Marcon International, Inc.

Vessels and Barges for Sale or Charter Worldwide

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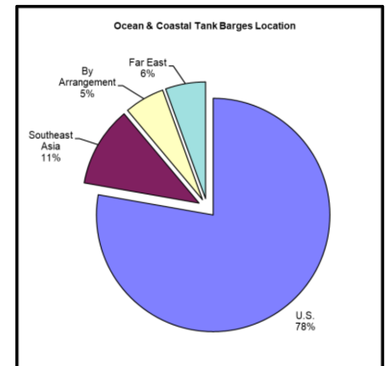
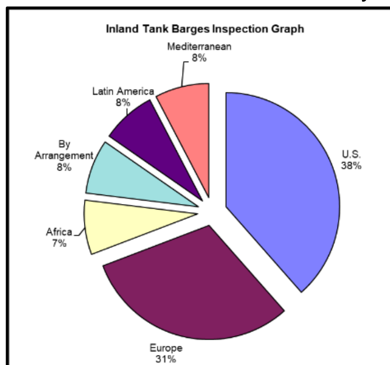
Tank Barge Market Report

Of the 3,755 barges and 13,335 vessels we currently track, 676 are tank barges with 13 inland and 18 ocean or coastal barges officially on the market for sale. The 13 inland tank barges were built between 1958 and 2016, with eight or 61.5% 25 years of age or over. The oldest inland tank barge listed today is a 64 year old, 15,000BBL tank barge, which was rebuilt in 2016 and trades in the Mediterranean. This old lady is counterbalanced by a U.S.-flagged 2016-built 11,070BBL capacity tank barge located the U.S. Midwest. One year ago, 19 inland barges were available with an average age of 29 years and five years ago, 34 inland barges were available with an average age of 26 years. The inland barges currently available for sale average 28 years old.

Of the 18 ocean/coastal barges, only two are less than 10 years old. Four or 22.2% of the ocean & coastal barges are at least 25 years old with the oldest one, a U.S. flagged, double-hull, 41,000BBL barge, built in 1955 and rebuilt in 1978. This is countered by a 2016 built foreign flagged 38,000BBL double hull barge. In May 2018, 44.10% of the 34 ocean and coastal barges listed for sale were 25 years of age or older. Today, 16 fewer ocean/coastal barges are officially available for sale compared to five years ago and three less than one year ago. Average age of all ocean/coastal barges for sale today is 23 years old (2000), compared to 21 years last year (2001) and 25 years five years ago (1993). The decline in average age suggests that while older barges have been disposed of, relatively younger units are coming onto the market for sale.

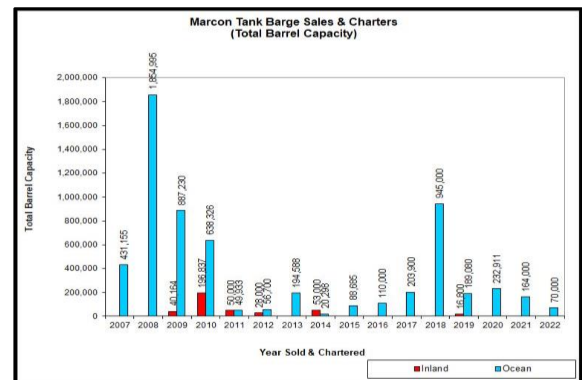


Five inland tank barges which Marcon had listed for sale on the report date are located in the U.S., followed by four in Europe and one each in Africa, Latin America, the Mediterranean and location unknown. Fourteen ocean / coastwise barges listed for sale are in the U.S., followed by two in Southeast Asia and one each in the Far East and with undisclosed location. Twenty-eight of the 31 tank barges listed for sale worldwide are double hull. Nineteen of these are U.S. flag of which one is 6 years old, 15 are 11 – 23 years old and five are 27 - 67 years of age. The nine foreign double-hull barges range from six years old in the Far East up to 64 years old in the Mediterranean.



Marcon's Recent Sales and Charters

To-date in 2023, Marcon has sold or chartered an 80,000bbl ocean tank barge, a 2,500 dwt ocean deck barge, three tugs totaling 21,600BHP, a 3,000HP push boat, two anchor handling tug supply vessels totaling 25,128BHP, a platform supply vessel and a passenger day vessel. Marcon closed 18 sales and one charter in 2022, comprised of three ocean deck barges, three inland deck barges, an ocean tank barge, a landing craft, five tugs totaling 11,085BHP, a fast supply utility vessel, a crew boat, two platform supply vessels and two anchor-handling tug supply vessels. Since 1981, Marcon International has closely followed the tug, barge and offshore petroleum markets with over 1,556 vessels and barges sold or chartered worldwide. Sales include 107 ocean tank barges totaling 8.722 million BBL capacity, 64 inland tank barge total 1.048 million BBL capacity, 386 tugs (1,269,372BHP), 255 ocean & inland ocean deck barges (1,198,701dwt), 127 hopper barges, four tankers (7,794dwt) and one 2,995dwt LNG/LPG carrier.



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Details believed correct, not guaranteed. Offered subject to prior sale of charter.

