
**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): **November 12, 2019**

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 7.01. Regulation FD Disclosure.

Matson, Inc. (“Matson” or the “Company”) will present an overview of the Company at the Stephens Nashville Investment Conference in Nashville, Tennessee on November 13, 2019. Matson will be using the presentation materials attached as Exhibit 99.1 to this Form 8-K. Additionally, the presentation materials will be available on Matson’s website at www.matson.com under the “Events and Presentations” tab on November 12, 2019. The information set forth in these materials speaks only as of the date of the materials.

Statements in this Form 8-K and the attached exhibit that are not historical facts are “forward-looking statements,” within the meaning of the Private Securities Litigation Reform Act of 1995, that involve a number of risks and uncertainties that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Factors that could cause actual results to differ materially from those contemplated in the statements include, without limitation, those described on pages 11-20 of the Form 10-K filed by Matson on March 4, 2019. These forward-looking statements are not guarantees of future performance. Actual results could differ materially from those anticipated in the forward-looking statements and future results could differ materially from historical performance.

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 [Investor Presentation](#)

104 Cover Page Interactive Data File - the cover page XBRL tags are embedded within the Inline XBRL document.

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: November 12, 2019



Matson[®]

Investor Presentation

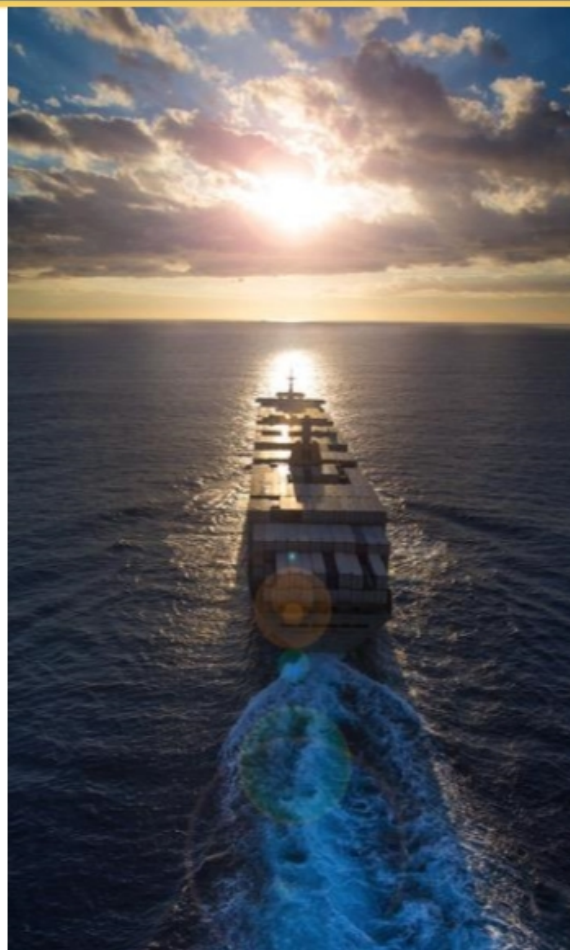
November 2019

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 November 12 to 15, 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.



Matson: At-a-Glance

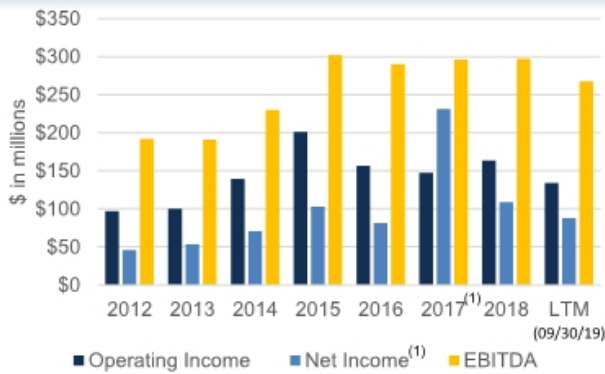
OCEAN TRANSPORTATION

- A leading U.S. carrier in the Pacific
- Lifeline to economies of Hawaii, Alaska and Guam
- Niche, premium, expedited service from China to Southern California
- 35% ownership in SSAT that operates 8 West Coast terminals
- LTM segment revenue of \$1,669 million (09/30/19)

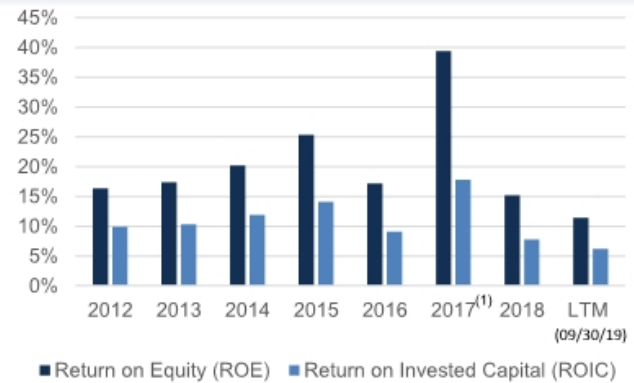
LOGISTICS

- Top 10 integrated, asset-light logistics services
- Freight forwarding, rail intermodal, highway brokerage, warehousing, and supply chain management services
- Leverages Matson and Span Alaska brands
- Scalable model with high ROIC
- LTM segment revenue of \$559 million (09/30/19)

Operating Income, Net Income and EBITDA



Financial Return Metrics



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

(1) Net Income in 2017 includes the benefit of a one-time, non-cash adjustment of \$154.0 million related to the enactment of the Tax Cuts and Jobs Act.

