

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): April 6, 2020

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.

Item 7.01. Regulation FD Disclosure.

On April 6, 2020, The Cato Corporation (the “Company”) issued a press release announcing certain actions taken in response to the COVID-19 pandemic, including, temporarily suspending the Company’s quarterly cash dividend and temporarily discontinuing monthly sales release, until further notice.

A copy of the press release is furnished as Exhibit 99.1 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 99.1 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 April 6, 2020](#)

[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

April 7, 2020

Date

/s/ John P. D. Cato

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

April 7, 2020

Date

/s/ John R. Howe

John R. Howe
Executive Vice President
Chief Financial Officer

Exhibit Index

<u>Exhibit</u>	<u>Exhibit No.</u>
<u>Exhibit 99.1 - Press Release issued April 6, 2020</u>	99.1
Exhibit 104 – Cover Page Interactive Data File (embedded within Inline XBRL document)	104



The CATO Corporation

RELEASE
FOR IMMEDIATE RELEASE**NEWS**

For Further Information Contact:

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

CATO PROVIDES BUSINESS UPDATE RELATED TO CORONAVIRUS

CHARLOTTE, N.C. (April 6, 2020) — The Cato Corporation (NYSE: CATO) today announced it will extend the closure of all brick and mortar stores, until further notice. Company management will continue to assess the situation, market by market as additional guidance is issued from U.S. and local governments, as well as the Centers for Disease Control, as it develops its plan to reopen stores at a future date.

“We are taking decisive actions in the face of the uncertainties around the length and severity of the pandemic and its potential impact to the Company,” said John Cato, Chairman, President and Chief Executive Officer. “It is a difficult decision to extend our store closures, but we are committed to protecting our customers, associates and communities we serve. However, during this closure we will continue to serve our customers through our e-commerce sites catofashions.com and shopversona.com.”

As a result of the extended store closure, coupled with the North Carolina’s “Stay-at-Home” Executive Order impacting the Home Office, Cato has temporarily furloughed its store associates, a majority of distribution center associates, as well as additional corporate associates, whose work has been significantly reduced by the store closures. At this time, those impacted will continue to receive enrolled benefits.

As part of the business response to COVID-19, the company has taken the following actions to protect our financial position during these challenging times:

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- Temporarily discontinued monthly sales releases, until further notice,
- Temporarily suspended the quarterly dividend,
- Suspended hiring and eliminated all merit raises for 2020,
- Drew down \$30 million from our \$35 million line of credit, in an effort to protect cash reserves,
- Significantly decreased capital expenditures,
- Delayed or cancelled some planned new store openings,
- Continue to review non-payroll expenses across the business,
- Managing inventory by aggressively cancelling and/or delaying merchandise to better align with anticipated sales,
- Evaluating extending payment terms for vendor invoices and suspending rent payments,
- Temporarily reduced CEO salary by 50%
- Temporarily reduced Board fees by 50%.
- Temporarily reducing other associates salaries by 25%, however not below \$55,000.

“Given the extraordinary circumstances we are facing today we must operate with great care and discipline,” said Cato. “We have taken difficult steps to safeguard the health of our company, looking forward to the day we can reopen our stores, welcoming back our associates and again serving our customers and the communities in which we are located.”

Statements in this press release not historical in nature including, without limitation, statements regarding the Company's expected or estimated operational and financial results and potential impact 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 tariffs; 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; our ability to successfully open new stores as planned and our 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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