Marcon's Market Comments

The tank barge market remains strong, still in a recovery trend. The inland market is enjoying high utilization and rising rates for both spot and term contracts. Inland utilization in excess of 90 percent, coupled with continued low levels of new construction of barges, is driving rates higher and demand for chemicals and petroleum products remains strong. The coastal market is steady, but less vibrant with decent utilization and not much upside on rates. Marcon continues to have various ocean barges available for sale in the 80,000 BBL range, but very few inland barges for sale, except for older units. Further details and price guidance are available upon request. The overall maritime sector continues to recover evidenced by Marcon closing ten sales to date for 2023, bringing us to 1,556 sale and charter transactions successfully completed since 1981.

Highlighted Tank Barges & ATB Tugs Direct from Owners

Marcon currently has a total of 50 tankers and tank barges for sale worldwide of which 38 are double hull. 29 are non-U.S. and 21 U.S. flag. We also currently have six U.S. flag ATB tugs for sale.

File: TB80007 Double Hull Tank Barge - Ocean: 336.0' loa x 322.2' lbp x 74.0' beam x 25.0' depth. Built in 2008 by Bollinger Shipyards, Inc.; Amelia, LA. U.S. flag. GRT: 4,228. NRT: 4,228. Class: ABS +A1, Oil or Chemical Tank Barge, Unrestricted exp. October 28, 2023. Dwt: 11,794mt. Rakes: Ship bow. Bulkheads: 6 transv. Capacity: 80,000bbl. Tanks: 10. Pumps: 2 - BJ 12LS 16 GH 3-stage / DD Series 60. BW: 2 - BJ LS 16GH 1 stage. 6,000lb. Stockless anchors. Windlass: Coastal Marine. Crane: 2 - 1.1T Techcrane F10-50 hose. Winch: 2 Coastal Marine aft mooring, 2 fender hoist, 2 stern capstans. Gensets: 1 - 30kW / John Deere 4045DFM70B. Double hull barge for ATB operation. Notched stern with JAK 400K coupler. Raised trunk. Cargo gauging overfill protection. Stewart & Stevenson hydraulic drive & pump system. Vapor Recovery system. Yokohama fender slides port fore & aft. Emergency tow wire. Panama chocks. Dry docked, painted & all certificates freshly renewed late 2018, including second five year Special Survey, etc. ITC Tonnage: 5,813G / 3,914N. Compatible tug side of JAK system from former tug may be made available for installation on new tug. Owner will entertain offers. **U.S. Gulf Coast.**

File: TB80042 Double Hull Tank Barge - Ocean: 337.0' loa x 320.8' lbp x 74.0' beam x 25.0' depth x 4.00' light draft x 21.90' loaded draft. Built in 2006 by Senesco Marine Inc.; N. Kingston, RI. U.S. flag. GRT: 5,855. NRT: 3,938. Class: ABS +A1 Oil Barge, Exp. 27 Jun 2026, Next DD due 26 May 2024, USCG COI Exp. 3 Jun 2026. Dwt: 11,745T. Lt Displ: 1,922lt. Capacity: 84,000bbl. Tanks: 10. Uncoiled. Pumps: 2 - 12" Byron Jackson LS4 / John Deere L1276: Max 10,000 BBL/h. 5,000lbs anchors. Windlass: Hyd bow anchor. Crane: 2 -2T hose cranes. Gensets: 1 - 55kW / Northern Lights. Double hulled ocean tank barge. Average pumping rate 4,500bph each pump. About 82,663 BBL @ 95%. EMS radar gauging; EMS high level / overfill alarm; MMC closed tape gauging; 2 - 60T push / tow winches; 2 - hyd capstans. USCG COI Grade A and lower. 53.37 ST TPI. **U.S. West Coast.**

File: TB81833 Double Hull Tank Barge - Ocean: 332.0' loa x 316.4' lbp x 74.0' beam x 25.0' depth x 4.50' light draft x 22.10' loaded draft. Built in 2002 by Friede Goldman Halter; Moss Point, MS. U.S. flag. GRT: 5,790. NRT: 3,846. Class: ABS+A1, Oil Tank Barge Unrestricted. USCG COI Grade "A" and Lower. SS due Aug 2022. Dwt: 11,964lt. Lt Displ: 1,860lt. Rakes: Double. Bulkheads: 6 transv / 1 long'l. Capacity: 81,751bbl. Tanks: 10. Pumps: 2 - 4500bph, Byron Jackson LS-12, 4 Stage. 1 - 5,000lb anchors. Windlass: 1 - Hatlapa 100 hydraulic. Crane: 2 - EBI C-10-B (4,000lb). Gensets: 2 - CAT3406 (cargo pump); 1 - 45kW John Deere. Double hull, all welded steel construction. All tanks are coated. (National NC-600). 2" cargo stripping system. Bergen tank radar gauging system / high level and overfill alarm system. Raised trunk. TPI at Loadline = 57.58LT. **U.S. Northwest.**

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Shipyard & Barge News

Per the **U.S. Coast Guard Merchant Vessels of the U.S. database** as of 3 April 2023, three newly built tank barges and two tank ships were registered to date in 2023. This follows 24 tank barges and one tank ship built and registered in 2022, 92 tank barges in 2021, 204 tank barges in 2020 and 153 tank barges in 2019.

