



Updated February 2018

## STRONG FY18 RESULTS

- Adjusted EPS of \$3.85, a 9% increase over last year's adjusted \$3.53
- Net sales increased to \$35.9B
- Comp store sales up 2%, over 5% growth last year
  - Driven by customer traffic
- Adjusted pretax profit margin of 11.2%
  - Merchandise margin remained strong

Adjusted Non-GAAP financial measures are reconciled to GAAP financial measures in the appendix and in the Investors section of [tjx.com](http://tjx.com).



## ABOVE-PLAN Q4 FY18 RESULTS

- Adjusted EPS of \$1.19, 16% increase over last year
- Net sales increased to \$11.0B
- Comp store sales up 4%, over 3% growth last year
  - Driven by customer traffic
- Adjusted pretax profit margin of 11.5%

Adjusted Non-GAAP financial measures are reconciled to GAAP financial measures in the appendix and in the Investors section of [tjx.com](http://tjx.com).



## MAJOR STRENGTHS: WHY TJX IS SO WELL POSITIONED

- World-class buying organization
- Global supply chain and distribution network
- Leveraging our global presence
- One of the most flexible retailers in the world



## WORLD-CLASS BUYING ORGANIZATION

- >1,000 Associates in our buying organization
  - Located in 11 countries on 4 continents
- Global sourcing machine
  - Source from a universe of 20,000+ vendors and 100+ countries
- Expertise developed over many decades
  - Focus on teaching and training
- Long-term mutually beneficial vendor relationships
- Access to high-quality, branded merchandise for 41 years!



## GLOBAL SUPPLY CHAIN AND DISTRIBUTION NETWORK

- Developed over the last four decades; supports our off-price buying and our highly integrated, international business
- Efficient processes and allocation
  - Right product, right stores, right time
- Invest ahead of sales to build capacity and support growth plans
- Decades of off-price knowledge and experience



## LEVERAGING OUR GLOBAL PRESENCE

- Only major international off-price apparel and home fashions retailer in the world
- Highly integrated, global teams and international infrastructure developed over many decades
- All divisions leveraging talent, infrastructure, ideas, and expertise
- Capitalizing on first-mover advantages



## ONE OF THE MOST FLEXIBLE RETAILERS IN THE WORLD

- Broad assortment attracts a wide customer demographic
- Four large divisions function as “one TJX”
  - All leveraging value
- Nimbleness to respond to changing customer preferences and market trends
- Work with vendors and buy merchandise in many ways

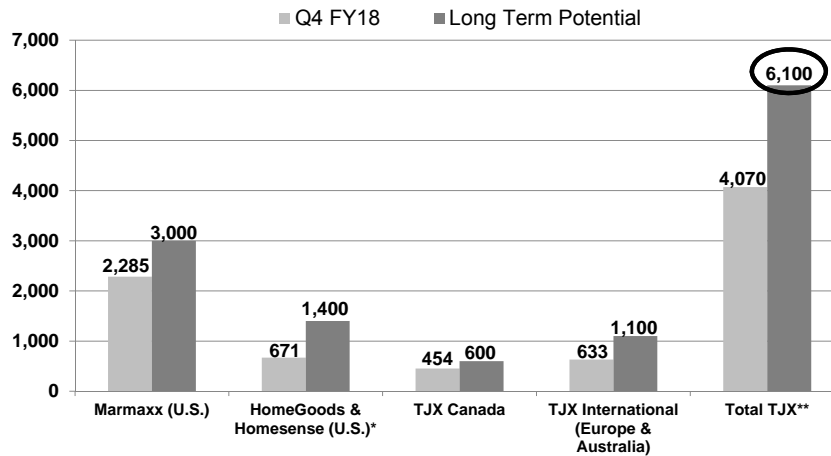


## DRIVING TRAFFIC AND COMP SALES

- Huge opportunity to gain even more market share
- Target wide customer demographic / Attract younger customers
- Leverage global marketing / Integrated approach
- Increase customer spend
  - Loyalty programs
- Upgrade shopping experience
- Differentiating e-commerce to drive online / store traffic
- Initiatives / Leaders in innovation



## GLOBAL STORE GROWTH POTENTIAL



\*Long Term Potential includes 1,000 HomeGoods and 400 Homesense stores

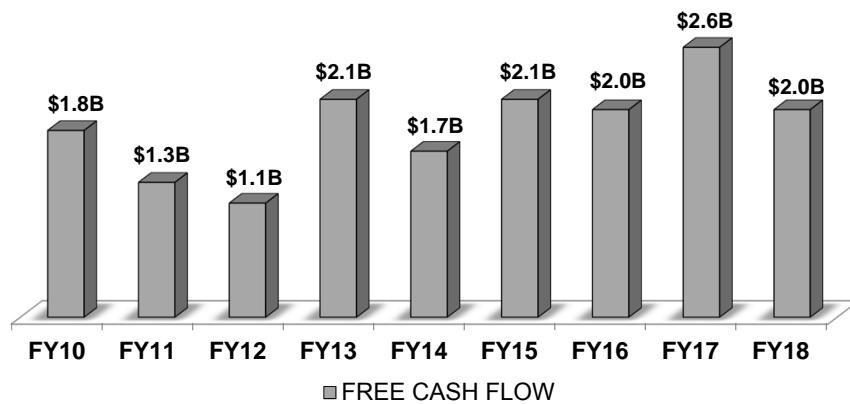
\*\*Q4 FY18 total includes 27 Sierra Trading Post stores

