



# CANADIAN TIRE CORPORATION

## Investor Factbook Presentation

### August 2024



*Photo: Canadian Tire store, Mont Tremblant, Quebec, 63,000 retail sq. ft.*

# Forward Looking Information

This document contains information that may constitute forward-looking information reflecting Management's current expectations relating to matters such as future financial performance and operating results of the Company. 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. Certain other information, other than historical information, may also constitute forward-looking information, including, but not limited to, information concerning Management's current expectations relating to possible or assumed prospects and results, the Company's strategic goals and priorities, its actions and the results of those actions, and the economic and business outlook for the Company. 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", "forecast", "anticipate", "aspire", "foresee", "continue", "ongoing" or the negative of these terms or variations of them or similar terminology. Forward-looking information is based on the reasonable assumptions, estimates, analyses, beliefs, and opinions of Management, made in light of its experience and perception of trends, current conditions and expected developments, as well as other factors that Management believes to be relevant and reasonable at the date that such information is disclosed.

By its very nature, forward-looking information requires Management to make assumptions and is subject to inherent risk factors and uncertainties, which give rise to the possibility that Management's assumptions, estimates, analyses, beliefs and opinions may not be correct, and that the Company's expectations and plans will not be achieved. Examples of material assumptions and Management's beliefs include, but are not limited to, future economic conditions and related impacts on inflation, consumer spending, interest rates, and foreign exchange rates, current and future competitive conditions, and the Company's position in the competitive environment, anticipated cost savings and operational efficiencies as well as anticipated benefits from strategic and other initiatives, and the availability of sufficient liquidity, and that risks do not materialize or are successfully mitigated. Additional assumptions relating to Management's expectations with respect to the Company's strategic investments and operating capital expenditures include: (a) no material changes in the Company's strategic and capital allocation priorities; (b) no material changes to the Company's earnings prospects and financial leverage; (c) no significant changes to the retail landscape or regulatory environment; (d) continued availability of skilled talent and source materials to execute on the capital investment agenda; and (e) continued successful investments in businesses to achieve organic growth and in projects and initiatives which yield improved asset productivity. Although the Company believes that the forward-looking information in this document 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. Some of the risk factors, many of which are beyond the Company's control and the effects of which can be difficult to predict, but may cause actual results to differ from the results expressed by the forward-looking information, include: (a) credit, market, currency, operational, liquidity and funding risks, including changes in economic conditions, interest rates or tax rates; (b) the ability of the Company to attract and retain high-quality executives and employees for all of its businesses, Dealers, Petroleum retailers, and Mark's and SportChek franchisees, as well as the Company's financial arrangements with such parties; (c) the growth of certain business categories and market segments and the willingness of customers to shop at its stores or acquire the Company's Owned Brands or its financial products and services; (d) the Company's margins and sales and those of its competitors; (e) the changing consumer preferences and expectations relating to eCommerce, online retailing, customer loyalty programs and the introduction of new technologies; (f) geopolitical risks, and other developments including changes relating to or affecting economic or trade matters as well as the outbreak of contagions or pandemic diseases; (g) risks and uncertainties relating to information management, technology, cyber threats, privacy and data breaches, property management and development, environmental liabilities, social matters, supply-chain management, product safety, competition, seasonality, weather patterns, climate change, commodity prices and business continuity; (h) the Company's relationships with its Dealers, franchisees, suppliers, manufacturers, partners and other third parties; (i) changes in laws, rules, regulations and policies applicable to the Company's business; (j) the risk of damage to the Company's reputation and brand; (k) the cost of store network expansion and retrofits; (l) the Company's capital structure, funding strategy, cost management program, and share price; (m) the Company's ability to obtain all necessary regulatory approvals; (n) the Company's ability and timing to complete any proposed acquisition or divestiture; (o) the Company's ability to realize the anticipated benefits or synergies from its acquisitions and investments or divestitures; and (p) the timing and results of the review of strategic alternatives for the Company's Financial Services business. Additional risk factors relating to Management's expectations with respect to the Company's strategic investments and operating capital expenditures include: (a) the occurrence of widespread economic restrictions, construction limitations, or supply chain delays due to, among other events, a global pandemic resurgence; (b) shortages of raw materials and/or skilled labour required to execute capital investment plans; (c) higher than expected cost inflation for materials, equipment, and labour required to execute capital investment plans; and (d) organizational capacity to execute the capital agenda. The Company cautions that the foregoing list of important risk factors and assumptions is not exhaustive and other factors could also adversely affect the Company's results. Investors and other readers are urged to consider the foregoing risks, uncertainties, factors, and assumptions carefully in evaluating the forward-looking information and are cautioned not to place undue reliance on such forward-looking information.

For more information on the material risk factors, uncertainties and assumptions that could cause the Company's actual results to differ materially from predictions, forecasts, projections, expectations or conclusions, refer to section 13.0 (Forward-Looking Information and Other Investor Communications) and all subsections thereunder in the Company's Q2 2024 MD&A. For further information, refer to the Company's other public filings, available on the SEDAR+ website at <http://www.sedarplus.ca> and at <http://investors.canadiantire.ca>.

The forward-looking information contained herein is based on certain factors and assumptions as of the date hereof and does not take into account the effect that transactions or non-recurring or other special items announced or occurring after the information has been disclosed 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.

# Contents

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Company Overview

---

Retail Segment Financial Snapshot

---

Canadian Tire Overview

---

Competitive Advantages for Retail

---

Track Record of Financial Performance

---

CTFS Resilience

---

*Better Connected* Strategy

---

Levers to Protect and Grow

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Disciplined Capital Stewardship

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Reasons to Invest in CTC

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# Company Overview

# Canadian Tire Corporation (CTC)

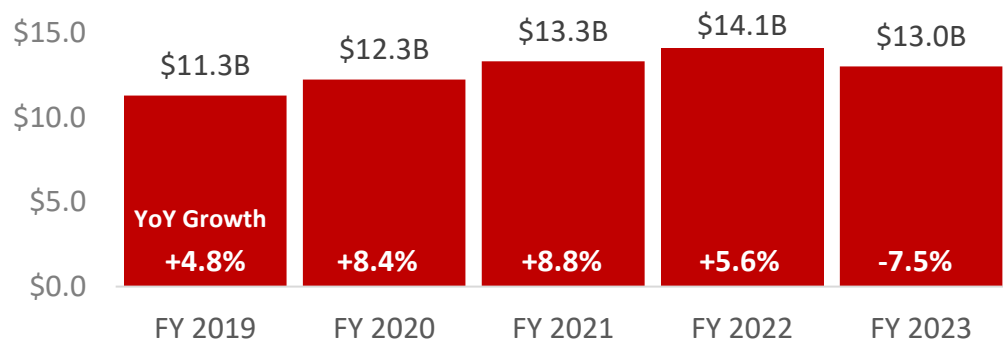


# Retail Segment Financial Snapshot

# Strong Revenue Growth and Gross Margin Rate since 2019

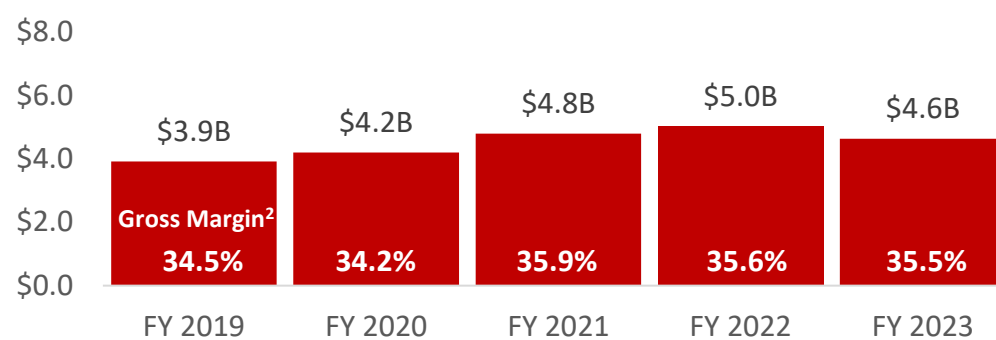
## RETAIL REVENUE EXCLUDING PETROLEUM<sup>1</sup>

**2019-2023 CAGR** **+3.6%**



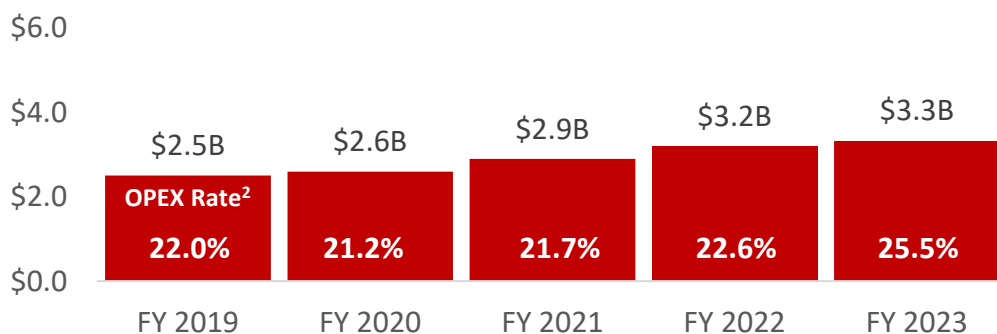
## RETAIL GROSS MARGIN EX-PETROLEUM<sup>1</sup>

**2019-2023 CAGR** **+4.3%**



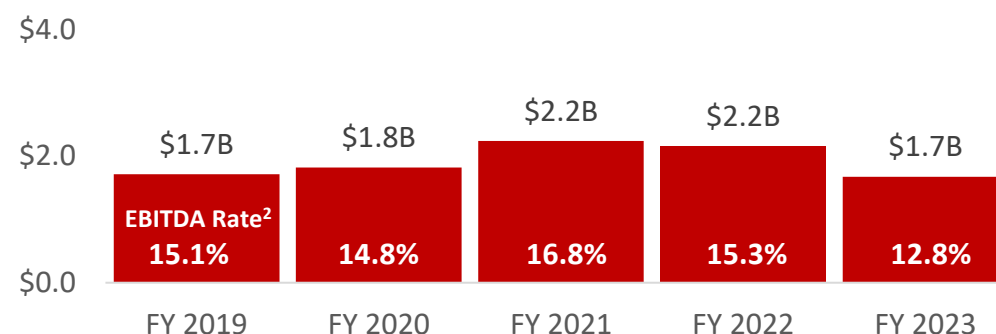
## RETAIL SG&A EXPENSES

**2019-2023 CAGR** **+7.2%**



## RETAIL EBITDA<sup>1</sup>

**2019-2023 CAGR** **-0.6%**



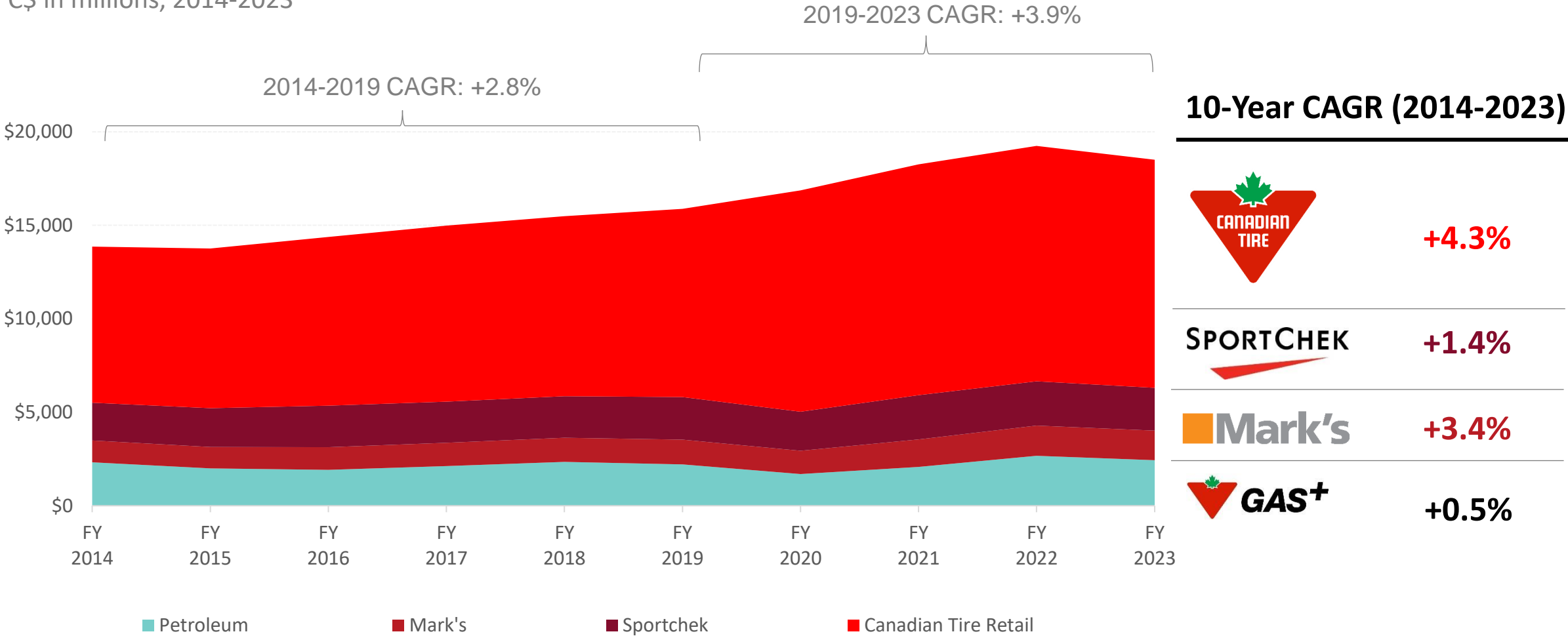
(1) This is a Supplementary Financial Measure. For further information about these measures see section 10.2 of the Company's Q4 2023 MD&A, which is available on SEDAR+ at [www.SEDARPLUS.ca](http://www.SEDARPLUS.ca) and incorporated by reference herein.

