BURLINGTON STORES REPORTS THIRD QUARTER 2026 EARNINGS

November 24, 2026

- **Total sales increased 8%, on top of 7% last year**
- **Comparable store sales increased 1%**
- **Net income was $106 million, and diluted EPS was $1.67**
- **Excluding certain expenses associated with bankruptcy acquired leases:**
  - **Adjusted EPS of $1.73 exceeded the high end of Q3 guidance**
  - **Q4 comp guidance of 1% to 3% maintained; Q4 Adjusted EPS guidance reflects $0.20 per share of incremental fuel and freight expenses**
  - **Full year Adjusted EPS guidance is now $11.70 to $11.80, which represents 15% to 16% growth versus last year**

BURLINGTON, N.J., Nov. 24, 2026 (GLOBE NEWSWIRE) -- Burlington Stores, Inc. (NYSE: BURL), a nationally recognized off-price retailer of high-quality, branded apparel, footwear, accessories, and merchandise for the home at everyday low prices, today announced its results for the third quarter ended October 31, 2026.

Michael O'Sullivan, CEO, stated, "Total sales increased 8% in the third quarter, while comp store sales increased 1%. We are disappointed with this result. We saw good sales momentum through late September, but then our store traffic and comp trend were significantly impacted by unseasonably warm weather in October."

Mr. O'Sullivan continued, "Despite comp growth coming in at the low end of our guidance range, we were pleased to deliver Adjusted EPS above our guidance. We continue to make good progress on our productivity and expense management initiatives."

Mr. O'Sullivan went on, "We are maintaining our Q4 comp guidance of 1% to 3%. We are excited about our assortments in key Holiday categories. We are adjusting our Q4 EPS guidance down by $0.20 to account for higher fuel surcharges and freight costs. It is worth calling out that despite these adjustments our full year EPS growth is still projected to be in the mid-teens."

Mr. O'Sullivan concluded, "We recognize that short-term issues, like warm weather or higher gas prices, can lead to a disappointing comp growth in an individual quarter, but this does not affect our huge confidence in the longer-term outlook for our business. We remain very bullish about the underlying performance and the longer-term growth trends in our business."

Fiscal 2026 Third Quarter Operating Results

- **Total sales** increased 8% compared to the third quarter of Fiscal 2025 to $2,932 million, while comparable store sales increased 1% compared to the third quarter of Fiscal 2025.
- **Gross margin** rate as a percentage of net sales was 43.7% vs. 44.2% for the third quarter of Fiscal 2025, a decrease of 50 basis points. Freight expense increased 50 basis points, while merchandise margin was flat as a percentage of sales. This includes the reinvestment of tariff related refunds received during the second quarter of fiscal 2026.
- **Product sourcing costs,** which are included in selling, general and administrative expenses (SG&A), were $235 million vs. $214 million in the third quarter of Fiscal 2025. Product sourcing costs include the costs of processing goods through our supply chain and buying costs.
- **SG&A** was 34.5% as a percentage of net sales vs 35.0% in the third quarter of Fiscal 2025. **Adjusted SG&A**, excluding $2 million and $11 million of expenses, respectively, associated with bankruptcy acquired leases, was 26.3% as a percentage of net sales vs. 26.7% in the third quarter of Fiscal 2025.
- **The effective tax rate** was 26.0% vs. 24.1% in the third quarter of Fiscal 2025. **The Adjusted Effective Tax Rate** was 25.6% vs. 24.1% in the third quarter of Fiscal 2025.
- **Net income** was $106 million, or $1.67 per share vs. $105 million, or $1.63 per share for the third quarter of Fiscal 2025. **Adjusted Net Income** was $110 million, or $1.73 per share, vs. $116 million, or $1.80 per share for the third quarter of Fiscal 2025; this also excluded $2 million and $8 million, respectively, of expenses, net of tax, associated with bankruptcy acquired leases.
- **Diluted weighted average shares outstanding** amounted to 63.5 million during the quarter compared with 64.1 million

during the third quarter of Fiscal 2025.

