



# Investor Presentation

NYSE: KEX

August 2022

# Forward Looking Statements

## Non-GAAP Financial Measures

Statements contained in this presentation 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 cyclical or other downturns in demand, significant pricing competition, unanticipated additions to industry capacity, changes in the Jones Act or in U.S. maritime policy and practice, fuel costs, interest rates, weather conditions and timing, magnitude and number of acquisitions made by Kirby, and the impact of the COVID-19 pandemic and the related response of governments on global and regional market conditions. Forward-looking statements are based on currently available information and Kirby assumes no obligation to update any such statements. A list of additional risk factors can be found in Kirby's annual report on Form 10-K for the year ended December 31, 2021.

Kirby reports its financial results in accordance with generally accepted accounting principles (GAAP). However, Kirby believes that certain Non-GAAP financial measures are useful in managing Kirby's businesses and evaluating Kirby's performance. This presentation contains Non-GAAP financial measures including: Adjusted 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, and free cash flow. Please see the Appendix for a reconciliation of GAAP to Non-GAAP financial measures.



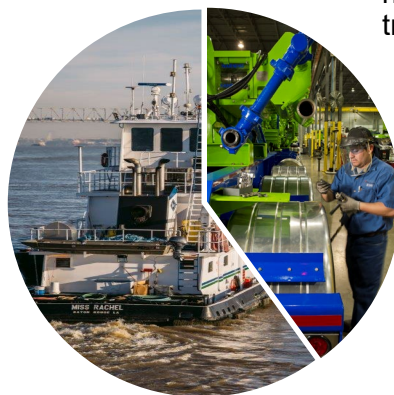
# Company Overview

## Marine Transportation

*The largest inland and coastwise tank barge fleets in the United States*

- 40 successful acquisitions
- 1,034 inland tank barges and 270 towboats\*
  - 60% of inland revenues under term contracts, of which approximately 57% were time charters in Q2 2022
- 30 coastal tank barges and 29 tugboats\*
  - 80% of coastal revenues under term contracts, of which approximately 90% were time charters in Q2 2022

**58% of 2022 YTD revenues  
or \$761 million**



## Distribution and Services

*Nationwide service provider and distributor of engines, transmissions, parts, industrial equipment, oilfield service equipment and electrical power generation equipment*

- 22 successful acquisitions
- Manufacturer, remanufacturer and service provider of oilfield service equipment
- Manufacturer of electric power generation equipment, distribution and control equipment, and energy storage/battery systems
- Provider of rental equipment including generators, material-handling equipment, pumps, compressors, and refrigeration trailers for use in a variety of industrial markets

**42% of 2022 YTD revenues  
or \$548 million**

Return on Capital Driven Investment Decisions



\* Barge and boat counts for the quarter ended June 30, 2022





# Why Invest in Kirby?



- Proven track record of success over the long-term
- Two strong franchises
  - Marine Transportation
  - Distribution and Services
- Purpose-built management team with decades of relevant experience in both core businesses
- Disciplined financial management
  - Investment-grade balance sheet
  - Countercyclical investing followed by deleveraging
- Balanced approach to capital allocation
  - Return on capital driven investment decisions
  - Proven acquisition strategy
  - Strong record of cash flow generation
- Significant increase in long-term earnings potential
  - Expect all businesses to deliver substantially improved financial results in 2022



# Public Market Information

## NYSE: KEX

Share Price on July 29, 2022	\$63.44
Shares Outstanding as of June 30, 2022	60.0 MM
Market Capitalization	\$3,805 MM
Net Debt* as of June 30, 2022	\$1,111 MM
Enterprise Value	\$4,916 MM



\* Net debt = Total debt less cash and cash equivalents



# Marine Transportation Acquisitions

*Through consolidating acquisitions, Kirby is the nation's premier tank barge company with a young and efficient fleet*

Date	Tank Barges	Description
1986	5	Alliance Marine
1989	35	Alamo Inland Marine Co.
1989	53	Brent Towing Company
1991	3	International Barge Lines, Inc.
1992	38	Sabine Towing & Transportation Co.
1992	26	Ole Man River Towing, Inc.
1992	29	Scott Chotin, Inc.
1992	*	South Texas Towing
1993	72	TPT, Division of Ashland
1993	*	Guidry Enterprises
1993	53	Chotin Transportation Company
1994	96	Dow Chemical (transportation assets)
1999	270	Hollywood Marine, Inc. – Stellman, Alamo, Ellis Towing, Arthur Smith, Koch Ellis, Mapco
2002	15	Cargo Carriers
2002	64	Coastal Towing, Inc. (barge management agreement for 54 barges)
2002	94	Dow/Union Carbide (transportation assets)
2003	64	SeaRiver Maritime (ExxonMobil)
2005	10	American Commercial Lines (black oil fleet)

Date	Tank Barges	Description
2006	*	Capital Towing
2007	37	Coastal Towing, Inc
2007	11	Midland Marine Corporation (operated as leased barges)
2008	6	OFS Marine One (operated as leased barges)
2011	*	Kinder Morgan (Greens Bayou fleet)
2011	21	Enterprise Marine (ship bunkering)
2011	58	K-Sea Transportation (coastal operator)
2011	3	Seaboats, Inc. (coastal transportation assets)
2012	17	Lyondell Chemical Co. (transportation assets)
2012	10	Allied Transportation Co. (coastal transportation assets)
2012	18	Penn Maritime Inc. (coastal operator)
2015	6	Martin Midstream Partners (pressure barges)
2016	27	SEACOR Holdings Inc. (inland barge assets)
2016	4	Hollywood/Texas Olefins, Ltd. ("TPC")
2017	13	Undisclosed (9 pressure and 4 clean barges)
2018	163	Higman Marine, Inc.
2018	45	Targa pressure barges (16), CGBM (27) and Undisclosed (2)
2019	63	Cenac Marine transportation assets, Black Lake Fleet
2020	92	Savage Inland Marine transportation assets
2020	6	Undisclosed (6 pressure barges)



Shipper Owned (Red)

Independent (Green)

\* Towboats Only



# Distribution and Services Expansions

*Kirby's distribution and services business is one of the nation's leading service providers and distributors of engines, transmissions, parts, industrial equipment, oilfield service equipment, and electrical power generation equipment*

Acquisitions	
1987	National Marine
1991	Ewing Diesel
1995	Percle Enterprises
1996	MKW Power Systems
1997	Crowley (Power Assembly Shop)
2000	West Kentucky Machine Shop
2000	Powerway
2004	Walker Paducah Corp.
2005	TECO (Diesel Services Division)
2006	Global Power Holding Company
2006	Marine Engine Specialists
2007	NAK Engineering (Nordberg Engines)
2007	P&S Diesel Service
2007	Saunders Engine & Equipment Company
2008	Lake Charles Diesel, Inc.
2011	United Holdings LLC
2012	Flag Services & Maintenance, Inc.
2016	Valley Power Systems, Inc.
2017	Stewart & Stevenson LLC
2020	Convoy Servicing Company
2021	Energy storage systems company (name undisclosed)
2022	Gear repair company (name undisclosed)

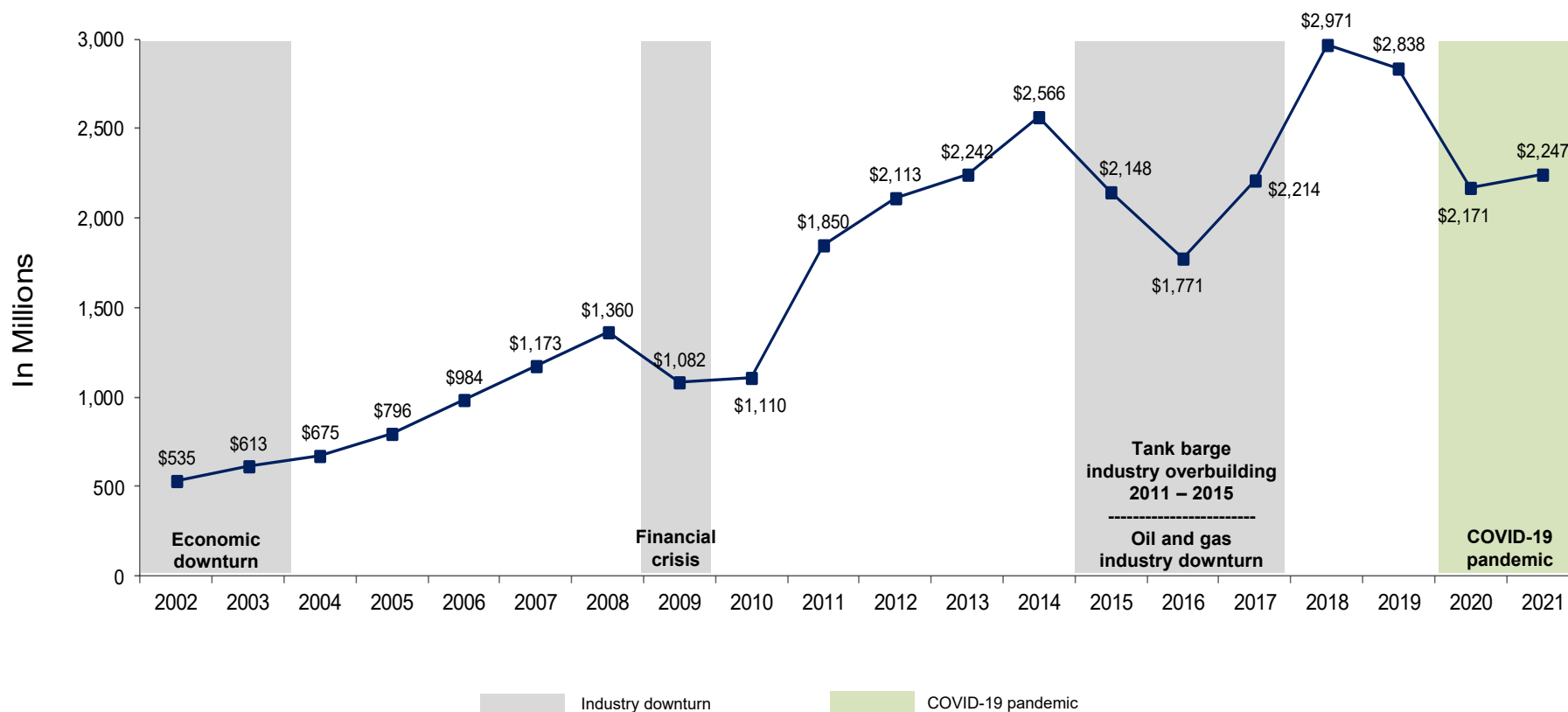
Internal Growth	
1989	Midwest
1992	Seattle
2000	Cooper Nuclear





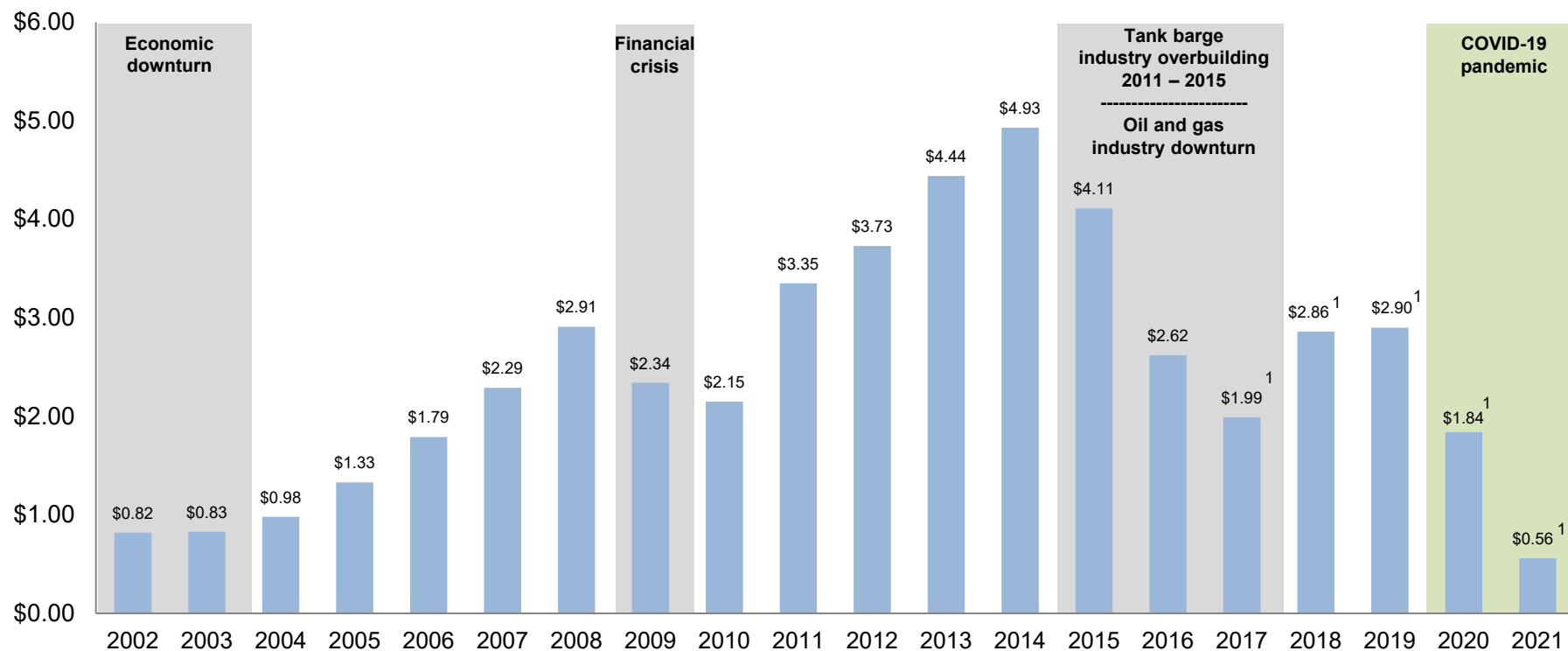
# Historical Revenue Growth

Marine Transportation and Distribution and Services  
Revenue from Continuing Operations



# Historical EPS Growth

## Earnings Per Share, Excluding One-Time Items



Earnings per share have been revised to reflect 2-for-1 stock split effective May 31, 2006

<sup>(1)</sup> 2017 – 2021 earnings per share exclude one-time charges and benefits. For more information, see the Reconciliation of GAAP to Non-GAAP Financial Measures Excluding One-Time Items in the Appendix of this investor presentation.

