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MDU.N - Q4 2023 MDU Resources Group Inc Earnings Call

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OVERVIEW:

Company Summary

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Tanner James BofA Securities, Research Division - Research Analyst

Brian J. Russo Sidoti & Company, LLC - Equity Analyst

Ryan Michael Levine Citigroup Inc. Exchange Research - Research Analyst

PRESENTATION

Operator

Ladies and gentlemen, hello. My name is Lisa, and I'll be your conference facilitator. At this time, I would like to welcome you, everyone, to the MDU Resources Group Year-end 2023 Earnings Conference Call. (Operator Instructions) The webcast can be accessed through www.mdu.com, under the Investor Relations heading. Select the Events and Presentation and click year-end 2023 Earnings Conference Call. After the conclusion of the webcast, a replay will be available at the same location.

I would now like to turn the conference over to Jason Vollmer, Vice President, Chief Financial Officer and Treasurer of MDU Resources Group. Thank you. Mr. Vollmer, you may begin your conference.

Jason L. Vollmer - MDU Resources Group, Inc. - VP, CFO & Treasurer

Thank you, Lisa, and welcome, everyone, to our year-end 2023 earnings conference call. You can find our earnings release and supplemental materials for this call on our website at www.mdu.com, under the Investor Relations tab.

During today's discussion with me for the first time in her new role as President and CEO of MDU Resources is Nicole Kivisto. Also with us today to answer questions following our prepared remarks are: Stephanie Sievert, Vice President, Chief Accounting Officer and Controller of MDU Resources; Jeff Thiede, President and CEO of MDU Construction Services Group; Rob Johnson, President of WBI Energy; and Garret Senger, Chief Utilities Officer of our Utility Group.

During the call, we will make certain forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934. Although the company believes that our expectations and beliefs are based on reasonable assumptions, actual results may differ materially. For more information about the risks and uncertainties that could cause our actual results to vary from any forward-looking statements, please refer to our most recent SEC filings.

We may also refer to certain non-GAAP information. For a reconciliation of any non-GAAP information to the appropriate GAAP metric, please reference our earnings release. I will provide consolidated financial results later during the call. But first, will turn the call over to Nicole for her formal remarks. Nicole?

Nicole A. Kivisto - MDU Resources Group, Inc. - President, CEO & Director

Thank you, Jason, and thank you, everyone, for spending time with us today and for your continued interest in MDU Resources. 2023 was truly an outstanding year for our company. I'm both excited for our future and appreciative of the strong foundation we are building from. And on that note, I would like to take the opportunity to thank our former President and CEO, Dave Goodin, for his leadership and mentorship as I've transitioned into this new role. Under Dave's leadership, our company started on a transformative path towards becoming a pure-play regulated energy delivery business. We have made significant progress during this past year, and I am excited to pick up where he left off and continue leading this exceptional team as we work to finish our transformation.

During the past year, we completed the spinoff of Knife River Corporation, the first major step to becoming a pure-play regulated energy delivery company. We also completed the strategic review of our Construction Services business and subsequently announced the planned spin-off of that business for late 2024.

We have continued to make meaningful progress and are on track to meet that target time line. Our past and current employees have built these businesses to be stand-alone capable, and we are only able to execute on these projects as a result of their hard work and disciplined approach to growth. While working on both these initiatives, we also achieved record results across all businesses. I'm extremely proud of our hard-working and talented employees whose dedication and effort led to these fantastic results.

Starting at our utility business, electric retail sales volumes increased over 25% compared to 2022 to an all-time record high for the company. This increase was primarily from sales to a data center customer that began operating in our service territory in mid-2023. In October of 2023, we filed an electric service agreement request with the North Dakota Public Service Commission to serve an additional data center that is expected to be online in mid-2024. That request is currently pending a decision by the commission.

On January 1, we implemented interim natural gas rates in North Dakota that will increase revenues \$10.1 million, or 6.5%. These interim rates are subject to refund based on commission's decision in the natural gas rate case that was filed November 1, 2023. Also on January 26, we requested interim rates in our South Dakota electric and natural gas rate cases to be effective on March 1.

Looking ahead, we expect to file a multiyear rate case in Washington and rate cases in Montana, Oregon and Wyoming during 2024.

