



Canadian Tire Corporation Reports Strong Second Quarter 2025 Results

Toronto, August 7, 2025 – Canadian Tire Corporation, Limited (TSX:CTC, TSX: CTC.A) (CTC or the Company) today announced results for its second quarter ended June 28, 2025.

- Consolidated comparable sales¹ growth was 5.6%, led by Canadian Tire Retail (CTR) up 6.4%.
- Retail Revenue up 5.3% and up 9.0% excluding Petroleum¹.
- Diluted Earnings Per Share (EPS) was \$2.04, including a discontinued operations loss of \$1.03; Q2 Normalized Diluted Earnings Per Share¹ from Continuing Operations was \$3.57.

"In Q2, Canadians came to us for the great seasonal products and value they were seeking, driving strong sales and revenue growth. In a dynamic consumer environment, customers continued to turn to us for the items they need for life in Canada," said Greg Hicks, President and CEO, Canadian Tire Corporation.

"Our True North strategy is underway and moving at pace. Since March, we have rolled out new store concepts, invested in transformative technology, expanded Triangle Rewards loyalty partnerships, and secured the considerable privilege of stewarding HBC's great Canadian brands forward. Our team is committed to our Canadian prosperity, and I celebrate their efforts."

SECOND-QUARTER HIGHLIGHTS

- Consolidated comparable sales were up 5.6%, with growth in all banners and provinces led by CTR in Western Canada.
 - CTR comparable sales¹ were up 6.4% in the Company's most discretionary quarter, with strong growth across CTR's four largest divisions. Being ready for spring/summer drove growth of more than 8% in Seasonal and Gardening. Automotive grew for the 20th consecutive quarter.
 - SportChek delivered its fourth consecutive quarter of comparable sales¹ growth, up 3.9%, driven by sales of footwear and hardgoods categories, such as golf.
 - Mark's comparable sales¹ were up 1.0%. Industrial footwear and workwear categories grew, partially offset by softer casualwear and outerwear sales.
- Loyalty sales outpaced non-loyalty sales growth in the quarter; both saw strong growth as Canadians made more trips to CTC banners.
- Retail Revenue was up 5.3% or 9.0% excluding Petroleum, as the business responded to sales growth.
- Diluted EPS was \$2.04, down \$1.52 mainly due to the \$1.03 loss on discontinued

operations for results up to the May 31st completion of the Helly Hansen sale and expenses related to the Company's True North transformation.

- Normalized for the True North expenses, Diluted EPS (Continuing Operations) was \$3.57, down \$0.15. Normalized IBT¹ was down \$10.9 million to \$296.0 million. Growth in normalized retail IBT of \$17.6 million was more than offset by lower income from other segments, including lower Financial Services IBT due to investments in the business.
- Retail Return on Invested Capital (ROIC),¹ calculated on a trailing twelve-month basis, was 10.3%, compared to 9.0% at the end of Q2 2024. This was driven by increased earnings and lower invested capital.

STRATEGIC HIGHLIGHTS

- During Q1 2025, CTC launched its True North transformative growth strategy, designed to drive core retail growth through four strategic cornerstones: disciplined capital investments in digital and store experiences; an expanded Triangle Rewards loyalty system; more personalized and data-driven customer relationships; and a more agile, tech-driven and efficient operating company.
- The transformation is underway, with progress on a number of fronts.
 - At the end of June, 21 of the 54 store enhancement projects planned for 2025 had been completed across eight provinces and territories, with store enhancement representing approximately \$116 million of operating capital expenditure¹ in the first half. Projects completed included:
 - 14 CTR store refreshes, including a store relocation in Kingston, Ontario.
 - Five Mark's store refreshes, including its ninth *Bigger, Better, Bolder* store in Ancaster, Ontario.
 - SportChek's second Destination Sport store in Toronto, Ontario.
 - The Company also extended its PHL presence into Saskatchewan, with the opening of a new store in Regina.
 - The revised go-to-market strategy for its Atmosphere business is well underway with 15 of 17 previous stand-alone sites now co-located within SportChek stores.
 - The expansion of Triangle Rewards remains on track, with the expected launch of loyalty partnerships with RBC (announced in March 2025) and WestJet (announced in May 2025) by the first half of 2026.
 - The Company's Owned Brands portfolio continues to be a fundamental element to its core retail portfolio and product assortment. On May 15, 2025, the Company entered into a definitive agreement to become the home of iconic Canadian brands and other intellectual property of the Hudson's Bay Company (HBC). This includes the HBC Stripes and various HBC company names, logos, designs, Coat of Arms and brand trademarks.

