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 October 31, 2026

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)**	**80-0895227** **(I.R.S. Employer Identification No.)**
2006 Route 130 North **Burlington, New Jersey** **(Address of Principal Executive Offices)**	**08016** **(Zip Code)**

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

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	☒	Accelerated filer	☐
Non-Accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

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

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

The registrant had 62,530,779 shares of common stock outstanding as of October 31, 2026.

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		Nine Months Ended	
	October 31, 2026	November 1, 2025	October 31, 2026	November 1, 2025
REVENUES:				
Net sales	$ 2,932,150	$ 2,706,003	$ 8,782,238	$ 7,907,104
Other revenue	5,209	4,437	13,846	12,427
Total revenue	2,937,359	2,710,440	8,796,084	7,919,531
COSTS AND EXPENSES:				
Cost of sales	1,651,628	1,509,853	4,860,443	4,434,573
Selling, general and administrative expenses	1,011,021	947,518	3,019,568	2,765,507
Costs related to debt amendments and inducement charges	2	—	15,316	112
Depreciation and amortization	119,363	99,283	337,992	285,876
Impairment charges - long-lived assets	602	3,786	4,987	5,881
Other income - net	(4,484)	(2,309)	(10,089)	(9,326)
Interest income	(3,276)	(4,904)	(15,577)	(13,737)
Interest expense	19,518	19,154	55,672	52,391
Total costs and expenses	2,794,374	2,572,381	8,268,312	7,521,277
Income before income tax expense	142,985	138,059	527,772	398,254
Income tax expense	37,244	33,309	122,982	98,487
Net income	$ 105,741	$ 104,750	$ 404,790	$ 299,767
Net income per common share:				
Common stock - basic	$ 1.69	$ 1.66	$ 6.45	$ 4.75
Common stock - diluted	$ 1.67	$ 1.63	$ 6.34	$ 4.68
Weighted average number of common shares:				
Common stock - basic	62,659	62,982	62,762	63,044
Common stock - diluted	63,451	64,068	63,846	64,027

See Notes to Condensed Consolidated Financial Statements.

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

	Three Months Ended		Nine Months Ended	
	October 31, 2026	November 1, 2025	October 31, 2026	November 1, 2025
Net income	$ 105,741	$ 104,750	$ 404,790	$ 299,767
Other comprehensive income, net of tax:				
Interest rate derivative contracts:				
Net unrealized gain (loss) arising during the period	9,719	199	31,168	(19,389)
Net reclassification into earnings during the period	(2,196)	(3,194)	(6,090)	(9,284)
Other comprehensive income (loss), net of tax	7,523	(2,995)	25,078	(28,673)
Total comprehensive income	$ 113,264	$ 101,755	$ 429,868	$ 271,094

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)

	October 31, 2026	January 31, 2026	November 1, 2025
ASSETS			
Current assets:			
Cash and cash equivalents	$ 395,236	$ 1,232,525	$ 584,079
Accounts receivable—net	110,551	105,296	116,223
Merchandise inventories	1,924,960	1,311,903	1,658,435
Assets held for disposal	5,109	3,364	3,364
Prepaid and other current assets	158,672	118,444	299,925
Total current assets	2,594,528	2,771,532	2,662,026
Property and equipment—net	3,695,432	3,164,218	2,938,985
Operating lease assets	3,683,134	3,624,786	3,638,825
Tradenames	238,000	238,000	238,000
Goodwill	47,064	47,064	47,064
Deferred tax assets	2,486	2,139	2,312
Other assets	136,547	71,318	69,506
Total assets	$ 10,397,191	$ 9,919,057	$ 9,596,718
LIABILITIES AND STOCKHOLDERS' EQUITY			
Current liabilities:			
Accounts payable	$ 1,317,713	$ 1,019,152	$ 1,118,350
Current operating lease liabilities	465,750	425,468	405,330
Other current liabilities	679,040	734,000	659,563
Current maturities of long term debt and other current debt	20,157	70,591	19,953
Total current liabilities	2,482,660	2,249,211	2,203,196
Long term debt	1,889,522	2,011,735	2,015,471
Long term operating lease liabilities	3,543,214	3,497,343	3,504,001
Other liabilities	74,768	75,738	74,303
Deferred tax liabilities	353,812	277,771	272,238
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: 84,145,854 shares, 83,337,586 shares and 83,320,487 shares, respectively			
Outstanding: 62,530,779 shares, 62,717,720 shares and 62,927,006 shares, respectively	9	9	9
Additional paid-in-capital	2,490,629	2,369,633	2,342,978
Accumulated earnings	2,502,645	2,097,856	1,787,471
Accumulated other comprehensive income	42,431	17,353	13,849
Treasury stock, at cost	(2,982,499)	(2,677,592)	(2,616,798)
Total stockholders' equity	2,053,215	1,807,259	1,527,509
Total liabilities and stockholders' equity	$ 10,397,191	$ 9,919,057	$ 9,596,718

See Notes to Condensed Consolidated Financial Statements.

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

	Nine Months Ended	
	October 31, 2026	November 1, 2025
OPERATING ACTIVITIES		
Net income	$ 404,790	$ 299,767
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortization	337,992	285,876
Impairment charges—long-lived assets	4,987	5,881
Amortization of deferred financing costs	1,900	2,141
Accretion of long term debt instruments	1,521	1,243
Deferred income taxes	66,682	23,337
Non-cash stock compensation expense	88,322	81,693
Non-cash lease expense	(9,418)	(2,687)
Cash received from landlord allowances	44,389	31,094
Inducement charges	15,316	—
Changes in assets and liabilities:		
Accounts receivable	(6,545)	(28,400)
Merchandise inventories	(613,057)	(407,660)
Prepaid and other current assets	(40,228)	(42,894)
Accounts payable	303,767	78,282
Other current liabilities	(41,966)	(19,690)
Other long term assets and long term liabilities	(20,396)	(5,153)
Other operating activities	(365)	(8,966)
Net cash provided by operating activities	537,691	293,864
INVESTING ACTIVITIES		
Cash paid for property and equipment	(952,766)	(842,195)
Lease acquisition costs	(9,928)	(23,338)
Net (removal costs) proceeds from sale of property and equipment and assets held for sale	(255)	27,720
Net cash used in investing activities	(962,949)	(837,813)
FINANCING ACTIVITIES		
Proceeds from long term debt—ABL Line of Credit	—	150,000
Principal payments on long term debt—ABL Line of Credit	—	(150,000)
Proceeds from long term debt—Term Loan Facility	—	495,000
Principal payments on long term debt—Term Loan Facility	(13,144)	(11,888)
Principal payment on long term debt— Convertible Notes	(128,638)	(156,158)
Purchase of treasury shares	(304,048)	(218,199)
Proceeds from stock option exercises	36,558	23,710
Other financing activities	(2,759)	865
Net cash (used in) provided by financing activities	(412,031)	133,330
Decrease in cash and cash equivalents	(837,289)	(410,619)
Cash and cash equivalents at beginning of period	1,232,525	994,698
Cash and cash equivalents at end of period	$ 395,236	$ 584,079
Supplemental disclosure of cash flow information:		
Interest paid	$ 56,252	$ 75,928
Income tax payments - net (a)	$ 157,717	$ 141,392
Non-cash investing and financing activities:		
Shares issued in exchange of 2027 Convertible Notes	$ 44,403	$ —
Finance lease modification	$ 250	$ —
Accrued purchases of property and equipment	$ 136,654	$ 126,291

(a) Income tax payments - net is inclusive of the purchase of federal energy tax credits.

See Notes to Condensed Consolidated Financial Statements.