Heskett Unit IV, the 88-megawatt natural gas-fired electric generating facility that we expected to have online in 2023, did experience some unforeseen operational setbacks when startup testing was performed. A root cause analysis is ongoing and modifications are being made to ensure these performance concerns are remedied. The facility is now expected to be fully operational by second quarter of 2024, barring any setbacks.

Our utility business, which serves 1.2 million customers saw robust rate base growth of 8.5% in the current year and customer growth of 1.3%. Looking forward, we expect to grow rate base by approximately 7% compounded annually over the next 5 years, and we expect customer growth of 1% to 2% annually.

We plan to invest \$2.3 billion in these businesses over the next 5 years to safely meet customer demand by upgrading and expanding infrastructure and facilities. Moving to our pipeline business. We experienced record annual transportation volumes in 2023.

With the addition of expansion projects placed in service in 2023, our pipeline business now has the capacity to transport approximately 2.6 billion cubic feet of natural gas per day. This reflects a growth rate of 6.6% when compounded annually over the previous 5 years. This business also has a number of growth projects underway that are expected to be in service during 2024, pending regulatory approvals. These projects would add over 300 million cubic feet per day of transportation capacity to our system. Including these projects, we plan to invest \$405 million in this business over the next 5 years, focusing on system growth to continue to expand natural gas transportation capacity.

With the performance of our regulated energy delivery businesses in 2023 and the growth we have planned for 2024, we are initiating 2024 earnings guidance for these businesses in the range of \$170 million to \$180 million.

Moving on to our Construction Services business. Phenomenal performance from this team of employees helped the business continue its trend of record results in 2023 as we saw margin improvement and strong ongoing demand for our services. While the team was able to successfully complete some large projects in 2023, backlog includes additional large projects that will ramp up as we head into 2024. Backlog remains strong at this business at \$2.01 billion as of December 31, 2023, down just slightly from the prior year record of \$2.13 billion.

With Construction Services continued strong performance, we are initiating revenue guidance in the range of \$2.9 billion to \$3.1 billion with margins comparable to 2023, and EBITDA guidance in the range of \$220 million to \$240 million.

Looking forward, our Construction Services business is well positioned to benefit from increased bidding opportunities. With the funding from the Infrastructure Investment and Jobs Act and the Inflation Reduction Act, as well as continued reshoring of manufacturing, our construction services business expects to see increased demand in 2024 and beyond.

As previously mentioned, work on the spin-off of the Construction Services business is ongoing with an expected completion date of late 2024. We will continue to keep you updated as we progress throughout the year. Our next opportunity to provide an update will be at our Investor Day, which is scheduled for March 13, at the New York Stock Exchange. Invitations will be forthcoming, and more information about the Investor Day will be available on our website.

Overall, as we look ahead, we are encouraged by our opportunities for ongoing customer and system growth in our electric and natural gas utilities, our robust slate of pipeline expansion projects and steady demand for our pipeline services, as well as high demand for our construction services.

As always, MDU Resources is committed to operating with integrity and with a focus on safety while creating superior shareholder value as we continue providing essential services to our customers while being a great and safe place to work.

I would now like to turn the call back over to Jason for a financial update. Jason?

Jason L. Vollmer - MDU Resources Group, Inc. - VP, CFO & Treasurer

Thank you, Nicole. I'm pleased to share our outstanding results for the year. This morning, we announced full year 2023 earnings of \$414.7 million or \$2.03 per share on a generally accepted accounting principle or GAAP basis, compared to 2022 GAAP earnings of \$367.5 million or \$1.81 per share.

2023 income from continuing operations was \$480.4 million or \$2.36 per share compared to \$250.8 million or \$1.23 per share in 2022. It's important to note, that with the spin-off of Knife River being completed, Knife River's results and other related impacts are reported as discontinued operations in our GAAP-based results for the current and prior years.

As such, with the completion of the Knife River spin-off, and we're continuing on the construction services spin-off, we are also reporting adjusted income from continuing operations to provide financial results that more closely correlate to and better outline the strength of our ongoing business operations. These adjustments reflect the \$186.6 million gain on the tax-free exchange of the retained shares of Knife River as well as other items related to our strategic initiatives. For more information on these adjustments, please see the table provided on Page 1 of our earnings news release.

Adjusted income from continuing operations for 2023 was \$305.1 million, or \$1.50 per share, compared to adjusted income from continuing operations of \$254.5 million, or \$1.25 per share, in 2022, with all of our businesses contributing to meaningfully growing this business during the last year.

