TJX COMPANIES (NASDAQ: TJX)
Final Report

UNIVERSITY OF CONNECTICUT

STUDENT MANAGED FUND

TEAM BLUE 2022-2023

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REPORT HIGHLIGHTS

Purchase Price

$80.62

Target Price

$89.60

Current Price

$76.94

52 Week Range

$53.69-$83.13

P/E

25.80

Market Capitalization

$88B

Dividend Yield

1.73%

INVESTMENT THESIS

TJX has demonstrated its ability to weather past recessions and grow amidst a pandemic, thanks to its exceptional business model that does well in times of uncertainty and retains customer loyalty outside of economic downturns. The company's opportunistic buying approach and extensive supplier portfolio enable it to source products at the right prices, maximizing profit margins. Moreover, the 'treasure hunt' aspect of the business model ensures that customers revisit TJX stores, increasing the likelihood of making additional purchases.

TJX has shown great enthusiasm for future expansion plans, both online and offline, indicating high expectations for projected customer demand and revenue growth. The company is poised to capture a larger share of the international off-price retail market, solidifying its position as a leader in this space. Additionally, TJX remains dedicated to shareholders, increasing dividend payments and investing in share repurchases, demonstrating its commitment to maximizing long-term shareholder value.

Following the pandemic, TJX's management prioritized strengthening its balance sheet and increasing financial liquidity, positioning the company in a strong financial position with increased financial flexibility to invest in future growth plans.

Business Model Analysis:

TJX's business model has proven to be exceptionally resilient, allowing it to weather past recessions and grow during the pandemic. The company's opportunistic buying approach and extensive supplier portfolio enable it to choose the right products for the right prices, maximizing potential profit margins. The 'treasure hunt' aspect of the business model ensures that customers return to TJX stores, increasing the chances of making additional purchases. This approach has resulted in strong customer loyalty and repeat business, even outside of economic downturns.

Growth Strategy Analysis:

TJX's growth strategy is centered on expanding its business both online and offline. The company's ambitious plans indicate high expectations for projected customer demand and revenue growth, with an emphasis on capturing a larger share of the international off-price retail market. This growth strategy is underpinned by the company's strong financial position, which provides increased financial flexibility to invest in future growth plans.

Financial Analysis:

TJX's dedication to shareholders is evident in its consistent increase in dividend payments and significant investment in share repurchases. This approach not only rewards shareholders but also demonstrates the company's commitment to maximizing long-term shareholder value. Following the pandemic, management prioritized strengthening the company's balance sheet and increasing financial liquidity, leaving the company in a strong financial position with increased financial flexibility to invest in future growth plans. This financial strength and flexibility ensure that TJX is well-positioned to weather any future economic uncertainties and continue its impressive growth trajectory.

Conclusion:

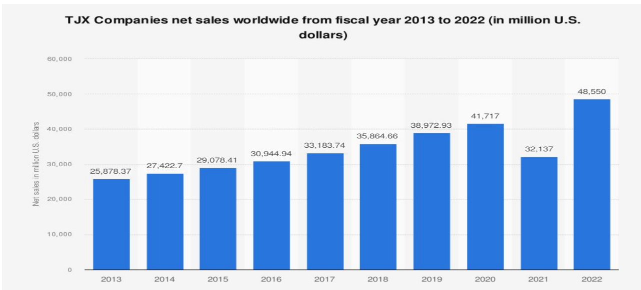
In conclusion, TJX's robust business model, ambitious growth plans, dedication to shareholders, and strong financial position make it an attractive investment opportunity for those seeking exposure to the off-price retail market. The company's ability to weather past recessions and grow amidst a pandemic is a testament to its exceptional business model and skilled management team. TJX's continued commitment to its shareholders, financial strength, and growth strategy make it a compelling investment opportunity for those seeking long-term growth and value.

COMPANY OVERVIEW

The TJX Companies Inc. is a well-known multinational corporation that operates a chain of off-price department stores across the globe. The company's brands include T.J. Maxx, Marshalls (collectively known as Marmaxx), HomeGoods, Sierra, and Homesense in the United States, Winners in Canada, and T.K. Maxx in Europe, with a focus on offering a wide range of family apparel and home furnishings.

The TJX Companies' business model has been designed to offer exceptional value to customers, with a focus on buying products from a variety of vendors, including excess inventory, cancelled orders, and overproduction, and then selling them at a significant discount. The company's stores, particularly Marshalls and HomeGoods, are often placed together, offering customers the convenience of shopping for both family apparel and home fashions in the same location.

While the company primarily operates brick-and-mortar stores, it also offers e-commerce platforms for its Marmaxx stores and HomeGoods. Additionally, TJX has its own manufacturers, who create merchandise specifically for its stores through licensing partnerships with other brands.



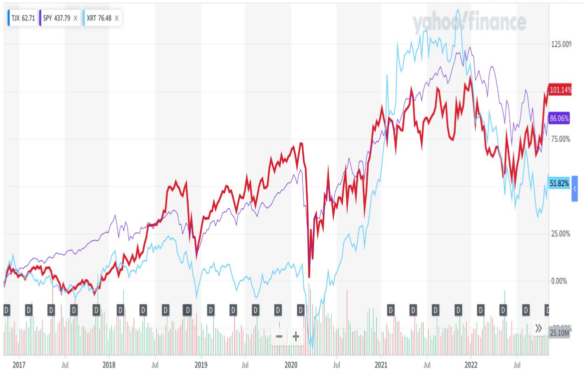
TJX operates with a "treasure hunt" approach, meaning that many of the products are not restocked, forcing customers to purchase items when they see them, as the same product may not be available in the future.

The company has a significant international presence, with stores in the US, Canada, Europe, and Australia. As of now, the company operates over 4500 stores worldwide and has plans to double this over the long term. The company's financial performance has been strong, with 2022 seeing a 51% increase in revenue compared to 2021, and a 34% increase in net income. Moreover, TJX has consistently increased its dividend payment and currently has a yield of 1.58%.