2023 Registrations of Tank Barges & Tank Ships with U.S. Coast Guard as of 3 April 2023					
Vessel Name	**USCG No**	**Vessel Service**	**Year Built**	**Shipyard**	**Owner**
MPX 431	1331542	Tank Barge	2023		CONRAD SHIPYARD LLC
MPX 432	1331543	Tank Barge	2023		CONRAD SHIPYARD LLC
LCP 9	1332680	Tank Barge	2023	Southwest Shipyard.L.P. Brady Island	LCP 9 LLC
MM002	1333728	Tank Ship	2023		LEASING MARINE LLC
MM001	1333756	Tank Ship	2023		LEASING MARINE LLC

Dutch inland shipping yard **Concordia Damen** was commissioned to build and equip an inland shipping tanker for **Quinto Scheepvaart B.V.** from Zwijndrecht. This also marks the switch, after 25 years, that family business Quinto makes from container shipping to tanker shipping. 'Quinto Scheepvaart' has opted for a tanker of the Parsifal type, a new generation of mineral (oil and light chemicals) tankers that Concordia Damen has developed itself and several of which are already operational. This type of tanker measures 110 x 11.45 meters and has a large carrying capacity at a very shallow draft (2,875mt at 3.25 meters). According to the shipyard, the efficient hull shape creates an optimal 'speed-power curve'. After all, the ship reaches a high speed with a relatively low power: more than 22km per hour with 2 x 500kW engines. The stern side installation will be split into two 'houses'; a house for the family and a house for the crew. In addition, the design is adapted on a number of points to the specific wishes of the owner. CCM3, part of the Concordia Damen Shipbuilding, was chosen for the installation and finishing of the vessel. Inland navigation entrepreneur Luit Nanninga of Quinto says: *"We had been planning to go into tanker shipping for some time. We came to Werkendam for repairs and were interested in the Parsifal tankers….What particularly appealed to us was that this type was designed in such a way that it combines low resistance and a shallow draft with a large cargo capacity. This makes the ship more efficient and the transport per ton also more environmentally friendly. Another advantage is that smaller propellers can be used, which is very useful when the river is low – something happening quote a lot these days. We quickly came to the conclusion that this barge was a good fit for us…."* Parsifal inland tankers are designed in such a way that the type of propulsion per ship can be adapted to the wishes of the customer: dieselelectric, diesel-direct or LNG-electric. That also happened here. The ship, with its home port of Zwijndrecht, near Rotterdam, will sail with Caterpillar engines and is Stage V compliant. The tanker is expected to be delivered within a year, in December 2023.

Algoma Central Corporation announced in December that it has acquired two 18,894 dwt product tankers to join the Algoma Product Tankers fleet. Built in 2007, the sister ships were purchased to prepare for the coming replacement of two older vessels in Algoma's Product Tanker fleet. Both vessels are well suited to Algoma's domestic tanker trades. *"The vessels are high quality additions to our Product Tanker fleet,"* said Gregg Ruhl, President and CEO of Algoma, *"and mark an important step in our on-going fleet renewal journey, which is expanding to include renewal within our tanker fleet. It is important that we acquire the right ships, at the right time to ensure they fit our market and our commitment to deliver safe and sustainable transportation solutions to our customers for the long-term,"* concluded Mr. Ruhl. The *"Algotitan"*, previously named the *"Chantaco"*, will operate on the Great Lakes, St. Lawrence Seaway and will be a strong addition to the fleet when the vessel begins domestic operations, expected in early 2023. The *"Algoberta"*, previously named the *"Chiberta"*, will begin her career with Algoma operating in Northwestern Europe and commercially managed by partner Furetank AB of Sweden. The vessel will trade in Europe until Algoma is ready to bring her into Canadian trade, expected later in 2023. The *"Algoberta's"* name is a nod to Algoma's largest customer in the segment which calls Calgary, Alberta home. In the third quarter of 2022, Algoma acquired a 2010 built Norwegian vessel named the *"Birgit Knutsen"*, which is a sister ship to the *"Algoterra"*. The vessel currently operates internationally under bareboat charter and has already proven to be a strong addition to the Product Tanker segment.

Company News

Martin Midstream Partners L.P. reported net loss of $5.1 million for the first quarter of 2023, which includes a $5.1 million impact from loss on extinguishment of debt. The Partnership had net income for the three months ended March 31, 2022 of $11.5 million. Revenues for the three months ended March 31, 2023 were $244.5 million compared to $279.2 million for the three months ended March 31, 2022. **Transportation** operating income for the three months ended March 31, 2023 and 2022 was $9.4 million and $7.0 million, respectively. Adjusted segment EBITDA for Transportation was $13.2 million and $10.5 million for the three months ended March 31, 2023 and 2022, respectively, reflecting continued robust demand for land transportation services coupled with improving marine fleet utilization and higher day rates.

