

**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): **November 9, 2016**

**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))

**Item 7.01. Regulation FD Disclosure.**

Matson, Inc. ("Matson" or the "Company") will present an overview of the Company at the Stephens 2016 Fall Investment Conference in New York on November 9, 2016. Matson will be using the presentation materials attached as Exhibit 99.1 to this Form 8-K. Additionally, the presentation materials will be available on Matson's website at <http://investor.matson.com/events.cfm> on November 9, 2016. The information set forth in these materials speaks only as of the date of the materials.

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 8-15 of the Form 10-K filed by Matson on February 26, 2016, and on pages 22-23 of the Form 10-Q filed by Matson on August 3, 2016. 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: November 9, 2016



# 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 November 9, 2016.

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 8-15 of the 2015 Form 10-K filed on February 26, 2016, on pages 22-23 of the Form 10-Q filed on August 3, 2016, 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.



## Matson Today: Connecting the Pacific

### OUR MISSION

- To move freight better than anyone

### OUR VISION

To create shareholder value by:

- Being our customers' first choice
- Leveraging our core strengths to drive growth and increase profitability
- Improving the communities in which we work and live
- Being an environmental leader in our industry
- Being a great place to work



## Investment Highlights

Unique network connecting the Pacific	<ul style="list-style-type: none"><li>• Leading U.S. carrier in the Pacific providing lifeline to economies of Hawaii, Alaska and Guam</li><li>• Strong market positions in attractive niche markets with multi-decade customer relationships</li><li>• Dual head-haul economics on China service</li></ul>
World class operator and premium service provider	<ul style="list-style-type: none"><li>• Well maintained fleet with leading on-time vessel arrivals and dedicated reserve vessels</li><li>• Fastest transit and cargo availability creates 5 to 10 day advantage and premium rates for China service</li><li>• Dedicated Hawaii Neighbor Island barge fleet and Micronesia feeder vessel</li><li>• Dedicated terminals with best in class truck turns</li><li>• Varied and ample equipment fleet across locations to meet customer needs</li></ul>
Significant cash flow generation	<ul style="list-style-type: none"><li>• Financial strength to invest in fleet renewal and equipment, pursue strategic opportunities and return capital to shareholders</li></ul>
Strong balance sheet	<ul style="list-style-type: none"><li>• Investment grade credit metrics</li></ul>

**Leveraging the Matson brand and network into growth opportunities**

# Preliminary 2017 Expectations

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- **Hawaii**
  - Expect modest market growth in 2017 supported by the general Hawaii economy, the level of construction activity and a stable market position
- **China**
  - Transpacific market reached cyclical trough in 2016; timing of a recovery remains uncertain given chronic overcapacity
  - Expect strong demand for Matson's highly differentiated expedited service
  - Consolidation of international carriers and formation of new alliances creates potential for longer-term market improvement
- **Guam**
  - Expect competitive losses in the first half 2017 amid modest overall market growth for full year 2017
  - Potential for competitor to add a 2<sup>nd</sup> vessel and provide weekly service
- **Alaska**
  - Expect modestly lower volume in 2017 based on declining northbound freight due to ongoing contraction of energy-based economy, partially offset by improved southbound seafood volume
- **Logistics**
  - Inclusion of Span Alaska freight forwarding business for full year 2017

## 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
- Competitor’s current vessel deployment
  - No longer offers Pacific Northwest or Oakland direct service
  - 3 weekly USWC containership departures
  - 4 active steamships, 1 active diesel ConRo vessel, 1 active diesel RoRo vessel

### Matson’s 11-Ship Deployment





## 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 – Pre and Post 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
<b># of Vessels Deployed</b>	<b>11</b>	<b>10</b>	<b>9</b>
Total Capacity (TEU) Deployed	24,600	26,200	24,900
<b>Average Age of Active Fleet (years)</b>	<b>27</b>	<b>20</b>	<b>13</b>
<b>Reserve Vessels</b>	<b>4 near end-of-life steamships</b>	<b>7 near end-of-life steamships</b>	<b>3 diesel powered vessels</b>

## Unique Expedited China Service (CLX)



- Utilization of Jones Act ships in round trip dual head-haul revenue model
  - Weekly 5 ship string connecting 3 ports in China to LA / Long Beach
- Matson's expedited service results in 5 to 10 day competitive advantage and premium rates
- 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
  - Service approximately 9-10 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 and APL

