

**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): **May 9, 2017**

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))

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 Oppenheimer Industrial Growth Conference on May 9, 2017. Matson will be using the presentation materials attached as Exhibit 99.1 to this Form 8-K. Additionally, the presentation materials are available on Matson's website at <http://investor.matson.com/events.cfm>. The information set forth in these materials speaks only as of May 9, 2017.

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 11-18 of the Form 10-K filed by Matson on February 21, 2017 and on page 18 of the Form 10-Q filed by Matson on May 4, 2017. 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

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: May 9, 2017



Forward Looking Statements

Statements made during this presentation that set forth expectations, predictions, projections or are about future events are based on facts and information that is known to us as of May 9, 2017. 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 with the SEC on February 21, 2017, and other subsequent filings by Matson with the SEC. Statements made in this presentation are not guarantees of future performance. We do not undertake any obligation to update our forward-looking statements.

Investors may obtain a free copy of all filings containing information about Matson from the SEC at the SEC's website at <http://www.sec.gov> after such documents have been filed with the SEC. In addition, copies of filings containing information about us can be obtained without charge by sending a request to Matson, Inc., 1411 Sand Island Parkway, Honolulu, Hawaii 96819, Attention: Investor Relations; by calling (510) 628-4021; or by accessing them on the web at <http://www.matson.com>.

Matson Today: Connecting the Pacific



Investment Highlights

Unique network connecting the Pacific	<ul style="list-style-type: none">• Leading U.S. carrier in the Pacific providing lifeline to economies of Hawaii, Alaska and Guam• 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 leading on-time vessel arrivals and dedicated reserve vessels• Fastest transit and cargo availability creates competitive advantage and premium rates for China service• Dedicated Hawaii Neighbor Island barge fleet and Micronesia feeder vessel• Dedicated terminals with best in class truck turns• Varied and ample equipment fleet across locations to meet customer needs
Significant cash flow generation	<ul style="list-style-type: none">• Financial strength to invest in fleet renewal and equipment, pursue strategic opportunities and return capital to shareholders
Strong balance sheet	<ul style="list-style-type: none">• Investment grade credit metrics

Leveraging the Matson brand and network into growth opportunities

Market and Service Leader to Hawaii

- Matson is the leading carrier into Oahu and Neighbor Islands, providing “just-in-time” supply lifeline
 - 5 weekly USWC departures
- 11-ship fleet deployment offering most frequent and reliable service
 - Only containership service from Pacific Northwest and only direct containership service from Oakland
- Matson owns and operates 3 dedicated inter-island barges connecting service to Maui, Kauai and the Big Island
- Competitor’s current vessel deployment
 - No longer offers Pacific Northwest or Oakland direct service
 - 3 weekly USWC containership departures
 - 3 active steamships, 1 active diesel ConRo vessel, 1 active diesel RoRo vessel
 - 1 steamship in reserve

Matson’s 11-Ship Deployment



Hawaii Economic Indicators

- Hawaii economy continues to perform well: visitor arrivals are up, unemployment is down, and construction is steady
- The multi-year construction ramp-up has eased, but remains active with a pipeline to support employment near current levels for the next several years
 - As condo development ebbs, new home building on Oahu expected to begin to shift to single-family developments in West Oahu, Ho'opili and Koa Ridge
 - Building on the Neighbor Islands has picked up recently, and while further growth is expected, it is anticipated to be well below the mid-2000s boom

Indicator (% Change YOY)	2014	2015	2016	2017F	2018F
Real Gross Domestic Product	1.1	3.9	2.3	1.4	1.3
Visitor Arrivals	2.4	4.5	3.1	1.9	1.1
Construction Jobs	3.5	8.8	8.2	0.9	0.6
Unemployment Rate (%)	4.4	3.6	3.0	2.8	2.9
Residential Building Permits	(9.8)	59.3	(13.9)	4.6	3.5
Non-Residential Building Permits	28.8	(5.6)	(23.9)	25.9	5.1

Source: UHERO: University of Hawaii Economic Research Organization; STATE FORECAST UPDATE, May 5, 2017, <http://www.uhero.hawaii.edu>

Hawaii Fleet Renewal Program

- November 2013, ordered two 3600 TEU dual fuel, LNG capable “Aloha Class” containerships from Philly Shipyard
 - Delivery 3Q-18 and 1Q-19
 - Average contract price \$209 million per vessel
- August 2016, ordered two 3500 TEU platform, dual fuel, LNG capable “Kanaloa Class” ConRo’s from NASSCO
 - Delivery 4Q-19 and 2Q-20
 - Average contract price \$255.5 million per vessel
- Expected fleet renewal benefits:
 - Optimal Hawaii fleet size and vessel utilization
 - Completes Hawaii fleet renewal and removes reliance on near-end-of-life steamships
 - Improves fleet reliability
 - Improves weekly capacity balance

