

**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): **January 18, 2023 (January 18, 2023)**

Matson, Inc.

(Exact Name of Registrant as Specified in its Charter)

Hawaii
(State or Other Jurisdiction of
Incorporation)

001-34187
(Commission File Number)

99-0032630
(I.R.S. Employer Identification
No.)

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

96819
(zip code)

Registrant's telephone number, including area code: **(808) 848-1211**
(Former Name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, without par value	MATX	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

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

Item 2.02. Results of Operations and Financial Condition.

On January 18, 2023, Matson, Inc. (the “Company”) issued a press release announcing the Company’s preliminary earnings for the quarter ended December 31, 2022. A copy of the press release is attached hereto as Exhibit 99.1. In addition, the Company posted an investor presentation to its website. A copy of the investor presentation is attached hereto as Exhibit 99.2.

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

Item 9.01. Financial Statements and Exhibits.

(a) - (c) Not applicable.

(d) Exhibits.

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

99.1 [Press Release issued by Matson, Inc., dated January 18, 2023](#)

99.2 [Investor Presentation, dated January 18, 2023](#)

104 Cover Page Interactive Data File (formatted in Inline XBRL and included as Exhibit 101).

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

MATSON, INC.

/s/ Joel M. Wine

Joel M. Wine

Executive Vice President and Chief Financial Officer

Dated: January 18, 2023

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FOR IMMEDIATE RELEASE**MATSON ANNOUNCES PRELIMINARY 4Q22 RESULTS, PROVIDES BUSINESS UPDATE AND ANNOUNCES 4Q22 EARNINGS CALL DATE**

- Expects 4Q22 operating income for Ocean Transportation to be \$70.0 to \$80.0 million
- Expects 4Q22 operating income for Logistics to be \$12.0 to \$13.0 million
- Expects 4Q22 net income and diluted EPS to be \$69.9 to \$74.8 million and \$1.88 to \$2.01, respectively
- Year-over-year decrease in consolidated operating income driven primarily by lower contribution from China service
- Repurchased approximately 1.5 million shares in 4Q22
- Announces fourth quarter earnings call date on February 21, 2023

HONOLULU, Hawaii (January 18, 2023) – Matson, Inc. (“Matson” or the “Company”) (NYSE: MATX) today announces preliminary fourth quarter financial results, provides a business update and announces that its fourth quarter earnings call will be held on February 21, 2023.

“Matson’s Ocean Transportation and Logistics business segments performed well in a difficult business environment,” said Chairman and Chief Executive Officer Matt Cox. “Within Ocean Transportation, our China service achieved lower year-over-year volume and freight rates which contributed to the decline in our consolidated operating income. As we mentioned on our November earnings call, we expected the fourth quarter of 2022 and first quarter of 2023 to be challenging in the Transpacific tradelane as retailers’ inventories adjust to consumer demand levels and as ocean liners reduce vessel capacity to meet lower demand levels. Currently in the Transpacific marketplace, business conditions remain challenging as retailers continue to right-size inventories amidst weakening consumer demand, increasing interest rates and economic uncertainty. As such, we expect our CLX and CLX+ services in the first quarter and first half of the year to reflect freight demand levels below normalized conditions with lower year-over-year volumes and a lower rate environment. Absent an economic ‘hard landing’ in the U.S., we expect improved trade dynamics in the second half of 2023 as the Transpacific marketplace transitions to a more normalized level of demand. Regardless of the economic environment, we operate the two fastest and most reliable ocean services and, as a result, we expect to continue to earn a significant rate premium to the Shanghai Containerized Freight Index.”

Mr. Cox added, “In our domestic ocean tradelanes, we saw lower year-over-year volumes in Hawaii, Alaska and Guam compared to the year ago period. The year-over-year decline in Hawaii volume was primarily due to lower retail- and hospitality-related demand compared to elevated pandemic levels in the year ago period. In Logistics, operating income decreased year-over-year primarily due to a lower contribution from supply chain management consistent with lower demand in the Transpacific tradelane. As a result, Matson expects fourth quarter operating income for Ocean Transportation of \$70.0 to \$80.0 million and Logistics operating income of \$12.0 to \$13.0 million. We also expect fourth quarter 2022 net income and diluted EPS to be \$69.9 to \$74.8 million and \$1.88 to \$2.01, respectively.”

