



Matson[®]

Fourth Quarter 2021 Earnings Conference Call

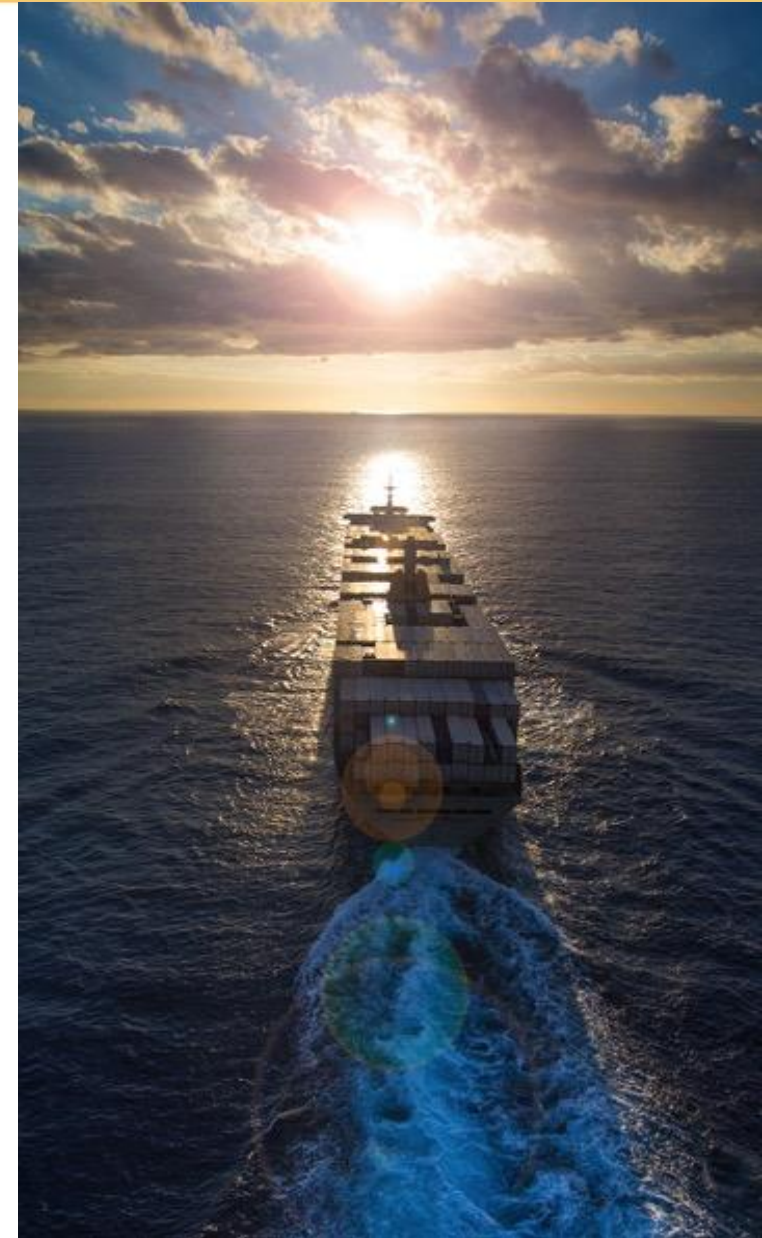
February 17, 2022

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 February 17, 2022.

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 12-21 of our Form 10-K filed on February 26, 2021 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.



Opening Remarks

- Recap of Matson's 4Q21 results:
 - Matson finished off a strong year with continued improvement in economic and business trends in our markets driving solid performance in both Ocean Transportation and Logistics
 - Ocean Transportation:
 - China strength – continued strong demand for our expedited ocean services
 - In Hawaii, Alaska and Guam, continued to see strong demand with higher year-over-year volumes, including the benefit of a 53rd week, compared to the largely pandemic-reduced volumes in 4Q20
 - Logistics:
 - Continued to see elevated goods consumption, inventory restocking and favorable supply and demand fundamentals in our core markets
- Matson is focused on reliable services and helping customers during this difficult period of supply chain congestion

