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

# FORM 8-K

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

**Date of Report (Date of earliest event reported): November 4, 2021**

# 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**<br>**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 2.02. Results of Operations and Financial Condition**

On November 4, 2021, Hanesbrands Inc. (the "Company" or "Hanesbrands") issued a press release announcing its financial results for the third quarter ended October 2, 2021. 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**

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 November 4, 2021. 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 November 4, 2021, until 12:00 p.m., Eastern time, on November 11, 2021. 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 4359035.

**Item 8.01. Other Events**

On November 4, 2021, the Company elected to exercise its optional redemption rights to redeem all of its outstanding 5.375% Notes due 2025 (the "Notes") in the original aggregate principal amount of $700,000,000, and instructed U.S. Bank National Association, as trustee under the indenture governing the Notes (the "Indenture"), to issue redemption notices to registered holders of the Notes. The date fixed for the redemption of the Notes is November 19, 2021 (the "Redemption Date"). The Notes will be redeemed at 100% of the aggregate principal amount of the Notes, plus the applicable make whole premium as of, and accrued and unpaid interest thereon, if any, to, but excluding, the Redemption Date in accordance with the terms and conditions set forth in the Indenture (the "Redemption Price"). The Company's obligation to redeem the Notes and pay the Redemption Price on the Redemption Date is conditioned on the completion by the Company on or prior to the Redemption Date of the amendment and refinancing, as well as the related funding thereunder, contemplated by its proposed Fifth Amended and Restated Credit Agreement expected to be entered into by and among financial institutions and other persons party thereto resulting in the Company receiving net cash proceeds in an amount sufficient to finance the Redemption. The foregoing does not constitute a notice of redemption with respect to any of the Notes.

**Item 9.01. Financial Statements and Exhibits**

(d) Exhibits

| | |
|---|---|
| Exhibit 99.1 | Press Release dated November 4, 2021 |
| 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.

| | |
|---|---|
| November 4, 2021 | HANESBRANDS INC. |
| | By: /s/ Michael P. Dastugue |
| | Michael P. Dastugue |
| | Chief Financial Officer |

news release

**FOR IMMEDIATE RELEASE**

HANES Brands Inc

News Media contact: Kirk Saville (336) 979-7293
Analysts and Investors contact: T.C. Robillard (336) 519-2115

**HanesBrands Announces Strong Third-Quarter 2021 Results**

*Company executing Full Potential growth plan; delivers strong revenue growth with operating profit and EPS exceeding guidance*

- *Net sales from continuing operations of $1.79 billion, up 6% over prior year, up 18% excluding PPE, driven by strong consumer demand globally*
- *Net sales from continuing operations up 11% over third-quarter 2019*
- *GAAP EPS from continuing operations of $0.50; adjusted EPS from continuing operations of $0.53*
- *Global Champion brand sales increase more than 33% over prior year and 20% over third- quarter 2019*
- *U.S. Innerwear sales increase 12% over prior year, excluding PPE, and 25% over third- quarter 2019*
- *Company effectively managing macro-environment headwinds from inflation and transportation delays*
- *Reiterates Q4 net sales and adjusted operating profit guidance, driven by consumer demand and strong inventory position*
- *Full Potential investments help fuel growth; Company remains confident in long-term growth strategy outlined in May*
- *For reconciliations of select GAAP and Non-GAAP measures, see Table 6 of this release*

**WINSTON-SALEM, N.C.** (Nov. 4, 2021) – HanesBrands Inc. (NYSE: HBI), a global leader in iconic apparel brands, today announced results for the third quarter of 2021, with increased sales, operating profit, earnings per share and operating cash flow driven by strong point-of-sale performance and market share gains in its innerwear and activewear businesses.

“I want to thank our associates for delivering strong results in the quarter, particularly our manufacturing team, which has put us in position to meet consumer demand,” said Chief Executive Officer Steve Bratspies. “We are maintaining our fourth-quarter outlook for net sales and adjusted operating profit, driven by continued demand for our brands, our strong inventory position and our global team’s proven ability to manage ongoing macro challenges.

“We continue to make progress on our Full Potential plan as we invest in our iconic brands, build talent, enhance e-commerce capabilities and modernize our technology. We’re excited by the early results from Full Potential and are confident we can deliver the long-term plan we announced in May.”

Highlights from the quarter, as compared to 2019, include:

- Strong revenue and profit performance that was in-line with or exceeded the high-end of the Company's increased guidance ranges despite the unexpected lockdown in Australia that forced the closure of two-thirds of its stores for nearly the entire quarter. Stores in Australia are re-opening as the lockdowns are lifted.

- Global *Champion* brand sales increased 20% with balanced growth between the U.S. and International. Performance was driven by strong consumer demand across channels in the U.S., continued growth in Europe and the ramp-up of partners in China.

- U.S. Innerwear sales increased 25% due to the combination of strong consumer demand across the Company's brand portfolio, which drove point-of-sale growth and increased market share gains, as well as the impact from pent-up consumer demand that is fueling category growth rates above historical levels. Performance in the quarter was driven by momentum in shapewear and innovation in bras and men's underwear.

- Consistent with the Company's Full Potential plan to build its iconic brands, global media and marketing investment increased $25 million, helping drive higher point-of-sale trends and increased market share. These investments have improved *Champion's* global brand awareness and consideration of the Company's U.S. brands.

- Full Potential plan improvements in core e-commerce capabilities delivered higher conversion rates and average order values. Total online sales grew 62%, including 50% growth on Company-owned websites. The strong online performance, both domestic and international, was driven by consumer demand for the Company's brands across its owned websites, pure-plays and retailer-owned websites.

**Third-Quarter 2021 Results**

Net sales from continuing operations for the third quarter ended October 2, 2021 totaled $1.79 billion, an increase of $98 million, or 6%, including 33% growth in Champion brand sales globally. This compared with $1.69 billion for the quarter ended September 26, 2020, which included $179 million in sales of personal protective equipment ("PPE") in response to the COVID-19 pandemic. Excluding PPE, net sales increased $276 million, or 18%, over prior year. The year-over-year growth was driven by strong consumer demand and point-of-sale trends in the U.S., Europe, Americas and certain Asia markets, including China, which more than offset headwinds from the extended government COVID-related lockdowns in Australia and Japan. Total constant currency third-quarter net sales increased 5%.

