



Investor Presentation

NYSE: KEX

March 2019

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, 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 Non-GAAP financial measures 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. 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

- 37 successful acquisitions
- 1,066* inland tank barges and 321* towboats
 - 65% of inland revenues under term contracts, of which approximately 59% are under time charters
- 53 coastal tank barges and 50 tugboats
 - 80% of coastal revenues under term contracts, of which approximately 85% are under time charters

**50% of 2018 Revenue
or \$1.5 billion**

**\$147 million of
Operating Income**



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

**50% of 2018 Revenue
or \$1.5 billion**

**\$129 million of
Operating Income**

Return on Capital Driven Investment Decisions



* Barge and towboat counts as of December 31, 2018 plus 63 tank barges and 36 boats acquired from Cenac Marine Services in March 2019



Public Market Information

NYSE: KEX

Share Price on March 1, 2019	\$74.91
Shares Outstanding as of March 1, 2019	59.9 MM
Market Capitalization	\$4,445 MM
Net Debt as of March 1, 2019	\$1,430 MM
Enterprise Value	\$5,875 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)
2003	64	SeaRiver Maritime (ExxonMobil)

Date	Tank Barges	Description
2005	10	American Commercial Lines (black oil fleet)
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	159	Higman Marine, Inc.
2018	45	Targa pressure barges (16), CGBM (27) and Undisclosed (2)
2019	63	Cenac Marine Services, LLC transportation assets



Shipper Owned (Red)

Independent (Green)

* Towboats Only



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

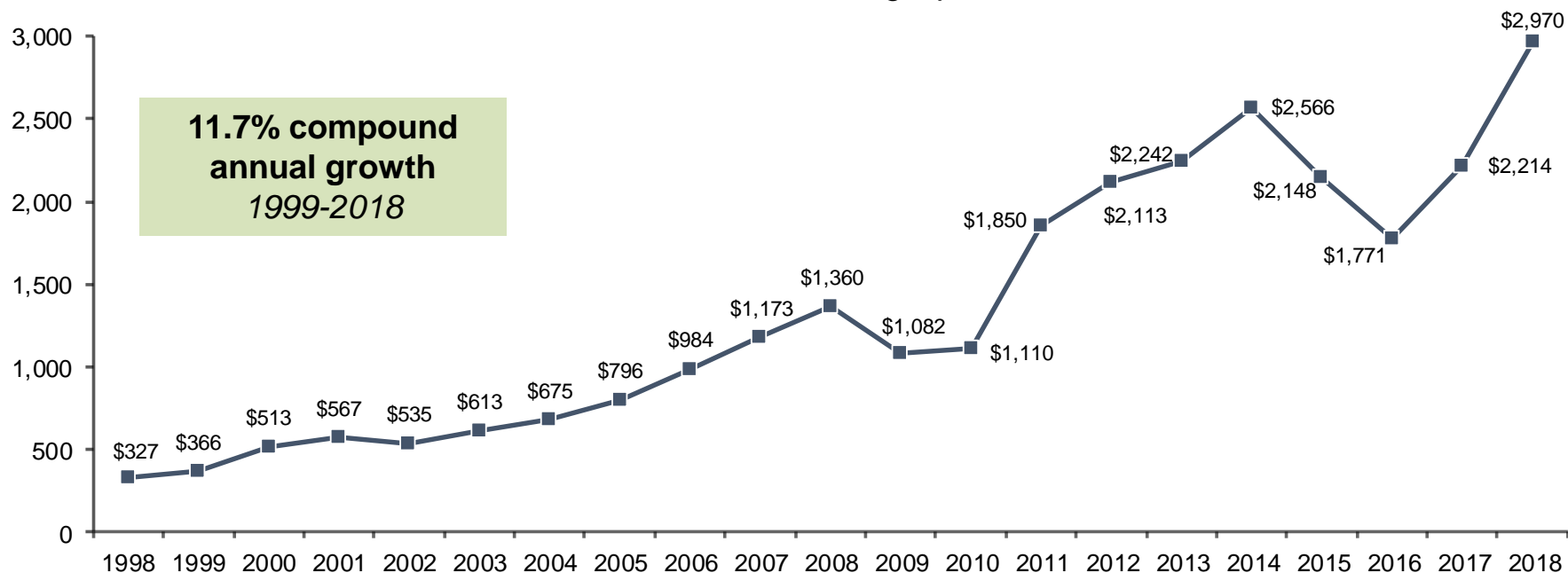
Internal Growth

1989	Midwest
1992	Seattle
2000	Cooper Nuclear



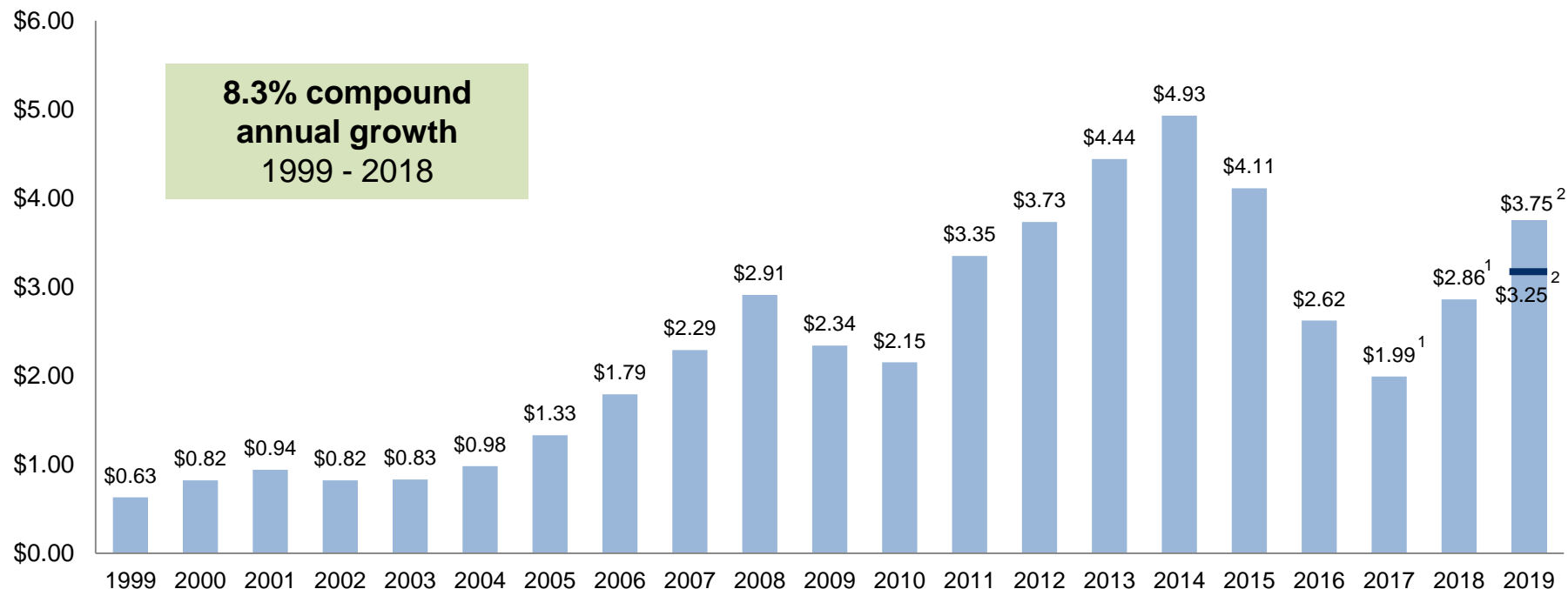
Historical Revenue Growth

Marine Transportation and Distribution and Services
Revenue from Continuing Operations



Historical EPS Growth

Earnings Per Share, Excluding One-Time Items



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

⁽¹⁾ 2017 and 2018 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.

⁽²⁾ Based on Kirby's most recently published earnings guidance in the January 31, 2019 press release announcing Q4 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.

Marine Transportation



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)

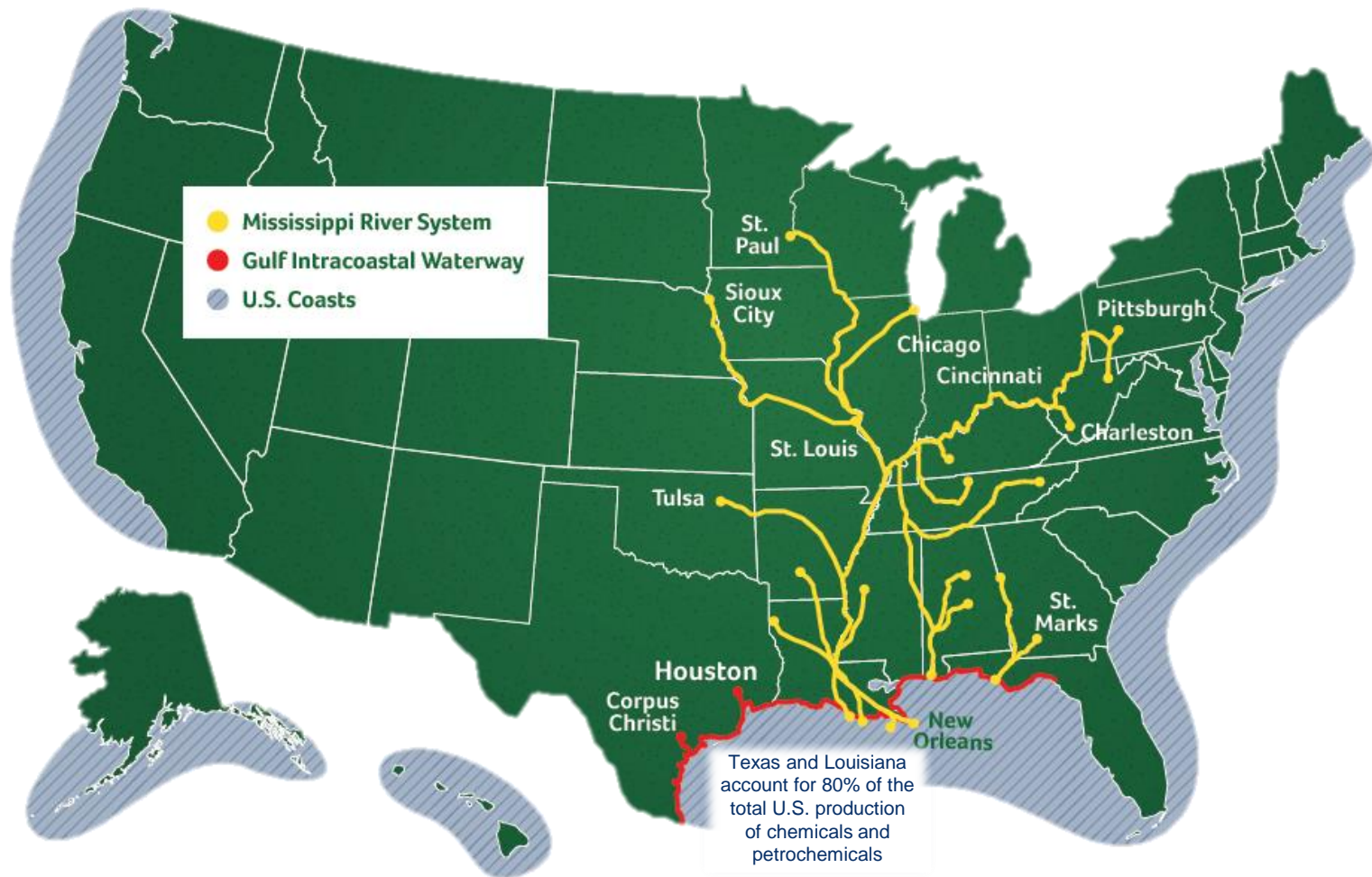


Pictured above is our towboat simulator where wheelhouse crew can gain repetitive practice navigating in extreme conditions and high-risk scenarios



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): **28%**
 - Coastal share (capacity): **24%***
- 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

