

Burlington Stores

Investor Presentation

May 2021

Burlington
LOVE *the* DEALS

This presentation contains forward-looking statements that are based on current expectations, estimates, forecasts and projections about Burlington Stores, Inc., together with its consolidated subsidiaries including, without limitation, Burlington Coat Factory Warehouse Corporation and its operating subsidiaries (“Burlington” or the “Company”), the industry in which Burlington operates and other matters, as well as management’s beliefs and assumptions and other statements regarding matters that are not historical facts. For example, when Burlington uses words such as “projects,” “expects,” “anticipates,” “intends,” “plans,” “believes,” “seeks,” “estimates,” “should,” “would,” “could,” “will,” “opportunity,” “potential” or “may,” variations of such words or other words that convey uncertainty of future events or outcomes, Burlington is making 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. Burlington’s forward-looking statements are subject to risks and uncertainties. Such statements may include, but are not limited to, future impacts of the COVID-19 pandemic, proposed capital expenditures, projected financing requirements, proposed developmental projects, projected sales and earnings, Burlington’s ability to maintain selling margins, and the effect of the adoption of recent accounting pronouncements on Burlington’s consolidated financial position, results of operations and cash flows. Actual events or results may differ materially from the results anticipated in these forward-looking statements as a result of a variety of factors. While it is impossible to identify all such factors, factors that could cause actual results to differ materially from those estimated by Burlington include: general economic conditions; pandemics, including the duration of the COVID-19 pandemic and actions taken to slow its spread and the related impact on consumer confidence and spending; Burlington’s ability to successfully implement one or more strategic initiatives and growth plans; the availability of desirable store locations on suitable terms; changing consumer preferences and demand; industry trends, including changes in buying, inventory and other business practices; competitive factors, including pricing and promotional activities of major competitors and an increase in competition within the markets in which Burlington competes; the availability, selection and purchasing of attractive merchandise on favorable terms; import risks, including tax and trade policies, tariffs and government regulations; weather patterns, including, among other things, changes in year-over-year temperatures; Burlington’s future profitability; Burlington’s ability to control costs and expenses; unforeseen cyber-related problems or attacks; any unforeseen material loss or casualty; the effect of inflation; regulatory and tax changes; Burlington’s relationships with employees; the impact of current and future laws and the interpretation of such laws; terrorist attacks, particularly attacks on or within markets in which Burlington operates; natural and man-made disasters, including fire, snow and ice storms, flood, hail, hurricanes and earthquakes; our substantial level of indebtedness and related debt-service obligations; restrictions imposed by covenants in Burlington’s debt agreements; availability of adequate financing; Burlington’s dependence on vendors for merchandise; domestic events affecting the delivery of merchandise to Burlington’s stores; existence of adverse litigation; and each of the factors that may be described from time to time in Burlington’s filings with the Securities and Exchange Commission (SEC). 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.

Many of these factors, including the ultimate impact of the COVID-19 pandemic, are beyond Burlington’s ability to predict or control. In addition, as a result of these and other factors, Burlington’s past financial performance should not be relied on as an indication of future performance. The cautionary statements referred to on this slide also should be considered in connection with any subsequent written or oral forward-looking statements that may be issued by Burlington or persons acting on Burlington’s behalf. Burlington undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law. In light of these risks and uncertainties, the forward-looking events and circumstances discussed in this presentation might not occur. Furthermore, Burlington cannot guarantee future results, events, levels of activity, performance or achievements.

This presentation includes certain non-GAAP financial measures as defined by SEC rules. Reconciliations of those measures to the most directly comparable GAAP measures are available in the Appendix.

Agenda

- Company Overview
- Off-Price Retail
- Retail Market Share
- Burlington Full Potential
- Burlington 2.0 Strategy
- Financial Performance

