

SEPTEMBER 2020

INVESTOR RELATIONS

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 43 states

15,000
employees
in peak season

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®.**

IN THE COMMUNITY TO SERVE®
MDU RESOURCES GROUP COMPANIES
CASCADE NATURAL GAS CORPORATION
MONTANA-DAKOTA UTILITIES CO.
INTERMOUNTAIN GAS COMPANY
GREAT PLAINS NATURAL GAS CO.

KNIFE RIVER® CORPORATION
AN MDU RESOURCES COMPANY

WBI ENERGY®
An MDU Resources Group company

MDU Construction Services Group, Inc.
An MDU Resources Company

COMPETITIVE POSITION

Strong Financial Position

- 2020 YTD EPS* - $0.62; Up 19% from 2019
- Annualized dividend of $0.83 per share. 82 consecutive years of quarterly dividend payments
- Capitalization ratio of 55.1% equity*

*As of June 30, 2020

Highly Scalable and Diversified Operations

- Licensed to operate in 43 states
- 1.1 billion tons of aggregate reserves and top 10 aggregate producer
- 1.1 million utility customers
- Transports over 50% of Bakken gas

Strong Economic Environments and Market Outlook

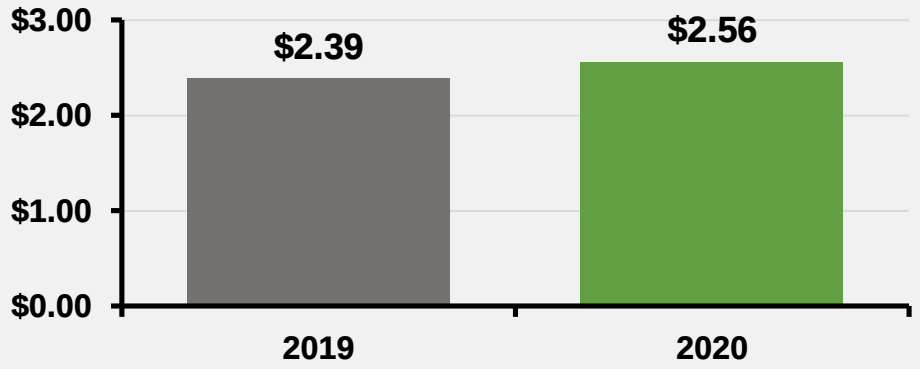
- Forecasted 5-year rate base growth CAGR of 6.1% combined
- Combined construction backlog of nearly $2.20 billion as of June 30, 2020
- Investing over $2.8 billion in capital expenditures over the next five years

KEY PERFORMANCE INDICATORS

YTD AS OF JUNE 30, 2020

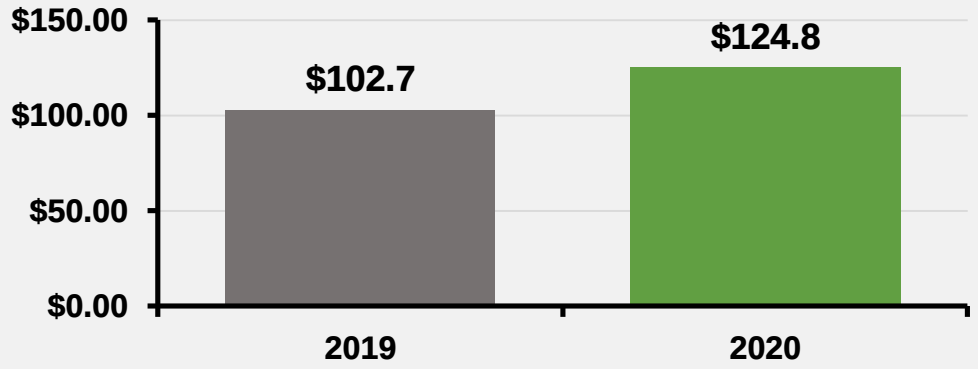
Operating Revenues

(in billions)



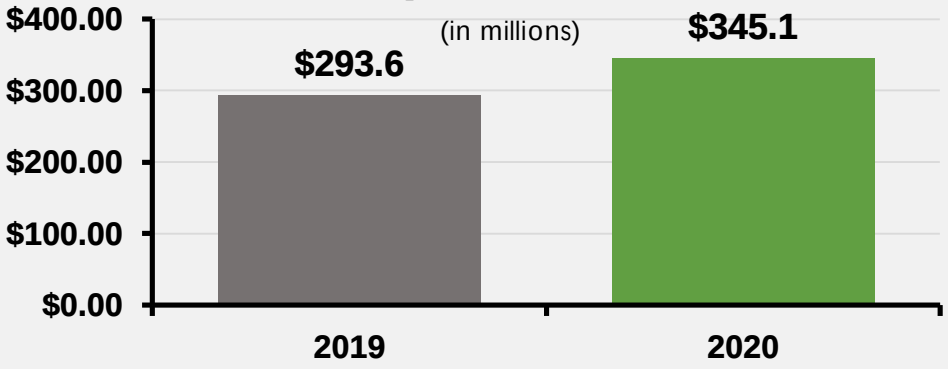
Net Income

(in millions)

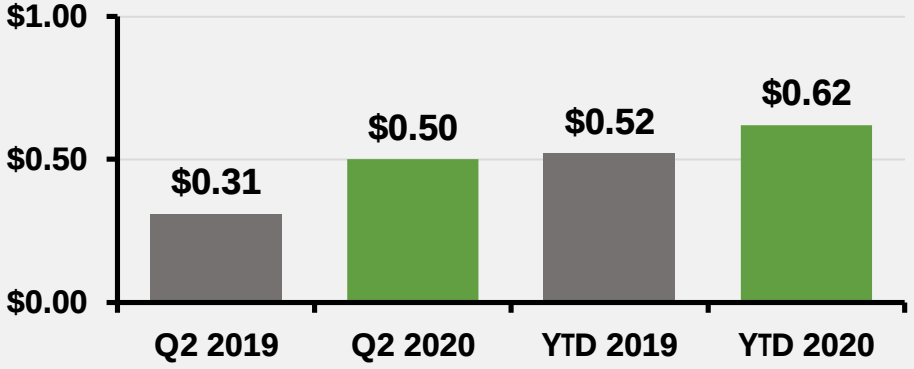


EBITDA From Continuing Operations

(in millions)

