

WHEN BRAND, HISTORY, AND PURPOSE INTERSECT: THE CANADIAN TIRE–HBC BLANKET TRANSACTION

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In early 2025, Canadian Tire Corp. Ltd.—a leading Canadian retail conglomerate best known for its nationwide chain of department stores and household consumer brands—made headlines by acquiring the intellectual property of Hudson's Bay Company (HBC) for \$30 million. HBC, one of the oldest companies in North America, was established in 1670 as a fur trading business and evolved over centuries into a heritage department store retailer, playing a foundational role in Canadian commerce and identity.

The transaction included some of Canada's most enduring corporate symbols: HBC's signature striped blanket design, its famous trademarks, visual identities, and company names. Unlike typical purchase agreements, tangible items such as historic artifacts and artworks remained outside the deal, with many destined for auction or donation. For Canadian Tire, the acquisition was less an expansion of inventory than an assumption of stewardship over a nationally recognized symbol—one imbued with complex legacy.

The Transaction's Social Turn: Repurposing an Iconic Value

The path forward was carefully designed by Canadian Tire. Canadian Tire's new rights enabled the company to resume HBC blanket sales, but with a major difference: in partnership with the Gord Downie & Chanie Wenjack Fund (a very well respected Canadian foundation dedicated to reconciliation and support for Indigenous communities), the company pledged every cent of net proceeds—and at least \$1 million annually—to "The Blanket Fund" (Oshki Wupoowane). This fund targets grassroots Indigenous cultural, educational, and artistic initiatives, and is administered by a charity formed in memory of both a young Indigenous boy lost to the legacy of residential schools, and one of Canada's most celebrated musical artists. This ensures legitimacy and community impact for the project.

This strategy redefined the intangible asset value: an item that once epitomized trade and, for some, colonial exploitation now supports healing and empowerment for Indigenous peoples. The company's leadership described this as a blend of business opportunity with authentic social responsibility—a commitment to use cultural heritage for public good.

Intangible Asset Value and ESG in Valuation

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It is clear that such a transaction goes beyond financial consolidation. The value exchanged was not in physical goods, but in brand narrative, historic resonance, and the ability to influence consumer while building community trust. Modern valuation frameworks, especially those used by CFA Charterholders and leading global investors, require the explicit integration of ESG (Environmental, Social, and Governance) factors. As seen in this case, Canadian Tire's social stewardship has the potential to lift revenue, improve access to capital, and lower risk premiums through stronger brand perception and reduced reputational risk.

Key takeaways for valuers in this case include:

Purpose-led initiatives drive customer loyalty and brand equity, making revenue projections more robust and capital costs lower in discounted cash flow and multiple-based models.

Scenarios that integrate ESG factors—ranging from future grant impact to community engagement—yield a more resilient and convincing company valuation.

Reputational risk, if ignored, can be costly: companies exposed to public backlash or social criticism often suffer higher WACC or lower valuation multiples compared to forward-thinking peers.

A New Era for Valuation

This Canadian case shows how intangible assets with historical baggage can, with transparent processes and credible partners, become levers for positive change and strategic value creation. The ultimate lesson: Corporate value today emerges not just from brand, but from the credibility with which that brand is used to serve both the market and the broader society. Chilean firms and professionals can look to the Canadian Tire–HBC example as a template for weaving social purpose and reputation risk directly into business model innovation and modern valuation practice.