

REFINITIV

DELTA REPORT

10-K

BURL - BURLINGTON STORES, INC.

10-K - JANUARY 28, 2023 COMPARED TO 10-K - JANUARY 29, 2022

The following comparison report has been automatically generated

TOTAL DELTAS 3470

█	CHANGES	484
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

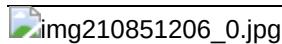
For the fiscal year ended January 29, 28, 2022 2023

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

80-0895227

(State or Other Jurisdiction of

(I.R.S. Employer

Incorporation or Organization)

Identification No.)

2006 Route 130 North

Burlington, New Jersey

08016

(Address of Principal Executive Offices)

(Zip Code)

(609) 387-7800

(Registrant's telephone number, including area code)

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

Title of each class

Trading Symbol(s)

Name of each exchange on which registered

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes No

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 a

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 has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b).

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

The aggregate market value of the common stock held by non-affiliates of the registrant on July 30, 2021 July 29, 2022, the last business day of the registrant's most recently completed second fiscal quarter, was \$22,270,802,256 9,229,223,447. The aggregate market value was computed by reference to the closing price of the common stock on such date.

As of February 26, 2022 February 25, 2023, there were 66,491,659 64,973,669 shares of common stock of the registrant outstanding.

Documents Incorporated By Reference:

Certain provisions of the registrant's definitive proxy statement for the 2021 2023 Annual Meeting of Stockholders, to be filed within 120 days of the close of the registrant's 2020 2022 fiscal year, are incorporated by reference in Part III of this Form 10-K to the extent described herein.

BURLINGTON STORES, INC.
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FOR THE FISCAL YEAR ENDED JANUARY 29, 2022 **28, 2023**

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CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This Annual 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 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, or make any other statement that is not a historical fact, we are making "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended (Securities Act), and Section 21E of the Securities Exchange Act of 1934, as amended (the Exchange Act). These forward-looking statements may relate to such matters as future impacts of the COVID-19 pandemic, current macroeconomic conditions, our future actions, including expected store openings and closings, ongoing strategic initiatives and the intended results of those initiatives, future performance or results, of current and anticipated sales, expenses and interest rates, and results, the effect of the adoption of recent or future accounting pronouncements 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 events or results

anticipated in these forward-looking statements as a result of a variety of factors, including each of the factors discussed in Item 1A, Risk Factors as well as risks and uncertainties discussed elsewhere in this Annual Report. While we believe that our assumptions are reasonable, we caution that it is very difficult to predict the impact of known factors, and it is impossible for us to anticipate all factors that could affect our actual future events or results. In light of these risks and uncertainties, the forward-looking events and circumstances discussed in this Annual Report might not occur. 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 do not undertake no obligation to publicly update or revise any our 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.

PART I

Item 1. Business

Overview

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 840 stores as of January 29, 2022 January 28, 2023, in 45 states and Puerto Rico. We have diversified our product categories by offering an extensive selection of in-season, fashion-focused merchandise at up to 60% off other retailers' prices, including: women's ready-to-wear apparel, menswear, youth apparel, baby, beauty, footwear, accessories, home, toys, gifts and coats. We sell a broad selection of desirable, first-quality, current-brand, labeled merchandise acquired directly from nationally recognized manufacturers and other suppliers.

We continue to focus on a number of ongoing initiatives aimed at increasing our overall profitability by driving comparable store sales growth, expanding and enhancing our retail store base, and enhancing operating margins. These initiatives include, but are not limited to, those discussed under "Ongoing Initiatives for Fiscal 2022|2023" in Item 7, Management's Discussion and Analysis of Financial Condition and Results of Operations.

As used in this Annual Report, the terms "Company," "we," "us," or "our" refer to Burlington Stores, Inc. and all of its subsidiaries.

Fiscal Year End

We define our fiscal year as the 52- or 53-week period ending on the Saturday closest to January 31. This Annual Report covers the 52-week fiscal year ended January 29, 2022 January 28, 2023 (Fiscal 2021|2022). The fiscal years ended January 29, 2022 (Fiscal 2021) and January 30, 2021 (Fiscal 2020) and February 1, 2020 (Fiscal 2019) also consisted of 52 weeks.

COVID-19

On March 11, 2020,

Results for Fiscal 2020 were significantly impacted by the World Health Organization declared the novel coronavirus (known as COVID-19) outbreak to be a global COVID-19 pandemic. As a result, we began the temporary closing of some of All our stores were temporarily closed for a portion of Fiscal 2020, resulting in a sales decline and effective March 22, 2020, we made the decision to temporarily close all of our stores, distribution centers (other than processing of received inventory) and corporate offices to combat the rapid spread of COVID-19. We began re-opening stores on May 11, 2020, with the majority of stores, as well as all distribution centers, re-opened by mid-June 2020, and substantially all stores re-opened by the end higher inventory markdowns. These store closures did not repeat in Fiscal 2021 or Fiscal 2022. However, certain lingering economic effects of the second quarter of Fiscal 2020.pandemic did continue to impact results, including supply chain disruptions.

1

In response to the COVID-19 pandemic and the temporary closing of our stores, we provided two weeks of financial support to associates impacted by these store closures and by the shutdown of distribution centers. We temporarily furloughed most store and distribution center associates, as well as some corporate associates, but continued to provide benefits to furloughed associates in accordance with our benefit plans. In addition, we paid 100% of their medical benefit premiums during the period they were furloughed. During the second quarter, we recalled all furloughed associates at our re-opened stores, as well as our corporate and distribution facilities.

In order to maintain financial flexibility during these uncertain times, we completed several debt transactions in the first quarter of Fiscal 2020. Refer to Note 7, "Long Term Debt," for further discussion regarding these debt transactions.

Additionally, we took the following steps to further enhance its financial flexibility:

- Carefully managed operating expenses, working capital and capital expenditures, including ceasing substantially all buying activities while stores were closed. We subsequently resumed its buying activities, while continuing its conservative approach toward operating expenses and capital expenditures;
- Negotiated rent deferral agreements with landlords, which were substantially complete as of the end of Fiscal 2021;
- Temporarily suspended our share repurchase program, which resumed during the third quarter of Fiscal 2021;
- Our CEO voluntarily agreed to not take a salary; our Board of Directors voluntarily forfeited their cash compensation; our executive leadership team voluntarily agreed to decrease their salary by 50%; and smaller salary reductions were temporarily put in place for all associates through a certain level. This compensation was reinstated once substantially all of our stores re-opened; and

- The annual incentive bonus payments related to Fiscal 2019 performance were delayed to the second quarter of Fiscal 2020, and merit pay increases for Fiscal 2020 were delayed to the third quarter of Fiscal 2020.

Due to the aging of inventory related to the temporary store closures discussed above, as well as the impact of seasonality on our merchandise, we recognized inventory markdown reserves of \$271.9 million during the three month period ended May 2, 2020. These reserves covered markdowns taken during the second quarter of Fiscal 2020. These charges were included in "Cost of sales" on the Consolidated Statement of Income (Loss).

On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act was signed into law, which provided emergency economic assistance for American workers, families and businesses affected by the COVID-19 pandemic. As a result of amending prior returns to carry back the federal net operating loss generated on the Fiscal 2020 tax return, we expect to obtain a one-time tax refund of \$245.5 million, which is included in the line item "Prepaid and other current assets" on our Consolidated Balance Sheet.

Our Stores

Over 99% of our net sales are derived from stores we operate as Burlington Stores. We believe that our customers are attracted to our stores principally by the availability of a large assortment of first-quality, current, brand-name merchandise at everyday low prices.

Burlington Stores offer customers a complete line of merchandise, including: women's ready-to-wear apparel, accessories, footwear, menswear, youth apparel, baby, beauty, footwear, accessories, home, coats, beauty, toys, gifts and gifts. Our broad selection provides a wide range of apparel, accessories and furnishings for all ages. 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. This enables us to obtain better terms with our suppliers, which we expect to help offset any rising costs of goods. Furthermore, we believe the "treasure hunt" nature of the off-price buying experience drives frequent visits to our stores.

We believe the breadth of our selection and our ability to successfully operate in stores of varying square footage represents a competitive advantage. We believe that, as we continue to reduce our comparable store inventory, we will be able to reduce the square footage of our stores while continuing to maintain our broad assortment.

2

Our store base is geographically diversified with stores located in 45 46 states and Puerto Rico as set forth below:

State	45			46			States			Puerto Rico		
	State	Count	of	Store	State	Count	of	Store	State	Count	of	Store
	S			S			S		S			S

AK	2	LA	7	NY	49	2	LA	7	NY	57
AL	7	MA	20	OH	28	10	MA	20	OH	30
AR	6	MD	19	OK	8	6	MD	21	OK	8
AZ	17	ME	3	OR	5	20	ME	3	OR	7
CA	88	MI	22	PA	40	101	MI	25	PA	41
CO	13	MN	11	PR	12	14	MN	13	PR	15
CT	14	MO	11	RI	5	15	MO	11	RI	6
DE	3	MS	3	SC	11	3	MS	2	SC	12
FL	80	NC	25	SD	1	93	NC	26	SD	1
GA	26	ND	1	TN	14	30	ND	1	TN	15
IA	4	NE	4	TX	91	4	NE	4	TX	100
ID	2	NH	4	UT	9	3	NH	4	UT	9
IL	41	NJ	41	VA	23	42	NJ	44	VA	26
IN	16	NM	4	WA	15	18	NM	5	WA	16
KS	5	NV	12	WI	10	5	NV	13	WI	10
KY	8					8			WV	1

Store Expansion and Real Estate Strategy

We continue to explore expansion opportunities both within our current market areas and in other regions. We believe that our ability to find satisfactory locations for our stores is essential for the continued growth of our business. The opening of stores generally is contingent upon a number of factors, including the availability of desirable locations with suitable structures and the negotiation of acceptable lease terms.

We have a proven track record of new store expansion. Our store base has grown from 13 stores in 1980 to 840 stores as of January 29, 2022 January 28, 2023. Based on our smaller store prototype, as well as the opportunity presented by accelerating retail disruption and industry wide store closures, we have increased our long-term store target to remains at 2,000 stores, up from our previous store target of 1,000 stores, which was established in connection with our IPO in 2013. stores. If we identify appropriate locations, including locations that fit our smaller store prototype, we believe that we will be able to execute our growth strategy without significantly impacting our current stores. The table below shows our store openings and closings each of the last three fiscal years.

	Fiscal 2021	Fiscal 2020	Fiscal 2019	Fiscal 2022	Fiscal 2021	Fiscal 2020
Stores (beginning of period)	761	727	675	840	761	727
Stores opened(a)(b)	84	45	60	91	84	45
Stores closed(a)	(5)	(11)	(8)	(4)	(5)	(11)

Stores (end of period)	840	761	727	927	840	761
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- (a) Exclusive of relocations.
- (b) Stores opened during Fiscal 2022, Fiscal 2021 and Fiscal 2020 and Fiscal 2019 had an average size of approximately 28,000, 31,000 40,000 and 42,000 40,000 square feet, respectively.

2

The total gross square footage of all stores as of the end of Fiscal 2022, Fiscal 2021, and Fiscal 2020 and Fiscal 2019 were 50.7 million, 49.6 million, 48.0 million, and 47.4 million 48.0 million, respectively. Of this total square footage, the area that represents the total selling square footage for all stores as of the end of Fiscal 2022, Fiscal 2021, and Fiscal 2020 and Fiscal 2019 were 31.0 million, 30.0 million, 32.3 million, and 32.0 million 32.3 million respectively. Total selling square footage decreased in Fiscal 2021 despite opening 79 net new stores, primarily due to optimizing the selling space at existing locations, as well as the smaller size of our new stores compared to prior years.

Distribution and Warehousing

We have five distribution centers that shipped approximately more than 99% of merchandise units to our stores in Fiscal 2021. 2022. The remaining 1% of merchandise units are drop shipped by our vendors directly to our stores. Our two east coast distribution centers are located in Edgewater Park, New Jersey and Burlington, New Jersey. Our three west coast distribution centers are located in San Bernardino, California, Redlands, California, and Riverside, California. These five distribution centers occupy an aggregate of 3,784,000 4,106,000 square feet, and each includes processing, shipping and storage capabilities. In addition, we entered into a lease during Fiscal 2021 for an additional distribution center in Logan, New Jersey occupying approximately 1,029,000 square feet. This building was used for storage and basic manual processing during Fiscal 2022, and is expected to be fully operational for storage during Fiscal 2022, and for processing and shipping during Fiscal 2023.

3

2024.

We also operate warehousing facilities to support our distribution centers. The east coast has three supporting warehouses located in Burlington, New Jersey. The west coast has two three supporting warehouses, located in Redlands, California, Riverside, California, and San Bernardino, California. We entered into a lease for the Riverside, California warehousing facility during Fiscal 2022, and the building is expected to become operational during Fiscal 2023. These five six warehousing facilities occupy an aggregate of 2,058,000 2,591,000 square feet and primarily serve as storage facilities.

	Calendar		Leased		Calendar		Leased	
	Year	Size	or	Year	Size	or	Year	Size
	Operational	(sq. feet)	Owned	Operational	(sq. feet)	Owned	Operational	(sq. feet)
Primary Distribution Centers:								
Edgewater Park, New Jersey (Route 130 South)(a)								
	2004	648,00	Owne	2004	648,00	Owne		
		0	d		0	d		
Burlington, New Jersey (Daniels Way)								
	2014	678,00	Lease	2014	1,000,0	Lease		
		0	d		00	d		
Logan, New Jersey (b)								
	2022	1,029,0	Lease	2022	1,029,0	Lease		
		00	d		00	d		
San Bernardino, California (E. Mill St)								
	2006	758,00	Lease	2006	758,00	Lease		
		0	d		0	d		
Redlands, California (Pioneer Ave)								
	2014	800,00	Lease	2014	800,00	Lease		
		0	d		0	d		
Riverside, California (Cactus Ave)								
	2021	900,00	Lease	2021	900,00	Lease		
		0	d		0	d		
Warehousing Facilities:								
Burlington, New Jersey (Route 130 North)(a)								
	1987	402,00	Owne	1987	525,00	Owne		
		0	d		0	d		
Burlington, New Jersey (Richards Run)								
	2017	511,00	Lease	2017	511,00	Lease		
		0	d		0	d		
Burlington, New Jersey (Daniels Way)								
	2020	208,00	Lease					
		0	d					
Burlington, New Jersey (Daniels Way) (c)								
				2020	208,00	Lease		
					0	d		
Redlands, California (River Bluff Ave)								
	2017	543,00	Lease	2017	543,00	Lease		
		0	d		0	d		
Riverside, California (Oleander Ave) (d)								
				2023	410,00	Lease		
					0	d		
San Bernardino, California (Waterman Ave)								
	2020	394,00	Lease	2020	394,00	Lease		
		0	d		0	d		

(a) Inclusive of corporate offices.

(b) This distribution center was used for storage and basic manual processing during Fiscal 2022. The building is expected to be fully operational during Fiscal 2024.

- (c) The lease for this distribution center was signed and warehousing facility is expected to terminate during Fiscal 2021 and 2023.
- (d) This warehousing facility is expected to become operational during Fiscal 2022 for storage and Fiscal 2023 for processing and shipping.

2023.

In addition to the distribution centers that we operate, we have arrangements with third parties for the use of pool point facilities, which we believe streamline and optimize our distribution network.

Customer Service

We are committed to providing our customers with an enjoyable shopping experience in stores that are clean, neat and easy to shop. In training our associates, our goal is to emphasize knowledgeable, friendly customer service and a sense of professional pride.

We have empowered our store teams to provide an outstanding customer experience for every customer in every store, every day. We have streamlined processes and will continue to strive to create opportunities for fast and friendly customer interactions. Our goal is to facilitate a “treasure-hunt” experience for our stores is to reflect customers with clean, organized merchandise presentations that highlight the brands, value and diversity of selection within our frequently refreshed assortments.

3

Our Off-Price Sourcing and Merchandising Model

We believe that our ability to chase sales within the off-price model enables us to provide our customers with products that are nationally branded, fashionable, high quality and priced right. We have an experienced team of General Merchandise Managers, Divisional Merchandise Managers and buyers that are continually focused on improving comparable store inventory turnover, inventory age and freshness of merchandise.

We continue to improve the quality of our brand portfolio, driven by the growth of our merchandising team, wide breadth of our product categories, and a vendor community increasingly committed to grow with Burlington. We carry many different brands, none of which accounted for more than 5% 6% of our net purchases during Fiscal 2021, 2022, Fiscal 2020 2021 or Fiscal 2019, 2020. We have no long-term purchase commitments or arrangements with any of our suppliers, and believe that we are not dependent on any one supplier. We continue to have good working relationships with our suppliers.

We have designed our merchant organization so that buyers focus primarily on buying, planners focus primarily on planning, and information systems help inform data-driven decisions for both groups. Buyers are in the market each week and focus on purchasing great products for great value. We seek to purchase a majority of our merchandise in-season. Buyers spend time interacting face-to-face with new and existing vendors and on continuously evaluating trends in the

market to which we believe our customers would respond positively. Our buyers use a merchant scorecard that rates products across four key attributes—fashion, quality, brand and price—to help formalize a framework for buying decisions.

4

Our merchandising model allows us to provide our customers with a wide breadth of product categories. Sales percentage by major product category over the last three fiscal years was as follows:

Category	Fiscal 2021	Fiscal 2020	Fiscal 2019
Ladies apparel	23%	20%	21%
Accessories and shoes	23%	24%	26%
Home	20%	21%	17%
Mens apparel	16%	16%	17%
Kids apparel and baby	14%	15%	15%
Outerwear	4%	4%	4%

Certain classifications have been updated in the above table compared to prior years in order to conform to the manner in which we manage our operations. These updates include a shift in certain cold weather categories from apparel to accessories and footwear, as well as in certain gifts, electronics, automotive and other miscellaneous categories from menswear to home. Prior year amounts have been reclassified to conform to the current period presentation.

The sales mix for Fiscal 2020 in the above table was significantly impacted by the COVID-19 pandemic, and may not be reflective of continuing trends.

Category	Fiscal 2022	Fiscal 2021	Fiscal 2020
Ladies apparel	22%	23%	20%
Accessories and shoes	24%	23%	24%
Home	21%	20%	21%
Mens apparel	17%	16%	16%
Kids apparel and baby	12%	14%	15%
Outerwear	4%	4%	4%

Human Capital Resources

Attracting, developing and retaining top talent is key to our growth, and our success depends on cultivating an engaged and motivated workforce. Our goal is to create a welcoming, diverse and inclusive environment where our associates can build a career for life.

Oversight and Management

Our Human Resources department is tasked with managing associate-related matters, including recruiting and hiring, compensation and benefits, performance management, and learning and development. In addition, our management and cross-functional teams also work closely to evaluate human capital management issues such as associate retention and workplace safety, as well as to implement measures to mitigate these risks. This process is informed by the results of our annual associate survey, which is discussed in further detail below.

Our Board of Directors and Board committees provide oversight on certain human capital matters. For example, our Compensation Committee is responsible for, among other things, developing and reviewing executive management succession plans and reviewing our compensation policies for executives and associates generally to assess (i) whether the compensation structure establishes appropriate incentives and (ii) the risks associated with such policies and practices. In addition, our Nominating and Corporate Governance Committee provides oversight of the reviews environmental, social political and environmental governance ("ESG") trends, issues and concerns, including legislative and regulatory developments, that could significantly affect our public affairs. Our Board of Directors provides oversight of ESG matters.

Associates

As of January 29, 2022 January 28, 2023, we employed 62,395 61,166 associates, including 47,592 46,297 part-time and seasonal associates. Of those associates, 86% 88% worked in our stores, 10% 8% worked in our distribution centers and 4% worked in our corporate organization. As of January 29, 2022 January 28, 2023, 74% of our associates self-identified as female and 78% 77% of our associates self-identified as having a racial or ethnic minority background.

4

Our staffing requirements fluctuate during the year as a result of the seasonality of our business. We hire additional associates and increase the hours of part-time associates during seasonal peak selling periods. As of January 29, 2022 January 28, 2023, associates at one of our stores were subject to a collective bargaining agreement.

Corporate Culture

We recognize the critical importance of talent and culture to our success. Our value proposition, "Our Burlington," which defines who we are as an employer and what is important to us as a team, is based on five tenets:

- *We Are an Off-Price Retailer:* We deliver great values to our customers every day.
- *We Live by Our Core Values:* Drive Results. Trust & Respect Each Other. Build Teams & Partnerships.

5

- *We Believe Everyone Matters:* We listen to the individual viewpoints of our diverse workforce through open and honest communication.

- *We Win Together:* We recognize those who make a difference. Great performance leads to exciting career opportunities.
- *We Are a Caring Company:* We have a caring work environment, and the generosity of our associates and customers helps to improve the communities we live and work in and beyond.

We conduct an annual associate survey to measure associate engagement. The survey results help us understand the associate experience, evaluate our performance, identify our strengths and pinpoint opportunities for improvement. Our 2021 survey, which included feedback from more than 43,000 associates, revealed: 92% believe Burlington makes it easy for people from diverse backgrounds to fit in and be accepted; 90% reported that their manager treats them with dignity and respect; and 86% believe in our Core Values.

Diversity, Equity and Inclusion

As Burlington continues to grow, innovate, and thrive, we are integrating diversity, equity, and inclusion (DEI) ("DEI") best practices across the entire spectrum of business functions. In 2021, Burlington developed a new DEI strategy and governance framework to support this effort.

Our DEI strategy consists of five pillars that support all areas of the business:

- Leadership & Workforce Diversity
- Inclusive & Equitable Environments for Associates and Customers
- Enhanced Education & Awareness
- Product, Vendor & Supplier Diversity.
- Enhanced Education & Awareness
- Product, Vendor & Supplier Diversity
- Community Advocacy

Further evidencing our commitment to advancing DEI,

Burlington welcomed three new DEI leaders since the beginning of Fiscal 2021, who will oversee our ongoing efforts.

The has a DEI team will be that is further supported by an enhanced governance structure consisting of additional DEI counsels to support corporate, merchandising, distribution centers, and field/store operations, along with expanded Associate Resource Groups, which will give gives associates more ways to participate in DEI efforts as members of an associate-led community.

Learning and Development

We support our associates' career growth by offering a blended learning approach that includes online education, on-the-job training, coaching and career development. All associates, including full- and part-time, in our stores, distribution centers and corporate offices, are offered training and development opportunities. Our learning and development programs

are integral to the development of our associates and enable them to take on new and expanded roles across our organization.

Compensation and Benefits

As part of our commitment to offer competitive wages, Burlington works to ensure that our pay structure aligns with industry standards. In addition to being merit based, Burlington reviews compensation for all associates at every level of the business based on market analysis, seeking to ensure associates are fairly and appropriately compensated. Through this process, we have increased the wages of our hourly associates every year since 2010. We also offer a wide array of benefits for our associates and their families, including health and wellness and retirement benefits.

Customer Demographic

Our core customer is 25-49 years old, has an average annual household income of \$25,000-\$100,000, and is more ethnically diverse than the general population. The core customer is educated, resides in mid- to large-sized metropolitan areas and shops for themselves, their family, and their home. We appeal to value seeking and brand conscious customers who understand the off-price model and love the thrill of the hunt.

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Marketing and Advertising

We use a mix of broad-based and targeted marketing strategies to efficiently deliver the right message to our audience at the right time. Broad-based strategies include television and radio, while our digital and streaming audio strategies allow for more personalized and targeted messaging. Email reaches our best customers, while social marketing, including relationships with influencers, allows for authentic consumer engagement.

During Fiscal 2020, we made a strategic business decision to transition from an e-commerce website to a marketing content-based website designed to inspire consumers to shop in stores. Today, Burlington.com highlights our great merchandise values, while encouraging customers to visit our stores to discover fantastic deals on the brands and products they love - from stylish apparel to everything they need and want for their entire family and home. Merchandise sold directly from our website represented approximately 0.5% of our total sales in Fiscal 2019.

During Fiscal 2019, we launched a private label credit card program in all our stores. We believe this program has the potential to deepen customer loyalty, inform customer contact strategies, and drive increases in trip frequency and transaction size.

Competition

The U.S. retail apparel and home furnishings markets are highly fragmented and competitive. We compete on the basis of a combination of factors, including, among others, price, breadth, quality and style of merchandise offered, in-store experience, level of customer service, ability to identify and respond to new and emerging fashion trends, brand image and scalability. We compete for business with department stores, off-price retailers, specialty stores, online retailers, 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 stores.

Seasonality

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 is also 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 increased by early cold weather during the Fall, while sales of warm weather clothing are improved 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.

Trademarks

We are the owner of certain registered and common law trademarks, service marks and tradenames (collectively referred to as the Marks) that we use in connection with our business. Our Marks include, but are not limited to, "Burlington Stores," "BCF," "Burlington," "Burlington Coat Factory," "Cohoes," "MJM Designer Shoes," "B" and "Baby Depot." We consider these Marks and the accompanying name recognition to be valuable to our business. We believe that our rights to these properties are adequately protected. Our rights in these Marks endure for as long as they are used.

Available Information

We are subject to the reporting requirements of the Exchange Act. Therefore, we file reports, proxy statements and other information with the Securities and Exchange Commission (SEC). The SEC maintains a website (www.sec.gov) that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC, including us.

You can access financial and other information about us in the Investor Relations page of our website at www.burlingtoninvestors.com. We make available through our website, free of charge, copies of our annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and amendments to those reports filed with or furnished to the SEC under Section 13(a) or 15(d) of the Exchange Act as soon as reasonably practicable after electronically filing or furnishing such material to the SEC.

Investors and others should note that we currently announce material information using SEC filings, press releases, public conference calls and webcasts. In the future, we will continue to use these channels to distribute material information

about the Company, and may also utilize our website and/or various social media sites to communicate important information about the Company, key personnel, new brands and services, trends, new marketing campaigns, corporate initiatives and other matters. Information that we post on our website or on social media channels could be deemed material; therefore, we encourage investors, the media, our customers, business partners and others interested in the Company to review the information posted on our website, as well

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as the following social media channels: Facebook (www.facebook.com/BurlingtonStores) and Twitter (www.twitter.com/burlington). Any updates to the list of social media channels we may use to communicate material information will be posted on the Investor Relations page of our website at www.burlingtoninvestors.com.

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The information contained on, or accessible through, our website and these social media channels is not part of this Annual Report and is therefore not incorporated by reference. The references to our website and these social media channels are intended to be inactive textual references only.

Item 1A. Risk Factors

Set forth below are material risks and uncertainties that could adversely affect our results of operations, financial condition or cash flows and cause our actual results to differ materially from those expressed in forward-looking statements made by us. Although we believe that we have identified and discussed below the key risks and uncertainties affecting our business, there may be additional risks and uncertainties that are not presently known or that are not currently believed to be material that may adversely affect our results of operations, financial condition or cash flows. Before making an investment decision, you should carefully consider the risks and uncertainties described below together with all of the other information included or incorporated by reference in this Annual Report.

Macroeconomic, Industry and Business Risks

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

Consumer spending habits are affected by, among other things, prevailing global economic conditions, inflation (including the costs of basic necessities and other goods), levels of employment, salaries and wage rates, prevailing interest rates, housing costs, energy costs, commodities pricing, income tax rates and policies, consumer confidence and consumer perception of economic conditions. In addition, consumer purchasing patterns may be influenced by consumers' disposable income, credit availability and debt levels. Slowdown in the U.S. economy, an uncertain global economic outlook, interest rate volatility, or a credit crisis could adversely affect consumer spending habits, resulting in lower net sales

and profits than expected on a quarterly or annual basis. Consumer confidence is also affected by the domestic and international political situation and periods of social unrest. The occurrence of terrorist acts or other hostilities in or affecting the U.S. could lead to a decrease in spending by consumers. In addition, natural disasters, industrial accidents, acts of war, and public health issues such as pandemics or epidemics 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.

We have also experienced inflationary pressure in our supply chain and with respect to raw materials and finished goods to a greater extent than we have in recent years due to current economic conditions. There can be no assurance that we will be able to offset inflationary pressure and other fluctuations in costs in the future, or that consumer behavior or our business, operations, liquidity, and/or financial results, will not be negatively affected by continued inflation in the future. We may not be able to adequately increase our prices over time to offset increased costs, whether due to inflation or otherwise. Any decreases in consumer discretionary spending could result in a decrease in store traffic and same store sales, all of which could negatively affect the Company's business, operations, liquidity, financial results and/or stock price, particularly if consumer spending levels are depressed for a prolonged period of time.

The COVID-19 pandemic has significantly adversely impacted, and is expected to continue to future outbreaks of COVID-19, new COVID-19 variants or other public health-related concerns could adversely impact, our business.

Governmental authorities nationally and locally have taken numerous actions and mandated various restrictions in an effort to slow the spread of COVID-19, including travel restrictions, restrictions on public gatherings, "shelter at home" orders and advisories, temporary closure of non-essential businesses and quarantining of people who may have been exposed to the virus. While several of these measures have since eased, other restrictions such as vaccine and mask mandates and testing requirements have been newly imposed or proposed, and the recovery process is uncertain. The COVID-19 pandemic has had a sustained adverse impact on global economic activity and caused significant volatility and negative pressure in financial markets, labor markets and the global supply chain.

The pandemic has disrupted our business and has had a significant adverse impact on our financial performance and condition, operating results, liquidity and cash flows. In particular, in Fiscal 2020, the Company temporarily closed all of its stores, distribution centers (other than processing of received inventory) and corporate offices for a period of months to combat the rapid spread of COVID-19. In addition, as a result of the uncertainty regarding the COVID-19 pandemic, the Company took a number of measures in Fiscal 2020 to manage its liquidity, including careful management of operating expenses, working capital and capital expenditures, as well as temporarily suspending the Company's share repurchase program. The COVID-19 pandemic had a sustained adverse impact on global economic activity and caused significant volatility and negative pressure in financial markets, labor markets and the global supply chain.

During the COVID-19 pandemic, governmental authorities nationally and locally took, and may in the future take, numerous actions in an effort to slow the spread of COVID-19, including travel restrictions, restrictions on public gatherings, "shelter at home" orders and advisories, temporary closure of non-essential businesses and quarantining of people who may have been exposed to the virus. While the impact of the COVID-19 pandemic on our business has largely abated at this time, and the U.S. has announced that the COVID-19 health emergency will expire in May 2023, the impact of COVID-

19, including the impact of restrictions imposed to combat its spread, could adversely impact our business, in particular in the event that infection rates in the U.S. rise or new COVID-19 variants emerge.

Future outbreaks of the COVID-19 may continue to pandemic, new COVID-19 variants or other public health-related concerns could adversely impact and cause disruption to our business, financial performance and condition, operating results, liquidity and cash flows. Factors

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that could negatively impact our ability to successfully operate during the current or future outbreaks of the COVID-19 pandemic, new COVID-19 variants or other public health-related concerns, either more broadly or within our stores, include:

- our ability to continue to operate and preserve liquidity;
- our ability to retain and incentivize associates;
- our ability to manage supply chain disruptions due to closed factories or distribution centers or other events, reduce workforces or labor shortages, increased labor and materials costs, scarcity of raw materials and scrutiny or embarguing of goods produced in affected areas;
- reduced demand for the merchandise we sell or our ability to move existing inventory, including potentially having to sell existing inventory at a discount or write-down the value of inventory, and the costs, challenges and expenses of updating, procuring and replacing inventory;
- delays in, or our ability to complete, planned store openings on the expected terms or timing, or at all;

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- fluctuations in regional and local economies, including inflation, and related impacts on consumer confidence and spending;
- our ability to attract customers to our stores, and the willingness of our associates to staff our stores and distribution centers, given the risks, or perceived risks, of gathering in public places;
- our ability to negotiate payment terms with vendors and landlords;
- the impact of pandemic-related litigation or claims from customers, associates, suppliers, regulators or other third parties;
- incremental costs to operate during a pandemic, including costs of implementing additional safety measures; and
- difficulty accessing debt and equity capital on attractive terms, or at all, to fund business operations or address maturing liabilities.

The extent of the continuing impact future outbreaks of the COVID-19 pandemic, new COVID-19 variants or other public health-related concerns on our business, financial performance and condition, operating results, liquidity and cash flows will depend largely on future developments, including the production and administration of effective medical treatments and vaccines, the timing and extent of the recovery in traffic and consumer spending at our stores, additional

costs and delays related to our supply chain, reduced workforces or labor shortages and scarcity of raw materials, and any future required store closures, because of COVID-19 resurgences, all of which are highly uncertain and cannot be predicted. COVID-19 presents material uncertainty and risk with respect to our business, financial performance and condition, operating results, liquidity and cash flows. To the extent that future outbreaks of the COVID-19 pandemic, new COVID-19 variants or other viruses adversely affects affect our business and financial results, if they may also have the effect of heightening many of the other risks described throughout this Annual Report.

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

Consumer spending habits are affected by, among other things, prevailing global economic conditions, inflation, including the costs of basic necessities and other goods, levels of employment, salaries and wage rates, prevailing interest rates, housing costs, energy costs, commodities pricing, income tax rates and policies, consumer confidence and consumer perception of economic conditions. In addition, consumer purchasing patterns may be influenced by consumers' disposable income, credit availability and debt levels. Slowdown in the U.S. economy, an uncertain global economic outlook (such as that caused by the COVID-19 pandemic) or a credit crisis could adversely affect consumer spending habits, resulting in lower net sales and profits than expected on a quarterly or annual basis. Consumer confidence is also affected by the domestic and international political situation and periods of social unrest. The outbreak or escalation of war, or the occurrence of terrorist acts or other hostilities in or affecting the U.S. could lead to a decrease in spending by consumers. In addition, natural disasters, industrial accidents, acts of war, and public health issues such as pandemics or epidemics could have the effect of disrupting supplies and raising prices globally (such as that caused by the COVID-19 pandemic) which, in turn, may have adverse effects on the world and U.S. economies and lead to a downturn in consumer confidence and spending.

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

We face increased competition from other retailers that could adversely affect our business.

The retail sector is highly competitive, and retailers are constantly adjusting their business models, promotional activities and pricing strategies in response to changing conditions. We compete on the basis of a combination of factors, including, among others, price, breadth, quality and style of merchandise offered, in-store experience, level of customer service, ability to identify and respond to new and emerging fashion trends, brand image and scalability. We compete with a wide variety of retailers for customers, vendors, suitable store locations and personnel. In order to increase traffic and drive consumer spending, competitors, including department stores, mass merchants and specialty apparel stores, have been offering brand-name merchandise at substantial markdowns.

Continuation of this trend, or the possible effect on consumer buying patterns that improving economic conditions could have, may cause consumer demand to shift from off-price retailers to other retailers, which could have a material adverse effect on our business and results of operations.

Certain traditional, full-price retail chains have developed off-price concepts, which may directly compete with our business. Our competitors, including such retail chains, may seek to emulate facets of our business strategy, which could result in a reduction of any competitive advantage or special appeal that we might possess. In addition, most of our products are sold to us on a non-exclusive basis. As a result, our current and future competitors may be able to duplicate or improve on some or all of our product offerings that we believe are important in differentiating our stores. If our competitors were to duplicate or improve on some or all of our in-store experience or product offerings, obtaining the products we sell may become increasingly difficult, competition for customers may increase, and our competitive position and our business could suffer.

Our net sales, operating income and inventory levels fluctuate on a seasonal basis.

Our net sales and operating income fluctuate seasonally, with a higher level of our operating income typically realized during the second half of the year. Any decrease in sales or margins during this period could have a disproportionate effect on our financial condition and results of operations. Seasonal fluctuations also affect our inventory levels. We must carry a significant amount of

inventory, especially before the holiday season selling period. If we are not successful in selling our inventory, we may have to write down our inventory or sell it at significantly reduced prices or we may not be able to sell such inventory at all, which could have a material adverse effect on our financial condition and results of operations.

A reduction in traffic to, or the closing of, the other destination retailers in the shopping areas where our stores are located could significantly reduce our sales.

Many of our stores are strategically located in off-mall shopping areas known as "power centers." Power centers typically contain three to five big-box anchor stores along with a variety of smaller specialty tenants. Due to many of our stores being located in such shopping areas, our sales are derived, in part, from the volume of traffic generated by the other destination retailers and the anchor stores in power centers where our stores are located. Customer traffic to these shopping areas may be adversely affected by the closing of such destination retailers or anchor stores, or by a reduction in traffic to such stores resulting from a regional or global economic downturn, a general downturn in the local area where our store is located, or a decline in the desirability of the shopping environment of a particular power center. Such a reduction in customer traffic would reduce our sales and leave us with excess inventory, which could have a material adverse effect on our business, financial condition, profitability and cash flows. We may respond by increasing markdowns or transferring product to other stores to reduce excess inventory, which would further decrease our gross profits and net income.

Failure to identify customer trends and preferences to meet customer demand could negatively impact our performance and reputation.

Because our success depends on our ability to meet customer demand, we work to follow customer trends and preferences on an ongoing basis and to buy inventory in response to those trends and preferences. However, identifying consumer trends and preferences in the diverse product lines and many markets in which we do business and successfully meeting customer demand across those lines and for those markets on a timely basis is challenging. Although our flexible business model allows us to buy close to need and in response to consumer preferences and trends, and to expand and contract merchandise categories in response to consumers' changing tastes, we may not do so successfully, which could adversely affect our sales and the markdowns required to move the resulting excess inventory will adversely affect our operating margins.

Customers may also have expectations about how they shop in stores, or more generally engage with businesses across different channels or media (through internet-based and other digital or mobile channels or particular forms of social media), which may vary across demographics and may evolve rapidly. Customers are increasingly using technology and mobile devices to rapidly compare products and prices and to purchase products. Failure to effectively meet these changing expectations and demands may adversely impact our reputation and our financial results.

We may be unable to meet our environmental, social or governance ("ESG") goals or otherwise meet the expectations of our stakeholders with respect to ESG matters.

Many stakeholders, including investors, customers, employees, consumers and others, have increasingly focused on ESG topics, including environmental sustainability and corporate social responsibility matters including such as climate change, packaging and waste reduction, energy consumption, and diversity, equity and inclusion. We face pressures from these constituencies to meet our goals related to, and to make significant advancements toward achievements in, these areas. Achievement of our goals is subject to risks and uncertainties, many of which are outside of our control, and it is possible that we may fail to achieve these goals or that these constituencies may not be satisfied with the goals we set or our efforts to achieve them. Our disclosure on these matters and our failure, or perceived failure, to meet our commitments goals and otherwise effectively address these matters, could harm our reputation, which could negatively impact our business, our relationship with our various stakeholders, and our results of operations.

10 In addition, developing and acting on ESG initiatives, including collecting, measuring and reporting related data, can be costly, difficult and time consuming. Significant expenditures and commitment of time by management, employees and outside advisors may be involved in developing, implementing and overseeing policies, practices and internal controls related to ESG risk and performance, and we may undertake additional costs to control, assess and report on ESG metrics as the nature, scope and complexity of ESG reporting, diligence and disclosure requirements expand. Such costs may have an adverse impact our business and results of operations.

We also may face potential governmental enforcement actions or private litigation challenging our ESG and sustainability goals, or our disclosure of those goals and our metrics for measuring achievement of them, which may increase our costs of compliance.

Extreme and/or unseasonable weather conditions caused by climate change or otherwise, or natural disasters, could have a significant adverse effect on our business.

Our business is susceptible to risks associated with climate change, which may cause more frequent and extreme weather events. Extreme weather conditions in the areas in which our stores or distribution centers are located - especially in areas with a high

concentration of our stores - could have a material adverse effect on our business, financial condition and results of operations. For example, heavy snowfall or other extreme weather conditions over a prolonged period, caused by climate change or otherwise, might make it difficult for our customers or employees to travel to our stores. In addition, natural disasters such as hurricanes, tornados, floods, earthquakes, and other extreme weather or climate conditions, or a combination of these or other factors, could severely damage or destroy one or more of our stores or distribution facilities located in the affected areas, or disrupt our computer systems, thereby disrupting our business operations. Any of these events or circumstances also could disrupt the operations of one or more of our vendors. Day-to-day operations, particularly our ability to receive products from our vendors or transport products to our stores, could be adversely affected, or we could be required to close stores.

Our business is also susceptible to unseasonable weather conditions. For example, extended periods of unseasonably warm temperatures during the Fall or Winter seasons or cool weather during the Spring or Summer seasons could render a portion of our inventory incompatible with those unseasonable conditions, particularly in light of our historical product mix. These prolonged unseasonable weather conditions could adversely affect our business, financial condition and results of operations. In addition, because higher net sales historically have occurred during the second half of the year, unseasonably warm weather during these months could have a disproportionately large effect on our business and materially adversely affect our financial condition and results of operations.

Strategic Risks

We may not be able to sustain our growth plans or successfully implement our long-range strategic goals.

Our growth largely depends on our ability to successfully open and operate new stores, as well as to expand our distribution capabilities in order to support that growth. While we have identified numerous market opportunities that we believe will allow us to operate 2,000 stores over the long term, the success of these strategies is dependent upon, among other things, the current retail environment, the identification of suitable markets and the availability of real estate that meets our criteria for traffic, square footage, co-tenancies, lease economics, demographics and other factors, the negotiation of acceptable lease terms, construction costs, the availability of financing, the hiring, training and retention of competent sales personnel, and the effective management of inventory to meet the needs of new and existing stores on a timely basis.

Notably, as we continue to evolve our off-price model, we plan on more effectively chasing the sales trend, making greater investments in our merchandising capabilities, operating with leaner inventories, improving operational flexibility, and challenging expenses, among other things. Executing these initiatives while also maintaining the current pace of our expansion may place increased demands on our operational, managerial and administrative resources. These initiatives may require us to increase the number of merchants and other associates we employ, modify how we manage our liquidity and inventory, as well as to monitor and upgrade our management information and other systems and our distribution infrastructure.

We may not be able to successfully execute our growth and other strategies on a timely basis or at all. If we fail to implement these strategies successfully, if we cannot keep up with the pace required for execution, or if these strategies do not yield the desired outcomes, our financial condition and results of operations would be adversely affected.

Failure to execute our opportunistic buying and inventory management process could adversely affect our business.

We purchase the majority of our inventory opportunistically, with our buyers purchasing close to need. Establishing the “treasure hunt” nature of the off-price buying experience to drive traffic to our stores requires us to offer changing assortments of merchandise in our stores. While opportunistic purchasing provides our buyers the ability to buy at desirable times and prices, in the quantities we need and into market trends, it places considerable discretion with our buyers, which subjects us to risks related to the pricing, quantity, nature and timing of inventory flowing to our stores. If we are unable to provide frequent replenishment of fresh, high quality, attractively priced merchandise in our stores, it could adversely affect traffic to our stores as well as our sales and margins. We base our purchases of inventory, in part, on our sales forecasts. If our sales forecasts do not match customer demand, we may experience higher inventory levels and need to markdown mark down excess or slow-moving inventory, leading to decreased profit margins, or we may have insufficient inventory to meet customer demand, leading to lost sales, either of which could adversely affect our financial performance. We need to purchase inventory sufficiently below conventional retail to maintain our pricing differential to regular department and specialty store prices, and to attract customers and sustain our margins, which we may not achieve at various times and which could adversely affect our results

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results.

In order to better serve our customers and maximize sales, we must properly execute our inventory management strategies by appropriately allocating merchandise among our stores, timely and efficiently distributing inventory to such locations, maintaining an appropriate mix and level of inventory in such locations, appropriately changing the allocation of floor space of stores among product categories to respond to customer demand, and effectively managing pricing and markdowns, and there is no assurance we will be able to do so. In addition, as we execute inventory localization initiatives, there could be disruptions in inventory flow and placement. Failure to effectively execute our opportunistic inventory buying and inventory management strategies could adversely affect our performance and our reputation.

In addition to our own execution, we may need to react to factors affecting inventory flow that are outside our control, such as adverse weather, natural disasters, epidemics or pandemics (including COVID-19) or other changes in conditions affecting our vendors and others in our supply chain, such as political instability, labor issues (including strikes or threats of strikes and scarcity of labor) and increased labor costs, reduced freight capacity and other transportation issues, or increasing cost of regulations. If we are not able to adjust appropriately to such factors, our inventory management may be affected, which could impact our performance and our reputation.

Operational Risks

If we cannot optimize our existing stores or maintain favorable lease terms, our growth strategy and profitability could be negatively impacted.

We lease substantially all of our store locations. Most of our current leases expire at various dates after ten-year terms, the majority of which are subject to our option to renew such leases for several additional five-year periods. While we have the right to terminate some of our leases under specified conditions, including by making specified payments, we may not be able to terminate a particular lease if or when we would like to close a particular store. If we decide to close stores, we are generally required to continue to perform obligations under the applicable leases, which generally include, among other things, paying rent and operating expenses for the balance of the lease term, or paying to exercise rights to terminate, and performing any of these obligations may be expensive. When we assign leases or sublease space to third parties, we may remain liable on the lease obligations, which could lead to significant expense if the assignee or sublessee does not perform. In addition, when the lease terms for the stores in our ongoing operations expire, our ability to renew such expiring leases on commercially acceptable terms or, if such leases cannot be renewed, our ability to lease a suitable alternative location, and our ability to enter into leases for new stores on favorable terms will each depend on many factors, some of which may not be within our control, such as conditions in the local real estate market, competition for desirable properties and our relationships with current and prospective lessors. As we renew and replace our store leases, we also strive to optimize the size of our existing stores to ensure maximum space utilization, which frequently means adjusting operations to accommodate smaller space through alternative floor plans and inventory turn optimization.

In addition, to the extent that our new store openings are in existing markets, we may experience reduced net sales volumes in existing stores in those markets. If we experience a decline in performance or lease payment allowances from our lessors become unavailable, we may slow or discontinue store openings, relocations, refreshes and/or remodels.

If any of the foregoing occurs, our growth and profitability may be negatively impacted.

If we are unable to purchase attractive brand name merchandise in sufficient quantities at competitive prices, we may be unable to offer an appealing merchandise mix and our sales may be harmed.

Our ability to purchase merchandise opportunistically from third party vendors depends upon the continuous, sufficient availability of high quality merchandise that we can acquire at prices sufficiently below those paid by conventional retailers in order to achieve the value proposition we strive to provide to our customers. Some of our key vendors may limit the number of retail channels they use to sell their merchandise, which may result in intense competition among retailers to obtain and sell these goods. Moreover, we typically buy products from our vendors on a purchase order basis. We have no long-term purchase contracts with any of our vendors and, therefore, have no contractual assurances of continued supply, pricing or access to products, and any vendor could change the terms upon which they sell to us or discontinue selling to us at any time. Finally, if our vendors are better able to manage their inventory levels and reduce the amount of their excess inventory, the amount of high quality merchandise available to us could be materially reduced.

If our relationships with our vendors are disrupted, we may not be able to acquire the merchandise we require in sufficient quantities or on terms acceptable to us. Any inability to acquire high quality merchandise would have a negative effect on our business and operating results because we would be missing products from our merchandise mix unless and until alternative supply arrangements were made, resulting in deferred or lost sales. In addition, events that adversely affect our vendors could impair our

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ability to obtain desired merchandise in sufficient quantities. Such events include difficulties or problems associated with our vendors' businesses, finances, labor, importation of products, costs, production, insurance and reputation.

Our failure to attract, train and retain quality employees and temporary personnel in appropriate sufficient numbers could adversely affect our business.

Our performance depends on recruiting, developing, training and retaining quality sales, systems, store, distribution center and other employees in large numbers as well as experienced buying and management personnel, and we invest significant resources in training and motivating them to maintain a high level of job satisfaction. Many of our store and distribution center employees are in entry level or part-time positions with historically high rates of turnover, which can lead to increased training and retention costs, particularly if employment opportunities increase including in light of the ongoing "great resignation" occurring throughout the U.S. economy. Availability and skill of employees may differ across markets in which we do business and in new markets we enter, and we need to manage our labor needs effectively.

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In addition, because of the distinctive nature of our off-price model, we must provide significant internal training and development for key employees across the company, including within our buying organization. Similar to other retailers, we face challenges in securing and retaining sufficient talent in management and other key areas for many reasons, including competition in the retail industry generally and for talent in various geographic markets. If we do not continue to attract

qualified individuals, train them in our business model, support their development and retain them, our performance could be adversely affected or our growth could be limited.

We are also dependent upon temporary personnel to adequately staff our stores and distribution facilities, with heightened dependence during busy periods such as the holiday season and when multiple new stores are opening. Although we strive to secure long-term contracts on favorable terms with our service providers and other vendors, we may not be able to avoid unexpected operating cost increases in the future, such as those associated with minimum wage increases or enhanced health care requirements. In addition, there can be no assurance that we will receive adequate assistance from our temporary personnel, or that there will be sufficient sources of suitable temporary personnel to meet our demand. Any such failure to meet our staffing needs or any material increases in associate turnover rates could have a material adverse effect on our business or results of operations. Further, any negative publicity regarding the agencies from which we source temporary personnel, such as in connection with immigration issues or employment practices, could damage our reputation, disrupt our ability to obtain needed labor or result in financial harm to our business.

Labor costs, including healthcare costs, and other challenges from our large workforce may adversely affect our results and profitability.

We have a large workforce, and our ability to meet our labor needs while controlling costs, including costs of providing health, retirement and other associate benefits, is subject to various factors such as unemployment levels; prevailing wage rates and minimum wage requirements; participant benefit levels; economic conditions; interest rate changes; health and other insurance costs; and the regulatory environment, including health care legislation, and with respect to governmental labor and employment and associate benefits programs and requirements. When wage rates or benefit levels increase in the market or the unemployment rate is otherwise low, increasing our wages or benefits to compete for employees may cause our earnings to decrease, while failing to increase our wages or benefits competitively or reducing our wages or benefits could result in a decline in our ability to attract or retain employees or in the quality of our workforce, causing our customer service or performance to suffer, which could negatively impact our results.

Parties with whom we do business may be subject to insolvency risks or may otherwise become unable or unwilling to perform their obligations to us.

We are party to contracts, transactions and business relationships with various third parties, including vendors, suppliers, service providers and lenders, pursuant to which such third parties have performance, payment and other obligations to us. In some cases, we depend upon such third parties to provide essential leaseholds, products, services or other benefits, including with respect to store and distribution center locations, merchandise, advertising, software development and support, logistics, other agreements for goods and services in order to operate our business in the ordinary course, extensions of credit, hedging instruments and other vital matters. Economic, industry and market conditions could result in increased risks to us associated with the potential financial distress of such third parties.

If any of the third parties with which we do business become subject to bankruptcy, receivership or similar insolvency proceedings, our rights and benefits in relation to our contracts, transactions and business relationships with

such third parties could be terminated, modified in a manner adverse to us, or otherwise impaired. We cannot make any assurances that we would be able to arrange for alternate or replacement contracts, transactions or business relationships on terms as favorable as our existing contracts,

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transactions or business relationships, if at all. Any inability on our part to do so could negatively affect our cash flows, financial condition and results of operations.

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

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

Such factors include:

- political or labor instability in countries where vendors are located or at foreign ports which could result in len shipment delays, which, **particularly** if timed ahead of the Fall and Winter peak selling periods, could materially adversely affect our ability to stock inventory on a timely basis;
- disruptions in the operations of domestic ports through which we import our merchandise, including labor disp involving work slowdowns, lockouts or strikes, which could require us and/or our vendors to ship merchandis alternative ports in

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the United States or through the use of more expensive means, and shipping to alternative ports in the United St could result in increased lead times and transportation costs; disruptions at ports through which we import our gc could also result in unanticipated inventory shortages;

- political or military conflict, which could cause a delay in the transportation of our products to us and an increas transportation costs;
- heightened terrorism security concerns, which could subject imported goods to additional, more frequent or n thorough inspections, leading to delays in deliveries or impoundment of goods for extended periods;
- disease epidemics, pandemics (including COVID-19), outbreaks and other health-related concerns, which could re in closed factories, reduced workforces, scarcity of raw materials and scrutiny or embagoing of goods produce affected areas;
- natural disasters and industrial accidents, which could have the effect of curtailing production and disrupting suppl
- increases in labor and production costs in goods-producing countries, which would result in an increase in inventory costs;

- the migration and development of manufacturers, which can affect where our products are or will be produced;
- fluctuation in our vendors' local currency against the dollar, which may increase our cost of goods sold; and
- changes in import duties, taxes, charges, quotas, loss of "most favored nation" trading status with the United States for a particular foreign country and trade restrictions (including the United States imposing antidumping and countervailing duty orders, safeguards, remedies or compensation and retaliation due to illegal foreign trade practices).

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

Over the past few years, uncertainty has increased with respect to tax and trade policies, tariffs and government regulations affecting trade between the U.S. and other countries. Although we source the majority of our merchandise from third party vendors located in the U.S., the production of that merchandise occurs primarily overseas. As a result, we continue to evaluate the impact of

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currently effective tariffs, as well as any additional proposed tariffs, on our supply chain, costs, sales and profitability. We can provide no assurance that any strategies we implement to mitigate the impact of such tariffs or other trade actions will be successful.

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

Any disruption to our distribution network could cause disruptions in our business, a loss of sales and profits, increases in our expenses, and other material adverse effects.

Most of the merchandise we purchase is shipped directly to our distribution centers, where it is prepared for shipment to the appropriate stores. The success of our stores depends on their timely receipt of merchandise, and a strong, efficient and flexible distribution network is critical to our ability to grow and to maintain a low-cost operating structure. A disruption within our distribution network, including the shutdown of or loss of significant capacity by one or more of our current primary distribution centers, such as we experienced in Spring 2020 as a result of the COVID-19 pandemic, could adversely affect our ability to deliver inventory in a timely manner and significantly disrupt our business. In addition, any failure to continue to add capacity to our existing distribution centers and build out planned additional distribution centers timely and cost effectively could adversely affect our business.

In addition to the distribution centers that we operate, we have arrangements with third parties for the use of pool point facilities, which we believe streamline and optimize our distribution network. If complications arise with a pool point facility or its operator, or if any such facility is severely damaged or destroyed, it may cause delays in the delivery of our merchandise to our stores. We also may be affected by disruptions in the global transportation network such as port strikes, weather conditions, work stoppages or other labor unrest, which may also adversely affect our ability to deliver inventory on a timely basis. We also depend upon third-party carriers for shipment of merchandise; any interruption in

service by these carriers for any reason could cause disruptions in our business, a loss of sales and profits, and other material adverse effects.

Finally, as outbreaks of the COVID-19 pandemic, continues, we new COVID-19 variants or other public-health related concerns could continue lead us to experience supply disruptions, reduced workforces or labor shortages, transportation delays, scarcity of raw materials and scrutiny or embagoing of goods produced in infected areas, each of which could have a material adverse effect on our business and results of operations.

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If we are unable to protect our information systems against service interruption, misappropriation of data, breaches of security, or other cyber-related attacks, our operations could be disrupted, we may suffer financial losses and our reputation may be damaged.

We rely extensively on various information systems, including data centers, hardware, software and applications to manage many aspects of our business, including to process and record transactions in our stores, to enable effective communication systems, to plan and track inventory flow, to manage logistics and to generate performance and financial reports. In addition, some aspects of our business, like that of most retailers, involve the receipt, storage and transmission of customers' personal information and consumer preferences, as well as confidential information about our employees, our vendors and our Company, some of which is entrusted to third-party service providers and vendors. We are dependent on the integrity, security and consistent operations of these systems and related back-up systems, software, tools (including encryption technology) and monitoring to provide security and oversight for processing, transmission, storage and the protection of such confidential information.

Like most major corporations, however, we, our customers and our third-party services providers face an evolving, increasing threat landscape in which cybercriminals, among others, employ a complex array of techniques designed to access personal and other information, including, for example, the use of fraudulent or stolen access credentials, malware, ransomware, phishing, denial of service and other types of attacks. Hardware, software or applications we develop or obtain from third parties may contain defects in design or manufacture or other problems that are not presently known and could unexpectedly compromise information security. In addition, our employees, contractors or third parties with which we do business or to which we outsource business operations may attempt to circumvent our security measures in order to misappropriate such information, and may purposefully or inadvertently cause a breach involving such information or become subject to various other cyber-crimes. Further, our computer systems and the third-party systems of our vendors are also subject to damage or interruption from a number of non-criminal causes, including power outages; computer and telecommunications failures; computer viruses; and design or usage errors by our employees or contractors.