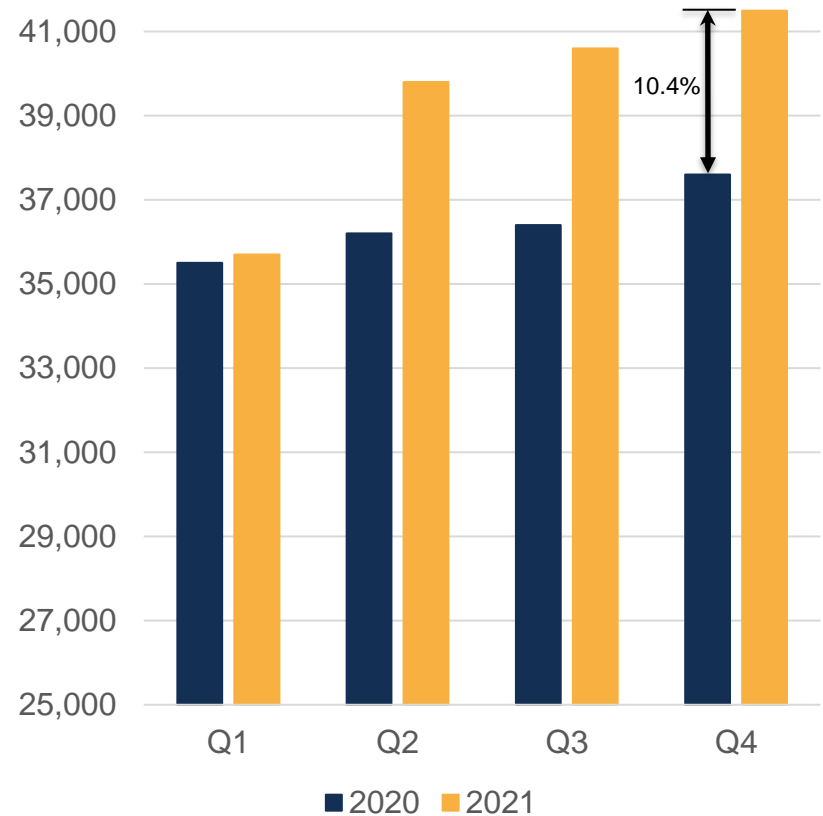
Fourth Quarter 2021 Performance

- Container volume increased 10.4% YoY
 - Higher retail and hospitality-related demand compared to 4Q20, which was negatively impacted by state's COVID-19 mitigation efforts
 - Includes benefit of extra week in 4Q21
 - Continued rebound in tourism and Hawaii economy despite slowdown early in the quarter due to state's efforts to address COVID-19 Delta variant
- 4Q21 volume 11.3% higher than 4Q19 volume
 - Includes benefit of extra week in 4Q21

Full Year 2021 Performance

- Container volume increased 8.2% YoY
 - Higher retail and hospitality-related demand due to reopening of Hawaii economy compared to pandemic-reduced volume in FY 2020
 - Includes benefit of extra week in 4Q21
 - Partially offset by volume from Pasha in 2Q20 due in part to the dry-docking of one of its vessels

Container Volume (FEU Basis)

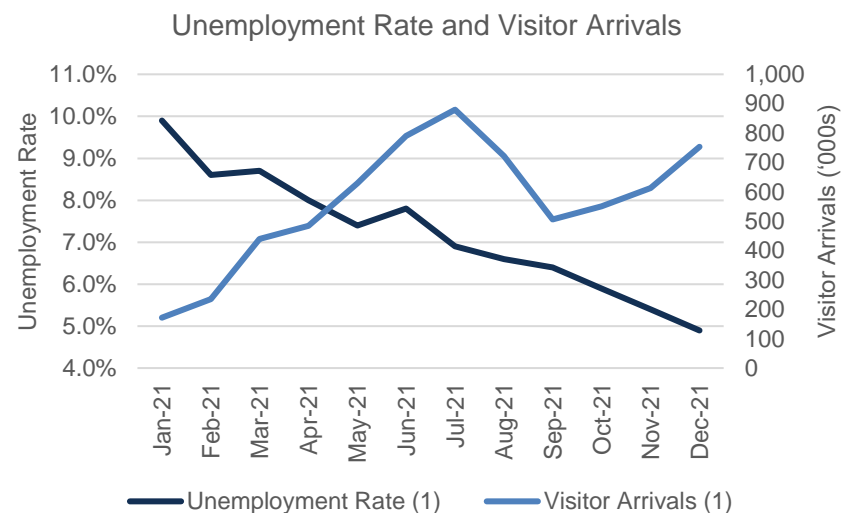


Note: 2Q20 volume figure includes volume related to Pasha's vessel dry-docking. 4Q21 volume figure includes the benefit of a 53rd week.

Hawaii Service – Current Business Trends

- Cautiously optimistic on further economic recovery in Hawaii in 2022
 - Improving unemployment rate
 - Increasing tourism traffic, including international visitors later in the year
 - Further waves of COVID-19 variants present possibility of economic slowdowns
- December UHERO forecast reflects near-term negative impact from Omicron variant
 - Full return to pre-pandemic conditions may take several more years
- January 2022 westbound container volume was approximately flat YoY
 - Omicron variant negatively affected tourism, which led to a softening in demand for retail- and hospitality-related goods

Select Hawaii Economic Indicators



UHERO Projections (2)	2019	2020	2021	2022P
Real GDP	0.0%	(11.1)%	5.8%	2.7%
Construction Jobs Growth	0.2%	(2.4)%	1.8%	1.4%
Population Growth	(0.1)%	(0.3)%	(0.1)%	(0.2)%
Unemployment Rate	2.5%	11.8%	7.7%	5.4%
Visitor Arrivals ('000s)	10,385.8	2,708.3	6,749.2	8,286.5
% change	5.0%	(73.9)%	149.2%	22.8%

(1) Source: http://files.hawaii.gov/dbedt/economic/data_reports/mei/2021-12-state.xls

(2) Source: https://uhero.hawaii.edu/wp-content/uploads/2021/12/21Q4_Forecast.pdf

