

Management's Discussion and Analysis

Canadian Tire Corporation, Limited
Third Quarter 2024

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Table of Contents

1.0	PREFACE	1
2.0	COMPANY AND INDUSTRY OVERVIEW	3
3.0	COMPANY STRATEGY	4
4.0	FINANCIAL PERFORMANCE	5
4.1	Consolidated Financial Performance	5
4.2	Retail Segment Performance	11
4.3	Financial Services Segment Performance	18
4.4	CT REIT Segment Performance	22
5.0	BALANCE SHEET ANALYSIS, LIQUIDITY, AND CAPITAL RESOURCES	25
6.0	EQUITY	33
7.0	TAX MATTERS	34
8.0	ACCOUNTING POLICIES AND ESTIMATES	34
9.0	NON-GAAP FINANCIAL MEASURES, RATIOS, AND SUPPLEMENTARY FINANCIAL MEASURES	37
10.0	KEY RISKS AND RISK MANAGEMENT	49
11.0	INTERNAL CONTROLS AND PROCEDURES	49
12.0	ENVIRONMENTAL, SOCIAL, AND GOVERNANCE	50
13.0	FORWARD-LOOKING INFORMATION AND OTHER INVESTOR COMMUNICATION	50

1.0 Preface

1.1 Definitions

In this document, the terms “we”, “us”, “our”, “Company”, “Canadian Tire Corporation”, “CTC”, and “Corporation” refer to Canadian Tire Corporation, Limited, on a consolidated basis. This document also refers to the Corporation’s three reportable operating segments: the “Retail segment”, the “Financial Services segment”, and the “CT REIT segment”.

The financial results for the Retail segment are delivered by the businesses operated by the Company under the Company’s retail banners, which include Canadian Tire, PartSource, Petroleum, Canadian Tire Gas+, Party City, Mark’s, Helly Hansen, SportChek, Sports Experts, Atmosphere, Pro Hockey Life (PHL), Sports Rousseau, and Hockey Experts.

In this document:

“Canadian Tire” refers to the general merchandise retail and services business carried on under the Canadian Tire name and trademarks.

“Canadian Tire Retail” and “CTR” refer to the general merchandise retail and services businesses carried on under the Canadian Tire, PartSource, PHL, and Party City names and trademarks.

“Canadian Tire Gas+” or “Petroleum” refers to the retail petroleum business carried on under the Canadian Tire Gas+ name and trademarks, in addition to the Petro-Canada branded gas stations owned by CTC.

“CT REIT” refers to the business carried on by CT Real Estate Investment Trust and its subsidiaries, including CT REIT Limited Partnership (CT REIT LP).

“Financial Services” refers to the business carried on by the Company’s Financial Services subsidiaries, namely Canadian Tire Bank (CTB or the Bank) and CTFS Bermuda Ltd. (CTFS Bermuda), a Bermuda reinsurance company.

“Franchise Trust” refers to a legal entity sponsored by a third-party bank that originates and services loans to certain Dealers for their purchases of inventory and fixed assets (Dealer loans).

“Helly Hansen” refers to the international wholesale and retail businesses that operate under the Helly Hansen and Musto names and trademarks.

“Jumpstart” refers to Canadian Tire Jumpstart Charities.

“Mark’s” refers to the retail and commercial wholesale businesses carried on by Mark’s Work Wearhouse Ltd., and “Mark’s stores” including stores that operate under the Mark’s, L’Équipeur, Mark’s WorkPro, and L’Équipeur Pro names and trademarks.

“Owned Brands” refers to brands owned by the Company and managed within the Retail segment.

“PartSource stores” refers to stores that operate under the PartSource name and trademarks.

“Party City” refers to the party supply business carried on under the Party City name and trademarks in Canada.

“SportChek” refers to the retail business carried on by FGL Sports Ltd., including stores that operate under the SportChek, Sports Experts, Atmosphere, Sports Rousseau, and Hockey Experts names and trademarks.

Other terms that are capitalized in this document are defined the first time they are used.

This document contains trade names, trademarks, and service marks of CTC and other organizations, all of which are the property of their respective owners. Solely for convenience, the trade names, trademarks, and service marks referred to herein appear without the ® or TM symbol.

1.2 Forward-Looking Information

This Management's Discussion and Analysis (MD&A) contains information that may constitute forward-looking information within the meaning of applicable securities laws. 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. Although the Company believes that the forward-looking information in this MD&A 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. The Company cannot provide assurance that any financial or operational performance, plans, or aspirations forecast will actually be achieved or, if achieved, will result in an increase in the Company's share price. Refer to section 13.0 in this MD&A for a more detailed discussion of the Company's use of forward-looking information.

1.3 Review and Approval by the Board of Directors

The Board of Directors, on the recommendation of its Audit Committee, approved the contents of this MD&A on November 6, 2024.

1.4 Quarterly and Annual Comparisons in the MD&A

Unless otherwise indicated, all comparisons of results for Q3 2024 (39 weeks ended September 28, 2024) are compared against results for Q3 2023 (39 weeks ended September 30, 2023).

1.5 Accounting Framework

The condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), also referred to as Generally Accepted Accounting Principles (GAAP), using the accounting policies described in Note 2 to the Company's interim consolidated financial statements for the third quarter of 2024.

1.6 Accounting Estimates and Assumptions

The preparation of the Company's condensed interim consolidated financial statements that conforms to IFRS requires Management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent liabilities at the date of the condensed interim consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Refer to section 8.1 in this MD&A for further information.

1.7 Key Performance Measures

The Company uses certain key performance measures, which provide useful information to both Management and investors in measuring the financial performance and financial condition of the Company. These measures are classified as GAAP measures, non-GAAP financial measures, non-GAAP ratios, capital management measures, and supplementary financial measures, as well as non-financial measures. Readers are cautioned that the non-GAAP financial measures have no standardized meanings under IFRS and, therefore, may not be comparable to similar terms used by other companies. Refer to section 9.0 for additional information on these metrics. Many of the non-GAAP financial measures in this document are adjusted to normalize the results for certain activities Management does not believe reflect the ongoing business. Unless otherwise noted, analysis of changes in normalized results applies equally to changes in the reported results.

1.8 Rounding and Percentages

Rounded numbers are used throughout the MD&A. All year-over-year percentage changes are calculated on whole dollar amounts except in the presentation of Basic and Diluted earnings per share (EPS), in which year-over-year percentage changes are based on fractional amounts.

2.0 Company and Industry Overview

Canadian Tire Corporation, Limited (TSX: CTC.A) (TSX: CTC) and its subsidiaries, are a group of companies that include a Retail segment, a Financial Services segment 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 Automotive, Fixing, Living, Playing, and Seasonal & Gardening divisions. PartSource, Canadian Tire Gas+, Party City and Pro Hockey Life are key parts of the Company's retail network. The Retail segment also includes Mark's, Mark's WorkPro, a leading source of casual and industrial wear; and SportChek, Hockey Experts, Sports Experts and Atmosphere, which offer the best activewear brands. CTC's 1,700 retail and gasoline outlets are supported and strengthened by our Financial Services segment and the tens of thousands of people employed across Canada and around the world by the Company, and its Canadian Tire Associate Dealers (Dealers), franchisees, and petroleum retailers. In addition, Canadian Tire Corporation owns Helly Hansen, a leading global brand in sportswear and workwear based in Oslo, Norway, whose results are included in the Retail segment. A description of the Company's business and select core capabilities can be found in the Company's 2023 Annual Information Form (AIF), including section 2 "Description of the Business" and on the Company's Corporate (<https://corp.canadiantire.ca>) and Investor Relations (<https://corp.canadiantire.ca/investors>) websites.

3.0 Company Strategy

The following contains forward-looking information and readers are cautioned that actual results may vary.

Better Connected Strategy

The Company continues to execute on its *Better Connected* strategy announced in 2022 to bolster its omnichannel capabilities and drive long-term growth. The strategy aims to build on the Company's unparalleled brand trust and brand purpose: to Make Life in Canada Better.

In conjunction with the strategy, the Company is making investments to create better customer connections, enhancing the omnichannel customer experience by better connecting digital and physical channels and rolling out a new store concept to Canadian Tire stores, strengthening supply chain fulfillment and automation, modernizing IT infrastructure, and driving operating efficiencies.

The Company's *Better Connected* strategy initiatives have already proven to drive incremental sales and enhance customer connections through offerings that have greater relevance and value, and the Company continues to manage its resources to create room for continued investment over the long term. On a year-to-date basis, the Company has invested \$375.6 million in operating capital expenditures¹ and close to \$1.7 billion since 2022, with a further \$525 to \$575 million anticipated by the end of 2025.

Since the beginning of 2024, the Company has:

- Launched a loyalty partnership with Petro-Canada, allowing the Company to further enrich its loyalty ecosystem in the future. In Q3 of 2024, the Company began rebranding some Canadian Tire Gas+ stations to Petro-Canada.
- Made progress on the ongoing refresh of its store network with approximately 39 CTR stores expected to be refreshed during 2024, of which 18 were completed in the first half of 2024. On a year-to-date basis, CTC has also added or relocated nine Mark's stores in Ontario, Quebec, Alberta, and British Columbia, added four new PHL stores and four new Party City stores in Ontario and Manitoba and refreshed five SportChek stores;
- Continued to drive a richer in-store and digital customer experience resulting in improved customer in-store Net Promoter Scores. By the end of 2024, over 90 percent of CTR's 502 stores are expected to have deployed technology enhancements such as electronic shelf labels and lockers. Enhanced networks were also available at more than 60 percent of CTC's 1,400 retail locations at the end of Q3. Online functionality enhancements have included easier "add to cart" capabilities and multi-banner and partner loyalty campaigns. The launch of "CeeTee", an Artificial Intelligence (AI) shopping assistant, is streamlining the shopping journey around tire selection in CTR's automotive division.
- Increased supply chain productivity and throughput resulting from fulfillment infrastructure and automation investments, marked the first full year of operations of its 1.3 million square foot Distribution Centre (DC) in the Greater Toronto Area (GTA) and increased throughput due to goods-to-person technology at the Calgary and Montreal DCs. The phased rollout of the Company's new transportation management system also went live in Q3.

¹ This is a non-GAAP financial measure. For further information and a detailed reconciliation see section 9.1 of this MD&A.

4.0 Financial Performance

4.1 Consolidated Financial Performance

4.1.1 Consolidated Financial Results

(C\$ in millions, except where noted)				YTD		Change
	Q3 2024	Q3 2023	Change	Q3 2024	Q3 2023	
Retail sales ¹	\$ 4,539.5	\$ 4,639.3	(2.2) %	\$ 12,797.2	\$ 13,180.7	(2.9) %
Revenue	\$ 4,192.9	\$ 4,250.5	(1.4) %	\$ 11,850.5	\$ 12,213.5	(3.0) %
Gross margin dollars	\$ 1,431.6	\$ 1,436.5	(0.3) %	\$ 4,089.1	\$ 4,166.8	(1.9) %
Gross margin rate ¹	34.1 %	33.8 %	35 bps	34.5 %	34.1 %	39 bps
Other expense (income)	\$ (35.4)	\$ (126.8)	NM ²	\$ (48.8)	\$ 31.2	NM ²
Selling, general and administrative expenses	892.9	891.7	0.1 %	2,585.6	2,692.2	(4.0) %
Depreciation and amortization	189.5	194.0	(2.3) %	570.0	574.9	(0.9) %
Net finance costs (income)	85.3	80.3	6.3 %	265.4	230.7	15.0 %
Change in fair value of redeemable financial instrument	—	328.0	NM ²	—	328.0	NM ²
Income before income taxes	\$ 299.3	\$ 69.3	331.9 %	\$ 716.9	\$ 309.8	131.4 %
Income tax expense (recovery)	78.6	97.1	(19.1) %	176.7	167.9	5.2 %
Effective tax rate ¹	26.3 %	139.9 %		24.7 %	54.2 %	
Net income	\$ 220.7	\$ (27.8)	(896.5) %	\$ 540.2	\$ 141.9	280.5 %
Net income attributable to:						
Shareholders of Canadian Tire Corporation	\$ 200.6	\$ (66.4)	NM ²	\$ 476.2	\$ 40.8	NM ²
Non-controlling interests	20.1	38.6	(48.0) %	64.0	101.1	(36.7) %
	\$ 220.7	\$ (27.8)	(896.5) %	\$ 540.2	\$ 141.9	280.5 %
Basic EPS	\$ 3.61	\$ (1.19)	NM ²	\$ 8.56	\$ 0.72	NM ²
Diluted EPS	\$ 3.59	\$ (1.19)	NM ²	\$ 8.54	\$ 0.72	NM ²
Weighted average number of Common and Class A Non-Voting Shares outstanding:						
Basic	55,623,630	55,766,255	(0.3) %	55,626,217	56,430,392	(1.4) %
Diluted	55,814,516	55,766,255	0.1 %	55,770,562	56,677,046	(1.6) %

¹ For further information about this measure see section 9.2 of this MD&A.

² Not meaningful.

Non-Controlling Interests

The following table outlines the net income attributable to the Company's non-controlling interests. During the fourth quarter of 2023, the Company completed the repurchase of Scotiabank's 20 percent non-controlling interest in Canadian Tire Financial Services (CTFS). For additional details, refer to Note 15 to the Company's 2023 Consolidated Financial Statements.

(C\$ in millions)	Q3 2024	Q3 2023	YTD Q3 2024	YTD Q3 2023
Financial Services Non-controlling interest 0.0% (2023 – 20.0%)	\$ —	\$ 18.1	\$ —	\$ 42.9
CT REIT Non-controlling interest 31.6% (2023 – 31.5%)	17.8	18.4	59.1	54.2
Retail segment subsidiary Non-controlling interest 50.0% (2023 – 50.0%)	2.3	2.1	4.9	4.0
Net income attributable to non-controlling interests	\$ 20.1	\$ 38.6	\$ 64.0	\$ 101.1

Normalizing Items

There were no normalizing items in the first three quarters of 2024. In the first three quarters of 2023, the Company normalized for \$11.3 million in direct costs and recoveries associated with a fire at its A.J. Billes Distribution Centre (DC fire), \$33.3 million related to the GST/HST-related charge discussed in section 4.1.1 of the Company's Q3 2023 MD&A, as well as \$328.0 million related to the change in fair value of redeemable financial instruments following the repurchase of Scotiabank's interest in CTFS. These costs were included in Other expense (income), Selling, general and administrative expenses, and Change in fair value of redeemable financial instrument in the Consolidated Statements of Income.

(C\$ in millions)	Q3 2024	Q3 2023	YTD Q3 2024	YTD Q3 2023
DC fire expense (recovery)	\$ —	\$ (131.0)	\$ —	\$ 11.3
GST/HST-related charge	—	—	—	33.3
Change in fair value of redeemable financial instrument	—	328.0	—	328.0
Total	\$ —	\$ 197.0	\$ —	\$ 372.6

Selected Normalized Metrics – Consolidated

(C\$ in millions, except where noted)	Q3 2024	Normalizing Items ¹	Normalized Q3 2024 ²	Q3 2023	Normalizing Items ¹	Normalized Q3 2023 ²	Change ³
Revenue	\$ 4,192.9	\$ —	\$ 4,192.9	\$ 4,250.5	\$ —	\$ 4,250.5	(1.4) %
Cost of producing revenue	2,761.3	—	2,761.3	2,814.0	—	2,814.0	(1.9) %
Gross margin dollars	\$ 1,431.6	\$ —	\$ 1,431.6	\$ 1,436.5	\$ —	\$ 1,436.5	(0.3) %
Gross margin rate ⁴	34.1 %	— bps	34.1 %	33.8 %	— bps	33.8 %	35 bps
Other expense (income)	\$ (35.4)	\$ —	\$ (35.4)	\$ (126.8)	\$ 131.0	\$ 4.2	NM ⁵
Selling, general and administrative expenses	892.9	—	892.9	891.7	—	891.7	0.1 %
Depreciation and amortization	189.5	—	189.5	194.0	—	194.0	(2.3) %
Net finance costs (income)	85.3	—	85.3	80.3	—	80.3	6.3 %
Change in fair value of redeemable financial instrument	—	—	—	328.0	(328.0)	—	NM ⁵
Income before income taxes	\$ 299.3	\$ —	\$ 299.3	\$ 69.3	\$ 197.0	\$ 266.3	12.4 %
Income tax expense (recovery)	78.6	—	78.6	97.1	(34.6)	62.5	25.8 %
Net income	\$ 220.7	\$ —	\$ 220.7	\$ (27.8)	\$ 231.6	\$ 203.8	8.3 %
Net income attributable to shareholders of CTC	200.6	—	200.6	(66.4)	231.6	165.2	21.4 %
Diluted EPS	\$ 3.59	\$ —	\$ 3.59	\$ (1.19)	\$ 4.15	\$ 2.96	21.3 %

¹ Refer to Normalizing Items table in this section for more details.

