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): May 2, 2019

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, NC	27105
(Address of principal executive offices)	(Zip Code)

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

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:

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

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

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

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

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 o

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. ☐

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

Item 2.02. Results of Operations and Financial Condition

On May 2, 2019, Hanesbrands Inc. ("HanesBrands") issued a press release announcing its financial results for the first quarter ended March 30, 2019. A copy of the press release is attached as Exhibit 99.1 to this Current Report on Form 8-K.

Item 7.01. Regulation FD Disclosure

HanesBrands 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 May 2, 2019. 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 May 2, 2019, until midnight, Eastern time, on May 9, 2019. 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 9684087.

Item 9.01. Financial Statements and Exhibits

(d) Exhibits

Exhibit 99.1	Press Release dated May 2, 2019
Exhibit 99.2	Supplemental Information

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.

May 2, 2019	HANESBRANDS INC.	
	By:	/s/ Barry A. Hytinen
		Barry A. Hytinen
		Chief Financial Officer

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

HANES Brands Inc
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 2019 FINANCIAL RESULTS

- *Strong 1Q net sales, operating profit and EPS exceed company guidance*
- *Net sales increased 8% on strength of 10% constant-currency organic growth, including global* Champion *constant-currency sales growth of 75%*
- *Operating profit up low single digits; GAAP EPS flat at $0.22 and adjusted EPS of $0.27 increased 4%*
- *Cash generation on plan, and net debt reduced to 3.5 times adjusted EBITDA*
- *Full-year 2019 guidance reiterated and 2Q guidance issued*

WINSTON-SALEM, N.C. (May 2, 2019) - HanesBrands (NYSE: HBI), a leading global marketer of everyday basic apparel under world-class brands, today announced first-quarter 2019 results that exceeded its guidance, including net sales growth of 8%, operating profit growth, and reduced debt leverage.

For the first quarter ended March 30, 2019, net sales increased 8% to $1.59 billion and organic sales in constant currency increased 10%, the seventh consecutive quarter of constant-currency organic growth. Sales were fueled by strong U.S. Activewear growth, broad-based International growth, and increased sales of U.S. Innerwear basics. Globally, strong *Champion* sales growth accelerated.

GAAP operating profit in the first quarter increased 1% to $148 million, while adjusted operating profit increased 2% to $169 million. GAAP diluted earnings per share in the quarter were $0.22, the same as a year ago, and adjusted EPS increased 4% to $0.27. (See the Note on Adjusted Measures and Reconciliation to GAAP Measures section later in this news release for additional discussion and details.)

“We are delighted to continue our business momentum with a very strong first quarter,” said Hanes Chief Executive Officer Gerald W. Evans Jr. “We are generating broad-based growth across businesses and geographies. Our brands are strong, and growth-related investment is delivering results. In addition to the acceleration of *Champion* growth globally, Innerwear sales increased in Asia, Australia and the Americas, and sales of U.S. Innerwear basics increased for the second consecutive quarter.

“Our cash generation is on plan, our debt leverage is coming down, and our diversified business portfolio is paying dividends. We feel confident in achieving our long-term goals and enhancing value creation with our business model.”

Callouts for First-Quarter 2019 Financial Results

Accelerated Growth Rates for Organic Net Sales and *Champion*. The 10% growth in constant-currency organic sales in the first quarter accelerated from the 6% growth rate in the fourth-quarter 2018. First-quarter sales for the Innerwear, Activewear and International segments all exceeded company expectations.

Growth initiatives drove a 75% increase in constant-currency global *Champion* sales outside the mass channel with strong double-digit increases in all regions. Contributors included: U.S. expansion across retail and online channels; strong wholesale expansion in northern and western Europe; strong wholesale and consumer-direct growth in Asia, including continued store openings in China and elsewhere; and distribution expansion beginning in Australia.

Total company consumer-direct sales, defined as brand retail stores and all online business, increased 16% in the first quarter. E-commerce sales increased for each of the Innerwear, Activewear and International segments.

Bad Debt Expense Lowers Operating Profit and EPS Results. The company incurred an unexpected bad debt charge of $4 million in the first quarter related to the insolvency of Heritage Sportswear, a U.S.-based apparel wholesaler for the screen-print industry. The charge affected both GAAP and adjusted operating profit and lowered GAAP and adjusted EPS by approximately $0.01.

Cash Flow on Track, Debt Leverage Reduced. Cash flow from operations was a use of $194 million in the first quarter, which was better than expected as a result of higher net income and improved working capital performance. The company's debt leverage at the end of the quarter was 3.5 times adjusted EBITDA, down from 3.9 times a year ago. The company continues to expect the leverage ratio to decline to 2.9 times by the end of the year, which is within the company's target range.

