
UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 8-K

CURRENT REPORT

**PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934**

Date of report (Date of earliest event reported): February 4, 2018

Kirby Corporation

(Exact name of registrant as specified in its charter)

Nevada

*(State or other jurisdiction of
incorporation or organization)*

1-7615

(Commission File Number)

74-1884980

*(I.R.S. Employer
Identification No.)*

**55 Waugh Drive, Suite 1000
Houston, Texas**

(Address of principal executive offices)

77007

(Zip Code)

Registrant's telephone number, including area code:

(713) 435-1000

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 or Rule 12b-2 of the Securities Exchange Act of 1934

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 1.01. Entry into a Material Definitive Agreement.

On February 4, 2018, Kirby Corporation entered into a Securities Purchase Agreement (the "Agreement") with the owners of Higman Marine, Inc. and affiliated companies ("Higman"), pursuant to which Kirby has agreed to purchase Higman for approximately \$419 million in cash, subject to post-closing adjustments. Higman operates a fleet of tank barges transporting petrochemicals, refined petroleum products, crude oil, natural gas condensate and black oil on the Mississippi River System and the Gulf Intracoastal Waterway for large midstream and global integrated oil companies. The Higman fleet consists of 159 inland tank barges with 4.8 million barrels of capacity and 75 inland towboats. The purchase will be financed through borrowings.

The Agreement contains customary representations, warranties, covenants and conditions and Kirby and the sellers have agreed to indemnify each other, subject to certain limitations, for breaches of the Agreement.

Item 7.01. Regulation FD Disclosure.

On February 4, 2018, Kirby issued a press release announcing the Agreement described in Item 1.01 and on February 5, 2018, held a conference call to discuss the acquisition. A copy of the press release and a slide presentation used during the conference call are furnished with this report as Exhibit 99.1 and Exhibit 99.2.

Item 9.01. Financial Statements and Exhibits

(d) Exhibits.

99.1 Press release of Kirby Corporation dated February 4, 2018.

99.2 Slide presentation for February 5, 2018 conference call.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

KIRBY CORPORATION
(Registrant)

By: _____ /s/ David W. Grzebinski
David W. Grzebinski
President
and Chief Executive Officer

Dated: February 7, 2018

EXHIBIT INDEX

**Exhibit
Number**

Description of Exhibit

- | | |
|----------------------|--|
| 99.1 | — Press release of Kirby Corporation dated February 4, 2018. |
| 99.2 | — Slide presentation for February 5, 2018 conference call. |
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KIRBY CORPORATION

Contact: Eric Holcomb
713-435-1545**FOR IMMEDIATE RELEASE****KIRBY CORPORATION SIGNS AGREEMENT TO PURCHASE
HIGMAN MARINE, INC.**

Houston, Texas (February 4, 2018) – Kirby Corporation ("Kirby") (NYSE: KEX) today announced the signing of a definitive agreement to acquire Higman Marine, Inc. and its affiliated companies ("Higman"), for approximately \$419 million in cash, subject to certain closing adjustments. The purchase will be financed through additional borrowings.

Higman's marine transportation fleet consists of 159 inland tank barges with 4.8 million barrels of capacity, and 75 inland towboats. Higman's fleet moves petrochemicals, refined petroleum products, crude oil, natural gas condensate, and black oil on the Mississippi River System and Gulf Intracoastal Waterway for large midstream and global integrated oil companies. The closing of the acquisition is expected to occur in the first quarter and is subject to customary closing conditions.

David Grzebinski, Kirby's President and Chief Executive Officer, commented, "The acquisition of Higman and its young fleet of well-maintained inland tank barges and towboats is an excellent fit with Kirby's operations. Higman's inland fleet of 30,000 barrel tank barges, approximately 80% of which are clean and 20% heated black oil vessels, has an average age of seven years, and is one of the younger fleets in the industry. With an average age of seven years, the addition of Higman's towboats to Kirby's horsepower profile will allow us to avoid significant future capital outlays for new towboats."

Mr. Grzebinski continued, "Depending on the purchase price allocations, we expect this acquisition will be earnings neutral in 2018 as it will take time to align Higman's tank barge utilization rates with Kirby's, and industry pricing has not yet improved from historically low levels. Additionally, while debt levels will increase in the near term, Kirby's financial policies remain unchanged, and we expect to rapidly deleverage post-acquisition, which is consistent with our history."