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

For the three months ended December 31, 2022 compared to the three months ended December 31, 2021 and on a FEU basis:

- Hawaii container volume decreased 13.0 percent primarily due to lower retail- and hospitality-related demand and one less week;
- Alaska volume decreased 7.7 percent primarily due to (i) lower northbound volume primarily due to one less sailing and one less week and (ii) lower southbound volume primarily due to lower domestic seafood volume and one less week, partially offset by higher export seafood volume from Alaska-Asia Express (“AAX”);
- China volume was 47.2 percent lower primarily due to (i) lower demand for the CLX and CLX+ services, (ii) the discontinuation of the CCX service in 3Q22 and (iii) one less week;
- Guam volume was 14.0 percent lower primarily due to lower retail-related demand; and
- Other containers volume decreased 10.7 percent.

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

Liquidity, Debt and Share Repurchases

Matson’s cash and cash equivalents as of December 31, 2022 was approximately \$250.0 million, which excludes \$518.2 million in cash on deposit within the Capital Construction Fund. Total debt (presented before any reduction for deferred loan fees as required by GAAP) as of December 31, 2022 was \$517.5 million.

During the fourth quarter of 2022, Matson repurchased approximately 1.5 million shares for a total cost of \$101.9 million. As of December 31, 2022, the Company had approximately 1.5 million shares remaining in its share repurchase program.

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 February 21, 2023 at 4:30 p.m. ET when Matt Cox, Chairman and Chief Executive Officer, and Joel Wine, Executive Vice President and Chief Financial Officer, will discuss Matson’s fourth quarter results.

Date of Conference Call: Tuesday, February 21, 2023
Scheduled Time: 4:30 p.m. ET / 1:30 p.m. PT / 11:30 a.m. HT

The conference call will be broadcast live along with an additional slide presentation on the Company’s website at www.matson.com, under Investors.

Participants may register for the conference call at:

<https://register.vevent.com/register/BIfcad646d67d34b738acd1592c030b6bc>

Registered participants will receive the conference call dial-in number and a unique PIN code to access the live event. While not required, it is recommended you join 10 minutes prior to the event starting time. A replay of the conference call will be available approximately two hours after the event by accessing the webcast link at www.matson.com, under Investors.

About the Company

Founded in 1882, Matson (NYSE: MATX) is a leading provider of ocean transportation and logistics services. Matson provides a vital lifeline to the domestic non-contiguous economies of Hawaii, Alaska, and Guam, and to other island economies in Micronesia. Matson also operates premium, expedited services from China to Long Beach, California, provides service to Okinawa, Japan and various islands in the South Pacific, and operates an international export service from Dutch Harbor to Asia. The Company's fleet of owned and chartered vessels includes containerships, combination container and roll-on/roll-off ships and custom-designed barges. Matson Logistics, established in 1987, extends the geographic reach of Matson's transportation network throughout North America. Its integrated, asset-light logistics services include rail intermodal, highway brokerage, warehousing, freight consolidation, Asia supply chain services, and forwarding to Alaska. Additional information about the Company is available at www.matson.com

Forward-Looking Statements

Statements in this news release that are not historical facts are "forward-looking statements," within the meaning of the Private Securities Litigation Reform Act of 1995, including without limitation those statements regarding performance and financial results, volume and freight levels, retailers' inventories, consumer demand levels, vessel capacity, interest rates, economic uncertainty, trade dynamics, business conditions in the Transpacific marketplace, the rate environment, and Matson's rate premium to the Shanghai Containerized Freight Index. These statements involve a number of risks and uncertainties that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement, including but not limited to risks and uncertainties relating to repeal, substantial amendment or waiver of the Jones Act or its application, or our failure to maintain our status as a United States citizen under the Jones Act; changes in macroeconomic conditions, geopolitical developments, or governmental policies, including from the COVID-19 pandemic; our ability to offer a differentiated service in China for which customers are willing to pay a significant premium; new or increased competition or improvements in competitors' service levels; our relationship with customers, agents, vendors and partners and changes in related agreements; fuel prices, our ability to collect fuel-related surcharges and/or the cost or limited availability of required fuels; evolving stakeholder expectations related to environmental, social and governance matters; timely or successful completion of fleet upgrade initiatives; the occurrence of poor weather, natural disasters, maritime accidents, spill events and other physical and operating risks, including those arising from climate change; transitional and other risks arising from climate change; the magnitude and timing of the impact of public health crises, including COVID-19; significant operating agreements and leases that may not be replaced on favorable terms; any unanticipated dry-dock or repair expenses; joint venture relationships; conducting business in foreign shipping markets, including the imposition of tariffs or a change in international trade policies; any delays or cost overruns related to the modernization of terminals; war, terrorist attacks or other acts of violence; consummating and integrating acquisitions; relations with our unions; satisfactory negotiation and renewal of expired collective bargaining agreements without significant disruption to Matson's operations; loss of key personnel or failure to adequately manage human capital; the use of our information technology and communication systems and cybersecurity attacks; changes in our credit profile and our future financial performance; our ability to obtain future debt financings; continuation of the Title XI and CCF programs; costs to comply with and liability related to numerous safety, environmental, and other laws and regulations; and disputes, legal and other proceedings and government inquiries or investigations. These forward-looking statements are not guarantees of future performance. This release should be read in conjunction with our Quarterly Report on Form 10-Q for the quarter ended September 30, 2022 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®