² These normalized measures (excluding Revenue, Cost of producing revenue, Gross margin dollars, Gross margin rate, Selling, general and administrative expenses, Depreciation and amortization, and Net finance costs) are non-GAAP financial measures or non-GAAP ratios. For further information and a detailed reconciliation see section 9.1 of this MD&A.

³ Change is between normalized results.

⁴ For further information about this measure see section 9.2 of this MD&A.

⁵ Not meaningful.

(C\$ in millions, except where noted)	YTD Q3 2024	Normalizing Items	Normalized YTD Q3 2024 ²	YTD Q3 2023	Normalizing Items ¹	Normalized YTD Q3 2023 ²	Change ³
Revenue	\$ 11,850.5	\$ —	\$ 11,850.5	\$ 12,213.5	\$ —	\$ 12,213.5	(3.0) %
Cost of producing revenue	7,761.4	—	7,761.4	8,046.7	—	8,046.7	(3.5) %
Gross margin dollars	\$ 4,089.1	\$ —	\$ 4,089.1	\$ 4,166.8	\$ —	\$ 4,166.8	(1.9) %
Gross margin rate ⁴	34.5 %	— bps	34.5 %	34.1 %	— bps	34.1 %	39 bps
Other expense (income)	\$ (48.8)	\$ —	\$ (48.8)	\$ 31.2	\$ (11.3)	\$ 19.9	NM ⁵
Selling, general and administrative expenses	2,585.6	—	2,585.6	2,692.2	(33.3)	2,658.9	(2.8) %
Depreciation and amortization	570.0	—	570.0	574.9	—	574.9	(0.9) %
Net finance costs (income)	265.4	—	265.4	230.7	—	230.7	15.0 %
Change in fair value of redeemable financial instrument	—	—	—	328.0	(328.0)	—	NM ⁵
Income before income taxes	\$ 716.9	\$ —	\$ 716.9	\$ 309.8	\$ 372.6	\$ 682.4	5.1 %
Income tax expense (recovery)	176.7	—	176.7	167.9	11.5	179.4	(1.5) %
Net income	\$ 540.2	\$ —	\$ 540.2	\$ 141.9	\$ 361.1	\$ 503.0	7.4 %
Net income attributable to shareholders of CTC	476.2	—	476.2	40.8	356.1	396.9	20.0 %
Diluted EPS	\$ 8.54	\$ —	\$ 8.54	\$ 0.72	\$ 6.28	\$ 7.00	22.0 %

¹ Refer to Normalizing Items table in this section for more details.

² These normalized measures (excluding Revenue, Cost of producing revenue, Gross margin dollars, Gross margin rate, Depreciation and amortization, and Net finance costs) are non-GAAP financial measures or non-GAAP ratios. For further information and a detailed reconciliation see section 9.1 of this MD&A.

³ Change is between normalized results.

⁴ For further information about this measure see section 9.2 of this MD&A.

⁵ Not meaningful.

Consolidated Results Commentary

Q3 Income before income taxes was up 12.4 percent to \$299.3 million or up \$33.0 million on a normalized basis, driven by improved retail segment profitability, which included \$31.5 million attributable to a property sale and insurance recoveries related to business inefficiencies experienced as a result of the DC fire. Diluted EPS was \$3.59 in the third quarter, up 21.3 percent or \$0.63 on a normalized basis compared to the third quarter of 2023.

On a year-to-date basis, consolidated income before income taxes was \$716.9 million, up 5.1 percent or \$34.5 million on a normalized basis. Diluted EPS was \$8.54, up 22.0 percent or \$1.54 on a normalized basis.

	Q3 2024	Year to Date
Consolidated Results Summary	<p>▲ Diluted EPS: \$4.78 per share</p> <ul style="list-style-type: none"> Consolidated Revenue was \$4,192.9 million, a decrease of \$57.6 million or 1.4 percent. Consolidated Revenue excluding Petroleum¹ was \$3,639.8 million, a decrease of 0.4 percent. The decline was driven by the Retail segment, partially offset by growth in the Financial Services segment. Consolidated Gross margin dollars were \$1,431.6 million, a decrease of \$4.9 million or 0.3 percent from the prior year due to a decline in the Financial Services segment, partially offset by growth in the Retail segment. 	<p>▲ Diluted EPS: \$7.82 per share</p> <ul style="list-style-type: none"> Consolidated Revenue was \$11,850.5 million, a decrease of \$363.0 million or 3.0 percent. Consolidated Revenue excluding Petroleum was \$10,278.6 million, a decrease of 2.9 percent, driven by the Retail segment, partially offset by revenue growth in the Financial Services segment. Consolidated Gross margin dollars were \$4,089.1 million, a decrease of \$77.7 million, or 1.9 percent from the prior year, due to decreases in both the Retail and Financial Services segments.

¹ For further information about this measure see section 9.2 of this MD&A.

Consolidated Results Commentary *(continued)*

Q3 2024	Year to Date
<ul style="list-style-type: none"> Other expense (income) was \$(35.4) million, unfavourable by \$91.4 million. Excluding the \$(131.0) million recovery relating to the DC fire in the prior year, Normalized Other expense (income) was favourable by \$39.6 million driven by a \$18.4 million gain on the sale of a retail property in the GTA, Ontario and insurance recoveries of \$13.1 million related to indirect costs from the DC fire incurred in 2023. Consolidated Selling, general and administrative expenses (SG&A) were \$892.9 million, flat to prior year in the Retail segment, which was offset by an increase in the Financial Services segment. Depreciation and amortization was \$189.5 million, a decrease of 2.3 percent from the prior year, driven by lower depreciation on Supply Chain lease assets and lower depreciation and amortization relating to IT hardware and software. Net finance costs were \$85.3 million, up 6.3 percent from the prior year, as borrowings increased, mainly to fund the repurchase of Scotiabank's interest in CTFs as well as higher interest on CT REIT debentures. Income tax expense was \$78.6 million, down compared to \$97.1 million in the prior year, primarily due to the non-deductibility of the expense related to the change in fair value of redeemable financial instrument in 2023. When adjusted for normalizing items, the increase in effective tax rate is due to higher non-deductible stock option expense. Diluted EPS was \$3.59, an increase of \$4.78 compared to the prior year. Normalized Diluted EPS increased by \$0.63 compared to the prior year, primarily due to an increase in Net income attributable to the reasons above as well as an increase in the Company's controlling interest following the repurchase of Scotiabank's interest in CTFs. 	<ul style="list-style-type: none"> Other expense (income) was \$(48.8) million, favourable by \$80.0 million compared to an expense of \$31.2 million in the prior year. Excluding the \$11.3 million charge relating to the DC fire in the prior year, Normalized Other expense (income) was favourable by \$68.7 million driven by gain on property sales in Ontario and British Columbia and insurance recoveries related indirect costs from the DC fire incurred in 2023, as well as a one-time cost to exit a supply chain contract in the prior year. Consolidated SG&A was \$2,585.6 million, a decrease of \$106.6 million or 4.0 percent compared to the prior year. Normalized for the GST/HST-related charge in the prior year, SG&A decreased \$73.3 million. The decrease was driven by the Retail segment, partially offset by increases in the Financial Services segment. Depreciation and amortization was \$570.0 million, relatively flat to the prior year. Net finance costs were \$265.4 million, up 15.0 percent from the prior year, as borrowings increased, mainly to fund the repurchase of Scotiabank's interest in CTFs as well as higher interest on CT REIT debentures. Income tax expense was \$176.7 million, up compared to \$167.9 million in the prior year, primarily due to higher Income before income taxes, partially offset by the non-deductibility of the expense related to the change in fair value of redeemable financial instrument in 2023. When adjusted for normalizing items, the decrease in effective tax rate is due to lower non-deductible stock option expense and higher tax benefit related to capital property dispositions. Diluted EPS was \$8.54, an increase of \$7.82 compared to the prior year. Normalized Diluted EPS increased by \$1.54 compared to the prior year, primarily due to an increase in the Company's controlling interest following the repurchase of Scotiabank's interest in CTFs, increase in Net income attributable to the reasons above as well as lower effective tax rate.

4.1.2 Consolidated Key Performance Measures

(C\$ in millions) increase/(decrease)	Q3 2024		Q3 2023		Change
Selling, general and administrative expenses	\$	892.9	\$	891.7	\$ 1.2
Normalized ¹ SG&A as a percentage of revenue ²		21.3 %		21.0 %	31 bps
Income before income taxes	\$	299.3	\$	69.3	\$ 230.0
Normalized ¹ EBITDA ³ as a percentage of revenue ²		13.8 %		12.9 %	95 bps

¹ Refer to section 4.1.1 in this MD&A for a description of normalizing items.

² This is a non-GAAP ratio. For further information and a detailed reconciliation see section 9.1 of this MD&A.

³ Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA).

(C\$ in millions) increase/(decrease)	YTD		YTD		Change
	Q3 2024		Q3 2023		
Selling, general and administrative expenses	\$	2,585.6	\$	2,692.2	\$ (106.6)
Normalized ¹ SG&A as a percentage of revenue ²		21.8 %		21.8 %	5 bps
Income before income taxes	\$	716.9	\$	309.8	\$ 407.1
Normalized ¹ EBITDA as a percentage of revenue ²		13.3 %		12.4 %	87 bps

¹ Refer to section 4.1.1 in this MD&A for a description of normalizing items.

² This is a non-GAAP ratio. For further information and a detailed reconciliation see section 9.1 of this MD&A.

Changes in the percentages disclosed are driven by the related Revenue, SG&A, and Income before income taxes variances discussed under the Consolidated Results commentary in the previous charts.

4.1.3 Seasonal Trend Analysis

The following table shows the consolidated financial performance of the Company by quarter for the last two years. As discussed in section 5.1.1 of the Company's 2023 MD&A, the Company implemented a change in accounting estimate beginning in the first quarter of 2023, with no change to the historical amounts reported which resulted in a change in the phasing of quarterly earnings.

(C\$ in millions, except per share amounts)	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022
Revenue	\$4,192.9	\$4,132.7	\$3,524.9	\$4,443.0	\$4,250.5	\$4,255.8	\$3,707.2	\$5,340.4	\$4,228.8
Net income	220.7	223.5	96.0	197.2	(27.8)	126.9	42.8	562.6	225.0
Diluted EPS	3.59	3.56	1.38	3.09	(1.19)	1.76	0.13	9.09	3.14

4.2 Retail Segment Performance

4.2.1 Retail Segment Financial Results

(C\$ in millions, except where noted)	Q3 2024	Q3 2023	Change	YTD		Change
				Q3 2024	Q3 2023	
Retail sales ¹	\$ 4,539.5	\$ 4,639.3	(2.2) %	\$ 12,797.2	\$ 13,180.7	(2.9) %
Revenue	\$ 3,797.8	\$ 3,867.3	(1.8) %	\$ 10,689.2	\$ 11,101.3	(3.7) %
Gross margin dollars	\$ 1,214.8	\$ 1,207.0	0.6 %	\$ 3,461.7	\$ 3,507.9	(1.3) %
Gross margin rate ¹	32.0 %	31.2 %	78 bps	32.4 %	31.6 %	79 bps
Other expense (income)	\$ (70.3)	\$ (164.9)	NM ²	\$ (142.3)	\$ (79.5)	NM ²
Selling, general and administrative expenses	812.5	818.2	(0.7) %	2,329.6	2,421.7	(3.8) %
Depreciation and amortization	237.1	244.7	(3.1) %	711.5	722.6	(1.5) %
Net finance costs (income)	70.7	70.0	1.0 %	227.4	197.8	15.0 %
Income before income taxes	\$ 164.8	\$ 239.0	(31.1) %	\$ 335.5	\$ 245.3	NM ²

¹ For further information about this measure see section 9.2 of this MD&A.

² Not meaningful.

Selected Normalized Metrics – Retail

(C\$ in millions, except where noted)	Q3 2024	Normalizing Items	Normalized Q3 2024 ²	Q3 2023	Normalizing Items ¹	Normalized Q3 2023 ²	Change ³
Revenue	\$ 3,797.8	\$ —	\$ 3,797.8	\$ 3,867.3	\$ —	\$ 3,867.3	(1.8) %
Cost of producing revenue	2,583.0	—	2,583.0	2,660.3	—	2,660.3	(2.9) %
Gross margin dollars	\$ 1,214.8	\$ —	\$ 1,214.8	\$ 1,207.0	\$ —	\$ 1,207.0	0.6 %
Gross margin rate ⁴	32.0 %	— bps	32.0 %	31.2 %	— bps	31.2 %	78 bps
Other expense (income)	\$ (70.3)	\$ —	\$ (70.3)	\$ (164.9)	\$ 131.0	\$ (33.9)	107.4 %
Selling, general and administrative expenses	812.5	—	812.5	818.2	—	818.2	(0.7) %
Depreciation and amortization	237.1	—	237.1	244.7	—	244.7	(3.1) %
Net finance costs (income)	70.7	—	70.7	70.0	—	70.0	1.0 %
Income before income taxes	\$ 164.8	\$ —	\$ 164.8	\$ 239.0	\$ (131.0)	\$ 108.0	52.6 %

¹ Refer to section 4.1.1 in this MD&A for a description of normalizing items.

² These normalized measures (Other expense [income] and Income before income taxes) are non-GAAP financial measures. For further information and a detailed reconciliation see section 9.1 of this MD&A.

³ Change is between normalized results.

⁴ For further information about this measure see section 9.2 of this MD&A.

⁵ Not meaningful.

(C\$ in millions, except where noted)	YTD Q3 2024	Normalizing Items	Normalized YTD Q3 2024 ²	YTD Q3 2023	Normalizing Items ¹	Normalized YTD Q3 2023 ²	Change ³
Revenue	\$ 10,689.2	\$ —	\$ 10,689.2	\$ 11,101.3	\$ —	\$ 11,101.3	(3.7) %
Cost of producing revenue	7,227.5	—	7,227.5	7,593.4	—	7,593.4	(4.8) %
Gross margin dollars	\$ 3,461.7	\$ —	\$ 3,461.7	\$ 3,507.9	\$ —	\$ 3,507.9	(1.3) %
Gross margin rate ⁴	32.4 %	— bps	32.4 %	31.6 %	— bps	31.6 %	80 bps
Other expense (income)	\$ (142.3)	\$ —	\$ (142.3)	\$ (79.5)	\$ (11.3)	\$ (90.8)	56.7 %
Selling, general and administrative expenses	2,329.6	—	2,329.6	2,421.7	—	2,421.7	(3.8) %
Depreciation and amortization	711.5	—	711.5	722.6	—	722.6	(1.5) %
Net finance costs	227.4	—	227.4	197.8	—	197.8	15.0 %
Income before income taxes	\$ 335.5	\$ —	\$ 335.5	\$ 245.3	\$ 11.3	\$ 256.6	30.7 %

¹ Refer to section 4.1.1 in this MD&A for a description of normalizing items.

² These normalized measures (Other expense [income] and Income before income taxes) are non-GAAP financial measures. For further information and a detailed reconciliation see section 9.1 of this MD&A.

³ Change is between normalized results.

⁴ For further information about this measure see section 9.2 of this MD&A.

