MDU RESOURCES GROUP, INC.

Building a Strong America®

2022 Year-End Earnings Results

- **Reported year-end adjusted earnings of $380.2 million, or $1.87 per share, compared to 2021 earnings of $378.1 million, or $1.87 per share.**
- **Ended 2022 with all-time record combined construction backlog of $3.1 billion, up 46.5% compared to 2021.**

2023 Guidance

Regulated Energy Delivery Businesses 2023 earnings guidance in the range of $140 million to $150 million.

Construction Services 2023 EBITDA guidance in the range of $200 million to $225 million.

Construction Materials 2023 EBITDA guidance in the range of $300 million to $350 million.

Electric and Natural Gas Utilities

- Earnings of $102.3 million, compared to earnings of $103.5 million in 2021.
- Benefited from higher retail sales revenue due to rate relief in certain jurisdictions and higher net transmission revenues.
- Higher retail sales volumes due to colder weather also drove higher revenues.
- Lower investment returns on nonqualified benefit plans, higher operation and maintenance costs, and higher interest expense had a negative impact in 2022.
- The utility saw rate base growth of 7.8% and customer growth of 1.6% in 2022.

Pipeline

- Earnings of $35.3 million, compared to $40.9 million in 2021.
- Benefited from increased transportation revenues due largely from the North Bakken Expansion offset in part by associated lower allowance for funds used during construction.
- Increase in revenue was offset by lower investment returns on nonqualified benefit plans and higher interest expense.
- In 2023, revenues are expected to increase from the North Bakken Expansion project by approximately $10 million, largely due to contracted volume commitment increases of 70%, to 215 million cubic feet per day.
- Continuing work on expansion projects that are expected to add more than 300 million cubic feet per day of incremental capacity as they are completed in late 2023 and 2024, pending regulatory approval.

Construction Services

- Record earnings of $124.8 million, compared to $109.4 million in 2021.
- Record annual revenue of $2.70 billion, up 32% compared to $2.05 billion in 2021.
- Electrical and mechanical revenues increased 50%, favorably impacted by progress made on large hospitality, data center, and general commercial projects.
- Backlog as of Dec. 31 was a record $2.13 billion, up 54% compared to $1.38 billion last year.
- 2023 revenue expected to be in the range of $2.75 billion to $2.95 billion, with higher margins compared to 2022.

Construction Materials

- Earnings of $116.2 million, compared to $129.8 million in 2021.
- Record annual revenue of $2.53 billion, up 14% compared to $2.23 billion in 2021.
- Benefited from higher average materials pricing across all product lines in response to recent inflationary pressures.
- 2022 backlog of $935 million as of Dec. 31, up 32% compared to $708 million in 2021.
- 2023 revenue expected in the range of $2.50 billion to $2.70 billion with higher margins compared to 2022.

"Our businesses performed very well in 2022 and finished the year strong. We are particularly pleased with results in the latter half of the year as we saw our operational adjustments, including product pricing, offsetting inflationary pressures. We see this momentum continuing into 2023 as we remain focused on safely and efficiently providing essential products and services to our customers."

Dave Goodin

President and CEO | MDU Resources Group, Inc.

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