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

FORM 8-K

CURRENT REPORT

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

Date of Report (Date of earliest event reported): **July 9, 2020 (July 9, 2020)**

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 (17 CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2).

Emerging growth company

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

Item 2.02. Results of Operations and Financial Condition.

On July 9, 2020, Matson, Inc. (the “Company”) issued a press release announcing the Company’s preliminary earnings for the quarter ended June 30, 2020. A copy of the press release is attached hereto as Exhibit 99.1. In addition, the Company posted an investor presentation to its website. A copy of the investor presentation is attached hereto as Exhibit 99.2.

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

Item 9.01. Financial Statements and Exhibits.

(a) - (c) Not applicable.

(d) Exhibits.

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

99.1 [Press Release issued by Matson, Inc., dated July 9, 2020](#)

99.2 [Investor Presentation, dated July 9, 2020](#)

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

Senior Vice President and Chief Financial Officer

Dated: July 9, 2020

*Investor Relations inquiries:*

Lee Fishman
Matson, Inc.
510.628.4227
lfishman@matson.com

News Media inquiries:

Keoni Wagner
Matson, Inc.
510.628.4534
kwagner@matson.com

FOR IMMEDIATE RELEASE**MATSON ANNOUNCES PRELIMINARY 2Q20 RESULTS, PROVIDES BUSINESS UPDATE AND ANNOUNCES 2Q20 EARNINGS CALL DATE**

- Expects 2Q20 operating income for Ocean Transportation to be \$40.5 to \$42.5 million vs. \$19.7 million in 2Q19
- Expects 2Q20 operating income for Logistics to be \$8.0 to \$9.0 million vs. \$11.3 million in 2Q19
- Expects 2Q20 net income and diluted EPS to be \$30.4 to \$32.6 million and \$0.70 to \$0.75, respectively
- China service strength, including additional vessel charters, primarily drove increase in operating income
- Allowable borrowings of approximately \$425 million at quarter end and leverage ratio per debt agreements below 3.25x
- Announces second quarter earnings call date on August 5, 2020

HONOLULU, Hawaii (July 9, 2020) – Matson, Inc. (NYSE: MATX) announces preliminary second quarter financial results, provides a business update and announces second quarter earnings call date.

Matt Cox, Matson’s Chairman and Chief Executive Officer, commented, “Matson’s businesses performed well in the second quarter despite challenges from the COVID-19 pandemic and subsequent economic effects. The operational and financial actions we have taken in the last few months have helped Matson through this difficult period and have led to opportunities. One such opportunity, the introduction of the additional CLX vessel charter sailings, principally drove the increase in consolidated operating income year-over-year. We will continue to offer this supplemental ‘CLX+’ service through the peak season and potentially longer as our customers’ needs dictate.”

Mr. Cox added, “Overall, our performance in the second quarter was led primarily by the strength in our China service, including chartered voyages in addition to our normal weekly vessels that sailed at capacity. Compared with our expectations in early May at the time of our last earnings call, we also had better-than-expected volume in our Hawaii tradelane as we carried a portion of Pasha’s volume due in part to the dry-docking of one of its vessels, and we had better-than-expected volume in our Alaska tradelane as the local economy gradually reopened creating improved freight demand. We also made good progress on our previously-announced cost management initiatives. As a result, Matson expects second quarter operating income for Ocean Transportation of \$40.5 to \$42.5 million and Logistics operating income of \$8.0 to \$9.0 million. We also expect second quarter 2020 net income and diluted EPS to be \$30.4 to \$32.6 million and \$0.70 to \$0.75, respectively.”

The year-over-year improvement in Ocean Transportation operating income was primarily due to the strength of our CLX tradelane, including the additional CLX chartered voyages, partially offset by declines in our domestic tradelanes. The year-over-year decline in Logistics operating income was due to lower contributions from transportation brokerage and freight forwarding.

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

For the three months ended June 30, 2020 compared to the three months ended June 30, 2019 and on a FEU basis:

- Hawaii container volume decreased 4.0 percent primarily due to lower volume from the state's COVID-19 mitigation efforts including restrictions on tourism, partially offset by volume associated with the dry-docking of one of Pasha's vessels;
- Alaska volume decreased 9.0 percent with lower northbound volume primarily due to lower demand for retail-related goods, as an effect of the state's COVID-19 mitigation efforts, and one less sailing compared to the prior year period, and moderately lower southbound volume;
- China volume was 68.1 percent higher primarily due to volume from chartered voyages in addition to the regular CLX service;
- Guam volume was 12.5 percent lower primarily due to lower demand for retail-related goods as COVID-19 mitigation measures remained in effect; and
- Other containers volume decreased 18.8 percent.

