

December 2020

INVESTOR PRESENTATION

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

Utilities

Cascade Natural Gas · Montana-Dakota Utilities Co. · Intermountain Gas Company · Great Plains Natural Gas Co.
MDU Resources Group Companies
In the Community · To Serve · One Vision – One Utility

Regulated Pipeline

WBI ENERGY®
An MDU Resources Group company

Construction Materials

KNIFE RIVER®
AN MDU RESOURCES COMPANY

Construction Services

MDU
CONSTRUCTION SERVICES GROUP





COVID-19 – OUR RESPONSE

Our products and services considered essential

- Operations permitted to proceed with increased social distancing measures for our more than 15,600 employees

Health and safety of employees, customers and communities a priority

- Implemented work-from-home policies where available
- Practice social distancing on construction projects
- Temporarily suspended late payment fees and service disconnects for utility customers

MDU Resources Foundation donated $500,000 to support Coronavirus relief efforts

- This is in addition to the $2.2 million the Foundation already committed to charitable organizations this year

COMPANY OVERVIEW

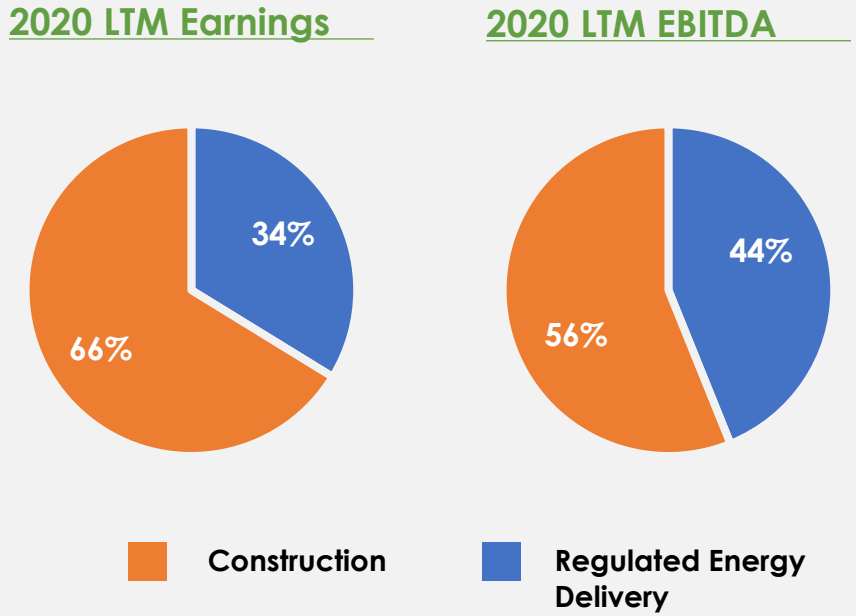
Infrastructure is our business, and we are Building a Strong America®.

Powering and connecting homes, factories, offices and stores. Building roads, highways, data infrastructure and airports. MDU Resources keeps our economy moving.

High Quality Portfolio of Businesses[1]

	Revenue *(2020 LTM)*	EBITDA[2] *(2020 LTM)*	Earnings *(2020 LTM)*	EPS CAGR *(2015-2020 LTM)*	M&A *(2015-19)*	CEO Industry Experience
Electric & Natural Gas	$1,197.5	$292.6	$94.5	9.2%	--	26 yrs
Pipeline	$142.5	$69.8	$32.2	19.0%	--	25 yrs
Construction Services	$2,046.8	$163.4	$103.6	35.7%	$22.1	17 yrs
Construction Materials	$2,203.9	$299.8	$145.1	10.0%	$223.1	35 yrs
Total[3]	**$5,590.7**	**$825.6**	**$375.5**	**16.5%**	**$245.2**	**Avg: 26 yrs**

Diversified Earnings Contribution[1]



1. LTM figures as of 9/30/2020.
2. Note: EBITDA is considered a non-GAAP financial measure.
3. Total figures exclude "Other" and "Intersegment eliminations".

INVESTMENT THESIS

Consistent long-term growth	→	**9.0% EBITDA[1] CAGR** (2015-2020 LTM) **16.5% EPS CAGR** (2015-2020 LTM)
Balance of cyclical and counter-cyclical businesses	→	**56% Construction / 44% Regulated Energy Delivery EBITDA mix** (2020 LTM)
Runway of **attractive organic and inorganic growth opportunities**	→	**>$1 trillion spending gap in US infrastructure[2]; Strong local demographic trends**
Improving ROIC driven by rigorous capital allocation process	→	**5.5% → 8.5%** 2015 → 2020 LTM
Strong balance sheet, durable cash flow and **significant capacity to return capital**	→	**3.7% current div. yield[3]; 44% payout ratio** (2020 LTM); **BBB+ credit rating**
Proven management team capable of executing	→	**~26 years of average industry experience for business segment CEOs**

LTM figures as of 9/30/2020.

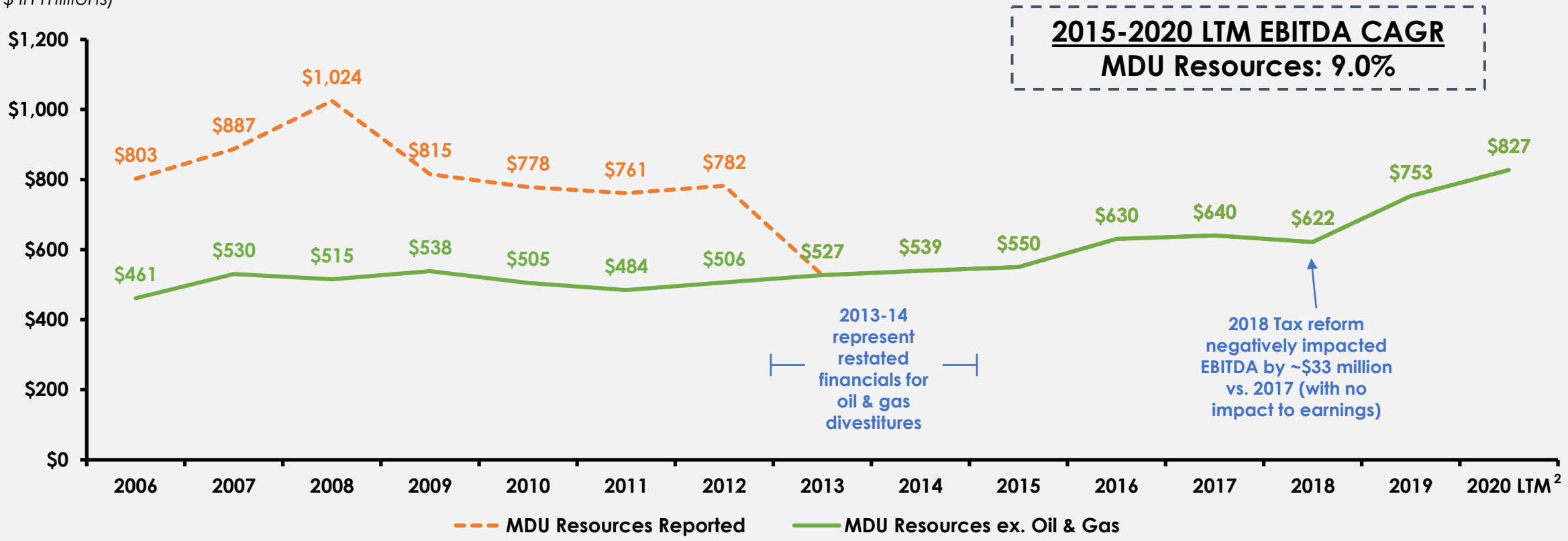
1. Note: EBITDA is considered a non-GAAP financial measure.
2. Source: ASCE's 2017 Infrastructure Report Card.
3. Based on closing stock price on 9/30/2020.