Bob Bondurant, President and Chief Executive Officer of Martin Midstream GP LLC, the general partner of the Partnership, stated, *"I'm pleased with our first quarter as adjusted EBITDA of approximately $31 million, after giving effect to the exit of the butane optimization business, was in line with guidance, even as we experienced headwinds in the agriculture market that impacted our fertilizer and lubricants businesses. However, robust demand for our Transportation services, both marine and land, offset those challenges, speaking to the strength of our diversified business model. During the quarter we continued our focus on debt reduction resulting in both lower outstanding debt and a lower leverage ratio. Borrowings under our revolving credit facility were reduced $16 million resulting in total debt at March 31, 2023 of $500 million compared to $516 million at December 31, 2022. As we plan to exit the butane optimization business at the conclusion of the selling season during the second quarter, we anticipate additional butane liquidation proceeds of approximately $20 million which are earmarked for further debt reduction."*

Conrad Industries, Inc. announced its 2022 financial results and backlog at December 31, 2022. For 2022, Conrad had net loss of $17.4 million, compared to net income of $6.5 million for 2021. Net income for 2021 included the Paycheck Protection Program loan being forgiven and Conrad's qualification for the Employee Retention Credit in 2021. Our backlog as of December 31, 2022 was $244.1 million, compared to $148.5 million at December 31, 2021, and $183.7 million at December 31, 2020.

Johnny Conrad, Chairman and CEO stated, *"Our results for 2022 reflect a continued challenging operating environment, with losses primarily related to new construction gross losses from jobs on which actual costs varied from original estimates due to higher labor hours, higher labor costs, higher material costs and other inflationary cost increases. Many of these jobs were booked in mid-to-late 2020 and early 2021 and were completed or neared completion in 2022."*

Mr. Conrad continued, *"Although we face substantial uncertainties in our markets, we believe we are well-positioned to take advantage of opportunities as market fundamentals improve, due to our shipyard capacity, our investments in improving our shipyards' capabilities and efficiencies, and our experienced team. Bid activity in early 2023 has been strong, and there is increased government funding available for infrastructure and military projects. We have actively pursued government contracts in an effort to further diversify our new construction portfolio. We believe some delayed customer orders will move forward if steel prices stabilize or our customers' business opportunities or fleet replacement needs require the vessels. We remain optimistic about opportunities in our repair and conversions segment."*

Mr. Conrad concluded, *"We believe that our ability to provide products and services to a variety of customers and to respond to demand for new types of vessels is a competitive strength. The infrastructure, government, pressurized barge, offshore wind and other markets are presenting us with exciting opportunities. We are intently focused on executing our backlog effectively and on obtaining new projects that will benefit our stockholders, employees, customers, suppliers and our community."*

Details believed correct, not guaranteed. Offered subject to prior sale of charter.

Algoma Central Corporation reported its results for the year ended December 31, 2022. Algoma delivered strong fiscal 2022 results with revenues of CAD $677,942, a 13% increase compared to 2021. Algoma also reported a 46% increase in net earnings. *"We have been busy this year and our results are reflective of strong markets, steady demand and optimal utilization of our growing vessel portfolio,"* said Gregg Ruhl, President and CEO of Algoma. *"This year, our focused diversification efforts fueled our low carbon investments in fleet renewal, with the expansion of our product tanker fleet in Europe, replacement vessels within our Canadian fleet, and most recently, commitments for two new-build vessels in our ocean self-unloader fleet,"* continued Mr. Ruhl. *"Algoma is nearly fully booked for the 2023 navigation season and our fleets are ready to continue to safely and efficiently meet customer demand delivering cargo for industries that keep the economy moving in Canada and around the world."*

Domestic Dry-Bulk segment revenue increased 6% to CAD $360,139 compared to CAD $338,661, reflecting increased fuel cost recoveries and improved overall base freight rates. Despite lower volumes during the year, higher freight rates more than offset the decrease in tonnage. Operating earnings of CAD $65,373 include an impairment reversal of CAD $14,759. Excluding the impact of this reversal, operating earnings were CAD $50,614 compared to CAD $64,970 in 2021. The decrease was driven by higher costs associated with increased layup spending and increased direct costs, specifically crew, supply and repair expenses.

Revenue for **Product Tankers** increased 26% to CAD $118,686 compared to CAD $94,535. This was mainly driven by higher fuel cost recoveries and improved customer demand. Market demand is returning to pre-pandemic levels after significantly reduced demand in 2021. Operating earnings decreased 5% to CAD $13,109 compared to CAD $13,738 driven by higher operating costs.

The **Ocean Self-Unloader** segment revenue increased 24% to CAD $193,730 compared to CAD $156,294 driven by higher freight rates, increased fuel cost recoveries and an increase in overall Pool volumes. Operating earnings increased 37% to CAD $40,442 compared to CAD $29,503 in 2021, driven primarily by improved freight rates and a modest increased in Pool volumes.

Outlook: Customer demand appears to be strong in the **Domestic Dry-Bulk** segment in 2023 and Algoma is preparing for the fleet to be fully utilized for the year. Higher grain volumes are anticipated, driven by the return of Western Canada grain crop size and the continued demand for Eastern Canada export grain capacity. In Algoma's **Product Tanker** segment, it expects customer demand to be steady through 2023, although energy markets remain volatile due to on-going hostilities in Europe. Vessel utilization is anticipated to be strong and it currently expects the newly acquired *"Algoberta"* to commence domestic operations late in the first quarter when seasonal demand picks up. In Algoma's international businesses, demand is expected to remain steady with tight vessel supply at the Pool level in Algoma's **Ocean Self-Unloader** segment. Aggregate volumes are expected to continue to be impacted by the closure of a quarry in Mexico and there is some weakness expected to remain in the US residential market but overall construction sector demand remains strong as infrastructure projects are picking up. Five vessels in the Algoma fleet will be dry docked in 2023.