- The previously-announced investments for the initiatives that underpin the True North strategy are underway, as is the implementation of the previously-announced operating structure to drive increased agility and efficiency. The reorganization of corporate teams under the new structure is expected to be completed by the end of Q3 2025, with initial savings beginning in Q4 2025.

CONSOLIDATED OVERVIEW

Unless otherwise indicated, all financial information represents the Company's results from continuing operations. The Helly Hansen results, net of intersegment results, have been presented separately as discontinued operations up to the date of sale on May 31, 2025, in the current and comparative results.

SECOND QUARTER

- Revenue was \$4,201.9 million, up 5.2% compared to \$3,995.4 million in the same period last year; Revenue excluding Petroleum¹ was \$3,733.5 million, an increase of 8.4% compared to the prior year.
- Consolidated IBT was \$258.3 million, down \$48.6 million compared to the prior year. On a normalized basis, consolidated IBT was down \$10.9 million.
- Diluted EPS on a normalized basis was \$3.57, compared to \$3.72 in the prior year.
- Diluted EPS for discontinued operations was \$(1.03) in Q2 2025, compared to \$(0.16) in Q2 2024.
- Refer to the Company's Q2 2025 MD&A section 4.1.1 for information on normalizing items and additional details on events that have impacted the Company in the quarter.

RETAIL SEGMENT OVERVIEW

- Retail sales¹ were \$5,161.7 million, up 3.2% compared to the second quarter of 2024. Retail sales excluding Petroleum¹ and consolidated comparable sales were both up 5.6%.
- CTR retail sales¹ were up 6.4% and comparable sales were up 6.4% over the same period last year.
- SportChek retail sales¹ increased 3.3% over the same period last year, and comparable sales were up 3.9%.
- Mark's retail sales¹ increased 1.8% over the same period last year, and comparable sales were up 1.0%.
- Retail revenue was \$3,810.3 million, an increase of \$192.8 million, or 5.3%, compared to the prior year; Retail revenue excluding Petroleum was up 9.0%.

- Retail gross margin was \$1,214.8 million, up 5.8% compared to the second quarter of the prior year, and up 6.2% excluding Petroleum¹; Retail gross margin rate excluding Petroleum¹ decreased 90 bps to 34.8%, primarily due to unfavourable banner sales and shipment mix, and incremental Q1 purchases made during a period of Canadian dollar weakness, resulting in product cost headwinds this quarter.
- Retail SG&A was \$779.6 million, an increase of \$83.5 million, primarily due to increased IT and IT-related investments in the True North initiatives, higher variable compensation, as well as inflationary and volume-related increases to support growth.
- Retail segment IBT was \$161.1 million in Q2 2025 or \$198.8 million on a normalized basis¹, compared to \$181.2 million in the prior year.
- Refer to the Company's Q2 2025 MD&A sections 4.2.1 for information on normalizing items and additional details on events that have impacted the Retail segment in the quarter.

FINANCIAL SERVICES OVERVIEW

- Financial Services segment IBT was \$74.1 million compared to \$88.5 million in the prior year, mainly as a result of increased infrastructure and True North investments, which more than offset higher gross margin dollars.
- Revenue was up 2.3%, partially offset by higher net impairment losses, as expected.
- Gross Average Accounts Receivable¹ was up 1.7% relative to the prior year, driven by continued cardholder engagement that led to a 2.0% increase in average account balance¹, with credit card sales growth¹ up 3.9%.
- Refer to the Company's Q2 2025 MD&A section 4.3.1 and 4.3.2 for additional details on events that have impacted the Financial Services segment in the quarter.