- **Adjusted EBITDA** was $283 million vs. $266 million in the third quarter of Fiscal 2025, which excludes $2 million and $11 million, respectively, of expenses associated with bankruptcy acquired leases, a decrease of 20 basis points as a percentage of sales. **Adjusted EBIT** was $163 million vs. $167 million in the third quarter of Fiscal 2025, excluding the same amounts, a decrease of 60 basis points as a percentage of sales.

First Nine Months of Fiscal 2026 Results

- Total sales increased 11% compared to the first nine months of Fiscal 2025, while comparable store sales increased 3%. Net income increased 35% compared to the same period in Fiscal 2025 to $405 million, or $6.34 per share vs. $4.68 per share in the prior period. Adjusted EBIT, excluding $14 million and $28 million, respectively, of expenses associated with bankruptcy acquired leases, was $608 million vs. $481 million in the first nine months of Fiscal 2025, an increase of 80 basis points as a percentage of sales. Adjusted Net Income, excluding $10 million and $21 million, respectively, of expenses, net of tax, associated with bankruptcy acquired leases, was $436 million, or $6.84 per share, vs. $332 million, or $5.19 per share for the first nine months of Fiscal 2025.

Inventory

- Merchandise inventories were $1,925 million vs. $1,658 million at the end of the third quarter of Fiscal 2025, a 16% increase, driven by our 119 net new stores and a comparable store inventory increase of 10% compared to the third quarter of Fiscal 2025. Reserve inventory was 35% of total inventory at the end of the third quarter of Fiscal 2026 compared to 35% at the end of the third quarter of Fiscal 2025. Reserve inventory is largely composed of merchandise that is purchased opportunistically and will be sent to stores in future months or next season.

Liquidity and Debt

- The Company ended the third quarter of Fiscal 2026 with $1,338 million in liquidity, comprised of $395 million in unrestricted cash and $943 million in availability on its ABL facility.
- The Company ended the third quarter of Fiscal 2026 with $1,910 million in outstanding total debt, including $1,708 million on its Term Loan facility, $186 million in Convertible Notes, and no borrowings on its ABL facility.

Common Stock Repurchases

- During the third quarter of Fiscal 2026, the Company repurchased 291,499 shares of its common stock under its share repurchase program for $81 million. As of the end of the third quarter of Fiscal 2026, the Company had $137 million remaining on its current share repurchase program authorization.
- On November 18, 2026, the Company's Board of directors authorized the repurchase of up to an additional $750 million of common stock, which is authorized to be executed through February 2029.

Outlook

For Fiscal Year 2026 (the 52-weeks ending January 30, 2027), the Company now expects:

- Total sales to increase approximately 10% on top of the 9% increase during Fiscal 2025; this assumes comparable store sales will increase in the range of 2% to 3%, on top of the 2% increase during Fiscal 2025;
- Capital expenditures, net of landlord allowances, to be approximately $1,115 million. This now includes the purchase of our new Philadelphia headquarters, which closed in the third quarter;
- To open approximately 115 net new stores;
- Depreciation and amortization to be approximately $460 million;
- Adjusted EBIT margin to increase in the range of 20 to 30 basis points versus Fiscal 2025; excluding $16 million of anticipated expenses associated with bankruptcy acquired leases in Fiscal 2026 and $35 million in Fiscal 2025;
- Net interest expense to be approximately $55 million;
- An Adjusted Effective Tax Rate of approximately 25%; and

- Adjusted EPS in the range of $11.70 to $11.80, as compared to $10.17 of Adjusted EPS last year; excluding $12 million, net of tax, of anticipated expenses associated with bankruptcy acquired leases in Fiscal 2026 and $26 million in Fiscal 2025. This assumes a fully diluted share count of approximately 64 million shares.