- (1) Approximate volumes included for the period are based on the voyage departure date, but revenue and operating income are adjusted to reflect the percentage of revenue and operating income earned during the reporting period for voyages in transit at the end of each reporting period.
- (2) Other includes containers from services in various islands in Micronesia and the South Pacific, and Okinawa, Japan.

Liquidity and Debt Outstanding

Total debt decreased by \$34.9 million during the three months to \$890.0 million as of June 30, 2020. As of June 30, 2020, Matson had available borrowings under its revolving credit facility of approximately \$425 million. The available borrowings at quarter end is based on the allowable leverage level under the amended debt agreements and the definition of EBITDA under the debt agreements. The leverage ratio under the debt agreements as of June 30, 2020 was below 3.25x.

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

Teleconference and Webcast

A conference call is scheduled on August 5, 2020 at 4:30 p.m. EST when Matt Cox, Chairman and Chief Executive Officer, and Joel Wine, Senior Vice President and Chief Financial Officer, will discuss Matson's second quarter results.

Date of Conference Call:	Wednesday August 5, 2020
Scheduled Time:	4:30 p.m. EDT / 1:30 p.m. PDT / 10:30 a.m. HST
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 August 12, 2020 by dialing 1-855-859-2056 or 1-404-537-3406 and using the conference number 4396458. 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 a premium, expedited service from China to Southern California and provides services to Okinawa, Japan and various islands in the South Pacific. 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 the continental U.S. 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.

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 operating income, net income, earnings per share, the COVID-19 pandemic and subsequent economic effects, additional CLX vessel charter sailings, and operational changes and cost management initiatives. 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; regional, national and international economic conditions; new or increased competition or improvements in competitors' service levels; fuel prices, our ability to collect fuel-related surcharges and/or the cost or limited availability of low-sulfur fuel; delays or cost overruns related to the installation of scrubbers; our relationship with vendors, customers and partners and changes in related agreements; the actions of our competitors; our ability to offer a differentiated service in China for which customers are willing to pay a significant premium; the imposition of tariffs or a change in international trade policies; the magnitude and timing of the impact of public health crises, including COVID-19; the ability of the NASSCO shipyard to construct and deliver *Matsonia* on the contemplated timeframe; any unanticipated dry-dock or repair expenses; any delays or cost overruns related to the modernization of terminals; consummating and integrating acquisitions; changes in general economic and/or industry-specific conditions; competition and growth rates within the logistics industry; freight levels and increasing costs and availability of truck capacity or alternative means of transporting freight; changes in relationships with existing truck, rail, ocean and air carriers; changes in customer base due to possible consolidation among customers; conditions in the financial markets; 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; the impact of future and pending legislation, including environmental legislation; government regulations and investigations; relations with our unions; satisfactory negotiation and renewal of expired collective bargaining agreements without significant disruption to Matson's operations; war, terrorist attacks or other acts of violence; the use of our information technology and communication systems and cybersecurity attacks; and the occurrence of marine accidents, poor weather or natural disasters. 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, our Quarterly Report on Form 10-Q for the quarter ended March 31, 2020, and our other filings with the SEC through the date of this release, which identify important factors that could affect the forward-looking statements in this release. We do not undertake any obligation to update our forward-looking statements.



Matson[®]

