1Q 2023

Earnings Conference Call

April 27, 2023

Disclosures

Forward Looking Statements

Statements contained in this conference call with respect to the future are forward-looking statements. These statements reflect management's reasonable judgment with respect to future events. Forward-looking statements involve risks and uncertainties. Actual results could differ materially from those anticipated as a result of various factors, including 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. Forward-looking statements are based on currently available information and Kirby assumes no obligation to update any such statements. A list of additional risk factors can be found in Kirby's annual report on Form 10-K for the year ended December 31, 2022.

Non-GAAP Financial Measures

This conference call may refer to certain non-GAAP or adjusted financial measures. Kirby uses certain non-GAAP financial measures to review performance including: EBITDA; operating income (excluding one-time items); earnings before taxes on income (excluding one-time items); net earnings attributable to Kirby (excluding one-time items); and diluted earnings per share (excluding one-time items). Management believes that the exclusion of certain one-time items from these financial measures enables it and investors to assess and understand operating performance, especially when comparing those results with previous and subsequent periods or forecasting performance for future periods, primarily because management views the excluded items to be outside of the company's normal operating results. Kirby also uses free cash flow, which is defined as net cash provided by operating activities less capital expenditures, to assess and forecast cash flow and to provide additional disclosures on the Company's liquidity. Free cash flow does not imply the amount of residual cash flow available for discretionary expenditures as it excludes mandatory debt service requirements and other non-discretionary expenditures. These non-GAAP financial measures are not calculations based on generally accepted accounting principles and should not be considered as an alternative to, but should only be considered in conjunction with Kirby's GAAP financial information. Reconciliations of the non-GAAP financial measures to the most directly comparable GAAP financial measures are included in our earnings press release, and are also available on our website at www.kirbycorp.com in the Investor Relations section under Financials.

1Q 2023 Overview

Financial Summary

$ millions except earnings (loss) per share	1Q 2023	1Q 2022	Variance	%	4Q 2022	Variance	%
Revenues	$ 750.4	$ 610.8	$ 139.6	23%	$ 730.2	$ 20.2	3%
Operating income	61.5	29.7	31.8	107%	57.7	3.8	6%
Net earnings attributable to Kirby	40.7	17.4	23.3	134%	37.3	3.4	9%
Earnings per share	0.68	0.29	0.39	134%	0.62	0.06	10%
Excluding one-time items:							
Operating income	64.5	29.7	34.8	117%	61.9	2.6	4%
Net earnings attributable to Kirby	40.9	17.4	23.5	135%	40.3	0.6	1%
Earnings per share	0.68	0.29	0.39	134%	0.67	0.01	1%

- Results reflected solid market fundamentals in marine transportation and distribution and services
- Marine transportation significantly impacted by difficult navigational conditions along U.S. Gulf Coast
  - 33% increase in delays days sequentially and 31% increase in delay days year-over-year
- Supply chain constraints continued to delay sales in distribution and services

Note: For more information, see the Reconciliation of GAAP to Non-GAAP Financial Measures Excluding One-Time Items on Kirby's website at www.kirbycorp.com in the Investor Relations section under Financials.

Marine Transportation – 1Q Overview

Market fundamentals strong, but weather delays impacted results

Inland

- Strong market conditions
  - Spot market rates increased sequentially and year-over-year
  - Term contracts renewed higher low double digits year-over-year
- Delays due to weather and locks impacted 1Q operations
  - 33% increase in delay days sequentially
  - 31% increase in delay days year-over-year
- Strong market conditions with barge utilization in low to mid-90% range
- 1Q operating margins in the low-teens, inline with last quarter, despite difficult operating conditions

Coastal

- Market conditions were modestly improved
- Barge utilization in the mid to high-90% range
- Weather delays and planned shipyards contributed to low single digit operating loss margins

Distribution & Services – 1Q Overview

Strong markets drive sequential and year-on-year growth in revenue and operating margin

Oil and Gas

- Favorable commodity prices with increased rig count and completions activity
- Strong demand for new engines, transmissions, and parts in distribution
- Increase in new manufacturing orders for environmentally friendly pressure pumping and power generation equipment
- Supply chain issues continued to delay new equipment deliveries in manufacturing

Commercial and Industrial

- Solid demand across the commercial and industrial market
- Sequential and year-on-year growth in marine repair and on-highway

Marine Transportation

1Q 2023 Financial Summary

$ millions	1Q 2023	1Q 2022	Variance	%	4Q 2022	Variance	%
Revenue	$ 412.5	$ 355.5	$ 57.0	16%	$ 422.7	$ (10.2)	-2%
Operating income	43.0	16.9	26.1	154%	46.7	(3.7)	-8%
Operating margin	10.4%	4.8%	5.6%		11.1%	-0.7%	

