



MARCH 2022

INVESTOR PRESENTATION

 **MDU RESOURCES**
GROUP, INC. | Building a Strong America®

MDU
LISTED
NYSE

SAFE HARBOR STATEMENT & DISCLOSURES

This presentation includes forward-looking comments subject to important risks and uncertainties. It may also contain financial measures that are not in conformance with accounting principles generally accepted in the United States (GAAP).

Refer to MDU Resources' reports filed on Forms 8-K (current), 10-Q (quarterly), and 10-K (annual) for information on factors that could cause actual results to differ materially from information on this presentation and for information reconciling financial results to GAAP. Past performance may not be representative of future results.

Nothing in this presentation should be construed as reaffirming or disaffirming the guidance set forth in MDU Resources' most recent earnings release and earnings call. This presentation is not an offer to sell or a solicitation of offers to buy and of MDU Resources' securities.

MDU Resources is Building a Strong America®



With integrity, create superior shareholder value by expanding upon our expertise to be the supplier of choice in all of our markets while being a safe and great place to work.

Company founded in 1924



Headquartered in Bismarck, ND

Utilities



Regulated Pipeline



Construction Materials



Construction Services



COMPANY OVERVIEW

Infrastructure is our business, and we are Building a Strong America®.

Powering and connecting homes, factories, offices and stores. Building roads, highways, data infrastructure and airports. MDU Resources keeps our economy moving.

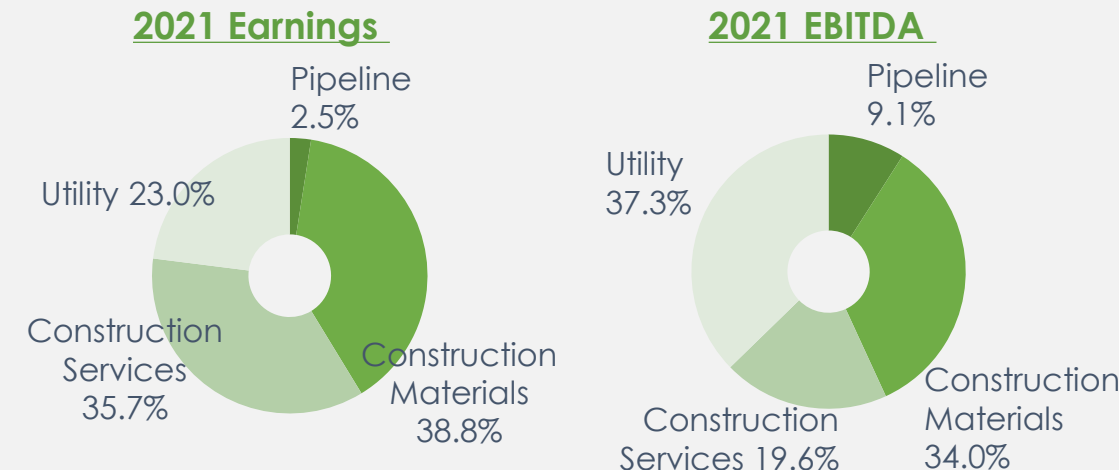
High Quality Portfolio of Businesses

	Revenue (2021)	EBITDA ¹ (2021)	Earnings (2021)	Earnings CAGR (2016-2021)	M&A (2016-21)
Electric & Natural Gas	\$1,321.5	\$321.0	\$103.5	8.4%	--
Pipeline	\$142.6	\$78.0	\$40.9	11.8%	--
Construction Services	\$2,051.6	\$168.6	\$109.4	26.4%	\$75.6
Construction Materials	\$2,228.9	\$293.4	\$129.8	4.8%	\$515.9
Total²	\$5,744.6	\$861.0	\$383.6	10.8%	\$591.5

1. Note: EBITDA is considered a non-GAAP financial measure.

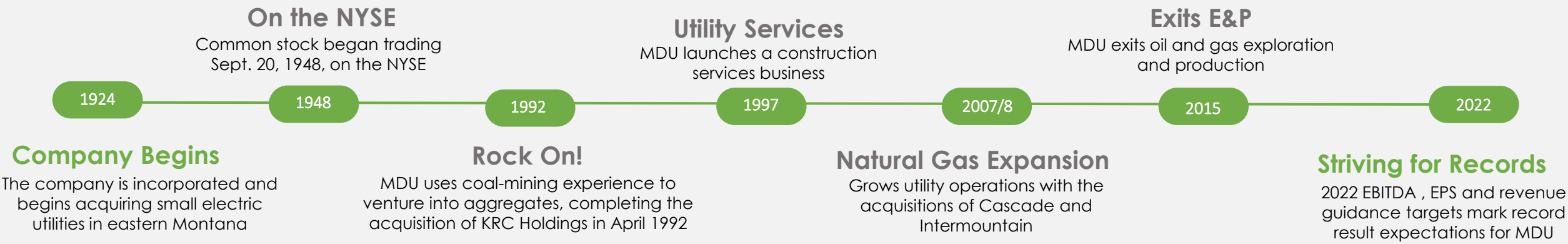
2. Total figures exclude "Other" and "intersegment eliminations"

Diversified Earnings Contribution



COMPANY HISTORY

Our company was founded in 1924 as a small electric utility serving a handful of farm communities on the border of Montana and North Dakota. Today, MDU Resources is a Fortune 500 company with operations, customers and employees across the country. We have approximately 16,000 employees during peak construction season and conduct business in nearly every state.



INVESTMENT THESIS

Consistent long-term growth



6.4% EBITDA¹ CAGR (2016-2021)
9.5% EPS CAGR (2016-2021)

Balance of cyclical and counter-cyclical businesses



**54% Construction / 46% Regulated Energy
Delivery EBITDA mix (2021)**

Runway of **attractive organic and inorganic growth opportunities**



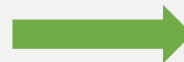
**>\$1 trillion spending gap in US infrastructure²;
Strong local demographic trends**

Improving ROIC driven by rigorous capital allocation process



5.5% → 7.8%
2016 → 2021

Strong balance sheet, durable cash flow and
significant capacity to return capital



