

MDU RESOURCES GROUP, INC.

Building a Strong America®

November 3, 2022

THIRD QUARTER EARNINGS CALL

MDU LISTED NYSE

FORWARD-LOOKING STATEMENTS

During 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®

Vision: With integrity, Building a Strong America® while being a great and safe place to work

Mission: Delivering superior value to stakeholders by providing essential infrastructure and services to America

Company founded in 1924



Headquartered in Bismarck, ND

Utilities

Cascade Natural Gas Corporation
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

LEADERSHIP TEAM

A. Dave Goodin
President & CEO

B. Jason Vollmer
Vice President & CFO

C. Stephanie Barth
Vice President, CAO & Controller

D. Dave Barney
Knife River
President & CEO

E. Jeff Thiede
MDU Construction Services Group
President & CEO

F. Trevor Hastings
WBI Energy
President & CEO

G. Nicole Kivisto
Utilities Group
President & CEO







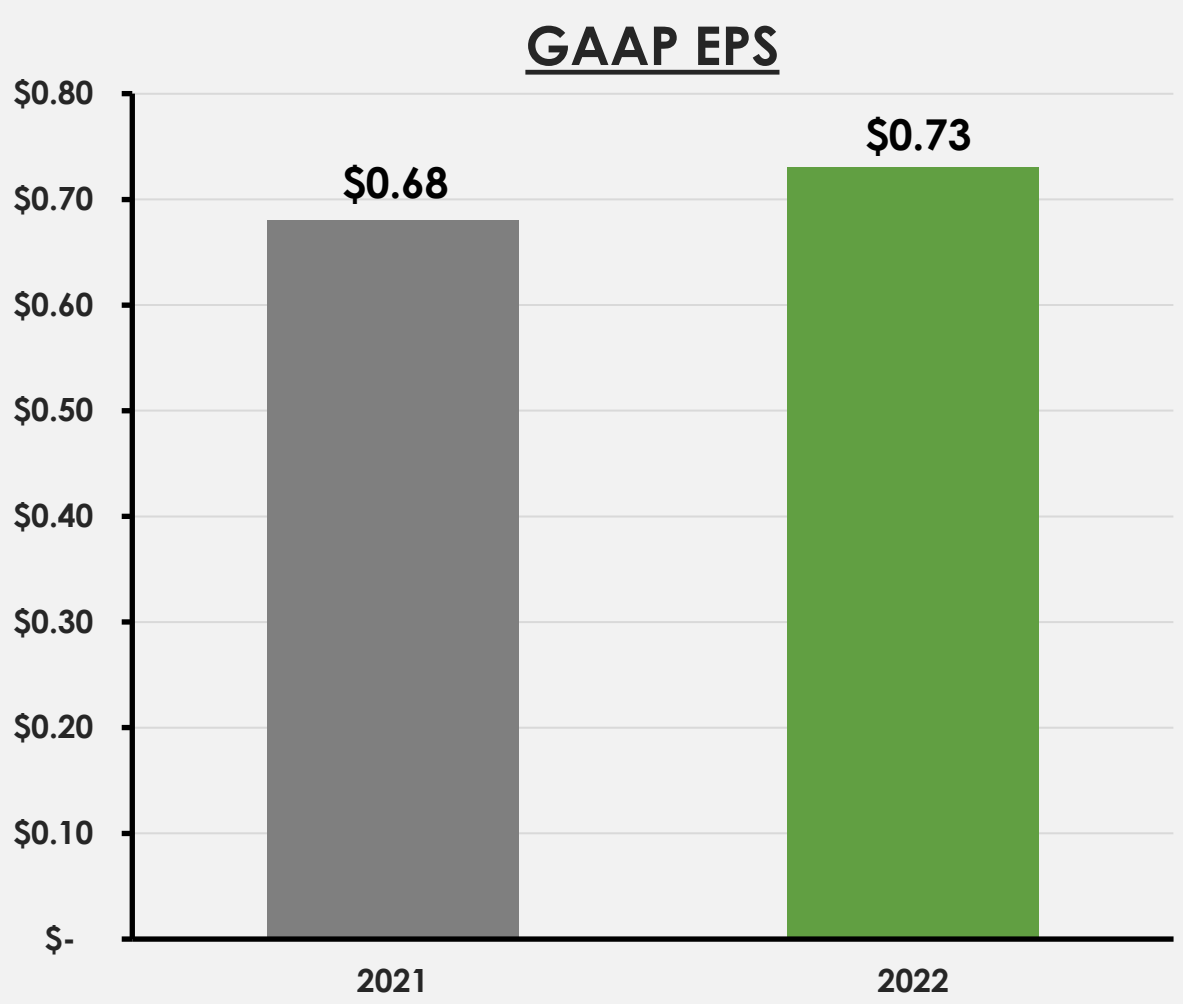
Financial Results





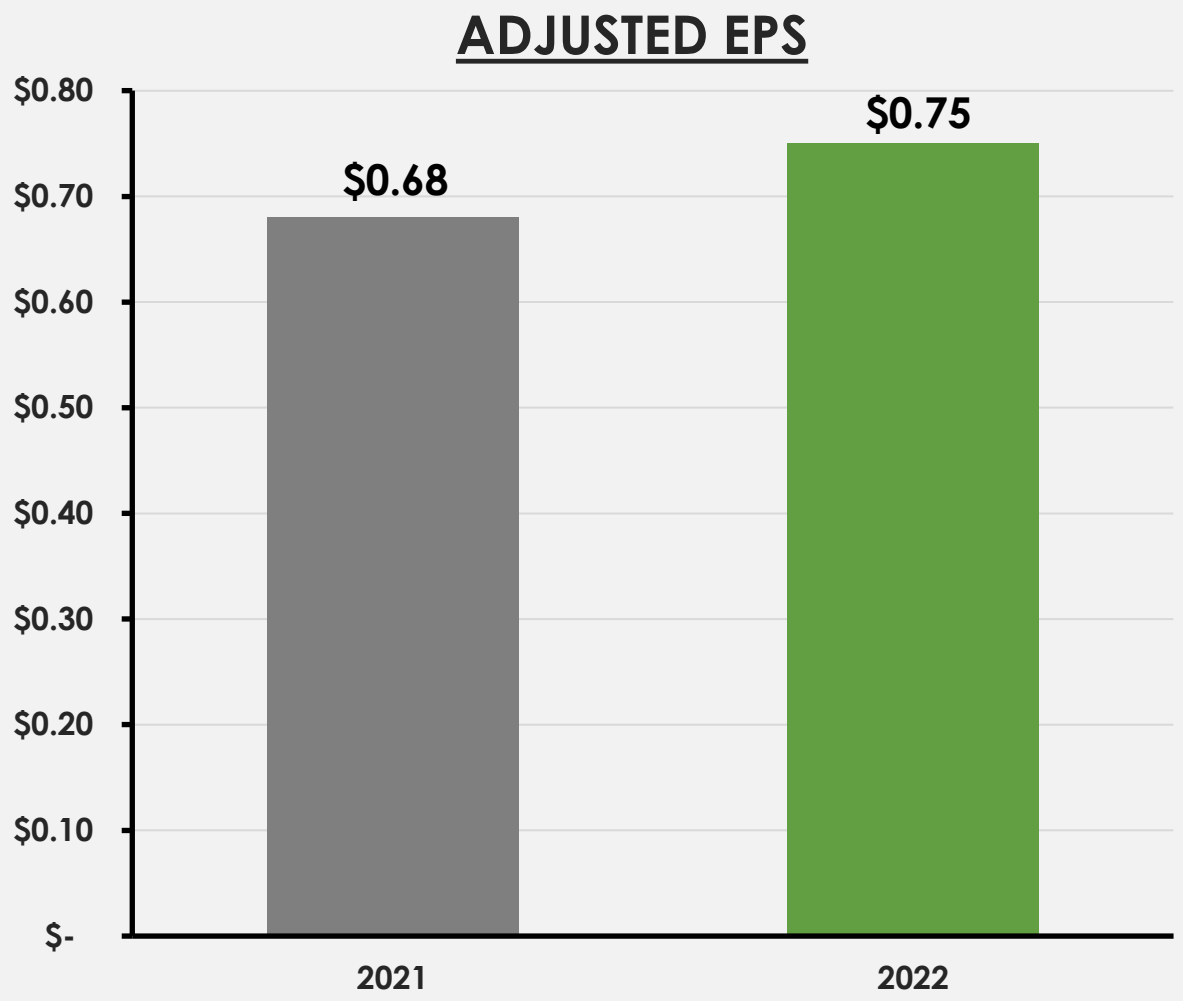
MDU RESOURCES GROUP, INC.
THIRD QUARTER EARNINGS





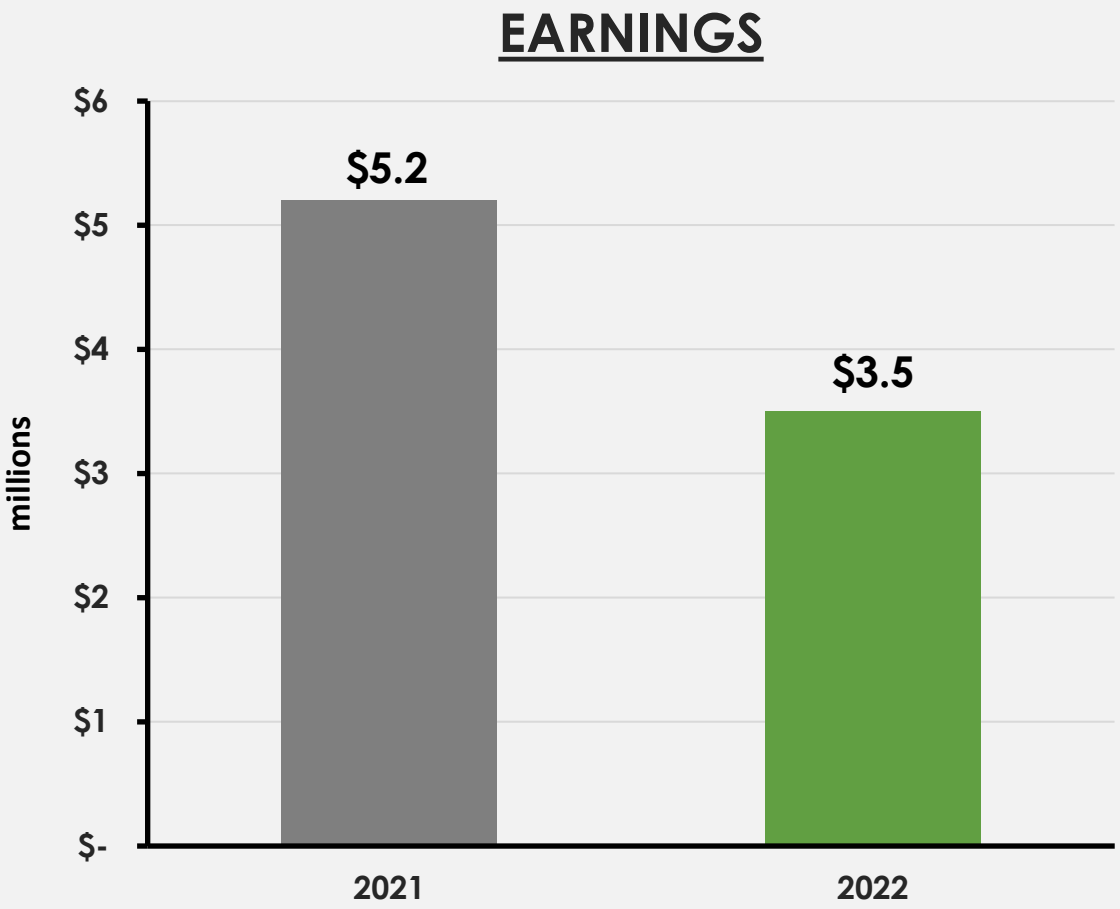
MDU RESOURCES GROUP, INC.
THIRD QUARTER EARNINGS





