

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): November 18, 2024

**Citi Trends, Inc.**

(Exact name of registrant as specified in its charter)

Delaware  
(State or other jurisdiction of incorporation)

000-41886  
(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 2.02 Results of Operations and Financial Condition.**

On November 19, 2024, Citi Trends, Inc. (the “Company”) issued a press release that in part provides preliminary financial results for the third quarter of fiscal 2024 (the “Press Release”). A copy of the Press Release is attached to this Current Report on Form 8-K (“Current Report”) as Exhibit 99.1, and the portion of the Press Release regarding the preliminary financial information is incorporated herein by reference.

The information contained in this Item 2.02, including the portion of the Press Release regarding the preliminary financial information, 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, nor shall it be deemed incorporated by reference into any filings under the Securities Act of 1933, as amended (the “Securities Act”), 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.**

On November 19, 2024, the Company announced that its Board of Directors (the “Board”) has concluded its search for a Chief Executive Officer and has appointed Kenneth (Ken) D. Seipel, the Company’s Interim Chief Executive Officer and a member of the Board, to serve as its permanent Chief Executive Officer, effective as of November 18, 2024.

Mr. Seipel, age 64, has served as a director of the Company since 2019. Mr. Seipel is currently the Interim Chief Executive Officer of the Company and the Principal of Retail Business Optimization LLC, a consulting firm optimizing retail execution. He formerly served as the lead independent director of West Marine Inc., the world’s largest retailer of boating supplies, since August 2021, after previously serving as the Chief Executive Officer from 2018 to 2021. From March 2013 to March 2017, Mr. Seipel served as Chief Executive Officer of Gabriel Brothers Inc., an off-priced retailer selling designer brands and fashions for up to 70% off department and specialty store prices. From March 2011 until February 2013, Mr. Seipel served as President and Chief Operating Officer of Wet Seal Inc. Prior to that, Mr. Seipel served as the President and Chief Merchandise/Marketing Officer of Pamida Discount Stores LLC, a regional discount chain of department stores with more than 175 locations in the United States, from 2009 until 2011. Mr. Seipel also served as Executive Vice President of Stores, Operations and Store Design for the Old Navy division of Gap, Inc., an American clothing brand and chain of more than 1,000 stores in the United States and Canada, from 2003 through 2008. Mr. Seipel also held various merchandising and operations management roles earlier in his career with Target Corporation, a public retailing company and the second largest discount retailer in the United States, Shopko Stores, Inc., a privately-held chain of retail stores, and J. C. Penney Company, Inc., a public corporation which operates a chain of mid-range department stores and catalog sales merchant offices throughout the United States.

Mr. Seipel will receive a base salary of \$725,000 per year and will be eligible to earn an annual cash incentive for 2024 with a prorated target amount equal to 66% of his base salary, with an opportunity to earn 200% of the target amount based on achievement of certain earnings targets for the Company. In connection with his election as permanent Chief Executive Officer, Mr. Seipel will receive a grant of 80,000 restricted shares of Company common stock, which will vest ratably over 3 years starting on the first anniversary of the grant date. In addition, Mr. Seipel will receive a performance-based grant of approximately 321,500 restricted shares of Company common stock, which may be earned based on the average closing price of the common stock equaling or exceeding six specific stock price hurdles for 45 consecutive trading days during a three-year performance period. Restricted shares that are earned based on meeting the stock price hurdles will vest as to two-thirds of the shares on the third anniversary of the grant date, and as to one-third of the shares on the fourth anniversary of the grant date, subject to Executive’s continued service as Chief Executive Officer with respect to the three-year performance period, and as either Chief Executive Officer or as a member of the Board with respect to the fourth vesting year. Each stock price hurdle represents a 20% increase in stock price. No further equity incentive awards will be granted to Mr. Seipel during the three-year performance period. The performance-based restricted shares were granted pursuant to a Performance-Based Restricted Stock Award Agreement (the “Performance-Based Restricted Stock Award Agreement”).

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Mr. Seipel has entered into an Employment, Non-Compete, Non-Solicit and Confidentiality Agreement (the “Restrictive Covenant Agreement”) and a Severance Agreement (the “Severance Agreement”) with the Company. Pursuant to the Restrictive Covenant Agreement, Mr. Seipel has agreed to (i) not work for a competitor during the term of his employment or for one year following termination of employment with the Company, (ii) not solicit any of the Company’s merchandise vendors for a period of eighteen months following termination of employment with the Company, and (iii) not solicit any employee of the Company during the term of his employment or for a period of two years following termination of employment with the Company, in each case, regardless of the reason for termination. Pursuant to the Severance Agreement, if the Company terminates Mr. Seipel’s employment without Cause (as defined in the Severance Agreement) or if he terminates his employment in the event his job duties have been materially diminished or his compensation has been materially decreased, the Company will provide Mr. Seipel with separation payments of twelve months base salary, and will pay him the full monthly cost, less applicable tax withholdings, to provide the same level of group health insurance maintained by him as of his separation from service for twelve months.