Due to the significant impact of the pandemic on prior year results, this release includes certain comparisons to the comparable 2019 periods for additional context. All 2019 results are rebased to reflect the European Innerwear business as discontinued operations as well as the exit of the C9 Champion mass program and the DKNY intimate apparel license.

Compared to third-quarter 2019, net sales from continuing operations increased $179 million, or 11%, including 20% growth in Champion brand sales globally. Total constant currency net sales increased 10%. Growth in the global innerwear and activewear businesses was driven by strong consumer demand, higher point-of-sale performance and market share gains.

For the third-quarter 2021, GAAP gross margin of 39.1% increased 530 basis points compared to prior year and 170 basis points compared to third-quarter 2019. Adjusted gross margin of 39.1% increased 250 basis points over last year and approximately 65 basis points over 2019. The margin expansion in both periods was driven by cost savings programs in the supply chain and the benefits from business mix, which more than offset higher transportation and inflation costs.

Third-quarter GAAP operating profit increased 24% to $235 million compared to prior year and decreased 10% compared to third-quarter 2019. GAAP operating margin of 13.1% increased 190 basis points compared to prior year and decreased 200 basis points compared to third quarter 2019.

Adjusted operating profit of $264 million increased $22 million, or 9%, compared to prior year and $20 million, or 8% compared to 2019. Adjusted operating margin of 14.7% increased approximately 50 basis points compared to last year as the gross margin benefits more than offset increased brand marketing investments and higher levels of inflation in distribution costs. As compared to third-quarter 2019, adjusted operating margin decreased approximately 40 basis points as higher brand marketing investments and higher levels of inflation more than offset the gross margin benefits.

The GAAP and adjusted effective tax rates for the third quarter were 7.9% and 15.0%, respectively, which compare to GAAP and adjusted effective tax rates of 16.0% and 17.1%, respectively, for the third quarter of 2020. For the third quarter of 2019, GAAP and adjusted effective tax rates were 10.5% and 10.2%, respectively.

On a GAAP basis, third-quarter income from continuing operations totaled $177 million, or $0.50 per diluted share. This compares to income from continuing operations of $118 million, or $0.34 per diluted share in the prior year period, and income from continuing operations of $189 million, or $0.52 per diluted share in third-quarter 2019.

Adjusted income from continuing operations totaled $188 million, or $0.53 per diluted share. This compares to adjusted income from continuing operations of $160 million, or $0.46 per diluted share, in the prior year period and adjusted income from continuing operations of $174 million, or $0.48 per diluted share, in third-quarter 2019.

(See the Note on Adjusted Measures and Reconciliation to GAAP Measures later in this news release for additional discussion and details of actions, which include pandemic-related and Full Potential plan charges.)

**Third-Quarter 2021 Business Segment Summaries**

**Innerwear (vs 2020)** Sales decreased $90 million, or 11% due to the overlap of last year's $166 million of PPE sales. Men's, Kids and Socks revenue increased mid-to-high single digits while Women's revenue increased approximately 20%. Excluding PPE, Innerwear sales increased 12% over last year with strong point-of-sale growth across channels. Operating margin of 21.0% decreased 70 basis points compared to prior year due to fixed cost de-leverage from lower sales, higher transportation costs, increased investments in brand marketing and higher levels of inflation.

**(vs 2019)** Sales increased $140 million, or 25%, compared to third-quarter 2019, with double-digit growth in the Kids, Socks, Women's and Men's businesses. The growth was driven by the combination of strong consumer demand across the Company's brand portfolio, which drove point-of-sale growth and increased market share gains, as well as the impact from pent-up consumer demand that is fueling category growth rates above historical levels. Year-to-date, the Company's U.S. innerwear market share has increased approximately 140 basis points over 2019 with increased share positions in Men's, Women's, Kids and Socks. Operating margin in the quarter expanded approximately 10 basis points to 21.0% as the benefits from volume leverage and business mix essentially offset increased investments in brand marketing as well as higher inflation costs.

**Activewear (vs 2020)** Activewear sales grew $138 million, or 42% over prior year driven by strong double-digit growth in both the *Champion* and *Hanes* brands. The Company experienced strong point-of- sale trends across several channels in the quarter. The segment continued to benefit from pent-up consumer demand and the overlap of last year's COVID-related headwinds. Segment operating margin of 16.5% increased approximately 740 basis points over prior period driven by fixed-cost leverage from higher sales and the benefits from business mix, which more than offset higher brand marketing investment.

**(vs 2019)** Activewear revenue increased $17 million, or 4%. *Champion* brand sales within the segment increased 14%, which more than offset declines in other brands. The Company experienced strong point-of-sale trends across the online, wholesale and distributor channels in the quarter, which was partially offset by declines in the college bookstore channel. Activewear's operating margin decreased approximately 10 basis points compared to third-quarter 2019 as leverage from higher sales volume and benefits from business mix were essentially offset by increased investments in brand marketing.

**International (vs 2020)** International segment revenue increased $30 million, or 6%, compared to prior year. Excluding $13 million of PPE sales in the prior year quarter, third-quarter sales increased 9% on a reported basis and 7% on a constant currency basis. Constant currency sales grew in the Americas, Europe and China driven by strong consumer demand for the Company's brands and the overlap of last year's COVID-related headwinds. Constant currency sales declined in Japan and were consistent with prior year in Australia as both countries were impacted by government-mandated store closings due to the ongoing pandemic. For the quarter, the International segment's operating margin of 16.1% decreased 385 basis points over prior year driven by de-leverage in the Japan and Australia businesses as well as increased brand marketing investment.

**(vs 2019)** International segment revenue increased $23 million, or more than 4%, compared to third- quarter 2019. On a constant currency basis, sales increased more than 1% with strong growth in Europe, the Americas and parts of Asia offsetting COVID-related headwinds in Japan and Australia. For the quarter, the International segment's operating margin decreased 240 basis points compared to third-quarter 2019 driven by increased brand marketing investments as well as de-leverage in Japan and Australia.

