

The TJX Companies, Inc.
Financial Reconciliations

Explanation of Non-GAAP Financial Measures

The Company reports its financial results in accordance with generally accepted accounting principles in the U.S. (GAAP). However, management believes that certain non-GAAP financial measures may provide users of this financial information additional meaningful comparisons between current results and results in prior operating periods and between results in prior periods and expectations for future periods. Management believes that these non-GAAP financial measures can provide additional meaningful reflection of underlying trends of the business because they provide a comparison of historical information that excludes certain items that impact the overall comparability. Management uses these non-GAAP financial measures in making financial, operating and planning decisions and in evaluating the Company's performance, including relative to others in the market. Management also uses these non GAAP measures to consider underlying trends of the Company's business 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.

The tables below provide supplemental non-GAAP financial data and corresponding reconciliations to GAAP financial measures. Non-GAAP financial measures should be viewed 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.

Table 1: Reconciliation of Reported Earnings Per Share

	FY	
	<u>FY22</u>	<u>FY23</u>
EPS	\$2.70	\$2.97
<i>Y/Y EPS Growth</i>		10%
<u>Adjustments for items impacting comparability</u>		
<i>Loss on early extinguishment of debt ⁽¹⁾</i>	\$0.15	
<i>Impact of divestiture of equity investment ⁽²⁾</i>		\$0.14
Adjusted EPS	<u>\$2.85</u>	<u>\$3.11</u>
<i>Adjusted Y/Y EPS Growth</i>		9%

Note: Figures may not foot due to rounding.

(1) On June 4, 2021, the Company completed make-whole calls for its \$1.25 billion principal outstanding 3.50% Notes due April 15, 2025, and its \$750 million principal outstanding 3.75% Notes due April 15, 2027, both of which were issued in the first quarter of fiscal 2021. As a result of these redemptions prior to their scheduled maturities, the Company recorded a pre-tax debt extinguishment charge of \$242 million in the second quarter of fiscal 2022.

(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.

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	\$3.39	\$3.51
<i>Y/Y EPS Growth</i>		14%	18%
<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	<u>\$3.11</u>	<u>\$3.29</u>	<u>\$3.41</u>
<i>Adjusted Y/Y EPS Growth</i>		6%	10%

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.

Table 3: Reconciliation of FY22 to FY23 Pretax Profit Margins ⁽¹⁾

<u>FY22 Full Year Actual:</u>	<u>Total TJX</u>
FY22 pretax profit margin	9.1%
<i>Debt extinguishment charge ⁽²⁾</i>	<u>0.5</u>
FY22 adjusted pretax profit margin	9.6%
<u>FY23 Full Year Actual:</u>	
FY23 pretax profit margin	9.3%
<i>Impact of divestiture of equity investment ⁽³⁾</i>	<u>0.4</u>
FY23 adjusted pretax profit margin	9.7%

Note: Figures may not foot due to rounding.

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

(2) On June 4, 2021, the Company completed make-whole calls for its \$1.25 billion principal outstanding 3.50% Notes due April 15, 2025, and its \$750 million principal outstanding 3.75% Notes due April 15, 2027, both of which were issued in the first quarter of fiscal 2021. As a result of these redemptions prior to their scheduled maturities, the Company recorded a pre-tax debt extinguishment charge of \$242 million in the second quarter of fiscal 2022.

(3) 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.

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	10.1% - 10.3%
<i>Estimated impact of 53rd week</i>	<u>0.1</u>
FY24 estimated adjusted pretax profit margin	10.0% - 10.2%

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.

Table 5: Reconciliation of FY24 53 Week to 52 Week Margin Guidance ⁽¹⁾

FY24 pretax profit margin guidance:

	Total TJX	
	FY24 Full Year Guidance	
	<u>Low</u>	<u>High</u>
FY24 estimated pretax profit margin (53 week basis)	10.1%	10.3%
<i>Estimated impact of 53rd week</i>	<u>(0.1)</u>	<u>(0.1)</u>
FY24 estimated adjusted pretax profit margin on a 52 week basis	10.0%	10.2%

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

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

FY23 Q4 Actual:

	<u>% change vs. Q4 FY22</u>
Consolidated inventory on a per store basis, reported basis	1%
<i>Impact of foreign currency ⁽²⁾</i>	<u>1%</u>
Consolidated inventory on a per store basis, on a constant currency basis	<u>2%</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.