

SEPTEMBER 2019

ANALYST & INVESTOR TOUR

MDU RESOURCES GROUP, INC. | Building a Strong America®

MDU LISTED NYSE

FORWARD-LOOKING STATEMENTS

During the course of this presentation, we will make certain "forward-looking statements" within the meaning of Section 21E of the Securities Exchange Act of 1934. Although the company believes that its expectations and beliefs are based on reasonable assumptions, actual results may differ materially.

For a discussion of factors that may cause actual results to differ, refer to Item 1A – Risk Factors in the company's most recent Form 10-K and Form 10-Q.

MDU Resources is Building a Strong America®

With integrity, create superior shareholder value by expanding upon our expertise to be the supplier of choice in all of our markets while being a safe and great place to work.

Company founded in 1924



Headquartered in Bismarck, ND

Conducting business in 44 states

14,396
employees

COMPANY OVERVIEW

A strong infrastructure is the heart of the American economy. It is the natural gas and electricity that power business, industry and our daily lives. It is the pipes and wires that connect our homes, factories, offices and stores to bring them to life. It is the transportation network of roads, highways and airports that keeps our economy moving. **Infrastructure is our business, and we are Building a Strong America®.**



KNIFE RIVER CORPORATION
AN MDU RESOURCES COMPANY

WBI ENERGY®
An MDU Resources Group company

MDU Construction Services Group, Inc.
An MDU Resources Company

LEADERSHIP TEAM

A. Dave Goodin
President & CEO

B. Jason Vollmer
Vice President, CFO & Treasurer

C. Nicole Kivisto
MDU EC
President & CEO

D. Trevor Hastings
WBI Energy
President & CEO

E. Dave Barney
Knife River
President & CEO

F. Jeff Thiede
MDU Construction
Services Group
President & CEO







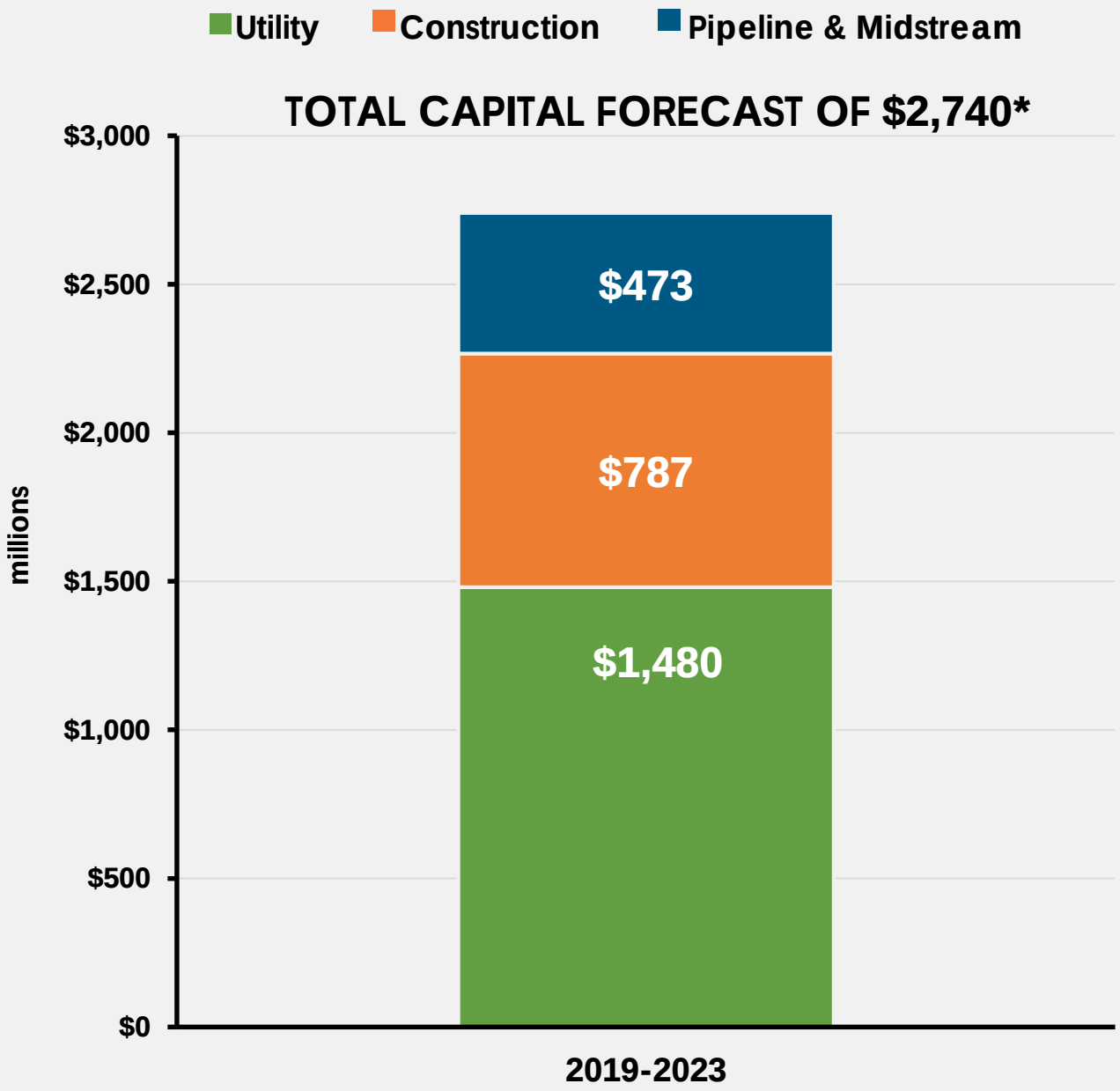






2019-23 CAPITAL PROGRAM

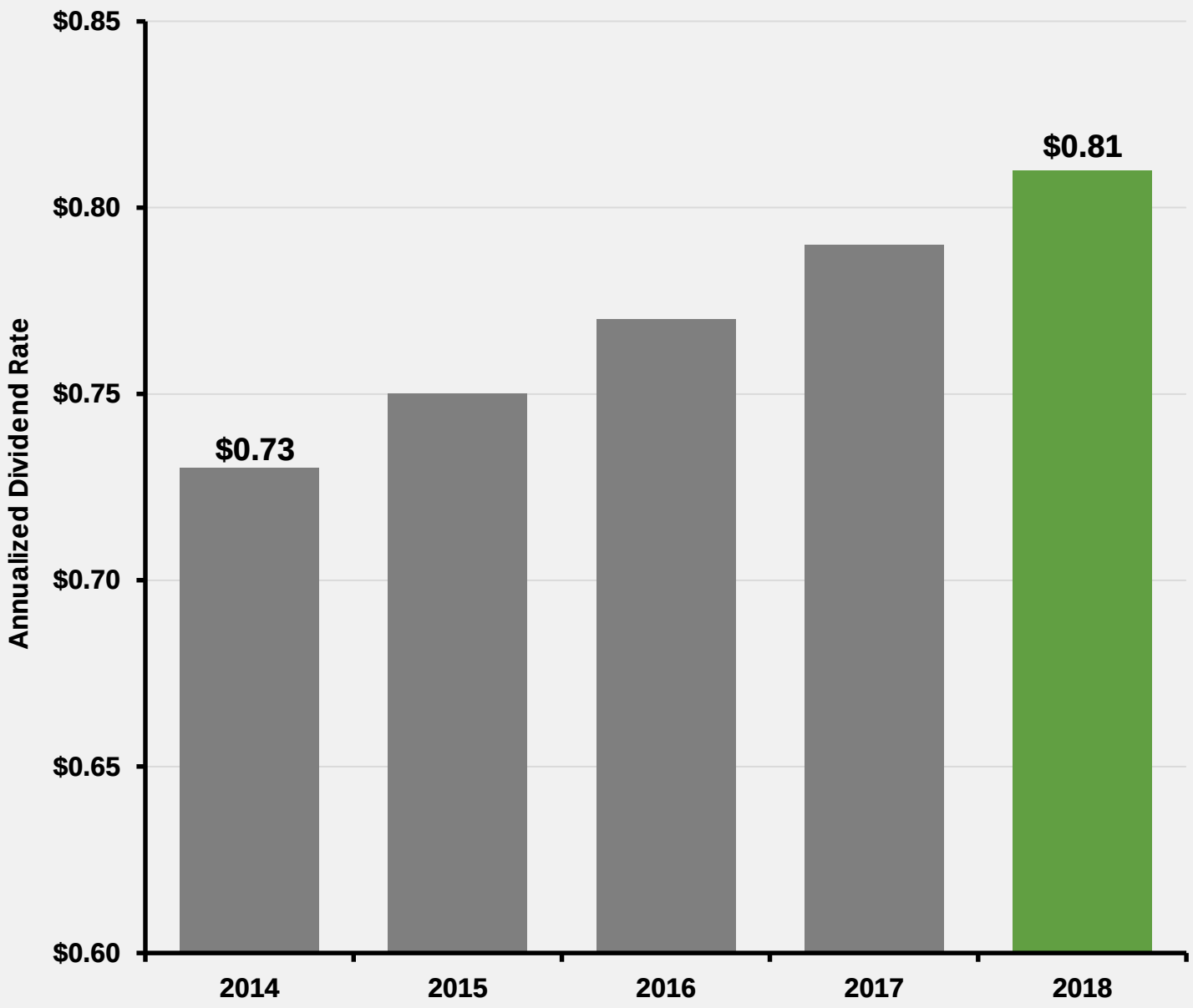
- Electric and natural gas utility
  - System infrastructure upgrades and replacements
  - Natural gas combustion turbine
- Pipeline and midstream
  - Demicks Lake project
  - Line Section 22 expansion
  - Demicks Lake expansion
  - North Bakken expansion
- Construction materials and services
  - Equipment and plant replacements and upgrades
  - Includes acquisitions completed in 2019
- Focused on line-of-sight opportunities at our business units with potential acquisitions being incremental to our capital program



