

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 November 1, 2025

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: **0-21360**

Shoe Carnival, Inc.

(Exact name of registrant as specified in its charter)

Indiana

*(State or other jurisdiction of
incorporation or organization)*

35-1736614

*(IRS Employer
Identification Number)*

**1800 Innovation Point, 5th Floor
Fort Mill, SC**

(Address of principal executive offices)

29715

(Zip code)

(803) 650-4600

(Registrant's telephone number, including area code)

NOT APPLICABLE

(Former name, former address and former fiscal year, if changed since last report)

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value \$0.01 per share	SCVL	The Nasdaq Stock Market LLC

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 ☒ Accelerated filer ☐ Non-accelerated filer ☐ Smaller reporting company ☐ 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). ☐ Yes ☒ No

APPLICABLE ONLY TO CORPORATE ISSUERS:

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

Number of Shares of Common Stock, par value \$0.01 per share, outstanding at November 28, 2025 was 27,374,968.

SHOE CARNIVAL, INC.
INDEX TO FORM 10-Q

	<u>Page</u>
Part I Financial Information	
Item 1. Financial Statements (Unaudited)	
Condensed Consolidated Balance Sheets	3
Condensed Consolidated Statements of Income	4
Condensed Consolidated Statements of Shareholders' Equity	5
Condensed Consolidated Statements of Cash Flows	6
Notes to Condensed Consolidated Financial Statements	7
Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations	17
Item 3. Quantitative and Qualitative Disclosures About Market Risk	24
Item 4. Controls and Procedures	24
Part II Other Information	
Item 1A. Risk Factors	25
Item 2. Unregistered Sales of Equity Securities and Use of Proceeds	25
Item 5. Other Information	25
Item 6. Exhibits	26
Signature	27

SHOE CARNIVAL, INC.
PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

SHOE CARNIVAL, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
Unaudited

(In thousands, except share data)	November 1, 2025	February 1, 2025	November 2, 2024
Assets			
Current Assets:			
Cash and cash equivalents	\$ 94,369	\$ 108,680	\$ 77,235
Marketable securities	13,294	14,432	13,866
Accounts receivable	7,094	9,018	8,678
Merchandise inventories	435,296	385,605	406,599
Other	22,986	18,409	20,662
Total Current Assets	573,039	536,144	527,040
Property and equipment – net	187,779	172,806	174,171
Operating lease right-of-use assets	340,931	343,547	351,023
Intangible assets	40,934	40,968	40,979
Goodwill	18,018	18,018	18,018
Other noncurrent assets	11,840	12,650	13,198
Total Assets	\$ 1,172,541	\$ 1,124,133	\$ 1,124,429
Liabilities and Shareholders' Equity			
Current Liabilities:			
Accounts payable	\$ 65,853	\$ 52,030	\$ 57,283
Accrued and other liabilities	23,567	25,382	20,050
Current portion of operating lease liabilities	51,906	53,013	58,432
Total Current Liabilities	141,326	130,425	135,765
Long-term portion of operating lease liabilities	310,885	314,974	317,679
Deferred income taxes	25,203	18,879	17,639
Deferred compensation	10,988	10,011	13,449
Other	962	848	4,239
Total Liabilities	489,364	475,137	488,771
Shareholders' Equity:			
Common stock, \$0.01 par value, 50,000,000 shares authorized and 41,049,190 shares issued in each period, respectively	410	410	410
Additional paid-in capital	91,484	90,371	87,861
Retained earnings	803,948	773,353	762,489
Treasury stock, at cost, 13,674,222 shares, 13,874,787 shares and 13,874,425 shares, respectively	(212,665)	(215,138)	(215,102)
Total Shareholders' Equity	683,177	648,996	635,658
Total Liabilities and Shareholders' Equity	\$ 1,172,541	\$ 1,124,133	\$ 1,124,429

See notes to Condensed Consolidated Financial Statements.

SHOE CARNIVAL, INC.
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
Unaudited

(In thousands, except per share data)	Thirteen Weeks Ended November 1, 2025	Thirteen Weeks Ended November 2, 2024	Thirty-nine Weeks Ended November 1, 2025	Thirty-nine Weeks Ended November 2, 2024
Net sales	\$ 297,155	\$ 306,885	\$ 881,258	\$ 939,946
Cost of sales (including buying, distribution and occupancy costs)	185,318	196,503	554,836	602,821
Gross profit	111,837	110,382	326,422	337,125
Selling, general and administrative expenses	93,214	85,853	270,606	260,010
Operating income	18,623	24,529	55,816	77,115
Interest income	(1,101)	(1,148)	(2,986)	(2,623)
Interest expense	78	139	233	412
Income before income taxes	19,646	25,538	58,569	79,326
Income tax expense	5,000	6,296	15,355	20,225
Net income	<u>\$ 14,646</u>	<u>\$ 19,242</u>	<u>\$ 43,214</u>	<u>\$ 59,101</u>
Net income per share:				
Basic	\$ 0.54	\$ 0.71	\$ 1.58	\$ 2.18
Diluted	\$ 0.53	\$ 0.70	\$ 1.57	\$ 2.15
Weighted average shares:				
Basic	27,344	27,161	27,305	27,154
Diluted	27,597	27,565	27,513	27,488

See notes to Condensed Consolidated Financial Statements.

SHOE CARNIVAL, INC.
CONDENSED CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
Unaudited

Thirteen Weeks Ended							
(In thousands, except per share data)	Common Stock			Additional	Retained	Treasury	Total
	Issued	Treasury	Amount	Paid-In	Earnings	Stock	
Balance at August 2, 2025	41,049	(13,676)	\$ 410	\$ 89,462	\$ 793,517	\$ (212,699)	\$ 670,690
Dividends declared (\$0.150 per share)					(4,215)		(4,215)
Employee stock purchase plan purchases		2		4		34	38
Stock-based compensation expense				2,018			2,018
Net income					14,646		14,646
Balance at November 1, 2025	<u>41,049</u>	<u>(13,674)</u>	<u>\$ 410</u>	<u>\$ 91,484</u>	<u>\$ 803,948</u>	<u>\$ (212,665)</u>	<u>\$ 683,177</u>
Balance at August 3, 2024	41,049	(13,875)	\$ 410	\$ 86,208	\$ 746,996	\$ (215,119)	\$ 618,495
Dividends declared (\$0.135 per share)					(3,749)		(3,749)
Employee stock purchase plan purchases		1		23		17	40
Stock-based compensation expense				1,630			1,630
Net income					19,242		19,242
Balance at November 2, 2024	<u>41,049</u>	<u>(13,874)</u>	<u>\$ 410</u>	<u>\$ 87,861</u>	<u>\$ 762,489</u>	<u>\$ (215,102)</u>	<u>\$ 635,658</u>

Thirty-nine Weeks Ended							
(In thousands, except per share data)	Common Stock			Additional	Retained	Treasury	Total
	Issued	Treasury	Amount	Paid-In	Earnings	Stock	
Balance at February 1, 2025	41,049	(13,875)	\$ 410	\$ 90,371	\$ 773,353	\$ (215,138)	\$ 648,996
Dividends declared (\$0.45 per share)					(12,619)		(12,619)
Employee stock purchase plan purchases		8		13		122	135
Stock-based compensation awards		294		(4,564)		4,564	0
Shares surrendered by employees to pay taxes on stock-based compensation awards		(101)				(2,213)	(2,213)
Stock-based compensation expense				5,664			5,664
Net income					43,214		43,214
Balance at November 1, 2025	<u>41,049</u>	<u>(13,674)</u>	<u>\$ 410</u>	<u>\$ 91,484</u>	<u>\$ 803,948</u>	<u>\$ (212,665)</u>	<u>\$ 683,177</u>
Balance at February 3, 2024	41,049	(13,919)	\$ 410	\$ 83,738	\$ 714,647	\$ (215,406)	\$ 583,389
Dividends declared (\$0.405 per share)					(11,259)		(11,259)
Employee stock purchase plan purchases		5		55		77	132
Stock-based compensation awards		59		(915)		915	0
Shares surrendered by employees to pay taxes on stock-based compensation awards		(19)				(688)	(688)
Stock-based compensation expense				4,983			4,983
Net income					59,101		59,101
Balance at November 2, 2024	<u>41,049</u>	<u>(13,874)</u>	<u>\$ 410</u>	<u>\$ 87,861</u>	<u>\$ 762,489</u>	<u>\$ (215,102)</u>	<u>\$ 635,658</u>

See notes to Condensed Consolidated Financial Statements.

SHOE CARNIVAL, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
Unaudited

(In thousands)	Thirty-nine Weeks Ended November 1, 2025	Thirty-nine Weeks Ended November 2, 2024
Cash Flows From Operating Activities		
Net income	\$ 43,214	\$ 59,101
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	25,345	22,762
Stock-based compensation	5,664	5,204
Loss (Gain) on retirement and impairment of assets, net	1,808	(415)
Deferred income taxes	6,324	(676)
Non-cash operating lease expense	44,100	41,790
Other	852	1,270
Changes in operating assets and liabilities:		
Accounts receivable	1,923	(3,720)
Merchandise inventories	(49,691)	(18,563)
Operating leases	(46,680)	(40,139)
Accounts payable and accrued liabilities	12,669	(8,714)
Other	(8,269)	188
Net cash provided by operating activities	<u>37,259</u>	<u>58,088</u>
Cash Flows From Investing Activities		
Purchases of property and equipment	(38,334)	(24,778)
Investments in marketable securities	(1,995)	(502)
Sales of marketable securities and other	3,470	1,406
Acquisition, net of cash acquired	0	(44,384)
Net cash used in investing activities	<u>(36,859)</u>	<u>(68,258)</u>
Cash Flows From Financing Activities		
Proceeds from issuance of stock	135	132
Dividends paid	(12,633)	(11,039)
Shares surrendered by employees to pay taxes on stock-based compensation awards	(2,213)	(688)
Net cash used in financing activities	<u>(14,711)</u>	<u>(11,595)</u>
Net decrease in cash and cash equivalents	(14,311)	(21,765)
Cash and cash equivalents at beginning of period	108,680	99,000
Cash and cash equivalents at end of period	<u>\$ 94,369</u>	<u>\$ 77,235</u>
Supplemental disclosures of cash flow information:		
Capital expenditures incurred but not yet paid	\$ 2,993	\$ 3,201
Dividends declared but not yet paid	\$ 613	\$ 499
Contingent consideration related to business acquisition	\$ 0	\$ 3,600

See notes to Condensed Consolidated Financial Statements.