If we or third parties with which we do business were to fall victim to successful cyber-attacks or experience other material cybersecurity incidents, including the loss of individually identifiable customer or other sensitive data, we may incur substantial costs and suffer other negative consequences, which may include:

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- remediation costs, such as liability for stolen assets or information, repairs of system damage or replacement of systems, and incentives to customers or business partners in an effort to maintain relationships after an attack;
- increased cybersecurity protection costs, which may include the **costs to cost of** continuing to make organizational changes, deploy additional personnel and protection technologies, train employees, and engage third party consultants;
- lost revenues resulting from the unauthorized use of proprietary information or the failure to retain or attract customer following an attack;
- litigation and legal risks, including regulatory actions by state and federal governmental authorities;
- increased cybersecurity and other insurance premiums;
- reputational damage that adversely affects customer or investor confidence; and
- damage to our competitiveness, stock price, and long-term stockholder value.

We employ various security measures and technologies to actively monitor, prevent and mitigate cyber-attacks.

Despite advances in security hardware, software, and encryption technologies, the methods and tools used to obtain unauthorized access, disable or degrade service, or sabotage systems are constantly changing and evolving, and may be difficult to anticipate or detect, **for long periods of time**, and there is no guarantee that the proactive measures we put in place will be adequate to safeguard against all data security breaches or misuses of data. **In fact, as more business activities have shifted online due to COVID-19 restrictions and otherwise, and as** **As** many of our non-store associates are **working** **continue to work** **remotely**, we face an increased risk due to the potential interruptions to internal or external information technology infrastructure as well as **increased** **ongoing** threats and attempts to breach our security networks.

Although we endeavor to protect consumer identity and payment information through the implementation and modification of security technologies, processes and procedures, including training programs for employees to raise awareness about phishing, malware and other cyber risks and certification of our major technology suppliers and any outsourced services through accepted security certification measures, we could experience increased costs associated with maintaining these protections as threats of cyber-attacks increase in sophistication and complexity. In addition, there are **additional** inherent risks associated with modifying or replacing systems, and with new or changed relationships, including accurately capturing and maintaining data, realizing the expected benefit of the change and managing the potential disruption of the operation of the systems as the changes are implemented. Potential issues associated with implementing technology initiatives and the time and resources required to optimize the benefits of new elements of our systems and infrastructure could reduce the efficiency of our operations in the short term.

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We are subject to payment-related risks that could increase our operating costs, expose us to fraud or theft, subject us to potential liability and potentially disrupt our business.

We accept payments using a variety of methods, including cash, checks, credit and debit cards, and gift cards, and we may offer new payment options over time. Acceptance of these payment methods subjects us to rules, regulations,

contractual obligations and compliance requirements, including payment network rules and operating guidelines, data security standards and certification requirements, and rules governing electronic funds transfers. These requirements may change over time or be reinterpreted, making compliance more difficult or costly.

For certain payment methods, including credit and debit cards, we pay interchange and other fees, which may increase over time and raise our operating costs. We rely on third parties to provide payment processing services, including the processing of credit cards, debit cards, and other forms of electronic payment. If these companies become unable to provide these services to us, or if their systems are compromised, it could potentially disrupt our business. The payment methods that we offer also subject us to potential fraud and theft by criminals, who are becoming increasingly **more** sophisticated, seeking to obtain unauthorized access to or exploit weaknesses that may exist in the payment systems. If we fail to comply with applicable rules or requirements for the payment methods we accept, or if payment-related data is compromised due to a breach or misuse of data, we may be liable for costs incurred by payment card issuing banks and other third parties or subject to fines and higher transaction fees, or our ability to accept or facilitate certain types of payments may be impaired. In addition, our customers could lose confidence in certain payment types,

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which may result in a shift to other payment types or potential changes to our payment systems that may result in higher costs. As a result, our business and operating results could be adversely affected.

Our future growth and profitability could be adversely affected if our advertising and marketing programs are not effective in generating sufficient levels of customer awareness and traffic.

We rely on advertising to increase consumer awareness of our product offerings and pricing to drive traffic to our stores. In addition, we rely and will increasingly rely on other forms of media advertising, including digital, social media and e-marketing. Our future growth and profitability will depend in part upon the effectiveness and efficiency of our advertising and marketing programs. Our advertising and marketing programs may not be successful if we do not:

- manage advertising and marketing costs effectively in order to maintain acceptable operating margins and return on our marketing investment; and
- convert customer awareness into actual store visits and product purchases.

Our planned advertising and marketing expenditures may not result in increased total or comparable store sales or generate sufficient levels of product awareness. Further, we may not be able to manage our advertising and marketing expenditures on a cost-effective basis. Additionally, some of our competitors may have substantially larger marketing budgets, which may provide them with a competitive advantage over us.

Damage to our corporate reputation or brand could adversely affect our sales and operating results.

Building brand reputation is important to our continuing success. Our reputation is partially based on perceptions of various subjective qualities and overall integrity. Any incident that erodes the trust or confidence of our customers or the general public could adversely affect our reputation and business, particularly if the incident results in significant adverse

publicity or governmental inquiry. Such an incident could also include alleged acts or omissions by or situations involving our vendors (or their contractors or subcontractors), the landlords for our stores, or our associates outside of work, and may pertain to social or political issues or protests largely unrelated to our business. In addition, information concerning us, whether or not true, may be instantly and easily posted on social media platforms and similar devices at any time, which information may be adverse to our reputation or business.

The harm may be immediate without affording us an opportunity for redress or correction. Damage to our reputation in any form could result in declines in customer loyalty and sales, affect our vendor relationships, development opportunities and associate retention, and otherwise adversely affect our business.

Legal, Regulatory, Compliance and Tax Risks

Difficulty complying with existing and changing laws, rules, regulations and local codes could negatively affect our business operations and financial performance.

We are subject to federal, state and local laws, rules and regulations in the operation of our business. In addition to complying with current laws, rules and regulations, we must also comply with new and changing laws and regulations, new regulatory initiatives, evolving interpretation of existing laws by judicial and regulatory authorities, and reforms in jurisdictions where we do business. Complying with local zoning codes, real estate land use restrictions, employment-related laws, and other local laws across numerous jurisdictions is particularly challenging as we grow the number of our stores in new municipalities and need to stay abreast of changes

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in such local laws. The increasing proliferation of local laws, some of which may be conflicting, further complicates our efforts to comply with all of the various laws, rules and regulations that apply to our business. We could also be negatively impacted by changes in government regulations in areas including taxes, (such as the increase in the corporate tax rate proposed by the Biden administration), healthcare and environmental protection.

All of the above legal, regulatory and administrative requirements may, individually or collectively, affect multiple aspects of our business, including those involving labor and employment benefits; health, welfare and finance; real estate management; consumer protection and product safety; climate change, supply chain, energy and waste; electronic communications, data protection and privacy; protection of third party intellectual property rights; and income taxes. Changes to these laws and regulations could increase our costs of compliance or of doing business, and could adversely affect our operating results. In addition, we require our vendors to adhere to various conduct, compliance and other requirements, including those relating to employment and labor (including wages and working conditions), health and safety, and anti-bribery standards. Although we have implemented policies and procedures to facilitate

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compliance with laws and regulations, this does not guarantee that vendors and other third parties with whom we do business will not violate such laws and regulations or our policies. If we or other third parties with whom we do business fail to comply with these laws, rules and regulations, we may be subject to judgments, fines or other costs or penalties, which could materially adversely affect our business operations and financial performance.

The insurance we carry may not always pay, or be sufficient to pay or reimburse us, for our losses.

We are primarily self-insured and we purchase insurance only for catastrophic types of events for such risks as workers' compensation, employment practices liability, employee health benefits, product and other general liability claims, among others. If we suffer a substantial loss that is not covered by commercial insurance or our self-insurance reserves, the loss and related expenses could harm our business and operating results.

Issues with merchandise safety and shrinkage could damage our sales and financial results.

Various governmental authorities in the jurisdictions where we do business regulate the safety of the merchandise we sell to consumers. Regulations and standards in this area, including those related to the U.S. Consumer Product Safety Improvement Act of 2008, state regulations like California's Proposition 65, and similar legislation, impose restrictions and requirements on the merchandise we sell in our stores. These regulations change from time to time as new federal, state or local regulations are enacted. If we or our merchandise vendors are unable to comply with regulatory requirements on a timely basis or at all, or to adequately monitor new regulations that may apply to existing or new merchandise categories, significant fines or penalties could be incurred or we could have to curtail some aspects of our sales or operations, which could have a material adverse effect on our financial results.

We rely on our vendors to provide quality merchandise that complies with applicable product safety laws and other applicable laws, but they may not comply with their obligations to do so. Although our arrangements with our vendors frequently provide for indemnification for product liabilities, the vendors may fail to honor those obligations to an extent we consider sufficient or at all. Issues with the safety of merchandise, and issues with the authenticity of merchandise, or customer concerns about such issues, regardless of our fault, could cause damage to our reputation and could result in lost sales, uninsured product liability claims or losses, merchandise recalls and increased costs, and regulatory, civil or criminal fines or penalties, any of which could have a material adverse effect on our financial results.

In addition, risk An unfavorable, uncertain or volatile economic environment, as we have experienced recently as a result of inflation, rising interest rates, supply chain disruptions and COVID-19, among other things, has and may continue to cause an increase in inventory shrinkage. Risk of loss or theft of assets, including inventory shrinkage, is inherent in the retail **business**, and we experienced increased shrinkage, as well as increased loss prevention costs, in Fiscal 2022. Loss or theft may be caused by error or misconduct of associates, customers, vendors, organized retail theft, or other third parties. Our inability to effectively prevent and/or minimize the loss or theft of assets, or to effectively reduce the impact of those losses, could adversely affect our financial performance.

Compliance with increasingly rigorous privacy and data security regulations could be costly, affect or limit our business opportunities and how we collect and/or use data, and potentially subject us to fines and lawsuits.

As described above, the protection of customer, employee, vendor and Company data is critical to our business. As the regulatory environment relating to retailers' and other companies' obligation to protect such sensitive data becomes increasingly rigorous, with new and evolving requirements applicable to our business, compliance with those requirements could result in additional costs; costs and could have a significant impact on our current and planned privacy, data protection and information security-related practices, our collection, use, sharing, retention and safeguarding of customer and/or employee information, and some of our current or future business plans; and a plans. A material failure on our part to comply could subject us to fines or other regulatory sanctions and potentially to lawsuits.

In recent years, there has been increasing regulatory enforcement and litigation activity in the area areas of privacy, data protection and information security in various states in which we operate. Compliance with the evolving privacy regulatory landscape will likely increase the costs of doing business, especially if we face differing regulatory requirements across multiple jurisdictions and/or a lack

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of adequate regulatory guidance. New legislation or regulations, including any potential comprehensive federal privacy legislation, as well as any associated inquiries or investigations or any other government actions, could also result in negative publicity, require significant management time and attention, and subject us to remedies that may harm our business, including fines or demands or orders that we modify or cease existing business practices.

Legal and regulatory proceedings could have an adverse impact on our results of operations.

We are subject to various legal and regulatory proceedings relating to our business, certain of which may involve jurisdictions with reputations for aggressive application of laws and procedures against corporate defendants. We are impacted by trends in litigation, such as representative claims under the California Private Attorneys' General Act and class action litigation brought under various consumer protection, employment, and privacy and information security laws. Accruals are established based on our best estimates of our potential liability. However, we cannot accurately predict the ultimate outcome of any such proceedings due to the

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inherent uncertainties of litigation. Regardless of the outcome or whether the claims are meritorious, legal and regulatory proceedings may require that we devote substantial time and expense to defend our Company. Unfavorable rulings could result in a material adverse impact on our business, financial condition or results of operations.

Use of social media by the Company or third parties at our direction in violation of applicable laws and regulations may adversely impact our reputation or subject us to fines or other penalties.

There has been a substantial increase in the use of social media platforms and other forms of internet-based communications, which allow individuals access to a broad audience of consumers and other interested persons. We have increasingly utilized social media in our marketing and employment recruiting efforts in order to reach as many current and

potential new customers and potential employment candidates as efficiently and cost effectively as possible, and have also retained third parties, such as influencers, with expertise and distinction in the social media realm to bolster our social media efforts. As laws and regulations rapidly evolve to govern the use of these platforms, the failure by us, our employees or third parties acting at our direction to abide by applicable laws and regulations in the use of these platforms could adversely impact our reputation or subject us to fines or other penalties.

Risk Related to Our Substantial Indebtedness and Corporate Structure

Our ability to generate sufficient cash depends on numerous factors beyond our control, and we may be unable to generate sufficient cash flow to service our debt obligations.

As of **January 29, 2022** **January 28, 2023**, our obligations include (i) **\$950.7 million** **\$942.0 million**, inclusive of original issue discount, under our \$1,200.0 million senior secured term loan facility (Term Loan Facility) and (ii) **\$572.3 million** **\$507.7 million** under the Convertible Notes. We had no outstanding balance on our **\$650.0 million** **\$900.0 million** asset-based lending facility (ABL Line of Credit) as of **January 29, 2022** **January 28, 2023**. Our debt obligations also include **\$43.9 million** **\$33.4 million** of finance lease obligations as of **January 29, 2022** **January 28, 2023**. Estimated cash required to make interest payments for these debt obligations, **net of the impact of our interest rate swap**, amounts to approximately **\$33.1 million** **\$63.5 million** in the aggregate for the fiscal year ending **January 28, 2023** **February 3, 2024**.

Our ability to make payments on and to refinance our debt, and to fund planned capital expenditures, will depend on our ability to generate cash in the future, which is to some extent subject to general economic, financial, competitive, legislative, regulatory and other factors that are beyond our control. If we are unable to generate sufficient cash flow to service our debt and meet our other commitments, we will be required to adopt one or more alternatives, such as refinancing all or a portion of our debt, selling material assets or operations or raising additional debt or equity capital. We may not be able to successfully carry out any of these actions on a timely basis, on commercially reasonable terms or at all, or be assured that these actions would be sufficient to meet our capital requirements. In addition, the terms of our existing or future debt agreements may restrict us from affecting any of these alternatives.

Our failure to comply with the agreements relating to our outstanding indebtedness, including as a result of events beyond our control, could result in an event of default that could materially and adversely affect our results of operations and our financial condition.

If an event of default under any of the agreements relating to our outstanding indebtedness occurred, the holders of the defaulted debt could cause all amounts outstanding with respect to that debt to be due and payable immediately. Our assets or cash flow may not be sufficient to fully repay borrowings under our outstanding debt instruments if accelerated upon an event of default, resulting in a need for an alternate source of funding. We cannot make any assurances that we would be able to obtain such an alternate source of funding on satisfactory terms, if at all, and our inability to do so could cause the holders of our securities to experience a partial or total loss of their investments in the Company. Further, if we are unable to repay, refinance or restructure our secured indebtedness, the holders of such debt could proceed against the collateral securing that indebtedness through foreclosure proceedings and/or by forcing us into

bankruptcy or liquidation. In addition, any event of default or acceleration under one debt instrument could also result in an event of default under one or more of our other debt instruments.

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The conditional conversion feature of the Convertible Notes, if triggered, may adversely affect our financial condition and operating results.

In the event the conditional conversion feature of our Convertible Notes is triggered, holders of the Convertible Notes will be entitled to convert their notes at any time during specified periods at their option. If one or more holders elect to convert their Convertible Notes, **unless we elect to satisfy our conversion obligation by delivering solely shares of our common stock (other than paying cash in lieu of delivering any fractional share), we would be required to settle a the principal portion or all of our conversion obligation in cash, which could adversely affect our liquidity.** In addition, even if holders of Convertible Notes do not elect to convert their notes,

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we could be required under applicable accounting rules to reclassify all or a portion of the outstanding principal of the Convertible Notes as a current rather than long-term liability, which would result in a material reduction of our net working capital.

Conversion of the Convertible Notes will dilute the ownership interest of existing stockholders, including holders who had previously converted their Convertible Notes, or may otherwise depress the price of our common stock.

The conversion of some or all of the Convertible Notes will dilute the ownership interests of existing stockholders, **to the extent as we will deliver shares of our common stock with respect to any excess over principal upon conversion of any of the Convertible Notes.** The Convertible Notes may from time to time in the future be convertible at the option of their holders prior to their scheduled terms under certain circumstances. Any sales in the public market of the common stock issuable upon such conversion could adversely affect prevailing market prices of our common stock. In addition, the existence of the Convertible Notes may encourage short selling by market participants because the conversion of the Convertible Notes could be used to satisfy short positions, or anticipated conversion of the Convertible Notes into shares of our common stock could depress the price of our common stock.

The discontinuance of LIBOR and the replacement of LIBOR with an alternative reference rate may adversely affect our borrowing costs and could impact our business and results of operations.

Certain of our credit agreements Our Term Loan Facility currently use uses LIBOR as a reference rate to calculate interest rates. The United Kingdom's Financial Conduct Authority, which regulates LIBOR, announced that it intends to phase out LIBOR, and most LIBOR tenors are not expected to be published after June 30, 2023. The U.S. Federal Reserve, in conjunction with the Alternative Reference Rates Committee, a steering committee comprised of large U.S.

financial institutions, announced an alternative to U.S. dollar LIBOR with a new index calculated by short term repurchase agreements, backed by Treasury securities, called the Secured Overnight Financing Rate (SOFR). However, the market transition away from LIBOR is complicated, and there can be no assurance that SOFR will become a widely accepted benchmark in place of LIBOR.

To address a potential transition away from LIBOR, the Term Loan Facility and ABL Line of Credit agreements each were was amended in 2021 to provide for an agreed upon methodology to replace LIBOR with a SOFR-based rate (or, if a SOFR-based rate is unavailable, amend such agreements to substitute LIBOR with an agreed replacement rate), subject to our consent and the applicable administrative agent, and in each case subject to a short lender negative consent period. However, to the extent that any such replacement rate would require the consent of the administrative agent or lenders under the Term Loan Facility, there is no guarantee that any such amendment to adopt a replacement rate would be agreed by such administrative agent and the applicable agents and lenders under the Term Loan Facility or that such consents would be obtained, and in such event we would be required to pay a rate of interest higher than expected on the amount owed under such agreements where the interest rate is subject to LIBOR. We have also entered into LIBOR based interest rate swap agreements to manage our exposure to interest rate movements resulting from changes in the benchmark interest rate of LIBOR. Any replacement of LIBOR as the basis on which interest on our floating-rate debt and/or under our interest rate swaps is calculated may result in interest rates and/or payments that do not correlate over time with the interest rates and/or payments that would have been made on our obligations if LIBOR was available in its current form.

As a result of the transition to SOFR, our interest expense could increase and our available cash flow for general corporate requirements may be adversely affected. In addition, there remains uncertainty as to the longer-term impact of the discontinuation of LIBOR and the adoption of SOFR and other alternative reference rates, which could affect our overall financial condition or results of operations.

In addition, any further changes or reforms to the determination or supervision of LIBOR, SOFR and other alternative reference rates may result in a sudden or prolonged increase or decrease in reported LIBOR, SOFR or other alternative reference rates. Additionally, any potential successor rate to SOFR under our Term Loan Facility and ABL Line of Credit agreements may not have the same characteristics as SOFR or LIBOR, and each LIBOR. Each of the foregoing risks could have a material adverse effect on our business, financial condition and results of operations.

We are a holding company and rely on dividends, distributions and other payments, advances and transfers of funds from our subsidiaries to meet our obligations.

We are a holding company that does not conduct any business operations of our own. As a result, we are largely dependent upon cash dividends and distributions and other transfers from our subsidiaries to meet our obligations. The deterioration of income from, or other available assets of, our subsidiaries for any reason could limit or impair their ability to pay dividends or other distributions to us.

Risks Related to Ownership of Our Common Stock

Our stock price has been and may continue to be volatile.

The market price of our common stock has fluctuated substantially in the past and may continue to fluctuate significantly. For example, in Fiscal 2021, 2022, our stock price fluctuated from a high of \$357.34 to a low of \$206.70. Future announcements or disclosures concerning us or any of our competitors, our strategic initiatives, our sales and profitability, our financial condition, any quarterly variations in actual or anticipated operating results or comparable sales, any failure to meet analysts' expectations and sales of large blocks of our common stock, among other factors, could cause the market price of our common stock to fluctuate substantially. In

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addition, the stock market has experienced price and volume fluctuations that have affected the market price of many retail and other stocks that have often been unrelated or disproportionate to the operating performance of these companies.

Anti-takeover provisions in our charter documents and Delaware law might discourage or delay acquisition attempts for us that stockholders might consider favorable.

Our amended and restated certificate of incorporation and amended and restated bylaws contain provisions that may make the acquisition of the Company more difficult without the approval of our Board of Directors. These provisions:

- authorize the issuance of undesignated preferred stock, the terms of which may be established and the share which may be issued without stockholder approval, and which may include super voting, special approval, dividends, other rights or preferences superior to the rights of the holders of common stock;
- prohibit stockholder action by written consent, requiring all stockholder actions be taken at a meeting of stockholders;
- establish advance notice requirements for nominations for elections to our Board of Directors or for proposing material that can be acted upon by stockholders at stockholder meetings;
- establish a classified Board of Directors, as a result of which our Board of Directors is divided into three classes, each class serving for staggered three-year terms, which prevents stockholders from electing an entirely new Board of Directors at an annual meeting;
- limit the ability of stockholders to remove directors only for cause and only upon the affirmative vote of at least 75% of the outstanding shares of our common stock;
- prohibit stockholders from calling special meetings of stockholders;
- provide that the Board of Directors is expressly authorized to alter or repeal our amended and restated bylaws; and
- require the approval of holders of at least 75% of the outstanding shares of our voting common stock to amend our amended and restated bylaws and certain provisions of the amended and restated certificate of incorporation.

incorporation

These anti-takeover provisions and other provisions under Delaware law could discourage, delay or prevent a transaction involving a change in control of the Company, even if doing so would benefit our stockholders. These provisions could also discourage proxy contests and make it more difficult for stockholders to elect directors they choose or to cause us to take other corporate actions they desire.

Our amended and restated certificate of incorporation designates the Court of Chancery of the State of Delaware as the sole and exclusive forum for certain types of actions and proceedings that may be initiated by our stockholders, which could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us or our directors, officers or employees.

Our amended and restated certificate of incorporation provides that, subject to limited exceptions, the Court of Chancery of the State of Delaware will be the sole and exclusive forum for (i) any derivative action or proceeding brought on our behalf, (ii) any action asserting a claim of breach of a fiduciary duty owed by any of our directors, officers or other employees to us or our stockholders, (iii) any action asserting a claim against us arising pursuant to any provision of the Delaware General Corporation Law, or (iv) any other action asserting a claim against us that is governed by the internal affairs doctrine.

Any person or entity purchasing or otherwise acquiring any interest in shares of our capital stock shall be deemed to have notice of and to have consented to the provisions of our amended and restated certificate of incorporation described above. This choice of forum provision may limit a stockholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with us or our directors, officers or other employees, which may discourage such lawsuits against us and our directors, officers and employees. Alternatively, if a court were to find these provisions of our amended and restated certificate of incorporation inapplicable to, or unenforceable in respect of, one or more of the specified types of actions or proceedings, we may incur additional costs associated with resolving such matters in other jurisdictions, which could adversely affect our business and financial condition.

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Because we do not intend to pay cash dividends in the near term, stockholders may not receive any return on investment unless they are able to sell their common stock for a price greater than their purchase price, and we cannot guarantee that we will continue to repurchase our common stock pursuant to our stock repurchase program.

The continued operation and expansion of our business will require substantial funding. Accordingly, we do not anticipate that we will pay any cash dividends on shares of our common stock in the near term. Any determination to pay dividends in the future will be at the discretion of our Board of Directors and will depend upon results of operations, financial condition, contractual restrictions, including those under agreements governing our existing indebtedness, any potential future indebtedness we may incur, restrictions imposed by applicable law and other factors our Board of Directors deems

relevant. Accordingly, if stockholders purchase shares of our common stock, a gain on investment will depend on an increase in the price of our stock, which may never occur.

Furthermore, although our Board of Directors has authorized a share repurchase program, we are not obligated to make any purchases under the program and we may discontinue it at any time. For example, during Fiscal 2020 we temporarily suspended our share repurchase program in response to uncertainty caused by the COVID-19 pandemic.

General Risk Factors

The loss of executives or other key personnel may disrupt our business and adversely affect our financial results.

We depend on the contributions of key personnel in various functions for our continued success. These executives and other key personnel may be hired by our competitors, some of which have considerably more financial resources than we do. The loss of key personnel, or the inability to hire, train, motivate and retain qualified employees, or changes to our organizational structure, operating results, or business model that adversely affect morale or retention, could adversely affect our business, financial condition and results of operations.

Effective succession planning is also a key factor for our success. Our failure to enable the effective transfer of knowledge and facilitate smooth transitions with regard to key personnel could adversely affect our strategic planning and execution and negatively affect our business, financial condition and results of operations. If we fail to enable the effective transfer of knowledge and facilitate smooth transitions for key personnel, the operating results and future growth for our business could be adversely affected, and the morale and productivity of the workforce could be disrupted.

Changes in accounting standards and subjective assumptions, estimates and judgments by management related to complex accounting matters could significantly affect our financial results or financial condition.

Generally accepted accounting principles and related accounting pronouncements, implementation guidelines and interpretations with regard to a wide range of matters that are relevant to our business, such as inventories, leases, and self-insurance reserves, are highly complex and involve many subjective assumptions, estimates and judgments. Changes in these rules or their interpretation, or changes in underlying assumptions, estimates or judgments, could significantly change our reported or expected financial performance or financial condition.

Our business could be impacted as a result of actions by activist stockholders or others.

From time to time, we may be subject to legal and business challenges in the operation of our Company due to stockholder proposals, media campaigns, proxy contests, and other such actions instituted by activist stockholders or others. Responding to such actions could be costly and time-consuming, disrupt our operations, may not align with our business strategies and could divert the attention of our Board of Directors and senior management from the pursuit of current business strategies. Perceived uncertainties as to our future direction as a result of stockholder activism or potential changes to the composition of the Board of Directors may lead to the perception of a change in the direction of the business or other instability, and may affect our stock price or may make it more difficult to attract and retain qualified personnel and business partners.

Item 1B. Unresolved Staff Comments

Not Applicable.

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Item 2. Properties

We own the land and/or buildings for 3027 of our stores and have leases for 810900 of our stores. Our new stores are generally leased for an initial term of ten years, the majority of which are subject to our option to renew such leases for several additional five-year periods. Store leases generally provide for fixed monthly rental payments, plus the payment, in most cases, of real estate taxes and

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other charges with escalation clauses. In many locations, our store leases contain formulas providing for the payment of additional rent based on sales. Most of our stores are freestanding or located in regional power centers, strip shopping centers or in malls.

We own approximately 235 acres of land in Burlington and Florence, New Jersey on which we have constructed our corporate campus, which includes our corporate headquarters and a warehouse facility. We own approximately 43 acres of land in Edgewater Park, New Jersey on which we have constructed our Edgewater Park, New Jersey distribution center and an office facility.

During Fiscal 2021, we expanded our existing 35,000 We lease approximately 68,000 square feet of leased office space in our east coast buying office in New York City by an additional 33,000 square feet, (east coast buying office), and early in Fiscal 2022, we expanded our existing 25,000 50,000 square feet of leased office space in our west coast buying office in Los Angeles, California by an additional 25,000 square feet. (west coast buying office).

As described in Item 1, Business, we currently operate multiple distribution centers and warehousing facilities.

Item 3. Legal Proceedings

Like many retailers, In the course of business, the Company has been named in potential is party to class or collective actions on behalf of groups alleging violations of federal and state wage and hour and other labor statutes, and alleged violation of state consumer and/or privacy protection and other statutes. In the normal course of business, we are also party to 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, product safety, 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 16, "Commitments and Contingencies," to our Consolidated Financial Statements "Commitments and Contingencies," for further detail.

Item 4. Mine Safety Disclosures

Not applicable.

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PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Market Information

Our common stock is listed on the New York Stock Exchange under the symbol "BURL."

Holders

As of **February 26, 2022** **February 25, 2023**, we had **217** **six** holders of record of our common stock. This figure does not include the significantly greater number of beneficial holders of our common stock.

Dividends

During the past two fiscal years, we **We** have not declared, and do not anticipate declaring in the near term, dividends on shares of our common stock. 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. Any determination to pay dividends in the future will be at the discretion of our Board of Directors and will depend upon results of operations, financial condition, contractual restrictions, including those under agreements governing our existing indebtedness, or any potential future indebtedness we may incur, restrictions imposed by applicable law, capital requirements and other factors our Board of Directors deems relevant.

In addition, since we are a holding company, substantially all of the assets shown on our 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.

Stock Performance Graph

The performance graph below and related information shall not be deemed "soliciting material" or to be "filed" with the SEC for purposes of Section 18 of the Exchange Act, or otherwise subject to the liabilities under that Section, and shall not

be deemed to be incorporated by reference into any future filing under the Securities Act or the Exchange Act, except to the extent that we specifically incorporate it by reference into such filing.

The following graph compares the cumulative total stockholder return on our common stock from the closing prices as of the end of each fiscal year from **January 28, 2017** **February 3, 2018** through **January 29, 2022** **January 28, 2023**, with the return on the Standard & Poor's (S&P) 500 Index,

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the Dow Jones United States Apparel Retailers Index, and the S&P Retailing Index over the same period. Beginning with Fiscal 2022, we added the Dow Jones United States Apparel Retailers Index due to the similarities of the companies in that index with our line of business, and we will no longer provide a comparison to the S&P Retailing Index in future years. This graph assumes an initial

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investment of \$100 and assumes the reinvestment of dividends, if any. Such returns are based on historical results and are not intended to suggest future performance.



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Company / Index	Base					
	Period	Indexed Returns for Fiscal Years Ended				
		February	February	January	January	January
February 3, 2018	2, 2019	1, 2020	30, 2021	29, 2022	January 28, 2023	
Burlington Stores, Inc.	\$ 100.00	\$ 148.48	\$ 187.88	\$ 215.03	\$ 198.95	\$ 195.58
S&P 500 Index	\$ 100.00	\$ 97.99	\$ 116.78	\$ 134.47	\$ 160.45	\$ 147.37
Dow Jones U.S. Apparel Retailers Index	\$ 100.00	\$ 108.40	\$ 120.16	\$ 127.64	\$ 137.91	\$ 149.71
S&P Retailing Index	\$ 100.00	\$ 107.35	\$ 128.30	\$ 180.26	\$ 189.76	\$ 155.80

Company / Index	Base					
	Period	Indexed Returns for Fiscal Years Ended				
		January 28, 2017	February 3, 2018	February 2, 2019	February 1, 2020	January 30, 2021
January 28, 2017	2018	2019	2020	2021	2022	2023
Burlington Stores, Inc.	\$ 100.00	\$ 143.06	\$ 212.42	\$ 268.78	\$ 307.63	\$ 284.62
S&P 500 Index	\$ 100.00	\$ 120.37	\$ 117.95	\$ 140.56	\$ 161.86	\$ 193.14
S&P Retailing Index	\$ 100.00	\$ 139.89	\$ 150.18	\$ 179.48	\$ 252.16	\$ 265.45

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 **January 29, 2022** **January 28, 2023**:

Month			Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs(3)	Approximate Dollar Value of Shares That May Yet Be Purchased Under the Plans or Programs		
	Total Number of Shares Purchased(1)	Average Price Paid Per Share(2)		(in thousands)		
October 31, 2021 through November 27, 2021	155	\$ 290.91	—	\$ 249,990		
November 28, 2021 through January 1, 2022	344,776	\$ 290.30	344,492	\$ 149,984		
January 2, 2022 through January 29, 2022	—	\$ —	—	\$ 149,984		
Total	344,931		344,492			

Month			Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs(3)	Approximate Dollar Value of Shares That May Yet Be Purchased Under the Plans or Programs		
	Total Number of Shares Purchased(1)	Average Price Paid Per Share(2)		(in thousands)		
October 30, 2022 through November 26, 2022	68,023	\$ 143.91	68,007	\$ 388,985		
November 27, 2022 through December 31, 2022	161,768	\$ 195.99	161,561	\$ 357,321		
January 1, 2023 through January 28, 2023	45,461	\$ 219.85	45,461	\$ 347,326		
Total	275,252		275,029			

(1) The number of shares purchased between **October 31, 2021** **October 30, 2022** and **November 27, 2021** **November 22, 2022**, and between **November 28, 2021** **November 27, 2022** and **January 1, 2022** **December 31, 2022** include **155** shares and **284** **207** shares, respectively, which were withheld for tax payments due upon the vesting of employee restricted stock awards, and do not reduce the dollar value that may yet be purchased under our **publicly announced** share repurchase **programs**. **program**. There were no shares **repurchased** **withheld** for tax payments between **January 2, 2022** **January 1, 2023** and **January 29, 2022** **January 28, 2023**.

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

(3) On **August 18, 2021** **February 16, 2022**, our Board of Directors authorized the repurchase of **up to \$400.0 million** of common stock, which is authorized to be executed through August 2023. Subsequent to **January 29, 2022** (**February 16, 2022**), our Board of Directors authorized the repurchase of up to \$500.0 million of common stock, which is authorized to be executed through February 2024. As of **January 28, 2023**, we had \$347.3 million remaining under our share repurchase authorization. For a further discussion of our share repurchase **programs**, **program**, see "Part Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Share Repurchase Programs. Program."

Item 6. Reserved

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

For purposes of the following "Management's Discussion and Analysis of Financial Condition and Results of Operations," unless the context requires otherwise, references to "the Company," "we," "our," or "us" refer to Burlington Stores, Inc. and its consolidated subsidiaries.

The following discussion summarizes the significant factors affecting our 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 our Consolidated Financial Statements, including the notes thereto, appearing elsewhere in this Annual Report.

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 set forth as further described under the caption above entitled "Cautionary Statement Regarding Forward-Looking Statements." Our actual results or other events and the timing of events may differ materially from those anticipated in these forward-looking statements as a result of various factors, including those set forth in Item 1A, Risk Factors and elsewhere in this Annual Report.

General

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 840 stores as of January 29, 2022 in 45 states and Puerto Rico. We have diversified our product categories by offering an extensive selection of in-season, fashion-focused merchandise at up to 60% off other retailers' prices, including: women's ready-to-wear apparel, menswear, youth apparel, baby, beauty, footwear, accessories, home, toys, gifts and coats. We sell a broad selection of desirable, first-quality, current-brand, labeled merchandise acquired directly from nationally-recognized manufacturers and other suppliers.

Executive Summary

COVID-19

On March 11, 2020, the World Health Organization declared the novel coronavirus (known as COVID-19) outbreak to be a global pandemic. As a result, we began the temporary closing of some of our stores, and effective March 22, 2020, we made the decision to temporarily close all of our stores, distribution centers (other than processing of received inventory) and corporate offices to combat the rapid spread of COVID-19. These developments caused significant disruptions to our business and had a significant adverse impact on our financial condition, results of operations and cash flows. We began re-opening stores on May 11, 2020, with substantially all stores re-opened by the end of the second quarter of Fiscal 2020.

In response to the COVID-19 pandemic and the temporary closing of our stores, we provided two weeks of financial support to associates impacted by these store closures and by the shutdown of distribution centers. We temporarily furloughed most store and distribution center associates, as well as some corporate associates, but continued to provide benefits to furloughed associates in accordance with our benefit plans. In addition, we paid 100% of their medical benefit premiums during the period they were furloughed. During the second quarter of Fiscal 2020, we recalled all furloughed associates at our re-opened stores, as well as our corporate and distribution facilities.

In order to maintain maximum financial flexibility during the pandemic, we completed several debt transactions in the first quarter of Fiscal 2020. Refer to Note 7, "Long Term Debt," for further discussion regarding these debt transactions.

Additionally, we took the following steps to further enhance our financial flexibility:

- Carefully managed operating expenses, working capital and capital expenditures, including ceasing substantially all buying activities while stores were closed. We subsequently resumed our buying activities, while continuing our conservative approach toward operating expenses and capital expenditures.
- Negotiated rent deferral agreements with landlords, which are substantially complete as of the end of Fiscal 2021.

- Suspended our share repurchase program, which resumed during the third quarter of Fiscal 2021.

- Our CEO voluntarily agreed to not take a salary, our Board of Directors voluntarily forfeited their cash compensation, our executive leadership team voluntarily agreed to decrease their salary by 50% and smaller salary reductions were temporarily put in place for all associates through a certain level. This compensation was reinstated once substantially all of our stores re-opened.
- The annual incentive bonus payments related to Fiscal 2019 performance were delayed to the second quarter of Fiscal 2020, and merit pay increases for Fiscal 2020 were delayed to the third quarter of Fiscal 2020.

Due to the aging of inventory related to the temporary store closures discussed above, as well as the impact of seasonality on our merchandise, we recognized inventory markdown reserves of \$271.9 million during the three month period ended May 2, 2020. These reserves covered markdowns taken during the second quarter of Fiscal 2020. These charges were included in "Cost of sales" on our Consolidated Statement of Income (Loss).

On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act (the CARES Act) was signed into law, which provided emergency economic assistance for American workers, families and businesses affected by the COVID-19 pandemic. As a result of amending prior returns to carry back the federal net operating loss generated on the Fiscal 2020 tax return, we expect to obtain a one-time tax refund of \$245.5 million, which is included in the line item "Prepaid and other current assets" on our Consolidated Balance Sheet.

Store Openings, Closings and Relocations

During Fiscal 2021, 2022, we opened 101 113 new stores, inclusive of 17 22 relocations, and closed five four stores, exclusive of the aforementioned relocations, bringing our store count as of January 29, 2022 January 28, 2023 to 840 927 stores. We continue to pursue our growth plans and invest in capital projects that meet our financial requirements. During the fiscal year ending January 28, 2023 February 3, 2024 (Fiscal 2022) 2023, we plan to open approximately 90 70-80 net new stores, which includes approximately 120 90-100 gross new stores.

COVID-19

Results for Fiscal 2020 were significantly impacted by the COVID-19 pandemic. All our stores along with approximately 30 were temporarily closed for a portion of Fiscal 2020, resulting in a sales decline and higher inventory markdowns. These store relocations and closings. closures did not repeat in Fiscal 2021 or Fiscal 2022. However, certain lingering economic effects of the pandemic did continue to impact results, including supply chain disruptions.

Ongoing Initiatives for Fiscal 2022

Since the beginning of the COVID-19 pandemic, protecting the health and safety of our customers, associates, and the communities that we serve has been our top priority. Accordingly, we moved quickly to close our stores, distribution centers, and corporate offices in March 2020. As we've re-opened our stores and distribution centers, we continue to keep health and safety as a top priority. 2023

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

- **Driving Comparable Store Sales Growth.**

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

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

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

- *Enhancing Existing Categories and Introducing New Categories.* We have opportunities to expand ~~the~~ depth and breadth of our offerings in certain existing categories, such as ladies' apparel, ~~children's~~ products, bath and cosmetic merchandise,

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housewares, and décor for the home, ~~and~~ beauty as we continue to de-weather our business, and maintain the flexibility to introduce new categories as we expand our merchandising capabilities.

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

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

- *Adhering to a Market Focused and Financially Disciplined Real Estate Strategy.* We have grown our store base consistently since our founding in 1972, developing more than 99% of our stores organically. We believe there is significant opportunity to expand our retail store base in the United States. As a result of our smaller store prototype, we have identified numerous market opportunities that we believe will allow us to operate 2,000 stores over the long term.
- *Maintaining Focus on Unit Economics and Returns.* We have adopted a market focused approach to new store openings in more productive retail locations, with a specific focus on maximizing sales while

achieving attractive unit economics and returns. Additionally, as we continue to execute our smaller store prototype, we believe we can reduce occupancy and operating expenses.

- *Enhancing the Store Experience.* We continue to invest in select store relocations and downsizes to improve the customer experience, taking into consideration the age, size, sales, and location of a store. Relocations provide an opportunity, upon leases expiration, lease expirations, to right-size our stores, improve our competitive positioning, incorporate our new prototype store designs and reduce occupancy costs. Downsizes provide an opportunity to right-size our stores, within our existing space, improve co-tenancy, incorporate all of our new store designs and reduce occupancy costs. During Fiscal 2021, we relocated or downsized a total of 20 stores.
- **Enhancing Operating Margins.**

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

- *Improving Operational Flexibility.* Our store and supply chain teams must continue to respond to the challenge of becoming more responsive to the sales chase, enhancing their ability at flexing up and down based on trends. Their ability to appropriately flex based on the ongoing trends allows us to maximize leverage on sales, regardless of the trend.
- *Optimizing Markdowns.* We believe that our markdown system allows us to maximize sales and gross margin dollars based on forward-looking sales forecasts, sell-through targets and exit dates. Additionally, as we plan to carry less inventory in our stores compared to historical levels, we expect to drive faster turns, which in turn will should reduce the amount of markdowns taken.
- *Enhancing Purchasing Power.* We believe that increasing our store footprint and expanding our east and west coast buying offices provides us with the opportunity to capture incremental buying opportunities and realize economies of scale in our merchandising and non-merchandising purchasing activities.
- *Challenging Expenses to Drive Operating Leverage.* We believe that we will be able to leverage our growing sales over the fixed costs of our business. In addition, by more conservatively planning our comparable store sales growth, we are forcing even tighter expense control throughout all areas of our business. We believe that this should put us in a strong position to drive operating leverage on any sales ahead of the plan. Additionally, we plan to continue challenging the processes and operating norms throughout the organization with the belief that this will lead to incremental efficiency improvements and savings.

Uncertainties and Challenges

As we strive to increase profitability, through achieving positive comparable store sales and leveraging productivity initiatives focused on improving the in-store experience, more efficient movement of products from the vendors to the selling floors, and modifying our marketing plans to increase our core customer base and increase our share of our current customers' spending, there are uncertainties and challenges that we face as an off-price retailer of apparel and accessories for men, women and children and home furnishings that could have a material impact on our revenues or income.

COVID-19. The extent of the continuing impact of the COVID-19 pandemic on our business will depend largely on future developments, including the production and administration of effective medical treatments and vaccines, the timing and extent of the recovery in traffic and consumer spending at our stores, additional costs and delays related to our supply chain, reduced workforces or labor shortages and scarcity of raw materials, and any future required store closures because of COVID-19 resurgences. COVID-19

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presents material uncertainty and risk with respect to our business, financial performance and condition, operating results, liquidity and cash flows.

General Economic Conditions. Consumer spending habits, including spending for the merchandise that we sell, are affected by, among other things, prevailing global economic conditions, inflation, including the costs of basic necessities and other goods, levels of employment, salaries and wage rates, prevailing interest rates, housing costs, energy costs, commodities pricing, income tax rates and policies, consumer confidence and consumer perception of economic conditions. In addition, consumer purchasing patterns may be influenced by consumers' disposable income, credit availability and debt levels.

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A broad, protracted slowdown in the U.S. economy, an extended period of high unemployment rates, inflation rates, an uncertain global economic outlook or a credit crisis could adversely affect consumer spending habits resulting in lower net sales and profits than expected on a quarterly or annual basis. Consumer confidence is also affected by the domestic and international political situation. Our financial condition and operations could be impacted by changes in government regulations in areas including, but not limited to, taxes and healthcare. Ongoing international trade and tariff negotiations could have a direct impact on our income and an indirect impact on consumer prices. 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, including the continuing COVID-19 pandemic, could lead to a decrease in spending by consumers. In addition, natural disasters, public health issues, industrial accidents and acts of war in various parts of the world, such as the current conflict war in Ukraine, 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.

We closely monitor our net sales, gross margin and expenses. We have performed scenario planning such that if our net sales decline for an extended period of time, we have identified variable costs that could be reduced to partially mitigate the impact of these declines. If we were to experience adverse economic trends and/or if our efforts to counteract the impacts of these trends are not sufficiently effective, there could be a negative impact on our financial performance and position in future fiscal periods.

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 **clothing**, **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 increased by early cold weather during the Fall, while sales of warm weather clothing are improved 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. **Recently, an overhang of inventory across the retail industry has driven a surge in promotional activity at other retailers.** 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. This enables us to obtain better terms with our suppliers, which we expect to help offset any rising costs of goods.

Industry-wide supply chain issues **have** led to increased freight and labor costs during Fiscal 2021 and **may continue** **continued** to add pressure on margins **into** **in** Fiscal 2022. These costs significantly impacted results in Fiscal 2021 and Fiscal 2022, and there remains significant uncertainty around when and if freight costs will return to pre-pandemic levels. **Additionally, the higher our sales volume is, and the more sales we chase above our initial plans, the more these increased supply chain costs will impact our margins.**

We have also experienced inflationary pressure in our supply chain and with respect to raw materials and finished **goods**, **goods**, as well as **in occupancy and other operating costs**. There can be no assurance that we will be able to offset inflationary pressure in the future by **increasing prices or through other means**, or that our business will not be negatively affected by continued inflation in the future.

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 (loss), Adjusted Net Income (Loss), Adjusted EBITDA, Adjusted EBIT, comparable store sales, gross margin, inventory, store payroll and liquidity.

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Net income (loss). We earned net income of \$230.1 million during Fiscal 2022 compared with of \$408.8 million during Fiscal 2021 compared with a net loss of \$216.5 million during Fiscal 2020. This increase was primarily driven by the temporary closure of all our stores during Fiscal 2020, caused by the COVID-19 pandemic, lower sales, as well as our sales growth during Fiscal 2021, decreased gross margin rate, partially offset by decreased loss on debt extinguishment charges during Fiscal 2021. Refer to the section below entitled “Results of Operations” for further explanation.

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

We define Adjusted Net Income (Loss) as net income (loss), exclusive of the following items, if applicable: (i) net favorable lease costs; (ii) costs related to debt issuances and amendments; (iii) loss on extinguishment of debt; (iv) impairment charges; (v) amounts related to certain litigation matters; (vi) non-cash interest on the 2.25% Convertible Notes; Senior Notes due 2025 (Convertible Notes); (vii) costs related to closing the e-commerce store; and (viii) other unusual, non-recurring or extraordinary expenses, losses, charges or gains, all of which are tax effected to arrive at Adjusted Net Income (Loss).

We define Adjusted EBITDA as net income (loss), exclusive of the following items, if applicable: (i) interest expense; (ii) interest income; (iii) loss on extinguishment of debt; (iv) income tax expense (benefit); (v) depreciation and amortization; (vi) impairment charges; (vii) costs related to debt issuances and amendments; (viii) amounts related to certain litigation matters; (ix) costs related to closing the e-commerce store; and (x) other unusual, non-recurring or extraordinary expenses, losses, charges or gains.

We define Adjusted EBIT as net income (loss), exclusive of the following items, if applicable: (i) interest expense; (ii) interest income; (iii) loss on extinguishment of debt; (iv) income tax expense (benefit); (v) impairment charges; (vi) net favorable lease costs; (vii) costs related to debt issuances and amendments; (viii) amounts related to certain litigation matters; (ix) costs related to closing the e-commerce store; and (x) other unusual, non-recurring or extraordinary expenses, losses, charges or gains.

We present Adjusted Net Income (Loss), 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.

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

- net favorable lease costs;
- costs related to debt issuances and amendments;
- losses on extinguishment of debt;
- amounts charged for certain litigation matters;
- non-cash interest expense related to original issue discount on the Convertible Notes;
- impairment charges on long-lived assets;
- costs related to closing the e-commerce store; and
- other unusual, non-recurring or extraordinary expenses, losses, charges or gains.

During Fiscal 2021, 2022, Adjusted Net Income (Loss) improved \$742.7 million decreased \$292.4 million to \$573.2 million \$280.8 million. This increase decrease was primarily driven by the temporary closure of all our stores during Fiscal 2020, caused by the COVID-19 pandemic, lower sales, as well as our sales growth during Fiscal 2021. decreased gross margin rate. Refer to the section below entitled "Results of Operations" for further explanation.

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The following table shows our reconciliation of net income (loss) to Adjusted Net Income (Loss) for Fiscal 2021, 2022, Fiscal 2020, 2021 and Fiscal 2019, 2020:

Reconciliation of net income (loss) to Adjusted Net Income (Loss):	(unaudited)			(unaudited)		
	(in thousands)			(in thousands)		
	Fiscal Year Ended			Fiscal Year Ended		
	January	January	February	January	January	January
	29,	30,	1,	28,	29,	30,
	2022	2021	2020	2023	2022	2021
Net income (loss)	408, \$ 839	(216, \$ 499)	465, \$ 116	230, \$ 123	408, \$ 839	(216, \$ 499)

Net favorable lease costs (a)	21,9	24,0	35,7	18,5	21,9	24,0
	14	78	61	91	14	78
Non-cash interest expense on convertible notes (b)		23,9				23,9
	—	88	—	—	—	88
Costs related to debt issuances and amendments (c)	3,41	3,63			3,41	3,63
	9	3	(375)	—	9	3
Loss on extinguishment of debt (d)	156,020	202	—	14,657	156,020	202
Impairment charges	7,74	6,01	4,31			
	8	2	5			
Impairment charges - long-lived assets				21,402	7,748	6,012
Litigation matters (e)		22,7		10,500	—	22,788
	—	88	—	00	—	88
E-commerce closure (f)		1,54				1,54
	—	9	—	—	—	9
Tax effect (g)	(24,741)	(35,273)	(10,083)	(14,503)	(24,741)	(35,273)
Adjusted Net Income (Loss)	573, \$ 199	(169, \$ 522)	494, \$ 734	280, \$ 770	573, \$ 199	(169, \$ 522)

(a) Net favorable lease costs represents 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 Consolidated Statements of Income (Loss).

(b) Represents non-cash accretion of original issue discount on the Convertible Notes. The original issue discount was eliminated as of the beginning of Fiscal 2021, as a result of adopting Accounting Standards Update (ASU) 2020-06, "Accounting for Convertible Instruments and Contracts in an Entity's Own Equity" (ASU 2020-06).

(c) Represents costs incurred in connection with the review and execution of refinancing opportunities, as well as the issuance of the \$300.0 million 6.25% Senior Secured Notes due 2025 (Secured Notes) and the Convertible Notes.

(d) Amounts relate Relates to the partial repurchase repurchases of the Convertible Notes, the full redemption of the Secured Notes, as well as the refinancing of the Term Loan Credit Agreement governing our senior secured credit term loan facility (Term Loan Facility). Facility.

(e) Represents amounts charged for certain litigation matters.

(f) Represents costs related to the closure of our e-commerce store.

(g) Tax effect is calculated based on the effective tax rates (before discrete items) for the respective periods, **adjusted** for the tax effect for the impact of items (a) through (f). The effective tax rate during Fiscal 2020 includes the benefit of loss carrybacks to prior years with higher statutory tax rates.

Adjusted EBITDA has limitations as an analytical tool, and should not be considered either in isolation or as a substitute for net income (loss) or other data prepared in accordance with GAAP. Among other limitations, Adjusted EBITDA does not reflect:

- net interest expense;
- losses on the extinguishment of debt;
- costs related to debt issuances and amendments;
- cash requirements for replacement of assets. Although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will likely have to be replaced in the future;
- amounts charged for certain litigation **matters** **matters**;
- impairment charges on long-lived assets;
- costs related to closing the e-commerce store;
- income tax expense (benefit); and
- other unusual, non-recurring or extraordinary expenses, losses, charges or gains.

During Fiscal **2021**, **2022**, Adjusted EBITDA **improved** \$1,113.6 million **decreased** \$350.2 million to **\$1,050.9** million **\$700.7** million. This **increase** **decrease** was primarily driven by the temporary closure of all our stores during Fiscal 2020, caused by the COVID-19 pandemic, **lower sales**, as well as **our sales growth during Fiscal 2021**, **decreased gross margin rate**. Refer to the section below entitled “Results of Operations” for further explanation.

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The following table shows our reconciliation of net income (loss) to Adjusted EBITDA for Fiscal **2021**, **2022**, Fiscal **2020** **2021** and Fiscal **2019**: **2020**:

Reconciliation of net income (loss) to Adjusted EBITDA:	(unaudited)			(unaudited)		
	(in thousands)			(in thousands)		
	Fiscal Year Ended			Fiscal Year Ended		
	January	January	February	January	January	January
	29,	30,	1,	28,	29,	30,
	2022	2021	2020	2023	2022	2021

Net income (loss)	408,8	(216,	465,	230,	408,8	(216,
	\$ 39	\$ 499)	\$ 116	\$ 123	\$ 39	\$ 499)
Interest expense	67,50	97,76	50,8	66,4	67,50	97,76
	2	7	26	74	2	7
Interest income		(1,25	(1,72	(8,79		(1,25
	(189)	3)	0)	9)	(189)	3)
Loss on extinguishment of debt (a)	156,0			14,6	156,0	
	20	202	—	57	20	202
Costs related to debt issuances and amendments (b)	3,419	3,633	(375)	—	3,419	3,633
Litigation matters (c)		22,78		10,5		22,78
	—	8	—	00	—	8
E-commerce closure (d)	—	1,549	—	—	—	1,549
Depreciation and amortization (e)	271,1	244,2	246,	288,	271,1	244,2
	32	73	109	990	32	73
Impairment charges			4,31			
	7,748	6,012	5			
Impairment charges - long-lived assets				21,4		
				02	7,748	6,012
Income tax expense (benefit)	136,4	(221,	115,	77,3	136,4	(221,
	59	124)	409	86	59	124)
	1,050,	(62,6	879,	700,	1,050,	(62,6
Adjusted EBITDA	\$ 930	\$ 52)	\$ 680	\$ 733	\$ 930	\$ 52)

(a) **Amounts relate** Relates to the partial **repurchase** repurchases of the Convertible Notes, the **full** redemption of the Secured Notes, as well as the refinancing of the Term Loan Facility.

(b) Represents costs incurred in connection with the review and execution of refinancing opportunities, as well as the issuance of the Secured Notes and the Convertible Notes.

(c) Represents amounts charged for certain litigation matters.

(d) Represents costs related to the closure of our e-commerce store.

(e) Includes **\$21.9 million** **\$18.6 million**, **\$23.9 million** **\$21.9 million**, and **\$35.4 million** **\$23.9 million** of favorable lease costs included in the line item “Selling, general and administrative expenses” in our Consolidated Statements of Income (Loss) for Fiscal 2022, Fiscal 2021 and Fiscal 2020, and Fiscal 2019, respectively. Net favorable lease cost represents the non-cash expense associated with favorable and unfavorable leases that were recorded as a result of the Merger Transaction.

Adjusted EBIT has limitations as an analytical tool, and should not be considered either in isolation or as a substitute for net income (loss) or other data prepared in accordance with GAAP. Among other limitations, Adjusted EBIT does not reflect:

- net interest expense;
- losses on the extinguishment of debt;
- costs related to debt issuances and amendments;
- net favorable lease cost;
- amounts charged for certain litigation matters;
- impairment charges on long-lived assets;
- costs related to closing the e-commerce store;
- income tax expense (benefit); and
- other unusual, non-recurring or extraordinary expenses, losses, charges or gains.

During Fiscal 2021, 2022, Adjusted EBIT improved \$1,084.6 million decreased \$371.4 million to \$801.7 million \$430.3 million. This increase decrease was primarily driven by the temporary closure of all our stores during Fiscal 2020, caused by the COVID-19 pandemic, lower sales, as well as our sales growth during Fiscal 2021, decreased gross margin rate. Refer to the section below entitled "Results of Operations" for further explanation.