First-Quarter Business Segment Summaries

Innerwear Segment Results Better Than Guidance. U.S. Innerwear segment sales decreased 3% in the first quarter, compared with expectations of a 4% decrease. Operating profit increased 3%, with the operating margin improving 130 basis points to 22%.

Sales of Innerwear basics increased nearly 2%, while Innerwear intimates decreased in line with company expectations. Sales increased for underwear, socks, and shapewear, while the company's bra turnaround initiatives are continuing. Sales of Innerwear in the online channel increased 6%.

Activewear Segment Sales and Profits Increased on Organic Growth. U.S. Activewear segment first-quarter sales increased 17% and operating profit increased 14%. Operating margin declined 30 basis points as the company invested in distribution to maintain service levels and fulfill accelerating demand for *Champion* products.

Champion sales increased more than 80% outside the mass channel. As expected, sales of *Champion* at mass retail declined approximately 3%.

Broad-based and Widespread Strength Drove Strong International Segment Growth. Despite stronger than expected currency headwinds in the quarter, International segment sales increased 13%, while operating profit increased 20%, benefiting from increased volume and integration synergies.

Organic constant-currency sales increased by more than a $100 million, up 18% with regional growth in Europe, Asia, Australia and the Americas. The segment's total innerwear and total activewear sales each increased.

Bras N Things growth, including increases in comparable-store sales, contributed to increased organic sales after the anniversary of its acquisition in February. The business contributed $18 million in non-organic sales prior to the acquisition anniversary.

2019 Financial Guidance

Hanes has reiterated its full-year 2019 financial guidance issued Feb. 7, 2019, and has issued guidance for the second quarter.

The company expects 2019 net sales of $6.885 billion to $6.985 billion, GAAP operating profit of $900 million to $930 million, adjusted operating profit of $955 million to $985 million, GAAP EPS of $1.59 to $1.67, adjusted EPS of $1.72 to $1.80, and net cash from operations of $700 million to $800 million.

At the midpoint, the 2019 guidance versus 2018 results represents net sales growth of approximately 2%; GAAP and adjusted operating profit growth of 5% and 2%, respectively; GAAP and adjusted EPS growth of 7% and 3%, respectively; and operating cash flow growth of 17%.

For the second quarter, net sales are expected to be approximately $1.735 billion to $1.765 billion. GAAP operating profit is expected to be $223 million to $233 million, and adjusted operating profit is expected to be $238 million to $248 million. GAAP EPS is expected to be $0.40 to $0.42, and adjusted EPS is expected to be $0.43 to $0.45.

Guidance Assumptions. Key assumptions in the company's guidance include: a cautious outlook for the U.S. brick-and-mortar retail market, including continued door closures; continued progress in U.S. Innerwear revitalization initiatives; price increases and a conservative view on elasticity; negative effects of currency exchange rates; and increased marketing investment to support brand plans.

Organic sales in constant currency for 2019 are expected to increase approximately 3%. Adverse foreign currency exchange rates for the year are expected to reduce net sales as reported by approximately $115 million compared with last year, up from previous expectations of approximately $60 million. The estimate includes the $46 million impact in the first quarter compared with last year and an estimated $40 million impact expected in the second quarter compared with last year. For operating profit, adverse foreign currency exchange rates are expected to reduce full-year results as reported by $17 million compared with last year, up from previous expectations of a $7 million effect.

Segment Guidance. At the midpoint of full-year guidance, International segment net sales are expected to increase approximately 5% and constant-currency organic sales are expected to increase slightly more than 9%. Growth drivers are expected to be *Champion* sales growth in Asia and Europe and increased innerwear sales in Asia, Australia and the Americas, including the *Hanes* and *Bonds* brands. For the second quarter, International segment net sales on a reported basis are expected to increase approximately 1%.

U.S. Innerwear net sales at the midpoint of guidance for both the full year and second quarter are expected to decrease approximately 2%, reflecting a cautious outlook for the impact from retail door closings and benefits from price increases taken in the first quarter.

U.S. Activewear net sales growth at the midpoint of 2019 guidance is expected to approach 4%. *Champion* sales outside of the mass channel are expected to increase at double-digit rates each quarter, while the *Champion* mass business is expected to decrease by a low teens percentage, primarily in the second half of the year. Full-year sales for the remainder of the Activewear segment are expected to decrease with a larger decline in the second half as the company transitions to a focus on higher-margin products. The company expects margin expansion for the Activewear segment for the year. For the second quarter, Activewear segment sales are expected to increase approximately 11%.