**Refinancing of Senior Secured Credit Facility and Retirement of 2025 Senior Notes**

- The Company intends to refinance its Senior Secured Credit Facility in the fourth quarter of 2021, subject to market conditions.
- In conjunction with the refinancing, the Company intends to redeem its $700 million 5.375% 2025 Senior Notes using proceeds from the transaction and cash on hand.
- The make-whole premium to redeem the 5.375% 2025 Senior Notes and transaction fees are estimated to result in a one-time charge of approximately $45 million, which is reflected in the Company's fourth-quarter and full-year 2021 guidance ranges.
- The Company estimates this transaction will result in approximately $35 million of annual savings in interest and other expense, with approximately $4 million recognized in the fourth-quarter 2021. The expected interest and other expense savings is reflected in the Company's fourth-quarter and full-year 2021 guidance ranges.

**European Innerwear Divestiture Update**

A key pillar of the Full Potential plan is focusing HanesBrands' portfolio to enable the Company to invest in the areas with the greatest potential for growth. As part of this plan, the Company previously announced its intention to sell its European Innerwear business. The Company has reached an agreement to sell this business to an affiliate of Regent, L.P., pending the completion of consultation with the European and French works councils representing employees of the European Innerwear business and customary closing conditions. Under the agreement, the purchaser will receive all the assets and operating liabilities of the European Innerwear business for a purchase price of one Euro. The transaction is expected to close in the first quarter of 2022.

"Focusing our portfolio is crucial to our long-term growth and selling our European Innerwear business represents a significant step forward in our Full Potential plan," Bratspies said. "Our European Innerwear business has strong brands and great people, and this transaction helps position them for long-term success. I want to thank our European Innerwear associates for their commitment and all they have done for the Company over the years."

**Fourth-Quarter and Full-Year 2021 Financial Outlook**

The following financial outlook is based on current market conditions and judgments of management and is subject to risks and uncertainties that may cause actual results to differ materially, many of which are further discussed in the Company's most recent annual report on Form 10-K available at www.sec.gov and in the investors section of the Company's website at www.Hanes.com/Investors.

For fourth-quarter 2021, which ends on January 1, 2022, the Company currently expects:

- Net sales from continuing operations of approximately $1.71 billion to $1.78 billion, which represents approximately 3% growth over prior year at the midpoint and includes a projected benefit of approximately $6 million from changes in foreign currency exchange rates. This compares to net sales of $1.69 billion in fourth-quarter 2020, which included $28 million in PPE sales and approximately $45 million from the 53rd week.

- Adjusting for PPE and the 53rd week in 2020, net sales at the midpoint of the guidance range are expected to increase 8% over the prior year period.

- As compared to rebased fourth-quarter 2019, net sales at the midpoint are expected to increase 15%.

- GAAP operating profit from continuing operations to range from approximately $182 million to $202 million.

- Adjusted operating profit from continuing operations to range from approximately $200 million to $220 million. The midpoint of adjusted operating profit represents an operating margin of approximately 12.0% and reflects the impact of cost inflation as well as increased brand investment.

- Charges for actions related to Full Potential of approximately $18 million.

- Interest and other expenses of approximately $40 million, which excludes an approximate $45 million charge related to the expected refinancing of the Company's Senior Secured Credit Facility and the make-whole premium for the planned redemption of its $700 million 5.375% 2025 Senior Notes.

- An effective tax rate of approximately 12% on both a GAAP and adjusted basis.

- GAAP earnings per share from continuing operations to range from approximately $0.24 to $0.29.

- Adjusted earnings per share from continuing operations to range from approximately $0.40 to $0.45.

For fiscal-year 2021, which ends on January 1, 2022, the Company currently expects:

- Net sales from continuing operations to total approximately $6.76 billion to $6.83 billion, which represents approximately 11% growth over prior year at the midpoint and includes a projected benefit of approximately $108 million from changes in foreign currency exchange rates. This compares to net sales of $6.13 billion in 2020, which included $820 million in sales of PPE and approximately $45 million from the 53rd week.

- Adjusting for PPE and the 53rd week in 2020, net sales at the midpoint of the guidance range are expected to increase 29% over the prior year period.

- As compared to rebased 2019, net sales at the midpoint are expected to increase 13%.

- GAAP operating profit from continuing operations to range from approximately $825 million to $845 million.

- Adjusted operating profit from continuing operations to range from approximately $910 million to $930 million. The midpoint of adjusted operating profit represents approximately 18% growth compared to prior year and 12% growth compared to 2019. The midpoint of adjusted operating profit guidance range represents an operating margin of 13.5%.

- Full-year outlook reflects higher levels of cost inflation as compared to 2020 and 2019.

- Incremental brand marketing investment of more than $50 million as compared to 2020.

- Charges for actions related to Full Potential of approximately $85 million.

- Interest and other expenses of approximately $175 million, which excludes an approximate $45 million charge related to the expected refinancing of the Company's Senior Secured Credit Facility and the make-whole premium for the planned redemption of its $700 million 5.375% 2025 Senior Notes.

- An effective tax rate of approximately 11% on a GAAP basis and approximately 14% on an adjusted basis.

- GAAP earnings per share from continuing operations to range from approximately $1.53 to $1.58.

- Adjusted earnings per share from continuing operations to range from approximately $1.79 to $1.84.

- Cash flow from operations of approximately $550 million to $600 million.

- Capital expenditures of approximately $75 million to $85 million.

HanesBrands 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 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 from continuing operations, adjusted income from continuing operations, adjusted income tax expense, adjusted income from continuing operations before income tax expense, adjusted operating profit (and margin), adjusted SG&A, adjusted gross profit (and margin), EBITDA and adjusted EBITDA.

Adjusted EPS from continuing operations is defined as diluted EPS from continuing operations excluding actions and the tax effect on actions. Adjusted income from continuing operations is defined as income from continuing operations excluding actions and the tax effect on actions. Adjusted income tax expense is defined as income tax expense excluding actions. Adjusted income from continuing operations before income tax is defined as income from continuing operations before income tax excluding 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.

Charges for actions taken in 2021 include professional fees, operating model charges and intangible asset impairment charges related to our Full Potential plan. 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 future business plans and circumstances.

Charges for actions taken in 2020 include supply chain restructuring actions, program exit costs, COVID- 19 related charges, Full Potential plan charges and the write-off of a discrete tax asset related to our Bras N Things acquisition. COVID-19 related charges include intangible asset and goodwill impairment charges, bad debt expense and supply chain re-startup costs. Full Potential plan charges for 2020 include inventory write-down charges related to our SKU reduction initiative and discontinuation of our PPE business.

