



Matson[®]

Fourth Quarter 2023 Earnings Conference Call

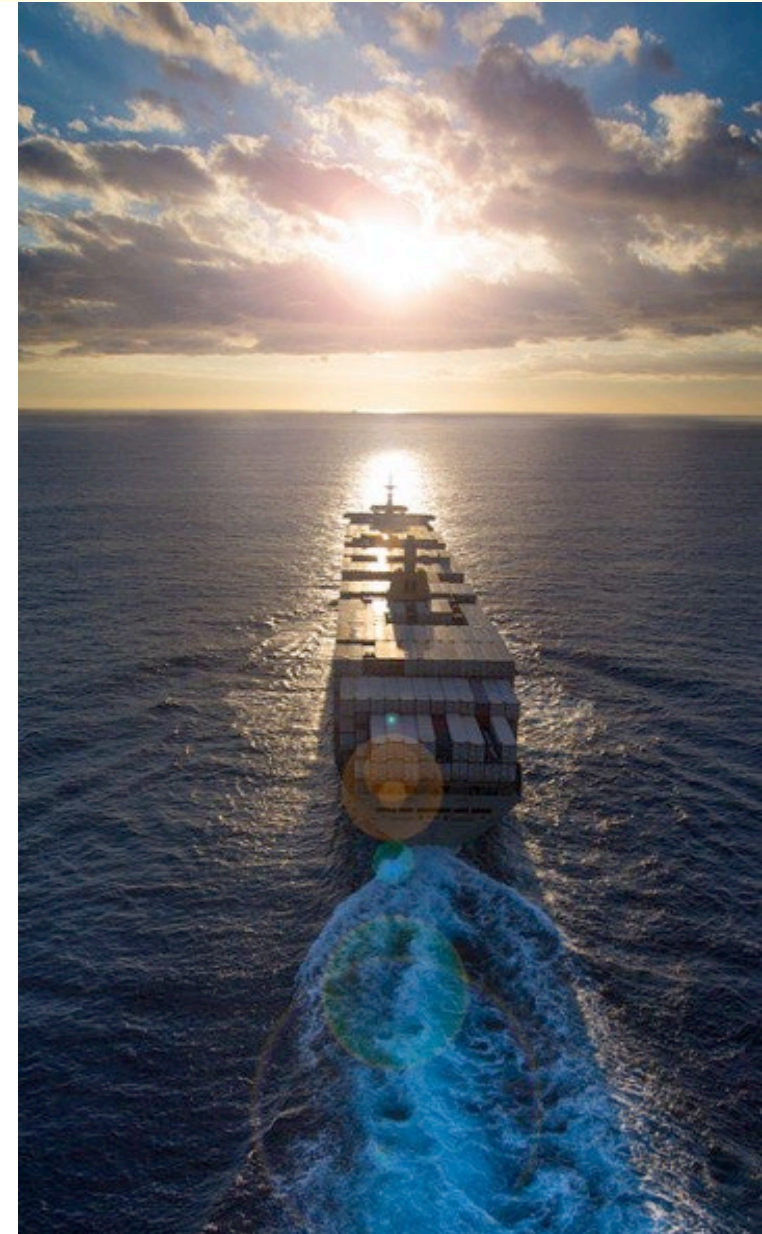
February 20, 2024

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 20, 2024.

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 14-24 of our Form 10-K filed on February 24, 2023 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

- Matson's Ocean Transportation and Logistics business segments performed well in 4Q23, capping off a solid year for both business segments
- Matson is in a solid operational and financial position
 - Leading expedited ocean freight provider in the Transpacific and well positioned for growth in Jones Act and logistics markets
 - “Low-cost” capital structure with low leverage
 - New Aloha Class vessel program two-thirds funded with ~\$600 million in CCF
 - Returned ~\$203 million in cash to shareholders in 2023 via share repurchases and dividends
- Ocean Transportation 4Q23:
 - Our China service experienced solid freight demand with higher YoY volume but lower YoY freight rates
 - Combined with higher operating costs across all tradelanes resulted in a YoY decline in operating income
- Logistics 4Q23:
 - Lower YoY operating income primarily due to a lower contribution from transportation brokerage

Hawaii Service

Fourth Quarter 2023 Performance

- Container volume decreased 1.9% YoY due to lower general demand
 - 4Q23 volume was 5.1% lower than volume achieved in 4Q19
- Tourist arrivals in 4Q23 were modestly lower YoY; Maui tourism impacted by wildfires

