



Canadian Tire Corporation Reports Third Quarter Results, Announces 13th Consecutive Year of Annual Dividend Increase and Renewal of Share Repurchase Program

Toronto, November 10, 2022 – Canadian Tire Corporation, Limited (TSX:CTC, TSX: CTC.A) (“CTC” or the “Company”) today released its third quarter results for the period ended October 1, 2022.

- Consolidated revenue grew 8.1%; Retail segment revenue was up 7.4%
- Diluted Earnings Per Share (EPS) was \$3.14; normalized diluted EPS¹ was \$3.34
- Annualized dividend increased to \$6.90 per share; share buyback program renewed with intention to repurchase between \$500 million and \$700 million Class A Non-Voting Shares

“In the third quarter, we effectively engaged our loyalty customers, resulting in increased spending per Triangle Member, with total loyalty sales outpacing non-member sales – a trend we expect to continue,” said Greg Hicks, President and CEO, Canadian Tire Corporation. “We remain committed to the strategic growth investments we laid out as part of our *Better Connected* strategy, and in the near-term, we will face into changing customer demand and a dynamic economic environment with the confidence that our multi-category assortment is well-positioned to meet our customer needs.”

“Throughout its long history, Canadian Tire Corporation has consistently demonstrated the underlying strength and resilience of its business and its ability to deliver steady growth and returns to its shareholders,” said Hicks.

THIRD QUARTER HIGHLIGHTS

- *Consolidated retail sales¹ were up 2.8%; consolidated comparable sales (excluding Petroleum)¹ were up 0.7%, taking year to date consolidated comparable sales (excluding Petroleum) to 3.8%*
 - Canadian Tire Retail (CTR) comparable sales¹ were up 0.7% against Q3 of 2021; Seasonal and Gardening and Automotive drove growth in the quarter
 - Mark’s comparable sales¹ grew 3.6% against a strong quarter in 2021, as demand for casualwear and industrial apparel remained robust
 - SportChek cycled an exceptional back-to-school quarter in the prior year, with a 1.0% decline in comparable sales¹; growth in categories such as cycling and casual clothing partially offset the decline in athletic clothing and footwear

- Triangle Loyalty member sales outpaced retail sales, driven by an increase in active members and spend per member
- *The Company continued to prioritize organic growth investments and returns to shareholders, as set out in its Better Connected strategy*
 - Investments continue to be aimed at delivering a better omnichannel customer experience, with the first two Remarkable Retail stores opened in Ottawa and in the Niagara region (Welland) since the end of the third quarter, and pick-up lockers now rolled out to close to 80% of CTR stores
 - Strengthening the Company's supply chain fulfillment infrastructure remains a focus. In addition to existing investments in new distribution centres in Calgary and the Greater Toronto Area, the Company has signed a lease on a new 385,000 square foot distribution centre in Richmond, BC, to support longer-term sales growth in Western Canada.
 - The Company increased its annual dividend for the 13th consecutive year to \$6.90 per share commencing in March 2023, a cumulative quarterly dividend increase of 33% since last year
 - With the completion of its \$400 million share repurchase program, the Company has announced its intention to repurchase an additional \$500 million to \$700 million Class A Non-Voting shares by the end of 2023
- *Diluted EPS was \$3.14; normalized diluted EPS was \$3.34, down 20.5%, reflecting lower Retail income before income taxes (IBT), partially offset by a strong performance in Financial Services*
 - Retail segment IBT was down \$93.5 million in the quarter to \$133.0 million; strong Retail segment revenue was at a lower Retail gross margin rate, mainly due to higher freight and product cost inflation. A further \$14 million of the IBT variance was attributable to foreign exchange impacts at Helly Hansen.
 - Financial Services delivered strong quarterly IBT, up \$21.9 million to \$139.6 million on revenue growth of 17.2%

CONSOLIDATED OVERVIEW

- Revenue increased 8.1% to \$4,228.8 million; Revenue (excluding Petroleum)¹ increased 6.0% over the same period last year, with the Retail and Financial Services segments both contributing to growth; on a year-to-date basis, Revenue was up 11.8%, and Revenue (excluding Petroleum) increased 7.8%
- Consolidated IBT was \$298.6 million, down 19.3% compared to the third quarter of 2021, and \$314.5 million, down 19.1%, on a normalized¹ basis
- Normalized diluted EPS was \$3.34, compared to \$4.20 in the prior year. Q3 2022 Diluted EPS was \$3.14 per share, compared to \$3.97 in the prior year.

