

# ModernGraham Valuation

Company Name:

TJX Companies Inc

Company Ticker

TJX

Date of Analysis

10/15/2015



## Stage 1: Is this company suitable for the Defensive Investor or the Enterprising Investor?

*Defensive Investor; must pass 6 out of the following 7 tests.*

1. Adequate Size of the Enterprise	Market Cap > \$2Bil	\$48,399,590,028	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.63	Fail
3. Earnings Stability	Positive EPS for 10 years prior		Pass
4. Dividend Record	Dividend Payments for 10 years prior		Pass
5. Earnings Growth	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	257.77%	Pass
6. Moderate PEmg Ratio	PEmg < 20	23.95	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	11.41	Fail

*Enterprising Investor; must pass 4 out of the following 5 tests, or be suitable for the Defensive Investor.*

1. Sufficiently Strong Financial Condition	Current Ratio > 1.5	1.63	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.62	Pass
3. Earnings Stability	Positive EPS for 5 years prior		Pass
4. Dividend Record	Currently Pays Dividend		Pass
5. Earnings Growth	EPSmg greater than 5 years ago		Pass

### Suitability

<b>Defensive</b>	<b>No</b>
<b>Enterprising</b>	<b>Yes</b>

## Stage 2: Determination of Intrinsic Value

EPSmg	\$2.97
MG Growth Estimate	13.66%
<b>MG Value</b>	<b>\$106.52</b>
MG Value based on 3% Growth	\$43.11
MG Value based on 0% Growth	\$25.27
Market Implied Growth Rate	7.72%

### MG Opinion

Current Price	\$71.20
% of Intrinsic Value	66.84%
<b>Opinion</b>	<b>Undervalued</b>

## Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$0.39
Graham Number	\$21.47
PEmg	23.95
Current Ratio	1.63
PB Ratio	11.41
Dividend Yield	1.03%
Number of Consecutive Years of Dividend Growth	3

### Useful Links:

<a href="#">ModernGraham tagged articles</a>	<a href="#">Morningstar</a>
<a href="#">Google Finance</a>	<a href="#">MSN Money</a>
<a href="#">Yahoo Finance</a>	<a href="#">Seeking Alpha</a>
<a href="#">GuruFocus</a>	<a href="#">SEC Filings</a>

EPS History		EPSmg History	
Next Fiscal Year Estimate	\$3.23	Next Fiscal Year Estimate	\$2.97
Jan15	\$3.15	Jan15	\$2.71
Jan14	\$2.94	Jan14	\$2.36
Jan13	\$2.55	Jan13	\$1.95
Jan12	\$1.93	Jan12	\$1.56
Jan11	\$1.65	Jan11	\$1.29
Jan10	\$1.42	Jan10	\$1.06
Jan09	\$1.00	Jan09	\$0.84
Jan08	\$0.83	Jan08	\$0.74
Jan07	\$0.78	Jan07	\$0.68
Jan06	\$0.71	Jan06	\$0.61
Jan05	\$0.61	Jan05	\$0.55
Jan04	\$0.58	Jan04	\$0.50
Jan03	\$0.49	Jan03	\$0.45
Jan02	\$0.46	Jan02	\$0.42
Jan01	\$0.47	Jan01	\$0.38
Jan00	\$0.41	Jan00	\$0.30
Jan99	\$0.32	<b>Balance Sheet Information</b> <b>Jul15</b>	
Jan98	\$0.22	Total Current Assets	\$6,796,837,000
Jan97	\$0.26	Total Current Liabilities	\$4,160,861,000
Jan96	\$0.02	Long-Term Debt	\$1,623,959,000
		Total Assets	\$11,341,040,000
		Intangible Assets	\$308,539,000
		Total Liabilities	\$7,064,975,000
		Shares Outstanding (Diluted Average)	685,322,000





Disclaimer:

This valuation is not investment advice. Anyone who is considering making an investment decision should speak to a registered investment advisor.

The author did not hold a position in any company mentioned in this article at the time of publication and had no intention of changing those holdings within the next 72 hours.

## Recommended Reading:

Other  
ModernGraham  
posts about the  
company

[5 Undervalued Companies with a Low Beta – October 2015](#)  
[The Best Companies of the Retail Industry – August 2015](#)  
[5 Undervalued Companies with a Low Beta – August 2015](#)  
[The 20 Best Stocks For Value Investors This Week – 7/25/15](#)  
[TJX Companies Analysis – July 2015 Update \\$TJX](#)

Other  
ModernGraham  
posts about related  
companies

[Tiffany and Company Valuation – October 2015 Update \\$TIF](#)  
[Urban Outfitters Inc. Analysis – October 2015 Update \\$URBN](#)  
[Staples Inc. Analysis – September 2015 Update \\$SPLS](#)  
[Fossil Group Inc. Analysis – September 2015 Update \\$FOSL](#)  
[Ross Stores Inc. Analysis – August 2015 Update \\$ROST](#)  
[The Best Companies of the Retail Industry – August 2015](#)  
[Bed Bath & Beyond Inc. Analysis – August 2015 Update \\$BBBY](#)  
[Ann Inc. Analysis – Initial Coverage \\$ANN](#)  
[Kohl's Corporation Analysis – August 2015 Update \\$KSS](#)  
[Aaron's Inc. Analysis – Initial Coverage \\$AAN](#)