Aloha Class



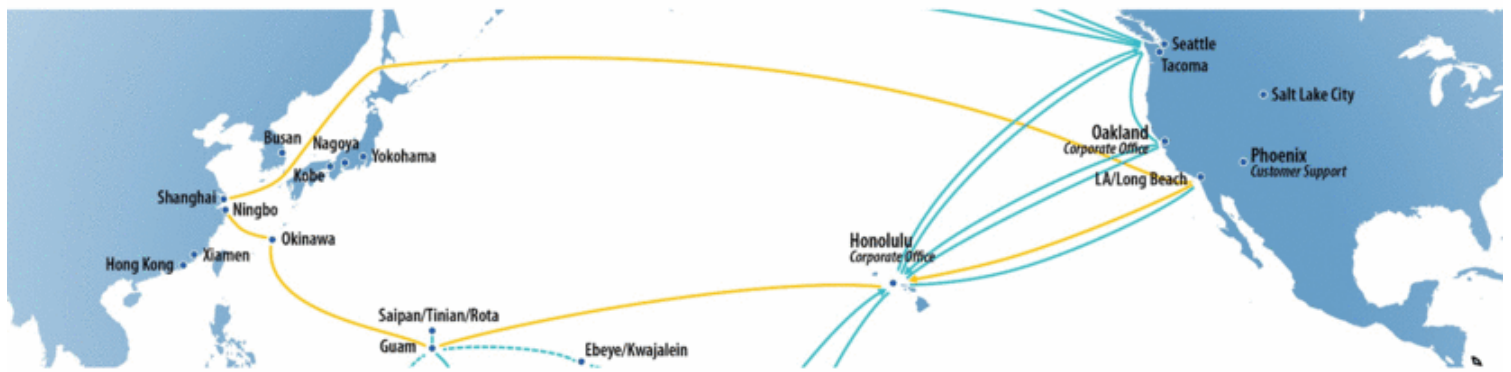
Kanaloa Class



Matson's Hawaii Fleet Renewal

MATSON'S HAWAII FLEET	Today	2019 (Post delivery of Aloha Class)	2020 (Post delivery of Kanaloa Class)
# of Diesel Powered Vessels	8	8	5
# of Dual-fuel Capable Vessels	0	2	4
# of Steamships	3	0	0
# of Vessels Deployed	11	10	9
Total Capacity (TEU) Deployed	24,600	26,200	24,900
Average Age of Active Fleet (years)	27	20	13
Reserve Vessels	4 near end-of-life steamships	7 near end-of-life steamships	3 diesel powered vessels

Unique Expedited China Service (CLX)



- Utilization of Jones Act ships in round trip dual head-haul revenue model
 - Weekly 5 ship string connecting 2 ports in China to LA / Long Beach
- Matson's expedited service results in competitive service advantage and premium rates
 - Matson's service advantage results from several factors, including industry-leading transit time, efficient cargo off-loading at a dedicated terminal in Long Beach, and superior on-time performance
- Attracts high value, time sensitive cargo

Guam & Micronesia Service



- Guam a critical link in Matson's network configuration
 - Connections from Oakland and Pacific Northwest to Guam via Honolulu
 - Approximately 75% of Guam cargo is sourced from the U.S.
- On 8/29/15, the Department of the Navy signed the Record of Decision for relocating U.S. Marine Corps forces to Guam
 - Approximately 5,000 Marines plus 1,300 dependents by 2022
- Competitor launched a bi-weekly U.S. flagged service to Guam at beginning of 2016 and added a 2nd vessel in late 2016 to provide weekly service
 - Service 5 to 8 days slower than Matson's direct service
- Matson serves Micronesia through connecting carrier agreements with regional carriers

Alaska Service

- Similarities with Hawaii market
 - Remote, non-contiguous economy dependent on reliable container service as part of vital supply lifeline
 - A market that values premium service
 - Loyal customer base; ~80% overlap with Matson's Hawaii customers
- Long-term stable revenue profile
 - Northbound volume represents ~75% of total
 - Southbound volume more seasonal, driven by seafood industry
- Kodiak and Dutch Harbor operations are strategic
 - Critical lifeline to these communities
 - Important terminal and slot charter services for Maersk, APL and NYK
- Matson is the only U.S. carrier with reserve capacity in Alaska

