

1Q 2021

Earnings Conference Call

April 29, 2021



Disclosures

Forward Looking Statements

Statements contained in this conference call with respect to the future are forward-looking statements. These statements reflect management's reasonable judgment with respect to future events. Forward-looking statements involve risks and uncertainties. Actual results could differ materially from those anticipated as a result of various factors, including 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, 2020.

Non-GAAP Financial Measures

This conference call may refer to certain non-GAAP or adjusted financial measures. Kirby uses certain non-GAAP financial measures to review performance including: 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). 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 calculations based on generally accepted accounting principles and should not be considered as an alternative to, but should only be considered in conjunction with Kirby's GAAP financial information. Reconciliations of the non-GAAP financial measures to the most directly comparable GAAP financial measures are included in our earnings press release, and are also available on our website at www.kirbycorp.com in the Investor Relations section under Financials.



1Q 2021 Overview

Financial Summary

\$ millions except earnings (loss) per share	1Q 2021	1Q 2020	Variance	%	4Q 2020	Variance	%
Revenues	\$ 496.9	\$ 643.9	\$ (147.0)	-23%	\$ 489.8	\$ 7.1	1%
Operating income (loss)	3.2	(509.7)	512.9	-101%	24.8	(21.6)	-87%
Net earnings (loss) attributable to Kirby	(3.4)	(347.2)	343.8	-99%	22.2	(25.6)	-115%
Earnings (loss) per share	(0.06)	(5.80)	5.74	-99%	0.37	(0.43)	-116%
Excluding one-time items:							
Operating income ¹	3.2	51.6	(48.4)	-94%	24.8	(21.6)	-87%
Net earnings (loss) attributable to Kirby ^{1,2}	(3.4)	35.3	(38.7)	-110%	22.2	(25.6)	-115%
Earnings (loss) per share ^{1,2}	(0.06)	0.59	(0.65)	-110%	0.37	(0.43)	-116%

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

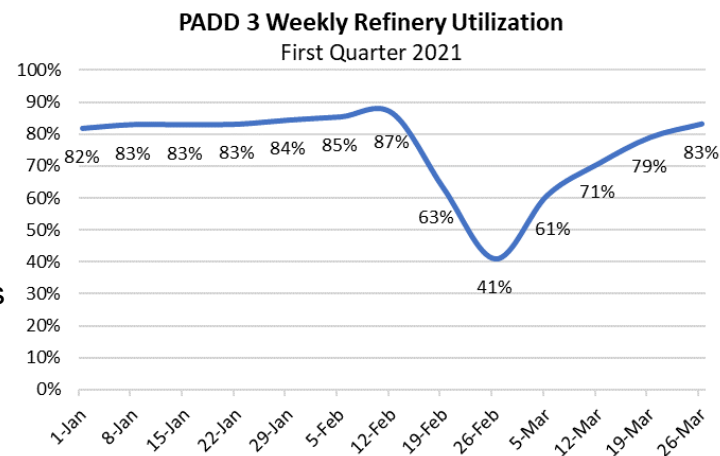
- 1 First Quarter 2020 operating income, net earnings attributable to Kirby, and earnings per share exclude impairments of goodwill, intangible assets, fixed assets, and inventory related to distribution and services totaling \$561.3 million before-tax, \$433.3 million after-tax, or \$7.24 per share.
- 2 First Quarter 2020 net earnings attributable to Kirby and earnings per share exclude a one-time income tax benefit of \$50.8 million or \$0.85 per share related 2018 and 2019 net operating loss carrybacks under the U.S. Coronavirus Aid, Relief, and Economic Security Act.



