

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): November 21, 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 November 21, 2024 The Cato Corporation issued a press release regarding its financial results for the third quarter ending November 2, 2024. A copy of this press release is hereby incorporated as Exhibit 99.1 hereto.

### **Item 7.01. Regulation FD Disclosure.**

On November 21, 2024, The Cato Corporation issued a press release announcing the decision to suspend its quarterly dividend.

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 November 21, 2024](#)

[Exhibit 99.2 – Press Release issued November 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

November 25, 2024

Date

/s/ John P. D. Cato

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

November 25, 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="#"><u>99.1 - Press Release issued November 21, 2024</u></a>	99.1
<a href="#"><u>99.2 – Press Release issued November 22, 2024</u></a>	99.2
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 3Q RESULTS**

CHARLOTTE, N.C. (November 21, 2024) – The Cato Corporation (NYSE: CATO) today reported a net loss of \$15.1 million or (\$0.79) per diluted share for the third quarter ended November 2, 2024, compared to a net loss of \$6.1 million or (\$0.30) per diluted share for the third quarter ended October 28, 2023.

Sales for the third quarter ended November 2, 2024 were \$144.6 million, a decrease of 8% from sales of \$156.7 million for the third quarter ended October 28, 2023. The Company's same-store sales for the quarter decreased 3% compared to 2023.

For the nine months ended November 2, 2024, the Company reported a net loss of \$4.0 million or (\$0.24) per diluted share, compared to net loss of \$0.5 million or (\$0.02) per diluted share for the nine months ended October 28, 2023. Sales for the nine months ended November 2, 2024 were \$486.8 million, a decrease of 8% to sales of \$528.2 million for the nine months ended October 28, 2023. Year-to-date same-store sales decreased 4% compared to 2023.

“Our third quarter sales trend deteriorated from second quarter, in part due to three major hurricanes over a five week span, supply chain issues causing late merchandise receipts to the stores and continued negative pressure on our customers' disposable income,” stated John Cato, Chairman, President, and Chief Executive Officer. “We are managing both SG&A expenses and inventory levels in line with our current sales trend. However, we continue to incur higher costs to move inventory to our stores due to the bankruptcy of a carrier that previously serviced 50% of our stores, as well as, higher distribution costs associated with conversion issues for a distribution center systems and automation upgrade. We believe that the fourth quarter will remain challenging.”

Gross margin decreased from 32.5% to 28.8% of sales in the quarter due to higher markdowns, as well as, increased freight, distribution and occupancy costs as a percent of sales. SG&A expenses as a percent of sales increased from 39.4% to 40.0% of sales during the quarter primarily due to deleveraging of payroll costs, partially offset by lower advertising and insurance expenses. SG&A expenses were \$3.9 million lower than last year due to lower payroll, advertising and insurance costs. Tax expense for the quarter was \$0.3 million versus a tax benefit of \$4.3 million in the prior year, primarily due to valuation allowances against net deferred tax assets.

Year-to-date gross margin decreased to 33.3% of sales from 34.6% in the prior year primarily due to increased occupancy, freight and distribution costs as a percent of sales, partially offset by increased merchandise margins. The year-to-date SG&A rate was 35.5% versus 35.1% primarily due to deleveraging of payroll costs and insurance costs, partially offset by lower advertising costs. SG&A expenses were \$12.5 million lower than last year due to lower payroll, insurance and advertising costs. Tax expense for the nine-month period was \$1.6 million compared to \$0.8 million tax benefit last year, primarily due to valuation allowances against net deferred tax assets.

During the third quarter ended November 2, 2024, the Company opened one store. Year-to-date, the Company opened one store and closed 13 stores. As of November 2, 2024, the Company has 1,167 stores in 31 states, compared to 1,245 stores in 31 states as of October 28, 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 November 2, 2024 AND October 28, 2023**  
(Dollars in thousands, except per share data)