China Service

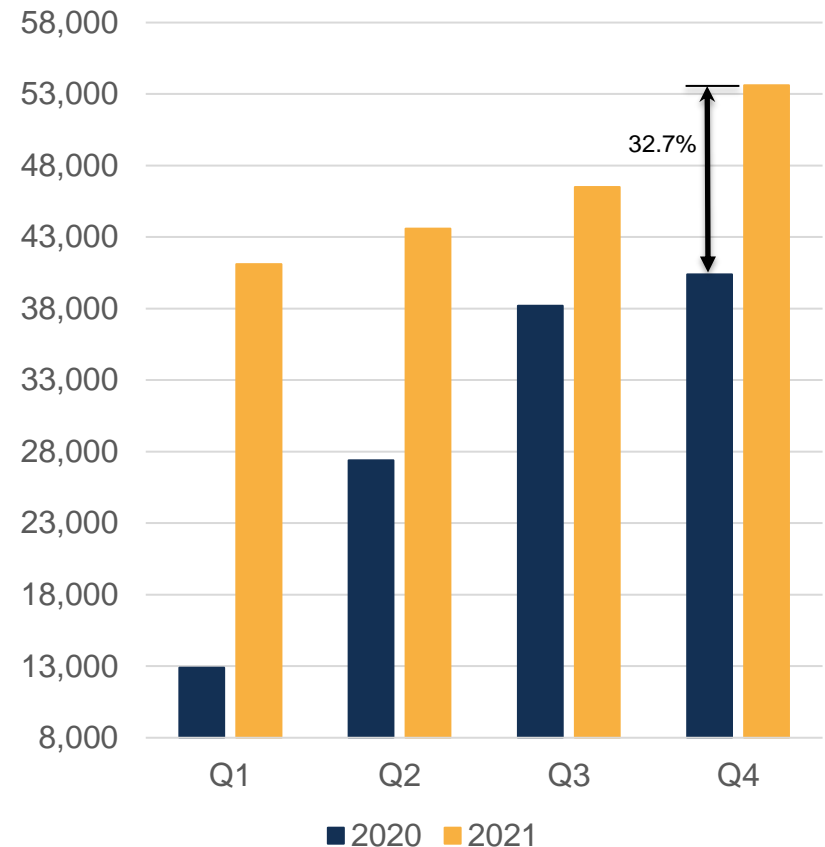
Fourth Quarter 2021 Performance

- Container volume increased 32.7% YoY
 - Addition of CCX volume
 - Includes benefit of extra week in 4Q21
 - Total number of eastbound voyages, including impact of 53rd week, increased by 9 YoY: 8 from CCX and one from CLX
- Significant demand for our expedited ocean services as volume for e-commerce, garments and other goods remained elevated

Full Year 2021 Performance

- Container volume increased 55.4% YoY
 - Incremental volume on CLX+
 - Addition of CCX volume starting in 3Q21
 - Higher volume on CLX as a result of increased capacity in the tradelane
 - Includes benefit of extra week in 4Q21
 - Total number of eastbound voyages, including impact of 53rd week, increased by 41 YoY: 20 from CLX+, 13 from CCX, 1 from CLX and 7 from extra loaders

Container Volume (FEU Basis)



Note: 2Q20 volume figure includes volume related to seven CLX+ voyages. 3Q21 volume figure includes volume related to five CCX voyages. Weekly CLX+ voyages started in 3Q20. 4Q21 volume figure includes the benefit of a 53rd week.

China Service – Current Business Trends

- January 2022 eastbound container volume decreased approximately 20% YoY
 - Timing of sailings
 - Sailing schedule to normalize in February and expect higher YoY volumes in 1Q22 due to addition of CCX service
- Experienced strong pre-Lunar New Year demand and expect high demand for our China service in the post-Lunar New Year period
- Transpacific tradelane is currently experiencing supply chain congestion due to a combination of:
 - Ongoing elevated consumption trends, particularly retail and e-commerce goods
 - U.S. domestic supply chain constraints
 - Inventory restocking
- For 2022, expect these conditions to remain largely in place through at least the October peak season
 - Expect elevated demand for our China service for most of the year
 - Expect to keep CCX service at least through October 2022 peak season

U.S. Retail Trade Inventories/Sales
(Adjusted)



Source: <https://www.census.gov/mtis/www/data/text/timeseries1.xlsx>

Guam Service

Fourth Quarter 2021 Performance

- Container volume increased 14.0% YoY
 - Higher retail-related demand compared to pandemic-reduced level in year ago period
- 4Q21 volume 18.8% higher than 4Q19 volume

