



Investor Presentation

NYSE: KEX

December 2018

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 the timing, magnitude and the number of acquisitions made by Kirby. Forward-looking statements are based on currently available information and Kirby assumes no obligation to update 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, 2017, and in Kirby's subsequent filings on Form 10-Q for the quarters ended March 31, 2018 and September 30, 2018.

Kirby reports its financial results in accordance with generally accepted accounting principles (GAAP). However, Kirby believes that a certain Non-GAAP financial measure is useful in managing Kirby's businesses and evaluating Kirby's performance. This presentation contains a Non-GAAP financial measure, EBITDA. Please see the Appendix for a reconciliation of GAAP to the Non-GAAP financial measure, EBITDA.



Company Overview

Marine Transportation

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

- 36 successful acquisitions
- 981 inland tank barges and 282 towboats
 - 65% of inland revenues under term contracts, of which approximately 58% are under time charters
- 54 coastal tank barges and 50 tugboats
 - 80% of coastal revenues under term contracts, of which approximately 85% are under time charters

**60% of 2017 Revenue
or \$1.3 billion**



Distribution and Services

Nationwide service provider and distributor of engines, transmissions, parts, industrial equipment and oilfield service equipment

- 19 successful acquisitions
- Manufacturer, remanufacturer and service provider of oilfield service equipment
- Provider of rental equipment including generators, material-handling equipment, pumps, and compressors for use in a variety of industrial markets

**40% of 2017 Revenue
or \$0.9 billion**

Return on Capital Driven Investment Decisions

Public Market Information

NYSE: KEX

Share Price on Nov 30, 2018	\$76.34
Shares Outstanding (as of Nov 30, 2018)	59.9 MM
Market Capitalization	\$4,570 MM
Net Debt (as of Nov 30, 2018)	\$1,392 MM
Enterprise Value	\$5,962 MM



Marine Transportation Acquisitions

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 Barge Lines, 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)

Shipper Owned (Red) **Independent (Green)** * Towboats Only

Date	Tank Barges	Description
2003	64	SeaRiver Maritime (ExxonMobil)
2005	10	American Commercial Lines (black oil fleet)
2006	*	Capital Towing
2007	37	Coastal Towing, Inc. (operated barges since 2002 under barge mgmt. agmt.)
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 barges, 4 30,000 barrel clean barges)
2018	159	Higman Marine, Inc.
2018	18	Targa (16) and Undisclosed (2) - pressure barges



Distribution and Services Expansions

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

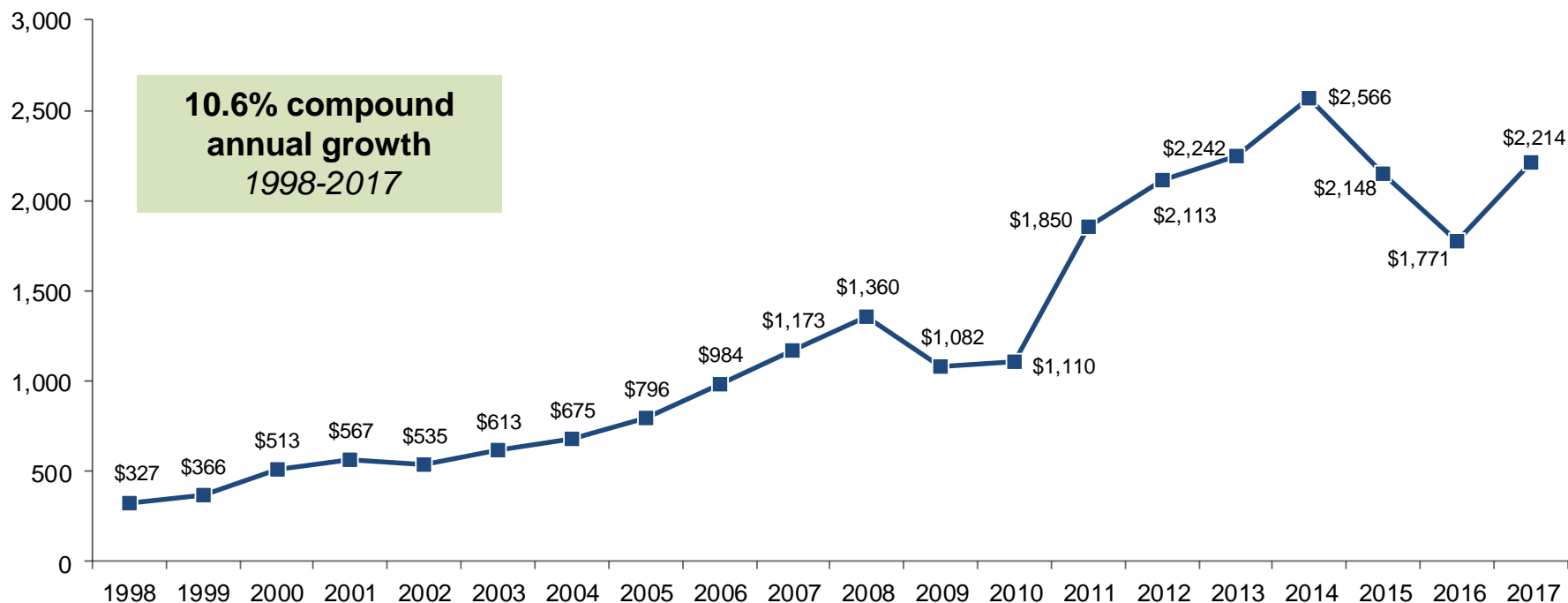
Internal Growth

1989	Midwest
1992	Seattle
2000	Cooper Nuclear



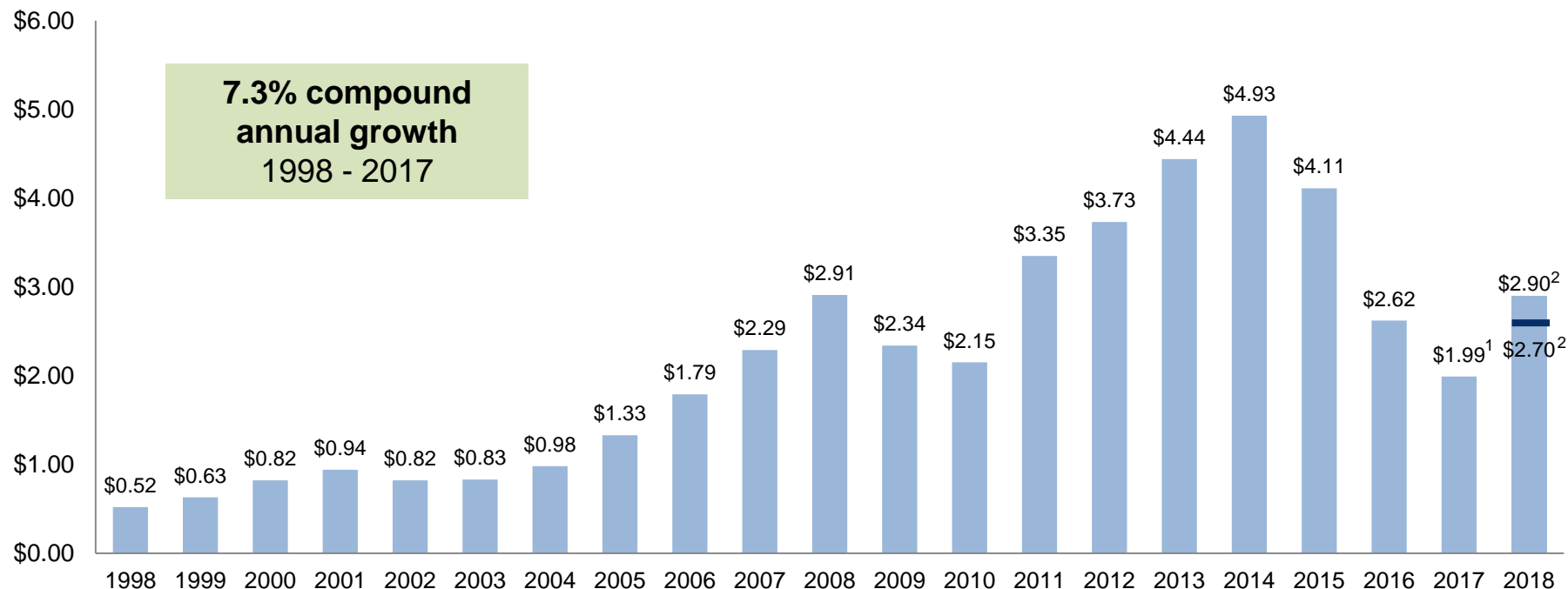
Historical Revenue Growth

Marine Transportation and Distribution and Services Revenue from Continuing Operations



Historical EPS Growth

Earnings Per Share From Continuing Operations Excluding Non-Recurring Items



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

⁽¹⁾ 2017 earnings per share exclude a one-time deferred tax revaluation benefit of \$4.83 per share, and non-recurring after-tax charges including impairments of marine vessels of \$1.20 per share.

⁽²⁾ Based on Kirby's most recently published earnings guidance in the October 25, 2018 press release announcing Q3 2018 earnings. Estimates exclude one-time costs of \$0.30 per share associated with the Executive Chairman's retirement, \$0.05 per share related to an amendment to the employee stock plan, \$0.04 per share of Higman Marine acquisition fees and expenses, and \$0.04 per share of severance. This guidance is shown for convenience only and does not constitute confirming or updating the guidance, which will only be done by public disclosure.

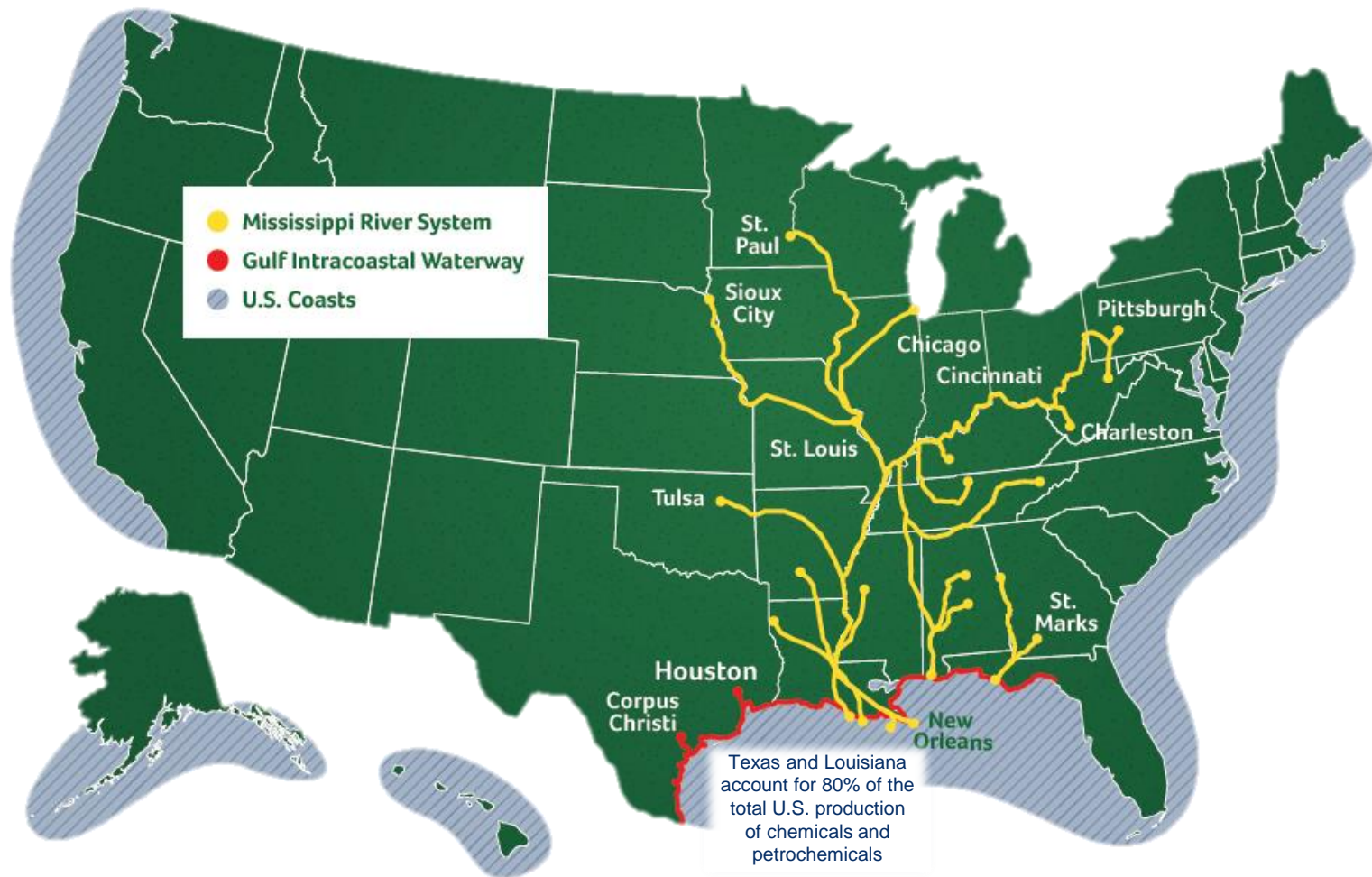


Marine Transportation



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, U.S. coastal ports, Alaska and Hawaii
- Kirby is principally in the liquid cargo transportation business
 - Inland share (barge count): **26%**
 - Coastal share (capacity): **23%***
- 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