**2.8% current div. yield³; 46% payout ratio (2021);
BBB+ credit rating**

Proven management team capable of executing strategic vision



**~27 years of average industry experience
for business segment CEOs**

1. Note: EBITDA is considered a non-GAAP financial measure.

2. Source: ASCE's 2017 Infrastructure Report Card.

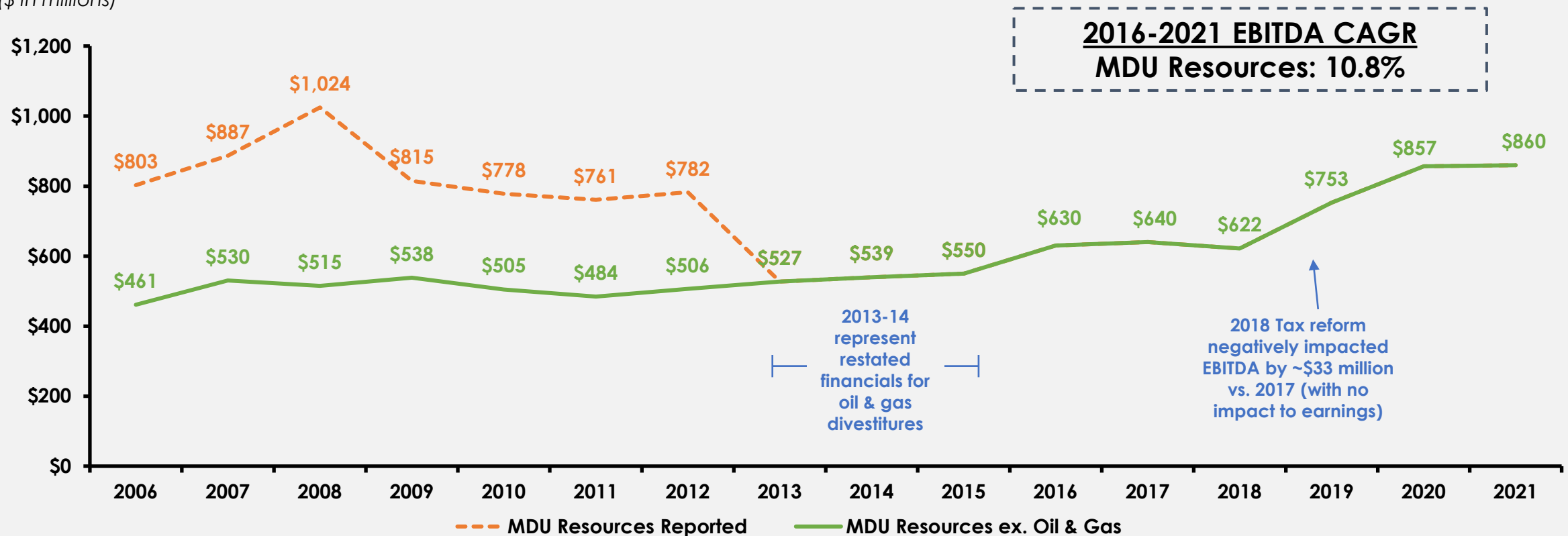
3. Based on closing stock price on 12/31/2021.

LONG-TERM EBITDA PERFORMANCE

Steady, long-term EBITDA growth masked by divestitures and tax reform

EBITDA¹

(\$ in millions)



1. Note: EBITDA is considered a non-GAAP financial measure.

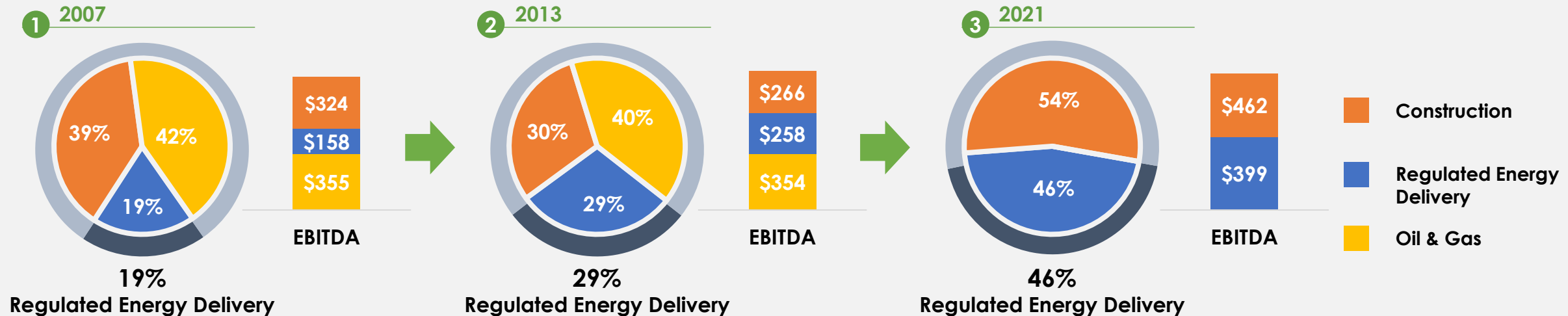
EBITDA MIX OVER TIME

Fundamentally enhanced business mix and improved customer diversification since 2007

- Divested volatile Oil & Gas business in 2014-16, **eliminating majority of commodity exposure**
- Improved mix of Regulated Energy Delivery earnings and EBITDA, **increasing long-term visibility**
- Expanded offerings in Construction Services to build technology infrastructure, **accelerating growth**
- Increased volume of public sector projects at Knife River, **increasing demand visibility**

EBITDA¹ Mix (2007–2021)

(Dollars in millions)



1. Note: EBITDA is considered a non-GAAP financial measure. This representation excludes "Other" and "Intersegment eliminations" and non-regulated energy EBITDA. See appendix for EBITDA reconciliation.

