



Krause Fund Research

Fall 2025

November 18th, 2025

Stock Rating:
BUY

Current Price: \$140.40
Target Range: \$165-\$172



Analysts

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Investment Thesis

We recommend a **BUY** rating for TJX, with a target price of \$165 to \$172, which represents a 17.4% – 22.5% upside from its current share price. TJX is a leader in the apparel and discount retail industries and is well-positioned for continued growth in the coming years.

Drivers of Thesis

- *Store Expansion & Strong Off-Price Demand:* Planned 2026 CapEx of ~\$2.15 billion, mainly for supply chain upgrades, will support new stores, faster inventory turnover, and a broader assortment, positioning TJX to capture growing demand for value-focused retail.
- *Strength of the Treasure Hunt Model:* TJX's constantly rotating merchandise keeps customers engaged and drives steady foot traffic, reinforcing the appeal of its value-driven "treasure-hunt" experience even during economic uncertainty.
- *Solid Financials & Investment-Grade Credit:* TJX's A S&P rating, strong cash position, and manageable debt maturities give them one of the strongest balance sheets in retail and significant financial flexibility.

Risks to Thesis

- *Dependence on Other Retailers:* TJX's off-price model depends on surplus inventory from other retailers, and a slowdown or tighter inventory management could reduce the supply of opportunistic buys.
- *Sensitivity to Cost Structure:* TJX is highly sensitive to small changes in COGS and SG&A. Increasing COGS from 67% to 70% or SG&A from 18% to 20% cuts valuation by nearly \$50 per share. Ongoing wage pressure, freight cost, or inventory inefficiencies could materially impact profitability.

Company Information

Company: TJX Companies Inc.
Sector: Consumer Discretionary
Industry: Apparel Retail
Exchange: NYSE [TJX]

Financial Snapshot

Model Price Projections

DCF: \$169.45
DDM: \$111.25
Relative Valuation: \$71.57 - \$74.37

Price Data

Current price: \$140.41
52-Week Range: \$112.10 - \$146.46
YTD Performance: 19.3%

Key Statistics

Shares Outstanding: 1.119 B
2025 EPS: 4.31
2026E EPS: 4.23
P/E: \$74.37
1Y Forward P/E: \$71.57
Dividend Yield: 1.16%
Market Capitalization: \$160.39 B
Beta: 0.62
WACC: 7.44%
2025 Revenue: \$56.360 B

Ratios

Profit Margin: 32.56%
ROE: 66.61%
ROA: 15.32%

5 Year Stock Performance vs Consumer Discretionary & S&P 500 [3]



Company Overview

TJX Companies Incorporated engages in the retail of apparel and home fashion products. It operates through the following business segments: Marmaxx, HomeGoods, TJX Canada, and TJX International. The company was founded by Bernard Cammarata in 1962 and is headquartered in Framingham, MA. [2]

Company Analysis

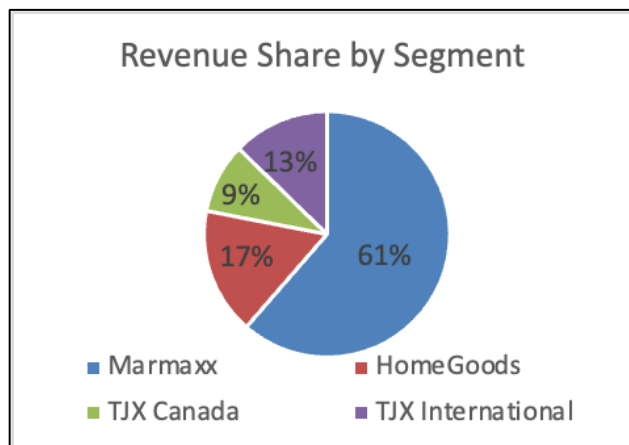
Company Overview:

TJX Companies Inc. is a global off-price retailer that operates through several segments, including Marmaxx (T.J. Maxx and Marshalls in the US), HomeGoods, TJX Canada, and TJX International. Marmaxx segment sells clothing apparel, home fashions, and other merchandise. The HomeGoods segment offers an assortment of home fashions, including furniture, rugs, and decorative accessories. All of which are priced generally at 20%-60% below full-price retailers. The TJX Canada segment operates the Winners, Marshalls, and HomeSense chains in Canada. The TJX International segment includes operations of TK Maxx and HomeSense chains in Europe and the TK Maxx chain in Australia. [2] TJX has ever-changing merchandise in over 5,000 retail stores in nine countries and across six e-commerce sites. TJX employs 364,000+ associates, most of whom work less than 40 hours a week, as well as employing thousands of additional employees each year during back-to-school and holiday seasons. [1]

Revenue Analysis and Decomposition

Revenue Summary:

TJX's revenue in fiscal year 2025 was \$56.36 billion. This revenue was up 3.9% from 20], reaching \$54.217 billion. Additionally, 2025 revenues are up 12.86% from 2023 revenues of \$49.936 billion. These revenues come from all four of the various store segments around the globe. The Marmaxx segment has the largest revenues, followed by HomeGoods, then TJX International, and finally TJX Canada. [1]



Data from [1]

Business Segments:

TJX has 4 business segments: Marmaxx, HomeGoods, TJX Canada, and TJX International.

Marmaxx:

Marmaxx sales account for the bulk of TJX revenue at 61%, focusing on the apparel market with a small home section. This includes 2,563 stores, all located in the United States. There are three types of stores in this segment: TJ Maxx, Marshalls, and the newest addition, Sierra. [1]

HomeGoods:

HomeGoods sales make up 17% of revenues, with a little under 1,000 stores focusing mainly on the home fashion market in the US. [1]

TJX International:

TJX International is roughly 13% of the company's revenues. They operate under both TK Maxx and HomeSense in Europe and the TJ Maxx chain in Australia. TK Maxx has 655 stores in Europe across the U.K., Ireland, Germany, Poland, Austria, and the Netherlands. HomeSense has stores in both the U.K. and Ireland. TK Maxx is comparable to TJ Maxx in the US, selling much of the same merchandise, while HomeSense is comparable to HomeGoods with home fashion. [1]

TJX Canada:

TJX Canada is the smallest segment of the company, with 9% of total sales from 3 different chains, including Winners, HomeSense, and Marshalls. These stores combined offer home fashion as well as apparel. [1]

Market Segmentation

The segments within TJX are already geographically broken out, so we incorporated both geographic difference and overall company growth into our revenue forecasts. Segment-level store growth was estimated using each segment's existing store count and what we consider a reasonable growth rate based on historical averages. For overall revenue growth, we combined short-term estimates from other analysts with our own long-term assumptions. These reflect the company's average growth over the past decade, current inflation of roughly 3%, and the anticipated lift from increased marketing and expansion related to the recently acquired Sierra brand in 2012, as TJX ramps up store opening and promotional efforts. [1]

United States Market & Others

TJX's growth has generally trended upward over the past few years, except for 2021, which we excluded as an outlier. From 2023 to 2024, growth increased by 8%, and from 2024 to 2025, it rose by 3%. [1] We view this range as a reasonable basis for forecasting, as the shifts largely reflect broader economic conditions.

In 2023, the economy was still adjusting to the post-COVID environment, with elevated inflation and aggressive interest rate hikes creating significant uncertainty for consumers. Despite this, TJX performed comparatively well as a discount retailer, benefiting from value-driven shopping behavior. By 2024, economic uncertainty had eased somewhat. Inflation began to stabilize, interest rate movements were less frequent, and the job market strengthened.

Looking ahead, we acknowledge that current rate cuts and rising concerns about job security may soften discretionary spending. However, because TJX Companies competes on affordability, we expect any consumer pullback to have a limited impact on consumer performance and possibly even increase performance as consumers switch from other retailers to the discount stores TJX offers. Similar dynamics are playing out in Europe and Australia, reinforcing our confidence in maintaining strong growth estimates for the next six years. [1]

Expense Analysis

Expense Summary:

TJX Companies' expenses include cost of sales, depreciation/amortization, and selling, general, and administrative costs. Of these expenses, COGS and SG&A are the most significant, accounting for about 87% of sales in 2025.

Ticker	Company	COGS	SG&A	Total
TJX	TJX Companies	67.4%	19.4%	87%
GAP	GAP	58.9%	33.4%	92%
LULU	Lululemon	40.9%	36.2%	77%
ROST	Ross Stores	72.4%	15.6%	88%
BURL	Burlington Stores	56.4%	33.4%	90%
M	Macy's	59.7%	36.6%	96%
KSS	Kohl's	59.5%	32.7%	92%
DDS	Dillard's	60.0%	26.5%	86%

Data from [1] and [3]

Cost of Sales

This is the largest expense on TJX's books in recent years, accounting for 67% in 2025, 68% in 2024, and 70% in 2023. This is high, but in the apparel retail industry

cost of sales is typically high. TJX is still slightly higher than the standard company in the industry, but with decreasing cost of sales as a percent of total revenue and the large size of the company, TJX is still in a solid position. The decrease in cost of sales is attributed to higher merchandise margins and lower freight costs. [6] The typically high cost of sales for the industry is due to inventory costs, returns, the fast fashion model, and rising input costs. In our model, we have decided to keep this rate relatively constant, taking an average of the last 4 years' cost of goods sold percentage. We did this because of the generally consistent rate of the past few years. While there has recently been a decrease, this is not a long-term pattern, and we wanted to emphasize the longer-term consistency. Additionally, without specific guidance from the company on plans to decrease the cost of sales, we believe it will stay relatively constant.

Selling, General & Administrative Expenses:

SG&A is another one of TJX's big expenses, at around 17.5% to 19% the past few years, and at 19% in 2025. Due to this small range, we once again decided to take the average, excluding 2021, and forecast with the average of 18.83% as a percent of revenue each year.

Capital Structure

Capital Summary:

TJX has had relatively stable debt-to-equity ratios for the past several years. This ratio has fluctuated between .53 and .35 for the past few years, with a peak in 2021 of 1.04, but we believe this to be an outlier due to COVID and store shutdowns. TJX has a stable credit S&P Global rating of A, one of the strongest in retail. [18] In 2025, TJX had no current portion of long-term debt and had \$5.335 billion in cash and cash equivalents, but in 2026, the current portion of long-term debt is expected to be \$1 billion. [1] Due to this cash positioning, we do not believe TJX will be troubled by debt obligations in the future and will be able to pay off debt without affecting dividends or capital expenditures.