SHOE CARNIVAL, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
Unaudited

Note 1 – Basis of Presentation

Shoe Carnival, Inc. is one of the nation's largest omnichannel sellers of footwear for the family, selling footwear and related products through our retail stores located in 35 states within the continental United States and in Puerto Rico, as well as through our e-commerce sales channel. We offer customers a broad assortment of primarily branded dress and casual shoes, sandals, boots and athletic footwear and accessories for men, women and children with an emphasis on national name brands through our Shoe Carnival, Shoe Station and Rogan's store fronts. We are an Indiana corporation that was initially formed in Delaware in 1993 and reincorporated in Indiana in 1996. References to "we," "us," "our" and the "Company" in this Quarterly Report on Form 10-Q refer to Shoe Carnival, Inc. and its subsidiaries.

Our consolidated financial statements include the accounts of Shoe Carnival, Inc. and its wholly-owned subsidiaries Rogan Shoes, Incorporated ("Rogan's"), SCHC, Inc. and Shoe Carnival Ventures, LLC, and SCLC, Inc., a wholly-owned subsidiary of SCHC, Inc. All intercompany accounts and transactions have been eliminated. In our opinion, the accompanying unaudited Condensed Consolidated Financial Statements and notes have been prepared in accordance with the rules and regulations of the Securities and Exchange Commission (the "SEC") for interim financial information and contain all normal recurring adjustments necessary to fairly present our financial position and the results of our operations and our cash flows for the periods presented. Certain information and disclosures normally included in the notes to Condensed Consolidated Financial Statements have been condensed or omitted as permitted by the rules and regulations of the SEC although we believe that the disclosures are adequate to make the information presented not misleading. The results of operations for the interim periods are not necessarily indicative of the results to be expected for the full year. The unaudited Condensed Consolidated Financial Statements should be read in conjunction with the audited Consolidated Financial Statements and the notes thereto contained in our Annual Report on Form 10-K for the fiscal year ended February 1, 2025.

Note 2 - Acquisition of Rogan Shoes

On February 13, 2024, we acquired all of the stock of Rogan Shoes, Incorporated, a privately-held 53-year-old work and family footwear company incorporated in Wisconsin, for a purchase price of \$44.8 million, net of \$2.2 million of cash acquired, which was paid with cash on hand. This included \$378,000 of working capital adjustments which were paid in fourth quarter 2024. Additional consideration of up to \$5.0 million may be paid by the Company subject to the achievement of three-year growth targets. At the time of the acquisition, Rogan's operated 28 store locations in Wisconsin, Minnesota and Illinois. The Rogan's acquisition advanced our strategy to be the nation's leading family footwear retailer. It immediately positioned us as the market leader in Wisconsin, and it established a store base in Minnesota, creating additional expansion opportunities.

Rogan's results were included in our consolidated financial statements since the acquisition date. Net Sales from our Rogan's operations were \$21.1 million and \$60.1 million in the thirteen and thirty-nine weeks ended November 1, 2025, respectively, \$22.3 million in the thirteen weeks ended November 2, 2024 and \$63.9 million from February 13, 2024 through November 2, 2024. For the thirteen and thirty-nine weeks ended November 2, 2024, acquisition-related costs of \$121,000 and \$539,000, respectively, were expensed as incurred and were included in Selling, General and Administrative Expenses ("SG&A"), compared to no acquisition-related costs included in SG&A in either the thirteen or thirty-nine weeks ended November 1, 2025.

The following table summarizes the purchase price and the allocation of the purchase price to the fair value of the assets acquired and liabilities assumed. We measured these fair values using Level 3 inputs. The excess purchase price over the fair value of net assets acquired was allocated to Goodwill.

(In thousands)

Purchase price:

Cash consideration, net of cash acquired	\$	44,762
Fair value of contingent consideration		3,600
Total purchase price	\$	48,362

Fair value of identifiable assets and liabilities:

Accounts receivable	\$	2,365
Merchandise inventories		42,340
Other assets		2,000
Operating lease right-of-use assets		16,891
Identifiable intangible assets:		
Trade name		7,500
Customer relationships		900
Goodwill		5,994
Total assets	\$	77,990
Accounts payable		6,308
Operating lease liabilities		19,843
Deferred income taxes		974
Accrued and other liabilities		2,503
Total liabilities	\$	29,628
Total fair value allocation of purchase price	\$	48,362

Our fair value estimate of the Merchandise Inventories for Rogan's was determined using the Comparative Sales and Replacement Cost methods. Our fair value estimate related to the identified intangible asset of Rogan's trade name was determined using the Relief from Royalty method, and the significant assumptions used for the valuation include the royalty rate, estimated projected revenues, long-term growth rate and the discount rate. Our fair value estimates related to Rogan's customer relationships were determined using the Multi-Period Excess Earnings method, and the significant assumptions used for the valuation include projected cash flows, the discount rate and customer attrition rate.

Our fair value estimate of the contingent consideration for the Rogan's acquisition was determined using a Monte Carlo simulation and other methods that account for the probabilities of various outcomes and was recorded in Other long-term liabilities. Significant assumptions used for the valuation include the discount rate, projected cash flows and calculated volatility. It is remeasured on a recurring basis at fair value using the same methods, and the resulting fair value adjustments are reflected within SG&A. See Note 5 — "Fair Value Measurements" for additional discussion related to our contingent consideration.

Identifiable intangible assets include Rogan's trade name and customer relationships. We assigned an indefinite life to Rogan's trade name; therefore, Goodwill and Rogan's trade name will be charged to expense only if impaired. Impairment reviews will be conducted at least annually and involve a comparison of fair value to the carrying amount. If fair value is less than the carrying amount, an impairment loss would be recognized in SG&A. Customer relationships are subject to amortization and will be amortized over a period of 20 years. Goodwill and the acquisition-related Intangible Assets are not deductible for tax purposes.

Note 3 - Net Income Per Share

The following table sets forth the computation of Basic and Diluted Net Income per Share as shown on the face of the accompanying Condensed Consolidated Statements of Income:

	Thirteen Weeks Ended					
	November 1, 2025			November 2, 2024		
	Net Income	Shares	(In thousands, except per share data) Per Share Amount	Net Income	Shares	Per Share Amount
Basic Net Income per Share:						
Net income available for basic common shares and basic net income per share	\$ 14,646	27,344	\$ 0.54	\$ 19,242	27,161	\$ 0.71
Diluted Net Income per Share:						
Net income	\$ 14,646			\$ 19,242		
Conversion of stock-based compensation arrangements	0	253		0	404	
Net income available for diluted common shares and diluted net income per share	\$ 14,646	27,597	\$ 0.53	\$ 19,242	27,565	\$ 0.70

	Thirty-nine Weeks Ended					
	November 1, 2025			November 2, 2024		
	Net Income	Shares	(In thousands, except per share data) Per Share Amount	Net Income	Shares	Per Share Amount
Basic Net Income per Share:						
Net income available for basic common shares and basic net income per share	\$ 43,214	27,305	\$ 1.58	\$ 59,101	27,154	\$ 2.18
Diluted Net Income per Share:						
Net income	\$ 43,214			\$ 59,101		
Conversion of stock-based compensation arrangements	0	208		0	334	
Net income available for diluted common shares and diluted net income per share	\$ 43,214	27,513	\$ 1.57	\$ 59,101	27,488	\$ 2.15

The computation of Basic Net Income per Share is based on the weighted average number of common shares outstanding during the period. The computation of Diluted Net Income per Share is based on the weighted average number of shares outstanding plus the dilutive incremental shares that would be outstanding assuming the vesting of stock-based compensation arrangements involving restricted stock, restricted stock units and performance stock units. No unvested stock-based awards that will be settled in shares were excluded from the computation of Diluted Net Income per Share for the thirteen and thirty-nine weeks ended November 1, 2025 and November 2, 2024.

Note 4 - Recently Issued Accounting Pronouncements and Tax Legislation

In December 2023, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures. The guidance requires disaggregated information about a reporting entity's effective tax rate reconciliation as well as information on income taxes paid. The ASU is effective for fiscal years beginning after December 15, 2024. Early adoption is permitted. The amendments in the ASU should be applied on a prospective basis, but retrospective application is permitted. The guidance will require additional disclosures in the Income Taxes footnote but will not have an impact on our Consolidated Financial Statements.

In November 2024, the FASB issued ASU 2024-03, Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses. The guidance requires new financial statement disclosures in tabular format, disaggregating information about prescribed categories underlying any relevant income statement expense caption. The guidance is effective for fiscal years beginning after December 15, 2026, and interim periods within fiscal years beginning after December 15, 2027. Early adoption is permitted. The amendments in the ASU should be applied on a prospective basis, but retrospective application is permitted. We are currently evaluating the impact of this guidance on our Consolidated Financial Statements and related disclosures.

On July 4, 2025, President Trump signed into law the One Big Beautiful Bill Act (the "OBBB"). The OBBB makes key elements of the Tax Cuts and Jobs Act permanent, including 100% bonus depreciation, domestic research cost expensing and the business interest

expense limitation. Accounting Standards Codification Topic No. 740, "Income Taxes", requires that we recognize the effects of changes in tax rates and laws in the period in which the legislation is enacted. Consequently, in the thirty-nine weeks ended November 1, 2025, we recognized an increase in our deferred tax expense, primarily due to the impact of the 100% bonus depreciation and domestic research cost expensing provided for in the OBBB, partially offset by reductions in our current tax expense. We expect that the OBBB will not have a material impact on our financial statements, including on our Fiscal 2025 effective tax rate.