4.2.2 Retail Segment Key Performance Measures

(Year-over-year percentage change, C\$ in millions, except as noted)	Q3 2024	Q3 2023	Change	YTD		Change
				Q3 2024	Q3 2023	
 Revenue ¹	\$3,797.8	\$3,867.3	(1.8) %	\$10,689.2	\$11,101.3	(3.7) %
Revenue, excluding Petroleum	3,244.7	3,269.7	(0.8) %	9,117.3	9,473.3	(3.8) %
Store count	1,699	1,694				
Retail square footage (in millions)	34.9	34.8				
Retail sales growth ²	(2.2) %	(2.0) %		(2.9) %	(2.5) %	
Retail sales growth, excluding Petroleum ²	(1.4) %	(1.9) %		(2.9) %	(1.3) %	
Consolidated Comparable sales growth ^{2,3}	(1.5) %	(1.6) %		(2.8) %	(1.1) %	
Retail Return on Invested Capital (ROIC) ^{4,5}	8.8 %	11.1 %	(230) bps	n/a	n/a	
Retail normalized ⁶ SG&A as a percentage of revenue excluding Petroleum ^{2,5}	25.0 %	25.0 %	1 bps	25.6 %	25.6 %	(1) bps
Owned Brands penetration rate	35.9%	36.2%	(25) bps			
 Revenue ^{1,7}	\$2,189.3	\$2,201.0	(0.5) %	\$6,265.4	\$6,526.7	(4.0) %
Store count ⁸	671	663				
Retail square footage (in millions)	24.0	23.9				
Sales per square foot ^{2,9}	\$ 496	\$ 522	(5.0) %	n/a	n/a	
Retail sales growth ^{2,10}	(2.0) %	(0.9) %		(3.2) %	(1.5) %	
Comparable sales growth ²	(2.2) %	(0.6) %		(3.2) %	(1.3) %	
 Revenue ¹	\$ 521.5	\$ 518.3	0.6 %	\$1,350.9	\$1,400.1	(3.5) %
Store count	367	370				
Retail square footage (in millions)	7.2	7.2				
Sales per square foot ^{2,11}	\$ 315	\$ 324	(2.8) %	n/a	n/a	
Retail sales growth ^{2,12}	2.0 %	(7.6) %		(2.0) %	(1.9) %	
Comparable sales growth ²	2.9 %	(7.4) %		(1.2) %	(1.7) %	
 Revenue ^{1,13}	\$ 316.1	\$ 322.4	(2.0) %	\$ 948.0	\$ 970.3	(2.3) %
Store count	383	379				
Retail square footage (in millions)	3.7	3.7				
Sales per square foot ^{2,11}	\$ 409	\$ 424	(3.5) %	n/a	n/a	
Retail sales growth ^{2,14}	(2.0) %	(0.1) %		(1.5) %	1.4 %	
Comparable sales growth ²	(2.3) %	0.2 %		(1.4) %	1.6 %	
 Revenue ¹	\$ 205.7	\$ 219.2	(6.0) %	\$ 535.2	\$ 563.2	(5.0) %
 Revenue ¹	\$ 553.1	\$ 597.6	(7.5) %	\$1,571.9	\$1,628.0	(3.4) %
Gas bar locations	278	282				
Gross margin dollars	\$ 55.4	\$ 59.1	(6.0) %	\$ 157.8	\$ 161.4	(2.2) %
Retail sales growth ²	(6.4) %	(2.9) %		(3.1) %	(9.1) %	
Gasoline volume growth in litres	(2.6) %	(1.5) %		(3.2) %	(0.1) %	
Comparable store gasoline volume growth in litres ²	(3.2) %	1.0 %		(3.5) %	2.9 %	

¹ Revenue reported for CTR, SportChek, Mark's and Petroleum for the 13 and 39 weeks ended September 28, 2024 includes inter-segment revenue of \$1.1 million (2023 – \$1.0 million) and \$3.2 million (2023 - \$3.1 million), respectively. Helly Hansen revenue represents external revenue only. Therefore, in aggregate, revenue for CTR, SportChek, Mark's, Petroleum, and Helly Hansen will not equal total revenue for the Retail segment.

² For further information about this measure see section 9.2 of this MD&A.

³ Comparable sales growth excludes Petroleum.

⁴ Retail ROIC is calculated on a rolling 12-month basis based on normalized earnings.

⁵ This is a non-GAAP financial measure. For further information and a detailed reconciliation see section 9.1 of this MD&A.

⁶ Refer to section 4.1.1 in this MD&A for a description of normalizing items.

⁷ Revenue includes revenue from Canadian Tire, PartSource, PHL, Party City and Franchise Trust.

⁸ Store count includes stores from Canadian Tire, and other banner stores of 169 (2023: 161 stores). Other banners include PartSource, PHL, and Party City.

⁹ Sales per square foot figures are calculated on a rolling 12-month basis. Retail space excludes seasonal outdoor garden centres, auto service bays, warehouse, and administrative space.

¹⁰ Retail sales growth includes sales from Canadian Tire, PartSource, PHL, Party City and the labour portion of Canadian Tire's auto service sales.

¹¹ Sales per square foot figures are calculated on a rolling 12-month basis, include both corporate and franchise stores and warehouse, and administrative space.

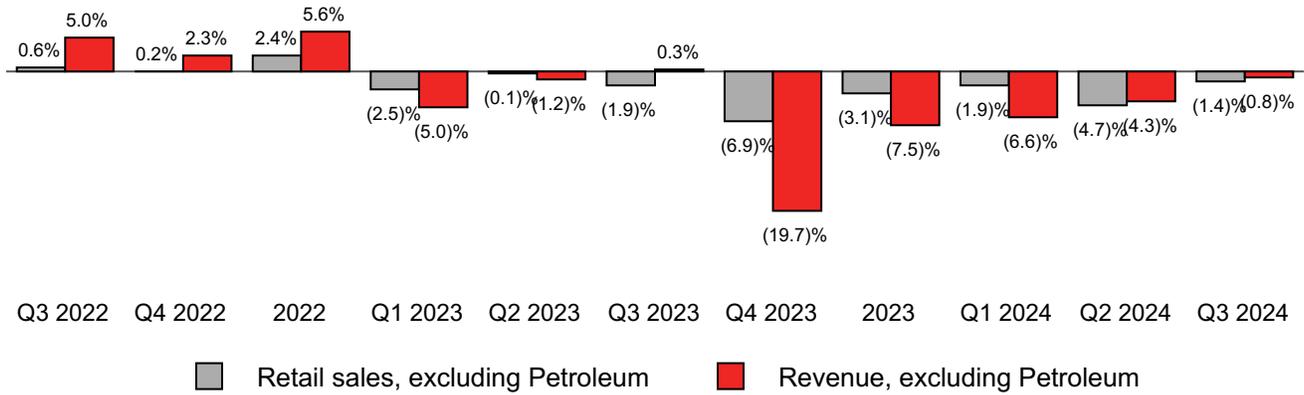
¹² Retail sales growth includes sales from both corporate and franchise stores.

¹³ Revenue includes the sale of goods to Mark's franchise stores, Retail sales from Mark's corporate stores, Mark's wholesale revenue from its commercial division, and includes ancillary revenue relating to embroidery and alteration services.

¹⁴ Retail sales growth includes Retail sales from Mark's corporate and franchise stores but excludes revenue relating to alteration and embroidery services.

The following chart shows the Retail segment, excluding Petroleum, Retail sales and Revenue performance by quarter for the last two years. As discussed in section 5.1.1 of the Company's 2023 MD&A, the Company implemented a change in accounting estimate beginning in the first quarter of 2023 which impacted Revenue, excluding Petroleum, with no change to the historical amounts reported; Retail sales, excluding Petroleum were not impacted by this change.

Year-over-year Retail Sales and Revenue Growth



Retail Segment Commentary

Q3 Retail income before income taxes was \$164.8 million, down \$74.2 million but up \$56.8 million on a normalized basis. Lower retail revenue was partially offset by a favourable gross margin rate and higher other income, while the Company continued to make progress in managing operating expenses.

On a year-to-date basis, Retail income before income taxes was up \$90.2 million or \$78.9 million on a normalized basis, with favourable gross margin and lower operating expenses offsetting higher net finance costs and lower revenue.

	Q3 2024	Year to Date
Retail Sales	<ul style="list-style-type: none"> ▼ \$99.8 million or 2.2% ▼ 1.5% in Comparable sales growth • Retail sales were \$4,539.5 million, a decrease of 2.2 percent. Excluding Petroleum, Retail sales declined 1.4 percent, or \$56.6 million compared to the prior year, as consumer demand for discretionary products, while improving, remained soft. •  CTR Retail sales were down 2.0 percent driven by declines in Living, Fixing, Seasonal & Gardening and Playing categories, partially offset by growth in Automotive. •  SPORTCHEK Retail sales were up 2.0 percent, led by growth in Athletic Footwear, Hockey and Bags. The timing and impact of marketing initiatives helped drive positive results. •  Mark's Retail sales were down 2.0 percent driven by declines in Industrial Businesses, Casual Footwear, and Ladies Casualwear partially offset by growth in Men's Casualwear and Children's Apparel & Footwear. •  GAS+ Retail sales declined 6.4 percent due to lower gas volumes as well as lower per litre gas prices. 	<ul style="list-style-type: none"> ▼ \$383.5 million or 2.9% ▼ 2.8% in Comparable sales growth • Retail sales were \$12,797.2 million, a decrease of 2.9 percent. Excluding Petroleum, Retail sales declined 2.9 percent or \$326.5 million compared to the prior year, impacted by soft consumer demand, and continued weakness in discretionary categories, and weather-associated baskets as cooler temperatures in Q2, particularly in the western provinces, as well as a wetter Q2 across the country, impacted sales. eCommerce sales¹ were \$1.1 billion on a rolling 12-month basis. •  CTR Retail sales were down 3.2 percent driven by declines in Living, Seasonal & Gardening, Fixing and Playing categories, partially offset by growth in Automotive. •  SPORTCHEK Retail sales declined 2.0 percent, led by declines in Skiing/Snowboards, Casual Clothing and Electronics, partially offset by growth in Footwear and Team Sports. •  Mark's Retail sales decreased 1.5 percent driven by declines in Industrial Businesses and Ladies Casualwear, partially offset by growth in Casual Footwear. •  GAS+ Retail sales declined 3.1 percent due to lower gas volumes and lower non-gas sales, while the per litre gas prices remained relatively flat
Revenue	<ul style="list-style-type: none"> ▼ \$69.5 million or 1.8% ▼ 0.8% excluding Petroleum • Retail Revenue was \$3,797.8 million, down \$69.5 million, mainly due to a decline in Petroleum revenue. Excluding Petroleum, the decline was driven by timing of wholesale shipments at Helly Hansen as well as lower shipments at CTR, partially offset by higher SportChek revenue. 	<ul style="list-style-type: none"> ▼ \$412.1 million or 3.7% ▼ 3.8% excluding Petroleum • Retail Revenue was \$10,689.2 million, down \$412.1 million, driven by lower shipments at CTR, a decline in Petroleum revenue, and lower franchise shipments and wholesale revenue at other banners.

¹ For further information about this measure see section 9.2 of this MD&A.

Retail Segment Commentary *(continued)*

	Q3 2024	Year to Date
Gross Margin	<p>▲ \$7.8 million or 0.6%</p> <p>▲ 78 bps in gross margin rate</p> <p>▲ 62 bps in gross margin rate, excluding Petroleum¹</p> <ul style="list-style-type: none"> Retail Gross margin dollars were \$1,214.8 million, an increase of \$7.8 million. Excluding Petroleum, Gross margin dollars were \$1,159.4 million, an increase of \$11.5 million, or 1.0 percent, driven by a favourable Gross margin rate, partially offset by the decline in Revenue previously described. Gross margin rate, excluding Petroleum, was 35.7 percent, an increase of 62 bps, primarily due to favourability at Helly Hansen and improved product margins at CTR. 	<p>▼ \$46.2 million or 1.3%</p> <p>▲ 79 bps in gross margin rate</p> <p>▲ 91 bps in gross margin rate, excluding Petroleum</p> <ul style="list-style-type: none"> Retail Gross margin dollars were \$3,461.7 million, a decrease of \$46.2 million. Excluding Petroleum, Gross margin dollars were \$3,303.9 million, a decrease of \$42.6 million, or 1.3 percent, driven by the decline in Revenue previously described, partially offset by a favourable Gross margin rate Gross margin rate, excluding Petroleum, was 36.2 percent, an increase of 91 bps, driven by growth at CTR due to improved product margins and freight savings, as well as favourability at Helly Hansen.
Other Expense (Income)	<p>▲ \$94.6 million or 57.3%</p> <ul style="list-style-type: none"> Other expense (income) was \$(70.3) million, unfavourable by \$94.6 million. Excluding the \$131.0 million charge related to the DC fire in 2023, Normalized Other expense (income) was favourable by \$36.4 million driven by a \$18.4 million gain on the sale of a retail property and insurance recoveries of \$13.1 million related to the indirect costs from the DC fire. 	<p>▼ \$62.8 million or 79.1%</p> <ul style="list-style-type: none"> Other expense (income) was \$(142.3) million, favourable by \$62.8 million. Excluding the \$11.3 million charge related to the DC fire in 2023, Normalized Other expense (income) was favourable by \$51.5 million, driven by a gain on the sale of a retail property, insurance recoveries related to the indirect costs from the DC fire, as well as a one-time cost to exit a supply chain contract in the prior year.
SG&A	<p>▼ \$5.7 million or 0.7%</p> <ul style="list-style-type: none"> SG&A was \$812.5 million, a decrease of \$5.7 million, or 0.7 percent. The decrease was primarily driven by lower supply chain costs, mainly from lower volume. Personnel costs were also lower. This was partially offset by higher store operations and marketing spend. 	<p>▼ \$92.1 million or 3.8%</p> <ul style="list-style-type: none"> SG&A was \$2,329.6 million, a decrease of \$92.1 million, or 3.8 percent primarily driven by lower Supply Chain and IT costs, partially offset by higher marketing spend. Supply chain costs decreased as a result of lower volumes and increased efficiencies, compared to the prior year when the Company incurred indirect costs relating to the DC fire. IT expenses declined mainly due to lower project and consulting costs. Personnel costs were also lower.
Depreciation and amortization	<p>▼ \$7.6 million or 3.1%</p> <ul style="list-style-type: none"> Depreciation and amortization was \$237.1 million, a decrease of \$7.6 million, driven by lower depreciation on Supply Chain lease assets and lower depreciation and amortization relating to IT hardware and software. 	<p>▼ \$11.1 million or 1.5 %</p> <ul style="list-style-type: none"> Depreciation and amortization was \$711.5 million, a decrease of \$11.1 million, driven by lower depreciation on Supply Chain lease assets and lower depreciation and amortization relating to IT hardware and software.
Net Finance Costs	<p>▲ \$0.7 million or 1.0%</p> <ul style="list-style-type: none"> Net finance costs were \$70.7 million, relatively flat to the prior year. 	<p>▲ \$29.6 million or 15.0%</p> <ul style="list-style-type: none"> Net finance costs increased due to higher borrowings, mainly to fund the repurchase of Scotiabank's interest in CTFS.
Earnings Summary	<p>▼ \$74.2 million or 31.1%</p> <ul style="list-style-type: none"> Normalized Income before income taxes increased by \$56.8 million, attributable to the reasons above. Income before income taxes decreased by \$74.2 million. 	<p>▲ \$90.2 million or 36.8%</p> <ul style="list-style-type: none"> Normalized Income before income taxes increased by \$78.9 million, attributable to the reasons above. Income before income taxes increased by \$90.2 million.

¹ For further information about this measure see section 9.2 of this MD&A.

4.2.3 Retail Segment Seasonal Trend Analysis

Quarterly Revenue and Income (loss) before income taxes are affected by seasonality. The following table shows the Retail segment financial performance of the Company by quarter for the last two years. As discussed in section 5.1.1 of the Company's 2023 MD&A, the Company implemented a change in accounting estimate beginning in the first quarter of 2023 which impacted Revenue and Income (loss) before income taxes, with no change to the historical amounts reported. Retail sales were not affected by this change.

