UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 OR 15(d) of
the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): April 27, 2020

Hanesbrands Inc.
(Exact name of registrant as specified in its charter)

Maryland	001-32891	20-3552316
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

1000 East Hanes Mill Road
Winston-Salem, North Carolina — **27105**
(Address of principal executive offices) — (Zip Code)

(336) 519-8080
Registrant's telephone number, including area code:

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, Par Value $0.01	HBI	New York Stock Exchange

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

Emerging growth company ☐

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

Item 1.01. Entry into a Material Definitive Agreement

As previously disclosed, on December 15, 2017, Hanesbrands Inc. (the "Company"), along with each of MFB International Holdings S.à r.l. and HBI Australia Acquisition Co. Pty Ltd, wholly owned subsidiaries of the Company (the "Loan Parties"), entered into the Fourth Amended and Restated Credit Agreement, dated as of December 15, 2017 (the "Credit Agreement"), with the various financial institutions and other persons from time to time party to the Credit Agreement as lenders, JPMorgan Chase Bank, N.A., as the administrative agent and the collateral agent.

On April 27, 2020, the Company, along with the Loan Parties, entered into a First Amendment and Waiver (the "First Amendment") to the Credit Agreement. The First Amendment effects changes to certain provisions and covenants under the Credit Agreement during the period beginning with the fiscal quarter ending June 27, 2020 and continuing through the fiscal quarter ending July 3, 2021 (such period of time, the "Covenant Relief Period"), including: (a) suspension of compliance with the maximum leverage ratio; (b) reduction of the minimum interest coverage ratio from 3.00 to 1.00 to (i) 2.00 to 1.00 for the fiscal quarters ending June 27, 2020 through April 3, 2021 and (ii) 2.25 to 1.00 for the fiscal quarter ending July 3, 2021; (c) a minimum EBITDA covenant of $625 million as of June 27, 2020, $505 million as of September 26, 2020, $445 million as of January 2, 2021, $435 million as of April 3, 2021 and $505 million as of July 3, 2021; (d) a minimum liquidity covenant of $300 million, increasing to $400 million upon certain conditions; (e) increased limitations on investments, acquisitions, restricted payments and the incurrence of indebtedness; and (f) anti-cash hoarding provisions. During the Covenant Relief Period, the applicable margin and applicable commitment fee margin will be calculated assuming the leverage ratio is greater than or equal to 4.50 to 1.00. The First Amendment also permanently amends the definition of "leverage ratio" for purposes of the financial covenant calculation to remove the maximum amount of cash allowed to be netted from the definition of "indebtedness" and to allow for the netting of cash from certain foreign subsidiaries.

The foregoing description of the First Amendment is only a summary, does not purport to be complete and is qualified in its entirety by reference to the full text of the First Amendment, which is filed as Exhibit 10.1 hereto, and is incorporated herein by reference. Capitalized terms used herein but not otherwise defined shall have the meanings ascribed to such terms in the First Amendment or the Credit Agreement, as applicable.

From time to time, the financial institutions party to the Credit Agreement or their affiliates have performed, and may in the future perform, various commercial banking, investment banking and other financial advisory services for the Company and its affiliates for which they have received, and will receive, customary fees and expenses. For example, certain lenders under the Credit Agreement and/or their affiliates are parties to the Company's accounts receivable securitization facility.

Item 2.02. Results of Operations and Financial Condition

On April 30, 2020, the Company issued a press release announcing its financial results for the first quarter ended March 28, 2020. A copy of the press release is attached as Exhibit 99.1 to this Current Report on Form 8-K.

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

The information set forth under Item 1.01 of this Current Report on Form 8-K is incorporated by reference in this Item 2.03.

Item 7.01. Regulation FD Disclosure

The Company has made available on the investors section of its corporate website, *www.Hanes.com/investors,* certain supplemental materials regarding Hanesbrands' financial results and business operations (the "Supplemental Information"). The Supplemental Information is furnished herewith as Exhibit 99.2 and is incorporated by reference. All information in the Supplemental Information is presented as of the particular date or dates referenced therein, and Hanesbrands does not undertake any obligation to, and disclaims any duty to, update any of the information provided.

Exhibits 99.1 and 99.2 to this Current Report on Form 8-K include forward-looking financial information that is expected to be discussed on Hanesbrands' previously announced conference call with investors and analysts to be held at 8:30 a.m., Eastern time on April 30, 2020. The call may be accessed at *www.Hanes.com/investors* . Replays of the call will be available at *www.Hanes.com/investors* and via telephone. The telephone playback will be available from approximately 12:00 p.m., Eastern time, on April 30, 2020, until midnight, Eastern time, on May 7, 2020. The replay will be available by calling toll-free (855) 859-2056, or by toll call at (404) 537-3406. The replay pass code is 4683026.

Item 9.01. Financial Statements and Exhibits

(d) Exhibits

Exhibit 10.1	First Amendment and Waiver dated April 27, 2020 to Fourth Amended and Restated Credit Agreement among Hanesbrands Inc., MFB International Holdings S.à r.l., HBI Australia Acquisition Co. Pty Ltd, the lenders party thereto from time to time and JPMorgan Chase Bank, N.A., as the administrative agent and the collateral agent.
Exhibit 99.1	Press Release dated April 30, 2020
Exhibit 99.2	Supplemental Information
Exhibit 104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

April 30, 2020	HANESBRANDS INC.	
	By:	/s/ M. Scott Lewis
		M. Scott Lewis
		Interim Chief Financial Officer and Chief Accounting Officer

Exhibit 10.1

FIRST AMENDMENT AND WAIVER, dated as of April 27, 2020 (this " Amendment "), to the FOURTH AMENDED AND RESTATED CREDIT AGREEMENT, dated as of December 15, 2017 (as amended, supplemented or otherwise modified prior to the date hereof, the " Credit Agreement "), among HANESBRANDS INC., a Maryland corporation (the " Parent Borrower "), MFB INTERNATIONAL HOLDINGS S.À R.L., a société à responsabilité limitée, incorporated and existing under the laws of the Grand Duchy of Luxembourg, having its registered office at 33, rue du Puits Romain, L-8070 Bertrange and registered with the Luxembourg Trade and Companies Register under number B 182.082 (the " Lux Borrower "), HBI Holdings Australasia Pty Ltd (the " Australian Borrower and, together with the Parent Borrower and the Lux Borrower, the " Borrowers "), the Lenders party thereto from time to time and JPMORGAN CHASE BANK, N.A. (" JPMorgan "), as the Administrative Agent and the Collateral Agent (in such capacities, the " Administrative Agent ").

W I T N E S S E T H :

WHEREAS, the Parent Borrower has requested that the Required Covenant Lenders consent to waive and modify certain requirements of Section 7.2.4 of the Credit Agreement for the Fiscal Quarters ending June 27, 2020 through July 3, 2021, and the Required Covenant Lenders are willing to consent to such waiver and modification on the terms and subject to the conditions set forth in this Amendment;

WHEREAS, the Borrowers, the Required Covenant Lenders and the Administrative Agent are willing to agree to this Amendment on the terms set forth herein.

NOW, THEREFORE, pursuant to Section 10.1 of the Credit Agreement, the parties hereto hereby agree as follows:

Section 1. DEFINITIONS.

1.1 Terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement unless otherwise defined herein.

1.2 As used in this Amendment, the terms listed in this Section 1.2 shall have the respective meanings set forth in this Section 1.2:

" Covenant Relief Period " means the period commencing on the Amendment Effective Date through (but not including) the Covenant Relief Period Termination Date.

" Covenant Relief Period Termination Certificate " means an irrevocable certificate of an Authorized Officer of the Parent Borrower (similar in form to a Compliance Certificate) (i) stating that such certificate is a Covenant Relief Period Termination Certificate and (ii) certifying compliance with the covenants set forth in Section 7.2.4 on such date and demonstrating such compliance in reasonable detail.

" Covenant Relief Period Termination Date " means the earlier of (x) the date of delivery of the Compliance Certificate pursuant to Section 7.1.1(a) for the fiscal quarter ending October 2, 2021 demonstrating compliance with the covenants set forth in Section 7.2.4 on such date and (y) the date on which the Parent Borrower delivers to the Administrative Agent a Covenant Relief Period Termination Certificate; provided that the Parent Borrower may only deliver a Covenant Relief Period Termination Certificate concurrently with the delivery of financial statements pursuant to Section 7.1.1(a) or 7.1.1(b); provided , further , that the Borrower may only deliver a Covenant Relief Period Termination Certificate once, on which date the Covenant Relief Period will terminate permanently for all purposes of this Agreement and the other Loan Documents.