The COVID-19 pandemic led to a reevaluation of the company's financial position, resulting in a strengthened balance sheet, improved financial liquidity, and a more robust financial position. In conclusion, TJX's robust business model, consistent financial performance, and dedication to shareholder returns make it an attractive investment opportunity.

HISTORICAL PERFORMANCE

When analyzing TJX's performance, we compared it with the S&P Retail Index, XRT, and the overall S&P index, SPY. While there are periods where TJX's growth patterns closely align with these indices, historically, TJX has outperformed them. Recently, since May 2022, TJX has been consistently outperforming both indices in terms of growth.



In comparison to the overall discount retail market, TJX has been exhibiting consistent growth that surpasses its competitors. This is a notable achievement for the company, and it suggests that TJX is effectively navigating the market and capitalizing on opportunities to increase its market share.

THE TEAM

TJX Companies Inc. benefits from a highly experienced and capable executive team, led by Chairman of the Board Carol Meyrowitz, CEO and President Ernie Herrman, and CFO Scott Goldenberg.

Ms. Meyrowitz has served as a board director since 2006, and as CEO from 2007 to 2016. She has an extensive background in off-price retail and has held various executive positions at TJX, including President and Senior Executive Vice President. Ms. Meyrowitz's deep expertise in innovation, strategy, buying, marketing, and international operations make her a valuable member of the executive team.

Mr. Herrman, who has been a director since 2015 and CEO since 2016, has played a pivotal role in helping TJX navigate various economic challenges in the retail industry. With his prior experience as Senior Executive Vice President and COO of Marmaxx, he possesses a profound understanding of management, leadership development, finance and accounting, buying, and distribution.

Scott Goldenberg, who has been CFO since 2012, has been instrumental in overseeing many of the corporate finance decisions made in the Marmaxx group. He has worked his way up from managerial roles in the finance sector at TJX's predecessor company, Zayre Corp. With his deep understanding of finance and accounting, he brings invaluable expertise to the executive team.

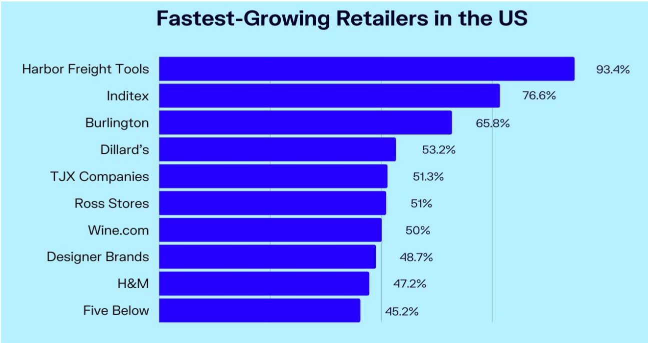
The extensive and varied experience of the TJX executive team demonstrates their commitment to the company's success and provides investors with confidence in the leadership's ability to manage the business through various economic environments.

INDUSTRY OVERVIEW

When examining the retail industry, it is important to focus on the impact of the COVID-19 pandemic on consumer behavior and spending. In particular, off-price and discount retailers have experienced a surge in demand due to the economic hardships faced by many individuals during this time. As inferior goods, the demand for these retailers actually increases during periods of economic uncertainty as consumers seek out price value while still shopping fashionably. As a result, the off-price retail market experienced a significant increase in sales of 40% in 2021, aided in part by the supply chain crises that affected many brands and left them with excess inventory that was purchased by off-price retailers.

However, despite the success of off-price retailers during the pandemic, many are hesitant to implement ecommerce platforms for their products. This is due to the variety of products that are offered in different locations and the associated costs with online fulfillment. While some retailers, such as TJX, have begun to expand their ecommerce platforms, many still rely on brick-and-mortar stores to maintain the "treasure hunt" shopping experience that customers crave.

Despite these challenges, discount retailers remain a strong player in the retail industry. They currently make up half of the top ten fastest growing retail companies in the US, and are projected to continue growing at an average CAGR of 8.7%. As such, these companies represent a promising investment opportunity for those looking to capitalize on the current economic landscape.



COMPETITION AND COMPETITIVE ADVANTAGE

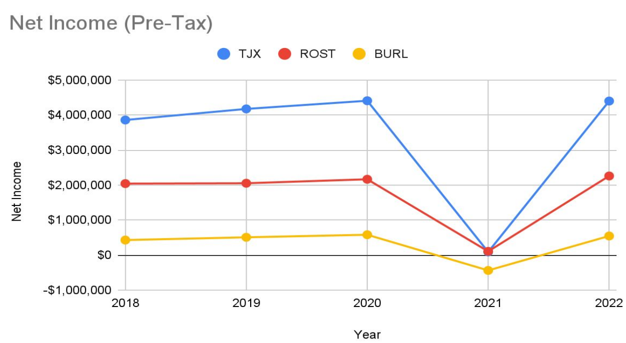
As a retail brand, TJX operates in a highly competitive industry where it faces intense competition from various off-price brands such as Ross, Burlington, and Nordstrom Rack, as well as companies that offer similar products at lower prices than regular retail such as Big Lots, Target, and Kohl's. The company also faces the possibility of new entrants, with major retailers such as Macy's and Saks Fifth Ave introducing their own lines of off-price merchandise.