Matson's 3-Ship Deployment



Competitor's 2-Ship Deployment



SSAT Joint Venture

- Matson's 35% interest in leading U.S. West Coast terminal operator
 - Contributed assets and terminal leases to JV in 1999
 - Terminals remain dedicated to Matson
- Services
 - Vessel stevedoring, terminal services, container equipment maintenance, chassis pools, on-dock rail
- Reduced Matson's capital investment
 - Terminal leases
 - Cranes
- Controls cost and improves productivity
 - Economies of scale
 - Convert fixed cost to variable
- Maintains superior service
 - Key to schedule integrity
- Exposure to Pacific Rim growth

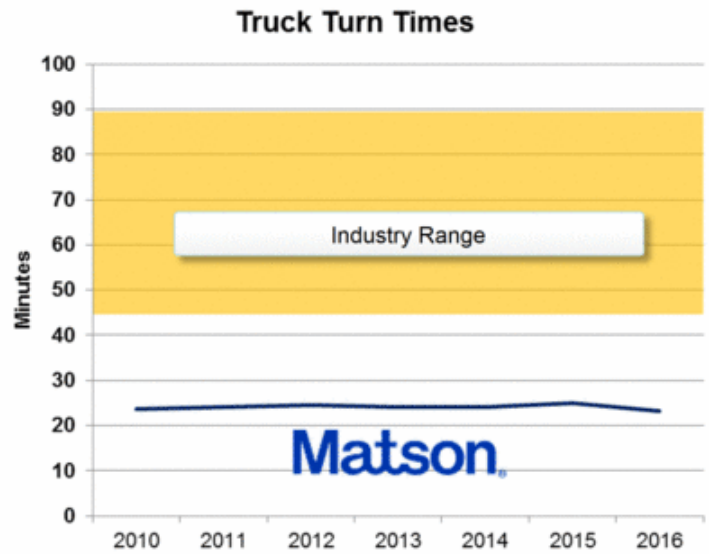


	Terminals	SSAT Market Share ⁽¹⁾
Long Beach / LA	2	10%
Oakland	2	75%
Seattle / Tacoma	2	20%

(1) Approximate SSAT terminal lifts as a percentage of all terminal lifts by location

Strategic Benefits of Dedicated Terminals

- Guaranteed berth/cranes
 - Work on arrival
 - Quick turn of vessel
 - Maintain vessel schedule
- Fast truck turns
 - Customer satisfaction
 - Considered best in class
- Wheeled operations
 - Immediate cargo availability
 - Quick yard turns
 - Own chassis
- Late freight receiving
 - Customer satisfaction
 - Expected in domestic trade



Source: Management Estimates

Matson Logistics

- A National network of integrated services
 - Leverages Matson brand
 - Scalable model with high ROIC
- Improving results
 - Acquired Span Alaska – the market leader in Less-than-Container Load (“LCL”) freight consolidation and forwarding services to the Alaska market
 - Warehouse operating improvements
 - Returned operating margins to 2 - 4% target range
- Focus
 - Organic growth as a national provider of integrated logistics solutions
 - Consider disciplined acquisitions to expand service offering
 - Pursue growth in freight forwarding and NVOCC services in China consolidation



