

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 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 May 3, 2025

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 001-36107



BURLINGTON STORES, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or Other Jurisdiction of
Incorporation or Organization)

2006 Route 130 North
Burlington, New Jersey
(Address of Principal Executive Offices)

Registrant's Telephone Number, Including Area Code: (609) 387-7800

80-0895227
(I.R.S. Employer
Identification No.)

08016
(Zip Code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common stock	BURL	New York Stock Exchange

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 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	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-Accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

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 registrant had 63,086,660 shares of common stock outstanding as of May 3, 2025.

BURLINGTON STORES, INC.

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PART I. FINANCIAL INFORMATION
Item 1. Financial Statements

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

	Three Months Ended	
	May 3, 2025	May 4, 2024
REVENUES:		
Net sales	\$ 2,500,075	\$ 2,357,318
Other revenue	3,945	4,235
Total revenue	2,504,020	2,361,553
COSTS AND EXPENSES:		
Cost of sales	1,405,091	1,330,726
Selling, general and administrative expenses	868,058	825,226
Costs related to debt amendments	112	—
Depreciation and amortization	91,783	81,965
Impairment charges - long-lived assets	516	8,210
Other income - net	(10,222)	(10,862)
Interest expense	15,810	16,649
Total costs and expenses	2,371,148	2,251,914
Income before income tax expense	132,872	109,639
Income tax expense	32,039	31,125
Net income	\$ 100,833	\$ 78,514
Net income per common share:		
Common stock - basic	\$ 1.60	\$ 1.23
Common stock - diluted	\$ 1.58	\$ 1.22
Weighted average number of common shares:		
Common stock - basic	63,088	63,871
Common stock - diluted	64,005	64,267

See Notes to Condensed Consolidated Financial Statements.

BURLINGTON STORES, INC.
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Unaudited)
(All amounts in thousands)

	Three Months Ended	
	May 3, 2025	May 4, 2024
Net income	\$ 100,833	\$ 78,514
Other comprehensive income, net of tax:		
Interest rate derivative contracts:		
Net unrealized (loss) gain arising during the period	(12,532)	7,735
Net reclassification into earnings during the period	(2,981)	(3,343)
Other comprehensive income, net of tax	(15,513)	4,392
Total comprehensive income	\$ 85,320	\$ 82,906

See Notes to Condensed Consolidated Financial Statements.

BURLINGTON STORES, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)
(All amounts in thousands, except share and per share data)

	May 3, 2025	February 1, 2025	May 4, 2024
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 371,092	\$ 994,698	\$ 742,332
Accounts receivable—net	106,726	88,079	100,654
Merchandise inventories	1,315,316	1,250,775	1,140,800
Assets held for disposal	23,717	32,193	27,963
Prepaid and other current assets	255,312	263,058	226,378
Total current assets	<u>2,072,163</u>	<u>2,628,803</u>	<u>2,238,127</u>
Property and equipment—net	2,698,789	2,369,720	1,934,547
Operating lease assets	3,415,265	3,386,852	3,149,161
Tradenames	238,000	238,000	238,000
Goodwill	47,064	47,064	47,064
Deferred tax assets	2,248	2,248	2,313
Other assets	76,368	97,726	86,040
Total assets	<u>\$ 8,549,897</u>	<u>\$ 8,770,413</u>	<u>\$ 7,695,252</u>
LIABILITIES AND STOCKHOLDERS' EQUITY			
Current liabilities:			
Accounts payable	\$ 914,578	\$ 1,038,148	\$ 929,759
Current operating lease liabilities	397,550	406,891	395,948
Other current liabilities	629,909	656,581	602,973
Current maturities of long term debt	14,804	170,891	168,642
Total current liabilities	<u>1,956,841</u>	<u>2,272,511</u>	<u>2,097,322</u>
Long term debt	1,637,073	1,539,918	1,236,658
Long term operating lease liabilities	3,279,926	3,253,825	3,016,027
Other liabilities	74,104	74,402	73,210
Deferred tax liabilities	249,756	259,261	240,609
Commitments and contingencies (Note 11)			
Stockholders' equity:			
Preferred stock, \$0.0001 par value: authorized: 50,000,000 shares; no shares issued and outstanding	—	—	—
Common stock, \$0.0001 par value: Authorized: 500,000,000 shares Issued: 83,149,208 shares, 82,805,353 shares and 82,636,872 shares, respectively Outstanding: 63,086,660 shares, 63,284,385 shares, 63,826,021 shares, respectively	9	8	8
Additional paid-in-capital	2,262,157	2,237,579	2,145,935
Accumulated earnings	1,588,536	1,487,703	1,062,578
Accumulated other comprehensive income	27,009	42,522	37,925
Treasury stock, at cost	(2,525,514)	(2,397,316)	(2,215,020)
Total stockholders' equity	<u>1,352,197</u>	<u>1,370,496</u>	<u>1,031,426</u>
Total liabilities and stockholders' equity	<u>\$ 8,549,897</u>	<u>\$ 8,770,413</u>	<u>\$ 7,695,252</u>

See Notes to Condensed Consolidated Financial Statements.

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

	Three Months Ended	
	May 3, 2025	May 4, 2024
OPERATING ACTIVITIES		
Net income	\$ 100,833	\$ 78,514
Adjustments to reconcile net income to net cash (used in) provided by operating activities		
Depreciation and amortization	91,783	81,965
Impairment charges—long-lived assets	516	8,210
Amortization of deferred financing costs	754	755
Accretion of long term debt instruments	308	233
Deferred income taxes	(3,883)	11,520
Non-cash stock compensation expense	21,817	19,107
Non-cash lease expense	(2,002)	(3,885)
Cash received from landlord allowances	7,811	2,830
Changes in assets and liabilities:		
Accounts receivable	(18,701)	(26,397)
Merchandise inventories	(64,541)	(52,958)
Prepaid and other current assets	7,745	(10,215)
Accounts payable	(118,535)	(25,211)
Other current liabilities	(48,170)	(30,846)
Other long term assets and long term liabilities	(193)	(631)
Other operating activities	(4,450)	(3,619)
Net cash (used in) provided by operating activities	(28,908)	49,372
INVESTING ACTIVITIES		
Cash paid for property and equipment	(409,700)	(164,837)
Lease acquisition costs	(8,404)	(233)
Net proceeds (removal costs) from sale of property and equipment and assets held for sale	5,421	(462)
Net cash used in investing activities	(412,683)	(165,532)
FINANCING ACTIVITIES		
Proceeds from long term debt—ABL Line of Credit	100,000	—
Principal payments on long term debt—Term Loan Facility	(3,125)	(2,404)
Principal payment on long term debt— 2025 Convertible Notes	(156,158)	—
Purchase of treasury shares	(127,563)	(75,622)
Proceeds from stock option exercises	2,766	8,473
Other financing activities	2,065	2,686
Net cash used in financing activities	(182,015)	(66,867)
Decrease in cash and cash equivalents	(623,606)	(183,027)
Cash and cash equivalents at beginning of period	994,698	925,359
Cash and cash equivalents at end of period	\$ 371,092	\$ 742,332
Supplemental disclosure of cash flow information:		
Interest paid	\$ 21,216	\$ 19,985
Income tax payments - net	\$ 1	\$ 1,380
Non-cash investing and financing activities:		
Finance lease modification	\$ —	\$ (868)
Accrued purchases of property and equipment	\$ 118,504	\$ 95,262

See Notes to Condensed Consolidated Financial Statements.

BURLINGTON STORES, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
May 3, 2025
(Unaudited)

1. Summary of Significant Accounting Policies

Basis of Presentation

As of May 3, 2025, Burlington Stores, Inc., a Delaware corporation (collectively with its subsidiaries, the Company), through its indirect subsidiary Burlington Coat Factory Warehouse Corporation (BCFWC), operated 1,115 retail stores.

These unaudited Condensed Consolidated Financial Statements include the accounts of Burlington Stores, Inc. and its subsidiaries. All inter-company accounts and transactions have been eliminated in consolidation. The Condensed Consolidated Financial Statements are unaudited, but in the opinion of management reflect all adjustments (which are of a normal and recurring nature) necessary for the fair presentation of the results of operations for the interim periods presented. Certain information and note disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) have been condensed or omitted. These Condensed Consolidated Financial Statements should be read in conjunction with the audited Consolidated Financial Statements and notes thereto included in the Company's Annual Report on Form 10-K for the fiscal year ended February 1, 2025 (Fiscal 2024 10-K). The balance sheet at February 1, 2025 presented herein has been derived from the audited Consolidated Financial Statements contained in the Fiscal 2024 10-K. Because the Company's business is seasonal in nature, the operating results for the three month period ended May 3, 2025 are not necessarily indicative of results for the fiscal year.

Accounting policies followed by the Company are described in Note 1, "Summary of Significant Accounting Policies," included in Part II, Item 8 of the Fiscal 2024 10-K.

Fiscal Year

The Company defines its fiscal year as the 52 or 53-week period ending on the Saturday closest to January 31. Fiscal 2025 is defined as the 52-week year ending January 31, 2026, and Fiscal 2024 is defined as the 52-week year ended February 1, 2025. The first quarters of Fiscal 2025 and Fiscal 2024 each consist of 13 weeks.

Segment Information

The Company reports segment information in accordance with ASC Topic No. 280 "Segment Reporting," and has one reportable segment. The Company derives all revenue in the United States and manages its business activities on a consolidated basis.

The Company is an off-price retailer that derives revenues from customers by providing a complete line of value-priced apparel, including: women's ready-to-wear apparel, menswear, youth apparel, baby, beauty, footwear, accessories, home, toys, gifts and coats. The Company's chief operating decision maker (CODM) is the Chief Executive Officer of the Company.

The CODM assesses performance for the segment and decides how to allocate resources based on net income that also is reported on the Condensed Consolidated Statements of Income. The measure of segment assets is reported on the Condensed Consolidated Balance Sheets as total assets. Net income is used to monitor budget versus actual results, as well as actual results compared to the prior period. These comparisons are used in assessing performance of the segment and in establishing management's allocation of resources. Below is an extract of certain disaggregated expense information that is regularly provided to the CODM.

	<i>(in thousands)</i>	
	Three Months Ended	
	May 3, 2025	May 4, 2024
Total revenue	\$ 2,504,020	\$ 2,361,553
Cost of sales	1,405,091	1,330,726
Product sourcing costs	196,800	183,146
Other segment expenses (a)	671,258	642,080
Costs related to debt amendments	112	-
Depreciation and amortization	91,783	81,965
Impairment charges - long-lived assets	516	8,210
Other income - net	(10,222)	(10,862)
Interest expense	15,810	16,649
Income tax expense	32,039	31,125
Net income	<u>\$ 100,833</u>	<u>\$ 78,514</u>

- (a) The other segment expenses category includes store related costs, store payroll costs, corporate costs, marketing & strategy costs, and other store & selling expenses.

Recently Adopted Accounting Standards

There were no new accounting standards that had a material impact on the Company's Condensed Consolidated Financial Statements and notes thereto during the three month period ended May 3, 2025.

In December 2023, the FASB issued ASU 2023-09, "Income Taxes (Topics 740): Improvements to Income Tax Disclosures" (ASU 2023-09) to expand the disclosure requirements for income taxes, specifically related to the rate reconciliation and income taxes paid. ASU 2023-09 is effective for annual reporting periods beginning after December 15, 2024, with early adoption permitted and can be applied on either a prospective or retroactive basis. The Company is currently evaluating the impact of ASU 2023-09 on its disclosures in the consolidated financial statements.

In November 2024, the FASB issued ASU 2024-03, "Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of income statement expenses" (ASU 2024-03), which requires disaggregated disclosure of income statement expenses for public business entities. ASU 2024-03 is effective for fiscal years beginning after December 15, 2026, and interim periods within fiscal years beginning after December 15, 2027, with early adoption permitted. The Company is currently evaluating the impact of ASU 2024-03 on its disclosures in the consolidated financial statements.

2. Stockholders' Equity

Activity for the three month periods ended May 3, 2025 and May 4, 2024 in the Company's stockholders' equity is summarized below:

	<i>(in thousands, except share data)</i>							
	Common Stock		Additional Paid-in Capital	Accumulated Earnings	Accumulated Other Comprehensive Income	Treasury Stock		Total
	Shares	Amount				Shares	Amount	
Balance at February 1, 2025	82,805,353	\$ 8	\$ 2,237,579	\$ 1,487,703	\$ 42,522	(19,520,968)	\$ (2,397,316)	\$ 1,370,496
Net income	—	—	—	100,833	—	—	—	100,833
Stock options exercised	20,536	—	2,766	—	—	—	—	2,766
Shares used for tax withholding	—	—	—	—	—	(96,295)	(22,347)	(22,347)
Shares issued as part of convertible debt settlement	57,149	1	(5)	—	—	—	—	(4)
Shares purchased as part of publicly announced program, inclusive of \$0.6 million related to excise tax	—	—	—	—	—	(445,285)	(105,851)	(105,851)
Vesting of restricted shares	266,170	—	—	—	—	—	—	—
Stock based compensation	—	—	21,817	—	—	—	—	21,817
Unrealized losses on interest rate derivative contracts, net of related taxes of \$4.5 million	—	—	—	—	(12,532)	—	—	(12,532)
Amount reclassified from accumulated other comprehensive income into earnings, net of related taxes of \$1.1 million	—	—	—	—	(2,981)	—	—	(2,981)
Balance at May 3, 2025	<u>83,149,208</u>	<u>9</u>	<u>2,262,157</u>	<u>1,588,536</u>	<u>27,009</u>	<u>(20,062,548)</u>	<u>(2,525,514)</u>	<u>1,352,197</u>

(in thousands, except share data)

	Common Stock		Additional Paid-in Capital	Accumulated Earnings	Accumulated Other Comprehensive Income	Treasury Stock		Total
	Shares	Amount				Shares	Amount	
Balance at February 3, 2024	82,399,577	\$ 8	2,118,356	\$ 984,064	\$ 33,533	(18,435,206)	\$ (2,139,029)	\$ 996,932
Net income	—	—	—	78,514	—	—	—	78,514
Stock options exercised	55,688	—	8,472	—	—	—	—	8,472
Shares used for tax withholding	—	—	—	—	—	(63,407)	(12,222)	(12,222)
Shares purchased as part of publicly announced program, inclusive of \$0.4 million related to excise tax	—	—	—	—	—	(312,238)	(63,769)	(63,769)
Vesting of restricted shares	181,607	—	—	—	—	—	—	—
Stock based compensation	—	—	19,107	—	—	—	—	19,107
Unrealized gains on interest rate derivative contracts, net of related taxes of \$2.8 million	—	—	—	—	7,735	—	—	7,735
Amount reclassified from accumulated other comprehensive income into earnings, net of related taxes of \$1.2 million	—	—	—	—	(3,343)	—	—	(3,343)
Balance at May 4, 2024	82,636,872	\$ 8	2,145,935	1,062,578	37,925	(18,810,851)	(2,215,020)	1,031,426

3. Lease Commitments

The Company's leases primarily consist of stores, distribution facilities and office space under operating and finance leases that will expire principally during the next 30 years. The leases typically include renewal options at five-year intervals and escalation clauses. Lease renewals are only included in the lease liability to the extent that they are reasonably assured of being exercised. The Company's leases typically provide for contingent rentals based on a percentage of gross sales. Contingent rentals are not included in the lease liability, and they are recognized as variable lease cost when incurred.