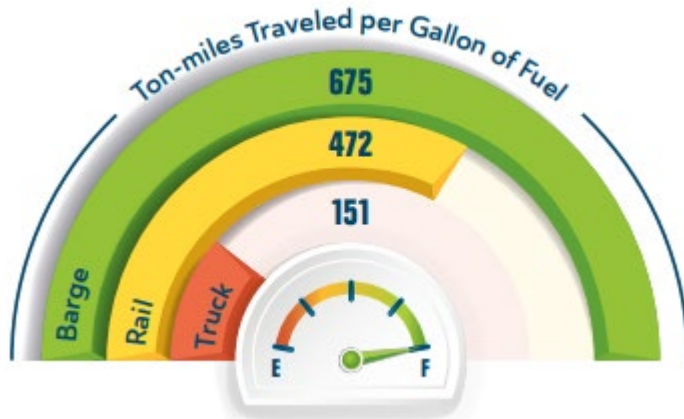
Industry downturn

COVID-19 pandemic

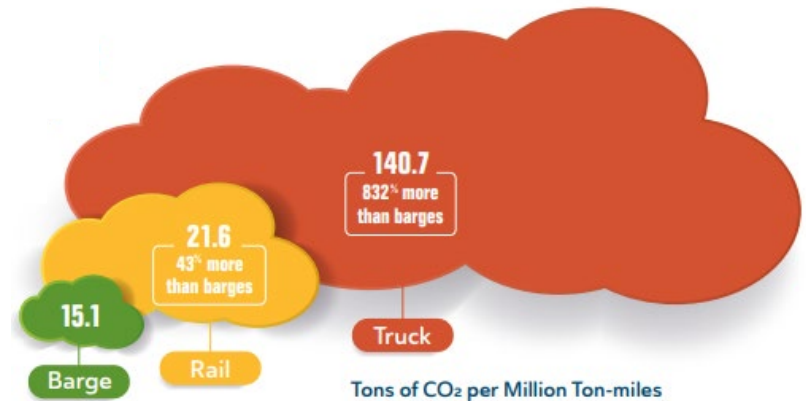


# Marine transportation is the cleanest, safest, and most efficient mode of surface transportation

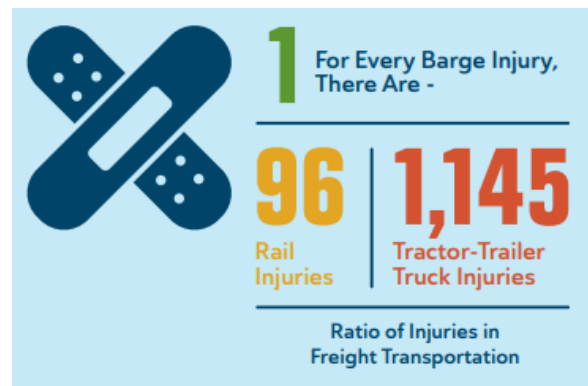
Marine Transportation has far fewer impacts on the population than truck or rail



**Barges are more fuel efficient**



**Barges are better for the environment**



**Barges are safer**



# Strong Emphasis on Safety

- 99.95% Safe Watches\* in 2021
- Safety is the first and foremost concern in everything we do
- All employees have safe work responsibility
- The Board of Directors regularly reviews the safety performance of the organization
- Investing in safe operations is good for morale and benefits financial performance
- NO HARM flags awarded to all towboats, tugboats and facilities with zero incidents
- Kirby has the only inland marine U.S. Coast Guard approved training center
  - Company-owned and operated
  - In-house towboat wheelhouse simulator
  - Provides ready group of trained mariners



**ZERO INCIDENTS**

**NO  
HARM**

to people  
to the environment  
to equipment



\* A Safe Watch is defined as "No Harm" to people, the environment, or equipment during a six-hour period on a Kirby marine vessel.





# ESG HIGHLIGHTS

**99.95%**  
**SAFE WATCHES**



## COMPLETE:

ESG Disclosures  
aligned with –



**410.6** million  
barrels of cargo  
transported  
**WITH ONLY**  
60 gallons spilled to  
water

**~6,000**

Marine Training  
Certificates

**ISSUED**

Since 2017



Kirby Inland Marine

**LOWEST**  
**LOST TIME**  
**INJURY RATE**



In the history of the  
organization

**ELECTRIC FRAC**  
**REDUCES**  
NO<sub>x</sub> EMISSIONS


**99%**

Source: USWS

Acquisition of an  
Energy Storage  
Solutions Business

**E-DAPTIVE**



**40%**   
**Reduction**  
**TARGET OF**  
**CO<sub>2</sub>e Emissions**  
per Barrel of Capacity  
By 2040

Kirby Disaster Relief Fund  
Raised:

**~\$750,000**

For employees  
impacted by the Winter  
Storm Uri & Hurricane  
Ida

## DIVERSITY



**33%**



Diverse Directors  
**ON THE BOARD**

### EMPLOYEES:

White – 69%  
African American – 11%  
Hispanic – 14%  
Other – 5%

### COMPANY PRIDE / ENGAGEMENT

**85%**



Of employees indicated they  
are **PROUD**  
to work for Kirby

2021 Company Culture  
Survey Results

# Marine Transportation

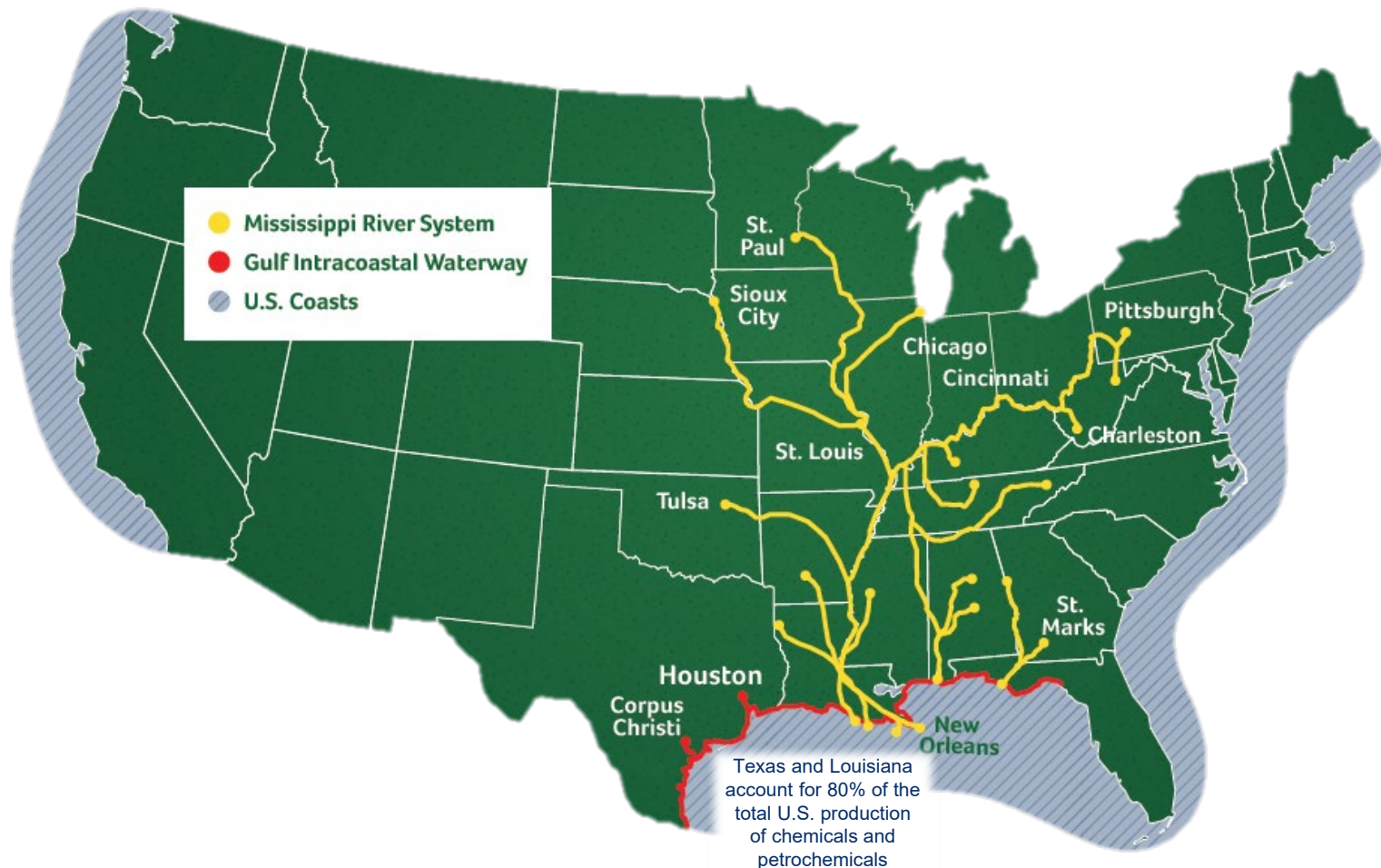
---





# Waterways are a Crucial Link between U.S & Global Trade

Kirby operates on 12,000 miles of navigable US waterways



# Industry Leader Well Positioned for Continued Growth

- The U.S. barge industry serves the inland waterways and U.S. coastal ports
- Kirby is principally in the liquid cargo transportation business
  - Inland share (barge count): **26%\***
  - Coastal share (capacity): **16%\*\***
- No competition from foreign companies due to a U.S. law known as the Jones Act
- Barges are mobile, carry wide range of cargoes and service different geographic markets
- Water transportation plays a vital role in the U.S. economy
- Barges are an environmentally friendly mode of transportation



\* Kirby share as of June 30, 2022

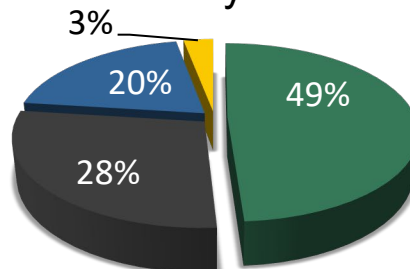
\*\* Barges with 195K bbl. of capacity or less











# Marine Transportation Demand Drivers

## Inland & Offshore Drivers

Revenue by Product<sup>1</sup>



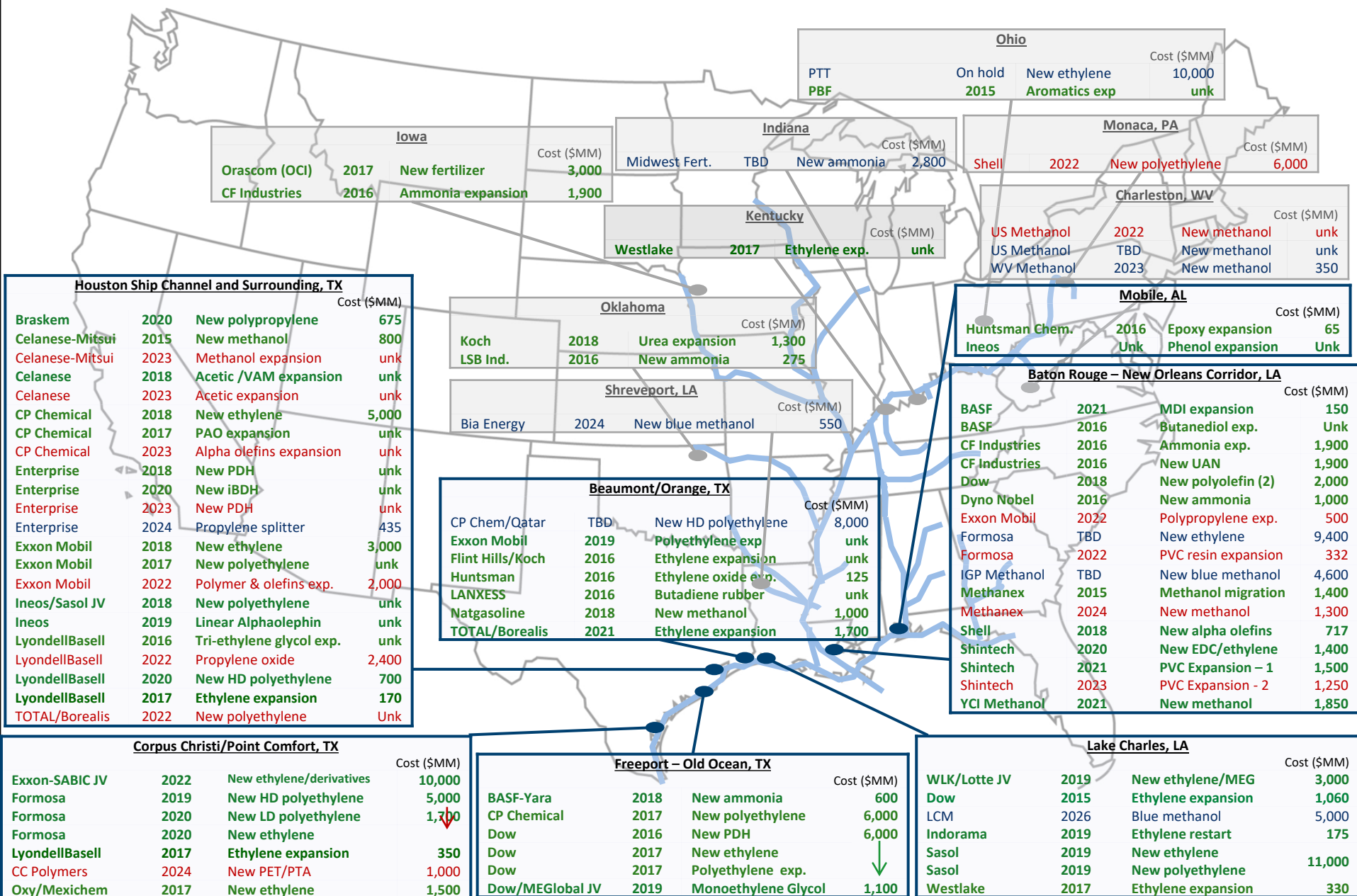
- Petrochemicals and Chemicals
- Black Oil
- Refined Petroleum Products
- Agricultural Chemicals

Markets and Products Moved	Products	Drivers
 Petrochemicals and Chemicals	Benzene, Styrene, Methanol, Naphtha, Acrylonitrile, Xylene, Caustic Soda, Butadiene, Propylene	 <ul style="list-style-type: none"> <li>■ Consumer Durables</li> <li>■ Consumer Non-Durables</li> </ul>
 Black Oil	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	Gasoline, No. 2 Oil (Heating Oil, Diesel Fuel), Jet Fuel, Ethanol	 Vehicle Usage, Air Travel, Weather, Refinery Utilization
 Agricultural Chemicals	Anhydrous Ammonia, Nitrogen-based Liquid Fertilizer, Industrial Ammonia	 Corn, Cotton, Wheat Production, Chemical Feedstocks

(1) YTD as of June 30, 2022



# \$150+ Billion of U.S. Petrochemical Investments\*



\*Notes: Date reflects anticipated year in-service, blue font reflects announced projects, red font reflects construction in progress, green font reflects on-line, unk=unknown

Sources: Company announcements, Kirby Corp.