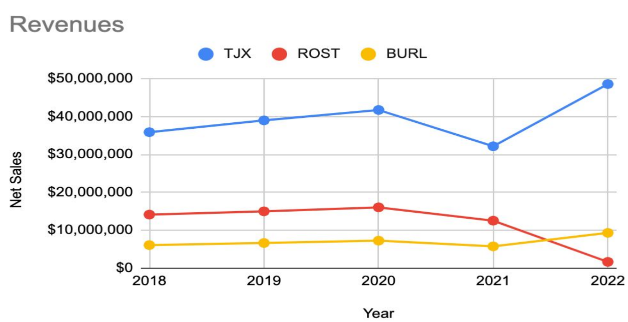
Despite this competitive landscape, TJX is the leading brand in the off-price department store industry, owing to its unique business model and operations. The company's 'Never In The Same Place Twice' approach to merchandising incentivizes customers to frequently return to the stores to seek out new deals, creating sustained foot traffic and customer loyalty. TJX also sources products from over 20,000 vendors to offer a wide range of product assortments for each store, enabling flexible buying to meet customer preferences. The company's international presence further differentiates it from its competitors, allowing it to reach a larger market.

TJX's marketing efforts are also a key competitive advantage, with the company dedicating almost 50% of its gross profit towards advertising. Targeted social media and location-based advertising help promote certain product categories and reach a large audience. The company's loyalty program, which includes the TJX Rewards Card and TJX Rewards Platinum Mastercard, further incentivizes customers to shop at TJX stores.

TJX's target demographic also sets it apart from its competitors. While competitors like Ross and Burlington primarily target low-to-mid-income families, TJX stores attract people from all income levels, with a specific focus on mid-to-upper-income families who seek luxury for value. This positioning has allowed TJX to avoid some of the concerns facing competitors amidst rising inflation, as its target demographic still has the ability to splurge on their merchandise.

Overall, TJX's competitive advantages lie in its unique business model, wide range of product assortments, international presence, marketing efforts, and target demographic. These strengths have allowed the company to maintain its position as the leading brand in the off-price department store industry, even in the face of intense competition.





SHORT TERM GROWTH

As TJX entered quarter 4 and the holiday season in the past, the company was poised for a potential increase in sales. One of the primary factors contributing to this was the expectation of many branded gift-oriented products arriving later than usual, which was likely to bode well for Q4 sales, particularly in the weeks leading up to Christmas. Additionally, the company's inventory was up by 26% compared to Q3 of the previous year, which exceeded expectations due to early receipts of merchandise resulting from improvements in the supply chain. This increased inventory, combined with the company's high rate of inventory turnover, was a positive indicator for higher sales over the holiday season.

Inflationary pressures at the time were also expected to drive sales, as even low-income shoppers were likely to be attracted to splurge on purchases during the holiday season.

The TXJ Companies, Inc

Relationship Between COGS/Sales and Inventory Turnover

	2017	2018	2019	2020	2021
COGS/Sales	0.71	0.71	0.72	0.76	0.72
Inventory Turnover	6.51	6.35	6.32	5.33	6.74

EUR/USD: One euro buys $0.98 today, compared to $1.16 a year ago

USD/JPY: One dollar buys 148 yen now, versus 114 a year ago

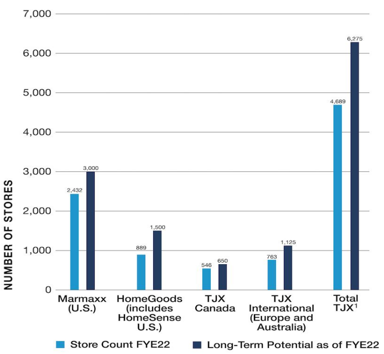
USD/CHF: One dollar buys 1.01 Swiss francs today, compared to 0.91 a year ago

GBP/USD: One British pound buys $1.12 now, compared to $1.37 a year ago

USD/CAD: One dollar buys C$1.37 now, versus C$1.24 a year ago

LONG TERM GROWTH

TJX has a clear growth strategy centered on expanding its brick-and-mortar presence and improving its ecommerce business. The company's successful track record of opening new stores during the pandemic and their plans to add 1,500 more stores in existing markets show strong demand for TJX's off-price products. This expansion also indicates that TJX is committed to providing a unique shopping experience that cannot be replicated online.



TJX is investing in more efficient distribution networks to reduce its carbon footprint and increase distribution capacity, with technology improvements and expanding cross-dock facilities. The objective is to provide customers with a fast and efficient shopping experience while being mindful of the environment.

The company plans to continue its significant spending on marketing through various channels, with a focus on social media advertising. By targeting Gen Z and millennials with geographic-specific ads, TJX is expanding its reach to the next generation of shoppers while ensuring that advertised products are in reach of the targeted customer.

TJX is improving its ecommerce business to meet the growing demand for online shopping, launching three online platforms featuring Marmaxx and HomeGoods. The company plans to expand its product offerings and invest in efficient distribution to meet the needs of online shoppers, increasing its profits while providing convenience to shoppers who prefer to shop from home.

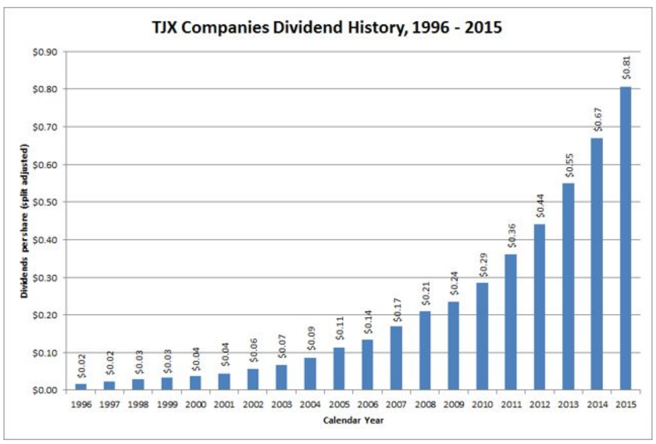
Overall, TJX's growth strategy shows a strong commitment to meeting customer demands while being mindful of environmental impact. With plans to expand both its physical and online presence, TJX is well-positioned to capitalize on the evolving retail landscape and provide a unique shopping experience to customers.