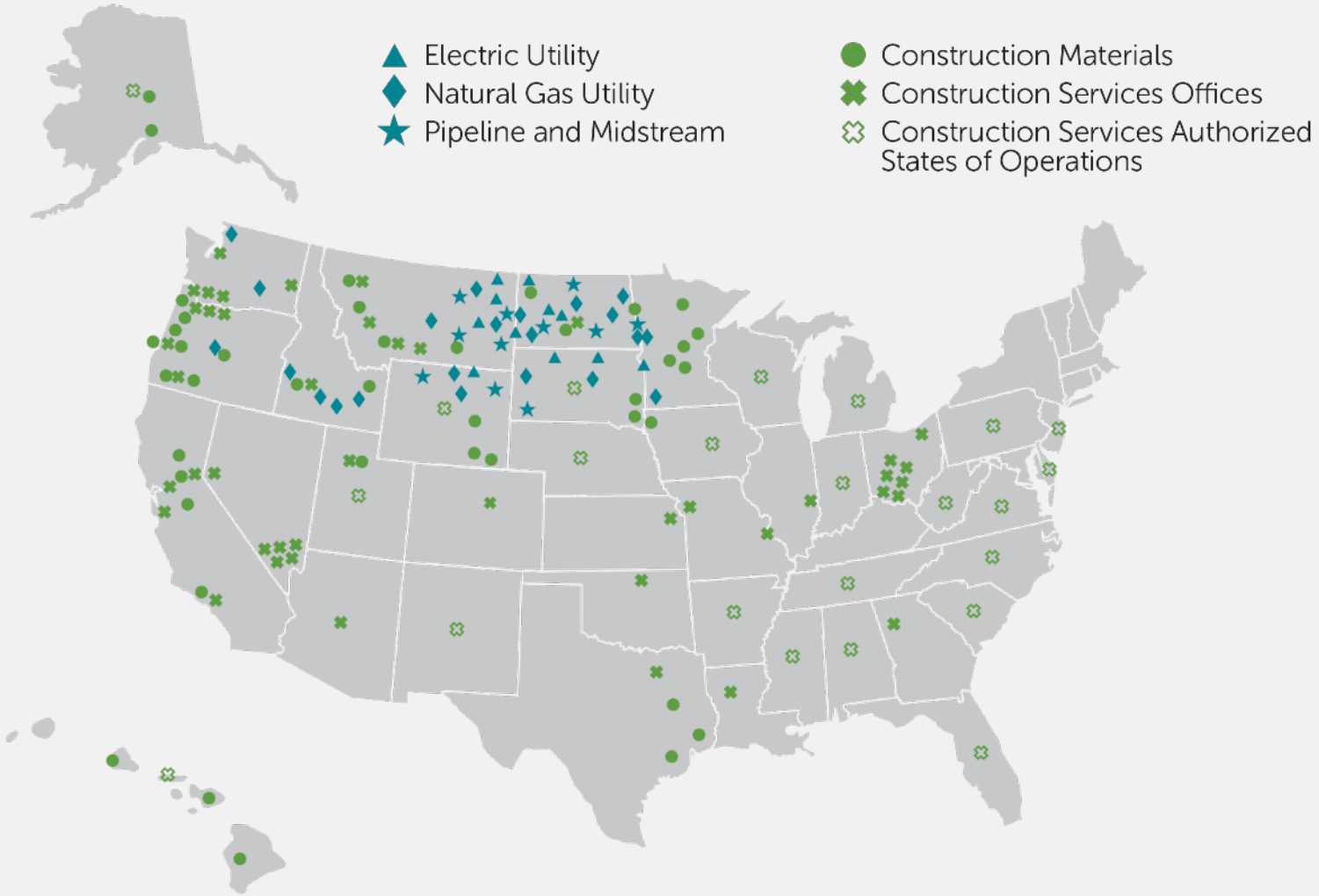


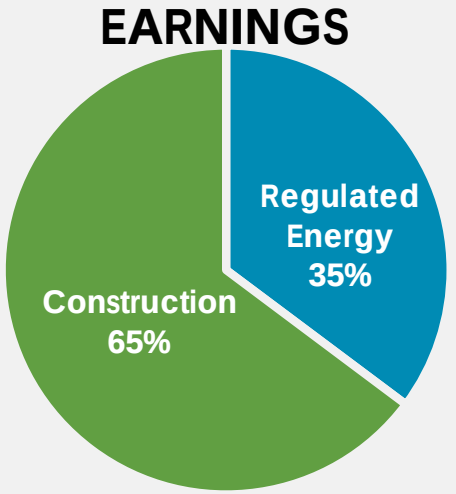
Earnings Per Share

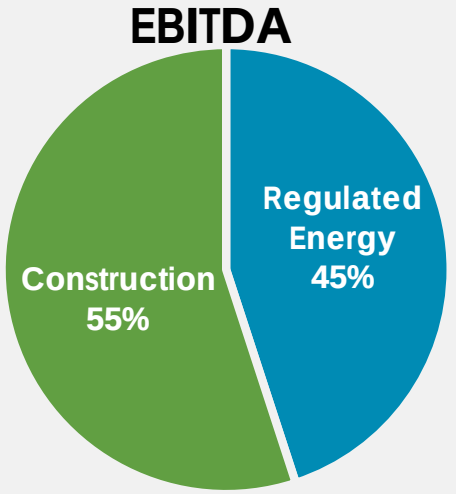


EARNINGS CONTRIBUTIONS

TRAILING TWELVE MONTH AS OF JUNE 30, 2020

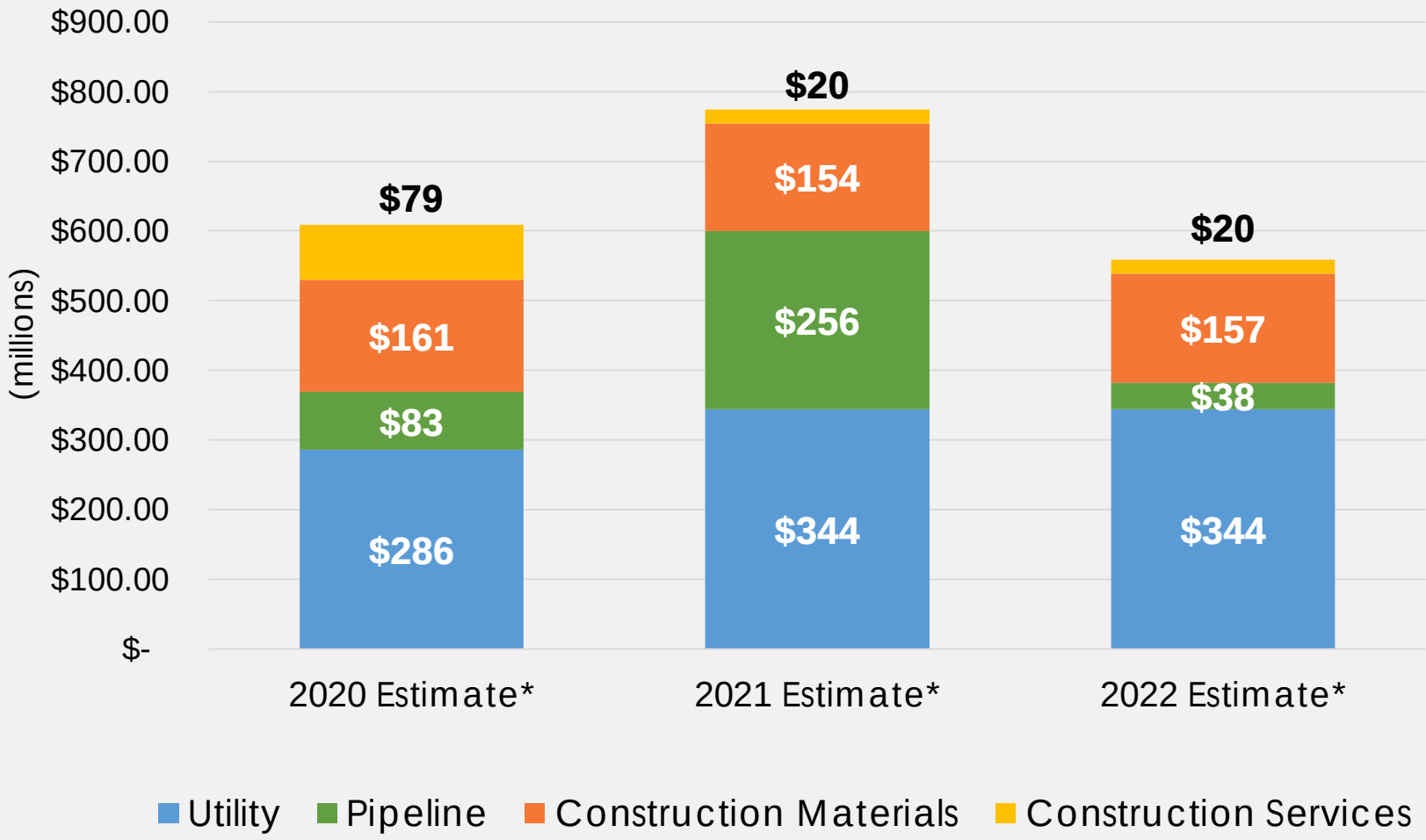






CAPITAL EXPENDITURES

- Electric and natural gas utility
  - System infrastructure upgrades and replacements
  - Natural gas combustion turbine
- Pipeline and midstream
  - North Bakken expansion
- Construction materials and services
  - Equipment and plant replacements and upgrades
  - Development of Honey Creek Deposits
- Focused on line-of-sight opportunities at our business units with potential acquisitions being incremental to our capital program



* As stated on June 30, 2020

DIVIDEND GROWTH

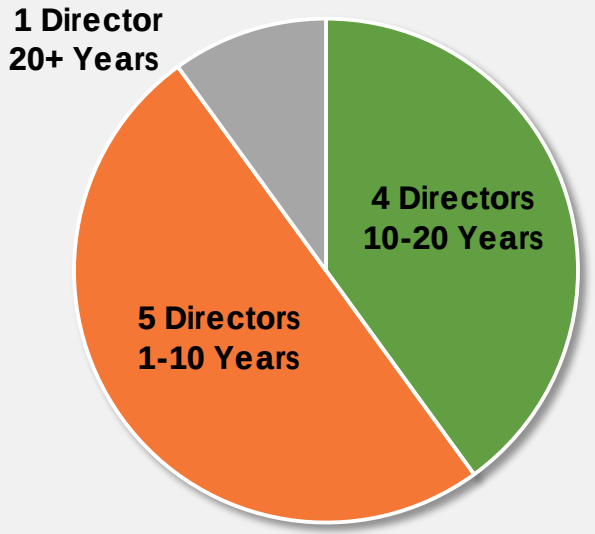
- 82 consecutive years of quarterly dividend payments
- Dividend increased November 2019, making 29 consecutive years of increases
- Annualized dividend $0.83 per share
- Member of S&P High-Yield Dividend Aristocrats index



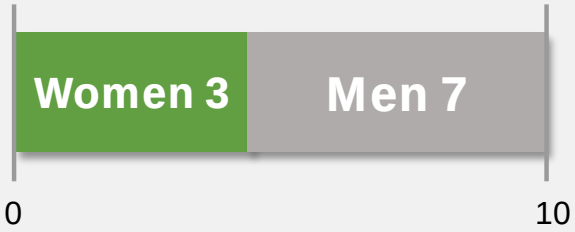
BOARD GOVERNANCE AND LEADERSHIP

	Committees of the Board of Directors			
Director	Audit	Compensation	Environmental & Sustainability	Nominating & Governance
Chenxi Wang	●		●	●
David M. Sparby	●CC			
Edward A. Ryan	●			●CC
John K. Wilson		●CC		●
Karen B. Fagg		●	●CC	
Mark A. Hellerstein	●		●	
Patricia L. Moss		●	●	
Thomas Everist		●		●
Dennis W. Johnson	Chairman of the Board			
David L. Goodin	President & CEO			

●CC = Chairperson ● = Member



Average Tenure: 11.1 Years



Gender Diversity: 30% Women





COVID-19 – OUR RESPONSE

- Our products and services considered essential
  - Operations permitted to proceed with increased social distancing measures for our more than 14,000 employees
- Health and safety of employees, customers and communities a priority
  - Implemented work from home policies where available
  - Practice social distancing on construction projects
- MDU Resources Foundation donated $500,000 to support Coronavirus relief efforts
  - This is in addition to the $2.2 million the Foundation has already committed to charitable organizations this year