Additional Guidance. The midpoint of 2019 guidance implies approximately 50 basis points of gross margin enhancement and 10 basis points of adjusted operating profit margin expansion.

GAAP operating profit in 2019 is expected to be affected by approximately $55 million in pretax charges, including $21 million taken in the first quarter and an expected $15 million in the second quarter, related to acquisition integration and other supply chain actions. Approximately $20 million of the full-year charges are expected to be noncash. The charges reflect the completion of all outstanding acquisition integrations as well as Western Hemisphere supply chain realignment that includes speed-to-market initiatives that are part of the revitalization strategy for U.S. Innerwear.

Hanes expects interest expense and other expenses to be approximately $224 million combined, with an estimated $56 million expected in the second quarter. The company expects capital expenditure investment of approximately $90 million to $100 million. A pension contribution of approximately $26 million made in the first quarter is reflected in operating cash flow guidance.

The company's priority for use of excess operating cash flow is to pay down debt. The company's debt leverage on a net-debt-to-adjusted-EBITDA basis is expected to be 2.9 times at year end. Consistent with the company's seasonality, net cash from operations is expected to be a use in the first half.

The company expects an annual effective tax rate of approximately 14% and expects approximately 366 million shares outstanding, a slight increase versus 2018. For the second quarter, the company expects an effective tax rate of approximately 14% and slightly more than 365 million shares outstanding.

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

Note on Adjusted Measures and Reconciliation to GAAP Measures

To supplement financial guidance prepared in accordance with generally accepted accounting principles, the company provides 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 the ratio of net debt to adjusted EBITDA.

Adjusted EPS is defined as diluted EPS from continuing operations excluding actions and the tax effect on actions. Adjusted net income is defined as net income from continuing operations 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 expected to be taken in 2019 primarily represent supply chain network changes 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.

In addition, the company has chosen to present EBITDA, adjusted EBITDA, and the ratio of net debt to 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. Net debt is defined as total debt less cash and cash equivalents. 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 its capital allocation strategy. These metrics should not, however, be considered as measures of discretionary cash available to invest in the growth of the business.

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 compared to prior-year reporting periods 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).

Organic net sales are net sales excluding those derived from businesses acquired within the previous 12 months of a reporting date.

Hanes believes this 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 financial measures to the most directly comparable GAAP financial measures are presented in the supplemental financial information included with this release.

Webcast Conference Call

Hanes will host an Internet webcast of its first-quarter investor conference call at 8:30 a.m. EDT today, May 2, 2019. 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 9, 2019. The replay will be available by calling toll-free (855) 859-2056 or by toll call at (404) 537-3406. The replay ID is 9684087.

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 channel disruption and future retail door closures, our outlook for cash flow growth and reduced leverage, and statements following the heading 2019 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 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 in order to achieve the desired results; our ability to attract and retain a senior management team with the core competencies needed to support growth in global markets; 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 realize all of the anticipated benefits of acquisitions; 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, Maidenform*, *DIM, Bali*, *Playtex*, *Bras N Things*, *Nur Die/Nur Der, Alternative, L'eggs*, *JMS/Just My Size*, *Lovable, 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 member of the S&P 500 stock index, Hanes has approximately 68,000 employees in more than 40 countries and is ranked No. 432 on the Fortune 500 list of America's largest companies by sales. Hanes takes pride in its strong reputation for ethical business practices. 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).

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TABLE 1

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

	Quarter Ended		
	March 30, 2019	**March 31, 2018**	**% Change**
Net sales	$ 1,588,024	$ 1,471,504	7.9%
Cost of sales	967,148	892,583	
Gross profit	620,876	578,921	7.2%
As a % of net sales	**39.1%**	**39.3%**	
Selling, general and administrative expenses	472,838	432,863	
As a % of net sales	**29.8%**	**29.4%**	
Operating profit	148,038	146,058	1.4%
As a % of net sales	**9.3%**	**9.9%**	
Other expenses	7,451	5,761	
Interest expense, net	48,059	45,763	
Income before income tax expense	92,528	94,534	
Income tax expense	13,046	15,125	
Net income	$ 79,482	$ 79,409	0.1%
Earnings per share:			
Basic	$ 0.22	$ 0.22	
Diluted	$ 0.22	$ 0.22	
Weighted average shares outstanding:			
Basic	364,570	361,882	
Diluted	365,299	363,291	

The following table presents a reconciliation of reported results on a constant currency basis for the quarter ended March 30, 2019 and a comparison to prior year:

	Quarter Ended March 30, 2019					
	As Reported	**Impact from Foreign Currency[1]**	**Constant Currency**	**Quarter Ended March 31, 2018**	**% Change, As Reported**	**% Change, Constant Currency**
As reported under GAAP:						
Net sales	$ 1,588,024	$ (45,536)	$ 1,633,560	$ 1,471,504	7.9%	11.0%
Operating profit	148,038	(5,938)	153,976	146,058	1.4%	5.4%
Diluted earnings per share	$ 0.22	$ (0.01)	$ 0.23	$ 0.22	—%	4.5%
As adjusted:[2]						
Net sales	$ 1,588,024	$ (45,536)	$ 1,633,560	$ 1,471,504	7.9%	11.0%
Operating profit	169,411	(5,938)	175,349	165,675	2.3%	5.8%
Diluted earnings per share	$ 0.27	$ (0.01)	$ 0.28	$ 0.26	3.8%	7.7%

[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. This calculation excludes entities acquired within the past twelve months.

[2] See “Reconciliation of Select GAAP Measures to Non-GAAP Measures” in Table 5.

TABLE 2

HANESBRANDS INC.
Supplemental Financial Information
(in thousands)
(Unaudited)

	Quarter Ended		
	March 30, 2019	March 31, 2018	% Change
Segment net sales:			
Innerwear	$ 475,945	$ 491,078	(3.1)%
Activewear	405,340	346,125	17.1
International	646,180	569,887	13.4
Other	60,559	64,414	(6.0)
Total net sales	$ 1,588,024	$ 1,471,504	7.9 %
Segment operating profit:			
Innerwear	$ 104,626	$ 101,419	3.2 %
Activewear	43,593	38,287	13.9
International	92,698	77,061	20.3
Other	754	2,627	(71.3)
General corporate expenses/other	(72,260)	(53,719)	34.5
Acquisition, integration and other action-related charges	(21,373)	(19,617)	9.0
Total operating profit	$ 148,038	$ 146,058	1.4 %

The following table presents a reconciliation of total reported net sales to organic constant currency net sales for the quarter ended March 30, 2019 and a comparison to prior year:

	Quarter Ended March 30, 2019				
	Reported Net Sales	Acquisitions[1]	Impact from Foreign Currency[2]	Organic Constant Currency	% Change
Segment net sales:					
Innerwear	$ 475,945	$ —	$ —	$ 475,945	(3.1)%
Activewear	405,340	—	—	405,340	17.1
International	646,180	17,515	(45,536)	674,201	18.3
Other	60,559	—	—	60,559	(6.0)
Total	$ 1,588,024	$ 17,515	$ (45,536)	$ 1,616,045	9.8 %

1 Net sales derived from businesses acquired within the past twelve months.

2 Effect of the change in foreign currency exchange rates year-over-year. Calculated by applying prior period exchange rates to the current year net sales. This calculation excludes entities acquired within the past twelve months.

On a constant currency basis, global Champion sales outside the mass channel increased 75% in the first quarter of 2019 compared to the first quarter of 2018. Including the unfavorable foreign currency impact of $14.1 million, global Champion revenue outside the mass channel increased 70% in the quarter.

On an organic, constant currency basis, net sales increased 6% in the fourth quarter of 2018 compared to the fourth quarter of 2017. Including acquisition contributions of $45.0 million and the unfavorable foreign currency impact of $25.8 million, net sales increased 7% in the quarter.

TABLE 3

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

	March 30, 2019	December 29, 2018
Assets		
Cash and cash equivalents	$ 287,080	$ 433,022
Trade accounts receivable, net	932,875	870,878
Inventories	2,235,809	2,054,458
Other current assets	166,123	159,231
Total current assets	3,621,887	3,517,589
Property, net	601,689	607,688
Right-of-use assets	484,453	—
Trademarks and other identifiable intangibles, net	1,547,718	1,555,381
Goodwill	1,240,652	1,241,727
Deferred tax assets	257,393	249,693
Other noncurrent assets	94,233	83,880
Total assets	$ 7,848,025	$ 7,255,958
Liabilities		
Accounts payable and accrued liabilities	$ 1,559,432	$ 1,583,834
Lease liabilities	140,435	—
Notes payable	5,753	5,824
Accounts Receivable Securitization Facility	200,000	161,608
Current portion of long-term debt	276,815	278,976
Total current liabilities	2,182,435	2,030,242
Long-term debt	3,615,493	3,534,183
Lease liabilities - noncurrent	373,365	—
Pension and postretirement benefits	352,069	378,972
Accrued income taxes - noncurrent	100,626	100,626
Other noncurrent liabilities	185,999	241,652
Total liabilities	6,809,987	6,285,675
Stockholders' Equity	1,038,038	970,283
Total liabilities and stockholders' equity	$ 7,848,025	$ 7,255,958