## INVESTING IN GROWTH / GAINING SHARE

- New stores and remodels
- Global supply chain, distribution network & systems
- Technology
- Talent and training
- New seeds / initiatives



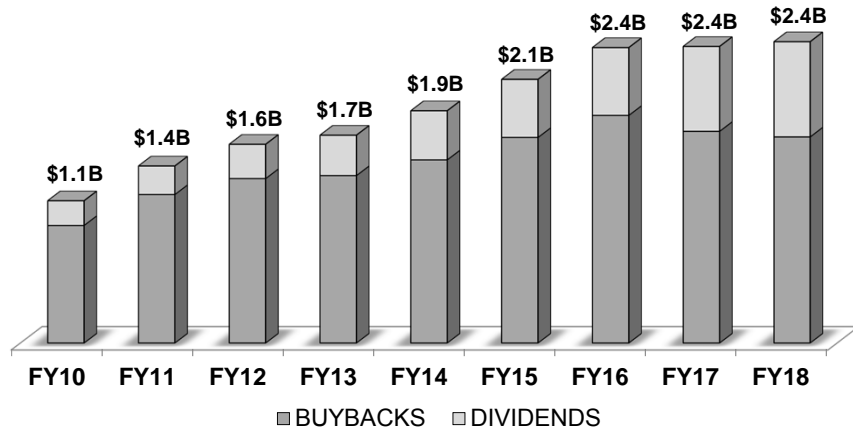
## STRONG FREE CASH FLOW



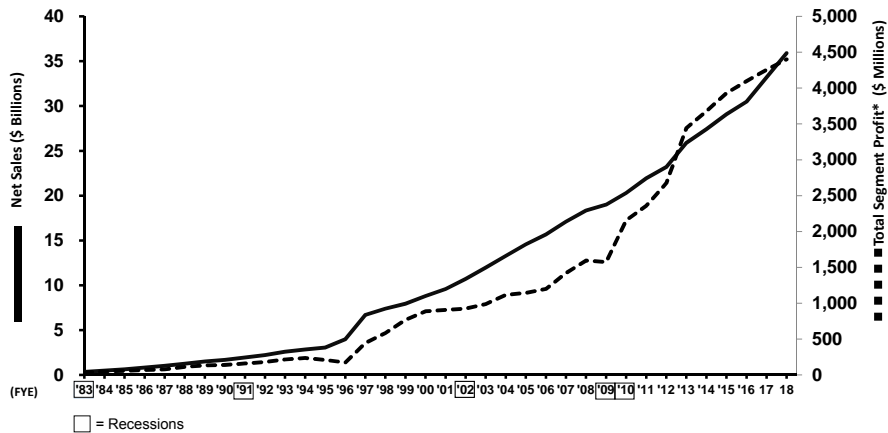
Free Cash Flow is a Non-GAAP financial measure. Adjusted Non-GAAP financial measures are reconciled to GAAP financial measures in the appendix and in the Investors section of [tjx.com](http://tjx.com).



## LONG TRACK RECORD OF RETURNING CASH TO SHAREHOLDERS

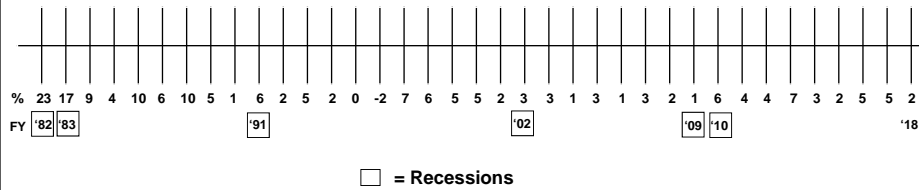


## SUCCEEDING IN MANY TYPES OF ENVIRONMENTS (CONSOLIDATED PERFORMANCE)



\*Meaning segment profit (generally pre-tax income before general corporate and net interest expense) for the sum of our reporting segments. See the notes to our filed financial statements for more detail.

## CONSISTENT CONSOLIDATED COMPARABLE STORE SALES GROWTH



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.