LONG-TERM EBITDA PERFORMANCE

Steady, long-term EBITDA growth masked by divestitures and tax reform

EBITDA[1]

($ in millions)

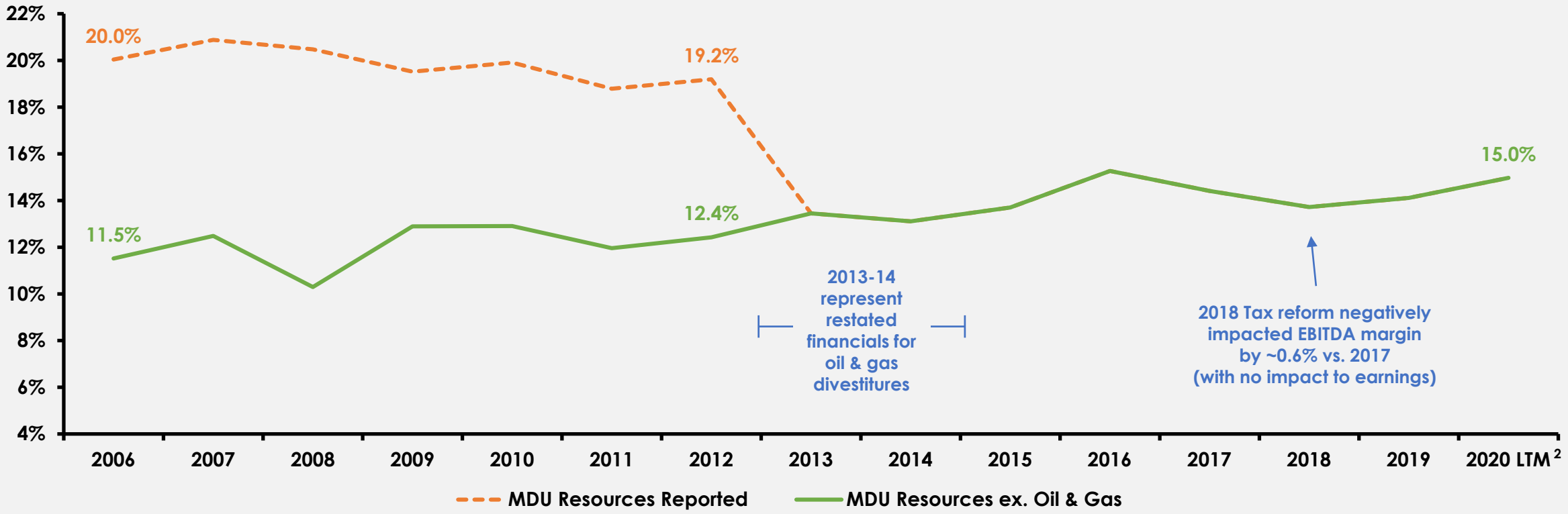


1. Note: EBITDA is considered a non-GAAP financial measure.
2. LTM figures as of 9/30/2020.

LONG-TERM EBITDA MARGIN

Rising EBITDA margin profile, excluding capital-intensive Oil & Gas business

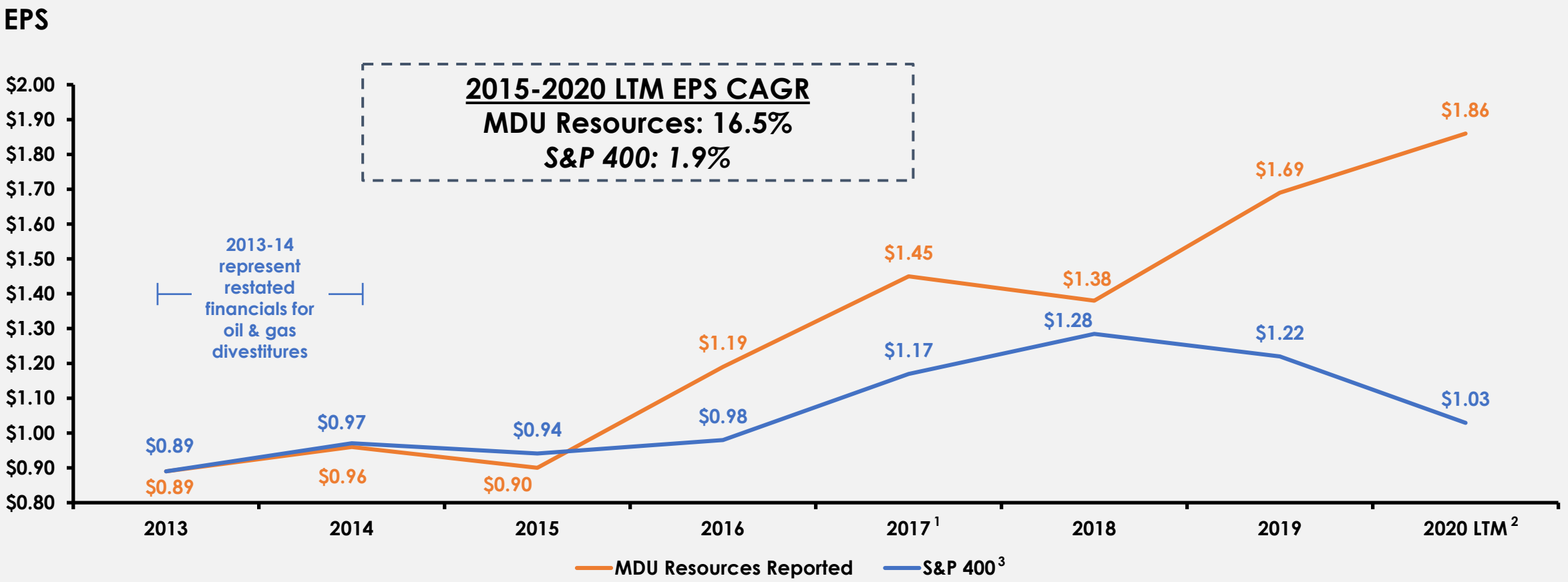
EBITDA[1] Margin



1. Note: EBITDA is considered a non-GAAP financial measure.
2. LTM figures as of 9/30/2020.

LONG-TERM EPS PERFORMANCE

Significant outperformance versus the index



1. Note: Results in 2017 included a one-time federal tax reform benefit in the fourth quarter of $39.5 million, or 20 cents per share.
2. LTM figures as of 9/30/2020.
3. Note: S&P 400 EPS indexed to MDU Resources, using 2013 as base year EPS and S&P 400 EPS growth rates.

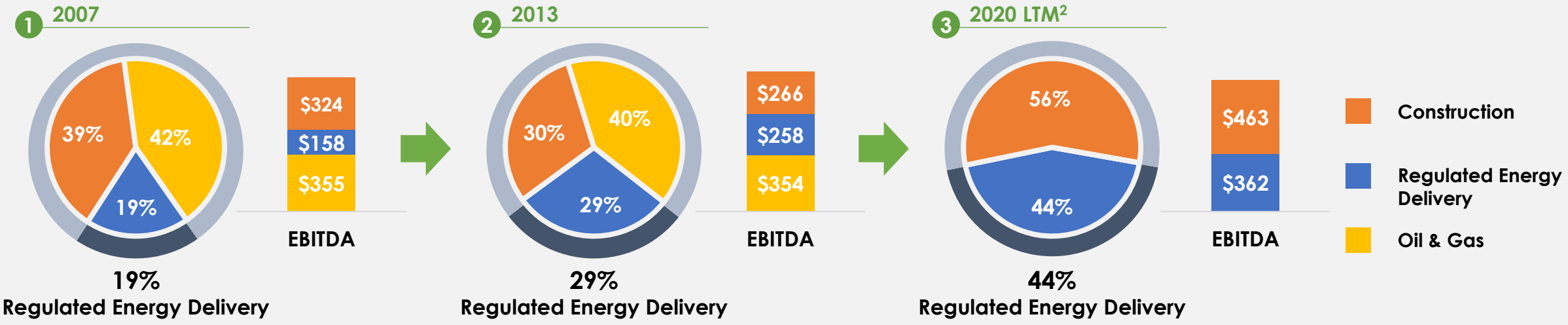
EBITDA MIX OVER TIME

Fundamentally enhanced business mix and improved customer diversification since 2007

- Divested volatile Oil & Gas business in 2014-16, **eliminating majority of commodity exposure**
- Improved mix of Regulated Energy Delivery earnings and EBITDA, **increasing long-term visibility**
- Expanded offerings in Construction Services to build technology infrastructure, **accelerating growth**
- Increased volume of public sector projects at Knife River, **increasing demand visibility**

EBITDA[1] Mix (2007–2020 LTM)

(Percent contribution)



1. Note: EBITDA is considered a non-GAAP financial measure. This representation excludes "Other" and "Intersegment eliminations" and non-regulated energy EBITDA.
2. LTM figures as of 9/30/2020.

