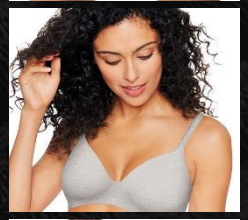
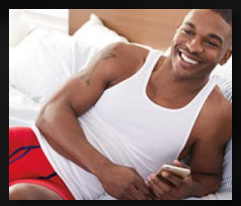
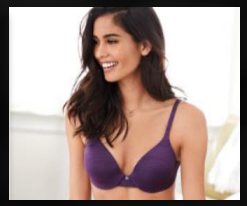
HANES *Brands Inc*

Investor Day 2018

May 15



Safe Harbor

Forward-looking Statements

These presentation slides and the related presentation contain certain forward-looking statements, as defined under U.S. federal securities laws, with respect to our long-term goals and trends associated with our business, as well as guidance or projections as to future performance. These forward-looking statements are based on our current intent, beliefs, plans and expectations. The audience is cautioned not to place any undue reliance on any forward-looking statements. Forward-looking statements necessarily involve risks and uncertainties, many of which are outside of our control, that could cause actual results to differ materially from such statements and from our historical results and experience. These risks and uncertainties include such things as:

- the highly competitive and evolving nature of the industry in which we compete;
- the rapidly changing retail environment;
- any inadequacy, interruption, integration failure or security failure with respect to our information technology;
- the impact of significant fluctuations and volatility in various input costs, such as cotton and oil-related materials, utilities, freight and wages;
- our ability to properly manage strategic projects;
- significant fluctuations in foreign exchange rates;
- our ability to attract and retain a senior management team with the core competencies needed to support our growth in global markets;
- legal, regulatory, political and economic risks related to our international operations;
- our ability to successfully integrate acquired businesses;
- our reliance on a relatively small number of customers for a significant portion of our sales; and
- other risks identified from time to time in our most recent Securities and Exchange Commission reports, including our annual report on Form 10-K and quarterly reports on Form 10-Q.

Since it is not possible to predict or identify all of the risks, uncertainties and other factors that may affect future results, the above list should not be considered a complete list. Any forward-looking statement speaks only as of the date on which such statement is made, and Hanesbrands undertakes no obligation to update or revise any forward-looking statement, whether as a result of new information, future events or otherwise, other than as required by law.

Non-GAAP Terms and Definitions

To supplement financial guidance prepared in accordance with GAAP, this presentation contains historical financial results and projections concerning certain non-GAAP financial measures, including adjusted EPS, adjusted net income, adjusted operating profit (and margin), free cash flow, EBITDA, adjusted EBITDA, net debt to EBIDTA, IRR and ROIC. Please see the attached Appendix for more information regarding the definition of these non-GAAP financial measures and a reconciliation to the most directly comparable GAAP financial measure. Hanesbrands is unable to reconcile projections for IRR on acquisitions or for projections of financial performance beyond 2018 without unreasonable efforts, because the company cannot predict, with a reasonable degree of certainty, the type and extent of certain items that would be expected to impact these figures in 2019 and beyond, such as revenue, operating profit, tax rates, and acquisition and integration or other action related charges.

Agenda

8:15 am **Welcome, Safe Harbor & Agenda**

T.C. Robillard | Chief Investor Relations Officer

Company Overview, Strategy, Key Themes

Gerald Evans | Chief Executive Officer

Supply Chain & Global Operations

Mike Faircloth | Group President, Global Supply Chain, IT & E-Commerce

Global Innerwear | Pillars to Consistent Growth

Global and U.S. Innerwear Overview

Howard Upchurch | Group Pres., Innerwear Americas

Acquisitions as a Platform to Growth

Francois Riston | President, Hanes Europe

Omni-Presence | Summary

David Bortolussi | President, Hanes Australasia

Q&A

Break

10:00 am **Global Activewear | Introduction & Overview**

John Marsh | Group President, Global Activewear

Expanding Champion Globally

Susan Hennike | President, Champion North America

Joe Monahan | VP & Chief Commercial Officer, Champion Europe

Tomohiko Hirano | VP Managing Director, Commercial Asia

Financial Overview

Barry Hytinen | Chief Financial Officer

Closing Remarks

Gerald Evans | Chief Executive Officer

Q&A

11:30 am **Breakout Sessions | Product Showcase**

Leadership Luncheon

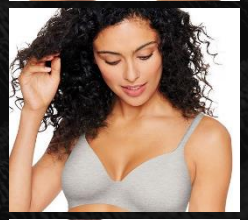
Investor Day Kickoff Video

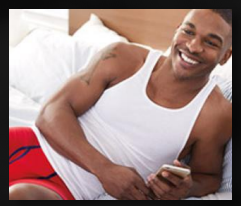
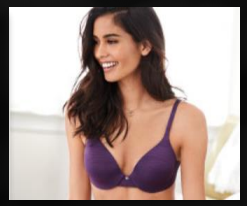
Video Playing

HANES *Brands Inc*

Company Overview & Strategy

Gerald Evans
Chief Executive Officer



WE HEARD YOU

Key Messages

1

Strong consumer franchise of industry-leading brands built from decades of consumer interactions, operating in heavily-branded categories that are consistently purchased over time

2

Diversified our business globally and across channels to deliver more consistent organic growth that will be complemented with selective, strategic acquisitions over time

3

Leveraging our supply chain, global scale and operational discipline to generate even greater amounts of cash flow

4

Strong and consistent free cash flow generator; approaching $1B+ in annual operating cash flow by 2020

5

Focused on maximizing shareholder returns through our disciplined, return-centric approach to capital allocation; near-term priority to get back within our targeted leverage range

Strong Fundamentals with Significant Runway

Hanesbrands at a Glance (NYSE: HBI)

A socially responsible, leading marketer of everyday basic innerwear and activewear apparel in the Americas, Europe, Australia and Asia-Pacific

Key Statistics

Founded	1901
Global HQ	Winston-Salem, NC
Employees[1]	~67,200 in 45 Countries
Market Cap[2]	$6.052B

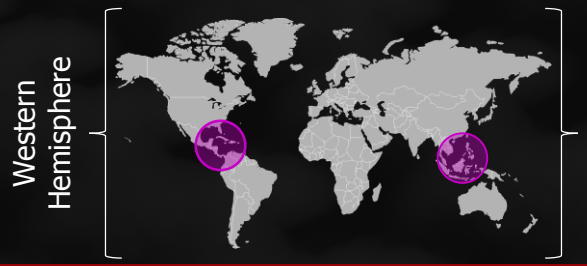
Key Financials (M)	2017	2018 Guidance
Revenue	$6,471	$6,720-$6,820
Adj. Op. Profit[3]	$935	$950-$985
Op. Cash Flow	$656	$675-$750

Key Brands

Hanes, Champion, BONDS, DIM PARIS, Playtex, BALI, MAIDENFORM, BERLEI, abanderado, wonderbra, bras N things, ZORBA, nur die, RINBROS ORIGINALES, Soly Oro

2017 Sales Breakdown

Global Supply Chain



Largest Global Basic Apparel Company with Over a Century of History

[1] As of 12/30/2017 [2] As of 5/11/2018 [3] Non-GAAP measure. See reconciliation tables in Appendix.

Strong, Sustainable Competitive Advantages

Innovate-to-Elevate Strategy (I2E)

Brand Power

- Strong consumer franchise; global portfolio of leading brands
- Heavily-branded and growing categories, consistently repurchased over time
- We own #1/#2 brands
- Strong brand equities that span generations
- Expertise in managing share-leading brands

Supply Chain & Regional Infrastructure

- Low-cost manufacturing; scale extends to global functions – IT, procurement, R&D
- Unlocks synergies from acquisitions
- Enables us to bring innovation to market at right price points and margin structure
- Regional scale (U.S., Europe, Australia) while maintaining local commercial presence
- Low capital intensity; lynchpin to increased free cash flow generation

Operational Discipline

- Consumer-centric focus
- Culture of continuous improvement
- Omnipresent distribution: "where the consumer wants to shop"
- History of evolving our business model to address and overcome challenges
- Plan the work, then work the plan

Management Team

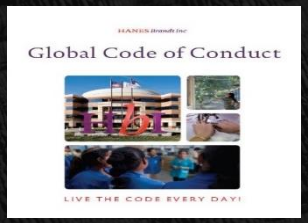
- Deep management bench
- Seasoned global operators
- Homegrown as well as from acquired companies
- Strong presence in Americas, Europe, Australia, and Asia

Long-Standing Commitment to Doing the Right Thing

HANES *for* GOOD

www.HanesforGood.com

Employees



- Global Code of Conduct
- Code of Conduct Officers
- Employee Policies
- Privacy

Vendors

HANES Brands Inc
Global Standards for Suppliers

- Fair Labor Association
- Global Standards
- Global Anti-Bribery Program

Sustainability

- Cotton
- Energy
- Water
- Waste
- Consumer Use

Product Safety

- Childrenswear
- Chemical Management
- Design Hazard Analysis

Green for Good

- Education
- Medical Support
- Disaster Relief
- Fundamental Needs

2017 Milestones

30% H_2O Reduction

33% Renewable Energy Use

84% Landfill Diversion Rate

420,000 Employee Hours Volunteered in Green for Good Programs since 2010

Experienced Management Team with Global Depth

Gerald Evans

Chief Executive Officer
Joined: 1983

Barry Hytinen

Chief Financial Officer
2017

Scott Lewis

Chief Accounting Officer
2006

Mike Faircloth

Group President Global SC, IT & E-commerce
1997

Joia Johnson

CAO, GC & Corp. Secretary
2007

GLOBAL INNERWEAR

Howard Upchurch

Group President, IW Americas
1987

Francois Riston

President, Hanes Europe
2014

David Bortolussi

President, Hanes Australasia
2016

GLOBAL ACTIVEWEAR

John Marsh

Group President, Global AW
1993

Susan Hennike

President, Champion N.A.
2006

Joe Monahan

VP & CCO, Champion Europe
2016

Tomohiko Hirano

VP Managing Dir., Comm. Asia
2010

John Fryer

President, Sports Apparel & Graphics
1989

Scott Somerville

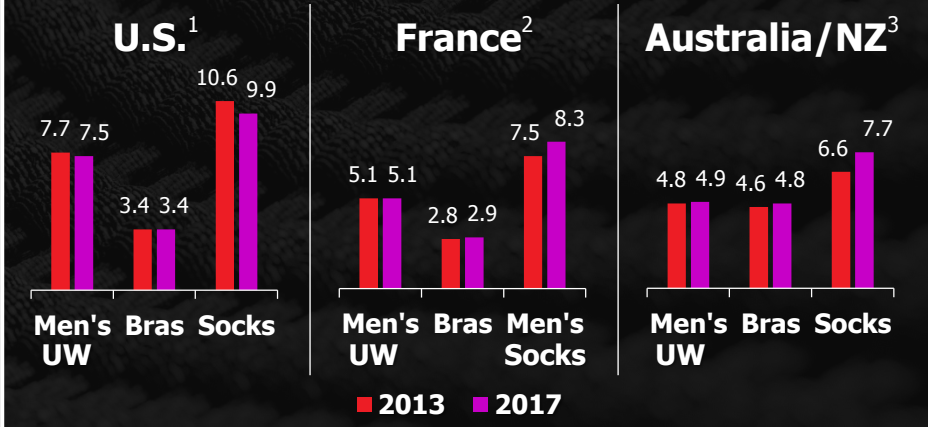
President, Hanes AW NA & CCO AW
1991

Global Innerwear: Low Growth, Consistent Consumption – Heavily Branded

Product Categories

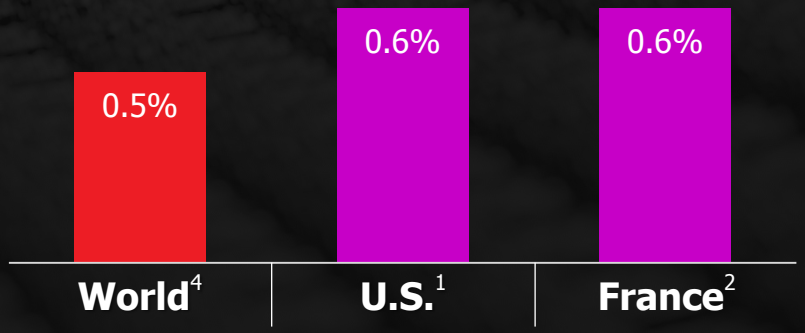
Underwear	Intimates	Hosiery	Socks

Per Capita Consumption (units)

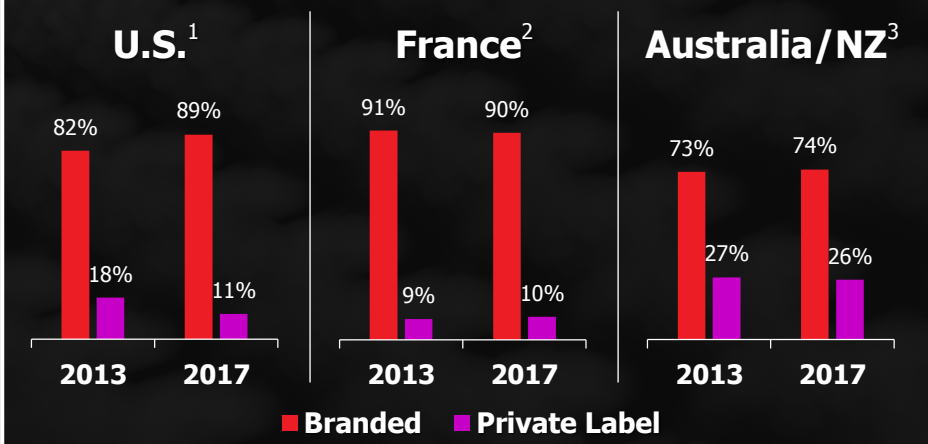


Strong Stable Growth Category

5-year CAGR



Heavily Branded



Total Global Innerwear Market: $165B

[1] Source: NPD; [2] Source: Kantar; [3] Source: 2013-Roy Morgan, 2017-BDA Market Tracking [4] Source: Euromonitor

Outstanding Portfolio of Leading Innerwear Brands

U.S.

Key Brands: Hanes, BALI, Maidenform, Playtex, Champion

HBI $ Share Rank

Intimates	#2
Men's UW	#1
Kid's UW	#1
Socks	#1
Hosiery	#1
T-Shirts[1]	#1

Other Americas

HBI $ Share Rank

Canada	
Intimates	#2
Men's UW	#2
Mexico	
Men's UW	#1
Bras	#3
Brazil	
Men's UW	#2
Argentina	
Women's UW	#2

Europe

Key Brands: Nur die, abanderado LOVABLE, DIM

HBI $ Share Rank

France	
Men's UW	#1
Socks	#3
Intimates	#2
Hosiery	#1
Germany	
Hosiery	#1
Socks	#2
Spain	
Men's UW	#1
Intimates	#2
Italy	
Intimates	#2
Men's UW	#3

Australia/NZ

Key Brands: BONDS, bras N things

HBI $ Share Rank

Australia	
Men's UW	#1
Women's UW	#1
Kid's UW	#1
Bras	#1
Hosiery	#1
Socks	#1
New Zealand	
Men's UW	#1
Women's UW	#1
Kid's UW	#2

Asia

Key Brands: Hanes

HBI $ Share Rank

Japan	
Men's UW	#5
Women's UW	#6
Socks	#7
Philippines	
Men's UW	#1

#1 or #2 Market-Share Position in Key Categories in 12 Countries

Sources: US & Canada: NPD 12ME Dec 2017; Mexico: Trendex, Euromonitor Dec'17; Brazil: IEMI 2017; France/Spain: Kantar Panel 2017; Germany: GfK 2017; Italy: SITA Dec 2017; Australia/NZ: BDA Market Tracking Dec 2017; Nov'16; Remaining countries based on management estimate using various local sources

[1]T-shirts is total Outerwear and Innerwear

Global Activewear: Strong Growth & Expanding Consumption – Activewear Continuum

Product Continuum

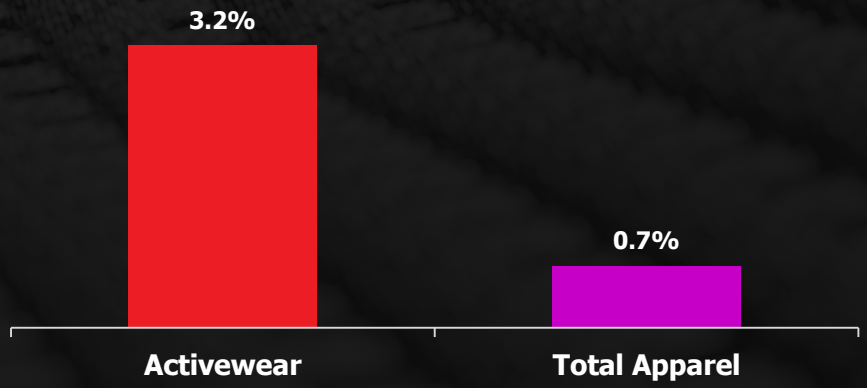
CASUAL ALTERNATIVE Hanes ATHLETIC

Leading Portfolio of Brands[1]

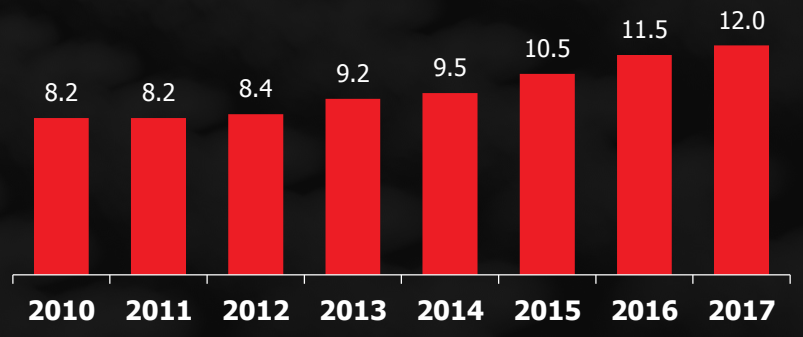
	U.S. / Americas	Europe	Australia
HBI AW	#4	#4	#5
Key Brands	Champion, Hanes, ALTERNATIVE	Champion	Champion, Hanes

2017 U.S. Market Growth[1]

3-year CAGR



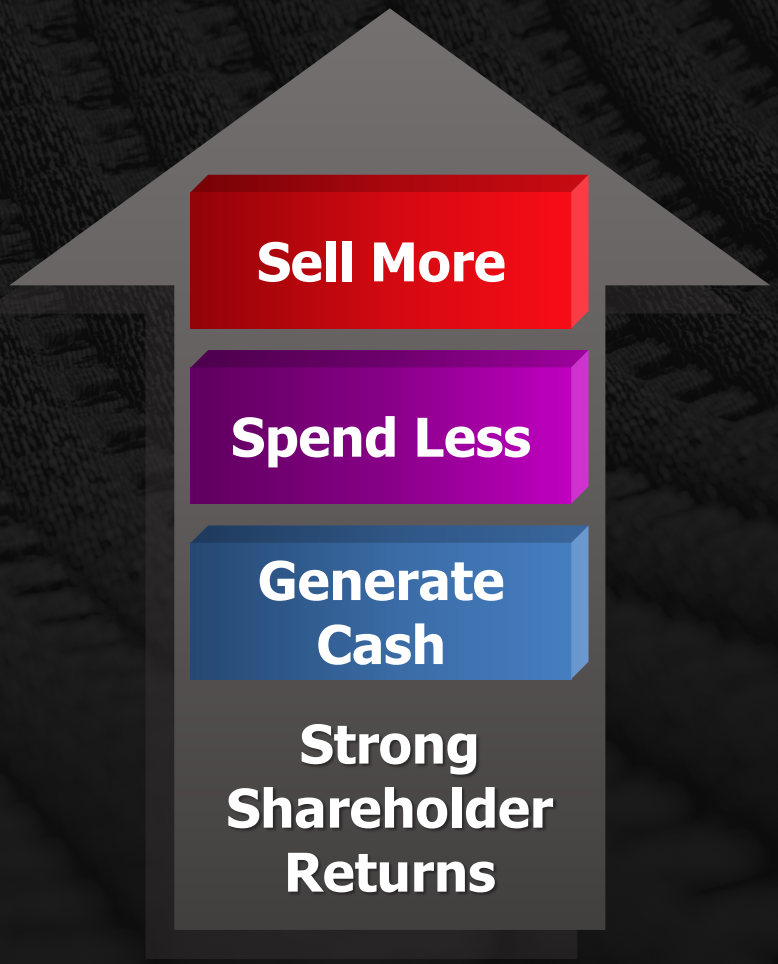
U.S. Per Capita Consumption[1] (units)



Total Global Activewear Market: $180B

[1] Source: NPD

Resilient Business Model Driving Strong Cash Flow and Returns Over Time



Sell More

- Portfolio of leading brands
- Consumer-driven innovation
- Everyday basic, replenishment-driven apparel
- Consistent revenue growth over time

Spend Less

- Owned supply chain
- Global functions and regional infrastructure
- Product design

Generate Cash

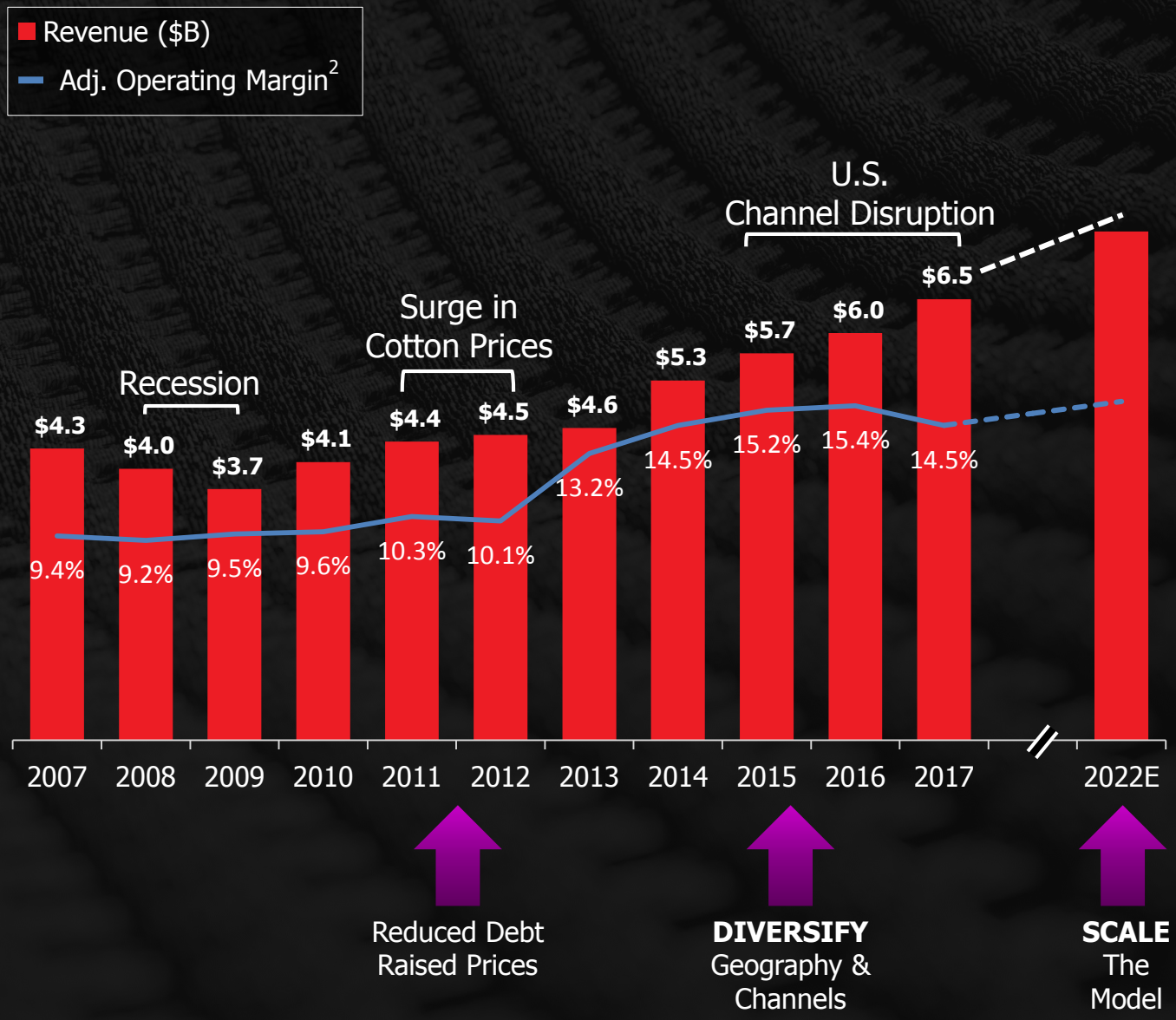
- Superior operating margins
- Significant cash generation
  - $3.4B of free cash flow[1] (since spin)[2]
  - $2.2B of free cash flow[1] (last 5 years)

Disciplined Capital Allocation

- Disciplined, return-centric
- Allocation priorities:
  1. Business reinvestment
  2. Dividends
  3. Accretive Acquisitions
  4. Share Buybacks

[1] FCF is a non-GAAP measure, see appendix [2] 2007-2017 (11 years)

Track Record of Evolving Business Model to Adapt to Challenges



4.2%
10 yr. Revenue CAGR[1]

8.8%
10 yr. Adj. Op. Profit CAGR[1,2]

17.8%
10 yr. Adj. EPS CAGR[1,2]

$3.4B
2007 – 2017 Cumulative Free Cash Flow[3]

$1.9B
2007 – 2017 Cumulative Dividends & Repurchases

[1] Continuing Operations [2] Non-GAAP measure. See reconciliation tables in Appendix.
[3] FCF is a non-GAAP measure, see appendix