The following is a schedule of the Company's future lease payments:

Fiscal Year	(in thousands)	
	Operating Leases	Finance Leases
2025 (remainder)	\$ 440,229	2,655
2026	663,457	3,640
2027	636,519	3,640
2028	594,208	3,447
2029	527,688	2,104
Thereafter	1,841,702	18,683
Total future minimum lease payments	4,703,803	34,169
Amount representing interest	(1,026,327)	(9,725)
Total lease liabilities	3,677,476	24,444
Less: current portion of lease liabilities	(397,550)	(2,304)
Total long term lease liabilities	\$ 3,279,926	\$ 22,140
Weighted average discount rate	6.1%	5.5%
Weighted average remaining lease term (years)	7.9	11.9

The above schedule excludes approximately \$493.1 million for 73 stores the Company has committed to open or relocate but has not yet taken possession of the space. The discount rates used in valuing the Company's leases are not readily determinable, and are based on the Company's incremental borrowing rate on a fully collateralized basis.

The following is a schedule of net lease costs for the periods indicated:

	<i>(in thousands)</i>	
	Three Months Ended	
	May 3, 2025	May 4, 2024
Finance lease cost:		
Amortization of finance lease asset (a)	\$ 566	\$ 798
Interest on lease liabilities (b)	337	383
Operating lease cost (c)	164,805	151,180
Variable lease cost (c)	67,662	60,957
Total lease cost	233,370	213,318
Impairment (gain) on sale and leaseback transaction (d)	(1,039)	8,210
Less all rental income (e)	(1,303)	(1,379)
Total net rent expense (f)	\$ 231,028	\$ 220,149

- (a) Included in the line item "Depreciation and amortization" in the Company's Condensed Consolidated Statements of Income.
- (b) Included in the line item "Interest expense" in the Company's Condensed Consolidated Statements of Income.
- (c) Included in the line item "Selling, general and administrative expenses" in the Company's Condensed Consolidated Statements of Income. Variable lease cost is primarily comprised of real estate taxes, common area maintenance, insurance and percentage rent.
- (d) Impairment included in the line item "Impairment charges - long-lived assets" and gain included in line item "Other income - net" in the Company's Condensed Consolidated Statements of Income.
- (e) Included in the line item "Other revenue" in the Company's Condensed Consolidated Statements of Income.
- (f) Excludes an immaterial amount of short-term lease cost.

Supplemental cash flow disclosures related to leases are as follows:

	<i>(in thousands)</i>	
	Three Months Ended	
	May 3, 2025	May 4, 2024
Cash paid for amounts included in the measurement of lease liabilities:		
Cash payments arising from operating lease liabilities (a)	\$ 166,807	\$ 155,077
Cash payments for the principal portion of finance lease liabilities (b)	\$ 536	\$ 884
Cash payments for the interest portion of finance lease liabilities (a)	\$ 337	\$ 383
Supplemental non-cash information:		
Operating lease liabilities arising from obtaining right-of-use assets	\$ 141,257	\$ 141,534

- (a) Included within operating activities in the Company's Condensed Consolidated Statements of Cash Flows.
- (b) Included within financing activities in the Company's Condensed Consolidated Statements of Cash Flows.

4. Long Term Debt

Long term debt consists of:

	<i>(in thousands)</i>		
	May 3, 2025	February 1, 2025	May 4, 2024
Senior secured term loan facility, adjusted SOFR (with a floor of 0.00%) plus 1.75%, matures on September 24, 2031	\$ 1,236,105	\$ 1,238,921	\$ 931,185
Convertible senior notes, 2.25%, matured on April 15, 2025	—	156,155	156,155
Convertible senior notes, 1.25%, matures on December 15, 2027	297,069	297,069	297,069
ABL senior secured revolving facility, SOFR plus spread based on average outstanding balance, matures on December 22, 2026	100,000	—	—
Finance lease obligations	24,444	24,980	27,317
Unamortized deferred financing costs	(5,741)	(6,316)	(6,426)
Total debt	1,651,877	1,710,809	1,405,300
Less: current maturities	(14,804)	(170,891)	(168,642)
Long term debt, net of current maturities	\$ 1,637,073	\$ 1,539,918	\$ 1,236,658

Term Loan Facility

BCFWC and certain of its subsidiaries and holding companies are party to a Credit Agreement (as amended, supplemented and otherwise modified, the Term Loan Facility) that provides for term loans in an aggregate principal amount as of May 3, 2025 of \$1,243.8 million maturing on September 24, 2031.

On September 24, 2024, the Company entered into an amendment to the Term Loan Facility (the "Amendment"), which among other things, (i) refinanced the outstanding \$933 million principal amount of Term B-6 Loans with Term B-7 Loans in an aggregate principal amount of \$1,250 million, which includes incremental term loans in an aggregate principal amount of \$317 million, (ii) extended the maturity date from June 24, 2028 to September 24, 2031, and (iii) reduced the interest rate margins applicable to the Company's term loan facility from 1.00% to 0.75%, in the case of prime rate loans, and from 2.00% to 1.75%, in the case of SOFR loans, with a 0.00% SOFR floor, and removed the SOFR adjustment. The Term B-7 Loans were issued with an original issue discount of 99.5.

The Term Loan Facility is collateralized by a first lien on BCFWC's and each guarantor's equity interests, equipment, intellectual property, and certain favorable leases and real estate, and certain related assets and proceeds thereof (subject to certain exceptions), and a second lien on BCFWC's and each guarantor's other assets and proceeds thereof (subject to certain exceptions).

At May 3, 2025 and May 4, 2024, the Company's borrowing rate related to the Term Loan Facility, exclusive of the impact of interest rate swaps, was 6.1% and 7.4%, respectively.

2025 Convertible Notes

On April 16, 2020, the Company issued its 2025 Convertible Notes. The 2025 Convertible Notes are general unsecured obligations of the Company. The 2025 Convertible Notes bear interest at a rate of 2.25% per year, payable semi-annually in cash, in arrears, on April 15 and October 15 of each year.

The 2025 Convertible Notes matured on April 15, 2025. Prior to maturity, holders of the 2025 Convertible Notes submitted conversion notices with respect to approximately \$155.5 million aggregate principal amount of the 2025 Convertible Notes. On the conversion settlement date, the Company paid to the converting holders the aggregate principal amount of 2025 Convertible Notes subject to conversion, and issued and delivered to such holders 57,149 shares of common stock, in respect of the remainder of its conversion obligation in excess of such aggregate principal amount. At maturity, the Company paid in cash the principal balance of and related accrued and unpaid interest on the 2025 Convertible Notes not previously converted. There was no resulting debt extinguishment charge from this transaction.

2027 Convertible Notes

On September 12, 2023, the Company closed the issuance of approximately \$297.1 million aggregate principal amount of its 2027 Convertible Notes pursuant to separate, privately negotiated exchange and subscription agreements with a limited number of holders of its 2025 Convertible Notes and certain investors, in each case pursuant to exemptions from registration under the Securities Act of 1933. An aggregate of up to 1,422,568 shares of common stock may be issued upon conversion of the 2027 Convertible Notes, which number is subject to adjustment up to an aggregate of 1,911,372 shares following certain corporate events that occur prior to the maturity date or if the Company issues a notice of redemption, and which is also subject to certain anti-dilution adjustments.

The 2027 Convertible Notes bear interest at a rate of 1.25% per year, payable semi-annually in arrears on June 15 and December 15 of each year, beginning on December 15, 2023. The 2027 Convertible Notes will mature on December 15, 2027, unless earlier converted, redeemed or repurchased.

Prior to the close of business on the business day immediately preceding September 15, 2027, the 2027 Convertible Notes will be convertible at the option of the holders only upon the occurrence of certain events and during certain periods. Thereafter, the 2027 Convertible Notes will be convertible at the option of the holders at any time until the close of business on the second scheduled trading day immediately preceding the maturity date of December 15, 2027. The 2027 Convertible Notes have an initial conversion rate of 4.8560 shares per \$1,000 principal amount of 2027 Convertible Notes (equivalent to an initial conversion price of approximately \$205.93 per share of the Company's common stock), subject to adjustment if certain events occur. The initial conversion price represents a conversion premium of approximately 32.50% over \$155.42 per share, the last reported sale price of the Company's common stock on September 7, 2023 on The New York Stock Exchange. Upon conversion, the Company will pay cash for the aggregate principal amount of 2027 Convertible Notes being converted, and pay (and deliver, if applicable) cash, shares of the

Company's common stock or a combination thereof, at its election, in respect of the remainder (if any) of the Company's conversion obligation in excess of such aggregate principal amount. The Company will not be able to redeem the 2027 Convertible Notes prior to December 20, 2025. On or after December 20, 2025 and prior to the 21st scheduled trading day immediately preceding December 15, 2027, the Company will be able to redeem for cash all or any portion of the 2027 Convertible Notes, at its option, if the last reported sale price of the Company's common stock is equal to or greater than 130% of the conversion price for a specified period of time, at a redemption price equal to 100% of the aggregate principal amount of the 2027 Convertible Notes to be redeemed, plus accrued and unpaid interest, if any, to, but excluding, the redemption date.

If the Company undergoes a fundamental change, subject to certain conditions, holders of the 2027 Convertible Notes may require the Company to repurchase for cash all or any portion of their 2027 New Convertible Notes. The fundamental change repurchase price will be 100% of the aggregate principal amount of the 2027 Convertible Notes to be repurchased plus any accrued and unpaid interest to, but excluding, the fundamental change repurchase date. The effective interest rate is 1.7%.

ABL Line of Credit

BCFWC and certain of its subsidiaries and holding companies are party to a Second Amended and Restated Credit Agreement (as amended, supplemented and otherwise modified, the ABL Line of Credit) that provides for \$900.0 million of revolving commitments (subject to a borrowing base limitation) maturing on December 22, 2026, and, subject to the satisfaction of certain conditions, BCFWC can increase the aggregate amount of commitments up to \$1,200 million. The interest rate margin applicable under the ABL Line of Credit is 1.125% to 1.375% in the case of a daily SOFR rate or a term SOFR rate (in each case, plus a credit spread adjustment of 0.10%), and 0.125% to 0.375% in the case of a prime rate, depending on the average daily availability of the lesser of (a) the total commitments or (b) the borrowing base. The ABL Line of Credit is collateralized by a first priority lien on BCFWC's and each guarantor's inventory, receivables, bank accounts, and certain related assets and proceeds thereof (subject to certain exceptions), and a second priority lien on BCFWC's and each guarantor's other assets and proceeds thereof (other than real estate and subject to certain exceptions).

On May 4, 2024, the Company had \$779.1 million available under the ABL Line of Credit. There were no borrowings under the ABL Line of Credit during the three month period ended May 4, 2024.

On May 3, 2025, the Company had \$748.2 million available under the ABL Line of Credit and borrowings of \$100.0 million.

5. Derivative Instruments and Hedging Activities

The Company accounts for derivatives and hedging activities in accordance with ASC 815, "Derivatives and Hedging" (ASC 815). As required by ASC 815, the Company records all derivatives on the balance sheet at fair value and adjusts to market on a quarterly basis. In addition, to comply with the provisions of ASC 820, "Fair Value Measurements" (ASC 820), credit valuation adjustments, which consider the impact of any credit enhancements to the contracts, are incorporated in the fair values to account for potential nonperformance risk. In adjusting the fair value of its derivative contracts for the effect of nonperformance risk, the Company has considered any applicable credit enhancements such as collateral postings, thresholds, mutual puts, and guarantees. In accordance with ASC 820, the Company made an accounting policy election to measure the credit risk of its derivative financial instruments that are subject to master netting agreements on a net basis by counterparty portfolio. There is no impact of netting, because the Company has only one derivative. The Company classifies its derivative valuations in Level 2 of the fair value hierarchy.

On September 27, 2024, the Company terminated the previous \$450 million interest rate swap, and entered into a new interest rate swap in the notional amount of \$500 million with a blended interest rate of 2.83%. On this same date, the Company also entered into a new interest rate swap for \$300 million with an interest rate of 3.37%. These interest rate swap agreements are designated as cash flow hedges.

Cash Flow Hedges of Interest Rate Risk

The Company's objectives in using interest rate derivatives are to add stability to interest expense and to manage its exposure to interest rate movements. To accomplish these objectives, the Company primarily uses interest rate swaps as part of its interest rate risk management strategy. Interest rate swaps designated as cash flow hedges involve the receipt of variable-rate amounts from a counterparty in exchange for the Company making fixed-rate payments over the life of the agreements without exchange of the underlying notional amount.

As of May 3, 2025, the Company had the following outstanding interest rate derivatives that were designated as cash flow hedges of interest rate risk:

Interest Rate Derivative	Number of Instruments	Notional Aggregate Principal Amount	Interest Swap Rate	Maturity Date
Interest rate swap contract	Two	\$800.0 million	2.83% - 3.37%	September 24, 2031

Tabular Disclosure

The table below presents the fair value of the Company's derivative financial instruments on a gross basis as well as their classification on the Company's Condensed Consolidated Balance Sheets:

Derivatives Designated as Hedging Instruments	<i>(in thousands)</i>					
	May 3, 2025		February 1, 2025		May 4, 2024	
	Balance Sheet Location	Fair Value	Balance Sheet Location	Fair Value	Balance Sheet Location	Fair Value
Interest rate swap contracts	Other assets	\$ 26,079	Other assets	\$ 45,699	Other assets	\$ 36,079

The following table presents the unrealized gains and losses deferred to accumulated other comprehensive income resulting from the Company's derivative financial instruments for each of the reporting periods.

Interest Rate Derivatives:	<i>(in thousands)</i>		
	Three Months Ended		
	May 3, 2025		May 4, 2024
Unrealized (losses) gains, before taxes	\$	(17,071)	\$ 10,573
Income tax benefit (expense)		4,539	(2,838)
Unrealized (losses) gains, net of taxes	\$	(12,532)	\$ 7,735

The following table presents information about the reclassification of gains and losses from accumulated other comprehensive income into earnings related to the Company's derivative instruments for each of the reporting periods.

Component of Earnings:	<i>(in thousands)</i>		
	Three Months Ended		
	May 3, 2025		May 4, 2024
Interest benefit	\$	(4,064)	\$ (4,563)
Income tax expense		1,083	1,220
Net reclassification into earnings	\$	(2,981)	\$ (3,343)

The Company estimates that approximately \$12.2 million will be reclassified from accumulated other comprehensive income as a reduction to interest expense during the next twelve months.

6. Fair Value Measurements

The Company accounts for fair value measurements in accordance with ASC 820, which defines fair value, establishes a framework for measurement and expands disclosure about fair value measurements. ASC 820 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (exit price), and classifies the inputs used to measure fair value into the following hierarchy:

- Level 1: Quoted prices for identical assets or liabilities in active markets.
- Level 2: Quoted market prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; and model-derived valuations whose inputs are observable or whose significant value drivers are observable.
- Level 3: Pricing inputs that are unobservable for the assets and liabilities and include situations where there is little, if any, market activity for the assets and liabilities.

The inputs into the determination of fair value require significant management judgment or estimation.

The carrying amounts of cash equivalents, accounts receivable and accounts payable approximate fair value due to the short-term nature of these instruments.

Refer to Note 5, "Derivative Instruments and Hedging Activities," for further discussion regarding the fair value of the Company's interest rate swap contract.

Financial Assets

The fair values of the Company's financial assets and the hierarchy of the level of inputs as of May 3, 2025, February 1, 2025 and May 4, 2024 are summarized below:

	<i>(in thousands)</i>		
	Fair Value Measurements at		
	May 3, 2025	February 1, 2025	May 4, 2024
Level 1			
Cash equivalents	\$ 348	\$ 728,443	\$ 313,077

Long-lived assets are measured at fair value on a non-recurring basis for purposes of calculating impairment using the fair value hierarchy of ASC 820. The fair value of the Company's long-lived assets is calculated using a discounted cash-flow model that used level 3 inputs. In calculating future cash flows, the Company makes estimates regarding future operating results and market rent rates, based on its experience and knowledge of market factors in which the retail location is located.