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The following table shows our reconciliation of net income (loss) to Adjusted EBIT for Fiscal 2021, 2022, Fiscal 2020 2021 and Fiscal 2019, 2020:

Reconciliation of net income (loss) to Adjusted EBIT:	(unaudited)			(unaudited)		
	(in thousands)			(in thousands)		
	Fiscal Year Ended			Fiscal Year Ended		
	January	January	February	January	January	January
	29,	30,	1,	28,	29,	30,
	2022	2021	2020	2023	2022	2021
Net income (loss)	408,8	(216,	465,	230,	408,	(216,
	\$ 39	\$ 499)	\$ 116	\$ 123	\$ 839	\$ 499)
Interest expense	67,50	97,76	50,8	66,4	67,5	97,76
	2	7	26	74	02	7

Interest income	(1,25)	(1,72)	(8,79)	(1,25)
	(189)	3)	9)	3)
Loss on extinguishment of debt (a)	156,0 20	202	14,6 57	156, 020 202
Costs related to debt issuances and amendments (b)	3,419	3,633	(375)	3,41 9 3,633
Net favorable lease costs (c)	21,91 4	24,07 8	35,7 61	18,5 91 21,9 14 8
Impairment charges			4,31	
	7,748	6,012	5	
Impairment charges - long-lived assets			21,4 02	7,74 8 6,012
Litigation matters (d)	22,78 —	8	10,5 00	22,78 — 8
E-commerce closure (e)	—	1,549	—	— — 1,549
Income tax expense (benefit)	136,4 59	(221, 124)	115, 409	77,3 86 136, 459 (221, 124)
	801,7	(282, 847)	669, 332	430, 334 801, 712 (282, 847)
Adjusted EBIT	\$ 12	\$ 847)	\$ 332	\$ 334
			\$ 712	\$ 847)

(a) Amounts relate to the partial repurchase of the Convertible Notes, the full redemption of the Secured Notes, as well as the refinancing of the Term Loan Facility.

(b) Represents costs incurred in connection with the review and execution of refinancing opportunities, as well as the issuance of the Secured Notes and the Convertible Notes.

(c) Net favorable lease costs represent the non-cash expense associated with favorable and unfavorable leases that were recorded as a result of the Merger Transaction. These expenses are recorded in the line item "Selling, general and administrative expenses" in our Consolidated Statements of Income (Loss).

(d) Represents amounts charged for certain litigation matters.

(e) Represents costs related to the closure of our e-commerce store.

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. Comparable store sales were not meaningful for Fiscal 2020 due to the previous year. Due to extended store closures resulting from the COVID-19 pandemic. Additionally, due to the impact of the COVID-19 pandemic including the temporary closing of all stores during Fiscal 2020, we are using Fiscal 2019 as the comparable previous year period when calculating comparable store sales for Fiscal

2021. 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.

For Fiscal 2021, 2022, we define comparable store sales as merchandise sales of those stores commencing on the first day of the fiscal month **two years** **one year** after the end of their grand opening activities, which normally conclude within the first two months of operations. If a store is closed for seven or more days during a month, our policy is to remove that store from our calculation of comparable **stores** **store** sales for any such month, as well as during the month(s) of their grand re-opening activities. **Comparable** The change in our comparable **store** sales **increased 15% and 3% in full year** periods for Fiscal 2021 and Fiscal 2019, respectively. Comparable store sales were not meaningful for Fiscal 2020 due to the temporary store closures resulting from the COVID-19 pandemic. was as follows:

	Fiscal Year Ended
January 28, 2023	-13%
January 29, 2022	15%

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**. **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 Consolidated Statements of Income (Loss). 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 **expanded** **decreased** to 40.4% during Fiscal 2022, compared with 41.6% during Fiscal 2021, compared with 38.2% during Fiscal 2020, driven primarily by **inventory markdowns in Fiscal 2020** **decreased** merchandise margins, primarily due to **aged inventory at closed stores** **higher markdowns and warehouses**, partially offset by **increased shortage**, as well as **increased freight costs**.

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Product sourcing costs, which are included in **Fiscal 2021**, **selling, general and administrative expenses**, decreased approximately 120 basis points as a percentage of net sales.

Inventory. Inventory at **January 29, 2022** **January 28, 2023** increased to \$1,182.0 million from \$1,021.0 million from \$740.8 million at **January 30, 2021** **January 29, 2022**. This increase **was** **primarily due** **relates** to **our 79** a 32% increase in comparable store inventory, a 30% increase in reserve inventory, and 87 net new stores since the end of **Fiscal 2020**, **2021**.

In Fiscal 2021, as we came into the spring season, our comparable store inventories were too lean, and this hurt our sales trend in the first quarter of Fiscal 2022. Therefore, the significant increase in our comparable store inventories was by design. Our comparable store inventory is still below pre-pandemic levels.

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The difference between inventory and comparable store inventory is primarily the result of the latter not including distribution center and warehouse inventory or inventory at new and non-comparable stores. Inventory held at our warehouses and distribution centers includes merchandise being readied for shipment to our stores and reserve inventory acquired opportunistically for future store release. The magnitude of reserve inventory, at any one point in time, is dependent on the buying opportunities identified in the marketplace.

Comparable store inventory at January 29, 2022 decreased 30% compared to February 1, 2020, driven by the continued execution of our strategy to operate with leaner in-store inventory. Reserve inventory was 50% of total inventory as of January 29, 2022, compared with 33% as of February 1, 2020. Reserve inventory includes all inventory that is being stored by our warehouses and distribution centers for release either later in the season, or in a subsequent season. We intend to use our reserve merchandise to effectively chase sales trends.

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.

Store Payroll as a Percentage of Net Sales. Store payroll as a percentage of net sales measures our ability to manage our payroll in accordance with increases or decreases in net sales. The method of calculating store payroll varies across the retail industry. As a result, our store payroll as a percentage of net sales may differ from other retailers. We define store payroll as regular and overtime payroll for all store personnel as well as regional and territory personnel, exclusive of payroll charges related to corporate and warehouse employees.

As Store payroll as a result percentage of the COVID-19 pandemic, we temporarily furloughed most store associates in March 2020, while providing two weeks of financial support to impacted associates. We also continued to provide benefits to furloughed associates, including paying 100% of their current medical benefit premiums while they were furloughed. As a result of these actions, store payroll costs increased to \$754.9 million net sales was 8.0% and 8.1% during Fiscal 2022 and Fiscal 2021, compared with \$572.0 million during Fiscal 2020, respectively.

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, including restricted cash and cash equivalents, decreased \$218.5 million during Fiscal 2022, compared with a decrease of \$289.2 million during Fiscal 2021, compared with an increase of \$977.2 million during Fiscal 2020. Refer to the section below entitled "Liquidity and Capital Resources" for further explanation.

During Fiscal 2020, we took several steps to effectively manage our liquidity during the COVID-19 pandemic, including careful management of operating expenses, working capital and capital expenditures, as well as temporarily suspending our share repurchase program. We resumed the share repurchase program during the third quarter of Fiscal 2021, with \$250.0 million repurchased in total during the year.

During Fiscal 2020, we borrowed \$400 million on our existing ABL Line of Credit, issued \$805 million of our Convertible Notes, and through Burlington Coat Factory Warehouse Corporation, an indirect subsidiary of the Company (BCFWC), issued \$300 million of our Secured Notes.

We repaid \$150.0 million on the ABL Line of Credit during the second quarter of Fiscal 2020, and the remaining \$250.0 million during the fourth quarter of Fiscal 2020. On June 11, 2021, BCFWC redeemed the full \$300.0 million aggregate principal amount of the Secured Notes. During Fiscal 2021, we redeemed \$160.4 million and \$72.3 million related to partial repurchases of the Convertible Notes. At January 29, 2022, we had \$594.6 million available under the ABL Line of Credit. We also had irrevocable letters of credit in the amount of \$55.4 million as of January 29, 2022.

Results of Operations

The following table sets forth certain items in the Consolidated Statements of Income (Loss) as a percentage of net sales for the periods indicated.

	Percentage of Net Sales		
	Fiscal Year Ended		
	January 28, 2023	January 29, 2022	January 30, 2021
Net sales	100.0 %	100.0 %	100.0 %
Other revenue	0.2	0.2	0.2
Total revenue	100.2	100.2	100.2
Cost of sales	59.6	58.4	61.8
Selling, general and administrative expenses	33.1	30.8	40.5
Costs related to debt issuances and amendments	—	0.0	0.1
Depreciation and amortization	3.1	2.7	3.8
Impairment charges - long-lived assets	0.2	0.1	0.1
Other income - net	(0.3)	(0.1)	(0.1)
Loss on extinguishment of debt	0.2	1.7	0.0
Interest expense	0.8	0.7	1.7
Total costs and expenses	96.7	94.3	107.9

Income (loss) before income tax expense (benefit)	3.5	5.9	(7.7)
Income tax expense (benefit)	0.9	1.5	(3.8)
Net income (loss)	2.6 %	4.4 %	(3.9) %
Percentage of Net Sales			
Fiscal Year Ended			
	January 29, 2022	January 30, 2021	February 1, 2020
Net sales	100.0 %	100.0 %	100.0 %
Other revenue	0.2	0.2	0.4
Total revenue	100.2	100.2	100.4
Cost of sales	58.4	61.8	58.2
Selling, general and administrative expenses	30.8	40.5	30.7
Costs related to debt issuances and amendments	0.0	0.1	(0.0)
Depreciation and amortization	2.7	3.8	2.9
Impairment charges - long-lived assets	0.1	0.1	0.1
Other income - net	(0.1)	(0.1)	(0.2)
Loss on extinguishment of debt	1.7	0.0	-
Interest expense	0.7	1.7	0.7
Total costs and expenses	94.3	107.9	92.4
Income (loss) before income tax expense (benefit)	5.9	(7.7)	8.0
Income tax expense (benefit)	1.5	(3.8)	1.6
Net income (loss)	4.4 %	(3.9) %	6.4 %

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Performance for Fiscal Year Ended January 29, 2022 January 28, 2023 (Fiscal 2021) 2022 Compared with Fiscal Year Ended January 30, 2021 January 29, 2022 (Fiscal 2020) 2021

Net sales

Net sales improved \$3,555.0 million decreased \$622.0 million, or 61.8% 6.7%, to \$9,306.5 million \$8,684.5 million, primarily due to the temporary closure driven by a decrease of all our stores 13% in comparable store sales during Fiscal 2020. This improvement 2022. We believe this decrease in comparable store sales was also driven by economic pressure on our core customers and promotional activity throughout the retail environment, as well as strong comparable store sales of 15% in the prior period. The decrease in net sales from our 79 was partially offset by 87 net new stores opened since the end of Fiscal 2020, 2021.

Other revenue

Other revenue improved \$3.3 million \$2.4 million to \$15.7 million \$18.1 million, primarily driven by increased revenue from our private label credit card. card and increased layaway service fees.

Cost of sales

Cost of sales as a percentage of net sales improved increased to 58.4% 59.6% during Fiscal 2021, 2022, primarily driven primarily by decreased merchandise margins, as a \$271.9 million charge against aged inventory in the first quarter result of Fiscal 2020 due to the extended store closures, partially offset by higher markdowns and increased industry-wide supply chain costs during Fiscal 2021, shortage, as well as increased freight costs. On a dollar basis, cost of sales increased \$1,881.1 million decreased \$264.4 million, or 52.9% 4.9%, primarily driven by our overall increase decrease in sales as well as increased industry-wide supply chain costs. sales. Product sourcing costs, which are included in the line item "Selling, general and administrative expenses" in our Consolidated Statements of Income (Loss), were \$677.6 million during Fiscal 2022, compared to \$618.3 million during Fiscal 2021, compared to \$433.8 million during Fiscal 2020.

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primarily driven by increased supply chain costs.

Selling, general and administrative expenses

The following table details selling, general and administrative expenses for Fiscal 2021, 2022 compared with Fiscal 2020, 2021.

(in millions)						(in millions)					
Fiscal Year Ended						Fiscal Year Ended					
	Perc		Perc				Per		Per		
	enta		enta				cent		cent		
	ge		ge				age		age		
	of		of				of	Janu	of		
Janua	Net	Janua	Net	\$	%	Janua	Net	ary	Net	\$	%
ry 29,	Sale	ry 30,	Sale	Varia	Cha	ry 28,	Sale	29,	Sale	Vari	Cha
2022	s	2021	s	nce	nge	2023	s	2022	s	ance	nge
				2						(
Store	1,	1,	7	1		1,	2	1,	1	2	(
related	76	1	49	2	2	73	0	76	9	7	1
costs	6.	9.	4.	6.	.	9.	.	6.	.	.	.
	\$ 7	0 %	\$ 4	0 %	\$ 3	2 %	\$ 0	0 %	\$ 7	0 %	\$ 7) 6)%

						1						
Product	61		43		4	8	4					5
sourcing	8.	6.	3.	7.	.	.						.
costs	3	6	8	5	5	5						6
					4	1						(
	31		26		6	7						(
Corporat	1.	3.	5.	4.	.	.						.
e costs	6	3	4	6	2	4						1)
												(
Marketin						1						1
g and						7	3					2
strategy	61	0.	53	0.	.	.						.
costs	.1	7	.8	9	3	6						3
Other												(
selling,												1)
general												1)
and												1)
administ						3	3					1)
rative	11					1	9					1)
expense	0.	1.	79	1.	.	.						.
s	8	2	.5	5	3	4						1)
	—	—	—	—	—	—	—	—	—	—	—	—
Selling,						5						
general												
and												
adminis	2,		2,		4	2						3
trative	86	3	32	4	1	3						0
expense	8.	0.	6.	0.	.	.						.
s	\$ 5	8%	\$ 9	5%	\$ 7	3%						3%

The decrease in selling, general and administrative expenses as a percentage of net sales was primarily driven by the overall increase in sales. On a occupancy and increased product sourcing costs, partially offset by decreased incentive compensation, store payroll costs, and advertising costs. The dollar basis increase in selling, general and administrative expenses was primarily due to our higher store count and sales volume, which drove increases in store related costs, primarily store payroll and occupancy costs, as well as product sourcing costs. Additionally, significant steps were taken to reduce selling, general and administrative expenses during the period stores were closed during Fiscal 2020.

Costs related to debt issuances and amendments

During Fiscal 2021, we incurred \$3.4 million of legal and placement fees related to the refinancing of our Term Loan Facility. During Fiscal 2020, we incurred legal fees related to the issuance of our Secured Notes of \$2.5 million, as well as legal and placement fees of \$1.1 million related to the refinancing of our Term Loan Facility. Refer to Note 7, "Long Term Debt," for further discussion regarding our debt transactions. same drivers listed above.

Depreciation and amortization

Depreciation and amortization expense amounted to \$270.4 million during Fiscal 2022, compared with \$249.2 million during Fiscal 2021, compared with \$220.4 million during Fiscal 2020. The increase in depreciation and amortization expense was primarily driven by capital expenditures related to our supply chain, as well as new and non-comparable stores.

Impairment charges—long-lived assets

Impairment charges related to long-lived assets were \$7.7 million \$21.4 million and \$6.0 million \$7.7 million during Fiscal 2021 2022 and Fiscal 2020, 2021, respectively, related to four stores sold below carrying value as well as impairment of store-level assets and lease assets at 9 stores and 14 twelve stores during Fiscal 2021 2022, compared to impairment of store-level assets and lease assets at nine stores during Fiscal 2020, respectively. 2021.

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 market rent rates 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

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impairment charges could be required if we do not achieve our current revenue or cash flow projections for each store. Refer to Note 6, "Impairment Charges," for further discussion.

Other income, net

Other income, net (consisting of gains and losses on insurance proceeds, interest income, net gains and losses on disposition of assets, gift card breakage, and other miscellaneous items) improved \$3.3 million \$15.3 million to \$11.6 million \$26.9 million during Fiscal 2021, 2022. The improvement in other income was primarily driven by the gain on sale of real estate related assets, increased recycling interest rates as a result of shifting cash to a higher yielding vehicle, interest income due to store on a tax refund, and distribution center closures in Fiscal 2020 and insurances recoveries, partially offset by the sale of New Jersey the NJ Grow tax credits in Fiscal 2021, partially offset by losses on fixed asset disposal credit in Fiscal 2021.

Loss on Extinguishment of Debt

During Fiscal 2022, we entered into separate, privately negotiated exchange agreements with certain holders of the Convertible Notes. Under the terms of the exchange agreements, the holders exchanged \$64.6 million in aggregate principal amount of Convertible Notes held by them for \$78.2 million in cash. These exchanges resulted in aggregate pre-tax debt extinguishment charges of \$14.7 million. During Fiscal 2021, we incurred debt extinguishment charges of \$124.6 million related to the partial repurchases of the Convertible Notes, \$30.2 million related to the premium paid on redemption of the Secured Notes, as well as \$1.2 million related to the refinancing of our Term Loan Facility. Refer to Note 7, "Long Term Debt," for further discussion regarding our debt transactions.

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Interest expense

Interest expense improved \$30.3 million \$1.0 million to \$67.5 million \$66.5 million. The decrease was primarily driven by the adoption of ASU 2020-06, which eliminated the amortization of debt discount previously associated with the Convertible Notes. The decrease was also driven by the partial repurchase of \$232.7 million of Convertible Notes and redemption in full of the \$300.0 million aggregate principal amount of Secured Notes and repurchase of \$297.3 million of Convertible Notes, partially offset by the increase in Fiscal 2021, as well as LIBOR rates on the paydown unhedged portion of our ABL Line of Credit during Fiscal 2020. Term Loan Facility.

Our average interest rates and average balances related to our variable rate debt for Fiscal 2021 2022 compared with Fiscal 2020 2021 are summarized in the table below:

	Fiscal Year Ended		Fiscal Year Ended	
	January			
	January 29, 2022	30, 2021	January 28, 2023	January 29, 2022
Average balance – ABL Line of Credit (in millions)	\$ —	\$ 256.6	\$ —	\$ —
Average interest rate – ABL Line of Credit	—	1.9%	—	—
Average balance – Term Loan Facility (in millions) (a)	\$ 960.4	\$ 961.4	\$ 952.2	\$ 960.4
Average interest rate – Term Loan Facility	2.0%	2.2%	4.0%	2.0%

(a) Excludes original issue discount

Income tax expense (benefit)

Income tax expense (benefit) was an expense of \$77.4 million for Fiscal 2022 compared with \$136.5 million for Fiscal 2021 compared with a benefit of \$221.1 million for Fiscal 2020. The effective tax rate was 25.2% related to pretax income of \$307.5 million for Fiscal 2022, and 25.0% related to pretax income of \$545.3 million for Fiscal 2021, and 50.5% related to pretax loss of \$437.6 million for Fiscal 2020. The income tax benefit in the prior year was a result of the pre-tax loss and the carry-back of net operating losses arising in Fiscal 2020 to the five prior tax years, as permitted under the CARES Act. The higher effective tax rate in the prior year was a function of losses facilitating a refund receivable upon amending previously filed returns at a 35% tax rate. Additionally, excess tax benefit from stock compensation drove an increase in the tax rate related to pre-tax loss in Fiscal 2020, compared to a decrease in tax expense is primarily driven by the tax rate related to pre-tax income decrease in Fiscal 2021. pretax income.

Net income (loss)

We earned net income of \$408.8 million \$230.1 million during Fiscal 2021 2022 compared with a net loss income of \$216.5 million \$408.8 million for Fiscal 2020. This improvement decrease was primarily driven by the temporary closure of all our stores during Fiscal 2020, caused by the COVID-19 pandemic, lower sales, as well as our sales growth during Fiscal 2021, decreased gross margin rate, partially offset by a smaller debt extinguishment charges during Fiscal 2021. charge.

Performance for Fiscal Year Ended January 30, 2021 January 29, 2022 (Fiscal 2020) 2021 Compared with Fiscal Year Ended February 1, 2020 January 30, 2021 (Fiscal 2019) 2020

For a discussion related to Fiscal 2020 2021 performance compared to Fiscal 2019 2020 performance, refer to Part II, Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations," included in our Annual Report on Form 10-K for the fiscal year ended January 30, 2021 January 29, 2022 (Fiscal 2020 2021 10-K).

Liquidity and Capital Resources

Our ability to satisfy interest and 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

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control. If we do not have sufficient cash flow to service interest and 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.

As a result of the uncertainty regarding the COVID-19 pandemic, we took a number of measures Refer to manage its cash flow. These measures included carefully managing operating expenses, working capital "Debt and capital expenditures, as well as temporarily suspending our share repurchase program. We resumed the share repurchase program during the third quarter of Fiscal 2021, with \$250.0 million repurchased in total during the year.

We completed several "Hedging" below for recent debt transactions in order to facilitate increased financial flexibility in response to the COVID-19 pandemic. During March 2020, we borrowed \$400.0 million on our existing ABL Line of Credit. We repaid \$150.0 million on the ABL Line of Credit during the second quarter of Fiscal 2020, and the remaining \$250.0 million during the fourth quarter of Fiscal 2020. On April 16, 2020, we issued \$805.0 million of our Convertible Notes, and through BCFWC, issued \$300.0 million of Secured Notes. The proceeds of the Convertible Notes are being used for general corporate purposes. On June 11, 2021, BCFWC redeemed the

full \$300.0 million aggregate principal amount of the Secured Notes. The redemption price of the Secured Notes was \$323.7 million, plus accrued and unpaid interest to, but not including, the date of redemption. Additionally, we repurchased \$160.4 million and \$72.3 million of principal on the Convertible Notes during the third quarter and fourth quarter of Fiscal 2021, respectively. completed.

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 in the event that the economy declines.

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.

Cash Flows

Cash Flows for Fiscal 2021/2022 Compared with Fiscal 2020/2021

We used \$289.2 million \$218.5 million of cash flows during Fiscal 2021/2022 compared with net proceeds of \$977.2 million \$289.2 million during Fiscal 2020/2021.

Net cash provided by operating activities amounted to \$833.2 million \$596.4 million and \$219.2 million \$833.2 million during Fiscal 2021/2022 and Fiscal 2020/2021, respectively. The increase decrease in our operating cash flows was primarily driven by the temporary closure of all our stores during lower sales and margin in Fiscal 2020, caused by the COVID-19 pandemic, 2022, as well as our strong sales performance during Fiscal 2021. changes in working capital (primarily due to an accounts payable policy change resulting in earlier payments to vendors, partially offset by receipt of a tax refund).

Net cash used in investing activities was \$344.4 million \$423.1 million and \$274.1 million \$344.4 million during Fiscal 2021/2022 and Fiscal 2020/2021, respectively. This change was primarily the result of an increase in capital expenditures

related to our stores (new stores, remodels and other store expenditures), reflective of our cash management decisions due to COVID-19, and supply chain growth initiatives.

Net cash used in financing activities was \$391.7 million during Fiscal 2022 compared to \$778.0 million during Fiscal 2021 compared to proceeds of \$1,032.2 million during Fiscal 2020. This change was primarily driven by our cash flow management efforts during Fiscal 2020 higher debt redemptions in response to the COVID-19 pandemic, including our borrowings on the Secured Notes and the Convertible Notes during Fiscal 2020. During Fiscal 2021 BCFWC redeemed the Secured Notes compared to Fiscal 2022, partially offset by more share repurchases in full, and we partially redeemed the Convertible Notes. Additionally, we repurchased shares of common stock for \$150.0 million and \$100.0 million under our share repurchase program during the third quarter and fourth quarter of Fiscal 2021, respectively. The share repurchase program was suspended during Fiscal 2020.

Changes in working capital also impact our cash flows. Working capital equals current assets (exclusive of restricted cash) minus current liabilities. We had working capital at January 29, 2022 January 28, 2023 of \$593.4 million \$365.3 million compared with \$820.0 million \$593.4 million at January 30, 2021 January 29, 2022. The decrease in working capital was primarily due to a decrease in cash and cash equivalents, primarily driven by the decreased cash balance due to payments on the Convertible Notes repurchases during the third quarter and fourth quarter of Fiscal 2021 and redemption of the Secured Notes, as well as an increased accounts payable balance, share repurchases, partially offset by decreased accounts payable and increased merchandise inventory balance.

Cash Flows for Fiscal 2020/2021 Compared with Fiscal 2019/2020

For a discussion of our cash flows for Fiscal 2020/2021 compared to Fiscal 2019/2020, refer to Part II, Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations," included in our Fiscal 2020/2021 10-K.

Capital Expenditures

For Fiscal 2021/2022, cash spend for capital expenditures, net of \$34.1 million \$23.1 million of landlord allowances, amounted to \$318.4 million \$428.0 million. These capital expenditures include approximately \$140.8 million \$190.5 million, net of the previously mentioned landlord allowances, for store expenditures (new stores, remodels and other store expenditures). In addition, we made capital expenditures of \$109.8 million \$145.1 million to support our supply chain initiatives, with the remaining capital to support information technology and other business initiatives. We incurred cash spend on capital expenditures of \$232.4 million \$319.0 million, net of approximately \$40.7 million \$34.1 million of landlord allowances, during Fiscal 2020/2021.

We estimate that we will spend approximately \$725 million \$560 million, net of approximately \$10 million of landlord allowances, in capital expenditures during Fiscal 2022/2023, including approximately \$250 million \$300 million, net of the previously mentioned landlord allowances, for store expenditures (new stores, remodels and other store expenditures). In addition, we estimate that we will spend approximately \$290 million \$115 million to support our supply chain initiatives, with the remaining capital used to support our information technology and other business initiatives.

Share Repurchase Program

On August 18, 2021, our Board of Directors authorized the repurchase of up to \$400.0 million of common stock, which is authorized to be executed through August 2023. This repurchase program 2023. This authorization was funded using our available cash and borrowings on our ABL Line completed during the second quarter of Credit Fiscal 2022.

During Fiscal 2021, we repurchased 856,855 shares of common stock for \$250.0 million under our share repurchase program. As of January 29, 2022, we had \$150.0 million remaining under our share repurchase authorization.

Subsequent to January 29, 2022 (February 16, 2022) On February 16, 2022, 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 February 2024.

During Fiscal 2022, we repurchased 1,756,811 shares of common stock for \$302.7 million under our share repurchase program. As of January 28, 2023, we had \$347.3 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 our 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 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.

Debt and Hedging

As of **January 29, 2022** **January 28, 2023**, our obligations, inclusive of original issue discount, include **\$950.7** million **\$942.0 million** under our Term Loan Facility, **\$572.3 million** **\$507.7 million** of Convertible Notes and no outstanding borrowings on our ABL Line of Credit. Our debt obligations also include **\$43.9 million** **\$33.4 million** of finance lease obligations as of **January 29, 2022** **January 28, 2023**. Refer to Note 7 to our Consolidated Financial Statements, "Long Term Debt," for an overview of the terms and conditions of these instruments.

Term Loan Facility

On June 24, 2021, **BCFWC** **Burlington Coat Factory Warehouse Corporation**, an indirect subsidiary of the Company (**BCFWC**), entered into Amendment No. 9 (the Ninth Amendment) to the Term Loan Credit Agreement governing the Term Loan Facility. The Ninth Amendment, among other things, extended the maturity date from November 17, 2024 to June 24, 2028, and changed the interest rate margins applicable to the Term Loan Facility from 0.75% to 1.00%, in the case of prime rate loans, and from 1.75% to 2.00%, in the case of LIBOR loans, with a 0.00% LIBOR floor. Refer to Note 7, "Long Term Debt," for further discussion regarding our debt transactions.

At **January 29, 2022** **January 28, 2023**, our borrowing rate related to the Term Loan Facility was **2.1%** **6.4%**.

ABL Line of Credit

On July 20, 2022, we entered into a Fourth Amendment to the Second Amended and Restated Credit Agreement (the "Amendment"), by and among BCFWC, as lead borrower and the other borrowers party thereto, the facility guarantors party thereto, the lenders party thereto and Bank of America, N.A., as administrative agent and collateral agent, which Amendment amends that certain Second Amended and Restated Credit Agreement dated as of September 2, 2011, by and among the BCFWC, the other borrowers party thereto, the facility guarantors party thereto, the lenders party thereto and Bank of America, N.A., as administrative agent and collateral agent. The Amendment increased the aggregate principal amount of the commitments of the ABL Line of Credit

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from \$650.0 million to \$900.0 million and replaced the LIBOR-based interest rate benchmark provisions with interest rate benchmark provisions based on a term secured overnight financing rate (SOFR) or a daily SOFR rate (in the case of daily SOFR, available for borrowings up to \$100 million, or up to the full amount of the commitments if the term SOFR rate is not available).

At **January 29, 2022** **January 28, 2023**, we had **\$594.6 million** **\$795.7 million** available under the ABL Line of Credit. We did not have any borrowings during Fiscal **2021**.

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2022.

Convertible Notes

On April 16, 2020, we issued \$805.0 million of Convertible Notes. The Convertible Notes have an initial conversion rate of 4.5418 shares per \$1,000 principal amount of Convertible Notes (equivalent to an initial conversion price of approximately \$220.18 per share of our common stock), subject to adjustment if certain events occur.

The Convertible Notes are our general unsecured obligations. The Convertible Notes bear interest at a rate of 2.25% per year, payable semi-annually in cash, in arrears on April 15 and October 15 of each year, beginning on October 15, 2020. The Convertible Notes will mature on April 15, 2025, unless earlier converted, redeemed or repurchased.

During the ~~third quarter~~ second half of Fiscal 2021, we entered into separate, privately negotiated exchange agreements with certain holders of the Convertible Notes. Under the terms of the exchange agreements, the holders exchanged ~~\$160.4 million~~ \$232.7 million in aggregate principal amount of Convertible Notes held by them for a combination of an aggregate of ~~\$90.8 million~~ \$199.8 million in cash and 513,991 shares of ~~our~~ common stock.

During the ~~fourth~~ first quarter of Fiscal 2021, we entered into additional separate, privately negotiated exchange agreements with certain holders of the Convertible Notes. Under the terms of the exchange agreements, the holders exchanged \$72.3 million in aggregate principal amount of Convertible Notes held by them for \$109.0 million in cash. These exchanges resulted in aggregate pre-tax debt extinguishment charges of \$124.6 million in Fiscal 2021. See Note 7, "Long Term Debt," for additional information.

Subsequent to January 29, 2022 (March 15, 2022), 2022, we entered into separate, privately negotiated exchange agreements with certain holders of the Convertible Notes. Under the terms of the exchange agreements, the holders ~~have~~ agreed to exchange \$55.6 million exchanged \$64.6 million in aggregate principal amount of Convertible Notes held by them for an amount ~~\$78.2 million~~ in cash to be calculated based on the volume-weighted average price of ~~our~~ common stock over a two-day measurement period beginning on March 16, 2022. These exchange transactions are expected to close on March 21, 2022, subject to the satisfaction of customary closing conditions. cash. See Note 7, "Long Term Debt," for additional information.

Secured Notes

On April 16, 2020, BCFWC, issued \$300.0 million of ~~Senior~~ Secured Notes. The Secured Notes were senior, secured obligations of BCFWC, and interest was payable semiannually in cash at a rate of 6.25% per annum on April 15 and October 15 of each year, beginning on October 15, 2020. The Secured Notes were guaranteed on a senior secured basis by Burlington Coat Factory Holdings, LLC, Burlington Coat Factory Investments Holdings, Inc. and BCFWC's subsidiaries that guarantee the loans under the Term Loan Facility and ABL Line of Credit.

On June 11, 2021, BCFWC redeemed the full \$300.0 million aggregate principal amount of the Secured Notes. The redemption price of the Secured Notes was \$323.7 million, plus accrued and unpaid interest to, but not including, the date of redemption. This redemption resulted in a pre-tax debt extinguishment charge of \$30.2 million. Refer to Note 7, "Long Term Debt," for further discussion regarding our debt transactions.

Hedging

On June 24, 2021, we the Company terminated its previous interest rate swap and entered into a new interest rate swap. The new interest rate swap, which hedges \$450 million of variable rate exposure under our Term Loan Facility, is designated as a cash flow hedge and expires on June 24, 2028. Refer to Note 8, "Derivative Instruments and Hedging Activities," for further discussion regarding our derivative transactions.

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Certain Information Concerning Material Cash Requirements

The following table sets forth certain information regarding our obligations to make future payments under current contracts as of January 29, 2022 January 28, 2023:

	Payments Due By Period					Payments Due By Period				
	Less					Less				
	Than		2-3	4-5	Thereaf	Than		2-3	4-5	Thereaf
	Total	1 Year	Years	Years	ter	Total	1 Year	Years	Years	ter
(in thousands)										
Debt obligation	1,528,	9,619,	,55	,53	908	1,454,	9,619,	,91	,19,	,92898
s(1)	\$ 929	\$ 14	\$ 228	\$ 0	\$ 7	\$ 681	\$ 14	\$ 6	\$ 228	\$ 3
Interest obligation	167,69	33,66,	41,	26,	293	113	,62	97,	19,	
s(2)	2,064	146	586	896	7	500	9	441	377	
Finance lease obligation	61,143	7,513	15,006	10,611	28,013	46,756	5,906	9,337	7,280	24,233
s(3)										

Operating lease obligation	3,5	494	932	792	1,3	3,9	550	1,0	892	1,4
s(4)	26,	,52	,90	,51	06,	22,	,63	46,	,10	33,
	468	9	3	6	520	155	6	178	2	239
Purchase obligation	1,3	1,3				1,0	1,0			
s(5)	96,	96,				49,	49,			
	392	392	—	—	—	047	047	—	—	—
Other(6)						2,0	2,0			
	948	553	395	—	—	78	78	—	—	—
Total	6,6	1,9	1,0	1,4	2,2	6,7	1,6	1,6	1,0	2,3
	81,	41,	33,	36,	69,	68,	80,	96,	16,	75,
	\$ 572	\$ 665	\$ 678	\$ 263	\$ 966	\$ 664	\$ 781	\$ 060	\$ 051	\$ 772

- (1) Represents future principal payments on outstanding borrowings as of **January 29, 2022** **January 28, 2023**.
- (2) Represents interest payments on (i) the outstanding balance of the Term Loan Facility, with an **average interest rate of 2.0% during Fiscal 2021; 6.4% as of January 28, 2023**; (ii) **\$450.0 million interest rate swap with a fixed LIBOR of 2.2%**; and (iii) the outstanding balance of the Convertible Notes, with an interest rate of 2.25%.
- (3) Finance lease obligations include future interest payments.
- (4) Represents minimum rent payments for operating leases under the current terms.
- (5) Represents commitments to purchase goods that have not been received as of **January 29, 2022** **January 28, 2023**. The table above excludes estimated commitments for services **to be used** in our business of up to approximately **\$105 million** **\$185 million** over the next five years.
- (6) Represents severance payments in the normal course of business that are included in the line item "Selling, general and administrative expenses" in our Consolidated Statements of Income (Loss).

Our agreements with three former employees to pay their respective beneficiaries \$1.0 million upon their deaths for a total of \$3.0 million is not reflected in the table above because the timing of the payments is unpredictable.

The table above excludes ASC Topic No. 740 "Income Taxes" (Topic No. 740) liabilities which represent uncertain tax positions related to temporary differences. The total Topic No. 740 liability was **\$13.9 million** **\$11.9 million**, inclusive of **\$9.1 million** **\$8.0 million** of interest and penalties included in our total Topic No. 740 liability neither of which is presented in the table above as we are not certain if and when these payments would be required.

The table above excludes our irrevocable letters of credit guaranteeing payment and performance under certain leases, insurance contracts, debt agreements, merchandising agreements and utility agreements in the amount of **\$55.4 million** **\$51.1 million** as of **January 29, 2022** **January 28, 2023**.

As of **January 29, 2022** **January 28, 2023**, insurance reserves amounted to **\$81.6 million** **\$86.2 million**. These amounts are excluded from the table above as we are not certain if and when these payments would be required.

Critical Accounting Policies and Estimates

Our 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 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 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 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 of the end of Fiscal 2021, the impact of the COVID-19 pandemic continues to unfold. As a result, many of our estimates and judgments carry a higher degree of variability and volatility. 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 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.

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While there are a number of accounting policies, methods and estimates affecting our Consolidated Financial Statements as addressed in Note 1 to our Consolidated Financial Statements, "Summary of Significant Accounting Policies," areas that are particularly critical and significant include:

Revenue Recognition. While our revenue recognition does not involve significant judgment, it represents an important accounting policy. We record revenue at the time control of goods are transferred to the customer, which we determine to be at point of sale and delivery of merchandise, net of allowances for estimated future returns, which is estimated based on historical return rates. We present sales, net of sales taxes, in our Consolidated Statements of Income (Loss). We account for layaway sales in compliance with ASC Topic No. 606 "Revenue from Contracts with Customers." Layaway sales are recognized upon delivery of merchandise to the customer. The amount of cash received upon initiation of the layaway is recorded as a deposit liability within the line item "Other current liabilities" in our Consolidated Balance Sheets. Stored value cards (gift cards and store credits issued for merchandise returns) are recorded as a liability at the time of issuance, and the related sale is recorded upon redemption.

We estimate and recognize stored value card breakage income in proportion to actual stored value card redemptions. We determine an estimated stored value card breakage rate by continuously evaluating historical redemption data.

Breakage income is recognized on a monthly basis in proportion to the historical redemption patterns for those stored value cards for which the likelihood of redemption is remote.

Inventory. Our inventory is valued at the lower of cost or market using the retail inventory method. Under the retail inventory method, the valuation of inventory and the resulting gross margin are determined by applying a calculated cost to retail ratio to the retail value of inventory. The retail inventory method is an averaging method that results in valuing inventory at the lower of cost or market provided markdowns are taken timely to reduce the retail value of inventory. Inherent in the retail inventory method calculation are certain significant management judgments and estimates including merchandise markups, markdowns and shortage, which significantly impact the ending inventory valuation as well as the resulting gross margin. Management believes that our retail inventory method provides an inventory valuation which approximates cost using a first-in, first-out assumption and results in carrying value at the lower of cost or market. We reserve for aged inventory based on historical trends and specific identification. Our aged inventory reserve contains uncertainties as the calculations require management to make assumptions and to apply judgment regarding a number of factors, including market conditions, the selling environment, historical results and current inventory trends. A 1% change in the dollar amount of retail markdowns would have resulted in an increase in markdown dollars, at cost, of approximately \$2.3 million \$3.0 million for Fiscal 2021. 2022.

Estimates are used to record inventory shortage at retail stores between physical inventories. Actual physical inventories are conducted at least annually to calculate actual shortage. While we make estimates on the basis of the best information available to us at the time the estimates are made, over accruals or under accruals of shortage may be identified as a result of the physical inventory counts, requiring adjustments.

Insurance Reserves. We have risk participation agreements with insurance carriers with respect to workers' compensation, general liability insurance and health insurance. Pursuant to these arrangements, we are responsible for paying individual claims up to designated dollar limits. The amounts included in our costs related to these claims are estimated and can vary based on changes in assumptions or claims experience included in the associated insurance programs. For example, changes in legal trends and interpretations, as well as changes in the nature and method of how claims are settled, can impact ultimate costs. An increase in workers' compensation claims by employees, health insurance claims by employees or general liability claims may result in a corresponding increase in our costs related to these claims. Insurance reserves amounted to \$86.2 million and \$81.6 million at January 28, 2023 and \$80.9 million at January 29, 2022 and January 30, 2021, respectively.

Recent Accounting Pronouncements

Refer to Note 2 to our There were no new accounting standards that had a material impact on the Company's Consolidated Financial Statements "Recent Accounting Pronouncements," for during Fiscal 2022, and there were no new accounting standards or pronouncements that were issued but not yet effective as of January 28, 2023 that the Company expects to have a discussion material impact on its financial position or results of recent accounting pronouncements and their impact in our Consolidated Financial Statements.operations upon becoming effective.

Fluctuations in Operating Results

We expect that our revenues and operating results may fluctuate from fiscal quarter to fiscal quarter or over the longer term. Certain of the general factors that may cause such fluctuations are discussed in Item 1A, Risk Factors and elsewhere in this Annual Report.

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Seasonality

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 is also a contributing factor to the sale of our clothing. 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 increased by early cold weather during the Fall, while sales of warm weather clothing are improved 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.

Inflation

During Fiscal 2022 and Fiscal 2021, we have experienced inflationary pressure in our supply chain and with respect to raw materials and finished goods. There can be no assurance that we will be able to offset inflationary pressure in the future, or that our business will not be negatively affected by continued inflation in the future. We may not be able to adequately increase our prices over time to offset increased costs, whether due to inflation or otherwise. Any decreases in consumer discretionary spending could result in a decrease in store traffic and same store sales, all of which could negatively affect our business, operations, liquidity, financial results and/or stock price, particularly if consumer spending levels are depressed for a prolonged period of time.

We do not believe that our operating results were materially affected by inflation during Fiscal 2020 or Fiscal 2019. Historically, as the costs of merchandising and related operating expenses have increased, we have been able to mitigate the effect of such impact on our operations.

The U.S. retail industry continues to face increased pressure on margins as commodity prices increase and the 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 of chasing sales, in which we purchase both pre-season and in-season merchandise, allows us the flexibility to purchase less pre-season with the balance purchased in-season and opportunistically. It also provides us the flexibility to shift purchases between suppliers and categories. This enables us to obtain better terms with our suppliers, which we expect to help offset the expected rising costs of goods.

Market Risk

We are exposed to market risks relating to fluctuations in interest rates. Our borrowings contain floating rate obligations and are subject to interest rate fluctuations. The objective of our financial risk management is to minimize the negative impact of interest rate fluctuations on our earnings and cash flows. We manage interest rate risk through the use of our interest rate **cap swap** contracts.

As more fully described in Note 8 to our Consolidated Financial Statements, "Derivative Instruments and Hedging Activities," we enter into interest rate derivative contracts to manage interest rate risks associated with our long term debt obligations. The effective portion of changes in the fair value of derivatives designated and that qualify as cash flow hedges is recorded in the line item "Accumulated other comprehensive loss" on the Consolidated Balance Sheets and is subsequently reclassified into earnings in the period that the hedged forecasted transaction affects earnings. We continue to have exposure to interest rate risks to the extent they are not hedged.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

We are exposed to certain market risks as part of our ongoing business operations. Primary exposures include changes in interest rates, as borrowings under our ABL Line of Credit **bear interest based on SOFR** and **borrowings under our Term Loan Facility bear interest at floating rates based on LIBOR or the base rate, in each case plus an applicable borrowing margin.** The interest rate of our Term Loan Facility is also dependent on the prime rate, and the federal funds rate as further discussed in Note 7 to our Consolidated Financial Statements, "Long Term Debt." **To address During Fiscal 2022, an amendment to the transition away from LIBOR, the Term Loan Facility and ABL Line of Credit agreements each provide replaced the LIBOR-based interest rate benchmark provisions with interest rate benchmark provisions based on a term secured overnight financing rate (SOFR) or a daily SOFR rate (in the case of daily SOFR, available for an agreed upon methodology borrowings up to amend such agreements \$100 million, or up to substitute LIBOR with an agreed replacement the full amount of the commitments if the term SOFR rate subject to our consent and the applicable administrative agent, and in each case subject to a short lender negative consent period. is not available).**

We manage our interest rate risk through the use of interest rate derivative contracts. For our floating-rate debt, interest rate changes generally impact our earnings and cash flows, assuming other factors are held constant.

On June 24, 2021, we terminated our previous interest rate swap and entered into a new interest rate swap. The new interest rate swap, which hedges \$450.0 million of variable rate exposure under our Term Loan Facility, is designated as a cash flow hedge and expires on June 24, 2028. Refer to Note 8, "Derivative Instruments and Hedging Activities," for further discussion regarding our derivative transactions.

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On June 24, 2021, we entered into Amendment No. 9 (the Ninth Amendment) to the Term Loan Credit Agreement governing the Term Loan Facility. The Ninth Amendment, among other things, extended the maturity date from November

17, 2024 to June 24, 2028, and changed the interest rate margins applicable to the Term Loan Facility from 0.75% to 1.00%, in the case of prime rate loans, and from 1.75% to 2.00%, in the case of LIBOR loans, with a 0.00% LIBOR floor.

We have unlimited interest rate risk related to borrowings on our variable rate debt in excess of the notional principal amount of our interest rate swap contract.

At **January 29, 2022** **January 28, 2023**, we had **\$956.6 million** **\$947.0 million** of floating-rate debt, exclusive of original issue discount. Based on **\$956.6 million** **\$947.0 million** outstanding as floating-rate debt, a one percentage point interest rate increase or decrease as of **January 29, 2022** **January 28, 2023** (after considering our interest rate swap contract and assuming current borrowing level remains constant), would cause an increase or decrease, respectively, to cash interest expense of **\$5.1 million** **\$4.8 million** per year. This sensitivity analysis assumes our mix of financial instruments and all other

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variables will remain constant in future periods. These assumptions are made in order to facilitate the analysis and are not necessarily indicative of our future intentions.

Our ability to satisfy our interest payment obligations on our outstanding debt will depend largely on our future performance, which, in turn, is in part 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 our interest 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.

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Item 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

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Consolidated Financial Statements

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[Consolidated Statements of Income \(Loss\) for the fiscal years ended **January 29, 2022** **January 28, 2023**, **January 30, 2021** **January 29, 2022** and **February 2, 2019** **January 30, 2021**](#)

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[Consolidated Statements of Comprehensive Income \(Loss\) for the fiscal years ended **January 29, 2022** **January 28, 2023**, **January 30, 2021** **January 29, 2022** and **February 2, 2019** **January 30, 2021**](#)

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<u>Consolidated Balance Sheets as of January 29, 2022 January 28, 2023 and January 30, 2021</u>	<u>January 29, 2022 January 28, 2023 and January 30, 2021</u>	51 47
<u>Consolidated Statements of Cash Flows for the fiscal years ended January 29, 2022 January 28, 2023, January 30, 2021 January 29, 2022 and February 2, 2019</u>	<u>January 29, 2022 January 28, 2023, January 30, 2021 January 29, 2022 and February 2, 2019</u>	52 48
<u>Consolidated Statements of Stockholders' Equity for the fiscal years ended January 29, 2022 January 28, 2023, January 30, 2021 January 29, 2022 and February 2, 2019</u>	<u>January 29, 2022 January 28, 2023, January 30, 2021 January 29, 2022 and February 2, 2019</u>	53 49
<u>Notes to Consolidated Financial Statements for the fiscal years ended January 29, 2022 January 28, 2023, January 30, 2021 January 29, 2022 and February 2, 2019</u>	<u>January 29, 2022 January 28, 2023, January 30, 2021 January 29, 2022 and February 2, 2019</u>	54 50

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the shareholders and the Board of Directors of Burlington Stores, Inc.

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated balance sheets of Burlington Stores, Inc. and subsidiaries (the "Company") as of January 29, 2022 January 28, 2023 and January 30, 2021 January 29, 2022, the related consolidated statements of income (loss), comprehensive income (loss), stockholders' equity, and cash flows, for each of the three years in the period ended January 29, 2022 January 28, 2023, and the related notes and the schedules listed in the Index at Item 15 (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of January 29, 2022 January 28, 2023 and January 30, 2021 January 29, 2022, and the results of its operations and its cash flows for each of the three years in the period ended January 29, 2022 January 28, 2023, in conformity with accounting principles generally accepted in the United States of America.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of January 29, 2022 January 28, 2023, based on criteria established in *Internal Control — Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated March 16, 2022 March 10, 2023, expressed an unqualified opinion on the Company's internal control over financial reporting.

Change in Accounting Principle

As discussed in Note 27 to the financial statements, on January 31, 2021, the Company adopted Financial Accounting Standards Board Accounting Standards Update (ASU) 2020-06, "Accounting for Convertible Instruments and Contracts in an Entity's Own Equity."

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to

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error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence

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regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current-period audit of the financial statements that was communicated or required to be communicated to the audit committee and that (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Retail Inventory Method—Impact of Markdowns—Refer to Note 1 to the financial statements

Critical Audit Matter Description

The Company values merchandise inventories at the lower of cost or market using the retail inventory method. Under this method, the valuation of inventories at cost and the resulting gross margins are determined by applying a calculated cost-to-retail ratio to the retail value of inventories. The retail inventory method is an averaging method that results in valuing inventory at the lower of cost or market provided markdowns are taken timely to reduce the retail value of inventory.

Merchandise inventories as of **January 29, 2022** **January 28, 2023**, were **\$1,021 million** **\$1,182 million**.

The judgments involved in determining when to record markdowns can significantly impact the ending inventory valuation and the resulting gross profit. Given the significant judgments necessary to identify and record markdowns timely, performing audit procedures to evaluate the timeliness of markdowns involved a high degree of auditor judgment.

How the Critical Audit Matter Was Addressed in the Audit

Our audit procedures related to the timing of markdowns taken included the following, among others:

- We tested the **design and operating** effectiveness of controls over inventory valuation, specifically those over the determination and execution of markdowns.
- We made a selection of markdowns recorded throughout the year to test the accuracy and timeliness of markdowns taken.
- We made a selection of markdowns recorded after year-end to determine if the selected markdowns should have been taken as of the year-end balance sheet date.
- We made a selection of purchases made throughout the year; determined if those purchases were subsequently marked down; and, if marked down, that the markdown was recorded timely.
- We analyzed trends in the aging of inventory to determine if there were any significant fluctuations in aged inventory that would indicate markdowns were not taken timely.
- We developed an expectation of markdowns in ending inventory based on historical relationships between markdowns and inventory balances on hand and compared to recorded markdowns.

/s/ Deloitte & Touche LLP

Parsippany, New Jersey York, New York

March 16, 2022 13, 2023

We have served as the Company's auditor since 1983.

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

	Fiscal Year Ended			Fiscal Year Ended		
	January	January	February 1,	January	January	January
	29,	30,	2020	28,	29,	30,
	2022	2021	2020	2023	2022	2021
REVENUES:						
Net sales	9,306, \$ 549	5,751, \$ 541	7,261, \$ 243	8,684, \$ 545	9,306, \$ 549	5,751, \$ 541
Other revenue	15,70	12,43	25,15	18,05	15,70	12,43
Total revenue	9,322, 256	5,763, 980	7,286, 398	8,702, 604	9,322, 256	5,763, 980
COSTS AND EXPENSES:						
Cost of sales	5,436, 155	3,555, 024	4,228, 740	5,171, 715	5,436, 155	3,555, 024
Selling, general and administrative expenses	2,868, 527	2,326, 928	2,228, 178	2,877, 356	2,868, 527	2,326, 928

Costs related to debt issuances and amendments	3,419	3,633	(375)	—	3,419	3,633
Depreciation and amortization	249,2	220,3	210,7	270,3	249,2	220,3
Impairment charges - long- lived assets	17	90	20	98	17	90
				21,40		
	7,748	6,012	4,315	2	7,748	6,012
	(11,63)		(16,53)	(26,90)	(11,63)	
Other income - net	0)	(8,353)	1)	7)	0)	(8,353)
Loss on extinguishment of debt	156,0			14,65	156,0	
	20	202	—	7	20	202
	67,50	97,76	50,82	66,47	67,50	97,76
Interest expense	2	7	6	4	2	7
	8,776,	6,201,	6,705,	8,395,	8,776,	6,201,
Total costs and expenses	958	603	873	095	958	603
Income (loss) before income tax expense (benefit)	545,2	(437,6	580,5	307,5	545,2	(437,6
	98	23)	25	09	98	23)
	136,4	(221,1	115,4	77,38	136,4	(221,1
Income tax expense (benefit)	59	24)	09	6	59	24)
	408,8	(216,4	465,1	230,1	408,8	(216,4
Net income (loss)	\$ 39	\$ 99)	\$ 16	\$ 23	\$ 39	\$ 99)
Net income (loss) per common share:						
Common stock - basic	\$ 6.14	\$ (3.28)	\$ 7.05	\$ 3.51	\$ 6.14	\$ (3.28)
Common stock - diluted	\$ 6.00	\$ (3.28)	\$ 6.91	\$ 3.49	\$ 6.00	\$ (3.28)
Weighted average number of common shares:						
	66,58	65,96	65,94	65,63	66,58	65,96
Common stock - basic	8	2	3	7	8	2
	68,12	65,96	67,29	65,90	68,12	65,96
Common stock - diluted	6	2	3	1	6	2

See Notes to Consolidated Financial Statements.

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

	Fiscal Year Ended			Fiscal Year Ended		
	January	January	February	January	January	January
	29, 2022	30, 2021	1, 2020	28, 2023	29, 2022	30, 2021
	—	—	—	—	—	—
Net income (loss)	408,8	(216,4	465,1	230,1	408,8	(216,
	\$ 39	\$ 99)	\$ 16	\$ 23	\$ 39	\$ 499)
Other comprehensive income (loss), net of tax:						
Interest rate derivative contracts:						
Net unrealized gains (losses) arising during the period	7,931	8)	06)			
Net unrealized gain (loss) arising during the period				27,72		(11,4
				6	7,931	58)
Net reclassification into earnings during the period	10,64				10,64	
	3	7,403	1,259	5,463	3	7,403
Other comprehensive income (loss), net of tax	18,57		(15,3	33,18	18,57	(4,05
	4	(4,055)	47)	9	4	5)
Total comprehensive income (loss)	427,4	(220,5	449,7	263,3	427,4	(220,
	\$ 13	\$ 54)	\$ 69	\$ 12	\$ 13	\$ 554)

See Notes to Consolidated Financial Statements.

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

	January 29, 2022	January 30, 2021	January 28, 2023	January 29, 2022
ASSETS				
Current assets:				
Cash and cash equivalents	1,091,0 \$ 91	1,380,2 \$ 76	872,62 \$ 3	1,091, \$ 091
Restricted cash and cash equivalents	6,582	6,582	6,582	6,582
Accounts receivable—net of allowance for doubtful accounts of \$3,305 and \$4,855, respectively	54,089	62,161		
Accounts receivable—net of allowance for doubtful accounts of \$1,252 and \$3,305, respectively			71,091	54,089
Merchandise inventories	1,021,0 09	740,78 8	1,181, 982	1,021, 009
Assets held for disposal	4,358	6,655	19,823	4,358
	370,51	314,15	131,69	370,51
Prepaid and other current assets	5	4	1	5
	2,547,6 44	2,510,6 16	2,283, 792	2,547, 644
Total current assets				
Property and equipment—net	1,552,2 37	1,438,8 63	1,668, 005	1,552, 237
Operating lease assets	2,638,4 73	2,469,3 66	2,945, 932	2,638, 473
	238,00	238,00	238,00	238,00
Tradenames	0	0	0	0
Goodwill	47,064	47,064	47,064	47,064
Deferred tax assets	3,959	4,422	3,205	3,959
Other assets	62,136	72,761	83,599	62,136
	7,089,5	6,781,0	7,269,	7,089,
Total assets	<u>\$ 13</u>	<u>\$ 92</u>	<u>\$ 597</u>	<u>\$ 513</u>
LIABILITIES AND STOCKHOLDERS' EQUITY				
Current liabilities:				
Accounts payable	1,080,8 \$ 02	862,63 \$ 8	955,79 \$ 3	1,080, \$ 802
	358,79	304,62	401,11	358,79
Current operating lease liabilities	3	9	1	3

	493,69	512,83	541,41	493,69
Other current liabilities	5	0	3	5
Current maturities of long term debt	14,357	3,899	13,634	14,357
	1,947,6	1,683,9	1,911,	1,947,
Total current liabilities	47	96	951	647
	1,541,1	1,927,7	1,462,	1,541,
Long term debt	02	70	072	102
	2,539,4	2,400,7	2,825,	2,539,
Long term operating lease liabilities	20	82	292	420
		103,94		
Other liabilities	80,904	0	69,386	80,904
	220,02	199,85	205,99	220,02
Deferred tax liabilities	3	0	1	3
Commitments and contingencies (Note 16)				
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: 81,677,315 shares and 80,661,453 shares, respectively;				
Outstanding: 66,491,555 shares and 66,386,331 shares, respectively	7	7		
Issued: 82,037,994 shares and 81,677,315 shares, respectively;				
Outstanding: 65,019,713 shares and 66,491,555 shares, respectively			8	7
	1,927,5	1,809,8	2,015,	1,927,
Additional paid-in-capital	54	31	625	554
	414,29	(11,70		
Accumulated earnings (deficit)	2	2)		
		(23,01		
Accumulated other comprehensive loss	(4,441)	5)		
			644,41	414,29
Accumulated earnings			5	2

Accumulated other comprehensive income (loss)			28,748	(4,441)
Treasury stock, at cost	(1,576, 995)	(1,310, 367)	(1,893, 891)	(1,576, 995)
	760,41	464,75	794,90	760,41
Total stockholders' equity	7	4	5	7
	7,089,5	6,781,0	7,269,	7,089,
Total liabilities and stockholders' equity	\$ 13	\$ 92	\$ 597	\$ 513

See Notes to Consolidated Financial Statements.

