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, 2022

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: 1-7615

KIRBY CORPORATION

(Exact name of registrant as specified in its charter)

Nevada	**74-1884980**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
55 Waugh Drive, Suite 1000 **Houston, TX**	**77007**
(Address of principal executive offices)	(Zip Code)

713-435-1000
(Registrant's telephone number, including area code)

No Change
(Former name, former address and former fiscal year, if changed since last report)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock	KEX	New York Stock Exchange

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 every Interactive Data File required to be submitted pursuant to Rule 405 of Regulations 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, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	Accelerated filer
Non-accelerated filer	Smaller reporting company
	Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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

As of May 6, 2022, 60.3 million shares of the Registrant's $0.10 par value per share common stock were outstanding.

PART I – FINANCIAL INFORMATION

Item 1. Financial Statements

KIRBY CORPORATION AND CONSOLIDATED SUBSIDIARIES
CONDENSED BALANCE SHEETS
(Unaudited)

	March 31, 2022	December 31, 2021
	($ in thousands)	
ASSETS		
Current assets:		
Cash and cash equivalents	$ 32,398	$ 34,813
Accounts receivable:		
Trade – less allowance for doubtful accounts	420,823	417,958
Other	125,757	149,964
Inventories – net	360,457	331,350
Prepaid expenses and other current assets	75,896	69,780
Total current assets	1,015,331	1,003,865
Property and equipment	5,391,988	5,392,851
Accumulated depreciation	(1,731,674)	(1,714,336)
Property and equipment – net	3,660,314	3,678,515
Operating lease right-of-use assets	164,986	167,730
Goodwill	438,748	438,748
Other intangibles, net	57,934	60,070
Other assets	45,479	50,135
Total assets	$ 5,382,792	$ 5,399,063
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Bank notes payable	$ 3,097	$ 1,934
Income taxes payable	93	—
Accounts payable	218,907	199,088
Accrued liabilities	188,302	236,078
Current portion of operating lease liabilities	34,454	33,902
Deferred revenues	68,982	72,770
Total current liabilities	513,835	543,772
Long-term debt, net – less current portion	1,151,638	1,161,433
Deferred income taxes	580,014	574,152
Operating lease liabilities – less current portion	156,271	159,672
Other long-term liabilities	69,169	71,252
Total long-term liabilities	1,957,092	1,966,509
Contingencies and commitments	—	—
Equity:		
Kirby stockholders' equity:		
Common stock, $0.10 par value per share. Authorized 120 million shares, issued 65.5 million shares	6,547	6,547
Additional paid-in capital	853,610	854,512
Accumulated other comprehensive income – net	(25,477)	(25,966)
Retained earnings	2,363,873	2,346,439
Treasury stock – at cost, 5.2 million shares at March 31, 2022 and 5.4 million at December 31, 2021	(289,098)	(295,208)
Total Kirby stockholders' equity	2,909,455	2,886,324
Noncontrolling interests	2,410	2,458
Total equity	2,911,865	2,888,782
Total liabilities and equity	$ 5,382,792	$ 5,399,063

See accompanying notes to condensed financial statements.

KIRBY CORPORATION AND CONSOLIDATED SUBSIDIARIES
CONDENSED STATEMENTS OF EARNINGS
(Unaudited)

	Three Months Ended March 31, 2022	Three Months Ended March 31, 2021
	($ in thousands, except per share amounts)	
Revenues:		
Marine transportation	$ 355,536	$ 300,951
Distribution and services	255,246	195,899
Total revenues	610,782	496,850
Costs and expenses:		
Costs of sales and operating expenses	450,618	363,040
Selling, general and administrative	75,765	69,629
Taxes, other than on income	9,590	8,260
Depreciation and amortization	49,964	54,890
Gain on disposition of assets	(4,849)	(2,133)
Total costs and expenses	581,088	493,686
Operating income	29,694	3,164
Other income	4,308	3,791
Interest expense	(10,203)	(10,966)
Earnings (loss) before taxes on income	23,799	(4,011)
(Provision) benefit for taxes on income	(6,213)	891
Net earnings (loss)	17,586	(3,120)
Net earnings attributable to noncontrolling interests	(152)	(255)
Net earnings (loss) attributable to Kirby	$ 17,434	$ (3,375)
Net earnings (loss) per share attributable to Kirby common stockholders:		
Basic	$ 0.29	$ (0.06)
Diluted	$ 0.29	$ (0.06)

See accompanying notes to condensed financial statements.

KIRBY CORPORATION AND CONSOLIDATED SUBSIDIARIES
CONDENSED STATEMENTS OF COMPREHENSIVE INCOME
(Unaudited)

	Three Months Ended March 31,	
	2022	2021
	($ in thousands)	
Net earnings (loss)	$ 17,586	$ (3,120)
Other comprehensive income (loss), net of taxes:		
Pension and postretirement benefits	13	745
Foreign currency translation adjustments	476	(497)
Total other comprehensive income (loss), net of taxes	489	248
Total comprehensive income (loss), net of taxes	18,075	(2,872)
Net earnings attributable to noncontrolling interests	(152)	(255)
Comprehensive income (loss) attributable to Kirby	$ 17,923	$ (3,127)

See accompanying notes to condensed financial statements.

KIRBY CORPORATION AND CONSOLIDATED SUBSIDIARIES
CONDENSED STATEMENTS OF CASH FLOWS
(Unaudited)

	Three Months Ended March 31, 2022	Three Months Ended March 31, 2021
	($ in thousands)	
Cash flows from operating activities:		
Net earnings (loss)	$ 17,586	$ (3,120)
Adjustments to reconcile net earnings (loss) to net cash provided by operations:		
Depreciation and amortization	49,964	54,890
Provision (benefit) for deferred income taxes	5,856	(533)
Amortization of share-based compensation	5,965	5,722
Amortization of major maintenance costs	7,113	8,360
Other	(3,480)	(1,138)
Increase (decrease) in cash flows resulting from changes in operating assets and liabilities, net	(50,782)	38,377
Net cash provided by operating activities	32,222	102,558
Cash flows from investing activities:		
Capital expenditures	(35,075)	(14,052)
Acquisitions of businesses	(3,900)	—
Proceeds from disposition of assets	14,280	4,754
Net cash used in investing activities	(24,695)	(9,298)
Cash flows from financing activities:		
Borrowings (payments) on bank credit facilities, net	1,163	(119,606)
Payments on long-term debt	(10,000)	—
Proceeds from exercise of stock options	2,336	411
Payments related to tax withholding for share-based compensation	(3,093)	(2,045)
Return of investment to noncontrolling interest and other	(348)	(25)
Net cash used in financing activities	(9,942)	(121,265)
Decrease in cash and cash equivalents	(2,415)	(28,005)
Cash and cash equivalents, beginning of year	34,813	80,338
Cash and cash equivalents, end of period	$ 32,398	$ 52,333
Supplemental disclosures of cash flow information:		
Cash paid (received) during the period:		
Interest paid	$ 18,022	$ 18,732
Income taxes refunded, net	$ (24)	$ (117,659)
Operating cash outflow from operating leases	$ 11,040	$ 10,688
Non-cash investing activity:		
Capital expenditures included in accounts payable	$ (487)	$ (7,207)
Right-of-use assets obtained in exchange for lease obligations	$ 6,464	$ 6,219

See accompanying notes to condensed financial statements.

KIRBY CORPORATION AND CONSOLIDATED SUBSIDIARIES
CONDENSED STATEMENTS OF STOCKHOLDERS' EQUITY
(Unaudited)

	Common Stock		Additional Paid-in-Capital	Accumulated Other Comprehensive Income, Net	Retained Earnings	Treasury Stock		Noncontrolling Interests	Total
	Shares	Amount				Shares	Amount		
					(in thousands)				
Balance at December 31, 2021	65,472	$ 6,547	$ 854,512	$ (25,966)	$ 2,346,439	(5,361)	$ (295,208)	$ 2,458	$ 2,888,782
Stock option exercises	—	—	438	—	—	34	1,898	—	2,336
Issuance of stock for equity awards, net of forfeitures	—	—	(7,305)	—	—	133	7,305	—	—
Tax withholdings on equity award vesting	—	—	—	—	—	(49)	(3,093)	—	(3,093)
Amortization of share-based compensation	—	—	5,965	—	—	—	—	—	5,965
Total comprehensive income, net of taxes	—	—	—	489	17,434	—	—	152	18,075
Return of investment to noncontrolling interests	—	—	—	—	—	—	—	(200)	(200)
Balance at March 31, 2022	65,472	$ 6,547	$ 853,610	$ (25,477)	$ 2,363,873	(5,243)	$ (289,098)	$ 2,410	$ 2,911,865

	Common Stock		Additional Paid-in-Capital	Accumulated Other Comprehensive Income, Net	Retained Earnings	Treasury Stock		Noncontrolling Interests	Total
	Shares	Amount				Shares	Amount		
					(in thousands)				
Balance at December 31, 2020	65,472	$ 6,547	$ 844,979	$ (61,452)	$ 2,593,393	(5,434)	$ (299,161)	$ 3,247	$ 3,087,553
Stock option exercises	—	—	19	—	—	8	392	—	411
Issuance of stock for equity awards, net of forfeitures	—	—	(4,461)	—	—	81	4,461	—	—
Tax withholdings on equity award vesting	—	—	—	—	—	(39)	(2,045)	—	(2,045)
Amortization of share-based compensation	—	—	5,722	—	—	—	—	—	5,722
Total comprehensive loss, net of taxes	—	—	—	248	(3,375)	—	—	255	(2,872)
Return of investment to noncontrolling interests	—	—	—	—	—	—	—	(25)	(25)
Balance at March 31, 2021	65,472	$ 6,547	$ 846,259	$ (61,204)	$ 2,590,018	(5,384)	$ (296,353)	$ 3,477	$ 3,088,744

See accompanying notes to condensed financial statements.

(1) Basis for Preparation of the Condensed Financial Statements

The condensed financial statements included herein have been prepared by Kirby Corporation and its consolidated subsidiaries (the "Company"), without audit, pursuant to the rules and regulations of the Securities and Exchange Commission. Although the Company believes that the disclosures are adequate to make the information presented not misleading, certain information and footnote disclosures, including significant accounting policies normally included in annual financial statements, have been condensed or omitted pursuant to such rules and regulations. It is suggested that these condensed financial statements be read in conjunction with the Company's Annual Report on Form 10-K for the year ended December 31, 2021. Certain reclassifications have been made to reflect the current presentation of financial information.

(2) Acquisition

On March 31, 2022, the Company paid $3.9 million in cash to purchase assets of a gearbox repair company in the distribution and services segment. Assets acquired consisted primarily of property and equipment.

(3) Revenues

The following table sets forth the Company's revenues by major source (in thousands):

	Three Months Ended March 31,	
	2022	2021
Marine transportation segment:		
Inland transportation	$ 277,910	$ 224,451
Coastal transportation	77,626	76,500
	$ 355,536	$ 300,951
Distribution and services segment:		
Commercial and industrial	$ 147,533	$ 132,908
Oil and gas	107,713	62,991
	$ 255,246	$ 195,899

Contract liabilities represent advance consideration received from customers, and are recognized as revenue over time as the related performance obligation is satisfied. Revenues recognized during the three months ended March 31, 2022 and 2021 that were included in the opening contract liability balances were $28.6 million and $30.8 million, respectively. The Company presents all contract liabilities within the deferred revenues financial statement caption on the balance sheets. The Company did not have any contract assets at March 31, 2022 or December 31, 2021. The Company applies the practical expedient that allows non-disclosure of information about remaining performance obligations that have original expected durations of one year or less.

(4) Segment Data

The Company's operations are aggregated into two reportable business segments as follows:

Marine Transportation Segment ("KMT") — Provides marine transportation by United States flagged vessels principally of liquid cargoes throughout the United States inland waterway system, along all three United States coasts, and, to a lesser extent, in United States coastal transportation of dry-bulk cargoes. The principal products transported include petrochemicals, black oil, refined petroleum products, and agricultural chemicals.