BUSINESS MIX RATIONALE

Balanced business mix enables financial synergies and flexibility for superior long-term returns

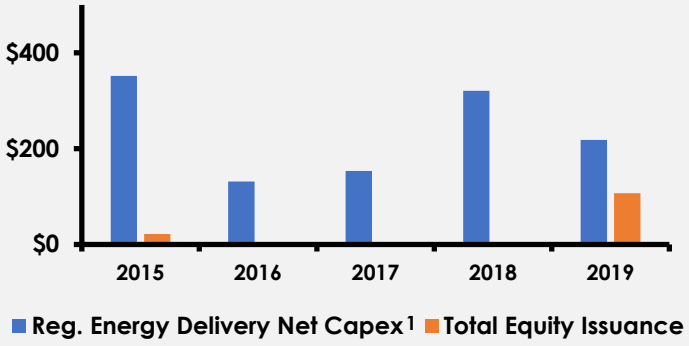
MDU Resources Advantage:
Construction businesses generate significant FCF, funding organic growth and mitigating typical Regulated Energy Delivery equity dilution

MDU Resources Advantage:
Regulated Energy Delivery businesses provide credit ratings support and financial stability during recessionary environments

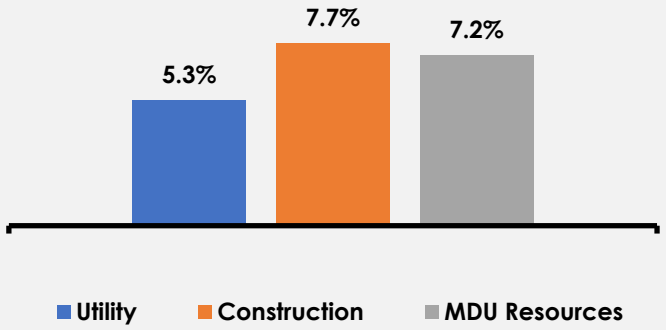
MDU Resources Advantage:
Combined business structure enables M&A to focus on highest risk-adjusted return opportunities

Equity Issuance

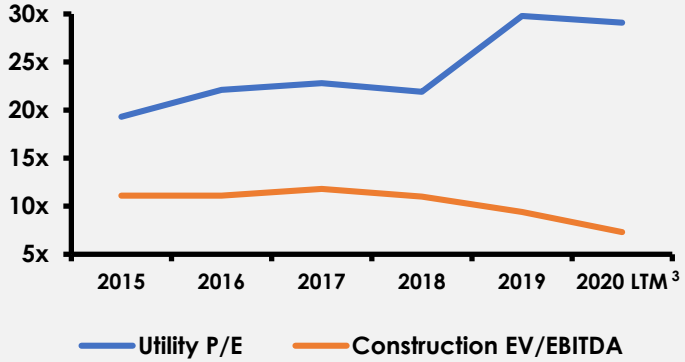
($ in millions)



Avg. Cost of Capital by Sector[2]



Multiples by Sector[2]



1. Net Capex equals gross Capex minus Depreciation, Amortization and Depletion.
2. Note: Utility sector consists of all companies in S&P 500 Utilities index (~30 companies); Construction sector consists of 8 MDU Resources construction peers: EME, MLM, MTZ, MYRG, PRIM, SUM, USCR, VMC.
3. LTM figures as of 9/30/2020.

US INFRASTRUCTURE OUTLOOK

Significant underinvestment in recent years results in decades-long growth opportunities

	2016-2025 Infrastructure Systems[1]	Total Needs	Estimated Funding	Funding Gap	Report Card Grade	Exposure to MDU Resources		
						Reg. Energy Delivery	Construction Materials	Construction Services
	**Surface Transportation**	$2,042	$941	$1,101	C+		✓	✓
	**Electricity**	$934	$757	$177	D+	✓		✓
	**Airports**	$157	$115	$42	D		✓	✓
	**Rail**	$154	$125	$29	B		✓	✓
	Total	**$3,287**	**$1,938**	**$1,349**				

	2018-2023 Cloud and Colocation CapEx Spending[2]	2018 CapEx Spend	2023 CapEx Spend	CAGR	Exposure to MDU Resources		
					Reg. Energy Delivery	Construction Materials	Construction Services
	**Physical Infrastructure**	~$19	~$29	8.5%			✓
	**Land and Building**	~$6	~$11	12.7%		✓	✓
	Total	**~$25**	**~$40**	**9.6%**			

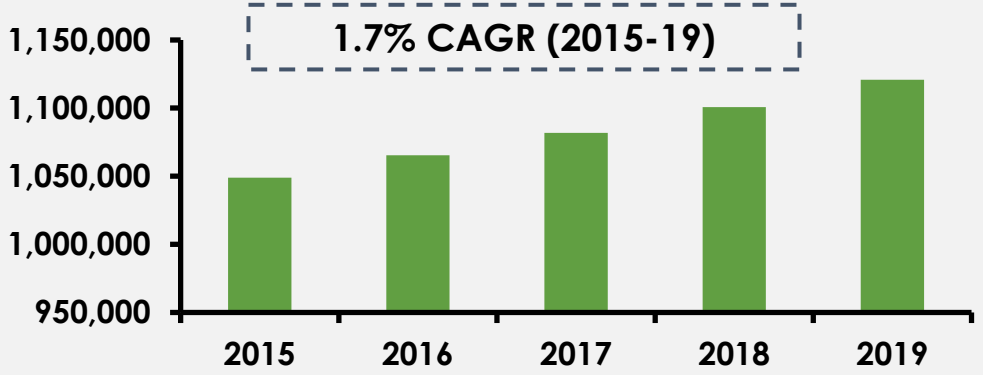
1. ASCE's 2017 Infrastructure Report Card. Dollars in billions, based on 2015 dollars.
2. Omdia Cloud and Colocation Data Center Capex Market Tracker. Dollars in billions.

RATE BASE ORGANIC GROWTH DRIVERS

Continuous Rate Base growth supported by strong customer growth and system investments

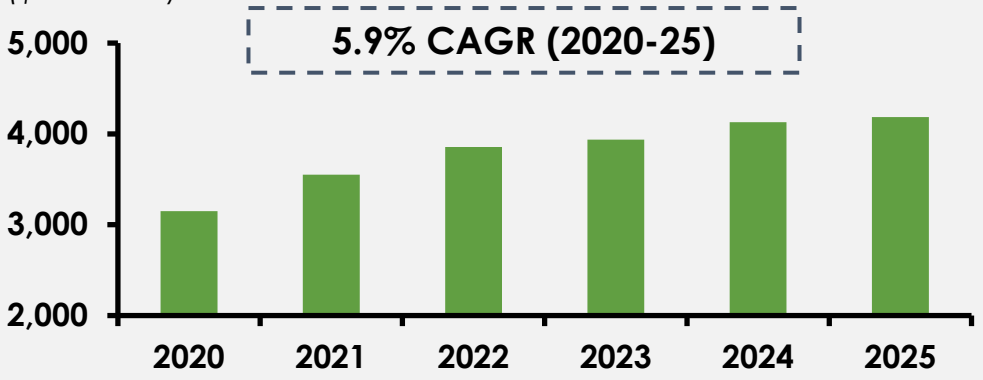
- Utility earnings growth is driven by capital deployment, resulting in growth in Rate Base
- Organic growth driven in part by positive demographics
  - 1.7% annual customer growth rate since 2015 and 1-2% continued projected growth through 2025
  - Compares favorably to other utilities
- MDU Utilities Group expected to deploy $1.6 billion in capex over next 5 years
  - Focus on upgrading and expanding existing systems, retiring coal-fired units, while targeting regulatory recovery of costs
- WBI expected to deploy $508 million in capex over next 5 years
  - Opportunities include North Bakken Expansion project and industrial related projects due to low natural gas prices

Historical MDU Utilities Group Customer Base



Projected MDU Regulated Energy Delivery Rate Base[1]

($ in millions)



1. Including CWIP.

CAPITAL ALLOCATION FRAMEWORK

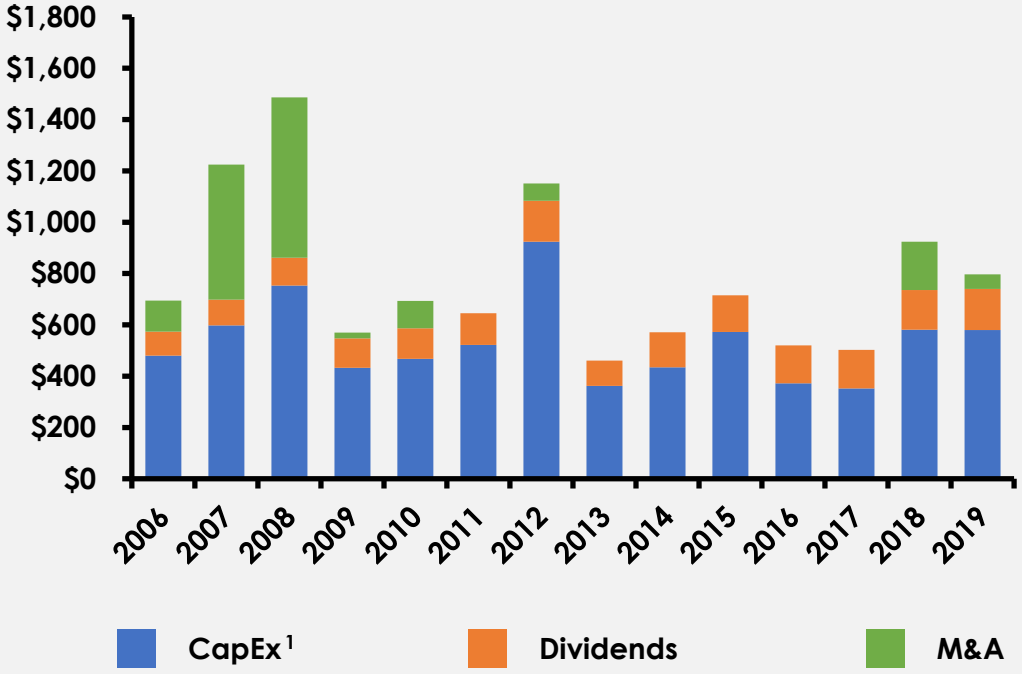
MDU Resources' long operating history in local markets brings insight into the highest return investment opportunities