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.

HanesBrands 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 the Full Potential plan and other actions, as well as the COVID-19 pandemic. HanesBrands 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 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 income from continuing operations before interest, taxes, depreciation and amortization. Adjusted EBITDA is defined as EBITDA excluding actions and stock compensation expense. HanesBrands 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, the Company has chosen to present certain year-over-year comparisons with respect to the Company's rebased 2019 business, which excludes the exited C9 Champion mass program and DKNY intimate apparel license. HanesBrands believes this information is useful to management and investors to facilitate a more meaningful comparison of the results of the Company's ongoing business.

HanesBrands 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, HanesBrands 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).

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

**Cautionary Statement Concerning Forward-Looking Statements**
This news 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 pandemic on our business and financial performance; guidance and predictions regarding expected operating results, including related to our Full Potential plan; statements made in the Fourth Quarter and Full-year 2021 Financial Outlook section of this news release; and statements regarding the anticipated refinancing of our Senior Secured Credit Facility and sale of our European Innerwear business, 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: our ability to successfully execute our Full Potential plan to achieve the desired results; the potential effects of the COVID-19 pandemic, including on consumer spending, global supply chains and the financial markets; the highly competitive and evolving nature of the industry in which we compete; the rapidly changing retail environment; our reliance on a relatively small number of customers for a significant portion of our sales; 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; significant fluctuations in foreign exchange rates; legal, regulatory, political and economic risks related to our international operations; our ability to effectively manage our complex multinational tax structure; 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 (NYSE: HBI) makes everyday apparel that is known and loved by consumers around the world for comfort, quality and value. Among the Company's iconic brands are *Hanes*, the leading basic apparel brand in the United States; *Champion*, an innovator at the intersection of lifestyle and athletic apparel; and *Bonds*, which is setting new standards for design and sustainability. HBI employs 61,000 associates in 47 countries and has built a strong reputation for workplace quality and ethical business practices. The Company, a longtime leader in sustainability, launched aggressive 2030 goals to improve the lives of people, protect the planet and produce sustainable products. HBI is building on its unmatched strengths to unlock its #FullPotential and deliver long-term growth that benefits all of its stakeholders.

# # #

**TABLE 1**

**HANESBRANDS INC.**
**Condensed Consolidated Statements of Income**
**(in thousands, except per share data)**
**(Unaudited)**

| | Quarters Ended | | | Nine Months Ended | | |
|---|---|---|---|---|---|---|
| | October 2, 2021 | September 26, 2020 | % Change | October 2, 2021 | September 26, 2020 | % Change |
| Net sales | $ 1,789,551 | $ 1,691,863 | 5.8 % | $ 5,048,891 | $ 4,438,016 | 13.8 % |
| Cost of sales | 1,089,890 | 1,120,392 | | 3,064,920 | 2,934,515 | |
| Gross profit | 699,661 | 571,471 | 22.4 % | 1,983,971 | 1,503,501 | 32.0 % |
| As a % of net sales | **39.1 %** | **33.8 %** | | **39.3 %** | **33.9 %** | |
| Selling, general and administrative expenses | 465,015 | 382,384 | | 1,341,809 | 1,064,328 | |
| As a % of net sales | **26.0 %** | **22.6 %** | | **26.6 %** | **24.0 %** | |
| Operating profit | 234,646 | 189,087 | 24.1 % | 642,162 | 439,173 | 46.2 % |
| As a % of net sales | **13.1 %** | **11.2 %** | | **12.7 %** | **9.9 %** | |
| Other expenses | 1,811 | 4,898 | | 6,227 | 15,652 | |
| Interest expense, net | 40,860 | 43,500 | | 127,760 | 120,602 | |
| Income from continuing operations before income tax expense | 191,975 | 140,689 | | 508,175 | 302,919 | |
| Income tax expense | 15,228 | 22,464 | | 55,161 | 43,008 | |
| Income from continuing operations | 176,747 | 118,225 | 49.5 % | 453,014 | 259,911 | 74.3 % |
| Loss from discontinued operations, net of tax | (24,970) | (14,947) | | (435,823) | (3,326) | |
| Net income | $ 151,777 | $ 103,278 | | $ 17,191 | $ 256,585 | |
| Earnings (loss) per share - basic: | | | | | | |
| Continuing operations | $ 0.50 | $ 0.34 | | $ 1.29 | $ 0.74 | |
| Discontinued operations | (0.07) | (0.04) | | (1.24) | (0.01) | |
| Net income | $ 0.43 | $ 0.29 | | $ 0.05 | $ 0.73 | |
| Earnings (loss) per share - diluted: | | | | | | |
| Continuing operations | $ 0.50 | $ 0.34 | | $ 1.29 | $ 0.73 | |
| Discontinued operations | (0.07) | (0.04) | | (1.24) | (0.01) | |
| Net income | $ 0.43 | $ 0.29 | | $ 0.05 | $ 0.72 | |
| Weighted average shares outstanding: | | | | | | |
| Basic | 351,071 | 350,703 | | 351,020 | 353,419 | |
| Diluted | 352,251 | 351,604 | | 351,996 | 353,956 | |

TABLE 2-A

**HANESBRANDS INC.**
**Supplemental Financial Information**
**Impact of Foreign Currency**
**(in thousands, except per share data)**
**(Unaudited)**

| | Quarter Ended October 2, 2021 | | | | | |
|---|---|---|---|---|---|---|
| | As Reported | Impact from Foreign Currency[1] | Constant Currency | Quarter Ended September 26, 2020 | % Change, As Reported | % Change, Constant Currency |
| As reported under GAAP: | | | | | | |
| Net sales | $ 1,789,551 | $ 8,446 | $ 1,781,105 | $ 1,691,863 | 5.8 % | 5.3 % |
| Gross profit | 699,661 | 4,169 | 695,492 | 571,471 | 22.4 | 21.7 |
| Operating profit | 234,646 | 1,276 | 233,370 | 189,087 | 24.1 | 23.4 |
| Diluted earnings per share from continuing operations | $ 0.50 | $ 0.00 | $ 0.50 | $ 0.34 | 47.1 % | 47.1 % |
| As adjusted:[2] | | | | | | |
| Net sales | $ 1,789,551 | $ 8,446 | $ 1,781,105 | $ 1,691,863 | 5.8 % | 5.3 % |
| Gross profit | 699,553 | 4,169 | 695,384 | 619,070 | 13.0 | 12.3 |
| Operating profit | 263,742 | 1,276 | 262,466 | 241,344 | 9.3 | 8.8 |
| Diluted earnings per share from continuing operations | $ 0.53 | $ 0.00 | $ 0.53 | $ 0.46 | 15.2 % | 15.2 % |