Diversified to Address the Latest Set of Challenges

Financial Impact

	2013	2017	Change
Sales	$4.6B	$6.5B	↑
Organic Sales Chg. %	0.9%	(0.9%)	↓
Adj. Operating Profit[1,2]	$611M	$935M	↑
Adj. Operating Margin[2]	13.2%	14.5%	↑
Operating Cash	$591	$656	↔
Adj. EPS[2]	$0.98	$1.93	↑
ROIC[3]	17.8%	18.1%	↔
Net Debt-to-EBITDA[2]	2.2x	3.4x	↑

Challenge: U.S. Channel Disruption

- Consumer shift to online
- Brick & Mortar retail rationalization
  - Inventory tightening (destocking)
  - Aggressive closure of weakest performing doors/accounts
    - 11% of selling doors (2015-2018)[4]

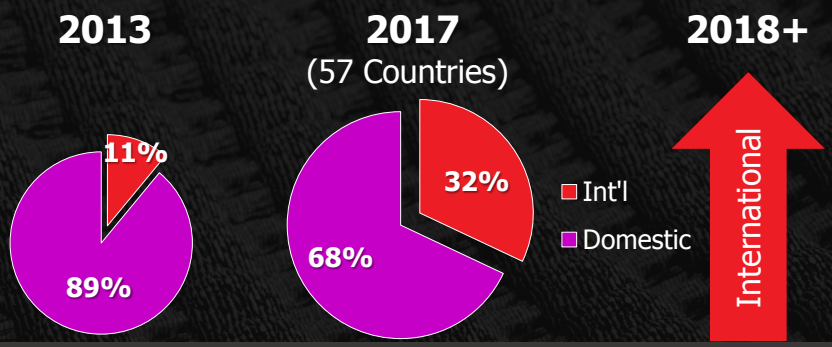
Business Transformation

- Globalized company, transformed our portfolio:
  - 10 acquisitions (2013-2018)
    - Sales of $2.7B
    - Operating Profit (at acquisition) $225M
    - Additional profit synergies $240M
- Dramatically expanded consumer direct business
- Invested in our brands & innovation

[1] Adjusted for pension [2] Non-GAAP measure. See reconciliation tables in Appendix. [3] ROIC = After-tax Adjusted Operating Profit/Average (net debt, inclusive of operating and capital leases, + Shareholder Equity) [4] Selling doors refers to mass, mid-tier, department store channels. 2015-2017 actual closings; 2018 announced door closings

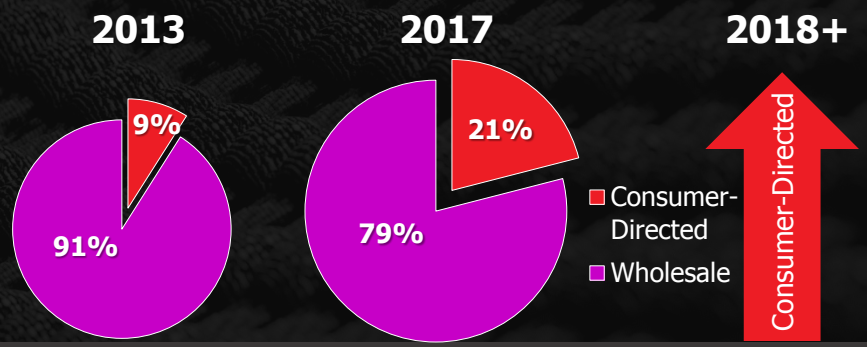
Created Multiple Paths to Profitable Growth

Global Expansion



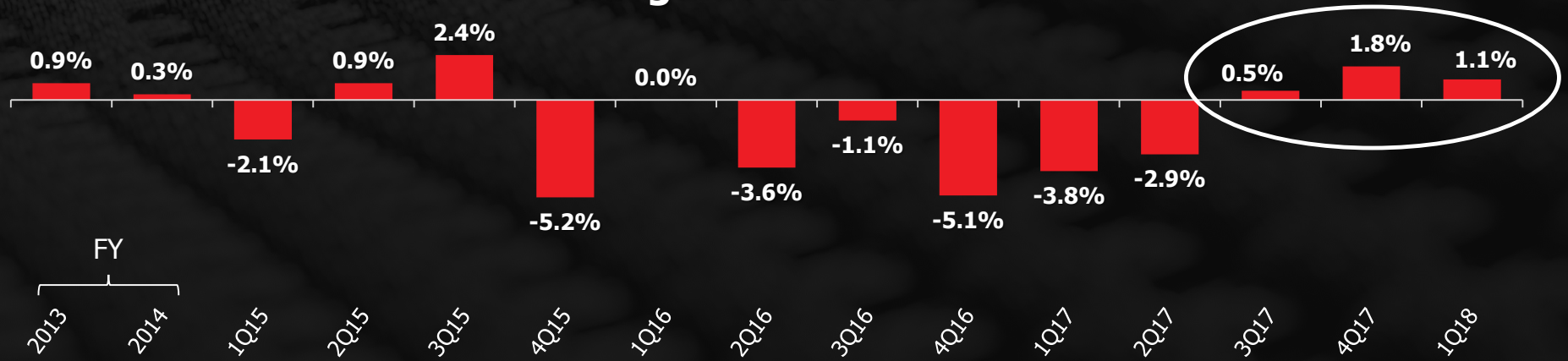
	2013	2017
Total Sales:	$4.6B	$6.5B
Int'l Sales:	$0.5B	$2.1B

Grow Consumer-Directed Business



	2013	2017
Consumer-Directed Sales:	$0.4B	$1.4B

Organic Growth[1]



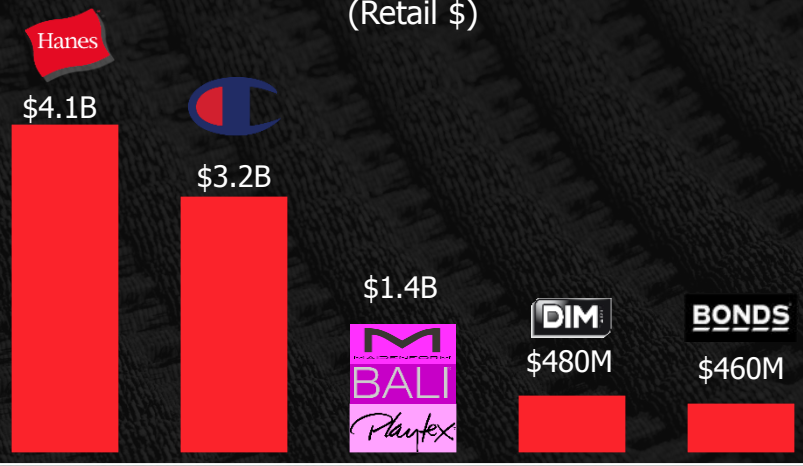
Focused on Driving Organic Growth

[1] In constant currency; 2014 adjusted for 53rd week. Organic sales, defined as sales excluding the impact of foreign currency and businesses acquired within 12 months.

Broadened Global Portfolio of Big Brands, Worn for Generations

Strong Portfolio of Brands

(Retail $)



Worn by Generations

100+ Yrs.	80+ Yrs.	50+ Yrs.
Hanes	Maidenform	DIM
Champion	Bali	Nur Die
Bonds	Playtex	Lovable
Berlei		Abanderado

Spanning Generations Around the World

	Hanes		DIM		BONDS	
	<35 Years Old	>35 Years Old	<35	>35	<35	>35
Aided Awareness	89%	93%	93%	94%	87%	96%
Consideration[1]	69%	75%	74%	64%	61%	61%
Brand I Prefer/Favorite Brand	62%	67%	51%	44%	78%	71%
More Comfortable[2]	60%	60%	69%	73%	68%	53%

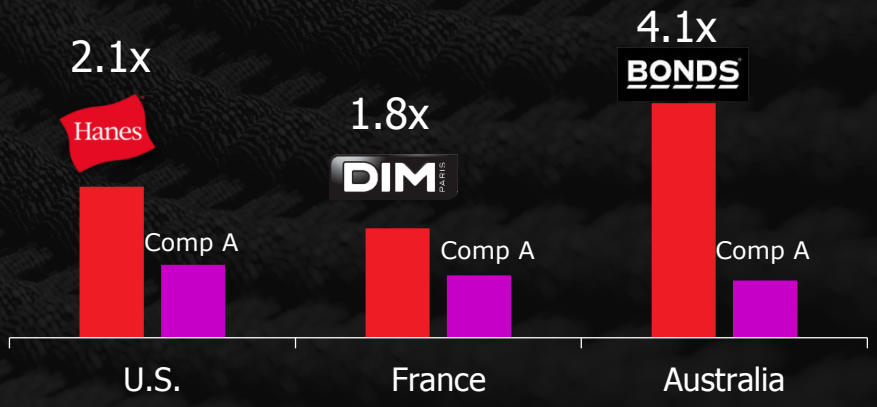
Sources: Hanes: Milward Brown Equity tracking for Hanes Dec '17; NPD Consumer Panel R12 end Dec '17; DIM: Milward Brown Equity tracking for DIM Dec '16; Kantar consumer panel R12 end Dec '17; Bonds: Nature Brand Health Tracker, Dec 17; BDA Tracking, Dec 17 MAT; [1] Top-2 Box [2] Dim wording: "Whose products guarantee comfort;" Bonds wording: "A brand that makes comfortable products."

Invested Consistently in Consumer Engagement & Global Innovation Platforms to Reinforce Brands

Strengthening Our Brands

	2014 - 2017
Consistent Marketing	$750M+
Extensive R&D	$250M+

Market Share (Men's Underwear)[1,2]



Innovate-to-Elevate Globally

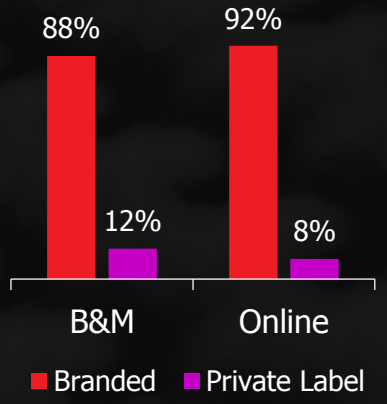
(X-Temp Technology)

U.S.

FRANCE

U.S. Innerwear Market Share[1]

Rank	Total	Online
UW	#1	#1
Bras	#2	#2
Socks	#1	#2
IW	#1	#1



Market Share Supported by Consumer Loyalty

[1] NPD Consumer Panel R12 end Dec '17 [2] Kantar consumer panel R12 end Dec '17; BDA Tracking, Dec '17 MAT

Global Scale and Acquisition Synergies Expand Operating Margins, Drive Greater Cash Flow

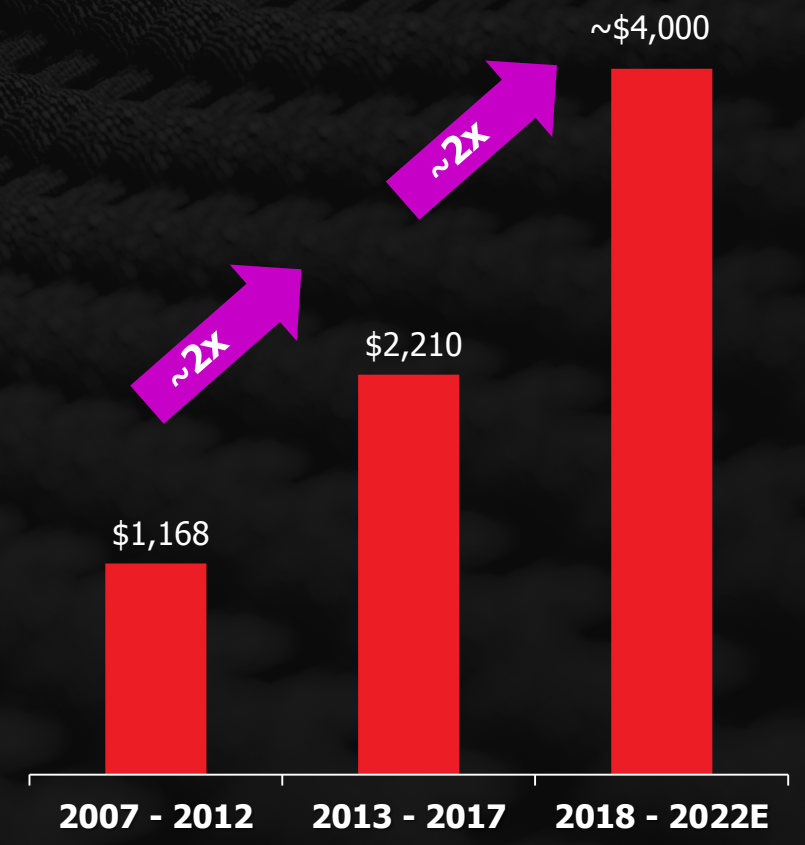
Operating Margin Expansion

Global Company

Global Supply Chain + Integrated Administrative Functions + Acquisition Synergies

100-125 bps

Cumulative Free Cash Flow[1,2] ($M)



Positioned for Operating Margin Expansion and Accelerating Cash Flow

[1] 2018 - 2022E reflects base w/ acquisition scenario [2] FCF is a non-GAAP measure, see appendix

Key Messages

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Strong consumer franchise of industry-leading brands built from decades of consumer interactions, operating in heavily-branded categories that are consistently purchased over time

2

Diversified our business globally and across channels to deliver more consistent organic growth that will be complemented with selective, strategic acquisitions over time

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Leveraging our supply chain, global scale and operational discipline to generate even greater amounts of cash flow

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Strong and consistent free cash flow generator; approaching $1B+ in annual operating cash flow by 2020

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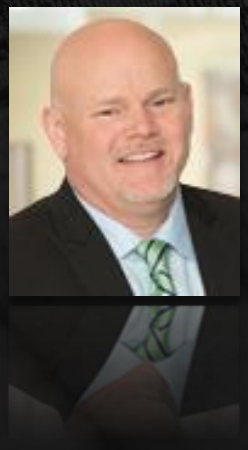
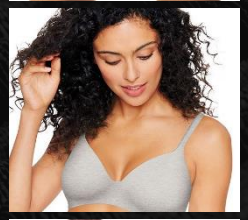
Strong Fundamentals with Significant Runway

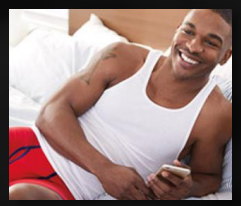
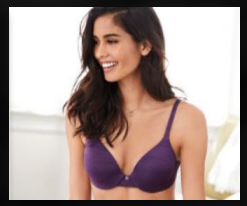
HANES *Brands Inc*



Supply Chain Overview

Mike Faircloth
Global Supply Chain, IT & E-Commerce



Supply Chain Key Messages

1

Owning our supply chain is a sustainable competitive advantage, strategically positioned to support a global company and scalable for future growth

2

Our supply chain is an integral part of our Innovate-to-Elevate strategy, creating innovations that are being leveraged across the world

3

Continuing to optimize and leverage our supply chain and global scale to drive a sustainable cost advantage

4

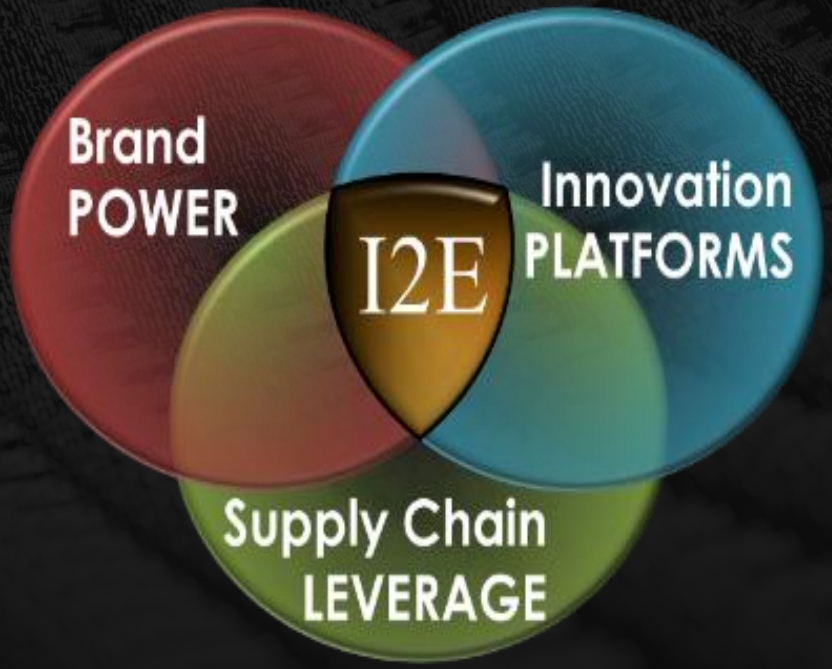
Internalization into our supply chain is a key means of creating acquisition synergies

5

Leveraging our corporate functions along with the global supply chain will take our current strong cash flow generation even higher

Hanesbrands Global Supply Chain at a Glance

An Integral Part of the Strategy



Clear Role of Our Global Supply Chain

- ✓ Operate low cost network
- ✓ Support our leading brands
- ✓ Enable innovations at scale
- ✓ Expand acquisition value

Global, Efficient Supply Chain: Scalable for Organic Growth and Acquisitions

Owned and Controlled Supply Chain – Strategically Positioned

Western Hemisphere

Eastern Hemisphere

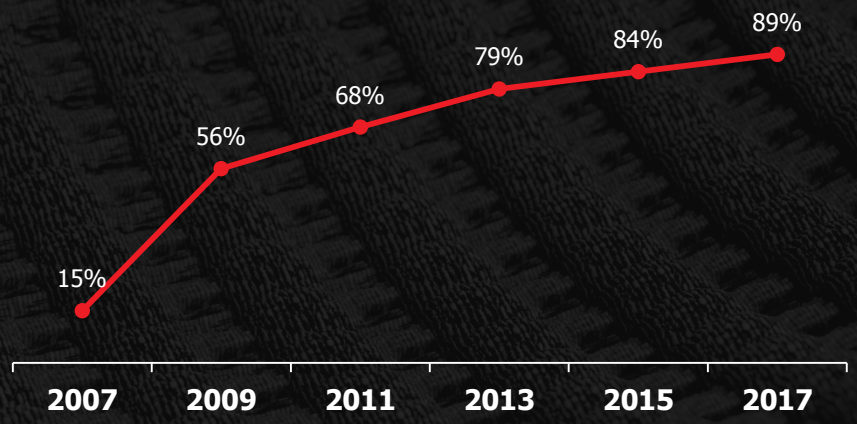
2.2B Units Annually

31 Countries

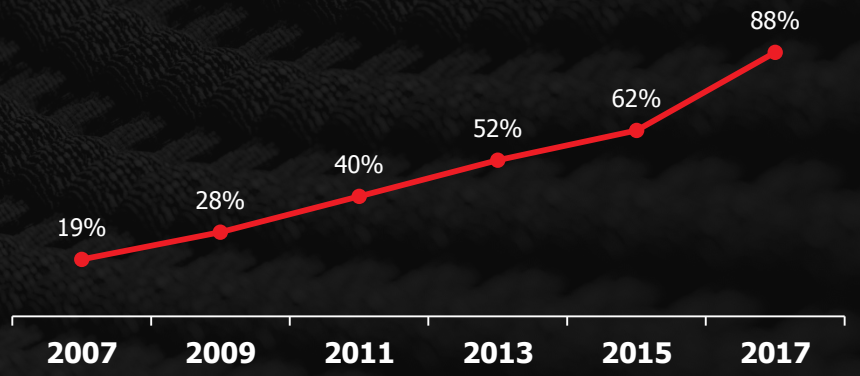
65,000 People

KPIs Underscore Continuous Improvement Culture

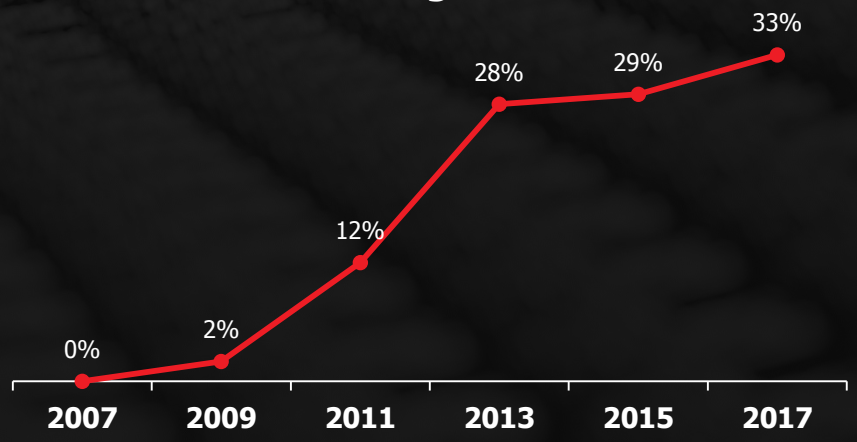
Unit Output per Factory[1]



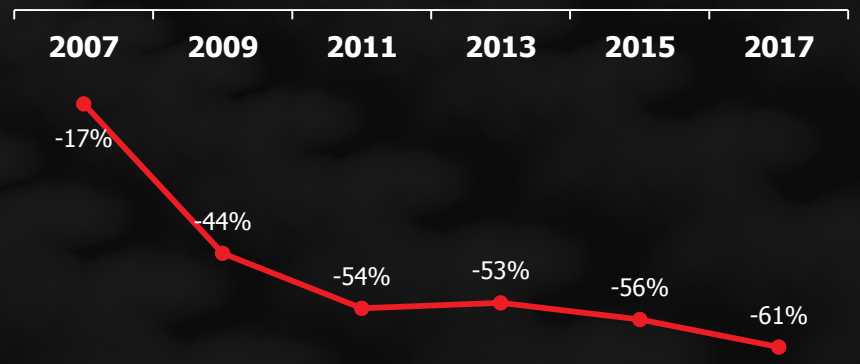
Textile Output per Factory (lbs)[1]



Manufacturing Efficiencies[1]



Manufacturing Defects[1]



[1] Cumulative Improvement

Higher Volumes through Supply Chain Generate Lower Costs

VOLUME
Organic & Acquisition

Global Supply Chain

UNIT COST DOWN

VOLUME UP

Margin Expansion

Higher Volume Lowers Overall Cost

Internalization Drives Acquisition Synergies

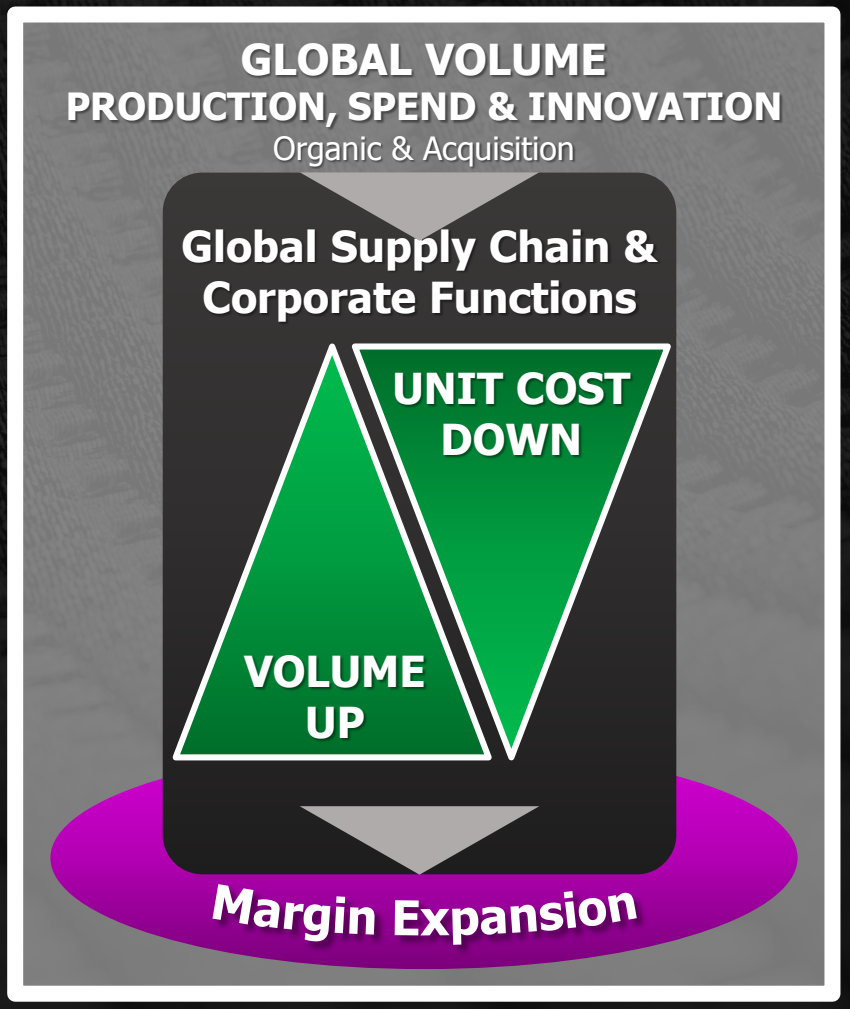
DIM Underwear	Bonds Underwear
22% Lower Cost	**18%** Lower Cost

Continuing Focus on Optimizing and Leveraging the Global Supply Chain

Global Supply Chain

Optimizing the Network to Lower Cost/Improve Inventory Turns

Extended Global Operating Philosophy Beyond Mfg. to Leverage Our Support Functions & Systems Globally



Expanded to

- **Global Resources, Processes & Systems**
  - Procurement
  - Information Technology
  - Research, Quality
  - Product Development
  - CSR, Safety, HR, Finance, Legal
  - Regional Management
- **Global Innovation Platforms**
  - Product Design
  - Fabrics
  - Materials
  - Technology