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BURLINGTON STORES, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(All amounts in thousands)

OPERATING ACTIVITIES	Fiscal Year Ended			Fiscal Year Ended		
	January	January	February	January	January	January
	29, 2022	30, 2021	1, 2020	28, 2023	29, 2022	30, 2021
	29, 2022	30, 2021	1, 2020	28, 2023	29, 2022	30, 2021
Net income (loss)	408,8 \$ 39	(216, \$ 499)	465,1 \$ 16	230,1 \$ 23	408,8 \$ 39	(216, \$ 499)
Adjustments to reconcile net income (loss) to net cash provided by operating activities						
Depreciation and amortization	249,2 17	220,3 90	210,7 20	270,3 98	249,2 17	220,3 90
Impairment charges—long-lived assets				21,40		
	7,748	6,012	4,315	2	7,748	6,012
Amortization of deferred financing costs	5,323	4,450	1,247	3,633	5,323	4,450
Accretion of long term debt instruments		24,77				24,77
	889	5	813	949	889	5
Deferred income taxes	51,95 2	(24,9 59)	9,070	(25,4 31)	51,95 2	(24,9 59)

Loss on extinguishment of debt	156,0			14,65	156,0	
	20	202	—	7	20	202
Non-cash stock compensation expense	58,54	55,84	43,92	67,48	58,54	55,84
Non-cash lease expense	6	5	8	0	6	5
	(10,2	(1,53	12,59		(10,2	(1,53
	94)	0)	9	(523)	94)	0)
Cash received from landlord allowances	34,05	40,66	56,28	23,13	34,05	40,66
	1	3	0	7	1	3
Changes in assets and liabilities:						
Accounts receivable	10,18	26,85		(13,0	10,18	26,85
	6	8	(8,816)	12)	6	8
Merchandise inventories	(280,	36,45	176,4	(160,	(280,	36,45
	220)	9	30	974)	220)	9
Prepaid and other current assets	(56,3	(177,	(13,59	244,8	(56,3	(177,
	63)	454)	8)	52	63)	454)
Accounts payable	214,7	104,6	(90,89	(125,	214,7	104,6
	92	07	9)	006)	92	07
Other current liabilities	(33,1	103,8	25,20	44,83	(33,1	103,8
	29)	71	2	0	29)	71
Other long term assets and long term liabilities	(2,78				(2,78	
	2)	562	3,176	(360)	2)	562
	18,38	14,92			18,38	14,92
Other operating activities	4	9	(3,858)	230	4	9
Net cash provided by operating activities	833,1	219,1	891,7	596,3	833,1	219,1
	59	81	25	85	59	81
INVESTING ACTIVITIES						
Cash paid for property and equipment	(352,	(273,	(328,3	(447,	(352,	(273,
	467)	282)	57)	393)	467)	282)
Lease acquisition costs				(3,71		
	(576)	—	(1,983)	0)	(576)	—
Proceeds from insurance recoveries related to property and equipment	—	220	5,131	—	—	220
Proceeds from sale of property and equipment and assets held for sale	8,654	—	—	27,96		
				1	8,654	—

Other investing activities		(1,07				(1,07
	—	0)	611		—	0)
	(344,	(274,	(324,5		(423,	(274,
Net cash (used in) investing activities	389)	132)	98)		142)	132)
FINANCING ACTIVITIES						
Proceeds from long term debt—ABL Line of Credit		400,0	1,294,			400,0
	—	00	400		—	00
Principal payments on long term debt—		(400,	(1,294			(400,
ABL Line of Credit		000)	,400)		—	000)
Proceeds from long term debt—Term B-6	956,6					956,6
Loans	08	—	—		—	08
Principal payments on long term debt—	(4,80				(9,61	(4,80
Term B-6 Loans	7)	—	—		4)	7)
Principal payments on long term debt—	(961,					(961,
Term B-5 Loans	415)	—	—		—	415)
Proceeds from long term debt—		805,0				
Convertible Note	—	00	—			
Proceeds from long term debt—						805,0
Convertible Notes					—	00
Principal payment on long term debt—	(201,				(78,2	(201,
Convertible Notes	695)	—	—		40)	695)
Proceeds from long term debt—Secured		300,0				
Note	—	00	—			
Proceeds from long term debt—Secured						300,0
Notes					—	00
Principal payments on long term debt—	(323,					(323,
Secured Notes	905)	—	—		—	905)
	(266,	(65,5	(323,0		(316,	(266,
Purchase of treasury shares	628)	26)	80)		896)	26)
	39,88	34,92	34,22		20,59	34,92
Proceeds from stock option exercises	7	4	2		2	4
	(2,14	(28,8				(2,14
Deferred financing costs	3)	15)	—		—	15)
	(13,8	(13,4			(7,55	(13,4
Other financing activities	57)	30)	(2,769)		3)	30)

Net cash (used in) provided by financing activities	(777, 955)	1,032 ,153	(291,6 27)	(391, 711)	(777, 955)	1,032 ,153
(Decrease) increase in cash, cash equivalents, restricted cash and restricted cash equivalents	(289, 185)	977,2 02	275,5 00	(218, 468)	(289, 185)	977,2 02
Cash, cash equivalents, restricted cash and restricted cash equivalents at beginning of period	1,386 ,858	409,6 56	134,1 56	1,097 ,673	1,386 ,858	409,6 56
Cash, cash equivalents, restricted cash and restricted cash equivalents at end of period	1,097 \$,673	1,386 \$,858	409,6 \$ 56	879,2 \$ 05	1,097 \$,673	1,386 \$,858
Supplemental disclosure of cash flow information:						
Interest paid	52,67 \$ 1	48,39 \$ 2	47,07 \$ 1	51,44 \$ 5	52,67 \$ 1	48,39 \$ 2
Income tax payments - net	130,2 \$ 47	44,99 \$ 3	110,5 \$ 88	(208, \$ 333)	130,2 \$ 47	44,99 \$ 3
Non-cash investing and financing activities:						
Shares issued to repurchase Convertible Notes	151,2 \$ 06	— —	— —	— —	151,2 \$ 06	— —
Finance lease modification				(6,04 \$ 2)		
Accrued purchases of property and equipment	63,29 \$ 6	44,49 \$ 0	62,81 \$ 4	66,00 \$ 7	63,29 \$ 6	44,49 \$ 0
Acquisition of finance leases			19,87 \$ 5			
Exchange of noncash assets				\$ 7,300 —		\$ —

See Notes to Consolidated Financial Statements.

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BURLINGTON STORES, INC.

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(All dollar amounts in thousands)

		Acc umu lated Othe Addi tion al Common Stock Sha res					Acc umu lated Othe Addi tion al Common Stock Sha res					
		Paid -in Capi tal	um lated	Com pre hens ive	Treasury Stock Sha res	um lated	Com pre hens ive	Treasury Stock Sha res	Paid -in Capi tal	um lated	Com pre hens ive	Treasury Stock Sha res
Balance at Februar y 2, 2019	79 ,2 24 ,6 69	\$ 7 50 8, 99 \$ 7 \$ 6 \$ 19)	1, 50 60 (3, ,9 ,9 2)	2, 07 (9 9, 61 \$ 3) \$ 3)	(1 07 21 57 ,7 \$ 61)	32 2, 2, 71 \$ 0						
Net income				46		46						
				5, 11		5, 11						
	—	—	—	6	—	—	—	—	6			
Stock options exercise d	71 0, 96 4		34 ,2 22		34 ,2 22							
Shares used for tax withholdi ng				(1 32 ,2 22)	(2 3, 20 0)	(2 3, 20 0)						

Shares purchased as part of publicly announced program	—	—	—	—	—	(1,740,	74	(2,99	99
Forfeiture of restricted shares, net of issuance	(5,1759	3,	12	7)	—	—	—	—	—
Stock based compensation	43	,9					43	,9	
									28

Unrealized losses on interest rate derivative contracts, net of related taxes of \$6.4 million	—	—	—	—	(1)	6,60	—	—	(1)	60	—	—	60	
Amount reclassified into earnings, net of related taxes of \$0.5 million	—	—	—	—	9	—	—	9	—	—	—	—	—	
Cumulative-effect adjustment	—	—	—	—	0	—	—	0	—	—	—	—	—	
Balance at February 1, 2020	79,82,14,06	1,58,7,14	20,7,4,7	(1),95,8,96,0)	3,24,4,79,0)	(1,52,8,53,4)	79,82,7,14	1,4,8,79,4)	3,24,2,96,0)	(1,52,8,53,4)	60,96,2,84,0)	—	—	5,1,4,9

Net loss	(2	1	6,	4	9	9)	(2	1	6,	4	9	9)
	(2	16	16	16	16	99)	(2	16	16	16	16	99)
	16	,4	,4	,4	,4	—	16	,4	,4	,4	,4	—
	,4	—	—	—	—	99)	—	—	—	—	—	99)
Stock options exercised	73	—	—	—	—	—	73	—	—	—	—	—
	1,	34	—	—	—	—	34	1,	34	—	—	—
	95	,9	—	—	—	—	,9	95	,9	—	—	—
	4	—	24	—	—	—	24	4	—	24	—	—
Shares used for tax withholding	—	—	—	—	—	—	(7	(1	(1	—	—	(1
							9,	5,	5,	—	—	5,
							01	36	36	—	—	6
	—	—	—	—	—	—	5)	8)	8)	—	—	8)
Shares purchased as part of publicly announced program	—	—	—	—	—	—	(2	(5	(5	—	—	(5
							43	0,	0,	—	—	0,
							,5	15	15	—	—	15
	—	—	—	—	—	—	73)	8)	8)	—	—	8)
Vesting of restricted shares, net of forfeitures of restricted shares	9,437	46	—	—	—	—	46	—	—	—	—	—
	restrict	,9	—	—	—	—	,9	—	—	—	—	—
	d shares	93	—	—	—	—	93	—	—	—	—	—

Stock based compensation	55,8	55,8	55,8	5,5,8
	— — 45	— — — — 45	— — 45	— — — — — 5
Equity component of convertible notes issuance, net of related taxes of \$44.1 million	13,1,91	13,1,91	13,1,91	1,1,91
	— — 6	— — — — 6	— — 6	— — — — — 6
Unrealized losses on interest rate derivative contracts, net of related taxes of \$4.1 million	(1,45)	(1,45)	(1,45)	(1,45)
	— — — — 8)	— — — — 8)	— — — — 8)	— — — — — 8)

Amount reclassifi- ed into earnings , net of related taxes of \$2.8 million	—	—	—	—	3	—	—	3	—	—	—	—	3	—	—	3
Balance					(1								(1			4
at	80	1,			4,	(1,			80	1,			4,	(1,		6
January	,6	80	(1	(2	27	31	46	,6	80	(1	(2	27	31	4,		
30, 2021	61	9,	1,	3,	5,	0,	4,	61	9,	1,	3,	5,	0,	7		
	,4	83	70	01	12	36	75	,4	83	70	01	12	36	5		
	53	7	1	2)	5)	2)	7)	4	53	7	1	2)	5)	2)	7)	4
Net income					40			40					40			8,
					8,			8,					8,			8
					83			83					83			3
	—	—	—	—	9	—	—	9	—	—	—	—	9	—	—	9
Stock options exercise d	41							41								3
	8,	39						39	8,	39						9,
	17	,8						,8	17	,8						8
	3	—	87	—	—	—	—	87	3	—	87	—	—	—	—	7
Shares used for tax withholdi- ng					(5	(1	(1						(5	(1	6,	(1
					3,	6,	6,						3,	6,	6	
					78	61	61						78	61	1	
	—	—	—	—	3)	2)	2)	—	—	—	—	—	3)	2)	2)	

Shares purchased as part of publicly announced program	—	—	—	—	—	—	—	—	—	—	—	—	—	(25
Vesting of restricted shares, net of forfeitures of 2,886 restricted shares	83													83
Stock based compensation	,6													,6
	98	—	—	—	—	—	—	—	—	—	—	—	—	98
Shares issued to redeem convertible notes	51	15												15
	3,	1,												1,
	99	20												20
	1	—	6	—	—	—	—	—	6	1	—	6	—	—
														6

Unrealized gains on interest rate derivative contracts, net of related taxes of \$3.0 million	—	—	—	—	7,931	—	—	—	—	7,931	—	—	7,931
Amount reclassified into earnings, net of related taxes of \$4.0 million	—	—	—	—	10,643	—	—	—	—	10,643	—	—	10,643
Adoption of ASU 2020-06 (Note 2)	—	—	—	—	(16)	31	17	14	16)	55	—	—	61)
Adoption of ASU 2020-06	—	—	—	—	—	—	—	—	—	—	—	—	—

Balance	(1)						(1)						7
at	81	1,	5,	(1,			81	1,	5,	(1,			6
January	,6	92	41	18	57	76	,6	92	41	18	57	0,	
29, 2022	77	7,	4,	(4,	5,	6,	0,	77	7,	4,	(4,	5,	4
	,3	55	29	44	76	99	41	,3	55	29	44	76	99
	15	\$ 7	\$ 4	\$ 2	\$ 1)	0)	\$ 5)	\$ 7	15	7	2	0)	5)
Net													2
income													3
Stock													2
options													0,
exercise													5
d													9
Shares													(1
used for													4,
tax													2
withholdi													71
ng													23
													3
Shares													
purchas													
ed as													
part of													(3
publicly													0
announc													75
ed													(3
program													2,
s													6,
													6
													81
													,6
													5
													1)
													58)
													8)

Vesting												
of												
restrict												
d												
shares,												
net of												
forfeiture												
s of 199												
restrict												
d shares												
Stock												
based												
compens												
ation												
—												
80												
—												
0												
Unrealiz												
ed gains												
on												
interest												
rate												
derivativ												
e												
contracts												
, net of												
related												
taxes of												
\$10.1												
million												
—												
26												
—												
6												

Amount								
reclassifi								
ed into								
earnings								
, net of								
related								5,
taxes of								4
\$2.0							46	6
million	—	—	—	—	3	—	—	3
Balance							(1	7
at	82		2,			7,	(1,	9
January		,0	01	64		01	89	4,
28, 2023		37	5,	4,	28	8,	3,	9
		,9	62	41	,7	28	89	0
	94	\$ 8	\$ 5	\$ 5	\$ 48	1)	\$ 1)	\$ 5
	—	—	—	—	—	—	—	—

See Notes to Consolidated Financial Statements.

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BURLINGTON STORES, INC. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

Business

As of **January 29, 2022** **January 28, 2023**, Burlington Stores, Inc., a Delaware corporation (collectively with its subsidiaries, the Company), has expanded its store base to **840 927** retail stores in **45 46** states and Puerto Rico. The Company sells in-season, fashion-focused merchandise at up to 60% off other retailers' prices, including: women's ready-to-wear apparel, menswear, youth apparel, baby, beauty, footwear, accessories, home, toys, gifts and coats. As of **January 29, 2022** **January 28, 2023**, the Company operated stores under the names "Burlington Stores" (**837 925** stores), and "Cohoes Fashions" (2 stores), and "MJM Designer Shoes" (1 store). Cohoes Fashions offers products similar to those offered by Burlington Stores. MJM Designer Shoes offers moderately priced designer and fashion shoes.

Basis of Consolidation and Presentation

The accompanying Consolidated Financial Statements have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). The Consolidated Financial Statements include the accounts

of Burlington Stores, Inc. and its subsidiaries. All inter-company accounts and transactions have been eliminated in consolidation.

Fiscal Years

The Company defines its fiscal year as the 52 or 53-week period ending on the Saturday closest to January 31. The fiscal years ended January 28, 2023 (Fiscal 2022), January 29, 2022 (Fiscal 2021), and January 30, 2021 (Fiscal 2020) and February 1, 2020 (Fiscal 2019) each consisted of 52 weeks.

Use of Estimates

Certain amounts included in the Consolidated Financial Statements are estimated based on historical experience, currently available information and management's judgment as to the expected outcome of future conditions and circumstances. While every effort is made to ensure the integrity of such estimates, actual results could differ from these estimates, and such differences could have a material impact on the Company's Consolidated Financial Statements.

COVID-19

On March 11, 2020, the World Health Organization declared the novel coronavirus (known as COVID-19) outbreak to be a global pandemic. As a result, the Company began the temporary closing of some its stores, and effective March 22, 2020, the Company made the decision to temporarily close all of its stores, distribution centers (other than processing of received inventory) and corporate offices to combat the rapid spread of COVID-19. The Company began re-opening stores on May 11, 2020, with the majority of stores, as well as all distribution centers, re-opened by mid-June 2020, and substantially all stores re-opened by the end of the second quarter of Fiscal 2020.

In response to the COVID-19 pandemic and the temporary closing of stores, the Company provided two weeks of financial support to associates impacted by these store closures and by the shutdown of distribution centers. The Company temporarily furloughed most store and distribution center associates, as well as some corporate associates, but continued to provide benefits to furloughed associates in accordance with its benefit plans. In addition, the Company paid 100% of medical benefit premiums during the period they were furloughed. During the second quarter, the Company recalled all furloughed associates at re-opened stores, as well as corporate and distribution facilities.

In order to maintain financial flexibility during these uncertain times, the Company completed several debt transactions in the first quarter of Fiscal 2020. Refer to Note 7, "Long Term Debt," for further discussion regarding these debt transactions.

Additionally, the Company took the following steps to further enhance its financial flexibility:

- Carefully managed operating expenses, working capital and capital expenditures, including ceasing substantially all buying activities while stores were closed. The Company subsequently resumed its buying activities, while continuing its conservative approach toward operating expenses and capital expenditures;

- Negotiated rent deferral agreements with landlords, which were substantially complete as of the end of Fiscal 2021;

- Temporarily suspended the Company's share repurchase program, which resumed during the third quarter of Fiscal 2021;
- The Company's CEO voluntarily agreed to not take a salary; the Company's Board of Directors voluntarily forfeited their cash compensation; the Company's executive leadership team voluntarily agreed to decrease their salary by 50%; and smaller salary reductions were temporarily put in place for all associates through a certain level. This compensation was reinstated once substantially all of the Company's stores re-opened; and
- The annual incentive bonus payments related to Fiscal 2019 performance were delayed to the second quarter of Fiscal 2020, and merit pay increases Results for Fiscal 2020 were delayed to the third quarter of Fiscal 2020.

Due to the aging of inventory related to the temporary store closures discussed above, as well as the impact of seasonality on the Company's merchandise, the Company recognized inventory markdown reserves of \$271.9 million during the three month period ended May 2, 2020. These reserves covered markdowns taken during the second quarter of Fiscal 2020. These charges were included in "Cost of sales" on the Company's Consolidated Statement of Income (Loss).

On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act (the CARES Act) was signed into law, which provided emergency economic assistance for American workers, families and businesses affected significantly impacted by the COVID-19 pandemic. As All the Company's stores were temporarily closed for a result portion of amending prior returns to carry back the federal net operating loss generated on the Fiscal 2020, tax return, resulting in a sales decline and higher inventory markdowns. These store closures did not repeat in Fiscal 2021 or Fiscal 2022. However, certain lingering economic effects of the Company expects pandemic did continue to obtain a one-time tax refund of \$245.5 million, which is included in the line item "Prepaid and other current assets" on the Company's Consolidated Balance Sheet. impact results, including supply chain disruptions.

Cash and Cash Equivalents

Cash and cash equivalents represent cash and short-term, highly liquid investments with maturities of three months or less at the time of purchase. Book cash overdrafts are included in the line item "Accounts payable" on the Company's Consolidated Balance Sheets.

Accounts Receivable

Accounts receivable consist of credit card receivables, insurance receivables, interest receivables, and other receivables. Accounts receivable are recorded at net realizable value, which approximates fair value. The Company provides an allowance for doubtful accounts for amounts deemed uncollectible.

Inventories

Merchandise inventories are valued at the lower of cost or market, as determined by the retail inventory method. Under the retail inventory method, the valuation of inventories at cost and the resulting gross margins are calculated by applying a calculated cost to retail ratio to the retail value of inventories. The Company regularly records a provision for estimated shortage, thereby reducing the carrying value of merchandise inventory. Complete physical inventories of all of the Company's stores and warehouses are performed no less frequently than annually, with the recorded amount of merchandise inventory being adjusted to coincide with these physical counts.

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The Company records its cost of merchandise (net of purchase discounts and certain vendor allowances), certain merchandise acquisition costs (primarily commissions and import fees), inbound freight, outbound freight from distribution centers, and freight on internally transferred merchandise in the line item "Cost of sales" in the Company's Consolidated Statements of Income (Loss).

Costs associated with the Company's distribution, buying, and store receiving functions (product sourcing costs) are included in the line items "Selling, general and administrative expenses" and "Depreciation and amortization" in the Company's Consolidated Statements of Income (Loss). Product sourcing costs included within the line item "Selling, general and administrative expenses" amounted to \$677.6 million, \$618.3 million and \$433.8 million and \$339.1 million during Fiscal 2022, Fiscal 2021 and Fiscal 2020, and Fiscal 2019, respectively. Depreciation and amortization related to the distribution and purchasing functions for the same periods amounted to \$45.0 56.3 million, \$30.8 45.0 million and \$31.9 30.8 million, respectively.

Property and Equipment

Property and equipment are recorded at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, which range from 20 to 40 years for buildings, depending upon the expected useful life of the facility, and 3 to 15

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years for store fixtures and equipment. Leasehold improvements are amortized over the lease term, including any reasonably assured renewal options or the expected economic life of the improvement, whichever is less. Repairs and maintenance expenditures are expensed as incurred. Renewals and betterments, which significantly extend the useful lives of existing property and equipment, are capitalized. Assets recorded under capital leases are recorded at the present value of minimum lease payments and are amortized over the lease term. Amortization of assets recorded as capital leases is included in the line item "Depreciation and amortization" in the Company's Consolidated Statements of Income (Loss). The carrying value of all long-lived assets is reviewed for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable, in accordance with ASC Topic No. 360 "Property, Plant, and

Equipment" (Topic No. 360). Refer to Note 6, "Impairment Charges," for further discussion of the Company's measurement of impairment of long-lived assets.

Impairment of Long-Lived Assets

The Company reviews its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets held and used is measured by a comparison of the carrying amount of an asset to undiscounted pre-tax future net cash flows expected to be generated by that asset. If the undiscounted future cash flows are not adequate to recover the carrying value of the asset, an impairment charge is recognized for the amount by which the carrying amount of the assets exceeds the fair value of such assets. Refer to Note 6, "Impairment Charges," for further discussion of the Company's measurement of impairment of long-lived assets.

Capitalized Computer Software Costs

The Company accounts for capitalized software in accordance with ASC Topic No. 350 "Intangibles—Goodwill and Other" (Topic No. 350) which requires the capitalization of certain costs incurred in connection with developing or obtaining software for internal use. The Company capitalized \$25.3 26.1 million, \$12.2 25.3 million, and \$18.0 12.2 million relating to these costs during Fiscal 2022, Fiscal 2021, and Fiscal 2020, and Fiscal 2019, respectively.

Intangible Assets

The Company accounts for intangible assets in accordance with Topic No. 350. The Company's intangible assets represent tradenames. The tradename asset "Burlington" is expected to generate cash flows indefinitely and, therefore, is accounted for as an indefinite-lived asset not subject to amortization. The Company evaluates its intangible assets for possible impairment as follows:

Indefinite-lived intangible assets: The Company tests identifiable intangible assets with an indefinite life for impairment on an annual basis, or when a triggering event occurs, relying on a number of factors that include operating results, business plans and projected future cash flows. The impairment test consists of a comparison of the fair value of the indefinite-lived intangible asset with its carrying amount. The Company determines fair value through the relief of royalty method which is a widely accepted valuation technique. On the first business day of the second quarter, the Company's annual assessment date, the Company performed a quantitative analysis and determined that the fair values of each of the Company's identifiable intangible assets are greater than their respective carrying values. There were no impairment charges recorded during Fiscal 2022, Fiscal 2021 or Fiscal 2020 or Fiscal 2019 related to indefinite-lived intangible assets.

Finite-lived intangible assets: Identifiable intangible assets that are subject to amortization are evaluated for impairment in accordance with Topic No. 360 using a process similar to that used to evaluate other long-lived assets as described in Note 6, "Impairment Charges." An impairment charge is recognized for the amount by which the carrying value exceeds the fair value of the asset. There were 51 no

impairment charges related to finite-lived intangible assets during Fiscal 2021, Fiscal 2020, and Fiscal 2019. Refer to Note 6, "Impairment Charges," for further discussion of the Company's measurement of impairment of long-lived assets.

Goodwill

Goodwill represents the excess of the acquisition cost over the estimated fair value of tangible assets and other identifiable intangible assets acquired less liabilities assumed. Topic No. 350 requires a comparison, at least annually, of the carrying value of the assets and liabilities associated with a reporting unit, including goodwill, with the fair value of the reporting unit. The Company determines fair value through multiple widely accepted valuation techniques. These techniques use a variety of assumptions including projected market conditions, discount rates and future cash flows. If the carrying value of the assets and liabilities exceeds the fair value of the reporting unit, the Company would calculate the implied fair value of its reporting unit goodwill as compared with the carrying value of its reporting unit goodwill to determine the appropriate impairment charge. On the first business day of the second fiscal quarter, the Company's annual assessment date, the Company performed a quantitative analysis and determined that the fair value of the Company's reporting unit was greater than its carrying value. There were no impairment charges related to goodwill during Fiscal 2021, 2022, Fiscal 2020 2021 or Fiscal 2019, 2020.

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Other Assets

Other assets consist primarily of landlord-owned store assets that the Company has paid for as part of its lease, and deferred financing costs associated with the Company's senior secured asset-based revolving credit facility (the ABL Line of Credit), and the fair value of derivative contracts. Landlord-owned assets represent leasehold improvements at certain stores for which the Company has paid and derives a benefit, but the landlord has retained title. These assets are amortized over the lease term inclusive of reasonably assured renewal options, and are included in the line item "Depreciation and amortization" in the Company's Consolidated Statements of Income (Loss). Deferred financing costs are amortized over the life of the ABL Line of Credit using the interest method of amortization. Amortization of deferred financing costs is recorded in the line item "Interest expense" in the Company's Consolidated Statements of Income (Loss).

Other Current Liabilities

Other current liabilities primarily consist of accrued payroll costs, self-insurance reserves, customer liabilities, accrued operating expenses, sales tax payable, payroll taxes payable and other miscellaneous items. Customer liabilities totaled \$35.5 36.0 million and \$30.2 35.5 million as of January 29, 2022 January 28, 2023 and January 30, 2021 January 29, 2022, respectively.

The Company has risk participation agreements with insurance carriers with respect to workers' compensation, general liability insurance and health insurance. Pursuant to these arrangements, the Company is responsible for paying individual claims up to designated dollar limits. The amounts related to these claims are estimated and can vary based on

changes in assumptions or claims experience included in the associated insurance programs. An increase in workers' compensation claims, health insurance claims or general liability claims may result in a corresponding increase in costs related to these claims. Self-insurance reserves as of January 29, 2022 January 28, 2023 and January 30, 2021 January 29, 2022 were:

	(in thousands)		(in thousands)	
	January 29,		January 30,	
	2022	2021	2023	2022
Short-term self-insurance reserve(a)	\$ 33,734	\$ 33,191	\$ 35,808	\$ 33,734
Long-term self-insurance reserve(b)	47,841	47,721	50,368	47,841
Total	\$ 81,575	\$ 80,912	\$ 86,176	\$ 81,575

- (a) Represents the portions of the self-insurance reserve expected to be paid in the next twelve months, which were recorded in the line item "Other current liabilities" in the Company's Consolidated Balance Sheets.
- (b) Represents the portions of the self-insurance reserve expected to be paid in excess of twelve months, which was recorded in the line item "Other liabilities" in the Company's Consolidated Balance Sheets.

Other Liabilities

Other liabilities primarily consist of the long term portion of self-insurance reserves, the fair value of derivative contracts and tax liabilities associated with the uncertain tax positions recognized by the Company in accordance with ASC Topic No. 740 "Income Taxes" (Topic No. 740).

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Revenue Recognition

The Company records revenue at the time control of the goods are transferred to the customer, which the Company determines to be at point of sale and delivery of merchandise, net of allowances for estimated future returns, which is estimated based on historical return rates. The Company presents sales, net of sales taxes, in its Consolidated Statements of Income (Loss). The Company accounts for layaway sales in compliance with ASC Topic No. 606 "Revenue from Contracts with Customers" (Topic No. 606). Layaway sales are recognized upon delivery of merchandise to the customer. The amount of cash received upon initiation of the layaway is recorded as a deposit liability in the line item "Other current liabilities" in the Company's Consolidated Balance Sheets. Stored value cards (gift cards and store credits issued for merchandise returns) are recorded as a liability at the time of issuance, and the related sale is recorded upon redemption.

The Company determines an estimated stored value card breakage rate by continuously evaluating historical redemption data. Breakage income is recognized monthly in proportion to the historical redemption patterns for those

stored value cards for which the likelihood of redemption is remote.

Other Revenue

Other revenue consists of service fees (layaway and other miscellaneous service charges), subleased rental income and revenue from the Company's private label credit card (PLCC) as shown in the table below:

	(in thousands)			(in thousands)		
	Fiscal Years Ended			Fiscal Years Ended		
	January	February	January	January	January	January
Service fees	January 29, 2022	30, 2021	1, 2020	28, 2023	29, 2022	30, 2021
Service fees	\$ 3,178	\$ 3,186	\$ 51	\$ 4,131	\$ 3,178	\$ 3,186
Subleased rental income, PLCC and other	12,52		9,10			
Subleased rental income and other	9	9,253	4	9,444	9,529	7,590
PLCC				4,484	3,000	1,663
Total	15,70	12,43	25,1	18,05	15,70	12,43
	\$ 7	\$ 9	\$ 55	\$ 9	\$ 7	\$ 9

Private Label Credit Card

The Company has a private label credit card program, in which customers earn reward points for purchases made using the card. The Company reduces net sales for the dollar value of any points earned at the time of the initial transaction, and subsequently recognizes net sales at the time the points are redeemed or expired. The Company receives royalty revenue based on a percentage of all purchases made on the card, which is recognized **within net sales** at the time of the initial transaction. The Company also receives a fee for each card activated. Revenue from activation fees are deferred and amortized over the period the Company performs its obligations under the card to the customer.

Advertising Costs

The Company's advertising costs consist primarily of video, audio and digital marketing. Advertising costs are expensed the first time the advertising takes place, and are included in the line item "Selling, general and administrative expenses" on the Company's Consolidated Statements of Income (Loss). During **Fiscal 2022, Fiscal 2021 and Fiscal 2020, and Fiscal 2019**, advertising costs were **\$48.5** **33.8** million, **\$43.8** **48.5** million and **\$73.1** **43.8** million, respectively.

Income Taxes

The Company accounts for income taxes in accordance with Topic No. 740. Deferred income taxes reflect the impact of temporary differences between amounts of assets and liabilities for financial reporting purposes and such amounts as measured by tax laws. A valuation allowance against the Company's deferred tax assets is recorded when it is more likely than not that some portion or all of the deferred tax assets will not be realized. In determining the need for a valuation allowance, management is required to make assumptions and to apply judgment, including forecasting future earnings, taxable income, and the mix of earnings in the jurisdictions in which the Company operates. Management periodically assesses the need for a valuation allowance based on the Company's current and anticipated results of operations. The need for and the amount of a valuation allowance can change in the near term if operating results and projections change significantly.

Topic No. 740 requires the recognition in the Company's Consolidated Financial Statements of the impact of a tax position taken or expected to be taken in a tax return, if that position is "more likely than not" to be sustained upon examination by the relevant taxing authority, based on the technical merits of the position. The tax benefits recognized in the Company's Consolidated Financial Statements from such a position are measured based on the largest benefit that has a greater than fifty percent likelihood of being

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realized upon ultimate resolution. The Company records interest and penalties related to unrecognized tax benefits as part of income taxes.

Other Income, Net

Other income, net, consists of gains and losses on insurance proceeds, interest income, net gains and losses on disposition of assets, gift card breakage, and other miscellaneous items. The Company recognized \$1.5 million, \$3.2 million and \$8.1 million of gain on insurance recoveries during Fiscal 2022, Fiscal 2021 and Fiscal 2020, and Fiscal 2019, respectively. The Company also recognized \$3.7 million during Fiscal 2021 related to the sale of certain state tax credits. There were no sales of tax credits during Fiscal 2020 or Fiscal 2019.

Comprehensive Income (Loss)

Comprehensive income (loss) is comprised of net income (loss) and the effective portion of changes in the fair value of derivatives designated and that qualify as cash flow hedges, less amounts reclassified into earnings.

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Lease Accounting

The Company leases store locations, distribution centers and office space used in its operations. Beginning in Fiscal 2019, as a result of adopting Accounting Standards Update (ASU) 2016-02, "Leases" (ASU 2016-02), the Company accounts for these types of leases in accordance with ASC Topic No. 842, "Leases" (Topic No. 842), which requires that leases be evaluated and classified as operating or finance leases for financial reporting purposes. The lease liability is calculated as the present value of the remaining future lease payments over the lease term, including reasonably assured renewal options. 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. In calculating its incremental borrowing rate, the Company uses a retail industry yield curve, adjusted for the Company's credit profile. The right-of-use asset for operating leases is based on the lease liability plus initial direct costs and prepaid lease payments, less landlord incentives received.

The Company's operating lease cost, included in the line item "Selling, general and administrative expenses" on its Consolidated Statements of Income (Loss), includes amortization of right-of-use assets, interest on lease liabilities, as well as any variable and short-term lease cost. The Company commences recording operating lease cost when the underlying asset is made available for use.

Assets held under finance leases are included in the line item "Property and equipment—net of accumulated depreciation and amortization" in the Company's Consolidated Balance Sheets.

Stock-Based Compensation

The Company accounts for stock-based compensation in accordance with ASC Topic No. 718, "Stock Compensation" (Topic No. 718), which requires companies to record stock compensation expense for all non-vested and new awards beginning as of the grant date and through the end of the vesting period. Refer to Note 11, "Stock-Based Compensation," for further details.

Net Income (Loss) Per Share

Net income (loss) per share is calculated using the treasury stock method. Refer to Note 10, "Net Income (Loss) Per Share," for further details.

Credit Risk

Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of cash, cash equivalents and investments. The Company manages the credit risk associated with cash equivalents and investments by investing with high-quality institutions and, by policy, limiting investments only to those which meet prescribed investment guidelines. The Company maintains cash accounts that, at times, may exceed federally insured limits. The Company has not experienced any losses from maintaining cash accounts in excess of such limits. Management believes that it is not exposed to any significant risks on its cash and cash equivalent accounts.

Segment Information

The Company reports segment information in accordance with ASC Topic No. 280 "Segment Reporting." The Company has one reportable segment. The Company is an off-price retailer that offers customers a complete line of value-priced apparel, including:

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women's ready-to-wear apparel, accessories, footwear, menswear, youth apparel, baby, beauty, footwear, accessories, home, coats, beauty, toys, gifts and gifts. Sales percentage by major product category is as follows:

Category	Fiscal 2021	Fiscal 2020	Fiscal 2019	Fiscal 2022	Fiscal 2021	Fiscal 2020
Ladies apparel	23 %	20 %	21 %	22 %	23 %	20 %
Accessories and shoes	23 %	24 %	26 %	24 %	23 %	24 %
Home	20 %	21 %	17 %	21 %	20 %	21 %
Mens apparel	16 %	16 %	17 %	17 %	16 %	16 %
Kids apparel and baby	14 %	15 %	15 %	12 %	14 %	15 %
Outerwear	4 %	4 %	4 %	4 %	4 %	4 %

Certain classifications have been updated in the above table compared to prior years in order to conform to the manner in which the Company manages its operations. These updates include a shift in certain cold weather categories from apparel to accessories and

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shoes, as well as in certain gifts, electronics, automotive and other miscellaneous categories from men's to home. Prior year amounts have been reclassified to conform to the current period presentation.

2. Recent Accounting Pronouncements

Convertible Debt

On August 5, 2020, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2020-06, "Accounting for Convertible Instruments and Contracts in an Entity's Own Equity" (ASU 2020-06), which simplifies the accounting for certain financial instruments with characteristics of liabilities and equity, including convertible instruments. The new guidance removes from GAAP the separation models for convertible debt with a cash conversion feature. The Company elected to early adopt this ASU as of the beginning of Fiscal 2021, using the modified retrospective method of transition. Prior periods have not been restated.

In April 2020, the Company issued \$805.0 million of 2.25% Convertible Senior Notes due 2025 (Convertible Notes). As a result of adopting the guidance, the Company is no longer separating the Convertible Notes into debt and equity components, and is instead accounting for it wholly as debt. As of the beginning of Fiscal 2021, this ASU resulted in a reduction in the line item "Additional paid-in capital" of \$176.0 million, net of deferred financing costs, and an increase in the line item "Long term debt" of \$153.0 million, which eliminated the debt discount and reallocated deferred financing costs that were previously allocated to the equity component.

The changes noted above caused a decrease in the effective interest rate on the Convertible Notes from 8.2% to 2.8%, resulting in a cumulative-effect adjustment to retained earnings of \$23.0 million related to Fiscal 2020 interest expense, as well as a \$31.3 million reduction in interest expense for Fiscal 2021.

As of the beginning of Fiscal 2021, the tax effect of adopting this guidance resulted in a \$44.1 million increase in the line item "Additional paid-in-capital," a \$38.3 million reduction in the line item "Deferred tax liabilities" and a \$5.9 million reduction to retained earnings.

The new guidance also requires use of the if-converted method when calculating the dilutive impact of the Convertible Notes on earnings per share. The Company used the treasury stock method prior to adoption of the ASU. This ASU resulted in an increase in net income as a result of the reduction of interest expense, as well as an increase in diluted shares caused by the application of the if-converted method, resulting in an increase to diluted net income per share of \$0.29 during Fiscal 2021.

There were no other new accounting standards that had a material impact on the Company's Consolidated Financial Statements and notes thereto during Fiscal 2021, 2022, and there were no other new accounting standards or pronouncements that were issued but not yet effective as of January 29, 2022 January 28, 2023 that the Company expects to have a material impact on its financial position or results of operations upon becoming effective.

Income Taxes

On December 18, 2019, the FASB issued ASU 2019-12, "Simplifying the Accounting for Income Taxes." The purpose of this ASU is to reduce cost and complexity associated with the accounting for income taxes by removing specific exceptions to the general principles in Topic 740, Income Taxes, and by clarifying and amending certain aspects of income-tax-related guidance. The ASU also improves financial statement preparers' application of income tax-related guidance and simplifies GAAP for franchise taxes that are partially based on income and enacted changes in tax laws in interim periods. This ASU became effective as of the beginning of Fiscal 2021. Adoption of this ASU did not have a significant impact on the Company's Consolidated Financial Statements.

3. Restricted Cash and Cash Equivalents

At both January 29, 2022 January 28, 2023 and January 30, 2021 January 29, 2022, restricted cash and cash equivalents consisted of \$6.6 million related to collateral for certain insurance contracts. The Company has the ability to convert the restricted cash to a letter of credit at any time, which would reduce available borrowings on the ABL Line of Credit by a like amount.

4. Property and Equipment

Property and equipment consist of:

	Useful Lives	(in thousands)		(in thousands)	
		January 29, 2022	January 30, 2021	January 28, 2023	January 29, 2022
Land		148,14	148,97	112,51	148,14
	N/A	\$ 4	\$ 3	\$ 3	\$ 4
Buildings	20 to 40	490,69	492,28	394,79	490,69
	Years	8	9	8	8
Store fixtures and equipment	3 to 15	1,300,	1,074,	1,414,	1,300,
	Years	997	584	220	997
Software	3 to 10	307,07	278,78	332,50	307,07
	Years	7	6	9	7
	Shorter of lease term or			Shorter of lease term or	
Leasehold improvements	useful life	828,09	772,82	881,69	828,09
Construction in progress		128,67	170,06	250,16	128,67
	N/A	3	1	0	3
Total property and equipment at cost		3,203,	2,937,	3,385,	3,203,
		684	518	895	684
Less: accumulated depreciation and amortization		(1,651, 447)	(1,498, 655)	(1,717 ,890)	(1,651 ,447)
Total property and equipment, net of accumulated depreciation and amortization		1,552, \$ 237	1,438, \$ 863	1,668, \$ 005	1,552, \$ 237

As of January 29, 2022 January 28, 2023 and January 30, 2021 January 29, 2022, assets, net of accumulated amortization of \$13.3 13.6 million and \$8.7 13.3 million, respectively, held under finance leases amounted to approximately \$34.2 25.3 million and \$38.9 34.2 million, respectively, and are included in the line item "Buildings" in the foregoing table. Amortization expense related to finance leases is included in the line item "Depreciation and amortization" in the Company's Consolidated Statements of Income (Loss). The total amount of depreciation expense during Fiscal 2022, Fiscal 2021 and Fiscal 2020 and Fiscal 2019 was \$237.8 million, \$218.1 million \$189.5 million and \$178.2 189.5 million, respectively.

Internally developed software is amortized on a straight line basis over three to ten years and is recorded in the line item "Depreciation and amortization" in the Company's Consolidated Statements of Income (Loss). Amortization of internally developed software amounted to \$21.2 million, \$18.9 million and \$16.9 million and \$17.9 million during Fiscal 2022, Fiscal 2021 and Fiscal 2020, and Fiscal 2019, respectively.

Landlord-owned assets represent leasehold improvements at certain stores for which the Company has paid and derives a benefit, but the landlord has retained title. These assets are amortized over the lease term inclusive of reasonably assured renewal options. Amortization of landlord-owned assets was \$11.4 million, \$12.2 million and \$14.0 million, and \$14.6 million, during Fiscal 2022, Fiscal 2021 and Fiscal 2020, and Fiscal 2019, respectively, and was included in the line item "Depreciation and amortization" in the Company's Consolidated Statements of Income (Loss).

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During Fiscal 2022, Fiscal 2021 and Fiscal 2020, and Fiscal 2019, the Company recorded impairment charges related to property and equipment of \$7.5 20.1 million, \$4.6 7.5 million and \$3.4 4.6 million, respectively. These charges are recorded in the line item "Impairment charges—long-lived assets" in the Company's Consolidated Statements of Income (Loss). Refer to Note 6, "Impairment Charges," for further discussion.

5. Intangible Assets

Intangible assets at January 29, 2022 January 28, 2023 and January 30, 2021 January 29, 2022 consist primarily of tradenames.

	(in thousands)					
	January 29, 2022			January 30, 2021		
	Gross		Net	Gross		Net
	Carrying	Accumulated		Carrying	Accumulated	
	Amount	Amortization	Amount	Amount	Amortization	Amount
Tradenames	\$ 238,000	\$ —	\$ 238,000	\$ 238,000	\$ —	\$ 238,000

(in thousands)		
January 28, 2023		January 29, 2022

	Gross	Accumulated	Net	Gross	Accumulated	Net
	Carrying	Amortization	Amount	Carrying	Amortization	Amount
	Amount			Amount		
Tradenames	\$ 238,000	\$ —	\$ 238,000	\$ 238,000	\$ —	\$ 238,000

6. Impairment Charges

Impairment charges recorded during Fiscal 2022, Fiscal 2021 and Fiscal 2020 and Fiscal 2019 amounted to \$21.4 million, \$7.7 million \$6.0 million and \$4.3 6.0 million, respectively. Impairment charges are primarily related to sales of owned properties in Fiscal 2022, as well as declines in revenues and operating results of the respective stores, certain stores in Fiscal 2022, Fiscal 2021, and Fiscal 2020. Impairment charges during these periods related to the following:

Asset Categories	(in thousands)			(in thousands)		
	Fiscal Years Ended			Fiscal Years Ended		
	January 29, 2022	January 30, 2021	February 1, 2020	January 28, 2023	January 29, 2022	January 30, 2021
	2022	2021	2020	2023	2022	2021
Store fixtures and equipment	3,163	\$ 2,811	\$ 809	\$ 2,981	\$ 3,163	\$ 2,811
Leasehold improvements	3,330	1,665	52	2,097	3,330	1,665
Operating lease assets	202	1,373	921	1,286	202	1,373
Buildings	970	43	921	8,687	970	43
Land	—	—	1,604	4,968	—	—
Other assets	83	120	8	1,383	83	120
Total	\$ 7,748	\$ 6,012	\$ 4,315	\$ 21,402	\$ 7,748	\$ 6,012

The Company recorded impairment charges related to store-level assets for nine 16 stores during Fiscal 2022, nine stores during Fiscal 2021, and 14 stores during Fiscal 2020, and two stores, as well as the online store, during Fiscal 2019.2020.

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 Topic No. 820 "Fair Value Measurements" (Topic No. 820). Refer to Note 15, "Fair Value of Financial Instruments," for further discussion of the Company's fair value hierarchy. The fair value of the Company's long-lived assets is calculated using a discounted cash-flow model that used level 3 inputs. In calculating future cash flows, the

Company makes estimates regarding future operating results and market rent rates, based on its experience and knowledge of market factors in which the retail

location is located. During Fiscal 2021 and Fiscal 2020, the assets impaired had a remaining carrying value after impairments of \$99.0 million, \$63.4 million, and \$30.5 million during Fiscal 2022, Fiscal 2021, and Fiscal 2020, respectively, primarily related to the right-of-use assets.

7. Long Term Debt

Long term debt consists of:

	(in thousands)		(in thousands)	
	January	January	January	January
	29, 2022	30, 2021	28, 2023	29, 2022
Senior secured term loan facility (Term B-6 Loans), LIBOR (with a floor of 0.00%) plus 2.00%, matures on June 24, 2028	950,6 \$ 76	—	942,0 \$ 12	950,6 \$ 76
Senior secured term loan facility (Term B-5 Loans), LIBOR (with a floor of 0.00%) plus 1.75%, repaid in full on June 24, 2021	—	958,4 18	—	—
\$805,000 convertible senior notes, 2.25%, matures on April 15, 2025	572,3 22	648,3 11	—	—
\$300,000 senior secured notes, 6.25%, redeemed in full on June 11, 2021	—	300,0 00	—	—
\$650,000 ABL senior secured revolving facility, LIBOR plus spread based on average outstanding balance, matures on December 22, 2026	—	—	—	—
Convertible senior notes, 2.25%, matures on April 15, 2025	—	507,6 87	572,3 22	—
ABL senior secured revolving facility, SOFR plus spread based on average outstanding balance, matures on December 22, 2026	—	—	—	—
	43,94	47,66	33,44	43,94
Finance lease obligations	5	4	7	5

	(11,4	(22,7	(7,44	(11,4
Unamortized deferred financing costs	84)	24)	0)	84)
	1,555	1,931	1,475	1,555
Total debt	,459	,669	,706	,459
	(14,3	(3,89	(13,6	(14,3
Less: current maturities	57)	9)	34)	57)
	1,541	1,927	1,462	1,541
Long term debt, net of current maturities	\$,102	\$,770	\$,072	\$,102

Term Loan Facility

On February 24, 2011, the Company entered into a senior secured term loan facility (the Term Loan Facility). The Term Loan Facility was issued pursuant to a credit agreement (Term Loan Credit Agreement), dated February 24, 2011, among Burlington Coat Factory Warehouse Corporation, an indirect subsidiary of the Company (BCFWC), the guarantors signatory thereto, and JPMorgan

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Chase Bank, N.A., as administrative agent and as collateral agent, the lenders party thereto, J.P. Morgan Securities LLC and Goldman Sachs Lending Partners LLC, as joint bookrunners, and J.P. Morgan Securities LLC, Goldman Sachs Lending Partners LLC, Merrill Lynch, Pierce, Fenner & Smith Incorporated and Wells Fargo Securities, LLC, as joint arrangers, governing the terms of the Term Loan Facility.

On February 26, 2020, the Company entered into Amendment No. 8 (the Eighth Amendment) to the Term Loan Credit Agreement governing its Term Loan Facility. The Eighth Amendment, among other things, reduced the interest rate margins applicable to the Term Loan Facility from 1.00% to 0.75%, in the case of prime rate loans, and from 2.00% to 1.75%, in the case of LIBOR loans, with the LIBOR floor remaining at 0.00%. In connection with the execution of the Eighth Amendment, the Company incurred fees of \$1.1 million, primarily related to legal and placement fees, which were recorded in the line item "Costs related to debt issuances and amendments" in the Company's Consolidated Statement of Income (Loss). Additionally, the Company recognized a non-cash loss on the extinguishment of debt of \$0.2 million, representing the write-off of unamortized deferred financing costs and original issue discount, which was recorded in the line item "Loss on extinguishment of debt" in the Company's Consolidated Statement of Income (Loss).

On June 24, 2021, BCFWC entered into Amendment No. 9 (the Ninth Amendment) to the Term Loan Credit Agreement governing the Term Loan Facility. The Ninth Amendment, among other things, extended the maturity date from November 17, 2024 to June 24, 2028, and changed the interest rate margins applicable to the Term Loan Facility from 0.75% to 1.00%, in the case of prime rate loans, and from 1.75% to 2.00%, in the case of LIBOR loans, with a 0.00% LIBOR floor. This amendment also requires quarterly principal payments of \$2.4 million. In connection with the execution of the Ninth Amendment, the Company incurred fees of \$3.3 million, primarily related to legal and placement fees, which were

recorded in the line item "Costs related to debt issuances and amendments" in the Company's Consolidated Statement of Income (Loss). Additionally, the Company recognized a loss on the extinguishment of debt of \$1.2 million, representing the write-off of unamortized deferred financing costs and original issue discount, which was recorded in the line item "Loss on extinguishment of debt" in the Company's Consolidated Statement of Income (Loss).

The Term Loan Facility is collateralized by a first lien on the Company's favorable leases, real estate and property & equipment and a second lien on the Company's inventory and receivables. Interest rates for the Term Loan Facility are based on: (i) for LIBOR rate loans for any interest period, at a rate per annum equal to the greater of (x) the LIBOR rate, as determined by the Term Loan Facility Administrative Agent, for such interest period multiplied by the Statutory Reserve Rate (as defined in the Term Loan Credit Agreement), and (y) 0.00% (the Term Loan Adjusted LIBOR Rate), plus an applicable margin; and (ii) for prime rate loans, a rate per annum equal to the highest of (a) the variable annual rate of interest then announced by JPMorgan Chase Bank, N.A. at its head office as its "prime rate," (b) the federal reserve bank of New York rate in effect on such date plus 0.50% per annum, and (c) the Term Loan Adjusted LIBOR Rate for the applicable class of term loans for one-month plus 1.00%, plus, in each case, an applicable margin. As of **January 29, 2022** **January 28, 2023**, the Company's borrowing rate related to the Term Loan Facility was **2.164%**.

Convertible Notes

On April 16, 2020, the Company issued \$805.0 million of its 2.25% Convertible Notes. Senior Notes due 2025 (Convertible Notes). The Convertible Notes are general unsecured obligations of the Company. The Convertible Notes bear interest at a rate of 2.25% per year, payable semi-annually in cash, in arrears, on April 15 and October 15 of each year, beginning on October 15, 2020. The Convertible Notes will mature on April 15, 2025, unless earlier converted, redeemed or repurchased.

On August 5, 2020, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2020-06, "Accounting for Convertible Instruments and Contracts in an Entity's Own Equity" (ASU 2020-06), which simplifies the accounting for certain financial instruments with characteristics of liabilities and equity, including convertible instruments. The Company elected to early adopt this ASU as of the beginning of Fiscal 2021, using the modified retrospective method of transition. As a result of adopting the guidance, the Company is no longer separating the Convertible Notes into debt and equity components, and is instead accounting for it wholly as debt. Prior periods have not been

restated.

During the **third quarter** **second half** of Fiscal 2021, the Company entered into separate, privately negotiated exchange agreements with certain holders of the Convertible Notes. Under the terms of the exchange agreements, the holders

exchanged \$160.4 232.7 million in aggregate principal amount of Convertible Notes held by them for a combination of an aggregate of \$90.8 199.8 million in cash and 513,991 shares of the Company's common stock.

During the fourth first quarter of Fiscal 2021, the Company entered into separate, privately negotiated exchange agreements with certain holders of the Convertible Notes. Under the terms of these exchange agreements, the holders exchanged \$72.3 million in aggregate principal amount of Convertible Notes held by them for \$109.0 million in cash. These exchanges resulted in aggregate pre-tax debt extinguishment charges of \$124.6 million in Fiscal 2021.

Subsequent to January 29, 2022 (March 15, 2022), 2022, the Company entered into separate, privately negotiated exchange agreements with certain holders of the Convertible Notes. Under the terms of the exchange agreements, the holders have agreed to exchange exchanged \$55.6 64.6 million in aggregate principal amount of Convertible Notes held by them for an amount \$78.2 million in cash cash.

These exchanges resulted in aggregate pre-tax debt extinguishment charges of \$14.7 million and \$124.6 million during Fiscal 2022 and Fiscal 2021, respectively.

Subsequent to be calculated based on January 28, 2023 (March 7, 2023), the volume-weighted average price Company entered into separate, privately negotiated exchange agreements with certain holders of its Convertible Notes. Under the terms of the Company's common stock over a two-day measurement period beginning on March 16, 2022. These exchange transactions are expected agreements, the holders have agreed to close on March 21, 2022, subject to the satisfaction exchange \$110.3 million in aggregate principal amount of customary closing conditions. Convertible Notes held by them for \$133.3 million in cash.

Prior to the close of business on the business day immediately preceding January 15, 2025, the Convertible Notes will be convertible at the option of the holders only upon the occurrence of certain events and during certain periods. Thereafter, the

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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 Convertible Notes have an initial conversion rate of 4.5418 shares per \$1,000 principal amount of Convertible Notes (equivalent to an initial conversion price of approximately \$220.18 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 \$166.17 per share, the last reported sale price of the Company's common stock on April 13, 2020 (the pricing date of the offering) on the New York Stock Exchange. During the first quarter of Fiscal 2021, the Company made an irrevocable settlement election for any conversions of the Convertible Notes. Upon conversion, the Company will pay cash for the principal amount. For any excess above principal, the Company will deliver shares of its common stock. The Company may not redeem the Convertible Notes prior to April 15, 2023. On or after April 15, 2023, the Company will be able to redeem for cash all or any portion of the 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 principal aggregate amount of the Convertible Notes to be redeemed, plus accrued and unpaid interest, if any, to, but excluding, the redemption date.

Holders of the Convertible Notes may require the Company to repurchase their Convertible Notes upon the occurrence of certain events that constitute a fundamental change under the indenture governing the Convertible Notes at a purchase price equal to 100% of the principal amount thereof, plus accrued and unpaid interest to, but excluding, the date of repurchase. In connection with certain corporate events or if the Company issues a notice of redemption, it will, under certain circumstances, increase the conversion rate for holders who elect to convert their Convertible Notes in connection with such corporate event or during the relevant redemption period for such Convertible Notes.

The Convertible Notes contain a cash conversion feature, and as a result, the Company initially separated it into liability and equity components. The Company valued the liability component based on its borrowing rate for a similar debt instrument that does not contain a conversion feature. The equity component, which was recognized as a debt discount, was valued as the difference between the face value of the Convertible Notes and the fair value of the liability component. As a result of adopting ASU 2020-06, the Company is no longer separating the Convertible Notes into debt and equity components, and is instead accounting for it wholly as debt.

