Opening Remarks

Analyst Day 2018
David Grzebinski - President & CEO
Cautionary Statement

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 filing on Form 10-Q for the quarter ended March 31, 2018.
Kirby Overview

Marine Transportation

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

- 36 successful acquisitions
- 1,009 inland tank barges and 302 towboats
  - 27% market share (barges)
- 55 coastal tank barges and 53 tugboats
  - 25% market share (capacity)

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

Analyst Day 2018
The Kirby Difference

- Market leader and consolidator in both segments
  - Geographic scale
  - Breadth and efficiency
  - Full service offering
  - Experienced management teams

- Intense focus on operational excellence
  - Safety is our franchise
  - Certified training programs
  - Proven integration strategy
  - Customer relationships

- Return on invested capital at the core of our strategy
  - Strong balance sheet
  - Maximize cash flow through the cycle
  - Disciplined asset allocation
  - Counter cyclical investments

We are critical to our customers’ supply chains
Macro Environment a Tailwind to Kirby

KEY: MACRO TRENDS / Kirby advantages

- **GDP** experienced
- **OIL DEMAND** demonstrated
- **POPULATION**
- **best-in-class**
- **TIGHT OIL**
- **market leader**
- **PETROCHEMICALS**
- **REFINERIES**
- **broad network**
- **BASELOAD SUPPLIER**
- **valuable**
- **disciplined**
- **ETHANE**
- **focused**
- **EQUIPMENT**
- **efficient**
- **NGLs**
- **flawless execution**
- **DECLINE CURVES**
- **safety**
- **INDUSTRIAL**
- **dynamic**
- **EXPORTS**
- **sustainability**
- **CRACKERS**
- **reliable**
- **ENGINES**
- **critical**
- **NORTH AMERICA**
- **certified**
- **FRACTURING**
- **geographic scale**
- **RESOURCES**
- **integrated**
- **OIL SUPPLY**
- **innovative**
- **FRAC INTENSITY**
World Oil Supply and Demand

- Robust global oil demand growth predicted
  - GDP growth 2 to 4% annually globally
  - Petrochemical feedstock demand increasing
  - Technology could slow demand growth

- Global oil supply / demand imbalance beyond 2020 without new investment
  - Upstream spending down ~40% since 2014
  - Long-term projects underinvested
  - Conventional fields declining more than 3 mb/d
  - US shale expected to compensate for shortfall

Source: ExxonMobil
1 Excludes biofuels, includes estimated spare capacity
“Swing Producer” to “Baseload Supplier”

- US poised to become a major global supplier of world oil
  - US daily supply could grow up to 17 mb/d by 2023
  - Major operators focusing investments in North America
  - US contribution more than Brazil, Canada, Iraq, Iran, and Norway combined

- US shale production output growth in excess of 75%
  - Growth opportunity for Distribution & Services products and services
  - Significant investment in fracturing equipment will be required
  - Opportunity set expands for distribution business

- Significant growth in amount of liquids moving in the U.S.
  - Growth opportunity for Marine Transportation businesses

Source: IEA
Petrochemical Feedstock Demand is Rising

- Significant Petrochemical Build-out
  - Global feedstock demand for crackers grows 1.4 mb/d through 2023
  - ~40% of world feedstock growth requirements for crackers in the U.S.
  - ~80% of new petrochemical capacity is being added in Texas and Louisiana

GROWTH OPPORTUNITIES FOR MARINE TRANSPORTATION

Source: IEA, PLG Consulting
Shale Revolution Has Impacted Markets, Logistics and U.S. Economy

Source: PLG Consulting

MACRO IMPACTS TO-DATE INCLUDE
Dramatic reduction in crude imports, lower electricity costs, lower gasoline prices, increased refined products exports

THE WAVE CONTINUES
U.S. petrochemical expansion based on abundant, low cost energy and feedstocks is impacting other manufacturing industries

Source: PLG Consulting
Shale Gas Phased Impact to U.S. Industrial Renaissance

- Phase I – Industries using natural gas as primary feedstock have global cost competitiveness; new US factories built or in progress

- Phase II – Downstream products require significant processing facilities investment and lead time – in the middle of the first phase of the build-out

- Phase III – U.S. material cost advantage will enable traditional manufacturing to return to North America as about 65% of the cost of manufactured product is material cost and the U.S. has a very efficient workforce

OPPORTUNITIES FOR MARINE AND DISTRIBUTION & SERVICES

OPPORTUNITIES FOR MARINE

OPPORTUNITIES FOR DISTRIBUTION & SERVICES

Source: PLG Consulting
The Mega Trend

- Virtuous growth cycle to benefit Kirby