TABLE 4

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

	Quarter Ended	
	March 30, 2019	March 31, 2018
Operating Activities:		
Net income	$ 79,482	$ 79,409
Depreciation and amortization	32,234	31,925
Stock compensation expense	5,178	4,746
Other noncash items	9,908	(452)
Changes in assets and liabilities, net	(321,093)	(243,771)
Net cash from operating activities	(194,291)	(128,143)
Investing Activities:		
Purchases/sales of property and equipment, net, and other	(25,133)	(18,298)
Acquisition of business, net of cash acquired	—	(334,915)
Net cash from investing activities	(25,133)	(353,213)
Financing Activities:		
Cash dividends paid	(54,221)	(54,053)
Net borrowings on notes payable, debt and other	125,928	513,137
Net cash from financing activities	71,707	459,084
Effect of changes in foreign exchange rates on cash	2,104	1,186
Change in cash, cash equivalents and restricted cash	(145,613)	(21,086)
Cash, cash equivalents and restricted cash at beginning of year	455,732	421,566
Cash, cash equivalents and restricted cash at end of period	310,119	400,480
Less restricted cash at end of period	23,039	26,818
Cash and cash equivalents per balance sheet at end of period	$ 287,080	$ 373,662

TABLE 5

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

	Quarter Ended	
	March 30, 2019	March 31, 2018
Gross profit, as reported under GAAP	$ 620,876	$ 578,921
Acquisition, integration and other action-related charges	17,692	10,753
Gross profit, as adjusted	$ 638,568	$ 589,674
As a % of net sales	**40.2%**	**40.1%**
Selling, general and administrative expenses, as reported under GAAP	$ 472,838	$ 432,863
Acquisition, integration and other action-related charges	(3,681)	(8,864)
Selling, general and administrative expenses, as adjusted	$ 469,157	$ 423,999
As a % of net sales	**29.5%**	**28.8%**
Operating profit, as reported under GAAP	$ 148,038	$ 146,058
Acquisition, integration and other action-related charges included in gross profit	17,692	10,753
Acquisition, integration and other action-related charges included in SG&A	3,681	8,864
Operating profit, as adjusted	$ 169,411	$ 165,675
As a % of net sales	**10.7%**	**11.3%**
Net income, as reported under GAAP	$ 79,482	$ 79,409
Action and other related charges:		
Acquisition, integration and other action-related charges included in gross profit	17,692	10,753
Acquisition, integration and other action-related charges included in SG&A	3,681	8,864
Debt refinance charges included in other expenses	—	(50)
Tax effect on actions	(3,013)	(3,131)
Net income, as adjusted	$ 97,842	$ 95,845
Diluted earnings per share, as reported under GAAP	$ 0.22	$ 0.22
Action and other related charges	0.05	0.05
Diluted earnings per share, as adjusted	$ 0.27	$ 0.26

	Quarter Ended	
	March 30, 2019	March 31, 2018
Action and other related charges by category:		
Supply chain actions	$ 17,692	$ —
Hanes Europe Innerwear	—	8,576
Hanes Australasia	—	6,092
Other acquisitions and other action-related costs	3,681	4,949
Debt refinance charges	—	(50)
Tax effect on actions	(3,013)	(3,131)
Total action and other related charges	$ 18,360	$ 16,436

	Last Twelve Months	
	March 30, 2019	March 31, 2018
EBITDA[1]:		
Net income	$ 553,157	$ 70,318
Interest expense, net	196,971	178,061
Income tax expense	91,718	483,739
Depreciation and amortization	132,105	125,647
Total EBITDA	973,951	857,765
Total action and other related charges (excluding tax effect on actions)	81,968	179,104
Stock compensation expense	21,848	24,800
Total EBITDA, as adjusted	$ 1,077,767	$ 1,061,669
Net debt:		
Debt (current and long-term debt and Accounts Receivable Securitization Facility)	$ 4,092,308	$ 4,508,035
Notes payable	5,753	17,830
(Less) Cash and cash equivalents	(287,080)	(373,662)
Net debt	$ 3,810,981	$ 4,152,203
Net debt/EBITDA, as adjusted	3.5	3.9

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

TABLE 6

HANESBRANDS INC.
Supplemental Financial Information
Reconciliation of GAAP Outlook to Adjusted Outlook[1]
(in thousands, except per-share amounts)
(Unaudited)