Matson Today: Connecting the Pacific



Investment Highlights

| | |
|--|---|
| Unique Network Connecting the Pacific | <ul style="list-style-type: none">• Providing critical supply lifelines to economies throughout the Pacific• Strong market positions in attractive niche markets with multi-decade customer relationships• Dual head-haul economics on China service |
| World-Class Operator and Premium Service Provider | <ul style="list-style-type: none">• Well-maintained fleet with industry-leading on-time performance• Dedicated terminals with best-in-class truck turns and unmatched cargo availability• Hawaii Neighbor Island barge fleet and Micronesia feeder vessels create hub-and-spoke efficiency• Fastest transit and cargo availability creates competitive advantage and premium rates for China service• Fastest transit time to Guam from U.S. West Coast with superior on-time performance |
| Increasingly Diversified Cash Flows | <ul style="list-style-type: none">• Increasingly diversified cash flows from:<ul style="list-style-type: none">- Distinct ocean tradelane service routes,- A niche provider of logistics services complementing the tradelane services, and- An equity investment in SSAT, a leading U.S. West Coast terminal operator |
| Stable, Growing and Defensible Cash Flow Generation | <ul style="list-style-type: none">• Financial strength to invest to grow the core businesses, pursue strategic opportunities and return capital to shareholders• Investing approximately \$1 billion in Hawaii fleet renewal and supporting infrastructure• Nearly \$700 million in investments for Alaska entry over last 4 years |
| Commitment to Returning Cash to Shareholders | <ul style="list-style-type: none">• Over \$275 million returned to shareholders through share repurchases and dividends since becoming public in 2012• Compelling dividend yield with dividend growth history |
| Strong Balance Sheet | <ul style="list-style-type: none">• Investment grade credit metrics• Balance sheet strength leads to low cost of capital |

Overview of Service

- 3 or 4 arrivals in Honolulu per week with departures from LA, OAK and SEA
 - Switch to 9-ship fleet in 4Q19 will provide fixed 3 arrivals per week in Honolulu
- 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

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:
 - Other transpacific carriers
 - Air freight carriers
- In 4Q19, expect continued volatility in transpacific capacity as market adjusts to trade developments

#1 Transpacific Service Since 2006

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

Overview of Service

- Twice weekly service to Anchorage and Kodiak
- Weekly service into Dutch Harbor
- Matson is the only U.S. containership operator serving Kodiak and Dutch Harbor

Market Overview

- Primary competitors: TOTE and barges
- Air freight rates are very high relative to the cost of goods being shipped
- NB volume growth tied to Alaska's economy
- SB volume tied to seasonality of seafood harvests

Matson's Focus

- Capture additional NB volume opportunities as economy improves

Current 3-Ship Deployment



Overview of Service

- Weekly service to Guam as part of CLX service
- 3-to-5 day ocean 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
- Steady GDP growth environment



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

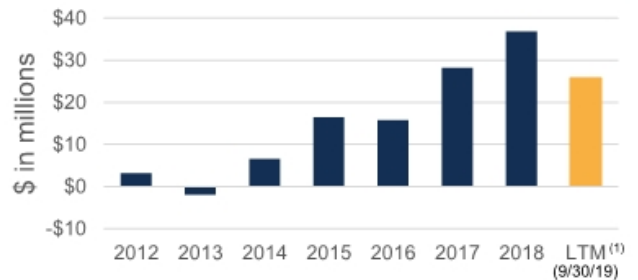
| Port | Terminal | Acreage |
|------------|-------------|---------|
| Long Beach | Pier A | 196 |
| | C60 | 70 |
| Tacoma | West Sitcum | 123 |
| Oakland | OICT | 270 |
| | B63 | 80 |
| Seattle | T-5 | ~53* |
| | T-18 | 196 |
| | T-30 | 70 |

* 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)



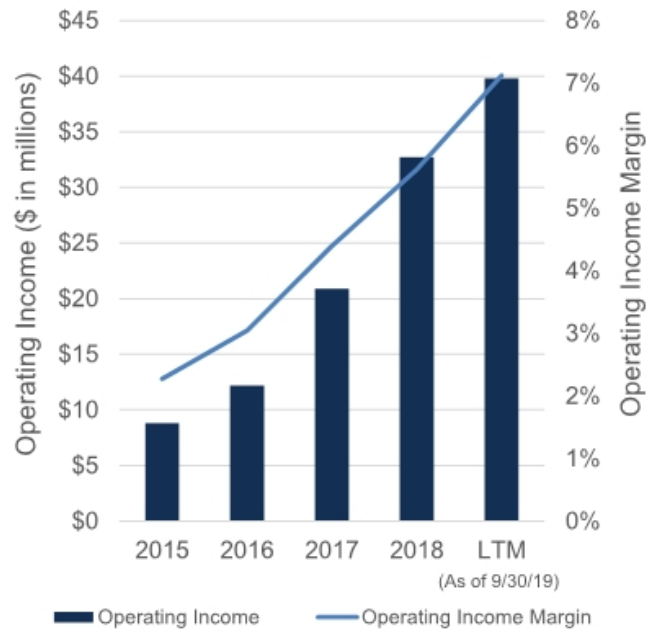
(1) Includes additional expense related to the early adoption of the new lease accounting standard.

