KNIFE RIVER

KNF
LISTED
NYSE

2Q 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 and Adjusted EBITDA margin, 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.

01 Second Quarter Highlights

Record Second Quarter Revenue, Net Income, EBITDA and Backlog

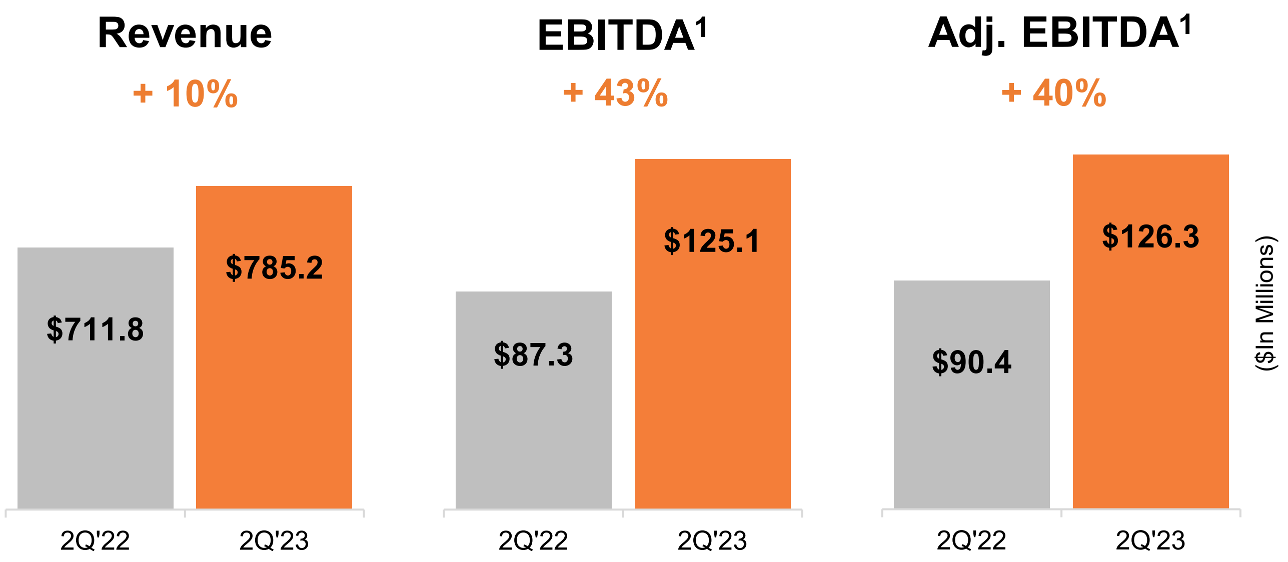
KEY DRIVERS

‘Competitive EDGE’ strategy drives profitable growth

Broad based strength across segments and product lines

Strong Operational Execution on Solid Market Opportunities

RECORD RESULTS



Record Backlog
$1.04 BN

INCREASED 2023 GUIDANCE

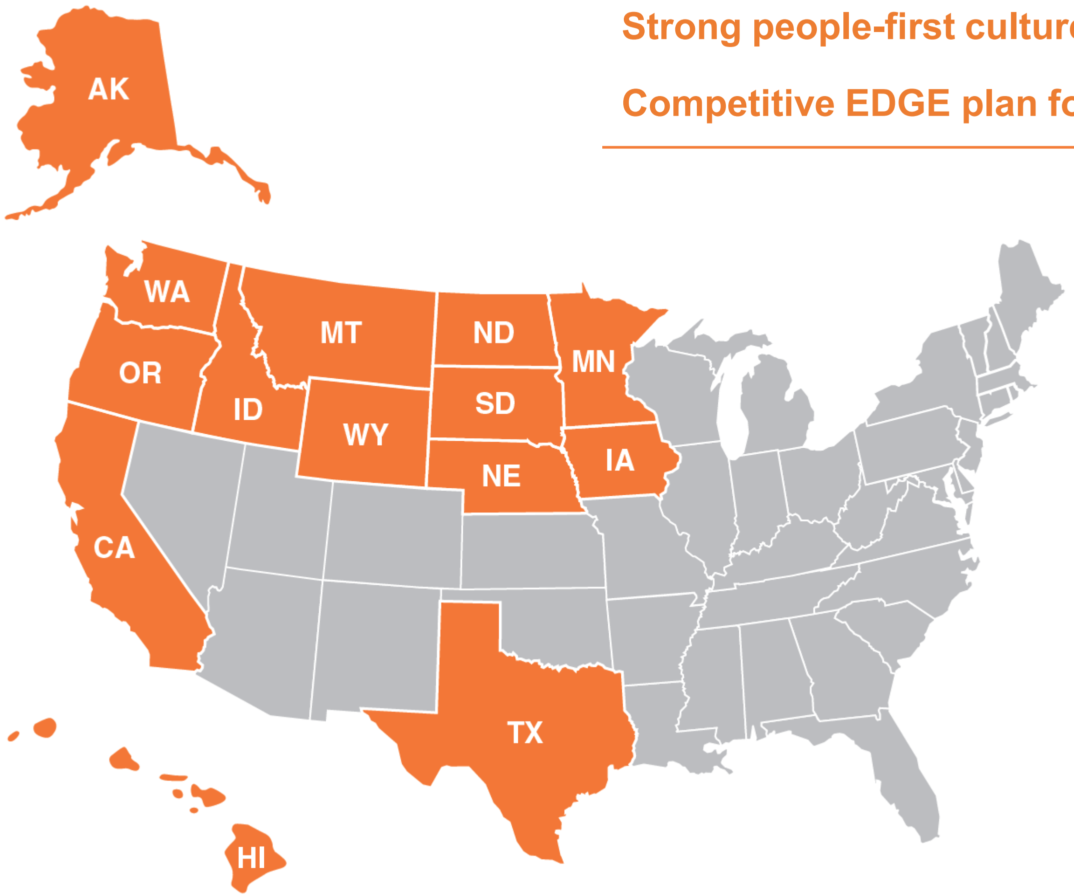
REVENUE
$2.6 BN – $2.8 BN

EBITDA[1]
$320 MM – $370 MM

Adj. EBITDA[1]
$330 MM – $380 MM

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

02 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

Strong people-first culture

Competitive EDGE plan for continued profitable growth

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 durable value-added product. 101 plants and a fleet of delivery trucks.

ASPHALT
- Downstream product used for smooth, durable surfaces on highways, streets and parking lots. Highly recyclable.

CONTRACTING SERVICES
- Reliable pull-through demand of materials.
- Adds resiliency and contributes to ROIC.

03 EDGE: Framework for Long-Term Shareholder Value Creation

