

REFINITIV

## DELTA REPORT

### 10-Q

DDS - DILLARDS, INC.

10-Q - MAY 04, 2024 COMPARED TO 10-Q - OCTOBER 28, 2023

The following comparison report has been automatically generated

TOTAL DELTAS 721

■ CHANGES 235

■ DELETIONS 210

■ ADDITIONS 276

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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**FORM 10-Q**

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended **October 28, 2023** May 4, 2024

or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File Number: 1-6140

**DILLARD'S, INC.**

(Exact name of registrant as specified in its charter)

DELAWARE  
(State or other jurisdiction

71-0388071  
(I.R.S. Employer

1600 CANTRELL ROAD, LITTLE ROCK, ARKANSAS 72201

(Address of principal executive offices)

(Zip Code)

(501) 376-5200

(Registrant's telephone number, including area code)

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	DDS	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes  No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer   
Non-accelerated filer   
Smaller reporting company

Accelerated filer   
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.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

CLASS A COMMON STOCK as of November 25, 2023 12,235,591 June 1, 2024 12,247,445  
CLASS B COMMON STOCK as of November 25, 2023 June 1, 2024 3,986,233

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[Table of Contents](#)**PART I. FINANCIAL INFORMATION****Item 1. Financial Statements.**

**DILLARD'S, INC.**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
**(Unaudited)**  
**(In Thousands)**

	October 28, 2023	January 28, 2023	October 29, 2022	May 4, 2024	February 3, 2024	April 29, 2023
<b>Assets</b>						
Current assets:						
Cash and cash equivalents	\$ 842,001	\$ 650,336	\$ 532,708	\$ 817,825	\$ 808,287	\$ 848,316
Restricted cash	—	9,995	—	—	—	8,418
Accounts receivable	57,412	56,952	40,476	49,251	60,547	59,050
Short-term investments	51,257	148,902	197,971	347,164	148,036	98,364
Merchandise inventories	1,629,245	1,120,208	1,644,793	1,387,684	1,093,999	1,410,017
Other current assets	85,646	85,453	99,471	106,241	97,341	79,030
<b>Total current assets</b>	<b>2,665,561</b>	<b>2,071,846</b>	<b>2,515,419</b>	<b>2,708,165</b>	<b>2,208,210</b>	<b>2,503,195</b>
Property and equipment (net of accumulated depreciation of \$2,699,516, \$2,584,708 and \$2,647,231, respectively)	1,094,587	1,118,379	1,146,064			
Property and equipment (net of accumulated depreciation of \$2,682,449, \$2,638,167 and \$2,623,182, respectively)				1,062,993	1,074,304	1,108,691
Operating lease assets	34,462	33,821	36,663	41,909	42,681	32,869
Deferred income taxes	47,563	42,278	30,841	64,017	63,951	41,801
Other assets	55,761	62,826	63,646	60,072	59,760	62,473
<b>Total assets</b>	<b>\$ 3,897,934</b>	<b>\$ 3,329,150</b>	<b>\$ 3,792,633</b>	<b>\$ 3,937,156</b>	<b>\$ 3,448,906</b>	<b>\$ 3,749,029</b>
<b>Liabilities and stockholders' equity</b>						
Current liabilities:						
Trade accounts payable and accrued expenses	\$ 1,181,198	\$ 828,484	\$ 1,293,699	\$ 1,031,325	\$ 782,545	\$ 1,099,669
Current portion of long-term debt	—	—	44,800			
Current portion of operating lease liabilities	8,461	9,702	10,332	11,596	11,252	9,086
Federal and state income taxes	12,500	20,775	7,418	87,369	33,959	82,032

<b>Total current liabilities</b>	<b>1,202,159</b>	<b>858,961</b>	<b>1,356,249</b>	<b>1,130,290</b>	<b>827,756</b>	<b>1,190,787</b>
Long-term debt	321,434	321,354	321,327	321,487	321,461	321,381
Operating lease liabilities	26,246	24,164	26,232	30,297	31,728	23,691
Other liabilities	334,457	326,033	279,471	380,090	370,893	330,036
Subordinated debentures	200,000	200,000	200,000	200,000	200,000	200,000
Commitments and contingencies						
Stockholders' equity:						
Common stock	1,240	1,240	1,240	1,240	1,240	1,240
Additional paid-in capital	964,119	962,839	958,974	967,348	967,348	962,839
Accumulated other comprehensive loss	(61,689)	(65,722)	(22,254)	(85,264)	(87,208)	(64,378)
Retained earnings	6,126,277	5,648,700	5,619,813	6,224,268	6,048,288	5,846,802
Less treasury stock, at cost	(5,216,309)	(4,948,419)	(4,948,419)	(5,232,600)	(5,232,600)	(5,063,369)
<b>Total stockholders' equity</b>	<b>1,813,638</b>	<b>1,598,638</b>	<b>1,609,354</b>	<b>1,874,992</b>	<b>1,697,068</b>	<b>1,683,134</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$ 3,897,934</b>	<b>\$ 3,329,150</b>	<b>\$ 3,792,633</b>	<b>\$ 3,937,156</b>	<b>\$ 3,448,906</b>	<b>\$ 3,749,029</b>

See notes to condensed consolidated financial statements.

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**DILLARD'S, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF INCOME**  
**(Unaudited)**  
**(In Thousands, Except Per Share Data)**

	Three Months Ended		Nine Months Ended		Three Months Ended	
	October 28, 2023	October 29, 2022	October 28, 2023	October 29, 2022	May 4, 2024	April 29, 2023
Net sales	\$ 1,476,362	\$ 1,544,142	\$ 4,627,687	\$ 4,744,430	\$ 1,549,051	\$ 1,583,948
Service charges and other income	27,872	28,930	87,872	89,311	23,758	29,959
	1,504,234	1,573,072	4,715,559	4,833,741	1,572,809	1,613,907
Cost of sales	834,537	855,677	2,684,633	2,658,331	857,825	891,261
Selling, general and administrative expenses	421,825	413,838	1,240,743	1,215,943	426,674	406,375
Depreciation and amortization	44,707	46,665	135,272	140,793	46,119	45,747
Rentals	4,932	5,272	14,274	15,667	5,024	4,381
Interest and debt (income) expense, net	(1,790)	6,957	(1,535)	27,108	(3,532)	123
Other expense	4,697	1,936	14,093	5,808	6,158	4,698
Gain on disposal of assets	(4,053)	(2)	(6,006)	(7,240)	(267)	(1,793)
Income before income taxes	199,379	242,729	634,085	777,331	234,808	263,115
Income taxes	44,040	54,820	145,740	174,880	54,770	61,620
<b>Net income</b>	<b>\$ 155,339</b>	<b>\$ 187,909</b>	<b>\$ 488,345</b>	<b>\$ 602,451</b>	<b>\$ 180,038</b>	<b>\$ 201,495</b>

Earnings per share:						
Basic and diluted	\$ 9.49	\$ 10.96	\$ 29.38	\$ 34.05	\$ 11.09	\$ 11.85

See notes to condensed consolidated financial statements.

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**DILLARD'S, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
**(Unaudited)**  
**(In Thousands)**

	Three Months Ended		Nine Months Ended		Three Months Ended	
	October 28,	October 29,	October 28,	October 29,	May 4,	April 29,
	2023	2022	2023	2022	2024	2023
Net income	\$ 155,339	\$ 187,909	\$ 488,345	\$ 602,451	\$ 180,038	\$ 201,495
Other comprehensive income:						
Amortization of retirement plan and other retiree benefit adjustments (net of tax of \$117, \$58, \$350 and \$174, respectively)	1,345	181	4,033	544		
Amortization of retirement plan and other retiree benefit adjustments (net of tax of \$239 and \$117, respectively)					1,944	1,344
<b>Comprehensive income</b>	<b>\$ 156,684</b>	<b>\$ 188,090</b>	<b>\$ 492,378</b>	<b>\$ 602,995</b>	<b>\$ 181,982</b>	<b>\$ 202,839</b>

See notes to condensed consolidated financial statements.

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**DILLARD'S, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY**  
**(Unaudited)**  
**(In Thousands, Except Share and Per Share Data)**

Three Months Ended October 28, 2023				Three Months Ended May 4, 2024			
Accumulated		Accumulated		Additional		Other	
Additional	Other	Additional	Other	Additional	Other	Additional	Other

	Common Stock	Paid-in Capital	Comprehensive Loss	Retained Earnings	Treasury Stock	Total	Common Stock	Paid-in Capital	Comprehensive Loss	Retained Earnings	Treasury Stock
Balance, July 29, 2023	\$ 1,240	\$ 964,119	\$ (63,034)	\$ 5,975,028	\$ (5,167,837)	\$ 1,709,516					
Balance, February 3, 2024							\$ 1,240	\$ 967,348	\$ (87,208)	\$ 6,048,288	\$ (5,232,60)
Net income	—	—	—	155,339	—	155,339	—	—	—	180,038	—
Other comprehensive income	—	—	1,345	—	—	1,345	—	—	—	1,944	—
Purchase of 150,908 shares of treasury stock (including excise tax)	—	—	—	—	(48,472)	(48,472)					
Cash dividends declared: Common stock, \$0.25 per share	—	—	—	(4,090)	—	(4,090)	—	—	—	(4,058)	—
Balance, October 28, 2023	\$ 1,240	\$ 964,119	\$ (61,689)	\$ 6,126,277	\$ (5,216,309)	\$ 1,813,638					
Balance, May 4, 2024							\$ 1,240	\$ 967,348	\$ (85,264)	\$ 6,224,268	\$ (5,232,60)

Three Months Ended October 29, 2022						
	Accumulated					
	Additional		Other			
	Common Stock	Paid-in Capital	Comprehensive Loss	Retained Earnings	Treasury Stock	Total
Balance, July 30, 2022	\$ 1,240	\$ 958,974	\$ (22,435)	\$ 5,435,331	\$ (4,924,109)	\$ 1,449,001
Net income	—	—	—	187,909	—	187,909
Other comprehensive income	—	—	181	—	—	181
Purchase of 98,983 shares of treasury stock	—	—	—	—	(24,310)	(24,310)
Cash dividends declared: Common stock, \$0.20 per share	—	—	—	(3,427)	—	(3,427)
Balance, October 29, 2022	\$ 1,240	\$ 958,974	\$ (22,254)	\$ 5,619,813	\$ (4,948,419)	\$ 1,609,354

Nine Months Ended October 28, 2023						
	Accumulated					
	Additional		Other			
	Common Stock	Paid-in Capital	Comprehensive Loss	Retained Earnings	Treasury Stock	Total
Balance, January 28, 2023	\$ 1,240	\$ 962,839	\$ (65,722)	\$ 5,648,700	\$ (4,948,419)	\$ 1,598,638
Net income	—	—	—	488,345	—	488,345
Other comprehensive income	—	—	4,033	—	—	4,033
Issuance of 4,500 shares under equity plans	—	1,280	—	—	—	1,280
Purchase of 865,610 shares of treasury stock (including excise tax)	—	—	—	—	(267,890)	(267,890)
Cash dividends declared: Common stock, \$0.65 per share	—	—	—	(10,768)	—	(10,768)

Balance, October 28, 2023	\$ 1,240	\$ 964,119	\$ (61,689)	\$ 6,126,277	\$ (5,216,309)	\$ 1,813,638
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	Nine Months Ended October 29, 2022						Three Months Ended April 29, 2023					
	Accumulated						Accumulated					
	Additional		Other				Additional		Other			
	Common Stock	Paid-in Capital	Comprehensive Loss	Retained Earnings	Treasury Stock	Total	Common Stock	Paid-in Capital	Comprehensive Loss	Retained Earnings	Treasury Stock	
Balance, January 29, 2022	\$ 1,240	\$ 956,653	\$ (22,798)	\$ 5,027,922	\$ (4,511,799)	\$ 1,451,218						
Balance, January 28, 2023							\$ 1,240	\$ 962,839	\$ (65,722)	\$ 5,648,700	\$ (4,948,411)	
Net income	—	—	—	602,451	—	602,451	—	—	—	—	201,495	
Other comprehensive income	—	—	544	—	—	544	—	—	—	1,344	—	
Issuance of 9,000 shares under equity plans	—	2,321	—	—	—	2,321						
Purchase of 1,708,918 shares of treasury stock	—	—	—	—	(436,620)	(436,620)						
Purchase of 357,154 shares of treasury stock (including excise tax)							—	—	—	—	—	(114,951)
Cash dividends declared:							—	—	—	—	—	
Common stock, \$0.60 per share	—	—	—	(10,560)	—	(10,560)						
Balance, October 29, 2022	\$ 1,240	\$ 958,974	\$ (22,254)	\$ 5,619,813	\$ (4,948,419)	\$ 1,609,354						
Common stock, \$0.20 per share	—	—	—	—	—	—	—	—	—	(3,393)	—	
Balance, April 29, 2023							\$ 1,240	\$ 962,839	\$ (64,378)	\$ 5,846,802	\$ (5,063,361)	

See notes to condensed consolidated financial statements.