Impairment charges on long-lived assets were \$0.5 million during the first quarter of Fiscal 2025, related to unrecoverable assets at three underperforming stores and three relocating stores, as well as lease asset impairment charges related to one of those stores. Impairment charges on long-lived assets were \$8.2 million during the first quarter of Fiscal 2024, related to a sale-leaseback transaction at one owned store sold below net carrying value.

During the three months ended May 3, 2025 and the three months ended May 4, 2024, the assets impaired had a remaining carrying value after impairments of \$15.0 million and \$9.8 million, respectively.

Financial Liabilities

The fair values of the Company's financial liabilities are summarized below:

	<i>(in thousands)</i>					
	May 3, 2025		February 1, 2025		May 4, 2024	
	Principal Amount	Fair Value	Principal Amount	Fair Value	Principal Amount	Fair Value
Term Loan Facility	\$ 1,243,750	\$ 1,228,203	\$ 1,246,875	\$ 1,250,965	\$ 934,976	\$ 936,341
2025 Convertible Notes	—	—	156,155	202,852	156,155	164,273
2027 Convertible Notes	297,069	390,199	297,069	444,674	297,069	329,346
ABL Line of Credit (a)	100,000	100,000	—	—	—	—
Total debt (b)	<u>\$ 1,640,819</u>	<u>\$ 1,718,402</u>	<u>\$ 1,700,099</u>	<u>\$ 1,898,491</u>	<u>\$ 1,388,200</u>	<u>\$ 1,429,960</u>

(a) To the extent the Company has any outstanding borrowings under the ABL Line of Credit, the fair value would approximate its reported value, because the interest rate is variable and reflects current market rates, due to its short term nature.

(b) The table above excludes finance lease obligations, debt discount and deferred debt costs.

The fair values presented herein are based on pertinent information available to management as of the respective period end dates. The estimated fair values of the Company's debt are classified as Level 2 in the fair value hierarchy, and are based on current market quotes received from inactive markets.

7. Income Taxes

Income tax expense was \$32.0 million during the first quarter of Fiscal 2025 compared with \$31.1 million during the first quarter of Fiscal 2024. The effective tax rate for the first quarter of Fiscal 2025 was 24.1% compared with 28.4% during the first

quarter of Fiscal 2024. The increase in income tax expense is primarily driven by higher pre-tax income, while the decrease in the effective tax rate is mainly attributable to the tax benefit from stock-based compensation.

Net deferred taxes are as follows:

	<i>(in thousands)</i>		
	May 3, 2025	February 1, 2025	May 4, 2024
Deferred tax asset	\$ 2,248	\$ 2,248	\$ 2,313
Deferred tax liability	249,756	259,261	240,609
Net deferred tax liability	<u>\$ 247,508</u>	<u>\$ 257,013</u>	<u>\$ 238,296</u>

Net deferred tax assets relate to Puerto Rico deferred balances that have a future net benefit for tax purposes. Net deferred tax liabilities primarily relate to intangible assets and depreciation expense where the Company has a future obligation for tax purposes.

As of May 3, 2025, the Company has a deferred tax asset related to net operating losses of \$4.5 million, inclusive of \$4.1 million of state net operating losses which will expire at various dates between fiscal 2026 and fiscal 2040 and \$0.4 million from Puerto Rico net operating losses set to expire by the end of fiscal 2025 if not utilized.

As of May 3, 2025, the Company had tax credit carry-forwards totaling \$8.7 million, inclusive of \$6.0 million in foreign tax credits, which will begin to expire in fiscal 2033 and \$2.7 million in state tax credit carry-forwards, set to expire by the end of fiscal 2025 if not utilized.

As of May 3, 2025, February 1, 2025 and May 4, 2024, valuation allowances totaled \$9.3 million, \$8.9 million, and \$10.0 million, respectively. These allowances relate to state and Puerto Rico net operating losses, as well as state and foreign tax credit carry-forwards. The Company believes it is more likely than not that this portion of the deferred tax assets will not be realized.

8. Capital Stock

Treasury Stock

The Company accounts for treasury stock under the cost method.

Shares Used to Satisfy Tax Withholding

During the three month period ended May 3, 2025, the Company acquired 96,295 shares of common stock from employees for approximately \$22.3 million to satisfy their minimum statutory tax withholdings related to the vesting of restricted stock unit awards, which was recorded in the line item "Treasury stock, at cost" on the Company's Condensed Consolidated Balance Sheets, and the line item "Purchase of treasury shares" on the Company's Condensed Consolidated Statements of Cash Flows.

Share Repurchase Program

On August 15, 2023, the Company's Board of Directors authorized the repurchase of up to an additional \$500 million of common stock, which is authorized to be executed through August 2025.

Subsequent to the end of the first quarter of Fiscal 2025, the Company's Board of Directors authorized the repurchase of up to an additional \$500.0 million of common stock, which is authorized to be executed through May 2027. This was authorized on May 20, 2025.

During the three month period ended May 3, 2025, the Company repurchased 445,285 shares of common stock for \$105.2 million under its repurchase program, which was recorded in the line item "Treasury stock, at cost" on the Company's Condensed Consolidated Balance Sheets, and the line item "Purchase of treasury shares" on the Company's Condensed Consolidated Statements of Cash Flows. As of May 3, 2025, the Company had an aggregate of \$157.9 million remaining under its share repurchase authorizations.

9. Net Income Per Share

Basic net income per share is calculated by dividing net income by the weighted-average number of common shares outstanding. Diluted net income per share is calculated by dividing net income by the weighted-average number of common shares and potentially dilutive securities outstanding during the period using the treasury stock method for the Company's stock-based

compensation grants and the if-converted method for the 2025 Convertible Notes and the 2027 Convertible Notes. The following table presents the computation of basic and diluted net income per share:

	<i>(in thousands, except per share data)</i>	
	Three Months Ended	
	May 3, 2025	May 4, 2024
<i>Basic net income per share</i>		
Net income	\$ 100,833	\$ 78,514
Weighted average number of common shares – basic	63,088	63,871
Net income per common share – basic	\$ 1.60	\$ 1.23
<i>Diluted net income per share</i>		
Net income	\$ 100,833	\$ 78,514
Shares for basic and diluted net income per share:		
Weighted average number of common shares – basic	63,088	63,871
Assumed exercise of stock options and vesting of restricted stock	660	396
Assumed conversion of convertible debt	257	—
Weighted average number of common shares – diluted	64,005	64,267
Net income per common share – diluted	\$ 1.58	\$ 1.22

Approximately 208,000 shares of the Company’s stock-based compensation grants were excluded from diluted net income per share for the three month period ended May 3, 2025, since their effect was anti-dilutive.

Approximately 771,000 shares related to the Company’s stock-based compensation grants were excluded from diluted net income per share for the three month period ended May 4, 2024, since their effect was anti-dilutive.

10. Stock Based Compensation

As of May 3, 2025, there were 2,977,207 shares of common stock available for issuance under the Company’s 2022 Omnibus Incentive Plan.

Subsequent to the end of the first quarter of Fiscal 2025, the Company’s stockholders approved an amendment to the 2022 Omnibus Incentive Plan. The amendment provides for an increase in the number of shares of Company common stock subject to the 2022 Omnibus Incentive Plan by 3,100,000. This was approved on May 20, 2025.

Non-cash stock compensation expense is as follows:

	<i>(in thousands)</i>	
	Three Months Ended	
	May 3, 2025	May 4, 2024
Type of Non-Cash Stock Compensation		
Restricted stock unit grants (a)	\$ 10,971	\$ 9,948
Stock option grants (a)	4,902	4,567
Performance stock unit grants (a)	5,944	4,592
Total (b)	\$ 21,817	\$ 19,107

- (a) Included in the line item “Selling, general and administrative expenses” in the Company’s Condensed Consolidated Statements of Income. Beginning on May 1, 2025, the Company no longer grants stock options under the 2022 Omnibus Incentive Plan.
- (b) The amounts presented in the table above exclude taxes. For the three month period ended May 3, 2025, the tax benefit related to the Company’s non-cash stock compensation was approximately \$4.2 million. For the three month period ended May 4, 2024, the tax benefit related to the Company’s non-cash stock compensation was approximately \$3.6 million.

Stock Options

Stock option transactions during the three month period ended May 3, 2025 are summarized as follows:

	Number of Shares	Weighted Average Exercise Price Per Share
Options outstanding, February 1, 2025	1,456,342	\$ 196.77
Options granted	589	273.66
Options exercised (a)	(20,536)	134.71
Options forfeited	(15,288)	202.07
Options outstanding, May 3, 2025	<u>1,421,107</u>	<u>197.64</u>

(a) Options exercised during the three month period ended May 3, 2025 had a total intrinsic value of \$2.2 million.

The following table summarizes information about the stock options vested and expected to vest during the contractual term of such options as of May 3, 2025:

	Options	Weighted Average Remaining Contractual Life (Years)	Weighted Average Exercise Price	Aggregate Intrinsic Value (in millions)
Options vested and expected to vest	<u>1,421,107</u>	<u>6.7</u>	<u>\$ 197.64</u>	<u>\$ 66.7</u>
Options exercisable	<u>919,493</u>	<u>5.9</u>	<u>\$ 204.03</u>	<u>\$ 41.0</u>

The fair value of each stock option granted during the three month period ended May 3, 2025 was estimated using the Black Scholes option pricing model using the following assumptions on a weighted average basis:

	<u>Three Months Ended</u> <u>May 3,</u> <u>2025</u>
Risk-free interest rate	4.3%
Expected volatility	42.3%
Expected life (years)	4.0
Contractual life (years)	10.0
Expected dividend yield	0.0%
Grant date fair value of options issued	\$ 106.01

The expected dividend yield was based on the Company's expectation of not paying dividends in the near term. To evaluate its volatility factor, the Company uses the historical volatility of its stock price over the expected life of the options. The risk free interest rate was based on the U.S. Treasury rates for U.S. Treasury zero-coupon bonds with maturities similar to those of the expected term of the awards being valued. The expected life of the options was estimated using historical exercise rates.

Restricted Stock Units

Restricted stock unit transactions during the three month period ended May 3, 2025 are summarized as follows:

	Number of Shares	Weighted Average Grant Date Fair Value Per Award
Non-vested awards outstanding, February 1, 2025	653,406	\$ 190.83
Awards granted	302,677	228.10
Awards vested (a)	(166,782)	204.60
Awards forfeited	(13,822)	192.76
Non-vested awards outstanding, May 3, 2025	<u>775,479</u>	<u>202.38</u>

(a) Restricted stock unit awards vested during the three month period ended May 3, 2025 had a total intrinsic value of \$38.7 million.

The fair value of each share of restricted stock granted during the three month period ended May 3, 2025 was based upon the closing price of the Company's common stock on the grant date.

Performance Stock Units

The Company grants performance-based restricted stock units to its senior executives. Vesting of the performance stock units granted in Fiscal 2022 through Fiscal 2025 are based on continued service and the achievement of specified pre-established adjusted net income per share growth over a three-year performance period, as applicable for each grant. Based on the Company's achievement of these goals, each award may be earned up to 200% of the target award. In the event that actual performance is below threshold, no award will be made. Compensation costs recognized on the performance stock units are adjusted, as applicable, for performance above or below the target specified in the award.

Performance stock unit transactions during the three month period ended May 3, 2025 are summarized as follows:

	Number of Shares	Weighted Average Grant Date Fair Value Per Award
Non-vested awards outstanding, February 1, 2025	292,870	\$ 188.37
Awards granted	170,488	225.02
Awards vested (a)	(99,388)	207.29
Awards forfeited	(1,584)	187.13
Non-vested awards outstanding, May 3, 2025	<u>362,386</u>	<u>200.43</u>

(a) Performance-based stock awards vested during the three month period ended May 3, 2025 had a total intrinsic value of \$23.3 million.

11. Commitments and Contingencies

Legal

In the course of business, the Company is party to class or collective actions alleging violations of federal and state wage and hour and other labor statutes, representative claims under the California Private Attorneys' General Act and various other lawsuits and regulatory proceedings from time to time including, among others, commercial, product, employee, customer, intellectual property, privacy and other claims. Actions against us are in various procedural stages. Many of these proceedings raise factual and legal issues and are subject to uncertainties. While no assurance can be given as to the ultimate outcome of these matters, the Company believes that the final resolution of these actions will not have a material adverse effect on the Company's results of operations, financial position, liquidity or capital resources.

Letters of Credit

The Company had letters of credit arrangements with various banks in the aggregate amount of \$51.8 million, \$52.5 million and \$77.3 million as of May 3, 2025, February 1, 2025 and May 4, 2024, respectively. Among these arrangements, as of May 3, 2025, February 1, 2025 and May 4, 2024, the Company had letters of credit outstanding in the amount of \$51.8 million, \$51.9 million and \$77.3 million, respectively, guaranteeing performance under various lease agreements, insurance contracts, and utility agreements. In addition, the Company had outstanding letters of credit arrangements in the amount of less than \$0.1 million and \$0.6 million at May 3, 2025 and February 1, 2025, respectively, related to certain merchandising agreements, and none at May 4, 2024. Based on the terms of the agreement governing the ABL Line of Credit, the Company had the ability to enter into letters of credit up to \$148.2 million, \$147.5 million and \$160.2 million as of May 3, 2025, February 1, 2025 and May 4, 2024, respectively.

Purchase Commitments

The Company had \$1,980.1 million of purchase commitments related to goods that were not received as of May 3, 2025.

BURLINGTON STORES, INC.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion summarizes the significant factors affecting our condensed consolidated operating results, financial condition, liquidity and cash flows as of and for the periods presented below. The following discussion and analysis should be read in conjunction with the Condensed Consolidated Financial Statements and notes thereto included elsewhere in this report and the Consolidated Financial Statements and notes thereto in our Annual Report on Form 10-K for the fiscal year ended February 1, 2025 (Fiscal 2024 10-K).

In addition to historical information, this discussion and analysis contains forward-looking statements based on current expectations that involve risks, uncertainties and assumptions, such as our plans, objectives, expectations and intentions. Our actual results or other events may differ materially from those anticipated in these forward-looking statements due to various factors, including those discussed under the section of this Item 2 entitled "Safe Harbor Statement."

Executive Summary

Introduction

We are a nationally recognized off-price retailer. We opened our first store in Burlington, New Jersey in 1972, selling primarily coats and outerwear. Since then, we have expanded our store base to 1,115 stores as of May 3, 2025 in 46 states, Washington D.C. and Puerto Rico. We have diversified our product categories by offering 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.

Fiscal Year

Fiscal 2025 is defined as the 52-week year ended January 31, 2026. Fiscal 2024 is defined as the 52-week year ending February 1, 2025. The first quarter of Fiscal 2025 and Fiscal 2024 each consist of 13 weeks.

Store Openings, Closings, and Relocations

During the three month period ended May 3, 2025, we opened 14 new stores, inclusive of four relocations, and permanently closed three stores, exclusive of the aforementioned relocations, bringing our store count as of May 3, 2025 to 1,115 stores.

Ongoing Initiatives for Fiscal 2025

We continue to focus on a number of ongoing initiatives aimed at increasing our overall profitability. These initiatives include, but are not limited to:

- **Driving Comparable Store Sales Growth.**

We strive to increase comparable store sales through the following initiatives:

- *More Effectively Chasing the Sales Trend.* We plan sales using conservative comparable store sales growth, holding and controlling liquidity, closely analyzing the sales trend by business, and remaining ready to chase that trend. We believe that these actions will also allow us to take greater advantage of great opportunistic buys.
- *Operating with Leaner Inventories.* We are planning to carry less inventory in our stores going forward compared to historical levels, which we believe should result in the customer finding a higher mix of fresh receipts and great merchandise values. We believe that this should drive faster turns and lower markdowns, while simultaneously improving our customers' shopping experience.
- *Investment in Merchandising Capabilities.* We plan to continue investing in training and coaching, improved tools and reporting, incremental headcount, especially in growing or under-developed businesses, and other forms of

merchant support. We believe that these investments should improve our ability to strengthen vendor relationships, source great merchandise buys, more accurately assess value, and better forecast and chase the sales trend.

