



Canadian Tire Corporation Reports Fourth Quarter and Full-Year 2023 Results

Toronto, February 15, 2024 – Canadian Tire Corporation, Limited (TSX:CTC, TSX: CTC.A) (“CTC” or the “Company”) today announced results for its fourth quarter and full year ended December 30, 2023.

- Retail consolidated full-year comparable sales¹ finished the year down 2.9%, and full-year Retail Gross Margin rate¹ was effectively flat to 2022.
- Full-year Diluted Earnings Per Share (“EPS”) was \$3.78 or \$10.37 on a normalized basis¹; Q4 Diluted EPS was \$3.09 or \$3.38 on a normalized basis.
- Triangle Rewards drove an incremental \$253 million in sales in 2023 through the more than 4.4 million members who received personalized offers.
- CTC invested more than \$680 million in total capital expenditures to build out its assets and capabilities under its *Better Connected* strategy and returned close to \$740 million of capital to shareholders in fiscal year 2023.

“Our performance last year fell short of our expectations as our team continued to navigate a challenging macroeconomic environment. In the face of significant headwinds, we remain agile and we are flexing across our multi-category portfolio with a focus on value and the essential categories Canadians need right now. The actions we have taken, particularly in the second half of 2023, are driving efficiencies and enabling us to prioritize key investments within our *Better Connected* strategy, including the continued rollout of our omnichannel initiatives,” said Greg Hicks, President and CEO, Canadian Tire Corporation.

“In the near-term, we are taking a measured and cautious approach to our operating plans. While the pace of our investments has slowed, we remain committed to our strategy as we balance tough short-term decisions with our long-term objectives,” added Hicks.

FOURTH QUARTER HIGHLIGHTS

- Consolidated comparable sales were down 6.8% and consolidated retail sales excluding Petroleum¹ were down 6.9%, reflecting continued softening of consumer demand, compounded by weaker sales in winter categories across all banners due to unseasonable weather across the country in December.
 - Canadian Tire Retail (“CTR”) comparable sales¹ were down 6.8%, with sales of essential categories continuing to outpace discretionary sales in light of softer consumer demand. One of the warmest Decembers on record in many parts of the country particularly

impacted Seasonal and Gardening categories. Automotive stood out as CTR's strongest division during the quarter.

- SportChek comparable sales¹ were down 6.4%, led by declines in outerwear, skis, and snowboards.
- Mark's comparable sales¹ were down 7.2%, mainly in winter weather categories, against strong growth in 2022.
- Retail income before income taxes ("IBT") was \$161.7 million and normalized Retail IBT¹ was \$181.3 million, down mainly due to the decline in Retail Revenue and higher interest expense, partially offset by lower selling, general and administrative ("SG&A") expense. Lower sales across banners contributed to the revenue reduction, as did the timing and magnitude of the Margin Sharing Arrangement ("MSA") contribution at CTR.
- Financial Services IBT was broadly stable compared to the prior year at \$85.2 million and \$87.2 million on a normalized basis¹, despite the expected increase in risk metrics which drove higher net impairment losses, as well as higher funding costs. Cardholder engagement remained strong, with growth in Gross average accounts receivables ("GAAR")¹ and active accounts, up 4.7% and 1.1% respectively.

FULL-YEAR HIGHLIGHTS

- Full-year consolidated comparable sales were down 2.9% and Retail sales excluding Petroleum were down 3.1%, reflecting softening consumer demand through the second half of the year and the impact of unseasonable weather in Q4.
- Retail Gross Margin rate (excluding Petroleum)¹ for the full year aligned with expectations at 35.5%, compared to 35.6% in 2022.
- CTC advanced its strategic pillars by emphasizing loyalty capabilities and Owned Brands.
- Driving engagement and surfacing value to Triangle Rewards loyalty members remained a key priority in 2023.
 - 11.4 million members actively shopped CTC, with loyalty sales¹ constituting nearly 60% of total sales; personalized sales through 1:1 offers increased by \$253 million.
 - The Company's loyalty partnership with Petro-Canada is set to launch in March 2024, extending the Triangle Rewards program to a network of more than 1,800 gas stations nationwide.
- Owned Brands sales penetration¹ remained robust, accounting for 38% of total retail sales.
 - Key essential categories such as tires, oil, hockey, and pet experienced increased penetration through brands like MotoMaster, ProSeries, Paderno/Vida by Paderno, Sherwood, and Petco, maintaining a margin premium over national brands.
- The Company's commitment to enhancing the customer experience was evident through the refresh and modernization of 45 Canadian Tire stores, the opening of three new stores in

Quebec (Mont Tremblant and Sherbrooke) and Ontario (Toronto), as well as four new Mark's WorkPro stores.