BURLINGTON STORES, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
October 31, 2026
(Unaudited)

1. Summary of Significant Accounting Policies

Basis of Presentation

As of October 31, 2026, Burlington Stores, Inc., a Delaware corporation (collectively with its subsidiaries, the Company), through its indirect subsidiary Burlington Coat Factory Warehouse Corporation (BCFWC), operated 1,330 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 January 31, 2026 (Fiscal 2025 10-K). The balance sheet at January 31, 2026 presented herein has been derived from the audited Consolidated Financial Statements contained in the Fiscal 2025 10-K. Because the Company's business is seasonal in nature, the operating results for the three and nine month periods ended October 31, 2026 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 2025 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 2026 is defined as the 52-week year ending January 30, 2027, and Fiscal 2025 is defined as the 52-week year ended January 31, 2026. The third quarters of Fiscal 2026 and Fiscal 2025 each consist of 13 weeks.

Segment Reporting

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.

	(in thousands)			
	Three Months Ended		Nine Months Ended	
	October 31, 2026	November 1, 2025	October 31, 2026	November 1, 2025
Total revenue	$ 2,937,359	$ 2,710,440	$ 8,796,084	$ 7,919,531
Cost of sales	1,651,628	1,509,853	4,860,443	4,434,573
Product sourcing costs	234,907	213,986	677,699	619,815
Other segment expenses (a)	776,114	733,532	2,341,869	2,145,692
Costs related to debt amendments and inducement charges	2	—	15,316	112
Depreciation and amortization	119,363	99,283	337,992	285,876
Impairment charges - long-lived assets	602	3,786	4,987	5,881
Other income - net	(4,484)	(2,309)	(10,089)	(9,326)
Interest income	(3,276)	(4,904)	(15,577)	(13,737)
Interest expense	19,518	19,154	55,672	52,391
Income tax expense	37,244	33,309	122,982	98,487
Net income	$ 105,741	$ 104,750	$ 404,790	$ 299,767

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

New Accounting Pronouncements

In November 2024, the Financial Accounting Standards Board (FASB) issued ASU 2024-04, “Debt—Debt with Conversion and Other Options (Subtopic 470-20): Induced Conversions of Convertible Debt Instruments” (ASU 2024-04), which clarifies the requirements related to accounting for the settlement of a debt instrument as an induced conversion. The Company adopted ASU 2024-04 beginning in Fiscal 2026 and applied the accounting for induced conversions to the March 2026 exchange of certain of the 2027 Convertible Notes. Refer to Note 4, "Long Term Debt" for further discussion regarding this transaction.

There were no other new accounting standards that had a material impact on the Company’s Condensed Consolidated Financial Statements and notes thereto during the three and nine month periods ended October 31, 2026.

Accounting Pronouncements Not Yet Adopted

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.

In September 2025, the FASB issued ASU 2025-06, "Intangibles—Goodwill and Other—Internal-Use Software (Subtopic 350-40)" (ASU 2025-06), which amends certain aspects of the accounting for and disclosure of software costs under ASC 350-40. ASU 2025-06 is effective for annual reporting periods beginning after December 15, 2027, and interim reporting periods within those annual reporting periods, with early adoption permitted. The Company is currently evaluating the impact of ASU 2025-06 on its consolidated financial statements and disclosures.

In December 2025, the FASB issued ASU 2025-10, "Government Grants (Topic 832): Accounting for Government Grants Received by Business Entities" (ASU 2025-10), which establishes guidance for the recognition, measurement, presentation, and disclosure of government grants received by business entities. ASU 2025-10 is effective for annual reporting periods beginning after December 15, 2028, including interim periods within those annual reporting periods, with early adoption permitted. The Company is currently evaluating the impact of ASU 2025-10 on its consolidated financial statements and disclosures.

2. Stockholders' Equity

Activity for the three and nine month periods ended October 31, 2026 and November 1, 2025 in the Company's stockholders' equity is summarized below:

	(in thousands, except share data)							
	Common Stock		Additional Paid-in Capital	Accumulated Earnings	Accumulated Other Comprehensive Income	Treasury Stock		
	Shares	Amount				Shares	Amount	Total
Balance at January 31, 2026	83,337,586	$ 9	$ 2,369,633	$ 2,097,856	$ 17,353	(20,619,866)	$ (2,677,592)	$ 1,807,259
Net income	—	—	—	114,744	—	—	—	114,744
Stock options exercised	61,930	0	11,158	—	—	—	—	11,158
Shares used for tax withholding	—	—	—	—	—	(168,428)	(53,506)	(53,506)
Shares issued as part of convertible debt settlement	150,831	0	(3,883)	—	—	—	—	(3,883)
Shares purchased as part of publicly announced program	—	—	—	—	—	(257,906)	(80,752)	(80,752)
Vesting of restricted shares	438,059	—	—	—	—	—	—	—
Stock based compensation	—	—	36,301	—	—	—	—	36,301
Unrealized gains on interest rate derivative contracts, net of related taxes of $2.6 million	—	—	—	—	7,223	—	—	7,223
Amount reclassified from accumulated other comprehensive income into earnings, net of related taxes of $0.7 million	—	—	—	—	(1,977)	—	—	(1,977)
Balance at May 2, 2026	83,988,406	9	2,413,209	2,212,600	22,599	(21,046,200)	(2,811,850)	1,836,567
Net income	—	—	—	184,304	—	—	—	184,304
Stock options exercised	133,567	0	25,059	—	—	—	—	25,059
Shares used for tax withholding	—	—	—	—	—	(4,138)	(1,362)	(1,362)
Shares purchased as part of publicly announced program, inclusive of $0.1 million related to excise tax	—	—	—	—	—	(270,279)	(86,743)	(86,743)
Vesting of restricted shares	13,839	—	—	—	—	—	—	—
Stock based compensation	—	—	32,114	—	—	—	—	32,114
Unrealized losses on interest rate derivative contracts, net of related taxes of $5.1 million	—	—	—	—	14,226	—	—	14,226
Amount reclassified from accumulated other comprehensive income into earnings, net of related taxes of $0.7 million	—	—	—	—	(1,917)	—	—	(1,917)
Balance at August 1, 2026	84,135,812	9	2,470,382	2,396,904	34,908	(21,320,617)	(2,899,955)	2,002,248
Net income	—	—	—	105,741	—	—	—	105,741
Stock options exercised	2,205	0	341	—	—	—	—	341
Shares used for tax withholding	—	—	—	—	—	(2,959)	(902)	(902)
Shares purchased as part of publicly announced program, inclusive of $0.8 million related to excise tax	—	—	—	—	—	(291,499)	(81,642)	(81,642)
Vesting of restricted shares	7,837	—	—	—	—	—	—	—
Stock based compensation	—	—	19,906	—	—	—	—	19,906
Unrealized gains on interest rate derivative contracts, net of related taxes of $3.5 million	—	—	—	—	9,719	—	—	9,719
Amount reclassified from accumulated other comprehensive income into earnings, net of related taxes of $0.8 million	—	—	—	—	(2,196)	—	—	(2,196)
Balance at October 31, 2026	84,145,854	$ 9	$ 2,490,629	$ 2,502,645	$ 42,431	(21,615,075)	$ (2,982,499)	$ 2,053,215