For the fourth quarter of Fiscal 2026 (the 13-weeks ending January 30, 2027), the Company now expects:

- Total sales to increase in the range of 7% to 9%; this assumes comparable store sales will increase in the range of 1% to 3% versus the fourth quarter of Fiscal 2025;
- Adjusted EBIT margin to decrease 100 to 80 basis points versus the fourth quarter of Fiscal 2025; excluding approximately $2 million of anticipated expenses associated with bankruptcy acquired leases in the fourth quarter of Fiscal 2026 and $8 million in the fourth quarter of Fiscal 2025;
- An Adjusted Effective Tax Rate of approximately 27%; and
- Adjusted EPS in the range of $4.85 to $4.95, as compared to $4.99 in Adjusted EPS last year; excluding $2 million, net of tax, of anticipated expenses associated with bankruptcy acquired leases in the fourth quarter of Fiscal 2026 and $6 million in the fourth quarter of Fiscal 2025.
- Fourth quarter Adjusted EPS guidance now includes an incremental $0.20 per share of higher freight and fuel expense, not previously contemplated in prior earnings guidance.
- Fourth quarter Adjusted EPS and Adjusted EBIT margin guidance also includes the remaining $35M of tariff refunds we expect to reinvest during the quarter.

The Company has not provided a quantitative reconciliation of the forward-looking non-GAAP financial measures presented above to the comparable GAAP measures, because doing so would require estimates for items that are inherently difficult to predict and would involve unreasonable effort. These items may include, among others, costs related to debt amendments, losses on debt extinguishment, impairment charges, and the related tax effects. Some of these items could be significant.

Note Regarding Non-GAAP Financial Measures

The foregoing discussion of the Company's operating results includes references to Adjusted SG&A, Adjusted EBITDA, Adjusted Net Income, Adjusted Earnings per Share (or Adjusted EPS), Adjusted EBIT (or Adjusted EBIT Margin), and Adjusted Effective Tax Rate. The Company believes these supplemental measures are useful in evaluating the performance of our business and provide greater transparency into our results of operations. In particular, we believe that excluding certain items that may vary substantially in frequency and magnitude from what we consider to be our core operating results are useful supplemental measures that assist investors and management in evaluating our ability to generate earnings and leverage sales, and to more readily compare core operating results between past and future periods. These non-GAAP financial measures are defined and reconciled to the most comparable GAAP measures later in this document.

Third Quarter 2026 Conference Call

The Company will hold a conference call on November 24, 2026 at 8:30 a.m. ET to discuss the Company's third quarter results. The U.S. toll free dial-in for the conference call is 1-800-715-9871 (passcode: 1769884) and the international dial-in number is 1-646-307-1963. A live webcast of the conference call will also be available on the investor relations page of the company's website at www.burlingtoninvestors.com.

For those unable to participate in the conference call, a replay will be available after the conclusion of the call on November 24, 2026 beginning at 11:30 a.m. ET through December 1, 2026 11:59 p.m. ET. The U.S. toll-free replay dial-in number is 1-800-770-2030 and the international replay dial-in number is 1-609-800-9909. The replay passcode is 1769884.

About Burlington Stores, Inc.

Burlington Stores, Inc., headquartered in New Jersey, is a nationally recognized off-price retailer with Fiscal 2025 net sales of $11.5 billion. The Company is a Fortune 500 company and its common stock is traded on the New York Stock Exchange under the ticker symbol "BURL." The Company operated 1,330 stores as of the end of the third quarter of Fiscal 2026 in 47 states, Washington D.C. and Puerto Rico, principally under the name Burlington Stores. The Company's stores offer an extensive selection of in-season, high-quality branded merchandise at up to 60% off other retailers' prices, including fashion-focused women's apparel, menswear, youth apparel, baby, beauty, footwear, accessories, home, toys, gifts and coats.

For more information about the Company, visit www.burlington.com.

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Safe Harbor for Forward-Looking and Cautionary Statements