Mr. Grzebinski concluded, "Overall, as the inland market begins its recovery, the timing of the Higman acquisition is ideal as it will further upgrade our fleet and ultimately allow Kirby to emerge from the downturn larger, more efficient, and better able to serve our customers. As the cycle improves, and we realize the benefits of integration efficiencies and synergies, this acquisition will improve the earnings potential for Kirby in the future."

Kirby has scheduled a conference call for 7:30 a.m. Central time tomorrow, February 5, 2018, to discuss the acquisition. The conference call number is 866-271-8025 for domestic callers and 724-987-5618 for international callers. The conference ID for the conference call is 4783438. An audio playback will be available at 10:30 a.m. Central time on Monday, February 5, 2018 through 11:00 p.m. Central time on Monday, February 12, 2018, by dialing 855-859-2056 for domestic and 404-537-3406 for international callers. The conference ID for the replay is 4783438.

A presentation with more information on the Higman acquisition will be made available on the Investor Relations page on Kirby's website at www.kirbycorp.com/investor-relations/ prior to the start of the conference call.

Kirby Corporation, based in Houston, Texas, is the nation's largest domestic tank barge operator transporting bulk liquid products throughout the Mississippi River System, on the Gulf Intracoastal Waterway, coastwise along all three United States coasts, and in Alaska and Hawaii. Kirby transports petrochemicals, black oil, refined petroleum products and agricultural chemicals by tank barge. In addition, Kirby participates in the transportation of dry-bulk commodities in United States coastwise trade. Through the distribution and services segment, Kirby provides after-market service and parts for engines, transmissions, reduction gears, and related equipment used in oilfield services, marine, power generation, on-highway, and other industrial applications. Kirby also rents equipment including generators, forklifts, pumps, and compressors for use in a variety of industrial markets, and manufactures and remanufactures oilfield service equipment, including pressure pumping units, for land-based oilfield service customers.

Statements contained in this press release 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. 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, 2016, and the subsequent quarterly report on Form 10-Q for the quarterly period ended September 30, 2017.

February 5, 2018



Kirby Corporation Acquisition of Higman Marine, Inc.

Conference Call Reference Materials

Forward-Looking Statements and Non-GAAP Financial Measures

Statements contained in this document 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. 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, 2016 filed with the Securities and Exchange Commission, and the subsequent quarterly report on Form 10-Q for the quarterly period ended September 30, 2017.

This presentation includes the EBITDA, a financial measure that does not conform to generally accepted accounting principles (GAAP). The Company defines EBITDA as net earnings attributable to the Company before interest expense, taxes on income, depreciation and amortization, and impairment of long-lived assets. EBITDA should be considered in addition to, rather than as substitutes for, the comparable GAAP financial measures.



Acquisition Overview

Purchase Price

- **\$419 million in total consideration**
- 6.5x - 7.5x multiple of 5-yr prior EBITDA average with synergies

Value Created

- EPS neutral over first-twelve-months
- Accretive in 2019 as inland barge market improves
- Anticipated cost synergies of \$10-12 million over one year

Financing

- All cash purchase
- To be financed through additional borrowings

Timing

- Signed purchase and sale agreement on February 4, 2018
- Closing expected in the first quarter



Acquisition Rationale

- Increased scale in core inland marine business
- Expands business and relationships with existing customers
- New capacity and flexibility to better serve customers
- Young, high-quality and well-maintained fleet
- Ability to retain high-quality Higman personnel
- Attractive time in cycle to acquire assets
- Opportunities for cost synergies
- Accretive to earnings as market recovers although first year will likely be neutral
- Immediate retirement of 15 inactive tank barges representing 450,000 barrels of capacity



Overview of Higman Marine, Inc.

Founded in 1917, Higman Marine is headquartered in Houston, Texas and is a leading provider of inland marine tank barge and logistics solutions

The company transports refined petroleum products, crude oil, condensates, black oil products, chemicals and petrochemicals

Fleet comprised of approximately 159 barges and 75 towboats, all of which are U.S. flagged

Size (Type)	Qty
30,000 Bbl Clean	126
30,000 Bbl Black Oil	31
Specialty Chem	2
Total	159

Average age of barge fleet is 7.3 years

Size (HP)	Qty
2,000	72
3,600	3
Total	75

Average age of towboat fleet is 8.0 years

Customer base includes a diverse, blue-chip set of companies