- *Enhancing Existing Categories and Introducing New Categories.* We have opportunities to expand our offerings in certain existing categories, such as ladies' and junior apparel, beauty, and home merchandise, and maintain the flexibility to introduce new categories as we expand our merchandising capabilities.

- **Expanding and Enhancing Our Retail Store Base.**

We intend to expand and enhance our retail store base through the following initiatives:

- *Adhering to a Market Focused and Financially Disciplined Real Estate Strategy.* We have grown our store base consistently since our founding in 1972. We believe there is significant opportunity to expand our retail store base in the United States. As a result of our smaller store prototype, we have identified numerous market opportunities that we believe will allow us to operate 2,000 stores over the long term. We expect to average about 100 net new stores per year, for a total of 500 net new stores over the five-year period from Fiscal 2024 through Fiscal 2028.
- *Enhancing the Store Experience.* We continue to invest in select store relocations and downsizes to improve the customer experience, taking into consideration the age, size, sales, and location of a store. Relocations provide an opportunity, upon lease expirations, to right-size our stores, improve our competitive positioning, incorporate our new prototype store designs and reduce occupancy costs. Downsizes provide an opportunity to right-size our stores, within our existing space, improve co-tenancy, incorporate our new store designs and reduce occupancy costs.

- **Enhancing Operating Margins.**

We intend to increase our operating margins through the following initiatives:

- *Improving Operational Flexibility.* Our store and supply chain teams must continue to respond to the sales chase, enhancing their ability at flexing up and down based on trends, and allowing us to maximize leverage on sales.
- *Optimizing Markdowns.* We believe that our markdown system allows us to maximize sales and gross margin dollars based on forward-looking sales forecasts, sell-through targets and exit dates. Additionally, as we plan to carry less inventory in our stores compared to historical levels, we expect to drive faster turns, which should reduce the amount of markdowns taken compared to historical levels.
- *Optimizing the Supply Chain.* Our transportation initiatives have led to lower freight costs compared to recent levels, and we believe our efficiency and labor productivity initiatives will continue to result in lower supply chain costs over the next several years. We also believe there are longer-term supply chain opportunities through investments in automation and new purpose built processing buildings, and owning (rather than leasing) a larger portion of our distribution center network going forward.
- *Challenging Expenses to Drive Operating Leverage.* We believe sales growth will drive fixed cost operating leverage. In addition, by more conservatively planning our comparable store sales growth, we are forcing even tighter expense control throughout all areas of our business. We believe that this should put us in a strong position to drive favorable operating leverage on any sales ahead of the plan. Additionally, we plan to continue challenging the processes and operating norms throughout the organization with the belief that this will lead to incremental efficiency improvements and savings.

Uncertainties and Challenges

As we strive to increase profitability, there are uncertainties and challenges that we face that could have a material impact on our revenues or income. Some of these uncertainties and challenges are summarized below. For a further discussion, please refer to the description under the heading "Risk Factors" in the Fiscal 2024 10-K and in Part II, Item 1A below.

General Economic Conditions. There remains a high level of uncertainty in the current macroeconomic and geopolitical environments, and prolonged inflationary pressures continue to negatively impact the discretionary spending of the low-income shopper, our core customer. In addition to inflation, consumer spending habits, including spending for the merchandise that we sell, are affected by, among other things, prevailing global economic conditions, the costs of basic necessities and other goods, levels of employment, salaries and wage rates, prevailing interest rates, reductions in government benefits and lower tax refunds, housing costs, energy costs, commodities pricing, income tax rates and policies, immigration policies, consumer confidence and consumer perception of economic conditions. In addition, consumer purchasing patterns are generally influenced by consumers' disposable income, credit availability and debt levels.

A broad, protracted slowdown or downturn in the U.S. economy, an extended period of high unemployment or inflation rates, an uncertain domestic or global economic outlook or a financial crisis could adversely affect consumer spending habits resulting in lower net sales and profits than expected on a quarterly or annual basis. Conversely, if inflation continues to decline, it could benefit our core customers who have been impacted by the higher cost of living since early 2022, and if economic growth slows, it could cause moderate and higher-income shoppers to become more value conscious. Either of these developments, if they occur, would be expected to improve our business. Consumer confidence is also affected by the domestic and international political situation. Our financial condition and operations could be impacted by changes in government regulations, initiatives or programs in areas including, but not limited to, trade and tariffs, taxes, healthcare, and immigration. In addition, trade and tariff regulations have had and are expected to continue to have an indirect impact on consumer prices. We will continue to monitor changes in tariff policy and the impact of these changes on our industry and the economy and seek to adjust to these changes as efficiently as possible. The outbreak or escalation of war, or the occurrence of terrorist acts or other hostilities in or affecting the U.S., or public health issues such as pandemics or epidemics, could lead to a decrease in spending by consumers. In addition, natural disasters, public health issues, industrial accidents and acts of war or conflicts in various parts of the world (such as the conflict in Ukraine or the conflict in the Middle East), could have the effect of disrupting supplies and raising prices globally which, in turn, may have adverse effects on the world and U.S. economies and lead to a downturn in consumer confidence and spending.

Seasonality of Sales and Weather Conditions. Our business, like that of most retailers, is subject to seasonal influences. In the second half of the year, which includes the back-to-school and holiday seasons, we generally realize a higher level of sales and net income.

Weather continues to be a contributing factor to the sale of our merchandise. Generally, our sales are higher if the weather is cold during the Fall and warm during the early Spring. Sales of cold weather clothing are generally increased by early cold weather during the Fall, while sales of warm weather clothing are generally increased by early warm weather conditions in the Spring. Although we have diversified our product offerings, we believe traffic to our stores is still driven, in part, by weather patterns.

Competition and Margin Pressure. We believe that in order to remain competitive with retailers, including off-price retailers and discount stores, we must continue to offer brand-name merchandise at a discount to prices offered by other retailers as well as an assortment of merchandise that is appealing to our customers.

The U.S. retail apparel and home furnishings markets are highly fragmented and competitive. We compete for business with department stores, off-price retailers, internet retailers, specialty stores, discount stores, wholesale clubs, and outlet stores as well as with certain traditional, full-price retail chains that have developed off-price concepts. At various times throughout the year, traditional full-price department store chains and specialty shops offer brand-name merchandise at substantial markdowns, which can result in prices approximating those offered by us at our Burlington Stores. We anticipate that competition will increase in the future. Therefore, we will continue to look for ways to differentiate our stores from those of our competitors.

The U.S. retail industry continues to face increased pressure on margins as overall challenging retail conditions have led consumers to be more value conscious. Additionally, lower-to-moderate income shoppers continue to face economic pressure due to higher cost of living. Our strategy to chase the sales trend allows us the flexibility to purchase less pre-season merchandise with the balance purchased in-season and opportunistically. It also provides us with the flexibility to shift purchases between suppliers and categories. We believe that this enables us to obtain better terms with our suppliers, which we expect will help offset any rising costs of goods.

Key Performance and Non-GAAP Measures

We consider numerous factors in assessing our performance. Key performance and non-GAAP measures used by management include net income, Adjusted Net Income, Adjusted EBITDA, Adjusted EBIT, comparable store sales, gross margin, inventory and liquidity.

Net income. We earned net income of \$100.8 million during the three month period ended May 3, 2025 compared with \$78.5 million during the three month period ended May 4, 2024. This increase was primarily driven by higher sales, as well as increased gross margin rate. Refer to the section below entitled “Results of Operations” for further explanation.

Adjusted Net Income, Adjusted EBITDA and Adjusted EBIT. Adjusted Net Income, Adjusted EBITDA and Adjusted EBIT are non-GAAP financial measures of our performance.

We define Adjusted Net Income as net income, exclusive of the following items, if applicable: (i) net favorable lease costs; (ii) costs related to debt amendments; (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.

We define Adjusted EBITDA as net income, exclusive of the following items, if applicable: (i) interest expense; (ii) interest income; (iii) costs related to debt amendments; (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.

We define Adjusted EBIT as net income, exclusive of the following items, if applicable: (i) interest expense; (ii) interest income; (iii) costs related to debt amendments; (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.

We present Adjusted Net Income, Adjusted EBITDA and Adjusted EBIT because we believe they are useful supplemental measures 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.

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

Adjusted Net Income has limitations as an analytical tool, and should not be considered either in isolation or as a substitute for net income or other data prepared in accordance with GAAP. Among other limitations, Adjusted Net Income does not reflect the following items, net of their tax effect:

- net favorable lease costs;
- costs related to debt amendments;
- impairment charges on long-lived assets;
- amounts charged for certain litigation matters; and
- other unusual, non-recurring or extraordinary expenses, losses, charges or gains.

During the three months ended May 3, 2025, Adjusted Net Income increased \$15.8 million to \$102.6 million compared to the same period in the prior year. This increase was primarily driven by higher sales, as well as increased gross margin rate. Refer to the section below entitled “Results of Operations” for further explanation.

The following table shows our reconciliation of net income to Adjusted Net Income for the three months ended May 3, 2025 compared with the three months ended May 4, 2024:

	<i>(in thousands)</i>	
	Three Months Ended	
	May 3, 2025	May 4, 2024
Reconciliation of net income to Adjusted Net Income:		
Net income	\$ 100,833	\$ 78,514
Net favorable lease costs (a)	2,138	2,970
Costs related to debt amendments (b)	112	—
Impairment charges - long-lived assets	516	8,210
Litigation matters (c)	(416)	—
Tax effect (d)	(601)	(2,881)
Adjusted Net Income	\$ 102,582	\$ 86,813

- (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 (the Merger Transaction). These expenses are recorded in the line item “Selling, general and administrative expenses” in our Condensed Consolidated Statements of Income.
- (b) Relates to the settlement of the 2025 Convertible Notes during the first quarter of Fiscal 2025.
- (c) Relates to the final settlements of certain litigation matters.

- (d) 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 the reconciling items listed in the table above.

Adjusted EBIT and Adjusted EBITDA have limitations as analytical tools, and should not be considered either in isolation or as a substitute for net income or other data prepared in accordance with GAAP. Among other limitations, Adjusted EBIT does not reflect:

- net interest expense;
- net favorable lease costs;
- costs related to debt amendments;
- impairment charges on long-lived assets;
- amounts charged for certain litigation matters;
- income tax expense; and
- other unusual, non-recurring or extraordinary expenses, losses, charges or gains.

Adjusted EBITDA is further adjusted for depreciation and amortization. Although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will likely have to be replaced in the future.

During the three months ended May 3, 2025, Adjusted EBIT increased \$16.9 million to \$146.3 million compared to the same period in the prior year. Adjusted EBITDA increased \$26.7 million to \$238.1 million compared to the same period in the prior year. These increases were primarily driven by higher sales, as well as increased gross margin rate. Refer to the section below entitled “Results of Operations” for further explanation.

The following table shows our reconciliation of net income to Adjusted EBIT and Adjusted EBITDA for the three months ended May 3, 2025 compared with the three months ended May 4, 2024:

	<i>(unaudited)</i>	
	Three Months Ended	
	May 3, 2025	May 4, 2024
Reconciliation of net income to Adjusted EBIT and Adjusted EBITDA		
Net income	\$ 100,833	\$ 78,514
Interest expense	15,810	16,649
Interest income	(4,712)	(8,072)
Net favorable lease costs (a)	2,138	2,970
Costs related to debt amendments (b)	112	—
Impairment charges - long-lived assets	516	8,210
Litigation matters (c)	(416)	—
Income tax expense	32,039	31,125
Adjusted EBIT	146,320	129,396
Depreciation and amortization	91,783	81,965
Adjusted EBITDA	\$ 238,103	\$ 211,361

- (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 Merger Transaction. These expenses are recorded in the line item “Selling, general and administrative expenses” in our Condensed Consolidated Statements of Income.
- (b) Relates to the settlement of the 2025 Convertible Notes during the first quarter of Fiscal 2025.
- (c) Relates to the final settlements of certain litigation matters.

Comparable Store Sales. Comparable store sales measure performance of a store during the current reporting period against the performance of the same store in the corresponding period of a prior year. The method of calculating comparable store sales varies across the retail industry. As a result, our definition of comparable store sales may differ from other retailers.

We define comparable store sales as merchandise sales of those stores commencing on the first day of the fiscal month one year after the end of their grand opening activities, which normally conclude within the first two months of operations. If a store is closed for seven or more days during a month, our policy is to remove that store from our calculation of comparable store sales for any such month, as well as during the month(s) of their grand re-opening activities. The change in our comparable store sales was as follows:

	<u>Three Months Ended</u>
May 3, 2025	0%
May 4, 2024	2%

Various factors affect comparable store sales, including, but not limited to, weather conditions, current economic conditions, the timing of our releases of new merchandise and promotional events, the general retail sales environment, consumer preferences and buying trends, changes in sales mix among distribution channels, competition, and the success of marketing programs.

Gross Margin. Gross margin is the difference between net sales and the cost of sales. Our cost of sales and gross margin may not be comparable to those of other entities, since some entities may include all of the costs related to their buying and distribution functions, certain store-related costs and other costs, in cost of sales. We include certain of these costs in the line items “Selling, general and administrative expenses” and “Depreciation and amortization” in our Condensed Consolidated Statements of Income. We include in our “Cost of sales” line item all costs of merchandise (net of purchase discounts and certain vendor allowances), inbound freight, distribution center outbound freight and certain merchandise acquisition costs, primarily commissions and import fees.

Gross margin as a percentage of net sales increased to 43.8% during the three month period ended May 3, 2025, compared with 43.5% during three month period ended May 4, 2024, driven primarily by improved merchandise margins and freight costs.

Product sourcing costs, which are included in selling, general and administrative expenses, increased approximately 10 basis points as a percentage of net sales. Supply chain leverage driven by productivity improvements and the timing of receipts was more than offset by increased asset protection investments.

Inventory. Inventory at May 3, 2025 increased to \$1,315.3 million compared with \$1,140.8 million at May 4, 2024. The increase was attributable primarily to an increase in reserve inventory and 94 net new stores opened since the end of the first quarter of Fiscal 2024. Comparable store inventories decreased 8% compared to the first quarter of Fiscal 2024.

Reserve inventory includes all inventory that is being stored for release either later in the season, or in a subsequent season. We intend to use our reserve merchandise to effectively chase sales trends. Reserve inventory was 48% of total inventory at the end of the first quarter of Fiscal 2025 compared to 40% at the end of the first quarter of Fiscal 2024.

In order to better serve our customers and maximize sales, we continue to refine our merchandising mix and inventory levels within our stores. By appropriately managing our inventories, we believe we will be better able to deliver a continual flow of fresh merchandise to our customers.

Liquidity. Liquidity measures our ability to generate cash. Management measures liquidity through cash flow, which is the measure of cash generated from or used in operating, financing, and investing activities. Cash and cash equivalents decreased \$623.6 million during the three months ended May 3, 2025, compared with a decrease of \$183.0 million during the three months ended May 4, 2024. On May 3, 2025, we also had \$748.2 million available under the ABL Line of Credit with \$100.0 million of borrowings. Refer to the section below entitled “Liquidity and Capital Resources” for further explanation.

Results of Operations

The following table sets forth certain items in the Condensed Consolidated Statements of Income as a percentage of net sales for the three months ended May 3, 2025 and the three months ended May 4, 2024.