This release contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. All statements other than statements of historical fact included in this release, including those about the external environment, as well as statements describing our outlook for future periods, are forward-looking statements. Forward-looking statements discuss our current expectations and projections relating to our financial condition, results of operations, plans, objectives, future performance and business. You can identify forward-looking statements by the fact that they do not relate strictly to historical or current facts. We do not undertake to publicly update or revise our forward-looking statements, except as required by law, even if experience or future changes make it clear that any projected results expressed or implied in such statements will not be realized. If we do update one or more forward-looking statements, no inference should be made that we will make additional updates with respect to those or other forward-looking statements. All forward-looking statements are subject to risks and uncertainties that may cause actual events or results to differ materially from those we expected, including general economic conditions, such as inflation and fuel costs, and the domestic and international political situation and the related impact on consumer confidence and spending; competitive factors, including the scale and potential consolidation of some of our competitors, rise of e-commerce spending, pricing and promotional activities of major competitors, and an increase in competition within the markets in which we compete; seasonal fluctuations in our net sales, operating income and inventory levels; the reduction in traffic to, or the closing of, the other destination retailers in the shopping areas where our stores are located; our ability to identify changing consumer preferences and demand; our ability to meet evolving regulatory requirements and stakeholder expectations regarding environmental, social or governance matters; extreme and/or unseasonable weather conditions caused by climate change or otherwise adversely impacting demand; effects of public health crises, epidemics or pandemics; our ability to sustain our growth plans or successfully implement our long-range strategic plans; our ability to execute our opportunistic buying and inventory management process; our ability to optimize our existing stores or maintain favorable lease terms; the availability, selection and purchasing of attractive brand name merchandise on favorable terms; our ability to attract, train and retain quality employees and temporary personnel in sufficient numbers; labor costs and our ability to manage a large workforce; the solvency of parties with whom we do business and their willingness to perform their obligations to us; import risks, including tax and trade policies, tariffs and government regulations; disruption in our distribution network; our ability to protect our information systems against service interruption, misappropriation of data, breaches of security, or other cyber-related attacks; risks related to the methods of payment we accept; the success of our advertising and marketing programs in generating sufficient levels of customer traffic and awareness; damage to our corporate reputation or brand; impact of potential loss of executives or other key personnel; our ability to comply with existing and changing laws, rules, regulations and local codes; lack of or insufficient insurance coverage; issues with merchandise safety and shrinkage; our ability to comply with increasingly rigorous privacy and data security regulations; impact of legal and regulatory proceedings relating to us; use of social media by us or by third parties at our direction in violation of applicable laws and regulations; our ability to generate sufficient cash to fund our operations and service our debt obligations; our ability to comply with covenants in our debt agreements; the consequences of the possible conversion of our convertible notes; our reliance on dividends, distributions and other payments, advance and transfers of funds from our subsidiaries to meet our obligations; the volatility of our stock price; the impact of the anti-takeover provisions in our governing documents; impact of potential shareholder activism; and each of the factors that may be described from time to time in our filings with the U.S. Securities and Exchange Commission, including under the heading “Risk Factors” in our most recent Annual Report on Form 10-K. For each of these factors, the Company claims the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995, as amended.

BURLINGTON STORES, INC.
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(unaudited)
(All amounts in thousands, except per share data)

	Three Months Ended		Nine Months Ended	
	October 31, 2026	November 1, 2025	October 31, 2026	November 1, 2025
REVENUES:				
Net sales	$ 2,932,150	$ 2,706,003	$ 8,782,238	$ 7,907,104
Other revenue	5,209	4,437	13,846	12,427
Total revenue	2,937,359	2,710,440	8,796,084	7,919,531
COSTS AND EXPENSES:				
Cost of sales	1,651,628	1,509,853	4,860,443	4,434,573
Selling, general and administrative expenses	1,011,021	947,518	3,019,568	2,765,507
Costs related to debt amendments and inducement charges	2	—	15,316	112
Depreciation and amortization	119,363	99,283	337,992	285,876
Impairment charges - long-lived assets	602	3,786	4,987	5,881
Other income - net	(4,484)	(2,309)	(10,089)	(9,326)
Interest income	(3,276)	(4,904)	(15,577)	(13,737)
Interest expense	19,518	19,154	55,672	52,391
Total costs and expenses	2,794,374	2,572,381	8,268,312	7,521,277
Income before income tax expense	142,985	138,059	527,772	398,254
Income tax expense	37,244	33,309	122,982	98,487
Net income	$ 105,741	$ 104,750	$ 404,790	$ 299,767
Diluted net income per common share	$ 1.67	$ 1.63	$ 6.34	$ 4.68
Weighted average common shares - diluted	63,451	64,068	63,846	64,027

BURLINGTON STORES, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(unaudited)
(All amounts in thousands)

