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): **February 20, 2018**

MATSON, INC.
(Exact Name of Registrant as Specified in its Charter)

HAWAII	**001-34187**	**99-0032630**
(State or Other Jurisdiction of Incorporation)	(Commission File Number)	(I.R.S. Employer Identification No.)

1411 Sand Island Parkway	
Honolulu, Hawaii	**96819**
(Address of principal executive offices)	(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))

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 February 20, 2018, Matson, Inc. (the “Company”) issued a press release announcing the Company’s earnings for the quarter and fiscal year ended December 31, 2017. 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 exhibits listed below are being furnished with this Form 8-K.

99.1 Press Release issued by Matson, Inc., dated February 20, 2018

99.2 Investor Presentation, dated February 20, 2018

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: February 20, 2018

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FOR IMMEDIATE RELEASE

MATSON, INC. ANNOUNCES FOURTH QUARTER AND FULL YEAR 2017 RESULTS, AND PROVIDES 2018 OUTLOOK

- 4Q17 EPS of $3.90, including a one-time, non-cash benefit from the Tax Cuts and Jobs Act of $3.62
  - 4Q17 Adjusted EPS of $0.28, excluding the benefit from the Tax Cuts and Jobs Act
- Full Year 2017 EPS of $5.37, including a one-time, non-cash benefit from the Tax Cuts and Jobs Act of $3.59
  - Full Year 2017 Adjusted EPS of $1.78, excluding the benefit from the Tax Cuts and Jobs Act
- Full Year 2017 Net Income and EBITDA were $232.0 million and $296.0 million, respectively
- 2018 Operating Income is expected to approximate the 2017 level

HONOLULU, Hawaii (February 20, 2018) – Matson, Inc. ("Matson" or the "Company") (NYSE: MATX), a leading U.S. carrier in the Pacific, today reported net income of $166.9 million, or $3.90 per diluted share, for the quarter ended December 31, 2017. Net income and earnings per share in the quarter benefitted by $155.0 million and $3.62 per diluted share, respectively, from a one-time, non-cash adjustment arising from the enactment of the Tax Cuts and Jobs Act (the "Tax Act"). Net income for the quarter ended December 31, 2016 was $20.0 million, or $0.46 per diluted share. Consolidated revenue for the fourth quarter 2017 was $516.1 million compared with $519.3 million reported for the fourth quarter 2016.

For the full year 2017, Matson reported net income of $232.0 million, or $5.37 per diluted share, compared with $81.4 million, or $1.87 per diluted share, in 2016. The net income and earnings per share benefit in the full year 2017 from the one-time, non-cash adjustment as a result of the Tax Act was $155.0 million and $3.59 per diluted share, respectively. Consolidated revenue for the full year 2017 was $2,046.9 million, compared with $1,941.6 million in the prior year.

Matt Cox, Matson's Chairman and Chief Executive Officer, commented, "Matson's core businesses performed well during the fourth quarter supported in particular by continued strong demand in our China service and higher lift volumes at SSAT. Overall, 2017 was a solid year for Matson. Operationally during the past year, we continued to advance our new Hawaii vessels and Sand Island crane program, which are expected to strengthen our market leading position and drive increased efficiency in the years ahead. We look forward to the arrival of the first of our four new vessels in the third quarter of this year."

Mr. Cox added, "For 2018, we expect to face continued competitive pressure in Guam and modestly lower volume in China coming off an exceptionally strong year, offset by modest improvements in our other core businesses. As a result, we expect Matson's 2018 operating income to approximate the level achieved in 2017."

Fourth Quarter 2017 Discussion and Outlook for 2018

Ocean Transportation: The Hawaii economy experienced modest growth in the fourth quarter 2017; however, the Company's container volume was 11.1 percent lower year-over-year due primarily to an extra week in 2016 and lower construction-related volumes as the construction cycle in Oahu transitions from high-rise projects to the master planned community projects in West Oahu. The Company expects flat-to-modest volume growth in 2018, reflecting a growing Hawaii economy and stable market share.

In China, the Company's container volume in the fourth quarter 2017 was 14.3 percent lower year-over-year largely due to an additional week in 2016 as well as volume gains in the prior year period related to the Hanjin bankruptcy. The Company continued to realize a sizeable rate premium in the fourth quarter 2017 and achieved average freight rates moderately higher than the fourth quarter 2016. For 2018, the Company expects pricing to remain as favorable as 2017 and volume to be modestly lower compared to the levels achieved in 2017.

In Guam, as expected, the Company's container volume in the fourth quarter 2017 was lower on a year-over-year basis, the result of competitive losses to a U.S. flagged containership service that increased its service frequency to weekly in December 2016. For 2018, the Company expects a continued heightened competitive environment and lower volume when compared to levels achieved in 2017.

In Alaska, the Company's container volume for the fourth quarter 2017 was 10.1 percent lower year-over-year, primarily due to volume in the additional week in the prior year. For the full year 2018, we expect volume to approximate the level in 2017 with modest improvement in northbound volumes, offset by lower southbound seafood-related volume due to a moderation from the very strong seafood harvest levels in 2017.

As a result of the business outlook noted above, the Company expects full year 2018 Ocean Transportation operating income to approximate the level achieved in 2017. In the first quarter 2018, the Company expects Ocean Transportation operating income will be moderately higher than the level achieved in the first quarter 2017 primarily due to the timing of fuel surcharge collections.

Logistics: In the fourth quarter 2017, operating income for the Company's Logistics segment was roughly flat compared to the operating income achieved in the prior year period. For the full year 2018, the Company expects Logistics operating income to increase modestly compared to the level achieved in 2017. In the first quarter 2018, the Company expects operating income to approximate the level achieved in the first quarter 2017.

Depreciation and Amortization: For the full year 2018, the Company expects depreciation and amortization expense to be approximately $135 million, inclusive of dry-docking amortization of approximately $36 million.

EBITDA: The Company expects full year 2018 EBITDA to be lower than the $296.0 million achieved in 2017.

Interest Expense: The Company expects interest expense for the full year 2018 to be approximately $22 million.

Income Tax Expense: The Company's effective tax rate for the fourth quarter and full year 2017 was -738.7 percent and -85.3 percent, respectively. The fourth quarter and full year 2017 effective tax rates include the one-time, non-cash adjustment of $155.0 million as a result of the Tax Act. Excluding this tax adjustment, the effective tax rates for the fourth quarter and full year 2017 would have been 40.2 percent and 38.5 percent, respectively. For the full year 2018, the Company expects its effective tax rate to be approximately 28 percent, which is based on the Company's initial analysis of the Tax Act and is subject to change based on guidance issued by the Internal Revenue Service and the U.S. Department of the Treasury as well as clarifications of state tax law.