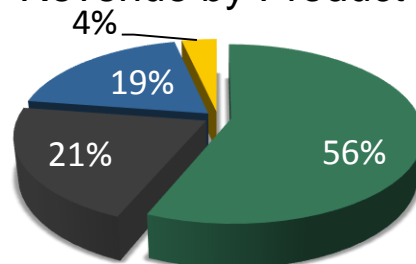


*Barges with 195K bbl. of capacity or less









Marine Transportation Demand Drivers

Inland & Offshore Drivers

Revenue by Product¹

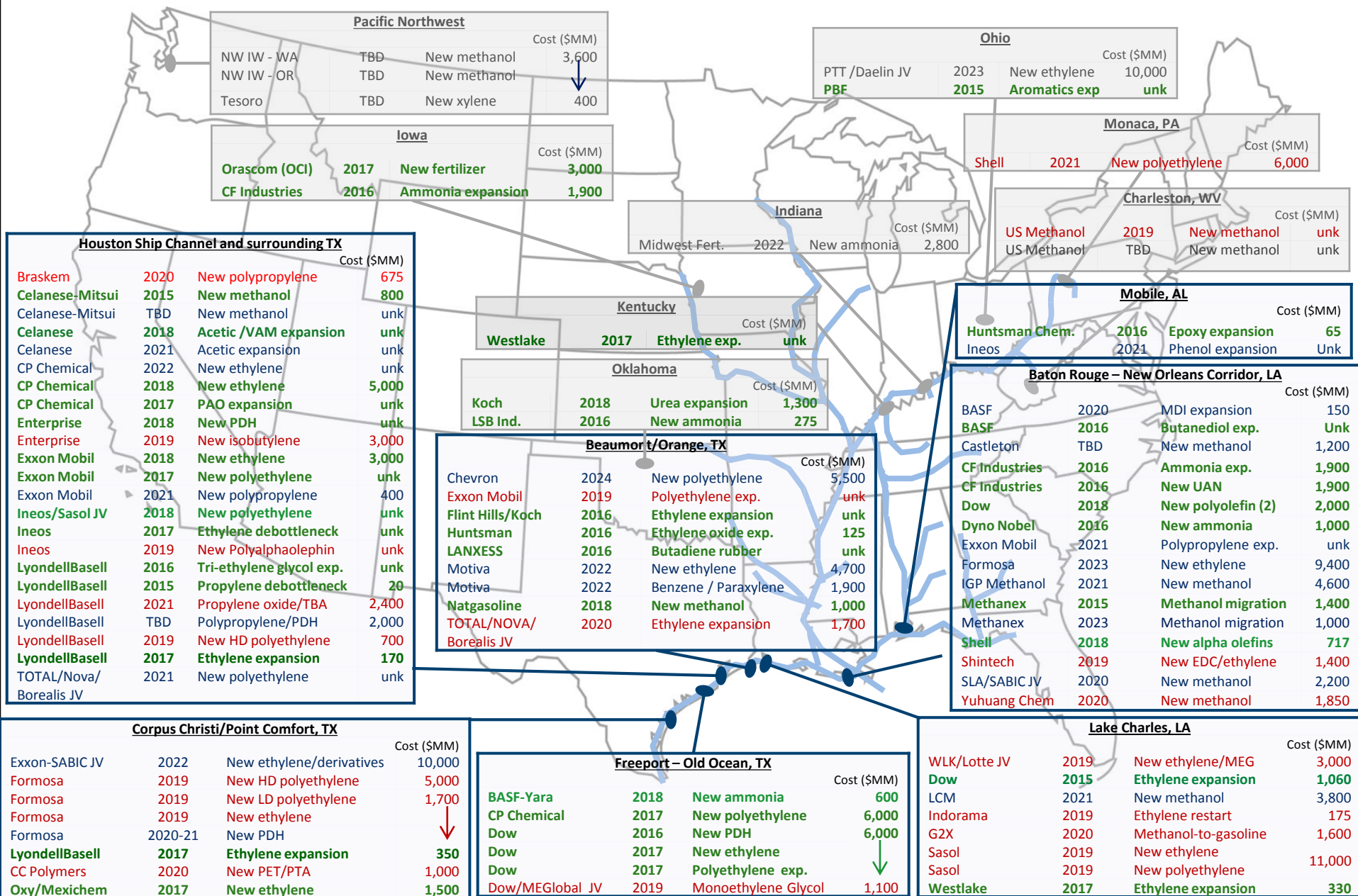


- Petrochemicals and Chemicals
- Black Oil
- Refined Petroleum Products
- Agricultural Chemicals

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 December 31, 2018

\$140+ Billion of U.S. Petrochemical Investments*

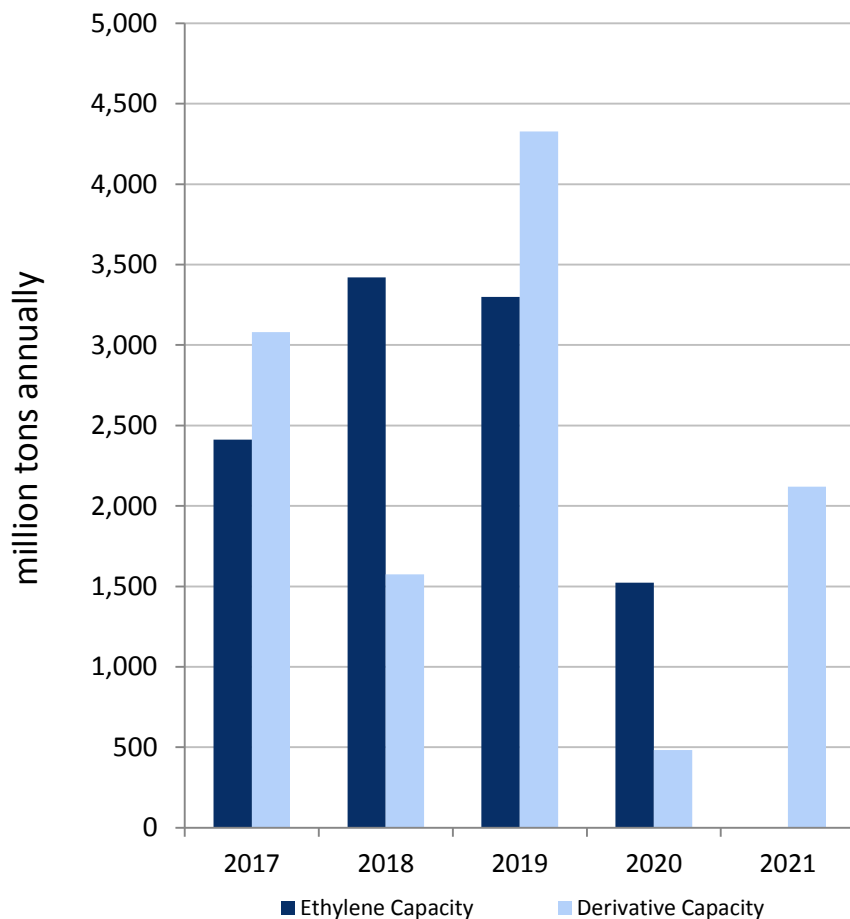


*Notes: Date reflects anticipated year in-service, red font reflects construction in progress, green online, unk=unknown

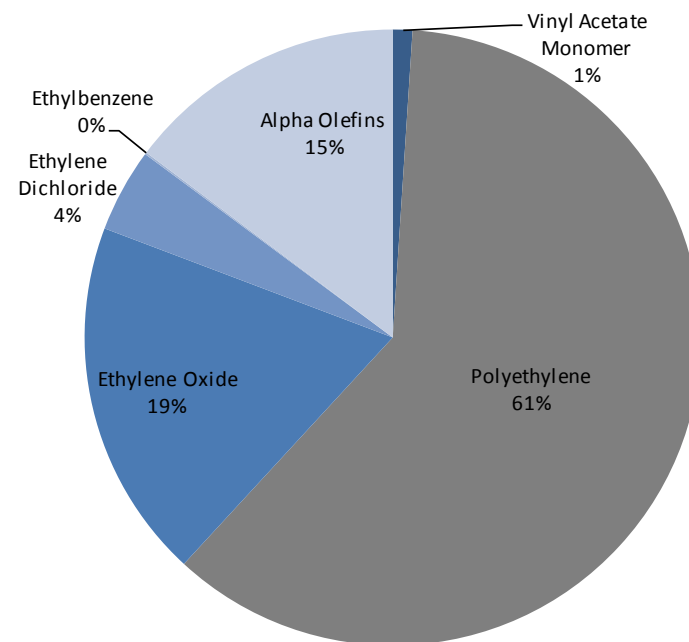
Sources: ICIS, Company announcements, Kirby Corp.

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

U.S. ethylene derivative capacity is expected to expand



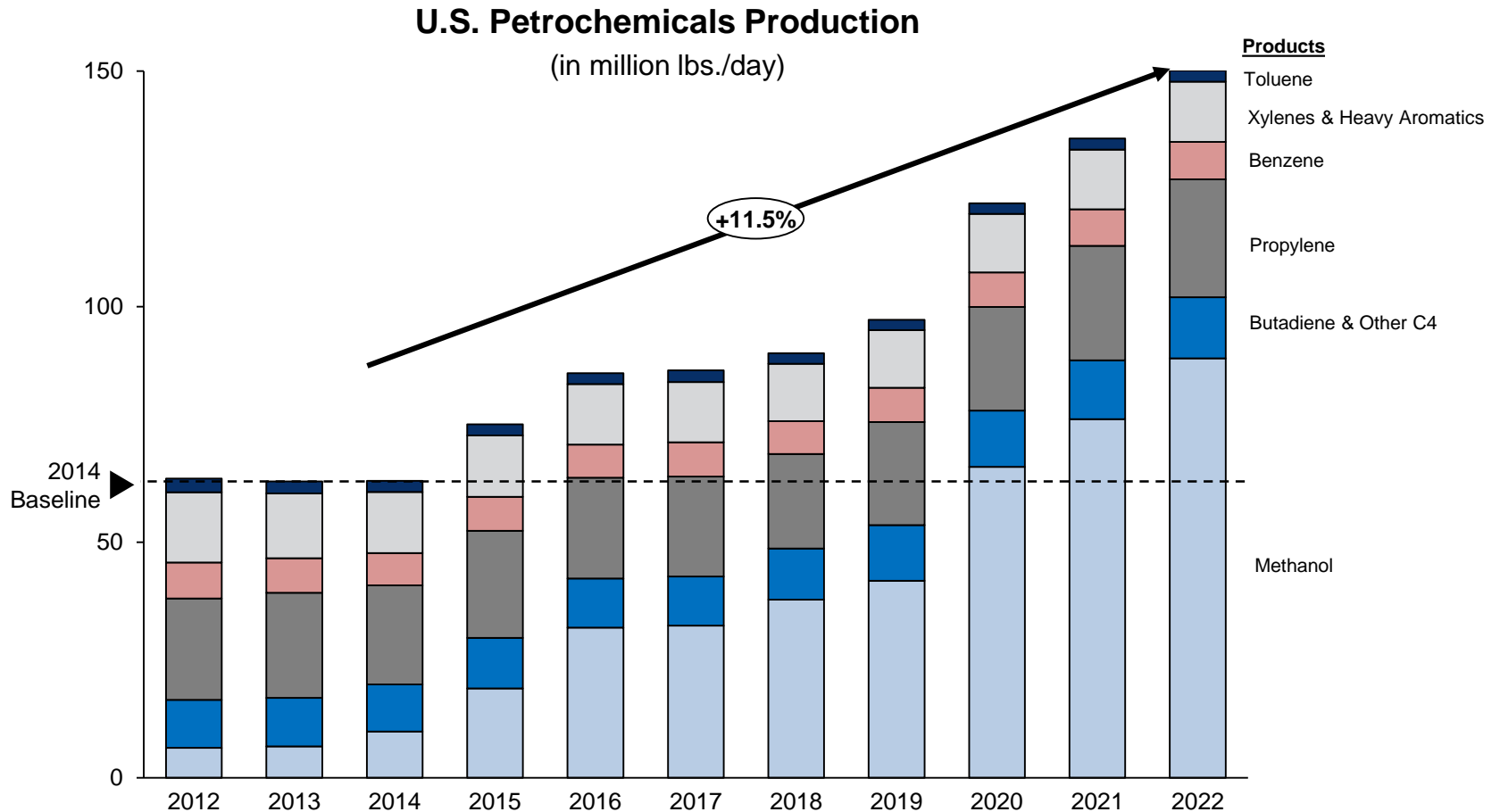
~40% of new derivatives are products that are moved by water



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

Petrochemical Buildout – Projected Production

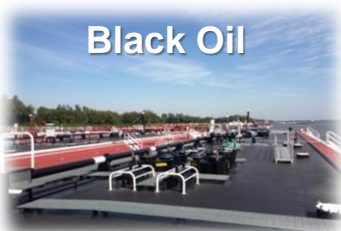
Select products that can be transported by barge



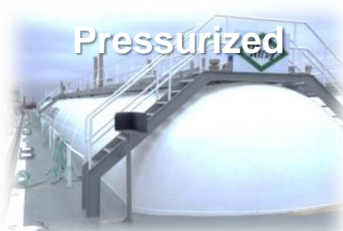
Sources: Petral Consulting Company 2018 Long-Term Forecast and Thomson Reuters Eikon - GlobalData



New Volume Coming to the Waterways



Black Oil



Pressurized



Petrochemicals



Refined Products



Agriculture

Product List:

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

Product List:

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

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.

