KNIFE RIVER

KNF
LISTED
NYSE

3Q 2023
Earnings Presentation

Forward Looking Statements

The information in this presentation highlights the key growth strategies, projections and certain assumptions for the company and its subsidiaries. Many of these highlighted statements and other statements not historical in nature are “forward-looking statements” within the meaning of Section 21E of the Securities Exchange Act of 1934. Although the company believes that its expectations are based on reasonable assumptions, there is no assurance the company’s projections or estimates for growth, shareholder value creation and financial guidance or other proposed strategies will be achieved. Please refer to assumptions contained in this presentation, as well as the various important factors listed in Part I, Item 1A - Risk Factors in the company's registration statement on Form 10 and subsequent filings with the Securities and Exchange Commission.

Changes in such assumptions and factors could cause actual future results to differ materially from growth and financial guidance. All forward-looking statements in this presentation are expressly qualified by such cautionary statements and by reference to the underlying assumptions. Undue reliance should not be placed on forward-looking statements, which speak only as of the date they are made. Except as required by law, the company does not undertake to update forward-looking statements, whether as a result of new information, future events or otherwise.

Throughout this presentation, the company presents financial information prepared in accordance with GAAP, as well as EBITDA, EBITDA margin, Adjusted EBITDA, Adjusted EBITDA margin, and net leverage including those measures by segment, which are considered non-GAAP financial measures. The use of these non-GAAP financial measures should not be construed as alternatives to net income or net income margin. The company believes the use of these non-GAAP financial measures are beneficial in evaluating the company’s operating performance. Please refer to the "Non-GAAP Financial Measures" section contained in this document for additional information.

Third Quarter Highlights

Record Quarter Revenue, Net Income, EBITDA , Adj. EBITDA

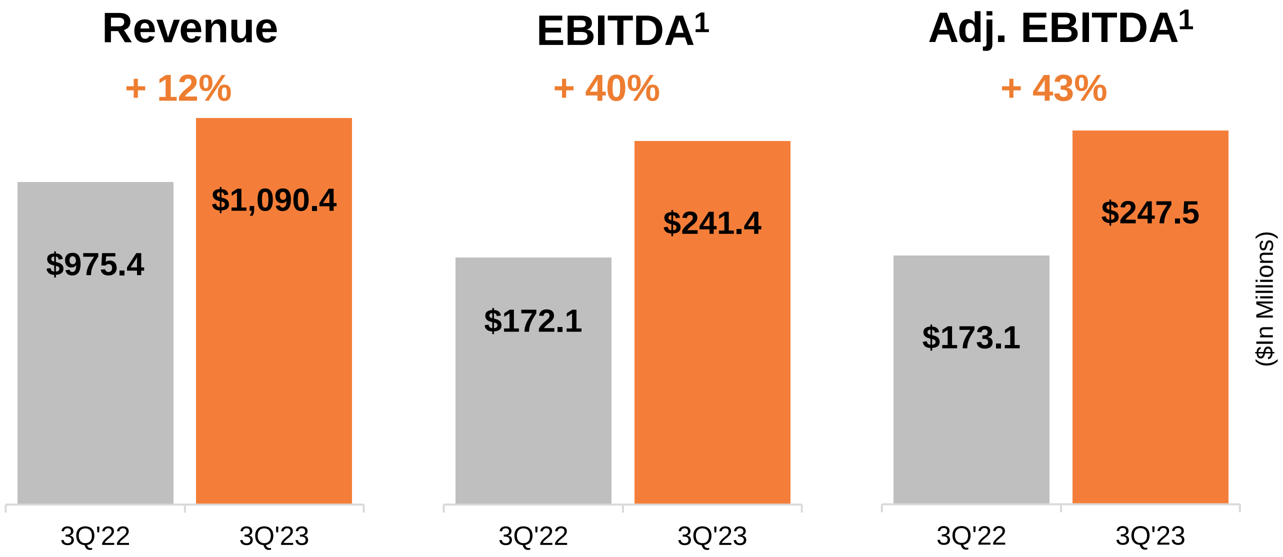
KEY DRIVERS

'Competitive EDGE' strategy creating margin expansion

Broad-based demand across markets and product lines

Significant profit contributions from liquid asphalt

RECORD RESULTS



Third quarter backlog of $732 MM at improved margins

INCREASED 2023 GUIDANCE

REVENUE

$2.7 BN – $2.8 BN

EBITDA[1]