Genesis Energy, L.P. reported its results for fourth quarter of 2022. Net Income Attributable to Genesis Energy, L.P. of $42.0 million for the fourth quarter of 2022 compared to Net Loss Attributable to Genesis Energy, L.P. of $68.3 million for the same period in 2021. In addition to both on and offshore pipelines & refinery services, Genesis operates 82 *"brown water"* barges and 33 inland river pushboats with a total capacity of abt. 2.3m BBL. Offshore marine *"blue water"* operations include nine boats and nine coastwise barges (abt. 0.9m BBL capacity), plus the 330,000BBL capacity ocean-going tanker *"American Phoenix"*.

Details believed correct, not guaranteed. Offered subject to prior sale of charter.

Grant Sims, CEO of Genesis Energy, said, *"We are once again very pleased with the financial performance of our market leading businesses for the fourth quarter….As we look forward to 2023, the fundamentals and macro conditions across our largest businesses continue to be as positive as we have ever seen them in our careers, and we believe this backdrop provides the foundation for us to continue to improve our balance sheet, generate increasing amounts of free cash flow from operations and deliver value for everyone in our capital structure in the coming years. We continue to see a significant amount of activity in the Gulf of Mexico, including new in-field development wells and new sub-sea tiebacks to existing deepwater production facilities for which we are the exclusive provider of midstream services. Additionally, we will benefit from a full year of volumes from both King's Quay and Spruance, both of which continue to perform ahead of producer expectations, along with new volumes from Argos, which is currently expected to start up in the middle of the year….Our* ***marine transportation segment*** *also continues to see at or near 100% utilization across all our asset classes, and we are seeing spot day rates and longer term contracted rates approaching levels not seen since 2014 and 2015."*

"Our ***offshore pipeline transportation segment*** *performed in-line with our expectations despite experiencing more than expected producer downtime and maintenance at multiple major production facilities connected to our systems which negatively impacted our financial results by approximately $10 million for the quarter. More importantly all of these facilities have since returned to normal operations and we would expect a more normalized level of activity in our offshore segment during the first quarter….Our* ***marine transportation segment*** *exceeded our expectations as market supply and demand fundamentals continue to remain very strong. During the fourth quarter, we saw tremendously high utilization rates, at or near 100% of available capacity, for all classes of our vessels as demand for Jones Act tanker tonnage remained extremely robust, driven in large part by the significant reduction in marine vessel construction over the last three years and the necessary retirement of older tonnage. This lack of new supply of marine tonnage, combined with strong refinery utilization rates and increasing demand to move intermediate products and refined products from one location to another, has driven spot day rates and longer term contracted rates in our brown water and blue water fleets to levels approaching those last seen in 2014 and 2015. Similarly, the American Phoenix started its twelve-month charter last month with an investment grade counterparty that will run into January 2024 at a day rate comparable to the original rates it commanded when we first purchased the vessel in 2014. Given the increased cost of steel and long-lead times to build new equipment, and regardless of any slowdown in the broader economy, we believe the supply and demand fundamentals for our marine transportation segment will remain strong for the foreseeable future and certainly over the next two to three years."*

Marine transportation Segment Margin for the 2022 Quarter increased $11.2 million, or 113%, from the 2021 Quarter. This increase is primarily attributable to higher utilization and day rates in Genesis' inland and offshore business during the 2022 Quarter. Genesis has continued to see an increase in demand and utilization of its vessels due to increased refinery utilization and the increased need for movements from the Gulf Coast to the East Coast for certain products. In addition, the *"M/T American Phoenix"* operated at a higher day rate during the 2022 Quarter relative to the 2021 Quarter and is currently under contract for all of 2023 with an investment grade customer at a day rate comparable to the original rates it commanded when Genesis first purchased the vessel in 2014.

Offshore pipeline transportation Segment Margin for the 2022 Quarter increased $7.9 million, or 11%, from the 2021 Quarter primarily as a result of first oil achievement during the second quarter of 2022 from the King's Quay floating production system ("FPS") and the Spruance development (which all volumes are fully dedicated to Genesis' 64% owned Poseidon pipeline), which both successfully ramped up to their expected capacities in the 2022 Quarter. The King's Quay FPS supports production from the Khaleesi, Mormont and Samurai field developments and is life-of-lease dedicated to Genesis' 100% owned crude oil and natural gas lateral pipelines and further downstream to its 64% owned Poseidon and CHOPS crude oil systems or its 25.67% owned Nautilus natural gas system for ultimate delivery to shore. During the 2022 Quarter, production volumes at King's Quay reached in excess of 100,000 barrels of oil equivalent per day. In addition to this, Genesis has contractual minimum volume commitments that began in 2022 associated with the Argos FPS (which supports the Mad Dog 2 development) that are included in its reported Segment Margin during the 2022 Quarter. Argos is anticipated to have first oil in the middle of 2023. These increases were partially offset by approximately $10 million as a result of certain unplanned producer downtime at numerous fields connected to Genesis' pipeline infrastructure in the 2022 Quarter, which returned to normal operations by the end of the year, and the effects to reported Segment Margin from its decrease in ownership of CHOPS, as it sold a 36% minority interest on November 17, 2021.