In September 2025, the FASB issued ASU 2025-06, Intangibles—Goodwill and Other—Internal-Use Software (Subtopic 350-40). The guidance provides targeted improvements to the accounting for internal-use software. The guidance is effective for fiscal years beginning after December 15, 2027, and interim periods within those annual reporting periods. Early adoption is permitted. The amendments in the ASU can be applied on a prospective transition approach, a modified transition approach that is based on the status of the project and whether software costs were capitalized before the date of adoption, or a retrospective transition approach. We are currently evaluating the impact of this guidance on our Consolidated Financial Statements and related disclosures.

Note 5 - Fair Value Measurements

Financial Instruments

The following table presents financial instruments that are measured at fair value on a recurring basis at November 1, 2025, February 1, 2025 and November 2, 2024:

(In thousands)	Fair Value Measurements			
	Level 1	Level 2	Level 3	Total
As of November 1, 2025				
Cash equivalents - money market mutual funds	\$ 82,944	\$ 0	\$ 0	\$ 82,944
Marketable securities - mutual funds that fund deferred compensation	13,294	0	0	13,294
Total	\$ 96,238	\$ 0	\$ 0	\$ 96,238
As of February 1, 2025				
Cash equivalents - money market mutual funds	\$ 95,963	\$ 0	\$ 0	\$ 95,963
Marketable securities - mutual funds that fund deferred compensation	14,432	0	0	14,432
Total	\$ 110,395	\$ 0	\$ 0	\$ 110,395
As of November 2, 2024				
Cash equivalents - money market mutual funds	\$ 65,529	\$ 0	\$ 0	\$ 65,529
Marketable securities - mutual funds that fund deferred compensation	13,866	0	0	13,866
Total	\$ 79,395	\$ 0	\$ 0	\$ 79,395

We invest in publicly traded mutual funds with readily determinable fair values. These Marketable Securities are designed to mitigate volatility in our Consolidated Statements of Income associated with our non-qualified deferred compensation plan. As of November 1, 2025, these Marketable Securities were principally invested in equity-based mutual funds, consistent with the allocation in our deferred compensation plan. To the extent there is a variation in invested funds compared to the total non-qualified deferred compensation plan liability, such fund variance is managed through a stable value mutual fund. We classify these Marketable Securities as current assets because we have the ability to convert the securities into cash at our discretion and these Marketable Securities are not held in a rabbi trust. Changes in these Marketable Securities and deferred compensation plan liabilities are charged to SG&A.

Contingent Consideration

The following table presents liabilities that are measured at fair value on a recurring basis at November 1, 2025, February 1, 2025 and November 2, 2024:

(In thousands)	Fair Value Measurements			
	Level 1	Level 2	Level 3	Total
As of November 1, 2025				
Contingent consideration	\$ 0	\$ 0	\$ 412	\$ 412
Total	\$ 0	\$ 0	\$ 412	\$ 412
As of February 1, 2025				
Contingent consideration	\$ 0	\$ 0	\$ 395	\$ 395
Total	\$ 0	\$ 0	\$ 395	\$ 395
As of November 2, 2024				
Contingent consideration	\$ 0	\$ 0	\$ 3,793	\$ 3,793
Total	\$ 0	\$ 0	\$ 3,793	\$ 3,793

See Note 2 — “Acquisition of Rogan Shoes” for additional discussion related to our contingent consideration.

Deferred Compensation Plan Liabilities and Related Marketable Securities

The following tables present the balances and activity of the Company’s deferred compensation plan liabilities and related Marketable Securities:

(In thousands)	November 1, 2025	February 1, 2025	November 2, 2024
Deferred compensation plan current liabilities	\$ 2,072	\$ 4,259	\$ 193
Deferred compensation plan long-term liabilities	10,988	10,011	13,449
Total deferred compensation plan liabilities	\$ 13,060	\$ 14,270	\$ 13,642
Marketable securities - mutual funds that fund deferred compensation	\$ 13,294	\$ 14,432	\$ 13,866

(In thousands)	Thirteen Weeks Ended November 1, 2025	Thirteen Weeks Ended November 2, 2024	Thirty-nine Weeks Ended November 1, 2025	Thirty-nine Weeks Ended November 2, 2024
Deferred compensation liabilities				
Employer contributions, net	\$ 65	\$ 83	\$ 244	\$ 234
Investment earnings	641	632	929	1,214
Marketable Securities				
Mark-to-market gains ⁽¹⁾	(596)	(585)	(882)	(1,169)
Net deferred compensation expense	\$ 110	\$ 130	\$ 291	\$ 279

(1) Included in the mark-to-market activity related to equity securities still held at quarter-end, we recognized unrealized gains of \$56,000 and \$568,000 for the thirteen weeks ended November 1, 2025 and November 2, 2024, respectively, and unrealized gains of \$865,000 and \$1.1 million for the thirty-nine weeks ended November 1, 2025 and November 2, 2024, respectively.

The fair values of Cash and Cash Equivalents, Accounts Receivable, Accounts Payable and Accrued and Other Liabilities approximate their carrying values because of their short-term nature.

Long-Lived Asset Impairment Testing

We periodically evaluate our long-lived assets for impairment if events or circumstances indicate that the carrying value may not be recoverable. The carrying value of long-lived assets is considered impaired when the carrying value of the assets exceeds the expected future cash flows to be derived from their use. Assets are grouped, and the evaluation is performed, at the lowest level for which there are identifiable cash flows, which is generally at a store level. Store level asset groupings typically include Property and Equipment and Operating Lease Right-of-Use Assets, net of the current and long-term portions of Operating Lease Liabilities. Assets subject to impairment are adjusted to estimated fair value and, if applicable, an impairment loss is recorded in SG&A. If the Operating Lease Right-of-Use Asset is impaired, we would amortize the remaining right-of-use asset on a straight-line basis over the remaining lease term. No impairment charges were recorded during the thirty-nine weeks ended November 1, 2025 or the thirty-nine weeks ended November 2, 2024.

Note 6 - Stock-Based Compensation

Stock-based compensation includes share-settled awards issued pursuant to the Shoe Carnival, Inc. Amended and Restated 2017 Equity Incentive Plan in the form of restricted stock units, performance stock units, and restricted and other stock awards. Additionally, we recognize stock-based compensation expense for the discount on shares sold to employees through our Employee Stock Purchase Plan and for cash-settled stock appreciation rights. For the thirteen and thirty-nine weeks ended November 1, 2025 and November 2, 2024, stock-based compensation expense was comprised of the following:

(In thousands)	Thirteen Weeks Ended November 1, 2025	Thirteen Weeks Ended November 2, 2024	Thirty-nine Weeks Ended November 1, 2025	Thirty-nine Weeks Ended November 2, 2024
Share-settled equity awards	\$ 2,011	\$ 1,623	\$ 5,640	\$ 4,926
Stock appreciation rights	0	0	0	221
Employee Stock Purchase Plan	7	7	24	57
Total stock-based compensation expense	\$ 2,018	\$ 1,630	\$ 5,664	\$ 5,204
Income tax effect at statutory rates	\$ (491)	\$ (397)	\$ (1,377)	\$ (1,266)
Additional income tax (benefit) expense on vesting of share-settled awards	\$ (3)	\$ 0	\$ 466	\$ (109)

As of November 1, 2025, approximately \$10.9 million of unrecognized compensation expense remained related to our share-settled equity awards. The cost is expected to be recognized over a weighted average period of approximately 1.6 years.

Share-Settled Equity Awards

The following table summarizes transactions for our restricted stock units and performance stock units:

	Number of Shares	Weighted- Average Grant Date Fair Value
Outstanding at February 1, 2025	695,259	\$ 29.71
Granted	436,031	21.61
Vested	(259,725)	28.79
Forfeited	(59,113)	29.47
Outstanding at November 1, 2025	812,452	\$ 25.68

The total fair value at grant date of restricted stock units and performance stock units that vested during the thirty-nine weeks ended November 1, 2025 and November 2, 2024 was \$7.5 million and \$1.4 million, respectively. The weighted-average grant date fair value of restricted stock units and performance stock units granted during the thirty-nine weeks ended November 2, 2024 was \$32.06.

The following table summarizes transactions for our restricted stock and other stock awards:

	Number of Shares	Weighted- Average Grant Date Fair Value
Outstanding at February 1, 2025	0	\$ 0.00
Granted	34,488	18.85
Vested	(5,306)	18.85
Forfeited	0	0.00
Outstanding at November 1, 2025	29,182	\$ 18.85

The total fair value at grant date of restricted stock and other stock awards that vested during the thirty-nine weeks ended November 1, 2025 was \$100,000. No restricted stock or other stock awards vested during the thirty-nine weeks ended November 2, 2024. The weighted-average grant date fair value of restricted stock awards granted during the thirty-nine weeks ended November 2, 2024 was \$36.84.