	October 31, 2026	January 31, 2026	November 1, 2025
ASSETS			
Current assets:			
Cash and cash equivalents	$ 395,236	$ 1,232,525	$ 584,079
Accounts receivable—net	110,551	105,296	116,223
Merchandise inventories	1,924,960	1,311,903	1,658,435
Assets held for disposal	5,109	3,364	3,364
Prepaid and other current assets	158,672	118,444	299,925
Total current assets	2,594,528	2,771,532	2,662,026
Property and equipment—net	3,695,432	3,164,218	2,938,985
Operating lease assets	3,683,134	3,624,786	3,638,825
Goodwill and intangible assets—net	285,064	285,064	285,064
Deferred tax assets	2,486	2,139	2,312
Other assets	136,547	71,318	69,506
Total assets	$ 10,397,191	$ 9,919,057	$ 9,596,718
LIABILITIES AND STOCKHOLDERS' EQUITY			
Current liabilities:			
Accounts payable	$ 1,317,713	$ 1,019,152	$ 1,118,350
Current operating lease liabilities	465,750	425,468	405,330
Other current liabilities	679,040	734,000	659,563
Current maturities of long term debt and other current debt	20,157	70,591	19,953
Total current liabilities	2,482,660	2,249,211	2,203,196
Long term debt	1,889,522	2,011,735	2,015,471
Long term operating lease liabilities	3,543,214	3,497,343	3,504,001
Other liabilities	74,768	75,738	74,303
Deferred tax liabilities	353,812	277,771	272,238
Stockholders' equity	2,053,215	1,807,259	1,527,509
Total liabilities and stockholders' equity	$ 10,397,191	$ 9,919,057	$ 9,596,718

BURLINGTON STORES, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited)
(All amounts in thousands)

	Nine Months Ended	
	October 31, 2026	November 1, 2025
OPERATING ACTIVITIES		
Net income	$ 404,790	$ 299,767
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortization	337,992	285,876
Deferred income taxes	66,682	23,337
Non-cash stock compensation expense	88,322	81,693
Non-cash lease expense	(9,418)	(2,687)
Cash received from landlord allowances	44,389	31,094
Inducement charges	15,316	—
Changes in assets and liabilities:		
Accounts receivable	(6,545)	(28,400)
Merchandise inventories	(613,057)	(407,660)
Accounts payable	303,767	78,282
Other current assets and liabilities	(82,194)	(62,584)
Other long term assets and liabilities	(20,396)	(5,153)
Other operating activities	8,043	299
Net cash provided by operating activities	537,691	293,864

INVESTING ACTIVITIES		
Cash paid for property and equipment	(952,766)	(842,195)
Lease acquisition costs	(9,928)	(23,338)
Net (removal costs) proceeds from sale of property and equipment and assets held for sale	(255)	27,720
Net cash used in investing activities	(962,949)	(837,813)
FINANCING ACTIVITIES		
Proceeds from long term debt—ABL Line of Credit	—	150,000
Principal payments on long term debt—ABL Line of Credit	—	(150,000)
Proceeds from long term debt—Term Loan Facility	—	495,000
Principal payments on long term debt—Term Loan Facility	(13,144)	(11,888)
Principal payment on long term debt— Convertible Notes	(128,638)	(156,158)
Purchase of treasury shares	(304,048)	(218,199)
Other financing activities	33,799	24,575
Net cash (used in) provided by financing activities	(412,031)	133,330
Decrease in cash and cash equivalents	(837,289)	(410,619)
Cash and cash equivalents at beginning of period	1,232,525	994,698
Cash and cash equivalents at end of period	$ 395,236	$ 584,079

Reconciliation of Non-GAAP Financial Measures
(Unaudited)
(Amounts in thousands, except per share data)

The following tables calculate the Company's Adjusted Net Income, Adjusted EPS, Adjusted EBITDA, Adjusted EBIT, Adjusted SG&A and Adjusted Effective Tax Rate, all of which are considered non-GAAP financial measures. Generally, a non-GAAP financial measure is a numerical measure of a company's performance, financial position or cash flows that either excludes or includes amounts that are not normally excluded or included in the most directly comparable measure calculated and presented in accordance with GAAP.

Adjusted Net Income is defined as net income, exclusive of the following items, if applicable: (i) net favorable lease costs; (ii) costs related to debt amendments and inducement charges; (iii) impairment charges; (iv) amounts related to certain litigation matters; and (v) other unusual or non-recurring expenses, losses, charges or gains, all of which are tax effected to arrive at Adjusted Net Income.