- Key omnichannel initiatives, including pick-up lockers, electronic shelf labels, and scan-and-buy features, were part of the continued investment in providing a superior customer experience.
 - Following a successful pilot earlier in 2023, Express Delivery was expanded nationally across all banners in the quarter, offering same-day delivery services to customers. Take-up has been positive, with 83% of Canadian Tire stores having received same-day orders.

CONSOLIDATED OVERVIEW

FOURTH QUARTER

- Revenue decreased 16.8% over the same period last year to \$4,443.0 million. Revenue (excluding Petroleum)¹ decreased 17.8%, with the decline driven by the Retail segment, partly attributable to the timing and magnitude of the MSA and partially offset by revenue growth in the Financial Services segment.
- Consolidated IBT was \$263.0 million, down \$489.2 million compared to the fourth quarter of 2022, mainly due to lower revenue in the Retail segment, partly attributable to the timing and magnitude of the MSA contribution at CTR.
- Diluted EPS was \$3.09, compared to \$9.09 in the prior year. Normalized diluted EPS was \$3.38, compared to \$9.34 in the prior year mainly as a result of lower earnings. Approximately \$2.26 of the variance was due to the MSA timing change.
- Refer to the Company's Q4 and Full-Year 2023 Management Discussion and Analysis (MD&A) section 5.1.1 for information on normalizing items and for additional details on events that have impacted the Company in the quarter.

FULL YEAR

- Consolidated retail sales¹ were \$18,504.1 million, down \$744.7 million, or 3.9% over the prior year. Consolidated retail sales, excluding Petroleum, decreased 3.1% and consolidated comparable sales were down 2.9%.
- Consolidated Revenue decreased 6.5% to \$16,656.5 million; Revenue (excluding Petroleum) decreased 6.1% compared to the same period last year, with the decline in the Retail segment partially offset by Financial Services growth.
- Consolidated IBT was \$572.8 million and \$967.0 million on a normalized basis¹, with decreases in normalized IBT primarily due to lower Retail segment earnings.
- Diluted EPS was \$3.78, compared to \$17.60 in the prior year. \$5.81 of the variance was attributable to the change in fair value charge related to the Scotiabank transaction announced on October 31, 2023. Normalized diluted EPS was \$10.37.

- Retail Return on Invested Capital (“ROIC”)¹ calculated on a trailing twelve-month basis, was 7.9% at the end of the fourth quarter of 2023, compared to 12.5% at the end of the fourth quarter of 2022, due to both the decrease in earnings and the increase in Average Retail Invested Capital over the prior period.
- Refer to the Company’s Q4 and Full-Year 2023 MD&A section 5.1.1 for information on normalizing items and for additional details on events that have impacted the Company in the quarter.

RETAIL SEGMENT OVERVIEW

FOURTH QUARTER

- Retail sales were \$5,323.4 million, down 7.1%, compared to the fourth quarter of 2022 and Retail sales (excluding Petroleum) were down 6.9%; consolidated comparable sales decreased 6.8%.
- CTR retail sales¹ and comparable sales were down 6.9% and 6.8%, respectively, over the same period last year.
- SportChek retail sales¹ were down 6.8% over the same period last year, and comparable sales were down 6.4%.
- Mark’s retail sales¹ decreased 7.6% over the same period last year, and comparable sales were down 7.2%.
- Helly Hansen revenue was down 9.0%, due to shipment timing compared to the same period in 2022.
- Retail revenue was \$4,070.0 million, a decrease of \$920.9 million, or 18.5%, compared to the prior year; excluding Petroleum, Retail revenue decreased 19.7%. Excluding the unfavourable impact of the MSA timing change², Retail revenue (excluding Petroleum) was down \$704.0 million, and CTR revenue was down \$555.4 million, or 19.1%.
- Retail gross margin was \$1,338.8 million, down 26.7% compared to the fourth quarter of 2022, or down 27.4% excluding Petroleum¹; Retail Gross Margin rate (excluding Petroleum) was 36.1%, or down 88bps excluding the MSA timing change.
- Retail IBT was \$161.7 million, compared to \$642.4 million in the prior year; normalized IBT was \$181.3 million, down \$480.7 million or 72.6%, primarily due to lower Retail revenue and the MSA timing change.
- Refer to the Company’s Q4 and Full-Year 2023 MD&A section 5.1.1 for information on normalizing items and for additional details on events that have impacted the Company in the quarter.