(2) As a percentage of retail revenue excluding Petroleum.



# Steady Growth in Retail Sales Led by Canadian Tire Retail (CTR)

**Retail Sales<sup>1</sup> by banners**  
C\$ in millions, 2014-2023



(1) This is a Supplementary Financial Measure. For further information about these measures see section 10.2 of the Company's Q4 2023 MD&A, which is available on SEDAR+ at [www.SEDARPLUS.ca](http://www.SEDARPLUS.ca) and incorporated by reference herein.



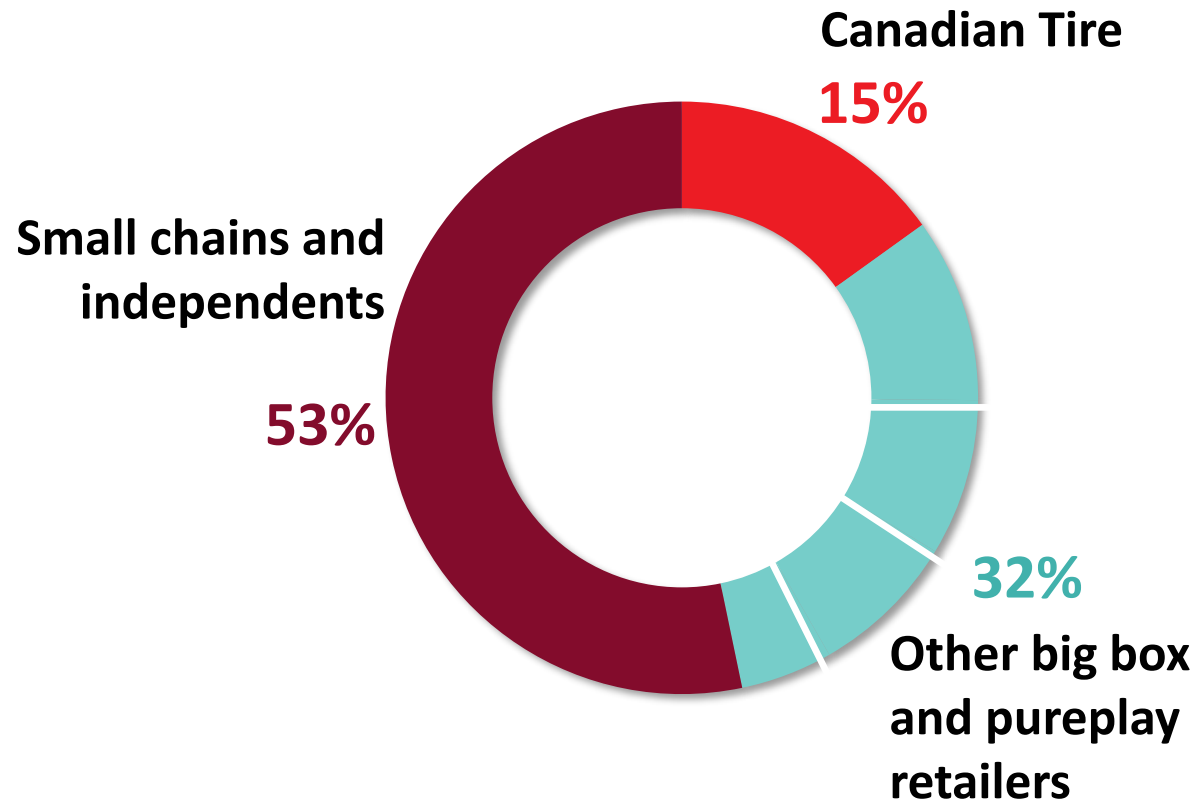
# Canadian Tire Corporation Overview

# CTR's Proven and Unique Multi-Category Assortment

	Average Divisional Sales <sup>1</sup> Percentage (2019-23)	Margin Profile	Essential Mix	Key Line of Businesses
Automotive	24%	Highest margin rate	Highest mix	<ul style="list-style-type: none"> <li>• Auto Parts &amp; Maintenance</li> <li>• Auto Fluids &amp; Batteries</li> <li>• Tires</li> <li>• Auto Care &amp; Accessories</li> </ul>
Living	24%	Lowest margin rate		<ul style="list-style-type: none"> <li>• Home Cleaning</li> <li>• Pet Care</li> <li>• Kitchen</li> <li>• Home Décor</li> </ul>
Seasonal & Gardening	22%			<ul style="list-style-type: none"> <li>• Outdoor Tools</li> <li>• Gardening</li> <li>• Christmas Trees</li> <li>• Backyard Living &amp; Fun</li> </ul>
Fixing	20%			<ul style="list-style-type: none"> <li>• Plumbing</li> <li>• Electrical</li> <li>• Paint</li> <li>• Tools</li> </ul>
Playing	11%		Lowest mix	<ul style="list-style-type: none"> <li>• Hockey</li> <li>• Team Sports &amp; Golf</li> <li>• Camping</li> <li>• Fishing</li> </ul>

(1) Divisional sales is a measure of sales for each of CTR's divisions as a percentage of CTR retail sales excluding Petroleum. Percentages are based on the average results from 2019 to 2023, which may not add up to the total due to rounding. These numbers exclude smaller banners and Automotive services.

# Canadian Tire: Strong Market Share in a Fragmented Market



## KEY HIGHLIGHTS

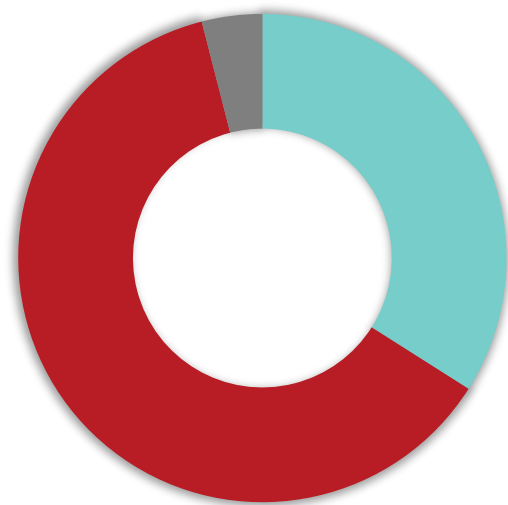
- The Canadian retail landscape is highly fragmented. Given the wide assortment of categories we compete in, our market share<sup>1</sup> and our competitors vary by category and banner.
- No single competitor competes directly with our main Canadian Tire banner across all its categories of product and service offerings reflecting Canadian Tire's unique position in the retail marketplace.
- Canadian Tire's broad assortment includes large discretionary products, such as BBQs, bicycles, and patio furniture, more suited to in-store purchases, which aligns with Canadian Tire's strength in brick-and-mortar assets.
- Our *Better Connected* strategy positions us well to gain share in markets and categories where we are investing.

# Mark's Snapshot

## Business Overview

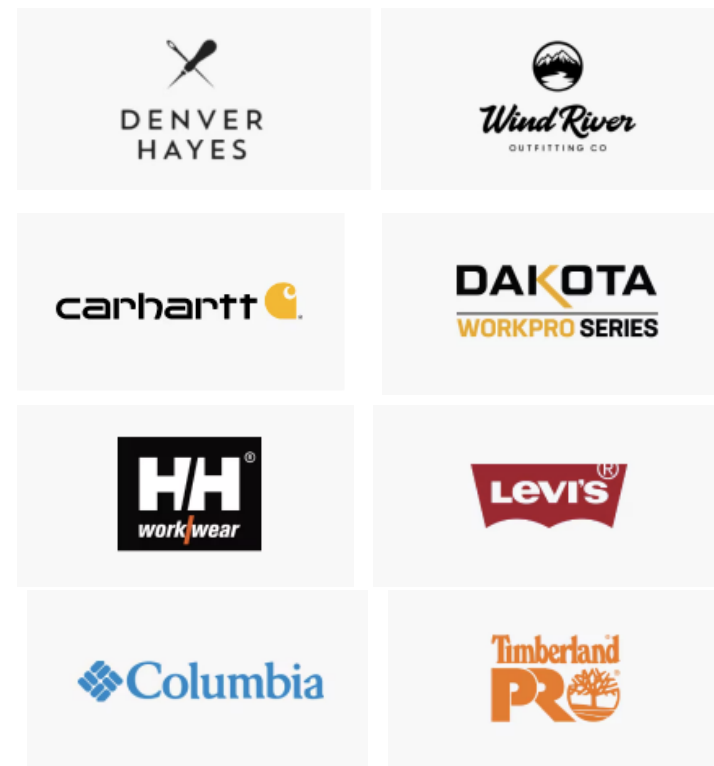
- **Leading market player** in industrial footwear and apparel in Canada, **recognized for innovation** in developing technologically advanced apparel and footwear
- **Significant presence across Canada** with 380 stores totalling 3.7M retail sq. ft<sup>1</sup> under the Mark's/Mark's WorkPro and L'Equipeur/L'Equipeur Pro brands
- **Capturing growth potential in casual apparel and footwear** through Owned Brands, key partnerships and innovative concept store format ("Bigger, Bolder, Better")
- **Strong distribution channel for key partners**, including Levi's, Carhartt, TimberlandPRO, and Silver Jeans

## FY 2023 Sales Category Mix



- Industrial footwear and apparel
- Casual footwear and apparel
- Other

## Industrial and Casual Wear Brands



**Owned Brands contribute ~65%<sup>1</sup> of annual Retail sales<sup>2</sup>, driving strong margin**

1) As of year-end 2023.

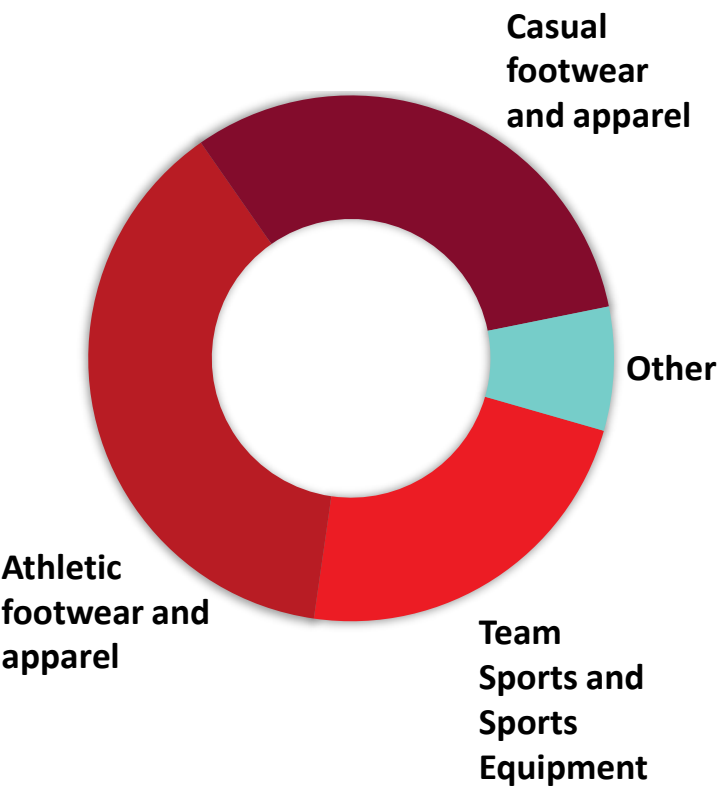
2) For further information about this measure see section 9.2 of the Company's Q2 2024 MD&A, which is available at [www.SEDARPLUS.ca](http://www.SEDARPLUS.ca) and incorporated by reference herein.