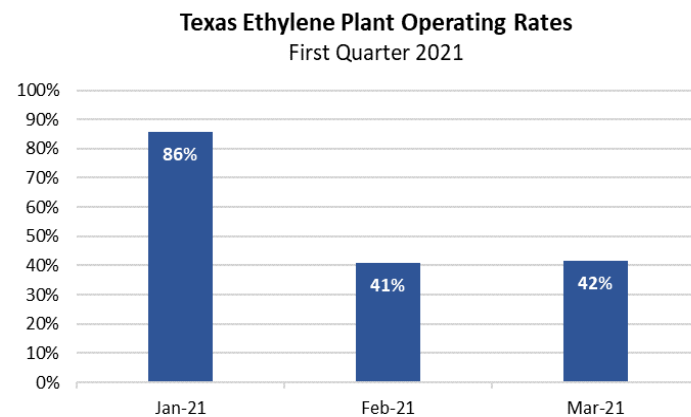
Winter Storm Uri

Results in prolonged shutdown of many Gulf Coast refineries and petrochemical plants

- Winter storm arrived along the Gulf Coast on February 15, 2021
 - Brought severe cold temperatures, ice, and snow
 - Texas electric grid collapsed with extensive power outages for days
 - Plant infrastructure and pipelines froze and burst
- Refineries and chemical plants forced into prolonged emergency shutdowns
 - Gulf Coast refinery utilization declined to 41%
 - 51% reduction in ethylene production and feedstock consumption
 - 75% of ethylene capacity and 80% of olefins capacity taken offline
- Some of Kirby's largest customers only resumed operations in April
- Significant reductions in inland volumes for the duration of the first quarter
- Poor operating conditions and reduced inland operating efficiencies
- Most distribution and services locations in Texas, Oklahoma, and Louisiana closed for several days



Source: EIA



Source: Petral Consulting

Impacted Kirby 1Q earnings by approximately \$0.09 per share



Marine Transportation – 1Q Overview

Inland

- Started the quarter with improving demand and barge utilization
- Winter storm stopped the upward momentum as refineries and chemical plants abruptly shut down
- Poor operating conditions throughout the quarter
- Reduced term contract and spot market pricing
- Near quarter end:
 - Refinery and chemical plant utilization rapidly recovering
 - Barge utilization increased to above 80%
 - Spot market dynamics stabilized with modest gains in pricing



Coastal

- Continued low demand for refined products and black oil transportation
- Barge utilization in the mid-70% range

Distribution & Services – 1Q Overview

Overall

- Revenues increased 3% sequentially
- Positive operating margins
- Impacted by winter storm with facility closures for several days

Oil and Gas

- Increased U.S. rig counts and frac activity
- Incremental orders and increased deliveries of new ESG friendly and remanufactured pressure pumping equipment
- Increased sales of seismic equipment to international oilfield markets
- Improved sales of new transmissions, parts, and service

Commercial and Industrial

- Increased demand for parts and service in the on-highway, power generation, and marine repair businesses
- Reduced product sales in Thermo-King and sales of new marine engines



Marine Transportation

1Q 2021 Financial Summary

\$ millions	1Q 2021	1Q 2020	Variance	%	4Q 2020	Variance	%
Revenue	\$ 301.0	\$ 403.3	\$ (102.3)	-25%	\$ 299.4	\$ 1.6	1%
Operating income	1.9	50.7	(48.8)	-96%	29.2	(27.3)	-93%
Operating margin	0.6%	12.6%	-12.0%		9.7%	-9.1%	

■ Inland

- Contributed 75% of marine transportation revenues with average barge utilization in the mid-70% range
- Term contracts represented ~65% of revenue with ~61% attributed to time charters
- Term contracts renewed lower in the high single digits on average
- Spot market rates declined approximately 5% sequentially and 25% to 30% year-on-year
- Operating margin in the low single digits and significantly impacted by the winter storm, poor operating conditions, and increased costs to ramp-up operations for higher activity levels in 2H 2021

■ Coastal

- Contributed 25% of marine transportation revenues with average barge utilization in the mid-70% range
- Term contracts represented ~80% of revenue with ~85% attributed to time charters
- Term contracts and spot market rates stable
- Negative mid-single digit operating margin