FINANCIAL SERVICES OVERVIEW

FOURTH QUARTER

- GAAR was up 4.7% relative to the prior year, with average active accounts up 1.1%, and average account balances¹ up 3.5% in the quarter.
- Credit card sales¹ declined 0.6%, compared to 4.0% in the same quarter in the prior year.
- Financial Services gross margin was \$181.7 million, an increase of \$1.3 million, or 0.7%, compared to the prior year, mainly due to Revenue growth, partially offset by higher net impairment losses and funding costs.
- Financial Services IBT was \$85.2 million, or a decrease of \$1.6 million, or 1.8% compared to the prior year.
- Refer to the Company's Q4 and Full-Year 2023 MD&A section 5.3.1 and 5.3.2 for additional details on events that have impacted the Company.

CT REIT OVERVIEW

FOURTH QUARTER AND FULL YEAR

- CT REIT added approximately 840,000 square feet to its portfolio during 2023, of which 455,000 was added in Q4, including a new net zero certified distribution centre in Calgary, Alberta. CTC will begin retail operations at the new facility during Q1 of 2024. CT REIT's total gross leasable area was 30.8 million square feet at the end of 2023.
- CT REIT announced one new investment in Q4, comprising the redevelopment of an existing enclosed mall in Winkler, Manitoba, which will require an estimated \$9.1 million to complete.
- For further information, refer to the Q4 2023 CT REIT earnings release issued on February 13, 2024.

CAPITAL ALLOCATION

CAPITAL EXPENDITURES

- Operating capital expenditures¹ were \$615.3 million in 2023, compared to \$747.6 million in 2022, due to delays in real estate projects and a slowed pace of supply chain investments, partly due to operational inefficiencies as a result of the A.J. Billes Distribution Centre fire, and decreased capitalization of IT projects.
- Total capital expenditures were \$683.4 million, compared to \$848.7 million in 2022.
- The Company plans to fund its *Better Connected* strategy, sustain the business, and continue prudent capital management in 2024. The Company has slowed its capital expenditures slightly in response to the returns it expects to generate in a more challenging economic environment. Full-year operating capital expenditures in 2024 are

now expected to be in the range of \$475.0 to \$525.0 million, below the previously disclosed range of \$550.0 to \$600.0 million.

QUARTERLY DIVIDEND

- In addition to the dividend declared in November to be paid on March 1, 2024, the Company declared dividends payable to holders of Class A Non-Voting Shares and Common Shares at a rate of \$1.75 per share, payable on June 1, 2024, to shareholders of record as of April 30, 2024. The dividend is considered an “eligible dividend” for tax purposes.

SHARE REPURCHASES

- On November 9, 2023, the Company announced its intention to repurchase up to \$200 million of its Class A Non-Voting Shares (the “Shares”), in excess of the amount required for anti-dilutive purposes, during 2024 as part of its capital management plan (the “2024 Share Repurchase Intention”). To date, the Company has not repurchased any Shares in fulfillment of its 2024 Share Repurchase Intention.

NORMAL COURSE ISSUER BID

- The Company announced its intention to make a normal course issuer bid to repurchase up to 4,900,000 Shares between March 2, 2024 and March 1, 2025 (the “2024-25 NCIB”), representing approximately 9.8% of the 49,835,699 public float of Shares issued and outstanding as at February 14, 2024. There were 52,197,823 total Shares issued and outstanding as at February 14, 2024.
- The Company intends to repurchase Shares under the 2024-25 NCIB for two purposes: (i) to fulfill the 2024 Share Repurchase Intention; and (ii) to offset the dilutive effect of the issuance of Shares pursuant to its Dividend Reinvestment and Stock Option Plans, consistent with the Company’s policy.
- Repurchases of Shares pursuant to the 2024-25 NCIB will be made by means of open market transactions through the TSX and/or alternative Canadian trading systems, if eligible, at the market price of the Shares at the time of repurchase or as otherwise permitted under the rules of the TSX and applicable securities laws. Repurchases may also be made by way of private agreements or share repurchase programs under issuer bid exemption orders issued by securities regulatory authorities. Any private repurchase made under an exemption order issued by a securities regulatory authority will generally be at a discount to the prevailing market price.
- For open market transactions, the Company will be subject to a daily repurchase limit of 51,459 Shares, which represents 25% of 205,840, the average daily trading volume of the Shares on the TSX, net of repurchases made by the Company through the TSX, for the six months ended January 31, 2024. The Shares repurchased by the Company

pursuant to the 2024-25 NCIB will be restored to the status of authorized but unissued shares.

