MDU RESOURCES GROUP, INC.

Building a Strong America®

Q2 | 2020

- Second quarter earnings were $99.7 million, or $0.50 per share, compared to $61.8 million, or $0.31 per share in 2019.
- Increased 2020 earnings per share guidance to a range of $1.65 to $1.85.
- Combined construction backlog of $2.20 billion at June 30.
- Construction Services and Materials reported record revenue and earnings in the second quarter.
- Pipeline continues preparatory work on the North Bakken Expansion project.

Long-term EPS projection
5%-8%
compound annual growth rate

Increased dividends
29
consecutive years

Paid dividends
82
consecutive years

Electric and Natural Gas Utilities

- Earnings of $11.2 million, compared to $1.2 million in 2019.
- Earnings benefited from lower operating costs, higher investment returns on certain benefit plans and the absence of a write-down on a non-utility investment recorded in 2019.
- 4.3% higher natural gas sales volumes.
- Benefited from rate recovery in certain jurisdictions.
- Received approval from the Montana Public Service Commission to defer accounting for costs related to the retirement of Lewis & Clark and Heskett electric generating facilities.

Pipeline

- Earnings of $9.0 million, compared to $7.1 million in 2019.
- Higher revenue from organic growth projects, higher demand for storage services and higher investment returns on certain benefit plans positively impacted earnings.
- Modified design capacity of the North Bakken Expansion project to 250 million cubic feet per day to match current customer commitments.

Construction Services

- Record earnings of $27.9 million, compared to the previous record of $22.8 million in 2019.
- Record second quarter revenues of $497.2 million, compared to the previous record of $464.9 million in 2019.
- Record backlog of $1.31 billion at June 30, compared to the prior year record of $1.15 billion.
- Increased revenue guidance to a range of $1.90 billion to $2.10 billion with margins comparable to prior year.

Construction Materials

- Record earnings of $53.0 million, up 82%.
- Record second quarter revenues of $621.1 million, compared to the previous record of $596.0 million in 2019.
- Backlog of $875 million as of June 30, compared to the prior year record of $1.04 billion.
- Increased revenue guidance to a range of $2.20 billion to $2.40 billion with margins slightly higher than 2019.

"Our geographic diversity and focus on midsize markets has served us well as businesses have generally remained open. Our utility and pipeline operations continue to provide needed energy to customers, and our total construction backlog remains at a near-record level of nearly $2.2 billion. Our team remains focused on safely providing the essential services that are critical to Building a Strong America."

Dave Goodin
President and CEO | MDU Resources Group, Inc.