

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 23, 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 May 23, 2024, The Cato Corporation issued a press release regarding its financial results for the first quarter ending May 4, 2024. A copy of this press release is hereby incorporated as Exhibit 99.1 hereto.

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

On May 23, 2024, 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 two nominees for director were elected to the Registrant's Board of Directors (Proposal 1 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 February 1, 2025 was approved (Proposal 2 below).

Summary of Voting By Proposal

1. To elect Dr. Pamela L. Davies, Thomas B. Henson and Bryan F. Kennedy, each for a term expiring in 2026 and until their successors are elected and qualified. Votes recorded, by nominee, were as follows:

Nominee	For	Abstain	Broker Non-Votes
John P. D. Cato	24,769,119	3,047,577	5,792,278
Bailey W. Patrick	23,905,656	3,911,040	5,792,278

2. To approve, to ratify the selection of PricewaterhouseCoopers LLP as the Company's independent registered public accounting firm for the fiscal year ending February 1, 2025. The Company's shareholders voted to approve this proposal with 33,293, 856 for and 173,223 votes against. There were 141,895 abstentions.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

[Exhibit 99.1 - Press Release issued May 23, 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

May 28, 2024

Date

/s/ John P. D. Cato

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

May 28, 2024

Date

/s/ Charles D. Knight

Charles D. Knight
Executive Vice President
Chief Financial Officer

Exhibit Index

<u>Exhibit</u>	<u>Exhibit No.</u>
99.1 - Press Release issued May 23, 2024	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 1Q EARNINGS

CHARLOTTE, N.C. (May 23, 2024) – The Cato Corporation (NYSE: CATO) today reported net income of \$11.0 million or \$0.54 per diluted share for the first quarter ended May 4, 2024, compared to net income of \$4.4 million or \$0.22 per diluted share for the first quarter ended April 29, 2023.

Sales for the first quarter ended May 4, 2024 were \$175.3 million, or a decrease of 8% from sales of \$190.3 million for the first quarter ended April 29, 2023. The Company's same-store sales for the quarter decreased 6%.

"The pressure on our customers' discretionary spending levels due to high interest rates and inflation continue to negatively impact our sales," said John Cato, Chairman, President and Chief Executive Officer. "With the pressure on our customers' discretionary spending levels, we remain cautious about the remainder of the year."

First quarter gross margin as a percentage of sales was 35.8% in both 2024 and 2023. Selling, General and Administrative expense decreased to \$56.8 million in 2024 from \$61.9 million in 2023 due to decreases in equity compensation, advertising, and store expenses including payroll, partially offset by increases in insurance expenses. Selling, General and Administrative expense as a percentage of sales decreased to 32.4% in 2024 compared to 32.5% in 2023. Interest and other income increased to \$5.8 million in 2024 from \$0.9 million in 2023 primarily due to a net gain on sale of land of \$3.2 million. Income tax expense for the quarter decreased to \$0.6 million in 2024 from \$2.1 million in 2023. The decrease in tax expense is primarily due to valuation allowances against net deferred tax assets and the impact of the foreign rate differential and lower state income taxes.

Additionally, the Company bought back 431,415 shares during the quarter.

During the first quarter ended May 4, 2024, the Company did not open any stores and permanently closed seven stores. As of May 4, 2024, the Company operated 1,171 stores in 31 states, compared to 1,264 stores in 32 states as of April 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. 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. 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 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.

* * *

THE CATO CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)
FOR THE PERIODS ENDED May 4, 2024 AND April 29, 2023
(Dollars in thousands, except per share data)

	<u>Quarter Ended</u>			
	<u>May 4</u>	<u>%</u>	<u>April 29</u>	<u>%</u>
	<u>2024</u>	<u>Sales</u>	<u>2023</u>	<u>Sales</u>
REVENUES				
Retail sales	\$ 175,272	100.0%	\$ 190,311	100.0%
Other revenue (principally finance, late fees and layaway charges)	<u>1,827</u>	<u>1.0%</u>	<u>1,739</u>	<u>0.9%</u>
Total revenues	<u>177,099</u>	<u>101.0%</u>	<u>192,050</u>	<u>100.9%</u>
GROSS MARGIN (Memo)	62,767	32.5%	68,224	35.8%
COSTS AND EXPENSES, NET				
Cost of goods sold	112,505	64.2%	122,087	64.2%
Selling, general and administrative	56,752	32.4%	61,934	32.5%
Depreciation	2,040	1.2%	2,357	1.2%
Interest and other income	<u>(5,821)</u>	<u>-3.3%</u>	<u>(897)</u>	<u>-0.5%</u>
Costs and expenses, net	<u>165,476</u>	<u>94.4%</u>	<u>185,481</u>	<u>97.5%</u>
Income Before Income Taxes	11,623	6.6%	6,569	3.5%
Income Tax Expense	<u>649</u>	<u>0.4%</u>	<u>2,141</u>	<u>1.1%</u>
Net Income (Loss)	<u>\$ 10,974</u>	<u>6.3%</u>	<u>\$ 4,428</u>	<u>2.3%</u>
Basic Earnings Per Share	<u>\$ 0.54</u>		<u>\$ 0.22</u>	
Diluted Earnings Per Share	<u>\$ 0.54</u>		<u>\$ 0.22</u>	

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

	May 4, 2024	February 3, 2024
	<u>(Unaudited)</u>	<u>(Unaudited)</u>
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 39,101	\$ 23,940
Short-term investments	66,250	79,012
Restricted cash	3,533	3,973
Accounts receivable - net	31,716	29,751
Merchandise inventories	101,317	98,603
Other current assets	<u>7,724</u>	<u>7,783</u>
Total Current Assets	249,641	243,062
Property and Equipment - net	64,568	64,022
Other Assets	23,305	25,047
Right-of-Use Assets, net	<u>139,635</u>	<u>154,686</u>
TOTAL	<u><u>\$ 477,149</u></u>	<u><u>\$ 486,817</u></u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities		
Current Lease Liability	\$ 127,997	\$ 126,900
Noncurrent Liabilities	55,800	61,108
Lease Liability	14,607	14,475
Stockholders' Equity	81,834	92,013
TOTAL	<u><u>196,911</u></u>	<u><u>192,321</u></u>
TOTAL	<u><u>\$ 477,149</u></u>	<u><u>\$ 486,817</u></u>