Capital Allocation Philosophy

- ✓ Approach each opportunity with an owner mindset – capital is scarce and should be deployed with care
- ✓ Invest where MDU Resources has unique insights, relationships and market knowledge
- ✓ Strengthen existing markets, expand existing footprints and grow competitive barriers
- ✓ Prioritize organic investments with superior risk-adjusted returns
- ✓ Maintain a strong, increasing dividend
- ✓ Pay down debt as appropriate and maintain investment-grade credit rating

Capital Allocation History

($ in millions)



1. Capital expenditure figures exclude M&A.

CAPITAL EXPENDITURES

MDU Resources' organic investments remain the primary driver of high-quality earnings growth

Regulated Energy Delivery Focus

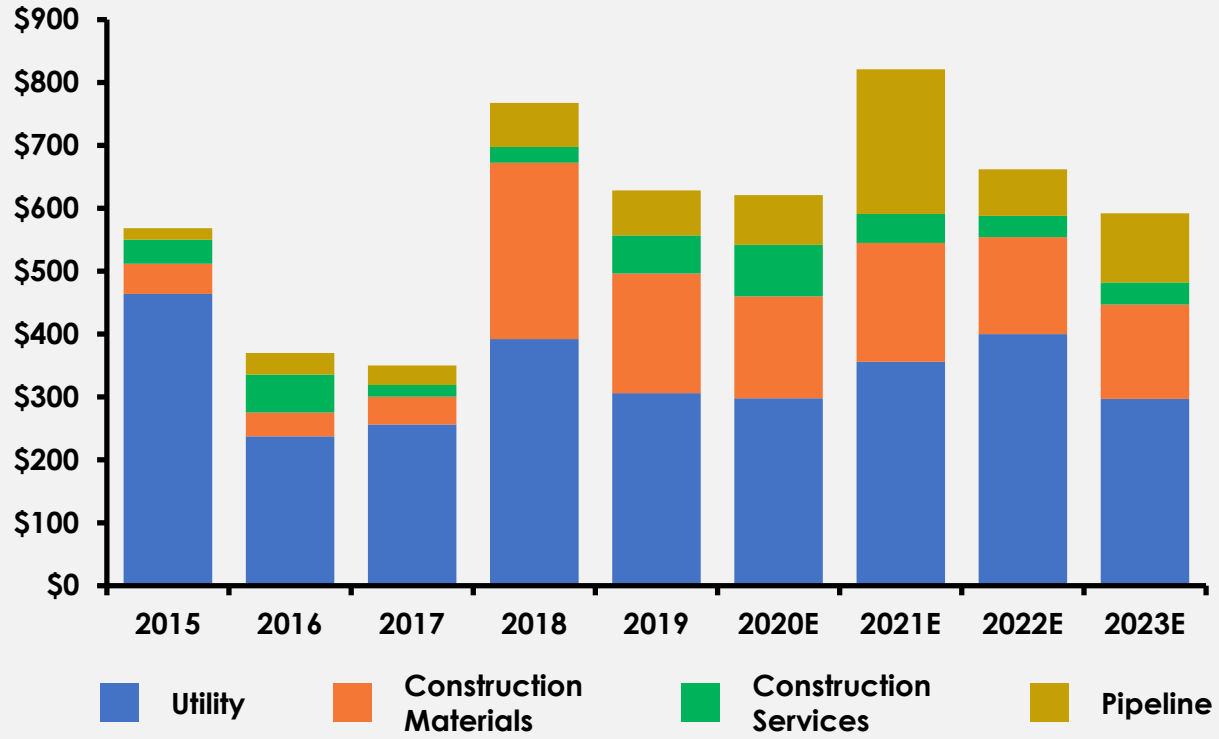
- Capital investments primarily in Regulated businesses where rates of return have a high level of certainty
- System infrastructure upgrades and replacements
- Natural gas combustion turbine
- North Bakken Expansion

Construction Materials and Services Focus

- Equipment and plant replacements and upgrades
- Development of Honey Creek Deposits

Capital Expenditure by Segment

($ in millions)



M&A APPROACH

Inorganic investments have potential to accelerate strategy, but are only executed when return hurdles are met; M&A is an important part of the MDU growth story

Philosophy

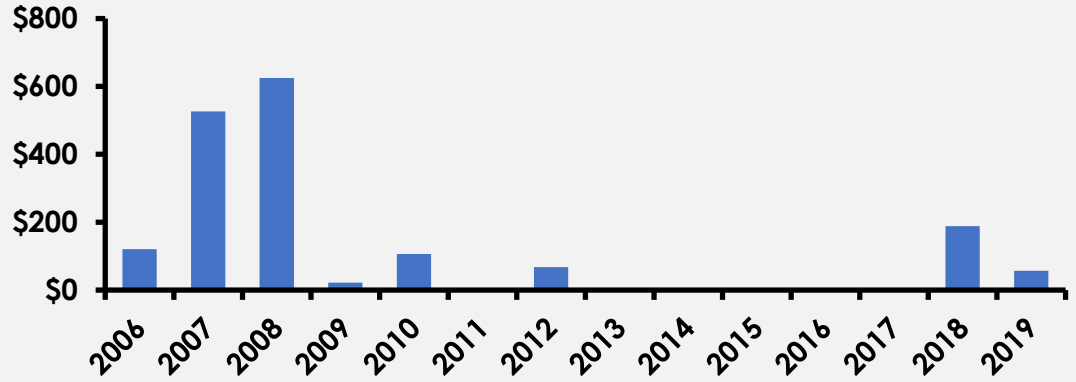
- ✓ Approach each opportunity with an owner mindset – capital is scarce and should be deployed with care
- ✓ Implement repeatable M&A process
- ✓ Require attractive risk-adjusted return profiles that provide long-term strategic value
- ✓ Acquisitions are a base for future organic growth

Evaluation Process

- ✓ Conduct deep due diligence, including revenue and cost synergies, valuation, risk analyses as well as social and environmental impact
- ✓ Management Policy Committee, composed of senior management, reviews all transactions over $5 million
- ✓ Each division is assigned a risk-adjusted cost of capital
- ✓ Acquisitions are reviewed annually against internal plans; processes are continuously refined

Recent M&A History

($ in millions)



Results

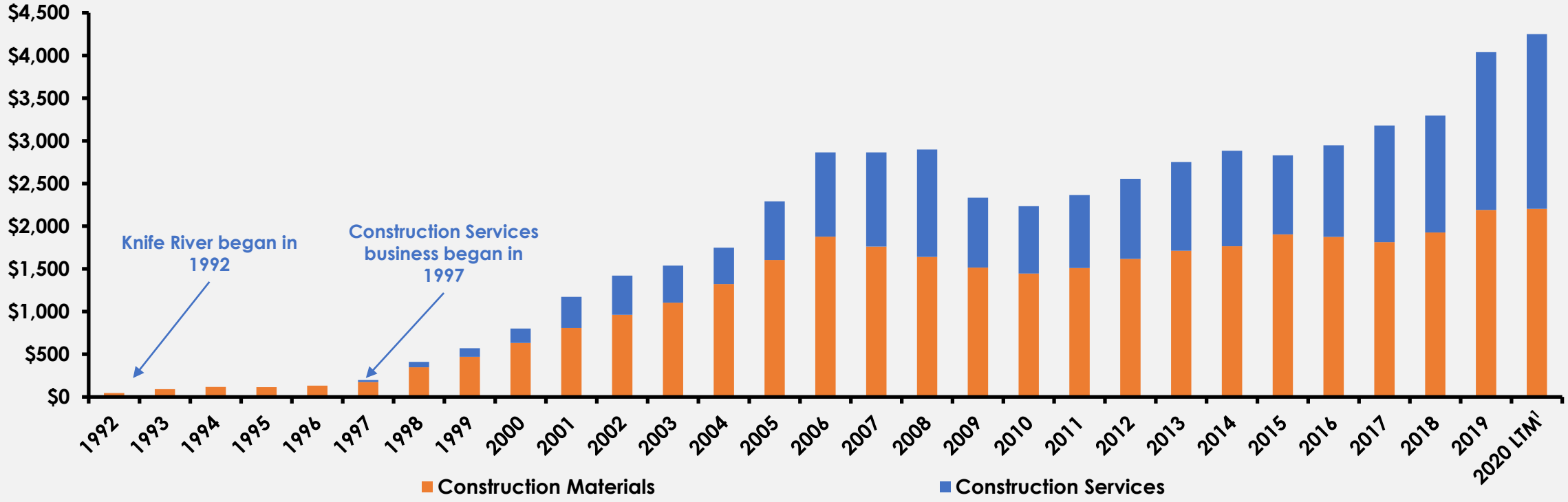
- Long track record of success; ~125 acquisitions over 25 years
- Capital allocated toward significant organic growth opportunities from 2014-17
- Recently conducted several bolt-on acquisitions and we continue to evaluate future opportunities