***Second Quarter 2020
Preliminary Earnings Supplement***

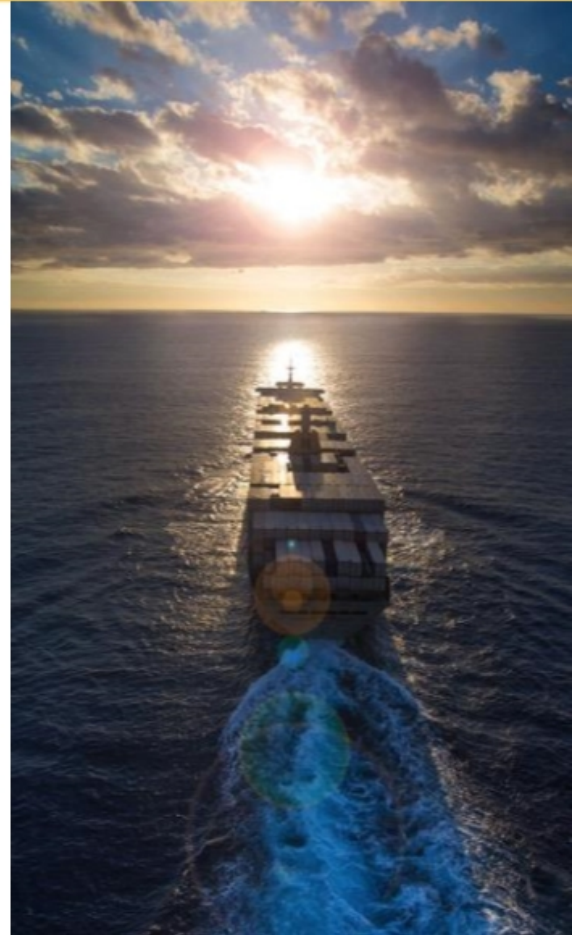
July 9, 2020

Forward-Looking Statements

Statements made during this presentation that set forth expectations, predictions, projections or are about future events are based on facts and situations that are known to us as of July 9, 2020.

We believe that our expectations and assumptions are reasonable. Actual results may differ materially, due to risks and uncertainties, such as those described on pages 24-34 of our Form 10-Q filed on May 5, 2020 and other subsequent filings by Matson with the SEC. Statements made during this presentation are not guarantees of future performance.

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



Preliminary Second Quarter 2020 Results

- Matson's lines of business performed well despite challenges from the COVID-19 pandemic and subsequent economic effects
- Operational and financial actions taken in the last few months have helped during this difficult period and led to opportunities
 - Introduction of CLX vessel charters – principally drove the increase in 2Q20 consolidated operating income year-over-year
 - On track with operational changes and cost management initiatives mentioned on May 5th earnings call
 - Expect to exceed high end of \$40 to \$50 million range due to additional CLX vessel charters
- Ocean Transportation
 - CLX strength – chartered voyages in addition to normal weekly vessels at capacity
 - Hawaii and Alaska volumes better-than-expected on May 5th earnings call
 - SSAT challenged by cancelled sailings
- Logistics
 - Some business lines remain challenged by COVID-19 and its subsequent economic effects
 - Year-over-year decline in operating income due to lower contributions from transportation brokerage and freight forwarding

Preliminary Second Quarter 2020 Results (continued)

(\$ in millions, except per share data)	Quarter Ended June 30, 2019	Quarter Ended June 30, 2020 Preliminary Range		
INCOME STATEMENT				
Operating Income				
Ocean Transportation	\$ 19.7	\$ 40.5	-	\$ 42.5
Logistics	11.3	8.0	-	9.0
Total operating income	31.0	48.5	-	51.5
Other income (expense), net	0.8	1.0	-	1.0
Interest expense	(6.1)	(8.2)	-	(8.2)
Income before income taxes	25.7	41.3	-	44.3
Income taxes	7.3	10.9	-	11.7
<i>Effective income tax rate</i>	28.4%	26.5%	-	26.5%
Net income	\$ 18.4	\$ 30.4	-	\$ 32.6
Diluted EPS	\$ 0.43	\$ 0.70	-	\$ 0.75

(\$ in millions)	Quarter Ended June 30, 2020
BALANCE SHEET	
Net debt	
Total debt (1)	\$ 890.0
Cash and cash equivalents	(19.5)
Net debt	\$ 870.5
Total debt (1)	
<i>Private Placement Term Loans:</i>	
5.79 %, payable through 2020 (2)	-
3.66 %, payable through 2023	27.4
4.16 %, payable through 2027	36.7
3.37 %, payable through 2027	75.0
3.14 %, payable through 2031	178.8
4.31 %, payable through 2032	29.0
4.35 %, payable through 2044 (3)	-
3.92 %, payable through 2045 (3)	-
<i>Title XI Debt:</i>	
5.34 %, payable through 2028	18.7
5.27 %, payable through 2029	20.9
1.22 %, payable through 2043 (4)	185.9
1.35 %, payable through 2044 (4)	139.6
Revolving credit facility (5)	178.0
Total debt	\$ 890.0