Product List:

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

Product List:

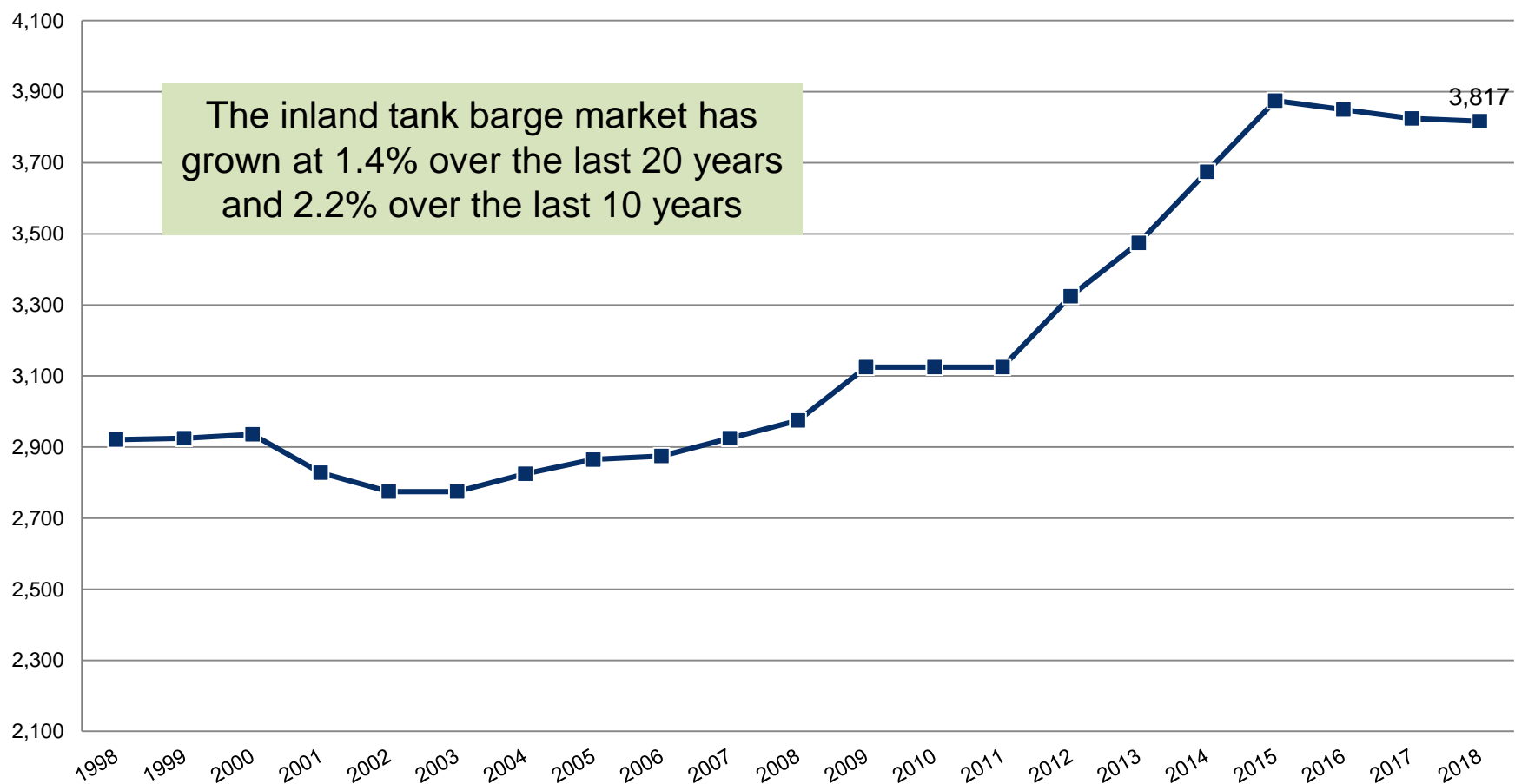
- **Ammonia**
- Ammonium Thiosulfate
- Urea Ammonium Nitrate (UAN)
- Etc.

Inland Market



Number of Inland Tank Barges

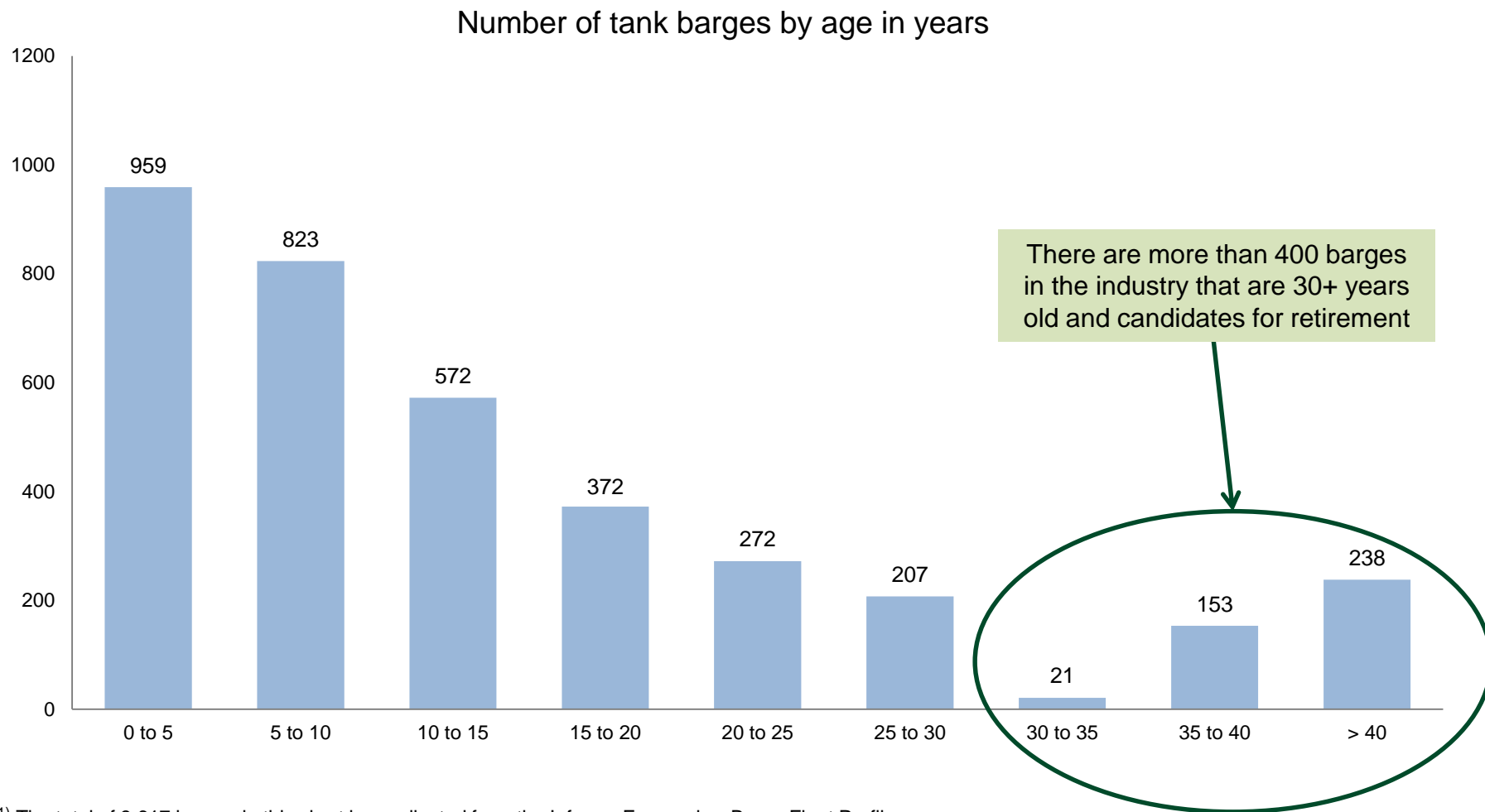
Estimated for the years 1998 through 2018



Informa Economics, Barge Fleet Profile, March 2018 – Adjusted, Company websites, Company SEC filings



Inland Tank Barge Fleet Age Profile¹



(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

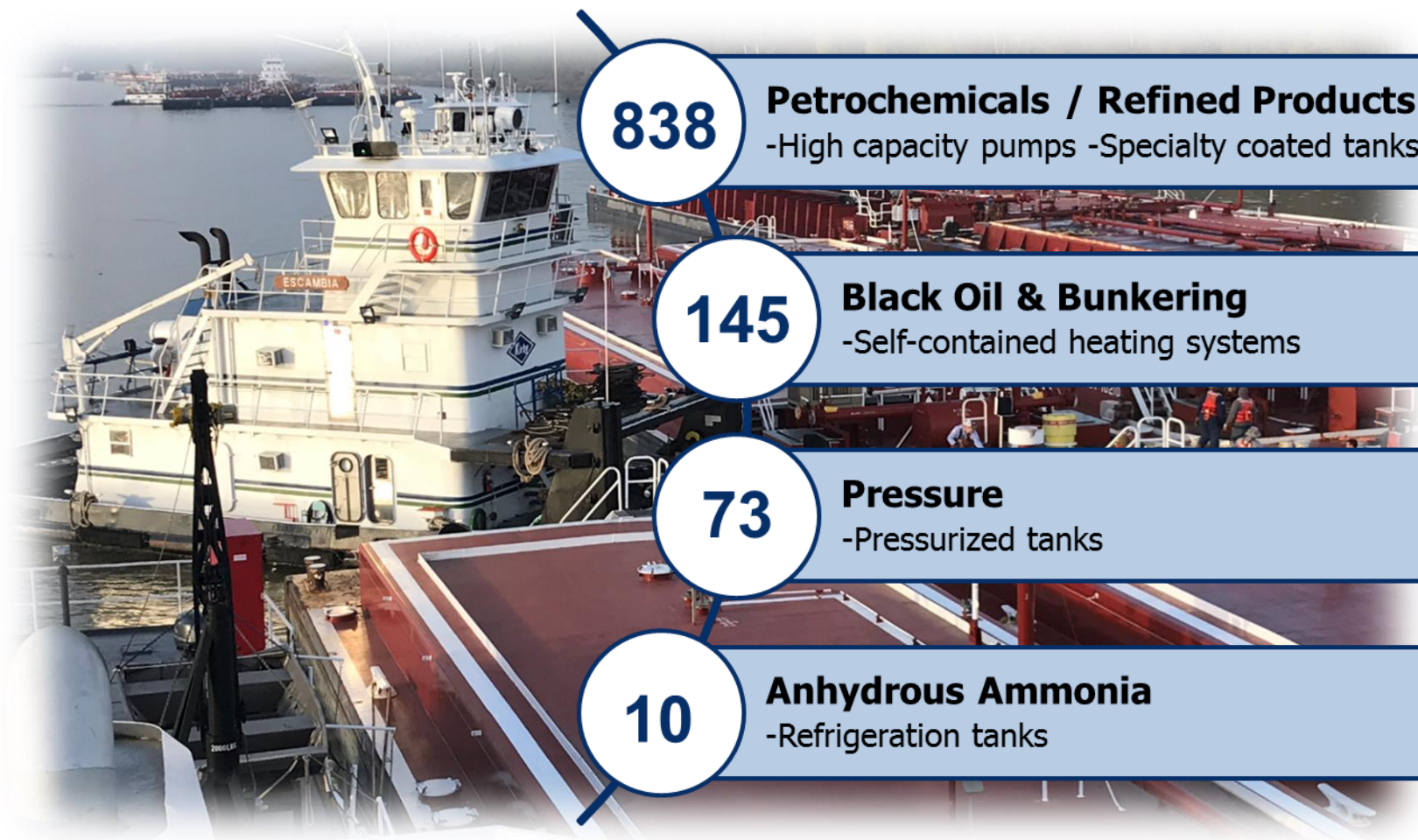
- Operating 321 towboats*
- Chartered towboats used to balance horsepower with demand
 - Provides added flexibility



* Towboat count as of December 31, 2018 plus 36 boats acquired from Cenac Marine Services in March 2019



Kirby Inland Fleet by Barge Type*



* Barge counts as of December 31, 2018 plus 63 tank barges acquired from Cenac Marine Services in March 2019

Inland Barge Fleet by Operator

Shipper Owned Independent	Tank Barges Operated	Dry Cargo Barges Operated
Kirby Corporation*	1,066	-
American Commercial Lines LLC	426	3,219
Canal Barge Company, Inc.	308	403
MPLX ("Hardin St. Marine")	256	-
Ingram Barge Company	248	4,220
Florida Marine	201	218
Blessey Marine Services	165	-
Enterprise Products Partners	130	-
Westlake Vinyl/ PPG	110	-
Savage Inland Marine	96	42
Magnolia Marine Transport Co.	92	-
American River Transportation Co.	82	1,762
Genesis Energy, L.P.	82	-
LeBeouf Brothers Towing Co	80	-
Devall Barge Line	77	-
Golding Barge Lines, Inc.	61	-
Southern Towing Company	58	-

Shipper Owned Independent	Tank Barges Operated	Dry Cargo Barges Operated
Settoon Towing, LLC	48	-
Chem Carriers, Inc.	41	-
John W. Stone Oil	39	-
Buffalo Marine Service, Inc.	35	-
Martin Midstream Partners	33	-
NGL Energy Partners	22	-
Harley Marine Gulf	16	-
River City Towing Services	13	-
E-Squared Marine Service, LLC	11	-
Merichem Company	6	-
Olin Corporation (Blue Cube)	5	-
Highland Marine	3	-
Parker Towing Company	3	310
AgriChem Marine	2	-
Oakley Barge Line	2	222
Other	0	8,465
TOTAL	3,817	18,861