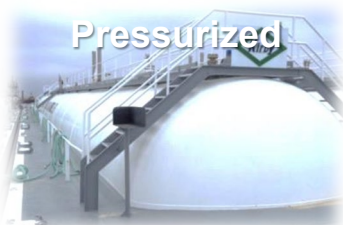
# Common Products Moved on the Waterways



**Black Oil**

## Product List:

- Crude Oil
- Asphalt
- Fuel Oil
- Carbon Black
- Vacuum Gas Oil
- Vacuum Tower Bottoms
- Bunker Fuel
- Residual Fuel
- Etc.



**Pressurized**

## Product List:

- LPG
- Propane
- Butadiene
- Isobutane
- Propylene
- Ethylene
- Butane
- Raffinate
- Natural Gasoline
- Etc.



**Petrochemicals**

## Product List:

- Methanol
- Ethanol
- Reformate
- Naphtha
- Ethylene
- Propylene Oxide
- Monoethylene Glycol
- Vinyl Acetate Monomer
- Benzene
- Ethyl Benzene
- Toluene
- Xylene
- Paraxylene
- Styrene
- Caustic Soda
- Acrylonitrile
- Etc.



**Refined Products**

## Product List:

- Kerosene/Jet Fuel
- Gasoline
- No. 2 Oil
  - Diesel Oil
  - Heating Oil
- Lube Oil
- Etc.



**Agriculture**

## Product List:

- Ammonia
- Ammonium Thiosulfate
- Urea Ammonium Nitrate (UAN)
- Etc.

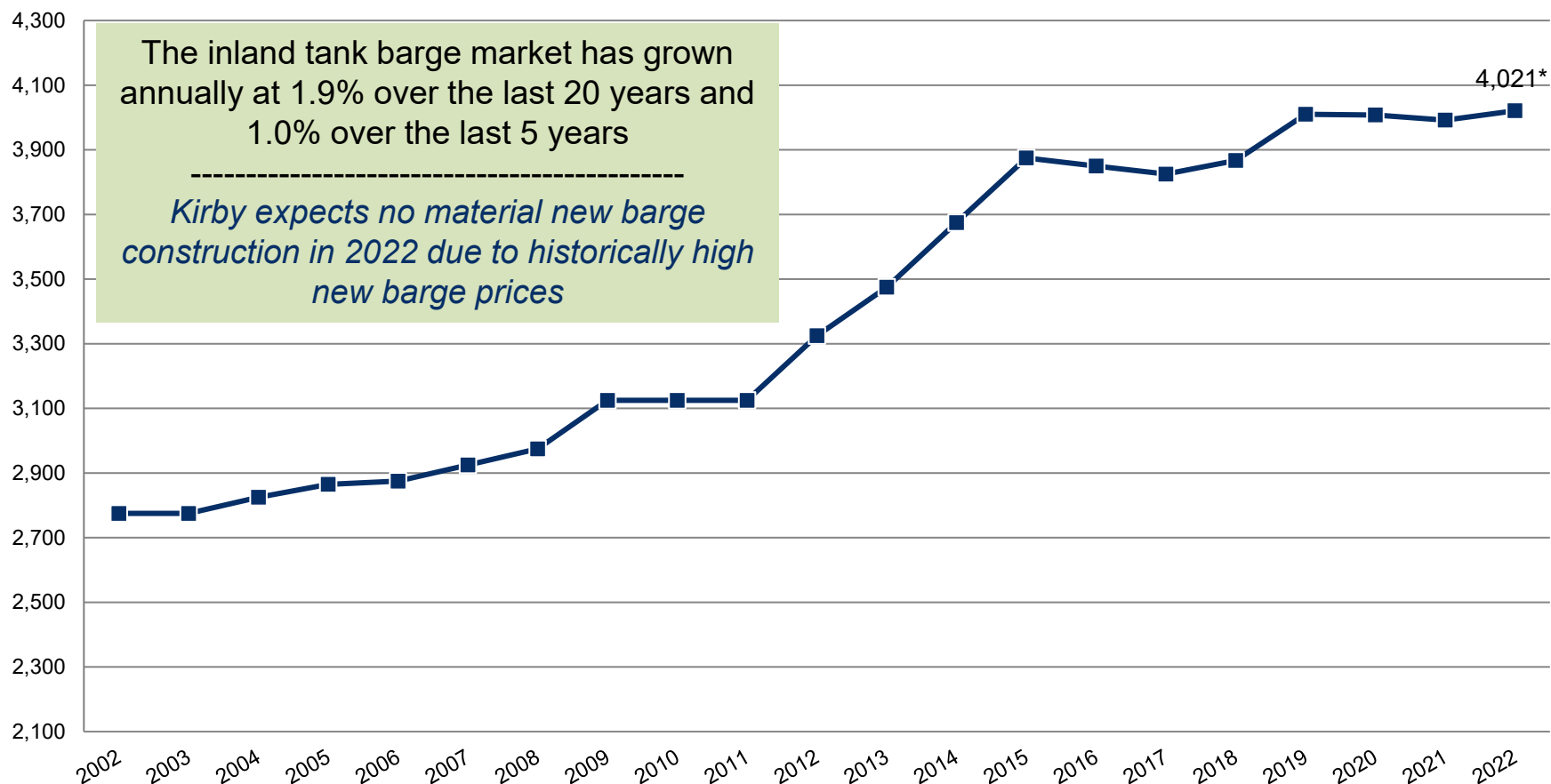
# Inland Market





# Number of Inland Tank Barges

Inland barge market: Estimated for the years 2002 through 2022



\* Barge count estimated as of June 30, 2022

Sources: Current Data, LLC (currentdata.net) - Adjusted as of June 2022



# Flexible Fleet Size Keeps Utilization High

Better asset utilization through scale advantages

## Tank Barge Fleet

- Large fleet facilitates better asset utilization
  - More backhaul opportunities
  - Faster barge turnarounds
  - Diversity of barge products and spot opportunities
  - Less cleaning



## Towboat Fleet

- Operating 270 towboats\*
- Chartered towboats used to flex horsepower with demand
  - Provides ability to address increased activity in a cost effective manner



\* Towboat count represents the average for the quarter ended June 30, 2022

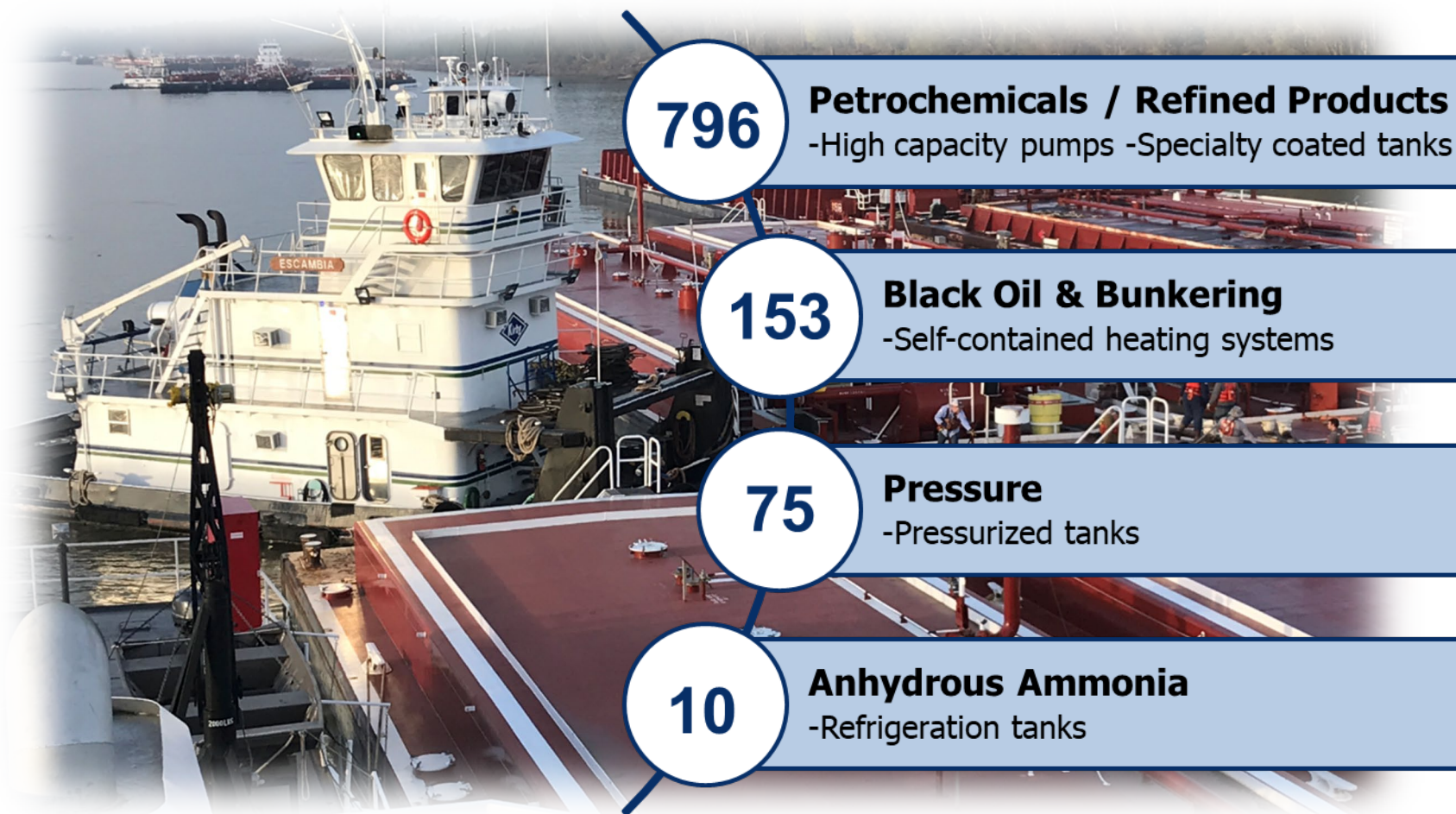


United Holdings





# Kirby Inland Fleet by Barge Type\*



\* Barge counts as of June 30, 2022

# Inland Barge Fleet by Operator

Shipper Owned Independent	Tank Barges Operated	Dry Cargo Barges Operated
<b>Kirby Corporation*</b>	<b>1,034</b>	-
American Commercial Lines LLC.	375	3,040
Canal Barge Company	366	368
Florida Marine	314	288
MPLX ("Hardin St. Marine")	299	-
Ingram Barge Company	284	3,879
Southern Towing / Devall Barge Line	221	-
Blessey Marine Services	163	-
Enterprise Products Partners	158	-
Magnolia Marine Transport Co.	93	-
Westlake Vinyl/ PPG	93	-
LeBeouf Brothers Towing Co.	87	-
Genesis Energy, L.P.	82	-
American River Transportation Co.	79	1,813
Golding Barge Lines, Inc.	66	-
Chem Carriers, Inc.	51	-

Shipper Owned Independent	Tank Barges Operated	Dry Cargo Barges Operated
John W. Stone Oil	40	-
Buffalo Marine Service, Inc.	36	-
Campbell Transportation Company	35	110
Martin Midstream Partners	29	-
Central Boat Rentals, Inc.	27	-
NGL Energy Partners	24	-
Olin Corporation (Blue Cube)	16	-
River City Towing Services	12	-
General Marine Services	11	-
Apex Towing Company	9	-
Parker Towing Company	6	386
Merichem Company	5	-
Highland Marine	4	-
Other	2	8,567
<b>TOTAL</b>	<b>4,021</b>	<b>18,451</b>

