



# TJX Companies (TJX)

Updated May 23<sup>rd</sup>, 2026 by Kay Ng

## Key Metrics

|                             |       |                                             |                        |                                           |          |
|-----------------------------|-------|---------------------------------------------|------------------------|-------------------------------------------|----------|
| <b>Current Price:</b>       | \$158 | <b>5 Year Annual Expected Total Return:</b> | 6.8%                   | <b>Market Cap:</b>                        | \$175B   |
| <b>Fair Value Price:</b>    | \$123 | <b>5 Year Growth Estimate:</b>              | 11.0%                  | <b>Ex-Dividend Date<sup>1</sup>:</b>      | 08/14/26 |
| <b>% Fair Value:</b>        | 129%  | <b>5 Year Valuation Multiple Estimate:</b>  | -4.9%                  | <b>Dividend Payment Date<sup>2</sup>:</b> | 09/04/26 |
| <b>Dividend Yield:</b>      | 1.2%  | <b>5 Year Price Target</b>                  | \$207                  | <b>Years Of Dividend Growth:</b>          | 4        |
| <b>Dividend Risk Score:</b> | B     | <b>Sector:</b>                              | Consumer Discretionary | <b>Rating:</b>                            | 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 May 2, 2026, the company operated 5,262 stores in nine countries. These include 1,354 T.J. Maxx, 1,265 Marshalls and 969 HomeGoods in the United States. TJX also operates e-commerce sites.

Throughout TJX's 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 05/20/26, TJX released its fiscal Q1 2027 results for the period ending 05/02/26. For the quarter, net sales rose 9.2% year over year to \$14.3 billion. Net sales rose across all its divisions – Marmaxx (U.S.) +7% year over year, HomeGoods (U.S.) +11%, TJX Canada +12%, and TJX International +13%. Consolidated comparable store sales rose 6%. It witnessed comparable store sales growth across all its divisions with the strongest of +9% at HomeGoods (U.S.), followed by +7% at TJX Canada, +6% at Marmaxx (U.S.), and +4% at TJX International (Europe & Australia). Net income came in at \$1.3 billion, up 29% year over year. Diluted earnings-per-share ("EPS") rose 29% to \$1.19, helped by a +1% reduction in its share count. The company repurchased \$604 million worth of stock at an average price of ~\$159 per share.

It raised its dividend by 12.9% in March, boosting its quarterly dividend to \$0.48 per share or an annualized payout of \$1.92 per share. Management raised its outlook for FY 2027: comparable store sales growth of 3-4% and diluted EPS to be \$5.08-5.15. So, we updated our FY27' estimate to the midpoint of \$5.12.

## Growth on a Per-Share Basis

| Year                      | 2017   | 2018   | 2019   | 2020   | 2021   | 2022   | 2023   | 2024   | 2025   | 2026   | 2027          | 2032          |
|---------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|---------------|---------------|
| <b>EPS</b>                | \$1.77 | \$1.94 | \$2.43 | \$2.67 | \$0.26 | \$2.70 | \$3.11 | \$3.76 | \$4.26 | \$4.87 | <b>\$5.12</b> | <b>\$8.63</b> |
| <b>DPS</b>                | \$0.52 | \$0.63 | \$0.78 | \$0.92 | \$0.26 | \$1.04 | \$1.14 | \$1.33 | \$1.50 | \$1.70 | <b>\$1.92</b> | <b>\$3.09</b> |
| <b>Shares<sup>3</sup></b> | 1,293  | 1,256  | 1,259  | 1,219  | 1,219  | 1,205  | 1,171  | 1,152  | 1,142  | 1,110  | <b>1,099</b>  | <b>1,045</b>  |

From FY2017 through FY2026, TJX was able to grow EPS by 11.9% per annum. Notably, the results in FY2021 were negatively affected by pandemic impacts, but the company swiftly recovered from that in FY2022. TJX generated 77% of its net sales in the U.S. in fiscal 2026. 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 2026 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 FY2032.

<sup>1</sup> Projected dividend date.

<sup>2</sup> Projected dividend date.

<sup>3</sup> Share count is in millions.

*Disclosure: This analyst has no position in the security discussed in this research report, and no plans to initiate one in the next 72 hours.*



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## Valuation Analysis

| Year      | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | Now  | 2032 |
|-----------|------|------|------|------|------|------|------|------|------|------|------|------|
| Avg. P/E  | 21.6 | 19.2 | 20.5 | 20.6 | 215  | 25.6 | 23.7 | 24.8 | 27.2 | 30.0 | 30.9 | 24.0 |
| Avg. Yld. | 1.4% | 1.7% | 1.5% | 1.7% | 0.5% | 1.5% | 1.7% | 1.6% | 1.3% | 1.2% | 1.2% | 1.5% |

Excluding the outlier in FY2021, from FY2017-26, shares of TJX traded with an average P/E ratio of 23.7. We believe a multiple of 24 is more or less fair for a growth rate of about 11%. The stock appears to be expensive today.

