

**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 used in managing the business 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 also uses these non-GAAP financial measures in making financial, operating and planning decisions and in evaluating the Company's performance.

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.

**Table 1: Reconciliation of Reported Earnings Per Share from Continuing Operations**

	<u>Q4</u>		<u>FY</u>	
	<u>FY17</u>	<u>FY18</u>	<u>FY17</u>	<u>FY18</u>
<b>EPS from continuing operations</b>	<b>\$1.03</b>	<b>\$1.37</b>	<b>\$3.46</b>	<b>\$4.04</b>
<i>Y/Y EPS Growth</i>		<b>33%</b>		<b>17%</b>
<u>Adjustments for items impacting comparability</u>				
Debt extinguishment charge <sup>(1)</sup>			0.04	
Pension settlement charge <sup>(2)</sup>			0.03	
Impairment charge <sup>(3)</sup>		0.10		0.10
Impact of extra week		(0.11)		(0.11)
FY18 tax-related items <sup>(4)</sup>		(0.17)		(0.17)
<b>Adjusted EPS excluding charges</b>	<b><u>\$1.03</u></b>	<b><u>\$1.19</u></b>	<b><u>\$3.53</u></b>	<b><u>\$3.85</u></b>
<i>Adjusted Y/Y EPS Growth</i>		<b>16%</b>		<b>9%</b>

*Note: Figures may not foot due to rounding.*

(1) On October 12, 2016 the Company redeemed its \$375 million 6.95% notes prior to their scheduled maturity of April 15, 2019 and recorded a pretax loss on the early extinguishment of this debt of \$52 million.

(2) During FY17, the Company offered eligible, former TJX Associates who had not yet commenced receiving their pension benefit an opportunity to receive a lump sum payout of their vested pension benefit. The payment and settlement of these pension benefits to participants who accepted this offer resulted in a non-cash settlement charge which reduced Fiscal 2017 pretax income by \$31 million.

(3) During Q4 FY18, the Company took a \$99 million impairment charge, primarily goodwill, related to Sierra Trading Post.

(4) Reflects FY18 benefits related to the 2017 Tax Cuts and Jobs Act, offset by charges from a special, discretionary bonus to eligible, non-bonus plan Associates; incremental contributions to the Company's defined contribution retirement plans and contributions to the Company's charitable foundations.

**Table 2: Reconciliation of Q4 FY17 to Q4 FY18 Margins <sup>(1)</sup>**

<b><u>FY17 Q4:</u></b>	Total TJX	Marmaxx	HomeGoods	TJX Canada	TJX International
FY17 Q4 profit margin	11.6%	13.9%	14.9%	10.5%	7.3%
<i>Impact of foreign currency <sup>(2)</sup></i>	<u>0.2</u>	-	-	<u>1.3</u>	<u>0.6</u>
FY17 Q4 adjusted profit margin ex-fx	11.7%	13.9%	14.9%	11.8%	7.9%
<b><u>FY18 Q4:</u></b>					
FY18 Q4 profit margin	10.1%	12.7%	13.5%	12.6%	7.4%
<i>FY18 tax-related items <sup>(3)</sup></i>	0.9				
<i>Impairment charge <sup>(4)</sup></i>	0.9	1.5			
<i>Impact of 14<sup>th</sup> week</i>	<u>(0.4)</u>	<u>(0.4)</u>	<u>(0.5)</u>	<u>(0.6)</u>	<u>(0.5)</u>
FY18 Q4 adjusted profit margin excluding Q4 charges and 14 <sup>th</sup> week	11.5%	13.8%	13.0%	12.0%	6.9%
<i>Impact of foreign currency <sup>(2)</sup></i>	<u>0.2</u>	-	-	<u>0.7</u>	<u>0.5</u>
FY18 Q4 adjusted profit margin ex-fx, Q4 charges and 14 <sup>th</sup> week	11.7%	13.8%	13.0%	12.7%	7.4%

**Note: Figures may not foot due to rounding.**

(1) Profit margin is pretax profit margin for total TJX and segment profit margin for each of our business segments.

(2) Foreign currency includes the impact of translation as well as the mark-to-market adjustment of our inventory derivatives. Foreign currency translation only impacts year over year comparisons, therefore Q4 FY17 does not include an adjustment for translation.