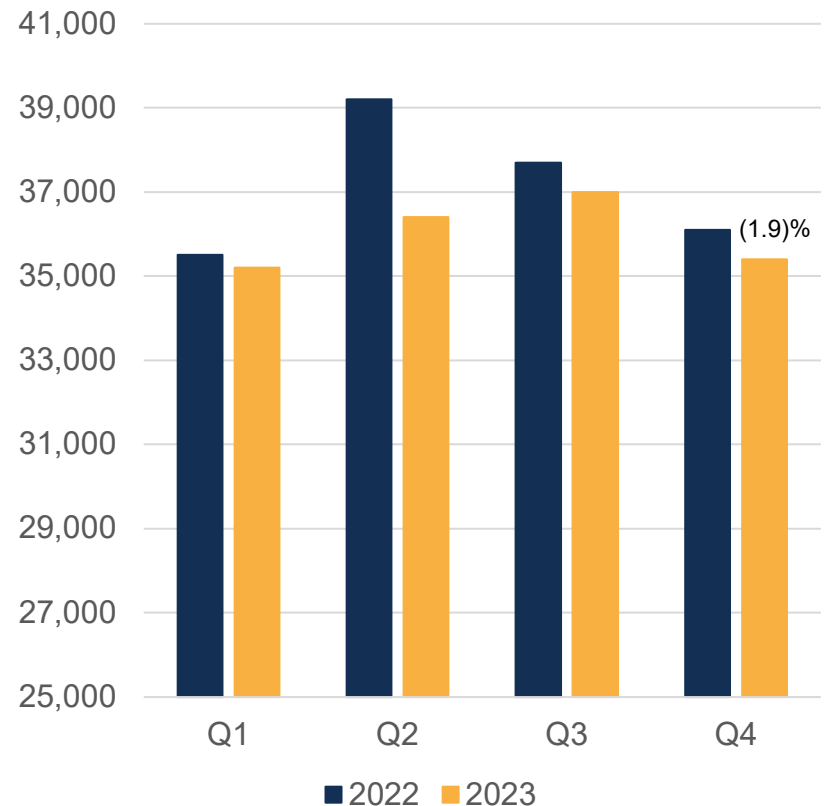
Full Year 2023 Performance

- Container volume decreased 3.0% YoY primarily due to lower general westbound demand and lower eastbound volume

Full Year 2024 Outlook

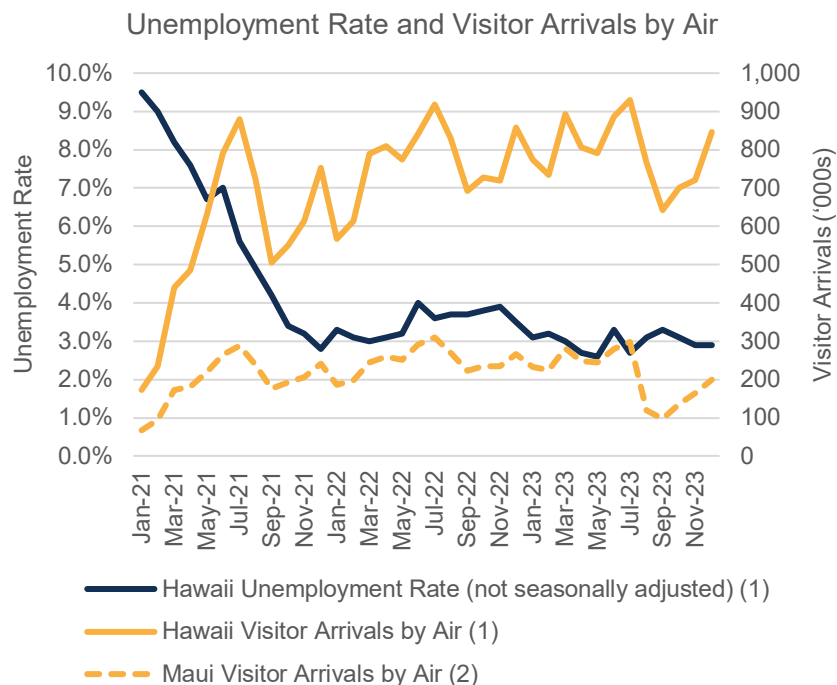
- Expect volume in 2024 to be comparable to the level in 2023
 - Modest economic growth in Hawaii and stable market share

Container Volume (FEU Basis)



Hawaii Service – Current Business Trends

Select Hawaii Economic Indicators



(1) Source: https://files.hawaii.gov/dbedt/economic/data_reports/mei/2023-12-state.xls

(2) Source: https://files.hawaii.gov/dbedt/economic/data_reports/mei/2023-12-maui.xls

(3) Source: https://uhero.hawaii.edu/wp-content/uploads/2023/12/23Q4_Forecast.pdf

UHERO Projections (3)

	2023P	2024P	2025P
Real GDP	3.3%	1.7%	2.9%
Construction Jobs Growth	0.2%	3.8%	4.7%
Population Growth	(0.3)%	(0.1)%	0.0%
Unemployment Rate	3.1%	2.5%	2.3%
Visitor Arrivals ('000s)	9,597.0	9,588.1	10,126.6
% change	3.9%	(0.1)%	5.6%

Commentary

- According to UHERO, the Hawaii economy is projected to grow modestly
 - Low unemployment rate
 - Easing inflation
- Near-term growth in visitor arrivals expected to be challenging
 - Reduced tourism to Maui as a result of the wildfires last year
 - Sluggish recovery of international tourism

