

DECEMBER 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

15,700
employees
in peak season

COMPETITIVE POSITION

Strong Financial Position

- 2020 YTD EPS of $1.39; Up 16% from same period in 2019
- Annualized dividend of $0.85 per share. 83 consecutive years of quarterly dividend payments
- Increased 2020 EPS guidance to a range of $1.80 - $1.90

Highly Scalable and Diversified Operations

- Licensed to operate in 43 states
- Top 10 aggregate producer with 1.1 billion tons of aggregate reserves
- Over 1.1 million utility customers

Strong Economic Environments and Market Outlook

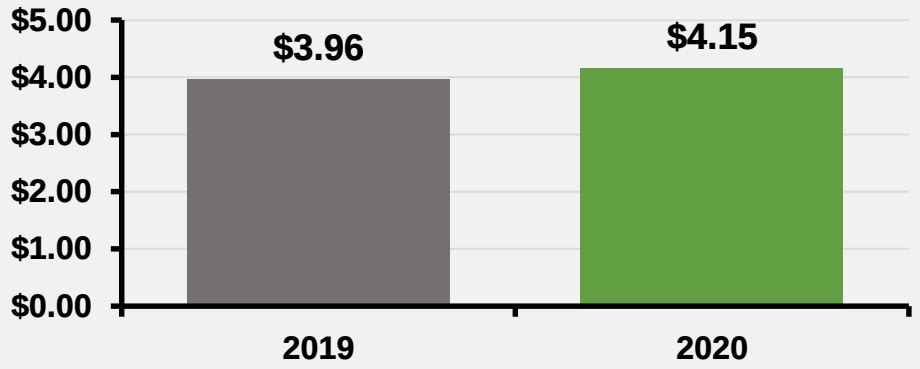
- Forecasted 5-year rate base growth CAGR of 6.1% for combined regulated energy delivery
- Combined construction backlog of $1.9 billion as of September 30, 2020

KEY PERFORMANCE INDICATORS

YTD AS OF SEPTEMBER 30, 2020

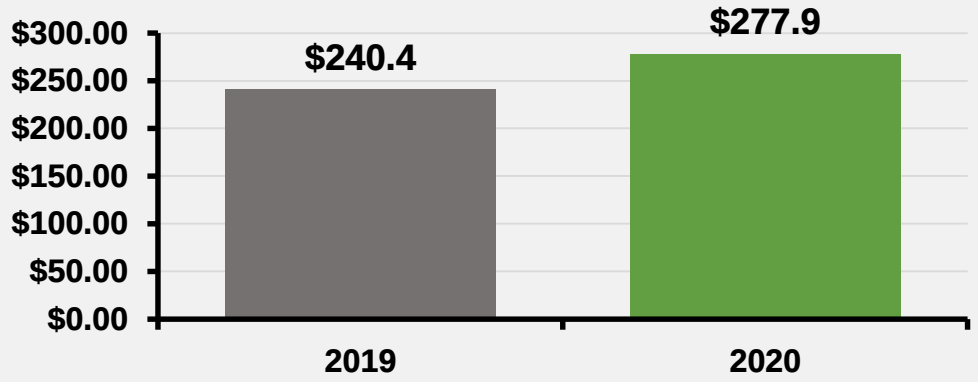
Operating Revenues

(in billions)



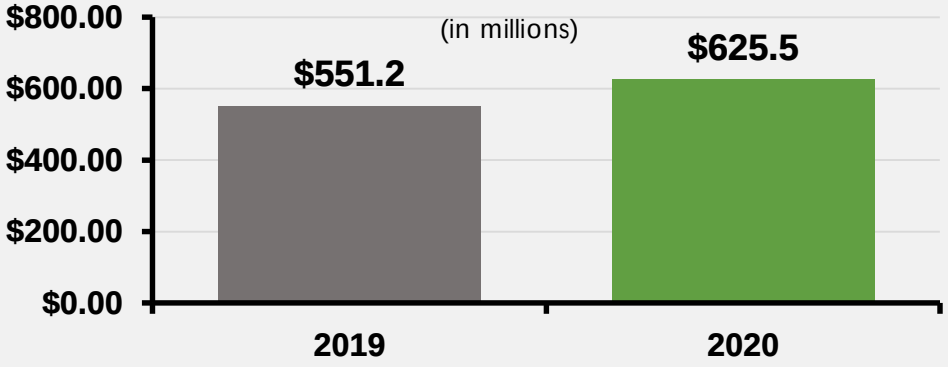
Net Income

(in millions)

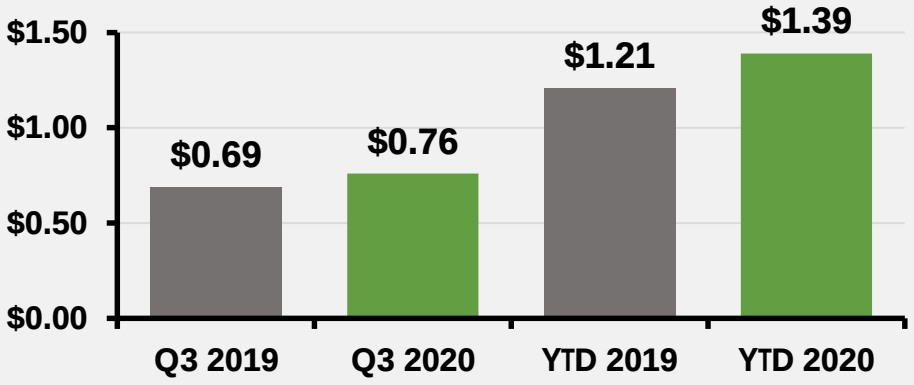


EBITDA From Continuing Operations

(in millions)



Earnings Per Share

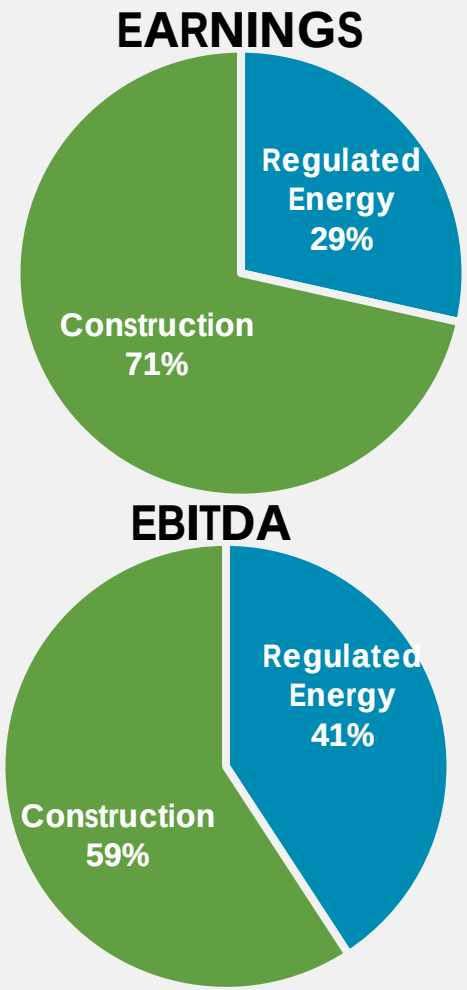


COMPANY OVERVIEW

YTD AS OF SEPTEMBER 30, 2020	REVENUES (IN MILLIONS)	EBITDA (IN MILLIONS)	EARNINGS (IN MILLIONS)	CEO EXPERIENCE
ELECTRIC	$250.4	$99.1	$40.3	26 YEARS
NATURAL GAS	$563.2	$102.0	$13.8	26 YEARS
PIPELINE	$107.2	$53.1	$24.3	25 YEARS
CONSTRUCTION MATERIALS	$1,705.9	$247.6	$122.1	35 YEARS
CONSTRUCTION SERVICES	$1,562.9	$121.2	$74.5	17 YEARS
TOTAL*	$4,147.6	$625.5	$277.9	AVG: 26 YEARS