DEVELOPMENT

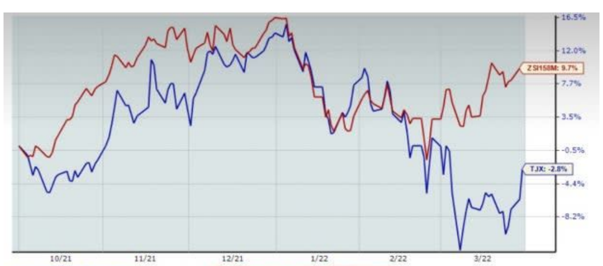
2020	2021	2022
43 New Store Locations Opened	76 New Stores Opened	120 New Stores Locations Opened

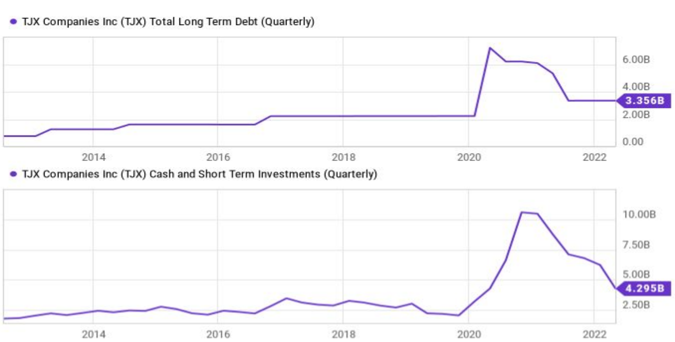
SHAREHOLDER VALUE CREATION

TJX has been committed to creating shareholder value through dividend payments and share buybacks. Despite the pandemic's uncertainty, the company made a strategic decision to halt its dividend payments in 2020, which allowed it to build up its cash balance and pay back its borrowings. In 2021, the company was able to reinstate its dividends, increasing it by 13% from the last 2020 dividend, and then again by 13.5% in 2022. Over the past 26 years, the company has shown consistent growth in its dividend payments at a CAGR of approximately 21%, with a dividend payout ratio of 38% and a dividend yield of 1.60%.



In addition to dividends, the company also invests significantly in share repurchases, spending 2.5 billion dollars on dividend repurchases over 2021-2022, which reduced outstanding shares by almost 3%. The company plans to increase its budget for share repurchases to $3 billion.





TJX's commitment to simultaneously reducing its share count and increasing its dividend payments while expanding its store base and maintaining stable profit margins underscores its commitment to creating value for its shareholders. This approach demonstrates the company's focus on maintaining long-term growth while returning value to its shareholders.

VALUATION

To estimate the intrinsic value of TJX, we use a discounted cash flow (DCF) analysis, which involves estimating the future cash flows the company will generate and discounting them back to present value using an appropriate discount rate. We believe that a PGR of 3% is a reasonable assumption for TJX's future growth, given the company's historical performance, the competitive landscape, and the macroeconomic environment.

> **Qualitative factors, such as management team, brand reputation, and competitive advantages, are considered when assessing TJX's intrinsic value. TJX's management team has a strong track record of delivering value, and its brand reputation and competitive advantages will help maintain its leadership in off-price retail.**

> **Potential risks that could impact TJX's future performance are taken into account, such as losing key brands or facing quality control issues, which could impact revenue and reputation. Risks related to supply chain disruptions, inflation, and rising interest rates are also considered.**

Based on our analysis, we arrive at an implied share price of 89.60, assuming a PGR of 3%. This represents a 13.41% margin of safety compared to the current share price of 79.01. We believe that this margin of safety provides a reasonable buffer against potential downside risks, while also allowing for potential upside if the company outperforms our projections. Overall, we believe that TJX is a strong investment opportunity with significant growth potential and a solid competitive position in the off-price retail segment.

DCF MODEL

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Revenue	$ 35,864,664	$ 38,972,934	$ 41,716,977	$ 32,136,962	$ 48,549,982	$50,977,481.10	$54,647,859.74	$58,691,801.36	$63,563,220.87	$68,966,094.65
% growth	8.1%	8.7%	7.0%	-23.0%	51.1%	5.0%	7.2%	7.4%	8.3%	8.5%
Cost of Revenue	$ 25,502,167	$ 27,831,177	$ 29,845,780	$ 24,533,815	$ 34,713,812	$35,684,236.77	$37,160,544.62	$39,910,424.92	$42,587,357.98	$46,896,944.36
% margin	71.1%	71.4%	71.5%	76.3%	71.5%	70.0%	68.0%	68.0%	67.0%	68.0%
Gross Margin	$10,362,497.00	$11,141,757.00	$11,871,197.00	$7,603,147.00	$13,836,170.00	$15,293,244.33	$17,487,315.12	$18,781,376.44	$20,975,862.89	$22,069,150.29
gross margin %	28.9%	28.6%	28.5%	23.7%	28.5%	30.0%	32.0%	32.0%	33.0%	32.0%
Operating Expenses	$ 6,375,071.00	$ 6,923,564.00	$ 7,454,988.00	$ 7,020,917.00	$ 9,081,238.00	$ 9,175,946.60	$ 10,000,558.33	$ 10,857,983.25	$ 11,441,379.76	$ 12,275,964.85
% margin	17.8%	17.8%	17.9%	21.8%	18.7%	18.0%	18.3%	18.5%	18.0%	17.8%
EBIT	$3,987,426.00	$ 4,218,193.00	$ 4,416,209.00	$ 582,230.00	$ 4,754,932.00	$ 6,117,297.73	$ 7,486,756.78	$ 7,923,393.18	$ 9,534,483.13	$ 9,793,185.44
% margin	11.1%	10.8%	10.6%	1.8%	9.8%	12.0%	13.7%	13.5%	15.0%	14.2%
Taxes	$ 1,248,640.00	$ (1,113,413.00)	$ 1,133,990.00	$ (1,207.00)	$ 1,114,793.00	$ 1,406,978.48	$ 1,721,954.06	$ 1,822,380.43	$ 2,192,931.12	$ 2,252,432.65
Tax rate	31.3%	-26.4%	25.7%	-0.2%	23.4%	23.0%	23.0%	23.0%	23.0%	23.0%
Net Income	$ 2,738,786.00	$ 5,331,606.00	$ 3,282,219.00	$ 583,437.00	$ 3,640,139.00	$ 4,710,319.25	$ 5,764,802.72	$ 6,101,012.75	$ 7,341,552.01	$ 7,540,752.79
D&A	$ 725,957.00	$ 819,655.00	$ 867,303.00	$ 870,758.00	$ 868,002.00	$ 1,019,549.62	$ 1,092,957.19	$ 1,173,836.03	$ 1,271,264.42	$ 1,379,321.89
% margin	2.0%	2.1%	2.1%	2.7%	1.8%	2.0%	2.0%	2.0%	2.0%	2.0%
CapEx	$ (1,057,617.00)	$ (1,125,139.00)	$ (1,223,116.00)	$ (568,021.00)	$ (1,044,794.00)	$ (1,478,346.95)	$ (1,748,731.51)	$ (1,878,137.64)	$ (1,906,896.63)	$ (1,724,152.37)
% margin	-2.9%	-2.9%	-2.9%	-1.8%	-2.2%	-2.9%	-3.2%	-3.2%	-3.0%	-2.5%
Change in NWC	367,072	$ (422,342.00)	$ (1,197,473.00)	$ 3,195,294.00	$ (2,145,212.00)	$ 264,421.91	$ 228,289.04	$ 421,425.21	$ 912,596.75	$ (183,222.69)
% margin	1.0%	-1.1%	-2.9%	9.9%	-4.4%	0.5%	0.4%	0.7%	1.4%	-0.3%
Free Cash Flow	$ 2,040,054.00	$ 5,448,464.00	$ 4,123,879.00	$ (2,309,120.00)	$ 5,608,559.00	$ 3,987,100.01	$ 4,880,739.37	$ 4,975,285.93	$ 5,793,323.06	$ 7,379,145.00
FCF Yield	6%	14%	10%	-7%	12%	8%	9%	8%	9%	11%