Generating Booster Savings

Leveraging Our Global Support Functions Generates Lower Costs

Leveraging IT Systems and Innovations Globally to Drive Lower Costs

Case Studies

Core Systems Applications Standardization

YEAR | APPS

2012 | 416

2017 | 65

2019 | 50

Leveraging Fabric & Product Platforms Globally

~$65M	Annual Innovation Spend
550	Designers and Developers
1,224	Global Styles shared in 2017
132	Global Material Platforms
7	Global Technology Platforms (790 Million garments in 2017)

Hanes FreshIQ · ComfortWash from the makers of Hanes · Comfort Flex Fit · X-Temp

Disciplined Processes to Meet Savings Goals and Corporate Initiatives

HBI is a Leader in Corporate Social Responsibility, Energy Management and Sustainability

CSR Highlights

- World-class safety, environmental programs, security and human resources in place
- Rigorous auditing of all owned and contractor facilities
- Fully-accredited member of Fair Labor Association
- Working in our communities: education, medical and environmental efforts

"Directly owning facilities allows Hanesbrands to invest in their employees and communities, which in turn strengthens the company's engagement with civil society, unions, and others."
The 2018 Ethical Fashion Report (Best Practice Highlight)

As You Sow – Planting Seeds for Social Change

FAIR LABOR ASSOCIATION

Hanes	A-
adidas	A-
GILDAN	B+
VF	B
PVH	B-
Levi's	B-
NIKE	B-

Better Positioned by Owning Nearly 80% of Our Production

Energy KPIs

	2017[1]	2020[1] Goal
Carbon Reduction	28%	40%
Energy Reduction	21%	40%
Water Reduction	30%	50%
Renewable Energy Usage	33%	40%
Landfill Diversion	84%	100%

ENERGY STAR AWARD 2018 – PARTNER OF THE YEAR Sustained Excellence

THE SUSTAINABILITY CONSORTIUM

CDP – DRIVING SUSTAINABLE ECONOMIES

Earned Energy Star Award for 9 Consecutive Years

[1] 2007 baseline, 2017 and 2020 goals represent total change vs baseline [2] 2018 Ethical Fashion Report the Truth Behind the Barcode Baptist World Aid

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Global Innerwear Overview Video

Video Playing

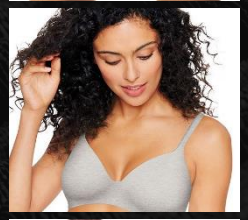
HANES *Brands Inc*

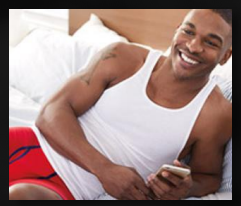
Global Innerwear

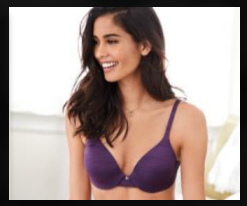
U.S. Overview

Howard Upchurch

Group President, Innerwear Americas







Global Innerwear Key Messages

1

Large, stable, highly branded category of products that consumers wear everyday; we own a portfolio of iconic brands with leading share positions around the world

2

U.S. business has been impacted by macro retail shifts with Intimates disproportionally impacted by door closures; actions underway to return business to growth over time

3

Strong brands, meaningful product innovation combined with effective consumer engagement will drive continued market leadership

4

Through strategic acquisitions we have broadened our geographic scope to Europe, Australia and Asia; opening more avenues to apply our Innovate-to-Elevate strategy

5

Expanding Consumer-Directed business to match evolving consumer preferences – online and branded stores

Brands, Global Scale and Omni-Presence Provide a Path to Consistent Growth

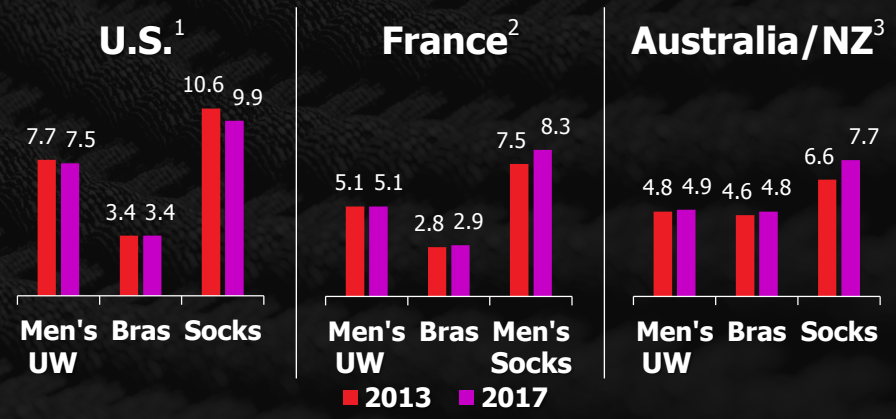
Global Innerwear Category at a Glance

$165B
2017 Global IW Market

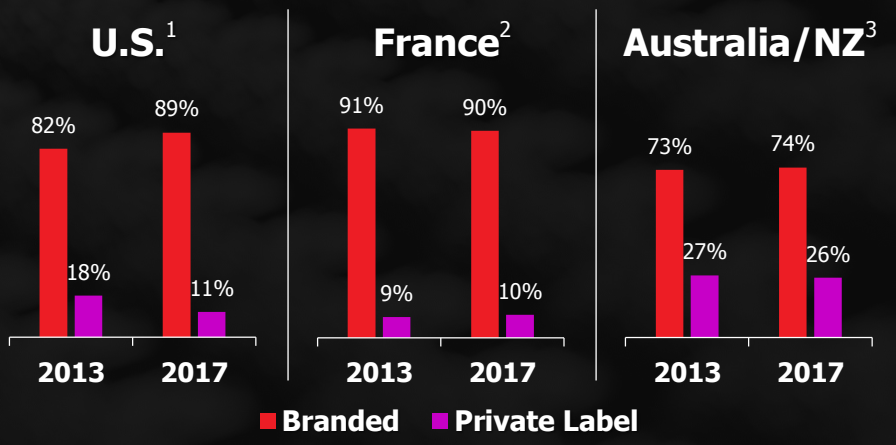
66% Basics

34% Intimates

Per Capita Consumption (units)



Heavily Branded

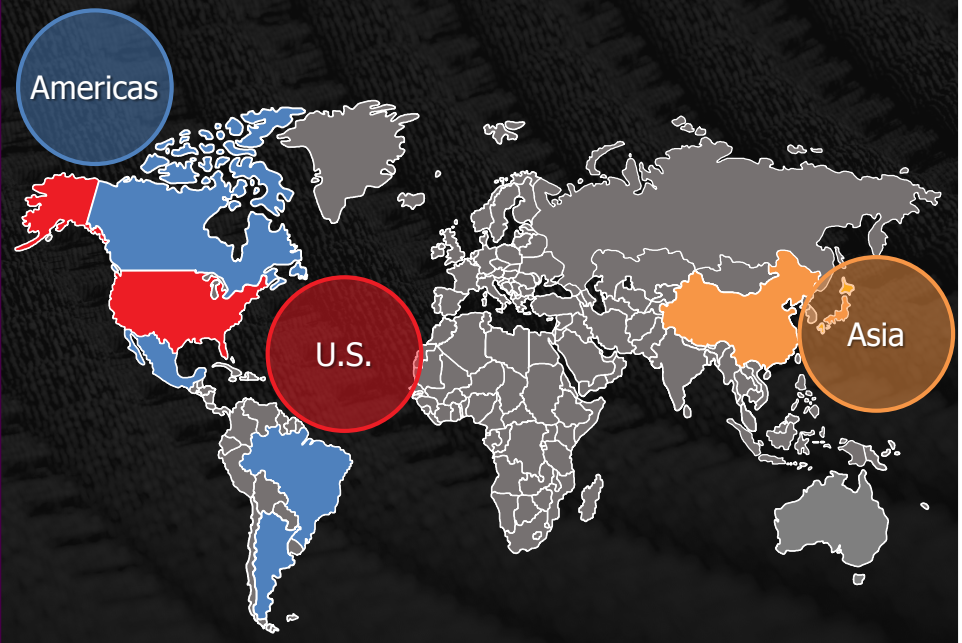


Stable, Heavily Branded Category with Consistent Consumer Consumption

[1] Source: NPD; [2] Source: Kantar; [3] Source: 2013-Roy Morgan, 2017-BDA Market Tracking

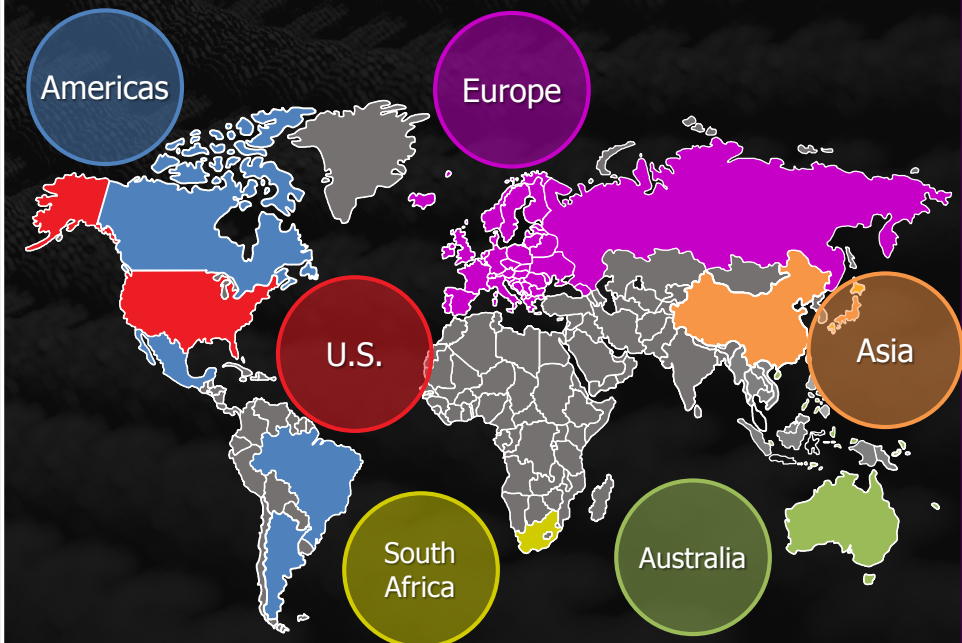
Diversified Beyond U.S. Base through Acquisitions

2013 Sales: $3.0B



~90% U.S.

2017 Sales: $4.3B



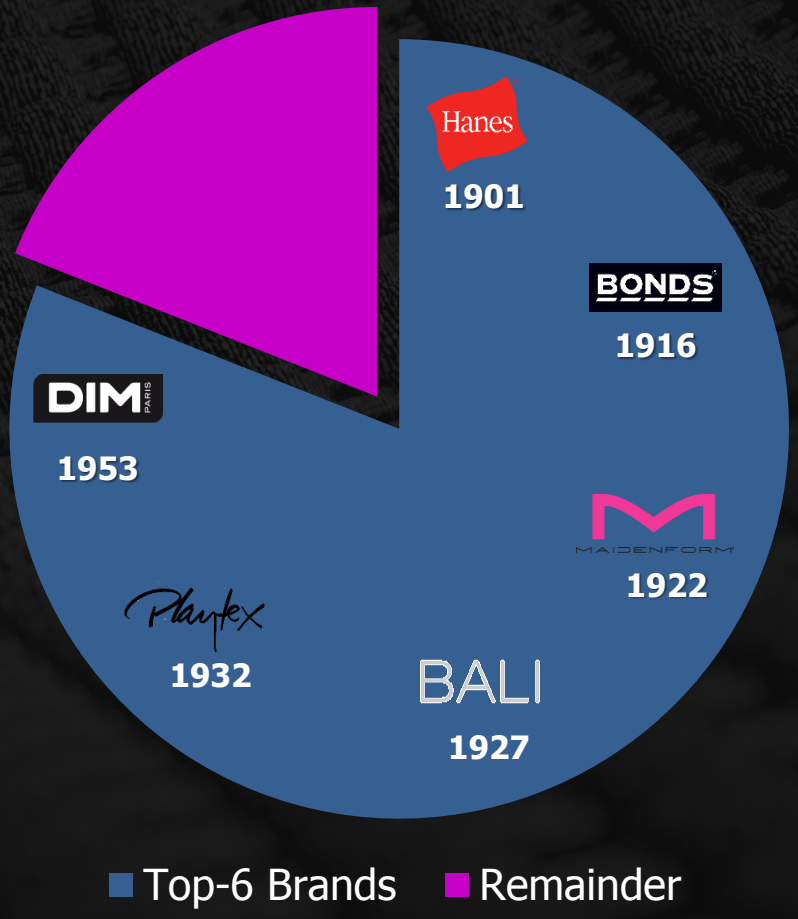
~65% U.S.

Hanes · BONDS · MAIDENFORM · JMS JUST MY SIZE · BERLEI · ZORBA · DIM PARIS

Playtex · bras N things · LOVABLE · abanderado · Wonderbra · nur die · BALI

Large, Well-Established Brands with Long Histories

Top 6 Brands Represent ~80% of Innerwear Sales

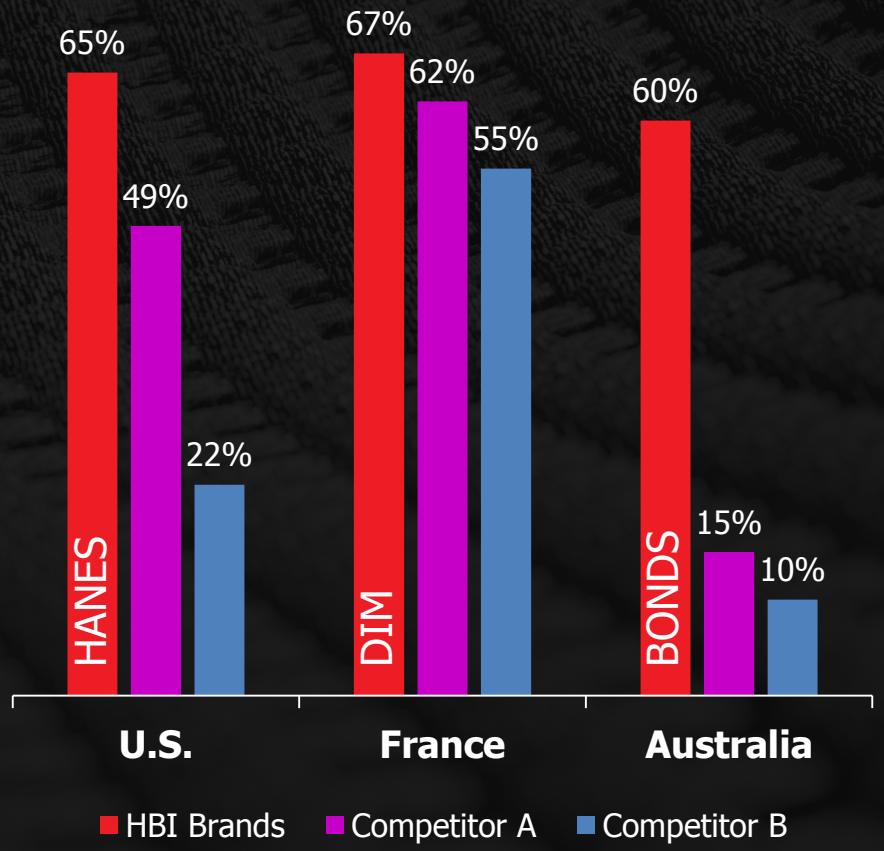


- Our 3 largest brands - Hanes, DIM and Bonds - are multi-category and span all ages across genders
- Preferred household brand names
- Brands supported with innovation and strong consumer communication

HBI Leads Competitors in Brand Preference

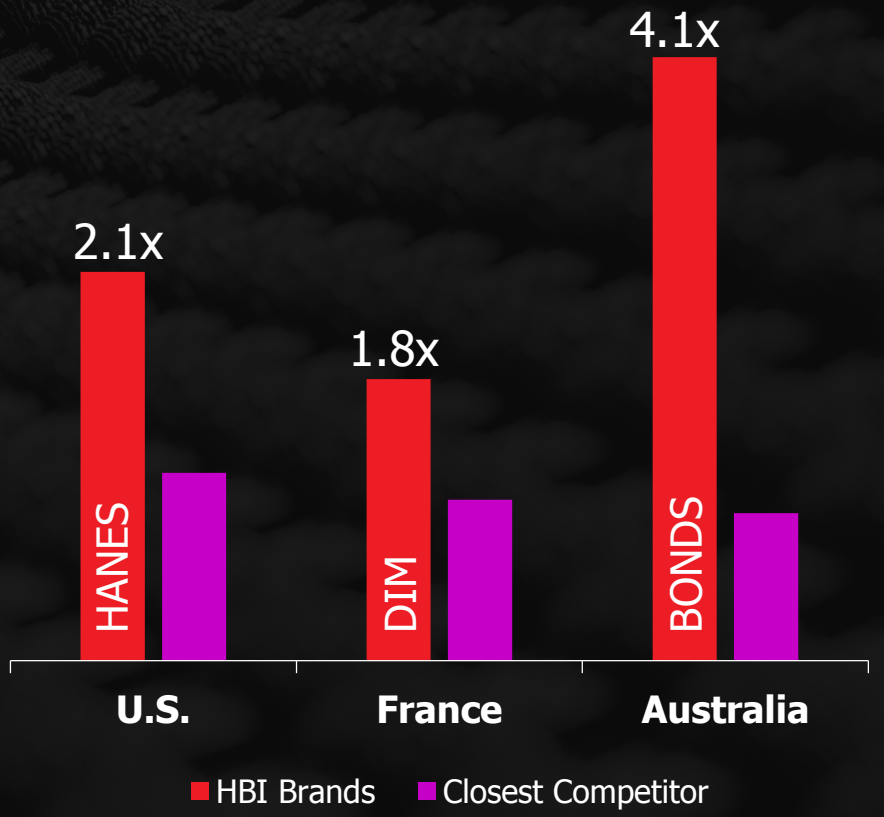
"Brand I Prefer"[1] (Men's Underwear)

(vs. Closest Competitors)



Market Share[2] (Men's Underwear)

(vs. Closest Competitor)



[1] Sources: Hanes: Milward Brown Equity tracking for Hanes Dec '17; DIM: Milward Brown Equity tracking for DIM Dec '16; Bonds: Nature Brand Health Tracker, Dec 17; [2] NPD Consumer Panel R12 end Dec '17; Kantar consumer panel R12 end Dec '17; BDA Tracking, Dec 17 MAT.

Brands Matter in Innerwear Across Customers and Channels

U.S. Consumer Decision Drivers[1]

#1 – Brand

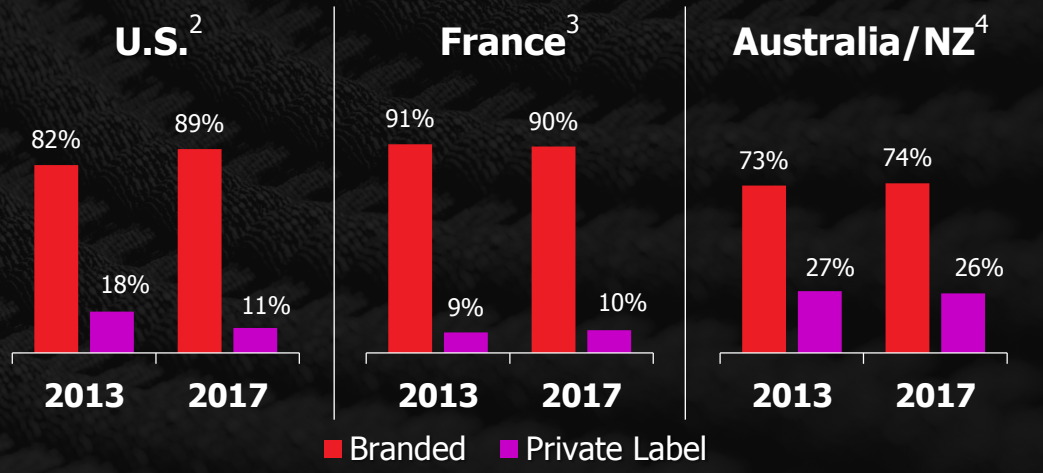
#2 – Comfort

#3 – Fit

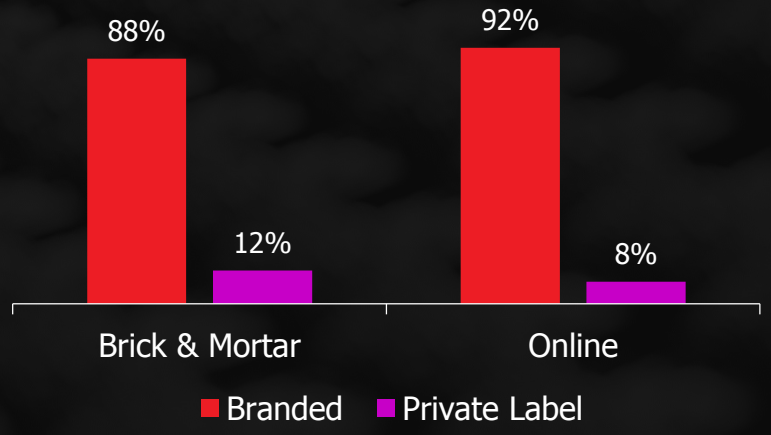
#4 – Style

#5 – Price

Heavily Branded



U.S. Brand Share | Innerwear[5]



[1] Source: Milward Brown Equity tracker/Association Analysis 2017; [2] Source: NPD; [3] Source: Kantar; [4] Source: 2013-Roy Morgan, 2017-BDA Market Tracking , [5] NPD Consumer Panel R12 end Dec '17

Retail Dynamics Impacting U.S. Innerwear Business

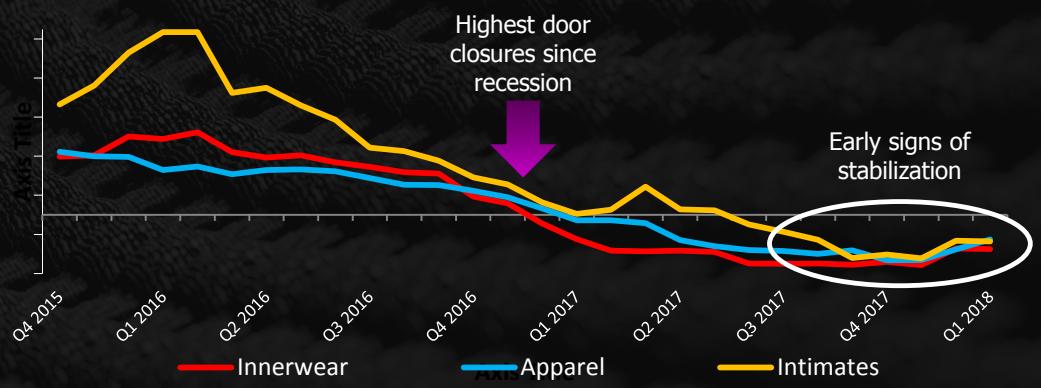
Industry Challenges Since Last Investor Day

- Retail inventory destocking (2015 & 2016)
- Door closures across mid-tier/department store and mass channels

Door Closures 2015 – 2018[1]	% Door Closures 2015 – 2018[1]
~1,250	~11%

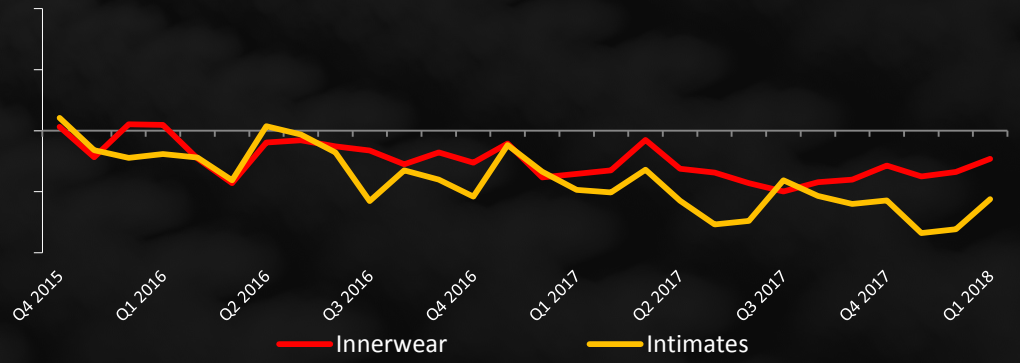
Category Trends

NPD R12M Panel Dollars (% vs. PY)



HBI Trends

HBI R12M Net Sales (% vs. PY)

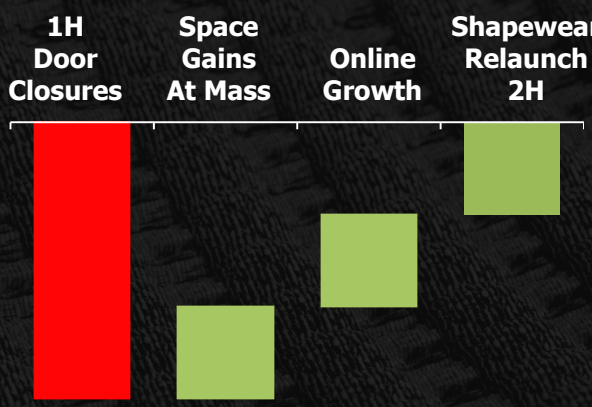


Emerging Signs of Stabilization

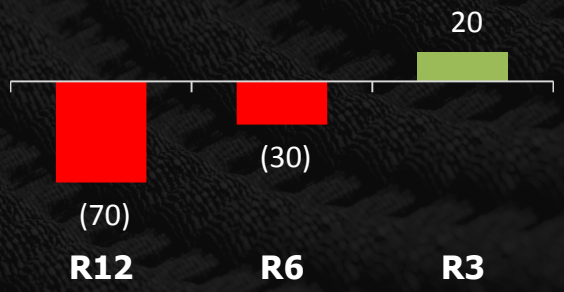
[1] Door closures refers to mass, mid-tier, department store channels. 2015-2017 actual closings; 2018 announced door closings