CAPITAL ALLOCATION FRAMEWORK

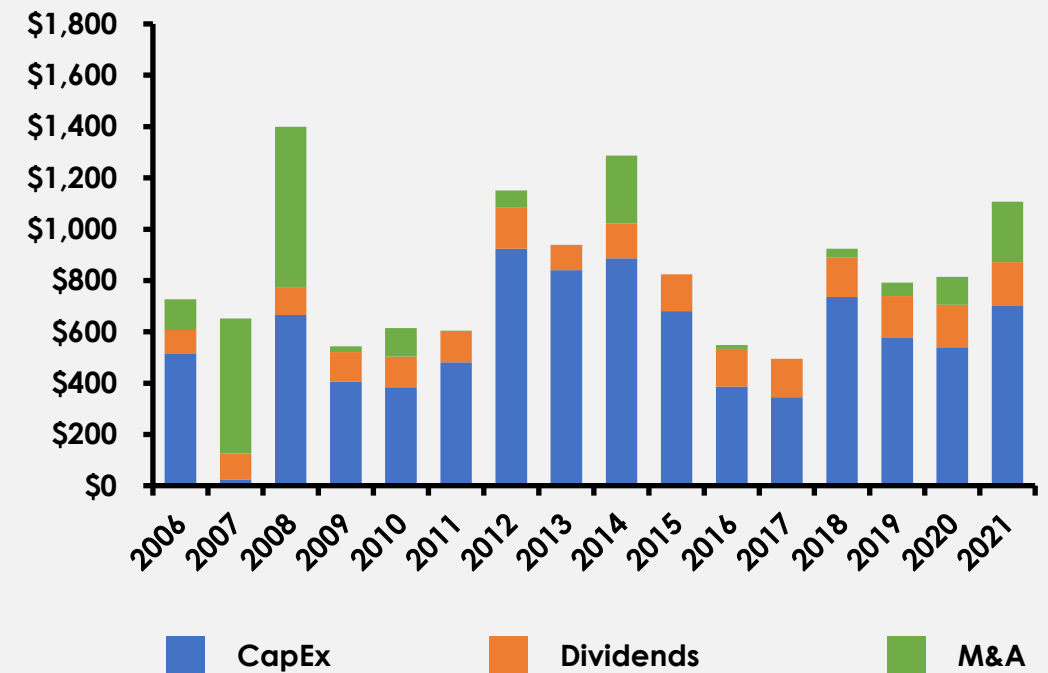
MDU Resources' long operating history in local markets brings insight into the highest return investment opportunities

Capital Allocation Philosophy

- ✓ Approach each opportunity with an owner mindset – capital is scarce and should be deployed with care
- ✓ Invest where MDU Resources has unique insights, relationships, and market knowledge
- ✓ Strengthen existing markets, expand existing footprints, and grow competitive barriers
- ✓ Prioritize organic investments with superior risk-adjusted returns
- ✓ Maintain a strong, increasing dividend
- ✓ Pay down debt as appropriate and maintain an investment-grade credit rating

Capital Allocation History

(\$ in millions)



CAPITAL EXPENDITURES

MDU Resources' organic investments remain the primary driver of high-quality earnings growth

Regulated Energy Delivery Focus

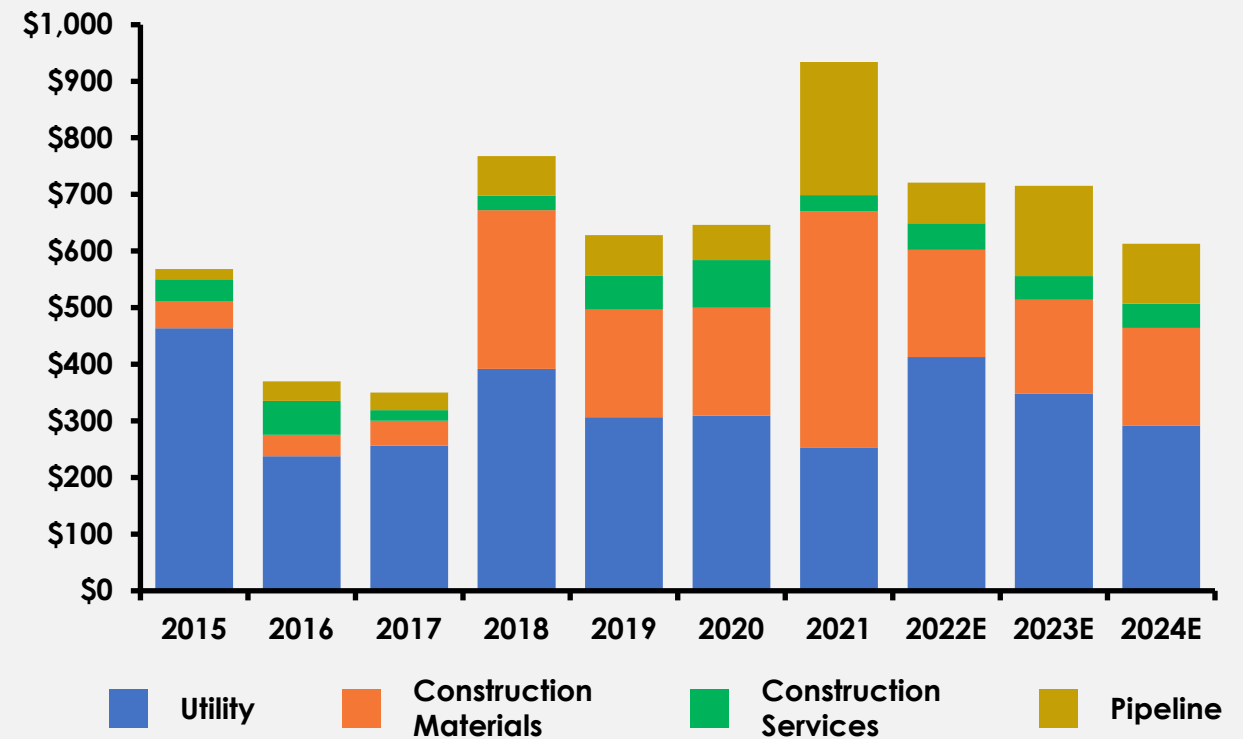
- Capital investments primarily in regulated businesses where rates of return have a high level of certainty
- System infrastructure upgrades and replacements
- Natural gas combustion turbine
- Wahpeton Expansion project

Construction Materials and Services Focus

- Focused on organic expansion opportunities and normal equipment and plant replacements and upgrades
- Prestress concrete plant construction in Spokane, WA
- Continued development of Honey Creek Deposits
- Completion of the Knife River Training Center in Oregon

Capital Expenditure by Segment

(\$ in millions)



M&A APPROACH

Inorganic investments have potential to accelerate strategy, but are only executed when return hurdles are met; M&A is an important part of the MDU growth story

