



Buy: The TJX Companies, Inc.

JUNE 2026

HOLDINGS UPDATE

JENSEN QUALITY GROWTH STRATEGY

The Jensen Quality Growth Investment Team added The TJX Companies, Inc. (ticker: TJX) to the Quality Growth Strategy with an initial weighting of 2%. As of June 4, 2026, the Strategy had 28 holdings.

Why We Like TJX

Our thesis for TJX is driven by the company's strong business fundamentals and their alignment with key tenets of the **Jensen Quality Growth Strategy's** investment selection process:

- > **Competitive Advantages:** TJX is the clear market leader in off-price retail with significant scale advantages, global sourcing capabilities, and longstanding vendor relationships that are difficult to replicate. Its flexible buying model allows the company to capitalize on inefficiencies across the retail supply chain while offering consumers branded merchandise at attractive price points. Scale supports strong inventory turnover, purchasing power, and continued market share gains.
- > **Earnings Stability:** TJX generates durable revenue and earnings supported by a diversified store base, broad customer appeal, and exposure across apparel and home categories. The company has historically demonstrated resilience across economic cycles as consumers increasingly seek value-oriented retailers during periods of macro uncertainty. Strong cash generation, modest leverage, and disciplined capital allocation further support financial strength.
- > **Value:** TJX has long been viewed as a high-quality retailer, though valuation previously limited prospective returns. Improved confidence in the company's long-term growth outlook and margin expansion opportunities, particularly within international markets and HomeGoods, created a more attractive opportunity relative to long-term earnings potential.

Why Now

While we have long viewed TJX as a high-quality business, the company's valuation previously limited prospective returns despite strong fundamentals and consistent execution. Our improved confidence in the company's long-term growth and margin expansion opportunities, combined with a more attractive entry point following recent share price weakness, created an opportunity to initiate a position in a business with durable competitive advantages, continued market share opportunities, and a long runway for earnings and cash flow growth.

Outlook

We expect continued growth supported by ongoing market share gains, healthy customer traffic trends, store expansion, and continued consumer preference toward value-oriented retailers. Margin expansion opportunities remain supported by

Company Overview

The **TJX Companies, Inc.** was incorporated in 1962 and is headquartered in Framingham, Massachusetts. Ernie Herrman is TJX's current CEO and president, and the company employs approximately 377,000 people worldwide.

TJX is a leading global off-price apparel and home fashions retailer. Off-price retailers like TJX take advantage of inefficiencies in the retail supply chain to purchase and sell merchandise at a discount relative to traditional retailers. Key TJX store concepts include T.J. Maxx, HomeGoods, and Marshalls.



improving profitability within HomeGoods, international execution, scale benefits, merchandising discipline, and supply chain efficiencies. Longer term, we believe TJX remains well positioned to deliver durable earnings growth through continued global store expansion, increased penetration across home categories, market share gains from traditional retailers, and sustained free cash flow generation.

Earnings Growth: The annual rate of growth of earnings typically measured as Earnings Per Share Growth.

Earnings Per Share: The net income of a company divided by the total number of shares it has outstanding.

Free Cash Flow: Is equal to the cash from operations of a company less capital expenditures.

Strategy holdings are subject to change and should not be considered recommendations to buy or sell any security. For a listing of the Quality Growth Strategy's current holdings, please visit www.jenseninvestment.com/growth-composite-holdings.

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