- **Inland**
  - Contributed 82% of marine transportation revenues with average barge utilization in the low to mid-90% range
  - Term contracts represented ~55% of revenue with ~60% attributed to time charters
  - Spot market rates increased in the low to mid-single digits sequentially and ~25% year-over-year
  - Term contracts renewed up in the low double digits on average compared to a year ago
  - Operating margin in the low double digits, an improvement from high single digits a year ago

- **Coastal**
  - Contributed 18% of marine transportation revenues with average barge utilization in the mid to high-90% range
  - Term contracts represented ~75% of revenue with ~90% attributed to time charters
  - Spot market rates increased in the low to mid-single digits sequentially and low 20% range year-over-year
  - Term contracts renewed up in the low double digits on average compared to a year ago
  - Operating margin in the negative low-single digits impacted by planned shipyards

Barge Construction and Retirements

1Q 2023 Update and FY 2023 Outlook

Inland	1Q 2023		FY 2023 (estimated)	
(barrels in millions)	Barges	Barrels	Barges	Barrels
Beginning of period	1,037	23.1	1,037	23.1
Additions:				
Reactivations/new builds	6	0.1	16	0.3
Reductions:				
Retirements	-	-	-	-
End of period	1,043	23.2	1,053	23.4

Coastal	1Q 2023		FY 2023 (estimated)	
(barrels in millions)	Barges	Barrels	Barges	Barrels
Beginning of period	29	3.0	29	3.0
Reductions:				
Sold	-	-	-	-
End of period	29	3.0	29	3.0

Distribution & Services

1Q 2023 Financial Summary

$ millions	1Q 2023	1Q 2022	Variance	%	4Q 2022	Variance	%
Revenue	$ 337.9	$ 255.2	$ 82.7	32%	$ 307.4	$ 30.5	10%
Operating income	22.8	11.0	11.8	107%	17.1	5.7	34%
Operating margin	6.7%	4.3%	2.4%		5.5%	1.2%	

- **Oil and Gas**
  - Revenues up 38% year-on-year and 15% sequentially due to increased manufacturing orders and deliveries of environmentally friendly pressure pumping and e-frac power generation equipment despite the supply chain challenges and increased demand for transmissions and parts in distribution
  - Represented 44% of segment revenue
  - Operating margin in the mid-single digits

- **Commercial and Industrial**
  - Revenues up 28% year-on-year and 6% sequentially due to improved demand in marine repair, power generation and on-highway
  - Represented 56% of segment revenue
  - Operating margin in the high single digits

Balance Sheet, Capital Expenditures, and Liquidity

As of March 31, 2023

Total Debt	Cash and Cash Equivalents	Available Liquidity
$1.08B	**$27M**	**$419M**

- **1Q 2023 Results**
  - Net cash flow provided by operating activities: $16 million
  - Proceeds from retired asset sales: $8 million
  - Capital expenditures: $73 million

- **2023 Guidance**
  - 2023 net cash flow provided by operating activities: $480 million to $580 million
  - 2023 capital expenditures: $300 to $380 million
  - Capital expenditures expected to decline after 2023 one-time increases

Free cash flow* generation of $150 to $200 million expected in 2023

* Free cash flow is defined as net cash provided by operating activities less capital expenditures

Marine Transportation – FY 2023 Outlook

A strong inland barge market is expected to significantly improve financial results

- **Inland**
  - Expecting a strong market driven by economic growth, increased volumes, and minimal new barge construction
  - Barge utilization expected to be low to mid-90% range
  - Term contracts are expected to continue to reset higher to reflect improved market conditions
  - Full year revenue growth in low double digits year-over-year
  - Operating margins are expected to range in the mid-teens on average for the year

- **Coastal**
  - Market expected to continue to modestly improve
  - Barge utilization expected to be low to mid-90% range
  - Revenues are expected to be flat year-over-year driven by increased planned shipyard days
  - Operating margins are expected to range between near breakeven and low single digits for the full year

Distribution & Services – FY 2023 Outlook

Anticipate strong markets will lead to material growth in revenue and operating income

- **Commercial and industrial**
  - Expect strong markets will drive revenue growth for on-highway, power generation, and marine repair
  - Full year revenue growth in the low double digits range year-over-year
  - Expected to be ~60% of segment revenues
- **Oil and gas**
  - Favorable oil prices expected to drive continued improvement in U.S. rig and frac activity
  - Strong manufacturing backlog driven by increased demand for new environmentally friendly equipment
  - Solid demand with continued growth in parts and service
  - Supply chain issues expected to persist in the near-term with equipment deliveries ramping up through the year
  - Expected to be ~40% of segment revenues
- **Segment Outlook**
  - Revenues expected to increase 10% to 20% year-on-year
  - Operating margins expected to be in the mid to high-single digits for the year

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