* Excludes "Other" category as well as assumed net proceeds from the sale or disposition of property

DIVIDEND GROWTH

- 81 consecutive years of quarterly dividend payments
- Dividend increased November 2018, making 28 consecutive years of increases
- 2018 annualized dividend $0.81 per share
- Member of S&P High-Yield Dividend Aristocrats index



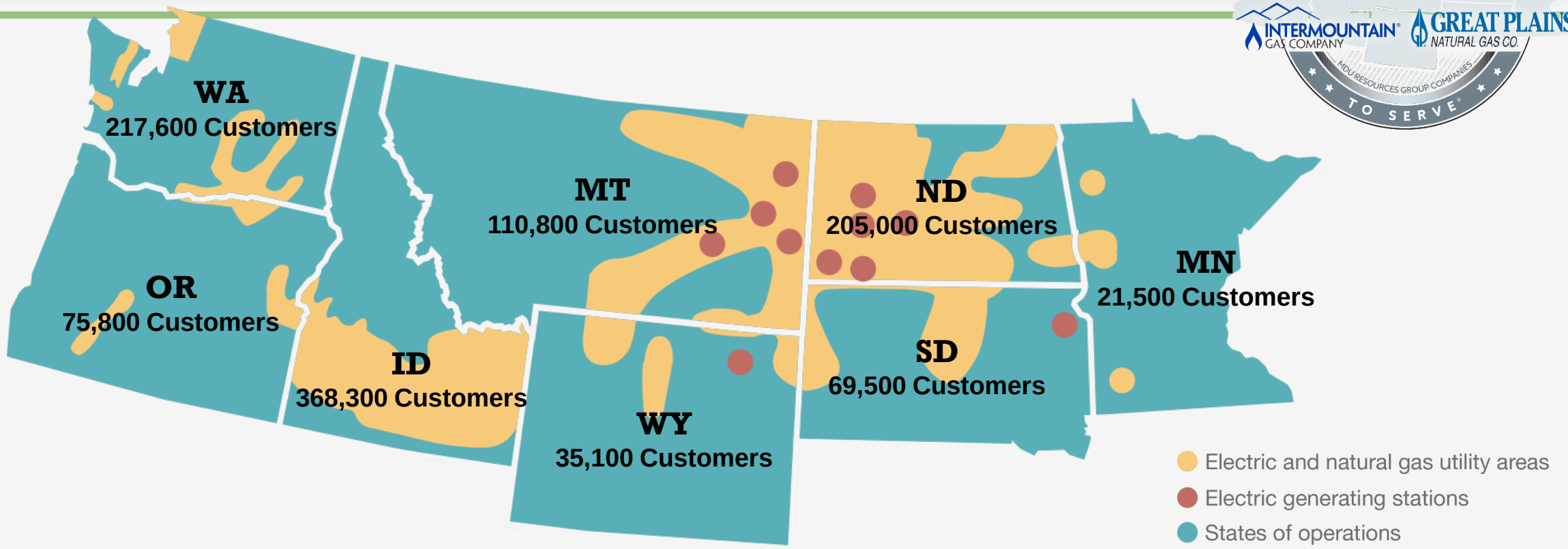
INVESTOR RELATIONS | SEPTEMBER 2019

UTILITY ELECTRIC & NATURAL GAS





ELECTRIC AND NATURAL GAS



- 1,103,600 electric and natural gas customers in 459 communities

Electric

- 143,400 customers
- 800 MW of owned generation

Natural Gas

- 960,200 customers

STRATEGY

- Grow the business by investing in the safety and reliability of our existing system
- Focus on organic growth first while managing operating costs
- Look to expand into areas where similar operating and growth objectives exist
- Pillars to success
  - Integrity, safety, employees, customers and shareholders



Overview

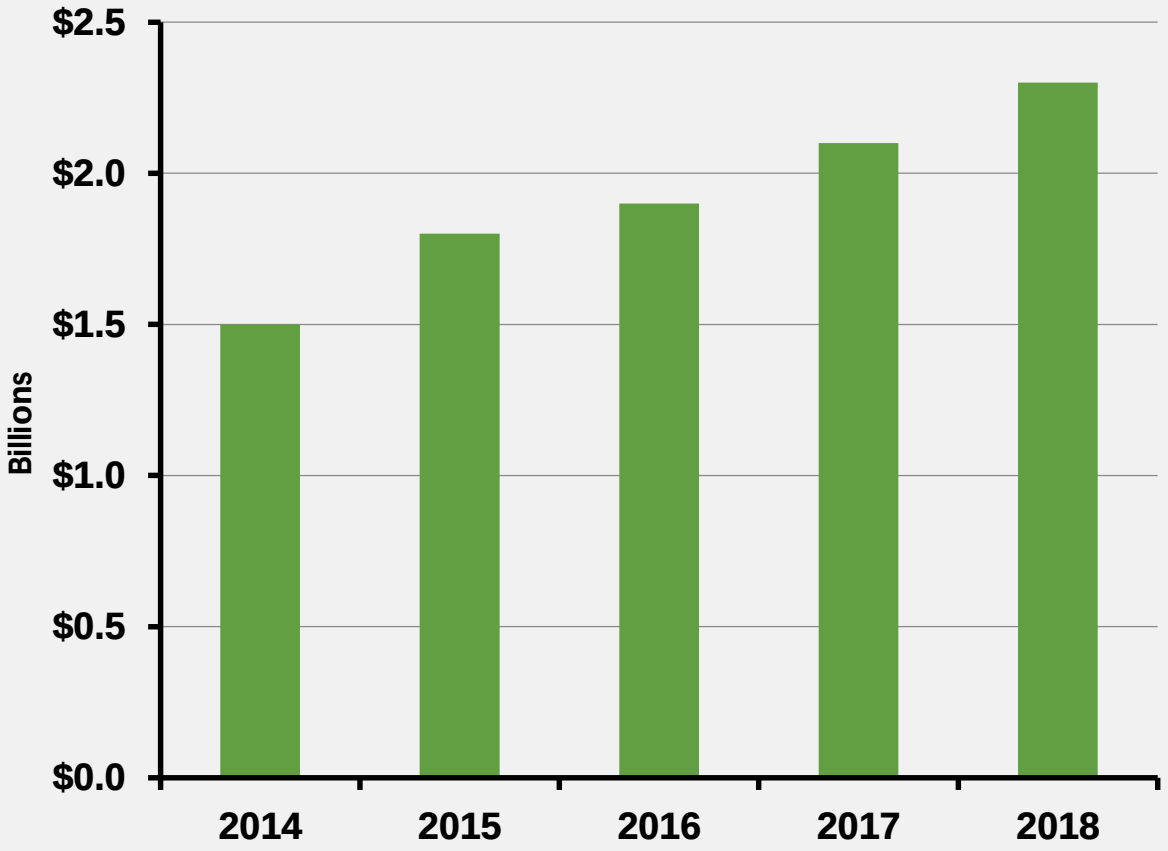
- Expect to grow rate base 5% compounded annually over next five years
- Expect customer growth of 1 to 2% per year
- Continued work on retirement of two aging coal-fired generation facilities
- Additional regulatory activity



