

4Q 2023

Earnings Conference Call
February 1, 2024



Disclosures

Forward Looking Statements

Statements contained in this conference call with respect to the future are forward-looking statements. These statements reflect management's reasonable judgment with respect to future events. Forward-looking statements involve risks and uncertainties. Actual results could differ materially from those anticipated as a result of various factors, including adverse economic conditions, industry competition and other competitive factors, adverse weather conditions such as high water, low water, tropical storms, hurricanes, tsunamis, fog and ice, tornados, COVID-19 or other pandemics, marine accidents, lock delays, fuel costs, interest rates, construction of new equipment by competitors, government and environmental laws and regulations, and the timing, magnitude and number of acquisitions made by the Company. Forward-looking statements are based on currently available information and Kirby assumes no obligation to update any such statements. A list of additional risk factors can be found in Kirby's annual report on Form 10-K for the year ended December 31, 2022.

Non-GAAP Financial Measures

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



4Q 2023 Overview

Financial Summary

| \$ millions except earnings (loss) per share | 4Q 2023 | 4Q 2022 | Variance | % | 3Q 2023 | Variance | % |
|-------------------------------------------------|----------|----------|----------|-----|----------|----------|-----|
| Revenues | \$ 799.2 | \$ 730.2 | \$ 69.0 | 9% | \$ 764.8 | \$ 34.4 | 4% |
| Operating income | 92.8 | 57.7 | 35.1 | 61% | 93.5 | (0.7) | -1% |
| Net earnings attributable to Kirby | 61.9 | 37.3 | 24.6 | 66% | 63.0 | (1.1) | -2% |
| Earnings per share | 1.04 | 0.62 | 0.42 | 68% | 1.05 | (0.01) | -1% |
| Excluding one-time items: | | | | | | | |
| Operating income ¹ | 92.8 | 61.9 | 30.9 | 50% | 93.5 | (0.7) | -1% |
| Net earnings attributable to Kirby ¹ | 61.9 | 40.3 | 21.6 | 54% | 63.0 | (1.1) | -2% |
| Earnings per share ¹ | 1.04 | 0.67 | 0.37 | 55% | 1.05 | (0.01) | -1% |

- Both segments continued to perform well despite facing some temporary challenges
- Strong demand and steady pricing improvements in marine transportation but results were impacted by a sequential increase in delays days
- Stable business levels in distribution and services with operating margins impacted by lower rental activity and seasonal slowness
- Continued to repurchase stock with \$52 million of repurchases

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 2022 Q4 operating income, net earnings attributable to Kirby, and earnings per share exclude \$4.2 million before-tax, \$3.0 million after-tax, or \$0.05 per share, of one-time charges associated with severance, and costs associated with strategic review



FY 2023 Overview

Financial Summary

| (\$ millions except earnings per share) | 2023 | 2022 | Variance | % |
|---------------------------------------------------|------------|------------|----------|-----|
| Revenues | \$ 3,091.6 | \$ 2,784.8 | \$ 306.8 | 11% |
| Operating income | 335.1 | 192.9 | 142.2 | 74% |
| Net earnings attributable to Kirby | 222.9 | 122.3 | 100.6 | 82% |
| Earnings per share | 3.72 | 2.03 | 1.69 | 83% |
| Excluding one-time items: | | | | |
| Operating income ^{1,2} | 338.1 | 198.6 | 139.5 | 70% |
| Net earnings attributable to Kirby ^{1,2} | 223.1 | 126.6 | 96.5 | 76% |
| Earnings per share ^{1,2} | 3.72 | 2.10 | 1.62 | 77% |

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 2023 operating income, net earnings attributable to Kirby, and earnings per share exclude the following items:

- \$3.0 million before tax, \$2.4 million after-tax, or \$0.04 per share of one-time charges associated with strategic review and shareholder engagement activities
- Offset by \$2.7 million before tax, \$2.2 million after tax, or \$0.04 per share of one-time income associated with interest on IRS refund

2 2022 operating income, net earnings attributable to Kirby, and earnings per share exclude \$5.7 million before-tax, \$4.3 million after-tax, or \$0.07 per share, of one-time charges associated with severance, early retirement, and costs associated with strategic review



Marine Transportation – 4Q Overview

Favorable market conditions with strong demand and limited availability of barges, but impacted by temporary challenges

Inland

- Continued pricing improvements
 - Spot market rates increased sequentially and year-over-year
 - Term contracts renewed up high single digits year-over-year
- Unfavorable navigational conditions, 86% increase in delay days sequentially
- Barge utilization in low 90% range
- 4Q operating margins in the high-teens

Coastal

- Strong market conditions
- Barge utilization in the low to mid-90% range
- Planned shipyards contributed to year-over-year revenue decline
- Low single digit operating margins



Distribution & Services – 4Q Overview

Solid demand with steady levels of service and repair work combined with strong backlog

Oil and Gas

- Execution on manufacturing backlog partially offset by lower conventional oil and gas work
- Continue to receive new orders of environmentally-friendly pressure pumping equipment and power generation equipment. Backlog remained at high levels.
- Favorable pricing and better product mix offset delayed equipment deliveries

Commercial and Industrial

- Steady demand across the commercial and industrial market
- Sequential and year-over-year growth in marine repair, power generation and on-highway
- Sequential decline in margins on lower rental activity and seasonality