Arcosa, Inc announced that fourth quarter ended December 31, 2022 revenues increased 5% to $221.9 million primarily due to strong organic pricing across its businesses that offset overall volume declines as well as the addition of RAMCO, the Southern California recycled aggregates producer acquired in May 2022. Wet and extreme cold weather during the quarter impacted volumes along with a continued deceleration in new single-family residential construction activity. Inflationary cost pressures related to higher diesel, cement, and process fuels increased cost of revenues by approximately $8 million, or 5%. **Transportation Products** – Revenues were $72.5 million, down 4%. Barge revenues declined 24% driven by lower barge deliveries as historically high steel prices have impacted customer demand. Conversely, steel components revenues increased 36% due to higher deliveries resulting from improving market fundamentals in the North American railcar market. During the quarter, Arcosa received orders of approximately $134 million in its barge business, representing a book-to-bill of 3.5. These orders are primarily for hopper barges to be delivered in 2023 and substantially fill its planned production capacity for the year. Barge backlog at the end of the quarter was $225.1 million compared to $92.7 million at the end of the fourth quarter of 2021. Arcosa expects to deliver all of its current backlog in 2023.

Commenting on the 2023 outlook, Antonio Carrillo, President and Chief Executive Officer, noted, *"Looking ahead, we expect to continue our profitable growth trajectory in 2023. We anticipate positive catalysts from increased infrastructure spending across our businesses as we remain focused on our long-term vision to grow in attractive markets and reduce the complexity and cyclicality of our portfolio. In Construction Products, our strong pricing gains in 2022 will carry forward to 2023. We expect that increased funding for infrastructure projects and healthy demand for multi-family and non-residential construction to lessen the impact from the affordability-driven weakness in single-family housing starts. We are encouraged by the recent orders in our wind tower and barge businesses. In January 2023, we received additional wind tower orders of approximately $45 million, essentially filling our planned production for this year. From an earnings standpoint, we anticipate 2023 will be a transition year as the wind industry supply chain takes time to ramp up following the passage of the Inflation Reduction Act. We expect to continue to build our production backlog throughout the year for both our wind tower and barge businesses as well as ramp up our manufacturing capacity to prepare for the expected multi-year recovery in 2024 and beyond."*

Bollinger Shipyards on November 14, 2022, announced that it has completed its acquisition of **VT Halter Marine, Inc**. and **ST Engineering Halter Marine Offshore** (STEHMO). *"Today marks an important milestone for Bollinger and our 76-year history,"* said Ben Bordelon, CEO and President of Bollinger Shipyards. *"We're excited to offer our defense and commercial customers an expanded suite of high-quality capabilities, services and solutions. By combining our skilled workforces in Louisiana and Mississippi, I know that there's no better team in the shipbuilding industry to take on the largest, most complex projects."* The addition of the newly acquired yards in Pascagoula, Mississippi is strategic as it further strengthens Bollinger's position in the industry and U.S. defense industrial base by increasing capacity and footprint, improving efficiencies, enhancing economies of scale, and building a larger skilled workforce, including increased engineering capacity. It also brings expanded capabilities for future programs, including an ACAT I program. Notably, all ongoing programs at VT Halter Marine and STEHMO were conveyed with the transaction, including the Polar Security Cutter (PSC) program for the U.S. Coast Guard and the Auxiliary Personnel Lighter-Small (APL(S)) program for the U.S. Navy. Those programs will continue to be built at Bollinger Mississippi Shipbuilding. Bollinger Mississippi Repair offers a full suite of repair services to customers, including ship repair and conversion, dry docking, rig repair, fabrication, new construction and ancillary services. The Bollinger Mississippi team can execute projects from simple to the most complex. The acquisition includes 378 acres comprising two shipyards in Pascagoula and two dormant yards north of Pascagoula. The newly acquired yards have been renamed **Bollinger Mississippi Shipbuilding** and **Bollinger Mississippi Repair**. The Pascagoula facilities are strategically located with direct, deep-water access to the Gulf of Mexico and houses corporate office space, engineering, fabrication, warehousing and a foreign trade zone. The shipyard consists of 225,000ft2 of covered production area in the main fabrication assembly buildings. The facility is capable of producing Panamax-sized vessels up to 50,000 DWT and features an expanded 225.6m (740ft) tilt-beam launch system.

Kirby Corporation of Houston, Texas' reported net earnings attributable to Kirby for the fourth quarter ended December 31, 2022 of $37.3 million, compared with earnings of $11.0 million for the 2021 fourth quarter. Excluding one-time items in both quarters, net earnings attributable to Kirby were $40.3 million, compared with earnings of $16.7 million in the year ago period. Consolidated revenues for the 2022 fourth quarter were $730.2 million compared with $591.3 million in the 2021 fourth quarter.

