

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 Q2 FY22 to Q2 FY23 Margins ⁽¹⁾

<u>FY22 Q2 Actual:</u>	<u>Total TJX</u>
FY22 Q2 profit margin	8.7%
<i>Loss on early extinguishment of debt ⁽²⁾</i>	<u>2.0%</u>
FY22 Q2 adjusted profit margin, excluding debt extinguishment	10.7%
<u>FY23 Q2 Actual:</u>	
FY23 Q2 profit margin	9.2%

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.

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

	Q2	
	<u>FY22</u>	<u>FY23</u>
EPS from continuing operations	\$0.64	\$0.69
<i>Y/Y EPS Growth</i>		8%
<u>Adjustments for items impacting comparability</u>		
<i>Loss on early extinguishment of debt ⁽¹⁾</i>	\$0.15	
Adjusted EPS	<u>\$0.79</u>	<u>\$0.69</u>
<i>Adjusted Y/Y EPS Growth</i>		(13%)

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(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.

Table 3: Reconciliation of Reported Earnings Per Share from Continuing Operations

	<u>1H</u>	
	<u>FY22</u>	<u>FY23</u>
EPS from continuing operations	\$1.08	\$1.18
<i>Y/Y EPS Growth</i>		9%
<u>Adjustments for items impacting comparability</u>		
<i>Loss on early extinguishment of debt ⁽¹⁾</i>	\$0.15	
<i>Impairment on equity investment ⁽²⁾</i>		\$0.18
Adjusted EPS	<u>\$1.23</u>	<u>\$1.36</u>
<i>Adjusted Y/Y EPS Growth</i>		11%

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(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.

Table 4: Reconciliation of FY22 to FY23 Estimated Earnings per Share

	FY		
	<u>FY22</u>	FY23 Full Year Guidance	
		<u>Low</u>	<u>High</u>
EPS from continuing operations	\$2.70	\$2.87	\$2.95
<i>Y/Y EPS Growth</i>		6%	9%
<u>Adjustments for items impacting comparability</u>			
<i>Loss on early extinguishment of debt ⁽¹⁾</i>	<i>0.15</i>		
<i>Impairment on equity investment ⁽²⁾</i>		<i>0.18</i>	<i>0.18</i>
Adjusted EPS	<u>\$2.85</u>	<u>\$3.05</u>	<u>\$3.13</u>
<i>Adjusted Y/Y EPS Growth</i>		7%	10%

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Table 5: Reconciliation of FY22 to FY23 Estimated Margins ⁽¹⁾

<u>FY22 Full Year Actual:</u>	<u>Total TJX</u>
FY22 profit margin	9.1%
<i>Loss on early extinguishment of debt ⁽²⁾</i>	<u>0.5</u>
FY22 adjusted profit margin	9.6%
FY23 Full Year Guidance:	
FY23 estimated profit margin	9.3% - 9.5%
<i>Impact of impairment on equity investment ⁽³⁾</i>	<u>0.4</u>
FY23 estimated adjusted profit margin	9.7% - 9.9%

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