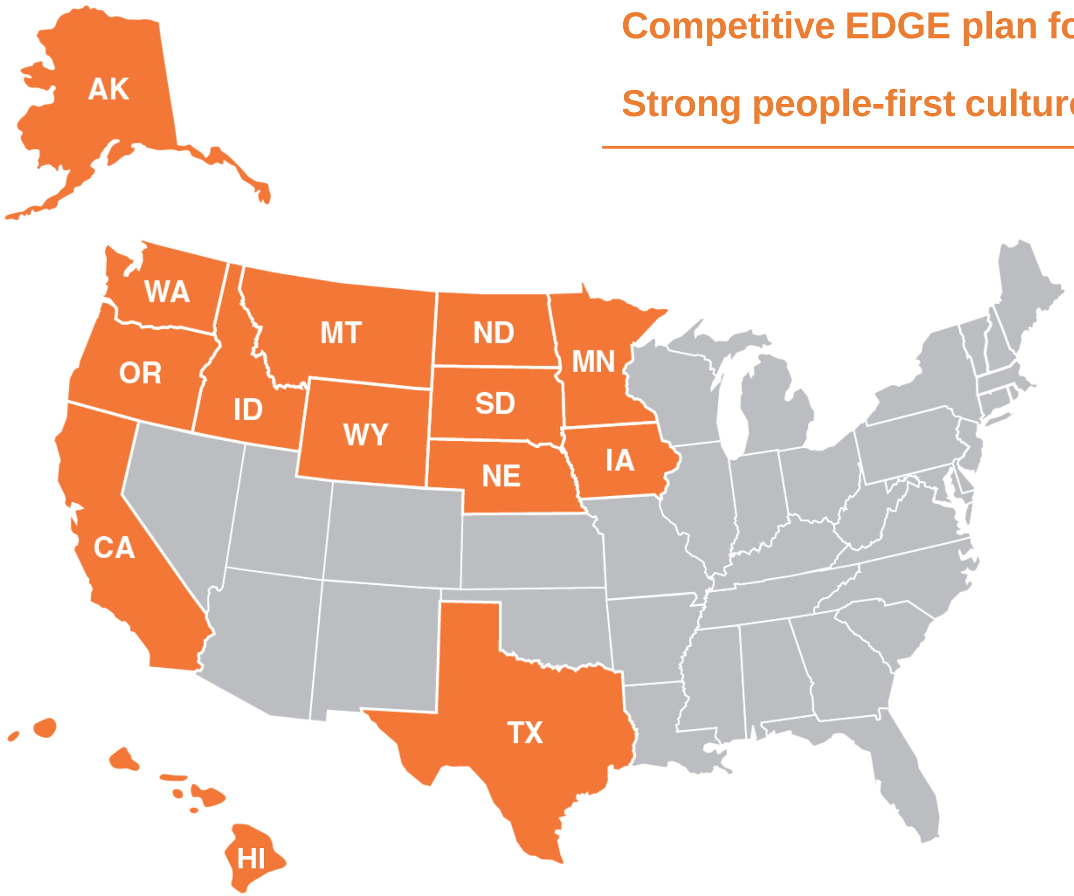
$388 MM – $418 MM

Adj. EBITDA[1]

$400 MM – $430 MM

[1] See Appendix for reconciliation of this non-GAAP financial measure to the most directly comparable GAAP financial measure.