Plans Underway to Stabilize U.S. Intimates

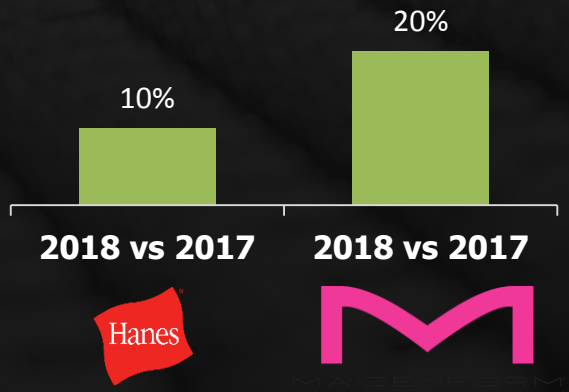
Path to Q4 Stabilization



HBI Bra $ Market Share Change in (bps)[1]



Bra Space Gains at Mass



Increase Speed to Market by 25%

- Simplify Product Line
- Reduce SKUs
- Reduce Fashion Color
- Reduce Material Development

BALI

Playtex

Hanes

Actions Underway

- Expanding presence in stable channels
  - Online – 20% increase year-over-year (23% of business)
  - Mass Channel – Space gains for Maidenform and Hanes
- Increasing Investment
  - Maidenform (#2 brand with millennials)[2]
  - TV support for Bali Comfort Flex Fit innovation
- Increasing Speed to Market
  - Product simplification
  - Shorter development cycle
- Relaunch shapewear in fall 2018 with major new product launch

[1] Source: NPD Consumer Panel [2] Millward Brown / HBI Equity Tracker R12 end Dec '17

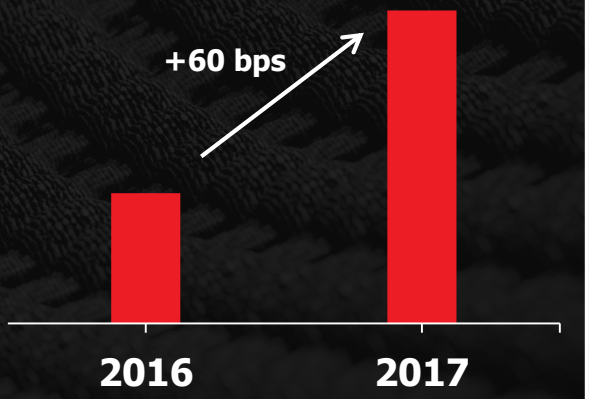
Basics Business Consistent Over Time, Benefiting from Innovation and Gaining Market Share

Broad Distribution

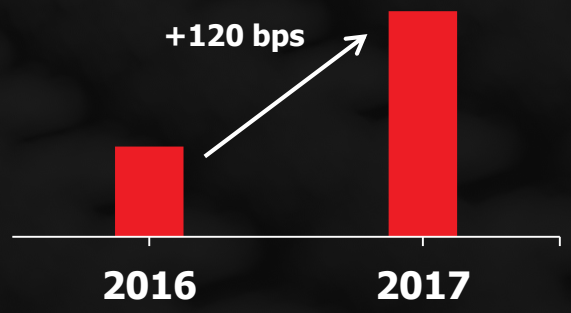
Walmart
macy's
amazon
KOHL'S
TARGET
belk
DOLLAR GENERAL
CVS pharmacy

HBI Market Share

Total Basics[1]



Men's Underwear[1]



Innovation

Comfort Flex Fit

[1] Source: NPD Consumer Panel R12 end Dec 2016 and 2017

U.S. Innerwear On Course to Stabilize Late Second Half 2018

Basics	Intimates Improvement
• Expanding share • Solid Back-to-School plan • Innovation performing well supported by media investment	• Category stabilizing • HBI share stabilizing • Channel development action underway • Brand investment ramping • Shapewear repositioning – Fall 2018

Positioned for Consistent Performance

Global Innerwear: Pillars to Consistent Growth

01

Extend Market Leadership through innovation, consumer engagement and marketing

02

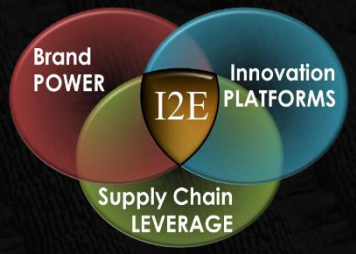
Periodic Acquisitions add another platform for global growth

03

Expand Omni-Presence with Consumer-Directed growth

Global Innerwear: Extending Category Leading Innovation Across the World

DISCIPLINED 6-STEP INNOVATION PROCESS…



01	02	03	04	05	06
Consumer Need	Big Category	Winning Concept	Superior Product	Engage the Consumer	Omni-presence

…DELIVERING MEANINGFUL CONSUMER INNOVATIONS, GLOBALLY

U.S. > France

U.S. > Australia

France > U.S.

France > U.S.

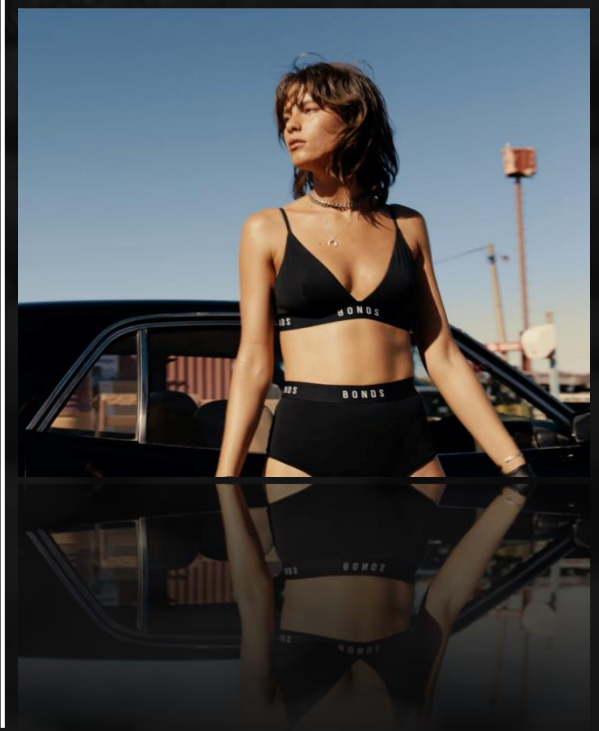
Global Innerwear: Consumer Engagement and Marketing

Recent Campaigns by Our Top 3 Brands

Hanes

DIM PARIS

BONDS



Video Playing

Global Innerwear: Pillars to Consistent Growth

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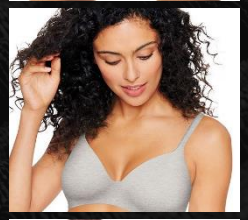
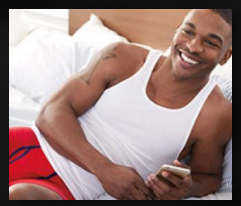
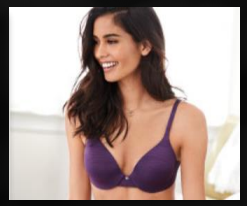
HANES *Brands Inc*

Global Innerwear
Acquisition Growth

Francois Riston
President, Hanes Europe



Global Innerwear: Pillars to Consistent Growth

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Extend Market Leadership through innovation, consumer engagement and marketing

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Periodic Acquisitions add another platform for global growth

03

Expand Omni-Presence with Consumer-Directed growth

Leading Market Positions in Key Regions & Categories

PRODUCT	U.S.	Europe				Australia	Rest of World
		FR	GER	SP	ITALY		
Men's Underwear	#1	#1		#1	#3	#1	#1 / #2 (Mexico, Philippines / Brazil, Canada)
Intimate Apparel	#2	#2		#2	#2	#1	#2 (Canada)
Women's Underwear	#2	#2				#1	
Bras	#2	#2				#1	#3 (Mexico)
Kids' Underwear	#1					#1	
T-shirts	#1						
Hosiery	#1	#1	#1			#1	
Socks	#1	#3	#2			#1	
Global Market: **$165B**[1]	**$22B**	**$29B** (EU Top4: **$13B**)				**$2B**	**$112B**

Large Fragmented Market Represents Opportunities for Growth

Sources: US & Canada: NPD 12ME Dec 2017; Mexico: Trendex, Euromonitor Dec'17; Brazil: IEMI 2017; France/Spain: Kantar Panel 2017; Germany: GfK 2017; Italy: SITA Dec 2017; Australia: BDA Tracking 2017; Nov'16; Remaining countries based on management estimate using various local sources. [1] Market Size: Euromonitor

Acquisition Criteria

- We are only interested in acquisitions with great returns and relatively low risk
- Acquisitions that meet our strict criteria can generate great returns for shareholders in both the short-term and the long-term

4 Acquisition Criteria

01

In our core categories

02

Provide complementary growth opportunities in consumer segments, channels or geographies

03

High-probability cost synergies that leverage our supply chain and/or SG&A

04

Accretive in year 1, excluding integration costs

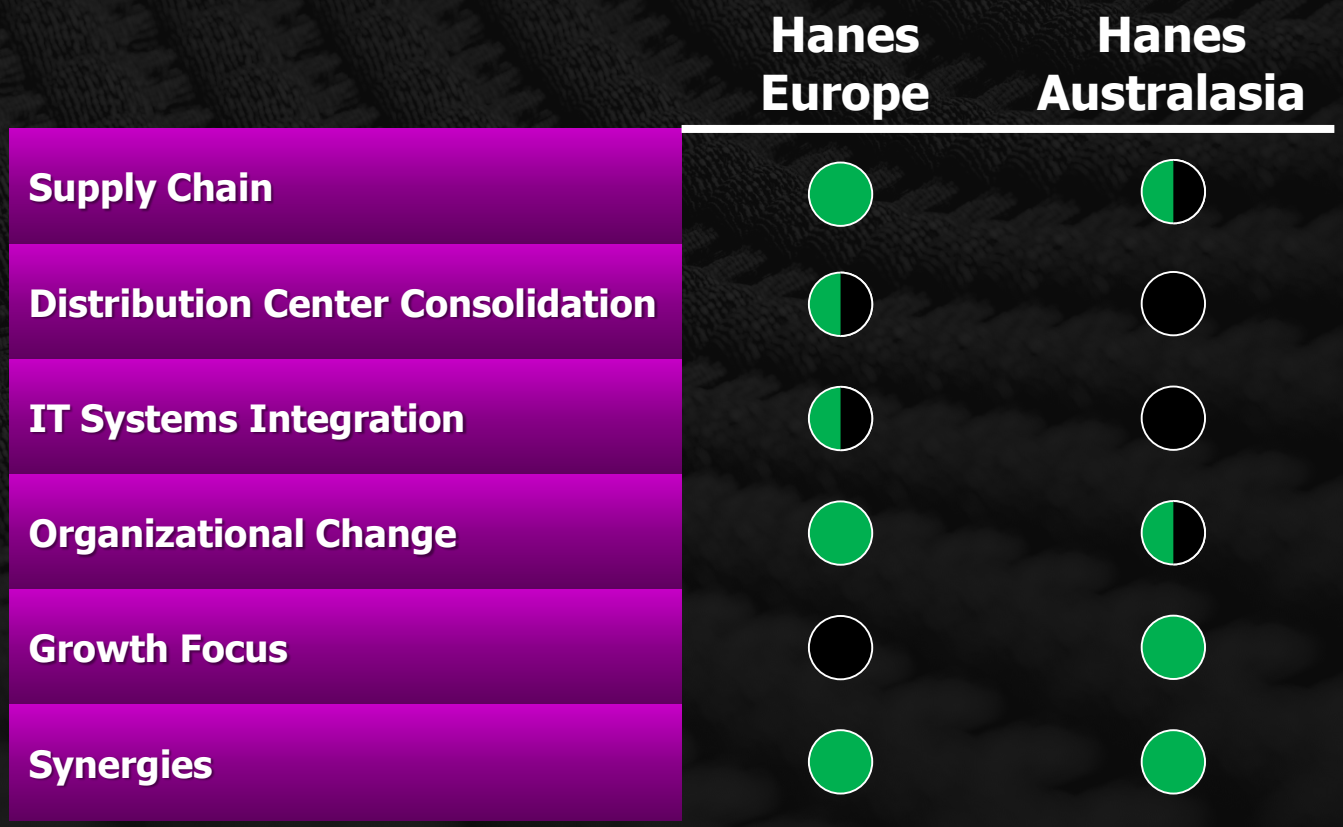
Acquisition Track Record

- ✓ ~$2.7B Acquired Sales (2013 – 2018)
- ✓ ~$225M Operating Profit at Purchase
- ✓ ~$465M Operating Profit Post Synergies[1]

PACIFIC BRANDS
Champion JAPAN
DBApparel
ALTERNATIVE
GTM SPORTSWEAR
Champion EUROPE
MAIDENFORM
KA KNIGHTS APPAREL
UNIVERSOSPORT
bras N things

[1] Excludes charges

Integration Varies Depending on Context



Different Approaches with Both Sets of Synergies On Plan

Hanes Australasia (Pacific Brands) Integration

PRE-INTEGRATION

Power of One
2008-2015

- ✓ **Portfolio rationalization**
- ✓ **Organization consolidation**
- ✓ **IT integration**

INTEGRATION PROCESS

- **Functional connectivity:** No major organizational changes
- **System connectivity:** Existing IT systems remain
- **Local integration** of small Australian HBI business
- **Progressive integration** of global supply chain
- **Divestment** of non-core assets

RESULTS

- **Light touch** integration
- **Synergies**
  - Mid-teens IRR
  - Supply chain
  - Growth
  - SG&A

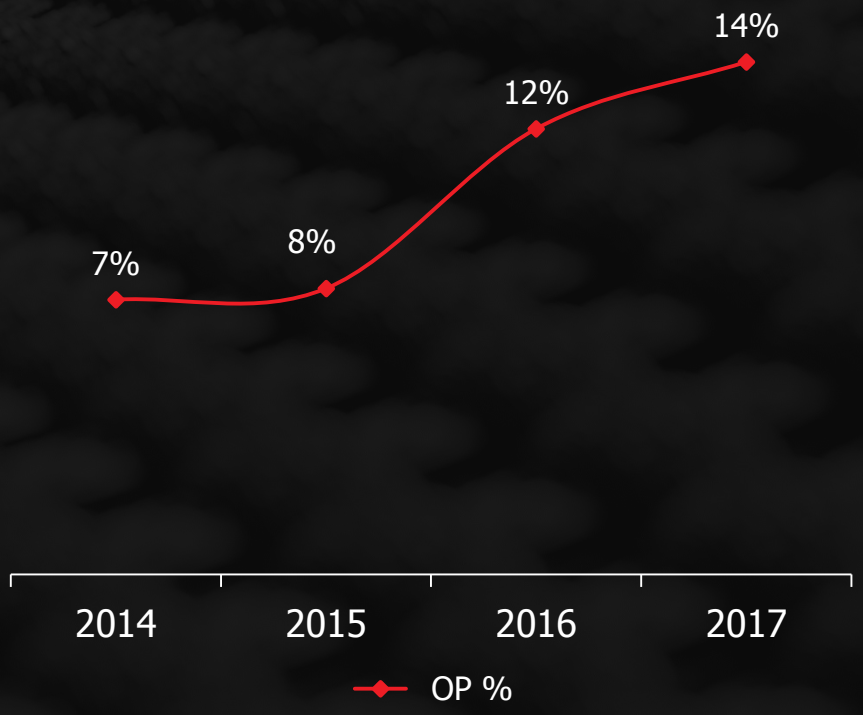
Hanes Europe Innerwear Acquisition Overview

- DBApparel purchase added €650M of sales with leading brands and commercial centers in key European regions
- Profit margin improved significantly from 7% in 2014 to 14% in 2017

European Presence (2017)

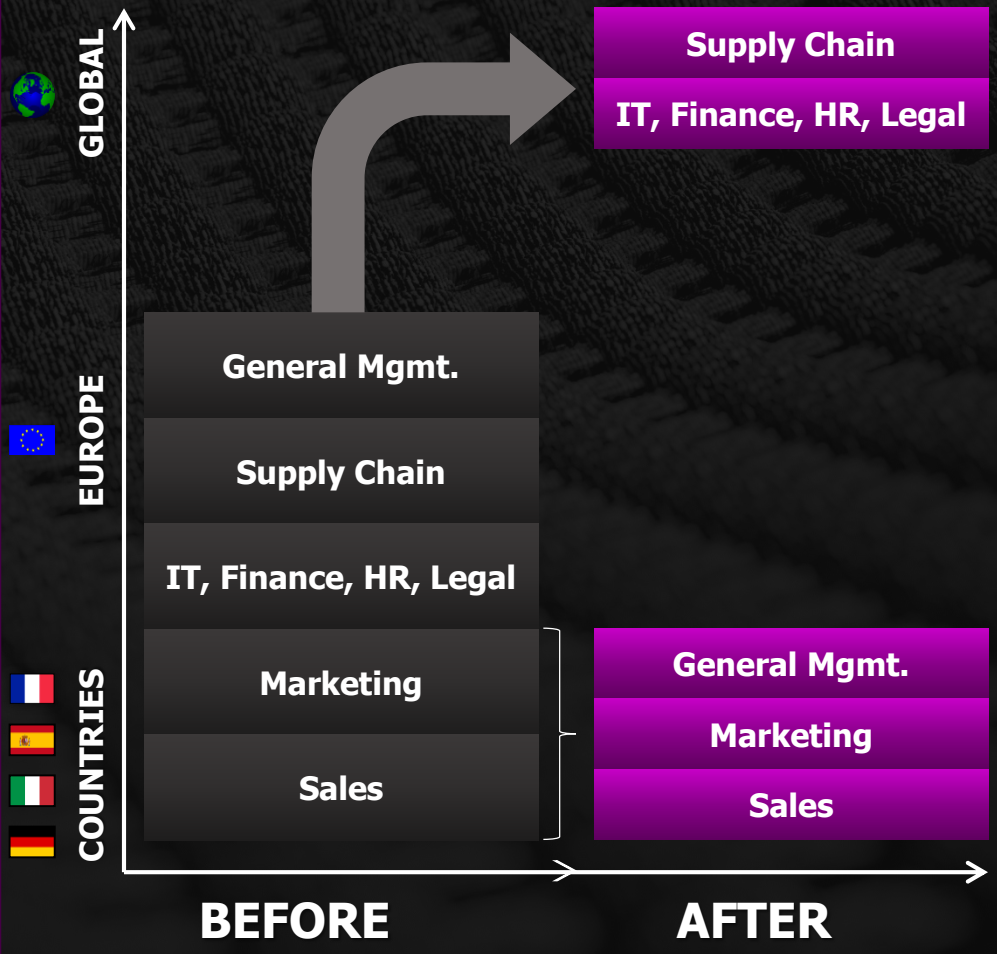
- ~80% of sales in:
  - France
  - Germany
  - Italy
  - Iberia
- Presence in 18 countries
- Commercial centers in key geographies:
  - France
  - Germany
  - Italy
  - Spain
  - South Africa

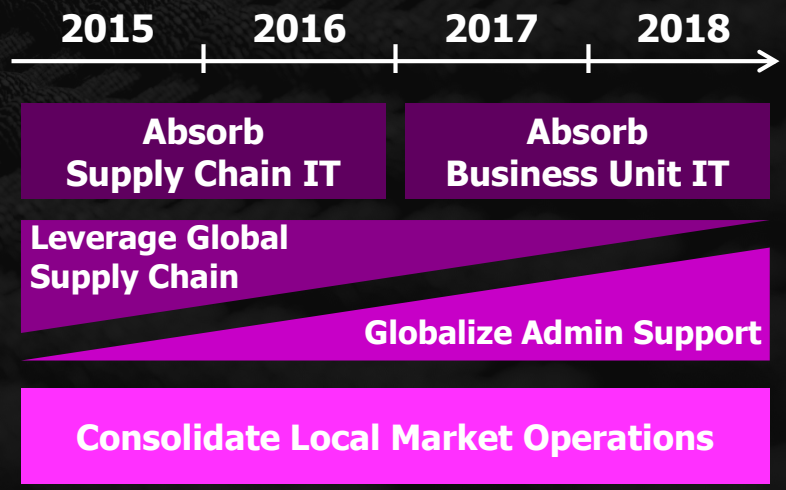
Operating Margin Growth



Hanes Europe Innerwear Integration

- Streamline the organization by pulling select activities "up" to leverage global scale and eliminate central costs while pushing others "down" closer to customers





Synergies

- ✓ Mid-teens IRR
- ✓ Supply Chain
- ✓ SG&A

Through Acquisition We Have Created Regional Innerwear Platforms on Which We Can Build

Regional Innerwear Platforms Established

Sell More

- Grow in new channels
- Grow in new categories
- Grow in new countries

Spend Less

- Global product platforms
- SG&A

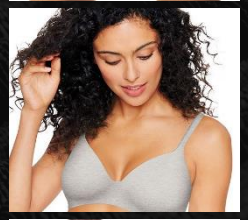
Generate Cash

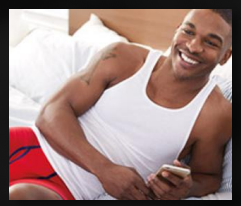
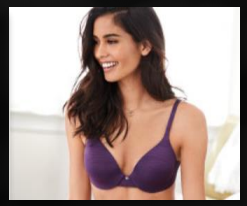
- Working capital optimization

HANES *Brands Inc*

Global Innerwear
Consumer-Directed Growth

David Bortolussi
President, Hanes Australasia



Global Innerwear: Consistent Growth

01

Extend Market Leadership through innovation and consumer engagement & marketing

02

Periodic Acquisitions add another platform for global growth

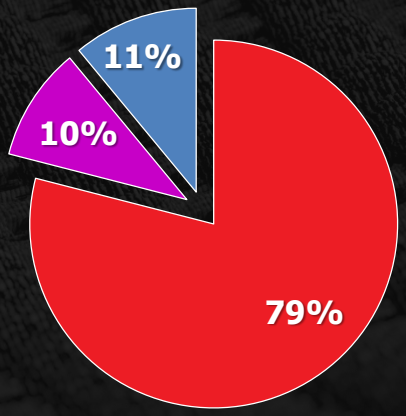
03

Expand Omni-Presence with Consumer-Directed growth

Hanesbrands Global Innerwear Channel Mix

Evolving our distribution with a significant and fast-growing Consumer-Directed business

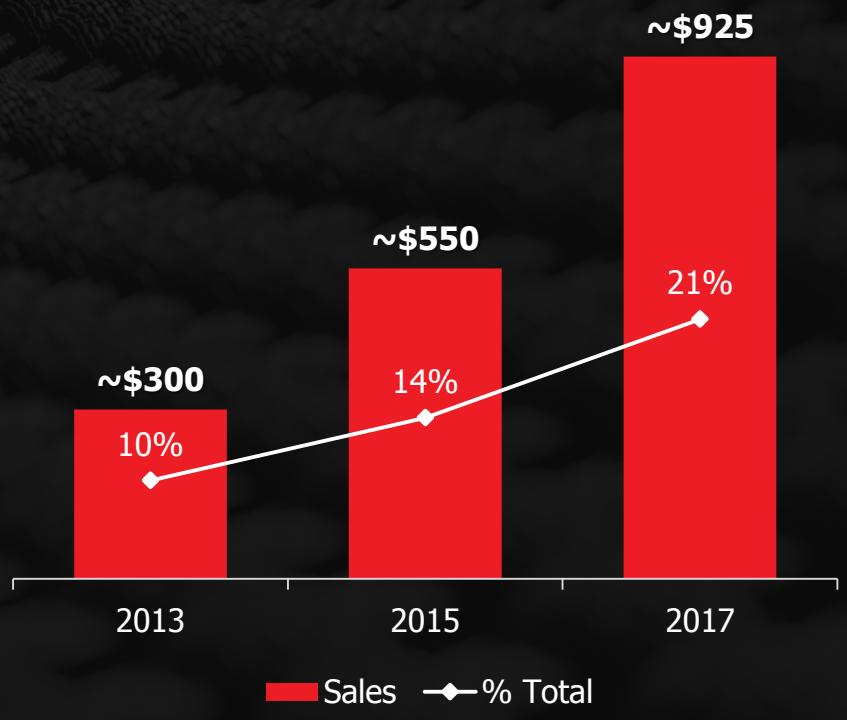
2017 Innerwear Sales by Channel



Consumer-Directed

Wholesale (79%)	Online (10%)	Retail (11%)
Traditional retailer partnerships via brick & mortar	• Amazon global partner • Wholesale partner websites • Owned websites	• Total ~700 stores[1]

Consumer-Directed Sales ($M)