- Retail Return on Invested Capital (ROIC)¹ calculated on a trailing twelve-month basis, was 12.5% at the end of the third quarter, compared to 13.2% at the end of the third quarter of 2021, as Average Retail Invested Capital increased over the prior period
- Refer to the Company's Q3 2022 Management Discussion and Analysis (MD&A) section 4.1.1 for information on normalizing items and for additional details on events that have impacted the Company in the quarter

RETAIL SEGMENT OVERVIEW

- Retail revenue was \$3,873.7 million, an increase of \$266.6 million, or 7.4%, compared to the prior year. Excluding Petroleum, Retail revenue¹ increased 5.0%.
- Retail sales were \$4,734.2 million, up 2.8%, compared to the third quarter of 2021 and Retail sales (excluding Petroleum)¹ were up 0.6%; consolidated comparable sales increased 0.7%
- CTR retail sales¹ increased 0.6% in the quarter, and comparable sales were up 0.7% over the same period last year
- SportChek retail sales¹ were down 1.5% in the quarter, and comparable sales were down 1.0% over the same period last year
- Mark's retail sales¹ increased 3.9% in the quarter, and comparable sales were up 3.6% over the same period last year
- Helly Hansen revenue was up 8.4% compared to the same period in 2021
- Retail Gross margin for the third quarter was up 0.9%, or 0.6% excluding Petroleum¹
- Retail IBT was \$133.0 million, compared to \$226.5 million in the prior year. Normalized income before income taxes¹ was \$148.8 million. Strong revenue growth was offset by the impacts of higher freight and product cost inflation on gross margin and lower other income, mainly in relation to foreign exchange impacts.
- Refer to the Company's Q3 2022 MD&A section 4.1.1 for information on normalizing items and to sections 4.2.1 and 4.2.2 for additional details on events that have impacted the Company in the quarter

FINANCIAL SERVICES OVERVIEW

- Gross average accounts receivable ("GAAR")¹ was up 14.2% relative to prior year, and average active accounts were up 7.1%. Customer activity and account balances were both up in the quarter
- Credit card sales growth¹ was 14.1% in the quarter, compared to 23.3% in the same quarter in the prior year

- Gross margin was \$218.1 million, an increase of \$18.6 million, or 9.3% compared to the prior year, mainly due to strong revenue growth, partially offset by higher net impairment losses
- IBT was \$139.6 million, up \$21.9 million compared to the prior year
- Refer to the Company's Q3 2022 MD&A section 4.3.1 and 4.3.2 for additional details on events that have impacted the Company

CT REIT OVERVIEW

- CT REIT announced three new investments totalling \$47 million, which will add approximately 192,000 square feet of incremental gross leasable area to its portfolio, including a new Canadian Tire store development in its core market of Toronto
- Distributions per unit were \$0.217, up 3.3% compared to the third quarter of 2021
- For further information, refer to the Q3 2022 CT REIT earnings release issued on November 7, 2022

CAPITAL ALLOCATION

CAPITAL EXPENDITURES

- Operating capital expenditures¹ were \$203.2 million in the quarter, compared to \$203.1 million in the third quarter of 2021
- Total capital expenditures were \$231.7 million, compared to \$221.2 million in the third quarter of 2021

QUARTERLY DIVIDEND

- The Company increased its annual dividend for the 13th consecutive year to \$6.90 per share, a cumulative quarterly dividend increase of 33% since last year as a result of dividend increases approved on May 12, 2022, and November 9, 2022
- The Company declared dividends payable to holders of Class A Non-Voting Shares and Common Shares at a rate of \$1.725 per share, payable on March 1, 2023, to shareholders of record as of January 31, 2023. The dividend is considered an "eligible dividend" for tax purposes

SHARE REPURCHASES

- On November 11, 2021, the Company announced its intention to repurchase up to \$400 million of its Class A Non-Voting Shares, in excess of the amount required for anti-dilutive purposes, by the end of 2022 (the "2021-22 share repurchase intention"). In September 2022, the Company completed its repurchases under the 2021-22 share repurchase intention.
- On November 10, 2022, the Company announced its intention to repurchase an additional \$500 million to \$700 million of its Class A Non-Voting Shares, in excess of the amount required for anti-dilutive purposes, by the end of 2023
- The share repurchases will commence under the Company's previously announced normal course issuer bid, which expires on March 1, 2023, and will thereafter be renewed, subject to regulatory approvals

(1) NON-GAAP FINANCIAL MEASURES AND RATIOS AND SUPPLEMENTARY FINANCIAL MEASURES

This press release contains non-GAAP financial measures and ratios and supplementary financial measures. References below to the Q3 2022 MD&A mean the Company's Management's Discussion and Analysis for the Third Quarter 2022 for the 39 weeks ended October 1, 2022, which is available on SEDAR at www.sedar.com and is incorporated by reference herein. Non-GAAP measures and non-GAAP ratios have no standardized meanings under GAAP and may not be comparable to similar measures of other companies.

