	-
GAAP Effective Tax Rate	Approximately 26%, excluding positive non-cash tax adjustment of $2.9 million in 1Q 2019	-

A Look at 2020

We expect approximately $30 million in financial benefits in 2020 from new vessels and other infrastructure investments and $40 million annually thereafter.

- 2019 is a transition year with several significant investment programs nearing finalization
- Reaffirm the previously mentioned financial benefits of the new vessels
  - Some portion of these benefits already being captured in fiscal 2019 with *Daniel K. Inouye* and *Kaimana Hila* in service, the impact of which is included in our full year 2019 Outlook
- In 2020, we expect approximately $30 million in incremental financial benefits compared to 2019 comprised of:
  - Vessel benefits of a 9 ship deployment for a full year, reduced operating and maintenance expenses, utilization of the newly installed exhaust gas scrubbers, autos/rolling stock garage capacity utilization, and larger capacity vessel in the CLX; and
  - Crane and other infrastructure investments at Sand Island
- In 2021 and thereafter, we expect approximately $40 million in annual benefits compared to 2019, due to full year run-rates from all investments

NOTE: Numbers used in this slide include previously disclosed: (i) approximately $30 million of total benefits from the 4 new vessels, the magnitude and timing of benefits subject to change based on fleet configuration and in-service timing; (ii) the expected financial pay-back benefits from the exhaust gas scrubber installations; and (iii) benefits from the new crane installations and modifications to existing cranes and other infrastructure investments at the Sand Island terminal. Actual operating cost reductions and additional revenue achieved may vary compared to those used in our projection of benefits. These benefits exclude the net effects of any changes in business activity in the tradelanes and should not be construed to mean that the Company's Outlook for 2020 will be $30 million higher than 2019. The Company is making no statement regarding overall 2020 Outlook at this time.

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Operations & Fleet Update

Ron Forest, President

Operations and Fleet Update

Hawaii Fleet Renewal

Fleet Transition Plan

IMO 2020 and Fuel Strategy

SSAT Joint Venture

Hawaii Fleet Renewal

Two vessels already delivered and performing well. The first Kanaloa Class vessel will be delivered later this year.

Vessel	Delivery Estimate	% Completed(1)	Milestone Payments Remaining as of 6/30/19 ($ in millions)(2)
Daniel K. Inouye	Delivered	100%	$4.3(3)
Kaimana Hila	Delivered	100%	$4.0(3)
Lurline	4Q ’19	94%	$69.8
Matsonia	3Q ‘20	24%	$156.9

Source: Management
(1) As of August 2, 2019.
(2) Excludes capitalized interest and owner’s items.
(3) Held in escrow and noted as restricted cash on the Company’s balance sheet.

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Aloha Class Vessels

Early operating results on Daniel K. Inouye and Kaimana Hila are meeting expectations.

- Greater capacity results in better freight management
- Meeting or exceeding design speed (23.5 knots)
  - Faster vessels provide more slack in schedule
- Achieving expected cost savings
  - Lower maintenance and dry-dock costs
  - Lower fuel consumption per TEU than existing ships
- Meeting environmental expectations

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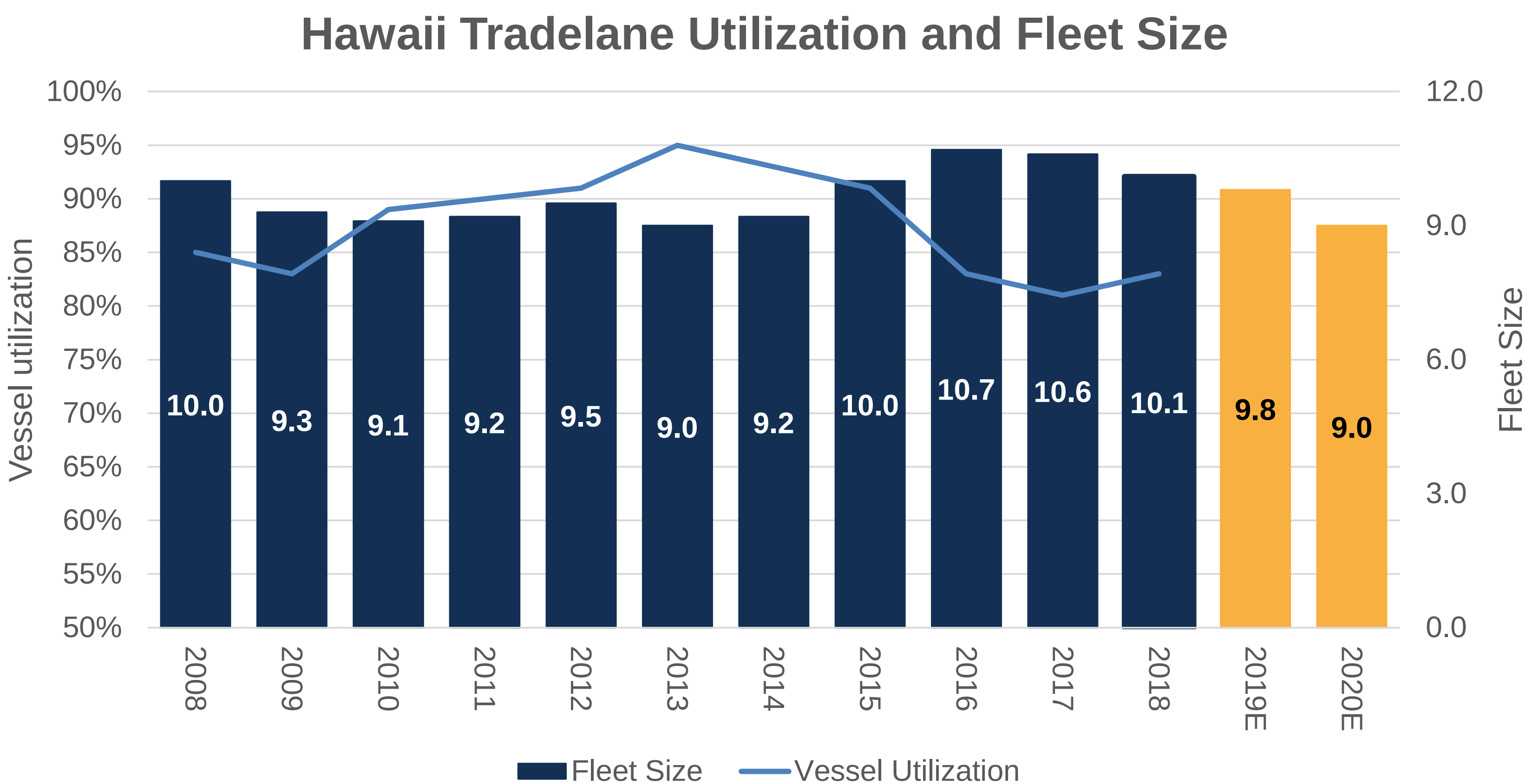
Hawaii Fleet Efficiency