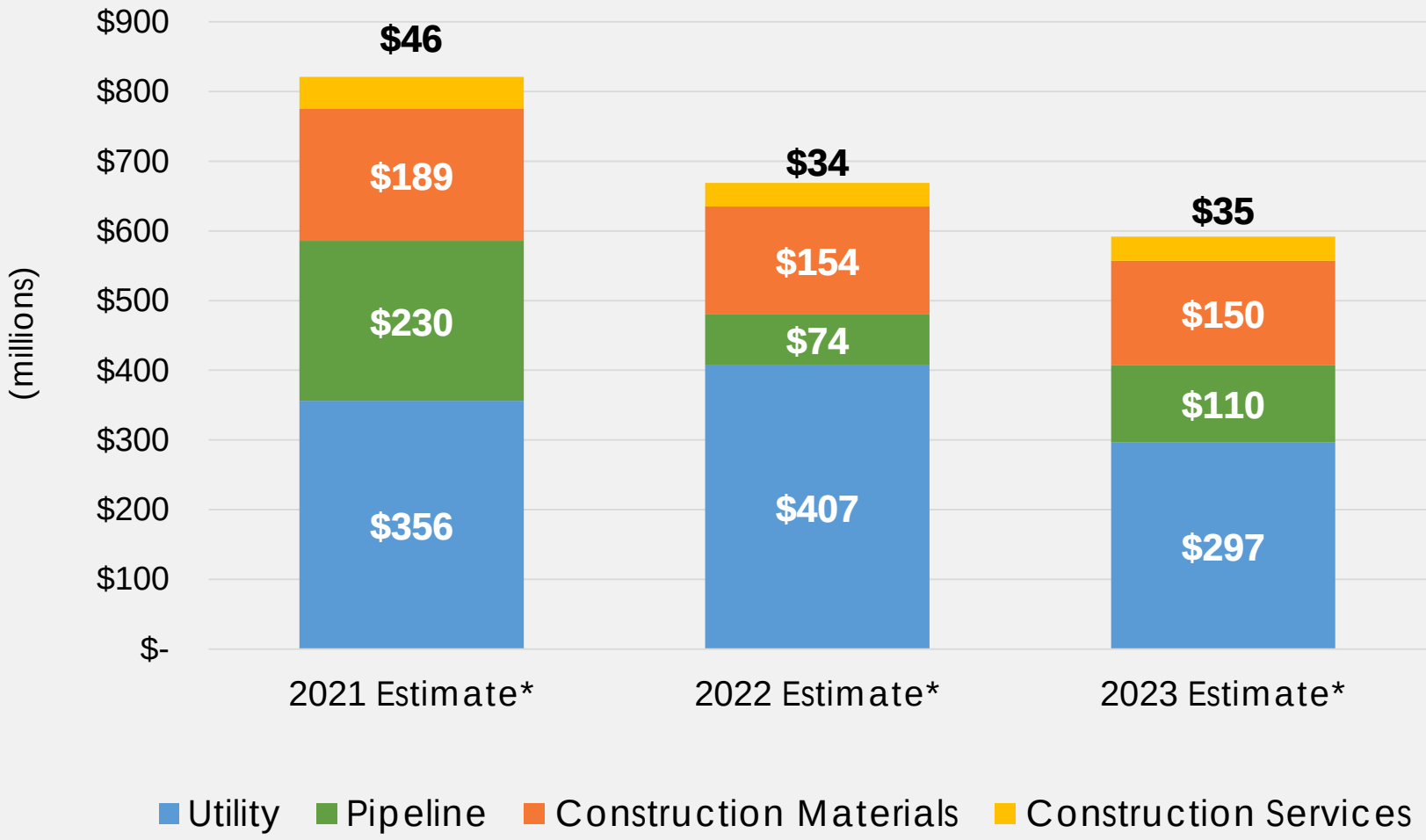
*Includes figures from "Other" and "Intercompany Eliminations"

Diversified Earnings Contribution



CAPITAL EXPENDITURES

- Electric and natural gas utility
  - System infrastructure upgrades and replacements
  - Natural gas combustion turbine
- Pipeline
  - 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 November 19, 2020

CAPITAL ALLOCATION FRAMEWORK

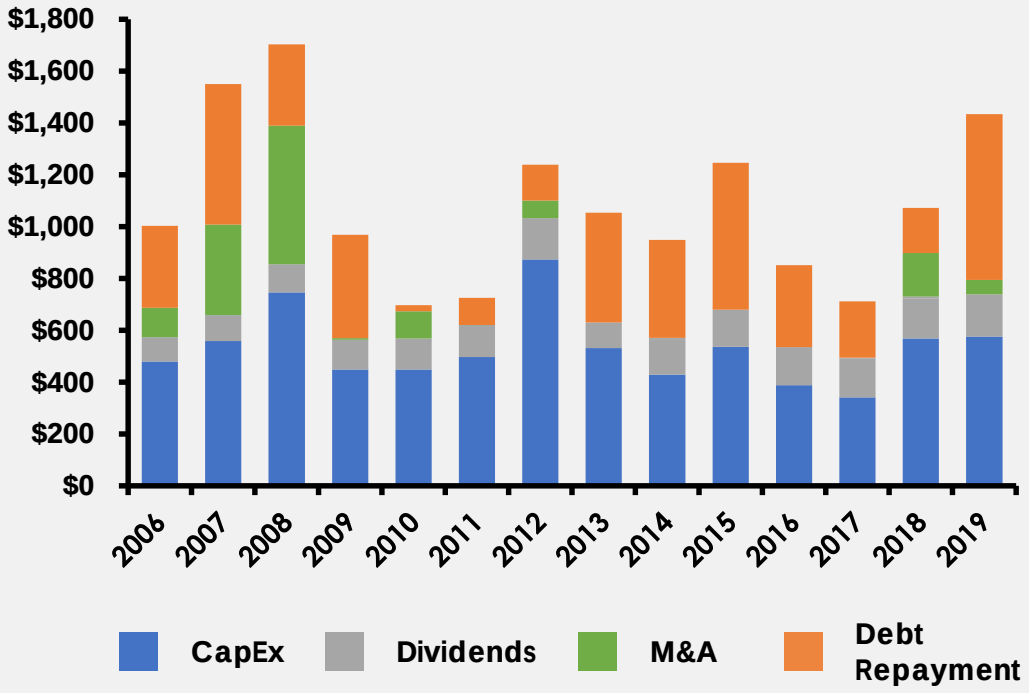
MDU Resources' long operating history in local markets brings insight into the highest return investment opportunities

