MDU RESOURCES GROUP, INC.

2023 Third Quarter Earnings Results

- **Reported third quarter adjusted income from continuing operations of $58.6 million, or 29 cents per share, compared to 2022 adjusted income from continuing operations of $42.3 million, or 21 cents per share.**
- **Increasing earnings guidance for our regulated energy delivery businesses to $155 million to $165 million and EBITDA guidance for our construction services business to $210 million to $230 million.**

2023 Guidance

Regulated energy delivery businesses 2023 earnings guidance in the range of $155 million to $165 million.

Construction services 2023 EBITDA guidance in the range of $210 million to $230 million.

Electric and Natural Gas Utilities

- Earnings of $3.2 million, compared to earnings of $3.5 million in 2022.
- Total electric retail sales volumes were 36.6% higher than prior year, largely due to higher commercial volumes from an electric service agreement to provide power to a data center near Ellendale, North Dakota.
- Higher utility operation and maintenance expense, primarily payroll-related costs, negatively impacted earnings, which was largely offset by rate relief in certain electric and natural gas jurisdictions.
- New 88-megawatt natural gas-fired electric generating facility near Mandan, North Dakota, expected to be fully operational before year-end.

Pipeline

- Record third quarter earnings of $11.9 million, compared to $9.8 million in 2022.
- Settled rate case with customers and FERC staff and implemented new transportation and storage service rates, which are pending final FERC approval, as of Aug. 1, 2023.
- Record quarterly natural gas transportation volumes, largely from increased contracted volume commitments on the North Bakken Expansion project.
- Two pipeline expansion projects were placed in service on Nov. 1, and will add natural gas transportation capacity of 119 million cubic feet per day.
- A third project is expected to be completed in early 2024, adding natural gas transportation capacity of 175 million cubic feet per day.

Construction Services

- Record third quarter earnings of $36.0 million, up 28.6% compared to $28.0 million in 2022.
- Third quarter backlog of $1.85 billion, compared to $2.0 billion last year.
- 2023 revenue expected to be in the range of $2.80 billion to $3.00 billion, with higher margins compared to 2022.
- Record third quarter EBITDA of $58.0 million, up 32.1% compared to $43.9 million in 2022.

"We continue to see very strong results from all our companies. Our construction services business had record third quarter earnings and EBITDA. Our pipeline business also had record third quarter earnings and natural gas transportation volumes. Our electric utility saw significant commercial retail volume increases related to serving a data center in its territory and has filed a request with the North Dakota Public Service Commission to serve another data center that is expected to come online in late 2024. With the outstanding performance we've seen for the first nine months of the year and continued strength of our operations, we are increasing our guidance for 2023 results."



Dave Goodin
President and CEO
MDU Resources Group, Inc.