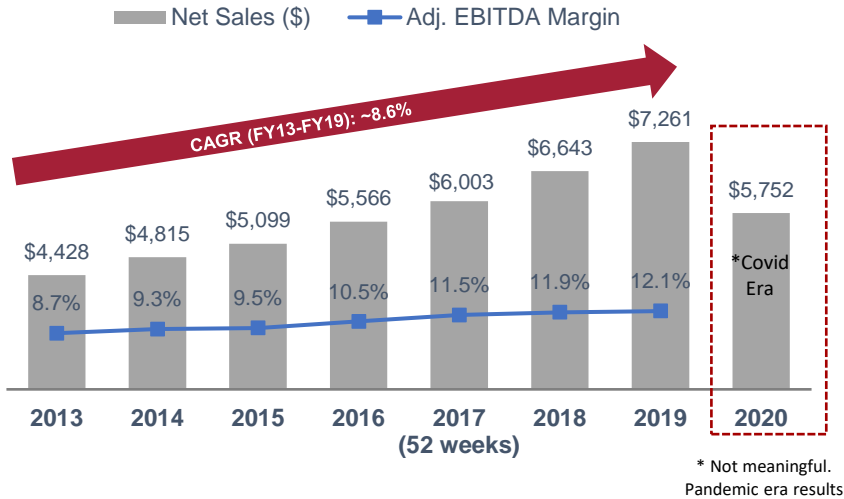


Company Overview

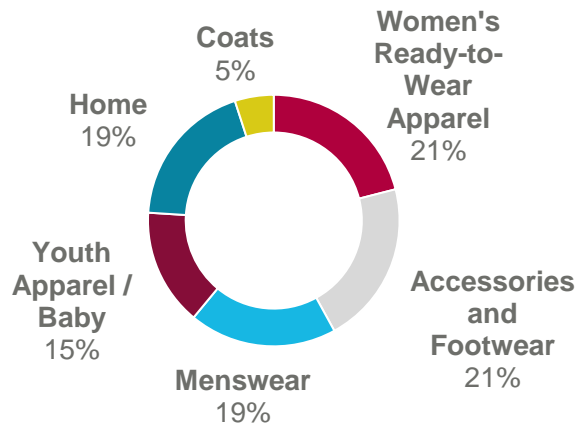
- **Nationally recognized off-price retailer** of high-quality, branded apparel, footwear, accessories, and home merchandise at everyday low prices.
- National footprint with **784 stores** in 45 states and Puerto Rico; attractive store economics and the **potential to expand store base to 2,000 stores**.
- **Good track record of results** but, based on off-price benchmarks, still has significant performance upside to achieve its financial **“Full Potential”**.
- Strong **leadership team with extensive experience** in merchandising and operations across the off-price, dept. store, and specialty retail sectors.

Business Highlights

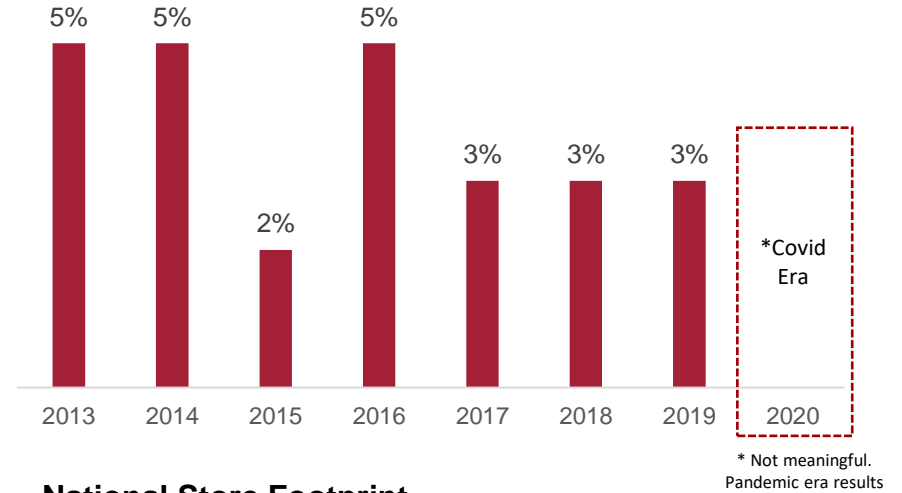
Strong History of Growth Pre-Pandemic



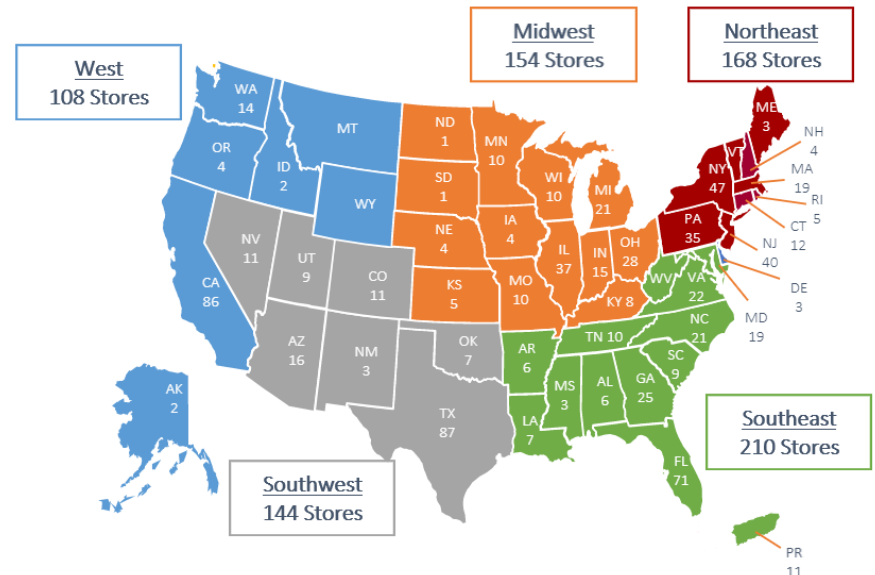
Broad Merchandise Assortment (FY2020)



Annual Comparable Store Sales Growth



National Store Footprint



Adjusted EBITDA is a non-GAAP measure. Please see the Appendix for the reconciliation to its most comparable GAAP measure. Source: Company filings.