TJX LT Debt Schedule in Millions

Year	2026	2027	2028	2029	2030	2031
Dollars (m)	\$ 1,000	\$ -	\$ 500	\$ -	\$ 1,381	\$ -

Data from [1]

Capital Expenditures

TJX's capital expenditures come primarily from new stores, store renovations and improvements, and office and distribution centers. Management predicts 2026 to

have capital expenditures between \$2.1 billion and \$2.2 billion. Approximately \$1 billion is projected to be allocated to offices and distribution centers to help support growth. With ~\$1 billion for store renovations and ~ \$0.2 billion for new stores. [1] Net PPE has also been on the rise in recent years and is expected to continue to grow because of the growing investment in capital expenditures. For example, PPE in 2025 was \$7.346 billion after adjustments for depreciation. Continued CapEx growth indicates the company will likely rely on strong operating cash flows and potentially incremental debt to maintain its investment pace without disrupting shareholder returns.

Payout Policy

TJX Companies has always paid a dividend, as part of its commitment to return cash flows to owners. In 2025, TJX returned \$4.1 billion to shareholders through buyback and dividend programs. [18] TJX pays dividends on a quarterly basis, in March, June, September, and December. [1] In our model, we took total dividend payouts divided by net income for each year, then averaged that result for the past 4 years to get an average payout ratio for dividends. For each year's dividends per share, we simply multiplied that payout ratio by that year's earnings per share. This gave us an increasing dividend per share, in line with previous years. We then grew the dividend by using the previous year's percentages of EPS to model future years because we believe this growth of dividends will continue as it has in the past.

S.W.O.T

Strengths:

Discount retail appeals to a wide range of customer segments, and the industry's structure provides several competitive advantages. TJX stands out as the largest discount retailer in both the United States and the world. [1] Its flexible business model has played a key role in its success, especially as many companies struggle to change their product line when expanding internationally.

Instead of producing its own merchandise, TJX purchases excess inventory from other retailers and manufacturers. [5] This approach allows the company to enter new geographic markets without needing to overhaul its product strategy. By sourcing goods directly from each region, TJX can stock stores with merchandise that naturally aligns with local customer preferences.

[1]. This flexibility has helped the company maintain consistent sales performance across diverse environments while meeting shopper expectations for both value and variety.

TJX has expanded steadily across multiple continents, supported by a vast global sourcing and distribution network. The company purchases merchandise from more than 100 countries and works with over 21,000 vendors. [1] This diversified supplier base strengthens product availability and reduces dependence on any single market.

Strong cash flow generation and solid financial performance give TJX meaningful capacity to reinvest in its operations and create shareholder value. Investments often take the form of new stores, additional distribution centers, and more tailored merchandise strategies designed to drive continued growth. In addition to consistent revenue performance, TJX holds one of the strongest credit ratings in retail, an "A" from S&P Global Ratings, which enables the company to borrow at lower costs and reduce overall expenditures. [1]

Weaknesses:

Currently, TJX continues to rely primarily on its brick-and-mortar shopping experience. Although the company operates an online platform, e-commerce is not central to TJX's core value proposition—the in-store "treasure hunt" experience. [1] While this model has been successful for many years, it also exposes the company to risk as consumer preferences increasingly shift toward online shopping. This likely represents one of TJX's greatest threats as customer shopping preferences move more online.

Operating a global supply chain and international business offers significant advantages for TJX, but it also introduces several challenges. [1] Managing worldwide operations can lead to higher costs, quality-control issues, and potential inefficiencies. These risks make it essential for TJX to maintain strong organizational alignment and effective management practices to preserve its competitive performance.

Opportunities:

E-commerce continues to expand as consumers increasingly prioritize convenience and broader product variety. As TJX further develops its online platform and supporting systems, the company will be better positioned to reach a wider customer base. By offering

differentiated merchandise online and investing in digital capabilities, TJX has the opportunity to extend its value proposition beyond the traditional in-store “treasure hunt” experience. [3]

Global expansion is another key driver of long-term growth in the retail industry. TJX already operates across the United States, Canada, Europe, and Australia, giving it a competitive advantage through geographic diversity. However, significant opportunities still exist in additional international markets. [3] According to the company’s shareholder communications, TJX has set a long-term target of operating 7,000 stores worldwide. [18] This expansion strategy supports the continued rollout of its discount model across new regions and strengthens its global presence.

Threats:

One significant threat TJX faces is the potential for an economic downturn. During periods of weakened economic activity, supply chain costs often rise, and consumers reduce discretionary spending. This combination can strain TJX’s supplier relationships and lead to lower sales. If the downturn is severe rather than mild, the impact on TJX’s revenues could be substantial. Shifts in trade policies and the imposition of tariffs also pose risks for a global retailer like TJX. Stricter trade regulations can make it more difficult and costly to source merchandise for stores across multiple countries. These disruptions may directly affect product availability and increase operating expenses, ultimately pressuring profitability.

The retail industry is highly dependent on consumer preferences, making rapid adaptation to fashion trends essential. If customer tastes evolve and TJX is slow to adjust its assortment, the company risks losing relevance and operational efficiency. [3] Falling behind consumer trends would represent a significant threat to maintaining its competitive position.

Industry Analysis

Apparel Retail Industry:

The apparel retail industry encompasses a wide range of companies that produce and sell clothing, accessories, and home decor to consumers across all income levels. For the purposes of this report, the focus is narrowed to firms serving low to upper-middle-income consumers. This segment differs significantly from the luxury

apparel market, which is characterized by high markups and strong brand loyalty. In contrast, companies like TJX emphasize affordability, trend-driven merchandise, and accessible home decor for the average shopper. [1]

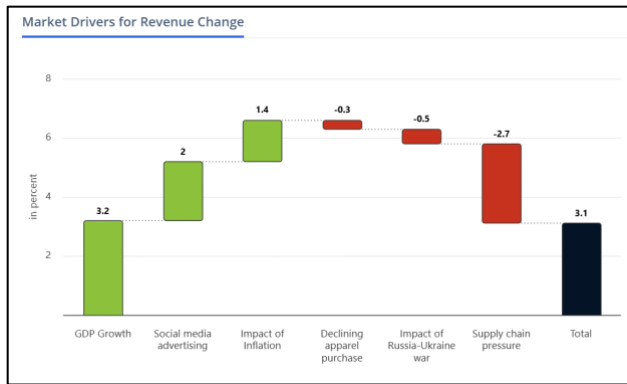
Most firms in the apparel retail industry generate revenue by designing, producing, and selling their own merchandise. TJX, however, operates under a unique hybrid model. While it manufactures some products, a large portion of its inventory is generated from excess stock purchased at discounted rates from manufacturers and other retailers. [5] Companies in this space typically differentiate themselves through price positioning and product focus, such as athletic wear, formal attire, leisurewear, or everyday basics.

Consumer behavior in the apparel sector increasingly reflects two major trends: shopping based on price sensitivity and seeking overall value. Recently, consumers have shifted away from cheap fast fashion toward higher-quality items that offer greater longevity. [20] TJX is well-positioned to meet both needs, offering discounted merchandise that balances value, quality, and trend relevance.

Industry Trends and Growth Projections:

Digital transformation is one of the most influential trends shaping the apparel retail industry today. Retailers are increasingly leveraging technology to attract customers while managing costs. For TJX, this includes social media marketing, an improved website, a mobile app, and its credit card rewards program. Artificial intelligence tools enhance customer engagement by sending reminders to log in, revisit items in the shopping cart, or explore new merchandise. These digital touchpoints strengthen brand awareness and help drive customer spending.

Looking ahead, the apparel retail industry is expected to experience growth in both the short and long term. Key macroeconomic contributors include GDP growth (+3.2%) and increasing investment in social media advertising (+2.0%). However, headwinds such as supply chain pressures (−2.7%) and geopolitical instability (−0.5%) continue to pose challenges. Despite tariffs, inflation, and logistical disruptions, the global apparel market is projected to grow from \$1.9 trillion in 2025 to \$2.6 trillion by 2035, representing a compound annual growth rate (CAGR) of 3.3%. [23]



Data from [22]

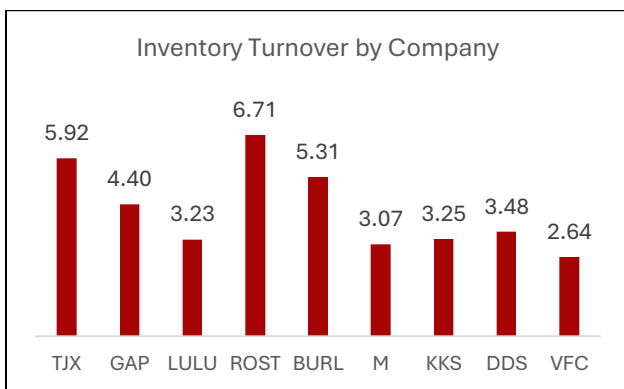
Comparison to Industry & Competition:

The apparel retail industry is highly competitive. Some of the primary competitors for TJX are made up of companies targeting the same consumer demographic. This includes stand-alone stores and traditional department stores. The companies that we identified to be most relevant were Ross Stores (ROST), Burlington Stores (BURL), Gap Inc. (GAP), Macy's Inc. (M), Kohl's Corp. (KSS), Dillard's Inc. (DDS), VF Corporation (VFC), and Lululemon Athletica Inc. (LULU).

Ticker	Company	Revenue (millions)	Market Cap (millions)	Store Count	ROE
TJX	TJMaxx	\$ 57.93	\$ 162,580	5,085	59.76%
GAP	GAP	\$ 15.17	\$ 8,960	3,569	28.07%
LULU	Lululemon	\$ 10.90	\$ 20,240	767	42.42%
ROST	Ross Stores	\$ 21.50	\$ 52,220	2,186	37.98%
BURL	Burlington Stores	\$ 11.02	\$ 17,640	1,108	43.41%
M	Macy's	\$ 22.70	\$ 5,370	680	11.29%
KSS	Kohl's	\$ 15.89	\$ 1,880	1,175	5.39%
DDS	Dillard's	\$ 6.59	\$ 9,900	272	29.98%
VFC	VF Corp	\$ 9.54	\$ 5,850	1,127	6.39%

Data from [3]

TJX leads the industry in all the measured factors, including revenue, market capitalization, score count, and return on equity, making TJX a stronger company financially than its competitors.