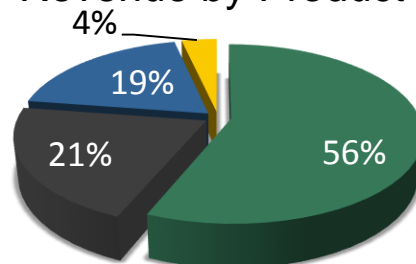
*Barges with 195K bbl. of capacity or less











Marine Transportation Demand Drivers

Inland & Offshore Drivers

Revenue by Product¹



- 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"> ■ Consumer Durables ■ Consumer Non-Durables
 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 Sept 30, 2018

Strong Emphasis on Safety

- Safety is the first and foremost concern in everything we do
- Our customers place a high value on safety
- Safe operations are good for morale and benefit financial performance in the long run
- Extensive company-owned and operated training facility (towboat simulator)



Pictured above is our towboat simulator where wheelhouse crew can gain repetitive practice navigating in extreme conditions and high-risk scenarios

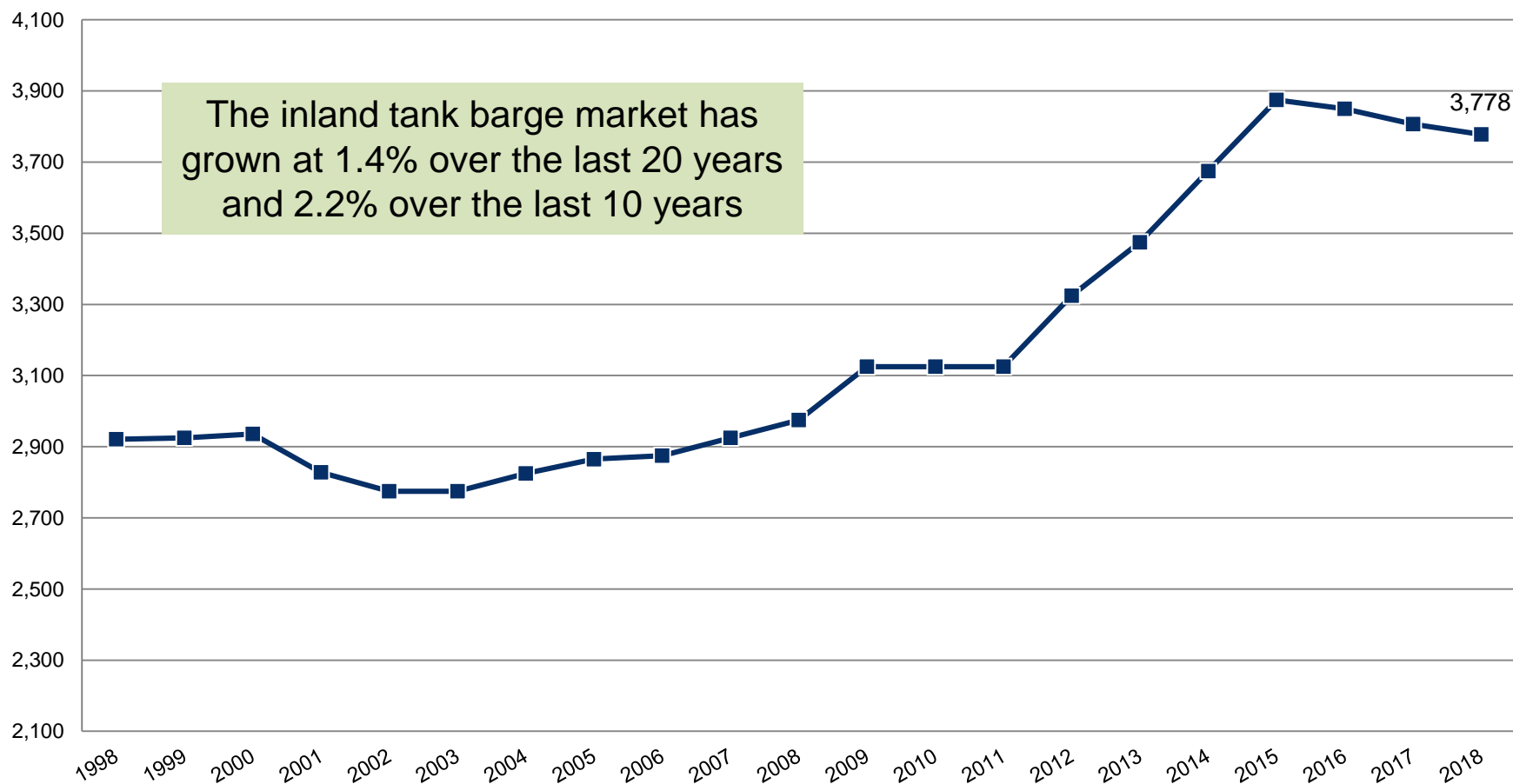


Inland Market



Number of Inland Tank Barges

Estimated for the years 1998 through 2018

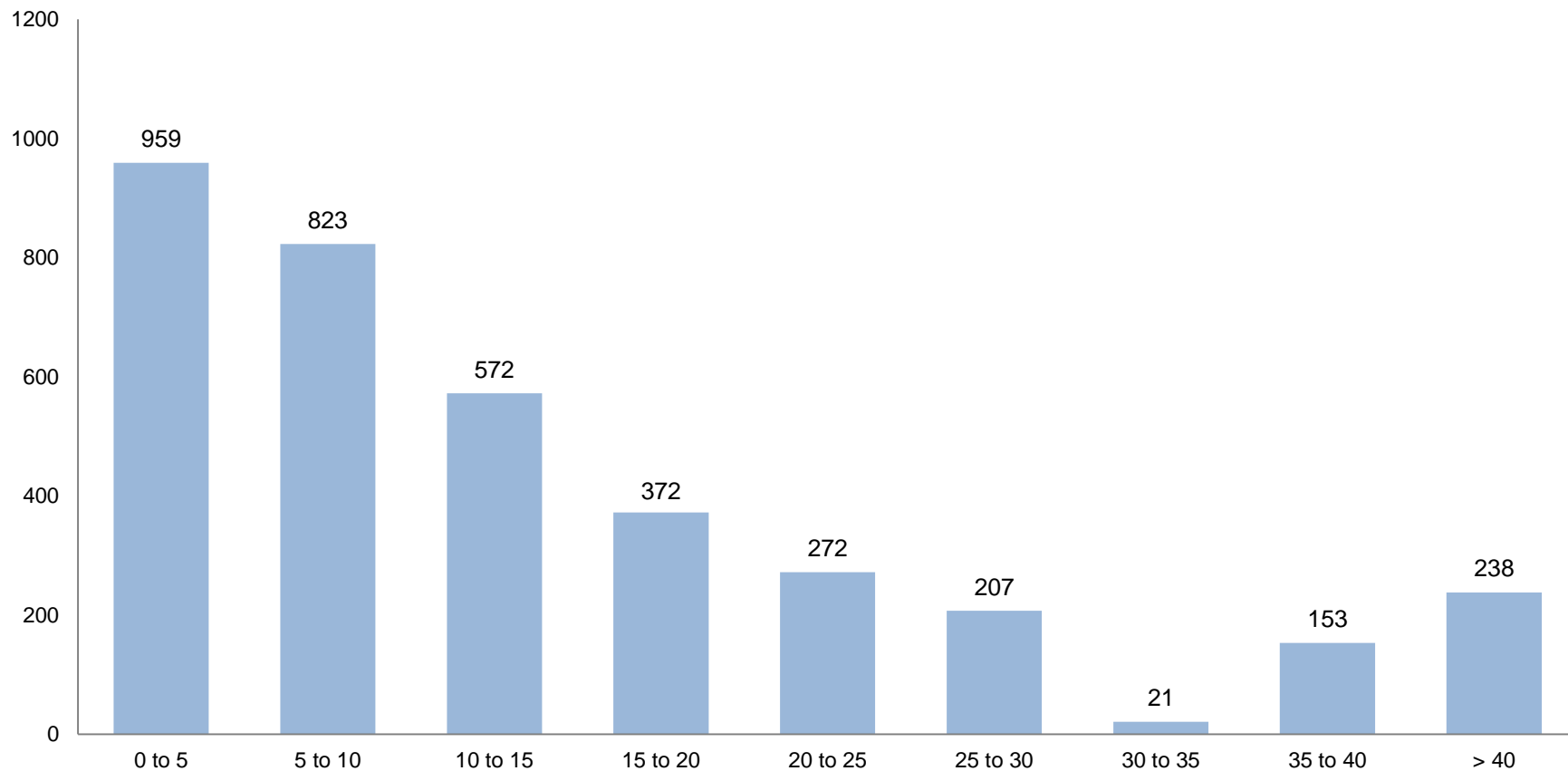


Source: Informa Economics, Barge Fleet Profile, March 2018– Adjusted



Inland Tank Barge Fleet Age Profile¹

Number of tank barges by age in years



(1) The total of 3,617 barges in this chart is unadjusted from the Informa Economics, Barge Fleet Profile

