TJX Companies (TJX)

Updated August 30th, 2025 by Kay Ng

Key Metrics

Current Price:	$137	**5 Year Annual Expected Total Return:**	5.6%	**Market Cap:**	$152.4B
Fair Value Price:	$100	**5 Year Growth Estimate:**	11.0%	**Ex-Dividend Date:**	11/14/25[1]
% Fair Value:	137%	**5 Year Valuation Multiple Estimate:**	-6.1%	**Dividend Payment Date:**	12/05/25[1]
Dividend Yield:	1.2%	**5 Year Price Target**	$168	**Years Of Dividend Growth:**	4
Dividend Risk Score:	B	**Sector:**	Consumer Discretionary	**Rating:**	Hold

Overview & Current Events

TJX Companies is a leading off-price retailer of apparel and home fashions in the U.S. and worldwide. As of August 2, 2025, the company operated 5,134 stores in nine countries. These include 1,340 T.J. Maxx, 1,234 Marshalls and 952 HomeGoods in the United States. TJX also operates e-commerce sites.

Throughout TJX's nearly 50-year history, it has experienced a decline in its same-store sales in only two years, including in fiscal 2021 in which it had huge setbacks because of economic lockdowns during the global COVID-19 pandemic. This degree of consistency is exceptional and proves the strength of the business model of the company and its execution. We expect TJX to remain more resilient than most other retailers against Amazon.com (AMZN) and other e-commerce threats. This is because TJX offers great discounts on an attractive selection of merchandise while it also cultivates a "treasure-hunting" experience, which cannot be imitated by e-commerce giants.

On 8/20/25, TJX released its fiscal Q2 2026 results for the period ending 8/3/25. For the quarter, net sales rose 6.9% year over year to $14.4 billion. Net sales growth occurred across all its divisions – Marmaxx (U.S.) +5% year over year, HomeGoods (U.S.) +9%, TJX Canada +11%, and TJX International +13%. Consolidated comparable store sales rose 4%. It witnessed comparable store sales growth across all its divisions with the strongest of 9% at TJX Canada, followed by 4% at TJX International (Europe & Australia) and HomeGoods (U.S.) , and 3% at Marmaxx (U.S.).

Net income came in at $1.2 billion, up 13% year over year. Diluted earnings-per-share ("EPS") rose 15% to $1.10.

The fiscal year-to-date results provide a bigger picture: net sales rose 6.0% to $27.5 billion, net income climbed 5.1% to $2.3 billion, while diluted EPS rose 6.9% to $2.02, helped by a 1.3% reduction in its share count. The company repurchased ~$1.1 billion worth of stock at an average price of ~$122.61 per share.

Management raised its outlook for FY 2026: comparable store sales increase of 3% and diluted EPS to be $4.52-4.57. So, we updated our FY26' estimate to the midpoint of $4.54.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
EPS	$1.67	$1.77	$1.94	$2.43	$2.67	$0.26	$2.70	$3.11	$3.76	$4.26	***$4.54***	***$7.65***
DPS	$0.42	$0.52	$0.63	$0.78	$0.92	$0.26	$1.04	$1.14	$1.33	$1.50	***$1.70***	***$2.74***
Shares[2]	1,327	1,293	1,256	1,259	1,219	1,219	1,205	1,171	1,152	1,142	***1,128***	***1,039***

From FY2016 through FY2025, TJX was able to grow EPS by 11.0% per annum. Notably, the results in FY2021 were negatively affected by pandemic impacts, but the company swiftly recovered from that in FY2022. TJX generated 78% of its net sales in the U.S. in fiscal 2025. So, its sales and earnings depend primarily on the health of the U.S. economy. We expect TJX's long-term outlook to remain solid, as the company has demonstrated good results through the economic cycle. The 13% dividend hike in March 2025 shows management's commitment to the dividend. We forecast an EPS growth rate of 11% and dividend-per-share ("DPS") growth rate of 10% through FY2031.

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[1] Estimated date.
[2] Share count is in millions.
Disclosure: This analyst has a position in Amazon.