Our combined utility business reported record earnings of \$120.1 million for 2023, compared to earnings of \$102.3 million in 2022. Electric utility report earnings of \$71.6 million, compared to \$57.1 million in 2022. The increase was primarily the result of higher retail sales revenue due to rate relief in North Dakota and Montana, the electric service agreement to serve a data center, customer that Nicole mentioned earlier, and higher transmission interconnect upgrades.

Also favorably impacting the results were higher investment returns of \$4.7 million on nonqualified benefit plans. Lower residential volumes, primarily from cooler weather in the third quarter partially offset the increases.

Our natural gas utility business reported earnings of \$48.5 million for 2023, compared to \$45.2 million in 2022. This increase was primarily the result of higher retail sales revenues due to rate relief in Idaho and Washington. Higher investment returns of \$6.9 million on nonqualified benefit plans also provided a benefit in 2023. These increases were largely offset by higher operation and maintenance expense, primarily higher payroll-related costs.

Also impacting the results was a decrease in natural gas retail sales volumes to all customer classes due to warmer weather, which was partially offset by weather normalization and decoupling mechanisms. The pipeline business posted record earnings of \$46.9 million in 2023, compared to \$35.3 million in 2022 for an increase of 33% year-over-year. The increase was driven by record transportation volumes, as well as increased revenues from new transportation and storage service rates which were effective August 1st, and higher storage-related activity.

This business also benefited from higher investment returns of \$2.4 million on nonqualified benefit plans. Partially offsetting the increase was higher operation and maintenance expense, primarily payroll-related costs and contract services. Interest expense was also higher due to higher interest rates and higher debt balances.

Our Construction Services business reported record revenues of \$2.85 billion and record earnings of \$137.2 million, compared to revenues of \$2.7 billion and earnings of \$124.8 million in 2022. EBITDA increased 15% year-over-year to \$222.7 million in 2023. This business has experienced consistent earnings growth over the past 5 years, growing 16.4% when compounded annually over that time period, reflecting the increasing demand for these services and the strong business execution from this team.

Within the Construction Services business in 2023, commercial workloads were favorably impacted by progress on large hospitality and data center projects. The institutional business line at higher margins due to efficiency and labor and material costs.

Transmission and Distribution revenues also increased with higher distribution, transmission, gas and underground utility projects, partially offset by lower transportation workloads. Higher selling, general and administrative expense, largely due to increased payroll costs and higher reserve for uncollectible accounts on certain projects, partially offset the income increases. Also decreasing net income was higher interest expense due to higher working capital needs and interest rates.

As outlined within the segment discussions, our businesses were impacted on a non-cash basis by higher returns on nonqualified benefit plan investments. In total, the impact was approximately \$17.7 million or \$0.09 per share when compared to 2022. We attribute the change in the investment returns to fluctuations in the financial markets.

And finally, the company continues to maintain a strong balance sheet and ample access to working capital to finance operations through our peak seasons. Business momentum is strong as we head into 2024, and we will continue to provide updates regarding our 2024 guidance and outlook as we progress through the year.

That summarizes the financial highlights for the year. We appreciate your interest in and commitment to MDU Resources, and ask that we now open the line to questions. Operator?

QUESTIONS AND ANSWERS

Operator

(Operator Instructions) And our first question comes from Julien Dumoulin-Smith with Bank of America.

Tanner James BofA Securities, Research Division - Research Analyst

This is Tanner on for Julian. First, just a question on the regulated guide. What is the underlying assumption for serving interruptible large customer load embedded within the guide? And then also, could you delineate the timing of when certain pipeline expansion projects could come online and how that's incorporated?

Nicole A. Kivisto - MDU Resources Group, Inc. - President, CEO & Director

Yes. So I'll start and then ask if Garret has any color commentary to add. So in terms of the guidance that we're providing on the regulated side, it would include some revenue related to the additional expansion of the data center that was discussed in the script. Is that what your question related to?

Tanner James BofA Securities, Research Division - Research Analyst

Yes. And then also on the timing of pipeline expansions.

Nicole A. Kivisto - MDU Resources Group, Inc. - President, CEO & Director

Yes. And then I'll turn it over to Rob for pipeline expansion projects and the timing thereof.

Rob Johnson President of WBI Energy

So currently, we have 1 pipeline expansion that we expect to come on in the first quarter of 2024. That's our Line Section 27 expansion. The other major project we have in '24 is our Wahpeton expansion, and we currently expect in-service state for that to be in November of 2024.

