

# ModernGraham Valuation

Company Name:

TJX Companies Inc

Company Ticker TJX

Date of Analysis

2/3/2016



## 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	\$47,849,528,591	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.55	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	258.93%	Pass
6. Moderate PEmg Ratio	PEmg < 20	23.87	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	11.15	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	1.55	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	\$2.98
MG Growth Estimate	13.76%
<b>MG Value</b>	<b>\$107.46</b>
MG Value based on 3% Growth	\$43.26
MG Value based on 0% Growth	\$25.36
Market Implied Growth Rate	7.69%

### MG Opinion

Current Price	\$71.22
% of Intrinsic Value	66.28%
<b>Opinion</b>	<b>Undervalued</b>

## Stage 3: Information for Further Research

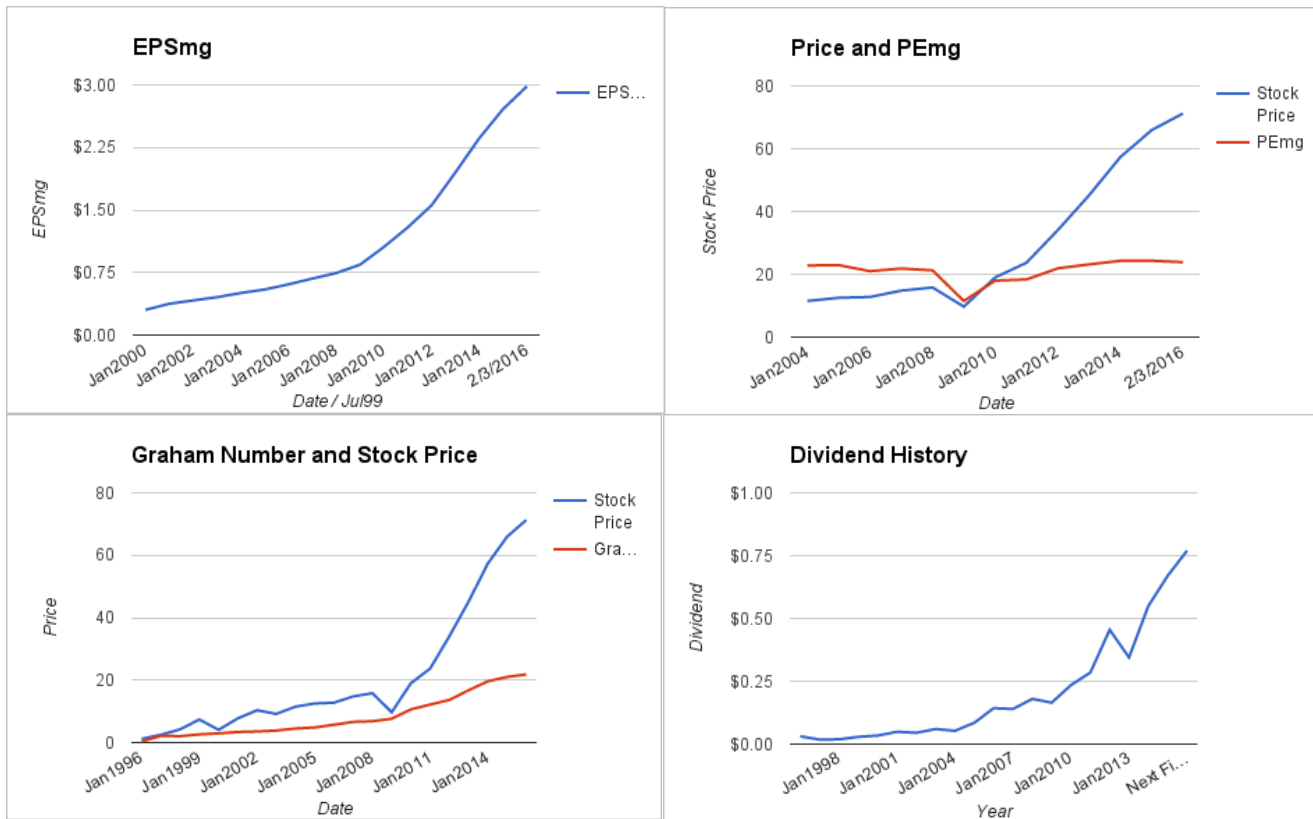
Net Current Asset Value (NCAV)	-\$0.43
Graham Number	\$21.84
PEmg	23.87
Current Ratio	1.55
PB Ratio	11.15
Dividend Yield	1.08%
Number of Consecutive Years of Dividend Growth	3

### 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	\$3.26	Next Fiscal Year Estimate	\$2.98
Jan2015	\$3.15	Jan2015	\$2.71
Jan2014	\$2.94	Jan2014	\$2.36
Jan2013	\$2.55	Jan2013	\$1.95
Jan2012	\$1.93	Jan2012	\$1.56
Jan2011	\$1.65	Jan2011	\$1.29
Jan2010	\$1.42	Jan2010	\$1.06
Jan2009	\$1.00	Jan2009	\$0.84
Jan2008	\$0.83	Jan2008	\$0.74
Jan2007	\$0.78	Jan2007	\$0.68
Jan2006	\$0.71	Jan2006	\$0.61
Jan2005	\$0.61	Jan2005	\$0.55
Jan2004	\$0.58	Jan2004	\$0.50
Jan2003	\$0.49	Jan2003	\$0.45
Jan2002	\$0.46	Jan2002	\$0.42
Jan2001	\$0.47	Jan2001	\$0.38
Jan2000	\$0.41	Jan2000	\$0.30
Jan1999	\$0.32	<b>Balance Sheet Information Oct2015</b>	
Jan1998	\$0.22	Total Current Assets	\$7,348,157,000
Jan1997	\$0.26	Total Current Liabilities	\$4,730,078,000
Jan1996	\$0.02	Long-Term Debt	\$1,624,007,000
		Total Assets	\$11,992,433,000
		Intangible Assets	\$342,058,000
		Total Liabilities	\$7,641,972,000
		Shares Outstanding (Diluted Average)	680,844,000





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 – January 2016](#)
- [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](#)

**Other ModernGraham posts about related companies**

- [Coach Inc Valuation – February 2016 Update \\$COH](#)
- [Tiffany & Company Valuation – February 2016 Update \\$TIF](#)
- [Urban Outfitters Inc Valuation – January 2016 Update \\$URBN](#)
- [CVS Health Corp Valuation – December 2015 Update \\$CVS](#)
- [Ross Stores Inc Valuation – December 2015 Update \\$ROST](#)
- [Bed Bath & Beyond Inc. Valuation – November 2015 Update \\$BBBY](#)
- [Kohl's Corporation Valuation – November 2015 Update \\$KSS](#)
- [Aaron's Inc. Valuation – October 2015 Update \\$AAN](#)
- [Nordstrom Inc. Valuation – October 2015 Update \\$JWN](#)
- [Tractor Supply Company Valuation – October 2015 Update \\$TSCO](#)