" Majority Revolving Loan Lenders " means, at any time, Non-Defaulting Revolving Loan Lenders holding more than 50% of the Total Revolving Exposure Amount of all Non-Defaulting Revolving Loan Lenders.

SECTION 2. AMENDMENT

On and after the Amendment Effective Date, the proviso in the definition of "Leverage Ratio" in Section 1.1 of the Credit Agreement is hereby amended and restated in its entirety, solely for the purposes of Section 7.2.4(i) and the calculation of the Minimum Liquidity Covenant (as defined below), as follows: "provided, that for purposes of calculating the Leverage Ratio, Total Debt shall be reduced by unrestricted cash and Cash Equivalent Investments of the Parent Borrower and its Subsidiaries (other than any Subsidiaries organized under the laws of China)."

SECTION 3. COVENANT RELIEF AND WAIVER.

3.1 Each Lender party hereto (which collectively constitute the Required Covenant Lenders) hereby consents to (i) waive compliance with the Leverage Ratio requirement in Section 7.2.4(i) of the Credit Agreement (the " Leverage Covenant ") commencing with the Fiscal Quarter ending June 27, 2020 and ending immediately after the Fiscal Quarter ending July 3, 2021 and (ii) reduce the Interest Coverage Ratio in Section 7.2.4(ii) of the Credit Agreement (the " Interest Coverage Ratio "), from 3.00:1.00 to (a) 2.00:1.00 for the Fiscal Quarters ending June 27, 2020 through April 3, 2021 and (b) 2.25:1.00 for the Fiscal Quarter ending July 3, 2021, in each case, during the Covenant Relief Period and the Compliance Certificate delivered during the Covenant Relief Period shall be revised to reflect these waivers and amendments; provided that during the Covenant Relief Period, the Parent Borrower shall not, and shall not permit any of its Subsidiaries to, directly or indirectly:

(a) permit the sum of (i) the aggregate amount of cash and Cash Equivalents of the Borrowers and the Subsidiaries (excluding cash and Cash Equivalents securing funded Indebtedness other than the Obligations) and (ii) the aggregate available Revolving Loan Commitments of all Revolving Loan Lenders, at any time, to be less than \$300 million (the " Minimum Liquidity Covenant "); provided that upon the incurrence of Indebtedness after the Amendment Effective Date in an aggregate principal amount in excess of \$150 million, such Minimum Liquidity Covenant in effect shall be increased to \$400 million;

(b) permit EBITDA for the Measurement Period for which Section 7.1.1 financials have been delivered to be less than (i) \$625 million for the Fiscal Quarter ended June 27, 2020, (ii) \$505 million for the Fiscal Quarter ended September 26, 2020, (iii) \$445 million for the Fiscal Quarter ended January 2, 2021, (iv) \$435 million for the Fiscal Quarter ended April 3, 2021 and (v) \$505 million for the Fiscal Quarter ended July 3, 2021;

(c) make any Restricted Payments pursuant to Section 7.2.6 of the Credit Agreement; provided the Parent Borrower shall be permitted to issue common stock dividends of up to \$215 million in the aggregate in any trailing twelve month period;

(d) (i) incur any Indebtedness under Section 2.9 of the Credit Agreement if the Senior Secured Leverage Ratio is greater than 3.00 to 1.00 both before and after giving effect to such Incremental Credit Increases (assuming, for the purposes of the calculation, that the Revolving Loan Commitments and any Incremental Other Currency Revolving Commitments are 50% drawn and that any Permitted Securitization is 50% utilized), (ii) incur more than $25 million of Indebtedness pursuant to Section 7.2.2(h) of the Credit Agreement, (iii) incur any Indebtedness pursuant to Section 7.2.2(i) of the Credit Agreement or (iv) incur more than $50 million of Indebtedness pursuant to Section 7.2.2(r) of the Credit Agreement;

(e) make any Investments pursuant to Section 7.2.5 (g), (k), (n) or (o) of the Credit Agreement; provided that the Parent Borrower or any Subsidiary thereof shall be permitted to make Investments in Foreign Subsidiaries in an aggregate amount not to exceed $25 million and general Investments in an aggregate amount not to exceed $10 million;

(f) enter into any mergers or make any Permitted Acquisitions pursuant to Section 7.2.10 of the Credit Agreement; or

(g) (i) submit any Borrowing Request requesting any borrowing of Revolving Loans or Swing Line Loans without the prior written consent of the Majority Revolving Loan Lenders if, immediately after giving effect to such borrowing, the aggregate amount of unrestricted cash and Cash Equivalents of the Parent Borrower and its Subsidiaries (other than any Subsidiaries organized under the laws of China) exceeds $500 million unless the Parent Borrower represents that such borrowing is necessary for a reasonable business purpose and (ii) and if, at any time, the Borrowers have outstanding Revolving Loans and/or Swing Line Loans and incur Indebtedness after the Amendment Effective Date in an aggregate principal amount in excess of $150 million then the Borrowers shall promptly prepay Revolving Loans and/or Swing Line Loans (which, for the avoidance of doubt, shall be accompanied by accrued and unpaid interest on the amount prepaid to the date of such prepayment) with 50% of the net proceeds of such incurrence of Indebtedness up to a maximum prepayment of $250 million.

3.2 During the Covenant Relief Period, the Applicable Margin and Applicable Commitment Fee Margin shall be calculated assuming the Leverage Ratio is ≥ 4.50:1.00.

SECTION 4. CONDITIONS TO EFFECTIVENESS OF AMENDMENT. This Amendment shall become effective on the date on which each of the following conditions have been satisfied or waived in accordance with the terms hereof and the Credit Agreement (such date, the "Amendment Effective Date"):

4.1 Counterparts: This Amendment shall have been executed and delivered by the Borrowers, the Administrative Agent and the Required Covenant Lenders.

4.2 Certificate: The Administrative Agent shall have received a certificate of the Parent Borrower dated as of the Amendment Effective Date, duly executed and delivered by an Authorized Officer of the Parent Borrower (certifying as to the matters set forth in Section 5 below.

4.3 Consent Fee. The Parent Borrower shall have paid to the Administrative Agent, for the account of each Required Covenant Lender that submits its consent hereto to the Administrative Agent prior to 5:00 p.m. New York City time on April 24, 2020, a consent fee in an amount equal to 0.125% of the aggregate principal amount of Revolving Loan Commitments, Revolving Credit Loans and New Term A Loans held by such consenting Lender immediately prior to the effectiveness of this Amendment.

4.4 Fees and Expenses . All fees and out-of-pocket expenses for which invoices have been presented prior to the Amendment Effective Date (including the reasonable fees and expenses of legal counsel) required to be paid or reimbursed by the Borrowers pursuant to Section 10.3 of the Credit Agreement or any other letter agreement in connection with this Amendment shall have been paid or reimbursed.

SECTION 5. REPRESENTATIONS AND WARRANTIES. The Borrowers hereby represent to the Administrative Agent and each Lender, as follows:

5.1 After giving effect to this Amendment, each of the representations and warranties in the Credit Agreement and in the other Loan Documents are true and correct in all material respects (except to the extent that such representation or warranty is already qualified as to materiality) on and as of the date hereof as though made on and as of the date hereof, except to the extent that any such representation or warranty expressly relates to an earlier date, in which case such representation or warranty shall be true and correct in all material respects (except to the extent that such representation or warranty is already qualified as to materiality) as of such earlier date; and

5.2 At the time of and immediately after giving effect to this Amendment, no Default or Event of Default has occurred and is continuing.

SECTION 6. MISCELLANEOUS.

6.1 Continuing Effect; No Other Waivers or Amendments . This Amendment shall not constitute an amendment or waiver of or consent to any provision of the Credit Agreement and the other Loan Documents not expressly referred to herein and shall not be construed as an amendment, waiver or consent to any action on the part of the Borrowers that would require an amendment, waiver or consent of the Administrative Agent, the Collateral Agent or the Lenders except as expressly stated herein. Except as expressly amended, consented to or waived hereby, the provisions of the Credit Agreement and the other Loan Documents are and shall remain in full force and effect in accordance with their terms.

6.2 Loan Documents . This Amendment shall constitute a “Loan Document” for all purposes under the Credit Agreement and the other Loan Documents. Each Borrower executing this Amendment confirms and agrees that notwithstanding the effectiveness of this Amendment, each Loan Document to which such Person is a party is, and shall continue to be, in full force and effect and is hereby ratified and confirmed in all respects, in each case as amended by this Amendment.