Leading Integrated Materials and Services Provider



Aggregates-led, vertically integrated construction materials and contracting services company

Well-established with track record of execution in mid-sized, high-growth markets

Competitive EDGE plan for continued profitable growth

Strong people-first culture

AGGREGATES
- 1.1 BN tons of reserves with strategic locations near end users and/or multi-modal transportation. Reliable supply of high-quality materials is a competitive advantage.

READY-MIX CONCRETE
- Versatile and specialized value-added product. 101 plants across 13 states, and a fleet of delivery trucks.

ASPHALT
- Downstream product used for smooth, durable surfaces on highways, streets and parking lots. 56 plants across 10 states.

CONTRACTING SERVICES
- Reliable pull-through demand of materials. Public works focused, adds resiliency and contributes to ROIC.

Competitive EDGE: Framework for Long-Term Shareholder Value Creation

EBITDA Margin Improvement

Discipline

Growth

Excellence

EDGE 2025 Expectations

STRONG AND BALANCED REVENUE GROWTH
Increasing Mix of Aggregates

ATTRACTIVE CASH FLOW GENERATION
Cash Flow growth ~in-line with Adj. EBITDA growth

SIGNIFICANT ADJ. EBITDA MARGIN EXPANSION
~15% by 2025[1]

SUSTAIN / IMPROVE INDUSTRY-LEADING ROIC
3-Year Avg. ROIC 12.9%[2]

Long-Term Vision

INCREASING AGGREGATE MIX

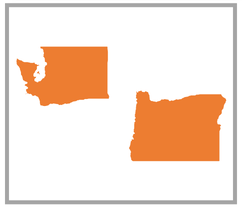
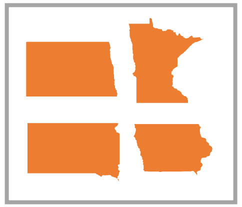
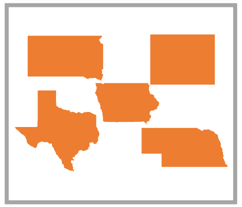
20%+ ADJ. EBITDA MARGIN[1]

NO. 1 IN MARKETS OF OPERATION[3]

[1] See Appendix for reconciliation of this non-GAAP financial measure to the most directly comparable GAAP financial measure. [2] Reflects average ROIC 2020-2022; ROIC calculated as Operating Income less dis-synergies divided by (Average Equity + Average Debt excluding operating leases). [3] Based on a proprietary assessment of volume in core market areas.

Third Quarter: Segment Overview

Broad-Based Margin Expansion and Growth Across Segments

	Pacific	Northwest	Mountain	North Central	All Other[1]	Consolidated
						KNIFE RIVER
3Q'23 Revenue	$181.4 MM	$209.4 MM	$255.1 MM	$305.1 MM	$139.4 MM	**$1,090.4 MM**
3Q'23 Revenue Growth	19%	2%	25%	4%	16%	**12%**
3Q'23 Adjusted EBITDA[2]	$37.6 MM	$48.9 MM	$60.4 MM	$70.5 MM	$30.1 MM	**$247.5 MM**
3Q'23 Adjusted EBITDA Growth[2]	53%	12%	53%	20%	363%	**43%**
TTM Adjusted EBITDA Margin[2]	13.6%	19.7%	16.5%	13.5%	13.6%	**15.6%**

[1] All Other segment consists of Energy Services, South Region, and corporate support, [2] See Appendix for a reconciliation of this non-GAAP financial measure to the most directly comparable GAAP financial measure. Note: TTM refers to trailing twelve-month.