Adjusted EPS is defined as Adjusted Net Income divided by the diluted weighted average shares outstanding, as defined in the table below.

Adjusted EBITDA is defined as net income, exclusive of the following items, if applicable: (i) interest expense; (ii) interest income; (iii) costs related to debt amendments and inducement charges; (iv) income tax expense; (v) depreciation and amortization; (vi) net favorable lease costs (vii) impairment charges; (viii) amounts related to certain litigation matters; and (ix) other unusual or non-recurring expenses, losses, charges or gains.

Adjusted EBIT (or Adjusted Operating Income) is defined as net income, exclusive of the following items, if applicable: (i) interest expense; (ii) interest income; (iii) costs related to debt amendments and inducement charges; (iv) income tax expense; (v) impairment charges; (vi) net favorable lease costs; (vii) amounts related to certain litigation matters; and (viii) other unusual or non-recurring expenses, losses, charges or gains.

Adjusted EBIT Margin (or Adjusted Operating Margin) is defined as Adjusted EBIT divided by net sales.

Adjusted SG&A is defined as SG&A less product sourcing costs, favorable lease costs and amounts related to certain litigation matters.

Adjusted Effective Tax Rate is defined as the GAAP effective tax rate less the tax effect of the reconciling items to arrive at Adjusted Net Income (footnote (f) in the table below).

The Company presents Adjusted Net Income, Adjusted EPS, Adjusted EBITDA, Adjusted EBIT (or Adjusted Operating Income), Adjusted EBIT Margin (or Adjusted Operating Margin), Adjusted SG&A and Adjusted Effective Tax Rate, because it believes they are useful supplemental measures in evaluating the performance of the Company's business and provide greater transparency into the results of operations. In particular, the Company believes that excluding certain items that may vary substantially in frequency and magnitude from what the Company considers to be its core operating results are useful supplemental measures that assist in evaluating the Company's ability to generate earnings and leverage sales, and to more readily compare core operating results between past and future periods.

The Company believes that these non-GAAP measures provide investors helpful information with respect to the Company's operations and financial condition. Other companies in the retail industry may calculate these non-GAAP measures differently such that the Company's calculation may not be directly comparable.

The following table shows the Company's reconciliation of net income to Adjusted Net Income and Adjusted EPS for the periods indicated:

	(unaudited)			
	(in thousands, except per share data)			
	Three Months Ended		**Nine Months Ended**	
	October 31, 2026	**November 1, 2025**	**October 31, 2026**	**November 1, 2025**
Reconciliation of net income to Adjusted Net Income:				
Net income	$ 105,741	$ 104,750	$ 404,790	$ 299,767

Net favorable lease costs (a)	1,523	1,891	5,372	5,961
Costs related to debt amendments and inducement charges (b)	2	—	15,316	112
Impairment charges - long-lived assets	602	3,786	4,987	5,881
Litigation matters (c)	(287)	(2,079)	463	4,255
Tax effect (f)	187	(890)	(4,992)	(4,179)
Adjusted Net Income	$ 107,768	$ 107,458	$ 425,936	$ 311,797
Diluted weighted average shares outstanding (g)	63,451	64,068	63,846	64,027
Adjusted Earnings per Share	$ 1.70	$ 1.68	$ 6.67	$ 4.87

The following table shows the Company's reconciliation of net income to Adjusted EBIT and Adjusted EBITDA for the periods indicated:

	(unaudited)			
	(in thousands)			
	Three Months Ended		**Nine Months Ended**	
	October 31, 2026	**November 1, 2025**	**October 31, 2026**	**November 1, 2025**
Reconciliation of net income to Adjusted EBIT and Adjusted EBITDA:				
Net income	$ 105,741	$ 104,750	$ 404,790	$ 299,767
Interest expense	19,518	19,154	55,672	52,391
Interest income	(3,276)	(4,904)	(15,577)	(13,737)
Net favorable lease costs (a)	1,523	1,891	5,372	5,961
Costs related to debt amendments and inducement charges (b)	2	—	15,316	112
Impairment charges - long-lived assets	602	3,786	4,987	5,881
Litigation matters (c)	(287)	(2,079)	463	4,255
Income tax expense	37,244	33,309	122,982	98,487
Adjusted EBIT	161,067	155,907	594,005	453,117
Depreciation and amortization	119,363	99,283	337,992	285,876
Adjusted EBITDA	$ 280,430	$ 255,190	$ 931,997	$ 738,993