Source: Informa Economics, Barge Fleet Profile, March 2018

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

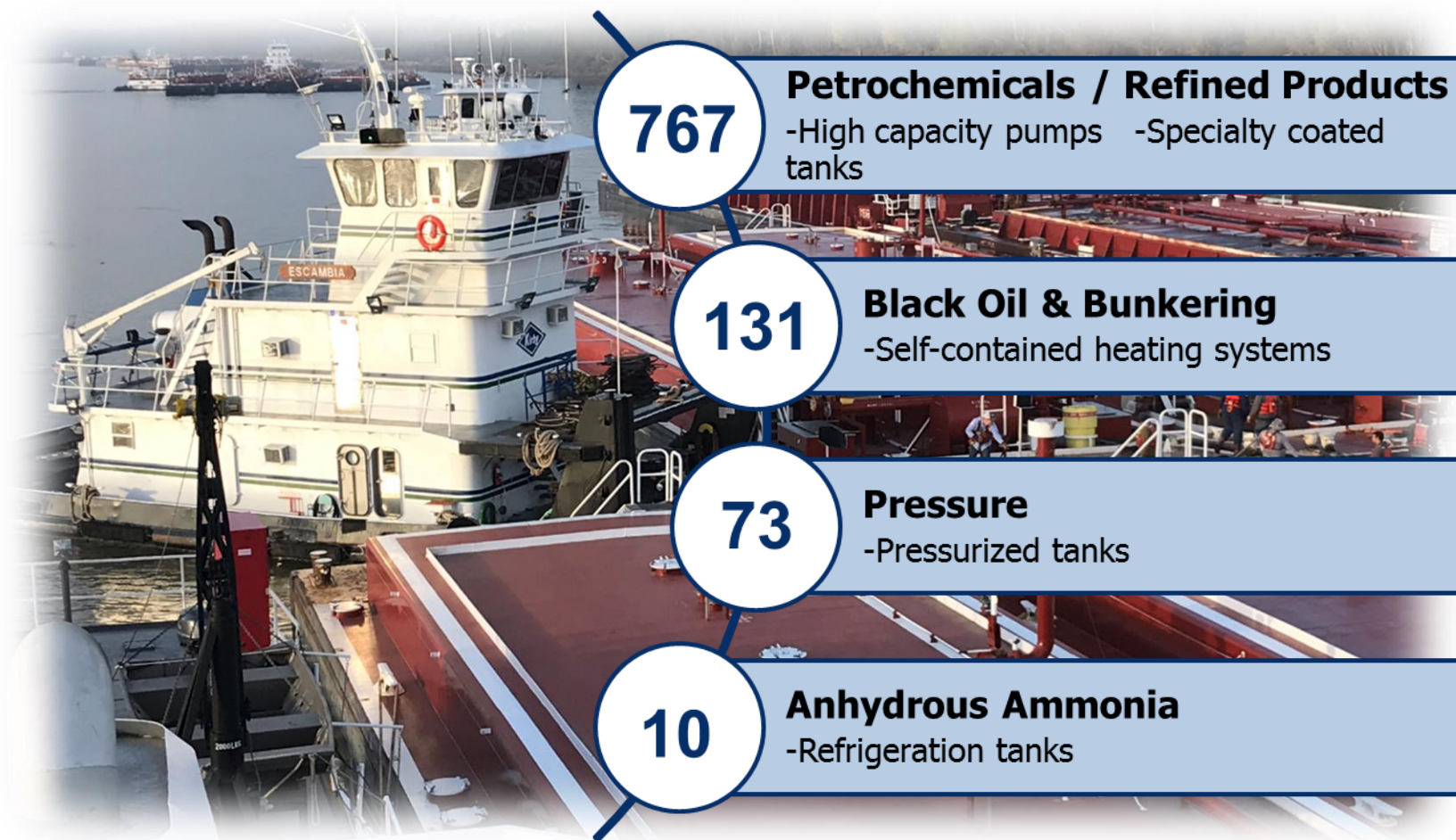


Towboat Fleet

- Currently operating 282 towboats
- Chartered towboats used to balance horsepower with demand
 - Provides added flexibility



Kirby Inland Fleet by Barge Type*

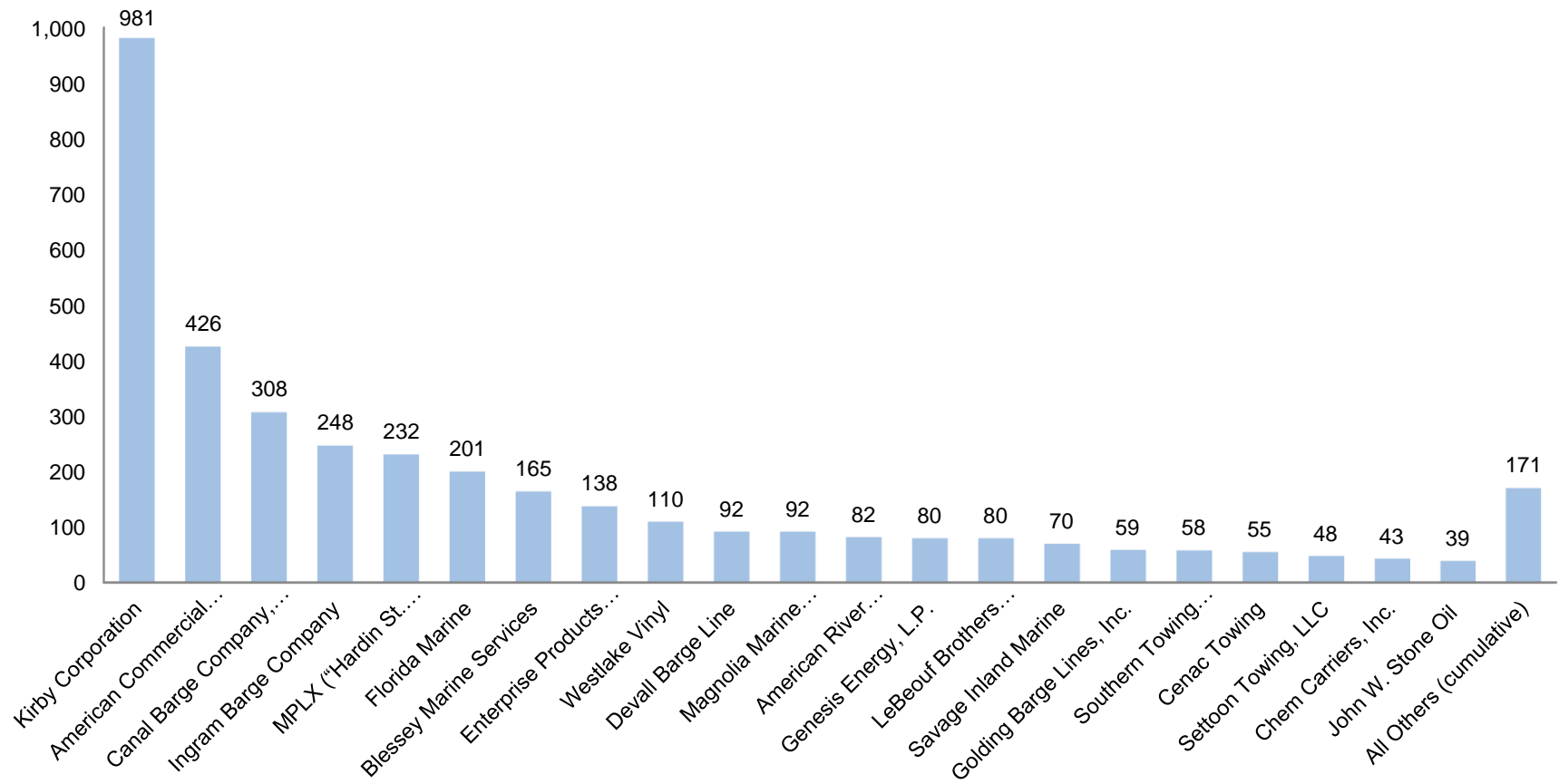


* Barge counts as of Sept 30, 2018

Scale Allows Better Customer Service – The Kirby Advantage

Largest inland tank barge operator

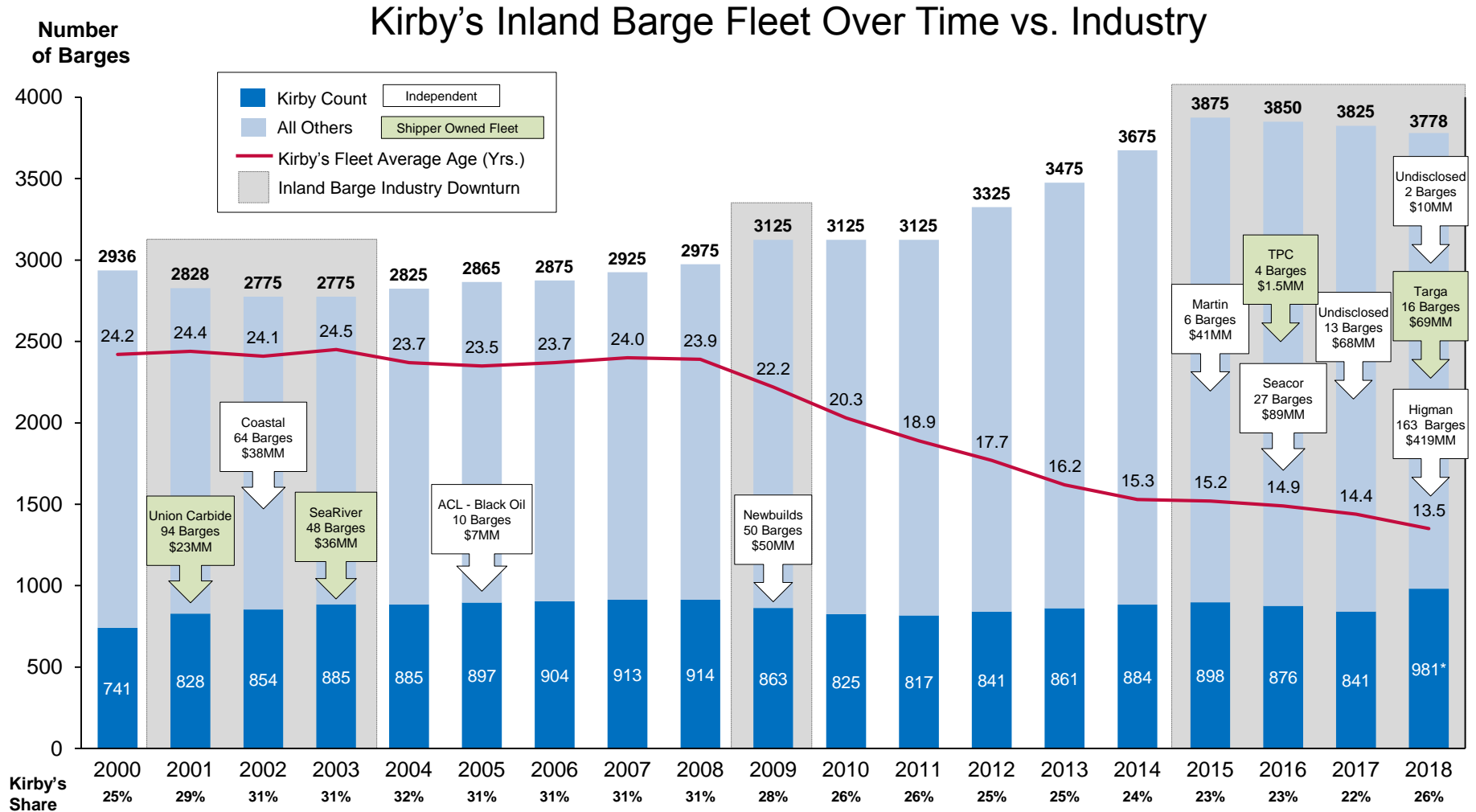
- 981 inland tank barges and 282 towboats - 26% share
- 65% of inland revenues under term contracts, of which 58% are under time charters



- See appendix for the detailed tank barge count by owner



Growth through Counter Cyclical Acquisitions while Strategically Decreasing the Average Age of Equipment



* Kirby tank barges as of Sept. 30, 2018 which does not include the recent announcement regarding the acquisition of 27 inland barges from CGBM which is expected to close in the 4th quarter of 2018



Note: Excludes assets purchased from leases and Florida bunkering business.



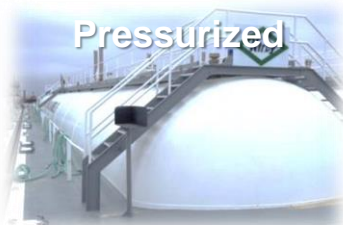
New Volume Coming to the Waterways



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.



