

The TJX Companies, Inc. Financial Reconciliations

Explanation of Non-GAAP Financial Measures

The Company has used non-GAAP financial measures in these tables. Non-GAAP financial measures refer to financial information adjusted to exclude or include, as applicable, from financial measures prepared in accordance with accounting principles generally accepted in the United States (GAAP), items identified in these tables. Non-GAAP financial measures used in these tables include inventory on a constant currency basis, adjusted pretax profit margin, and adjusted diluted earnings per share (EPS). The Company believes that the presentation of adjusted financial measures is useful to investors as it provides additional information on comparisons between periods by excluding certain items that affect overall comparability. The Company uses these non-GAAP financial measures for business planning purposes, to consider underlying trends of its business, and in measuring its performance relative to others in the market, and believes presenting these measures also provides information to investors and others for understanding and evaluating trends in the Company's operating results or measuring performance in the same manner as the Company's management. Non-GAAP financial measures should be considered in addition to, and not as an alternative for, the Company's reported results prepared in accordance with GAAP. The use of these non-GAAP financial measures may differ from similar measures reported by other companies and may not be comparable to other similarly titled measures.

These tables contain forward-looking statements, including the Company's Fiscal 2024 outlook. Each forward-looking statement is subject to risks and uncertainties that could cause actual results to differ materially from those expressed or implied by such forward-looking statements. Applicable risks and uncertainties include, among others, execution of buying strategy and inventory management; customer trends and preferences; competition; various marketing efforts; operational and business expansion; management of large size and scale; the ongoing COVID-19 pandemic and associated containment and remediation efforts; merchandise sourcing and transport; data security and maintenance and development of information technology systems; labor costs and workforce challenges; personnel recruitment, training and retention; corporate and retail banner reputation; evolving corporate governance and public disclosure regulations and expectations with respect to environmental, social and governance matters; expanding international operations; fluctuations in quarterly operating results and market expectations; inventory or asset loss; cash flow; mergers, acquisitions, or business investments and divestitures, closings or business consolidations; real estate activities; economic conditions and consumer spending; market instability; severe weather, serious disruptions or catastrophic events; disproportionate impact of disruptions in the second half of the fiscal year; commodity availability and pricing; fluctuations in currency exchange rates; compliance with laws, regulations and orders and changes in laws, regulations and applicable accounting standards; outcomes of litigation, legal proceedings and other legal or regulatory matters; quality, safety and other issues with our merchandise; tax matters; and other factors that may be described in the Company's filings with the Securities and Exchange Commission (the "SEC"), including its most recent Annual Report on Form 10-K filed with the SEC. You are encouraged to read our filings with the SEC, available at www.sec.gov, for a discussion of these and other risks and uncertainties. We caution investors, potential investors and others not to place considerable reliance on the forward-looking statements contained in these tables. The forward-looking statements in these tables speak only as of the date of publication, and the Company does not undertake any obligation to publicly update or revise its forward-looking statements, even if experience or future changes make it clear that any projected results expressed or implied in such statements will not be realized.

Table 1: Reconciliation of Reported Earnings Per Share

	Q1	
	<u>FY23</u>	<u>FY24</u>
EPS	\$0.49	\$0.76
<i>Y/Y EPS Growth</i>		55%
<u>Adjustments for items impacting comparability</u>		
<i>Impact of divestiture of equity investment ⁽¹⁾</i>	\$0.19	
Adjusted EPS	<u>\$0.68</u>	<u>\$0.76</u>
<i>Adjusted Y/Y EPS Growth</i>		12%

Note: Figures may not foot due to rounding.

(1) In March 2022, the Company announced that it had committed to divesting its minority investment in an off-price retailer with locations in Russia. The Company recorded an impairment charge of \$218 million as the fair value of this investment declined significantly below its carrying value on the balance sheet, which negatively impacted first quarter Fiscal 2023 earnings per share by \$0.19.

Table 2: Reconciliation of FY23 to FY24 Estimated Earnings per Share

	FY		
	<u>FY23</u>	FY24 Full Year Guidance	
		<u>Low</u>	<u>High</u>
EPS	\$2.97	\$3.49	\$3.58
<i>Y/Y EPS Growth</i>		18%	21%
<u>Adjustments for items impacting comparability</u>			
<i>Impact of divestiture of equity investment ⁽¹⁾</i>	\$0.14		
<i>Estimated impact of 53rd week</i>		(\$0.10)	(\$0.10)
Adjusted EPS⁽²⁾	<u>\$3.11</u>	<u>\$3.39</u>	<u>\$3.48</u>
<i>Adjusted Y/Y EPS Growth</i>		9%	12%

Note: Figures may not foot due to rounding.

(1) In March 2022, the Company announced that it had committed to divesting its minority investment in an off-price retailer with locations in Russia. For Fiscal 2023, the Company recorded a \$0.14 net of tax charge related to a write-down and divestiture of this investment, which divestiture was completed during the third quarter of Fiscal 2023.

(2) FY24 full year guidance does not include the potential impact of the Company's pension payout offer.