Capital and Vessel Dry-docking Expenditures: For the full year 2017, the Company made maintenance capital expenditure payments of $55.0 million, capitalized vessel construction expenditures of $252.0 million, and dry-docking payments of $54.6 million. For the full year 2018, the Company expects to make maintenance capital expenditure payments of approximately $68 million, vessel construction expenditures (inclusive of capitalized interest and owner's items) of approximately $436 million, and dry-docking payments of approximately $18 million.

Results By Segment

Ocean Transportation — Three months ended December 31, 2017 compared with 2016

(Dollars in millions)	Three Months Ended December 31, 2017	2016 (3)	Change	
Ocean Transportation revenue	$ 389.9	$ 406.1	$ (16.2)	(4.0)%
Operating costs and expenses	(369.2)	(373.5)	4.3	(1.2)%
Operating income	$ 20.7	$ 32.6	$ (11.9)	(36.5)%
Operating income margin	5.3 %	8.0 %		
Volume (Forty-foot equivalent units (FEU), except for automobiles) (1)				
Hawaii containers	36,900	41,500	(4,600)	(11.1)%
Hawaii automobiles	19,300	19,000	300	1.6 %
Alaska containers	14,300	15,900	(1,600)	(10.1)%
China containers	15,600	18,200	(2,600)	(14.3)%
Guam containers	4,700	6,500	(1,800)	(27.7)%
Other containers (2)	3,800	3,600	200	5.6 %

(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 in Okinawa, Japan.

(3) 2016 includes the benefit of a 53rd week.

Ocean Transportation revenue declined $16.2 million, or 4.0 percent, during the three months ended December 31, 2017, compared with the three months ended December 31, 2016. This decrease was primarily due to lower volumes across the tradelanes as a result of one less week versus the prior year, lower volumes in Guam due to competitive losses and lower construction-related volumes in Hawaii, partially offset by higher fuel surcharge revenue and higher average freight rates in China and Hawaii.

On a year-over-year FEU basis, Hawaii container volume decreased by 11.1 percent primarily due to one less week and lower construction-related volume; Alaska volume decreased by 10.1 percent primarily due to one less week; China volume was 14.3 percent lower largely due to one less week as well as volume gains in the year ago period related to the Hanjin bankruptcy; and Guam volume was 27.7 percent lower due to competitive losses and one less week.

Ocean Transportation operating income decreased $11.9 million, or 36.5 percent, during the three months ended December 31, 2017, compared with the three months ended December 31, 2016. This decrease was primarily due to lower volumes across the tradelanes as a result of one less week versus the prior year, higher terminal handling expenses, lower container volume in Guam as a result of competitive losses, and lower container volume in China due to volume gains in the year ago period related to the Hanjin bankruptcy, partially offset by the favorable timing of fuel surcharge collections, higher average freight rates in China and Hawaii, and a higher contribution from SSAT.

The Company's SSAT terminal joint venture investment contributed $8.9 million during the three months ended December 31, 2017, compared to a $6.6 million contribution during the three months ended December 31, 2016. The increase was primarily attributable to improved lift volume.

Ocean Transportation —Year ended December 31, 2017 compared with 2016

(Dollars in millions)	Years Ended December 31, 2017	2016 (3)	Change	
Ocean Transportation revenue	$ 1,571.8	$ 1,541.1	$ 30.7	2.0 %
Operating costs and expenses	(1,443.0)	(1,398.4)	(44.6)	3.2 %
Operating income	$ 128.8	$ 142.7	$ (13.9)	(9.7)%
Operating income margin	8.2 %	9.3 %		
Volume (Forty-foot equivalent units (FEU), except for automobiles) (1)				
Hawaii containers	149,800	160,200	(10,400)	(6.5)%
Hawaii automobiles	67,000	75,200	(8,200)	(10.9)%
Alaska containers	67,400	68,400	(1,000)	(1.5)%
China containers	66,000	61,600	4,400	7.1 %
Guam containers	20,300	24,800	(4,500)	(18.1)%
Other containers (2)	11,700	10,500	1,200	11.4 %

(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 in Okinawa, Japan.

(3) 2016 includes the benefit of a 53rd week.

Ocean Transportation revenue increased $30.7 million, or 2.0 percent, during the year ended December 31, 2017, compared with the year ended December 31, 2016. This increase was primarily due to higher fuel surcharge revenue and higher average freight rates in China, partially offset by lower construction-related volume, one less week and the absence of competitive volume gains in Hawaii and lower volume in Guam due to competitive losses and one less week.

On a year-over-year FEU basis, Hawaii container volume decreased by 6.5 percent primarily due to lower construction-related volume, one less week, and the absence of competitive volume gains in the prior year; Alaska volume decreased by 1.5 percent primarily due to one less week, partially offset by higher southbound volume attributable to the stronger seafood season; China volume was 7.1 percent higher due to stronger demand for the Company’s expedited service and additional sailings during the year; and Guam volume was 18.1 percent lower due to competitive losses and one less week.

Ocean Transportation operating income decreased $13.9 million, or 9.7 percent, during the year ended December 31, 2017, compared with the year ended December 31, 2016. This decrease was primarily due to lower volumes in Hawaii, higher terminal handling costs and lower volume in Guam, partially offset by higher average freight rates in China, a higher contribution from SSAT, and favorable timing of fuel surcharge collections.

The Company’s SSAT terminal joint venture investment contributed $28.2 million during the year ended December 31, 2017, compared to a $15.8 million contribution in the year ended December 31, 2016. The increase was primarily attributable to improved lift volume.

Logistics — Three months ended December 31, 2017 compared with 2016

(Dollars in millions)	Three Months Ended December 31, 2017	2016	Change	
Logistics revenue (1)	$ 126.2	$ 113.2	$ 13.0	11.5 %
Operating costs and expenses (1)	(121.6)	(108.6)	(13.0)	12.0 %
Operating income (1)	$ 4.6	$ 4.6	$ —	— %
Operating income margin (1)	3.6 %	4.1 %		

(1) Logistics operating results include Span Alaska operating results from the date of acquisition on August 4, 2016.

Logistics revenue increased $13.0 million, or 11.5 percent, during the three months ended December 31, 2017, compared with the three months ended December 31, 2016. This increase was primarily due to higher highway rates and volume, and higher fuel surcharge revenue.

Logistics operating income for the three months ended December 31, 2017 was approximately equal to the level achieved in the three months ended December 31, 2016 as higher revenue was offset by higher costs.