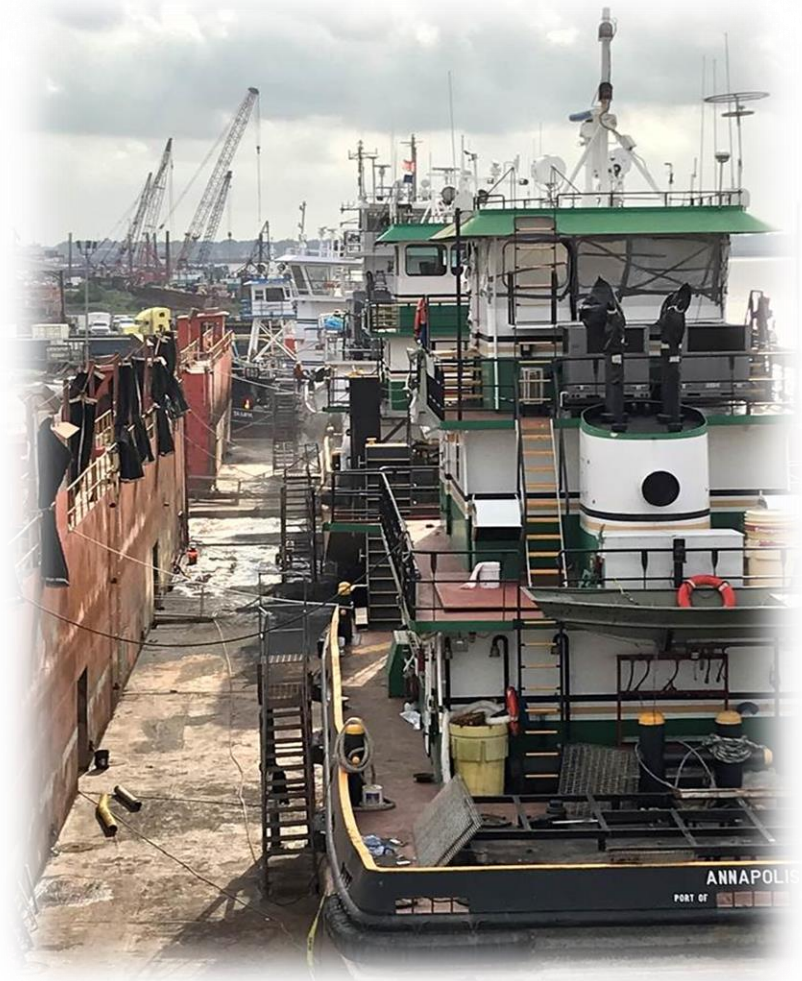
Agriculture

Product List:

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

The Successful Integration of Higman

- \$419 million purchase price
 - \$10-\$12 million in cost synergies (originally)
- Equipment purchased:
 - 75 boats – 7.3 years (avg. age)
 - 163 barges – 8.0 years (avg. age)
- Leveraging the best of both Kirby and Higman
- Team dedicated to Higman integration
- Phased integration approach in all departments
- Communication with customers, vendors, and staff for continuous involvement
- Focused on **Quickly Realizing Synergies**
 - Higman examples:
 - Significantly decreased avg. age of fleet
 - Additional horsepower leverage
 - M&R savings with equipment swaps
 - Shipyard savings
 - Preferred vendor pricing (fuel, lube oil, tankering services, etc.)
 - Insurance premium savings
 - Fleeting savings
 - Facilities reduction
 - Smart allocation of capital



Targa Pressure Barges – Opportunistic and Accretive Acquisition

- Kirby purchased Targa's inland barge business for \$69.3 million
 - Announced May 3, 2018
 - Closed May 10, 2018
- 16 pressure barges with 258,000 barrel capacity
 - Carrying products such as LPG and ethylene plant co-products like propylene & butadiene
- Many barges come with long-term multi-year contracts
- Benefits of specialty barges
 - Commensurate margins with the complexity
 - Higher utilization
 - Good niche (requires high level of experience)



TARGA



Kirby Inland Marine Differentiators

What makes Kirby stand out amongst competitors?

- 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

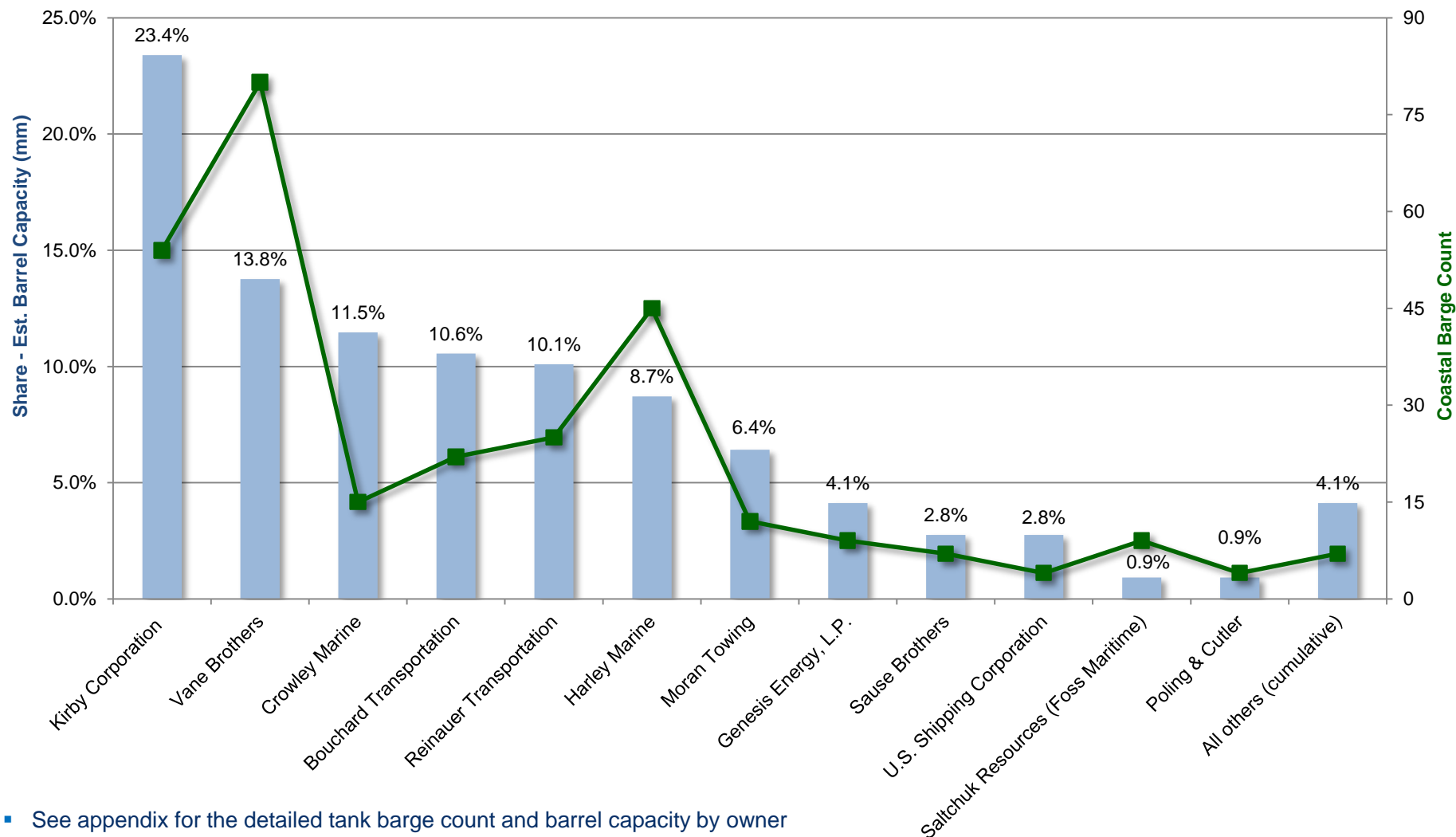


Kirby is Well Positioned in the U.S. Coastal Market

- Largest operator of coastal tank barges and towing vessels participating in the regional distribution of refined petroleum products, black oil, and distribution of petrochemicals between PADDs
- Fleet consists of 54 tank barges with 5.1 million barrels of capacity and 50 tugboats
- Operates along the U.S. East, West and Gulf Coasts, Great Lakes, and in Alaska and Hawaii
- 195,000 barrel and smaller tank barges, which represent all of Kirby's coastal fleet, have the flexibility to access ports inaccessible to larger vessels, while still delivering large volumes of product
- Improving fleet reliability, with the following under construction:
 - Six 5000 horsepower tugboats with deliveries expected between mid-2018 and mid-2019
- We early retired 12 barges and 21 tugboats during 2017



Kirby is the Largest Coastal Operator



■ See appendix for the detailed tank barge count and barrel capacity by owner

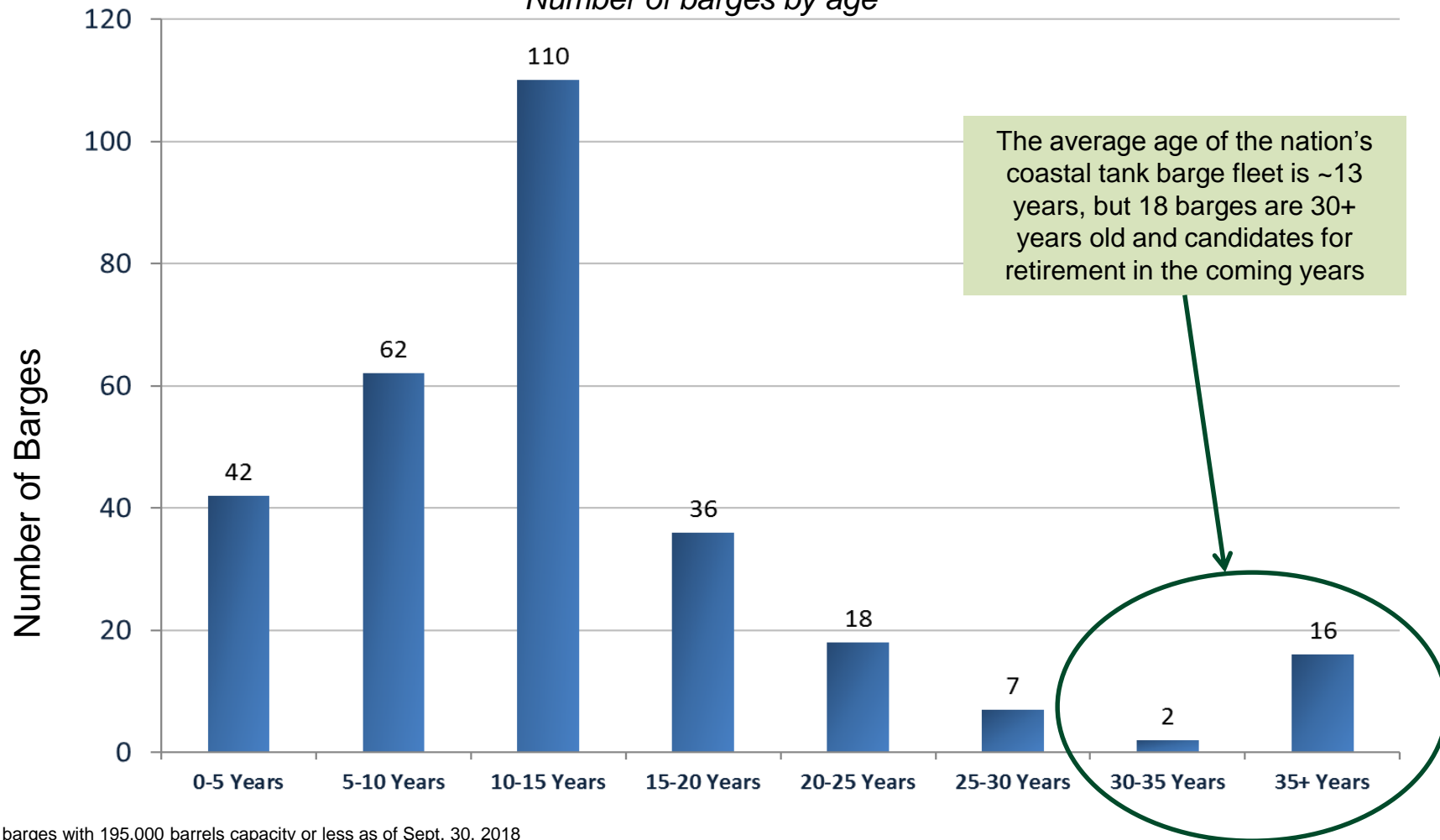
• Tank barges with 195,000 barrels capacity or less as of Sept 30, 2018



Coastal Tank Barge Age Profile

Coastal Barge Market Age Distribution*

Number of barges by age



* Tank barges with 195,000 barrels capacity or less as of Sept. 30, 2018

Differentiators for Kirby's Coastal Business

What makes Kirby stand out amongst competitors?

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



Distribution & Services



Distribution & Services

Who we are...