\* Kirby tank barges as of June 30, 2022

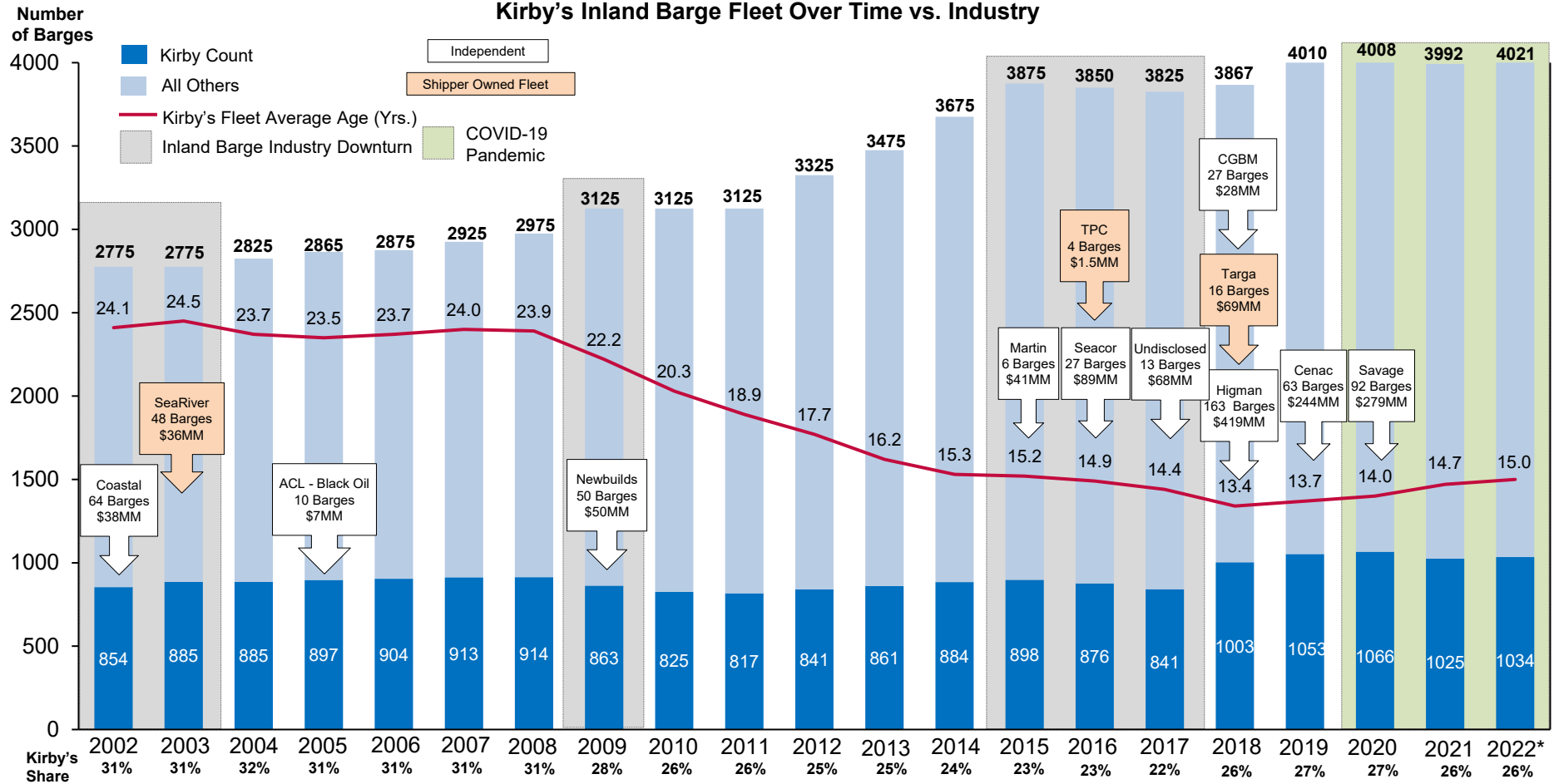
Sources: Tank Barge – Current Data, LLC (currentdata.net) - Adjusted; Dry Cargo – IHS Markit Barge Fleet Profile - May 2021



# Kirby Growth and Asset Replacement Strategy Based on Counter Cyclical Acquisitions

Kirby is focused on growth while replenishing and reducing the age of its inland barge fleet through asset acquisitions vs. newbuilds

**Kirby's Inland Barge Fleet Over Time vs. Industry**



- Kirby tank barges, share, and average age as of June 30, 2022
- Source: Industry tank barge count – Current Data, LLC (currentdata.net) – Adjusted as of June 2022



# Kirby Inland Marine – Increase in Earnings Potential

	2017	2022*	Change	
Number of Inland Barges	841	1,034	+23%	▲
Inland Bbl Capacity (MM Bbls)	17.3	23.0	+33%	▲
Inland Average Barge Age	14.4	15.0	0.6 years	

- Significant growth while improving asset quality
  - Increase in operational scale

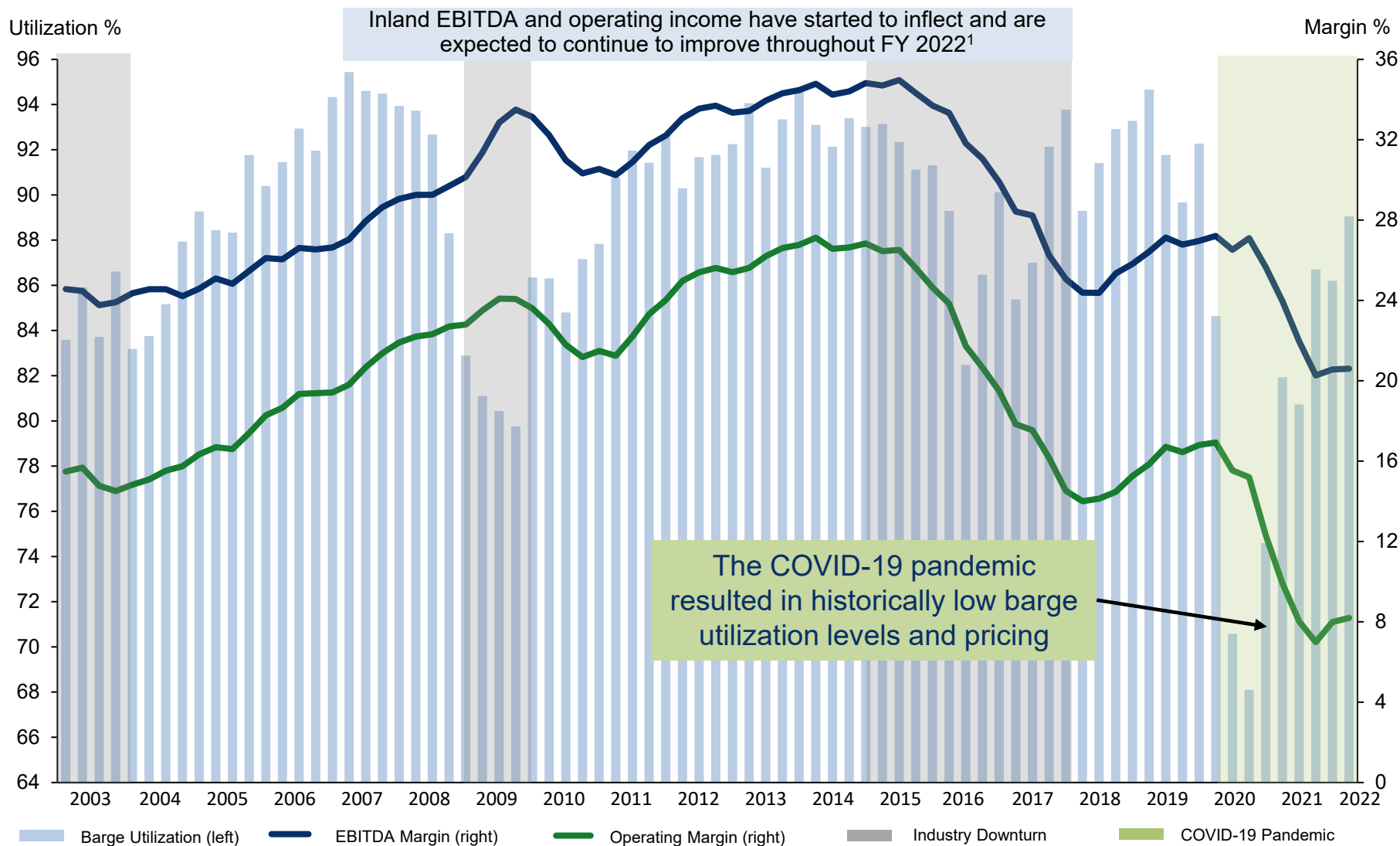


\* Barge count as of June 30, 2022



# Inland Barge Utilization Recovering from COVID Lows

Margins historically lag barge utilization through the cycle, but have started to improve



Note: EBITDA and Operating Margins are Trailing 12 Months

<sup>(1)</sup> Based on Kirby's most recent guidance in the July 28, 2022 press release announcing 2Q 2022 earnings. This guidance is shown for convenience only and does not constitute confirming or updating the guidance, which will only be done by public disclosure.





# Kirby Inland Marine Differentiators

- Safety culture
- High quality customer portfolio
- Heavily engrained in the supply chain of many blue chip companies
  - Acquired Lyondell, Dow, and SeaRiver's captive fleets
- Horsepower management
- Largest tank barge fleet – scale matters
  - Facilitates better asset utilization
  - Creates backhaul opportunities
  - Faster turnarounds
  - Diversity of barge products for spot opportunities
  - Reduced cleanings
- U.S. Coast Guard accredited training center
- San Jac Marine - Kirby owned shipyard
- Site representatives
- Disciplined capital expenditures
- Counter-cyclical investments