Logistics — Year ended December 31, 2017 compared with 2016

(Dollars in millions)	Years Ended December 31, 2017	2016	Change	
Logistics revenue (1)	$ 475.1	$ 400.5	$ 74.6	18.6 %
Operating costs and expenses (1)	(454.5)	(388.6)	(65.9)	17.0 %
Operating income (1)	$ 20.6	$ 11.9	$ 8.7	73.1 %
Operating income margin (1)	4.3 %	3.0 %		

(1) Logistics operating results include Span Alaska operating results from the date of acquisition on August 4, 2016.

Logistics revenue increased $74.6 million, or 18.6 percent, during the year ended December 31, 2017, compared to the year ended December 31, 2016. This increase was primarily due to the inclusion of freight forwarding revenue from the acquired Span Alaska business, higher intermodal volumes and higher fuel surcharge revenue.

Logistics operating income increased $8.7 million during the year ended December 31, 2017, compared to the year ended December 31, 2016. The increase was primarily due to the inclusion of freight forwarding operating results attributable to the acquired Span Alaska business, partially offset by lower intermodal yield.

Liquidity, Cash Flows and Capital Allocation

Matson's Cash and Cash Equivalents increased by $5.9 million to $19.8 million during the year ended December 31, 2017. Matson generated net cash from operating activities of $224.9 million during the year ended December 31, 2017, compared to $157.8 million in the year ended December 31, 2016. Capital expenditures, including capitalized vessel construction expenditures, totaled $307.0 million for the year ended December 31, 2017, compared with $179.4 million in the year ended December 31, 2016. Total debt increased by $118.2 million during the year to $857.1 million as of December 31, 2017, of which $826.3 million was long-term debt.

For the twelve months ended December 31, 2017, Matson's Net Income and EBITDA were $232.0 million and $296.0 million, respectively. The ratio of Matson's Net Debt to last twelve months EBITDA was 2.8 as of December 31, 2017.

As previously announced, Matson's Board of Directors declared a cash dividend of $0.20 per share payable on March 1, 2018 to all shareholders of record as of the close of business on February 8, 2018.

Teleconference and Webcast

A conference call is scheduled for 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 fourth quarter and full year 2017 results.

Date of Conference Call:	Tuesday, February 20, 2018
Scheduled Time:	4:30 p.m. EST / 1:30 p.m. PST / 11:30 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 a 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 February 27, 2018 by dialing 1-855-859-2056 or 1-404-537-3406 and using the conference number 3878488. 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 U.S. carrier in the Pacific. Matson provides a vital lifeline to the economies of Hawaii, Alaska, Guam, Micronesia and select South Pacific islands, and operates a premium, expedited service from China to Southern California. 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, and less-than-container load freight consolidation 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, Adjusted Earnings per Share ("Adjusted EPS"), Adjusted Net Income, adjusted effective tax rate, adjusted income taxes, Earnings Before Interest, Taxes, Depreciation and Amortization ("EBITDA") and Net Debt-to-EBITDA.

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 earnings, operating income, profitability and cash flow expectations, fleet renewal progress, fleet deployments, economic effects of competitors' services, expenses, rate premiums and market conditions in the China service, trends in volumes, economic growth and construction activity in Hawaii, economic conditions in Alaska, lift volumes at SSAT, vessel deployments and operating efficiencies, and effective tax rates. 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 regional, national and international economic conditions; new or increased competition or improvements in competitors' service levels; fuel prices and our ability to collect fuel surcharges; 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 ability of the shipyards to construct and deliver the Aloha Class and Kanaloa Class vessels on the contemplated timeframes; 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; 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; 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 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 December 31, 2017	Three Months Ended December 31, 2016	Years Ended December 31, 2017	Years Ended December 31, 2016
Operating Revenue:				
Ocean Transportation	$ 389.9	$ 406.1	$ 1,571.8	$ 1,541.1
Logistics	126.2	113.2	475.1	400.5
Total Operating Revenue	516.1	519.3	2,046.9	1,941.6
Costs and Expenses:				
Operating costs	(446.0)	(440.5)	(1,717.2)	(1,617.7)
Equity in income of Terminal Joint Venture	8.9	6.6	28.2	15.8
Selling, general and administrative	(53.7)	(48.2)	(208.5)	(185.1)
Total Costs and Expenses	(490.8)	(482.1)	(1,897.5)	(1,787.0)
Operating Income	25.3	37.2	149.4	154.6
Interest expense	(5.4)	(6.7)	(24.2)	(24.1)
Income before Income Taxes	19.9	30.5	125.2	130.5
Income taxes	147.0	(10.5)	106.8	(49.1)
Net Income	$ 166.9	$ 20.0	$ 232.0	$ 81.4
Basic Earnings Per-Share:	$ 3.93	$ 0.47	$ 5.41	$ 1.89
Diluted Earnings Per-Share:	$ 3.90	$ 0.46	$ 5.37	$ 1.87
Weighted Average Number of Shares Outstanding:				
Basic	42.5	42.8	42.9	43.1
Diluted	42.8	43.3	43.2	43.5
Cash Dividends Per-Share	$ 0.20	$ 0.19	$ 0.78	$ 0.74

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

(In millions)	December 31, 2017	December 31, 2016
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 19.8	$ 13.9
Other current assets	246.2	260.3
Total current assets	266.0	274.2
Long-term Assets:		
Investment in Terminal Joint Venture	93.2	82.4
Property and equipment, net	1,165.7	949.2
Goodwill	323.7	323.7
Intangible assets, net	225.2	236.6
Other long-term assets	173.7	149.4
Total long-term assets	1,981.5	1,741.3
Total assets	$ 2,247.5	$ 2,015.5
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities:		
Current portion of debt	$ 30.8	$ 31.8
Other current liabilities	255.5	245.8
Total current liabilities	286.3	277.6
Long-term Liabilities:		
Long-term debt	826.3	707.1
Deferred income taxes	285.2	363.8
Other long-term liabilities	171.5	172.1
Total long-term liabilities	1,283.0	1,243.0
Total shareholders' equity	678.2	494.9
Total liabilities and shareholders' equity	$ 2,247.5	$ 2,015.5