RATE BASE GROWTH

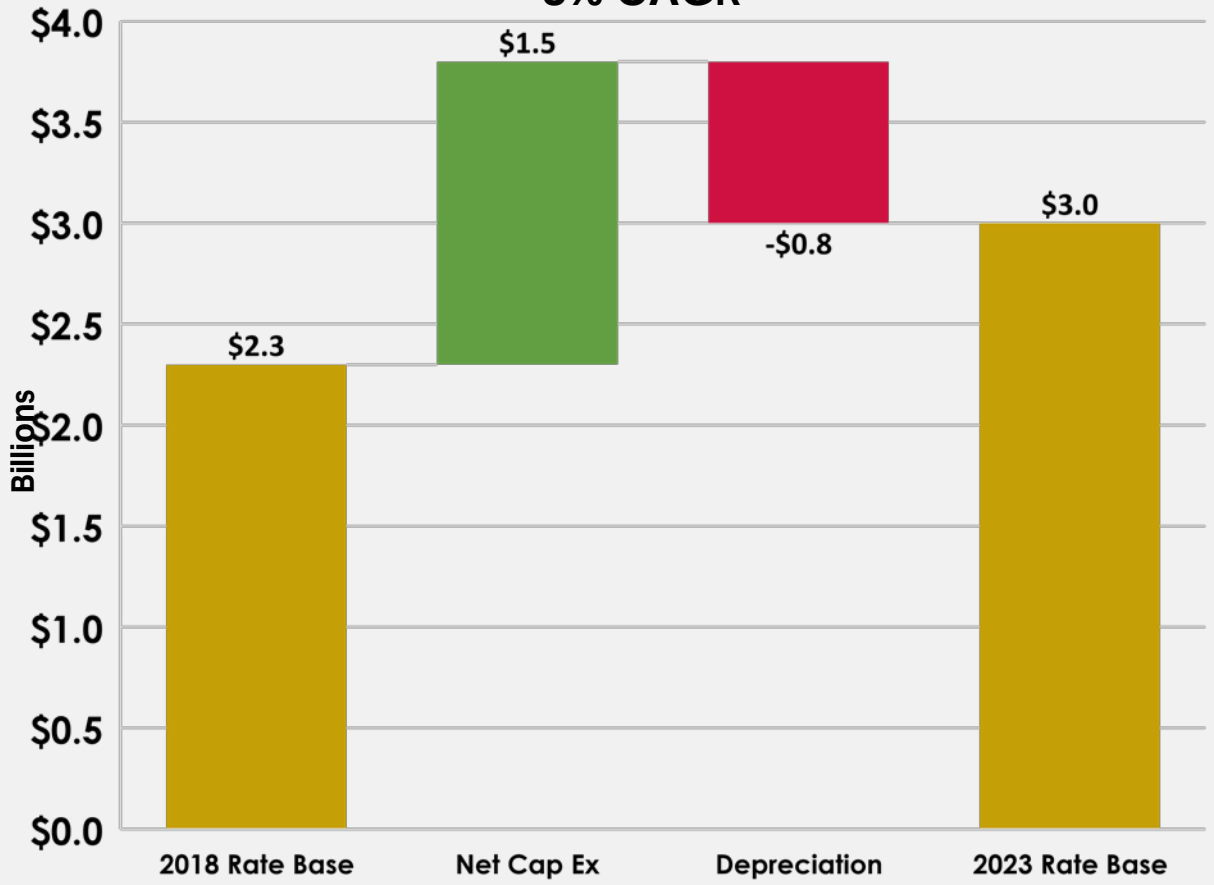
HISTORICAL

12% CAGR



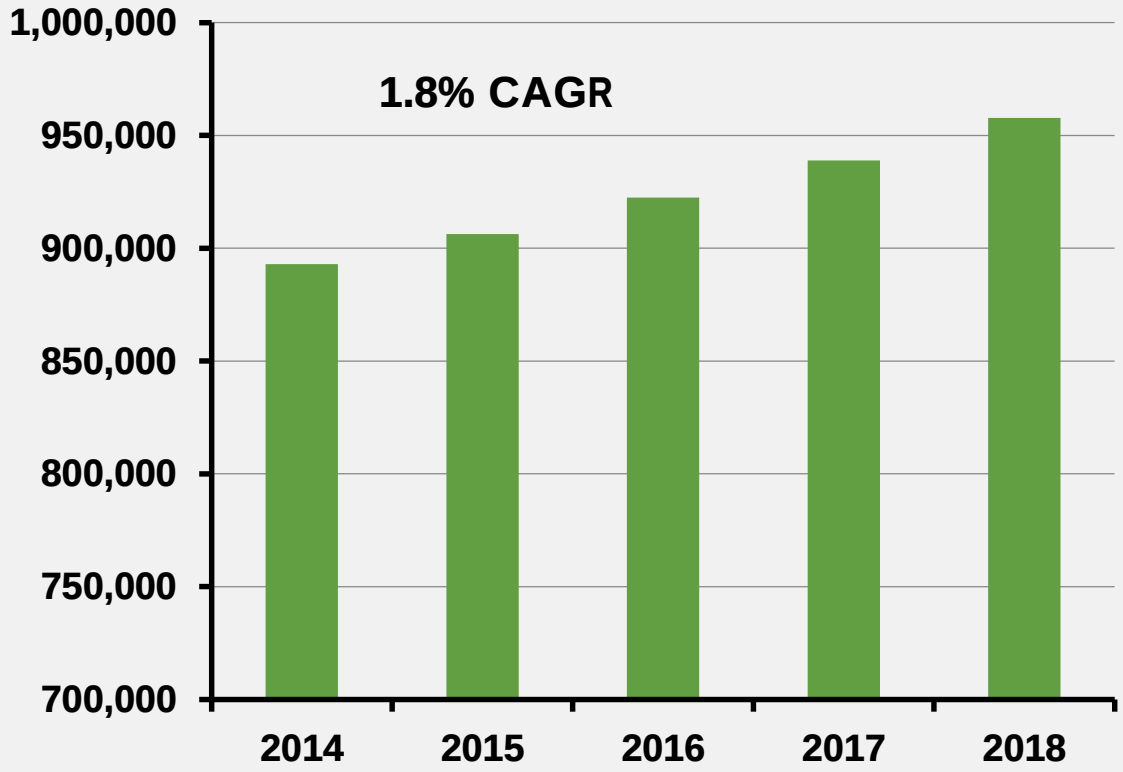
PROJECTED

5% CAGR



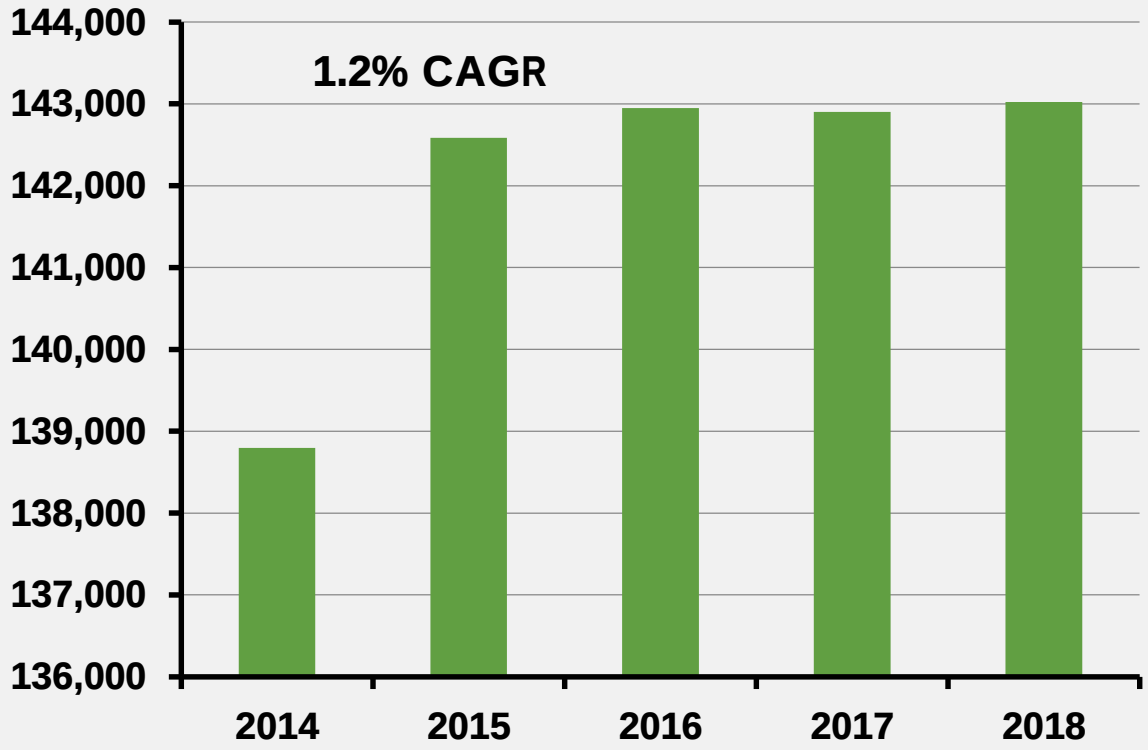
CUSTOMER GROWTH

NATURAL GAS



National Average - 0.7% CAGR

ELECTRIC



National Average - 0.9% CAGR

ELECTRIC GENERATION

- Announced in February plans to retire aging coal-fired units
  - Lewis & Clark Station around the end of March 2021
  - Heskett Station Units 1 & 2 around the end of March 2022
- Construct simple cycle natural gas combustion turbine
  - 88 megawatts; located adjacent to similar turbine at Heskett site
  - Advance determination of prudence filed Aug. 28 with ND PSC
  - Estimated cost $73 million; expected to be online first quarter 2023