## Safety, Quality, Competitive Advantage, & Recession Resiliency

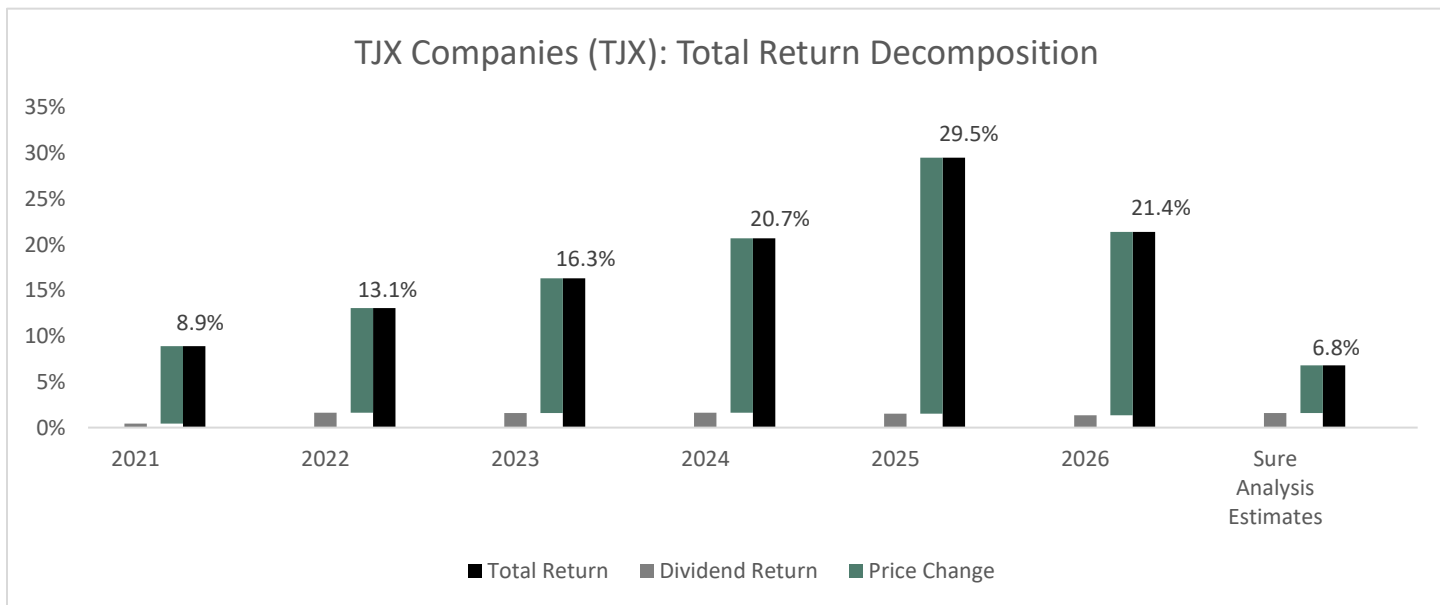
| Year   | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2032 |
|--------|------|------|------|------|------|------|------|------|------|------|------|------|
| Payout | 29%  | 32%  | 32%  | 34%  | 100% | 39%  | 37%  | 35%  | 35%  | 35%  | 38%  | 36%  |