GROWTH IN CONSTRUCTION

Built through a combination of acquisitions and organic expansion, Construction Materials and Services provide high return, long-term growth

Construction Revenue

($ in millions)

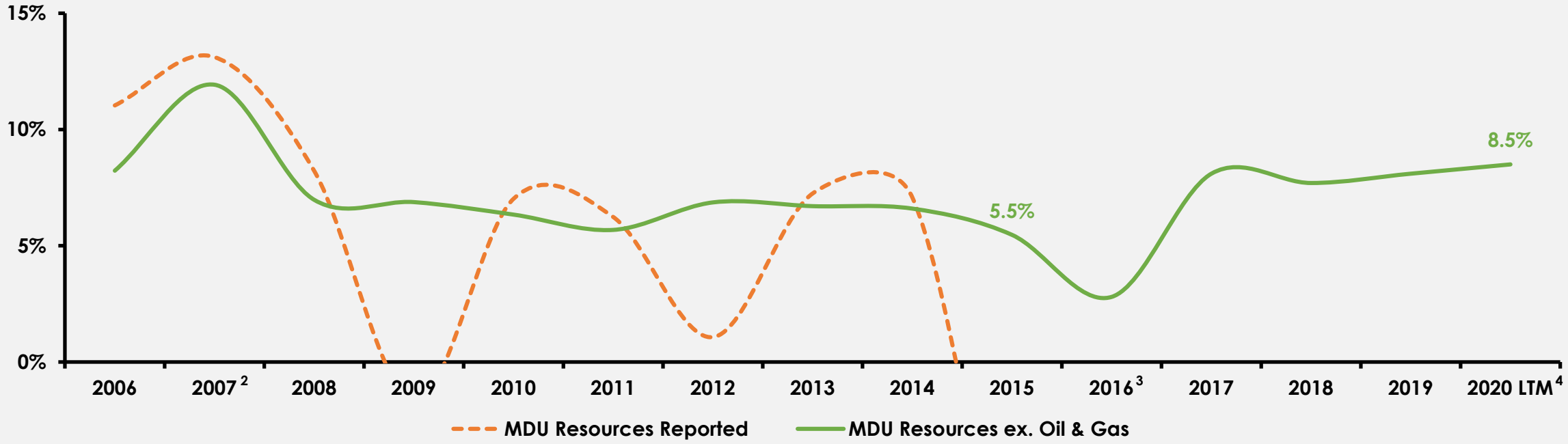


1. LTM figures as of 9/30/2020.

HISTORICAL ADJUSTED ROIC

Solid ROIC through the cycle; meaningful improvement following Oil & Gas divestitures

Adjusted ROIC[1]

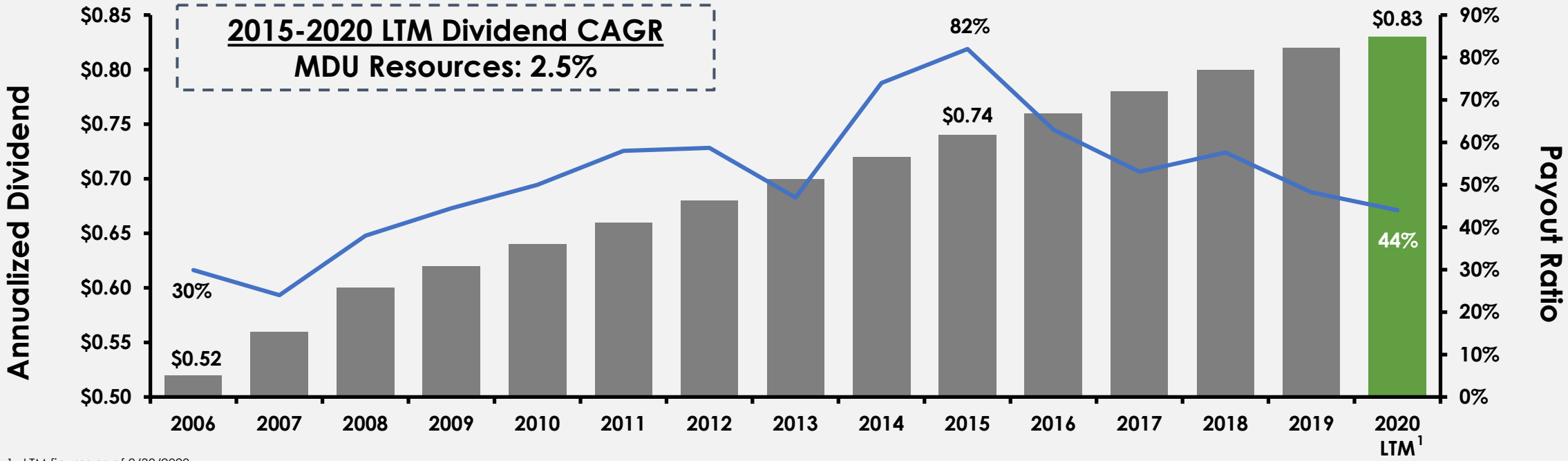


1. ROIC calculated by using earnings plus after-tax interest divided by average invested capital.
2. Includes the gain on sale from the Independent Power Production business.
3. Includes write-down from impairment in the Refinery business.
4. LTM figures as of 9/30/2020.

DIVIDENDS

Long history of dividend increases coupled with payout ratio materially improving post-2015

- 82 consecutive years of quarterly dividend payments with 29 consecutive years of increases
- Payout ratio reached 80% following 2014-16 business divestitures – has steadily declined to <50%
- Member of S&P High-Yield Dividend Aristocrats index



1. LTM figures as of 9/30/2020.

FINANCIAL GUIDANCE

Select Historical Results				2020 Guidance	Forward Guidance Framework
	2015	**2020 LTM**	***2015-2020 LTM CAGR***		
Electric & Natural Gas Utility EPS	$0.31	$0.47	***9.2%***	-	**EPS:** 5% Rate Base CAGR over 5 years
Pipeline EPS	$0.07	$0.16	***19.0%***	-	-
Construction Materials EBITDA *($ in millions)*	$212	$300	***7.6%***	**Revenue:** $2.15 billion to $2.25 billion **EBITDA:** Margins slightly higher than 2019	-
Construction Services *EBITDA* *($ in millions)*	$58	$163	***24.3%***	**Revenue:** $2.0 billion to $2.15 billion **EBITDA:** Margins comparable to 2019	-
Total Revenue *($ in millions)*	**$4,014**	**$5,526**	***7.0%***	-	-
Total EBITDA *($ in millions)*	**$550**	**$827**	***9.0%***	-	-
Total EPS	**$0.90**	**$1.86**	***16.5%***	**$1.92 to $2.02** **As of December 14, 2020**	**5-8% CAGR off 2019 base of $1.69**

General Guidance Assumptions:

- Reflects COVID-19-related modified working conditions, with continued gradual reopening of the national economy
- Normal weather conditions, including precipitation and temperatures, across all service areas
- No significant acquisitions or divestitures for 2020 and beyond
- Investing $614 million for capital projects in 2020





Segment Overview





BUSINESS SEGMENT OVERVIEW

Regulated Energy Delivery Businesses

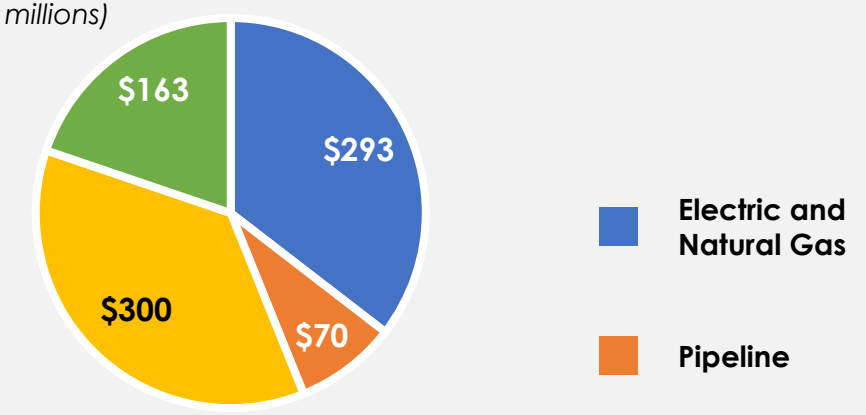
- Growing the business by investing in the safety and reliability of our existing system
- Focused on organic growth first while managing operating costs
- Looking to expand into areas where similar operating and growth objectives exist