REGULATORY UPDATE

- Pending cases
  - WA natural gas: settlement reached
  - WY natural gas: requested $1 million; filed May 24
  - WA pipeline replacement: requested $1.6 million under annual cost recovery mechanism; filed May 31
  - OR natural gas: requested pipeline replacement cost recovery mechanism; filed June 14
  - ND electric transmission cost adjustment rate: requested $1.5 million; filed July 19
  - Filed update to MISO transmission formula rate: $13.3 million
  - ND advance determination of prudence for combustion turbine: filed Aug. 28

REGULATORY UPDATE

- 2019 potential filings
  - Requests for accounting deferral orders related to the coal unit retirements: ND, SD, MT
  - Minnesota general rate case to be filed in late September

OUTLOOK

- Providing safe & reliable service is at the core of what we do
- Historic and future organic growth opportunities
  - –Capital expenditures - $1.5 billion over next five years – 5% CAGR
- Customer growth rates of 1-2%
- Strong regulatory relationships
- Geographic diversity
- Focused on regulatory recovery
- Retirement of two aging coal-fired plants; construct 88-MW simple cycle natural gas combustion turbine





QUESTIONS





INVESTOR RELATIONS | SEPTEMBER 2019

PIPELINE & MIDSTREAM





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MDU LISTED NYSE

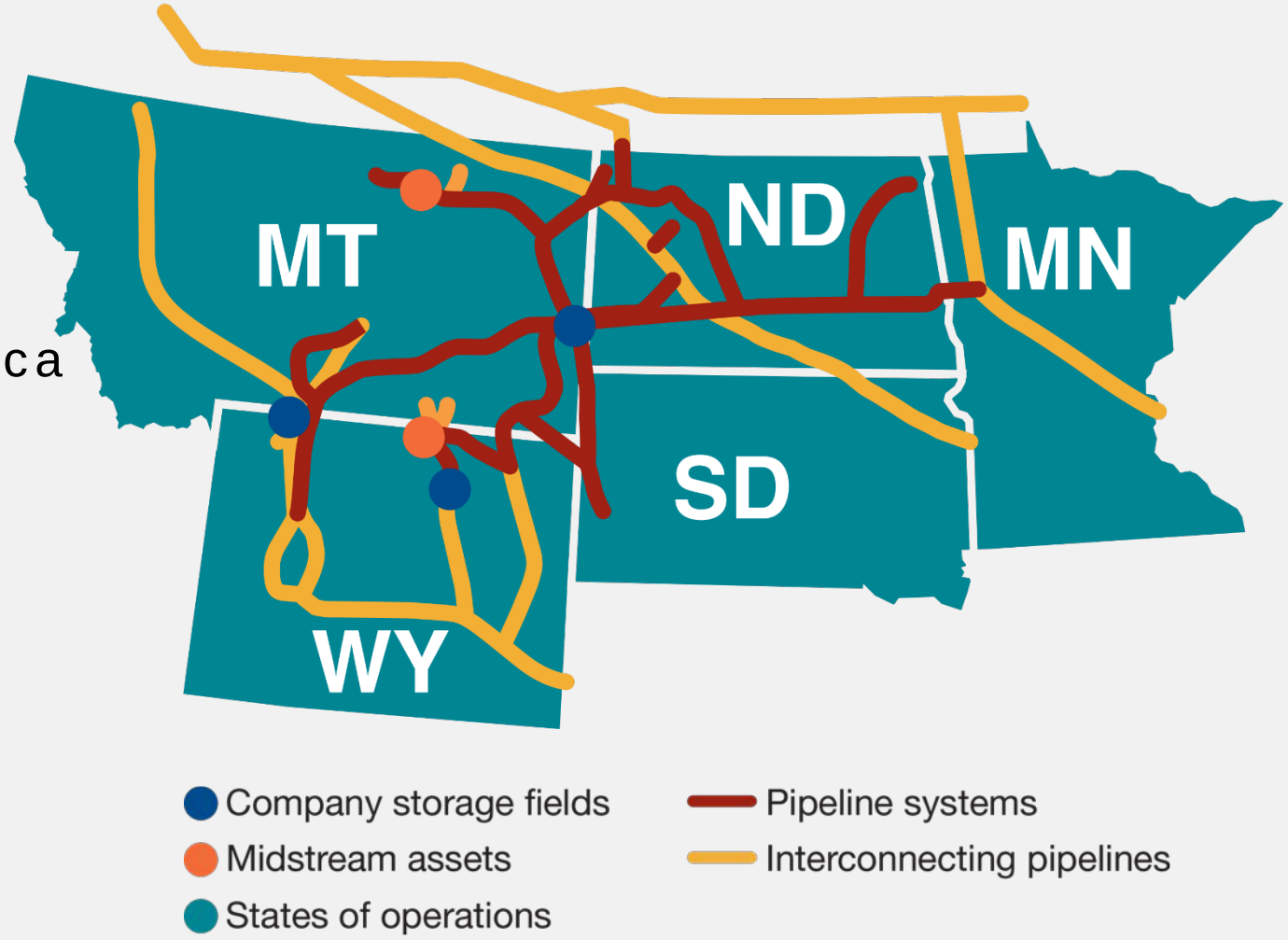
STRATEGY STATEMENT

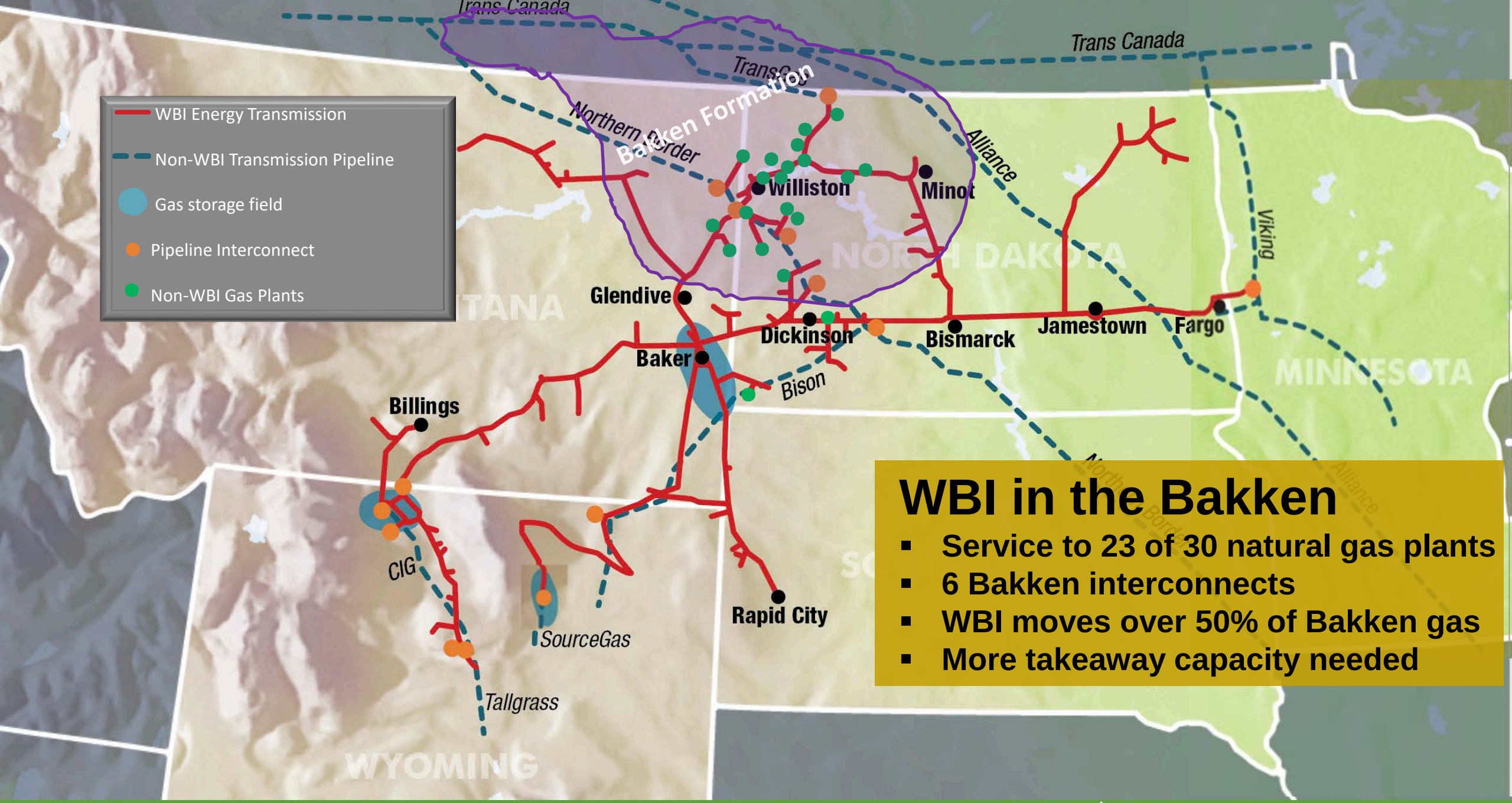
Building upon our core strengths and expertise, WBI Energy will become a leader in the Mid-Continent and Rocky Mountain regions in meeting North America's energy needs