LCL Consolidation
and Forwarding



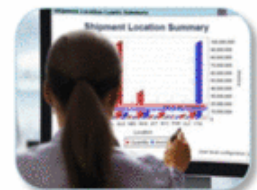
Highway TL and LTL



Warehousing &
Distribution



Domestic & International
Intermodal



China Supply Chain
Services

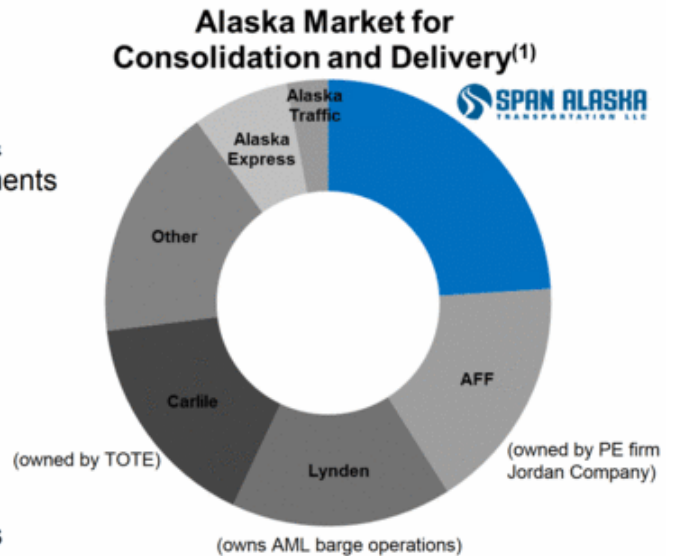
Span Alaska Overview

- Market leader providing Less-than-Container Load (“LCL”) freight consolidation and forwarding services to the Alaska market
- Asset-light logistics business that aggregates LCL freight in Auburn, WA for consolidation and shipment to Alaska
- Moves freight through a network of terminals in Alaska, enabling the transport of freight to all major population centers
- Matson’s largest northbound freight customer
 - Has been a Horizon/Matson customer for over 30 years
 - Excellent management team with longstanding strong reputation in the market
- Acquired Pacific Alaska Freightways, Inc. (“PAF”) in September 2015 which approximately doubled the size of the business



Span Alaska's Core Services

- Less-than-Container Load ("LCL") freight accounts for ~50% of the Alaska Northbound ocean freight market
- Diversified end market: Wholesale Distribution, Retail & Household Goods, Construction & Building Materials, Food & Beverage, Government, Oil, Vehicles
- LCL FREIGHT
 - 80% of goods transported to the Auburn terminal by customer-owned vehicles
 - Handles general cargo, keep-from-freezing, freeze & chill, and hazardous material handling for LCL shipments
- TRUCK SERVICES
 - Complements core LCL services
 - Drayage services to/from the Port of Tacoma
 - Transportation services between Span Alaska's deconsolidation facilities and customers' final destinations in Alaska
- OTHER LOGISTICS SERVICES
 - Brokered freight consolidation in the Lower 48 states through agent terminal in Chicago



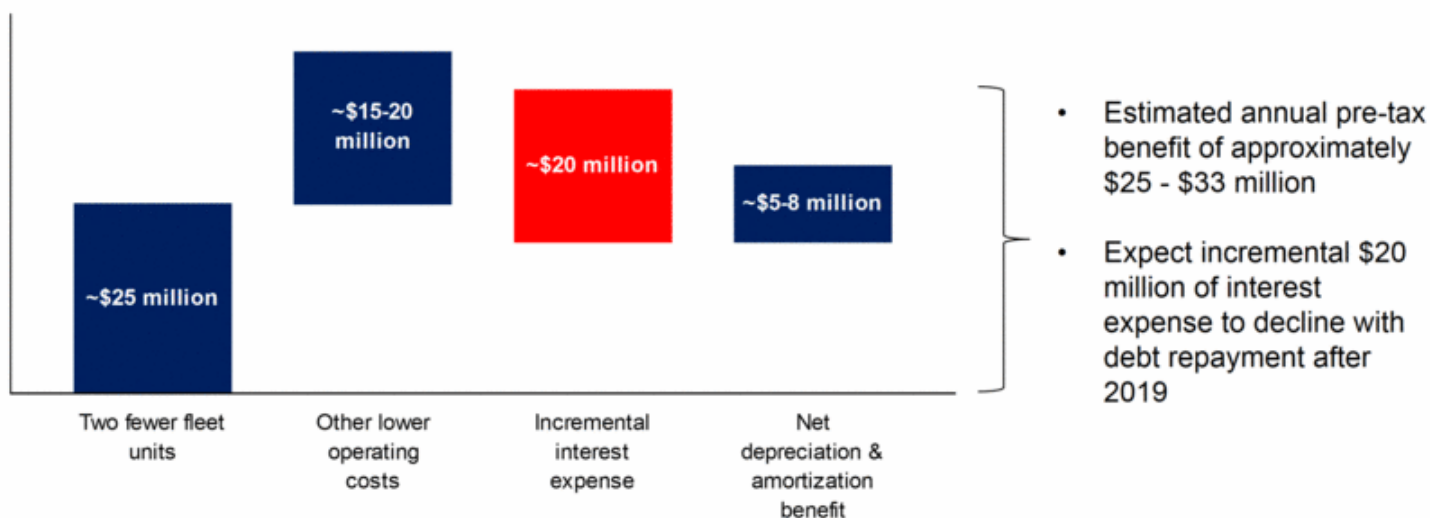
Source: Management estimates

(1) Includes consolidations, Alaska delivery for LCL, FCL, freeze & chill, and barge; excludes air freight