	(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 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	83,149,208	9	2,262,157	1,588,536	27,009	(20,062,548)	(2,525,514)	1,352,197
Net income	—	—	—	94,185	—	—	—	94,185
Stock options exercised	31,490	—	5,664	—	—	—	—	5,664
Shares used for tax withholding	—	—	—	—	—	(5,634)	(1,451)	(1,451)
Shares purchased as part of publicly announced program, inclusive of $0.2 million related to excise tax	—	—	—	—	—	(102,474)	(26,061)	(26,061)
Vesting of restricted shares	24,974	—	—	—	—	—	—	—
Stock based compensation	—	—	32,448	—	—	—	—	32,448
Unrealized losses on interest rate derivative contracts, net of related taxes of $2.6 million	—	—	—	—	(7,055)	—	—	(7,055)
Amount reclassified from accumulated other comprehensive income into earnings, net of related taxes of $1.1 million	—	—	—	—	(3,110)	—	—	(3,110)
Balance at August 2, 2025	83,205,672	9	2,300,269	1,682,721	16,844	(20,170,656)	(2,553,026)	1,446,817
Net income	—	—	—	104,750	—	—	—	104,750
Stock options exercised	90,043	—	15,280	—	—	—	—	15,280
Shares used for tax withholding	—	—	—	—	—	(8,853)	(2,446)	(2,446)
Shares purchased as part of publicly announced program, inclusive of $0.5 million related to excise tax	—	—	—	—	—	(213,972)	(61,326)	(61,326)
Vesting of restricted shares	24,772	—	—	—	—	—	—	—
Stock based compensation	—	—	27,429	—	—	—	—	27,429
Unrealized gains on interest rate derivative contracts, net of related taxes of $0.1 million	—	—	—	—	199	—	—	199
Amount reclassified from accumulated other comprehensive income into earnings, net of related taxes of $1.2 million	—	—	—	—	(3,194)	—	—	(3,194)
Balance at November 1, 2025	83,320,487	$ 9	$ 2,342,978	$ 1,787,471	$ 13,849	(20,393,481)	$ (2,616,798)	$ 1,527,509

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, but are recognized as variable lease cost when incurred.

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

	(in thousands)	
Fiscal Year	**Operating Leases**	**Finance Leases**
2026 (remainder)	$ 143,644	$ 933
2027	744,351	3,730
2028	729,718	3,537
2029	679,308	2,146
2030	604,571	2,040
Thereafter	2,230,507	16,643
Total future minimum lease payments	5,132,099	29,029
Amount representing interest	(1,123,135)	(7,683)
Total lease liabilities	4,008,964	21,346
Less: current portion of lease liabilities	(465,750)	(2,631)
Total long term lease liabilities	$ 3,543,214	$ 18,715
Weighted average discount rate	6.2%	5.6%
Weighted average remaining lease term (years)	7.8	11.2

The above schedule excludes approximately $678.5 million for 103 stores and an additional floor at the Company's New York buying office that the Company has committed to open, expand 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:

	(in thousands)			
	Three Months Ended		**Nine Months Ended**	
	October 31, 2026	**November 1, 2025**	**October 31, 2026**	**November 1, 2025**
Finance lease cost:				
Amortization of finance lease asset (a)	$ 587	$ 566	$ 1,726	$ 1,698
Interest on lease liabilities (b)	293	322	900	989
Operating lease cost (c)	184,562	174,642	546,104	508,114
Variable lease cost (c)	74,792	70,699	208,909	207,065
Total lease cost	260,234	246,229	757,639	717,866
Gain on sale and leaseback transaction (d)	—	—	—	(1,039)
Less all rental income (e)	(1,520)	(1,143)	(3,929)	(3,544)
Total net rent expense (f)	$ 258,714	$ 245,086	$ 753,710	$ 713,283

(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) 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:

	(in thousands)	
	Nine Months Ended	
	October 31, 2026	November 1, 2025
Cash paid for amounts included in the measurement of lease liabilities:		
Cash payments arising from operating lease liabilities (a)	$ 555,522	$ 510,801
Cash payments for the principal portion of finance lease liabilities (b)	$ 1,848	$ 1,643
Cash payments for the interest portion of finance lease liabilities (a)	$ 900	$ 989
Supplemental non-cash information:		
Operating lease liabilities arising from obtaining right-of-use assets	$ 456,770	$ 613,198

(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:

	(in thousands)		
	October 31, 2026	January 31, 2026	November 1, 2025
Senior secured term loan facility, adjusted SOFR (with a floor of 0.00%) plus 1.75%, matures on September 24, 2031	$ 1,707,783	$ 1,719,406	$ 1,723,277
Convertible senior notes, 1.25%, matures on December 15, 2027	186,071	297,069	297,069
ABL senior secured revolving facility, SOFR plus spread based on average outstanding balance, matures on July 25, 2030	—	—	—
Finance lease obligations	21,346	22,943	23,337
Unamortized deferred financing costs	(5,521)	(7,706)	(8,259)
Total long-term debt	1,909,679	2,031,712	2,035,424
Less: current maturities (a)	(20,157)	(19,977)	(19,953)
Long term debt, net of current maturities	$ 1,889,522	$ 2,011,735	$ 2,015,471

(a) On December 23, 2025, the Company purchased 178 acres of land in Buckeye, AZ. As part of the consideration for this purchase, the Company entered into a promissory note with the seller for $50.6 million, which was included in the line item "Current maturities of long-term debt and other current debt" on the Consolidated Balance Sheet in the Fiscal 2025 10-K. The promissory note had a stated interest rate of zero percent and was repaid on the maturity date of February 9, 2026. The $50.6 million short-term promissory note is excluded from the balance as of January 31, 2026 in the table above.

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 October 31, 2026 of $1,717.5 million maturing on September 24, 2031.

On June 11, 2025, the Company entered into an amendment to the Term Loan Facility, which among other things, incurred $500.0 million of incremental term loans under the Term Loan Credit Agreement as additional Term B-7 Loans. The incremental term loans were issued with an original issue discount of 99.0 and are otherwise on terms identical to the existing Term B-7 Loans and are fungible with the existing Term B-7 Loans.

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 October 31, 2026 and November 1, 2025, the interest rate related to the Term Loan Facility was 5.7% and 5.7%, respectively.

2025 Convertible Notes

On April 16, 2020, the Company issued its 2.25% Convertible Senior Notes due 2025 (the "2025 Convertible Notes"), which matured on April 15, 2025. The 2025 Convertible Notes were general unsecured obligations of the Company and bore 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.

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 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 1.25% Convertible Senior Notes due 2027 (the "2027 Convertible Notes" and, together with the 2025 Convertible Notes, the "Convertible Notes").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. 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 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. 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%.

During the first quarter of Fiscal 2026, the Company entered into separate, privately negotiated exchange agreements with certain holders of the 2027 Convertible Notes. Under the terms of the Exchange Agreements, the holders agreed to exchange $111.0 million in aggregate principal amount of 2027 Convertible Notes held by them for a combination of an aggregate of $128.6 million in cash and 150,831 shares of the Company's common stock. These exchange transactions closed on March 19, 2026. The Company evaluated the accounting for this transaction under Subtopic 470-20, as amended by ASU 2024-04, which was effective beginning in Fiscal 2026. These exchanges resulted in an inducement charge of $14.6 million, as well as legal and other transaction related fees of $0.7 million.

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 $1,000.0 million of revolving commitments (subject to a borrowing base limitation) maturing on July 25, 2030, and, subject to the satisfaction of certain conditions, BCFWC can increase the aggregate amount of commitments up to an amount not to exceed the sum of (i) the greater of (x) $300.0 million and (y) the amount by which the Borrowing Base exceeds the aggregate Commitments, plus (iii) the amount of all permanent reductions in commitments after July 25, 2025. 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, 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 July 25, 2025, the Company entered into an amendment to the ABL Line of Credit in order to, among other things, (i) increase the aggregate principal amount of the commitments from $900.0 million to $1,000.0 million and (ii) extend the maturity date of the commitments and loans from December 22, 2026 to July 25, 2030.