Data from [3]

The inventory turnover ratios have a wide distribution across the various companies. We believe this to be due to the individual business strategies that each company follows. None of these companies operates exactly within the same realm and is a perfect competitor, so we expected this variation in turnover. ROST leads with a turnover of 6.71, but TJX follows closely behind, at 5.92. These numbers show how fast-paced the apparel retail industry operates.

	TJX	GAP	LULU	ROST	BURL	M	KKS	DDS	VFC
Stock Price	\$ 145.18	\$ 23.77	\$ 164.16	\$ 159.41	\$ 274.34	\$ 19.15	\$ 15.99	\$ 595.66	\$ 14.25
P/E Ratio	28.9	10.98	12.71	23.42	23.81	11.43	21.88	34.13	22.17

Data from [3]

As we look at the competitors in the apparel retail industry, the ratios have a great deal of variation. GAP holds the lowest P/E ratio of 10.98 to DDS, with the highest of 34.13. However, among all the tested companies, they generally traded between 20x to 30x earnings. Out of the competitor set, Ross and Burlington struck us as the most comparable competitors as they have more similar business models to TJX. As the P/E ratio reflects how much investors are willing to pay for each dollar of earnings, TJX Companies trading below both companies appears to us to be undervalued relative to its fundamentals. A firm with TJX's size, brand strength, and consistent margin performance would typically warrant a higher multiple.

Porter's Five Forces Analysis

Competitive Rivalry:

The apparel retail industry is very competitive; however, there is a lack of loyalty from customers, apart from luxury goods. However, TJX is not competing with luxury goods; rather, it focuses on more of the mass-market apparel that is very competitive. As technology has advanced, consumers always have more options available to them. This gives them the ability to compare prices, read reviews, and discover new brands globally, all from their smartphones. [4] Consumers are therefore less focused on brand labels and more focused on style and price. To compete, companies must keep prices low. As a discount retailer, TJX is in a prime position with a well-known name to do just this. Main competitors are already in the market, and it would take significant time for a new company to be able to compete directly with TJX and the customer base and supplier connections they have created.

Threat of New Entrants:

This industry has many regular new entrants, but their threat is minimal. There are many large existing key players in the market, and surpassing any of them would be a difficult feat. The market has more recently been introduced to many fast fashion brands such as Shein, H&M, and Zara. The low pricing from these apparel sites has made new entries to the market even more difficult.

Buyer Power:

Buying power plays a considerable role in this market by dictating prices, designs, and market clothing. With easily comparable prices and designs, customers are always on the lookout for their next best buy. This ensures that companies are paying attention to customer wants and needs, whether that be through lower prices, more transparent marketing, or more trend-responsive goods. Yet, demand for apparel and home goods is currently elevated, so a consumer-focused company like TJX is prepared to make changes to cater to its end consumer.

Supplier Power:

Supplier power is an integral part of the apparel industry's pricing and the availability of each retailer's product. Considering the recent and ever-changing tariffs, these availabilities and prices are highly volatile. This has led to costs being passed on to both the consumer as well as the company. TJX faces fewer of these tariff risks as they are not buying all items directly from production but rather the excess inventory of other retailers and manufacturers, overpriced goods, canceled orders, and more. [5] This way, the tariff price has already been paid, leading to a smaller impact on pricing.

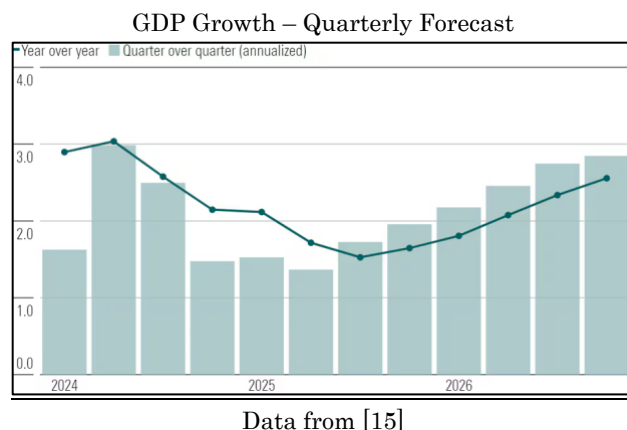
Threat of Substitute Products or Services:

As mentioned before, with the high levels of competition in the industry, there are many substitutes offered for apparel reselling on sites like Depop or fast fashion sites like Shein. These have become more key players due to their affordability; however, it would be difficult for any new players to create further substitutions for these already trendy and low-priced goods. Consumers are also shifting to favor the quality of their items, which pushes out fast fashion but leaves room for discount retailers like TJX to shine. Additionally, as TJX carries both apparel and home items, they have an advantage over others that simply carry apparel or home items.

Economic Analysis

GDP Growth:

The consumer discretionary sector is closely tied to GDP growth, making it a key economic indicator. As the economy expands due to increased consumer confidence and low unemployment rates, consumers can make more discretionary purchases, helping the industry thrive. In times of lower GDP, the industry stagnates or even moves in a negative direction.

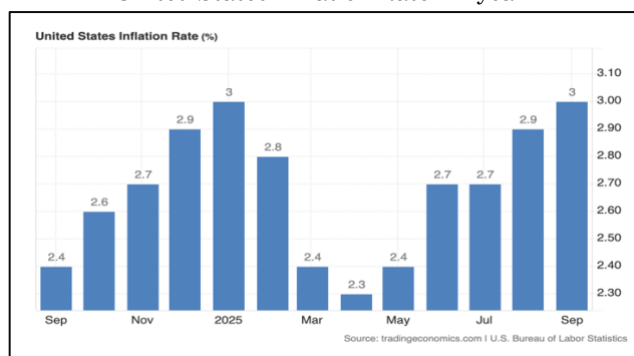


Morningstar predicts GDP growth in 2026 to increase from 1.7% to 2.5% for the United States. Therefore, we are expecting positive future growth. This helps many sectors, but is especially beneficial for consumer discretionary, as consumers are spending more, raising profits.

Inflation:

Inflation plays a major economic role in the consumer discretionary sector, as the excess of income and consumers' willingness to spend on non-essentials is what powers this industry. As inflation increases, this sector in general suffers as the buying abilities of consumers decrease; conversely, as inflation decreases, the sector sees growth. Not only does inflation directly impact consumers' spending habits, but it also affects the company by increasing or decreasing the price of products, supplies, and labor. With lower inflation, TJX has higher revenues and can reduce some costs in supplies and pass any small changes in inflation onto the consumer in a way that will not hurt business. We believe that inflation will continue to remain relatively constant, given the last 12-18 months, coupled with the Federal Reserve's target inflationary rate. [12]

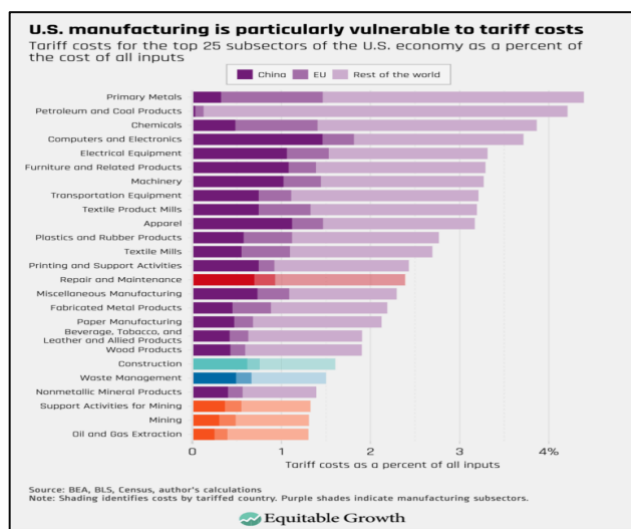
United States Inflation Rate – 1 year



Data from [12]

Tariffs:

Tariffs are a large economic driver for the consumer discretionary industry and, more specifically, the apparel retail industry. Many of the apparel goods sold are not manufactured in the US. With the ever-changing impact of tariffs, supply chains, and costs frequently vary. [14] When tariffs are elevated, costs increase significantly for companies. Forcing them to decide to absorb the cost or pass it on in the form of higher-priced products. More recently, tariffs have come down considerably. They are still present, but less substantial than when they were first introduced. This, combined with all the trade talks that have occurred throughout the year, we believe tariffs will level out to an average of 15%. While tariffs still play a role in TJX, they have less exposure to them compared to other companies, as they are buying a bulk of their goods that have already been tariffed, as they are excess inventory of other retailers, or overpriced goods, or canceled orders. [5] There are portions of the companies' goods that are created specifically for TJX, which are impacted by tariffs.

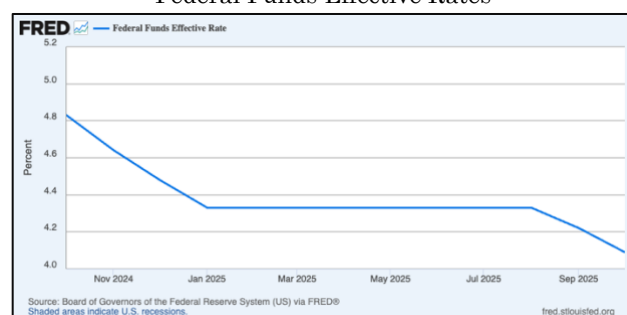


Data from [13]

Interest Rates:

Interest rates are highly influential on the spending of consumers and companies. When TJX wants to open a new store or roll out new products, this requires capital. When interest rates are high, companies in the retail industry are less likely to expand and open new stores for further growth. As the Federal Reserve sets the federal funds rate, when they reduce interest rates, the overnight lending market that banks use gets cheaper. This allows banks to approve more loans to consumers, which stimulates the economy by encouraging consumer spending. [9] The federal fund rate also guides all other interest rates, including the treasury rates on bonds. These treasury rates are important as they are the primary vehicle companies use for borrowing rates. The federal fund rates have been relatively stable.