65

LOCATIONS ACROSS NORTH
AND SOUTH AMERICA

224

SUB-DEALER LOCATIONS
ACROSS NORTH AMERICA

4

INTERNATIONAL SALES
OFFICES

~200

SALES PROFESSIONALS

~70

ENGINEERS

~1,250

QUALIFIED TECHNICIANS

~2.5MM

SQUARE FEET OF SHOP
CAPACITY



Distribution & Services has diversified sources of revenue across multiple industries

Customer Industry Base

Commercial & Industrial - Distribution, services and packaged equipment
~35% of D&S Segment Revenues

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



Oil & Gas - Distribution, services and manufactured equipment
~65% of D&S Segment Revenues

- Well stimulation and support equipment
- Cementing equipment
- Coiled tubing and support equipment
- Drilling rigs
- Workover rigs
- Mud pumps
- Seismic equipment

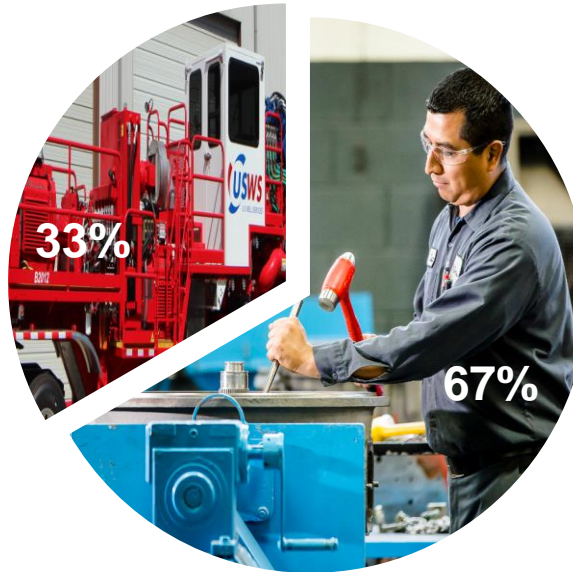
Distribution platform provides stability, while Manufacturing provides leverage for growth

Product and Service Line

Manufacturing

~1/3 of D&S Revenues

- Hydraulic fracturing equipment and other ancillary support equipment (e.g., blenders, hydration units)
- Coil tubing units
- Seismic equipment
- Proprietary control systems
- Telematics
- Remanufacturing of used oil field service equipment
- RailKing rail car movers
- Power generation equipment
- Customized switchgear solutions
- Marine proprietary control systems



Distribution of OEM Products

~2/3 of D&S Revenues

- OEM Finished Product (e.g., engines, transmission, etc.)
- Parts and Services
- Remanufacturing of engines and transmissions
- Field services













Kirby is a leader in industrial distribution

What 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



The Oil and Gas Market

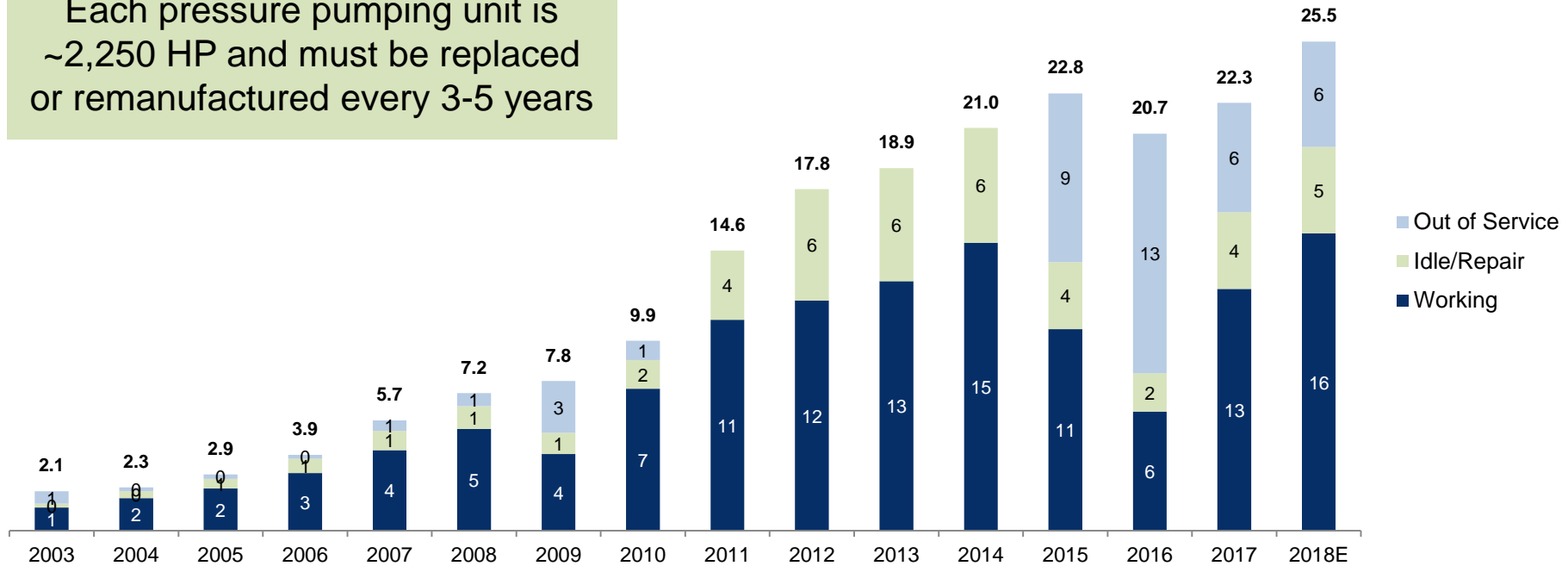
- Kirby is one of the largest distribution and services providers to the land-based oil services market
- Hydraulic fracturing technology has significantly expanded and reduced the cost of producing U.S. natural gas and oil reserves
- Kirby is the leading provider of non-captive manufacturing and remanufacturing of oilfield equipment used in the hydraulic fracturing of shale formations
- Approximate installed base of 16 million horsepower of working frac equipment; most require some form of major service every three to five years
- Heavy duty cycle associated with fracturing drives need for service and parts



Pressure Pumping Market Size

Estimated North American Pressure
Pumping Horsepower (*millions*)
2003-2018E

Each pressure pumping unit is
~2,250 HP and must be replaced
or remanufactured every 3-5 years



Source: Spears & Associates (with permission)

Distribution & Services Market Matrix

Distribution ~2/3 of Revenues

Industry Vertical	Appx % of Dist. Rev	Market penetration	Industry growth factor
Oil & Gas	40 %	Medium	Oil & Gas: U.S. drilling and completion activity
Commercial marine	15 %	High	GDP, regulations, U.S. crop production, U.S. chemicals
Pleasure marine	5 %	High	GDP, private wealth
Power generation	10 %	Low	GDP, Construction activity, backup power requirements/regulations
Power generation – Nuclear	5 %	High	GDP, NRC regulations
On-Highway	10%	Low	GDP, Vehicle Miles Traveled
Mining	5 %	Medium	Global coal prices
Industrial	5 %	Low	GDP, Construction and plant turnaround activity
Specialty equipment rental	5 %	Low	GDP, Construction and plant turnaround activity, weather

Manufacturing ~1/3 of Revenues

Industry Vertical	Appx % of Mfg. Rev	Market penetration	Industry growth factor
New Product – Domestic	55 %	High	Oil & Gas: U.S. drilling and completion activity
Reman Services - Domestic	25 %	High	Oil & Gas: U.S. drilling and completion activity
New Product – International	20 %	Low	Oil & Gas: ROW drilling and completion activity



Financial Highlights



4Q 2018 Guidance

- 2018 fourth quarter guidance of \$0.55 to \$0.75⁽¹⁾ per share
- Marine Transportation:
 - Inland utilization in the low-90% to mid-90% range
 - Coastal utilization in the 80% range
 - Overall inland revenue and operating income flat to slightly up compared to 3Q 2018
 - Expect coastal marine to be in the negative low to mid-single digit range in 4Q due to planned shipyard periods for several large vessels
- Distribution and Services:
 - Expect revenue and operating income to be similar to 3Q 2018
 - Expect continued strong demand for pressure pumping remanufacturing and deliveries of new pressure pumping units currently under construction; however, some new units could be delayed to 1Q 2019 dependent on timing of vendor deliveries of critical components
 - Commercial and Industrial 4Q results expected to be down compared to 3Q 2018 due to seasonality in the specialty equipment rental and Thermo-King refrigeration businesses

⁽¹⁾ Based on Kirby's most recently published earnings guidance in the October 25, 2018 press release announcing Q3 2018 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 Summary

Income Statement	Year to Date		Change	
	3Q 2018	3Q 2017	\$	%
Revenues				
Marine transportation	\$ 1,100.6	\$ 993.7	\$ 106.9	11%
Distribution and services	1,148.6	512.6	636.0	124%
Total	\$ 2,249.2	\$ 1,506.3	\$ 742.9	49%
Operating income (loss)				
Marine transportation	\$ 102.9	\$ 107.0	\$ (4.1)	-4%
Distribution and services	101.1	52.0	49.1	94%
Corporate and other ²	(31.8)	(12.6)	(19.2)	152%
Gain (loss) on disposition of assets	2.3	(0.2)	2.5	-1250%
Total	\$ 174.5	\$ 146.2	\$ 28.3	19%
Net earnings				
Net earnings (GAAP)	\$ 102.9	\$ 81.9	\$ 21.0	26%
Acquisition fees and expenses ^{1,3}	2.5	0.9	1.6	178%
Amendment to stock plan ¹	3.0	-	3.0	
Severance ¹	2.2	-	2.2	
Executive Chairman retirement ²	18.1	-	18.1	
Adjusted net earnings (Non-GAAP)^{1,2,3}	\$ 128.7	\$ 82.8	\$ 45.9	55%
Earnings per share (GAAP - Diluted)	\$ 1.72	\$ 1.50	\$ 0.22	15%
Adjusted earnings per share (Non-GAAP)^{1,2,3}	\$ 2.15	\$ 1.52	\$ 0.63	41%

(1) Q1 2018 earnings included \$10.1 million of before-tax charges or \$0.13 per share as follows:

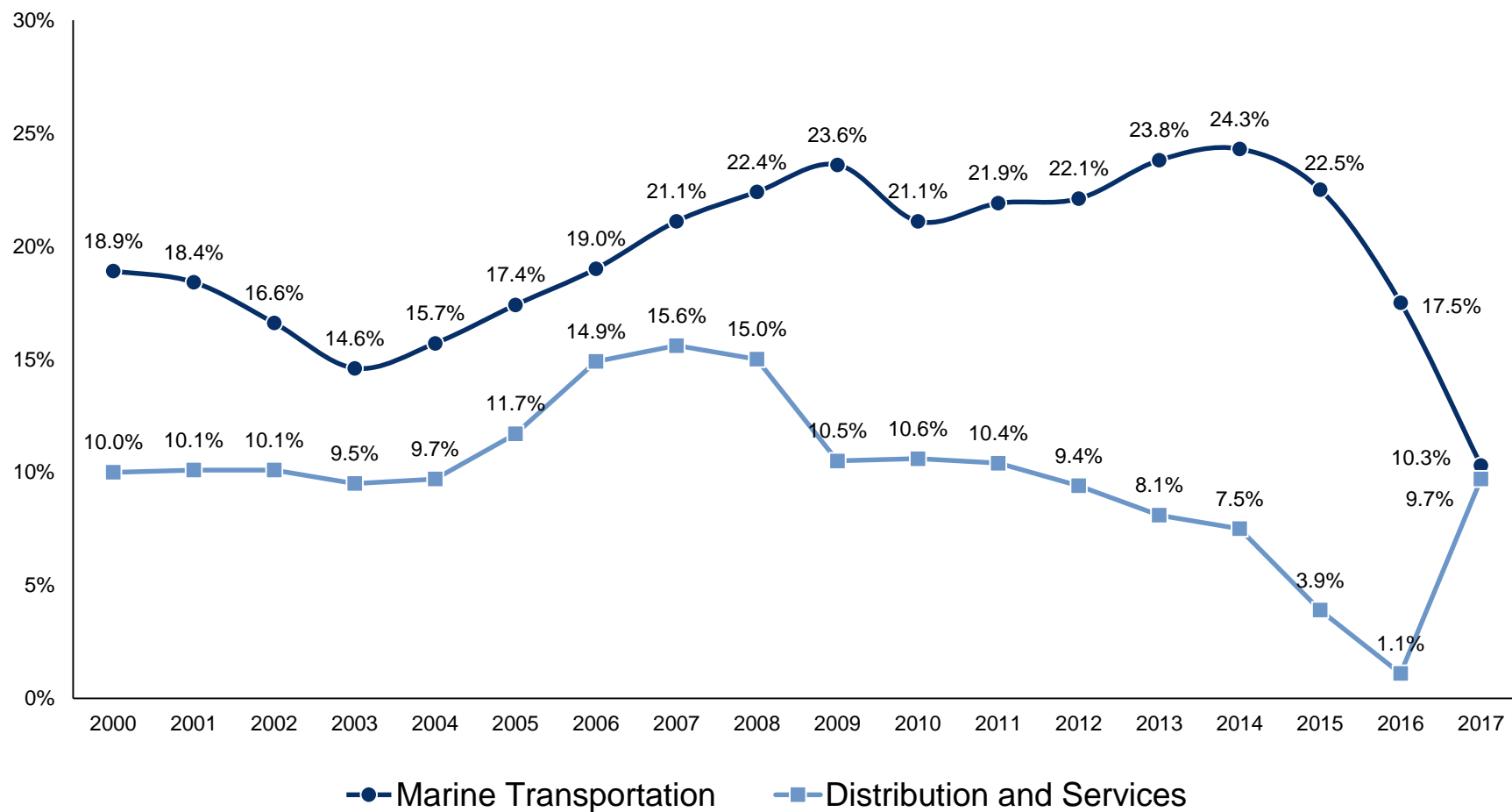
- Higman Marine acquisition fees and expenses of \$3.3 million before-tax, or \$0.04 per share
- Expenses related to an amendment to the employee stock plan of \$3.9 million before-tax, or \$0.05 per share
- Severance expenses of \$2.9 million before-tax, or \$0.04 per share