| | Nine Months Ended October 2, 2021 | | | | | |
|---|---|---|---|---|---|---|
| | As Reported | Impact from Foreign Currency[1] | Constant Currency | Nine Months Ended September 26, 2020 | % Change, As Reported | % Change, Constant Currency |
| As reported under GAAP: | | | | | | |
| Net sales | $ 5,048,891 | $ 102,217 | $ 4,946,674 | $ 4,438,016 | 13.8 % | 11.5 % |
| Gross profit | 1,983,971 | 55,584 | 1,928,387 | 1,503,501 | 32.0 | 28.3 |
| Operating profit | 642,162 | 17,228 | 624,934 | 439,173 | 46.2 | 42.3 |
| Diluted earnings per share from continuing operations | $ 1.29 | $ 0.04 | $ 1.24 | $ 0.73 | 76.7 % | 69.9 % |
| As adjusted:[2] | | | | | | |
| Net sales | $ 5,048,891 | $ 102,217 | $ 4,946,674 | $ 4,438,016 | 13.8 % | 11.5 % |
| Gross profit | 1,988,570 | 55,584 | 1,932,986 | 1,591,329 | 25.0 | 21.5 |
| Operating profit | 709,315 | 17,228 | 692,087 | 548,033 | 29.4 | 26.3 |
| Diluted earnings per share from continuing operations | $ 1.39 | $ 0.04 | $ 1.35 | $ 0.98 | 41.8 % | 37.8 % |

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 and nine months ended October 2, 2021 and September 26, 2020 reflect adjustments for restructuring and other action-related charges. See "Reconciliation of Select GAAP Measures to Non-GAAP Measures" in Tables 6-A through 6-E.

**TABLE 2-B**

**HANESBRANDS INC.**
**Supplemental Financial Information**
**Impact of Foreign Currency**
**(in thousands, except per share data)**
**(Unaudited)**

| | Quarter Ended October 2, 2021 | | | | | |
|---|---|---|---|---|---|---|
| | As Reported | Impact from Foreign Currency[1] | Constant Currency | Quarter Ended September 28, 2019 | % Change, As Reported | % Change, Constant Currency |
| As reported under GAAP: | | | | | | |
| Net sales | $ 1,789,551 | $ 16,060 | $ 1,773,491 | $ 1,729,308 | 3.5 % | 2.6 % |
| Gross profit | 699,661 | 8,678 | 690,983 | 646,469 | 8.2 | 6.9 |
| Operating profit | 234,646 | 2,212 | 232,434 | 261,178 | (10.2) | (11.0) |
| Diluted earnings per share from continuing operations | $ 0.50 | $ 0.01 | $ 0.50 | $ 0.52 | (3.8)% | (3.8)% |
| As adjusted:[2] | | | | | | |
| Net sales | $ 1,789,551 | $ 16,060 | $ 1,773,491 | $ 1,610,610 | 11.1 % | 10.1 % |
| Gross profit | 699,553 | 8,678 | 690,875 | 619,487 | 12.9 | 11.5 |
| Operating profit | 263,742 | 2,212 | 261,530 | 243,749 | 8.2 | 7.3 |
| Diluted earnings per share from continuing operations | $ 0.53 | $ 0.01 | $ 0.53 | $ 0.48 | 10.4 % | 10.4 % |

| | Nine Months Ended October 2, 2021 | | | | | |
|---|---|---|---|---|---|---|
| | As Reported | Impact from Foreign Currency[1] | Constant Currency | Nine Months Ended September 28, 2019 | % Change, As Reported | % Change, Constant Currency |
| As reported under GAAP: | | | | | | |
| Net sales | $ 5,048,891 | $ 64,893 | $ 4,983,998 | $ 4,815,704 | 4.8 % | 3.5 % |
| Gross profit | 1,983,971 | 35,968 | 1,948,003 | 1,795,573 | 10.5 | 8.5 |
| Operating profit | 642,162 | 10,799 | 631,363 | 620,679 | 3.5 | 1.7 |
| Diluted earnings per share from continuing operations | $ 1.29 | $ 0.03 | $ 1.26 | $ 1.13 | 14.2 % | 11.5 % |
| As adjusted:[2] | | | | | | |
| Net sales | $ 5,048,891 | $ 64,893 | $ 4,983,998 | $ 4,484,192 | 12.6 % | 11.1 % |
| Gross profit | 1,988,570 | 35,968 | 1,952,602 | 1,733,436 | 14.7 | 12.6 |
| Operating profit | 709,315 | 10,799 | 698,516 | 590,475 | 20.1 | 18.3 |
| Diluted earnings per share from continuing operations | $ 1.39 | $ 0.03 | $ 1.36 | $ 1.06 | 31.1 % | 28.3 % |

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 and nine months ended October 2, 2021 and September 28, 2019 reflect adjustments for restructuring and other action-related charges. Results for the quarter and nine months ended September 28, 2019 also reflect adjustments for the exited *C9 Champion* mass program and DKNY intimate apparel license. See "Reconciliation of Select GAAP Measures to Non-GAAP Measures" in Tables 6-A through 6-E.