CONSTRUCTION SERVICES





CONSTRUCTION SERVICES

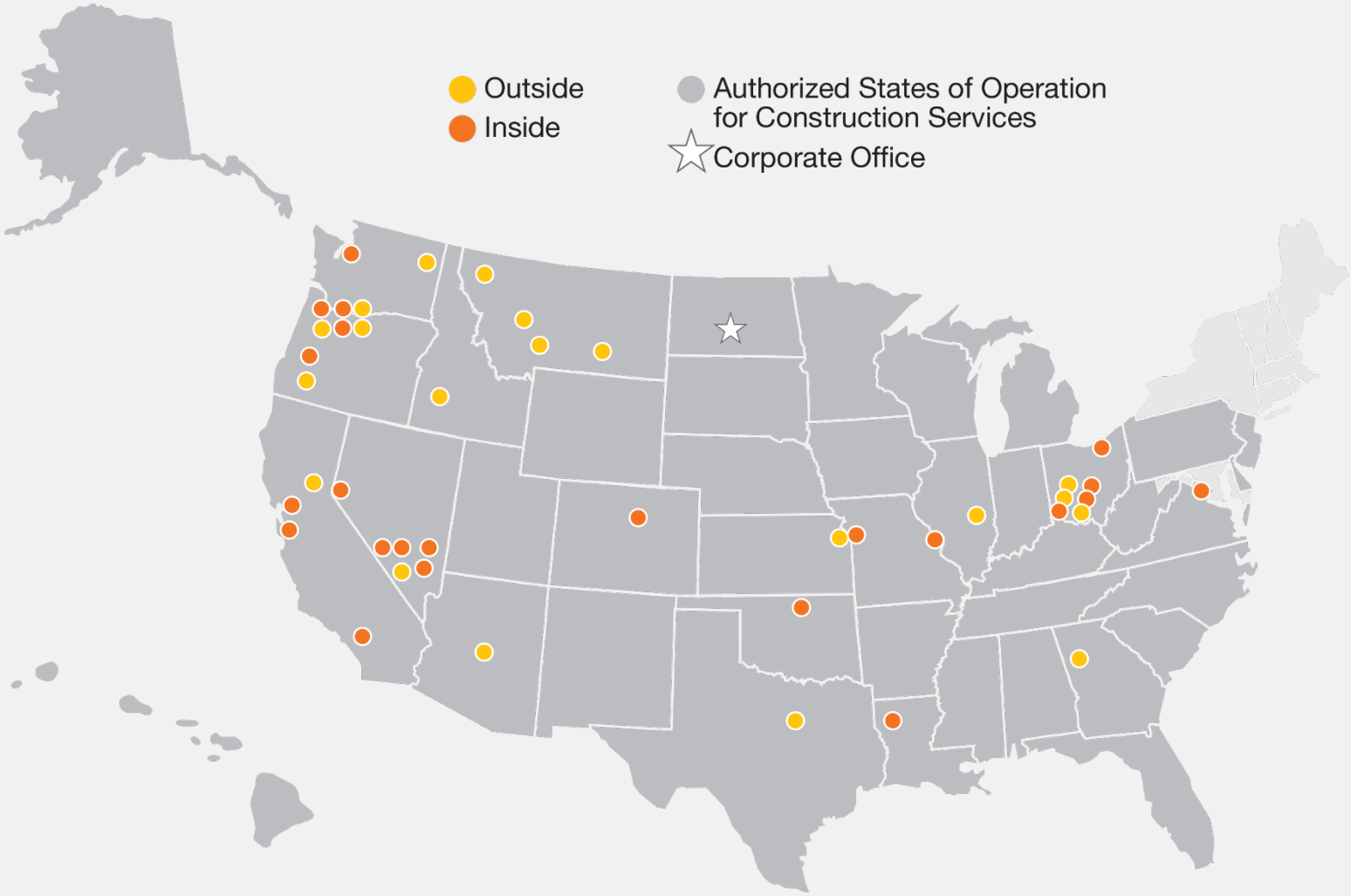
7,200
EMPLOYEES AT PEAK

42
STATES OF OPERATION

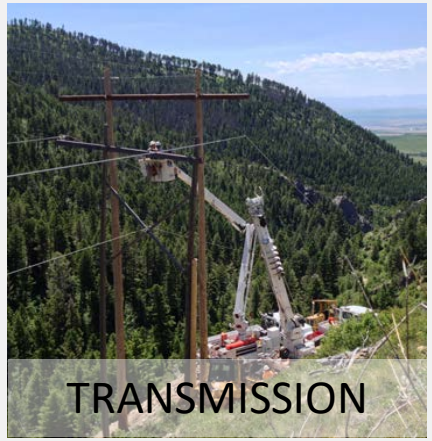
6
OUTSIDE CONSTRUCTION COMPANIES

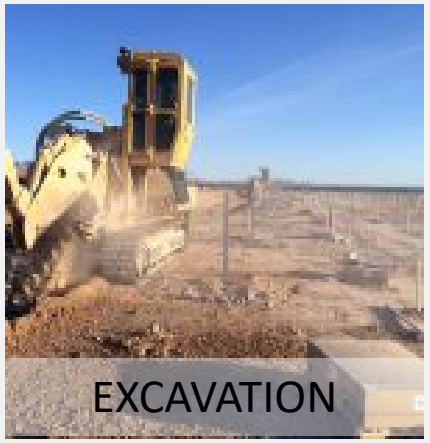
12
INSIDE CONSTRUCTION COMPANIES

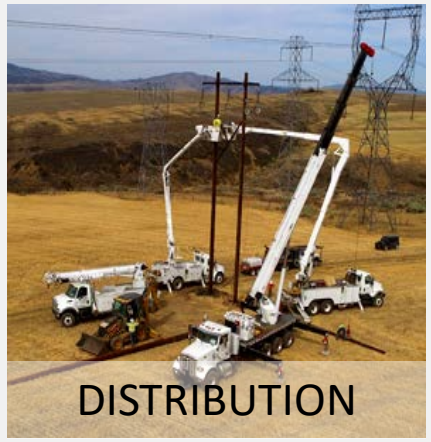
Ranked **12th** on ENR's Top 600 Specialty Contractors List



SERVICE OFFERINGS





















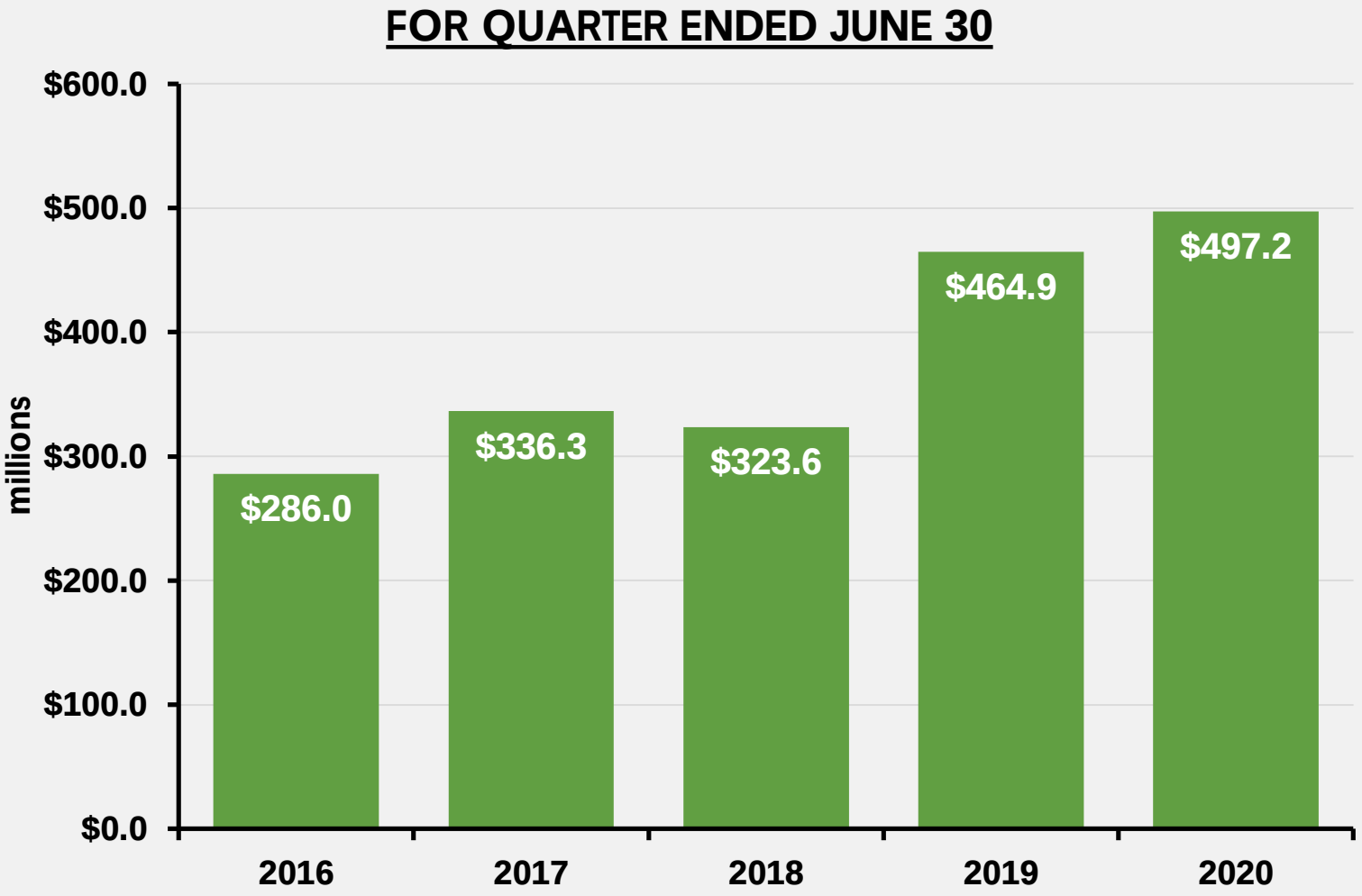
STRATEGY

To be a **top-tier national specialty contractor** providing services and support to the **electrical and mechanical industries** by attracting and retaining a **quality workforce** across the United States and being a **safe and great** place to work.