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

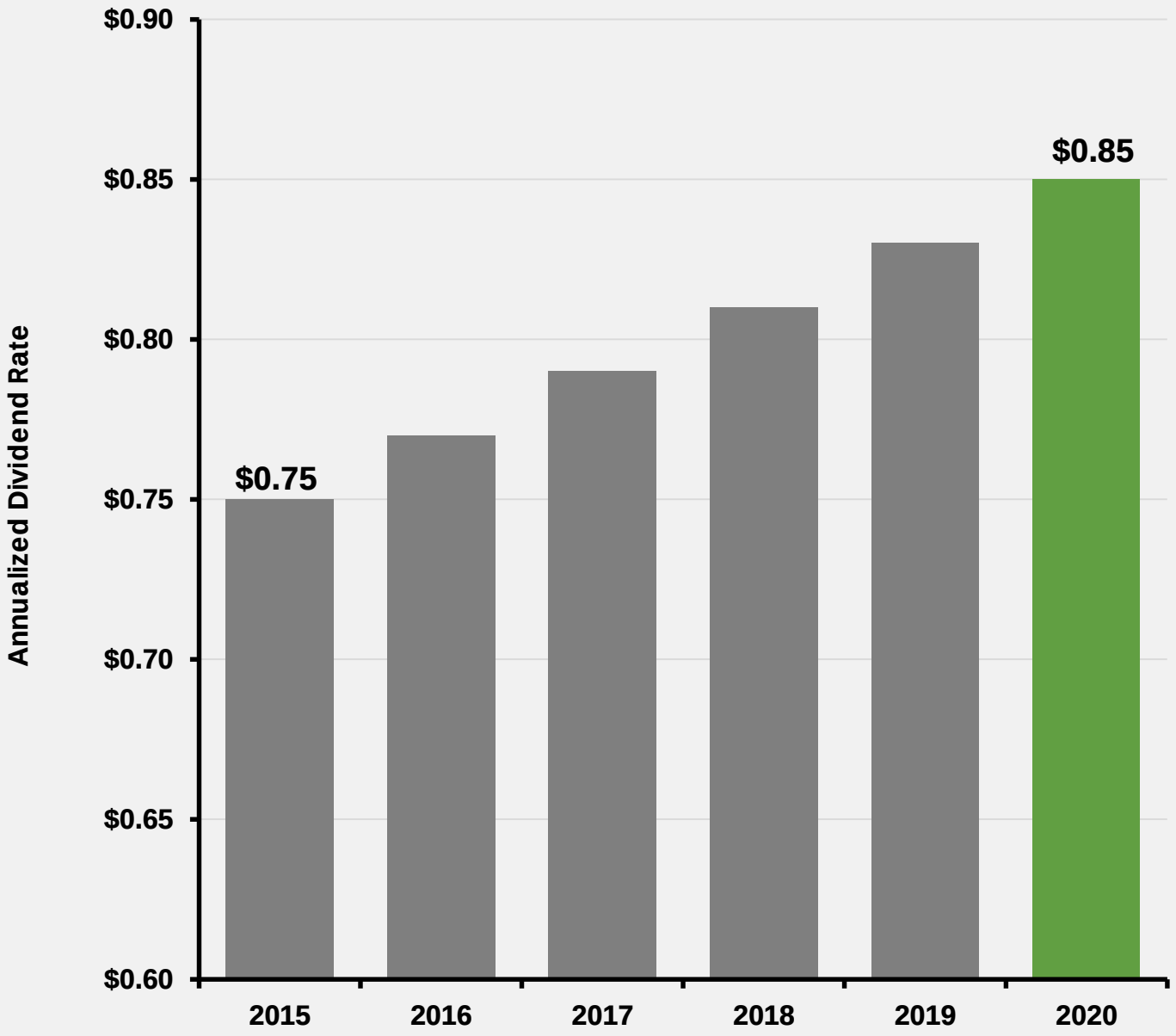
Capital Allocation History

($ in millions)



DIVIDEND GROWTH

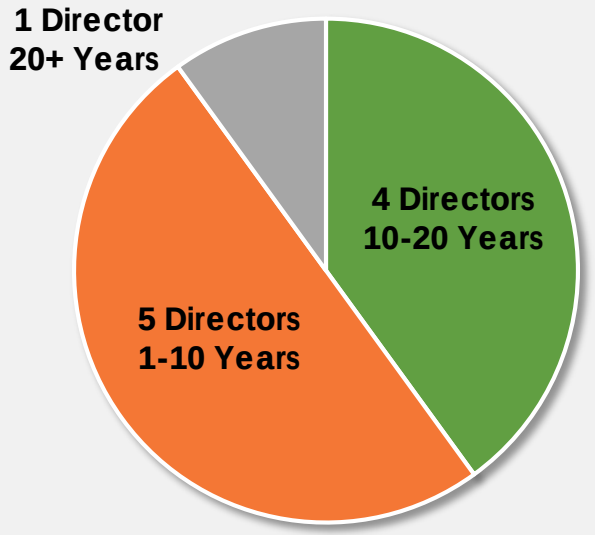
- 83 consecutive years of quarterly dividend payments
- Dividend increased November 2020, making 30 consecutive years of increases
- Annualized dividend $0.85 per share
- Member of S&P High-Yield Dividend Aristocrats index



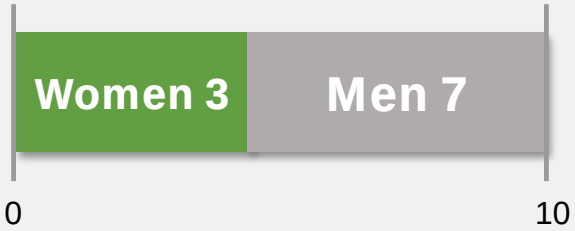
BOARD GOVERNANCE AND LEADERSHIP

	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

Ethnic Diversity: 10% Ethnic Diversity





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
- 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

UTILITY ELECTRIC & NATURAL GAS





ELECTRIC AND NATURAL GAS

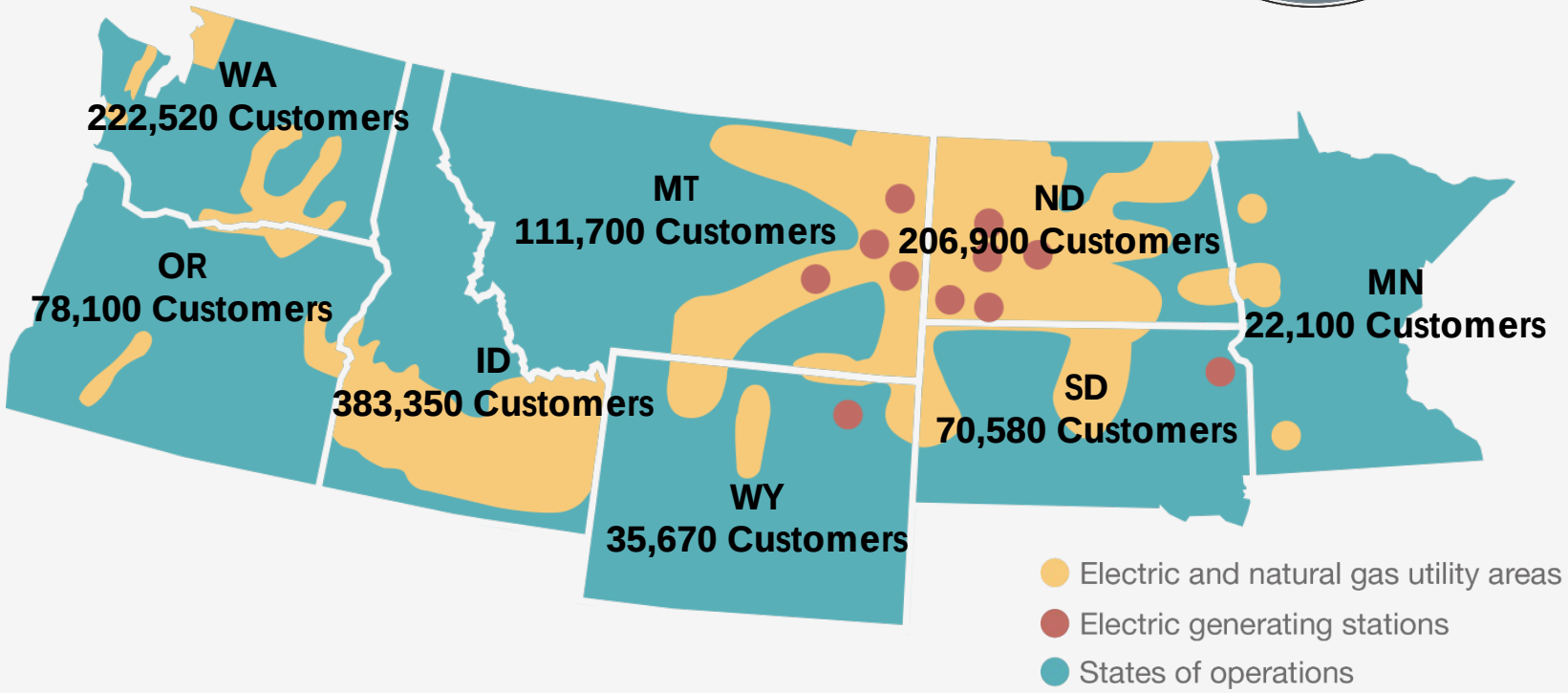
1,130,920
CUSTOMERS

800 MW
OWNED GENERATION

8,100
MILES OF ELECTRIC T&D

20,300
MILES OF GAS DISTRIBUTION

1,600
EMPLOYEES



Ranked 1st, 2nd and 4th in the J.D Power 2020 Gas Utility Residential Customer Satisfaction Study for mid-sized natural gas utilities in the west region