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



Source: Management

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Vessel Recycling Program

We recycle our vessels in an environmentally responsible manner.

Vessel	Recycle Date	Status[1]
Fairbanks	2016	100% Complete
Lurline	2017	100% Complete
Mauna Loa/Kea[2]	2018	100% Complete
Navigator	2018/19	100% Complete
Consumer	2018/19	80% Complete
Maui	2019	10% Complete
Producer	2019	In Bid Process
Matsonia	2019/20	Planned Recycling
Kauai	2019/20	Planned Recycling
Lihue	2019/20	Planned Recycling

Brownsville, Texas

Source: Management
(1) As of August 2, 2019.
(2) Barges.

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IMO 2020 and Fuel Strategy

Matson will be 100% compliant with IMO 2020 regulations.

- IMO 2020 regulation: all vessels worldwide restricted to 0.5% sulfur content fuel
- Current options available to Matson to comply with IMO 2020 regulations:

0.5% Distillate	• Expensive • Prolonged use could lead to higher "wear and tear"
0.5% Residual	• Expensive • Availability in our ports is main concern • Some "wear and tear" possible
Exhaust Gas Cleaning Systems ("Scrubbers")	• Less expensive Heavy Fuel Oil • We have a history with scrubbers in Alaska service; short pay-back period
Liquefied Natural Gas ("LNG")	• Less expensive LNG • Infrastructure lacking in the major U.S. West Coast ports

Matson's Strategy:

- In August 2018, announced investment in (3) scrubbers on the 2600s at a cost of $9 million per install
- In May 2019, announced that will invest in (3) additional scrubbers at a cost of $10 million per install
- New vessels will run on compliant fuel while determining use of LNG or scrubbers

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SSAT Joint Venture

Overview

- 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 8 terminal facilities

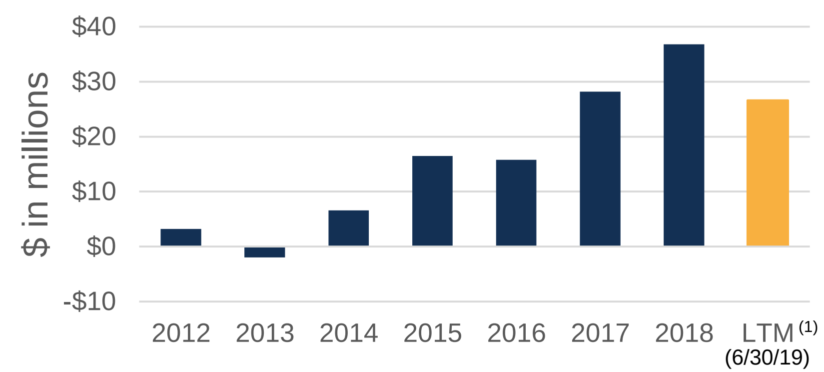
Port	Terminal	Acreage
Long Beach	Pier A	196
	C60	70
Tacoma	-	123
Oakland	OICT	270
	B63	80
Seattle	T-5	~53*
	T-18	196
	T-30	70

* Based on first phase of development with the potential to increase acreage.

Updates and Opportunities

- OICT crane modernization
  - New and upgraded cranes to be able to service larger vessels
- Seattle joint venture

SSAT JV Equity Income (Loss)



(1) Includes additional expense related to the early adoption of the new lease accounting standard.

SSAT is the best operator on the U.S. West Coast.

