



Canadian Tire Corporation Reports Continued Momentum in Second Quarter Results

- Retail revenue increased 7.8% in Q2 and 6.7% year to date, excluding Petroleum
- Consolidated comparable sales up 2.2% in the second quarter, 3.8% year to date:
 - o Canadian Tire up 1.9%, 3.8% year-to-date
 - o Mark's up 2.6%, 3.9% year-to-date
 - o SportChek up 3.7%, 3.6% year-to-date
- Financial Services gross average credit card receivables (GAAR) growth up 8.3%, revenue up 7.5%
- Financial Services earnings was \$95.5 million, up 12.5%, normalized
- Diluted earnings per share (EPS) was \$2.87, an increase of 20.5%, normalized diluted EPS was \$2.97 up 13.8%
- As announced separately today, Canadian Tire Corporation has entered into an agreement to purchase Party City's Canadian business for \$174.4 million (including ~\$40 million in inventory)

TORONTO, August 8, 2019 – Canadian Tire Corporation, Limited (TSX:CTC, TSX:CTC.A) today released second quarter results for the period ended June 29, 2019.

"Our top-line results this quarter and our continued momentum year-to-date position us well as we enter the second half of 2019. Our exclusive brands and products are clearly resonating with our customers, and through our Triangle Rewards loyalty and credit card programs they are engaging with us more often and shopping across our channels and banners, signaling the effectiveness of our growing Triangle marketplace," said Stephen Wetmore, President and CEO, Canadian Tire Corporation. "We are executing well against our ambitious growth agenda. Our latest additions of Party City's Canadian business, Paderno U.S., and several iconic bicycle brands, including Raleigh, Diamondback and Redline are perfect examples."

"Over the past year, our teams have made excellent progress on our One Company, One Customer strategy by investing in new business capabilities across CTC, including the launch of our Triangle Rewards loyalty and credit card programs, deliver-to-home at CTR, enhanced data analytics, improved digital experiences, and the addition of Helly Hansen to our consumer brands portfolio. While

we will continue to make such investments to drive top-line growth, we are committed to a greater focus on bottom-line performance. High quality investments and improved operational efficiencies will help us achieve our financial aspirations as we seek to become the #1 retail brand in Canada by 2022,” added Wetmore.

CONSOLIDATED OVERVIEW

- Consolidated retail sales increased \$53.6 million or 1.3% in the second quarter. Excluding Petroleum, consolidated retail sales were up 2.3% over the same period last year.
- Consolidated revenue increased \$205.8 million, or 5.9%. Excluding Petroleum, consolidated revenue increased \$232.8 million, or 7.9% in the quarter.
- Diluted EPS was \$2.87, an increase of 20.5%, normalized diluted EPS was \$2.97 up 13.8%

RETAIL OVERVIEW

- The following financial results reflect Q2 2019 performance compared to Q2 2018.
- Retail segment revenue increased 5.7%. Excluding Petroleum, retail segment revenue increased 7.8%.
- Canadian Tire saw retail sales increase 2.1% and comparable sales were up 1.9%.
- SportChek’s retail sales increased 3.0% and comparable sales increased 3.7%.
- Mark’s retail sales grew 2.7% and comparable sales increased 2.6%.
- Helly Hansen revenue in the quarter was \$98.6 million.
- Income before income taxes decreased \$10.8 million, normalized income before income taxes decreased \$11.8 million.

CT REIT OVERVIEW

- As disclosed in the Q2 2019 CT REIT earnings release on July 31, 2019, CT REIT announced new investments totalling \$29 million.

FINANCIAL SERVICES OVERVIEW

- In Q2 2019, GAAR was up 8.3% over the prior year.
- Income before income taxes increased 33.7% in the second quarter to \$95.5 million, or 12.5%, normalized.

CAPITAL EXPENDITURES

- Operating capital expenditures were \$116.1 million in the second quarter, up from \$100.8 million in the second quarter of 2018.
- Total capital expenditures increased \$17.0 million in Q2 2019, to \$126.5 million.

QUARTERLY DIVIDEND

- The Company has declared dividends payable to holders of Class A Non-Voting Shares and Common Shares at a rate of \$1.0375 per share payable on December 1, 2019 to shareholders of record as of October 31, 2019. The dividend is considered an “eligible dividend” for tax purposes.

SHARE REPURCHASE

- On November 8, 2018, the Company announced its intention to repurchase a further \$300 to \$400 million of its Class A Non-Voting Shares, in excess of the amount required for anti-dilutive purposes, by the end of fiscal 2019. As at June 29, 2019, \$311.8 million of such shares had been repurchased.

FORWARD-LOOKING STATEMENTS

This press release contains forward-looking information that reflects management's current expectations related to matters such as future financial performance and operating results of the Company. Forward-looking statements are provided for the purposes of providing information about management's current expectations and plans and allowing investors and others to get a better understanding of our anticipated financial position, results of operations and operating environment. Readers are cautioned that such information may not be appropriate for other purposes.

Certain statements other than statements of historical facts included in this press release may constitute forward-looking information, including but not limited to, statements concerning the Company's intention to repurchase Class A Non-Voting Shares in excess of the amount required for anti-dilutive purposes by the end of 2019 under the heading “Share Repurchase”.

By its very nature, forward-looking information requires us to make assumptions and is subject to inherent risks and uncertainties, which give rise to the possibility that the Company's assumptions, estimates, analyses, beliefs and opinions may not be correct and that the Company's expectations and plans will not be achieved. Although the Company believes that the forward-looking information in this press release is based on information, assumptions and beliefs which are current, reasonable and complete, this information is necessarily subject to a number of factors, risks and uncertainties that could cause actual results to differ materially from management's expectations and plans as set forth in such forward-looking information.

For more information on the risks, uncertainties and assumptions that could cause the Company's actual results to differ from current expectations, refer to section 2.8 (Risk Factors) of our Annual Information Form for fiscal 2018 and to sections 7.2.4 (Retail Segment Business Risks), 7.3.2 (CT REIT segment business risks), 7.4.3 (Financial Services Segment Business Risks) and 12.0 (Risks and Risk Management) and all subsections thereunder of our Management's Discussion and Analysis

for the year ended December 29, 2018, as well as the Company's other public filings, available at www.sedar.com and at <https://investors.canadiantire.ca>.

The forward-looking statements and information contained herein are based on certain factors and assumptions as of the date hereof and do not take into account the effect that transactions or non-recurring or other special items announced or occurring after the statements are made have on the Company's business. 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 August 8, 2019. 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 family of businesses 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. 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, National Sports, Intersport and Atmosphere, which offer the best active wear brands. The nearly 1,700 retail and gasoline outlets are supported and strengthened by our Financial Services division and the tens of thousands of people employed across Canada and around the world by the Company and its local dealers, franchisees and petroleum retailers. In addition, Canadian Tire Corporation owns and operates Helly Hansen, a leading global brand in sportswear and workwear based in Oslo, Norway. For more information, visit Corp.CanadianTire.ca.

FOR MORE INFORMATION

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