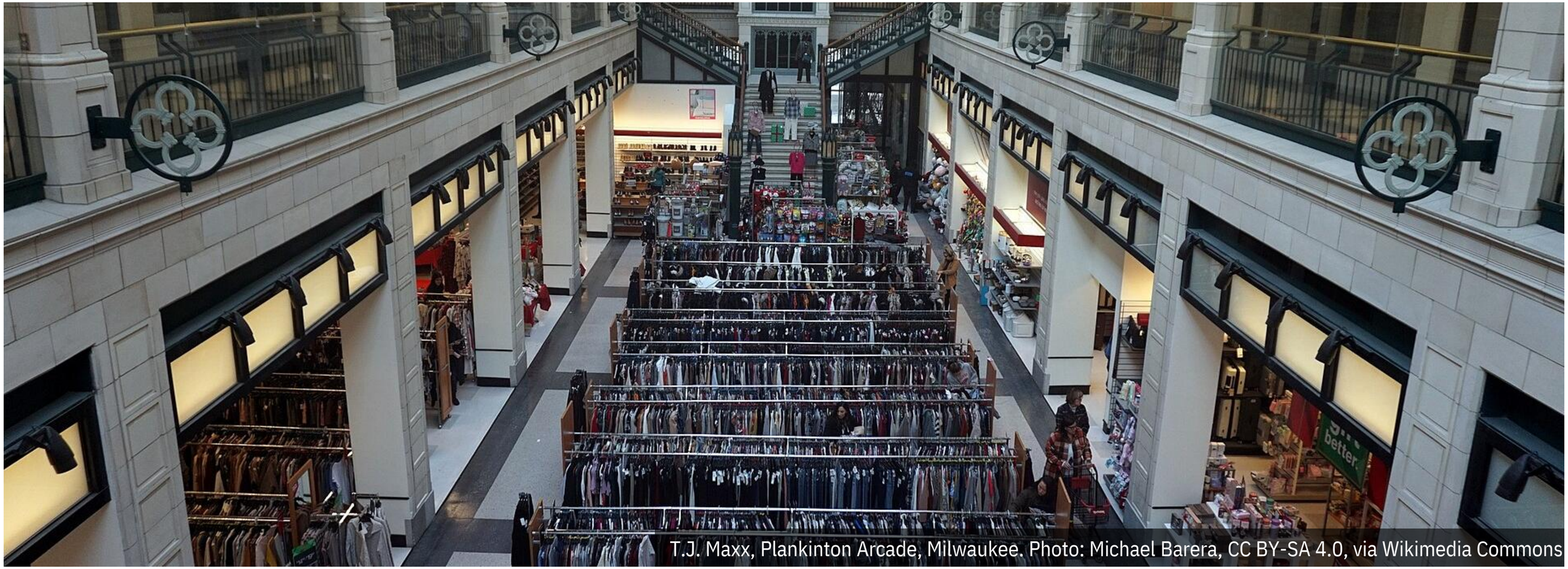
TJX Companies, Inc. (NYSE: TJX)

Long Recommendation



T.J. Maxx, Plankinton Arcade, Milwaukee. Photo: Michael Barera, CC BY-SA 4.0, via Wikimedia Commons

Entry Price: $138.72
Blended Target Price: $152.84
11.7% Upside | **11.2%** 3-Year IRR

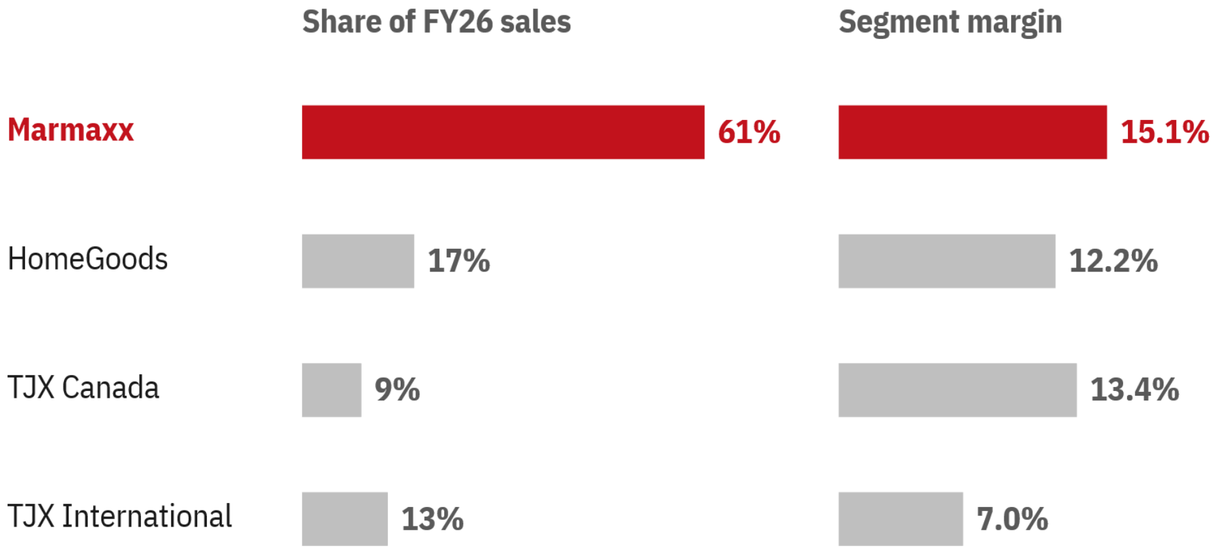
Eagle Fund Fall 2026 Competition
Team: Jaden Carlson, Lacie Nolin, August Wahl
PM: Dario Benes

BUSINESS OVERVIEW

The World's Largest Off-Price Retailer

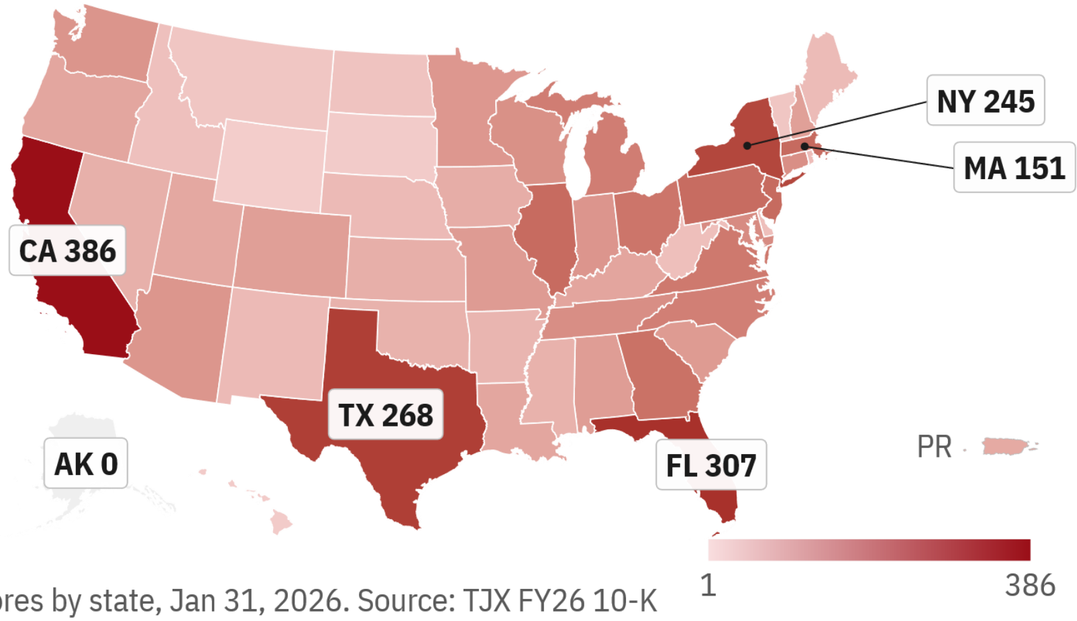
5,285 stores across 9 countries, about $62B in sales

Marmaxx is 61% of sales at a 15.1% segment margin



FY26. Segment margin = segment profit / segment sales.