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**DILLARD'S, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**(Unaudited)**  
**(In Thousands)**

	Nine Months Ended		Three Months Ended	
	October 28, 2023	October 29, 2022	May 4, 2024	April 29, 2023
<b>Operating activities:</b>				
Net income	\$ 488,345	\$ 602,451	\$ 180,038	\$ 201,495
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation and amortization of property and other deferred costs	136,482	141,978	46,516	46,155
Gain on disposal of assets	(6,006)	(7,240)	(267)	(1,793)
Accrued interest on short-term investments	(4,219)	(1,155)	(3,196)	(1,881)
Changes in operating assets and liabilities:				
Increase in accounts receivable	(460)	(699)		
Decrease (increase) in accounts receivable			11,296	(2,098)
Increase in merchandise inventories	(509,037)	(564,615)	(293,685)	(289,809)
Decrease (increase) in other current assets	4,610	(18,416)		
Decrease (increase) in other assets	188	(213)		
(A)crease decrease in other current assets			(9,887)	7,163
Increase in other assets			(186)	(380)
Increase in trade accounts payable and accrued expenses and other liabilities	354,638	425,248	259,484	261,600
Decrease in income taxes payable	(17,434)	(18,918)		
Increase in income taxes payable			54,265	60,496
<b>Net cash provided by operating activities</b>	<b>447,107</b>	<b>558,421</b>	<b>244,378</b>	<b>280,948</b>
<b>Investing activities:</b>				
Purchase of property and equipment and capitalized software	(104,679)	(94,771)	(35,175)	(32,348)
Proceeds from disposal of assets	6,254	8,095	323	1,887
Proceeds from insurance	4,477	4,886		
Purchase of short-term investments	(148,098)	(196,816)	(245,932)	(97,543)
Proceeds from maturities of short-term investments	249,962	—	50,000	149,962
<b>Net cash provided by (used in) investing activities</b>	<b>7,916</b>	<b>(278,606)</b>		
<b>Net cash (used in) provided by investing activities</b>			<b>(230,784)</b>	<b>21,958</b>
<b>Financing activities:</b>				
Cash dividends paid	(10,104)	(11,013)	(4,056)	(3,425)
Purchase of treasury stock	(263,249)	(452,853)	—	(103,078)

Net cash used in financing activities	(273,353)	(463,866)	(4,056)	(106,503)
Increase (decrease) in cash and cash equivalents	181,670	(184,051)		
Increase in cash and cash equivalents and restricted cash			9,538	196,403
Cash and cash equivalents and restricted cash, beginning of period	660,331	716,759	808,287	660,331
<b>Cash and cash equivalents, end of period</b>	<b>\$ 842,001</b>	<b>\$ 532,708</b>		
<b>Cash and cash equivalents and restricted cash, end of period</b>			<b>\$ 817,825</b>	<b>\$ 856,734</b>
Non-cash transactions:				
Accrued capital expenditures	\$ 10,934	\$ 8,757	\$ 6,405	\$ 8,608
Stock awards	1,280	2,321		
Accrued purchases of treasury stock and excise taxes	4,641	—	—	11,872
Lease assets obtained in exchange for new operating lease liabilities	9,186	3,392	2,152	1,807

See notes to condensed consolidated financial statements.

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**DILLARD'S, INC.**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**(Unaudited)**

#### **Note 1. Basis of Presentation**

The accompanying unaudited interim condensed consolidated financial statements of Dillard's, Inc. (the "Company") have been prepared in accordance with the rules of the Securities and Exchange Commission ("SEC"). Accordingly, they do not include all of the information and footnotes required by accounting principles generally accepted in the United States of America ("GAAP") for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the three and nine months ended **October 28, 2023** **May 4, 2024** are not necessarily indicative of the results that may be expected for the fiscal year ending **February 3, 2024** **February 1, 2025** due to, among other factors, the seasonal nature of the business.

These unaudited interim condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and footnotes thereto included in the Company's Annual Report on Form 10-K for the fiscal year ended **January 28, 2023** **February 3, 2024** filed with the SEC on **March 27, 2023** **March 29, 2024**.

The following table provides a reconciliation of cash and cash equivalents and restricted cash reported within the condensed consolidated balance sheets that sum to the total of the same such amounts shown in the condensed consolidated statements of cash flows.

(in thousands of dollars)	October 28, 2023	January 28, 2023	October 29, 2022	May 4, 2024	April 29, 2023
Cash and cash equivalents	\$ 842,001	\$ 650,336	\$ 532,708	\$ 817,825	\$ 848,316
Restricted cash	—	9,995	—	—	8,418
<b>Total cash, cash equivalents and restricted cash</b>	<b>\$ 842,001</b>	<b>\$ 660,331</b>	<b>\$ 532,708</b>		
<b>Total cash and cash equivalents and restricted cash</b>				<b>\$ 817,825</b>	<b>\$ 856,734</b>

## Note 2. Accounting Standards

### ***Recently Adopted Accounting Pronouncements***

There have been no recently adopted accounting pronouncements **except as noted below**, that had a material impact on the Company's condensed consolidated financial statements.

#### ***Disclosure of Supplier Finance Program Obligations***

In September 2022, the Financial Accounting Standards Board issued accounting standards update ("ASU") No. 2022-04, *Liabilities – Supplier Finance Programs (Subtopic 405-50): Disclosure of Supplier Finance Program Obligations*. The ASU is intended to enhance the transparency of the use of supplier finance programs by requiring that the buyers in those programs provide additional disclosures about the program's nature and potential magnitude, including a rollforward of the obligations and activity during the period. The ASU is effective for fiscal years and interim periods within those years beginning after December 15, 2022, except for the amendment on rollforward information, which is effective for fiscal years beginning after December 15, 2023. The amendments in the update should be applied retrospectively, except for the amendment on rollforward information, which should be applied prospectively. This ASU was adopted for the fiscal period beginning January 29, 2023 and did not have a material impact on the Company's condensed consolidated financial statements.

Under the terms of the Company's supplier finance program, participating suppliers have the option of payment in advance of an invoice due date, which is paid by certain administering banks, on the basis of invoices that the Company has confirmed as valid and approved. The Company agrees to pay the administering bank the stated amount of confirmed invoices from its designated suppliers on the Company's standard payment terms or on the original due dates of the invoices, as applicable. The Company's suppliers are not required to participate in the supplier finance program.

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The early payment transactions between the Company's supplier and the administering bank are subject to an agreement between those parties, and the Company does not participate in any financial aspect of the agreement between the Company's supplier and the administering bank. The Company has not pledged assets or any other security for the committed payment to the administering bank. The Company or the administering bank may terminate the agreement upon at least 30 days' notice.

The amount of obligations confirmed under the program that remain unpaid by the Company were \$1.5 million, \$1.8 million and \$2.1 million as of October 28, 2023, January 28, 2023 and October 29, 2022, respectively. These obligations are presented within trade accounts payable and accrued expenses in our condensed consolidated balance sheets.

### ***Recently Issued Accounting Pronouncements***

Management has considered all recent accounting pronouncements, **except as noted below**, and believes there is no accounting guidance issued but not yet effective that would be material to the Company's condensed consolidated financial statements.

#### ***Improvements to Reportable Segment Disclosures***

In November 2023, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2023-07, *Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures*. The update modifies the disclosure/presentation requirements of reportable segments. The amendments in the update require the disclosure of significant segment expenses that are regularly provided to the chief operating decision maker (CODM) and included within each reported measure of segment profit and loss. The amendments also require disclosure of all other segment items by reportable segment and a description of its composition. Additionally, the amendments require disclosure of the title and position of the CODM and an explanation of how the CODM uses the reported measure(s) of segment profit or loss in assessing segment performance and deciding how to allocate resources. This update is effective for annual periods

beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024. Early adoption is permitted. The Company is currently evaluating the impact that this guidance will have on its consolidated financial statements and accompanying notes.

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*Improvements to Income Tax Disclosures*

In December 2023, the FASB issued ASU No. 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*. The update requires increased transparency in tax disclosures, specifically by expanding requirements for rate reconciliation and income taxes paid information. ASU 2023-09 is effective for fiscal years beginning after December 15, 2024. Early adoption is permitted. The Company is currently evaluating the impact that this ASU will have on its income tax disclosures.

**Note 3. Business Segments**

The Company operates in two reportable segments: the operation of retail department stores ("retail operations") and a general contracting construction company ("construction").

For the Company's retail operations segment, the Company determined its operating segments on a store by store basis. Each store's operating performance has been aggregated into one reportable segment for financial reporting purposes because stores are similar in each of the following areas: economic characteristics, class of consumer, nature of products and distribution methods. Revenues from external customers are derived from merchandise sales, and the Company does not rely on any major customers as a source of revenue. Across all stores, the Company operates one store format under the Dillard's name where each store offers the same general mix of merchandise with similar categories and similar customers. The Company believes that disaggregating its retail operations segment would not provide meaningful additional information.

The following table summarizes the percentage of net sales by segment and major product line:

	Three Months Ended		Nine Months Ended		Three Months Ended	
	October 28, 2023	October 29, 2022	October 28, 2023	October 29, 2022	May 4, 2024	April 29, 2023
Retail operations segment:						
Cosmetics	14 %	14 %	14 %	13 %	16 %	15 %
Ladies' apparel	21	21	22	23	23	23
Ladies' accessories and lingerie	13	13	13	14	12	12
Juniors' and children's apparel	10	10	10	10	10	10
Men's apparel and accessories	19	20	19	20	17	18
Shoes	15	16	15	15	15	15
Home and furniture	3	3	3	3	3	3
	95	97	96	98	96	96
Construction segment	5	3	4	2	4	4
Total	100 %	100 %	100 %	100 %	100 %	100 %

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The following tables summarize certain segment information, including the reconciliation of those items to the Company's consolidated operations:

(in thousands of dollars)	Retail			Retail		
	Operations	Construction	Consolidated	Operations	Construction	Consolidated
<b>Three Months Ended October 28, 2023</b>						
<b>Three Months Ended May 4, 2024</b>						
Net sales from external customers	\$ 1,409,487	\$ 66,875	\$ 1,476,362	\$ 1,492,643	\$ 56,408	\$ 1,549,051
Gross margin	638,612	3,213	641,825	689,185	2,041	691,226
Depreciation and amortization	44,641	66	44,707	46,051	68	46,119
Interest and debt (income) expense, net	(1,581)	(209)	(1,790)	(3,288)	(244)	(3,532)
Income before income taxes	198,369	1,010	199,379			
Income (loss) before income taxes				235,206	(398)	234,808
Total assets	3,828,418	69,516	3,897,934	3,863,603	73,553	3,937,156
<b>Three Months Ended October 29, 2022</b>						
<b>Three Months Ended April 29, 2023</b>						
Net sales from external customers	\$ 1,499,072	\$ 45,070	\$ 1,544,142	\$ 1,514,933	\$ 69,015	\$ 1,583,948
Gross margin	685,643	2,822	688,465	690,389	2,298	692,687
Depreciation and amortization	46,614	51	46,665	45,687	60	45,747
Interest and debt (income) expense, net	6,984	(27)	6,957			
Interest and debt expense (income), net				228	(105)	123
Income before income taxes	241,863	866	242,729	262,823	292	263,115
Total assets	3,737,746	54,887	3,792,633	3,686,633	62,396	3,749,029
<b>Nine Months Ended October 28, 2023</b>						
Net sales from external customers	\$ 4,422,952	\$ 204,735	\$ 4,627,687			
Gross margin	1,934,624	8,430	1,943,054			
Depreciation and amortization	135,079	193	135,272			
Interest and debt (income) expense, net	(1,078)	(457)	(1,535)			
Income before income taxes	631,810	2,275	634,085			
Total assets	3,828,418	69,516	3,897,934			
<b>Nine Months Ended October 29, 2022</b>						
Net sales from external customers	\$ 4,632,529	\$ 111,901	\$ 4,744,430			
Gross margin	2,079,008	7,091	2,086,099			
Depreciation and amortization	140,628	165	140,793			
Interest and debt (income) expense, net	27,154	(46)	27,108			
Income before income taxes	775,965	1,366	777,331			
Total assets	3,737,746	54,887	3,792,633			

Intersegment construction revenues of **\$14.4 million** **\$9.4 million** and **\$10.7 million** **\$10.4 million** for the three months ended **October 28, 2023** **May 4, 2024** and **October 29, 2022**, respectively, and **\$34.9 million** and **\$32.4 million** for the nine months ended **October 28, 2023** and **October 29, 2022** **April 29, 2023**, respectively, were eliminated during consolidation and have been excluded from net sales for the respective periods.

The retail operations segment gives rise to contract liabilities through the customer loyalty program associated with Dillard's private label cards and through the issuances of gift cards. The customer loyalty program liability and a portion of the gift card liability are included in trade accounts payable and accrued expenses, and a portion of the gift card liability is included in other liabilities on the condensed consolidated balance sheets. Our retail operations segment contract liabilities are as follows:

Retail (in thousands of dollars)	October 28, 2023	January 28, 2023	October 29, 2022	January 29, 2022	May 4, 2024	February 3, 2024	April 29, 2023	January 28, 2023
	2023	2023	2022	2022	2024	2024	2023	2023
Contract liabilities	\$ 71,675	\$ 83,909	\$ 67,109	\$ 80,421	\$ 75,075	\$ 85,227	\$ 76,011	\$ 83,909

During the three months ended May 4, 2024 and April 29, 2023, the Company recorded \$25.0 million and \$24.3 million, respectively, in revenue that was previously included in the retail operations contract liability balances of \$85.2 million and \$83.9 million at February 3, 2024 and January 28, 2023, respectively.