	Quarter Ended June 29, 2019	Year Ended December 28, 2019
Operating profit outlook, as calculated under GAAP	$223,000 to $233,000	$900,000 to $930,000
Acquisition, integration and other action-related charges	$15,000	$55,000
Operating profit outlook, as adjusted	$238,000 to $248,000	$955,000 to $985,000
Diluted earnings per share, as calculated under GAAP	$0.40 to $0.42	$1.59 to $1.67
Acquisition, integration and other action-related charges	$0.03	$0.13
Diluted earnings per share, as adjusted	$0.43 to $0.45	$1.72 to $1.80

[1] Hanesbrands is unable to reconcile projections for net debt to EBITDA, as adjusted, as of the end of the 2019 fiscal year without unreasonable efforts, because the Company cannot predict, without unreasonable effort and otherwise to a reasonable degree of certainty, the exact amount of certain items that would impact this ratio, such as debt balances, revenue, tax rates, interest expense and stock compensation expense.

HANES Brands Inc

Hanesbrands FAQs

Updated May 2, 2019 – New or updated information is in red

General and Current Period FAQs (Guidance comments as of May 2, 2019)

(1) Q: What is factored into your full-year 2019 guidance?

A: Revenue: Our full-year revenue guidance of $6.885 billion to $6.985 billion represents low-single-digit growth year over year. It includes the following assumptions: (a) approximately $18 million of non-organic acquisition contributions from Bras N Things (from the beginning of the year through the mid-February closing anniversary – reflected in the International segment); (b) F/X headwind of approximately $115 million (reflected in the International segment); and, (c) organic constant-currency growth of more than 3% at the midpoint.

Using the midpoint, by segment, we expect U.S. Innerwear revenue to be down approximately 2% for the full-year as our cautious outlook with respect to the impact from bankruptcies and door closings, particularly within the mid-tier and department store channel, more than offsets Basics space gains, the net benefit from price increases and the initial traction of our U.S. Intimates revitalization efforts. U.S. Activewear's revenue growth is expected to approach 4% for the year reflecting: (a) double-digit growth in each quarter for Champion, excluding the mass channel (i.e. C9); (b) C9 activewear revenue of approximately $330 million, which represents a low-teens decline compared to 2018, with the vast majority of the full-year decline in the second half of the year; and, (c) a decline in the rest of the Activewear segment as we continue to shift into higher-margin products, with the majority of the full-year decline in the second half of the year. The mix impact of these assumptions should yield margin improvement in our U.S. Activewear segment for the year. For the full year, our International segment revenue is expected to be up approximately 5% on a reported basis. On an organic, constant-currency basis, our guidance reflects growth of slightly more than 9% driven by our International Champion businesses as well as our innerwear businesses in Asia, Australia and the Americas, which is expected to be partially offset by the impact from macro headwinds on our European innerwear business.

Operating Profit (GAAP and Adjusted): Our full-year Adjusted Operating Profit guidance of $955 million to $985 million excludes all pretax acquisition, integration, and other charges. It includes approximately $3 million of non-organic acquisition contributions from Bras N Things (first quarter) as well as an F/X headwind of approximately $17 million. Our guidance implies approximately 50 basis points of Adjusted Gross Margin expansion and approximately 10 basis points of Adjusted Operating Margin expansion year over year as we increase investment to support our growth initiatives (for example, brand support). Our full-year GAAP Operating Profit guidance of $900 million to $930 million incorporates our Adjusted Operating Profit guidance as well as our assumption of approximately $55 million of pretax acquisition, integration, and other charges.

Interest/Other Expenses and Tax Rate: Our guidance assumes approximately $224 million of Interest and Other expenses as well as a tax rate of approximately 14%.

EPS (GAAP and Adjusted): At the mid-point, our guidance implies full-year GAAP and Adjusted Net Income of approximately $596 million and $643 million, respectively. Our full-year GAAP EPS guidance is $1.59 to $1.67 and our Adjusted EPS guidance, which excludes all pretax acquisition, integration, and other charges, is $1.72 to $1.80. Both ranges are based on diluted shares outstanding of approximately 366 million.

Cash flow from operations: Our full-year cash flow from operations guidance is $700 million to $800 million. Consistent with our normal seasonality, we expect cash flow from operations to be a use in the first half. Our capital expenditure guidance is $90 million to $100 million.

Pretax expenses: Our guidance reflects approximately $55 million of pretax acquisition, integration, and other expenses, of which $35 million are cash. These charges reflect the completion of the integrations of all remaining acquisitions as well as our supply chain actions, including the reduction of associated overhead costs, principally within our Western Hemisphere network. In isolation (for example, excluding other changes such as business mix, inflation, deflation, pricing, etc.), we would expect these actions to deliver approximately $50 million of incremental operating profit, beginning with approximately $40 million in 2020 and the remaining approximately $10 million in 2021.