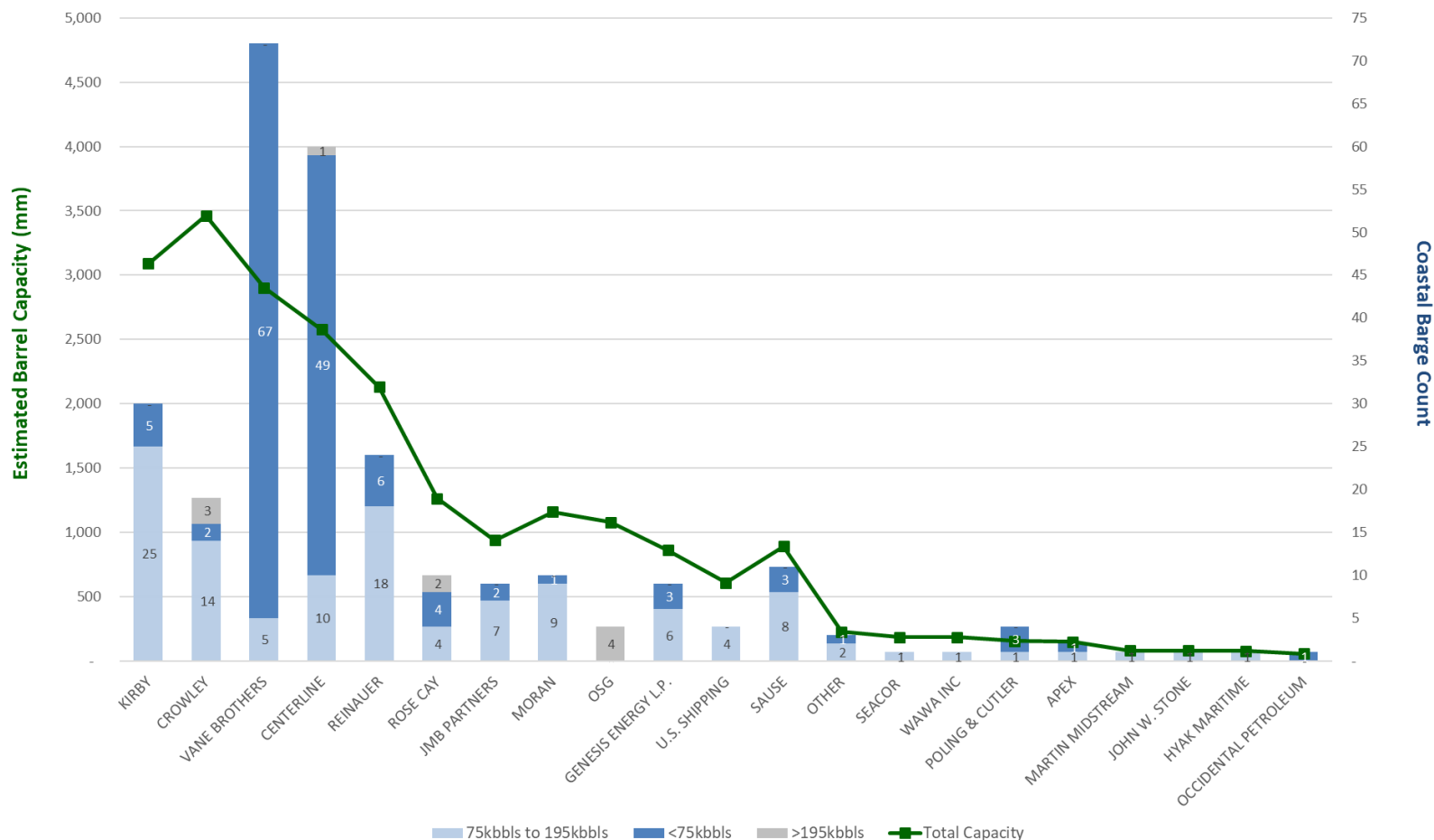


# Coastal Market



# Coastal Tank Barge Fleet by Operator

Kirby is the second largest Coastal tank barge operator by barrel capacity



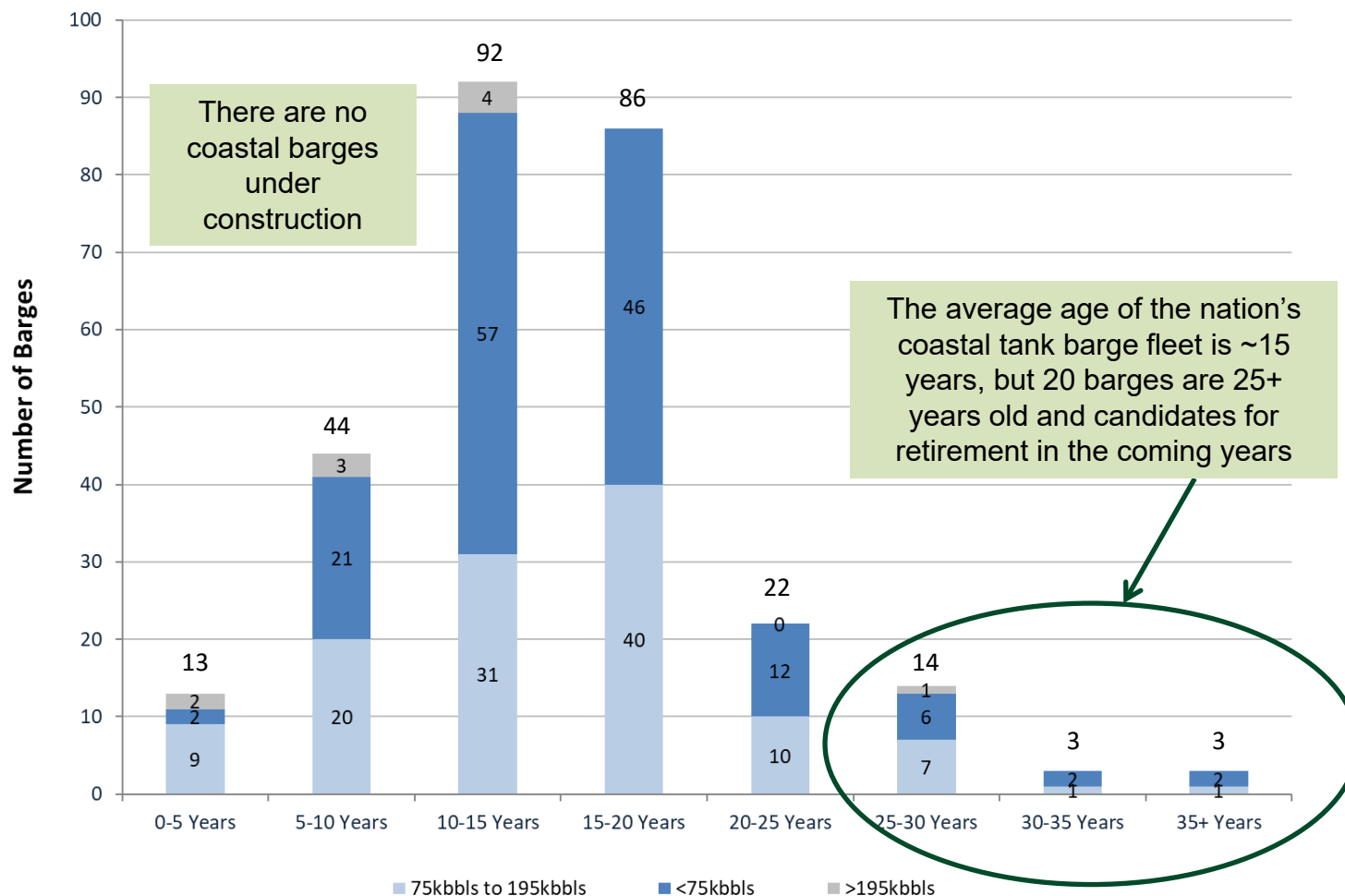
Tank barge count as of June 30, 2022  
Source: Kirby, company websites and public filings



# Coastal Tank Barge Age Profile

## Coastal Barge Market Age Distribution

*Number of barges by age and category*





# Differentiators for Kirby's Coastal Business

- Inland company key relationships
  - Working for blue chip refiners
- Younger, more efficient fleet
- Focus on transporting black oil and chemicals
- Kirby Ocean Transport
  - Long term contracts with 40 year relationship
- Counter cyclical investments





# Offshore Wind

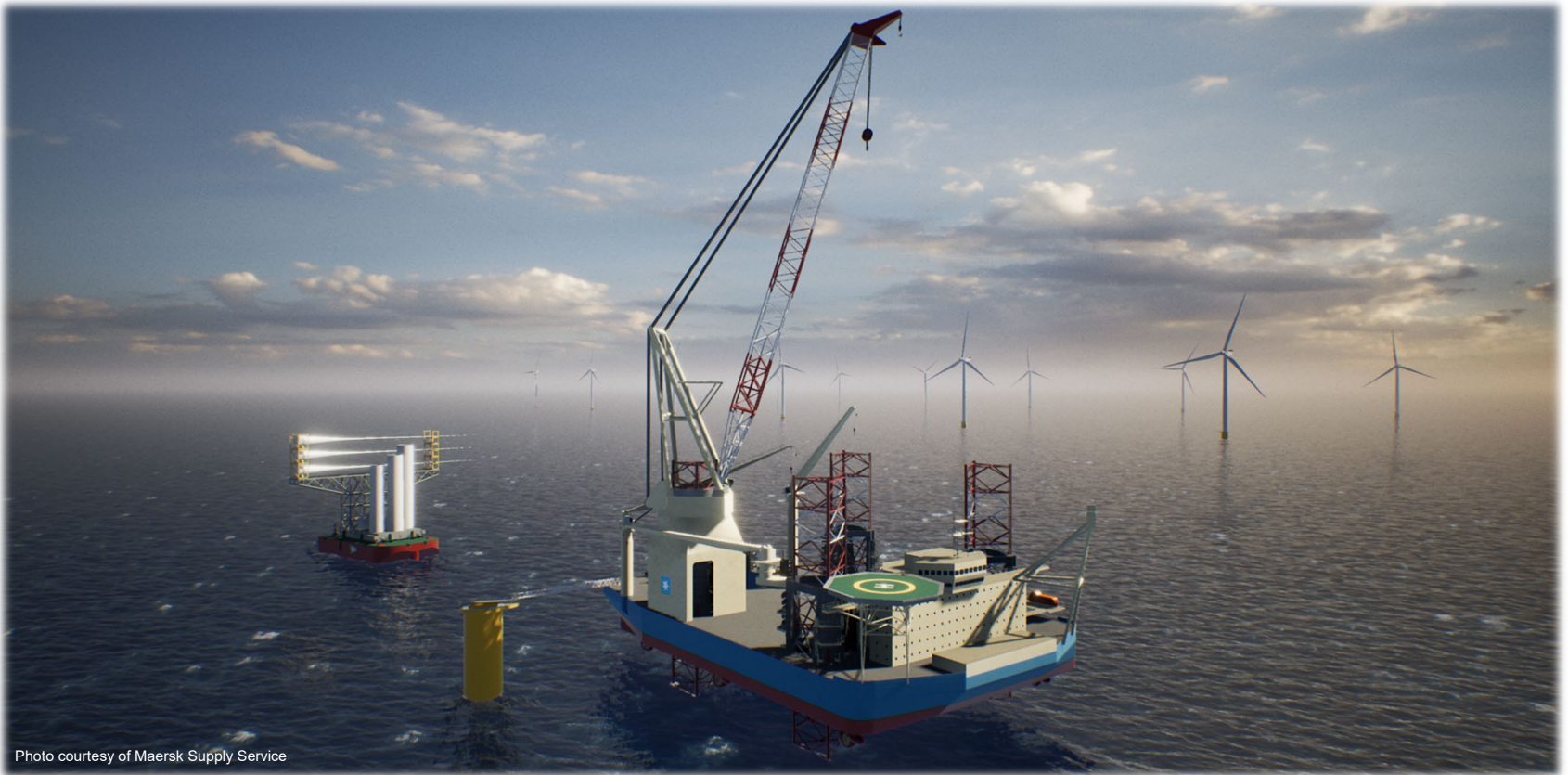
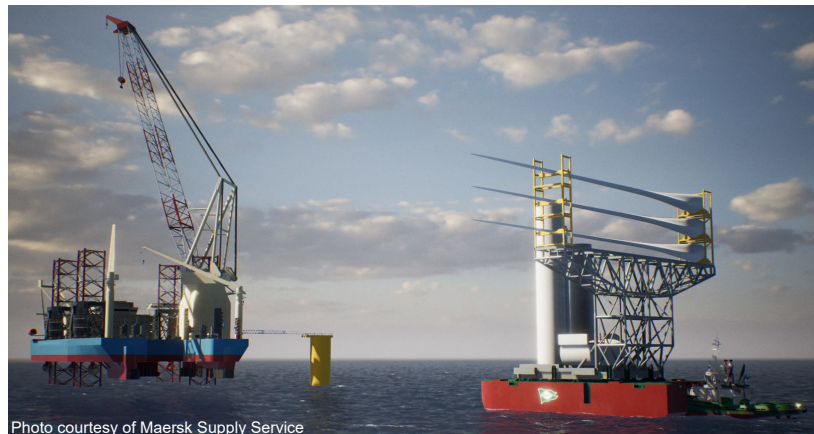


Photo courtesy of Maersk Supply Service

# Kirby Offshore Wind

## Kirby announces a new 20-year offshore wind partnership with Maersk

- Under the 20-year framework agreement:
  - Kirby will provide barge transportation services for offshore wind towers and turbines to Maersk Supply Service
  - First project is Empire Offshore Wind, a joint venture between Equinor and bp off the coast of New York
- Capital investment: \$80-100 million for two feeder barge and diesel-electric hybrid tugboat units
- Each feeder barge will have the capacity to transport next-generation turbines of 15 megawatt and greater
- Operations are expected to commence in late 2025 or early 2026



### EMPIRE WIND



80,000 Acres of Coverage



15-30 Miles South of Long Island



130+ Wind Turbines



2.1 GW of Renewable Energy



1,000,000 New York Homes Powered

Source: [www.empirewind.com](http://www.empirewind.com)



For more information, please visit [www.kirbycorp.com/kirby-offshore-wind](http://www.kirbycorp.com/kirby-offshore-wind)

# U.S. Offshore Wind Development Pipeline

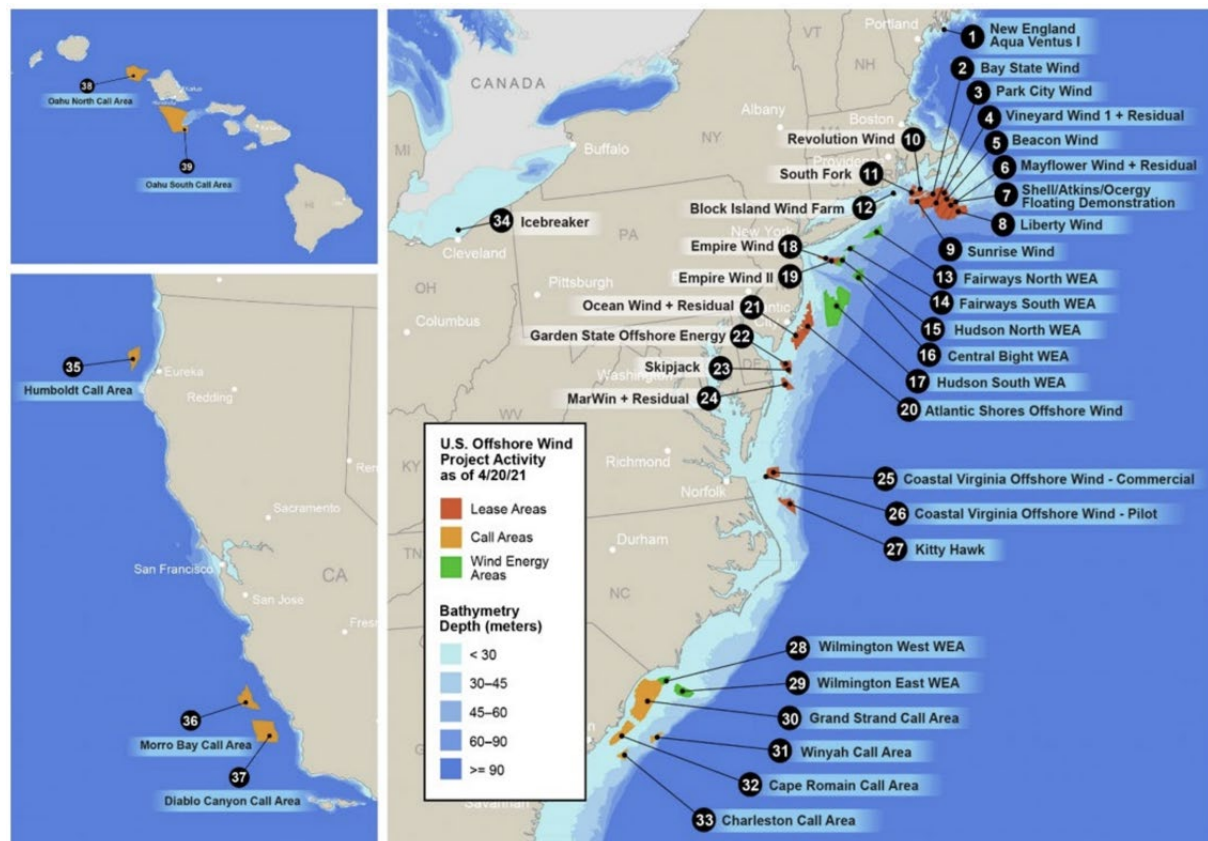
The U.S. offshore wind 'pipeline' has ~35 GW of potential projects

## Current Project Pipeline Status

- Operating – 42 MW
- Approved – 1,221 MW
- Permitting – 13,729 MW
- Site Control – 7,434 MW
- Planning – 12,051 MW

## Offshore Wind Commitments by State

State	Total Commitment (GW)	Target Year	Amount Procured (GW)
Massachusetts	5.6	2035	1.6
Rhode Island	0.4	-	0.4
New Jersey	7.5	2035	1.1
Maryland	1.6	2030	0.4
New York	9.0	2035	6.8
Connecticut	2.0	2030	1.1
Virginia	5.2	2034	0.0
North Carolina	8.0	2040	-
	<b>39.3</b>		<b>11.4</b>



Source: US Department of Energy – Offshore Wind Strategies Report – January 2022

# Distribution & Services

---





# Introduction to Distribution & Services

Who we are...



62

LOCATIONS ACROSS NORTH  
AND SOUTH AMERICA

5

BRANCH LOCATIONS IN  
COLOMBIA

4

INTERNATIONAL COUNTRIES  
WITH SALES PRESENCE

~160

SALES PROFESSIONALS

~1,000

QUALIFIED TECHNICIANS

~650

SERVICE AND ASSEMBLY BAYS

~2.5MM

SQUARE FEET OF SHOP  
CAPACITY













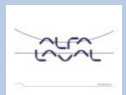



# Kirby is a leader in industrial distribution

Who we represent...