Philosophy

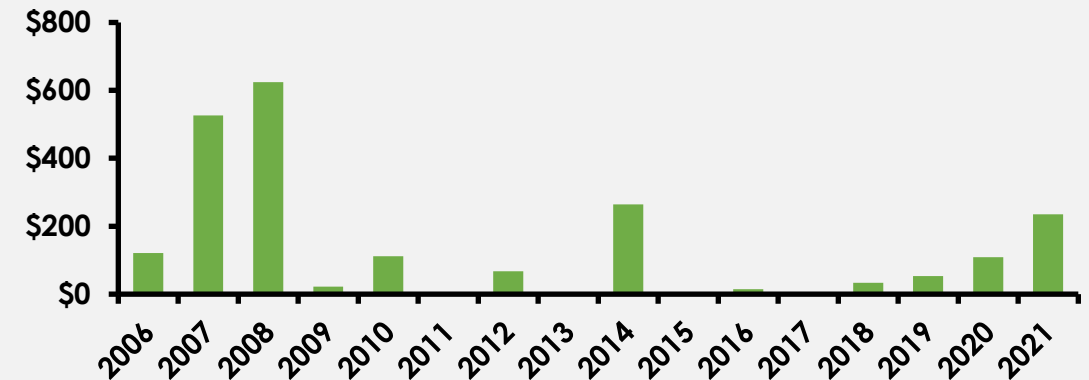
- ✓ Approach each opportunity with an owner mindset – capital is scarce and should be deployed with care
- ✓ Implement repeatable M&A process
- ✓ Require attractive risk-adjusted return profiles that provide long-term strategic value
- ✓ Acquisitions are a base for future organic growth

Evaluation Process

- ✓ Conduct deep due diligence, including revenue and cost synergies, valuation, risk analyses as well as social and environmental impact
- ✓ Management Policy Committee, composed of senior management, reviews all transactions over \$5 million
- ✓ Each division is assigned a risk-adjusted cost of capital
- ✓ Acquisitions are reviewed annually against internal plans; processes are refined continuously

Recent M&A History

(\$ in millions)

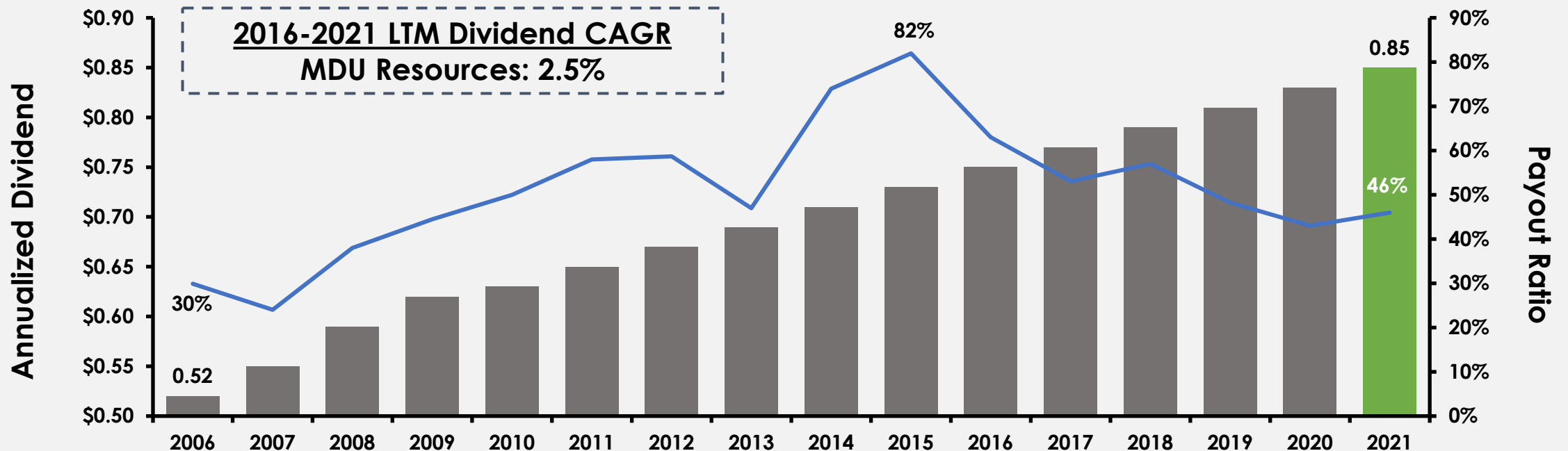


- Long track record of success; ~125 acquisitions over 26 years
- Capital allocated toward significant organic growth opportunities from 2013-17
- Recently conducted several acquisitions and continue to evaluate future opportunities

DIVIDENDS

Long history of dividend increases coupled with payout ratio materially improving post-2015

- 84 consecutive years of quarterly dividend payments with 31 consecutive years of increases
- Payout ratio reached 80% following 2014-16 business divestitures – has steadily declined to <50%
- Long-time member of S&P High-Yield Dividend Aristocrats index