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During the nine months ended October 28, 2023 and October 29, 2022, the Company recorded \$44.4 million and \$44.8 million, respectively, in revenue that was previously included in the retail operations contract liability balances of \$83.9 million and \$80.4 million at January 28, 2023 and January 29, 2022, respectively.

Construction contracts give rise to accounts receivable, contract assets and contract liabilities. We record accounts receivable based on amounts expected to be collected from customers. We also record costs and estimated earnings in excess of billings on uncompleted contracts (contract assets) and billings in excess of costs and estimated earnings on uncompleted contracts (contract liabilities) in other current assets and trade accounts payable and accrued expenses, respectively, in the condensed consolidated balance sheets. The amounts included in the condensed consolidated balance sheets are as follows:

Construction (in thousands of dollars)	October 28, 2023				January 28, 2023			
	2023	2023	2022	2022	2024	2024	2023	2023
Accounts receivable	\$ 47,089	\$ 44,286	\$ 31,111	\$ 25,912	\$39,773	\$ 47,240	\$48,334	\$ 44,286
Costs and estimated earnings in excess of billings on uncompleted contracts	2,069	798	3,512	2,847	16,707	1,695	1,473	798
Billings in excess of costs and estimated earnings on uncompleted contracts	9,120	10,909	9,969	6,298	7,426	6,307	10,095	10,909

During the ~~nine~~three months ended ~~October 28, 2023~~May 4, 2024 and ~~October 29, 2022~~April 29, 2023, the Company recorded ~~\$10.4~~\$5.1 million and ~~\$5.7~~\$9.5 million, respectively, in revenue that was previously included in billings in excess of costs and estimated earnings on uncompleted contracts of ~~\$6.3~~ million and ~~\$10.9~~ million at ~~February 3, 2024~~ and ~~\$6.3~~ million at ~~January 28, 2023~~ and ~~January 29, 2022~~, respectively.

The remaining performance obligations related to executed construction contracts totaled ~~\$220.9~~ million ~~\$187.0~~ million, ~~\$189.1~~ million ~~\$163.7~~ million and ~~\$232.7~~ million ~~\$201.8~~ million at ~~October 28, 2023~~May 4, 2024, ~~January 28, 2023~~February 3, 2024 and ~~October 29, 2022~~April 29, 2023, respectively.

**Note 4. Earnings Per Share**

The following table sets forth the computation of basic and diluted earnings per share for the periods indicated (in thousands, except per share data).

	Three Months Ended		Nine Months Ended		Three Months Ended	
	October 28,	October 29,	October 28,	October 29,	May 4,	April 29,
	2023	2022	2023	2022	2024	2023
Net income	\$ 155,339	\$ 187,909	\$ 488,345	\$ 602,451	\$180,038	\$201,495
Weighted average shares of common stock outstanding	16,377	17,139	16,620	17,691	16,230	17,004
Basic and diluted earnings per share	\$ 9.49	\$ 10.96	\$ 29.38	\$ 34.05	\$ 11.09	\$ 11.85

The Company maintains a capital structure in which common stock is the only equity security issued and outstanding, and there were no shares of preferred stock, stock options, other dilutive securities or potentially dilutive securities issued or outstanding during the three and nine months ended **October 28, 2023** **May 4, 2024** and **October 29, 2022** **April 29, 2023**.

#### Note 5. Commitments and Contingencies

Various legal proceedings, in the form of lawsuits and claims, which occur in the normal course of business, are pending against the Company and its subsidiaries. In the opinion of management, disposition of these matters, individually or in the aggregate, is not expected to materially affect the Company's financial position, cash flows or results of operations.

At **October 28, 2023** **May 4, 2024**, letters of credit totaling **\$19.3 million** **\$25.8 million** were issued under the Company's revolving credit facility. See Note 7, *Revolving Credit Agreement*, for additional information.

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#### Note 6. Benefit Plans

The Company has an unfunded, nonqualified defined benefit plan ("Pension Plan") for its officers. The Pension Plan is noncontributory and provides benefits based on years of service and compensation during employment. Pension expense is determined using an actuarial cost method to estimate the total benefits ultimately payable to officers and allocates this cost to service periods. The actuarial assumptions used to calculate pension costs are reviewed annually. The Company contributed **\$1.9 million** and **\$5.2 million** **\$1.8 million** to the Pension Plan during the three and nine months ended **October 28, 2023**, respectively, **May 4, 2024** and expects to make additional contributions to the Pension Plan of approximately **\$1.8 million** **\$5.6 million** during the remainder of fiscal **2023**, **2024**.

The components of net periodic benefit costs are as follows:

(in thousands of dollars)	Three Months Ended		Nine Months Ended		Three Months Ended	
	October 28, 2023		October 28, 2022		May 4, 2024	
	2023	2022	2023	2022	2024	2023
<b>Components of net periodic benefit costs:</b>						
Service cost	\$ 1,262	\$ 1,019	\$ 3,785	\$ 3,057	\$ 1,589	\$ 1,262
Interest cost	3,237	1,696	9,711	5,089	3,975	3,237
Net actuarial loss	1,461	240	4,383	719	2,183	1,461
<b>Net periodic benefit costs</b>	<b>\$ 5,960</b>	<b>\$ 2,955</b>	<b>\$ 17,879</b>	<b>\$ 8,865</b>	<b>\$ 7,747</b>	<b>\$ 5,960</b>

The service cost component of net periodic benefit costs is included in selling, general and administrative expenses, and the interest costs and net actuarial loss components are included in other expense in the condensed consolidated statements of income.

#### Note 7. Revolving Credit Agreement

The Company maintains a credit facility ("credit agreement") for general corporate purposes including, among other uses, working capital financing, the issuance of letters of credit, capital expenditures and, subject to certain restrictions, the repayment of existing indebtedness and share repurchases. The credit agreement, which is secured by certain deposit accounts of the Company and certain inventory of certain subsidiaries, provides a borrowing capacity of \$800 million, subject to certain limitations as outlined in the credit agreement, with a \$200 million expansion option.

Effective July 1, 2023, the Company amended the credit agreement (the "2023 amendment") to reflect the changes necessary for the phaseout of LIBOR. Pursuant to the 2023 amendment, the Company pays a variable rate of interest on borrowings under the credit agreement and a commitment fee to the participating banks. The rate of interest on borrowings is Adjusted Daily Simple SOFR, as defined in the 2023 amendment, plus 1.75% if average quarterly availability is less than 50% of the total commitment, as defined in the 2023 amendment ("total

commitment"), and the rate of interest on borrowings is Adjusted Daily Simple SOFR, as defined in the 2023 amendment, plus 1.50% if average quarterly availability is greater than or equal to 50% of the total commitment. The commitment fee for unused borrowings is 0.30% per annum if average borrowings are less than 35% of the total commitment and 0.25% if average borrowings are greater than or equal to 35% of the total commitment. As long as availability exceeds \$80 million and certain events of default have not occurred and are not continuing, there are no financial covenant requirements under the credit agreement. The credit agreement, as amended by the 2023 amendment, matures on April 28, 2026.

At **October 28, 2023** **May 4, 2024**, no borrowings were outstanding, and letters of credit totaling **\$19.3 million** **\$25.8 million** were issued under the credit agreement leaving unutilized availability under the facility of **\$780.7 million** **\$774.2 million**.

#### Note 8. Stock Repurchase Programs

In May 2021, the Company's Board of Directors approved a stock repurchase program authorizing the Company to repurchase up to \$500 million of its Class A Common Stock ("May 2021 Stock Plan"). In February 2022, the Company's Board of Directors approved a stock repurchase program authorizing the Company to repurchase up to \$500 million of its Class A Common Stock ("February 2022 Stock Plan"). In May 2023, the Company's Board of Directors

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approved a stock repurchase program authorizing the Company to repurchase up to \$500 million of its Class A Common Stock ("May 2023 Stock Plan"). The May 2023 Stock Plan permits the Company to repurchase its Class A Common Stock in the open market, pursuant to preset trading plans meeting the requirements

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of Rule 10b5-1 under the Securities Exchange Act of 1934, as amended, or through privately negotiated transactions. **The May 2023 Stock Plan has no expiration date.**

The following is a summary of share repurchase activity for the periods indicated (in thousands, except per share data):

	Three Months Ended		Nine Months Ended		Three Months Ended	
	October 28, 2023		October 28, 2023		May 4, 2024	
	October 29, 2022	2022	October 29, 2022	2022	April 29, 2023	2023
Cost of shares repurchased	\$ 47,990	\$ 24,310	\$ 265,244	\$ 436,620	\$ —	\$ 113,810
Number of shares repurchased	151	99	866	1,709	—	357
Average price per share	\$ 318.01	\$ 245.60	\$ 306.41	\$ 255.49	\$ —	\$ 318.66

All repurchases of the Company's Class A Common Stock above were made at the market price at the trade date, and all amounts paid to reacquire these shares were allocated to treasury stock. As of **October 28, 2023** **May 4, 2024**, the Company had completed the authorized purchases under the **May 2021 Stock Plan** and the **February 2022 Stock Plan**, and **\$410.2** **394.0** million of authorization remained under the May 2023 Stock Plan.

#### Note 9. Income Taxes

During the three and nine months ended **October 28, 2023** **May 4, 2024** and **October 29, 2022** **April 29, 2023**, income tax expense differed from what would be computed using the statutory federal income tax rate primarily due to the effects of state and local income taxes.

#### **Note 10. Gain on Disposal of Assets**

During the three months ended **October 28, 2023** **April 29, 2023**, the Company recorded proceeds of **\$4.1 million** primarily from the sale of a store property, resulting in a gain of **\$4.1 million** that was recorded in gain on disposal of assets. During the nine months ended **October 28, 2023**, the Company recorded proceeds of **\$6.3 million** primarily from the sale of two store properties, resulting in a gain of **\$6.0 million** that was recorded in gain on disposal of assets.

During the nine months ended **October 29, 2022**, the Company recorded proceeds of **\$8.1 million** **\$1.9 million** primarily from the sale of one store property, resulting in a gain of **\$7.2 million** **\$1.8 million** that was recorded in gain on disposal of assets.

#### **Note 11. Fair Value Disclosures**

The estimated fair values of financial instruments presented herein have been determined by the Company using available market information and appropriate valuation methodologies. However, considerable judgment is required in interpreting market data to develop estimates of fair value. Accordingly, the estimates presented herein are not necessarily indicative of amounts the Company could realize in a current market exchange.

The fair value of the Company's long-term debt and subordinated debentures are based on market prices and are categorized as Level 1 in the fair value hierarchy.

The fair value of the Company's cash and cash equivalents and trade accounts receivable approximates their carrying values at **October 28, 2023** **May 4, 2024** due to the short-term maturities of these instruments. The Company's short-term investments are recorded at amortized cost, which is consistent with the Company's held-to-maturity classification. The fair value of the Company's long-term debt at **October 28, 2023** **May 4, 2024** was approximately **\$323 million** **\$334 million**. The carrying value of the Company's long-term debt at **October 28, 2023** **May 4, 2024** was approximately **\$321 million**. The fair value of the Company's subordinated debentures at **October 28, 2023** **May 4, 2024** was approximately **\$203 million** **\$206 million**. The carrying value of the Company's subordinated debentures at **October 28, 2023** **May 4, 2024** was **\$200 million**.

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#### **Note 12. Subsequent Events**

##### *Special Dividend*

On November 16, 2023, the Company announced that its Board of Directors declared a special dividend of \$20.00 per share. The dividend is payable on the Class A Common Stock and Class B Common Stock of the Company on January 8, 2024 to stockholders of record as of December 15, 2023.

##### *Credit Card Program Agreement*

Wells Fargo owns and manages Dillard's private label cards under a marketing and servicing alliance with Wells Fargo Bank, N.A. ("Wells Fargo Alliance"). As previously disclosed, the Wells Fargo Alliance expires in November 2024. On November 6, 2023, Wells Fargo delivered a written notice of non-renewal in accordance with the terms of the governing credit card program agreement ("Agreement"). This notice was an administrative formality required by the terms of the Agreement to prevent the automatic renewal of the Agreement in accordance with its terms. The Wells Fargo Alliance will remain in place until the expiration or earlier termination of the Agreement.

The Company has the option to purchase, or arrange for a third party to purchase, the program accounts and accounts receivable, cardholder data and other assets under the Agreement ("Program Assets"), which option is exercisable up to 180 days prior to the expiration of the Agreement. The Company is currently in negotiations for an arrangement whereby a third party is expected to purchase the Program

Assets from Wells Fargo and enter into a new program agreement with the Company for (i) the offering of co-branded and private label credit cards to new and existing customers of Company and (ii) the servicing of the credit card portfolio following the expiration or termination of the Agreement.

There can be no assurances that the Company will be able to finalize the agreements currently being negotiated or to find an alternate third party purchaser on comparable terms and conditions as exist under the Agreement or at all. The Company cannot estimate the impact of not being able to find an alternate third party purchaser or the impact any potential new agreement might have on our financial position, cash flows or results of operations.

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### **Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.**

The following discussion should be read in conjunction with the condensed consolidated financial statements and the footnotes thereto included elsewhere in this report, as well as the financial and other information included in our Annual Report on Form 10-K for the fiscal year ended **January 28, 2023** **February 3, 2024**.