3,790 U.S. stores; California leads with 386



U.S. stores by state, Jan 31, 2026. Source: TJX FY26 10-K

How off price works

1. **Brands and factories** → 2. **TJX buyers** → 3. **Stores at 20% to 60% below full price** → 4. **Fast turns**

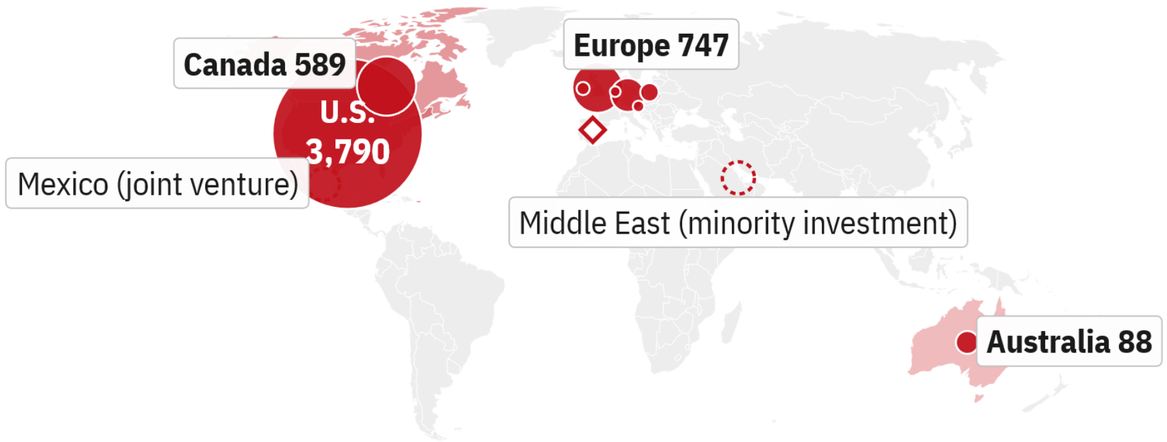
Sources: TJX FY26 10-K, Bloomberg

BUSINESS OVERVIEW

A Portfolio of Off Price Banners in 9 Countries

5,214 stores at FY26 year end; Marmaxx is about half the store base

3,790 U.S. stores and 1,424 outside the U.S.



Europe	747
U.K.	429
Germany	191
Poland	57
Ireland	29
Austria	22
Netherlands	19

Spain: new, Mar 2026

● TJX stores, sized by count ◇ New market ◌ Partnership, not TJX stores

Stores at FY26 year end, Jan 31, 2026. Source: TJX FY26 10-K







Stores by segment and banner, FY26 year end

Marmaxx **2,603**

T.J.maxx 1,348 Marshalls 1,255

HomeGoods **1,042**

HomeGoods 963 HOMESENSE Irresistible finds. Exceptional prices. 79

Sierra **145**

SIERRA 145

TJX Canada **589**

WINNERS 316 HOMESENSE Irresistible finds. Exceptional prices. 162 Marshalls 111

TJX International **835**

T.K.maxx 761 HOMESENSE Irresistible finds. Exceptional prices. 74

TK Maxx: 673 Europe, 88 Australia. Homesense Europe in the U.K. and Ireland only.

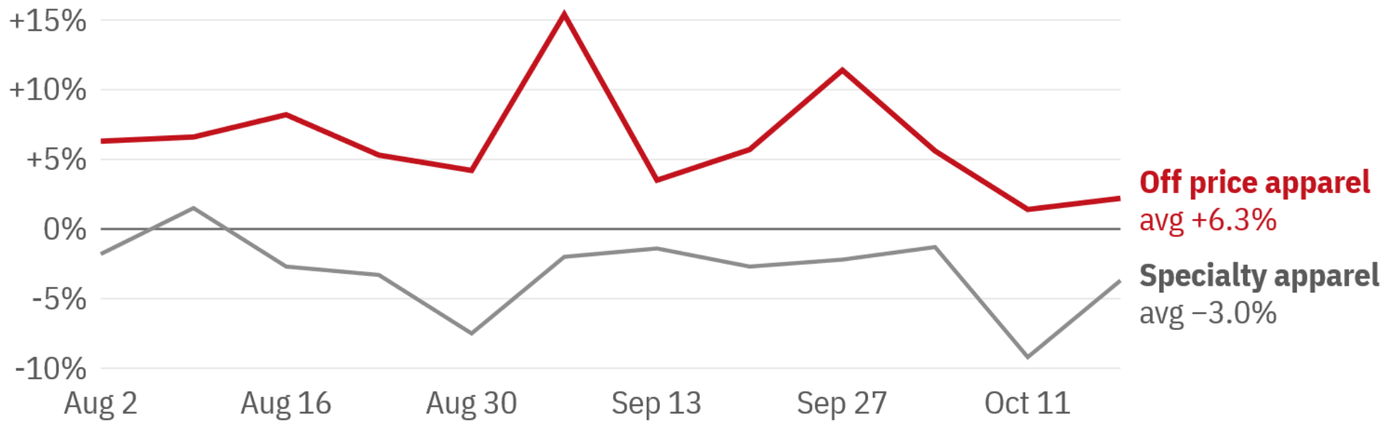
Sources: TJX FY26 10-K (Items 1 and 2). Photos via Wikimedia Commons: Connor Williams (CC BY 2.0), Dwight Burdette (CC BY 3.0), Glenn Samonte (CC BY 4.0)

INDUSTRY OVERVIEW

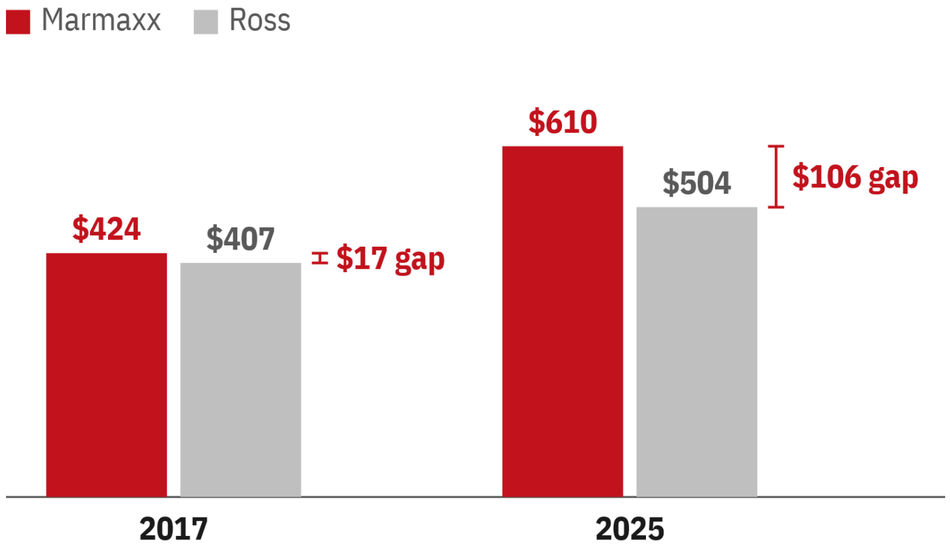
Off Price Is Where Apparel Shoppers Are Going

Off price card spend up about 6% over 12 weeks while specialty apparel shrank about 3%

Weekly card spend YoY: off price averaged +6.3%, specialty apparel –3.0%



Marmaxx sells $106 more per selling sq ft than Ross



Selling square feet, UBS via Barron's, Oct 26, 2026

Off price peers







	TJX	Ross	Burlington
Market cap (Oct 22)	**$162.0B**	$75.4B	$15.9B
Forward P/E	**24.6x (Oct 28)**	26.7x (Oct 22)	19.3x (Oct 22)
Q2 comp	**+4%**	+10%	+2%

Barron's · Aug 31, 2026 · Teresa Rivas

Ross Proves That Being a Copycat Works

Calls TJX “the gold standard among off-pricers.” Guggenheim says Ross is copying the playbook TJX ran from 2018.