Agenda

- Company Overview
- Off-Price Retail
- Retail Market Share
- Burlington Full Potential
- Burlington 2.0 Strategy
- Financial Performance



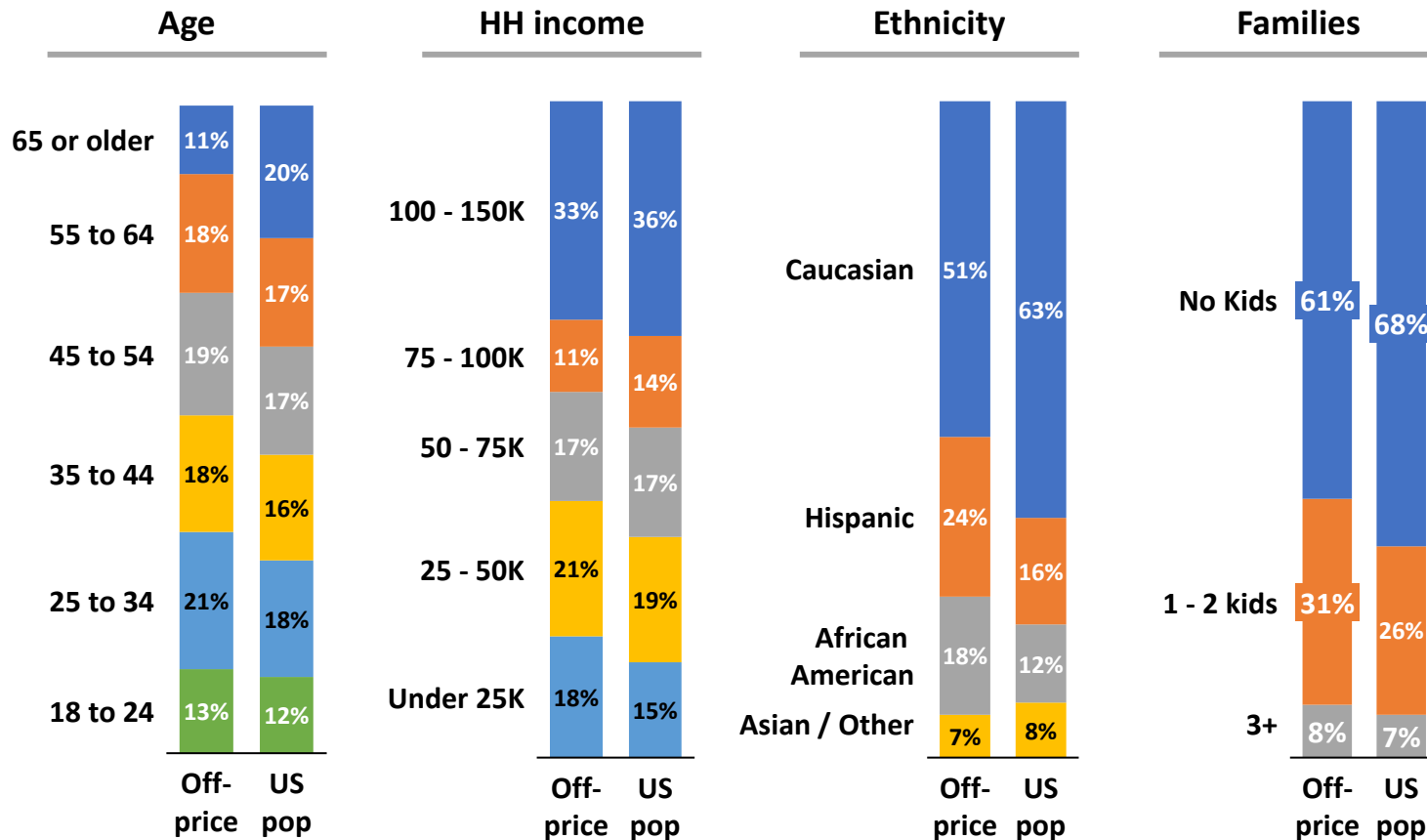
Off-Price Retail

- Off-Price retail offers branded apparel, footwear, accessories, home, and other merchandise **at significantly lower prices** versus other retailers.
- Off-price retailers source these great values by **taking advantage of disruptions and cancellations** in the supply chain for this merchandise.
- The assortment is continuously refreshed with new and exciting bargains and is presented in a self-service ***“treasure hunt”*** shopping environment.
- ***“It’s the same branded item but up to 60% off versus other retailers”***; this is a powerful consumer proposition and has driven off-price growth.