- The Company's proposed 2024-25 NCIB is subject to TSX acceptance.
- Under the Company's normal course issuer bid which began on March 2, 2023, and expires on March 1, 2024 (the "2023-24 NCIB"), the Company received approval to repurchase up to 5,100,000 Shares. To date, the Company has repurchased 1,602,730 Shares by means of open market transactions through the facilities of the TSX and alternative Canadian trading systems under the Company's 2023-24 NCIB, at the volume weighted average price of \$169.54.

AUTOMATIC SECURITIES PURCHASE PLAN

- The Company announced that it will enter into an Automatic Securities Purchase Plan (the "ASPP") with a designated broker to facilitate repurchases of Shares under its 2024-25 NCIB at times when the Company would ordinarily not be permitted to repurchase its securities due to regulatory restrictions and customary self-imposed black-out periods. Repurchases made pursuant to the ASPP will be made by the Company's designated broker based upon the parameters prescribed by the TSX, applicable Canadian securities laws and the terms of the written agreement between the Company and its designated broker. The ASPP will commence on March 2, 2024 and terminate on the earliest of the date on which: (i) the repurchase limit under the 2024-25 NCIB has been reached; (ii) the 2024-25 NCIB expires; and (iii) the Company terminates the ASPP in accordance with its terms. The ASPP constitutes an "automatic securities purchase plan" under applicable Canadian securities laws. The Company's proposed ASPP is subject to TSX acceptance.

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

This press release contains supplementary financial measures. References below to the Q4 and Full-Year 2023 MD&A mean the Company's Management's Discussion and Analysis for the Fourth Quarter and Full Year, which is available on SEDAR+ at <http://www.sedarplus.ca> 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

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 10.1 of the Company's Q4 and Full-Year 2023 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, except per share amounts)	Q4 2023	Q4 2022	2023	2022
Net income	\$ 197.2	\$ 562.6	\$ 339.1	\$ 1,182.8
Net income attributable to shareholders	172.5	531.9	213.3	1,044.1
Add normalizing items:				
Targeted headcount reduction charge	\$ 15.9	\$ —	\$ 15.9	\$ —
DC fire	—	—	8.4	—
GST/HST-related charge ¹	—	—	24.7	—
Change in fair value of redeemable financial instrument	—	—	328.0	—
Operational Efficiency program	—	14.4	—	34.7
Helly Hansen Russia exit	—	—	—	33.4
Normalized net income	\$ 213.1	\$ 577.0	\$ 716.1	\$ 1,250.9
Normalized net income attributable to shareholders¹	\$ 188.4	\$ 546.3	\$ 585.3	\$ 1,112.2
Normalized diluted EPS	\$ 3.38	\$ 9.34	\$ 10.37	\$ 18.75

¹ \$5.0 million relates to non-controlling interests and is not included in the sum of Normalized net income attributable to shareholders.

Consolidated Normalized Income Before Income Taxes, Retail Normalized Income Before Income Taxes, and Financial Services 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 10.1 of the Company's Q4 2023 MD&A.

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

(C\$ in millions)	Q4 2023	Q4 2022	2023	2022
Income before income taxes	\$ 263.0	\$ 752.2	\$ 572.8	\$ 1,583.8
Add normalizing items:				
Targeted headcount reduction charge	21.6	—	21.6	—
DC fire	—	—	11.3	—
GST/HST-related charge	—	—	33.3	—
Change in fair value of redeemable financial instrument	—	—	328.0	—
Operational Efficiency program	—	19.6	—	47.2
Helly Hansen Russia exit	—	—	—	36.5
Normalized Income before income taxes	\$ 284.6	\$ 771.8	\$ 967.0	\$ 1,667.5

Retail Normalized Income before income taxes is used as an additional measure to assess the Company's underlying operating performance and assists in making decisions regarding the ongoing operations of its business.