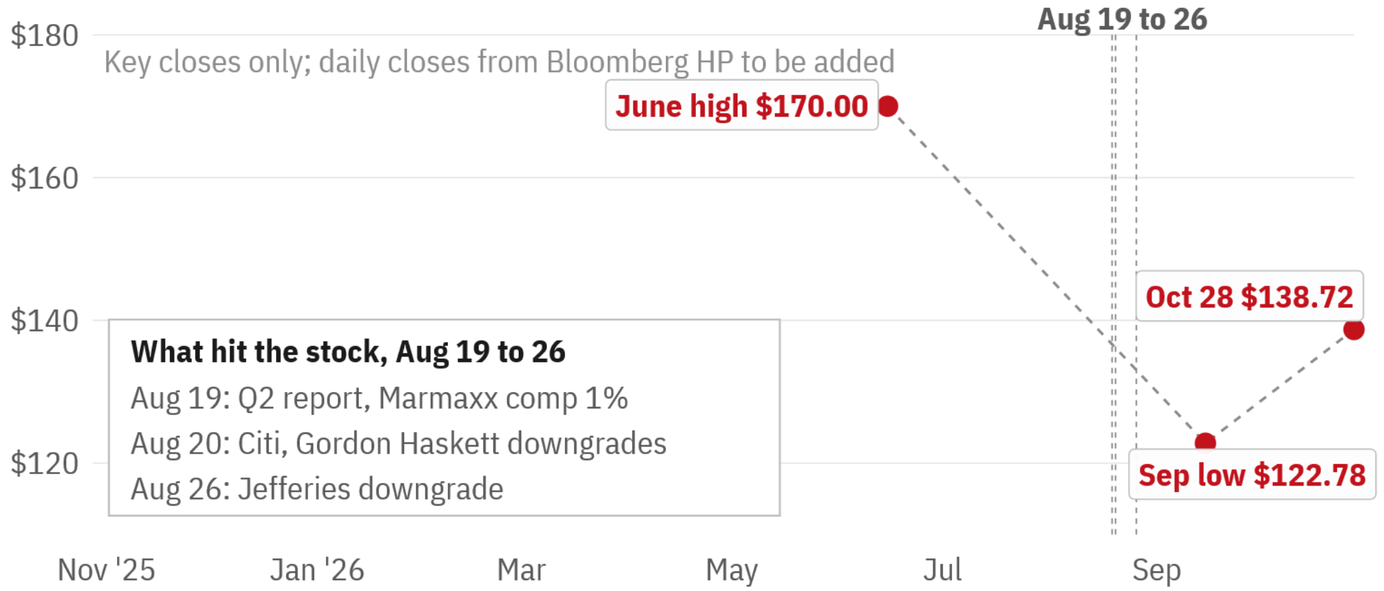
Sources: Bloomberg Second Measure (ALTD Peer Summary), Bloomberg, UBS via Barron's (Oct 26, 2026), Barron's (Aug 31, 2026). Photos via Wikimedia Commons: Connor Williams (CC BY 2.0), Steve Morgan (CC BY-SA 3.0), Jay1095 (CC BY-SA 4.0)

INVESTMENT SETUP

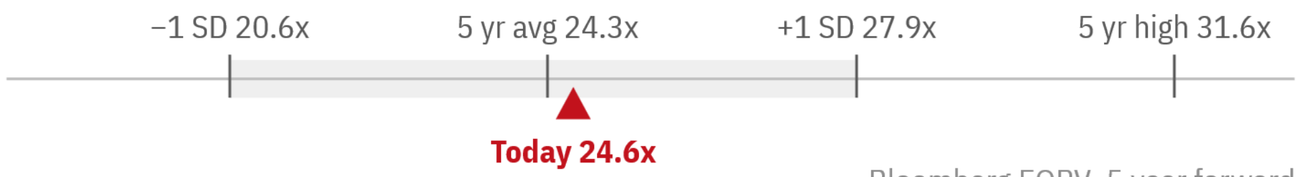
Beaten Down by One Bad Quarter

The market is pricing one division's quarter, not the business

TJX fell 28% from its June high to $122.78; it trades at $138.72 today



Forward P/E of 24.6x sits at the 5 year average, 7 turns below the high



Bloomberg EQRV, 5 year forward P/E

What the Street is saying

1 Ross is winning

Ross Stores and Target Are Winning Shoppers From Rivals

Barron's · Sep 18, 2026 · Teresa Rivas

Gordon Haskett: Ross holds a mid teens traffic lead over nearby Marmaxx stores.

2 TJX has stabilized, buy

Consumer Stocks Are at a Crossroads. TJX and 2 More to Buy, 3 to Avoid.

Barron's · Sep 29, 2026 · Jacob Sonenshine

Found buyers at $122; beat comp estimates in 8 of the last 10 quarters.

3 Ross has fallen behind TJX

Ross Stores Has Fallen Behind TJX. Catching Up Could Unlock Billions.

Barron's · Oct 26, 2026 · Ty Roush

UBS: Marmaxx $610 per selling sq ft vs Ross $504.

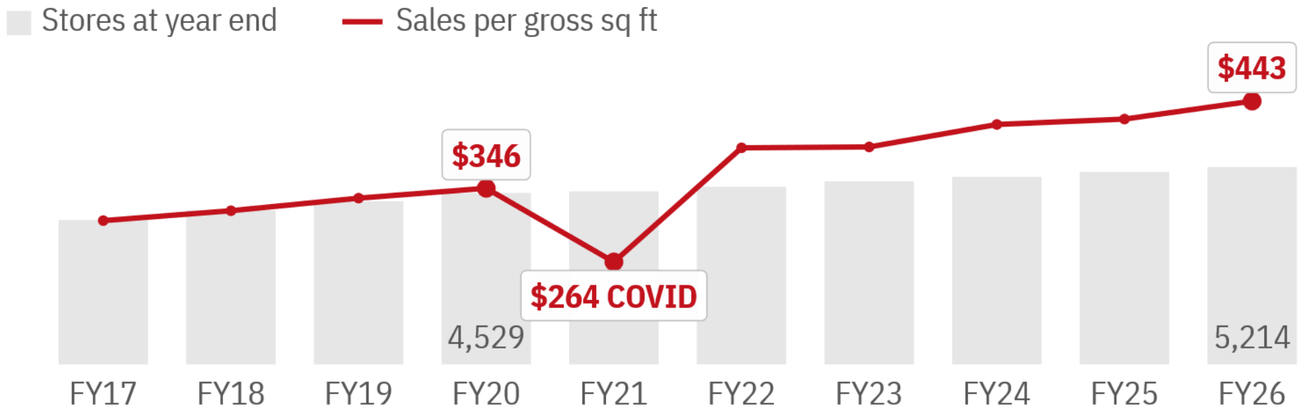
Sources: Bloomberg, Barron's (Sep 18, Sep 29, Oct 26, 2026)

INVESTMENT THESIS I

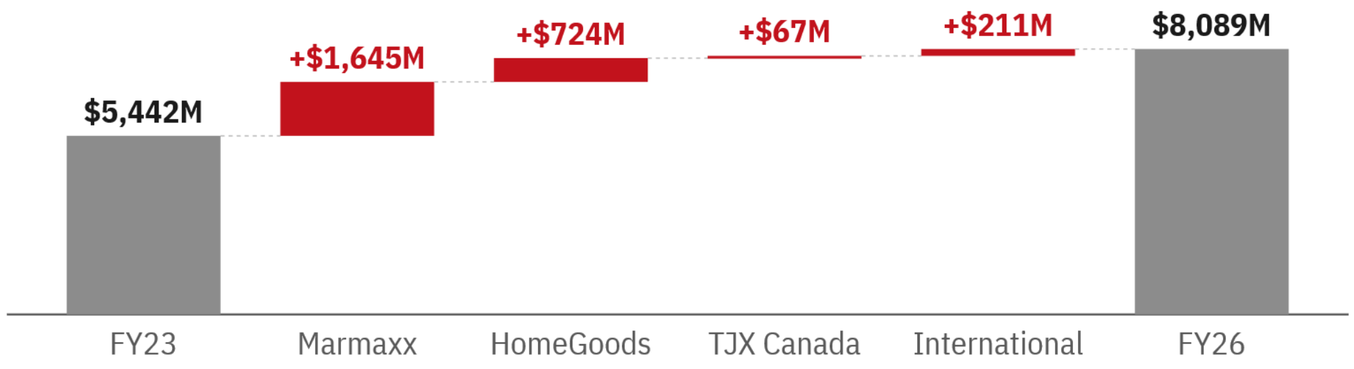
The Buying Machine Still Works

Sales up 45% on 15% more stores since FY20

Sales per gross sq ft rose from $346 in FY20 to $443 in FY26



Segment profit grew from $5.4B in FY23 to $8.1B in FY26



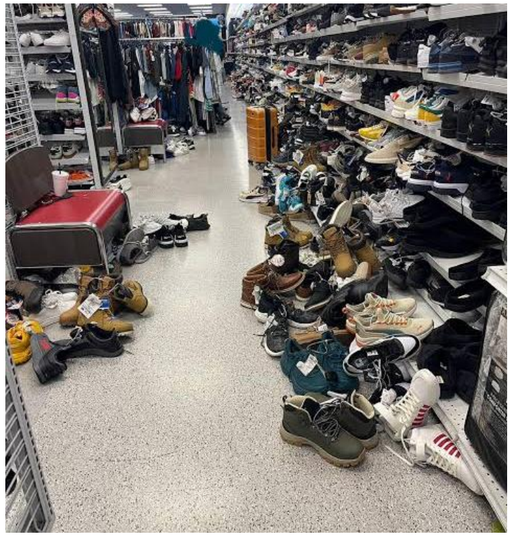
Store visits: T.J. Maxx was by far the cleanest and most organized