On November 1, 2025, the Company had $947.9 million available under the ABL Line of Credit. Average borrowings during the nine month period ended November 1, 2025 amounted to $26.9 million at an average interest rate of 5.5%. There were no borrowings under the ABL Line of Credit during three month period ended November 1, 2025.

On October 31, 2026, the Company had $942.6 million available under the ABL Line of Credit. There were no borrowings under the ABL Line of Credit during the three and nine months ended October 31, 2026.

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. The Company classifies its derivative valuations in Level 2 of the fair value hierarchy.

On September 27, 2024, the Company terminated the previous $450.0 million interest rate swap, and entered into a new interest rate swap in the notional amount of $500.0 million with a blended interest rate of 2.83%. On this same date, the Company also entered into a new interest rate swap for $300.0 million with an interest rate of 3.37%. These interest rate swap agreements are designated as cash flow hedges.

On June 12, 2025, the Company entered into an interest rate swap agreement with a notional amount of $200.0 million and a fixed interest rate of 3.76%, as well as an interest rate swap agreement with a notional amount of $100.0 million and a fixed interest rate of 3.73%. 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 October 31, 2026, 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 contracts	Four	$1,100.0 million	2.83%-3.76%	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:

	(in thousands)					
	Fair Values of Derivative Instruments					
	October 31, 2026		January 31, 2026		November 1, 2025	
Derivatives Designated as Hedging Instruments	Balance Sheet Location	Fair Value	Balance Sheet Location	Fair Value	Balance Sheet Location	Fair Value
Interest rate swap contracts	Other assets	$ 55,641	Other assets	$ 20,454	Other assets	$ 16,227
Interest rate swap contracts	Other liabilities	$ —	Other liabilities	$ 3,290	Other liabilities	$ 5,264

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:

	(in thousands)			
	Three Months Ended		Nine Months Ended	
Interest Rate Derivatives:	October 31, 2026	November 1, 2025	October 31, 2026	November 1, 2025
Unrealized gains (losses), before taxes	$ 13,199	$ 264	$ 42,375	$ (26,439)
Income tax (expense) benefit	(3,480)	(65)	(11,207)	7,050
Unrealized gains (losses), net of taxes	$ 9,719	$ 199	$ 31,168	$ (19,389)

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:

	(in thousands)			
	Three Months Ended		Nine Months Ended	
Component of Earnings:	October 31, 2026	November 1, 2025	October 31, 2026	November 1, 2025
Interest benefit	$ (2,987)	$ (4,353)	$ (8,286)	$ (12,658)
Income tax expense	791	1,159	2,196	3,374
Net reclassification into earnings	$ (2,196)	$ (3,194)	$ (6,090)	$ (9,284)

The Company estimates that approximately $17.0 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 contracts.

Financial Assets

The fair values of the Company's financial assets and the hierarchy of the level of inputs as of October 31, 2026, January 31, 2026 and November 1, 2025 are summarized below:

	(in thousands)		
	Fair Value Measurements at		
	October 31, 2026	**January 31, 2026**	**November 1, 2025**
Level 1			
Cash equivalents	$ 2,475	$ 746,996	$ 164,478

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 uses 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 $0.6 million during the three month period ended October 31, 2026, related to one owned store that is expected to sell below net carrying value. Impairment charges on long-lived assets were $3.8 million during the three month period ended November 1, 2025, primarily related to one owned store that sold below net carrying value.

Impairment charges on long-lived assets were $5.0 million during the nine month period ended October 31, 2026, primarily related to unrecoverable store assets at underperforming stores and impairment of assets held-for-sale. Impairment charges on long-lived assets were $5.9 million during the nine month period ended November 1, 2025, primarily related to two owned stores that sold below net carrying value as well as stores with unrecoverable assets. During the nine month period ended October 31, 2026 and the nine month period ended November 1, 2025, the assets impaired had a remaining carrying value after impairments of $36.9 million and $31.3 million, respectively.

Financial Liabilities

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

	(in thousands)					
	October 31, 2026		**January 31, 2026**		**November 1, 2025**	
	Principal Amount	**Fair Value**	**Principal Amount**	**Fair Value**	**Principal Amount**	**Fair Value**
Term Loan Facility	$ 1,717,462	$ 1,711,022	$ 1,730,606	$ 1,730,606	$ 1,734,987	$ 1,732,819
2027 Convertible Notes	186,071	233,782	297,069	451,205	297,069	425,490
ABL Line of Credit (a)	—	—	—	—	—	—
Total debt (b)	$ 1,903,533	$ 1,944,804	$ 2,027,675	$ 2,181,811	$ 2,032,056	$ 2,158,309

(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 $37.2 million during the third quarter of Fiscal 2026 compared with $33.3 million during the third quarter of Fiscal 2025. The effective tax rate for the third quarter of Fiscal 2026 was 26.0% compared with 24.1% during the third quarter of Fiscal 2025. The increase in income tax expense is due to higher pre-tax income. The higher effective tax rate is primarily driven by a lower tax benefit from stock-based compensation.

Income tax expense was $123.0 million during the nine month period ended October 31, 2026 compared with $98.5 million during the nine month period ended November 1, 2025. The effective tax rate for the nine month period ended October 31, 2026 was 23.3% compared with 24.7% during the nine month period ended November 1, 2025. The increase in income tax expense is due to higher pre-tax income. The lower effective tax rate is mainly driven by the tax benefit from stock-based compensation and the purchase of federal energy tax credits.

Net deferred taxes are as follows:

	(in thousands)		
	October 31, 2026	**January 31, 2026**	**November 1, 2025**
Deferred tax asset	$ 2,486	$ 2,139	$ 2,312
Deferred tax liability	353,812	277,771	272,238
Net deferred tax liability	$ 351,326	$ 275,632	$ 269,926

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 October 31, 2026, the Company had a $2.9 million deferred tax asset related to net operating losses, which relates to state net operating losses that expire at various dates between 2036 and 2040.

As of October 31, 2026, the Company has tax credit carry-forwards totaling $12.2 million, inclusive of $12.1 million in foreign tax credits which will begin to expire in Fiscal 2033. State tax credit carryforwards totaled $0.1 million, the majority of which have an indefinite carryforward period.

As of October 31, 2026, January 31, 2026 and November 1, 2025, valuation allowances totaled $12.1 million, $8.4 million and $9.2 million, respectively. These valuation allowances relate to foreign tax credit carry-forwards and state 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 nine month period ended October 31, 2026, the Company acquired 175,525 shares of common stock from employees for approximately $55.8 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 May 20, 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 20, 2027.

Subsequent to the end of the third quarter of Fiscal 2026, on November 18, 2026, the Company's Board of Directors authorized the repurchase of up to an additional $750.0 million of common stock, which is authorized to be executed through February 28, 2029.

During the nine month period ended October 31, 2026, the Company repurchased 819,684 shares of common stock for $248.3 million under its repurchase programs, 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 October 31, 2026, the Company had $136.7 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 option and restricted stock unit awards, and the if-converted method for the Convertible Notes. The following table presents the computation of basic and diluted net income per share:

	(in thousands, except per share data)			
	Three Months Ended		**Nine Months Ended**	
	October 31, 2026	**November 1, 2025**	**October 31, 2026**	**November 1, 2025**
Basic net income per share				
Net income	$ 105,741	$ 104,750	$ 404,790	$ 299,767
Weighted average number of common shares – basic	62,659	62,982	62,762	63,044
Net income per common share – basic	$ 1.69	$ 1.66	$ 6.45	$ 4.75
Diluted net income per share				
Net income	$ 105,741	$ 104,750	$ 404,790	$ 299,767
Shares for basic and diluted net income per share:				
Weighted average number of common shares – basic	62,659	62,982	62,762	63,044
Assumed exercise of stock options and vesting of restricted stock	548	730	755	667
Assumed conversion of convertible debt	244	356	329	316
Weighted average number of common shares – diluted	63,451	64,068	63,846	64,027
Net income per common share – diluted	$ 1.67	$ 1.63	$ 6.34	$ 4.68

Approximately 295,000 and 103,000 shares of the Company's stock-based compensation grants were excluded from diluted net income per share for the three and nine month periods ended October 31, 2026, respectively, since their effect was anti-dilutive.