(3) Charges from a special, discretionary bonus to eligible, non-bonus plan Associates; incremental contributions to the Company's defined contribution retirement plans and contributions to the Company's charitable foundations.

(4) During Q4 FY18, the Company took a \$99 million impairment charge, primarily goodwill, related to Sierra Trading Post.

**Table 3: Reconciliation of FY17 to FY18 Margins** <sup>(1), (2)</sup>

<b><u>FY17 Full Year Actual:</u></b>	Total TJX	Marmaxx	HomeGoods	TJX Canada	TJX International
FY17 profit margin	11.2%	14.1%	13.9%	13.0%	5.4%
<i>Debt extinguishment charge</i> <sup>(3)</sup>	0.2				
<i>Pension settlement charge</i> <sup>(4)</sup>	<u>0.1</u>				
FY17 adjusted profit margin	11.5%				
<i>Impact of foreign currency</i> <sup>(5)</sup>	<u>0.1</u>	-	-	<u>0.4</u>	<u>0.3</u>
FY17 adjusted profit margin ex-fx	11.5%	14.1%	13.9%	13.4%	5.7%
<b><u>FY18 Full Year Actual:</u></b>					
FY18 profit margin	10.8%	13.3%	13.2%	14.6%	5.1%
<i>FY18 tax-related items</i> <sup>(6)</sup>	0.3				
<i>Impairment charge</i> <sup>(7)</sup>	0.3	0.4			
<i>Impact of 53<sup>rd</sup> week</i>	<u>(0.1)</u>	<u>(0.1)</u>	<u>(0.2)</u>	<u>(0.1)</u>	<u>(0.2)</u>
FY18 adjusted profit margin excluding Q4 charges and 53 <sup>rd</sup> week	11.2%	13.6%	13.0%	14.4%	4.9%
<i>Impact of foreign currency</i> <sup>(5)</sup>	<u>(0.0)</u>	-	-	<u>0.1</u>	<u>(0.1)</u>
FY18 adjusted profit margin ex-fx, Q4 charges and 53 <sup>rd</sup> week	11.2%	13.6%	13.0%	14.5%	4.8%

**Note: Figures may not foot due to rounding.**

(1) Profit margin is pretax profit margin for total TJX and segment profit margin for each of our business segments.

(2) FY18 was a 53-week year. FY17 was a 52-week year.

(3) On October 12, 2016 the Company redeemed its \$375 million 6.95% notes prior to their scheduled maturity of April 15, 2019 and recorded a pretax loss of \$52 million on the early extinguishment of this debt.

(4) During FY17, the Company offered eligible, former TJX Associates who had not yet commenced receiving their pension benefit an opportunity to receive a voluntary lump sum payout of their vested pension benefit. The payment and settlement of these pension benefits to participants who accepted this offer resulted in a non-cash settlement charge which reduced FY17 pretax income by \$31 million.

(5) Foreign currency includes the impact of translation as well as the mark-to-market adjustment of our inventory derivatives. Foreign currency translation only impacts year over year comparisons, therefore FY17 does not include an adjustment for translation.

(6) Charges from a special, discretionary bonus to eligible, non-bonus plan Associates; incremental contributions to the Company's defined contribution retirement plans and contributions to the Company's charitable foundations.

(7) During Q4 FY18, the Company took a \$99 million impairment charge, primarily goodwill, related to Sierra Trading Post.

**Table 4: Reconciliation of Q4 and Full Year FY18 Gross Margin and Selling, General and Administrative Expenses**

<u>Gross Margin</u>	<u>Q4</u>	<u>FY18</u>
FY18 gross margin	28.4%	28.9%
<i>Impact of extra week</i>	<u>(0.4)</u>	<u>(0.1)</u>
FY18 adjusted gross margin	<u>27.9%</u>	<u>28.8%</u>
 <b><u>Selling, General and Administrative Expenses</u></b>		
FY18 selling, general and administrative expenses	17.3%	17.8%
<i>FY18 tax-related items <sup>(1)</sup></i>	(0.9)	(0.3)
<i>Impact of extra week</i>	<u>0.0</u>	<u>0.0</u>
FY18 adjusted selling, general and administrative expenses	<u>16.4%</u>	<u>17.5%</u>

**Note: Figures may not foot due to rounding.**

(1) Charges from a special, discretionary bonus to eligible, non-bonus plan Associates; incremental contributions to the Company's defined contribution retirement plans and contributions to the Company's charitable foundations.