Third Quarter: Segment Highlights

Continued Implementation of EDGE

– Optimized prices to align with value of high-quality integrated products and services

– Disciplined and targeted bidding, leveraging vertically integrated business model

– Customer contracts refined to protect against further inflation and support long term profitability

Market Strength and Infrastructure Tailwinds

– Notable pricing and revenue growth on a consolidated level

– Mountain and Pacific saw volume growth across all product lines; Energy Services operations at historic levels

– Local/State/Federal infrastructure funding supports additional mid-term, long-term growth

Operational Execution

– PIT Crew initiatives underway to implement best practices, starting with aggregates

– Honey Creek Quarry (All Other) and state-of-the-art Prestress facility (Northwest) are fully operational

Core Values

– 'Life at Knife' culture: Year-to-date improvement on recordable injury rate and lost time accident rate, with goal of becoming best-in-class

Product Lines

Strong Pricing Growth and Margin Expansion Across Product Lines

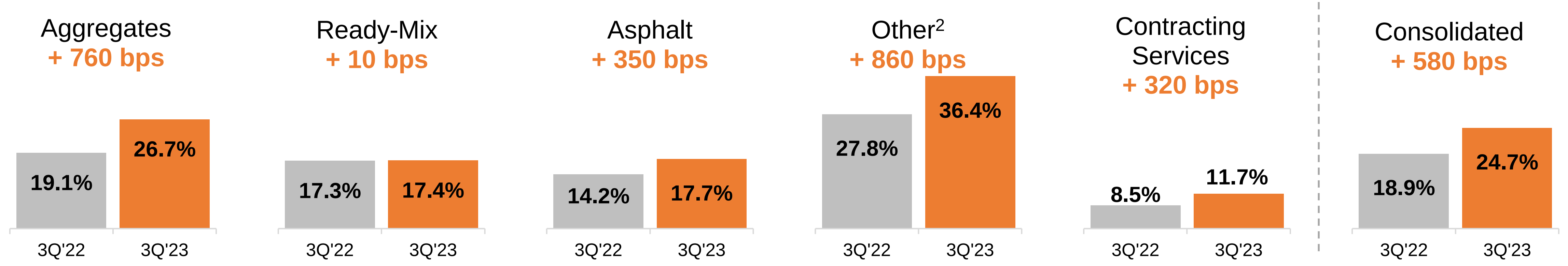
Average Selling Price[1]	Q3'23	Q3'22	% Change
Aggregates (per ton)	$16.10	$13.86	16%
Ready-mix concrete (per cubic yard)	$169.98	$152.34	12%
Asphalt (per ton)	$66.51	$57.91	15%

Volume	Q3'23	Q3'22	% Change
Aggregates (tons)	12,022	12,399	(3%)
Ready-mix concrete (cubic yards)	1,271	1,306	(3%)
Asphalt (tons)	3,349	3,550	(6%)

Continuation of EDGE pricing and bidding strategies supports double-digit pricing growth

Strategic pricing initiatives contributed to volume declines; demand remains healthy

Gross Profit Margins



[1] Average selling price includes freight and delivery and other revenues; [2] Other includes cement, liquid asphalt, merchandise, fabric and spreading, and other products and services that individually are not considered to be a core line of business. Note: Bps represents change in gross margin basis points from 3Q'22 to 3Q'23.

Capital Allocation Priorities

IMPROVED FINANCIAL FLEXIBILITY

1.4x[1]
Net Debt to TTM Adj. EBITDA

STRONG SEASONAL FREE CASH FLOW GENERATION

$153MM
Operating Cash Flow YTD

ACTIVE M&A PIPELINE AND ATTRACTIVE ORGANIC GROWTH OPPORTUNITIES

$350MM
Revolver Capacity

Debt Schedule	Q3 2023
Term Loan Agreement	$273.3
Revolving credit agreement	$0.0
Senior Notes	$425.0
Other Notes	$0.4
Total Debt	**$698.7**
Less: Cash and cash equivalents, excluding restricted cash	$84.0
Net Debt	**$614.7**
TTM adjusted EBITDA[1]	$425.8
Net leverage	**1.4x**

Disciplined and Balanced Capital Allocation Designed to Maximize Long-term Value Creation

Maintenance	Organic Growth	Inorganic Growth	Portfolio Optimization	Leverage & Liquidity
Maintain equipment; further strengthen 'People-First Culture', Safety, and Training initiatives	Invest to strengthen leadership positions across segments and products	Target mid-sized, high-growth markets with a focus on growing Aggregate positions	Continuously evaluate assets on a 'best-fit', 'best-owner' basis	Annualized net leverage target of 2.5x TTM Adj. EBITDA[1] for ample financial flexibility

[1] See Appendix for reconciliation of this non-GAAP financial measure to the most directly comparable GAAP financial measure. Note: TTM refers to trailing twelve-month.