Terminal Year FCF	$ 7,379,145.00
WACC	8.98%
Terminal Value	$ 127,116,308.75
PGR	3.00%
PV of Cash Flows	$ 20,520,006.39
PV Terminal Value	$ 82,695,807.68
Enterprise Value	$ 103,215,814.07
Cash	$ 6,226,765
Debt	$ 3,354,841.00
Equity Value	$ 106,087,738.07
Shares outstanding	1,181,189
Current share price	$ 77.99
Implied Share Price	$ 89.81
Margin of Safety	15.16%

Sensitivity Analysis

PGR \ WACC	8.76%	8.86%	8.96%	9.06%	9.16%
2%	$ 79.20	$ 79.20	$ 79.20	$ 79.20	$ 79.20
3%	$ 84.10	$ 84.10	$ 84.10	$ 84.10	$ 84.10
3%	$ 89.81	$ 89.81	$ 89.81	$ 89.81	$ 89.81
3.50%	$ 96.57	$ 96.57	$ 96.57	$ 96.57	$ 96.57
4%	$ 104.69	$ 104.69	$ 104.69	$ 104.69	$ 104.69

COMPARABLE ANALYSIS

In conducting the comparables analysis, we have compared TJX to its primary competitors within the same retail segment, as well as Kohl's and Five Below, which are general discount stores. Our analysis suggests that TJX is more stable than its competitors due to its high market capitalization, which also indicates the market potential of the company. With the planned growth of TJX, the company's revenue is expected to continue to grow.

TJX's P/E and EV/EBITDA ratios are similar to those of competitor Ross and below those of competitors Burlington Stores and Five Below. These ratios are on par with the industry's mean and median values, indicating that the company is undervalued compared to direct competitors and fairly valued compared to a broader industry segment. Although TJX currently exhibits lower EPS than its competitors, this is primarily due to the share count of the companies. TJX's ongoing share repurchases are likely to increase this value. However, given the company's future growth plans that will require a significant amount of capital, growth in EPS may come further down the line.

TJX's high return on assets (ROA) and return on equity (ROE) indicate that the strategies used during the pandemic to rebalance the balance sheet have paid off. The company is efficiently using equity to generate profits.

	Market Cap (billions)	Revenue	P/E	EPS	EV/EBITDA	Dividend Yield	Total Debt	ROA	ROE
BURL	10.077	8.82	56.49	2.72	24.66	0%	4.59	4.15%	24.95%
ROST	32.843	18.51	22.42	4.22	14.72	1.29%	5.63	9.31%	36.73%
KSS	3.668	18.9	6.3	4.99	5.48	6.24%	7.59	4.76%	14.32%
FIVE	8.402	2.91	32.76	4.62	23.05	0%	1.43	7.19%	22.03%
TJX	84.757	49.64	26.07	2.8	17.19	1.60%	12.63	10.31%	56.94%
Mean	13.7475	12.285	29.4925	4.1375	16.9775	2%	4.81	7.14%	24.51%
Median	9.2395	13.665	27.59	4.42	18.885	1%	5.11	7.19%	23.49%

RISKS

- Loss of key brands (e.g., RL, UA, Carter's) impacting TJX's reputation
- Quality control issues leading to increased costs and brand damage
- Supply chain disruptions and rising real estate leasing costs due to inflation

MITIGATION

- Increasing production of own merchandise, licensing brand names, and working with other vendors to offset loss of key brands
- Implementing quality checkpoints in the supply chain to ensure product safety and reliability
- Streamlining the supply chain, negotiating favorable lease terms, and potentially benefiting from increasing interest rates.

