Mullen Group Ltd.

NEWS RELEASE

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Mullen Group Ltd.
Reports 2025 First Quarter Financial Results

(Okotoks, Alberta April 23, 2025) (TSX: MTL) Mullen Group Ltd. ("**Mullen Group**", "**We**", "**Our**" and/or the "**Corporation**"), one of Canada's largest logistics providers today reported its financial and operating results for the period ended March 31, 2025, with comparisons to the same period last year. Full details of our results may be found within our First Quarter Interim Report, which is available on the Corporation's issuer profile on SEDAR+ at www.sedarplus.ca or on our website at www.mullen-group.com.

"*There were a number of newsworthy headlines in the first quarter of 2025, none that were either constructive or confidence builders, leaving both consumers and shippers uncertain about the future direction for the economy. The on again, off again, tariff issues quite simply restrict trade and stymies economic growth. It is within this backdrop that I am pleased with the performance of our 39 Business Units in the first quarter. Collectively, they managed some difficult circumstances, doing well to generate results very close to last year's levels. And, as we have articulated for some time now, we know that acquisitions are the only plausible way to grow given the current market dynamics. This is precisely the case again in the first quarter of 2025. In fact, the acquisitions we completed last year provided the growth in revenues during the current quarter. Our job now is to leverage these new opportunities into profitable businesses. It is then that our shareholders will benefit from the investments we have made*," commented Mr. Murray K. Mullen, Chair and Senior Executive Officer.

"*The tariff/trade debate did not materially impact overall freight demand in the first quarter. However, like others, we believe the consequences of a prolonged stalemate has the potential to impact the economy and freight demand. As such, we know that there are elevated risks in the near term. This is why we remain on high alert and will adjust as markets dictate. Longer term, however, we take the view that the markets will adjust and, eventually, negotiated agreements will calm the situation. Our thesis remains that acquisitions are the only viable means of growth in this market, and we will continue to look at opportunities that add long term value for our shareholders. Recently we announced a very strategic acquisition, one that will not only help Mullen Group achieve the 2025 Business Plan as outlined in December 2024, but we also view the Cole Group as a company that provides a much-needed service offering that will be required for a long time. This is exactly why we believe the Cole Group is an excellent fit in our logistics focused organization. Plus, we are in the very enviable position of having a well-structured balance sheet that provides the funding for additional growth as quality opportunities arise*," added Mr. Mullen.

Financial Highlights

(unaudited)	**Three month periods ended March 31**		
($ millions, except per share amounts)	**2025**	**2024**	**Change**
	$	$	%
Revenue	**497.1**	462.6	7.5
Operating income before depreciation and amortization	**68.0**	66.2	2.7
Net foreign exchange (gain) loss	**(0.8)**	0.2	(500.0)
Decrease (increase) in fair value of investments	**0.1**	(0.1)	(200.0)
Net income	**17.7**	22.2	(20.3)
Net Income - adjusted[1]	**18.0**	22.4	(19.6)
Earnings per share - basic	**0.20**	0.25	(20.0)
Earnings per share - diluted	**0.20**	0.25	(20.0)
Earnings per share - adjusted[1]	**0.21**	0.25	(16.0)
Net cash from operating activities	**39.9**	38.6	3.4
Net cash from operating activities per share	**0.46**	0.44	4.5
Cash dividends declared per Common Share	**0.21**	0.18	16.7

[1] *Refer to the section entitled "Non-IFRS Financial Measures".*

First Quarter Highlights

- Generated revenue of $497.1 million - up 7.5 percent on incremental revenue from acquisitions being offset by a lack of capital investment in Canada and slightly lower fuel surcharge revenue.
- Operating income before depreciation and amortization ("**OIBDA**") of $68.0 million - up 2.7 percent from prior year due to $4.0 million of incremental OIBDA from acquisitions being somewhat offset by higher Corporate costs and a slight decline in OIBDA from our legacy Business Units.
- Operating margin[1] as a percentage of net revenue[1] declined to 14.9 percent from 15.7 percent last year due to lower margins experienced in the LTL, L&W, and US 3PL segments, which were somewhat offset by slightly improved margins in the S&I segment.