Guidance

KEY EXPECTED DRIVERS

'Competitive EDGE'

- Price Strategy to Align with Value of Products/Services
- Operational Discipline – Targeted Bid Strategy, Cost Focus

- Elevated margins in backlog
- Select Infrastructure Funding Tailwinds

2023 GUIDANCE

REVENUE

$2.70 BN – $2.80 BN

EBITDA[1]

$388 MM – $418 MM

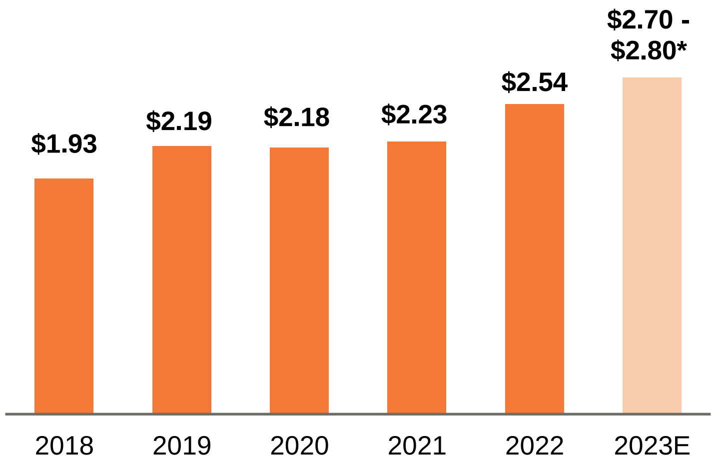
Adj. EBITDA[1]

$400 MM – $430 MM

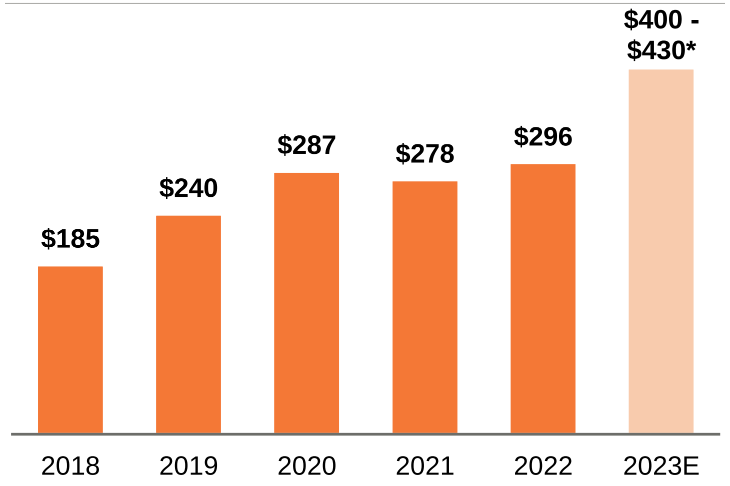
Capital Expenditures

$125 MM

REVENUE ($BN)



ADJ. EBITDA[1] ($MM)



[1] See Appendix for a reconciliation of this non-GAAP financial measure to the most directly comparable GAAP financial measure. *Represents 2023 FY guidance.