China Service

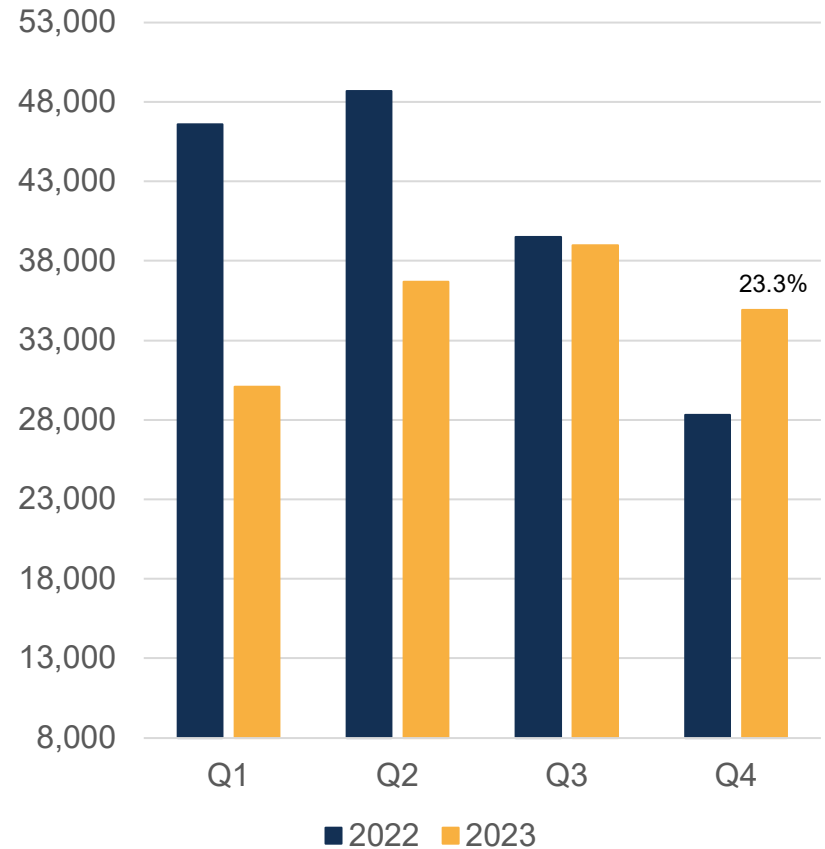
Fourth Quarter 2023 Performance

- Container volume increased 23.3% YoY
 - Higher volumes for both CLX and CLX+
- Lower average freight rates YoY, but higher than in 4Q19

Full Year 2023 Performance

- Container volume decreased 13.7%
 - 2022 includes nine months of CCX service which was discontinued in 3Q22

Container Volume (FEU Basis)



Note: CCX service started in 3Q21 and ended in 3Q22.

China Service – Current Business Trends

- Currently in the Transpacific marketplace, we continue to see steady U.S. consumer demand
- Expect demand for our China service post Lunar New Year to be more traditional
 - Factories were closed for the holiday; expect volumes to gradually recover over a 4-6 week period after the holiday
 - As in prior year, decided not to sail CLX+ vessels from Shanghai for a few weeks because the cargo package could be accommodated with a weekly CLX departure
- FY 2024 outlook:
 - Expect similar demand for CLX and CLX+ services in 2024 as in 2023
 - Expect average freight rates in 2024 to be modestly higher than 2023 levels and above pre-pandemic freight rate levels
- To date, we have seen a very limited effect from the supply chain disruptions caused by the Panama Canal drought and the events in the Red Sea
- We are focused on maintaining the two fastest and most reliable ocean services in the Transpacific
- On February 18th, renamed CLX+ to Matson Asia Express (MAX) – rebranding reflects a highly differentiated service

Guam Service

Fourth Quarter 2023 Performance

- Container volume increased 2.0% YoY primarily due to higher general demand
 - 4Q23 volume 4.2% higher than volume achieved in 4Q19