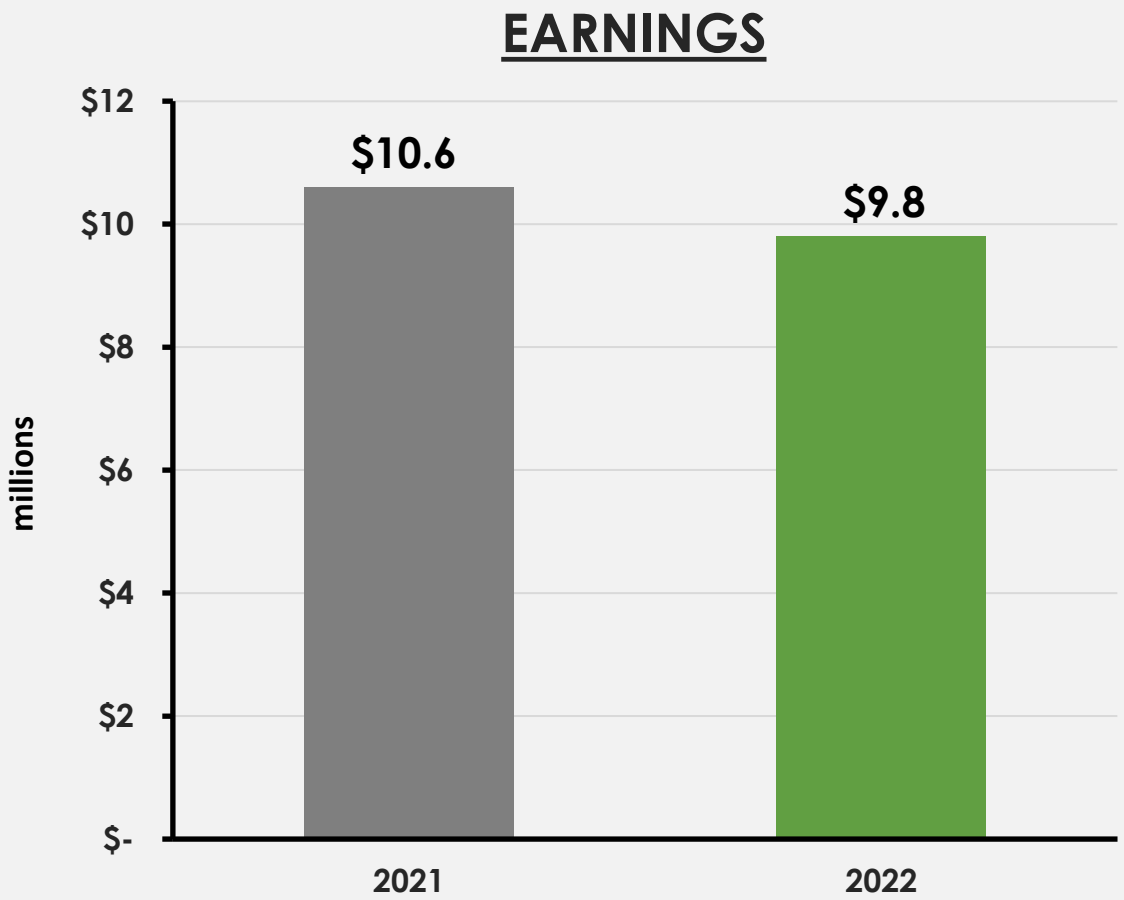
ELECTRIC & NATURAL GAS UTILITY
THIRD QUARTER EARNINGS

- Reported earnings of $3.5 million.
  - Increased interest expense as a result of increased debt balances and higher average interest rates impacted results.
  - Higher revenues associated with North Dakota electric interim rate relief were offset by decreased electric retail sales volumes.