6.3 Counterparts and Electronic Signatures . This Amendment may be executed in any number of separate counterparts by the parties hereto (including by telecopy or via electronic mail), each of which counterparts when so executed shall be an original, but all the counterparts shall together constitute one and the same instrument.

The words “delivery”, “execute,” “execution,” “signed,” “signature,” and words of like import in this Amendment and any document executed in connection herewith shall be deemed to include electronic signatures or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature, physical delivery thereof or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act; provided that notwithstanding anything contained herein to the contrary neither the Administrative Agent nor any Lender is under any obligation to agree to accept electronic signatures in any form or in any format unless expressly agreed to by the Administrative Agent or such Lender pursuant to procedures approved by it and provided further without limiting the foregoing, upon the request of any party, any electronic signature shall be promptly followed by such manually executed counterpart.

6.4 GOVERNING LAW. THIS AMENDMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES UNDER THIS AMENDMENT SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAW OF THE STATE OF NEW YORK, WITHOUT REGARD TO THE CONFLICT OF LAWS PRINCIPLES THEREOF, BUT GIVING EFFECT TO FEDERAL LAWS APPLICABLE TO NATIONAL BANKS.

[Signature Pages Follow]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed and delivered by their respective duly authorized officers as of the date first above written.

HANESBRANDS INC.,
as Parent Borrower

By /s/ Jodie F. Covington
Name: Jodie F. Covington
Title: Assistant Treasurer

MFB INTERNATIONAL HOLDINGS S.À R.L.,
as Lux Borrower

By /s/ Donald F. Cook
Name: Donald F. Cook
Title: Class A Manager

HBI HOLDINGS AUSTRALASIA PTY LTD,
as Australian Borrower

By /s/ Donald F. Cook
Name: Donald F. Cook
Title: Director

JPMORGAN CHASE BANK, N.A.,
as Administrative Agent

By: /s/ Antje Focke
Name: Antje Focke
Title: Executive Director

JPMORGAN CHASE BANK, N.A.,
as Lender

By: /s/ Antje Focke
Name: Antje Focke
Title: Executive Director

BANK OF AMERICA, N.A.,
as a Lender

By: /s/ Anthony Hoye
Name: Anthony Hoye
Title: Director

PNC Bank, National Association,
as a Lender

By: /s/ Larry Jackson
Name: Larry Jackson
Title: Vice President

Truist Bank as successor by merger to SunTrust Bank and formerly known as Branch Banking and Trust Company, as a Lender

By: /s/ Max Greer
Name: Max Greer
Title: Senior Vice President

[Signature Page to Amendment and Waiver]

HSBC Bank USA, N.A.,
as a Lender

By: /s/ Robert J. Devir
Name: Robert J. Devir
Title: Managing Director

[Signature Page to Amendment and Waiver]

BARCLAYS BANK PLC,
as a Lender

By: <u>/s/ Christopher M. Aitkin</u>
Name: Christopher M. Aitkin
Title: Vice President

[Signature Page to Amendment and Waiver]

Fifth Third Bank, National Association,
as a Lender

By: /s/ James Beltz
Name: James Beltz
Title: Vice President

WELLS FARGO BANK, N.A.,
as a Lender

By: /s/ Carl Hinrichs
Name: Carl Hinrichs
Title: Director

THE BANK OF NOVA SCOTIA,
as a Lender

By: /s/ Kevin McCarthy
Name: Kevin McCarthy
Title: Director

MUFG Bank, Ltd. f/k/a The Bank of Tokyo-Mitsubishi UFJ, Ltd.,
as a Lender

By: /s/ Spencer Hughes
Name: Spencer Hughes
Title: Managing Director

[Signature Page to Amendment and Waiver]

Goldman Sachs Bank USA,
as a Lender

By: /s/ Jamie Minieri
Name: Jamie Minieri
Title: Authorized Signatory

Siemens Financial Services, Inc.,
as a Lender

By: /s/ Marin Levy
Name: Marin Levy
Title: Vice President

By: /s/ M. Jentsch
Name: M. Jentsch
Title: Vice President

The Northern Trust Company,
as a Lender

By: /s/ Andrew D. Holtz
Name: Andrew D. Holtz
Title: Senior Vice President

WESTPAC BANKING CORPORATION,
as a Lender

By: /s/ Richard Yarnold
Name: Richard Yarnold
Title: Tier Two Attorney

CITIZENS BANK, NATIONAL ASSOCIATION,
as a Lender

By: /s/ P. Jason Hembree
Name: P. Jason Hembree
Title: Vice President

SUMITOMO MITSUI BANKING CORPORATION,
as a Lender

By: /s/ Katie Lee
Name: Katie Lee
Title: Director

[Signature Page to Amendment and Waiver]

Deutsche Bank AG New York Branch,
as a Lender

By: /s/ Alicia Schug
Name: Alicia Schug
Title: Vice President

By: /s/ Philip Tancorra
Name: Philip Tancorra
Title: Vice President

THE HUNTINGTON NATIONAL BANK,
as a Lender

By: /s/ Phil Andresen
Name: Phil Andresen
Title: Vice President

The Bank of East Asia, Limited, New York Branch,
as a Lender

By: /s/ James Hua
Name: James Hua
Title: SVP

By: /s/ Maggie Wong
Name: Maggie Wong
Title: General Manager

[Signature Page to Amendment and Waiver]

BANCO DE SABADELL, S.A., MIAMI BRANCH,
as a Lender

By: /s/ Ignacio Alcaraz
Name: Ignacio Alcaraz
Title: Head of Structured Finance Americas

[Signature Page to Amendment and Waiver]

HanesBrands
1000 East Hanes Mill Road
Winston-Salem, NC 27105
(336) 519-8080

news release

FOR IMMEDIATE RELEASE

News Media, contact:	Matt Hall, (336) 519-3386
Analysts and Investors, contact:	T.C. Robillard, (336) 519-2115

HANESBRANDS REPORTS FIRST-QUARTER 2020 FINANCIAL RESULTS

- *Strong revenue and profit trends disrupted by late-quarter effects of COVID-19*
- *Employees rise to meet challenges, including continuing to serve open channels of trade and pivoting to manufacture much-needed face coverings*
- *1Q results include net sales of $1.32 billion; GAAP and adjusted operating profit of $34 million and $63 million, respectively; and GAAP and adjusted EPS of $(0.02) and $0.05, respectively*
- *COVID-19 estimated to have reduced GAAP and adjusted results by $181 million in net sales, $86 million in operating profit, and $0.20 in EPS*
- *Despite pandemic, operating cash flow improved by more than $100 million*
- *Actions taken to assure cash preservation and balance sheet flexibility and liquidity*

WINSTON-SALEM, N.C. (April 30, 2020) - HanesBrands (NYSE: HBI), a leading global marketer of branded everyday basic apparel, today announced first-quarter results that were significantly affected by the COVID-19 pandemic.

Prior to the pandemic's late-quarter disruption of economies around the world, the company experienced strong revenue and profit trends. In the last two weeks of the quarter, the company experienced an unprecedented drop in sales and profit.

Due to disruptions to retailer operations and the unpredictability of consumer confidence, HanesBrands' pandemic response is focused on several initiatives: serving channels of trade that are generating sales, preserving cash and enhancing liquidity, and developing a product line of personal protective garments, including face masks, to meet emerging commercial and consumer demand.

"We were on a pace to deliver a strong first quarter above our expectations until the late quarter impact of the COVID-19 pandemic," said Hanes Chief Executive Officer Gerald W. Evans Jr. "Prior to the pandemic impact, sales for our U.S. Innerwear business were significantly better than our expectations. *Champion* was a driver of better-than-planned U.S. Activewear growth, and our International businesses were in line with expectations.

"The effects of the pandemic changed those trajectories. In response, we prioritized operational protocols for the safety of our employees, consumers and communities. I am proud of the terrific effort and achievements of our global teams. We quickly pivoted to preserve cash, create balance sheet flexibility, and build strong liquidity. We used our large-scale global supply chain to manage inventory, continue to serve key channels, including mass retail and online, and seize the opportunity to expand our manufacturing capability to include cotton face masks.

“The COVID-19 pandemic is proving to be a significant challenge for every aspect of society to navigate. As a 120-year-old business enterprise, we feel confident that we have the right plans, the consumer-trusted brands and products, and a superior workforce to not only overcome these short-term business challenges but to thrive over the long term.”