Note 7 – Revenue

Disaggregation of Net Sales by Product Category

Net Sales and percentage of Net Sales, disaggregated by product category, for the thirteen and thirty-nine weeks ended November 1, 2025 and November 2, 2024 were as follows:

(In thousands)	Thirteen Weeks Ended November 1, 2025		Thirteen Weeks Ended November 2, 2024	
Non-Athletics:				
Women's	\$ 62,054	21%	\$ 65,008	21%
Men's	48,650	16	52,180	17
Children's	18,247	6	19,963	6
Total	128,951	43	137,151	44
Athletics:				
Women's	50,952	17	51,005	17
Men's	53,241	18	53,599	17
Children's	46,775	16	46,202	15
Total	150,968	51	150,806	49
Accessories	15,743	5	17,346	6
Other	1,493	1	1,582	1
Total	<u>\$ 297,155</u>	<u>100%</u>	<u>\$ 306,885</u>	<u>100%</u>

(In thousands)	Thirty-nine Weeks Ended November 1, 2025		Thirty-nine Weeks Ended November 2, 2024	
Non-Athletics:				
Women's	\$ 203,446	23%	\$ 226,821	24%
Men's	152,609	17	160,036	17
Children's	57,413	7	64,602	7
Total	413,468	47	451,459	48
Athletics:				
Women's	146,476	17	150,836	16
Men's	158,216	18	162,384	17
Children's	114,446	13	119,738	13
Total	419,138	48	432,958	46
Accessories	45,050	5	51,230	5
Other	3,602	0	4,299	1
Total	<u>\$ 881,258</u>	<u>100%</u>	<u>\$ 939,946</u>	<u>100%</u>

Accounting Policy and Performance Obligations

We operate as an omnichannel, family footwear retailer and provide the convenience of shopping at our physical stores or shopping online through our e-commerce platform. As part of our omnichannel strategy, we offer Shoes 2U, a program that enables us to ship product to a customer's home or selected store if the product is not in stock at a particular store. We also offer "buy online, pick up in store" services for our customers. "Buy online, pick up in store" provides the convenience of local pickup for our customers.

For our physical stores, we satisfy our performance obligation and control is transferred at the point of sale when the customer takes possession of the products. This also includes the "buy online, pick up in store" scenario described above and includes sales made via our Shoes 2U program when customers choose to pick up their goods at a physical store. For sales made through our e-commerce sales

channel in which the customer chooses home delivery, we transfer control and recognize revenue when the product is shipped. This also includes sales made via our Shoes 2U program when the customer chooses home delivery.

We offer our customers sales incentives including coupons, discounts, and free merchandise. Sales are recorded net of such incentives and returns and allowances. If an incentive involves free merchandise, that merchandise is recorded as a zero sale and the cost is included in Cost of Sales. Gift card revenue is recognized at the time of redemption. When a customer makes a purchase as part of our rewards program, we allocate the transaction price between the goods purchased and the loyalty reward points and recognize the loyalty revenue based on estimated customer redemptions.

Transaction Price and Payment Terms

The transaction price is the amount of consideration we expect to receive from our customers and is reduced by any stated promotional discounts at the time of purchase. The transaction price may be variable due to terms that permit customers to exchange or return products for a refund. The implicit contract with the customer reflected in the transaction receipt states the final terms of the sale, including the description, quantity, and price of each product purchased. The customer agrees to a stated price in the contract that does not vary over the term of the contract and may include revenue to offset shipping costs. Taxes imposed by governmental authorities such as sales taxes are excluded from Net Sales.

We accept various forms of payment from customers at the point of sale typical for an omnichannel retailer. Payments made for products are generally collected when control passes to the customer, either at the point of sale or at the time the customer order is shipped. For Shoes 2U transactions, customers may order the product at the point of sale. For these transactions, customers pay in advance and unearned revenue is recorded as a contract liability in Accrued and Other Liabilities. We recognize the related revenue when control has been transferred to the customer (i.e., when the product is picked up by the customer or shipped to the customer). Unearned revenue related to Shoes 2U was not material to our consolidated financial statements at November 1, 2025, February 1, 2025 or November 2, 2024.

Returns and Refunds

We have established an allowance based upon historical experience in order to estimate return and refund transactions. This allowance is recorded as a reduction in sales with a corresponding refund liability recorded in Accrued and Other Liabilities. The estimated cost of Merchandise Inventories is recorded as a reduction to Cost of Sales and an increase in Merchandise Inventories. Approximately \$1.1 million of refund liabilities and \$726,000 of right of return assets associated with estimated product returns were recorded in Accrued and Other Liabilities and Merchandise Inventories, respectively, as of November 1, 2025 and February 1, 2025. Approximately \$962,000 of refund liabilities and \$618,000 of right of return assets associated with estimated product returns were recorded in Accrued and Other Liabilities and Merchandise Inventories, respectively, at November 2, 2024.

Contract Liabilities

The issuance of a gift card is recorded as an increase to contract liabilities and a decrease to contract liabilities when a customer redeems a gift card. Estimated breakage is determined based on historical breakage percentages and recognized as revenue based on expected gift card usage. We do not record breakage revenue when escheat liability to relevant jurisdictions exists. At November 1, 2025, February 1, 2025 and November 2, 2024, approximately \$1.8 million, \$2.3 million and \$2.4 million of contract liabilities associated with unredeemed gift cards were recorded in Accrued and Other Liabilities, respectively. We expect the revenue associated with these liabilities to be recognized in proportion to the pattern of customer redemptions within two years. Breakage revenue associated with our gift cards recognized in Net Sales was not material to any of the periods presented.

Our Shoe Perks rewards program allows customers to accrue points and provides customers with the opportunity to earn rewards. Points under Shoe Perks are earned primarily by making purchases through any of our omnichannel points of sale. Once a certain threshold of accumulated points is reached, the customer earns a reward certificate, which is redeemable through any of our sales channels.

When a Shoe Perks customer makes a purchase, we allocate the transaction price between the goods purchased and the loyalty reward points earned based on the relative standalone selling price. The portion allocated to the points program is recorded as a contract liability for rewards that are expected to be redeemed. We then recognize revenue based on an estimate of when customers redeem rewards, which incorporates an estimate of points expected to expire using historical rates. During the thirteen and thirty-nine weeks ended November 1, 2025, approximately \$1.1 million and \$3.1 million, respectively, of loyalty rewards were recognized in Net Sales. During the thirteen and thirty-nine weeks ended November 2, 2024, approximately \$943,000 and \$2.5 million, respectively, of loyalty rewards were recognized in Net Sales. At November 1, 2025, February 1, 2025 and November 2, 2024, approximately \$711,000, \$564,000 and \$613,000, respectively, of contract liabilities associated with loyalty rewards were recorded in Accrued and Other Liabilities. We expect the revenue associated with these liabilities to be recognized in proportion to the pattern of customer redemptions in less than one year.

Note 8 – Segment Reporting

Shoe Carnival, Inc. has a single operating and reportable segment that sells footwear and related merchandise for the family across our retail banners and sales channels. With respect to our omnichannel strategy, our e-commerce sales channel is integrated with our Shoe Carnival, Shoe Station and Rogan’s physical store locations across 35 states and Puerto Rico and is fundamentally inseparable in how we serve our target customers.

Our chief operating decision maker (“CODM”) is our President and Chief Executive Officer. The CODM assesses performance and decides how to allocate resources based on Net Income that also is reported on the income statement as our consolidated Net Income. The CODM uses Net Income to evaluate performance in deciding whether to reinvest profits, facilitate acquisitions or return funds to shareholders through dividends or share repurchases. Net Income is used to monitor budget versus actual results and in competitive analysis by benchmarking to our peers and competitors. The benchmarking analysis and the monitoring of budgeted versus actual results are used in assessing our performance and in establishing management’s compensation.

We have concluded that, on the basis of the principles in FASB ASU 2023-07, Segment Reporting (Topic 280), the expenses below require disclosure under the significant expense principle. The CODM does not review assets in evaluating results. Therefore, such information is not provided. Operating financial results of our segment for the thirteen and thirty-nine weeks ended November 1, 2025 and November 2, 2024 were as follows:

(In thousands)	Thirteen Weeks Ended November 1, 2025	Thirteen Weeks Ended November 2, 2024	Thirty-nine Weeks Ended November 1, 2025	Thirty-nine Weeks Ended November 2, 2024
Net sales	\$ 297,155	\$ 306,885	\$ 881,258	\$ 939,946
Less:				
Merchandise & delivery costs ⁽¹⁾	162,610	173,447	486,279	535,265
Store occupancy costs	22,708	23,056	68,557	67,556
Store expenses ⁽²⁾	41,933	41,554	123,671	125,138
E-commerce expenses ⁽³⁾	4,032	4,735	12,140	14,303
Advertising	18,705	15,084	48,232	41,233
Store depreciation and other selling expenses ⁽⁴⁾	10,893	10,036	32,464	29,530
General and administrative expenses ⁽⁵⁾	17,651	14,444	54,099	49,806
Interest income	(1,101)	(1,148)	(2,986)	(2,623)
Interest expense	78	139	233	412
Income tax expense	5,000	6,296	15,355	20,225
Net income	\$ 14,646	\$ 19,242	\$ 43,214	\$ 59,101

(1) Merchandise & delivery costs include the cost of merchandise and other buying and distribution costs.

(2) Store expenses include selling expenses generally controlled operationally at the store level, such as store level payroll.

(3) E-commerce expenses include primarily website maintenance costs and other selling expenses.

(4) Other selling expenses include store-related health care, other insurance, licensing/tax costs and Property and Equipment write-offs.

(5) General and administrative expenses include departmental and corporate expenses, including incentive and share-based compensation and merger and integration expenses.

Note 9 – Leases

We lease all of our physical stores, our Evansville, Indiana distribution center, which has a current lease term expiring in 2034, our Fort Mill, South Carolina corporate headquarters and other warehousing space. We also enter into leases of equipment and other assets. Substantially all of our leases are operating leases; however, as a result of the acquisition of Rogan’s, we also acquired certain assets subject to finance leases. The finance lease assets and related current liabilities and noncurrent liabilities were recorded in Other Noncurrent Assets, Accrued and Other Liabilities and Other long-term liabilities, respectively. Leases with terms of twelve months or less are immaterial and are expensed as incurred, and we did not have any leases with related parties or any sublease arrangements with any related party or third party as of November 1, 2025, February 1, 2025 or November 2, 2024.