Construction Businesses

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

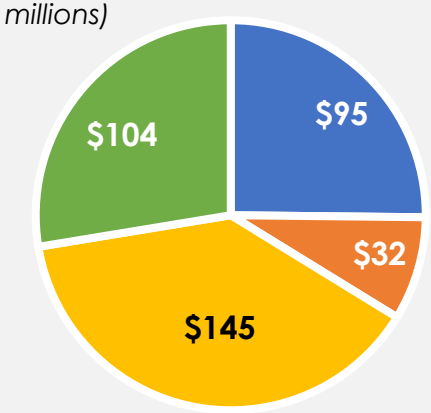
2020 LTM EBITDA[1,2]

($ in millions)



2020 LTM Earnings[1]

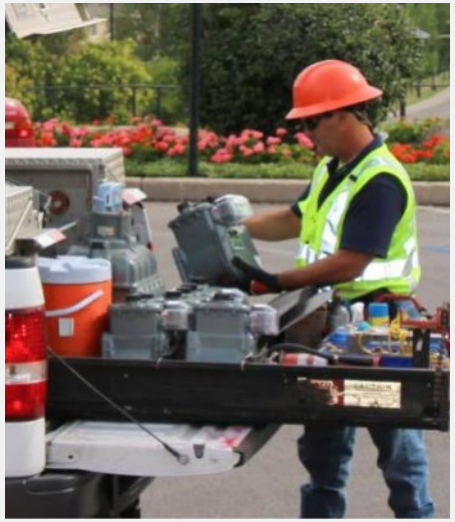
($ in millions)



1. LTM figures as of 9/30/2020.
2. Note: EBITDA is considered a non-GAAP financial measure.

MDU RESOURCES BUSINESS OFFERINGS

Utilities





Pipeline





Construction Materials







Construction Services













MDU RESOURCES COMPETITORS

Utilities	Pipeline	Construction Materials	Construction Services
State and Federal Regulated	ONEOK ENBRIDGE dcp Midstream Williams	US CONCRETE SUMMIT Materials GRANITE CRH	MYR GROUP MasTec PSC Primoris Services Corporation QUANTA EMCOR Construction Services

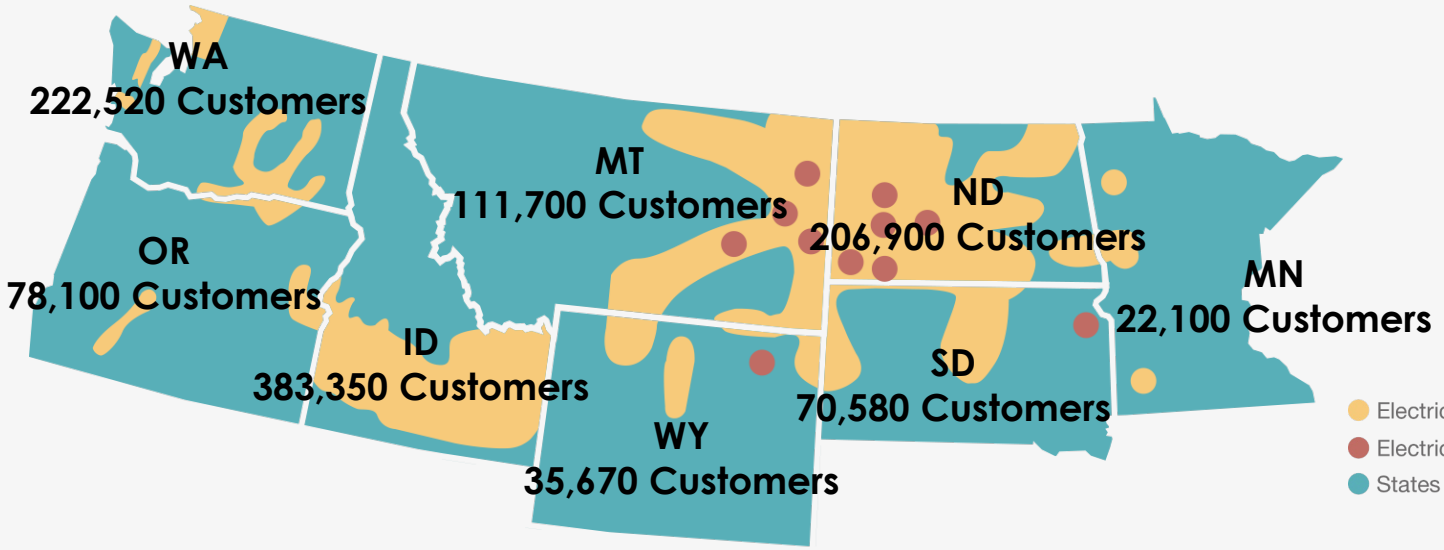
ELECTRIC AND NATURAL GAS SNAPSHOT

1,130,920
CUSTOMERS

800 MW
OWNED GENERATION

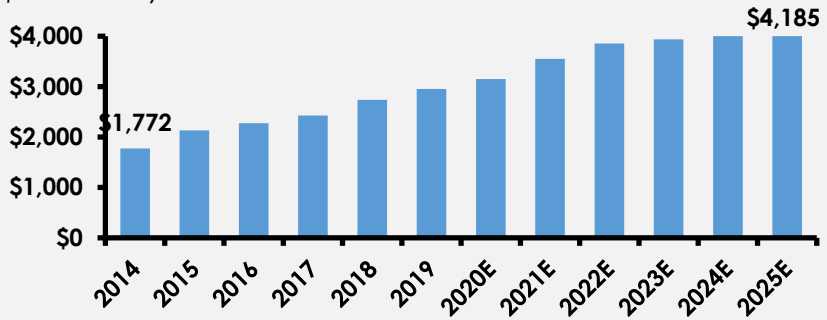
20,300
MILES OF ELECTRIC TRANSMISSION AND DISTRIBUTION

1,600
EMPLOYEES

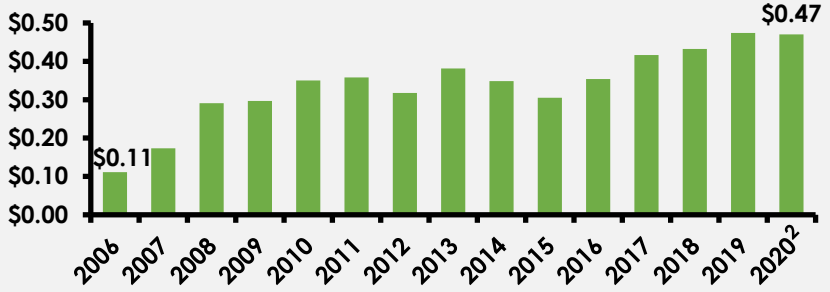


Rate Base[1] (Regulated Energy Delivery)

($ in millions)



Segment EPS



1. Including CWIP.
2. LTM figures as of 9/30/2020.

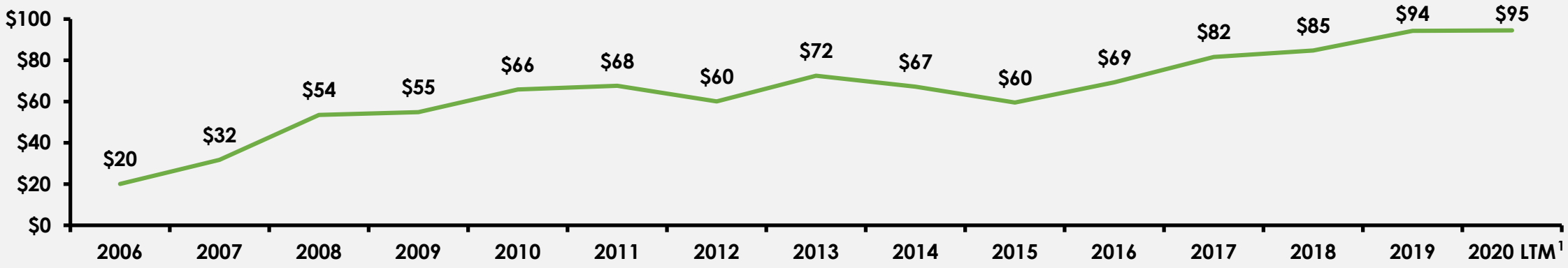
UTILITY INDUSTRY REGULATORY DYNAMICS

MDU Utilities have several constructive regulatory mechanisms that reduce earnings volatility