Barge Construction and Retirements

1Q 2021 Update and FY 2021 Outlook

Inland	1Q 2021		FY 2021	
	Barges	Barrels	Barges	Barrels
(barrels in millions)				
Beginning of period	1,066	24.1	1,066	24.1
Reductions:				
Retirements	(7)	(0.3)	(25)	(0.8)
Charters returned	(2)	(0.1)	(2)	(0.1)
End of period	1,057	23.7	1,039	23.2

Coastal	1Q 2021		FY 2021	
	Barges	Barrels	Barges	Barrels
(barrels in millions)				
Beginning of period	44	4.2	44	4.2
Reductions:				
Retirements	-	-	(1)	(0.2)
End of period	44	4.2	43	4.0

Distribution & Services

1Q 2021 Financial Summary

\$ millions	1Q 2021	1Q 2020	Variance	%	4Q 2020	Variance	%
Revenue	\$ 195.9	\$ 240.7	\$ (44.8)	-19%	\$ 190.3	\$ 5.6	3%
Operating income (loss)	2.9	3.7	(0.8)	-22%	(2.9)	5.8	200%
Operating margin	1.5%	1.5%	0.0%		-1.5%	3.0%	

Commercial and industrial

- Improved sequential demand for parts and service in on-highway, power generation, and marine repair
- Reduced product sales in Thermo-King and new engine sales in marine repair
- Facilities in the Southern U.S. impacted by the winter storm
- Represented 68% of segment revenue
- Operating margin in the mid-single digits

Oil and gas

- Results sequentially higher due to deliveries of new and remanufactured pressure pumping equipment in manufacturing and increased demand for new transmissions, parts, and service in distribution
- Facility closures in Texas and Oklahoma during the winter storm
- Represented 32% of segment revenue
- Negative operating margins in the mid-single digits



Balance Sheet, Capital Expenditures, and Liquidity

Strong Liquidity and Free Cash Flow Position

As of March 31, 2021

Total
Debt

\$1.35B

Cash and
Cash Equivalents

\$52M

Available
Liquidity

\$776M

- First quarter results:
 - \$103 million of net cash provided by operating activities
 - \$14 million of capital expenditures
 - \$120 million in debt repaid
 - \$117 million tax refund received
- 2021 capital expenditures expected to be \$125 to \$145 million, a reduction of ~10% year-on-year
- 2021 tax rate expected to be ~25%

Free cash flow* generation of \$230 to \$310 million expected in 2021

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



Marine Transportation – FY 2021 Outlook

Barge markets starting to turn favorable with material improvement expected in H2-2021

▪ Inland

- Expect an improved inland barge market going forward
- Barge utilization into the high-80% to low-90% range in the second half of 2021
- Second quarter revenues and operating income expected to sequentially improve with more meaningful improvement in H2 2021
- Increased maintenance, horsepower, and labor expected in the second quarter as operations ramp-up
- FY 2021 revenues and operating margins to be down year-on-year driven by lower average barge utilization, reduced contract pricing, and the impact from the winter storm

▪ Coastal

- Second quarter revenues and operating margin expected to be similar to the first quarter
- Expect market conditions will begin to improve in the second half of 2021



Distribution & Services – FY 2021 Outlook

Meaningful year-on-year improvement in revenue and operating income

- **Commercial and industrial**

- On-highway and power generation to benefit from improving economy
- Increased Thermo King product sales expected
- Expected to represent ~70% of segment revenue in FY 2021

- **Oil and gas**

- Favorable oil prices expected to drive continued improvement in U.S. frac activity
- Anticipate increased demand for new transmissions, parts, and service, as well as improved remanufacturing activity
- Expected to represent ~30% of segment revenue in FY 2021

- ESG focus expected to increase demand for Kirby's environmentally friendly oilfield and industrial equipment
- Expect second quarter sequential revenue growth with operating margins in the low to mid-single digits
- FY 2021 segment revenues expected to materially increase year-on-year with operating margins in the low to mid-single digits



