

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): May 20, 2021

**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 May 20, 2021, The Cato Corporation (the “Company”) issued a press release regarding its financial results for the first quarter ending May 1, 2021. A copy of this press release is furnished as Exhibit 99.1 hereto.

### Item 5.07. Submission of Matters to a Vote of Security Holders.

On May 20, 2021, the Registrant held its Annual Meeting. The following are the voting results on each matter submitted to the Registrant’s stockholders at the Annual Meeting. The proposals below are described in detail in the Proxy Statement.

At the Annual Meeting, the three nominees for director were elected to the Registrant’s Board of Directors (Proposal 1 below).

In addition, management’s proposal to amend and restate the Cato Corporation 2013 Employee Stock Purchase Plan was approved (Proposal 2 below).

In addition, management’s proposal regarding the Company’s executive compensation was approved (Proposal 3 below).

In addition, management’s proposal regarding the selection of PricewaterhouseCoopers LLP as the Company’s independent registered public accounting firm for the fiscal year ending January 29, 2022 was approved (Proposal 4 below).

### Summary Of Voting By Proposal

1. To elect John P.D. Cato, Thomas E. Meckley and Bailey W. Patrick, each for a term expiring in 2024 and until their successors are elected and qualified. Votes recorded, by nominee, were as follows:

<u>Nominee</u>	<u>Broker</u>		
	<u>For</u>	<u>Abstain</u>	<u>Non-Votes</u>
John P.D. Cato	33,028,710	301,255	3,347,114
Thomas E. Meckley	32,694,837	635,128	3,347,114
Bailey W. Patrick	28,642,601	4,687,364	3,347,114

2. To consider and vote upon a proposal to amend and restate The Cato Corporation 2013 Employee Stock Purchase Plan. The Company’s shareholders voted to approve this proposal with 33,160,165 votes for and 148,184 votes against. There were 21,616 abstentions and 3,347,114 Broker non-votes.
3. To approve, on an advisory basis, the Company’s executive compensation. The Company’s shareholders voted to approve this proposal with 24,992,869 for and 8,220,993 votes against. There were 116,103 abstentions and 3,347,114 Broker non-votes.

4. To approve, to ratify the selection of PricewaterhouseCoopers LLP as the Company's independent registered public accounting firm for the fiscal year ending January 29, 2022. The Company's shareholders voted to approve this proposal with 36,447,359 for and 118,581 votes against. There were 111,139 abstentions.

Item 7.01. Regulation FD Disclosure.

On May 20, 2021, The Cato Corporation issued a press release announcing the decision to resume quarterly dividend declarations.

A copy of the press release is furnished as Exhibit 99.2 to this Current Report on Form 8-K and is incorporated by reference herein.

The information contained in this Item 7.01 and in Exhibit 99.2 shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

[Exhibit 99.1 - Press Release issued May 20, 2021 - Earnings Release](#)

[Exhibit 99.2 - Press Release issued May 20, 2021 - Dividend Declaration](#)

[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

May 21, 2021

Date

/s/ John P. D. Cato

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

May 21, 2021

Date

/s/ John R. Howe

John R. Howe  
Executive Vice President  
Chief Financial Officer

## Exhibit Index

<b><u>Exhibit</u></b>	<b><u>Exhibit No.</u></b>
<a href="#"><u>Exhibit 99.1 - Press Release issued May 20, 2021 - Earnings Release</u></a>	99.1
<a href="#"><u>Exhibit 99.2 - Press Release issued May 20, 2021 - Dividend Declaration</u></a>	99.2
<a href="#"><u>Exhibit 104 – Cover Page Interactive Data File (embedded within Inline XBRL document)</u></a>	104



The CATO Corporation

EXHIBIT 99.1

**NEWS RELEASE**

**FOR IMMEDIATE RELEASE**

For Further Information Contact:

John R. Howe  
Executive Vice President  
Chief Financial Officer  
704-551-7315

**CATO REPORTS 1Q NET INCOME**

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**CHARLOTTE, N.C. (May 20, 2021)** — The Cato Corporation (NYSE: CATO) today reported net income of \$20.7 million or \$0.92 per diluted share for the first quarter ended May 1, 2021, compared to a net loss of \$28.4 million or (\$1.19) per diluted share for the first quarter ended May 2, 2020.

Sales for fiscal 2020 were significantly impacted by the closure of our stores for six weeks due to the COVID-19 pandemic, beginning March 19, 2020. Due to the impact of the unprecedented closures, the Company will report sales compared to each of the past two years. Sales for the first quarter were \$211.2 million, or an increase of 114% from sales of \$98.8 million for the first quarter ended May 2, 2020. Compared to the same period in 2019, sales decreased 7% from sales of \$228.3 million for the quarter ended May 4, 2019. The Company's same-store sales for the quarter increased 111% compared to 2020 and decreased 8% when compared to the same period in 2019.

"We remain cautiously optimistic about the remainder of the year as we see customer traffic improve, states continue to lift capacity limits as more people are vaccinated, the comfort level with venturing out to social events increases and people prepare to return to work," stated John Cato, Chairman, President, and Chief Executive Officer. "We do anticipate the beneficial effects of stimulus funds on the economy to taper off in the near future and retail to continue to be negatively impacted by global supply chain challenges."

