



YEAR-END EARNINGS CALL

MDU RESOURCES GROUP, INC.

February 8, 2024

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.

LEADERSHIP TEAM



Nicole Kivisto

President & CEO



Jeff Thiede

MDU Construction Services Group
President & CEO



Jason Vollmer

Vice President, CFO & Treasurer



Rob Johnson

WBI Energy
President



Stephanie Sievert

Vice President, CAO & Controller



Garret Senger

Utilities Group
Chief Utilities Officer





Segment Outlook









ELECTRIC & NATURAL GAS OUTLOOK

- Expects to grow rate base by approximately 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
- Filed an electric service agreement request to serve an additional data center expected online in 2024
- Initial testing on Heskett Station Unit IV, expected to be online in 2023, identified performance concerns
  - Modifications underway with facility now anticipated online in second quarter of 2024





PIPELINE OUTLOOK

- Will continue to benefit from new transportation and storage service rates, as approved by the FERC, which were effective Aug. 1, 2023
- Will continue to benefit from expansion projects placed in service in Nov. 2023
- Current transportation capacity of approximately 2.6 billion cubic feet of natural gas per day
- Continuing work on several expansion projects, that are expected to add more than 300 million cubic feet per day of incremental capacity as they are completed in 2024, pending regulatory approvals





CONSTRUCTION SERVICES OUTLOOK

- Previously announced tax-free spinoff expected to be complete in late 2024
- Backlog of $2.01 billion, down slightly compared to record year-end backlog of $2.13 billion in 2022
- 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





Regulatory Update





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REGULATORY UPDATE

Business	Jurisdiction	Filing Date	Annual Revenue Increase (%)	Annual Revenue Increase (in millions)	Status
Settled cases with implemented rates					
Electric Utility	North Dakota Electric	May 16, 2022	7.4%	$15.3M	Approved June 6, 2023 New rates effective July 1, 2023
Natural Gas Distribution	Idaho Natural Gas	Dec. 1, 2022	0.7%	$3.1M	Approved June 30, 2023 New rates effective July 1, 2023
Electric Utility	Montana Electric	Nov. 4, 2022	9.1%	$6.1M	Approved Sep. 21, 2023 New rates effective Oct. 1, 2023
Pipeline	FERC	Jan. 27, 2023	7.0%	$10.0M	Approved Nov. 27 2023 New rates effective Aug. 1, 2023
Filed cases with requested rates					
Electric Utility	South Dakota Electric	Aug. 15, 2023	17.3%	$3.0M	Pending Interim rates (15.4%/$2.7M) to be effective March 1, 2024
Natural Gas Distribution	South Dakota Natural Gas	Aug. 15, 2023	11.2%	$7.4M	Pending Interim rates (11.2%/$7.4M) to be effective March 1, 2024
Natural Gas Distribution	North Dakota Natural Gas	Nov. 1, 2023	7.5%	$11.6M	Pending Interim rates (6.5%/$10.1M) effective Jan. 1, 2024

2024 GUIDANCE

❑ Regulated Energy Delivery

- Earnings in the range of $170 million to $180 million

❑ Construction Services

- Revenues expected to be in the range of $2.9 billion to $3.1 billion, with margins comparable to 2023
- EBITDA in the range of $220 million to $240 million