Federal Funds Effective Rates



Data from [8]

The current federal funds rate is 3.88%. [10] Some are hopeful that there will be another rate cut by the end of the year, but optimism for this cut has significantly decreased. Into 2026, we expect 1-2 more rate cuts of 25 basis points to account for the weaknesses in the job market. Inflation has moved towards a steadier state around 3%, so rates will be less affected by inflation than they were in previous years. [11]

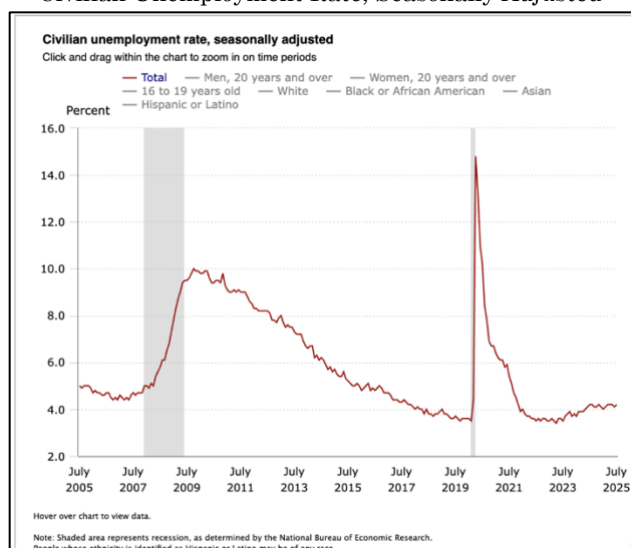
For our valuation, we utilized the 30-year treasury yield, as the apparel retail industry typically uses a longer-term interest rate to assess its borrowing rates. As the Federal Reserve decreases the federal funds rate, long-term rates typically decrease, leading to an increase in firm value. These decreasing rates will encourage companies like TJX to open new stores and expand, as the project costs will be lower, leading to more revenue growth in the upcoming years.

Unemployment:

Unemployment rates are also a large economic driver for the consumer discretionary sector. Not only will the lack

of workers impact the company, leading to labor shortages and pushing consumers to spend less, but the uncertainty in the job market can also push spending down, despite many still having stable jobs. Excluding 2020 and 2021 for COVID, unemployment has remained steady with a mild increase. We may see a continued increase in unemployment with fears of a slowing economy and the increasing usage of AI. [17] High unemployment is a risk factor that TJX faces, but we believe the unemployment rate will remain relatively stable and the company will be able to react as needed if the unemployment rate increases modestly.

Civilian Unemployment Rate, Seasonally Adjusted



Data from [16]

Valuation Analysis

Revenue:

Current expectations for TJX's future growth are positive, supported by continued store expansion and an optimistic outlook for revenue growth projections.

We agree with these projections. In our model, we forecast an overall growth rate of 4% in 2025 and cumulative growth of 16% from 2025 to 2031. We believe that TJX's ongoing store openings, combined with its strong position as a discount retailer, will support steady revenue growth even in an uncertain economic environment. Additionally, we believe the "treasure-hunt" shopping experience that TJX is actively marketing continues to resonate with customers, putting the company in a strong position to capture additional revenue.

Cost of Sales:

TJX management has provided nominal guidance for operating expenses. We anticipate the cost of sales to rise due to inflation and uncertainty surrounding tariffs, which are expected to push supply chain expenses higher. To estimate this, we calculate the average cost of sales as a percentage of net sales over the past four years. For each forecasted year, we applied this percentage to that year's projected net sales. The percentage itself was rolled forward each year by averaging the most recent four years, ensuring the forecast reflects ongoing trends.

SG&A:

As stated earlier, SG&A is a major component of TJX's expenses. Due to management guidance once again being minimal for this expense, we have projected them as an average percent of sales. We averaged the past four years, giving us 18.83%, which we then used for our forecasting model.

Cost of Equity:

We calculated TJX's cost of equity to be 7.55% using the Capital Asset Pricing Model. For the risk-free rate, we used the current yield on a 10-year treasury, which was 4.14% at the end of October. For the beta, we book an average of daily, weekly, and monthly betas for 5 years, from Bloomberg, to get a beta of .62. We did this because we believe it reduces the short-term volatility and gives us a more accurate beta consisting of more variables. For the equity risk premium, we used a geometric average of the 10-year treasury from 1928-2025 to get an equity risk premium of 5.48%. Through these assumptions, we calculated a cost of equity of 7.55% which we then used throughout our valuation model.

Cost of Debt:

We calculated TJX's cost of debt to be 3.56%. For the pre-tax cost of debt, we used Bloomberg to find the current rate for an approximately 25-year corporate bond of TJX. This value was 5.19%. From there, we used TJX's marginal tax rate of 31% to get the final cost of debt. We also calculated an implied default premium by taking our pre-tax cost of debt of 5.19% and subtracting it from the previously stated risk-free rate of 4.14%. Our final implied default premium is 1.05%.

Weighted Average Cost of Capital:

After calculating the cost of equity and the cost of debt for TJX, we were then able to find the weights for each of these to estimate the WACC. To calculate the market value of common equity, we took TJX's total shares

outstanding, multiplied them by the current stock price as of 11/3. For TJX's market value of debt, we included all sources of debt, including their short-term debt, current portion of long-term debt, long-term debt, and present value of operating leases. After summing the total of these two categories, we were able to get the correct weights to calculate an estimated WACC of 7.44%. It is important to note that preferred stock was not included in the WACC calculation due to TJX not having any preferred stock.

Valuation Models

Discounted Cash Flow & Economic Profit Analysis:

(Projection period 2026-2031)

Through the DCF and EP models, we calculated an intrinsic share price of \$169.45 for TJX after discounting and taking out the value of non-operating assets. Calculating the DCF and EP models considers factors such as our implied CV growth of NOPLAT, ROIC, cost of equity, and WACC. We estimated our CV growth of NOPLAT to be 5.55%, CV year ROIC to be 17%, and our WACC to be 7.44%. We believe our DCF and EP models are an accurate representation of current intrinsic value due to them incorporating most of our model's forecasts.

Dividend Discount Model Analysis:

(Projection period 2026-2031)

We calculated an intrinsic share price of \$111.25 for TJX using the dividend discount model. TJX has been increasing dividends except for 2021. However, these increases have been at varying rates, which has made predicting future dividend payments difficult. TJX has indicated it planned to repurchase \$2.0-\$2.5 billion in shares in fiscal 2026 to return wealth to shareholders. [7] TJX has not provided guidance for future payout policies and share repurchases. We find the DDM to be valuable for determining the intrinsic value of the TJX stock, but place less emphasis on it due to the difficulty in forecasting dividend growth and repurchases.

Relative Valuation Analysis:

(Projection period 2026-2031)

Our relative valuation model included tables for price to equity ratios, where we got an intrinsic value range of \$71-\$74 per share for TJX. For this relative valuation, we used eight of what we believe to be TJX's closest competitors. This list includes Gap, Lululemon, Ross Stores, Burlington Stores, Macy's, Kohl's, Dillard's, and VF Corp. We are placing less emphasis on the relative valuation's determination of TJX's intrinsic value, as the

peers in the group have a price-to-earnings ratio far below that of TJX. If TJX were in the whole group, it would be thrown out as an outlier. Therefore, making it a less accurate indication of value.

Sensitivity Analysis

Beta vs Equity Risk Premium:

The variables Beta and Equity Risk Premium (ERP) are key in calculating a firm's WACC. From our results, we found that as Beta and ERP increase, indicating higher systematic risk, WACC rises and valuation declines. The firm's valuation is highly sensitive to changes, as even small changes in Beta and ERP move the stock price considerably. For example, decreasing ERP by 0.1% and Beta by 0.05% produces a disproportionately large increase in valuation.

		Beta						
Equity Risk Premium	169.45	0.47	0.52	0.57	0.62	0.67	0.72	0.77
	5.20%	347.00	271.80	222.72	188.18	162.56	142.79	127.08
	5.30%	330.58	260.40	214.16	181.41	156.99	138.09	123.03
	5.40%	315.60	249.88	206.21	175.08	151.77	133.67	119.21
	5.50%	301.87	240.15	198.79	169.15	146.87	129.51	115.61
	5.60%	289.26	231.12	191.87	163.59	142.25	125.58	112.19
	5.70%	277.62	222.72	185.39	158.37	137.90	121.87	108.96
	5.80%	266.86	214.89	179.32	153.45	133.79	118.35	105.90

CV Growth of NOPLAT vs WACC:

The CV growth of NOPLAT and WACC are the main drivers in both the DCF and EP valuation models. Small changes in these assumptions affect TJX's intrinsic value dramatically. This is because the FCFs are discounted by WACC, while long-term revenue expectations are determined by the continuing value growth rate. In our results, decreasing CV growth of NOPLAT by 0.2% and lowering WACC by 0.1% leads to an approximate \$5 change in the stock's value.

		CV Growth of NOPLAT						
WACC	169.45	5.00%	5.20%	5.40%	5.60%	5.80%	6.00%	6.15%
	7.14%	158.85	172.13	188.46	209.03	235.75	271.84	308.48
	7.24%	151.14	163.02	177.49	195.50	218.50	248.92	279.06
	7.34%	144.08	154.77	167.66	183.52	203.49	229.42	254.59
	7.44%	137.61	147.26	158.80	172.84	190.31	212.63	233.92
	7.54%	131.43	140.13	150.46	162.91	178.21	197.48	215.57
	7.64%	126.15	134.09	143.45	154.64	168.26	185.21	200.90
	7.74%	121.05	128.28	136.76	146.81	158.94	173.86	187.52

Accrued Liabilities % of Sales vs Risk Free Rate:

The risk-free rate plays an important role in TJX's valuation as it directly influences the firm's WACC and, therefore, its discounted cash flows. As the risk-free rate increases by 0.1% the stock value declines steadily at about \$9-\$10 across all levels of accrued liabilities. The change of accrued liabilities has a smaller impact on valuation, with only marginal movements in the stock price as it increases. This suggests that TJX's intrinsic value is far more sensitive to shifts in macroeconomic assumptions than to shifts in operational ones.

accrued liabilities % of sales								
169.45	7.34%	7.84%	8.34%	8.84%	9.34%	9.84%	10.34%	
3.84%	202.11	202.02	201.93	202.42	203.42	204.44	205.48	
3.94%	189.86	189.78	189.70	190.17	191.12	192.10	193.08	
4.04%	178.95	178.87	178.80	179.24	180.16	181.09	182.04	
4.14%	169.16	169.09	169.02	169.45	170.32	171.22	172.13	
4.24%	160.34	160.27	160.20	160.61	161.46	162.32	163.19	
4.34%	152.33	152.27	152.20	152.60	153.42	154.25	155.09	
4.44%	145.05	144.99	144.92	145.31	146.09	146.90	147.72	

Forecasted Marginal Tax Rate vs Inflation:

The marginal tax rate and inflation rate are two minor factors used to determine a firm's revenue. As marginal tax rates move by 1% and inflation moves by 0.2% the valuation only shifts by \$2 each time. This makes the intrinsic value of TJX less sensitive to the marginal tax rate and the inflation rate.