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

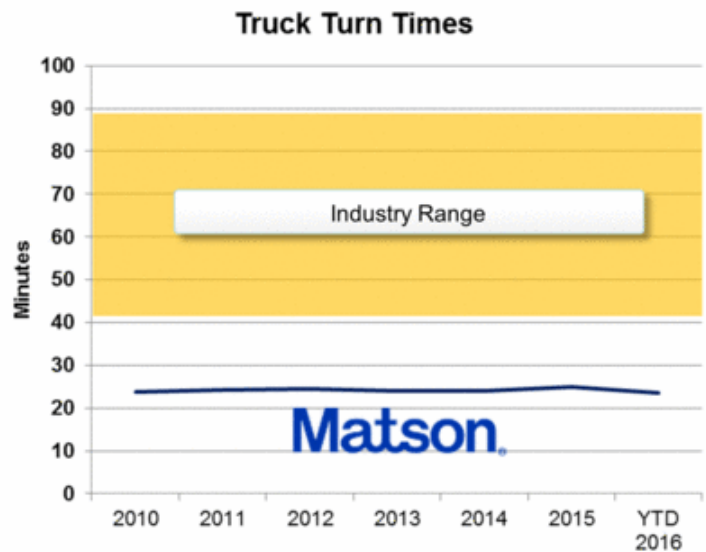


	Terminals	SSAT Market Share <sup>(1)</sup>
Long Beach / LA	2	10%
Oakland	2	75%
Seattle / Tacoma	2	20%

(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



YTD = Year to date as of September 23, 2016  
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



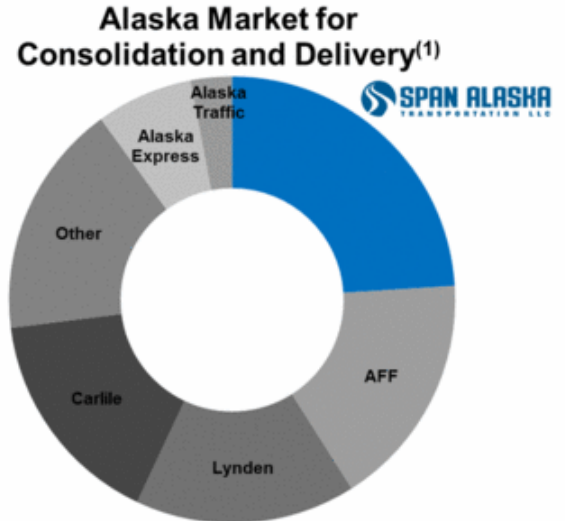
## Span Alaska Overview

- 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
- Currently 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

# Matson's Strategic Acquisition Framework



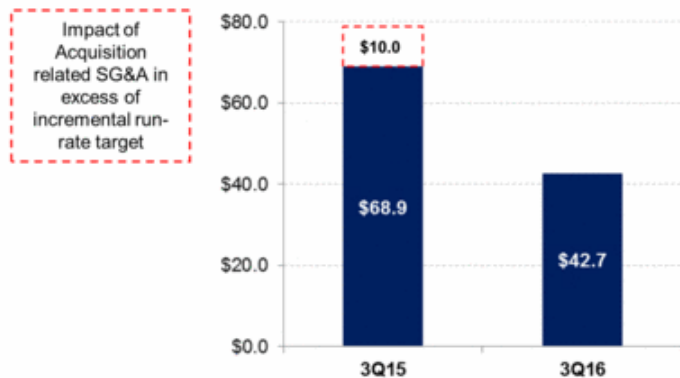
Matson seeks to invest in niche businesses that:

- |  |   |   |
|--|---|---|
| • Have strong market positions   | ✓ | ✓ |
| • Provide value-added services   | ✓ | ✓ |
| • Demand high customer service differentiation   | ✓ | ✓ |
| • Complement Matson's core businesses and allow for geographic and/or key product offering expansion | ✓ | ✓ |
| • Generate strong cash flows and ROIC  | ✓ | ✓ |

# 3Q2016 Operating Income

3Q16 Consolidated Operating Income of \$46.2 million versus \$71.8 million in 3Q15

**Ocean Transportation**  
3Q Operating Income  
(in \$ millions)



	3Q15	3Q16	Change
Revenue	\$444.8	\$398.0	(\$46.8)
Operating Income	\$68.9	\$42.7	(\$26.2)
Oper. Income Margin	15.5%	10.7%	

SSAT had a \$3.6 million contribution in 3Q16 compared to a \$4.5 million contribution in 3Q15