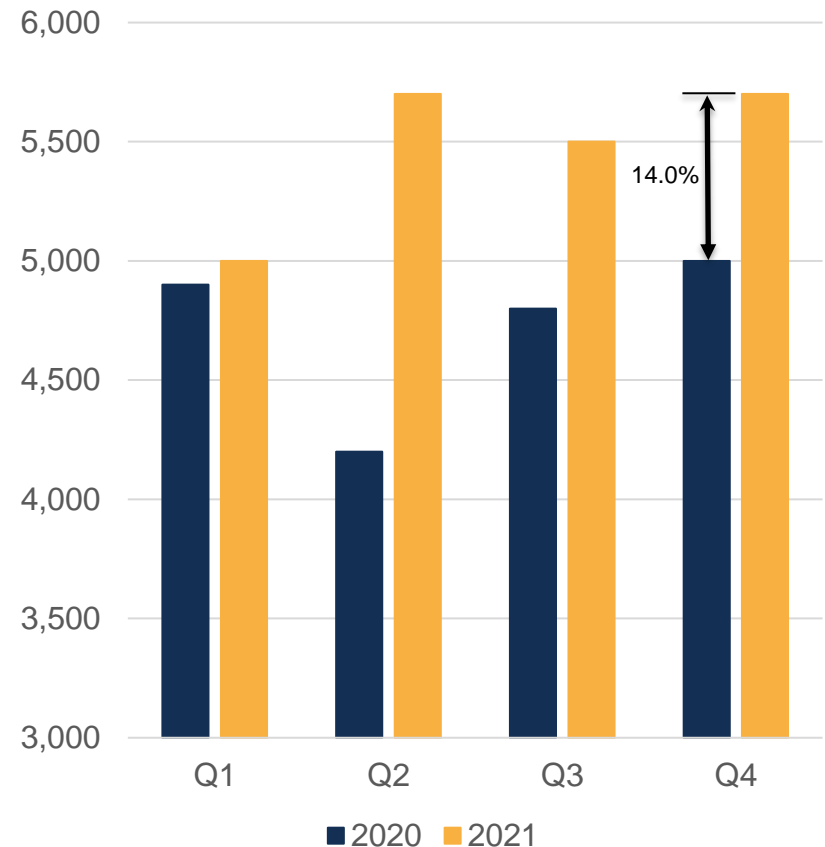
Full Year 2021 Performance

- Container volume increased 15.9% YoY
 - Higher retail-related demand compared to pandemic-reduced level in year ago period

Current Business Trends

- Cautiously optimistic on further economic recovery in Guam in 2022
 - Expect improvement in tourism traffic as the year progresses
- January 2022 westbound container volume increased approximately 36% YoY compared to pandemic-reduced volume in year ago period

Container Volume (FEU Basis)



Alaska Service

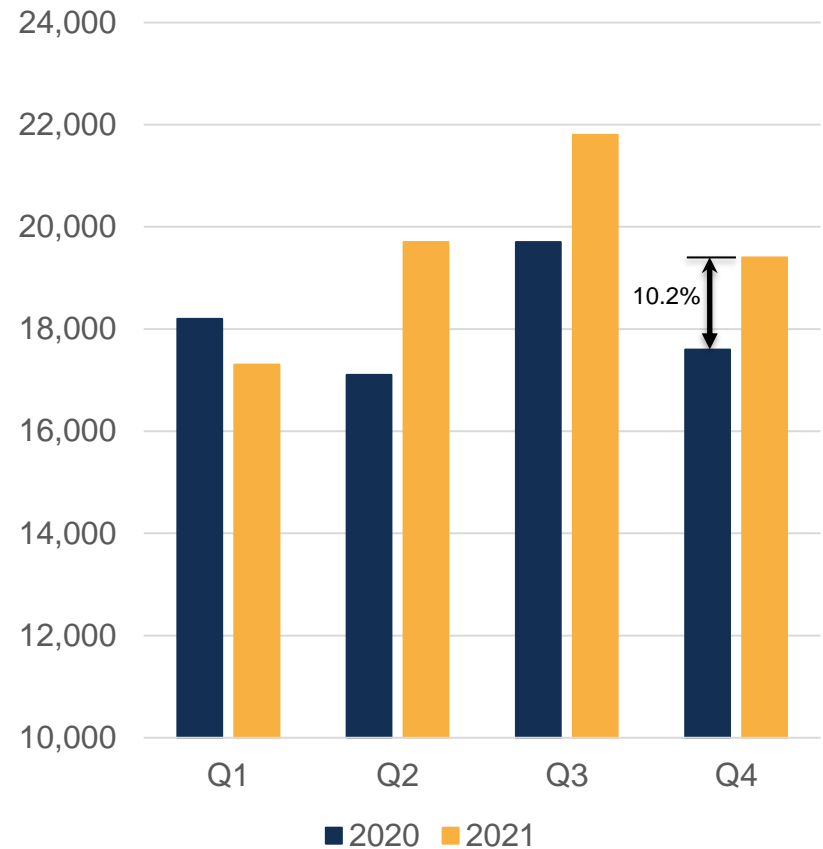
Fourth Quarter 2021 Performance

- Container volume increased 10.2% YoY
 - Increase in Alaska-Asia Express (AAX) seafood volume
 - Includes benefit of extra week in 4Q21
 - Higher southbound volume
- 4Q21 volume 31.1% higher than 4Q19 volume
 - Includes benefit of extra week in 4Q21

Full Year 2021 Performance

- Container volume increased 7.7% YoY
 - Increase in Alaska-Asia Express (AAX) seafood volume
 - Higher northbound volume primarily due to higher retail-related demand compared to pandemic-reduced level in year ago period
 - Higher southbound volume
 - Includes benefit of extra week in 4Q21

Container Volume (FEU Basis)



Note: 1Q20 volume figure includes volume related to TOTE's vessel dry-docking. AAX service started in 4Q20. 4Q21 volume figure includes the benefit of a 53rd week.