(2) Q: What is factored into your Q2 2019 guidance?

A: *We expect total net sales of $1.735 billion to $1.765 billion. This includes a nearly $40 million headwind from the effects of foreign exchange rates as compared to last year, which is approximately $15 million higher than our prior outlook. The foreign exchange impact is reflected within the International segment. At the midpoint, our revenue guidance implies total revenue growth of approximately 2%. Constant-currency growth is estimated to be approximately 4% at the mid-point, reflecting: (a) an approximate 2% decline in U.S. Innerwear revenue driven by our continued cautious stance as it relates to door closings in the mid-tier and department store channels; (b) growth approaching 11% in U.S. Activewear; and, (c) reported growth approaching 1% and approximately 7.5% constant-currency revenue growth in our International segment.*

Our guidance for GAAP Operating Profit is $223 million to $233 million. Our guidance for Adjusted Operating Profit, which excludes approximately $15 million of pretax acquisition, integration, and other expenses, is $238 million to $248 million. Our second quarter operating profit guidance includes: (a) an expected F/X headwind of approximately $6 million, which is approximately $3 million more than our prior outlook, and (b) a forward acceleration within the year (from the second half) of approximately $5 million of growth-related investments. At the midpoint, our guidance implies Adjusted Operating Margin declines approximately 40 basis points. Our guidance assumes Interest and Other expenses of approximately $56 million and a tax rate of approximately 14%. Our guidance for GAAP EPS is $0.40 to $0.42. Our guidance for Adjusted EPS, which excludes pretax acquisition, integration, and other expenses, is $0.43 to $0.45. Both ranges are based on diluted shares outstanding of slightly more than 365 million for the quarter.

(3) Q: Can you provide an update on the progress toward your 2022 goal of $2 billion in global Champion revenue?

A: *At our Investor Day in May 2018, we set a goal to double our Champion revenue, outside the mass channel (i.e. C9), from approximately $1 billion in 2017 to $2 billion in 2022, representing a 15% CAGR over five years. For 2018, Champion sales, excluding C9, were approximately $1.36 billion. We expect 2019 full-year Champion sales, excluding C9, to be approximately $1.8 billion, which represents more than a 30% increase over 2018. Based on these trends, we remain ahead of schedule in achieving our $2 billion revenue goal.*

For the quarter, Global Champion sales, excluding C9, grew 75% in constant currency and operating margins continued to expand. Sales growth in the quarter was broad-based, up double-digits in all regions. We also saw growth across global channels of trade, including wholesale, owned-retail and online. Even though we were cycling tougher comparisons, Champion's growth rate continued to accelerate. This is a clear indication that our coordinated global strategy to elevate the Champion brand is driving increased demand for the product. We've reunited the brand globally, allowing us to coordinate product design around the world. We have significantly increased our investments, including engaging directly with the consumer through digital platforms. We're expanding our global points of distribution, including branded Champion stores. These elevation efforts are driving strong demand for the brand across geographies, across product categories, and across channels.

(4) Q: Can you provide an update on your progress to return your U.S. Innerwear business to more consistent long-term growth?

A: *We remain committed to returning our U.S. Innerwear business to more consistent long-term growth. We're pleased that our Basics business delivered its second straight quarter of low single-digit revenue growth. Our price increases went in place in the first quarter. We began to ship some of our secured space gains during the quarter, specifically the new sock program at a national value retailer, where we displaced a private label program. Our innovations continue to perform well in the market, with plans in the Fall to extend our successful Comfort Flex Fit innovation into women's underwear and launch X-Temp 2.0, which provides improved cooling, evaporation and wicking performance as compared to our original X-Temp offering.*

With respect to our U.S. Intimates business, we continue to execute our multi-year revitalization plan that is designed to grow revenue and improve margins. We are increasing our investments in brand support this year, with increased media behind our Bali brand as well as increased digital media investments to support our millennial-focused Maidenform brand. We are also launching additional innovations this year. We will be expanding our successful Cool Comfort innovation to all Maidenform shapewear products. In bras, in the Fall we are launching an underwire innovation (Dreamwire) in Maidenform and Hanes, and an innovation called Easylight in Hanes and Bali, which leverages activewear's smoothtec technology to create a lighter-weight, softer bra. We have also taken the initial steps to lower our overhead and streamline our Intimates manufacturing network, which should improve margins and speed-to-market over the next two years. While we are seeing signs of progress from our revitalization efforts, and we believe we are taking the right actions to return this business to more consistent long-term growth, we remain cautious in the near-term as it relates to the impact from door closings, particularly in the mid-tier and department store channels.

