

Matson, Inc.
Form 10-Q
May 05, 2016

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2016

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from to

Commission file number 001-34187

Matson, Inc.

(Exact name of registrant as specified in its charter)

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(State or other jurisdiction of
incorporation or organization)

(I.R.S. Employer
Identification No.)

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

96819
(Zip Code)

(808) 848-1211

(Registrant's telephone number, including area code)

Not Applicable

(Former name, former address, and former

fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer

Accelerated filer

Non-accelerated filer
(Do not check if a smaller reporting company)

Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

Number of shares of common stock outstanding as of March 31, 2016: **43,258,098**

PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS**MATSON, INC. AND SUBSIDIARIES****Condensed Consolidated Statements of Income and Comprehensive Income**

(In millions, except per-share amounts) (Unaudited)

	Three Months Ended March 31,	
	2016	2015
Operating Revenue:		
Ocean Transportation	\$ 366.1	\$ 305.5
Logistics	88.1	92.7
Total Operating Revenue	454.2	398.2
Costs and Expenses:		
Operating costs	376.4	318.2
Equity in income of related party Terminal Joint Venture	(2.6)	(3.4)
Selling, general and administrative	45.8	38.5
Total Costs and Expenses	419.6	353.3
Operating Income	34.6	44.9
Interest expense	(4.9)	(4.3)
Income before Income Taxes	29.7	40.6
Income tax expense	(11.6)	(15.6)
Net Income	\$ 18.1	\$ 25.0
Other Comprehensive Income (Loss), Net of Income Taxes:		
Net Income	\$ 18.1	\$ 25.0
Other Comprehensive Income (Loss):		
Net gain (loss) in prior service cost	0.7	(0.2)
Amortization of prior service cost included in net periodic pension cost	(0.4)	(0.4)
Amortization of net loss included in net periodic pension cost	1.1	1.4
Foreign currency translation adjustment	(0.1)	0.1
Total Other Comprehensive Income	1.3	0.9
Comprehensive Income	\$ 19.4	\$ 25.9
Basic Earnings Per Share:	\$ 0.42	\$ 0.58
Diluted Earnings Per Share:	\$ 0.41	\$ 0.57
Weighted Average Number of Shares Outstanding:		
Basic	43.4	43.4
Diluted	43.8	43.9
Cash Dividends Per Share	\$ 0.18	\$ 0.17

See Notes to Condensed Consolidated Financial Statements.

MATSON, INC. AND SUBSIDIARIES

Condensed Consolidated Balance Sheets

(In millions) (Unaudited)

	March 31, 2016	December 31, 2015
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 20.1	\$ 25.5
Accounts receivable, net	210.4	214.3
Prepaid expenses and other assets	28.4	38.1
Total current assets	258.9	277.9
Long-term Assets:		
Investment in related party Terminal Joint Venture	69.0	66.4
Property and equipment, net	857.4	860.3
Goodwill	241.6	241.6
Intangible assets, net	137.2	139.1
Capital Construction Fund - cash on deposit	12.5	
Deferred dry-docking costs	68.1	57.6
Other long-term assets	29.6	26.9
Total assets	\$ 1,674.3	\$ 1,669.8
LIABILITIES AND SHAREHOLDERS EQUITY		
Current Liabilities:		
Current portion of debt	\$ 21.7	\$ 22.0
Accounts payable	150.7	164.9
Payroll and vacation benefits	20.2	23.1
Uninsured liabilities	24.6	27.1
Accrued and other liabilities	44.0	60.5
Total current liabilities	261.2	297.6
Long-term Liabilities:		
Long-term debt	459.5	407.9
Deferred income taxes	313.3	310.5
Employee benefit plans	106.7	109.3
Uninsured and other liabilities	38.4	37.7
Multi-employer withdrawal liabilities	55.5	56.2
Total long-term liabilities	973.4	921.6
Commitments and Contingencies (Note 2)		