David Grzebinski, Kirby's President and Chief Executive Officer, commented, *"Kirby's fourth quarter earnings showed significant growth year-over-year driven by improved fundamentals in both businesses. Looking forward into 2023, the outlook for marine transportation and distribution and services is very favorable, and we expect continued growth in earnings during the year. In* ***inland marine****, we experienced steady market conditions with barge utilization rates in the 90% range and pricing increases on term contract renewals in the low teens year-over-year. As anticipated, the efficiency of our operations declined in the fourth quarter due to low water conditions on the Mississippi River and the onset of winter weather conditions, which contributed to a 147% increase in delay days as compared to the third quarter. Despite these headwinds, inland marine showed continued improvement in margins with operating margin improving into the low teens."* Mr. Grzebinski continued, *"In our* ***coastal marine*** *business, overall market conditions remained steady during the fourth quarter with low to mid-90% utilization in barges and continued improvement in spot market and term contract pricing. These trends were partially offset by unfavorable weather conditions and planned maintenance leading to a slight sequential decrease in operating margins into the low single digits."*

Marine transportation revenues for the 2022 fourth quarter were $422.7 million compared with $350.6 million for the 2021 fourth quarter. Operating income for the 2022 fourth quarter was $46.7 million compared with $25.7 million for the 2021 fourth quarter. Segment operating margin for the 2022 fourth quarter was 11.1% compared with 7.3% for the 2021 fourth quarter. In the **inland market**, average 2022 fourth quarter barge utilization was in the 90% range compared to the mid to high 80% range in the 2021 fourth quarter. Operating conditions were unfavorable with increased weather and navigational delays contributing to a 33% increase in delay days year-over-year. During the quarter, average spot market rates increased in the low single digits sequentially and in the low to mid-20% range compared to the 2021 fourth quarter. Term contracts that renewed in the fourth quarter increased in the 10%-15% range on average compared to a year ago. Revenues in the inland market increased 24% compared to the 2021 fourth quarter primarily due higher barge utilization, pricing, and fuel rebills. Operating margins improved sequentially and year-over-year to the low teens. The inland market represented 80% of segment revenues in the fourth quarter of 2022. In **coastal**, market conditions improved modestly during the quarter, with Kirby's barge utilization remaining in the low to mid-90% range. Pricing in the spot market increased in the low to mid-single digits sequentially and term contract renewals increased low teens year-over-year. Revenues in the coastal market were 8% higher compared to the 2021 fourth quarter and represented 20% of segment revenues. The coastal business had a positive operating margin in the low-single digits during the quarter.

Commenting on the 2023 full year outlook, Mr. Grzebinski said, *"We exited 2022 with solid strength in our businesses. The marine market remains healthy and we expect favorable market conditions in 2023. Our barge utilization is strong in both inland and coastal, and rates are steadily increasing….Overall, we expect our businesses to deliver improved financial results in the coming quarters. While all of this is encouraging, we are mindful of economic challenges related to higher interest rates and a potential recession. Labor constraints and inflationary pressures appear to be moderating but continue to contribute to rising costs across our businesses…. In* ***inland marine****, the 2023 outlook anticipates favorable market conditions with continued growth in customer demand, steady volumes from refinery and petrochemical plants, and modest net new barge construction in the industry. These factors are expected to result in barge utilization rates in the low to mid-90% range throughout the year. Overall, inland revenues are expected to grow by low double digits on a full year basis. Barring further cost inflation and rising fuel costs, the Company expects operating margins to be in the mid-teens on average for the full year with improvement as the year progresses. In* ***coastal marine****, Kirby expects modestly improved customer demand through the balance of the year with barge utilization in the low to mid-90% range. Rates are expected to continue slowly improving, though meaningful gains remain challenged by underutilized barge capacity across the industry. Revenues and operating margins are expected to be impacted by an approximate doubling of planned shipyard maintenance days with ballast water treatment installations on certain vessels. For the full year, coastal revenues are expected to be flat compared to 2022. Coastal operating margins are expected to near break-even to low single digits on a full year basis."*

Details believed correct, not guaranteed. Offered subject to prior sale of charter.

The Greenbrier Companies, Inc., a leading international supplier of equipment and services to global freight transportation markets, reported financial results for its second fiscal quarter ended February 28, 2023. Net earnings attributable to Greenbrier for the quarter was $33 million on revenue of $1.1 billion. Results include $0.7 million, net of tax, of Gunderson exit related costs. *"Greenbrier's strong performance in the second quarter is the result of ongoing operational initiatives and robust syndication activity. Railcar orders remained stable throughout the quarter, comprised of a broad range of railcar types. Business improved across the company as revenue and margin increased sequentially in each operating segment,"* said Lorie L. Tekorius, CEO and President.

The Manufacturing segment primarily generates revenue from manufacturing a wide range of freight railcars and from the conversion of existing or in-service railcars through our facilities in North America and Europe. Greenbrier also manufactures a broad range of ocean-going and river barges for transporting merchandise between ports within the United States. Manufacturing revenue increased $412.9 million or 74.3% for the three months ended February 28, 2023 compared to the three months ended February 28, 2022. The increase in revenue was primarily attributed to a 63.6% increase in railcar deliveries. The increase was also due to the additional revenue associated with an increase in material and other input costs during the three months ended February 28, 2023, as many of Greenbrier's customer contracts include price escalation provisions when certain of its manufacturing costs increase. Manufacturing cost of revenue increased $366.2 million or 68.4% for the three months ended February 28, 2023 compared to the three months ended February 28, 2022. The increase in cost of revenue was primarily attributed to a 63.6% increase in the volume of railcar deliveries and higher costs associated with component outsourcing to support the volume and mix of production during the three months ended February 28, 2023. Manufacturing margin as a percentage of revenue increased 3.3% for the three months ended February 28, 2023 compared to the three months ended February 28, 2022. The increase in margin percentage for the three months ended February 28, 2023 was primarily attributed to operating at higher production levels. This was partially offset by increased costs associated with outsourcing to support the higher volume and mix of production. Manufacturing operating profit increased $44.8 million for the three months ended February 28, 2023 compared to the three months ended February 28, 2022. The increase in operating profit was primarily attributed to increased deliveries for the three months ended February 28, 2023 at improved margins.