TABLE 3-A

**HANESBRANDS INC.**
**Supplemental Financial Information**
**By Business Segment**
**(in thousands)**
**(Unaudited)**

| | Quarters Ended | | | Nine Months Ended | | |
|---|---|---|---|---|---|---|
| | October 2, 2021 | September 26, 2020 | % Change | October 2, 2021 | September 26, 2020 | % Change |
| Segment net sales: | | | | | | |
| Innerwear[1] | $ 702,617 | $ 792,600 | (11.4)% | $ 2,053,702 | $ 2,309,816 | (11.1)% |
| Activewear | 462,499 | 324,921 | 42.3 | 1,230,691 | 781,300 | 57.5 |
| International[2] | 536,483 | 506,203 | 6.0 | 1,521,667 | 1,185,718 | 28.3 |
| Other | 87,952 | 68,139 | 29.1 | 242,831 | 161,182 | 50.7 |
| Total net sales | $ 1,789,551 | $ 1,691,863 | 5.8 % | $ 5,048,891 | $ 4,438,016 | 13.8 % |
| Segment operating profit: | | | | | | |
| Innerwear | $ 147,651 | $ 172,000 | (14.2)% | $ 461,237 | $ 558,075 | (17.4)% |
| Activewear | 76,172 | 29,568 | 157.6 | 177,813 | 31,925 | 457.0 |
| International | 86,371 | 101,029 | (14.5) | 235,451 | 156,936 | 50.0 |
| Other | 11,288 | 3,059 | 269.0 | 22,394 | (12,263) | NM |
| General corporate expenses/other | (57,740) | (64,312) | (10.2) | (187,580) | (186,640) | 0.5 |
| Total operating profit before restructuring and other action-related charges | 263,742 | 241,344 | 9.3 | 709,315 | 548,033 | 29.4 |
| Restructuring and other action-related charges | (29,096) | (52,257) | (44.3) | (67,153) | (108,860) | (38.3) |
| Total operating profit | $ 234,646 | $ 189,087 | 24.1 % | $ 642,162 | $ 439,173 | 46.2 % |

1 The Innerwear segment includes $166 million and $779 million of net sales of personal protective equipment in the third quarter and nine months of 2020, respectively.

2 The International segment includes $13 million of net sales of personal protective equipment in the third quarter and nine months of 2020.

| | Quarters Ended | | | Nine Months Ended | | |
|---|---|---|---|---|---|---|
| | October 2, 2021 | September 26, 2020 | Basis Points Change | October 2, 2021 | September 26, 2020 | Basis Points Change |
| Segment operating margin: | | | | | | |
| Innerwear | 21.0 % | 21.7 % | (69) | 22.5 % | 24.2 % | (170) |
| Activewear | 16.5 | 9.1 | 737 | 14.4 | 4.1 | 1,036 |
| International | 16.1 | 20.0 | (386) | 15.5 | 13.2 | 224 |
| Other | 12.8 | 4.5 | 834 | 9.2 | (7.6) | 1,683 |
| General corporate expenses/other | (3.2) | (3.8) | 57 | (3.7) | (4.2) | 49 |
| Total operating margin before restructuring and other action-related charges | 14.7 | 14.3 | 47 | 14.0 | 12.3 | 170 |
| Restructuring and other action-related charges | (1.6) | (3.1) | 146 | (1.3) | (2.5) | 112 |
| Total operating margin | 13.1 % | 11.2 % | 194 | 12.7 % | 9.9 % | 282 |

TABLE 3-B

**HANESBRANDS INC.**
**Supplemental Financial Information**
**By Business Segment**
**(in thousands)**
**(Unaudited)**

| | Quarters Ended | | | Nine Months Ended | | |
|---|---|---|---|---|---|---|
| | October 2, 2021 | September 28, 2019 Rebased[1] | % Change | October 2, 2021 | September 28, 2019 Rebased[1] | % Change |
| Segment net sales: | | | | | | |
| Innerwear | $ 702,617 | $ 562,285 | 25.0 % | $ 2,053,702 | $ 1,686,176 | 21.8 % |
| Activewear | 462,499 | 445,587 | 3.8 | 1,230,691 | 1,117,048 | 10.2 |
| International | 536,483 | 513,382 | 4.5 | 1,521,667 | 1,435,030 | 6.0 |
| Other | 87,952 | 89,356 | (1.6) | 242,831 | 245,938 | (1.3) |
| Total net sales | $ 1,789,551 | $ 1,610,610 | 11.1 % | $ 5,048,891 | $ 4,484,192 | 12.6 % |
| | | | | | | |
| Segment operating profit: | | | | | | |
| Innerwear | $ 147,651 | $ 117,771 | 25.4 % | $ 461,237 | $ 367,894 | 25.4 % |
| Activewear | 76,172 | 73,738 | 3.3 | 177,813 | 143,763 | 23.7 |
| International | 86,371 | 94,908 | (9.0) | 235,451 | 246,174 | (4.4) |
| Other | 11,288 | 12,898 | (12.5) | 22,394 | 23,327 | (4.0) |
| General corporate expenses/other | (57,740) | (55,566) | 3.9 | (187,580) | (190,683) | (1.6) |
| Total operating profit before restructuring and other action-related charges | 263,742 | 243,749 | 8.2 | 709,315 | 590,475 | 20.1 |
| Restructuring and other action-related charges | (29,096) | (9,843) | 195.6 | (67,153) | (43,448) | 54.6 |
| Total operating profit | $ 234,646 | $ 233,906 | 0.3 % | $ 642,162 | $ 547,027 | 17.4 % |

| | Quarters Ended | | | Nine Months Ended | | |
|---|---|---|---|---|---|---|
| | October 2, 2021 | September 28, 2019 Rebased[1] | Basis Points Change | October 2, 2021 | September 28, 2019 Rebased[1] | Basis Points Change |
| Segment operating margin: | | | | | | |
| Innerwear | 21.0 % | 20.9 % | 7 | 22.5 % | 21.8 % | 64 |
| Activewear | 16.5 | 16.5 | (8) | 14.4 | 12.9 | 158 |
| International | 16.1 | 18.5 | (239) | 15.5 | 17.2 | (168) |
| Other | 12.8 | 14.4 | (160) | 9.2 | 9.5 | (26) |
| General corporate expenses/other | (3.2) | (3.4) | 22 | (3.7) | (4.3) | 54 |
| Total operating margin before restructuring and other action-related charges | 14.7 | 15.1 | (40) | 14.0 | 13.2 | 88 |
| Restructuring and other action-related charges | (1.6) | (0.6) | (101) | (1.3) | (1.0) | (36) |
| Total operating margin | 13.1 % | 14.5 % | (141) | 12.7 % | 12.2 % | 52 |

[1] Results for the quarter and nine months ended September 28, 2019 reflect adjustments for the exited *C9 Champion* mass program and DKNY intimate apparel license. See "Reconciliation of Select GAAP Measures to Non-GAAP Measures" in Tables 6-A through 6-E.

