

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 20, 2020

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
(Address of principal executive offices)

31408
(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))

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, \$0.01 par value	CTRN	Nasdaq Stock Market

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 2.03. Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.

As previously disclosed, Citi Trends, Inc. (the “Company”) and its subsidiary are parties to a credit agreement with Bank of America, N.A., dated October 27, 2011, as amended on August 18, 2015 (the “Revolving Credit Facility”). The Revolving Credit Facility provides a \$50 million credit commitment and a \$25 million uncommitted “accordion” feature that under certain circumstances could allow the Company to increase the size of the facility to \$75 million and matures on August 18, 2020. The material terms of the Revolving Credit Facility are described under “Item 1. Financial Statements – Notes to the Condensed Consolidated Financial Statements – Note 7. Revolving Line of Credit” in the Company’s [Quarterly Report on Form 10-Q for the quarterly period ended November 2, 2019 filed with the Securities and Exchange Commission on December 6, 2019](#), which is incorporated herein by reference. As of February 1, 2020, there were no outstanding borrowings on the Revolving Credit Facility.

On March 20, 2020, the Company committed to borrow \$43.7 million in principal amount under the Revolving Credit Facility. The current interest rate for the borrowing under the Revolving Credit Facility is 3.5%.

The Company’s borrowing under the Revolving Credit Facility was a proactive measure taken by the Company to increase its cash position and preserve financial flexibility in light of current uncertainties resulting from the coronavirus (COVID-19) outbreak. In accordance with the terms of the Revolving Credit Facility, the proceeds from this borrowing may in the future be used for working capital, general corporate purposes or other purposes permitted by the Revolving Credit Facility.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

Exhibit No.	Description
99.1	Press Release dated March 23, 2020

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 23, 2020

By: /s/ Stuart C. Clifford

Name: Stuart C. Clifford

Title: Chief Financial Officer

CITI TRENDS DRAWS DOWN ON CREDIT FACILITY

SAVANNAH, GA (March 23, 2020) — Citi Trends, Inc. (NASDAQ: CTRN) announced today that it has drawn down \$43.7 million in principal amount under its committed \$50 million revolving credit facility.

The Company's borrowing under its revolving credit facility was a proactive measure taken by the Company to increase its cash position and preserve financial flexibility in light of current uncertainties resulting from the coronavirus (COVID-19) outbreak. In accordance with the terms of the revolving credit facility, the proceeds from this borrowing may in the future be used for working capital, general corporate purposes or other purposes permitted by the revolving credit facility.

The draw down on the facility is in addition to the actions previously announced that are being taken by the Company to strengthen its financial position and balance sheet and preserve liquidity during these uncertain times. These additional actions include reviewing all operating expenses, reducing capital expenditures, reducing inventory as appropriate and for the time being, the Company is not intending to repurchase any shares under the previously announced share repurchase program.

About Citi Trends

Citi Trends, Inc. is a value-priced retailer of fashion apparel, accessories and home goods for the entire family. The Company operates 574 stores located in 33 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 are forward-looking statements that are subject to material risks and uncertainties. The words "believe," "may," "could," "plans," "estimate," "continue," "anticipate," "intend," "expect," "upcoming," "trend" and similar expressions, as they relate to the Company, are intended to identify forward-looking statements, although not all forward-looking statements contain such language. Investors are cautioned that any such forward-looking statements 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 the Company's filings with the Securities and Exchange Commission, including those set forth under the heading "Item 1A. Risk Factors" in the Company's Form 10-K for the fiscal year ended February 2, 2019. These risks and uncertainties include, but are not limited to, potential risks and uncertainties relating to the ultimate geographic spread of the coronavirus (COVID-19), the severity of the disease, the duration of the COVID-19 outbreak, actions that may be taken by governmental authorities to contain the COVID-19 outbreak or to treat its impact, the potential negative impacts of COVID-19 on the global economy and foreign sourcing and the impacts of COVID-19 on the Company's financial condition and business operation. Any forward-looking statements by the Company 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, the Company 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.

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