Consumers are Becoming More Omni-Channel

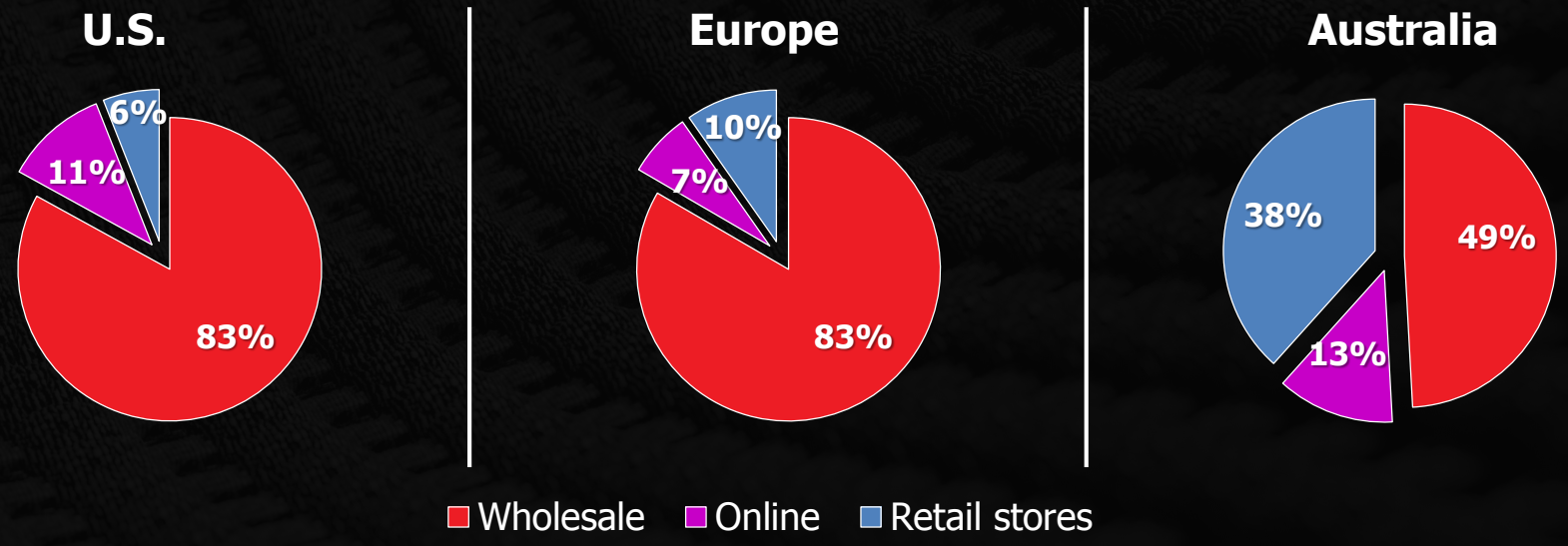
[1] Excludes shop-in-shops

Benefits of Consumer-Directed Business

- **BUILD** brand equity
- **ATTRACT** new consumers and diversify channels
- **ENGAGE** in direct relationships with consumers
- **IMPROVE** wholesale execution with collaboration
- **CAPTURE** attractive financial returns

Consumer-Directed Strategy Varies by Region Depending on Market Dynamics

2017 Innerwear Sales by Channel | Regional Breakdown



Total Industry Market Data

Online as % of Apparel Sales[1]	
U.S.	**20%**
Europe	**16%**
Australia	**16%**

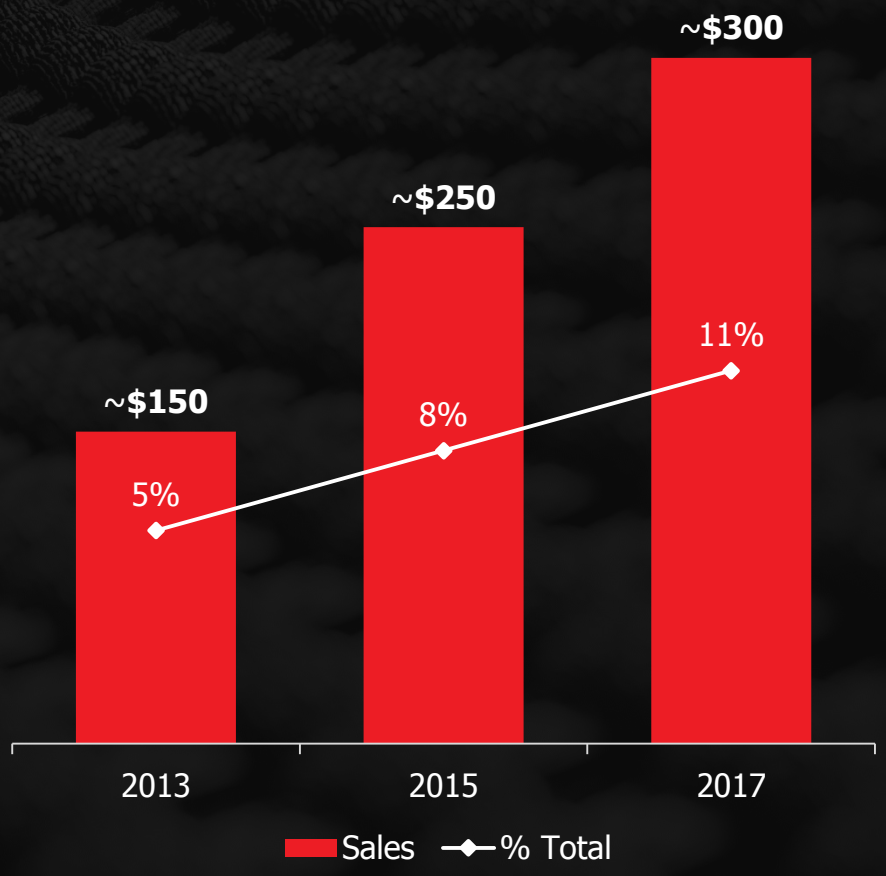
Retail Space per Capita[2]	
U.S.	**24**
Europe	**4**
Australia	**9**

[1] Source: NPD & Euromonitor ending Dec '17 [2] Gross lettable area in sq. ft. Source: International Council of Shopping Centres Research

U.S. Innerwear Online Sales Doubled Since 2013

- Pure plays
  - Amazon global partnership delivering strong growth
  - #1 or #2 "Top Performer" on best sellers list[1]
- Partnering with high-traffic B&M retail sites, e.g.
  - Walmart.com
  - Kohls.com
  - Target.com
- Owned websites growing at high single digits
- Online channel delivers margins similar to traditional wholesale

Innerwear U.S. Online Sales ($M)



[1] Gartner L2 Amazon Performance Rank to Q4 2017

Australasian Growth through Specialty Retail

- Hanes Australasia background
  - Transformed after global financial crisis
  - Strong brand equity in Bonds
  - Focused on retail growth
- One of the leading omni-channel offers in the market
- Retail network
  - Shift to retail is margin accretive
  - Incremental approach, limited cannibalization
  - Strategically flexible

Hanes Australasia Sales & Channel Mix[1]

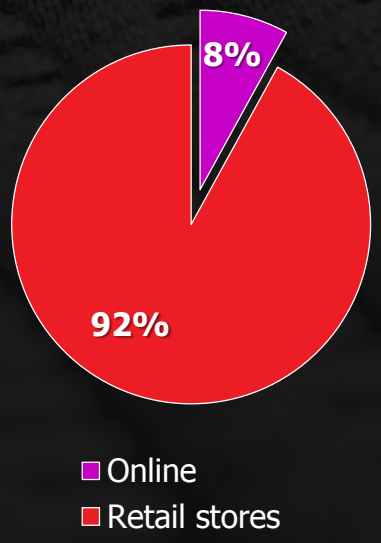
Opportunities to Grow Online, Expand & Evolve Retail and Drive Core Category Growth

[1] Continuing business; [2] Translated at constant currency AUD:USD = 0.75

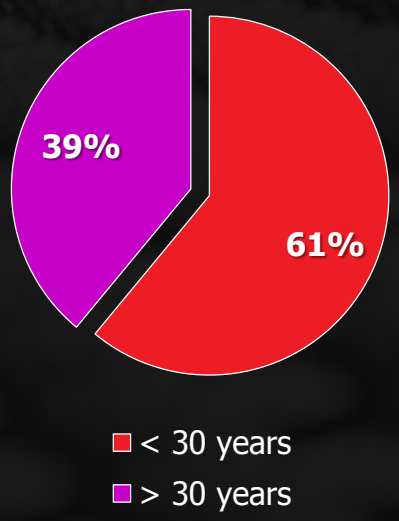
Bras N Things Acquisition a Strong Strategic Fit

- Acquired in February 2018
- A leading intimates brand in the region, with a vertical specialty retail business model
- 172 owned retail stores in Australia, New Zealand and South Africa

2017 Sales by Channel



Consumer Demographic



Acquisition Rationale

- ✓ **In our core categories**
- ✓ **Provides complementary revenue growth opportunities**
  - Addresses gap in intimates portfolio
  - 100% consumer-directed
  - Millennial consumer base
- ✓ **Financially justifiable based on cost synergies**
  - Opportunity to leverage global supply chain
  - Incremental SG&A synergies
- ✓ **Provides strong returns**
  - Highly profitable, fast-moving business model
  - Further growth opportunities through local retail, online and international expansion
  - Strong management capability and cultural fit to enable value creation

Leading Australasian Innerwear Retail Business

Bonds

- 109 owned stores/outlets and 63 concessions
- Top quartile sales density and growth
- High net promoter score
- Loyalty program with relatively large active member base
- Omni-channel capability: 25% of retail sales from online

Bras N Things

- 172 owned stores/outlets
- Leading store contribution margins
- Distinctive fitting service and in-store experience
- Advanced store traffic and conversion systems
- Weekly drops of new product
- Omni-channel capability: 8% of retail sales from online and growing fast

Bonds Store Format Video

Video Playing

Global Innerwear Key Messages

1

Large, stable, highly branded category of products that consumers wear everyday; we own a portfolio of iconic brands with leading share positions around the world

2

U.S. business has been impacted by macro retail shifts with Intimates disproportionally impacted by door closures; actions underway to return business to growth over time

3

Strong brands, meaningful product innovation combined with effective consumer engagement will drive continued market leadership

4

Through strategic acquisitions we have broadened our geographic scope to Europe, Australia and Asia; opening more avenues to apply our Innovate-to-Elevate strategy

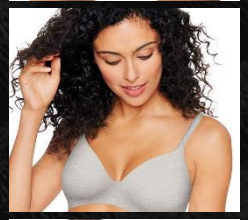
5

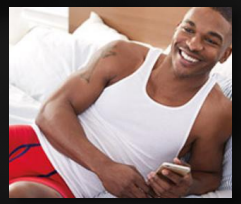
Expanding Consumer-Directed business to match evolving consumer preferences – online and branded stores

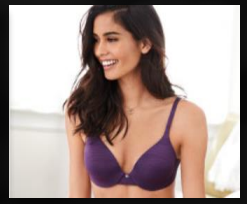
Brands, Global Scale, and Omni-Presence Provide a Path to Consistent Growth

HANES *Brands Inc*

Q&A Session





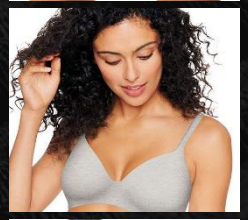


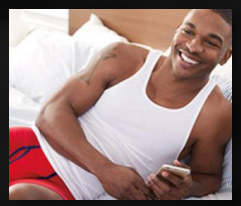
CSR 2018 Video

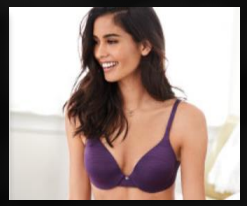
Video Playing

HANES *Brands Inc*

BREAK







Champion Brand Positioning Video

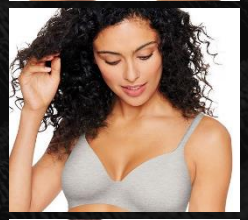
Video Playing

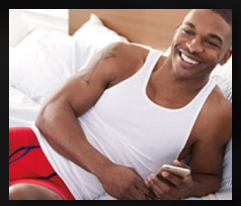
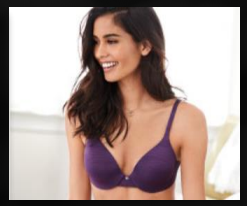
HANES *Brands Inc*

Global Activewear

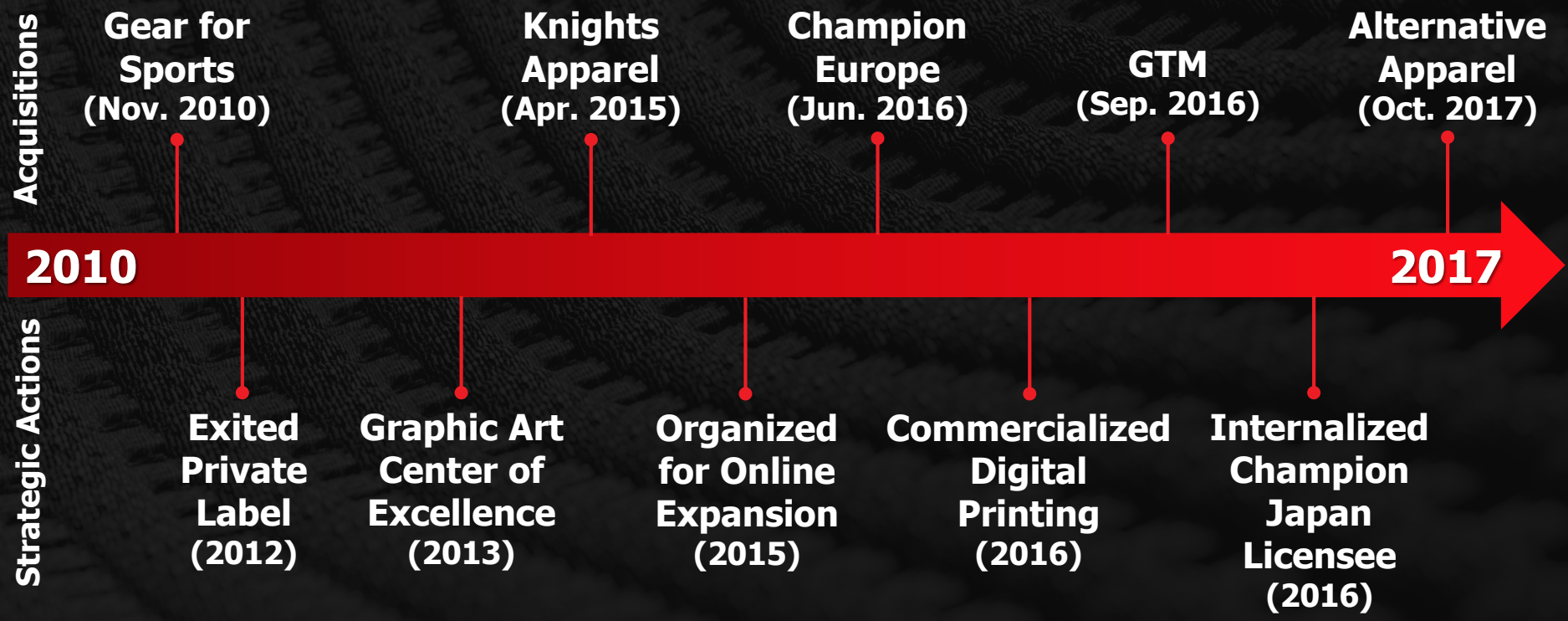
John Marsh

Group President, Global Activewear



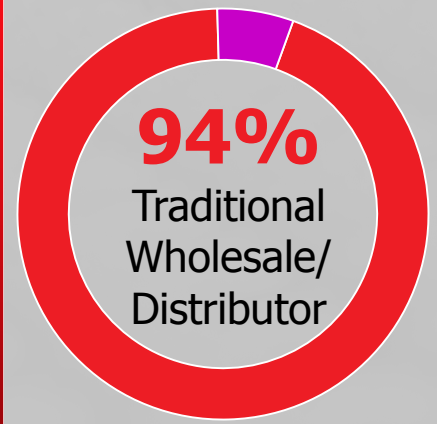
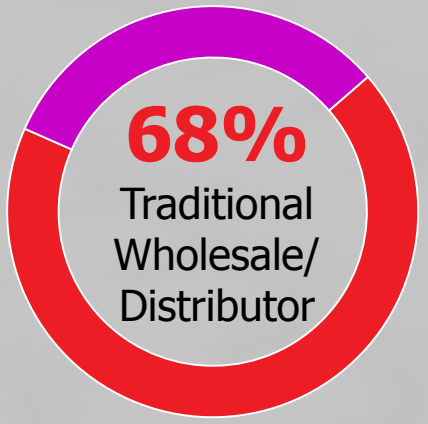



Global Activewear Business Has Been Transformed for Success



- More Branded
- New Distribution, Capabilities and Talent
- Reunited Champion Globally
- Closer to the End Consumer

Global Activewear: More Branded, More Global, and More Profitable

	2010	2017
Total Sales	**$1.3B**	**$2.2B**
Champion Sales	**~$600M**	**$1.4B**
U.S. Op. Margin[1]	**6%**	**16%**
% Private Label	**7%**	**0%**
Geographic Focus	**U.S.**	**Global**
Channels Served		

- Made targeted acquisitions and grew organically
- Diversified channel and geographic mix
- Moved closer to the consumer
- Exited private label; focused resources on growing global brands

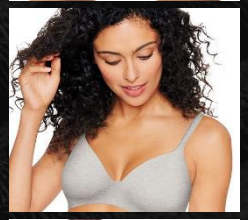
[1] 2010 Op Margin as reported.

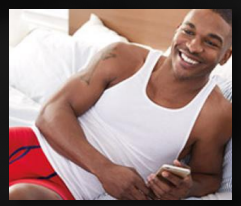
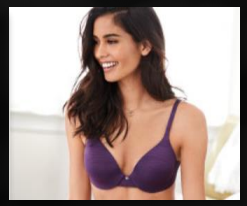
HANES *Brands Inc*

Global Activewear

John Marsh

Group President, Global Activewear



Global Activewear Key Messages

1

Repositioned away from commoditized products to better brands and channels led by Champion

2

Scalable product platforms and robust graphics capabilities to support growth

3

Champion, Hanes, and Alternative – strong portfolio of authentic brands with relevant positioning and segmentation

4

Diverse distribution channels that are increasingly consumer directed

5

Global Champion sales and profit growing rapidly

Activewear, Led by Champion, Well Positioned to Leverage Products, Brands and Distribution to Drive Global Growth

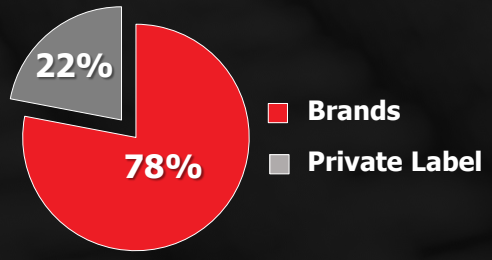
Favorable, Large and Growing Global Marketplace

$180B[1]
Global Activewear Market

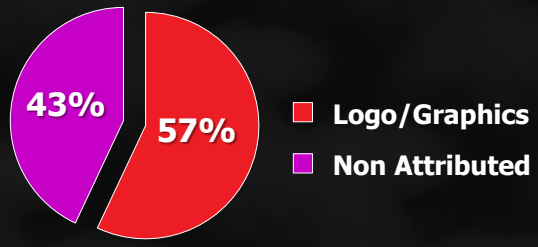
70% Casual

30% Athletic

ALTERNATIVE. Hanes Champion



U.S. Per Capita Consumption Increasing



[1] Source: Euromonitor.
Source for both pie charts is NPD.

Globally Diverse Portfolio of Brands and Everyday Products That Consumers Love

~$2.2B in Sales Comprising Our Global Champion, American Casualwear and Sports Apparel Businesses

Primary Products

Performance ◆ T-shirts ◆ Shorts ◆ Fleece ◆ Sport Shirts ◆ Sports Bras ◆ Thermals ◆ Team/Fanwear

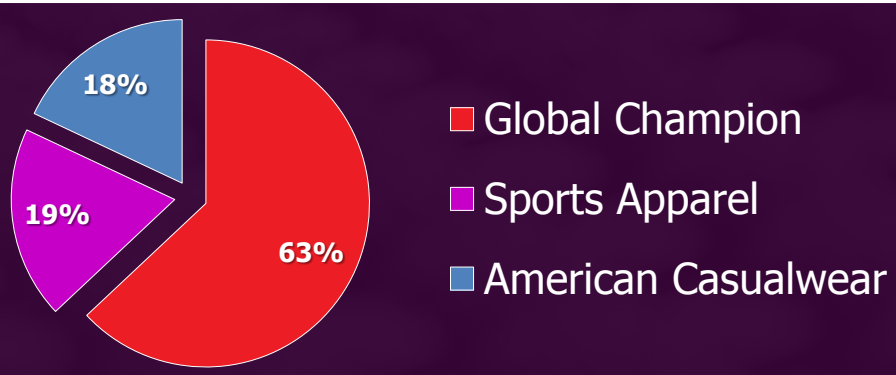
Primary Brands

Champion

Hanes

ALTERNATIVE

2017 Sales by Business Unit



Strategic Acquisitions Capturing Synergies and Driving Distribution Expansion

Acquired Distribution for Champion Brand

gear FOR SPORTS. | KA KNIGHTS APPAREL | GTM SPORTSWEAR

- College Campus
- Traditional Retail
- High School Campus

Champion

New distribution

New graphics capabilities and talent

New channels to brand with Champion

HBI Distribution for Acquired Brands

ALTERNATIVE

- College & Resort
- Retail and E-commerce
- Wholesale Distributors

HANES Brands Inc

New brand to portfolio

New lifestyle merchant team

New brand and products to drive through existing channels

Global Activewear: Disciplined Approach to Growth Leveraging Our Unique Capabilities

01

Drive Core Business and Expand Distribution

02

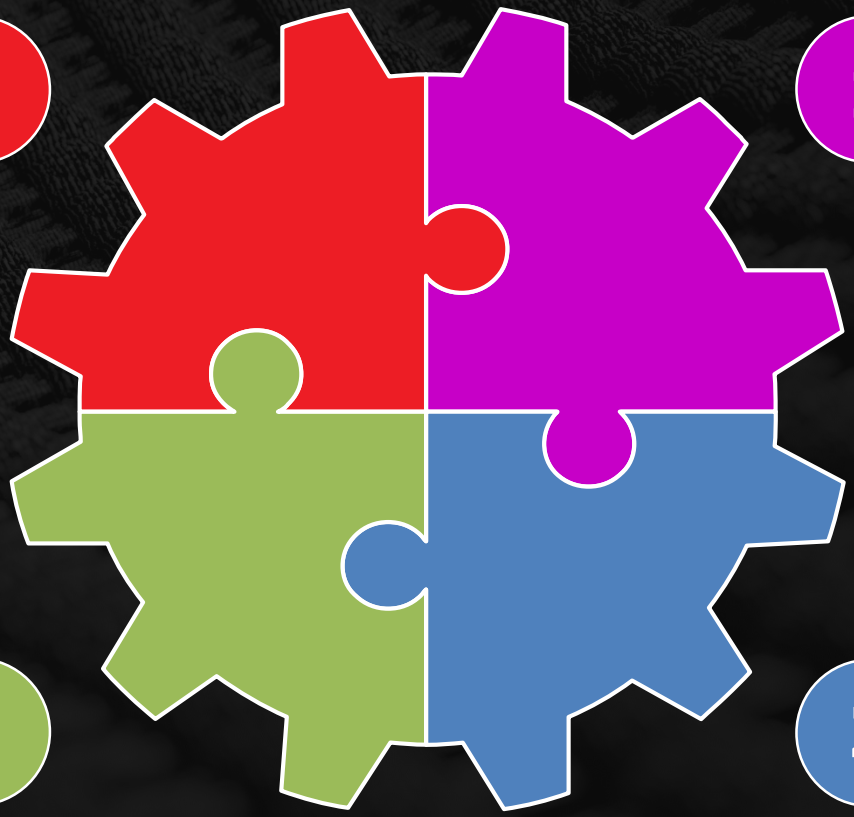
Grow Consumer-Directed Sales

03

Expand into New Geographies

Leverage Activewear Engine

Activewear Engine Unlocks Growth Potential & Margin Expansion



1. HBI Global Supply Chain
2. Product and Graphics Platforms
3. Powerful Consumer Brands
4. Global Omni Channel Reach

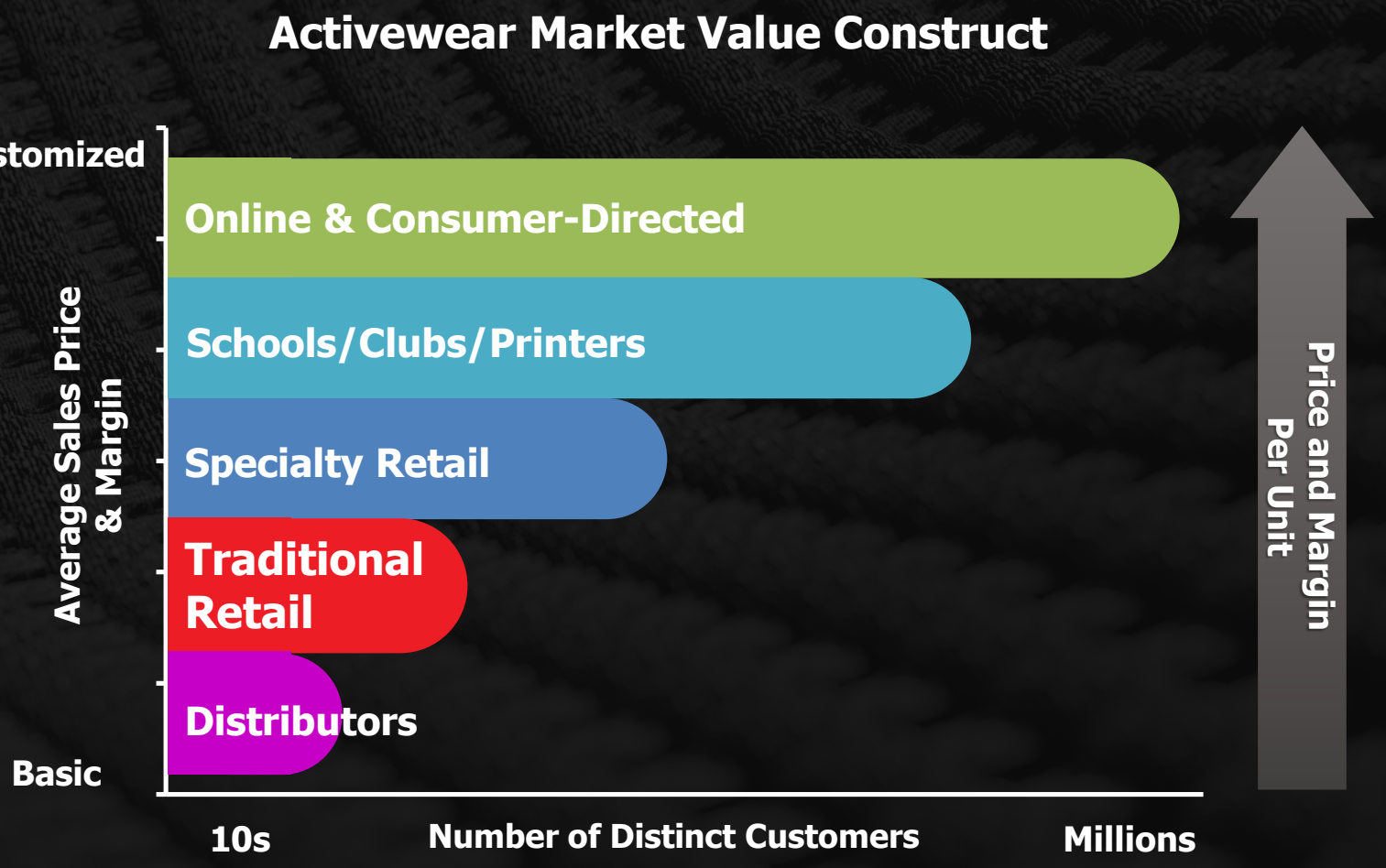
Innovation Platforms Across Brands and Products Drive Scale and Differentiation

