MDU RESOURCES GROUP, INC.

Building a Strong America®

Q3 | 2020

- **Third quarter earnings were $153.1 million, or $0.76 per share, compared to $137.6 million, or $0.69 per share in 2019.**
- **Increased 2020 earnings per share guidance to a range of $1.80 to $1.90.**
- **Narrowed combined construction revenue guidance to a range of $4.15 billion to $4.40 billion.**
- **Electric and natural gas utilities completed multiple regulatory filings.**
- **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

Construction Materials

- Record earnings of $107.3 million, compared to $102.6 million in 2019.
- Higher margins across most product lines drove the increase in earnings.
- Backlog of $571 million as of September 30, compared to the prior year record of $747 million.
- Revised revenue guidance to a range of $2.15 billion to $2.25 billion with margins higher than 2019 levels.

Construction Services

- Record earnings of $29.8 million, compared to the previous record of $21.1 million in 2019.
- Record third quarter revenues of $551.0 million, compared to the previous record of $479.6 million in 2019.
- Backlog of $1.28 billion at September 30, compared to $1.20 billion last year.
- Increased revenue guidance to a range of $2.00 billion to $2.15 billion with margins comparable to or slightly higher than 2019 levels.

Electric and Natural Gas Utilities

- Net loss of $800,000 compared to earnings of $700,000 in 2019.
- The loss in the quarter reflects higher operating costs.
- 3% higher electric electric sales volumes and 2% higher natural gas sales volumes, driven by increased residential use.
- Benefited from rate recovery in certain jurisdictions.

Pipeline

- Earnings of $8.0 million, compared to $7.7 million in 2019.
- Higher transportation revenues from organic growth projects and increased demand for storage services positively impacted earnings.
- The company continues preliminary work to begin construction in early 2021 on its North Bakken Expansion Project in western North Dakota, pending regulatory and environmental permitting.
- The project, which is designed to transport 250 million cubic feet of natural gas per day, is expected to be in service in late 2021.

"The benefit of our balanced business mix was evident during the third quarter as our construction companies had record earnings and maintained a strong backlog of work, while our regulated energy businesses continued to produce solid revenue and earnings. We are raising our 2020 earnings guidance to reflect the strength of our performance through the third quarter and our optimism about the remainder of the year."

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