First Quarter Commentary

(unaudited) *($ millions)*	Three month periods ended March 31		
	2025	**2024**	**Change**
	$	$	%
Revenue			
Less-Than-Truckload	**191.5**	182.5	4.9
Logistics & Warehousing	**151.8**	126.3	20.2
Specialized & Industrial Services	**112.2**	111.9	0.3
U.S. & International Logistics	**44.9**	44.4	1.1
Corporate and intersegment eliminations	**(3.3)**	(2.5)	-
Total Revenue	**497.1**	**462.6**	**7.5**
Operating income before depreciation and amortization			
Less-Than-Truckload	**29.3**	30.8	(4.9)
Logistics & Warehousing	**25.4**	22.5	12.9
Specialized & Industrial Services	**18.8**	16.7	12.6
U.S. & International Logistics	**0.1**	0.5	(80.0)
Corporate	**(5.6)**	(4.3)	-
Total Operating income before depreciation and amortization	**68.0**	**66.2**	**2.7**

Revenue: Increased by $34.5 million to $497.1 million as compared to the prior year due to $37.7 million of incremental revenue from acquisitions being somewhat offset by a slight $1.5 million decline in revenues from our Business Units (excluding fuel surcharge and acquisitions) and $1.7 million of lower fuel surcharge revenue.

- LTL segment up $9.0 million, or 4.9 percent, to $191.5 million - acquisitions added $11.6 million of incremental revenue which was somewhat offset by a $1.5 million decrease in fuel surcharge revenue. Revenue from our Business Units (excluding fuel surcharge and acquisitions) decreased by $1.1 million due to a $10.2 million decline at Grimshaw Trucking L.P. ("**Grimshaw Trucking**") that resulted from demarketing a winter ice road project while demand for services at our other Business Units remained consistent on a year over year basis.
- L&W segment up $25.5 million, or 20.2 percent, to $151.8 million - acquisitions added $26.1 million of incremental revenue which is somewhat offset by a lack of capital investment in Canada. Fuel surcharge revenue increased by $0.1 million to $13.2 million.
- S&I segment up $0.3 million, or 0.3 percent, to $112.2 million - revenues were generally flat compared to the prior year as Cascade Energy Services L.P. ("**Cascade Energy**") experienced strong demand for its specialized robotics systems related to facility maintenance and turnaround work. This increase was somewhat offset by a $2.4 million decline in revenue for pipeline hauling and stringing services at Premay Pipeline Hauling L.P. Revenues generated by the drilling related services Business Units declined by $2.8 million on lower demand mainly in the northeast British Columbia region.
- US 3PL segment up $0.5 million, or 1.1 percent, to $44.9 million - revenues increased due to the impact of a weaker Canadian dollar relative to the U.S. dollar in the first quarter of 2025 compared to the prior year period. This increase was somewhat offset by lower freight demand for full truckload shipments and lower pricing per shipment resulting from the ongoing competitive operating environment in the U.S. market.

[1] *Refer to the sections entitled "Non-IFRS Financial Measures" and "Other Financial Measures".*

OIBDA: Generated $68.0 million of OIBDA, an increase of $1.8 million, or 2.7 percent due to $4.0 million of incremental OIBDA from acquisitions being primarily offset by higher Corporate costs and a slight decline in OIBDA due to demarketing certain business in the LTL segment. Operating margins[1] as a percentage of net revenue[1] declined to 14.9 percent from 15.7 percent.

- LTL segment down $1.5 million, or 4.9 percent, to $29.3 million - the decrease is due to a $3.2 million decline from demarketing the winter ice road project at Grimshaw Trucking being somewhat offset by $1.3 million of incremental OIBDA from acquisitions. Operating margin[1] decreased by 1.6 percent to 15.3 percent primarily due to higher direct operating expenses ("**DOE**") and from demarketing the winter ice road project.
- L&W segment up $2.9 million, or 12.9 percent, to $25.4 million - acquisitions added $2.7 million of incremental OIBDA. Operating margin[1] decreased by 1.1 percent to 16.7 percent primarily due to lower margins experienced from acquisitions.
- S&I segment up $2.1 million, or 12.6 percent to $18.8 million - the increase was due to Cascade Energy and Canadian Dewatering L.P. experiencing higher OIBDA due to the commencement of robotics work related to facility maintenance and dewatering projects, respectively. These increases were somewhat offset by lower OIBDA from our drilling related services Business Units and from Smook Contractors Ltd. Operating margin[1] increased by 1.9 percent to 16.8 percent on lower DOE due to a greater proportion of higher margin project work.
- US 3PL segment down $0.4 million, to $0.1 million - OIBDA decreased primarily due to higher DOE. Operating margin[1] decreased to 0.2 percent from 1.1 percent primarily due to higher DOE as a percentage of revenue. Operating margin[1] as a percentage of net revenue[1] was 2.8 percent as compared to 12.8 percent in 2024.