WBI ENERGY ASSETS AND OPERATIONS

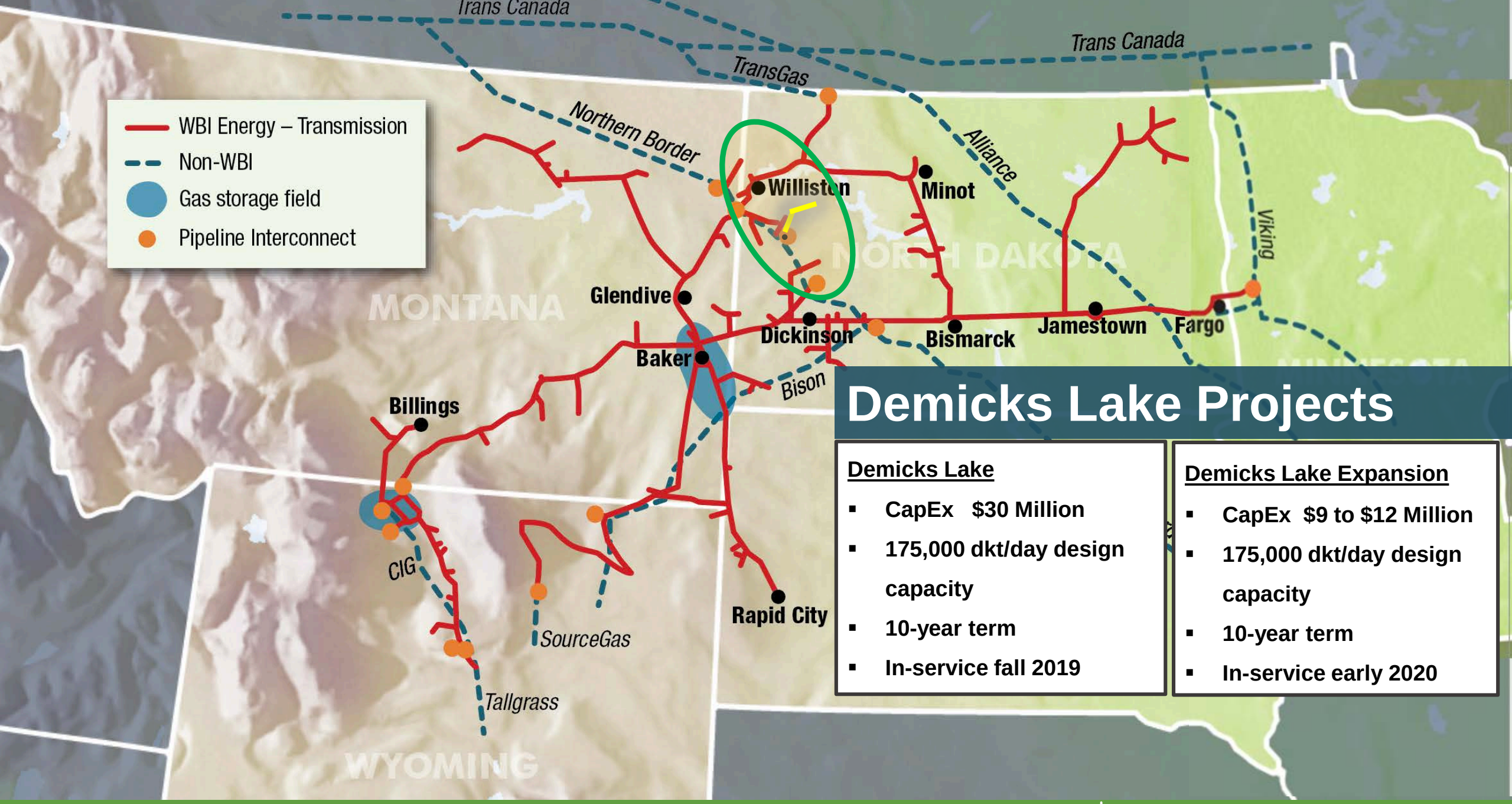
- Regulated (Approx. 90%)
  - Approx. 4,000 miles of pipe
  - Over 1.8 Bcf/d system capacity
  - 13 Interconnecting points
  - Largest storage field in N. America
- Non-regulated (Approx. 10%)
  - Gas gathering
  - Cathodic protection
  - Energy management





WBI in the Bakken

- Service to 23 of 30 natural gas plants
- 6 Bakken interconnects
- WBI moves over 50% of Bakken gas
- More takeaway capacity needed



Demicks Lake Projects

Demicks Lake

- CapEx $30 Million
- 175,000 dkt/day design capacity
- 10-year term
- In-service fall 2019

Demicks Lake Expansion

- CapEx $9 to $12 Million
- 175,000 dkt/day design capacity
- 10-year term
- In-service early 2020