Mr. Seipel has no family relationships with any director or executive officer of the Company. There are no arrangements or understandings between Mr. Seipel and any other person pursuant to which Mr. Seipel was selected as the Company’s Chief Executive Officer, and there are no transactions involving Mr. Seipel that would be required to be reported under Item 404(a) of Regulation S-K.

The foregoing description of the material terms of the Performance-Based Restricted Stock Award Agreement, the Restrictive Covenant Agreement and the Severance Agreement is qualified in its entirety by reference to the full text of the Performance-Based Restricted Stock Award Agreement, the Restrictive Covenant Agreement and the Severance Agreement, copies of which will be filed as an exhibit to the Company’s Annual Report on Form 10-K for fiscal 2024.

In connection with the election of Mr. Seipel as the Chief Executive Officer, the Board appointed Mr. Peter Sachse, who currently serves as the Executive Chairman of the Board, as the Chairman of the Board effective as of November 18, 2024.

**Item 7.01 Regulation FD Disclosure.**

On November 19, 2024, the Company announced the appointment of its permanent CEO as described above. The portion of the Press Release regarding the CEO appointment is incorporated herein by reference.

The information contained in this Item 7.01, including the portion of the Press Release regarding the CEO appointment, is being furnished and shall not be deemed “filed” for purposes of Section 18 of the Exchange Act, or otherwise subject to the liabilities of such section, nor shall it be deemed incorporated by reference into any filings under the Securities Act, 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.

<b>Exhibit No.</b>	<b>Description</b>
<a href="#">99.1</a>	<a href="#">Press Release dated November 19, 2024.</a>
104	Cover Page Interactive Data File (embedded within the Inline XBRL document).

**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: November 19, 2024

By: /s/ Heather Plutino

Name: Heather Plutino

Title: Chief Financial Officer

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**CITI TRENDS ANNOUNCES CEO APPOINTMENT AND Q3 COMPARABLE STORE SALES ABOVE GUIDANCE****Appoints Ken Seipel as Chief Executive Officer****Reports Preliminary Third Quarter Results above prior outlook****Q3 2024 Preliminary Total Sales of \$179.1 million, comparable store sales increase of 5.7%**

Savannah, Ga, November 19, 2024—Citi Trends Inc. (NASDAQ: CTRN) today announced the Board of Directors has appointed Kenneth (Ken) Seipel as Chief Executive Officer, effective November 18, 2024. Mr. Seipel has been serving as the Interim CEO of Citi Trends since June 1, 2024, and on the Board of Directors since 2019. Concurrently, the Board appointed Peter Sachse, the current Executive Chairman of the Board, as Chairman of the Board.

In addition, the Company is announcing preliminary Q3 2024 results with sales of \$179.1 million and comparable store sales growth of 5.7% vs. Q3 2023. Q3 sales results are expected to be above the Company's previous outlook of second half comparable store sales results flat to up low single digits compared to prior year. Gross margin for Q3 2024 is expected to be 39.8%, an increase of 160 basis points compared to Q3 2023. Sales and gross margin results are due to improved product, better allocation methods and increased customer traffic. Q3 2024 Adjusted EBITDA\* is expected to be a loss of \$3.3 million, which includes strategic costs for in-depth customer and market research and costs to improve operational processes. More details will be provided with the Company's Q3 earnings release on December 3, 2024.

The Company's Chairman of the Board, Peter Sachse, commented, "We are pleased with our sales and gross margin performance in Q3 2024 and are excited to appoint Ken to the permanent role of CEO. In a short period of time, Ken has improved the Company's business performance and is laying the groundwork for long term shareholder value creation. Ken's deep retail experience and his strong track record of leading significant value creation as CEO in past companies gives us confidence that he will develop and execute Citi Trends' long term strategic plan to more than triple our company value."

Ken Seipel commented, "Citi Trends is an exciting growth opportunity. The Company is uniquely positioned with nearly 600 stores serving our core African American customers in their neighborhoods, creating a defensible moat against competition. We are fortunate to have a loyal and frequent base of shoppers who have quickly responded to our improved product strategies, including exceptional prices on branded product. Working with our talented, highly engaged employees, I am confident we will significantly improve business performance and shareholder value".

Seipel continued: "I am pleased to continue working with Peter and the entire Board of Directors on the future of Citi Trends. Further, as a shareholder, I would like to acknowledge the Board of Directors for creating a progressive compensation package that is aligned with shareholder interests with an incentive for significant share price appreciation".