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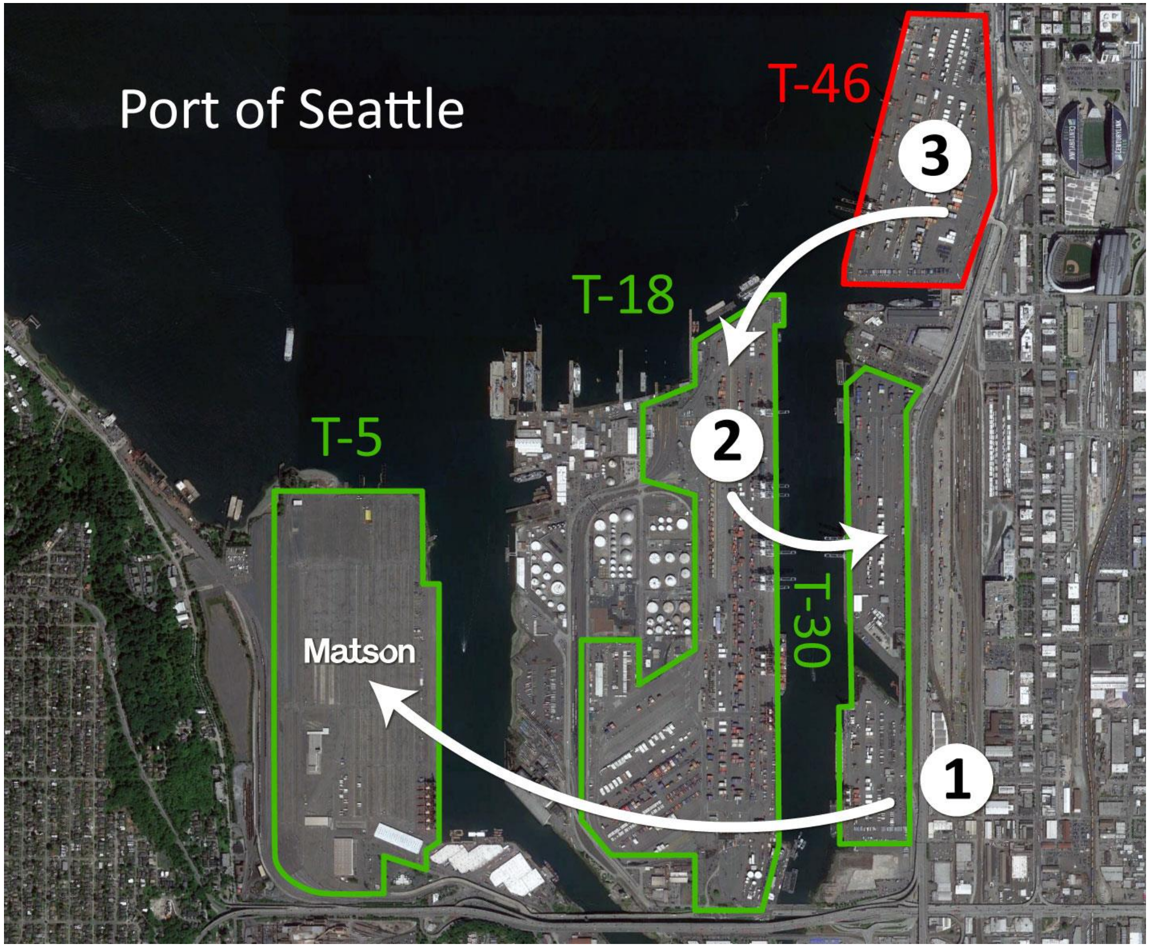
SSAT Joint Venture – Seattle Terminal Plan

Matson's move to T-5 is part of the first phase in the Seattle terminal plan.



- SSAT is currently operating at (with JV partners):
  - T-5
  - T-18
  - T-30

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Sand Island Investment Update

Vic Angoco, SVP, Pacific

Overview of Honolulu Harbor

- Matson currently occupies Piers 51C, 52 and 53
  - Roll-on / Roll-off (Ro-Ro) operation at Pier 32/33 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

Sand Island Investments Overview

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

- **Phase I: $60 million crane program** (announced August 2017)
  - Three new gantry cranes and retrofit of three existing gantry cranes
  - Demolition of four existing cranes
  - Requires electrification and other related infrastructure upgrades
- **Phase II: Yard and gate upgrade**
  - Lane expansion with automated gate
  - Start in 2020
  - Approximately 1 year project
- **Phase III: 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

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Sand Island Investments Overview *(continued)*

Issues with Current 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)
- Terminal is congested, which is leading to increased inefficiencies and operating costs
- Existing cranes are not capable of working the capacity of the new vessels
- Several existing cranes are 40 years old
  - Risk of reduced availability
  - Increasing maintenance costs with age

After Phase III of Terminal Upgrade

- Matson can conduct all operations on Sand Island
- Can manage peak container periods without the use of The Annex
- Expect increased productivity and lower costs with congestion issues addressed
- New and upgraded cranes will be able to manage peak container volumes inbound and outbound

Sand Island Investments – Phase I

Pursued a plan to minimize costs, disruptions and risks.

Action item	Status / Proposed Timing
• Purchase and install 3 new gantry cranes	• Cranes arrived in April 2019 • Two of three cranes commissioned • Expect cranes to be in service by the end of 3Q19
• Upgrade the power supply on 3 existing cranes (from 2.4kV to 11.5kV)	• October 2019-May 2020
• Upgrading the infrastructure to support new electrical power supply (cable trench and Power Distribution Center)	• Completed in May 2019
• Demolish 4 existing cranes	• September-December 2019, September 2020
• Move one existing crane to Pier 51C	• June 2020