	Percentage of Net Sales	
	Three Months Ended	
	May 3, 2025	May 4, 2024
Net sales	100.0%	100.0%
Other revenue	0.2	0.2
Total revenue	100.2	100.2
Cost of sales	56.2	56.5
Selling, general and administrative expenses	34.7	35.0
Costs related to debt amendments	0.0	—
Depreciation and amortization	3.7	3.5
Impairment charges - long-lived assets	0.0	0.3
Other income - net	(0.4)	(0.5)
Interest expense	0.6	0.7
Total costs and expenses	94.8	95.5
Income before income tax expense	5.4	4.7
Income tax expense	1.3	1.3
Net income	4.1%	3.4%

Three Month Period Ended May 3, 2025 Compared With the Three Month Period Ended May 4, 2024

Net sales

Net sales improved approximately \$142.8 million, or 6.1%, to \$2,500.1 million during the first quarter of Fiscal 2025, primarily driven by net sales from our 94 net new stores opened since the end of the first quarter of Fiscal 2024. Comparable store sales were flat.

Cost of sales

Cost of sales as a percentage of net sales decreased to 56.2% during the first quarter of Fiscal 2025, compared to 56.5% during the first quarter of Fiscal 2024. This decrease was primarily driven by improved merchandise margins and freight costs. On a dollar basis, cost of sales increased \$74.4 million, or 5.6%, primarily driven by our overall increase in sales.

Selling, general and administrative expenses

Selling, general and administrative expenses as a percentage of net sales decreased to 34.7% during the first quarter of Fiscal 2025, compared to 35.0% during the first quarter of Fiscal 2024. The decrease was primarily driven by lower incentive compensation and store payroll costs. On a dollar basis, selling, general and administrative expenses increased by \$42.8 million, or 5.2%, to \$868.1 million during the first quarter of Fiscal 2025. The increase was primarily driven by our 94 net new stores opened since the end of the first quarter of Fiscal 2024.

During the first quarter of Fiscal 2025 and Fiscal 2024, the Company incurred costs related to leases acquired through bankruptcy proceedings. The acquisition of these leases resulted in \$5.8 million and \$6.0 million of pre-opening costs that are recorded in the line item, "Selling, general and administrative expenses" in our Condensed Consolidated Statements of Income during the first quarter of Fiscal 2025 and Fiscal 2024, respectively.

Depreciation and amortization

Depreciation and amortization expense amounted to \$91.8 million during the first quarter of Fiscal 2025 compared with \$82.0 million during the first quarter of Fiscal 2024. The increase in depreciation and amortization expense was primarily driven by capital expenditures related to our supply chain, as well as new and non-comparable stores.

Impairment charges – long-lived assets

Impairment charges on long-lived assets were \$0.5 million during the first quarter of Fiscal 2025, related to unrecoverable assets at three underperforming stores and three relocating stores, and lease asset impairment charges related to one of those stores. Impairment charges on long-lived assets were \$8.2 million during the first quarter of Fiscal 2024, primarily related to one owned store selling below carrying value in a sale-leaseback transaction.

The recoverability assessment related to these store-level assets requires various judgments and estimates, including estimates related to future revenues, gross margin rates, store expenses and other assumptions. We base these estimates upon our past and expected future performance. We believe our estimates are appropriate in light of current market conditions. However, future impairment charges could be required if we do not achieve our current revenue or cash flow projections for each store. Refer to Note 6, “Fair Value Measurements,” for further discussion regarding impairment charges.

Other income - net

Other income - net decreased \$0.6 million to \$10.2 million during the first quarter of Fiscal 2025, compared to the same period in the prior year. The decrease was primarily driven by decreased interest income, partially offset by gain on fixed assets related to a sale leaseback as well as a legal settlement gain.

Interest expense

Interest expense improved \$0.8 million during the first quarter of Fiscal 2025 to \$15.8 million, compared to the same period in the prior year. This improvement was primarily driven by lower interest rates, partially offset by a higher average balance due to the extension and upsize of the Term Loan Facility during the third quarter of Fiscal 2024.

The average interest rate on the Term Loan Facility was 6.1% and 7.4% for the first quarter of Fiscal 2025 and the first quarter of Fiscal 2024, respectively. The average balance on the Term Loan Facility, excluding the original issue discount, was \$1,245.7 million and \$936.5 million for the first quarter of Fiscal 2025 and the first quarter of Fiscal 2024, respectively.

The average interest rate on the ABL Line of Credit was 5.5% for the first quarter of Fiscal 2025. The average balance on the ABL Line of Credit was \$23.6 million for the first quarter of Fiscal 2025. There were no borrowings under the ABL Line of Credit during the three month period ended May 4, 2024.

Income tax expense

Income tax expense was \$32.0 million during the first quarter of Fiscal 2025 compared with income tax expense of \$31.1 million during the first quarter of Fiscal 2024. The effective tax rate for the first quarter of Fiscal 2025 was 24.1% compared with 28.4% during the first quarter of Fiscal 2024. The increase in income tax expense is primarily driven by higher pre-tax income, while the decrease in the effective tax rate is mainly attributable to the tax benefit from stock-based compensation.

At the end of each interim period we are required to determine the best estimate of our annual effective tax rate and then apply that rate in providing for income taxes on a current year-to-date (interim period) basis. Use of this methodology during the first quarter of Fiscal 2025 resulted in an annual effective income tax rate of approximately 26% (before discrete items) as our best estimate.

Net income

We earned net income of \$100.8 million for the first quarter of Fiscal 2025 compared with \$78.5 million for the first quarter of Fiscal 2024. This increase was primarily driven by higher sales, as well as increased gross margin rate. Net income included \$4.3 million of expense, net of income taxes, for both the first quarter of Fiscal 2025 and Fiscal 2024 related to the bankruptcy acquired leases.

Liquidity and Capital Resources

Our ability to satisfy interest payment and future principal payment obligations on our outstanding debt will depend largely on our future performance which, in turn, is subject to prevailing economic conditions and to financial, business and other factors beyond our control. If we do not have sufficient cash flow to service interest payment and future principal payment obligations on our outstanding indebtedness and if we cannot borrow or obtain equity financing to satisfy those obligations, our business and results of operations will be materially adversely affected. We cannot be assured that any replacement borrowing or equity financing could be successfully completed on terms similar to our current financing agreements, or at all.

We believe that cash generated from operations, along with our existing cash and our ABL Line of Credit, will be sufficient to fund our expected cash flow requirements and planned capital expenditures for at least the next twelve months as well as the foreseeable future. However, there can be no assurance that we would be able to offset declines in our comparable store sales with savings initiatives.

As market conditions warrant, we may, from time to time, repurchase our outstanding debt securities in the open market, in privately negotiated transactions, by tender offer, by exchange transaction or otherwise. Such repurchases, if any, will depend on prevailing market conditions, our liquidity and other factors and may be commenced or suspended at any time. The amounts involved and total consideration paid may be material.

From time to time, we evaluate options to opportunistically increase, refinance or extend our debt. Our assessment will be based on our capital needs for, among other things, facility purchases, capital improvements and expenditures. No assurance can be given that we will enter into such agreements.

Cash Flow for the Three Month Period Ended May 3, 2025 Compared With the Three Month Period Ended May 4, 2024

We used \$623.6 million of cash during the three month period ended May 3, 2025 compared with \$183.0 million during the three month period ended May 4, 2024.

Net cash used in operating activities amounted to \$28.9 million during the three month period ended May 3, 2025, compared with net cash provided of \$49.4 million during the three month period ended May 4, 2024. The decrease in our operating cash flows was primarily driven by changes in working capital, which more than offset improved net income.

Net cash used in investing activities was \$412.7 million during the three month period ended May 3, 2025 compared with \$165.5 million during the three month period ended May 4, 2024. This change was primarily the result of an increase in capital expenditures related to supply chain costs from the purchase and build-out of distribution centers as well as increased store openings.

Net cash used in financing activities was \$182.0 million during the three month period ended May 3, 2025 compared with \$66.9 million during the three month period ended May 4, 2024. This change was primarily driven by settlement of the 2025 Convertible Notes and an increase in treasury stock repurchases, partially offset by ABL borrowings.

Changes in working capital also impact our cash flows. Working capital equals current assets minus current liabilities. We had working capital at May 3, 2025 of \$115.3 million compared with \$140.8 million at May 4, 2024. The decrease in working capital was primarily due to decreased cash balance, partially offset by decreased current maturities of long term debt related to the settlement of the 2025 Convertible Notes as well as increased inventory. We had working capital at February 1, 2025 of \$356.3 million.

Capital Expenditures

For the three month period ended May 3, 2025, capital expenditures, net of \$7.8 million of landlord allowances, amounted to \$412.2 million (inclusive of accrued capital expenditures).

We estimate that we will spend approximately \$950 million, net of approximately \$55 million of landlord allowances, in capital expenditures during Fiscal 2025, including approximately \$445 million, net of the previously mentioned landlord allowances, for store expenditures (new stores, relocations, downsizes and other store expenditures). In addition, we estimate that we will spend approximately \$415 million to support our supply chain initiatives, with the remaining capital used to support our information technology and other business initiatives.

Share Repurchase Program

On August 15, 2023, our Board of Directors authorized the repurchase of up to \$500 million of common stock, which is authorized to be executed through August 2025.

Subsequent to the end of the first quarter of Fiscal 2025, our Board of Directors authorized the repurchase of up to an additional \$500.0 million of common stock, which is authorized to be executed through May 2027. This was authorized on May 20, 2025.

During the first quarter of Fiscal 2025, we repurchased 445,285 shares of common stock for \$105.2 million under these repurchase programs. As of May 3, 2025, we had \$157.9 million remaining under our share repurchase authorization.

We are authorized to repurchase shares of our outstanding common stock from time to time on the open market or in privately negotiated transactions under our repurchase program. The timing and amount of stock repurchases will depend on a variety of factors, including the market conditions as well as corporate and regulatory considerations. Our share repurchase program may be

suspended, modified or discontinued at any time, and we have no obligation to repurchase any amount of our common stock under the program.

Dividends

We currently do, and intend to continue to, retain all available funds and any future earnings to fund all of the Company's capital expenditures, business initiatives, and to support any potential opportunistic capital structure initiatives. Therefore, at this time, we do not anticipate paying cash dividends in the near term. Our ability to pay dividends on our common stock will be limited by restrictions on the ability of our subsidiaries to pay dividends or make distributions under the terms of current and any future agreements governing our indebtedness. Any future determination to pay dividends will be at the discretion of our Board of Directors, subject to compliance with covenants in our current and future agreements governing our indebtedness, and will depend upon our results of operations, financial condition, capital requirements and other factors that our Board of Directors deems relevant.

In addition, since we are a holding company, substantially all of the assets shown on our Condensed Consolidated Balance Sheets are held by our subsidiaries. Accordingly, our earnings, cash flow and ability to pay dividends are largely dependent upon the earnings and cash flows of our subsidiaries and the distribution or other payment of such earnings to us in the form of dividends.

Operational Growth

During the three month period ended May 3, 2025, we opened 14 new stores, inclusive of four relocations, and closed three stores, exclusive of the aforementioned relocations, bringing our store count as of May 3, 2025 to 1,115 stores. During Fiscal 2025, we plan to open approximately 100 net new stores.

Debt and Hedging

As of May 3, 2025, our obligations, inclusive of original issue discount, include \$1,236.1 million under our Term Loan Facility, \$297.1 million of 2027 Convertible Notes, and outstanding borrowings on our ABL Line of Credit of \$100.0 million. Our debt obligations also include \$24.4 million of finance lease obligations as of May 3, 2025.

Term Loan Facility

BCFWC and certain of its subsidiaries and holding companies are party to a Credit Agreement (as amended, supplemented and otherwise modified, the Term Loan Facility) that provides for term loans in an aggregate principal amount as of May 3, 2025 of \$1,243.8 million maturing on September 24, 2031.

On September 24, 2024, we entered into an amendment to the Term Loan Facility dated as of February 24, 2011 (the "Amendment"), which among other things, (i) refinanced the outstanding \$933 million principal amount of Term B-6 Loans with Term B-7 Loans in an aggregate principal amount of \$1,250 million, which includes incremental term loans in an aggregate principal amount of \$317 million, (ii) extended the maturity date from June 24, 2028 to September 24, 2031, and (iii) reduced the interest rate margins applicable to our term loan facility from 1.00% to 0.75%, in the case of prime rate loans, and from 2.00% to 1.75%, in the case of SOFR loans, with a 0.00% SOFR floor, and removed the SOFR adjustment. The Term B-7 Loans were issued with an original issue discount of 99.5.

The Term Loan Facility is collateralized by a first lien on BCFWC's and each guarantor's equity interests, equipment, intellectual property, and certain favorable leases and real estate, and certain related assets and proceeds thereof (subject to certain exceptions), and a second lien on BCFWC's and each guarantor's other assets and proceeds thereof (subject to certain exceptions).

At May 3, 2025, our borrowing rate related to the Term Loan Facility was 6.1%.

ABL Line of Credit

BCFWC and certain of its subsidiaries and holding companies are party to a Second Amended and Restated Credit Agreement (as amended, supplemented and otherwise modified, the ABL Line of Credit) that provides for \$900.0 million of revolving commitments (subject to a borrowing base limitation) maturing on December 22, 2026, and, subject to the satisfaction of certain conditions, BCFWC can increase the aggregate amount of commitments up to \$1,200 million. The interest rate margin applicable under the ABL Line of Credit is 1.125% to 1.375% in the case of a daily SOFR rate or a term SOFR rate (in each case, plus a credit spread adjustment of 0.10%), and 0.125% to 0.375% in the case of a prime rate, depending on the average daily availability of the lesser of (a) the total commitments or (b) the borrowing base. The ABL Line of Credit is collateralized by a first priority lien on

BCFWC's and each guarantor's inventory, receivables, bank accounts, and certain related assets and proceeds thereof (subject to certain exceptions), and a second priority lien on BCFWC's and each guarantor's other assets and proceeds thereof (other than real estate and subject to certain exceptions).

At May 3, 2025, we had \$748.2 million available under the ABL Line of Credit and borrowings of \$100.0 million.

2025 Convertible Notes

On April 16, 2020, we issued the 2025 Convertible Notes. The 2025 Convertible Notes are general unsecured obligations. The 2025 Convertible Notes bear interest at a rate of 2.25% per year, payable semi-annually in cash, in arrears, on April 15 and October 15 of each year.

The 2025 Convertible Notes matured on April 15, 2025. Prior to maturity, holders of the 2025 Convertible Notes submitted conversion notices with respect to approximately \$155.5 million aggregate principal amount of the 2025 Convertible Notes. On the conversion settlement date, the Company paid to the converting holders the aggregate principal amount of 2025 Convertible Notes subject to conversion, and issued and delivered to such holders 57,149 shares of common stock, in respect of the remainder of its conversion obligation in excess of such aggregate principal amount. At maturity, the Company paid in cash the principal balance of and related accrued and unpaid interest on the 2025 Convertible Notes not previously converted. There was no resulting debt extinguishment charge from this transaction.

2027 Convertible Notes

On September 12, 2023, we closed the issuance of approximately \$297.1 million aggregate principal amount of our 2027 Convertible Notes pursuant to separate, privately negotiated exchange and subscription agreements with a limited number of holders of our 2025 Convertible Notes and certain investors, in each case pursuant to exemptions from registration under the Securities Act of 1933. An aggregate of up to 1,422,568 shares of common stock may be issued upon conversion of the 2027 Convertible Notes, which number is subject to adjustment up to an aggregate of 1,911,372 shares following certain corporate events that occur prior to the maturity date or if we issue a notice of redemption, and which is also subject to certain anti-dilution adjustments.