Distribution and Services Segment ("KDS") — Provides after-market services and genuine replacement parts for engines, transmissions, reduction gears, and related equipment used in oilfield services, marine, power generation, on-highway, and other industrial applications. The Company also rents equipment including generators, industrial compressors, high capacity lift trucks, and refrigeration trailers for use in a variety of industrial markets, and manufactures and remanufactures oilfield service equipment, including pressure pumping units, electric power generation equipment, specialized electrical distribution and control equipment, and high capacity energy storage/battery systems for oilfield service and railroad customers.

The Company's two reportable business segments are managed separately based on fundamental differences in their operations. The Company evaluates the performance of its segments based on the contributions to operating income of the respective segments, before income taxes, interest, gains or losses on disposition of assets, other nonoperating income, noncontrolling interests, accounting changes, and nonrecurring items. Intersegment revenues, based on market-based pricing, of KDS from KMT of $7.6 million and $4.9 million for the three months ended March 31, 2022 and 2021, respectively, as well as the related intersegment profit of $0.8 million and $0.5 million for the three months ended March 31, 2022 and 2021, respectively, have been eliminated from the tables below.

The following tables set forth the Company's revenues and profit or loss by reportable segment and total assets (in thousands):

	Three Months Ended March 31, 2022	2021
Revenues:		
Marine transportation	$ 355,536	$ 300,951
Distribution and services	255,246	195,899
	$ 610,782	$ 496,850
Segment profit:		
Marine transportation	$ 16,935	$ 1,940
Distribution and services	10,971	2,911
Other	(4,107)	(8,862)
	$ 23,799	$ (4,011)

	March 31, 2022	December 31, 2021
Total assets:		
Marine transportation	$ 4,280,135	$ 4,319,080
Distribution and services	922,905	892,603
Other	179,752	187,380
	$ 5,382,792	$ 5,399,063

The following table presents the details of "Other" segment loss (in thousands):

	Three Months Ended March 31, 2022	2021
General corporate expenses	$ (3,061)	$ (3,820)
Gain on disposition of assets	4,849	2,133
Interest expense	(10,203)	(10,966)
Other income	4,308	3,791
	$ (4,107)	$ (8,862)

The following table presents the details of "Other" total assets (in thousands):

	March 31, 2022	December 31, 2021
General corporate assets	$ 178,199	$ 185,246
Investment in affiliates	1,553	2,134
	$ 179,752	$ 187,380

(5) Long-Term Debt

The following table presents the carrying value and fair value (determined using inputs characteristic of a Level 2 fair value measurement) of debt outstanding (in thousands):

	March 31, 2022		December 31, 2021	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Revolving Credit Facility due March 27, 2024 (a)	$ —	$ —	$ —	$ —
Term Loan due March 27, 2024 (a)	305,000	305,000	315,000	315,000
3.29% senior notes due February 27, 2023	350,000	351,078	350,000	358,390
4.2% senior notes due March 1, 2028	500,000	512,724	500,000	549,239
Credit line due June 30, 2022	—	—	—	—
Bank notes payable	3,097	3,097	1,934	1,934
	1,158,097	1,171,899	1,166,934	1,224,563
Unamortized debt discounts and issuance costs (b)	(3,362)	—	(3,567)	—
	$ 1,154,735	$ 1,171,899	$ 1,163,367	$ 1,224,563

(a) Variable interest rate of 1.8% and 1.5% at March 31, 2022 and December 31, 2021, respectively.
(b) Excludes $1.2 million and $1.4 million attributable to the Revolving Credit Facility included in other assets at March 31, 2022 and December 31, 2021, respectively.

The following table presents borrowings and payments under the bank credit facilities (in thousands):

	Three Months Ended March 31,	
	2022	2021
Borrowings on bank credit facilities	$ 89,740	$ 1,107
Payments on bank credit facilities	(88,577)	(120,713)
	$ 1,163	$ (119,606)

The Company has an amended and restated credit agreement (the "Credit Agreement") with a group of commercial banks, with JPMorgan Chase Bank, N.A. as the administrative agent bank, allowing for an $850 million unsecured revolving credit facility ("Revolving Credit Facility") and an unsecured term loan ("Term Loan") with a maturity date of March 27, 2024. The Term Loan is prepayable, in whole or in part, without penalty. During the three months ended March 31, 2022, the Company repaid $10.0 million under the Term Loan. During April 2022, the Company repaid $5.0 million under the Term Loan. Outstanding letters of credit under the Revolving Credit Facility were $5.1 million and available borrowing capacity was $844.9 million as of March 31, 2022. Outstanding letters of credit under the $10 million credit line were $1.3 million and available borrowing capacity was $8.7 million as of March 31, 2022.

On February 3, 2022, the Company entered into a note purchase agreement for the issuance of $300 million of unsecured senior notes with a group of institutional investors, consisting of $60 million of 3.46% series A notes ("Series A Notes") and $240 million of 3.51% series B notes ("Series B Notes"), each due January 19, 2033 (collectively, the "2033 Notes"). The Series A Notes are scheduled to be issued on October 20, 2022, and the Series B Notes are scheduled to be issued on January 19, 2023. No principal payments will be required until maturity. Beginning in 2023, interest payments of $5.3 million will be due semi-annually on January 19 and July 19 of each year, with the exception of the first payment on January 19, 2023, which will be $0.5 million. The 2033 Notes will be unsecured and rank equally in right of payment with the Company's other unsecured senior indebtedness. The 2033 Notes contain certain covenants on the part of the Company, including an interest coverage covenant, a debt-to-capitalization covenant, and covenants relating to liens, asset sales and mergers, among others. The 2033 Notes also specify certain events of default, upon the occurrence of which the maturity of the notes may be accelerated, including failure to pay principal and interest, violation of covenants or default on other indebtedness, among others. The 3.29% unsecured senior notes due February 27, 2023 (the "2023 Notes") are excluded from short term liabilities because the Company intends to use the proceeds from the issuance of the 2033 Notes and availability under the Revolving Credit Facility to repay the 2023 Notes upon maturity.

(6) Leases

The Company currently leases various facilities and equipment under cancelable and noncancelable operating leases. The accounting for the Company's leases may require judgments, which include determining whether a contract contains a lease, allocating the consideration between lease and non-lease components, and determining the incremental borrowing rates. Leases with an initial noncancelable term of 12 months or less are not recorded on the balance sheet and related lease expense is recognized on a straight-line basis over the lease term. The Company has also elected to combine lease and non-lease components on all classes of leased assets, except for leased towing vessels, for which the Company estimates approximately 70% of the costs relate to service costs and other non-lease components. Variable lease costs relate primarily to real estate executory costs (i.e. taxes, insurance and maintenance).

Future minimum lease payments under operating leases that have initial noncancelable lease terms in excess of one year were as follows (in thousands):

	March 31, 2022	December 31, 2021
2022	$ 31,063	$ 41,685
2023	36,235	35,833
2024	29,270	28,837
2025	24,265	23,794
2026	18,888	18,361
Thereafter	91,621	91,237
Total lease payments	231,342	239,747
Less: imputed interest	(40,617)	(46,173)
Operating lease liabilities	$ 190,725	$ 193,574

The following table summarizes lease costs (in thousands):

	Three Months Ended March 31,	
	2022	2021
Operating lease cost	$ 10,850	$ 10,392
Variable lease cost	419	709
Short-term lease cost	5,481	3,053
Sublease income	(69)	(274)
	$ 16,681	$ 13,880

The following table summarizes other supplemental information about the Company's operating leases:

	March 31, 2022	December 31, 2021
Weighted average discount rate	3.8 %	3.8 %
Weighted average remaining lease term	9 years	9 years

(7) Stock Award Plans

The compensation cost that has been charged against earnings for the Company's stock award plans and the income tax benefit recognized in the statement of earnings for stock awards were as follows (in thousands):

	Three Months Ended March 31,	
	2022	2021
Compensation cost	$ 5,965	$ 5,722
Income tax benefit	$ 1,557	$ 1,272

During the three months ended March 31, 2022, the Company granted 197,850 restricted stock units ("RSUs") to selected officers and other key employees under the employee stock award plan which vest ratably over five years.

During May 2022, the Company granted 27,696 shares of restricted stock to nonemployee directors of the Company under the director stock plan, the majority of which vest six months after the date of grant.

(8) Taxes on Income

At both March 31, 2022 and December 31, 2021, the Company had a federal income tax receivable of $71.0 million included in Accounts Receivable – Other on the balance sheets. During the three months ended March 31, 2021, the Company received a tax refund of $119.5 million, including accrued interest, for its 2019 federal tax return related to net operating losses being carried back to offset taxable income generated between 2014 and 2017.

Earnings (loss) before taxes on income and details of the provision (benefit) for taxes on income were as follows (in thousands):

	Three Months Ended March 31,	
	2022	2021
Earnings (loss) before taxes on income:		
United States	$ 23,654	$ (3,619)
Foreign	145	(392)
	$ 23,799	$ (4,011)
Provision (benefit) for taxes on income:		
Federal:		
Current	$ —	$ —
Deferred	5,257	(603)
State and local:		
Current	263	(358)
Deferred	599	70
Foreign - current	94	—
	$ 6,213	$ (891)

(9) Earnings Per Share

The following table presents the components of basic and diluted earnings (loss) per share (in thousands, except per share amounts):

	Three Months Ended March 31,	
	2022	2021
Net earnings (loss) attributable to Kirby	$ 17,434	$ (3,375)
Undistributed earnings allocated to restricted shares	(3)	—
Earnings (loss) available to Kirby common stockholders – basic	17,431	(3,375)
Undistributed earnings allocated to restricted shares	3	—
Undistributed earnings reallocated to restricted shares	(3)	—
Earnings (loss) available to Kirby common stockholders – diluted	$ 17,431	$ (3,375)
Shares outstanding:		
Weighted average common stock issued and outstanding	60,182	60,074
Weighted average unvested restricted stock	(9)	(58)
Weighted average common stock outstanding – basic	60,173	60,016
Dilutive effect of stock options and restricted stock units	290	—
Weighted average common stock outstanding – diluted	60,463	60,016
Net earnings (loss) per share attributable to Kirby common stockholders:		
Basic	$ 0.29	$ (0.06)
Diluted	$ 0.29	$ (0.06)

Certain outstanding options to purchase approximately 0.4 million and 0.6 million shares of common stock were excluded in the computation of diluted earnings per share as of March 31, 2022 and 2021, respectively, as such stock options would have been antidilutive. Certain outstanding RSUs to convert to 7,000 shares of common stock were also excluded in the computation of diluted earnings per share as of March 31, 2021 as such RSUs would have been antidilutive. There were no antidilutive RSUs as of March 31, 2022.

(10) Inventories

The following table presents the details of inventories – net (in thousands):

	March 31, 2022	December 31, 2021
Finished goods	$ 271,519	$ 260,707
Work in process	88,938	70,643
	$ 360,457	$ 331,350

(11) Retirement Plans

The Company sponsors a defined benefit plan for certain of its inland vessel personnel and shore based tankermen. The plan benefits are based on an employee's years of service and compensation. The plan assets consist primarily of equity and fixed income securities.

On April 12, 2017, the Company amended its pension plan to cease all benefit accruals for periods after May 31, 2017 for certain participants. Participants grandfathered and not impacted were those, as of the close of business on May 31, 2017, who either (a) had completed 15 years of pension service or (b) had attained age 50 and completed 10 years of pension service. Participants non-grandfathered are eligible to receive discretionary 401(k) plan contributions.

The Company's pension plan funding strategy is to make annual contributions in amounts equal to or greater than amounts necessary to meet minimum government funding requirements. The plan's benefit obligations are based on a variety of demographic and economic assumptions, and the pension plan assets' returns are subject to various risks, including market and interest rate risk, making an accurate prediction of the pension plan contribution difficult. Based on current pension plan assets and market conditions, the Company does not expect to make a contribution to the Kirby pension plan during 2022.

On February 14, 2018, with the acquisition of Higman Marine, Inc. and its affiliated companies ("Higman"), the Company assumed Higman's pension plan for its inland vessel personnel and office staff. On March 27, 2018, the Company amended the Higman pension plan to close it to all new entrants and cease all benefit accruals for periods after May 15, 2018 for all participants. The Company made a contribution of $0.3 million to the Higman pension plan during the three months ended March 31, 2022 and a contribution of $0.2 million during April 2022. The Company expects to make additional contributions of $0.4 million during the remainder of 2022.