		Forecasted Marginal Tax Rate						
Inflation	169.45	28.28%	29.28%	30.28%	31.28%	32.28%	33.28%	34.28%
	2.40%	178.70	175.86	173.02	170.19	167.37	165.16	163.12
	2.60%	178.46	175.61	172.78	169.95	167.12	165.06	163.02
	2.80%	178.21	175.37	172.53	169.70	167.00	164.96	162.92
	3.00%	177.96	175.12	172.28	169.46	166.90	164.86	162.82
	3.20%	177.71	174.87	172.03	169.21	166.80	164.76	162.72
	3.40%	177.46	174.62	171.78	168.96	166.70	164.66	162.62
	3.60%	177.20	174.37	171.53	168.71	166.60	164.56	162.52

COGS % of sales vs SG&A % of Sales:

Cost of goods sold and selling, general, and administrative costs are the largest expenses for TJX. Due to this, increasing or decreasing the percent we have forecasted for both COGS and SG&A by moderate amounts affects the intrinsic value of the stock. The ranges tested show significant swings in value: moving COGS from 67.03% to 70.03% and moving SG&A from 17.33% to 20.33% the stock price is reduced by \$50. This highlights how TJX is highly sensitive to small changes in cost structure.

		COGS % of sales						
SG&A % of Sales	169.45	67.03%	67.53%	68.03%	68.53%	69.03%	69.53%	70.03%
	17.33%	222.54	214.09	205.64	197.18	188.73	180.28	171.83
	17.83%	213.24	204.79	196.34	187.88	179.43	170.98	162.53
	18.33%	203.95	195.50	187.04	178.59	170.14	161.69	153.24
	18.83%	194.71	186.26	177.81	169.36	160.91	152.45	144.00
	19.33%	187.34	178.89	170.44	161.98	153.53	145.08	136.63
	19.83%	180.46	172.01	163.56	155.11	146.66	138.20	129.75
	20.33%	173.59	165.14	156.69	148.23	139.78	131.33	122.88

Sales Growth CV vs Long-Term Debt %:

The sales growth CV and the long-term debt percentage have minimal effect on TJX's intrinsic value. As sales growth CV increases by 0.2% and long-term debt increases by 0.5%, growth in valuation is small, highlighting how capital structure is not a major driver of the valuation of TJX within the tested range.

		Sales Growth CV						
long-term debt %	169.45	3.60%	3.80%	4.00%	4.20%	4.40%	4.60%	4.80%
	11.67%	168.88	169.29	169.70	170.11	170.52	170.93	171.34
	11.97%	168.49	168.90	169.31	169.72	170.13	170.54	170.95
	12.27%	168.24	168.65	169.06	169.47	169.88	170.29	170.70
	12.57%	168.22	168.63	169.04	169.45	169.86	170.27	170.68
	12.87%	168.21	168.62	169.03	169.44	169.85	170.26	170.67
	13.17%	168.20	168.61	169.02	169.43	169.84	170.25	170.66
	13.47%	168.19	168.60	169.01	169.42	169.83	170.24	170.65

Important Disclaimer

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Conclusion

In summary, we advise a BUY rating for TJX Companies Inc. due to the company's strong outlook. This positive outlook is supported by strong operational performance, steady store expansion, continued investment into distribution and infrastructure, and consistently positive revenue expectations. Our valuation is backed by a DCF and economic profit target price of \$169.45, reflecting TJX Companies' ability to generate consistent free cash flow and long-term value creation. All these variables place TJX in a position to outperform peers and deliver continued upside potential for long-term investors.

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TJX Companies Incorporated
Revenue Decomposition
(Millions)

<i>Fiscal Years Ending Jan. 31</i>	2023	2024	2025	2026E	2027E	2028E	2029E	2030E	2031E
Number of stores:									
Marmaxx:									
TJ Maxx	1299	1319	1333	1365	1398	1431	1466	1501	1537
Marshalls	1183	1197	1230	1260	1290	1321	1352	1385	1418
Sierra *until 2024 sales are included in TJ Maxx		95	117	120	123	126	129	132	135
Total Marmaxx	2482	2611	2680	2744	2810	2878	2947	3017	3090
HomeGoods:									
HomeGoods	894	919	943	981	1020	1061	1103	1147	1193
Homesense	46	55	72	75	78	81	84	88	91
Total Homegoods	940	974	1015	1056	1098	1142	1187	1235	1284
TJX Canada:									
Winners	297	302	307	312	318	323	328	334	340
HomeSense	151	158	160	163	165	168	171	174	177
Marshalls	106	106	109	111	113	115	117	119	121
Total TJX Canada	554	566	576	586	596	606	616	627	637
TJX International:									
TK Maxx (Europe)	629	644	655	664	672	681	690	699	708
Homesense (Europe)	8	79	75	76	77	78	79	80	81
TK Maxx (Australia)	74	80	84	85	86	87	88	90	91
Trade Secret									
Total TJX International	781	803	814	825	835	846	857	868	880
TJX Stores Total	4835	4954	5085	5210	5339	5471	5607	5747	5891
Sales:	49936	54217	56360	58220	60258	62487	64924	67554	70391
In-store	48438	53133	55233	57055	59052	61237	63626	66202	68983
Online	1498	1084	1127	1164	1205	1250	1298	1351	1408
Marmaxx:									
Marmaxx Net Sales	30545	33413	34604	36604	38794	41195	43829	46699	49828
HomeGoods:									
HomeGoods Net Sales	8264	8990	9386	10084	10854	11706	12649	13688	14833
TJX Canada:									
TJX Canada Net Sales	4912	5046	5189	5451	5738	6052	6394	6767	7171
TJX International:									
TJX International Net Sales	6215	6768	7181	7514	7879	8276	8711	9181	9691
TJX Sales Total	49936	54217	56360	58220	60258	62487	64924	67554	70391
Marmaxx:									
Marmaxx Sales Per Store	12.31	12.80	12.91	13.34	13.80	14.32	14.87	15.48	16.13
Marmaxx Sales Growth Per Store	1.52%	3.98%	0.90%	3.30%	3.50%	3.70%	3.90%	4.05%	4.20%
HomeGoods:									
HomeGoods Sales Per Store	8.79	9.23	9.25	9.55	9.89	10.25	10.65	11.08	11.55
HomeGoods Sales Growth Per Store	-13.11%	4.99%	0.19%	3.30%	3.50%	3.70%	3.90%	4.05%	4.20%
TJX Canada:									
TJX Canada Sales Per Store	8.87	8.92	9.01	9.31	9.63	9.99	10.38	10.80	11.25
TJX Canada Sales Growth Per Store	11.47%	0.55%	1.05%	3.30%	3.50%	3.70%	3.90%	4.05%	4.20%
TJX International:									
TJX International Sales Per Store	7.96	8.43	8.82	9.11	9.43	9.78	10.16	10.57	11.02
TJX International Sales Growth Per Store	5.98%	5.91%	4.67%	3.30%	3.50%	3.70%	3.90%	4.05%	4.20%
TJX Sales Per Store	10.33	10.94	11.08	11.17	11.29	11.42	11.58	11.75	11.95
TJX Growth Per Store	-0.25%	5.96%	1.27%	0.82%	1.00%	1.19%	1.38%	1.52%	1.66%

TJX Companies Incorporated
Income Statement

(Millions)

Fiscal Years Ending Jan. 31	2023	2024	2025	2026E	2027E	2028E	2029E	2030E	2031E
Net Sales	49936	54217	56360	58220	60258	62487	64924	67554	70391
Cost of Sales, including buying and occupancy costs	35185	36987	38008	40147	41439	42708	44394	46350	48236
Deprecation and Amortization	964	964	1104	298	338	377	418	461	507
Selling, General and Administrative Expenses	8927	10469	10946	10962	11345	11765	12224	12719	13253
Impairment on Equity Investment	218	0	0	0	0	0	0	0	0
Loss on early extinguishment of debt	0	0	0	0	0	0	0	0	0
Interest (income) expense, net	6	-170	-181	-47	50	74	114	138	196
Pension settlement charge	0	0	0	0	0	0	0	0	0
Impairment of goodwill and other long lived assets	0	0	0	0	0	0	0	0	0
Income before income taxes	4636	5967	6483	6860	7086	7563	7775	7885	8198
Provision for income taxes	1138	1493	1619	2146	2217	2366	2432	2467	2565
Net income	3498	4474	4864	4714	4869	5197	5343	5419	5634
Basic Earnings Per Share (EPS)	3.00	3.90	4.31	4.23	4.41	4.75	4.93	5.03	5.27
Total Shares Outstanding (basic)	1155	1134	1119	1108	1098	1089	1080	1073	1063
Weighted Average Shares Outstanding (Basic)	1166	1146	1128	1114	1103	1093	1085	1077	1068
Annual Dividends Per Share	1.18	1.33	1.50	1.52	1.58	1.70	1.77	1.81	1.89

TJX Companies Incorporated
Balance Sheet

(Millions)

Fiscal Years Ending Jan. 31	2023	2024	2025	2026E	2027E	2028E	2029E	2030E	2031E
Assets									
Current assets:									
Cash and cash equivalents	5477	5600	5335	5528	4211	4666	4150	5406	3803
Accounts receivable, net	563	529	549	603	624	647	673	700	729
Merchandise inventories	5819	5965	6421	6743	6979	7237	7520	7824	8153
Prepaid expenses and other current assets	478	511	617	567	587	608	632	658	685
Federal, state, and foreign income taxes recoverable	119	59	69	155	161	171	176	179	186
Current deferred income taxes, net	0	0	0	0	0	0	0	0	0
Total current assets	12456	12664	12991	13597	12561	13331	13151	14767	13556
Gross PPE	13317	14619	15982	18132	20217	22418	24740	27192	29781
Accumulated depreciation and amortization	7534	8048	8636	8934	9272	9649	10066	10528	11034
Net PPE	5783	6571	7346	9198	10945	12769	14674	16665	18746
Non-current deferred income taxes, net	158	172	148	160	173	186	200	214	228
Operating lease right of use assets	9086	9396	9641	12072	14365	16758	19258	21871	24603
Goodwill	97	95	94	94	94	94	94	94	94
Other assets	769	849	1529	1085	1123	1165	1210	1259	1312
Total assets	28349	29747	31749	36206	39261	44303	48587	54869	58540
Liabilities									
Current Liabilities:									
Accounts payable	3794	3862	4257	4581	4741	4916	5108	5315	5538
Accrued expenses and current liabilities	4346	4870	5040	5148	5329	5526	5741	5974	6225
Current portion of operating lease liabilities	1610	1620	1636	373	444	518	595	676	760
Current portion of long-term debt	500	0	0	1000	0	500	0	1381	0
Federal, state and foreign income taxes payable	55	99	75	157	162	173	178	180	187
Total current liabilities:	10305	10451	11008	11259	10675	11633	11622	13526	12711
Other long-term liabilities	919	924	1050	919	788	656	525	394	263
Non-current deferred income taxes, net	127	148	156	209	263	321	381	441	504
Long-term operating lease liabilities	7775	8060	8276	10365	12334	14389	16535	18779	21124
Long-term debt	2859	2862	2866	3857	4407	4984	5587	6219	6882
Shareholders equity									
Preferred stock	0	0	0	0	0	0	0	0	0
Common Equity	1155	1134	1119	1504	1888	2273	2658	3043	3235
Accumulated other comprehensive(loss) income	-606	-532	-609	-609	-609	-609	-609	-609	-609
Retained earnings	5815	6700	7883	8703	9515	10656	11888	13077	14430
Total shareholders' equity	6364	7302	8393	9598	10795	12321	13937	15511	17056
Total liabilities and shareholders' equity	28349	29747	31749	36206	39261	44303	48587	54869	58540