	Quarter Ended				Six Months Ended			
	November 2, 2024	% Sales	October 28, 2023	% Sales	November 2, 2024	% Sales	October 28, 2023	% Sales
<b>REVENUES</b>								
Retail sales	\$ 144,642	100.0%	\$ 156,682	100.0%	\$ 486,848	100.0%	\$ 528,174	100.0%
Other revenue (principally finance, late fees and layaway charges)	1,528	1.1%	1,574	1.0%	5,049	1.0%	5,003	0.9%
Total revenues	<u>146,170</u>	<u>101.1%</u>	<u>158,256</u>	<u>101.0%</u>	<u>491,897</u>	<u>101.0%</u>	<u>533,177</u>	<u>100.9%</u>
<b>GROSS MARGIN (Memo)</b>	<b>41,687</b>	<b>28.8%</b>	<b>50,850</b>	<b>32.5%</b>	<b>162,266</b>	<b>33.3%</b>	<b>182,638</b>	<b>34.6%</b>
<b>COSTS AND EXPENSES, NET</b>								
Cost of goods sold	102,955	71.2%	105,832	67.5%	324,582	66.7%	345,536	65.4%
Selling, general and administrative	57,876	40.0%	61,792	39.4%	172,809	35.5%	185,344	35.1%
Depreciation	2,737	1.9%	2,504	1.6%	7,106	1.5%	7,371	1.4%
Interest and other income	(2,646)	-1.8%	(1,523)	-1.0%	(10,209)	-2.1%	(3,754)	-0.7%
Costs and expenses, net	<u>160,922</u>	<u>111.3%</u>	<u>168,605</u>	<u>107.6%</u>	<u>494,288</u>	<u>101.5%</u>	<u>534,497</u>	<u>101.2%</u>
Income Before Income Taxes	(14,752)	-10.2%	(10,349)	-6.6%	(2,391)	-0.5%	(1,320)	-0.3%
Income Tax Expense	322	0.2%	(4,272)	-2.7%	1,614	0.3%	(797)	-0.2%
Net Income (Loss)	<u>\$ (15,074)</u>	<u>-10.4%</u>	<u>\$ (6,077)</u>	<u>-3.9%</u>	<u>\$ (4,005)</u>	<u>-0.8%</u>	<u>\$ (523)</u>	<u>-0.1%</u>
Basic Earnings Per Share	\$ (0.79)		<u>\$ (0.30)</u>		<u>\$ (0.24)</u>		<u>\$ (0.02)</u>	
Diluted Earnings Per Share	<u>\$ (0.79)</u>		<u>\$ (0.30)</u>		<u>\$ (0.24)</u>		<u>\$ (0.02)</u>	

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

	<b>November 2, 2024</b>	February 3, 2024
	<u>(Unaudited)</u>	<u>(Unaudited)</u>
<b>ASSETS</b>		
Current Assets		
Cash and cash equivalents	\$ 20,216	\$ 23,940
Short-term investments	65,994	79,012
Restricted cash	3,355	3,973
Accounts receivable - net	24,776	29,751
Merchandise inventories	107,159	98,603
Other current assets	<u>8,705</u>	<u>7,783</u>
Total Current Assets	230,205	243,062
Property and Equipment - net	62,648	64,022
Other Assets	19,783	25,047
Right-of-Use Assets, net	<u>111,769</u>	<u>154,686</u>
TOTAL	<u>\$ 424,405</u>	<u>\$ 486,817</u>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current Liabilities		
Current Lease Liability	\$ 123,697	\$ 126,900
Noncurrent Liabilities	45,836	61,108
Lease Liability	14,555	14,475
Stockholders' Equity	63,218	92,013
TOTAL	<u>177,099</u>	<u>192,321</u>
TOTAL	<u>\$ 424,405</u>	<u>\$ 486,817</u>



**NEWS RELEASE**

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**THE CATO CORPORATION SUSPENDS REGULAR QUARTERLY DIVIDEND**

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CHARLOTTE, N.C. (November 21, 2024) – In light of the current economic conditions and current sales trends the Board of Directors of The Cato Corporation (NYSE: CATO) suspended the regular quarterly dividend.

*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 interest rates, inflation or other factors that may affect our customers' discretionary spending or our costs 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, or continuation of negative trends 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, inflation, wage rates, tax rates, interest rates, home values, consumer net worth and the availability of credit; changes in laws, regulations or government policies 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; underperformance or other factors that may lead to, or affect the volume of, store closures; adverse weather, public health threats (including the global coronavirus (COVID-19) outbreak), acts of war or aggression or similar conditions that may affect our merchandise supply chain, sales or operations; inventory risks due to shifts in market demand, including the ability to liquidate excess inventory at anticipated margins; adverse developments or volatility affecting the financial services industry or broader financial markets; 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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