(5) Q: Does your 2019 guidance include any revenue from Sears (formerly Sears Holding)?

A: *As we communicated on our February call, in light of their ongoing process, we excluded Sears (formerly Sears Holdings) from our initial 2019 guidance and we continue to exclude them from our guidance for the remainder of 2019. However, we would note that we had a small amount of revenue (less than $5 million) to the account in the first quarter.*

(6) Q: Can you provide any insights into your Champion-at-mass (i.e. C9) business?

A: *Our C9 business has been in place since 2004. On August 1, 2018, we announced that our retail partner made the decision not to renew the contract after the current agreement expires on January 31, 2020. The C9 business consists of activewear and basics products. The activewear program is a seasonal commitment business with 2018 revenue of approximately $382 million. The basics program is a replenishment business with 2018 revenue of approximately $66 million. We have a number of actions already underway to replace the C9 basics business by transitioning these sales to our Hanes brand and by expanding shelf space gains in Champion-branded basics outside the mass channel (a portion of our secured 2019 Basics space gains are for our Champion-branded basics). Our 2019 guidance for the U.S. Activewear segment assumes C9 activewear revenue of approximately $330 million, which represents a low-teens decline as compared to the $382 million in 2018, with the the vast majority of the full-year 2019 decline coming in the second half of the year. First quarter 2019 C9 activewear sales of approximately $85 million declined approximately 3% over prior year, as expected. As we have visibility into future bookings, we will provide additional updates.*

(7) Q: Can you provide an update as it relates to your plan for C9 after the January 2020 transition?

A: *We continue to see significant momentum building globally within the Champion brand (excluding C9) and we are focusing our energy and resources on maximizing this business. While there may be an opportunity in the future to build the C9 brand with another retailer, we currently do not have any plans in place.*

(8) Q: Could you provide any insights with respect to the progression from your 2019 guidance to the long-term cash flow scenarios you provided at your May 2018 Investor Day?

A: *At our 2018 Investor Day, we highlighted two 'de-risked' scenarios – (a)'base plan' and (b) 'base plan with acquisitions' – to highlight what we believed our business model could generate in terms of operating profit and cash flow over the next several years. Under the 'base plan' scenario, beginning with $596 million (midpoint of our 2019 GAAP Net Income guidance), add the after-tax impact from the following: (1) approximately $55 million of acquisition, integration and other charges; (2) approximately $40 million of profit from the expected savings from our supply chain actions; and, (3) approximately $25 million of profit from organic growth, margin expansion, and the early 2020 wrap from Innerwear's 2019 price increases. Then add approximately $170 million of non-cash items. This would generate annual cash flow from operations approaching $900 million in 2020. Adding the contributions from acquisitions (under the 'base plan with acquisitions' scenario) would result in $1 billion in annual cash flow from operations in 2020.*

(9) Q: What is your long-term capital allocation strategy and what are your priorities for 2019?

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. Our leverage ratio at the end of the first quarter 2019 was 3.5 times net debt-to-adjusted EBITDA as compared to 3.9 times at the end of the first quarter 2018. For 2019, given our leverage is currently outside of our long-term range, our plan is to use all excess free cash flow to pay down debt, which we began to do in the third quarter of 2018. Based on our 2019 guidance, we expect our leverage ratio to be approximately 2.9 times on a net debt-to-adjusted EBITDA basis by the end of 2019.*

(10) Q: How much did acquisitions contribute to first-quarter revenue and adjusted operating profit results?

A: *For the first quarter, acquisitions contributed approximately $18 million in revenue and approximately $3 million in adjusted operating profit, which excludes pretax acquisition, integration, and other charges. These figures represent the partial quarter non-organic contributions prior to the mid-quarter anniversary of the acquisition.*

(11) 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 regardless of short-term challenges. 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.*

(12) 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.

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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 expected to be taken in 2019 primarily represent supply chain network changes 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.

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.

In addition to these non-GAAP measures, we have 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.

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).

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 May 2, 2019 to reconcile quarterly and full-year non-GAAP performance measures to the most directly comparable GAAP measure. 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 2019 financial guidance, statements regarding outlook for improvement in demand for the global Champion brand, statements regarding our outlook for future cash flow growth and reduced leverage and assumptions regarding consumer behavior, foreign exchange rates and channel disruption and future retail door closures 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 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 in order to achieve the desired results; our ability to attract and retain a senior management team with the core competencies needed to support growth in global markets; 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 realize all of the anticipated benefits of acquisitions; 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.