The 2027 Convertible Notes will bear interest at a rate of 1.25% per year, payable semi-annually in arrears on June 15 and December 15 of each year, beginning on December 15, 2023. The 2027 Convertible Notes will mature on December 15, 2027, unless earlier converted, redeemed or repurchased.

Prior to the close of business on the business day immediately preceding September 15, 2027, the 2027 Convertible Notes will be convertible at the option of the holders only upon the occurrence of certain events and during certain periods. Thereafter, the 2027 Convertible Notes will be convertible at the option of the holders at any time until the close of business on the second scheduled trading day immediately preceding the maturity date. The 2027 Convertible Notes have an initial conversion rate of 4.8560 shares per \$1,000 principal amount of 2027 Convertible Notes (equivalent to an initial conversion price of approximately \$205.93 per share of our common stock), subject to adjustment if certain events occur. The initial conversion price represents a conversion premium of approximately 32.50% over \$155.42 per share, the last reported sale price of our common stock on September 7, 2023 on The New York Stock Exchange. Upon conversion, we will pay cash up to the aggregate principal amount of 2027 Convertible Notes being converted, and pay (and deliver, if applicable) cash, shares of our common stock or a combination thereof, at its election, in respect of the remainder (if any) of our conversion obligation in excess of such aggregate principal amount. We will not be able to redeem the 2027 Convertible Notes prior to December 20, 2025. On or after December 20, 2025 and prior to the 21st scheduled trading day immediately preceding December 15, 2027, we will be able to redeem for cash all or any portion of the 2027 Convertible Notes, at its option, if the last reported sale price of our common stock is equal to or greater than 130% of the conversion price for a specified period of time, at a redemption price equal to 100% of the aggregate principal amount of the 2027 Convertible Notes to be redeemed, plus accrued and unpaid interest, if any, to, but excluding, the redemption date.

If we undergo a fundamental change, subject to certain conditions, holders of the 2027 Convertible Notes may require us to repurchase for cash all or any portion of our 2027 New Convertible Notes. The fundamental change repurchase price will be 100% of the aggregate principal amount of the 2027 Convertible Notes to be repurchased plus any accrued and unpaid interest to, but excluding, the fundamental change repurchase date.

Hedging

We have interest rate swaps which hedge \$800 million of variable rate exposure under our Term Loan Facility. The interest rate swaps are designated as cash flow hedges and expire on September 24, 2031. Refer to Note 5, "Derivative Instruments and Hedging Activities," for further discussion regarding our derivative transactions.

Certain Information Concerning Contractual Obligations

We had \$1,980.1 million of purchase commitments related to goods that were not received as of May 3, 2025, and had \$4,703.8 million of future minimum lease payments under operating leases as of May 3, 2025. See Note 4, "Long Term Debt" for additional information related to our debt transactions. Other than the items disclosed here, and in the "Debt and Hedging" section above, there were no other significant changes regarding our obligations to make future payments under current contracts from those included in our Fiscal 2024 10-K.

Critical Accounting Policies and Estimates

Our Condensed Consolidated Financial Statements have been prepared in accordance with GAAP. We believe there are several accounting policies that are critical to understanding our historical and future performance as these policies affect the reported amounts of revenues and other significant areas that involve management's judgments and estimates. The preparation of our Condensed Consolidated Financial Statements requires management to make estimates and assumptions that affect (i) the reported amounts of assets and liabilities; (ii) the disclosure of contingent assets and liabilities at the date of the Condensed Consolidated Financial Statements; and (iii) the reported amounts of revenues and expenses during the reporting period. On an ongoing basis, management evaluates its estimates and judgments, including those related to revenue recognition, inventories, long-lived assets, intangible assets, goodwill, insurance reserves, leases and income taxes. Historical experience and various other factors that are believed to be reasonable under the circumstances form the basis for making estimates and judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions. As events continue to evolve and additional information becomes available, our estimates may change materially in future periods. A critical accounting estimate meets two criteria: (1) it requires assumptions about highly uncertain matters and (2) there would be a material effect on the Condensed Consolidated Financial Statements from either using a different, although reasonable, amount within the range of the estimate in the current period or from reasonably likely period-to-period changes in the estimate.

Our critical accounting policies and estimates are consistent with those disclosed in Note 1, "Summary of Significant Accounting Policies," to the audited Consolidated Financial Statements, included in Part II, Item 8 of the Fiscal 2024 10-K.

Safe Harbor Statement

This report contains forward-looking statements that are based on current expectations, estimates, forecasts and projections about us, the industry in which we operate and other matters, as well as management's beliefs and assumptions and other statements regarding matters that are not historical facts. For example, when we use 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, we are 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 (Exchange Act). Such statements may include, but are not limited to, future impacts of current macroeconomic conditions, proposed store openings and closings, proposed capital expenditures, ongoing strategic initiatives and the intended results of those initiatives, future performance or results, the effect of the adoption of recent accounting pronouncements on our condensed consolidated financial position, results of operations and cash flows, and the outcome of contingencies such as legal proceedings. Our forward-looking statements are subject to risks and uncertainties. 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 events or results to differ materially from those we expected include: general economic conditions, such as inflation, 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 our 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 other risks discussed from time to time in our filings with the Securities and Exchange Commission (SEC), including those under the heading “Risk Factors” in the Fiscal 2024 10-K.

Many of these factors are beyond our ability to predict or control. In addition, as a result of these and other factors, our past financial performance should not be relied on as an indication of future performance. The cautionary statements referred to in this section also should be considered in connection with any subsequent written or oral forward-looking statements that may be issued by us or persons acting on our behalf. We undertake 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, 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.

Recent Accounting Pronouncements

Refer to Note 1, “Summary of Significant Accounting Policies,” to our Condensed Consolidated Financial Statements in Part I, Item 1 for a discussion of recent accounting pronouncements and their impact on our Condensed Consolidated Financial Statements.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

There were no material changes to our quantitative and qualitative disclosures about market risk from those included in the Fiscal 2024 10-K.

Item 4. Controls and Procedures.

Our management team, under the supervision and with the participation of our principal executive officer and our principal financial officer, evaluated the effectiveness of the design and operation of our disclosure controls and procedures as such term is defined under Rule 13a-15(e) promulgated under the Exchange Act, as of the last day of the fiscal period covered by this report, May 3, 2025. The term disclosure controls and procedures means our controls and other procedures that are designed to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC’s rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is accumulated and communicated to management, including our principal executive and principal financial officer, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure. Based on this evaluation, our principal executive officer and our principal financial officer concluded that our disclosure controls and procedures were effective as of May 3, 2025.

During the quarter ended May 3, 2025, there were no changes in our internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II—OTHER INFORMATION

Item 1. Legal Proceedings.

In the course of business, the Company is party to class or collective actions alleging violations of federal and state wage and hour and other labor statutes, representative claims under the California Private Attorneys' General Act and various other lawsuits and regulatory proceedings from time to time including, among others, commercial, product, employee, customer, intellectual property, privacy and other claims. Actions against us are in various procedural stages. Many of these proceedings raise factual and legal issues and are subject to uncertainties. Refer to Note 11, "Commitments and Contingencies," to our Condensed Consolidated Financial Statements for further detail.

Item 1A. Risk Factors.

In addition to the other information set forth in this report, you should carefully consider the factors discussed under Item 1A, "Risk Factors" and elsewhere in the Fiscal 2024 Form 10-K. These risks and uncertainties could materially and adversely affect our business, consolidated financial condition, results of operations, or cash flows. Our operations could also be affected by additional factors that are not presently known to us or by factors that we currently do not consider material to our business. There have been no material changes in the risk factors discussed in the Fiscal 2024 Form 10-K except as set forth below.

The risk factor set forth in the Fiscal 2024 Form 10-K under the heading "A downturn in general economic conditions or consumer spending or inflationary conditions could adversely affect our business" is replaced in its entirety with the new risk factor set forth below:

A downturn in general economic conditions or consumer spending or inflationary conditions could adversely affect our business.

Consumer spending levels and shopping behaviors are affected by various economic conditions, which can affect our business or the retail industry generally as a result. These factors include, among other things, prevailing global economic conditions, inflation (including the costs of basic necessities and other goods), levels of employment, salaries and wage rates, prevailing interest rates, housing costs, energy costs, commodities pricing, income tax rates and policies, immigration policies, consumer confidence and consumer perception of economic conditions. In addition, consumer purchasing patterns may be influenced by consumers' disposable income, credit availability and debt levels. Slowdown in the U.S. economy, an uncertain global economic outlook, interest rate volatility, or a credit crisis could adversely affect consumer spending habits, resulting in lower net sales and profits than expected on a quarterly or annual basis. Consumer confidence is also affected by the domestic and international political situation and periods of social unrest. The occurrence of terrorist acts or other hostilities in or affecting the U.S. could lead to a decrease in spending by consumers. In addition, natural disasters, industrial accidents, acts of war or global international conflicts (such as the conflict in Ukraine or the conflict in the Middle East), and public health issues (such as pandemics or epidemics) have in the past and may in the future have the effect of disrupting supplies and raising prices globally which, in turn, may have adverse effects on the world and U.S. economies and lead to a downturn in consumer confidence and spending. Certain of these risks, such as risks arising from economic volatility, have been enhanced in 2025 in light of the recent change in trade and tariff policies. General uncertainty regarding the overall future political and economic environment and adverse economic changes could reduce consumer confidence and could negatively affect our operating results. We cannot predict when macroeconomic uncertainty may arise, whether or when such circumstances may improve or worsen or what impact such circumstances could have on our business.

Recent actions by the U.S., including the imposition of significant tariffs on imports from certain countries, have heightened uncertainty in the global trade environment. These tariffs, along with potential retaliatory measures by other countries, may increase inflationary pressure and raise the costs of our merchandise.

There can be no assurance that we will be able to offset inflationary pressure and other fluctuations in costs in the future, or that consumer behavior or our business, operations, liquidity, and/or financial results, will not be negatively affected by continued inflation in the future. We may not be able to adequately increase our prices over time to offset increased costs, whether due to inflation, tariffs or otherwise. Any decreases in consumer discretionary spending could result in a decrease in store traffic and same store sales, all of which could negatively affect the Company's business, operations, liquidity, financial results and/or stock price, particularly if consumer spending levels are depressed for a prolonged period of time.

The risk factor set forth in the Fiscal 2024 Form 10-K under the heading "Many of our vendors produce merchandise overseas, and our business is exposed to the risk of foreign and domestic operations and international tax policies and trade relations" is replaced in its entirety with the new risk factor set forth below:

Many of our vendors produce merchandise overseas, and our business is exposed to the risk of foreign and domestic operations and international tax and tariff policies and trade relations.

We do not own or operate any manufacturing facilities. As a result, we are dependent upon the timely receipt of quality merchandise from vendors, many of which produce merchandise overseas. Factors which affect overseas production could affect our vendors and, in turn, our ability to obtain inventory and the price levels at which they may be obtained. Factors that cause an increase in merchandise costs or a decrease in supply could lead to generally lower sales and gross margins in the retail industry.

Such factors include:

- political or labor instability in countries where vendors are located or at foreign ports which could result in lengthy shipment delays, which, particularly if timed ahead of the Fall and Winter peak selling periods, could materially and adversely affect our ability to stock inventory on a timely basis;
- disruptions in the operations of domestic ports through which we import our merchandise, including labor disputes involving work slowdowns, lockouts or strikes, which could require us and/or our vendors to ship merchandise to alternative ports in the United States or through the use of more expensive means, and shipping to alternative ports in the United States could result in increased lead times and transportation costs; disruptions at ports through which we import our goods could also result in unanticipated inventory shortages;
- political or military conflict, which could cause a delay in the transportation of our products to us and an increase in transportation costs;
- heightened terrorism security concerns, which could subject imported goods to additional, more frequent or more thorough inspections, leading to delays in deliveries or impoundment of goods for extended periods;
- disease epidemics, pandemics, outbreaks and other health-related concerns, which could result in closed factories, reduced workforces, scarcity of raw materials and scrutiny or embargoing of goods produced in affected areas;
- natural disasters and industrial accidents, which could have the effect of curtailing production and disrupting supplies;
- increases in labor and production costs in goods-producing countries, which would result in an increase in our inventory costs;
- the migration and development of manufacturers, which can affect where our products are or will be produced;
- fluctuation in our vendors' local currency against the dollar, which may increase our cost of goods sold; and
- changes in import duties, tariffs, taxes, charges, quotas, loss of "most favored nation" trading status with the United States for a particular foreign country, trade restrictions (including the United States imposing antidumping or countervailing duty orders, safeguards, remedies or compensation and retaliation due to illegal foreign trade practices) and other barriers to trade.

Any of the foregoing factors, or a combination thereof, could have a material adverse effect on our business.

Over the past few years, uncertainty has increased with respect to tax and trade policies, tariffs and government regulations affecting trade between the U.S. and other countries. Although we source the majority of our merchandise from third party vendors located in the U.S., the production of that merchandise occurs primarily overseas. As a result, we have been impacted by the volatility in effective tariffs, including new tariffs that have commenced in 2025, especially those impacting imports from China, retaliatory tariffs and other restrictions on trade that have resulted and may result in the future. We can provide no assurance that any strategies we implement to mitigate the impact of such tariffs or other trade actions will be successful.

In addition, other major developments in tax policy or trade relations, such as the disallowance of tax deductions for imported merchandise or the imposition of additional unilateral tariffs on imported products, could increase the cost of products purchased from suppliers in such countries or restrict the importation of products from such countries. It remains unclear how tax or trade policies, tariffs or trade relations may change in the future, and additional changes in turn could have a material adverse effect on our business, results of operations and liquidity.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

Purchases of Equity Securities by the Issuer and Affiliated Purchasers

The following table provides information regarding our purchases of common stock during the three fiscal months ended May 3, 2025:

Month	Total Number of Shares Purchased	Average Price Paid Per Share(1)	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs(2)	Approximate Dollar Value of Shares That May Yet Be Purchased Under the Plans or Programs (in thousands)
February 2, 2025 through March 1, 2025	81,813	\$ 252.68	81,813	\$ 242,488
March 2, 2025 through April 5, 2025	294,404	\$ 234.57	294,404	\$ 173,430
April 6, 2025 through May 3, 2025	69,068	\$ 224.18	69,068	\$ 157,946
Total	<u>445,285</u>		<u>445,285</u>	

- (1) Includes commissions for the shares repurchased under our publicly announced share repurchase programs.
- (2) On August 15, 2023, our Board of Directors authorized the repurchase of up to \$500 million of common stock, which is authorized to be executed through August 2025. Subsequent to the end of the first quarter of Fiscal 2025, the Company's Board of Directors authorized the repurchase of up to an additional \$500.0 million of common stock, which is authorized to be executed through May 2027. For a further discussion of our share repurchase programs, see "Part I, Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Share Repurchase Program."

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Mine Safety Disclosures.

Not applicable.

Item 5. Other Information.

Adoption, Modification or Termination of Rule 10b5-1 Trading Arrangements and Non-Rule 10b5-1 Trading Arrangements

On March 18, 2025, Jennifer Vecchio, the Company's Group President and Chief Merchandising Officer, adopted a written plan intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) for the sale of up to 4,193 shares of the Company's common stock, subject to certain conditions. The plan's expiration date is April 30, 2026.

During the three-month period ended May 3, 2025, other than the trading arrangement noted above, no director or officer of the Company adopted, modified or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement," as each term is defined in Item 408 of Regulation S-K.

Executive Change in Control Severance Plan

On May 27, 2025, the Compensation Committee of the Board of Directors (the "Board") of the Company adopted the Burlington Stores, Inc. Executive Change in Control Severance Plan (the "CIC Severance Plan"). Each of the executive officers of the Company, including its named executive officers, is a participant in the CIC Severance Plan.