(C\$ in millions)	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022
Retail sales	\$ 4,539.5	\$5,000.2	\$3,257.5	\$5,323.4	\$4,639.3	\$5,214.9	\$3,326.5	\$5,729.4	\$4,734.2
Revenue	3,797.8	3,754.8	3,136.6	4,070.0	3,867.3	3,896.1	3,337.9	4,990.9	3,873.7
Income (loss) before income taxes	164.8	170.1	0.6	161.7	239.0	85.6	(79.3)	642.4	133.0

4.3 Financial Services Segment Performance

4.3.1 Financial Services Segment Financial Results

(C\$ in millions)				YTD		YTD	
	Q3 2024	Q3 2023	Change	Q3 2024	Q3 2023	Change	
Revenue	\$ 399.1	\$ 393.1	1.5 %	\$ 1,171.3	\$ 1,127.4	3.9 %	
Gross margin dollars	\$ 197.7	\$ 210.9	(6.3) %	\$ 566.5	\$ 601.7	(5.8) %	
Gross margin rate ¹	49.5 %	53.7 %	(412) bps	48.4 %	53.4 %	(500) bps	
Other expense (income)	\$ 0.7	\$ 1.8	(65.9)%	\$ (2.3)	\$ 4.1	NM ²	
Selling, general and administrative expenses	88.7	84.5	5.0 %	281.0	298.5	(5.8) %	
Depreciation and amortization	2.0	2.2	(9.2) %	6.8	7.4	(8.3) %	
Net finance costs (income)	(4.0)	(3.3)	22.3 %	(13.5)	(8.1)	66.7 %	
Income before income taxes	\$ 110.3	\$ 125.7	(12.2) %	\$ 294.5	\$ 299.8	(1.8) %	

¹ For further information about this measure see section 9.2 of this MD&A.

² Not meaningful.

Selected Normalized Metrics – Financial Services

(C\$ in millions, except where noted)	Normalized			Normalized			Change ³
	YTD Q3 2024	Normalizing Items	YTD Q3 2024 ²	YTD Q3 2023	Normalizing Items ¹	YTD Q3 2023 ²	
Revenue	\$ 1,171.3	\$ —	\$ 1,171.3	\$ 1,127.4	\$ —	\$ 1,127.4	3.9 %
Gross margin dollars	566.5	—	566.5	601.7	—	601.7	(5.9)%
Gross margin rate ⁴	48.4 %	— bps	48.4 %	53.4 %	— bps	53.4 %	(500) bps
Other expense (income)	\$ (2.3)	\$ —	\$ (2.3)	\$ 4.1	\$ —	\$ 4.1	NM ⁵
Selling, general and administrative expenses	281.0	—	281.0	298.5	(33.3)	265.2	6.0 %
Depreciation and amortization	6.8	—	6.8	7.4	—	7.4	(8.3)%
Net finance costs (income)	(13.5)	—	(13.5)	(8.1)	—	(8.1)	66.7 %
Income before income taxes	\$ 294.5	\$ —	\$ 294.5	\$ 299.8	\$ 33.3	\$ 333.1	(11.6)%

¹ Refer to section 4.1.1 for a description of normalizing items.

² These normalized measures (Selling, general and administrative expenses and Income before income taxes) are non-GAAP financial measures. For further information and a detailed reconciliation see section 9.1 of this MD&A.

³ Change is between normalized results.

⁴ For further information about this measure see section 9.2 of this MD&A.

⁵ Not meaningful.

Financial Services Segment Commentary

Financial Services segment Income before income taxes was \$110.3 million in the quarter, a \$15.4 million decrease from the prior year as higher net write-offs and operating expenses were only partially offset by higher revenues, all while cardholder engagement remained strong. Cardholder performance was as expected, with increased write-offs and write-off rate performance relative to the prior year. The growth in PD2+ rates moderated, up 10 bps versus the prior year, compared to 35 bps higher than prior year at Q2 2024 which led to an unchanged Expected Credit Loss allowance from the prior quarter.

On a year-to-date basis, Financial Services segment Income before income taxes was \$294.5 million, a decrease of \$5.3 million from the prior year and down \$38.6 million on a normalized basis.

	Q3 2024	Year to Date
Revenue	▲ \$6.0 million or 1.5% <ul style="list-style-type: none"> Revenue for the quarter was \$399.1 million, an increase of \$6 million, or 1.5 percent compared to the prior year. The increase in Revenue was mainly due to higher interest income. 	▲ \$43.9 million or 3.9% <ul style="list-style-type: none"> Revenue was \$1,171.3 million, an increase of \$43.9 million, or 3.9 percent compared to the prior year. The increase in Revenue was mainly due to higher interest income.
Gross Margin Dollars	▼ \$13.2 million or 6.3% <ul style="list-style-type: none"> Gross margin dollars were \$197.7 million, a decrease of \$13.2 million, or 6.3% from the prior year. The decrease was mainly due to higher net impairment losses and funding costs, as expected, partially offset by Revenue growth. 	▼ \$35.2 million or 5.8% <ul style="list-style-type: none"> Gross margin dollars were \$566.5 million, a decrease of \$35.2 million, or 5.8 percent. The decrease was mainly due to higher net impairment losses and funding costs, partially offset by Revenue growth.
SG&A	▲ \$4.2 million or 5.0% <ul style="list-style-type: none"> SG&A was \$88.7 million, an increase of \$4.2 million, or 5.0 percent. The increase in SG&A was mainly due to higher processing and other volume driven costs. 	▼ \$17.5 million or 5.8% <ul style="list-style-type: none"> SG&A was \$281.0 million, a decrease of \$17.5 million or 5.8 percent. Excluding the \$33.3 million GST/HST-related charge recognized in prior year, Normalized SG&A increased \$15.8 million mainly due to higher processing and other volume driven costs.
Earnings Summary	▼ \$15.4 million or 12.2% <ul style="list-style-type: none"> Income before income taxes was \$110.3 million, a decrease of \$15.4 million, or 12.2 percent, due to the reasons noted above. 	▼ \$5.3 million or 1.8% <ul style="list-style-type: none"> Income before income taxes was \$294.5 million, a decrease of \$5.3 million or 1.8 percent, due to the reasons noted above. Normalized Income before income taxes was \$38.6 million, or 11.6 percent, lower than prior year.

¹ For further information about this measure see section 9.2 of this MD&A.

² This is a non-GAAP ratio. For further information and a detailed reconciliation see section 9.1 of this MD&A.

4.3.2 Financial Services Segment Key Performance Measures

(C\$ in millions, except where noted)				YTD		Change
	Q3 2024	Q3 2023	Change	Q3 2024	Q3 2023	
Credit card sales growth ¹	3.8 %	(2.1) %		0.9 %	0.4 %	
GAAR	\$ 7,429	\$ 7,212	3.0 %	\$ 7,343	\$ 7,090	3.6 %
Revenue (as a percentage of GAAR) ^{1,2}	21.2 %	21.0 %		n/a	n/a	
Average number of accounts with a balance (thousands)	2,331	2,338	(0.3) %	2,313	2,312	— %
Average account balance ¹ (whole \$)	\$ 3,187	\$ 3,084	3.4 %	\$ 3,175	\$ 3,067	3.5 %
Net credit card write-off rate ^{1,2}	6.9 %	5.9 %		n/a	n/a	
Past due credit card receivables (PD2+) rate ³	3.4 %	3.3 %		n/a	n/a	
Allowance rate	12.3 %	12.6 %		n/a	n/a	
Return on receivables ^{1,2}	5.2 %	5.5 %		n/a	n/a	

¹ For further information about this measure see section 9.2 of this MD&A.

² Figures are calculated on a rolling 12-month basis.

³ This is a non-GAAP financial measure. For further information and a detailed reconciliation see section 9.1 of this MD&A.

Financial Services Segment Scorecard

To evaluate the overall performance of the Financial Services segment, the following scorecard demonstrates how Financial Services is progressing towards achieving its strategic objectives.

Q3 2024 vs. Q3 2023	
Growth	<ul style="list-style-type: none"> ▲ 3.0% in GAAR ▲ 3.8% in credit card sales growth ▼ 0.3% in average number of accounts with a balance ▲ 3.4% in average account balance <ul style="list-style-type: none"> • GAAR increased by 3.0 percent relative to last year driven by continued strong cardholder engagement. The average account balance was up 3.4 percent and the average number of active accounts for the quarter was relatively flat to prior year. • Credit card sales increased by 3.8 percent over the prior year driven by higher spend at external merchants partially offset by lower Petroleum sales.
Performance	<ul style="list-style-type: none"> ▼ 30 bps in Return on receivables ▲ 13 bps in Revenue as a percentage of GAAR <ul style="list-style-type: none"> • Return on receivables decreased by 30 bps compared to the prior year due to the decline in earnings on a 12-month basis and the increase in GAAR. • Revenue as a percentage of GAAR increased by 13 bps compared to the prior year as revenue growth outpaced growth in GAAR.
Operational metrics	<ul style="list-style-type: none"> ▲ 10 bps in PD2+ rate ▲ 104 bps in net credit card write-off rate ▼ 12.3% allowance rate, down 39 bps <ul style="list-style-type: none"> • The PD2+ rate increased by 10 bps compared to the prior year as expected. • The increase in the net write-off rate compared to the prior year was driven by an increase in net write-off dollars relative to receivable growth. • The allowance rate decreased by 39 bps to 12.3 percent, remaining within the previously disclosed range of 11.5 to 13.5 percent.

4.3.3 Financial Services Segment Seasonal Trend Analysis

Quarterly operating net income and revenue are affected by seasonality. The following table shows the financial performance of the segment by quarter for the last two years.

(C\$ in millions)	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022
Revenue	\$ 399.1	\$ 383.2	\$ 389.0	\$ 379.9	\$ 393.1	\$ 364.5	\$ 369.8	\$ 357.2	\$ 360.4
Income before income taxes	110.3	88.5	95.7	85.2	125.7	55.4	118.7	86.8	139.6

4.4 CT REIT Segment Performance

4.4.1 CT REIT Segment Financial Results

(C\$ in millions)				YTD		YTD	
	Q3 2024	Q3 2023	Change	Q3 2024	Q3 2023	Change	
Property revenue ¹	\$ 144.6	\$ 137.5	5.2 %	\$ 433.3	\$ 412.8	5.0 %	
Property expense ¹	32.0	28.1	14.2 %	94.8	86.7	9.4 %	
General and administrative expense (G&A)	5.1	3.1	66.3 %	13.3	11.1	19.4 %	
Net finance costs (income)	30.7	28.3	8.3 %	90.6	84.5	7.2 %	
Fair value loss (gain) adjustment ²	(17.7)	66.7	NM ³	(64.3)	39.3	NM ³	
Income before income taxes	\$ 94.5	\$ 11.3	NM ³	\$ 298.9	\$ 191.2	56.3 %	
Adjustment from fair value to amortized cost method on Investment property							
Fair value gain (loss) adjustment	17.7	(66.7)	NM ³	64.3	(39.3)	NM ³	
(Gain) realized on sale of property	—	—	—	(12.8)	—	NM ³	
Depreciation	20.2	19.6	3.1 %	60.2	58.0	3.8 %	
Income before income taxes, applying CTC accounting policies	\$ 56.6	\$ 58.4	(3.1) %	\$ 187.2	\$ 172.5	8.5 %	

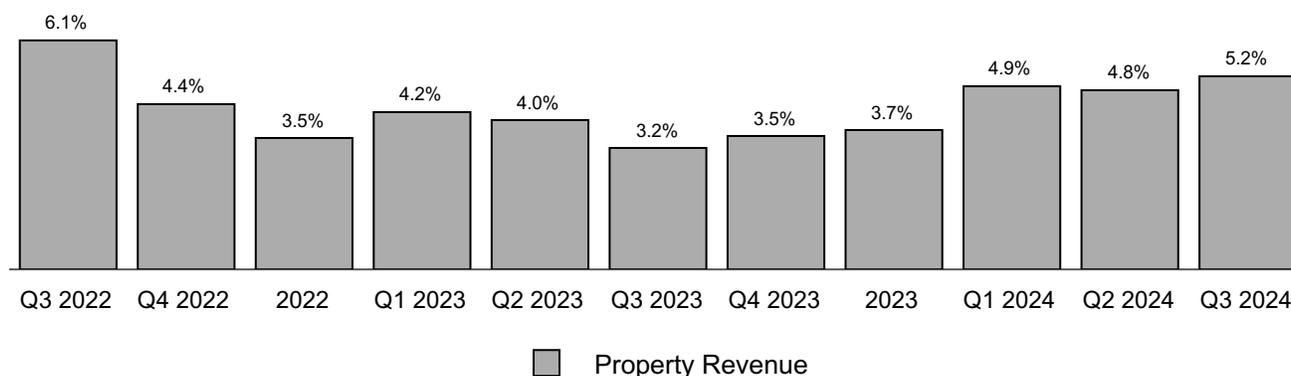
¹ For further information about this measure see section 9.2 of this MD&A.

² Fair value is eliminated on consolidation. CTC recognized a \$12.8 million gain on the sale of CT REIT's property in Chilliwack, British Columbia in Q2 2024, which is reclassified to Other expense (income) upon consolidation.

³ Not meaningful.

The following shows the CT REIT year-over-year Property revenue performance by quarter for the last two years.

Year-over-year Property Revenue Growth



CT REIT Segment Commentary

CT REIT segment income decreased \$1.8 million due to higher Property expense and Net finance costs, partially offset by higher Property revenue during the quarter.

	Q3 2024	Year to Date
Property Revenue	<p>▲ \$7.1 million or 5.2%</p> <ul style="list-style-type: none"> Property revenue was \$144.6 million, an increase of \$7.1 million, or 5.2 percent. The increase was mainly due to property operating expense recoveries, contractual rent escalations, developments completed during 2023, and intensifications completed during 2023 and 2024. 	<p>▲ \$20.5 million or 5.0%</p> <ul style="list-style-type: none"> Property revenue was \$433.3 million, an increase of \$20.5 million, or 5.0 percent. The increase was mainly due to property operating expense and capital expenditures recoveries, developments completed during 2023, contractual rent escalations, intensifications completed during 2023 and 2024, as well as lease surrender revenue.
Property Expense	<p>▲ \$3.9 million or 14.2%</p> <ul style="list-style-type: none"> Property expense was \$32.0 million, an increase of \$3.9 million, or 14.2 percent due to higher operating expenses and property taxes. 	<p>▲ \$8.1 million or 9.4%</p> <ul style="list-style-type: none"> Property expense was \$94.8 million, an increase of \$8.1 million, or 9.4 percent due to higher operating expenses and property taxes.
G&A	<p>▲ \$2.0 million or 66.3%</p> <ul style="list-style-type: none"> G&A was \$5.1 million, an increase of \$2.0 million, primarily due to higher mark-to-market of variable compensation expense. 	<p>▲ \$2.2 million or 19.4%</p> <ul style="list-style-type: none"> G&A was \$13.3 million, an increase of \$2.2 million, primarily due to higher mark-to-market of variable compensation expense and increased personnel compensation.
Depreciation	<p>▲ \$0.6 million or 3.1 %</p> <ul style="list-style-type: none"> Depreciation was \$20.2 million, an increase of \$0.6 million or 3.1 percent due to intensifications, developments, and property acquisition completed during 2023 and 2024. 	<p>▲ \$2.2 million or 3.8 %</p> <ul style="list-style-type: none"> Depreciation was \$60.2 million, an increase of \$2.2 million or 3.8 percent due to intensifications and developments completed during 2023 and 2024.
Net Finance Costs	<p>▲ \$2.4 million or 8.3%</p> <ul style="list-style-type: none"> Net finance costs were \$30.7 million, an increase of \$2.4 million or 8.3 percent, driven by the issuance of Series I senior unsecured debentures in Q4 2023, and lower capitalized interest on investment properties, partially offset by lower Credit Facilities interest costs due to a lower outstanding balance. 	<p>▲ \$6.1 million or 7.2%</p> <ul style="list-style-type: none"> Net finance costs were \$90.6 million, an increase of \$6.1 million or 7.2 percent, driven by the issuance of Series I senior unsecured debentures in Q4 2023, and lower capitalized interest on investment properties, partially offset by lower Credit Facilities interest costs due to a lower outstanding balance, and higher interest earned with cash on hand during the quarter.
Earnings Summary	<p>▼ \$1.8 million or 3.1%</p> <ul style="list-style-type: none"> Income before income taxes was \$56.6 million, a decrease of \$1.8 million or 3.1 percent attributable to the reasons above. 	<p>▲ \$14.7 million or 8.5%</p> <ul style="list-style-type: none"> Income before income taxes was \$187.2 million, an increase of \$14.7 million or 8.5 percent attributable to the reasons above.