(2) Q2 2018 earnings included \$18.1 million before and after-tax, or \$0.30 per share related to the retirement of Kirby's Executive Chairman

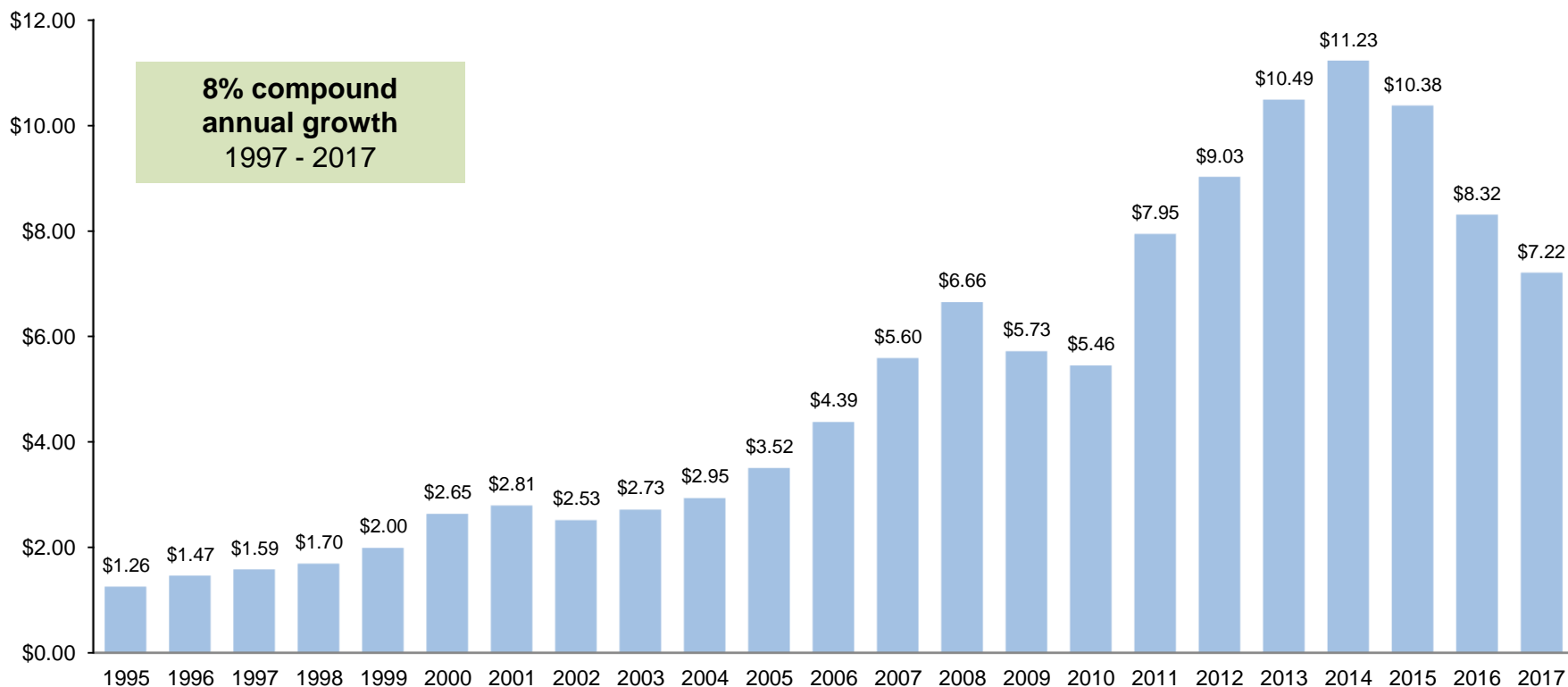
(3) Q2 and Q3 2017 earnings included acquisition fees of \$1.5 million before-tax, or \$0.02 per share, related to the acquisition of Stewart & Stevenson



Segment Operating Margins



EBITDA Per Share

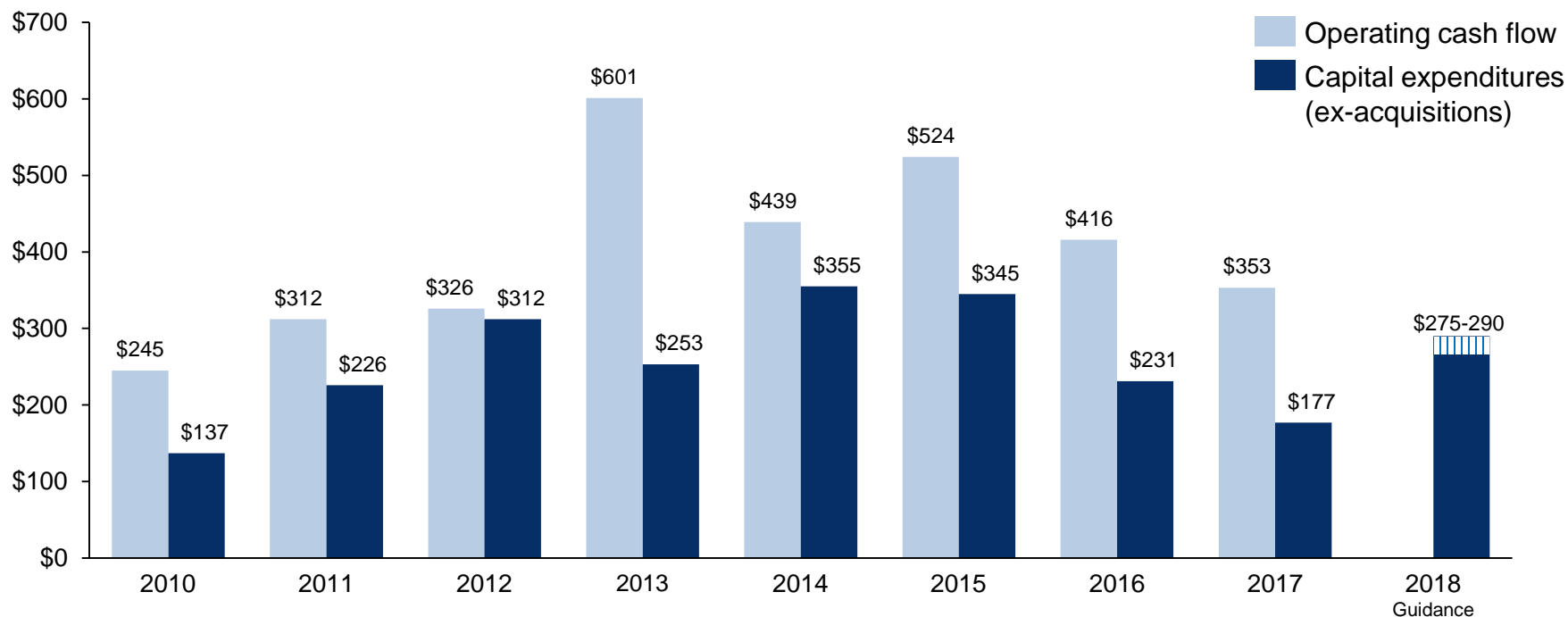


- See Appendix for reconciliation of GAAP net earnings to Non-GAAP EBITDA

Cash Flow Generation

Kirby consistently generates free cash flow

In \$ Millions



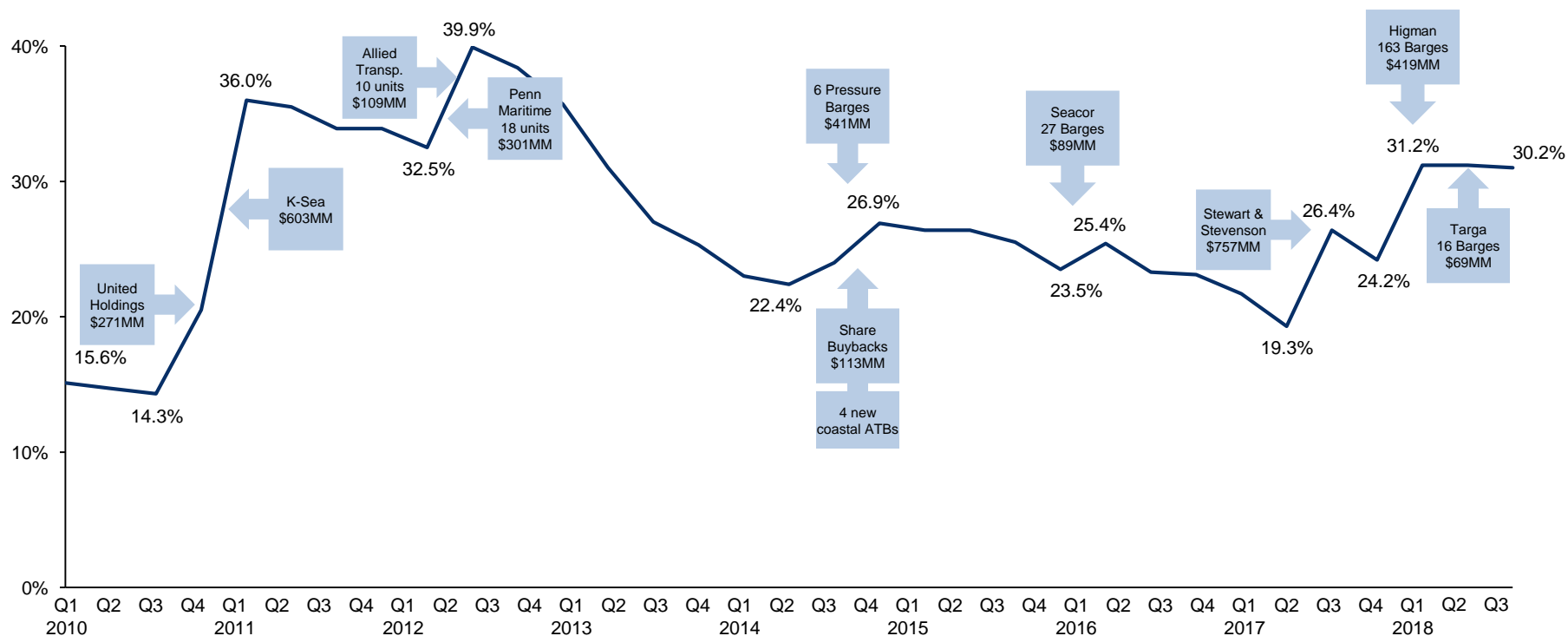
Focus on directing near term cash flow to debt reduction

(1) Based on Kirby's most recently published earnings guidance in the October 25, 2018 press release announcing Q3 2018 earnings. That 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

2010 – 2018 Debt-to-Total Capital



Managing the balance sheet to take advantage of strategic opportunities

Financial Strength

- Investment grade rating
 - Standard & Poor's: BBB, stable (following Higman acquisition)
 - Moody's: Baa2, negative outlook (following Higman acquisition)

- \$500 million unsecured Private Placement
 - \$150 million 7-year maturity at 2.72% due 2/27/2020
 - \$350 million 10-year maturity at 3.29% due 2/27/2023

- \$850 million Bank Revolving Credit Facility
 - Maturity date of June 26, 2022
 - ~\$392 million outstanding as of November 30, 2018

- \$500 million 4.200% Senior Notes
 - Maturity date of March 1, 2028
 - Used to fund Higman Marine acquisition



United Holdings



Why Invest in Kirby?