The Company sponsors an unfunded defined benefit health care plan that provides limited postretirement medical benefits to employees who meet minimum age and service requirements, and to eligible dependents. The plan limits cost increases in the Company's contribution to 4% per year. The plan is contributory, with retiree contributions adjusted annually. The plan eliminated coverage for future retirees as of December 31, 2011. The Company also has an unfunded defined benefit supplemental executive retirement plan ("SERP") that was assumed in an acquisition in 1999. That plan ceased to accrue additional benefits effective January 1, 2000.

The components of net periodic benefit cost for the Company's defined benefit plans were as follows (in thousands):

	Pension Benefits			
	Pension Plans		SERP	
	Three Months Ended March 31,		Three Months Ended March 31,	
	2022	2021	2022	2021
Components of net periodic benefit cost:				
Service cost	$ 1,611	$ 1,927	$ —	$ —
Interest cost	3,722	3,584	7	8
Expected return on plan assets	(7,142)	(6,574)	—	—
Amortization of actuarial loss	110	1,098	7	10
Net periodic benefit cost	$ (1,699)	$ 35	$ 14	$ 18

The components of net periodic benefit cost for the Company's postretirement benefit plan were as follows (in thousands):

	Other Postretirement Benefits	
	Postretirement Welfare Plan	
	Three Months Ended March 31,	
	2022	2021
Components of net periodic benefit cost:		
Interest cost	4	4
Amortization of actuarial gain	(98)	(113)
Net periodic benefit cost	$ (94)	$ (109)

(12) Other Comprehensive Income

The Company's changes in other comprehensive income (loss) were as follows (in thousands):

	Three Months Ended March 31,					
	2022			2021		
	Gross Amount	Income Tax Provision	Net Amount	Gross Amount	Income Tax Provision	Net Amount
Pension and postretirement benefits (a):						
Amortization of net actuarial loss	$ 19	$ (6)	$ 13	$ 995	$ (250)	$ 745
Foreign currency translation	476	—	476	(497)	—	(497)
Total	$ 495	$ (6)	$ 489	$ 498	$ (250)	$ 248

(a) Actuarial gains (losses) are amortized into other income (expense). (See Note 11, Retirement Plans)

(13) Contingencies and Commitments

On October 13, 2016, the tug Nathan E. Stewart and barge DBL 55, an articulated tank barge and tugboat unit ("ATB") owned and operated by Kirby Offshore Marine, LLC, a wholly owned subsidiary of the Company, ran aground at the entrance to Seaforth Channel on Atholone Island, British Columbia. The grounding resulted in a breach of a portion of the Nathan E. Stewart's fuel tanks causing a discharge of diesel fuel into the water. The USCG and the NTSB designated the Company as a party of interest in their investigation as to the cause of the incident. The Canadian authorities including Transport Canada and the Canadian Transportation Safety Board investigated the cause of the incident. On October 10, 2018, the Heiltsuk First Nation filed a civil action in the British Columbia Supreme Court against a subsidiary of the Company, the master and pilot of the tug, the vessels and the Canadian government seeking unquantified damages as a result of the incident. On May 1, 2019, the Company filed a limitation action in the Federal Court of Canada seeking limitation of liability relating to the incident as provided under admiralty law. The Heiltsuk First Nation's civil claim has been consolidated into the Federal Court limitation action as of July 26, 2019 and it is expected that the Federal Court of Canada will decide all claims against the Company. The Company is unable to estimate the potential exposure in the civil proceeding. The Company has various insurance policies covering liabilities including pollution, property, marine and general liability and believes that it has satisfactory insurance coverage for the cost of cleanup and salvage operations as well as other potential liabilities arising from the incident. The Company believes its accrual of such estimated liability is adequate for the incident and does not expect the incident to have a material adverse effect on its business or financial condition.

In addition, the Company is involved in various legal and other proceedings which are incidental to the conduct of its business, none of which in the opinion of management will have a material effect on the Company's financial condition, results of operations, or cash flows. Management believes its accrual of such estimated liability is adequate and believes that it has adequate insurance coverage or has meritorious defenses for these other claims and contingencies.

The Company has issued guaranties or obtained standby letters of credit and performance bonds supporting performance by the Company and its subsidiaries of contractual or contingent legal obligations of the Company and its subsidiaries incurred in the ordinary course of business. The aggregate notional value of these instruments is $19.7 million at March 31, 2022, including $12.1 million in letters of credit and $7.6 million in performance bonds. All of these instruments have an expiration date within two years. The Company does not believe demand for payment under these instruments is likely and expects no material cash outlays to occur regarding these instruments.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Statements contained in this Form 10-Q that are not historical facts, including, but not limited to, any projections contained herein, are forward-looking statements and involve a number of risks and uncertainties. Such statements involve risks and uncertainties. Such statements can be identified by the use of forward-looking terminology such as "may," "will," "expect," "anticipate," "estimate," or "continue," or the negative thereof or other variations thereon or comparable terminology. The actual results of the future events described in such forward-looking statements in this Form 10-Q could differ materially from those stated in such forward-looking statements. Among the factors that could cause actual results to differ materially are: adverse economic conditions, industry competition and other competitive factors, adverse weather conditions such as high water, low water, tropical storms, hurricanes, tsunamis, fog and ice, tornados, COVID-19 or other pandemics, marine accidents, lock delays, fuel costs, interest rates, construction of new equipment by competitors, government and environmental laws and regulations, and the timing, magnitude and number of acquisitions made by the Company. For a more detailed discussion of factors that could cause actual results to differ from those presented in forward-looking statements, see Item 1A-Risk Factors found in the Company's Annual Report on Form 10-K for the year ended December 31, 2021. Forward-looking statements are based on currently available information and the Company assumes no obligation to update any such statements. For purposes of Management's Discussion, all net earnings (loss) per share attributable to Kirby common stockholders are "diluted earnings (loss) per share."

Overview

The Company 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. The Company transports petrochemicals, black oil, refined petroleum products and agricultural chemicals by tank barge. Through KDS, the Company provides after-market service and parts for engines, transmissions, reduction gears and related equipment used in oilfield services, marine, power generation, on-highway, and other industrial applications. The Company also rents equipment including generators, industrial compressors, high capacity lift trucks, and refrigeration trailers for use in a variety of industrial markets, and manufactures and remanufactures oilfield service equipment, including pressure pumping units, manufactures cementing and pumping equipment as well as coil tubing and well intervention equipment, electric power generation equipment, specialized electrical distribution and control equipment, and high capacity energy storage/battery systems for oilfield service and railroad customers.

The following table summarizes key operating results of the Company (in thousands, except per share amounts):

	Three Months Ended March 31,	
	2022	2021
Total revenues	$ 610,782	$ 496,850
Net earnings (loss) attributable to Kirby	$ 17,434	$ (3,375)
Net earnings (loss) per share attributable to Kirby common stockholders – diluted	$ 0.29	$ (0.06)
Net cash provided by operating activities	$ 32,222	$ 102,558
Capital expenditures	$ 35,075	$ 14,052

Cash provided by operating activities for the 2022 first quarter decreased primarily due to the receipt of a tax refund of $119.5 million, including accrued interest, for the Company's 2019 federal tax return during the 2021 first quarter. For the 2022 first quarter, capital expenditures of $35.1 million included $30.1 million in KMT and $5.0 million in KDS and corporate, more fully described under cash flow and capital expenditures below.

The Company projects that capital expenditures for 2022 will be in the $170 million to $190 million range. The 2022 construction program will consist of approximately $5 million for the construction of new inland towboats, $145 million to $155 million primarily for maintenance capital and improvements to existing marine equipment and facilities, and $20 million to $30 million for new machinery and equipment, facilities improvements, and information technology projects in KDS and corporate.

The Company's debt-to-capitalization ratio decreased to 28.4% at March 31, 2022 from 28.7% at December 31, 2021, primarily due to repayments under the Term Loan in the 2022 first quarter, and an increase in total equity, primarily due to the net earnings attributable to Kirby of $17.4 million. The Company's debt outstanding as of March 31, 2022 and December 31, 2021 is detailed in Long-Term Financing below.

Marine Transportation

For the 2022 first quarter, KMT generated 58% of the Company's revenues. The segment's customers include many of the major petrochemical and refining companies that operate in the United States. Products transported include intermediate materials used to produce many of the end products used widely by businesses and consumers — plastics, fiber, paints, detergents, oil additives and paper, among others, as well as residual fuel oil, ship bunkers, asphalt, gasoline, diesel fuel, heating oil, crude oil, natural gas condensate, and agricultural chemicals. Consequently, KMT is directly affected by the volumes produced by the Company's petroleum, petrochemical and refining customer base.

The following table summarizes the Company's marine transportation fleet:

	March 31, 2022	March 31, 2021
Inland tank barges:		
Owned	983	1,008
Leased	42	49
Total	1,025	1,057
Barrel capacity (in millions)	22.9	23.7
Active inland towboats (quarter average):		
Owned	207	216
Chartered	56	25
Total	263	241
Coastal tank barges:		
Owned	29	43
Leased	1	1
Total	30	44
Barrel capacity (in millions)	3.1	4.2
Coastal tugboats:		
Owned	26	39
Chartered	3	3
Total	29	42
Offshore dry-bulk cargo barges (owned)	4	4
Offshore tugboats and docking tugboat (owned and chartered)	5	5

The Company also owns shifting operations and fleeting facilities for dry cargo barges and tank barges on the Houston Ship Channel and in Freeport and Port Arthur, Texas, and Lake Charles, Louisiana, and a shipyard for building towboats and performing routine maintenance near the Houston Ship Channel, as well as a two-thirds interest in Osprey Line, L.L.C., which transports project cargoes and cargo containers by barge.

During the 2022 first quarter, the Company's inland tank barge count and capacity was unchanged.

KMT revenues for the 2022 first quarter increased 18% and operating income increased 773% compared to the 2021 first quarter. The increases for the 2022 first quarter were primarily due to increased tank barge utilization and term and spot pricing in the inland market and increased fuel rebills in the inland and coastal markets. The 2021 first quarter was also heavily impacted by Winter Storm Uri which shut down many Gulf Coast refineries and chemical plants for an extended period of time starting in mid-February. These emergency shutdowns resulted in significantly reduced liquids production and lower volumes for the Company's inland marine transportation market during the 2021 first quarter. The 2022 and 2021 first quarters were also impacted by poor operating conditions including seasonal wind and fog along the Gulf Coast, flooding on the Mississippi River, and various lock closures along the Gulf Intracoastal Waterway, in addition to ice on the Illinois River. For the 2022 and 2021 first quarters the inland tank barge fleet contributed 78% and 75%, respectively, and the coastal fleet contributed 22% and 25%, respectively, of KMT revenues.

Inland tank barge utilization levels averaged in the mid-80% range during the 2022 first quarter compared to the mid-70% range during the 2021 first quarter. The 2022 first quarter reflected increasing activity levels as a result of higher refinery and petrochemical plant utilization while the 2021 first quarter was impacted by reduced demand resulting from the effects of the COVID-19 pandemic causing an economic slowdown as well as reduced volumes due to Winter Storm Uri.

Coastal tank barge utilization levels averaged in the low 90% range during the 2022 first quarter compared to the mid-70% range during the 2021 first quarter. The increase in coastal tank barge utilization during 2022 was primarily due to the retirement of underutilized barges in the 2021 third quarter and some modest improvements in customer demand. Barge utilization in the coastal marine fleet continued to be impacted by the oversupply of tank barges in the coastal industry in 2022 and 2021.

During both the 2022 and 2021 first quarters approximately 65% of KMT inland revenues were under term contracts and 35% were spot contract revenues. Inland time charters during the 2022 and 2021 first quarters represented 58% and 61%, respectively, of the inland revenues under term contracts. During both the 2022 and 2021 first quarters approximately 80% of the coastal revenues were under term contracts and 20% were spot contract revenues. Coastal time charters represented approximately 90% and 85% of coastal revenues under term contracts during the 2022 and 2021 first quarters, respectively. Term contracts have contract terms of 12 months or longer, while spot contracts have contract terms of less than 12 months.