PIPELINE
THIRD QUARTER EARNINGS

- Reported earnings of $9.8 million.
  - Higher transportation revenues and record transportation volumes largely due to the North Bakken Expansion project.
  - Partially offset by lower allowance for funds used during construction and higher depreciation.
  - Higher interest expense also had a negative impact.



CONSTRUCTION SERVICES
THIRD QUARTER EARNINGS

- Reported earnings of $28.0 million.
  - Electrical and mechanical workloads increased 70%.
  - Workloads were favorably impacted by progress on large hospitality, data center, and renewable projects.
- All-time record quarterly revenue of $737.0 million, compared to $514.8 million in 2021.



CONSTRUCTION MATERIALS
THIRD QUARTER EARNINGS

- Reported earnings of $102.8 million.
  - Higher average materials pricing across product lines.
  - Slightly lower margin percentages mostly attributable to higher operating costs related to inflation.
- All-time record quarterly revenue of $975.4 million, compared to $831.3 million in 2021.







Strategic Update





STRATEGIC UPDATE

- Board of Directors has unanimously determined the best way to optimize value would be to create two pure-play public companies.
- Intend to commence a strategic review process to explore alternatives for our Construction Services business.
- Expected to unlock significant value for MDU shareholders and provide each company with the opportunity to execute on their respective business plans and achieve industry leading performance.





Segment Outlook









ELECTRIC & NATURAL GAS OUTLOOK

- Expects to grow rate base by 5% compounded annually over the next five years.
- Safely meet customer demand by upgrading and expanding infrastructure and facilities.
- Customer base expected to continue growing by 1- 2% annually.
- Focused on timely regulatory recovery.
- Construction began in May 2022 on the Heskett Station Unit IV, which is expected to be in service during the first half of 2023.





PIPELINE OUTLOOK

- Continuing work on several expansion projects, including the Wahpeton Expansion project, that are expected to add more than 300 million cubic feet per day of incremental capacity as they are completed in 2023-2024, pending regulatory approvals.
- North Bakken Expansion was placed in service earlier this year.
  - Additional 2023 benefit from contractual volume commitments.
  - Can be expanded in the future for forecasted natural gas production growth.





CONSTRUCTION SERVICES OUTLOOK

- All-time record backlog of $2.00 billion, 57% higher than Q3 2021 backlog of $1.27 billion.
- Increased 2022 revenue guidance range by $100 million to a range of $2.5 billion to $2.7 billion with margins lower than 2021.
- The Infrastructure Investment and Jobs Act and Inflation Reduction Act propose billions of dollars of investment for upgrades to electric and grid infrastructure, transportation systems, airports, and electric vehicle infrastructure, all industries Construction Services supports.





CONSTRUCTION MATERIALS OUTLOOK

- Record third quarter backlog of $895 million, 37% higher than Q3 2021 backlog of $652 million.
- Affirmed 2022 revenue guidance in the range of $2.45 billion to $2.65 billion with margins slightly lower than 2021.
- Long-term opportunities from the Infrastructure Investment and Jobs Act and Inflation Reduction Act across the company's footprint.
- Working toward our anticipated spinoff of Knife River, which is on track to take place in 2023 as expected.