**Logistics**  
3Q Operating Income  
(in \$ millions)

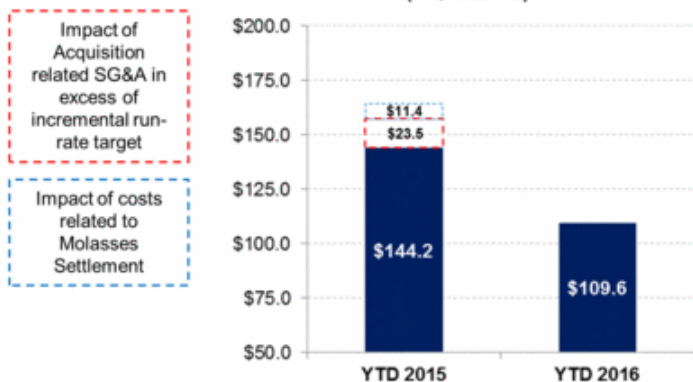


	3Q15	3Q16	Change
Revenue	\$99.5	\$102.4	\$2.9
Operating Income	\$2.9	\$3.5	\$0.6
Oper. Income Margin	2.9%	3.4%	

# YTD 2016 Operating Income

YTD 2016 Consolidated Operating Income of \$116.9 million versus \$150.4 million in YTD 2015

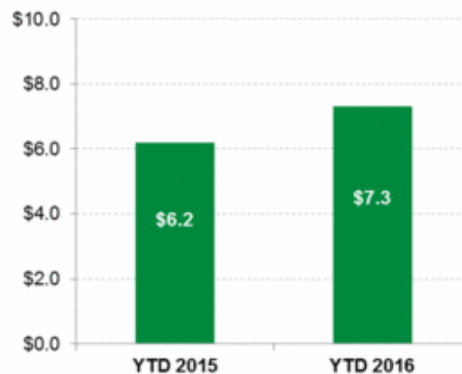
**Ocean Transportation**  
YTD Operating Income  
(in \$ millions)



	YTD15	YTD16	Change
Revenue	\$1,097	\$1,135	\$38.0
Operating Income	\$144.2	\$109.6	(\$34.6)
Oper. Income Margin	13.1%	9.7%	

SSAT had a \$9.2 million contribution in YTD16 compared to a \$13.1 million contribution in YTD15

**Logistics**  
YTD Operating Income  
(in \$ millions)



	YTD15	YTD16	Change
Revenue	\$293.1	\$287.3	(\$5.8)
Operating Income	\$6.2	\$7.3	\$1.1
Oper. Income Margin	2.1%	2.5%	