CT REIT OVERVIEW

- Diluted Adjusted Funds from Operations¹ (AFFO) per unit was up 1.6% compared to Q2 2024; diluted net income per unit was \$0.365, compared to \$0.346 in Q2 2024.
- Announced two new investments totaling \$66 million, which are expected to add approximately 252,000 square feet of incremental gross leasable area upon completion.

- For further information, refer to the Q2 2025 CT REIT earnings release issued on August 5, 2025.

CAPITAL ALLOCATION

CAPITAL EXPENDITURES

- Total capital expenditures were \$114.1 million, compared to \$139.8 million in Q2 2024.
- Operating capital expenditures were \$103.0 million in the quarter, compared to \$128.1 million in Q2 2024.
- 2025 operating capital expenditures are expected to be within the Company's previously disclosed range of \$525.0 million to \$575.0 million.

QUARTERLY DIVIDEND

- On August 6, 2025, the Company's Board of Directors declared a dividend of \$1.775 per share, payable on December 1, 2025, to shareholders of record as of October 31, 2025. The dividend is considered an "eligible dividend" for tax purposes.

SHARE REPURCHASES

- On November 7, 2024, the Company announced its intention to repurchase up to \$200 million of its Class A Non-Voting Shares, in excess of the amount required for anti-dilutive purposes, in 2025.
- On March 6, 2025, as part of the announcement of its True North strategy, the Company increased its share repurchase intention to up to \$400 million in 2025, subject to the completion of the sale of Helly Hansen (the 2025 Share Purchase Intention); repurchases will be made under the 2025-26 NCIB.
- At the end of Q2, the Company had repurchased a total of 1,551,328 shares for \$250.1 million under the 2025 Share Purchase Intention.

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 Q2 2025 MD&A mean the Company's Management's Discussion and Analysis for the Second Quarter ended June 28, 2025, 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 9.1 of the Company's Q2 2025 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)	Q2 2025	Q2 2024	YTD Q2 2025	YTD Q2 2024
Net income	\$ 188.3	\$ 232.4	\$ 235.3	\$ 311.5
Net income attributable to shareholders	168.2	207.7	195.5	267.6
Add normalizing items, net of tax:				
Restructuring costs	—	—	70.3	—
Other transformation and advisory costs	27.7	—	41.5	—
Normalized Net income	\$ 216.0	\$ 232.4	\$ 347.1	\$ 311.5
Normalized Net income attributable to shareholders	\$ 195.9	\$ 207.7	\$ 307.3	\$ 267.6
Normalized Diluted EPS	\$ 3.57	\$ 3.72	\$ 5.56	\$ 4.80

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 Q2 2025 MD&A.

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

(C\$ in millions)	Q2 2025	Q2 2024	YTD Q2 2025	YTD Q2 2024
Income before income taxes	\$ 258.3	\$ 306.9	\$ 309.9	\$ 409.8
Add normalizing items:				
Restructuring costs	—	—	95.4	—
Other transformation and advisory costs	37.7	—	56.4	—
Normalized Income before income taxes	\$ 296.0	\$ 306.9	\$ 461.7	\$ 409.8

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

			YTD	YTD
(C\$ in millions)	Q2 2025	Q2 2024	Q2 2025	Q2 2024
Income before income taxes	\$ 258.3	\$ 306.9	\$ 309.9	\$ 409.8
Less: Other operating segments	97.2	125.7	212.0	246.9
Retail Income (loss) before income taxes	\$ 161.1	\$ 181.2	\$ 97.9	\$ 162.9
Add normalizing items:				
Restructuring costs	—	—	95.4	—
Other transformation and advisory costs	37.7	—	56.4	—
Retail Normalized Income before income taxes	\$ 198.8	\$ 181.2	\$ 249.7	\$ 162.9

CT REIT Adjusted Funds from Operations and AFFO per unit

AFFO per unit, a non-GAAP ratio, is calculated by dividing AFFO by the weighted average number of units outstanding on a diluted basis. AFFO is a non-GAAP financial measure. The following table reconciles GAAP Income before income taxes to FFO and further reconciles FFO to AFFO:

