



Canadian Tire Corporation Delivers Strong Third Quarter Comparable Sales, Announces 12th Consecutive Annual Dividend Increase and Reinstatement of Share Repurchase Program

- Diluted Earnings Per Share (EPS) was \$3.97; normalized diluted EPS was \$4.20 per share
- Consolidated comparable sales were up 3.3% vs 2020 and up 21% vs 2019
- Annual dividend to be increased 10.6% to \$5.20 per share, reflecting 12 years of consecutive increases, and share buybacks resumed with intention to repurchase up to \$400 million Class A Shares

Toronto, November 11, 2021 – Canadian Tire Corporation, Limited (TSX:CTC, TSX: CTC.A) today released its third quarter results for the period ended October 2, 2021.

“I am pleased with our results this quarter as we delivered exceptional sales growth against 2019 and strong growth against 2020. Our customers continue to connect with us in-store and online and our eCommerce sales remain at twice pre-pandemic levels, demonstrating the success of our strengthened omni-channel capabilities across our banners,” said Greg Hicks, President and CEO, Canadian Tire Corporation. “Our strong supply chain capabilities have put us in an excellent inventory position as we head into the important fourth quarter. We are well-positioned through our unique multi-category assortments to deliver the products our customers need as they prepare to celebrate the holiday season.”

“I am proud of the work the team has delivered to achieve our previously committed operating efficiency target of \$200+ million in annualized savings ahead of schedule, as we continue to prove our ability to transform our Company and invest to modernize our business. We see the path to an additional \$100 million in savings through 2022. Our confidence in the Company’s future is evidenced by the significant increase in our dividend and the reinstatement of our share repurchase program, which will see us repurchase up to \$400 million by the end of 2022,” continued Hicks.

HIGHLIGHTS

- *Consolidated comparable sales (excluding Petroleum) were up 3.3% vs the same quarter last year, and up 21% vs 2019, as customers returned to in-store shopping*
 - Canadian Tire Retail (CTR) comparable sales were up 1.4%, against the exceptional 25.1% increase achieved in 2020; backyard living, gardening, and hockey were among the top performing businesses in the quarter
 - Comparable store sales at SportChek were up 11.2% vs last year, led by growth in athletic apparel, footwear, hockey, and team sports
 - At Mark’s, comparable sales were up 7.9% vs last year, with strong growth in men’s casual wear, footwear, and industrial apparel

- Compared to Q3 2019, comparable sales were up 25.3% at CTR, 7.0% at SportChek and 12.9% at Mark's
- Owned Brands penetration was 35% across the banners, representing close to \$1.3 billion of sales in the quarter, with growth coming from Canvas, Raleigh, and Denver Hayes
- Customers opted for a higher mix of in-store shopping as stores reopened; digital visits increased to 162 million and eCommerce penetration was almost double 2019 levels
- eCommerce sales were \$257 million in the quarter, and surpassed \$2.1 billion on a rolling 12-month basis
- *Continued engagement with Triangle Rewards members drove solid contributions in the quarter*
 - Active Triangle members were up 7% and loyalty sales accounted for 57% of retail sales in the quarter
 - 36% of members shopped at more than one retail banner, with newer members acquired at Mark's and SportChek driving traffic to CTR
 - Triangle Rewards members reached 10.7 million, with over 680,000 new members joining the program and strengthened engagement efforts with existing members
- *Consolidated normalized income before taxes at \$388.8 million, down 13.6%*
 - Retail segment normalized income before taxes, at \$245.4 million in the third quarter, was below 2020 but 27.3% higher than in the same quarter in 2019; four consecutive quarters of exceptional Retail segment earnings have driven retail ROIC to 13.2%
 - Financial Services income before income taxes grew by \$27.2 million, or 30.0% to \$117.7 million
- *Previously committed operational efficiency savings of \$200+ million achieved ahead of schedule*
 - The Company is targeting an additional \$100 million of annualized run rate savings by the end of 2022

CONSOLIDATED OVERVIEW

- Consolidated retail sales increased \$188.8 million in the third quarter, or 4.3% over the same period in 2020; excluding Petroleum, consolidated retail sales were up 1.6% over the same period last year
- Consolidated revenue decreased \$73.3 million, or 1.8% in the third quarter; excluding Petroleum, consolidated revenue decreased 5.6%
- Diluted EPS was \$3.97 in the quarter, down \$0.87 per share, or 18%, compared to the prior year; normalized diluted EPS in the quarter was \$4.20, a decrease of \$0.73 per share or 14.8%
- Refer to the Q3 2021 MD&A section 3.1.1 for information on normalizing items and for additional details on events that have impacted the Company in the quarter