DEMICKS LAKE CONSTRUCTION





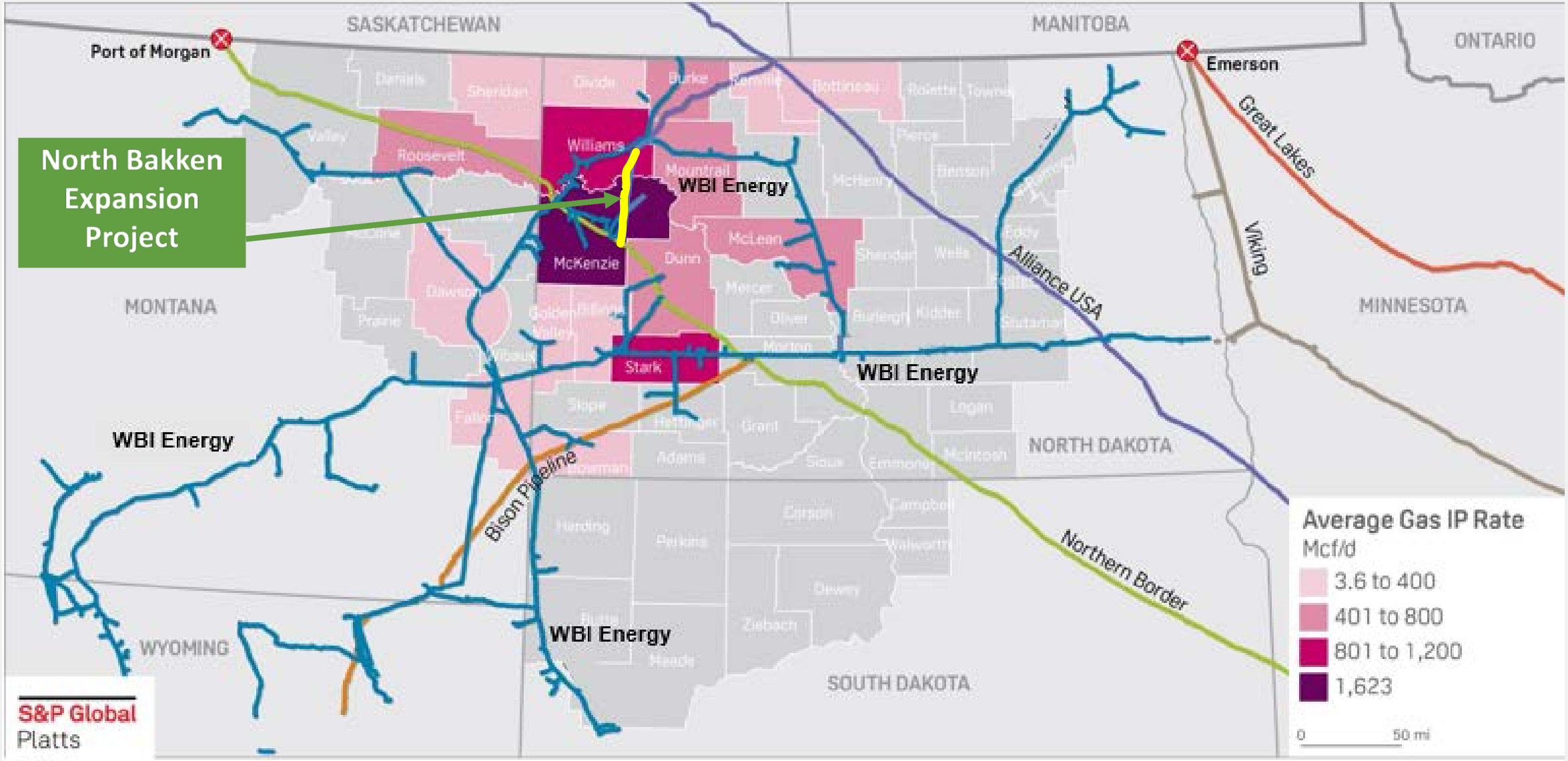
Line Section 22 Expansion

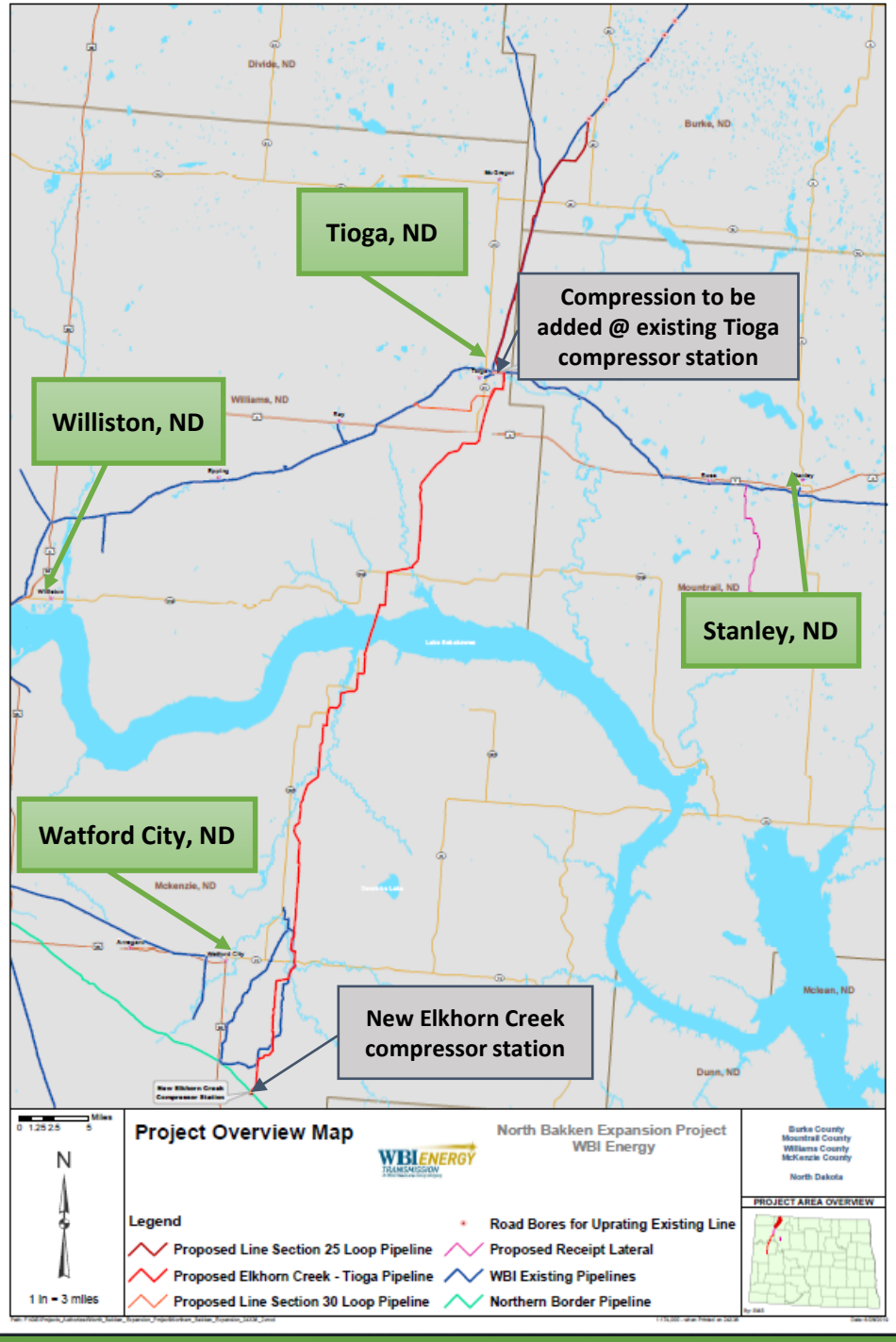
- CapEx $12-15 Million
- 22,500 dkt/day design capacity
- 10-year terms
- In-service late 2019

LINE SECTION 22 CONSTRUCTION



BAKKEN- GAS PIPELINES AND GAS IP RATES





NORTH BAKKEN EXPANSION

- Original project design: 200,000 dkt/day
- Current design: 300,000 dkt/day
- Supporting 10-year contracts
- In FERC pre-filing process, working toward filing final certificate early 2020
- In-service late 2021





QUESTIONS





INVESTOR RELATIONS | SEPTEMBER 2019

CONSTRUCTION MATERIALS





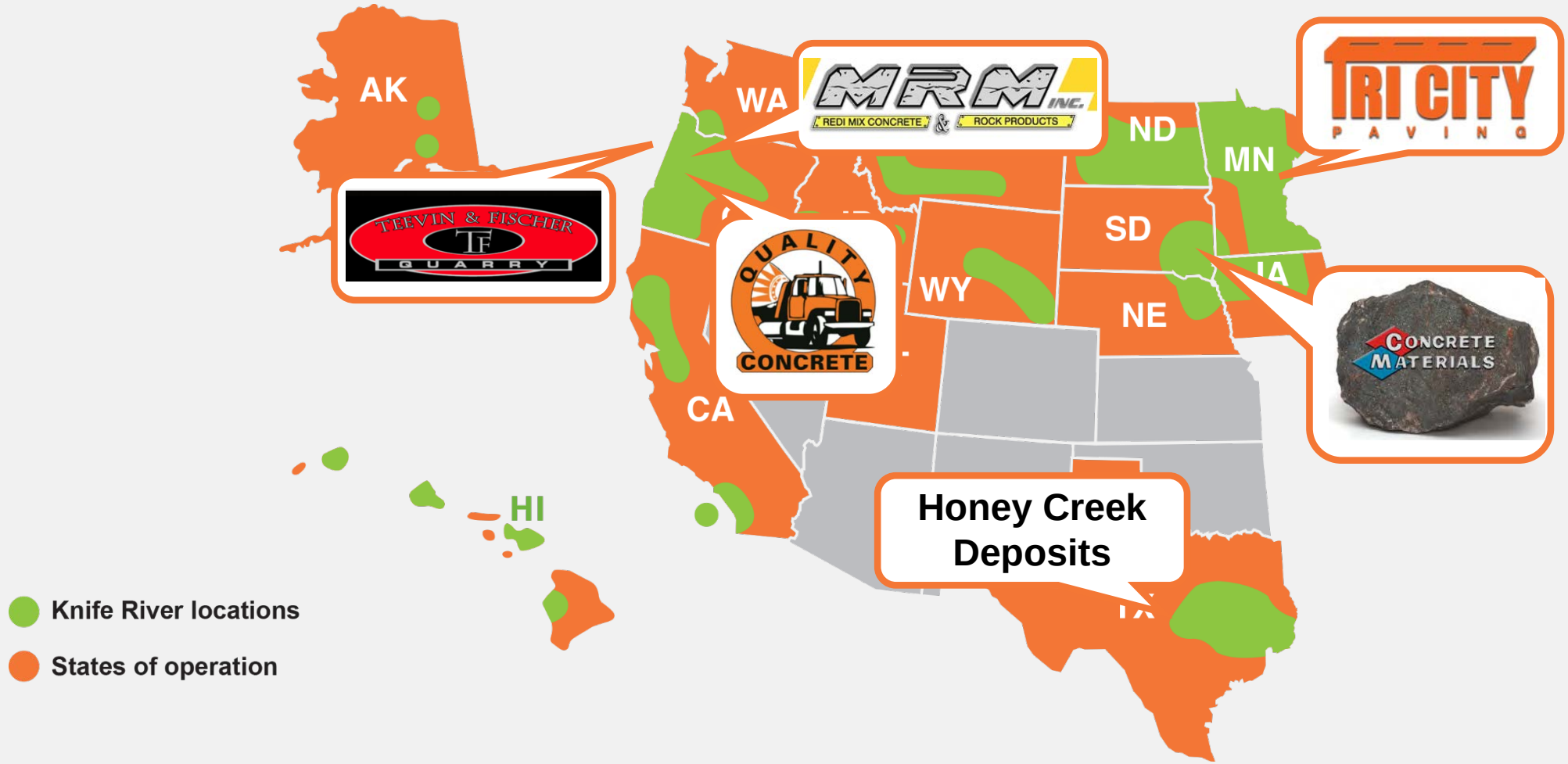




ABOUT US

- Top 10 aggregate producer
- Vertically integrated materials/construction
- Operations in 15 states
- 5,700 employees
- Strong backlog of work
- Growing through M&A