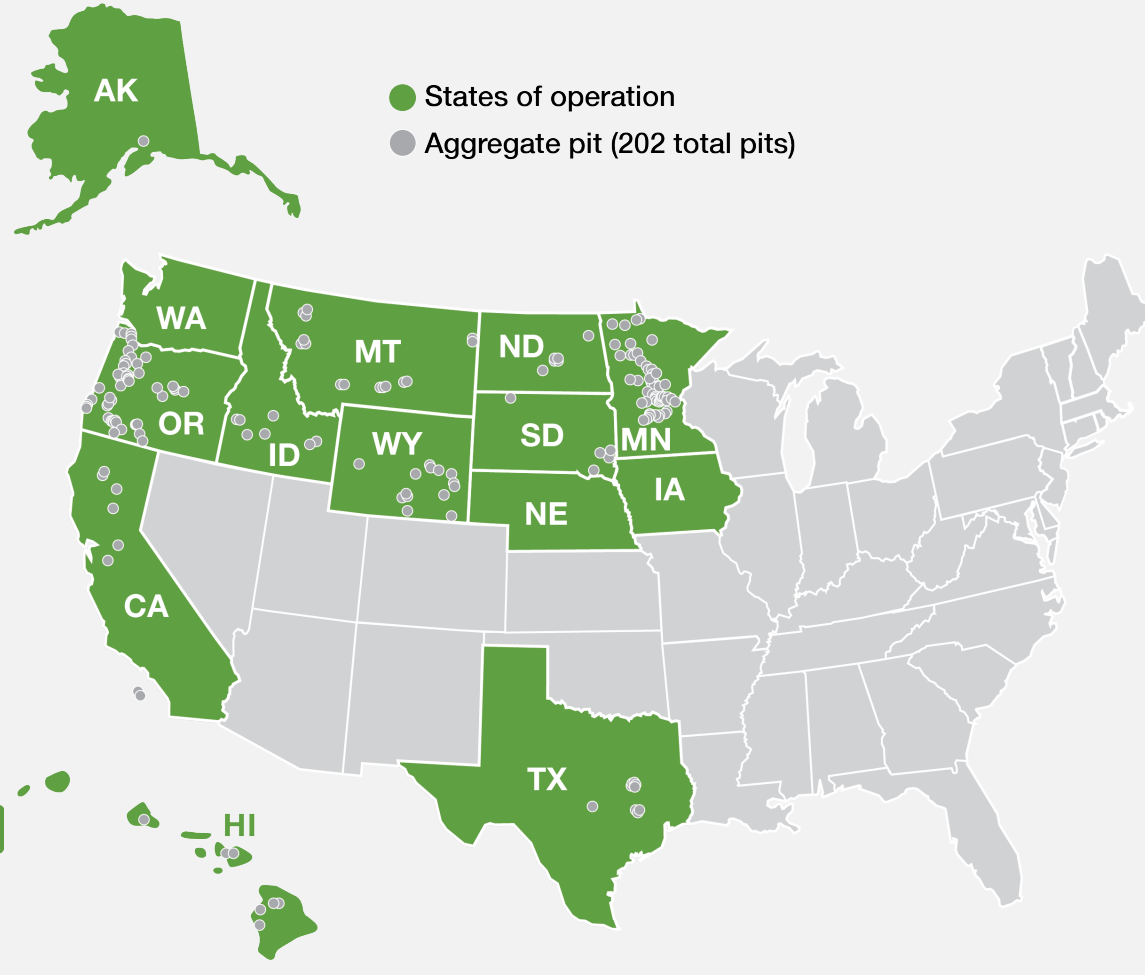


Segment Overview



WHO IS KNIFE RIVER?

Knife River is one of the largest construction materials and contracting companies in the United States



14
States of Operation

1.2 BILLION
Tons of Reserves

5,600+
Skilled Employees at Peak

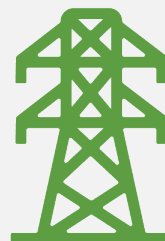
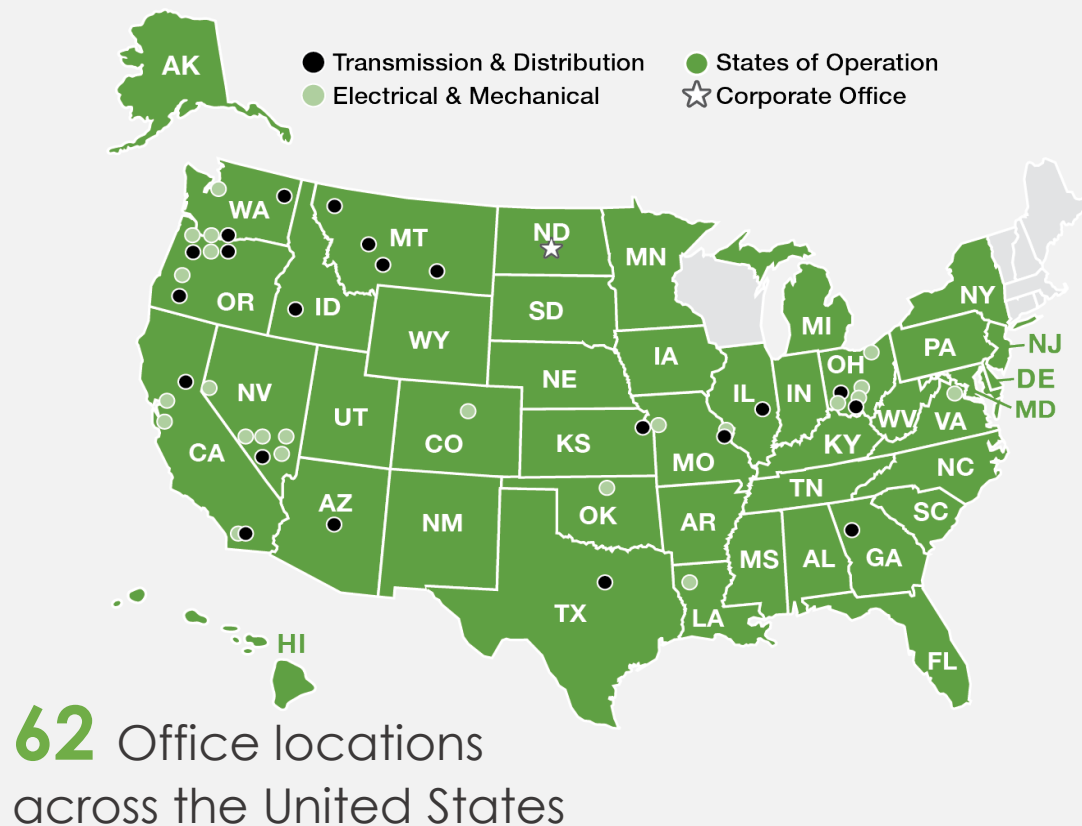
TOP 10
U.S. Aggregate Producer

Estimated Reserves (000's Tons)

Alaska	13,583
California	126,315
Hawaii	45,096
Idaho	28,439
Minnesota	76,993
Montana	72,636
North Dakota	24,958
Oregon	578,112
South Dakota	35,715
Texas	80,358
Wyoming	119,612

WHO IS CONSTRUCTION SERVICES?

MDU Construction Services Group, Inc. provides a full spectrum of construction solutions through its electrical and mechanical and transmission and distribution specialty contracting services. These services are provided to utility, manufacturing, transportation, commercial, industrial, institutional, renewable, and governmental customers.



6
Transmission & Distribution Construction Companies
7,500+
Skilled Employees at Peak

10
Electrical & Mechanical Construction Companies
43
States of Operation



MDU Construction Services Group is providing market leading services across the country