Lease costs, including other related occupancy costs, reported in our Condensed Consolidated Statements of Income were as follows for the thirteen and thirty-nine weeks ended November 1, 2025 and November 2, 2024:

(In thousands)	Thirteen Weeks Ended November 1, 2025	Thirteen Weeks Ended November 2, 2024	Thirty-nine Weeks Ended November 1, 2025	Thirty-nine Weeks Ended November 2, 2024
Operating lease cost	\$ 17,872	\$ 17,889	\$ 53,550	\$ 52,375
Variable lease cost				
Occupancy costs	5,502	5,785	17,040	17,287
Percentage rent and other variable lease costs	239	220	686	492
Finance lease cost				
Amortization of leased assets	8	30	25	45
Interest on lease liabilities	2	2	7	8
Total	<u>\$ 23,623</u>	<u>\$ 23,926</u>	<u>\$ 71,308</u>	<u>\$ 70,207</u>

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Factors That May Affect Future Results

This Quarterly Report on Form 10-Q contains forward-looking statements, within the meaning of the Private Securities Litigation Reform Act of 1995, that involve a number of risks and uncertainties. A number of factors could cause our actual results, performance, achievements or industry results to be materially different from any future results, performance or achievements expressed or implied by these forward-looking statements. These factors include, but are not limited to: our ability to achieve expected operating results from, and planned growth of, our Shoe Station banner, including our ability to increase our comparable stores Net Sales from rebannered Shoe Carnival locations into Shoe Station locations and our ability to achieve expected cost savings, synergies and inventory reductions from operating principally under one banner, within expected time frames, or at all; the impact of competition and pricing, including our ability to maintain current promotional intensity levels; changes in the political and economic environments in, the status of trade relations with, and the impact of changes in trade policies and tariffs impacting, China and other countries which are the major manufacturers of footwear; our ability to control costs and meet our labor needs in a rising wage, inflationary, and/or supply chain constrained environment; the effects and duration of economic downturns and unemployment rates; the potential impact of national and international security concerns, including those caused by war and terrorism, on the retail environment; general economic conditions in the areas of the continental United States and Puerto Rico where our stores are located; changes in the overall retail environment and more specifically in the apparel and footwear retail sectors; our ability to successfully utilize the e-commerce sales channel and its impact on traffic and transactions in our physical stores; the success of the open-air shopping centers where many of our stores are located and the impact on our ability to attract customers to our stores; our ability to attract customers to our e-commerce platform and to successfully grow our omnichannel sales; the effectiveness of our inventory management, including our ability to manage key merchandise vendor relationships and direct-to-consumer initiatives; changes in our relationships with other key suppliers; our ability to successfully manage and execute our marketing initiatives and maintain positive brand perception and recognition; our ability to successfully manage our current real estate portfolio and leasing obligations; changes in weather, including patterns impacted by climate change; changes in consumer buying trends and our ability to identify and respond to emerging fashion trends; the impact of disruptions in our distribution or information technology operations including at our distribution center located in Evansville, IN; the impact of natural disasters, public health and political crises, civil unrest, and other catastrophic events on our operations and the operations of our suppliers, as well as on consumer confidence and purchasing in general; the duration and spread of a public health crisis and the mitigating efforts deployed, including the effects of government stimulus on consumer spending; risks associated with the seasonality of the retail industry; the impact of unauthorized disclosure or misuse of personal and confidential information about our customers, vendors and employees, including as a result of a cybersecurity breach; our ability to effectively achieve the operating results from, and maintain the synergies, efficiencies and other benefits gained through, our acquisition strategy, including our recent acquisition of Rogan's; our ability to successfully execute our business strategy, including the availability of desirable store locations at acceptable lease terms, our ability to identify, consummate or effectively integrate future acquisitions, our ability to implement and adapt to new technology and systems, our ability to open new stores in a timely and profitable manner, including our entry into major new markets, and the availability of sufficient funds to implement our business plans; higher than anticipated costs associated with the closing of underperforming stores; the inability of manufacturers to deliver products in a timely manner; an increase in the cost, or a disruption in the flow, of imported goods; the impact of regulatory changes in the United States, including minimum wage laws and regulations, and the countries where our manufacturers are located; the resolution of litigation or regulatory proceedings in which we are or may become involved; continued volatility and disruption in the capital and credit markets; future stock repurchases under our stock repurchase program and future dividend payments. For a more detailed discussion of risk factors impacting us, see the "Risk Factors" section of our Annual Report on Form 10-K for the fiscal year ended February 1, 2025 and "Risk Factors" in PART II, ITEM 1A of this Quarterly Report on Form 10-Q.

General

Management's Discussion and Analysis of Financial Condition and Results of Operations is intended to provide information to assist the reader in better understanding and evaluating our financial condition and results of operations. We encourage you to read this in conjunction with our Condensed Consolidated Financial Statements and the notes thereto included in PART I, ITEM 1 of this Quarterly Report on Form 10-Q, as well as our Annual Report on Form 10-K for the fiscal year ended February 1, 2025 as filed with the SEC. This section of this Quarterly Report on Form 10-Q generally discusses our results for third quarter 2025 and third quarter 2024 and year-over-year comparisons between third quarter 2025 and third quarter 2024, as well as year-to-date results for, and comparisons between, the two periods.

Referred to herein, third quarter 2025 is the thirteen weeks ended November 1, 2025 and third quarter 2024 is the thirteen weeks ended November 2, 2024. Also referred to herein, year-to-date 2025 is the thirty-nine weeks ended November 1, 2025 and year-to-date 2024 is the thirty-nine weeks ended November 2, 2024.

Overview of Our Business

Shoe Carnival, Inc. is one of the nation's largest omnichannel sellers of footwear for the family. On December 3, 2021, we began operating under two banners: Shoe Carnival and Shoe Station. We furthered our acquisition strategy by acquiring all of the stock of Rogan Shoes, Incorporated ("Rogan's") in February 2024, which added 28 physical stores (25 in Wisconsin, 2 in Minnesota, and 1 in Illinois) to our portfolio, positioned us as the market leader in Wisconsin and established a store base in Minnesota, creating additional expansion opportunities. More information about the acquisition of Rogan's can be found in Note 2 — "Acquisition of Rogan Shoes" to our Notes to Condensed Consolidated Financial Statements contained in PART I, ITEM 1 of this Quarterly Report on Form 10-Q.

Our goal is to be the leading family footwear retailer in the United States. Our product assortment, whether shopping in a physical store or through our e-commerce sales channel, is primarily branded footwear and includes dress and casual shoes, sandals, boots and a wide assortment of athletic shoes. Our typical physical store carries shoes in two general categories — athletics and non-athletics with subcategories for men's, women's and children's, as well as a broad range of accessories. In addition to our physical stores, through our e-commerce sales channel, customers can purchase the same assortment of merchandise in all categories of footwear with expanded options in certain instances.

Our stores under the Shoe Carnival banner combine competitive pricing with a high-energy in-store environment that encourages customer participation. Footwear in our Shoe Carnival physical stores is organized by category and brand, creating strong brand statements within the aisles. These brand statements are underscored by branded signage on endcaps and in-line signage throughout the store. Our signage may highlight a vendor's product offerings or sales promotions, or may highlight seasonal or lifestyle statements by grouping similar footwear from multiple vendors.

The Shoe Station banner and retail locations serve a broader base of footwear customers. The Shoe Station concept targets a more affluent footwear customer, and its product assortment includes higher end athletics and non-athletics shoes and more accessories. Shoe Station has a strong track record of capitalizing on emerging footwear fashion trends and introducing new brands.

We believe our distinctive shopping experiences give us various competitive advantages, including increased multiple unit sales; the building of a loyal, repeat customer base; the creation of word-of-mouth advertising; and enhanced sell-through of in-season goods.

Critical Accounting Policies

We use judgment in reporting our financial results. This judgment involves estimates based in part on our historical experience and incorporates the impact of the current general economic climate and company-specific circumstances. However, because future events and economic conditions are inherently uncertain, our actual results could differ materially from these estimates. Our accounting policies that require more significant judgments include those with respect to Merchandise Inventories, valuation of long-lived assets, valuation of Goodwill and Intangible Assets, leases and income taxes. The accounting policies that require more significant judgment are discussed in our Annual Report on Form 10-K for the fiscal year ended February 1, 2025, and there have been no material changes to those critical accounting policies.

Results of Operations Summary Information

Quarter Ended	Number of Stores					Store Square Footage		Comparable Stores Net Sales ⁽¹⁾
	Beginning of Period	Opened	Acquired	Permanently Closed	End of Period	Net Change	End of Period	
May 3, 2025	430	1	0	2	429	4,000	4,972,000	(8.1)%
August 2, 2025	429	0	0	1	428	(11,000)	4,961,000	(7.5)%
November 1, 2025	428	0	0	0	428	0	4,961,000	(2.7)%
Year-to-date	430	1	0	3	428	(7,000)	4,961,000	(6.3)%
May 4, 2024	400	2	28	0	430	377,000	4,946,000	(3.4)%
August 3, 2024	430	1	0	1	430	2,000	4,948,000	(2.1)%
November 2, 2024	430	1	0	0	431	28,000	4,976,000	(4.1)%
Year-to-date	400	4	28	1	431	407,000	4,976,000	(3.2)%

- (1) Comparable stores Net Sales is a key performance indicator for us. Comparable stores Net Sales include stores that have been open for 13 full months after such stores' grand opening or acquisition prior to the beginning of the period, including those stores that have been relocated, remodeled or rebannered. Therefore, stores recently opened, acquired or permanently closed

are not included in comparable stores Net Sales. We generally include e-commerce sales in our comparable stores Net Sales as a result of our omnichannel retailer strategy. Due to our omnichannel retailer strategy, we view e-commerce sales as an extension of our physical stores. Rogan's comparable stores Net Sales are included in our comparable stores Net Sales quarterly calculations beginning in the thirteen weeks ended August 2, 2025. Rogan's comparable stores Net Sales will begin to be included in our comparable stores Net Sales year-to-date and annual calculations beginning in Fiscal 2026.