APPENDIX

AND

NON-GAAP FINANCIAL MEASURES

Net Leverage

(In millions)	Twelve-Months Ended September 30, 2023	Nine-Months Ended September 30, 2023	Twelve-Months Ended December 31, 2022	Nine-Months Ended September 30, 2022
Net income (loss)	$180.2	$162.2	$116.2	$98.2
Depreciation, depletion and amortization	121.7	92.5	117.8	88.6
Interest expense, net	50.0	41.4	30.1	21.5
Income taxes	66.0	56.3	42.6	32.9
EBITDA	**$417.9**	**$352.4**	**$306.7**	**$241.2**
Unrealized (gains) losses on benefit plan investments	(1.9)	(1.1)	4.0	4.8
Stock-based compensation expense	3.4	2.3	2.7	1.6
One-time separation costs	6.4	6.4	-	-
Adjusted EBITDA	**$425.8**	**$360.0**	**$313.4**	**$247.6**

Long-term debt	$675.6
Long-term debt – current portion	7.1
Total debt	**$682.7**
Add: Unamortized debt issuance costs	16.0
Total debt, gross	**$698.7**
Less: Cash and cash equivalents, excluding restricted cash	84.0
Total debt, net	**$614.7**
Net leverage	**1.4x**

Adjusted EBITDA

Three Months Ended September 30, 2023 *(in millions)*	Pacific	Northwest	Mountain	North Central	All Other and Intersegment Eliminations	Consolidated
Net Income (loss)	$ 31.9	$ 39.1	$ 54.1	$ 64.4	$ (42.8)	$ 146.7
Depreciation, depletion and amortization	5.7	9.8	6.3	6.1	3.9	31.8
Interest expense, net	—	—	—	—	14.7	14.7
Income taxes	—	—	—	—	48.2	48.2
EBITDA	**$ 37.6**	**$ 48.9**	**$ 60.4**	**$ 70.5**	**$ 24.0**	**$ 241.4**
Unrealized (gains) losses on benefit plan investments					0.6	0.6
Stock-based compensation expense					1.5	1.5
One-time separation costs					4.0	4.0
Adjusted EBITDA					**$ 30.1**	**$ 247.5**
Revenue	$ 181.4	$ 209.4	$ 255.1	$ 305.1	$ 139.4	$1,090.4
Net Income Margin	*17.6%*	*18.7%*	*21.2%*	*21.1%*	*(30.7)%*	*13.4%*
EBITDA Margin	*20.7%*	*23.3%*	*23.7%*	*23.1%*	*17.2%*	*22.1%*
Adjusted EBITDA Margin					***21.6%***	***22.7%***

Three Months Ended September 30, 2022 *(in millions)*	Pacific	Northwest	Mountain	North Central	All Other and Intersegment Eliminations	Consolidated
Net Income (loss)	$ 19.0	$ 34.6	$ 33.8	$ 52.5	$ (40.2)	$ 99.7
Depreciation, depletion and amortization	5.6	9.2	5.8	6.1	3.8	30.5
Interest expense, net	—	—	—	—	8.8	8.8
Income taxes	—	—	—	—	33.1	33.1
EBITDA	**$ 24.6**	**$ 43.8**	**$ 39.6**	**$ 58.6**	**$ 5.5**	**$172.1**
Unrealized (gains) losses on benefit plan investments					0.8	0.8
Stock-based compensation expense					0.2	0.2
One-time separation costs						
Adjusted EBITDA					**$ 6.5**	**$ 173.1**
Revenue	$ 152.4	$ 204.7	$ 204.1	$ 294.3	$ 119.9	$ 975.4
Net Income Margin	*12.5%*	*16.9%*	*16.6%*	*17.8%*	*(33.5)%*	*10.2%*
EBITDA Margin	*16.1%*	*21.4%*	*19.4%*	*19.9%*	*4.6%*	*17.6%*
Adjusted EBITDA Margin					***5.5%***	***17.8%***

Adjusted EBITDA (Cont'd)