Greenbrier's backlog remains strong with railcar deliveries and marine deliveries into calendar 2024. Its railcar backlog was 25,900 units with an estimated value of $3.1 billion as of February 28, 2023. Marine backlog as of February 28, 2023 was approximately $43 million.

Management identifies five trends impacting Greenbrier's business and its results for the six months ended February 28, 2023. Overall, demand in the marketplace remained strong. Inflation, rising interest rates, supply chain challenges, and rail service congestion persisted. Manufacturing was impacted by supply chain disruptions, negatively impacting gross margin in the first half of 2023. Notwithstanding these specific challenges and the concern of a general economic slowdown, management's optimism about the current fiscal year is sustained by the strong demand for Greenbrier's products and services.

On November 17, 2022, as part of Greenbrier's strategic review of the global business capacity footprint, it decided to permanently cease rail production at its Gunderson facility during 2023 and to explore alternatives to exit marine barge production in the first part of calendar 2024. Due to the change in future use of the facility, management assessed recoverability of Gunderson assets in accordance with Greenbrier's policy on impairment of long-lived assets. Based on an analysis of future undiscounted cash flows associated with these assets, management determined that the carrying value was not recoverable. The carrying amount of Greenbrier's long-lived assets at the Gunderson facility was $44.0 million and the fair value was $19.8 million as of the impairment date. The fair value was primarily determined based on estimated market prices of the assets and represented a Level 3 valuation in the fair value hierarchy. In the first quarter of fiscal 2023, Greenbrier concluded that an impairment charge was necessary and $24.2 million was recorded in the Manufacturing segment as Impairment of long-lived assets within the Condensed Consolidated Statements of Income. Although it is possible that costs and charges related to the cessation of production at the facility, such as exit costs and termination benefits may be incurred in future periods, the amount of any such costs and charges is not estimable at this time and Greenbrier does not yet know if the amount of any such costs and charges will be material.

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Overseas Shipholding Group, Inc. (OSG) a provider of energy transportation services for crude oil and petroleum products in the U.S. Flag markets, reported results for fourth quarter and full year 2022. Shipping revenues for 2022 were $466.8 million, an increase of $107.7 million compared to 2021. Shipping revenues for the fourth quarter of 2022 were $121.8 million, an increase of $26.3 million compared to the fourth quarter of 2021. 2022 net income was $26.6 million compared to a net loss of $46.3 million in 2021. Net income for the fourth quarter of 2022 was $10.1 million compared to a net loss of $3.7 million for the fourth quarter of 2021. Time charter equivalent (TCE) revenues, a non-GAAP measure, for the fourth quarter of 2022 were $114.1 million, an increase of $34.1 million, or 42.6%, from $80.0 million in the fourth quarter of 2021. Full year TCE revenues for 2022 were $426.3 million, a $133.7 million increase from 2021. In October 2022, OSG completed the share repurchase program initiated in June 2022. Subsequently, in November 2022, OSG repurchased five million shares of OSG's common stock from Cyrus Capital, a major stockholder. Total available cash of $29.0 million was used for 10 million of shares repurchased. In December 2022, OSG redelivered three conventional Jones Act tankers leased from American Shipping Company. In addition, in December 2022, OSG exercised its option to extend the terms of six chartered-in vessels for an additional three years, with terms now ending in December 2026.

Sam Norton, President and CEO, offered the following comments on the quarterly and full year results announced: *“Operational and financial performance during the final quarter of 2022 exceeded our expectations and allowed OSG to deliver full year results for both time charter equivalent earnings and adjusted EBITDA well above the guidance provided in early November. Strong contributions during the quarter from our lightering and non-Jones Act assets were instrumental in achieving this performance. We are particularly gratified by the full year adjusted EBITDA figure, which at $142.8 million reflected an over 200% improvement over 2021 adjusted EBITDA; this while completing a heavy drydock schedule during the year and returning three MR tankers upon expiry of their leases in early December. Year-end cash balances, including investments in treasury securities, came in squarely within the guidance range provided in November at $93.5 million.”*

Mr. Norton added, *“Improving market conditions have resulted in OSG achieving more stability in its financial profile and greater visibility of forward cashflows to an extent not seen for many years. All Jones Act assets are fixed under time charters or contracts of affreightment for the balance of 2023, and nearly 80% of 2024 available days are also fully covered at attractive rates. The business environment for OSG has shifted away from the defensive posture that has characterized much of the past three years. We can now look forward to evaluating real opportunities to extend and expand the cash generating capabilities of our unique franchise while continuing to consider means to utilize surplus cashflow to reduce leverage and drive improving share price performance.”*

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