

MDU RESOURCES GROUP, INC.

Building a Strong America®

February 9, 2023

2022 YEAR-END 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 · Montana-Dakota Utilities Co. · Intermountain Gas Company · Great Plains Natural Gas Co.
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 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





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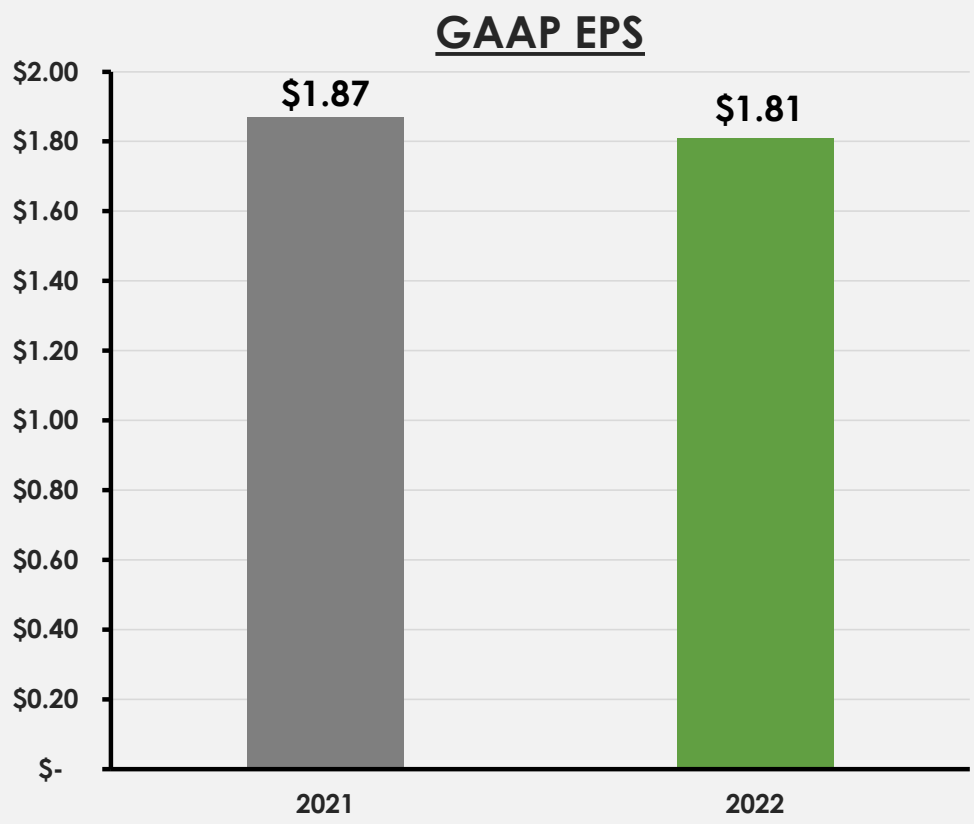
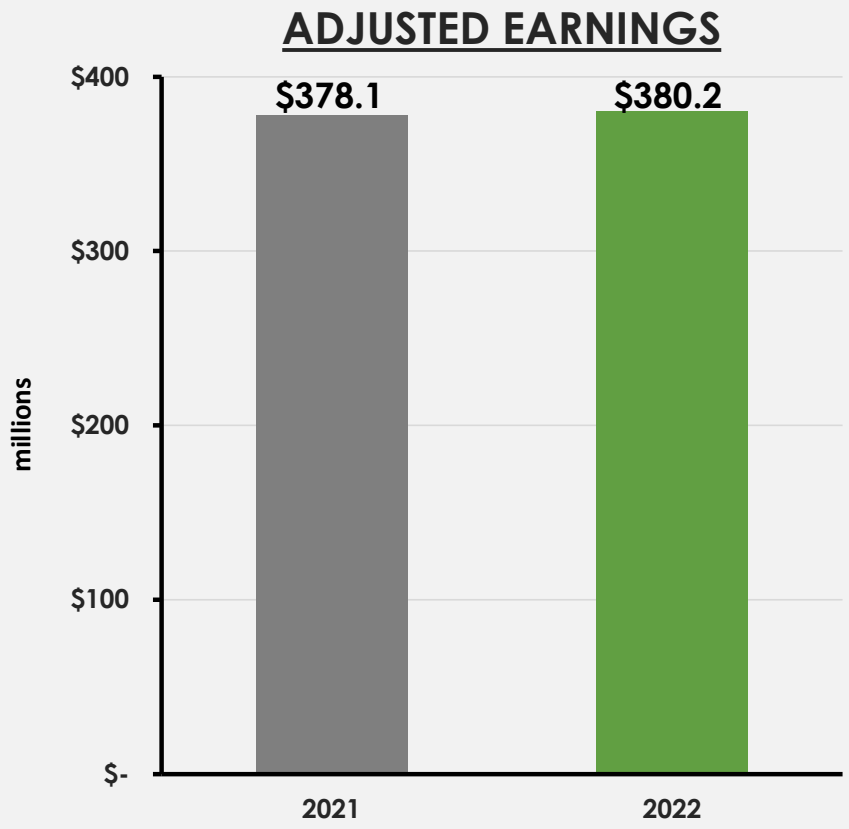
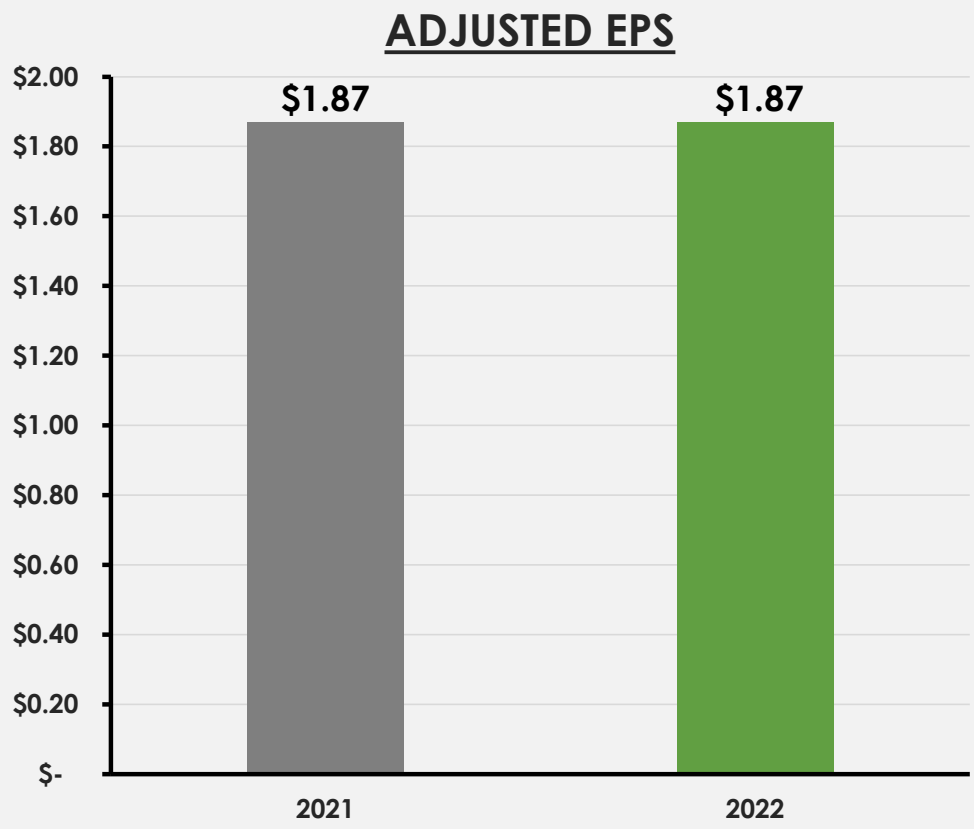
MDU RESOURCES GROUP, INC.
2022 EARNINGS