The following table summarizes the average range of pricing changes in term and spot contracts renewed during 2022 compared to contracts renewed during the corresponding quarter of 2021:

	Three Months Ended March 31, 2022
Inland market:	
Term increase	7% – 9%
Spot increase	15% – 20%
Coastal market (a):	
Term increase	4% – 6%
Spot increase	4% – 6%

(a) Spot and term contract pricing in the coastal market are contingent on various factors including geographic location, vessel capacity, vessel type, and product serviced.

Effective January 1, 2022, annual escalators for labor and the producer price index on a number of inland multi-year contracts resulted in rate increases on those contracts of approximately 5%, excluding fuel.

KMT operating margin was 4.8% and 0.6% for the 2022 and 2021 first quarters, respectively.

Distribution and Services

KDS sells genuine replacement parts, provides service mechanics to overhaul and repair engines, transmissions, reduction gears and related oilfield services equipment, rebuilds component parts or entire diesel engines, transmissions and reduction gears, and related equipment used in oilfield services, marine, power generation, on-highway and other industrial applications. The Company also rents equipment including generators, industrial compressors, high capacity lift trucks, and refrigeration trailers for use in a variety of industrial markets, manufactures and remanufactures oilfield service equipment, including pressure pumping units, and manufactures cementing and pumping equipment as well as coil tubing and well intervention equipment, electric power generation equipment, specialized electric distribution and control equipment, and high capacity energy storage/battery systems for oilfield service and railroad customers.

For the 2022 first quarter KDS generated 42% of the Company’s revenues, of which 88% was generated from service and parts and 12%, from manufacturing. The results of KDS are largely influenced by the economic cycles of the oil and gas, marine, power generation, on-highway, and other related industrial markets.

KDS revenues for the 2022 first quarter increased 30% and operating income increased 277% compared with the 2021 first quarter. In the commercial and industrial market, the increases for the 2022 first quarter were primarily attributable to improved economic activity across the United States which resulted in higher business levels in the marine and on-highway businesses. Increased product sales in Thermo King also contributed favorably to the 2022 first quarter results. In addition, the 2021 first quarter was impacted by Winter Storm Uri which caused reduced activity, especially in the Southern United States, in the commercial and industrial market. For the 2022 first quarter, the commercial and industrial market contributed 58% of KDS revenues.

In the oil and gas market, revenues and operating income improved compared to the 2021 first quarter due to higher oilfield activity which resulted in increased demand for new transmissions and parts in the distribution business. Although the manufacturing business was heavily impacted by supply chain delays, the business continued to experience increased orders and deliveries of new environmentally friendly pressure pumping equipment and power generation equipment for electric fracturing. For the 2022 first quarter, the oil and gas market contributed 42% of KDS revenues.

KDS operating margin was 4.3% and 1.5% for the 2022 and 2021 first quarters, respectively.

Outlook

Although the 2022 first quarter was heavily impacted by the COVID-19 Omicron variant in KMT, activity levels improved considerably in March. KDS also experienced supply chain challenges that impacted the 2022 first quarter but expects overall demand for its products and services to continue to improve as the year progresses. As such, the Company expects both KMT and KDS to deliver continued improved financial results in 2022.

The inland marine transportation market, revenues and operating income are expected to continue to improve, driven by increased barge utilization, improvements in the spot market, and renewals of expiring term contracts at higher rates. Rising costs from inflation, including significantly higher fuel prices, are expected to be headwinds but are anticipated to be largely mitigated when escalations in contracts occur during the second half of the year. In coastal marine, modest improvements in demand and pricing are anticipated in 2022, but revenues and operating income are expected to be impacted by planned shipyard maintenance and ballast water treatment installations on certain vessels for the duration of the year.

KDS results are largely influenced by the cycles of the oil and gas, marine, power generation, on-highway and other related industrial markets. In the oil and gas market, high commodity prices, increasing rig counts, and growing well completions activity are expected to result in increased demand for original equipment manufacturer products, parts, and services as well as for new environmentally friendly pressure pumping equipment and power generation equipment for electric fracturing. In commercial and industrial, favorable economic activity is expected to result in increased demand in power generation, marine repair, and on-highway. Overall, despite ongoing supply chain issues and long lead times, favorable oilfield fundamentals and increased demand in commercial and industrial are expected to result in improved financial results in 2022.

Acquisition

On March 31, 2022, the Company paid $3.9 million in cash to purchase assets of a gearbox repair company in KDS. Financing of the purchase was through cash provided by operating activities.

Results of Operations

The following table sets forth the Company's KMT and KDS revenues and the percentage of each to total revenues for the comparable periods (dollars in thousands):

	Three Months Ended March 31,			
	2022	%	2021	%
Marine transportation	$ 355,536	58%	$ 300,951	61%
Distribution and services	255,246	42	195,899	39
	$ 610,782	100%	$ 496,850	100%

Marine Transportation

The following table sets forth KMT revenues, costs and expenses, operating income, and operating margin (dollars in thousands):

	Three Months Ended March 31,		
	2022	2021	% Change
Marine transportation revenues	$ 355,536	$ 300,951	18%
Costs and expenses:			
Costs of sales and operating expenses	254,359	214,125	19
Selling, general and administrative	32,336	30,578	6
Taxes, other than on income	7,820	6,729	16
Depreciation and amortization	44,086	47,579	(7)
	338,601	299,011	13
Operating income	$ 16,935	$ 1,940	773%
Operating margins	4.8%	0.6%	

Marine Transportation Revenues

The following table shows the marine transportation markets serviced by the Company, KMT revenue distribution, products moved and the drivers of the demand for the products the Company transports:

Markets Serviced	2022 First Quarter Revenue Distribution	Products Moved	Drivers
Petrochemicals	50%	Benzene, Styrene, Methanol, Acrylonitrile, Xylene, Naphtha, Caustic Soda, Butadiene, Propylene	Consumer non-durables – 70%, Consumer durables – 30%
Black Oil	26%	Residual Fuel Oil, Coker Feedstock, Vacuum Gas Oil, Asphalt, Carbon Black Feedstock, Crude Oil, Natural Gas Condensate, Ship Bunkers	Fuel for Power Plants and Ships, Feedstock for Refineries, Road Construction
Refined Petroleum Products	20%	Gasoline, No. 2 Oil, Jet Fuel, Heating Oil, Diesel Fuel, Ethanol	Vehicle Usage, Air Travel, Weather Conditions, Refinery Utilization
Agricultural Chemicals	4%	Anhydrous Ammonia, Nitrogen – Based Liquid Fertilizer, Industrial Ammonia	Corn, Cotton and Wheat Production, Chemical Feedstock Usage

KMT revenues for the 2022 first quarter increased 18% compared to the 2021 first quarter revenues. The increase for the 2022 first quarter was primarily due to increased tank barge utilization and term and spot pricing in the inland market and increased fuel rebills in the inland and coastal markets. The 2021 first quarter was also heavily impacted by Winter Storm Uri which shut down many Gulf Coast refineries and chemical plants for an extended period of time starting in mid-February. These emergency shutdowns resulted in significantly reduced liquids production and lower volumes for the Company's inland marine transportation market during the 2021 first quarter. The 2022 and 2021 first quarters were also impacted by poor operating conditions including seasonal wind and fog along the Gulf Coast, flooding on the Mississippi River, and various lock closures along the Gulf Intracoastal Waterway, in addition to ice on the Illinois River. For the 2022 and 2021 first quarters the inland tank barge fleet contributed 78% and 75%, respectively, and the coastal fleet contributed 22% and 25%, respectively, of KMT revenues.

Inland tank barge utilization levels averaged in the mid-80% range during the 2022 first quarter compared to the mid-70% range during the 2021 first quarter. The 2022 first quarter reflected increasing activity levels as a result of higher refinery and petrochemical plant utilization while the 2021 first quarter was impacted by reduced demand resulting from the effects of the COVID-19 pandemic causing an economic slowdown as well as reduced volumes due to Winter Storm Uri.

Coastal tank barge utilization levels averaged in the low 90% range during the 2022 first quarter compared to the mid-70% range during the 2021 first quarter. The increase in coastal tank barge utilization during 2022 was primarily due to the retirement of underutilized barges in the 2021 third quarter and some modest improvements in customer demand. Barge utilization in the coastal marine fleet continued to be impacted by the oversupply of tank barges in the coastal industry in 2022 and 2021.

The petrochemical market, the Company's largest market, contributed 50% of KMT revenues for the 2022 first quarter, reflecting increased volumes and utilization from Gulf Coast petrochemical plants as a result of improved economic conditions following the height of the COVID-19 pandemic.

The black oil market, which contributed 26% of KMT revenues for the 2022 first quarter, reflected improved demand as refinery utilization and production levels of refined petroleum products and fuel oils increased following the height of the COVID-19 pandemic. During the 2022 first quarter, the Company transported crude oil and natural gas condensate produced from the Permian Basin and the Eagle Ford shale formation in Texas, both along the Gulf Intracoastal Waterway with inland vessels and in the Gulf of Mexico with coastal equipment. Additionally, the Company transported volumes of Utica natural gas condensate downriver from the Mid-Atlantic to the Gulf Coast and Canadian and Bakken crude downriver from the Midwest to the Gulf Coast.

The refined petroleum products market, which contributed 20% of KMT revenues for the 2022 first quarter, reflected increased volumes in the inland market as refinery utilization and product levels improved following the height of the COVID-19 pandemic.

The agricultural chemical market, which contributed 4% of KMT revenues for the 2022 first quarter, reflected improved demand for transportation of both domestically produced and imported products, primarily due to improved economic conditions following the height of the COVID-19 pandemic.

For the 2022 first quarter, the inland operations incurred 3,137 delay days, 10% more than the 2,854 delay days that occurred during the 2021 first quarter. Delay days measure the lost time incurred by a tow (towboat and one or more tank barges) during transit when the tow is stopped due to weather, lock conditions, or other navigational factors. Delay days reflected poor operating conditions due to heavy wind and fog along the Gulf Coast and high water conditions on the Mississippi River System during the 2022 and 2021 first quarters. The 2022 first quarter was also impacted by ice on the Illinois River while the 2021 first quarter was impacted by closures of key waterways as a result of lock maintenance projects. The increase in delay days in the 2022 first quarter reflects increased volumes and barge utilization compared to the 2021 first quarter.

During both the 2022 and 2021 first quarters approximately 65% of KMT inland revenues were under term contracts and 35% were spot contract revenues. Inland time charters during the 2022 and 2021 first quarters represented 58% and 61%, respectively, of the inland revenues under term contracts. During both the 2022 and 2021 first quarters approximately 80% of the coastal revenues were under term contracts and 20% were spot contract revenues. Coastal time charters represented approximately 90% and 85% of coastal revenues under term contracts during the 2022 and 2021 first quarters, respectively. Term contracts have contract terms of 12 months or longer, while spot contracts have contract terms of less than 12 months.

The following table summarizes the average range of pricing changes in term and spot contracts renewed during 2022 compared to contracts renewed during the corresponding quarter of 2021:

	Three Months Ended March 31, 2022
Inland market:	
Term increase	7% – 9%
Spot increase	15% – 20%
Coastal market (a):	
Term increase	4% – 6%
Spot increase	4% – 6%

(a) Spot and term contract pricing in the coastal market are contingent on various factors including geographic location, vessel capacity, vessel type, and product serviced.

Effective January 1, 2022, annual escalators for labor and the producer price index on a number of inland multi-year contracts resulted in rate increases on those contracts of approximately 5%, excluding fuel.

Marine Transportation Costs and Expenses

Costs and expenses for the 2022 first quarter increased 13% compared to the 2021 first quarter. Costs of sales and operating expenses for the 2022 first quarter increased 19% compared with the 2021 first quarter. The increases during the 2022 first quarter primarily reflect improved business activity levels and increased fuel costs as well as incremental costs associated with the COVID-19 Omicron variant.