The following table sets forth our results of operations expressed as a percentage of Net Sales for the periods indicated:

	Thirteen Weeks Ended November 1, 2025	Thirteen Weeks Ended November 2, 2024	Thirty-nine Weeks Ended November 1, 2025	Thirty-nine Weeks Ended November 2, 2024
Net sales	100.0%	100.0%	100.0%	100.0%
Cost of sales (including buying, distribution and occupancy costs)	62.4	64.0	63.0	64.1
Gross profit	37.6	36.0	37.0	35.9
Selling, general and administrative expenses	31.3	28.0	30.7	27.7
Operating income	6.3	8.0	6.3	8.2
Interest income, net	(0.3)	(0.3)	(0.3)	(0.2)
Income tax expense	1.7	2.0	1.7	2.1
Net income	4.9%	6.3%	4.9%	6.3%

Executive Summary for Third Quarter Ended November 1, 2025

Our third quarter 2025 Net Income was \$14.6 million, or \$0.53 per diluted share, and was lower than the \$19.2 million, or \$0.70 per diluted share, reported in third quarter 2024. Our third quarter 2025 results included \$0.22 per diluted share of rebanner strategy investments.

Our Net Sales declined 3.2% in third quarter 2025 compared to third quarter 2024, primarily due to a 5.2% decline in Net Sales at our Shoe Carnival banner as we maintained pricing discipline despite pressure on lower-income consumers. In contrast, our Shoe Station banner achieved Net Sales growth of 5.3% in third quarter 2025 compared to third quarter 2024, driven by our rebanner strategy including omnichannel growth. Our Shoe Station banner's Net Sales growth in third quarter 2025 compared to third quarter 2024 outperformed Shoe Carnival's by 10.5 percentage points, highlighting the strength of the One Banner Strategy as more fully described below.

Our comparable stores Net Sales declined 2.7% and included comparable stores Net Sales growth in Back-to-School August. Our Shoe Station banner grew comparable stores Net Sales mid-single digits in third quarter 2025, while comparable stores Net Sales at our Shoe Carnival banner declined mid-single digits and was the primary driver of our overall comparable stores Net Sales decline.

We achieved a Gross Profit margin of 37.6%, up 160 basis points from third quarter 2024. The increase included a 190 basis point increase in our merchandise margin, driven by disciplined pricing across all banners, a favorable mix shift toward Shoe Station's higher income customers and strategic inventory investments. This more than offset 30 basis points of deleverage in buying, distribution and occupancy costs. As a result, our Gross Profit increased to \$111.8 million in third quarter 2025 compared to \$110.4 million in third quarter 2024.

The Fiscal 2024 year-end marked the 20th consecutive year where we ended a fiscal year with no debt, fully funding our operations, acquisitions and investments from operating cash flow. Through third quarter 2025, we also funded our operations, including our rebanner investments and inventory positions, without incurring any debt and grew our Cash, Cash Equivalents and Marketable Securities by \$16.6 million, or 18.2%, compared to the end of third quarter 2024. At the end of third quarter 2025, we had \$107.7 million of Cash, Cash Equivalents and Marketable Securities and \$99.0 million of available borrowings under our existing credit facility to fund our growth objectives.

Our Merchandise Inventories at the end of third quarter 2025 were \$435.3 million, up approximately 7% compared to the end of third quarter 2024. We increased our inventory positions this year, taking advantage of opportunistic buys for seasonal and in-demand merchandise. This improved availability of key merchandise drove margin expansion in the second and third quarters of 2025 and positive comparable stores Net Sales during August 2025. We believe our inventory on hand positions us well to navigate any potential supply chain disruptions.

One Banner Strategy

Earlier this year, we announced our plan to grow our Shoe Station banner from a market leader in the Southeast into a national footwear and accessories leader. As part of this plan, we rebannered 10 Shoe Carnival stores to Shoe Station stores during a test phase in Fiscal 2024. As a result of divergent Net Sales trends between our Shoe Carnival and Shoe Station banners that we have experienced over time, including in third quarter 2025, we have rebannered 100 stores in year-to-date 2025, of which 56 were rebannered in third quarter 2025.

We now have 144 Shoe Station stores, inclusive of an additional store that rebannered after third quarter 2025 ended, which represents approximately 34% of our current store fleet, up from 10% of stores at the beginning of Fiscal 2025. Stores rebannered during third quarter 2025 included Rogan's store locations. Our Rogan's stores are now fully integrated into the Shoe Station banner while continuing to broadly utilize the Rogan's trade name. Beginning in fourth quarter 2025, we will report Rogan's store results as part of the Shoe Station banner. No additional stores are expected to rebanner in Fiscal 2025.

As a result of the rebannered completed in Fiscal 2025, we expect a reduction in our Fiscal 2025 Operating Income of approximately \$25 million for store closing costs, amortization of new store construction costs, a four-to-six-week store closure period through each store's grand opening, customer acquisition costs and other costs. During third quarter 2025, we estimate these rebannered costs reduced our Operating Income by approximately \$8.1 million, or \$0.22 per diluted share, and in year-to-date 2025, we estimate rebannered costs reduced our Operating Income by approximately \$21.1 million, or \$0.58 per diluted share. Third quarter 2025 included an approximate 0.5% reduction in Net Sales due to lost sales and an approximate 2.5% increase in our Selling, General and Administrative Expenses ("SG&A") as a percent of Net Sales. We continue to estimate the payback of this investment over a two-to-three year period after a store's grand opening. Capital expenditures supporting the rebanner initiative totaled approximately \$31 million in year-to-date 2025.

We expect to have 215 Shoe Station stores by Back-to-School 2026, or approximately 51% of the current store base. We revised our rebanner timeline and now expect that well over 90% of our fleet will operate as Shoe Station before the end of Fiscal 2028, compared to the previous expectation that 80% of the fleet would be rebannered by March 2027. Remaining store locations will be evaluated for rebannered, outlet repositioning or closure. To achieve this 51% threshold by Back-to-School in Fiscal 2026, we expect capital expenditures in a range of \$25 million to \$35 million and rebannered costs decreasing our Operating Income in a range of \$25 million to \$30 million. Though impacting near-term profitability, we expect these investments will position us for more sustainable performance in the future.

As we move toward well over 90% of the store fleet operating as a Shoe Station store, we expect to realize cost savings from reduced dual-brand complexity across merchandising, marketing, systems, supply chain and back office, as well as a reduction in our inventory investment, as Shoe Station's merchandising model requires less inventory per store to deliver a superior customer experience. We expect full realization of these benefits by the end of Fiscal 2027, with some benefit expected in the second half of Fiscal 2026 after approximately 51% of our current fleet is expected to operate as a Shoe Station store.

On November 13, 2025, we announced that our Board of Directors unanimously approved changing our corporate name to Shoe Station Group, Inc., subject to shareholder approval at our Annual Meeting of Shareholders in June 2026.

Results of Operations for Third Quarter Ended November 1, 2025 Compared to Third Quarter Ended November 2, 2024

Net Sales

Net Sales were \$297.2 million during third quarter 2025, a decrease of \$9.7 million, or 3.2%, compared to third quarter 2024. The decrease was primarily due to a 5.2% Net Sales decline at our Shoe Carnival banner due to a decline in traffic, as we maintained pricing discipline despite pressure on lower-income consumers, and lost sales as impacted by our rebanner strategy. This decrease was partially offset by continued growth from our Shoe Station banner, which contributed a 5.3% increase in Net Sales compared to third quarter 2024. Our 2.7% comparable stores Net Sales decline included an approximate 11% decrease in units sold, partially offset by pricing increases. Our Shoe Carnival banner comparable stores Net Sales declined mid-single digits, and our Shoe Station banner comparable stores Net Sales increased mid-single digits. E-commerce sales were approximately 10% of merchandise sales in third quarter 2025, compared to 11% in third quarter 2024.

Gross Profit

Gross Profit was \$111.8 million during third quarter 2025, an increase of \$1.5 million compared to third quarter 2024. Gross profit margin in third quarter 2025 was 37.6%, an increase of 160 basis points, compared to 36.0% in third quarter 2024. The increase in gross profit margin was driven by a 190 basis point increase in merchandise margin due to disciplined pricing, favorable mix shift toward higher income Shoe Station customers and strategic inventory investments. This increase was partially offset by the deleveraging effect of buying, distribution and occupancy costs due to lower Net Sales in third quarter 2025 compared to third quarter 2024.

Selling, General and Administrative Expenses

SG&A increased \$7.4 million in third quarter 2025 to \$93.2 million compared to \$85.9 million in third quarter 2024. The increase was due primarily to expenses associated with our rebanner strategy. As a percent of Net Sales, SG&A were 31.3% in third quarter 2025 compared to 28.0% in third quarter 2024, with the increase being due primarily to the rebanner costs incurred in third quarter 2025 and lower Net Sales.

Income Taxes

The effective income tax rate for third quarter 2025 was 25.5% compared to 24.7% for third quarter 2024. Our provision for income taxes is based on the current estimate of our annual effective tax rate and is adjusted as necessary for quarterly events. The higher effective tax rate in third quarter 2025 compared to third quarter 2024 was primarily due to impacts of the Rogan's acquisition in Fiscal 2024. For the full 2025 fiscal year, we expect our tax rate to be approximately 26% compared to the 24.3% effective tax rate recognized during the full 2024 fiscal year.

Results of Operations Year-to-Date Through November 1, 2025 Compared to Year-to-Date Through November 2, 2024

Net Sales

Net Sales were \$881.3 million during year-to-date 2025, a decrease of \$58.7 million, or 6.2%, compared to year-to-date 2024. The decrease was primarily due to an 8.5% Net Sales decline at our Shoe Carnival banner due to a decline in traffic and lost sales as impacted by our rebanner strategy. This decrease was partially offset by continued growth from our Shoe Station banner, which contributed a 3.8% increase in Net Sales compared to year-to-date 2024. Our 6.3% comparable stores Net Sales decline included an approximate 13% decrease in units sold, partially offset by pricing increases. Our Shoe Carnival banner comparable stores Net Sales declined high-single digits, and our Shoe Station banner comparable stores Net Sales increased low-single digits. E-commerce sales were approximately 9% of merchandise sales in year-to-date 2025, compared to 10% in year-to-date 2024.