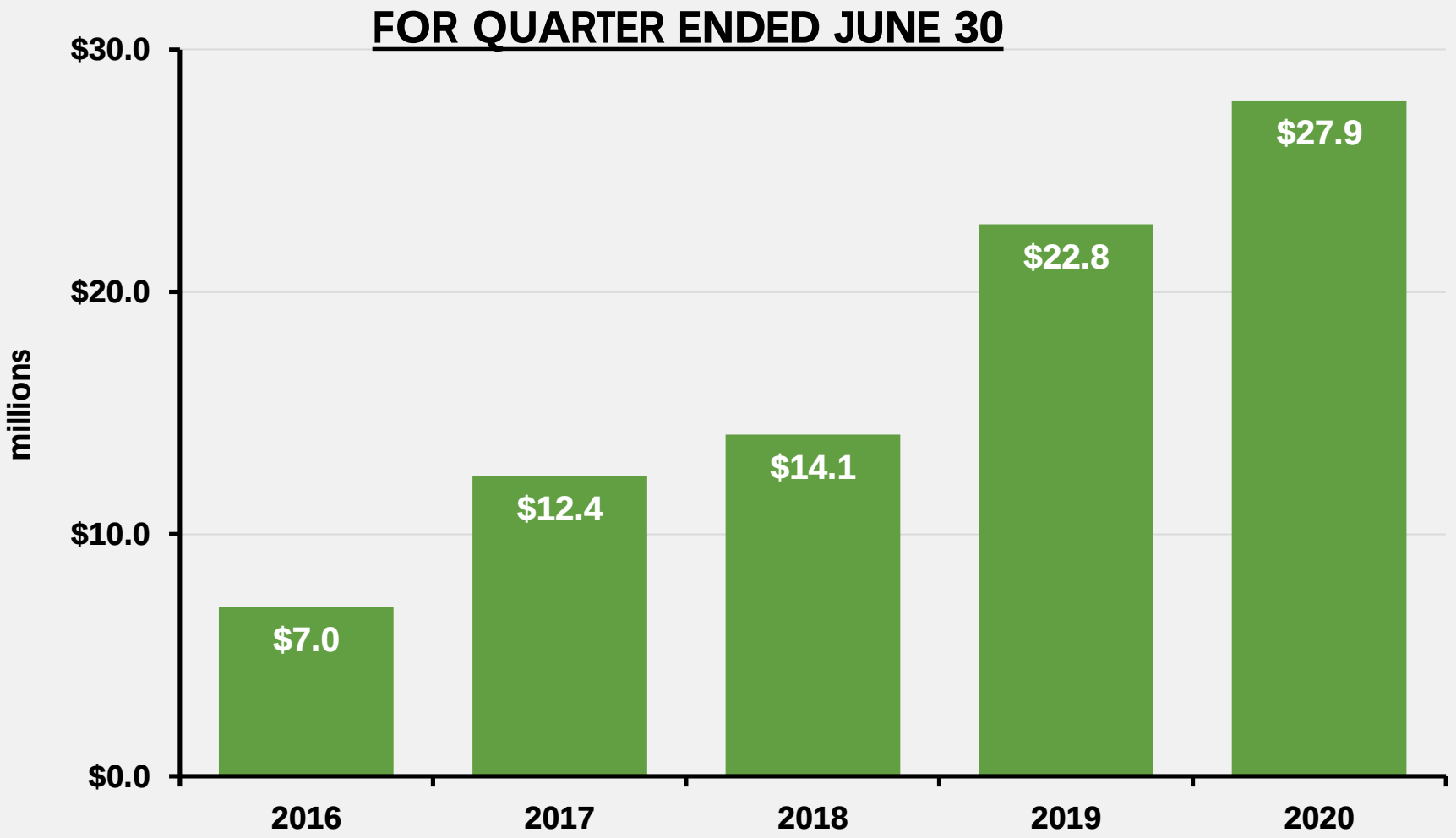
REVENUE GROWTH





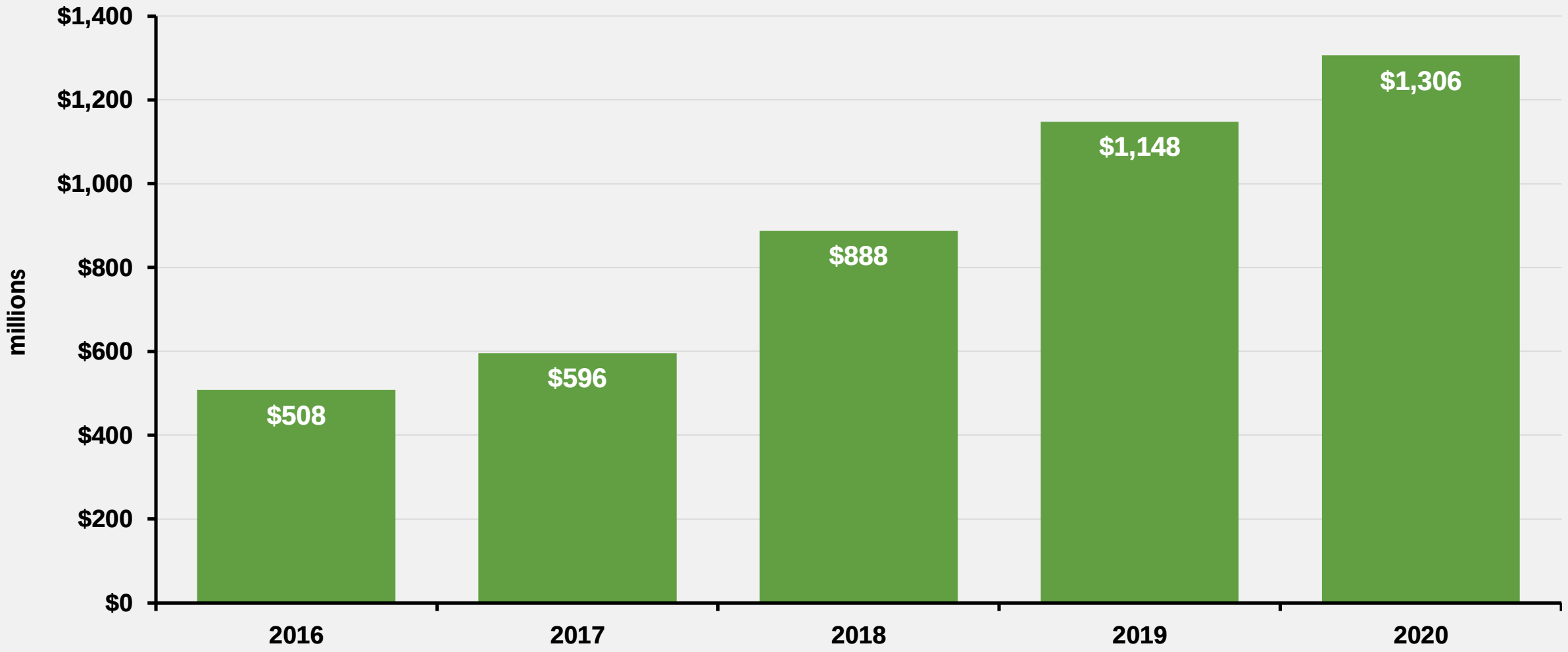


EARNINGS GROWTH



CUSTOMER SATISFACTION: BACKLOG

AS OF JUNE 30



GROWING OUR OPERATIONS

- Pride Electric, Inc. acquisition completed September 2019
- Expands and strengthens the services portfolio in the Seattle, WA market
- Founded in 1993, Pride Electric provides high-end commercial, industrial and tenant improvement electrical construction, along with tele-data and security system installation.

- PerLectric Inc. acquisition completed February 2020
- Expands the geographic footprint into the Mid-Atlantic Region
- Founded in 1992, PerLectric is a leading electrical construction company that provides service to government, mission critical, commercial and health care customers.





OUTLOOK

- $1.31 billion of backlog as of June 30, up 14% from 2019
  - All-time record backlog
- High demand for specialty contracting work in the following areas:
  - High-tech, mission critical area
  - Gaming and hospitality
  - Medical and public sector
  - Electric transmission, distribution and gas utilities
- Evaluating additional acquisition opportunities

CONSTRUCTION MATERIALS





CONSTRUCTION MATERIALS

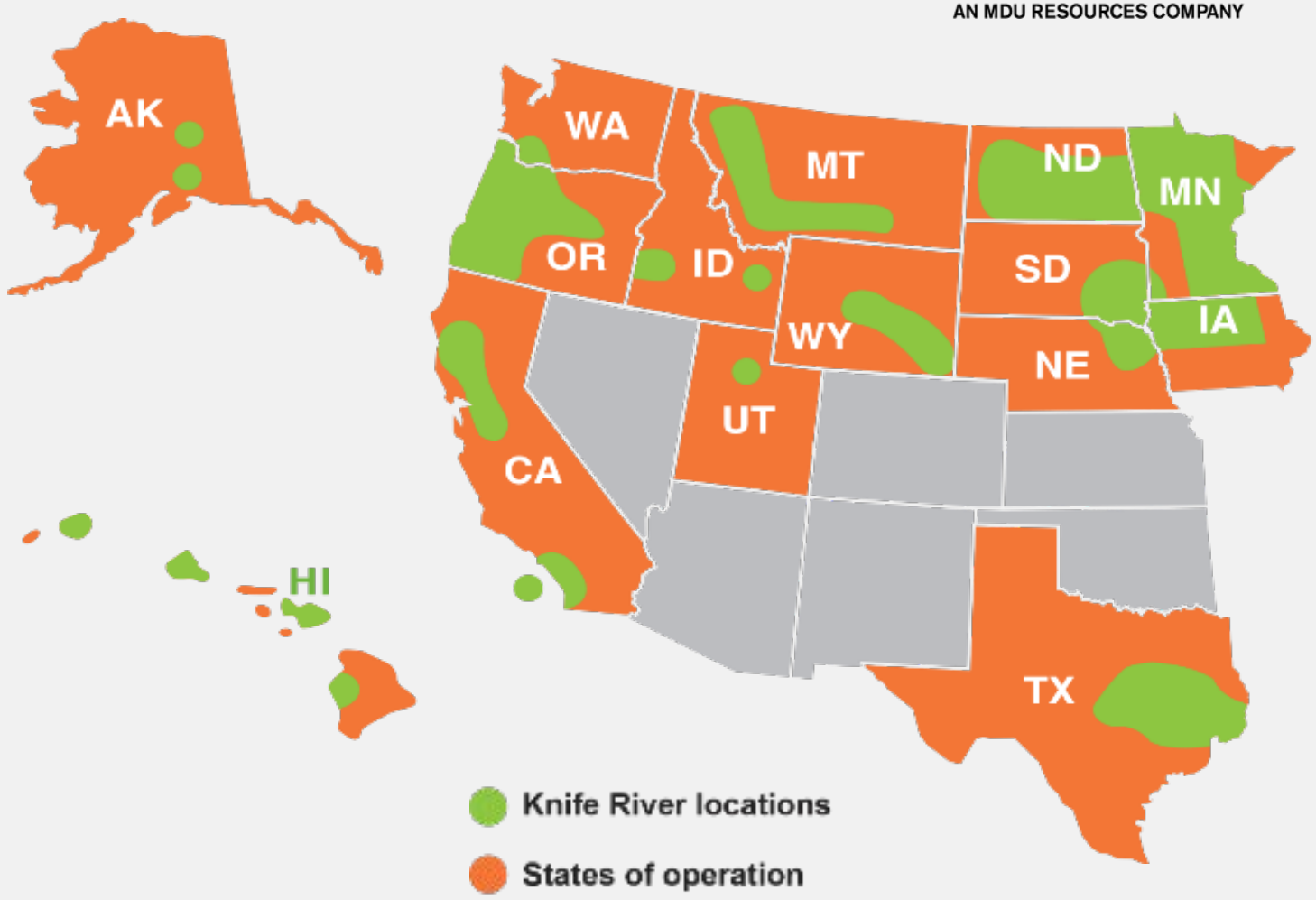
KNIFE RIVER CORPORATION
AN MDU RESOURCES COMPANY