T.J. Maxx | **HomeGoods** | **Ross** | **Burlington**

T.J. Maxx



Ross



T.J. Maxx	**By far the cleanest and most organized**
Others	Seemed dirty and unorganized

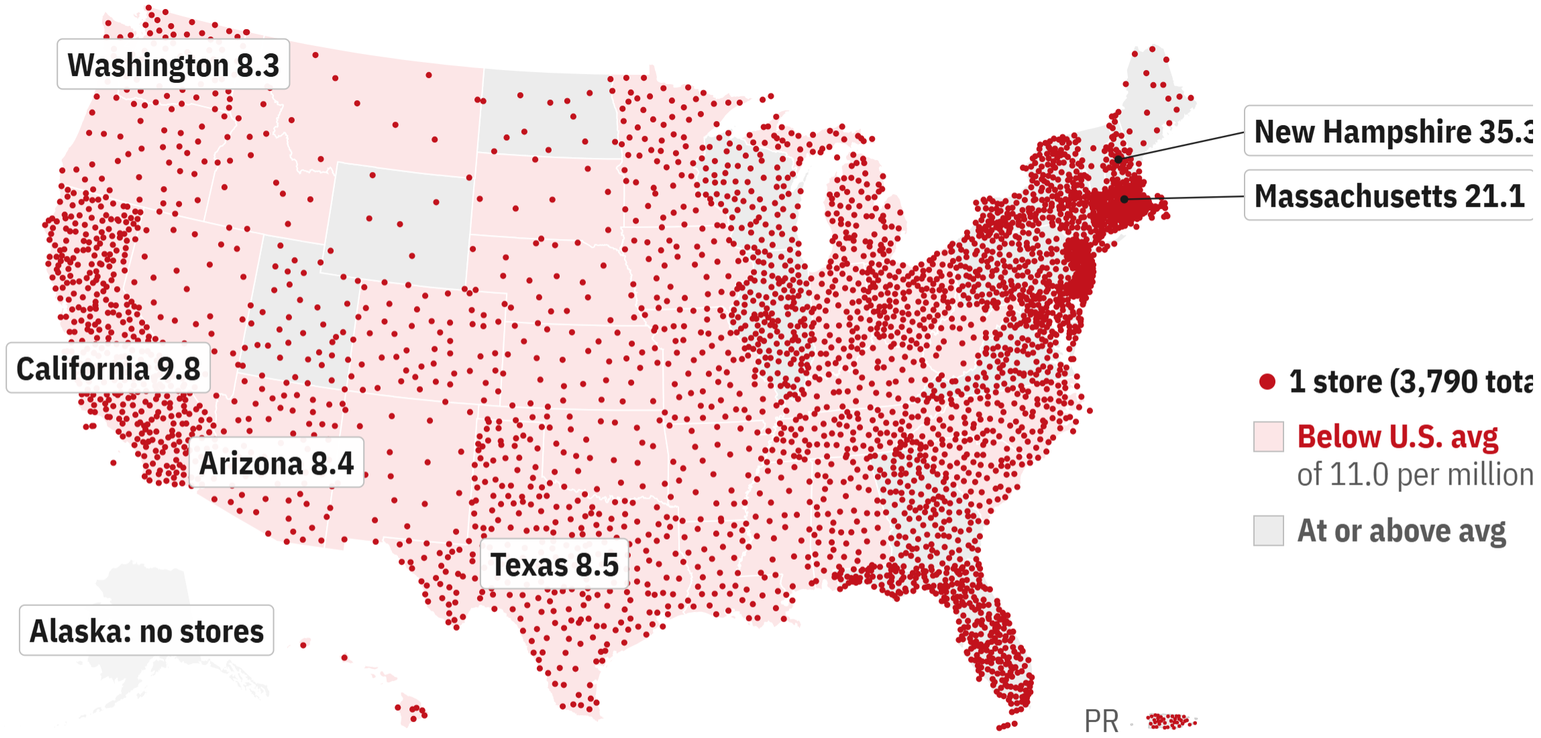
Photos provided by the Pitch Team.

Sources: TJX FY26 10-K, Bloomberg, Pitch Team store visits

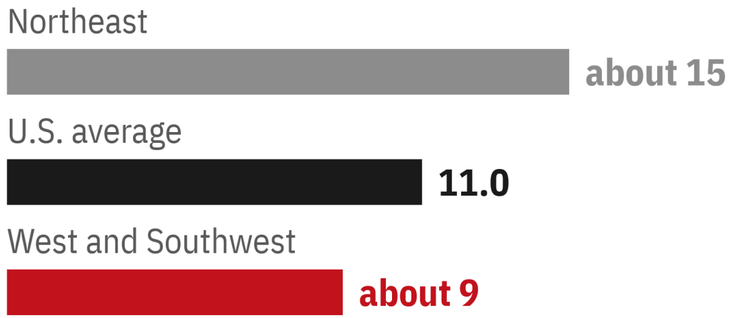
The Street Sees a Marmaxx Problem, We See a Second Engine

About 350 more U.S. stores just to bring thin states up to the national average

Each dot is a store: about 15 per million people in the Northeast, about 9 in the West and Southwest



Density by region vs the 11.0 U.S. average



≈350

more U.S. stores to bring every below average state up to just the U.S. average. **Texas alone: 80.**

≈670

Texas stores at Massachusetts' density. It has 268. Illustration, not a forecast.

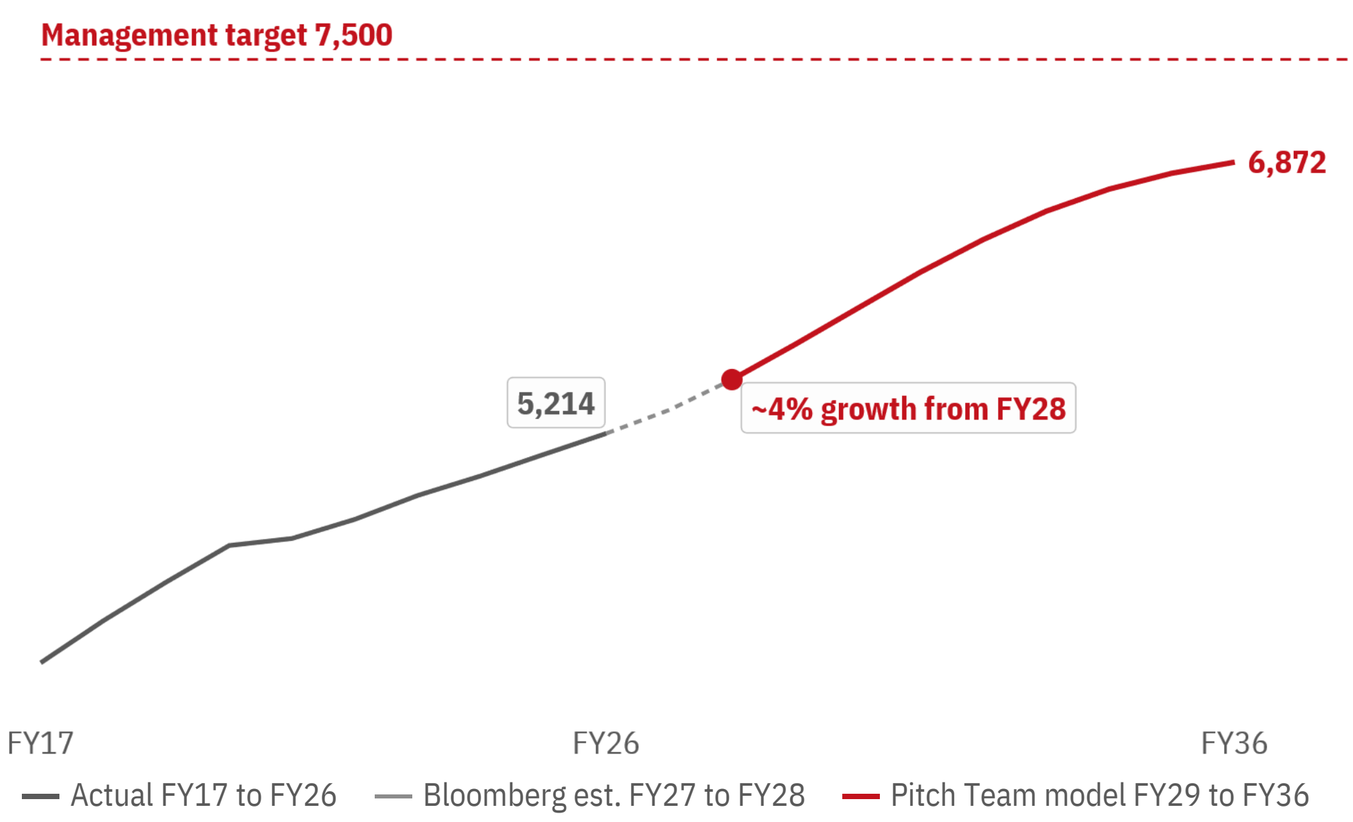
Sources: TJX FY26 10-K (Item 2), Census NST-EST2025-POP