TJX Companies Incorporated
Historical Cash Flow Statement
(Millions)

Fiscal Years Ending Jan. 31	2023	2024	2025
Cash Flows from Operating Activities			
Net income	3498	4474	4864
Adjustments to reconcile net income to net cash provided by operating activities	586	1583	1252
Depreciation and amortization	887	964	1104
Impairment on equity investment	218	0	0
Loss on property disposals and impairment charges	23	61	10
Deferred income tax provision / benefit	64	-7	28
Share-based compensation	122	160	183
Early extinguishment of debt			
Other	116	19	-90
Impairment of goodwill and other long lived assets			
Pension settlement charge			
Excess tax benefits from share-based compensation			
Changes in assets and liabilities:	-821	447	27
Increase / decrease in accounts receivable and other assets	-124	-3	-57
Increase / decrease in accounts receivable and other assets excluding prepaid e:	-51	37	-26
Increase / decrease in merchandise inventories	58	-145	-539
Decrease / increase in taxes recoverable	-5	60	-10
Increase / decrease in prepaid expenses and other current assets	-73	-40	-31
Increase / decrease in accounts payable	-600	64	448
Increase / decrease in accrued expenses and other liabilities	-149	489	197
Increase / decrease in accrued expenses and other liabilities excluding income ta	-23	443	228
Increase / decrease in income taxes payable	-126	46	-31
Increase in net operating lease liabilities	-1	-18	-12
Other, net	93	-42	-100
Net cash provided by operating activities	4,084	6,057	6,116
Cash Flows from Investing Activities:			
Property additions	-1,457	-1,722	-1,918
Purchase of equity investment	0	0	-551
Investment in Familia			
Purchases of investments	-31	-28	-35
Sales and maturities of investments	18	33	27
Acquisition of Trade Secret			
Cash paid for acquisition of Sierra Trading Post, net of cash received			
Other, net			
Net cash (used in) investing activities	-1,470	-1,717	-2,477
Cash Flows from financing activities:			
Payments for repurchase of common stock	-2,255	-2,484	-2,513
Proceeds from issuance of common stock	321	285	366
Cash dividends paid	-1,339	-1,484	-1,648
Proceeds from long-term debt including revolving credit facilities			
Repayment of debt	0	-500	0
Other	-33	-32	-43
Net cash (used in) financing activities	-3,306	-4,215	-3,838
Effect of exchange rate changes on cash	-58	-2	-66
Net (decrease) increase in cash and cash equivalents	-750	123	-265
Cash and cash equivalents at beginning of year	6,227	5,477	5,600
Cash and cash equivalents at end of year	5,477	5,600	5,335

TJX Companies Incorporated
Forecasted Cash Flow Statement
(Millions)

Fiscal Years Ending Jan. 31	2026E	2027E	2028E	2029E	2030E	2031E
Cash Flows from Operating Activities						
Net income	4714	4869	5197	5343	5419	5634
Depreciation and amortization	298	338	377	418	461	507
Change in Accounts receivable, net	-54	-21	-23	-25	-27	-29
Change in Inventories	-322	-236	-258	-282	-305	-329
Change in Prepaid expenses and other current assets	50	-20	-22	-24	-26	-28
Change in Federal, state, and foreign income taxes recoverable	-86	-5	-11	-5	-2	-7
Change in Current deferred income taxes, net	0	0	0	0	0	0
Change in Accounts payable	324	160	175	192	207	223
Change in Accrued expenses and current liabilities	108	180	197	216	233	251
Change in Federal, state, and foreign income taxes payable	82	5	11	5	3	7
Change in Other long-term liabilities (if related to operations)	-131	-131	-131	-131	-131	-131
Change in Non-current deferred income taxes, net	40	42	45	46	46	48
Net cash provided by operating activities	5022	5182	5557	5751	5877	6146
Cash Flows from Investing Activities:						
Change in operating right of use assets	-2431	-2293	-2394	-2500	-2613	-2732
Capital Expenditures	-2150	-2085	-2201	-2323	-2452	-2588
Change in Other Assets	444	-38	-42	-45	-49	-53
Net cash (used in) investing activities	-4137	-4416	-4636	-4868	-5114	-5373
Cash Flows from financing activities:						
Proceeds/repayment from Long Term Debt	991	550	577	604	632	663
Change in current portion of long-term debt	1000	-1000	500	-500	1381	-1381
Change in Current portion of operating lease liabilities	-1263	71	74	77	81	84
Change in long-term operating lease liabilities	2089	1969	2055	2147	2243	2346
Repurchase of common stock	-2357	-2357	-2357	-2357	-2357	-2357
Cash dividends paid	-1537	-1700	-1699	-1755	-1872	-1924
Change in Common Stock	385	385	385	385	385	192
Net cash (used in) financing activities	-692	-2083	-466	-1399	493	-2376
Net Change in cash and cash equivalents	193	-1318	456	-516	1256	-1603
Cash and cash equivalents at beginning of year	5335	5528	4211	4666	4150	5406
Cash and cash equivalents at end of year	5528	4211	4666	4150	5406	3803

TJX Companies Incorporated
Common Size Income Statement

<i>Fiscal Years Ending Jan. 31</i>	2023	2024	2025	2026E	2027E	2028E	2029E	2030E	2031E
Net Sales	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Cost of Sales, including buying and occupancy costs	70.46%	68.22%	67.44%	68.96%	68.77%	68.35%	68.38%	68.61%	68.53%
Deprecation and Amortization	1.93%	1.78%	1.96%	0.51%	0.56%	0.60%	0.64%	0.68%	0.72%
Selling, General and Administrative Expenses	17.88%	19.31%	19.42%	18.83%	18.83%	18.83%	18.83%	18.83%	18.83%
Impairment on Equity Investment	0.44%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Loss on early extinguishment of debt	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Interest (income) expense, net	0.01%	-0.31%	-0.32%	-0.08%	0.08%	0.12%	0.17%	0.20%	0.28%
Pension settlement charge	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Impairment of goodwill and other long lived assets	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Loss / income before provision for income taxes	9.28%	11.01%	11.50%	11.78%	11.76%	12.10%	11.98%	11.67%	11.65%
Provision for income taxes	2.28%	2.75%	2.87%	3.69%	3.68%	3.79%	3.75%	3.65%	3.64%
Net income	7.00%	8.25%	8.63%	8.10%	8.08%	8.32%	8.23%	8.02%	8.00%

TJX Companies Incorporated
Common Size Balance Sheet

<i>Fiscal Years Ending Jan. 31</i>	<i>2023</i>	<i>2024</i>	<i>2025</i>	<i>2026E</i>	<i>2027E</i>	<i>2028E</i>	<i>2029E</i>	<i>2030E</i>	<i>2031E</i>
Assets									
Current assets:									
Cash and cash equivalents	10.97%	10.33%	9.47%	9.50%	6.99%	7.47%	6.39%	8.00%	5.40%
Accounts receivable, net	1.13%	0.98%	0.97%	1.04%	1.04%	1.04%	1.04%	1.04%	1.04%
Merchandise inventories	11.65%	11.00%	11.39%	11.58%	11.58%	11.58%	11.58%	11.58%	11.58%
Prepaid expenses and other current assets	0.96%	0.94%	1.09%	0.97%	0.97%	0.97%	0.97%	0.97%	0.97%
Federal, state, and foreign income taxes recoverable	0.24%	0.11%	0.12%	0.27%	0.27%	0.27%	0.27%	0.26%	0.26%
Current deferred income taxes, net	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Total current assets	24.94%	23.36%	23.05%	23.35%	20.85%	21.33%	20.26%	21.86%	19.26%
Total ppe (at cost)	26.67%	26.96%	28.36%	31.14%	33.55%	35.88%	38.11%	40.25%	42.31%
Accumulated depreciation and amortization	15.09%	14.84%	15.32%	15.35%	15.39%	15.44%	15.50%	15.58%	15.68%
Property, net of depreciation (at cost)	11.58%	12.12%	13.03%	15.80%	18.16%	20.43%	22.60%	24.67%	26.63%
Non-current deferred income taxes, net	0.32%	0.32%	0.26%	0.28%	0.29%	0.30%	0.31%	0.32%	0.32%
Operating lease right of use assets	18.20%	17.33%	17.11%	20.73%	23.84%	26.82%	29.66%	32.38%	34.95%
Goodwill	0.19%	0.18%	0.17%	0.16%	0.16%	0.15%	0.14%	0.14%	0.13%
Other assets	1.54%	1.57%	2.71%	1.86%	1.86%	1.86%	1.86%	1.86%	1.86%
Total assets	56.77%	54.87%	56.33%	62.19%	65.16%	70.90%	74.84%	81.22%	83.16%
Liabilities									
Current Liabilities:									
Accounts payable	7.60%	7.12%	7.55%	7.87%	7.87%	7.87%	7.87%	7.87%	7.87%
Accrued expenses and current liabilities	8.70%	8.98%	8.94%	8.84%	8.84%	8.84%	8.84%	8.84%	8.84%
Current portion of operating lease liabilities	3.22%	2.99%	2.90%	0.64%	0.74%	0.83%	0.92%	1.00%	1.08%
Current portion of long-term debt	1.00%	0.00%	0.00%	1.72%	0.00%	0.80%	0.00%	2.04%	0.00%
Federal, state and foreign income taxes payable	0.11%	0.18%	0.13%	0.27%	0.27%	0.28%	0.27%	0.27%	0.27%
Total current liabilities:	20.64%	19.28%	19.53%	19.34%	17.72%	18.62%	17.90%	20.02%	18.06%
Other long-term liabilities	1.84%	1.70%	1.86%	1.58%	1.31%	1.05%	0.81%	0.58%	0.37%
Non-current deferred income taxes, net	0.25%	0.27%	0.28%	0.36%	0.44%	0.51%	0.59%	0.65%	0.72%
Long-term operating lease liabilities	15.57%	14.87%	14.68%	17.80%	20.47%	23.03%	25.47%	27.80%	30.01%
Long-term debt	5.73%	5.28%	5.09%	6.63%	7.31%	7.98%	8.61%	9.21%	9.78%
Shareholders equity	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Preferred stock	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Common stock	2.31%	2.09%	1.99%	2.58%	3.13%	3.64%	4.09%	4.50%	4.60%
Accumulated other comprehensive(loss) income	-1.21%	-0.98%	-1.08%	-1.05%	-1.01%	-0.97%	-0.94%	-0.90%	-0.87%
Retained earnings	11.64%	12.36%	13.99%	14.95%	15.79%	17.05%	18.31%	19.36%	20.50%
Total shareholders' equity	12.74%	13.47%	14.89%	16.49%	17.91%	19.72%	21.47%	22.96%	24.23%
Total liabilities and shareholders' equity	56.77%	54.87%	56.33%	62.19%	65.16%	70.90%	74.84%	81.22%	83.16%