Off-price Shoppers

Off-Price has strong appeal across different demographic groups



Agenda

- Company Overview
- Off-Price Retail
- Retail Market Share
- Burlington Full Potential
- Burlington 2.0 Strategy
- Financial Performance



Retail Market Share

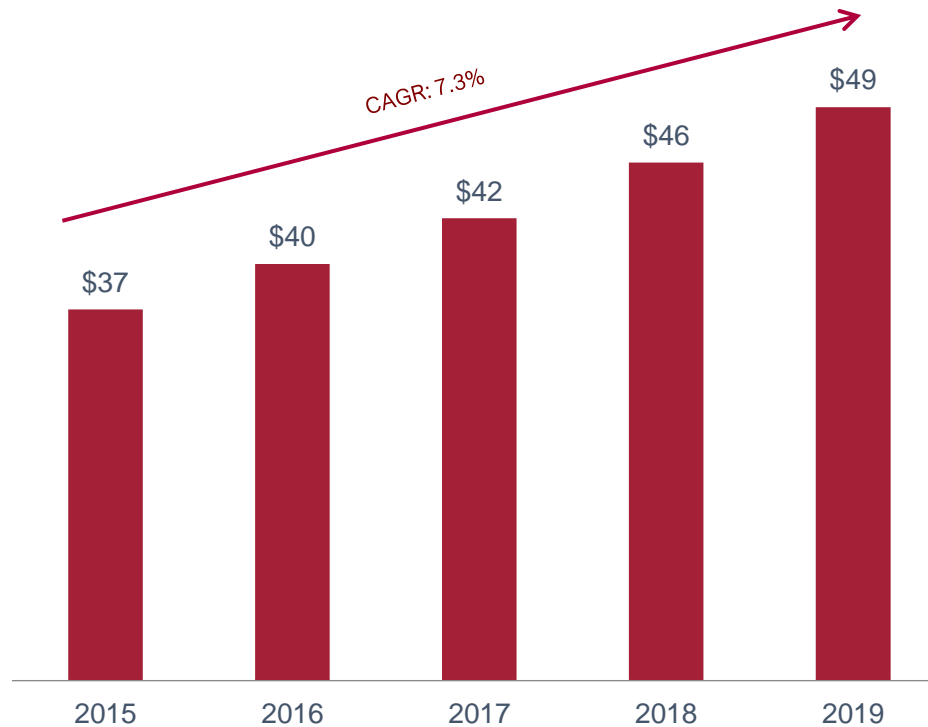
- The **retail industry has been undergoing a major restructuring** for some time; this restructuring has seen a significant decline in the market share of department stores. **The major beneficiaries** of this restructuring have been pure-play internet retail formats, and the **major off-price retailers**.
- The aftermath of the COVID-19 pandemic may lead to **an acceleration of this restructuring**; it appears likely that the share loss from department stores, and from mall-based specialty retailers, could lead to significant rationalization of full-price bricks & mortar retail stores. This could spur **further growth for e-commerce players and the major off-price retailers**.



Off-Price Growth

Off-Price retail has been taking market share since long before the pandemic, driven by the strong consumer need and desire for value

Off-Price Retail Sales (\$B)



Agenda

- Company Overview
- Off-Price Retail
- Retail Market Share
- Burlington Full Potential
- Burlington 2.0 Strategy
- Financial Performance



Burlington Full Potential

- Burlington has a **strong track record of growth** and profit improvement, but it remains **the smallest, least productive, and least profitable** of the major off-price retail chains. It still has **significant opportunity** to drive growth, improve profitability and achieve **its off-price “Full Potential”**.
- This opportunity is based on expansion **within the United States**, driving sales and store count in markets **where the company is well-established and well-known**; meanwhile the profit margin opportunity is based on **improving execution** of the company’s **existing off-price business model**.



Full Potential Benchmarks

Based on off-price peer benchmarks, Burlington still has a lot of opportunity to drive performance and achieve its “Full Potential”

Burlington

	<u>FY15</u>	<u>FY16</u>	<u>FY17¹</u>	<u>FY18</u>	<u>FY19</u>
Sales per Sq. Ft. (selling)	\$ 153	\$ 165	\$ 178	\$ 201	\$ 224
Adjusted EBIT margin	6.6%	7.6%	8.5%	9.0%	9.2%
Comp Growth	2%	5%	3%	3%	3%
Unit count	567	592	629	675	727

Peer 1

Sales per Sq. Ft. (selling)	\$ 400	\$ 416	\$ 421	\$ 455	\$ 476
Adjusted EBIT margin*	14.3%	14.1%	13.3%	13.5%	13.5%
Comp Growth	4%	5%	1%	7%	5%
Unit count	2,163	2,221	2,285	2,343	2,403

Peer 2

Sales per Sq. Ft. (selling)	\$ 383	\$ 395	\$ 409	\$ 422	\$ 432
Adjusted EBIT margin	13.6%	14.0%	14.5%	13.6%	13.4%
Comp Growth	4%	4%	4%	4%	3%
Unit count	1,446	1,533	1,622	1,717	1,805

Source: Company filings.