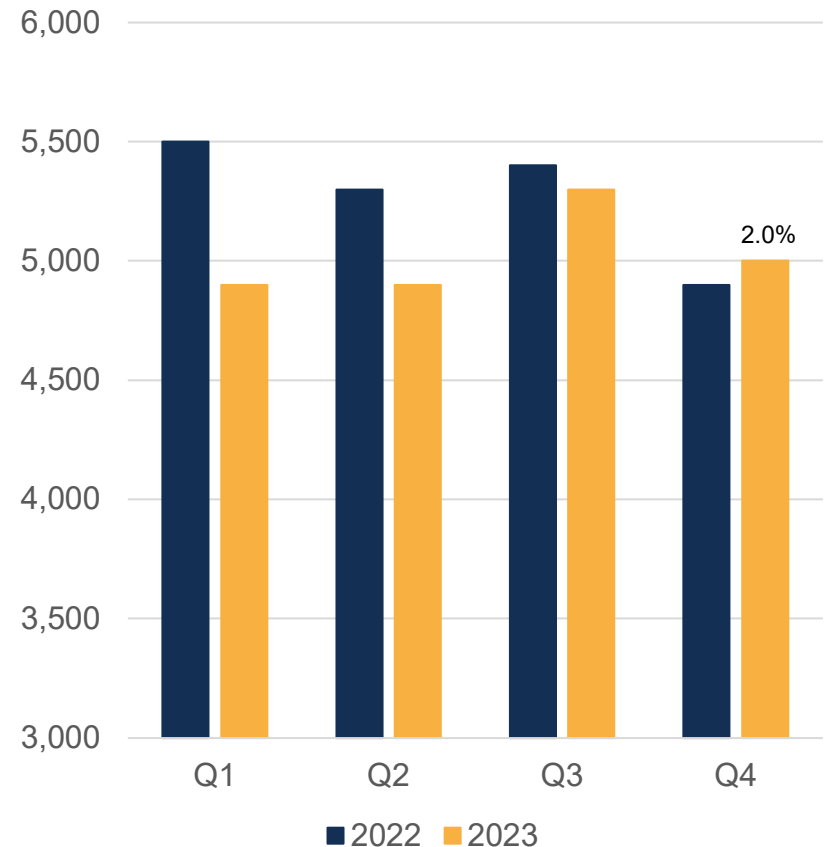
Full Year 2023 Performance

- Container volume decreased 4.7% YoY primarily due to lower general demand

Full Year 2024 Outlook

- Expect continued improvement in the economy with a low unemployment rate and a modest increase in tourism
- Expect volume to approximate the level achieved last year

Container Volume (FEU Basis)



Alaska Service

Fourth Quarter 2023 Performance

- Container volume decreased 0.6% YoY
 - Lower export seafood volume on AAX
 - Higher northbound volume due to an additional sailing
 - Higher southbound volume due to higher domestic seafood volume
- 4Q23 volume 20.3% higher than volume achieved in 4Q19

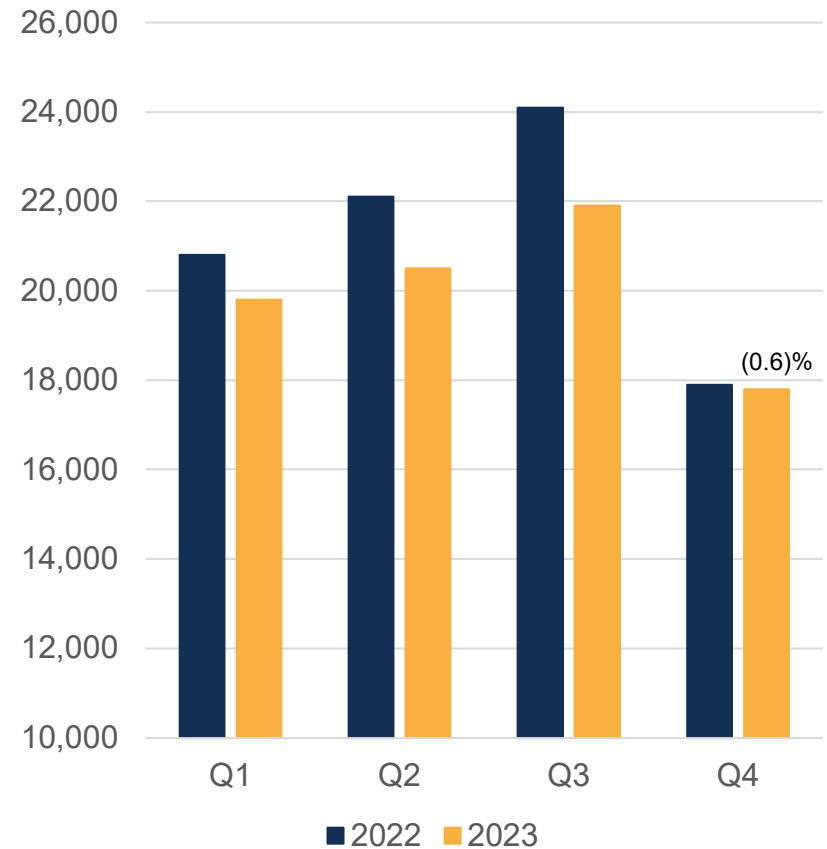
Full Year 2023 Performance

- Container volume decreased 5.8% YoY
 - Lower export seafood volume from the AAX

Full Year 2024 Outlook

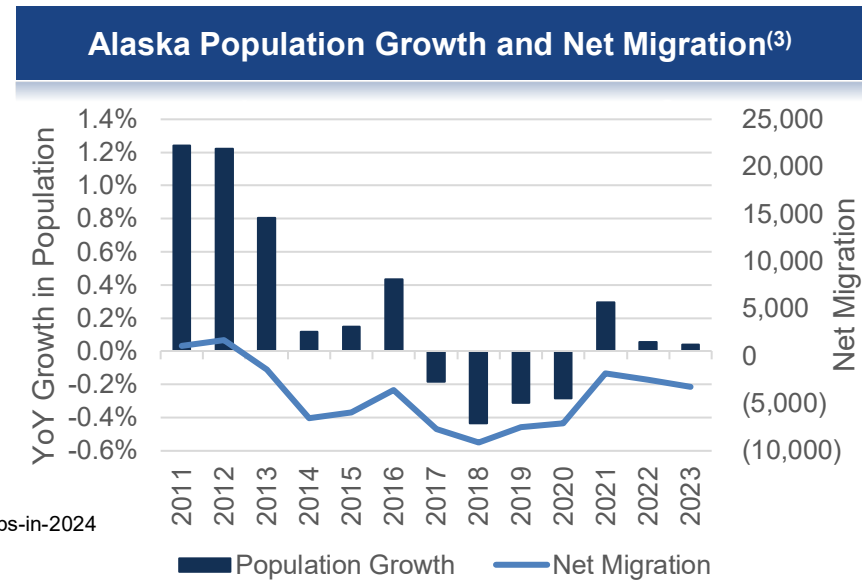
- Expect volume to approximate the level achieved last year

