

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
450 Fifth Street NW  
Washington, D.C. 29549

## Form 8-K

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

Date of Report (Date of earliest event reported): August 22, 2024

### **THE CATO CORPORATION**

(Exact Name of Registrant as Specified in Its Charter)

Delaware  
(State or Other Jurisdiction  
of Incorporation)

1-31340  
(Commission  
File Number)

56-0484485  
(IRS Employer  
Identification No.)

8100 Denmark Road, Charlotte, North Carolina  
(Address of Principal Executive Offices)

28273-5975  
(Zip Code)

(704) 554-8510  
(Registrant's Telephone Number, Including Area Code)

Not Applicable  
(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A - Common Stock, par value \$.033 per share	CATO	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

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.

## THE CATO CORPORATION

### **Item 2.02. Results of Operations and Financial Condition**

On August 22, 2024, The Cato Corporation issued a press release regarding its financial results for the second quarter ending August 3, 2024. A copy of this press release is hereby incorporated as Exhibit 99.1 hereto.

### **Item 9.01. Financial Statements and Exhibits.**

(d) Exhibits

[Exhibit 99.1 - Press Release issued August 22, 2024](#)

Exhibit 104 – Cover Page Interactive Data File (embedded within Inline XBRL document)

**Signatures**

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

THE CATO CORPORATION

August 27, 2024

Date

/s/ John P. D. Cato

John P. D. Cato  
Chairman, President and  
Chief Executive Officer

August 27, 2024

Date

/s/ Charles D. Knight

Charles D. Knight  
Executive Vice President  
Chief Financial Officer

## Exhibit Index

<b><u>Exhibit</u></b>	<b><u>Exhibit No.</u></b>
<a href="#">99.1 - Press Release issued August 22, 2024</a>	99.1
104 Cover page Interactive Data File (embedded within Inline XBRL document)	104

**NEWS RELEASE**  
**FOR IMMEDIATE RELEASE**

For Further Information Contact:

Charles D. Knight  
Executive Vice President  
Chief Financial Officer  
InvestorRelations@catocorp.com

**CATO REPORTS 2Q RESULTS**

CHARLOTTE, N.C. (August 22, 2024) – The Cato Corporation (NYSE: CATO) today reported net income of \$0.1 million or \$0.01 per diluted share for the second quarter ended August 3, 2024, compared to net income of \$1.1 million or \$0.06 per diluted share for the second quarter ended July 29, 2023.

Sales for the second quarter ended August 3, 2024 were \$166.9 million, a decrease of 8% from sales of \$181.2 million for the second quarter ended July 29, 2023 primarily due to closed stores in 2023 and a 2% same-store sales decrease for the quarter compared to 2023.

For the six months ended August 3, 2024, the Company reported net income of \$11.1 million or \$0.54 per diluted share, compared to net income of \$5.6 million or \$0.27 per diluted share for the six months ended July 29, 2023. Sales for the six months ended August 3, 2024 were \$342.2 million, a decrease of 8% from sales of \$371.5 million for the six months ended July 29, 2023 primarily due to closed stores in 2023 and a 4% same-store sales decrease compared to 2023.

“Although the second quarter sales trend improved, the sales environment continues to be challenged by negative pressure on our customers’ discretionary spending,” stated John Cato, Chairman, President, and Chief Executive Officer. “We continue to manage our SG&A expenses tightly in line with our current sales trend. We believe the back half of the year will remain challenging.”

Gross margin decreased from 35.1% to 34.6% of sales in the quarter due to higher distribution costs and deleveraging of occupancy and buying costs, partially offset by higher merchandise margins. SG&A expenses as a percent of sales increased from 34.0% to 34.9% of sales during the quarter primarily due to deleveraging of payroll costs partially offset by lower closed store and advertising expenses. However, SG&A expenses in the quarter were \$3.4 million lower than last year due to lower payroll and insurance costs, equity compensation and advertising expenses. Tax expense for the quarter was \$0.6 million versus \$1.3 million in the prior year. The decrease in tax expense is primarily due to lower taxable income, valuation allowances against net deferred tax assets and the impact of the foreign rate differential and lower state income taxes.

Year-to-date gross margin decreased from 35.5% of sales to 35.2% primarily due to higher distribution costs and deleveraging of occupancy and buying costs, partially offset by higher merchandise margins. Year-to-date SG&A expenses were 33.6% as a percent of sales versus 33.3% in the prior year primarily due to deleveraging of payroll costs and higher insurance costs, partially offset by lower closed store and advertising expenses. SG&A expenses year-to-date were \$8.6 million lower than last year due to lower payroll costs and equity compensation, and closed store and advertising expenses, partially offset by higher insurance expense. Income tax expense for the first half decreased to \$1.3 million from \$3.5 million last year, primarily due to valuation allowances against net deferred tax assets and the impact of the foreign rate differential and lower state income taxes.

During the second quarter ended August 3, 2024, the Company closed five stores. As of August 3, 2024, the Company had 1,166 stores in 31 states, compared to 1,247 stores in 31 states as of July 29, 2023.

The Cato Corporation is a leading specialty retailer of value-priced fashion apparel and accessories operating three concepts, “Cato,” “Versona” and “It’s Fashion.” The Company’s Cato stores offer exclusive merchandise with fashion and quality comparable to mall specialty stores at low prices every day. The Company also offers exclusive merchandise found in its Cato stores at [www.catofashions.com](http://www.catofashions.com). Versona is a unique fashion destination offering apparel and accessories including jewelry, handbags and shoes at exceptional prices every day. Select Versona merchandise can also be found at [www.shopversona.com](http://www.shopversona.com). It’s Fashion offers fashion with a focus on the latest trendy styles for the entire family at low prices every day.