# SportChek Snapshot

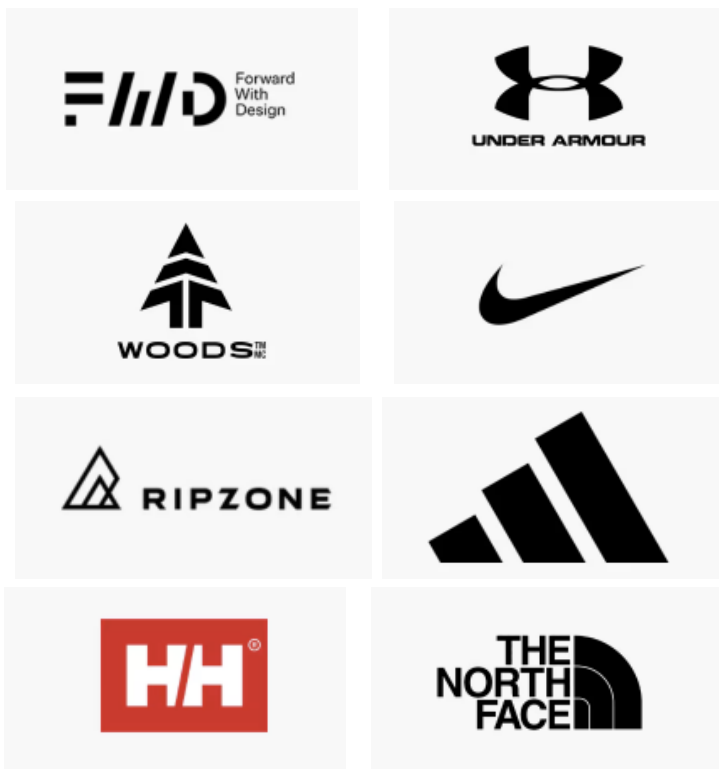
## Business Overview

- **Leading market player in athletic footwear, apparel and sports equipment**
- **Significant presence across Canada** with 371 stores totalling 7.2M retail sq. ft<sup>1</sup> under SportChek, Atmosphere (corporate) and Sports Experts (franchise) banners
- Responsive to customer needs, with strong online presence and **flexible online and in-store fulfillment options**, including 2-hour at-home delivery
- **Leveraging strategic brand partnerships and a strong sports assortment and service capabilities to grow**

## FY 2023 Sales Category Mix



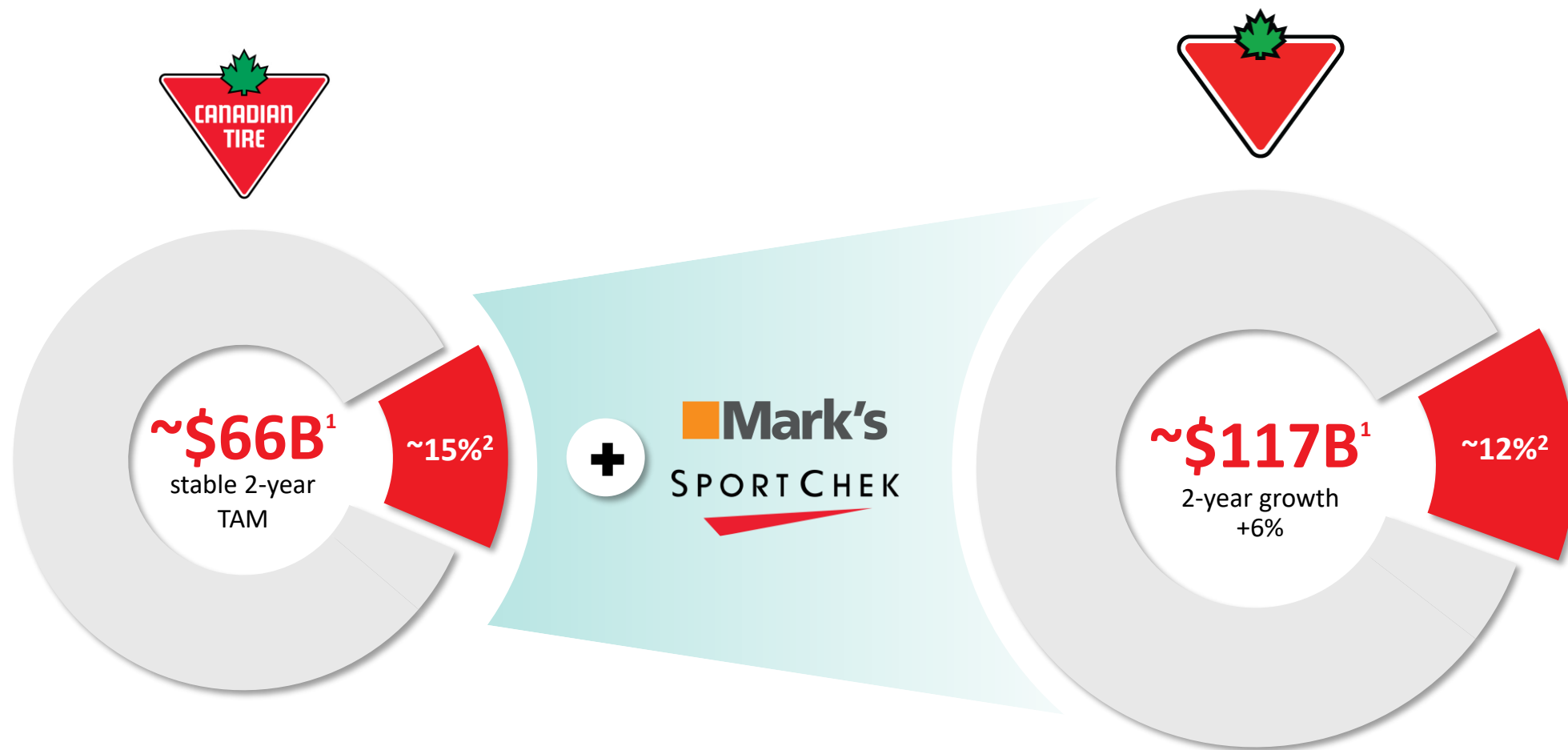
## Athletic and Casual Footwear and Apparel Brands



Owned Brands mix at ~15%<sup>1</sup> of annual Retail sales

1) As of year-end 2023.

# CTC's Total Addressable Market (TAM) is Greater than \$100B



1) Source: Fusion, 2023.

2) CTC market share for the period ending December 31, 2023.

# CTC Banner Strengths: What Canadians Need for Life in Canada

- Adult bicycles
- Air & welding tools & accessories
- Auto accessories
- Auto battery & accessories
- Auto cleaning products
- Auto fluids
- Auto lighting
- Auto shop equipment & supplies
- Auto winter accessories
- Bicycle accessories
- Brakes
- Camping accessories
- Camping furniture
- Camping living
- Christmas lights
- Christmas trees
- Cookware
- Cutlery
- Dining and entertaining
- Fishing accessories
- Fishing equipment
- Fishing lures
- Food storage
- Garage organization & cabinets
- General auto repair
- Hockey equipment & accessories
- Hockey sticks
- Home air quality accessories
- Home safety
- Household flashlights
- Hunting accessories
- Hunting apparel & footwear
- Hydration & coolers
- Ice fishing
- Ice melters
- Industrial shoes or boots
- Industrial workwear or uniforms
- Kitchen tools & thermometers
- Lawn & plant care
- Lawn mowers & tractors
- Manual fastening
- Manual lawn & garden tools
- Marine-power boating
- Men's athletic or hiking footwear
- Metal working
- Oil, oil accessories and oil filters
- Outdoor cooking and accessories
- Outdoor cooking fuels
- Outdoor furniture
- Outdoor lighting
- Outdoor living accessories
- Outdoor storage
- Power creation
- Powersports accessories
- Pressure washers & accessories
- Skates
- Snow blowers
- Snow shovels
- Sockets & wrenches
- Sports equipment & accessories
- Target sports
- Tarps & cords
- Tents & camping shelters
- Tool storage
- Tractor, lawn mower, snow blower parts
- Trailers & towing
- Vacuums & accessories
- Watering
- Weed insect & rodent control
- Wet / dry vacuums
- Windshield washer fluid
- Winter recreation
- Winter tires
- Wiper blades

**A leading market player in many categories across our three main banners, as well as being a specialty hockey and auto parts retailer**



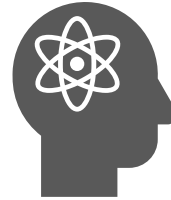
# Competitive Advantages for Retail

# Competitive Advantages to Sustain Retail Business Performance



**Iconic and trusted brand** with unparalleled positioning, **deep local knowledge** and understanding of the Canadian consumer landscape and a strong **commitment to our communities and Sustainability**

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**World-class marketing and customer analytics** and **rich first party dataset** provide privileged capabilities which enable unique Canadian consumer insights to drive consumption behaviour and **differentiated data monetization opportunities**

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**Exceptional brand-building** and product development capabilities, **anchored in innovation** and leading to an unparalleled depth and **breadth of assortment**



**Strong centralized supply chain capability** driving efficient and cost-effective product flow and **thoughtful investment decisions** across a network of retail stores and distribution centres across Canada

# An Iconic, Trusted Retailer With Unparalleled Positioning

**#1**

Recognized as a trusted Canadian brand

**1,400+**

Retail locations accounting for ~35 million square feet of retail, with CTR locations in close proximity to most Canadians

**100+**

Years of growing with our communities as the Canadian population has grown from 10 million to over 40 million<sup>1</sup> through many economic cycles

**500+**

Canadian Tire Associate Dealers, as well as managers and franchisees in other banners across all provinces and two territories, possess extensive local knowledge and decades of experience

1) Statistics Canada.

# ESG Priorities Informed by Materiality and in Support of Our Brand Purpose: We are Here to Make Life in Canada Better

## People and Community

Committed to **supporting equal access to sport through Jumpstart**, with more than 3.5 million opportunities to kids across our communities and an increased focus on **diversity, inclusion and belonging** across our business

## Climate

Committed to a **40% reduction in Scope 1 and Scope 2 (including CTR dealer-operated stores) GHG emissions by 2030** and an increased focus on circularity by expanding our **sustainable product assortment and minimizing operational waste** to reduce Scope 3 emissions

## Governance

Committed to strong governance and Board diversity (including **30%+ gender diversity**) and an increased ESG focus on **privacy and data security**

## Responsible Sourcing

**1,590 supply chain audits<sup>1</sup>** completed in 2023; invested in improving the social and environmental impacts of our supply chain

1) Based on CTC's 2023 ESG report published on June 27, 2024.

# Leveraging A Leading Data Set For Enhanced Customer Engagement



One of the top retail loyalty programs in Canada

**11.4M**

The number of active Triangle Rewards loyalty members has steadily grown since the program was launched in 2018, increasing from 10.0 million to 11.4 million<sup>1</sup>

**2.3M**

Accessing broader spend data from 2.3 million active credit cardholders

**60%**

Close to 60% of \$18.5 billion of retail sales (including Petroleum)<sup>2</sup> attributable to loyalty customers at the end of 2023

## One of the best data sets in Canada

**300+**

business categories



**Credit Card**

internal and external spend



**~1B**

digital visits per year across all banners



**11**

participating banners



**Investment**

in customer and data platforms



**Critical**

data engineering and analytics talent



(1) 12-month basis as of December 30, 2023.

(2) This is a Supplementary Financial Measure. For further information about these measures see section 10.2 of the Company's Q4 2023 MD&A, which is available on SEDAR+ at [www.SEDARPLUS.ca](http://www.SEDARPLUS.ca) and incorporated by reference herein.

# Continuing to Evolve our World-Class Marketing Capabilities and Leverage Triangle Data

**2012**

## **Evolution of the Flyer to Digital**

**2023+**

Although traditional paper flyer distribution reached its peak at 11 million in 2012, flyer marketing continues to be a significant tool with strong returns on marketing investment; the transition to a digital flyer introduced in 2021, along with other digital formats and intensification of social marketing, gives CTC even more tools for engaging the consumer

**2018**

## **Launch and Ongoing Development of the Triangle Rewards Loyalty Program**

**2023+**

2018 marked the evolution of the paper Canadian Tire Money (CTM) started in 1958 at CTR to a cross-banner enterprise loyalty program to enhance engagement and personalization, as well as promote cross-shopping; Triangle Select launched and Petro-Canada partnership announced in 2023

**2019**

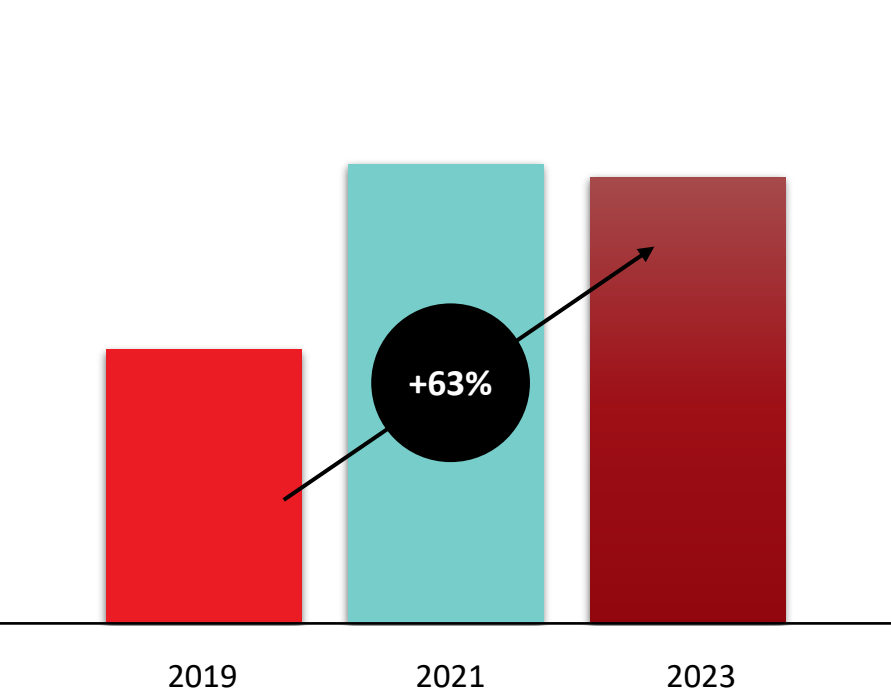
## **Building Data Analytics, Personalized Marketing and AI Capabilities**