Container Volume (FEU Basis)



Alaska Service – Current Business Trends

- Alaska economy continues to show good growth across key indicators despite flattish growth in population
 - Low unemployment rate
 - Widespread job growth
- In the near-term, we expect the Alaska economy to grow
 - Supported by low unemployment rate, jobs growth and lower levels of inflation
 - Increased energy-related exploration and production activity
 - Significant infrastructure investment expected from Federal government



(1) Source: <https://live.laborstats.alaska.gov/trends-magazine/2024/January/outlook-for-alaska-jobs-in-2024>

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

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

SSAT Joint Venture

Fourth Quarter 2023 Performance

- Terminal joint venture contribution was \$4.1 million; YoY increase of \$3.1 million
 - Primarily due to higher lift revenue, partially offset by lower demurrage revenue

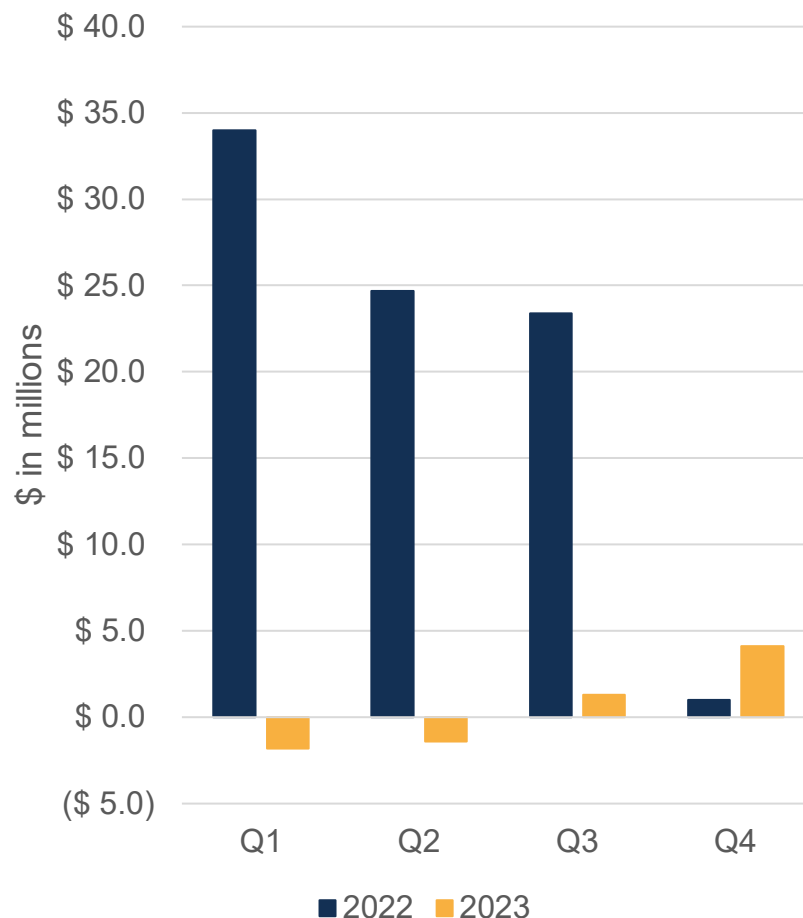
Full Year 2023 Performance

- Terminal joint venture contribution was \$2.2 million; YoY decrease of \$80.9 million
 - Primarily due to lower demurrage revenue

Full Year 2024 Outlook

- Expect contribution to be higher than 2023 due to an expected increase in lift volumes

Equity in Income of Joint Venture



Fourth Quarter 2023 Performance

- Operating income of \$8.9 million; YoY decrease of approximately \$3.9 million
 - Lower contribution from transportation brokerage