#### **EXECUTIVE OVERVIEW**

The Company's results Company noted a continued challenging consumer environment during the three months ended May 4, 2024 with comparable retail sales declining 2%. However, retail gross margin was 46.2% of sales (compared to 45.6% of sales for the three months ended **October 28, 2023** reflected April 29, 2023) leading to a good performance despite a challenging sales environment. Beginning particularly in September, sales weakened, and profitable first quarter of 2024. Management attributes the Company reported a 6% comparable sales decline compared to the prior year third quarter. Retail strong gross margin for the quarter was 45.3% of sales, declining 40 basis points from 45.7% reported for the prior year third quarter. Management believes that performance to its focus on producing profitable sales by offering interesting product combined with inventory control resulted in the strong gross margin performance. Inventory declined 1% at October 28, 2023 compared to October 29, 2022, control.

For the three months ended **October 28, 2023** **May 4, 2024**, the Company reported net income of **\$155.3 million** **\$180.0 million** (**\$9.49** **11.09** per share). This compared to net income of **\$187.9 million** **\$201.5 million** (**\$10.96** **11.85** per share) for the prior year **third** first quarter. Included in net income for the three months ended **October 28, 2023** **April 29, 2023** is a pretax gain of **\$4.0 million** **\$1.8 million** (**\$3.1** **1.4** million after tax or **\$0.19** **\$0.08** per share) primarily related to the sale of a store property.

Selling, general and administrative ("SG&A") expenses for the three months ended **October 28, 2023** **May 4, 2024** increased to **\$421.8 million** (**28.6%** **\$426.7 million** (27.5% of sales) compared to **\$413.8 million** (26.8% from **\$406.4 million** (25.7% of sales) for the prior year **third** first quarter. The increase of **\$20.3 million** is primarily as a the result of increased payroll and payroll-related expenses.

Net cash provided by operating activities was **\$447.1 million** **\$244.4 million** for the **nine** three months ended **October 28, 2023** **May 4, 2024** compared to **\$558.4 million** **\$280.9 million** for the prior year **nine**-month period. The Company repurchased approximately 0.9 million shares of its outstanding Class A Common Stock for **\$265.2 million** under its stock repurchase plans during the nine months ended October 28, 2023. At October 28, 2023, **\$410.2 million** of authorization remained under the Company's open stock repurchase plan authorized in May 2023. first quarter.

As of **October 28, 2023** **May 4, 2024**, the Company had working capital of **\$1,463.4 million** **\$1,577.9 million** (including cash and cash equivalents of **\$842.0 million** **\$817.8 million** and short-term investments of **\$51.3 million** **\$347.2 million**) and **\$521.4 million** **\$521.5 million** of total debt outstanding, including **\$321.4 million** **\$321.5 million** of long-term debt and **\$200.0 million** of subordinated debentures.

On November 16, 2023, the Company announced that its Board of Directors declared a special dividend of \$20.00 per share. The dividend is payable on the Class A Common Stock and Class B Common Stock of the Company on January 8, 2024 to stockholders of record as of December 15, 2023.

The Company operated 273 stores, including 279 clearance centers, and an internet store as of October 28, 2023 May 4, 2024.

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**Key Performance Indicators**

We use a number of key indicators of financial condition and operating performance to evaluate our business, including the following:

	Three Months Ended	
	October 28,	
	2023	2022
Net sales (in millions)	\$ 1,476.4	\$ 1,544.1
Retail stores sales trend	(6)%	3 %
Comparable retail stores sales trend	(6)%	3 %
Gross margin (in millions)	\$ 641.8	\$ 688.5
Gross margin as a percentage of net sales	43.5 %	44.6 %
Retail gross margin as a percentage of retail net sales	45.3 %	45.7 %
Selling, general and administrative expenses as a percentage of net sales	28.6 %	26.8 %
Cash flow provided by operations (in millions)*	\$ 447.1	\$ 558.4
Total retail store count at end of period	273	277
Retail sales per square foot	\$ 31	\$ 33
Retail store inventory trend	(1)%	8 %
Annualized retail merchandise inventory turnover	2.2	2.4

\* Cash flow from operations data is for the nine months ended October 28, 2023 and October 29, 2022.

	Three Months Ended	
	May 4,	
	2024	2023
Net sales (in millions)	\$ 1,549.1	\$ 1,583.9
Retail stores sales trend	(1)%	(4)%
Comparable retail stores sales trend	(2)%	(4)%
Gross margin (in millions)	\$ 691.2	\$ 692.7
Gross margin as a percentage of net sales	44.6 %	43.7 %
Retail gross margin as a percentage of retail net sales	46.2 %	45.6 %
Selling, general and administrative expenses as a percentage of net sales	27.5 %	25.7 %
Cash flow provided by operations (in millions)	\$ 244.4	\$ 280.9
Total retail store count at end of period	274	274
Retail sales per square foot	\$ 33	\$ 33
Retail store inventory trend	(2)%	3 %
Annualized retail merchandise inventory turnover	2.5	2.5

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**Net sales.** Net sales includes merchandise sales of comparable and non-comparable stores and revenue recognized on contracts of CDI Contractors, LLC ("CDI"), the Company's general contracting construction company. Comparable store sales includes sales for those stores which were in operation for a full period in both the most recently completed quarter and the corresponding quarter for the prior fiscal year, including our internet store. Comparable store sales excludes changes in the allowance for sales returns. Non-comparable store sales includes: sales in the current fiscal year from stores opened during the previous fiscal year before they are considered comparable stores; sales from new stores opened during the current fiscal year; sales in the previous fiscal year for stores closed during the current or previous fiscal year that are no longer considered comparable stores; sales in clearance centers; and changes in the allowance for sales returns.

Sales occur as a result of interaction with customers across multiple points of contact, creating an interdependence between in-store and online sales. Online orders are fulfilled from both fulfillment centers and retail stores. Additionally, online customers have the ability to buy online and pick up in-store. Retail in-store customers have the ability to purchase items that may be ordered and fulfilled from either a fulfillment center or another retail store location. Online customers may return orders via mail, or customers may return orders placed online to retail store locations. Customers who earn reward points under the private label credit card program may earn and redeem rewards through in-store or online purchases.

**Service charges and other income.** Service charges and other income includes income generated through the marketing and servicing alliance with Wells Fargo Bank, N.A. ("Wells Fargo Alliance"). Other income includes rental income, shipping and handling fees and gift card breakage.

**Cost of sales.** Cost of sales includes the cost of merchandise sold (net of purchase discounts, non-specific margin maintenance allowances and merchandise margin maintenance allowances), bankcard fees, freight to the distribution centers, employee and promotional discounts, shipping to customers and direct payroll for salon personnel. Cost of sales also includes CDI contract costs, which comprise all direct material and labor costs, subcontract costs and those indirect costs related to contract performance, such as indirect labor, employee benefits and insurance program costs.

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**Selling, general and administrative expenses.** Selling, general and administrative expenses include buying, occupancy, selling, distribution, warehousing, store and corporate expenses (including payroll and employee benefits), insurance, employment taxes, advertising, management information systems, legal and other corporate level expenses. Buying expenses consist of payroll, employee benefits and travel for design, buying and merchandising personnel.

**Depreciation and amortization.** Depreciation and amortization expenses include depreciation and amortization on property and equipment.

**Rentals.** Rentals includes expenses for store leases, including contingent rent, data processing and other equipment rentals and office space leases.

**Interest and debt (income) expense, net.** Interest and debt (income) expense includes interest, net of interest income from demand deposits and short-term investments and capitalized interest, relating to the Company's unsecured notes, subordinated debentures and commitment fees and borrowings, if any, under the Company's credit agreement. Interest and debt expense also includes the amortization of financing costs and interest on finance lease obligations, if any.

**Other expense.** Other expense includes the interest cost and net actuarial loss components of net periodic benefit costs related to the Company's unfunded, nonqualified defined benefit plan and charges related to the write off of certain deferred financing fees in connection with the amendment and extension of the Company's secured revolving credit facility, if any.

**Gain on disposal of assets.** Gain on disposal of assets includes the net gain or loss on the sale or disposal of property and equipment, as well as gains from insurance proceeds in excess of the cost basis of insured assets, if any.

#### LIBOR 15

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On March 5, 2021, the U.K. Financial Conduct Authority, which regulates LIBOR, announced that all LIBOR settings will either cease to be provided by any administrator or no longer be representative: (a) immediately after December 31, 2021, in the case [Table of the 1-week and 2-month U.S. dollar settings; and \(b\) immediately after June 30, 2023, in the case of the remaining U.S. dollar settings.](#) [Contents](#)

During the nine months ended October 28, 2023, the Company amended its revolving credit agreement and its credit card program agreement to replace LIBOR with Secured Overnight Financing Rates (SOFR). For additional information, see Note 7, *Revolving Credit Agreement*, in the "Notes to Consolidated Financial Statements," in Part I, Item 1 hereof.

#### Seasonality

Our business, like many other retailers, is subject to seasonal influences, with a significant portion of sales and income typically realized during the last quarter of our fiscal year due to the holiday season. Because of the seasonality of our business, results from any quarter are not necessarily indicative of the results that may be achieved for a full fiscal year.

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#### RESULTS OF OPERATIONS

The following table sets forth the results of operations as a percentage of net sales for the periods indicated (percentages may not foot due to rounding):

	Three Months Ended		Nine Months Ended		Three Months Ended	
	October 28, 2023	October 29, 2022	October 28, 2023	October 29, 2022	May 4, 2024	April 29, 2023
	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
Net sales						
Service charges and other income	1.9	1.9	1.9	1.9	1.5	1.9
	101.9	101.9	101.9	101.9	101.5	101.9
Cost of sales	56.5	55.4	58.0	56.0	55.4	56.3
Selling, general and administrative expenses	28.6	26.8	26.8	25.6	27.5	25.7
Depreciation and amortization	3.0	3.0	2.9	3.0	3.0	2.9
Rentals	0.3	0.3	0.3	0.3	0.3	0.3
Interest and debt (income) expense, net	(0.1)	0.5	0.0	0.6	(0.2)	0.0
Other expense	0.3	0.1	0.3	0.1	0.4	0.3
Gain on disposal of assets	(0.3)	0.0	(0.1)	(0.2)	0.0	(0.1)
Income before income taxes	13.5	15.7	13.7	16.4	15.2	16.6
Income taxes	3.0	3.6	3.1	3.7	3.5	3.9
Net income	10.5 %	12.2 %	10.6 %	12.7 %	11.6 %	12.7 %

#### Net Sales

(in thousands of dollars)	Three Months Ended			Three Months Ended		
	October 28,		October 29,	May 4,		April 29,
	2023	2022	\$ Change	2024	2023	\$ Change
<b>Net sales:</b>						
Retail operations segment	\$ 1,409,487	\$ 1,499,072	\$ (89,585)	\$ 1,492,643	\$ 1,514,933	\$ (22,290)
Construction segment	66,875	45,070	21,805	56,408	69,015	(12,607)
Total net sales	<u>\$ 1,476,362</u>	<u>\$ 1,544,142</u>	<u>\$ (67,780)</u>	<u>\$ 1,549,051</u>	<u>\$ 1,583,948</u>	<u>\$ (34,897)</u>

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The percent change by segment and product category in the Company's sales for the three months ended **October 28, 2023** **May 4, 2024** compared to the three months ended **October 29, 2022** **April 29, 2023** as well as the sales percentage by segment and product category to total net sales for the three months ended **October 28, 2023** **May 4, 2024** are as follows:

	% Change	% of	% Change	% of
	2023 - 2022	Net Sales	2024 - 2023	Net Sales
Retail operations segment				
Cosmetics	1.1 %	14 %	4.6 %	16 %
Ladies' apparel	(6.3)	21	(1.0)	23
Ladies' accessories and lingerie	(7.6)	13	(0.5)	12
Juniors' and children's apparel	(8.7)	10	(3.8)	10
Men's apparel and accessories	(7.1)	19	(4.6)	17
Shoes	(7.3)	15	(3.6)	15
Home and furniture	(4.7)	3	(0.7)	3
		95		96
Construction segment	48.4	5	(18.3)	4
Total		<u>100 %</u>		<u>100 %</u>

Net sales from the retail operations segment decreased **\$89.6 million** **\$22.3 million**, or approximately **6% 1%**, and sales in comparable stores decreased approximately **6% 2%** during the three months ended **October 28, 2023** **May 4, 2024** compared to the three months

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ended **October 29, 2022** **April 29, 2023**. Sales in men's apparel and accessories decreased significantly, while sales in juniors' and children's apparel ladies' accessories and lingerie, shoes men's apparel and accessories, decreased moderately. Sales in ladies' apparel and home and furniture decreased significantly, slightly, while sales in ladies' accessories and lingerie remained essentially flat. Sales in cosmetics increased slightly, significantly.

The number of sales transactions decreased by **9% 5%** for the three months ended **October 28, 2023** **May 4, 2024** compared to the three months ended **October 29, 2022** **April 29, 2023**, while the average dollars per sales transaction increased by **3% 4%**.

We recorded a return asset of \$11.5 million \$13.5 million and \$13.8 million \$13.9 million and an allowance for sales returns of \$22.6 million \$27.2 million and \$27.3 million \$27.8 million as of October 28, 2023 May 4, 2024 and October 29, 2022 April 29, 2023, respectively.