NEARLY 6,000
EMPLOYEES AT PEAK SEASON

15
STATES OF OPERATION

1.1 BILLION
TONS OF RESERVES

TOP 10
U.S AGGREGATE PRODUCER



KNIFE RIVER STRATEGY

- Create value by treating our people well and leading our markets in quality, service and safety
- Enhance shareholder value by generating cash and continued meaningful growth
- Grow through M&A and greenfield
- Take advantage of our vertical integration

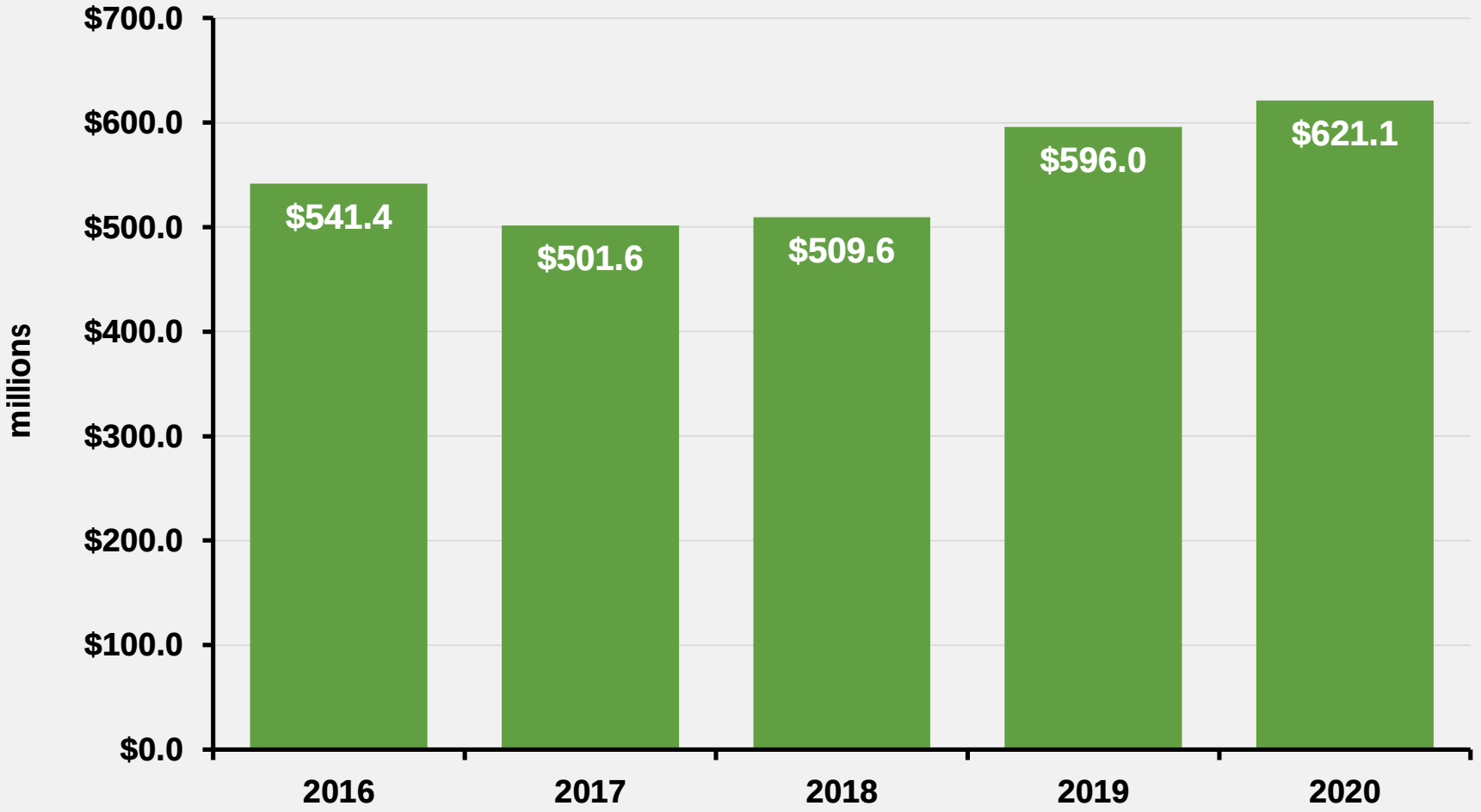
THE Life AT Knife





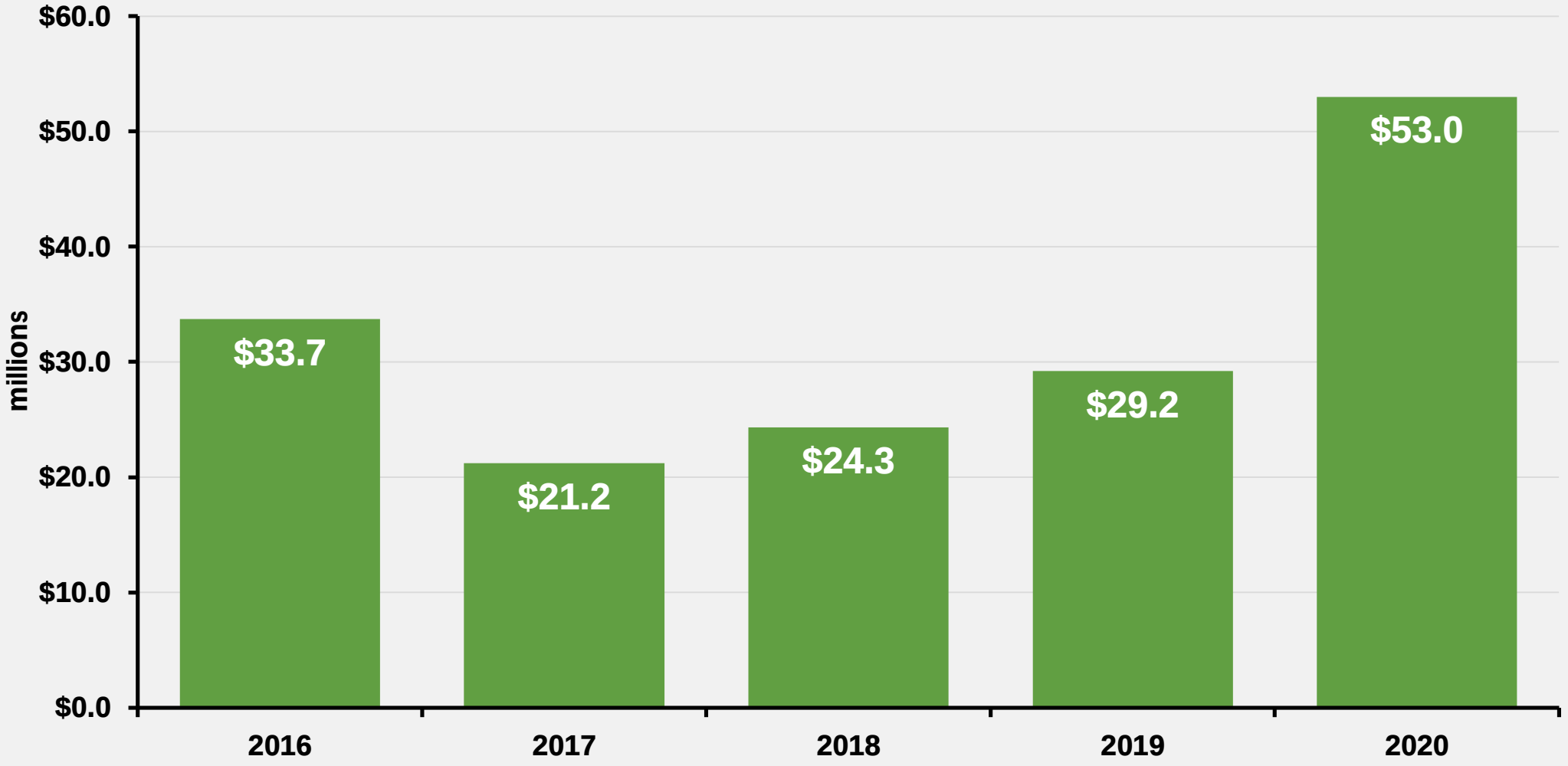


REVENUE GROWTH
FOR QUARTER ENDED JUNE 30



EARNINGS GROWTH

FOR THE QUARTER ENDED JUNE 30

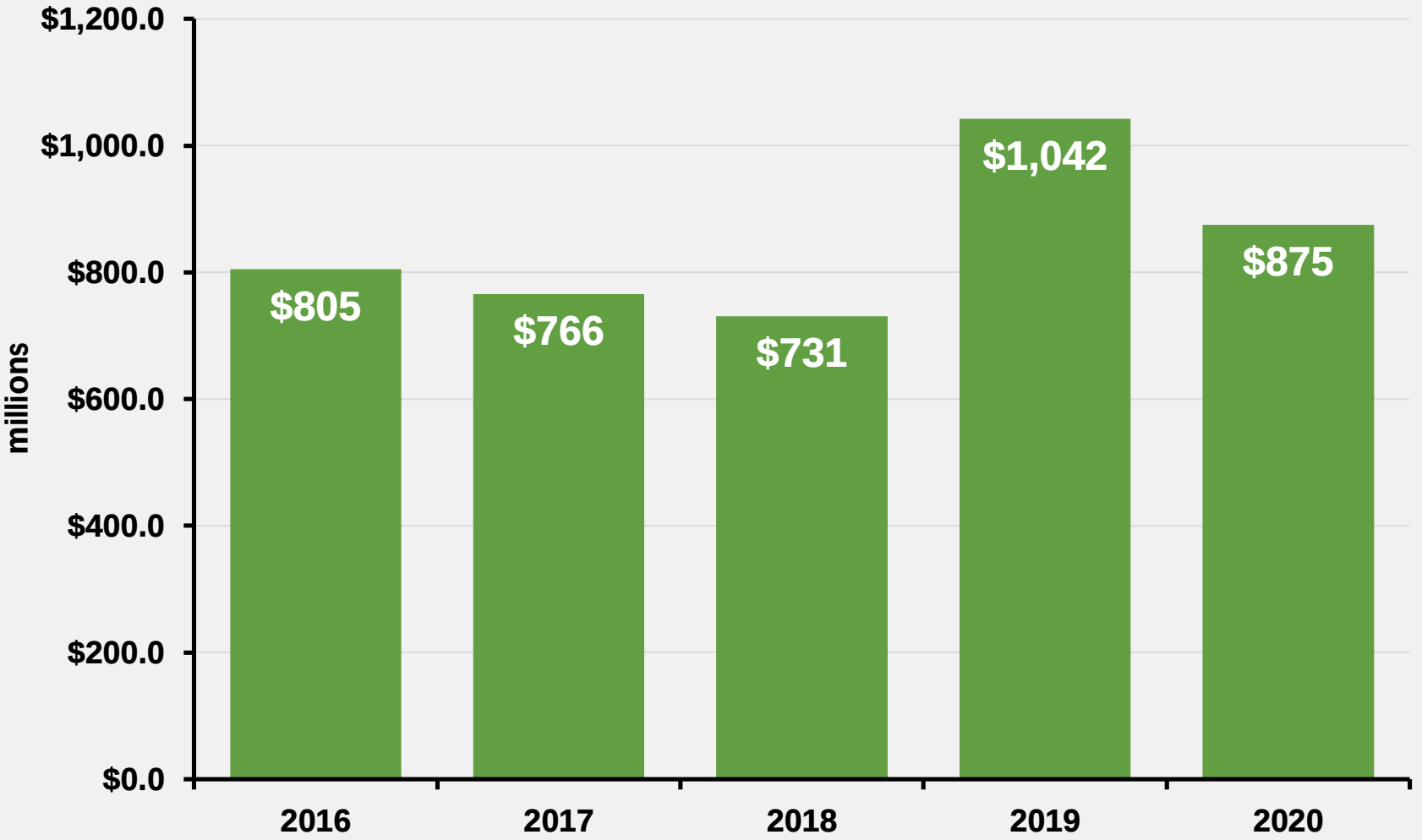






CONSTRUCTION BACKLOG

AS OF JUNE 30



GROWING OUR OPERATIONS

GROWTH STRATEGY

- Maintain vertical integration
- Grow in current markets
  - Organic
  - Bolt-On
- Explore new platforms
  - Focus on western states
  - Aggregates-based
- Actively pursuing growth opportunities

SPOKANE PRESTRESS

- Doubles the size of our Prestress operations
  - Bridge components and commercial buildings
- A market leader in the Pacific Northwest
  - Expands geographic reach
  - Enables larger projects and tighter schedules
- OR/WA dedicated transportation funding

OUTLOOK

- Backlog of $875 million as of June 30, 2020
- Actively pursuing acquisition opportunities



