

2Q 2021

Earnings Conference Call

July 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.



2Q 2021 Overview

Financial Summary

\$ millions except earnings (loss) per share	2Q 2021	2Q 2020	Variance	%	1Q 2021	Variance	%
Revenues	\$ 559.6	\$ 541.2	\$ 18.4	3%	\$ 496.9	\$ 62.7	13%
Operating income	24.0	34.3	(10.3)	-30%	3.2	20.8	650%
Net earnings (loss) attributable to Kirby	10.2	25.0	(14.8)	-59%	(3.4)	13.6	400%
Earnings (loss) per share	0.17	0.42	(0.25)	-60%	(0.06)	0.23	383%



Marine Transportation – 2Q Overview

Overall Segment Results

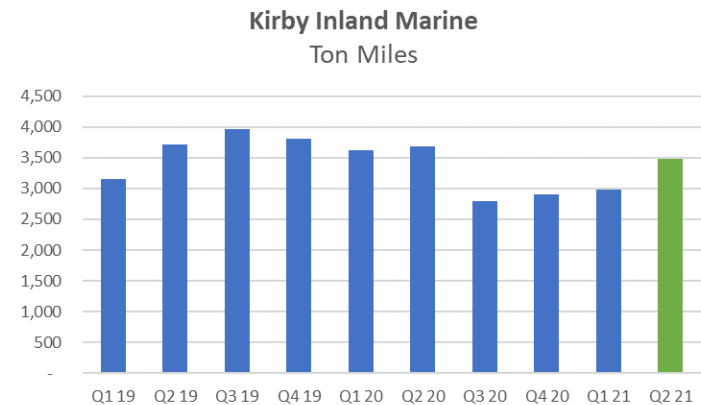
- Revenues increased 11% sequentially
- Operating margin improved to 5.6%

Inland

- Revenues increased 13% compared to 1Q 2021
- Barge utilization improved into the low to mid-80% range
- Quarter started slow in April, but activity increased in May
- Colonial Pipeline outage temporarily increased inland barge utilization to near 90%
- Ton miles increased 17% sequentially
- Spot market pricing improved approximately 10% sequentially
- Operating margins improved into the high single digits

Coastal

- Continued low demand for refined products and black oil transportation
- Barge utilization in the low to mid-70% range
- Spot and term pricing remained stable



Distribution & Services – 2Q Overview

Overall Segment Results

- Revenues increased 16% sequentially
- Operating margin improved to 2.7%

Oil and Gas (vs. 1Q 2021)

- Increased U.S. rig counts and frac activity
- Incremental orders and increased deliveries of new pressure pumping and frac based power generation equipment
- Improved sales of new transmissions, parts, and service

Commercial and Industrial (vs. 1Q 2021)

- Increased demand for parts and service in on-highway
- Increased product sales in Thermo-King
- Power generation activity lower due to timing of large commercial back-up power installations
- Marine repair major overhauls down modestly



Marine Transportation

2Q 2021 Financial Summary

\$ millions	2Q 2021	2Q 2020	Variance	%	1Q 2021	Variance	%
Revenue	\$ 332.9	\$ 381.0	\$ (48.1)	-13%	\$ 301.0	\$ 31.9	11%
Operating income	18.5	51.4	(32.9)	-64%	1.9	16.6	874%
Operating margin	5.6%	13.5%	-7.9%		0.6%	5.0%	

■ Inland

- Contributed 76% of marine transportation revenues with average barge utilization in the low to mid-80% range
- Term contracts represented ~65% of revenue with ~57% attributed to time charters
- Spot market rates increased ~10% sequentially, but remained down ~10% to 15% year-on-year
- A few term contracts renewed lower in the mid-to high single digits on average
- Operating margin in the high single digits impacted by increased costs to ramp-up operations for higher activity levels in 2H 2021

■ Coastal

- Contributed 24% of marine transportation revenues with average barge utilization in the low to 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