The inland marine transportation fleet operated an average of 263 towboats during the 2022 first quarter, of which an average of 56 were chartered, compared to 241 during the 2021 first quarter, of which an average of 25 were chartered. The increase was primarily due to increasing business activity levels during the 2022 first quarter. The 2021 first quarter activity was also impacted by Winter Storm Uri. Generally, variability in demand or anticipated demand, as tank barges are added or removed from the fleet, as chartered towboat availability changes, or as weather or water conditions dictate, the Company charters in or releases chartered towboats in an effort to balance horsepower needs with current requirements. The Company has historically used chartered towboats for approximately one-fourth of its horsepower requirements.

During the 2022 first quarter, the inland operations consumed 11.5 million gallons of diesel fuel compared to 10.8 million gallons consumed during the 2021 first quarter. The average price per gallon of diesel fuel consumed during the 2022 first quarter was $2.50 per gallon compared with $1.65 per gallon for the 2021 first quarter. Fuel escalation and de-escalation clauses are typically included in term contracts and are designed to rebate fuel costs when prices decline and recover additional fuel costs when fuel prices rise; however, there is generally a 30 to 90 day delay before contracts are adjusted. Spot contracts do not have escalators for fuel.

Selling, general and administrative expenses for the 2022 first quarter increased 6% compared to the 2021 first quarter, primarily due to higher business activity levels. Business activity levels in the 2021 first quarter were impacted by COVID-19 and the resulting economic slowdown as well as Winter Storm Uri.

Taxes, other than on income, for the 2022 first quarter increased 16% compared with the 2021 first quarter, primarily reflecting higher property taxes on marine transportation equipment.

Depreciation and amortization for the 2022 first quarter decreased 7% compared to the 2021 first quarter, primarily reflecting retirements, sales, and impairment of marine equipment during 2021.

Marine Transportation Operating Income and Operating Margin

KMT operating income for the 2022 first quarter increased 773%, respectively, compared with the 2021 first quarter. The 2022 first quarter operating margin was 4.8% compared with 0.6% for the 2021 first quarter. The increases in operating income and operating margin were primarily due to increased barge utilization and term and spot contract pricing in the inland market, each as a result of improving business activity levels, partially offset by the impacts of the COVID-19 Omicron variant and increasing fuel prices. The 2021 first quarter was also impacted by Winter Storm Uri.

Distribution and Services

The following table sets forth KDS revenues, costs and expenses, operating income (loss), and operating margin (dollars in thousands):

	Three Months Ended March 31,		
	2022	2021	% Change
Distribution and services revenues	$ 255,246	$ 195,899	30%
Costs and expenses:			
Costs of sales and operating expenses	196,519	149,127	32
Selling, general and administrative	41,922	36,488	15
Taxes, other than on income	1,728	1,492	16
Depreciation and amortization	4,106	5,881	(30)
	244,275	192,988	27
Operating income	$ 10,971	$ 2,911	277%
Operating margins	4.3%	1.5%	

Distribution and Services Revenues

The following table shows the markets serviced by KDS, the revenue distribution, and the customers for each market:

Markets Serviced	2022 First Quarter Revenue Distribution	Customers
Commercial and Industrial	58%	Inland River Carriers — Dry and Liquid, Offshore Towing — Dry and Liquid, Offshore Oilfield Services — Drilling Rigs & Supply Boats, Harbor Towing, Dredging, Great Lakes Ore Carriers, Pleasure Crafts, On and Off-Highway Transportation, Power Generation, Standby Power Generation, Pumping Stations, Mining
Oil and Gas	42%	Oilfield Services, Oil and Gas Operators and Producers

KDS revenues for the 2022 first quarter increased 30% compared to the 2021 first quarter. In the commercial and industrial market, the increase for the 2022 first quarter was primarily attributable to improved economic activity across the United States which resulted in higher business levels in the marine and on-highway businesses. Increased product sales in Thermo King also contributed favorably to the 2022 first quarter results. In addition, the 2021 first quarter was impacted by Winter Storm Uri which caused reduced activity, especially in the Southern United States, in the commercial and industrial market. For the 2022 first quarter, the commercial and industrial market contributed 58% of KDS revenues.

In the oil and gas market, revenues improved compared to the 2021 first quarter due to higher oilfield activity which resulted in increased demand for new transmissions and parts in the distribution business. Although the manufacturing business was heavily impacted by supply chain delays, the business continued to experience increased orders and deliveries of new environmentally friendly pressure pumping equipment and power generation equipment for electric fracturing. For the 2022 first quarter, the oil and gas market contributed 42% of KDS revenues.

Distribution and Services Costs and Expenses

Costs and expenses for the 2022 first quarter increased 27% compared with the 2021 first quarter. Costs of sales and operating expenses for the 2022 first quarter increased 32%, compared with the 2021 first quarter, reflecting higher demand in the marine and on-highway businesses in commercial and industrial markets as well as increased demand in the oil and gas market as a result of higher oilfield activity levels.

Selling, general and administrative expenses for the 2022 first quarter increased 15%, compared to the 2021 first quarter, primarily due to higher salaries and higher warranty accruals associated with increased activity levels as well as salaries and costs related to the acquisition of assets of an energy storage systems manufacturer in the 2021 fourth quarter.

Depreciation and amortization for the 2022 first quarter decreased 30%, compared to the 2021 first quarter, primarily due to sales of property and equipment and reduced capital spending during 2021.

Distribution and Services Operating Income and Operating Margin

KDS operating income for the 2022 first quarter increased 277% compared with the 2021 first quarter. The 2022 first quarter operating margin was 4.3% compared to 1.5% for the 2021 first quarter. The results reflect increased business levels in both the commercial and industrial and oil and gas markets.

Gain on Disposition of Assets

The Company reported a net gain on disposition of assets of $4.8 million for the 2022 first quarter and $2.1 million for the 2021 first quarter. The net gains were primarily from sales of marine transportation equipment.

Other Income and Expenses

The following table sets forth other income, noncontrolling interests, and interest expense (dollars in thousands):

	Three Months Ended March 31,		
	2022	2021	% Change
Other income	$ 4,308	$ 3,791	14 %
Noncontrolling interests	$ (152)	$ (255)	(40)%
Interest expense	$ (10,203)	$ (10,966)	(7)%

Other Income

Other income for the 2022 and 2021 first quarters include income of $3.4 million and $2.0 million, respectively, for all components of net benefit costs except the service cost component related to the Company’s defined benefit plans. Other income for the 2021 first quarter also includes interest income from the Company’s 2019 federal income tax refund received in February 2021.

Interest Expense

The following table sets forth average debt and average interest rate (dollars in thousands):

	Three Months Ended March 31,	
	2022	2021
Average debt	$ 1,178,916	$ 1,417,127
Average interest rate	3.5 %	3.1 %

Interest expense for the 2022 first quarter decreased 7%, compared with the 2021 first quarter, primarily due to lower average debt outstanding as a result of debt repayments during 2021. There was no capitalized interest excluded from interest expense during the 2022 or 2021 first quarters.

Financial Condition, Capital Resources and Liquidity

Balance Sheets

The following table sets forth the significant components of the balance sheets (dollars in thousands):

	March 31, 2022	December 31, 2021	% Change
Assets:			
Current assets	$ 1,015,331	$ 1,003,865	1 %
Property and equipment, net	3,660,314	3,678,515	—
Operating lease right-of-use assets	164,986	167,730	(2)
Goodwill	438,748	438,748	—
Other intangibles, net	57,934	60,070	(4)
Other assets	45,479	50,135	(9)
	$ 5,382,792	$ 5,399,063	— %
Liabilities and stockholders' equity:			
Current liabilities	$ 513,835	$ 543,772	(6)%
Long-term debt, net – less current portion	1,151,638	1,161,433	(1)
Deferred income taxes	580,014	574,152	1
Operating lease liabilities – less current portion	156,271	159,672	(2)
Other long-term liabilities	69,169	71,252	(3)
Total equity	2,911,865	2,888,782	1
	$ 5,382,792	$ 5,399,063	— %

Current assets as of March 31, 2022 increased 1% compared with December 31, 2021. Other accounts receivable decreased 16%, primarily due to recoveries on the settlement of insurance claims. Inventories increased 9%, primarily due to supply chain delays in KDS resulting in staging of inventory and buildup for projects that will be delivered later in 2022. Prepaid expenses and other current assets increased 9% primarily due to the increase in the price of diesel fuel purchased in March 2022.

Property and equipment, net of accumulated depreciation, at March 31, 2022 decreased slightly compared with December 31, 2021. The decrease reflected $48.1 million of depreciation expense and $9.6 million of property disposals, partially offset by $35.6 million of capital additions (including an increase in accrued capital expenditures of $0.5 million) and an acquisition for $3.9 million during the 2022 first quarter, more fully described under Cash Flows and Capital Expenditures below.

Operating lease right-of-use assets as of March 31, 2022 decreased 2% compared to December 31, 2021, primarily due to lease amortization expense, partially offset by new leases acquired during the 2022 first quarter.

Other intangibles, net, as of March 31, 2022 decreased 4% compared with December 31, 2021, primarily due to amortization during the 2022 first quarter.

Other assets as of March 31, 2022 decreased 9% compared with December 31, 2021, primarily due to amortization of drydock expenditures during the 2022 first quarter.

Current liabilities as of March 31, 2022 decreased 6% compared with December 31, 2021. Accounts payable increased 10%, primarily due to increased activity levels in KDS. Accrued liabilities decreased 20% primarily due to the payment of employee incentive compensation bonuses, property taxes, and interest, as well as the settlement of insurance claims.

Long-term debt, net – less current portion, as of March 31, 2022 decreased 1% compared with December 31, 2021, primarily reflecting repayments of $10.0 million under the Term Loan.

Deferred income taxes as of March 31, 2022 increased 1% compared with December 31, 2021, primarily reflecting the deferred tax provision of $5.9 million.

Operating lease liabilities – less current portion, as of March 31, 2022 decreased 2% compared to December 31, 2021, primarily due to lease payments made, partially offset by new leases acquired and liability accretion during the 2022 first quarter.

Other long-term liabilities as of March 31, 2022 decreased 3% compared with December 31, 2021, primarily due to amortization of intangible liabilities and a decrease in pension liabilities.

Total equity as of March 31, 2022 increased 1% compared with December 31, 2021. The increase was primarily due to the net earnings attributable to Kirby of $17.4 million, amortization of share-based compensation of $6.0 million, and stock option exercises of $2.3 million, partially offset by tax withholdings of $3.1 million on restricted stock and RSU vestings.

Long-Term Financing

The following table summarizes the Company's outstanding debt (in thousands):

	March 31, 2022	December 31, 2021
Long-term debt, including current portion:		
Revolving Credit Facility due March 27, 2024 (a)	$ —	$ —
Term Loan due March 27, 2024 (a)	305,000	315,000
3.29% senior notes due February 27, 2023	350,000	350,000
4.2% senior notes due March 1, 2028	500,000	500,000
Credit line due June 30, 2022	—	—
Bank notes payable	3,097	1,934
	1,158,097	1,166,934
Unamortized debt discounts and issuance costs (b)	(3,362)	(3,567)
	$ 1,154,735	$ 1,163,367

(a) Variable interest rate of 1.8% and 1.5% at March 31, 2022 and December 31, 2021, respectively.
(b) Excludes $1.2 million and $1.4 million attributable to the Revolving Credit Facility included in other assets at March 31, 2022 and December 31, 2021, respectively.

The Company has a Credit Agreement with a group of commercial banks, with JPMorgan Chase Bank, N.A. as the administrative agent bank, allowing for an $850 million Revolving Credit Facility and a Term Loan with a maturity date of March 27, 2024. The Term Loan is prepayable, in whole or in part, without penalty. During the 2022 first quarter, the Company repaid $10.0 million under the Term Loan. During April 2022, the Company repaid $5.0 million under the Term Loan. Outstanding letters of credit under the Revolving Credit Facility were $5.1 million and available borrowing capacity was $844.9 million as of March 31, 2022. Outstanding letters of credit under the $10 million credit line were $1.3 million and available borrowing capacity was $8.7 million as of March 31, 2022.