Tanner James BofA Securities, Research Division - Research Analyst

Great. And then as it pertains to Heskett's delayed entry into service, should we expect there could be elevated power costs here in the first quarter, especially in reference to the January winter weather event that occurred?

Nicole A. Kivisto - MDU Resources Group, Inc. - President, CEO & Director

I'll let Garret take that question.

Garret Senger - MDU Resources Group, Inc. - Chief Utilities Officer of Cascade Natural Gas Corp., Inter. Gas Comp & Montana-Dakota Utilities Co.

This is Garret. I wouldn't expect elevated costs without Heskett though there were some MISO, they had some higher costs as a result of that long weekend event of weather that would flow through our fuel clause adjustments, but it would be unrelated to Heskett.

Nicole A. Kivisto - MDU Resources Group, Inc. - President, CEO & Director

So the punch line is -- yes. Okay. I was just going to say the punchline is those elevated costs are going to flow through our FCA tracking mechanisms.

Operator

Your next question comes from the line of Ryan Levine with Citi.

Ryan Michael Levine - Citigroup Inc. Exchange Research - Research Analyst

I guess to start off, in terms of the construction growth guidance for 2024, it seems like a step change lower than prior year of over 15%. Can you unpack what the drivers of maybe the lower EBITDA guidance are in terms of margin and composition? Or if there's any other components that explain the change?

Nicole A. Kivisto - MDU Resources Group, Inc. - President, CEO & Director

Yes, I'll go ahead and ask Jeff to take that question. Jeff?

Jeffrey S. Thiede - MDU Resources Group, Inc. - President & CEO of MDU Construction Services Group, Inc

Yes. Thanks, Ryan, for the question. We've just completed another record year for CSG. And given the consistency of our backlog and our great talent, we're confident with the guidance going forward, there is some competition always in our field but we've been able to become a preferred provider for our services.

We've got new project starts that are happening and coming off of some of the mega projects we've had, most notably in Las Vegas. We see momentum carrying forward. Key is timing. And of course, once our projects get started, it will all be about execution going forward. Again, confidence in our guidance ranges, and I think we'll continue to perform at record levels.

Ryan Michael Levine - Citigroup Inc. Exchange Research - Research Analyst

Do you view the current guidance is more conservative than maybe prior years given the competitive landscape that you're highlighting? Or is it comparable to the previous expectations that were set?

Jeffrey S. Thiede - MDU Resources Group, Inc. - President & CEO of MDU Construction Services Group, Inc

I'm still enthusiastic about our level of guidance going forward. And as far as prior years with our backlog and the consistency in our team, there's still demand for our services. So I don't really see that as conservative. I see it as enthusiastic, especially headed towards our spin.

Ryan Michael Levine - Citigroup Inc. Exchange Research - Research Analyst

Okay...

Nicole A. Kivisto - MDU Resources Group, Inc. - President, CEO & Director

Yes, I would just reiterate that coming up, go ahead.

Ryan Michael Levine - Citigroup Inc. Exchange Research - Research Analyst

No, go for it.

Nicole A. Kivisto - MDU Resources Group, Inc. - President, CEO & Director

Yes. I was just going to reiterate that coming off of multiple record years in a row, even if you look to the midpoint of the guidance, that would yield yet another record for CSG. So I think performance has been extremely strong for this team, and they continue to execute, so.

Ryan Michael Levine - Citigroup Inc. Exchange Research - Research Analyst

Okay. And then shifting gears to the utility. In terms of the 2 upcoming outcomes or [LBC] outcomes in the Dakotas. What's the time line that you'd expect some type of resolution to those proceedings? And are there any key issues that you wanted to flag as we get closer to those outcomes?

Nicole A. Kivisto - MDU Resources Group, Inc. - President, CEO & Director

Yes, I'll ask Garret to talk about the regulatory activity currently outstanding and kind of timing there. So go ahead, Garret.

Garret Senger - MDU Resources Group, Inc. - Chief Utilities Officer of Cascade Natural Gas Corp., Inter. Gas Comp & Montana-Dakota Utilities Co.

Thank you for the question. As you mentioned, we do have these cases pending in the quarters, and we filed back in August of last year in South Dakota, both electric and gas. And we will have interim rates coming into play March 1 in both of those jurisdictions, \$2.7 million on the electric side, and then \$7.4 million on the gas side for South Dakota. So again, new revenues in March, first.