For the first-quarter ended March 28, 2020, the effects of the COVID-19 pandemic are reflected in both GAAP and adjusted measures that exclude actions. The company estimates the late-quarter impact of the pandemic reduced revenue by approximately $181 million, operating profit by approximately $86 million, and EPS by approximately $0.20.

First-quarter net sales were $1.32 billion compared with $1.59 billion a year ago. The year-ago quarter included net sales of $94 million from the now exited *C9 Champion* mass program and the DKNY intimate apparel license. Excluding the exited programs, the impact of COVID-19, and foreign exchange rates, total constant-currency net sales for the first-quarter 2020 would have increased 1.6%.

First-quarter GAAP operating profit and adjusted operating profit excluding actions were $34 million and $63 million, respectively, compared with $150 million and $171 million a year ago, respectively. GAAP and adjusted EPS excluding actions were $(0.02) and $0.05, respectively, compared with $0.22 and $0.27 a year ago, respectively.

(See the Note on Reconciliation of Select GAAP Measures to Non-GAAP Measures later in this news release for additional discussion and details.)

Callouts for First-Quarter 2020 Results and Ongoing Operations During the Pandemic

Global Online Sales and Pre-Pandemic *Champion* Sales Increase. The company continues to generate sales through channels of trade that have remained open during the pandemic, including online, mass retail, dollar store, and food and drug. The company generates online sales through its own e-commerce websites, retailer websites, large Internet pure-plays, and business-to-business customers. Total online sales increased 5% globally in the first quarter. Online growth rates accelerated in the last two weeks of the quarter and have continued to accelerate in April.

Global *Champion* sales in constant currency decreased 11% in the first quarter as a result of the COVID-19 pandemic impact. Excluding the effects of the pandemic, the company believes constant currency global *Champion* sales in the first quarter would have increased approximately 7%.

Operating Cash Flow and Inventory Improve, Despite COVID-19 Impact. Operating cash flow was a use of $83 million in the first quarter compared with a use of $194 million in the year-ago quarter. Working capital management and a 12% reduction of inventory drove the $111 million improvement despite a reduction in GAAP net income.

HanesBrands Producing Face Coverings and Gowns and Expects to Build an Ongoing Personal Protective Garments Business. The company is making more than 320 million cloth face coverings and more than 20 million medical gowns for the U.S. government.

In addition, the company is also ramping up production to launch a cotton face mask business for consumers and business-to-business customers, including large employers seeking to reopen business operations.

The company expects to create an ongoing product line of basic personal protective garments to serve the consumer, commercial and governmental markets. Sales in 2020 are expected to be more than $300 million, and the company believes the business has the potential to expand further in future years.

Actions to Preserve Cash, Increase Liquidity and Strengthen Balance Sheet. To navigate the current economic environment, the company is limiting discretionary spending and capital expenditures, has temporarily reduced salaries and furloughed select employee groups, is managing inventory and supply chain production, and is adding liquidity to its balance sheet.

The temporary pay reductions and furloughs, as well as reductions in discretionary spending such as media and marketing, are expected to save approximately $200 million in 2020. The company is operating production and distribution facilities on a demand-adjusted basis.

The company ended the first quarter with nearly $1.1 billion of cash on hand and is adding additional liquidity and flexibility to its balance sheet.

To be prudent, the company intends to secure approximately $500 million in debt financing, subject to market conditions, with the proceeds used to repay the company's revolver and further enhance liquidity. More bond offering details will be issued in separate news releases, as appropriate.

The company has stress tested its balance sheet under various scenarios and believes its liquidity plans provide significant operating flexibility during the pandemic, strengthens the company's long-term business model, and positions the company to take advantage of opportunities as the world economy emerges from the pandemic.

As an added precaution, the company proactively negotiated a 15-month covenant amendment to its Senior Secured Credit Facility, which includes the suspension of its leverage covenant until the end of the second-quarter 2021.

First-Quarter 2020 Business Segment Summaries

International Segment. International segment sales declined 14% while operating profit decreased 48%. On a constant-currency basis, net sales decreased 11% and operating profit decreased 47%.

Sales and profit were affected by the global COVID-19 pandemic. In addition to wholesale business declines, approximately 1,000 of the company's 1,200 brand stores, which closed in March, are located in international geographies. Prior to the impact of the pandemic, International segment constant-currency sales were in line with expectations.

Innerwear Segment. Prior to mid-March, U.S. Innerwear segment sales and profit were trending significantly better than expected with net sales down less than a percentage point. Strong performance for both basics and intimates in that period, including market share gains, highlighted strong underlying fundamentals for the ongoing Innerwear revitalization.

As reported for the full quarter, net sales decreased 11% while operating profit decreased 22%, both affected by the pandemic and exit of the *C9 Champion* mass retail program. When year-ago results are rebased for program exits, segment net sales decreased 9% and operating profit decreased 21%.

Activewear Segment. U.S. Activewear segment first-quarter sales decreased 29%, or $117 million, as a result of the COVID-19 impact and $85 million of *C9 Champion* sales in mass retail in the year-ago quarter. When the year-ago quarter is rebased for the *C9 Champion* program exit, net sales decreased 10%.

Prior to mid-March, the segment had higher-than-expected performance with continued consumer demand for *Champion* brand products and increases for other activewear brands in the sports licensing business' mass and midtier channels and seasonal activewear in the online channel.

Operating profit decreased 81% as reported and decreased 66% on a rebased basis.

2020 Financial Guidance

Due to the uncertainty and unpredictability of the COVID-19 pandemic, HanesBrands withdrew its first-quarter and full-year guidance on March 25, 2020. Until visibility of the pandemic's effect on global economies improves, the company will not provide quarterly and full-year guidance and expectations.

The fiscal year ending Jan. 2, 2021, includes a 53 rd week in the fourth quarter. The company has exited the *C9 Champion* mass program and DKNY license for intimate apparel. The company expects foreign currency exchange rates to reduce net sales and operating profit in 2020.

The company repurchased approximately 14.5 million shares in the first quarter and has suspended share repurchases for the remainder of the year. The average diluted shares outstanding for the first quarter were 359 million. The expected average diluted shares outstanding for second, third and fourth quarters is expected to be approximately 353 million.

Hanes has updated its quarterly frequently-asked-questions document, which is available at www.Hanes.com/faq .

Note on Adjusted Measures, Rebased Measures and Reconciliation to GAAP Measures

To supplement financial results prepared in accordance with generally accepted accounting principles, the company provides quarterly and full-year results concerning certain non-GAAP financial measures, including adjusted EPS, adjusted net income, adjusted operating profit (and margin), adjusted SG&A, adjusted gross profit (and margin), adjusted net sales, EBITDA and adjusted EBITDA.

Adjusted EPS is defined as diluted EPS excluding actions and the tax effect on actions. Adjusted net income is defined as net income excluding actions and the tax effect on actions. Adjusted operating profit is defined as operating profit excluding actions.

Adjusted SG&A is defined as selling, general and administrative expenses excluding actions. Adjusted gross profit is defined as gross profit excluding actions. Adjusted net sales is defined as net sales excluding actions. Charges for actions taken in 2019 primarily represented supply chain network changes, program exit costs, and overhead reduction as well as completion of outstanding acquisition integration. Acquisition and integration costs include legal fees, consulting fees, bank fees, severance costs, certain purchase accounting items, facility closures, inventory write-offs, information technology integration costs and similar charges. While these costs are not operational in nature and are not expected to continue for any singular transaction on an ongoing basis, similar types of costs, expenses and charges have occurred in prior periods and may recur in future periods depending upon acquisition activity.

Hanes has chosen to present these non-GAAP measures to investors to enable additional analyses of past, present and future operating performance and as a supplemental means of evaluating operations absent the effect of acquisitions and other actions. Hanes believes these non-GAAP measures provide management and investors with valuable supplemental information for analyzing the operating performance of the company's ongoing business during each period presented without giving effect to costs associated with the execution and integration of any of the aforementioned actions taken.

The company has also chosen to present EBITDA and adjusted EBITDA to investors because it considers these measures to be an important supplemental means of evaluating operating performance. EBITDA is defined as earnings before interest, taxes, depreciation and amortization. Adjusted EBITDA is defined as EBITDA excluding actions and stock compensation expense. Hanes believes that EBITDA and adjusted EBITDA are frequently used by securities analysts, investors and other interested parties in the evaluation of companies in the industry, and management uses EBITDA and adjusted EBITDA for planning purposes in connection with setting its capital allocation strategy. EBITDA and adjusted EBITDA should not, however, be considered as measures of discretionary cash available to invest in the growth of the business.