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

(In millions)	Years Ended December 31, 2017	2016
Cash Flows From Operating Activities:		
Net income	$ 232.0	$ 81.4
Reconciling adjustments:		
Depreciation and amortization	101.2	97.1
Deferred income taxes	(128.9)	24.7
Share-based compensation expense	11.1	11.2
Equity in income of Terminal Joint Venture	(28.2)	(15.8)
Distribution from Terminal Joint Venture	17.5	—
Other	3.0	2.8
Changes in assets and liabilities:		
Accounts receivable, net	(5.1)	14.4
Deferred dry-docking payments	(54.6)	(59.2)
Deferred dry-docking amortization	46.2	38.9
Prepaid expenses and other assets	14.4	(13.6)
Accounts payable, accruals and other liabilities	20.4	2.1
Other long-term liabilities	(4.1)	(26.2)
Net cash provided by operating activities	224.9	157.8
Cash Flows From Investing Activities:		
Capitalized vessel construction expenditures	(252.0)	(94.5)
Other capital expenditures	(55.0)	(84.9)
Proceeds from (payments for) disposal of property and equipment	(0.2)	2.5
Cash deposits into and withdrawals from the Capital Construction Fund, net	30.3	(31.2)
Payments for membership interests in Span Alaska, net of cash acquired	—	(112.6)
Net cash used in investing activities	(276.9)	(320.7)
Cash Flows From Financing Activities:		
Proceeds from issuance of debt	—	275.0
Repayments of debt and capital leases	(31.8)	(22.2)
Proceeds from revolving credit facility, net of repayments	150.0	55.0
Payment of financing costs	(1.7)	—
Proceeds from issuance of capital stock	1.9	1.2
Dividends paid	(33.8)	(32.2)
Repurchase of Matson common stock	(19.3)	(38.0)
Payments of Span Alaska debt	—	(81.9)
Tax withholding related to net share settlements of restricted stock units	(7.4)	(5.9)
Other	—	0.3
Net cash used in financing activities	57.9	151.3
Net Increase (Decrease) in Cash and Cash Equivalents	5.9	(11.6)
Cash and Cash Equivalents, Beginning of the Period	13.9	25.5
Cash and Cash Equivalents, End of the Period	$ 19.8	$ 13.9
Supplemental Cash Flow Information:		
Interest paid, net of capitalized interest	$ 23.9	$ 21.6
Income tax paid, net of income tax refunds	$ 2.6	$ 15.6
Non-cash Information:		
Capital expenditures included in accounts payable, accruals and other liabilities	$ 1.2	$ 4.1

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

NET DEBT RECONCILIATION

(In millions)	December 31, 2017
Total Debt:	$ 857.1
Less: Cash and cash equivalents	(19.8)
Capital Construction Fund - cash on deposit	(0.9)
Net Debt	$ 836.4

EBITDA RECONCILIATION

(In millions)	Three Months Ended December 31, 2017	2016	Change
Net Income	$ 166.9	$ 20.0	$ 146.9
Add: Income taxes	(147.0)	10.5	(157.5)
Add: Interest expense	5.4	6.7	(1.3)
Add: Depreciation and amortization	26.7	25.2	1.5
Add: Dry-dock amortization	10.5	11.1	(0.6)
EBITDA (1)	$ 62.5	$ 73.5	$ (11.0)

(In millions)	Years Ended December 31, 2017	2016	Change
Net Income	$ 232.0	$ 81.4	$ 150.6
Add: Income taxes	(106.8)	49.1	(155.9)
Add: Interest expense	24.2	24.1	0.1
Add: Depreciation and amortization	100.4	96.5	3.9
Add: Dry-dock amortization	46.2	38.9	7.3
EBITDA (1)	$ 296.0	$ 290.0	$ 6.0

(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.

Exhibit 99.2

Matson

Fourth Quarter and Full Year 2017 Earnings Conference Call

Forward Looking Statements

Statements made during this call and presentation that set forth expectations, predictions, projections or are about future events are based on facts and situations that are known to us as of today, February 20, 2018.

We believe that our expectations and assumptions are reasonable. Actual results may differ materially, due to risks and uncertainties, such as those described on pages 11-18 of our 2016 Form 10-K filed on February 24, 2017, and other subsequent filings by Matson with the SEC. Statements made during this call and presentation are not guarantees of future performance.

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

Opening Remarks

- Matson performed largely as expected in 4Q17 with favorable contributions from China and SSAT offset by unfavorable trends in Hawaii and Guam
- Matson's net income and diluted EPS benefitted from a one-time, non-cash adjustment of $155.0 million or $3.62 per diluted share in 4Q17 as a result of the Tax Cuts and Jobs Act (the "Tax Act")
- Recap of FY2017 results and operational activity:
  - Favorable contributors:
    - Stronger demand for Matson's expedited China service
    - Timing of fuel surcharge collections
    - Higher lift volume at SSAT
  - Unfavorable contributors:
    - Lower construction-related cargo to Hawaii
    - Competitive pressure in Guam
    - Higher terminal handling costs
  - Continue to advance on new vessel builds and Sand Island crane program
- Introducing full year and 1Q 2018 outlook:
  - Expect 2018 operating income to approximate 2017
  - Expect 1Q18 Ocean Transportation operating income to be moderately higher than 1Q17
  - Expect 1Q18 Logistics operating income to approximate the level in 1Q17

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

Opening Remarks (continued)

($ in millions, except per share)	Quarters Ended December 31, 2016	Quarters Ended December 31, 2017	Year Ended December 31, 2016	Year Ended December 31, 2017
Earnings per Diluted Share				
GAAP EPS, diluted	$ 0.46	$ 3.90	$ 1.87	$ 5.37
Less: Tax Act Adjustment	-	(3.62)	-	(3.59)
Adjusted EPS, diluted	$ 0.46	$ 0.28	$ 1.87	$ 1.78
Net Income				
GAAP Net Income	$ 20.0	$ 166.9	$ 81.4	$ 232.0
Less: Tax Act Adjustment	-	(155.0)	-	(155.0)
Adjusted Net Income	$ 20.0	$ 11.9	$ 81.4	$ 77.0
EBITDA	$ 73.5	$ 62.5	$ 290.0	$ 296.0

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

Hawaii Service

Fourth Quarter 2017 Performance

- Container volume decreased 11.1% YoY
  - Nearly half of decline due to 53rd week in 4Q16
  - Lower construction-related volume