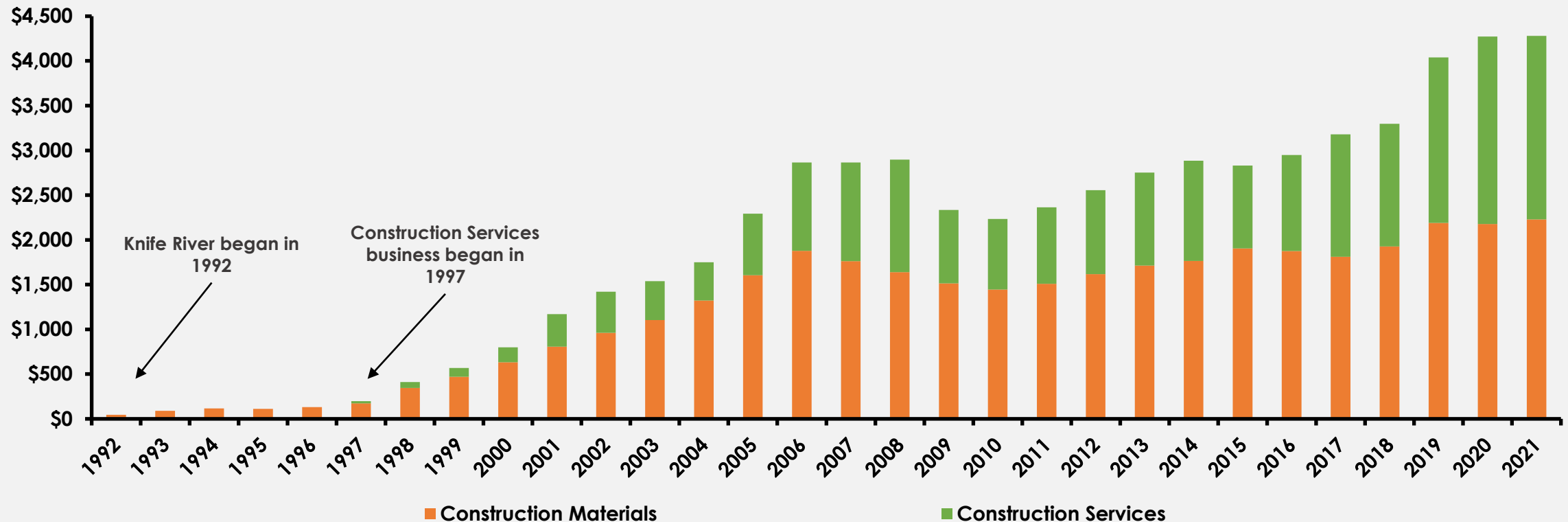
- #4 Out of 50 companies on the 2021 EC&M top electrical contractors list
- #10 Top specialty contractor in the nation, according to Engineering News Record

GROWTH IN CONSTRUCTION

Built through a combination of acquisitions and organic expansion, Construction Materials and Services provide high return, long-term growth





Construction Revenue



(\$ in millions)



US INFRASTRUCTURE OUTLOOK

Significant underinvestment in recent years results in decades-long growth opportunities

2016-2025 Infrastructure Systems ¹	Total Needs	Estimated Funding	Funding Gap	Report Card Grade	Exposure to MDU Resources		
					Reg. Energy Delivery	Construction Materials	Construction Services
 Surface Transportation	\$2,042	\$941	\$1,101	C+		✓	✓
 Electricity	\$934	\$757	\$177	D+	✓		✓
 Airports	\$157	\$115	\$42	D		✓	✓
 Rail	\$154	\$125	\$29	B		✓	✓
Total	\$3,287	\$1,938	\$1,349				

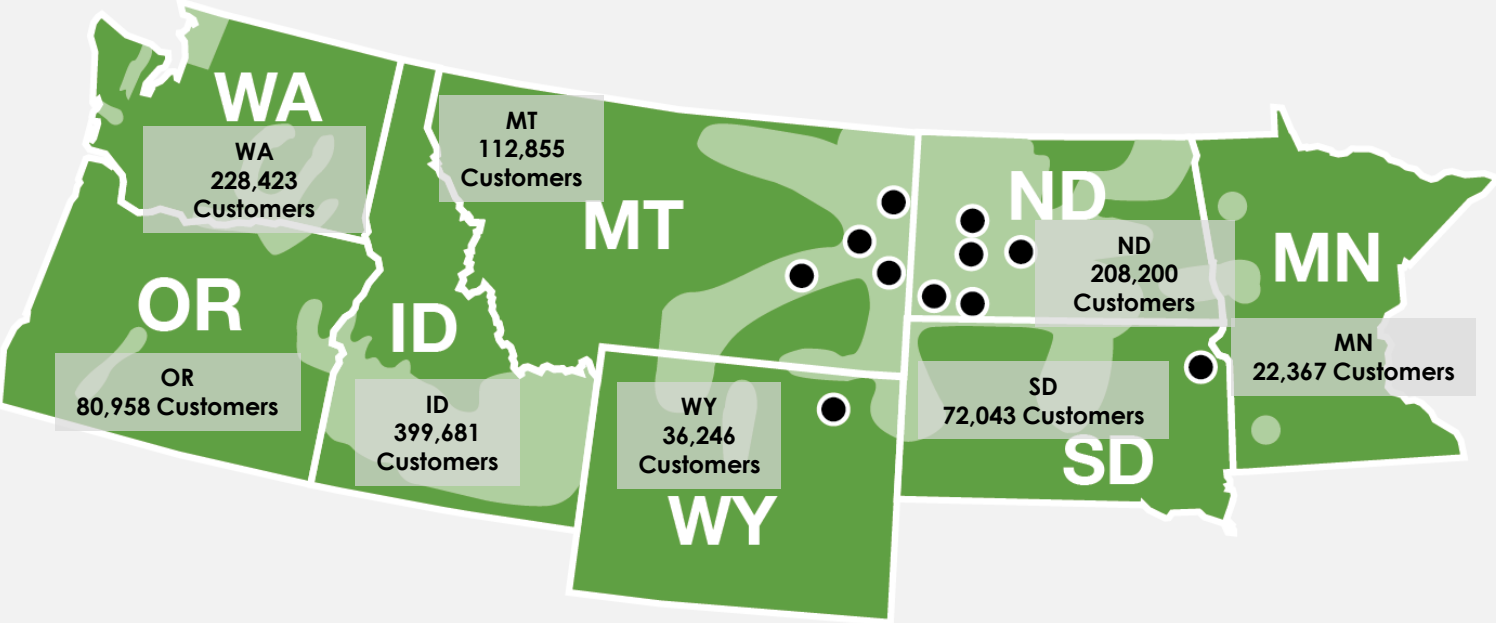
2018-2023 Cloud and Colocation CapEx Spending ²	2018 CapEx Spend	2023 CapEx Spend	CAGR	Exposure to MDU Resources		
				Reg. Energy Delivery	Construction Materials	Construction Services
 Physical Infrastructure	~\$19	~\$29	8.5%			✓
 Land and Building	~\$6	~\$11	12.7%		✓	✓
Total	~\$25	~\$40	9.6%			

1. ASCE's 2017 Infrastructure Report Card. Dollars in billions, based on 2015 dollars.

2. Omdia Cloud and Colocation Data Center Capex Market Tracker. Dollars in billions.

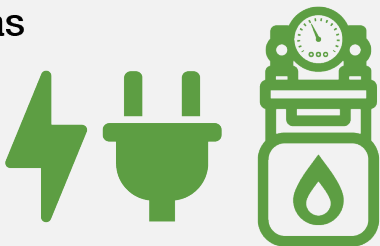
UTILITIES GROUP BUSINESS OVERVIEW

Our utilities group of four brands is committed to providing affordable and reliable electric and natural gas service to 1.16 million customers across eight states



