

Company: The TJX Companies, Inc.	Ticker: TJX	Current Price: \$151.41	Industry: Apparel Retail
Target Price: \$151	TTM P/E: 32.91	Beta: 0.77	Market Cap: \$164,792.8
Stop Loss: \$130	Forward P/E: 28.82	Credit Rating: A (S&P)	Avg Vol (12 M): 5.14mm
52 Week High/ Low: \$152.32 / \$112.10	EPS: \$4.53	Rating Outlook: Stable	Dividend Yield: 1.1%

Company Background:

TJX Companies is the leading global off-price apparel and home fashions retailer, operating a diversified portfolio of banners including T.J. Maxx, Marshalls, HomeGoods, Sierra, and HomeSense in the U.S., Winners and HomeSense in Canada, and T.K. Maxx and HomeSense across Europe and Australia. The company generated over \$54 billion in FY '24 revenue and operates more than 5,000 stores across nine countries. TJX's business model is centered on its off-price buying strategy, sourcing branded merchandise at significant discounts from a global network of over 21,000 vendors and reselling at 20-60% below traditional retail. Its flexible inventory model allows rapid adjustment to consumer trends, weather patterns, and market shifts, enabling the company to turn inventory quickly and maintain strong traffic even in weaker macro environments. The company's global reach, strong value proposition, and highly adaptable buying organization have created a durable competitive advantage that continues to outperform traditional retail through multiple economic cycles.

Industry Outlook:

The off-price retail industry is benefiting from a powerful combination of macroeconomic and structural tailwinds that continue to strengthen its competitive positioning within the broader retail sector. Persistent inflation, higher interest rates, and pressure on discretionary spending have accelerated consumer "trade-down" behavior, shifting demand away from department stores and specialty retailers toward value-oriented formats like off-price. The global off-price apparel and home goods markets is projected to grow steadily as consumers prioritize affordability, sustainability, and in-person shopping experiences, even as e-commerce expands, because off-price thrives on rapid inventory turns and the in-store treasure-hunt model that digital channels cannot replicate. Supply chain volatility and widespread retail overproduction are creating a stable pipeline of excess branded inventory, expanding the buying opportunities that fuel the off-price model. Internationally, the segments remain significantly underpenetrated, with TJX continuing to grow across the UK, Germany, Poland, and Australia, supported by long-term runway of potentially 6,000+ global stores. Overall, the off-price industry is experiencing solid, durable tailwinds positioned for sustained, long-term growth.

Investment Thesis:

TJX Companies is well-positioned to capitalize on the structural tailwinds driving the off-price retail sector, supported by its unmatched scale, entrenched vendor relationships, and highly efficient, flexible buying model. As consumers continue to shift toward value-oriented retail amid inflation and elevated interest rates, TJX's treasure-hunt shopping experience, rapid inventory turnover, and ability to source high-quality branded merchandise at deep discounts position it as the clear market leader in a growing, defensible category. The company's diversified multi-banner portfolio spanning apparel, home goods, and international markets allows it to maximize customer wallet share and maintain consistent traffic across economic cycles. With meaningful runway for global store expansion, continued market share gains over department stores and e-commerce platforms, and a business model that historically outperforms during periods of consumer trade-down, TJX offers strong long-term growth prospects. Its resilient fundamentals, scale-driven competitive moat, and consistent operational execution make the stock an attractive addition to Team Blue's portfolio.

Investment Risks:

- Consumer Spending Cyclicalty
- Global Operations Exposure
- Supply Chain & inventory Flow Risk
- Intensifying Competition in Off-Price & Mass Retail
- Execution Risk in Expansion & New Store Openings

3-5 take away from last quarter investor call transcript:

- Strong topline momentum with broad-based growth – Q3 consolidated comparable sales rose 5%, with every division posting positive comps
- Meaningful margin expansion driven by merchandise margin improvements (Gross margin increased +100 bps YoY to 32.6%)
- EPS outperformance and increased full-year guidance (Diluted EPS grew 12% YoY to \$1.28, leading management to raise FY26 guidance and EPS to \$4.63-\$4.66, 9% YoY)
- Exceptional inventory availability fueling strong holiday positioning – Inventory rose 8% per store

Financial Performance:

