MDU RESOURCES
GROUP, INC.

Building a Strong America®

2022
First Quarter Earnings Results

- **Reported first quarter earnings of $31.7 million, or 16 cents per share, compared to first quarter 2021 earnings of $52.1 million, or 26 cents per share.**
- **2022 earnings per share guidance affirmed at $2.00 to $2.15.**
- **Ended the quarter with record combined construction backlog of $2.6 billion.**
- **Affirmed EBITDA guidance for 2022 at $900 million to $950 million.**

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

Increased dividends
31
consecutive years

Paid dividends
84
consecutive years

Electric and Natural Gas Utilities

- Earnings of $47.6 million, compared to $46.9 million in 2021.
- Benefitted from rate recovery in certain jurisdictions and higher electric and natural gas sales volumes.
- Higher operation and maintenance costs and lower investment returns on certain benefit plans had a negative impact to the quarter.
- Ceased operations of its last wholly owned coal-fired electric generation facilities and will begin construction on an 88-megawatt simple cycle natural gas-fired combustion turbine during the second quarter.

Pipeline

- Earnings of $7.3 million, compared to $8.9 million in 2021.
- The North Bakken Expansion placed in service February 1 had a positive impact to the quarter.
- Lower storage-related revenues, higher operating expenses, and lower investment returns on certain benefit plans negatively impacted earnings.
- Continues work on multiple pipeline expansion projects including its Wahpeton Expansion in southeastern North Dakota.

Construction Services

- Earnings of $21.3 million, compared to record first quarter earnings of $29.8 million in 2021.
- Record quarterly revenue of $552.6 million, compared to $518.5 million in 2021.
- A reduction in the amount of higher-margin storm repair work and lower industrial margins from the timing of projects negatively impacted results, offset in part by higher commercial margins.
- Backlog as of March 31 was an all-time high $1.67 billion, up 31% compared to $1.27 billion last year.
- 2022 revenue guidance affirmed at a range of $2.2 billion to $2.4 billion with margins comparable to 2021 levels.

Construction Materials

- Seasonal loss of $40.0 million, compared to a loss of $30.8 million in 2021.
- Revenue increased 17% to a first quarter record of $310.0 million from higher average product pricing and volumes.
- Earnings were negatively impacted by higher fuel, materials and labor costs, and lower investment returns on certain benefit plans.
- Backlog increased 15% to $940 million as of March 31, compared to $819 million in the prior year.
- Increased revenue guidance $150 million to a range of $2.45 billion to $2.65 billion with margins slightly lower than 2021 levels.

“We have a solid start to the year with higher revenues at all our businesses, including record revenues at our construction businesses. Although we continue, as expected, to experience inflationary headwinds, we remain optimistic about 2022 with an all-time record combined backlog of work at our construction companies and growth projects underway at our regulated energy delivery businesses.”

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

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