Kirby D&S is the largest single distributor in the world for our OEM partners

Distributorships provide unique and exclusive OEM representation rights in assigned areas of responsibility

Dealerships provide rights to service customers in specific markets

											
On-Hwy O&G	O&G PowerGen Marine(C) Marine(L) Mining Industrial	On-Hwy	O&G Industrial	Industrial	On-Hwy refer and climate control	On-Hwy Industrial Marine(L)	Marine(C) Nuclear	Marine(C)	Marine(C)	Marine(C)	Marine(C)
Distributor	Distributor	Distributor	Distributor	Distributor	Distributor	Distributor	Distributor	Distributor	Dealer	Dealer	Dealer

(C) Commercial  
(L) Light/pleasure



# Distribution & Services has diversified sources of revenue across multiple industries

## Customer Industry Base

**Commercial & Industrial** - Distribution, services and packaged equipment  
~50% of D&S segment revenues

- Commercial marine
- Pleasure marine
- Power generation
- Nuclear power generation
- On-highway
- Mining
- Industrial
- Specialty equipment rental
- Rail car movers



**Oil & Gas** - Distribution, services and manufactured equipment  
~50% of D&S segment revenues

- Well stimulation and support equipment
- Cementing equipment
- Coiled tubing and support equipment
- Electric power generation equipment
- Specialized electrical distribution and control equipment
- High capacity energy storage/battery systems
- Seismic equipment



Note: Revenue percentages estimated for 2022

# Commercial and Industrial

Kirby is a leading distribution and services provider to key markets

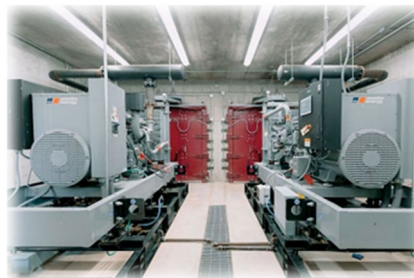
## MARINE

- Major service and OEM new product and replacement parts provider for diesel engines and ancillary products
- Locations across the U.S.
- Key markets include:
  - Inland towboats and offshore tugboats
  - Offshore supply vessels
  - U.S. Coast Guard vessels
  - Fishing industry
  - Ferries
  - Pleasure yachts



## POWER GENERATION

- Sells pre-packaged and fabricated back-up power systems for emergency, standby, and auxiliary power
- Rents back-up generator systems
- Key markets include:
  - Nuclear power industry
  - Domestic utilities
  - Data centers
  - Municipalities
  - Manufacturing plants
  - Retail and office complexes



## ON-HIGHWAY

- Distributes, sells parts, and services diesel engines and transmissions
- Distributes and services Thermo King refrigeration systems
- Rents refrigeration trailers
- Sells parts online via [DieselDash.com](http://DieselDash.com)
- Locations in the U.S. and Colombia
- Key markets include:
  - Trucking companies
  - Commercial truck fleets
  - Municipalities
  - Grocers and food banks



Kirby also provides distribution and services to rail, mining, and other industrial markets

# Oil and Gas

Kirby is one of the largest providers of equipment, service and parts to the oilfield

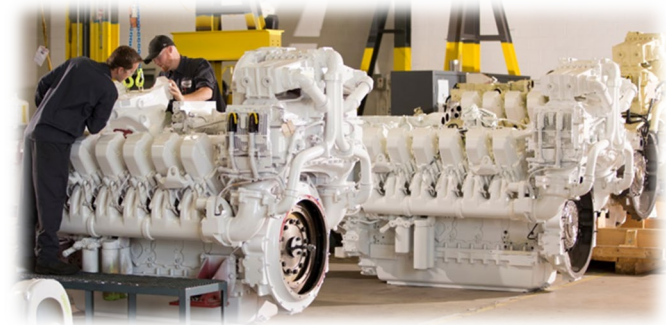
## MANUFACTURING

- Leading provider of non-captive manufacturing and remanufacturing of well servicing equipment
- New frac equipment offerings are often highly customized:
  - Noise-reducing units
  - Dynamic gas blending units
  - Electric units
- Electric power generation solutions including distribution and control systems and energy storage/battery systems
- Sells new equipment into U.S. and international markets
- Developed proprietary controls solutions and telematics
- Manufacturer of seismic units for the Middle East and Europe



## DISTRIBUTION

- Heavy duty cycle associated with fracturing leads to the need for regular equipment service and parts
- Distributor of new and rebuilt transmissions and diesel engines
  - Key OEMs include Allison Transmission, MTU, and DEUTZ
- Provider of major overhaul services for transmissions and diesel engines
- Provider of proprietary parts, 24x7 field service, and engineering support
- Provider of rental solutions including back-up power generators, high capacity lift trucks, and industrial compressors
- Locations across key U.S. shale formations



Most pressure pumping equipment requires some form of major service every three to five years



# Power Generation Technology

Kirby manufactures environmentally friendly power generation equipment that is creating new opportunities in oil and gas and commercial and industrial markets

## NATURAL GAS RECIPROCATING GENERATORS

- High Power Output: 2.5 MW
- High Mobility: 53' x 8.5' x 13.5'
- Wide Operating Range: Up to 122°F operation
- Sound attenuated environmental enclosure
- Scalable operation with multiple generators
- Integrates with existing S&S power distribution products
- 27.5% more fuel efficient than turbines assuming zero grid power supply at net zero consumption
- Reduces CO<sub>2</sub>e by 32% resulting in the cleanest power platform available for e-frac



## MOBILE ENERGY STORAGE SYSTEMS (ESS)

- High Power Density: Up to 3 MWh storage capacity
- High Power Output: Up to 3 MW
- High Mobility: 53' x 8.5' x 13.5'
- Self Contained: Drive-up and plug-in (no additional rig-up)
- Output Voltage Flexibility: 13,800 volt shown
- Wide Operating Range: Up to 122°F operation
- Intelligent Operation: Advanced Battery Management System (BMS) and Power Management System (PMS)
- Highly Scalable: Platform Based Design (allows for smaller systems or use of multiple systems to meet different power demands)
- Integrated Turnkey Packages: ESS compliments existing S&S power generation and power distribution products

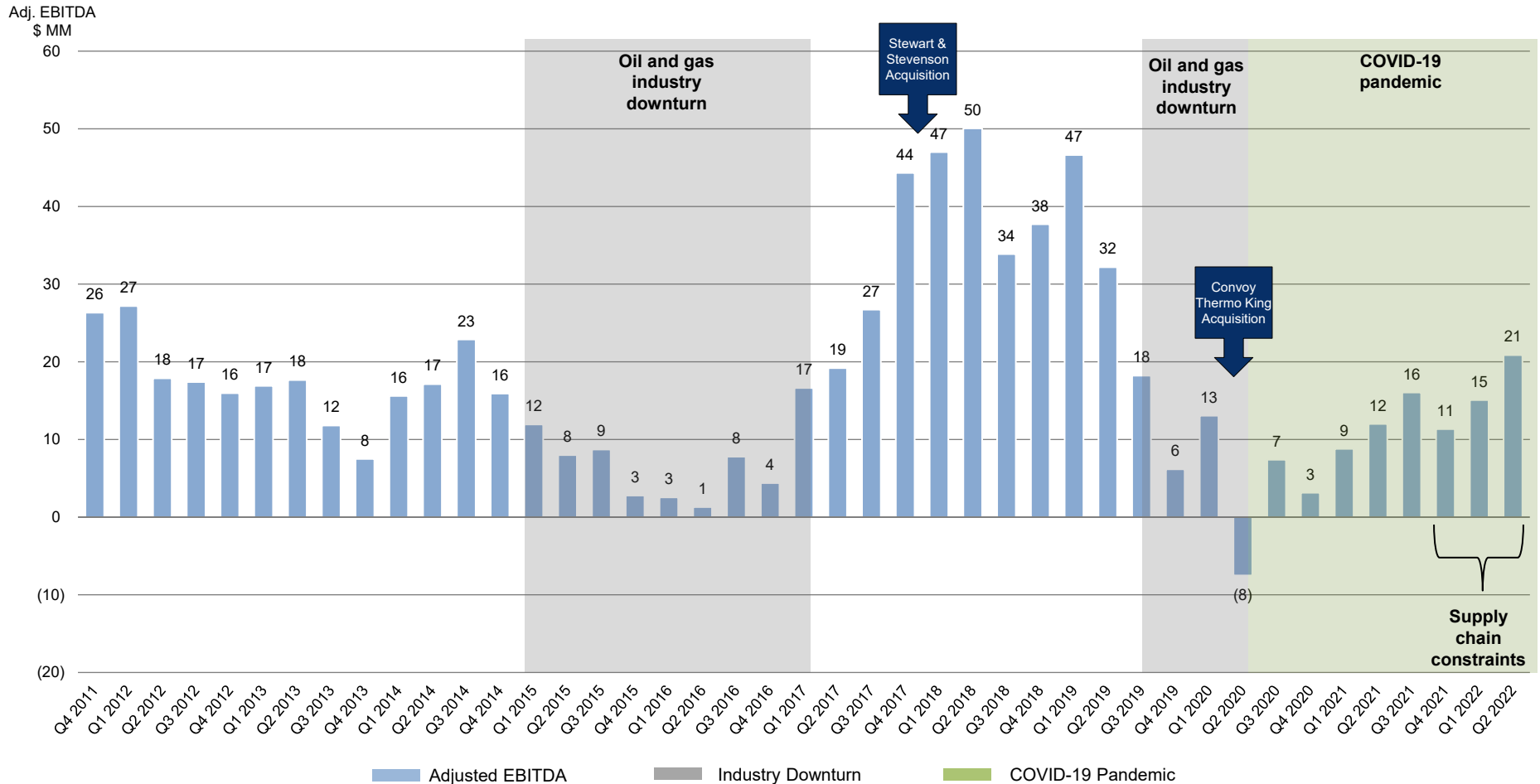




# Distribution & Services is Recovering

The acquisition of S&S in 2017 generated a significant increase in earnings, but the 2019 industry downturn and COVID-19 adversely impacted profitability in recent years

Business activity started to inflect in FY 2021 and is expected to continue to improve in FY 2022<sup>(1)</sup>



<sup>(1)</sup> Based on Kirby's most recent guidance in the July 28, 2022 press release announcing 2Q 2022 earnings. This guidance is shown for convenience only and does not constitute confirming or updating the guidance, which will only be done by public disclosure.



# Financial Highlights

---



# 2Q 2022 Overview

## Financial Summary

\$ millions except earnings per share	2Q 2022	2Q 2021	Variance	%	1Q 2022	Variance	%
Revenues	\$ 698.0	\$ 559.6	\$ 138.4	25%	\$ 610.8	\$ 87.2	14%
Operating income	46.5	24.0	22.5	94%	29.7	16.8	57%
Net earnings attributable to Kirby	28.5	10.2	18.3	179%	17.4	11.1	64%
Earnings per share	0.47	0.17	0.30	176%	0.29	0.18	62%
<b>Excluding one-time items:</b>							
Operating income <sup>1</sup>	48.0	24.0	24.0	100%	29.7	18.3	62%
Net earnings attributable to Kirby <sup>1</sup>	29.8	10.2	19.6	192%	17.4	12.4	71%
Earnings per share <sup>1</sup>	0.49	0.17	0.32	188%	0.29	0.20	69%

- Results reflected improved market fundamentals in marine transportation and distribution and services
- Marine transportation margins impacted by rising fuel costs and other inflationary pressures
  - Higher costs expected to gradually be recovered as term contract escalators reset throughout the year and into 2023
- Supply chain constraints delayed sales in distribution and services
- Cost inflation remained a headwind to margins for both marine transportation and 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](http://www.kirbycorp.com) in the Investor Relations section under Financials.

<sup>1</sup> Second quarter 2022 operating income, net earnings attributable to Kirby, and earnings per share exclude one-time non-recurring items related to severance expense.



# Marine Transportation – FY 2022 Outlook

## A strong inland barge market is expected to drive improved financial results

### ■ Inland

- Strong market fundamentals driven by favorable refinery and chemical plant utilization, increased volumes, and minimal new barge construction
- Barge utilization expected to remain above 90%
- Improved spot market dynamics and pricing expected to continue
- Term contracts are expected to continue to reset higher reflecting improved market conditions
- Increased fuel costs resulting in higher rebill revenue with minimal associated operating margin
- Inflationary pressures expected to be a near-term margin headwind until contractual escalation clauses reset later this year and into 2023
- Full year revenue growth of 20% to 25%
- In the absence of further inflationary headwinds, near-term operating margins expected to be in the low double digits with gradual improvement as the year progresses

### ■ Coastal

- Market expected to modestly improve going forward but remain challenged by underutilized industry capacity
- Barge utilization expected to be in the low to mid-90% range
- Full year revenues are expected to be flat to up low single digits due to Hawaii exit
- Increased shipyard activity expected to continue through 4Q
- Operating margins expected to be in the low single digits

# Distribution & Services – FY 2022 Outlook

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

- **Oil and Gas**

- Favorable oil prices expected to drive continued improvement in U.S. rig and frac activity
- Seeing robust demand for new transmissions, parts, and service
- Strong manufacturing backlog driven by increased demand for new environmentally friendly equipment
- Supply chain issues expected to continue and contribute to some equipment deliveries shifting between quarters and possibly into 2023
- Expected to be ~50% of segment revenues

- **Commercial and Industrial**

- Expect strong markets and revenue growth for on-highway, power generation, and marine repair
- Full year revenue growth in the low double digit percentage range
- Expected to be ~50% of segment revenues