MDU RESOURCES GROUP, INC.
2022 EARNINGS





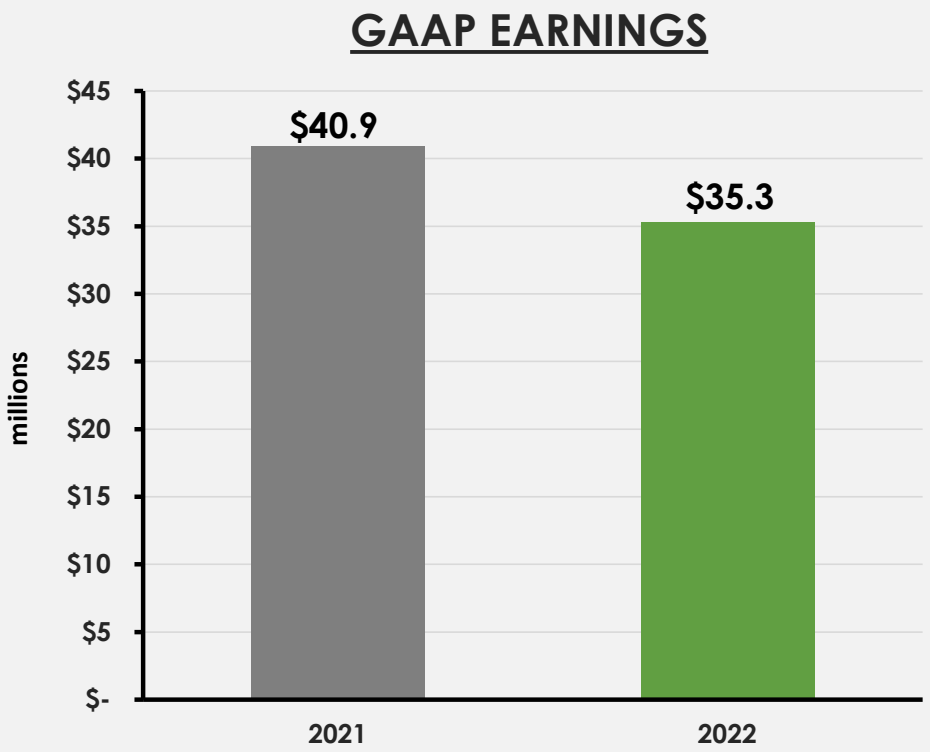
ELECTRIC & NATURAL GAS UTILITY
2022 EARNINGS

- Reported earnings of $102.3 million
  - Higher retail sales revenue due to rate relief in certain jurisdictions and higher net transmission revenues, including increased investment
  - Higher retail sales volumes due to colder weather
  - More than offset by lower investment returns on nonqualified benefit plans, higher operation and maintenance costs, and higher interest expense