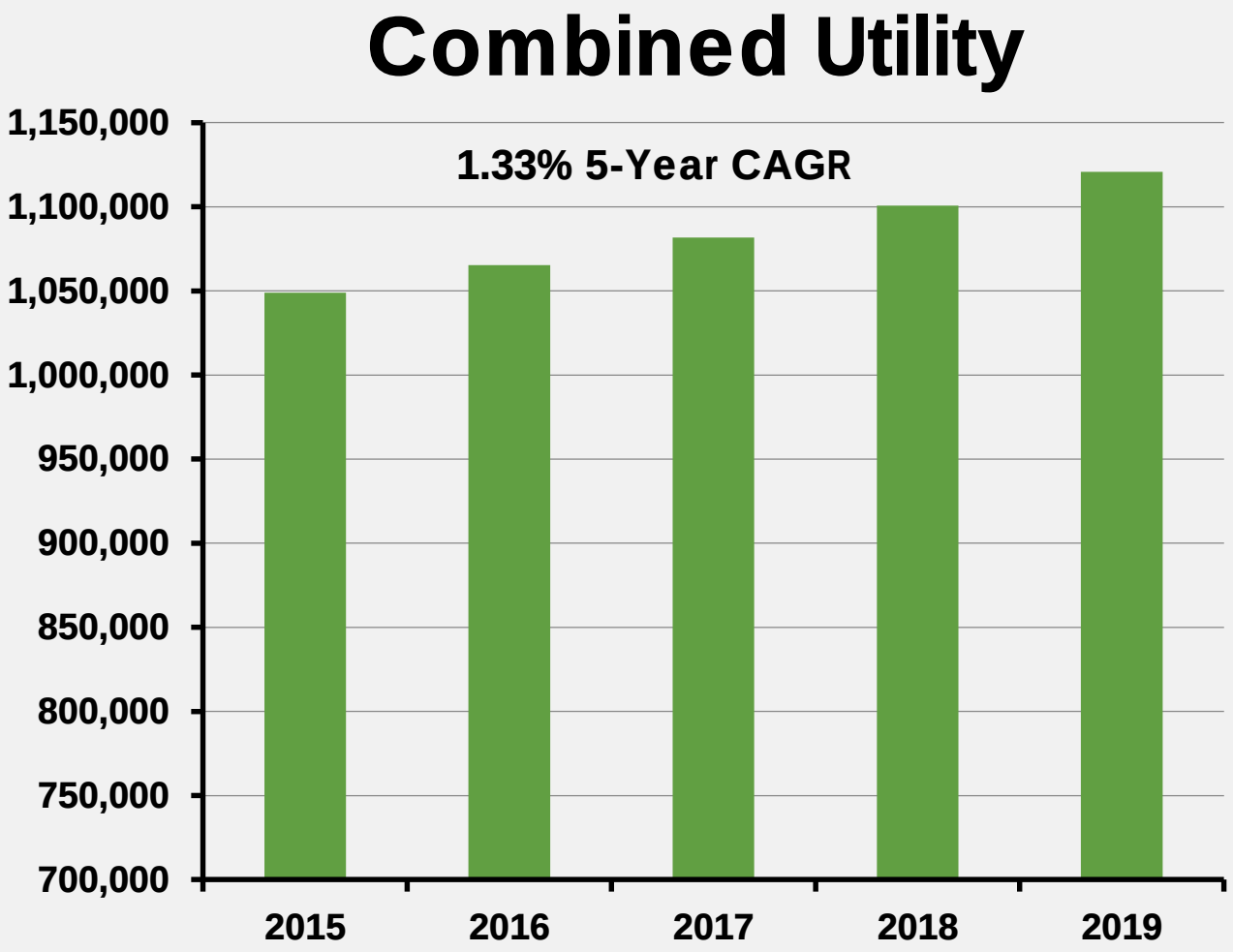


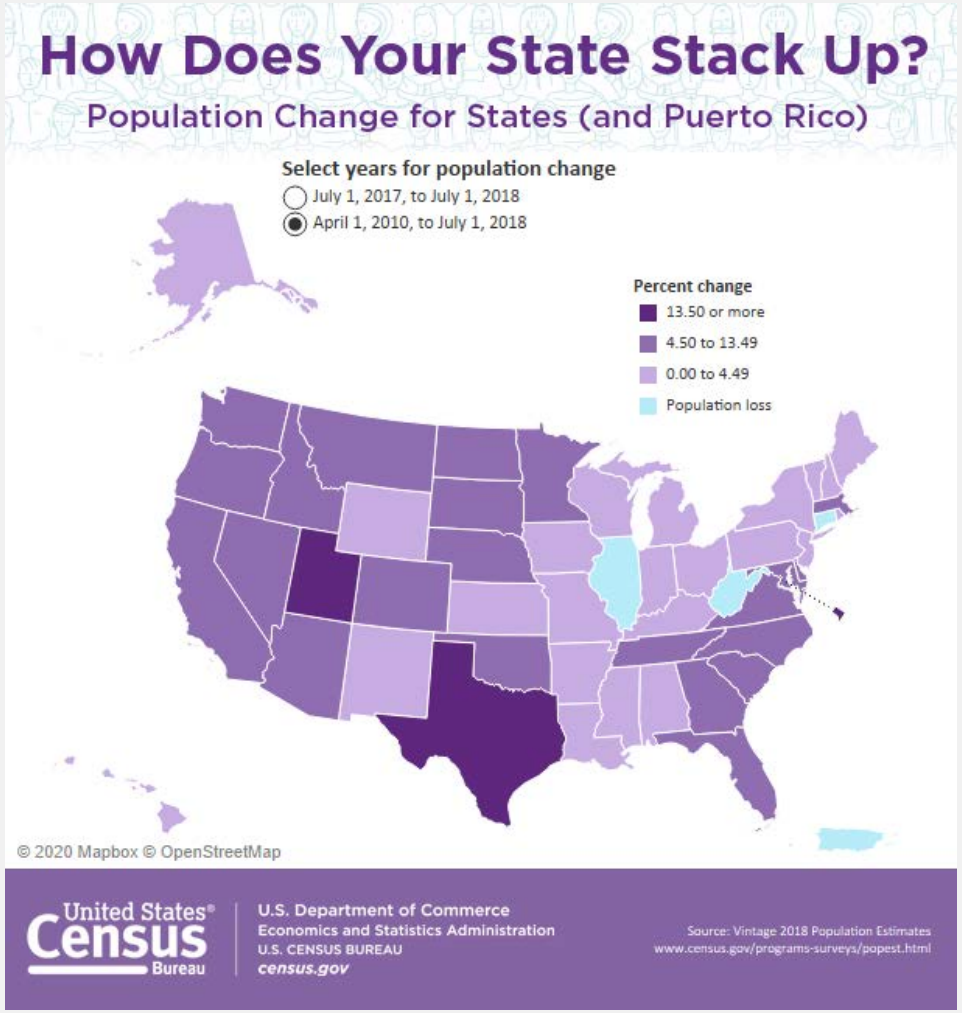


STRATEGY

- 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

CUSTOMER GROWTH RATES





REGULATORY FILINGS UPDATE

- Montana - $8.56 million natural gas rate increase request filed June 22, 2020
  - Effective date to be determined
  - Requested interim of $4.8 million; not to be implemented before February 1, 2021
- North Dakota - $8.97 million general natural gas rate increase request filed August 26, 2020
  - Interim request of $6.9 million to be effective January 1, 2021
- Washington - $13.8 million natural gas rate increase request filed June 19, 2020 and pending before the Washington Utilities and Transportation Commission
- Oregon - $3.23 million natural gas rate increase pending before the Oregon Public Utility Commission





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
- Retirement of aging coal-fired units on track for 2021 and 2022