**2023+**

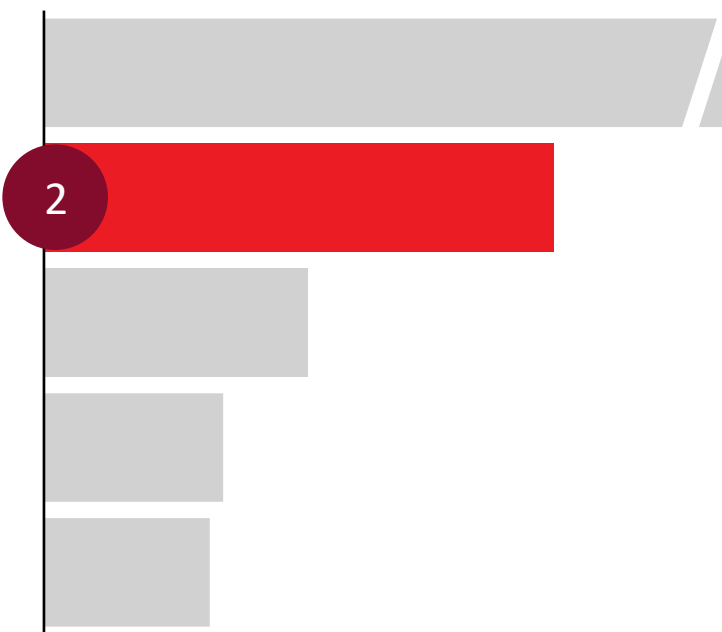
Advancing digital capabilities for marketing and customer engagement with more measurable ROI; introduction of AI tools through Microsoft partnership signed in 2023 are an enabler for better marketing

# Building Upon a Solid Foundation with Powerful Digital Reach

CTC digital visits growth



Digital visits at CTC vs. Canadian retail competitors

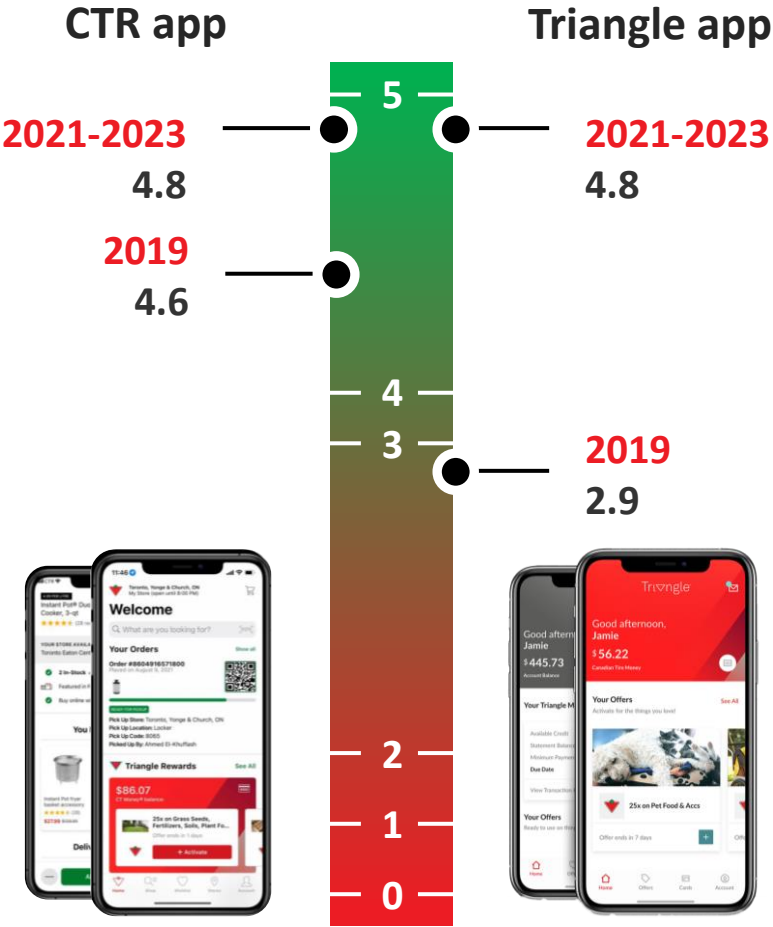
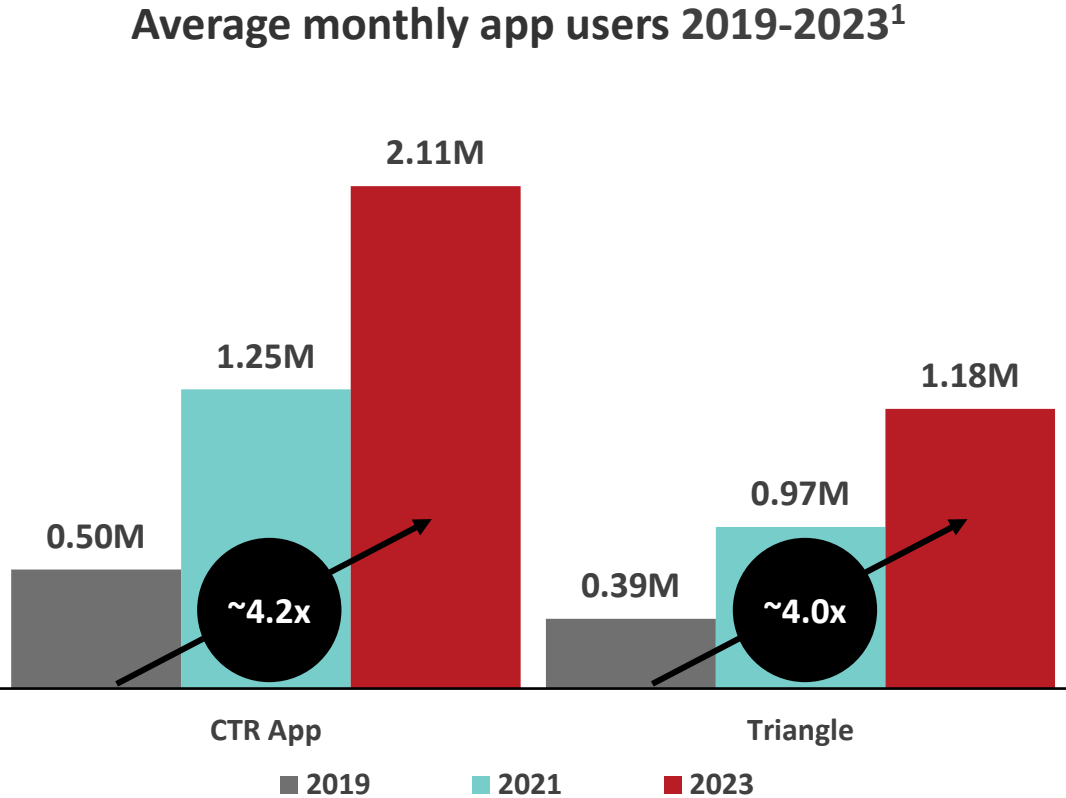


CTC is the  
**2<sup>nd</sup>**  
**most**  
visited online  
retailer across  
Canada<sup>1</sup>

(1) Based on CTC's data and SimliarWeb at the end of 2023.



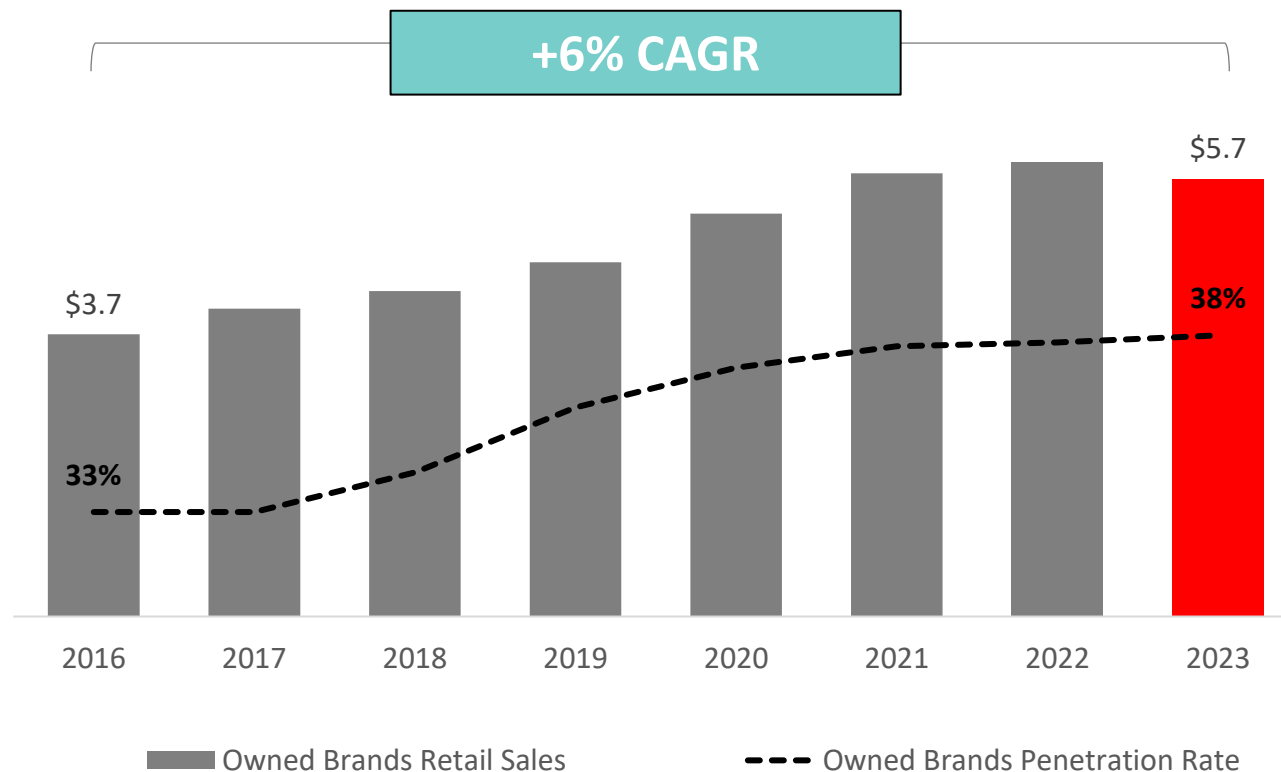
# Robust Mobile App Adoption and Customer Satisfaction Scores



(1) Average monthly app users for the year on Android and iOS devices.

# Owned Brands Driving 6% Sales Growth and a Strong Margin Contributor

Owned Brands Retail sales<sup>1</sup> (billions of CAD) and penetration rate<sup>2</sup>



## KEY HIGHLIGHTS

- Since 2016, **Owned Brands retail sales have grown an impressive 6% CAGR**. This remarkable performance underscores the lucrative investment potential of our brand in the retail market.
- **Owned Brands penetration has grown from 33% in 2016 to 38% in 2023**, with average product margin rates between 600 to 700 basis points higher than national brands.

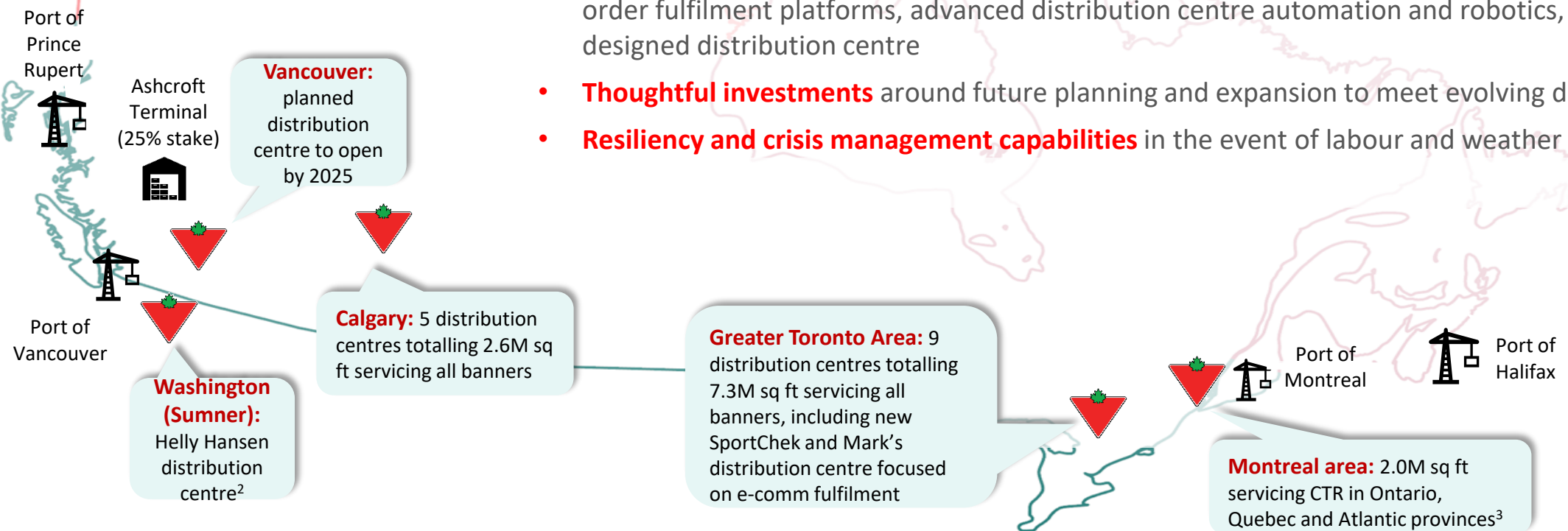
(1) This is a Supplementary Financial Measure. For further information about this measure see section 9.2 of the Company's Q2 2024 MD&A, which is available at [www.SEDARPLUS.ca](http://www.SEDARPLUS.ca) and incorporated by reference herein.