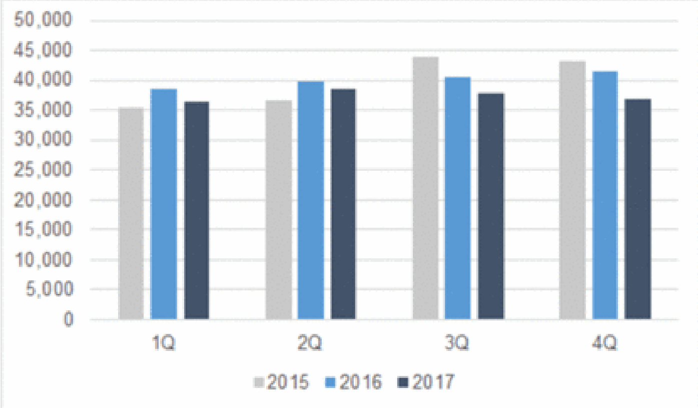
Full Year 2017 Performance

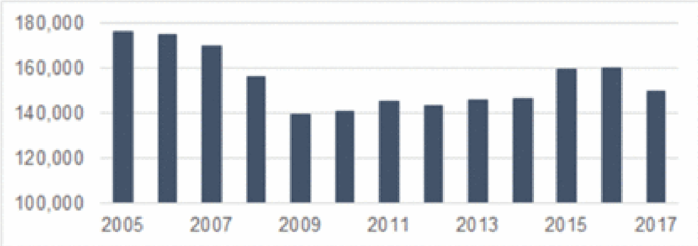
- Container volume decreased 6.5% YoY
  - Lower construction-related volume
  - YoY comparison impacted by 53rd week and competitive gains in 2016

Full Year 2018 Outlook

- Expect flat-to-modest volume growth as Hawaii economic growth continues
- Stable market share

Container Volume (FEU Basis)



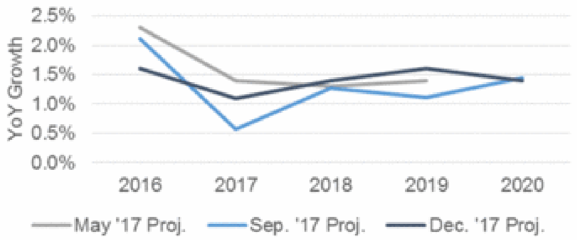


Note: Competitor service issues from 3Q 2015 through 2Q 2016 positively impacted container volume. 4Q and FY 2016 volumes include the benefit of a 53rd week.

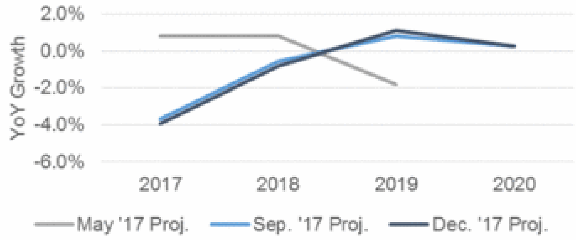
Hawaii Economic Indicators

Despite modest growth in GDP, tourism and general employment, UHERO's construction indicators continue to project softness in construction activity in 2018.

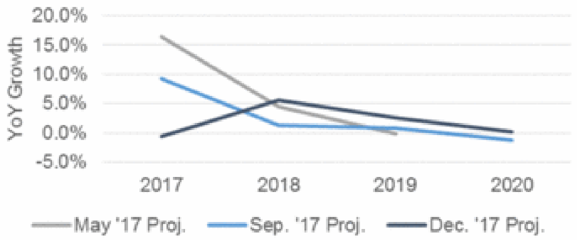
GDP Growth



Construction Jobs Growth



Real Building Permits Growth



"New construction projects slated to break ground over the next several years will be matched by projects wrapping up, so that on net the level of construction activity will remain near current levels. This stands in sharp contrast to the boom-bust character of the mid-2000s cycle…"

Source: UHERO: University of Hawaii Economic Research Organization; Annual Hawaii Forecast with Asia-Pacific Outlook, December 15, 2017, http://www.uhero.hawaii.edu

Hawaii Service Update

- **January 26, 2018[1]: TOTE Update on Hawaii Plan**
  - TOTE announced that its plans to enter the Hawaii market are on hold as a result of its Phase 1 technical review of Piers 1 and 2 in Honolulu Harbor
  - TOTE conducted a preliminary study of the site's infrastructure which indicated that upgrades and improvements will be required to accommodate the new operations
  - Due to the scope and timing of the upgrades and improvements, TOTE would not renew the letter of intent (LOI) with Philly Shipyard that expired on January 31, 2018
- **January 26, 2018[2]: Philly Shipyard places TOTE containership project on hold and considers alternative projects**
  - Based on developments announced by TOTE, the project to build Hulls 031-034 as containerships is being put on hold
  - Philly Shipyard is suspending substantially all construction-related activities on these vessels, including design, planning and procurement work

(1) Source: http://www.toteinc.com/tote-update-on-hawaii-plans/
(2) Source: http://www.phillyshipyard.com/s.cfm/2-38_79/Philly-Shipyard-places-TOTE-containership-project-on-hold-and-considers-alternative-projects

China Expedited Service (CLX)

Fourth Quarter 2017 Performance

- Container volume decreased 14.3% YoY
  - Nearly half of decline due to 53rd week in 4Q16
  - 4Q16 volume also benefitted from Hanjin bankruptcy
  - Continued to realize a sizeable rate premium

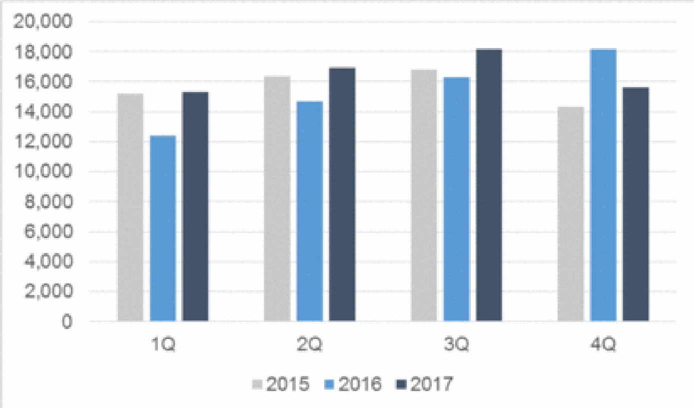
Full Year 2017 Performance

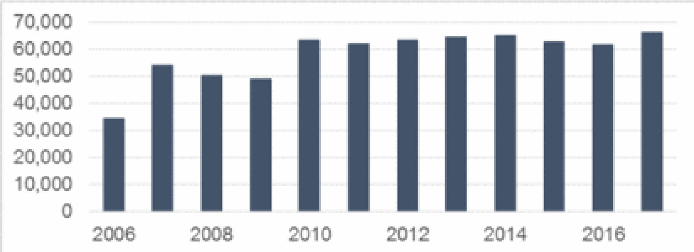
- Container volume increased 7.1% YoY
  - Full year volume includes several dry-dock return voyages
- Achieved sizeable rate premium

Full Year 2018 Outlook

- Transpacific capacity increases in excess of demand growth
- Expect continued strong demand for Matson's highly differentiated expedited service
- Expect favorable rate environment like 2017
- Volume to be modestly lower than 2017 level, which included dry-dock return volume

Container Volume (FEU Basis)





Note: U.S. West Coast port labor disruption positively impacted volume in 1Q, 2Q and 3Q of FY 2015. Hanjin bankruptcy positively impacted 4Q16 volume. 4Q and FY 2016 volumes include the benefit of a 53rd week.