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Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
Avg. P/E	20.8	21.6	19.2	20.5	20.6	215	25.6	23.7	24.8	27.2	***30.1***	***22.0***
Avg. Yld.	1.2%	1.4%	1.7%	1.5%	1.7%	0.5%	1.5%	1.7%	1.6%	1.3%	***1.2%***	***1.6%***

Excluding the outlier in FY2021, from FY2016-25, shares of TJX traded with an average P/E ratio of 22.7. We believe a multiple of 22 is more or less fair for a growth rate of about 11%. The stock appears to be quite expensive today.

Safety, Quality, Competitive Advantage, & Recession Resiliency

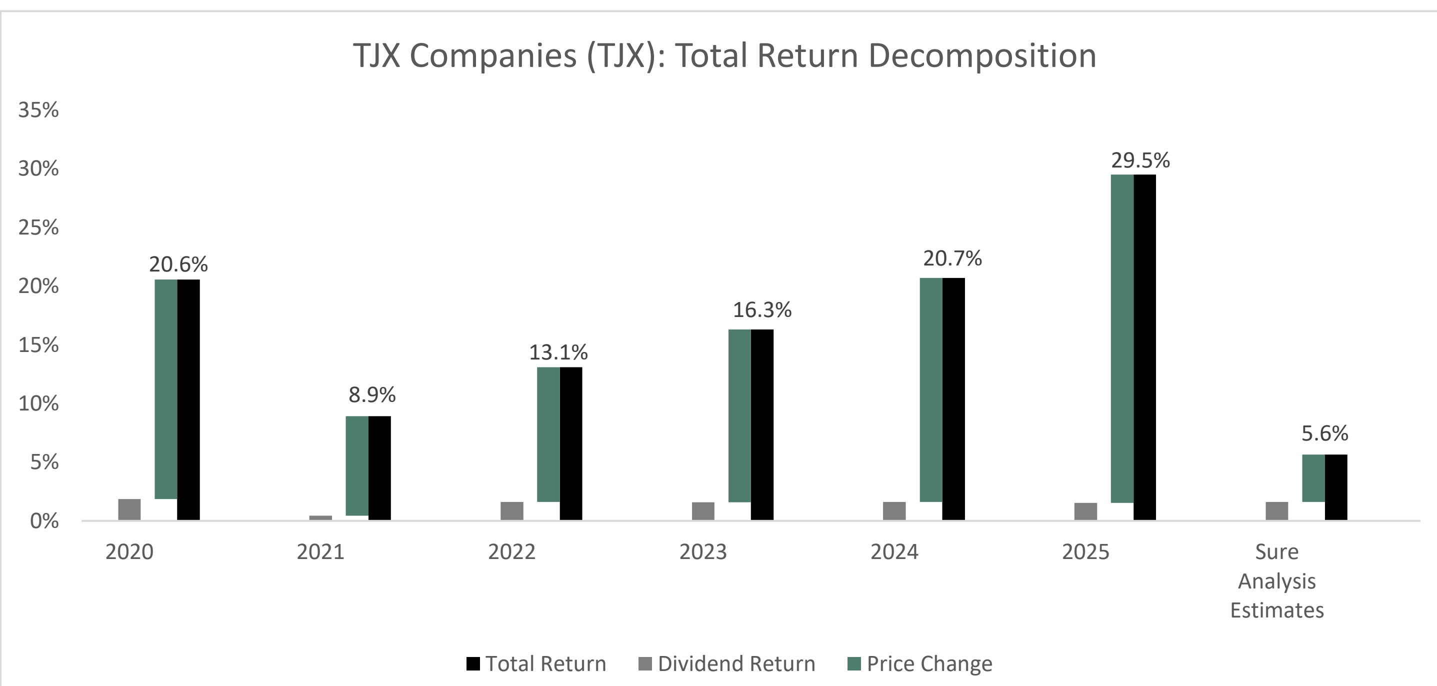
Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	25%	29%	32%	32%	34%	100%	39%	37%	35%	35%	***37%***	***36%***

TJX has a terrific record, including during recessions and economic shocks. Its results are driven by its discounted prices and the "treasure-hunting" experience. However, during the pandemic-driven economic disruption, its stores, including its e-commerce sites, were closed temporarily. That said, we believe TJX's model has a competitive advantage not just against its look-alike competitors, but even the Amazons of the world. The company rebounded from the COVID-19 pandemic fairly quickly, and took impacts from higher inflation and higher interest rates well. It ended fiscal 2026 Q2 with cash and cash equivalents of $4.6 billion, and the S&P gives it a credit rating of "A". The company also restored and began increasing its dividend since December 2020. We expect TJX to continue increasing its dividend in the foreseeable future based on expected growing EPS and a sustainable payout ratio.