(2) Sales of Owned Brands as a percentage of Retail sales.

# Control of Supply Chain Enabling Efficient and Cost-Effective Product Flow

Centralized supply chain capability across 15 distribution centres and more than 11M sq ft servicing all Canadian Tire banners allows for:

- **Economies of scale** associated with rail and truck freight shipping as the largest single importer of containers to Canada<sup>1</sup> and national distribution centre footprint
- **Investment in innovation** including shift to 60" containers, transportation management and order fulfilment platforms, advanced distribution centre automation and robotics, net zero designed distribution centre
- **Thoughtful investments** around future planning and expansion to meet evolving demand
- **Resiliency and crisis management capabilities** in the event of labour and weather disruptions



(1) <https://www.cpr.ca/en/media/canadian-pacific-announces-multi-year-contract-extension-with-canadian-tire-corporation>.

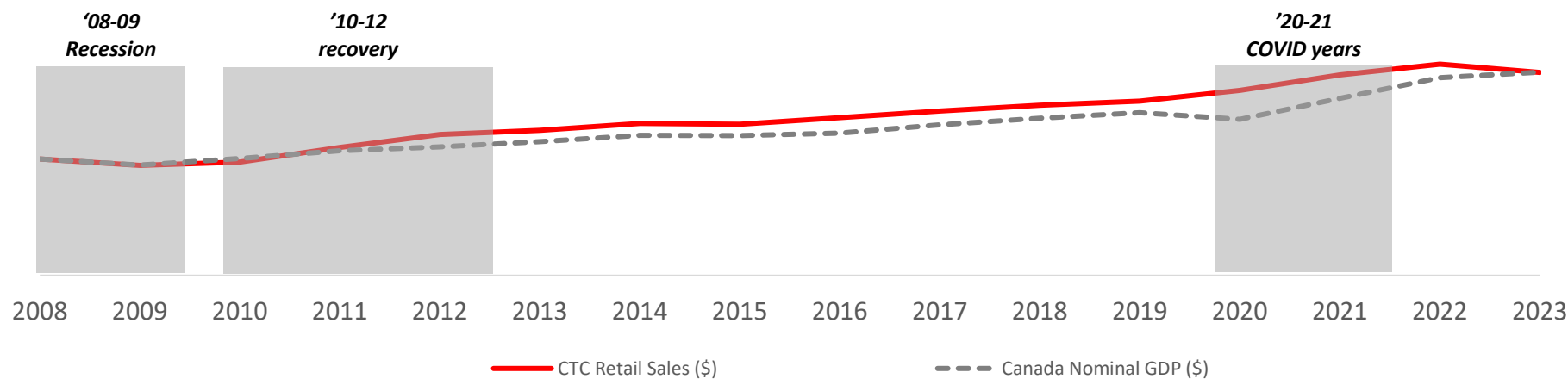
(2) The Company operates two international distribution centres in Sumner, Washington and Born, Netherlands, which service Helly Hansen, representing over 400,000 square feet of warehouse space.

(3) Distribution centre located in Coteau-du-lac, Quebec.

# Track Record of Financial Performance

# Retail Business Resiliency and Recovery Through Economic Cycles

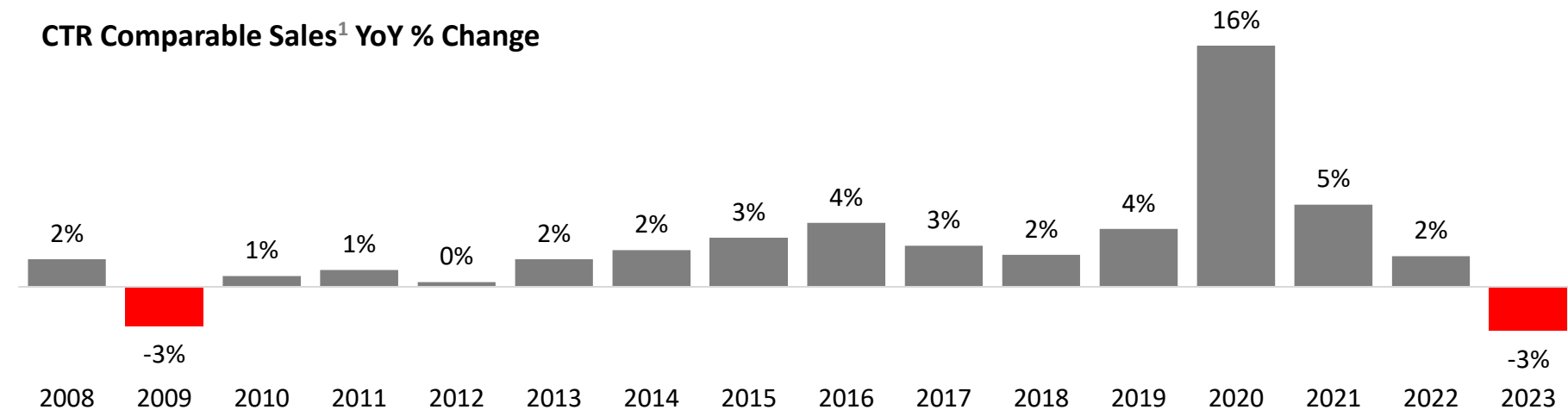
CTC Retail Sales<sup>1</sup> versus Canada Nominal GDP (\$) <sup>2</sup>  
Base year indexed to 2008



KEY HIGHLIGHT

Since 2011, CTC Retail Sales have grown at or above Canada's Nominal GDP

CTR Comparable Sales<sup>1</sup> YoY % Change



KEY HIGHLIGHT

Resilient CTR comparable sales, with only two annual declines since 2008

(1) This is a Supplementary Financial Measure. For further information about these measures see section 10.2 of the Company's Q4 2023 MD&A, which is available on SEDAR+ at [www.SEDARPLUS.ca](http://www.SEDARPLUS.ca) and incorporated by reference herein.

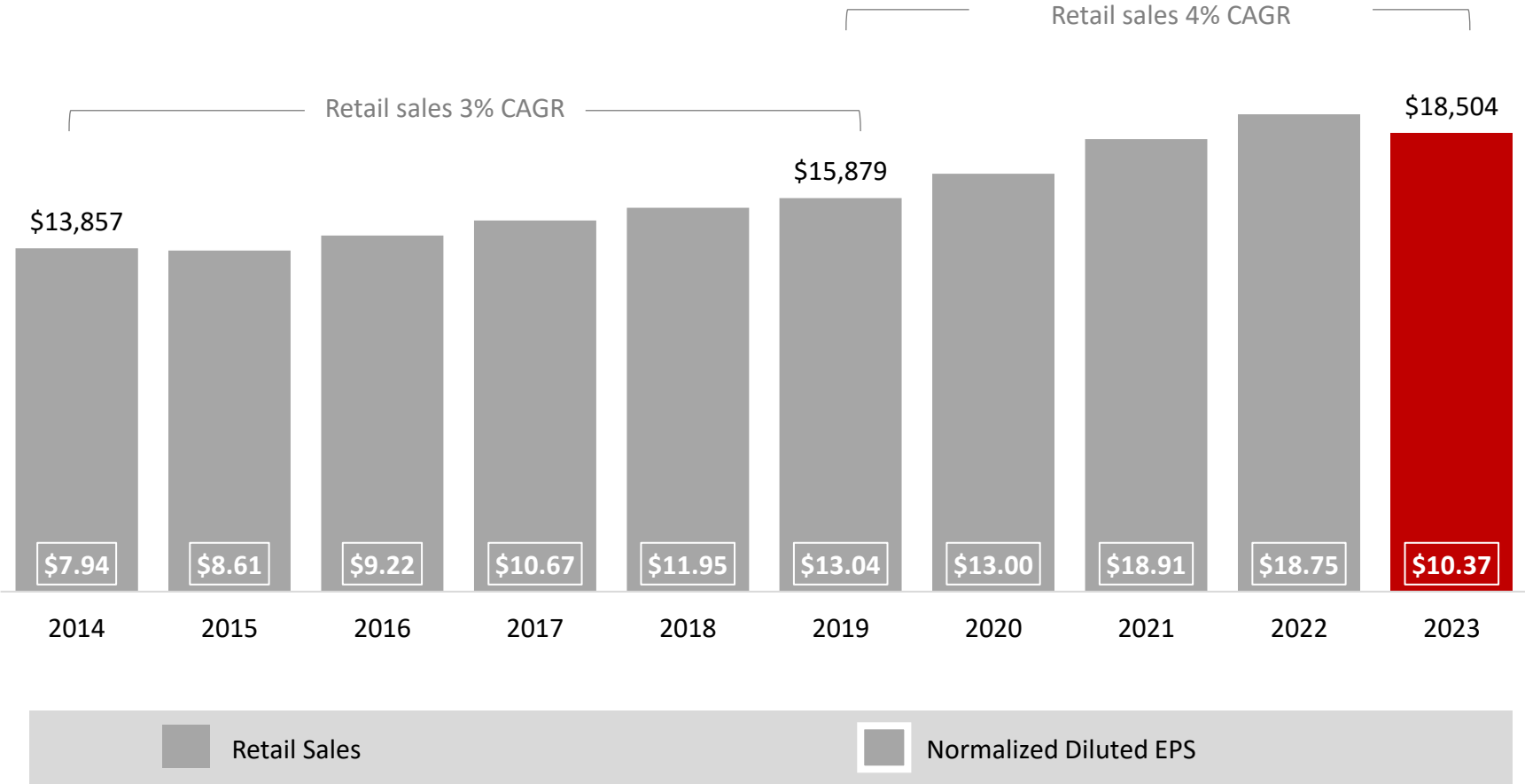
(2) Statistics Canada data as of March 20, 2024.

27

# Proven Track Record of Retail Sales and Earnings Growth

## 10-Year Performance Track Record

(C\$ in millions, except per share amounts)



### KEY HIGHLIGHTS

3%

**Retail sales CAGR** over the ten-year period

3%

**Normalized diluted EPS<sup>1</sup>**  
**CAGR** over the ten-year period

(1) This is a non-GAAP financial measure or non-GAAP ratio with no standardized meaning under IFRS and therefore may not be comparable to similar measures presented by other issuers. See section 10.1 of the Company's Q4 2023 MD&A, which is available on SEDAR+ at [www.SEDARPLUS.ca](http://www.SEDARPLUS.ca) and incorporated by reference herein.

# Diversified Asset Mix In Support of Retail Business Growth



A highly profitable Financial Services business with \$7.4B book of receivables at the end of 2023 and multiple funding sources

## CT Financial Services benefits to Retail/CTC:

- CTB's integration with retail banners provides a competitive edge in acquiring new accounts and issuing eCTM to loyal customers through credit cards, supported by targeted marketing
- Prudent credit risk management delivering profitability and returns over time
- ~75% of eCTM issuance annually is through CTFS credit cards
- Providing steady dividends to CTC totalling ~\$1.5B during the last 5 years<sup>1</sup>



A closed-end publicly-listed REIT (CRT.UN) formed in 2013 focused on triple-net leasing to commercial tenants with 30.8M sq ft of total Gross Leasable Area ("GLA") at the end of 2023

## CT REIT benefits to Retail/CTC:

- CTC holds a 68%<sup>2</sup> equity interest in CT REIT. CT REIT provides attractive vehicle with dedicated real estate expertise to develop existing CTC stores. CT REIT actively seeks out key Canadian real estate in support of retail
- 332 of 502 Canadian Tire stores are owned by CT REIT and represent 92% of GLA
- CT REIT is working with CTC to surface embedded value from high-value properties owned by CTC or CT REIT – exploring the potential for longer-term intensification or redevelopment
- Providing steady distributions to CTC totalling ~\$1.0B during the last 5 years<sup>1</sup>

(1) 2019-2023.

(2) For the period ending December 31, 2023.