2Q 2021 Update and FY 2021 Outlook

Inland	2Q 2021		FY 2021	
(barrels in millions)	Barges	Barrels	Barges	Barrels
Beginning of period	1,057	23.7	1,066	24.1
Reductions:				
Retirements	(10)	(0.3)	(26)	(0.8)
Charters returned	(1)	-	(3)	(0.1)
End of period	1,046	23.4	1,037	23.2

Coastal	2Q 2021		FY 2021	
(barrels in millions)	Barges	Barrels	Barges	Barrels
Beginning of period	44	4.2	44	4.2
Reductions:				
Retirements	(1)	(0.2)	(1)	(0.2)
End of period	43	4.0	43	4.0

Distribution & Services

2Q 2021 Financial Summary

\$ millions	2Q 2021	2Q 2020	Variance	%	1Q 2021	Variance	%
Revenue	\$ 226.7	\$ 160.2	\$ 66.5	42%	\$ 195.9	\$ 30.8	16%
Operating income (loss)	6.2	(14.1)	20.3	144%	2.9	3.3	114%
Operating margin	2.7%	-8.8%	11.5%		1.5%	1.2%	

Commercial and industrial

- Improved sequential and year-on-year demand for equipment, parts, and service in on-highway
- Increased product sales in Thermo-King
- Power generation up year-on year, but sequentially down due to timing of back-up power equipment sales and installations
- Marine repair down modestly due to reduced major overhauls
- Represented 62% of segment revenue
- Operating margin in the mid-single digits

Oil and gas

- Increased manufacturing deliveries of new pressure pumping and frac based power generation equipment
- Increased demand for new transmissions, parts, and service in distribution
- Represented 38% of segment revenue
- Negative operating margins in the low-single digits



Balance Sheet, Capital Expenditures, and Liquidity

Strong Liquidity and Free Cash Flow Position

As of June 30, 2021

Total
Debt

\$1.28B

Cash and
Cash Equivalents

\$53M

Available
Liquidity

\$852M

- Second quarter results:
 - \$95 million of net cash provided by operating activities
 - \$24 million of capital expenditures
 - \$74 million in debt repaid
- 2021 capital expenditures expected to be \$125 to \$145 million, a reduction of ~10% year-on-year
- H2 2021 tax rate expected to be ~27%

Free cash flow* generation of \$250 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 expected to continue to improve in H2 2021

■ Inland

- Expect an improved inland barge market going forward provided increasing COVID-19 cases do not slow the pace of the economic recovery
- Barge utilization expected to increase into the high-80% to 90% range in the second half of 2021
- Third quarter revenues expected to sequentially improve with operating margins in the low double digits

■ Coastal

- Expect modest improvement in market conditions in the second half of 2021
- Barge utilization expected to improve to the mid-70% range
- Third and fourth quarter revenues expected to modestly improve compared to the second quarter with operating margins in the negative low to mid-single digits



Distribution & Services – FY 2021 Outlook

Continued improvement in revenue and operating income in the third quarter

▪ Commercial and industrial

- Increased on-highway activity and back-up commercial power generation equipment installations
- Summer seasonality benefits Thermo King and the power generation rental fleet during the third quarter
- Modest reductions in marine repair activity during the third and fourth quarters
- Expected to represent ~65% of segment revenue in FY 2021

▪ Oil and gas

- Favorable oil prices expected to drive continued improvement in U.S. rig and frac activity
- Increased demand for new engines and transmissions, parts, and service
- Increased remanufacturing of existing pressure pumping equipment
- Sustainability focus expected to increase demand for Kirby's environmentally friendly manufactured equipment
- Supply chain delays could defer some new equipment deliveries between quarters and into 2022
- Expected to represent ~35% of segment revenue in FY 2021

- FY 2021 segment revenues expected to increase 15% to 25% year-on-year with operating margins in the low to mid-single digits