*Reported segment operating margin; Adjusted EBIT is a non-GAAP measure. Please see the Appendix for the reconciliation to its most comparable GAAP measure.

¹Sales per Sq. Ft. (selling) excludes 53rd week.

Agenda

- Company Overview
- Off-Price Retail
- Retail Market Share
- Burlington Full Potential
- Burlington 2.0 Strategy
- Financial Performance



Burlington 2.0 “Full Potential” Strategy

1. Chase the Sales Trend

- Hold and tightly control liquidity
- Fuel the trend with opportunistic buys

2. Operate with Leaner Inventories

- Drive faster turns, lower markdowns
- Flow fresh receipts to support sales trend

3. Invest in Buying & Planning

- Merchant and planning head count
- Improved training, tools, and reporting

4. More Operational Flexibility

- Faster, more responsive Supply Chain
- More flexible Store Staffing Model

5. Smaller Store Prototype

- More productive retail locations
- Lower occupancy & operating expenses

6. Challenge Expenses

- All areas of the business



Agenda

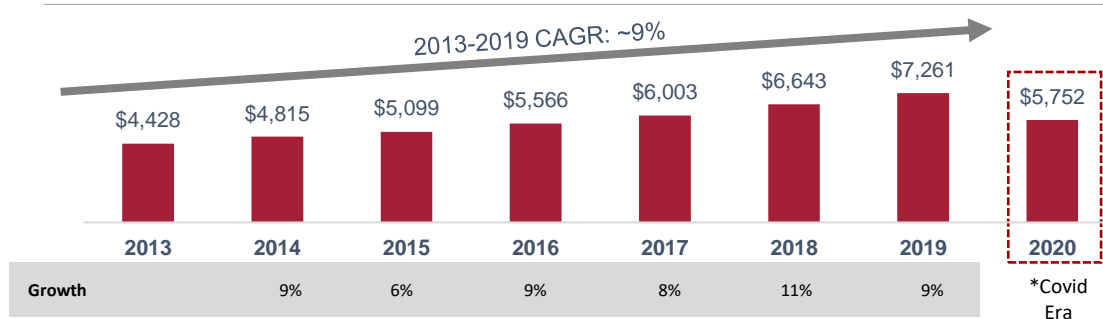
- Company Overview
- Off-Price Retail
- Retail Market Share
- Burlington Full Potential
- Burlington 2.0 Strategy
- Financial Performance



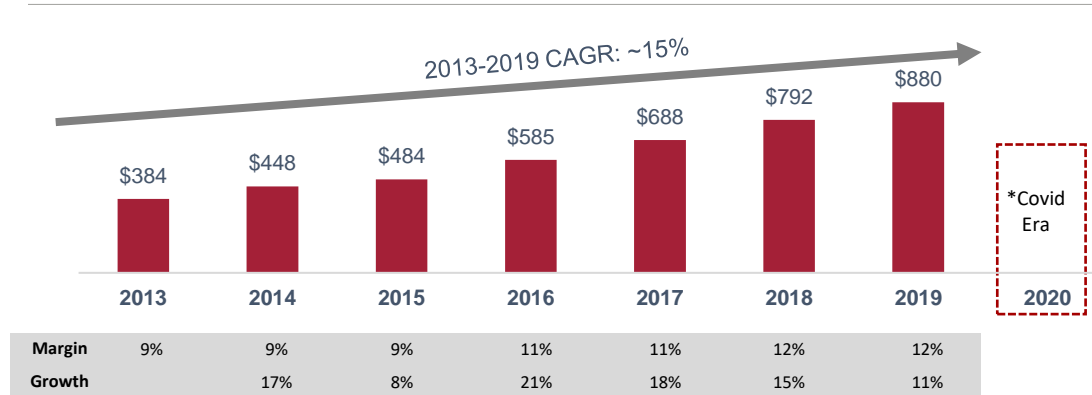
Financial Full Potential

Burlington has a *strong track record* of growth and cash generation

Net Sales (\$M)



Adjusted EBITDA (\$M)



...but there still significant upside to achieve “Full Potential”