***Fourth Quarter 2022
Preliminary Earnings Supplement***

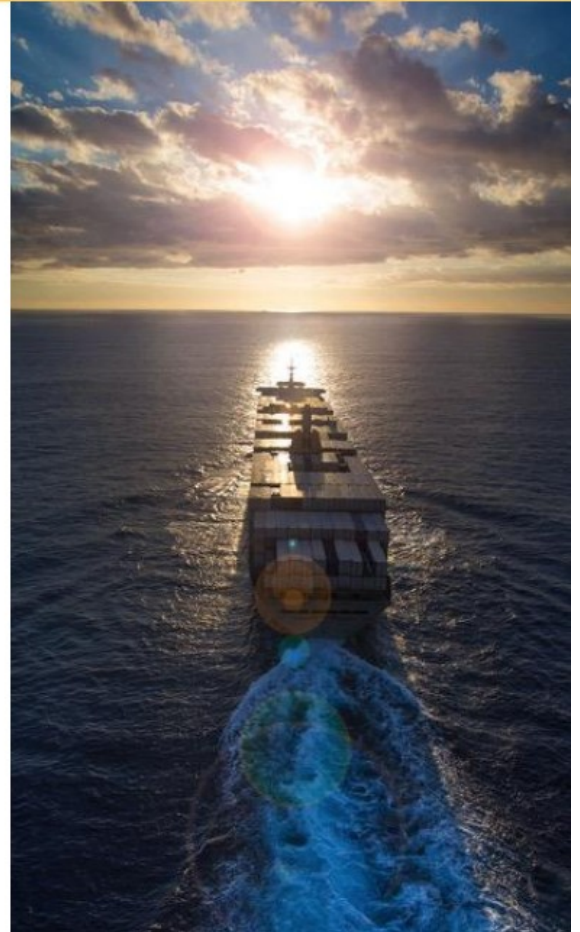
January 18, 2023

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 January 18, 2023.

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 26-37 of our Form 10-Q filed on November 3, 2022 and other subsequent filings by Matson with the SEC. Statements made during this presentation are not guarantees of future performance.

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



Preliminary Fourth Quarter 2022 Results

- Matson's Ocean Transportation and Logistics business segments performed well in a difficult business environment
- Ocean Transportation:
 - Our China service achieved lower year-over-year volume and freight rates which contributed to the decline in our consolidated operating income
 - Lower year-over-year volumes in Hawaii, Alaska and Guam compared to year ago period
- Logistics:
 - Lower YoY operating income primarily due to lower contribution from supply chain management consistent with lower demand in Transpacific tradelane
- In 4Q22, repurchased ~1.5 million shares for a total cost of \$101.9 million

Preliminary Fourth Quarter 2022 Results (continued)

(\$ in millions, except per share data)	Quarter Ended December 31, 2021	Quarter Ended December 31, 2022 Preliminary Range	
INCOME STATEMENT			
Operating Income			
Ocean Transportation	\$ 460.7	\$ 70.0	- \$ 80.0
Logistics	14.8	12.0	- 13.0
Total operating income	475.5	82.0	- 93.0
Other income (expense), net	1.7	2.2	- 2.2
Interest income	-	6.9	- 6.9
Interest expense	(4.7)	(3.7)	- (3.7)
Income before taxes	472.5	87.4	- 98.4
Income taxes	78.0	17.5	- 23.6
<i>Effective income tax rate</i>	16.5%	20.0%	- 24.0%
Net income	\$ 394.5	\$ 69.9	- \$ 74.8
Diluted EPS	\$ 9.39	\$ 1.88	- \$ 2.01

(\$ in millions)	Quarter Ended December 31, 2022
BALANCE SHEET	
Total debt	
Private placement term loans	\$ 195.0
Title XI debt	322.5
Revolving credit facility	-
Total debt (1)	\$ 517.5
Cash and cash equivalents	~ \$ 250.0
Capital Construction Fund	\$ 518.2

(1) Total debt is presented before any adjustment for deferred loan fees as required by U.S. GAAP.