Alaska Service – Current Business Trends

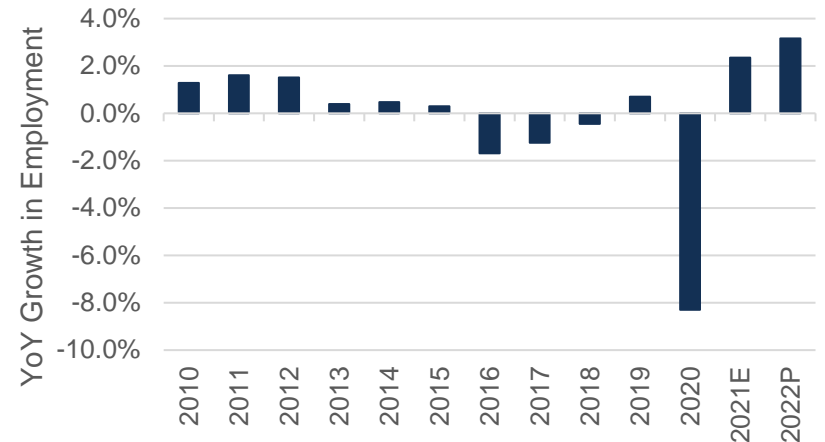
- Improving economic trends in Alaska, but economic recovery trajectory remains uncertain
- Jobs market continues to improve off the pandemic lows, but challenges remain
 - Expectations for improvement in tourism and oil & gas jobs
 - Federal infrastructure bill expected to lead to more employment growth
 - Continued labor shortages with declining working-age labor force
- Continued unfavorable trend in net migration out of the state
- State fiscal position and decline in federal pandemic relief payments present uncertainties for the economic recovery trajectory
- January 2022 northbound container volume increased 23% YoY
 - Approximately half of the YoY increase related to TOTE dry-dock volume
 - Retail-related demand remained elevated

(1) Source: <https://labor.alaska.gov/trends/jan22.pdf>

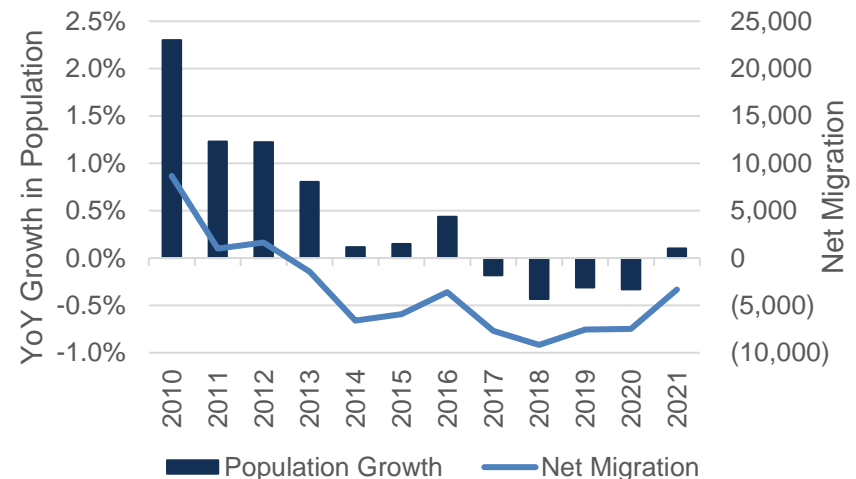
(2) Source: <https://live.laborstats.alaska.gov/labforce/000000/01/ces.html>

(3) Source: <https://live.laborstats.alaska.gov/pop/estimates/data/ComponentsOfChangeAK.xls>

Alaska Employment Growth⁽¹⁾⁽²⁾



Alaska Population Growth and Net Migration⁽³⁾



SSAT Joint Venture

Fourth Quarter 2021 Performance

- Terminal joint venture contribution was \$21.3 million; YoY change of \$10.4 million
 - Primarily due to higher other terminal revenue and higher revenue per lift

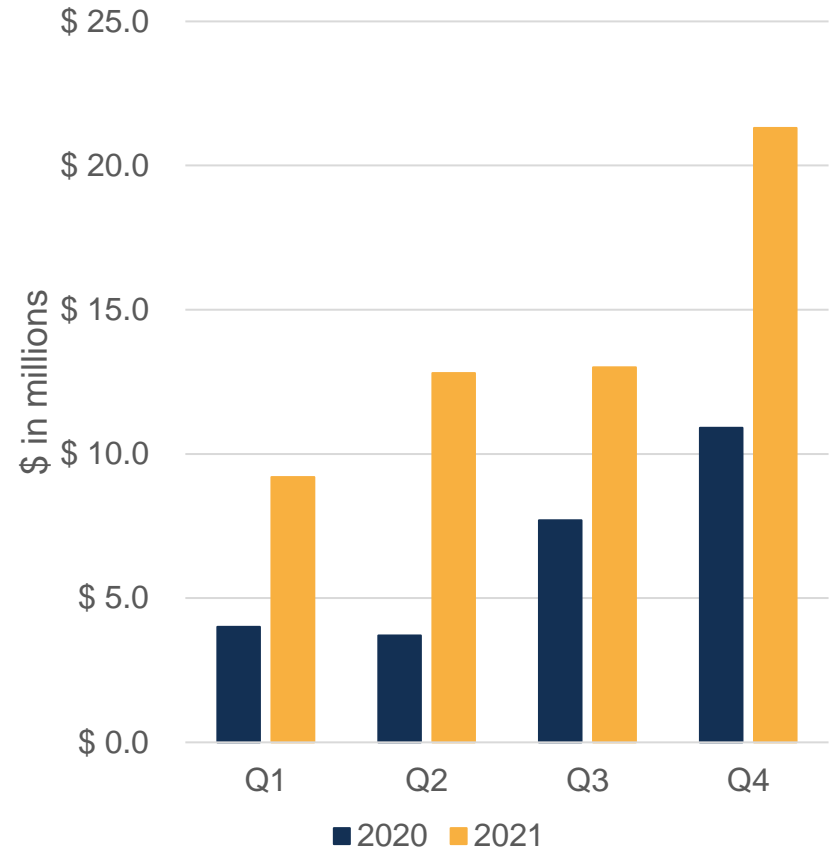
Full Year 2021 Performance

- Terminal joint venture contribution was \$56.3 million; YoY change of \$30.0 million
 - Primarily due to higher lift volume and higher other terminal revenue