In addition, with respect to 2020 financial performance, Hanes has chosen to present certain year-over-year comparisons with respect to the company's rebased 2019 business, which excludes the exited *C9 Champion* program and DKNY license. Hanes believes this information is useful to management and investors to facilitate a more meaningful comparison of the results of the company's ongoing business between 2019 and 2020. The company has provided rebased 2018 and 2019 quarterly income statements in Supplemental Table B dated Feb. 7, 2020, which is available online at www.hanes.com/investors .

Hanes is a global company that reports financial information in U.S. dollars in accordance with GAAP. As a supplement to the company's reported operating results, Hanes also presents constant-currency financial information, which is a non-GAAP financial measure that excludes the impact of translating foreign currencies into U.S. dollars. The company uses constant-currency information to provide a framework to assess how the business performed excluding the effects of changes in the rates used to calculate foreign currency translation.

To calculate foreign currency translation on a constant currency basis, operating results for the current-year period for entities reporting in currencies other than the U.S. dollar are translated into U.S. dollars at the average exchange rates in effect during the comparable period of the prior year (rather than the actual exchange rates in effect during the current year period).

Hanes believes constant-currency information is useful to management and investors to facilitate comparison of operating results and better identify trends in the company's businesses.

Non-GAAP financial measures have limitations as analytical tools and should not be considered in isolation or as an alternative to, or substitute for, financial results prepared in accordance with GAAP. Further, the non-GAAP measures presented may be different from non-GAAP measures with similar or identical names presented by other companies.

Reconciliations of non-GAAP to the most directly comparable GAAP financial measures are presented in the supplemental financial information included with this news release.

Webcast Conference Call

Hanes will host an Internet webcast of its first-quarter investor conference call at 8:30 a.m. EDT today, April 30, 2020. The webcast of the call, which will consist of prepared remarks followed by a question-and-answer session, may be accessed at www.Hanes.com/investors . The call is expected to conclude by 9:30 a.m.

An archived replay of the conference call webcast will be available in the investors section of the Hanes corporate website. A telephone playback will be available from approximately noon EDT today through midnight EDT May 7, 2020. The replay will be available by calling toll-free (855) 859-2056 or by toll call at (404) 537-3406. The replay ID is 4683026.

Cautionary Statement Concerning Forward-Looking Statements
This press release contains 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 as to future performance. In particular, among others, statements regarding the potential impact of the COVID-19 outbreak on our business and financial performance; guidance and predictions regarding expected operating results, including related to our new business line for cotton face masks and other personal protection garments; our plans to secure additional debt financing, subject to market conditions; our belief that we have sufficient liquidity to fund our ongoing business operations;, and statements following the heading 2020 Financial Guidance, are forward-looking statements. These forward-looking statements are based on our current intent, beliefs, plans and expectations. Readers are 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 potential effects of the COVID-19 outbreak, including on consumer spending, global supply chains and the financial markets; our ability to successfully integrate acquired businesses, 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 attract and retain a senior management team with the core competencies needed to support growth in global markets; our ability to properly manage strategic projects in order to achieve the desired results; significant fluctuations in foreign exchange rates; our reliance on a relatively small number of customers for a significant portion of our sales; legal, regulatory, political and economic risks related to our international operations; our ability to effectively manage our complex multinational tax structure; the existence of a material weakness in our internal control over financial reporting; 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.

HanesBrands

HanesBrands, based in Winston-Salem, N.C., is a socially responsible leading marketer of everyday basic innerwear and activewear apparel in the Americas, Europe, Australia and Asia-Pacific. The company sells its products under some of the world's strongest apparel brands, including *Hanes* , *Champion* , *Bonds, DIM, Maidenform, Bali* , *Playtex* , *Lovable, Bras N Things* , *Nur Die/Nur Der, Alternative, L'eggs* , *JMS/Just My Size* , *Wonderbra, Berlei,* and *Gear for Sports* . The company sells T-shirts, bras, panties, shapewear, underwear, socks, hosiery, and activewear produced in the company's low-cost global supply chain. A Fortune 500 company and member of the S&P 500 stock index (NYSE: HBI), Hanes has approximately 63,000 employees in more than 40 countries. For more information, visit the company's corporate website at www.Hanes.com/corporate and newsroom at https://newsroom.hanesbrands.com/ . Connect with the company via social media: Twitter (@hanesbrands), Facebook (www.facebook.com/hanesbrandsinc), Instagram (@hanesbrands_careers), and LinkedIn (@Hanesbrandsinc).

# # #

TABLE 1

HANESBRANDS INC.
Condensed Consolidated Statements of Income and Supplemental Financial Information
(in thousands, except per-share amounts)
(Unaudited)

	Quarters Ended		
	March 28, 2020	March 30, 2019	% Change
Net sales	$ 1,316,462	$ 1,588,024	(17.1)%
Cost of sales	842,730	967,993	
Gross profit	473,732	620,031	(23.6)%
As a % of net sales	**36.0%**	**39.0%**	
Selling, general and administrative expenses	439,602	470,387	
As a % of net sales	**33.4%**	**29.6%**	
Operating profit	34,130	149,644	(77.2)%
As a % of net sales	**2.6%**	**9.4%**	
Other expenses	6,490	7,451	
Interest expense, net	36,849	48,059	
Income (loss) before income tax expense	(9,209)	94,134	
Income tax expense (benefit)	(1,335)	13,046	
Net income (loss)	$ (7,874)	$ 81,088	(109.7)%
Earnings (loss) per share:			
Basic	$ (0.02)	$ 0.22	
Diluted	$ (0.02)	$ 0.22	
Weighted average shares outstanding:			
Basic	359,017	364,570	
Diluted	359,017	365,299	

The following table presents a reconciliation of reported results on a constant currency basis for the quarter ended March 28, 2020 and a comparison to prior year:

	Quarter Ended March 28, 2020					
	As Reported	Impact from Foreign Currency [1]	Constant Currency	Quarter Ended March 30, 2019	% Change, As Reported	% Change, Constant Currency
As reported under GAAP:						
Net sales	$ 1,316,462	$ (20,201)	$ 1,336,663	$ 1,588,024	(17.1)%	(15.8)%
Gross profit	473,732	(10,262)	483,994	620,031	(23.6)	(21.9)
Operating profit	34,130	(885)	35,015	149,644	(77.2)	(76.6)
Diluted earnings (loss) per share	$ (0.02)	$ 0.00	$ (0.02)	$ 0.22	(109.1)%	(109.1)%
As adjusted: [2]						
Net sales	$ 1,316,462	$ (20,201)	$ 1,336,663	$ 1,493,920	(11.9)%	(10.5)%
Gross profit	495,545	(10,262)	505,807	607,835	(18.5)	(16.8)
Operating profit	63,329	(885)	64,214	150,094	(57.8)	(57.2)
Diluted earnings per share	$ 0.05	$ 0.00	$ 0.05	$ 0.22	(77.3)%	(77.3)%

[1] Effect of the change in foreign currency exchange rates year-over-year. Calculated by applying prior period exchange rates to the current year financial results.

[2] Results for the quarters ending March 28, 2020 and March 30, 2019 reflect adjustments for restructuring and other action-related charges. Results for the quarter ended March 30, 2019 also reflect adjustments for the exited *C9 Champion* program at Target and DKNY Intimates license. See "Reconciliation of Select GAAP Measures to Non-GAAP Measures" in Table 5.

TABLE 2

HANESBRANDS INC.
Supplemental Financial Information
(in thousands, except per-share amounts)
(Unaudited)

	Quarters Ended		
	March 28, 2020	March 30, 2019 Rebased [1]	% Change
Segment net sales:			
Innerwear	$ 422,402	$ 466,414	(9.4)%
Activewear	288,000	320,767	(10.2)
International	555,901	646,180	(14.0)
Other	50,159	60,559	(17.2)
Total net sales	$ 1,316,462	$ 1,493,920	(11.9)%
Segment operating profit:			
Innerwear	$ 81,551	$ 103,126	(20.9)%
Activewear	8,108	24,170	(66.5)
International	52,018	99,773	(47.9)
Other	(6,125)	754	(912.3)
General corporate expenses/other	(72,223)	(77,729)	(7.1)
Total operating profit before restructuring and other action-related charges	63,329	150,094	(57.8)
Restructuring and other action-related charges	(29,199)	(21,373)	36.6
Total operating profit	$ 34,130	$ 128,721	(73.5)%

1 Results for the quarter ended March 30, 2019 reflect adjustments for the exited *C9 Champion* program at Target and DKNY Intimates license. See “Reconciliation of Select GAAP Measures to Non-GAAP Measures” in Table 5.