TABLE 4

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

| | October 2, 2021 | January 2, 2021 | September 26, 2020 |
|---|---|---|---|
| **Assets** | | | |
| Cash and cash equivalents | $ 873,628 | $ 900,615 | $ 716,921 |
| Trade accounts receivable, net | 928,039 | 768,221 | 921,434 |
| Inventories | 1,629,506 | 1,367,758 | 1,996,851 |
| Other current assets | 172,617 | 158,700 | 191,541 |
| Current assets of discontinued operations | 304,124 | 234,086 | 279,331 |
| Total current assets | 3,907,914 | 3,429,380 | 4,106,078 |
| Property, net | 440,804 | 477,821 | 484,939 |
| Right-of-use assets | 372,212 | 432,631 | 422,543 |
| Trademarks and other identifiable intangibles, net | 1,227,457 | 1,293,847 | 1,230,757 |
| Goodwill | 1,136,173 | 1,158,938 | 1,154,449 |
| Deferred tax assets | 327,196 | 367,976 | 193,015 |
| Other noncurrent assets | 51,049 | 64,773 | 93,849 |
| Noncurrent assets of discontinued operations | — | 494,501 | 482,911 |
| Total assets | $ 7,462,805 | $ 7,719,867 | $ 8,168,541 |
| **Liabilities** | | | |
| Accounts payable | $ 1,239,960 | $ 891,868 | $ 1,088,556 |
| Accrued liabilities | 718,545 | 609,864 | 590,778 |
| Lease liabilities | 122,545 | 136,510 | 143,753 |
| Notes payable | — | — | 11 |
| Current portion of long-term debt | 37,500 | 263,936 | — |
| Current liabilities of discontinued operations | 299,498 | 222,183 | 208,506 |
| Total current liabilities | 2,418,048 | 2,124,361 | 2,031,604 |
| Long-term debt | 3,626,547 | 3,739,434 | 3,972,212 |
| Lease liabilities - noncurrent | 276,595 | 331,577 | 317,834 |
| Pension and postretirement benefits | 321,323 | 381,457 | 324,683 |
| Other noncurrent liabilities | 183,723 | 216,091 | 256,238 |
| Noncurrent liabilities of discontinued operations | — | 112,989 | 116,437 |
| Total liabilities | 6,826,236 | 6,905,909 | 7,019,008 |
| **Stockholders' equity** | | | |
| Preferred stock | — | — | — |
| Common stock | 3,492 | 3,488 | 3,483 |
| Additional paid-in capital | 316,112 | 307,883 | 306,157 |
| Retained earnings | 928,293 | 1,069,546 | 1,454,676 |
| Accumulated other comprehensive loss | (611,328) | (566,959) | (614,783) |
| Total stockholders' equity | 636,569 | 813,958 | 1,149,533 |
| Total liabilities and stockholders' equity | $ 7,462,805 | $ 7,719,867 | $ 8,168,541 |

**TABLE 5**

**HANESBRANDS INC.**
**Condensed Consolidated Statements of Cash Flows[1]**
**(in thousands)**
**(Unaudited)**

| | Quarters Ended | | Nine Months Ended | |
|---|---|---|---|---|
| | October 2, 2021 | September 26, 2020 | October 2, 2021 | September 26, 2020 |
| **Operating Activities:** | | | | |
| Net income | $ 151,777 | $ 103,278 | $ 17,191 | $ 256,585 |
| Adjustments to reconcile net income to net cash from operating activities: | | | | |
| Depreciation | 19,618 | 22,277 | 63,183 | 67,676 |
| Amortization of acquisition intangibles | 4,718 | 6,304 | 15,696 | 18,503 |
| Other amortization | 2,796 | 2,984 | 8,610 | 8,091 |
| Impairment of intangible assets and goodwill | — | — | 163,047 | 20,319 |
| Loss on classification of assets held for sale | 30,562 | — | 266,742 | — |
| Amortization of debt issuance costs | 2,581 | 3,184 | 10,250 | 8,303 |
| Other | 12,336 | 9,411 | (1,888) | 25,658 |
| Changes in assets and liabilities: | | | | |
| Accounts receivable | (1,819) | 216,255 | (201,925) | (175,879) |
| Inventories | (117,316) | (197,958) | (292,465) | (259,367) |
| Other assets | 2,591 | (11,789) | 7,042 | (43,359) |
| Accounts payable | 90,716 | (20,772) | 391,034 | 189,566 |
| Accrued pension and postretirement benefits | (1,292) | 353 | (40,468) | (18,965) |
| Accrued liabilities and other | 117,852 | 115,488 | 121,327 | 134,091 |
| Net cash from operating activities | 315,120 | 249,015 | 527,376 | 231,222 |
| **Investing Activities:** | | | | |
| Capital expenditures | (29,989) | (2,521) | (55,320) | (49,033) |
| Proceeds from sales of assets | 24 | 265 | 2,479 | 331 |
| Other | 1,500 | 1,795 | 8,437 | 7,618 |
| Net cash from investing activities | (28,465) | (461) | (44,404) | (41,084) |
| **Financing Activities:** | | | | |
| Repayments on Term Loan Facilities | (9,375) | — | (315,625) | — |
| Borrowings on Accounts Receivable Securitization Facility | — | — | — | 227,061 |
| Repayments on Accounts Receivable Securitization Facility | — | — | — | (227,061) |
| Borrowings on Revolving Loan Facilities | — | — | — | 1,638,000 |
| Repayments on Revolving Loan Facilities | — | (118,189) | — | (1,756,189) |
| Borrowings on Senior Notes | — | — | — | 700,000 |
| Borrowings on International Debt | — | — | — | 31,222 |
| Repayments on International Debt | — | (36,383) | — | (36,383) |
| Borrowings on notes payable | 66,759 | 49,889 | 109,397 | 166,558 |
| Repayments on notes payable | (66,531) | (53,735) | (109,597) | (166,108) |
| Share repurchases | — | — | — | (200,269) |
| Cash dividends paid | (52,380) | (52,236) | (157,099) | (158,132) |
| Other | (476) | (1,223) | (3,000) | (15,258) |
| Net cash from financing activities | (62,003) | (211,877) | (475,924) | 203,441 |
| Effect of changes in foreign exchange rates on cash | (10,427) | 11,721 | (27,207) | 9,052 |
| Change in cash, cash equivalents and restricted cash | 214,225 | 48,398 | (20,159) | 402,631 |
| Cash, cash equivalents and restricted cash at beginning of period | 676,219 | 684,156 | 910,603 | 329,923 |
| Cash, cash equivalents and restricted cash at end of period | 890,444 | 732,554 | 890,444 | 732,554 |
| Less restricted cash at end of period | — | 1,073 | — | 1,073 |
| Cash and cash equivalents at end of period | $ 890,444 | $ 731,481 | $ 890,444 | $ 731,481 |
| Balances included in the Condensed Consolidated Balance Sheets: | | | | |
| Cash and cash equivalents | $ 873,628 | $ 716,921 | $ 873,628 | $ 716,921 |
| Cash and cash equivalents included in current assets of discontinued operations | 16,816 | 14,560 | 16,816 | 14,560 |
| Cash and cash equivalents at end of period | $ 890,444 | $ 731,481 | $ 890,444 | $ 731,481 |

