

**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): **August 16, 2016**

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))**

Item 2.02. Results of Operations and Financial Condition.

On August 17, 2016, Citi Trends, Inc. (the "Company") issued a press release reporting its financial results for its second quarter ended July 30, 2016 (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 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

Also, on August 16, 2016, the Board of Directors of the Company increased the size of the Board of Directors to seven members and elected Barbara Levy to fill the newly created position and serve as a Class II director. Ms. Levy previously served in senior merchandising positions with Macy's, Inc. and Ross Stores, Inc. and as a consultant with ideeli, Inc.

Ms. Levy is an independent director, as defined in the NASDAQ listing standards and in accordance with the applicable rules of the Securities and Exchange Commission (the "SEC"), and will serve on the audit, compensation and nominating and corporate governance committees of the Board of Directors. Ms. Levy will receive the same compensation as the other non-management directors receive, as described in the Company's definitive proxy statement filed with the SEC on April 19, 2016.

Ms. Levy was granted an award of 1,957 shares of restricted stock under the Company's 2012 Incentive Plan. The restricted stock vests in full on the first anniversary of the grant date, subject to earlier vesting upon a change in control of the Company.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

<u>Exhibit No.</u>	<u>Description</u>
99.1	Earnings Release dated August 17, 2016

2

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: August 17, 2016

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 August 17, 2016

4

**CITI TRENDS ANNOUNCES SECOND QUARTER 2016 RESULTS
AND DECLARES QUARTERLY CASH DIVIDEND**

Second quarter 2016 loss per share of \$(0.01) compared with \$0.01 income last year

First half 2016 income per share of \$0.59 compared with \$0.75 last year

SAVANNAH, GA (August 17, 2016) — Citi Trends, Inc. (NASDAQ: CTRN) today reported results for the second quarter of fiscal 2016.

Financial Highlights — Second quarter ended July 30, 2016

Total sales in the second quarter ended July 30, 2016 increased 0.9% to \$155.3 million compared with \$153.9 million in the second quarter ended August 1, 2015. Comparable store sales decreased 1.0% in the quarter.

Net loss was \$(0.1) million, or \$(0.01) per diluted share, in the second quarter of 2016 compared with net income of \$0.2 million, or \$0.01 per diluted share, in last year's second quarter.

During the second quarter, the Company opened four new stores and relocated or expanded two other stores.

Financial Highlights — First half ended July 30, 2016

Total sales in the first half of fiscal 2016 increased less than 0.1% to \$348.9 million compared with \$348.8 million in the first half of fiscal 2015. Comparable store sales decreased 2.0% in the first half of this year.

In the first half of fiscal 2016, net income was \$8.6 million compared with \$11.4 million in last year's first half. Earnings per diluted share were \$0.59 in the first half of 2016 compared with \$0.75 in the first half of 2015.

Quarterly Cash Dividend

The Company announced that its Board of Directors has declared a quarterly cash dividend of \$0.06 per common share, payable on September 13, 2016, to shareholders of record as of the close of business on August 30, 2016.

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

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



available until August 24, 2016, by dialing (402) 977-9140 and entering the passcode, 21812475.

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 an off-price retailer of urban fashion apparel and accessories for the entire family. The Company operates 530 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 our 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. 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 the Company's quarterly 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, Inc. 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 our markets and the ability to anticipate and respond to fashion trends. Any forward-looking statements by the Company, with respect to earnings guidance, the declaration and payment of dividends, the repurchase of the Company's shares, 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

Jason Mazzola
President and Chief Executive Officer
(912) 443-3990

2

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

	<u>Thirteen Weeks Ended</u> <u>July 30, 2016</u> <u>(unaudited)</u>	<u>Thirteen Weeks Ended</u> <u>August 1, 2015</u> <u>(unaudited)</u>
Net sales	\$ 155,276	\$ 153,878
Cost of sales (exclusive of depreciation shown separately below)	(95,150)	(93,179)
Selling, general and administrative expenses	(56,105)	(55,703)
Depreciation	(4,294)	(4,620)
(Loss) income from operations	(273)	376
Interest income	135	59
Interest expense	(41)	(47)
(Loss) income before income tax benefit (expense)	(179)	388
Income tax benefit (expense)	59	(226)
Net (loss) income	<u>\$ (120)</u>	<u>\$ 162</u>
Basic net (loss) income per common share	<u>\$ (0.01)</u>	<u>\$ 0.01</u>
Diluted net (loss) income per common share	<u>\$ (0.01)</u>	<u>\$ 0.01</u>
Weighted average shares used to compute basic net (loss) income per share	<u>14,676</u>	<u>15,183</u>
Weighted average shares used to compute diluted net (loss) income per share	<u>14,676</u>	<u>15,204</u>

	<u>Twenty-Six Weeks Ended</u> <u>July 30, 2016</u> <u>(unaudited)</u>	<u>Twenty-Six Weeks Ended</u> <u>August 1, 2015</u> <u>(unaudited)</u>
Net sales	\$ 348,948	\$ 348,791
Cost of sales (exclusive of depreciation shown separately below)	(212,959)	(210,688)
Selling, general and administrative expenses	(114,436)	(111,515)
Depreciation	(8,738)	(9,433)
Asset impairment	(221)	—
Income from operations	12,594	17,155
Interest income	262	115
Interest expense	(81)	(94)
Income before income tax expense	12,775	17,176
Income tax expense	(4,158)	(5,735)
Net income	<u>\$ 8,617</u>	<u>\$ 11,441</u>
Basic net income per common share	<u>\$ 0.59</u>	<u>\$ 0.76</u>
Diluted net income per common share	<u>\$ 0.59</u>	<u>\$ 0.75</u>
Weighted average shares used to compute basic net income per share	<u>14,635</u>	<u>15,139</u>
Weighted average shares used to compute diluted net income per share	<u>14,640</u>	<u>15,193</u>

3

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

	<u>July 30, 2016</u> <u>(unaudited)</u>	<u>August 1, 2015</u> <u>(unaudited)</u>
Assets:		
Cash and cash equivalents	\$ 39,606	\$ 54,380
Short-term investment securities	37,345	24,778
Inventory	132,093	126,346
Prepaid and other current assets (1)	17,034	14,890
Property and equipment, net	52,935	47,903
Long-term investment securities	24,616	36,512

Other noncurrent assets (1)		9,810	11,240
Total assets		<u>\$ 313,439</u>	<u>\$ 316,049</u>
Liabilities and Stockholders' Equity:			
Accounts payable	\$	61,982	\$ 59,391
Accrued liabilities		22,826	25,297
Other current liabilities		1,742	2,128
Noncurrent liabilities		<u>7,413</u>	<u>6,040</u>
Total liabilities		93,963	92,856
Total stockholders' equity			
Total stockholders' equity		219,476	223,193
Total liabilities and stockholders' equity		<u>\$ 313,439</u>	<u>\$ 316,049</u>

(1) August 1, 2015 deferred tax asset balances reflect a reclassification between current and noncurrent assets totaling \$4,056 in connection with the retrospective adoption of ASU 2015-17 in 2016.