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 Q1 FY22 to Q1 FY23 Margins (1)

FY22 Q1 Actual:	Total TJX
FY22 Q1 profit margin	7.2%
FY23 Q1 Actual:	
FY23 Q1 profit margin	7.5%
Impairment on equity investment (2)	1.9%
FY23 Q1 adjusted profit margin	9.4%

Note: Figures may not foot due to rounding.

(1) Profit margin is pretax profit margin for total TJX.

(2) In March 2022, the Company announced that it has committed to divesting its minority investment in an off-price retailer with locations in Russia. The Company has recorded an impairment charge of $217.6 million as the fair value of this investment has declined significantly below its carrying value on the balance sheet, which negatively impacted first quarter Fiscal 2023 earnings per share by $.19.

Table 2: Reconciliation of Reported Earnings Per Share from Continuing Operations

	Q1	
	FY22	FY23
EPS from continuing operations	$0.44	$0.49
Y/Y EPS Growth		*11%*
Adjustments for items impacting comparability		
Impairment on equity investment [1]		*$0.19*
Adjusted EPS excluding charges	$0.44	$0.68
Adjusted Y/Y EPS Growth		*55%*

Note: Figures may not foot due to rounding.

(1) In March 2022, the Company announced that it has committed to divesting its minority investment in an off-price retailer with locations in Russia. The Company has recorded an impairment charge of $217.6 million as the fair value of this investment has declined significantly below its carrying value on the balance sheet, which negatively impacted first quarter Fiscal 2023 earnings per share by $.19.

Table 3: Reconciliation of FY22 to FY23 Estimated Earnings per Share

	FY		
	FY22	FY23 Full Year Guidance	
		Low	High
EPS from continuing operations	**$2.70**	**$2.94**	**$3.01**
Y/Y EPS Growth		***9%***	***11%***
Adjustments for items impacting comparability			
Loss on early extinguishment of debt (1)	*0.15*		
Impairment on equity investment (2)		*0.19*	*0.19*
Adjusted EPS	**$2.85**	**$3.13**	**$3.20**
Adjusted Y/Y EPS Growth		***10%***	***12%***

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 has committed to divesting its minority investment in an off-price retailer with locations in Russia. The Company has recorded an impairment charge of $217.6 million as the fair value of this investment has declined significantly below its carrying value on the balance sheet, which negatively impacted first quarter Fiscal 2023 earnings per share by $.19.

Table 4: Reconciliation of FY22 to FY23 Estimated Margins [1]

	Total TJX
FY22 Full Year Actual:	
FY22 profit margin	9.1%
Loss on early extinguishment of debt [2]	0.5
FY22 adjusted profit margin	9.6%
FY23 Full Year Guidance:	
FY23 estimated profit margin	9.2% - 9.4%
Impact of impairment on equity investment [3]	0.4
FY23 estimated adjusted profit margin	9.6% - 9.8%

Note: Figures may not foot due to rounding.

(1) Profit margin is 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 has committed to divesting its minority investment in an off-price retailer with locations in Russia. The Company has recorded an impairment charge of $217.6 million as the fair value of this investment has declined significantly below its carrying value on the balance sheet, which negatively impacted first quarter Fiscal 2023 earnings per share by $.19.