	ComfortWash by Hanes	Champion Reverse Weave	Customization via Graphics
(Re)introduced	**2018**	**2016 (1938)**	**Various via acquisition**
Overview	• Leverages large manufacturing capability • Addresses quality issues in market • Greeted with enthusiastic reception at recent trade shows	• Leverages our authentic/heritage brand that can't be replicated • Capitalizes on brand momentum • 80 years of archives to search for modern takes on heritage styling	• Ability to make customized small to massive runs for large retailers • Print on demand, quick turn for customers • Ability to capitalize on emergent trends

Segmented Portfolio of Brands Spans Usage Occasions and Price Points

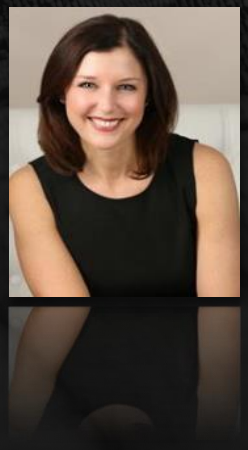
HANES Brands Inc	Overview	Target Age	Price Range
	Athletic-inspired apparel ranging from performance to fashion lifestyle	**18 - 45**	**$20 - $100+**
	Eco-conscious fashion basics consumer	**18 - 35** (Millennials)	**$15 - $75+**
	America's first name in comfort inspired casualwear	**All Ages**	**$5 - $30**

Increased Omni Channel Penetration, With Value Added Brands and Products, Enabling Price and Margin Expansion



Moving Closer to the End Consumer

HANES *Brands Inc*

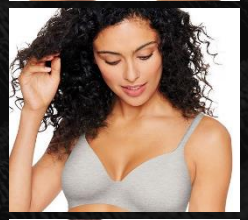


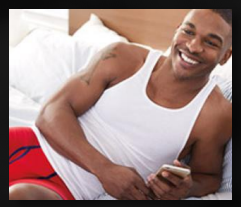
Champion Growth

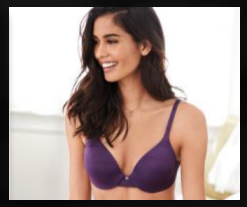
Drive Core Business & Expand Distribution

Susan Hennike

President, Champion North America







Unified Champion Brand Creating Platform for Global Expansion

Brand Positioning

Authentic American Athleticwear

For nearly 100 years, we've been a leader in sports apparel

Champion 2022 Sales Goal

$2B+

Brand Promise

Inside Everyone Is The Heart Of A Champion.

We Help You Find It.

Champion

Global Growth Strategies

01

Drive Core Business and Expand Distribution

+

02

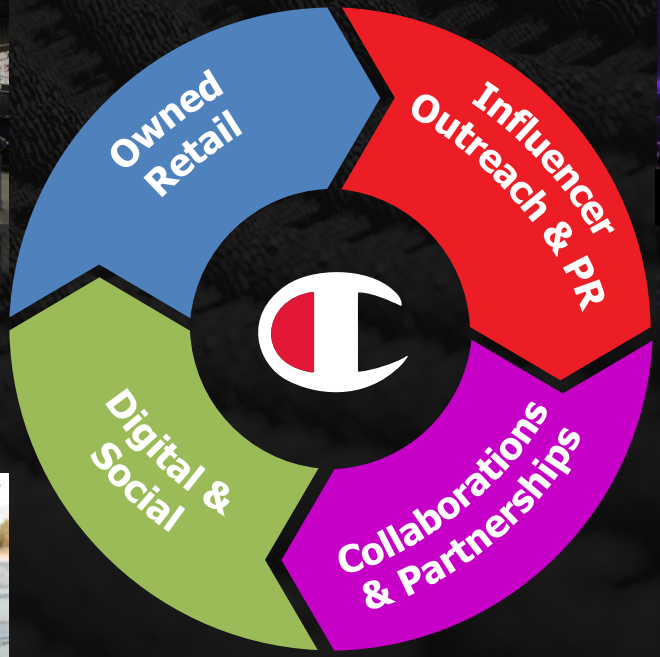
Grow Consumer-Directed Sales

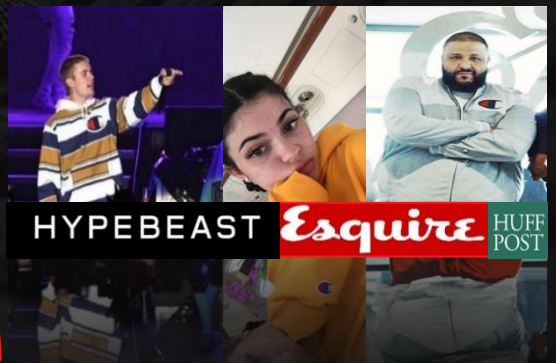
03

Expand into New Geographies

Multi-Faceted Marketing Strategy Creating a Sustainable, Authentic Relationship with Consumers

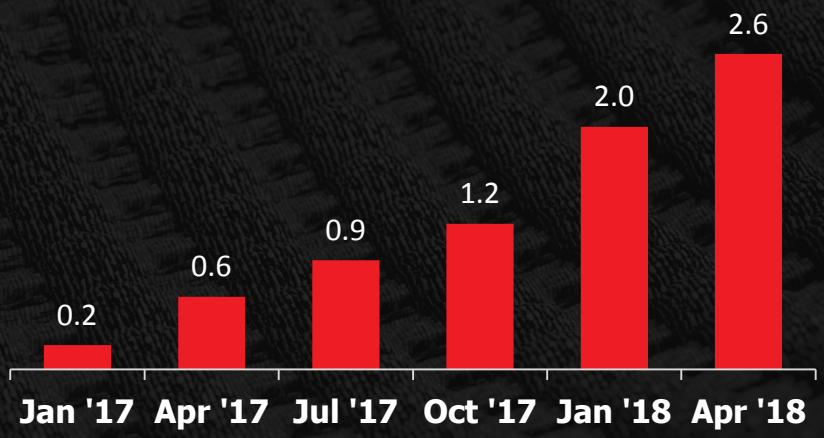
Champion Global Marketing Strategy



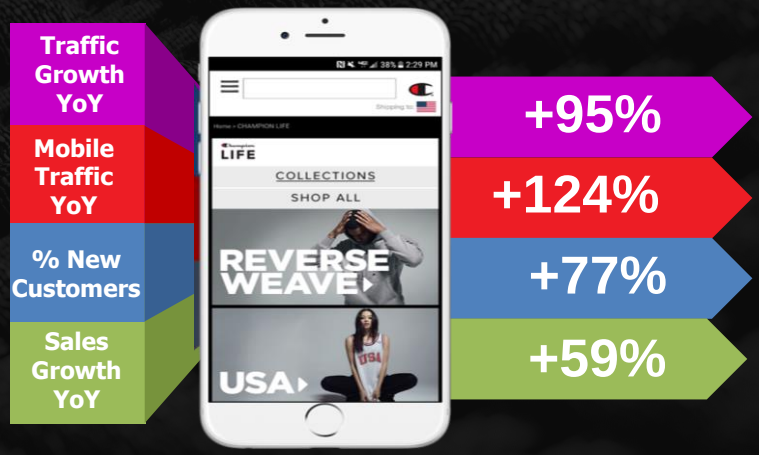


Targeted Consumer Outreach Resulting in Accelerated Social Engagement & Increasing Purchase Intent

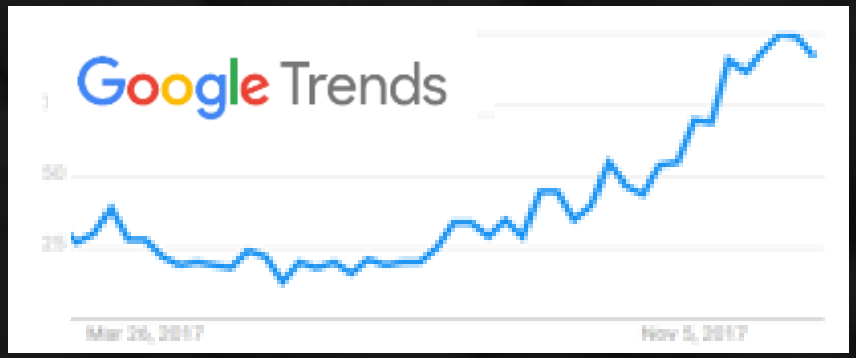
2.6 Million Instagram Followers and Growing



Champion.com 2018 YTD Results



Surging Search Interest in 2017 for "Champion Sweatshirt"



Key Brand Equity Measures are Rising Among All Ages[1]

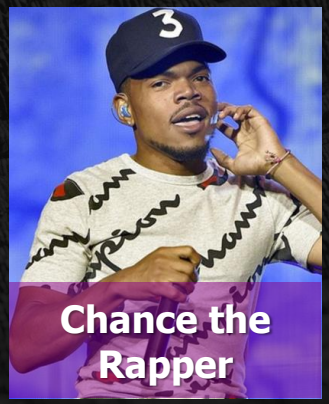
Age Break	Brand I prefer	For Someone Like Me	Better Quality	Fits Better Than Others
18-35	+4	+6	+4	+4
35+	+1	+3	+4	+3

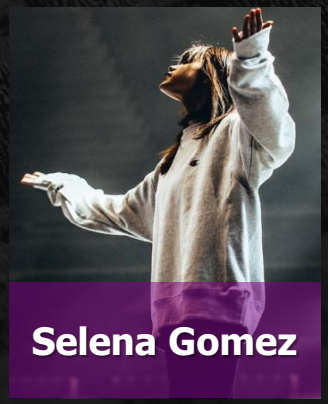
[1] Source: Millward Brown/Hanesbrands Equity Tracker-Dec 17

Influencer and Collaboration Strategy is Elevating the Brand and Reaching New Consumers

Influencers

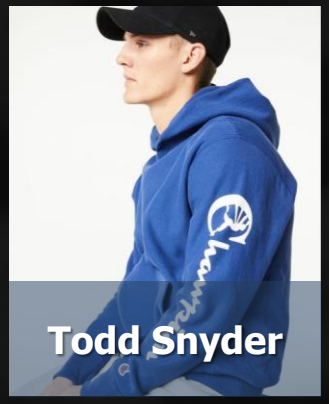
MUSIC, SPORTS AND POP CULTURE HAVE EMBRACED CHAMPION





Collaborators

A DEFINING FEATURE OF MODERN FASHION; HELPS MAINTAIN BUZZ AROUND BRAND

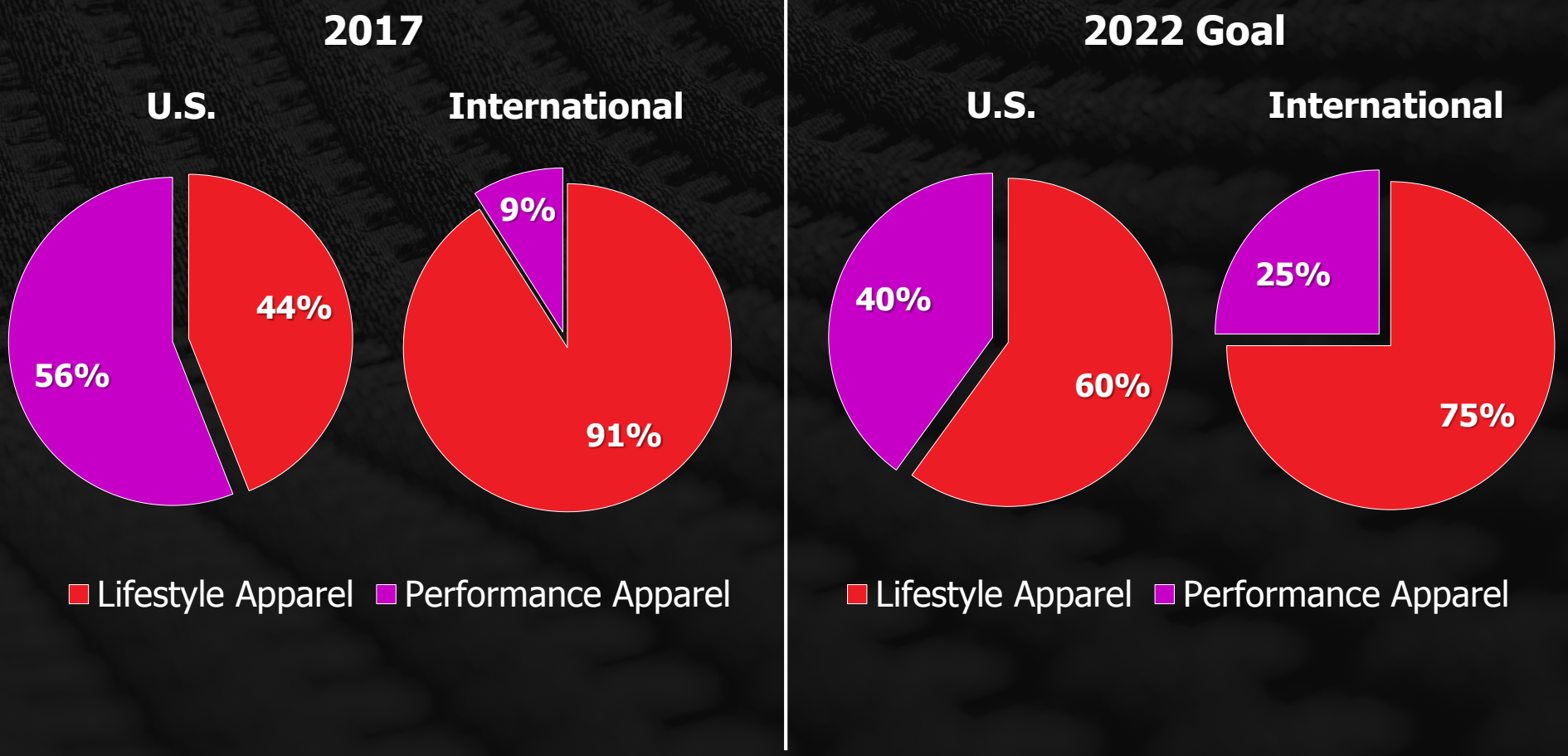


Champion Brand Buzz Video

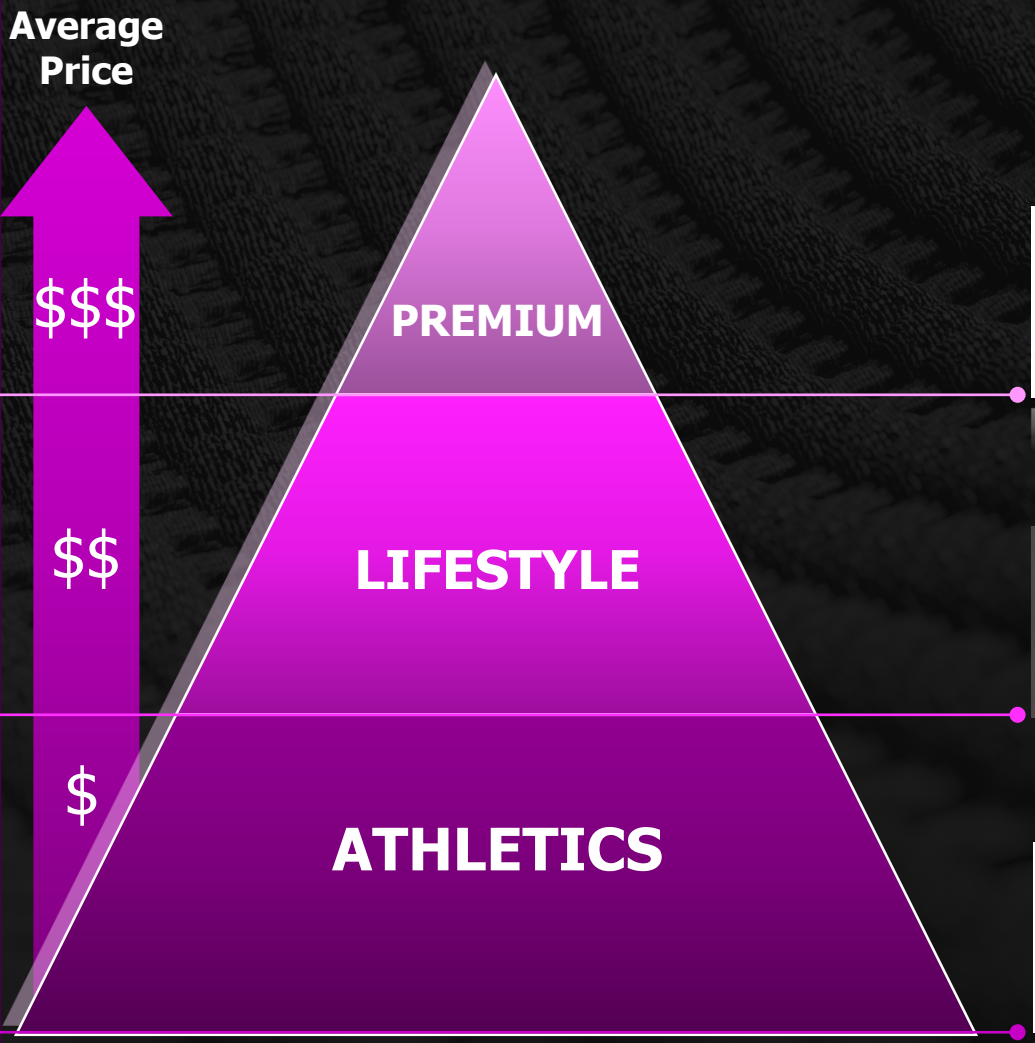
Video Playing

Leveraging Product Platforms and Expertise to Drive Growth Across Geographies

Global Champion Performance-Lifestyle Mix



Expanding within Current Customers and Gaining New Distribution Through Consumer, Product, and Channel Segmentation Globally



Example Products | Consumer | Channels

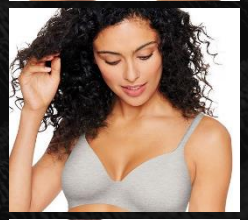
HANES *Brands Inc*

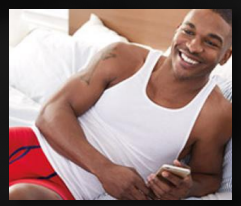
Champion Growth

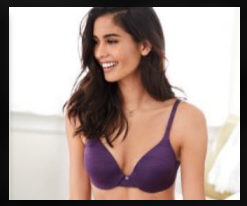
Expanding Consumer-Directed Sales

Joe Monahan

VP & Chief Commercial Officer, Champion Europe







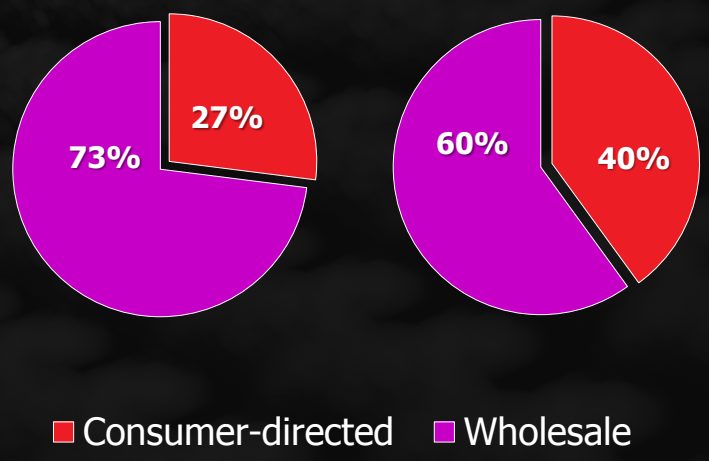
Selling Online & Through Own Stores Driving Sales Growth and Enhancing Consumer Brand Experience

Sales by Category Shift

2017: Consumer-Directed % of Business by Region

	N.A.	Europe	Asia	Champion Global 3-Yr. CAGR
Online	13%	2%	7%	34%
Own Stores	3%	52%	18%	90%
Total	16%	54%	25%	61%

2017 → 2022 Goal



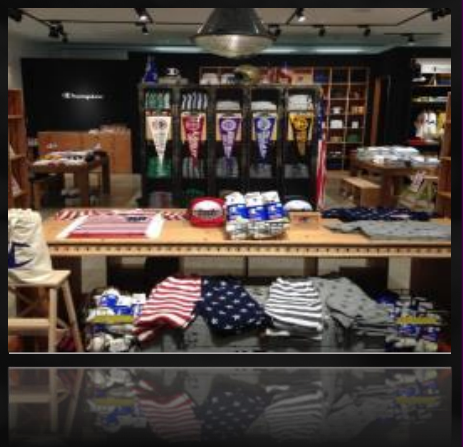
Strategic Approach Across Geographies

Owned Retail Stores and Retail Partner Model Create an Ideal Consumer Brand Experience

- Acquired expertise with Champion Europe acquisition
- Profitable small footprint stores in strategic locations
- Mix of formats
  - Partner model (lower risk)
- Enhances consumer relationship

Champion Store Footprint

U.S.	Europe	Asia
1	96	53



Disciplined Retail Expansion

Selective Approach to Store Location and Expansion and Unique Elements by Market

Champion Store Formats

North America

Los Angeles, CA

1st U.S. Location, Opened Apr `18
Customization of Products

Europe

London

Opened Sep `17

Amsterdam

Opened May `18

Asia

Tokyo

Champion for Her Opened Mar `18

Hangzhou

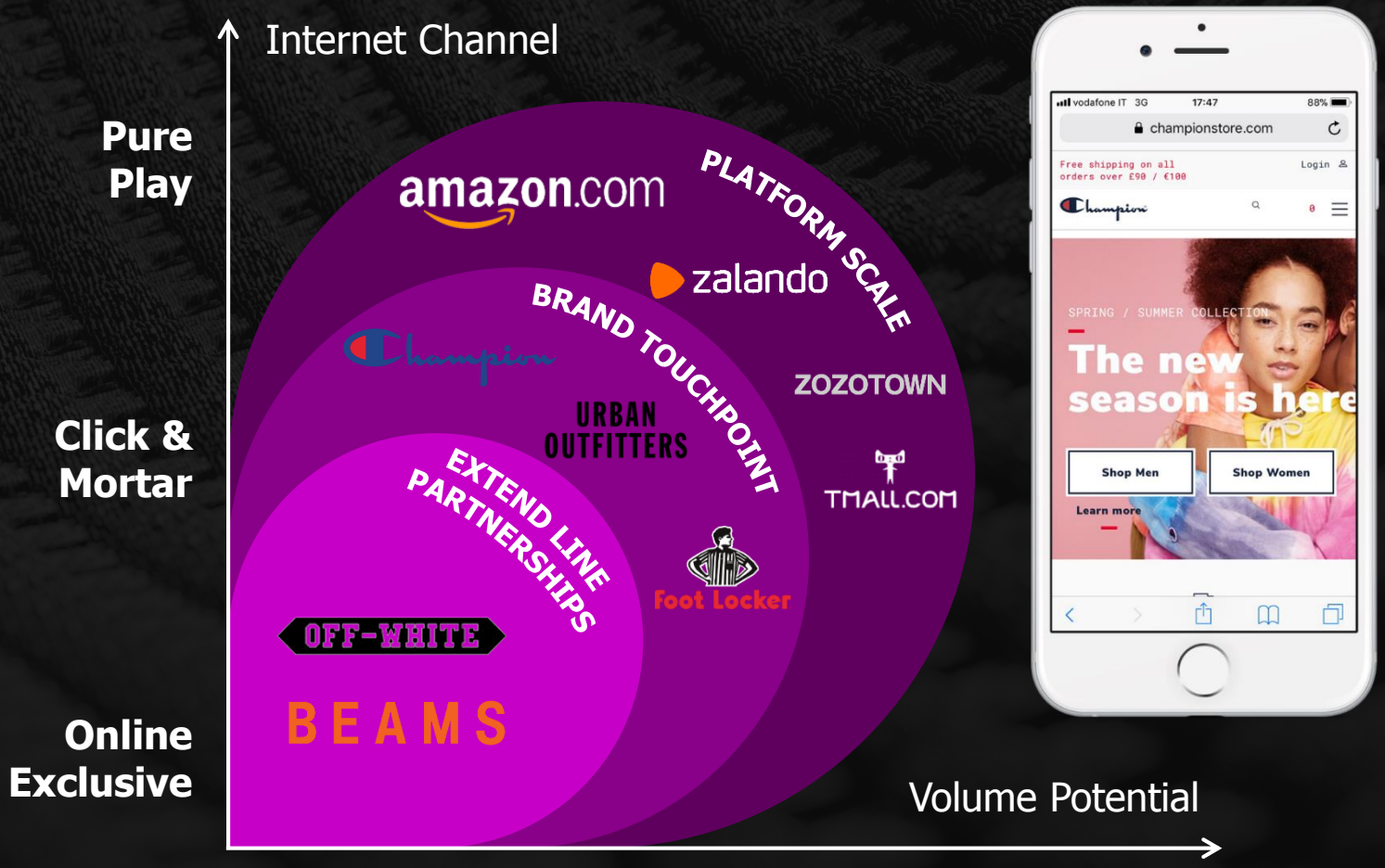
1st location in China, opened Sep `17

Product Customization

Elevating Consumer Experience

Utilizing New Store Formats

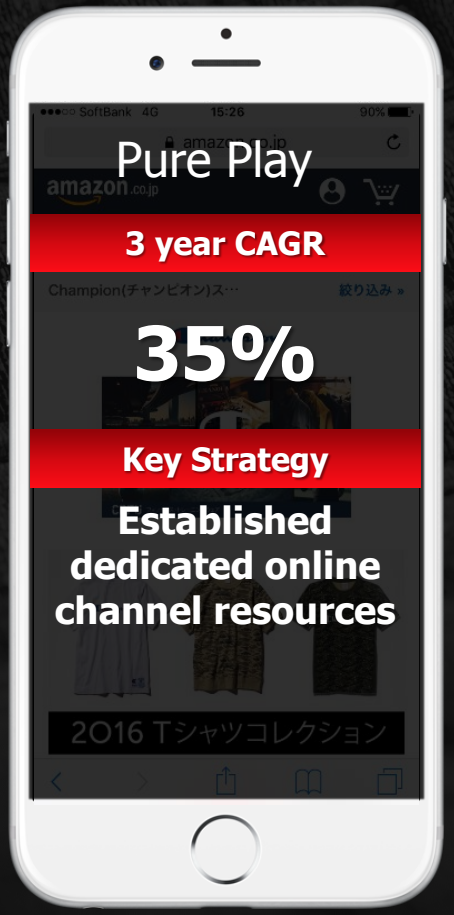
Optimizing Online Channels to Elevate the Brand and Drive Volume