Burlington 2.0 Financial Goals

*Burlington 2.0 targets **specific areas for performance improvement***

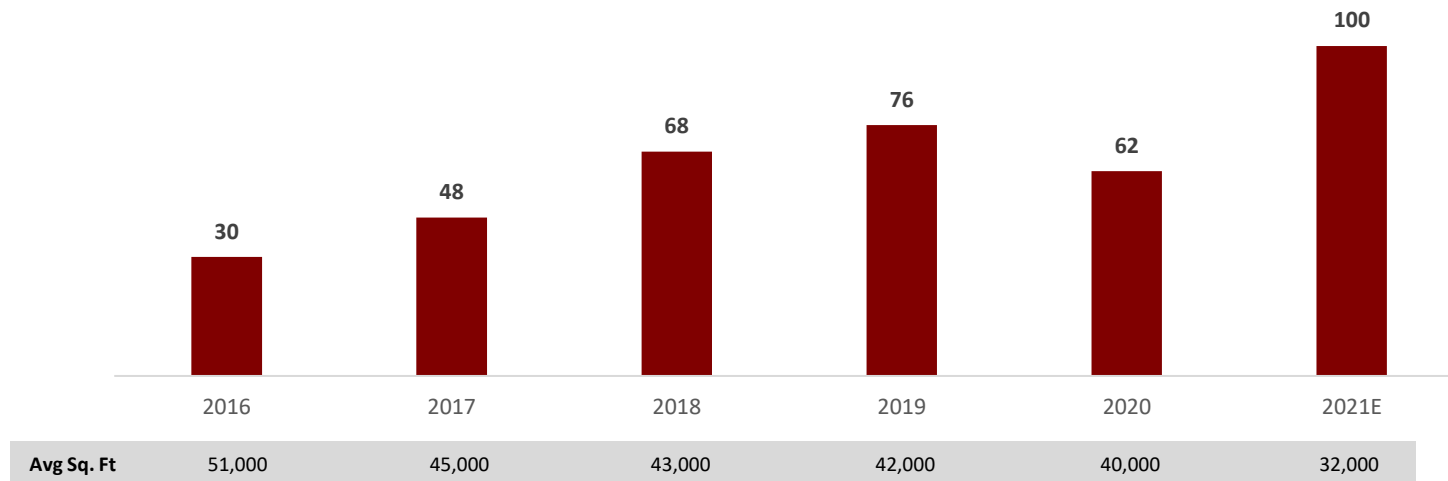
- **Increases in Operating Margin driven by:**
 - 1. Higher Comparable Store Sales Growth**
 - Using Liquidity to Chase Sales
 - Strengthening Buying & Planning
 - 2. Higher Merchandise Margins**
 - Faster Turns, Lower Markdowns
 - 3. Lower Occupancy & Operating Costs**
 - Smaller Store Prototype
- **Faster Top-Line Sales Growth driven by:**
 - 4. Expansion of New Store Openings**
 - Enabled by Smaller Store Prototype



New Store Economics

The Growth of New Stores should also help drive Operating Margins

Gross New Store Openings



Optimized Footprint of New Stores

- Smaller Burlington 2.0 footprint stores unlock a larger whitespace opportunity
- Burlington 2.0 strategy drives superior unit economics – higher store productivity and increased operating margins

Rigorous Underwriting Hurdles

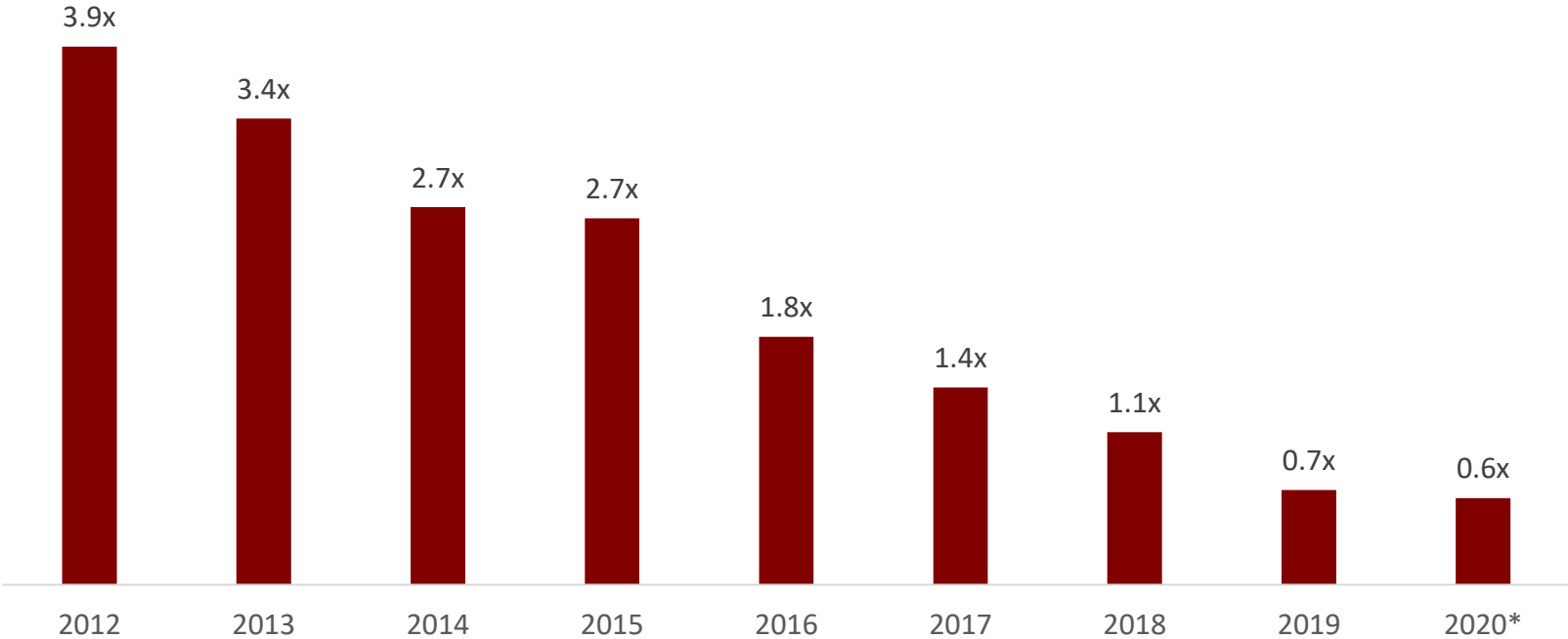
- Each store to be 4-wall EBIT accretive to company EBIT in base year (Year 2)
- Each store to be accretive to company ROIC
- On average, new stores outperform hurdles