GROWING OUR OPERATIONS





ACQUISITIONS

- Six in last 17 months
- Growth in existing market areas
  - 500 new employees
  - 78M tons aggregate reserves*
  - 15 ready-mix plants
  - 6 asphalt plants

* Not including yet-to-be-permitted Honey Creek deposits in Texas

ACQUISITION STRATEGY

- Aggregate focus
- Vertically integrated
- Contiguous to existing operations
- New platforms require a market leading presence in the area
- Diversified and growing economy

HIGHLIGHTS

- Acquisitions contributing to bottom line
- State economies strong overall
- 2Q earnings $29.2M
  - 20% increase from 2Q 2018
- Record backlog of $1.04B
  - 42% increase from 2Q 2018



OUTLOOK

- Benefit from record backlog
- Increased 2019 revenue forecast to $2.0 billion to $2.2 billion
- Actively pursuing growth through strategic M&A, greenfield





QUESTIONS





INVESTOR RELATIONS | SEPTEMBER 2019

CONSTRUCTION SERVICES

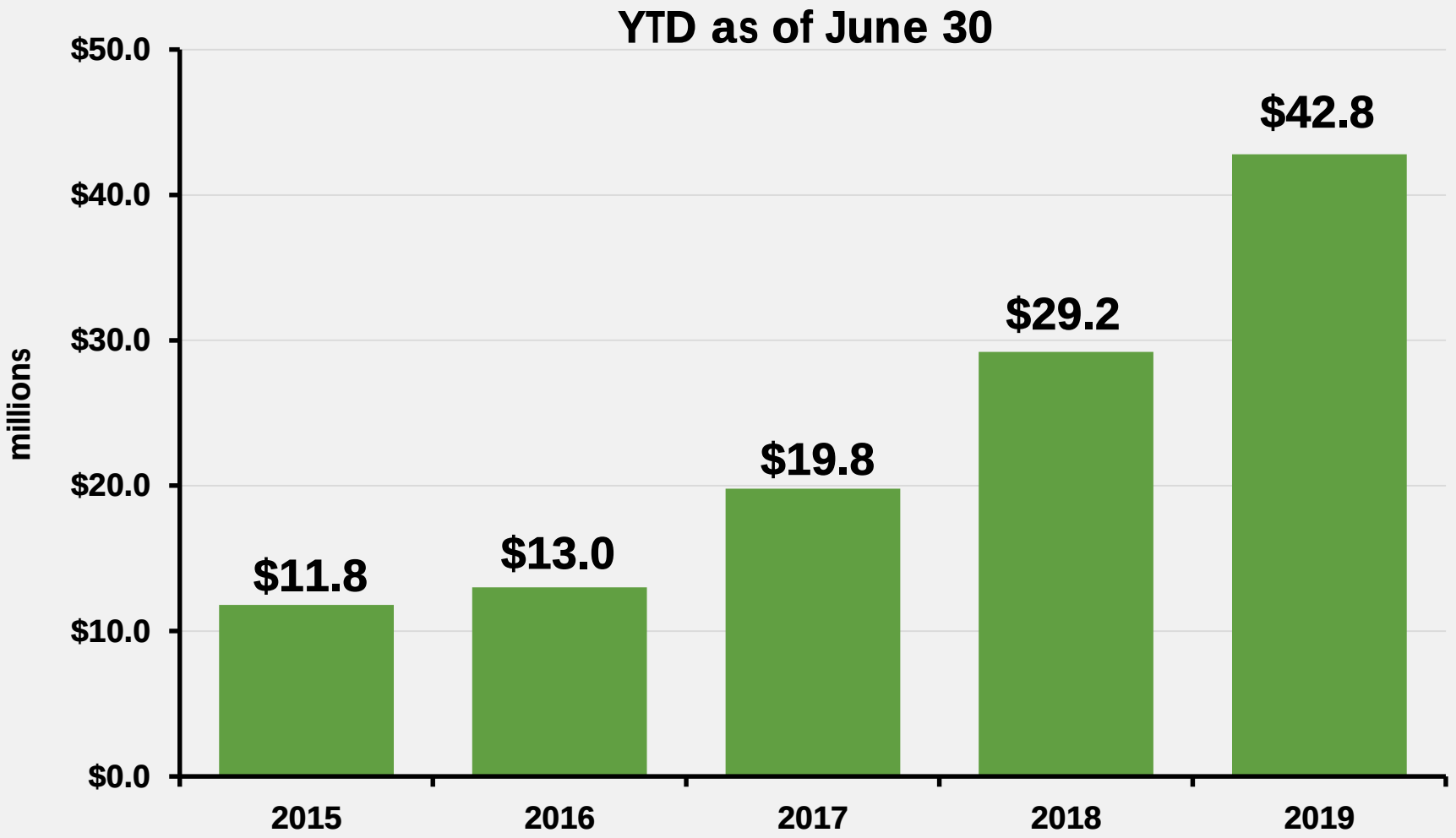








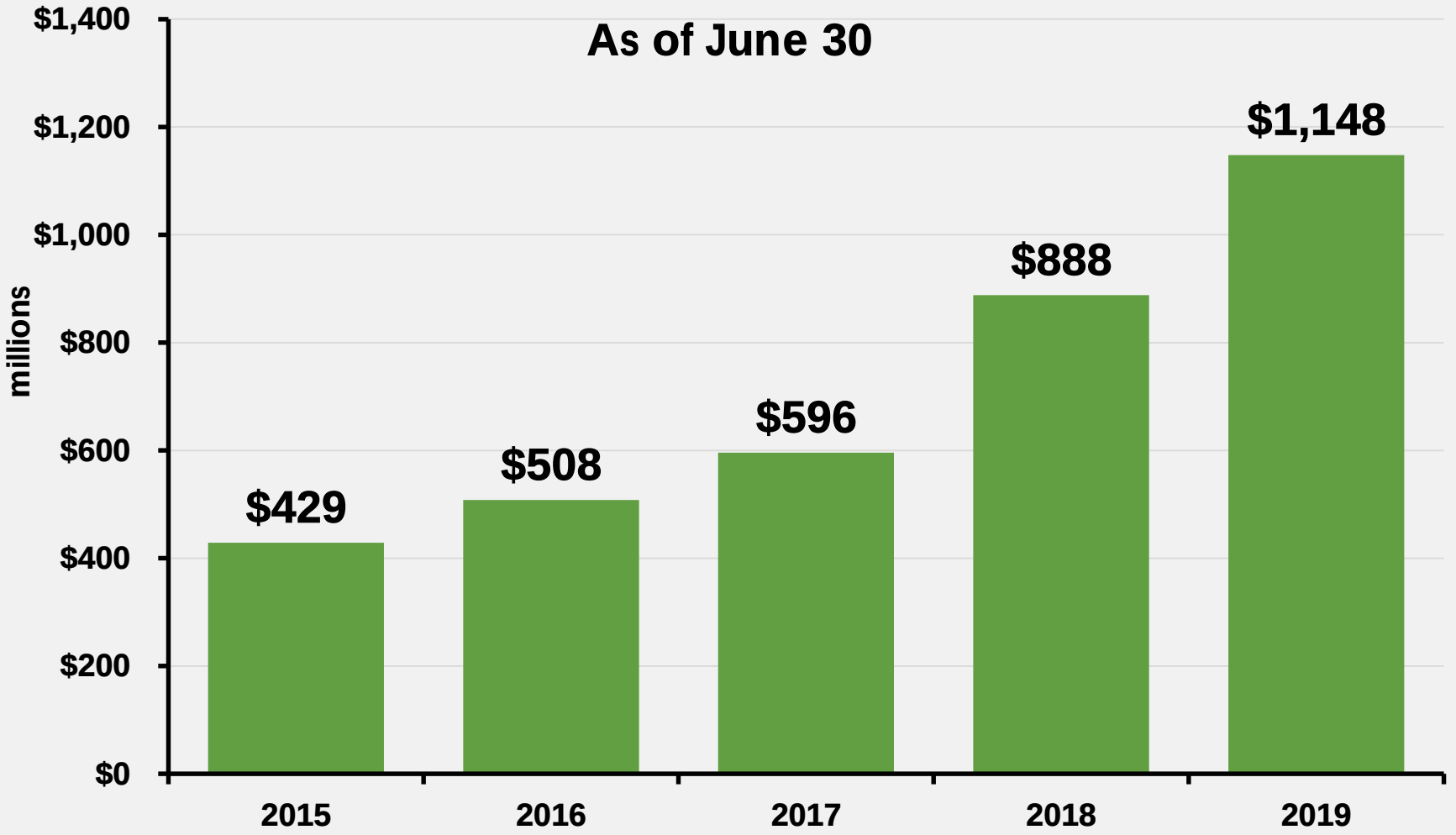
EARNINGS


YTD as of June 30
millions
$50.0
$40.0
$30.0
$20.0
$10.0
$0.0
$11.8
$13.0
$19.8
$29.2
$42.8
2015
2016
2017
2018
2019