In connection with the Convertible Notes issuance, the Company incurred deferred financing costs of \$21.0 million, primarily related to fees paid to the bookrunners of the offering, as well as legal, accounting and rating agency fees. These costs were initially allocated on a pro rata basis, with \$16.4 million allocated to the debt component and \$4.6 million allocated to the equity component. As a result of adopting ASU 2020-06, all unamortized deferred financing costs related to the Convertible Notes are now allocated to debt.

Prior to adoption of ASU 2020-06, the debt discount and the debt portion of the deferred costs were being amortized to interest expense over the term of the Convertible Notes at an effective interest rate of 8.2%. The effective interest rate after adoption of ASU 2020-06 is 2.8%.

The Convertible Notes consist of the following components as of the dates indicated:

	<i>(in thousands)</i>	
	January 29, 2022	January 30, 2021
Liability component:		
Principal	\$ 572,322	\$ 805,000
Unamortized debt discount	—	(156,689)
Unamortized deferred debt costs	(9,761)	(14,191)
Net carrying amount	\$ 562,561	\$ 634,120
Equity component, net	\$ —	\$ 131,916

	(in thousands)		
	January 28,		January 29,
	2023	2022	
Principal	\$ 507,687	\$ 572,322	
Unamortized deferred debt costs	(5,992)	(9,761)	
Net carrying amount	<u><u>\$ 501,695</u></u>	<u><u>\$ 562,561</u></u>	

Interest expense related to the Convertible Notes consists of the following as of the periods indicated:

	(in thousands)			(in thousands)		
	Fiscal Year Ended			Fiscal Year Ended		
	January 29, 2022	January 30, 2021	February 1, 2020	January 28, 2023	January 29, 2022	January 30, 2021
Coupon interest	16,31	14,37	—	11,56	16,31	14,37
Amortization of debt discount	\$ 3	\$ 5	\$ —	\$ 4	\$ 3	\$ 5
Amortization of deferred debt costs	—	8	—	—	—	8
Convertible Notes interest expense	3,742	2,173	—	2,717	3,742	2,173
	<u><u>\$ 5</u></u>	<u><u>\$ 6</u></u>	<u><u>\$ —</u></u>	<u><u>\$ 1</u></u>	<u><u>\$ 5</u></u>	<u><u>\$ 6</u></u>

Secured Notes

On April 16, 2020, BCFWC issued \$300.0 million of 6.25% Senior Secured Notes due 2025 (Secured Notes). The Secured Notes were senior, secured obligations of BCFWC, and interest was payable semiannually in cash, in arrears, at a rate of 6.25% per annum on April 15 and October 15 of each year, beginning on October 15, 2020. The Secured Notes were guaranteed on a senior secured basis by Burlington Coat Factory Holdings, LLC, Burlington Coat Factory Investments Holdings, Inc. and BCFWC's subsidiaries that guarantee the loans under the Term Loan Facility.

In connection with the Secured Notes issuance, the Company incurred deferred financing costs of \$7.9 million, primarily related to fees paid to the bookrunners of the offering, as well as legal fees. These costs are being amortized to

interest expense over the term of the Secured Notes. The Company incurred additional costs of \$2.5 million, primarily related to legal fees, which are recorded in the line item, "Costs related to debt issuances and amendments" in the Company's Consolidated Statement of Income (Loss).

On June 11, 2021, BCFWC redeemed the full \$300.0 million aggregate principal amount of the Secured Notes. The redemption price of the Secured Notes was \$323.7 million, plus accrued and unpaid interest to, but not including, the date of redemption. This redemption resulted in a pre-tax debt extinguishment charge of \$30.2 million in the three month period ended July 31, 2021. Fiscal 2021.

ABL Line of Credit

The aggregate amount of commitments under the Second Amended and Restated Credit Agreement (as amended, supplemented and otherwise modified, the Amended ABL Credit Agreement) is \$650.0 million (subject to a borrowing base limitation) and, subject to the satisfaction of certain conditions, the Company can increase the aggregate amount of commitments up to \$950.0 million. The interest rate margin applicable under the Amended ABL Credit Agreement in the case of loans drawn at LIBOR the Secured Overnight Financing Rate (SOFR) is 1.125% to 1.375% (based on total commitments in the case of a daily SOFR rate or borrowing base availability) a term SOFR rate (in each case, plus a credit spread adjustment of 0.10%), and 0.125% to 0.375% in the fee case of a prime rate, depending on the average daily balance availability of unused loan the lesser of (a) the total commitments is 0.20%. or (b) the borrowing base. The ABL Line of Credit is collateralized by a first priority lien on the Company'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 the Company's and each guarantor's other assets and proceeds thereof including certain owned (other than real estate (subject and subject to certain exceptions).

The Company believes that the Amended ABL Credit Agreement provides the liquidity and flexibility to meet its operating and capital requirements over the remaining term of the ABL Line of Credit. Further, the calculation of the borrowing base under the Amended ABL Credit Agreement allows for increased availability with respect to inventory during the period from (i) August 1st through November 30th of each year or (ii) after 2023, a 120 day period selected by the Company commencing after February 15 of the applicable year and ending on or before December 15 of such year.

On March 17, 2020, the Company borrowed \$400.0 million under the ABL Line of Credit as a precautionary measure in order to increase the Company's cash position and facilitate financial flexibility in light of the uncertainty resulting from COVID-19. The Company repaid \$150.0 million of this amount during the second quarter of Fiscal 2020, and the remaining \$250.0 million during the fourth quarter of Fiscal 2020.

On December 22, 2021, the Company finalized an extension of its current ABL line of credit. This extension increased the aggregate principal amount of the commitments from \$600 million to \$650 million, extended the maturity date to December 22, 2026, and reduced the interest rate margins applicable to the Company's ABL facility.

On July 20, 2022, BCFWC entered into a Fourth Amendment to Second Amended and Restated Credit Agreement (the "Amendment"). The Amendment increased the aggregate principal amount of the commitments of its ABL Line of Credit from \$650.0 million to \$900.0 million and replaced the LIBOR-based interest rate benchmark provisions with interest rate benchmark provisions based on a term secured overnight financing rate (SOFR) or a daily SOFR rate (in the case of daily SOFR, available for borrowings up to \$100 million, or up to the full amount of the commitments if the term SOFR rate is not available).

At January 29, 2022, the Company had \$594.6 million available under the ABL Line of Credit. The Company did not have any borrowings during Fiscal 2021.

At January 30, 2021 January 28, 2023, the Company had \$476.8 795.7 million available under the ABL Line of Credit. The maximum borrowings under the facility during Fiscal 2020 amounted to \$400.0 million. Average The Company did not have any borrowings during Fiscal 2020 amounted to \$256.6 million at an average interest rate of 1.9%.

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2022.

Deferred Financing Costs

The Company had \$2.8 million and \$1.8 million in deferred financing costs associated with its ABL Line of Credit as of both January 28, 2023 and January 29, 2022, which are recorded in the line item "Other assets" in the Company's Consolidated Balance Sheets as of January 29, 2022 and January 30, 2021, respectively. Sheets. In addition, the Company had \$11.5 7.4 million and \$22.7 11.5 million of deferred financing costs associated with its Term Loan Facility Convertible Notes and Secured Convertible

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Notes, recorded in the line item "Long term debt" in the Company's Consolidated Balance Sheets as of January 29, 2022 January 28, 2023 and January 30, 2021 January 29, 2022, respectively.

Amortization of deferred financing costs amounted to \$5.3 3.6 million, \$4.5 5.3 million and \$1.2 4.5 million during Fiscal 2022, Fiscal 2021 and Fiscal 2020, and Fiscal 2019, respectively, which was included in the line item "Interest expense" in the Company's Consolidated Statements of Income (Loss).

Amortization expense related to the deferred financing costs as of January 29, 2022 January 28, 2023 for each of the next five fiscal years and thereafter is estimated to be as follows:

Fiscal Years	(in thousands)		(in thousands)	
	\$	3,784	\$	3,724
2022				
2023		3,938		

2024	3,935	3,714
2025	1,458	1,538
2026	763	904
2027		262
Thereafter	367	105
Total	\$ 14,245	\$ 10,247

Deferred financing costs have a weighted average amortization period of approximately 3.93.1 years.

Scheduled Maturities

Scheduled maturities of the Company's long term debt obligations, as they exist as of January 29, 2022 January 28, 2023, in each of the next five fiscal years and thereafter are as follows:

Fiscal Years:	(in thousands)		(in thousands)	
	Total Debt		Total Debt	
2022	\$ 9,614			
2023		9,614	\$ 13,634	
2024		9,614		13,808
2025		581,936		519,591
2026		9,614		12,066
2027				12,199
Thereafter		908,537		916,830
Total	1,528,929			1,488,128
Less: unamortized discount		(5,931)		(4,982)
Less: unamortized deferred financing costs		(11,484)		(7,440)
Finance lease liabilities		43,945		
Total debt	\$ 1,555,459			\$ 1,475,706

8. Derivative Instruments and Hedging Activities

The Company accounts for derivatives and hedging activities in accordance with ASC Topic No. 815 "Derivatives and Hedging" (Topic No. 815). Topic No. 815 provides the disclosure requirements for derivatives and hedging activities with the intent to provide users of financial statements with an enhanced understanding of: (i) how and why an entity uses derivative instruments, (ii) how the entity accounts for derivative instruments and related hedged items, and (iii) how derivative instruments and related hedged items affect an entity's financial position, financial performance, and cash flows. Further, qualitative disclosures are required that explain the Company's objectives and strategies for using derivatives, as well as

quantitative disclosures about the fair value of gains and losses on derivative instruments, and disclosures about credit-risk-related contingent features in derivative instruments.

As required by Topic No. 815, the Company records all derivatives on the balance sheet at fair value and adjusts them to market on a quarterly basis. The accounting for changes in the fair value of derivatives depends on the intended use of the derivative, whether the Company has elected to designate a derivative in a hedging relationship and apply hedge accounting, and whether the hedging

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relationship has satisfied the criteria necessary to apply hedge accounting. Derivatives designated and qualifying as a hedge of the exposure to variability in expected future cash flows, or other types of forecasted transactions, are considered cash flow hedges. Hedge accounting generally provides for the matching of the timing of gain or loss recognition on the hedging instrument with the earnings effect of the hedged forecasted transactions in a cash flow hedge. The Company may enter into derivative contracts that are intended to economically hedge certain of its risk, even though hedge accounting does not apply or the Company elects not to apply hedge accounting.

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The Company has used interest rate cap contracts and interest rate swap contracts to add stability to interest expense and to manage its exposure to interest rate movements. The fair value of these contracts are determined using the market standard methodology of discounted future variable cash flows. The variable cash flows of the interest rate cap contracts are determined using the market standard methodology of discounting the future expected cash receipts that would occur if variable interest rates rise above the strike rate of the caps in conjunction with the cash payments related to financing the premium of the interest rate caps. The variable cash flows of the interest rate swap contract are determined using the market standard methodology of discounting the future expected cash receipts that would occur if variable interest rates rise or fall compared to current levels in conjunction with the fixed cash payments. The variable interest rates used in the calculation of projected receipts on the cap and swap contracts are based on an expectation of future interest rates derived from observable market interest rate curves and volatilities. In addition, to comply with the provisions of Topic No. 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 Topic No. 820, the Company made an accounting policy election to measure the credit risk of its derivative financial instruments that are subject to master netting agreements on a net basis by counterparty portfolio. There is no impact of netting because the Company's Company only derivatives are interest rate cap contracts and interest rate swap contracts that are with separate counterparties and are under separate master netting agreements. has the one derivative mentioned above.

Although the Company has determined that the majority of the inputs used to value its derivatives derivative fall within Level 2 of the fair value hierarchy, the credit valuation adjustments associated with its derivatives derivative utilize Level 3 inputs, such as estimates of current credit spreads to evaluate the likelihood of default by the Company and its counterparties. However, as of January 29, 2022 January 28, 2023 and January 30, 2021 January 29, 2022, the Company has assessed the significance of the impact of the credit valuation adjustments on the overall valuation of its derivative positions and has determined that the credit valuation adjustment is not significant to the overall valuation of its derivative portfolios. As a result, the Company classifies its derivative valuations in Level 2 of the fair value hierarchy.

The Company is exposed to certain risks arising from both its business operations and economic conditions. The Company principally manages its exposures to a wide variety of business and operational risks through management of its core business activities. The Company manages economic risks, including interest rate, liquidity, and credit risk primarily by managing the amount, sources, and duration of its debt funding and the use of derivative financial instruments. Specifically, the Company enters into derivative financial instruments to manage exposures that arise from business activities that result in the payment of future known and uncertain cash amounts, the value of which are determined by interest rates. The Company uses derivative financial instruments to manage differences in the amount, timing, and duration of the Company's known or expected cash payments principally related to the Company's borrowings.

Cash Flow Hedges of Interest Rate Risk

On April 24, 2015, the Company entered into two interest rate cap contracts, which expired in May of 2019. On December 17, 2018, the Company entered into an interest rate swap contract, which hedged \$450 million of the variable rate exposure under the Term Loan Facility at a rate of 2.72%. On June 24, 2021, the Company terminated this its previous interest rate swap, and entered into a new interest rate swap, which hedges \$450 million of the variable rate exposure on the Term Loan Facility at a blended rate of 2.19%. All of these This derivative contracts were contract was designated as a cash flow hedges hedge.

The amount of loss deferred for the previous interest rate swap was \$26.9 million. The Company is amortizing this amount from accumulated other comprehensive loss into interest expense over the original life of the previous interest rate swap, which had an original maturity date of December 29, 2023. The new current interest rate swap had a liability fair value at inception of \$26.9 million. The Company will accrete this amount into accumulated other comprehensive loss income as a benefit to interest expense over the life of the new interest rate swap, which has a maturity date of June 24, 2028.

During Fiscal 2021, 2022, the Company's derivatives were derivative was used to hedge the variable cash flows associated with existing variable-rate debt. The effective portion of changes in the fair value of derivatives designated and that qualify as cash flow hedges are recorded in the line item "Accumulated other comprehensive loss" on the Company's Consolidated Balance Sheets and are subsequently

reclassified into earnings in the period that the hedged forecasted transaction affects earnings. Amounts reported in accumulated other comprehensive loss income related to the Company's derivative contracts will be reclassified to interest expense as interest payments are made on the Company's variable-rate debt. As of January 29, 2022 January 28, 2023, the Company estimates that \$6.7 5.7 million will be reclassified into as a reduction to interest expense during the next twelve months.

As of January 29, 2022 January 28, 2023, the Company had the following outstanding interest rate derivatives derivative that were was designated as a cash flow hedges hedge of interest rate risk:

Interest Rate Derivative	Number of Instruments	Notional Aggregate	Interest Swap Rate	Maturity Date
Interest rate swap contract	One	\$450.0 million	2.19%	June 24, 2028

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Tabular Disclosure

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

		(in thousands)				(in thousands)				
		Fair Values of Derivative Instruments				Fair Values of Derivative Instruments				
		January 29, 2022		January 30, 2021		January 28, 2023		January 29, 2022		
Derivatives	Designated as	Balanc	e	Balanc	e	Balanc	e	Balanc	e	
Interest rate swap contracts	Sheet	Other	liabiliti	10,9	liabiliti	31,6	asset	29,1	liabiliti	10,9
		es	\$ 68	es	\$ 65	s	\$ 52	es	\$ 68	

The following table presents the unrealized losses deferred to accumulated other comprehensive loss resulting from the Company's derivative instruments designated as cash flow hedging instruments for each of the reporting periods.

Interest Rate Derivatives:	(in thousands)			(in thousands)		
	Fiscal Year Ended			Fiscal Year Ended		
	January 29, 2022	January 30, 2021	February 1, 2020	January 28, 2023	January 29, 2022	January 30, 2021

Unrealized gains (losses), before taxes	10,914	(15,606)	(22,959)	37,864	10,914	(15,606)
Income tax (expense) benefit	(2,983)	4,148	6,353	8	(2,983)	4,148
Unrealized gains (losses), net of taxes		(11,458)	(16,606)	27,726		(11,458)
	<u>\$ 7,931</u>	<u>\$ 8</u>	<u>\$ 6</u>	<u>\$ 6</u>	<u>\$ 7,931</u>	<u>\$ 58</u>

The following table presents information about the reclassification of losses from accumulated other comprehensive loss into earnings related to the Company's derivative instruments designated as cash flow hedging instruments for each of the reporting periods.

Component of Earnings:	(in thousands)			(in thousands)		
	Fiscal Year Ended			Fiscal Year Ended		
	January 29, 2022	January 30, 2021	February 1, 2020	January 28, 2023	January 29, 2022	January 30, 2021
Interest expense	14,608	10,198	1,733	7,479	14,608	10,198
Income tax benefit	(3,965)	(2,795)	(474)	(2,016)	(3,965)	(2,795)
Net reclassification into earnings	10,643				10,643	
	<u>\$ 3</u>	<u>\$ 7,403</u>	<u>\$ 1,259</u>	<u>\$ 5,463</u>	<u>\$ 3</u>	<u>\$ 7,403</u>

9. Capital Stock

Common Stock

As of **January 29, 2022** **January 28, 2023**, the total amount of the Company's authorized capital stock consisted of 500,000,000 shares of common stock, par value \$0.0001 per share, and 50,000,000 shares of undesignated preferred stock, par value of \$0.0001 per share.

The Company's common stock is not entitled to preemptive or other similar subscription rights to purchase any of the Company's securities. The Company's common stock is neither convertible nor redeemable. Unless the Company's Board of Directors determines otherwise, the Company will issue all of the Company's capital stock in uncertificated form.

Preferred Stock

The Company does not have any shares of preferred stock issued or outstanding. The Company's Board of Directors has the authority to issue shares of preferred stock from time to time on terms it may determine, to divide shares of preferred stock into one or more series and to fix the designations, preferences, privileges, and restrictions of preferred stock, including dividend rights, conversion rights, voting rights, terms of redemption, liquidation preference, sinking fund terms, and the number of shares constituting any series or the designation of any series to the fullest extent permitted by the General Corporation Law of the State of Delaware. The issuance of the Company's preferred stock could have the effect of decreasing the trading price of the Company's common stock, restricting dividends on the Company's capital stock, diluting the voting power of the Company's common stock, impairing the liquidation rights of the Company's capital stock, or delaying or preventing a change in control of the Company.

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Dividend Rights

Each holder of shares of the Company's capital stock will be entitled to receive such dividends and other distributions in cash, stock or property as may be declared by the Company's Board of Directors from time to time out of the Company's assets or funds legally available for dividends or other distributions. These rights are subject to the preferential rights of any other class or series of the Company's preferred stock.

Treasury Stock

The Company accounts for treasury stock under the cost method.

During Fiscal 2021, the Company acquired 53,783 shares of common stock from employees for approximately \$16.6 million to satisfy their minimum statutory tax withholdings related to the vesting of restricted stock awards, which was recorded in the line item "Treasury stock" on the Company's Consolidated Balance Sheets, and the line item "Purchase of treasury shares" on the Company's Consolidated Statements of Cash Flows.

Share Repurchase Program

On August 14, 2019, the Company's Board of Directors authorized the repurchase of up to \$400.0 million of common stock, which expired in August 2021. On August 18, 2021, the Company's Board of Directors authorized the repurchase of up to \$400.0 million of common stock, which was authorized to be executed through August 2023. This authorization was completed during the second quarter of Fiscal 2022.

During Fiscal 2021, the Company repurchased 856,855 shares of common stock for \$250.0 million under its share repurchase program. As of January 29, 2022, the Company had \$150.0 million remaining under its share repurchase authorization.

Subsequent to January 29, 2022 (February 16, 2022) On February 16, 2022, 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 February 2024. This

These repurchase programs are funded using the Company's available cash and borrowings under the ABL Line of Credit.

During Fiscal 2022, the Company repurchased 1,756,811 shares of common stock for \$302.7 million under its share repurchase program. As of January 28, 2023, the Company had \$347.3 million remaining under its share repurchase authorization.

10. Net Income (Loss) Per Share

Basic net income (loss) per share is calculated by dividing net income (loss) by the weighted-average number of common shares outstanding. Dilutive net income (loss) per share is calculated by dividing net income (loss) by the weighted-average number of

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common shares and potentially dilutive securities outstanding during the period using the treasury stock method for the Company's stock option, restricted stock and restricted stock unit awards, and the if-converted method for the Convertible Notes.

	(in thousands, except per share data)			(in thousands, except per share data)		
	Fiscal Year Ended			Fiscal Year Ended		
	January 29, 2022	January 30, 2021	February 1, 2020	January 28, 2023	January 29, 2022	January 30, 2021
<i>Basic net income (loss) per share</i>						
Net income (loss)	408, \$ 839	(216, \$ 499)	465, \$ 116	230, \$ 123	408, \$ 839	(216, \$ 499)
Weighted average number of common shares – basic	66,5 88	65,96 2	65,9 43	65,6 37	66,5 88	65,9 62
Net income (loss) per common share – basic	\$ 6.14	\$ (3.28)	\$ 7.05	\$ 3.51	\$ 6.14	\$ (3.28)
<i>Diluted net income (loss) per share</i>						
<i>Diluted net income per share</i>						

	408,	(216,	465,	230,	408,	(216,
Net income (loss)	\$ 839	\$ 499)	\$ 116	\$ 123	\$ 839	\$ 499)
Shares for basic and diluted net income (loss) per share:						
Weighted average number of common shares – basic	66,5 88	65,96 2	65,9 43	65,6 37	66,5 88	65,9 62
Assumed exercise of stock options and vesting of restricted stock			1,35 0		264 685	—
Assumed conversion of convertible debt	853	—	—	—	853	—
Weighted average number of common shares – diluted	68,1 26	65,96 2	67,2 93	65,9 01	68,1 26	65,9 62
Net income (loss) per common share – diluted	\$ 6.00	\$ (3.28)	\$ 6.91	\$ 3.49	\$ 6.00	\$ (3.28)

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All of the Company's stock option, restricted stock and restricted stock unit awards have an anti-dilutive effect while in a net loss position. Approximately 177,000 1,068,000 shares, 1,960,000 177,000 shares and 405,000 1,960,000 shares were excluded from diluted net income (loss) per share for Fiscal 2022, Fiscal 2021 and Fiscal 2020, and Fiscal 2019, respectively, since their effect was anti-dilutive.

11. Stock-Based Compensation

On May 1, 2013, the Company's Board of Directors approved the Company's assumption and adoption of the 2006 Management Incentive Plan (the 2006 Plan) that was previously sponsored by Burlington Coat Factory Holdings, LLC. The 2006 Plan terminated on April 12, 2016. The Company's 2013 Omnibus Incentive Plan (the 2013 Plan and, together with the 2006 Plan, the Plans) Plan, originally adopted effective prior to and in connection with the Company's initial public offering, was amended and restated effective May 17, 2017. On May 18, 2022, the Company's stockholders approved the Company's 2022 Omnibus Incentive Plan (the 2022 Plan), which replaced the 2013 Plan. The 2006 2013 Plan provided, prior to its termination, and the 2013 2022 Plan provide provides for the granting of stock options, restricted stock and other forms of awards to key employees and directors of the Company or its affiliates.

The Company accounts for awards issued under the Plans in accordance with Topic No. 718. As of January 29, 2022 January 28, 2023, there were 1,906,220 6,281,887 shares of common stock available for issuance under the 2013 Company's 2022 Omnibus Incentive Plan.

Non-cash stock compensation expense is as follows:

Type of Non-Cash Stock Compensation	(in thousands)			(in thousands)		
	Fiscal Year Ended			Fiscal Year Ended		
	January	January	February	January	January	January
	29, 2022	30, 2021	1, 2020	28, 2023	29, 2022	30, 2021
Restricted stock and restricted stock unit grants (a)	30,5 \$ 25	25,2 \$ 58	20,4 \$ 54	37,7 \$ 49	30,5 \$ 25	25,2 \$ 58
Stock option grants (a)	18,9 09	20,0 38	19,2 22	19,2 74	18,9 09	20,0 38
Performance stock unit grants (a)	9,11 2	10,5 49	4,25 2	10,4 57	9,11 2	10,5 49
Total (b)	58,5 \$ 46	55,8 \$ 45	43,9 \$ 28	67,4 \$ 80	58,5 \$ 46	55,8 \$ 45

- (a) Included in the line item "Selling, general and administrative expenses" in the Company's Consolidated Statements of Income (Loss).
- (b) The amounts presented in the table above exclude the effect of income taxes. The tax benefit related to the Company's non-cash stock compensation was \$12.5 million, \$10.3 million and \$9.1 million and \$9.0 million during Fiscal 2022, Fiscal 2021 and Fiscal 2020, and Fiscal 2019, respectively.

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Stock Options

Options granted during Fiscal 2022, Fiscal 2021 and Fiscal 2020, and Fiscal 2019, were all service-based awards granted under the Plans at the following exercise prices:

	Exercise Price Ranges		Exercise Price Ranges	
	From	To	From	To
Fiscal 2022			\$ 115.65	\$ 236.93
Fiscal 2021	\$ 219.08	\$ 342.03	\$ 219.08	\$ 342.03
Fiscal 2020	\$ 179.46	\$ 246.97	\$ 179.46	\$ 246.97
Fiscal 2019	\$ 145.08	\$ 231.86		

All awards granted during Fiscal 2022, Fiscal 2021 and Fiscal 2020 and Fiscal 2019 generally vest in either one-fourth annual increments or one-third annual increments (subject to continued employment through the applicable vesting date). The final exercise date for any option granted is the tenth anniversary of the grant date. Options granted during Fiscal 2022, Fiscal 2021 and Fiscal 2020 and Fiscal 2019 become exercisable if the grantee's employment is terminated without cause or, in some instances, the recipient resigns with good reason, within a certain period of time following a change in control. Unless determined otherwise by the plan administrator, upon cessation of employment other than for cause, the majority of options that have not vested will terminate immediately, and unexercised vested options will be exercisable for a period of 60 to 180 days.

As of January 29, 2022 January 28, 2023, the Company had 1,097,558 1,218,101 options outstanding to purchase shares of common stock, and there was \$33.3 35.9 million of unearned non-cash stock-based option compensation that the Company expects to recognize as expense over a weighted average period of 2.5 2.6 years. The awards are expensed on a straight-line basis over the requisite service period.

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Stock option transactions during Fiscal 2021 2022 are summarized as follows:

	Weighted		Weighted	
	Average		Average	
	Exercise	Exercise	Exercise	Exercise
	Number of Shares	Price Per Share	Number of Shares	Price Per Share
Options outstanding, January 30, 2021	1,346,775	\$ 133.86		
Options outstanding, January 29, 2022			1,097,558	\$ 181.17
Options granted	212,397	315.21	332,788	201.76
Options exercised (a)	(418,173)	95.38	(168,720)	122.05
Options forfeited	(43,441)	195.49	(43,525)	228.02
Options outstanding, January 29, 2022	<u>1,097,558</u>	\$ 181.17		
Options outstanding, January 28, 2023			<u>1,218,101</u>	\$ 193.31

(a) Options exercised during Fiscal 2021 2022 had a total intrinsic value of \$87.4 million. \$11.4 million.

The following table summarizes information about the stock options vested and expected to vest during the contractual term, as well as options exercisable:

Weighted

	Options	Weighted		Weighted	Aggregate
		Average	Remaining		
		Contractual	Exercise		Intrinsic
		Life (Years)	Price		Value
				(in millions)	
Options vested and expected to vest	1,097,558	6.7	\$ 181.17	\$ 71.1	
Options exercisable	504,737	5.1	\$ 139.20	\$ 46.0	

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	Options	Weighted		Weighted	Aggregate
		Average	Remaining		
		Contractual	Exercise		Intrinsic
		Life (Years)	Price		Value
				(in millions)	
Options vested and expected to vest	1,218,101	7.1	\$ 193.31	\$ 57.2	
Options exercisable	623,673	5.8	\$ 165.27	\$ 42.6	

During Fiscal 2021, 2022, the fair value of each stock option granted was estimated on the date of grant using the Black Scholes option pricing model. The fair value of each stock option granted during Fiscal 2021, 2022 was estimated using the following assumptions:

	Options	Fiscal Year Ended		Fiscal Year Ended	
		January 29,		January 28,	
		2022	2023	2022	2023
Risk-free interest rate		0.45% - 1.13%		1.13% - 2.78%	
Expected volatility		34% - 35%		32% - 34%	
Expected life (years)		6.00 - 6.25		6.25	
Contractual life (years)		10.0		10.0	
Expected dividend yield		0%		0%	
Weighted average grant date fair value of options issued	\$ 109.91		\$ 75.51		

The expected dividend yield was based on the Company's expectation of not paying dividends in the foreseeable future. Since the Company completed its initial public offering in October 2013, it does not have sufficient history as a publicly traded company to near term. To evaluate its volatility factor. As such, factor, the expected Company uses the historical volatility of its stock price, volatility is based upon as well as the historical volatility of the stock price of peer companies that are publicly traded over the expected life of the options of peer companies that are publicly traded. options.

The risk free interest rate was based on the U.S. Treasury rates for U.S. Treasury zero-coupon bonds with maturities similar to those of the expected term of the awards being valued. For grants issued during Fiscal 2022, Fiscal 2021 and Fiscal 2020, and Fiscal 2019, the expected life of the options was calculated using the simplified method. The simplified method which defines the life as the average of the contractual term of the options and the weighted average vesting period for all option tranches. This methodology was utilized due to the relatively short length of time the Company's Company's common stock has been publicly traded.

Restricted Stock Awards

Restricted stock awards granted during Fiscal 2021 2022 were all service-based awards. The fair value of each unit of restricted stock granted during Fiscal 2021 2022 was based upon the closing price of the Company's common stock on the grant date. Certain awards outstanding as of January 29, 2022 January 28, 2023 cliff vest at the end of a designated service period, ranging from two years to four years from the grant date. Awards granted to non-employee members of the Company's Board of Directors vest 100% on the first anniversary of the grant date. The remaining awards outstanding as of January 29, 2022 January 28, 2023 have graded vesting provisions that generally vest in one-fourth annual increments or one-third annual increments (subject to continued employment through the applicable vesting date). Following a change of control, all unvested restricted stock awards shall remain unvested, provided, however, that 100% of such shares shall vest

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if, following such change of control, the employment of the recipient is terminated without cause or, in some instances, the recipient resigns with good reason, within a certain period of time following a change in control.

As of January 29, 2022 January 28, 2023, there was approximately \$59.8 69.9 million of unearned non-cash stock-based compensation related to restricted stock awards that the Company expects to recognize as an expense over the next a weighted average period of 2.4 years. The awards are expensed on a straight-line basis over the requisite service periods.

Prior to May 1, 2019, the Company granted shares of restricted stock. Grants made on and after May 1, 2019 are in the form of restricted stock units. Award grant, vesting and forfeiture transactions during Fiscal 2021 2022 are summarized as follows:

	Weighted Average Grant Date Fair	Weighted Average Grant Date Fair	
Number of Shares	Value Per Award	Number of Shares	Value Per Award
Non-vested awards outstanding, January 30, 2021	396,555	\$ 168.87	
Non-vested awards outstanding, January 29, 2022		368,158	\$ 233.00

Awards granted	147,677	317.54	267,145	201.11
Awards vested (a)	(154,501)	152.73	(132,880)	205.07
Awards forfeited	(21,573)	207.80	(24,982)	233.52
Non-vested awards outstanding, January 29, 2022	<u>368,158</u>	233.00		
Non-vested awards outstanding, January 28, 2023			<u>477,441</u>	<u>222.90</u>

(a) Restricted stock awards vested during Fiscal 2021 had a total intrinsic value of \$48.1 million.

Performance Share Units

The Company grants performance share performance-based restricted stock units to its senior executives. The fair value of each unit of performance stock granted during Fiscal 2022 was based upon the closing price of the Company's common stock on the grant date. Vesting of these performance share stock units granted in Fiscal 2020 and Fiscal 2021 is based on continued service and the achievement of pre-established EBIT margin expansion and sales compound compounded annual growth rate (CAGR) goals (each weighted equally) over a three-year performance period. Vesting of the performance stock units granted in Fiscal 2022 will be based on continued service and the achievement of pre-established adjusted net income per share growth over a three-year performance period. Based on the Company's achievement of these goals, each award may range from 50% (at threshold

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performance) be earned up to no more than 200% of the target award. In the event that actual performance is below threshold, no award will be made. In addition to Compensation costs recognized on the performance conditions, each stock units are adjusted, as applicable, for performance share unit cliff vests at above or below the end of a three-year service period. Following a change of control, all unvested performance share units shall remain unvested, provided, however, that 100% of such shares shall vest if, following such change of control, target specified in the employment of the recipient is terminated without cause or, in some instances, the recipient resigns with good reason, within a certain period of time following a change in control award.

As of January 29, 2022 January 28, 2023, there was approximately \$16.3 million of unearned non-cash stock-based compensation related to performance share units that the Company expects to recognize as an expense over the next a weighted average period of 1.7 years. The awards are expensed on a straight-line basis over the requisite service periods.

Performance share unit transactions during Fiscal 2021 are summarized as follows:

	Number of Shares	Weighted Average Grant Date Fair

		Value Per Award
Non-vested units outstanding, January 30, 2021	148,668	\$ 176.70
Units granted	55,361	321.04
Awards forfeited	(17,593)	215.49
Non-vested units outstanding, January 29, 2022	<u>186,436</u>	215.90
	Weighted Average Grant Date Fair	
	Number of Shares	Value Per Award
Non-vested awards outstanding, January 29, 2022	186,436	\$ 215.90
Awards granted (a)	107,476	204.27
Awards vested (a) (b)	(81,440)	173.84
Awards forfeited	(16,172)	227.12
Non-vested awards outstanding, January 28, 2023	<u>196,300</u>	226.05

- (a) Inclusive of awards distributed in connection with the final settlement of the performance-based stock awards granted in Fiscal 2019.
- (b) Performance-based stock awards vested during Fiscal 2022 had a total intrinsic value of \$15.4 million.

12. 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

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Company's leases typically provide for contingent rentals based on a percentage of gross sales. Contingent rentals are not included in the lease liability, and they are recognized as variable lease cost when incurred.

As a result of the COVID-19 pandemic and the associated temporary store closures, the Company worked with its landlords to modify payment terms for certain leases. The FASB has provided relief under ASC 842, "Leases," related to the COVID-19 pandemic. Under this relief, companies can make a policy election on how to treat lease concessions resulting directly from COVID-19, provided that the modified contracts result in total cash flows that are substantially the same or less than the cash flows in the original contract. The Company has made the policy election to account for lease concessions that result from the COVID-19 pandemic as if they were made as enforceable rights under the original

contract. Additionally, the Company has elected to account for these concessions outside of the lease modification framework described under ASC 842. As a result, deferred payments related to these leases of \$1.5 million are included in the line item "Other current liabilities" on the Company's Consolidated Balance Sheet.

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

Fiscal Year	(in thousands)		(in thousands)	
	Operating		Finance	
	Leases	Leases	Leases	Leases
2022	\$ 494,529	\$ 7,513		
2023	484,061	7,589	\$ 550,636	\$ 5,906
2024	448,842	7,417	540,446	5,733
2025	414,697	5,287	505,732	3,604
2026	377,819	5,324	466,983	3,640
2027			425,119	3,640
Thereafter	1,306,52		1,433,23	
	0	28,013	9	24,233
Total future minimum lease payments	3,526,46		3,922,15	
Amount representing interest	8	61,143	5	46,756
		(17,19)		(13,30)
	(628,255)	8)	(695,752)	9)
Total lease liabilities	2,898,21		3,226,40	
	3	43,945	3	33,447
Less: current portion of lease liabilities	(358,793)	(4,743)	(401,111)	(4,020)
Total long term lease liabilities	2,539,42		2,825,29	
	\$ 0	\$ 39,202	\$ 2	\$ 29,427
Weighted average discount rate	5.0 %	6.7 %	4.9%	6.1%
Weighted average remaining lease term (years)	8.2	11.1	8.1	11.9

The above schedule excludes approximately \$567.2 million for 82 stores and one warehouse that the Company has committed to open or relocate but has not yet taken possession of the space.

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

	(in thousands)			(in thousands)		
	Fiscal Year Ended			Fiscal Year Ended		
	January 29, 2022	January 30, 2021	February 1, 2020	January 28, 2023	January 29, 2022	January 30, 2021
Finance lease cost:						
Amortization of finance lease asset						
(a)	\$ 4,554	\$ 5,907	\$ 4,027	\$ 4,210	\$ 4,554	\$ 5,907
Interest on lease						
liabilities (b)	3,111	3,394	2,770	2,561	3,111	3,394
Operating lease cost (c)	468,3 49	441,0 89	414,1 74	523,9 80	468,3 49	441,0 89
Variable lease cost (c)	188,0 35	180,2 70	155,2 10	205,8 76	188,0 35	180,2 70
Total lease cost	664,0 49	630,6 60	576,1 81	736,6 27	664,0 49	630,6 60
Less all rental income (d)			(5,02)			
	(5,771)	(5,010)	9)	(5,650)	(5,771)	(5,010)
Total net rent expense (e)	658,2	625,6	571,1	730,9	658,2	625,6
	\$ 78	\$ 50	\$ 52	\$ 77	\$ 78	\$ 50

- (a) Included in the line item "Depreciation and amortization" in the Company's Consolidated Statements of Income (Loss).
- (b) Included in the line item "Interest expense" in the Company's Consolidated Statements of Income (Loss).
- (c) Includes real estate taxes, common area maintenance, insurance and percentage rent. Included in the line item "Selling, general and administrative expenses" in the Company's Consolidated Statements of Income (Loss).
- (d) Included in the line item "Other revenue" in the Company's Consolidated Statements of Income (Loss).
- (e) Excludes an immaterial amount of short-term lease cost.

Supplemental cash flow disclosures related to leases are as follows:

	(in thousands)			(in thousands)		
	Fiscal Year Ended			Fiscal Year Ended		
	January 29, 2022	January 30, 2021	February 1, 2020	January 28, 2023	January 29, 2022	January 30, 2021

Cash paid for amounts included in the measurement of lease liabilities:							
Cash payments arising from operating lease liabilities (a)	509,9 \$ 71	409,7 \$ 50	401,5 \$ 75	525,0 \$ 98	509,9 \$ 71	409,7 \$ 50	
Cash payments for the principal portion of finance lease liabilities (b)	\$ 4,073	\$ 3,269	\$ 2,932	\$ 4,455	\$ 4,073	\$ 3,269	
Cash payments for the interest portion of finance lease liabilities (a)	\$ 3,111	\$ 3,394	\$ 2,770	\$ 2,561	\$ 3,111	\$ 3,394	
Supplemental non-cash information:							
Operating lease liabilities arising from obtaining right-of-use assets	516,5 \$ 45	413,0 \$ 68	690,8 \$ 27	712,6 \$ 88	516,5 \$ 45	413,0 \$ 68	

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

13. Employee Retirement Plans

The Company maintains separate defined contribution 401(k) retirement savings and profit-sharing plans covering employees in the United States and Puerto Rico who meet specified age and service requirements. The discretionary profit sharing component (which the Company has not utilized since 2005 and has no current plans to utilize) is entirely funded by the Company, and the Company also makes additional matching contributions to the 401(k) component of the plans. Participating employees can voluntarily elect to contribute a percentage of their earnings to the 401(k) component of the plans (up to certain prescribed limits) through a cash or deferred (salary deferral) feature qualifying under Section 401(k) of the Internal Revenue Code (401(k) Plan).

The Company recorded \$11.4 15.6 million, \$10.2 11.4 million and \$10.0 10.2 million of 401(k) Plan match expense during Fiscal 2022, Fiscal 2021 and Fiscal 2020 and Fiscal 2019 respectively, which is included in the line item "Selling, general and administrative expenses" on the Company's Consolidated Statements of Income (Loss).

14. Income Taxes

Income (loss) before income taxes was as follows for Fiscal 2021, 2022, Fiscal 2020 2021 and Fiscal 2019: 2020:

	(in thousands)		
	Year Ended		
	January 29, 2022	January 30, 2021	February 1, 2020
Domestic	\$ 533,906	\$ (441,473)	\$ 573,399
Foreign	11,392	3,850	7,126
Total income (loss) before income taxes	<u><u>\$ 545,298</u></u>	<u><u>\$ (437,623)</u></u>	<u><u>\$ 580,525</u></u>

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	(in thousands)		
	Year Ended		
	January 28, 2023	January 29, 2022	January 30, 2021
Domestic	\$ 297,440	\$ 533,906	\$ (441,473)
Foreign	10,069	11,392	3,850
Total income (loss) before income taxes	<u><u>\$ 307,509</u></u>	<u><u>\$ 545,298</u></u>	<u><u>\$ (437,623)</u></u>

Income tax expense (benefit) was as follows for Fiscal 2021, 2022, Fiscal 2020 2021 and Fiscal 2019: 2020:

	(in thousands)			(in thousands)		
	Year Ended			Year Ended		
	January 29, 2022	January 30, 2021	February 1, 2020	January 28, 2023	January 29, 2022	January 30, 2021
Current:						
Federal	69,14	(210,3	83,52	86,29	69,14	(210,3
	\$ 6	\$ 04)	\$ 1	\$ 9	\$ 6	\$ 04)
State	11,54		20,77	13,49	11,54	
	6	12,964	8	4	6	12,964
Foreign	3,815	1,175	2,040	3,024	3,815	1,175
Subtotal	<u><u>84,50</u></u>	<u><u>(196,1</u></u>	<u><u>106,3</u></u>	<u><u>102,8</u></u>	<u><u>84,50</u></u>	<u><u>(196,1</u></u>
	<u><u>7</u></u>	<u><u>65)</u></u>	<u><u>39</u></u>	<u><u>17</u></u>	<u><u>7</u></u>	<u><u>65)</u></u>
Deferred:						

Federal	32,21			(28,98)	32,21	
	7	13,600	8,375	0)	7	13,600
State	19,27	(38,81			19,27	(38,81
	2	6)	1,012	2,796	2	6)
Foreign	463	257	(317)	753	463	257
Subtotal	51,95	(24,95		(25,43	51,95	(24,95
	2	9)	9,070	1)	2	9)
Total income tax expense (benefit)	136,4	(221,1	115,4	77,38	136,4	(221,1
	\$ 59	\$ 24)	\$ 09	\$ 6	\$ 59	\$ 24)

The tax rate reconciliations were as follows for Fiscal 2021, 2022, Fiscal 2020 2021 and Fiscal 2019: 2020:

	Fiscal Year Ended		
	January 29, 2022	January 30, 2021	February 1, 2020
Tax at statutory rate	21.0 %	21.0 %	21.0 %
State income taxes, net of federal benefit	4.0	3.0	4.0
Excess tax benefit from stock compensation	(4.8)	7.2	(5.3)
Tax credits	(1.6)	1.8	(1.0)
Carryback tax rate differential	—	19.8	—
Non-deductible expenses	2.0	(1.8)	0.8
Loss from extinguishment of convertible debt	4.4	—	—
Other	—	(0.5)	0.4
Effective tax rate	25.0 %	50.5 %	19.9 %

	Fiscal Year Ended		
	January 28, 2023	January 29, 2022	January 30, 2021
Tax at statutory rate	21.0 %	21.0 %	21.0 %
State income taxes, net of federal benefit	5.3	4.0	3.0
Excess tax benefit from stock compensation	(0.2)	(4.8)	7.2
Tax credits	(2.2)	(1.6)	1.8
Carryback tax rate differential	—	—	19.8
Non-deductible expenses	2.1	2.0	(1.8)
Loss from extinguishment of convertible debt	0.9	4.4	—
Other	(1.7)	—	(0.5)
Effective tax rate	25.2 %	25.0 %	50.5 %

The income tax benefit in the prior year is a result of the pre-tax loss and the carry-back of net operating losses arising in Fiscal 2020 to the five prior tax years, as permitted under the CARES Act. The higher effective tax rate in the prior year is a function of losses facilitating a refund receivable upon amending previously filed returns at a 35% tax rate. Additionally, excess tax benefit from stock compensation drove an increase in the tax rate related to pre-tax loss in Fiscal 2020, compared to a decrease in the tax rate related to pre-tax income in Fiscal 2021.⁶⁸

The tax effects of temporary differences are included in deferred tax accounts as follows:

	<i>(in thousands)</i>			
	January 29, 2022		January 30, 2021	
	Tax Assets	Tax Liabilities	Tax Assets	Tax Liabilities
Non-current deferred tax assets and liabilities:				
Property and equipment basis adjustments	\$ —	\$ 253,097	\$ —	\$ 225,203
Operating lease liability	745,300	—	705,968	—
Operating lease asset	—	687,128	—	656,193
Intangibles— indefinite-lived	—	64,093	—	64,459
Financing	1,378	—	—	30,860
Employee benefit compensation	17,703	—	21,015	—
State net operating losses (net of federal benefit)	25,450	—	42,991	—
Tax credits	8,562	—	13,883	—
Other	2,725	—	10,386	—
Valuation allowance	(12,864)	—	(12,957)	—
Total non-current deferred tax assets and liabilities	\$ 788,254	\$ 1,004,318	\$ 781,286	\$ 976,715
Net deferred tax liability	\$ 216,064			\$ 195,429

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	<i>(in thousands)</i>			
	January 28, 2023		January 29, 2022	
	Tax Assets	Tax Liabilities	Tax Assets	Tax Liabilities
Non-current deferred tax assets and liabilities:				
Property and equipment basis adjustments	\$ —	\$ 231,426	\$ —	\$ 253,097
Operating lease liability	830,029	—	745,300	—

Operating lease asset	—	764,446	—	687,128
Intangibles— indefinite-lived	—	63,871	—	64,093
Employee benefit compensation	21,303	—	17,703	—
State net operating losses (net of federal benefit)	11,323	—	25,450	—
Tax credits	11,132	—	8,562	—
Other	—	3,770	4,103	—
Valuation allowance	(13,060)	—	(12,864)	—
Total non-current deferred tax assets and liabilities	<u>\$ 860,727</u>	<u>\$ 1,063,513</u>	<u>\$ 788,254</u>	<u>\$ 1,004,318</u>
Net deferred tax liability		<u>\$ 202,786</u>		<u>\$ 216,064</u>

As of **January 29, 2022** **January 28, 2023**, the Company has a deferred tax asset related to net operating losses of **\$25.5** **11.3** million, inclusive of **\$25.2** **11.0** million of state net operating losses which will expire at various dates between **2022** **2023** and 2041 and \$0.3 million of deferred tax assets recorded for Puerto Rico net operating loss carry-forwards that will expire in 2025. As of **January 29, 2022** **January 28, 2023**, the Company had tax credit carry-forwards of **\$8.6** **11.1** million, inclusive of state tax credit carry-forwards of **\$7.7** **10.4** million that will begin to expire in 2023 and **\$0.9** **0.7** million of Puerto Rico alternative minimum tax (AMT) credits that have an indefinite life.

As of **January 30, 2021** **January 29, 2022**, the Company had a deferred tax asset related to net operating losses of **\$43.0** **25.5** million, inclusive of **\$42.7** **25.2** million of state net operating losses, and \$0.3 million of deferred tax assets recorded for Puerto Rico net operating loss carry-forwards. As of **January 30, 2021** **January 29, 2022**, the Company had tax credit carry-forwards of **\$13.9** **8.6** million, inclusive of **federal** tax credit carry-forwards of \$4.8 million, state tax credit carry-forwards of **\$7.9** **7.7** million, and **\$1.2** **0.9** million of Puerto Rico AMT credits.

The Company believes that it is more likely than not that the benefit from certain state net operating loss carry forwards and credits will not be realized. In recognition of this risk, the Company has provided a valuation allowance of **\$5.3** **3.3** million on state net operating losses and **\$7.2** **9.5** million on state tax credit carry forwards. In addition, the Company believes that it is more likely than not that the benefit from Puerto Rico net operating loss carry-forwards will not be realized. As a result, it has provided for a full valuation allowance of \$0.3 million. If the Company's assumptions change and it determines it will be able to realize these net operating losses or credits, the tax benefits relating to any reversal of the valuation allowance on deferred tax assets as of **January 29, 2022** **January 28, 2023** will be recorded to the Company's Consolidated Statement of Income (Loss). As of **January 30, 2021** **January 29, 2022**, the Company provided a total valuation allowance of **\$13.0** **12.9** million, inclusive of \$5.3 of valuation allowance related to state net operating losses, **\$7.4** **7.3** million related to tax credit carry-forwards and \$0.3 million related to Puerto Rico.

A reconciliation of the beginning and ending amount of gross unrecognized tax benefits (exclusive of interest and penalties) is as follows:

	<i>(in thousands)</i>	<i>(in thousands)</i>
	Gross	Gross
	Unrecognized	Unrecognized
	Tax Benefits, Exclusive of Interest and Penalties	Tax Benefits, Exclusive of Interest and Penalties
Balance at February 2, 2019	\$ 8,927	
Additions for tax positions of the current year	—	
Additions for tax positions of prior years	—	
Reduction for tax positions of prior years	(783)	
Settlements	—	
Lapse of statute of limitations	(67)	
Balance at February 1, 2020	\$ 8,077	\$ 8,077
Additions for tax positions of the current year	—	—
Additions for tax positions of prior years	—	—
Reduction for tax positions of prior years	(1,269)	(1,269)
Settlements	(396)	(396)
Lapse of statute of limitations	(72)	(72)
Balance at January 30, 2021	\$ 6,340	\$ 6,340
Additions for tax positions of the current year	—	—
Additions for tax positions of prior years	—	—
Reduction for tax positions of prior years	(783)	(783)
Settlements	—	—
Lapse of statute of limitations	(770)	(770)
Balance at January 29, 2022	<u>\$ 4,787</u>	<u>\$ 4,787</u>
Additions for tax positions of the current year		—
Additions for tax positions of prior years		—
Reduction for tax positions of prior years		(782)
Settlements		—
Lapse of statute of limitations		(72)
Balance at January 28, 2023	<u>\$ 3,933</u>	

As of January 28, 2023, the Company reported total unrecognized benefits of \$3.9 million, of which \$3.1 million would affect the Company's effective tax rate if recognized. As a result of previous positions taken and current period activity, the

Company recorded a net benefit of \$0.9 million of interest and penalties during Fiscal 2022 in the line item "Income tax expense (benefit)" in the Company's Consolidated Statements of Income (Loss). Cumulative interest and penalties of \$8.0 million are recorded in the line item "Other liabilities" in the Company's Consolidated Balance Sheet as of January 28, 2023. The Company recognizes interest and penalties related to unrecognized tax benefits as part of income taxes. Within the next twelve months, the Company does not expect any significant changes in its unrecognized tax benefits.

As of January 29, 2022, the Company reported total unrecognized benefits of \$4.8 million, of which \$3.8 million would affect the Company's effective tax rate if recognized. As a result of previous positions taken, and current period activity, the Company recorded a net benefit of \$1.2 million of interest and penalties during Fiscal 2021 in the line item "Income tax expense (benefit)" in the Company's Consolidated Statements of Income (Loss). Cumulative interest and penalties of \$9.1 million are recorded in the line item "Other liabilities" in the Company's Consolidated Balance Sheet Sheets as of January 29, 2022. The Company recognizes interest and penalties related to unrecognized tax benefits as part of income taxes. Within the next twelve months, the Company does not expect any significant changes in its unrecognized tax benefits.

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As of January 30, 2021, the Company reported total unrecognized benefits of \$6.3 million, of which \$5.0 million would affect the Company's effective tax rate if recognized. As a result of previous positions taken, the Company recorded a net benefit of \$1.1 million of interest and penalties during Fiscal 2020 in the line item "Income tax expense (benefit)" in the Company's Consolidated Statements of Income (Loss). Cumulative interest and penalties of \$10.6 million are recorded in the line item "Other liabilities" in the Company's Consolidated Balance Sheets as of January 30, 2021.

The Company files tax returns in the U.S. federal jurisdiction, Puerto Rico, and various state jurisdictions. The Company is open to examination by the IRS under the applicable statutes of limitations for Fiscal Years 2018 2019 through 2021 2022. The Company or its subsidiaries' state and Puerto Rico income tax returns are open to audit for Fiscal Years 2017 2018 through 2021 2022, with a few exceptions, under the applicable statutes of limitations. There are ongoing state audits in several jurisdictions, and the Company has accrued for possible exposures as required under Topic No. 740. The Company does not expect the settlement of these audits to have a material impact to its financial results.

15. Fair Value of Financial Instruments

The Company accounts for fair value measurements in accordance with Topic No. 820 which defines fair value, establishes a framework for measurement and expands disclosure about fair value measurements. Topic No. 820 defines fair value as the price that

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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 8, "Derivative Instruments and Hedging Activities," for further discussion regarding the fair value of the Company's interest rate **cap contracts**, **swap contract**.

Refer to Note 6, "Impairment Charges," for further discussion regarding the fair value of the Company's long-lived assets after impairment.

Financial Assets

The fair values of the Company's financial assets and the hierarchy of the level of inputs as of **January 29, 2022**, **January 28, 2023** and **January 30, 2021** **January 29, 2022** are summarized below:

	<i>(in thousands)</i>			
	Fair Value Measurements at			
	January 29,		January 30,	
	2022		2021	
Level 1				
Cash equivalents (including restricted cash)	\$	701,638	\$	1,001,475

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	<i>(in thousands)</i>			
	Fair Value Measurements at			
	January 28,		January 29,	
	2023		2022	
Level 1				
Cash equivalents (including restricted cash equivalents)	\$	548,986	\$	701,638

Financial Liabilities

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

	(in thousands)				(in thousands)			
	January 29, 2022		January 30, 2021		January 28, 2023		January 29, 2022	
	Principal	Fair	Principal	Fair	Principal	Fair	Principal	Fair
	Amount	Value	Amount	Value	Amount	Value	Amount	Value
Term B-6	956,6	955,4			946,9	938,7	956,6	955,4
Loans	\$ 08	\$ 12	\$ —	\$ —	\$ 94	\$ 08	\$ 08	\$ 12
Term B-5			961,4	955,4				
Loans	—	—	15	06				
Convertible Notes	572,3	724,7	805,0	1,080	507,6	619,4	572,3	724,7
Secured Notes	22	03	00	,713	87	09	22	03
Notes	—	—	300,0	320,6				
ABL Line of Credit			00	25				
(a)	—	—	—	—	—	—	—	—
Total debt	1,528	1,680	2,066	2,356	1,454	1,558	1,528	1,680
(b)	\$,930	\$,115	\$,415	\$,744	\$,681	\$,117	\$,930	\$,115

- (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) Excludes The table above excludes finance lease obligations, original-issue debt discount and deferred financing costs.

The fair values presented herein are based on pertinent information available to management as of the respective year 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. Although management is not aware of any factors that could significantly affect the estimated fair value amounts, such amounts have not been comprehensively revalued for purposes of these financial statements since that date, and current estimates of fair value may differ from amounts presented herein.

16. Commitments and Contingencies

Legal

Like many retailers, In the course of business, the Company has been named in potential is party to class or collective actions on behalf of groups alleging violations of federal and state wage and hour and other labor statutes, and alleged violations of state consumer and/or privacy protection and other statutes. In the normal course of business, the Company is also party to 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, product safety, 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 irrevocable letters of credit in the amounts of \$55.4 51.1 million and \$54.9 55.4 million as of January 29, 2022 January 28, 2023 and January 30, 2021 January 29, 2022, respectively.

Letters of credit outstanding as of January 29, 2022 January 28, 2023 and January 30, 2021 January 29, 2022 amounted to \$48.4 47.4 million and \$46.8 48.4 million, respectively, guaranteeing performance under various lease agreements, insurance contracts, and utility agreements. The Company also had outstanding letters of credit arrangements in the aggregate amount of \$7.1 3.7 million and \$8.2 7.1 million at January 29, 2022 January 28, 2023 and January 30, 2021 January 29, 2022, respectively, related to certain merchandising agreements. The Company had \$594.6 795.7 million and \$476.8 594.6 million available under the ABL Line of Credit as of January 29, 2022 January 28, 2023 and January 30, 2021 January 29, 2022, respectively.

Inventory Purchase Commitments

The Company had \$1,396.4 1,049.0 million of purchase commitments related to goods that were not received as of January 29, 2022 January 28, 2023.