On February 3, 2022, the Company entered into a note purchase agreement for the issuance of $300 million of 2033 Notes with a group of institutional investors, consisting of $60 million of 3.46% Series A Notes and $240 million of 3.51% Series B Notes, each due January 19, 2033. The Series A Notes are scheduled to be issued on October 20, 2022, and the Series B Notes are scheduled to be issued on January 19, 2023. No principal payments will be required until maturity. Beginning in 2023, interest payments of $5.3 million will be due semi-annually on January 19 and July 19 of each year, with the exception of the first payment on January 19, 2023, which will be $0.5 million. The 2033 Notes will be unsecured and rank equally in right of payment with the Company's other unsecured senior indebtedness. The 2033 Notes contain certain covenants on the part of the Company, including an interest coverage covenant, a debt-to-capitalization covenant, and covenants relating to liens, asset sales and mergers, among others. The 2033 Notes also specify certain events of default, upon the occurrence of which the maturity of the notes may be accelerated, including failure to pay principal and interest, violation of covenants or default on other indebtedness, among others. The 2023 Notes are excluded from short term liabilities because the Company intends to use the proceeds from the issuance of the 2033 Notes and availability under the Revolving Credit Facility to repay the 2023 Notes upon maturity.

As of March 31, 2022, the Company was in compliance with all covenants under its debt instruments. For additional information about the Company's debt instruments, see Note 5, Long-Term Debt, in the Company's Annual Report on Form 10-K for the year ended December 31, 2021.

Cash Flow and Capital Expenditures

The Company generated favorable operating cash flows during the 2022 first quarter with net cash provided by operating activities of $32.2 million compared with $102.6 million for the 2021 first quarter, a 69% decrease. The decrease was primarily due to a tax refund of $119.5 million, including accrued interest, for the Company's 2019 federal tax return which was received in the 2021 first quarter, increased inventory purchases, and increased employee incentive compensation bonuses paid during the 2022 first quarter, partially offset by increased revenues and operating income in KMT and KDS. Increases in KMT revenues and operating income were driven by increased barge utilization and term and spot contract pricing in the inland market during the 2022 first quarter. The 2021 first quarter KMT revenues and operating income were also negatively impacted by the impacts of Winter Storm Uri. During the 2022 and 2021 first quarters, the Company generated cash of $14.3 million and $4.8 million, respectively, from proceeds from the disposition of assets, and $2.3 million and $0.4 million, respectively, from proceeds from the exercise of stock options.

For the 2022 first quarter, cash generated was used for capital expenditures of $35.1 million (net of an increase in accrued capital expenditures of $0.5 million), including $1.3 million for inland towboat construction and $33.8 million primarily for upgrading existing marine equipment and KMT and KDS facilities.

Treasury Stock Purchases

The Company did not purchase any treasury stock during the 2022 first quarter. As of May 6, 2022, the Company had approximately 1.4 million shares available under its existing repurchase authorization. Historically, treasury stock purchases have been financed through operating cash flows and borrowings under the Company's Revolving Credit Facility. The Company is authorized to purchase its common stock on the New York Stock Exchange and in privately negotiated transactions. When purchasing its common stock, the Company is subject to price, trading volume, and other market considerations. Shares purchased may be used for reissuance upon the exercise of stock options or the granting of other forms of incentive compensation, in future acquisitions for stock, or for other appropriate corporate purposes.

Liquidity

Funds generated from operations are available for acquisitions, capital expenditure projects, common stock repurchases, repayments of borrowings, and for other corporate and operating requirements. In addition to net cash flows provided by operating activities, as of May 6, 2022 the Company also had cash equivalents of $32.1 million, availability of $844.9 million under its Revolving Credit Facility, and $8.7 million available under its credit line.

Neither the Company, nor any of its subsidiaries, is obligated on any debt instrument, swap agreement, or any other financial instrument or commercial contract which has a rating trigger, except for the pricing grid on its Credit Agreement.

The Company expects to continue to fund expenditures for acquisitions, capital construction projects, common stock repurchases, repayment of borrowings, and for other operating requirements from a combination of available cash and cash equivalents, funds generated from operating activities, and available financing arrangements.

The Revolving Credit Facility's commitment is in the amount of $850 million and matures March 27, 2024. As of March 31, 2022, the Company had $844.9 million available under the Revolving Credit Facility. The 2023 Notes do not mature until February 27, 2023 and require no prepayments. The Company intends to use the proceeds from the issuance of the 2033 Notes in October 2022 and January 2023 and availability under the Revolving Credit Facility to repay the 2023 Notes upon maturity. The 4.2% senior unsecured notes do not mature until March 1, 2028 and require no prepayments. The Term Loan is due on March 27, 2024 and is prepayable, in whole or in part, without penalty.

There are numerous factors that may negatively impact the Company's cash flows in 2022. For a list of significant risks and uncertainties that could impact cash flows, see Note 13, Contingencies and Commitments, in the financial statements, and Item 1A — Risk Factors and Note 14, Contingencies and Commitments, in the Company's Annual Report on Form 10-K for the year ended December 31, 2021. Amounts available under the Company's existing financial arrangements are subject to the Company continuing to meet the covenants of the credit facilities as described in Note 5, Long-Term Debt in the Company's Annual Report on Form 10-K for the year ended December 31, 2021.

The Company has issued guaranties or obtained standby letters of credit and performance bonds supporting performance by the Company and its subsidiaries of contractual or contingent legal obligations of the Company and its subsidiaries incurred in the ordinary course of business. The aggregate notional value of these instruments is $19.7 million at March 31, 2022, including $12.1 million in letters of credit and $7.6 million in performance bonds. All of these instruments have an expiration date within two years. The Company does not believe demand for payment under these instruments is likely and expects no material cash outlays to occur in connection with these instruments.

KMT term contracts typically contain fuel escalation clauses, or the customer pays for the fuel. However, there is generally a 30 to 90 day delay before contracts are adjusted depending on the specific terms of the contract. In general, the fuel escalation clauses are effective over the long-term in allowing the Company to recover changes in fuel costs due to fuel price changes. However, the short-term effectiveness of the fuel escalation clauses can be affected by a number of factors including, but not limited to, specific terms of the fuel escalation formulas, fuel price volatility, navigating conditions, tow sizes, trip routing, and the location of loading and discharge ports that may result in the Company over or under recovering its fuel costs. Spot contract rates generally reflect current fuel prices at the time the contract is signed but do not have escalators for fuel.

While inflationary pressures have increased in the second half of 2021 and into 2022, the Company has certain mechanisms designed to help mitigate the impacts of rising costs. For example, KMT has long-term contracts which generally contain cost escalation clauses whereby certain costs, including fuel as noted above, can be largely passed through to its customers. Spot contract rates include the cost of fuel and are subject to market volatility. In KDS, the cost of major components for large manufacturing orders is secured with suppliers at the time a customer order is finalized, which limits exposure to inflation. The repair portion of KDS is based on prevailing current market rates.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

The Company is exposed to risk from changes in interest rates on certain of its outstanding debt. The outstanding loan balances under the Company's bank credit facilities bear interest at variable rates based on prevailing short-term interest rates in the United States and Europe. A 1% increase in variable interest rates would impact the 2022 interest expense by $3.2 million based on balances outstanding at December 31, 2021, and would change the fair value of the Company's debt by approximately 3%.

Item 4. Controls and Procedures

Disclosure Controls and Procedures. The Company's management, with the participation of the Chief Executive Officer and the Chief Financial Officer, has evaluated the Company's disclosure controls and procedures (as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934 ("Exchange Act")), as of March 31, 2022, as required by Rule 13a-15(b) under the Exchange Act. Based on that evaluation, the Chief Executive Officer and the Chief Financial Officer concluded that, as of March 31, 2022, the disclosure controls and procedures were effective to ensure that information required to be disclosed by the Company in the reports that it files or submits under the Exchange Act (i) is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms and (ii) is accumulated and communicated to the Company's management, including the Chief Executive Officer and the Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Changes in Internal Control Over Financial Reporting. There were no changes in the Company's internal control over financial reporting during the quarter ended March 31, 2022 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II – OTHER INFORMATION

Item 1. Legal Proceedings

See Note 13, Contingencies and Commitments, of the Notes to Condensed Financial Statements (Unaudited).

Item 1A. Risk Factors

The Company continues to be subject to the risk factors previously disclosed in its "Risk Factors" in the Company's Annual Report on Form 10-K for the year ended December 31, 2021.

Item 6. Exhibits

EXHIBIT INDEX

Exhibit Number		Description of Exhibits
3.1	–	Restated Articles of Incorporation of the Company with all amendments to date (incorporated by reference to Exhibit 3.1 to the Registrant’s Annual Report on Form 10-K for the year ended December 31, 2014).
3.2	–	Bylaws of the Company, as amended to March 17, 2020 (incorporated by reference to Exhibit 3.2 to the Registrant’s Annual Report on Form 10-K for the year ended December 31, 2014).
3.3	–	Amendment to Bylaws of Kirby Corporation dated March 18, 2020 (incorporated by reference to Exhibit 3.1 to the Registrant’s Current Report on Form 8-K filed with the Commission on March 19, 2020).
4.1	–	See Exhibits 3.1, 3.2, and 3.3 hereof for provisions of our Restated Articles of Incorporation of the Company with all amendments to date, the Bylaws of the Company, as amended to March 17, 2020, and Amendment to Bylaws of the Company dated March 18, 2020 (incorporated by reference to Exhibit 3.1 and 3.2, respectively, to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2014 and Exhibit 3.1 to the Registrant’s Current Report on Form 8-K filed with the Commission on March 19, 2020).
10.1	–	Note Purchase Agreement dated February 3, 2022 (incorporated by reference to Exhibit 10.1 to the Registrant's Form 8-K filed with the Commission on February 8, 2022).
10.2†	–	Amendment to the Deferred Compensation Plan for Key Employees dated February 9, 2022 (incorporated by reference to Exhibit 10.6 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2021).
10.3†*	–	Deferred Compensation Plan for Key Employees (As Amended and Restated Effective April 1, 2022)
10.4†	–	Annual Incentive Plan Guidelines for 2022 (incorporated by reference to Exhibit 10.11 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2021).
31.1*	–	Certification of Chief Executive Officer Pursuant to Rule 13a-14(a)
31.2*	–	Certification of Chief Financial Officer Pursuant to Rule 13a-14(a)
32*	–	Certification Pursuant to 18 U.S.C. Section 1350
101.INS*	–	Inline XBRL Instance Document – the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document
101.SCH*	–	Inline XBRL Taxonomy Extension Schema Document
101.CAL*	–	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF*	–	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB*	–	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE*	–	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104*	–	Cover Page Interactive Data File (embedded within the Inline XBRL document)

* Filed herewith.

† Management contract, compensatory plan or arrangement.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

KIRBY CORPORATION
(Registrant)

By: /s/ Raj Kumar
Raj Kumar
Executive Vice President and
Chief Financial Officer

Dated: May 9, 2022

Exhibit 10.3

KIRBY CORPORATION
DEFERRED COMPENSATION PLAN FOR KEY EMPLOYEES
(AS AMENDED AND RESTATED EFFECTIVE APRIL 1, 2022)

This Agreement, entered into effective as of April 1, 2022, amends and restates the Kirby Corporation Deferred Compensation Plan for Key Employees (hereafter "Plan"). The Plan was established effective January 1, 1992, as an unfunded nonqualified deferred compensation plan and designed primarily to provide additional benefits to Eligible Employees (as defined below) to restore benefits to which they would be entitled under the Employer's qualified retirement program were it not for certain limits (being the limitations with respect to the amount of compensation which may be taken into account in determining benefits under a qualified plan and the limits on the amount of benefits that can be provided), and thereby enable such Eligible Employees to share equally in the contributions generated by the Employer's profitability, and also to attain approximately the same level of retirement benefits, as a percentage of pay, as employees who are not adversely affected by the various maximum limits imposed with respect to qualified plans.

SECTION 1DEFINITIONS

"Account" shall mean the record keeping account maintained by the Administrator or its delegate for each Participant in the Plan.

"Accrued Benefit" shall mean the Value of the Participant's Account as of the Valuation Date coincident with or next preceding the date of reference.