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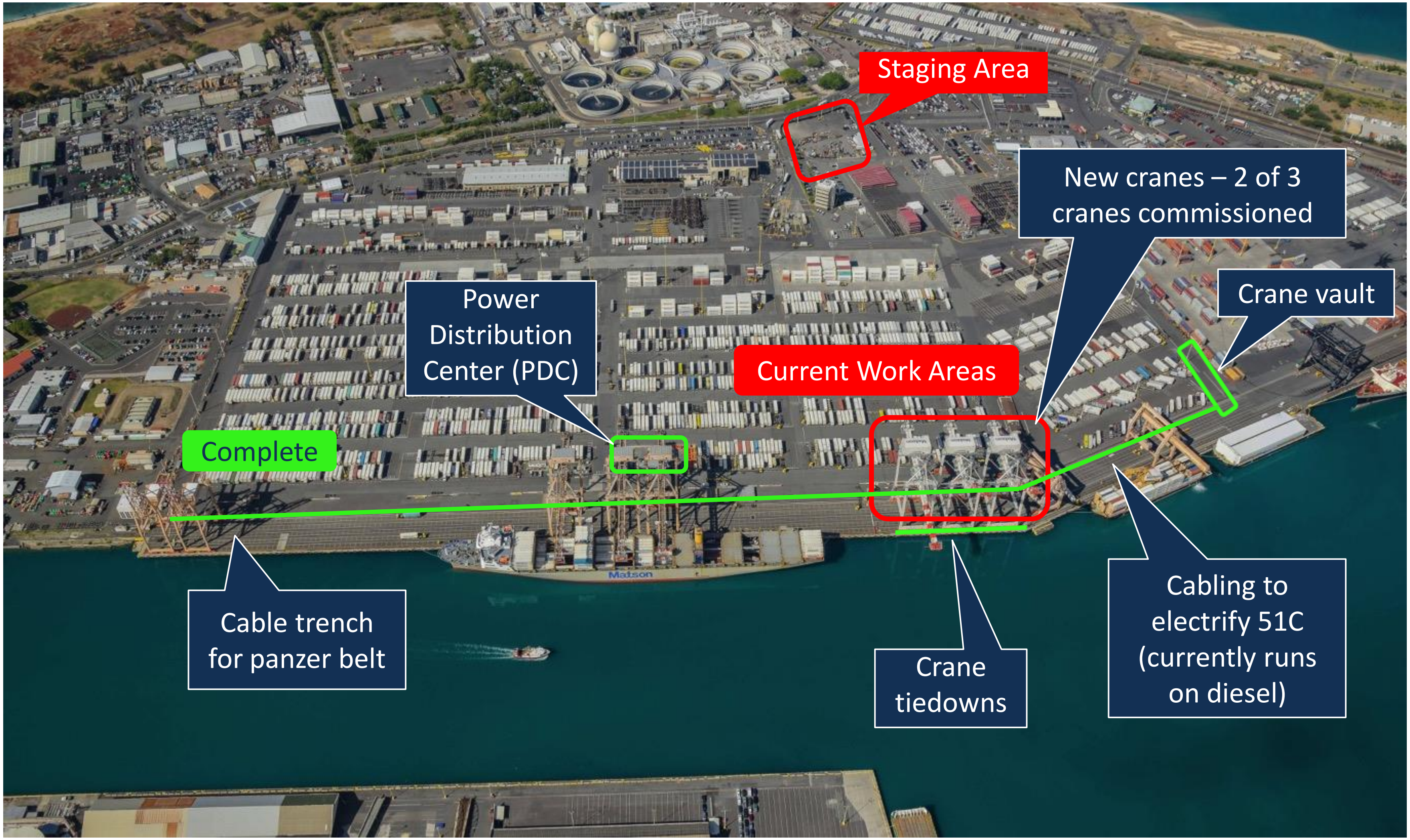
Sand Island Investments – Phase I *(continued)*



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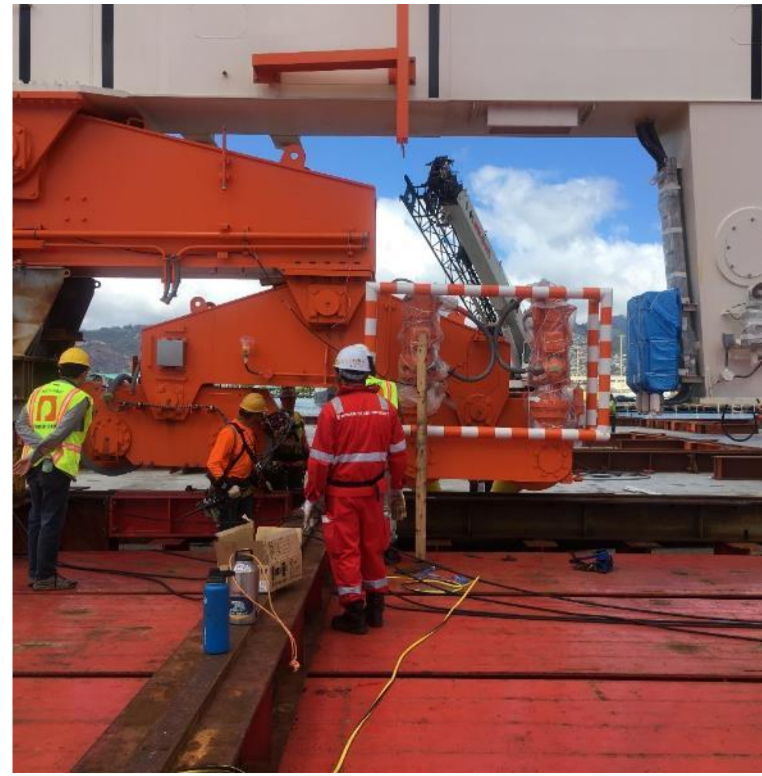
Sand Island Investments – Phase I *(continued)*

Cranes entering Honolulu Harbor.

Sand Island Investments – Phase I *(continued)*

First crane off-loaded from ship to temporary rails.



Crane is jacked up to turn the wheels.

Sand Island Investments – Phase I *(continued)*

Crane set to be sloped down the temporary rails on to the Pier 52 crane rails.

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Sand Island Investments – Phases II and III

- Phase II
  - Automated and expanded gate
  - Other yard layout improvements to address inefficiencies and improve electrical redundancy at site
- Phase III – 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.