Approximately 179,000 and 182,000 shares related to the Company's stock-based compensation grants were excluded from diluted net income per share for the three and nine month periods ended November 1, 2025, respectively, since their effect was anti-dilutive.

10. Stock Based Compensation

As of October 31, 2026, there were 5,193,521 shares of common stock available for issuance under the 2022 Omnibus Incentive Plan.

Non-cash stock compensation expense is as follows:

	(in thousands)			
	Three Months Ended		**Nine Months Ended**	
Type of Non-Cash Stock Compensation	**October 31, 2026**	**November 1, 2025**	**October 31, 2026**	**November 1, 2025**
Restricted stock unit grants (a)	$ 15,596	$ 13,797	$ 44,565	$ 38,905
Stock option grants (a)	2,533	3,780	8,834	12,802
Performance stock unit grants (a)	1,777	9,852	34,923	29,986
Total (b)	$ 19,906	$ 27,429	$ 88,322	$ 81,693

(a) Included in the line item "Selling, general and administrative expenses" in the Company's Condensed Consolidated Statements of Income.

(b) The amounts presented in the table above exclude taxes. For the three and nine month periods ended October 31, 2026, the tax benefit related to the Company's non-cash stock compensation was approximately $3.7 million and $16.6 million, respectively. For the three and nine month periods ended November 1, 2025, the tax benefit related to the Company's non-cash stock compensation was approximately $4.9 million and $15.0 million, respectively.

Stock Options

Stock option transactions during the nine month period ended October 31, 2026 are summarized as follows:

	Number of Shares	Weighted Average Exercise Price Per Share
Options outstanding, January 31, 2026	1,260,295	$ 199.72
Options granted	—	—
Options exercised (a)	(197,702)	184.91
Options forfeited	(17,438)	187.85
Options outstanding, October 31, 2026	1,045,155	202.72

(a) Options exercised during the nine month period ended October 31, 2026 had a total intrinsic value of $27.7 million.

The following table summarizes information about the stock options vested and expected to vest during the contractual term of such options as of October 31, 2026:

	Options	Weighted Average Remaining Contractual Life (Years)	Weighted Average Exercise Price	Aggregate Intrinsic Value (in millions)
Options vested and expected to vest	1,045,155	5.4	$ 202.72	$ 46.1
Options exercisable	818,151	4.9	$ 208.25	$ 33.7

Restricted Stock Units

Restricted stock unit transactions during the nine month period ended October 31, 2026 are summarized as follows:

	Number of Shares	Weighted Average Grant Date Fair Value Per Award
Non-vested awards outstanding, January 31, 2026	727,513	$ 207.18
Awards granted	280,699	317.52
Awards vested (a)	(258,973)	200.52
Awards forfeited	(39,943)	242.16
Non-vested awards outstanding, October 31, 2026	709,296	251.33

(a) Restricted stock units vested during the nine month period ended October 31, 2026 had a total intrinsic value of $82.1 million.

The fair value of each share of restricted stock granted during the nine month period ended October 31, 2026 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 is 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 nine month period ended October 31, 2026 are summarized as follows:

	Number of Shares	Weighted Average Grant Date Fair Value Per Award
Non-vested awards outstanding, January 31, 2026	363,954	$ 200.92
Awards granted	213,530	255.46
Awards vested (a)	(200,762)	184.98
Awards forfeited	(7,290)	252.52
Non-vested awards outstanding, October 31, 2026	369,432	240.09

(a) Performance-based stock awards vested during the nine month period ended October 31, 2026 had a total intrinsic value of $64.0 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 $57.4 million, $50.4 million and $52.1 million as of October 31, 2026, January 31, 2026 and November 1, 2025, respectively. Among these arrangements, as of October 31, 2026, January 31, 2026 and November 1, 2025, the Company had letters of credit outstanding in the amount of $57.0 million, $49.8 million and $51.8 million, respectively, guaranteeing performance under various lease agreements, insurance contracts, and utility agreements. In addition, the Company had outstanding letters of credit arrangements related to certain merchandising agreements in the amounts of $0.4 million, $0.5 million and $0.3 million as of October 31, 2026, January 31, 2026 and November 1, 2025, respectively. 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 $142.6 million, $149.6 million and $147.9 million as of October 31, 2026, January 31, 2026 and November 1, 2025, respectively.

Purchase Commitments

The Company had $2,189.6 million of purchase commitments related to goods that were not received as of October 31, 2026.

Tariff Refunds

On February 20, 2026, the U.S. Supreme Court issued a ruling limiting the authority to impose tariffs under the International Emergency Economic Powers Act (IEEPA). In April 2026, US Customs launched a system to allow importers of record to file IEEPA tariff refunds. The Company received tariff refunds during the three month period ended August 1, 2026 resulting in a $55.5 million reduction to the line item "Cost of sales" in our Condensed Consolidated Statements of Income.

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 January 31, 2026 (Fiscal 2025 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 of high-quality, branded merchandise at everyday low prices. 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 1,330 stores as of October 31, 2026 in 47 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 2026 is defined as the 52-week year ending January 30, 2027. Fiscal 2025 is defined as the 52-week year ended January 31, 2026. The third quarters of Fiscal 2026 and Fiscal 2025 each consist of 13 weeks.

Store Openings, Closings, and Relocations

During the nine month period ended October 31, 2026, we opened 136 gross new stores, inclusive of 14 relocations, and permanently closed four stores, exclusive of the aforementioned relocations, bringing our store count as of October 31, 2026 to 1,330 stores.

Ongoing Initiatives

We continue to focus on several ongoing strategic initiatives aimed at operating with flexibility, responsiveness, and efficiency in everything we do, while delivering great value to our customers through continued improvement in the execution of our off-price model. These initiatives are outlined below.

Merchandising

Our merchandising strategy is centered on delivering compelling value while remaining responsive to evolving customer preferences. Key initiatives include:

- focusing on fashion, quality, brand, and price to inform our buying decisions and provide customers with outstanding value on their purchases;
- delivering remarkable value every day with speed and agility through a culture of customer focus and continuous learning and innovation;
- enabling buyers to spend more time in the market and take data-driven actions informed by current trends and opportunities;
- following the off-price principles of opportunistic buying and in-season purchasing to more effectively chase the sales trend;
- building capabilities to localize the assortment by region and store; and

- continuing to grow our merchandising talent base.

Stores

We remain focused on delivering a neat, clean, easy-to-shop, organized, and consistent shopping experience for our customers while maintaining disciplined cost and inventory controls. Key initiatives include:

- redesigning our stores with new interior layouts, signage and fixtures to better highlight our selection of trend-right, branded merchandise, and create an inviting environment for customers that accentuates the thrill of the treasure hunt;
- reducing shortage by identifying risks and implementing innovative physical security solutions and technologies; and
- getting fresh receipts out to the sales floor rapidly and efficiently.

Real Estate

We continue to selectively expand our store footprint in attractive locations to support long-term growth. Key initiatives include:

- opening at least 100 net new stores per year and striving to exceed that, which we believe will allow us to operate 2,000 stores over the long-term;
- prioritizing 25,000 square foot stores located in busy, convenient strip malls; and
- downsizing and relocating select existing stores to incorporate our new store designs and reduce occupancy costs.