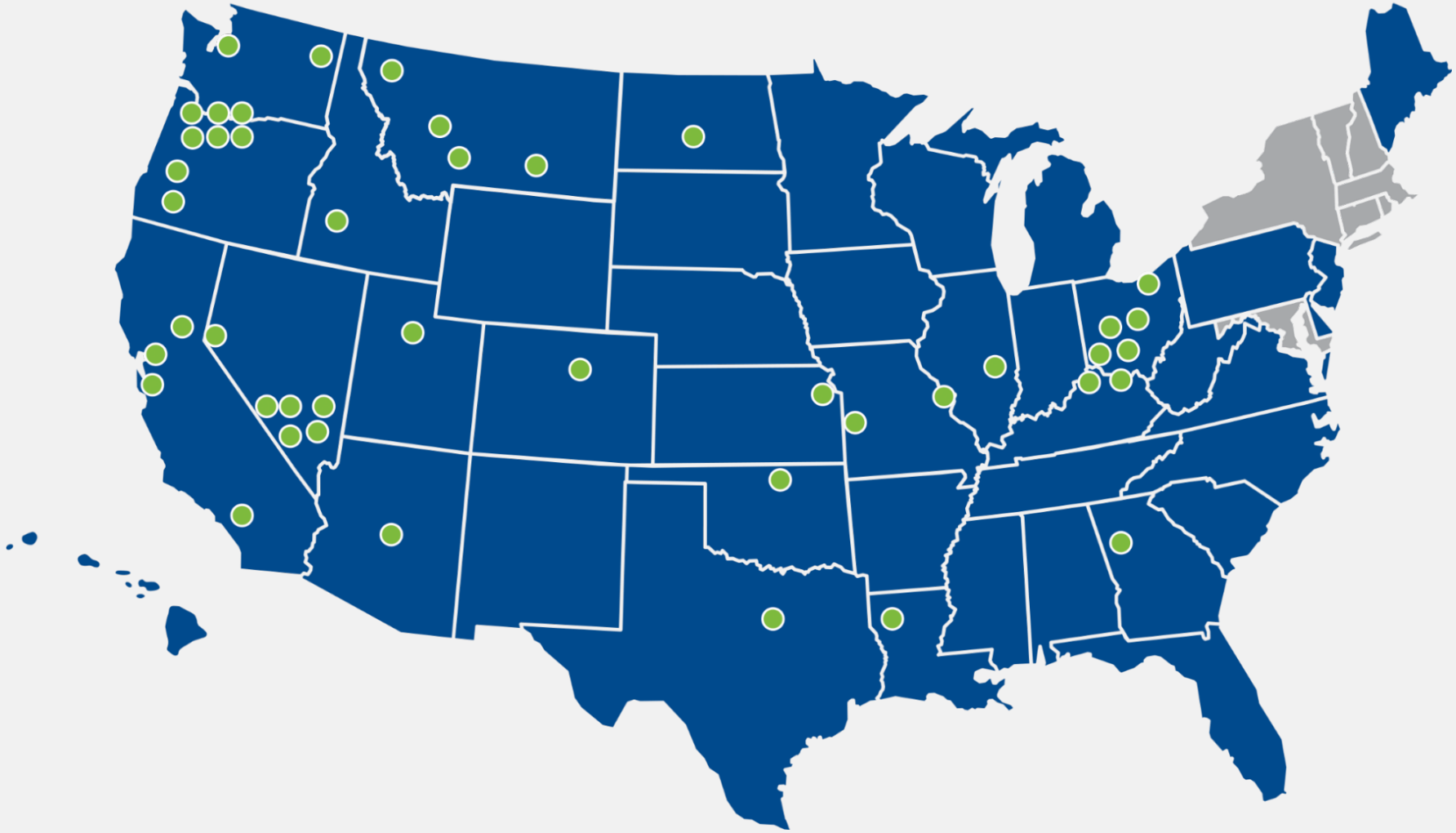




BACKLOG


As of June 30
millions
$1,400
$1,200
$1,000
$800
$600
$400
$200
$0
$429
$508
$596
$888
$1,148
2015
2016
2017
2018
2019

OUR LOCATIONS



- Licensed to operate in 43 states
- Currently staffing at record levels with over 6,500 employees

Construction services offices

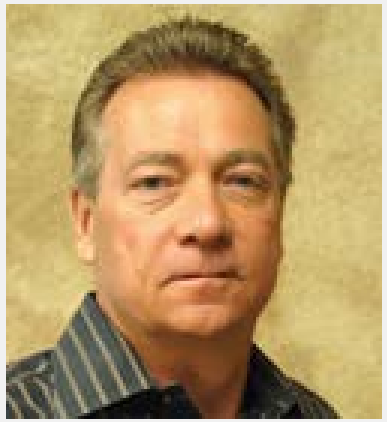
Authorized states of operations

LAS VEGAS PRESENCE

- 1,741 employees
- Diverse services across 4 companies
  - –Electrical
  - –Mechanical
  - –Fire suppression
  - –Civil/excavation

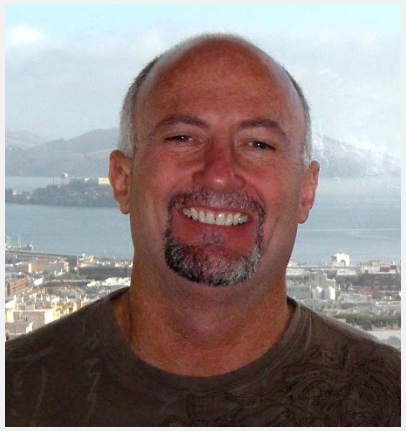
LAS VEGAS LEADERSHIP

BOMBARD ELECTRIC, LLC



Ken Kefalas
President &
CSG Regional President

BOMBARD Mechanical, LLC



Angelo Iannucci
President

DESERT FIRE PROTECTION
An MDU Resources Company
Since 1980



Steve Schmal
President

Lone Mountain Excavation & Utilities, LLC



Stefan Hoffman
President



DESERT FIRE PROTECTION

An MDU Resources Company

Since 1980

- Founded in 1980
- Acquired in 2006
- 167 employees
- 3 locations

TEAM

DESERT FIRE PROTECTION
An MDU Resources Company
Since 1980



Steve Schmal
President
13 years at DFP



Craig Gutierrez
Vice president
23 years at DFP



Sean Zuzik
Superintendent
16 years at DFP



Trapper Schmal
Construction manager
11 years at DFP

ALLEGIANT RAIDERS STADIUM

Stadium stats

- 65,000 seats
- 10 levels
- $1.9 billion estimated total cost, including practice facility
- Home to NFL Raiders and University of Nevada football team

Desert Fire Protection work

- 1.5 million square feet of fire sprinkler coverage
- 13,500 sprinkler heads
- 213 fire hose valves
- 3 fire department connections

RESORTS WORLD

- 3 hotels
- 3,400 rooms
- 100,000 square feet of gaming space

BOMBARD ELECTRIC, LLC

BOMBARD Mechanical, LLC

Lone Mountain Excavation & Utilities, LLC



Las Vegas Project Experience



1. Bally's
2. Bellagio
3. Caesars Convention Center
4. Caesars Palace
5. Circus Circus
6. City Center
7. City of Henderson
8. Clark County Reclamation District
9. Cosmopolitan
10. Encore
11. Excalibur
12. Fashion Show Las Vegas
13. Flamingo
14. Golden Knights Practice Facility
15. Harrah's
16. Las Vegas Ballpark
17. Las Vegas City Hall
18. Las Vegas Convention Center
19. Las Vegas World Market Center
20. LINQ
21. Lucky Dragon Las Vegas
22. Luxor
23. LV Valley Water District
24. Mandalay Bay
25. MGM Grand
26. MSG Sphere
27. Nellis Air Force Base
28. New York-New York
29. Paris
30. Park MGM
31. Planet Hollywood
32. Raiders: Headquarters & Practice Facility
33. Raiders: Las Vegas Stadium
34. Red Rock Casino
35. Resorts World
36. Showcase Mall Las Vegas
37. SLS Las Vegas
38. The Cromwell
39. The Drew
40. The Mirage
41. The Palazzo
42. T-Mobile Arena
43. Treasure Island
44. Venetian
45. Wynn
46. Welcome to LV Sign

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BOMBARD ELECTRIC, LLC

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THE RESOURCES GROUP, INC. | Building a Strong America®



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DESERT FIRE PROTECTION

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QUESTIONS