Net income: Net income decreased by $4.5 million, or 20.3 percent to $17.7 million or $0.20 per Common Share due to:

- A $4.7 million increase in depreciation of right-of-use assets, a $2.4 million increase in finance costs, and a $0.9 million increase in amortization of intangible assets.
- These decreases to net income were somewhat offset by a $1.8 million increase in OIBDA, a $1.0 million positive variance in net foreign exchange and a $0.7 million increase in gain on sale of property, plant and equipment.

Financial Position

The following summarizes our financial position as at March 31, 2025, along with some key changes that occurred during the first quarter:

- Working capital as at March 31, 2025, was $286.7 million including $131.2 million of cash.
- Borrowing capacity of $525.0 million on our Bank Credit Facilities with $7.2 million being borrowed as at March 31, 2025.
- Total net debt[1] ($764.0 million) to operating cash flow ($342.3 million) of 2.23:1 as defined per our 2024 Notes agreement (threshold of 3.50:1).
- Total net debt[1] ($846.4 million) to operating cash flow ($342.3 million) of 2.47:1 as defined per our 2014 Notes agreement (threshold of 3.50:1).
- Net book value of property, plant and equipment of $1.0 billion, which includes $658.8 million of carrying costs of owned real property.

[1] *Refer to the sections entitled " Non-IFRS Financial Measures" and "Other Financial Measures".*

Non-IFRS Financial Measures

Mullen Group reports its financial results in accordance with International Financial Reporting Standards ("**IFRS**"). Mullen Group reports on certain non-IFRS financial measures and ratios, which do not have a standard meaning under IFRS and, therefore, may not be comparable to similar measures presented by other issuers. Management uses these non-IFRS financial measures and ratios in its evaluation of performance and believes these are useful supplementary measures. We provide shareholders and potential investors with certain non-IFRS financial measures and ratios to evaluate our ability to fund our operations and provide information regarding liquidity. Specifically, net income - adjusted, earnings per share - adjusted, and net revenue are not measures recognized by IFRS and do not have standardized meanings prescribed by IFRS. For the reader's reference, the definition, calculation and reconciliation of non-IFRS financial measures are provided in this section. These non-IFRS financial measures should not be considered in isolation or as a substitute for measures prepared in accordance with IFRS. Investors are cautioned that these indicators should not replace the forgoing IFRS terms: net income, earnings per share, and revenue.

Net Income – Adjusted and Earnings per Share – Adjusted

The following table illustrates net income and basic earnings per share before considering the impact of the net foreign exchange gains or losses, the change in fair value of investments, and the loss on fair value of equity investment. Management adjusts net income and earnings per share by excluding these specific factors to more clearly reflect earnings from an operating perspective.

(unaudited) ($ millions, except share and per share amounts)	**Three month periods ended March 31**	
	2025	**2024**
Income before income taxes	**$ 24.7**	$ 29.8
Add (deduct):		
Net foreign exchange (gain) loss	**(0.8)**	0.2
Change in fair value of investment	**0.1**	(0.1)
Income before income taxes – adjusted	**24.0**	29.9
Income tax rate	**25%**	25%
Computed expected income tax expense	**(6.0)**	(7.5)
Net income – adjusted	**18.0**	22.4
Weighted average number of Common Shares outstanding – basic	**87,646,158**	88,052,799
Earnings per share – adjusted	**$ 0.21**	$ 0.25

Net Revenue

Net revenue is calculated by subtracting DOE in the US 3PL segment (primarily comprised of expenses associated with the use of Contractors) from revenue as our one Business Unit in the segment, a non-asset based 3PL provider, does not own any operating assets other than its proprietary integrated transportation management platform. Management calculates and measures net revenue within the US 3PL segment as it provides an important measurement in evaluating our financial performance as well as our ability to generate an appropriate return in the non-asset based 3PL market.

US 3PL Segment

(unaudited) ($ millions)	**Three month periods ended March 31**	
	2025	**2024**
Revenue	**$ 44.9**	$ 44.4
Direct operating expenses	**41.3**	40.5
Net Revenue	**$ 3.6**	$ 3.9

Consolidated

(unaudited) ($ millions)	**Three month periods ended March 31**	
	2025	**2024**
Revenue	**$ 497.1**	$ 462.6
US 3PL direct operating expenses	**41.3**	40.5
Net Revenue	**$ 455.8**	$ 422.1

Other Financial Measures

Other financial measures consist of supplementary financial measures and capital management measures.