And then in North Dakota Gas, we had filed last November, and we've had interim revenue in place since January 1. And we'd expect those cases to probably be finalized third quarter probably of this year.

Ryan Michael Levine - Citigroup Inc. Exchange Research - Research Analyst

Okay. And then in terms of the Analyst Day next month, any color you could share around expectations or what we should be looking for to come out of that event? Is this going to be both on the utility side and construction or focus more on the go-forward utility business?

Nicole A. Kivisto - MDU Resources Group, Inc. - President, CEO & Director

Yes. Thanks for the follow-up on that. We are excited about our Investor Day that was rescheduled to March 13, 2024, at the New York Stock Exchange. So just as you mentioned, given some of the strategic changes underway at MDU over the last couple of years, we thought the day would be a great way to provide some updates on our operational strategy and financial plans as we progress and move forward on our strategy to become a pure-play regulated business.

But in addition to that, as you mentioned, we will look to provide some updates regarding CSG's business outlook and progress on the spin-off as well. So in addition, we are celebrating our 100th anniversary in 2024. So we'd look to celebrate that and seems only fitting that as we celebrate the employees that came before us and created the company that we have today that we are moving forward with another transformation that will pave the way for our future. So excited to provide those updates next month.

Operator

(Operator Instructions) Your next question comes from Brian Russo with Sidoti.

Brian J. Russo - Sidoti & Company, LLC - Equity Analyst

Can you just provide us an update on the MISO Tranche 1 transmission projects you're working on? Where are you in the development stages? And when might construction start and how does that correlate to your multi-year CapEx profile?

Nicole A. Kivisto - MDU Resources Group, Inc. - President, CEO & Director

Yes, absolutely. I'll have Garret talk about a little update there. The punchline is, progress is being made here, and it's within the capital budget that we presented to the -- in the news release. But Garret, go ahead and provide some additional details there.

Garret Senger - MDU Resources Group, Inc. - Chief Utilities Officer of Cascade Natural Gas Corp., Inter. Gas Comp & Montana-Dakota Utilities Co.

That is correct. This is including the 5-year capital budget that we provided. There's -- the project is about \$220 million in terms of what MDU share would be of that project. And easement work is underway.

The approval processes will start in terms of that -- those easements. And then the project will look at a majority of the expenditures in the '26 and '27 year time frame and the property then to be in service in that '28 time frame.

Brian J. Russo - Sidoti & Company, LLC - Equity Analyst

Okay. Great. And I think there's an expectation...

Garret Senger - MDU Resources Group, Inc. - Chief Utilities Officer of Cascade Natural Gas Corp., Inter. Gas Comp & Montana-Dakota Utilities Co.

And one follow-up I have...

Nicole A. Kivisto - MDU Resources Group, Inc. - President, CEO & Director

Go ahead.

Garret Senger - MDU Resources Group, Inc. - Chief Utilities Officer of Cascade Natural Gas Corp., Inter. Gas Comp & Montana-Dakota Utilities Co.

I was just going to mention that we did receive a quick return on that. So we'll be earning a return on that project. FERC approved our request for earnings construction work in progress on that project as we go throughout the 5-year cycle.

Brian J. Russo - Sidoti & Company, LLC - Equity Analyst

Okay. Great. And I think there's an expectation that MISO will release the tranche 2 project sometime this year. Any thoughts on timing and/or what MDUs participation might be?

Nicole A. Kivisto - MDU Resources Group, Inc. - President, CEO & Director

Yes. I'll go ahead and take that. We'll be monitoring that. There's been kind of some movement back and forth in that. And so more to follow there. We're currently monitoring it and looking for opportunities to the extent they exist, we will make sure that we update you accordingly, and nothing to update today.

Brian J. Russo - Sidoti & Company, LLC - Equity Analyst

Okay. Great. Okay. And just to clarify, you're now forecasting a utility rate base CAGR of 7%. I believe your prior disclosures were 6% to 7%. So does that insinuate that the rate base CAGR is accelerating, albeit 100 basis points? But just wanted a clarification there.

Nicole A. Kivisto - MDU Resources Group, Inc. - President, CEO & Director

Yes. Yes, we did update our rate base CAGR guidance to be reflective of the all-in CapEx that we presented here in terms of our 5-year capital plan. So yes, we are stating that today at the 7%, which is an increase from what we were historically indicating.