Expansion Area: Max Cap *no* Annex

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Update on Commercial Markets

John Lauer, SVP and Chief Commercial Officer

Hawaii Service

Overview of Service

- 3.5 calls per week into Hawaii with inbounds from LA, OAK and SEA
  - 9-ship fleet will provide a fixed schedule
- Dedicated neighbor island barge service

Current 10-ship deployment

Market Overview

- Competitors:
  - Pasha
  - Barges
  - Air freight
- Hawaii GDP continues to grow, but at a slowing pace

Matson's Focus

- Prepare for 9-ship fleet
- Maintain best-in-class service integrity

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Hawaii Economic Indicators

Softening economic conditions in Hawaii will present headwinds for container volume growth in 2019.

Hawaii Economic Indicators

	2017	2018	2019P
Real GDP Growth	0.7%	1.3%	1.1%
Unemployment Rate	2.4%	2.5%	2.7%
Population Growth	(0.3)%	(0.3)%	(0.1)%
Real per Capita Income (% change)	1.4%	1.2%	0.9%
Growth in Visitor Arrivals by Air	5.2%	5.9%	2.3%
Growth in Real Visitor Expenditures	3.6%	4.2%	(2.7)%
Construction Job Growth	(4.7)%	(0.3)%	1.7%
Total Commitments to Build (% change)	(12.8)%	20.9%	0.1%
Honolulu Housing Affordability Index	(4.0)%	(6.9)%	(2.8)%

Source: https://uhero.hawaii.edu/assets/19Q2_StateUpdate_Public.pdf

Market Commentary

- Westbound container volume driven primarily by consumption and replenishment, population growth and construction
  - Tourist arrivals at record levels, but visitor expenditure has declined – impacts consumption and replenishment
  - Population growth has been muted
  - Retail customers adjusting to slowing economy as consumption activity flattens
  - Construction has remained stable at a relatively high plateau of activity
    - Hawaii construction market different than prior real estate cycles of "boom and bust"
    - Slow transition to residential projects and development has been more gradual than anticipated

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China-to-Long Beach (CLX) Service

Overview of Service

- Weekly service from Ningbo/Shanghai to Long Beach
- A premium service providing an alternative to deferred air freight and other ocean carriers
- Dedicated terminal space in Long Beach with off-dock container yard
- Door-to-door services in coordination with Matson Logistics

Matson's Focus

- Continue to differentiate service with reliability as a premium service provider
- Attract new customers away from air freight

Market Overview

- Competitors:
  - APL and other transpacific carriers
  - Air freight carriers
- In 2019, expect volatility in transpacific capacity as it adjusts to demand as trade flow normalizes
  - In 1H19 saw blank sailings from transpacific carriers and port congestion in LA/LB play into CLX's strengths

#1 Transpacific Service Since 2006

- Expedited, 10-day service from Shanghai
- Exclusive terminal – unrivaled speed
- Next day cargo availability at off-dock facility

Guam Service

Overview of Service

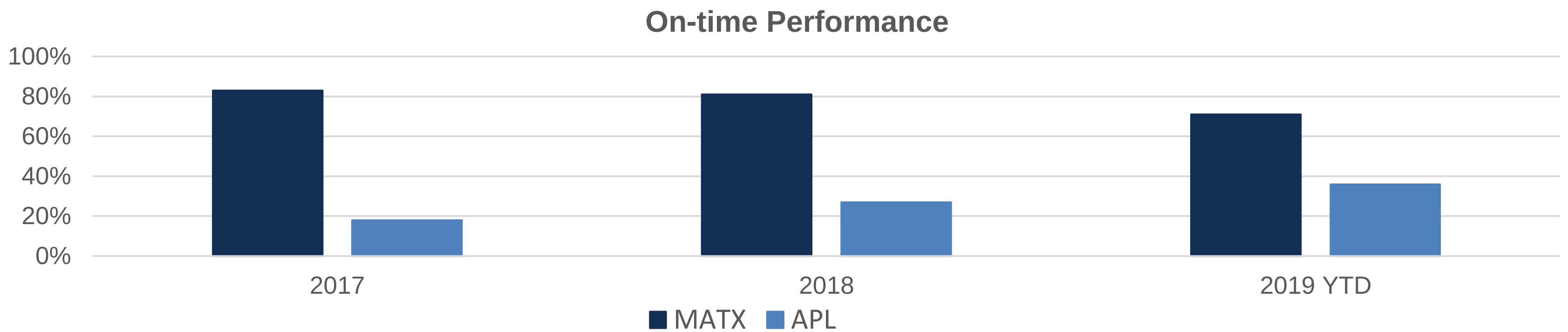
- Weekly service to Guam as part of CLX service
- 3-to-5 day transit advantage from U.S. West Coast

Matson's Focus

- Maintain superior service and on-time performance
- Fight for every piece of freight

Market Overview

- Competitors:
  - APL (U.S. flagged service)
    - Trans-ships in Yokohama to Guam via a 2-ship feeder service
- Container volume growth has been flat – low GDP growth
- Military-related construction activity has been slower than anticipated



Source: Management estimates
Note: On-time performance within 59 minutes. 2019 YTD as of August 2, 2019.