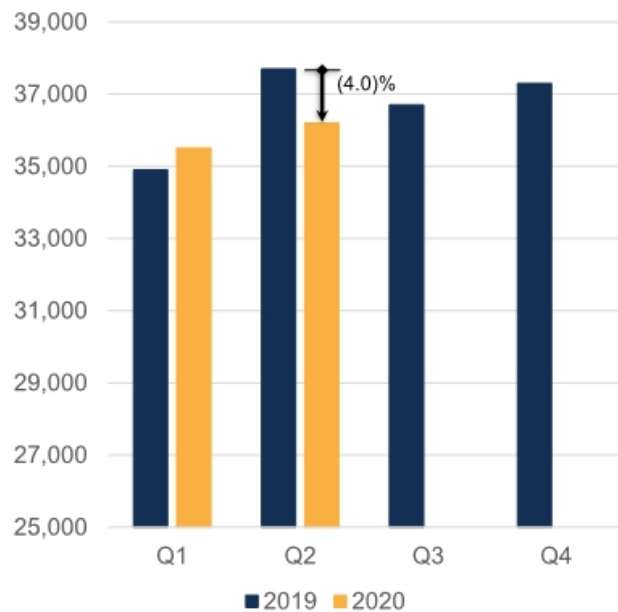
- Leverage ratio under debt agreements below 3.25x

(1) Total debt is presented before any adjustment for deferred loan fees as required by US GAAP.
(2) Matured in Q2 2020.
(3) Redeemed in Q2 2020.
(4) Issued in Q2 2020.
(5) Available borrowings of approximately \$425 million at end of Q2 2020.

Second Quarter 2020 Performance

- Container volume decreased 4.0% YoY
 - Freight volume decline primarily due to near-zero tourism and temporary closure of retail stores
 - Partially offset by volume from Pasha due in part to the dry-docking of one of its vessels
 - Westbound container market down mid-teens %
- Hawaii economy in significant downturn
 - State's 14-day quarantine for visitors extended at least to July 31
 - Difficult environment for tourism-related businesses
 - Many businesses remain closed
 - Unemployment hit a historic high

Container Volume (FEU Basis)

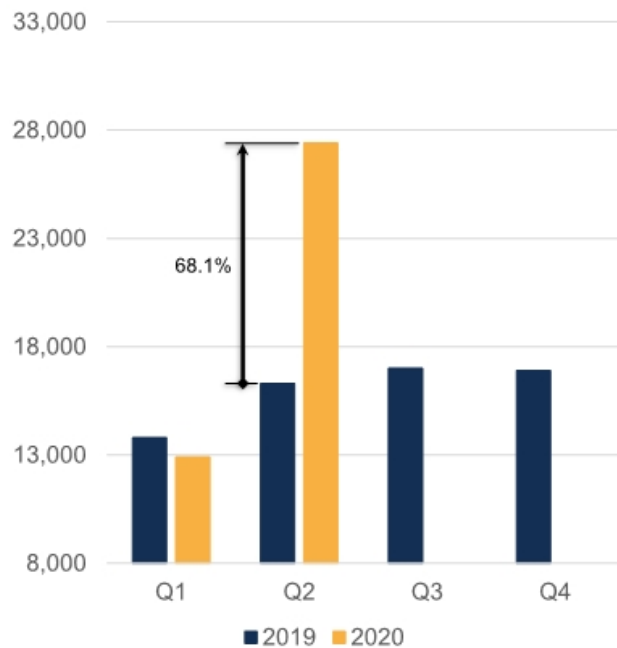


China Expedited Service (CLX)

Second Quarter 2020 Performance

- Container volume increased 68.1% YoY
- Continued dislocation in air freight markets led to strong demand for Matson's expedited service
 - Normal weekly vessels sailed at capacity
 - Introduced vessel charters to supplement CLX service given high demand
 - 7 additional vessel charter sailings during the quarter
- Demand driven by PPE, e-commerce, working-from-home electronics, and other high-demand goods
- *Daniel K. Inouye* moved into the CLX at quarter end to add capacity to regular CLX service

Container Volume (FEU Basis)



Note: 2Q 2020 volume figure includes volume related to seven vessel charters.

China Expedited Service (CLX)

Why Matson introduced the vessel charters in the second quarter...