Marine Transportation

4Q 2023 Financial Summary

| \$ millions | 4Q 2023 | 4Q 2022 | Variance | % | 3Q 2023 | Variance | % |
|------------------|----------|----------|----------|-----|----------|----------|----|
| Revenue | \$ 452.6 | \$ 422.7 | \$ 29.9 | 7% | \$ 429.9 | \$ 22.7 | 5% |
| Operating income | 68.2 | 46.7 | 21.5 | 46% | 63.5 | 4.7 | 7% |
| Operating margin | 15.1% | 11.1% | 4.0% | | 14.8% | 0.3% | |

| | Inland | | Coastal | |
|---------------|---------|-------|---------|-------|
| | Y/Y % | Q/Q % | Y/Y % | Q/Q % |
| Term increase | 7%-9% | | 20%-22% | |
| Spot increase | 15%-18% | 2-5% | 34%-36% | 5-8% |

■ Inland

- Contributed 82% of marine transportation revenues with average barge utilization in the low 90% range
- Term contracts represented ~60% of revenue with ~62% attributed to time charters
- Operating margin in the high teens

■ Coastal

- Contributed 18% of marine transportation revenues with average barge utilization in the low to mid-90% range
- Term contracts represented ~95% of revenue with ~94% attributed to time charters
- Operating margin in the low single digits as improved pricing was partially offset by increased shipyard days

Barge Construction and Retirements

4Q 2023 Update and FY 2024 Outlook

| Inland <small>(barrels in millions)</small> | 4Q 2023 | | FY 2023 | |
|------------------------------------------------|---------|---------|---------|---------|
| | Barges | Barrels | Barges | Barrels |
| Beginning of period | 1,071 | 23.6 | 1,037 | 23.1 |
| Additions: | | | | |
| Reactivations/new builds/acquisitions | 5 | 0.1 | 39 | 0.6 |
| Reductions: | | | | |
| Retirements | - | - | - | - |
| End of period | 1,076 | 23.7 | 1,076 | 23.7 |

| Coastal <small>(barrels in millions)</small> | 4Q 2023 | | FY 2023 | |
|-------------------------------------------------|---------|---------|---------|---------|
| | Barges | Barrels | Barges | Barrels |
| Beginning of period | 28 | 2.9 | 29 | 3.0 |
| Reductions: | | | | |
| Retirements | - | - | (1) | (0.1) |
| End of period | 28 | 2.9 | 28 | 2.9 |

Distribution & Services

4Q 2023 Financial Summary

| \$ millions | 4Q 2023 | 4Q 2022 | Variance | % | 3Q 2023 | Variance | % |
|------------------|----------|----------|----------|-----|----------|----------|------|
| Revenue | \$ 346.6 | \$ 307.4 | \$ 39.2 | 13% | \$ 334.9 | \$ 11.7 | 3% |
| Operating income | 28.7 | 17.1 | 11.6 | 68% | 33.2 | (4.5) | -14% |
| Operating margin | 8.3% | 5.5% | 2.8% | | 9.9% | -1.6% | |

Commercial and Industrial

- Revenues up 24% year-over-year and 5% sequentially due to improved demand for equipment, parts and service in marine repair, and on-highway
- Represented 64% of segment revenue
- Operating margin in the mid to high-single digits

Oil and Gas

- Revenues declined 3% year-over-year and increased 2% sequentially due to supply chain bottlenecks, especially in the manufacturing business
- Despite supply chain issues, the manufacturing business experienced continued favorable trends in new orders and backlog driven by e-frac units and associated power generation equipment which was offset by lower conventional oil and gas work
- Represented 36% of segment revenue
- Operating margin in the low double digits



Balance Sheet, Capital Expenditures, and Liquidity

As of December 31, 2023

Total
Debt

\$1.02B

Cash and
Cash Equivalents

\$33M

Available
Liquidity

\$491M

4Q 2023 Results

- Net cash provided by operating activities: \$216 million
- Capital expenditures: \$127 million
- Repurchased 673,279 shares at an average price of \$77.08 for \$52 million
- Debt balances decreased by \$51 million

2024 Guidance

- 2024 net cash flow provided by operating activities: \$600 million to \$700 million
- 2024 capital expenditures: \$290 to \$330 million

Free cash flow* generation of ~\$300 million expected in 2024

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



Marine Transportation – 2024 Outlook

Strong market conditions despite temporary headwinds

■ Inland

- Favorable market conditions driven by steady refinery and petrochemical plant utilization, minimal new barge construction, and a heavy year for industry maintenance
- Further pricing improvements in spot market rates
- Term contracts are expected to continue to reset higher
- First quarter revenues and margins impacted by normal seasonal conditions
- Full year revenue growth in mid to high single digit range
- Operating margins averaging around 20% for the full year with the first quarter being the lowest

■ Coastal

- Steady customer demand
- Barge utilization expected to be low to mid-90% range
- Full year revenues are expected to be up high single to low double digits year-over-year
- Operating margins are expected to be in the mid to high single digit range on a full year basis



Distribution & Services – 2024 Outlook

Steady demand in commercial and industrial with mixed oilfield fundamentals

- **Commercial and industrial**

- Steady growth in on-highway, power generation, and marine repair markets
- Full year revenue growth in the high single to low double-digit range
- Operating margins in the mid to high-single digits

- **Oil and gas**

- Near term volatility in oil prices and U.S. rig activity
- Steady demand in OEM products with continued growth in parts and service
- Execution on manufacturing backlog offset by lower conventional oil and gas work
- Supply chain issues and long lead times are expected continue to contribute to volatility

- **Segment Outlook**

- Full year revenues expected to be flat to slightly down year-over-year
- Operating margins expected to be in the mid to high-single digits