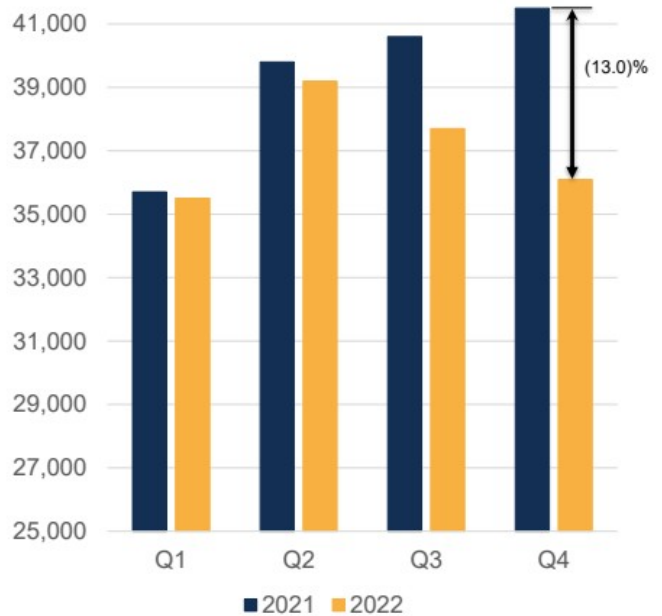
Commentary on the Transpacific Tradelane

- As mentioned on the 3Q22 earnings call, we expected 4Q22 and 1Q23 to be challenging in the Transpacific tradelane as retailers' inventories adjust to consumer demand levels and as ocean liners reduce vessel capacity to meet lower demand levels
- Currently in the Transpacific marketplace, business conditions remain challenging as retailers continue to right-size inventories amidst weakening consumer demand, increasing interest rates and economic uncertainty
 - As such, we expect our CLX and CLX+ services in 1Q23 and 1H23 to reflect freight demand levels below normalized conditions with lower YoY volumes and a lower rate environment
 - Absent an economic “hard landing” in the U.S., we expect improved trade dynamics in 2H23 as the Transpacific marketplace transitions to a more normalized level of demand
- Regardless of the economic environment, we operate the two fastest and most reliable ocean services and, as a result, we expect to continue to earn a significant rate premium to the Shanghai Containerized Freight Index (SCFI)

Fourth Quarter 2022 Performance

- Container volume decreased 13.0% YoY
 - Lower retail- and hospitality-related demand compared to elevated pandemic levels in 4Q21
 - Extra week in 4Q21
 - 4Q22 volume lower than volume achieved in 4Q19
- During 4Q22, domestic tourist arrivals remained relatively strong although a little softer in December

Container Volume (FEU Basis)

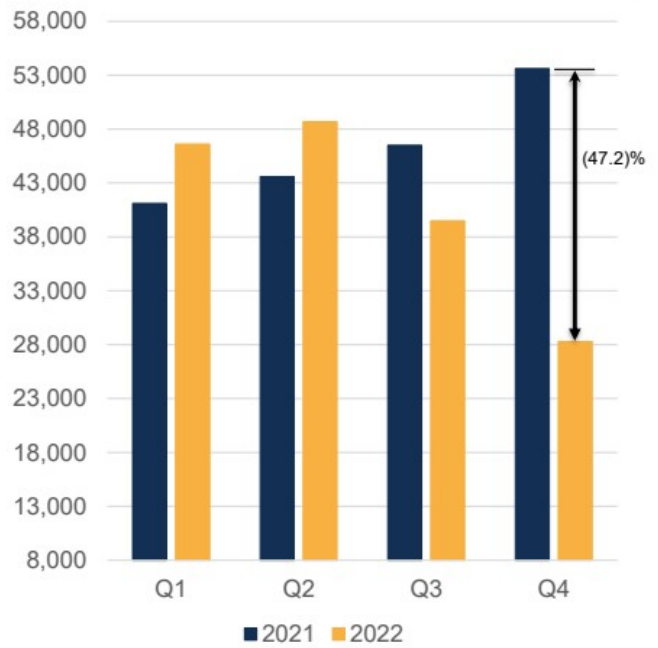


Note: 4Q21 volume figure includes the benefit of a 53rd week.