## KEY INVESTMENT POINTS

- Customer traffic increases tell us consumers are loving our brands and shopping more frequently
- Convinced we are gaining market share
- Leveraging our differentiated business model and global presence
- Investing to support our growth plans
- Excellent financial returns
- Management strives to surpass goals
- Growing for today and the future, around the globe



# THE TJX COMPANIES, INC.

**SAFE HARBOR STATEMENT UNDER THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995:**

Various statements made in this presentation are forward-looking and involve a number of risks and uncertainties. All statements that address activities, events or developments that we intend, expect or believe may occur in the future are forward-looking statements. The following are some of the factors that could cause actual results to differ materially from the forward-looking statements: execution of buying strategy and inventory management; operational and business expansion and management of large size and scale; consumer trends and preferences; various marketing efforts; competition; quality and availability of personnel; labor costs and workforce challenges; data security; information systems and new technology; economic conditions and consumer spending; adverse or unseasonable weather; disruptions in the second half of the fiscal year; serious disruptions or catastrophic events; corporate and retail banner reputation; quality, safety and other issues with merchandise; compliance with laws, regulations and orders and changes in laws, regulations and applicable accounting principles and interpretations; expanding international operations; sourcing and moving merchandise internationally; commodity availability and pricing or increases in utility, transportation or logistics costs; fluctuations in currency exchange rates; fluctuations in quarterly operating results and market expectations; mergers, acquisitions, or business investments and divestitures, closings or business consolidations; outcomes of litigation, legal proceedings and other legal or regulatory matters; tax matters; real estate activities; cash flow and other factors that may be described in our filings with the Securities and Exchange Commission. We do not undertake to publicly update or revise our 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.

**IMPORTANT INFORMATION AT WEBSITE:**

The Company routinely posts information that may be important to investors in the Investors section at [tjx.com](http://tjx.com). The Company encourages investors to consult that section of its website regularly. Reconciliations of Non-GAAP financial measures to GAAP financial measures are available at [tjx.com](http://tjx.com) under "Reconciliation of Financials."

**OTHER IMPORTANT INFORMATION:**

All references to sales, pretax margin and EPS are on a continuing operations basis.

**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 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.

(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 FY17 to FY18 Pretax Profit Margins <sup>(1)</sup>**

<u><b>FY17 Full Year Actual:</b></u>	<u>Total TJX</u>
FY17 pretax profit margin	11.2%
<i>Debt extinguishment charge <sup>(2)</sup></i>	0.2
<i>Pension settlement charge <sup>(3)</sup></i>	<u>0.1</u>
FY17 adjusted pretax profit margin	11.5%
<u><b>FY18 Full Year Actual:</b></u>	
FY18 pretax profit margin	10.8%
<i>FY18 tax-related items <sup>(4)</sup></i>	0.3
<i>Impairment charge <sup>(5)</sup></i>	0.3
<i>Impact of 53<sup>rd</sup> week</i>	<u>(0.1)</u>
FY18 adjusted pretax profit margin excluding Q4 charges and 53 <sup>rd</sup> week	11.2%

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

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

(2) 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.

(3) 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.

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

**Table 3: Reconciliation of Q4 FY17 to Q4 FY18 Pretax Profit Margins**

<b><u>FY17 Q4:</u></b>	<b><u>Total TJX</u></b>
FY17 Q4 pretax profit margin	11.6%
<b><u>FY18 Q4:</u></b>	
FY18 Q4 pretax profit margin	10.1%
<i>FY18 tax-related items <sup>(1)</sup></i>	0.9
<i>Impairment charge <sup>(2)</sup></i>	0.9
<i>Impact of 14<sup>th</sup> week</i>	<u>(0.4)</u>
FY18 Q4 adjusted pretax profit margin excluding Q4 charges and 14 <sup>th</sup> week	11.5%

**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.

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

**The TJX Companies, Inc.  
Financial Reconciliations**

**Explanation of Non-GAAP Financial Measures**

**Table 4: Reconciliation of Net Cash Provided by Operating Activities to Free Cash Flow FY10 - FY18**

(In 000s)	Full Year								
	<u>FY10</u>	<u>FY11</u>	<u>FY12</u>	<u>FY13</u>	<u>FY14</u>	<u>FY15</u>	<u>FY16</u>	<u>FY17</u>	<u>FY18</u>
Net cash provided by operating activities	\$ 2,272	\$ 1,976	\$ 1,916	\$ 3,056	\$ 2,600	\$ 3,008	\$ 2,937	\$ 3,627	\$ 3,026
Capital spending	(429)	(707)	(803)	(978)	(947)	(912)	(889)	(1,025)	(1,058)
<b>Free cash flow</b>	<u>1,843</u>	<u>1,269</u>	<u>1,113</u>	<u>2,077</u>	<u>1,654</u>	<u>2,097</u>	<u>2,048</u>	<u>2,602</u>	<u>1,968</u>

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