Guidance as of February 8, 2024

MDU Resources Group

ANALYST & INVESTOR DAY

March 13, 2024 • NYSE





Financial Results



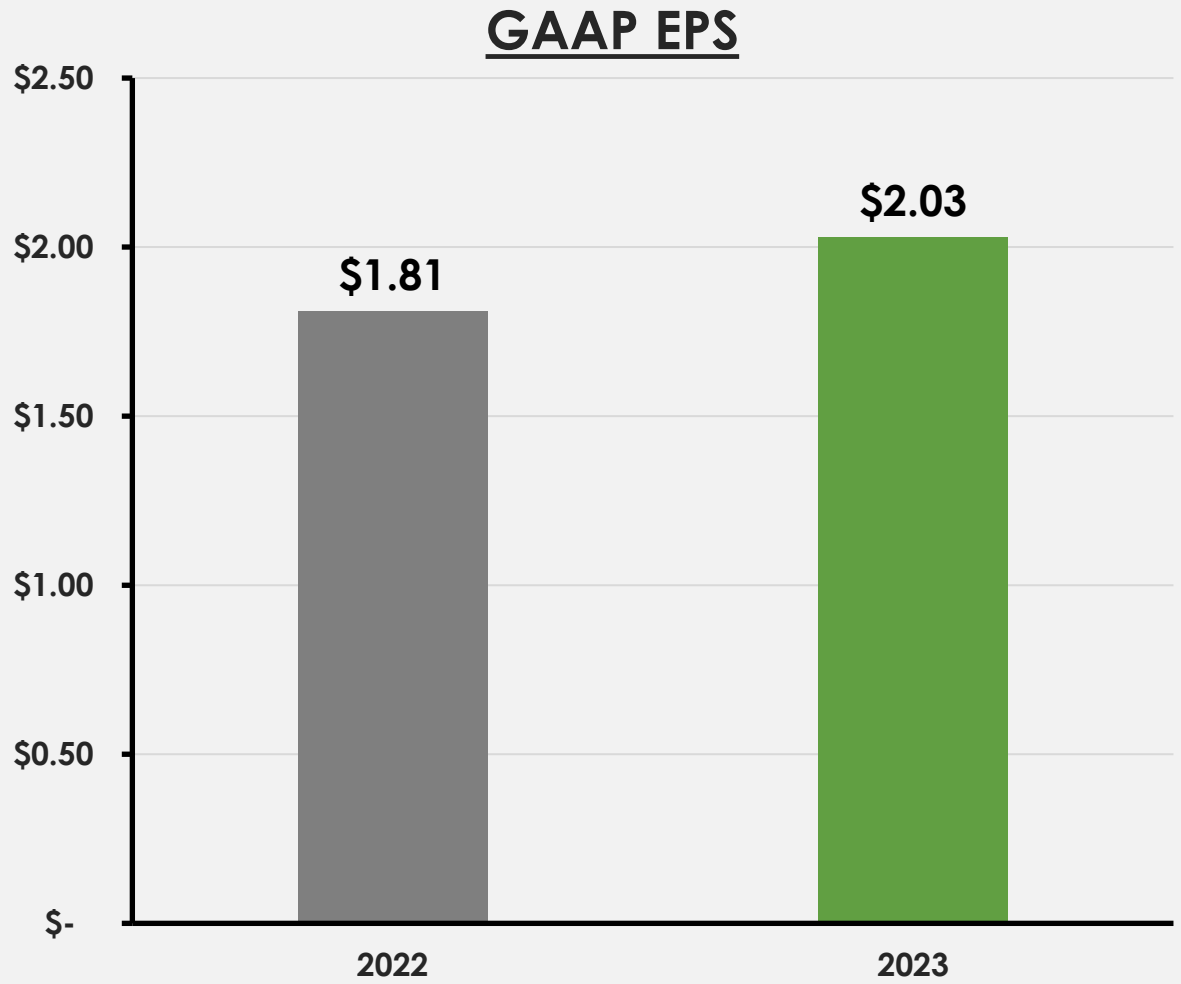


