

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): **March 10, 2017**

Citi Trends, Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of incorporation)

000-51315
(Commission File Number)

52-2150697
(IRS Employer Identification No.)

104 Coleman Boulevard, Savannah, Georgia 31408
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: **(912) 236-1561**

Former name or former address, if changed since last report: **Not applicable**

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (See General Instruction A.2 below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 2.02. Results of Operations and Financial Condition.

On March 10, 2017, Citi Trends, Inc. (the "Company") issued a press release reporting its financial results for its fourth quarter and fiscal year ended January 28, 2017 (the "Earnings Release"). A copy of the Earnings Release is attached to this Current Report on Form 8-K ("Current Report") as Exhibit 99.1, the contents of which are incorporated herein solely for purposes of this Item 2.02 disclosure.

The information in this Item 2.02, including the Earnings Release attached to this Current Report, is being furnished and shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of such section. The information in this Item 2.02, including the Earnings Release, shall not be incorporated by reference into any filings under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in any such filing.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

| <u>Exhibit No.</u> | <u>Description</u> |
|--------------------|---------------------------------------|
| 99.1 | Earnings Release dated March 10, 2017 |

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.

CITI TRENDS, INC.

Date: March 10, 2017

By: /s/ Bruce D. Smith
Name: Bruce D. Smith
Title: Chief Operating Officer and Chief
Financial Officer

3

Exhibit Index

| <u>Exhibit No.</u> | <u>Description</u> |
|--------------------|---------------------------------------|
| 99.1 | Earnings Release dated March 10, 2017 |

4

CITI TRENDS ANNOUNCES FOURTH QUARTER AND FISCAL 2016 RESULTS

Fourth quarter 2016 net income increased 60% to \$5.6 million

Full year net income per diluted share of \$0.91 compared with \$1.03 last year

SAVANNAH, GA (March 10, 2017) — Citi Trends, Inc. (NASDAQ: CTRN) today reported results for the fourth quarter and fiscal year ended January 28, 2017.

Financial Highlights — 13-week fourth quarter ended January 28, 2017

Total sales in the 13 weeks ended January 28, 2017 increased 5.4% to \$185.5 million compared with \$176.1 million in the 13 weeks ended January 30, 2016. Comparable store sales increased 3.4% in the fourth quarter.

Net income increased 60% to \$5.6 million, or \$0.38 per diluted share, in the fourth quarter of 2016 compared with \$3.5 million, or \$0.24 per diluted share, in last year's fourth quarter.

Financial Highlights — 52-week fiscal year ended January 28, 2017

Total sales in the 52 weeks ended January 28, 2017 increased 1.7% to \$695.2 million compared with \$683.8 million in the 52 weeks ended January 30, 2016. Comparable store sales decreased 0.4% for the full year.

Net income was \$13.3 million, or \$0.91 per diluted share, in fiscal 2016 compared with \$15.5 million, or \$1.03 per diluted share, in fiscal 2015.

Citi Trends opened 18 new stores, relocated or expanded 13 other stores, and closed 6 stores in fiscal 2016.

As previously announced, the Board of Directors has declared a quarterly dividend payment of \$0.06 per share, which will be paid on March 14, 2017 to stockholders of record as of February 28, 2017.

Investor Conference Call and Webcast

Citi Trends will host a conference call today at 9:00 a.m. ET. The number to call for the live interactive teleconference is (212) 231-2934. A replay of the conference call will be available until March 17, 2017, by dialing (402) 977-9140 and entering the passcode, 21843404.

cititrends.com 104 Coleman Blvd. Savannah, GA 31408 P: 912.236.1561



The live broadcast of Citi Trends' conference call will be available online at the Company's website, www.cititrends.com, under the Investor Relations section, beginning today at 9:00 a.m. ET. The online replay will follow shortly after the call and will be available for replay for one year.

During the conference call, the Company may discuss and answer questions concerning business and financial developments and trends that have occurred after quarter-end. The Company's responses to questions, as well as other matters discussed during the conference call, may contain or constitute information that has not been disclosed previously.

About Citi Trends

Citi Trends, Inc. is a value-priced retailer of urban fashion apparel and accessories for the entire family. The Company operates 537 stores located in 31 states. Citi Trends' website address is www.cititrends.com. CTRN-G

Forward-Looking Statements

All statements other than historical facts contained in this news release, including statements regarding future financial results and position, business policy and plans and objectives of management for future operations, are forward-looking statements that are subject to material risks and uncertainties. The words "believe," "may," "could," "plans," "estimate," "continue," "anticipate," "intend," "expect" and similar expressions, as they relate to Citi Trends, are intended to identify forward-looking statements. Any statements with respect to earnings guidance are forward-looking statements. Investors are cautioned that any such forward-looking statements are subject to the finalization of Citi Trends' year-end financial and accounting procedures, are not guarantees of future performance or results and are inherently subject to risks and uncertainties, some of which cannot be predicted or quantified. Actual results or developments may differ materially from those included in the forward-looking statements as a result of various factors which are discussed in Citi Trends' filings with the Securities and Exchange Commission. These risks and uncertainties include, but are not limited to, uncertainties relating to economic conditions, growth risks, consumer spending patterns, competition within the industry, competition in Citi Trends' markets and the ability to anticipate and respond to fashion trends. Any forward-looking statements with respect to earnings guidance, the declaration and payment of dividends, or otherwise, are intended to speak only as of the date such statements are made. Except as required by applicable law, including the securities laws of the United States and the rules and regulations of the Securities and Exchange Commission, Citi Trends does not undertake to publicly update any forward-looking statements in this news release or with respect to matters described herein, whether as a result of any new information, future events or otherwise.