OVERVIEW

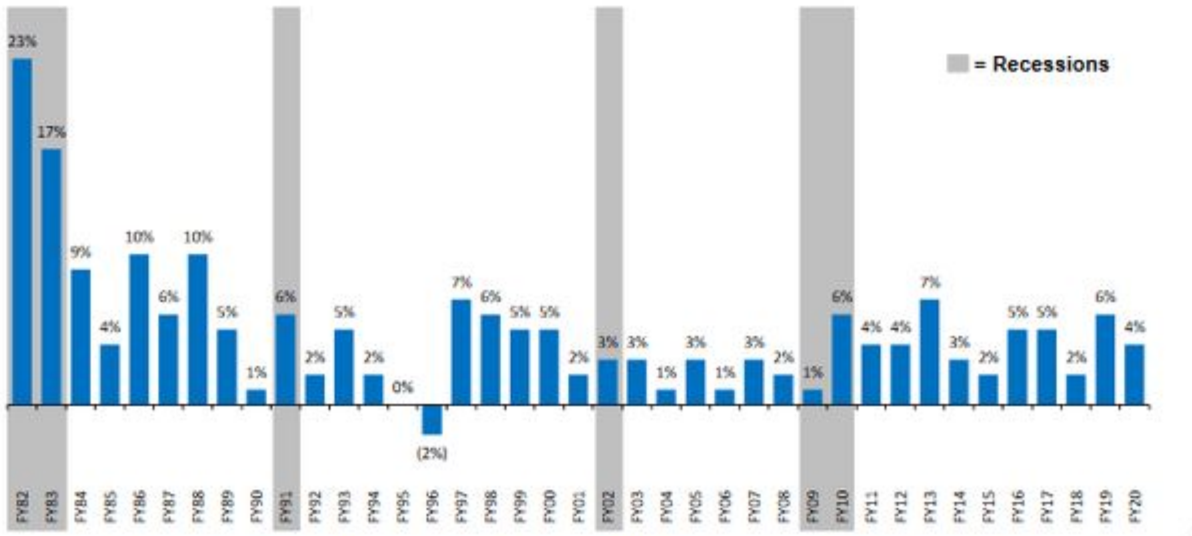
There are several risks that investors should be aware of when considering investing in TJX. One such risk is the loss of certain brands, such as RL, UA, and Carter's, which have chosen to walk away from TJX to pursue more profitable distribution channels. This could impact TJX's reputation, but the company has many other vendors and can increase production of its own merchandise to mitigate the impact. Licensing brand names can also help maintain TJX's brand appeal, as the licensors benefit from royalties.

Another risk is quality control issues, which can lead to increased costs and damage to TJX's brand reputation. To address this risk, TJX should implement more quality checkpoints in its supply chain to ensure product safety and reliability.

Two additional risks relate to TJX's supply chain and real estate leasing. The company has faced supply chain issues, resulting in increased operating expenses due to higher freight transportation costs. Additionally, as inflation rises, renting properties has become more expensive, which has further increased TJX's operating costs. However, increasing interest rates may help address the inflation issue, although it could also increase rent costs for existing leases. To mitigate these risks, TJX should seek to streamline its supply chain and negotiate favorable lease terms where possible.

APPENDIX

APPENDIX
Past Recession Growth



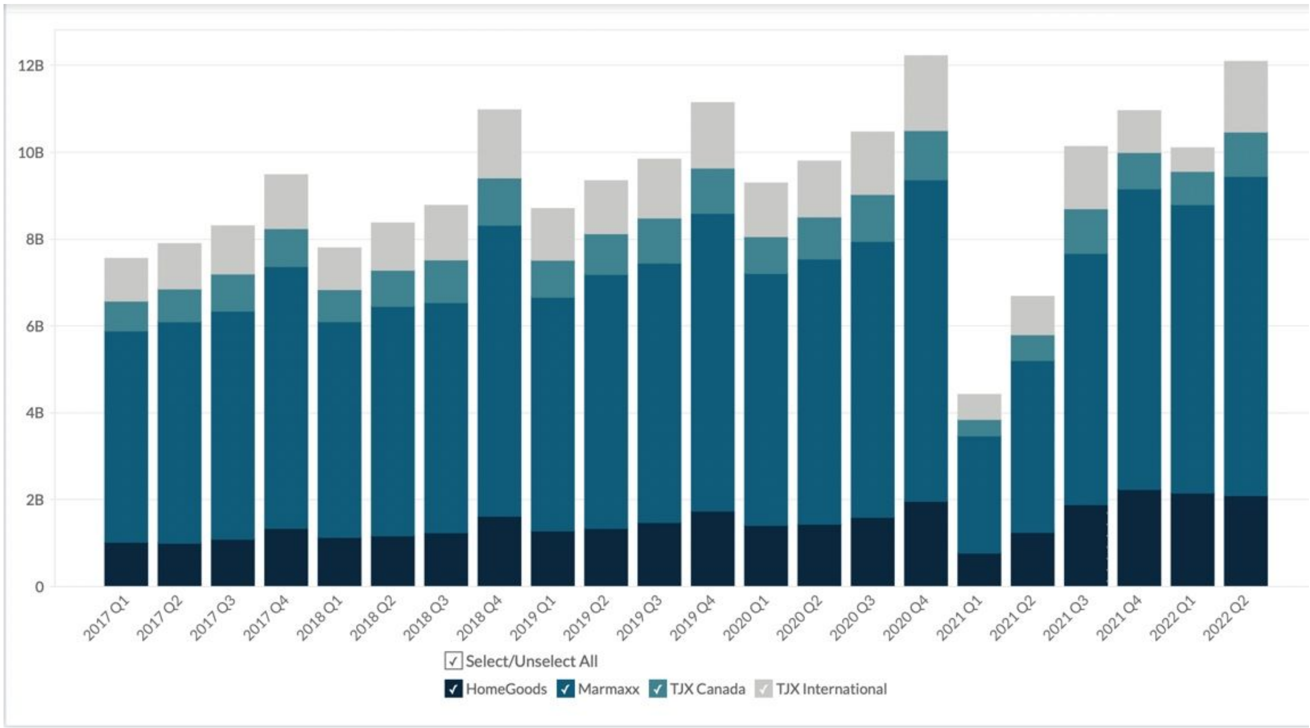
Note: Comparable store sales for fiscal years commencing in 2005 are on a constant currency basis. Prior years include the impact of foreign exchange to the extent it was applicable.