- Long-term record of success
- Two strong franchises
 - Marine Transportation
 - Distribution and Services
- Experienced management teams in both core businesses
- Strong outlook in both core businesses
 - Pricing momentum in key areas
 - Robust demand outlook in the future
- Conservative financial management
 - Strong balance sheet
 - Investment-grade rating
- Financial discipline
 - Return on capital driven investment decisions
 - Proven acquisition strategy
 - Strong record of cash flow generation
- Significant increase in EPS potential

Appendix

Reconciliation of GAAP to Non-GAAP Financial Measure

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

EBITDA, which Kirby defines as net earnings attributable to Kirby before interest expense, taxes on income, depreciation and amortization, and impairment of long-lived assets, 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 and impairment of long-lived assets). EBITDA is one of the performance measures used in Kirby's incentive bonus plan. 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.

This non-GAAP financial measure is 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 net earnings attributable to Kirby to Non-GAAP EBITDA are provided in the following tables.



United Holdings



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

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

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
	(\$ in millions)									
Net earnings attributable to Kirby	\$ 313.2	\$ 141.4	\$ 226.7	\$ 282.0	\$ 253.1	\$ 209.4	\$183.0	\$ 116.2	\$ 125.9	\$ 157.2
Interest expense	21.5	17.7	18.8	21.5	27.9	24.4	17.9	11.0	11.1	14.1
Provision (benefit) for taxes on income	(240.8)	85.0	133.7	169.8	152.3	127.9	109.3	72.3	78.0	97.4
Impairment of long-lived assets	105.7	-	-	-	-	-	-	-	-	-
Depreciation and amortization	202.8	200.9	192.2	169.3	164.4	145.2	126.0	95.3	94.0	91.2
EBITDA, Non-GAAP	<u>\$ 402.4</u>	<u>\$ 445.0</u>	<u>\$571.4</u>	<u>\$ 642.6</u>	<u>\$ 597.7</u>	<u>\$ 506.9</u>	<u>\$436.2</u>	<u>\$294.8</u>	<u>\$309.0</u>	<u>\$ 359.9</u>



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

KIRBY CORPORATION

Reconciliation of GAAP Net Earnings Attributable to Kirby to Non-GAAP EBITDA

	Three Months Ended March 31,		Three Months Ended June 30,		Three Months Ended September 30,		Year to Date September 30,	
	(\$ in millions)							
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Net earnings attributable to Kirby	\$ 32.4	\$ 27.5	\$ 28.7	\$ 25.8	\$ 41.8	\$ 28.6	\$ 102.9	\$ 81.9
Interest expense	9.8	4.5	12.5	4.4	12.4	5.4	\$ 34.7	\$ 14.3
Provision for taxes on income	9.9	13.3	16.0	17.1	15.1	19.1	\$ 41.0	\$ 49.5
Depreciation and amortization	54.2	48.2	55.5	48.2	57.9	51.2	\$ 167.6	\$ 147.6
EBITDA, Non-GAAP	<u>\$ 106.3</u>	<u>\$ 93.5</u>	<u>\$ 112.7</u>	<u>\$ 95.5</u>	<u>\$ 127.2</u>	<u>\$ 104.3</u>	<u>\$ 346.2</u>	<u>\$ 293.3</u>

Marine Transportation Performance Measures

KIRBY CORPORATION MARINE TRANSPORTATION PERFORMANCE MEASUREMENTS

	2010 Year	2011 Year	2012 Year	2013 Year	2014 Year	2015 Year	2016 Year	2017					2018			
								1Q	2Q	3Q	4Q	Year	1Q	2Q	3Q	YTD
Inland Performance Measurements:																
Ton miles (in millions) ⁽¹⁾	12,957	13,414	12,224	11,754	13,088	12,502	11,161	2,977	2,818	2,753	2,971	11,519	3,182	3,921	3,721	10,824
Revenues/Ton mile (cents/tm) ⁽²⁾	6.8	7.6	8.9	9.8	8.8	8.7	8.5	8.0	7.9	8.0	8.1	8.0	8.0	7.3	7.7	7.6
Towboats operated ⁽³⁾	221	240	245	256	251	248	234	235	220	215	227	224	262	286	282	275
Delay days ⁽⁴⁾	5,772	6,777	6,358	7,843	7,804	7,924	7,278	2,267	1,367	1,965	1,978	7,577	2,528	1,735	2,534	6,797

⁽¹⁾ 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.

⁽²⁾ Inland marine transportation revenues divided by ton miles. Example: 3rd quarter 2018 inland marine revenues of \$288,183,000 divided by 3,721,000,000 ton miles = 7.7 cents.

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

⁽⁴⁾ 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.



Inland Barge Fleet by Operator

Shipper Owned Independent	Tank Barges Operated	Dry Cargo Barges Operated
Kirby Corporation*	981	-
American Commercial Lines LLC	426	3,219
Canal Barge Company, Inc.	308	403
Ingram Barge Company	248	4,220
MPLX ("Hardin St. Marine")	232	-
Florida Marine	201	218
Blessey Marine Services	165	-
Enterprise Products Partners	138	-
Westlake Vinyl/ PPG	110	-
Magnolia Marine Transport Co.	92	-
Devall Barge Line	92	-
American River Transportation Co.	82	1,762
LeBeouf Brothers Towing Co	80	-
Genesis Energy, L.P.	80	-
Savage Inland Marine	70	42
Golding Barge Lines, Inc.	59	-
Southern Towing Company	58	-
Cenac Towing	55	-

Shipper Owned Independent	Tank Barges Operated	Dry Cargo Barges Operated
Settoon Towing, LLC	48	-
Chem Carriers, Inc.	43	-
John W. Stone Oil	39	-
Buffalo Marine Service, Inc.	35	-
Martin Midstream Partners	33	-
NGL Energy Partners	20	-
Rhodia, Inc.	19	-
Harley Marine Gulf	16	-
River City Towing Services	14	-
E-Squared Marine Service, LLC	11	-
Merichem Company	6	-
Highland Marine	5	-
Olin Corporation (Blue Cube)	5	-
Parker Towing Company	3	310
AgriChem Marine	2	-
Oakley Barge Line	2	222
Other	0	8,465
TOTAL	3,778	18,861

Informa Economics, Barge Fleet Profile, March 2018 – Adjusted

* Kirby tank barges as of Sept. 30, 2018 which does not include the recent announcement regarding the acquisition of 27 inland barges from CGBM. The 27 CGBM barges are leased barges which appear under the respective counts of the current operators.



Coastal Tank Barge Fleet by Operator

Kirby is Well-Positioned in U.S. Coastal Markets

	Coastal Tank Barges Operated *	Estimated Barrel Capacity* (MM)
Vane Brothers	80	3.0
Kirby Corporation	54	5.1
Harley Marine	45	1.9
Reinauer Transportation	25	2.2
Bouchard Transportation ¹	22	2.3
Crowley Marine ²	15	2.5
Moran Towing	12	1.4
Genesis Energy, L.P.	9	0.9
Saltchuk Resources (Foss Maritime)	9	0.2
Sause Brothers	7	0.6
U.S. Shipping Corporation	4	0.6
Poling & Cutler	4	0.2
Martin Gas Marine	2	0.1
Overseas Shipholding Group ³	1	0.2
Seacor	1	0.2
Wawa, Inc.	1	0.2
Occidental Chemical Corporation	1	0.1
Hyak Maritime	1	0.1
TOTAL	293	21.8

(1) Excludes five vessels over 250,000 barrels

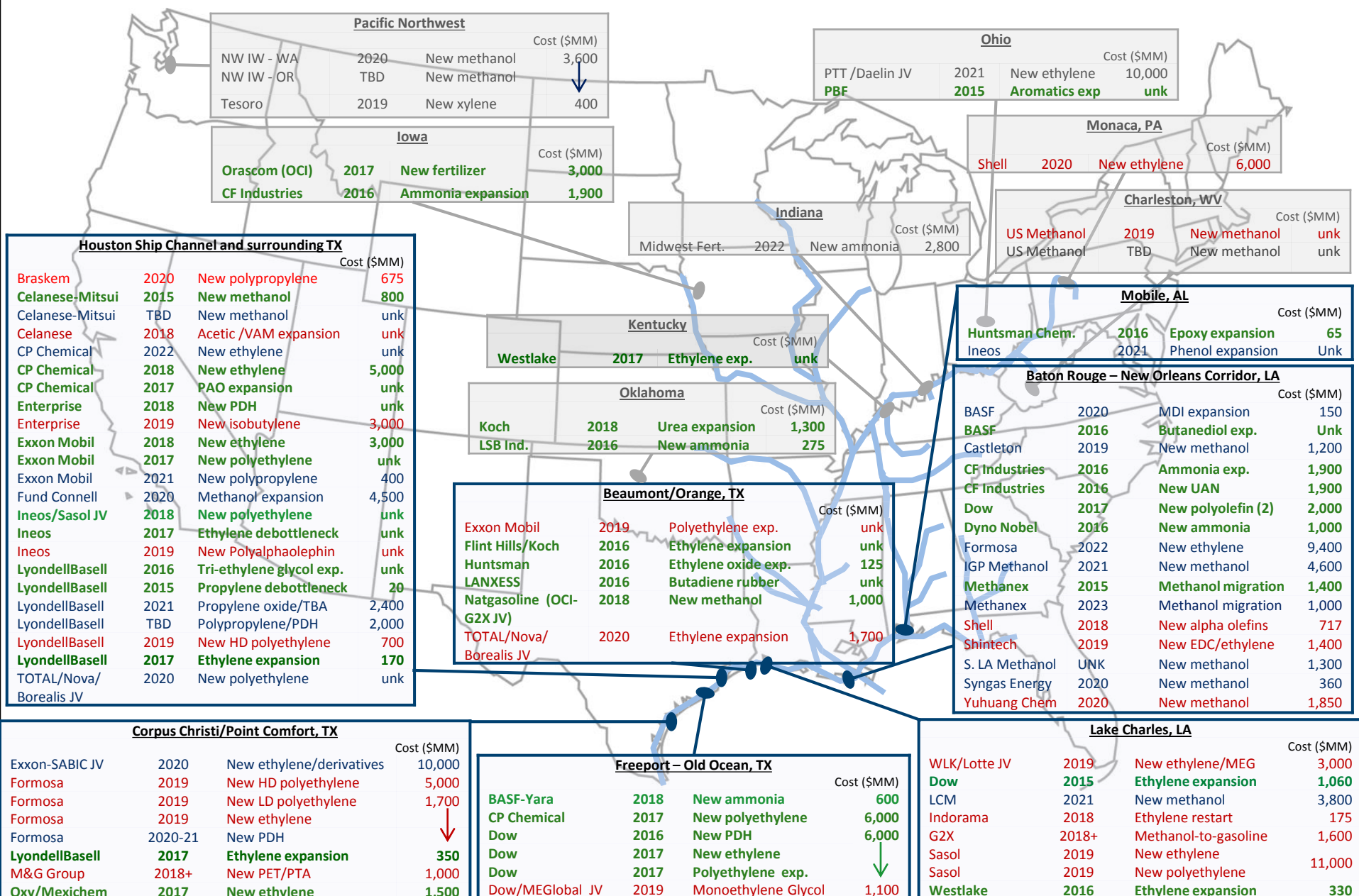
(2) Excludes the "750 class", three ATBs with capacity of 327,000 barrels/ea.