Gross Profit

Gross Profit was \$326.4 million during year-to-date 2025, a decrease of \$10.7 million compared to year-to-date 2024. Gross profit margin in year-to-date 2025 was 37.0% compared to 35.9% in year-to-date 2024. The increase in gross profit margin was driven by a 220 basis point increase in merchandise margin due to disciplined pricing, favorable mix shift toward higher income Shoe Station customers and strategic inventory investments. This increase was partially offset by 110 basis points from buying, distribution and occupancy costs, primarily due to deleveraging on lower Net Sales in year-to-date 2025 compared to year-to-date 2024.

Selling, General and Administrative Expenses

SG&A increased \$10.6 million in year-to-date 2025 to \$270.6 million compared to \$260.0 million in year-to-date 2024. The increase was due primarily to expenses associated with our rebanner strategy, partially offset by decreases in selling expenses impacting our other stores in year-to-date 2025 compared to year-to-date 2024. As a percent of Net Sales, SG&A were 30.7% in year-to-date 2025 compared to 27.7% in year-to-date 2024, with the increase being due primarily to the rebanner costs incurred in year-to-date 2025 and lower Net Sales.

Interest Income and Interest Expense

Changes in our interest income and expense increased our income before taxes by \$542,000 in year-to-date 2025 compared to year-to-date 2024. This increase was primarily due to higher interest earned on invested cash balances.

Income Taxes

The effective income tax rate for year-to-date 2025 was 26.2% compared to 25.5% for year-to-date 2024. The higher effective tax rate in year-to-date 2025 compared to year-to-date 2024 was due to discrete adjustments recorded in both Fiscal 2025 and Fiscal 2024 related to share-settled equity awards.

Liquidity and Capital Resources

Our primary sources of liquidity are \$107.7 million of Cash, Cash Equivalents and Marketable Securities on hand at the end of third quarter 2025, cash generated from operations and availability under our \$100 million Credit Agreement. We believe our resources will be sufficient to fund our cash needs, as they arise, for at least the next 12 months. Our primary uses of cash are normally for working capital, which are principally inventory purchases, investments in our stores, such as rebanners and new stores, remodels and relocations, distribution center initiatives, lease payments associated with our real estate leases, potential dividend payments, potential share

repurchases under our share repurchase program and the financing of capital projects, including investments in new systems. As part of our growth strategy, we have also pursued strategic acquisitions of other footwear retailers.

Cash Flow - Operating Activities

Net cash generated from operating activities was \$37.3 million in year-to-date 2025 compared to \$58.1 million in year-to-date 2024. The decrease in operating cash flow was primarily driven by increased inventory purchases and reduction in Net Income to support our rebanner strategy.

Working capital increased on a year-over-year basis and totaled \$431.7 million at November 1, 2025 compared to \$391.3 million at November 2, 2024. The increase was primarily attributable to higher Merchandise Inventories and a higher cash balance, partially offset by higher Accounts Payable. Our current ratio was 4.1 as of November 1, 2025 compared to 3.9 as of November 2, 2024.

On July 4, 2025, President Trump signed into law the One Big Beautiful Bill Act (the "OBBB"). The OBBB makes key elements of the Tax Cuts and Jobs Act permanent, including 100% bonus depreciation and domestic research cost expensing. We estimate that the OBBB will decrease our cash taxes to be paid for Fiscal 2025 by approximately 30%. We expect no material change in our effective income tax rate for Fiscal 2025 as a result of the OBBB.

Cash Flow – Investing Activities

Our cash outflows for investing activities are normally for capital expenditures. During year-to-date 2025 and 2024, we expended \$38.3 million and \$24.8 million, respectively, for the purchase of Property and Equipment, primarily related to store rebanners and remodels and opening new Shoe Station stores.

Our Rogan's acquisition in first quarter 2024 resulted in the payment of initial cash consideration of \$44.6 million, net of cash acquired. Additional information regarding the Rogan's acquisition can be found in Note 2 — "Acquisition of Rogan Shoes" to our Notes to Condensed Consolidated Financial Statements contained in PART I, ITEM 1 of this Quarterly Report on Form 10-Q.

We invest in publicly traded mutual funds designed to mitigate income statement volatility associated with our non-qualified deferred compensation plan. The balance of these Marketable Securities was \$13.3 million at November 1, 2025, compared to \$14.4 million at February 1, 2025 and \$13.9 million at November 2, 2024. Additional information can be found in Note 5 — "Fair Value Measurements" to our Notes to Condensed Consolidated Financial Statements contained in PART I, ITEM 1 of this Quarterly Report on Form 10-Q.

Cash Flow – Financing Activities

Our cash outflows for financing activities are typically for cash dividend payments, share repurchases or payments on our Credit Agreement. Shares of our common stock can be either acquired as part of a publicly announced repurchase program or withheld by us in connection with employee payroll tax withholding upon the vesting of stock-based compensation awards that are settled in shares. Our cash inflows from financing activities generally reflect stock issuances to employees under our Employee Stock Purchase Plan and borrowings under our Credit Agreement.

During year-to-date 2025, net cash used in financing activities was \$14.7 million compared to \$11.6 million during year-to-date 2024. The increase in net cash used in financing activities was primarily due to increased dividend payments and the increase in shares surrendered by employees to pay taxes on stock-based compensation awards.

Credit Agreement

On March 23, 2022, we entered into a \$100 million Amended and Restated Credit Agreement (the "Credit Agreement"). The Credit Agreement is collateralized by our inventory, expires on March 23, 2027, and uses a Secured Overnight Financing Rate ("SOFR") as quoted by The Federal Reserve Bank of New York as the basis for financing charges. Material covenants associated with the Credit Agreement require that we maintain a minimum net worth of \$250 million and a consolidated interest coverage ratio of not less than 3.0 to 1.0. We were in compliance with these covenants as of November 1, 2025.

The Credit Agreement contains certain restrictions. However, as long as our consolidated EBITDA is positive and there are either no or low borrowings outstanding, we expect these restrictions would have no impact on our ability to pay cash dividends, execute share repurchases or facilitate acquisitions from cash on hand. The Credit Agreement stipulates that cash dividends and share repurchases of \$15 million or less per fiscal year can be made without restriction as long as there is no default or event of default before and immediately after such distributions. We are also permitted to make acquisitions and pay cash dividends or repurchase shares in excess of \$15 million in a fiscal year provided that (a) no default or event of default exists before and immediately after the transaction and (b) on a proforma basis, the ratio of (i) the sum of (A) our consolidated funded indebtedness plus (B) three times our consolidated rental expense to (ii)

the sum of (A) our consolidated EBITDA plus (B) our consolidated rental expense is less than 3.5 to 1.0. Among other restrictions, the Credit Agreement also limits our ability to incur additional secured or unsecured debt to \$20 million.

The Credit Agreement bears interest, at our option, at (1) the agent bank's base rate plus 0.0% to 1.0% or (2) Adjusted Term SOFR plus 0.9% to 1.9%, depending on our achievement of certain performance criteria. A commitment fee is charged at 0.2% to 0.3% per annum, depending on our achievement of certain performance criteria, on the unused portion of the lenders' commitment. During year-to-date 2025, we did not borrow or repay funds under the Credit Agreement. Letters of credit outstanding were \$1.0 million at November 1, 2025 and our borrowing capacity was \$99.0 million.

The terms "net worth", "consolidated interest coverage ratio", "consolidated funded indebtedness", "consolidated rental expense", "consolidated EBITDA", "base rate" and "Adjusted Term SOFR" are defined in the Credit Agreement.

See Note 10 – "Debt" in our Notes to Consolidated Financial Statements contained in PART II, ITEM 8 of our Annual Report on Form 10-K for the fiscal year ended February 1, 2025 for a further discussion of our Credit Agreement and its covenants.

Capital Expenditures

Capital expenditures for Fiscal 2025, inclusive of the approximate \$31 million of rebanner capital expenditures in year-to-date 2025, are expected to be between \$45 million and \$55 million. The resources allocated to projects are subject to near-term changes depending on potential inflationary, supply chain and other macroeconomic impacts. Furthermore, the actual amount of cash required for capital expenditures for store operations depends in part on the number of stores opened, rebannered, relocated and remodeled, and the amount of lease incentives, if any, received from landlords. The number of new store openings and relocations will be dependent upon, among other things, the availability of desirable locations, the negotiation of acceptable lease terms and general economic and business conditions affecting consumer spending.

Store Portfolio

We currently have 428 stores and we believe our current store footprint provides for growth in new markets within the United States as well as fill-in opportunities within existing markets. In Fiscal 2025, we rebannered 24 Shoe Carnival stores in the first quarter and 20 Shoe Carnival stores in the second quarter. In third quarter 2025, we rebannered 28 Shoe Carnival stores and all 28 Rogan's locations. One store was rebannered after the end of third quarter 2025, and we expect no additional rebanners in Fiscal 2025. We also opened new Shoe Station stores and closed Shoe Carnival stores in the thirty-nine weeks ended November 1, 2025 and November 2, 2024 as follows:

Thirty-nine Weeks Ended November 1, 2025						
Banner	Beginning of Period	Opened	Acquired	Permanently Closed	Rebannered	End of Period
Shoe Carnival	360	0	0	(3)	(72)	285
Shoe Station	42	1	0	0	100	143
Rogan's	28	0	0	0	(28)	0

Thirty-nine Weeks Ended November 2, 2024						
Banner	Beginning of Period	Opened	Acquired	Permanently Closed	Rebannered	End of Period
Shoe Carnival	372	0	0	(1)	(10)	361
Shoe Station	28	4	0	0	10	42
Rogan's	0	0	28	0	0	28

We expect limited store openings and closures in the near term as we execute our One Banner Strategy and increase our scale through acquisitions.