PIPELINE





WBI ENERGY ASSETS AND OPERATIONS

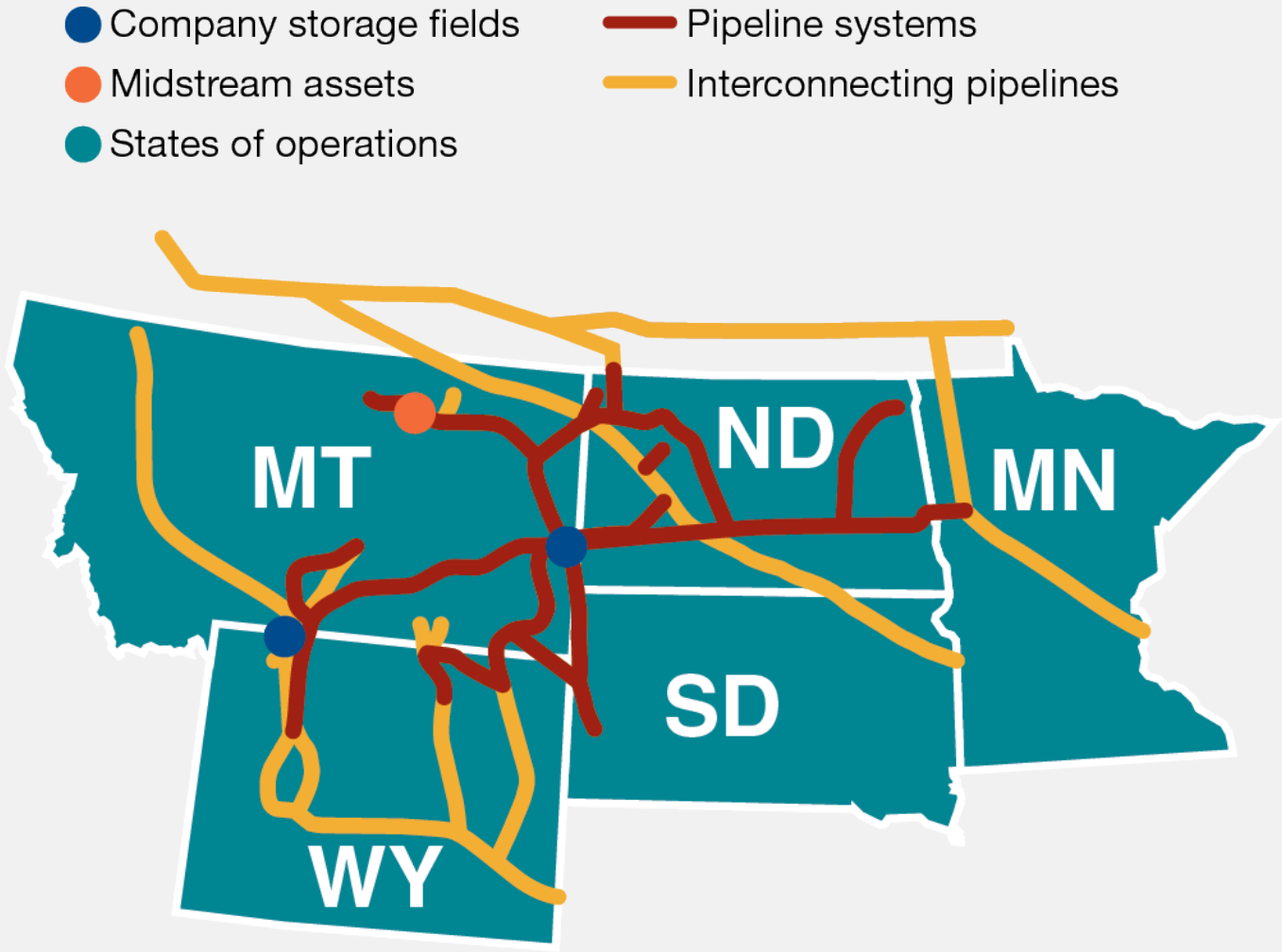
4,000
MILES OF PIPE

OVER 2.2 BCF/D
SYSTEM CAPACITY

14
INTERCONNECTING POINTS

335
EMPLOYEES

LARGEST
STORAGE FIELD IN N. AMERICA



STRATEGY STATEMENT

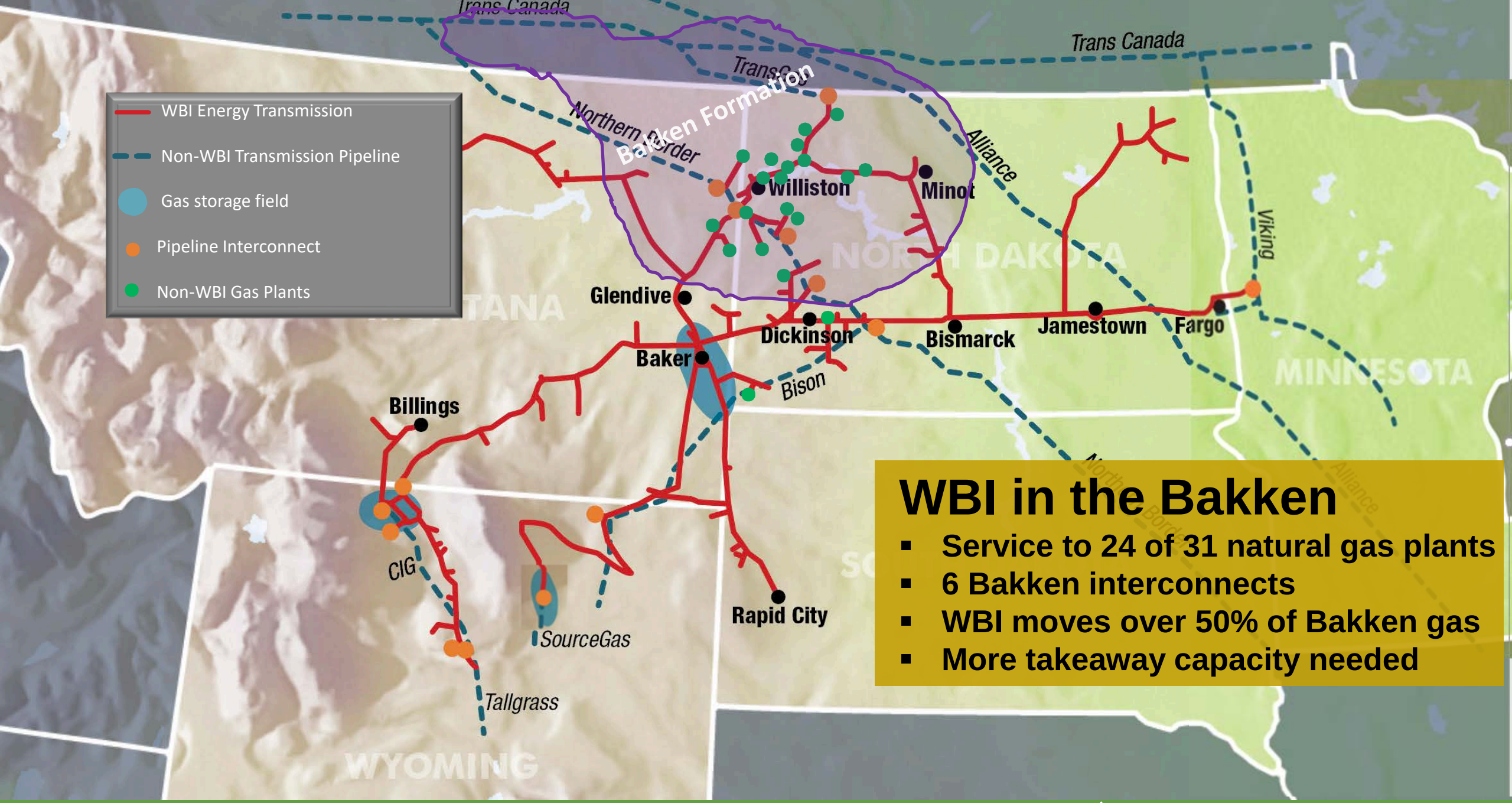
Building upon our core strengths and expertise, WBI Energy will become a leader in the Mid-Continent and Rocky Mountain regions in meeting North America's energy needs



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
  - FERC application filed in February 2020
  - Filed FERC amendment application decreasing design capacity and associated project costs in July 2020
  - Negotiated adjustments to certain customer contracts and a portion of their first-year committed volumes have been delayed for one year.
  - Expected to start construction in early 2021 and be in service late the same year
- 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