Fourth Quarter 2022 Performance

- Container volume decreased 47.2% YoY
 - Lower demand for our CLX and CLX+ services
 - No CCX service in 4Q22
 - CCX service discontinued in 3Q22
 - Extra week in 4Q21

Container Volume (FEU Basis)

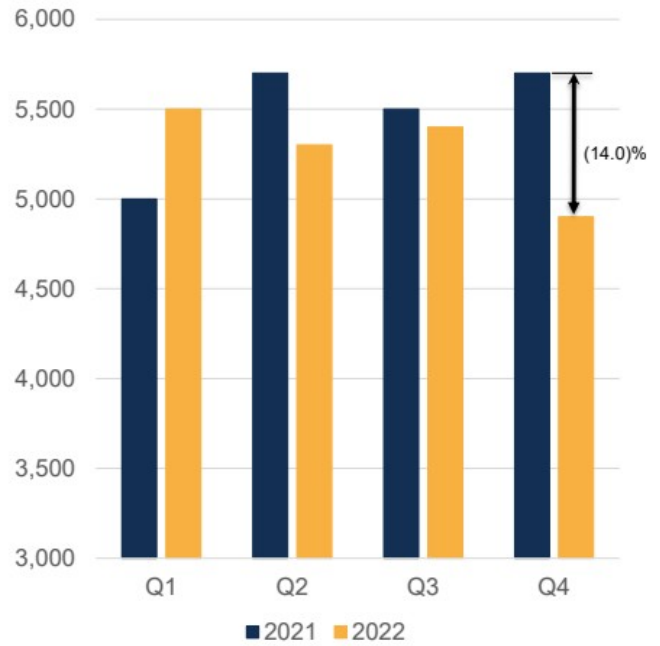


Note: CCX service started in 3Q21 and ended in 3Q22. 4Q21 volume figure includes the benefit of a 53rd week.

Fourth Quarter 2022 Performance

- Container volume decreased 14.0% YoY primarily due to lower retail-related demand
 - 4Q22 volume higher than volume achieved in 4Q19

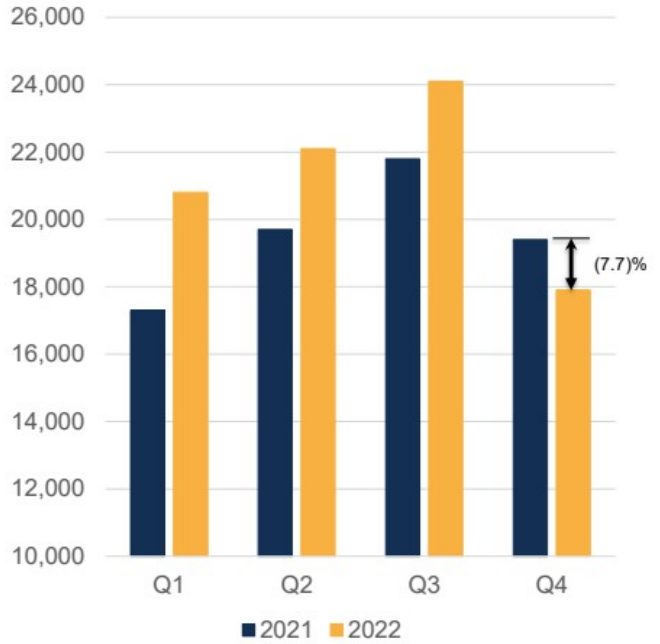
Container Volume (FEU Basis)



Fourth Quarter 2022 Performance

- Container volume decreased 7.7% YoY
 - Lower northbound volume primarily due to one less sailing and one less week
 - Lower southbound volume primarily due to lower domestic seafood volume and one less week
 - Higher AAX export seafood volume
- 4Q22 volume higher than volume achieved in 4Q19

Container Volume (FEU Basis)



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

Fourth Quarter 2022 Performance

- Operating income of \$12 to \$13 million; YoY decrease of approximately \$1.8 to \$2.8 million
 - Primarily due to lower contribution from supply chain management consistent with lower demand in Transpacific tradelane

Operating Income