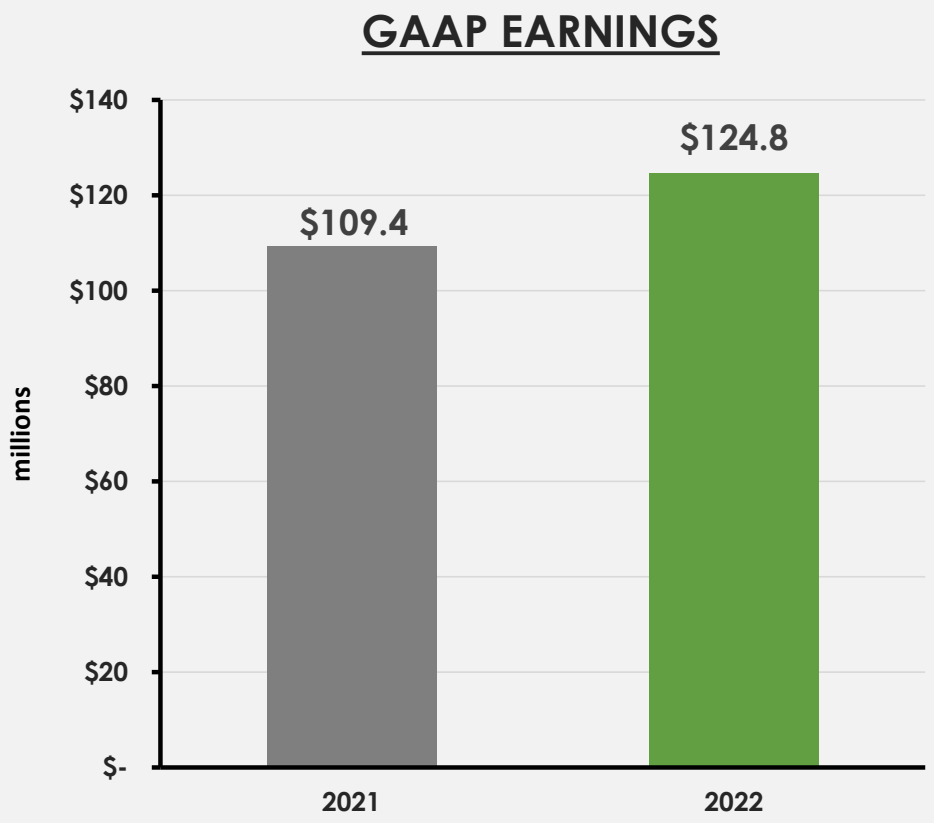
PIPELINE
2022 EARNINGS

- Reported earnings of $35.3 million
  - Higher interest expense and lower returns on nonqualified benefit plans
  - Record transportation volumes for the sixth consecutive year, largely from ongoing system growth, including the North Bakken Project completed earlier in 2022, and steady demand for services
  - Partially offset by lower allowance for funds used during construction and higher depreciation



CONSTRUCTION SERVICES
2022 EARNINGS

- Record earnings of $124.8 million
  - Electrical and mechanical revenues increased 50% for the year
  - Revenues were favorably impacted by progress on large hospitality, data center, and renewable projects
- Record annual revenue of $2.70 billion, compared to $2.05 billion in 2021
- EBITDA of $193.4 million, compared to $168.6 million in 2021



CONSTRUCTION MATERIALS
2022 EARNINGS

- Reported earnings of $116.2 million
  - Price adjustments in response to inflationary pressures improved performance in the second half of the year
  - Slightly lower margin percentages mostly attributable to inflation
- Record annual revenue of $2.53 billion, compared to $2.23 billion in 2021
- EBITDA of $306.7 million, compared to $293.4 million in 2021







Segment Outlook





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ELECTRIC & NATURAL GAS OUTLOOK

- Expects to grow rate base by 6-7% 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, with 3 active rate cases and 4 additional rate cases planned for 2023
- Construction is expected to be complete in the summer of 2023 on the Heskett Station Unit IV





PIPELINE OUTLOOK

- North Bakken Expansion was placed in service in early 2022
  - 2023 revenues are expected to increase by approximately $10 million, largely due to contracted volume commitment increases of approximately 70%, to 215 million cubic feet per day
- Filed a rate case with the Federal Energy Regulatory Commission on Jan. 27, 2023, seeking rate increases for transportation and storage services
- 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 2023-24, pending regulatory approvals





CONSTRUCTION SERVICES OUTLOOK

- Record backlog of $2.13 billion, 54% higher than 2021 backlog of $1.38 billion
- 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
- Strategic review of Construction Services is well underway and expected to be complete in the second quarter of 2023





CONSTRUCTION MATERIALS OUTLOOK

- Record backlog of $935 million, 32% higher than 2021 backlog of $708 million
- Long-term opportunities from the Infrastructure Investment and Jobs Act and Inflation Reduction Act, providing billions of dollars for the repair and rebuilding of roads and bridges across the company's footprint
- Working toward the anticipated spinoff of Knife River, which is expected to be complete in the second quarter of 2023