(A) Non-GAAP Financial Measures and Ratios

Normalized Diluted Earnings per Share (EPS)

Normalized diluted EPS, a non-GAAP ratio, is calculated by dividing Normalized Net Income Attributable to Shareholders, a non-GAAP financial measure, by total diluted shares of the Company. For information about these measures, see section 9.1 of the Company's Q3 2022 MD&A.

The following table is a reconciliation of normalized net income attributable to shareholders of the Company to the respective GAAP measures:

(C\$ in millions)	Q3 2022	Q3 2021	YTD Q3 2022	YTD Q3 2021
Net income	\$ 225.0	\$ 279.5	\$ 620.2	\$ 725.0
Net income attributable to shareholders	184.9	243.7	512.2	619.1
Add normalizing items:				
Operational Efficiency program	\$ 11.6	\$ 13.9	\$ 20.3	\$ 25.3
Helly Hansen Russia exit	—	—	33.4	—

Normalized net income	\$ 236.6	\$ 293.4	\$ 673.9	\$ 750.3
Normalized net income attributable to shareholders	\$ 196.5	\$ 257.6	\$ 565.9	\$ 644.4
Normalized diluted EPS	\$ 3.34	\$ 4.20	\$ 9.49	\$ 10.49

Consolidated Normalized Income Before Income Taxes and Retail Normalized Income Before Income Taxes

Consolidated Normalized Income Before Income Taxes and Retail Normalized Income before Income Taxes are non-GAAP financial measures. For information about these measures, see section 9.1 of the Company's Q3 2022 MD&A.

The following table reconciles Consolidated Normalized Income Before Income Taxes to Income Before Income Taxes:

(C\$ in millions)	Q3 2022	Q3 2021	YTD Q3 2022	YTD Q3 2021
Income before income taxes	\$ 298.6	\$ 369.9	\$ 831.6	\$ 981.9
Add normalizing items:				
Operational Efficiency program	15.8	18.9	27.6	34.4
Helly Hansen Russia exit	—	—	36.5	—
Normalized income before income taxes	\$ 314.4	\$ 388.8	\$ 895.7	\$ 1,016.3

The following table reconciles Retail Normalized Income Before Income Taxes to Retail Income Before Income Taxes:

(C\$ in millions)	Q3 2022	Q3 2021	YTD Q3 2022	YTD Q3 2021
Income before income taxes	\$ 298.6	\$ 369.9	\$ 831.6	\$ 981.9
Less: Other operating segments	165.6	143.4	426.0	444.3
Retail income before income taxes	\$ 133.0	\$ 226.5	\$ 405.6	\$ 537.6
Add normalizing items:				
Operational Efficiency program	15.8	18.9	27.6	34.4
Helly Hansen Russia exit	—	—	36.5	—
Retail normalized income before income taxes	\$ 148.8	\$ 245.4	\$ 469.7	\$ 572.0

Retail Return on Invested Capital

Retail Return on Invested Capital (ROIC) is calculated as Retail return divided by the Retail invested capital. Retail return is defined as trailing annual Retail after-tax earnings excluding interest expense, lease related depreciation expense, inter-segment earnings, and any

normalizing items. Retail invested capital is defined as Retail segment total assets, less Retail segment trade payables and accrued liabilities and inter-segment balances based on an average of the trailing four quarters. Retail return and Retail invested capital are non-GAAP financial measures. For more information about these measures, see section 9.1 of the Company's Q3 2022 MD&A.

(C\$ in millions)	Rolling 12 months ended	
	Q3 2022	Q3 2021
Income before income taxes	\$ 1,551.6	\$ 1,700.5
Less: Other operating segments	507.9	584.9
Retail income before income taxes	\$ 1,043.7	\$ 1,115.6
Add normalizing items:		
Operational Efficiency program	34.1	69.6
Helly Hansen Russia exit	36.5	—
Retail normalized income before income taxes	\$ 1,114.3	\$ 1,185.2
Less:		
Retail intercompany adjustments ¹	203.5	194.7
Add:		
Retail interest expense ²	238.5	259.2
Retail depreciation of right-of-use assets	574.8	535.1
Retail effective tax rate	26.7%	28.2%
Add: Retail taxes	(459.8)	(503.4)
Retail return	\$ 1,264.3	\$ 1,281.4
Average total assets	\$21,633.1	\$21,007.8
Less: Average assets in other operating segments	4,590.2	4,870.9
Average Retail assets	\$17,042.9	\$16,136.9
Less:		
Average Retail intercompany adjustments ¹	3,521.4	3,415.3
Average Retail trade payables and accrued liabilities ³	2,855.2	2,439.2
Average Franchise Trust assets	446.2	527.4
Average Retail excess cash	114.4	67.1
Average Retail invested capital	\$ 10,105.7	\$ 9,687.9
Retail ROIC	12.5 %	13.2 %

¹ Intercompany adjustments include intercompany income received from CT REIT which is included in the Retail segment, and intercompany investments made by the Retail segment in CT REIT and CTFS.