4.4.2 CT REIT Segment Key Performance Measures

(C\$ in millions)				YTD		YTD	
	Q3 2024	Q3 2023	Change	Q3 2024	Q3 2023	Change	
Net operating income ¹	\$ 113.6	\$ 109.9	3.4 %	\$ 342.1	\$ 327.4	4.5 %	
Funds from operations ¹	78.1	77.1	1.3 %	235.7	230.2	2.4 %	
Adjusted funds from operations ¹	72.6	71.0	2.2 %	219.4	211.9	3.5 %	

¹ This measure is a non-GAAP financial measure. For further information and a detailed reconciliation see section 9.1 of this MD&A.

Net Operating Income (NOI)

NOI for the quarter increased by 3.4 percent compared to the prior year primarily due to rent escalations for CTC banner leases, and the developments of income-producing properties completed in 2023 and 2024.

Funds from Operations (FFO)

FFO for the quarter increased by 1.3 percent compared to the prior year, primarily due to the intensifications and developments completed during 2023 and 2024, rent escalations, partially offset by higher interest costs.

Adjusted Funds from Operations (AFFO)

AFFO for the quarter increased by 2.2 percent compared to the prior year, primarily due to the intensifications and developments completed during 2023 and 2024, rent escalations, partially offset by higher interest costs.

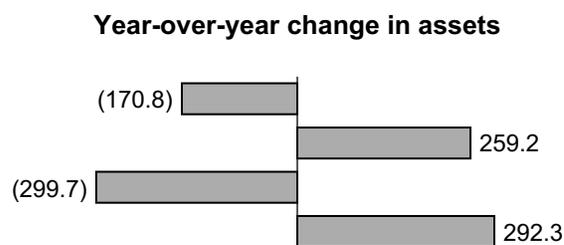
5.0 Balance Sheet Analysis, Liquidity, and Capital Resources

5.1 Selected Balance Sheet Highlights

Selected line items from the Company's assets and liabilities, as at September 28, 2024 and the year-over-year change versus September 30, 2023, are noted below:

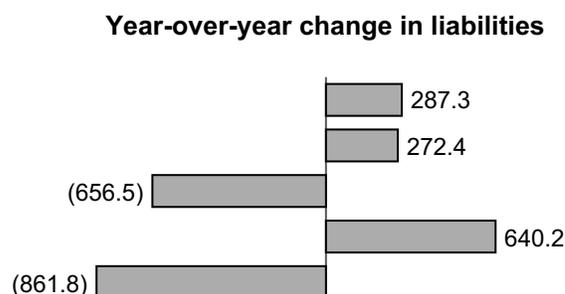
Change in Total assets	▲ \$	98.8
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Selected Assets	September 28, 2024
Trade and other receivables	1,353.5
Loans receivable (current portion)	6,681.7
Merchandise inventories	3,060.3
Property and equipment	5,374.9



Change in Total liabilities	▼ \$	37.7
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Selected Liabilities	September 28, 2024
Deposits (current and long-term)	3,536.8
Trade and other payables	3,262.8
Short-term borrowings	595.3
Long-term debt (current and long-term portion)	4,955.5
Other long-term liabilities	200.8



Assets

Trade and other receivables	▼ \$170.8 million	The decrease was mainly a result of timing and volume of payments received along with an unfavourable change in fair values of derivative contracts.
Loans receivable (current portion)	▲ \$259.2 million	The increase was primarily due to higher average account balances, partially offset by a higher allowance.
Merchandise inventories	▼ \$299.7 million	Inventory declined 8.9 percent compared to prior year. Active management of inventory across the banners contributed to the decline in inventory.
Property and equipment	▲ \$292.3 million	The increase was primarily driven by the Company's store investments.

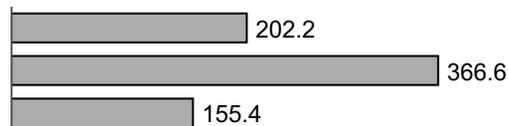
Liabilities		
Deposits (current and long-term)	▲ \$287.3 million	The increase was mainly due to growth in GIC deposits to fund credit card loans receivable growth, partially offset by a decline in demand deposits in the Financial Services segment.
Trade and other payables	▲ \$272.4 million	The increase was due to timing and volume of payments, including higher outstanding balances at CTB due to the quarter ending on a bank holiday, with payments processed in the following days, returning balances to a more consistent level.
Short-term borrowings	▼ \$656.5 million	The decrease was primarily due to cash generated from operations used to repay credit facilities. The movement occurred despite an additional \$500.0 million draw in Q4 2023 to partially finance the Company's repurchase of Scotiabank's 20 percent interest in CTFS. Furthermore, there were lower short-term borrowings for both CTB and CT REIT, approximately \$450.0 million on a combined basis.
Long-term debt (current and long-term portion)	▲ \$640.2 million	The increase was due to the \$400.0 million term loan borrowed to partially finance the Company's repurchase of Scotiabank's 20 percent interest in CTFS in Q4 2023. In addition, CT REIT replaced their short-term borrowings with a \$250.0 million debenture.
Other long-term liabilities	▼ \$861.8 million	The decrease was primarily due to the extinguishment of the redeemable financial instrument as a result of the Company's repurchase of Scotiabank's 20 percent interest in CTFS in Q4 2023.

Selected line items from the Company's assets and liabilities, as at September 28, 2024 and the change versus December 30, 2023, are noted below:

Change in Total assets ▲ \$ **833.3**

Selected Assets	September 28, 2024
Trade and other receivables	1,353.5
Merchandise inventories	3,060.3
Property and equipment	5,374.9

Change in assets



Change in Total liabilities ▲ \$ **640.7**

Selected Liabilities	September 28, 2024
Deposits (current and long-term)	3,536.8
Trade and other payables	3,262.8
Short-term borrowings	595.3

Change in liabilities



Assets		
Trade and other receivables	▲ \$202.2 million	The increase was mainly a result of timing and volume of payments received.
Merchandise inventories	▲ \$366.6 million	The increase was primarily related to preparation for Q4 which is the busiest selling period.
Property and equipment	▲ \$155.4 million	The increase was primarily driven by the Company's store investments.
Liabilities		
Deposits (current and long-term)	▲ \$172.5 million	The increase was mainly due to growth in GIC deposits to fund credit card loans receivable growth, partially offset by a decline in demand deposits in the Financial Services segment.
Trade and other payables	▲ \$573.4 million	The increase was due to timing and volume of payments, due to higher outstanding balances related to the seasonality of inventory purchases along with higher outstanding balances at CTB due to the quarter ending on a bank holiday, with payments processed in the following days, returning balances to a more consistent level.
Short-term borrowings	▼ \$370.4 million	The decrease was due to reduced Short-term borrowing needs in the Financial Services segment and cash generated from operations used to repay credit facilities in the Retail segment.

5.2 Summary Cash Flows

Selected line items from the Company's Condensed Interim Consolidated Statements of Cash Flows for the quarters ended September 28, 2024 and September 30, 2023 are noted in the following table:

(C\$ in millions)	Q3 2024	Q3 2023	Change
Cash generated from (used for) operating activities	\$ 232.5	\$ (28.5)	261.0
Cash generated from (used for) investing activities	(166.8)	(161.7)	(5.1)
Cash generated from (used for) financing activities	(166.9)	216.3	(383.2)
Cash generated (used) in the period	\$ (101.2)	\$ 26.1	(127.3)

(C\$ in millions)	YTD Q3 2024	YTD Q3 2023	Change
Cash generated from (used for) operating activities	\$ 1,188.5	\$ 483.8	704.7
Cash generated from (used for) investing activities	(435.8)	(394.8)	(41.0)
Cash generated from (used for) financing activities	(709.9)	43.6	(753.5)
Cash generated (used) in the period	\$ 42.8	\$ 132.6	(89.8)

	Q3 2024	Year to Date
Operating activities	<p>▲ \$261.0 million change</p> <ul style="list-style-type: none"> The increase in cash generated from operating activities was primarily driven by changes in working capital and higher Net income. 	<p>▲ \$704.7 million change</p> <ul style="list-style-type: none"> The increase in cash generated from operating activities was primarily driven by changes in working capital and higher Net income.
Investing activities	<p>▼ \$5.1 million change</p> <ul style="list-style-type: none"> Cash used in investing activities was relatively flat in comparison to the same quarter in the prior year. 	<p>▼ \$41.0 million change</p> <ul style="list-style-type: none"> The increase in cash used for investing activities was primarily from increased additions to fixed assets.
Financing activities	<p>▼ \$383.2 million change</p> <ul style="list-style-type: none"> The increase in cash used for financing activities was primarily due to higher net repayments of short-term borrowings. 	<p>▼ \$753.5 million change</p> <ul style="list-style-type: none"> The increase in cash used for financing activities was primarily due to the net repayment of short-term borrowings, offset by lower levels of share repurchases.

5.3 Capital Management

The Company's capital management objectives are as follows:

- Ensuring sufficient liquidity to meet its financial obligations when due and executing its operating and strategic plans;
- Maintaining healthy liquidity reserves and the ability to access additional capital from multiple sources, if required; and
- Minimizing its after-tax cost of capital while taking into consideration the key risks outlined in section 10.0 of this MD&A including current and future industry, market, and economic risks and conditions.

5.3.1 Canadian Tire Bank's Regulatory Environment

CTB manages its capital under guidelines established by the Office of the Superintendent of Financial Institutions of Canada (OSFI). OSFI's regulatory capital guidelines are based on the international Basel Committee on Banking Supervision framework entitled Basel III: A Global Regulatory Framework for More Resilient Banks and Banking Systems, which came into effect in Canada on January 1, 2013. Basel III is a global regulatory accord that was introduced to enhance the reputation, supervision, and risk management practices within the banking sector. The Bank has implemented several capital policies, procedures, and controls, including an annual Internal Capital Adequacy Assessment Process (ICAAP). These measures support the Bank in achieving its goals and objectives.

The Bank's objectives include maintaining capital to:

- meet all applicable regulatory requirements;
- maintain and reinforce confidence in the safety and soundness of the Bank;
- support growth in assets and liabilities; and
- offset possible operating and investment losses.

As at Q3 2024, the Bank complied with all regulatory capital guidelines established by OSFI, and its internal targets as determined by its ICAAP.

5.4 Investing

5.4.1 Capital Expenditures

The Company's capital expenditures for the periods ended September 28, 2024 and September 30, 2023 were as follows:

(C\$ in millions)	Q3 2024	Q3 2023	YTD Q3 2024	YTD Q3 2023
Modernization and efficiency enablers	\$ 24.5	\$ 23.2	\$ 56.8	\$ 57.8
Omnichannel customer experience	68.1	97.7	243.1	261.2
Fulfillment infrastructure and automation	34.5	34.2	75.7	74.1
Operating capital expenditures¹	\$ 127.1	\$ 155.1	\$ 375.6	\$ 393.1
CT REIT acquisitions and developments excluding vend-ins from CTC	68.0	21.3	82.0	42.7
Total capital expenditures²	\$ 195.1	\$ 176.4	\$ 457.6	\$ 435.8

¹ This measure is a non-GAAP financial measure. For further information and a detailed reconciliation see section 9.1 of this MD&A.

² Capital expenditures are presented on an accrual basis and include software additions, but exclude right-of-use asset additions, acquisitions relating to business combinations, intellectual properties, and tenant allowances received.

	Q3 2024	Year to Date
Total capital expenditures	▲ \$18.7 million	▲ \$21.8 million
	<ul style="list-style-type: none"> • On a year-to-date basis, the Company's operating capital expenditures and total capital expenditures were \$375.6 million and \$457.6 million, respectively, a decrease of \$17.5 million and an increase of \$21.8 million from the prior year. The increase in total capital expenditures was driven by CT REIT acquisition projects, partially offset by lower spend relating to the Company's digital platform which became fully operational in the prior year. 	

Capital Commitments

The Company had commitments of approximately \$134.4 million as at September 28, 2024 (September 30, 2023 – \$154.7 million) for the acquisition of tangible and intangible assets.

Operating Capital Expenditures

The following contains forward-looking information and readers are cautioned that actual results may vary.

The Company expects its 2024 full-year operating capital expenditures to be within its previously-disclosed range of \$475 million to \$525 million.

The Company plans to fund the *Better Connected* strategy, sustain the business, and continue prudent capital management and expects 2025 full-year operating capital expenditures to be in the range of \$525 to \$575 million.

5.5 Liquidity and Financing

Management is focused on ensuring that the Company has sufficient liquidity, both through maintaining a strong balance sheet and having the ability to access additional capital from multiple sources. Several alternative liquidity sources are available to its Retail, Financial Services, and CT REIT segments to meet their financial obligations when due and to execute their operating and strategic plans.

As at September 28, 2024

(C\$ in millions)	Consolidated	Retail	Financial Services	CT REIT
Cash and cash equivalents	\$ 354.0	\$ 117.8	\$ 231.1	\$ 5.1
Short-term investments	161.8	—	161.8	—
Total net cash and cash equivalents and short-term investments¹	\$ 515.8	\$ 117.8	\$ 392.9	\$ 5.1
Committed Bank Lines of Credit	4,397.5	2,997.5	1,100.0	300.0
Less: Borrowings outstanding ²	24.0	—	18.0	6.0
Less: U.S. commercial paper outstanding	392.9	392.9		
Less: Letters of credit outstanding	2.7	—	—	2.7
Available Committed Bank Lines of Credit	\$ 3,977.9	\$ 2,604.6	\$ 1,082.0	\$ 291.3
Liquidity¹	\$ 4,493.7	\$ 2,722.4	\$ 1,474.9	\$ 296.4

¹ This measure is a non-GAAP financial measure with no standardized meaning under IFRS and therefore may not be comparable to similar measures presented by other issuers.

² For further information about this measure see section 9.2 of this MD&A.

The Company ended the quarter with \$515.8 million in cash and short-term investments, net of bank indebtedness, and \$4.5 billion in liquidity with \$2.7 billion, \$1.5 billion, and \$296.4 million at its Retail, Financial Services, and CT REIT segments, respectively.

The Company ended the quarter with Short-term borrowings of \$595.3 million which includes \$392.9 of US commercial paper in the Retail segment, \$178.4 million of GCCT asset-backed commercial paper notes in the Financial Services segment, and other borrowings outstanding of \$18.0 million and \$6.0 million in the Financial Services and CT REIT segments respectively, as mentioned below.