During the three months ended October 28, 2023 May 4, 2024, net sales from the construction segment increased \$21.8 million decreased \$12.6 million, or approximately 48% 18%, compared to the three months ended October 29, 2022 April 29, 2023, due to an increase a decrease in construction activity. The remaining performance obligations related to executed construction contracts totaled \$220.9 million \$187.0 million as of October 28, 2023 May 4, 2024, increasing approximately 17% 14% from January 28, 2023 February 3, 2024 and decreasing approximately 5% 7% from October 29, 2022 April 29, 2023, respectively. We expect these remaining performance obligations to be earned satisfied over the next nine to eighteen months.

(in thousands of dollars)	Nine Months Ended		
	October 28, 2023		October 29, 2022
	\$ Change		
<b>Net sales:</b>			
Retail operations segment	\$4,422,952	\$4,632,529	\$ (209,577)
Construction segment	204,735	111,901	92,834
Total net sales	<u>\$4,627,687</u>	<u>\$4,744,430</u>	<u>(\$16,743)</u>

**Service Charges and Other Income**

(in thousands of dollars)	Three		
	Three Months Ended		Months
	May 4, 2024	April 29, 2023	\$ Change
<b>Service charges and other income:</b>			
Retail operations segment			
Income from Wells Fargo Alliance	\$ 11,635	\$ 16,859	\$ (5,224)
Shipping and handling income	8,968	9,971	(1,003)
Other	3,056	3,053	3
	<u>23,659</u>	<u>29,883</u>	<u>(6,224)</u>
Construction segment	99	76	23
Total service charges and other income	<u>\$ 23,758</u>	<u>\$ 29,959</u>	<u>\$ (6,201)</u>

The percent change by segment Service charges and product category other income is composed primarily of income from the Wells Fargo Alliance. Income from the alliance decreased \$5.2 million partially due to increases in the Company's sales for the nine months ended October 28, 2023 compared to the nine months ended October 29, 2022 as well as the sales percentage by segment and product category to total net sales for the nine months ended October 28, 2023 are as follows: credit losses.

	% Change		% of
	2023 - 2022	Net Sales	
Retail operations segment			
Cosmetics	3.5 %	14 %	
Ladies' apparel	(4.6)	22	
Ladies' accessories and lingerie	(7.8)	13	
Juniors' and children's apparel	(7.9)	10	
Men's apparel and accessories	(6.1)	19	
Shoes	(4.6)	15	
Home and furniture	(3.7)	3	
		96	
Construction segment	83.0	4	
Total		<u>100 %</u>	

Net sales from the retail operations segment decreased \$209.6 million, or approximately 5%, and sales in comparable stores decreased approximately 4% during the nine months ended October 28, 2023 compared to the nine months ended October 29, 2022. Sales in juniors' and children's apparel, ladies' accessories and lingerie, men's apparel and accessories, shoes and ladies' apparel decreased significantly, while sales in home and furniture decreased moderately. Sales in cosmetics increased moderately.

The number of sales transactions decreased by 8% for the nine months ended October 28, 2023 compared to the nine months ended October 29, 2022, while the average dollars per sales transaction increased by 4%.

During the nine months ended October 28, 2023, net sales from the construction segment increased \$92.8 million, or approximately 83%, compared to the nine months ended October 29, 2022, due to an increase in construction activity.

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**Service Charges and Other Income** In January 2024, the Company announced that it entered into a new agreement with Citibank, N.A. ("Citi") to provide a credit card program for Dillard's customers, replacing the existing Wells Fargo Alliance. While future cash flows under this new program are difficult to predict, the Company expects income from the new program to initially be less than historical earnings from the Wells Fargo Alliance. The extent to which future cash flows will vary over the term of the new program from historical cash flows cannot be reasonably estimated at this time.

(in thousands of dollars)					Three	Nine
	Three Months Ended		Nine Months Ended		Months	Months
	October 28, 2023	October 29, 2022	October 28, 2023	October 29, 2022	\$ Change	\$ Change
<b>Service charges and other income:</b>						
Retail operations segment						
Income from Wells Fargo Alliance	\$ 16,784	\$ 16,761	\$ 50,908	\$ 50,310	\$ 23	\$ 598
Shipping and handling income	8,431	9,533	27,782	29,603	(1,102)	(1,821)
Other	2,594	2,590	8,992	9,204	4	(212)
	27,809	28,884	87,682	89,117	(1,075)	(1,435)
Construction segment	63	46	190	194	17	(4)
Total service charges and other income	<u>\$ 27,872</u>	<u>\$ 28,930</u>	<u>\$ 87,872</u>	<u>\$ 89,311</u>	<u>\$ (1,058)</u>	<u>\$ (1,439)</u>

**Gross Margin**

(in thousands of dollars)	October 28, 2023				October 29, 2022				May 4, 2024		April 29, 2023	
			\$ Change	% Change								
<b>Gross margin:</b>												
Three months ended												
Retail operations segment	\$ 638,612	\$ 685,643	\$ (47,031)	(6.9)%	\$ 689,185	\$ 690,389	\$ (1,204)	(0.2)%				
Construction segment	3,213	2,822	391	13.9	2,041	2,298	(257)	(11.2)				
Total gross margin	<u>\$ 641,825</u>	<u>\$ 688,465</u>	<u>\$ (46,640)</u>	<u>(6.8)%</u>	<u>\$ 691,226</u>	<u>\$ 692,687</u>	<u>\$ (1,461)</u>	<u>(0.2)%</u>				
Nine months ended												
Retail operations segment	\$ 1,934,624	\$ 2,079,008	\$ (144,384)	(6.9)%								
Construction segment	8,430	7,091	1,339	18.9								
Total gross margin	<u>\$ 1,943,054</u>	<u>\$ 2,086,099</u>	<u>\$ (143,045)</u>	<u>(6.9)%</u>								

(in thousands of dollars)	Three Months Ended				Nine Months Ended				Three Months Ended	
	October 28, 2023		October 29, 2022		October 28, 2023		October 29, 2022		May 4, 2024	April 29, 2023
<b>Gross margin as a percentage of segment net sales:</b>										
Retail operations segment		45.3 %		45.7 %		43.7 %		44.9 %	46.2 %	45.6 %
Construction segment		4.8		6.3		4.1		6.3	3.6	3.3

Total gross margin as a percentage of net sales	43.5	44.6	42.0	44.0	44.6	43.7
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Gross margin, as a percentage of sales, decreased increased to 43.5% 44.6% from 44.6% 43.7% during the three months ended October 28, 2023 May 4, 2024 compared to the three months ended October 29, 2022 April 29, 2023.

Gross margin from retail operations, as a percentage of sales, decreased increased to 45.3% 46.2% from 45.7% 45.6% during the three months ended October 28, 2023 May 4, 2024 compared to the three months ended October 29, 2022, primarily as a result of decreased markups partially offset by decreased markdowns. Gross margin decreased increased moderately in home and furniture and ladies' accessories and lingerie, while decreasing increasing slightly in shoes, men's apparel and accessories, ladies' apparel and juniors' and children's apparel. Gross margin in cosmetics remained essentially flat, while increasing moderately in ladies' apparel and home and furniture.

Gross margin, as a percentage of sales, decreased to 42.0% from 44.0% during the nine months ended October 28, 2023 compared to the nine months ended October 29, 2022.

Gross margin from retail operations, as a percentage of sales, decreased to 43.7% from 44.9% during the nine months ended October 28, 2023 compared to the nine months ended October 29, 2022, primarily as a result of decreased markups. Gross margin decreased moderately in men's apparel and accessories and juniors' and children's apparel, while decreasing slightly in shoes. Gross margin remained essentially flat in ladies' accessories shoes and lingerie and ladies' apparel. Gross margin increased slightly in cosmetics, while increasing moderately in home and furniture cosmetics.

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Total inventory decreased 1% 2% at October 28, 2023 May 4, 2024 compared to October 29, 2022 April 29, 2023. A 1% change in the dollar amount of markdowns would have impacted net income by approximately \$1 million and \$5 million for the three and nine months ended October 28, 2023, respectively, May 4, 2024.

Inflation and rising interest costs continue to be a concern for management. The extent to which our business will be affected by inflation and rising interest costs depends on our customers' continuing ability and willingness to accept price increases.

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#### Selling, General and Administrative Expenses ("SG&A")

(in thousands of dollars)	October 28,		October 29,		May 4,		April 29,	
	2023	2022	\$ Change	% Change	2024	2023	\$ Change	% Change
<b>SG&amp;A:</b>								
Three months ended								
Retail operations segment	\$ 419,470	\$ 411,888	\$ 7,582	1.8 %	\$ 424,006	\$ 404,303	\$ 19,703	4.9 %
Construction segment	2,355	1,950	405	20.8	2,668	2,072	596	28.8
<b>Total SG&amp;A</b>	<b>\$ 421,825</b>	<b>\$ 413,838</b>	<b>\$ 7,987</b>	<b>1.9 %</b>	<b>\$ 426,674</b>	<b>\$ 406,375</b>	<b>\$ 20,299</b>	<b>5.0 %</b>
Nine months ended								
Retail operations segment	\$ 1,234,283	\$ 1,210,208	\$ 24,075	2.0 %				

Construction segment	6,460	5,735	725	12.6			
Total SG&A	\$ 1,240,743	\$ 1,215,943	\$ 24,800	2.0 %			

SG&A as a percentage of segment net sales:	Three Months Ended		Nine Months Ended		Three Months Ended	
	October 28, 2023	October 29, 2022	October 28, 2023	October 29, 2022	May 4, 2024	April 29, 2023
Retail operations segment	29.8 %	27.5 %	27.9 %	26.1 %	28.4 %	26.7 %
Construction segment	3.5	4.3	3.2	5.1	4.7	3.0
Total SG&A as a percentage of net sales	28.6	26.8	26.8	25.6	27.5	25.7

SG&A increased to 28.6% 27.5% of sales during the three months ended October 28, 2023 May 4, 2024 from 26.8% 25.7% of sales during the three months ended October 29, 2022 April 29, 2023, an increase of \$8.0 million \$20.3 million. SG&A from retail operations increased to 29.8% 28.4% of sales for the three months ended October 28, 2023 May 4, 2024 from 27.5% 26.7% of sales for the three months ended October 29, 2022 April 29, 2023, an increase of \$7.6 million.

SG&A increased to 26.8% of sales during the nine months ended October 28, 2023 from 25.6% of sales during the nine months ended October 29, 2022, an increase of \$24.8 million. SG&A from retail operations increased to 27.9% of sales for the nine months ended October 28, 2023 from 26.1% of sales for the nine months ended October 29, 2022, an increase of \$24.1 million \$19.7 million.

The dollar increase in operating expenses in both the three and nine-month periods month period is primarily due to increased payroll and payroll-related expenses in the current highly competitive wage environment. Payroll and payroll-related expenses for the three months ended October 28, 2023 May 4, 2024 were \$296.7 million \$302.2 million compared to \$285.1 million \$282.3 million for the three months ended October 29, 2022 April 29, 2023, increasing \$11.6 million. Payroll and payroll-related expenses for the nine months ended October 28, 2023 were \$869.9 million compared to \$845.6 million for the nine months ended October 29, 2022, increasing \$24.3 million \$19.9 million.

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#### Interest and Debt (Income) Expense, Net

(in thousands of dollars)	October 28, 2023	October 29, 2022	\$ Change	% Change	May 4, 2024	April 29, 2023	\$ Change	% Change
<b>Interest and debt (income) expense, net:</b>								
Three months ended								
Retail operations segment	\$ (1,581)	\$ 6,984	\$ (8,565)	(122.6)%	\$ (3,288)	\$ 228	\$ (3,516)	(1,542.1)%
Construction segment	(209)	(27)	(182)	674.1	(244)	(105)	(139)	132.4
Total interest and debt (income) expense, net	\$ (1,790)	\$ 6,957	\$ (8,747)	(125.7)%	\$ (3,532)	\$ 123	\$ (3,655)	(2,971.5)%
Nine months ended								
Retail operations segment	\$ (1,078)	\$ 27,154	\$ (28,232)	(104.0)%				
Construction segment	(457)	(46)	(411)	893.5				
Total interest and debt (income) expense, net	\$ (1,535)	\$ 27,108	\$ (28,643)	(105.7)%				

Net interest and debt (income) expense improved \$8.7 million and \$28.6 million \$3.7 million during the three and nine months ended October 28, 2023, respectively, May 4, 2024 compared to the three and nine months ended October 29, 2022 April 29, 2023, primarily due to

an increase in interest income. Total weighted average debt outstanding decreased \$44.8 million during the nine months ended October 28, 2023 compared to the nine months ended October 29, 2022 primarily due to a note maturity at the end of fiscal 2022.

Interest income was \$11.7 million \$13.6 million and \$3.8 million \$10.0 million for the three months ended October 28, 2023 May 4, 2024 and October 29, 2022, respectively, and interest income was \$31.7 million and \$5.8 million for the nine months ended October 28, 2023 and October 29, 2022 April 29, 2023, respectively.