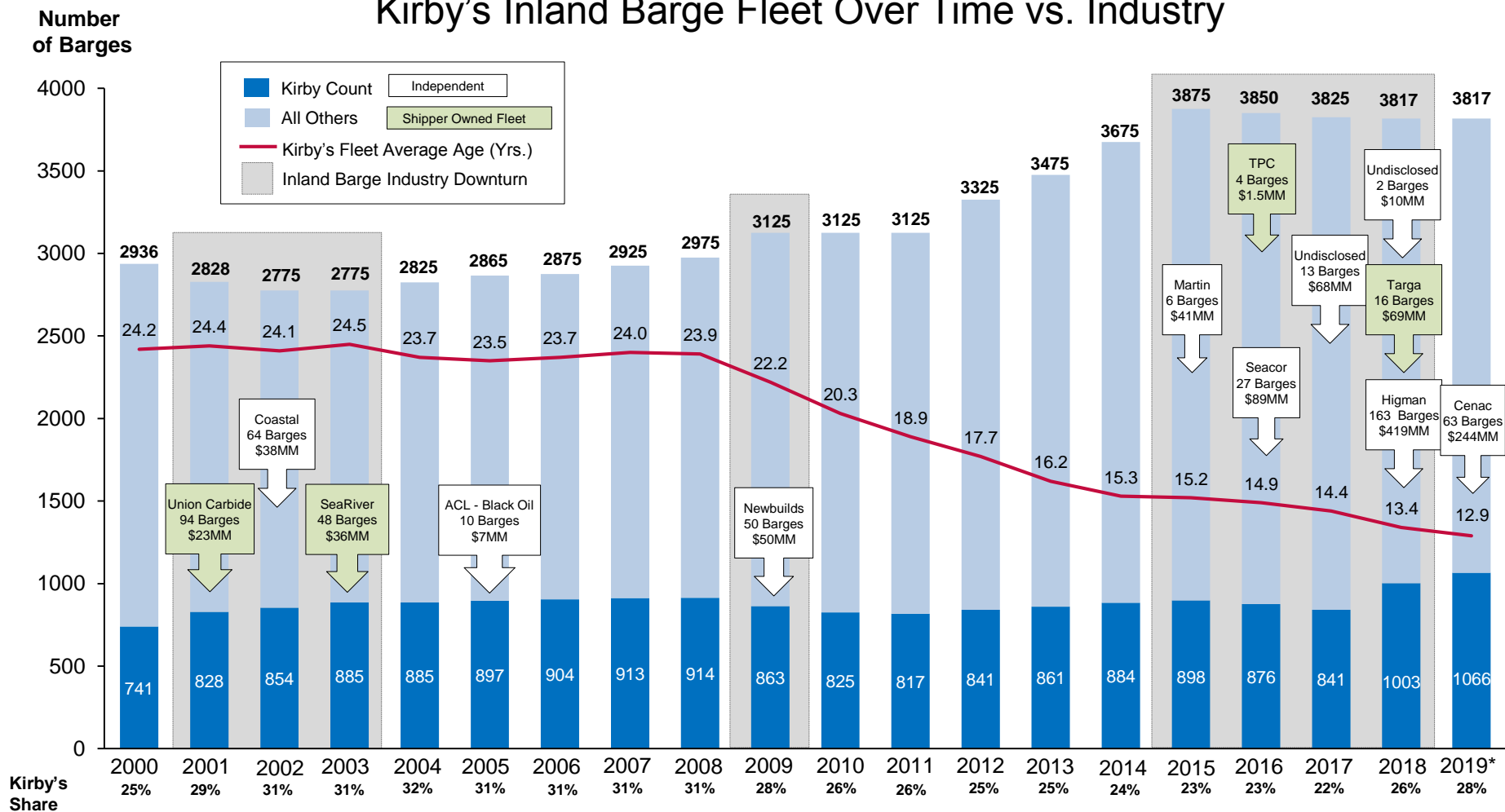
Informa Economics, Barge Fleet Profile, March 2018 – Adjusted, Company websites, Company SEC filings

* Kirby tank barges as of December 31, 2018 plus the acquisition of 63 inland barges from Cenac Marine Services in March 2019



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

Kirby's Inland Barge Fleet Over Time vs. Industry



* Kirby 2019 tank barges, share and average age as of December 31, 2018 including the acquisition of 63 inland barges from Cenac Marine Services, LLC which closed in March 2019



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



Cenac Marine Services Acquisition

Founded in 1927, Cenac is a leading provider of inland marine tank barge operator with operations on the lower Mississippi River, its tributaries, and the Gulf Intracoastal Waterway

The company transports petrochemicals, refined products, and black oil, including crude oil, residual fuels, feedstocks and lubricants

Fleet comprised of 63 barges, 34 inland towboats and 2 offshore tugboats, all of which are U.S. flagged

Size (Type)	Qty
30,000 Bbl Clean	48
30,000 Bbl Black Oil	14
30,000 ABS Ocean Going	1
Total	63

Average age of barge fleet is 4 years

Type	Qty
1800 – 2400 HP Towboats	26
2800 – 3900 HP Towboats	5
Z-Drive Towboats	3
3200 HP Offshore Tugs	2
Total	36

Average age of towboat/tugboat fleet is 6 years

Customer base includes a diverse, blue-chip set of major oil companies and refineries





Cenac Acquisition Overview

Purchase Price

- ~\$244 million in total consideration
- Acquiring Cenac's marine transportation fleet including 63 barges, 34 towboats and 2 offshore tugboats

Value Created

- EPS neutral to slightly positive over first-twelve-months
- Accretive in 2020 as existing contracts expire and synergies are realized

Financing

- All cash purchase
- To be financed through additional borrowings

Timing

- Signed purchase and sale agreement on January 29, 2019
- Closed on March 14, 2019



Kirby Marine Transportation – Increase in Earnings Power During Bottom of Cycle (Proforma Including Cenac)

	2017	2018	Change
Number of Inland Barges ¹	841	1,066	+26.8% ▲
Number of Coastal Barges ²	67	53	-20.9% ▼
Total Number of Barges	908	1,119	+23.2% ▲
Inland Bbl Capacity (MM Bbls) ¹	17.3	23.7	+37.0% ▲
Coastal Bbl Capacity (MM Bbls) ²	6.2	5.1	-17.7% ▼
Total Capacity	23.5	28.8	+22.5% ▲
Inland Average Barge Age ¹	14.4	12.8	-1.6 years ▼
Coastal Average Barge Age ²	15.3	14.7	-0.6 years ▼
Total Average Barge Age	14.5	12.9	-1.6 years ▼
Capital Employed (\$ Millions)	\$2,584	\$3,471	+34.3% ▲

- Significant growth while improving asset quality
 - Increase in operating leverage

¹ 2018 inland includes pro forma Cenac fleet.

² 2017 Coastal barge count, capacity and age is from Q3 prior to the impairment of 12 aging vessels in Q4 2017



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



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	53	5.1
Harley Marine	41	1.9
Reinauer Transportation	25	2.2
Bouchard Transportation ¹	21	2.1
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
APEX	2	0.1
Martin Gas Marine	1	0.1
Seacor	1	0.2
Wawa, Inc.	1	0.2
Occidental Chemical Corporation	1	0.1
Hyak Maritime	1	0.1
Other Lessors	2	0.2
Overseas Shipholding Group ³	0	0.0
TOTAL	289	21.4

* Tank barges with 195,000 barrels capacity or less as of Dec. 31, 2018

(1) Excludes five vessels over 250,000 barrels

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

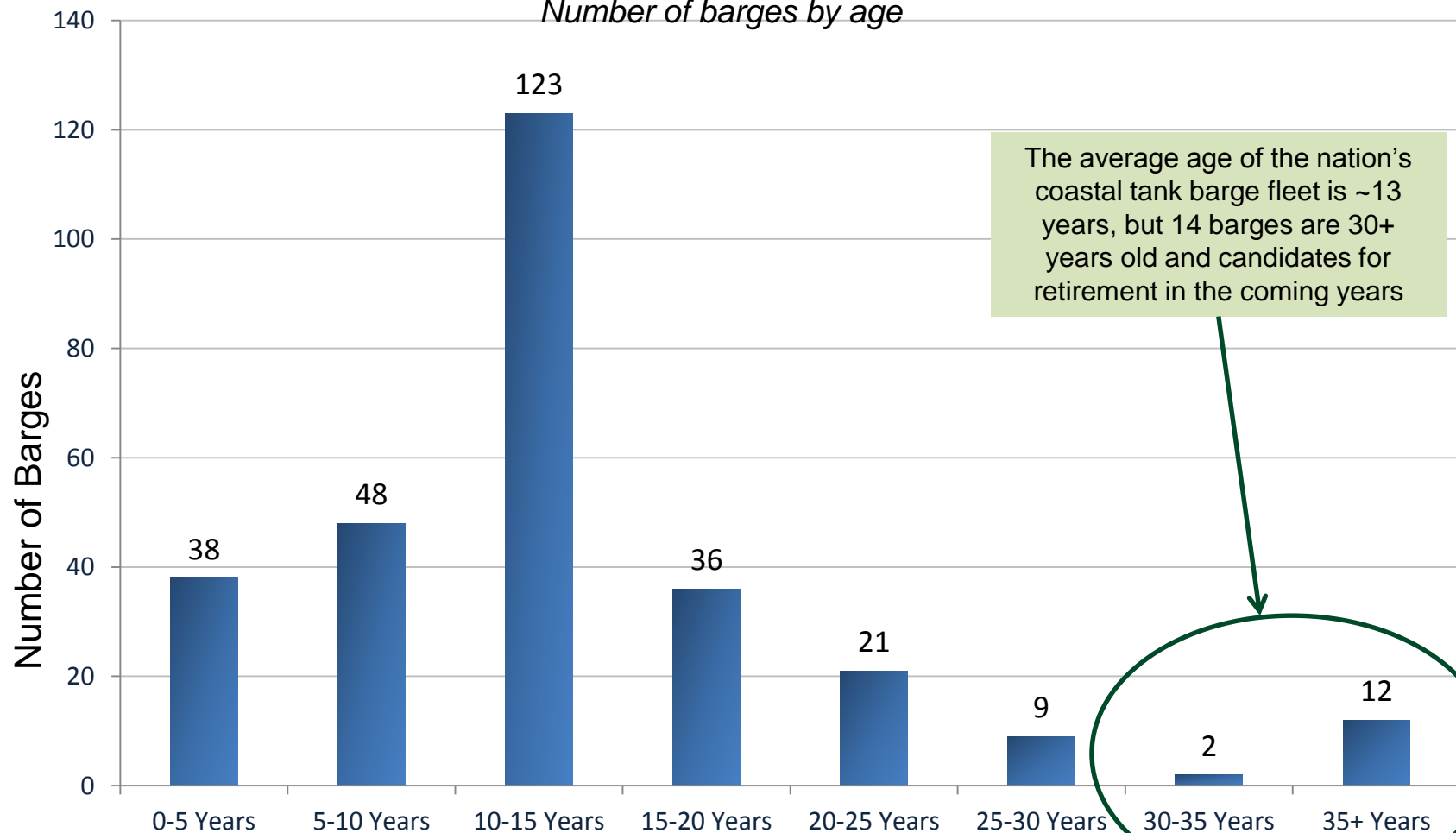
(3) Excludes eight ATBs with capacity of 200,000 barrels or greater



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 December 31, 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 contracts with 40 year relationship
- Counter cyclical investments



Distribution & Services



Introduction to Distribution & Services

Who we are...