RETAIL SEGMENT OVERVIEW

- Retail segment revenue decreased \$77.7 million, or 2.1% in the quarter. Excluding Petroleum, Retail segment revenue decreased 6.2%, due to a decline in shipments to Dealers at Canadian Tire. This followed significant increases in shipments to Dealers in the first two quarters of 2021. While Canadian Tire retail sales and revenue growth may diverge in any quarter, it is the Company's experience that historically these metrics tend to move together over the long-term.
- Retail revenue was up 9.4% compared to 2019 and excluding Petroleum, up 11.1%, with Canadian Tire revenue up 14.1% compared to 2019
- CTR retail sales in the quarter were relatively flat to last year, down 0.6%, and comparable sales were up 1.4%
- SportChek retail sales were up 9.0% and comparable sales were up 11.2%
- Mark's retail sales increased 10.5% and comparable sales were up 7.9%
- Helly Hansen revenue was \$157.6 million, up 1.5%, or 3% on a constant currency basis
- Gross margin rate up 17 bps, up across all retail banners, led by CTR
- Income before income taxes decreased \$99.7 million, or 30.5%; normalized income before income taxes decreased \$88.4 million or 26.5%
- Refer to the Q3 2021 MD&A section 3.1.1 for information on normalizing items and for additional details on events that have impacted the Company in the quarter

FINANCIAL SERVICES OVERVIEW

- The Financial Services business has continued to perform well in the third quarter as demonstrated by key metrics including sales, customer payments and delinquency rates
- Revenue was up 2.1%, as gross average accounts receivable increased 1.1% and credit card sales were up 23.3%, resulting in higher merchant and interchange fees
- Gross margin improved 19.0% primarily due to lower net impairment losses of \$28.4 million
- Income before income taxes increased \$27.2 million, or 30.0%

CT REIT OVERVIEW

- CT REIT delivered 6.5% growth in Adjusted Funds From Operations (AFFO) per unit in the third quarter
- CT REIT announced nine new investments, at an estimated cost of \$109.5 million, adding approximately 449,000 square feet of incremental gross leasable area to the portfolio upon completion
- For further information, refer to the Q3 2021 CT REIT earnings release issued November 8, 2021

CAPITAL ALLOCATION

CAPITAL EXPENDITURES

- Operating capital expenditures were \$203.1 million in the quarter, up from \$132.9 million in the third quarter of 2020
- Total capital expenditures were \$221.2 million in the quarter, an increase of \$140.0 million
- The full year operating capital expenditures for 2021 are projected to range from \$650 to \$700 million

QUARTERLY DIVIDEND

- The Company has approved a 10.6% increase in its annual dividend from \$4.70 to \$5.20 per share, reflecting 12 years of consecutive increases
- The Company declared dividends payable to holders of Class A Shares and Common Shares at a rate of \$1.300 per share payable on March 1, 2022 to shareholders of record as of January 31, 2022. The dividend is considered an “eligible dividend” for tax purposes.

SHARE BUYBACK

- The Company intends to repurchase up to \$400 million of its Class A Shares, in excess of the amount required for antidilutive purposes, by the end of fiscal 2022
- The share repurchases would commence under its previously announced normal course issuer bid (the “2021-22 NCIB”), which expires on March 1, 2022, and will thereafter be renewed, subject to regulatory approval

AUTOMATIC SECURITIES PURCHASE PLAN

- The Company announced that it will enter into an automatic securities purchase plan (the “ASPP”) with a designated broker to facilitate purchases of Class A Shares under its 2021-22 NCIB at times when the Company would ordinarily not be permitted to purchase its securities due to regulatory restrictions and customary self-imposed black-out periods. Purchases made pursuant to the ASPP will be made by the Company’s designated broker based upon the parameters prescribed by the TSX, applicable Canadian securities laws and the terms of the written agreement between the Company and its designated broker. The ASPP will commence prior to the Company’s 2021 fiscal year end and will terminate on the earliest of the date on which: (i) the purchase limit under the 2021-22 NCIB has been reached; (ii) the 2021-22 NCIB expires; and (iii) the Company terminates the ASPP in accordance with its terms. The ASPP constitutes an “automatic securities purchase plan” under applicable Canadian securities laws.
- The Company’s proposed ASPP is subject to regulatory approval

FORWARD-LOOKING STATEMENTS

Certain statements made in this press release, including with respect to the Company's Operational Efficiency program, share buyback intention and its 2021 full year operating capital expenditures may constitute forward-looking information under applicable securities laws. These statements are being 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. Although CTC 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, including as a result of COVID-19, 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 CTC's actual results to differ from current expectations, refer to section 10.0 (Key Risks and Risk Management) of our Management's Discussion and Analysis for the year ended January 2, 2021 as well as CTC's other public filings, available at www.sedar.com and at <https://investors.canadiantire.ca>. CTC 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 November 11, 2021. 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; Pro Hockey Life, a hockey specialty store catering to elite players; and SportChek, Hockey Experts, Sports Experts and Atmosphere, which offer the best active wear brands. The more than 1,700 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. In addition, CTC owns and operates Helly Hansen, a leading technical outdoor brand based in Oslo, Norway. For more information, visit Corp.CanadianTire.ca.

FOR MORE INFORMATION

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