

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

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**Form 8-K**

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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 23, 2019

**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, NC  
(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)

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

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

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))

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.

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Item 2.02. Results of Operations and Financial Condition.

On May 23, 2019, The Cato Corporation issued a press release regarding its financial results for the first quarter ending May 4, 2019. A copy of this press release is furnished as Exhibit 99.1 hereto.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

[Exhibit 99.1 – Press Release issued May 23, 2019.](#)

**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 23, 2019

Date

/s/ John P. D. Cato

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

May 23, 2019

Date

/s/ John R. Howe

John R. Howe  
Executive Vice President  
Chief Financial Officer

**Exhibit**

**Exhibit No.**

[Press Release issued May 23, 2019.](#)

- [99.1](#)

**The CATO Corporation**

**NEWS RELEASE**

**FOR IMMEDIATE RELEASE**

For Further Information Contact:

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

**CATO REPORTS DECREASE IN 1Q NET INCOME AND EPS**

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CHARLOTTE, N.C. (May 23, 2019) – The Cato Corporation (NYSE: CATO) today reported net income of \$21.3 million or \$.87 per diluted share for the first quarter ended May 4, 2019, compared to net income of \$23.4 million or \$.94 per diluted share for the first quarter ended May 5, 2018. Net income decreased 9% and earnings per diluted share decreased 7% for the quarter. Sales for the first quarter were \$228.1 million, or a decrease of 3% from sales of \$236.0 million for the first quarter ended May 5, 2018. The Company's same-store sales for the quarter decreased 1% to last year.

"We are starting to see slightly more favorable sales trends and continue to believe our business has stabilized," stated John Cato, Chairman, President, and Chief Executive Officer. "We remain cautiously optimistic."

Gross margin increased 1.0% to 40.3% of sales in the quarter, primarily due to higher merchandise margins. SG&A expenses as a percent of sales increased 1.0% to 28.9% during the quarter primarily due to higher incentive compensation and closed store expense. The effective tax rate increased to 16.9% versus the prior year at 11.9% primarily due to more taxable interest income and favorable state tax adjustments in the quarter last year. The Company ended the quarter with cash and short-term investments of \$214.7 million.

During the first quarter ended May 4, 2019, the Company closed 9 stores. As of May 4, 2019, the Company operated 1,302 stores in 31 states, compared to 1,351 stores in 33 states as of May 5, 2018.

8100 Denmark Road  
P.O. Box 34216  
Charlotte, NC 28234  
(704) 554-8510

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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 not historical in nature Including, without limitation, statements regarding the Company's expected or estimated operational and financial results 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, the following: any actual or perceived deterioration in the conditions that drive consumer confidence and spending, including, but not limited to, levels of unemployment, fuel, energy and food costs, wage rates, tax rates, home values, consumer net worth and the availability of credit; uncertainties regarding the impact of any governmental responses to the foregoing conditions; competitive factors and pricing pressures; our ability to predict and respond to rapidly changing fashion trends and consumer demands; adverse weather 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 4, 2019 AND MAY 5, 2018**

(Dollars in thousands, except per share data)

	<u>Quarter Ended</u>			
	<u>May 4,</u> <u>2019</u>	<u>%</u> <u>Sales</u>	<u>May 5,</u> <u>2018</u>	<u>%</u> <u>Sales</u>
<b>REVENUES</b>				
Retail sales	\$ 228,066	100.0%	\$ 236,025	100.0%
Other revenue (principally finance, late fees and layaway charges)	<u>2,285</u>	<u>1.0%</u>	<u>2,275</u>	<u>1.0%</u>
Total revenues	<u>230,351</u>	<u>101.0%</u>	<u>238,300</u>	<u>101.0%</u>
<b>GROSS MARGIN (Memo)</b>	<b>91,983</b>	<b>40.3%</b>	<b>93,738</b>	<b>39.7%</b>
<b>COSTS AND EXPENSES, NET</b>				
Cost of goods sold	136,083	59.7%	142,287	60.3%
Selling, general and administrative	65,990	28.9%	65,959	28.0%
Depreciation	3,843	1.7%	4,224	1.8%
Interest and other income	<u>(1,136)</u>	<u>-0.5%</u>	<u>(754)</u>	<u>-0.3%</u>
Cost and expenses, net	<u>204,780</u>	<u>89.8%</u>	<u>211,716</u>	<u>89.7%</u>
Income Before Income Taxes	25,571	11.2%	26,584	11.3%
Income Tax (Benefit)/Expense	<u>4,316</u>	<u>1.9%</u>	<u>3,173</u>	<u>1.3%</u>
Net Income	<u>\$ 21,255</u>	<u>9.3%</u>	<u>\$ 23,411</u>	<u>9.9%</u>
Basic Earnings Per Share	<u>\$ 0.87</u>		<u>\$ 0.94</u>	
Diluted Earnings Per Share	<u>\$ 0.87</u>		<u>\$ 0.94</u>	

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

(Dollars in thousands)

	May 4, 2019 <u>(Unaudited)</u>	February 2, 2019 <u>(Unaudited)</u>
<b>ASSETS</b>		
Current Assets:		
Cash and cash equivalents	\$ 36,493	\$ 24,603
Short-term investments	174,404	182,711
Restricted cash	3,828	3,802
Accounts receivable - net	29,886	28,137
Merchandise inventories	111,215	119,585
Other current assets	<u>4,377</u>	<u>11,750</u>
Total Current Assets	360,203	370,588
Property and equipment – net	91,204	94,304
Noncurrent Deferred Income Taxes	11,083	11,209
Other assets	22,696	21,805
Right-of-Use Assets, net	<u>179,811</u>	<u>-</u>
TOTAL	<u>\$ 664,997</u>	<u>\$ 497,906</u>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current Liabilities:		
	\$ 122,077	\$ 141,086
Current Lease Liability	57,261	-
Noncurrent Liabilities	22,702	39,984
Lease Liability	134,453	-
Stockholders' Equity	<u>328,504</u>	<u>316,836</u>
TOTAL	<u>\$ 664,997</u>	<u>\$ 497,906</u>