*Statements in this press release that express a belief, expectation or intention, as well as those that are not a historical fact, including, without limitation, statements regarding the Company’s expected or estimated operational financial results, activities or opportunities, and potential impacts and effects of the coronavirus are considered “forward-looking” within the meaning of The Private Securities Litigation Reform Act of 1995. Such forward-looking statements are based on current expectations that are subject to known and unknown risks, uncertainties and other factors that could cause actual results to differ materially from those contemplated by the forward-looking statements. Such factors include, but are not limited to, any actual or perceived deterioration in the conditions that drive consumer confidence and spending, including, but not limited to, prevailing social, economic, political and public health conditions and uncertainties, levels of unemployment, fuel, energy and food costs, wage rates, tax rates, interest rates, home values, consumer net worth and the availability of credit; changes in laws or regulations affecting our business including but not limited to tariffs; uncertainties regarding the impact of any governmental action regarding, or responses to, the foregoing conditions; competitive factors and pricing pressures; our ability to predict and respond to rapidly changing fashion trends and consumer demands; our ability to successfully implement our new store development strategy to increase new store openings and the ability of any such new stores to grow and perform as expected; adverse weather, public health threats (including the global coronavirus (COVID-19) outbreak) or similar conditions that may affect our sales or operations; inventory risks due to shifts in market demand, including the ability to liquidate excess inventory at anticipated margins; and other factors discussed under “Risk Factors” in Part I, Item 1A of the Company’s most recently filed annual report on Form 10-K and in other reports the Company files with or furnishes to the SEC from time to time. The Company does not undertake to publicly update or revise the forward-looking statements even if experience or future changes make it clear that the projected results expressed or implied therein will not be realized. The Company is not responsible for any changes made to this press release by wire or Internet services*

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**THE CATO CORPORATION**  
**CONDENSED CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)**  
**FOR THE PERIODS ENDED August 3, 2024 AND July 29, 2023**  
(Dollars in thousands, except per share data)

	Quarter Ended				Six Months Ended			
	August 3, 2024	% Sales	July 29, 2023	% Sales	August 3, 2024	% Sales	July 29, 2023	% Sales
<b>REVENUES</b>								
Retail sales	\$ 166,934	100.0%	\$ 181,181	100.0%	\$ 342,206	100.0%	\$ 371,492	100.0%
Other revenue (principally finance, late fees and layaway charges)	1,694	1.0%	1,690	0.9%	3,521	1.0%	3,429	0.9%
Total revenues	<b>168,628</b>	<b>101.0%</b>	182,871	100.9%	<b>345,727</b>	<b>101.0%</b>	374,921	100.9%
<b>GROSS MARGIN (Memo)</b>	<b>57,812</b>	<b>34.6%</b>	63,564	35.1%	<b>120,579</b>	<b>35.2%</b>	131,788	35.5%
<b>COSTS AND EXPENSES, NET</b>								
Cost of goods sold	109,122	65.4%	117,617	64.9%	221,627	64.8%	239,704	64.5%
Selling, general and administrative	58,181	34.9%	61,618	34.0%	114,933	33.6%	123,552	33.3%
Depreciation	2,329	1.4%	2,510	1.4%	4,369	1.3%	4,867	1.3%
Interest and other income	(1,742)	-1.0%	(1,334)	-0.7%	(7,563)	-2.2%	(2,231)	-0.6%
Costs and expenses, net	<b>167,890</b>	<b>100.6%</b>	180,411	99.6%	<b>333,366</b>	<b>97.4%</b>	365,892	98.5%
Income Before Income Taxes	738	0.4%	2,460	1.4%	12,361	3.6%	9,029	2.4%
Income Tax Expense	643	0.4%	1,333	0.7%	1,292	0.4%	3,475	0.9%
Net Income (Loss)	<u>\$ 95</u>	<u>0.1%</u>	<u>\$ 1,127</u>	<u>0.6%</u>	<u>\$ 11,069</u>	<u>3.2%</u>	<u>\$ 5,554</u>	<u>1.5%</u>
Basic Earnings Per Share	<u>\$ 0.01</u>		<u>\$ 0.06</u>		<u>\$ 0.54</u>		<u>\$ 0.27</u>	
Diluted Earnings Per Share	<u>\$ 0.01</u>		<u>\$ 0.06</u>		<u>\$ 0.54</u>		<u>\$ 0.27</u>	

**THE CATO CORPORATION**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
(Dollars in thousands)

	<b>August 3, 2024</b>	February 3, 2024
	<u>(Unaudited)</u>	<u>(Unaudited)</u>
<b>ASSETS</b>		
Current Assets		
Cash and cash equivalents	\$ 30,764	\$ 23,940
Short-term investments	73,902	79,012
Restricted cash	3,562	3,973
Accounts receivable - net	29,772	29,751
Merchandise inventories	95,972	98,603
Other current assets	<u>9,506</u>	<u>7,783</u>
Total Current Assets	243,478	243,062
Property and Equipment - net	63,975	64,022
Other Assets	22,340	25,047
Right-of-Use Assets, net	<u>125,779</u>	<u>154,686</u>
TOTAL	<u>\$ 455,572</u>	<u>\$ 486,817</u>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current Liabilities		
Current Lease Liability	\$ 122,498	\$ 126,900
Noncurrent Liabilities	51,091	61,108
Lease Liability	14,573	14,475
Stockholders' Equity	72,348	92,013
TOTAL	<u>195,062</u>	<u>192,321</u>
TOTAL	<u>\$ 455,572</u>	<u>\$ 486,817</u>