Contact: Bruce Smith
Chief Operating Officer and
Chief Financial Officer
(912) 443-2075

CITI TRENDS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF INCOME (unaudited)
(in thousands, except per share data)

| | <u>Thirteen Weeks Ended</u> <u>January 28, 2017</u> <u>(unaudited)</u> | <u>Thirteen Weeks Ended</u> <u>January 30, 2016</u> <u>(unaudited)</u> |
|--|---|---|
| Net sales | \$ 185,511 | \$ 176,063 |
| Cost of sales (exclusive of depreciation shown separately below) | (114,822) | (108,526) |
| Selling, general and administrative expenses | (58,593) | (57,087) |
| Depreciation | (4,129) | (4,555) |
| Asset impairment | (31) | — |
| Income from operations | 7,936 | 5,895 |
| Interest income | 163 | 117 |
| Interest expense | (39) | (41) |
| Income before income taxes | 8,060 | 5,971 |
| Income tax expense | (2,510) | (2,499) |
| Net income | <u>\$ 5,550</u> | <u>\$ 3,472</u> |
| Basic net income per common share | <u>\$ 0.38</u> | <u>\$ 0.24</u> |
| Diluted net income per common share | <u>\$ 0.38</u> | <u>\$ 0.24</u> |
| Weighted average shares used to compute basic net income per share | <u>14,680</u> | <u>14,651</u> |
| Weighted average shares used to compute diluted net income per share | <u>14,693</u> | <u>14,723</u> |
| | <u>Fifty-Two Weeks Ended</u> <u>January 28, 2017</u> <u>(unaudited)</u> | <u>Fifty-Two Weeks Ended</u> <u>January 30, 2016</u> <u>(unaudited)</u> |
| Net sales | \$ 695,175 | \$ 683,791 |
| Cost of sales (exclusive of depreciation shown separately below) | (428,167) | (416,779) |
| Selling, general and administrative expenses | (230,666) | (224,218) |
| Depreciation | (17,090) | (18,577) |
| Asset impairment | (313) | — |
| Income (loss) from operations | 18,939 | 24,217 |
| Interest income | 571 | 339 |
| Interest expense | (159) | (242) |
| Income (loss) before income taxes | 19,351 | 24,314 |
| Income tax (expense) benefit | (6,020) | (8,787) |
| Net income | <u>\$ 13,331</u> | <u>\$ 15,527</u> |
| Basic net income per common share | <u>\$ 0.91</u> | <u>\$ 1.04</u> |
| Diluted net income per common share | <u>\$ 0.91</u> | <u>\$ 1.03</u> |
| Weighted average shares used to compute basic net income per share | <u>14,657</u> | <u>14,996</u> |
| Weighted average shares used to compute diluted net income per share | <u>14,662</u> | <u>15,056</u> |

CITI TRENDS, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS (unaudited)
(in thousands)

| | <u>January 28, 2017</u> <u>(unaudited)</u> | <u>January 30, 2016</u> <u>(unaudited)</u> |
|--|---|---|
| Assets: | | |
| Cash and cash equivalents | \$ 49,253 | \$ 39,116 |
| Short-term investment securities | 38,026 | 32,671 |
| Inventory | 134,649 | 137,020 |
| Prepaid and other current assets (1) | 15,384 | 13,486 |
| Property and equipment, net | 59,280 | 50,632 |
| Long-term investment securities | 26,691 | 30,890 |
| Other noncurrent assets (1) | 9,231 | 10,693 |
| Total assets | <u>\$ 332,514</u> | <u>\$ 314,508</u> |
| Liabilities and Stockholders' Equity: | | |
| Accounts payable | \$ 75,433 | \$ 67,419 |
| Accrued liabilities | 24,505 | 27,742 |

| | | |
|--|-------------------|-------------------|
| Other current liabilities | 471 | 497 |
| Noncurrent liabilities | 8,514 | 6,616 |
| Total liabilities | 108,923 | 102,274 |
| Total stockholders' equity | 223,591 | 212,234 |
| Total liabilities and stockholders' equity | <u>\$ 332,514</u> | <u>\$ 314,508</u> |

(1) January 30, 2016 deferred tax asset balances reflect a reclassification between current and noncurrent assets totaling \$4,835 in connection with the retrospective adoption of ASU 2015-17 in 2016.