#### Other Expense

(in thousands of dollars)	October 28,		October 29,		\$ Change	% Change	May 4,		April 29,	
	2023	2022	2022	2023			2024	2023	\$ Change	% Change
<b>Other expense:</b>										
Three months ended										
Retail operations segment	\$ 4,697	\$ 1,936	\$ 2,761	142.6 %	\$ 6,158	\$ 4,698	\$ 1,460	31.1 %		
Construction segment	—	—	—	—	—	—	—	—	—	—
<b>Total other expense</b>	<b>\$ 4,697</b>	<b>\$ 1,936</b>	<b>\$ 2,761</b>	<b>142.6 %</b>	<b>\$ 6,158</b>	<b>\$ 4,698</b>	<b>\$ 1,460</b>	<b>31.1 %</b>		
Nine months ended										
Retail operations segment	\$ 14,093	\$ 5,808	\$ 8,285	142.6 %						
Construction segment	—	—	—	—						
<b>Total other expense</b>	<b>\$ 14,093</b>	<b>\$ 5,808</b>	<b>\$ 8,285</b>	<b>142.6 %</b>						

Other expense increased \$2.8 million and \$8.3 million \$1.5 million during the three and nine months ended October 28, 2023, respectively, May 4, 2024 compared to the three and nine months ended October 29, 2022 April 29, 2023 due to an increase in the interest cost and the amortization of the net actuarial loss related to the Company's Pension Plan.

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#### Gain on Disposal of Assets

(in thousands of dollars)	October 28,		October 29,		\$ Change	% Change	May 4,		April 29,			
	2023	2022	2022	2023			2024	2023	\$ Change	% Change		
<b>(Gain) loss on disposal of assets:</b>												
<b>Gain on disposal of assets:</b>												
Three months ended												
Retail operations segment	\$ (4,053)	\$ (2)	\$ (4,051)		\$ (250)	\$ (1,793)	\$ 1,543					
Construction segment	—	—	—		(17)	—	(17)					
<b>Total gain on disposal of assets</b>	<b>\$ (4,053)</b>	<b>\$ (2)</b>	<b>\$ (4,051)</b>		<b>\$ (267)</b>	<b>\$ (1,793)</b>	<b>\$ 1,526</b>					
Nine months ended												
Retail operations segment	\$ (5,993)	\$ (7,243)	\$ 1,250									
Construction segment	(13)	3	(16)									
<b>Total gain on disposal of assets</b>	<b>\$ (6,006)</b>	<b>\$ (7,240)</b>	<b>\$ 1,234</b>									

During the three months ended October 28, 2023 April 29, 2023, the Company recorded proceeds of \$4.1 million primarily from the sale of a store property, resulting in a gain of \$4.1 million that was recorded in gain on disposal of assets. During the nine months ended October 28, 2023, the Company recorded proceeds of \$6.3 \$1.9 million primarily from the sale of two store properties, resulting in a gain of \$6.0 million that was recorded in gain on disposal of assets.

During the nine months ended October 29, 2022, the Company recorded proceeds of \$8.1 million primarily from the sale of one store property, resulting in a gain of \$7.2 million \$1.8 million that was recorded in gain on disposal of assets.

#### Income Taxes

The Company's estimated federal and state effective income tax rate was approximately 22.1% 23.3% and 22.6% 23.4% for the three months ended October 28, 2023 May 4, 2024 and October 29, 2022 April 29, 2023, respectively. During the three months ended October 28, 2023 May 4, 2024 and October 29, 2022 April 29, 2023, income tax expense differed from what would be computed using the statutory federal income tax rate primarily due to the effects of state and local income taxes.

The Company's estimated federal and state effective income tax rate was approximately 23.0% and 22.5% for the nine months ended October 28, 2023 and October 29, 2022, respectively. During the nine months ended October 28, 2023 and October 29, 2022, income tax expense differed from what would be computed using the statutory federal income tax rate primarily due to the effects of state and local income taxes.

The Company expects the fiscal 2023 2024 federal and state effective income tax rate to approximate 21% 23%. This rate includes an expected federal income tax benefit due to a deduction related to that portion of the special dividend of \$20.00 per share to be paid to the Dillard's, Inc. Investment and Employee Stock Ownership Plan. This rate may change if results of operations for fiscal 2023 2024 differ from management's current expectations. Changes in the Company's assumptions and judgments can materially affect amounts recognized in the condensed consolidated financial statements.

#### **FINANCIAL CONDITION**

A summary of net cash flows for the nine three months ended October 28, 2023 May 4, 2024 and October 29, 2022 April 29, 2023 follows:

(in thousands of dollars)	Nine Months Ended			May 4, 2024	April 29, 2023	\$ Change			
	October 28,		\$ Change						
	2023	2022							
Operating Activities	\$ 447,107	\$ 558,421	\$ (111,314)						
Investing Activities	7,916	(278,606)	286,522						
Financing Activities	(273,353)	(463,866)	190,513						
Total Increase (Decrease) in Cash and Cash Equivalents	\$ 181,670	\$ (184,051)	\$ 365,721						
Operating activities			\$ 244,378	\$ 280,948	\$ (36,570)				
Investing activities			(230,784)	21,958	(252,742)				
Financing activities			(4,056)	(106,503)	102,447				
Total Increase in Cash and Cash Equivalents and Restricted Cash			\$ 9,538	\$ 196,403	\$ (186,865)				

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Net cash flows from operations decreased \$111.3 million \$36.6 million during the nine three months ended October 28, 2023 May 4, 2024 compared to the nine three months ended October 29, 2022 April 29, 2023. This decrease was primarily due to a decrease in net income, driven by increased payroll and payroll-related expenses.

Wells Fargo owns and manages the Dillard's private label cards under the Wells Fargo Alliance, which expires in November 2024. For additional information regarding expiration of the Wells Fargo Alliance, see Part II, Item 5 of this Quarterly Report on Form 10-Q. Alliance. The Company recognized income of \$50.9 million \$11.6 million and \$50.3 million \$16.9 million from the Wells Fargo Alliance during the nine three months ended October 28, 2023 May 4, 2024 and October 29, 2022 April 29, 2023, respectively.

Pursuant to the Wells Fargo Alliance, we receive on-going cash compensation from Wells Fargo based upon the portfolio's earnings. The compensation received from the portfolio is determined monthly and has no recourse provisions. The amount the Company receives is dependent on the level of sales on Wells Fargo accounts, the level of balances carried on Wells Fargo accounts by Wells Fargo customers, payment rates on Wells Fargo accounts, finance charge rates and other fees on Wells Fargo accounts, the level of credit losses for the Wells Fargo accounts as well as Wells Fargo's ability to extend credit to our customers. We participate in the marketing of the private label cards, which includes the cost of customer reward programs.

In January 2024, the Company announced that it entered into a new agreement with Citi to provide a credit card program for Dillard's customers, replacing the existing Wells Fargo Alliance. The Dillard's credit card program offered by Citi will include a new co-branded Mastercard as well as a private label credit card. The new co-branded Mastercard

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will replace the existing co-branded card. Additionally, Citi will provide customer service functions and support certain Dillard's marketing and loyalty program activities related to the new program. The companies expect to launch the new program in late summer 2024 for new Dillard's credit applicants. The transfer of existing accounts to Citi is expected in the fall of 2024. The term of the new Citi agreement is 10 years with automatic extensions for successive two-year terms unless the agreement is terminated by a party in accordance with the terms and conditions of the agreement.

While future cash flows under the new program are difficult to predict, the Company expects income from the new program to initially be less than historical earnings from the Wells Fargo Alliance. The extent to which future cash flows will vary over the term of the new program from historical cash flows cannot be reasonably estimated at this time. The income and cash flow that the Company will receive from the new program with Citi will depend on the same factors that impact the Wells Fargo Alliance as discussed above. Any material decrease could adversely affect our operating results and cash flows.

Capital expenditures were \$104.7 million \$35.2 million and \$94.8 million \$32.3 million for the nine three months ended October 28, 2023 May 4, 2024 and October 29, 2022 April 29, 2023, respectively. The capital expenditures were primarily related to equipment purchases, the continued construction of new stores and the remodeling of existing stores. During the nine three months ended October 28, 2023 May 4, 2024, the Company opened a new location at The Empire Mall in Sioux Falls, South Dakota (140,000 square feet) marking its 30th state of operation. During the three months ended April 29, 2023, the Company opened a 100,000 square foot expansion at Gateway Mall in Lincoln, Nebraska. During

The Company has announced the nine months ended October 29, 2022, the Company opened a new store at University Place in Orem, Utah (160,000 square feet).

During the nine months ended October 28, 2023, the Company received cash proceeds upcoming closure of \$6.3 million and recorded a related gain of \$6.0 million, primarily from the sale of an 85,000 square foot location at Sunland Park its Eastwood Mall in El Paso, Texas and a 240,000 square foot location at MacArthur Clearance Center in Norfolk, Virginia. The Company also closed (1) an owned location at Santa Rosa Mall in Mary Esther, Florida (115,000 square feet), (2) a leased location at Conestoga Mall in Grand Island, Nebraska (80,000 Niles, Ohio (120,000 square feet) and (3) an owned clearance center at Metrocenter in Phoenix, Arizona (90,000 square feet). June of 2024. There were no material costs associated or expected with any of these this store closures closure. We remain committed to closing under-performing stores where appropriate and may incur future closing costs related to such stores when they close.

During the nine three months ended October 29, 2022 April 29, 2023, the Company received cash proceeds of \$8.1 million \$1.9 million and recorded a related gain of \$7.2 million \$1.8 million, primarily from the sale of one store property.

During the nine three months ended October 28, 2023, the Company received proceeds from insurance of \$4.5 million primarily from life insurance proceeds related to two policies. During the nine months ended October 29, 2022, the Company received proceeds from insurance of \$4.9 million primarily from life insurance proceeds related to one policy.

During the nine months ended October 28, 2023 May 4, 2024 and October 29, 2022 April 29, 2023, the Company purchased certain treasury bills for \$148.1 million \$245.9 million and \$196.8 million \$97.5 million, respectively, that are classified as short-term investments.

During the **nine** **three** months ended **October 28, 2023** **May 4, 2024** and **April 29, 2023**, the Company received proceeds of **\$250.0 million** **\$50.0 million** and **\$150.0 million**, respectively, related to maturities of these short-term investments.

The Company had cash and cash equivalents of **\$842.0 million** **\$817.8 million** as of **October 28, 2023** **May 4, 2024**. The Company maintains a credit facility ("credit agreement") for general corporate purposes including, among other uses, working capital financing, the issuance of letters of credit, capital expenditures and, subject to certain restrictions, the repayment of existing indebtedness and share repurchases. The credit agreement is secured by certain deposit accounts of the Company and certain inventory of certain subsidiaries and provides a borrowing capacity of \$800 million, subject to certain limitations as outlined in the credit agreement, with a \$200 million expansion option. See Note 7, *Revolving Credit Agreement*, in the "Notes to Condensed Consolidated Financial Statements," in Part I, Item 1 hereof for additional information. At **October 28, 2023** **May 4, 2024**, no borrowings were outstanding, and letters of credit totaling **\$19.3 million** **\$25.8 million** were issued under the credit agreement leaving unutilized availability of **\$780.7 million** **\$774.2 million**.

During the **nine** **three** months ended **October 28, 2023** **May 4, 2024**, no share repurchases were made under the Company's stock repurchase plan. During the three months ended April 29, 2023, the Company repurchased **0.9 million** **0.4 million** shares of Class A Common Stock at an average price of **\$306.41** **\$318.66** per share for **\$265.2 million** **\$113.8 million** (including the accrual of **\$2.0 million** **\$10.7 million** of share repurchases that had not settled as of **October 28, 2023** **April 29, 2023**) under its stock repurchase plans. During the nine months ended October 29, 2022, the Company repurchased 1.7 million shares of Class A Common Stock at an average price of \$255.49 per share for \$436.6 million under its stock repurchase plans, and the Company paid \$16.2 million for share repurchases that had not yet settled but were accrued at January 29, 2022. As of **October 28, 2023** **May 4, 2024**, **\$410.2 million** **\$394.0 million** of authorization remained under the Company's open stock repurchase plan authorized in May 2023. The ultimate disposition of the repurchased stock has not been determined. See Note 8, *Stock Repurchase Programs*, in the "Notes to Condensed Consolidated Financial Statements," in Part I, Item 1 hereof for additional information.

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On August 16, 2022, the Inflation Reduction Act of 2022 ("the Act") was signed into law. Under the Act, the Company's share repurchases after December 31, 2022 are subject to a 1% excise tax. At **October 28, 2023**, During the three months ended

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April 29, 2023, the Company **had** accrued **\$2.6 million** **\$1.1 million** of excise tax related to its share repurchase **program** **programs** as an additional cost of treasury shares.

The Company expects to finance its operations during fiscal **2023** **2024** from cash on hand, cash flows generated from operations and, if necessary, utilization of the credit facility. Depending upon our actual and anticipated sources and uses of liquidity, the Company will from time to time consider other possible financing transactions, the proceeds of which could be used to fund working capital or for other corporate purposes.

On November 16, 2023, the Company announced that its Board of Directors declared a special dividend of \$20.00 per share. The dividend is payable on the Class A Common Stock and Class B Common Stock of the Company on January 8, 2024 to stockholders of record as of December 15, 2023. The Company expects to fund the dividend from cash flows from operations.

There have been no material changes in the information set forth under caption "Commercial Commitments" in Item 7-Management's Discussion and Analysis of Financial Condition and Results of Operations, in the Company's Annual Report on Form 10-K for the fiscal year ended **January 28, 2023** **February 3, 2024**.

## OFF-BALANCE-SHEET ARRANGEMENTS

The Company has not created, and is not party to, any special-purpose entities or off-balance-sheet arrangements for the purpose of raising capital, incurring debt or operating the Company's business. The Company does not have any off-balance-sheet arrangements or relationships that are reasonably likely to materially affect the Company's financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or the availability of capital resources.

## CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions about future events that affect the amounts reported in the consolidated financial statements and accompanying notes. The Company evaluates its estimates and judgments on an ongoing basis and predicates those estimates and judgments on historical experience and on various other factors that are believed to be reasonable under the circumstances. Since future events and their effects cannot be determined with absolute certainty, actual results could differ from those estimates. For further information on our critical accounting policies and estimates, see "Item 7-Management's Discussion and Analysis of Financial Condition and Results of Operations" and the notes to our audited financial statements included in our Annual Report on Form 10-K for the year ended **January 28, 2023** **February 3, 2024**. As of **October 28, 2023** **May 4, 2024**, there have been no material changes to these critical accounting policies and estimates.

## NEW ACCOUNTING STANDARDS

For information with respect to new accounting pronouncements and the impact of these pronouncements on our condensed consolidated financial statements, see Note 2, *Accounting Standards*, in the "Notes to Condensed Consolidated Financial Statements," in Part I, Item 1 hereof.

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## FORWARD-LOOKING INFORMATION

This report contains certain forward-looking statements. The following are or may constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995: (a) statements including words such as "may," "will," "could," "should," "believe," "expect," "future," "potential," "anticipate," "intend," "plan," "estimate," "continue," or the negative or other variations thereof; (b) statements regarding matters that are not historical facts; and (c) statements about the Company's future occurrences, plans and objectives, including statements regarding management's expectations and forecasts for the remainder of fiscal **2023** **2024** and beyond, statements regarding the Company's ongoing efforts **launch of our new credit program and transfer of existing accounts to transition the ownership and management of its proprietary credit cards from Wells Fargo to a new third party vendor: Citi**, statements concerning the opening of new stores or the closing of existing stores, statements concerning capital expenditures, dividends and sources of liquidity, statements concerning share repurchases, statements concerning pension contributions, statements regarding the impacts of inflation and rising interest rates in fiscal **2023** **2024** and statements concerning estimated taxes. The Company cautions that forward-looking statements contained in this report are based on estimates, projections, beliefs and assumptions of management and information available to management at the time of such statements and are not guarantees of future performance. The Company disclaims any obligation to update or revise any forward-looking statements based on the occurrence of future events, the receipt of new information or otherwise. Forward-looking statements of the Company involve risks and uncertainties and are subject to change based on various important factors. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements made by the Company and its management as a result of a number of risks, uncertainties and assumptions. Representative examples of those factors include (without limitation) general retail industry conditions and macro-economic conditions including inflation, rising interest rates, a potential U.S. Federal government shutdown, economic recession and changes in traffic at malls and shopping centers; economic and weather conditions for regions in which the Company's stores are located and the effect of these factors on the buying patterns of the Company's customers, including the effect of changes in prices and availability of oil and natural gas; the availability of and interest rates on consumer credit; the impact of competitive pressures in the department store industry and other retail channels including specialty, off-price, discount and Internet retailers; changes in the Company's ability to meet labor needs

amid nationwide labor shortages and an intense competition for talent; changes in consumer spending patterns, debt levels and their ability to meet credit obligations; high levels of unemployment; changes in tax legislation (including the Inflation Reduction Act of 2022); changes in legislation and governmental regulations, affecting such matters as the cost of employee benefits or credit card income, such as the Consumer Financial Protection Bureau's recent ~~proposal~~ amendment to ~~amend~~ Regulation Z to limit the dollar amounts credit card companies can charge for late fees; adequate and stable availability and pricing of materials, production facilities and labor from which the Company sources its merchandise; changes in operating expenses, including employee wages, commission structures and related benefits; system failures or data security breaches; possible future acquisitions of store properties from other department store operators; the continued availability of financing in amounts and at the terms necessary to support the Company's future business; fluctuations in SOFR and other base borrowing rates; potential disruption from terrorist activity and the effect on ongoing consumer confidence; epidemic, pandemic or public health issues and their effects on public health, our supply chain, the health and well-being of our employees and customers and the retail industry in general; potential disruption of international trade and supply chain efficiencies; global conflicts (including the ongoing conflicts in the Middle East and Ukraine) and the possible impact on consumer spending patterns and other economic and demographic changes of similar or dissimilar nature, and other risks and uncertainties, including those detailed from time to time in our periodic reports filed with the Securities and Exchange Commission, particularly those set forth under the caption "Item 1A, Risk Factors" in the Company's Annual Report on Form 10-K for the fiscal year ended **January 28, 2023** February 3, 2024.

**Item 3. Quantitative and Qualitative Disclosures About Market Risk.**

There have been no material changes in the information set forth under caption "Item 7A-Quantitative and Qualitative Disclosures about Market Risk" in the Company's Annual Report on Form 10-K for the fiscal year ended **January 28, 2023** February 3, 2024.

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**Item 4. Controls and Procedures.**

The Company has established and maintains disclosure controls and procedures (as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934). The Company's management, with the participation of our Principal Executive

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Officer and Co-Principal Financial Officers, has evaluated the effectiveness of the Company's disclosure controls and procedures as of the end of the fiscal quarter covered by this quarterly report, and based on that evaluation, the Company's Principal Executive Officer and Co-Principal Financial Officers have concluded that these disclosure controls and procedures were effective.

There were no changes in our internal control over financial reporting that occurred during the fiscal quarter ended **October 28, 2023** May 4, 2024 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

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## PART II. OTHER INFORMATION

### Item 1. Legal Proceedings.

From time to time, the Company is involved in litigation relating to claims arising out of the Company's operations in the normal course of business. This may include litigation with customers, employment related lawsuits, class action lawsuits, purported class action lawsuits and actions brought by governmental authorities. As of **December 7, 2023** **June 7, 2024**, the Company is not a party to any legal proceedings that, individually or in the aggregate, are reasonably expected to have a material adverse effect on the Company's business, results of operations, financial condition or cash flows.

### Item 1A. Risk Factors.

There have been no material changes in the information set forth under caption "Item 1A-Risk Factors" in the Company's Annual Report on Form 10-K for the fiscal year ended **January 28, 2023** **February 3, 2024**.

### Item 2. Unregistered Sales of Equity Securities and Use of Proceeds, and Issuer Purchases of Equity Securities.

#### (c) Purchases of Equity Securities

#### Issuer Purchases of Equity Securities

Period				(c) Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	(d) Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs			
	(a) Total Number of Shares Purchased		(b) Average Price Paid per Share	(c) Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	(d) Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs	(a) Total Number of Shares Purchased	(b) Average Price Paid per Share	(c) Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs
July 30, 2023	—	—	—	—	—	458,147,831	—	—
through August 26, 2023	—	—	—	—	—	434,155,300	—	—
August 27, 2023	73,626	325.87	73,626	—	—	410,158,174	—	—
through September 30, 2023	77,282	310.51	77,282	—	—	—	—	—
October 1, 2023	—	—	—	—	—	—	—	—
through October 28, 2023	—	—	—	—	—	—	—	—
February 4, 2024	—	—	—	—	—	—	—	—
through March 2, 2024	—	—	—	—	—	—	—	—
March 3, 2024	—	—	—	—	—	—	—	—
through April 6, 2024	—	—	—	—	—	—	—	—

April 7,							
2024							
through							
May 4,							
2024							
Total	150,908	\$ 318.01		150,908	\$ 410,158,174		

In May 2023, the Company's Board of Directors approved a stock repurchase program authorizing the Company to repurchase up to \$500 million of its Class A Common Stock under an open-ended plan ("May 2023 Stock Plan"). During the three months ended **October 28, 2023** **May 4, 2024**, no shares were repurchased under the Company repurchased 0.2 million shares totaling \$48.0 million under its Company's stock repurchase plan. As of **October 28, 2023** **May 4, 2024**, \$410.2 million **\$394.0 million** of authorization remained under the May 2023 Stock Plan.

Reference is made to the discussion in Note 8, *Stock Repurchase Programs*, in the "Notes to Condensed Consolidated Financial Statements" in Part I, Item 1 of this Quarterly Report on Form 10-Q, which information is incorporated by reference herein.

#### Item 5. Other Information.

(a) As previously reported, the Wells Fargo Alliance expires in November 2024. On November 6, 2023, Wells Fargo delivered a written notice of non-renewal in accordance with the terms of that certain Credit Card Program Agreement by and among the Company (including Dillard Investment Company, Inc.) and Wells Fargo (the "Agreement"). This notice was an administrative formality required by the terms of the Agreement to prevent the automatic renewal of the Agreement in accordance with its terms.

The Company has the option to purchase, or arrange for a third party to purchase, the program accounts and accounts receivable, cardholder data and other assets under the Agreement (the "Program Assets"), which option is

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exercisable up to 180 days prior to the expiration of the Agreement. Formal notice of the exercise of the Company's purchase option has not yet been provided to Wells Fargo. However, the Company is in negotiations for an arrangement whereby a third party (the "Nominated Purchaser") is expected to purchase the Program Assets from Wells Fargo and enter into a new program agreement with the Company for (i) the offering of co-branded and private label credit cards to new and existing customers of Company and (ii) the servicing of the credit card portfolio following the expiration or termination of the Agreement. The Wells Fargo Alliance will remain in place until the expiration or earlier termination of the Agreement. Wells Fargo may be required, at the option of the Company, to continue servicing the portfolio in accordance with the terms of the Agreement for the benefit of the Company or its Nominated Purchaser for a time period as defined in the Agreement after the purchase of the Program Assets by the Company or its Nominated Purchaser.

There can be no assurances that the Company will be able to finalize the agreements currently being negotiated or to find an alternate third party purchaser on comparable terms and conditions as exist under the Agreement or at all. Additional information regarding the Wells Fargo Alliance is set forth in Part I, Item 2-Management's Discussion and Analysis of Financial Condition and Results of Operations in this Quarterly Report on Form 10-Q and in Part I, Item 1-Business in the Company's Annual Report on Form 10-K for the fiscal year ended January 28, 2023.

(c) During the three months ended **October 28, 2023** **May 4, 2024**, none of the Company's directors or officers (as defined in Rule 16a-1(f) under the Securities Exchange Act of 1934) adopted or terminated a Rule 10b5-1 trading arrangement or non-Rule 10b5-1 trading arrangement (as such terms are defined in Item 408 of Regulation S-K).

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**Item 6. Exhibits.**

Number	Description
10	<a href="#">Dillard's, Inc. 2005 Non-Employee Director Restricted Stock Plan, as amended.</a>
31.1	<a href="#">Certification of Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</a>
31.2	<a href="#">Certification of Co-Principal Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</a>
31.3	<a href="#">Certification of Co-Principal Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</a>
32.1	<a href="#">Certification of Chief Executive Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. 1350).</a>
32.2	<a href="#">Certification of Co-Principal Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. 1350).</a>
32.3	<a href="#">Certification of Co-Principal Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. 1350).</a>
101.INS	XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document
101.SCH	Inline XBRL Taxonomy Extension Schema Document
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

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**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.

DILLARD'S, INC.  
(Registrant)

Date: December June 7, 2023 2024

/s/ Phillip R. Watts

Phillip R. Watts

Senior Vice President, Co-Principal Financial Officer and Principal Accounting Officer

/s/ Chris B. Johnson

Chris B. Johnson

Senior Vice President and Co-Principal Financial Officer

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Exhibit 10

**DILLARD'S, INC.**  
**2005 NON-EMPLOYEE DIRECTOR**  
**RESTRICTED STOCK PLAN AS AMENDED ON MAY 18, 2024**

**ARTICLE I**

**PURPOSE**

**Section 1.01. Purpose.** This Dillard's, Inc. 2005 Non-Employee Director Restricted Stock Plan (the "Plan") is intended to attract, retain and motivate non-employee directors of Dillard's, Inc., a Delaware corporation ("Dillard's"), by providing them with a proprietary interest in the growth and performance of Dillard's and to encourage them to increase their stock ownership in Dillard's. The name of the plan shall be the Dillard's, Inc. 2005 Non-Employee Directors Restricted Stock Plan (the "Plan"). The Plan is adopted and effective as of the date set forth in Section 7.04 hereof.

**ARTICLE II**

**DEFINITIONS**

Capitalized terms used and not otherwise defined in the Plan shall have the following meanings:

"Award" means a grant of Restricted Shares.

"Board" or "Board of Directors" means the Board of Directors of Dillard's as constituted from time to time.

"Code" means the Internal Revenue Code of 1986, as amended from time to time.

"Committee" means the Stock Option and Executive Compensation Committee of the Board or any successor thereto or such other Committee designated by the Board.

"Disability" shall mean the inability to engage in any substantial gainful activity because of a medically determinable physical or mental impairment which can be expected to last for a continuous period of 12 months or more or that may result in death; or, eligibility for receipt of Dillard's disability benefits for a period of more than three months by reason of a medically determinable physical or mental impairment which can be expected to last for a period of 12 months or more or that may result in death.

"Employee" means any person employed by Dillard's or a Subsidiary of Dillard's as an employee (as defined in Section 425(f) of the Code) and not as an independent contractor.

"Non-Employee Director" means any member of the Board who is not an employee of Dillard's or an affiliate of Dillard's.

"Participant" means any Non-Employee Director who is selected for participation by the Committee in accordance with Article III and who receives an Award under the Plan.

"Restricted Period" means the period during which Awards may be forfeited under Sections 5.03 and 5.04. Notwithstanding the foregoing, under no circumstances shall the Restricted Period with respect to any Participant be less

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than six months. This minimum Restricted Period is intended to qualify each transaction under the Plan as an exempt transaction pursuant to Rule 16b-3(d)(3) under the Exchange Act.