**Table 5: Reconciliation of FY18 to FY19 Estimated Earnings per Share**

	FY		
	<u>FY18</u>	<b>FY19 Full Year Guidance</b>	
		<u>Low</u>	<u>High</u>
<b>EPS from continuing operations</b>	<b>\$4.04</b>	<b>\$4.73</b>	<b>\$4.83</b>
<i>Y/Y EPS Growth</i>		<b>17%</b>	<b>20%</b>
<u>Adjustments for items impacting comparability</u>			
<i>Impairment charge <sup>(1)</sup></i>	<i>\$0.10</i>		
<i>Impact of 53<sup>rd</sup> week</i>	<i>(0.11)</i>		
<i>Tax-related items <sup>(2)</sup></i>	<i>(0.17)</i>	<i>(0.73)</i>	<i>(0.75)</i>
<b>Adjusted EPS</b>	<b><u>\$3.85</u></b>	<b><u>\$4.00</u></b>	<b><u>\$4.08</u></b>
<i>Adjusted Y/Y EPS Growth</i>		<b>4%</b>	<b>6%</b>

**Note: Figures may not foot due to rounding.**

(1) During Q4 FY18, the Company took a \$99 million impairment charge, primarily goodwill, related to Sierra Trading Post.

(2) For FY18 reflects benefits related to the 2017 Tax Cuts and Jobs Act (“2017 Tax Act”), offset by charges from a special, discretionary bonus to eligible, non-bonus plan Associates; incremental contributions to the Company’s defined contribution retirement plans and contributions to the Company’s charitable foundations. For FY19 reflects an estimated benefit related to the 2017 Tax Act (primarily the lower U.S. corporate income tax rate).

**Table 6: Reconciliation of FY18 to FY19 Estimated Margins** <sup>(1), (2)</sup>

<b><u>FY18 Full Year Actual:</u></b>	Total TJX	Marmaxx	HomeGoods	TJX Canada	TJX International
FY18 profit margin on a GAAP basis	10.8%	13.3%	13.2%	14.6%	5.1%
<i>FY18 tax-related items</i> <sup>(3)</sup>	0.3				
<i>Impairment charge</i> <sup>(4)</sup>	0.3	0.4			
<i>Impact of 53<sup>rd</sup> week</i>	<u>(0.1)</u>	<u>(0.1)</u>	<u>(0.2)</u>	<u>(0.1)</u>	<u>(0.2)</u>
FY18 adjusted profit margin excluding Q4 charges and 53 <sup>rd</sup> week	11.2%	13.6%	13.0%	14.4%	4.9%
<i>Impact of foreign currency</i> <sup>(5)</sup>	<u>0.0</u>	-	-	<u>0.1</u>	<u>0.1</u>
FY18 adjusted profit margin ex-fx, Q4 charges and 53 <sup>rd</sup> week	11.2%	13.6%	13.0%	14.5%	5.0%
<b><u>FY19 Full Year Guidance:</u></b>					
FY19 estimated profit margin on a GAAP basis	10.6% - 10.8%	13.0% - 13.2%	12.0% - 12.2%	14.7%- 14.9%	5.4%- 5.6%
<i>Estimated impact of foreign currency</i> <sup>(5)</sup>	<u>(0.1)</u>	-	-	<u>(0.1)</u>	<u>(0.3)</u>
FY19 estimated adjusted profit margin ex-fx	10.5% - 10.7%	13.0% - 13.2%	12.0% - 12.2%	14.6% - 14.8%	5.1% - 5.3%

**Note: Figures may not foot due to rounding.**

(1) Profit margin is pretax profit margin for total TJX and segment profit margin for each of our business segments.

(2) FY18 was a 53-week year.

(3) Charges from a special, discretionary bonus to eligible, non-bonus plan Associates; incremental contributions to the Company's defined contribution retirement plans and contributions to the Company's charitable foundations.

(4) Q4 FY18 impairment charge related to Sierra Trading Post.

(5) Foreign currency includes the impact of translation as well as the mark-to-market adjustment of our inventory derivatives. Foreign currency translation only impacts year over year comparisons, therefore FY18 does not include an adjustment for translation.