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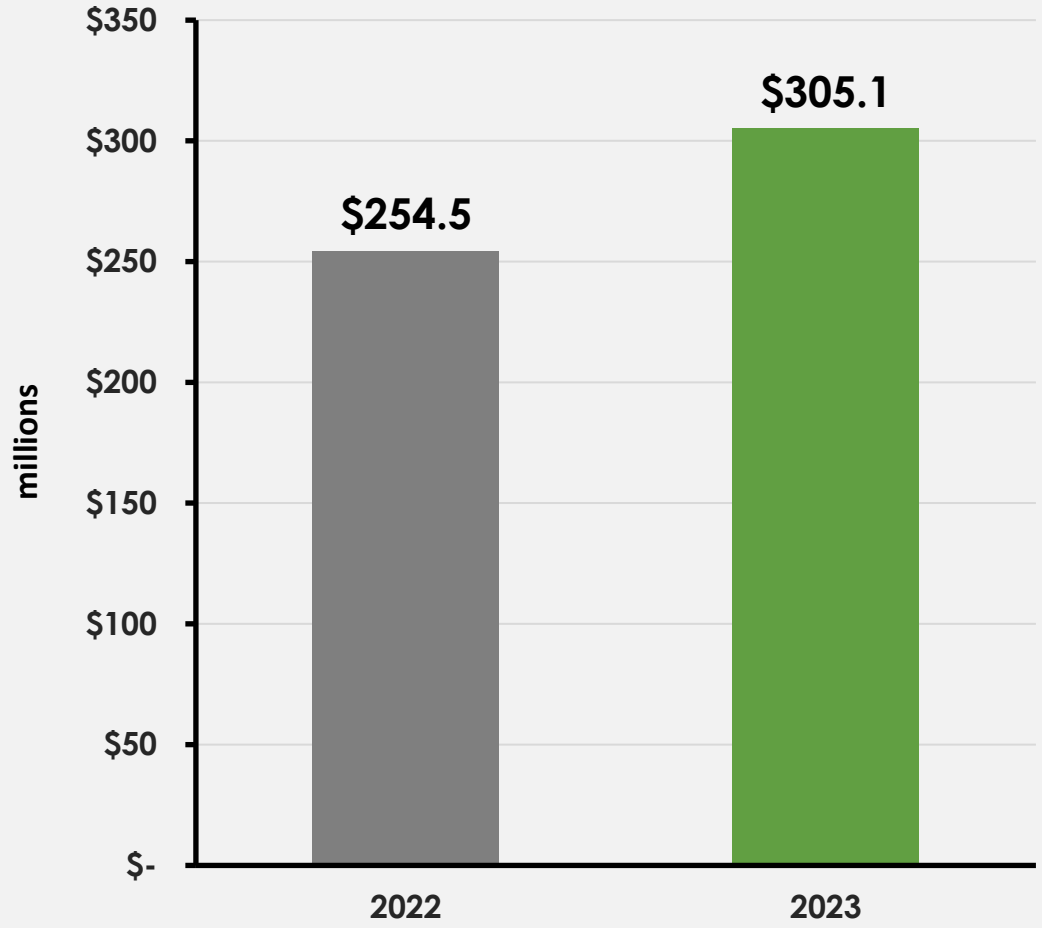
MDU RESOURCES GROUP, INC.
2023 EARNINGS