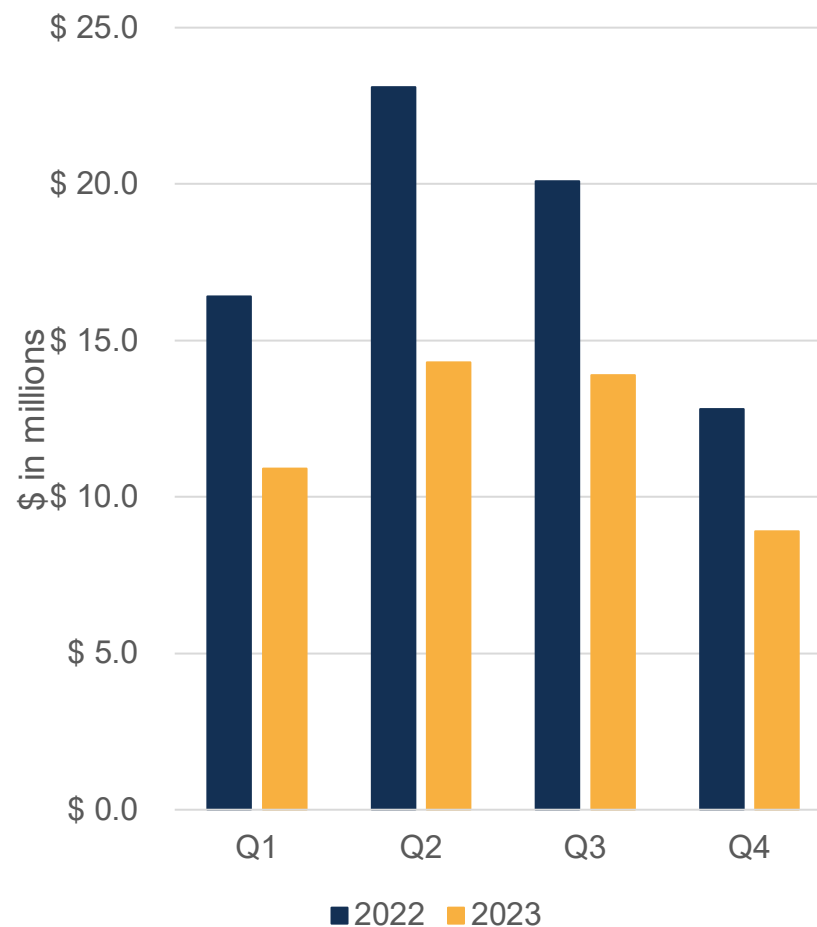
Full Year 2023 Performance

- Operating income of \$48.0 million; YoY decrease of \$24.4 million
 - Lower contributions from transportation brokerage and supply chain management

Full Year 2024 Outlook

- Expect challenging business conditions for transportation brokerage at least through the first half of 2024
- Expect operating income to be lower in 2024 than the level achieved in in 2023

Operating Income



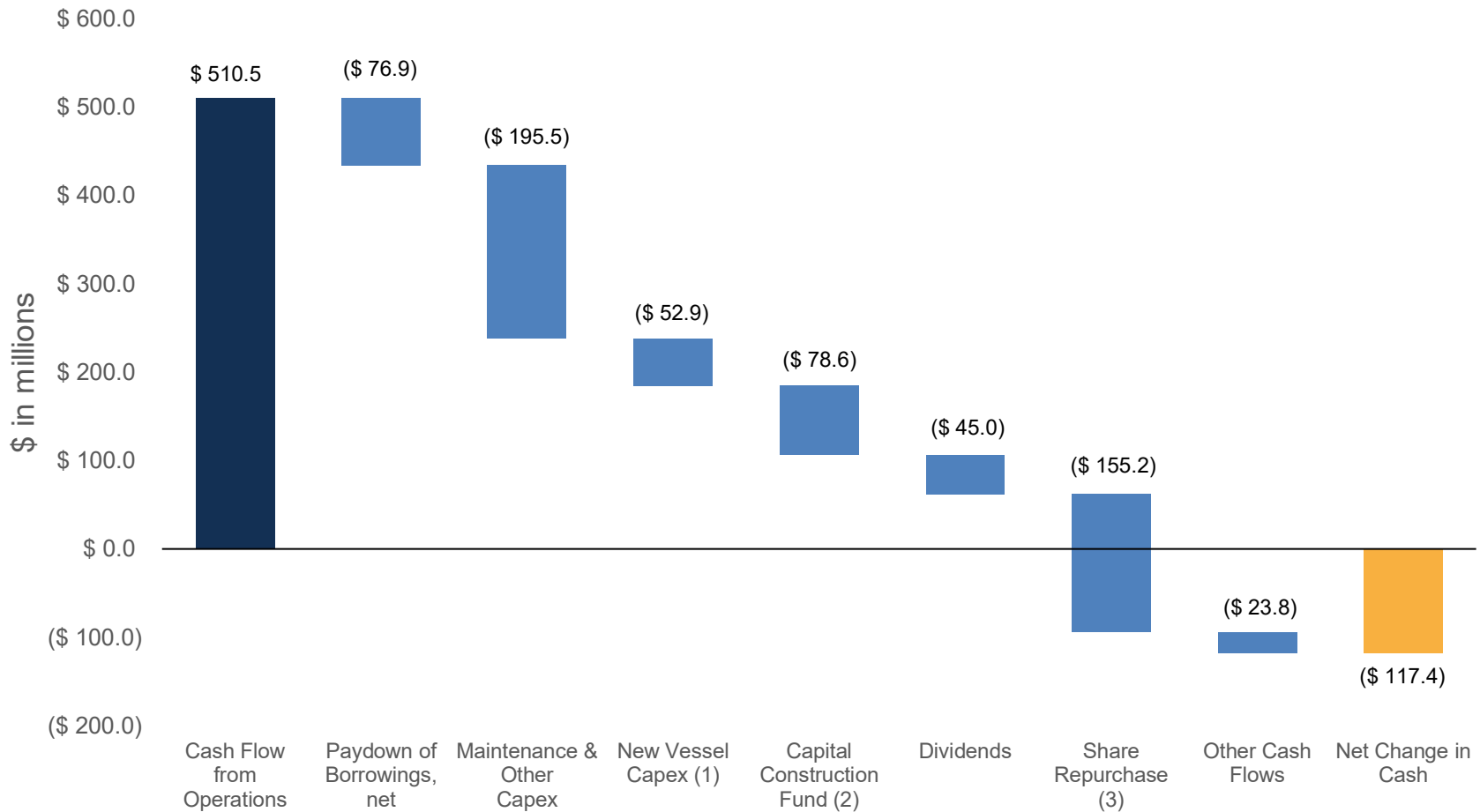
Financial Results – Summary Income Statement

