MDU Resources to Separate Knife River, Creating Two Independent, Publicly Traded Companies

Tax-Free Spinoff Will Create Two Market-Leading, Highly Focused Companies Well Positioned for Sustainable Growth and Shareholder Value Creation

MDU RESOURCES GROUP, INC.

- Enhances strategic focus on regulated utilities, natural gas pipelines and related construction services.
- Expects approximately 70% of pro-forma EBITDA to be generated from regulated businesses, providing low-risk, stable returns.
- Investing $2.2 billion of capital over the next 5 years into companies built through nearly 100 years of business.
- Continues Building a Strong America®, delivering superior value to stakeholders by safely providing essential infrastructure and services.
- Post-separation, intends to maintain a dividend policy consistent with historic practice.
- Will remain headquartered in Bismarck, North Dakota.

BENEFITS FOR BOTH COMPANIES

- Opportunity to pursue individualized strategies specific to the industries in which they participate.
- Ability to use equity tailored to their own businesses to enhance acquisition programs and retention and hiring.
- Distinct capital structure and financial policies tailored to the specific business profile and needs.
- Enhanced flexibility to deploy capital toward specific growth opportunities.
- Two compelling investment opportunities for investors, with ability to better assess value based on separate operational and financial characteristics.

KNIFE RIVER

- Establishes a stand-alone, aggregates-based, vertically integrated construction materials and contracting provider.
- Well positioned to benefit from significant investments at the federal and local levels in infrastructure development and upgrades.
- Successful track record of growth through acquisitions.
- Maintains leading brand with a commitment to putting people first: employees, customers and communities.
- Will remain headquartered in Bismarck, North Dakota.

Electric and Natural Gas Distribution Business

- **1.2M** Utility customers across eight states
- **$321M EBITDA** in 2021

Natural Gas Pipeline Business

- **98% EBITDA** from regulated projects
- **$78M EBITDA** in 2021

Construction Services Business

- **4th Largest** electrical contractor in the U.S.
- **$169M EBITDA** in 2021

KNIFE RIVER

- **1.0B+ Tons** of aggregate reserves
- **6th Largest** U.S. sand and gravel producer
- **14** states of operation
- **110** ready-mix plants; **50** asphalt plants
- **$293M EBITDA** in 2021

Transaction Details

- Separation expected to be completed in 2023.
- Proposed separation is subject to customary conditions, including final approval by the MDU Resources board of directors, receipt of a tax opinion and, if determined advisable, a private letter ruling from the Internal Revenue Service, and the filing and effectiveness of a Form 10 registration statement with the U.S. Securities and Exchange Commission.
- MDU Resources shareholders will retain current shares of MDU Resources stock and receive a pro-rata distribution of shares of Knife River stock in a transaction that is expected to be tax free.

"We are taking an important step to significantly enhance the value inherent in our businesses by creating two focused, independent publicly traded companies. We are proud of the strong businesses we have built and are confident now is the right time to take this step to best serve our customers, employees, communities and shareholders."



Dave Goodin
President and CEO | MDU Resources Group, Inc.

This infographic includes forward-looking statements, which can be found in MDU Resource's SEC filings and press release.