We expect to have 215 Shoe Station stores by Back-to-School 2026, or approximately 51% of our current store base. We have revised our rebanner timeline and now expect that well over 90% of our fleet will operate as Shoe Station before the end of Fiscal 2028, compared to our previous expectation that 80% of our fleet would be rebannered by March 2027. The remaining locations will be evaluated for rebannered, outlet repositioning or closure. To achieve this 51% threshold by Back-to-School 2026, we expect capital expenditures in Fiscal 2026 to be similar to Fiscal 2025 in a range of \$25 to \$35 million.

Dividends and Share Repurchases

On September 23, 2025, the Board of Directors approved the payment of a third quarter cash dividend paid to our shareholders. The quarterly cash dividend of \$0.15 per share was paid on October 20, 2025 to shareholders of record as of the close of business on October 6, 2025. In third quarter 2024, the dividend paid was \$0.135 per share. During year-to-date 2025 and 2024, we returned \$12.6 million and \$11.0 million, respectively, to our shareholders through our quarterly cash dividends. The declaration and payment of any future dividends are at the discretion of the Board of Directors and will depend on our results of operations, financial condition, business conditions and other factors deemed relevant by our Board of Directors.

On December 11, 2024, our Board of Directors authorized a share repurchase program for up to \$50.0 million of our outstanding common stock, effective January 1, 2025 (the “2025 Share Repurchase Program”). The purchases may be made in the open market or through privately negotiated transactions from time-to-time through December 31, 2025 and in accordance with applicable laws, rules and regulations. The 2025 Share Repurchase Program may be amended, suspended, or discontinued at any time and does not commit us to repurchase shares of our common stock. We have funded, and intend to continue to fund, share repurchases from cash on hand, and any shares acquired will be available for stock-based compensation awards and other corporate purposes. The actual number and value of the shares to be purchased will depend on the performance of our stock price and other market and economic factors.

No share repurchases have been made to date in Fiscal 2025 and no share repurchases were made during year-to-date 2024.

Our Credit Agreement permits the payment of dividends and repurchase of shares, subject to certain covenants and restrictions. See “Credit Agreement” above and Note 10 — “Debt” to our Notes to Consolidated Financial Statements contained in PART II, ITEM 8 of our Annual Report on Form 10-K for the fiscal year ended February 1, 2025 for a further discussion of the Credit Agreement, its covenants and restrictions regarding dividends and share repurchases and other matters. The Credit Agreement’s covenants and restrictions did not change during year-to-date 2025.

Seasonality

We have three distinct peak selling periods: Easter, back-to-school and Christmas. Our operating results depend significantly upon the sales generated during these periods. To prepare for our peak shopping seasons, we must order and keep in stock significantly more merchandise than we would carry during other periods of the year. Any unanticipated decrease in demand for our products or a supply chain disruption that reduces inventory availability during these peak shopping seasons could reduce our Net Sales and Gross Profit and negatively affect our profitability.

Recent Accounting Pronouncements

See Note 4 — “Recently Issued Accounting Pronouncements and Tax Legislation” to our Notes to Condensed Consolidated Financial Statements contained in PART I, ITEM 1 of this Quarterly Report on Form 10-Q for a description of recent accounting pronouncements that may have an impact on our condensed consolidated financial statements when adopted.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are exposed to market risk in that the interest payable under the Credit Agreement is based on variable interest rates and therefore is affected by changes in market rates. We do not use interest rate derivative instruments to manage exposure to changes in market interest rates. We had no borrowings outstanding during year-to-date 2025.

ITEM 4. CONTROLS AND PROCEDURES

Our Chief Executive Officer and Chief Financial Officer have concluded, based on their evaluation as of November 1, 2025, that our disclosure controls and procedures are effective to ensure that information required to be disclosed by us in the reports filed or submitted by us under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), is recorded, processed, summarized and reported within the time periods specified in the SEC’s rules and forms, and include controls and procedures designed to ensure that information required to be disclosed by us in such reports is accumulated and communicated to our management, including the Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

There have been no significant changes in our internal control over financial reporting that occurred during the quarter ended November 1, 2025 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II - OTHER INFORMATION

ITEM 1A. RISK FACTORS

Except as set forth below, there have been no material changes to the risk factors set forth in our Annual Report on Form 10-K for the fiscal year ended February 1, 2025.

The risk factor entitled “We may not realize the expected operating results from, and planned growth of, our Shoe Station banner, including planned growth from our rebanner strategy” has been updated to read as follows:

We may not realize the expected operating results from, and planned growth of, our Shoe Station banner, including planned growth and expected cost savings, synergies and inventory reductions expected from our One Banner Strategy. We have rebannered and are planning to continue to rebanner Shoe Carnival stores to Shoe Station stores with the expectation that well over 90% of our fleet will operate as Shoe Station before the end of Fiscal 2028. As a result of our One Banner Strategy, we expect to realize cost savings from reduced dual-brand complexity across merchandising, marketing, systems, supply chain and back office, as well as a reduction in our inventory investment, as Shoe Station’s merchandising model requires less inventory per store to deliver a superior customer experience. Our growth strategy is based on growing our Shoe Station banner through rebannered stores into Shoe Station stores, acquisitions and organic growth. Our ability to achieve our strategies will depend, in part, on our ability to realize the expected operating results from, and planned growth of, our Shoe Station banner, including the expected cost savings, synergies and inventory reduction as a result of our One Banner Strategy, which we may not realize within our expected time frames, or at all. The Shoe Station banner may underperform relative to our expectations. In addition, the costs incurred to achieve these results may be greater than what we anticipate. Any of these impacts could have an adverse effect on our growth, business, results of operations and financial condition.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

Issuer Purchases of Equity Securities

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Programs ⁽¹⁾	Approximate Dollar Value of Shares that May Yet Be Purchased Under Programs ⁽¹⁾
August 3, 2025 to August 30, 2025	0	\$ 0.00	0	\$ 50,000,000
August 31, 2025 to October 4, 2025	0	\$ 0.00	0	\$ 50,000,000
October 5, 2025 to November 1, 2025	0	\$ 0.00	0	\$ 50,000,000
	0		0	

- (1) On December 11, 2024, our Board of Directors authorized the 2025 Share Repurchase Program for up to \$50.0 million of our outstanding common stock, effective January 1, 2025 and expiring on December 31, 2025.

ITEM 5. OTHER INFORMATION

During third quarter 2025, no members of our Board of Directors or officers (as defined in Rule 16a-1(f) of the Exchange Act) adopted, amended or terminated any contract, instruction or written plan for the purchase or sale of our securities intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) of the Exchange Act or any non-Rule 10b5-1 trading arrangement, as defined in the SEC’s rules.

ITEM 6. EXHIBITS

EXHIBIT INDEX

Exhibit No.	Description	Incorporated by Reference To			Filed Herewith
		Form	Exhibit	Filing Date	
3-A	Amended and Restated Articles of Incorporation of Registrant	8-K	3-A	06/27/2022	
3-B	By-laws of Registrant, as amended to date	8-K	3.B	03/17/2023	
10.1	Employment and Noncompetition Agreement dated as of September 28, 2025, by and between the Company and W. Kerry Jackson	8-K	10.1	09/25/2025	
31.1	Certification of Chief Executive Officer Pursuant to Rule 13a-14(a)/15d-14(a) of the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002				X
31.2	Certification of Chief Financial Officer Pursuant to Rule 13a-14(a)/15d-14(a) of the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002				X
32.1	Certification of Chief Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002				X
32.2	Certification of Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002				X
101.INS	Inline XBRL Instance Document - the instance document does not appear in the Interactive Data File as its XBRL tags are embedded within the Inline XBRL document				X
101.SCH	Inline XBRL Taxonomy Extension Schema With Embedded Linkbase Documents				X
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)				X

SHOE CARNIVAL, INC.
SIGNATURE

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.

Date: December 5, 2025

SHOE CARNIVAL, INC.
(Registrant)

By: /s/ W. Kerry Jackson
W. Kerry Jackson
Executive Vice President,
Chief Financial Officer

(Duly Authorized Officer and Principal Financial and Accounting Officer)

SHOE CARNIVAL, INC.
CERTIFICATION PURSUANT TO RULE 13a-14(a)/15d-14(a) OF THE SECURITIES
EXCHANGE ACT OF 1934, AS ADOPTED PURSUANT TO SECTION 302 OF THE
SARBANES-OXLEY ACT OF 2002

I, Mark J. Worden, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Shoe Carnival, 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 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 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 5, 2025

By: /s/ Mark J. Worden
Mark J. Worden
President and
Chief Executive Officer

SHOE CARNIVAL, INC.
CERTIFICATION PURSUANT TO RULE 13a-14(a)/15d-14(a) OF THE SECURITIES
EXCHANGE ACT OF 1934, AS ADOPTED PURSUANT TO SECTION 302 OF THE
SARBANES-OXLEY ACT OF 2002

I, W. Kerry Jackson, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Shoe Carnival, 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 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 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 5, 2025

By: /s/ W. Kerry Jackson
W. Kerry Jackson
Executive Vice President,
Chief Financial Officer

**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 Shoe Carnival, Inc. (the “Company”) on Form 10-Q for the period ending November 1, 2025 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Mark J. Worden, President 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) or 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 5, 2025

By: /s/ Mark J. Worden
Mark J. Worden
President and
Chief Executive Officer

**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 Shoe Carnival, Inc. (the “Company”) on Form 10-Q for the period ending November 1, 2025 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, W. Kerry Jackson, Executive Vice President, Chief 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) or 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 5, 2025

By: /s/ W. Kerry Jackson
W. Kerry Jackson
Executive Vice President,
Chief Financial Officer