Death Benefits

In November 2005, the Company entered into agreements with three of the Company's former executives whereby, upon each of their deaths, the Company will pay \$1.0 million to each respective designated beneficiary.

17. Related Party Transactions

The brother-in-law of one of the Company's former Executive Vice Presidents is an independent sales representative of one of the Company's suppliers of merchandise inventory. This relationship predated the commencement of the former

Executive Vice President's employment with the Company. The Company has determined that the dollar amount of purchases through such supplier represents an insignificant amount of its inventory purchases. The Executive Vice President retired from the Company during the second quarter of Fiscal 2021.

Schedule I

**CONDENSED FINANCIAL INFORMATION
OF REGISTRANT**

**Parent Company Information
Burlington Stores, Inc.**

Condensed Balance Sheets

	As of	
	January 29, 2022	January 30, 2021
	(in thousands)	
ASSETS:		
Cash and cash equivalents	\$ 503	\$ 51
Total current assets	503	51
Investment in subsidiaries	1,322,475	1,098,823
Total assets	\$ 1,322,978	\$ 1,098,874
LIABILITIES AND STOCKHOLDERS' EQUITY:		
Current liabilities	\$ —	\$ —
Long term debt	562,561	634,120
Commitments and contingencies		
Total stockholders' equity	760,417	464,754
Total liabilities and stockholders' equity	\$ 1,322,978	\$ 1,098,874

See Notes to Condensed Financial Statements

**CONDENSED FINANCIAL INFORMATION
OF REGISTRANT**

**Parent Company Information
Burlington Stores, Inc.**

Condensed Statements of Income (Loss) and Comprehensive Income (Loss)

	Fiscal Years Ended			Fiscal Years Ended		
	January	January	February	January	January	January
	29, 2022	30, 2021	1, 2020	28, 2023	29, 2022	30, 2021
	(in thousands)			(in thousands)		
REVENUES:						
Total revenue	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
COSTS AND EXPENSES:						
Income from equity investment	—	—	—	—	—	—
Interest expense, net						
Total costs and expenses	—	—	—	—	—	—
Income before provision for income tax	—	—	—	—	—	—
Provision for income tax	—	—	—	—	—	—
Earnings from equity investment, net of income taxes	408, \$ 839	(216, \$ 499)	465, \$ 116	230, \$ 123	408, \$ 839	(216, \$ 499)
Net income (loss)	408, \$ 839	(216, \$ 499)	465, \$ 116	230, \$ 123	408, \$ 839	(216, \$ 499)
Other comprehensive income (loss), net of tax:						
Interest rate derivative contracts:						
Net unrealized gains (losses) arising during the period	7,93 1	(11,4 58)	(16,6 06)	27,7 26	7,93 1	(11,4 58)
Net reclassification into earnings during the period	10,6 43		1,25 9	5,46 3	10,6 43	7,40 3
Total comprehensive income (loss)	427, \$ 413	(220, \$ 554)	449, \$ 769	263, \$ 312	427, \$ 413	(220, \$ 554)

See Notes to Condensed Financial Statements

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CONDENSED FINANCIAL INFORMATION During the current year financial reporting process, management determined that the previously reported Total comprehensive income (loss) of the **OF REGISTRANT**

Parent Company did not include the components of Other comprehensive income (loss) of the Parent Company. As a result, the accompanying Information **Burlington Stores, Inc.**

Condensed **Statements of Income and Comprehensive Income (Loss)** for the years ended January 30, 2021 and February 1, 2020 have been revised **Balance Sheets**

	As of	
	January 28, 2023	January 29, 2022
	(in thousands)	
ASSETS:		
Cash and cash equivalents	\$ 192	\$ 503
Total current assets	192	503
Investment in subsidiaries	1,296,408	1,322,475
Total assets	<u>\$ 1,296,600</u>	<u>\$ 1,322,978</u>
LIABILITIES AND STOCKHOLDERS' EQUITY:		
Current liabilities	\$ —	\$ —
Long term debt	501,695	562,561
Commitments and contingencies		
Total stockholders' equity	794,905	760,417
Total liabilities and stockholders' equity	<u>\$ 1,296,600</u>	<u>\$ 1,322,978</u>

See Notes to correct the presentation of Total comprehensive income (loss) to include the components of Other comprehensive income (loss) of the Parent Company. The correction of this presentation had no impact on previously reported Net income (loss) of the Parent Company and resulted in an increase in previously reported Total comprehensive loss from \$216.5 million to \$220.6 million for the year ended January 30, 2021 and a decrease in previously reported Total

comprehensive income from \$465.1 million to \$449.8 million for the year ended February 1, 2020. Condensed Financial Statements

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**CONDENSED FINANCIAL INFORMATION
OF REGISTRANT**

Parent Company Information
Burlington Stores, Inc.

Condensed Statements of Cash Flows

	Fiscal Years Ended			Fiscal Years Ended		
	January	January	February	January	January	January
	29,	30,	1,	28,	29,	30,
	2022	2021	2020	2023	2022	2021
(in thousands)						(in thousands)
OPERATING ACTIVITIES:						
Net cash provided by operations	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Net cash provided by operating activities						
INVESTING ACTIVITIES:						
Net contribution from (payment to) subsidiaries	428,	(753, (1)	288, (1)	374,	428,	(753,
	888	404)	871	233	888	404)
Net cash provided by (used in) investing activities	428,	(753,	288,	374,	428,	(753,
	888	404)	871	233	888	404)
FINANCING ACTIVITIES:						
Proceeds from long term debt - Convertible Notes		805,				805,
	—	000	—	—	—	000
Principal payment on long term debt—Convertible Notes	(201,			(78,2	(201,	
	695)	—	—	40)	695)	—

Purchase of treasury shares	(266,628)	(65,526)	(323,080)	(316,896)	(266,628)	(65,526)
Proceeds from stock option exercises	39,887	34,924	34,222	20,592	39,887	34,924
Deferred financing costs	—	(20,994)	—	—	—	(20,994)
Net cash provided by (used in) financing activities	(428,436)	753,(1)404	(288,(1)858)	(374,544)	(428,436)	753,404
Increase (Decrease) in cash and cash equivalents	452	—	13	(311)	452	—
Cash and cash equivalents at beginning of period	51	51	38	503	51	51
Cash and cash equivalents at end of period	\$ 503	\$ 51	\$ 51	\$ 192	\$ 503	\$ 51

See Notes to Condensed Financial Statements

(1) During the current year financial reporting process, management determined that the Parent Company's net investment activities in its subsidiary were incorrectly classified as Financing activities rather than Investing activities in the Company's previously reported Condensed Statements of Cash Flows for the years ended January 30, 2021 and February 1, 2020. As a result, the accompanying Condensed Statements of Cash Flows have been revised to reclassify Intercompany financing transactions previously classified within Financing activities as a net payment to subsidiary of \$753.4 million and a net contribution from subsidiary of \$288.9 million to Net contribution from (payment to) subsidiaries within Investing activities for the years ended January 30, 2021 and February 1, 2020, respectively.

**CONDENSED FINANCIAL INFORMATION
OF REGISTRANT**

Parent Company Information
Burlington Stores, Inc.

Note 1. Basis of Presentation

Burlington Stores, Inc. (the Parent Company) is a holding company that conducts substantially all of its business operations through its subsidiaries. The Parent Company's ability to pay dividends on Parent Company's common stock will be limited by restrictions on the ability of Parent Company and its Company's subsidiaries to pay dividends or make distributions under the terms of current and future agreements governing the indebtedness of Parent Company's subsidiaries. In addition to other baskets under the agreements governing its indebtedness, the Parent Company and its subsidiaries are permitted to make dividends and distributions under the Term Loan Facility so long as there is no event of default and the **pro forma** consolidated leverage ratio of the Parent Company and its subsidiaries does not exceed 3.50 to 1.00, and under the ABL Line of Credit as long as certain restricted payment conditions are satisfied.

The accompanying Condensed Financial Statements include the accounts of the Parent Company and, on an equity basis, its consolidated subsidiaries and affiliates. Accordingly, these Condensed Financial Statements have been presented on a "parent-only" basis. Under a parent-only presentation, the Parent Company's investments in its consolidated subsidiaries are presented under the equity method of accounting. **Other than debt related costs, the Parent Company incurs certain corporate costs which are borne by the Parent Company's subsidiaries. Such costs are not significant. These parent-only financials statements are not the general-purpose financial statements of Burlington Stores, Inc., and they should be read in conjunction with Burlington Stores, Inc.'s audited Consolidated Financial Statements included elsewhere herein.**

Note 2. Dividends

As discussed above, the terms of current and future agreements governing the indebtedness of the Parent Company and its subsidiaries include, or may include, limitations on the ability of such subsidiaries and the Parent Company to pay dividends, subject to certain exceptions set forth in such agreements.

Note 3. Stock-Based Compensation

Non-cash stock compensation expense of **\$58.5** **67.5** million, **\$55.8** **58.5** million and **\$43.9** **55.8** million has been pushed down to Parent Company's subsidiaries for Fiscal 2022, Fiscal 2021 and Fiscal 2020, and Fiscal 2019, respectively.

Note 4. Long Term Debt

On April 16, 2020, the Parent Company issued \$805.0 million of Convertible Notes. The Convertible Notes are general unsecured obligations of the Parent Company. The Convertible Notes bear interest at a rate of 2.25% per year,

payable semi-annually in cash, in arrears, on April 15 and October 15 of each year, beginning on October 15, 2020. The Convertible Notes will mature on April 15, 2025, unless earlier converted, redeemed or repurchased.

BCFWC and Burlington Merchandising Corporation, a Delaware corporation, wholly owned subsidiaries of the Company, have entered into a promissory note, in which they jointly and severally have promised to pay to the Parent an amount equal to the principal of the Convertible Notes. In connection with the promissory note, there was a \$507.7 million and \$572.3 million intercompany note receivable as of January 28, 2023 and January 29, 2022, respectively, related to the cash transferred to Parent subsidiaries for the Convertible Notes, which is included in the line item "Investment in subsidiaries" in the Condensed Balance Sheets. The interest rate and repayment terms of the intercompany note receivable are consistent with that of the Convertible Notes.

The Convertible Notes consist of the following components as of the dates indicated:

	<i>(in thousands)</i>		
	January 28, 2023	January 29, 2022	
	2023	2022	
Principal	\$ 507,687	\$ 572,322	
Unamortized deferred debt costs	(5,992)	(9,761)	
Net carrying amount	<u><u>\$ 501,695</u></u>	<u><u>\$ 562,561</u></u>	

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During the **third quarter** **second half** of Fiscal 2021, the Parent Company entered into separate, privately negotiated exchange agreements with certain holders of the Convertible Notes. Under the terms of the exchange agreements, the holders exchanged \$160.4 232.7 million in aggregate principal amount of Convertible Notes held by them for a combination of an aggregate of \$90.8 199.8 million in cash and 513,991 shares of the Parent Company's common stock.

During the **fourth** **first** quarter of Fiscal 2021, 2022, the Parent Company entered into separate, privately negotiated exchange agreements with certain holders of the Convertible Notes. Under the terms of the exchange agreements, the holders exchanged \$72.3 64.6 million in aggregate principal amount of Convertible Notes held by them for \$109.0 78.2 million in cash.

These exchanges resulted in aggregate pre-tax debt extinguishment charges of \$14.7 million and \$124.6 million that have been pushed down to Parent Company's subsidiaries during Fiscal 2022 and Fiscal 2021, respectively. Furthermore, the intercompany note receivable was extinguished for Fiscal 2021, the same terms, resulting in an offsetting gain on extinguishment, as reflected in the table below.

Subsequent to January 29, 2022 January 28, 2023 (March 15, 2022) 7, 2023, the Parent Company entered into separate, privately negotiated exchange agreements with certain holders of the its Convertible Notes. Under the terms of the exchange agreements, the holders have agreed to exchange \$55.6 110.3 million in aggregate principal amount of

Convertible Notes held by them for an amount in cash to be calculated based on the volume-weighted average price of the Parent Company's common stock over a two-day measurement period beginning on March 16, 2022. These exchange transactions are expected to close on March 21, 2022, subject to the satisfaction of customary closing conditions.

The Convertible Notes contain a cash conversion feature, and as a result, the Company initially separated it into liability and equity components. The Parent Company valued the liability component based on its borrowing rate for a similar debt instrument that does not contain a conversion feature. The equity component, which was recognized as a debt discount, was valued as the difference between the face value of the Convertible Notes and the fair value of the liability component. As a result of adopting ASU 2020-06, the Parent Company is no longer separating the Convertible Notes into debt and equity components, and is instead accounting for it wholly as debt.

In connection with the Convertible Notes issuance, the Parent Company incurred deferred financing costs of \$21.0 million primarily related to fees paid to the bookrunners of the offering, as well as legal, accounting and rating agency fees. These costs were initially allocated on a pro rata basis, with \$16.4 million allocated to the debt component and \$4.6 million allocated to the equity component. As a result of adopting ASU 2020-06, all unamortized deferred financing costs related to the Convertible Notes are now allocated to debt. in cash.

Prior to adoption of ASU 2020-06, the debt discount and the debt portion of the deferred costs were being amortized to interest expense over the term of the Convertible Notes at an effective interest rate of 8.2%. The effective interest rate after adoption of ASU 2020-06 is 2.8%. Interest expense on the Convertible Notes of \$20.1 million and \$40.5 million have been pushed down to Parent Company's subsidiaries for Fiscal 2021 and Fiscal 2020, respectively.

There was a \$572.3 million and \$805.0 million intercompany note receivable as of January 29, 2022 and January 30, 2021, respectively, related to the cash transferred to Parent subsidiaries for the Convertible Notes, which is included in Investment in subsidiaries Included in the Condensed Balance Sheets.

The Convertible Notes consist Statements of Income (Loss) and Comprehensive Income (Loss) is the following for each of the following components as of periods indicated:

	(in thousands)		
	Fiscal Year Ended		
	January 28, 2023	January 29, 2022	January 30, 2021
Convertible Notes interest expense	\$ (14,281)	\$ (20,055)	\$ (40,536)
Intercompany note receivable interest expense	14,281	20,055	40,536
Loss on extinguishment of Convertible Notes	(14,657)	(124,639)	—
Gain on extinguishment of intercompany note receivable	14,657	124,639	—

Interest expense, net	\$ <u>—</u>	\$ <u>—</u>	\$ <u>—</u>
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Refer also to Note 7 to the dates indicated: Consolidated financial statements.

	<i>(in thousands)</i>	
	January 29, 2022	January 30, 2021
Liability component:		
Principal	\$ 572,322	\$ 805,000
Unamortized debt discount	—	(156,689)
Unamortized deferred debt costs	(9,761)	(14,191)
Net carrying amount	<u>\$ 562,561</u>	<u>\$ 634,120</u>
Equity component, net		
	\$ —	\$ 131,916

Note 5. Capital Stock

Treasury Stock

The Parent Company accounts for treasury stock under the cost method.

During Fiscal 2021, 2022, the Parent Company acquired 53,783 75,710 shares of common stock from employees for approximately \$16.6 14.2 million to satisfy their minimum statutory tax withholdings related to the vesting of restricted stock awards, which was recorded in the line item "Purchase of treasury shares" on the Parent Company's Condensed Statements of Cash Flows.

Share Repurchase Program

On August 14, 2019, the Parent Company's Board of Directors authorized the repurchase of up to \$400.0 million of common stock, which expired in August 2021. On August 18, 2021, the Parent Company's Board of Directors authorized the repurchase of up to \$400.0 million of common stock, which is authorized to be executed through August 2023.

During 2023. This authorization was completed during the second quarter of Fiscal 2021, the Parent Company repurchased 856,855 shares of common stock for \$250.0 million under its share repurchase program. As of January 29, 2022, the Parent Company had \$150.0 million remaining under its share repurchase authorization.

Subsequent to January 29, 2022 (February 16, 2022) 2022. On February 16, 2022, the Parent 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 February 2024.

This repurchase program is funded using During Fiscal 2022, the Parent Company's available cash and borrowings Company repurchased 1,756,811 shares of common stock for \$302.7 million under its share repurchase program. As of January 28, 2023, the ABL Line of Credit. Parent Company had \$347.3 million remaining under its share repurchase authorization.

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BURLINGTON STORES, INC.
Schedule II—Valuation and Qualifying Accounts and Reserves
(All amounts in thousands)

Description	Charge	Accoun			Charge	Accou			
	Balanc	d	Charge	ts	Balan	ed	Charg	nts	
	e at	to	d	Written	ce at	to	ed	Written	
	Begin	Costs	to	Off	Balan	Begin	Costs	to	Off
	ning	&	Other	or	ce at	ning	&	Other	or
	of	Expens	Accou	Deducti	End of	of	Expen	Accou	Deduct
Period	es	nts(1)	ons(2)	Period	Period	ses	nts(1)	ions(2)	Period
Year ended									
January 28,									
2023									
Allowance					3,				1,
for doubtful					30	29		2,3	25
accounts					\$ 5	\$ 1	\$ —	\$ 44	\$ 2
Valuation									
allowances					12				13
on deferred					,8		19		,0
tax assets					\$ 64	\$ —	\$ 6	\$ —	\$ 60
Year ended									
January 29,									
2022									
Allowance					3,	4,			3,
for doubtful	4,8	18		1,7	30	85	18	1,7	30
accounts	\$ 55	\$ 5	\$ —	\$ 35	\$ 5	\$ 5	\$ 5	\$ 35	\$ 5

Valuation allowances on deferred tax assets	12,95	\$ 7	\$ —	\$ (93)	\$ —	\$ 64	12,8	\$ 57	\$ —	\$ (93)	\$ —	\$ 64
Year ended January 30, 2021												
Allowance for doubtful accounts	4,79	\$ 5	\$ 69	\$ —	\$ 9	\$ 5	4,85	\$ 5	\$ 69	\$ —	\$ 9	\$ 5
Valuation allowances on deferred tax assets	12,9,8	\$ 42	\$ —	\$ 15	\$ —	\$ 57	9,9,9	\$ 2	\$ —	\$ 15	\$ —	\$ 57
Year ended February 1, 2020												
Allowance for doubtful accounts	99	\$ 78	\$ 2	\$ —	\$ 275	\$ 5	79					
Valuation allowances on deferred tax assets	10,26	\$ 8	\$ —	\$ 6)	\$ —	\$ 2	9,(42)	84				

Notes:

(1) Amounts related to valuation allowances on deferred taxes are charged to income tax expense.
(2) Actual allowances.

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Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None.

Item 9A. Controls and Procedures

Evaluation of Disclosure 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 Annual Report, **January 29, 2022** **January 28, 2023**. 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 **January 29, 2022** **January 28, 2023**.

Management's Annual Report on Internal Control Over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is defined in Rule 13a-15(f) and Rule 15d-15(f) under the Exchange Act as a process designed by, or under the supervision of, the issuer's principal executive and principal financial officers, or persons performing similar functions, and effected by the issuer's Board of Directors, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with GAAP and includes those policies and procedures that:

- pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the issuer;
- provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with GAAP, and that receipts and expenditures of the issuer are being made only in accordance with authorizations of management and directors of the issuer; and
- provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the issuer's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In accordance with the internal control reporting requirement of the SEC, management completed an assessment of the adequacy of our internal control over financial reporting as of **January 29, 2022** **January 28, 2023**. In making this

assessment, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in *Internal Control—Integrated Framework* (2013).

Based on this assessment and the criteria in the COSO framework, management has concluded that, as of **January 29, 2022** **January 28, 2023**, our internal control over financial reporting was effective.

Deloitte & Touche LLP, the independent registered public accounting firm that audited and reported on our consolidated financial statements contained herein, has audited the effectiveness of our internal control over financial reporting as of **January 29, 2022** **January 28, 2023**, and has issued an attestation report on the effectiveness of our internal control over financial reporting included herein.

Changes in Internal Control Over Financial Reporting

During the fourth quarter of Fiscal **2021**, **2022**, 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.

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the shareholders and the Board of Directors of Burlington Stores, Inc.

Opinion on Internal Control over Financial Reporting

We have audited the internal control over financial reporting of Burlington Stores, Inc. and subsidiaries (the "Company") as of **January 29, 2022** **January 28, 2023**, based on criteria established in *Internal Control — Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of **January 29, 2022** **January 28, 2023**, based on criteria established in *Internal Control — Integrated Framework* (2013) issued by COSO.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated financial statements as of and for the year ended **January 29, 2022** **January 28, 2023**, of the Company and our report dated **March 16, 2022** **March 13, 2023** expressed an unqualified opinion on those financial statements and included an explanatory paragraph regarding the Company's adoption of (ASU) 2020-06, "Accounting for Convertible Instruments and Contracts in an Entity's Own Equity."

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's

Annual Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed 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. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Deloitte & Touche LLP

Parsippany, New Jersey York, New York

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March 16, 2022 13, 2023

Item 9B. Other Information.

None.

Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections.

Not applicable.

Part III**Item 10. Directors, Executive Officers and Corporate Governance**

For the information required by this Item 10, see "Election of Directors," "Information About Our Executive Officers," "Corporate Governance," and "Board Committees," in the Proxy Statement for our 2022 2023 Annual Meeting of Stockholders (the "Proxy Statement"), which information is incorporated herein by reference. The Proxy Statement will be filed within 120 days of the close of our 2021 2022 fiscal year.

Item 11. Executive Compensation

For the information required by this Item 11, see "Executive Compensation" and "Director Compensation" in the Proxy Statement, which information (excluding the information under the subheading "Pay Versus Performance") is incorporated herein by reference.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

For the information required by this Item 12, see "Ownership of Securities" and "Securities Authorized for Issuance Under Equity Compensation Plans" in the Proxy Statement, which information is incorporated herein by reference.

Item 13. Certain Relationships and Related Transactions, and Director Independence

For the information required by this Item 13, see "Certain Relationships and Related Party Transactions" and "Corporate Governance" in the Proxy Statement, which information is incorporated herein by reference.

Item 14. Principal Accountant Fees and Services

For the information required by this Item 14, see "Principal Accountant Fees and Services" and "Policy on Audit Committee Pre-Approval of Audit and Permissible Non-Audit Services of Independent Registered Certified Public

Accounting Firm" Services" in the Proxy Statement, which information is incorporated herein by reference.

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PART IV

Item 15. Exhibits and Financial Statement Schedules

(a) Documents Filed as Part of this Report

(1) Financial Statements. The Consolidated Financial Statements filed as part of this Annual Report are listed on the Index to Consolidated Financial Statements on page 46 42 of this Annual Report.

(2) Financial Statement Schedules. Schedule I—Condensed Financial Information of Registrant filed as part of this Annual Report is starting on page 80, 72. Schedule II—Valuation and Qualifying Accounts filed as part of this Annual Report is set forth on page 86, 78 of this Annual Report. All other financial statement schedules have been omitted here because they are not applicable, not required, or the information is shown in the Consolidated Financial Statements or notes thereto.

(3) Exhibits Required by Item 601 of Regulation S-K.

The following is a list of exhibits required by Item 601 of Regulation S-K and filed as part of this Annual Report. Exhibits that previously have been filed are incorporated herein by reference. Exhibits filed prior to June 2013 are incorporated herein by reference to filings of Burlington Coat Factory Investments Holdings, Inc. (File No. 333-137916-110).

Exhibit Number	Exhibit Description	Incorporated by Reference	
		Form	Filing Date
3.1	Amended and Restated Certificate of Incorporation of Burlington Stores, Inc.	Registration Statement on Form S-1/A	September 10, 2013
3.2	Amended and Restated Bylaws of Burlington Stores, Inc.	Current Quarterly Report on Form 8-K 10-Q	February 27, 2018 November 22, 2022
4.1	Description of the Registrant's Securities.	Annual Report on Form 10-K	March 13, 2020

4.2	<u>Indenture (including the form of Convertible Note), dated as of April 16, 2020, between Burlington Stores, Inc. and Wilmington Trust, National Association</u>	Current Report on Form 8-K	April 16, 2020
10.1	<u>Credit Agreement, dated February 24, 2011, by and among Burlington Coat Factory Warehouse Corporation, as borrower, the facility guarantors signatory thereto, JPMorgan Chase Bank, N.A., as administrative agent and as collateral agent, Goldman Sachs Lending Partners LLC, the lenders party thereto, and J.P. Morgan Securities LLC, Goldman Sachs Lending Partners LLC, Merrill Lynch, Pierce, Fenner & Smith Incorporated and Wells Fargo Securities, LLC, as joint lead arrangers and joint bookrunners.</u>	Current Report on Form 8-K	February 24, 2011
10.1.1	<u>Amendment No. 1, dated May 16, 2012, to the Credit Agreement, dated February 24, 2011, by and among Burlington Coat Factory Warehouse Corporation, the lenders party thereto, JPMorgan Chase Bank, N.A., as administrative agent and as collateral agent, and the other parties thereto.</u>	Current Report on Form 8-K	May 17, 2012
10.1.2	<u>Amendment No. 2, dated February 15, 2013, to the Credit Agreement, dated February 24, 2011, by and among Burlington Coat Factory Warehouse Corporation, the lender parties thereto, JPMorgan Chase Bank, N.A., as administrative agent and as collateral agent, and the other parties thereto.</u>	Current Report on Form 8-K	February 21, 2013

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10.1.3	<u>Amendment No. 3, dated May 17, 2013, to the Credit Agreement, dated February 24, 2011, by and among Burlington Coat Factory Warehouse Corporation, the lenders party thereto, JPMorgan Chase Bank, N.A., as administrative agent and as collateral agent.</u>	Current Report on Form 8-K	May 22, 2013
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10.1.4	<u>Amendment No. 4, dated August 13, 2014, to the Credit Agreement, dated February 24, 2011, by and among Burlington Coat Factory Warehouse Corporation, the lenders party thereto, JPMorgan Chase Bank, N.A., as administrative agent and as collateral agent.</u>	Current Report on Form 8-K	August 18, 2014
10.1.5	<u>Amendment No. 5, dated July 29, 2016, to the Credit Agreement, dated February 24, 2011, by and among Burlington Coat Factory Warehouse Corporation, the lenders party thereto, JPMorgan Chase Bank, N.A., as administrative agent and as collateral agent.</u>	Current Report on Form 8-K	July 29, 2016
10.1.6	<u>Amendment No. 6 to the Credit Agreement, dated November 17, 2017, to the Credit Agreement, dated February 24, 2011, by and among Burlington Coat Factory Warehouse Corporation, the lenders party thereto, JPMorgan Chase Bank, N.A., as administrative agent and as collateral agent.</u>	Current Report on Form 8-K	November 21, 2017
10.1.7	<u>Amendment No. 7 to the Credit Agreement, dated November 2, 2018, to the Credit Agreement, dated February 24, 2011, by and among Burlington Coat Factory Warehouse Corporation, the lenders party thereto, JPMorgan Chase Bank, N.A., as administrative agent and as collateral agent.</u>	Current Report on Form 8-K	November 8, 2018
10.1.8	<u>Amendment No. 8 to the Credit Agreement, dated February 26, 2020, to the Credit Agreement, dated February 24, 2011, by and among Burlington Coat Factory Warehouse Corporation, the lenders party thereto, JPMorgan Chase Bank, N.A., as administrative agent and as collateral agent.</u>	Current Report on Form 8-K	March 3, 2020
10.1.9	<u>Amendment No. 9, dated as of June 24, 2021, to the Credit Agreement dated as of February 24, 2011, by and among Burlington Coat Factory Warehouse Corporation, JPMorgan Chase Bank, N.A., as administrative agent, and the lenders and facility guarantors party thereto.</u>	Current Report on Form 8-K	June 25, 2021

10.2	<u>Second Amended and Restated Credit Agreement, dated September 2, 2011, among Burlington Coat Factory Warehouse Corporation, as lead borrower, the borrowers named therein and the facility, guarantors party thereto, Bank of America, N.A., as administrative agent and as collateral agent, Wells Fargo Capital Finance, LLC and JPMorgan Chase Bank, N.A., as co-syndication agents, and Suntrust Bank and U.S. Bank, National Association, as co-documentation agents, the lenders named therein, Merrill Lynch, Pierce, Fenner & Smith Incorporated and Wells Fargo Capital Finance, LLC, as joint lead arrangers, and Merrill Lynch, Pierce, Fenner & Smith Incorporated and Wells Fargo Capital Finance, LLC, as joint bookrunners.</u>	Current Report on Form 8-K	September 9, 2011
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10.2.1	<u>First Amendment to Second Amended and Restated Credit Agreement, dated August 13, 2014, by and among Burlington Coat Factory Warehouse Corporation, as lead borrower, the other borrowers party thereto, the facility, guarantors thereto, the lenders party thereto and Bank of America, N.A., as administrative agent and collateral agent.</u>	Current Report on Form 8-K	August 18, 2014
10.2.2	<u>Second Amendment to Second Amended and Restated Credit Agreement, dated June 29, 2018, by and among Burlington Coat Factory Warehouse Corporation, as lead borrower, the other borrowers party thereto, the facility, guarantors thereto, the lenders party thereto and Bank of America, N.A., as administrative agent and collateral agent.</u>	Current Report on Form 8-K	July 2, 2018

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	<u>America, N.A., as administrative agent and collateral agent.</u>		
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10.2.3	<u>Consent and Technical Modification Agreement, dated December 3, 2018, by and between Burlington Coat Factory Warehouse Corporation, as lead borrower, and Bank of America, N.A., as administrative agent</u>	Annual Report on Form 10-K	March 20, 2019
10.2.4	<u>Consent and Technical Modification Agreement, dated as of April 7, 2020, by and between Burlington Coat Factory Warehouse Corporation and Bank of America, N.A.</u>	Quarterly Report on Form 10-Q	May 29, 2020
10.2.5	<u>Third Amendment to Second Amended and Restated Credit Agreement, dated as of December 22, 2021, by and among Burlington Coat Factory Warehouse Corporation, as lead borrower, the other borrowers party thereto, the facility guarantors party thereto, each lender party thereto, and Bank of America, N.A., as administrative agent and collateral agent.</u>	Current Report on Form 8-K	December 22, 2021
10.2.6	<u>Fourth Amendment to Second Amended and Restated Credit Agreement, dated as of July 20, 2022, by and among Burlington Coat Factory Warehouse Corporation, as lead borrower, the other borrowers party thereto, the facility guarantors party thereto, each lender party thereto, and Bank of America, N.A., as administrative agent and collateral agent.</u>	Current Report on Form 8-K	July 22, 2022
10.3	<u>Revolving Credit Note, dated April 13, 2006, by the borrowers party thereto in favor of PNC Bank, National Association.</u>	Registration Statement on Form S-4	October 10, 2006
10.4	<u>Revolving Credit Note, dated April 13, 2006, by the borrowers party thereto in favor of Siemens Financial Services, Inc.</u>	Registration Statement on Form S-4	October 10, 2006
10.5	<u>Amended and Restated Revolving Credit Note, dated January 15, 2010, by the borrowers party thereto in favor of Wells Fargo Retail Finance, LLC.</u>	Transition Report on Form 10-K/T	April 30, 2010
10.6	<u>Revolving Credit Note, dated April 13, 2006, by the borrowers party thereto in favor of National City Business Credit, Inc.</u>	Registration Statement on Form S-4	October 10, 2006

10.7	<u>Revolving Credit Note, dated April 13, 2006, by the borrowers party thereto in favor of Citizens Bank of Pennsylvania.</u>	Registration Statement on Form S-4	October 10, 2006
10.8	<u>Revolving Credit Note, dated April 13, 2006, by the borrowers party thereto in favor of HSBC Business Credit (USA), Inc.</u>	Registration Statement on Form S-4	October 10, 2006
10.9	<u>Revolving Credit Note, dated April 13, 2006, by the borrowers party thereto in favor of Sovereign Bank.</u>	Registration Statement on Form S-4	October 10, 2006

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10.10	<u>Amended and Restated Revolving Credit Note, dated January 15, 2010, by the borrowers party thereto in favor of Capital One Leverage Finance Corp.</u>	Transition Report on Form 10-K/T	April 30, 2010
10.11	<u>Form of Swingline Note. Note, dated April 12, 2006.</u>	Registration Statement on Form S-4	October 10, 2006
10.12	<u>Guaranty, dated April 13, 2006, by the facility guarantors party thereto in favor of Bank of America, N.A., as administrative Agent and Bank of America, N.A., as Collateral Agent.</u>	Registration Statement on Form S-4	October 10, 2006
10.13	<u>Security Agreement, dated April 13, 2006, by and among each of the borrowers party thereto, each of the facility guarantors party thereto, and Bank of America, N.A., as collateral agent.</u>	Registration Statement on Form S-4	October 10, 2006

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10.14	<u>Intellectual Property Security Agreement, dated April 13, 2006, by and among each of the borrowers party thereto, each of the facility guarantors party thereto, and Bank of America, N.A., as collateral agent.</u>	Registration Statement on Form S-4	October 10, 2006
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10.15	<u>Pledge Agreement, dated April 13, 2006, by and between Burlington Coat Factory Holdings, Inc., Burlington Coat Factory Investments Holdings, Inc., Burlington Coat Factory Warehouse Corporation, Burlington Coat Factory Realty Corp., Burlington Coat Factory Purchasing, Inc., K&T Acquisition Corp., Burlington Coat Factory of New York, LLC, Burlington Coat Factory Warehouse of Baytown, Inc., Burlington Coat Factory of Texas, Inc., as the pledgors, and Bank of America, N.A., as collateral agent.</u>	Registration Statement on Form S-4	October 10, 2006
10.16+	<u>Employment Agreement, dated October 13, 2009, by and between Burlington Coat Factory Warehouse Corporation and Joyce Manning Magrini.</u>	Transition Report on Form 10-K/T	April 30, 2010
10.16.1+	<u>Amendment to Employment Agreement, dated February 26, 2010, by and between Burlington Coat Factory Warehouse Corporation and Joyce Manning Magrini.</u>	Transition Report on Form 10-K/T	April 30, 2010
10.16.2+	<u>Amendment No. 2 to Employment Agreement, dated October 18, 2012, by and between Burlington Coat Factory Warehouse Corporation and Joyce Manning Magrini.</u>	Quarterly Report on Form 10-Q	December 11, 2012
10.16.3+	<u>Amendment No. 3 to Employment Agreement, dated July 22, 2020, by and between Burlington Coat Factory Warehouse Corporation and Joyce Manning Magrini.</u>	Current Report on Form 8-K	July 24, 2020
10.17+	<u>Employment Agreement, dated January 28, 2008, by and between Burlington Coat Factory Warehouse Corporation and Fred Hand.</u>	Quarterly Report on Form 10-Q	April 15, 2008
10.17.1+	<u>Amendment No. 1 to Employment Agreement, dated October 31, 2012, by and between Burlington Coat Factory Warehouse Corporation and Fred Hand.</u>	Registration Statement on Form S-1/A	September 6, 2013

10.18+	<u>Amended and Restated Employment Agreement, dated July 28, 2015, by and among Burlington Coat Factory Warehouse Corporation and Jennifer Vassallo</u>	Quarterly Report on Form 10-Q	August 31, 2015
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	and Jennifer Vecchio.		
10.18.1+ 10. 16.1+	Amendment, dated May 19, 2017, to the Amended and Restated Employment Agreement, dated July 28, 2015, by and among Burlington Coat Factory Warehouse Corporation and Jennifer Vecchio.	Current Report on Form 8-K	May 22, 2017
10.18.2+ 10. 16.2+	Amendment No. 2, dated March 12, 2021, to the Amended and Restated Employment Agreement, dated July 28, 2015, by and among Burlington Coat Factory Warehouse Corporation and Jennifer Vecchio.	Annual Report on Form 10-K	March 15, 2021
10.19+ 10.17 +	Employment Agreement, dated as of April 23, 2019, by and between Burlington Stores, Inc. and Michael O'Sullivan.	Current Report on Form 8-K	April 23, 2019
10.20+ 10.18 +	Employment Agreement, dated as of March 23, 2011, by and between Burlington Coat Factory Warehouse Corporation and John Crimmins	Annual Report on Form 10-K	March 13, 2020
10.21+ 10.18 .1+	Form of Non-Qualified Stock Option Letter Agreement, dated April 4, 2022, by and between Burlington Coat Factory Holdings, Stores, Inc. and Employees with Employment Agreements (for grants made after March 2009 and prior to 2014 (other than 2013 special one-time grants)) pursuant to 2006 Management Incentive Plan. John Crimmins.	Current Report on Form 8-K	April 30, 2009 4, 2022
10.22+ 10.19 +	Form of Non-Qualified Stock Option Employment Agreement dated May 24, 2022 by and between Burlington Coat Factory Holdings, Stores, Inc. and Employees without Employment Agreements (for grants made after March 2009 and prior to 2014 (other than 2013 special one-time grants)) pursuant to 2006 Management Incentive Plan. Kristin Wolfe.	Current Report on Form 8-K	April 30, 2009 May 26, 2022

10.23+ 10.20 +	Burlington Coat Factory Holdings, Inc. 2006 Management Incentive Plan (Amended and Restated June 15, 2013).	Registration Statement on Form S-1/A	September 6, 2013
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10.24+ 10.21 +	Form of Directors and Officers Indemnification Agreement.	Registration Statement on Form S-1/A	September 10, 2013
10.25+ 10.22 +	Burlington Stores, Inc. 2013 Omnibus Incentive Plan, as amended and restated May 17, 2017.	Current Report on Form 8-K	May 22, 2017
10.26+ 10.23 +	Form of Non-Qualified Stock Option Agreement, pursuant to Burlington Holdings, Stores, Inc. 2006 Management 2022 Omnibus Incentive Plan (Amended and Restated June 15, 2013), between Burlington Holdings, Inc. and Employees with Employment Agreements (for 2013 special one-time grants).	Registration Statement Current Report on Form S-1/A 8-K	September 6, 2013 May 24, 2022
10.27+	Form of Non-Qualified Stock Option Agreement, pursuant to Burlington Holdings, Inc. 2006 Management Incentive Plan (Amended and Restated June 15, 2013), between Burlington Holdings, Inc. and Employees without Employment Agreements (for 2013 special one-time grants).	Registration Statement on Form S-1/A	September 6, 2013
10.28+	Form of Non-Qualified Stock Option Agreement between Burlington Stores, Inc. and Employees with Employment Agreements pursuant to Burlington Holdings, Inc. 2006 Management Incentive Plan (Amended and Restated June 15, 2013) (for grants made from and after December 2015 and prior to November 2016).	Annual Report on Form 10-K	March 15, 2016

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10.29+	Form of Non-Qualified Stock Option Agreement between Burlington Stores, Inc. and Employees without Employment Agreements pursuant to Burlington Holdings, Inc. 2006 Management Incentive Plan (Amended and Restated June 15, 2013) (for grants made from and after December 2015 and prior to November 2016).	Annual Report on Form 10-K	March 15, 2016
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10.30+ 10.24 +	<u>Form of Non-Qualified Stock Option Agreement between Burlington Stores, Inc. and Employees with Employment Agreements pursuant to Burlington Stores, Inc. 2013 Omnibus Incentive Plan, as amended and restated May 17, 2017 (for grants made from and after November 2016 and prior to May 2017).</u>	Quarterly Report on Form 10-Q	November 23, 2016
10.31+ 10.25 +	<u>Form of Non-Qualified Stock Option Agreement between Burlington Stores, Inc. and Employees without Employment Agreements pursuant to Burlington Stores, Inc. 2013 Omnibus Incentive Plan, as amended and restated May 17, 2017 (for grants made from and after November 2016 and prior to May 2017).</u>	Quarterly Report on Form 10-Q	November 23, 2016

10.32+ 10. 26+	<u>Form of Non-Qualified Stock Option Agreement between Burlington Stores, Inc. and Employees with Employment Agreements or Subject to the Executive Severance Plan pursuant to Burlington Stores, Inc. 2013 Omnibus Incentive Plan, as amended and restated May 17, 2017 (for grants made from and after May 2017 and prior to May 2019).</u>	Current Report on Form 8-K	May 22, 2017
10.33+ 10. 27+	<u>Form of Non-Qualified Stock Option Agreement between Burlington Stores, Inc. and Employees without Employment Agreements pursuant to Burlington Stores, Inc. 2013 Omnibus Incentive Plan, as amended and restated May 17, 2017 (for grants made from and after May 2017 and prior to May 2019).</u>	Current Report on Form 8-K	May 22, 2017

10.34+	<u>Form of Restricted Stock Grant Agreement between Burlington Stores, Inc. and Employees with Employment Agreements or Subject to the Executive Severance Plan pursuant to Burlington Stores, Inc. 2013 Omnibus Incentive Plan, as amended and restated May 17, 2017 (for grants made from and after May 2017 and prior to May 2019).</u>	Current Report on Form 8-K	May 22, 2017
10.35+	<u>Form of Restricted Stock Grant Agreement between Burlington Stores, Inc. and Employees without Employment Agreements pursuant to Burlington Stores, Inc. 2013 Omnibus Incentive Plan, as amended and restated May 17, 2017 (for grants made from and after May 2017 and prior to May 2019).</u>	Current Report on Form 8-K	May 22, 2017
10.36+ 10.28+	<u>Form of Performance-Based Restricted Stock Unit Award Notice and Agreement between Burlington Stores, Inc. and award recipients pursuant to the Burlington Stores, Inc. 2013 Omnibus Incentive Plan, as amended and restated May 17, 2017 (for grants made from and after May 1, 2019). May 2019.</u>	Quarterly Report on Form 10-Q	June 3, 2019

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10.37+ 10.29 +	<u>Form of Restricted Stock Unit Award Notice and Agreement between Burlington Stores, Inc. and award recipients pursuant to the Burlington Stores, Inc. 2013 Omnibus Incentive Plan, as amended and restated May 17, 2017 (for grants made from and after May 2019).</u>	Quarterly Report on Form 10-Q	June 3, 2019
10.38+ 10.30 +	<u>Form of Stock Option Award Notice and Agreement between Burlington Stores, Inc. and award recipients pursuant to the Burlington Stores, Inc. 2013 Omnibus Incentive Plan, as amended and restated May 17, 2017 (for grants made from and after May 2019).</u>	Quarterly Report on Form 10-Q	June 3, 2019

10.39+ 10.31 +	Form of Stock Option Award Notice and Agreement between Burlington Stores, Inc. and Thomas A. Kingsbury pursuant to the Burlington Stores, Inc. 2013 Omnibus Incentive Plan, as amended and restated May 17, 2017 (for grants made from and after May 2019).	Quarterly Report on Form 10-Q	June 3, 2019
10.40+	Form of Restricted Stock Unit Award Notice and Agreement between Burlington Stores, Inc. and Non-Employee Directors Kristin Wolfe pursuant to the Burlington Stores, Inc. 2013 2022 Omnibus Incentive Plan as amended (for Make-Whole RSU Award).	Current Report on Form 8-K	May 26, 2022
10.32+	Form of Stock Option Award Notice and restated May 17, 2017 Agreement between Burlington Stores, Inc. and Kristin Wolfe pursuant to the Burlington Stores, Inc. 2022 Omnibus Incentive Plan (for Make-Whole Option Award).	Current Report on Form 8-K	May 26, 2022
10.33+	Form of Stock Option Award Notice and Agreement between Burlington Stores, Inc. and award recipients pursuant to the Burlington Stores, Inc. 2022 Omnibus Incentive Plan.	Quarterly Report on Form 10-Q	August 25, 2022
10.34+	Form of Stock Option Award Notice and Agreement between Burlington Stores, Inc. and award recipients pursuant to the Burlington Stores, Inc. 2022 Omnibus Incentive Plan (for grants made from to certain merchandising and after May 2019) planning associates).	Quarterly Report on Form 10-Q	August 29, 2019 25, 2022
10.41 10.35+	Form of Restricted Stock Unit Award Notice and Agreement between Burlington Stores, Inc. and award recipients pursuant to the Burlington Stores, Inc. 2022 Omnibus Incentive Plan.	Quarterly Report on Form 10-Q	August 25, 2022
10.36+	Form of Restricted Stock Unit Award Notice and Agreement between Burlington Stores, Inc. and award recipients pursuant to the Burlington Stores, Inc. 2022 Omnibus Incentive Plan (for grants made to certain merchandising and planning associates).	Quarterly Report on Form 10-Q	August 25, 2022

10.37+	Form of Performance-Based Restricted Stock Unit Award Notice and Agreement between Burlington Stores, Inc. and award recipients pursuant to the Burlington Stores, Inc. 2022 Omnibus Incentive Plan.	Quarterly Report on Form 10-Q	August 25, 2022
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10.38+	Form of Performance-Based Restricted Stock Unit Award Notice and Agreement between Burlington Stores, Inc. and award recipients pursuant to the Burlington Stores, Inc. 2022 Omnibus Incentive Plan (for grants made to certain merchandising and planning associates).	Quarterly Report on Form 10-Q	August 25, 2022
10.39+	Form of Restricted Stock Unit Award Notice and Agreement between Burlington Stores, Inc. and award recipients pursuant to the Burlington Stores, Inc. 2022 Omnibus Incentive Plan (for special grants made to certain merchandising and planning associates).	Quarterly Report on Form 10-Q	August 25, 2022
10.40+	Form of Stock Option Award Notice and Agreement between Burlington Stores, Inc. and award recipients pursuant to the Burlington Stores, Inc. 2022 Omnibus Incentive Plan (for special grants made to certain merchandising and planning associates).	Quarterly Report on Form 10-Q	August 25, 2022
10.41+	Form of Restricted Stock Unit Award Notice and Agreement between Burlington Stores, Inc. and award recipients pursuant to the Burlington Stores, Inc. 2022 Omnibus Incentive Plan (for special grants made to all other associates).	Quarterly Report on Form 10-Q	August 25, 2022
10.42+	Form of Stock Option Award Notice and Agreement between Burlington Stores, Inc. and award recipients pursuant to the Burlington Stores, Inc. 2022 Omnibus Incentive Plan (for special grants made to all other associates).	Quarterly Report on Form 10-Q	August 25, 2022

10.43+	Form of Restricted Stock Unit Award Notice and Agreement between Burlington Stores, Inc. and non-employee directors pursuant to the Burlington Stores, Inc. 2022 Omnibus Incentive Plan.	Quarterly Report on Form 10-Q	August 25, 2022
10.44	Security Agreement, dated as of April 16, 2020, among Burlington Coat Factory Warehouse Corporation, the Grantors party thereto and Wilmington Trust, National Association, in its capacity as collateral agent under the Indenture	Current Report on Form 8-K	April 16, 2020
10.42 5	Intellectual Property Security Agreement, dated as of April 16, 2020, among Burlington Coat Factory Warehouse Corporation, the Grantors party thereto and Wilmington Trust, National Association, in its capacity as collateral agent under the Indenture	Current Report on Form 8-K	April 16, 2020
10.43 6	Pledge Agreement, dated as of April 16, 2020, among Burlington Coat Factory Warehouse Corporation, the Grantors party thereto and Wilmington Trust, National Association, in its capacity as collateral agent under the Indenture	Current Report on Form 8-K	April 16, 2020
10.44 7	ABL Intercreditor Agreement, dated as of April 16, 2020, among Burlington Coat Factory Warehouse Corporation, the Guarantors party thereto, the Bank of America, N.A., in its capacity as administrative agent and collateral agent under the ABL Facility, JPMorgan Chase Bank, N.A., as administrative agent and collateral agent under the Term Loan Facility, and Wilmington Trust, National Association, in its capacity as collateral agent and trustee under the Indenture	Current Report on Form 8-K	April 16, 2020
10.45 8	Pari Passu Intercreditor Agreement, dated as of April 16, 2020, among Burlington Coat Factory Warehouse Corporation, the Guarantors party thereto, JPMorgan Chase Bank, N.A., as collateral agent under the Term Loan Facility, and Wilmington Trust, National Association, in its capacity as collateral agent under the Indenture	Current Report on Form 8-K	April 16, 2020

10.46+	<u>Association, in its capacity as collateral agent under the Indenture</u>		
10.49+	<u>Form of Restricted Stock Unit Award Notice and Agreement between Burlington Stores, Inc. and award recipients pursuant to the Burlington Stores, Inc. 2013 Omnibus Incentive Plan, as amended and restated May 17, 2017 (for special grants made from and after May 20, 2020).</u>	Quarterly Report on Form 10-Q	August 27, 2020
10.47+	<u>Form of Stock Option Award Notice and Agreement between Burlington Stores, Inc. and award recipients pursuant to the Burlington Stores, Inc. 2013 Omnibus Incentive Plan, as amended and restated May 17, 2017 (for special grants made from and after May 20, 2020).</u>	Quarterly Report on Form 10-Q	August 27, 2020
10.48+ 10.50+	<u>Form of Restricted Stock Unit Award Notice and Agreement between Burlington Stores, Inc. and award recipients pursuant to the Burlington Stores, Inc. 2013 Omnibus Incentive Plan, as amended and restated May 17, 2017 (for grants made to certain merchandising and planning associates from and after May 3, 2021).</u>	Quarterly Report on Form 10-Q	May 27, 2021
10.49+ 10.51+	<u>Form of Stock Option Award Notice and Agreement between Burlington Stores, Inc. and award recipients pursuant to the Burlington Stores, Inc. 2013 Omnibus Incentive Plan, as amended and restated May 17, 2017 (for grants made to certain merchandising and planning associates from and after May 3, 2021).</u>	Quarterly Report on Form 10-Q	May 27, 2021
10.50+ 10.52+	<u>Form of Performance-Based Restricted Stock Unit Award Notice and Agreement between Burlington Stores, Inc. and award recipients pursuant to the Burlington Stores, Inc. 2013 Omnibus Incentive Plan, as amended and restated May 17, 2017 (for grants made to certain merchandising and planning associates from and after May 3, 2021).</u>	Quarterly Report on Form 10-Q	May 27, 2021

10.51+ 10. 53+	Burlington Stores, Inc. Executive Severance Plan (Merchandising & Planning) (Effective March 26, 2021).	Quarterly Report on Form 10-Q	May 27, 2021
10.52+ 10. 54+	Burlington Stores, Inc. Executive Severance Plan (Amended and Restated Effective March 26, 2021).	Quarterly Report on Form 10-Q	May 27, 2021
10.53+ 10. 55+	Employment Agreement dated July 12, 2021 by and between Burlington Stores, Inc. and Travis Marquette.	Current Report on Form 8-K	July 15, 2021
10.54+ 10. 56+	Form of Restricted Stock Unit Award Notice and Agreement between Burlington Stores, Inc. and Travis Marquette pursuant to the Burlington Stores, Inc. 2013 Omnibus Incentive Plan, as amended and restated May 17, 2017 (for Make-Whole RSU Award).	Current Report on Form 8-K	July 15, 2021
10.55+ 10. 57+	Form of Stock Option Award Notice and Agreement between Burlington Stores, Inc. and Travis Marquette pursuant to the Burlington Stores, Inc. 2013 Omnibus Incentive Plan, as amended and restated May 17, 2017 (for Make-Whole Option Award).	Current Report on Form 8-K	July 15, 2021
10.56+	Employment Agreement, dated as of November 16, 2009, by and between Burlington Coat Factory Warehouse Corporation and Michael Metheny.	Annual Report on Form 10-K	April 26, 2013

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10.57+	Amendment No. 1 to Employment Agreement, dated as of August 20, 2012, by and between Burlington Coat Factory Warehouse Corporation and Michael Metheny.	Annual Report on Form 10-K	April 26, 2013
10.58+†	Offer Letter with Michael Allison dated March 9, 2021.	Annual Report on Form 10-K	March 16, 2022

10.59+†	<u>Form of Performance-Based Restricted Stock Unit Award Notice and Agreement between Burlington Stores, Inc. and award recipients pursuant to the Burlington Stores, Inc. 2013 Omnibus Incentive Plan, as amended and restated May 17, 2017 (for grants made from and after November 9, 2021).</u>	Annual Report on Form 10-K	March 16, 2022
10.60+†	<u>Form of Performance-Based Restricted Stock Unit Award Notice and Agreement between Burlington Stores, Inc. and award recipients pursuant to the Burlington Stores, Inc. 2013 Omnibus Incentive Plan, as amended and restated May 17, 2017 (for grants made to certain merchandising and planning associates from and after November 9, 2021).</u>	Annual Report on Form 10-K	March 16, 2022

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10.61+†	<u>Form of Restricted Stock Unit Award Notice and Agreement between Burlington Stores, Inc. and award recipients pursuant to the Burlington Stores, Inc. 2013 Omnibus Incentive Plan, as amended and restated May 17, 2017 (for special grants made to certain merchandising and planning associates).</u>	Annual Report on Form 10-K	
10.62+†	<u>Form of Stock Option Award Notice and Agreement between Burlington Stores, Inc. and award recipients pursuant to the Burlington Stores, Inc. 2013 Omnibus Incentive Plan, as amended and restated May 17, 2017 (for special grants made to certain merchandising and planning associates).</u>		March 16, 2022
21.1†	<u>List of Subsidiaries of Burlington Stores, Inc.</u>		
23.1†	<u>Consent of Deloitte & Touche LLP.</u>		
31.1†	<u>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.</u>		

31.2†	<u>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.</u>		
32.1†	<u>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.</u>		
32.2†	<u>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.</u>		
101.INST†	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 Taxonomy Extension Calculation Linkbase Document		

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101.DEFT	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)		

+ Indicates management contract or compensatory plan or arrangement.

† Filed or furnished herewith.

Item 16. Form 10-K Summary

None.

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SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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.

By: /s/ Michael O'Sullivan
Michael O'Sullivan
Chief Executive Officer

Date: **March 16, 2022** March 13, 2023

Pursuant to the requirements of the Securities Exchange Act of 1934, this Report has been signed below by the following persons on behalf of the registrant and in the capacities indicated on the **16 13th** day of March **2022. 2023.**

<u>Signature</u>	<u>Title</u>
<u>/s/ Michael O'Sullivan</u> Michael O'Sullivan	Chief Executive Officer and Director (Principal Executive Officer)
<u>/s/ John Crimmins</u> <u>Kristin Wolfe</u> John Crimmins <u>Kristin Wolfe</u>	Chief Financial Officer (Principal Financial Officer)
<u>/s/ Jeffrey Laub</u> Jeffrey Laub	Chief Accounting Officer (Principal Accounting Officer)
<u>/s/ Ted English</u> Ted English	Director
<u>/s/ Michael Goodwin</u> Michael Goodwin	Director
<u>/s/ Jordan Hitch</u> Jordan Hitch	Director
<u>/s/ John Mahoney</u>	Director

John Mahoney

/s/ William McNamara Director

William McNamara

/s/ Jessica Rodriguez Director

Jessica Rodriguez

/s/ Laura Sen Director

Laura Sen

/s/ Paul Sullivan Director

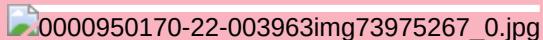
Paul Sullivan

/s/ Mary Ann Tocio Director

Mary Ann Tocio

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Exhibit 10.58

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2006 Route 130 North – Burlington, NJ 08016

Phone: (609) 387-7800

March 9, 2021

Michael Allison

Dear Michael,

I am very pleased to offer you the position of **Executive Vice President, Human Resources/Chief Human Resources Officer** with Burlington Stores Inc., reporting directly to me. Your start date will be **April 5th, 2021**.

Salary

Your starting annual salary will be **\$625,000**, which will be paid on a bi-weekly basis. You will be eligible for an annual performance based merit increase following the completion of the fiscal 2021 performance appraisal period, scheduled for May 2022.

Relocation

In the event that you relocate from your current residence to a new, non-temporary residence within 50 miles from the Company's principal office in Florence, NJ within 12 months from the date this offer letter is signed or at such earlier time as the Company determines in its sole discretion, the Company shall pay you a relocation allowance of **\$50,000**, subject to your continued employment through the date of payment and your entry into the Company's standard payback agreement. This relocation allowance shall be subject to tax, shall not be grossed up for tax purposes and shall be in lieu of any other payment or reimbursement for the costs of relocation. The relocation allowance will be paid on the first payroll cycle following written confirmation of the relocation to a new, non-temporary residence.