E	D	G	E
EBITDA Margin Improvement	Discipline	Growth	Excellence

EDGE 2025 Expectations

STRONG AND BALANCED REVENUE GROWTH
Increasing Mix of Aggregates

SIGNIFICANT ADJ. EBITDA MARGIN EXPANSION
~15% by 2025

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

SUSTAIN / IMPROVE INDUSTRY-LEADING ROIC
3-Year Avg. ROIC 12.9%[1]

Long-Term Vision

INCREASING AGGREGATE MIX

20%+ ADJ. EBITDA MARGIN

NO. 1 IN MARKETS OF OPERATION[2]

[1] Reflects average ROIC 2020-2022; ROIC calculated as Operating Income less dis-synergies divided by (Average Equity + Average Debt excluding operating leases)
[2] Based on a proprietary assessment of volume in core market areas.

04 Second Quarter: Segment Overview

Broad-Based Margin Expansion and Growth Across Segments

	Pacific	Northwest	Mountain	North Central	All Other[1]	Consolidated
2Q'23 Revenue	$142.2 MM	$179.0 MM	$175.8 MM	$187.6 MM	$100.6 MM	**$785.2 MM**
2Q'23 Revenue Growth	11%	19%	3%	12%	6%	**10%**
2Q'23 Adjusted EBITDA[2,3]	$22.0 MM	$40.7 MM	$32.6 MM	$24.4 MM	$6.6 MM	**$126.3 MM**
2Q'23 Adjusted EBITDA Growth[2]	45%	75%	14%	52%	(-10%)	**40%**
TTM Adjusted EBITDA Margin[2]	11.6%	19.1%	14.2%	11.8%	7.2%	**13.5%**

[1] All Other segment consists of Energy Services, Texas 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.