As at Q3 2024, CTC, CT REIT, CTB, and Helly Hansen each complied with all financial covenants under the agreements for the committed bank lines of credit listed in the following Financing Source table:

Financing Source	
Committed Bank Lines of Credit and Securitized Note Purchase Facility	<ul style="list-style-type: none"> • Provided by a syndicate of eight Canadian and two international financial institutions, \$1,975 million in an unsecured bank line of credit is available to the Retail segment for general corporate purposes, expiring in May 2029. As of September 28, 2024, the Retail segment had no borrowings outstanding on this bank line of credit. Provided by a syndicate of five Canadian financial institutions, \$1.0 billion in an unsecured bank line of credit is available to the Retail segment for general corporate purposes, expiring in May 2025. As of September 28, 2024, there were no borrowings outstanding on this bank line of credit. • Helly Hansen has a 175 million Norwegian Krone (NOK) secured overdraft facility (\$22.5 million of Canadian dollar equivalent) provided by a Norwegian bank, expiring in January 2025. As of September 28, 2024, Helly Hansen had no borrowings outstanding on its facility. • Provided by a syndicate of seven Canadian financial institutions, \$300 million in an unsecured bank line of credit is available to CT REIT for general business purposes, expiring in May 2029. As of September 28, 2024, CT REIT had \$6 million of outstanding on its bank line of credit. • Scotiabank has provided CTB with a \$400 million unsecured bank line of credit and a \$700 million securitized note purchase facility for the purchase of senior and subordinated credit card asset-backed notes issued by GCCT, both of which expire in April 2025. As of September 28, 2024, CTB had \$18 million of borrowings outstanding on its bank line of credit and a nominal amount owing on its note purchase facility.
Commercial Paper Programs	<ul style="list-style-type: none"> • CTC has a commercial paper program that allows it to issue up to a maximum aggregate principal amount of US\$1.0 billion of unsecured short-term promissory notes in the United States. Terms to maturity for the promissory notes range from one to 270 days from the date of issue. Notes are issued at a discount and rank equally in right of payment with all other present and future unsecured and unsubordinated obligations to creditors of CTC. As of September 28, 2024, CTC had a C\$ equivalent of \$392.9 million U.S. commercial paper outstanding. • Concurrent with CTC's US\$ commercial paper issuances, CTC enters foreign exchange derivatives to hedge the foreign currency risk associated with both the principal and interest components of the borrowings under the program. CTC does not designate these debt derivatives as hedges for accounting purposes. • GCCT has a commercial paper program that allows it to issue up to a maximum aggregate principal of \$300 million of short-term credit card asset-backed promissory notes. As of September 28, 2024, GCCT had \$178.4 million of asset-backed commercial paper notes outstanding.
Medium-Term Notes, Term Loan and Senior Unsecured Debentures	<ul style="list-style-type: none"> • As of September 28, 2024, CTC had an aggregate principal amount of \$1,150.0 million of medium-term notes outstanding and a \$400.0 million term loan from Desjardins Capital Markets. • As of September 28, 2024, CT REIT had an aggregate principal amount of \$1,425.0 million of senior unsecured debentures outstanding.
Asset-backed Senior and Subordinated Term Notes	<ul style="list-style-type: none"> • As of September 28, 2024, GCCT had an aggregate principal amount of \$1,980.0 million of credit card asset-backed term notes outstanding, consisting of \$1,851.3 million principal amount of senior-term notes and \$128.7 million principal amount of subordinated term notes.
Broker GIC Deposits	<ul style="list-style-type: none"> • Funds continue to be readily available to CTB through broker networks. As of September 28, 2024, CTB held \$2,930.3 million in broker GIC deposits.
Retail Deposits	<ul style="list-style-type: none"> • Retail deposits consist of High Interest Savings (HIS) and retail GIC deposits held by CTB, available both within and outside a tax-free savings account. As of September 28, 2024, CTB held \$606.4 million in retail deposits.
Real Estate	<ul style="list-style-type: none"> • CTC can undertake strategic real estate transactions involving properties not owned by CT REIT. It also owns an investment in CT REIT in the form of publicly traded CT REIT Units. As of September 28, 2024, CTC had a 68.4 percent effective ownership interest in CT REIT. • Additional sources of funding are available to CT REIT, as appropriate, including the ability to access debt and equity markets, subject to the terms and conditions of CT REIT's Declaration of Trust and all applicable regulatory requirements. • As of September 28, 2024, CT REIT had an aggregate principal of \$8.7 million of mortgages, secured by certain investment properties, outstanding.

5.5.1 Contractual Obligations, Guarantees, and Commitments

For a description of contractual obligations as at December 30, 2023, refer to section 6.5.1 of the Company's 2023 Annual MD&A. There were no significant changes to the outstanding contractual obligations identified at year end, other than those discussed in this document. The Company believes it has the ability to meet its contractual obligations as at September 28, 2024.

For a discussion of the Company's significant guarantees and commitments, refer to Note 35 to the Company's 2023 Consolidated Financial Statements. The Company's maximum exposure to credit risk with respect to such guarantees and commitments is provided in Note 5 to the Company's 2023 Consolidated Financial Statements. There were no significant changes in guarantees and commitments identified at year end, other than those discussed in this document.

6.0 Equity

The following contains forward-looking information and readers are cautioned that actual results may vary.

6.1 Shares Outstanding

(C\$ in millions)	September 28, 2024	September 30, 2023	December 30, 2023
Authorized			
3,423,366 Common Shares			
100,000,000 Class A Non-Voting Shares			
Issued			
3,423,366 Common Shares (September 30, 2023 – 3,423,366; December 30, 2023 – 3,423,366)	\$ 0.2	\$ 0.2	\$ 0.2
52,197,823 Class A Non-Voting Shares (September 30, 2023 – 52,197,823; December 30, 2023 – 52,197,823)	619.7	591.7	598.5
	\$ 619.9	\$ 591.9	\$ 598.7

Each year, the Company files a Notice of Intention to Make a Normal Course Issuer Bid (Notice of Intention) with the Toronto Stock Exchange (TSX) which allows it to repurchase its Class A Non-Voting Shares on the open market through the facilities of the TSX and/or alternative Canadian trading systems, if eligible, at the market price of the shares at the time of repurchase or as otherwise permitted under the rules of the TSX and applicable securities laws. Class A Non-Voting Shares repurchased by the Company pursuant to the Normal Course Issuer Bid (NCIB) are restored to the status of authorized but unissued shares. Security holders may obtain a copy of the notice, without charge, by contacting the Corporate Secretary of the Company.

On February 16, 2023, the TSX accepted the Company's Notice of Intention to repurchase up to 5.1 million Class A Non-Voting Shares during the period March 2, 2023 to March 1, 2024 (2023-24 NCIB). On February 15, 2024, the TSX accepted the Company's Notice of Intention to repurchase up to 4.9 million Class A Non-Voting Shares during the period March 2, 2024 to March 1, 2025 (2024-25 NCIB). Also on February 15, 2024, the TSX accepted a new Automatic Securities Purchase Plan (ASPP) which expires on March 1, 2025 (2024-25 ASPP) and allows a designated broker to repurchase Class A Non-Voting Shares under the 2024-25 NCIB during the Company's blackout periods, subject to pre-defined parameters.

On November 9, 2023, as part of its capital management plan, the Company announced its intention to repurchase up to \$200 million of its Class A Non-Voting Shares during 2024, in excess of the amount required for anti-dilutive purposes, pursuant to the Company's Normal Course Issuer Bid in 2024. To date, no such repurchases have occurred.

On November 6, 2024, the Company announced its intention to repurchase up to \$200 million of its Class A Non-Voting Shares, in excess of the amount required for anti-dilutive purposes, in 2025.

The Share repurchases will be made under the Company's existing normal course issuer bid (NCIB), which expires on March 1, 2025, and thereafter under a renewed NCIB, subject to regulatory approvals.

6.2 Dividends

The Company has a long-term dividend payout ratio¹ target of approximately 30 to 40 percent of the prior year's normalized net income, after considering the period-end cash position, future cash flow requirements, capital market conditions, and investment opportunities. The dividend payout ratio may fluctuate in any particular year.

¹ For further information about this measure see section 9.1 of this MD&A.

The Company increased its annual dividend for the 15th consecutive year, to \$7.10 per share, an increase of approximately 1.4 percent over last year. On November 6, 2024, the Company's Board of Directors declared dividends of \$1.775 per share payable on March 1, 2025 to shareholders of record as of January 31, 2025. The dividend is considered an "eligible dividend" for tax purposes.

6.3 Equity Derivative Contracts

The Company enters into equity-derivative contracts to partially offset its exposure to fluctuations in stock options, performance share units, restricted share units, and deferred share units. The Company currently uses floating-rate equity forwards.

During the third quarter of 2024, 185,000 units of equity-forward contracts that hedged stock options, performance share units, restricted share units, and deferred share units settled and resulted in a cash receipt from the counterparties of approximately \$0.3 million. The Company entered into 275,000 units of new equity-forward contracts in the third quarter of 2024 with a hedge rate of \$157.30.

7.0 Tax Matters

In the ordinary course of business, the Company is subject to ongoing audits by tax authorities. While the Company has determined that its tax filing positions are appropriate and supportable, from time to time certain matters are reviewed and challenged by the tax authorities.

There have been no material changes in the status of ongoing audits by tax authorities as disclosed in section 8.0 in the Company's 2023 Annual MD&A.

The Company regularly reviews the potential of adverse outcomes with respect to tax matters. The Company believes that the ultimate disposition of these matters will not have a material adverse effect on its liquidity, consolidated financial position or net income as it has determined that there is adequate provision. Should the ultimate tax liability materially differ from the provision, the Company's effective tax rate and its earnings could be affected positively or negatively in the period in which the matters are resolved.

Income taxes for the 13 weeks ended September 28, 2024 were \$78.6 million (2023 – \$97.1 million). The effective tax rate for the 13 weeks ended September 28, 2024 decreased to 26.3 percent (2023 – 140.1 percent), primarily due to the non-deductible change in the fair value of the redeemable financial instrument in 2023, partially offset by higher non-deductible stock option expense. When adjusted for normalizing items¹, the effective tax rate for the 13 weeks ended was 23.5% for 2023.

Income taxes for the 39 weeks ended September 28, 2024 were \$176.7 million (2023 – \$167.9 million). The effective tax rate for the 39 weeks ended September 28, 2024 decreased to 24.6 percent (2023 – 54.2 percent), primarily due to the non-deductible change in the fair value of the redeemable financial instrument in 2023. When adjusted for normalizing items¹, the effective tax rate for the 39 weeks ended was 26.3% for 2023.

¹ Refer to section 4.1.1 in this MD&A for a description of the normalizing items.

8.0 Accounting Policies and Estimates

8.1 Critical Accounting Estimates

The Company estimates certain amounts, which are reflected in its condensed interim consolidated financial statements using detailed financial models based on historical experience, current trends, and other assumptions. Actual results could differ from those estimates. In Management's judgment, the accounting estimates and policies detailed in Note 2 and Note 3 to the Company's 2023 Consolidated Financial Statements, do not require Management to make assumptions about matters that are highly uncertain and, accordingly, none of those estimates are considered a "critical accounting estimate" as defined in Form 51-102F1 – *Management's Discussion and Analysis*, published by the Canadian Securities Administrators, except for the allowance for loan impairment in the Financial Services segment.

Details of the accounting policies subject to judgments and estimates that the Company believes could have the most significant impact on the amounts recognized in its condensed interim consolidated financial statements are described in Note 2 to the Company's 2023 Consolidated Financial Statements and Notes.

8.2 Changes in Accounting Policies

Standards, Amendments and Interpretations Issued and Adopted

Lease Liability in a Sale and Leaseback

In September 2022, the International Accounting Standards Board (IASB) issued amendments to IFRS 16 – *Leases* (IFRS 16) relating to sale leaseback transactions for seller-lessees. The amendment adds a requirement that measuring lease payments or revised lease payments shall not result in the recognition of a gain or loss that relates to the right-of-use asset retained by the seller-lessee. The amendments are effective for annual reporting periods beginning on or after January 1, 2024. The Company adopted these amendments this year and determined there to be no material impact on the consolidated financial statements.

Non-current Liabilities with Covenants

In October 2022, the IASB issued amendments to IAS 1 – *Presentation of Financial Statements*, which specifies that covenants whose compliance is assessed after the reporting date do not affect the classification of debt as current or non-current at the reporting date. Instead, the amendments require disclosure of information about these covenants in the notes to the financial statements. The amendments are effective for annual reporting periods beginning on or after January 1, 2024. The Company adopted these amendments this year and determined there to be no material impact on the consolidated financial statements.

Supplier Finance Arrangements

In May 2023, the IASB issued amendments to IAS 7 – *Statement of Cash Flows* and IFRS 7 – *Financial Instruments: Disclosures*. The amendments add requirements to disclose information that allows users to assess how supplier finance arrangements affect an entity's liabilities, cash flows, and exposure to liquidity risk. The amendments are effective for annual reporting periods beginning on or after January 1, 2024. The Company adopted these amendments in the current year and determined there to be no material impact on the consolidated financial statements.

Standards, Amendments and Interpretations Issued but not yet Adopted

The following new standards, amendments and interpretations have been issued but are not effective for the fiscal year ending December 28, 2024 and, accordingly, have not been applied in preparing these interim financial statements.

Lack of Exchangeability

In August 2023, the IASB issued amendments to IAS 21 – *The Effects of Changes in Foreign Exchange Rates* in relation to Lack of Exchangeability. The amendments require entities to apply a consistent approach in assessing whether a currency can be exchanged into another currency and in determining the exchange rate to use and the disclosures to provide when it cannot. These amendments are effective for annual reporting periods beginning on or after January 1, 2025, with early adoption permitted. The Company assessed the impact of the amendments and determined there to be no material impact on the consolidated financial statements.

Classification and Measurement of Financial Instruments

In May 2024, the IASB issued amendments to IFRS 9 – *Financial Instruments* and IFRS 7 – *Financial Instruments: Disclosures*. The amendments relate to settling financial liabilities using an electronic payment system and assessing contractual cash flow characteristics of financial assets, including those with Environmental, Social, and Governance (ESG)-linked features. The IASB also amended disclosure requirements relating to investments in equity instruments designated at FVOCI and added disclosure requirements for financial instruments with contingent features. The amendments are effective for annual periods beginning on or after January 1, 2026, with early adoption permitted. The Company is assessing the impacts to the consolidated financial statements.

Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued the new standard IFRS 18 – *Presentation and Disclosure in Financial Statements* that will replace IAS 1 – *Presentation of Financial Statements*. The new standard introduces newly defined subtotals on the income statement, requirements for aggregation and disaggregation of information, and disclosure of Management Performance Measures (MPMs) in the financial statements. The new standard is

effective for annual reporting periods beginning on or after January 1, 2027, with early adoption permitted. The Company is assessing the impacts to the consolidated financial statements.

Subsidiaries without Public Accountability: Disclosures

In May 2024, the IASB issued IFRS 19 – *Subsidiaries without Public Accountability: Disclosures*. The new standard allows eligible subsidiaries to apply IFRS Accounting Standards with reduced disclosure requirements. The new standard is effective for annual reporting periods beginning on or after January 1, 2027, with early adoption permitted. The Company assessed the impact of the amendments and determined there to be no material impact on the consolidated financial statements. The Company is assessing the impact to its subsidiaries.

9.0 Non-GAAP Financial Measures, Ratios, and Supplementary Financial Measures

9.1 Non-GAAP Financial Measures and Ratios

The Company prepares and presents its financial information on a GAAP basis. Management uses many measures to assess performance, including non-GAAP financial measures and non-GAAP ratios. Non-GAAP financial measures and non-GAAP ratios have no standardized meanings under GAAP and may not be comparable to similar measures of other companies.

Management considers both reported and normalized results and measures useful in evaluating the performance of the core business operations of the Company. Management uses normalized results to assess changes in financial performance across periods on a comparable basis by removing specified items not related to the core business operations of the Company that are infrequent and non-operational in nature. The items, which can include acquisition-related transaction costs, restructuring or discontinued operations costs, operational efficiency program costs, one-time costs for new program rollouts, and infrequent non-operational fair value adjustments, are removed from SG&A and Other expense (income) where applicable. Explanations of normalizing items can be found in subsection 4.1.1.

Normalized Other Expense (Income)

The following table reconciles Normalized Other expense (income) to Other expense (income), the most directly comparable GAAP measure reported in the consolidated financial statements.

(C\$ in millions)	Q3 2024		YTD	
	Q3 2024	Q3 2023	Q3 2024	Q3 2023
Other expense (income)	\$ (35.4)	\$ (126.8)	\$ (48.8)	\$ 31.2
Add normalizing items:				
DC fire expense (recovery)	—	131.0	—	(11.3)
Normalized Other expense (income)	\$ (35.4)	\$ 4.2	\$ (48.8)	\$ 19.9

Retail Normalized Other Expense (Income)

The following table reconciles Retail Normalized Other expense (income) to Other expense (income), a GAAP measure reported in the consolidated financial statements.

(C\$ in millions)	Q3 2024		YTD	
	Q3 2024	Q3 2023	Q3 2024	Q3 2023
Other expense (income)	\$ (35.4)	\$ (126.8)	\$ (48.8)	\$ 31.2
Less: Other operating segments	34.9	38.1	93.5	110.7
Retail Other expense (income)	\$ (70.3)	\$ (164.9)	\$ (142.3)	\$ (79.5)
Add normalizing items:				
DC fire expense (recovery)	—	131.0	—	(11.3)
Retail Normalized Other expense (income)	\$ (70.3)	\$ (33.9)	\$ (142.3)	\$ (90.8)

Normalized SG&A and Normalized SG&A as a Percentage of Revenue

Normalized SG&A is used as an additional measure when assessing the performance of the Company's ongoing operations. Normalized SG&A is most directly comparable to SG&A, a GAAP measure reported in the consolidated financial statements. SG&A is adjusted for normalizing items.