2023 GUIDANCE

❑ Regulated Energy Delivery Businesses

- ❖ Earnings in the range of $140 million to $150 million

❑ Construction Services

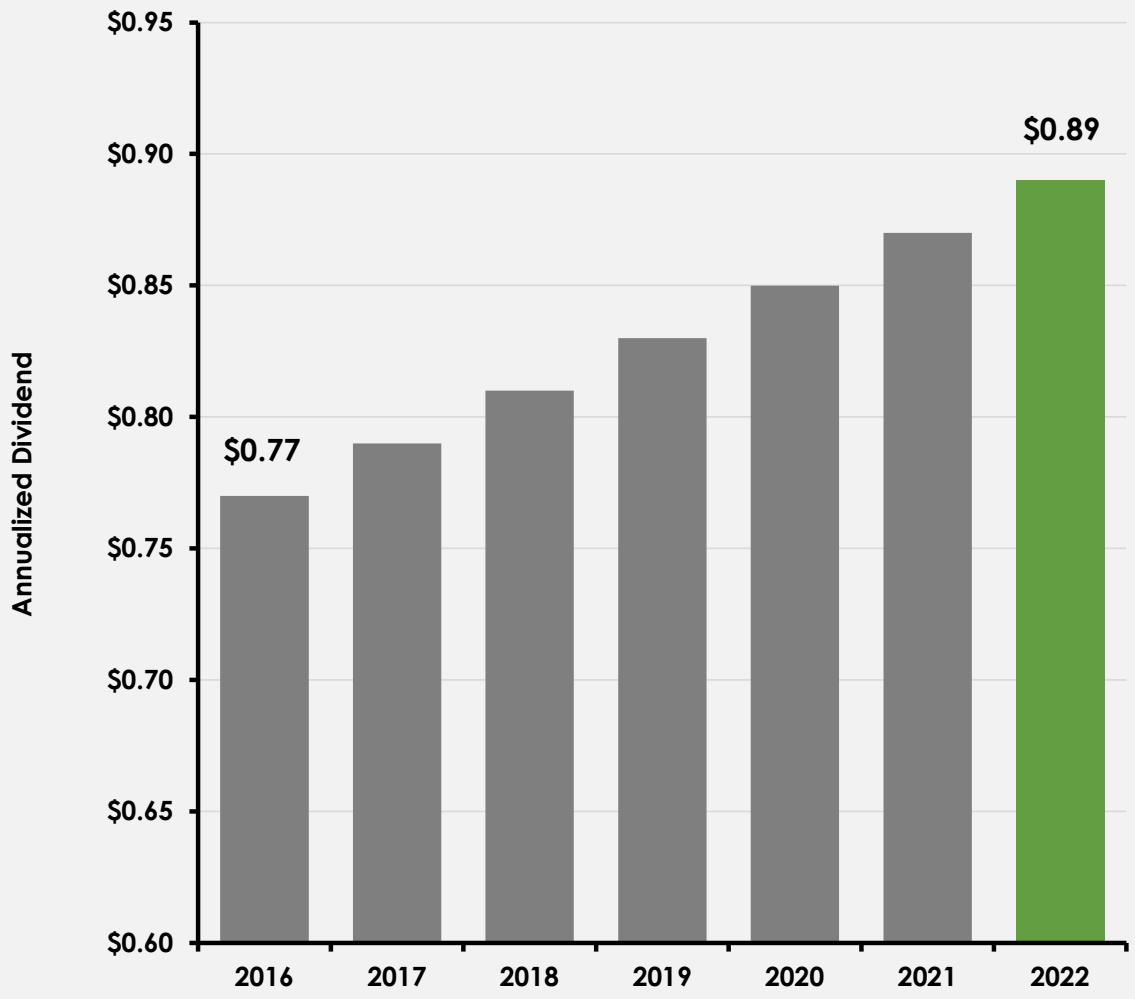
- ❖ Revenues expected to be in the range of $2.75 billion to $2.95 billion in 2023, with higher margins compared to 2022. EBITDA in the range of $200 million to $225 million

❑ Construction Materials

- ❖ Revenues expected to be in the range of $2.50 billion to $2.70 billion in 2023, with higher margins compared to 2022. EBITDA in the range of $300 million to $350 million

DIVIDEND GROWTH

- Dividend increased November 2022, making 32 consecutive years of increases
- 85 consecutive years of quarterly dividend payments
- Annualized dividend $0.89 per share
- Member of S&P High-Yield Dividend Aristocrats index







Questions



