MDU RESOURCES GROUP, INC.

Q2 2018 Results

Earnings from continuing operations: **$44.1** million, compared to $43.8 million in 2017.

- EPS from continuing operations: **$0.22**, compared to $0.22 in 2017.
- Reaffirmed 2018 earnings per share guidance in the range of **$1.25** to **$1.45**.
- Construction materials completed its third acquisition of the year with the purchase of Molalla Redi-Mix in the Portland, Oregon area.
- Record combined construction backlog of $1.62 billion.

"We are pleased with our ongoing growth and solid operational execution. ... We had a record combined backlog of $1.62 billion of work at our construction services and construction materials businesses at the end of the second quarter. ... Our utility and pipeline businesses continue to successfully execute on several growth opportunities."

Dave Goodin
President and CEO
MDU Resources Group, Inc.

EPS projection
5-8%
long-term compound annual growth

Increased dividends
27
consecutive years

Paid dividends
80
consecutive years

Construction Services

- Earnings of $14.1 million, up from $12.4 million in 2017.
- Record second quarter backlog of $888 million, up from $596 million.
- $323.6 million in revenues, compared to $336.3 million in 2017.
- Forecasted 2018 revenues of $1.45 billion to $1.60 billion.

Construction Materials

- Earnings of $24.3 million, up from $21.2 million in 2017.
- Revenue of $509.6 million, compared to $501.6 million in 2017.
- Second quarter backlog of $731 million, compared to $766 million.
- Forecasted 2018 revenues of $1.8 billion to $1.9 billion.

Electric and Natural Gas Utilities

- Combined utility earnings of $2.3 million, compared to $5.0 million in 2017.
- 5% higher electric retail sales volumes & 2% higher natural gas sales volumes.
- Expected rate base growth of 6% annually over the next five years on a compound basis.

Pipeline and Midstream

- Earnings of $5.7 million, up from $5.3 million in 2017.
- Record transportation volumes for the 4th consecutive quarter.
- Executing on several organic growth opportunities.