# CTFS Resilience

# CTFS: Monoline Credit Card Business Specialized in Credit Risk Management

## Unique Business Focus



- Close to 60 years of small unsecured lending to Canadians with specialized expertise in credit risk and collection practices
- CTFS represents ~75% of all eCTM issued to Triangle Rewards members annually
- Tenured management team with experience and a playbook for execution through economic cycles

## Differentiated Lending and Collections Profile



- Bulk of credit limits below \$10,000
- Average prime and near prime credit utilization rates of >80%
- Collections efforts are focused on maintaining regular payments while also preserving long-term relationship with customers loyal to CTC

## Data-Driven Decision-Making

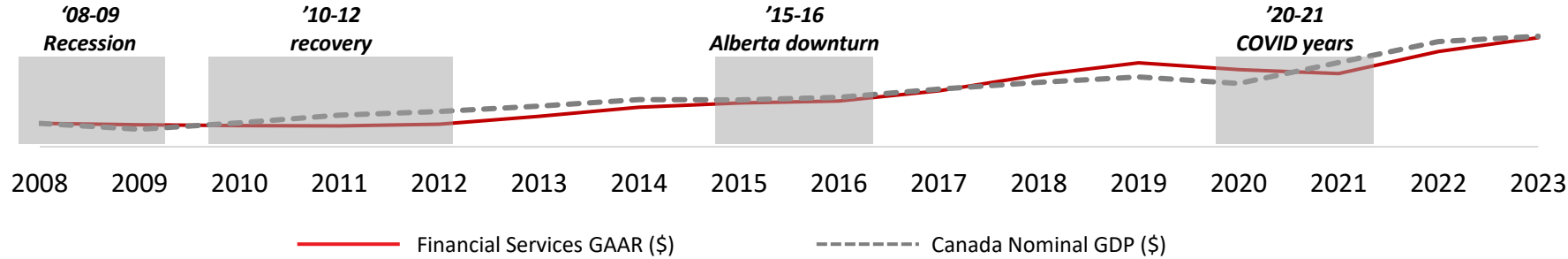


- Continuous monitoring of payment behavior across customer segments
- Proprietary approach to managing risk and adapting strategies based on data insights

# Financial Services Business Performance Through Economic Cycles

## Gross Average Accounts Receivable (GAAR)<sup>1</sup> vs. Canada Nominal GDP<sup>2</sup> (\$)

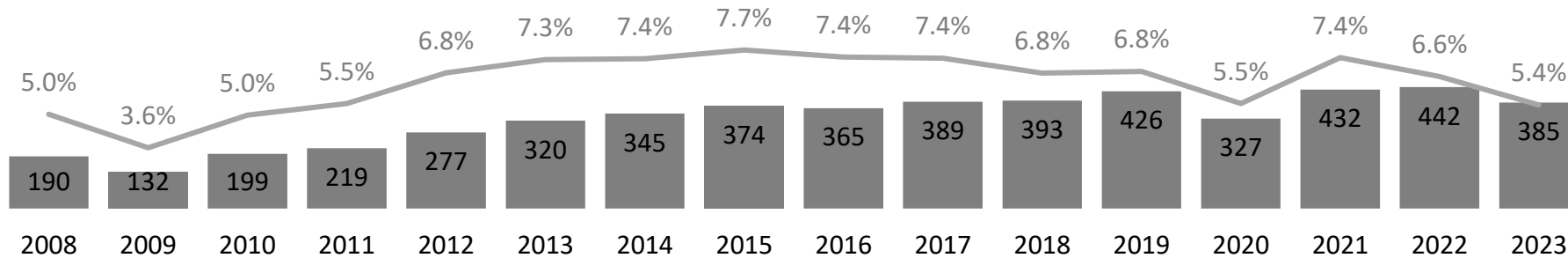
Base year indexed to 2008



### KEY HIGHLIGHT

Financial Services GAAR has generally trended in line with Canada Nominal GDP growth

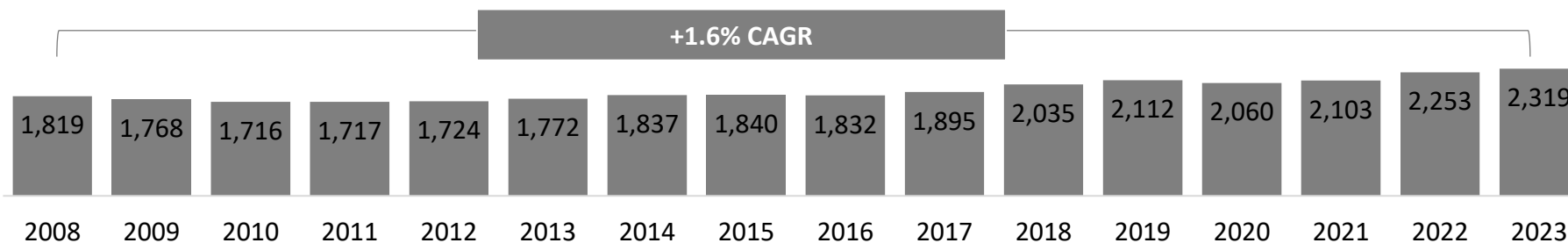
## Income before Income Taxes (millions of CAD) and Return on Receivables<sup>1</sup>



### KEY HIGHLIGHT

Delivering growth in pre-tax profits over extended periods

## Average number of credit card accounts with a balance (thousands)



### KEY HIGHLIGHT

Active accounts have shown growth over extended periods

1) This is a Supplementary Financial Measure. For further information about these measures see section 10.2 of the Company's Q4 2023 MD&A, which is available on SEDAR+ at [www.SEDARPLUS.ca](http://www.SEDARPLUS.ca) and incorporated by reference herein. 2) Statistics Canada data as of March 20, 2024.

# *Better Connected* Strategy

# Better Connected Strategy: Progress to End of 2023

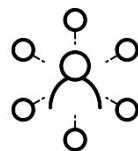
The Company's *Better Connected* initiatives have already proven to drive incremental sales and enhance connections to customers through an offering that has greater relevance and value:

## Creating valuable customer relationships



- More relevant and personalized offers to the Company's 11.4 million Triangle members to earn eCTM are being activated.
- Sales driven by personalized offers accounted for 4% of all sales, with 1:1 offers delivering \$253 million of incremental sales in 2023.

## Improved omni-channel experience



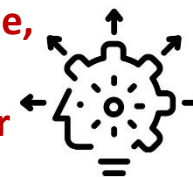
- More than 15% of Canadian Tire stores, representing 18% of the Canadian Tire footprint, have now been refreshed, expanded or replaced since March 2022, driving incremental sales.
- 45 Canadian Tire store projects were completed in 2023, taking total to 81 since 2022.
- New Mark's Pro store concept launched, and 16 SportChek stores were refreshed in 2023.

## World-class products through sourcing and design and partnerships



- Owned Brands sales<sup>1</sup> accounted for approximately 38% of total retail sales, with key categories like tires, oil, hockey, and pet care experiencing increased penetration through brands like Motomaster, ProSeries, Paderno/Vida by Paderno, Sherwood, and PetCo, maintaining a margin premium over National Brands.

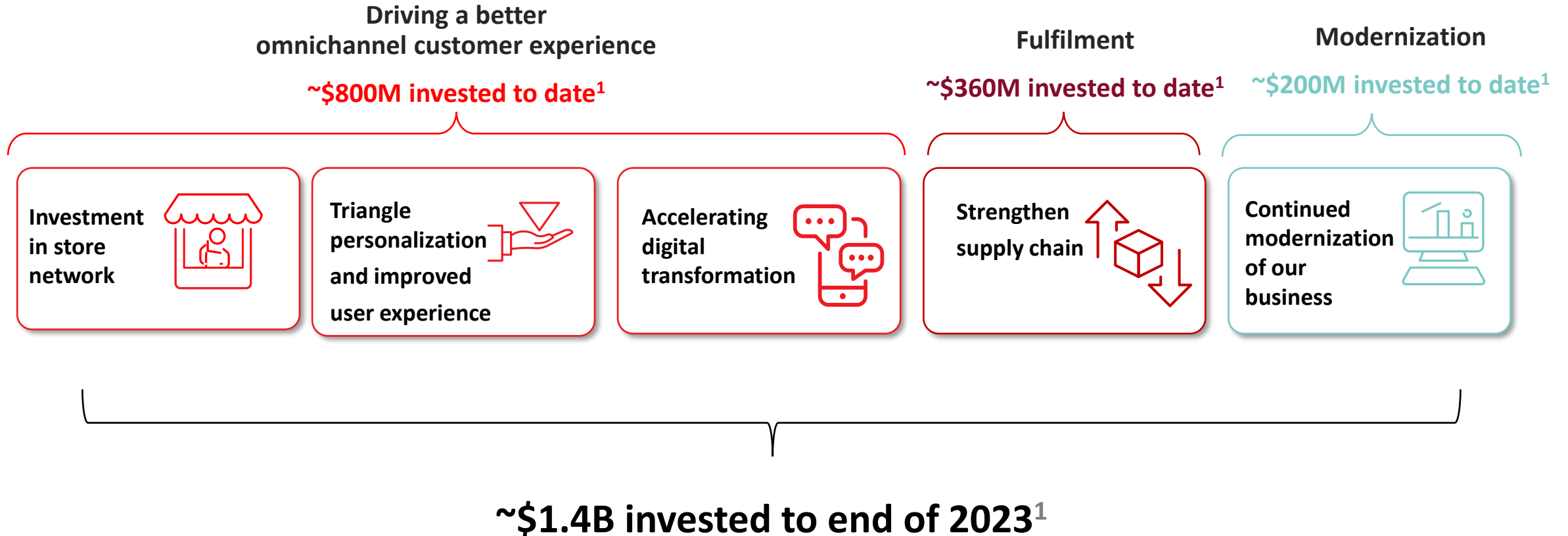
## Developing people, capabilities and systems to deliver our strategy



- New multi-banner GTA distribution centre opened in 2023.
- The completion of the multi-year rollout of the Company's digital platform across all banners enhances the online experience for customers, helping to enable 1.1 billion digital visits, the \$1.1 billion in eCommerce sales<sup>1</sup> in 2023 and improved Browse NPS (net promoter score).

(1) This is a Supplementary Financial Measure. For further information about these measures see section 10.2 of the Company's Q4 2023 MD&A, which is available on SEDAR+ at [www.SEDARPLUS.ca](http://www.SEDARPLUS.ca) and incorporated by reference herein.

# Investing in Capital Across Key Initiatives



1) Cumulative spend to date in 2022-2023.

# Canadian Tire Store Investment Priorities

- Category data & customer-driven floorplan
- Enhanced omni-channel strategy & customer logistics
- New planogram analytics and customization
- Increased focus on in-store display & brand presentation
- In-store technology (Customer Facing Devices, Electronic Shelf Labels, and Scan & Buy)
- Efficient warehouse & receiving operations – door to floor
- Modernized store design focused on the customer experience



## Returns for Refreshed Store Experience

- Higher sales
- Increased average basket size
- Meaningful improvements in NPS (net promoter score)





# CTR Store Investments Since 2022

**7**  
Relocations  
(~0.3M+ sq. ft)

Ontario	Quebec	Alberta	British Columbia	Saskatchewan
<ul style="list-style-type: none"><li>• Ottawa (Carlingwood)</li><li>• Toronto (Islington/401)</li></ul>	<ul style="list-style-type: none"><li>• Mont-Tremblant</li><li>• Sherbrooke</li></ul>	<ul style="list-style-type: none"><li>• Lloydminster</li></ul>	<ul style="list-style-type: none"><li>• Chilliwack</li></ul>	<ul style="list-style-type: none"><li>• Moose Jaw</li></ul>

**24**  
Expansions  
(~0.4M+ sq. ft)

Ontario	Quebec	Alberta	British Columbia	PEI	Nova Scotia
<ul style="list-style-type: none"><li>• Bowmanville</li><li>• Brampton</li><li>• Casselman</li><li>• Goderich</li><li>• Hamilton</li><li>• Kingston</li></ul>	<ul style="list-style-type: none"><li>• Midland</li><li>• Napanee</li><li>• Toronto</li><li>• Welland</li><li>• Whitby</li></ul>	<ul style="list-style-type: none"><li>• Chambly</li><li>• Drummondville</li><li>• La Plaine</li><li>• Sept-Iles</li><li>• St. Eustache</li><li>• Victoriaville</li></ul>	<ul style="list-style-type: none"><li>• Lethbridge</li></ul>	<ul style="list-style-type: none"><li>• Duncan</li><li>• Invermere</li></ul>	<ul style="list-style-type: none"><li>• Charlottetown</li><li>• Summerside</li><li>• Halifax</li><li>• Sydney</li></ul>

**50**  
Remerchandise

Ontario	Quebec	Alberta	British Columbia	Saskatchewan	New Brunswick
<ul style="list-style-type: none"><li>• 23 projects</li></ul>	<ul style="list-style-type: none"><li>• 15 projects</li></ul>	<ul style="list-style-type: none"><li>• 9 projects</li></ul>	<ul style="list-style-type: none"><li>• 1 project</li></ul>	<ul style="list-style-type: none"><li>• 1 project</li></ul>	<ul style="list-style-type: none"><li>• 1 project</li></ul>

# Better Connected Strategy: In Progress

## Creating valuable customer relationships

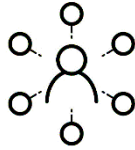


Extension of data-led personalized marketing capabilities to Petro-Canada partner network in 2024 driving increased engagement through issuance and redemption

Continued investment in data & analytics to power Triangle's personalization efforts, including through Microsoft partnership

CTFS process unlocks flexibility to build out Triangle and accelerate eCTM issuance

## Improved omni-channel experience



Refresh, expansions or replacement projects of 40 Canadian Tire stores in 2024, of which 18 were completed in the first half of 2024, and a new replacement store in Kitchener, Ontario

Leveraging digital investments to roll out more customer functionality

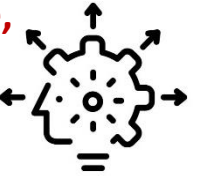
## World-class products through sourcing and design and partnerships



Continued investment in Owned Brand products and capabilities across all banners

Partnering to build and enhance select National Brands across the retail portfolio, including Levi's and Reebok