63

LOCATIONS ACROSS NORTH
AND SOUTH AMERICA

5

BRANCH LOCATIONS IN
COLOMBIA

4

INTERNATIONAL COUNTRIES
WITH SALES PRESENCE

~200

SALES PROFESSIONALS

~70

ENGINEERS

~1,250

QUALIFIED TECHNICIANS

~2.5MM

SQUARE FEET OF SHOP
CAPACITY











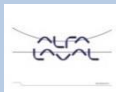



Kirby is a leader in industrial distribution

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

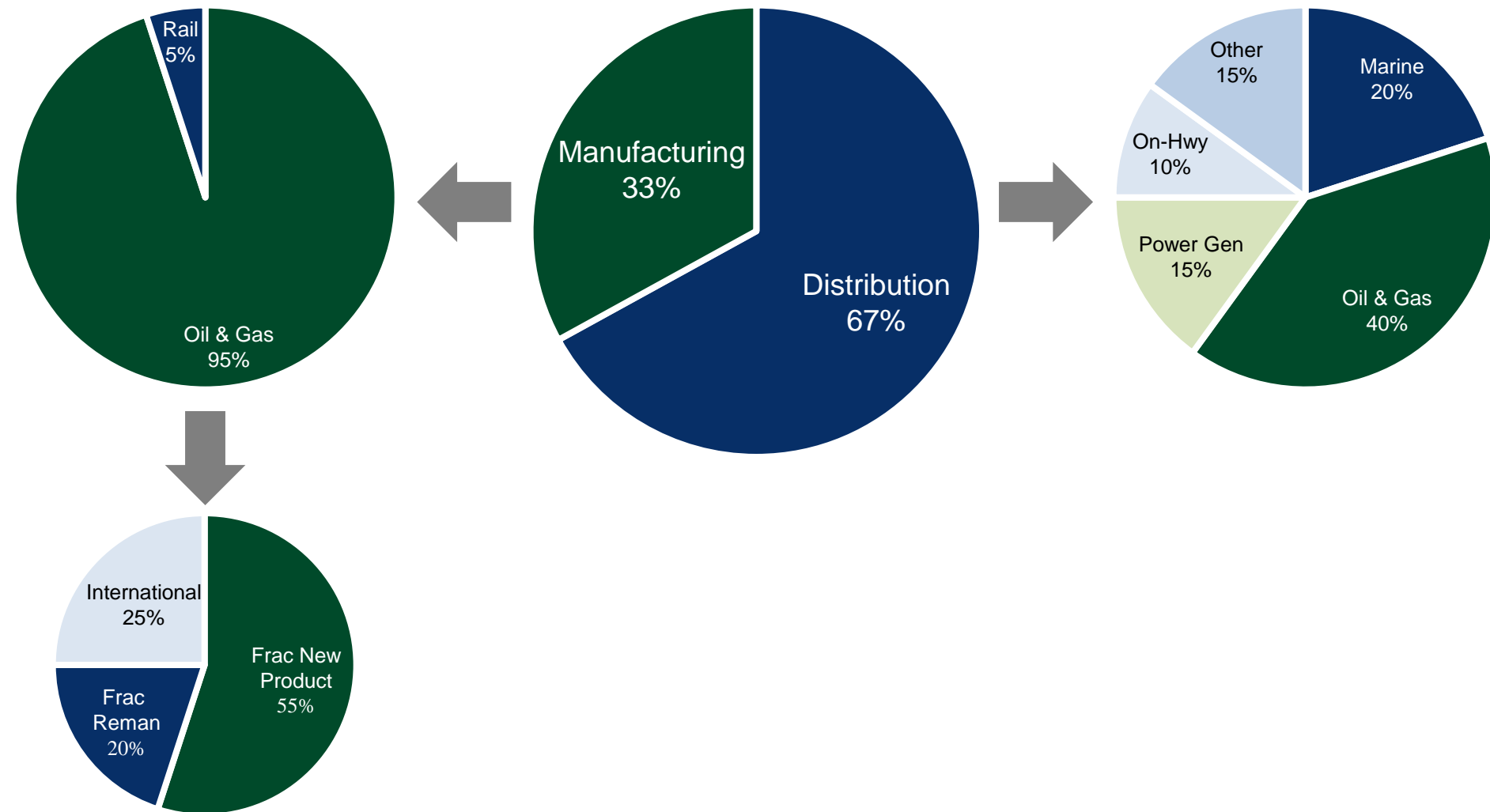


The Oil and Gas Market

- 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



Market Diversification Creates Stability



Note: Percentages estimated for 2019 – See D&S Market Matrix in the Appendix

Financial Highlights



Financial Summary

Income Statement	Full Year		Change	
	2018	2017	\$	%
<u>Revenues</u>				
Marine transportation	\$ 1,483.1	\$ 1,324.1	\$ 159.0	12%
Distribution and services	1,487.6	890.3	597.3	67%
Total	\$ 2,970.7	\$ 2,214.4	\$ 756.3	34%
<u>Operating income</u>				
Operating income (GAAP)	\$ 155.3	\$ 93.6	\$ 61.7	66%
One-time items	113.1	105.7	7.4	7%
Operating income, excluding one-time items ^{1,2}	\$ 268.4	\$ 199.3	\$ 69.1	35%
<u>Net earnings</u>				
Net earnings (GAAP)	\$ 78.5	\$ 313.2	\$ (234.7)	-75%
One-time items	92.9	(202.4)	295.3	-146%
Net earnings, excluding one-time items ^{1,2,3}	\$ 171.4	\$ 110.8	\$ 60.6	55%
Earnings per share (GAAP)	\$ 1.31	\$ 5.62	\$ (4.31)	-77%
Earnings per share, excluding one-time items^{1,2,3}	\$ 2.86	\$ 1.99	\$ 0.87	44%

Note: For more information, see the Reconciliation of GAAP to Non-GAAP Financial Measures Excluding One-Time Items in the Appendix of this investor presentation.

(1) FY 2018 operating income, net earnings attributable to Kirby, and earnings per share exclude the following one-time charges: 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, non-tax deductible charges of \$18.1 million, or \$0.30 per share related to the retirement of Kirby's Executive Chairman, impairment and lease cancellation charges related to coastal vessels of \$85.1 million before-tax or \$1.12 per share, and goodwill impairment charges of \$2.7 million before-tax or \$0.04 per share.

(2) FY 2017 operating income, net earnings, and earnings per share exclude one-time impairment charges related to coastal vessels of \$105.7 million before-tax or \$1.20 per share.

(3) FY 2017 net earnings and earnings per share exclude a one-time benefit for US tax reform and deferred tax liability remeasurement of \$269.4 million or \$4.83 per share for FY 2017.



FY 2019 Guidance¹

Earnings per Share

\$3.25 to \$3.75

Represents more than a 20% increase compared to 2018²

Capital Expenditures

\$225 to \$245 million

Represents ~25% reduction compared to 2018

⁽¹⁾ Based on Kirby's most recently published earnings guidance in the January 31, 2019 press release announcing Q4 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.

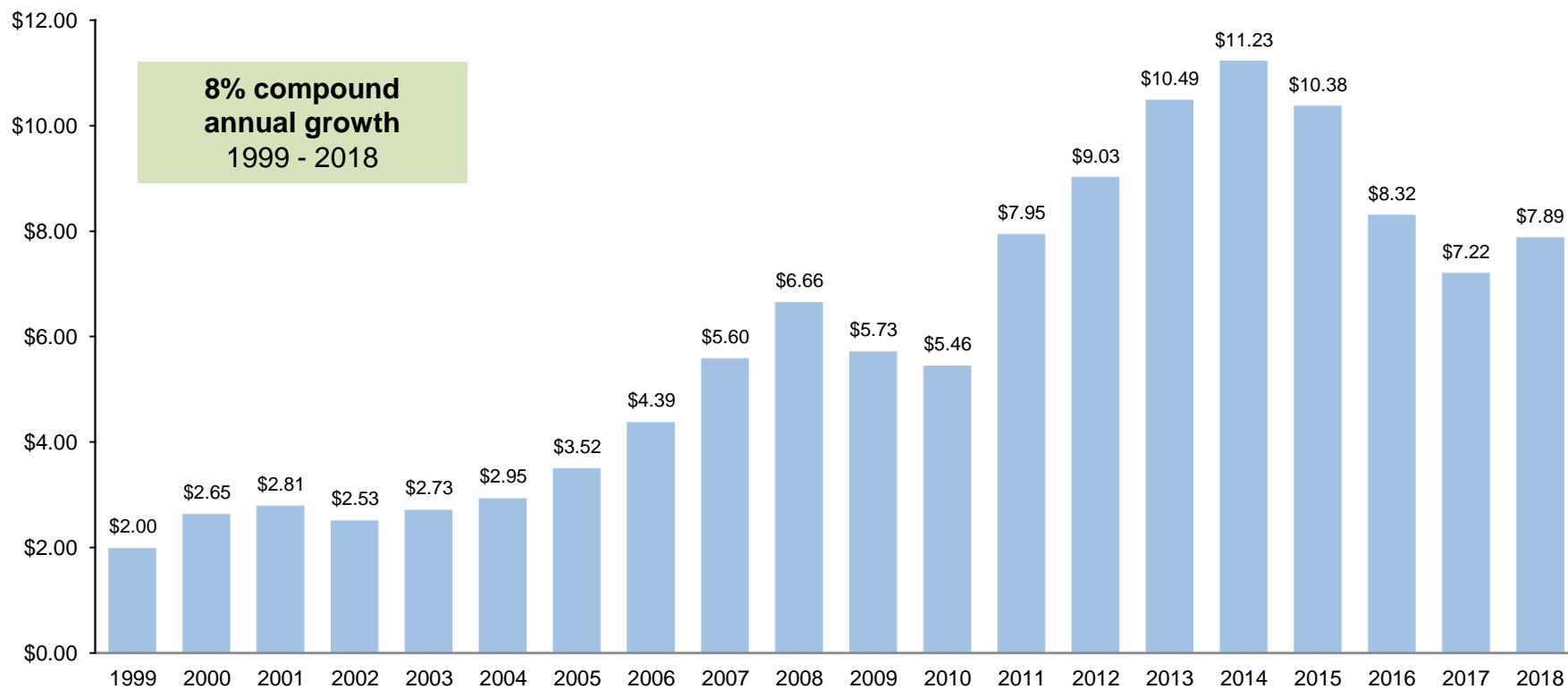
⁽²⁾ 2018 earnings per share, excluding one-time items. See reconciliation of GAAP to Non-GAAP Measures in the Appendix



United Holdings



EBITDA Per Share

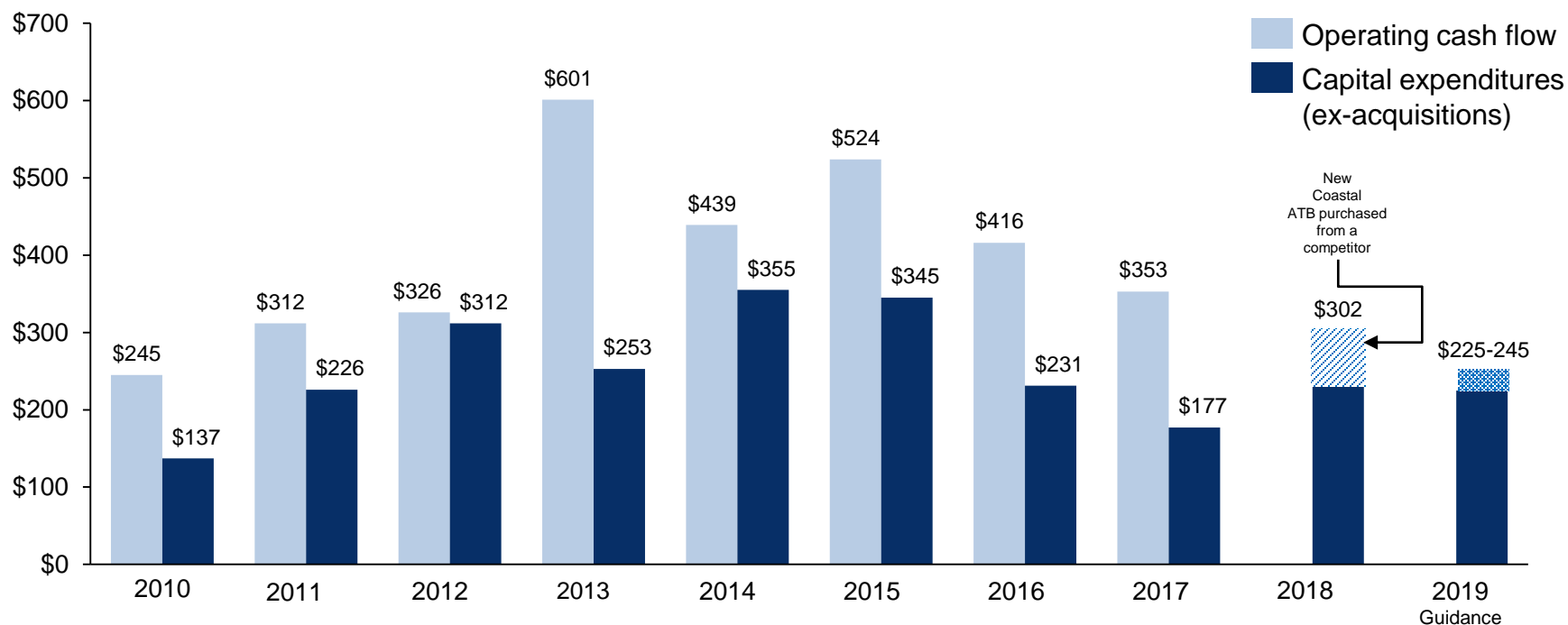


■ See Appendix for reconciliation of GAAP net earnings to Non-GAAP EBITDA

Cash Flow Generation

Kirby consistently generates free cash flow

In \$ Millions



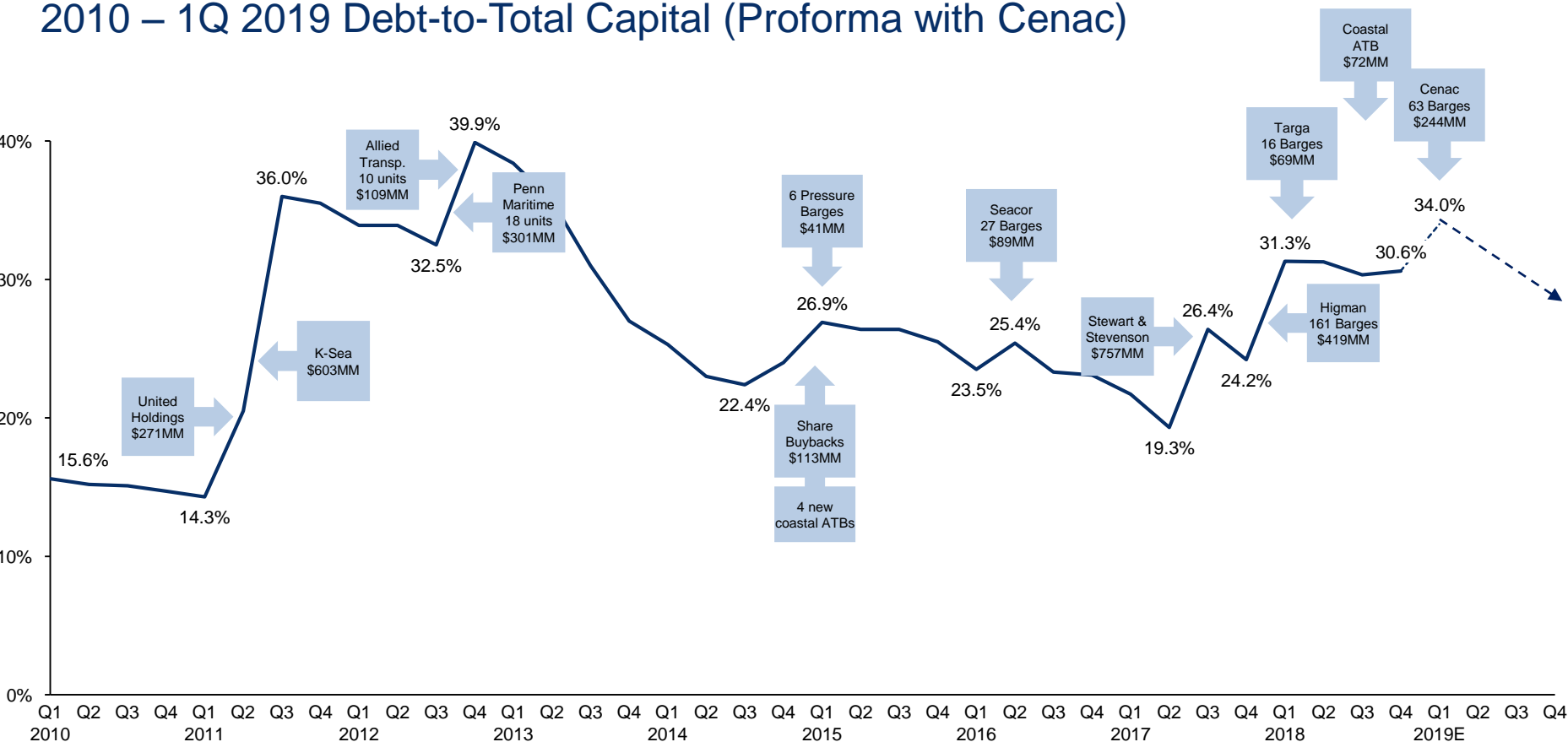
Focus on directing near term cash flow to debt reduction

⁽¹⁾ Based on Kirby's most recently published earnings guidance in the January 31, 2019 press release announcing Q4 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 – 1Q 2019 Debt-to-Total Capital (Proforma with Cenac)



- Focus on directing near term cash flow to debt reduction

Financial Strength

- Investment grade rating
 - Standard & Poor's: BBB, stable
 - Moody's: Baa3, stable outlook

- \$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
 - ~\$430 million outstanding as of March 1, 2019

- \$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 track 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
 - Countercyclical investing followed by delivering
- Financial discipline
 - Return on capital driven investment decisions
 - Proven acquisition strategy
 - Strong record of cash flow generation
- Significant increase in earnings potential

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.