Supply Chain

We continue to invest in supply chain capabilities to support growth and improve operational efficiency. Key initiatives include:

- driving cost savings through speed, flexibility, and efficiency in distribution and transportation; and
- expanding and modernizing our supply chain network with flexible and efficient distribution centers purpose-built to execute our off-price business model.

Marketing

Our marketing efforts are focused on building a strong and renewed reputation with consumers. Key initiatives include:

- communicating a strong value message to new and existing shoppers; and
- investing in advertising that drives traffic to our stores.

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 2025 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 could 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 and food costs, energy and fuel 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 declines, it could benefit our core customers who have been impacted by higher cost of living, 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 $105.7 million during the three month period ended October 31, 2026 compared with net income of $104.8 million during the three month period ended November 1, 2025. Higher sales were partially offset by lower gross margin rate. We earned net income of $404.8 million during the nine month period ended October 31, 2026 compared with a net income of $299.8 million during the nine month period ended November 1, 2025. The increase was primarily driven by higher sales and 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 and inducement charges; (iii) impairment charges; (iv) amounts related to certain litigation matters; and (v) other unusual or non-recurring expenses, losses, charges or gains, all of which are tax effected to arrive at Adjusted Net Income.

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 and inducement charges; (iv) income tax expense; (v) depreciation and amortization; (vi) net favorable lease costs; (vii) impairment charges; (viii) amounts related to certain litigation matters; and (ix) other unusual or non-recurring expenses, losses, charges or gains.

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 and inducement charges; (iv) income tax expense; (v) impairment charges; (vi) net favorable lease costs; (vii) amounts related to certain litigation matters; and (viii) other unusual or non-recurring expenses, losses, charges or gains.

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 and inducement charges;
- 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 month period ended October 31, 2026, Adjusted Net Income increased $0.3 million compared to the same period in the prior year, to $107.8 million. Higher sales were partially offset by lower gross margin rate. During the nine month period ended October 31, 2026, Adjusted Net Income increased $114.1 million compared to the same period in the prior year, to $425.9 million. The increase was primarily driven by higher sales and 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 and nine months ended October 31, 2026 compared with the three and nine months ended November 1, 2025:

	(unaudited)			
	(in thousands)			
	Three Months Ended		Nine Months Ended	
	October 31, 2026	November 1, 2025	October 31, 2026	November 1, 2025
Net income	$ 105,741	$ 104,750	$ 404,790	$ 299,767
Net favorable lease costs (a)	1,523	1,891	5,372	5,961
Costs related to debt amendments and inducement charges (b)	2	—	15,316	112
Impairment charges - long-lived assets	602	3,786	4,987	5,881
Litigation matters (c)	(287)	(2,079)	463	4,255
Tax effect (d)	187	(890)	(4,992)	(4,179)
Adjusted Net Income	$ 107,768	$ 107,458	$ 425,936	$ 311,797

(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) Fiscal 2026 amount represents an inducement charge related to the Company's exchange of certain of the 2027 Convertible Notes during the first quarter of Fiscal 2026. Fiscal 2025 amount relates to the settlement of the 2025 Convertible Notes during the first quarter of Fiscal 2025.

(c) Relates to the final settlements and amounts charged for certain litigation matters.

(d) 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 and inducement charges;
- 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 month period ended October 31, 2026, Adjusted EBIT increased $5.2 million compared to the same period in the prior year, to $161.1 million, and Adjusted EBITDA increased $25.2 million compared to the same period in the prior year, to $280.4 million. This increase was primarily driven by higher sales, partially offset by lower gross margin rate. During the nine month period ended October 31, 2026, Adjusted EBIT increased $140.9 million compared to the same period in the prior year, to $594.0 million, and Adjusted EBITDA increased $193.0 million compared to the same period in the prior year, to $932.0 million. This increase was primarily driven by higher sales and 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 and nine months ended October 31, 2026 compared with the three and nine months ended November 1, 2025:

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

(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) Fiscal 2026 amount represents an inducement charge related to the Company's exchange of certain of the 2027 Convertible Notes during the first quarter of Fiscal 2026. Fiscal 2025 amount relates to the settlement of the 2025 Convertible Notes during the first quarter of Fiscal 2025.

(c) Relates to the final settlements and amounts charged for certain litigation matters.

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 a specified period of time during a month, the store is removed 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:

	Three Months Ended	Nine Months Ended
October 31, 2026	1%	3%
November 1, 2025	1%	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 decreased to 43.7% during the three month period ended October 31, 2026, compared with 44.2% during the three month period ended November 1, 2025. This decrease was driven by higher freight resulting from higher diesel fuel rates, while merchandise margins remained flat. This includes the reinvestment of tariff related refunds received during the second quarter of Fiscal 2026. Gross margin as a percentage of net sales increased to 44.7% during the nine month period ended October 31, 2026, compared with 43.9% during the nine month period ended November 1, 2025. This improvement was driven primarily by tariff refunds as well as improved merchandise margin, partially offset by increased freight resulting from higher diesel fuel rates.

Product sourcing costs, which are included in selling, general and administrative expenses, increased 10 basis points as a percentage of net sales during the three months ended October 31, 2026, compared to the same period in the prior year. This increase was primarily due to the timing and cost of processing more receipts in the third quarter of Fiscal 2026 compared to the same period in the prior year. During the nine months ended October 31, 2026, product sourcing costs improved 10 basis points as a percentage of net sales compared to the same period in the prior year. This improvement was primarily driven by supply chain efficiency initiatives.

Inventory. Inventory as of October 31, 2026 increased to $1,925.0 million compared with $1,658.4 million as of November 1, 2025. The increase was attributable primarily to a 10% increase in comparable store inventory and new store inventory at 119 net new stores opened since the end of the third quarter of Fiscal 2025, as well as an increase in reserve inventory.

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 35% of total inventory at the end of the third quarter of Fiscal 2026 and 35% at the end of the third quarter of Fiscal 2025.

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 $837.3 million during the nine months ended October 31, 2026, compared with a decrease of $410.6 million during the nine months ended November 1, 2025. 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 and nine months ended October 31, 2026 and the three and nine months ended November 1, 2025.

	Percentage of Net Sales			
	Three Months Ended		Nine Months Ended	
	October 31, 2026	November 1, 2025	October 31, 2026	November 1, 2025
Net sales	100.0%	100.0%	100.0%	100.0%
Other revenue	0.2	0.2	0.2	0.2
Total revenue	100.2	100.2	100.2	100.2
Cost of sales	56.3	55.8	55.3	56.1
Selling, general and administrative expenses	34.5	35.0	34.4	35.0
Costs related to debt amendments and inducement charges	0.0	—	0.2	0.0
Depreciation and amortization	4.1	3.7	3.9	3.6
Impairment charges - long-lived assets	0.0	0.1	0.1	0.1
Other income - net	(0.2)	(0.1)	(0.1)	(0.1)
Interest income	(0.1)	(0.2)	(0.2)	(0.2)
Interest expense	0.7	0.7	0.6	0.7
Total costs and expenses	95.3	95.0	94.2	95.2
Income before income tax expense	4.9	5.2	6.0	5.0
Income tax expense	1.3	1.2	1.4	1.2
Net income	3.6%	4.0%	4.6%	3.8%

Three Month Period Ended October 31, 2026 Compared With the Three Month Period Ended November 1, 2025

Net sales

Net sales improved $226.1 million, or 8.4%, to $2,932.2 million during the third quarter of Fiscal 2026, primarily driven by both an increase in net sales of $206.5 million from our 119 net new stores opened since the end of the third quarter of Fiscal 2025 and non-comparable stores, as well as an increase of 1%, or $19.7 million, in comparable stores sales during the three month period ended October 31, 2026.