CONSTRUCTION SERVICES





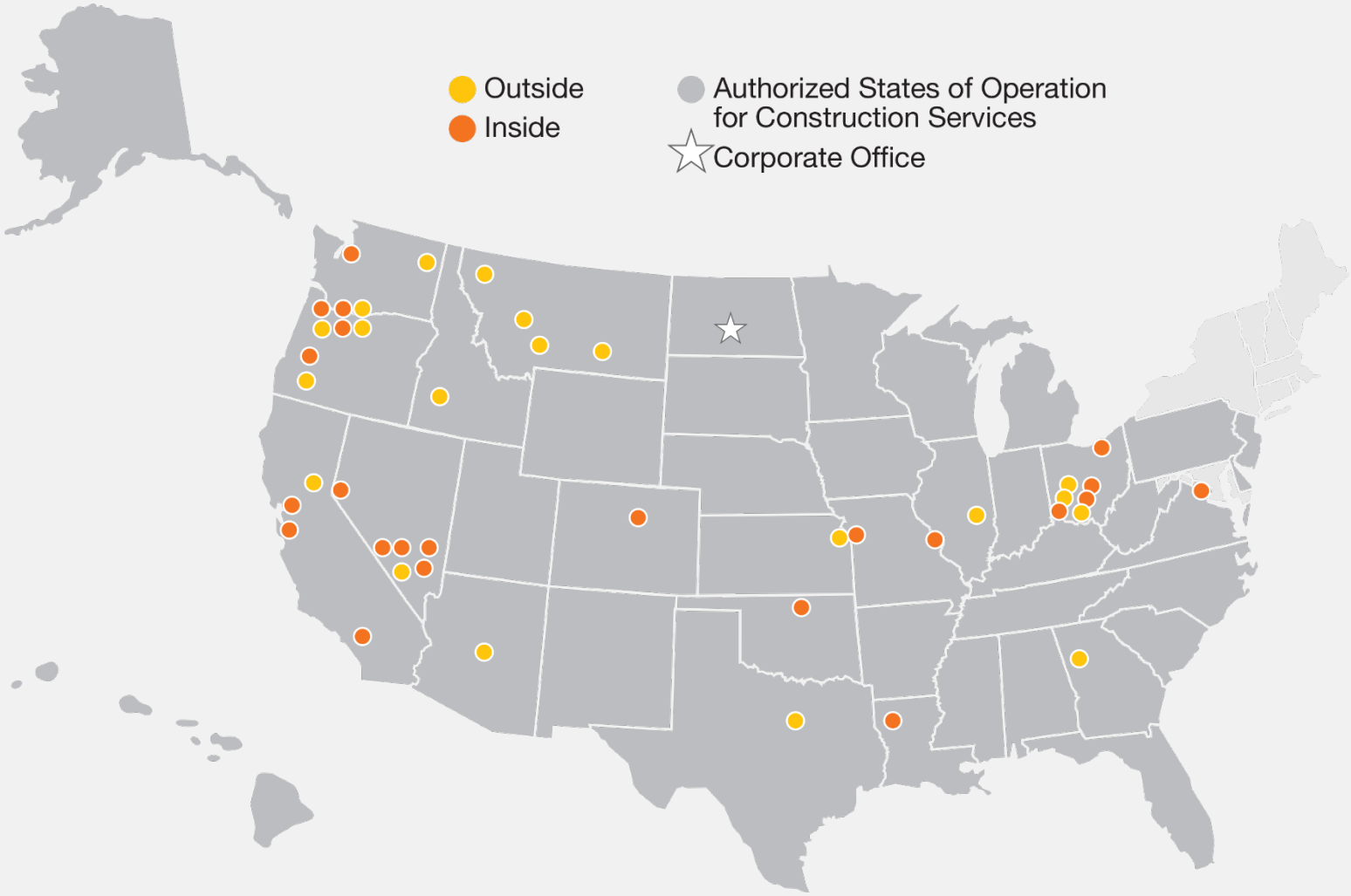
CONSTRUCTION SERVICES

7,900
EMPLOYEES AT PEAK

42
STATES OF OPERATION

6
OUTSIDE CONSTRUCTION COMPANIES

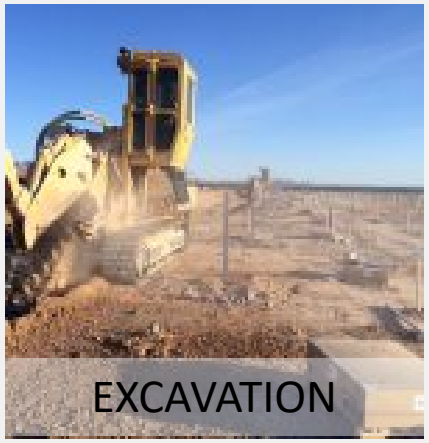
12
INSIDE CONSTRUCTION COMPANIES



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

SERVICE OFFERINGS





















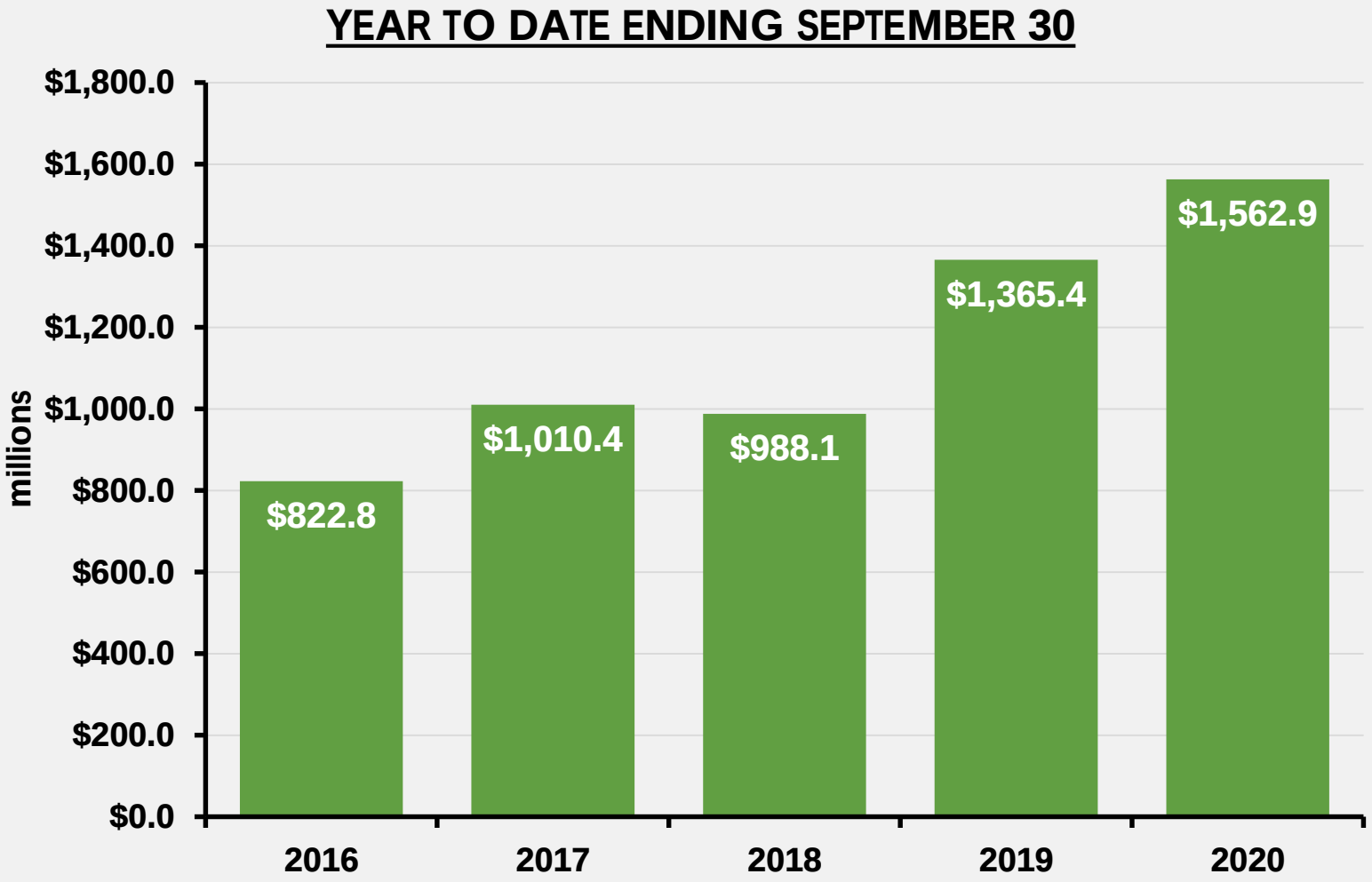
STRATEGY

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.