² Excludes Franchise Trust.

³ Trade payables and accrued liabilities include trade and other payables, short-term derivative liabilities, short-term provisions and income tax payables.

Operating Capital Expenditures

Operating capital expenditures is a non-GAAP financial measure. For more information about this measure, see section 9.1 of the Company's Q3 2022 MD&A.

The following table reconciles total additions from the Investing activities reported in the Consolidated Statement of Cash Flows to Operating capital expenditures:

(C\$ in millions)	YTD Q3 2022	YTD Q3 2021
Total additions ¹	\$ 539.3	\$ 435.3
Add: Accrued additions	34.9	45.5
Less:		
Business combinations, intellectual properties and tenant allowances	—	(14.3)
CT REIT acquisitions and developments excluding vend-ins from CTC	60.2	46.2
Operating capital expenditures	\$ 514.0	\$ 448.9

¹ This line appears on the Consolidated Statement of Cash Flows under Investing activities.

(B) Supplementary Financial Measures and Ratios

The measures below are supplementary financial measures. See Section 9.2 (Supplementary Financial Measures) of the Company's Q3 2022 MD&A for information on the composition of these measures.

- Consolidated retail sales
- Consolidated Comparable sales (excluding Petroleum)
- Revenue (excluding Petroleum)
- Retail revenue (excluding Petroleum)
- Retail sales and retail sales (excluding Petroleum)
- CTR comparable and retail sales
- SportChek comparable and retail sales
- Mark's comparable and retail sales
- Retail Gross Margin (excluding Petroleum)
- Gross Average Accounts Receivables (GAAR)
- Credit card sales growth

FORWARD-LOOKING STATEMENTS

Certain statements made in this press release may constitute forward-looking information under applicable securities laws. These statements are being provided for the purposes of providing information about management's current expectations and plans and allowing investors and others to get a better understanding of our anticipated financial position, results of operations and operating environment. Readers are cautioned that such information may not be appropriate for other purposes. Although CTC believes that the forward-looking information in this press release is based on information, assumptions and beliefs which are current, reasonable and complete, this information is necessarily subject to a number of factors, risks and uncertainties that could cause actual results to differ materially from management's expectations and plans as set forth in such forward-looking information. For more information on the risks, uncertainties and assumptions that could cause CTC's actual results to differ from current expectations, refer to section 10.0 (Key Risks and Risk Management) of the Company's Q3 2022 MD&A as well as CTC's other public filings, available at www.sedar.com and at <https://investors.canadiantire.ca>.

CTC does not undertake to update any forward-looking information, whether written or oral, that may be made from time to time by it or on its behalf to reflect new information, future events or otherwise, except as is required by applicable securities laws.

CONFERENCE CALL

Canadian Tire will conduct a conference call to discuss information included in this news release and related matters at 8:00 a.m. ET on November 10, 2022. The conference call will be available simultaneously and in its entirety to all interested investors and the news media through a webcast at <https://investors.canadiantire.ca> and will be available through replay at this website for 12 months.

ABOUT CANADIAN TIRE CORPORATION

Canadian Tire Corporation, Limited, (TSX: CTC.A) (TSX: CTC) or "CTC", is a group of companies that includes a Retail segment, a Financial Services division and CT REIT. Our retail business is led by Canadian Tire, which was founded in 1922 and provides Canadians with products for life in Canada across its Living, Playing, Fixing, Automotive and Seasonal & Gardening divisions. Party City, PartSource and Gas+ are key parts of the Canadian Tire network. The Retail segment also includes Mark's, a leading source for casual and industrial wear; Pro Hockey Life, a hockey specialty store catering to elite players; and SportChek, Hockey Experts, Sports Experts and Atmosphere, which offer the best active wear brands. The more than 1,700 retail and gasoline outlets are supported and strengthened by CTC's Financial Services division and the tens of thousands of people employed across Canada and around the world by CTC and its local dealers, franchisees and petroleum retailers. In addition, CTC owns and operates Helly Hansen, a leading technical outdoor brand based in Oslo, Norway. For more information, visit Corp.CanadianTire.ca.

FOR MORE INFORMATION

Media: Jane Shaw, (416) 480-8581, jane.shaw@cantire.com

Investors: Karen Keyes, (647) 518-4461, karen.keyes@cantire.com