(\$ in millions, except per share data)	Year-to-Date			Fourth Quarter		
	YTD Ended 12/31		Δ	Quarters Ended 12/31		Δ
	2023	2022	\$	2023	2022	\$
Revenue						
Ocean Transportation	\$ 2,477.0	\$ 3,544.6	(\$ 1,067.6)	\$ 639.7	\$ 633.0	\$ 6.7
Logistics	617.6	798.4	(180.8)	149.2	168.6	(19.4)
Total Revenue	\$ 3,094.6	\$ 4,343.0	(\$ 1,248.4)	\$ 788.9	\$ 801.6	(\$ 12.7)
Operating Income						
Ocean Transportation	\$ 294.8	\$ 1,281.2	(\$ 986.4)	\$ 66.4	\$ 79.8	(\$ 13.4)
Logistics	48.0	72.4	(24.4)	8.9	12.8	(3.9)
Total Operating Income	\$ 342.8	\$ 1,353.6	(\$ 1,010.8)	\$ 75.3	\$ 92.6	(\$ 17.3)
Interest income	36.0	8.2	27.8	9.8	6.9	2.9
Interest expense	(12.2)	(18.0)	5.8	(2.4)	(3.7)	1.3
Other income (expense), net	6.4	8.5	(2.1)	1.6	2.2	(0.6)
Income taxes	(75.9)	(288.4)	212.5	(21.9)	(20.0)	(1.9)
Net Income	\$ 297.1	\$ 1,063.9	(\$ 766.8)	\$ 62.4	\$ 78.0	(\$ 15.6)
GAAP EPS, diluted	\$ 8.32	\$ 27.07	(\$ 18.75)	\$ 1.78	\$ 2.10	(\$ 0.32)
Depreciation and Amortization (incl. dry-dock amortization)	\$ 167.5	\$ 164.1	\$ 3.4	\$ 42.5	\$ 41.6	\$ 0.9
EBITDA	\$ 516.7	\$ 1,526.2	(\$ 1,009.5)	\$ 119.4	\$ 136.4	(\$ 17.0)

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, 2023



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

(2) Includes cash deposits into CCF and interest income on cash deposits in CCF, net of withdrawals for milestone payments.

(3) Includes taxes.

Financial Results – Summary Balance Sheet

(\$ in millions)	December 31, 2023	December 31, 2022
ASSETS		
Cash and cash equivalents	\$ 134.0	\$ 249.8
Other current assets	468.3	509.8
Total current assets	602.3	759.6
Investment in SSAT	85.5	81.2
Property and equipment, net	2,089.9	1,962.5
Intangible assets, net	176.4	174.9
Capital Construction Fund (CCF)	599.4	518.2
Goodwill	327.8	327.8
Other long-term assets	413.3	505.8
Total assets	\$ 4,294.6	\$ 4,330.0
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current portion of debt	\$ 39.7	\$ 76.9
Other current liabilities	522.6	504.7
Total current liabilities	562.3	581.6
Long-term debt, net of deferred loan fees	389.3	427.7
Other long-term liabilities	942.3	1,023.8
Total long-term liabilities	1,331.6	1,451.5
Total shareholders' equity	2,400.7	2,296.9
Total liabilities and shareholders' equity	\$ 4,294.6	\$ 4,330.0

Share Repurchase

- 4Q23: ~0.5 million shares repurchased for total cost of \$47.9 million
- FY2023: ~2.1 million shares repurchase for a total cost of \$158.2 million

Debt Levels

- Total Debt of \$440.6 million⁽¹⁾
 - In 2023, reduced total debt by \$76.9 million

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

Other Financial Updates

- CCF cash balance on December 31, 2023 of \$599.4 million
 - Nearly two-thirds of remaining milestone payments to be funded with restricted cash in CCF⁽¹⁾
 - Expect to make milestone payments of \$35.5 million in 2Q24 and 4Q24 for new vessels
- Recently executed a strategy to term out a portion of CCF cash deposits that were held in short-term U.S. government money market funds
 - Purchased ~\$450 million of fixed-rate U.S. Treasuries to align with milestone payments in 2025, 2026 and 2027
 - Effective yield of fixed rate portfolio is 4.53%
- We expect a general corporate tax refund of \$119 million for 2021 federal taxes

(1) Based on remaining milestone payments on December 31, 2023 of \$899.1 million. Excludes any interest income on cash deposits that may be earned in future years.