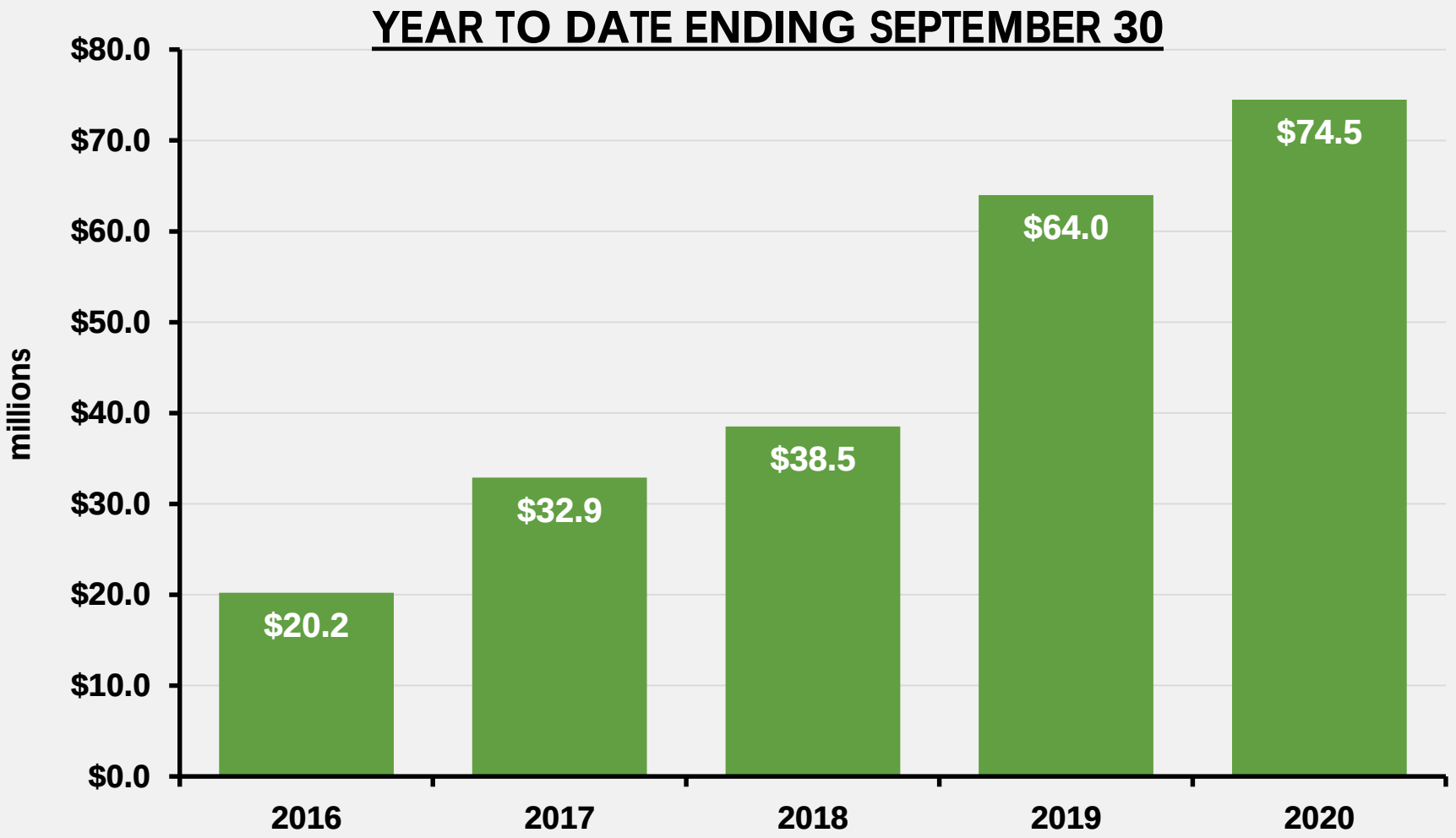
REVENUE GROWTH







EARNINGS GROWTH







OUTLOOK

- $1.28 billion of backlog as of September 30
- High demand for specialty contracting work in the following areas:
  - High-tech, mission critical area
  - Medical and public sector
  - Electric transmission, distribution and gas utilities
- Evaluating additional acquisition opportunities