The following table shows the Company's reconciliation of SG&A to Adjusted SG&A for the periods indicated:

	(unaudited)			
	(in thousands)			
	Three Months Ended		**Nine Months Ended**	
	October 31, 2026	**November 1, 2025**	**October 31, 2026**	**November 1, 2025**
Reconciliation of SG&A to Adjusted SG&A:				
SG&A	$ 1,011,021	$ 947,518	$ 3,019,568	$ 2,765,507
Net favorable lease costs (a)	(1,523)	(1,891)	(5,372)	(5,961)
Product sourcing costs	(234,907)	(213,986)	(677,699)	(619,815)
Litigation matters (c)	287	2,079	(463)	(4,255)
Adjusted SG&A	$ 774,878	$ 733,720	$ 2,336,034	$ 2,135,476

The following table shows the reconciliation of the Company's effective tax rates on a GAAP basis to the Adjusted Effective Tax Rates for the periods indicated:

	(unaudited)			
	Effective Tax Rates			
	Three Months Ended		**Nine Months Ended**	
	October 31, 2026	**November 1, 2025**	**October 31, 2026**	**November 1, 2025**
Effective tax rate on a GAAP basis	26.0%	24.1%	23.3%	24.7%
Adjustments to arrive at Adjusted Effective Tax Rate (h)	(0.4)	—	(0.2)	0.1
Adjusted Effective Tax Rate	25.6%	24.1%	23.1%	24.8%

The following table shows the Company's reconciliation of net income to Adjusted Net Income for the prior period Adjusted EPS amounts used in this press release for the periods indicated:

	(unaudited)	
	(in thousands, except per share data)	
	Three Months Ended January 31, 2026	**Fiscal Year Ended January 31, 2026**
Reconciliation of net income to Adjusted Net Income:		
Net income	$ 310,385	$ 610,153
Net favorable lease costs (a)	1,781	7,742
Costs related to debt amendments and inducement charges (b)	—	112
Impairment charges	3,976	9,857
Litigation matters (c)	(80)	4,175
Layaway liabilities (d)	(12,716)	(12,716)
Security tags (e)	11,657	11,657
Tax effect (f)	(1,118)	(5,297)
Adjusted Net Income	$ 313,885	$ 625,683
Diluted weighted average shares outstanding (g)	64,139	64,126
Adjusted Earnings per Share	$ 4.89	$ 9.76

(a) Net favorable lease costs represent the non-cash expense associated with favorable and unfavorable leases that were recorded as a result of purchase accounting related to the April 13, 2006 Bain Capital acquisition of Burlington Coat Factory Warehouse Corporation. These expenses are recorded in the line item "Selling, general and administrative expenses" in our Condensed Consolidated Statements of Income.
(b) Fiscal 2026 amount represents an inducement charge related to the Company's exchange of certain of the 2027 Convertible Notes during the first quarter of Fiscal 2026. Fiscal 2025 amount relates to the settlement of the 2025 Convertible Notes during the first quarter of Fiscal 2025.
(c) Relates to the final settlements and amounts charged for certain litigation matters.
(d) Represents a one-time settlement of certain layaway liabilities on our Fiscal 2025 Consolidated Balance Sheet, resulting in a gain.
(e) Represents a one-time write-off to amortization related to certain merchandise security tags on our Fiscal 2025 Consolidated Balance Sheet.
(f) Tax effect is calculated based on the effective tax rates (before discrete items) for the respective periods, adjusted for the tax effect for the impact of items (a) through (e).
(g) Diluted weighted average shares outstanding starts with basic shares outstanding and adds back any potentially dilutive securities outstanding during the period.
(h) Adjustments for items excluded from Adjusted Net Income. These items have been described in the table above reconciling GAAP net income to Adjusted Net Income.

Source: Burlington Stores, Inc.