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Alaska Service

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

Matson's Focus

- Capture additional NB volume opportunities as economy improves

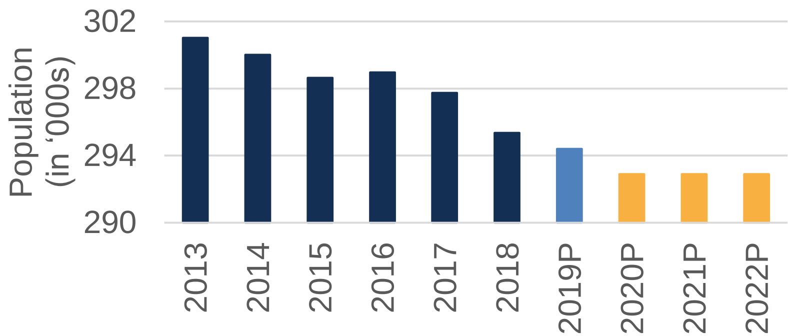
Market Overview

- Primary competitors:
  - TOTE
  - Barges
- Air freight rates are very high relative to the cost of goods being shipped
- NB volume growth tied to Alaska's economy – economic conditions improving
  - Construction activity appears to be picking up
- SB volume tied to seasonality of seafood harvests
  - 2019 expected to be a stronger season than last year

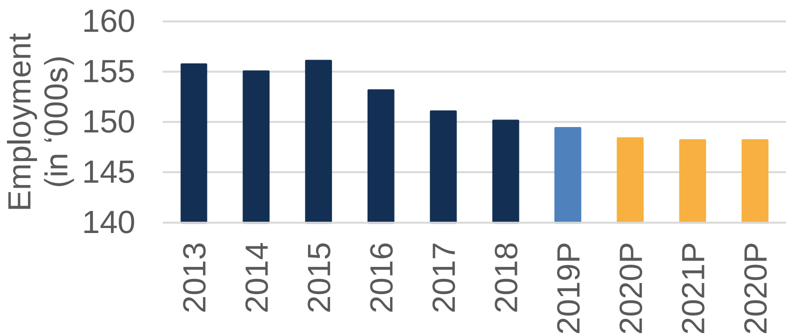
AEDC 3-Year Outlook

Economic recovery in Alaska may be muted if Governor and legislature cannot address impasse on State budget.

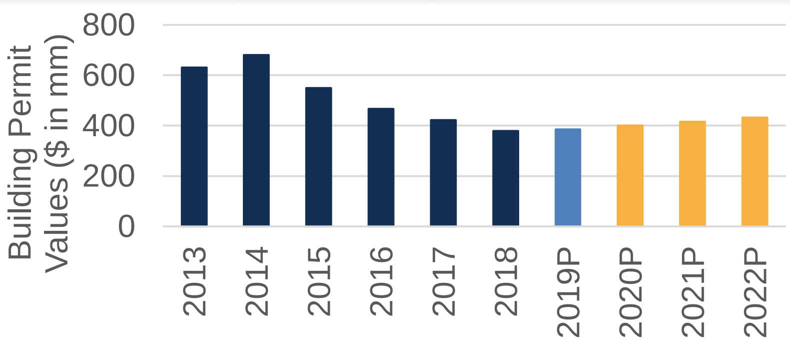
Anchorage Population



Anchorage Employment



Anchorage Building Permit Values



- Industries most affected by the oil-recession are on the rebound
  - *"Robust activity on the North Slope is an encouraging sign of optimism among producers."* – *AEDC, July 31, 2019*
- State fiscal certainty and sustainability an important step to driving economic growth

Source: https://aedcweb.com/project/2019-3-year-outlook-report/

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Update on Matson Logistics

Jerome Holland, AVP Strategic Planning, Matson Logistics

Matson Logistics Overview

Transportation Brokerage

- Domestic and international rail intermodal services
- Long-haul and regional highway trucking services
- Less-than-truckload and expedited freight services

Freight Forwarding

- LCL consolidation and freight forwarding services primarily to the Alaska market through Span Alaska

Warehousing and Distribution

- Over 1.5 million sq. ft. across 4 buildings in attractive port-based locations
- Mix of contract and public warehouses