Gross margin increased from 15.4% to 41.5% of sales in the quarter due to higher merchandise margins. SG&A expenses as a percent of sales decreased from 53.1% to 29.9% of sales during the quarter primarily due to leveraging of expenses as a result of normalized sales and a \$5.3 million non-cash impairment charge in the prior year, partially offset by higher incentive compensation. Tax impact for the quarter was a \$3.1 million expense versus a \$9.1 million benefit in the prior year due to the pre-tax loss. The Company ended the quarter with unrestricted cash and short-term investments of \$183.2 million, with no borrowings outstanding on its revolving line of credit compared to \$117.8 million for the same period in 2020, net of \$30 million drawn on its line of credit.

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During the first quarter ended May 1, 2021, the Company permanently closed 5 stores. As of May 1, 2021, the Company has 1,325 stores in 32 states, compared to 1,300 stores in 31 states as of May 2, 2020.

“Our healthy cash position, no debt and actions taken to preserve capital contributed to Cato’s ability to weather a year like 2020,” Mr. Cato said. “And the hard work and dedication of our associates and the loyalty of our customers is allowing us to regain ground lost during 2020. Our priority, in addition to providing a safe shopping environment, is to provide fashion and outstanding customer service at a great value to our customers.”

“As the effects of the pandemic remain ongoing, there still remains a high level of uncertainty as to their continued impact on the retail industry as a whole. The lingering effects of the prolonged supply chain disruption are also a concern,” shared Mr. Cato. “In light of these uncertainties, we remain cautiously optimistic about the remainder of the year. However, should our strong start continue through the first half, we expect to revisit store development opportunities and other projects suspended due to COVID.”

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, 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*

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*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 MAY 1, 2021 AND MAY 2, 2020**

(Dollars in thousands, except per share data)

	<u>Quarter Ended</u>			
	<u>May 1,</u>	<u>%</u>	<u>May 2,</u>	<u>%</u>
	<u>2021</u>	<u>Sales</u>	<u>2020</u>	<u>Sales</u>
<b>REVENUES</b>				
Retail sales	\$ 211,234	100.0%	\$ 98,813	100.0%
Other revenue (principally finance, late fees and layaway charges)	1,851	0.9%	1,919	1.9%
Total revenues	<u>213,085</u>	<u>100.9%</u>	<u>100,732</u>	<u>101.9%</u>
<b>GROSS MARGIN (Memo)</b>	<b>87,559</b>	<b>41.5%</b>	<b>15,216</b>	<b>15.4%</b>
<b>COSTS AND EXPENSES, NET</b>				
Cost of goods sold	123,675	58.5%	83,597	84.6%
Selling, general and administrative	63,237	29.9%	52,511	53.1%
Depreciation	3,042	1.4%	4,006	4.1%
Interest and other income	<u>(663)</u>	<u>-0.3%</u>	<u>(1,851)</u>	<u>-1.9%</u>
Cost and expenses, net	<u>189,291</u>	<u>89.6%</u>	<u>138,263</u>	<u>139.9%</u>
Income (Loss) Before Income Taxes	<u>23,794</u>	<u>11.3%</u>	<u>(37,531)</u>	<u>-38.0%</u>
Income Tax (Benefit)/Expense	<u>3,081</u>	<u>1.5%</u>	<u>(9,114)</u>	<u>-9.2%</u>
Net Income (Loss)	<u>\$ 20,713</u>	<u>9.8%</u>	<u>\$ (28,417)</u>	<u>-28.8%</u>
Basic Earnings Per Share	<u>\$ 0.92</u>		<u>\$ (1.19)</u>	
Diluted Earnings Per Share	<u>\$ 0.92</u>		<u>\$ (1.19)</u>	

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**THE CATO CORPORATION**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**

(Dollars in thousands)

	<b>May 1, 2021</b>	<b>January 30, 2021</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>ASSETS</b>		
Current Assets:		
Cash and cash equivalents	\$ 22,276	\$ 17,510
Short-term investments	160,897	126,416
Restricted cash	3,918	3,918
Accounts receivable - net	55,140	52,743
Merchandise inventories	84,849	84,123
Other current assets	<u>5,978</u>	<u>5,840</u>
Total Current Assets	<b>333,058</b>	290,550
Property and Equipment – net	<b>69,925</b>	72,550
Noncurrent Deferred Income Tax	<b>5,726</b>	5,685
Other Assets	<b>23,350</b>	22,850
Right-of-Use Assets, net	<u><b>185,861</b></u>	<u>199,817</u>
TOTAL	<u><b>\$ 617,920</b></u>	<u>\$ 591,452</u>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current Liabilities:		
Current Lease Liability	\$ 58,385	63,421
Noncurrent Liabilities	<b>20,327</b>	19,705
Lease Liability	<b>133,153</b>	143,315
Stockholders' Equity	<u><b>261,883</b></u>	<u>246,498</u>
TOTAL	<u><b>\$ 617,920</b></u>	<u>\$ 591,452</u>

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The CATO Corporation

EXHIBIT 99.2

**NEWS RELEASE**

**FOR IMMEDIATE RELEASE**

For Further Information Contact:

John R. Howe  
Executive Vice President  
Chief Financial Officer  
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**THE CATO CORPORATION ANNOUNCES RESUMPTION OF QUARTERLY DIVIDEND**

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**CHARLOTTE, N.C. (May 20, 2021)** — The Board of Directors of The Cato Corporation (NYSE: CATO) declared a regular quarterly dividend of \$0.11 per share. The dividend will be payable on June 21, 2021 to shareholders of record on June 7, 2021.

The \$0.11 dividend, or \$0.44 on an annualized basis, represents an annualized yield of 3.1% at the closing market price on May 19, 2021.

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.

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