



Canadian Tire Corporation Reports First Quarter 2026 Results

Toronto, May 14, 2026 – Canadian Tire Corporation, Limited (TSX:CTC, TSX: CTC.A) (CTC or the Company) today announced results for its first quarter ended April 4, 2026.

- Consolidated Revenue growth was 3.3%; Retail Revenue growth was 2.9% and 5.0% excluding Petroleum¹, driven by SportChek and CTR.
- Consolidated Comparable sales¹ were down 1.0%, and up 3.7% on a two-year stack basis.
- Financial Services receivables (GAAR)¹ increased 3.1% on continued cardholder engagement.
- Diluted EPS was \$2.02, compared to \$0.67, or \$2.00 on a normalized continuing operations basis¹ in Q1 2025.

“In Q1, we delivered continued sales growth at SportChek and Mark’s and grew retail revenue as we positioned the business for spring demand,” said Greg Hicks, President and CEO, Canadian Tire Corporation.

“Canadian consumers remain resilient but selective, clearly prioritizing value, but not at the expense of quality products and shopping experiences. Our True North strategy has us squarely focused on modernizing around those needs.”

FIRST-QUARTER HIGHLIGHTS

- Consolidated Comparable sales were down 1.0%, with growth at SportChek and Mark’s offset by a decline at CTR.
 - CTR Comparable sales¹ were down 2.3%. Fixing categories grew, while Seasonal and Gardening led the decline. Western Canada outperformed, with seasonal weakness impacting Ontario and Quebec. Automotive retail sales were up for the 23rd consecutive quarter.
 - SportChek Comparable sales¹ were up 3.3%, marking the seventh consecutive quarter of sales growth. The quarter saw strong performance from fanwear, athletic footwear and hard goods.
 - Mark’s Comparable sales¹ were up 1.2% on higher casualwear sales. New-concept Bigger Bolder Better (BBB) stores remained a key driver.
- Loyalty sales outpaced non-loyalty sales, reflecting growth in active Triangle Rewards members, including increasing contributions from the Company’s loyalty partnerships with RBC and WestJet launched in Q1.
- Retail Revenue growth was strong, up 2.9% or 5.0% excluding Petroleum, reflecting higher shipments to support the Q2 spring/summer season and replenishment at CTR.

- Consolidated Income before income taxes (IBT) was \$169.1 million, up \$117.5 million, mainly reflecting prior year restructuring expense, and up \$3.4 million on a normalized basis¹. Retail IBT¹ of \$50.9 million was stable year-on-year on a normalized basis; Retail gross margin dollars increased on higher Retail Revenue, offset by higher IT and variable compensation expenses.

OVERVIEW OF FINANCIAL RESULTS

Unless otherwise indicated, all financial information represents the Company's results from continuing operations and variances presented are relative to the first quarter of 2025. Note that Comparable sales are presented on a shifted basis due to the 53-week year in 2025 (i.e., sales from the first week in 2026 are compared with sales from the second week of 2025). The selected segment information presented below should be read in conjunction with the Company's Q1 2026 condensed interim consolidated financial statements.

RETAIL SEGMENT OVERVIEW

- Retail sales¹ were \$3,375.7 million, down 1.4%. Retail sales excluding Petroleum¹ decreased 0.3% and Consolidated Comparable sales were down 1.0%.
- CTR Retail sales¹ decreased 0.9% and Comparable sales were down 2.3%.
- SportChek Retail sales¹ increased 0.7% and Comparable sales were up 3.3%.
- Mark's Retail sales¹ increased 1.9% and Comparable sales were up 1.2%.
- Retail Revenue was \$3,149.6 million, an increase of \$87.8 million, or 2.9%. Retail Revenue excluding Petroleum¹ increased 5.0% to \$2,689.5 million.
- Retail Gross margin dollars were \$1,034.5 million, up 5.8%, and \$971.2 million, up 4.9% excluding Petroleum¹; Retail Gross margin rate excluding Petroleum¹ was 36.1%.
- Retail IBT was \$50.9 million, up \$114.1 million and stable year-on-year on a normalized basis¹.
- Retail EBITDA¹ was \$349.7 million, up 4.6% on a normalized basis¹.
- Retail Return on Invested Capital (ROIC)¹ on rolling twelve-month basis was 10.9% at the end of Q1 2026, compared to 10.4% at the end of Q1 2025.
- Refer to the Company's Q1 2026 MD&A sections 4.2.1 and 4.2.2 for information on normalizing items and additional details on events that have impacted the Retail segment in the quarter.