TJX Companies Incorporated
Value Driver Estimation

Fiscal Years Ending Jan. 31	2023	2024	2025	2026E	2027E	2028E	2029E	2030E	2031E
NOPLAT:									
EBIT									
revenues	49936	54217	56360	58220	60258	62487	64924	67554	70391
- COGS	35185	36987	38008	40147	41439	42708	44394	46350	48236
- SGA	8927	10469	10946	10962	11345	11765	12224	12719	13253
+ implied interest on leases	459	471	487	500	626	745	869	999	1134
EBIT	6283	7232	7893	7611	8100	8759	9176	9483	10035
- adjusted taxes									
total income tax provision	1138	1493	1619	2146	2217	2366	2432	2467	2565
+ tax on interest expense	2	-39	-48	-12	13	20	30	37	52
+ tax on lease interest	121	107	129	132	166	197	230	265	301
+ tax on impairment	58	0	0	0	0	0	0	0	0
- tax on any non-operating income	0	0	0	0	0	0	0	0	0
Adjusted Taxes	1318	1562	1700	2266	2396	2583	2693	2768	2917
+ change in deferred taxes	64	-7	28	40	42	45	46	46	48
NOPLAT	5029	5664	6221	5385	5746	6221	6529	6762	7167
Invested Capital (IC):									
Operating Working Capital									
+ Normal cash	3851	4181	4346	4489	4211	4666	4150	5209	3803
+ Accounts Recievable	563	529	549	603	624	647	673	700	729
+ Inventories	5819	5965	6421	6743	6979	7237	7520	7824	8153
+ Prepaid Expense	478	511	617	567	587	608	632	658	685
- Accounts Payable	3794	3862	4257	4581	4741	4916	5108	5315	5538
- Accrued Expenses and Current Liabilites	4346	4870	5040	5148	5329	5526	5741	5974	6225
- Taxes Payable	174	158	144	312	323	344	354	359	373
Operating Working Capital	2397	2296	2492	2361	2009	2373	1771	2743	1234
+ Net PPE	5783	6571	7346	9198	10945	12769	14674	16665	18746
+ Operating Leases	9086	9396	9641	12072	14365	16758	19258	21871	24603
+ Other Assets	769	849	1529	1085	1123	1165	1210	1259	1312
- Long-Term Taxes Payable	127	148	156	209	263	321	381	441	504
Invested Capital	17908	18964	20852	24508	28179	32744	36533	42097	45391
Free Cash Flow (FCF):									
NOPLAT	5029	5664	6221	5385	5746	6221	6529	6762	7167
Change in IC	1377	1056	1888	3656	3671	4565	3789	5564	3295
FCF	3652	4607	4333	1730	2075	1656	2740	1197	3872
Return on Invested Capital (ROIC):									
NOPLAT	5029	5664	6221	5385	5746	6221	6529	6762	7167
Beginning IC	16531	17908	18964	20852	24508	28179	32744	36533	42097
ROIC	30.42%	31.63%	32.81%	25.83%	23.44%	22.08%	19.94%	18.51%	17.02%
Economic Profit (EP):									
Beginning IC	\$ 16,531	\$ 17,908	\$ 18,964	\$ 20,852	24508	28179	32744	36533	42097
x (ROIC - WACC)	23%	24%	25%	18%	16%	15%	13%	11%	10%
EP	3800	4332	4811	3835	3923	4126	4094	4045	4036

TJX Companies Incorporated*Weighted Average Cost of Capital (WACC) Estimation***Cost of Equity:**

Risk-Free Rate	4.14%
Beta	0.62
Equity Risk Premium	5.48%
Cost of Equity	7.55%

ASSUMPTIONS:*10 year treasury**Average of 2, 3, 4, and 5-year weekly and monthly beta**1928-2025 geometric average over 10-year Treasury***Cost of Debt:**

Risk-Free Rate	4.14%
Implied Default Premium	1.05%
Pre-Tax Cost of Debt	5.19%
Marginal Tax Rate	31%
After-Tax Cost of Debt	3.56%

*10-year Treasury bond**YTM on company's ~24-year corporate bond***Market Value of Common Equity:**

Total Shares Outstanding	1119
Current Stock Price	\$140.41
MV of Equity	157,165.63

MV Weights**97.22%****Market Value of Debt:**

Short-Term Debt	0
Current Portion of LTD	0
Long-Term Debt	2866
PV of Operating Leases	1636
MV of Total Debt	4,502.00

2.78%**Market Value of the Firm****161,667.63****100.00%****Estimated WACC****7.44%**

TJX Companies Incorporated*Discounted Cash Flow (DCF) and Economic Profit (EP) Valuation Models*

Key Inputs:

CV Growth of NOPLAT	5.55%
CV Year ROIC	17%
WACC	7.44%
Cost of Equity	7.55%

<i>Fiscal Years Ending Jan. 31</i>	2026E	2027E	2028E	2029E	2030E	2031E
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DCF Model:

Free Cash Flow (FCF)	1730	2075	1656	2740	1197	3872
Continuing Value (CV)						256136
PV of FCF	1610	1798	1335	2057	837	178947

Value of Operating Assets: 186583

Non-Operating Adjustments

Excess Cash	989
+ Other long-term assets	1529
- Long-term debt	-2866
- Deferred credits & other long-term liabilities	-1050
- ESOP	-2369
- PV of operating leases	-1636

Value of Equity 181180

Shares Outstanding 1119

Intrinsic Value of Last FYE \$ 161.86

Implied Price as of Today \$ 169.45**EP Model:**

Economic Profit (EP)	3835	3923	4126	4094	4045	4036
Continuing Value (CV)						214039
PV of EP	3569	3399	3327	3073	2826	149537

Total PV of EP 165731

Invested Capital (last FYE) 20852

Value of Operating Assets: 186583

Non-Operating Adjustments

Excess Cash	989
+ Other long-term assets	1529
- Long-term debt	-2866
- deferred credits & other long-term liabilities	-1050
-esop	-2369
- PV operating leases	-1636

Value of Equity 181180

Shares Outstanding 1119

Intrinsic Value of Last FYE \$ 161.86

Implied Price as of Today \$ 169.45

TJX Companies Incorporated*Dividend Discount Model (DDM) or Fundamental P/E Valuation Model*

<i>Fiscal Years Ending</i>	2026E	2027E	2028E	2029E	2030E	2031E
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EPS	\$ 4.23	\$ 4.41	\$ 4.75	\$ 4.93	\$ 5.03	\$ 5.27
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Key Assumptions

CV growth of EPS	4.30%
CV Year ROE	36.32%
Cost of Equity	7.55%

Future Cash Flows

P/E Multiple (CV Year)						27.15
EPS (CV Year)						\$ 5.27
Future Stock Price						\$ 143.22
Dividends Per Share	1.52	1.58	1.70	1.77	1.81	1.89
Discounted Cash Flows	1.41	1.37	1.37	1.32	1.25	99.54

Intrinsic Value as of Last FYE	\$ 106.27
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Implied Price as of Today	\$ 111.25
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TJX Companies Incorporated

Relative Valuation Models

Ticker	Company	Price	EPS 2026E	EPS 2027E	P/E 26	P/E 27
GAP	GAP	\$23.46	\$2.02	\$2.14	11.61	10.96
LULU	Lululemon	\$170.30	\$14.36	\$15.38	11.86	11.07
ROST	Ross Stores	\$156.75	\$6.17	\$6.68	25.41	23.47
BURL	Burlington Stores	\$266.86	\$7.93	\$9.26	33.65	28.82
M	Macy's	\$18.24	\$2.39	\$2.44	7.63	7.48
KSS	Kohl's	\$16.38	\$1.30	\$1.22	12.60	13.43
DDS	Dillard's	\$600.89	\$33.25	\$30.07	18.07	19.98
VFC	VF Corp	\$14.21	\$0.72	\$0.98	19.74	14.50
Average					17.57	16.21

TJX	TJX Companies Incorporated	\$140.41	\$4.23	\$4.41	33.2	31.8
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Implied Relative Value:

	with outliers	without outliers
P/E (EPS26)	\$ 74.37	\$ 57.50
P/E (EPS27)	\$ 71.57	\$ 56.96