- MDU Utilities enjoys constructive regulatory relationships in all of its service territories allowing it to ensure adequate and timely recovery of incurred costs
  - MDU Utilities largely operate on forecasted or forward test periods, supported by interim rate relief and/or full decoupling
  - In addition, MDU Utilities in large part are allowed timely recovery via dedicated trackers and normalization mechanisms, such as fuel and purchased gas clause adjustments

MDU Utilities Income from Continuing Ops. (Electric and Natural Gas)

($ in millions)



1. LTM figures as of 9/30/2020.

PIPELINE SNAPSHOT

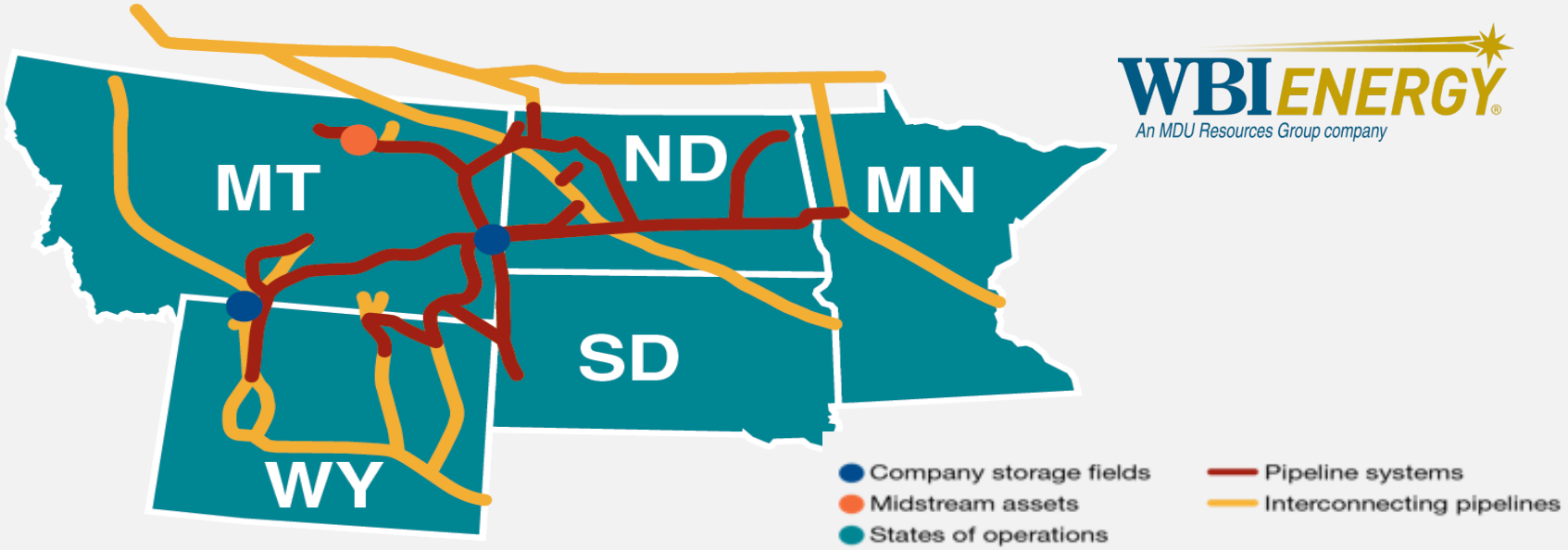
4,000
MILES OF PIPE

OVER 2.2 BCF/D
SYSTEM CAPACITY

14
INTERCONNECTING POINTS

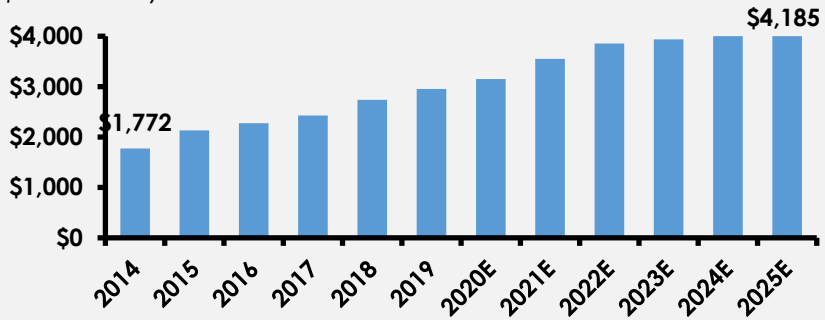
335
EMPLOYEES

LARGEST
STORAGE FIELD IN N. AMERICA

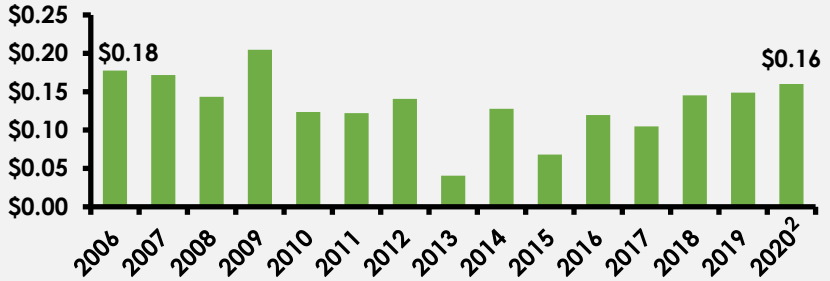


Rate Base[1] (Regulated Energy Delivery)

($ in millions)



Segment EPS



1. Including CWIP.
2. LTM figures as of 9/30/2020.

CONSTRUCTION SERVICES SNAPSHOT

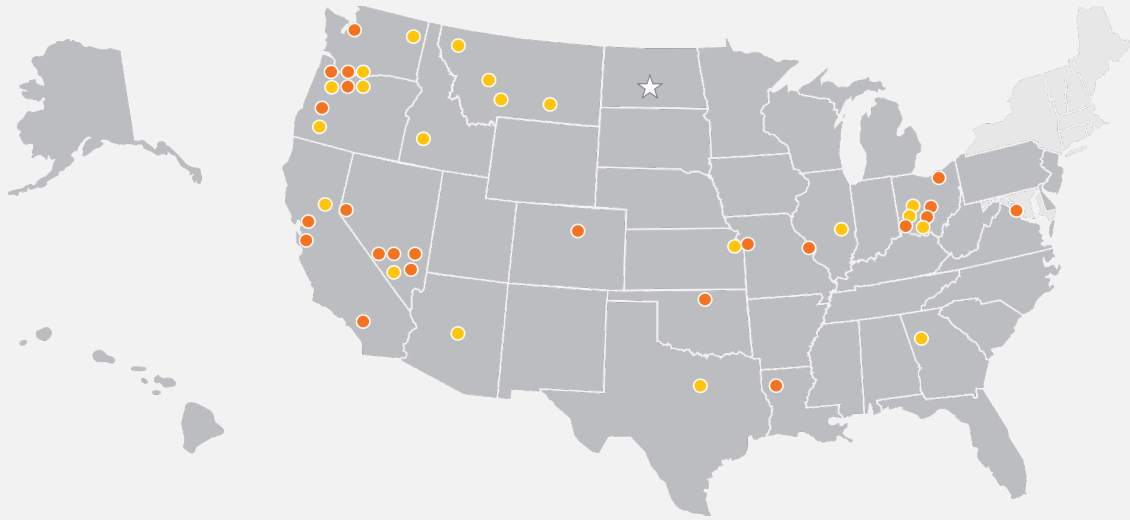
7,900
EMPLOYEES AT PEAK

42
STATES OF OPERATION

6
OUTSIDE CONSTRUCTION COMPANIES

12
INSIDE CONSTRUCTION COMPANIES

Ranked 11th
on ENR's Top 600 Specialty Contractors List

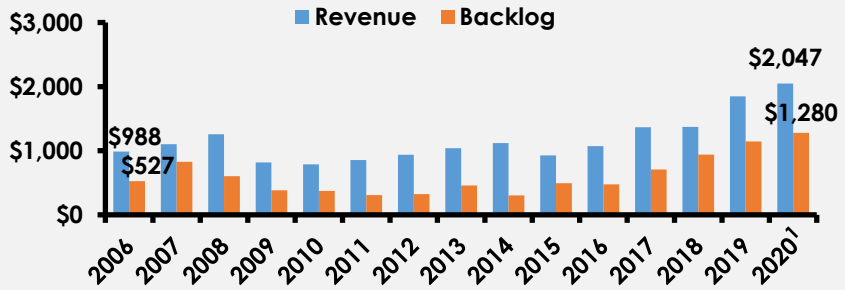


MDU CONSTRUCTION SERVICES GROUP

Outside
Inside
Authorized States of Operation for Construction Services
Corporate Office