The following table presents a reconciliation of reported results on a constant currency basis adjusted for restructuring and other action-related charges and the impact of COVID-19 for the quarter ended March 28, 2020.

	Quarter Ended March 28, 2020							
	As Reported	Impact from Foreign Currency [1]	Impact of Restructuring and Other Action-Related Charges	Constant Currency Adjusted for Restructuring and Other Action-Related Charges	% Change [2]	Impact of COVID-19	Constant Currency Adjusted for Restructuring and Other Action-Related Charges and COVID-19	% Change [2]
Net sales	$ 1,316,462	$ (20,201)	$ —	$ 1,336,663	(10.5)%	$ (180,835)	$ 1,517,498	1.6 %
Operating profit	$ 34,130	$ (885)	$ (29,199)	$ 64,214	(57.2)%	$ (85,724)	$ 149,938	(0.1)%
Diluted earnings (loss) per share	$ (0.02)	$ 0.00	$ (0.07)	$ 0.05	(77.3)%	$ (0.20)	$ 0.25	13.6 %

1 Effect of the change in foreign currency exchange rates year-over-year. Calculated by applying prior period exchange rates to the current year financial results.

2 The comparison to the quarter ended March 30, 2019 reflects adjustments for restructuring and other action-related charges and the exited *C9 Champion* program at Target and DKNY Intimates license. See “Reconciliation of Select GAAP Measures to Non-GAAP Measures” in Table 5.

Including the unfavorable foreign currency impact of $3.9 million, global Champion sales outside the mass channel decreased approximately 12% in the first quarter of 2020 compared to the first quarter of 2019. On a constant currency basis, global Champion sales decreased approximately 11%. On a constant currency basis and adjusted for the impact of COVID-19 of approximately $84.3 million, global Champion sales would have increased approximately 7%.

TABLE 3

HANESBRANDS INC.
Condensed Consolidated Balance Sheets
(in thousands)
(Unaudited)

	March 28, 2020	December 28, 2019
Assets		
Cash and cash equivalents	$ 1,083,780	$ 328,876
Trade accounts receivable, net	725,092	815,210
Inventories	1,963,757	1,905,845
Other current assets	178,244	174,634
Total current assets	3,950,873	3,224,565
Property, net	571,005	587,896
Right-of-use assets	473,936	487,787
Trademarks and other identifiable intangibles, net	1,435,356	1,520,800
Goodwill	1,205,195	1,235,711
Deferred tax assets	188,004	203,331
Other noncurrent assets	118,890	93,896
Total assets	$ 7,943,259	$ 7,353,986
Liabilities		
Accounts payable	$ 925,417	$ 959,006
Accrued liabilities	447,401	531,184
Lease liabilities	150,568	166,091
Notes payable	2,170	4,244
Accounts Receivable Securitization Facility	152,153	—
Current portion of long-term debt	111,359	110,914
Total current liabilities	1,789,068	1,771,439
Long-term debt	4,236,955	3,256,870
Lease liabilities - noncurrent	358,848	358,281
Pension and postretirement benefits	375,511	403,458
Other noncurrent liabilities	309,306	327,343
Total liabilities	7,069,688	6,117,391
Stockholders’ equity		
Preferred stock	—	—
Common stock	3,480	3,624
Additional paid-in capital	297,456	304,395
Retained earnings	1,296,060	1,546,224
Accumulated other comprehensive loss	(723,425)	(617,648)
Total stockholders’ equity	873,571	1,236,595
Total liabilities and stockholders’ equity	$ 7,943,259	$ 7,353,986

TABLE 4

HANESBRANDS INC.
Condensed Consolidated Statements of Cash Flows
(in thousands)
(Unaudited)

	Quarters Ended	
	March 28, 2020	March 30, 2019
Operating Activities:		
Net income (loss)	$ (7,874)	$ 81,088
Adjustments to reconcile net income (loss) to net cash from operating activities:		
Depreciation	22,781	22,854
Amortization of acquisition intangibles	6,113	6,290
Other amortization	2,477	3,090
Amortization of debt issuance costs	2,123	2,440
Stock compensation expense	4,723	5,178
Deferred taxes	(461)	(3,854)
Other	(9,520)	4,247
Changes in assets and liabilities:		
Accounts receivable	73,694	(62,278)
Inventories	(86,785)	(178,405)
Other assets	26,790	(32,372)
Accounts payable	(13,605)	(18,213)
Accrued pension and postretirement benefits	(21,481)	(21,978)
Accrued liabilities and other	(82,191)	(2,378)
Net cash from operating activities	(83,216)	(194,291)
Investing Activities:		
Capital expenditures	(25,759)	(25,269)
Proceeds from sales of assets	66	136
Other	1,216	—
Net cash from investing activities	(24,477)	(25,133)
Financing Activities:		
Borrowings on notes payable	62,312	82,774
Repayments on notes payable	(64,352)	(82,759)
Borrowings on Accounts Receivable Securitization Facility	227,061	106,942
Repayments on Accounts Receivable Securitization Facility	(74,909)	(68,550)
Borrowings on Revolving Loan Facilities	1,638,000	772,500
Repayments on Revolving Loan Facilities	(688,000)	(680,500)
Repayments on Term Loan Facilities	—	(10,625)
Borrowings on International Debt	31,222	7,141
Share repurchases	(200,269)	—
Cash dividends paid	(53,683)	(54,221)
Payments to amend and refinance credit facilities	(232)	(662)
Taxes paid related to net shares settlement of equity awards	(62)	(906)
Other	426	573
Net cash from financing activities	877,514	71,707
Effect of changes in foreign exchange rates on cash	(15,061)	2,104
Change in cash, cash equivalents and restricted cash	754,760	(145,613)
Cash, cash equivalents and restricted cash at beginning of year	329,923	455,732
Cash, cash equivalents and restricted cash at end of period	1,084,683	310,119
Less restricted cash at end of period	903	23,039
Cash and cash equivalents per balance sheet at end of period	$ 1,083,780	$ 287,080

TABLE 5

HANESBRANDS INC.
Supplemental Financial Information
Reconciliation of Select GAAP Measures to Non-GAAP Measures
(in thousands, except per-share amounts)
(Unaudited)

	Quarters Ended	
	March 28, 2020	March 30, 2019
Net sales, as reported under GAAP	$ 1,316,462	$ 1,588,024
Net sales from exited programs	—	(94,104)
Net sales, rebased	$ 1,316,462	$ 1,493,920
Gross profit, as reported under GAAP	$ 473,732	$ 620,031
Restructuring and other action-related charges	21,813	17,692
Gross profit on exited programs	—	(29,888)
Adjusted gross profit, rebased	$ 495,545	$ 607,835
As a % of net sales, rebased	**37.6%**	**40.7%**
Selling, general and administrative expenses, as reported under GAAP	$ 439,602	$ 470,387
Restructuring and other action-related charges	(7,386)	(3,681)
Selling, general and administrative expenses related to exited programs	—	(8,965)
Adjusted selling, general and administrative expenses, rebased	$ 432,216	$ 457,741
As a % of net sales, rebased	**32.8%**	**30.6%**
Operating profit, as reported under GAAP	$ 34,130	$ 149,644
Restructuring and other action-related charges included in gross profit	21,813	17,692
Restructuring and other action-related charges included in SG&A	7,386	3,681
Gross profit on exited programs	—	(29,888)
Selling, general and administrative expenses related to exited programs	—	8,965
Adjusted operating profit, rebased	$ 63,329	$ 150,094
As a % of net sales, rebased	**4.8%**	**10.0%**
Net income (loss), as reported under GAAP	$ (7,874)	$ 81,088
Restructuring and other action-related charges included in gross profit	21,813	17,692
Restructuring and other action-related charges included in SG&A	7,386	3,681
Gross profit on exited programs	—	(29,888)
Selling, general and administrative expenses related to exited programs	—	8,965
Tax effect on actions	(4,234)	(63)
Adjusted net income, rebased	$ 17,091	$ 81,475
Diluted earnings (loss) per share, as reported under GAAP	$ (0.02)	$ 0.22
Restructuring and other action-related charges	0.07	0.05
Exited programs	—	(0.05)
Adjusted diluted earnings per share, rebased	$ 0.05	$ 0.22