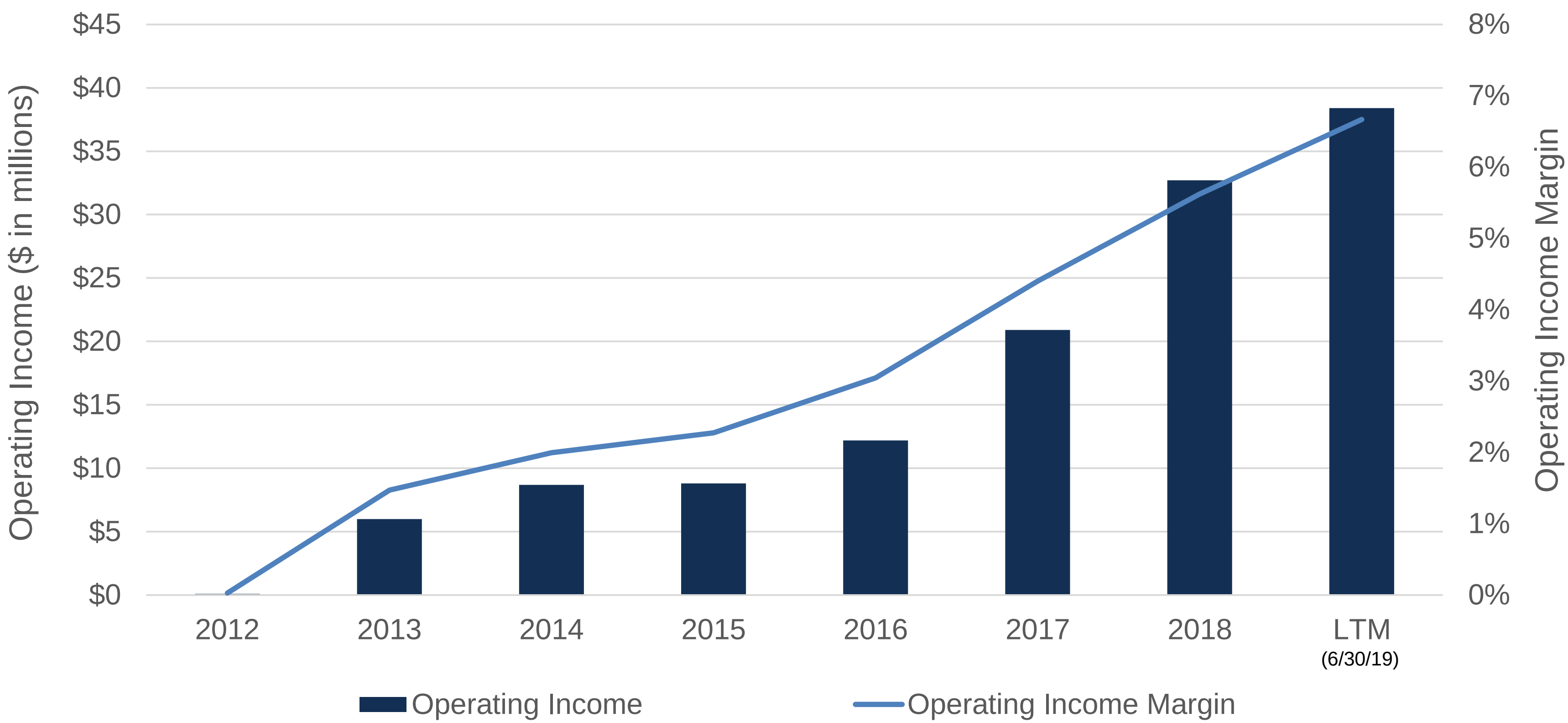
Supply Chain Mgmt. and Other

- PO management, freight forwarding and NVOCC services
- Organically grown from Matson's CLX service

Matson Logistics

All service lines have performed exceptionally well in the last 18 months.

Operating Income (OI) and OI Margin



Note: Acquired Span Alaska in 3Q 2016.

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Matson Logistics

	Current Market Dynamics	Matson's Focus in 2019
Transportation Brokerage	• Softer freight demand • Capacity-rich environment • Mix shift from spot towards contract • Lower intermodal volumes	• Adding to 53' intermodal program • Business development team • Investments in IT to improve work flows and drive cost savings
Freight Forwarding	• Volume growth from improving Alaska economy (e.g., construction and project-related) • Environment remains competitive	• Complete new cross-dock facility in Anchorage for Span Alaska • Continue to find and capitalize on new opportunities as Alaska emerges from recession
Warehousing and Distribution	• Tight capacity in both East and West regions • All four of Matson Logistics' buildings at full utilization	• Improving customer mix and yield • Process flow improvement and labor reduction • Evaluating expansion opportunities
Supply Chain Mgmt. and Other	• More door-to-door activity from China to the U.S. (e.g., Google and Samsung)	• Continue to build PO management business

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Update on Span Alaska

Tom Souply, President of Span Alaska

Span Alaska Overview

- Receives LCL freight in Auburn, WA for consolidation and shipment to Alaska
- Network of terminals enables transport of freight to all major population centers in AK
- Matson's largest northbound freight customer
- Acquired Pacific Alaska Freightways, Inc. ("PAF") in September 2015 which approximately doubled the size of the business

The Span Advantage

2018 and 2019 YTD Success

- Grew volume and profitability during Alaska recession
  - Secured new accounts
  - Extreme focus on customer retention
  - New emphasis lanes – intra Alaska
- Award-winning trucking division

The Span Advantage

- Serving every major metro in Alaska with direct service and expert handling
- Long-tenured and loyal employees
- Premium service provider
- Purpose-built facilities

New Span Alaska Service Center in Anchorage

- Further <u>differentiates</u> Span Alaska as the leading freight forwarder in Alaska in terms of service, quality, image, culture and people

- Estimated project cost = approximately $26 million (including land)
- Construction began July 2018 and expect facility to be ready in Q4 2019
- 54,000 SF, 88 loading doors
- 179 trailer spots, 8,100 SF covered flat deck loading area
- 4-bay vehicle maintenance shop

Rationale:

- Consolidate two leased facilities into one larger owned facility
- Significant operating efficiencies
- Capacity for long-term growth and service offering expansion

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Span Alaska

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

Span's Focus in 2019

- Complete new facility in Anchorage
- Intensified sales focus
  - Sales team focused on new accounts
  - Cross-selling across Matson platform
- Continue to invest in people, equipment and technology

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Concluding Remarks

Matt Cox, Chairman and CEO

Concluding Remarks

In the late innings on the new vessel build program.

- When *Lurline* enters service will step down to a 9-ship deployment
- End of the steamship era when Old *Matsonia* is replaced by *Lurline*
- Majority of financial benefits of the new vessels around the corner

Honolulu terminal investments will add to our competitive advantages.

- New cranes in place and other infrastructure work for Phase I headed towards completion in the first half of 2020
- Honolulu terminal investments to reduce congestion/complexity and increase efficiency
- Matson's terminal will be the most efficient in the trade

Well-positioned for IMO 2020 regulations.

- 6 scrubber installations planned; by end of 2020, 8 of 12 active vessels in core tradelanes will have scrubbers installed
- Maintain optionality on fuel strategy for lowest cost solutions for Matson and its customers

Concluding Remarks *(continued)*

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

- Hawaii: Remain the market leader
- Alaska: Will benefit from improving Alaska economy
- China: Maintain highly differentiated service offering
- Guam: Competing effectively with APL
- SSAT: Very well-positioned; new Seattle terminal offers long-term growth opportunities
- Logistics: Opportunities to grow in niche areas; Span Alaska looking to capitalize on improving Alaska economy

Focused on organic growth opportunities across the tradelanes and within Logistics.