UTILITY ELECTRIC & NATURAL GAS





ELECTRIC AND NATURAL GAS

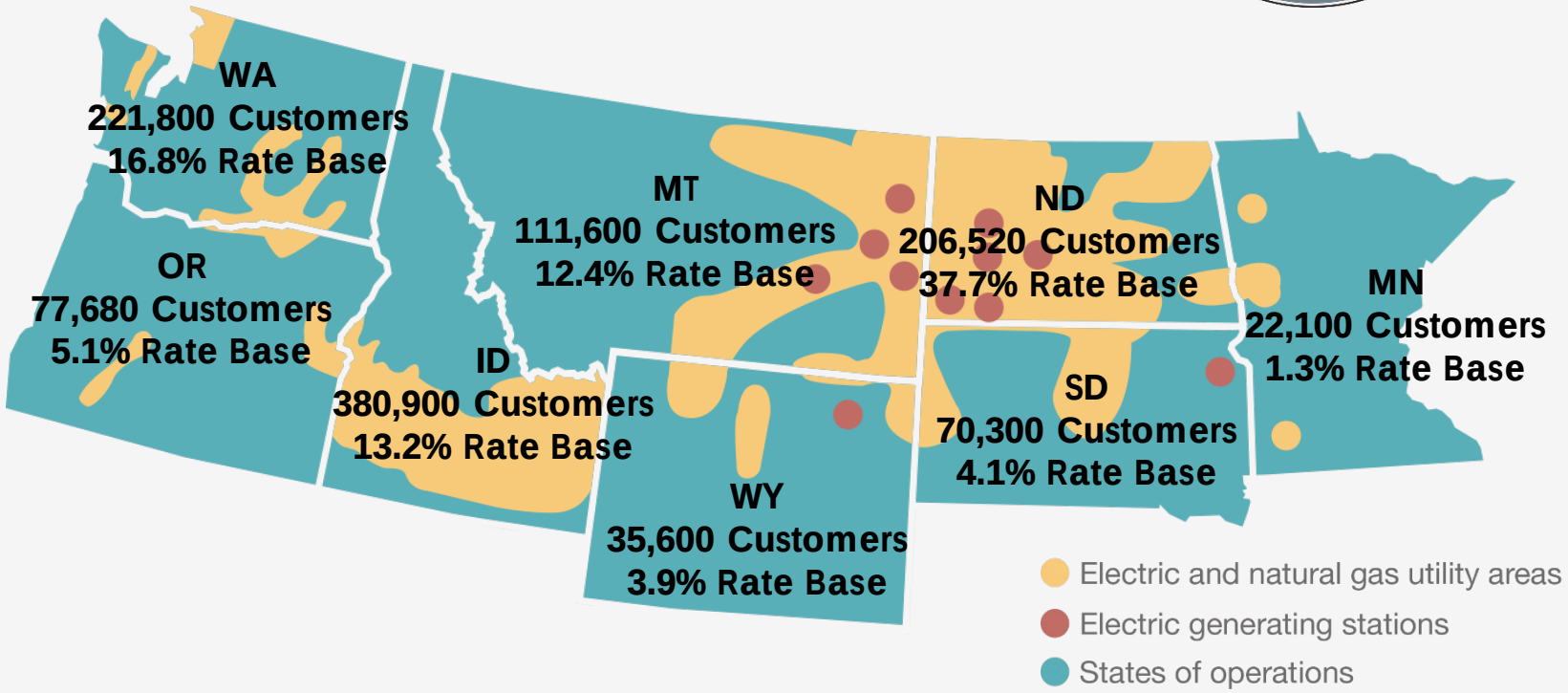
1,126,500
CUSTOMERS

800 MW
OWNED GENERATION

8,100
MILES OF TRANSMISSION

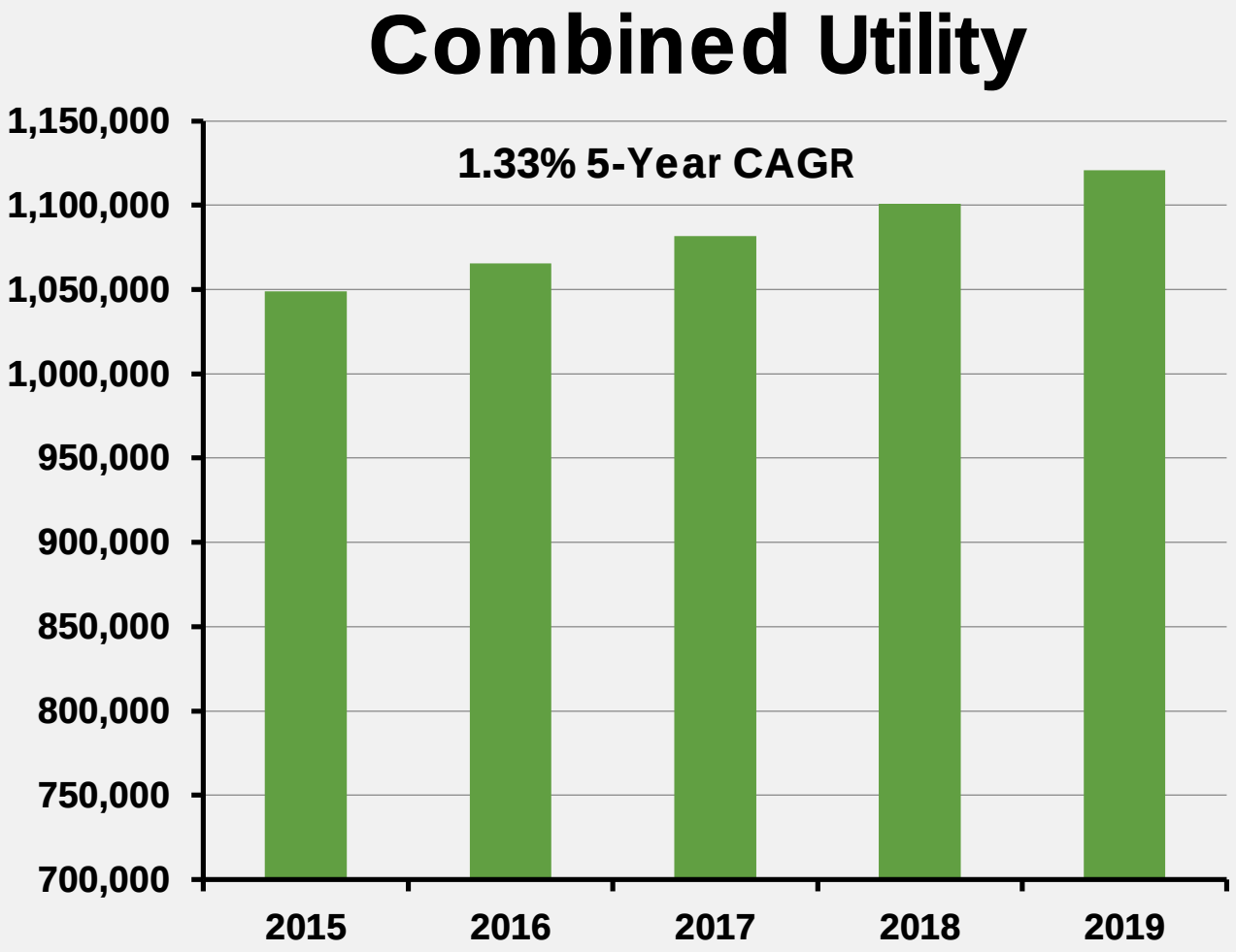
19,400
MILES OF DISTRIBUTION

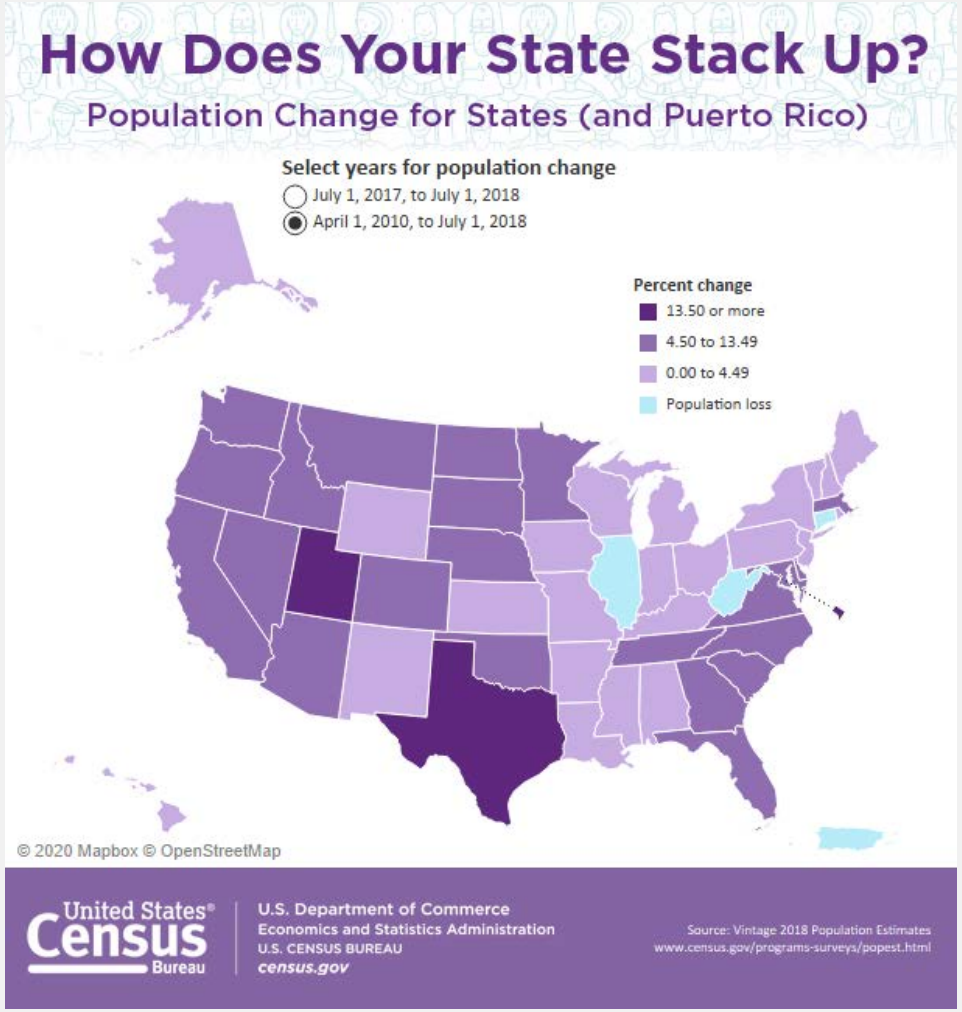
1,600
EMPLOYEES



Ranked 1st, 2nd and 3rd in the J.D Power 2019 Gas Utility Residential Customer Satisfaction Study for mid-sized natural gas utilities in the west region

CUSTOMER GROWTH RATES









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





UTILITY ELECTRIC & NATURAL GAS OUTLOOK

- Safely meet customer demand by upgrading and expanding infrastructure and facilities
- Customer base expected to continue growing by 1-2% annually