Table 2: Reconciliation of FY23 to FY24 Second Half Estimated Earnings per Share

	Back Half		
	<u>FY23</u>	<u>FY24 Second Half Guidance</u>	
		<u>Low</u>	<u>High</u>
EPS	\$1.79	\$2.01	\$2.07
<i>Y/Y EPS Growth</i>		<i>12%</i>	<i>16%</i>
<u>Adjustments for items impacting comparability</u>			
<i>Impact of divestiture of equity investment ⁽¹⁾</i>	<i>(\$0.05)</i>		
<i>Estimated impact of 53rd week</i>		<i>(\$0.10)</i>	<i>(\$0.10)</i>
Adjusted EPS⁽²⁾	<u>\$1.75</u>	<u>\$1.91</u>	<u>\$1.97</u>
<i>Adjusted Y/Y EPS Growth</i>		<i>9%</i>	<i>13%</i>

Note: Figures may not foot due to rounding.

(1) In March 2022, the Company announced that it had committed to divesting its minority investment in an off-price retailer with locations in Russia. For Fiscal 2023, the Company recorded a \$0.14 net of tax charge related to a write-down and divestiture of this investment, which divestiture was completed during the third quarter of Fiscal 2023.

(2) FY24 guidance does not include the potential impact of the Company's pension payout offer.

Table 3: Reconciliation of FY23 Q1 to FY24 Q1 Pretax Profit Margins ⁽¹⁾

<u>FY23 Q1 Actual:</u>	<u>Total TJX</u>
FY23 Q1 pretax profit margin	7.5%
<i>Impairment on equity investment</i> ⁽²⁾	<u>1.9</u>
FY23 Q1 adjusted pretax profit margin	9.4%
 <u>FY24 Q1 Actual:</u>	
FY24 Q1 pretax profit margin	10.3%

Note: Figures may not foot due to rounding.

(1) Pretax profit margin refers to pretax profit margin for total TJX.

(2) In March 2022, the Company announced that it had committed to divesting its minority investment in an off-price retailer with locations in Russia. The Company recorded an impairment charge of \$218 million as the fair value of this investment declined significantly below its carrying value on the balance sheet, which negatively impacted first quarter Fiscal 2023 earnings per share by \$0.19.

Table 4: Reconciliation of FY23 to FY24 Estimated Pretax Profit Margins⁽¹⁾

<u>FY23 Full Year Actual:</u>	<u>Total TJX</u>
FY23 pretax profit margin	9.3%
<i>Impact of divestiture of equity investment⁽²⁾</i>	<u>0.4</u>
FY23 adjusted pretax profit margin	9.7%
<u>FY24 Full Year Guidance:</u>	
FY24 estimated pretax profit margin	10.3% - 10.5%
<i>Estimated impact of 53rd week</i>	<u>(0.1)</u>
FY24 estimated adjusted pretax profit margin ⁽³⁾	10.2% - 10.4%

Note: Figures may not foot due to rounding.

(1) Pretax profit margin refers to pretax profit margin for total TJX.

(2) In March 2022, the Company announced that it had committed to divesting its minority investment in an off-price retailer with locations in Russia. For Fiscal 2023, the Company recorded a \$0.14 net of tax charge related to a write-down and divestiture of this investment, which divestiture was completed during the third quarter of Fiscal 2023.

(3) FY24 full year guidance does not include the potential impact of the Company's pension payout offer.

Table 4: Reconciliation of FY23 to FY24 Estimated Second Half Pretax Profit Margins⁽¹⁾

<u>FY23 Second Half Actual:</u>	<u>Total TJX</u>
FY23 pretax profit margin	10.1%
<i>Impact of divestiture of equity investment</i>	<u>0.0</u>
FY23 adjusted pretax profit margin	10.1%
<u>FY24 Second Half Guidance:</u>	
FY24 estimated pretax profit margin	10.8% - 11.0%
<i>Estimated impact of 53rd week</i>	<u>(0.2)</u>
FY24 estimated adjusted pretax profit margin ⁽²⁾	10.6% - 10.8%

Note: Figures may not foot due to rounding.

(1) Pretax profit margin refers to pretax profit margin for total TJX.

(2) FY24 guidance does not include the potential impact of the Company's pension payout offer.

Table 6: Reconciliation of FX Impact on Inventory⁽¹⁾

<u>FY24 Q1 Actual:</u>	<u>% change vs. Q1 FY23</u>
Consolidated inventory on a per store basis, reported basis	(5%)
<i>Impact of foreign currency</i>	<u>1%</u>
Consolidated inventory on a per store basis, on a constant currency basis ⁽²⁾	<u>(4%)</u>

(1) Consolidated inventories on a per store basis, including distribution centers, but excluding inventory in transit, the Company's e-commerce sites, and Sierra stores.

(2) Changes in foreign currency exchange rates affect the translation of sales and earnings of the Company's international businesses into U.S. dollars for financial reporting purposes. Changes in currency exchange rates can have a material effect on the magnitude of these translations and adjustments when there is significant volatility in currency exchange rates. Given the global operations of the Company, to facilitate comparability, the Company has provided inventory on a constant currency basis, which assumes a constant exchange rate between periods for translation based on the rate in effect for the prior period.