\$2.8 Billion Combined rate base	735 MW Owned generation
29,800 Miles of transmission/distribution	1,600 Skilled employees

- Electric and natural gas utility areas
- Electric generating stations
- States of operations

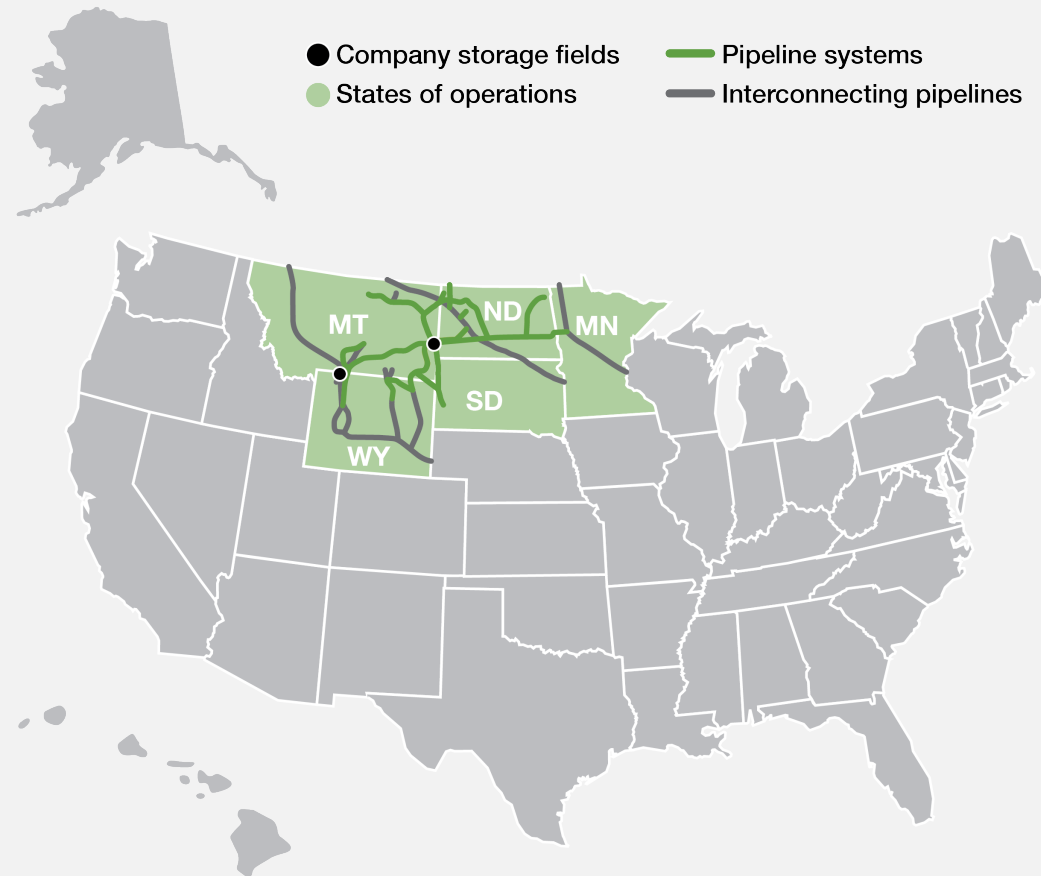


Intermountain Gas Company, Cascade Natural Gas and Montana-Dakota ranked first and second and fourth, respectively, for customer service satisfaction among residential natural gas customers in the West Midsize segment, according to a J.D Power 2021 Study.

Customer count as of 12/31/21

WHO IS WBI ENERGY?

WBI Energy, Inc. provides natural gas transportation and underground storage services through regulated pipeline systems primarily in the Rocky Mountain and northern Great Plains regions of the United States and provides nonregulated cathodic protection and other energy-related services.



3,800
Miles of Pipe

Over 2.4 BCF/D
System Capacity

14
Interconnecting Points

LARGEST
Storage Field in North America

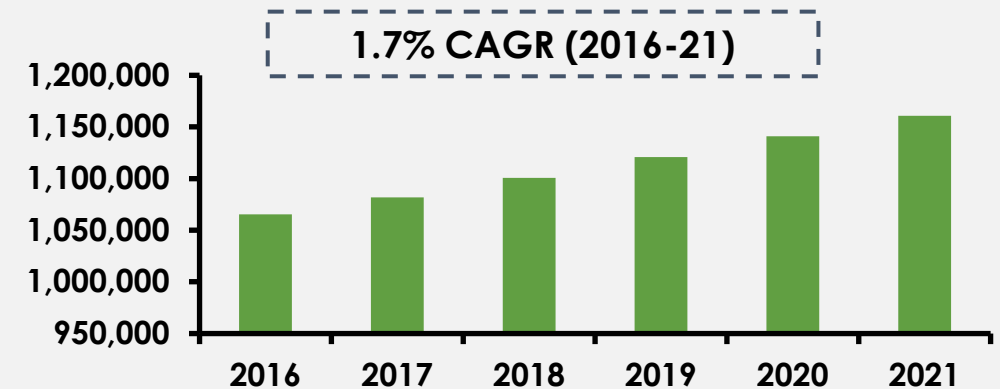
System capacity, miles of pipe and interconnecting points include the North Bakken Expansion project placed into service February 1, 2022

RATE BASE ORGANIC GROWTH DRIVERS

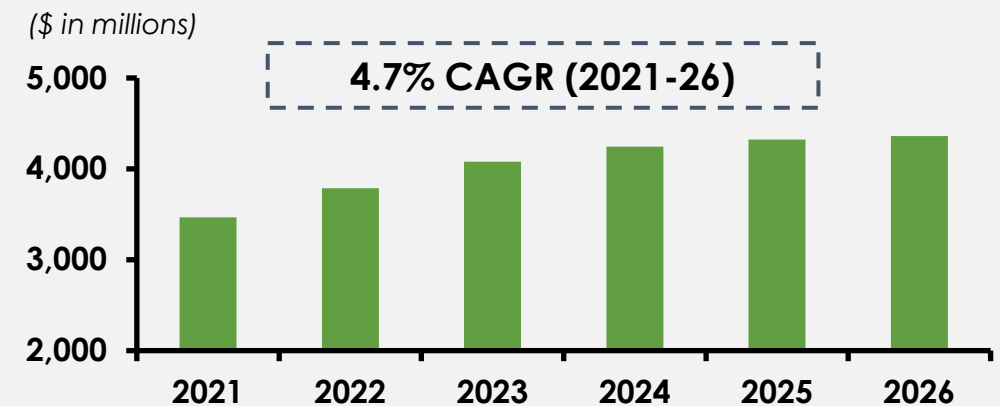
Continuous Rate Base growth supported by strong customer growth and system investments

