



## **Kirby Corporation Concludes Review of Strategic Alternatives for Distribution and Services Business; Remains Open to Opportunities to Maximize Shareholder Value**

January 9, 2023

HOUSTON, Jan. 09, 2023 (GLOBE NEWSWIRE) -- Kirby Corporation (NYSE: KEX) ("Kirby" or the "Company") today announced its Board of Directors has concluded the Company's review of strategic alternatives for its Distribution and Services business, which was initiated in early 2022.

The Kirby Board of Directors (the "Board"), with the support of its independent financial and legal advisors, reviewed a range of alternatives, including a sale or spin-off of the Company's Distribution and Services business, and held discussions with a number of potential strategic and financial counterparties. Following this process, the Board concluded that, under current financial market conditions, the best path for Kirby is to continue to execute its strategic plan for both its Marine Transportation and Distribution and Services businesses. The Board and management team remain open to reviewing any and all opportunities that may maximize value for shareholders.

"Following a thorough review of strategic alternatives, the Kirby Board determined that the best way to enhance shareholder value is to continue to execute on the strategic plan for both the Marine Transportation and Distribution and Services businesses at this time," said Joseph H. Pyne, Kirby's Chairman of the Board. "The M&A market continues to be constrained by macroeconomic headwinds, including a challenging financing environment. The Board remains committed to maximizing value and will continue to evaluate all opportunities to do so, consistent with its fiduciary duty to shareholders."

As the industry's most trusted marine transportation and equipment distribution and services provider, Kirby has deep operational expertise and unique capabilities that position both of its businesses to deliver long-term growth and enhanced performance. The Company's financial strength is evidenced by its investment-grade balance sheet and strong cash flow generation. Looking ahead, Kirby expects that favorable conditions for inland marine transportation and oil and gas markets will support continued growth in demand for the Company's products and services. For Kirby's Distribution and Services segment, the Company expects demand for its new products that have been developed as part of its electrification growth strategy, especially for its environmentally friendly pressure pumping and e-frac power generation equipment, to remain strong with growing backlog of new orders and increased deliveries of new equipment into 2023. Kirby continues to expect its businesses to deliver improved financial results throughout 2023 as it maintains a relentless focus on cost and capital management, while capitalizing on growth opportunities and continuing to ensure safe, efficient, and reliable operations.

David Grzebinski, Kirby's President and Chief Executive Officer, commented, "The Board and management team are confident in Kirby's prospects for continued profitable growth and value creation, as underscored by our strong financial results and operating performance in 2022. In Distribution and Services, our markets remained strong throughout 2022 and contributed to Kirby's meaningful year-over-year growth in revenue and operating margin. We are encouraged by the bright prospects of the Company's two segments and look forward to continuing to operate these businesses from a position of strength. As always, we remain open-minded and eager to consider strategic options to maximize value creation."

### **Advisors**

Morgan Stanley & Co. LLC is serving as Kirby's strategic financial advisor, and Cravath, Swaine & Moore LLP is serving as legal counsel.

### **Forward-Looking Statements**

Statements contained in this press release that are not historical facts, including, but not limited to, statements regarding the future, business plans, strategic alternatives for business segments and other statements that are not historical in nature are forward-looking statements. These statements reflect management's reasonable judgment with respect to future events. Forward-looking statements involve risks and uncertainties. Actual results could differ materially from those anticipated as a result of various factors, including cyclical or other downturns in demand, significant pricing competition, unanticipated additions to industry capacity, changes in the Jones Act or in U.S. Maritime policy and practice, fuel costs, interest rates, weather conditions and timing, magnitude and number of acquisitions or dispositions made by Kirby, and the impact of the COVID-19 pandemic and the related response of governments on global and regional market conditions. Forward-looking statements are based on currently available information and Kirby assumes no obligation to update any such statements, except as required by law. A list of additional risk factors can be found in Kirby's Annual Report on Form 10-K for the year ended December 31, 2021 and in Kirby's subsequent filings on Form 10-Q for the quarters ended March 31, 2022, June 30, 2022 and September 30, 2022.

### **About Kirby Corporation**

Kirby Corporation, based in Houston, Texas, is the nation's largest domestic tank barge operator transporting bulk liquid products throughout the Mississippi River System, on the Gulf Intracoastal Waterway, and coastwise along all three United States coasts. Kirby transports petrochemicals, black oil, refined petroleum products and agricultural chemicals by tank barge. In addition, Kirby participates in the transportation of dry-bulk commodities in United States coastwise trade. Through the distribution and services segment, Kirby provides after-market service and genuine replacement parts for engines, transmissions, reduction gears, electric motors, drives, and controls, specialized electrical distribution and control systems, energy storage battery systems, and related equipment used in oilfield services, marine, power generation, on-highway, and other industrial applications. Kirby also rents equipment including generators, industrial compressors, high capacity lift trucks, and refrigeration trailers for use in a variety of industrial markets. For the oil and gas market, Kirby manufactures and remanufactures oilfield service equipment, including pressure pumping units, and manufactures electric power generation equipment, specialized electrical distribution and control equipment, and high capacity energy storage/battery systems for oilfield customers.

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