04 Second Quarter: Segment Highlights

Implementation of EDGE

– Prices increasingly aligned with value of high-quality integrated product and services

– Disciplined and targeted bidding optimizing vertically integrated business model

Robust Demand and Infrastructure Tailwinds

– Economic rebound in Hawaii and Alaska; strong demand growth from demographic shift to markets where Knife River is strongly positioned

– Federal and State funding providing additional tailwinds – Minnesota’s new infrastructure bill

Operational Execution

– PIT crew initiatives underway to implement best practices throughout the footprint – Aggregates in the Mountain Region

– Disciplined execution of growing backlog to maximize contract potential

Core Values

– ‘Life at Knife’ People-First Culture and commitment to EDGE improved company-wide Safety metrics

05 Product Lines

Strong Growth and Margin Expansion Across Product Lines

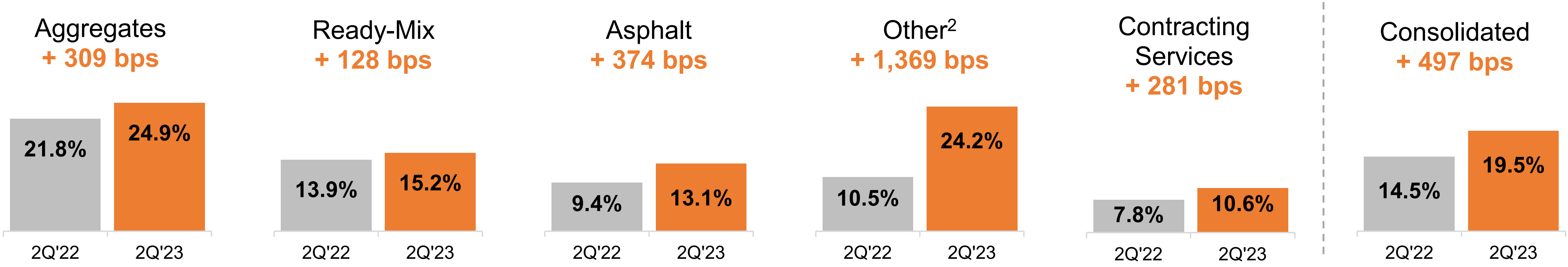
Average Selling Price[1]	Q2'23	Q2'22	% Change
Aggregates (per ton)	$15.95	$14.33	11%
Ready-mix concrete (per cubic yard)	$166.11	$147.53	13%
Asphalt (per ton)	$65.32	$57.85	13%

Volume	Q2'23	Q2'22	% Change
Aggregates (tons)	9,181	9,521	(-4%)
Ready-mix concrete (cubic yards)	1,113	1,140	(-2%)
Asphalt (tons)	1,913	2,101	(-9%)

Implementation of EDGE pricing and bidding strategies supports double digit pricing growth

Strong underlying demand trends and record backlog at higher margin levels

Gross Profit Margins



Note: bps represents change in gross margin basis points from 2Q'22 to 2Q'23. [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 major line of business.

06 Capital Allocation Priorities

IMPROVED FINANCIAL FLEXIBILITY

ACTIVE M&A PIPELINE

ATTRACTIVE GROWTH OPPORTUNITIES

Debt Schedule	Q2 2023
Term Loan Agreement	$275.0
Revolving credit agreement	$155.0
Senior Notes	$425.0
Other Notes	$0.5
Total Debt	**$855.5**
Less: Cash and cash equivalents, excluding restricted cash	$40.1
Net Debt	**$815.4**
TTM EBITDA[1]	$348.6
Net debt to trailing twelve-month EBITDA	**2.3x**

Disciplined and Balanced Capital Allocation 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 Aggregates positions	Continuously evaluate assets on a 'best-fit', 'best-owner' basis	Annualized net leverage of 2.5x TTM 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.

07 Guidance

KEY EXPECTED DRIVERS

'Competitive EDGE'

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

- Record Second Quarter Backlog of $1.04 BN
- Select Infrastructure Funding Tailwinds

2023 GUIDANCE

REVENUE

$2.6 BN – $2.8 BN

EBITDA[1]

$320 MM – $370 MM

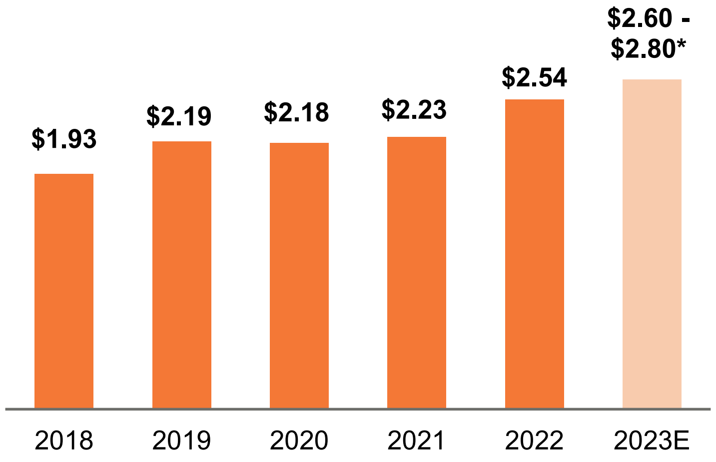
Adj. EBITDA[1]