TJX Companies Incorporated
Key Management Ratios

Fiscal Years Ending Jan. 31	2023	2024	2025	2026E	2027E	2028E	2029E	2030E	2031E
Liquidity Ratios:									
Current Ratio (Current Assets / Current Liabilities)	1.21	1.21	1.18	1.21	1.18	1.15	1.13	1.09	1.07
Quick Ratio ((Current Assets - Inventory)/ Current Liabilities)	0.64	0.64	0.60	0.61	0.52	0.52	0.48	0.51	0.43
Cash Ratio (Cash and Cash Equivalents/Current Liabilities)	0.53	0.54	0.48	0.49	0.39	0.40	0.36	0.40	0.30
Asset-Management Ratios:									
Current Assets (Sales/Current Assets)	4.01	4.28	4.34	4.28	4.80	4.69	4.94	4.57	5.19
Total Assets (Sales/Total Assets)	1.76	1.82	1.78	1.61	1.53	1.41	1.34	1.23	1.20
Inventory Turnover (COGS/Inventory)	6.05	6.20	5.92	5.95	5.94	5.90	5.90	5.92	5.92
Asset Turnover (Sales/Total Assets)	1.76	1.82	1.78	1.61	1.53	1.41	1.34	1.23	1.20
Financial Leverage Ratios:									
LT Debt/Total Equity (Long-Term Debt/Total Equity)	0.45	0.39	0.34	0.40	0.41	0.40	0.40	0.40	0.40
LT Debt/Total Assets (Long-Term Debt/Total Assets)	0.10	0.10	0.09	0.11	0.11	0.11	0.11	0.11	0.12
Total Debt/Equity (Total Debt/Total Equity)	0.53	0.39	0.34	0.51	0.41	0.45	0.40	0.49	0.40
Profitability Ratios:									
Gross Margin ((Revenue- COGS)/Revenue)	29.54%	31.78%	32.56%	31.04%	31.23%	31.65%	31.62%	31.39%	31.47%
Free Cash Flow Margin (Free Cash Flow/Revenue)	7.31%	8.50%	7.69%	2.97%	3.44%	2.65%	4.22%	1.77%	5.50%
Capex To Sales (Capital Expenditures/Revenue)	2.92%	3.18%	3.40%	3.69%	3.46%	3.52%	3.58%	3.63%	3.68%
Return on Equity (Net Income/Beginning Equity)	58.27%	70.30%	66.61%	56.16%	50.73%	48.15%	43.37%	38.88%	36.32%
Return on Assets (Net Income/ Total Assets)	12.34%	15.04%	15.32%	13.02%	12.40%	11.73%	11.00%	9.88%	9.62%
Payout Policy Ratios:									
EBIT per Share (EBIT/Shares Outstanding)	3.98	5.21	5.75	6.16	6.42	6.92	7.17	7.32	7.68
EPS (Net Income/Weight Average Shares)	3.00	3.90	4.31	4.23	4.41	4.75	4.93	5.03	5.27
Total Payout Ratio ((Dividends + Share Repurchases)/Net Income)	1.03	0.89	0.86	0.83	0.83	0.78	0.77	0.78	0.76

TJX Companies Incorporated

Sensitivity Tables

Equity Risk Premium	Beta						
	169.45	0.47	0.52	0.57	0.62	0.67	0.72
	5.20%	347.00	271.80	222.72	188.18	162.56	142.79
	5.30%	330.58	260.40	214.16	181.41	156.99	138.09
	5.40%	315.60	249.88	206.21	175.08	151.77	133.67
	5.50%	301.87	240.15	198.79	169.15	146.87	129.51
	5.60%	289.26	231.12	191.87	163.59	142.25	125.58
	5.70%	277.62	222.72	185.39	158.37	137.90	121.87
	5.80%	266.86	214.89	179.32	153.45	133.79	118.35

Inflation	Forecasted Marginal Tax Rate						
	169.45	28.28%	29.28%	30.28%	31.28%	32.28%	33.28%
	2.40%	178.70	175.86	173.02	170.19	167.37	165.16
	2.60%	178.46	175.61	172.78	169.95	167.12	165.06
	2.80%	178.21	175.37	172.53	169.70	167.00	164.96
	3.00%	177.96	175.12	172.28	169.46	166.90	164.86
	3.20%	177.71	174.87	172.03	169.21	166.80	164.76
	3.40%	177.46	174.62	171.78	168.96	166.70	164.66
	3.60%	177.20	174.37	171.53	168.71	166.60	164.56

WACC	CV Growth of NOPLAT						
	169.45	5.00%	5.20%	5.40%	5.60%	5.80%	6.00%
	7.14%	158.85	172.13	188.46	209.03	235.75	271.84
	7.24%	151.14	163.02	177.49	195.50	218.50	248.92
	7.34%	144.08	154.77	167.66	183.52	203.49	229.42
	7.44%	137.61	147.26	158.80	172.84	190.31	212.63
	7.54%	131.43	140.13	150.46	162.91	178.21	197.48
	7.64%	126.15	134.09	143.45	154.64	168.26	185.21
	7.74%	121.05	128.28	136.76	146.81	158.94	173.86

SG&A % of Sales	COGS % of sales						
	169.45	67.03%	67.53%	68.03%	68.53%	69.03%	69.53%
	17.33%	222.54	214.09	205.64	197.18	188.73	180.28
	17.83%	213.24	204.79	196.34	187.88	179.43	170.98
	18.33%	203.95	195.50	187.04	178.59	170.14	161.69
	18.83%	194.71	186.26	177.81	169.36	160.91	152.45
	19.33%	187.34	178.89	170.44	161.98	153.53	145.08
	19.83%	180.46	172.01	163.56	155.11	146.66	138.20
	20.33%	173.59	165.14	156.69	148.23	139.78	131.33

Risk Free Rate	accrued liabilities % of sales						
	169.45	7.34%	7.84%	8.34%	8.84%	9.34%	10.34%
	3.84%	202.11	202.02	201.93	202.42	203.42	204.44
	3.94%	189.86	189.78	189.70	190.17	191.12	192.10
	4.04%	178.95	178.87	178.80	179.24	180.16	181.09
	4.14%	169.16	169.09	169.02	169.45	170.32	171.22
	4.24%	160.34	160.27	160.20	160.61	161.46	162.32
	4.34%	152.33	152.27	152.20	152.60	153.42	154.25
	4.44%	145.05	144.99	144.92	145.31	146.09	146.90

long-term debt %	Sales Growth CV						
	169.45	3.60%	3.80%	4.00%	4.20%	4.40%	4.60%
	11.67%	168.88	169.29	169.70	170.11	170.52	170.93
	11.97%	168.49	168.90	169.31	169.72	170.13	170.54
	12.27%	168.24	168.65	169.06	169.47	169.88	170.29
	12.57%	168.22	168.63	169.04	169.45	169.86	170.27
	12.87%	168.21	168.62	169.03	169.44	169.85	170.26
	13.17%	168.20	168.61	169.02	169.43	169.84	170.25
	13.47%	168.19	168.60	169.01	169.42	169.83	170.24

TJX Companies Incorporated*Present Value of Operating Lease Obligations*

Fiscal Years Ending Jan. 31	2014	2015	2016	2017	2018	2019
Year 1	1303.2	1368.1	1455.6	1600.5	1676.7	1781.2
Year 2	1198.5	1273.9	1382.8	1534.7	1603.4	1667.8
Year 3	1055.8	1150.2	1246.6	1389.9	1441.4	1511.6
Year 4	924.7	1005.1	1089.0	1208.0	1253.4	1327.9
Year 5	778.1	845.9	908.6	1025.0	1042.2	1100.9
Thereafter	2348.7	2354.7	2438.3	2736.4	2774.8	2828.6
Total Minimum Payments	7609.0	7997.9	8520.9	9494.5	9791.9	10218.0
Less: Cumulative Interest	1370.7	1416.4	1494.5	1670.5	1711.2	1770.2
PV of Minimum Payments	6238.3	6581.5	7026.4	7824.0	8080.7	8447.8
Implied Interest in Year 1 Payment		323.5	341.3	364.4	405.8	419.1
Pre-Tax Cost of Debt	5.19%	5.19%	5.19%	5.19%	5.19%	5.19%
Years Implied by Year 6 Payment	3.0	2.8	2.7	2.7	2.7	2.6
Expected Obligation in Year 6 & Beyond	778.1	845.9	908.6	1025	1042.2	1100.9
Present Value of Lease Payments						
PV of Year 1	1238.9	1300.6	1383.8	1521.6	1594.0	1693.4
PV of Year 2	1083.2	1151.4	1249.8	1387.1	1449.2	1507.4
PV of Year 3	907.2	988.3	1071.2	1194.3	1238.5	1298.9
PV of Year 4	755.4	821.1	889.6	986.8	1023.9	1084.8
PV of Year 5	604.3	656.9	705.6	796.0	809.4	855.0
PV of 6 & beyond	1649.3	1663.1	1726.4	1938.1	1965.7	2008.4
Capitalized PV of Payments	6238.3	6581.5	7026.4	7824.0	8080.7	8447.8

TJX Companies Incorporated*Effects of ESOP Exercise and Share Repurchases on Common Stock Account and Number of Shares Outstanding*

Number of Options Outstanding (shares):	31
Average Time to Maturity (years):	5.50
Expected Annual Number of Options Exercised	6

Current Average Strike Price:	\$ 68.26
Cost of Equity:	7.55%
Current Stock Price:	\$140.41

Fiscal Years Ending Jan. 31	2026E	2027E	2028E	2029E	2030E	2031E
Increase in Shares Outstanding:	6	6	6	6	6	3
Average Strike Price:	\$ 68.26	\$ 68.26	\$ 68.26	\$ 68.26	\$ 68.26	\$ 68.26
Increase in Common Stock Account:	385	385	385	385	385	192
Share Repurchases (\$)	2,357	2,357	2,357	2,357	2,357	2,357
Expected Price of Repurchased Shares:	\$ 140.41	\$ 149.18	\$ 158.50	\$ 168.40	\$ 178.92	\$ 190.10
Number of Shares Repurchased:	17	16	15	14	13	12
Shares Outstanding (beginning of the year)	1,119	1,108	1,098	1,089	1,080	1,073
Plus: Shares Issued Through ESOP	6	6	6	6	6	3
Less: Shares Repurchased in Treasury	17	16	15	14	13	12
Shares Outstanding (end of the year)	1,108	1,098	1,089	1,080	1,073	1,063

TJX Companies Incorporated*Valuation of Options Granted under ESOP*

Current Stock Price	\$140.41
Risk Free Rate	4.14%
Current Dividend Yield	1.30%
Annualized St. Dev. of Stock Returns	15.35%

Range of Outstanding Options	Number of Shares	Average Exercise Price	Average Remaining Life (yrs)	B-S Option Price	Value of Options Granted
Range 1	31	68.26	5.50	\$ 76.43	\$ 2,369
Total	31	\$ 68.26	5.50	\$ 86.08	\$ 2,369