Brian J. Russo - Sidoti & Company, LLC - Equity Analyst

All right. Great. And then just switching gears to Construction Services Group. Margins are comparable according to your guidance in '24 versus '23. And I think just back of the envelope, it looks like the EBITDA margin was 7.8%. Is that considered kind of normalized and optimal given the mix by business line, where E&M is about 3/4 of the revenue and T&D is about 1/4, whereas T&D has much higher margins?

So I'm just curious, will you look to grow the T&D line of the business at a more rapid rate to increase margins above 7.8%? Or is this kind of the mix we should be thinking about going forward?

Jeffrey S. Thiede - MDU Resources Group, Inc. - President & CEO of MDU Construction Services Group, Inc

I think it's a good mix for going forward, but we're always looking to improve margins as we did this past year. We've had a number of projects increases in cost basis that we're able to reflect and pass on to our customers through preconstruction. So as we develop new projects, we're able to update our estimates accordingly.

We also have several MSAs that we renewed. We were in accelerated inflationary pressures over the last couple of years. And not only do we catch up, we were able to recover on some of our work going forward on our E&M and T&D side. We're looking to expand both businesses if and when we have available acquisitions in our future and then also, of course, most of our work has been -- our growth has been organically through the talent of our people.

Brian J. Russo - Sidoti & Company, LLC - Equity Analyst

Okay. And what's your outlook for your renewable-related customers? I know there was some volatility in 2023. Just curious what the outlook is there or what you're hearing from your renewable customers?

Jeffrey S. Thiede - MDU Resources Group, Inc. - President & CEO of MDU Construction Services Group, Inc

Our outlook is strong. We picked up more renewable work in the Midwest through one of our E&M companies in addition to the work that we had in the Southwest. So we have a number of projects that we're still targeting, and we look to get a couple of them in our backlog this quarter.

And couple that with the work that's associated with the IIJA and IRA and also the chips work funding, there's a lot of opportunity that's going to fuel our growth going forward.

Brian J. Russo - Sidoti & Company, LLC - Equity Analyst

Okay. And then just lastly, some extreme severe weather out West, particularly in Southern California, maybe even spreading north now. And I'm just curious how are you managing that? Are you losing man hours or even days of work? And then is there any emergency response work that you might be able to capture?

Jeffrey S. Thiede - MDU Resources Group, Inc. - President & CEO of MDU Construction Services Group, Inc

We had ice storms in the Pacific Northwest. And of course, we've got quite a bit of rain and floods in Southern California. So we have had some labor hour impacts. Nevertheless, we've also had some storm work opportunities out of our Midwest company.

And then of course, we've been on standby earlier this week and deployed crews as of yesterday to help those in need by restoring and repairing those services and getting people back up to work. With some of the devastation to the infrastructure and systems that you're seeing in the news, we expect to be there to be able to get people back online with their power, gas and their communications as soon as possible. We see opportunity there to help others and to be able to help our business.

Brian J. Russo - Sidoti & Company, LLC - Equity Analyst

Okay. And just curious, in comparison to last year's extreme weather in California, how would you compare that to this year, less impactful or comparable or less or more?

Jeffrey S. Thiede - MDU Resources Group, Inc. - President & CEO of MDU Construction Services Group, Inc

More in California, a little bit less in other parts of the country where we've done storm work for 2023. So again, we've -- we are on a first call basis, to be able to be deployed and help out in those areas where we have offices and crews that we can deploy to help.

Operator

(Operator Instructions) The webcast can be accessed at www.mdu.com, under the Investor Relations heading, select Events and Presentations and click Year-End 2023 Earnings Conference Call. After the conclusion of the webcast, a replay will be available at the same location.

At this time, there are no further questions. I would like now to turn the conference back over to the management for closing remarks.

Nicole A. Kivisto - MDU Resources Group, Inc. - President, CEO & Director

All right. I would like to thank all of you for taking the time to join us for our year-end 2023 earnings call. I'm extremely proud of the team's performance in 2023, and we are optimistic about our growth opportunities in future regulated delivery projects, excited about the strong demand and performance of our Construction Services business as we look to spin them later this year.

We thank you again and appreciate your continued interest in and support of MDU Resources. And with that, I'll turn the call back to you. Operator?

Operator

And this concludes today's MDU Resources Group conference call. Thank you for your participation. You may now disconnect.

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