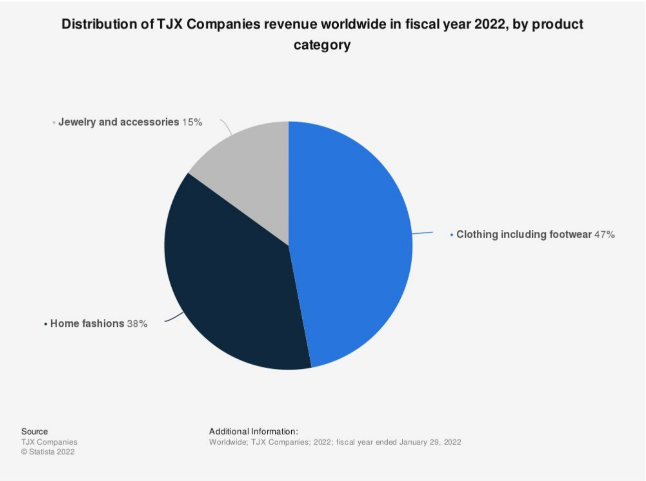
TJX's business model allows it to flourish during recessionary periods in contrast to other retail brands which often do worse during a recession.

TJX has shown to prevail through multiple recessions and the rise of Amazon.

APPENDIX

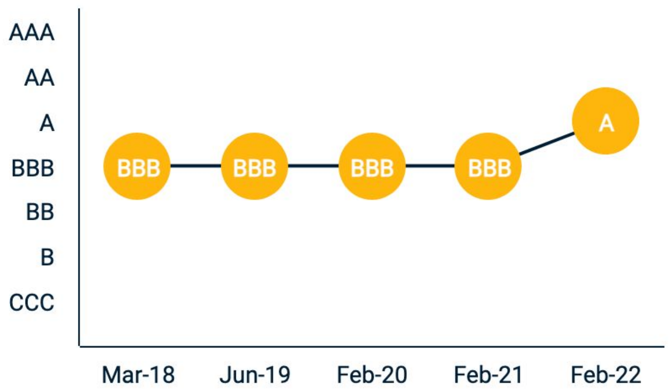
Revenue Breakdown

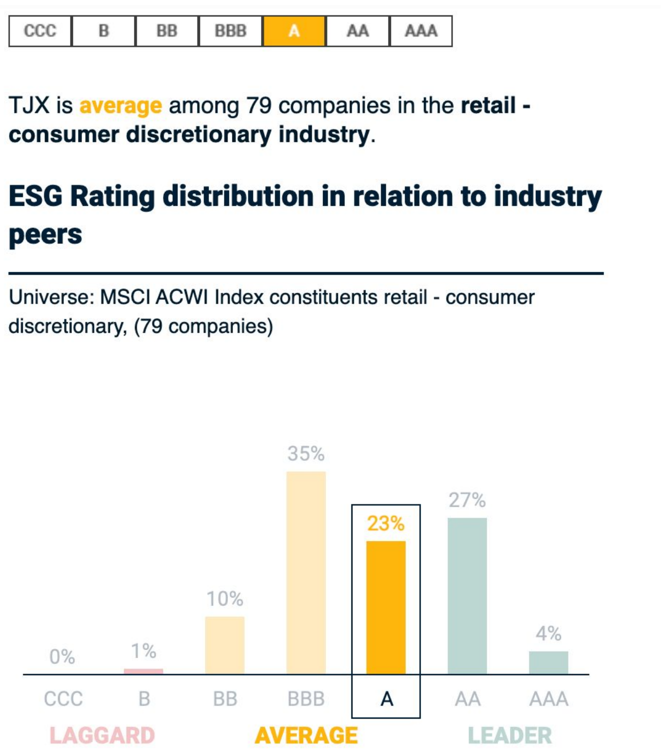




TJX generates the most revenue from its clothing and footwear merchandise. Additionally, TJX US makes up over 75% of revenues, indicating the over dependency TJX has on US sales. Within the US, Marmaxx makes up the majority of revenue.

APPENDIX
ESG Factors





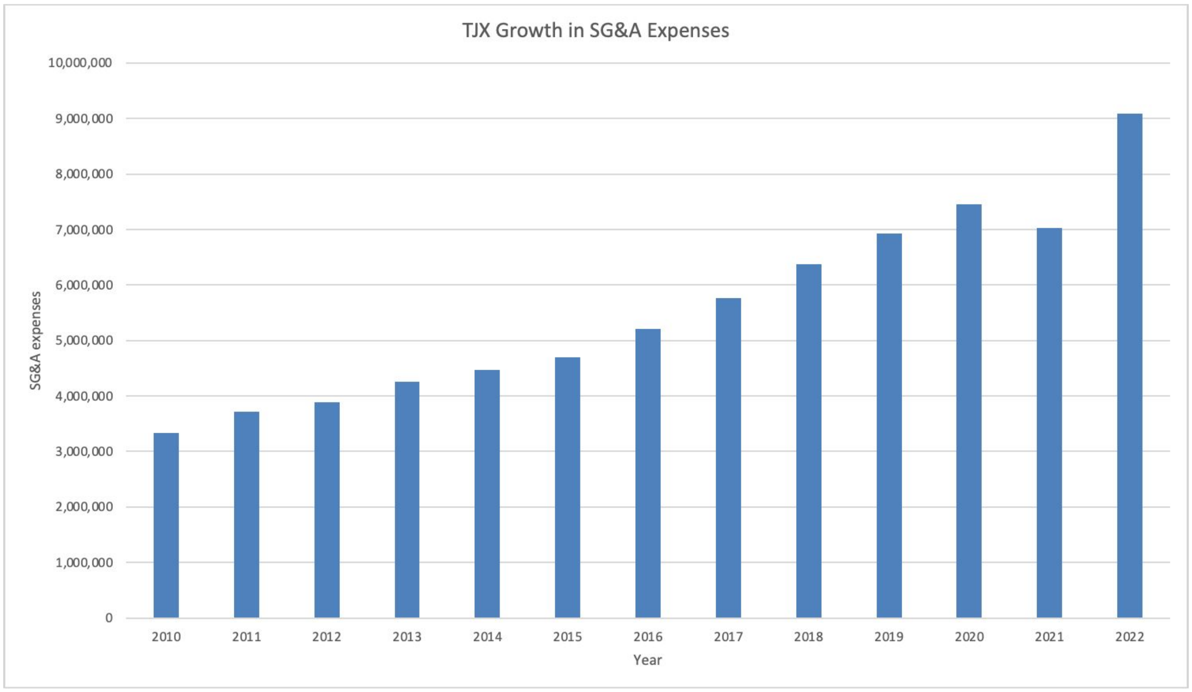
TJX Has been showing growth in addressing ESG factors, especially through corporate governance and behavior.