- Expects to grow rate base by 5% compounded annually over the next five years
- Focused on timely regulatory recovery
- Historic and future organic growth opportunities
  - Capital expenditures: $1.5 billion over next five years
- Announced plans to retire aging coal-fired units in 2021 and 2022

PIPELINE





WBI ENERGY ASSETS AND OPERATIONS

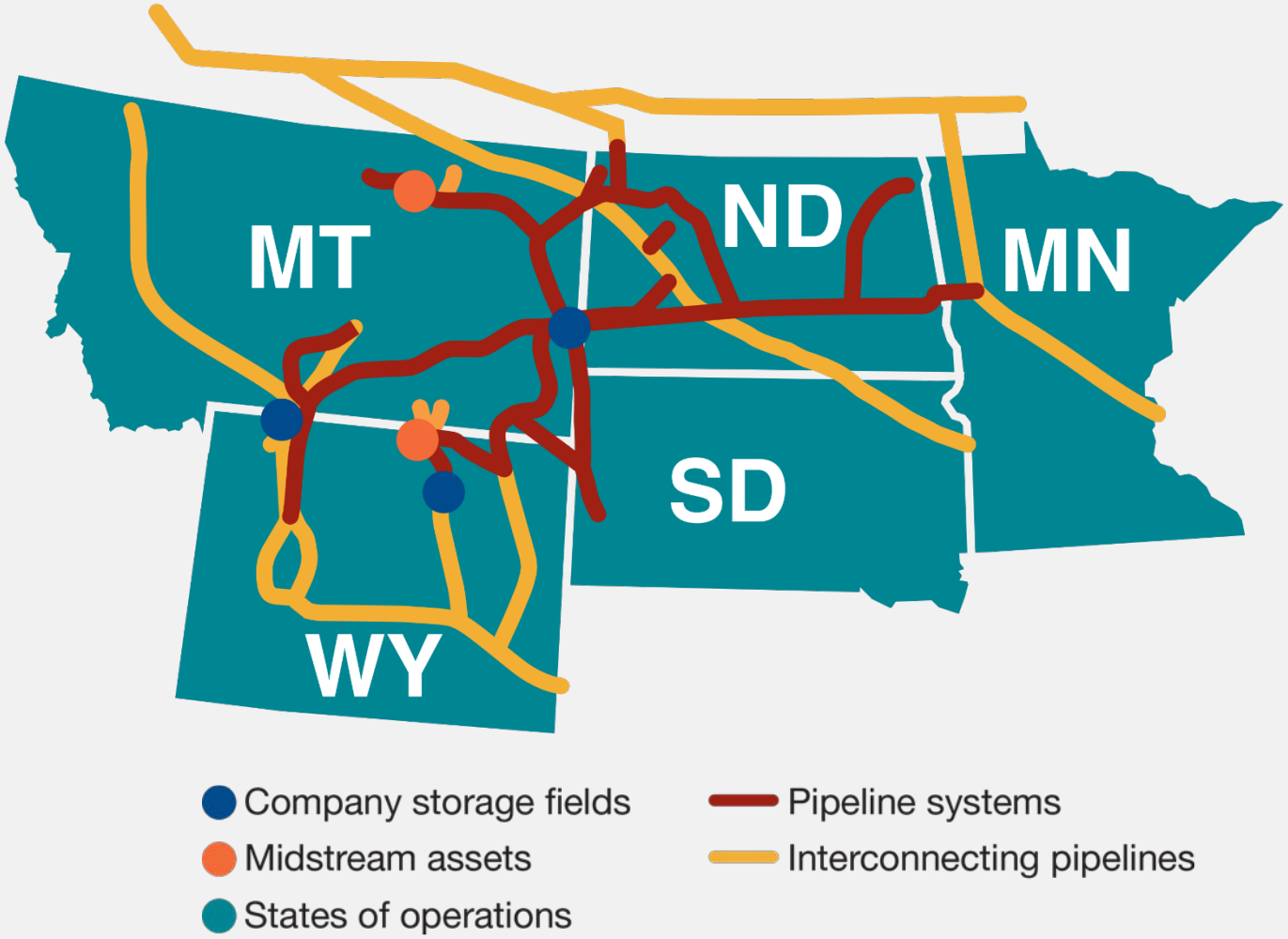
4,000
MILES OF PIPE

OVER 2.2 BCF/D
SYSTEM CAPACITY

14
INTERCONNECTING POINTS

335
EMPLOYEES

LARGEST
STORAGE FIELD IN N. AMERICA



STRATEGY STATEMENT

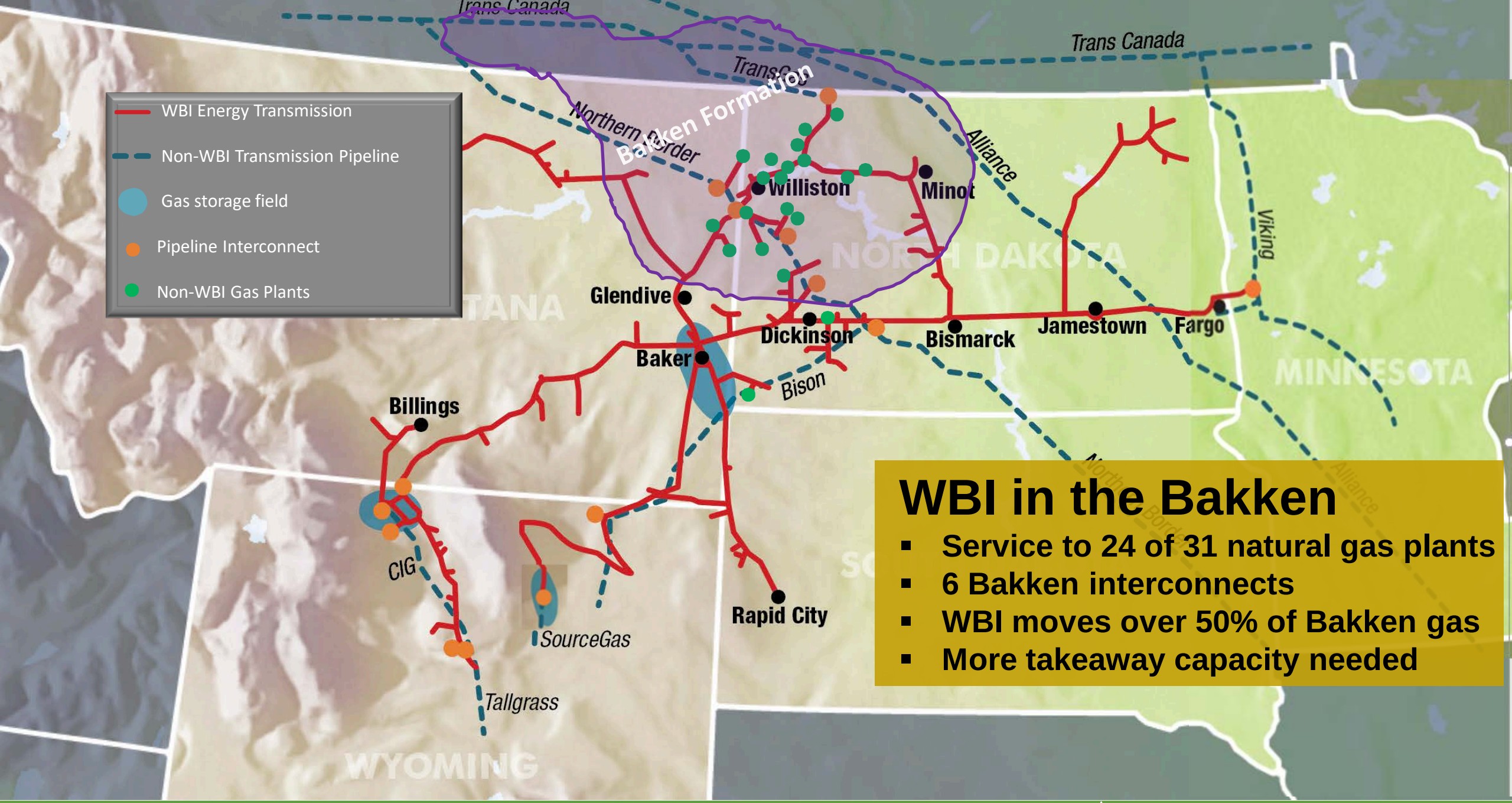
Building upon our core strengths and expertise, WBI Energy will become a leader in the Mid-Continent and Rocky Mountain regions in meeting North America's energy needs