FCF Projections	Historicals										
	Fiscal Year (Year End)	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenue		30,945	33,184	35,865	38,973	41,717	32,137	48,550	49,936	54,217	56,360
% Growth			7.2%	8.1%	8.7%	7.0%	-23.0%	51.1%	2.9%	8.6%	4.0%
(-) Cost of Good Sold		22,035	23,566	25,502	27,831	29,846	24,534	34,714	36,149	37,951	39,112
% Sales		71.2%	71.0%	71.1%	71.4%	71.5%	76.3%	71.5%	72.4%	70.0%	69.4%
Gross Profit		8,910	9,618	10,363	11,142	11,871	7,603	13,836	13,787	16,266	17,248
% Margin		28.8%	29.0%	28.9%	28.6%	28.5%	23.7%	28.5%	27.6%	30.0%	30.6%
R&D Expenses		0	0	0	0	0	0	0	0	0	0
% Sales		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
SG&A Expenses		5,202	5,763	6,473	6,924	6,906	7,439	6,937	8,470	8,904	10,408
% Sales		16.8%	17.4%	18.0%	17.8%	16.6%	23.1%	14.3%	17.0%	16.4%	18.5%
D&A Expenses		617	659	726	820	867	871	868	887	964	1,104
% Sales		2.0%	2.0%	2.0%	2.1%	2.1%	2.1%	1.8%	1.8%	1.8%	2.0%
Other Operating Expenses		0	0	0	0	0	0	0	0	0	0
% Sales		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
EBIT (Operating Profit)		3,091	3,196	3,163	3,398	4,098	(707)	6,031	4,430	6,398	5,736
% Margin		10.0%	9.6%	8.8%	8.7%	9.8%	-2.2%	12.4%	8.9%	11.8%	10.2%
Additional Pretax Expense		0	0	0	0	0	0	0	0	0	0
% Sales		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Tax Expense		1,381	1,425	1,249	1,113	1,134	(1)	1,115	1,138	1,493	1,619
Tax Rate		44.7%	44.6%	39.5%	32.8%	27.7%	0.1%	18.5%	25.7%	23.3%	28.2%
NOPAT (Net Operating Profit After Taxes)		1,711	1,771	1,915	2,285	2,964	(706)	4,916	3,292	4,905	4,117
% Margin		5.5%	5.3%	5.3%	5.9%	7.1%	-2.2%	10.1%	6.6%	9.0%	7.3%
(+) D&A Expenses		617	659	726	820	867	871	868	887	964	1,104
% Sales		2.0%	2.0%	2.0%	2.1%	2.1%	2.1%	1.8%	1.8%	1.8%	2.0%
(-) CapEx		889	1,025	1,058	(1,125)	1,223	568	1,045	1,457	1,722	1,918
% Sales		2.9%	3.1%	2.9%	-2.9%	2.9%	1.8%	2.2%	2.9%	3.2%	3.4%
(-) Increase in NWC		5	(563)	385	(156)	144	(3,221)	1,343	820	(465)	(39)
% Sales		0.0%	-1.7%	1.1%	-0.4%	0.3%	-10.0%	2.8%	1.6%	-0.9%	-0.1%
Free Cash Flow		1,433	1,969	1,198	4,386	2,464	2,818	3,396	1,902	4,612	3,342
FCF Yield		4.6%	5.9%	3.3%	11.3%	5.9%	8.8%	7.0%	3.8%	8.5%	5.9%

Strong Buy:4	Buy: 16
Average Analyst Target	\$158.26
Avg Revenue Growth: 7%	
Avg EBITDA Margin: 12%	
Avg Net Income Margin: 8%	
Avg Debt / Equity: 1.48	
Avg FCF Margin: 7%	
Cost of Debt: 5%	
Tax Rate: 25%	
Cost of Equity: 7%	
WACC: 5.5%	
Perpetuity Growth Rate: 4%	

Relative Valuation					Total Return							
Comparable Company Analysis					\$/Share	# of stores	LTM EBTIDA	Margin %		TJX	Apparel Retail	S&P 500
Ross Stores Inc.		\$162	1775	\$2989	13.90%							
Burlington Stores Inc		282	1138	1832.9	16.60%							
Walmart		102	10797	42969	6.20%							
Nordstrom		25	394	1457	9.70%							
TJX		146	5085	7658	13.20%							
									YTD	25.70%	13.8%	12.88%
									1Y	26.79%	18.4%	11.61%
									5Y	147.55%	126.9%	86.62%

Financial Materiality Scores | ESG SCORE »

	Score	Trend	Vs Peers
ESG Score	3.35	+0.01	Leading
Environmental	1.88	+0.00	Above Median
Social	2.59	+0.00	Above Median
Governance	7.17	+0.06	Leading

Third-Party Scores | RV ESG »

MSCI Rating	A
Sustainalytics Risk Score	16.65
S&P Global ESG Rank	77.00
RepRisk Rating	--
SDG Potential Rev % ESGD SDG »	
Robeco SDG Score	-1
Avg Pos SDG Impact %	11.76
Avg Neg SDG Impact %	-14.71
Avg Net SDG Impact %	-2.94

View results of the latest shareholder meeting on 06/10/25 »

Corporate Governance | ESGD GOVN »

% Independent Directors	80.0%
CEO Compensation	23.5M
Average Board Tenure	10.9Yr

GHG Targets | ESG NETZ »

Net Zero Targets	Y
Science-Based Targets	N

Shareholder Activity | View Proxy »

Float Owned by Institutions	95.6%
Shareholder Proposals (count)	0
Say on Pay Support	94.1%

GHG Emissions | ESG GHG »

GHG Data Type	Reported
Total GHG	506.46
Total GHG/Sales	8.98
Total GHG/EVIC	3.30

EU SFDR | ESG SFDR »

M4 Fossil Fuel Exposure	.00
M10 UNGC Violations	Y
M13 % Women on Board	50.00

Temperature Rise | ESG TR »

Scope 1+2 Mid Term	1.38C
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Revenue Breakdown | CCB »

Specialty Apparel Stores	100.00%
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Country/Region Climate Score | GOVS »

Ctry of Risk	US
Ctry Net Zero Status	No policy
Ctry Net Zero Target Year	--
Ctry Climate Score	4.29

Sustainable Debt | SRCH »

Green Debt	--
Social Debt	--
Sustainability	--
Sustainability-Linked	--
Transition	--
Sustainable Debt Curve »	Total

ESG Fund Exposure | FSRC »

ESG Funds	2245
EU SFDR Fund Exposure FSRC »	
Article 9 Funds	52
Article 8 Funds	1879