Significant cash flow generation allows for quick paydown of debt.

- Leverage peak expected in 1Q 2020 and shortly thereafter expect to pay down debt to target of "low-2s"

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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, Income Taxes, Depreciation and Amortization ("EBITDA"), and Net Debt/EBITDA.

NET DEBT RECONCILIATION

(In millions)		June 30, 2019
Total Debt:	$	844.6
Less: Cash and cash equivalents		(24.0)
Net Debt	$	820.6

EBITDA RECONCILIATION

(In millions)	Three Months Ended June 30, 2019		Three Months Ended June 30, 2018		Change		Last Twelve Months	
Net Income	$	18.4	$	32.6	$	(14.2)	$	93.1
Add: Income taxes		7.3		8.8		(1.5)		27.9
Add: Interest expense		6.1		5.0		1.1		19.4
Add: Depreciation and amortization		24.0		23.8		0.2		93.4
Add: Dry-dock amortization		9.1		9.1		—		36.3
EBITDA (1)	$	64.9	$	79.3	$	(14.4)	$	270.1

(In millions)	Six Months Ended June 30, 2019		Six Months Ended June 30, 2018		Change	
Net Income	$	30.9	$	46.8	$	(15.9)
Add: Income taxes		8.3		19.1		(10.8)
Add: Interest expense		10.7		10.0		0.7
Add: Depreciation and amortization		47.1		47.2		(0.1)
Add: Dry-dock amortization		17.2		18.3		(1.1)
EBITDA (1)	$	114.2	$	141.4	$	(27.2)

(1) EBITDA is defined as the sum of net income plus income taxes, interest expense and depreciation and amortization (including deferred dry-docking amortization). EBITDA should not be considered as an alternative to net income (as determined in accordance with GAAP), as an indicator of our operating performance, or to cash flows from operating activities (as determined in accordance with GAAP) as a measure of liquidity. Our calculation of EBITDA may not be comparable to EBITDA as calculated by other companies, nor is this calculation identical to the EBITDA used by our lenders to determine financial covenant compliance.

Appendix – Non-GAAP Measures

($ in millions, except ROIC and ROE)	LTM as of 06/30/19	For the years ended December 31, 2018	2017	2016	2015	2014	2013	2012
Total debt	$ 844.6	$ 856.4	$ 857.1	$ 738.9	$ 429.9	$ 373.6	$ 286.1	$ 319.1
Less: total cash and cash equivalents	(24.0)	(19.6)	(19.8)	(13.9)	(25.5)	(293.4)	(114.5)	(19.9)
Less: cash on deposit in Capital Construction Fund	-	-	(0.9)	(31.2)	-	(27.5)	-	-
Net debt	820.6	836.8	836.4	693.8	404.4	52.7	171.6	299.2
Net income	$ 93.1 [1]	$ 109.0 [2]	$ 231.0 [3]	$ 81.4	$ 103.0	$ 70.8	$ 53.7	$ 45.9
Add: loss from discontinued operations	-	-	-	-	-	-	-	6.1
Add: income tax expense	27.9	38.7	(105.8)	49.1	74.8	51.9	32.2	33.0
Add: interest expense	19.4	18.7	24.2	24.1	18.5	17.3	14.4	11.7
Add: depreciation and amortization	129.7	130.9	146.6	135.4	105.8	90.1	91.0	95.4
EBITDA	270.1	297.3	296.0	290.0	302.1	230.1	191.3	192.1
Net income (A)	$ 93.1 [1]	$ 109.0 [2]	$ 231.0 [3]	$ 81.4	$ 103.0	$ 70.8	$ 53.7	$ 45.9
Add: loss from discontinued operations	-	-	-	-	-	-	-	6.1
Add: interest expense (tax-effected) [4]	14.4	14.2	14.9	15.1	10.7	10.0	9.0	7.2
Total return (B)	107.5	123.2	245.9	96.5	113.7	80.8	62.7	59.2
Average total debt	$ 888.6	$ 856.8	$ 798.0	$ 584.4	$ 401.8	$ 329.9	$ 302.6	$ 319.1 [5]
Average shareholders' equity (C)	731.9	716.3	586.1	472.8	407.1	351.0	309.1	279.9 [5]
Total invested capital (D)	1,620.5	1,573.1	1,384.1	1,057.2	808.9	680.9	611.7	599.0 [5]
ROIC = (B)/(D)	6.6%	7.8%	17.8%	9.1%	14.1%	11.9%	10.3%	9.9%
ROE = (A)/(C)	12.7%	15.2%	39.4%	17.2%	25.3%	20.2%	17.4%	16.4%

(1) Includes a non-cash tax benefit of $3.1 million related to discrete adjustments as a result of applying the provisions of the Tax Cuts and Jobs Act (the "Tax Act").

(2) Includes a non-cash tax expense of $2.9 million or $0.07 per diluted share related to discrete adjustments as a result of applying the provisions of the Tax Act.

(3) Includes the benefit of a one-time, non-cash adjustment of $154.0 million or $3.56 per diluted share related to the enactment of the Tax Act.

(4) The effective tax rates each year in the period 2012-2018 were 38.8%, 37.5%, 42.3%, 42.1%, 37.6%, (84.5%) and 26.2%, respectively. For the LTM period as of 06/30/19, the effective tax rate was 23.1%. The effective tax rates for 2017, 2018 and LTM, excluding adjustments related to the Tax Act, would have been 38.5%, 24.2% and 25.6%, respectively.

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