			YTD	YTD
(C\$ in millions)	Q2 2025	Q2 2024	Q2 2025	Q2 2024
Income before income taxes	\$ 258.3	\$ 306.9	\$ 309.9	\$ 409.8
Less: Other operating segments	155.1	203.6	101.2	205.4
CT REIT income before income taxes	\$ 103.2	\$ 103.3	\$ 208.7	\$ 204.4
Add:				
CT REIT fair value (gain) loss adjustment	(23.6)	(22.9)	(48.4)	(46.6)
CT REIT deferred taxes	0.8	(0.2)	0.6	0.8
CT REIT lease principal payments on right-of-use assets	(0.1)	(0.2)	(0.3)	(0.4)
CT REIT fair value of equity awards	0.8	(0.8)	1.0	(1.2)
CT REIT internal leasing expense	0.1	0.2	0.7	0.6
CT REIT funds from operations	\$ 81.2	\$ 79.4	\$ 162.3	\$ 157.6
Less:				
CT REIT properties straight-line rent revenue	(1.7)	(1.3)	(3.6)	(2.5)
CT REIT direct leasing costs	0.2	0.2	0.4	0.5
CT REIT capital expenditure reserve	6.6	6.2	13.4	12.7
CT REIT adjusted funds from operations	\$ 76.1	\$ 74.3	\$ 152.1	\$ 146.9

Diluted FFO per unit and Diluted AFFO per unit

Diluted FFO per unit and Diluted AFFO per unit are calculated by dividing FFO or AFFO by the weighted average number of units outstanding on a diluted basis. Management believes that these measures are useful to investors to assess the effect of this measure as it relates to their holdings.

(C\$ in millions)	Q2 2025	Q2 2024	Change	YTD Q2 2025	YTD Q2 2024	Change
CT REIT funds from operations	\$ 81.2	\$ 79.4	2.3 %	\$ 162.3	\$ 157.6	3.0 %
Weighted average number of units outstanding on a diluted basis ¹	237.7	235.8		237.6	235.9	
Diluted CT REIT funds from operations per unit	\$ 0.342	\$ 0.337	1.5 %	\$ 0.683	\$ 0.668	2.2 %

¹ Diluted units include restricted and deferred units issued under various plans and exclude the effects of settling

(C\$ in millions)	Q2 2025	Q2 2024	Change	YTD Q2 2025	YTD Q2 2024	Change
CT REIT adjusted funds from operations	\$ 76.1	\$ 74.3	2.4 %	\$ 152.1	\$ 146.9	3.6 %
Weighted average number of units outstanding on a diluted basis ¹	237.7	235.8		237.6	235.9	
Diluted CT REIT adjusted funds from operations per unit	\$ 0.320	\$ 0.315	1.6 %	\$ 0.640	0.623	2.7 %

¹ Diluted units include restricted and deferred units issued under various plans and exclude the effects of settling the Class C LP Units with Class B LP Units.

Retail Return on Invested Capital (ROIC)

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 9.1 of the Company's Q2 2025 MD&A.

(C\$ in millions)	Rolling 12 months ended	
	Q2 2025	Q2 2024
Income before income taxes	\$ 1,075.1	\$ 701.9
Less: Other operating segments	439.0	178.3
Retail Income before income taxes	\$ 636.1	\$ 523.6
Add normalizing items:		
Restructuring costs	95.4	—
Other transformation and advisory costs	56.4	—
Gain on sale of Brampton DC, net of inventory write-down	(222.9)	—
Expenses related to the strategic review of CTFS	8.7	—
DC fire	—	(111.4)
Retail Normalized Income before income taxes	\$ 573.8	\$ 412.2
Less:		
Retail intercompany adjustments ¹	220.2	214.9
Add:		
Retail interest expense ²	305.9	340.0
Retail depreciation of right-of-use assets	567.5	586.9
Retail effective tax rate	25.3 %	26.4 %
Add: Retail taxes	(310.5)	(296.2)
Retail return	\$ 916.5	\$ 827.9
Average total assets from continuing operations	\$ 21,132.6	\$ 20,751.8
Less: Average assets in other operating segments	4,361.7	4,350.0
Average Retail assets from continuing operations	\$ 16,771.0	\$ 16,401.8
Less:		
Average Retail intercompany adjustments ¹	4,411.1	4,140.3
Average Retail trade payables and accrued liabilities ³	2,789.1	2,527.5
Average Franchise Trust assets	557.3	560.1
Average Retail excess cash	123.2	—
Average Retail invested capital	\$ 8,890.2	\$ 9,173.9
Retail ROIC	10.3 %	9.0 %

