MDU RESOURCES GROUP, INC.

Building a Strong America®

2022 Second Quarter Earnings Results

- **Reported second quarter earnings of $70.7 million, or 35 cents per share, compared to second quarter 2021 earnings of $100.2 million, or 50 cents per share.**
- **2022 earnings per share guidance revised to $1.75 to $1.90.**
- **Ended the quarter with all-time record combined construction backlog of $3.1 billion.**
- **Revised EBITDA guidance for 2022 to $875 million to $925 million.**

Long-term EPS projection	Increased dividends	Paid dividends
5%-8% compound annual growth rate	**31** consecutive years	**84** consecutive years

Electric and Natural Gas Utilities

- Loss of $2.9 million, compared to earnings of $9.6 million in 2021.
- Benefitted from rate recovery in certain jurisdictions and higher natural gas sales volumes, partially offset by weather normalization and decoupling mechanisms.
- Lower investment returns on nonqualified benefit plans, higher operation and maintenance expense, and lower electric retail sales volumes had a negative impact on the quarter.
- MISO approved $10.3 billion of investments in the Midwest sub-region, of which Montana-Dakota Utilities is a part.

Pipeline

- Earnings of $7.1 million, compared to $9.2 million in 2021.
- Lower investment returns on nonqualified benefit plans, lower non-regulated project margins, and higher interest expense negatively impacted earnings.
- North Bakken Expansion project had a net positive impact to the quarter.
- Multiple organic growth projects, supported by long-term customer agreements, in various stages of development and dependent on regulatory approval.

Construction Services

- Record second quarter earnings of $34.5 million, compared to $28.9 million in 2021.
- All-time record quarterly revenue of $685.4 million, up 30% compared to $525.6 million in 2021.
- Higher workloads drove the revenue increase, however margins were slightly impacted by higher operating costs related to inflation, including fuel, material, and labor costs.
- Backlog as of June 30 was an all-time record $1.92 billion, up 46% compared to $1.32 billion last year.
- Increased 2022 revenue guidance range by $200 million, to a range of $2.4 billion to $2.6 billion with margins slightly lower than 2021.

Construction Materials

- Earnings of $32.6 million, compared to $51.4 million in 2021.
- Revenue increased 12% to a second quarter record of $711.8 million.
- Higher contracting workloads and product pricing increases drove revenue growth, offset by inflationary pressures and unfavorable weather.
- All-time record backlog of $1.13 billion as of June 30, up 24% compared to $912 million in the prior year.
- 2022 revenue guidance affirmed in the range of $2.45 billion to $2.65 billion with margins slightly lower than 2021.

"Both our construction businesses had record revenues in the quarter, however ongoing inflationary impacts and supply chain challenges continue to create headwinds. With our combined construction backlog of work up 37% to an all-time record of $3.1 billion, we expect to recover some momentum in the third quarter as our record level of more than 16,500 skilled employees continues building a strong America."

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

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