



Canadian Tire Corporation Reports Second Quarter 2026 Results

Toronto, August 13, 2026 – Canadian Tire Corporation, Limited (TSX:CTC, TSX: CTC.A) (CTC or the Company) today announced results for its second quarter ended July 4, 2026.

- Consolidated Comparable sales¹ increased 0.7% in Q2 and 6.3% on a two-year stack basis, led by strong performance at SportChek, where World Cup-related demand contributed to Comparable sales growth¹ of 8.0% and 12.4% on a two-year stack basis.
- Financial Services receivables (GAAR)¹ increased 4.2% on continued cardholder engagement.
- Normalized Diluted EPS¹ from continuing operations was \$3.94, up \$0.37 or 10.4%. Diluted EPS from continuing operations was \$3.65, up \$0.58 or 18.9%.

“In Q2, we demonstrated our operational agility by lowering prices for value-seeking customers, adapting to challenging weather conditions, and ultimately delivering strong financial results,” said Greg Hicks, President and CEO, Canadian Tire Corporation.

“At the same time, we continued to advance our True North strategy, increasing the use of personalized Triangle loyalty offers, growing eCommerce, and delivering strong sales in our new concept Mark’s and SportChek stores.

“The 2026 Men’s World Cup was a highlight of the quarter. Activations in store and online drove soccer fans and new customers to SportChek, and Jumpstart partnered with the Canadian government to announce a multi-year commitment to build 25 inclusive community soccer pitches across Canada by 2029, extending the World Cup legacy in communities nationwide.”

CONTINUING OPERATIONS FINANCIAL HIGHLIGHTS

- Consolidated Comparable sales were up 0.7% against a strong quarter last year, driven by growth at SportChek and Mark’s, and up 6.3% on a two-year stack basis.
 - CTR Comparable sales¹ were down 0.8% and up 5.5% on a two-year stack basis. Automotive sales grew for the 24th consecutive quarter, partly offsetting weather-impacted categories across other divisions. eCommerce sales¹ grew 14%, outpacing growth in Retail sales.
 - SportChek Comparable sales were up 8.0% and 12.4% on a two-year stack basis. Fanwear, team sports and athletic footwear drove the eighth consecutive quarter of growth.

- Mark's Comparable sales¹ were up 4.2% and 5.2% on a two-year stack basis. Mark's seventh consecutive quarter of growth was led by sales of industrial footwear, workwear and denim.
- Consolidated Income before income taxes (IBT) was \$280.0 million, up \$21.7 million or 8.4%. On a normalized basis, Consolidated IBT¹ was up 1.6% and Retail IBT¹ was up 1.2%. The increase in normalized Retail IBT was driven by revenue growth at Petroleum, SportChek and Mark's, along with tighter operating discipline, which resulted in a higher Gross margin dollars and SG&A leverage.
- Higher Normalized Net income and a reduced share count contributed to Normalized Diluted EPS of \$3.94, up 10.4%. Diluted EPS was \$3.65, up 18.9%.
- Earnings growth outpaced growth in invested capital, resulting in Retail Return on Invested Capital (ROIC)¹ of 11.1%, calculated on a trailing twelve-month basis, compared to 10.3% in the prior year.

STRATEGIC HIGHLIGHTS

- During the first half of 2026, the Company continued to prioritize customer engagement through its Triangle Rewards loyalty program and the rollout of store concepts that support a better omnichannel customer experience and drive sales.
 - Loyalty sales¹ were up 3.1%, continuing to outpace non-loyalty sales, as members active in the program grew. CTC extended its Triangle Rewards member benefits to include free ship-to-home on CTR eCommerce orders.
 - The use of loyalty offers and promotional events has also increased eCTM issuance at Canadian Tire Bank, supporting Retail sales.
 - The Triangle Rewards program will add a fourth partner this fall with the launch of its Tims Rewards partnership, extending member engagement opportunities and building on the success of partnerships with Petro-Canada, RBC and WestJet.
 - Completed store enhancement projects include 15 refreshed or expanded CTR stores (including expansions in Valleyfield, QC, Winnipeg, MB, Burlington, ON and Penticton, BC); and 15 new or refreshed stores at other banners, including new PartSource stores in Ontario and BC and a Mark's Bigger Bolder Better (BBB) store in Calgary, AB. The Company continues to work with landlords to roll out new Destination Sport stores at SportChek in the second half of 2026, and to bring new concept stores to more Canadians in 2027.
- As at the end of Q2, the Company had completed approximately 47% of its 2025-26 Share Repurchase Intention, under which CTC can repurchase up to \$400 million in shares by the end of 2026.