INVESTMENT THESIS II

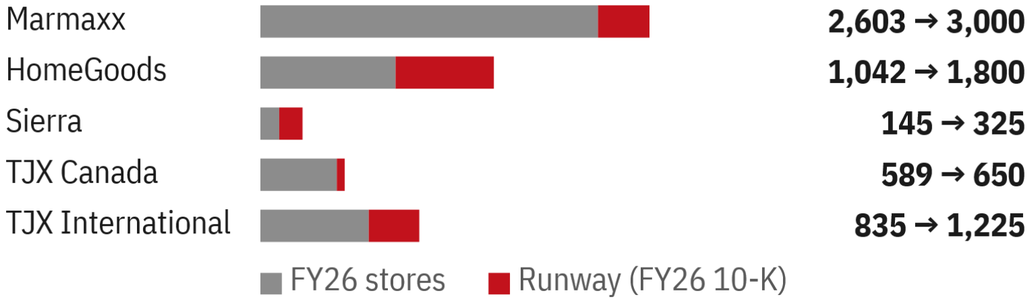
A Runway of More Than 2,000 Stores

Store growth steps up to 4% a year toward 7,500 stores

Model path reaches 6,872 stores by FY36; management targets 7,500

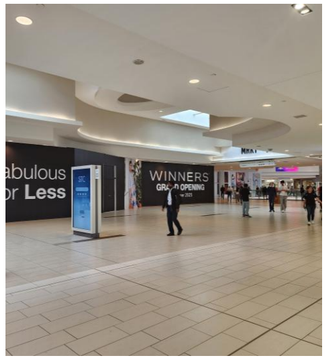


Store potential by banner: 7,000 (FY26 10-K)



International: 835 stores today, 1,225 potential

Canada 589



Europe 747



Australia 88



Stores Jan 31, 2026, TJX FY26 10-K. Spain opened Mar 2026. Canada potential 650. Maps in A2.

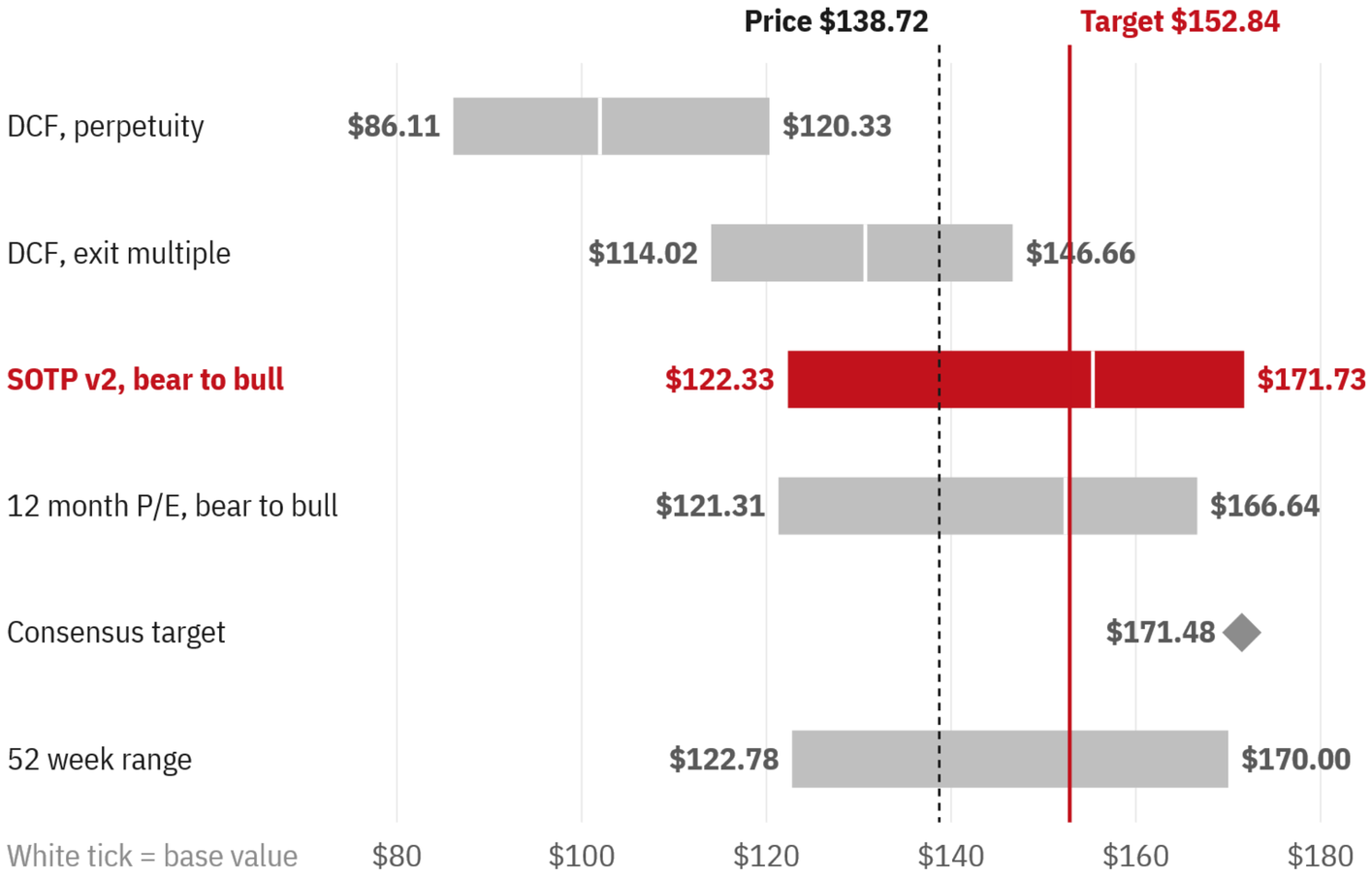
Sources: TJX FY26 10-K, Bloomberg, Pitch Team Model. Photos via Wikimedia Commons: Glenn Samonte (CC BY 2.0), Evelyn Simak (CC BY-SA 2.0), Nick-D (CC BY-SA 4.0)

VALUATION

Peer Anchored Sum of the Parts Yields a $152.84 Target

11.7% probability weighted return; about 2.4 to 1 upside to downside

12 month SOTP range of $122 to $172 sets the $152.84 target



Bear Case (20%) — $122.33 · (10.3%)

1. Marmaxx share loss confirmed
2. Forward profit cut 5% vs consensus
3. Multiples −3.5 turns to 16.5x

Base Case (55%) — $155.35 · +13.5%

1. Consensus profit delivered
2. Peer anchored multiples, 20.0x blended
3. $2.04 of dividends over 12 months

Bull Case (25%) — $171.73 · +25.3%

1. Marmaxx comps beat by 2 to 3 points
2. Forward profit +3% vs consensus
3. Multiples +1.5 turns to 21.5x

Returns from $138.72 incl. dividends. Probability weighted target $152.84, return 11.7%; bull return / bear loss 2.4x.