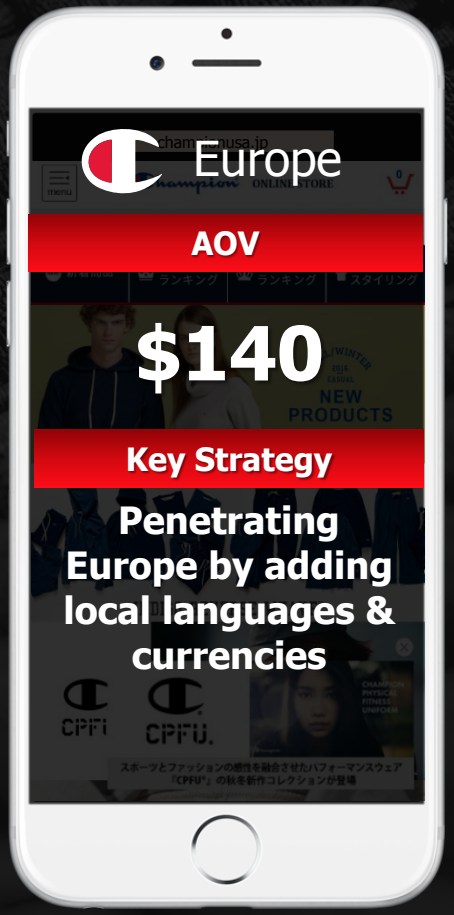
Reaching Consumers When and Where They Shop

Efforts are Driving Meaningful Results Across All Champion Online Channels

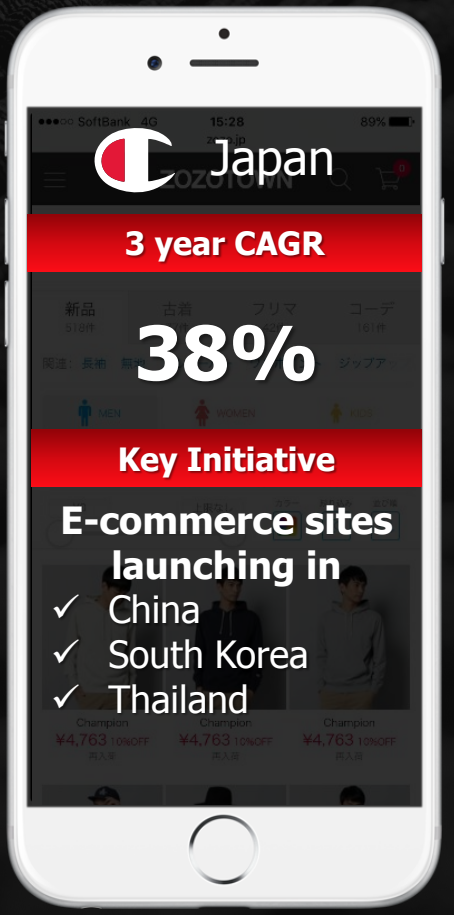
North America



Europe



Asia



Driving Consumer-Directed Growth with Stores and Online

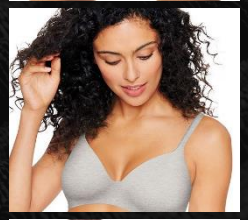
HANES *Brands Inc*

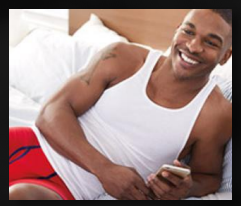
Champion Growth

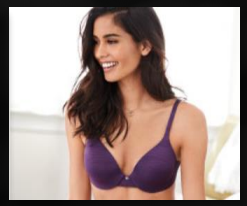
Expanding into New Geographies

Tomohiko Hirano

VP Managing Director, Commercial Asia







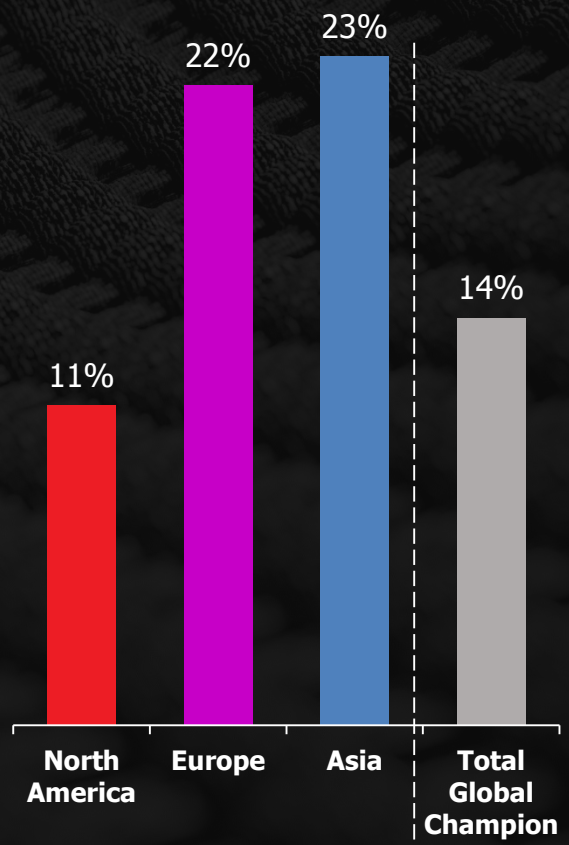
Champion Is Growing Rapidly Across Geographies and Trends are Accelerating Particularly in International Markets

Strong 2017 Global Sales Growth

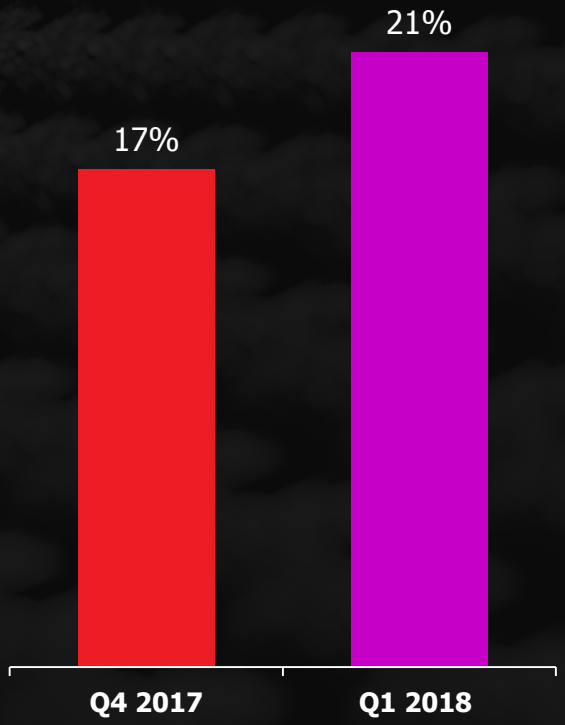
$1.4B

+14%[1]

2017 Growth by Region



Global Growth Accelerating

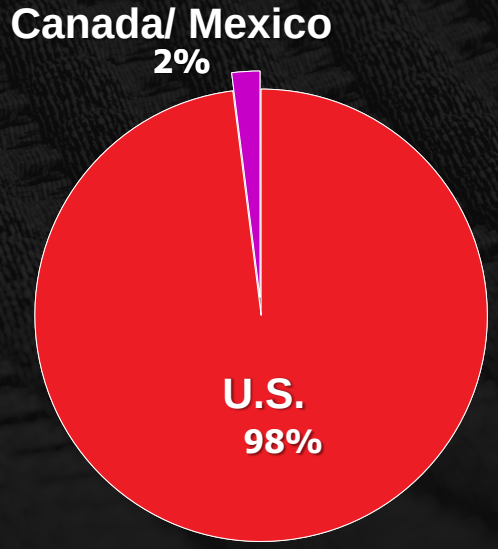


[1] Champion Europe comps full year 2016, acquired mid year 2016

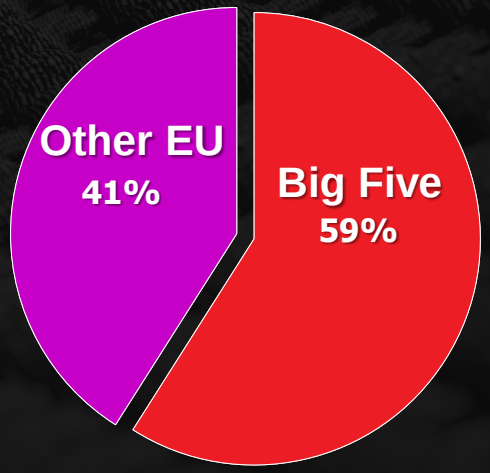
Even with Rapid Growth, Significant Runway for Continued Champion Expansion Across Geographies

Champion Geographic Expansion By Region

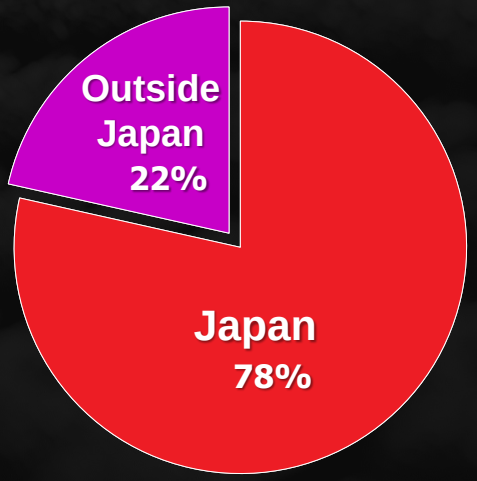
North America



Europe



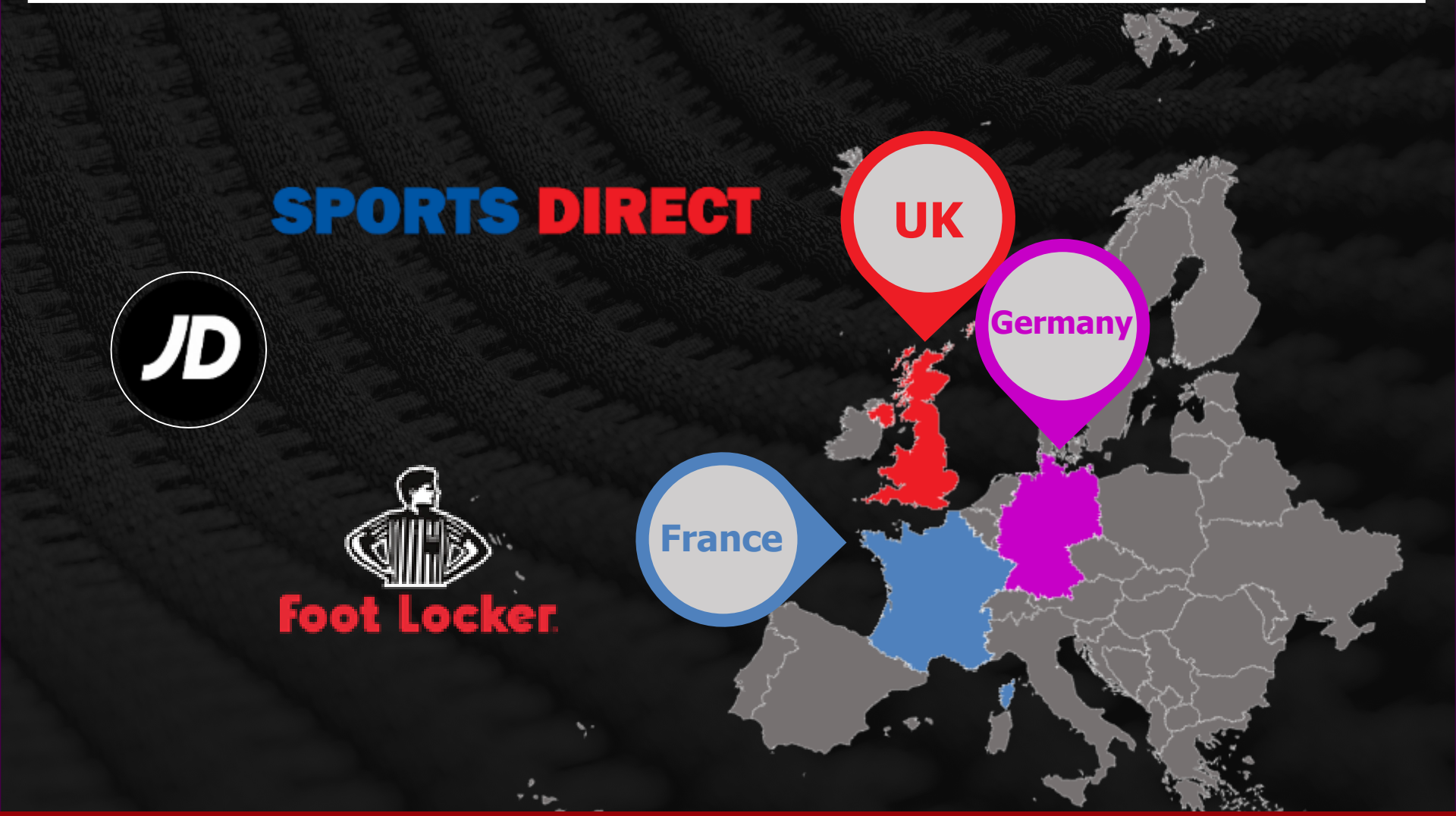
Asia



2022 Goals:

North America	Europe	Asia
Can./Mex. to **10%**	Big 5 to **70%**	Outside Japan to **40%**

Deliberate Effort to Expand into Northern Europe is Yielding Significant Champion Sales Growth Within Key Pan European Retailers



Expanded from 100 to 1,000 doors in 18 months

Established a Profitable, Dedicated Champion Store Model in Asia with Definitive Path for Further Growth

# of Asia Retail Locations	2017	2022 Goal
Japan	26	50+
Other Asia	27	200+

Activewear, Led by Champion, is Well Positioned to Leverage Its Products and Distribution to Drive Global Growth

- Strong brand equity
- Global line of performance and lifestyle products
- Elevated retail distribution

Champion

Champion 2022 Sales Goal

$2B+

- International expansion
- Consumer directed growth

Global Growth Strategies

01

Drive Core Business and Expand Distribution

02

Grow Consumer-Directed Sales

03

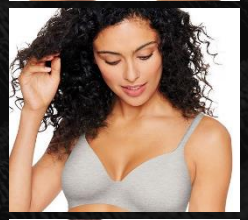
Expand into New Geographies

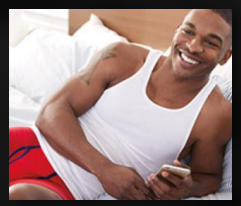
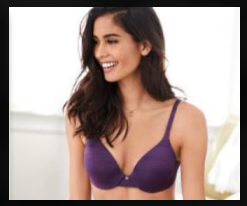
Champion 100 Year Video

HANES *Brands Inc*

Financial Overview

Barry Hytinen
Chief Financial Officer



Financial Overview Key Messages

1

Despite prolonged industry headwinds, proven business model has delivered consistent financial returns

2

Leading brands and company owned supply chain are differentiators; focused on further optimizing operational performance

3

Consistent with our long-term disciplined capital allocation strategy, we are committed to returning to our targeted leverage range of 2-3x Net Debt-to-EBITDA

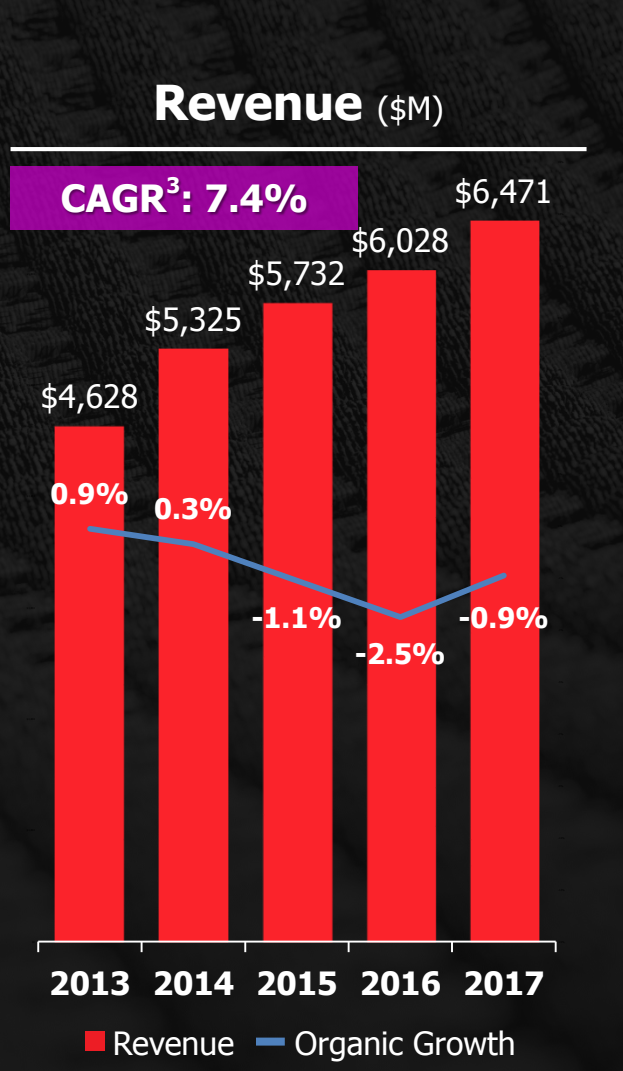
4

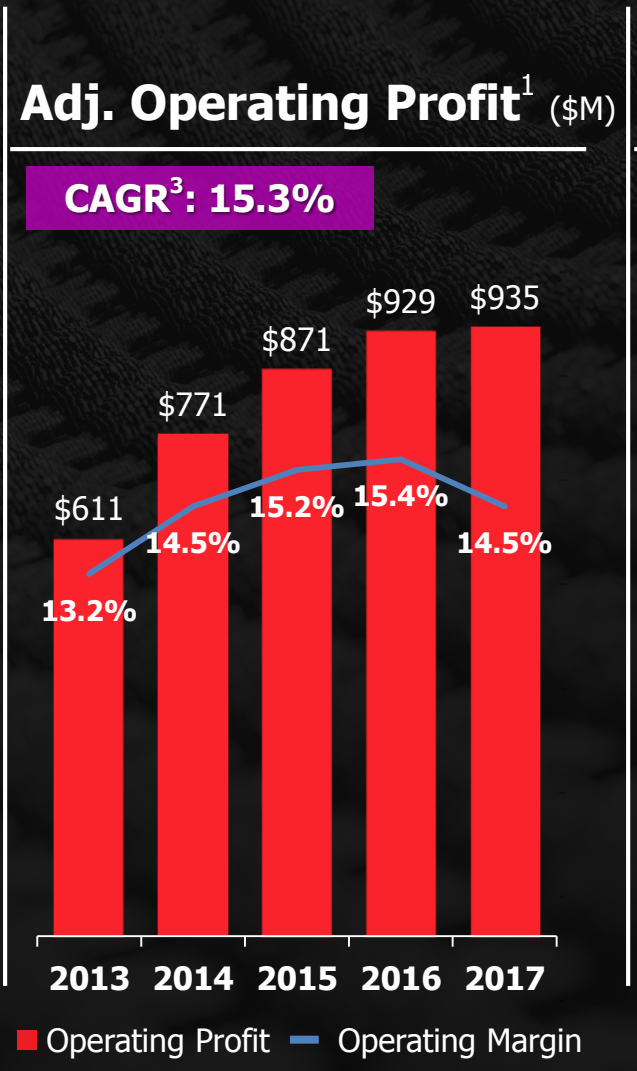
Anticipate significant shareholder value creation, including share repurchases, acquisitions, and dividend growth

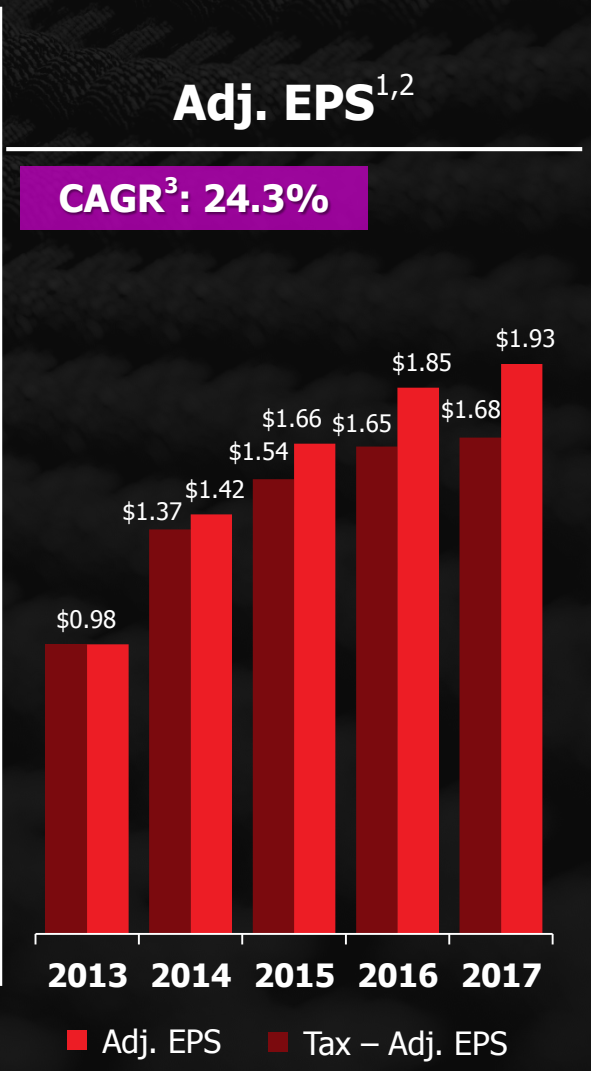
5

Strong, consistent generator of free cash flow; under conservative assumptions we believe our business will deliver in excess of $2.25 per share of free cash flow in 2020

5-Year Financial Performance – Growing Revenues and Profits







[1] Non-GAAP measure. Please see Appendix for reconciliation. [2] Tax-Adjusted EPS Reflects a 16% tax rate for all years
[3] 5-year CAGR beginning with 2012