Current Business Trends

- Continue to see elevated import volume into U.S. West Coast

Equity in Income of Joint Venture



Fourth Quarter 2021 Performance

- Operating income of \$14.8 million; YoY change of \$5.2 million
 - Higher contributions from supply chain management and transportation brokerage
- Benefitted from elevated goods consumption and inventory restocking and favorable supply and demand fundamentals in core markets

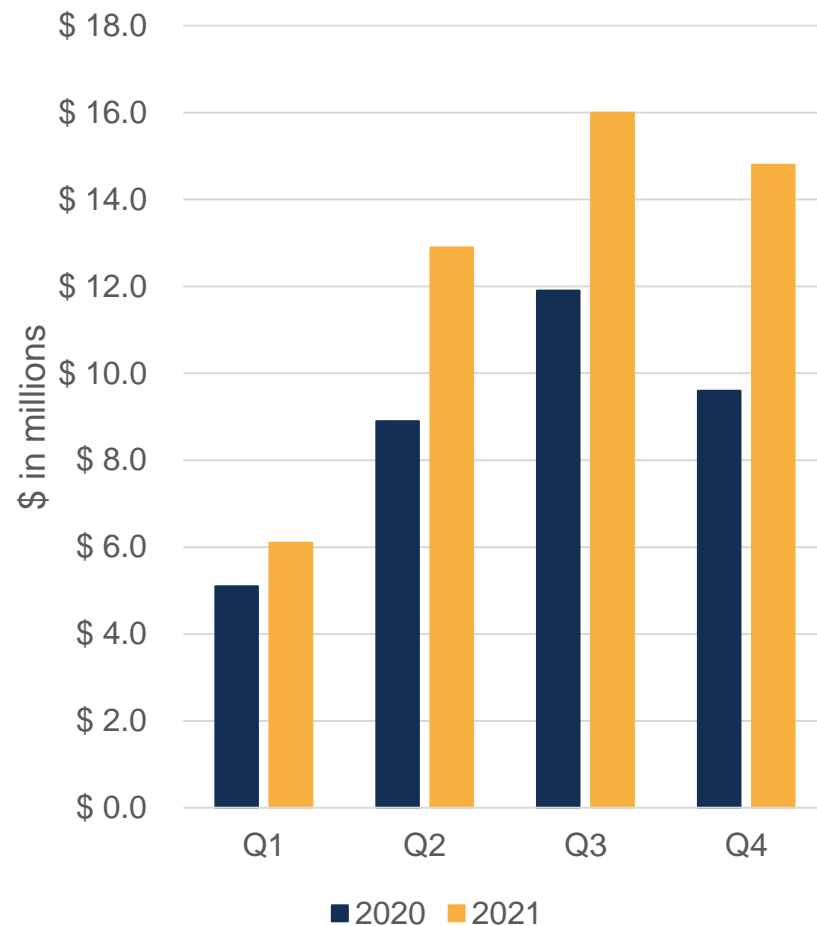
Full Year 2021 Performance

- Operating income of \$49.8 million; YoY change of \$14.3 million
 - Higher contributions from supply chain management, transportation brokerage and freight forwarding

Current Business Trends

- Some business lines continue to benefit from elevated container volumes into Southern California