Supplementary Financial Measures

Supplementary financial measures are financial measures disclosed by a company that (a) are, or are intended to be, disclosed on a periodic basis to depict the historical or expected future financial performance, financial position or cash flow of a company, (b) are not disclosed in the financial statements of a company, (c) are not non-IFRS financial measures, and (d) are not non-IFRS ratios. The Corporation has disclosed the following supplementary financial measures.

Operating Margin

Operating margin is a supplementary financial measure and is defined as OIBDA divided by revenue. Management relies on operating margin as a measurement since it provides an indication of our ability to generate an appropriate return as compared to the associated risk and the amount of assets employed within our principal business activities.

(unaudited)	Three month periods ended March 31	
($ millions)	**2025**	**2024**
OIBDA	**$ 68.0**	$ 66.2
Revenue	**$ 497.1**	$ 462.6
Operating margin	**13.7%**	14.3%

Operating Margin as a Percentage of Net Revenue

Operating margin as a percentage of net revenue is a supplementary financial measure and is defined as OIBDA divided by net revenue. Management relies on operating margin as a percentage of net revenue as a measurement since it provides an indication of our ability to generate an appropriate return as compared to the associated risk and the amount of assets employed within our principal business activities.

(unaudited)	Three month periods ended March 31	
($ millions)	**2025**	**2024**
OIBDA	**$ 68.0**	$ 66.2
Net revenue	**$ 455.8**	$ 422.1
Operating margin as a percentage of net revenue	**14.9%**	15.7%

Capital Management Measures

Capital management measures are financial measures disclosed by a company that (a) are intended to enable users to evaluate a company's objectives, policies and processes for managing the entity's capital, (b) are not a component of a line item disclosed in the primary financial statements of the company, (c) are disclosed in the notes of the financial statements of the company, and (d) are not disclosed in the primary financial statements of the company. The Corporation has disclosed the following capital management measures.

Total Net Debt – 2014 Notes Calculation

The term "2014 *total net debt*" is defined in the 2014 Notes agreement as all debt including the Private Placement Debt, lease liabilities, the Bank Credit Facilities and letters of credit less any unrealized gain on Cross-Currency Swaps plus any unrealized loss on Cross-Currency Swaps, as disclosed within Derivatives on the condensed consolidated statement of financial position. 2014 total net debt specifically excludes the Debentures. 2014 total net debt is defined within 2014 Notes agreement and is used to calculate our 2014 total net debt to 2014 operating cash flow covenant. Management calculates and discloses 2014 total net debt to provide users with an understanding of how our debt covenant is calculated.

(unaudited) ***($ millions)***		**March 31, 2025**
Private Placement Debt (including the current portion)	**$**	**649.0**
Lease liabilities (including the current portion)		**217.6**
Bank indebtedness		**7.2**
Letters of credit		**3.6**
Long-term debt (including the current portion)		**0.1**
Total debt		**877.5**
Less: unrealized gain on Cross-Currency Swaps		**(31.1)**
Add: unrealized loss on Cross-Currency Swaps		**—**
2014 total net debt	**$**	**846.4**

Total Net Debt – 2024 Notes Calculation

The term "2024 *total net debt*" is defined in the 2024 Notes agreement as all debt including the Debentures, the Private Placement Debt, lease liabilities associated with operating equipment, the Bank Credit Facilities and letters of credit less any unrealized gain on Cross-Currency Swaps plus any unrealized loss on Cross-Currency Swaps, as disclosed within Derivatives on the condensed consolidated statement of financial position. 2024 total net debt specifically excludes any real property lease liabilities. 2024 total net debt is defined within our 2024 Notes agreement and is used to calculate our 2024 total net debt to 2024 operating cash flow covenant. Management calculates and discloses 2024 total net debt to provide users with an understanding of how our debt covenant is calculated.

(unaudited) ***($ millions)***		**March 31, 2025**
Private Placement Debt (including the current portion)	**$**	**649.0**
Lease liabilities (including the current portion)		**217.6**
Debentures		**121.1**
Bank indebtedness		**7.2**
Letters of credit		**3.6**
Long-term debt (including the current portion)		**0.1**
Total debt		**998.6**
Less: real property lease liabilities		**(203.5)**
Less: unrealized gain on Cross-Currency Swaps		**(31.1)**
Add: unrealized loss on Cross-Currency Swaps		—
2024 total net debt	**$**	**764.0**

About Mullen Group Ltd.

