

TJX COMPANIES INC /DE/
Form 10-Q
December 04, 2018

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-Q

(mark one)

Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
For the quarterly period ended November 3, 2018

OR

Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the transition period from _____ to _____

Commission file number 1-4908

The TJX Companies, Inc.

(Exact name of registrant as specified in its charter)

Delaware

04-2207613

(State or other jurisdiction of

(I.R.S. Employer

incorporation or organization)

Identification No.)

770 Cochituate Road Framingham, Massachusetts 01701

(Address of principal executive offices)

(Zip Code)

(508) 390-1000

(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. YES NO

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). YES NO

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer

Non-accelerated filer Smaller reporting company

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). YES NO

The number of shares of registrant's common stock outstanding as of November 3, 2018: 1,233,145,248

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements.

THE TJX COMPANIES, INC.

CONSOLIDATED STATEMENTS OF INCOME

(UNAUDITED)

IN THOUSANDS EXCEPT PER SHARE AMOUNTS

	Thirteen Weeks Ended		Thirty-Nine Weeks Ended	
	November 3, 2018	October 28, 2017	November 3, 2018	October 28, 2017
Net sales	\$9,825,759	\$8,762,220	\$27,845,594	\$24,903,944
Cost of sales, including buying and occupancy costs	6,983,483	6,150,020	19,797,537	17,652,767
Selling, general and administrative expenses	1,756,448	1,584,219	5,006,937	4,479,470
Pension settlement charge	36,122	—	36,122	—
Interest expense, net	3,188	7,981	10,365	27,499
Income before provision for income taxes	1,046,518	1,020,000	2,994,633	2,744,208
Provision for income taxes	284,265	378,564	776,373	1,013,536
Net income	\$762,253	\$641,436	\$2,218,260	\$1,730,672
Basic earnings per share:				
Net income	\$0.62	\$0.51	\$1.78	\$1.35
Weighted average common shares – basic	1,236,842	1,268,044	1,245,639	1,278,383
Diluted earnings per share:				
Net income	\$0.61	\$0.50	\$1.75	\$1.33
Weighted average common shares – diluted	1,257,562	1,285,762	1,264,100	1,297,344

The accompanying notes are an integral part of the unaudited consolidated financial statements.

THE TJX COMPANIES, INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(UNAUDITED)
IN THOUSANDS

	Thirteen Weeks Ended	
	November 3, 2018	October 28, 2017
Net income	\$762,253	\$ 641,436
Additions to other comprehensive income:		
Foreign currency translation adjustments, net of related tax provision of \$143 in fiscal 2019 and benefit of \$18,110 in fiscal 2018	(18,055)	(46,029)
Recognition of net gains/losses on benefit obligations, net of related tax benefit of \$1,867 in fiscal year 2019 (See Note H)	(5,128)	—
Reclassifications from other comprehensive income to net income:		
Pension settlement charge, net of related tax provision of \$9,641 in fiscal 2019	26,481	—
Amortization of prior service cost and deferred gains, net of related tax provisions of \$1,109 in fiscal 2019 and \$2,414 in fiscal 2018	3,047	3,669
Amortization of loss on cash flow hedge, net of related tax provisions of \$76 in fiscal 2019 and \$112 in fiscal 2018	208	171
Other comprehensive income (loss), net of tax	6,553	(42,189)
Total comprehensive income	\$768,806	\$ 599,247
	Thirty-Nine Weeks Ended	
	November 3, 2018	October 28, 2017
Net income	\$2,218,260	\$ 1,730,672
Additions to other comprehensive income:		
Foreign currency translation adjustments, net of related tax benefits of \$13,582 in fiscal 2019 and tax provision of \$16,212 in fiscal 2018	(200,319)	79,393
Gain on net investment hedges, net of related tax provision of \$7,113 in fiscal 2019	19,539	—
Recognition of net gains/losses on benefit obligations, net of related tax benefit of \$1,867 in fiscal year 2019 (See Note H)	(5,128)	—
Reclassifications from other comprehensive income to net income:		
Pension settlement charge, net of related tax provision of \$9,641 in fiscal 2019	26,481	—
Amortization of prior service cost and deferred gains, net of related tax provisions of \$3,210 in fiscal 2019 and \$7,500 in fiscal 2018	8,817	11,401
Amortization of loss on cash flow hedge, net of related tax provisions of \$228 in fiscal 2019 and \$337 in fiscal 2018	622	513
Other comprehensive (loss) income, net of tax	(149,988)	91,307
Total comprehensive income	\$2,068,272	\$ 1,821,979

The accompanying notes are an integral part of the unaudited consolidated financial statements.

THE TJX COMPANIES, INC.
 CONSOLIDATED BALANCE SHEETS
 (UNAUDITED)
 IN THOUSANDS, EXCEPT SHARE DATA

	November 3, 2018	February 3, 2018	October 28, 2017
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 2,711,767	\$ 2,758,477	\$ 2,364,244
Short-term investments	—	506,165	511,618
Accounts receivable, net	419,790	327,166	345,866
Merchandise inventories			