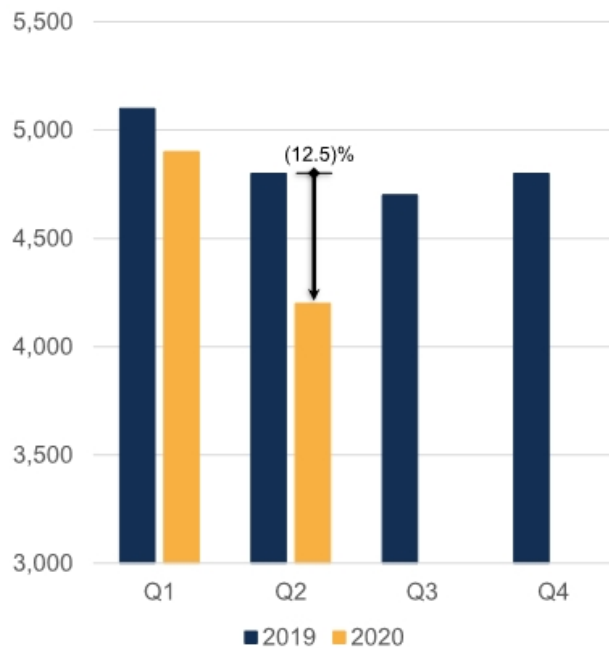
- Builds upon our successful 15-year track record of operating the CLX
 - Long-standing relationships with customers
 - Relentless focus on on-time freight availability for customers
 - Cargo from vessel charters offloaded at SSAT-operated Pier A in Long Beach and transloaded on Matson-dedicated chassis to the off-dock facility at Shippers Transport
- Unique set of conditions provided Matson this opportunity
 - Exceptional demand for expedited ocean freight due to supply and demand volatility resulting from COVID-19 pandemic
 - Dislocation in the transpacific air freight market continued from the first quarter
 - Low vessel charter rates
 - Significantly lower fuel costs

Matson will offer this supplemental CLX+ service through peak season (end of October) or potentially longer as our customers' needs dictate.

Second Quarter 2020 Performance

- Container volume decreased 12.5% YoY
 - Freight volume decline primarily due to lower demand for retail-related goods as COVID-19 mitigation measures remained in effect
 - To a lesser extent, reduced tourism to the island had a modest negative impact on freight

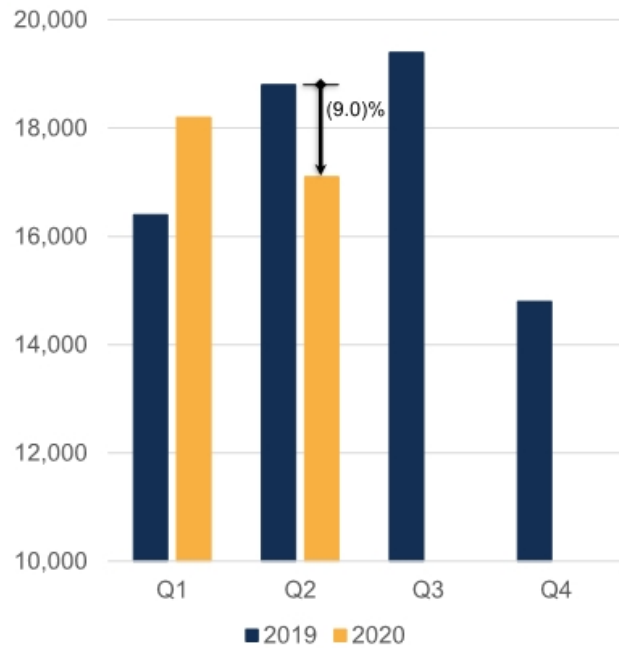
Container Volume (FEU Basis)



Second Quarter 2020 Performance

- Container volume decreased 9.0% YoY
 - Lower northbound volume primarily due to:
 - Lower demand for retail-related goods, as an effect of the state's COVID-19 mitigation efforts
 - One less sailing compared to the year ago period
 - Moderately lower southbound volume
- Gradual reopening of local economy in late May and early June improved freight demand and led to better-than-expected northbound volume vs. expectations on May 5th earnings call

Container Volume (FEU Basis)



Note: 1Q 2020 volume figure includes volume related to a competitor's vessel dry-docking.

Second Quarter 2020 Performance

- Operating income decreased \$2.3 to \$3.3 million YoY to \$8.0 to \$9.0 million
 - Lower contributions from transportation brokerage and freight forwarding
 - Some business lines remain challenged by COVID-19 and its subsequent economic effects

Operating Income