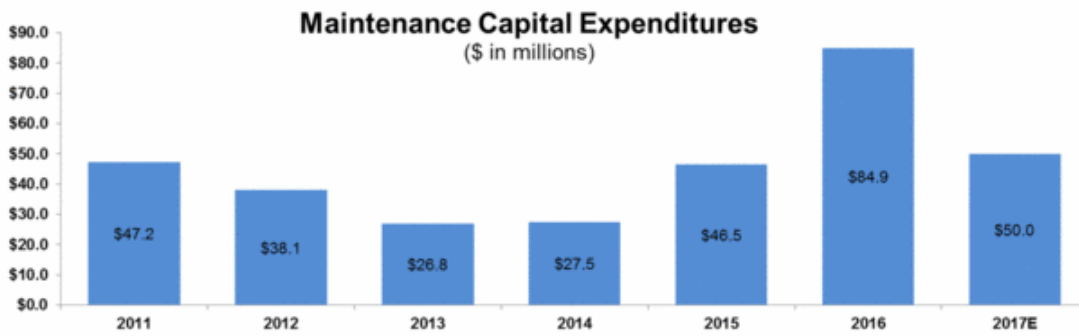
Illustrative Fleet Renewal Benefits 2020 vs. 2017 Comparison

Upon completion of new vessel construction program:

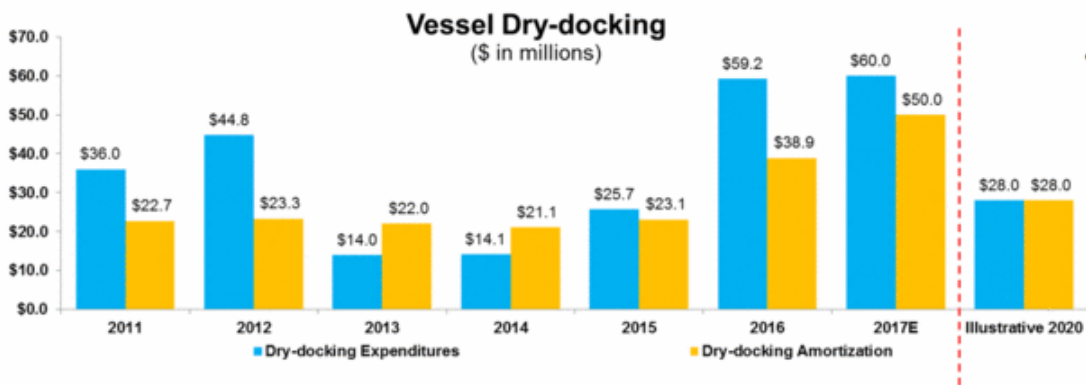
- Expect annual cash operating efficiencies of approximately \$40-45 million
 - Operating two fewer vessels (9 ship deployment vs. 11 ships deployed today)
 - Lower repair & maintenance, port costs, auto/rolling stock efficiencies, consumables, etc.
- Expect annual net benefit from depreciation & amortization (including dry-docking amortization) of approximately \$5-8 million
- Expect annual incremental interest expense of approximately \$20 million