2022 EPS GUIDANCE AFFIRMED

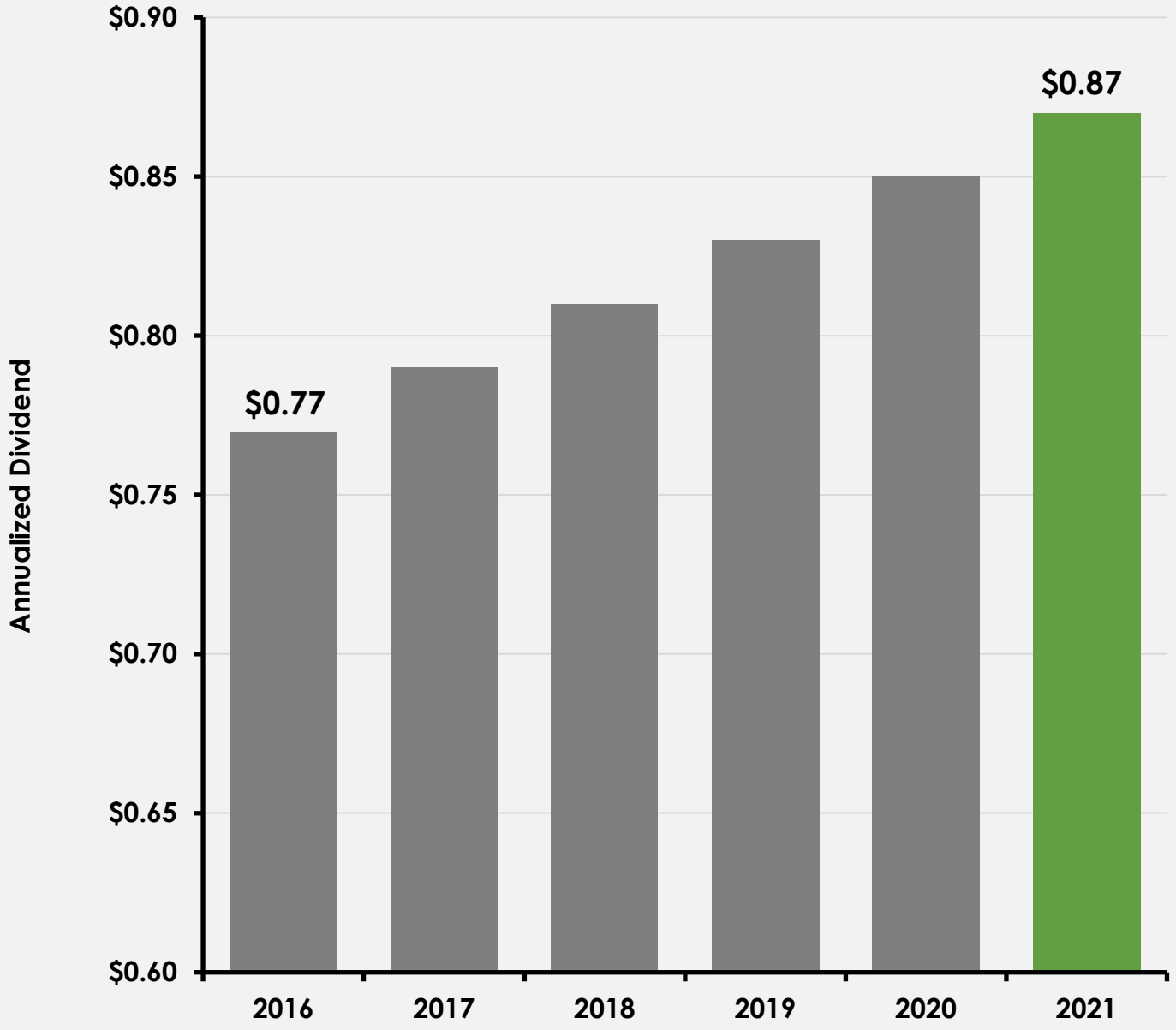
$1.75 - $1.90
Consolidated EPS Guidance

Note: As of November 3, 2022

5 - 8% Long-Term Compound Annual Growth Rate Target

DIVIDEND GROWTH

- Dividend increased November 2021, making 31 consecutive years of increases
- 84 consecutive years of quarterly dividend payments
- Annualized dividend $0.87 per share
- Member of S&P High-Yield Dividend Aristocrats index







Questions