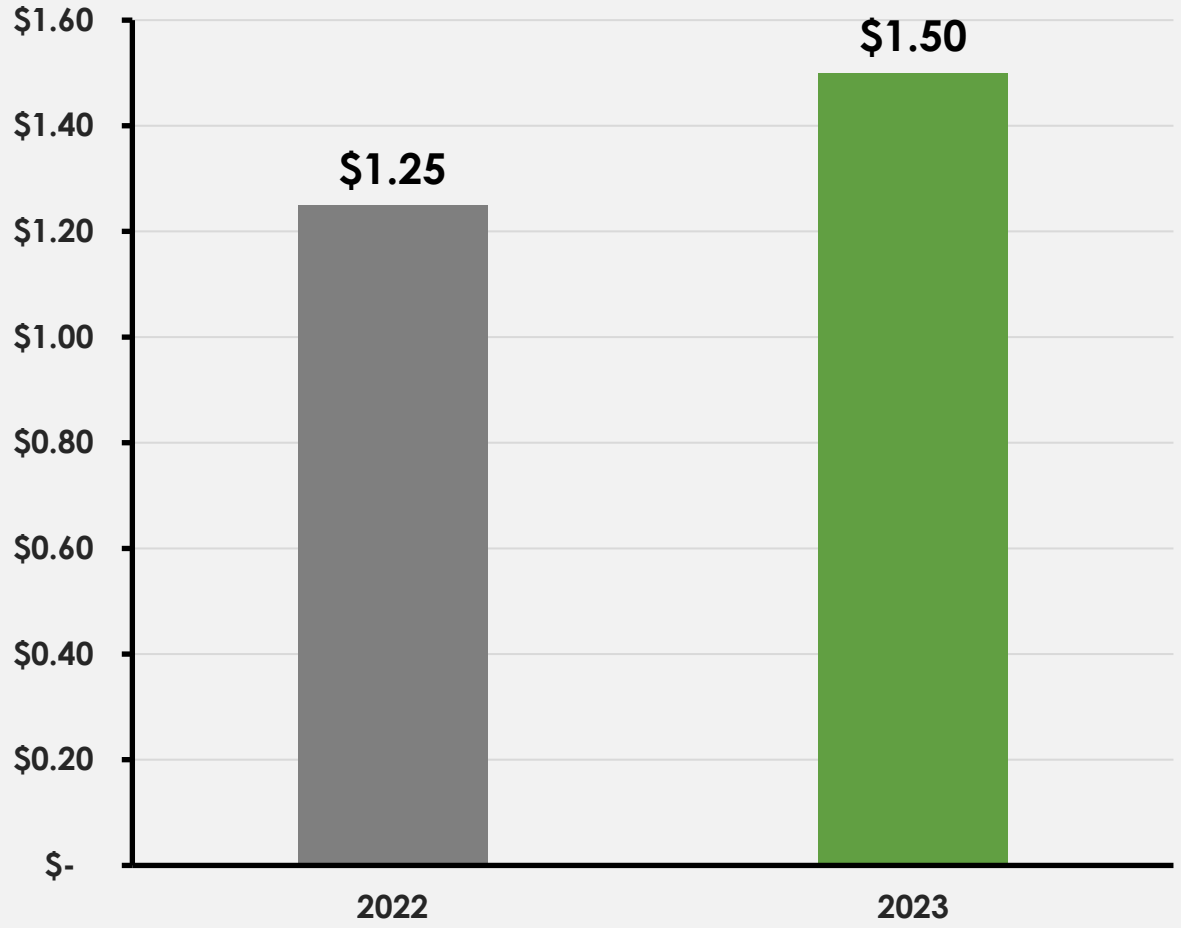


MDU RESOURCES GROUP, INC.
2023 ADJUSTED INCOME FROM CONTINUING OPERATIONS

ADJUSTED INCOME*



ADJUSTED EPS*



*Adjusted to exclude the gain on the tax-free exchange of the retained shares of Knife River as well as costs associated with MDU Resources' strategic initiatives

ELECTRIC & NATURAL GAS UTILITY
2023 EARNINGS

- Earnings of $120.1 million
  - All-time record electric retail sales volumes, largely due to a new data center customer
  - Approved rate relief in certain electric and natural gas jurisdictions
  - Lower natural gas retail sales volumes due to warmer weather