Have a decarbonization target in place and are actively taking steps to meet that target.

Is focused on diversifying their employee profile and are especially committed to pay equity across diverse backgrounds.

APPENDIX

Marketing Efforts

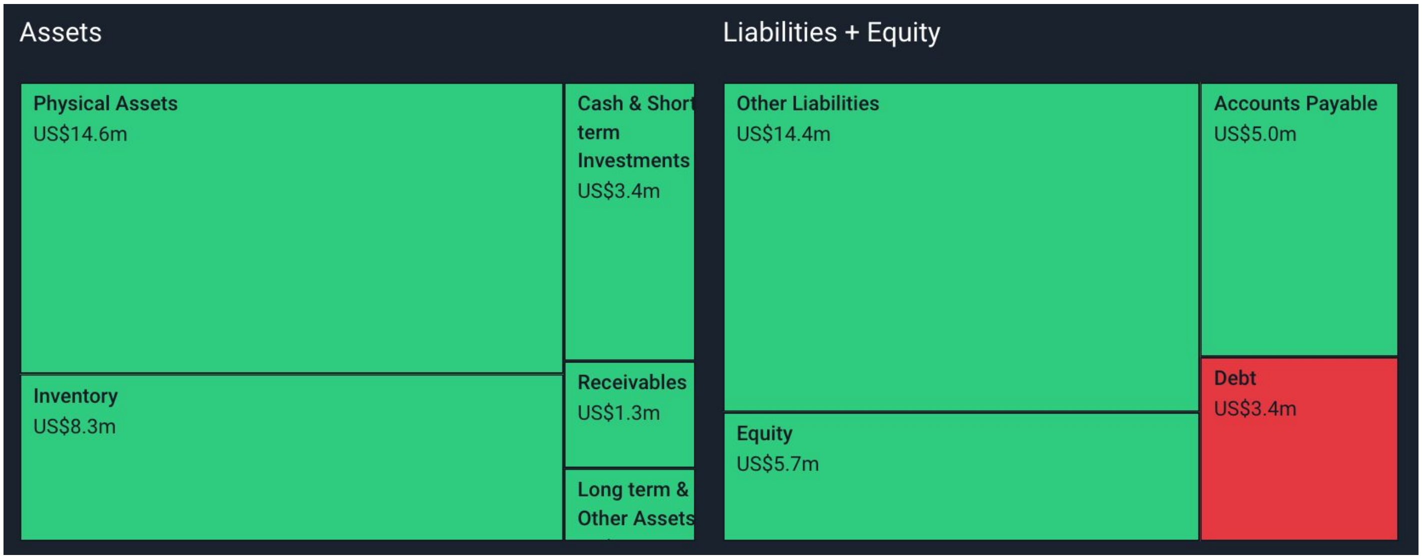


As indicated by the company, TJX continues to increase its aggressive marketing efforts to generate more foot traffic in its stores.

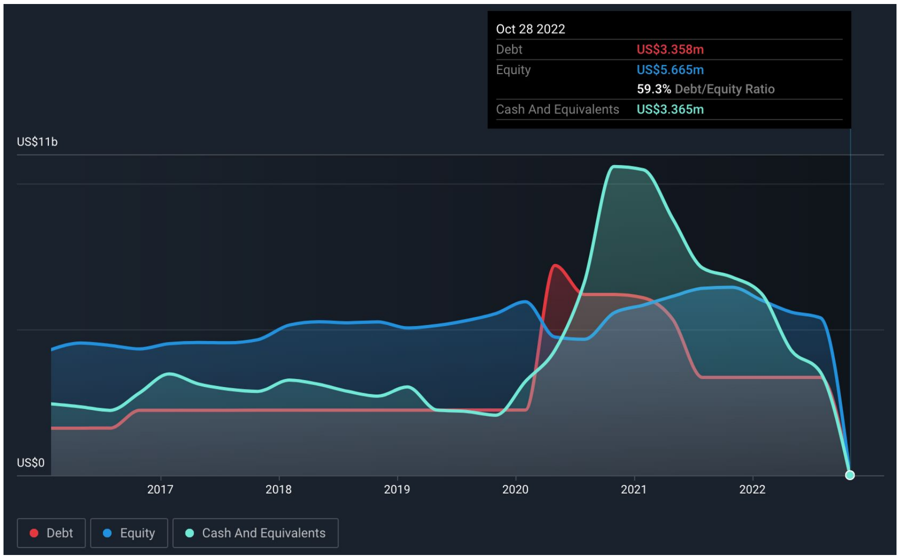
Increased SG&A expenses over the past decade indicate this trend of increased capital dedicated to marketing.

APPENDIX

Healthy Balance Sheet



Debt to Equity



The company boasts net cash, indicating it is able to cover its debt expenses. This is helped by a growing EBIT rate. TJX also generates significant free cash flow which further helps cover expenses.