Annual Incentive Plan (AIP) – Corporate

You will be eligible for a target bonus of **75%** of your base salary. To participate in the AIP in a given fiscal year, (January 31, 2021 through January 2022) you must be in an eligible position by the last working day in October. Your first year's annual bonus opportunity will be prorated based on the start date in your new role. For example, if you are in an eligible position on September 1st, your target incentive would be 153/365 (153 days from September 1st through the end of the fiscal year). We are providing the 2020 AIP brochure for your review. You will be provided a copy of the new 2021 plan once it is published.

Long Term Incentives (LTIP)

Subject to approval, your annual equity grant at target is valued at **\$781,250**, which is 125% of your annual base salary. Your first equity will be granted as of May 3, 2021, and is comprised of 50% Performance Stock Units, 25% Restricted Stock Units, and 25% Stock Options. Assuming an **April 5th, 2021** start date, your initial, pro-rated equity grant is valued at **\$836,900**. Agreements relating to, and materials describing, your equity grant will be provided to you after your first day of employment.

Temporary Housing

Provided you meet the guidelines outlined in the earlier Relocation section, the Company will provide for up to six (6) months temporary living allowance in the amount of **\$6,175** per month, less applicable taxes. Temporary housing costs above this amount will be your responsibility. Your temporary living allowance will be paid to you on a monthly basis, subject to your continued employment with the Company as of the first day of the month to which the allowance relates.

Car Program

You will be eligible to participate in the Company car allowance program. The program will provide a car allowance of **\$25,000** per year, less applicable taxes, to be paid pro-rata monthly.

Vacation, Benefits, Policies, etc.

See attached Benefits Brochure and Executive PTO schedule to determine your eligibility. You will be eligible to participate in our Company Benefits Program the 1st of the month following your start date. Enclosed please find documents describing these benefits. If you have any questions concerning these benefits, please contact Anna Langenhan, Vice President of Benefits, at ***.

As a member of the Company's senior management team, you will be eligible to participate in the Company's Executive Severance Plan.

As a Company associate, you will be expected to abide by Company policies and procedures, and acknowledge that you will comply with the Company's associate handbook. Such policies may include, without limitation, stock ownership

guidelines, clawback policies, insider trading policies and policies regarding hedging or pledging of the Company's common stock.

Once you have reviewed and accepted this offer notice, please sign, scan and email back to *** within five (5) days from the date of this letter.

Michael, we believe this position offers you a unique opportunity to make a substantial impact upon the future direction and success of our Company, and we are looking forward to you joining Burlington Stores, Inc. Meanwhile, if you have any questions, please do not hesitate to contact me.

Sincerely,

Michael O'Sullivan

Chief Executive Officer

Cc: Joyce Manning

Matt M. Pasch

Anna Langenhan

Agreed to and accepted by: /s/ Michael Allison Date Signed: 3-9-21

In accepting this position, you agree that, during the course of your employment with the Company, you will adhere to any valid restrictions, covenants, or confidentiality agreements, to the extent enforceable based on applicable law, which you have previously agreed upon with former employer(s), and you represent and warrant that you have disclosed the material terms of all such restrictions, covenants or agreements to the Company. You acknowledge that the Company has not, and will not, require, request, nor induce you to violate the confidential interest of any third parties, including your former employer(s).

This offer is contingent upon satisfactory completion of a background check, employment verification, references, and proof of your eligibility to work in the United States. Please note that this is not a contract of employment nor a promise of employment for any specific term. Nothing in this letter can alter the "at-will" nature of your employment. As an at-will associate, both you and the Company can end the employment relationship at any time for any reason. In addition, the Company reserves the right to change or discontinue all or any part or any benefit, compensation or other plans or programs at any time in its sole discretion.



2006 Route 130 North – Burlington, NJ 08016

Phone: (609) 387-7800

Payback Agreement

I, **Michael Allison**, agree that should I voluntarily terminate my employment with Burlington Stores, Inc. (the Company) or a subsidiary of the Company, or should my employment with the Company be terminated for cause, to be determined in the sole discretion of the Company, at a time within the ensuing 18 month period from the date of receipt for each sign-on and/or relocation bonus within the offer letter, I will repay the Company for any sign on/relocation expenses included in my offer letter.

The Company will deduct this debt from final wages. If my final pay is not sufficient to meet the debt, I have 90 days from my termination date to repay this amount. If payment is not received by the due date, a collection agency will be contacted.

I agree that any disputes arising under this agreement will be governed by the law of New Jersey, and I consent to have the Superior Court of New Jersey, Law Division – Burlington County, be the exclusive forum for the resolution of any and all such disputes and hereby submit to the personal jurisdiction of that court.

Agreed to and accepted by: /s/ Michael Allison Date Signed: 3-9-21

Signature

Exhibit 10.59

**BURLINGTON STORES, INC.
2013 OMNIBUS INCENTIVE PLAN**

PERFORMANCE-BASED RESTRICTED STOCK UNIT AWARD NOTICE

[Name of Holder]

You have been awarded a performance-based restricted stock unit award with respect to shares of common stock of Burlington Stores, Inc., a Delaware corporation (the “Company”), pursuant to the terms and conditions of the Burlington Stores, Inc. 2013 Omnibus Incentive Plan (the “Plan”) and the Performance-Based Restricted Stock Unit Award Agreement (together with this Award Notice, the “Agreement”). The Performance-Based Restricted Stock Unit Award Agreement is attached hereto. Capitalized terms not defined herein shall have the meanings specified in the Plan or the Agreement.

<u>Target Performance-Based</u>	You have been awarded a performance-based restricted stock unit award
<u>Restricted Stock Units:</u>	with respect to []shares (at target) of Common Stock, par value \$0.0001 per share (“ <u>Common Stock</u> ”), subject to adjustment as provided in the Plan.
<u>Grant Date:</u>	[]
<u>Vesting Schedule:</u>	Except as otherwise provided in the Plan, the Agreement or any other agreement between the Company or any of its Subsidiaries and Holder, the Award shall vest based on the achievement of the performance goals set forth in this Award Notice over the [] (the “ <u>Performance Period</u> ”), provided Holder remains continuously employed by the Company or its Subsidiaries through the date on which the Award is settled (the “ <u>Vesting Date</u> ”), which shall be no later than 60 days following the conclusion of the Performance Period. Attainment of the performance goals shall be determined and certified by the Committee in writing prior to the settlement of the Award.
<u>Performance Conditions:</u>	

[]

BURLINGTON STORES, INC.

By: []

Name:

Title:

Acknowledgment, Acceptance and Agreement:

By accepting this grant on the Company's stock plan administrator's website, I hereby accept the performance-based restricted stock units granted to me and acknowledge and agree to be bound by the terms and conditions of this Award Notice, the Agreement and the Plan.

Holder Name

[] Date []

Signature

Burlington Stores, Inc.
2013 Omnibus Incentive Plan

Performance-Based Restricted Stock Unit Award Agreement

Burlington Stores, Inc., a Delaware corporation (the "Company"), hereby grants to the individual (the "Holder") named in the award notice attached hereto (the "Award Notice") as of the date set forth in the Award Notice (the "Grant Date"), pursuant to the provisions of the Burlington Stores, Inc. 2013 Omnibus Incentive Plan (the "Plan"), a performance-based restricted stock unit award (the "Award") with respect to the number of shares of the Company's Common Stock, par value \$0.0001 per share ("Common Stock"), set forth in the Award Notice, upon and subject to the restrictions, terms and conditions set forth in the Award Notice, the Plan and this agreement (the "Agreement"). Capitalized terms not defined herein shall have the meanings specified in the Plan.

1. Award Subject to Acceptance of Agreement. The Award shall be null and void unless Holder electronically accepts this Agreement within Holder's stock plan account with the Company's stock plan administrator according to the procedures then in effect (or, if permitted by the Company, accepts this Agreement by executing the Award Notice in the space provided therefor and returning an original execution copy of the Award Notice to the Company).

2. Rights as a Stockholder. Holder shall not be entitled to any privileges of ownership with respect to the shares of Common Stock subject to the Award unless and until, and only to the extent, such shares become vested pursuant to Section 3 hereof and Holder becomes a stockholder of record with respect to such shares.

3. Restriction Period and Vesting.

3.1. Performance-Based Vesting Conditions. Subject to the remainder of this Section

3, the Common Stock shall vest pursuant to the terms of this Agreement and the Plan based on the achievement of the performance goals set forth in the Award Notice over the performance period set forth in the Award Notice (the “Performance Period”), provided that that Holder remains in continuous employment with the Company or its Subsidiaries through the date on which the Award is settled (the “Vesting Date”), which shall be no later than 60 days following the conclusion of the Performance Period. Attainment of the performance goals shall be determined and certified by the Committee in writing prior to the settlement of the Award.

3.2. Termination of Employment.

(a)

Termination due to Death or Disability. If Holder’s

employment with the Company and its Subsidiaries terminates prior to the Vesting Date by reason of Holder’s death or termination by the Company or its Subsidiaries due to Disability, then in either such case, Holder shall vest in a prorated Award. Such prorated Award shall be equal to the number of shares of Common Stock assuming that the performance goals set forth in the Award Notice were satisfied at target multiplied by a fraction, the numerator of which shall equal the number of days in the Performance Period during which Holder was employed by the Company and its Subsidiaries and the denominator of which shall equal the total number of days in the Performance Period. Subject to Section 8.13, the vested portion of the Award shall be settled within 60 days following the Holder’s death or termination due to Disability; provided, however, if the Award is “nonqualified deferred compensation” within the meaning of Section 409A of the Code, then the portion of the Award that becomes vested upon a termination due to Disability

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shall be settled within 60 days after the expiration of the Performance Period to the extent required to comply with Section 409A of the Code. The portion of the Award that does not vest pursuant to this Section 3.2(a) shall be forfeited by Holder and cancelled by the Company. For purposes of this Agreement, “Disability” shall mean that the Holder is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than twelve (12) months.

(b)

Termination due to a Reduction in Force or Retirement.

Except as provided for in Section 3(c), if Holder’s employment with the Company and its Subsidiaries is terminated prior to the Vesting Date (i) by the Company or its Subsidiaries due to a reduction in force, as determined by the Committee in its sole and absolute discretion (provided that Holder has not committed an act constituting grounds for a termination for Cause) or (ii) by Holder due to Retirement (as defined below), then in either such case the Award shall vest on a prorated basis. Such prorated Award shall be equal to the number of shares of Common Stock earned at the end of the Performance Period based on actual performance during the Performance Period multiplied by a fraction, the numerator of which shall equal the number of days in the Performance Period during which Holder was employed by the

Company and its Subsidiaries and the denominator of which shall equal the total number of days in the Performance Period. For purposes of this Agreement, "Retirement" shall mean the Holder's resignation from the Company and its Subsidiaries occurring on or after Holder attaining age 60 with at least ten continuous years of service to the Company and its Subsidiaries; provided, however, if the Company has grounds to terminate the employment of Holder for Cause, then Holder shall not be eligible for the vesting provisions set forth in this Section 3.2(b). The portion of the Award that does not vest pursuant to this Section 3.2(b) shall be forfeited by Holder and cancelled by the Company.

(c)

Change in Control Qualifying Termination. If Holder's

employment with the Company and its Subsidiaries terminates due to a Change in Control Qualifying Termination prior to the Vesting Date, then the Award shall vest as of the date of termination of employment, assuming that the performance goals set forth in the Award Notice were satisfied at target. Subject to Section 8.13, the vested portion of the Award shall be settled within 60 days following the Holder's Change in Control Qualifying Termination; provided, however, if the Award is "nonqualified deferred compensation" within the meaning of Section 409A of the Code and the Change in Control is not a "change in control event" within the meaning of Section 409A of the Code or as otherwise required to comply with Section 409A of the Code, then the portion of the Award that becomes vested upon such Change in Control Qualifying Termination shall be settled within 60 days after the expiration of the Performance Period to the extent required to comply with Section 409A of the Code. The portion of the Award that does not vest pursuant to this Section 3.2(c) shall be forfeited by the Holder. Except as otherwise provided in any other agreement between the Company or any of its Subsidiaries and Holder, a Change in Control Qualifying Termination means (i) if Holder is a party to an employment agreement with the Company or one of its Subsidiaries or are subject to the Burlington Stores, Inc. Executive Severance Plan (the "Severance Plan") on the Grant Date, then a termination of Holder's employment by the Company or a Subsidiary without Cause or resignation by Holder for Good Reason within the two year period immediately following a Change in Control or (ii) if Holder is not a party to an employment agreement with the Company or one of its Subsidiaries or subject to the Severance Plan on the Grant Date, then a termination of Holder's employment by the Company or a Subsidiary without Cause within the one year period immediately following a Change in Control. Notwithstanding anything in the Agreement or in the Plan to the contrary, for purposes of the Agreement, (x) in the case of clause (i) of the preceding sentence, if Holder is a party to an employment agreement with the Company or one of

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its Subsidiaries on the Grant Date, "Cause" and "Good Reason" shall have the meanings provided in the terms of such employment agreement and if Holder is not a party to an employment agreement with the Company or one of its Subsidiaries on the Grant Date, "Cause" and "Good Reason" shall have the meanings provided in the terms of the Severance Plan, as in effect on the Grant Date and (y) in the case of clause (ii) of the preceding sentence, "Cause" shall have the meaning provided in the Plan.

(d)

Termination for any other Reason. If (i) Holder's

employment with the Company and its Subsidiaries terminates prior to the Vesting Date for any reason other than as specified in Sections 3.2(a) – (c) or (ii) Holder breaches any non-competition obligation

Holder has to the Company or any of its Subsidiaries under any agreement, then the unvested portion of the Award shall be immediately forfeited by Holder and cancelled by the Company.

4. Issuance or Delivery of Shares. Except as otherwise provided for herein, within 60 days after the expiration of the Performance Period (or, if earlier, in accordance with Sections 3.2(a) and 3.2(c)), the Company shall issue or deliver, subject to the conditions of this Agreement, the vested shares of Common Stock to Holder. Such issuance or delivery shall be evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company. The Company shall pay all original issue or transfer taxes and all fees and expenses incident to such issuance or delivery, except as otherwise provided in Section 7. Prior to the issuance to Holder of the shares of Common Stock subject to the Award, Holder shall have no direct or secured claim in any specific assets of the Company or in such shares of Common Stock, and will have the status of a general unsecured creditor of the Company.

5. Non-Compete, Non-Solicitation; Confidentiality.

5.1. Non-Compete. In further consideration of the Award granted to Holder hereunder, Holder acknowledges and agrees that during the course of Holder's employment with the Company and its Subsidiaries, Holder shall become familiar, and during Holder's employment with the predecessors of the Company and its Subsidiaries, Holder has become familiar, with the Company's and its Subsidiaries' trade secrets and with other confidential information and that Holder's services have been and shall be of special, unique and extraordinary value to the Company and its Subsidiaries, and therefore, Holder agrees that, during his or her employment with the Company and its Subsidiaries and, if Holder's employment with the Company and its Subsidiaries terminates for any reason, for a period of one (1) year thereafter (the "Non-Compete Period"), Holder shall not directly or indirectly (whether as an owner, partner, shareholder, agent, officer, director, employee, independent contractor, consultant or otherwise) own any interest in, operate, invest in, manage, control, participate in, consult with, render services for (alone or in association with any person or entity), or in any manner engage in any business activity on behalf of a Competing Business within any geographical area in which the Company or its Subsidiaries currently operates or plans to operate. Nothing herein shall prohibit Holder from being a passive owner of not more than 2% of the outstanding stock of any class of a corporation, which is publicly traded, so long as Holder has no active participation in the business of such corporation. For purposes of this Agreement, "Competing Business" means each of the following entities, together with their respective subsidiaries, affiliates, successors and assigns: Macy's, Inc., the TJX Companies, Inc. and Ross Stores, Inc.

5.2. Non-Solicitation. During the Non-Compete Period, Holder shall not, directly or indirectly, and shall ensure that any person or entity controlled by Holder does not, (a) induce or attempt to induce any employee of the Company or any Subsidiary to leave the employ of the Company or such Subsidiary, or in any way interfere with the relationship between the Company or any Subsidiary and any employee thereof, (b) hire, directly or through another person, any person (whether or not solicited) who was an employee of the Company or any Subsidiary at any time within the one year period before Holder's termination from employment, (c) induce or attempt to induce any customer, supplier, licensee,

licensor, franchisee or other business relation of the Company or any Subsidiary to cease doing business with the Company or such Subsidiary, assist any Competing Business or in any way interfere with the relationship between any such customer, supplier, licensee or business relation and the Company or any Subsidiary or (d) make or solicit or encourage others to make or solicit directly or indirectly any defamatory statement or communication about the Company or any of its Subsidiaries or any of their respective businesses, products, services or activities (it being understood that such restriction shall not prohibit truthful testimony compelled by valid legal process).

5.3.

Confidentiality. Holder acknowledges and agrees that the information, observations and data (including trade secrets) obtained by Holder while employed by the Company and its Subsidiaries concerning the business or affairs of the Company and its Subsidiaries are the confidential information ("Confidential Information"), and the property, of the Company and/or its Subsidiaries. Without limiting the foregoing, the term "Confidential Information" shall be interpreted as broadly as possible to include all observations, data and other information of any sort that are (a) related to any past, current or potential business of the Company or any of its Subsidiaries or any of their respective predecessors, and any other business related to any of the foregoing, and (b) not generally known to and available for use by those within the line of business or industry of the Company or by the public (except to the extent such information has become generally known to and available for use by the public as a direct or indirect result of Holder's acts or omissions) including all (i) work product; (ii) information concerning development, acquisition or investment opportunities in or reasonably related to the business or industry of the Company or any of its Subsidiaries of which Holder is aware or becomes aware during the term of his employment; (iii) information identifying or otherwise concerning any current, former or prospective suppliers, distributors, contractors, agents or customers of the Company or any of its Subsidiaries; (iv) development, transition, integration and transformation plans, methodologies, processes and methods of doing business; (v) strategic, marketing, promotional and financial information (including all financial statements), business and expansion plans, including plans and information regarding planned, projected and/or potential sales, pricing, discount and cost information; (vi) information identifying or otherwise concerning employees, independent contractors and consultants; (vii) information on new and existing programs and services, prices, terms, and related information; (viii) all information marked, or otherwise designated, as confidential by the Company or any of its Subsidiaries or which Holder should reasonably know is confidential or proprietary information of the Company or any of its Subsidiaries; (ix) all information or materials similar or related to any of the foregoing, in whatever form or medium, whether now existing or arising hereafter (and regardless of whether merely stored in the mind of Holder or employees or consultants of the Company or any of its Subsidiaries, or embodied in a tangible form or medium); and (x) all tangible embodiments of any of the foregoing.

5.4.

Disclosure. Holder agrees that, except as required by law or court order, including, without limitation, depositions, interrogatories, court testimony, and the like (and in such case provided that Holder must give the Company and/or its Subsidiaries, as applicable, prompt written notice of any such legal requirement, disclose no more information than is so required and seek, at the Company's sole cost and expense, confidential treatment where available and cooperate fully with all efforts by the Company and/or its Subsidiaries to obtain a protective order or similar confidentiality treatment for such information), Holder shall not disclose to any unauthorized person or entity or use for Holder's own purposes any Confidential Information

without the prior written consent of the Board, unless and to the extent that the Confidential Information becomes generally known to and available for use by the public other than as a direct or indirect result of Holder's acts or omissions. Holder shall deliver to the Company at the time Holder's employment ceases, or at any other time the Company may request, all memoranda, notes, plans, records, reports, computer tapes, printouts and software and other documents and data (and copies thereof) embodying or relating to the Confidential Information (including any work product) or the business of the Company and its Subsidiaries which Holder may then possess or have under Holder's

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control and if, at any time thereafter, any such materials are brought to Holder's attention or Holder discovers them in his possession or control, Holder shall deliver such materials to the Company immediately upon such notice or discovery.

5.5. Protected Rights. Pursuant to 18 U.S.C. § 1833(b), "an individual shall not be held criminally or civilly liable under any Federal or State trade secret law for the disclosure of a trade secret that-(A) is made-(i) in confidence to a Federal, State, or local government official, either directly or indirectly, or to an attorney; and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (B) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal." Accordingly, Holder has the right to disclose in confidence trade secrets to Federal, State, and local government officials, or to an attorney, for the sole purpose of reporting or investigating a suspected violation of law. Holder also has the right to disclose trade secrets in a document filed in a lawsuit or other proceeding, but only if the filing is made under seal and protected from public disclosure. Nothing in this Agreement is intended to conflict with 18 U.S.C. § 1833(b) or create liability for disclosures of trade secrets that are expressly allowed by 18 U.S.C. § 1833(b). Holder understands that nothing contained in this Agreement limits Holder's ability to file a charge or complaint with the Equal Employment Opportunity Commission, the National Labor Relations Board, the Occupational Safety and Health Administration, the Securities and Exchange Commission or any other federal, state or local governmental agency or commission ("Government Agencies"). Holder further understands that this Agreement does not limit Holder's ability to communicate with any Government Agencies or otherwise participate in any investigation or proceeding that may be conducted by any Government Agency, including providing documents or other information, without notice to the Company. This Agreement does not limit Holder's right to receive an award for information provided to any Government Agencies.

5.6. Other Agreements. Notwithstanding the foregoing and any other language in this Agreement, this Agreement does not supersede or preclude the enforceability of any restrictive covenant provision contained in any prior agreement entered into by Holder. Further, no prior restrictive covenant supersedes or precludes the enforceability of any provision contained in this Agreement.

5.7. Applicability. Notwithstanding the foregoing and any other language in this Agreement, Section 5.1 shall not apply to Holder if he or she is below the position of Director level as of the Grant Date.

6. Enforcement.

6.1. **Reliance.** Holder acknowledges and agrees that the Company entered into this Agreement in reliance on the provisions of Section 5 and the enforcement of this Agreement is necessary to ensure the preservation, protection and continuity of the business of the Company and its Subsidiaries and other Confidential Information and goodwill of the Company and its Subsidiaries to the extent and for the periods of time expressly agreed to herein. Holder acknowledges and agrees that Holder has carefully read this Agreement and has given careful consideration to the restraints imposed upon Holder by this Agreement, and is in full accord as to their necessity for the reasonable protection of the Company's and its Subsidiaries' interests and the reasonable and proper protection of confidential and proprietary information of the Company and its Subsidiaries now existing or to be developed in the future. Holder expressly acknowledges and agrees that each and every restraint imposed by this Agreement is reasonable with respect to subject matter, time period and geographical area.

6.2. **Enforcement.** Notwithstanding any provision to the contrary herein, the Company or its Subsidiaries may pursue, at its discretion, enforcement of Section 5 in any court of competent jurisdiction (each, a "Court").

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6.3. **Severability.** Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be invalid, illegal or unenforceable in any respect under any applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other provision or any other jurisdiction, but this Agreement shall be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provision had never been contained herein. More specifically, if any Court determines that any of the covenants set forth in Section 5 are overbroad or unreasonable under applicable law in duration, geographical area or scope, the parties to this Agreement specifically agree and authorize such Court to rewrite this Agreement to reflect the maximum duration, geographical area and/or scope permitted under applicable law.

6.4. **Equitable Relief.** Because Holder's services are unique and because Holder has intimate knowledge of and access to confidential information and work product, the parties hereto agree that money damages would not be an adequate remedy for any breach of Section 5, and any breach of the terms of Section 5 would result in irreparable injury and damage to the Company and its Subsidiaries for which the Company and its Subsidiaries would have no adequate remedy at law. Therefore, in the event of a breach or threatened breach of Section 5, the Company or its successors or assigns, in addition to any other rights and remedies existing in their favor at law or in equity, shall be entitled to specific performance and/or immediate injunctive or other equitable relief from a Court in order to enforce, or prevent any violations of, the provisions hereof (without posting a bond or other security), without having to prove damages. The terms of this Section 6 shall not prevent the Company or any of its Subsidiaries from pursuing any other available remedies for any breach or threatened breach of this Agreement, including the recovery of damages from Holder.

7. **Transfer Restrictions and Investment Representation.**

7.1. Nontransferability of Award. The Award may not be transferred by Holder other than by will or the laws of descent and distribution or pursuant to the designation of one or more beneficiaries on the form prescribed by the Company. Except to the extent permitted by the foregoing sentence, the Award may not be sold, transferred, assigned, pledged, hypothecated, encumbered or otherwise disposed of (whether by operation of law or otherwise) or be subject to execution, attachment or similar process. Upon any attempt to so sell, transfer, assign, pledge, hypothecate, encumber or otherwise dispose of the Award, the Award and all rights hereunder shall immediately become null and void.

7.2. Investment Representation. Holder hereby represents and covenants that (a) any sale of any share of Common Stock acquired upon the vesting of the Award shall be made either pursuant to an effective registration statement under the Securities Act of 1933, as amended (the "Securities Act"), and any applicable state securities laws, or pursuant to an exemption from registration under the Securities Act and such state securities laws and (b) if requested by the Company, Holder shall submit a written statement, in a form satisfactory to the Company, to the effect that such representation is true and correct as of the date of any sale of any such shares. As a further condition precedent to the vesting of the Award and subject to Section 409A of the Code, Holder shall comply with all regulations and requirements of any regulatory authority having control of or supervision over the issuance or delivery of the shares and, in connection therewith, shall execute any documents which the Board or the Committee shall in its sole discretion deem necessary or advisable.

8. Additional Terms and Conditions of Award.

8.1. Withholding Taxes. As a condition precedent to the delivery to Holder of any shares of Common Stock upon vesting of the Award, Holder shall, upon request by the Company, pay to

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the Company such amount of cash as the Company may be required, under all applicable federal, state, local or other laws or regulations, to withhold and pay over as income or other withholding taxes (the "Required Tax Payments") with respect to the Award. If Holder shall fail to advance the Required Tax Payments after request by the Company, the Company may, in its discretion, deduct any Required Tax Payments from any amount then or thereafter payable by the Company to Holder or withhold shares of Common Stock. Holder may elect to satisfy his or her obligation to advance the Required Tax Payments by any of the following means: (i) a cash payment to the Company; (ii) authorizing the Company to withhold from the shares of Common Stock otherwise to be delivered to Holder pursuant to the Award, a number of whole shares of Common Stock having an aggregate Fair Market Value, determined as of the date the obligation to withhold or pay taxes first arises in connection with the Award, equal to the Required Tax Payments; or (iii) any combination of (i) and (ii). Shares to be delivered or withheld may be withheld up to the maximum statutory tax rates in the applicable jurisdictions. Any fraction of a share of Common Stock which would be required to satisfy any such obligation shall be disregarded and the remaining amount due shall be paid in cash by Holder. No shares of Common Stock shall be issued or delivered until the Required Tax Payments have been satisfied in full.

8.2. Adjustment. In the event of a Section 4.2 Event, the adjustments provided for in Section 4.2(b) of the Plan shall be made to the number of shares of Common Stock subject to the Award

hereunder.

8.3. Compliance with Applicable Law. The Award is subject to the condition that if the listing, registration or qualification of the shares of Common Stock subject to the Award upon any securities exchange or under any law, or the consent or approval of any governmental body, or the taking of any other action is necessary or desirable as a condition of, or in connection with, the delivery of shares hereunder, the shares of Common Stock subject to the Award shall not be delivered, in whole or in part, unless such listing, registration, qualification, consent, approval or other action shall have been effected or obtained, free of any conditions not acceptable to the Company. The Company agrees to use reasonable efforts to effect or obtain any such listing, registration, qualification, consent, approval or other action.

8.4. Award Confers No Rights to Continued Employment. In no event shall the granting of the Award or its acceptance by Holder, or any provision of the Agreement or the Plan, give or be deemed to give Holder any right to continued employment by the Company, any Subsidiary or any affiliate of the Company or affect in any manner the right of the Company, any Subsidiary or any affiliate of the Company to terminate the employment of any person at any time.

8.5. Decisions of Committee. The Committee shall have the right to resolve all questions which may arise in connection with the Award. Any interpretation, determination or other action made or taken by the Committee regarding the Plan or this Agreement shall be final, binding and conclusive.

8.6. Successors. This Agreement shall be binding upon and inure to the benefit of any successor or successors of the Company and any person or persons who shall, upon the death of Holder, acquire any rights hereunder in accordance with this Agreement or the Plan.

8.7. Notices. All notices, requests or other communications provided for in this Agreement shall be made, if to the Company, to Burlington Stores, Inc., 2006 Route 130 North, Burlington, NJ 08016, Attention: General Counsel, and if to Holder, to the last known mailing address of Holder contained in the records of the Company. All notices, requests or other communications provided for in this Agreement shall be made in writing either (a) by personal delivery, (b) by facsimile or electronic mail with confirmation of receipt, (c) by mailing in the United States mails or (d) by express courier service. The notice, request or other communication shall be deemed to be received upon

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personal delivery, upon confirmation of receipt of facsimile or electronic mail transmission or upon receipt by the party entitled thereto if by United States mail or express courier service; provided, however, that if a notice, request or other communication sent to the Company is not received during regular business hours, it shall be deemed to be received on the next succeeding business day of the Company.

8.8. Governing Law. This Agreement, the Award and all determinations made and actions taken pursuant hereto and thereto, to the extent not governed by the Code or the laws of the United States, shall be governed by the laws of the State of Delaware and construed in accordance therewith without giving effect to principles of conflicts of laws.

8.9. Agreement Subject to the Plan. This Agreement is subject to the provisions of the Plan and shall be interpreted in accordance therewith. In the event that the provisions of this Agreement and the Plan conflict, the Plan shall control. Holder hereby acknowledges receipt of a copy of the Plan.

8.10. Entire Agreement. Except as provided for in Section 5.6, this Agreement and the Plan constitute the entire agreement of the parties with respect to the subject matter hereof and supersede in their entirety all prior undertakings and agreements of the Company and Holder with respect to the subject matter hereof, and may not be modified adversely to Holder's interest except by means of a writing signed by the Company and Holder. Notwithstanding the foregoing, Holder acknowledges that Holder is subject to Company policies relating to trading in the Company's securities

8.11. Amendment and Waiver. The Company may amend the provisions of this Agreement at any time; provided that an amendment that would adversely affect Holder's rights under this Agreement shall be subject to the written consent of Holder. No course of conduct or failure or delay in enforcing the provisions of this Agreement shall affect the validity, binding effect or enforceability of this Agreement.

8.12. Counterparts. The Award Notice may be executed in two counterparts, each of which shall be deemed an original and both of which together shall constitute one and the same instrument.

8.13. Compliance With Section 409A of the Code. This Award is intended to be exempt from or comply with Section 409A of the Code, and shall be interpreted and construed accordingly. To the extent this Agreement provides for the Award to become vested and be settled upon the Holder's termination of employment, the applicable shares of Common Stock shall be transferred to the Holder or his or her beneficiary upon the Holder's "separation from service," within the meaning of Section 409A of the Code; provided that if the Holder is a "specified employee," within the meaning of Section 409A of the Code, then to the extent the Award constitutes nonqualified deferred compensation, within the meaning of Section 409A of the Code, such shares of Common Stock shall be transferred to the Holder or his or her beneficiary upon the earlier to occur of (a) the six-month anniversary of such separation from service and (b) the date of the Holder's death.

BURLINGTON STORES, INC.
2013 OMNIBUS INCENTIVE PLAN

PERFORMANCE-BASED RESTRICTED STOCK UNIT AWARD NOTICE

[Name of Holder]

You have been awarded a performance-based restricted stock unit award with respect to shares of common stock of Burlington Stores, Inc., a Delaware corporation (the "Company"), pursuant to the terms and conditions of the Burlington Stores, Inc. 2013 Omnibus Incentive Plan (the "Plan") and the Performance-Based Restricted Stock Unit Award Agreement (together with this Award Notice, the "Agreement"). The Performance-Based

Restricted Stock Unit Award Agreement is attached hereto. Capitalized terms not defined herein shall have the meanings specified in the Plan or the Agreement.

Target Performance-Based

You have been awarded a performance-based restricted stock unit award

Restricted Stock Units:

with respect to [] shares (at target) of Common Stock, par value \$0.0001 per share ("Common Stock"), subject to adjustment as provided in the Plan.

Grant Date:

[]

Vesting Schedule:

Except as otherwise provided in the Plan, the Agreement or any other agreement between the Company or any of its Subsidiaries and Holder, the Award shall vest based on the achievement of the performance goals set forth in this Award Notice over the [] (the "Performance Period"), provided Holder remains continuously employed by the Company or its Subsidiaries through the date on which the Award is settled (the "Vesting Date"), which shall be no later than 60 days following the conclusion of the Performance Period. Attainment of the performance goals shall be determined and certified by the Committee in writing prior to the settlement of the Award.

Performance Conditions:

[]

BURLINGTON STORES, INC.

By: []

Name:

Title:

Acknowledgment, Acceptance and Agreement:

By accepting this grant on the Company's stock plan administrator's website, I hereby accept the performance-based restricted stock units granted to me and acknowledge and agree to be bound by the terms and conditions of this Award Notice, the Agreement and the Plan.

Holder Name

[] Date []

Signature

Burlington Stores, Inc.

2013 Omnibus Incentive Plan

Performance-Based Restricted Stock Unit Award Agreement

Burlington Stores, Inc., a Delaware corporation (the "Company"), hereby grants to the individual (the "Holder") named in the award notice attached hereto (the "Award Notice") as of the date set forth in the Award Notice (the "Grant Date"), pursuant to the provisions of the Burlington Stores, Inc. 2013 Omnibus Incentive Plan (the "Plan"), a performance-based restricted stock unit award (the "Award") with respect to the number of shares of the Company's Common Stock, par value \$0.0001 per share ("Common Stock"), set forth in the Award Notice, upon and subject to the restrictions, terms and conditions set forth in the Award Notice, the Plan and this agreement (the "Agreement"). Capitalized terms not defined herein shall have the meanings specified in the Plan.

1. Award Subject to Acceptance of Agreement. The Award shall be null and void unless Holder electronically accepts this Agreement within Holder's stock plan account with the Company's stock plan administrator according to the procedures then in effect (or, if permitted by the Company, accepts this Agreement by executing the Award Notice in the space provided therefor and returning an original execution copy of the Award Notice to the Company).

2. Rights as a Stockholder. Holder shall not be entitled to any privileges of ownership with respect to the shares of Common Stock subject to the Award unless and until, and only to the extent, such shares become vested pursuant to Section 3 hereof and Holder becomes a stockholder of record with respect to such shares.

3. Restriction Period and Vesting.

3.1. Performance-Based Vesting Conditions. Subject to the remainder of this Section 3, the Common Stock shall vest pursuant to the terms of this Agreement and the Plan based on the achievement of the performance goals set forth in the Award Notice over the performance period set forth in the Award Notice (the "Performance Period"), provided that that Holder remains in continuous employment with the Company or its Subsidiaries through the date on which the Award is settled (the "Vesting Date"), which shall be no later than 60 days following the conclusion of the Performance Period. Attainment of the performance goals shall be determined and certified by the Committee in writing prior to the settlement of the Award.

3.2. Termination of Employment.

(a) Termination due to Death or Disability. If Holder's employment with the Company and its Subsidiaries terminates prior to the Vesting Date by reason of Holder's death or termination by the Company or its Subsidiaries due to Disability, then in either such case, Holder shall vest in a prorated Award. Such prorated Award shall be equal to the number of shares of Common Stock assuming that the performance goals set forth in the Award Notice were satisfied at target multiplied by a fraction, the numerator of which shall equal the number of days in the Performance Period during which Holder was employed by the Company and its Subsidiaries and the denominator of

which shall equal the total number of days in the Performance Period. Subject to Section 8.13, the vested portion of the Award shall be settled within 60 days following the Holder's death or termination due to Disability; provided, however, if the Award is "nonqualified deferred compensation" within the meaning of Section 409A of the Code, then the portion of the Award that becomes vested upon a termination due to Disability

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shall be settled within 60 days after the expiration of the Performance Period to the extent required to comply with Section 409A of the Code. The portion of the Award that does not vest pursuant to this Section 3.2(a) shall be forfeited by Holder and cancelled by the Company. For purposes of this Agreement, "Disability" shall mean that the Holder is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than twelve (12) months.

(b)

Termination due to a Reduction in Force or Retirement.

Except as provided for in Section 3(c), if Holder's employment with the Company and its Subsidiaries is terminated prior to the Vesting Date (i) by the Company or its Subsidiaries due to a reduction in force, as determined by the Committee in its sole and absolute discretion (provided that Holder has not committed an act constituting grounds for a termination for Cause) or (ii) by Holder due to Retirement (as defined below), then in either such case the Award shall vest on a prorated basis. Such prorated Award shall be equal to the number of shares of Common Stock earned at the end of the Performance Period based on actual performance during the Performance Period multiplied by a fraction, the numerator of which shall equal the number of days in the Performance Period during which Holder was employed by the Company and its Subsidiaries and the denominator of which shall equal the total number of days in the Performance Period. For purposes of this Agreement, "Retirement" shall mean the Holder's resignation from the Company and its Subsidiaries occurring on or after Holder attaining age 60 with at least ten continuous years of service to the Company and its Subsidiaries; provided, however, if the Company has grounds to terminate the employment of Holder for Cause, then Holder shall not be eligible for the vesting provisions set forth in this Section 3.2(b). The portion of the Award that does not vest pursuant to this Section 3.2(b) shall be forfeited by Holder and cancelled by the Company.

(c)

Change in Control Qualifying Termination. If Holder's

employment with the Company and its Subsidiaries terminates due to a Change in Control Qualifying Termination prior to the Vesting Date, then the Award shall vest as of the date of termination of employment, assuming that the performance goals set forth in the Award Notice were satisfied at target. Subject to Section 8.13, the vested portion of the Award shall be settled within 60 days following the Holder's Change in Control Qualifying Termination; provided, however, if the Award is "nonqualified deferred compensation" within the meaning of Section 409A of the Code and the Change in Control is not a "change in control event" within the meaning of Section 409A of the Code or as otherwise required to comply with Section 409A of the Code, then the portion of the Award that becomes vested upon such Change in Control Qualifying Termination shall be settled within 60 days after the expiration of the Performance Period to the extent required to comply with Section 409A of the Code. The portion of the

Award that does not vest pursuant to this Section 3.2(c) shall be forfeited by the Holder. Except as otherwise provided in any other agreement between the Company or any of its Subsidiaries and Holder, a Change in Control Qualifying Termination means (i) if Holder is a party to an employment agreement with the Company or one of its Subsidiaries or are subject to the Burlington Stores, Inc. Executive Severance Plan (Merchandising & Planning) (the "Severance Plan") on the Grant Date, then a termination of Holder's employment by the Company or a Subsidiary without Cause or resignation by Holder for Good Reason within the two year period immediately following a Change in Control or (ii) if Holder is not a party to an employment agreement with the Company or one of its Subsidiaries or subject to the Severance Plan on the Grant Date, then a termination of Holder's employment by the Company or a Subsidiary without Cause within the one year period immediately following a Change in Control. Notwithstanding anything in the Agreement or in the Plan to the contrary, for purposes of the Agreement, (x) in the case of clause (i) of the preceding sentence, if Holder is a party to an employment agreement with

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the Company or one of its Subsidiaries on the Grant Date, "Cause" and "Good Reason" shall have the meanings provided in the terms of such employment agreement and if Holder is not a party to an employment agreement with the Company or one of its Subsidiaries on the Grant Date, "Cause" and "Good Reason" shall have the meanings provided in the terms of the Severance Plan, as in effect on the Grant Date and (y) in the case of clause (ii) of the preceding sentence, "Cause" shall have the meaning provided in the Plan.

(d) Termination for any other Reason. If (i) Holder's employment with the Company and its Subsidiaries terminates prior to the Vesting Date for any reason other than as specified in Sections 3.2(a) – (c) or (ii) Holder breaches any non-competition obligation Holder has to the Company or any of its Subsidiaries under any agreement, then the unvested portion of the Award shall be immediately forfeited by Holder and cancelled by the Company.

4. Issuance or Delivery of Shares. Except as otherwise provided for herein, within 60 days after the expiration of the Performance Period (or, if earlier, in accordance with Sections 3.2(a) and 3.2(c)), the Company shall issue or deliver, subject to the conditions of this Agreement, the vested shares of Common Stock to Holder. Such issuance or delivery shall be evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company. The Company shall pay all original issue or transfer taxes and all fees and expenses incident to such issuance or delivery, except as otherwise provided in Section 7. Prior to the issuance to Holder of the shares of Common Stock subject to the Award, Holder shall have no direct or secured claim in any specific assets of the Company or in such shares of Common Stock, and will have the status of a general unsecured creditor of the Company.

5. Non-Compete, Non-Solicitation; Confidentiality.

5.1. Non-Compete. In further consideration of the Award granted to Holder hereunder, Holder acknowledges and agrees that during the course of Holder's employment with the Company and its

Subsidiaries, Holder shall become familiar, and during Holder's employment with the predecessors of the Company and its Subsidiaries, Holder has become familiar, with the Company's and its Subsidiaries' trade secrets and with other confidential information and that Holder's services have been and shall be of special, unique and extraordinary value to the Company and its Subsidiaries, and therefore, Holder agrees that, during his or her employment with the Company and its Subsidiaries and, if Holder's employment with the Company and its Subsidiaries terminates for any reason, for a period of two (2) years thereafter (the "Non-Compete Period"), Holder shall not directly or indirectly (whether as an owner, partner, shareholder, agent, officer, director, employee, independent contractor, consultant or otherwise) own any interest in, operate, invest in, manage, control, participate in, consult with, render services for (alone or in association with any person or entity), in any manner engage in any business activity on behalf of, or undertake any planning to engage in any of the foregoing activities in connection with, a Competing Business within any geographical area in which the Company or its Subsidiaries currently operates or plans to operate. Nothing herein shall prohibit Holder from being a passive owner of not more than 2% of the outstanding stock of any class of a corporation, which is publicly traded, so long as Holder has no active participation in the business of such corporation. For purposes of this Agreement, "Competing Business" means each of the following entities, together with their respective subsidiaries, affiliates, successors and assigns: Macy's, Inc., the TJX Companies, Inc. and Ross Stores, Inc.

5.2. Non-Solicitation. During the Non-Compete Period, Holder shall not, directly or indirectly, and shall ensure that any person or entity controlled by Holder does not, (a) induce or attempt to induce any employee of the Company or any Subsidiary to leave the employ of the Company or such Subsidiary, or in any way interfere with the relationship between the Company or any Subsidiary and any employee thereof, (b) hire, directly or through another person, any person (whether or not solicited) who

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was an employee of the Company or any Subsidiary at any time within the one year period before Holder's termination from employment, (c) induce or attempt to induce any customer, supplier, licensee, licensor, franchisee or other business relation of the Company or any Subsidiary to cease doing business with the Company or such Subsidiary, assist any Competing Business or in any way interfere with the relationship between any such customer, supplier, licensee or business relation and the Company or any Subsidiary or (d) make or solicit or encourage others to make or solicit directly or indirectly any defamatory statement or communication about the Company or any of its Subsidiaries or any of their respective businesses, products, services or activities (it being understood that such restriction shall not prohibit truthful testimony compelled by valid legal process).

5.3. Confidentiality. Holder acknowledges and agrees that the information, observations and data (including trade secrets) obtained by Holder while employed by the Company and its Subsidiaries concerning the business or affairs of the Company and its Subsidiaries are the confidential information ("Confidential Information"), and the property, of the Company and/or its Subsidiaries. Without limiting the foregoing, the term "Confidential Information" shall be interpreted as broadly as possible to include all observations, data and other information of any sort that are (a) related to any past, current or potential business of the Company or any of its Subsidiaries or any of their respective predecessors, and any other business related to any of the foregoing, and (b) not generally known to and available for use by those within the

line of business or industry of the Company or by the public (except to the extent such information has become generally known to and available for use by the public as a direct or indirect result of Holder's acts or omissions) including all (i) work product; (ii) information concerning development, acquisition or investment opportunities in or reasonably related to the business or industry of the Company or any of its Subsidiaries of which Holder is aware or becomes aware during the term of his employment; (iii) information identifying or otherwise concerning any current, former or prospective suppliers, distributors, contractors, agents or customers of the Company or any of its Subsidiaries; (iv) development, transition, integration and transformation plans, methodologies, processes and methods of doing business; (v) strategic, marketing, promotional and financial information (including all financial statements), business and expansion plans, including plans and information regarding planned, projected and/or potential sales, pricing, discount and cost information; (vi) information identifying or otherwise concerning employees, independent contractors and consultants; (vii) information on new and existing programs and services, prices, terms, and related information; (viii) all information marked, or otherwise designated, as confidential by the Company or any of its Subsidiaries or which Holder should reasonably know is confidential or proprietary information of the Company or any of its Subsidiaries; (ix) all information or materials similar or related to any of the foregoing, in whatever form or medium, whether now existing or arising hereafter (and regardless of whether merely stored in the mind of Holder or employees or consultants of the Company or any of its Subsidiaries, or embodied in a tangible form or medium); and (x) all tangible embodiments of any of the foregoing.

5.4. Disclosure. Holder agrees that, except as required by law or court order, including, without limitation, depositions, interrogatories, court testimony, and the like (and in such case provided that Holder must give the Company and/or its Subsidiaries, as applicable, prompt written notice of any such legal requirement, disclose no more information than is so required and seek, at the Company's sole cost and expense, confidential treatment where available and cooperate fully with all efforts by the Company and/or its Subsidiaries to obtain a protective order or similar confidentiality treatment for such information), Holder shall not disclose to any unauthorized person or entity or use for Holder's own purposes any Confidential Information without the prior written consent of the Board, unless and to the extent that the Confidential Information becomes generally known to and available for use by the public other than as a direct or indirect result of Holder's acts or omissions. Holder shall deliver to the Company at the time Holder's employment ceases, or at any other time the Company may request, all memoranda, notes, plans, records, reports, computer tapes, printouts and software and other documents and data (and

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copies thereof) embodying or relating to the Confidential Information (including any work product) or the business of the Company and its Subsidiaries which Holder may then possess or have under Holder's control and if, at any time thereafter, any such materials are brought to Holder's attention or Holder discovers them in his possession or control, Holder shall deliver such materials to the Company immediately upon such notice or discovery.

5.5. Protected Rights. Pursuant to 18 U.S.C. § 1833(b), "an individual shall not be held criminally or civilly liable under any Federal or State trade secret law for the disclosure of a trade secret that-(A) is made-(i) in confidence to a Federal, State, or local government official, either directly or indirectly, or to an

attorney; and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (B) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal.” Accordingly, Holder has the right to disclose in confidence trade secrets to Federal, State, and local government officials, or to an attorney, for the sole purpose of reporting or investigating a suspected violation of law. Holder also has the right to disclose trade secrets in a document filed in a lawsuit or other proceeding, but only if the filing is made under seal and protected from public disclosure. Nothing in this Agreement is intended to conflict with 18 U.S.C. § 1833(b) or create liability for disclosures of trade secrets that are expressly allowed by 18 U.S.C. § 1833(b). Holder understands that nothing contained in this Agreement limits Holder’s ability to file a charge or complaint with the Equal Employment Opportunity Commission, the National Labor Relations Board, the Occupational Safety and Health Administration, the Securities and Exchange Commission or any other federal, state or local governmental agency or commission (“Government Agencies”). Holder further understands that this Agreement does not limit Holder’s ability to communicate with any Government Agencies or otherwise participate in any investigation or proceeding that may be conducted by any Government Agency, including providing documents or other information, without notice to the Company. This Agreement does not limit Holder’s right to receive an award for information provided to any Government Agencies.

5.6. Other Agreements. Notwithstanding the foregoing and any other language in this Agreement, this Agreement does not supersede or preclude the enforceability of any restrictive covenant provision contained in any prior agreement entered into by Holder. Further, no prior restrictive covenant supersedes or precludes the enforceability of any provision contained in this Agreement.

5.7. Applicability. Notwithstanding the foregoing and any other language in this Agreement, Section 5.1 shall not apply to Holder if he or she is below the position of Director level as of the Grant Date.

6. Enforcement.

6.1. Reliance. Holder acknowledges and agrees that the Company entered into this Agreement in reliance on the provisions of Section 5 and the enforcement of this Agreement is necessary to ensure the preservation, protection and continuity of the business of the Company and its Subsidiaries and other Confidential Information and goodwill of the Company and its Subsidiaries to the extent and for the periods of time expressly agreed to herein. Holder acknowledges and agrees that Holder has carefully read this Agreement and has given careful consideration to the restraints imposed upon Holder by this Agreement, and is in full accord as to their necessity for the reasonable protection of the Company’s and its Subsidiaries’ interests and the reasonable and proper protection of confidential and proprietary information of the Company and its Subsidiaries now existing or to be developed in the future. Holder expressly acknowledges and agrees that each and every restraint imposed by this Agreement is reasonable with respect to subject matter, time period and geographical area.

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6.2. Enforcement. Notwithstanding any provision to the contrary herein, the Company or its Subsidiaries may pursue, at its discretion, enforcement of Section 5 in any court of competent jurisdiction

(each, a "Court").

6.3. **Severability.** Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be invalid, illegal or unenforceable in any respect under any applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other provision or any other jurisdiction, but this Agreement shall be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provision had never been contained herein. More specifically, if any Court determines that any of the covenants set forth in Section 5 are overbroad or unreasonable under applicable law in duration, geographical area or scope, the parties to this Agreement specifically agree and authorize such Court to rewrite this Agreement to reflect the maximum duration, geographical area and/or scope permitted under applicable law.

6.4. **Equitable Relief.** Because Holder's services are unique and because Holder has intimate knowledge of and access to confidential information and work product, the parties hereto agree that money damages would not be an adequate remedy for any breach of Section 5, and any breach of the terms of Section 5 would result in irreparable injury and damage to the Company and its Subsidiaries for which the Company and its Subsidiaries would have no adequate remedy at law. Therefore, in the event of a breach or threatened breach of Section 5, the Company or its successors or assigns, in addition to any other rights and remedies existing in their favor at law or in equity, shall be entitled to specific performance and/or immediate injunctive or other equitable relief from a Court in order to enforce, or prevent any violations of, the provisions hereof (without posting a bond or other security), without having to prove damages. The terms of this Section 6 shall not prevent the Company or any of its Subsidiaries from pursuing any other available remedies for any breach or threatened breach of this Agreement, including the recovery of damages from Holder.

7. Transfer Restrictions and Investment Representation.

7.1. **Nontransferability of Award.** The Award may not be transferred by Holder other than by will or the laws of descent and distribution or pursuant to the designation of one or more beneficiaries on the form prescribed by the Company. Except to the extent permitted by the foregoing sentence, the Award may not be sold, transferred, assigned, pledged, hypothecated, encumbered or otherwise disposed of (whether by operation of law or otherwise) or be subject to execution, attachment or similar process. Upon any attempt to so sell, transfer, assign, pledge, hypothecate, encumber or otherwise dispose of the Award, the Award and all rights hereunder shall immediately become null and void.

7.2. **Investment Representation.** Holder hereby represents and covenants that (a) any sale of any share of Common Stock acquired upon the vesting of the Award shall be made either pursuant to an effective registration statement under the Securities Act of 1933, as amended (the "Securities Act"), and any applicable state securities laws, or pursuant to an exemption from registration under the Securities Act and such state securities laws and (b) if requested by the Company, Holder shall submit a written statement, in a form satisfactory to the Company, to the effect that such representation is true and correct as of the date of any sale of any such shares. As a further condition precedent to the vesting of the Award and subject to Section 409A of the Code, Holder shall comply with all regulations and requirements of any regulatory authority having control of

or supervision over the issuance or delivery of the shares and, in connection therewith, shall execute any documents which the Board or the Committee shall in its sole discretion deem necessary or advisable.

8. Additional Terms and Conditions of Award.

8.1. Withholding Taxes. As a condition precedent to the delivery to Holder of any shares of Common Stock upon vesting of the Award, Holder shall, upon request by the Company, pay to the Company such amount of cash as the Company may be required, under all applicable federal, state, local or other laws or regulations, to withhold and pay over as income or other withholding taxes (the "Required Tax Payments") with respect to the Award. If Holder shall fail to advance the Required Tax Payments after request by the Company, the Company may, in its discretion, deduct any Required Tax Payments from any amount then or thereafter payable by the Company to Holder or withhold shares of Common Stock. Holder may elect to satisfy his or her obligation to advance the Required Tax Payments by any of the following means: (i) a cash payment to the Company; (ii) authorizing the Company to withhold from the shares of Common Stock otherwise to be delivered to Holder pursuant to the Award, a number of whole shares of Common Stock having an aggregate Fair Market Value, determined as of the date the obligation to withhold or pay taxes first arises in connection with the Award, equal to the Required Tax Payments; or (iii) any combination of (i) and (ii). Shares to be delivered or withheld may be withheld up to the maximum statutory tax rates in the applicable jurisdictions. Any fraction of a share of Common Stock which would be required to satisfy any such obligation shall be disregarded and the remaining amount due shall be paid in cash by Holder. No shares of Common Stock shall be issued or delivered until the Required Tax Payments have been satisfied in full.

8.2. Adjustment. In the event of a Section 4.2 Event, the adjustments provided for in Section 4.2(b) of the Plan shall be made to the number of shares of Common Stock subject to the Award hereunder.

8.3. Compliance with Applicable Law. The Award is subject to the condition that if the listing, registration or qualification of the shares of Common Stock subject to the Award upon any securities exchange or under any law, or the consent or approval of any governmental body, or the taking of any other action is necessary or desirable as a condition of, or in connection with, the delivery of shares hereunder, the shares of Common Stock subject to the Award shall not be delivered, in whole or in part, unless such listing, registration, qualification, consent, approval or other action shall have been effected or obtained, free of any conditions not acceptable to the Company. The Company agrees to use reasonable efforts to effect or obtain any such listing, registration, qualification, consent, approval or other action.

8.4. Award Confers No Rights to Continued Employment. In no event shall the granting of the Award or its acceptance by Holder, or any provision of the Agreement or the Plan, give or be deemed to give Holder any right to continued employment by the Company, any Subsidiary or any affiliate of the Company or affect in any manner the right of the Company, any Subsidiary or any affiliate of the Company to terminate the employment of any person at any time.

8.5. Decisions of Committee. The Committee shall have the right to resolve all questions which may arise in connection with the Award. Any interpretation, determination or other action made or taken by the Committee regarding the Plan or this Agreement shall be final, binding and conclusive.

8.6. Successors. This Agreement shall be binding upon and inure to the benefit of any successor or successors of the Company and any person or persons who shall, upon the death of Holder, acquire any rights hereunder in accordance with this Agreement or the Plan.

8.7. Notices. All notices, requests or other communications provided for in this Agreement shall be made, if to the Company, to Burlington Stores, Inc., 2006 Route 130 North, Burlington, NJ 08016, Attention: General Counsel, and if to Holder, to the last known mailing address of

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Holder contained in the records of the Company. All notices, requests or other communications provided for in this Agreement shall be made in writing either (a) by personal delivery, (b) by facsimile or electronic mail with confirmation of receipt, (c) by mailing in the United States mails or (d) by express courier service. The notice, request or other communication shall be deemed to be received upon personal delivery, upon confirmation of receipt of facsimile or electronic mail transmission or upon receipt by the party entitled thereto if by United States mail or express courier service; provided, however, that if a notice, request or other communication sent to the Company is not received during regular business hours, it shall be deemed to be received on the next succeeding business day of the Company.

8.8. Governing Law. This Agreement, the Award and all determinations made and actions taken pursuant hereto and thereto, to the extent not governed by the Code or the laws of the United States, shall be governed by the laws of the State of Delaware and construed in accordance therewith without giving effect to principles of conflicts of laws.

8.9. Agreement Subject to the Plan. This Agreement is subject to the provisions of the Plan and shall be interpreted in accordance therewith. In the event that the provisions of this Agreement and the Plan conflict, the Plan shall control. Holder hereby acknowledges receipt of a copy of the Plan.