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 Q1 2027 with cash and cash equivalents of ~\$5.6 billion, and the S&P gives it a credit rating of “A”. In December 2020, the company restored its dividend. 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 grows profits & dividends, and buy back shares. The valuation seems high, so we estimate TJX will deliver annual total returns of about 6.8% over the next five years, consisting of 11% earnings-per-share growth, a yield of 1.2%, and a 4.9% 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             | 2017  | 2018  | 2019  | 2020  | 2021  | 2022  | 2023  | 2024  | 2025  | 2026   |
|------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|--------|
| Revenue          | 33184 | 35865 | 38973 | 41717 | 32137 | 48550 | 49936 | 54220 | 56360 | 60372  |
| Gross Profit     | 9,618 | 10362 | 11142 | 11871 | 7,603 | 13836 | 13787 | 16270 | 17248 | 18693  |
| Gross Margin     | 29.0% | 28.9% | 28.6% | 28.5% | 23.7% | 28.5% | 27.6% | 30.0% | 30.6% | 31.0%  |
| SG&A Exp.        | 5,768 | 6,375 | 6,924 | 7,455 | 7,021 | 9,081 | 8,927 | 10470 | 10946 | 11,515 |
| D&A Exp.         | 659   | 726   | 820   | 867   | 871   | 868   | 887   | 964   | 1,104 | 1,247  |
| Operating Profit | 3,850 | 3,987 | 4,218 | 4,416 | 582   | 4,755 | 4,860 | 5,797 | 6,302 | 7,178  |
| Operating Margin | 11.6% | 11.1% | 10.8% | 10.6% | 1.8%  | 9.8%  | 9.7%  | 10.7% | 11.2% | 11.9%  |
| Net Profit       | 2,298 | 2,608 | 3,060 | 3,272 | 90    | 3,283 | 3,498 | 4,474 | 4,864 | 5,494  |
| Net Margin       | 6.9%  | 7.3%  | 7.9%  | 7.8%  | 0.3%  | 6.8%  | 7.0%  | 8.3%  | 8.6%  | 9.1%   |
| Free Cash Flow   | 2,602 | 1,968 | 2,963 | 2,843 | 3,994 | 2,013 | 2,627 | 4,335 | 4,198 | 4,917  |
| Income Tax       | 1,425 | 1,249 | 1,113 | 1,134 | -1    | 1,115 | 1,138 | 1,493 | 1,619 | 1,805  |

## Balance Sheet Metrics

| Year                 | 2017  | 2018  | 2019  | 2020  | 2021  | 2022  | 2023  | 2024  | 2025  | 2026  |
|----------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Total Assets         | 12884 | 14058 | 14326 | 24145 | 30814 | 28461 | 28349 | 29750 | 31749 | 35767 |
| Cash & Equivalents   | 2930  | 2758  | 3030  | 3217  | 10470 | 6227  | 5477  | 5600  | 5335  | 6230  |
| Accounts Receivable  | 259   | 327   | 346   | 386   | 461   | 518   | 563   | 529   | 1,235 | 1,675 |
| Inventories          | 3,645 | 4,187 | 4,579 | 4,873 | 4,337 | 5,962 | 5,819 | 5,965 | 6,421 | 7,297 |
| Goodwill & Int.      | 196   | 100   | 98    | 96    | 99    | 97    | 97    | 95    | 94    | 96    |
| Total Liabilities    | 8,373 | 8,910 | 9,277 | 18197 | 24981 | 22458 | 21985 | 22440 | 23356 | 25577 |
| Accounts Payable     | 2,231 | 2,488 | 2,644 | 2,673 | 4,823 | 4,465 | 3,794 | 3,862 | 4,257 | 4,575 |
| Long-Term Debt       | 2,228 | 2,231 | 2,234 | 2,237 | 6,083 | 3,355 | 3,359 | 2,862 | 2,866 | 1,870 |
| Shareholder's Equity | 4,511 | 5,148 | 5,049 | 5,948 | 5,833 | 6,003 | 6,364 | 7,302 | 8,393 | 10190 |
| D/E Ratio            | 0.49  | 0.43  | 0.44  | 0.38  | 1.04  | 0.56  | 2.00  | 1.72  | 1.52  | 1.32  |

## Profitability & Per Share Metrics

| Year             | 2017  | 2018  | 2019  | 2020  | 2021  | 2022  | 2023  | 2024  | 2025  | 2026  |
|------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Return on Assets | 18.9% | 19.4% | 21.6% | 17.0% | 0.3%  | 11.1% | 12.3% | 15.4% | 15.8% | 16.3% |
| Return on Equity | 52.1% | 54.0% | 60.0% | 59.5% | 1.5%  | 55.5% | 56.6% | 65.5% | 62.0% | 59.1% |
| ROIC             | 36.3% | 36.9% | 41.7% | 42.3% | 0.9%  | 30.9% | 36.7% | 45.0% | 25.8% | 23.2% |
| Shares Out.      | 1,293 | 1,256 | 1,259 | 1,219 | 1,219 | 1,216 | 1,178 | 1,159 | 1,142 | 1,128 |
| Revenue/Share    | 24.97 | 27.75 | 30.95 | 34.01 | 26.46 | 39.94 | 42.39 | 46.78 | 49.35 | 53.52 |
| FCF/Share        | 1.96  | 1.52  | 2.35  | 2.32  | 3.29  | 1.66  | 2.23  | 3.74  | 3.68  | 4.36  |

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

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