Guam Service

Fourth Quarter 2017 Performance

- Container volume declined 27.7% YoY
  - Continued competitive pressure from APL
  - YoY comparison also impacted by 53rd week

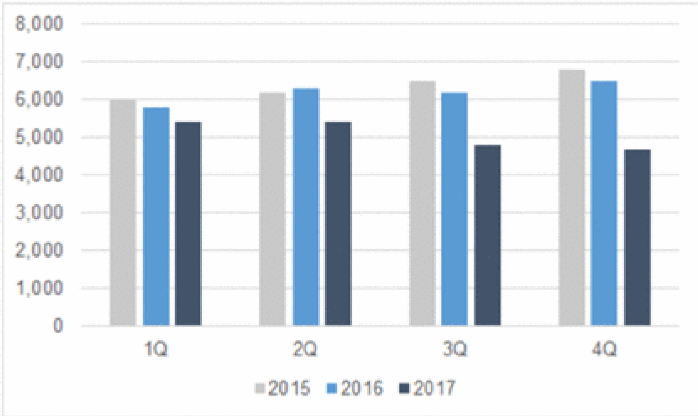
Full Year 2017 Performance

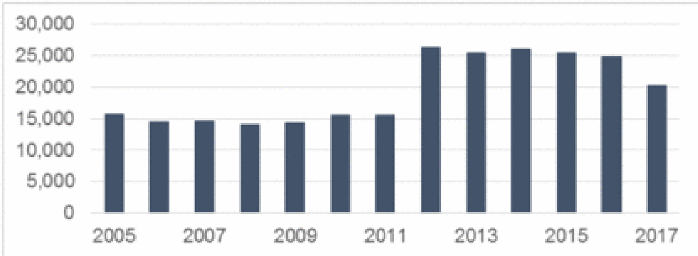
- Container volume declined 18.1% YoY
  - Competitive pressure from APL

Full Year 2018 Outlook

- Expect heightened competitive environment and lower volume
- Matson's significant service advantage expected to remain at 5 days from Oakland and 8 days from LA/Long Beach with superior on-time performance

Container Volume (FEU Basis)





Note: APL increased service frequency to weekly in December 2016. 2016 volumes include the benefit of a 53rd week.

Alaska Service

Fourth Quarter 2017 Performance

- Container volume decreased 10.1% YoY
  - Nearly 75% of decline due to 53rd week in 4Q16
  - Benefit from TOTE dry-dock volume
- Underlying economy remains weak

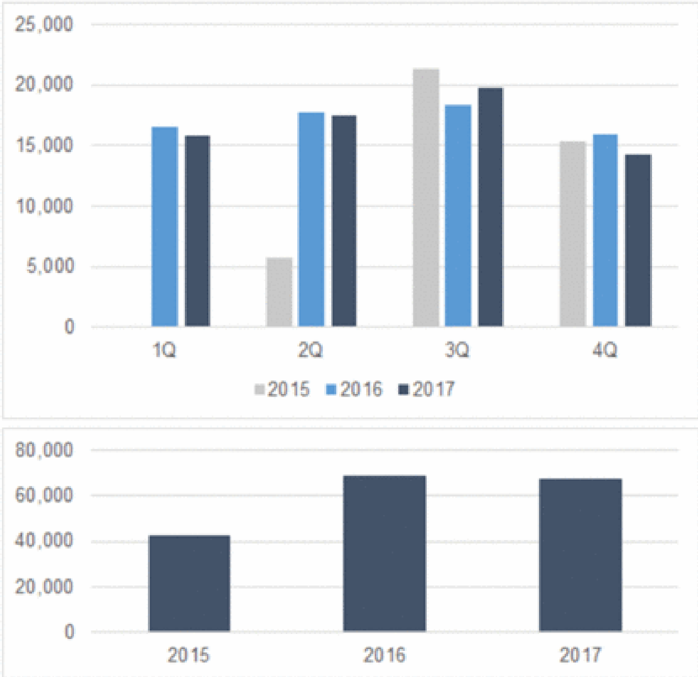
Full Year 2017 Performance

- Container volume decreased 1.5% YoY
  - YoY comparison impacted by 53rd week
  - Higher southbound volume related to stronger seafood season

Full Year 2018 Outlook

- Expect volume to approximate level last year
  - Modest improvement in northbound volumes, offset by lower southbound seafood volumes

Container Volume (FEU Basis)



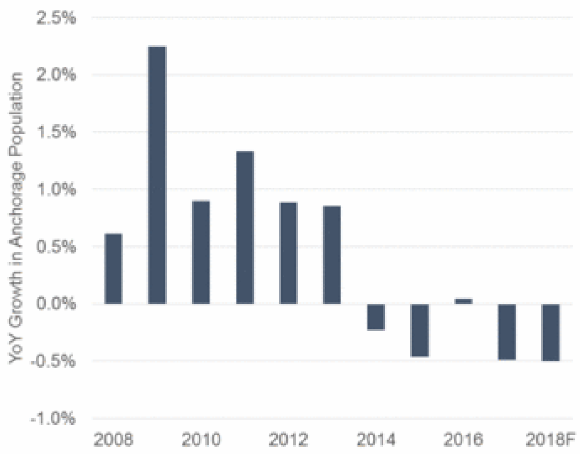
Note: Acquired Horizon's Alaska service in 2Q 2015. 2016 volumes include the benefit of a 53rd week.

Alaska Economic Indicators

Alaska's recession is nearing a bottom, but the trajectory of an economic recovery remains uncertain.