- Utility earnings growth is driven by capital deployment, resulting in growth in Rate Base
- Organic growth is driven in part by positive demographics
 - 1.7% annual customer growth rate since 2016 and 1-2% continued projected growth through 2026
 - Compares favorably to other utilities
- MDU Utilities Group expected to deploy \$1.6 billion in capex over the next 5 years
 - Focus on upgrading and expanding existing systems, replacing coal-fired units, while targeting regulatory recovery of costs
- WBI expected to deploy \$413 million in capex over the next 5 years
 - Opportunities include the Wahpeton Expansion Project and other pipeline interconnections or enhancements

Historical MDU Utilities Group Customer Base



Projected Regulated Energy Delivery Rate Base¹



1. Including CWIP.



Appendix



FINANCIAL GUIDANCE

Select Historical Results				2022 Guidance As of February 9, 2022	Forward Guidance Framework
(\$ in millions except EPS)	<u>2016</u>	<u>2021</u>	<u>2016-2021 CAGR</u>		
Electric & Natural Gas Utility Earnings	\$69.3	\$103.5	8.4%	-	5% Rate Base CAGR over 5 years Customer Growth: 1-2% annually
Pipeline Earnings	\$23.4	\$40.9	11.8%	-	-
Construction Materials Earnings	\$102.7	\$129.8	4.8%	Revenue: \$2.3 billion to \$2.5 billion Margins: Comparable to 2021	-
Construction Services Earnings	\$33.9	\$109.4	26.4%	Revenue: \$2.2 billion to \$2.4 billion Margins: Comparable to 2021	-
Total Revenue	\$4,128.8	\$5,680.7	6.6%	-	-
Total EBITDA	\$630.4	\$859.8	6.4%	EBITDA: \$900 million to \$950 million	-
EPS from Continuing Ops	\$1.19	\$1.87	9.5%	\$2.00 to \$2.15	5-8% long term annual growth rate target

General Guidance Assumptions:

- Normal weather conditions, including precipitation and temperatures, across all company markets
- Future acquisitions incremental to capital program
- Investing \$726 million for capital projects in 2022

RECONCILIATION OF EBITDA GUIDANCE

	(in millions)	Low	High
Income from continuing operations		\$390.0	\$430.0
Adjustments:			
Interest expense		95.0	95.0
Income taxes		95.0	105.0
Depreciation, depletion and amortization		320.0	320.0
EBITDA from continuing operations		\$900.0	\$950.0

RECONCILIATION OF EBITDA

(\$ in millions)

	For the year ended December 31															
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Income from Continuing Ops.	\$307.8	\$322.8	\$293.7	(\$123.3)	\$244.0	\$226.0	(\$14.3)	\$168.7	\$185.0	\$176.4	\$233.1	\$285.0	\$269.4	\$335.2	\$390.5	\$377.7
Adjustments:																
Interest Expense	\$72.1	\$72.2	\$81.5	\$84.1	\$83.0	\$81.4	\$76.7	\$83.8	\$86.9	\$91.2	\$87.8	\$82.8	\$84.6	\$98.6	\$96.5	\$94.0
Income Taxes	\$166.1	\$190.0	\$147.5	(\$96.1)	\$122.5	\$110.3	(\$31.1)	\$74.3	\$64.4	\$70.7	\$93.1	\$65.0	\$47.5	\$63.3	\$84.6	\$88.9
Write-Down	--	--	\$135.8	\$620.0	--	--	\$391.8	--	--	--	--	--	--	--	--	--
Depreciation, Depletion & Amort.	\$256.5	\$301.9	\$366.0	\$330.5	\$328.8	\$343.4	\$359.2	\$200.4	\$203.1	\$211.7	\$216.3	\$207.5	\$220.2	\$256.0	\$285.1	\$299.2
EBITDA¹	\$802.5	\$887.0	\$1,024.5	\$815.3	\$778.4	\$761.0	\$782.2	\$527.2	\$539.4	\$550.0	\$630.4	\$640.3	\$621.7	\$753.0	\$856.7	\$859.8

1. Note: EBITDA is considered a non-GAAP financial measure.

MULTI-YEAR FINANCIALS

(\$ in millions, except per share data)

	For the year ended December 31						
	2015	2016	2017	2018	2019	2020	2021
Revenue	\$4,014	\$4,129	\$4,443	\$4,532	\$5,337	\$5,533	\$5,681
Operating Profit	\$326	\$409	\$424	\$402	\$481	\$545	\$534
<i>Operating Margin</i>	8.1%	9.9%	9.5%	8.9%	9.0%	9.8%	9.4%
EBITDA¹	\$550	\$630	\$640	\$622	\$753	\$857	\$860
<i>EBITDA Margin</i>	13.7%	15.3%	14.4%	13.7%	14.1%	15.5%	15.1%
EPS	\$0.90	\$1.19	\$1.45	\$1.38	\$1.69	\$1.95	\$1.87
Cash Flow from Ops.²	\$662	\$462	\$448	\$500	\$542	\$768	\$496
ROIC³	5.5%	2.8%	8.1%	7.7%	8.1%	8.8%	6.9%

1. Note: EBITDA is considered a non-GAAP financial measure.

2. Includes discontinued operations.

3. Adjusted for divestiture of E&P business

RECONCILIATION OF 2021 EBITDA

(\$ in millions)

	For the year ended December 31, 2021						
	Electric	Natural Gas	Pipeline	Construction Services	Construction Materials	Other & Eliminations	Total
Income from Continuing Ops.	\$51.9	\$51.6	\$40.9	\$109.4	\$129.8	\$(5.9)	\$377.7
Adjustments:							
Interest Expense	26.7	37.3	7.0	3.5	19.2	0.3	94.0
Income Taxes	(7.7)	8.4	9.6	35.4	43.4	(0.2)	88.9
Depreciation, Depletion & Amort.	66.8	86.0	20.5	20.3	101.0	4.6	299.2
EBITDA¹	\$137.7	\$183.3	\$78.0	\$168.6	\$293.4	\$(1.2)	\$859.8

1. Note: EBITDA is considered a non-GAAP financial measure.