Strong Balance Sheet

*The company has a **strong balance sheet** to support its growth*

Net debt / Adjusted EBITDA



*2020 shown using 2019 Adjusted EBITDA for illustrative purposes; 2020 Adjusted EBITDA was -\$62.7M
Adjusted EBITDA is a non-GAAP measure. Please see the Appendix for the reconciliation to its most comparable GAAP measure.

Q1 2021 Performance Highlights

All First Quarter 2021 comparisons are made versus First Quarter 2019

- Total **sales increased by 35%** versus Q1 2019.
- **Positive 20% comp store sales**, well ahead of peer retailers.
- Strong **market share opportunity capture**.
- Comparable in-store **inventories down 19%** versus Q1 2019.
- **Gross Margins up 230bps** driven by faster turns.
- Adjusted **EBIT increased by 103%** to \$238 million, an increase of 360 basis points versus Q1 2019.
- Adjusted **earnings per share of \$2.59** versus \$1.26 in Q1 2019.
- Concurrent with Q1 earnings release, **announced Make Whole Call of \$300M outstanding 6.25% High Yield Senior Secured Notes**.



Appendix



Executive Team

Michael O'Sullivan

Chief Executive Officer

- At Burlington Since: 2019
- Prior experience:



Jennifer Vecchio

President and Chief Merchandising Officer

- At Burlington Since: 2015
- Prior experience:



John Crimmins

Chief Financial Officer

- At Burlington Since: 2011
- Prior experience:



Michael Allison

EVP Human Resources Officer

- At Burlington Since: 2021
- Prior experience:



Mike Metheny

EVP Supply Chain

- At Burlington Since: 2009
- Prior experience:



Gayle Aertker

EVP Store Development

- At Burlington Since: 2014
- Prior experience:



Dave Coder

EVP Stores

- At Burlington Since: 2013
- Prior experience:



Adjusted Net Income and EBIT

Historical Adjusted EPS Reconciliation

(\$ in millions)	FY 13	FY 14	FY 15	FY 16	FY 17 ¹	FY 18	FY 19	FY 20	Q1 19	Q1 20	Q1 21
Net Income (loss)	\$16.2	\$66.0	\$150.5	\$215.9	\$384.9	\$414.7	\$465.1	(\$216.5)	\$ 77.8	\$ (333.7)	\$ 171.0
Net Favorable Lease Costs	29.3	26.0	24.1	23.8	23.3	26.1	35.8	24.1	10.7	6.4	5.9
Non-cash interest lease expense on convertible notes	-	-	-	-	-	-	-	24.0	-	1.4	-
Costs Related to Debt Amendments & Offerings	23.0	2.4	0.2	1.3	2.3	2.5	(0.4)	3.6	(0.4)	4.4	-
Loss on Extinguishment of Debt	16.1	74.3	0.7	3.8	2.9	1.8	-	0.2	-	0.2	-
Impairment Charges	3.2	2.6	6.1	2.5	2.1	6.8	4.3	6.0	-	1.9	0.8
Advisory Fees	2.9	0.2	0.1	-	-	-	-	-	-	-	-
Stock Option Modification Expense	10.4	2.9	1.4	0.6	0.1	-	-	-	-	-	-
Litigation Accrual	-	9.3	5.6	3.5	-	-	-	22.8	-	10.4	-
E-commerce closure	-	-	-	-	-	-	-	1.5	-	-	-
Tax Effect	(30.9)	(45.1)	(14.1)	(19.1)	(9.8)	(9.4)	(10.1)	(35.3)	(2.6)	(6.0)	(1.8)
Adjusted Net Income (loss)	\$ 70.2	\$ 138.6	\$ 174.6	\$ 232.3	\$ 405.8	\$ 442.5	\$ 494.7	\$ (169.5)	\$ 85.5	\$ (315.0)	\$ 175.9
Diluted Weighted Average Shares Outstanding	74.3	75.9	75.4	71.7	70.3	68.7	67.3	66.0	67.7	65.6	68.0
Adjusted Earnings per Share	\$ 0.95	\$ 1.83	\$ 2.31	\$ 3.24	\$ 5.77	\$ 6.44	\$ 7.35	\$ (2.57)	\$ 1.26	\$ (4.80)	\$ 2.59