Operating Income



Financial Results – Summary Income Statement

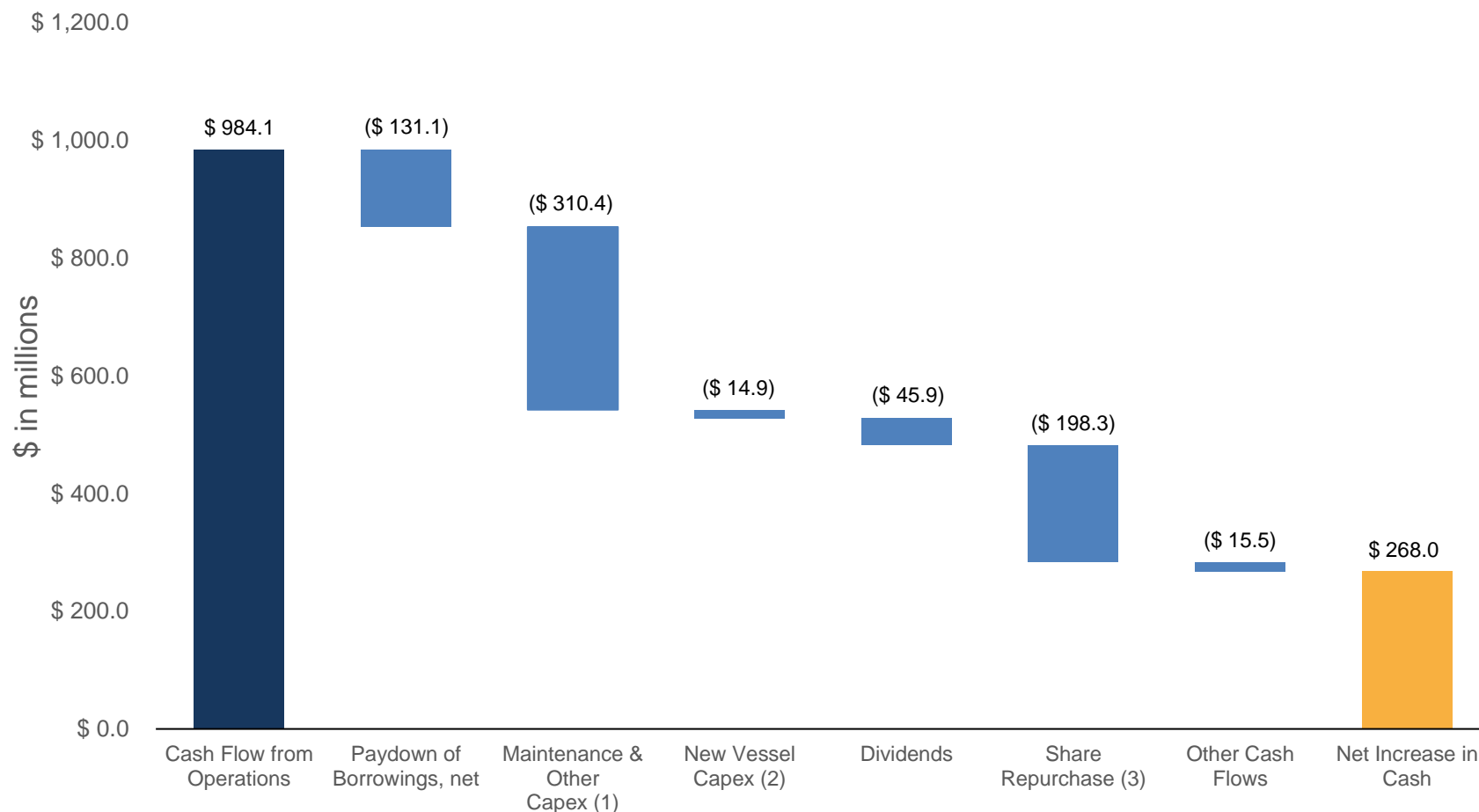
(\$ in millions, except per share data)	Year-to-Date			Fourth Quarter		
	Year Ended 12/31		Δ	Quarters Ended 12/31		Δ
	2021	2020	\$	2021	2020	\$
Revenue						
Ocean Transportation	\$ 3,132.8	\$ 1,853.9	\$ 1,278.9	\$ 1,025.9	\$ 543.9	\$ 482.0
Logistics	792.5	529.4	263.1	241.1	156.2	84.9
Total Revenue	\$ 3,925.3	\$ 2,383.3	\$ 1,542.0	\$ 1,267.0	\$ 700.1	\$ 566.9
Operating Income						
Ocean Transportation	\$ 1,137.7	\$ 244.8	\$ 892.9	\$ 460.7	\$ 108.1	\$ 352.6
Logistics	49.8	35.5	14.3	14.8	9.6	5.2
Total Operating Income	\$ 1,187.5	\$ 280.3	\$ 907.2	\$ 475.5	\$ 117.7	\$ 357.8
Interest expense	(22.6)	(27.4)		(4.7)	(4.9)	
Other income (expense), net	6.4	6.1		1.7	1.6	
Income taxes	(243.9)	(65.9)		(78.0) ⁽¹⁾	(28.8)	
Net Income	\$ 927.4	\$ 193.1	\$ 734.3	\$ 394.5	\$ 85.6	\$ 308.9
GAAP EPS, diluted	\$ 21.47	\$ 4.44	\$ 17.03	\$ 9.39	\$ 1.96	\$ 7.43
Depreciation and Amortization (incl. dry-dock amortization)	\$ 156.4	\$ 137.3	\$ 19.1	\$ 40.5	\$ 37.0	\$ 3.5
EBITDA	\$ 1,350.3	\$ 423.7	\$ 926.6	\$ 517.7	\$ 156.3	\$ 361.4

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

(1) The 4Q21 income taxes benefited from a deduction related to foreign-derived intangible income ("FDII") under section 250 of the Internal Revenue Code. Matson benefits from a FDII deduction as it relates to U.S. corporations that generate income from services provided to foreign countries.

Cash Generation and Uses of Cash

Last Twelve Months Ended December 31, 2021



(1) Includes \$117.3 million of early buy-out and operating lease termination payments.

(2) Includes capitalized interest and owner's items.

(3) \$1.8 million in settlement payments related to share repurchases at year end reflected in cash flow from operations.