Normalized SG&A as a percentage of Revenue is a non-GAAP ratio that is calculated by dividing Normalized SG&A by Revenue.

(C\$ in millions)	Q3 2024		Q3 2023	
	Q3 2024	Q3 2023	YTD Q3 2024	YTD Q3 2023
Selling, general and administrative expenses	\$ 892.9	\$ 891.7	\$ 2,585.6	\$ 2,692.2
Less normalizing items:				
GST/HST-related charge	—	—	—	33.3
Normalized Selling, general and administrative expenses	\$ 892.9	\$ 891.7	\$ 2,585.6	\$ 2,658.9

Financial Services Normalized SG&A

Financial Services Normalized SG&A is used as an additional measure when assessing the performance of the Company's ongoing operations. This metric is most directly comparable to SG&A, a GAAP measure reported in the consolidated financial statements. Financial Services SG&A is adjusted for normalizing items.

(C\$ in millions)	Q3 2024		Q3 2023	
	Q3 2024	Q3 2023	YTD Q3 2024	YTD Q3 2023
Selling, general and administrative expenses	\$ 892.9	\$ 891.7	\$ 2,585.6	\$ 2,692.2
Less: Other operating segments	804.2	807.2	2,304.6	2,393.7
Financial Services Selling, general and administrative expenses	\$ 88.7	\$ 84.5	\$ 281.0	\$ 298.5
Less normalizing items:				
GST/HST-related charge	—	—	—	33.3
Financial Services Normalized Selling, general and administrative expenses	\$ 88.7	\$ 84.5	\$ 281.0	\$ 265.2

EBITDA and related measures

EBITDA, Normalized EBITDA, and Normalized EBITDA as a percentage of Revenue are used as additional measures when assessing the performance of the Company's ongoing operations and its ability to generate cash flows to fund its cash requirements, including capital expenditures. 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. EBITDA itself is then adjusted for normalizing items.

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

(C\$ in millions)	Q3 2024		YTD	
	Q3 2024	Q3 2023	Q3 2024	Q3 2023
Income before income taxes	\$ 299.3	\$ 69.3	\$ 716.9	\$ 309.8
Add:				
Depreciation and amortization ¹	194.9	200.6	587.8	599.0
Net finance costs (income)	85.3	80.3	265.4	230.7
EBITDA	\$ 579.5	\$ 350.2	\$ 1,570.1	\$ 1,139.5
Add normalizing items:				
DC fire expense (recovery)	—	(131.0)	—	11.3
GST/HST-related charge	—	—	—	33.3
Change in fair value of redeemable financial instrument	—	328.0	—	328.0
Normalized EBITDA	\$ 579.5	\$ 547.2	\$ 1,570.1	\$ 1,512.1

¹ Depreciation and amortization reported in Cost of producing revenue for the 13 and 39 weeks ended September 28, 2024 was \$5.4 million (2023 – \$6.6 million) and \$17.8 million (2023 – \$24.1 million), respectively.

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 fund its cash 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 is then adjusted for normalizing items.

(C\$ in millions)	Q3 2024		YTD	
	Q3 2024	Q3 2023	Q3 2024	Q3 2023
Income before income taxes	\$ 299.3	\$ 69.3	\$ 716.9	\$ 309.8
Less: Other operating segments	134.5	(169.7)	381.4	64.5
Retail Income before income taxes	\$ 164.8	\$ 239.0	\$ 335.5	\$ 245.3
Add:				
Depreciation and amortization ¹	242.5	251.3	729.3	746.7
Net finance costs (income)	70.7	70.0	227.4	197.8
Retail EBITDA	\$ 478.0	\$ 560.3	\$ 1,292.2	\$ 1,189.8
Add normalizing items:				
DC fire expense (recovery)	—	(131.0)	—	11.3
Retail Normalized EBITDA	\$ 478.0	\$ 429.3	\$ 1,292.2	\$ 1,201.1

¹ Depreciation and amortization reported in Cost of producing revenue for the 13 and 39 weeks ended September 28, 2024 was \$5.4 million (2023 – \$6.6 million) and \$17.8 million (2023 – \$24.1 million), respectively.

Normalized Income Before Income Taxes

Normalized Income before income taxes is used as an additional measure to assess the Company's underlying operating performance and assists in making decisions regarding the ongoing operations of its business. The following table reconciles Normalized Income before income taxes to Income before income taxes which is a GAAP measure reported in the consolidated financial statements.

(C\$ in millions)	Q3 2024		YTD	
	Q3 2024	Q3 2023	Q3 2024	Q3 2023
Income before income taxes	\$ 299.3	\$ 69.3	\$ 716.9	\$ 309.8
Add normalizing items:				
DC fire expense (recovery)	—	(131.0)	—	11.3
GST/HST-related charge	—	—	—	33.3
Change in fair value of redeemable financial instrument	—	328.0	—	328.0
Normalized Income before income taxes	\$ 299.3	\$ 266.3	\$ 716.9	\$ 682.4

Retail Normalized Income Before Income Taxes

Retail Normalized Income before income taxes is used as an additional measure to assess the Company's underlying operating performance and assists in making decisions regarding the ongoing operations of its business. The following table reconciles Retail Normalized Income before income taxes to Income before income taxes which is a GAAP measure reported in the consolidated financial statements.

(C\$ in millions)	Q3 2024		YTD	
	Q3 2024	Q3 2023	Q3 2024	Q3 2023
Income before income taxes	\$ 299.3	\$ 69.3	\$ 716.9	\$ 309.8
Less: Other operating segments	134.5	(169.7)	381.4	64.5
Retail Income before income taxes	\$ 164.8	\$ 239.0	\$ 335.5	\$ 245.3
Add normalizing items:				
DC fire expense (recovery)	—	(131.0)	—	11.3
Retail Normalized Income before income taxes	\$ 164.8	\$ 108.0	\$ 335.5	\$ 256.6

Financial Services Normalized Income Before Income Taxes

Financial Services Normalized Income before income taxes is used as an additional measure to assess the Company's underlying operating performance and assists in making decisions regarding the ongoing operations of its business. The following table reconciles Financial Services Normalized Income before income taxes to Income before income taxes which is a GAAP measure reported in the consolidated financial statements.

(C\$ in millions)	Q3 2024		YTD	
	Q3 2024	Q3 2023	Q3 2024	Q3 2023
Income before income taxes	\$ 299.3	\$ 69.3	\$ 716.9	\$ 309.8
Less: Other operating segments	189.0	(56.4)	422.4	10.0
Financial Services Income before income taxes	\$ 110.3	\$ 125.7	\$ 294.5	\$ 299.8
Add normalizing items:				
GST/HST-related charge	—	—	—	33.3
Financial Services Normalized Income before income taxes	\$ 110.3	\$ 125.7	\$ 294.5	\$ 333.1

Normalized Income Tax Expense (Recovery) and Normalized Effective Tax Rate

Management uses Normalized Income tax expense (recovery) to calculate Normalized Net income. The tax effect of normalizing items is calculated by multiplying normalizing items by the statutory tax rate. The following table reconciles Normalized Income tax expense (recovery) to Income tax expense (recovery) which is a GAAP measure reported in the consolidated financial statements.

Normalized effective tax rate is calculated by dividing Normalized Income tax expense (recovery) by Normalized Income before income taxes.

(C\$ in millions)	Q3 2024		Q3 2023	
	Q3 2024	Q3 2023	YTD Q3 2024	YTD Q3 2023
Income tax expense (recovery)	\$ 78.6	\$ 97.1	\$ 176.7	\$ 167.9
Add tax effect of normalizing items:				
DC fire expense (recovery)	—	(34.6)	—	3.0
GST/HST-related charge	—	—	—	8.5
Normalized Income tax expense (recovery)	\$ 78.6	\$ 62.5	\$ 176.7	\$ 179.4

Normalized Net Income, Normalized Net Income Attributable to Shareholders, Normalized Diluted Earnings per Share, and Dividend Payout Ratio

Normalized Net income, Normalized Net income attributable to shareholders, and Normalized Diluted EPS are used as additional measures when assessing the Company's underlying operating performance. The following table reconciles Normalized Net income, Normalized Net income attributable to shareholders and Normalized Diluted EPS to Net income, a GAAP measure reported in the consolidated financial statements.

Dividend payout ratio is calculated by dividing total dividends by the prior year's Normalized Net income.

(C\$ in millions)	Q3 2024		Q3 2023	
	Q3 2024	Q3 2023	YTD Q3 2024	YTD Q3 2023
Net income	\$ 220.7	\$ (27.8)	\$ 540.2	\$ 141.9
Net income attributable to shareholders	200.6	(66.4)	476.2	40.8
Add normalizing items:				
DC fire expense (recovery)	\$ —	\$ (96.4)	\$ —	\$ 8.4
GST/HST-related charge ¹	—	—	—	24.7
Change in fair value of redeemable financial instrument	—	328.0	—	328.0
Normalized Net income	\$ 220.7	\$ 203.8	\$ 540.2	\$ 503.0
Normalized Net income attributable to shareholders¹	\$ 200.6	\$ 165.2	\$ 476.2	\$ 396.9
Normalized Diluted EPS	\$ 3.59	\$ 2.96	\$ 8.54	\$ 7.00

¹ \$5.0 million relates to non-controlling interests and is not included in the sum of Normalized net income attributable to shareholders.

Operating Capital Expenditures

Operating capital expenditures is used to assess the resources used to maintain capital assets at their productive capacity. Operating capital expenditures is most directly comparable to the Total additions, a GAAP measure reported in the consolidated financial statements.

(C\$ in millions)	Q3 2024		Q3 2023	
	Q3 2024	Q3 2023	YTD Q3 2024	YTD Q3 2023
Total additions ¹	\$ 216.4	\$ 188.6	\$ 490.2	\$ 396.6
Add: Accrued additions	(21.3)	(12.2)	(32.6)	39.2
Less: CT REIT acquisitions and developments excluding vend-ins from CTC	68.0	21.3	82.0	42.7
Operating capital expenditures	\$ 127.1	\$ 155.1	\$ 375.6	\$ 393.1

¹ This line appears on the Consolidated Statement of Cash Flows under Investing activities.

Retail Return on Invested Capital

Retail 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, which the Company does not consider useful in isolation. The Company believes that Retail ROIC is useful in assessing the Retail segment's performance relative to shareholder investment.

(C\$ in millions)	Rolling 12 months ended	
	Q3 2024	Q3 2023
Income before income taxes	\$ 979.8	\$ 1,062.0
Less: Other operating segments	482.6	174.3
Retail Income before income taxes	\$ 497.2	\$ 887.7
Add normalizing items:		
Operational Efficiency program	—	19.5
Targeted headcount reduction-related charge	19.6	—
DC fire expense (recovery)	—	11.3
Retail Normalized Income before income taxes	\$ 516.8	\$ 918.5
Less:		
Retail intercompany adjustments ¹	216.7	213.7
Add:		
Retail interest expense ²	351.5	302.7
Retail depreciation of right-of-use assets	598.5	626.2
Retail effective tax rate	27.4 %	26.9 %
Add: Retail taxes	(342.6)	(439.4)
Retail return	\$ 907.5	\$ 1,194.3
Average total assets	\$ 22,265.9	\$ 22,204.6
Less: Average assets in other operating segments	4,281.7	4,490.9
Average Retail assets	\$ 17,984.2	\$ 17,713.7
Less:		
Average Retail intercompany adjustments ¹	4,333.9	3,509.3
Average Retail trade payables and accrued liabilities ³	2,740.2	2,972.3
Average Franchise Trust assets	573.0	505.1
Average Retail invested capital	\$ 10,337.1	\$ 10,727.0
Retail ROIC	8.8 %	11.1 %

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.

Helly Hansen Revenue on a Constant Currency Basis

Helly Hansen revenue on a constant currency basis is used to assess revenue variations by removing the effect of changes to foreign exchange rates. This is accomplished by applying the same foreign exchange rate to current and comparative periods. This measure is most directly comparable to Revenue, a GAAP measure reported in the consolidated financial statements.

(C\$ in millions)	Q3 2024		YTD	
	Q3 2024	Q3 2023	Q3 2024	Q3 2023
Revenue	\$ 4,192.9	\$ 4,250.5	\$ 11,850.5	\$ 12,213.5
Less: Other operating segments and other banners	3,987.2	4,031.3	11,315.3	11,650.3
Helly Hansen Revenue (CAD)	\$ 205.7	\$ 219.2	\$ 535.2	\$ 563.2
NOK/CAD average FX rate	7.85	7.82	7.84	7.76
Helly Hansen Revenue (Kroner)	\$ 1,613.7	\$ 1,714.4	\$ 4,196.0	\$ 4,370.4
NOK/CAD constant FX rate	7.64	7.64	7.72	7.72
Helly Hansen Revenue (constant currency)	\$ 211.2	\$ 224.4	\$ 543.5	\$ 566.1

Adjusted Net Debt

The following tables present the components of adjusted net debt. The Company believes that Adjusted net debt is relevant in assessing the amount of financial leverage employed.

As at September 28, 2024

(C\$ in millions)	Consolidated	Retail	Financial Services	CT REIT
Consolidated net debt				
Short-term deposits	\$ 1,183.2	\$ —	\$ 1,183.2	\$ —
Long-term deposits	2,353.6	—	2,353.6	—
Short-term borrowings	595.3	392.9	196.4	6.0
Long-term debt	4,955.5	1,551.1	1,974.3	1,430.1
Total debt	\$ 9,087.6	\$ 1,944.0	\$ 5,707.5	\$ 1,436.1
Cash and cash equivalents ¹	(354.0)	(117.7)	(231.2)	(5.1)
Short-term investments ¹	(161.8)	—	(161.8)	—
Long-term investments ¹	(72.4)	(12.4)	(60.0)	—
Net debt	\$ 8,499.4	\$ 1,813.9	\$ 5,254.5	\$ 1,431.0
Intercompany debt	—	(1,539.9)	88.3	1,451.6
Adjusted net debt	\$ 8,499.4	\$ 274.0	\$ 5,342.8	\$ 2,882.6

¹ Includes regulatory reserves.

As at September 30, 2023

(C\$ in millions)	Consolidated	Retail	Financial Services	CT REIT
Consolidated net debt				
Short-term deposits	\$ 1,037.8	\$ —	\$ 1,037.8	\$ —
Long-term deposits	2,211.7	—	2,211.7	—
Short-term borrowings	1,251.8	606.6	421.2	224.0
Long-term debt	4,315.3	1,150.3	1,984.3	1,180.7
Total debt	\$ 8,816.6	\$ 1,756.9	\$ 5,655.0	\$ 1,404.7
Cash and cash equivalents ¹	(458.9)	(87.7)	(354.1)	(17.1)
Short-term investments ¹	(125.2)	—	(125.2)	—
Long-term investments ¹	(63.4)	(4.2)	(59.2)	—
Net debt	\$ 8,169.1	\$ 1,665.0	\$ 5,116.5	\$ 1,387.6
Intercompany debt	—	(1,556.5)	104.9	1,451.6
Adjusted net debt	\$ 8,169.1	\$ 108.5	\$ 5,221.4	\$ 2,839.2

¹ Includes regulatory reserves.

Past Due Credit Card Receivables Rate

PD2+ rate is calculated by dividing gross credit card receivables that are two cycles or more overdue (30+ days past due) by total gross credit card receivables. Both components exclude allowances and discounts. Gross past due credit card receivables, total gross credit card receivables and PD2+ are non-GAAP financial measures and a non-GAAP ratio, respectively.

The ratio of past due credit card receivables provides Management and investors with an additional measure to assess the quality and health of credit card loan assets. Past due gross credit card receivables and total gross credit card receivables provide insight into the book value of cardholder balances in our portfolio at the reporting date; however, observed in isolation do not provide meaningful information.