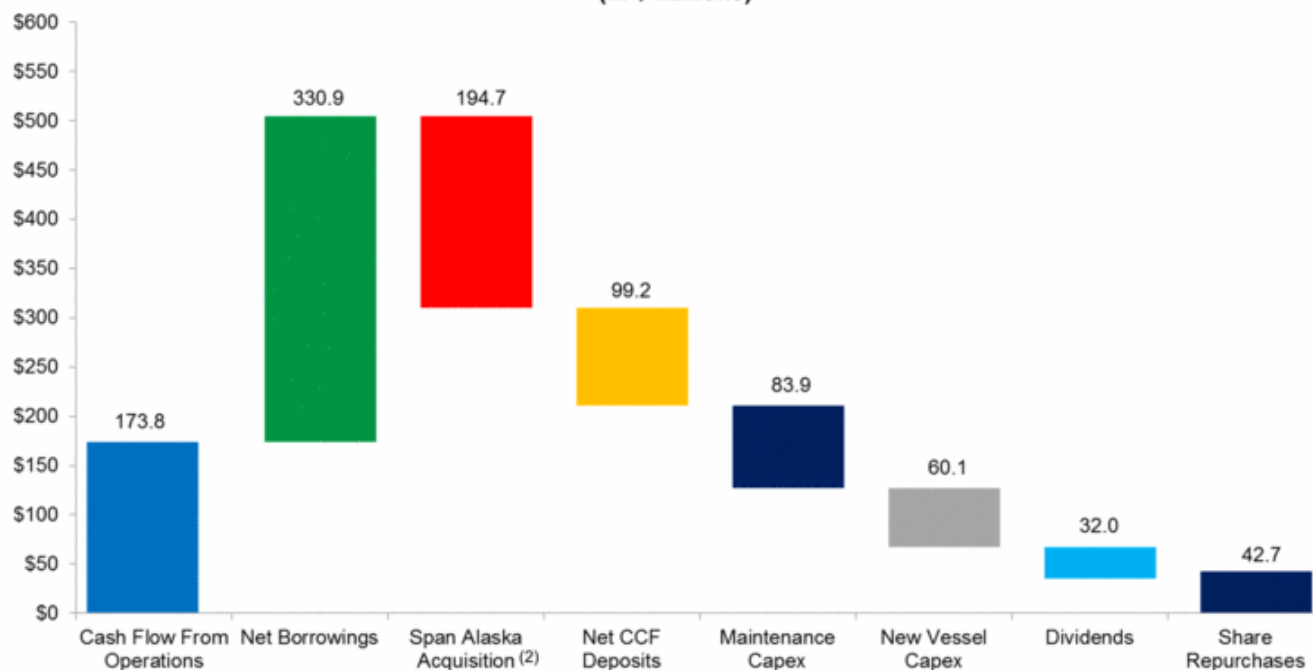
## Liquidity and Debt Levels

- As of September 30, 2016 – Total debt of \$812.4 million, Net debt of \$685.1 million
  - Net debt to LTM EBITDA of 2.3x
- On July 18, 2016, entered into a commitment letter to issue \$200 million of 15-year senior unsecured notes; closed private placement on September 14, 2016
  - Weighted average life of approximately 8.5 years and interest rate of 3.14 percent
- On October 27, 2016, entered into a commitment letter to issue \$75 million of 11-year senior unsecured notes
  - Weighted average life of approximately 8 years and interest rate of 3.37 percent
  - Proceeds are expected to be used to pay down the Company's revolving credit facility and for general corporate purposes
- Expect to fund construction of Aloha Class and Kanaloa Class vessels through a combination of cash flow from operations, borrowing availability under our \$400 million unsecured revolving credit facility, and periodic issuance of long-term debt to pay down revolver borrowings and better match long-term liabilities with long-lived vessel investments
  - Still considering Title XI financing as an attractive add-on financing alternative

<b>Estimated Progress Payment Schedule</b> <small>(\$ in millions, excludes capitalized interest and owner's items)</small>	<b>2H-16</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
Two Aloha Class Containerships	\$55.0	\$159.1	\$138.1	\$20.3	\$4.0
Two Kanaloa Class Con-Ro Vessels	\$25.6	\$41.7	\$199.5	\$186.0	\$58.2
<b>Total New Vessel Progress Payments</b>	<b>\$80.6</b>	<b>\$200.8</b>	<b>\$337.6</b>	<b>\$206.3</b>	<b>\$62.2</b>

# Cash Generation and Uses of Cash

Sources and Uses of Cash<sup>(1)</sup>  
Last Twelve Months ended September 30, 2016  
(in \$ millions)



(1) Does not include \$1.2 million in other uses of cash

(2) Net of cash acquired

## Fourth Quarter 2016 Outlook

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- Outlook is being provided relative to 2015 operating income
- Ocean Transportation operating income for 4Q2016 is expected to be approximately 15 percent lower than the \$43.6 million achieved in 4Q2015
  - Lower Hawaii container volume
  - Alaska container volume to approximate level achieved in 4Q2015
  - Competitive volume losses in Guam
  - Lower full year contribution from SSAT joint venture
  - Higher depreciation and amortization expense due to increased capital and vessel dry-dock spending
- Logistics operating income for full year 2016 expected to be approximately \$11 million
- Interest expense for full year 2016 expected to be approximately \$24 million
- Effective tax rate for full year 2016 expected to be approximately 39 percent
- For full year 2016, expect maintenance capex of approximately \$90 million, new vessel construction progress payments of \$96 million, and dry-docking payments of approximately \$57 million
- For full year 2016, expect depreciation and amortization to total approximately \$136 million inclusive of dry-docking amortization of approximately \$38 million



# Addendum



**MATX**  
LISTED  
NYSE

Investor Presentation | November 2016 – Slide 23

**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

<b>(In millions)</b>	<b>September 30, 2016</b>
Total Debt:	\$ 812.4
Less: Cash and cash equivalents	(16.4)
Capital Construction Fund - cash on deposit	(110.9)
Net Debt	<u>\$ 685.1</u>

## Addendum – Non-GAAP Measures

### EBITDA RECONCILIATION

(In millions)	Three Months Ended September 30,			Last Twelve Months
	2016	2015	Change	
Net Income	\$ 25.0	\$ 41.5	\$ (16.5)	\$ 87.7
Add: Income tax expense	15.2	25.6	(10.4)	52.8
Add: Interest expense	6.0	4.7	1.3	22.3
Add: Depreciation and amortization	24.0	23.3	0.7	95.5
Add: Dry-dock amortization	10.6	5.7	4.9	34.1
EBITDA (1)	\$ 80.8	\$ 100.8	\$ (20.0)	\$ 292.4

(In millions)	Nine Months Ended September 30,		
	2016	2015	Change
Net Income	\$ 61.1	\$ 76.4	\$ (15.3)
Add: Income tax expense	38.4	60.4	(22.0)
Add: Interest expense	17.4	13.6	3.8
Add: Depreciation and amortization	71.3	58.5	12.8
Add: Dry-dock amortization	27.8	16.8	11.0
EBITDA (1)	\$ 216.0	\$ 225.7	\$ (9.7)

- (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.