EBITDA, which Kirby defines as net earnings 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). 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.

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.

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 EBITDA - Annually

KIRBY CORPORATION

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

	<u>2018</u>	<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>
	(\$ in millions)									
Net earnings attributable to Kirby	\$78.5	\$313.2	\$141.4	\$226.7	\$282.0	\$253.1	\$209.4	\$183.0	\$116.2	\$125.9
Interest expense	46.9	21.5	17.7	18.8	21.5	27.9	24.4	17.9	11.0	11.1
Provision (benefit) for taxes on income	35.0	(240.8)	85.0	133.7	169.8	152.3	127.9	109.3	72.3	78.0
Impairment of long-lived assets	82.7	105.7	-	-	-	-	-	-	-	-
Impairment of goodwill	2.7	-	-	-	-	-	-	-	-	-
Depreciation and amortization	225.0	202.8	200.9	192.2	169.3	164.4	145.2	126.0	95.3	94.0
EBITDA, Non-GAAP	<u>\$470.8</u>	<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>



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,		Three Months Ended December 31,		Year to Date December 31,	
	(\$ 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>	<u>2018</u>	<u>2017</u>
Net earnings attributable to Kirby	\$ 32.4	\$ 27.5	\$ 28.7	\$ 25.8	\$ 41.8	\$ 28.6	\$ (24.4)	\$ 231.3	\$ 78.5	\$ 313.2
Interest expense	9.8	4.5	12.5	4.4	12.4	5.4	12.2	7.2	\$ 46.9	\$ 21.5
Provision for taxes on income	9.9	13.3	16.0	17.1	15.1	19.1	(6.0)	(290.3)	\$ 35.0	\$ (240.8)
Impairment of long-lived assets	-	-	-	-	-	-	82.7	105.7	\$ 82.7	\$ 105.7
Impairment of goodwill	-	-	-	-	-	-	2.7	-	\$ 2.7	\$ -
Depreciation and amortization	54.2	48.2	55.5	48.2	57.9	51.2	57.4	55.2	\$ 225.0	\$ 202.8
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>\$ 124.6</u>	<u>\$ 109.1</u>	<u>\$ 470.8</u>	<u>\$ 402.4</u>

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

KIRBY CORPORATION
Reconciliation of GAAP to Non-GAAP Financial Measures Excluding One-Time Items
(unaudited, \$ in millions except per share amounts)

2018	First Quarter 2018				Second Quarter 2018				Third Quarter 2018				Fourth Quarter 2018				Full Year 2018			
	Operating Income	Earnings Before Tax	Net Earnings Attributable to Kirby	Diluted Earnings per Share	Operating Income	Earnings Before Tax	Net Earnings Attributable to Kirby	Diluted Earnings per Share	Operating Income	Earnings Before Tax	Net Earnings Attributable to Kirby	Diluted Earnings per Share	Operating Income	Earnings Before Tax	Net Earnings Attributable to Kirby	Diluted Earnings per Share	Operating Income	Earnings Before Tax	Net Earnings Attributable to Kirby	Diluted Earnings per Share
GAAP earnings (loss)	\$ 50.7	\$ 42.5	\$ 32.4	\$ 0.54	\$ 55.8	\$ 44.9	\$ 28.7	\$ 0.48	\$ 68.0	\$ 57.1	\$ 41.8	\$ 0.70	\$ (19.2)	\$ (30.3)	\$ (24.4)	\$ (0.41)	\$ 155.3	\$ 114.2	\$ 78.5	\$ 1.31
<u>One-time items:</u>																				
- Impairment of long-lived assets	-	-	-	-	-	-	-	-	-	-	-	-	85.1	85.1	67.2	1.12	85.1	85.1	67.2	1.12
- Impairment of goodwill	-	-	-	-	-	-	-	-	-	-	-	-	2.7	2.7	2.1	0.04	2.7	2.7	2.1	0.04
- Executive Chairman retirement	-	-	-	-	18.1	18.1	18.1	0.30	-	-	-	-	-	-	-	-	18.1	18.1	18.1	0.30
- Higman transaction fees & expenses	3.3	3.3	2.5	0.04	-	-	-	-	-	-	-	-	-	-	-	-	3.3	3.3	2.5	0.04
- Amendment to employee stock plan	3.9	3.9	3.0	0.05	-	-	-	-	-	-	-	-	-	-	-	-	3.9	3.9	3.0	0.05
Earnings, excluding one-time items ⁽¹⁾	\$ 57.9	\$ 49.7	\$ 37.9	\$ 0.63	\$ 73.9	\$ 63.0	\$ 46.8	\$ 0.78	\$ 68.0	\$ 57.1	\$ 41.8	\$ 0.70	\$ 68.6	\$ 57.5	\$ 44.9	\$ 0.75	\$ 268.4	\$ 227.3	\$ 171.4	\$ 2.86

2017	First Quarter 2017				Second Quarter 2017				Third Quarter 2017				Fourth Quarter 2017				Full Year 2017			
	Operating Income	Earnings Before Tax	Net Earnings Attributable to Kirby	Diluted Earnings per Share	Operating Income	Earnings Before Tax	Net Earnings Attributable to Kirby	Diluted Earnings per Share	Operating Income	Earnings Before Tax	Net Earnings Attributable to Kirby	Diluted Earnings per Share	Operating Income	Earnings Before Tax	Net Earnings Attributable to Kirby	Diluted Earnings per Share	Operating Income	Earnings Before Tax	Net Earnings Attributable to Kirby	Diluted Earnings per Share
GAAP earnings (loss)	\$ 46.0	\$ 41.0	\$ 27.5	\$ 0.51	\$ 47.3	\$ 43.0	\$ 25.8	\$ 0.48	\$ 52.9	\$ 47.9	\$ 28.6	\$ 0.52	\$ (52.6)	\$ (58.9)	\$ 231.3	\$ 3.87	\$ 93.6	\$ 73.0	\$ 313.2	\$ 5.62
<u>One-time items:</u>																				
- US tax reform and deferred tax liability remeasurement	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(269.4)	(4.51)	-	-	(269.4)	(4.83)
- Impairment of long-lived assets	-	-	-	-	-	-	-	-	-	-	-	-	105.7	105.7	67.0	1.12	105.7	105.7	67.0	1.20
Earnings, excluding one-time items ⁽¹⁾	\$ 46.0	\$ 41.0	\$ 27.5	\$ 0.51	\$ 47.3	\$ 43.0	\$ 25.8	\$ 0.48	\$ 52.9	\$ 47.9	\$ 28.6	\$ 0.52	\$ 53.1	\$ 46.8	\$ 28.9	\$ 0.48	\$ 199.3	\$ 178.7	\$ 110.8	\$ 1.99



Marine Transportation Performance Measures

	2010 Year	2011 Year	2012 Year	2013 Year	2014 Year	2015 Year	2016 Year	2017					2018				
								1Q	2Q	3Q	4Q	Year	1Q	2Q	3Q	4Q	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	3,677	14,501
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	7.9	7.7
Towboats operated ⁽³⁾	221	240	245	256	251	248	234	235	220	215	227	224	262	286	282	285	278
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	3,249	10,046

⁽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: 4th quarter 2018 inland marine revenues of \$291,973,000 divided by 3,677,000,000 ton miles = 7.9 cents.

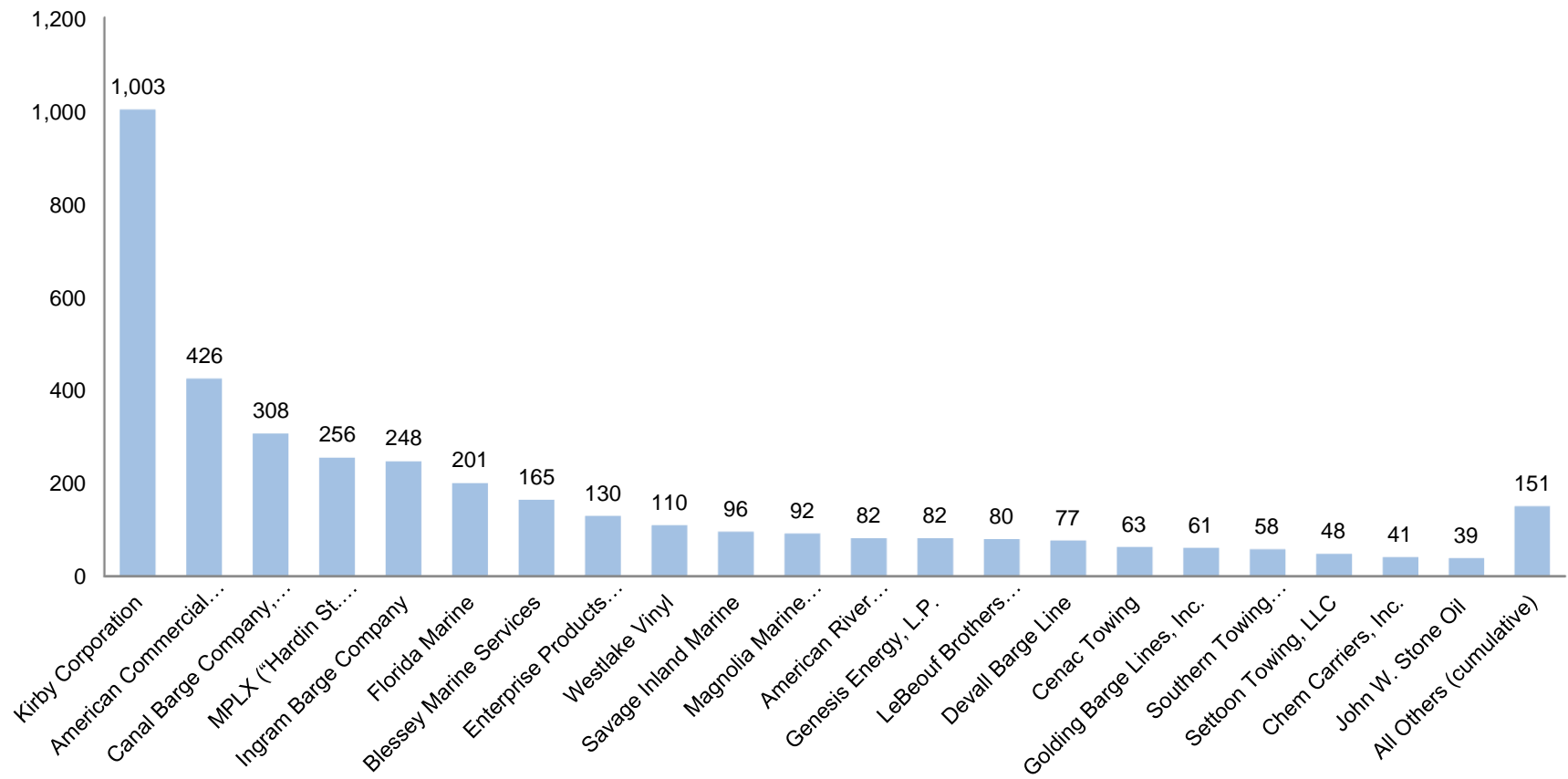
⁽³⁾ Towboats operated, is the average number of owned and chartered inland towboats operated during the period.

⁽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.