## Developing people, capabilities and systems to deliver our strategy



Calgary net-zero certified distribution centre to drive better servicing of Western Canada

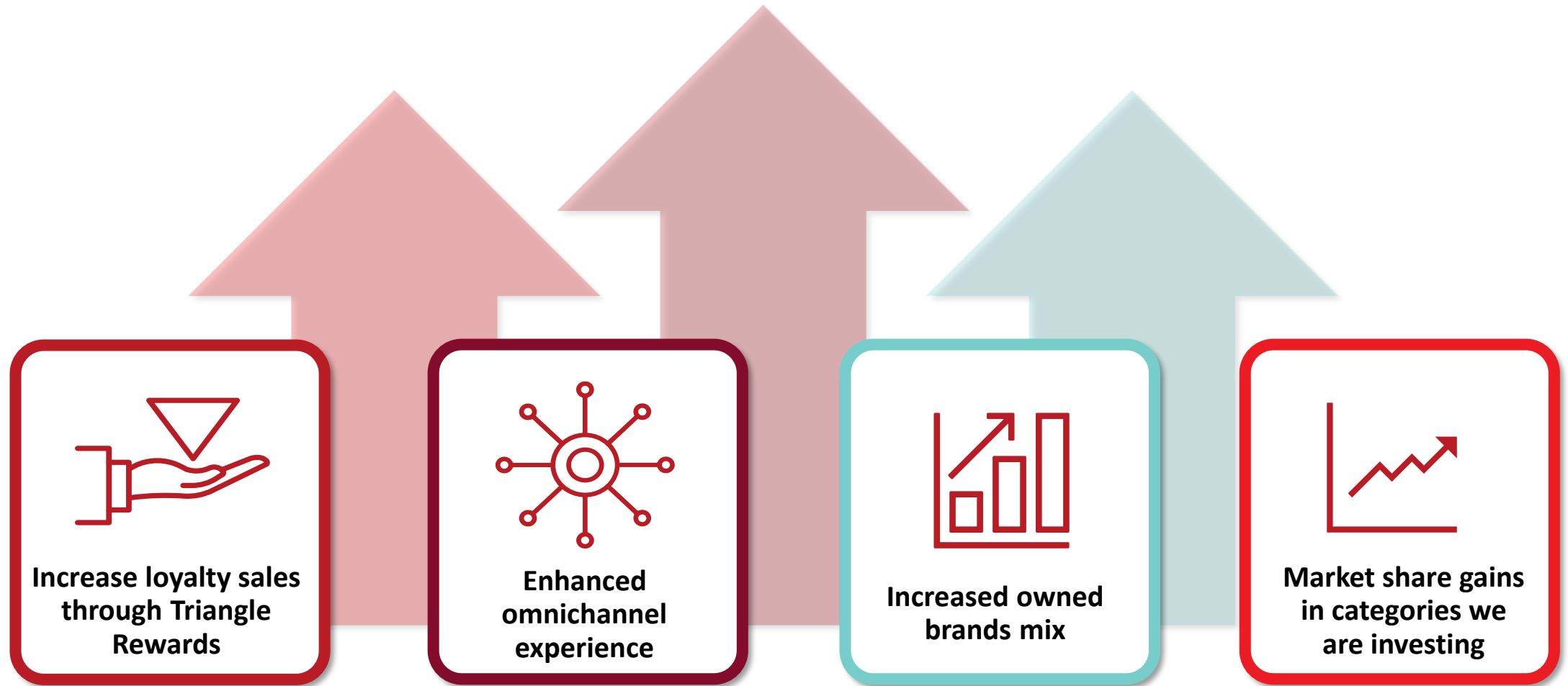
New Vancouver distribution centre to open in 2025

Transformation of Digital Core Banking platform to drive growth, customer engagement, and product innovation

New Transportation Management System providing real-time inventory visibility

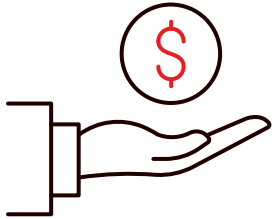
# Levers to Protect and Grow

# Better Growth: Diverse Drivers of Long Term Retail Growth



# Leveraging CTC's 5 Primary Customer Engagement Levers

1



**More category participation**

2



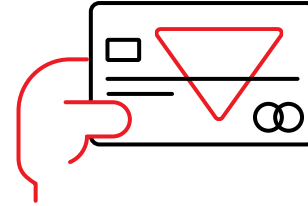
**Cross-banner shopping**

3



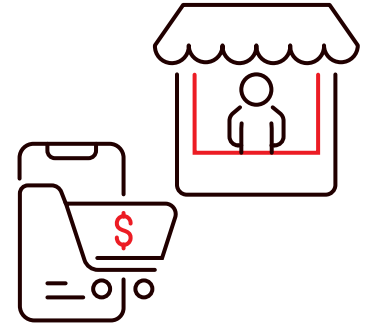
**Digital communications participation**

4



**Credit card membership**

5



**Multi-channel transacting — in-store & online**

# Data-Driven Customer Engagement in the Triangle Ecosystem Reinforces Brand Connection and Drives Long-Term Sales

## 1) Strong, trusted and relevant banners:

Brand and customer experience initiatives aim to enhance emotional connections with our banners, reinforcing our already strong positions in the market

## 2) Attract and retain members:

Member acquisition has diversified across all CTC banners since 2018, with 46% now acquired at SportChek, Mark's, and CTP<sup>1</sup>. This has attracted younger and more affluent members

## 3) Earn CTM:

Since 2018, issuance has risen by 48%<sup>1</sup>, with issuance and bonus activities at banners outside Financial Services accounting for approximately two-thirds of issuance growth. Spend per member of new cohorts has surpassed pre-pandemic levels

## 4) Shop more to earn more:

In 2023, cross-banner shop was up 709 basis points since Triangle was launched in 2018

## 5) Richer data:

Registered members account for 77% of total active members<sup>1</sup>, paving the way for potential monetization prospects

## 6) More insights:

Petro-Canada loyalty partnership launched in 2024 will provide greater access to valuable insights

## 7) Personalized sales and experiences:

Incremental personalized sales have increased to \$253M in 2023, with 10% of members having redeemed a 1:1 Loyalty Offer

## 8) More shopping, more value:

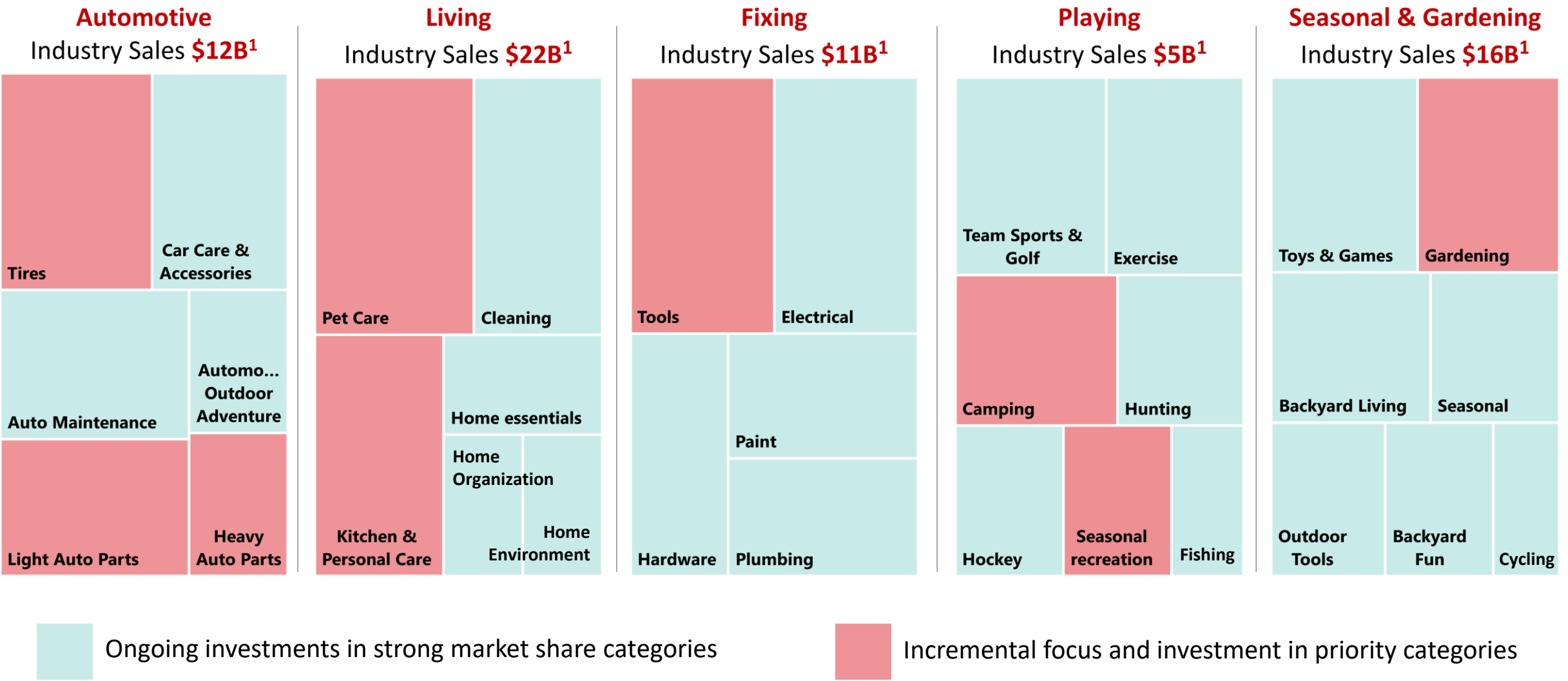
Redemption was stable YoY<sup>1</sup>, with ~90% of eCTM earned in the year redeemed annually



1) For the period ending December 30, 2023.

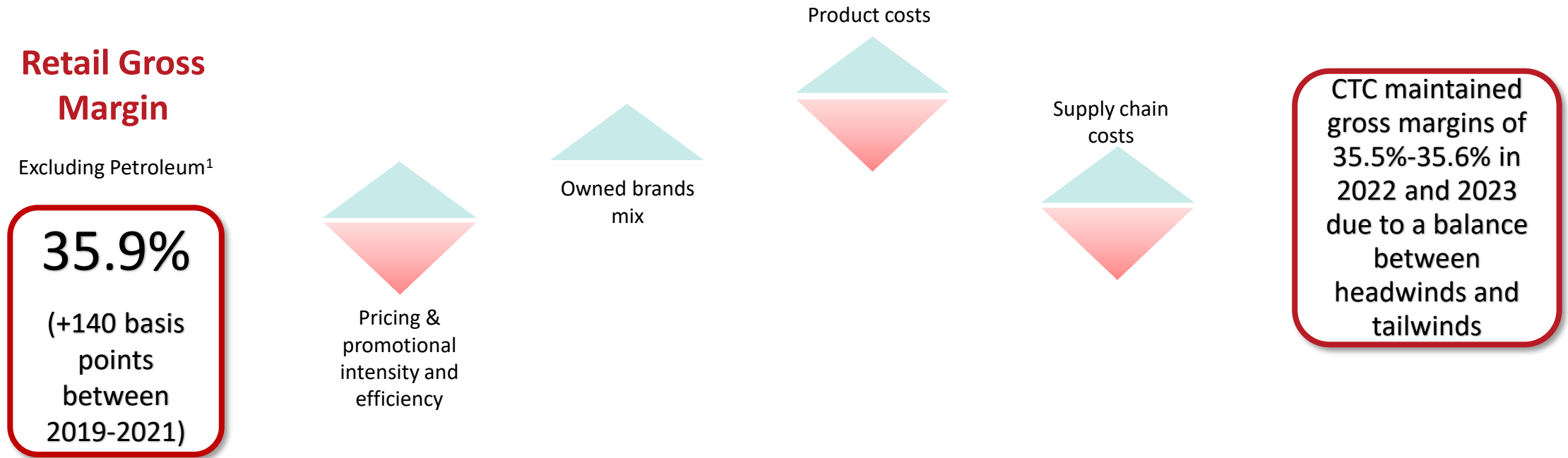
2) This is a Supplementary Financial Measure. For further information about these measures see section 10.2 of the Company's Q4 2023 MD&A, which is available on SEDAR+ at [www.SEDARPLUS.ca](http://www.SEDARPLUS.ca) and incorporated by reference herein.

# Building on Strengths and Opportunities to Grow CTR Priority Categories



1) Source: Market share data based on Fusion Analytics and CTC, omni-channel sales, 2023.

# Retail Gross Margin Levers



(1) This is a Supplementary Financial Measure. For further information about these measures see section 10.2 of the Company's Q4 2023 MD&A, which is available on SEDAR+ at [www.SEDARPLUS.ca](http://www.SEDARPLUS.ca) and incorporated by reference herein.