Mullen Group is a public company with a long history of acquiring companies in the transportation and logistics industries. Today, we have one of the largest portfolios of logistics companies in North America, providing a wide range of transportation, warehousing and distribution services through a network of independently operated businesses. Service offerings include less-than-truckload, truckload, warehousing, logistics, transload, oversized, third-party logistics and specialized hauling transportation. In addition, our businesses provide a diverse set of specialized services related to the energy, mining, forestry and construction industries in western Canada, including water management, fluid hauling and environmental reclamation. The corporate office provides the capital and financial expertise, legal support, technology and systems support, shared services and strategic planning to its independent businesses.

*Mullen Group is listed on the Toronto Stock Exchange under the symbol "**MTL**". Additional information is available on our website at www.mullen-group.com or on the Corporation's issuer profile on SEDAR+ at www.sedarplus.ca.*

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Disclaimer

Mullen Group may make statements in this news release that reflect its current beliefs and assumptions and are based on information currently available to it and contains forward-looking statements and forward-looking information (collectively, "forward-looking statements") within the meaning of applicable securities laws. This news release may contain forward-looking statements that are subject to risk factors associated with the overall economy, Mullen Group's strategy, and the natural resources industry. These forward-looking statements relate to future events and Mullen Group's future performance. All forward looking statements and information contained herein that are not clearly historical in nature constitute forward-looking statements, and the words "may", "will", "should", "could", "expect", "plan", "intend", "anticipate", "believe", "estimate", "propose", "predict", "potential", "continue", "aim", or the negative of these terms or other comparable terminology are generally intended to identify forward-looking statements. Such forward-looking statements represent Mullen Group's internal projections, estimates, expectations, beliefs, plans, objectives, assumptions, intentions or statements about future events or performance. These forward-looking statements involve known or unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. Mullen Group believes that the expectations reflected in these forward-looking statements are reasonable; however, undue reliance should not be placed on these forward-looking statements, as there can be no assurance that the plans, intentions or expectations upon which they are based will occur. In particular, forward-looking statements include but are not limited to the following: (i) Mullen Group's view that the on again, off again, tariff issues quite simply restrict trade and stymies economic growth; (ii) Mullen Group's belief that our shareholders will benefit from the investments we have made; (iii) Mullen Group's belief that the consequences of a prolonged stalemate has the potential to impact the economy and freight demand. As such, we know that there are elevated risks in the near term. This is why we remain on high alert; (iv) Mullen Group's view that in the longer term, the markets will adjust and, eventually, negotiated agreements will calm the situation; (v) Mullen Group's thesis that acquisitions are the only viable means of growth in this market; and (vi) Mullen Group's belief that the acquisition of Cole Group will help Mullen Group achieve the 2025 Business Plan as outlined in December 2024 and that the services of Cole Group will be required for a long time. These forward-looking statements are based on certain assumptions and analyses made by Mullen Group in light of our experience and our perception of historical trends, current conditions, expected future developments and other factors we believe are appropriate under the circumstances. These assumptions include but are not limited to the following: (i) that Mullen Group will leverage these new opportunities into profitable businesses; (ii) that Mullen Group will be able to adjust as markets dictate; (iii) that in the longer term negotiated agreements will be reached and the markets will adjust; (iv) that acquisition opportunities will present themselves to Mullen Group; (v) that Mullen Group will only pursue acquisitions that add long term value to Mullen Group shareholders; (vi) that we have the balance sheet to execute acquisitions; and (vii) that we will receive regulatory approvals for the acquisition of Cole Group, the acquisition will close and customers will continue to require the services of Cole Group into the future. For further information on any strategic, financial, operational and other outlook on Mullen Group's business please refer to Mullen Group's Management's Discussion and Analysis available for viewing on Mullen Group's issuer profile on SEDAR+ at www.sedarplus.ca. Additional information on risks that could affect the operations or financial results of Mullen Group may be found under the heading "Principal Risks and Uncertainties" starting on page 48 of the 2024 Annual Financial Review as well as in reports on file with applicable securities regulatory authorities and may be accessed through Mullen Group's issuer profile on the SEDAR+ website at www.sedarplus.ca. The forward-looking statements contained in this news release are expressly qualified by this cautionary statement. The forward-looking statements contained herein is made as of the date of this news release and Mullen Group disclaims any intent or obligation to update publicly any such forward-looking statements, whether as a result of new information, future events or results or otherwise, other than as required by applicable Canadian securities laws. Mullen Group relies on litigation protection for forward-looking statements.