The following table reconciles Retail Normalized Income before income taxes to Income before income taxes which is a GAAP measure reported in the consolidated financial statements:

(C\$ in millions)	Q4 2023	Q4 2022	2023	2022
Income before income taxes	\$ 263.0	\$ 752.2	\$ 572.8	\$ 1,583.8
Less: Other operating segments	101.3	109.8	165.8	535.8
Retail Income before income taxes	\$ 161.7	\$ 642.4	\$ 407.0	\$ 1,048.0
Add normalizing items:				
Targeted headcount reduction charge	19.6	—	19.6	—
DC fire	—	—	11.3	—
Operational Efficiency program	—	19.6	—	47.2
Helly Hansen Russia exit	—	—	—	36.5
Retail Normalized Income before income taxes	\$ 181.3	\$ 662.0	\$ 437.9	\$ 1,131.7

Financial Services Normalized Income before income taxes is used as an additional measure to assess the Company's underlying operating performance and assists in making decisions regarding the ongoing operations of its business.

The following table reconciles Financial Services Normalized Income before income taxes to Income before income taxes which is a GAAP measure reported in the consolidated financial statements:

(C\$ in millions)	Q4 2023	Q4 2022	2023	2022
Income before income taxes	\$ 263.0	\$ 752.2	\$ 572.8	\$ 1,583.8
Less: Other operating segments	177.8	665.4	187.8	1,142.2
Financial Services Income before income taxes	\$ 85.2	\$ 86.8	\$ 385.0	\$ 441.6
Add normalizing items:				
Targeted headcount reduction charge	2.0	—	2.0	—
GST/HST-related charge	—	—	33.3	—
Financial Services Normalized Income before income taxes	\$ 87.2	\$ 86.8	\$ 420.3	\$ 441.6

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 12-month 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 10.1 of the Company's Q4 2023 MD&A.

(C\$ in millions, except where noted)	2023	2022
Income before income taxes	\$ 572.8	\$ 1,583.8
Less: Other operating segments	165.8	535.8
Retail Income before income taxes	\$ 407.0	\$ 1,048.0
Add normalizing items:		
Operational Efficiency program	—	47.2
Helly Hansen Russia exit	—	36.5
Targeted headcount reduction-related charge	19.6	—
DC fire	11.3	—
Retail Normalized Income before income taxes	\$ 437.9	\$ 1,131.7
Less:		
Retail intercompany adjustments ¹	213.2	207.1
Add:		
Retail interest expense ²	323.5	246.7
Retail depreciation of right-of-use assets	622.7	589.4
Retail effective tax rate	28.4 %	25.9 %
Add: Retail taxes	(332.2)	(456.4)
Retail return	\$ 838.7	\$ 1,304.3
Average total assets	\$ 22,173.6	\$ 21,734.5
Less: Average assets in other operating segments	4,421.3	4,413.5
Average Retail assets	\$ 17,752.3	\$ 17,321.0
Less:		
Average Retail intercompany adjustments ¹	3,722.2	3,534.8
Average Retail trade payables and accrued liabilities ³	2,841.2	2,924.5
Average Franchise Trust assets	517.0	458.0
Average Retail excess cash	—	—
Average Retail invested capital	\$ 10,671.9	\$ 10,403.7
Retail ROIC	7.9 %	12.5 %

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 used to assess the resources used to maintain capital assets at their productive capacity. Operating capital expenditures is most directly comparable to the Total additions, a GAAP measure reported in the consolidated financial statements.

(C\$ in millions)	2023	2022
Total additions ^{1,2}	\$ 668.6	\$ 735.1
Add: Accrued additions	14.8	113.6
Less: CT REIT acquisitions and developments excluding vend-ins from CTC	68.1	101.1
Operating capital expenditures	\$ 615.3	\$ 747.6

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

² Certain prior year figures have been restated to conform to the current year presentation.

B. Supplementary Financial Measures and Ratios

The measures below are supplementary financial measures. See Section 10.2 (Supplementary Financial Measures) of the Company's Q4 and Full-Year 2023 MD&A for information on the composition of these measures.

- Consolidated retail sales
- Consolidated comparable sales
- Revenue (excluding Petroleum)
- Retail revenue (excluding Petroleum)
- Retail sales and retail sales (excluding Petroleum)
- Canadian Tire Retail comparable and retail sales
- SportChek comparable and retail sales
- Mark's comparable and retail sales
- Retail gross margin (excluding Petroleum)
- Retail gross margin rate (excluding Petroleum)
- Gross Average Accounts Receivables
- Loyalty sales
- Owned Brands sales penetration
- Retail gross margin rate
- Consolidated retail sales excluding Petroleum
- Average account balance
- Credit card sales

2) Change in Accounting Estimate (the "MSA timing change")

The Company's contract with its Dealers governs how margin and expenses are shared between the two groups.