Nine Months Ended September 30, 2023 *(in millions)*	Pacific	Northwest	Mountain	North Central	All Other and Intersegment Eliminations	Consolidated
Net Income (loss)	$ 39.8	$ 74.3	$67.9	$ 53.5	$ (73.3)	$ 162.2
Depreciation, depletion and amortization	16.7	28.4	18.5	17.9	11.0	92.5
Interest expense, net	—	—	0.1	—	41.3	41.4
Income taxes	—	—	—	—	56.3	56.3
EBITDA	**$ 56.5**	**$ 102.7**	**$ 86.5**	**$ 71.4**	**$ 35.3**	**$ 352.4**
Unrealized (gains) losses on benefit plan investments					(1.1)	(1.1)
Stock-based compensation expense					2.3	2.3
One-time separation costs					6.4	6.4
Adjusted EBITDA					**$ 42.9**	**$ 360.0**
Revenue	$ 391.4	$ 504.2	$ 491.5	$ 513.7	$ 282.7	$ 2,183.5
Net Income Margin	*10.2%*	*14.7%*	*13.8%*	*10.4%*	*(25.9)%*	*7.4%*
EBITDA Margin	*14.4%*	*20.4%*	*17.6%*	*13.9%*	*12.5%*	*16.1%*
Adjusted EBITDA Margin					***15.2%***	***16.5%***

Nine Months Ended September 30, 2022 *(in millions)*	Pacific	Northwest	Mountain	North Central	All Other and Intersegment Eliminations	Consolidated
Net Income (loss)	$ 29.1	$ 53.4	$ 43.0	$ 32.5	$ (59.8)	$ 98.2
Depreciation, depletion and amortization	16.1	26.4	17.1	17.9	11.1	88.6
Interest expense, net	—	—	0.1	—	21.4	21.5
Income taxes	—	—	—	—	32.9	32.9
EBITDA	**$ 45.2**	**$ 79.8**	**$ 60.2**	**$ 50.4**	**$ 5.6**	**$ 241.2**
Unrealized (gains) losses on benefit plan investments					4.8	4.8
Stock-based compensation expense					1.6	1.6
One-time separation costs					—	—
Adjusted EBITDA					**$ 12.0**	**$ 247.6**
Revenue	$ 366.1	$ 461.2	$ 433.0	$ 484.4	$ 252.5	$ 1,997.2
Net Income Margin	*8.0%*	*11.6%*	*9.9%*	*6.7%*	*(23.7)%*	*4.9%*
EBITDA Margin	*12.3%*	*17.3%*	*13.9%*	*10.4%*	*2.2%*	*12.1%*
Adjusted EBITDA Margin					***4.7%***	***12.4%***

Adjusted EBITDA (Cont’d)

Twelve Months Ended September 30, 2023 *(in millions)*	Pacific	Northwest	Mountain	North Central	All Other and Intersegment Eliminations	Consolidated
Net Income (loss)	$ 44.9	$ 89.7	$ 74.7	$ 62.4	$ (91.5)	$ 180.2
Depreciation, depletion and amortization	22.2	37.1	24.0	23.6	14.8	121.7
Interest expense, net	—	—	0.2	—	49.8	50.0
Income taxes	—	—	—	—	66.0	66.0
EBITDA	**$ 67.1**	**$ 126.8**	**$ 98.9**	**$ 86.0**	**$ 39.1**	**$ 417.9**
Unrealized (gains) losses on benefit plan investments					(1.9)	(1.9)
Stock-based compensation expense					3.4	3.4
One-time separation costs					6.4	6.4
Adjusted EBITDA					**$ 47.0**	**$ 425.8**
Revenue	$ 493.9	$ 643.2	$ 600.5	$ 637.3	$ 346.1	$ 2,721.0
Net Income Margin	*9.1%*	*13.9%*	*12.4%*	*9.8%*	*(26.4)%*	*6.6%*
EBITDA Margin	*13.6%*	*19.7%*	*16.5%*	*13.5%*	*11.3%*	*15.4%*
Adjusted EBITDA Margin					***13.6%***	***15.6%***