Cost of sales

Cost of sales as a percentage of net sales increased to 56.3% during the third quarter of Fiscal 2026, compared to 55.8% during the third quarter of Fiscal 2025. This increase was primarily driven by higher freight resulting from higher diesel fuel rates. Merchandise margin was flat, which includes the reinvestments of tariff refunds received during the second quarter of Fiscal 2026. On a dollar basis, cost of sales increased $141.8 million, or 9.4%, primarily driven by our overall increase in sales.

Selling, general and administrative expenses

Selling, general and administrative expenses as a percentage of net sales improved to 34.5% during the third quarter of Fiscal 2026, compared to 35.0% during the third quarter of Fiscal 2025. This improvement was primarily driven by improvements in incentive compensation and occupancy leverage, partially offset by increased advertising spend.

On a dollar basis, selling, general and administrative expenses increased by $63.5 million, or 6.7%, to $1,011.0 million during the third quarter of Fiscal 2026. The increase was primarily driven by our 119 net new stores opened since the end of the third quarter of Fiscal 2025.

During the third quarter of Fiscal 2026, we incurred costs related to leases acquired through bankruptcy proceedings. The acquisition of these leases resulted in $2.3 million and $10.9 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 third quarter of Fiscal 2026 and the third quarter of Fiscal 2025, respectively.

Depreciation and amortization

Depreciation and amortization expense amounted to $119.4 million during the third quarter of Fiscal 2026 compared with $99.3 million during the third quarter of Fiscal 2025. The increase in depreciation and amortization expense was primarily driven by new and non-comparable stores, as well as capital expenditures related to investments in our supply chain infrastructure.

Impairment charges – long-lived assets

Impairment charges on long-lived assets were $0.6 million during the third quarter of Fiscal 2026, related to one owned store expected to sell below net carrying value. Impairment charges on long-lived assets were $3.8 million during the third quarter of Fiscal 2025, primarily related to one owned store expected to sell below net carrying value.

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.

Income tax expense

Income tax expense was $37.2 million during the third quarter of Fiscal 2026 compared with $33.3 million during the third quarter of Fiscal 2025. The effective tax rate for the third quarter of Fiscal 2026 was 26.0% compared with 24.1% during the third quarter of Fiscal 2025. The increase in income tax expense is due to higher pre-tax income and a higher effective tax rate. The higher effective tax rate is primarily driven by a lower 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 third quarter of Fiscal 2026 resulted in an annual effective income tax rate of approximately 27% (before discrete items) as our best estimate.

Net income

We earned net income of $105.7 million for the third quarter of Fiscal 2026 compared with $104.8 million for the third quarter of Fiscal 2025. This increase was primarily driven by higher sales, partially offset by decreased gross margin rate. Net income included $1.7 million and $8.2 million, net of income taxes, for the third quarter of Fiscal 2026 and for the third quarter of Fiscal 2025, respectively, related to the bankruptcy acquired leases.

Nine Month Period Ended October 31, 2026 Compared With the Nine Month Period Ended November 1, 2025

Net sales

Net sales improved $875.1 million, or 11.1%, to $8,782.2 million during the nine month period ended October 31, 2026, primarily driven by both an increase in net sales of $658.1 million from our 119 net new stores opened since the end of the third quarter of Fiscal 2025, as well as an increase of 3%, or $217.0 million, in comparable stores sales during the nine month period ended October 31, 2026.

Cost of sales

Cost of sales as a percentage of net sales decreased to 55.3% during the nine month period ended October 31, 2026, compared to 56.1% during the nine month period ended November 1, 2025. This improvement was driven primarily by tariff refunds as well as improved merchandise margin, partially offset by increased freight resulting from higher diesel fuel rates. On a dollar basis, cost of sales increased $425.9 million, or 9.6%, 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 34.4% during the nine month period ended October 31, 2026, compared to 35.0% during the nine month period ended November 1, 2025. The decrease was primarily driven by occupancy cost leverage and product sourcing cost leverage, partially offset by higher advertising expenses. On a dollar basis, selling, general and administrative expenses increased by $254.1 million, or 9.2%, to $3,019.6 million during the nine month period ended October 31, 2026. The increase was primarily driven by our 119 net new stores opened since the end of the third quarter of Fiscal 2025 .

During the nine month period ended October 31, 2026 and November 1, 2025, we incurred costs related to leases acquired through bankruptcy proceedings. The acquisition of these leases resulted in $14.1 million and $27.5 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 nine month period ended October 31, 2026 and November 1, 2025, respectively.

Depreciation and amortization

Depreciation and amortization expense amounted to $338.0 million during the nine month period ended October 31, 2026 compared with $285.9 million during the nine month period ended November 1, 2025. The increase in depreciation and amortization expense was primarily driven by new and non-comparable stores, as well as capital expenditures related to investments in our supply chain infrastructure.

Impairment charges – long-lived assets

Impairment charges on long-lived assets were $5.0 million during the nine month period ended October 31, 2026, related to unrecoverable store assets at underperforming stores and impairment of assets held-for-sale. Impairment charges on long-lived assets were $5.9 million during the nine month period ended November 1, 2025, primarily related to two owned stores that sold below net carrying value as well as stores with unrecoverable assets.

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.

Income tax expense

Income tax expense was $123.0 million during the nine month period ended October 31, 2026 compared with income tax expense of $98.5 million during the nine month period ended November 1, 2025. The effective tax rate for the nine month period ended October 31, 2026 was 23.3% compared with 24.7% during the nine month period ended November 1, 2025. The increase in income tax expense is due to higher pre-tax income. The lower effective tax rate is mainly driven by the tax benefit from stock-based compensation and the purchase of federal energy tax credits.

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 nine month period ended October 31, 2026 resulted in an annual effective income tax rate of approximately 27% (before discrete items) as our best estimate.

Net income

We earned net income of $404.8 million for the nine month period ended October 31, 2026 compared with $299.8 million for the nine month period ended November 1, 2025. This increase was primarily driven by higher sales, as well as increased gross margin rate. Net income included $10.5 million and $20.5 million, net of income taxes, for the first nine months of Fiscal 2026 and Fiscal 2025, respectively, 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 Nine Month Period Ended October 31, 2026 Compared With the Nine Month Period Ended November 1, 2025

We used $837.3 million of cash during the nine month period ended October 31, 2026 compared with a use of $410.6 million during the nine month period ended November 1, 2025.

Net cash provided by operating activities amounted to $537.7 million during the nine month period ended October 31, 2026, compared with $293.9 million during the nine month period ended November 1, 2025. The increase in our operating cash flows was primarily driven by improved sales and gross margin, including the benefit of tariff refunds, as well as changes in working capital.

Net cash used in investing activities was $962.9 million during the nine month period ended October 31, 2026 compared with $837.8 million during the nine month period ended November 1, 2025. This change was primarily the result of the purchase of our new corporate headquarters, partially offset by the timing of spend related to investments in our supply chain infrastructure.

Net cash used in financing activities was $412.0 million during the nine month period ended October 31, 2026 compared with net cash provided by financing activities of $133.3 million during the nine month period ended November 1, 2025. This change was primarily driven by the term loan upsize during the second quarter of Fiscal 2025 and an increase in treasury stock repurchases.

Changes in working capital also impact our cash flows. Working capital equals current assets minus current liabilities. We had working capital at October 31, 2026 of $111.9 million compared with $458.8 million at November 1, 2025. The decrease in working capital was primarily due to increased accounts payable, decreased cash, and decreased prepaid assets, partially offset by increased inventory. We had working capital at January 31, 2026 of $522.3 million.

