

**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 14, 2014**

**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 March 14, 2014, Citi Trends, Inc. (the "Company") issued a press release reporting its financial results for the fourth quarter and fiscal year ended February 1, 2014 (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 and 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 14, 2014 |

**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: March 14, 2014

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

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**Exhibit Index**

| <u>Exhibit No.</u> | <u>Description</u>                    |
|--------------------|---------------------------------------|
| 99.1               | Earnings Release dated March 14, 2014 |

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## CITI TRENDS ANNOUNCES FOURTH QUARTER AND FISCAL 2013 RESULTS

SAVANNAH, GA (March 14, 2014) — Citi Trends, Inc. (NASDAQ: CTRN) today reported results for the fourth quarter and fiscal year ended February 1, 2014.

The Company's 2013 fiscal year contained 52 weeks, while the 2012 fiscal year contained 53 weeks. Accordingly, comparisons of results for the fourth quarter and full year of fiscal 2013 to the same periods in 2012 are affected by an extra week in 2012.

### **Financial Highlights — 13-week fourth quarter ended February 1, 2014**

Total sales in the 13 weeks ended February 1, 2014 decreased 10.5% to \$157.2 million compared with \$175.7 million in the 14 weeks ended February 2, 2013, with the extra week at the beginning of fiscal 2012's fourth quarter contributing approximately \$12 million to total sales. For comparable store sales, the Company is reporting on a comparable weeks basis (i.e. the 13 weeks ended February 1, 2014 compared to the 13 weeks ended February 2, 2013). Comparable store sales on a comparable weeks basis decreased 3.5% for the quarter.

The Company had net income of \$1.5 million, or \$0.10 per diluted share, in the fourth quarter of 2013 compared with a net loss of \$0.7 million, or \$0.05 per diluted share, in last year's fourth quarter.

### **Financial Highlights — 52-week fiscal year ended February 1, 2014**

Total sales in the 52 weeks ended February 1, 2014 decreased 5.0% to \$622.2 million compared with \$654.7 million in the 53 weeks ended February 2, 2013, with the extra week at the beginning of last year contributing approximately \$21 million. For comparable store sales, the Company is reporting on a comparable weeks basis (i.e. the 52 weeks ended February 1, 2014 compared to the 52 weeks ended February 2, 2013). Comparable store sales on a comparable weeks basis decreased 1.6% for the year.

The Company had net income of \$0.5 million, or \$0.03 per diluted share, in fiscal 2013 compared with a net loss of \$2.2 million, or \$0.15 per diluted share, in fiscal 2012.

The Company opened one store, relocated or expanded six others, and closed nine stores in 2013.

### **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) 231-2908. A replay of the conference call will be available until March 21, 2014, by dialing (402) 977-9140 and entering the passcode, 21705725.



The live broadcast of Citi Trends' quarterly conference call will be available online at the Company's website, [www.cititrends.com](http://www.cititrends.com), as well as <http://ir.cititrends.com/events.cfm>, 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 year-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 505 stores located in 29 states. Citi Trends' website address is [www.cititrends.com](http://www.cititrends.com). CTRN-E

### **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 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, 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 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 Financial Officer

Ed Anderson  
Chairman & Chief Executive Officer

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

|   | <u>Thirteen Weeks Ended<br/>February 1, 2014<br/>(unaudited)</u>  | <u>Fourteen Weeks Ended<br/>February 2, 2013<br/>(unaudited)</u>    |
|---|---|---|
| Net sales   | \$ 157,193  | \$ 175,656  |
| Cost of sales (exclusive of depreciation shown separately below)            | (99,567)  | (118,165)   |
| Selling, general and administrative expenses                                | (50,170)  | (52,678)  |
| Depreciation  | (5,258)   | (5,797)   |
| Asset impairment  | (305)   | (517)   |
| Income (loss) from operations   | 1,893   | (1,501)   |
| Interest income   | 68  | 66  |
| Interest expense  | (49)  | (49)  |
| Income (loss) before income taxes   | 1,912   | (1,484)   |
| Income tax expense (benefit)  | 447   | (780)   |
| Net income (loss)   | <u>\$ 1,465</u>   | <u>\$ (704)</u>   |
| Basic net income (loss) per common share                                    | <u>\$ 0.10</u>  | <u>\$ (0.05)</u>  |
| Diluted net income (loss) per common share                                  | <u>\$ 0.10</u>  | <u>\$ (0.05)</u>  |
| Weighted average shares used to compute basic net income (loss) per share   | <u>14,825</u>   | <u>14,699</u>   |
| Weighted average shares used to compute diluted net income (loss) per share | <u>14,882</u>   | <u>14,699</u>   |
|   | <u>Fifty-Two Weeks Ended<br/>February 1, 2014<br/>(unaudited)</u> | <u>Fifty-Three Weeks Ended<br/>February 2, 2013<br/>(unaudited)</u> |
| Net sales   | \$ 622,204  | \$ 654,653  |
| Cost of sales (exclusive of depreciation shown separately below)            | (394,445)   | (426,904)   |
| Selling, general and administrative expenses                                | (206,146)   | (207,411)   |
| Depreciation  | (21,974)  | (23,950)  |
| Asset impairment  | (1,542)   | (1,177)   |
| Gain on sale of former distribution center                                  | 1,526   | —   |
| Loss from operations  | (377)   | (4,789)   |
| Interest income   | 281   | 260   |
| Interest expense  | (194)   | (212)   |
| Loss before income taxes  | (290)   | (4,741)   |
| Income tax benefit  | (754)   | (2,516)   |
| Net income (loss)   | <u>\$ 464</u>   | <u>\$ (2,225)</u>   |
| Basic net income (loss) per common share                                    | <u>\$ 0.03</u>  | <u>\$ (0.15)</u>  |
| Diluted net income (loss) per common share                                  | <u>\$ 0.03</u>  | <u>\$ (0.15)</u>  |
| Weighted average shares used to compute basic net income (loss) per share   | <u>14,798</u>   | <u>14,672</u>   |
| Weighted average shares used to compute diluted net income (loss) per share | <u>14,813</u>   | <u>14,672</u>   |

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

|                                  | <u>February 1, 2014<br/>(unaudited)</u> | <u>February 2, 2013<br/>(unaudited)</u> |
|----------------------------------|---|---|
| Assets:                          |   |   |
| Cash and cash equivalents        | \$ 58,928                               | \$ 37,263                               |
| Short-term investment securities | 6,004                                   | 12,771                                  |
| Inventory                        | 126,501                                 | 141,473                                 |
| Other current assets             | 16,326                                  | 19,285                                  |
| Property and equipment, net      | 56,154                                  | 70,995                                  |
| Long-term investment securities  | 19,777                                  | 5,754                                   |
| Other noncurrent assets          | 7,618                                   | 4,604                                   |
| Total assets                     | <u>\$ 291,308</u>                       | <u>\$ 292,145</u>                       |

Liabilities and Stockholders' Equity:

|  |    |                |    |                |
|--|----|----------------|----|----------------|
| Accounts payable                           | \$ | 60,037         | \$ | 62,690         |
| Accrued liabilities                        |    | 24,199         |    | 22,564         |
| Other current liabilities                  |    | 515            |    | 660            |
| Noncurrent liabilities                     |    | <u>7,686</u>   |    | <u>10,260</u>  |
| Total liabilities                          |    | 92,437         |    | 96,174         |
|  |    |                |    |                |
| Total stockholders' equity                 |    | 198,871        |    | 195,971        |
| Total liabilities and stockholders' equity | \$ | <u>291,308</u> | \$ | <u>292,145</u> |