Twelve Months Ended December 31, 2022 *(in millions)*	Pacific	Northwest	Mountain	North Central	All Other and Intersegment Eliminations	Consolidated
Net Income (loss)	$ 34.2	$ 68.8	$ 49.8	$ 41.4	$ (78.0)	$ 116.2
Depreciation, depletion and amortization	21.6	35.1	22.6	23.6	14.9	117.8
Interest expense, net	—	—	0.2	—	49.8	50.0
Income taxes	—	—	—	—	66.0	66.0
EBITDA	**$ 55.8**	**$ 103.9**	**$ 72.6**	**$ 65.0**	**$ 9.4**	**$ 306.7**
Unrealized (gains) losses on benefit plan investments					4.0	4.0
Stock-based compensation expense					2.7	2.7
One-time separation costs					-	-
Adjusted EBITDA					**$ 16.1**	**$ 313.4**
Revenue	$ 468.6	$ 600.2	$ 542.0	$ 608.0	$ 315.9	$ 2,534.7
Net Income Margin	*8.0%*	*11.6%*	*9.9%*	*6.7%*	*(23.7)%*	*4.9%*
EBITDA Margin	*12.3%*	*17.3%*	*13.9%*	*10.4%*	*2.2%*	*12.1%*
Adjusted EBITDA Margin					***4.7%***	***12.4%***

Adjusted EBITDA (Cont'd)

(In millions)	**Twelve-Months Ended September 30, 2022**	**Nine-Months Ended September 30, 2022**	**Twelve-Months Ended December 31, 2021**	**Nine-Months Ended September 30, 2021**
Net Income (loss)	$111.1	$98.2	$129.8	$116.9
Depreciation, depletion and amortization	115.2	88.6	101.0	74.4
Interest expense, net	26.4	21.5	19.2	14.3
Income taxes	35.6	32.9	43.4	40.7
EBITDA	**$288.3**	**$241.2**	**$293.4**	**$246.3**
Unrealized (gains) losses on benefit plan investments	3.9	4.8	(2.3)	(1.4)
Stock-based compensation expense	2.0	1.6	3.6	3.2
One-time separation costs	-	-	-	-
Adjusted EBITDA	**$294.2**	**$247.6**	**$294.7**	**$248.1**
Revenue	$ 2,495.3	$ 1,997.2	$ 2,228.9	$ 1,730.8
Net Income Margin	*4.5%*	*4.9%*	*5.8%*	*6.8%*
EBITDA Margin	*11.6%*	*12.1%*	*13.2%*	*14.2%*
Adjusted EBITDA Margin	*11.8%*	*12.4%*	*13.2%*	*14.3%*

Adjusted EBITDA Guidance

Full-Year Guidance *(in millions)*	2023	
	Low	**High**
Net Income (loss)	$160.0	$180.0
Depreciation, depletion and amortization	120.0	120.0
Interest expense, net	55.0	55.0
Income taxes	53.0	63.0
EBITDA	**$388.0**	**$418.0**
Unrealized (gains) losses on benefit plan investments	(1.1)	(1.1)
Stock-based compensation expense	3.5	3.5
One-time separation costs	9.6	9.6
Adjusted EBITDA	**$400.0**	**$430.0**

Adjusted EBITDA Disclaimer

Our guidance for Adjusted EBITDA margin expansion by 2025 and long-term Adjusted EBITDA margin are non-GAAP financial measures that exclude or otherwise have been adjusted for non-GAAP adjustment items from our U.S. GAAP financial statements. When we provide guidance for these non-GAAP metrics described above, we do not provide reconciliations of the U.S. GAAP measures as we are unable to predict with a reasonable degree of certainty the actual impact of the non-GAAP adjustment items. By their very nature, non-GAAP adjustment items are difficult to anticipate with precision because they are generally associated with unexpected and unplanned events that impact our Company and its financial results. Therefore, we are unable to provide a reconciliation of these measures without unreasonable efforts.