OUR STRENGTHS

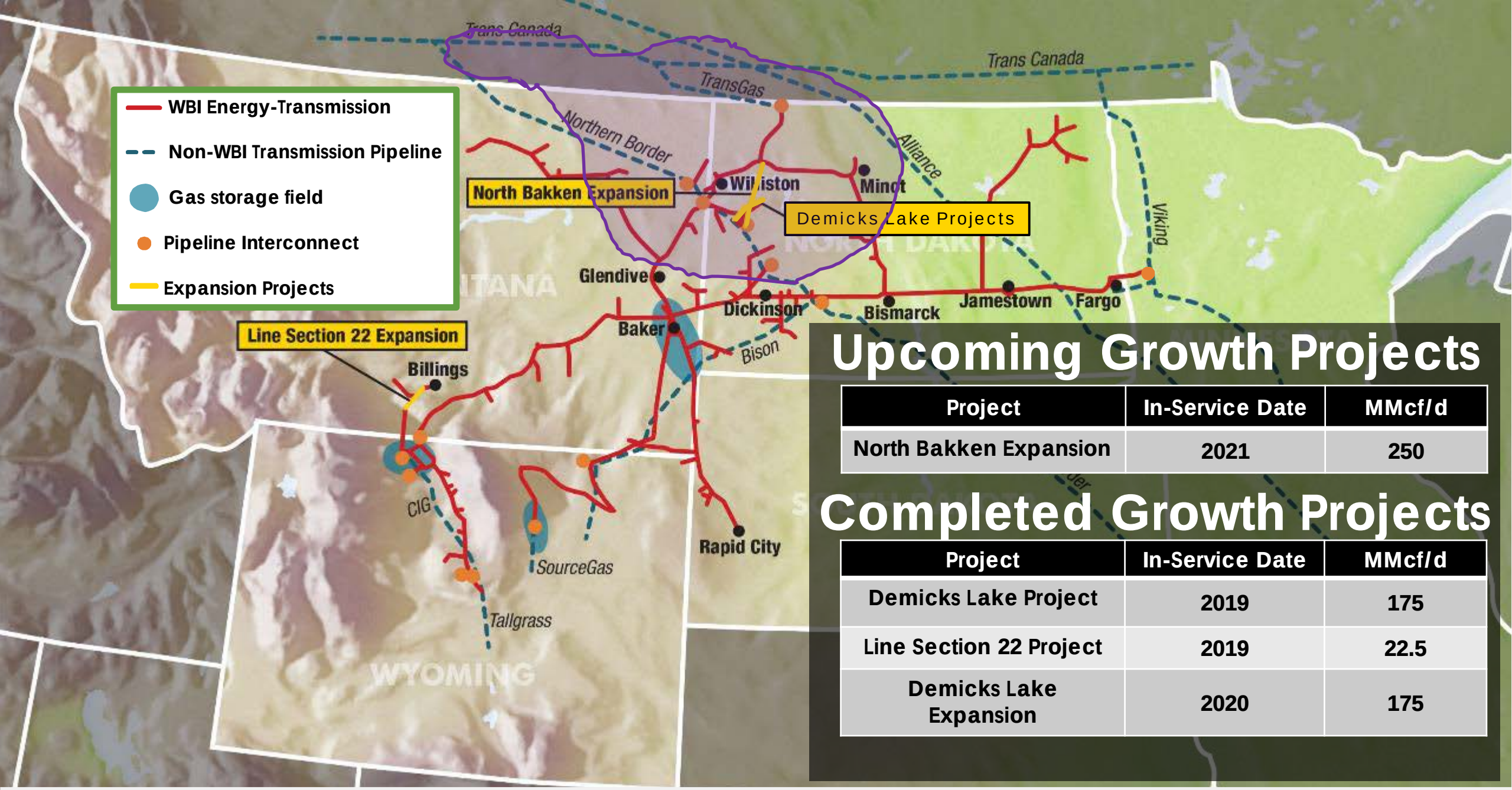
- Low risk, stable returns with regulated business
- Integrated pipeline, storage and interconnects in heart of Bakken
- Experienced, talented team
- Design, engineer, construct and operate capability





WBI in the Bakken

- Service to 24 of 31 natural gas plants
- 6 Bakken interconnects
- WBI moves over 50% of Bakken gas
- More takeaway capacity needed



Upcoming Growth Projects

Project	In-Service Date	MMcf/d
North Bakken Expansion	2021	250

Completed Growth Projects

Project	In-Service Date	MMcf/d
Demicks Lake Project	2019	175
Line Section 22 Project	2019	22.5
Demicks Lake Expansion	2020	175





PIPELINE OUTLOOK

- North Bakken Expansion project
  - Will increase capacity, as designed, by an estimated 250 million cubic feet per day
  - Expected to start construction in early 2021
  - Expected to be in service late 2021
- Profitably grow core business
  - Be the pipeline of choice for increasing Bakken takeaway and demand customers
  - Look for appropriate mergers and acquisitions
    - Within or adjacent to our geographic footprint
    - Not strategic or core to current owner
    - Strategic to WBI Energy
    - Continue to leverage our core strengths and enhance existing operations





INVESTOR RELATIONS

QUESTIONS





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MDU LISTED NYSE

APPENDIX
RECONCILIATION OF NON-GAAP FINANCIAL MEASURES: EBITDA

(dollars in millions)	Trailing Twelve Months as of June 30, 2019						
	Electric	**Natural Gas**	**Pipeline**	**Construction Services**	**Construction Materials**	**Other & Eliminations**	**Total**
Income from continuing ops.	$47.8	$42.2	$31.4	$78.0	$86.5	$2.9	$288.8
Adjustments:							
Interest Expense	25.5	33.0	7.1	4.2	21.3	1.1	$92.2
Income Taxes	(9.5)	3.2	2.9	25.6	26.1	(1.4)	$46.9
Depreciation, depletion and amortization	53.5	76.2	19.3	16.0	70.0	1.9	$236.9
EBITDA	**$117.3**	**$154.6**	**$60.7**	**$123.8**	**$203.9**	**$4.5**	**$664.8**

APPENDIX

RECONCILIATION OF NON-GAAP FINANCIAL MEASURES: EBITDA

(dollars in millions)	Year to Date as of June 30, 2019						
	Electric	**Natural Gas**	**Pipeline**	**Construction Services**	**Construction Materials**	**Other & Eliminations**	**Total**
Income from continuing ops.	$23.0	$30.3	$14.0	$42.9	$(5.3)	$(0.7)	$104.2
Adjustments:							
Interest Expense	12.7	17.1	3.6	2.5	12.1	0.8	$48.8
Income Taxes	(5.8)	4.0	3.8	15.2	(0.9)	1.4	$17.7
Depreciation, depletion and amortization	27.6	39.1	10.1	8.1	37.0	1.0	$122.9
EBITDA	**$57.5**	**$90.5**	**$31.5**	**$68.7**	**$42.9**	**$2.5**	**$293.6**

APPENDIX
RECONCILIATION OF NON-GAAP FINANCIAL MEASURES: EBITDA

(dollars in millions)	Trailing Twelve Months as of June 30, 2020						
	Electric	**Natural Gas**	**Pipeline**	**Construction Services**	**Construction Materials**	**Other & Eliminations**	**Total**
Income from continuing ops.	$55.3	$40.7	$32.0	$94.9	$140.5	$(7.1)	$356.3
Adjustments:							
Interest Expense	26.3	36.5	7.4	5.1	22.6	1.2	$99.1
Income Taxes	(14.3)	3.0	7.8	30.1	44.8	3.9	$75.3
Depreciation, depletion and amortization	62.4	82.2	22.4	21.0	83.5	2.3	$273.8
EBITDA	**$129.7**	**$162.4**	**$69.6**	**$151.1**	**$291.4**	**0.3**	**$804.5**

APPENDIX
RECONCILIATION OF NON-GAAP FINANCIAL MEASURES: EBITDA

(dollars in millions)	Year to Date as of June 30, 2020						
	Electric	**Natural Gas**	**Pipeline**	**Construction Services**	**Construction Materials**	**Other & Eliminations**	**Total**
Income from continuing ops.	$23.5	$31.4	$16.3	$44.8	$14.8	$(5.5)	$125.3
Adjustments:							
Interest Expense	13.6	18.1	3.9	2.3	10.9	0.5	$49.3
Income Taxes	(7.4)	5.6	4.4	15.3	6.5	5.3	$29.7
Depreciation, depletion and amortization	31.3	41.8	11.2	12.1	43.1	1.3	$140.8
EBITDA	**$61.0**	**$96.9**	**$35.8**	**$74.5**	**$75.3**	**$1.6**	**$345.1**