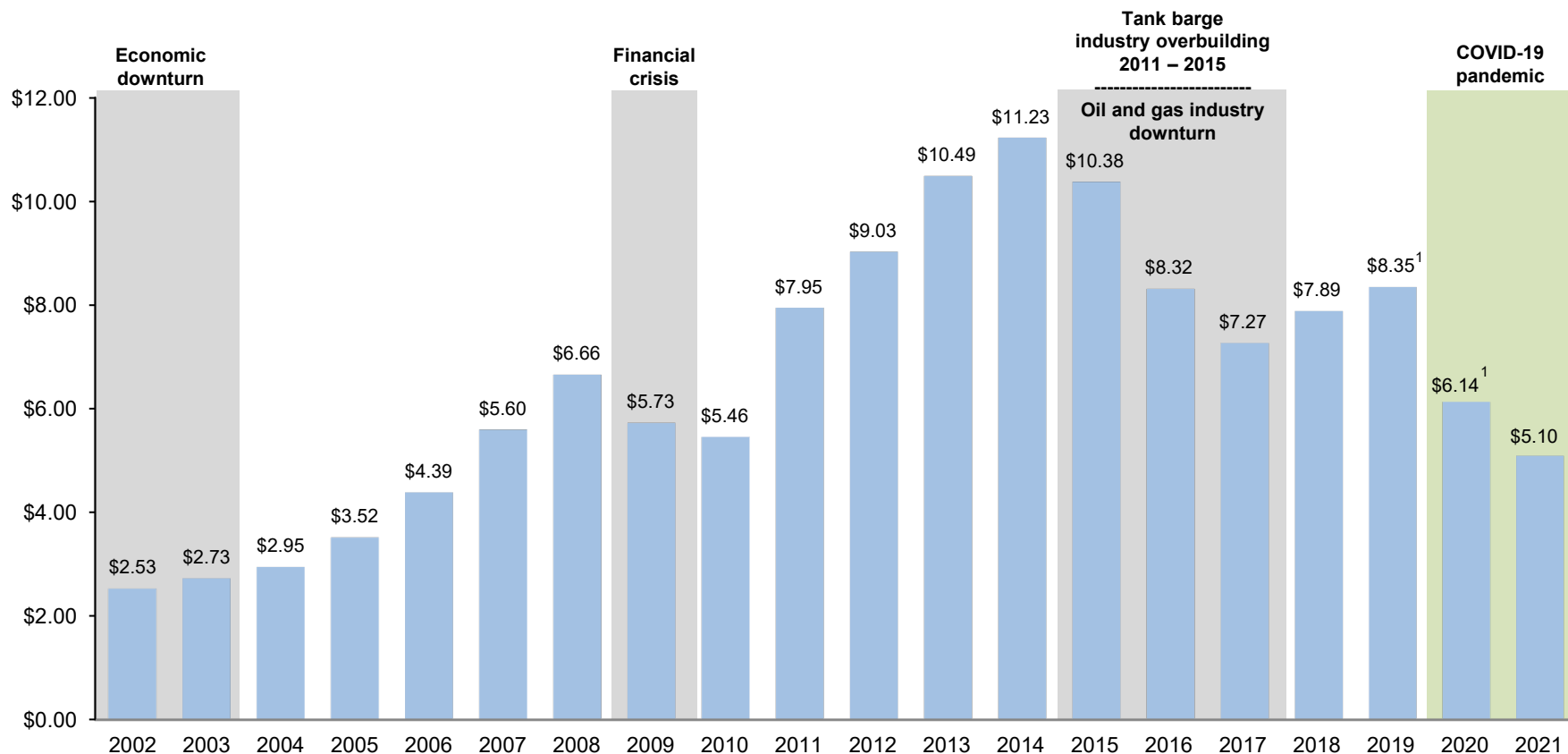
- **Segment Outlook**

- Full year revenue growth of 25% to 30%
- Operating margins expected to be in the mid to high-single digits by end of 2022





# Adjusted EBITDA Per Share



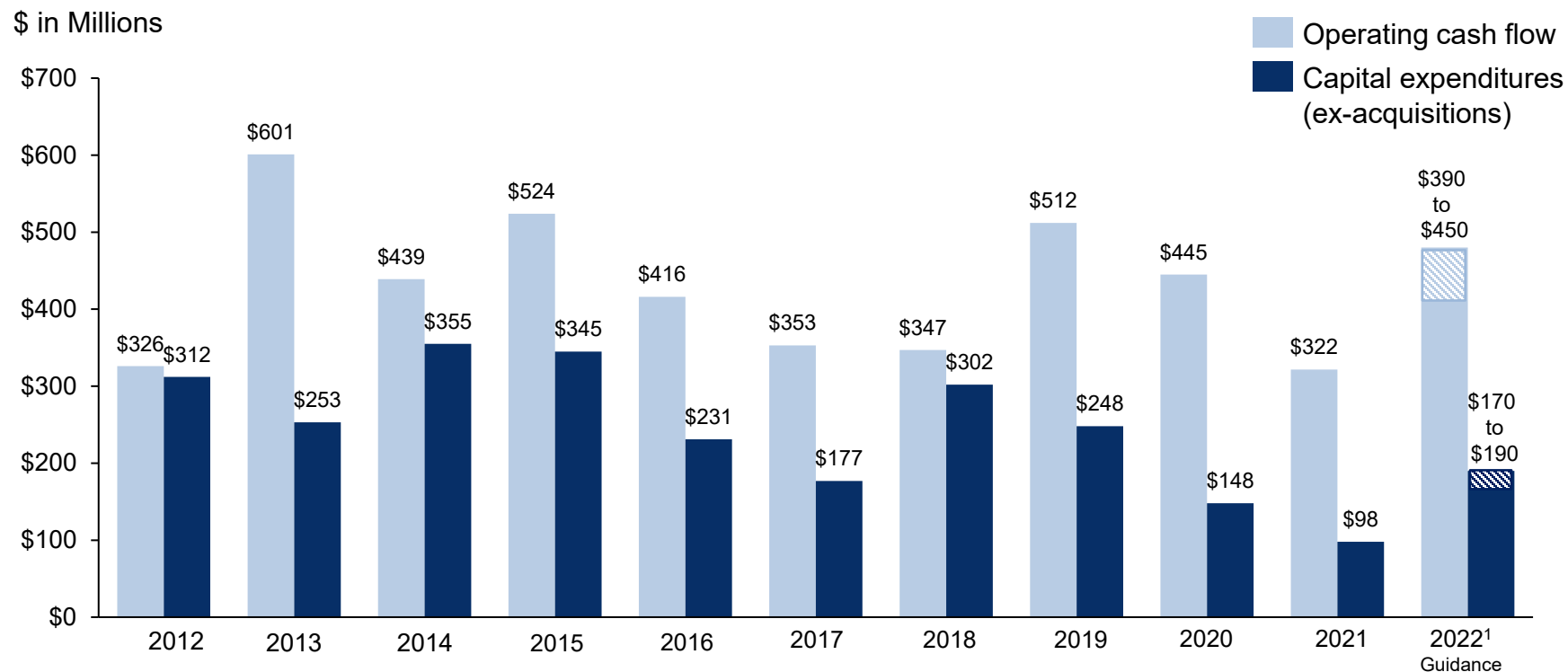
- See Appendix for reconciliation of GAAP net earnings to Non-GAAP Adjusted EBITDA

Industry downturn      COVID-19 pandemic

<sup>(1)</sup> 2019 and 2020 Adjusted EBITDA earnings per share exclude one-time non-cash inventory write-down charges of \$35.5 million and \$8.0 million, respectively. For more information, see the Reconciliation of GAAP to Non-GAAP Financial Measures Excluding One-Time Items in the Appendix of this investor presentation.

# Cash Flow Generation

Kirby consistently generates free cash flow\*



Free cash flow\* generation of ~\$200 to \$280 million expected in 2022<sup>(1)</sup>

\* Free cash flow is defined as cash from operations less capital expenditures

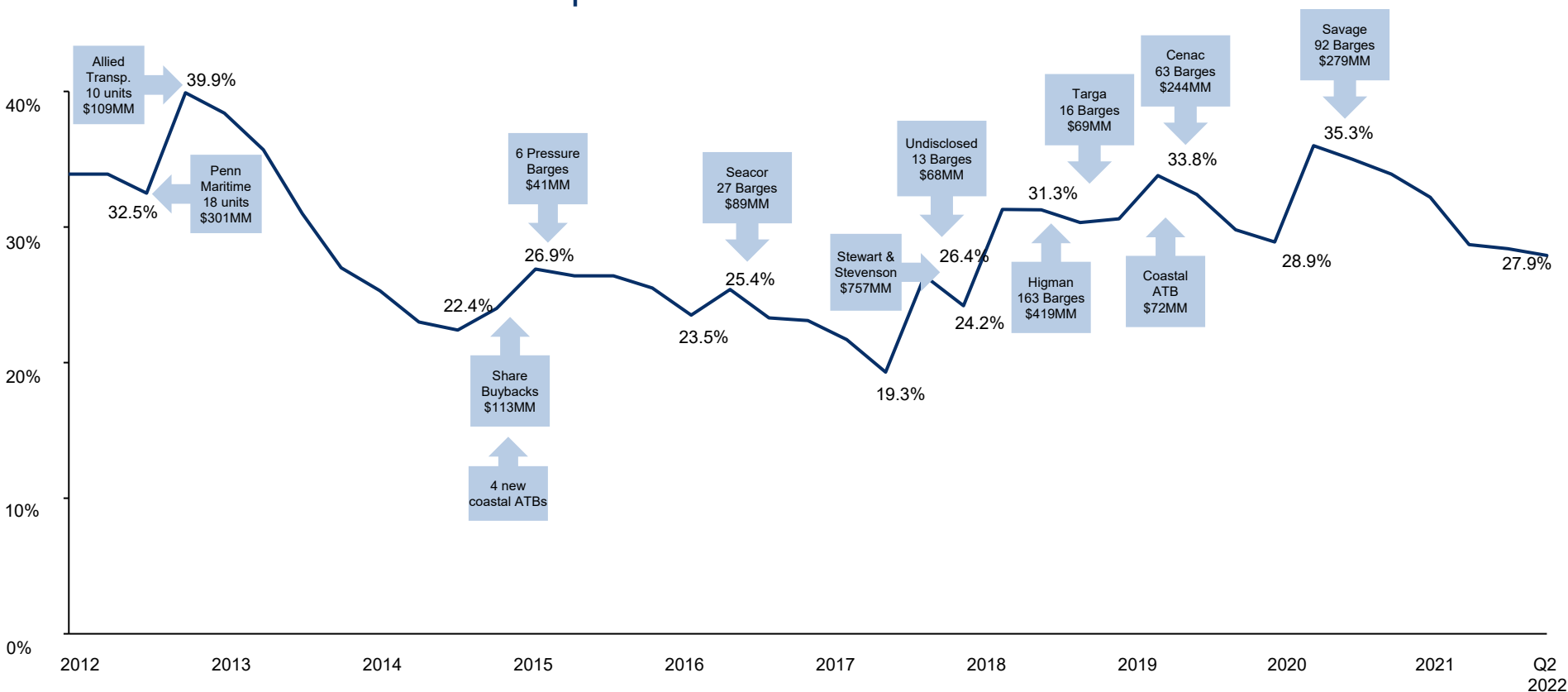


<sup>(1)</sup> Based on Kirby's most recent guidance in the July 28, 2022 press release announcing 2Q 2022 earnings. This guidance is shown for convenience only and does not constitute confirming or updating the guidance, which will only be done by public disclosure.



# Capital Structure

## 2012 to 2022 Debt-to-Total Capital



Focus on directing near-term cash flow to debt reduction

# Financial Strength

- Investment grade rating
  - Standard & Poor's: BBB-, stable
  - Moody's: Baa3, stable
- **\$350 million Senior Notes**
  - 10-year maturity at 3.29% due February 27, 2023
- **\$500 million 4.200% Senior Notes**
  - Maturity date of March 1, 2028
  - Used to fund Higman Marine acquisition in 2018
- **\$500 million Term Loan**
  - \$500 million 5-year maturity at LIBOR + 1.375 due March 27, 2024
  - \$285 million outstanding as of June 30, 2022
- **\$850 million Bank Revolving Credit Facility**
  - Maturity date of March 27, 2024
  - Zero funds drawn as of June 30, 2022
- **\$25 million of Cash and Cash Equivalents (as of June 30, 2022)**
  - \$879 million of total liquidity as of June 30, 2022

- On February 3, 2022, Kirby entered into a note purchase agreement for the issuance of 10-year \$300 million Senior Notes intended to repay the \$350 million Senior Notes due February 27, 2023

	Series A	Series B
Amount	\$60 million	\$240 million
Issue Date	10/20/2022	01/19/2023
Interest Rate	3.46%	3.51%
Due	01/19/2033	

# Why Invest in Kirby?



- Proven track record of success over the long-term
- Two strong franchises
  - Marine Transportation
  - Distribution and Services
- Purpose-built management team with decades of relevant experience in both core businesses
- Disciplined financial management
  - Investment-grade balance sheet
  - Countercyclical investing followed by deleveraging
- Balanced approach to capital allocation
  - Return on capital driven investment decisions
  - Proven acquisition strategy
  - Strong record of cash flow generation
- Significant increase in long-term earnings potential
  - Expect all businesses to deliver substantially improved financial results in 2022



# Appendix

---

# Reconciliation of GAAP to Non-GAAP Financial Measures

Kirby reports its financial results in accordance with generally accepted accounting principles (GAAP). However, Kirby believes that certain non-GAAP financial measures are useful in managing Kirby's businesses and evaluating Kirby's performance.

Adjusted EBITDA, which Kirby defines as net earnings (loss) attributable to Kirby before interest expense, taxes on income, depreciation and amortization, impairment of long-lived assets, and impairment of goodwill is used because of its wide acceptance as a measure of operating profitability before non-operating expenses (interest and taxes) and noncash charges (depreciation and amortization, impairment of long-lived assets, and impairment of goodwill). Adjusted EBITDA is one of the performance measures used in Kirby's incentive bonus plan. Adjusted EBITDA is also used by rating agencies in determining Kirby's credit rating and by analysts publishing research reports on Kirby, as well as by investors and investment bankers generally in valuing companies.

Kirby also uses certain non-GAAP financial measures to review performance excluding certain one-time items including: 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 as a result of uncertainty surrounding the impact of the COVID-19 pandemic on global and regional market conditions. 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 a substitute for GAAP financial results and should only be considered in conjunction with Kirby's financial information that is presented in accordance with GAAP.