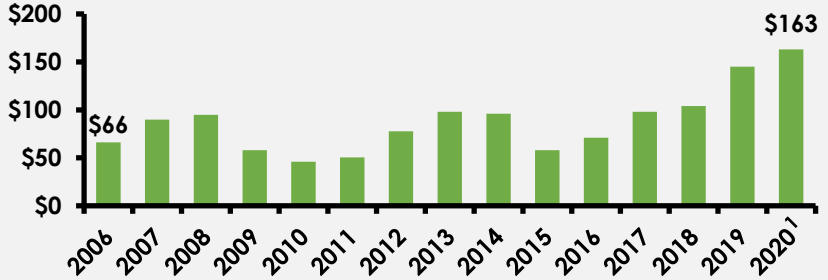
Segment Revenue and Year-End Backlog

($ in millions)



Segment EBITDA[2]

($ in millions)



1. LTM figures as of 9/30/2020.
2. Note: EBITDA is considered a non-GAAP financial measure.

CONSTRUCTION MATERIALS SNAPSHOT

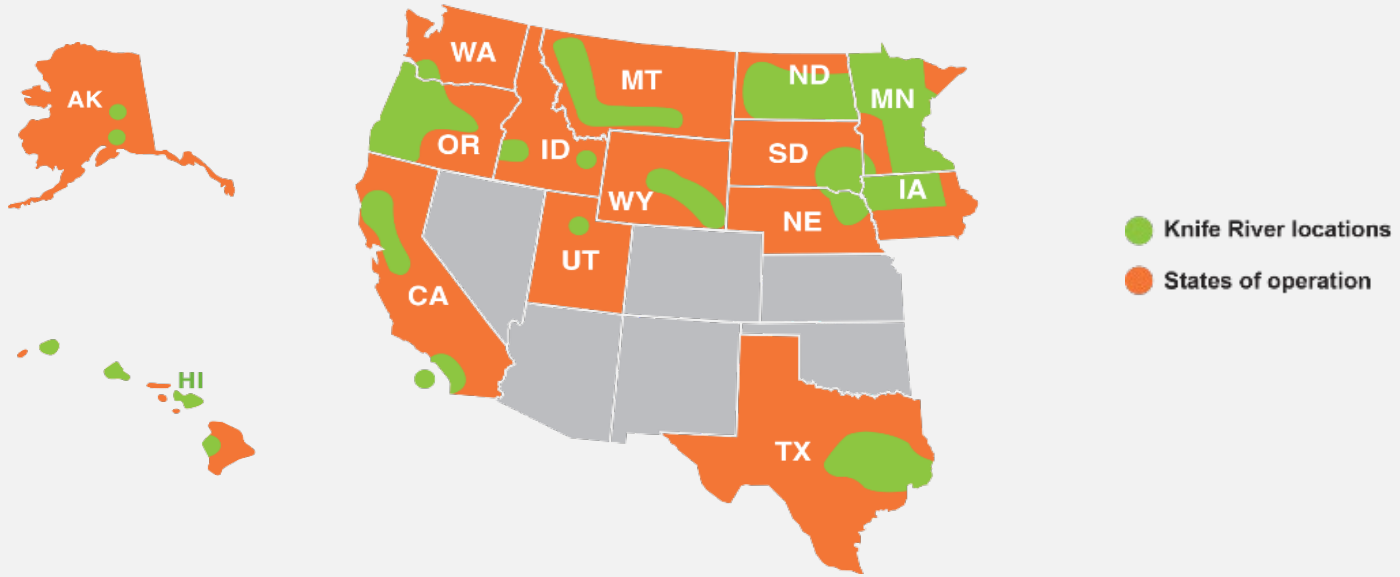
KNIFE RIVER CORPORATION
AN MDU RESOURCES COMPANY

NEARLY 6,000
EMPLOYEES AT PEAK SEASON

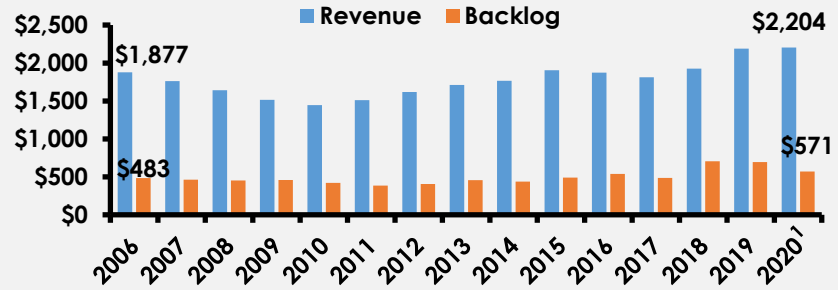
15
STATES OF OPERATION

1.1 BILLION
TONS OF RESERVES

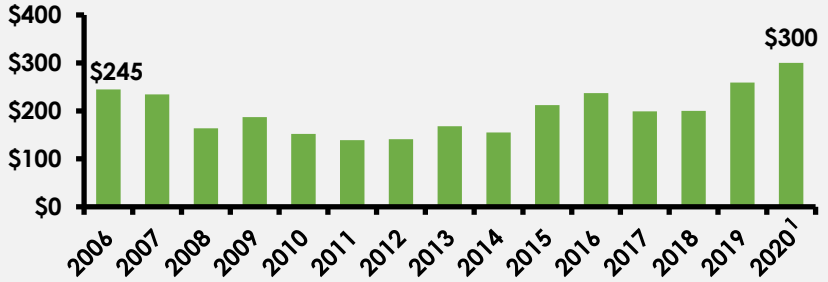
TOP 10
U.S AGGREGATE PRODUCER



Segment Revenue and Period-End Backlog
($ in millions)



Segment EBITDA[2]
($ in millions)



1. LTM figures as of 9/30/2020.
2. Note: EBITDA is considered a non-GAAP financial measure.





Appendix





MULTI-YEAR FINANCIALS

($ in millions, except per share data)

	For the year ended December 31				
	2015	**2016**	**2017**	**2018**	**2019**
Revenue	**$4,014**	**$4,129**	**$4,443**	**$4,532**	**$5,337**
Operating Profit	**$326**	**$409**	**$424**	**$402**	**$481**
Operating Margin	*8.1%*	*9.9%*	*9.5%*	*8.9%*	*9.0%*
EBITDA[1]	**$550**	**$630**	**$640**	**$622**	**$753**
EBITDA Margin	*13.7%*	*15.3%*	*14.4%*	*13.7%*	*14.1%*
EPS	**$0.90**	**$1.19**	**$1.45**	**$1.38**	**$1.69**
Cash Flow from Ops.[2]	**$662**	**$462**	**$448**	**$500**	**$542**
ROIC[3]	**5.5%**	**2.8%**	**8.1%**	**7.7%**	**8.1%**

1. Note: EBITDA is considered a non-GAAP financial measure.
2. Includes discontinued operations.
3. Adjusted for divestiture of E&P business

RECONCILIATION OF EBITDA

($ in millions)

	For the year ended December 31														
	2006	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020 LTM[2]**
Income from Continuing Ops.	$307.8	$322.8	$293.7	($123.3)	$244.0	$226.0	($14.3)	$168.7	$185.0	$176.4	$233.1	$285.0	$269.4	$335.2	$373.2
Adjustments:															
Interest Expense	$72.1	$72.2	$81.5	$84.1	$83.0	$81.4	$76.7	$83.8	$86.9	$91.2	$87.8	$82.8	$84.6	$98.6	$97.6
Income Taxes	$166.1	$190.0	$147.5	($96.1)	$122.5	$110.3	($31.1)	$74.3	$64.4	$70.7	$93.1	$65.0	$47.5	$63.3	$75.7
Write-Down	--	--	$135.8	$620.0	--	--	$391.8	--	--	--	--	--	--	--	--
Depreciation, Depletion & Amort.	$256.5	$301.9	$366.0	$330.5	$328.8	$343.4	$359.2	$200.4	$203.1	$211.7	$216.3	$207.5	$220.2	$256.0	$280.9
EBITDA[1]	**$802.5**	**$887.0**	**$1,024.5**	**$815.3**	**$778.4**	**$761.0**	**$782.2**	**$527.2**	**$539.4**	**$550.0**	**$630.4**	**$640.3**	**$621.7**	**$753.0**	**$827.4**

1. Note: EBITDA is considered a non-GAAP financial measure.
2. LTM figures as of 9/30/2020.