Anchorage and Alaska Employment Growth(1)(2)

Anchorage Population Growth(1)



"While AEDC believes 2018 will mark the bottom of the recession, without a long-term solution to Alaska's budget deficit, full recovery may remain elusive. The absence of State budget and taxation certainty promises to unnecessarily sideline investment."(1)

(1) Source: https://aedcweb.com/2018-economic-forecast-luncheon-reports/
(2) Source: http://labor.alaska.gov/trends/jan18.pdf

SSAT Joint Venture

Fourth Quarter 2017 Performance

- Terminal joint venture contribution was $8.9 million, $2.3 million higher than last year
  - Increased lift volume

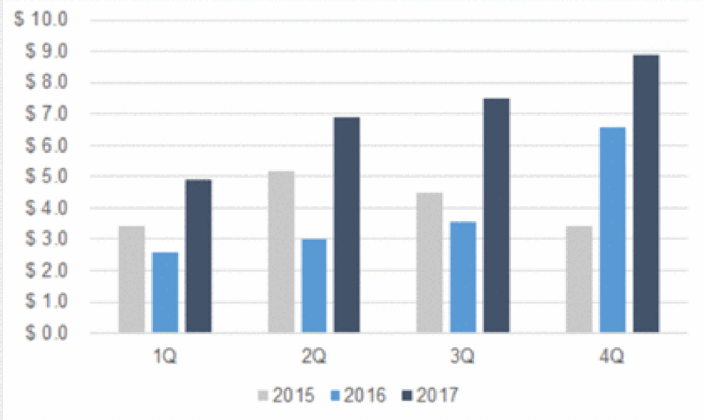
Full Year 2017 Performance

- Terminal joint venture contribution was $28.2 million, $12.4 million higher than last year

Full Year 2018 Outlook

- Expect FY2018 terminal joint venture contribution to approximate 2017 level
  - Expect to continue to benefit from the launch of new global shipping alliances

Equity in Income of Joint Venture ($ in millions)



Note: U.S. West Coast port labor disruption positively impacted lift volumes in FY 2015.

Matson Logistics

Fourth Quarter 2017 Performance

- Operating income approximately equal to result in 4Q 2016
  - Higher revenue offset by higher costs
  - Span Alaska performed well during the period despite weak underlying economic conditions in Alaska

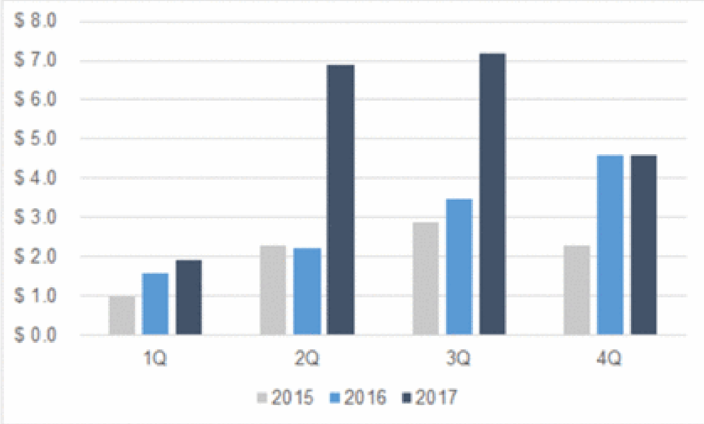
Full Year 2017 Performance

- Operating income increased $8.7 million YoY primarily due to full year of Span Alaska

Full Year and Q1 2018 Outlook

- Expect full year 2018 operating income to modestly increase over 2017 level
- Expect 1Q 2018 operating income to approximate the level achieved in 1Q17

Operating Income ($ in millions)



Note: Acquired Span Alaska in 3Q 2016.

Financial Results – Summary Income Statement

($ in millions)	Years Ended 12/31 2017	2016	Δ	Quarters Ended 12/31 2017	2016	Δ
Revenue						
Ocean Transportation	$ 1,571.8	$ 1,541.1	2.0%	$ 389.9	$ 406.1	-4.0%
Logistics	475.1	400.5	18.6%	126.2	113.2	11.5%
Total Revenue	$ 2,046.9	$ 1,941.6	5.4%	$ 516.1	$ 519.3	-0.6%
Operating Income						
Ocean Transportation	$ 128.8	$ 142.7	-9.7%	$ 20.7	$ 32.6	-36.5%
Logistics	20.6	11.9	73.1%	4.6	4.6	0.0%
Total Operating Income	$ 149.4	$ 154.6	-3.4%	$ 25.3	$ 37.2	-32.0%
Depreciation and Amortization (incl. dry-dock amortization)	$ 146.6	$ 135.4	8.3%	$ 37.2	$ 36.3	2.5%
Interest Expense	$ 24.2	$ 24.1	0.4%	$ 5.4	$ 6.7	-19.4%
Income Taxes	($ 106.8)	$ 49.1		($ 147.0)	$ 10.5	
Net Income	$ 232.0	$ 81.4		$ 166.9	$ 20.0	
EPS, diluted	$ 5.37	$ 1.87		$ 3.90	$ 0.46	
Less: Tax Act Adjustment (1)	(3.59)	-		(3.62)	-	
Adjusted EPS, diluted	$ 1.78	$ 1.87	-4.8%	$ 0.28	$ 0.46	-39.1%
EBITDA	$ 296.0	$ 290.0	2.1%	$ 62.5	$ 73.5	-15.0%

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

(1) Reflects the diluted share impact from the one-time, non-cash tax adjustment recorded in 4Q17 of $155.0 million pursuant to the enactment of the Tax Act.

Financial Results – Summary Balance Sheet

($ in millions)	December 31, 2017	December 31, 2016
ASSETS		
Cash and cash equivalents	$ 19.8	$ 13.9
Other current assets	246.2	260.3
Total current assets	266.0	274.2
Investment in related party Terminal Joint Venture	93.2	82.4
Property and equipment, net	1,165.7	949.2
Intangible assets, net	225.2	236.6
Goodwill	323.7	323.7
Other long-term assets	173.7	149.4
Total assets	**$ 2,247.5**	**$ 2,015.5**
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current portion of debt	$ 30.8	$ 31.8
Other current liabilities	255.5	245.8
Total current liabilities	286.3	277.6
Long-term debt	826.3	707.1
Other long-term liabilities	456.7	535.9
Total long-term liabilities	1,283.0	1,243.0
Total shareholders' equity	678.2	494.9
Total liabilities and shareholders' equity	**$ 2,247.5**	**$ 2,015.5**