	Quarter Ended March 30, 2019				
	As Reported	Less: Exited Programs	Adjusted for Exited Programs	Less: Restructuring and other action-related charges	Rebased
Segment net sales:					
Innerwear	$ 475,945	$ 9,531	$ 466,414	$ —	$ 466,414
Activewear	405,340	84,573	320,767	—	320,767
International	646,180	—	646,180	—	646,180
Other	60,559	—	60,559	—	60,559
Total net sales	$ 1,588,024	$ 94,104	$ 1,493,920	$ —	$ 1,493,920
Segment operating profit:					
Innerwear	$ 104,626	$ 1,500	$ 103,126	$ —	$ 103,126
Activewear	43,593	19,423	24,170	—	24,170
International	99,773	—	99,773	—	99,773
Other	754	—	754	—	754
General corporate expenses/other	(77,729)	—	(77,729)	—	(77,729)
Restructuring and other action-related charges	(21,373)	—	(21,373)	(21,373)	—
Total operating profit	$ 149,644	$ 20,923	$ 128,721	$ (21,373)	$ 150,094

	Quarters Ended	
	March 28, 2020	March 30, 2019
Restructuring and other action-related charges by category:		
Supply chain actions	$ 14,065	$ 17,692
Program exit costs	8,215	—
Other restructuring costs	6,919	3,681
Tax effect on actions	(4,234)	(3,013)
Total restructuring and other action-related charges	$ 24,965	$ 18,360

	Last Twelve Months	
	March 28, 2020	March 30, 2019
EBITDA [1]:		
Net income	$ 511,758	$ 541,952
Interest expense, net	167,369	196,971
Income tax expense	64,626	102,054
Depreciation and amortization	130,104	132,105
Total EBITDA	873,857	973,082
Total restructuring and other action-related charges (excluding tax effect on actions)	71,312	81,968
Stock compensation expense	8,822	21,848
Total EBITDA, as adjusted	$ 953,991	$ 1,076,898
Net debt:		
Debt (current and long-term debt and Accounts Receivable Securitization Facility)	$ 4,500,467	$ 4,092,308
Notes payable	2,170	5,753
(Less) Cash and cash equivalents	(1,083,780)	(287,080)
Net debt	$ 3,418,857	$ 3,810,981
Net debt/EBITDA, as adjusted	3.6	3.5

[1] Earnings before interest, taxes, depreciation and amortization (EBITDA) is a non-GAAP financial measure.

	Quarters Ended	
	March 28, 2020	March 30, 2019
Free cash flow:		
Net cash from operating activities	$ (83,216)	$ (194,291)
Capital expenditures	(25,759)	(25,269)
Free cash flow	$ (108,975)	$ (219,560)

Hanesbrands FAQs

Updated April 30, 2020 – New or updated information is in red

General and Current Period FAQs

(1) Q: What is factored into your 2020 guidance?

A: *Due to the uncertainty and unpredictability of the COVID-19 pandemic and the current lack of visibility in the global business environment, we are not providing second quarter or full-year 2020 guidance at this time.*

(2) Q: Was your business impacted by the COVID-19 pandemic in the first quarter of 2020?

A: *We estimate COVID-19 impacted first quarter revenue by approximately $181 million, operating profit by approximately $86 million, and earnings per share by approximately $0.20. Included in the operating profit and EPS COVID-related estimates is an accrual for anticipated customer bankruptcies of approximately $11 million and $0.03, respectively. Excluding the COVID-related impact, we estimate first quarter revenue would have increased 1.6% on a constant currency basis, adjusted operating profit and adjusted operating margin would have been consistent with prior year, and earnings per share would have increased 14%.*

Our first quarter was marked by two radically different periods as the global spread of COVID-19 accelerated in March. Through the second week of March, we saw strong revenue and profit performance across our business, particularly within U.S. Innerwear and U.S. Activewear. Through mid-March, U.S. Innerwear revenue was down less than 1% over prior year, well ahead of our initial forecast as our turnaround initiatives were gaining momentum and U.S. Activewear revenue was up mid-to-high single-digits driven by Champion as well as our other activewear brands. However, this strong performance was more than offset by the unprecedented, sudden drop in sales and profit late in the quarter, although we have seen orders resume in April (see question 3). Our global shipments and sales essentially stopped in the last two weeks of the quarter as our customers reacted aggressively to the shelter-in-place announcements by delaying or cancelling their orders. We also experienced significant declines in point-of-sale and traffic trends at retail (our doors and our partners' doors) once shelter-in-place orders were announced in each market. Our estimated impact from COVID-19 on our first quarter results is based on: (1) cancelled orders during the last two weeks of the quarter; and, (2) the difference between the quarter-to-date point-of-sale and shipment trends at retail (our stores and customers' stores) and the trends post the shelter-in-place announcements – timing of the announcements varied slightly by region, however the vast majority of the trend difference was during the last two weeks of the quarter.

(3) Q: Can you provide an update on recent business trends?

A: *Comments reflect certain business trends as of April 30, 2020. While the majority of our stores and those of some of our retail partners remain closed, we have seen orders resume in April as consumers and retailers have begun to adapt. Online growth has rapidly accelerated each week, reaching triple digit growth rates across a number of our customers' online platforms as well as on our Champion.com and Maidenform.com websites. Consumers are also buying our categories at stores within the mass, hypermarket, dollar store and drugstore channels. We are starting to see a new base line of orders within these channels. The Basics reset at a large mass retailer is progressing and we have received back-to-school orders from some of our large customers.*

In addition, we have ramped a new business line for cotton face masks as well as other personal protection garments. We believe this business has the potential to be a substantial contributor of incremental profit and cash flow over the next several years.

Our belief is driven by the anticipated change in consumer behavior (COVID-19 pandemic driving increased usage of masks by consumers and businesses globally) as well as the sizeable interest from potential customers around the world, including governments, retailers, large corporations and individual consumers. We believe the combination of our trusted brands and large scale manufacturing could further enhance this long-term opportunity. We are currently manufacturing cotton face masks for the U.S. government as well as launching a Hanes-branded consumer program for several customers. Combined, we expect these programs to generate well over $300 million of sales in 2020.

(4) Q: Can you comment on your liquidity position?

A: *We believe our current liquidity position is strong. We ended the first quarter with nearly $1.1 billion of cash on our balance sheet. Given the unpredictability and uncertainty regarding the impact of COVID-19 on economies and consumer spending around the world, we modeled a number of different financial scenarios driven by the different timelines of retail stores re-opening and the ramp of consumer spending. We even ran a stress-test scenario that assumed a prolonged shelter-in-place environment (retail stores do not re-open until early October). In an effort to be prudent, we have taken two proactive steps to further strengthen our substantial liquidity position.*

First, we closed on a 15-month covenant amendment on our Senior Secured Credit Facility. During the amendment period, which ends on July 3, 2021: (1) our leverage covenant of 4.5 times net debt-to-adjusted LTM EBITDA is suspended; and (2) our interest-coverage ratio covenant of 3.0 times adjusted LTM EBITDA is reduced to 2.0 times until April 3, 2021, at which time it steps up to 2.25 times until July 3, 2021. During the amendment period, we have two additional covenants: (1) minimum liquidity of $300 million, defined as unutilized revolving credit facilities plus unrestricted cash, which would increase to $400 million in the event of any capital raise in excess of $150 million; and (2) minimum adjusted LTM EBITDA (see 10Q for the LTM EBITDA schedule). Also during the amendment period, we cannot make acquisitions or repurchase shares, however we have the ability to pay dividends of up to $215 million annually. Additional information on this amendment can be found in our SEC filings.

Second, subject to market conditions, we intend to secure approximately $500 million of debt financing, with the proceeds used to repay our U.S. Revolver, thereby increasing our liquidity to nearly $1.6 billion.

While these precautions may prove to be overly conservative, we wanted to ensure that even under our stress-test scenario, we have an ample capital cushion. We believe this will maximize our operating flexibility in the current environment, under any of our modeling scenarios, and positions us to take advantage of current and future opportunities.

(5) Q: Can you provide any additional information regarding the exited programs in 2019?

A: *Supplemental Table B – Rebased Information dated February 7, 2020 can be found on our investor relations website (www.hanes.com/investors). Supplemental Table B provides a quarterly rebased P&L and rebased revenue and operating profit for our Innerwear and Activewear segments for 2019. This table reflects the exited C9 Champion program at Target and the DKNY Intimates license.*

(6) Q: Are you impacted by the increased tariffs on products coming into the U.S. from China?