FINANCIAL SERVICES OVERVIEW

- Gross average accounts receivable (GAAR) increased by 3.1% on continued cardholder engagement, mainly driven by increased active accounts and Credit card sales growth¹.
- Revenue and Gross margin dollars increased 5.3% and 5.1%, respectively.
- Financial Services IBT was \$94.2 million, down \$2.8 million or 3.1% compared to the prior year, as higher Gross margin was more than offset by previously communicated investments in the business.

- Refer to the Company's Q1 2026 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 HIGHLIGHTS

- During the quarter, CT REIT announced three new investments representing approximately 129,800 square feet of incremental gross leasable area.
- In relation to CTC's 68.0% stake in CT REIT, distributions of \$38.4 million were received and included in Other Income in the Retail segment earnings in the quarter.
- For further information, refer to the Q1 2026 CT REIT earnings release issued on May 11, 2026.

CONSOLIDATED OVERVIEW

- Revenue was \$3,570.9 million, up 3.3% or \$114.2 million.
- Consolidated IBT was \$169.1 million, up \$117.5 million and up \$3.4 million on a normalized basis.
- Diluted EPS was \$2.02 compared to \$0.67, or \$2.00 on a normalized basis in Q1 2025.
- Refer to the Company's Q1 2026 MD&A section 4.1.1 for information on normalizing items and additional details on events that have impacted the Company in the quarter.

CAPITAL ALLOCATION

CAPITAL EXPENDITURES

- Total capital expenditures were \$94.0 million, compared to \$115.9 million in Q1 2025.
- Operating capital expenditures¹ were \$86.1 million, compared to \$110.4 million in Q1 2025.
- Full-year operating capital expenditures for 2026 are expected to be in the previously disclosed range of \$500 million to \$550 million.

QUARTERLY DIVIDEND

- On May 13, 2026, the Company's Board of Directors declared dividends of \$1.80 per share payable on September 1, 2026, to shareholders of record as of July 31, 2026. The dividend is considered an "eligible dividend" for tax purposes.

SHARE REPURCHASES

- On November 6, 2025, 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 2026 (the 2025-26 Share Repurchase Intention).
- During Q1 2026, the Company purchased a total of 335,000 shares for \$60.1 million under its 2025-26 Share Repurchase 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 Q1 2026 MD&A mean the Company's Management's Discussion and Analysis for the First Quarter ended April 4, 2026, 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 Q1 2026 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)	Q1 2026	Q1 2025
Net income	\$ 129.5	\$ 47.0
Net income attributable to shareholders	107.0	27.3
Add normalizing items, net of tax:		
Restructuring costs	—	70.3
Other transformation and advisory costs	—	13.8
Normalized Net income	\$ 129.5	\$ 131.1
Normalized Net income attributable to shareholders	\$ 107.0	\$ 111.4
Normalized Diluted EPS	\$ 2.02	\$ 2.00

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 Q1 2026 MD&A.

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

(C\$ in millions)	Q1 2026	Q1 2025
Income before income taxes	\$ 169.1	\$ 51.6
Add normalizing items:		
Restructuring costs	—	95.4
Other transformation and advisory costs	—	18.7
Normalized Income before income taxes	\$ 169.1	\$ 165.7

The following table reconciles Retail Normalized Income (Loss) Before Income Taxes to Income Before Income Taxes:

(C\$ in millions)	Q1 2026	Q1 2025
Income before income taxes	\$ 169.1	\$ 51.6
Less: Other operating segments	118.2	114.8
Retail Income (loss) before income taxes	\$ 50.9	\$ (63.2)
Add normalizing items:		
Restructuring costs	—	95.4
Other transformation and advisory costs	—	18.7
Retail Normalized Income (loss) before income taxes	\$ 50.9	\$ 50.9

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 Q1 2026 MD&A.