Beginning in the first quarter of 2023, the Company implemented a change to accounting estimates associated with one component of the contract, the Margin Sharing Arrangement with the Dealers. The Company already records a portion of its margin relating to revenue and margin

on shipments to its Dealers in the quarter incurred, but the majority of the MSA has historically been accrued in the fourth quarter of every year.

Effective with the first quarter of 2023, the Company began to record the MSA throughout the year to better reflect the pattern over which the MSA is earned. This change simply reflects a change in the timing of this revenue and will result in less quarterly fluctuation in Retail segment gross margin and income before income taxes throughout the year.

In the fourth quarter of 2023, the unfavourable impact to Revenue in the Retail segment due to the change in accounting estimate relating to the Company's MSA with its Dealers was \$171.0 million. Excluding this impact, Consolidated fourth quarter Revenue was down \$726.4 million, Consolidated Income before income taxes was down \$318.2 million and Retail segment Gross margin rate excluding Petroleum was down 88 bps.

FORWARD-LOOKING STATEMENTS

This press release contains information that may constitute forward-looking information within the meaning of applicable securities laws. Forward-looking information provides insights regarding Management's current expectations and plans and allows investors and others to better understand the Company's anticipated financial position, results of operations and operating environment. Readers are cautioned that such information may not be appropriate for other purposes. Although the Company believes that the forward-looking information in this press release is based on information, assumptions and beliefs that are current, reasonable, and complete, such information is necessarily subject to a number of business, economic, competitive and other risk factors that could cause actual results to differ materially from Management's expectations and plans as set forth in such forward-looking information. The Company cannot provide assurance that any financial or operational performance, plans, or aspirations forecast will actually be achieved or, if achieved, will result in an increase in the Company's share price. For information on the material risk factors and uncertainties and the material factors and assumptions applied in preparing the forward-looking information that could cause the Company's actual results to differ materially from predictions, forecasts, projections, expectations or conclusions, refer to section 14.0 (Forward-Looking Information and Other Investor Communications) of our Management's Discussion and Analysis for the Fourth Quarter and Full-Year ended December 30, 2023 as well as CTC's other public filings, available at <http://www.sedar.com> and at <https://investors.canadiantire.ca>. The Company 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 February 15, 2024. 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 Company's close to 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: Stephanie Nadalin, (647) 271-7343, stephanie.nadalin@cantire.com

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

Consolidated Balance Sheets (unaudited)

As at (C\$ in millions)	December 30, 2023	December 31, 2022
ASSETS		
Cash and cash equivalents	\$ 311.2	\$ 331.3
Short-term investments	177.2	176.3
Trade and other receivables	1,151.3	1,309.9
Loans receivable	6,568.3	6,271.1
Merchandise inventories	2,693.7	3,216.1
Income taxes recoverable	125.9	27.4
Prepaid expenses and deposits	246.6	195.7
Assets classified as held for sale	18.9	2.6
Total current assets	11,293.1	11,530.4
Long-term receivables and other assets	645.8	676.7
Long-term investments	108.2	62.6
Goodwill and intangible assets	2,254.7	2,341.6
Investment property	443.7	421.5
Property and equipment	5,219.5	4,994.1
Right-of-use assets	1,933.8	1,932.0
Deferred income taxes	79.5	143.4
Total assets	\$ 21,978.3	\$ 22,102.3
LIABILITIES		
Bank indebtedness	\$ —	\$ 5.0
Deposits	1,041.7	1,226.3
Trade and other payables	2,689.4	3,200.9
Provisions	219.9	197.2
Short-term borrowings	965.7	576.2
Loans	519.9	472.9
Current portion of lease liabilities	378.5	381.2
Income taxes payable	13.4	47.1
Current portion of long-term debt	560.5	1,040.2
Total current liabilities	6,389.0	7,147.0
Long-term provisions	59.8	66.1
Long-term debt	4,404.0	3,217.5
Long-term deposits	2,322.6	1,739.4
Long-term lease liabilities	1,986.0	2,026.4
Deferred income taxes	182.1	132.1
Other long-term liabilities	190.0	734.6
Total liabilities	15,533.5	15,063.1
EQUITY		
Share capital	598.7	587.8
Contributed surplus	2.9	2.9
Accumulated other comprehensive (loss)	(181.8)	(42.4)
Retained earnings	5,128.2	5,070.2
Equity attributable to shareholders of Canadian Tire Corporation	5,548.0	5,618.5
Non-controlling interests	896.8	1,420.7
Total equity	6,444.8	7,039.2
Total liabilities and equity	\$ 21,978.3	\$ 22,102.3