Sources: Pitch Team Model (SOTP v2), Bloomberg

VALUATION

Each Segment Priced Off Its Closest Listed Peer

Base case $155.35 at 20.0x forward EBIT, against 19.6x for TJX today

Peer EV/EBIT plus growth and quality adjustments, on forward profit ($M)

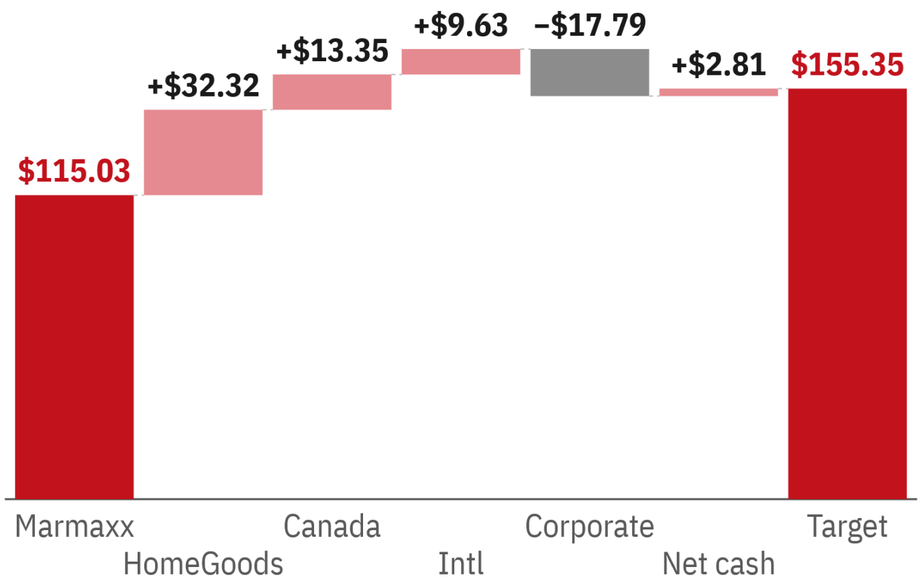
Segment	Fwd profit	Anchor peer	Growth	Quality	Multiple	EV ($B)	Per share
Marmaxx	$6,167	Ross 20.3x	+0.5x	0.0x	**20.8x**	$128.3	$115.03
HomeGoods	$1,653	Ross 20.3x	+1.5x	0.0x	**21.8x**	$36.0	$32.32
TJX Canada	$914	Burlington 14.8x	0.0x	+1.5x	**16.3x**	$14.9	$13.35
TJX International	$778	Burlington 14.8x	+1.0x	−2.0x	**13.8x**	$10.7	$9.63
Corporate expense	($993)	Blended segments			20.0x	($19.8)	($17.79)
Cash less debt						$3.1	$2.81
Equity value	$8,519	EBIT			**20.0x**	**$173.3**	**$155.35**

Forward profit = 25% FY28E + 75% FY29E. Anchors are Bloomberg blended forward EV/EBIT, Oct 22, 2026. 1,115.2M diluted shares.

Why the adjustments

- **Marmaxx +0.5x growth:** largest U.S. off price buyer; FY28E margin already below the FY26 record
- **HomeGoods +1.5x growth:** 5% unit growth and the fastest U.S. profit growth, with the longest runway
- **Canada +1.5x quality:** steady 13% to 14% margins, #1 off price player in Canada
- **International −2.0x quality:** 7% to 8% margins; European retail rarely earns U.S. multiples

Per share build to $155.35



Cross-checks

Check	SOTP	Reference
vs TJX EV/EBIT today	20.0x	19.6x
vs TJX 5 year avg EV/EBIT	20.0x	18.0x
vs consensus target	$155.35	$171.48

Sources: Pitch Team Model (SOTP v2), Bloomberg EQRV (Oct 22, 2026)

RISKS & MITIGANTS

Real Risks, Already Sized and Priced

The Marmaxx risk is about 3 to 5 cents of EPS

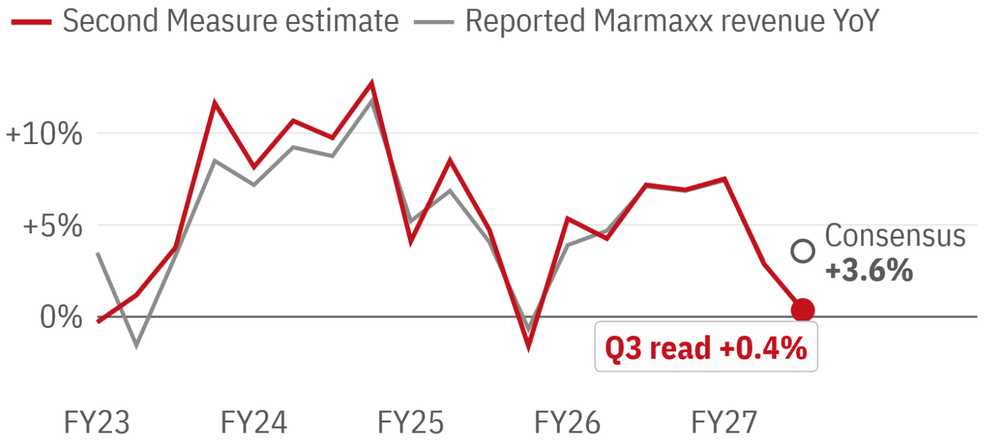
	Key Risk(s)	Mitigant(s)
1 Marmaxx share loss	• Q2 Marmaxx comp of 1% vs Ross +10% • Second Measure implies a –1.7% Q3 Marmaxx comp	• Miss is worth $0.03 to $0.05 of EPS, 0.9% of FY27 • Bear case already cuts profit 5%
2 Multiple compression	• 3.5 turns lower on every segment: $122.33 • A 10.3% loss including dividends	• Base 20.0x is 0.4x above TJX's 19.6x today • Target holds above $138.72 through a 2 turn de-rating
3 Cash flow valuation	• DCF is below the price at any WACC above about 7.5% • Perpetuity DCF: $101.98 at a 9.12% WACC	• Return comes from about 9% EPS growth plus a 1.5% dividend • SOTP $155.35 and P/E $152.39 both sit above the price

Barron's · Sep 18, 2026 · Teresa Rivas

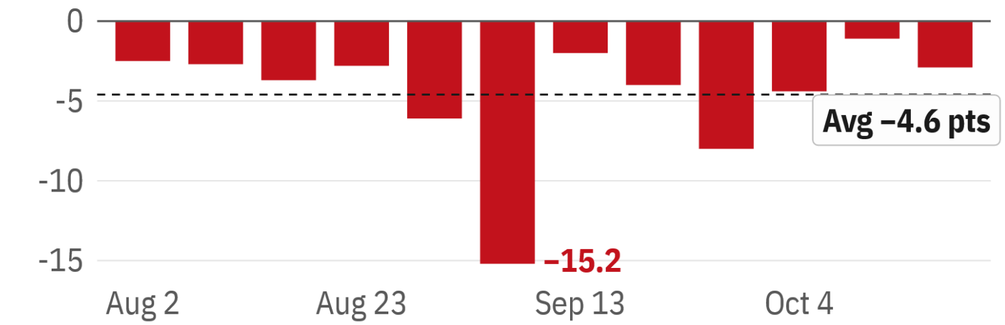
Ross Stores and Target Are Winning Shoppers From Rivals

Gordon Haskett: Ross holds a mid teens traffic lead over nearby Marmaxx stores over six months.