Quantitative reconciliations of GAAP to Non-GAAP financial measures are provided in the following tables.



# Reconciliation of GAAP Net Earnings to Non-GAAP Adjusted EBITDA - Annually

## KIRBY CORPORATION Reconciliation of GAAP Net Earnings Attributable to Kirby to Non-GAAP Adjusted EBITDA

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
(\$ in millions)										
Net earnings (loss) attributable to Kirby	\$ (247.0)	\$ (272.5)	\$142.4	\$ 78.5	\$313.2	\$141.4	\$226.7	\$282.0	\$253.1	\$209.4
Interest expense	42.5	48.7	56.0	46.9	21.5	17.7	18.8	21.5	27.9	24.4
Provision (benefit) for taxes on income	(43.8)	(189.8)	46.8	35.0	(240.8)	85.0	133.7	169.8	152.3	127.9
Impairment of long-lived assets	121.7	165.3	-	82.7	105.7	-	-	-	-	-
Impairment of goodwill	219.0	388.0	-	2.7	-	-	-	-	-	-
Depreciation and amortization	<u>213.7</u>	<u>219.9</u>	<u>219.6</u>	<u>225.0</u>	<u>202.8</u>	<u>200.9</u>	<u>192.2</u>	<u>169.3</u>	<u>164.4</u>	<u>145.2</u>
<b>Adjusted EBITDA, Non-GAAP</b>	<b><u>\$ 306.1</u></b>	<b><u>\$ 359.6</u></b>	<b><u>\$464.8</u></b>	<b><u>\$470.8</u></b>	<b><u>\$402.4</u></b>	<b><u>\$445.0</u></b>	<b><u>\$571.4</u></b>	<b><u>\$642.6</u></b>	<b><u>\$597.7</u></b>	<b><u>\$506.9</u></b>



# Reconciliation of GAAP Net Earnings to Non-GAAP Adjusted EBITDA - Quarterly

## KIRBY CORPORATION

### Reconciliation of GAAP Net Earnings (Loss) Attributable to Kirby to Non-GAAP Adjusted EBITDA

	Three Months Ended March 31,		Three Months Ended June 30,		Year to Date June 30,	
			(\$ in millions)			
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Net earnings (loss) attributable to Kirby	\$ 17.4	\$ (3.4)	\$ 28.5	\$ 10.2	\$ 45.9	\$ 6.8
Interest expense	10.2	11.0	10.6	10.7	20.8	21.7
Provision (benefit) for taxes on income	6.2	(0.9)	11.0	5.5	17.2	4.6
Depreciation and amortization	50.0	54.9	50.1	55.1	100.1	110.0
<b>Adjusted EBITDA, Non-GAAP</b>	<b>\$ 83.8</b>	<b>\$ 61.6</b>	<b>\$ 100.2</b>	<b>\$ 81.5</b>	<b>\$ 184.0</b>	<b>\$ 143.1</b>



# Reconciliation of GAAP to Non-GAAP Financial Measures Excluding One-Time Items

(unaudited, \$ in millions except per share amounts)

	Full Year 2021				Q2 2022				YTD 2022			
	Operating Income (Loss)	Earnings (Loss) Before Tax	Net Earnings (Loss) Attrib. Kirby	Diluted Earnings (Loss) per Share	Operating Income	Earnings Before Tax	Net Earnings Attrib. Kirby	Diluted Earnings per Share	Operating Income	Earnings Before Tax	Net Earnings Attrib. Kirby	Diluted Earnings per Share
GAAP earnings (loss)	\$ (258.1)	\$ (290.6)	\$ (247.0)	\$ (4.11)	\$ 46.5	\$ 39.6	\$ 28.5	\$ 0.47	\$ 76.2	\$ 63.4	\$ 45.9	\$ 0.76
One-time items:												
- Impairments and other charges	340.7	340.7	275.0	4.58	-	-	-	-	-	-	-	-
- Louisiana tax law change	-	-	5.7	0.09	-	-	-	-	-	-	-	-
- Severance expense	-	-	-	-	1.5	1.5	1.3	0.02	1.5	1.5	1.3	0.02
Earnings, excluding one-time items <sup>(1)</sup>	\$ 82.6	\$ 50.1	\$ 33.7	\$ 0.56	\$ 48.0	\$ 41.1	\$ 29.8	\$ 0.49	\$ 77.7	\$ 64.9	\$ 47.2	\$ 0.78

	Full Year 2020				Full Year 2019				Full Year 2018				Full Year 2017			
	Operating Income (Loss)	Earnings (Loss) Before Tax	Net Earnings (Loss) Attrib. Kirby	Diluted Earnings (Loss) per Share	Operating Income	Earnings Before Tax	Net Earnings Attrib. Kirby	Diluted Earnings per Share	Operating Income	Earnings Before Tax	Net Earnings Attrib. Kirby	Diluted Earnings per Share	Operating Income	Earnings Before Tax	Net Earnings Attrib. Kirby	Diluted Earnings per Share
GAAP earnings (loss)	\$ (420.8)	\$ (461.4)	\$ (272.5)	\$ (4.55)	\$ 242.0	\$ 189.8	\$ 142.3	\$ 2.37	\$ 155.3	\$ 114.2	\$ 78.5	\$ 1.31	\$ 93.6	\$ 73.0	\$ 313.2	\$ 5.62
One-time items:																
- Income tax benefit on 2018 and 2019 net operating loss carrybacks	-	-	(50.8)	(0.85)	-	-	-	-	-	-	-	-	-	-	-	-
- Impairments and other charges	561.3	561.3	433.3	7.24	35.5	35.5	28.0	0.47	87.8	87.8	69.3	1.16	105.7	105.7	67.0	1.20
- Severance and early retirement expense	-	-	-	-	4.8	4.8	3.7	0.06	-	-	-	-	-	-	-	-
- Executive Chairman retirement	-	-	-	-	-	-	-	-	18.1	18.1	18.1	0.30	-	-	-	-
- Higman transaction fees & expenses	-	-	-	-	-	-	-	-	3.3	3.3	2.5	0.04	-	-	-	-
- Amendment to employee stock plan	-	-	-	-	-	-	-	-	3.9	3.9	3.0	0.05	-	-	-	-
- US tax reform and deferred tax liability remeasurement	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(269.4)	(4.83)
Earnings, excluding one-time items <sup>(1)</sup>	\$ 140.5	\$ 99.9	\$ 110.0	\$ 1.84	\$ 282.3	\$ 230.1	\$ 174.0	\$ 2.90	\$ 268.4	\$ 227.3	\$ 171.4	\$ 2.86	\$ 199.3	\$ 178.7	\$ 110.8	\$ 1.99

Note: There were no identified one-time items in the 2022 first quarter.

(1) Kirby uses certain non-GAAP financial measures to review performance excluding certain one-time items including: 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. 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.





# Reconciliation of GAAP Net Cash Provided by Operating Activities to Free Cash Flow

## Kirby Corporation

### Reconciliation of GAAP Net Cash Provided by Operating Activities to Free Cash Flow

	Second Quarter		Six Months	
	2022	2021 <sup>(2)</sup>	2022	2021 <sup>(2)</sup>
	(unaudited, \$ in millions)			
Net cash provided by operating activities	\$ 63.4	\$ 95.2	\$ 95.6	\$ 197.8
Less: Capital expenditures	(44.0)	(24.3)	(79.1)	(38.4)
Free cash flow <sup>(1)</sup>	\$ 19.4	\$ 70.9	\$ 16.5	\$ 159.4

	FY 2022 Projection <sup>(3)</sup>		FY 2021 <sup>(2)</sup>
	Low	High	Actual
	(unaudited, \$ in millions)		
Net cash provided by operating activities	\$ 390	\$ 450	\$ 322
Less: Capital expenditures	(190)	(170)	(98)
Free cash flow <sup>(1)</sup>	\$ 200	\$ 280	\$ 224

(1) Kirby uses a non-GAAP financial measure, 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 as a result of uncertainty surrounding the impact of the COVID-19 pandemic on global and regional market conditions. 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. This non-GAAP financial measure is not a calculation 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.

(2) See Kirby's 2021 10-K for amounts provided by (used in) investing and financing activities.

(3) Based on Kirby's most recently published cash flow guidance in the July 28, 2022 press release announcing 2Q 2022 earnings. This guidance is shown for convenience only and does not constitute confirming or updating the guidance, which will only be done by public disclosure.



# Marine Transportation Performance Measures

## KIRBY CORPORATION MARINE TRANSPORTATION PERFORMANCE MEASUREMENTS

	2022			2021					2020	2019	2018	2017	2016	2015	2014	2013	2012
	1Q	2Q	YTD	1Q	2Q	3Q	4Q	Total	Year	Year	Year	Year	Year	Year	Year	Year	Year
<b>Inland Performance Measurements:</b>																	
<b>Ton miles (in millions) <sup>(1)</sup></b>	<b>3,168</b>	<b>3,536</b>	<b>6,704</b>	<b>2,981</b>	<b>3,478</b>	<b>3,393</b>	<b>3,844</b>	<b>13,696</b>	<b>13,006</b>	<b>14,611</b>	<b>14,501</b>	<b>11,519</b>	<b>11,161</b>	<b>12,502</b>	<b>13,088</b>	<b>11,754</b>	<b>12,224</b>
<b>Revenues/Ton mile (cents/tm) <sup>(2)</sup></b>	<b>8.8</b>	<b>9.0</b>	<b>8.9</b>	<b>7.5</b>	<b>7.3</b>	<b>7.5</b>	<b>7.1</b>	<b>7.3</b>	<b>8.4</b>	<b>8.4</b>	<b>7.7</b>	<b>8.0</b>	<b>8.5</b>	<b>8.7</b>	<b>8.8</b>	<b>9.8</b>	<b>8.9</b>
<b>Towboats operated <sup>(3)</sup></b>	<b>263</b>	<b>270</b>	<b>267</b>	<b>241</b>	<b>260</b>	<b>243</b>	<b>255</b>	<b>250</b>	<b>287</b>	<b>299</b>	<b>278</b>	<b>224</b>	<b>234</b>	<b>248</b>	<b>251</b>	<b>256</b>	<b>245</b>
<b>Delay days <sup>(4)</sup></b>	<b>3,137</b>	<b>2,762</b>	<b>5,899</b>	<b>2,854</b>	<b>2,922</b>	<b>1,499</b>	<b>2,330</b>	<b>9,605</b>	<b>10,408</b>	<b>13,259</b>	<b>10,046</b>	<b>7,577</b>	<b>7,278</b>	<b>7,924</b>	<b>7,804</b>	<b>7,843</b>	<b>6,358</b>

<sup>(1)</sup> Ton miles indicate fleet productivity by measuring the distance (in miles) a loaded inland tank barge is moved. Example: A typical 30,000 barrel inland tank barge loaded with 3,300 tons of liquid cargo is moved 100 miles, thus generating 330,000 ton miles.

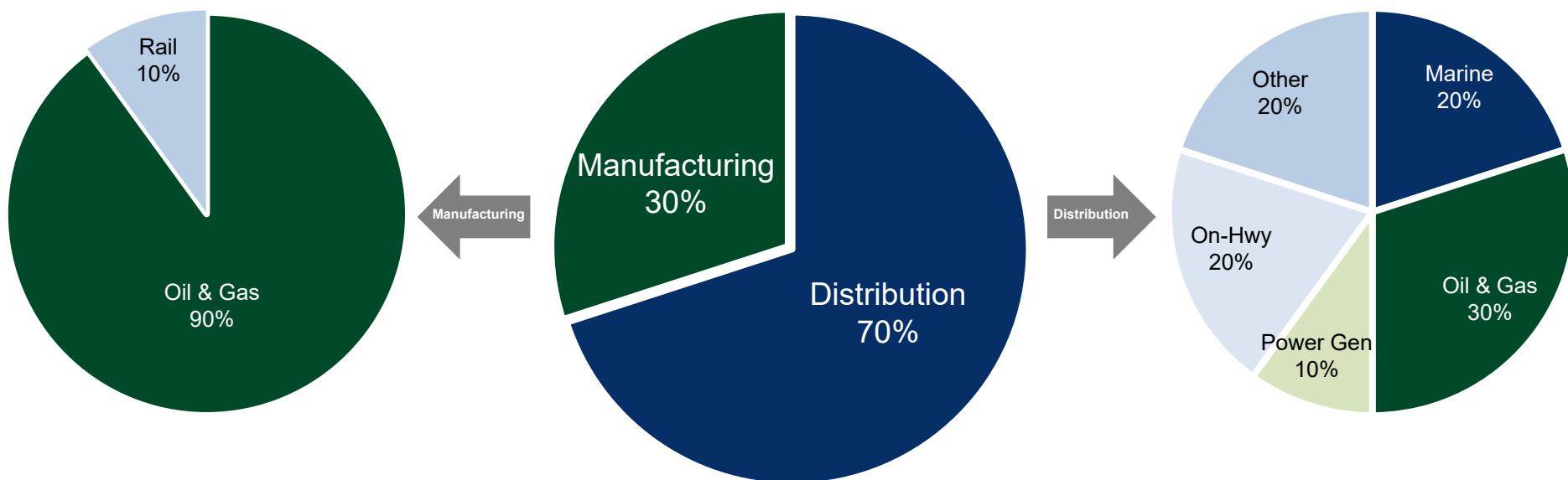
<sup>(2)</sup> Inland marine transportation revenues divided by ton miles. Example: Second quarter 2022 inland marine revenues of \$316.9 million divided by 3,536 million ton miles = 9.0 cents.

<sup>(3)</sup> Towboats operated, is the average number of owned and chartered inland towboats operated during the period.

<sup>(4)</sup> Delay days measures the lost time incurred by an inland tow (inland towboat and one or more inland tank barges) during transit. The measure includes transit delays caused by weather, lock congestion and other navigational factors.



# Distribution and Services Revenue by Market Sector



Note: Revenue percentages estimated for 2022