Capital Expenditures and Vessel Dry-docking



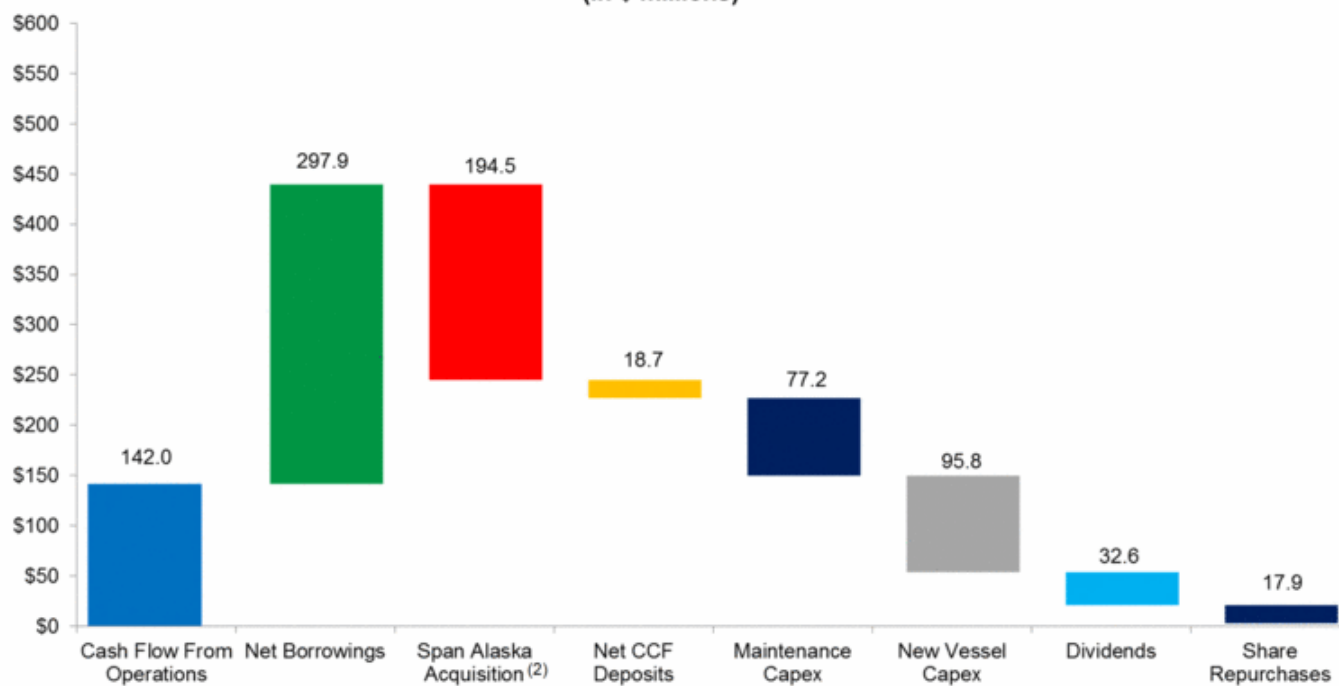
- Evaluating additional investments to upgrade cranes in Honolulu to better accommodate the Aloha Class and Kanaloa Class vessels



- Expect substantial reduction in vessel dry-docking spending and amortization after retirement of Matson's steamships

Cash Generation and Uses of Cash

Sources and Uses of Cash ⁽¹⁾
Last Twelve Months ended March 31, 2017
(in \$ millions)



(1) Does not include \$3.8 million in other uses of cash

(2) Net of cash acquired

2017 Outlook (as of May 3, 2017)

- Ocean Transportation operating income for 2017 is expected to be lower than the \$141.3 million achieved in 2016
 - Primarily due to heightened competitive environment in Guam
- Logistics operating income for full year 2017 expected to be approximately \$20 million
- Depreciation and amortization expense expected to be approximately \$150 million (including approximately \$50 million of dry-docking amortization)
 - Approximately \$15 million higher than 2016 primarily due to higher levels of maintenance capital and vessel dry-docking expenditures in 2016 and expected in 2017
- As a result, expect 2017 EBITDA to approximate the \$288.6 million achieved in 2016
- Interest expense for full year 2017 expected to be approximately \$25 million
- Effective tax rate for full year 2017 expected to be approximately 39 percent
- Second quarter 2017 Outlook:
 - Ocean Transportation operating income expected to approximate the \$33.9 million achieved in the second quarter 2016
 - Logistics operating income expected to approximately double the \$2.2 million achieved in the second quarter 2016

Addendum



MATX
LISTED
NYSE

Investor Presentation | May 2017 – Slide 21

Matson

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, Earnings Before Interest, Depreciation and Amortization (“EBITDA”), and Net Debt/EBITDA.

NET DEBT RECONCILIATION

(In millions)	March 31, 2017
Total Debt:	\$ 780.3
Less: Cash and cash equivalents	(19.5)
Capital Construction Fund - cash on deposit	(31.2)
Net Debt	<u>\$ 729.6</u>

EBITDA RECONCILIATION

(In millions)	Three Months Ended			Last Twelve Months
	2017	March 31, 2016	Change	
Net Income	\$ 7.0	\$ 18.1	\$ (11.1)	\$ 69.4
Add: Income tax expense	3.1	11.6	(8.5)	40.1
Add: Interest expense	6.3	4.9	1.4	25.5
Add: Depreciation and amortization	24.4	23.7	0.7	97.2
Add: Dry-dock amortization	11.5	8.1	3.4	42.3
EBITDA (1)	<u>\$ 52.3</u>	<u>\$ 66.4</u>	<u>\$ (14.1)</u>	<u>\$ 274.5</u>

- (1) EBITDA is defined as the sum of net income, less income or loss from discontinued operations, plus income tax expense, 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.