SECOND QUARTER CONTINUING OPERATIONS SEGMENT OVERVIEW

RETAIL SEGMENT OVERVIEW

- Retail sales¹ were \$5,391.6 million, up 4.5%, compared to the second quarter of 2025. Retail sales, excluding Petroleum¹ were up 2.5%. Consolidated Comparable sales were up 0.7%.
- CTR Retail sales¹ were up 1.4% and Comparable sales were down 0.8% over the same period last year.
- SportChek Retail sales¹ increased 7.7% over the same period last year, and Comparable sales were up 8.0%.
- Mark's Retail sales¹ increased 5.1% over the same period last year, and Comparable sales were up 4.2%.
- Retail Revenue was \$3,890.1 million, an increase of \$79.8 million, or 2.1%, compared to the prior year; Retail Revenue excluding Petroleum¹ was down 1.1%.
- Retail Gross margin dollars were \$1,223.5 million, up 0.7% compared to the second quarter of the prior year, and down 0.1% excluding Petroleum¹; Retail Gross margin rate, excluding Petroleum¹, increased 33 bps to 35.1%.
- Retail SG&A was \$769.2 million, down 1.3% compared to the same period last year.
- Retail IBT was \$180.3 million in Q2 2026 or \$201.1 million on a normalized basis, compared to Retail IBT of \$161.1 million in the prior year or \$198.8 million on a normalized basis. Gross margin dollars and SG&A leverage offset higher depreciation as well as lower Other income.
- Refer to the Company's Q2 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

- Financial Services IBT was \$74.7 million compared to \$74.1 million in the prior year, as higher Revenue and Gross margin dollars offset infrastructure and True North investments.
- GAAR was up 4.2% relative to the prior year, with continued cardholder engagement driving higher Average account balance¹ and an increase in Average number of accounts.
- Refer to the Company's Q2 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 completed a \$13 million vend-in of a Canadian Tire store and Canadian Tire Gas+ gas bar in St. Catharines, ON, representing approximately 52,400 square feet of incremental gross leasable area.

- In relation to CTC's 68.0% stake in CT REIT, distributions of \$38.9 million were received and included in Other income in the Retail segment earnings in the quarter.
- For further information, refer to CT REIT's Q2 2026 earnings release issued on August 10, 2026.

SECOND QUARTER CONTINUING OPERATIONS CONSOLIDATED OVERVIEW

- Revenue was \$4,302.9 million, compared to \$4,201.9 million in the same period last year.
- Consolidated IBT was \$280.0 million, up \$21.7 million compared to the prior year. On a normalized basis, Consolidated IBT was up \$4.8 million.
- Diluted EPS was \$3.65 or \$3.94 on a normalized basis, compared to \$3.07 or \$3.57 on a normalized basis in the prior year.
- Refer to the Company's Q2 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 \$174.9 million, compared to \$114.1 million in Q2 2025.
- Operating capital expenditures¹ were \$112.3 million in the quarter, compared to \$103.0 million in Q2 2025.
- Due to adjusted phasing of strategic initiatives and increased discipline around capital allocation, full-year operating capital expenditures for 2026 are now expected to be in the range of \$450 million to \$500 million, compared to the previously disclosed range of \$500 million to \$550 million.

QUARTERLY DIVIDEND

- On August 12, 2026, the Company's Board of Directors declared dividends of \$1.80 per share payable on December 1, 2026, to shareholders of record as of October 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 Q2 2026, the Company purchased a total of 460,001 shares for \$85.1 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 Q2 2026 MD&A mean the Company's Management's Discussion and Analysis for the Second Quarter ended July 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 Q2 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)	Q2 2026	Q2 2025	YTD Q2 2026	YTD Q2 2025
Net income	\$ 214.2	\$ 188.3	\$ 343.7	\$ 235.3
Net income attributable to shareholders	192.1	168.2	299.1	195.5
Add normalizing items, net of tax:				
Restructuring costs	—	—	—	70.3
Other transformation and advisory costs	—	27.7	—	41.5
Impairment and related costs	15.3	—	15.3	—
Normalized Net income	\$ 229.5	\$ 216.0	\$ 359.0	\$ 347.1
Normalized Net income attributable to shareholders	\$ 207.4	\$ 195.9	\$ 314.4	\$ 307.3
Normalized Diluted EPS	\$ 3.94	\$ 3.57	\$ 5.96	\$ 5.56

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 2026 MD&A.