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

Overview of Services

| | |
|-------------------------------------|--|
| Freight Forwarding | <ul style="list-style-type: none"> LCL consolidation and freight forwarding primarily to the Alaska market through Span Alaska |
| Transportation Brokerage | <ul style="list-style-type: none"> Domestic and international rail intermodal Long-haul and regional highway trucking Less-than-truckload and expedited freight |
| Warehousing and Distribution | <ul style="list-style-type: none"> 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 | <ul style="list-style-type: none"> PO management, freight forwarding and NVOCC services Organically grown from Matson's CLX service |

Operating Income and Margin



Note: Acquired Span Alaska in 3Q 2016.

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



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 | <ul style="list-style-type: none">• Expensive• Prolonged use could lead to higher “wear and tear” |
| 0.5% Residual | <ul style="list-style-type: none">• Expensive• Availability in our ports is main concern• Some “wear and tear” possible |
| Exhaust Gas Cleaning Systems (“Scrubbers”) | <ul style="list-style-type: none">• Less expensive Heavy Fuel Oil• We have a history with scrubbers in Alaska service; short pay-back period |
| Liquefied Natural Gas (“LNG”) | <ul style="list-style-type: none">• Less expensive• 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

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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Appendix

Appendix – Non-GAAP Measures

Matson reports financial results in accordance with U.S. generally accepted accounting principles (“GAAP”). The Company also considers other non-GAAP measures to evaluate performance, make day-to-day operating decisions, help investors understand our ability to incur and service debt and to make capital expenditures, and to understand period-over-period operating results separate and apart from items that may, or could, have a disproportional positive or negative impact on results in any particular period. These non-GAAP measures include, but are not limited to, Earnings Before Interest, Taxes, Depreciation and Amortization (“EBITDA”), Return on Invested Capital (“ROIC”), Return on Equity (“ROE”), Total Debt-to-EBITDA and Net Debt-to-EBITDA.

| (\$ in millions, except ROIC and ROE) | LTM as of 09/30/19 | For the years ended December 31, | | | | | | |
|---|------------------------|----------------------------------|-------------------------|----------|----------|----------|----------|-------------------------|
| | | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 |
| Total debt | \$ 883.0 | \$ 856.4 | \$ 857.1 | \$ 738.9 | \$ 429.9 | \$ 373.6 | \$ 286.1 | \$ 319.1 |
| Less: total cash and cash equivalents | (23.6) | (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 | 859.4 | 836.8 | 836.4 | 693.8 | 404.4 | 52.7 | 171.6 | 299.2 |
| Net income | \$ 87.7 ⁽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 | 26.9 | 38.7 | (105.8) | 49.1 | 74.8 | 51.9 | 32.2 | 33.0 |
| Add: interest expense | 21.2 | 18.7 | 24.2 | 24.1 | 18.5 | 17.3 | 14.4 | 11.7 |
| Add: depreciation and amortization | 131.9 | 130.9 | 146.6 | 135.4 | 105.8 | 90.1 | 91.0 | 95.4 |
| EBITDA | 267.7 | 297.3 | 296.0 | 290.0 | 302.1 | 230.1 | 191.3 | 192.1 |
| Net income (A) | \$ 87.7 ⁽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⁾ | 15.7 | 14.2 | 14.9 | 15.1 | 10.7 | 10.0 | 9.0 | 7.2 |
| Total return (B) | 103.4 | 123.2 | 245.9 | 96.5 | 113.7 | 80.8 | 62.7 | 59.2 |
| Average total debt | \$ 895.6 | \$ 856.8 | \$ 798.0 | \$ 584.4 | \$ 401.8 | \$ 329.9 | \$ 302.6 | \$ 319.1 ⁽⁵⁾ |
| Average shareholders' equity (C) | 770.2 | 716.3 | 586.1 | 472.8 | 407.1 | 351.0 | 309.1 | 279.9 ⁽⁵⁾ |
| Total invested capital (D) | 1,665.8 | 1,573.1 | 1,384.1 | 1,057.2 | 808.9 | 680.9 | 611.7 | 599.0 ⁽⁵⁾ |
| ROIC = (B)/(D) | 6.2% | 7.8% | 17.8% | 9.1% | 14.1% | 11.9% | 10.3% | 9.9% |
| ROE = (A)/(C) | 11.4% | 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 09/30/19, the effective tax rate was 23.5%. The effective tax rates for 2017, 2018 and LTM, excluding adjustments related to the Tax Act, would have been 38.5%, 24.2% and 26.2%, 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.