The CIC Severance Plan provides for the following severance benefits upon a termination of employment by the Company without "cause" or by the participant for "good reason," in either case, within the two year period following a "change in control" (each as defined in the CIC Severance Plan): (i) a lump-sum cash amount equal to two times (two and a half times for the Chief Executive Officer of the Company) the sum of the participant's annual base salary and the participant's target annual bonus; (ii) a cash amount equal to the participant's prorated target bonus for the year in which the termination occurs; (iii) benefits continuation for a

number of years equal to the participant’s severance multiple; and (iv) outplacement services for a period of six months. As a condition to receive the severance payments and benefits, the CIC Severance Plan requires that each participant execute and not revoke a general release of claims against the Company and reaffirm compliance with any written agreement evidencing restrictive covenants in favor of the Company.

If any payments or benefits would cause a participant to become subject to the excise tax imposed under Section 4999 of the Internal Revenue Code of 1986, as amended, then the payments and benefits under the CIC Severance Plan will be reduced to the extent required so that the participant would not be subject to the excise tax if such a reduction would put the participant in a more favorable after-tax position than if the participant were to pay the excise tax.

The description of the CIC Severance Plan set forth under this Item 5 does not purport to be complete and is qualified in its entirety by reference to the full text of the CIC Severance Plan, which is attached as Exhibit 10.2 to this Quarterly Report on Form 10-Q and incorporated by reference herein.

Item 6. Exhibits.

Exhibit Number	Exhibit Description	Incorporated by Reference	
		Form	Filing Date
10.1+	First Amendment to the Burlington Stores, Inc. 2022 Omnibus Incentive Plan.	Current Report on Form 8-K	May 27, 2025
10.2†+	Burlington Stores, Inc. Executive Change in Control Severance Plan.		
31.1†	Certification of Principal Executive Officer required by Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.		
31.2†	Certification of Principal Financial Officer required by Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.		
32.1†	Certification of Principal Executive Officer pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.		
32.2†	Certification of Principal Financial Officer pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.		
101.INS†	Inline XBRL Instance Document – the instance document does not appear in Interactive Data File, because its XBRL tags are embedded within the Inline XBRL document.		
101.SCH†	Inline XBRL Taxonomy Extension Schema Document		
101.CAL†	Inline XBRL Taxonomy Extension Calculation Linkbase Document		
101.DEF†	Inline XBRL Taxonomy Extension Definition Linkbase Document		
101.LAB†	Inline XBRL Taxonomy Extension Label Linkbase Document		
101.PRE†	Inline XBRL Taxonomy Extension Presentation Linkbase Document		
104†	Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101)		

† Filed or furnished herewith.

+ Indicates management contract or compensatory plan or arrangement.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

BURLINGTON STORES, INC.

/s/ Michael O'Sullivan

Michael O'Sullivan
Chief Executive Officer
(Principal Executive Officer)

/s/ Kristin Wolfe

Kristin Wolfe
Chief Financial Officer
(Principal Financial Officer)

Date: May 29, 2025

BURLINGTON STORES, INC.

EXECUTIVE CHANGE IN CONTROL SEVERANCE PLAN

Effective May 27, 2025

ARTICLE I

PURPOSE

This Burlington Stores, Inc. Executive Change in Control Severance Plan (the “Plan”) provides severance benefits to Eligible Executives upon certain qualifying terminations of employment in connection with a Change in Control (as defined herein) of the Company. The Plan is effective May 27, 2025 (the “Effective Date”).

The Plan is intended (1) to be exempt from Code section 409A, and (2) to be a welfare plan which is unfunded and is maintained by an employer for the purpose of providing benefits for a select group of management or “highly compensated employees” within the meaning of Department of Labor Regulation section 2520.104-24. Notwithstanding any other provision of this Plan, this Plan shall be interpreted, operated and administered in a manner consistent with these intentions.

ARTICLE II

DEFINED TERMS

Whenever used in the Plan, the following terms shall have the meanings set forth below:

“Board” means the Board of Directors of the Company.

“Cause” means, with respect to an Eligible Executive’s termination of employment, the following: (a) in the case where there is no Individual Agreement in effect between the Company or any of its subsidiaries and the Eligible Executive (or where there is such Individual Agreement but it does not define “cause” (or words of like import)), termination due to an Eligible Executive’s insubordination, dishonesty, fraud, incompetence, moral turpitude, willful misconduct, refusal to perform the Eligible Executive’s duties or responsibilities for any reason other than illness or incapacity or materially unsatisfactory performance of the Eligible Executive’s duties for the Company or any of its subsidiaries, as determined by the Committee in its good faith discretion; or (b) in the case where there is an Individual Agreement in effect between the Company or any of its subsidiaries and the Eligible Executive that defines “cause” (or words of like import), “cause” as defined under such agreement.

“Change in Control” shall be deemed to occur upon the occurrence of any of the following events:

(i) any “person,” as such term is used in Sections 13(d) and 14(d) of the Exchange Act (other than the Company, any trustee or other fiduciary holding securities under any employee benefit plan of the Company or any Affiliate of them, or any company owned, directly or indirectly, by the stockholders of the Company in substantially the same proportions as their ownership of Common Stock of the Company), becomes the beneficial owner (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Company representing 40% or more of the combined voting power of the Company’s then outstanding securities;

(ii) during any period of two consecutive years, individuals who at the beginning of such period constitute the Board, and any new director (other than a director designated by a person who has entered into an agreement with the Company to effect a transaction described in paragraph (i), (iii), or (iv) hereof or a director whose initial assumption of office occurs as a result of either an actual or threatened election contest (as such term is used in Rule 14a-11 of Regulation 14A promulgated under the Exchange Act) or other actual or threatened solicitation of proxies or consents by or on behalf of a person other than the Board) whose election by the Board or nomination for election by the Company’s stockholders was approved by a vote of at least two-thirds of the directors then still in office who either were directors at the beginning of the two-year period or whose election or nomination for election was previously so approved, cease for any reason to constitute at least a majority of the Board;

(iii) the consummation of a merger or consolidation of the Company with any other corporation, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity) more than 50% of the combined voting power of the voting securities of the Company or such surviving entity outstanding immediately after such merger or consolidation; provided, however, that a merger or consolidation effected to implement a recapitalization of the Company (or similar transaction) in which no person (other than those covered by the exceptions in (i) above) acquires more than 50% of the combined voting power of the Company’s then outstanding securities shall not constitute a Change in Control of the Company; or

(iv) a complete liquidation or dissolution of the Company or the consummation of a sale or disposition by the Company of all or substantially all of the Company’s assets other than the sale or disposition of all or substantially all of the assets of the Company to a person or persons who beneficially own, directly or indirectly, 50% or more of the combined voting power of the outstanding voting securities of the Company at the time of the sale.

Notwithstanding the foregoing, an event shall not be considered to be a Change in Control under the Plan unless such event is also a “change in ownership,” a “change in effective control” or a “change in the ownership of a substantial portion of the assets” of the Company within the meaning of Section 409A of the Code.

“COBRA” means the Consolidated Omnibus Budget Reconciliation Action of 1985, as amended.

“Code” shall mean the Internal Revenue Code of 1986, as amended.

“Committee” shall mean the Compensation Committee or any other committee of the Board duly authorized by the Board to administer the Plan. .

“Company” shall mean Burlington Stores, Inc.

“Compensation Committee” shall mean the Compensation Committee of the Board.

“Effective Date” shall have the meaning set forth in Article I.

“Eligible Executive” shall have the meaning set forth in Article III.

“ERISA” shall mean the Employee Retirement Income Security Act of 1974, as amended.

“Exchange Act” means the Securities Exchange Act of 1934, as amended from time to time.

“Good Reason” means the occurrence of any of the following events without the written consent of the Eligible Executive: (a) in the case where there is no Individual Agreement in effect between the Company or any of its subsidiaries and the Eligible Executive (or where there is an Individual Agreement but it does not define “good reason”), (i) a material diminution of the Eligible Executive’s duties or the assignment to the Eligible Executive of duties that are inconsistent in any substantial respect with the position, authority or responsibilities associated with the Eligible Executive’s position, other than any such authorities, duties or responsibilities assigned at any time which are by their nature, or which are identified at the time of assignment, as being temporary or short-term, (ii) the Company’s or a subsidiary’s (as applicable) requiring the Eligible Executive to be based at a location which is fifty (50) or more miles from the Eligible Executive’s principal office location on the date the Eligible Executive commences employment, or (iii) a material diminution of the Eligible Executive’s annual compensation; provided, however, no condition enumerated in the preceding shall be deemed to be “Good Reason” unless within thirty (30) days of the initial existence of such condition, the Eligible Executive shall have given the Company written notice thereof specifically describing the condition giving rise to “Good Reason” and allowing the Company or its subsidiary (as applicable) a period of at least thirty (30) days from the date of receipt of the notice to remedy such condition; or (b) in the case where there is an Individual Agreement in effect between the Company or any of its subsidiaries and the Eligible Executive that defines “good reason,” “good reason” as defined under such agreement. Notwithstanding the foregoing, but subject to any more favorable standard provided under an applicable Individual Agreement, in no event will a condition give rise to “Good Reason” hereunder unless within ten (10) days after the expiration of the period provided in the Eligible Executive’s notice for the Company or subsidiary (as applicable) to remedy said condition but in no event later than one hundred and twenty (120) days after initial existence of said condition, the Eligible Executive shall have actually terminated his or her employment with the Company or subsidiary by giving written notice of resignation for failure of the Company or subsidiary (as applicable) to remedy such condition.

“Individual Agreement” shall mean an employment agreement, consulting agreement, change in control agreement, severance agreement or similar agreement between the Company or any of its subsidiaries and an Eligible Executive (excluding any equity award agreement).

“Non-Change in Control Severance Plan” shall mean, collectively, the Burlington Stores, Inc. Executive Severance Plan (Merchandising & Planning) and the Burlington Stores, Inc. Executive Severance Plan, in either case, as amended from time to time.

“Participation Agreement” shall mean the written agreement evidencing participation under this Plan between the Company and the applicable employee.

“Plan” shall mean this Burlington Stores, Inc. Executive Change in Control Severance Plan, as amended from time to time.

“Protection Period” means the twenty-four (24) months following the occurrence of a Change in Control.

“Qualifying Termination” shall mean a Termination of Employment of the Eligible Executive by the Company without Cause or the Eligible Executive’s Termination of Employment for Good Reason, in each case during the Protection Period and on or following the Effective Date of the Plan.

“Restrictive Covenant Agreement” shall mean any written agreement evidencing the restrictive covenants between the Company and the applicable employee.

“Severance Multiple” means (i) 2.5 in the case of the Company’s Chief Executive Officer and (ii) 2 in the case of any other Eligible Executive.

“Target Bonus” means an Eligible Executive’s target annual cash incentive bonus pursuant to any bonus or incentive plan maintained by the Company in respect of the fiscal year in which the Qualifying Termination occurs.

“Termination of Employment” shall mean an individual’s termination of employment with the Company and all of its subsidiaries and affiliates, and to the extent Code section 409A applies to an Eligible Executive’s severance pay benefits, as described in Section 4.2, “Termination of Employment” means a “separation from service” within the meaning of Code section 409A.

ARTICLE III

ELIGIBILITY

Each full-time employee of the Company or any of its subsidiaries who (i) is the Chief Executive Officer of the Company, or (ii) has been designated by the Board as an Executive Vice President of the Company or above and, in each case, enters into a Participation Agreement within 30 days of such agreement being delivered to employee, shall be eligible for participation in the Plan and considered an “Eligible Executive.”

ARTICLE IV

SEVERANCE BENEFITS

4.1 Entitlement to Benefits

An Eligible Executive who (a) has a Qualifying Termination, (b) has not breached as of the date of the Eligible Executive's Termination of Employment any covenant or restriction under a Restrictive Covenant Agreement, and (c) signs and does not revoke a separation agreement in accordance with the timeframe established by the Committee, will be entitled to receive benefits under this Article IV; provided that all such steps must be completed within 60 days of the Eligible Executive's Termination of Employment. Such separation agreement shall contain a release of claims against the Company and its subsidiaries and a reaffirmation of such restrictive covenants under any Restrictive Covenant Agreement. Such separation agreement shall also provide that the benefits under this Article IV shall terminate upon the occurrence of a breach by the Eligible Executive of any restrictive covenant under a Restrictive Covenant Agreement. To the extent that an Eligible Executive becomes entitled to receive severance amounts or benefits under this Plan, the Eligible Executive shall not be entitled to receive severance amounts or benefits under a Non-Change in Control Severance Plan or an Individual Agreement.

4.2 Severance Pay Benefits

Severance pay benefits shall be paid only after satisfaction of the requirements in Section 4.1. An Eligible Executive entitled to benefits under this Article IV will receive a severance pay benefit equal to the sum of Eligible Executive's annual base salary and Target Bonus on the date of his Termination of Employment multiplied by the Eligible Executive's Severance Multiple, and such severance pay benefit shall be paid on the sixty-first (61st) date following the date of the Termination of Employment (the "Payment Date").

4.3 Pro Rata Bonus

An Eligible Executive entitled to severance pay benefits under Section 4.1 will be eligible for an additional payment equal to a "pro rata" portion of the Target Bonus. For purposes of this Section 4.3, the pro rata Target Bonus shall be equal to (i) the Target Bonus multiplied by (ii) the fraction the numerator of which is the actual number of days employed during the fiscal year prior to the Eligible Executive's Termination of Employment divided by the number of days in such fiscal year (the "Pro rata Bonus"). The Pro rata Bonus contemplated by this Section 4.3 will be paid in a lump sum on the Payment Date.

To the extent unpaid as of the Eligible Executive's Termination of Employment, an Eligible Executive entitled to severance pay benefits under Section 4.1 will also be entitled to receive the bonus (if any) that would otherwise have been earned by the Eligible Executive under the annual incentive plan of the Company or one of its subsidiaries in which the Eligible Executive participated for the fiscal year prior to the year of his or her Termination of Employment assuming he or she had remained employed through the date bonuses are paid under such plan for that fiscal year. Such bonus (if any) will be paid in a lump sum when the annual bonuses are paid to active employees under the terms of the applicable annual incentive plan.

4.4 Death Benefits

If an Eligible Executive is entitled to severance pay benefits under Sections 4.2 and 4.3 and dies before receiving such amounts, the remaining portion will be paid to the Eligible Executive's spouse, or, if the Eligible Executive is not married at the time of death, the remainder of the benefits will be paid to the Eligible Executive's estate.

4.5 Other Benefits

An Eligible Executive entitled to benefits under the Plan will receive continued welfare benefits (including medical, dental, and vision coverage) for the number of years equal to the Eligible Executive's Severance Multiple. Such welfare benefits will be provided on the same terms and conditions, including contributions required of the Eligible Executive for such benefits, as those which the Eligible Executive was receiving immediately prior to his or her Termination of Employment (the "Subsidized Coverage"). Such coverage will count toward, and run concurrently with the Eligible Executive's period of COBRA coverage. Accordingly, the Eligible Executive shall be receiving COBRA continuation coverage effectively at the active employee premium contribution rate in effect at the time of the Eligible Executive's Termination of Employment. In addition, the Committee will provide an Eligible Executive entitled to benefits under the Plan with outplacement assistance for 6 months.

4.6 Effect of Future Employment

An Eligible Executive who becomes employed by another employer while receiving Subsidized Coverage, and is eligible to receive medical, dental and vision coverage from such other employer, will cease to be entitled to the continued Subsidized Coverage as provided in Section 4.5 of this Plan as of the date of his or her eligibility for benefits in such other employer's plan. All benefits under the Plan will cease if an Eligible Executive becomes re-employed by the Company.