Consolidated Statements of Income (unaudited)

For the (C\$ in millions, except per share amounts)	13 weeks ended		52 weeks ended	
	December 30, 2023	December 31, 2022	December 30, 2023	December 31, 2022
Revenue	\$ 4,443.0	\$ 5,340.4	\$ 16,656.5	\$ 17,810.6
Cost of producing revenue	2,906.2	3,322.0	10,952.9	11,712.7
Gross margin	1,536.8	2,018.4	5,703.6	6,097.9
Other expense (income)	3.2	0.2	34.4	61.6
Selling, general and administrative expenses ¹	983.5	1,012.0	3,675.7	3,502.5
Depreciation and amortization ¹	196.3	188.1	771.2	719.0
Net finance costs (income)	90.8	65.9	321.5	231.0
Change in fair value of redeemable financial instrument	—	—	328.0	—
Income before income taxes	263.0	752.2	572.8	1,583.8
Income tax expense (recovery)	65.8	189.6	233.7	401.0
Net income	\$ 197.2	\$ 562.6	\$ 339.1	\$ 1,182.8
Net income attributable to:				
Shareholders of Canadian Tire Corporation	\$ 172.5	\$ 531.9	\$ 213.3	\$ 1,044.1
Non-controlling interests	24.7	30.7	125.8	138.7
	\$ 197.2	\$ 562.6	\$ 339.1	\$ 1,182.8
Basic earnings per share	\$ 3.10	\$ 9.13	\$ 3.79	\$ 17.70
Diluted earnings per share	\$ 3.09	\$ 9.09	\$ 3.78	\$ 17.60
Weighted average number of Common and Class A Non-Voting Shares outstanding:				
Basic	55,623,542	58,237,893	56,228,680	58,983,364
Diluted	55,761,553	58,499,745	56,457,450	59,336,919

¹ Certain prior-year figures have been restated to conform to the current-year presentation.

Consolidated Statements of Comprehensive Income (unaudited)

For the (C\$ in millions)	13 weeks ended		52 weeks ended	
	December 30, 2023	December 31, 2022	December 30, 2023	December 31, 2022
Net income	\$ 197.2	\$ 562.6	\$ 339.1	\$ 1,182.8
Other comprehensive income (loss), net of taxes				
Items that may be reclassified subsequently to Net income (loss):				
Net fair value gains (losses) on hedging instruments entered into for cash flow hedges not subject to basis adjustment	(57.6)	(8.2)	(38.4)	77.1
Deferred cost of hedging not subject to basis adjustment – Changes in fair value of the time value of an option in relation to time-period related hedged items	10.4	(8.6)	38.5	4.1
Reclassification of losses (gains) to income	(0.6)	—	0.8	5.7
Currency translation adjustment	21.9	71.4	(51.1)	(26.0)
Item that will not be reclassified subsequently to Net income (loss):				
Actuarial (losses) gains	(6.4)	41.3	(6.4)	41.3
Net fair value (losses) gain on hedging instruments entered into for cash flow hedges subject to basis adjustment	(45.1)	(39.6)	(7.2)	165.8
Other comprehensive income (loss)	(77.4)	56.3	(63.8)	268.0
Other comprehensive income (loss) attributable to:				
Shareholders of Canadian Tire Corporation	\$ (77.9)	\$ 58.3	\$ (74.0)	\$ 249.2
Non-controlling interests	0.5	(2.0)	10.2	18.8
	\$ (77.4)	\$ 56.3	\$ (63.8)	\$ 268.0
Comprehensive income	\$ 119.8	\$ 618.9	\$ 275.3	\$ 1,450.8
Comprehensive income attributable to:				
Shareholders of Canadian Tire Corporation	\$ 94.6	\$ 590.2	\$ 139.3	\$ 1,293.3
Non-controlling interests	25.2	28.7	136.0	157.5
	\$ 119.8	\$ 618.9	\$ 275.3	\$ 1,450.8