CONSTRUCTION MATERIALS





CONSTRUCTION MATERIALS

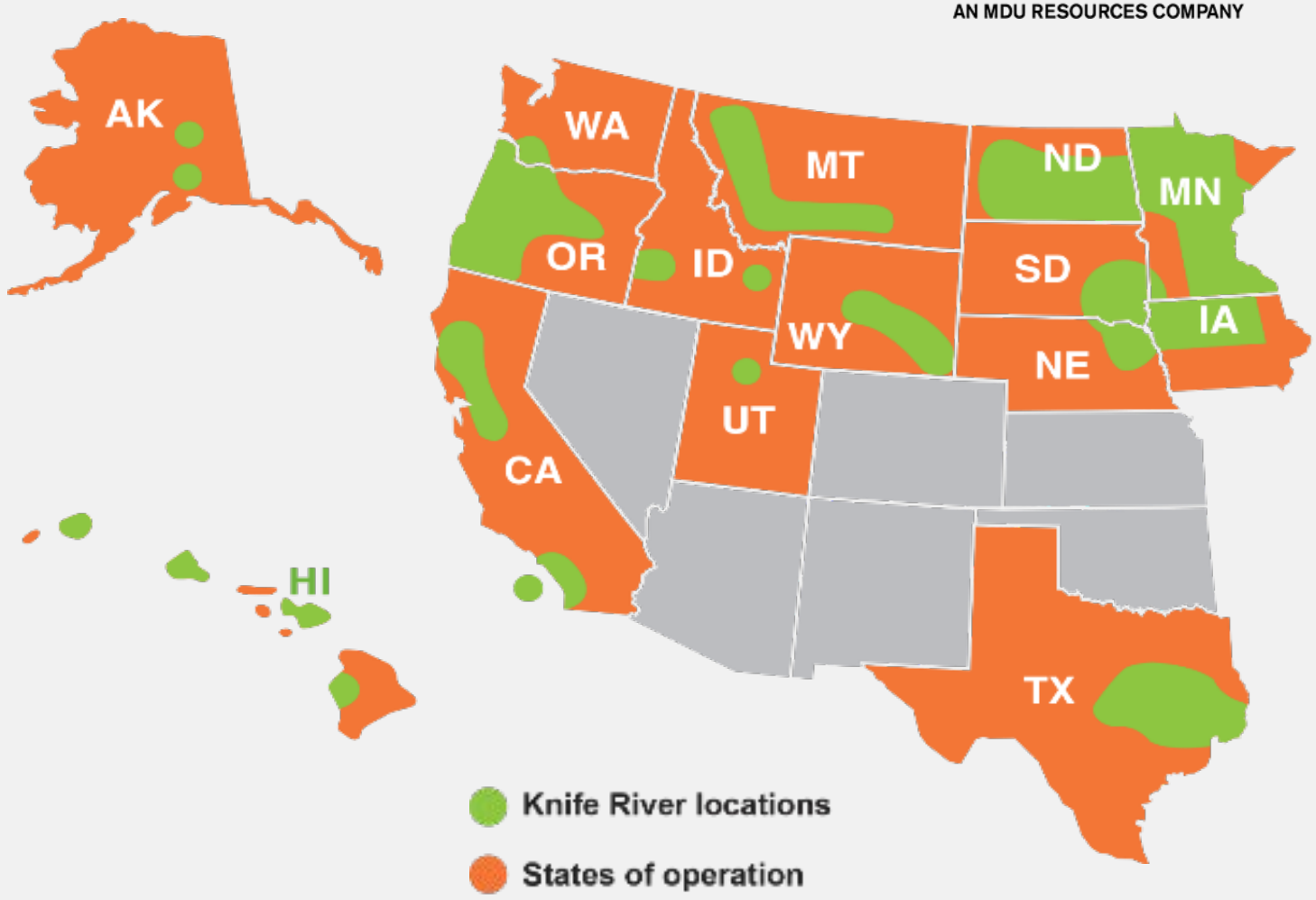
KNIFE RIVER CORPORATION
AN MDU RESOURCES COMPANY

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

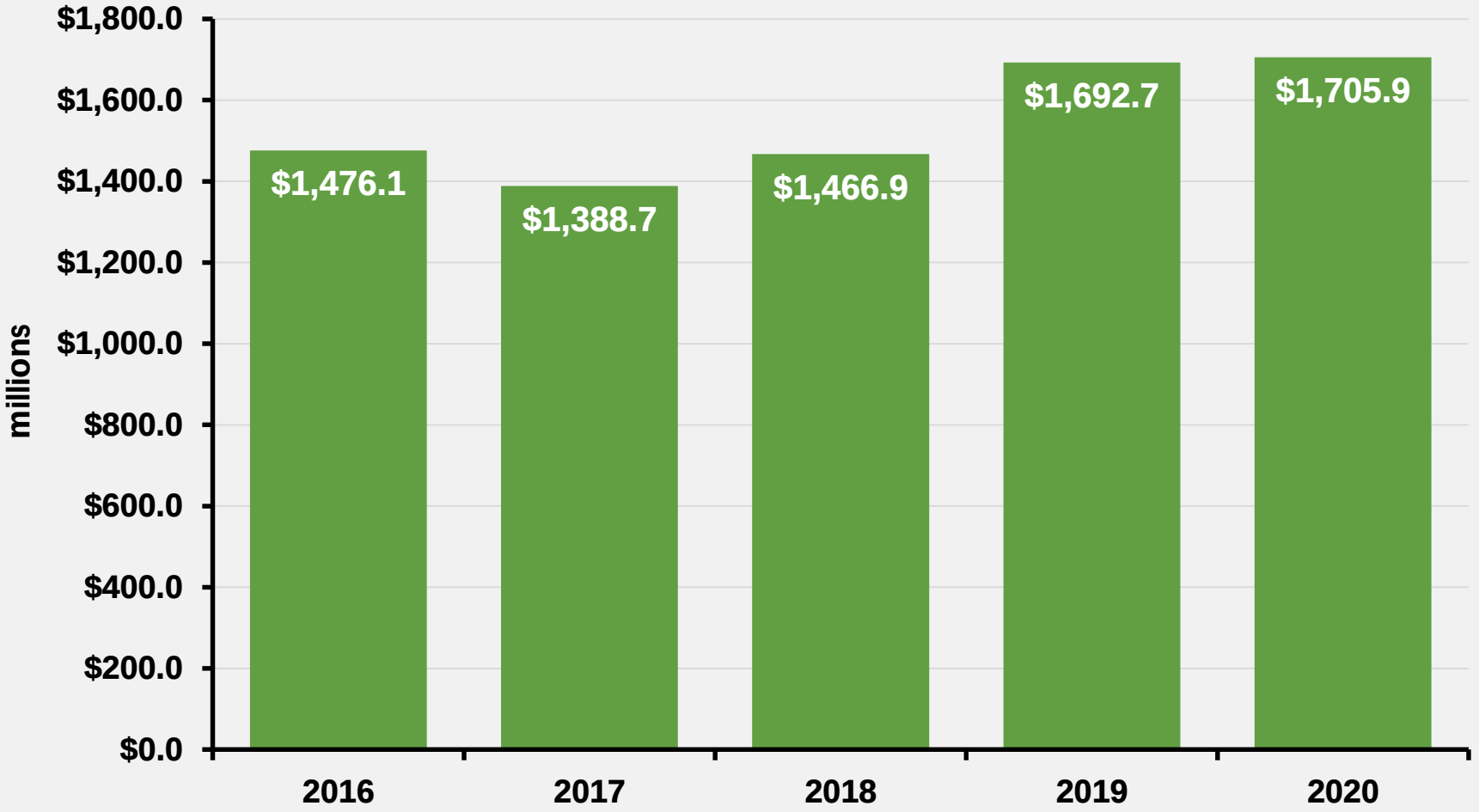






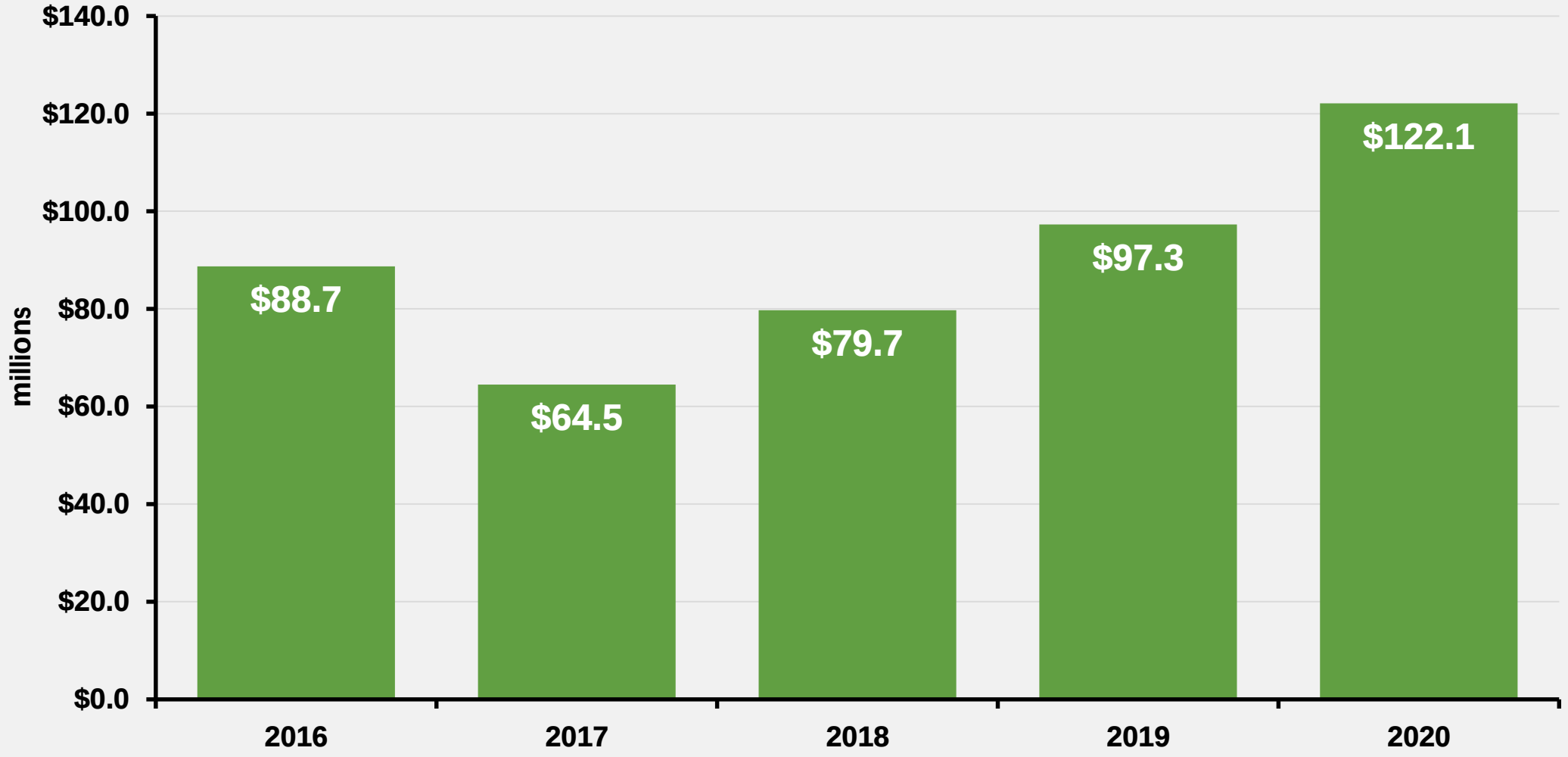
REVENUE GROWTH

YEAR TO DATE ENDING SEPTEMBER 30



EARNINGS GROWTH

YEAR TO DATE ENDING SEPTEMBER 30



OUTLOOK

- Backlog of $571 million as of September 30, 2020
- Actively pursuing acquisition opportunities
- Monitoring opportunities surrounding the one-year extension of the FAST Act







INVESTOR RELATIONS

QUESTIONS





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APPENDIX

RECONCILIATION OF NON-GAAP FINANCIAL MEASURES: EBITDA

(dollars in millions)	Year to Date as of September 30, 2020						
	Electric	**Natural Gas**	**Pipeline**	**Construction Services**	**Construction Materials**	**Other & Eliminations**	**Total**
Income from continuing ops.	$40.3	$13.8	$24.3	$74.5	$122.1	$3.4	$278.4
Adjustments:							
Interest Expense	20.1	27.5	5.7	3.3	15.9	0.6	$73.1
Income Taxes	(8.3)	(2.4)	6.6	25.7	43.0	(3.4)	$61.2
Depreciation, depletion and amortization	47.0	63.1	16.5	17.7	66.6	1.9	$212.8
EBITDA	**$99.1**	**$102.0**	**$53.1**	**$121.2**	**$247.6**	**$2.5**	**$625.5**