Historical Adjusted EBIT Reconciliation

(\$ in millions)	FY 13	FY 14	FY 15	FY 16	FY 17 ¹	FY 18	FY 19	FY 20	Q1 19	Q1 20	Q1 21
Net Income (loss)	\$ 16.2	\$ 66.0	\$ 150.5	\$ 215.9	\$ 384.9	\$ 414.7	\$ 465.1	\$ (216.5)	\$ 77.8	\$ (333.7)	\$ 171.0
Interest Expense, Net	127.5	83.7	59.0	56.1	58.6	55.6	49.1	96.5	13.2	14.0	19.5
Loss on Extinguishment of Debt	16.1	74.3	0.7	3.8	2.9	1.8	-	0.2	-	0.2	-
Income Tax Expense	16.2	39.1	88.4	117.3	44.1	92.8	115.4	(221.1)	16.2	(205.4)	40.6
Net Favorable Lease Costs	29.3	26.0	24.1	23.8	23.3	26.1	35.8	24.1	10.7	6.4	5.9
Impairment Charges	3.2	2.6	6.1	2.5	2.1	6.8	4.3	6.0	-	1.9	0.8
Advisory Fees	2.9	0.2	0.1	-	-	-	-	-	-	-	-
Stock Option Modification Expense	10.4	2.9	1.4	0.6	0.1	-	-	-	-	-	-
Litigation Accrual	-	9.3	5.6	3.5	-	-	-	22.8	-	10.4	-
Costs Related to Debt Amendments & Offerings	23.0	2.4	0.2	1.3	2.3	2.5	(0.4)	3.6	(0.4)	4.4	-
E-commerce closure	-	-	-	-	-	-	-	1.5	-	-	-
Adjusted EBIT (loss)	\$ 244.8	\$ 306.5	\$ 336.1	\$ 424.8	\$ 518.3	\$ 600.4	\$ 669.3	\$ (282.9)	\$ 117.4	\$ (501.8)	\$ 237.9

¹ 53 weeks

² Includes favorable lease costs, which are included in selling, general & administrative expenses beginning Q1 2019

Adjusted EBITDA

Historical Adjusted EBITDA Reconciliation

(\$ in millions)	FY 13	FY 14	FY 15	FY 16	FY 17 ¹	FY 18	FY 19	FY 20	Q1 19	Q1 20	Q1 21
Net Income (loss)	\$ 16.2	\$ 66.0	\$ 150.5	\$ 215.9	\$ 384.9	\$ 414.7	\$ 465.1	\$ (216.5)	\$ 77.8	\$ (333.7)	\$ 171.0
Interest Expense, Net	127.5	83.7	58.9	56.1	58.6	55.6	49.2	96.5	13.2	14.0	19.5
Loss on Extinguishment of Debt	16.1	74.3	0.7	3.8	2.9	1.8	-	0.2	-	0.2	-
Income Tax Expense	16.2	39.1	88.4	117.3	44.1	92.8	115.4	(221.1)	16.2	(205.4)	40.6
Depreciation and Amortization ²	168.2	167.6	172.1	183.6	201.1	217.9	246.1	244.3	61.2	60.7	61.5
Impairment Charges	3.2	2.6	6.1	2.5	2.1	6.8	4.3	6.0	-	1.9	0.8
Advisory Fees	2.9	0.2	0.1	-	-	-	-	-	-	-	-
Stock Option Modification Expense	10.4	2.9	1.4	0.6	0.1	-	-	-	-	-	-
Litigation Accrual	-	9.3	5.6	3.5	-	-	-	22.8	-	10.4	-
Costs Related to Debt Amendments & Offerings	23.0	2.4	0.2	1.3	2.3	2.5	(0.4)	3.6	(0.4)	4.4	-
E-commerce closure	-	-	-	-	-	-	-	1.5	-	-	-
Adjusted EBITDA (loss)	\$ 383.7	\$ 448.1	\$ 484.0	\$ 584.6	\$ 696.1	\$ 792.2	\$ 879.7	\$ (62.7)	\$ 167.9	\$ (447.5)	\$ 293.5

¹ 53 weeks

² Includes favorable lease costs, which are included in selling, general & administrative expenses beginning Q1 2019