Financial Results – Summary Balance Sheet

(\$ in millions)	December 31, 2021	December 31, 2020
ASSETS		
Cash and cash equivalents	\$ 282.4	\$ 14.4
Other current assets	422.1	291.5
Total current assets	704.5	305.9
Investment in SSAT	58.7	48.7
Property and equipment, net	1,878.3	1,689.9
Intangible assets, net	181.1	192.0
Goodwill	327.8	327.8
Other long-term assets	542.7	336.3
Total assets	\$ 3,693.1	\$ 2,900.6
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current portion of debt	\$ 65.0	\$ 59.2
Other current liabilities	547.4	452.3
Total current liabilities	612.4	511.5
Long-term debt, net of deferred loan fees	549.7	685.6
Other long-term liabilities	863.6	742.3
Total long-term liabilities	1,413.3	1,427.9
Total shareholders' equity	1,667.4	961.2
Total liabilities and shareholders' equity	\$ 3,693.1	\$ 2,900.6

Share Repurchase

- June 24, 2021: announced 3 million share repurchase program
 - 4Q21: ~1.0 million shares repurchased for total cost of \$84.5 million⁽¹⁾
 - FY2021: ~2.5 million shares repurchased for total cost of \$200.1 million⁽¹⁾
 - FY2022 YTD through February 16th: ~0.3 million shares repurchased for total cost of \$30.5 million
- January 27, 2022: announced an additional 3 million shares to existing repurchase program

Debt Levels

- Total Debt of \$629.0 million⁽²⁾
 - \$18.2 million and \$131.1 million of debt reduction in 4Q21 and FY2021, respectively
- Net Debt of \$346.6 million⁽³⁾

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

(1) Includes \$1.8 million in settlement payments related to share repurchases at year end.

(2) Total Debt is presented before any reduction for deferred loan fees as required by GAAP.

(3) Net Debt is Total Debt of \$629.0 million less cash and cash equivalents of \$282.4 million.

Review of 2021 Capital Expenditures

	FY 2021	Comments
Operating lease terminations / early buy-outs	\$117.3 million	<ul style="list-style-type: none"> • \$95.8 million for termination of <i>Maunalei</i> operating lease • \$21.5 million related to buyouts on <i>Mauna Loa</i> and other equipment
Equipment to support new Ocean Transportation tradelane services	\$121.1 million	<ul style="list-style-type: none"> • New equipment to support CLX+, AAX, CCX and CAX • In 2021, made commitments to purchase ~\$159 million in equipment to support new tradelane services and maintain fluidity in network
Payments on new neighbor island flat deck barge	\$14.9 million	<ul style="list-style-type: none"> • Remaining balance of ~\$10 million inter-island barge cost expected in 1H22
Maintenance and other capital expenditures	\$72.0 million	
Total	\$325.3 million	

Capital Expenditures Update

	FY 2022	FY 2023	Comments
Maintenance and other capital expenditures	\$80 – 90 million	Approximately \$75 million	<ul style="list-style-type: none"> Includes Phase II work at Sand Island and gantry crane enhancements Includes lease buyouts on equipment Includes annual equipment purchases across the network
Equipment to support new Ocean Transportation tradelane services	\$55 – 60 million	-	<ul style="list-style-type: none"> New equipment to support CLX+, AAX, CCX and CAX
Payments on new neighbor island flat deck barge	Approximately \$10 million	-	<ul style="list-style-type: none"> Expect barge to be in service in 1H22
LNG installations on existing vessels	\$15 – 20 million	\$55 – 65 million	<ul style="list-style-type: none"> Announced LNG installation program on November 3, 2021 <ul style="list-style-type: none"> – <i>Daniel K. Inouye</i> LNG install currently scheduled for 1Q23 and to last ~5 months (current estimated total cost ~\$35 million) – Re-engine <i>Manukai</i> to operate on LNG and conventional fuels (current estimated total cost ~\$60 million) – currently scheduled following <i>Daniel K. Inouye</i> install and to take ~1 year to complete
Total	Approximately \$160 – 180 million	Approximately \$130 – 140 million	

Not included amounts above:

- Actively considering LNG installations on *Kaimana Hila*, *Lurline* and *Matsonia*
 - Total estimated LNG installation costs of \$35 million on *Kaimana Hila* and \$40 million each for *Lurline* and *Matsonia*
- Continue to review options for refueling the three Alaska vessels later this decade
 - While have not made the decision, could move older vessels into Alaska service and order new LNG-ready Aloha Class vessels for the China service



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Appendix

Appendix – Non-GAAP Measures

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

NET DEBT RECONCILIATION

(In millions)	December 31, 2021
Total Debt (1):	\$ 629.0
Less: Cash and cash equivalents	(282.4)
Net Debt	<u>\$ 346.6</u>

EBITDA RECONCILIATION

(In millions)	Three Months Ended December 31,		
	2021	2020	Change
Net Income	\$ 394.5	\$ 85.6	\$ 308.9
Add: Income taxes	78.0	28.8	49.2
Add: Interest expense	4.7	4.9	(0.2)
Add: Depreciation and amortization	34.2	29.7	4.5
Add: Dry-dock amortization	6.3	7.3	(1.0)
EBITDA (2)	<u>\$ 517.7</u>	<u>\$ 156.3</u>	<u>\$ 361.4</u>

(In millions)	Years Ended December 31,		
	2021	2020	Change
Net Income	\$ 927.4	\$ 193.1	\$ 734.3
Add: Income taxes	243.9	65.9	178.0
Add: Interest expense	22.6	27.4	(4.8)
Add: Depreciation and amortization	132.1	112.2	19.9
Add: Dry-dock amortization	24.3	25.1	(0.8)
EBITDA (2)	<u>\$ 1,350.3</u>	<u>\$ 423.7</u>	<u>\$ 926.6</u>

- (1) Total Debt is presented before any reduction for deferred loan fees as required by GAAP.
- (2) 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.