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 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 uses these non-GAAP financial measures in making financial, operating and planning decisions and in evaluating the Company's performance, including relative to others in the market. Management also uses these non GAAP measures to consider underlying trends of the Company's business and believes presenting these measures also provides information to investors and others for understanding and evaluating trends in the Company’s operating results or measuring performance in the same manner as the Company’s management.

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. The use of these non-GAAP financial measures may differ from similar measures reported by other companies and may not be comparable to other similarly titled measures.

Table 1: Reconciliation of Reported Earnings Per Share

	Q3	
	FY22	FY23
EPS from continuing operations	**$0.84**	**$0.91**
Y/Y EPS Growth		***8%***
Adjustments for items impacting comparability		
Tax impact of divestiture of equity investment [(1)]		***($0.05)***
Adjusted EPS	**$0.84**	**$0.86**
Adjusted Y/Y EPS Growth		***2%***

Note: Figures may not foot due to rounding.

(1) During the third quarter of Fiscal 2023, the Company completed the divestiture of its minority investment in an off-price retailer with locations in Russia. The Company had recorded an impairment charge in first quarter fiscal 2023 for this investment as its value had declined significantly below its carrying value and recorded a tax benefit related to the impairment upon completion of the divestiture.

Table 2: Reconciliation of Reported Earnings Per Share

	Q3 YTD	
	FY22	**FY23**
EPS from continuing operations	**$1.92**	**$2.08**
Y/Y EPS Growth		***8%***
Adjustments for items impacting comparability		
Loss on early extinguishment of debt [1]	***$0.15***	
Impact of divestiture of equity investment [2]		***$0.14***
Adjusted EPS	**$2.07**	**$2.22**
Adjusted Y/Y EPS Growth		***7%***

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 had committed to divesting its minority investment in an off-price retailer with locations in Russia. For the first nine months of Fiscal 2023, the Company recorded a $.14 net of tax charge related to a write-down and divestiture of this investment, which divestiture was completed during the third quarter of Fiscal 2023.

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

	FY		
		FY23 Full Year Guidance	
	FY22	Low	High
EPS from continuing operations	**$2.70**	**$2.93**	**$2.97**
Y/Y EPS Growth		***9%***	***10%***
Adjustments for items impacting comparability			
Loss on early extinguishment of debt (1)	*0.15*		
Impact of divestiture of equity investment (2)		*0.14*	*0.14*
Adjusted EPS	**$2.85**	**$3.07**	**$3.11**
Adjusted Y/Y EPS Growth		***8%***	***9%***

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 had committed to divesting its minority investment in an off-price retailer with locations in Russia. For the first nine months of Fiscal 2023, the Company recorded a $.14 net of tax charge related to a write-down and divestiture of this investment, which divestiture was completed during the third quarter of Fiscal 2023.

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

FY22 Full Year Actual:	Total TJX
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	9.3% - 9.4%
Impact of divestiture of equity investment [3]	0.4
FY23 estimated adjusted profit margin	9.8% - 9.9%

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 had committed to divesting its minority investment in an off-price retailer with locations in Russia. The Company recorded an impairment charge of $217.6 million as the fair value of this investment had declined significantly below its carrying value on the balance sheet.