Review of 2023 Capital Expenditures

	FY 2023	Comments
Capitalized vessel construction expenditures	\$52.9 million	<ul style="list-style-type: none">• \$49.9 million for new vessel milestone payment in 2Q23
Maintenance and other capital expenditures	\$195.5 million	<ul style="list-style-type: none">• \$66.1 million in capex for LNG installations on <i>Daniel K. Inouye</i>, <i>Kaimana Hila</i> and <i>Manukai</i>• \$71.9 million in equipment capex to support network requirements and growth• \$57.5 million in maintenance and other capex
Total capital expenditures	\$248.4 million	

Capital Expenditures Update

(\$ in millions)	FY 2024	FY 2025	FY 2026	Comments
Maintenance and other capital expenditures	\$110 – 120	\$100 – 110	\$80 – 90	<ul style="list-style-type: none"> Includes Phase II and III work at Sand Island, Honolulu
LNG installations and reengining on existing vessels	\$70 – 80	\$10 – 15	-	<ul style="list-style-type: none"> <i>Manukai</i> currently in drydock for installation of new engine and equipment to operate on LNG and conventional fuels (current estimated total cost \$72 million) – currently scheduled to exit drydock in 2H24 <i>Kaimana Hila</i> LNG install currently expected to start in 2Q24 and last ~5 months (current estimated total cost \$47 million)
Sub-total maintenance and other capex	\$180 – 200	\$110 – 125	\$80 – 90	
New vessel construction milestone payments and related costs	\$75	\$380	\$360	<ul style="list-style-type: none"> Includes owner's items and capitalized interest expense
Total	\$255 – 275	\$490 – 505	\$440 – 450	

2024 Outlook

FY 2024 Outlook Items

	Full Year	First Quarter
Operating Income:		
Ocean Transportation	To be higher than the \$294.8 million achieved in 2023	To be lower than the \$27.8 million achieved in the 1Q23
Logistics	To be lower than the \$48.0 million achieved in 2023	To be lower than the \$10.9 million achieved in 1Q23
Consolidated	To approximate \$342.8 million achieved in 2023	To be lower than the \$38.7 million achieved in 2023
Depreciation and Amortization	Approximately \$180 million, including \$24 million in dry-dock amortization	-
Interest Income	Approximately \$35 million	-
Interest Expense (excluding capitalized interest)	Approximately \$8 million	-
Other Income/(Expense)	Approximately \$7 million	-
GAAP Effective Tax Rate	Approximately 22%	-
Dry-docking Payments	Approximately \$35 million	-

Closing Thoughts

- Matson is in a very good position operationally and financially
 - Leverage the Matson brand and our portfolio of high-quality businesses to drive new opportunities
 - Strong financial position
 - Low-cost, investment grade balance sheet is a competitive advantage
 - Two-thirds of current remaining milestone payments for Aloha Class vessels funded with cash deposits in CCF
- We remain focused on what we can control
 - Focused on vessel schedule integrity, reliability of operations and delivering high-quality service for our customers
 - Continue to maintain discipline in our capital allocation strategy
 - Invest for the long-term to create value for shareholders
 - Pursue organic growth and acquisition opportunities
 - Expect to be a steady buyer of our shares
 - Since August 2021, we have reduced our outstanding shares by nearly 22% for approximately \$755 million



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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”).

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

(In millions)	Three Months Ended		
	December 31,		
	2023	2022	Change
Net Income	\$ 62.4	\$ 78.0	\$ (15.6)
Subtract: Interest income	(9.8)	(6.9)	(2.9)
Add: Interest expense	2.4	3.7	(1.3)
Add: Income taxes	21.9	20.0	1.9
Add: Depreciation and amortization	35.8	35.3	0.5
Add: Dry-dock amortization	6.7	6.3	0.4
EBITDA (1)	<u>\$ 119.4</u>	<u>\$ 136.4</u>	<u>\$ (17.0)</u>

(In millions)	Years Ended		
	December 31,		
	2023	2022	Change
Net Income	\$ 297.1	\$ 1,063.9	\$ (766.8)
Subtract: Interest income	(36.0)	(8.2)	(27.8)
Add: Interest expense	12.2	18.0	(5.8)
Add: Income taxes	75.9	288.4	(212.5)
Add: Depreciation and amortization	142.2	139.2	3.0
Add: Dry-dock amortization	25.3	24.9	0.4
EBITDA (1)	<u>\$ 516.7</u>	<u>\$ 1,526.2</u>	<u>\$ (1,009.5)</u>

(1) EBITDA is defined as earnings before interest, income taxes, 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.