Capital Expenditures

For the nine month period ended October 31, 2026, capital expenditures, net of $44.4 million of landlord allowances, amounted to $839.3 million (inclusive of accrued capital expenditures).

We estimate that we will spend approximately $1,115 million, net of approximately $55 million of landlord allowances, in capital expenditures during Fiscal 2026, 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 $290 million to support our supply chain initiatives and $240 million for the purchase of our new corporate headquarters, with the remaining capital used to support our information technology and other business initiatives.

Share Repurchase Program

On May 20, 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 20, 2027.

Subsequent to the end of the third quarter of Fiscal 2026, on November 18, 2026, our Board of Directors authorized the repurchase of up to an additional $750.0 million of common stock, which is authorized to be executed through February 28, 2029.

During the nine month period ended October 31, 2026, we repurchased 819,684 shares of common stock for $248.3 million under these repurchase programs. As of October 31, 2026, we had $136.7 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 nine month period ended October 31, 2026, we opened 136 gross new stores, inclusive of 14 relocations, and closed four stores, exclusive of the aforementioned relocations, bringing our store count as of October 31, 2026 to 1,330 stores.

Debt and Hedging

As of October 31, 2026, our obligations, inclusive of original issue discount, include $1,707.8 million under our Term Loan Facility, $186.1 million of our 2027 Convertible Notes and no outstanding borrowings on our ABL Line of Credit. Our debt obligations also include $21.3 million of finance lease obligations as of October 31, 2026.

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 October 31, 2026 of $1,717.5 million maturing on September 24, 2031.

On June 11, 2025, we entered into an amendment to the Term Loan Facility, which among other things, provided for $500.0 million of incremental term loans under the Term Loan Credit Agreement as additional Term B-7 Loans. The incremental term loans were issued with an original issue discount of 99.0 and are otherwise on terms identical to, and fungible with, the existing Term B-7 Loans.

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 October 31, 2026 and November 1, 2025, the interest rate related to the Term Loan Facility was 5.7%.

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 $1,000.0 million of revolving commitments (subject to a borrowing base limitation) maturing on July 25, 2030, and, subject to the satisfaction of certain conditions, BCFWC can increase the aggregate amount of commitments up to an amount not to exceed the sum of (i) the greater of (x) $300.0 million and (y) the amount by which the Borrowing Base exceeds the aggregate Commitments, plus (iii) the amount of all permanent reductions in commitments after July 25, 2025. 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, 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 July 25, 2025, we entered into an amendment to the ABL Line of Credit in order to, among other things, (i) increase the aggregate principal amount of the commitments from $900.0 million to $1,000.0 million and (ii) extend the maturity date of the commitments and loans from December 22, 2026 to July 25, 2030.

On November 1, 2025, we had $947.9 million available under the ABL Line of Credit. Average borrowings during the nine month period ended November 1, 2025 amounted to $26.9 million at an average interest rate of 5.5%. There were no borrowings under the ABL Line of Credit during three month period ended November 1, 2025.

On October 31, 2026, we had $942.6 million available under the ABL Line of Credit. There were no borrowings under the ABL Line of Credit during the three and nine months ended October 31, 2026.

2025 Convertible Notes

On April 16, 2020, we issued our 2.25% Convertible Senior Notes due 2025 (the "2025 Convertible Notes"), which matured on April 15, 2025. The 2025 Convertible Notes were general unsecured obligations of the Company and bore 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.

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, we 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, we paid in cash the principal balance 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 1.25% Convertible Senior Notes due 2027 (the "2027 Convertible Notes" and, together with the 2025 Convertible Notes, the "Convertible Notes").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. 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 for 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 our election, in respect of the remainder (if any) of our conversion obligation in excess of such aggregate principal amount. 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 our 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. The effective interest rate is 1.7%.

During the first quarter of Fiscal 2026, we entered into separate, privately negotiated exchange agreements with certain holders of the 2027 Convertible Notes. Under the terms of the Exchange Agreements, the holders agreed to exchange $111.0 million in aggregate principal amount of 2027 Convertible Notes held by them for a combination of an aggregate of $128.6 million in cash and 150,831 shares of our common stock. These exchange transactions closed on March 19, 2026. We evaluated the accounting for this transaction under ASC 470-20, “Debt—Debt with Conversion and Other Options,” as amended by ASU 2024-04, “Clarifying the Accounting for Induced Conversions of Convertible Debt Instruments,” which was effective beginning in Fiscal 2026. These exchanges resulted in an inducement charge of $14.6 million, as well as legal and other transaction related fees of $0.7 million.

Hedging

During the second quarter of Fiscal 2025, we entered into a $200.0 million interest rate swap agreement with a fixed interest rate of 3.76% and a $100.0 million interest rate swap agreement with a fixed interest rate of 3.73%.

In total, we have interest rate swaps which hedge $1,100.0 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 $2,189.6 million of purchase commitments related to goods that were not received as of October 31, 2026, and had $5,132.1 million of future minimum lease payments under operating leases as of October 31, 2026. 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 2025 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 2025 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 fuel costs, and the domestic and international political situation and the related impact on consumer confidence and spending; competitive factors, including the scale and potential consolidation of some of our competitors, rise of e-commerce spending, pricing and promotional activities of major competitors, and an increase in competition within the markets in which we compete; seasonal fluctuations in our net sales, operating income and inventory levels; the reduction in traffic to, or the closing of, the other destination retailers in the shopping areas where our stores are located; our ability to identify changing consumer preferences and demand; our ability to meet evolving regulatory requirements and stakeholder expectations regarding 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 2025 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 2025 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, October 31, 2026. 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 October 31, 2026.

During the quarter ended October 31, 2026, 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.

There have been no material changes in our risk factors from those disclosed in Part I, Item 1A of our Fiscal 2025 10-K.

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 October 31, 2026:

Month	Total Number of Shares Purchased	Average Price Paid Per Share (a)	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs (b)	Approximate Dollar Value of Shares That May Yet Be Purchased Under the Plans or Programs (in thousands)
August 2, 2026 through August 29, 2026	58,413	$ 348.56	58,413	$ 197,190
August 30, 2026 through October 3, 2026	167,344	$ 259.45	167,344	$ 153,772
October 4, 2026 through October 31, 2026	65,742	$ 259.69	65,742	$ 136,699
Total	291,499		291,499	

(a) Includes commissions for the shares repurchased under our publicly announced share repurchase programs.

(b) During the second quarter of Fiscal 2025, the Company's Board of Directors authorized the repurchase of up to $500.0 million of common stock, which is authorized to be executed through May 20, 2027. Subsequent to the end of the third quarter of Fiscal 2026, on November 18, 2026, the Company's Board of Directors authorized the repurchase of up to an additional $750.0 million of common stock, which is authorized to be executed through February 28, 2029. 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

During the three-month period ended October 31, 2026, 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.

Item 6. Exhibits.

Exhibit Number	Exhibit Description	Incorporated by Reference	
		Form	Filing Date
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.

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: November 24, 2026

Exhibit 31.1

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: November 24, 2026

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

Exhibit 31.2

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: November 24, 2026

/s/ Kristin Wolfe
Kristin Wolfe
Chief Financial Officer
(Principal Financial Officer)

Exhibit 32.1

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 October 31, 2026, 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: November 24, 2026

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

Exhibit 32.2

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 October 31, 2026, 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: November 24, 2026

/s/ Kristin Wolfe
Kristin Wolfe
Chief Financial Officer
(Principal Financial Officer)