Second Measure: Q3 Marmaxx +0.4% vs 3.6% consensus



TJX trailed off price peers 12 of 12 weeks



Sources: Bloomberg Second Measure, Bloomberg ALTD (Oct 28, 2026), Barron's (Sep 18, 2026), Pitch Team Model

What You Need To Believe

Modest assumptions, hard catalysts

Catalyst path



What you need to believe

1. **Consensus EPS holds**
   FY28 $5.78 and FY29 $6.34 (Bloomberg), about 9% growth a year

2. **No re-rating**
   SOTP base at 20.0x forward EBIT vs 19.6x today; IRR exits at today's 24.6x P/E

3. **Stores keep compounding**
   Model reaches 6,872 stores by FY36, below management's 7,500

Add plan: pre agreed triggers

Trigger	Condition	Oct 28	Action
Price	$125 to $130, about 22x to 23x forward EPS	$138.72 Not met	Add second tranche
Data	Second Measure TJX spend above the off price group 3 to 4 weeks in a row	–2.9 pts Not met	Add second tranche
Print	Nov 18 Marmaxx comp at or above 1.9% consensus, or Q4 guide held	**Pending**	Add on the print
Stop	Negative Marmaxx comp, Q4 guide cut, transactions falling into December	**Pending**	No add; review the starter

Sources: Pitch Team Model, Bloomberg

Q&A

Thank you! Any questions?

Entry Price: $138.72
Blended Target Price: $152.84
11.7% Upside | **11.2%** 3-Year IRR



Photo: Raman Shaunia, CC0, via Wikimedia Commons

Appendix

A1 US Footprint by Banner

A2 Canada, Europe and Australia

A3 DCF and Reverse DCF

A4 SOTP Sensitivities

A5 Alt Data Detail

Marshalls, Vaughan Mills. Photo: Chicken4War, CC BY-SA 4.0, via Wikimedia Commons

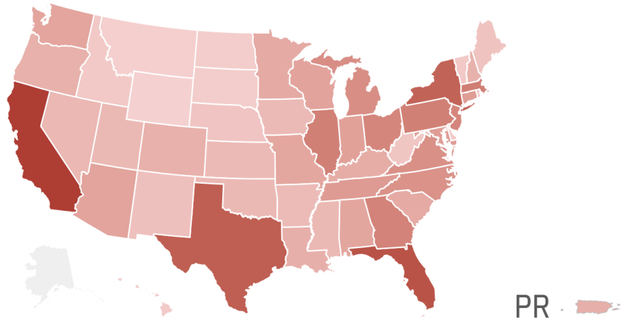
APPENDIX

US Footprint by Banner

Sierra's 145 stores in 38 states have the longest runway, toward an estimated 325

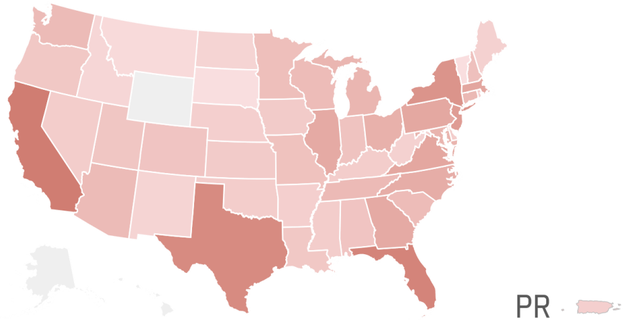
Marmaxx: 2,603 stores





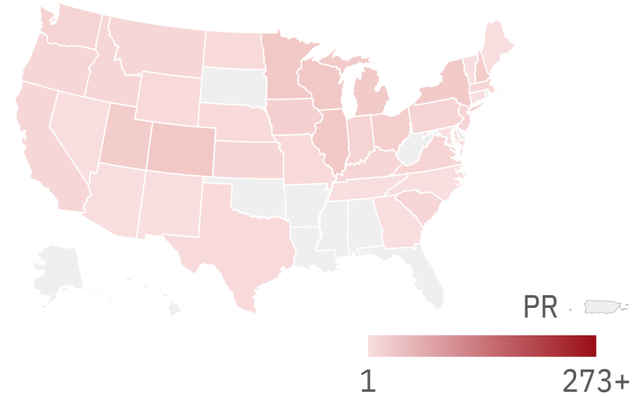
HomeGoods: 1,042 stores, 47 states plus PR





Sierra: 145 stores, 38 states





Runway to estimated potential: Sierra +124%, HomeGoods +73%, Marmaxx +15%



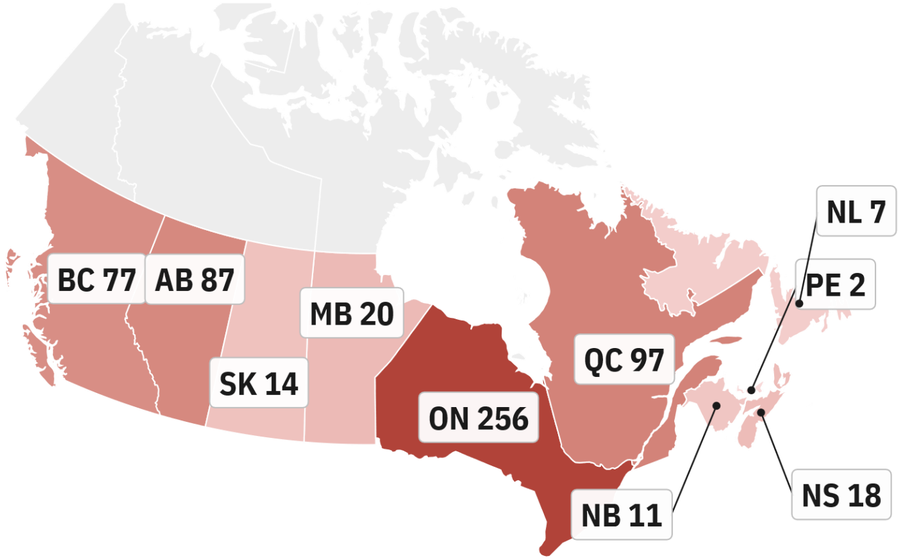
Sources: TJX FY26 10-K (Items 1 and 2). Photos via Wikimedia Commons: Frank Schulenburg (CC BY-SA 4.0), Steve Morgan (CC BY-SA 4.0)

APPENDIX

Canada, Europe and Australia

International potential 1,225 stores vs 835 today; Canada 650 vs 589 (FY26 10-K)

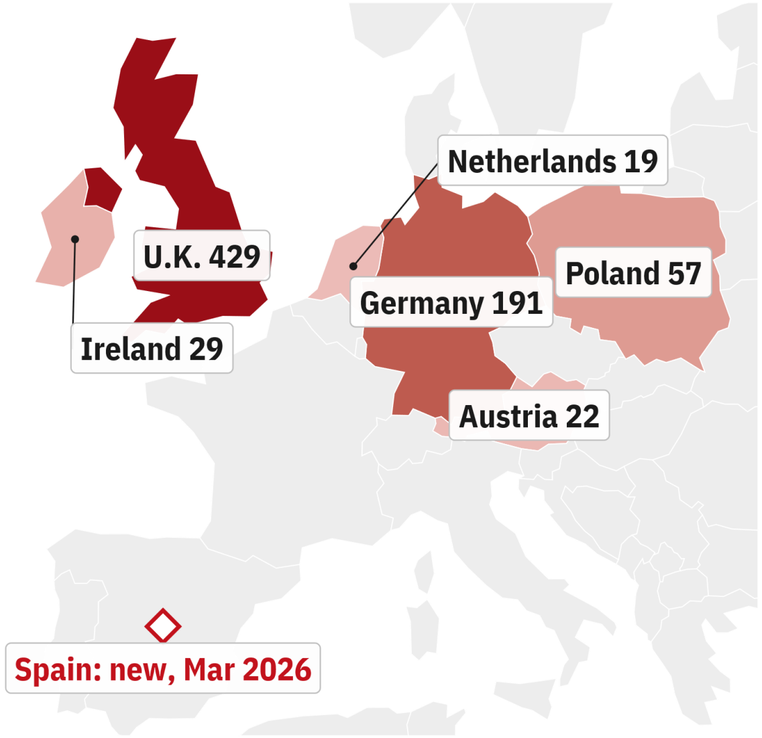
Canada: 589 stores, Ontario 256



Stores Jan 31, 2026. Source: TJX FY26 10-K

Winners 316 · HomeSense 162 · Marshalls 111

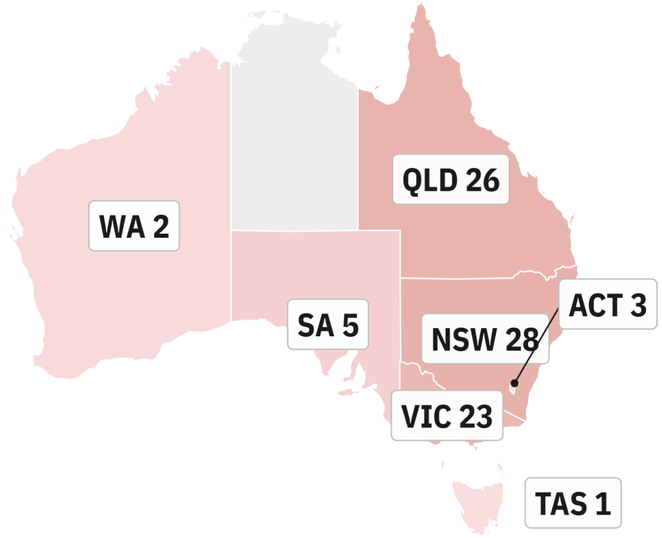
Europe: 747 stores, U.K. 429



Stores Jan 31, 2026. Source: TJX FY26 10-K

TK Maxx 673 · Homesense 74 (U.K. and Ireland only)