Final Thoughts & Recommendation

TJX has a good track record. In normal markets, the company would grow profits & dividends, and buy back shares. The valuation seems high, so we estimate TJX will deliver annual total returns of about 5.6% over the next five years, consisting of 11% earnings-per-share growth, a yield of 1.2%, and a 6.1% headwind from P/E compression. All told, we rate TJX as a Hold at current prices.

Total Return Breakdown by Year



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Income Statement Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenue	30945	33184	35865	38973	41717	32137	48550	49936	54220	56360
Gross Profit	8,910	9,618	10362	11142	11871	7,603	13836	13787	16270	17248
Gross Margin	28.8%	29.0%	28.9%	28.6%	28.5%	23.7%	28.5%	27.6%	30.0%	30.6%
SG&A Exp.	5,206	5,768	6,375	6,924	7,455	7,021	9,081	8,927	10470	10946
D&A Exp.	617	659	726	820	867	871	868	887	964	1,104
Operating Profit	3,705	3,850	3,987	4,218	4,416	582	4,755	4,860	5,797	6,302
Operating Margin	12.0%	11.6%	11.1%	10.8%	10.6%	1.8%	9.8%	9.7%	10.7%	11.2%
Net Profit	2,278	2,298	2,608	3,060	3,272	90	3,283	3,498	4,474	4,864
Net Margin	7.4%	6.9%	7.3%	7.9%	7.8%	0.3%	6.8%	7.0%	8.3%	8.6%
Free Cash Flow	2,068	2,602	1,968	2,963	2,843	3,994	2,013	2,627	4,335	4,198
Income Tax	1,381	1,425	1,249	1,113	1,134	-1	1,115	1,138	1,493	1,619

Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Assets	11490	12884	14058	14326	24145	30814	28461	28349	29750	31749
Cash & Equivalents	2095	2930	2758	3030	3217	10470	6227	5477	5600	5335
Accounts Receivable	238	259	327	346	386	461	518	563	529	1,235
Inventories	3,695	3,645	4,187	4,579	4,873	4,337	5,962	5,819	5,965	6,421
Goodwill & Int.	194	196	100	98	96	99	97	97	95	94
Total Liabilities	7,183	8,373	8,910	9,277	18197	24981	22458	21985	22440	23356
Accounts Payable	2,203	2,231	2,488	2,644	2,673	4,823	4,465	3,794	3,862	4,257
Long-Term Debt	1,615	2,228	2,231	2,234	2,237	6,083	3,355	3,359	2,862	2,866
Shareholder's Equity	4,307	4,511	5,148	5,049	5,948	5,833	6,003	6,364	7,302	8,393
D/E Ratio	0.38	0.49	0.43	0.44	0.38	1.04	0.56	0.53	0.39	0.34

Profitability & Per Share Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Return on Assets	20.3%	18.9%	19.4%	21.6%	17.0%	0.3%	11.1%	12.3%	15.4%	15.8%
Return on Equity	53.1%	52.1%	54.0%	60.0%	59.5%	1.5%	55.5%	56.6%	65.5%	62.0%
ROIC	38.6%	36.3%	36.9%	41.7%	42.3%	0.9%	30.9%	36.7%	45.0%	25.8%
Shares Out.	1,327	1,293	1,256	1,259	1,219	1,219	1,216	1,178	1,159	1,142
Revenue/Share	22.65	24.97	27.75	30.95	34.01	26.46	39.94	42.39	46.78	49.35
FCF/Share	1.51	1.96	1.52	2.35	2.32	3.29	1.66	2.23	3.74	3.68

Note: All figures in millions of U.S. Dollars unless per share or indicated otherwise.