Scale Allows Better Customer Service – The Kirby Advantage

Largest inland tank barge operator

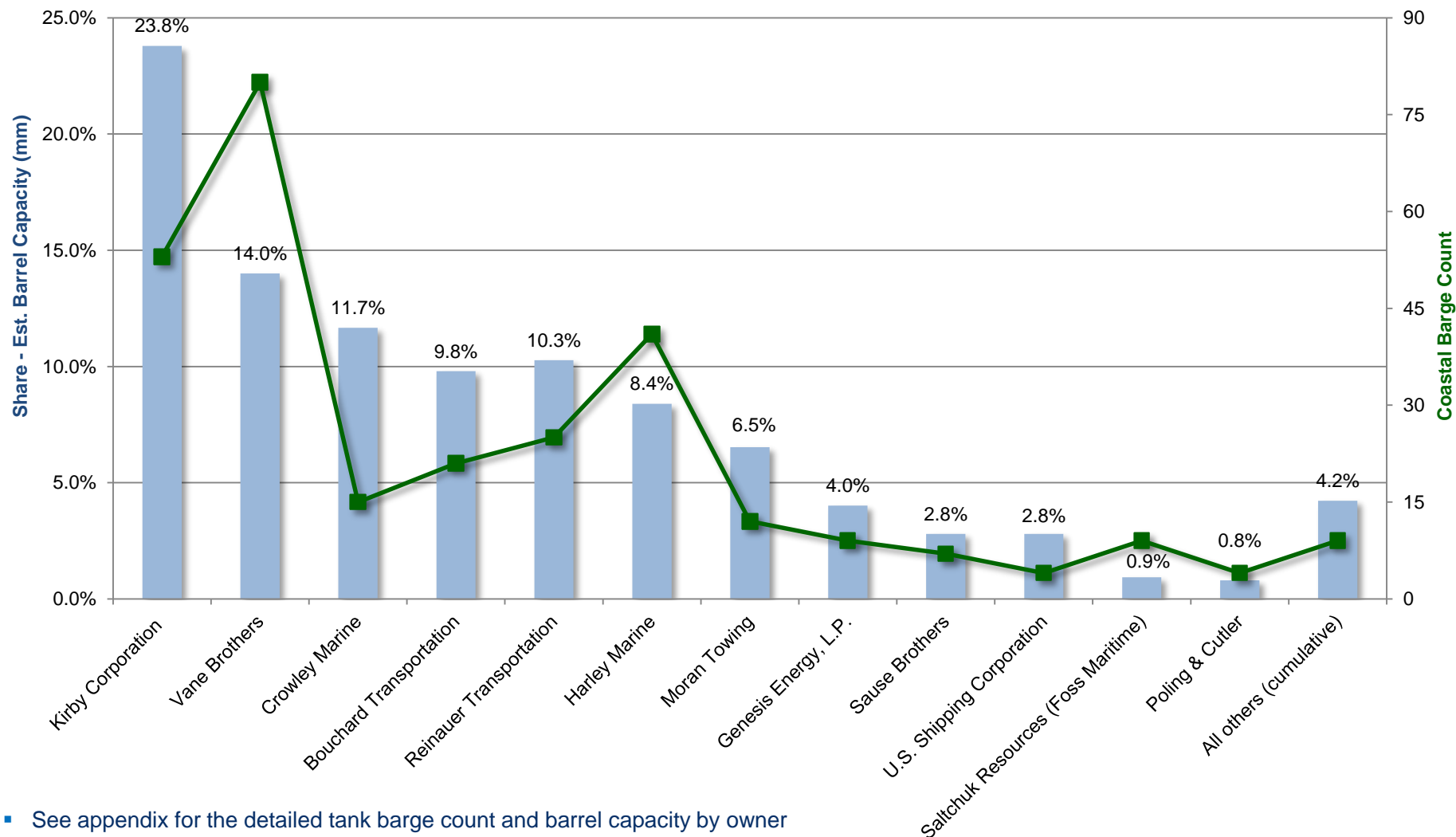
- 1,003 inland tank barges and 285 towboats - 26% share
- 65% of inland revenues under term contracts, of which 59% are under time charters



- See appendix for the detailed tank barge count by owner



Kirby is the Largest Coastal Operator

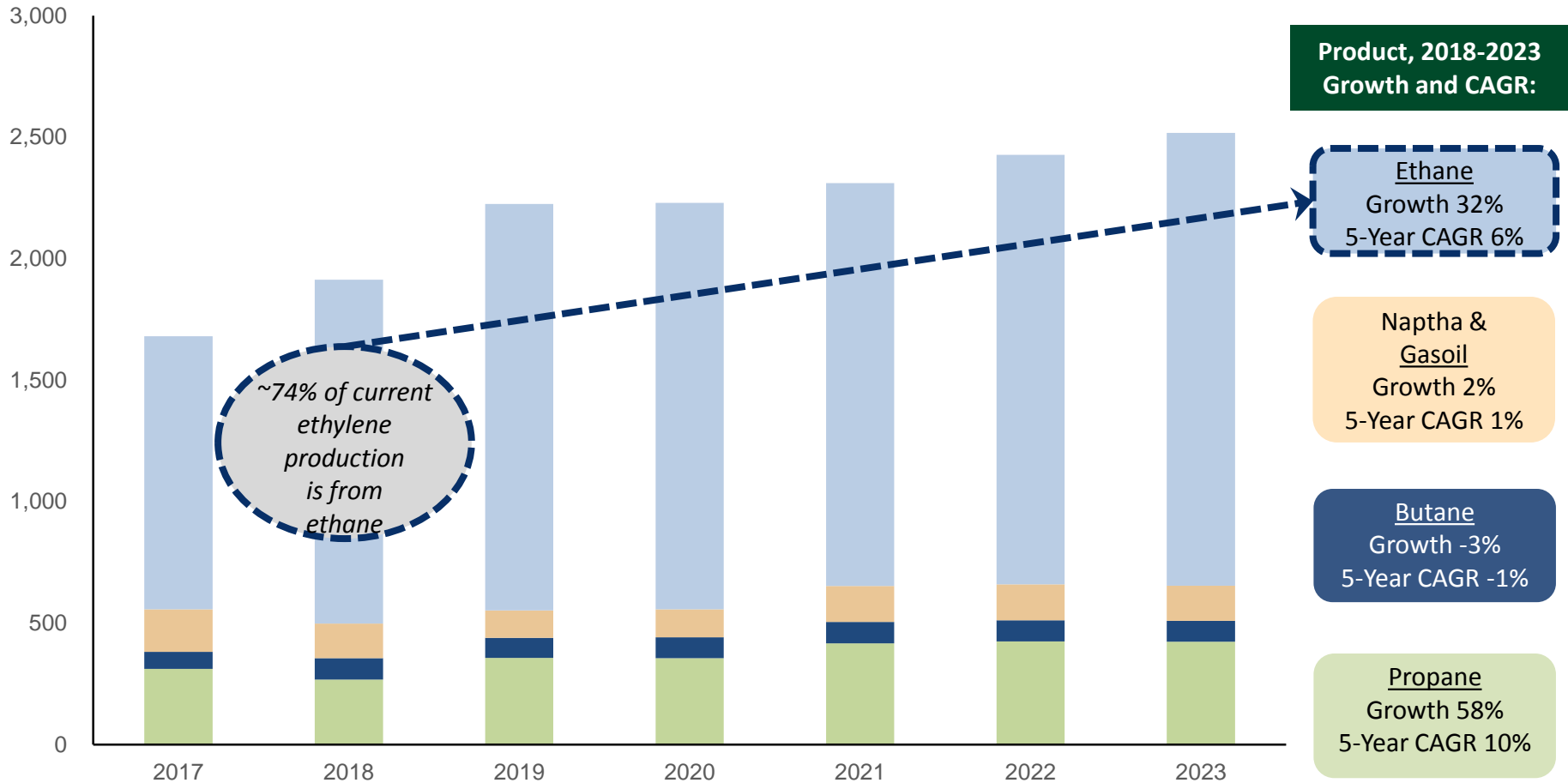


Tank barges with 195,000 barrels capacity or less as of December 31, 2018



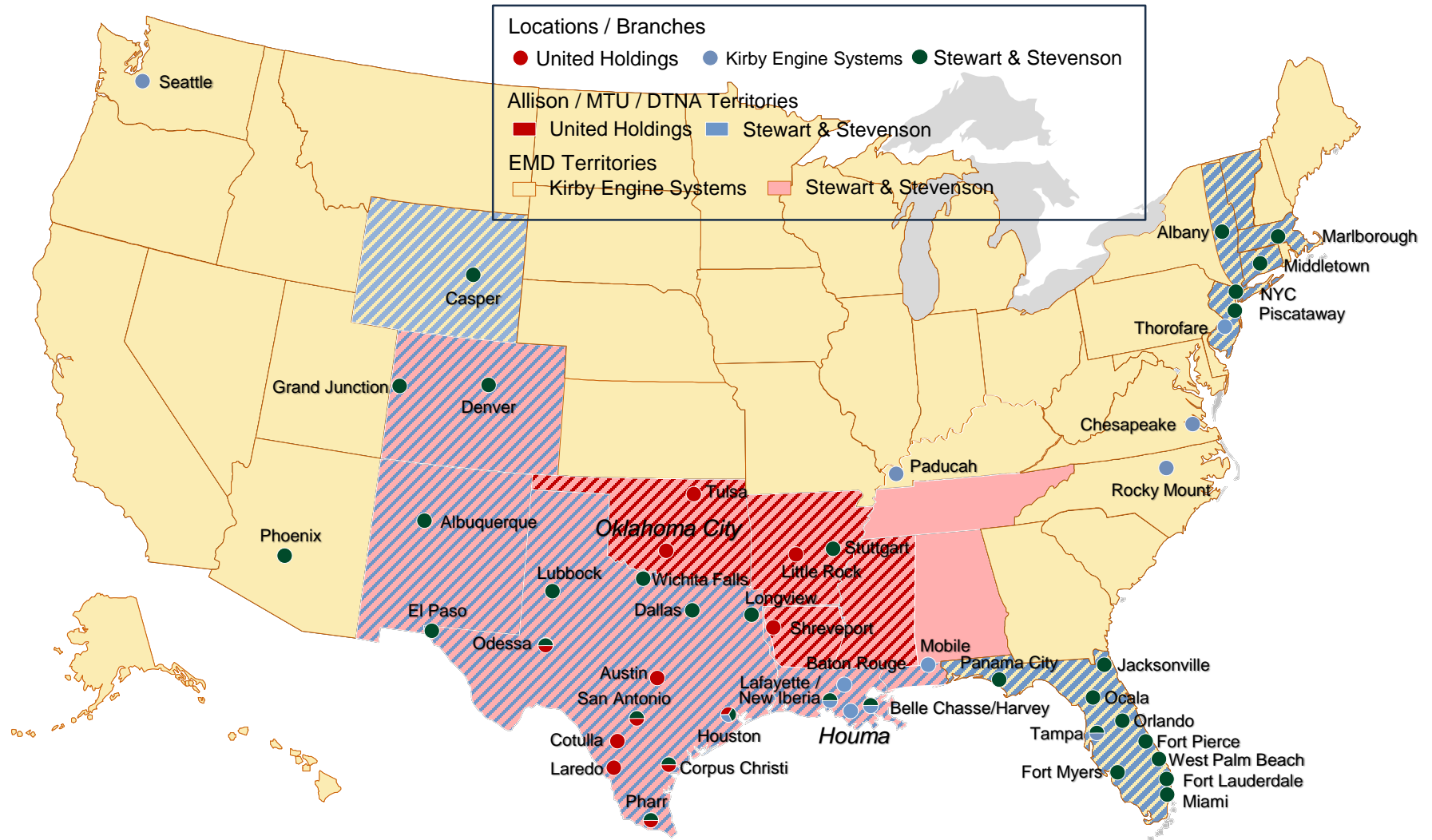
U.S. Ethylene Feedstock Forecast

Ethylene Feedstock Volume
Thousands of Barrels per Day



Source: Petral Consulting Company, Long Term Forecast, April 2018

Kirby Distribution and Services U.S. Locations

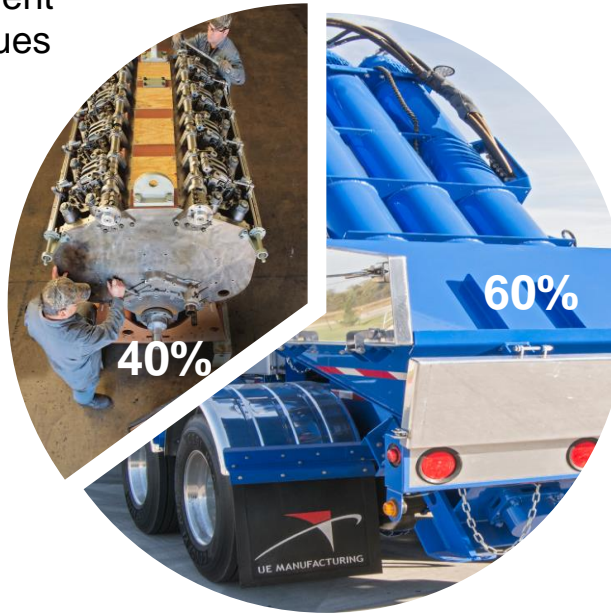


Distribution & Services has diversified sources of revenue across multiple industries

Customer Industry Base

Commercial & Industrial - Distribution, services and packaged equipment
~40% 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
~60% 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