Australia: 88 stores, NSW 28



Stores Jan 31, 2026. Source: TJX FY26 10-K

TK Maxx 88

Sources: TJX FY26 10-K (Items 1 and 2)

APPENDIX

DCF and Reverse DCF

The price implies a 7.5% discount rate

WACC build: 9.12%

Risk free rate (10y UST)	5.00%
Adjusted beta (raw 0.65)	0.77
Equity risk premium	5.50%
Cost of equity (CAPM)	9.21%
After tax cost of debt	4.10%
Equity weight	98.2%
WACC used	**9.12%**

DCF summary (base case)

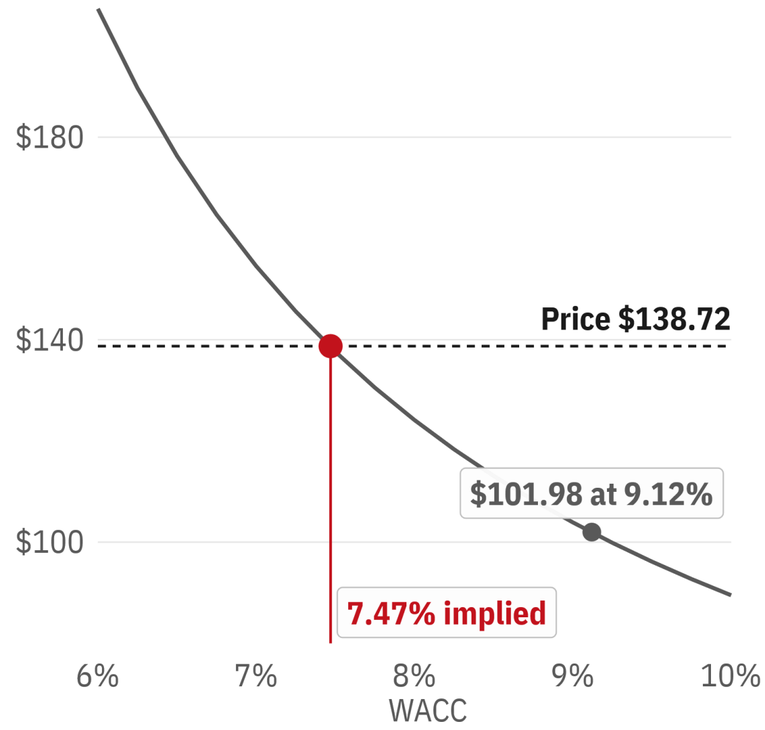
Method	Per share	vs price
Perpetuity, 3.0% growth	$101.98	(26.5%)
Exit multiple, 18.0x EBIT	$130.71	(5.8%)

Perpetuity DCF per share: WACC × terminal growth

WACC	2.0%	2.5%	3.0%	3.5%	4.0%
7.00%	$132.15	**$142.10**	**$154.54**	**$170.52**	**$191.84**
7.50%	$120.22	$128.05	$137.62	**$149.59**	**$164.97**
8.00%	$110.30	$116.58	$124.12	$133.33	**$144.84**
8.25%	$105.94	$111.60	$118.33	$126.49	$136.56
8.50%	$101.92	$107.03	$113.08	$120.33	$129.20
9.00%	$94.75	$98.97	$103.90	$109.72	$116.70
9.15%	$92.80	$96.79	$101.44	$106.90	$113.43
9.50%	$88.55	$92.07	$96.14	$100.88	$106.49
9.70%	$86.30	$89.59	$93.36	$97.75	$102.90
10.00%	$83.14	$86.11	$89.50	$93.42	$97.98

Shaded: above today's $138.72. 9.15% is close to the CAPM WACC, 9.7% is Bloomberg, 8.25% is the fund template.

Model equals today's $138.72 at a 7.47% WACC



Sources: Pitch Team Model (TJX_Valuation_Model.xlsx), Bloomberg

APPENDIX

SOTP Sensitivities

The target stays above $138.72 through a 2 turn de-rating or a 10% profit cut, not both

12 month target: all segment multiples vs forward profit

Multiples \ Profit	−10%	−5%	0%	+5%	+10%
−2.0x	$126.35	$133.21	**$140.08**	**$146.94**	**$153.80**
−1.0x	$133.22	**$140.47**	**$147.72**	**$154.96**	**$162.21**
0.0x	**$140.10**	**$147.73**	**$155.35**	**$162.98**	**$170.61**
+1.0x	**$146.98**	**$154.98**	**$162.99**	**$171.00**	**$179.01**
+2.0x	**$153.85**	**$162.24**	**$170.63**	**$179.02**	**$187.42**

12 month target: Marmaxx multiple vs Marmaxx profit (about 75% of EV)

Marmaxx x \ Profit	−10%	−5%	0%	+5%	+10%
18.8x	$135.06	**$140.25**	**$145.45**	**$150.64**	**$155.84**
19.8x	**$139.48**	**$144.94**	**$150.40**	**$155.86**	**$161.33**
20.8x	**$143.90**	**$149.63**	**$155.35**	**$161.08**	**$166.81**
21.8x	**$148.32**	**$154.31**	**$160.31**	**$166.30**	**$172.30**
22.8x	**$152.75**	**$159.00**	**$165.26**	**$171.52**	**$177.79**

Shaded: above today's $138.72. Outlined: base case. Profit change vs consensus forward profit (25% FY28E + 75% FY29E).

Sources: Pitch Team Model (SOTP v2)

APPENDIX

Alt Data Detail

Only Marmaxx and HomeGoods U.S. revenue have usable reads this quarter (R^2 of 70% or more)

Q3 FY27 quarter to date reads vs consensus, with 3 year R^2

Source	Alt YoY	vs cons. (pts)	R^2, 3 years	Usable
Marmaxx revenue (consensus +3.6%)				
Bloomberg Second Measure	+0.4%	−3.2	95.5%	**Yes**
Facteus Arbiter	+1.5%	−2.1	84.9%	**Yes**
Placer.ai (foot traffic)	+4.8%	+1.2	76.8%	**Yes**
Apptopia (app time)	+7.6%	+4.0	54.7%	Weak
Similarweb (web visits)	−0.2%	−3.8	52.8%	Weak
HomeGoods U.S. revenue (consensus +7.8%)				
Bloomberg Second Measure	+6.1%	−1.7	74.2%	**Yes**
Placer.ai (foot traffic)	+11.9%	+4.1	69.4%	Weak
Facteus Arbiter	+8.5%	+0.7	38.8%	No

Line in R^2 bar = 70% usability threshold. Quarter 81% to 89% complete; quarter ends Oct 31, 2026.

September drivers YoY: TJX transactions −0.2% vs Ross +11.8%

Metric	TJX	Ross	Burlington
Transaction spend	**+1.7%**	+13.9%	+11.6%
Transaction count	**−0.2%**	+11.8%	+9.6%
Unique customers	**−0.5%**	+9.0%	+8.9%
Average ticket	**+1.9%**	+1.9%	+1.8%
Spend per customer	**+2.2%**	+4.4%	+2.4%
Store visits (Placer.ai)	**+2.9%**	+17.0%	+7.4%
Web visits (Similarweb)	**+10.1%**	+37.0%	+40.5%

Second Measure unless noted. Month of September 2026.

Sources: Bloomberg ALTD (Second Measure, Facteus, Placer.ai, Apptopia, Similarweb), Oct 28, 2026