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### **About Kenneth (Ken) Seipel**

Ken is a Senior Retail Executive with experience in public and private equity backed ownership companies along with Fortune 500 retail company background. A seasoned, multi-functional general manager / leader, with experience in large scale growth, concept development, expansion and business turn-around, Ken most recently served as Interim CEO of Citi Trends and as a member of the Board of Directors of Citi Trends since 2019 serving as the Chairman of the Nominating and Corporate Governance Committee, and member of the Audit and Finance Committee.

From 2018 to 2021, Ken served as CEO and co-owner of West Marine, the world's largest retailer of boating supplies. Ken led a highly successful business turn around leading to a successful transaction, and an over six times return on investment for shareholders. From 2013 through March 2017, Ken served as CEO of Gabriel Brothers Inc. AKA "Gabe's". Under Ken's leadership, the company's business strategies resulted in a private transaction valued at three times investment. In 2011 and 2012, Ken served as President and COO of Wet Seal Inc. where he stabilized the volatile business, restored cash to the balance sheet, optimized real estate and reduced working capital needs. In late 2009 and 2010, Ken served as Chief Restructuring Officer and Interim CEO at Pamida Stores. Following his business turn around strategies to restore profit and the balance sheet, Pamida was merged as a growth strategy for another retail holding.

Prior to 2009, Ken served as the EVP of Operations for North America, at the Old Navy division of Gap, Inc., leading the concept through a time of explosive growth to \$7B and over 1,000 stores when the brand developed into the value specialty brand known today. Ken began his career with JCPenney in operations and merchandise buying, in the mid 90's with Target as a leader on the Supercenter development team and later was head of stores and acquisitions for Shopko.

### **About Citi Trends**

Citi Trends, Inc. is a value-priced retailer of urban fashion apparel, accessories and home goods for the entire family. The Company operates 592 stores located in 33 states. Citi Trends' website address is [www.cititrends.com](http://www.cititrends.com).

### **Fiscal 2024 Third Quarter Earnings Release**

Management will provide further details on its third quarter conference call on December 3, 2024 at 9:00 a.m. ET. The number to call for the live interactive teleconference is 877-407-0779. The live broadcast of Citi Trends' conference call will be available online at the Company's website, [www.cititrends.com](http://www.cititrends.com), under the Investor Relations section.

### **\* Non-GAAP Financial Measure – Adjusted EBITDA**

Adjusted EBITDA is calculated as earnings before interest, income taxes and depreciation and amortization and excludes the impact of CEO transition, shareholder defense and store impairment expenses.

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### **Forward-Looking Statements**

All statements other than historical facts contained in this news release, including statements regarding the Company's future financial results and position, business plans and the objectives and expectations of management, are forward-looking statements that are subject to material risks and uncertainties. The words "believe," "may," "could," "plans," "estimate," "expects," "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. Statements with respect to earnings or sales are forward-looking statements. Investors are cautioned that any such forward-looking statements are subject to the finalization of the Company's quarter-end financial and accounting procedures, are not guarantees of future performance 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 our Annual Reports and Quarterly Reports on Forms 10-K and 10-Q, respectively, and any amendments thereto, filed with the SEC. These risks and uncertainties include, but are not limited to, uncertainties relating to general economic conditions, including inflation, energy and fuel costs, unemployment levels, and any deterioration whether caused by acts of war, terrorism, political or social unrest (including any resulting store closures, damage or loss of inventory) or other factors; changes in market interest rates and market levels of wages; natural disasters such as hurricanes; uncertainty and economic impact of pandemics, epidemics or other public health emergencies such as the ongoing COVID-19 pandemic; transportation and distribution delays or interruptions; changes in freight rates; the Company's ability to attract and retain workers; the Company's ability to negotiate effectively the cost and purchase of merchandise inventory risks due to shifts in market demand; the Company's ability to gauge fashion trends and changing consumer preferences; changes in consumer confidence and consumer spending patterns; competition within the industry; competition in our markets; the duration and extent of any economic stimulus programs; changes in product mix; interruptions in suppliers' businesses; the ongoing assessment and impact of the cyber disruption we identified on January 14, 2023, including legal, reputational, financial and contractual risks resulting from the disruption, and other risks related to cybersecurity, data privacy and intellectual property; temporary changes in demand due to weather patterns; seasonality of the Company's business; changes in market interest rates and market levels of wages; the results of pending or threatened litigation; delays associated with building, remodeling, opening and operating new stores; and delays associated with building and opening or expanding new or existing distribution centers. 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 SEC, 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.

Contact: Tom Filandro  
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