# Disciplined Capital Stewardship

# Balanced Capital Allocation Approach

## Organic investments in the business

- Operating capital expenditures<sup>1</sup> were \$615M in 2023 and expected to be in the range of \$475M to \$525M in 2024 - to fund *Better Connected* Strategy investments

## Dividend growth

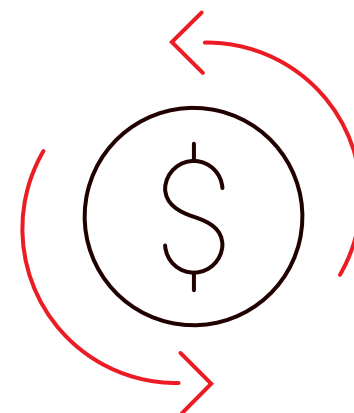
- 2023 dividend increased to \$7.00 per share
- Member of the S&P/TSX Dividend Aristocrats Index
- \$2.3B dividends paid over the last 10 years

## Share repurchases

- \$425M completed in 2022, with over \$375M in 2023; up to additional \$200M announced in 2024
- More than \$3.6B in share repurchases over the last 10 years

## M&A

- Focused on accretive capability building or core retail owned brand differentiators

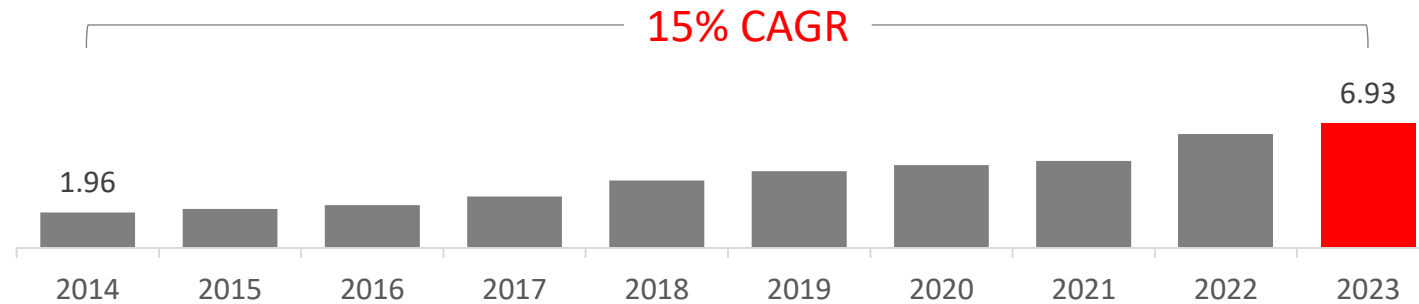


**Strong cash generation to fund capital allocation priorities while maintaining investment grade rating**

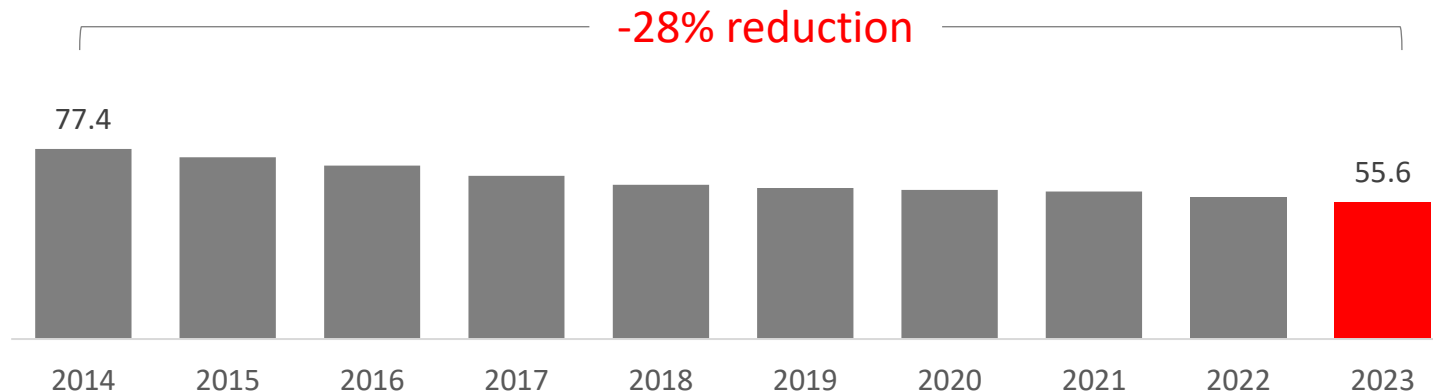
1) This is a non-GAAP financial measure or non-GAAP ratio with no standardized meaning under IFRS and therefore may not be comparable to similar measures presented by other issuers. See section 10.1 of the Company's Q4 2023 MD&A, which is available on SEDAR+ at [www.SEDARPLUS.ca](http://www.SEDARPLUS.ca) and incorporated by reference herein.

# Track Record of Consistent Dividend Increases and Share Buybacks

Cash dividends declared per share



Total shares outstanding (million)



## KEY HIGHLIGHTS

15%

**CAGR growth** in dividends per share; in November 2023, the dividend was increased to an annualized amount of **\$7.00 per share**, marking 14 consecutive years of dividend increases

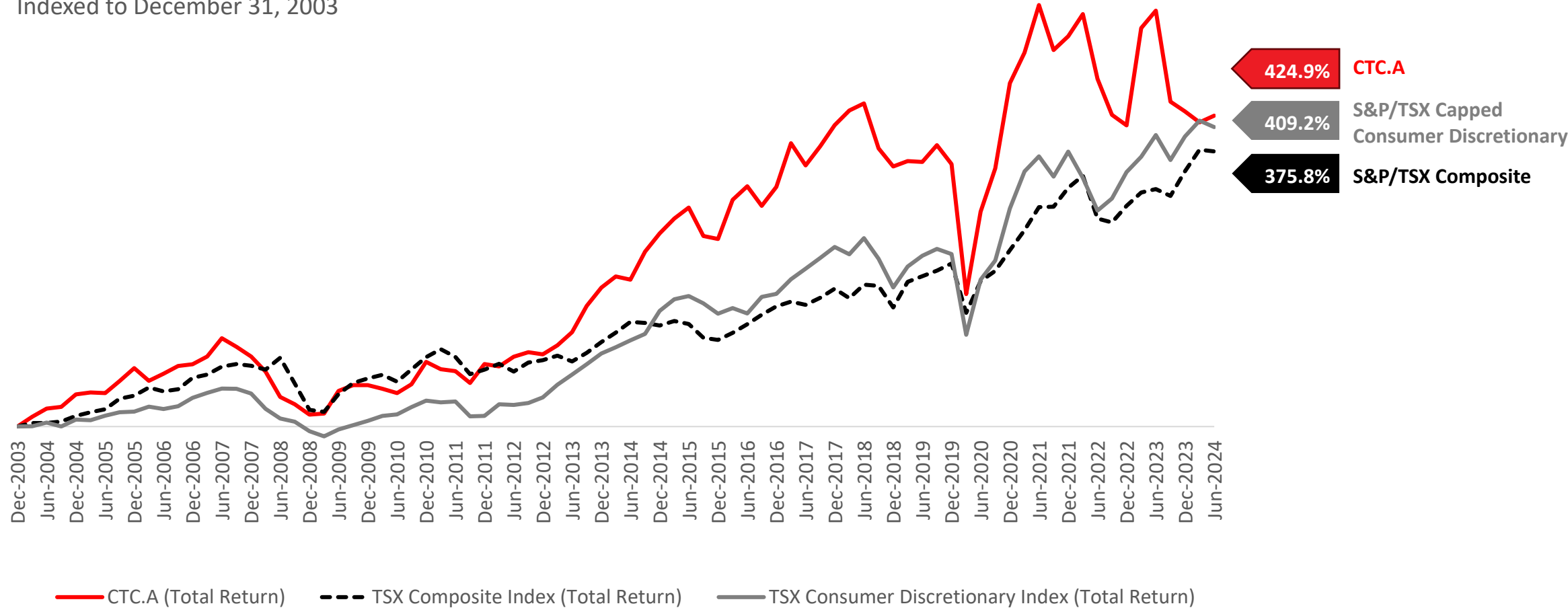
28%

**reduction** in total shares outstanding since 2014

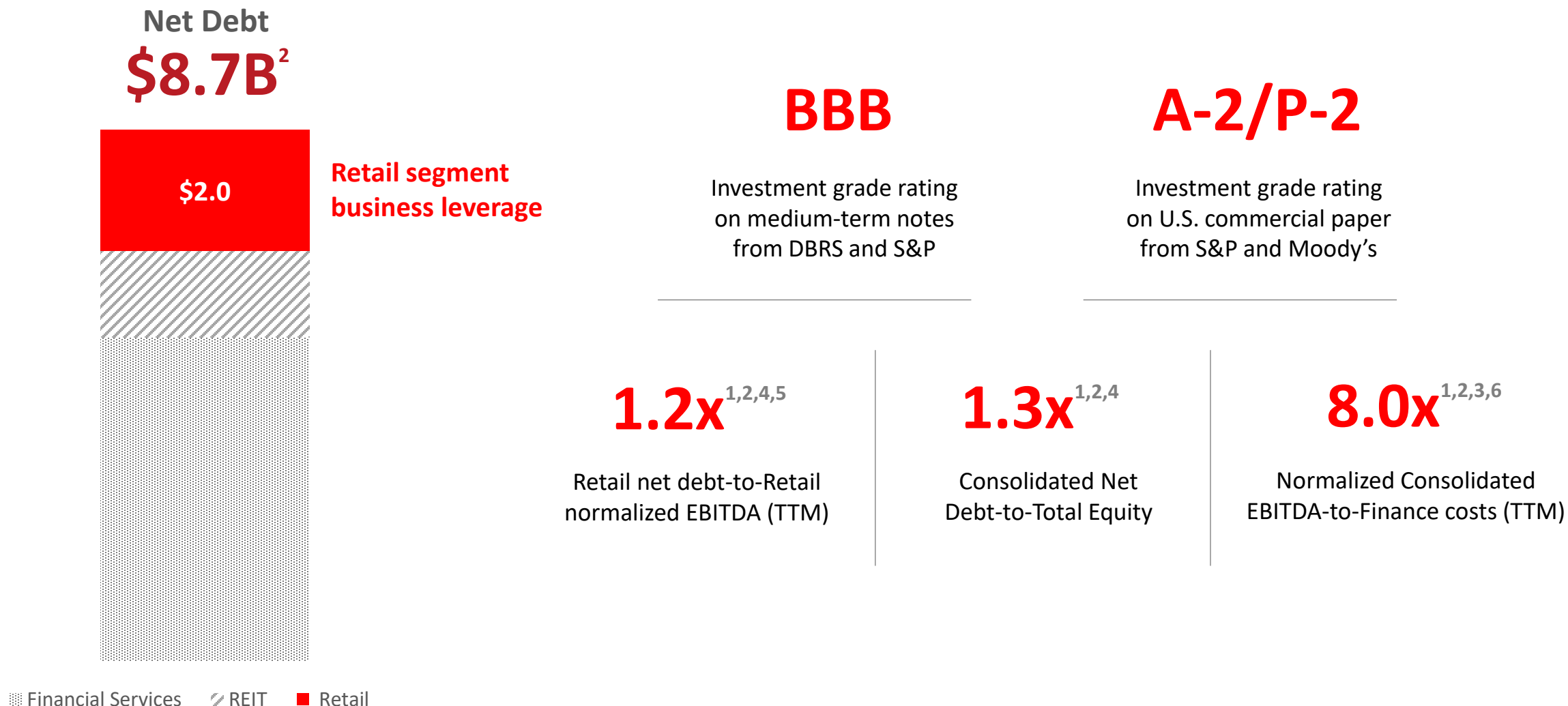
# Delivering Attractive Total Returns to Shareholders for Over Two Decades

## Relative Total Returns Performance

Indexed to December 31, 2003



# Balance Sheet Reflects Diversified Asset Mix and Low Retail Leverage



1) Leverage and interest coverage ratios are selected and calculated by CTC and may differ from the metrics used by the rating agencies. 2) As of December 30, 2023. 3) Finance costs exclude lease liability interest expenses, finance income, and finance income on lease receivable. 4) Net debt calculations exclude lease liabilities. 5) Retail net debt-to-Retail normalized EBITDA is a non-GAAP ratio that is calculated by dividing Retail normalized EBITDA by Retail net debt. See section 10.1 of the Company's Q4 2023 MD&A, which is available on SEDAR+ at [www.SEDARPLUS.ca](http://www.SEDARPLUS.ca) and incorporated by reference herein. 6) Normalized Consolidated EBITDA-to-Finance costs is a non-GAAP ratio that is calculated by dividing normalized Consolidated EBITDA by Finance costs. See section 10.1 of the Company's Q4 2023 MD&A, which is available on SEDAR+ at [www.SEDARPLUS.ca](http://www.SEDARPLUS.ca) and incorporated by reference herein.

# Reasons to Invest in CTC

# Reasons to Invest in Canadian Tire Corporation



## **A resilient, iconic and trusted omni-channel retailer with scale and room to grow through stronger customer engagement**

Generated steady cash flow through economic cycles, led by experienced management and supported by data-driven customer engagement strategies and a robust supply chain network

## ***Better Connected* strategy and investment roadmap**

Aiming to drive long-term earnings and maintain a strong market position in a sizeable addressable market, including through leveraging store investments, Owned Brands and loyalty

## **Disciplined capital stewardship**

Committed to balanced capital allocation, having provided consistent dividends and attractive yields to shareholders, and returned excess cash to shareholders through share repurchases



**Contact Investor Relations**

Email: [investor.relations@cantire.com](mailto:investor.relations@cantire.com)