"Administrator" shall mean the person(s) designated to administer the Plan pursuant to Section Two.

"Affiliate" shall mean any corporation entitled to make Profit Sharing Contributions or Employer Discretionary Contributions under the 401(k) Plan at the time of reference.

"Beneficiary" shall mean the person(s), entity or entities described in Section Ten designated by, or for, the Participant.

"Board" shall mean the Board of Directors of Kirby.

"Cash Distribution Amount" shall mean the amount, if any, which is paid to the Participant with respect to the Plan Year of reference in connection with the reduction in the Profit Sharing Employer Contribution or Employer Discretionary Contribution as a result of contributions to the 401(k) Plan.

"Code" shall mean the Internal Revenue Code of 1986, as amended.

"Compensation" shall mean "Considered Compensation" as that term is defined in the 401(k) Plan, but without the limitations set forth in the last two sentences of the first paragraph of that definition (which address the limitations on compensation that may be taken into account in making contributions to the 401(k) Plan).

“Designation of Employer Contribution” shall mean the designation of the Employer Contribution for a Participant with respect to a Plan Year.

“Disability” shall mean “Disability” as defined in the 401(k) Plan.

“Eligible Employee” shall mean an Employee who is an officer or other member of management of the Employer or is a highly compensated Employee of the Employer, all as determined by the Administrator in its sole discretion.

“Employee” shall mean an employee of the Employer as determined under the books and records of the Employer.

“Employer” shall mean, collectively, Kirby Corporation and each Affiliate at the time of reference, who is employing a Participant, except that where it is necessary to distinguish between such entities, reference shall be made to the appropriate entity.

“Employer Contribution” shall mean, individually and collectively as the context requires, the amount(s) credited to a Participant’s Account under Section Five.

“Employer Discretionary Contribution” shall mean the amount, if any, contributed by an Employer for the benefit of its employees, as an Employer Discretionary Contribution under the 401(k) Plan with respect to the Plan Year of reference.

“Employer Discretionary Contribution Account” shall mean the Participant’s Employer Discretionary Contribution Account under the 401(k) Plan.

“Employer Discretionary Contribution Percentage” shall mean for each Plan Year, with respect to each Employer, the quotient of (i) the Employer Discretionary Contribution of such Employer for the Plan Year of reference, divided by (ii) the aggregate Statutory Compensation of each employee of such Employer who shares in such Employer Discretionary Contribution.

“Employer Discretionary Contribution Amount” shall mean the amount allocated to the Participant’s Employer Discretionary Contribution Account with respect to the Plan Year of reference.

“ERISA” shall mean the Employee Retirement Income Security Act of 1974, as amended.

“401(k) Limitation Compensation” shall mean the annual compensation limit imposed by Section 401(a)(17) of the Code (as adjusted by the Secretary of the Treasury) for the Plan Year of reference.

“401(k) Plan” shall mean the Kirby Corporation 401(k) Plan, as amended.

“Kirby” shall mean Kirby Corporation, or its successor.

“Maximum Contribution Limitation” shall mean the formulae set forth on Schedule A which represents the maximum contribution which can be made for any Participant hereunder at the time of reference.

“Maximum Contribution” shall mean maximum amount of Employer Contribution which a Participant may receive hereunder with respect to the Plan Year of reference, and shall be computed under the Maximum Contribution Formulae set forth on Schedule A.

“Participant” shall mean an Eligible Employee who has satisfied the requirements of Section Three and whose participation has not been terminated as provided in Section Three.

“Plan” shall mean this Kirby Corporation Deferred Compensation Plan for Key Employees, as set forth in this document and subsequent amendments.

“Plan Year” shall mean calendar year.

“Profit Sharing Employer Contribution” shall mean the amount, if any, contributed by an Employer for the benefit of its employees, as a Profit Sharing Contribution under the 401(k) Plan with respect to the Plan Year of reference.

“Profit Sharing Account” shall mean the Participant’s Profit Sharing Account under the 401(k) Plan.

“Profit Sharing Amount” shall mean the amount allocated to the Participant’s Profit Sharing Account with respect to the Plan Year of reference.

“Profit Sharing Percentage” shall mean for each Plan Year, with respect to each Employer, the quotient of (i) the Profit Sharing Employer Contribution of such Employer for the Plan Year of reference, divided by (ii) the aggregate Statutory Compensation of each employee of such Employer who shares in such Profit Sharing Employer Contribution.

“Quarter” shall mean calendar quarter.

“Schedule A” shall mean the schedule designated as Schedule A which forms part of this Plan and which shows the Maximum Contribution Limitation at the time of reference.

“Statutory Compensation” shall mean Considered Compensation as defined in the 401(k) Plan for the Plan Year of reference.

“Value” shall mean the value of an Account as reflected on the properly kept books of the Administrator at the time of reference.

“Valuation Date” shall mean the last day of each Quarter and any other day or days selected by the Administrator on which the Plan (or any portion thereof) is to be valued.

“Vesting”, “Vested” and similar references shall mean the percentage of a Participant’s Accrued Benefit to which he or she is entitled upon a termination of employment with the Employer at the time of reference and under the circumstances then present.

SECTION 2ADMINISTRATION

(a) Employer Duties. The Employer shall, upon request by the Administrator or as may be specifically required under the Plan, furnish or cause to be furnished to the Administrator all of the information or documentation in its possession or control which is necessary or required by the Administrator to perform the Administrator’s duties and functions under the Plan.

(b) Board Duties. The Board shall, upon request by the Administrator or as may be specifically required under the Plan, furnish or cause to be furnished to the Administrator all of the information or documentation in its possession or control which are necessary or required by the Administrator to perform the Administrator’s duties and functions under the Plan.

(c) Appointment of Administrator. The Board may appoint in writing one or more persons to serve as the Administrator.

Any Administrator appointed hereunder who is an Employee shall serve without compensation; and such person shall automatically cease to be an Administrator upon his or her termination of employment with the Employer. An Administrator may resign at any time by giving thirty (30) days’ prior written notice to the Board. The Board may remove an Administrator at any time by written notice, and may appoint a successor Administrator.

If at any time there shall be two (2) or more persons acting as Administrator, such persons shall conduct the business of the Administrator by meetings, held from time to time at their discretion, and the actions of the Administrator shall be determined by majority vote, which may be made by telephone, fax, e-mail or other written or electronic correspondence, and the Administrator may designate, in writing, one (1) or more of its members who shall have authority to sign or certify that any action taken by the Administrator represents the will of, and is binding on, the Administrator.

The Administrator shall acknowledge the assumption of the Administrator’s duties hereunder in writing, or shall endorse a copy of this Plan.

In the event the Administrator has not been effectively appointed hereunder at the time of reference, Kirby shall act as the Administrator.

(d) Duties of Administrator. The Administrator shall obtain, as shall from time to time be necessary to properly administer the Plan, the (i) the certifications of each Employer, (ii) the Beneficiary Designations (if any) completed by each Participant, and (iii) such information or documents as shall be necessary or appropriate to administer the Plan.

The Administrator shall be responsible for establishing and carrying out the objectives of the Plan, in accordance with its terms, for the exclusive benefit of its Participants.

(e) Powers of Administrator. The Administrator shall have sole and exclusive authority and responsibility for administering, construing and interpreting the Plan. The Administrator shall have all powers and discretion as may be necessary to discharge its duties and responsibilities under this Plan, including, but not by way of limitation, the power (i) to interpret or construe the Plan, (ii) to make rules and regulations for the administration of the Plan, (iii) to determine all questions of eligibility, status and other rights of Participants, Beneficiaries and other persons, (iv) to determine the amount, manner and time of the payment of any benefits under this Plan, and (v) to resolve any dispute which may arise under this Plan involving Participants or Beneficiaries. The Administrator may engage agents to assist it and may engage legal counsel, who may be counsel for Kirby or another Employer. The Administrator shall not be responsible for any action taken or not taken on the advice of such counsel.

Any action on matters within the discretion of the Administrator shall be final and conclusive as to all persons affected. The Administrator shall at all times endeavor to exercise its discretion in a non-discriminatory manner.

No member of the Administrator shall vote or act upon any matter involving his own rights, benefits or other participation under this Plan, and in such case, the remaining member or members of the Administrator shall appoint a member pro-tern to act in the place of the interested member; provided, however, that if all members of the Administrator shall be disqualified under this paragraph with regard to one or more matters, the Chief Executive Officer of Kirby shall appoint three qualifying persons to be the Administrator with regard to such matters.

(f) Indemnification of Administrator. Any individual Administrator and the individual(s) who may act to fulfill the responsibilities of the Administrator shall be indemnified by the Employers, jointly and severally, against any and all liabilities arising by reason of any act, or failure to act, pursuant to the provisions of the Plan, including expenses reasonably incurred in the defense of any claim relating to the Plan, even if the same is judicially determined to be due to such person's negligence but not when the same is judicially determined to be due to the gross negligence or willful misconduct of such person.

(g) Bond and Expenses of Administrator. The Administrator shall serve without bond unless state or federal statutes require otherwise, in which event the Employer shall pay the premium. The expenses of the Administrator shall be paid by the Employer. Such expenses shall include all expenses incident to the functioning of the Administrator, including, but not by way of limitation, fees of accountants, counsel and other specialists and other costs of administering the Plan.

(h) Administrator Records and Reports. The Administrator shall maintain adequate records of all of its proceedings and acts and all such books of account, records, and other data as may be necessary for administration of the Plan. The Administrator shall make available to each Participant upon his request such of the Plan's records as pertain to him for examination at reasonable times during normal business hours.

(i) Reliance on Tables. In administering the Plan, the Administrator shall be entitled to the extent permitted by law to rely conclusively on all tables, valuations, certificates, opinions and reports which are furnished by accountants, legal counsel or other experts employed or engaged by the Administrator.

SECTION 3PARTICIPANTS

An Eligible Employee will become a Participant in this Plan on the first day of the first Plan Year during which the Eligible Employee's Maximum Contribution would be greater than zero.

By becoming a Participant, each Eligible Employee shall, for all purposes, be deemed conclusively to have assented to the provisions of this Plan and to all amendments to this Plan.

Once an Eligible Employee becomes a Participant, he shall remain a Participant until the earliest of the date on which (i) his Vested Accrued Benefit is paid to him, (ii) he terminates employment with the Employer for any reason (all references to termination of employment shall be deemed to include, without limitation, involuntary discharge without cause) without a Vested interest in his Accrued Benefit, or (iii) the Plan is terminated.

SECTION 4NO EMPLOYEE CONTRIBUTIONS

No contributions may be made to this Plan by Eligible Employees. To the extent that this policy shall change in the future, the rules with respect to such contributions will be set forth in this Section Four.

SECTION 5CONTRIBUTIONS

(a) Determining the Employer Contributions. For each Plan Year of reference, the Employer of each Participant shall credit the Account of each such Participant with such amount of Employer Contribution, if any, as such Employer, in its sole discretion, shall deem appropriate with respect to such Participant, provided however that such Employer Contribution shall never exceed the Maximum Contribution for such Participant for such Plan Year.

(b) Crediting the Employer Contributions. The crediting of an Employer Contribution to a Participant with respect to a Plan Year shall be effective on the last day of the Quarter during which the Employer delivers a Designation Of Employer Contribution for such Participant to the Administrator (which delivery ordinarily would occur sometime after the Plan Year of reference).

SECTION 6ACCOUNTS

The Administrator shall maintain an Account in the name of each Participant.

(a) Credits to each Account. The Administrator shall credit each Participant's Account with (i) the Employer Contributions made for such Participant in the manner and at the time described in Section Five, and (ii) the earnings provided in (b) below, and shall debit the Account by the amount of any payments to the Participant or his Beneficiary with respect to such Account.