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

(C\$ in millions)	Q2 2026	Q2 2025	YTD Q2 2026	YTD Q2 2025
Income before income taxes	\$ 280.0	\$ 258.3	\$ 449.1	\$ 309.9
Add normalizing items:				
Restructuring costs	—	—	—	95.4
Other transformation and advisory costs	—	37.7	—	56.4
Impairment and related costs	20.8	—	20.8	—
Normalized income before income taxes	\$ 300.8	\$ 296.0	\$ 469.9	\$ 461.7

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

(C\$ in millions)	Q2 2026	Q2 2025	YTD Q2 2026	YTD Q2 2025
Income before income taxes	\$ 280.0	\$ 258.3	\$ 449.1	\$ 309.9
Less: Other operating segments	99.7	97.2	217.9	212.0
Retail Income (loss) before income taxes	\$ 180.3	\$ 161.1	\$ 231.2	\$ 97.9
Add normalizing items:				
Restructuring costs	—	—	—	95.4
Other transformation and advisory costs	—	37.7	—	56.4
Impairment and related costs	20.8	—	20.8	—
Retail Normalized Income (loss) before income taxes	\$ 201.1	\$ 198.8	\$ 252.0	\$ 249.7

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 2026 MD&A.

(C\$ in millions)	Rolling 12 months ended	
	Q2 2026	Q2 2025
Income before income taxes	\$ 1,017.7	\$ 1,075.1
Less: Other operating segments	431.1	439.0
Retail Income before income taxes	\$ 586.6	\$ 636.1
Add normalizing items:		
Restructuring costs	29.7	95.4
Other transformation and advisory costs	32.0	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
Impairment and related costs	37.8	—
Retail Normalized Income before income taxes	\$ 686.1	\$ 573.8
Less:		
Retail intercompany adjustments ¹	235.8	220.2
Add:		
Retail interest expense ²	293.9	305.9
Retail depreciation of right-of-use assets	614.1	567.5
Retail effective tax rate	25.2 %	25.3 %
Add: Retail taxes	(342.2)	(310.5)
Retail return	\$ 1,016.1	\$ 916.5
Average total assets from continuing operations	\$ 21,981.5	\$ 21,132.6
Less: Average assets in other operating segments	4,784.5	4,361.7
Average Retail assets from continuing operations	\$ 17,197.0	\$ 16,771.0
Less:		
Average Retail intercompany adjustments ¹	4,507.4	4,411.1
Average Retail trade payables and accrued liabilities ³	2,886.8	2,789.1
Average Franchise Trust assets	560.1	557.3
Average Retail excess cash	103.2	123.2
Average Retail invested capital	\$ 9,139.5	\$ 8,890.2
Retail ROIC	11.1 %	10.3 %

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 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)	Q2 2026	Q2 2025	YTD Q2 2026	YTD Q2 2025
Total additions ¹	\$ 144.4	\$ 140.4	\$ 238.3	\$ 237.3
Add: Change in accrued additions and other non-cash items	30.5	3.7	30.6	22.7
Less:				
Acquisition of Hudson's Bay Company intellectual property	—	30.0	—	30.0
CT REIT acquisitions and developments excluding vend-ins from CTC	62.6	11.1	70.5	16.6
Operating capital expenditures	\$ 112.3	\$ 103.0	\$ 198.4	\$ 213.4

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 Q2 2026 MD&A for information on the composition of these measures.

- Consolidated Comparable sales
- 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
- Loyalty sales
- eCommerce sales
- Retail gross margin rate and retail gross margin rate (excluding Petroleum)
- Gross Average Accounts Receivables
- Average account balance

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 loyalty partnerships;

planned store enhancement projects; 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 Q2 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, August 13, 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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