Note: Percentages estimated for 2019

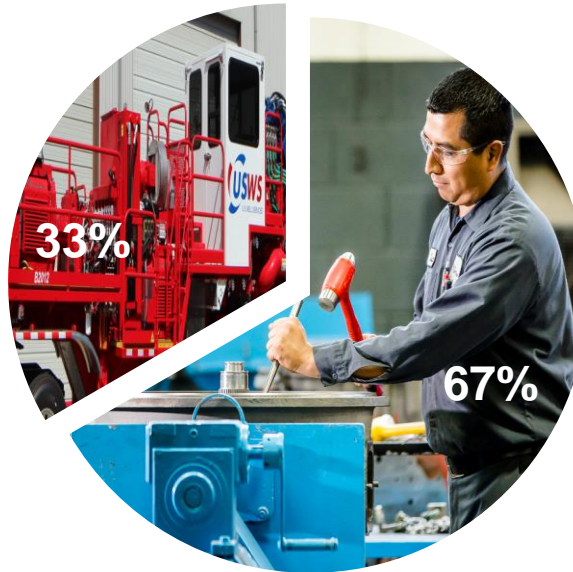
Distribution platform provides stability, while Manufacturing provides leverage for growth

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

Note: Percentages estimated for 2019

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	20 %	High	Oil & Gas: U.S. drilling and completion activity
New Product – International	25 %	Low	Oil & Gas: ROW drilling and completion activity

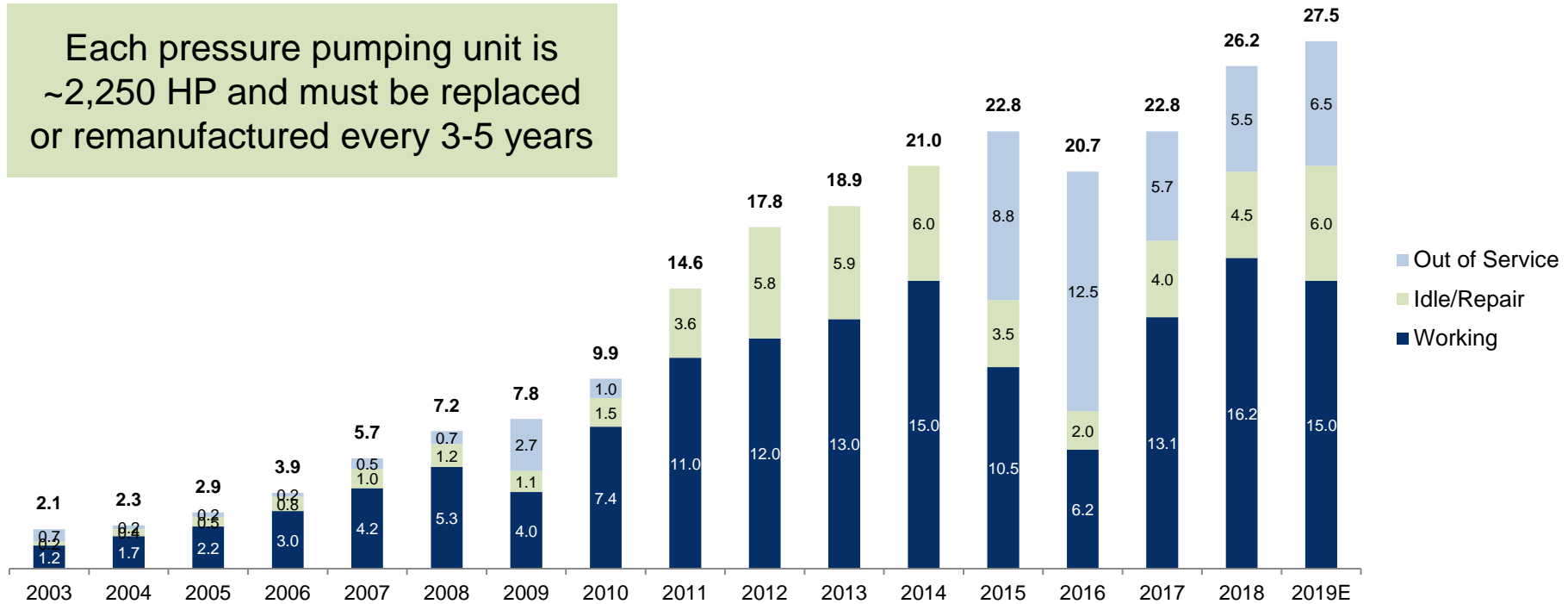
Note: Percentages estimated for 2019



Pressure Pumping Market Size

Estimated North American Pressure
Pumping Horsepower (*millions*)
2003-2019E

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



Source: Spears & Associates (with permission)

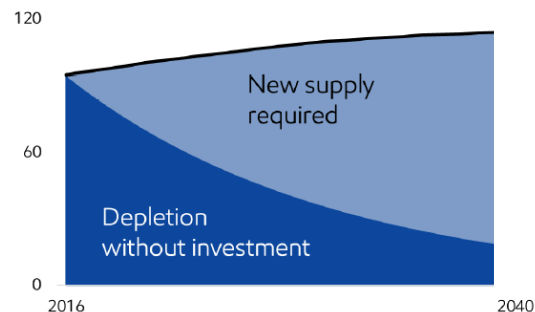
Long-term Outlook for U.S. Shale Production is Strong

The IEA estimates that the U.S. will account for 70% of the increase in global capacity through 2024 – adding a total of 4 Mbd with net exports reaching 9 Mbd

Steep decline curves require new supply of 550 billion barrels of oil and 2,100 trillion cubic feet of gas

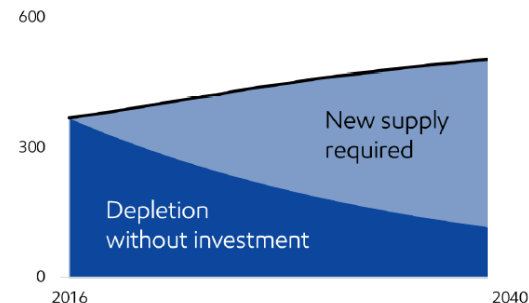
OIL SUPPLY/DEMAND

Moebd



NATURAL GAS SUPPLY/DEMAND

Bcfd

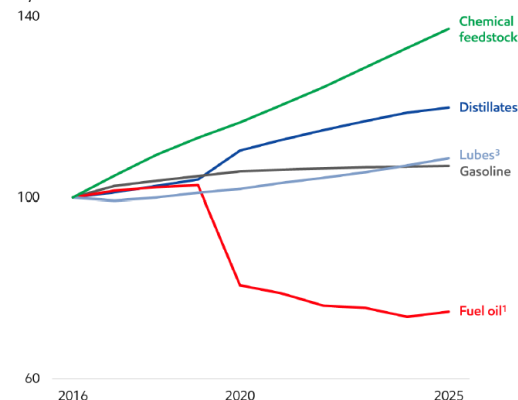


Increased oil demand driven by population growth, GDP, commercial transportation (distillates) and chemical feedstocks

- Chemical demand growth outpaces GDP through 2025
- Gasoline moderates with light-duty vehicle efficiencies and EVs
- Fuel oil declines as a result of IMO 2020
- Overall, global liquids demand grows ~30% by 2040
 - Demand levels in 2040 are flat to 2013 assuming 100% EVs

LIQUIDS DEMAND GROWTH

%, Indexed to 2016



Sources: ExxonMobil 2019 Investor Day



Super Majors Investing Heavily in the Permian

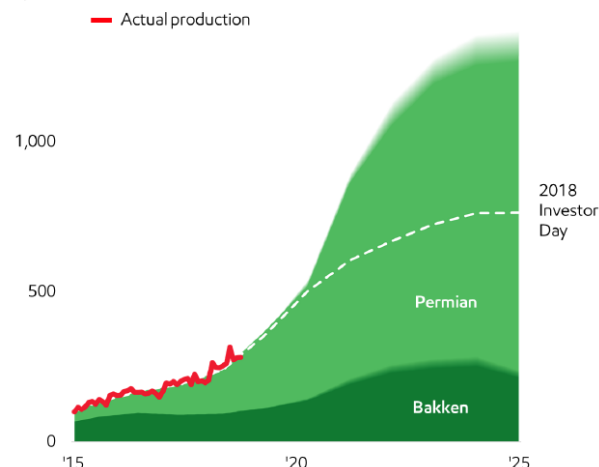
ExxonMobil and Chevron recently announced significant production growth through 2024

ExxonMobil

PERMIAN AND BAKKEN PRODUCTION, 2019 OUTLOOK¹

Koebo net

1,500



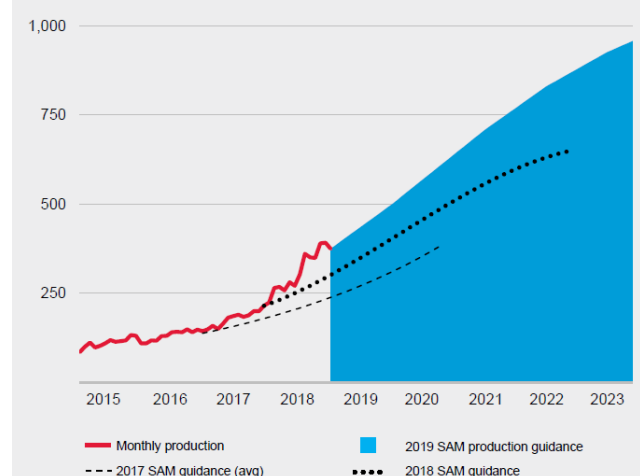
¹ Potential production. Permian includes Midland and Delaware basins

- XOM projects production of >1,000 Kboed by 2024
- Holds resources of ~10 billion barrels of oil equivalent
- XOM adding ~13 rigs and ~5 frac crews in 2019

Chevron

Midland and Delaware Basin

Net MBOED



- CVX projects Permian production of 900 Kboed by 2023
- Holds resources of ~16 billion barrels of oil equivalent
- CVX continues to build its development acreage

Permian growth is a long-term positive for Kirby's D&S business

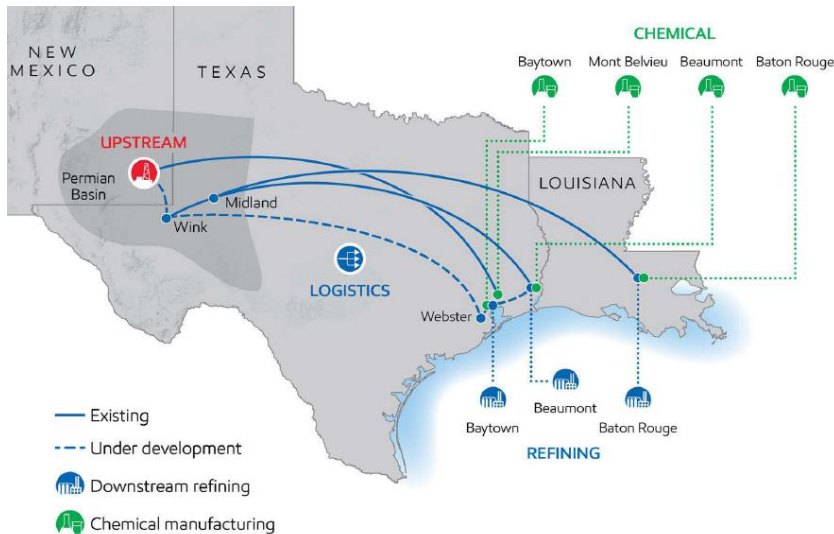
Source: ExxonMobil and Chevron 2019 Investor Day Presentations



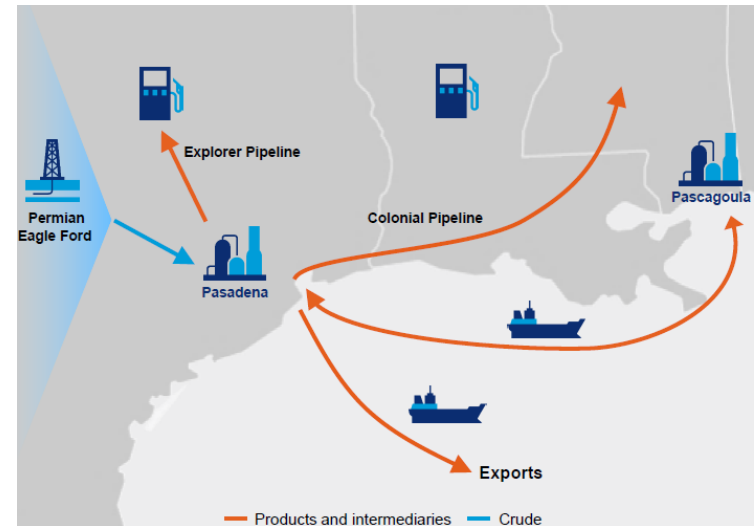
Permian Production to Increase Volumes Downstream

ExxonMobil and Chevron recently announced significant downstream and chemicals investments

ExxonMobil



Chevron



- XOM investing in 1 Mbd JV pipeline from Permian to Gulf Coast
- Doubling light-oil refining capacity along Gulf Coast by 2022
- 6 petrochemical projects under development including the world's largest ethane cracker by 2022 (SABIC JV)
- CVX purchasing Pasadena refinery in Houston Ship Channel
 - 110 Mbd of capacity with 143 acres of vacant land
- \$5.5B polyethylene plant to be built by 2024 near Beaumont, TX

Permian growth is a long-term positive for Kirby's marine business

Source: ExxonMobil and Chevron 2019 Investor Day Presentations