(C\$ in millions)	Q1 2026	Q1 2025
Income before income taxes	\$ 996.0	\$ 1,123.8
Less: Other operating segments	428.6	467.4
Retail Income before income taxes	\$ 567.4	\$ 656.4
Add normalizing items:		
Restructuring costs	29.7	95.4
Other transformation and advisory costs	69.7	18.7
Gain on sale of Brampton DC, net of inventory write-down	—	(222.9)
Expenses related to the strategic review of CTFS	—	8.7
Other impairment costs	17.0	—
Retail Normalized Income before income taxes	\$ 683.8	\$ 556.3
Less:		
Retail intercompany adjustments ¹	232.7	220.5
Add:		
Retail interest expense ²	293.3	319.8
Retail depreciation of right-of-use assets	605.1	569.8
Retail effective tax rate	26.7 %	24.5 %
Add: Retail taxes	(360.2)	(299.6)
Retail return	\$ 989.3	\$ 925.8
Average total assets from continuing operations	\$ 21,692.4	\$ 20,863.9
Less: Average assets in other operating segments	4,483.0	4,353.9
Average Retail assets from continuing operations	\$ 17,209.4	\$ 16,510.0
Less:		
Average Retail intercompany adjustments ¹	4,568.0	4,340.6
Average Retail trade payables and accrued liabilities ³	2,903.9	2,654.9
Average Franchise Trust assets	554.3	574.9
Average Retail excess cash	123.2	—
Average Retail invested capital	\$ 9,060.0	\$ 8,939.6
Retail ROIC	10.9 %	10.4 %

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.

Retail EBITDA and related measures

Retail EBITDA and Retail Normalized EBITDA are used as additional measures when assessing the performance of the Retail segment's ongoing operations and its ability to generate cash flows to meet requirements, including capital expenditures. Retail EBITDA and its successive derivations are most directly comparable to Income before income tax, a GAAP measure reported in the consolidated financial statements and is adjusted by deducting Net finance costs (income) and Depreciation and amortization.

Retail EBITDA as a Percentage of Revenue is a non-GAAP Ratio calculated by dividing Retail EBITDA by Retail Revenue.

(C\$ in millions)	Q1 2026	Q1 2025
Income before income taxes	\$ 169.1	\$ 51.6
Less: Other operating segments	118.2	114.8
Retail Income (loss) before income taxes	\$ 50.9	\$ (63.2)
Add:		
Depreciation and amortization ¹	242.5	229.2
Net finance costs (income)	56.3	54.1
Retail EBITDA	\$ 349.7	\$ 220.1
Add normalizing items:		
Restructuring costs	—	95.4
Other transformation and advisory costs	—	18.7
Retail Normalized EBITDA	\$ 349.7	\$ 334.2

¹ Depreciation and amortization reported in Cost of producing revenue for the 13 weeks ended April 4, 2026 was \$5.1 million (2025 – \$5.3 million).

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 Q1 2026 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)	Q1 2026	Q1 2025
Total additions ¹	\$ 93.9	\$ 96.9
Add: Change in accrued additions and other non-cash items	0.1	19.0
Less:		
CT REIT acquisitions and developments excluding vend-ins from CTC	7.9	5.5
Operating capital expenditures	\$ 86.1	\$ 110.4

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 Q1 2026 MD&A for information on the composition of these measures.

- Credit Card Sales Growth
- Consolidated Comparable sales
- Retail Revenue excluding Petroleum
- Retail sales and Retail sales excluding Petroleum
- CTR Comparable sales and Retail sales
- SportChek Comparable sales and Retail sales
- Mark's Comparable sales and Retail sales
- Retail Gross margin rate and Retail Gross margin rate excluding Petroleum
- Gross average accounts receivables

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 Company's operating capital expenditure expectations; 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 13 (Caution Regarding Forward-Looking Information) of the Company's Q1 2026 MD&A, available on the SEDAR+ website at <http://www.sedarplus.ca> and <https://investors.canadiantire.ca>. The forward-looking information contained herein is based on information, estimates and assumptions as of the date hereof. 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, May 14, 2026. 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; and sports retailers SportChek, Sports Experts, Pro Hockey Life, Hockey Experts, and Atmosphere, which offer the best-in-class brands in active wear and sports gear. The Company's over 1,600 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. For more information, visit Corp.CanadianTire.ca.

FOR MORE INFORMATION

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