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 Q2 2025 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)	Q2 2025	Q2 2024	YTD Q2 2025	YTD Q2 2024
Total additions ¹	\$ 140.4	\$ 152.7	\$ 237.3	\$ 269.3
Add: Change in accrued additions and other non-cash items	3.7	(12.9)	22.7	(6.8)
Less:				
Acquisition of Hudson's Bay Company intellectual property	30.0	—	30.0	—
CT REIT acquisitions and developments excluding vend-ins from CTC	11.1	11.7	16.6	14.0
Operating capital expenditures	\$ 103.0	\$ 128.1	\$ 213.4	\$ 248.5

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 Q2 2025 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 and retail gross margin rate (excluding Petroleum)
- Gross Average Accounts Receivables
- Average account balance
- Credit card sales growth

FORWARD-LOOKING STATEMENTS

This press release contains information that may constitute forward-looking information within the meaning of applicable securities laws, which reflect management's current expectations regarding future events and the Company's True North strategy. All statements other than statements of historical facts contained in this press release may constitute forward-looking information, including but not limited to, information with respect to: the impacts of the Company's True North strategy; the planned launch of loyalty partnerships with RBC and WestJet; the Company's 2025 operating capital expenditure expectations, including planned investments in stores; and the Company's intention to repurchase its Class A Non-Voting Shares. Readers are cautioned that such information may not be appropriate for other purposes. Often, but not always, forward-looking information can be identified by the use of forward-looking terminology such as "may", "will", "expect", "intend", "believe", "estimate", "plan", "can", "could", "should", "would", "outlook", "target", "forecast", "anticipate", "aspire", "foresee", "continue", "ongoing" or the negative of these terms or variations of them or similar terminology. Although the Company believes that the forward-looking information in this press release is based on information, estimates and assumptions that are reasonable, such information is necessarily subject to a number of risks, uncertainties and other factors that could cause actual results to differ materially from those expressed or implied in such forward-looking information. For information on the material risks, uncertainties, factors and assumptions that could cause the Company's actual results to differ materially from the forward-looking information, refer to section 14.0 (Caution Regarding Forward-Looking Information) of the Company's Q2 MD&A, available on the SEDAR+ website at <http://www.sedarplus.ca> and <https://investors.canadiantire.ca>. The Company does not undertake to update any forward-looking information, whether written or oral, except as is required by applicable 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 Thursday, August 7, 2025. 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, "CTC") has been a proudly Canadian business since 1922. Guided by its brand purpose, "We are here to make life in Canada better," CTC has built an expansive national retail presence, exceptional customer brand trust and one of Canada's strongest workforces – employing, along with its local Dealers and franchisees, tens of thousands of Canadians. At its core are retail businesses, each designed to serve life's pursuits: Canadian Tire, offering products spanning Living, Playing, Fixing, Automotive, and Seasonal & Gardening, bolstered by its PartSource and Party City banners; Mark's, a leading source for casual and industrial wear; SportChek, Hockey Experts, Sports Experts and Atmosphere, offering the best brands of active wear and gear; and Pro Hockey Life, a hockey specialty store catering to elite players. CTC's banners, brand partners and credit card offerings are unified through its Triangle Rewards loyalty program – a linchpin of CTC's customer-

driven strategy. With nearly 12 million members, Triangle integrates first-party data to deliver valuable rewards and personalized experiences across nearly 1,700 retail and gasoline outlets. CTC also operates a retail petroleum business and a Financial Services business and holds a majority interest in CT REIT, a TSX-listed Canadian real estate investment trust. For more information, visit Corp.CanadianTire.ca.

FOR MORE INFORMATION

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