A: *Unlike the vast majority of the apparel industry, our exposure to China is minimal. We do not own any manufacturing operations in China. Of our third-party sourced units for the U.S. market, China represents less than 3% of our U.S. costs. We have action plans in place that are expected to further reduce imports from China to the U.S. over the next 12 – 18 months.*

(7) Q: What is your long-term capital allocation strategy and what are your priorities for 2020?

A: *Our long-term capital allocation strategy is to effectively deploy our significant, consistent cash flow to generate the best long-term returns for our shareholders. Over time, our goal is for our leverage ratio of net debt-to-adjusted EBITDA to be in a range of 2 to 3 times. Our strategy is to use our cash flow from operations to first fund capital investments and our dividend. When we are within our targeted leverage range, we intend to use debt for acquisitions and use excess free cash flow, which is defined as cash from operations less capital expenditures and dividends, to repurchase stock. When we are outside of our targeted leverage range, we plan to use excess free cash flow to pay down debt.*

Due to the COVID-related uncertainty regarding the timing of global economies re-opening and the level of consumer spending, our priority for 2020 is to preserve cash and ensure we have ample liquidity in order to maximize our operating flexibility in the current environment. We believe this positions us to take advantage of current and future opportunities. With respect to capital allocation for the remainder of 2020, we have reduced our capital expenditures to critical needs and we have suspended share repurchases.

(8) Q: Do you believe your business model can continue to deliver long-term double-digit total shareholder returns?

A: *Yes. We continue to diversify our business model to be in a position to provide more consistent organic revenue growth and optimize our strong cash flow. Over the past several years, we have significantly diversified our business model by investing in our core brands, investing in our online operations, and investing in international expansion to provide us with multiple paths for delivering growth and long-term shareholder returns. We believe we have diversified in a way that the combination of our organic and acquisition strategies provides us the ability to deliver revenue and EPS growth and when you layer on the returns from deploying our significant levels of cash flow, we believe we are well positioned for long-term double-digit total shareholder returns.*

(9) Q: How does a change in currency exchange rates impact your financial results?

A: *Changes in exchange rates between the U.S. Dollar and other currencies can impact our financial results in two ways; a translation impact and a transaction impact. The translation impact refers to the impact that changes in exchange rates can have on our published financial results. Similar to many multi-national corporations that publish financial results in U.S. Dollars, our revenue and profit earned in local foreign currencies is translated back into U.S. Dollars using an average exchange rate over the representative period. A period of strengthening in the U.S. Dollar results in a negative impact to our published financial results (because it would take more units of a local currency to convert into a dollar). The opposite is true during a period of weakening in the U.S. Dollar. The transaction impact on financial results is common for apparel companies that source goods because these goods are purchased in U.S. Dollars. The transaction impact from a strengthening dollar would be negative to our financial results (because the U.S. Dollar-based costs would convert into a higher amount of local currency units, which means a higher local-currency cost of goods, and in turn, a lower local-currency gross profit). The transaction impact from exchange rates is typically recovered over time with price increases. However, during periods of rapid change in exchange rates, pricing is unable to change quickly enough. In these situations, it could make sense to hedge the exchange rate exposure in sourcing costs.*

For prior FAQs please see our prior Securities and Exchange Commission reports, including our Current Reports on Form 8-K.

###

Charges for Actions and Reconciliation to GAAP Measures

To supplement our financial guidance prepared in accordance with generally accepted accounting principles, we provide quarterly and full-year results and guidance concerning certain non-GAAP financial measures, including adjusted EPS, adjusted net income, adjusted operating profit (and margin), adjusted SG&A, adjusted gross profit (and margin), EBITDA, adjusted EBITDA and net debt.

Adjusted EPS is defined as diluted EPS excluding actions and the tax effect on actions. Adjusted net income is defined as net income excluding actions and the tax effect on actions. Adjusted operating profit is defined as operating profit excluding actions. Adjusted gross profit is defined as gross profit excluding actions. Adjusted SG&A is defined as selling, general and administrative expenses excluding actions.

Charges for actions taken in 2018 primarily represent: acquisition and integration costs related to Hanes Europe Innerwear, Hanes Australasia, Champion Europe, Alternative Apparel and Bras N Things, and other costs related to supply chain network changes. Charges for actions taken in 2019 primarily represent supply chain network changes, program exist costs and overhead reduction as well as completion of outstanding acquisition integration. Acquisition and integration costs include legal fees, consulting fees, bank fees, severance costs, certain purchase accounting items, facility closures, inventory write-offs, information technology integration costs and similar charges related to the integration of recently acquired businesses. While these costs are not operational in nature and are not expected to continue for any singular transaction on an ongoing basis, similar types of costs, expenses and charges have occurred in prior periods and may recur in future periods depending upon acquisition activity.

We have chosen to present these non-GAAP measures to investors to enable additional analyses of past, present and future operating performance and as a supplemental means of evaluating operations absent the effect of acquisitions and other actions. We believe these non-GAAP measures provide management and investors with valuable supplemental information for analyzing the operating performance of the Company's ongoing business during each period presented without giving effect to costs associated with the execution and integration of any of the aforementioned actions taken.

We have also chosen to present EBITDA, adjusted EBITDA and the ratio of net debt to adjusted EBITDA to investors because we consider these measures to be an important supplemental means of evaluating operating performance. EBITDA is defined as earnings before interest, taxes, depreciation and amortization. Adjusted EBITDA is defined as EBITDA excluding actions and stock compensation expense. Net debt is defined as total debt less cash and cash equivalents. We believe that these metrics are frequently used by securities analysts, investors and other interested parties in the evaluation of companies in the industry, and management uses the ratio of net debt to adjusted EBITDA for planning purposes in connection with setting our capital allocation strategy. These metrics should not, however, be considered as measures of discretionary cash available to invest in the growth of the business.

In addition, with respect to 2020 financial performance, we have chosen to present certain year over year comparisons with respect to our rebased 2019 business, which excludes the exited *C9 Champion* program and DKNY license. We believe this information is useful to management and investors to facilitate a more meaningful comparison of the results of the company's ongoing business between 2019 and 2020.

We are a global company that reports financial information in U.S. dollars in accordance with GAAP. As a supplement to our reported operating results, we also present constant currency financial information, which is a non-GAAP financial measure that excludes the impact of translating foreign currencies into U.S. dollars. We use constant currency information to provide a framework to assess how the business performed excluding the effects of changes in the rates used to calculate foreign currency translation. We believe this information is useful to management and investors to facilitate comparison of operating results and better identify trends in our businesses. To calculate foreign currency

translation on a constant currency basis, operating results for the current year period for entities reporting in currencies other than the U.S. dollar are translated into U.S. dollars at the average exchange rates in effect during the comparable period of the prior year (rather than the actual exchange rates in effect during the current year period).
Organic sales are net sales excluding those derived from businesses acquired within the previous 12 months of a reporting date.

We believe constant currency and organic sales information is useful to management and investors to facilitate comparison of operating results and better identify trends in the company's businesses.

Non-GAAP financial measures have limitations as analytical tools and should not be considered in isolation or as an alternative to, or substitute for, financial results prepared in accordance with GAAP. Further, the non-GAAP measures presented may be different from non-GAAP measures with similar or identical names presented by other companies. See our press release dated April 30, 2020 to reconcile quarterly and full-year non-GAAP performance measures to the most directly comparable GAAP measure, as well as to reconcile year over year comparisons based on our rebased 2019 business. A copy of the press release is available at www.Hanes.com/investors.

Cautionary Statement Concerning Forward-Looking Statements

These FAQs 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 as to future performance. In particular, among others, statements regarding the potential impact of the COVID-19 outbreak on our business and financial performance, guidance and predictions regarding expected operating results, including related to our new business line for cotton face masks and other personal protection garments, our plans to secure additional debt financing, subject to market conditions, and our belief that we have sufficient liquidity to fund our ongoing business operations are forward-looking statements. These forward-looking statements are based on our current intent, beliefs, plans and expectations. Readers are 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 potential effects of the COVID-19 outbreak, including on consumer spending, global supply chains and financial markets; 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 attract and retain a senior management team with the core competencies needed to support growth in global markets; our ability to properly manage strategic projects in order to achieve the desired results; significant fluctuations in foreign exchange rates; our reliance on a relatively small number of customers for a significant portion of our sales; legal, regulatory, political and economic risks related to our international operations; our ability to effectively manage our complex multinational tax structure; the existence of a material weakness in our internal control over financial reporting; ; 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 we undertake 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.