8.10. Entire Agreement. Except as provided for in Section 5.6, this Agreement and the Plan constitute the entire agreement of the parties with respect to the subject matter hereof and supersede in their entirety all prior undertakings and agreements of the Company and Holder with respect to the subject matter hereof, and may not be modified adversely to Holder's interest except by means of a writing signed by the Company and Holder. Notwithstanding the foregoing, Holder acknowledges that Holder is subject to Company policies relating to trading in the Company's securities

8.11. Amendment and Waiver. The Company may amend the provisions of this Agreement at any time; provided that an amendment that would adversely affect Holder's rights under this Agreement shall be subject to the written consent of Holder. No course of conduct or failure or delay in enforcing the provisions of this Agreement shall affect the validity, binding effect or enforceability of this Agreement.

8.12. **Counterparts.** The Award Notice may be executed in two counterparts, each of which shall be deemed an original and both of which together shall constitute one and the same instrument.

8.13. **Compliance With Section 409A of the Code.** This Award is intended to be exempt from or comply with Section 409A of the Code, and shall be interpreted and construed accordingly. To the extent this Agreement provides for the Award to become vested and be settled upon the Holder's termination of employment, the applicable shares of Common Stock shall be transferred to the Holder or his or her beneficiary upon the Holder's "separation from service," within the meaning of Section 409A of the Code; provided that if the Holder is a "specified employee," within the meaning of Section 409A of the Code, then to the extent the Award constitutes nonqualified deferred compensation, within the meaning of Section 409A of the Code, such shares of Common Stock shall be transferred to the Holder or his or her beneficiary upon the earlier to occur of (a) the six-month anniversary of such separation from service and (b) the date of the Holder's death.

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Exhibit 10.61

**BURLINGTON STORES, INC.
2013 OMNIBUS INCENTIVE PLAN**

Restricted Stock Unit Award Notice

[Name of Holder]

You have been awarded a restricted stock unit award with respect to shares of common stock of Burlington Stores, Inc., a Delaware corporation (the "Company"), pursuant to the terms and conditions of the Burlington Stores, Inc. 2013 Omnibus Incentive Plan (the "Plan") and the Restricted Stock Unit Award Agreement (together with this Award Notice, the "Agreement"). The Restricted Stock Unit Award Agreement is attached hereto. Capitalized terms not defined herein shall have the meanings specified in the Plan or the Agreement.

Restricted Stock Units:

You have been awarded a restricted stock unit award with respect to [] shares of Common Stock, par value \$0.0001 per share ("Common Stock"), subject to adjustment as provided in the Plan.

Grant Date:

[]

Vesting Schedule: Except as otherwise provided in the Plan, the Agreement or any other agreement between the Company or any of its Subsidiaries and Holder, the Award shall vest with respect to 100% of the shares of Common Stock subject to the Award on the _____-year anniversary of the Grant Date (the "Vesting Date"), if, and only if, you are, and have been, continuously employed by the Company or any of its Subsidiaries from the date of this Agreement through and including the Vesting Date.

BURLINGTON STORES, INC.

By: _____

Name:

Title:

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Acknowledgment, Acceptance and Agreement:

By accepting this grant on the Company's stock plan administrator's website, I hereby accept the restricted stock units granted to me and acknowledge and agree to be bound by the terms and conditions of this Award Notice, the Agreement and the Plan.

Holder Name

Date _____

Signature

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**BURLINGTON STORES, INC.
2013 OMNIBUS INCENTIVE PLAN**

RESTRICTED STOCK UNIT AWARD AGREEMENT

Burlington Stores, Inc., a Delaware corporation (the "Company"), hereby grants to the individual (the "Holder") named in the award notice attached hereto (the "Award Notice") as of the date set forth in the Award Notice (the "Grant Date"), pursuant to the provisions of the Burlington Stores, Inc. 2013 Omnibus Incentive Plan (the "Plan"), a restricted stock unit award (the "Award") with respect to the

number of shares of the Company's Common Stock, par value \$0.0001 per share ("Common Stock") set forth in the Award Notice, upon and subject to the restrictions, terms and conditions set forth in the Award Notice, the Plan and this agreement (the "Agreement"). Capitalized terms not defined herein shall have the meanings specified in the Plan.

1. Award Subject to Acceptance of Agreement. The Award shall be null and void unless Holder electronically accepts this Agreement within Holder's stock plan account with the Company's stock plan administrator according to the procedures then in effect (or, if permitted by the Company, accepts this Agreement by executing the Award Notice in the space provided therefor and returning an original execution copy of the Award Notice to the Company).

2. Rights as a Stockholder. Holder shall not be entitled to any privileges of ownership with respect to the shares of Common Stock subject to the Award unless and until, and only to the extent, such shares become vested pursuant to Section 3 hereof and Holder becomes a stockholder of record with respect to such shares.

3. Restriction Period and Vesting.

3.1. Service-Based Vesting Conditions. Subject to the remainder of this Section 3, the Common Stock shall vest pursuant to the terms of this Agreement and the Plan in accordance with the Vesting Schedule set forth in the Award Notice. The period of time prior to the vesting of the Award shall be referred to herein as the "Restriction Period."

3.2. Termination of Employment.

(a) Termination due to Death or Disability. If Holder's employment with the Company and its Subsidiaries terminates prior to the end of the Restriction Period by reason of Holder's death or termination by the Company or its Subsidiaries due to Disability, then in either such case, Holder shall become fully vested in the Award as of the date of termination of employment. For purposes of this Agreement, "Disability" shall mean that the Holder is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than twelve (12) months.

(b) Termination due to a Reduction in Force. Except as provided for in Section 3(c), if Holder's employment with the Company and its Subsidiaries is terminated prior to the end of the Restriction Period by the Company or its Subsidiaries due to a reduction in force, as determined by the Committee in its sole and absolute discretion (provided that Holder has not

committed an act constituting grounds for a termination for Cause), then the Award shall vest on a prorated basis, with such proration determined by multiplying the number of shares of Common Stock subject to the Award on the Grant Date by a fraction, the numerator of which is the number of days that have occurred since the Grant Date through the date of the Holder's termination of employment in accordance with this Section 3.2(b) and the denominator of which is the total number of days between the Grant Date and the Vesting Date set forth on the Award Notice. The portion of the Award that does not vest pursuant to this Section 3.2(b) shall be forfeited by Holder and cancelled by the Company.

(c) Change in Control Qualifying Termination. If Holder's employment with the Company and its Subsidiaries terminates due to a Change in Control Qualifying Termination prior to the end of the Restriction Period, then the Award shall become fully vested as of the date of termination of employment. Except as otherwise provided in any other agreement between the Company or any of its Subsidiaries and Holder, a Change in Control Qualifying Termination means (i) if Holder is a party to an employment agreement with the Company or one of its Subsidiaries or are subject to the Burlington Stores, Inc. Executive Severance Plan (Merchandising & Planning) (the "Severance Plan") on the Grant Date, then a termination of Holder's employment by the Company or a Subsidiary without Cause or resignation by Holder for Good Reason within the two year period immediately following a Change in Control or (ii) if Holder is not a party to an employment agreement with the Company or one of its Subsidiaries or subject to the Severance Plan on the Grant Date, then a termination of Holder's employment by the Company or a Subsidiary without Cause within the one year period immediately following a Change in Control. Notwithstanding anything in the Agreement or in the Plan to the contrary, for purposes of the Agreement, (x) in the case of clause (i) of the preceding sentence, if Holder is a party to an employment agreement with the Company or one of its Subsidiaries on the Grant Date, "Cause" and "Good Reason" shall have the meanings provided in the terms of such employment agreement and if Holder is not a party to an employment agreement with the Company or one of its Subsidiaries on the Grant Date, "Cause" and "Good Reason" shall have the meanings provided in the terms of the Severance Plan, as in effect on the Grant Date and (y) in the case of clause (ii) of the preceding sentence, "Cause" shall have the meaning provided in the Plan.

(d) Termination for any other Reason. If (i) Holder's employment with the Company and its Subsidiaries terminates prior to the end of the Restriction Period for any reason other than as specified in Sections 3.2(a)-(c) or (ii) Holder breaches any non-competition obligation Holder has to the Company or any of its Subsidiaries under any agreement, then the Award shall be immediately forfeited by Holder and cancelled by the Company.

4. Issuance or Delivery of Shares. Except as otherwise provided for herein, within 60 days after the Vesting Date (or, if earlier, Holder's termination of employment in accordance with Sections 3.2(a)-(c)), the Company shall issue or deliver, subject to the conditions of this Agreement, the vested shares of Common Stock to Holder. Such issuance or delivery shall be evidenced by the appropriate

entry on the books of the Company or of a duly authorized transfer agent of the Company. The Company shall pay all original issue or transfer taxes and all fees and expenses incident to such issuance or delivery, except as otherwise provided in Section 7. Prior to the issuance to Holder of the shares of Common Stock subject to the Award, Holder shall have

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no direct or secured claim in any specific assets of the Company or in such shares of Common Stock, and will have the status of a general unsecured creditor of the Company.

5. Non-Compete, Non-Solicitation; Confidentiality.

5.1. Non-Compete. In further consideration of the Award granted to Holder hereunder, Holder acknowledges and agrees that during the course of Holder's employment with the Company and its Subsidiaries, Holder shall become familiar, and during Holder's employment with the predecessors of the Company and its Subsidiaries, Holder has become familiar, with the Company's and its Subsidiaries' trade secrets and with other confidential information and that Holder's services have been and shall be of special, unique and extraordinary value to the Company and its Subsidiaries, and therefore, Holder agrees that, during his or her employment with the Company and its Subsidiaries and, if Holder's employment with the Company and its Subsidiaries terminates for any reason, for a period of two (2) years thereafter (the "Non-Compete Period"), Holder shall not directly or indirectly (whether as an owner, partner, shareholder, agent, officer, director, employee, independent contractor, consultant or otherwise) own any interest in, operate, invest in, manage, control, participate in, consult with, render services for (alone or in association with any person or entity), in any manner engage in any business activity on behalf of, or undertake any planning to engage in any of the foregoing activities in connection with, a Competing Business within any geographical area in which the Company or its Subsidiaries currently operates or plans to operate. Nothing herein shall prohibit Holder from being a passive owner of not more than 2% of the outstanding stock of any class of a corporation, which is publicly traded, so long as Holder has no active participation in the business of such corporation. For purposes of this Agreement, "Competing Business" means each of the following entities, together with their respective subsidiaries, affiliates, successors and assigns: Macy's, Inc., the TJX Companies, Inc. and Ross Stores, Inc.

5.2. Non-Solicitation. During the Non-Compete Period, Holder shall not, directly or indirectly, and shall ensure that any person or entity controlled by Holder does not, (a) induce or attempt to induce any employee of the Company or any Subsidiary to leave the employ of the Company or such Subsidiary, or in any way interfere with the relationship between the Company or any Subsidiary and any employee thereof, (b) hire, directly or through another person, any person (whether or not solicited) who was an employee of the Company or any Subsidiary at any time within the one year period before Holder's termination from employment, (c) induce or attempt to induce any

customer, supplier, licensee, licensor, franchisee or other business relation of the Company or any Subsidiary to cease doing business with the Company or such Subsidiary, assist any Competing Business or in any way interfere with the relationship between any such customer, supplier, licensee or business relation and the Company or any Subsidiary or (d) make or solicit or encourage others to make or solicit directly or indirectly any defamatory statement or communication about the Company or any of its Subsidiaries or any of their respective businesses, products, services or activities (it being understood that such restriction shall not prohibit truthful testimony compelled by valid legal process).

5.3. **Confidentiality.** Holder acknowledges and agrees that the information, observations and data (including trade secrets) obtained by Holder while employed by the Company and its Subsidiaries concerning the business or affairs of the Company and its

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Subsidiaries are the confidential information (“**Confidential Information**”), and the property, of the Company and/or its Subsidiaries. Without limiting the foregoing, the term “**Confidential Information**” shall be interpreted as broadly as possible to include all observations, data and other information of any sort that are (a) related to any past, current or potential business of the Company or any of its Subsidiaries or any of their respective predecessors, and any other business related to any of the foregoing, and (b) not generally known to and available for use by those within the line of business or industry of the Company or by the public (except to the extent such information has become generally known to and available for use by the public as a direct or indirect result of Holder’s acts or omissions) including all (i) work product; (ii) information concerning development, acquisition or investment opportunities in or reasonably related to the business or industry of the Company or any of its Subsidiaries of which Holder is aware or becomes aware during the term of his employment; (iii) information identifying or otherwise concerning any current, former or prospective suppliers, distributors, contractors, agents or customers of the Company or any of its Subsidiaries; (iv) development, transition, integration and transformation plans, methodologies, processes and methods of doing business; (v) strategic, marketing, promotional and financial information (including all financial statements), business and expansion plans, including plans and information regarding planned, projected and/or potential sales, pricing, discount and cost information; (vi) information identifying or otherwise concerning employees, independent contractors and consultants; (vii) information on new and existing programs and services, prices, terms, and related information; (viii) all information marked, or otherwise designated, as confidential by the Company or any of its Subsidiaries or which Holder should reasonably know is confidential or proprietary information of the Company or any of its Subsidiaries; (ix) all information or materials similar or related to any of the foregoing, in whatever form or medium, whether now existing or arising hereafter (and regardless of whether merely stored in the mind of Holder or employees or consultants of the Company or any of its Subsidiaries, or embodied in a tangible form or medium); and (x) all tangible embodiments of any of the foregoing.

5.4. **Disclosure.** Holder agrees that, except as required by law or court order, including, without limitation, depositions, interrogatories, court testimony, and the like (and in such case provided that Holder must give the Company and/or its Subsidiaries, as applicable, prompt written notice of any such legal requirement, disclose no more information than is so required and seek, at the Company's sole cost and expense, confidential treatment where available and cooperate fully with all efforts by the Company and/or its Subsidiaries to obtain a protective order or similar confidentiality treatment for such information), Holder shall not disclose to any unauthorized person or entity or use for Holder's own purposes any Confidential Information without the prior written consent of the Board, unless and to the extent that the Confidential Information becomes generally known to and available for use by the public other than as a direct or indirect result of Holder's acts or omissions. Holder shall deliver to the Company at the time Holder's employment ceases, or at any other time the Company may request, all memoranda, notes, plans, records, reports, computer tapes, printouts and software and other documents and data (and copies thereof) embodying or relating to the Confidential Information (including any work product) or the business of the Company and its Subsidiaries which Holder may then possess or have under Holder's control and if, at any time thereafter, any such materials are brought to Holder's attention or Holder discovers them in his possession or control, Holder shall deliver such materials to the Company immediately upon such notice or discovery.

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5.5. **Protected Rights.** Pursuant to 18 U.S.C. § 1833(b), "an individual shall not be held criminally or civilly liable under any Federal or State trade secret law for the disclosure of a trade secret that-(A) is made-(i) in confidence to a Federal, State, or local government official, either directly or indirectly, or to an attorney; and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (B) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal." Accordingly, Holder has the right to disclose in confidence trade secrets to Federal, State, and local government officials, or to an attorney, for the sole purpose of reporting or investigating a suspected violation of law. Holder also has the right to disclose trade secrets in a document filed in a lawsuit or other proceeding, but only if the filing is made under seal and protected from public disclosure. Nothing in this Agreement is intended to conflict with 18 U.S.C. § 1833(b) or create liability for disclosures of trade secrets that are expressly allowed by 18 U.S.C. § 1833(b). Holder understands that nothing contained in this Agreement limits Holder's ability to file a charge or complaint with the Equal Employment Opportunity Commission, the National Labor Relations Board, the Occupational Safety and Health Administration, the Securities and Exchange Commission or any other federal, state or local governmental agency or commission ("Government Agencies"). Holder further understands that this Agreement does not limit Holder's ability to communicate with any Government Agencies or otherwise participate in any investigation or proceeding that may be conducted by any Government Agency, including providing documents or

other information, without notice to the Company. This Agreement does not limit Holder's right to receive an award for information provided to any Government Agencies.

5.6. **Other Agreements.** Notwithstanding the foregoing and any other language in this Agreement, this Agreement does not supersede or preclude the enforceability of any restrictive covenant provision contained in any prior agreement entered into by Holder. Further, no prior restrictive covenant supersedes or precludes the enforceability of any provision contained in this Agreement.

5.7. **Applicability.** Notwithstanding the foregoing and any other language in this Agreement, Section 5.1 shall not apply to Holder if he or she is below the position of Director level as of the Grant Date.

6. **Enforcement.**

6.1. **Reliance.** Holder acknowledges and agrees that the Company entered into this Agreement in reliance on the provisions of Section 5 and the enforcement of this Agreement is necessary to ensure the preservation, protection and continuity of the business of the Company and its Subsidiaries and other Confidential Information and goodwill of the Company and its Subsidiaries to the extent and for the periods of time expressly agreed to herein. Holder acknowledges and agrees that Holder has carefully read this Agreement and has given careful consideration to the restraints imposed upon Holder by this Agreement, and is in full accord as to their necessity for the reasonable protection of the Company's and its Subsidiaries' interests and the reasonable and proper protection of confidential and proprietary information of the Company and its Subsidiaries now existing or to be developed in the future. Holder expressly acknowledges and agrees that each and every restraint imposed by this Agreement is reasonable with respect to subject matter, time period and geographical area.

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6.2. **Enforcement.** Notwithstanding any provision to the contrary herein, the Company or its Subsidiaries may pursue, at its discretion, enforcement of Section 5 in any court of competent jurisdiction (each, a "Court").

6.3. **Severability.** Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be invalid, illegal or unenforceable in any respect under any applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other provision or any other jurisdiction, but this Agreement shall be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provision had never been contained herein. More specifically, if

any Court determines that any of the covenants set forth in Section 5 are overbroad or unreasonable under applicable law in duration, geographical area or scope, the parties to this Agreement specifically agree and authorize such Court to rewrite this Agreement to reflect the maximum duration, geographical area and/or scope permitted under applicable law.

6.4. Equitable Relief. Because Holder's services are unique and because

Holder has intimate knowledge of and access to confidential information and work product, the parties hereto agree that money damages would not be an adequate remedy for any breach of Section 5, and any breach of the terms of Section 5 would result in irreparable injury and damage to the Company and its Subsidiaries for which the Company and its Subsidiaries would have no adequate remedy at law. Therefore, in the event of a breach or threatened breach of Section 5, the Company or its successors or assigns, in addition to any other rights and remedies existing in their favor at law or in equity, shall be entitled to specific performance and/or immediate injunctive or other equitable relief from a Court in order to enforce, or prevent any violations of, the provisions hereof (without posting a bond or other security), without having to prove damages. The terms of this Section 6 shall not prevent the Company or any of its Subsidiaries from pursuing any other available remedies for any breach or threatened breach of this Agreement, including the recovery of damages from Holder.

7. Transfer Restrictions and Investment Representation.

7.1. Nontransferability of Award. The Award may not be transferred by Holder

other than by will or the laws of descent and distribution or pursuant to the designation of one or more beneficiaries on the form prescribed by the Company. Except to the extent permitted by the foregoing sentence, the Award may not be sold, transferred, assigned, pledged, hypothecated, encumbered or otherwise disposed of (whether by operation of law or otherwise) or be subject to execution, attachment or similar process. Upon any attempt to so sell, transfer, assign, pledge, hypothecate, encumber or otherwise dispose of the Award, the Award and all rights hereunder shall immediately become null and void.

7.2. Investment Representation. Holder hereby represents and covenants that

(a) any sale of any share of Common Stock acquired upon the vesting of the Award shall be made either pursuant to an effective registration statement under the Securities Act of 1933, as amended (the "Securities Act"), and any applicable state securities laws, or pursuant to an exemption from registration under the Securities Act and such state securities laws and (b) if requested by the Company, Holder shall submit a written statement, in a form satisfactory to the

Company, to the effect that such representation is true and correct as of the date of any sale of any such shares. As a further condition precedent to the vesting of the Award and subject to Section 409A

of the Code, Holder shall comply with all regulations and requirements of any regulatory authority having control of or supervision over the issuance or delivery of the shares and, in connection therewith, shall execute any documents which the Board or the Committee shall in its sole discretion deem necessary or advisable.

8. Additional Terms and Conditions of Award.

8.1. Withholding Taxes. As a condition precedent to the delivery to Holder of any shares of Common Stock upon vesting of the Award, Holder shall, upon request by the Company, pay to the Company such amount of cash as the Company may be required, under all applicable federal, state, local or other laws or regulations, to withhold and pay over as income or other withholding taxes (the “Required Tax Payments”) with respect to the Award. If Holder shall fail to advance the Required Tax Payments after request by the Company, the Company may, in its discretion, deduct any Required Tax Payments from any amount then or thereafter payable by the Company to Holder or withhold shares of Common Stock. Holder may elect to satisfy his or her obligation to advance the Required Tax Payments by any of the following means: (i) a cash payment to the Company; (ii) authorizing the Company to withhold from the shares of Common Stock otherwise to be delivered to Holder pursuant to the Award, a number of whole shares of Common Stock having an aggregate Fair Market Value, determined as of the date the obligation to withhold or pay taxes first arises in connection with the Award, equal to the Required Tax Payments; or (iii) any combination of (i) and (ii). Shares to be delivered or withheld may be withheld up to the maximum statutory tax rates in the applicable jurisdictions. Any fraction of a share of Common Stock which would be required to satisfy any such obligation shall be disregarded and the remaining amount due shall be paid in cash by Holder. No shares of Common Stock shall be issued or delivered until the Required Tax Payments have been satisfied in full.

8.2. Adjustment. In the event of a Section 4.2 Event, the adjustments provided for in Section 4.2(b) of the Plan shall be made to the number of shares of Common Stock subject to the Award hereunder.

8.3. Compliance with Applicable Law. The Award is subject to the condition that if the listing, registration or qualification of the shares of Common Stock subject to the Award upon any securities exchange or under any law, or the consent or approval of any governmental body, or the taking of any other action is necessary or desirable as a condition of, or in connection with, the delivery of shares hereunder, the shares of Common Stock subject to the Award shall not be delivered, in whole or in part, unless such listing, registration, qualification, consent, approval or other action shall have been effected or obtained, free of any conditions not acceptable to the Company. The Company agrees to use reasonable efforts to effect or obtain any such listing, registration, qualification, consent, approval or other action.

8.4. **Award Confers No Rights to Continued Employment.** In no event shall the granting of the Award or its acceptance by Holder, or any provision of the Agreement or the Plan, give or be deemed to give Holder any right to continued employment by the Company, any Subsidiary or any affiliate of the Company or affect in any manner the right of the Company, any

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Subsidiary or any affiliate of the Company to terminate the employment of any person at any time.

8.5. **Decisions of Committee.** The Committee shall have the right to resolve all questions which may arise in connection with the Award. Any interpretation, determination or other action made or taken by the Committee regarding the Plan or this Agreement shall be final, binding and conclusive.

8.6. **Successors.** This Agreement shall be binding upon and inure to the benefit of any successor or successors of the Company and any person or persons who shall, upon the death of Holder, acquire any rights hereunder in accordance with this Agreement or the Plan.

8.7. **Notices.** All notices, requests or other communications provided for in this Agreement shall be made, if to the Company, to Burlington Stores, Inc., 2006 Route 130 North, Burlington, NJ 08016, Attention: General Counsel, and if to Holder, to the last known mailing address of Holder contained in the records of the Company. All notices, requests or other communications provided for in this Agreement shall be made in writing either (a) by personal delivery, (b) by facsimile or electronic mail with confirmation of receipt, (c) by mailing in the United States mails or (d) by express courier service. The notice, request or other communication shall be deemed to be received upon personal delivery, upon confirmation of receipt of facsimile or electronic mail transmission or upon receipt by the party entitled thereto if by United States mail or express courier service; provided, however, that if a notice, request or other communication sent to the Company is not received during regular business hours, it shall be deemed to be received on the next succeeding business day of the Company.

8.8. **Governing Law.** This Agreement, the Award and all determinations made and actions taken pursuant hereto and thereto, to the extent not governed by the Code or the laws of the United States, shall be governed by the laws of the State of Delaware and construed in accordance therewith without giving effect to principles of conflicts of laws.

8.9. **Agreement Subject to the Plan.** This Agreement is subject to the provisions of the Plan and shall be interpreted in accordance therewith. In the event that the provisions of this Agreement and the Plan conflict, the Plan shall control. Holder hereby acknowledges receipt of a copy of the Plan.

8.10. Entire Agreement. Except as provided for in Section 5.6, this Agreement and the Plan constitute the entire agreement of the parties with respect to the subject matter hereof and supersede in their entirety all prior undertakings and agreements of the Company and Holder with respect to the subject matter hereof, and may not be modified adversely to Holder's interest except by means of a writing signed by the Company and Holder. Notwithstanding the foregoing, Holder acknowledges that Holder is subject to Company policies relating to trading in the Company's securities.

8.11. Amendment and Waiver. The Company may amend the provisions of this Agreement at any time; provided that an amendment that would adversely affect Holder's rights under this Agreement shall be subject to the written consent of Holder. No course of conduct or

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failure or delay in enforcing the provisions of this Agreement shall affect the validity, binding effect or enforceability of this Agreement.

8.12. Counterparts. The Award Notice may be executed in two counterparts, each of which shall be deemed an original and both of which together shall constitute one and the same instrument.

8.13. Compliance With Section 409A of the Code. This Award is intended to be exempt from or comply with Section 409A of the Code, and shall be interpreted and construed accordingly and each payment hereunder shall be considered a separate payment. To the extent this Agreement provides for the Award to become vested and be settled upon the Holder's termination of employment, the applicable shares of Common Stock shall be transferred to the Holder or his or her beneficiary upon the Holder's "separation from service," within the meaning of Section 409A of the Code; provided that if the Holder is a "specified employee," within the meaning of Section 409A of the Code, then to the extent the Award constitutes nonqualified deferred compensation, within the meaning of Section 409A of the Code, such shares of Common Stock shall be transferred to the Holder or his or her beneficiary upon the earlier to occur of (a) the six-month anniversary of such separation from service and (b) the date of the Holder's death.

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Exhibit 10.62

BURLINGTON STORES, INC.
2013 OMNIBUS INCENTIVE PLAN
STOCK OPTION AWARD NOTICE

[Name of Optionee]

You have been awarded a stock option to purchase shares of common stock of Burlington Stores, Inc., a Delaware corporation (the "Company"), pursuant to the terms and conditions of the Burlington Stores, Inc. 2013 Omnibus Incentive Plan (the "Plan") and the Stock Option Agreement (together with this Award Notice, the "Agreement"). The Stock Option Agreement is attached hereto. Capitalized terms not defined herein shall have the meanings specified in the Plan or the Agreement.

Option: You have been awarded a Non-Qualified Stock Option to purchase from the Company [insert number] shares of Common Stock, par value \$0.0001 per share (the "Common Stock"), subject to adjustment as provided in Section 6.2 of the Agreement.

Option Date: [_____, ____]

Exercise Price: \$[_____] per share, subject to adjustment as provided in Section 6.2 of the Agreement.

Vesting Schedule: Except as otherwise provided in the Plan, the Agreement or any other agreement between the Company or any of its Subsidiaries and Optionee, the Option shall vest 100% on the ____-year anniversary of the Option Date (the "Vesting Date"), if, and only if, you are, and have been, continuously employed by the Company or any of its Subsidiaries from the date of this Agreement through and including the Vesting Date.

Expiration Date: Except to the extent earlier terminated pursuant to Section 2.2 of the Agreement or earlier exercised pursuant to Section 2.3 of the Agreement, the Option shall terminate at 5:00 p.m., U.S. Eastern time, on the tenth anniversary of the Option Date.

BURLINGTON STORES, INC.

By: _____

Name:

Title:

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Acknowledgment, Acceptance and Agreement:

By accepting this grant on the Company's stock plan administrator's website, I hereby accept the Option granted to me and acknowledge and agree to be bound by the terms and conditions of this Award Notice, the Agreement and the Plan.

Participant Name

Date _____

Signature

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**BURLINGTON STORES, INC.
2013 OMNIBUS INCENTIVE PLAN**

Stock Option Agreement

Burlington Stores, Inc., a Delaware corporation (the "Company"), hereby grants to the individual (the "Optionee") named in the stock option award notice attached hereto (the "Award Notice") as of the date set forth in the Award Notice (the "Option Date"), pursuant to the provisions of the Burlington Stores, Inc. 2013 Omnibus Incentive Plan (the "Plan"), an option to purchase from the Company the number of shares of the Company's Common Stock, par value \$0.0001 per share ("Common Stock"), set forth in the Award Notice at the price per share set forth in the Award Notice (the "Exercise Price") (the "Option"), upon and subject to the restrictions, terms and conditions set forth in the Award Notice, the Plan and this agreement (the "Agreement"). Capitalized terms not defined herein shall have the meanings specified in the Plan.

1. Option Subject to Acceptance of Agreement. The Option shall be null and void unless Optionee electronically accepts this Agreement within Optionee's stock plan account with the Company's stock plan administrator according to the procedures then in effect (or, if permitted by the Company, accepts this Agreement by executing the Award Notice in the space provided therefor and returning an original execution copy of the Award Notice to the Company).

2. Time and Manner of Exercise of Option.

2.1. Maximum Term of Option. In no event may the Option be exercised, in whole or in part, after the expiration date set forth in the Award Notice (the "Expiration Date").

2.2. Vesting and Exercise of Option. The Option shall become vested and exercisable in accordance with the Vesting Schedule set forth in the Award Notice. The Option shall be vested and exercisable following a termination of Optionee's employment according to the following terms and conditions:

(a) Termination of Employment due to Death or Disability. If Optionee's employment with the Company and its Subsidiaries terminates prior to the Vesting Date set forth on the Award Notice by reason of Optionee's death or Disability, then in either such case the Option shall become fully vested as of the date of termination and the vested Option may thereafter be exercised by Optionee or Optionee's executor, administrator, or the person or persons to whom the Option is transferred by will or the applicable laws of descent and distribution (the "Legal Representative") until and including the earlier to occur of (i) the date which is 180 days after the date of termination of employment and (ii) the Expiration Date. For purposes of this Agreement, "Disability" shall mean that the Optionee is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than twelve (12) months.

(b) Termination due to a Reduction in Force. Except as provided for in Section 2.2(c), if Optionee's employment with the Company and its Subsidiaries is terminated by the Company or its Subsidiaries prior to the Vesting Date set forth on the Award Notice due to a

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reduction in force, as determined by the Committee in its sole and absolute discretion (provided that Optionee has not committed an act constituting grounds for a termination for Cause), then the Option shall vest on a prorated basis, with such proration determined by multiplying the number of shares of Common Stock subject to the Option on the Option Date by a fraction, the numerator of which is the number of days that have occurred since the Option Date through the date of the Optionee's termination of employment in accordance with this Section 2.2(b) and the denominator of which is the total number of days between the Option Date and the Vesting Date set forth on the Award Notice, and the vested Option may thereafter be exercised by Optionee or Optionee's Legal Representative until and including the earlier to occur of (A) the date which is 180 days after the date of termination of employment and (B) the Expiration Date. The portion of the Option that does not become vested in accordance with this Section 2.2(b) shall terminate immediately upon such termination of employment.

(c) Change in Control Qualifying Termination. If Optionee's employment with the Company and its Subsidiaries terminates prior to the Vesting Date set forth on the Award Notice due to a Change in Control Qualifying Termination, then the Option shall become fully vested as of the date of termination of employment, and the vested Option may thereafter be exercised by Optionee or Optionee's Legal Representative until and including the earlier to occur of (i) the date which is 180 days after the date of termination of employment and (ii) the Expiration Date. Except as otherwise provided in any other agreement between the Company or any of its Subsidiaries and Optionee, a Change in Control Qualifying Termination means (x) if Optionee is a party to an employment agreement with the Company or one of its Subsidiaries or are subject to the Burlington Stores, Inc.

Executive Severance Plan (Merchandising & Planning) (the “Severance Plan”) on the Option Date, then a termination of Optionee’s employment by the Company or a Subsidiary without Cause or resignation by Optionee for Good Reason within the two year period immediately following a Change in Control or (y) if Optionee is not a party to an employment agreement with the Company or one of its Subsidiaries or subject to the Severance Plan on the Option Date, then a termination of Optionee’s employment by the Company or a Subsidiary without Cause within the one year period immediately following a Change in Control. Notwithstanding anything in this Agreement or in the Plan to the contrary, for purposes of this Agreement, (A) in the case of clause (x) of the preceding sentence, if Optionee is a party to an employment agreement with the Company or one of its Subsidiaries on the Option Date, “Cause” and “Good Reason” shall have the meanings provided in the terms of such employment agreement and if Optionee is not a party to an employment agreement with the Company or one of its Subsidiaries on the Option Date, “Cause” and “Good Reason” shall have the meanings provided in the terms of the Severance Plan, as in effect on the Option Date and (B) in the case of clause (y) of the preceding sentence, “Cause” shall have the meaning provided in the Plan.

(d) Termination for Cause. If (i) Optionee’s employment with the Company and its Subsidiaries terminates by reason of the termination of Optionee’s employment by the Company or its Subsidiaries for Cause or (ii) Optionee breaches any non-competition obligation Optionee has to the Company or any of its Subsidiaries under any agreement, then the Option, whether or not vested, shall terminate immediately upon such termination of employment.

(e) Termination for any other Reason. If Optionee’s employment with the Company and its Subsidiaries is terminated by the Company or Optionee for any reason other than as specified in Sections 2.2(a)–(d), then the Option, to the extent vested on the effective date

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of such termination of employment, may thereafter be exercised by Optionee or Optionee’s Legal Representative until and including the earlier to occur of (i) the date which is 180 days after the date of such termination of employment and (ii) the Expiration Date.

2.3. Method of Exercise. Subject to the limitations set forth in this Agreement, the Option, to the extent vested, may be exercised by Optionee (a) by delivering to the Company an exercise notice in the form prescribed by the Company specifying the number of whole shares of Common Stock to be purchased and by accompanying such notice with payment therefor in full (or by arranging for such payment to the Company’s satisfaction) either (i) in cash, (ii) by authorizing the Company to withhold whole shares of Common Stock which would otherwise be delivered having an aggregate Fair Market Value, determined as of the date of exercise, equal to the amount necessary to satisfy such obligation, (iii) except as may be prohibited by applicable law, in cash by a broker-dealer acceptable to the Company to whom Optionee has submitted an irrevocable notice of exercise or (iv)

by a combination of (i) and (ii), and (b) by executing such documents as the Company may reasonably request. Any fraction of a share of Common Stock which would be required to pay such purchase price shall be disregarded and the remaining amount due shall be paid in cash by Optionee. No share of Common Stock shall be issued or delivered until the full purchase price therefor and any withholding taxes thereon, as described in Section 6.1, have been paid.

2.4. Termination of Option. In no event may the Option be exercised after it terminates as set forth in this Section 2.4. The Option shall terminate, to the extent not earlier terminated pursuant to Section 2.2 or exercised pursuant to Section 2.3, on the Expiration Date. Upon the termination of the Option, the Option and all rights hereunder shall immediately become null and void.

3. Non-Compete, Non-Solicitation; Confidentiality.

3.1. Non-Compete. In further consideration of the Option granted to Optionee hereunder, Optionee acknowledges and agrees that during the course of Optionee's employment with the Company and its Subsidiaries, Optionee shall become familiar, and during Optionee's employment with the predecessors of the Company and its Subsidiaries, Optionee has become familiar, with the Company's and its Subsidiaries' trade secrets and with other confidential information and that Optionee's services have been and shall be of special, unique and extraordinary value to the Company and its Subsidiaries, and therefore, Optionee agrees that, during his or her employment with the Company and its Subsidiaries and, if Optionee's employment with the Company and its Subsidiaries terminates for any reason, for a period of two (2) years thereafter (the "Non-Compete Period"), Optionee shall not directly or indirectly (whether as an owner, partner, shareholder, agent, officer, director, employee, independent contractor, consultant or otherwise) own any interest in, operate, invest in, manage, control, participate in, consult with, render services for (alone or in association with any person or entity), in any manner engage in any business activity on behalf, or undertake any planning to engage in any of the foregoing activities in connection with, of a Competing Business within any geographical area in which the Company or its Subsidiaries currently operates or plans to operate. Nothing herein shall prohibit Optionee from being a passive owner of not more than 2% of the outstanding stock of any class of a corporation which is publicly traded, so long as Optionee has no active participation in the business of such corporation. For purposes of this

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Agreement, "Competing Business" means each of the following entities, together with their respective subsidiaries, affiliates, successors and assigns: Macy's, Inc., the TJX Companies, Inc. and Ross Stores, Inc.

3.2.

Non-Solicitation. During the Non-Compete Period, Optionee shall not,

directly or indirectly, and shall ensure that any person or entity controlled by Optionee does not, (a) induce or attempt to induce any employee of the Company or any Subsidiary to leave the employ of the Company or such Subsidiary, or in any way interfere with the relationship between the Company or any Subsidiary and any employee thereof, (b) hire, directly or through another person, any person (whether or not solicited) who was an employee of the Company or any Subsidiary at any time within the one year period before Optionee's termination from employment, (c) induce or attempt to induce any customer, supplier, licensee, licensor, franchisee or other business relation of the Company or any Subsidiary to cease doing business with the Company or such Subsidiary, assist any Competing Business or in any way interfere with the relationship between any such customer, supplier, licensee or business relation and the Company or any Subsidiary or (d) make or solicit or encourage others to make or solicit directly or indirectly any defamatory statement or communication about the Company or any of its Subsidiaries or any of their respective businesses, products, services or activities (it being understood that such restriction shall not prohibit truthful testimony compelled by valid legal process).

3.3.

Confidentiality. Optionee acknowledges and agrees that the information,

observations and data (including trade secrets) obtained by Optionee while employed by the Company and its Subsidiaries concerning the business or affairs of the Company and its Subsidiaries are the confidential information ("Confidential Information"), and the property, of the Company and/or its Subsidiaries. Without limiting the foregoing, the term "Confidential Information" shall be interpreted as broadly as possible to include all observations, data and other information of any sort that are (a) related to any past, current or potential business of the Company or any of its Subsidiaries or any of their respective predecessors, and any other business related to any of the foregoing, and (b) not generally known to and available for use by those within the line of business or industry of the Company or by the public (except to the extent such information has become generally known to and available for use by the public as a direct or indirect result of Optionee's acts or omissions) including all (i) work product; (ii) information concerning development, acquisition or investment opportunities in or reasonably related to the business or industry of the Company or any of its Subsidiaries of which Optionee is aware or becomes aware during the term of his employment; (iii) information identifying or otherwise concerning any current, former or prospective suppliers, distributors, contractors, agents or customers of the Company or any of its Subsidiaries; (iv) development, transition, integration and transformation plans, methodologies, processes and methods of doing business; (v) strategic, marketing, promotional and financial information (including all financial statements), business and expansion plans, including plans and information regarding planned, projected and/or potential sales, pricing, discount and cost information; (vi) information identifying or otherwise concerning employees, independent contractors and consultants; (vii) information on new and existing programs and services, prices, terms, and related information; (viii) all information marked, or otherwise designated, as confidential by the Company or any of its Subsidiaries or which Optionee should reasonably know is

confidential or proprietary information of the Company or any of its Subsidiaries; (ix) all information or materials similar or

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related to any of the foregoing, in whatever form or medium, whether now existing or arising hereafter (and regardless of whether merely stored in the mind of Optionee or employees or consultants of the Company or any of its Subsidiaries, or embodied in a tangible form or medium); and (x) all tangible embodiments of any of the foregoing.

3.4. **Disclosure.** Optionee agrees that, except as required by law or court order, including, without limitation, depositions, interrogatories, court testimony, and the like (and in such case provided that Optionee must give the Company and/or its Subsidiaries, as applicable, prompt written notice of any such legal requirement, disclose no more information than is so required and seek, at the Company's sole cost and expense, confidential treatment where available and cooperate fully with all efforts by the Company and/or its Subsidiaries to obtain a protective order or similar confidentiality treatment for such information), Optionee shall not disclose to any unauthorized person or entity or use for Optionee's own purposes any Confidential Information without the prior written consent of the Board, unless and to the extent that the Confidential Information becomes generally known to and available for use by the public other than as a direct or indirect result of Optionee's acts or omissions. Optionee shall deliver to the Company at the time Optionee's employment ceases, or at any other time the Company may request, all memoranda, notes, plans, records, reports, computer tapes, printouts and software and other documents and data (and copies thereof) embodying or relating to the Confidential Information (including any work product) or the business of the Company and its Subsidiaries which Optionee may then possess or have under Optionee's control and if, at any time thereafter, any such materials are brought to Optionee's attention or Optionee discovers them in his possession or control, Optionee shall deliver such materials to the Company immediately upon such notice or discovery.

3.5. **Protected Rights.** Pursuant to 18 U.S.C. § 1833(b), "an individual shall not be held criminally or civilly liable under any Federal or State trade secret law for the disclosure of a trade secret that-(A) is made-(i) in confidence to a Federal, State, or local government official, either directly or indirectly, or to an attorney; and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (B) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal." Accordingly, Optionee has the right to disclose in confidence trade secrets to Federal, State, and local government officials, or to an attorney, for the sole purpose of reporting or investigating a suspected violation of law. Optionee also has the right to disclose trade secrets in a document filed in a lawsuit or other proceeding, but only if the filing is made under seal and protected from public disclosure. Nothing in this Agreement is intended to conflict with

18 U.S.C. § 1833(b) or create liability for disclosures of trade secrets that are expressly allowed by 18 U.S.C. § 1833(b). Optionee understands that nothing contained in this Agreement limits Optionee's ability to file a charge or complaint with the Equal Employment Opportunity Commission, the National Labor Relations Board, the Occupational Safety and Health Administration, the Securities and Exchange Commission or any other federal, state or local governmental agency or commission ("Government Agencies"). Optionee further understands that this Agreement does not limit Optionee's ability to communicate with any Government Agencies or otherwise participate in any investigation or proceeding that may be conducted by any Government Agency, including providing documents or other information, without notice to the Company. This Agreement does not limit Optionee's right to receive an award for information provided to any Government Agencies.

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3.6. Other Agreements. Notwithstanding the foregoing and any other language in this Agreement, this Agreement does not supersede or preclude the enforceability of any restrictive covenant provision contained in any prior agreement entered into by Optionee. Further, no prior restrictive covenant supersedes or precludes the enforceability of any provision contained in this Agreement.

3.7. Applicability. Notwithstanding the foregoing and any other language in this Agreement, Section 3.1 shall not apply to Optionee if he or she is below the position of Director level as of the Option Date.

4. Enforcement.

4.1. Reliance. Optionee acknowledges and agrees that the Company entered into this Agreement in reliance on the provisions of Section 3 and the enforcement of this Agreement is necessary to ensure the preservation, protection and continuity of the business of the Company and its Subsidiaries and other Confidential Information and goodwill of the Company and its Subsidiaries to the extent and for the periods of time expressly agreed to herein. Optionee acknowledges and agrees that Optionee has carefully read this Agreement and has given careful consideration to the restraints imposed upon Optionee by this Agreement, and is in full accord as to their necessity for the reasonable protection of the Company's and its Subsidiaries' interests and the reasonable and proper protection of confidential and proprietary information of the Company and its Subsidiaries now existing or to be developed in the future. Optionee expressly acknowledges and agrees that each and every restraint imposed by this Agreement is reasonable with respect to subject matter, time period and geographical area.

4.2. Enforcement. Notwithstanding any provision to the contrary herein, the Company or its Subsidiaries may pursue, at its discretion, enforcement of Section 3 in any court of

competent jurisdiction (each, a "Court").

4.3. **Severability.** Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be invalid, illegal or unenforceable in any respect under any applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other provision or any other jurisdiction, but this Agreement shall be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provision had never been contained herein. More specifically, if any Court determines that any of the covenants set forth in Section 3 are overbroad or unreasonable under applicable law in duration, geographical area or scope, the parties to this Agreement specifically agree and authorize such Court to rewrite this Agreement to reflect the maximum duration, geographical area and/or scope permitted under applicable law.

4.4. **Equitable Relief.** Because Optionee's services are unique and because Optionee has intimate knowledge of and access to confidential information and work product, the parties hereto agree that money damages would not be an adequate remedy for any breach of Section 3, and any breach of the terms of Section 3 would result in irreparable injury and damage to the Company and its Subsidiaries for which the Company and its Subsidiaries would have no adequate remedy at law. Therefore, in the event of a breach or threatened breach of Section 3, the

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Company or its successors or assigns, in addition to any other rights and remedies existing in their favor at law or in equity, shall be entitled to specific performance and/or immediate injunctive or other equitable relief from a Court in order to enforce, or prevent any violations of, the provisions hereof (without posting a bond or other security), without having to prove damages. The terms of this Section 4.4 shall not prevent the Company or any of its Subsidiaries from pursuing any other available remedies for any breach or threatened breach of this Agreement, including the recovery of damages from Optionee.

5. Transfer Restrictions and Investment Representations.

5.1. **Nontransferability of Option.** The Option may not be transferred by Optionee other than by will or the laws of descent and distribution or pursuant to the designation of one or more beneficiaries on the form prescribed by the Company. Except to the extent permitted by the foregoing sentence, (a) during Optionee's lifetime the Option is exercisable only by Optionee or Optionee's Legal Representative and (b) the Option may not be sold, transferred, assigned, pledged, hypothecated, encumbered or otherwise disposed of (whether by operation of law or otherwise) or be subject to execution, attachment or similar process. Upon any attempt to so sell, transfer, assign,

pledge, hypothecate, encumber or otherwise dispose of the Option, the Option and all rights hereunder shall immediately become null and void.

5.2. Investment Representation. Optionee hereby represents and covenants that (a) any shares of Common Stock purchased upon exercise of the Option will be purchased for investment and not with a view to the distribution thereof within the meaning of the Securities Act of 1933, as amended (the "Securities Act"), unless such purchase has been registered under the Securities Act and any applicable state securities laws; (b) any subsequent sale of any such shares shall be made either pursuant to an effective registration statement under the Securities Act and any applicable state securities laws, or pursuant to an exemption from registration under the Securities Act and such state securities laws; and (c) if requested by the Company, Optionee shall submit a written statement, in a form satisfactory to the Company, to the effect that such representation (i) is true and correct as of the date of any purchase of any shares hereunder or (ii) is true and correct as of the date of any sale of any such shares, as applicable. As a further condition precedent to any exercise of the Option, Optionee shall comply with all regulations and requirements of any regulatory authority having control of or supervision over the issuance or delivery of the shares and, in connection therewith, shall execute any documents which the Board or the Committee shall in its sole discretion deem necessary or advisable.

6. Additional Terms and Conditions.

6.1. Withholding Taxes. As a condition precedent to the issuance of Common Stock following the exercise of the Option, Optionee shall, upon request by the Company, pay to the Company in addition to the purchase price of the shares, such amount of cash as the Company may be required, under all applicable federal, state, local or other laws or regulations, to withhold and pay over as income or other withholding taxes (the "Required Tax Payments") with respect to such exercise of the Option. If Optionee shall fail to advance the Required Tax Payments after request by the Company, the Company may, in its discretion, deduct any Required Tax Payments from any amount then or thereafter payable by the Company to Optionee or withhold shares of Common Stock. Optionee may elect to satisfy his or her

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obligation to advance the Required Tax Payments by any of the following means: (i) a cash payment to the Company; (ii) authorizing the Company to withhold whole shares of Common Stock which would otherwise be delivered to Optionee upon exercise of the Option having an aggregate Fair Market Value, determined as of the date the obligation to withhold or pay taxes first arises in connection with the Option, equal to the Required Tax Payments; (iii) except as may be prohibited by applicable law, a cash payment by a broker-dealer acceptable to the Company to whom Optionee has submitted an irrevocable notice of exercise or (iv) any combination of (i) and (ii). Shares to be delivered or withheld

may be withheld up to the maximum statutory tax rates in the applicable jurisdictions. Any fraction of a share of Common Stock which would be required to satisfy any such obligation shall be disregarded and the remaining amount due shall be paid in cash by Optionee. No shares of Common Stock shall be issued or delivered until the Required Tax Payments have been satisfied in full.

6.2. Adjustment. In the event of a Section 4.2 Event, the adjustments provided for in Section 4.2(b) of the Plan shall be made to the number of shares of Common Stock subject to the Option and the related Exercise Price, subject to Section 409A of the Code.

6.3. Compliance with Applicable Law. The Option is subject to the condition that if the listing, registration or qualification of the shares of Common Stock subject to the Option upon any securities exchange or under any law, or the consent or approval of any governmental body, or the taking of any other action is necessary or desirable as a condition of, or in connection with, the purchase or issuance of shares hereunder, the Option may not be exercised, in whole or in part, and such shares may not be issued, unless such listing, registration, qualification, consent, approval or other action shall have been effected or obtained, free of any conditions not acceptable to the Company. The Company agrees to use reasonable efforts to effect or obtain any such listing, registration, qualification, consent, approval or other action.

6.4. Issuance or Delivery of Shares. Upon the exercise of the Option, in whole or in part, the Company shall issue or deliver, subject to the conditions of this Agreement, the number of shares of Common Stock purchased against full payment therefor. Such issuance shall be evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company. The Company shall pay all original issue or transfer taxes and all fees and expenses incident to such issuance, except as otherwise provided in Section 6.1.

6.5. Option Confers No Rights as Stockholder. Optionee shall not be entitled to any privileges of ownership with respect to shares of Common Stock subject to the Option unless and until such shares are purchased and issued upon the exercise of the Option, in whole or in part, and Optionee becomes a stockholder of record with respect to such issued shares. Optionee shall not be considered a stockholder of the Company with respect to any such shares not so purchased and issued.

6.6. Option Confers No Rights to Continued Employment. In no event shall the granting of the Option or its acceptance by Optionee, or any provision of the Agreement or the Plan, give or be deemed to give Optionee any right to continued employment by the Company, any Subsidiary or any affiliate of the Company or affect in any manner the right of the Company,

any Subsidiary or any affiliate of the Company to terminate the employment of any person at any time.

6.7. Decisions of Committee. The Committee shall have the right to resolve all questions which may arise in connection with the Option or its exercise. Any interpretation, determination or other action made or taken by the Committee regarding the Plan or this Agreement shall be final, binding and conclusive.

6.8. Successors. This Agreement shall be binding upon and inure to the benefit of any successor or successors of the Company and any person or persons who shall, upon the death of Optionee, acquire any rights hereunder in accordance with this Agreement or the Plan.

6.9. Notices. All notices, requests or other communications provided for in this Agreement shall be made, if to the Company, to Burlington Stores, Inc., 2006 Route 130 North, Burlington, NJ 08016, Attention: General Counsel, and if to Optionee, to the last known mailing address of Optionee contained in the records of the Company. All notices, requests or other communications provided for in this Agreement shall be made in writing either (a) by personal delivery, (b) by facsimile or electronic mail with confirmation of receipt, (c) by mailing in the United States mails or (d) by express courier service. The notice, request or other communication shall be deemed to be received upon personal delivery, upon confirmation of receipt of facsimile or electronic mail transmission or upon receipt by the party entitled thereto if by United States mail or express courier service; provided, however, that if a notice, request or other communication sent to the Company is not received during regular business hours, it shall be deemed to be received on the next succeeding business day of the Company.

6.10. Governing Law. This Agreement, the Option and all determinations made and actions taken pursuant hereto and thereto, to the extent not governed by the Code or the laws of the United States, shall be governed by the laws of the State of Delaware and construed in accordance therewith without giving effect to principles of conflicts of laws.

6.11. Agreement Subject to the Plan. This Agreement is subject to the provisions of the Plan and shall be interpreted in accordance therewith. In the event that the provisions of this Agreement and the Plan conflict, the Plan shall control. Optionee hereby acknowledges receipt of a copy of the Plan.

6.12. Entire Agreement. Except as provided for in Section 3.6, this Agreement and the Plan constitute the entire agreement of the parties with respect to the subject matter hereof and supersede in their entirety all prior undertakings and agreements of the Company and Optionee with respect to the subject matter hereof, and may not be modified adversely to Optionee's interest except by means of a writing signed by the Company and Optionee. Notwithstanding the foregoing,

Optionee acknowledges that Optionee is subject to Company policies relating to trading in the Company's securities.

6.13. Amendment and Waiver. The Company may amend the provisions of this Agreement at any time; provided that an amendment that would adversely affect Optionee's rights under this Agreement shall be subject to the written consent of Optionee. No course of

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conduct or failure or delay in enforcing the provisions of this Agreement shall affect the validity, binding effect or enforceability of this Agreement.

6.14. Counterparts. The Award Notice may be executed in two counterparts, each of which shall be deemed an original and both of which together shall constitute one and the same instrument.

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Exhibit 21.1

Subsidiaries of Burlington Stores, Inc.

Exact Name of Subsidiaries of Registrant as Specified in their Charter	State or Other Jurisdiction of Incorporation or Organization
Burlington Holdings, LLC	Delaware
Burlington Holdings Finance, Inc.	Delaware
Burlington Coat Factory Holdings, LLC	Delaware
Burlington Coat Factory Investments Holdings, Inc.	Delaware
Burlington Coat Factory Warehouse Corporation	Florida
Burlington Merchandising Corporation	Delaware
Burlington Coat Factory of Texas, Inc.	Florida
Burlington Coat Factory of Texas, L.P.	Florida
Burlington Coat Factory of Kentucky, Inc.	Kentucky
Burlington Coat Factory Realty of Edgewater Park, Inc.	New Jersey
Burlington Coat Factory Realty of Pinebrook, Inc.	New Jersey

Burlington Coat Factory Warehouse of Edgewater Park, Inc.	New Jersey
Burlington Coat Factory Warehouse of Edgewater Park Urban Renewal Corp.	New Jersey
Burlington Coat Factory Warehouse of New Jersey, Inc.	New Jersey
BCF Florence Urban Renewal, LLC	New Jersey
BCF Florence Urban Renewal II, LLC	New Jersey
Burlington Coat Factory of Puerto Rico, LLC	Puerto Rico
Cohoes Fashions of Cranston, Inc.	Rhode Island
Burlington Coat Factory Warehouse of Baytown, Inc.	Texas
Burlington Coat Factory of Pocono Crossing, LLC	Virginia
Florence Insurance Company, Inc.	New Jersey
Burlington Distribution Corp.	Delaware
Burlington Stores Charitable Foundation	Delaware

Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in Registration Statement No. **333-191637** and **333-265071** on Form S-8 of our reports dated **March 16, 2022** **March 13, 2023**, relating to the financial statements of Burlington Stores, Inc. and subsidiaries, and the effectiveness of Burlington Stores, Inc.'s internal control over financial reporting appearing in this Annual Report on Form 10-K for the year ended **January 29, 2022** **January 28, 2023**.

/s/ Deloitte & Touche LLP

Parsippany, New Jersey **York, New York**

March **16, 2022** **13, 2023**

Exhibit 31.1

I, Michael O'Sullivan, certify that:

1. I have reviewed this annual report on Form 10-K 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: **March 16, 2022** March 13, 2023

/s/ Michael O'Sullivan

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

Exhibit 31.2

I, John Crimmins, Kristin Wolfe, certify that:

1. I have reviewed this annual report on Form 10-K 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: March 16, 2022 March 13, 2023

/s/ John Crimmins Kristin Wolfe

John Crimmins Kristin Wolfe

Executive Vice President and 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 Annual Report of Burlington Stores, Inc. (the "Company") on Form 10-K for the period ending January 29, 2022 January 28, 2023, 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: **March 16, 2022** **March 13, 2023**

/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 Annual Report of Burlington Stores, Inc. (the "Company") on Form 10-K for the period ending **January 29, 2022** **January 28, 2023**, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, **John Crimmins**, **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: **March 16, 2022** **March 13, 2023**

/s/ **John Crimmins** **Kristin Wolfe**

John Crimmins **Kristin Wolfe**
Executive Vice President and **Chief Financial**
Officer
(Principal Financial Officer)

DISCLAIMER

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