Consolidated Statements of Cash Flows (unaudited)

For the (C\$ in millions)	13 weeks ended		52 weeks ended	
	December 30, 2023	December 31, 2022	December 30, 2023	December 31, 2022
Cash (used for) generated from:				
Operating activities				
Net income	\$ 197.2	\$ 562.6	\$ 339.1	\$ 1,182.8
Adjustments for:				
Depreciation of property and equipment, investment property and right-of-use assets	170.6	162.2	675.2	621.0
Impairment on property and equipment, investment property and right-of-use assets	4.2	3.1	6.3	3.1
Income taxes	65.8	189.6	233.7	401.0
Net finance costs	90.8	65.9	321.5	231.0
Amortization of intangible assets	32.6	32.1	127.0	122.5
(Gain) loss on disposal of property and equipment, investment property, assets held for sale and right-of-use assets	(1.2)	(13.7)	(2.7)	(22.1)
Change in fair value of redeemable financial instrument	—	—	328.0	—
Non-cash loss on exit of Helly Hansen operations in Russia	—	—	—	20.8
Non-cash charge related to fire at A.J. Billes Distribution Centre	(1.6)	—	53.2	—
Total except as noted below	558.4	1,001.8	2,081.3	2,560.1
Interest paid	(64.0)	(67.2)	(366.1)	(254.6)
Interest received	9.8	6.1	38.8	21.3
Income taxes paid	(38.0)	(80.2)	(210.5)	(529.3)
Change in loans receivable	(189.4)	(196.0)	(289.3)	(657.1)
Change in operating working capital and other ¹	593.1	246.7	99.5	(673.9)
Cash generated from operating activities	869.9	911.2	1,353.7	466.5
Investing activities				
Additions to property and equipment and investment property ¹	(258.0)	(161.7)	(580.9)	(612.5)
Additions to intangible assets	(14.0)	(34.1)	(87.7)	(122.6)
Total additions	(272.0)	(195.8)	(668.6)	(735.1)
Acquisition of short-term investments	(89.9)	(32.2)	(210.9)	(166.9)
Proceeds from the maturity and disposition of short-term investments	97.0	63.5	269.9	713.1
Proceeds on disposition of property and equipment, investment property and assets held for sale	0.1	(0.5)	0.1	5.2
Lease payments received for finance subleases (principal portion)	4.5	3.7	19.8	16.3
Acquisition of long-term investments and other	(103.9)	—	(110.9)	(17.4)
Change in Franchise Trust loans receivable	11.2	(21.0)	(47.2)	(45.6)
Cash used for investing activities	(353.0)	(182.3)	(747.8)	(230.4)
Financing activities				
Dividends paid	(88.7)	(89.4)	(360.8)	(325.8)
Distributions paid to non-controlling interests	(38.6)	(41.8)	(142.1)	(143.0)
Net issuance of short-term borrowings	(286.0)	(263.9)	389.6	468.0
Issuance of loans	31.9	55.4	270.5	267.8
Repayment of loans	(43.2)	(34.4)	(223.3)	(222.2)
Issuance of long-term debt	650.0	—	1,750.0	700.0
Repayment of long-term debt	(0.1)	(0.1)	(1,040.1)	(720.1)
Payment of lease liabilities (principal portion)	(93.0)	(86.9)	(425.2)	(357.2)
Payment of transaction costs relating to long-term debt	(1.8)	(0.6)	(6.0)	(3.7)
Purchase of Class A Non-Voting Shares	(7.6)	(127.6)	(376.1)	(425.4)
Repurchase of Scotiabank's 20 percent interest in CTFS Holdings Limited	(904.5)	—	(904.5)	—
Net receipts (payments) on financial instruments	3.5	2.4	53.5	32.6
Change in deposits	113.5	(118.6)	393.5	(932.5)
Cash used for financing activities	(664.6)	(705.5)	(621.0)	(1,661.5)
Cash generated (used) in the period	(147.7)	23.4	(15.1)	(1,425.4)
Cash and cash equivalents, net of bank indebtedness, beginning of period	458.9	302.9	326.3	1,751.7
Cash and cash equivalents, net of bank indebtedness, end of period	\$ 311.2	\$ 326.3	\$ 311.2	\$ 326.3

¹ Certain prior year figures have been restated to conform to the current year presentation.