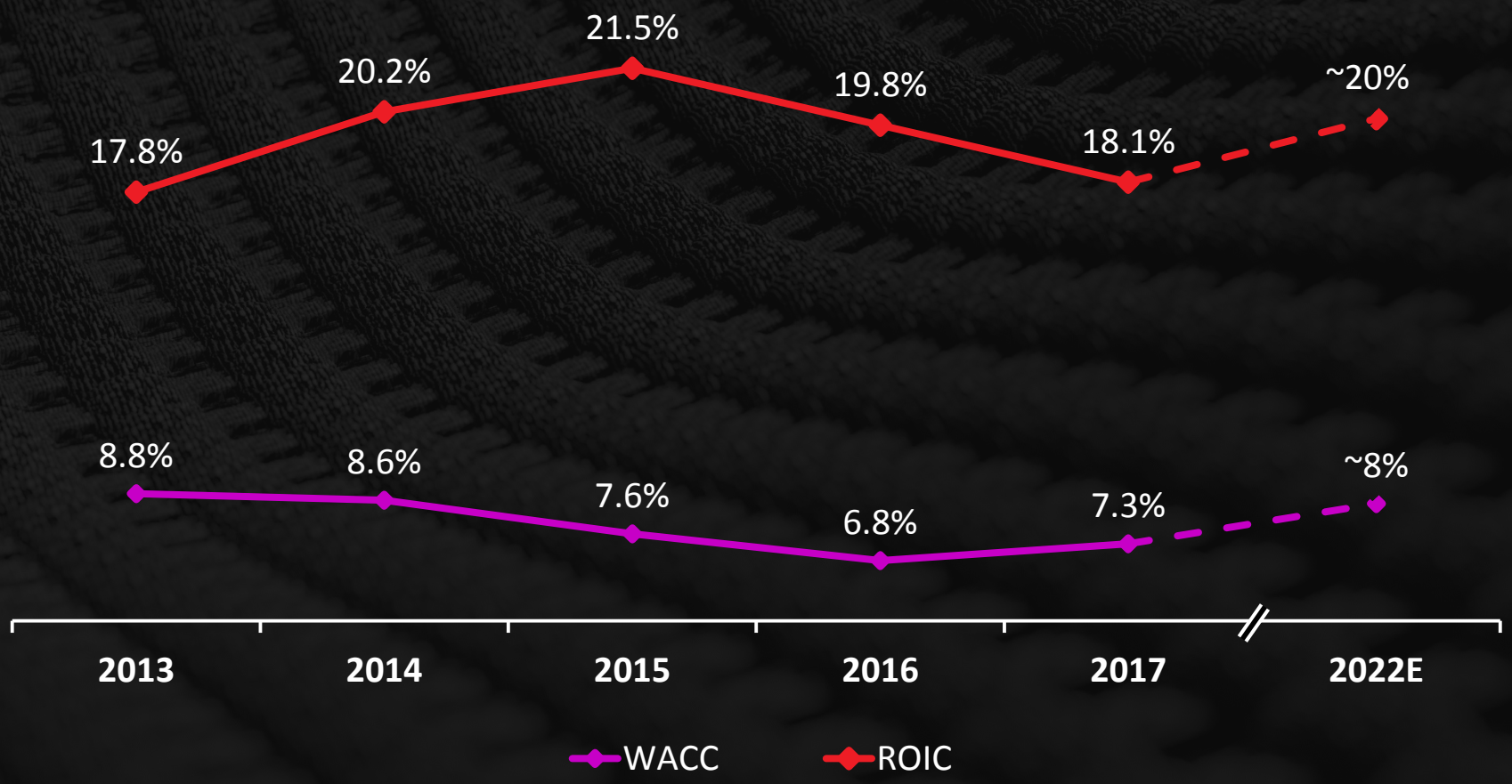
Strong Cash Generation

Cumulative Cash Flow from Operations ($B)

Cumulative Free Cash Flow[1] ($B)

[1] FCF is a non-GAAP measure, see appendix

Continued Strong ROIC[1] During Period of Acquisitions



Focused on Creating Increased Shareholder Value Through Improving ROIC

[1] ROIC = After-tax Adjusted Operating Profit/Average (net debt, inclusive of operating and capital leases, + Shareholder Equity), Adjusted Operating Profit is non-GAAP, see appendix

New CFO Observations

STRENGTHS

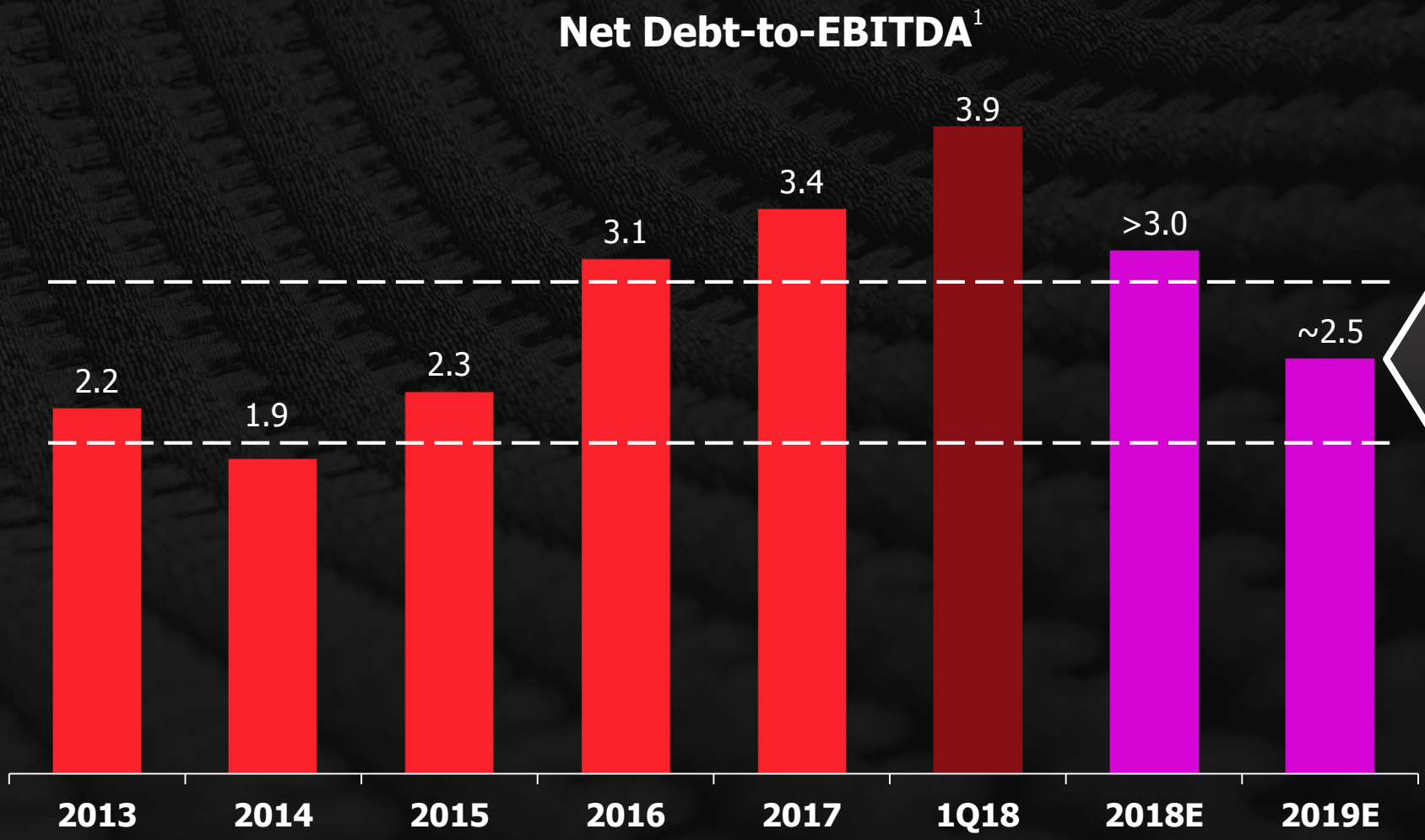
- Business Model
- Cash Generation
- Synergies
- Focus
- Domain Expertise

OPPORTUNITIES

- Forecasting
- Acquisition and Integration Charges
- Communication Balance
- Leverage Ratio

Building Upon Existing Company Strengths

Committed to Returning to Targeted Leverage Range



[1] Re: non-GAAP measure, see appendix. 1Q18 is calculated using last 12 months.

Disciplined Capital Allocation Strategy

Capital Allocation Priorities

Capital expenditures
Invest back into the business

Dividend
Target 25% – 30% payout ratio over time

Net Debt-to-EBITDA ratio target
2 – 3x

When within targeted debt ratio range…

Share repurchases

Acquisitions funded with debt

When outside targeted debt ratio range…

Pay down debt

Disciplined Acquisition Criteria to Deliver Strong Returns

- In our core categories
- Provide complementary growth opportunities in consumer segments, channels and/or geographies
- High-probability cost synergies that leverage our supply chain and/or SG&A
- Accretive in year 1, excluding integration costs

Acquisition History and Scorecard

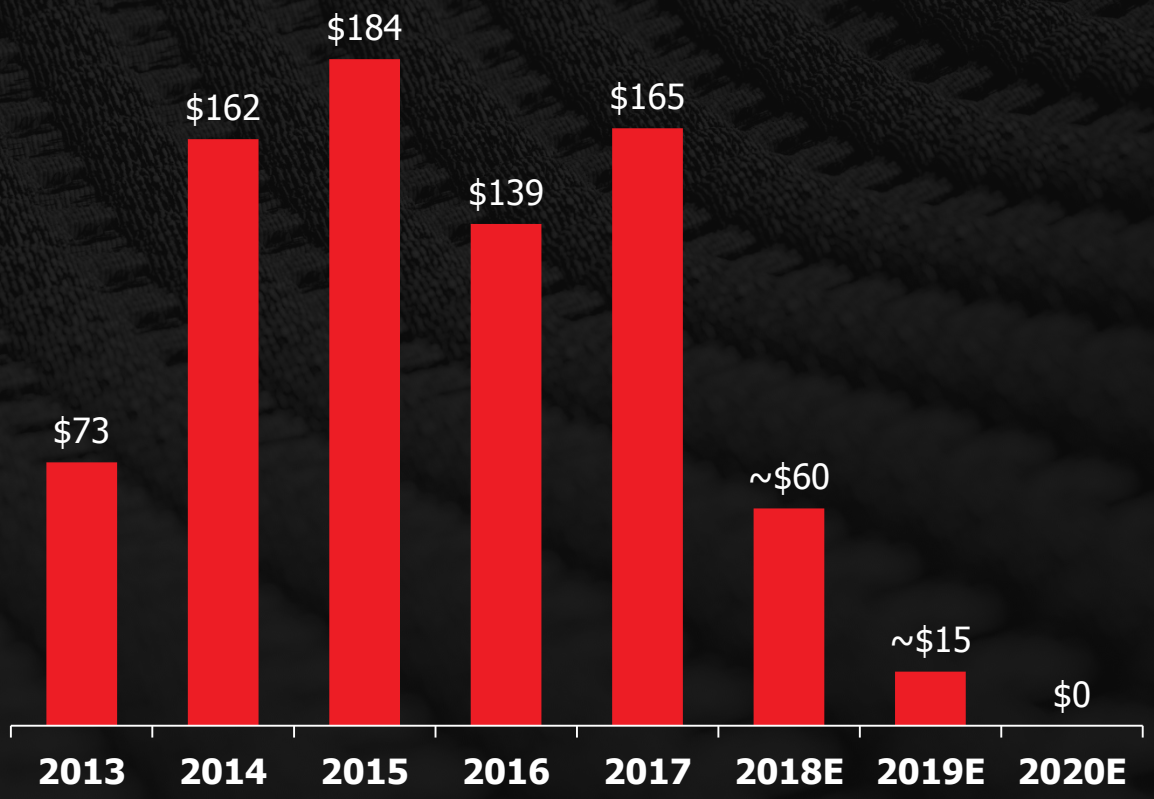
	Acquired	Price ($M)	IRR Forecast at Close of Deal	Current IRR	Duration to Integrate	Cost to Integrate
Gear for Sports	Nov '10	$223	Not provided	High-teens		
Maidenform Brands[1]	Oct '13	$581	Mid-teens	Mid-teens		
Hanes Europe Innerwear	Aug '14	$399	Not provided	Mid-teens		
Knights Apparel	Apr '15	$193	High-teens	Low-twenties		
Champion Europe[2]	Jun '16	$247	Low-to-Mid teens	Mid-teens		
Pacific Brands	Jul '16	$801	Mid-teens	Mid-teens		
Alternative Apparel	Oct '17	$62	At least 20%	Recent Acquisitions No Change		
Bras N Things	Feb '18	$392	Low-to-Mid teens			

All Acquisitions Have Met or Exceeded IRR Expectations[3]

[1]2016 Maidenform operating profit is estimated due to integration of the business. [2] Champion Europe includes Universo acquisition [3]GTM and Champion Japan are excluded due to deal size and no prior public comments regarding expected IRR, or duration and costs to integrate.

Charges Related to Prior Deals to Conclude in 2019

Acquisition and Integration Charges ($M)



Integration Categories

- Transaction-related (~25%)
  - Deal costs
  - Accounting adjustments
- Supply chain network realignment (~25%)
  - Facility closures
  - Lease exit costs
- Personnel costs / Severance / Retention (~20%)
- IT / Systems (~20%)

Reaffirmed 2018 Guidance[1]

Key Assumptions

- We remain appropriately cautious with respect to the U.S. wholesale environment
- We believe our growth initiatives, including online, Champion, and International, should offset the U.S. wholesale challenges and drive full-year constant currency organic growth of ~1% at the midpoint
- 2018 operating margin consistent with prior year as input cost inflation, increased marketing investment, and short-term distribution inefficiencies are essentially offsetting synergies, acquisition contributions, and cost initiatives

	2018	Q2 2018
Revenue	$6.72 – 6.82B	$1.70 – 1.725B
Total Growth[2]	4.6%	4.0%
Organic Growth[2]	~1%	Down < 1%
Adj. Operating Profit[3]	$950 – 985M	$240 – 250M
Adj. Operating Margin[3]	14.1 – 14.4%	14.1 – 14.5%
Adj. EPS[3]	$1.72 – 1.80	$0.44 – 0.46
Cash Flow from Operations	$675 – 750M	
Capex	$90 – 100M	
Free Cash Flow[4]	$585 – 650M	

[1] As of 5/15/18. [2] Revenue growth rates based on midpoint of range. [3] Non-GAAP measure. Please see Appendix for reconciliation. [4] FCF is a non-GAAP measure, see appendix

2018-2022 Scenario Assumptions: De-Risked Model with Multiple Paths to Value Creation

	Base Plan	Base with Acquisitions
2022E Sales	$7.1B	$7.8B
Total Sales CAGR[1]	+1.1%	+3.5%
Organic CAGR[1]	+1.0%	+1.0%
2022E Operating Profit	$1.1B	$1.2B
Operating Margin	15.5%	15.3%
Cumulative Margin Improvement[1]	+125bps	+100bps
2018E-2022E Cash from Ops	~$4.3B	~$4.5B
2018E-2022E Free Cash Flow	~$3.8B	~$4.0B
Capital Expenditures	≤ 1.5% of Sales	
Acquisitions	None	Periodic
Capital Allocation	Consistent with Strategy	

[1] Calculated from mid-point of 2018 guidance. In constant currency based on current 2018 foreign exchange estimates.

Financial Overview Key Messages

1

Despite prolonged industry headwinds, proven business model has delivered consistent financial returns

2

Leading brands and company owned supply chain are differentiators; focused on further optimizing operational performance

3

Consistent with our long-term disciplined capital allocation strategy, we are committed to returning to our targeted leverage range of 2-3x Net Debt-to-EBITDA

4

Anticipate significant shareholder value creation, including share repurchases, acquisitions, and dividend growth

5

Strong, consistent generator of free cash flow; under conservative assumptions we believe our business will deliver in excess of $2.25 per share of free cash flow in 2020

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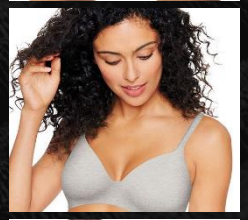
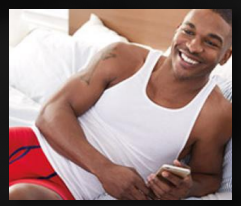
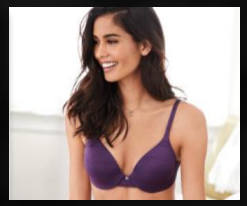
Closing Remarks

Gerald Evans
Chief Executive Officer



Key Messages

1

Strong consumer franchise of industry-leading brands built from decades of consumer interactions, operating in heavily-branded categories that are consistently purchased over time

2

Diversified our business globally and across channels to deliver more consistent organic growth that will be complemented with selective, strategic acquisitions over time

3

Leveraging our supply chain, global scale and operational discipline to generate even greater amounts of cash flow

4

Strong and consistent free cash flow generator; approaching $1B+ in annual operating cash flow by 2020

5

Focused on maximizing shareholder returns through our disciplined, return-centric approach to capital allocation; near-term priority to get back within our targeted leverage range

Strong Fundamentals with Significant Runway

Executing a Re-energized Strategy

Sell More

Consistent Organic Growth
through investing in our brands, delivering consumer led innovation and evolving distribution to remain omnipresent

Selective Strategic Acquisitions

Spend Less

Leverage Our Supply Chain, Scale and Operational Discipline
to generate higher levels of free cash flow

Generate Cash

Invest Our Growing Cash Flow
through disciplined, return-centric capital allocation to generate higher returns for shareholders

Further Optimize Business Model to Accelerate Cash Flow Generation and Drive Higher Returns to Shareholders

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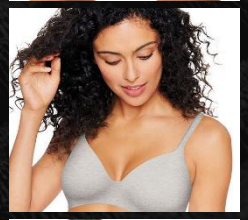
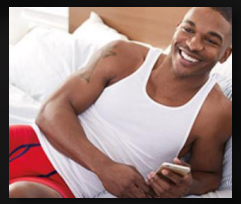
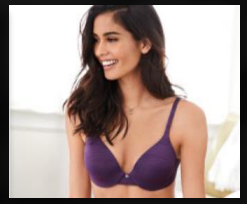
Q&A Session







Investor Day Sendoff Video

Video Playing

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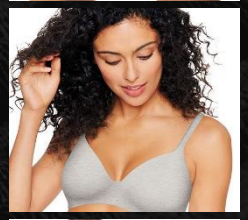
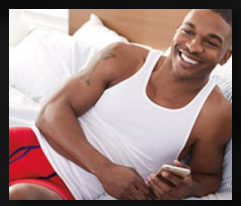
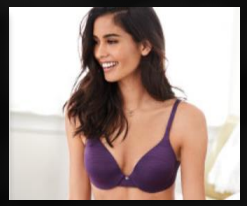
Breakout Sessions







Appendix

Adjusted OP Profit, Margin, EPS

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Net Sales	$ 4,294,197	$ 4,048,497	$ 3,746,201	$ 4,145,012	$ 4,434,291	$ 4,525,721	$ 4,627,802	$ 5,324,746	$ 5,731,549	$ 6,028,199	$ 6,471,410
Operating profit, under GAAP*	$ 360,072	$ 280,345	$ 284,177	$ 397,720	$ 458,192	$ 458,226	$ 529,895	$ 572,289	$ 604,812	$ 790,051	$ 744,350
Acquisition, integration and other action-related charges included in gross profit	36,912	42,558	12,776	-	-	-	16,221	73,126	62,859	39,379	54,970
Acquisition, integration and other action-related charges included in SG&A	(5,036)	(14)	5,916	-	-	-	64,569	125,807	203,201	99,140	108,082
Contingent consideration related to Champion Europe	-	-	-	-	-	-	-	-	-	-	27,852
Gain on curtailment of postretirement benefits	(32,144)	-	-	-	-	-	-	-	-	-	-
Restructuring	43,731	50,263	53,888	-	-	-	-	-	-	-	-
Operating profit, as adjusted****	$ 403,535	$ 373,152	$ 356,757	$ 397,720	$ 458,192	$ 458,226	$ 610,685	$ 771,222	$ 870,872	$ 928,570	$ 935,254
Operating Margin, under GAAP*	8.4%	6.9%	7.6%	9.6%	10.3%	10.1%	11.5%	10.7%	10.6%	13.1%	11.5%
Action and other related charges	1.0%	2.3%	1.9%	-	-	-	1.7%	3.7%	4.6%	2.3%	2.9%
Operating margin, as adjusted	9.4%	9.2%	9.5%	9.6%	10.3%	10.1%	13.2%	14.5%	15.2%	15.4%	14.5%
Net income from continuing operations, under GAAP	$ 111,737	$ 107,122	$ 42,813	$ 192,612	$ 242,569	$ 232,443	$ 330,494	$ 404,519	$ 428,855	$ 536,927	$ 63,991
Acquisition, integration and other action-related charges included in gross profit	36,912	42,558	12,776	-	-	-	16,221	73,126	62,859	39,379	54,970
Acquisition, integration and other action-related charges included in SG&A	(5,036)	(14)	5,916	-	-	-	64,569	125,807	203,201	99,140	109,930
Contingent consideration related to Champion Europe	-	-	-	-	-	-	-	-	-	-	27,852
Gain on curtailment of postretirement benefits	(32,144)	-	-	-	-	-	-	-	-	-	-
Restructuring	43,731	50,263	53,888	-	-	-	-	-	-	-	-
Debt refinance charge included in other expenses	5,235	(634)	49,301	-	-	33,906	-	-	-	47,291	5,152
Tax reform, related charged, tax effect on actions included in tax expense	(15,340)	(20,278)	(14,626)	-	-	(3,932)	(13,331)	(25,862)	(25,276)	(11,148)	452,778
Net income from continuing operations, as adjusted	$ 145,095	$ 179,017	$ 150,068	$ 192,612	$ 242,569	$ 262,417	$ 397,953	$ 577,590	$ 669,639	$ 711,589	$ 714,673
Adjustment to reflect 16% tax rate							2,383	$ (19,914)	$ (48,095)	$ (75,701)	$ (94,186)
Net income from continuing operations, as adjusted to reflect 16% tax rate							$ 400,336	$ 557,676	$ 621,544	$ 635,888	$ 620,487
Diluted earnings per share, under GAAP	$ 0.29	$ 0.28	$ 0.11	$ 0.49	$ 0.61	$ 0.58	$ 0.81	$ 0.99	$ 1.06	$ 1.40	$ 0.17
Action and other related charges	0.09	0.19	0.28	-	-	0.07	0.17	0.42	0.60	0.45	1.76
Diluted earnings per share, as adjusted***	$ 0.37	$ 0.47	$ 0.39	$ 0.49	$ 0.61	$ 0.65	$ 0.98	$ 1.42	$ 1.66	$ 1.85	$ 1.93
Adjustment to reflect 16% tax rate							0.01	(0.05)	(0.12)	(0.20)	(0.25)
Diluted earnings per share, as adjusted to reflect 16% tax rate							$ 0.98	$ 1.37	$ 1.54	$ 1.65	$ 1.68
Diluted weighted average shares outstanding**	386,964	380,656	382,672	391,096	397,004	401,076	407,292	408,044	403,659	384,566	369,426

*Historical GAAP operating profit has been restated to reflect the 2018 adoption of new FASB accounting rules related to the classification of pension cost.
**Diluted weighted average share outstanding has been recast for stock split
***Adjusted EPS is defined as diluted EPS from continuing operations excluding actions and the tax effect on actions.
****Adjusted operating profit is defined as operating profit excluding actions.

Appendix

Free Cash Flow Reconciliation

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Net cash from operating activities	$ 359,040	$ 177,397	$ 414,504	$ 133,054	$ 173,478	$ 553,607	$ 591,281	$ 508,090	$ 227,007	$ 605,607	$ 655,718
Capital Expenditures	(91,626)	(186,957)	(126,825)	(106,240)	(90,099)	(40,994)	(43,627)	(64,311)	(99,375)	(83,399)	(87,008)
Free Cash Flow	$ 267,414	$ (9,560)	$ 287,679	$ 26,814	$ 83,379	$ 512,613	$ 547,654	$ 443,779	$ 127,632	$ 522,208	$ 568,710

Free cash flow is defined as net cash from operating activities less capital expenditures.

2018 Guidance

	Quarter Ended June 30, 2018	Year Ended December 29, 2018
Operating profit outlook, as calculated under GAAP	$215,000 to $225,000	$870,000 to $905,000
Acquisition, integration and other action-related charges	$25,000	$80,000
Operating profit outlook, as adjusted	$240,000 to $250,000	$950,000 to $985,000
Diluted earnings per share from continuing operations, as calculated under GAAP	$0.38 to $0.40	$1.54 to $1.62
Acquisition, integration and other action-related charges	$0.06	$0.18
Diluted earnings per share from continuing operations, as adjusted	$0.44 to $0.46	$1.72 to $1.80
Cash flow from operations		$675 to $750
Capital Expenditures		90-100
Free cash flow		$585 to $650

Appendix

Net Debt to EBITDA

	2013	2014	2015	2016	2017	Last Twelve Months 1Q 2018
EBITDA:						
Net income from continuing operations	$ 330,494	$ 404,519	$ 428,855	$ 536,927	$ 63,991	$ 70,318
Interest expense, net	101,884	96,387	118,035	152,692	174,435	178,061
Income tax expense	65,307	60,449	45,018	34,272	473,279	483,739
Depreciation and amortization	90,890	98,202	103,903	103,175	122,487	125,647
Total EBITDA	588,575	659,557	695,811	827,066	834,192	857,765
Total action and other related charges (excluding tax effect on actions)	80,790	198,933	266,060	185,810	197,904	179,104
Stock compensation expense	24,178	30,587	29,618	31,780	23,582	24,800
Total EBITDA, as adjusted	$ 693,543	$ 889,077	$ 991,489	$ 1,044,656	$ 1,055,678	$ 1,061,669
Net debt:						
Debt (current and long term debt and Accounts Receivable Securitization Facility)	$ 1,630,945	$ 1,819,012	$ 2,485,531	$ 3,686,049	$ 3,951,643	$ 4,508,035
Notes payable	36,192	144,438	117,785	56,396	11,873	17,830
(Less) Cash and cash equivalents	(115,863)	(239,855)	(319,169)	(460,245)	(421,566)	(373,662)
Net debt	$ 1,551,274	$ 1,723,595	$ 2,284,147	$ 3,282,200	$ 3,541,950	$ 4,152,203
Net debt/EBITDA, as adjusted	2.2	1.9	2.3	3.1	3.4	3.9

EBITDA is defined as earnings before interest, taxes, depreciation and amortization. Adjusted EBITDA is defined as EBITDA excluding actions and stock compensation expense.