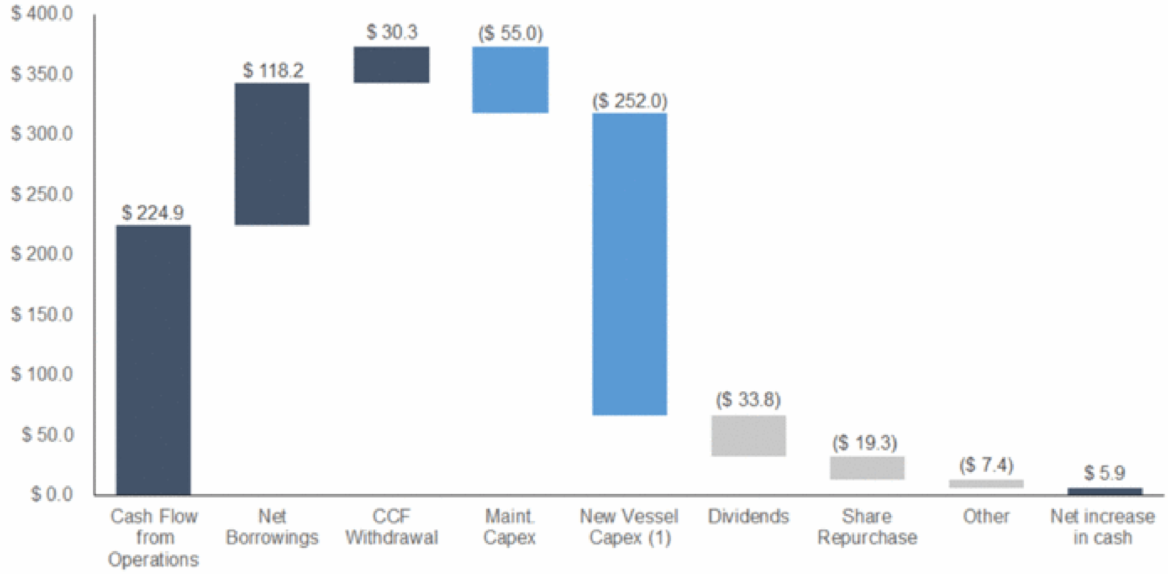
Debt Levels

- Total debt of $857.1 million
- Net debt of $836.4 million
- Net debt-to-LTM EBITDA of 2.8x

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

Cash Generation and Uses of Cash

Last Twelve Months Ended December 31, 2017
($ in millions)



(1) Includes capitalized interest.

New Vessel Payments

Vessel Construction Expenditures

($ in millions)	1Q	2Q	3Q	4Q	Total
	FY 2017				
Cash Capital Expenditures	$ 0.0	$ 43.4	$ 124.3	$ 76.8	$ 244.5
Capitalized Interest	1.3	1.5	1.7	3.0	7.5
Capitalized Vessel Construction Expenditures	$ 1.3	$ 44.9	$ 126.0	$ 79.8	$ 252.0

First Aloha Class ship in graving dock.

Installation of the deck house with navigation bridge on the first Aloha Class ship.

Actual and Estimated Vessel Progress Payments

($ in millions)	Cumulative through 12/31/17	Fiscal Year Ending December 31, 2018	2019	2020	Total
Two Aloha Class Containerships	$ 253.8	$ 138.0	$ 19.1	$ 0.0	$ 410.9
Two Kanaloa Class Con-Ro Vessels	111.2	251.0	127.8	23.6	513.6
Total New Vessel Progress Payments	$ 365.0	$ 389.0	$ 146.9	$ 23.6	$ 924.5

Update on Fleet Deployment

- Given the expected costs of existing vessels exiting the active fleet through 2020, we have updated our views on the financial benefits of the new vessels
  - Reaffirming that we expect $40 to $45 million in full year run-rate EBITDA benefits from the new vessels when comparing to an 11-ship deployment
- Due to the volume level in Hawaii, shifted into a 10-ship deployment in 4Q17
- Expect to remain in a 10-ship deployment for the rest of 2018 and until the first Kanaloa Class ship is in-service in late 4Q19

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

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

(1) Magnitude and timing of benefits subject to change based on fleet configuration and in-service timing. Actual operating costs may vary compared to those used. Analysis excludes the net effects of fuel and any changes in volume.
(2) When all four of the new vessels are fully deployed on an annual basis.
(3) Only applicable to the two Kanaloa Class vessels.
(4) Currently projected to occur in the fourth quarter of 2019.
(5) Not currently applicable given Hawaii volume currently served with a 10-ship deployment. This amount represents future potential savings in higher Hawaii volume scenarios that would have required an 11-ship deployment.
(6) Expected reduction in annual depreciation and amortization from four new vessels compared to seven existing steamships that will be scrapped.

Initial View on Impact of Tax Cuts and Jobs Act

Expect Tax Reform to be a net economic benefit to Matson.

- Total adjustment in 4Q17 related to Tax Reform of $155.0 million
  - Primarily the revaluation of net deferred tax liabilities
  - Small amount of other discrete tax items
- Effective tax rate in 2018 of approximately 28% versus 38-39% previously
- Expect to pay no federal cash taxes until at least 2023 versus prior expectations of up to $25 million per annum
  - Will continue to use the Capital Construction Fund (“CCF”) to fund new vessel expenditures
  - No longer an Alternative Minimum Tax filer as of tax year 2018

2018 Outlook

	Outlook Items	
	FY2018	**Q1 2018**
Operating income:		
Ocean Transportation	Approximate FY2017 level of $128.8 million	Moderately higher than 1Q17 level of $14.5 million
Logistics	Increase modestly over FY2017 level of $20.6 million	Approximate 1Q17 level of $1.9 million
Depreciation and Amortization	Approximately $135 million, including $36 million in dry-dock amortization	-
EBITDA	Lower than FY2017 level of $296.0 million	-
Interest Expense	Approximately $22 million	-
GAAP Effective Tax Rate	Approximately 28%	-

Addendum

Addendum – 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, Adjusted Earnings per Share ("Adjusted EPS"), Adjusted Net Income, adjusted effective tax rate, adjusted income taxes, Earnings Before Interest, Taxes, Depreciation and Amortization ("EBITDA"), and Net Debt-to-EBITDA.

NET DEBT RECONCILIATION

(In millions)	December 31, 2017
Total Debt:	$ 857.1
Less: Cash and cash equivalents	(19.8)
Capital Construction Fund - cash on deposit	(0.9)
Net Debt	$ 836.4

EBITDA RECONCILIATION

(In millions)	Three Months Ended December 31, 2017	2016	Change
Net Income	$ 166.9	$ 20.0	$ 146.9
Add: Income taxes	(147.0)	10.5	(157.5)
Add: Interest expense	5.4	6.7	(1.3)
Add: Depreciation and amortization	26.7	25.2	1.5
Add: Dry-dock amortization	10.5	11.1	(0.6)
EBITDA (1)	$ 62.5	$ 73.5	$ (11.0)

(In millions)	Years Ended December 31, 2017	2016	Change
Net Income	$ 232.0	$ 81.4	$ 150.6
Add: Income taxes	(106.8)	49.1	(155.9)
Add: Interest expense	24.2	24.1	0.1
Add: Depreciation and amortization	100.4	96.5	3.9
Add: Dry-dock amortization	46.2	38.9	7.3
EBITDA (1)	$ 296.0	$ 290.0	$ 6.0

(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.