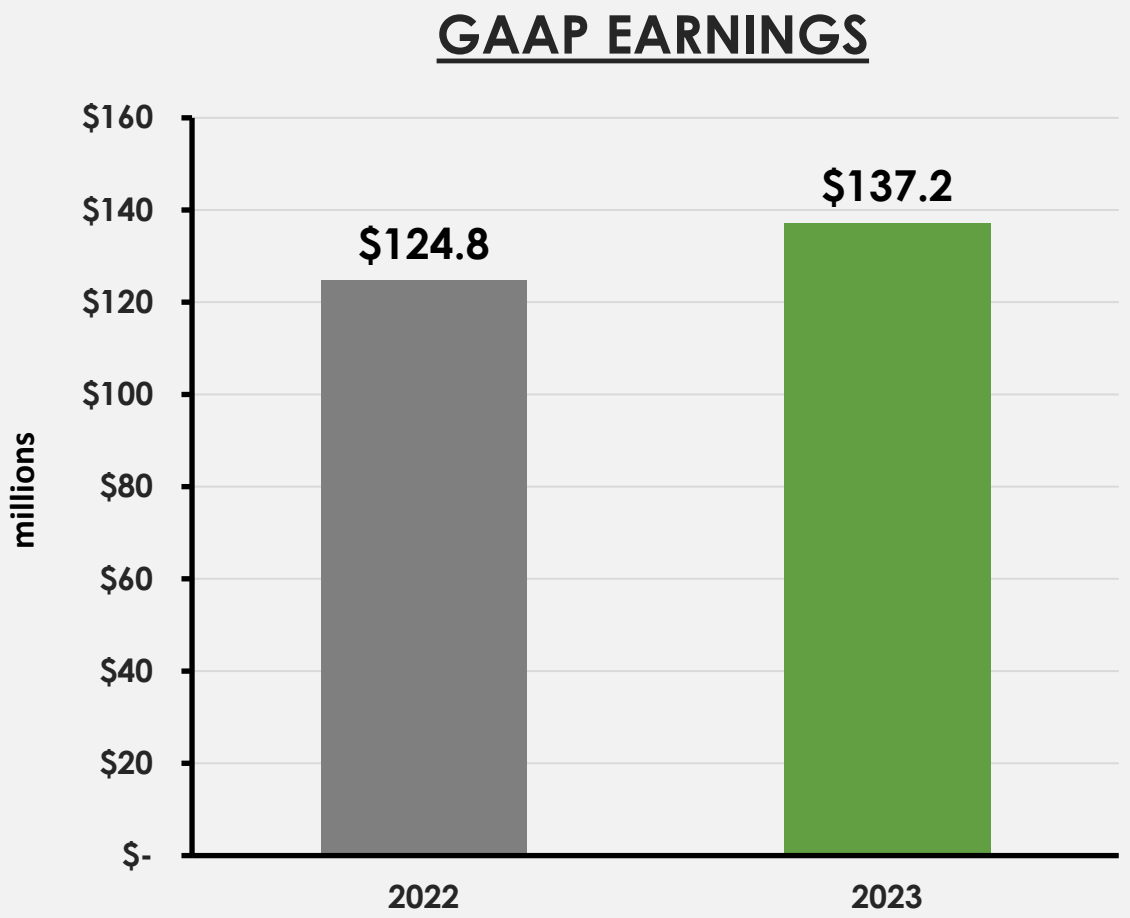
PIPELINE
2023 EARNINGS

- Record earnings of $46.9 million
  - Record annual transportation volumes, largely from increased contracted volume commitments on the North Bakken Expansion project and other expansion projects
  - Higher revenue from new transportation and storage rates, as approved by the FERC
  - Higher natural gas storage service usage



CONSTRUCTION SERVICES
2023 EARNINGS

- Record earnings of $137.2 million
  - Strong demand for commercial and institutional services work, particularly for hospitality, high-tech, data center and health care clients
  - Strong demand for utility-related transmission, distribution and underground work
  - Margins increased due to efficiency gains on projects
- Record EBITDA of $222.7 million, increased 15.1% compared to 2022







QUESTIONS









Appendix





RECONCILIATION OF EBITDA GUIDANCE

($ in millions)

	As of February 8, 2024	
	Construction Services	
	Low	High
Income from continuing operations	$135.0	$150.0
Adjustments:		
Interest expense	15.0	15.0
Income taxes	45.0	50.0
Depreciation, depletion and amortization	25.0	25.0
EBITDA from continuing operations[1]	$220.0	$240.0

1. Note: EBITDA is considered a non-GAAP financial measure.