**Table 7: Reconciliation of Q1 FY18 to Q1 FY19 Estimated Earnings per Share**

	Q1		
	<u>FY18</u>	FY19 Q1 Guidance	
		<u>Low</u>	<u>High</u>
<b>EPS from continuing operations</b>	<b>\$0.82</b>	<b>\$1.00</b>	<b>\$1.02</b>
<i>Y/Y EPS Growth</i>		<b>22%</b>	<b>24%</b>
<u>Adjustments for items impacting comparability</u>			
<i>FY19 tax-related items <sup>(1)</sup></i>		<i>(0.15)</i>	<i>(0.16)</i>
<b>Adjusted EPS</b>	<b><u>\$0.82</u></b>	<b><u>\$0.85</u></b>	<b><u>\$0.87</u></b>
<i>Adjusted Y/Y EPS Growth</i>		<b>4%</b>	<b>6%</b>

**Note: Figures may not foot due to rounding.**

(1) Reflects an estimated benefit related to the 2017 Tax Cuts and Jobs Act (primarily the lower U.S. corporate income tax rate).

**Table 8: Reconciliation of Net Cash Provided by Operating Activities to Free Cash Flow**

	<b>Full Year</b>	
	<b>FY17 (In 000s)</b>	<b>FY18 (In 000s)</b>
Net cash provided by operating activities	<b>\$ 3,627</b>	<b>\$ 3,026</b>
Capital spending	(1,025)	(1,058)
<b>Free cash flow</b>	<b>2,602</b>	<b>1,968</b>

*Note: Figures may not foot due to rounding.*

**Table 9: Calculation of Return on Invested Capital**

**Explanation of Non-GAAP Financial Measures**

Calculation for Adjusted PreTax Income	Full Year	
	FY17 (In 000s)	FY18 (In 000s)
<b>Pretax Income</b>	<b>\$3,723</b>	<b>\$3,857</b>
Debt extinguishment charge <sup>(1)</sup>	\$52	
Pension settlement charge <sup>(2)</sup>	\$31	
Impairment charge <sup>(3)</sup>		\$99
Impact of 53 <sup>rd</sup> week		(\$113)
FY18 tax-related items <sup>(4)</sup>		\$100
<b>Adjusted Pretax Income</b>	<b><u>\$3,806</u></b>	<b><u>\$3,942</u></b>

Calculation of Return on Invested Capital	Full Year	
	FY17 (In 000s)	FY18 (In 000s)
<b>Numerator</b>		
Adjusted pretax income	<b>\$3,806</b>	<b>\$3,942</b>
Add interest expense	44	32
Add rent expense	1,435	1,591
Tax rate <sup>(5)</sup>	38.3%	36.9%
<b>Adjusted Operating Income</b>	<b><u>3,262</u></b>	<b><u>3,514</u></b>
<b>Denominator</b>		
Average long term debt	1,921	2,229
Average shareholder's equity	4,409	4,829
Average 8x rent	11,203	12,106
Average ending cash and short term investments	(2,960)	(3,369)
<b>Average Invested Capital</b>	<b><u>14,573</u></b>	<b><u>15,796</u></b>
<b>Return on Invested Capital (ROIC)</b>	<b>22%</b>	<b>22%</b>

*Note: Figures may not foot due to rounding.*

(1) On October 12, 2016 the Company redeemed its \$375 million 6.95% notes prior to their scheduled maturity of April 15, 2019 and recorded a pretax loss on the early extinguishment of this debt of \$52 million.

(2) During FY17 the Company offered eligible, former TJX Associates who had not yet commenced receiving their pension benefit an opportunity to receive a lump sum payout of their vested pension benefit. The payment and settlement of these pension benefits to participants who accepted this offer resulted in a non-cash settlement charge which reduced Fiscal 2017 pretax income by \$31 million.

(3) During Q4 FY18, the Company took a \$99 million impairment charge, primarily goodwill, related to Sierra Trading Post.

(4) Reflects FY18 benefits related to the 2017 Tax Cuts and Jobs Act, offset by charges from a special, discretionary bonus to eligible, non-bonus plan Associates; incremental contributions to the Company's defined contribution retirement plans and contributions to the Company's charitable foundations.

(5) Represents the effective income tax rate for FY17 and the estimated effective income tax rate for FY18 as if the 2017 Tax Cuts and Jobs Act had not been enacted.