4.7 Section 409A Restrictions

Notwithstanding anything in this Plan to the contrary, in the event any benefit paid to a participant under the Plan constitutes "deferred compensation" for purposes of Section 409A of the Code, all payments to such Eligible Executive shall be paid as provided in this Section 4.7. Section 409A of the Code places certain restrictions on when severance pay benefits may be distributed if the Eligible Executive is considered a "specified employee" under Section 409A of the Code (generally, "specified employees" are the 50 highest-paid U.S. employees of the Company in a given year) and the severance pay benefits are considered "deferred compensation" under Section 409A of the Code. Not all severance pay under this Plan, however, is considered deferred compensation for these purposes.

(a) Any payments provided under the Plan on or before the 15th day of the third month following the later of: (i) the last day of the calendar year or (ii) the last day of the Company's fiscal year, containing the date of the Eligible Executive's "separation from service" (as defined by Section 409A of the Code) (the "Short-Term Deferral Period"), will be treated as a short-term deferral under Treasury Regulation § 1.409A-1(b) (4) and not deferred compensation under Section 409A of the Code.

(b) If any payments are provided to an Eligible Executive under the Plan after the last day of the Short-Term Deferral Period, then to the extent the total of such payments does not exceed the limit provided under Section 409A of the Code exemption for involuntary separation pay, such payments will be considered separation pay due to involuntary separation from service under Treasury Regulation § 1.409A-1(b) (9)(iii) and not deferred compensation under Section 409A of the Code.

(c) If the Eligible Executive is entitled to additional payments under the Plan that are not described in subsections (a) or (b) above, and the Eligible Executive is considered a “specified employee” under Section 409A of the Code (as applied according to Company procedures), such payments will not be made until the earlier of (a) the first day of the seventh month following the date of the Eligible Executive’s Termination of Employment, or (b) the Eligible Executive’s death. Any delayed payments will be paid in the aggregate in a lump sum, without interest, on the first day of the seventh month following the date of the Eligible Executive’s Termination of Employment.

(d) For purposes of Section 409A of the Code, each “payment” (as defined by Section 409A of the Code) made under this Plan is considered a “separate payment.”

4.8 Restrictions and Recoupment

(a) Clawback. An Eligible Executive’s rights with respect to any benefit hereunder shall in all events be subject to (i) any right that the Company may have under any Company recoupment policy or other agreement or arrangement with a participant, or (ii) any right or obligation that the Company may have regarding the clawback of “incentive-based compensation” under Section 10D of the Exchange Act and any applicable rules and regulations promulgated thereunder from time to time by the U.S. Securities and Exchange Commission.

(b) Coordination of Benefits. Notwithstanding anything set forth herein to the contrary, to the extent that any severance payable under an Individual Agreement or other plan or agreement covering an Eligible Executive as of the date such Eligible Executive becomes eligible to participate in this Plan constitutes deferred compensation under Section 409A of the Code, then to the extent required to avoid accelerated taxation and/or tax penalties under Section 409A of the Code, the portion of the benefits payable hereunder equal to such other amount shall instead be provided in the form set forth in such other plan or agreement. Further, to the extent, if any, that provisions of this Plan affect the time or form of payment of any amount which constitutes deferred compensation under Section 409A of the Code, then to the extent required to avoid accelerated taxation and/or tax penalties under Section 409A of the Code, if a Change in Control does not constitute a change in control event within the meaning of Section 409A of the Code, the time and form (but not the amount) of payment shall be the time and form that would have been applicable in absence of a Change in Control. In the event that the Company or a subsidiary thereof is obligated by law or contract to pay an Eligible Employee other severance pay, a termination indemnity, notice pay, or the like, or if the Company or a subsidiary thereof is obligated by law to provide advance notice of separation (“Other Severance”), then the amounts of the otherwise payable under this Plan to such Eligible Executive shall be reduced by the amount of any such Other Severance actually paid to the Eligible Executive (but not below zero).

ARTICLE V

ADMINISTRATION OF THE PLAN

5.1 General Administration

The Committee shall be responsible for the operation and administration of the Plan and for carrying out the provisions hereof. The Committee shall have the full authority and discretion to make, amend, interpret, and enforce all appropriate rules and regulations for the administration of this Plan and decide or resolve any and all questions, including interpretations of this Plan, as may arise in connection with this Plan. Any such action taken by the Committee shall be final and conclusive on any party. To the extent the Committee has been granted discretionary authority under the Plan, the Committee's prior exercise of such authority shall not obligate it to exercise its authority in a like fashion thereafter. The Committee shall be entitled to rely conclusively upon all tables, valuations, certificates, opinions and reports furnished by any actuary, accountant, controller, counsel or other person employed or engaged by the Company with respect to the Plan. The Committee may, from time to time, employ agents and delegate to such agents, including employees of the Company, such administrative or other duties as it sees fit.

5.2 Claims for Benefits

(a) Filing a Claim. An Eligible Executive or his or her authorized representative may file a claim for benefits under the Plan. Any claim must be in writing and submitted to the Company's Executive Vice President — Chief Human Resources Officer at the Company's corporate headquarters office. Claimants will be notified in writing of approved claims, which will be processed as claimed. A claim is considered approved only if its approval is communicated in writing to a claimant.

(b) Denial of Claim. In the case of the denial of a claim respecting benefits paid or payable with respect to an Eligible Executive, a written notice will be furnished to the claimant within 90 days of the date on which the claim is received by the Company's Executive Vice President — Chief Human Resources Officer. If special circumstances (such as for a hearing) require a longer period, the claimant will be notified in writing, prior to the expiration of the 90-day period, of the reasons for an extension of time; provided, however, that no extensions will be permitted beyond 90 days after the expiration of the initial 90-day period.

(c) Reasons for Denial. A denial or partial denial of a claim will be dated and will clearly set forth:

(i) the specific reason or reasons for the denial;

(ii) specific reference to pertinent Plan provisions on which the denial is based;

(iii) a description of any additional material or information necessary for the claimant to perfect the claim and an explanation of why such material or information is necessary; and

(iv) an explanation of the procedure for review of the denied or partially denied claim set forth below, including the claimant's right to bring a legal action under ERISA section 502(a) following an adverse benefit determination on review, including an action for binding arbitration under Section 7.3.

(d) Review of Denial. Upon denial of a claim, in whole or in part, a claimant or his duly authorized representative will have the right to submit a written request to the Committee for a full and fair review of the denied claim by filing a written notice of appeal with the Committee within 60 days of the receipt by the claimant of written notice of the denial of the claim. A claimant or the claimant's authorized representative will have, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to the claimant's claim for benefits and may submit issues and comments in writing. The review will take into account all comments, documents, records, and other information submitted by the claimant relating to the claim, without regard to whether such information was submitted or considered in the initial benefit determination.

If the claimant fails to file a request for review within 60 days of the denial notification, the claim will be deemed abandoned and the claimant precluded from reasserting it. If the claimant does file a request for review, his request must include a description of the issues and evidence he deems relevant. Failure to raise issues or present evidence on review will preclude those issues or evidence from being presented in any subsequent proceeding or review of the claim.

(e) Decision Upon Review. The Committee will provide a prompt written decision on review. If the claim is denied on review, the decision shall set forth:

(i) the specific reason or reasons for the adverse determination;

(ii) specific reference to pertinent Plan provisions on which the adverse determination is based;

(iii) a statement that the claimant is entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to the claimant's claim for benefits; and

(iv) a statement describing any voluntary appeal procedures offered by the Plan and the claimant's right to obtain the information about such procedures, as well as a statement of the claimant's right to bring a legal action under ERISA section 502(a), including an action for binding arbitration under Section 7.3.

A decision will be rendered no more than 60 days after the Committee's receipt of the request for review, except that such period may be extended for an additional 60 days if the Committee determines that special circumstances (such as for a hearing) require such extension. If an extension of time is required, written notice of the extension will be furnished to the claimant before the end of the initial 60-day period.

(f) Limitations Period. Any legal action initiated by a claimant under the Plan must be brought by the claimant no later than one year following a final decision on the claim for

benefits by the Committee. The one-year limitation on legal action for benefits will apply in any forum where a claimant initiates such legal action.

5.3 Indemnification

To the extent not covered by insurance, the Company shall indemnify the Committee, each employee, officer, director, and agent of the Company, and all persons formerly serving in such capacities, against any and all liabilities or expenses, including all legal fees relating thereto, arising in connection with the exercise of their duties and responsibilities with respect to the Plan; provided, however, that the Company shall not indemnify any person for liabilities or expenses due to that person's own gross negligence or willful misconduct.

ARTICLE VI

TERMINATION AND AMENDMENT OF PLAN

6.1 Termination of Plan

The Board or the Compensation Committee may terminate the Plan at any time, without prior notice; provided, however, in the event of a Change in Control, neither the Company nor any successor pursuant to Section 6.3, shall have the right to terminate the Plan during the two-year period following such Change in Control. Upon termination of the Plan, except with respect to benefits due resulting from a Termination of Employment prior to such Plan termination, all rights to benefits hereunder, if any, shall cease. Any separation agreement executed by an Eligible Executive under Section 4.1 shall survive the Plan's termination.

6.2 Amendment of Plan

The severance benefits provided for in the Plan are not vested benefits. Accordingly, the Company reserves the right in its sole and absolute discretion, to amend or modify the Plan at any time, in whole or in part, including any or all of the provisions of the Plan, by action of its Board of Directors or the Compensation Committee, in its sole discretion, without prior notice; provided, however, in the event of a Change in Control, neither the Company nor any successor pursuant to Section 6.3, shall have the right to amend the Plan during the two-year period following such Change in Control in a manner that would impair the benefits available under the Plan as of the Change in Control.

6.3 Successors to the Company

The Company will require any successor (whether direct or indirect, by purchase, merger, consolidation, or otherwise) of all or substantially all of the business and/or assets of the Company to expressly assume and agree to perform the Company's obligations under this Plan in the same

manner and to the same extent that the Company would be required to perform them if such succession had not taken place.

ARTICLE VII

MISCELLANEOUS

7.1 Funding

The benefits provided herein shall be funded by the Company's general assets. The Plan shall constitute an unfunded mechanism for the Company to pay Plan benefits to Eligible Executives determined to be entitled to payments hereunder. No fund or trust is created with respect to the Plan, and no Eligible Executive shall have any security or other interest in the assets of the Company.

7.2 No Contract of Employment

The Plan does not constitute or imply the existence of an employment contract between the Company or any affiliate and any Eligible Executive. Employment with the Company is "at will," unless an employment contract in fact exists.

7.3 Section 280G

(a) Treatment of Payments. Notwithstanding any other provision of the Plan to the contrary, in the event that any payment or benefit received or to be received by the Eligible Executive (including any payment or benefit received in connection with a Change in Control or the termination of the Eligible Executive's employment, whether pursuant to the terms of the Plan or any other plan, arrangement or agreement) (all such payments and benefits, including the severance benefits payable hereunder, being hereinafter referred to as the "Total Payments") would be subject (in whole or part), to the Excise Tax, then, after taking into account any reduction in the Total Payments provided by reason of Section 280G of the Code in such other plan, arrangement or agreement, the severance benefits payable hereunder shall be reduced to the extent necessary so that no portion of the Total Payments is subject to the Excise Tax but only if (i) the net amount of such Total Payments, as so reduced (and after subtracting the net amount of federal, state and local income taxes on such reduced Total Payments and after taking into account the phase out of itemized deductions and personal exemptions attributable to such reduced Total Payments) is greater than or equal to (ii) the net amount of such Total Payments without such reduction (but after subtracting the net amount of federal, state and local income taxes on such Total Payments and the amount of Excise Tax to which the Eligible Executive would be subject in respect of such unreduced Total Payments and after taking into account the phase out of itemized deductions and personal exemptions attributable to such unreduced Total Payments).

(b) Ordering of Reduction. In the case of a reduction in the Total Payments pursuant to Section 7.3(a), the Total Payments shall be reduced in the following order: (i) payments that are payable in cash the full amount of which are treated as parachute payments under Treasury Regulation Section 1.280G-1, Q&A 24(a) shall be reduced (if necessary, to zero), with amounts that are payable last reduced first; (ii) payments and benefits due in respect of any equity the full amount of which are treated as parachute payments under Treasury Regulation Section 1.280G-1,

Q&A 24(a), with the highest values reduced first (as such values are determined under Treasury Regulation Section 1.280G-1, Q&A 24), shall next be reduced; (iii) payments that are payable in cash that are valued at less than full value under Treasury Regulation Section 1.280G-1, Q&A 24, with amounts that are payable last reduced first, shall next be reduced; (iv) payments and benefits due in respect of any equity valued at less than full value under Treasury Regulation Section 1.280G-1, Q&A 24, with the highest values reduced first (as such values are determined under Treasury Regulation Section 1.280G-1, Q&A 24), shall next be reduced; and (v) all other non-cash benefits not otherwise described in clauses (ii) or (iv) shall be next reduced pro-rata.

(c) Additional Payments. If the Eligible Executive receives reduced payments and benefits by reason of this Section 7.3 and it is established pursuant to a determination of a court of competent jurisdiction which is not subject to review or as to which the time to appeal has expired, or pursuant to an Internal Revenue Service proceeding, that the Eligible Executive could have received a greater amount without resulting in any Excise Tax, then the Company shall thereafter pay the Eligible Executive the aggregate additional amount which could have been paid without resulting in any Excise Tax as soon as reasonably practicable.

7.4 Governing Law and Forum Selection

To the extent not governed by federal law, the Plan shall be interpreted under the laws of the State of Delaware notwithstanding any conflict of law principles. Eligible Executive agrees that any dispute, controversy or claim arising out of or related to this Plan, including the validity of this arbitration clause, or any breach of this Plan shall be submitted to and decided by binding arbitration. Arbitration shall be conducted in accordance with the American Arbitration Association's Employment Arbitration Rules then in effect, as modified by the Company's Early Dispute Resolution Program Rules and Procedures (STEPS) then in effect. Any arbitral award determination shall be final and binding upon the parties and may be entered as a judgment in a court of competent jurisdiction.

7.5 Severability

In the event any provision of the Plan shall be held invalid or illegal for any reason, any illegality or invalidity shall not affect the remaining parts of the Plan, but the Plan shall be construed and enforced as if the illegal or invalid provision had never been inserted.

7.6 Words and Headings

Words in the masculine gender shall include the feminine and the singular shall include the plural, and vice versa, unless qualified by the context. Any headings used herein are included for ease of reference only, and are not to be construed so as to alter the terms hereof.

IN WITNESS WHEREOF, Burlington Stores, Inc. has caused this Plan to be executed by its duly authorized officer this 27th day of May, 2025.

BURLINGTON STORES, INC.

By: /s/ Matt Pasch

Name: Matt Pasch

Title: EVP and Chief Human Resources Officer

I, Michael O'Sullivan, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Burlington Stores, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 29, 2025

/s/ Michael O'Sullivan

Michael O'Sullivan
Chief Executive Officer
(Principal Executive Officer)

I, Kristin Wolfe, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Burlington Stores, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 29, 2025

/s/ Kristin Wolfe

Kristin Wolfe
Chief Financial Officer
(Principal Financial Officer)

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO SECTION 906 OF
THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Burlington Stores, Inc. (the "Company") on Form 10-Q for the fiscal quarter ended May 3, 2025, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Michael O'Sullivan, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial position and results of operations of the Company.

Date: May 29, 2025

/s/ Michael O'Sullivan

Michael O'Sullivan

Chief Executive Officer

(Principal Executive Officer)

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO SECTION 906 OF
THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Burlington Stores, Inc. (the "Company") on Form 10-Q for the fiscal quarter ended May 3, 2025, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Kristin Wolfe, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial position and results of operations of the Company.

Date: May 29, 2025

/s/ Kristin Wolfe

Kristin Wolfe

Chief Financial Officer

(Principal Financial Officer)