"Restricted Shares" means Shares that are subject to the restrictions (including the restrictions on transferability) and the substantial risks of forfeiture described in the Plan or in an applicable Stock Award Agreement.

"Retire" or "Retirement" means ceasing to be a member of the Board as a result of a determination by the Board that such person is no longer eligible to stand for election in accordance with the corporate governance guidelines of Dillard's that may be in effect from time to time.

"Share" means a share of Class A Common Stock, \$0.01 par value, of Dillard's.

"Stock Award Agreement" means an agreement executed by a Participant prior to receiving an Award.

"Subsidiary" means (i) any corporation of which Dillard's owns, directly or indirectly, capital stock representing more than 50% of the combined voting power of all classes of capital stock, and (ii) any other entity or enterprise (including, but not limited to, a partnership or joint venture) of which Dillard's owns, directly or indirectly, equity interests representing more than 50% of the combined voting power of all classes of equity.

## ARTICLE III

### ELIGIBILITY AND PARTICIPATION

**Section 3.01. Eligibility.** Awards under this Plan may only be made to a person who, at the time of grant of the Award, is a Non-Employee Director.

## ARTICLE IV

### COMPANY STOCK SUBJECT TO PLAN

**Section 4.01. Maximum Number of Shares.** The total number of Shares for which Awards may be granted under the Plan shall not exceed 500,000 Shares. The maximum number of Shares issued are subject to adjustment in accordance with Section 4.03. The Shares issued under the Plan may be authorized and unissued Shares or treasury Shares. The number of Shares available for issuance under the Plan shall not be reduced to reflect any dividends or dividend equivalents that are reinvested into additional Shares.

**Section 4.02. Forfeited Shares.** In the event Awards are forfeited to Dillard's in accordance with the terms of the Plan, the Shares so forfeited again shall be available for grant and issuance under the Plan.

**Section 4.03. Recapitalization Adjustment.** In the event of any merger, reorganization, consolidation, recapitalization, stock dividend, stock split, share combination or other changes in the corporate structure of Dillard's affecting the Shares, the Committee may make such

adjustments to the number of Shares specified in Section 4.01 or in any Award, the kind of capital stock to be issued under the Plan, or both, as it determines, in its sole discretion, to be appropriate to prevent dilution or enlargement of rights under the Plan.

## ARTICLE V

### AWARDS

**Section 5.01. Conditions to Grant.** As a condition to the grant of Awards, Dillard's shall require the Participant to execute a Stock Award Agreement prior to issuing the Award.

**Section 5.02. Amount of Awards.** The amount of Awards to be issued under the Plan may vary from year to year and by Participant to Participant in the Committee's sole discretion. In no event, however, may Awards be issued to any Participant if such issuance would (i) cause the total number of Restricted Shares awarded under the Plan to a single Participant to exceed 5,000 Shares in any fiscal year of Dillard's without being approved by the Board or (ii) cause the total number of Shares issued to all Participants to equal or exceed the maximum amount allowed in Section 4.01. The Committee shall have the right to grant new Awards in exchange for outstanding Awards.

**Section 5.03. Restricted Shares.**

- a) Awards of Restricted Shares shall be subject to the terms and conditions set forth in the Stock Award Agreement.
- b) The Committee shall have discretion in determining the terms and conditions of each Award. Awards of Restricted Shares under Stock Award Agreements shall be subject to such restrictions as determined by the Committee.
- c) The Committee shall establish any vesting schedule applicable to Restricted Shares and shall specify the periods of restriction, vesting and other requirements. Until the end of the period(s) of time specified in the vesting schedule, the Restricted Shares subject to such Award shall remain subject to forfeiture.
- d) Notwithstanding any term, condition, restriction and/or limitation with respect to an Award granted under the Plan but subject to the restrictions on transfer and forfeiture in this Plan, a Participant who has been granted an Award shall be entitled to all of the rights of a shareholder with respect to the Restricted Shares underlying the Award from the date of grant, including voting rights and the rights to receive dividends and other distributions. All Shares or other securities paid on an Award shall be held by the Company and shall be subject to the same restrictions as the Award to which they relate.

**Section 5.04. Vesting.** Unless otherwise provided in the Stock Award Agreement, all unvested Awards shall become immediately vested upon the Participant's termination of service as a member of the Board prior to the expiration of the Restricted Period as a result of the Participant's Retirement, death or Disability. Upon a Participant's termination of service as a member of the Board for any other reason prior to the expiration of the Restricted Period, all unvested Awards shall be forfeited to Dillard's and be available for reissuance under the Plan. The Committee may accelerate the vesting for any or all of the unvested Awards for any Participant if the Committee determines that the circumstances in a particular case so warrant, and upon such a determination, all restrictions applicable to the Restricted Shares shall lapse.

**Section 5.05. Issuance of Awards; Awards Held In Escrow.** Unless and until the Awards have vested as set forth in the Plan and the related Stock Award Agreements, such Awards shall be issued in the name of the Participant and held by the Secretary of Dillard's (or its designee) as escrow agent, and shall not be sold, transferred, or otherwise disposed of, and shall not be pledged or otherwise hypothecated other than a transfer of vested Restricted Shares upon death by will, by descent and distribution or by designation of a beneficiary in accordance with Section 7.02. Dillard's may determine to issue the Awards in book entry form and/or may instruct the transfer agent for its common stock to place a legend on certificates representing the Restricted Shares or Performance-Based Restricted Shares or otherwise note its records as to the restrictions on the transfer as set forth in the Plan.

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**Section 5.06. Delivery of Certificates.** As soon as practicable after complete vesting of the Awards granted to the Participant, the Secretary of Dillard's (or its designee), as escrow agent, shall cause to be delivered to the Participant or a broker designated by Dillard's for the purpose of receiving such Shares, a certificate or certificates representing those Shares free of all restrictions created under this Plan and the related Stock Award Agreements. Prior to such delivery, Dillard's may require the Participant to establish a brokerage account with the broker designated by Dillard's to receive the Shares and execute and deliver to Dillard's a written statement, in form satisfactory to Dillard's, in which the Participant represents that he or she is acquiring Shares for the Participant's own account, for investment only and not for resale or distribution of any such Shares.

## ARTICLE VI

### ADMINISTRATION

**Section 6.01. Authority of the Committee.**

- a) The Plan shall be administered by the Committee. A majority vote of the Committee at which a quorum is present, or acts reduced to or approved in writing by a majority of the members of the Committee, shall be the valid acts of the Committee for the purposes of the Plan.
- b) The Committee shall have plenary authority in its discretion, but subject to the express provisions of the Plan, to determine the terms of all Awards granted under the Plan, including, without limitation, the Participants to whom and the time or times at which Awards shall be granted; the vesting schedule for such Award grants; establishing performance-based criteria and determining if such criteria is achieved; to interpret the Plan; and to make all other determinations deemed advisable for the administration of the Plan. All determinations of the Committee shall be made by not less than a majority of its members. The Committee may designate Employees of Dillard's to assist the Committee in the administration of the Plan and may grant authority to such persons to execute agreements or other documents or to take other actions on behalf of the Committee.
- c) The Committee may make such rules and regulations and establish such procedures as it deems appropriate for the administration of the Plan.
- d) In the event of a disagreement as to the interpretation of the Plan or any amendment hereto or any rule, regulation or procedure thereunder or as to any right or obligation arising from or related to the Plan, the decision of the Committee shall be final and binding. No member of the Committee shall be liable for any action or determination made in good faith with respect to the Plan or any benefit granted under it.

## ARTICLE VII

### MISCELLANEOUS

**Section 7.01. No Rights as Director.** Neither the Plan nor any Awards granted hereunder shall confer upon any Participant any right to be elected to or to remain as a member of the Board.

**Section 7.02. Designation of Beneficiary.** Each Participant from time to time may name any beneficiary or beneficiaries (who may be named contingently or successively) to whom any benefit under the Plan is to be issued or transferred in the event of the Participant's death (or who may exercise the Participant's rights hereunder, if any, that are exercisable following the death of the Participant). Each designation shall revoke all prior designations by the

Participant, shall be in a form prescribed by the Committee and shall be effective only when filed by the Participant in writing with the Committee or its designee during the Participant's lifetime.

**Section 7.03. Withholding.** Dillard's shall have the right to withhold with respect to any payments or grants made to Participants under the Plan any taxes required by law to be withheld because of such payments or grants. With respect to any such withholding:

- (a) Each Participant shall take whatever action that the Committee deems appropriate to comply with the law regarding withholding of federal, state and local taxes.
- (b) When a Participant is obligated to pay to Dillard's an amount required to be withheld under applicable income tax laws in connection with the Awards, the Committee may, in its discretion and subject to such rules as it may adopt, permit the Participant to satisfy this obligation, in whole or in part, by delivering to Dillard's already-owned shares to satisfy the withholding amount.

**Section 7.04. Effective Date.** The Plan is effective on April 15, 2005 (the "Effective Date"). No Shares may be issued unless the Plan is approved by a vote of the holders of a majority, or as otherwise provided in the certificate of incorporation, Bylaws of Dillard's or the listing standards of the New York Stock Exchange, of the outstanding shares of Dillard's common stock cast at a meeting of the stockholders of Dillard's at which a quorum is present held within 12 months following the Effective Date.

**Section 7.05. Amendment.** The Board may amend the Plan from time to time as it deems desirable or necessary by any applicable rules and regulations, and such amendments shall include the ability of the Board to amend the Plan and, with shareholder approval, to increase the number of Shares subject to the Plan. Any amendment to the Plan shall not apply to Awards granted to Participants that have vested prior to the effective date of the amendment unless it has been otherwise agreed to, in writing, by the Committee and the affected Participant.

**Section 7.06. Termination of Plan.** The Plan will automatically terminate on April 15, 2035. Notwithstanding the foregoing, the Board may, in its discretion, terminate the Plan earlier at any time, but no such termination shall deprive Participants of their rights under Restricted Share grants existing prior to such termination.

**Section 7.07. Successors.** The Plan shall inure to the benefit of and shall be binding upon each successor of Dillard's by merger, consolidation or acquisition of all or substantially all of the assets. All rights and obligations imposed upon a Participant and all rights granted to Dillard's under this Plan shall be binding upon the Participant's heirs, legal representatives and successors.

**Section 7.08. Notice.** Each notice given under the Plan shall be in writing and shall be delivered in person or by certified or registered mail to the proper address. Each notice to Dillard's shall be addressed as follows: Dillard's, Inc., 1600 Cantrell Road, Little Rock, Arkansas 72201, Attention: Secretary. Each notice to a Participant shall be addressed to the Participant at the address of the Participant maintained by Dillard's on its books and records. Anyone to whom a notice may be given under the Plan may designate a new address by written notice to the other party to that effect.

**Section 7.09. Compliance with Laws and Requirements.** No Shares shall be issued under the Plan unless the issuance and delivery of such shares comply with all applicable provisions of state and federal law, including, without limitation, the Securities Act of 1933, as amended, the Securities Exchange Act of 1934, the rules and regulations promulgated thereunder and the requirements of any market system or stock exchange upon which the Shares may then be listed.

**Section 7.10. Governing Law.** The Plan shall be construed in accordance with and governed by the laws of the State of Delaware.

CERTIFICATIONS

I, William Dillard, II, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Dillard's, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: December June 7, 2023 2024

/s/ William Dillard, II

William Dillard, II

Chairman of the Board and Chief Executive Officer

Exhibit 31.2

#### CERTIFICATIONS

I, Phillip R. Watts, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Dillard's, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

- (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
- (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
- (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

- (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
- (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: **December June 7, 2023 2024**

/s/ Phillip R. Watts

Phillip R. Watts

Senior Vice President, Co-Principal Financial Officer and Principal Accounting Officer

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**Exhibit 31.3**

**CERTIFICATIONS**

I, Chris B. Johnson, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Dillard's, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

- (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
- (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: December June 7, 2023 2024

/s/ Chris B. Johnson

Chris B. Johnson

Senior Vice President and Co-Principal Financial Officer

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**Exhibit 32.1**

CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Dillard's, Inc. (the "Company") on Form 10-Q for the period ended October 28, 2023 May 4, 2024 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, William Dillard, II, Chairman of the Board and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) and 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: December June 7, 2023 2024

/s/ William Dillard, II

William Dillard, II

Chairman of the Board and  
Chief Executive Officer

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**Exhibit 32.2**

CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Dillard's, Inc. (the "Company") on Form 10-Q for the period ended October 28, 2023 May 4, 2024 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Phillip R. Watts, Senior Vice President, Co-Principal Financial Officer and Principal Accounting Officer, of the Company, certify, pursuant to 18 U.S.C. section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) and 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: December June 7, 2023 2024

/s/ Phillip R. Watts

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Phillip R. Watts  
Senior Vice President, Co-Principal Financial Officer and Principal Accounting Officer

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**Exhibit 32.3**

CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Dillard's, Inc. (the "Company") on Form 10-Q for the period ended **October 28, 2023** **May 4, 2024** as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Chris B. Johnson, Senior Vice President and Co-Principal Financial Officer, of the Company, certify, pursuant to 18 U.S.C. section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) and 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: **December June 7, 2023** **2024**

/s/ Chris B. Johnson  
Chris B. Johnson  
Senior Vice President and Co-Principal Financial Officer

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