(b) Earnings Credits to Accounts. Each Participant's Account shall be credited, as of each Valuation Date, with earnings (or losses) equal to the amount which is deemed to be earned on his Account established to enable the Employer to determine its obligations to the Participant under the Plan. Each Valuation Date the Administrator or its delegate will determine the amount of earnings (or losses) to be allocated to a Participant's Account and will credit (or debit) that amount to the Participant's Account. For the purpose of determining the earnings (or losses) to be credited (or debited) to the Participant's Account, the Administrator shall assume that the Participant's Account is invested in investment units or shares of the investment options made available by the Administrator in the proportions selected by the Participant in accordance with procedures established by the Administrator. The amount accrued by the Administrator under this subsection (b) as additional deferred compensation shall be a part of the Employer's obligation to the Participant under the Plan and payment of such amount shall be a general obligation of the Employer. The determination of earnings based on the income and appreciation of the Participant's Account shall in no way affect the ability of the general creditors of the Employer to reach the assets of the Employer or any rabbi trust in the event of the insolvency or bankruptcy of the Employer or place the Participants in a secured position ahead of the general creditors of the Employer. Although a Participant's investment selections made in accordance with the terms of the Plan and such procedures as may be established by the Administrator shall be relevant for purposes of determining the Employer's obligation to the Participant under the Plan, there is no requirement that any assets of the Employer (including those held in any rabbi trust) shall be invested in accordance with the Participant's investment selections.

(c) Annual Statements. Within 90 days after the end of each Plan Year, the Administrator shall furnish each Participant with a statement of his Account showing the Value of his Account as of the last day of such Plan Year.

SECTION 7VESTING

Each Participant shall be Vested in his Accrued Benefit in exactly the same percentage as he is "Vested" in his Profit Sharing Account or, if he does not have a Profit Sharing Account, his Employer Discretionary Contribution Account, at the time of reference and, upon termination of employment with the Employer for any reason, a Participant shall be entitled to a distribution under Section Eight of his Vested Accrued Benefit, and shall forfeit permanently the remaining, non-Vested, portion of his Accrued Benefit. Notwithstanding any other provision hereof to contrary, where (if ever) all or any portion of an Employer Contribution for a Participant for a Plan Year is credited to his Account before the end of such Plan Year then, regardless of his Vested percentage, the Participant permanently will forfeit 100% of such Employer Contribution(s) (and related earnings) unless he is entitled to share in the Profit Sharing Employer Contribution (if any) or the Employer Discretionary Contribution (if any) under the 401(k) Plan with respect to such Plan Year. The amount forfeited as provided in this Section Seven will simply remain the property of the Employer.

SECTION 8PAYMENT

Except as provided below, the Participant's Vested Accrued Benefit shall be payable in a lump sum payment within 90 days after the earliest to occur of the date of the Participant's (a) death, (b) termination of employment as a result of Disability, or (c) termination of employment with the Employer.

An Employee shall not have terminated employment for these purposes unless the Employee has incurred a "separation from service" with the Employer and all affiliates (as determined for purposes of Code Section 409A and the regulations and guidance issued thereunder).

Notwithstanding the foregoing, to the extent required under Code Section 409A, a distribution to a Participant who is a "specified employee" may not be made prior to six months following such Participant's termination of employment. The determination of who is a specified employee will be made in accordance with Code Section 409A and Code Section 416(i) (without regard to paragraph (5) thereof) and the applicable regulations and other guidance of general applicability issued thereunder.

SECTION 9SOURCE OF PAYMENT

All payments of the Vested Accrued Benefit shall be paid in cash from the general funds of the Employer, and no special or separate fund shall be established or other segregation of assets made to assure such payments in such a way as to make this Plan a "funded" plan for purposes of ERISA or the Code; provided, however, that the Employer may, in its sole discretion, establish a bookkeeping reserve to meet its obligations under the Plan. Nothing contained in the Plan shall create or be construed to create a trust of any kind, and nothing contained in the Plan nor any action taken pursuant to the provisions of the Plan shall create or be construed to create a fiduciary relationship between the Employer and a Participant, Beneficiary, employee or other person. To the extent that any person acquires a right to receive payments from the Employer under the Plan, such right shall be no greater than the right of any unsecured general creditor of the Employer.

For purposes of the Code, the Employer intends this Plan to be an unfunded, unsecured promise to pay on the part of the Employer. For purposes of ERISA, the Employer intends the Plan to be an unfunded plan primarily for the benefit of a select group of management or highly compensated employees of the Employer for the purpose of qualifying the Plan for the "top hat" plan exception under sections 201(2), 301(a)(3) and 401(a)(l) of ERISA.

SECTION 10DESIGNATION OF BENEFICIARIES

(a) Designation by Participant. A Participant's written designation of one or more persons or entities as his Beneficiary shall operate to designate the Participant's Beneficiaries under this Plan. The Participant shall file with the Administrator a copy of his Beneficiary designation under the Plan in such manner as designated from time to time by the Administrator. The last such Beneficiary designation received by the Administrator prior shall be controlling, and no designation, or change or revocation of a designation shall be effective unless received and acknowledged by the Administrator prior to the Participant’s death.

(b) Lack of Designation. If no Beneficiary designation is in effect at the time of a Participant’s death, if no designated Beneficiary survives the Participant or if the otherwise applicable Beneficiary designation conflicts with applicable law, the Participant’s estate shall be the Beneficiary. The Administrator may direct the Employer to retain any unpaid Vested Accrued Benefit, without liability for any interest, until all rights to the unpaid Vested Accrued Benefit are determined. Alternatively, the Administrator may direct the Employer to pay such Vested Accrued Benefit into any court of appropriate jurisdiction. Any such payment shall completely discharge the Employer of any liability under the Plan.

SECTION 11AMENDMENT AND TERMINATION

The Plan may, without prior notice to any Participant or other person, be amended, suspended or terminated, in whole or in part, by the Board, but no such action shall retroactively impair the rights of any person to payment of his Vested Accrued Benefit under the Plan.

SECTION 12GENERAL PROVISIONS

(a) No Assignment. The right of any Participant or other person to the payment of the Accrued Benefit shall not be assigned, transferred, pledged or encumbered, either voluntarily or by operation of law, except as provided in Section Ten with respect to designations of Beneficiaries. If any person shall attempt to assign, transfer, pledge or encumber any portion of his Accrued Benefit, or if by reason of his bankruptcy or other event happening at any time any such payment would be made subject to his debts or liabilities or would otherwise devolve upon anyone else and not be enjoyed by him or his Beneficiary, the Administrator may, in its sole discretion, terminate such person’s interest in any such payment and direct that the same be held and applied to or for the benefit of such person, his spouse, children or other dependents, or any other persons deemed to be the natural objects of his bounty, or any of them, in such manner as the Administrator may deem proper.

(b) Incapacity. If the Administrator shall find that any person is unable to care for his affairs because of illness or accident or is a minor, any payment due (unless a prior claim for such payment shall have been made by a duly appointed guardian or other legal representative) may be paid to his spouse, a child, a parent, or a brother or sister, or any other person deemed by the Administrator, in its sole discretion, to have incurred expenses for such person otherwise entitled to payment, in such manner and proportions as the Administrator may determine. Any such payment shall be a complete discharge of the liabilities of the Employer under the Plan as to the amount paid.

(c) Information Required. Each Participant shall file with the Administrator such pertinent information concerning himself and his Beneficiary as the Administrator may specify, and no Participant or Beneficiary or other person shall have any rights or be entitled to any benefits under the Plan unless such information has been filed by, or with respect to, him.

(d) Election by Participant. All elections, designations, requests, notices, instructions and other communications from a Participant, Beneficiary or other person to the Administrator required or permitted under the Plan shall be in such form as is prescribed from time to time by the Administrator, shall be mailed by first-class mail or delivered to such location as shall be specified by the Administrator and shall be deemed to have been given and delivered only upon actual receipt by the Administrator at such location.

(e) Notices by Administrator. All notices, statements, reports and other communications from the Administrator to any Employee, Eligible Employee, Participant, Beneficiary or other person required or permitted under the Plan shall be deemed to have been duly given when delivered to, or when mailed first-class mail, postage prepaid and addressed to, such employee, Eligible Employee, Participant, Beneficiary or other person at his address last appearing on the records of the Employer.

(f) No Employment Rights. Neither the Plan nor any action taken under the Plan shall be construed as giving to any person the right to remain in the employ of the Employer or as affecting the right of the Employer to dismiss any Employee at any time, with or without cause.

(g) Withholding of Taxes. The Employer shall deduct (i) from the Participant's nondeferred Compensation any amount required to be paid by the Participant as of the effective date of crediting an amount to his Account hereunder, as a Federal or state tax; and (ii) from the amount of any payment made pursuant to this Plan, any amounts required to be paid or withheld by the Employer or Administrator with respect to Federal or state taxes. By his participation in the Plan, each Participant agrees to all such deductions.

(h) Waivers. Any waiver of any right granted pursuant to this Plan shall not be valid unless the same is in writing and signed by the party waiving such right. Any such waiver shall not be deemed to be a waiver of any other rights.

(i) Benefit. This Plan and the rights and obligations under this Plan shall be binding upon all parties and inure to the benefit of only the Participants, Beneficiaries and their respective legal representatives, and the Employer to the extent provided in the Plan,

(j) Severability. In case any one or more of the provisions contained in this Plan shall be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions in this Plan shall not in any way be affected or impaired.

(k) Captions and Gender. The captions preceding the Sections and subsections of this Plan have been inserted solely as a matter of convenience and in no way define or limit the scope or intent of any provisions of this Plan. Where the context admits or requires, words used in the masculine gender shall be construed to include the feminine and the neuter also, the plural shall include the singular, and the singular shall include the plural.

(l) Choice of Law, The Plan and all rights under this Plan shall be governed by and construed in accordance with the laws of the State of Texas, without giving effect to the conflicts of laws principles thereof, except to the extent preempted by ERISA.

IN WITNESS WHEREOF, Kirby has executed this amendment and restatement of the Plan, on the _2_ day of March, 2022.

KIRBY CORPORATION

By: Kim B. Clarke

Its: VP & CHRO

SCHEDULE A

Maximum Contribution Limitation

The Maximum Contribution, for each Plan Year, for each Participant who is eligible to receive Profit Sharing Contributions shall be separately computed under the following Maximum Contribution Formulae, and the Employer Contribution for such Participant for such Plan Year may not exceed such Maximum Contribution:

([Compensation - 401(k) Limitation Compensation] x 3%) + (Compensation x Profit Sharing Percentage) - (Profit Sharing Amount + Cash Distribution Amount) = Maximum Contribution.

The Maximum Contribution, for each Plan Year, for each Participant who is not eligible to receive Profit Sharing Contributions shall be separately computed under the following Maximum Contribution Formulae, and the Employer Contribution for such Participant for such Plan Year may not exceed such Maximum Contribution:

([Compensation - 401(k) Limitation Compensation] x 3%) + (Compensation x Employer Discretionary Contribution Percentage) - (Employer Discretionary Contribution Amount + Cash Distribution Amount) = Maximum Contribution.

Exhibit 31.1

Certification of Chief Executive Officer

In connection with the filing of the Quarterly Report on Form 10-Q for the quarter ended March 31, 2022 by Kirby Corporation, David W. Grzebinski certifies that:

1. I have reviewed this report on Form 10-Q of Kirby Corporation (the "registrant");
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f) for the registrant and have:
   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ David W. Grzebinski

David W. Grzebinski
President and Chief Executive Officer

Dated: May 9, 2022

Exhibit 31.2

Certification of Chief Financial Officer

In connection with the filing of the Quarterly Report on Form 10-Q for the quarter ended March 31, 2022 by Kirby Corporation, Raj Kumar certifies that:

1. I have reviewed this report on Form 10-Q of Kirby Corporation (the “registrant”);
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f) for the registrant and have:
   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and
5. The registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):
   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and
   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

/s/ Raj Kumar

Raj Kumar
Executive Vice President and
Chief Financial Officer

Dated: May 9, 2022

Exhibit 32

Certification Pursuant to Section 18 U.S.C. Section 1350

In connection with the filing of the Quarterly Report on Form 10-Q for the quarter ended March 31, 2022 (the “Report”) by Kirby Corporation (the “Company”), each of the undersigned hereby certifies that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ David W. Grzebinski
David W. Grzebinski
President and Chief Executive Officer

/s/ Raj Kumar
Raj Kumar
Executive Vice President and
Chief Financial Officer

Dated: May 9, 2022