(C\$ in millions)	Q3 2024	Q3 2023
Current portion of loans receivable	\$ 6,681.7	\$ 6,422.5
Add: ECL allowance	924.8	912.4
Less:		
Other discounts or adjustments	178.9	153.3
Line of credit and current portion of dealer loans	59.5	116.8
Total gross credit card receivables	\$ 7,368.1	\$ 7,064.8
Less: Loans no more than 30 days past due	7,144.5	6,828.5
Past due gross credit card receivables	\$ 223.6	\$ 236.3

CT REIT Net Operating Income

NOI is defined as Property revenue less Property expense adjusted further for straight-line rent. This measure is most directly comparable to Revenue, a GAAP measure reported in the consolidated financial statements. Management believes that NOI is a useful key indicator of performance as it represents a measure of property operations over which Management has control. NOI is also a key input in determining the value of the portfolio. NOI should not be considered as an alternative to Property revenue or Net income and Comprehensive income, both of which are determined in accordance with GAAP.

The following table shows the relationship of NOI to GAAP Revenue and Property expense in CT REIT's Consolidated Statements of Income and Comprehensive Income:

(C\$ in millions)	Q3 2024		YTD	
	Q3 2024	Q3 2023	Q3 2024	Q3 2023
Revenue	\$ 4,192.9	\$ 4,250.5	\$ 11,850.5	\$ 12,213.5
Less: Other operating segments	4,048.3	4,113.0	11,417.2	11,800.7
CT REIT Property revenue	\$ 144.6	\$ 137.5	\$ 433.3	\$ 412.8
Less:				
CT REIT Property expense	32.0	28.1	94.8	86.7
CT REIT property straight-line rent revenue	(1.0)	(0.5)	(3.6)	(1.3)
CT REIT net operating income	\$ 113.6	\$ 109.9	\$ 342.1	\$ 327.4

CT REIT Funds from Operations and Adjusted Funds from Operations

Funds from Operations

FFO is a non-GAAP financial measure of operating performance used by the real estate industry, particularly by publicly traded entities that own and operate income-producing properties. This measure is most directly comparable to Net income and Comprehensive income, GAAP measures reported in the consolidated financial statements. FFO should not be considered as an alternative to Net income or Cash flow provided by operating activities determined in accordance with IFRS. CT REIT calculates its FFO in accordance with Real Property Association of Canada's publication "REALPAC Funds From Operations & Adjusted Funds From Operations for IFRS" (REALPAC FFO & AFFO). The use of FFO, together with the required IFRS presentations, have been included for the purpose of improving the understanding of the operating results of CT REIT.

Management believes that FFO is a useful measure of operating performance that, when compared period over period, reflects the impact on operations of trends in occupancy levels, rental rates, operating costs and property taxes, acquisition activities and interest costs, and provides a perspective of the financial performance that is not immediately apparent from Net income determined in accordance with IFRS.

FFO adds back items to Net income that do not arise from operating activities, such as fair-value adjustments. FFO, however, still includes non-cash revenues relating to accounting for straight-line rent and makes no deduction for the recurring capital expenditures necessary to sustain the existing earnings stream.

Adjusted Funds from Operations

AFFO is a non-GAAP financial measure of recurring economic earnings used in the real estate industry to assess an entity's distribution capacity. This measure is most directly comparable to Net income and Comprehensive income, GAAP measures reported in the consolidated financial statements. AFFO should not be considered as an alternative to Net income or Cash flows provided by operating activities determined in accordance with IFRS. CT REIT calculates its AFFO in accordance with REALPAC's FFO and AFFO.

CT REIT calculates AFFO by adjusting FFO for non-cash income and expense items such as amortization of straight-line rents. FFO is also adjusted as a reserve for maintaining productive capacity required for sustaining property infrastructure and revenue from real estate properties and direct leasing costs. As property capital expenditures do not occur evenly during the fiscal year or from year to year, the capital expenditure reserve in the AFFO calculation, which is used as an input in assessing the REIT's distribution payout ratio, is intended to reflect

an average annual spending level. The reserve is primarily based on average expenditures determined by building condition reports prepared by independent consultants.

Management believes that AFFO is a useful measure of operating performance similar to FFO as described, adjusted for the impact of non-cash income and expense items.

FFO per unit and AFFO per unit

FFO per unit and AFFO per unit are calculated by dividing FFO or AFFO by the weighted average number of units outstanding on a diluted basis. Management believes that these measures are useful to investors to assess the effect of this measure as it relates to their holdings.

The following table reconciles GAAP Income before income taxes to FFO and further reconciles FFO to AFFO:

(C\$ in millions)	Q3 2024	Q3 2023	YTD Q3 2024	YTD Q3 2023
Income before income taxes	\$ 299.3	\$ 69.3	\$ 716.9	\$ 309.8
Less: Other operating segments	204.8	58.0	418	118.6
CT REIT income before income taxes	\$ 94.5	\$ 11.3	\$ 298.9	\$ 191.2
Add:				
CT REIT fair value loss (gain) adjustment	(17.7)	66.7	(64.3)	39.3
CT REIT deferred taxes	(0.6)	(0.2)	0.2	0.7
CT REIT lease principal payments on right-of-use assets	(0.2)	(0.2)	(0.6)	(0.7)
CT REIT fair value of equity awards	1.9	(0.9)	0.7	(1.1)
CT REIT internal leasing expense	0.2	0.4	0.8	0.8
CT REIT funds from operations	\$ 78.1	\$ 77.1	\$ 235.7	\$ 230.2
Less:				
CT REIT properties straight-line rent revenue	(1.0)	(0.5)	(3.6)	(1.3)
CT REIT direct leasing costs	0.1	0.3	0.7	0.9
CT REIT capital expenditure reserve	6.4	6.3	19.2	18.7
CT REIT adjusted funds from operations	\$ 72.6	\$ 71.0	\$ 219.4	\$ 211.9

9.2 Supplementary Financial Measures

Average Account Balance

Average account balance measures average aggregate account balances in the credit card portfolio, excluding lines of credit and personal loans, divided by the average number of credit card accounts, for the applicable period.

Borrowings Outstanding

Borrowings outstanding represents drawdowns from committed bank lines of credit.

Credit Card Sales and Credit Card Sales Growth

Credit card sales is a measure of the net sales charged to credit cards. Credit card sales growth excludes balance transfers and represents year-over-year percentage change.

Comparable Sales

Comparable sales is commonly used in the retail industry to identify sales growth generated by a Company's existing store network and removes the effect of opening and closing stores in the period. The calculation includes sales from all stores that have been open for a minimum of one year and one week, as well as eCommerce sales. Comparable sales do not form part of the Company's consolidated financial statements. Management applies this measure to Consolidated results (including and excluding Petroleum), the Retail segment (including and excluding Petroleum), and all banners under the Retail segment (including but not limited to Canadian Tire Retail, SportChek and Mark's).

Cost of Debt

Cost of debt represents the weighted average finance costs as a percentage of total short-term and long-term debt during the period.

eCommerce Sales

eCommerce sales refers to sales generated by the Company's online presence. Only eCommerce sales from corporate stores are included in the Company's consolidated financial statements. Management applies this measure to Consolidated results, the Retail segment, and banners under the Retail segment.

ECL Allowance Rate

This measure is the total allowance for expected credit losses as a percentage of total gross loans receivable for the Financial Services segment.

Effective Tax Rate

Effective tax rate is the tax expense for the period divided by the income before income taxes for the same period.

Gross Average Accounts Receivable

GAAR is the average accounts receivable from credit cards, personal loans, and lines of credit, before allowances for expected credit losses. Measures using GAAR apply only to the Financial Services segment.

Gross Margin Rate

Gross margin rate is gross margin divided by revenue.

Gross Margin Dollars excluding Petroleum and Gross Margin Rate excluding Petroleum

Gross margin dollars excluding Petroleum captures gross margin dollars in the consolidated entity or Retail segment, as measured according to the Company's IFRS accounting policy, while excluding gross margin dollars from Petroleum sales. Gross margin rate excluding Petroleum is calculated by dividing gross margin excluding Petroleum by revenue excluding Petroleum.

Interest Expense

Interest expense represents the finance cost of short-term and long-term debt, which includes lines of credit, medium-term notes, debentures, and senior and subordinated term notes. This metric excludes deposits held by CTB, Franchise Trust indebtedness, and lease liability interest.

Loyalty Sales and Loyalty Sales as a Percentage of Retail Sales (Loyalty Penetration)

Loyalty sales are Retail sales attributable to Triangle members as measured by the percentage of transactions in which loyalty cards are scanned at point-of-sale (loyalty scan rate). Loyalty sales as a percentage of retail sales is calculated by dividing loyalty sales by Retail sales.

Net Credit Card Write-off Rate

Net credit card write-off rate measures write-offs of credit card balances only, net of recoveries for the past twelve months, as a percentage of the credit card GAAR.

Owned Brands Penetration

Owned Brands penetration is calculated by dividing sales of Owned Brands by Retail sales.

Personalized Sales

Personalized sales are Retail sales made to loyalty members through personalized offers.

Property Revenue

Property revenue includes all amounts earned from tenants pursuant to lease agreements including property taxes, operating costs, and other recoveries.

Property Expense

Property expense consists primarily of property taxes, operating costs, and property management costs (including any outsourcing of property management services).

Retail Sales

Retail sales refers to the point-of-sale value of all goods and services sold to retail customers at stores operated by Dealers, Mark's and SportChek franchisees, and Petroleum retailers, at corporately-owned stores across all banners under the Retail segment, services provided as part of the Home Services offering, and of goods sold through the Company's online sales channels, that in aggregate do not form part of the Company's consolidated financial statements. Management applies this measure to Consolidated results (including and excluding Petroleum), the Retail segment (including and excluding Petroleum), and all banners under the Retail segment (including but not limited to Canadian Tire Retail, SportChek, Mark's, Helly Hansen, Canadian Tire Gas+, and Owned Brands).

Retail SG&A Rate and Retail SG&A as a Percentage of Revenue excluding Petroleum

Retail SG&A rate is calculated by dividing Retail SG&A by Retail revenue. Retail SG&A as a percentage of revenue excluding Petroleum is calculated by dividing Retail SG&A by Retail revenue excluding Petroleum.

Return on Receivables (ROR)

ROR assesses the profitability of the Financial Services' total portfolio of receivables. ROR is calculated by dividing Financial Services' income before income tax and gains/losses on disposal of property and equipment by the average of Financial Services' total-managed portfolio over a rolling 12-month period.

Revenue as Percentage of GAAR

Revenue as percentage of GAAR for the Financial Services segment is the rolling 12-month revenue divided by gross average accounts receivable.

Revenue Excluding Petroleum

Revenue excluding Petroleum captures revenue in the consolidated entity and Retail segment, as measured according to the Company's IFRS accounting policy, while excluding revenues from petroleum sales.

Sales per Square Foot

Comparisons of sales per square foot metrics over several periods help identify whether existing assets are being made more productive by the Company's introduction of new store layouts and merchandising strategies. Sales per square foot is calculated on a rolling 12-month basis for the Retail segment. This calculation includes the period in which stores were temporarily closed. For Canadian Tire, retail space does not include seasonal outdoor garden centres, auto service bays, warehouses, and administrative space. For SportChek and Mark's, it includes both corporate and franchise stores and warehouse and administrative space.

10.0 Key Risks and Risk Management

In the normal course of its business activities, the Company is exposed to risks that could have a material adverse impact on the Company's brand, financial performance, and/or ability to achieve its strategic objectives. The effective management of risk is a key priority to support CTC in achieving its strategies and business objectives. Accordingly, CTC has adopted an Enterprise Risk Management (ERM) Framework for identifying, assessing, monitoring, mitigating, and reporting key risks. Refer to Section 2.6 Risk Factors in the 2023 AIF for further details of CTC's ERM Framework.

The Company's 2023 Annual MD&A sets out the key risks identified through the Company's ERM Framework as well as other business risks that may impact the Company's Retail, Financial Services and CT REIT segments which may have a materially adverse effect on the Company. There may be additional risks and uncertainties not currently known to Management or risks that are not considered material at this time which may evolve and materially and adversely affect the Company in the future. The actual effect of any risk may be materially different than what is currently anticipated.

The description of these risks also sets out the risk management strategies and measures undertaken by Management. Although the Company believes the strategies and measures taken are reasonable to effectively manage the risks within the Company's risk appetite, there can be no assurance that these measures will effectively mitigate these risks.

When considering whether to purchase or sell securities of CTC, investors and others should carefully consider these factors (including that risk management strategies and measures may not effectively mitigate such risks) as well as other uncertainties, potential events and global, macroeconomic, industry-specific or other factors that may adversely impact CTC's future performance.

Refer to Section 11.0 in the Company's 2023 Annual MD&A for further discussion of the Company's key risks.

11.0 Internal Controls and Procedures

Details relating to disclosure controls and procedures, and internal control over financial reporting, are disclosed in section 12.0 of the Company's 2023 Annual MD&A.

Changes in Internal Control Over Financial Reporting

During the quarter ended September 28, 2024, there were no changes in the Company's internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

12.0 Environmental, Social, and Governance

12.1 Overview

The Company is making progress in executing its Environmental, Social and Governance strategy. This includes initiatives that reduce both energy consumption and waste, and increase the use of more sustainable materials in its products. In line with global and Canadian efforts to combat climate change, the Company also has a target to reduce its greenhouse gas emissions.

CTC also invests in communities across Canada where it operates through supporting a variety of social causes, with the largest single beneficiary being Canadian Tire Jumpstart Charities. Additional information regarding Jumpstart is available on its website at: <https://jumpstart.canadiantire.ca>

For additional details on the Company's ESG strategy refer to section 2.8 of the 2023 AIF. A copy of the Company's ESG report, released in June 2024 and which includes a Climate Data Index, is available at: <https://corp.canadiantire.ca/Environmental-Social-Governance/default.aspx>. These reports are not incorporated herein by reference.

The Company's approach to ESG matters is led by the Chief Executive Officer, with support from the ESG Executive Council, and is overseen by the Board of Directors, principally through its Brand and Corporate Responsibility Committee which coordinates with the other committees of the Board as needed.

13.0 Forward-Looking Information and Other Investor Communication

Caution Regarding 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. Specific forward-looking information included or incorporated by reference in this document includes, but is not limited to, information with respect to:

- the Company's operating capital expenditures in sections [3.0](#) and [5.4.1](#);
- the Company's strategic investments and strategic initiatives, including planned store openings and refreshes, in section [3.0](#); and
- the Company's intention to purchase its Class A Non-Voting Shares in section [6.0](#).

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", "target", "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 lists 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 10.0 (Key Risks and Risk Management) in this MD&A and all subsections therein. For further information, refer to the Company's other public filings, available on the SEDAR+ website at <http://www.sedarplus.ca> and <https://investors.canadiantire.ca>.

The forward-looking information contained herein is based on certain factors and assumptions as of the date hereof and does not consider 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.

Information contained in or otherwise accessible through the websites referenced in this MD&A does not form part of this MD&A and is not incorporated by reference into this MD&A. All references to such websites are inactive textual references and are for information only.

This document contains trade names, trademarks and service marks of CTC and other organizations, all of which are the property of their respective owners. Solely for convenience, the trade names, trademarks, and service marks referred to herein appear without the ® or ™ symbol.

Commitment to Disclosure and Investor Communication

The Company strives to maintain a high standard of disclosure and investor communication and has been recognized as a leader in financial reporting practices. Reflecting the Company's commitment to full and transparent disclosure, the Investor Relations section of the Company's website at: <https://investors.canadiantire.ca>, includes the following documents and information of interest to investors:

- Annual and Quarterly Report to Shareholders;
- Quarterly earnings news releases, fact sheets, and other materials including conference call transcripts and webcasts (archived for one year);
- Supplementary information including investor presentations and videos;
- the Annual Information Form;
- the Management Information Circular;
- Information for Debtholders; and
- The Company's Approach to Corporate Governance.

The Company's Report to Shareholders, Annual Information Form, Management Information Circular and quarterly financial statements and MD&A are also available at <http://www.sedarplus.ca>.

If you would like to contact the Investor Relations department directly, email investor.relations@cantire.com.

November 6, 2024