(3) Excludes nine ATBs with capacity of 200,000 barrels or greater

* Tank barges with 195,000 barrels capacity or less as of Sept. 30, 2018



\$135+ Billion of U.S. Petrochemical Investments*

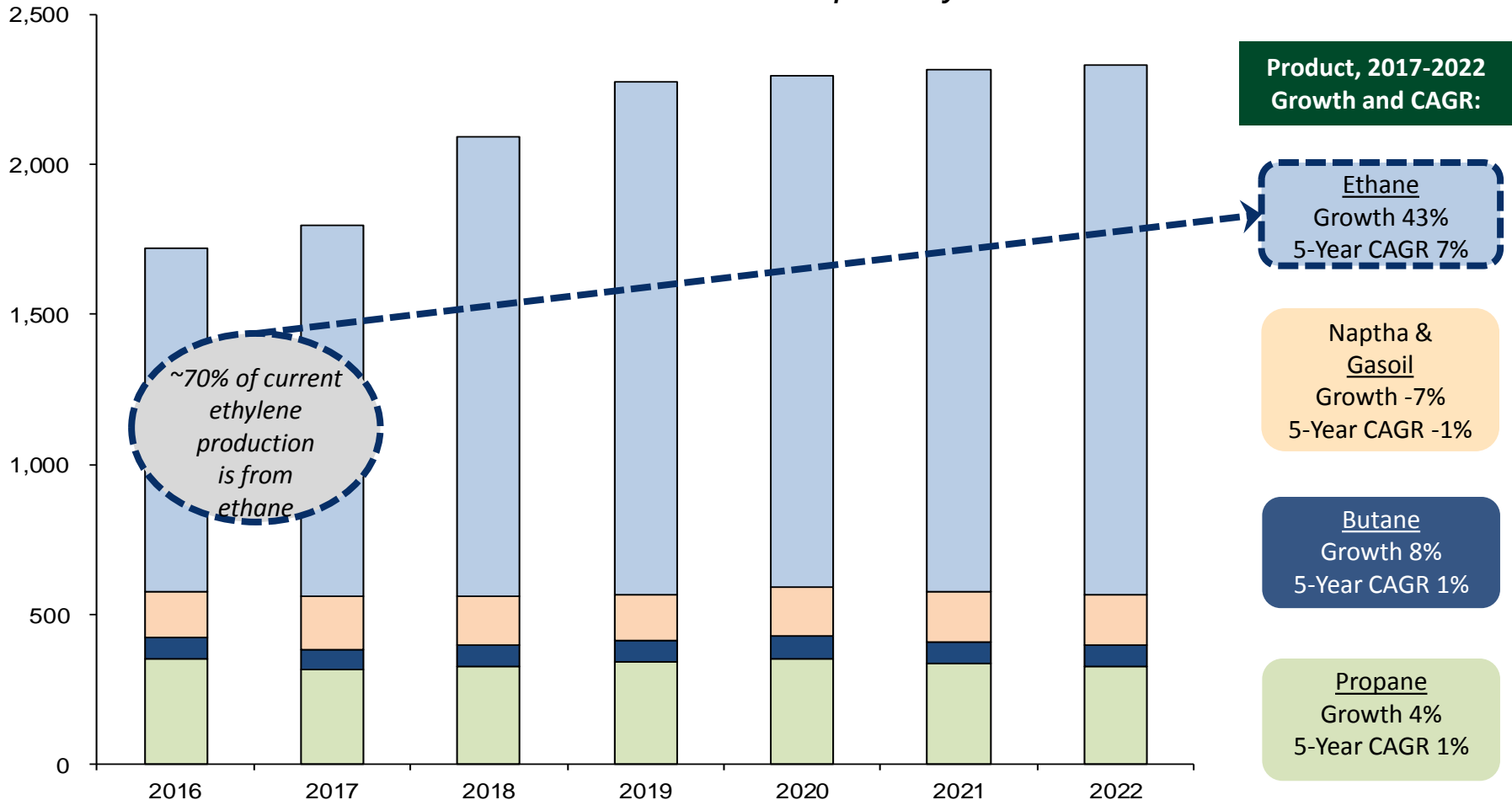


*Notes: Date reflects anticipated year in-service, red font reflects construction in progress, green online, unk=unknown

Sources: ICIS, Company announcements, Kirby Corp.

U.S. Ethylene Feedstock Forecast

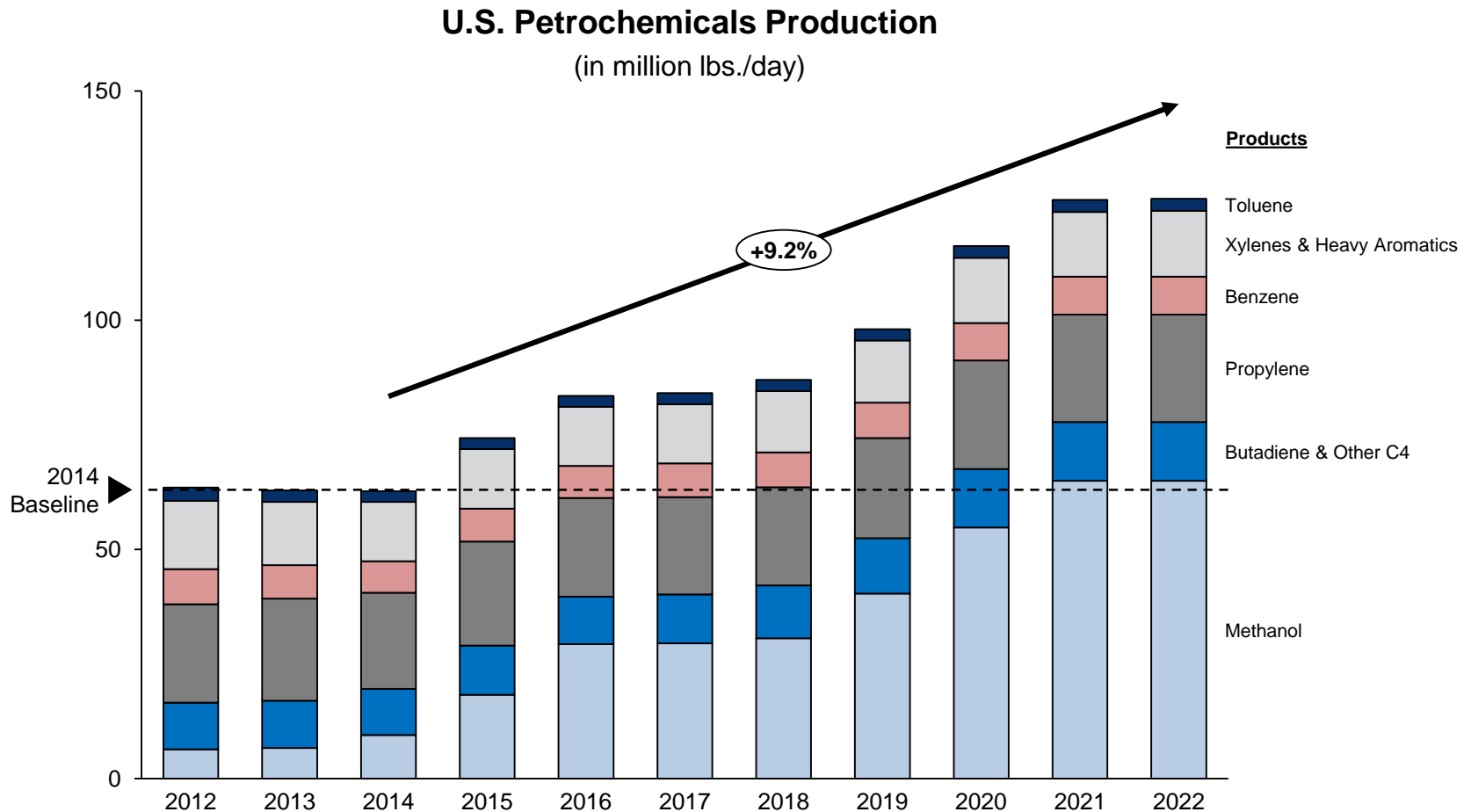
Ethylene Feedstock Volume
Thousands of Barrels per Day



Source: Petral Consulting Company, Long Term Forecast to 2022, December 2017

Petrochemical Buildout – Projected Production

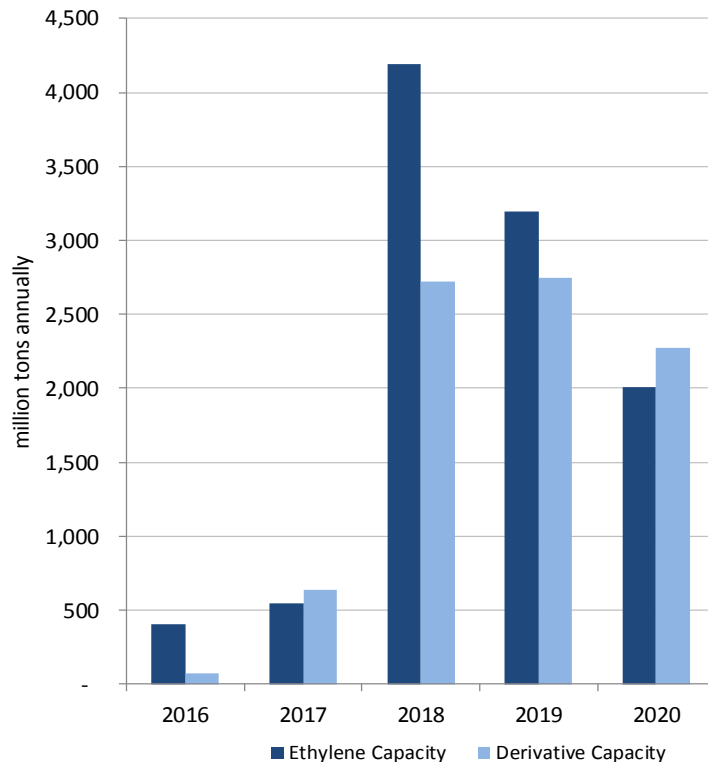
Select products that can be transported by barge



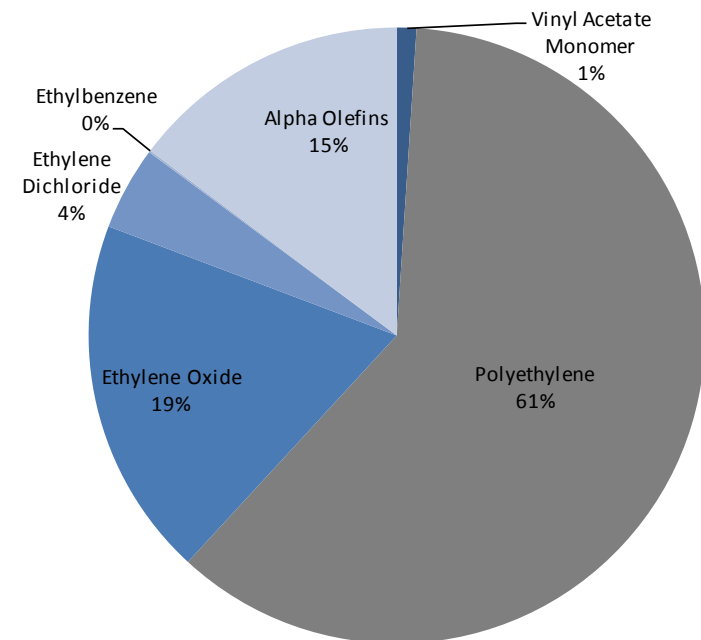
Sources: Petral Consulting Company and Thomson Reuters Eikon - GlobalData

Near-Term U.S. Ethylene and Derivative Capacity Additions

U.S. ethylene derivative capacity is expected to expand ~30% over the next 5 years



~40% of new derivatives are products that are moved by water



Notes: Ethylbenzene – 99% used to make styrene; ethylene dichloride – a key feedstock in the production of PVC; ethylene oxide is a gas used as a raw material for innumerable applications, including cosmetics, fibers, lubricants, paint thinners and plasticizers and, while not carried by barge, the derivatives, such as ethylene glycol are; alpha olefins are building block chemicals; vinyl acetate monomer is used as a feedstock chemical for glues, fabrics, gels, insulation, paints, safety glass and certain plastics

Source: Bernstein Research

Kirby Distribution and Services Locations