$330 MM – $380 MM

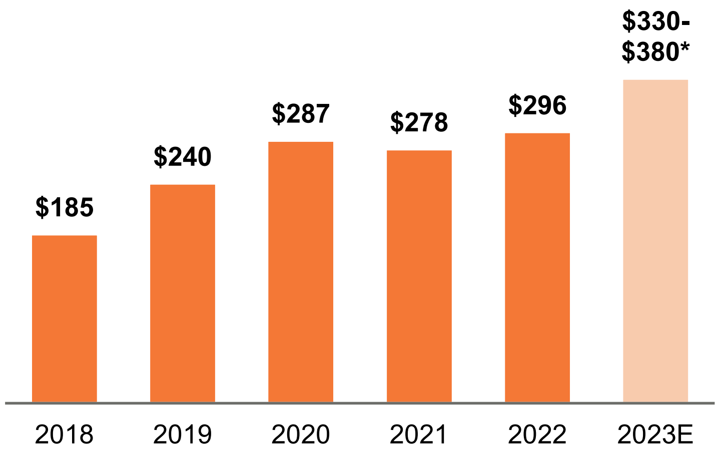
Capital Expenditures

$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

08 Net Leverage

(In millions)	Twelve Months Ended June 30, 2023	Six Months Ended June 30, 2023	Twelve Months Ended December 31, 2022	Six Months Ended June 30, 2022
Net income (loss)	$133.2	$15.5	$116.2	$(1.5)
Depreciation, depletion and amortization	120.4	60.7	117.8	58.1
Interest expense, net	44.1	26.7	30.1	12.7
Income taxes	50.9	8.1	42.6	(0.2)
EBITDA	**$348.6**	**$111.0**	**$306.7**	**$69.1**

Long-term debt	$848.4
Long-term debt – current portion	$7.1
Total debt	**$855.5**
Less: Cash and cash equivalents, excluding restricted cash	40.1
Total Net debt	**$815.4**

Net debt to trailing twelve month EBITDA	**2.3x**

08 Adjusted EBITDA

Three Months Ended June 30, 2023 *(in millions)*	Pacific	Northwest	Mountain	North Central	All Other and Intersegment Eliminations	Consolidated
Net Income (loss)	$ 16.5	$ 31.0	$ 26.4	$ 18.3	$ (35.4)	$ 56.8
Depreciation, depletion and amortization	5.5	9.7	6.2	6.1	3.6	31.1
Interest expense, net	—	—	—	—	17.1	17.1
Income taxes	—	—	—	—	20.1	20.1
EBITDA	**$ 22.0**	**$ 40.7**	**$ 32.6**	**$ 24.4**	**$ 5.4**	**$125.1**
Unrealized (gains) losses on benefit plan investments					(0.4)	(0.4)
Stock-based compensation expense					(0.1)	(0.1)
One-time separation costs					1.7	1.7
Adjusted EBITDA					**$ 6.6**	**$ 126.3**
Revenue	$ 142.2	$ 179.0	$ 175.8	$ 187.6	$ 100.6	$ 785.2
Net Income Margin	*11.6%*	*17.3%*	*15.0%*	*9.8%*	*(35.2)%*	*7.2%*
EBITDA Margin	*15.5%*	*22.7%*	*18.5%*	*13.0%*	*5.4%*	*15.9%*
Adjusted EBITDA Margin					***6.6%***	***16.1%***

Three Months Ended June 30, 2022 *(in millions)*	Pacific	Northwest	Mountain	North Central	All Other and Intersegment Eliminations	Consolidated
Net Income (loss)	$ 9.9	$ 14.3	$ 22.8	$ 9.9	$ (18.3)	$ 38.6
Depreciation, depletion and amortization	5.3	8.9	5.8	6.2	3.5	29.7
Interest expense, net	—	—	—	—	7.4	7.4
Income taxes	—	—	—	—	11.6	11.6
EBITDA	**$ 15.2**	**$ 23.2**	**$ 28.6**	**$ 16.1**	**$ 4.2**	**$ 87.3**
Unrealized (gains) losses on benefit plan investments					2.4	2.4
Stock-based compensation expense					0.7	0.7
One-time separation costs					—	—
Adjusted EBITDA					**$ 7.3**	**$ 90.4**
Revenue	$ 128.4	$ 151.0	$ 170.4	$ 167.2	$ 94.8	$711.8
Net Income Margin	*7.7%*	*9.5%*	*13.4%*	*5.9%*	*(19.3)%*	*5.4%*
EBITDA Margin	*11.8%*	*15.4%*	*16.8%*	*9.6%*	*4.4%*	*12.3%*
Adjusted EBITDA Margin					***7.7%***	***12.7%***

08 Adjusted EBITDA (Cont'd)

Six Months Ended June 30, 2023 *(in millions)*	Pacific	Northwest	Mountain	North Central	All Other and Intersegment Eliminations	Consolidated
Net Income (loss)	$ 7.9	$ 35.2	$13.8	$ (10.9)	$ (30.5)	$ 15.5
Depreciation, depletion and amortization	11.0	18.6	12.1	11.8	7.2	60.7
Interest expense, net	—	—	0.1	—	26.6	26.7
Income taxes	—	—	—	—	8.1	8.1
EBITDA	**$ 18.9**	**$ 53.8**	**$ 26.0**	**$ 0.9**	**$ 11.4**	**$ 111.0**
Unrealized (gains) losses on benefit plan investments					(1.7)	(1.7)
Stock-based compensation expense					0.8	0.8
One-time separation costs					2.4	2.4
Adjusted EBITDA					**$ 12.9**	**$ 112.5**
Revenue	$ 209.9	$ 294.9	$ 236.4	$ 208.6	$ 143.3	$ 1,093.1
Net Income Margin	*3.8%*	*11.9%*	*5.8%*	*(5.2)%*	*(21.3)%*	*1.4%*
EBITDA Margin	*9.0%*	*18.3%*	*11.0%*	*0.4%*	*8.0%*	*10.2%*
Adjusted EBITDA Margin					***9.0%***	***10.3%***

Six Months Ended June 30, 2022 *(in millions)*	Pacific	Northwest	Mountain	North Central	All Other and Intersegment Eliminations	Consolidated
Net Income (loss)	$ 10.1	$ 18.8	$ 9.2	$ (20.0)	$ (19.6)	$ (1.5)
Depreciation, depletion and amortization	10.5	17.2	11.3	11.8	7.3	58.1
Interest expense, net	—	—	0.1	—	12.6	12.7
Income taxes	—	—	—	—	(0.2)	(0.2)
EBITDA	**$ 20.6**	**$ 36.0**	**$ 20.6**	**$ (8.2)**	**$ 0.1**	**$ 69.1**
Unrealized (gains) losses on benefit plan investments					4.0	4.0
Stock-based compensation expense					1.4	1.4
One-time separation costs					-	-
Adjusted EBITDA					**$ 5.5**	**$ 74.5**
Revenue	$ 213.8	$ 256.5	$ 228.9	$ 190.1	$ 132.5	$ 1,021.8
Net Income Margin	*4.7%*	*7.3%*	*4.0%*	*(10.5)%*	*(14.8)%*	*(0.1)%*
EBITDA Margin	*9.7%*	*14.0%*	*9.0%*	*(4.3)%*	*0.1%*	*6.8%*
Adjusted EBITDA Margin					***4.2%***	***7.3%***

08 Adjusted EBITDA (Cont'd)

Twelve Months Ended June 30, 2023 *(in millions)*	Pacific	Northwest	Mountain	North Central	All Other and Intersegment Eliminations	Consolidated
Net Income (loss)	$ 32.0	$ 85.2	$ 54.3	$ 50.5	$ (88.8)	$ 133.2
Depreciation, depletion and amortization	22.1	36.5	23.5	23.6	14.7	120.4
Interest expense, net	—	—	0.2	—	43.9	44.1
Income taxes	—	—	—	—	50.9	50.9
EBITDA	**$ 54.1**	**$ 121.7**	**$ 78.0**	**$ 74.1**	**$ 20.7**	**$ 348.6**
Unrealized (gains) losses on benefit plan investments					(1.7)	(1.7)
Stock-based compensation expense					2.1	2.1
One-time separation costs					2.4	2.4
Adjusted EBITDA					**$ 23.5**	**$ 351.4**
Revenue	$ 464.7	$ 638.6	$ 549.5	$ 626.6	$ 326.6	$ 2,606.0
Net Income Margin	*6.9%*	*13.3%*	*9.9%*	*8.1%*	*(27.2)%*	*5.1%*
EBITDA Margin	*11.6%*	*19.1%*	*14.2%*	*11.8%*	*6.3%*	*13.4%*
Adjusted EBITDA Margin					***7.2%***	***13.5%***