1 The cash flows related to discontinued operations have not been segregated and remain included in the major classes of assets and liabilities. Accordingly, the Condensed Consolidated Statements of Cash Flows include the results of continuing and discontinued operations.

**TABLE 6-A**

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

| | Quarter Ended October 2, 2021 | | | | | | |
|---|---|---|---|---|---|---|---|
| | **Gross Profit** | **Selling, General and Administrative Expenses** | **Operating Profit** | **Income From Continuing Operations Before Income Tax Expense** | **Income Tax Expense** | **Income From Continuing Operations** | **Diluted Earnings Per Share From Continuing Operations[1]** |
| As reported | $ 699,661 | $ (465,015) | $ 234,646 | $ 191,975 | $ (15,228) | $ 176,747 | $ 0.50 |
| As a percentage of net sales | **39.1 %** | **26.0 %** | **13.1 %** | | | | |
| Restructuring and other action-related charges: | | | | | | | |
| Full Potential Plan: | | | | | | | |
| Professional services | — | 11,283 | 11,283 | 11,283 | — | 11,283 | 0.03 |
| Operating model | — | 16,000 | 16,000 | 16,000 | — | 16,000 | 0.05 |
| Other | (108) | 1,921 | 1,813 | 1,813 | — | 1,813 | 0.01 |
| Discrete tax benefits | — | — | — | — | (11,802) | (11,802) | (0.03) |
| Tax effect on actions | — | — | — | — | (6,131) | (6,131) | (0.02) |
| Total restructuring and other action-related charges | (108) | 29,204 | 29,096 | 29,096 | (17,933) | 11,163 | 0.03 |
| As adjusted | $ 699,553 | $ (435,811) | $ 263,742 | $ 221,071 | $ (33,161) | $ 187,910 | $ 0.53 |
| As a percentage of net sales | **39.1 %** | **24.4 %** | **14.7 %** | | | | |

| | Nine Months Ended October 2, 2021 | | | | | | |
|---|---|---|---|---|---|---|---|
| | **Gross Profit** | **Selling, General and Administrative Expenses** | **Operating Profit** | **Income From Continuing Operations Before Income Tax Expense** | **Income Tax Expense** | **Income From Continuing Operations** | **Diluted Earnings Per Share From Continuing Operations[1]** |
| As reported | $ 1,983,971 | $ (1,341,809) | $ 642,162 | $ 508,175 | $ (55,161) | $ 453,014 | $ 1.29 |
| As a percentage of net sales | **39.3 %** | **26.6 %** | **12.7 %** | | | | |
| Restructuring and other action-related charges: | | | | | | | |
| Full Potential Plan: | | | | | | | |
| Professional services | — | 36,793 | 36,793 | 36,793 | — | 36,793 | 0.10 |
| Operating model | — | 17,600 | 17,600 | 17,600 | — | 17,600 | 0.05 |
| Impairment of intangible assets | — | 7,302 | 7,302 | 7,302 | — | 7,302 | 0.02 |
| Other | 4,599 | 859 | 5,458 | 5,458 | — | 5,458 | 0.02 |
| Discrete tax benefits | — | — | — | — | (19,097) | (19,097) | (0.05) |
| Tax effect on actions | — | — | — | — | (12,041) | (12,041) | (0.03) |
| Total restructuring and other action-related charges | 4,599 | 62,554 | 67,153 | 67,153 | (31,138) | 36,015 | 0.10 |
| As adjusted | $ 1,988,570 | $ (1,279,255) | $ 709,315 | $ 575,328 | $ (86,299) | $ 489,029 | $ 1.39 |
| As a percentage of net sales | **39.4 %** | **25.3 %** | **14.0 %** | | | | |

[1] Amounts may not be additive due to rounding.

Including the favorable foreign currency impact of $1 million, global *Champion* sales excluding *C9 Champion* increased approximately 33% in the third quarter of 2021 compared to the third quarter of 2020. On a constant currency basis, global Champion sales excluding *C9 Champion* increased approximately 33% in the third quarter of 2021 compared to the third quarter of 2020.

Including the favorable foreign currency impact of $9 million, global *Champion* sales excluding *C9 Champion* increased approximately 20% in the third quarter of 2021 compared to the third quarter of 2019. On a constant currency basis, global Champion sales excluding *C9 Champion* increased approximately 19% in the third quarter of 2021 compared to the third quarter of 2019.

TABLE 6-B

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

| | Quarter Ended September 26, 2020 | | | | | | |
|---|---|---|---|---|---|---|---|
| | **Gross Profit** | **Selling, General and Administrative Expenses** | **Operating Profit** | **Income From Continuing Operations Before Income Tax Expense** | **Income Tax Expense** | **Income From Continuing Operations** | **Diluted Earnings Per Share From Continuing Operations[1]** |
| As reported | $ 571,471 | $ (382,384) | $ 189,087 | $ 140,689 | $ (22,464) | $ 118,225 | $ 0.34 |
| As a percentage of net sales | **33.8 %** | **22.6 %** | **11.2 %** | | | | |
| Restructuring and other action-related charges: | | | | | | | |
| Supply chain actions | 2,098 | — | 2,098 | 2,098 | — | 2,098 | 0.01 |
| Program exit costs | 356 | — | 356 | 356 | — | 356 | 0.00 |
| Other | (4) | 1,199 | 1,195 | 1,195 | — | 1,195 | 0.00 |
| COVID-19 related charges: | | | | | | | |
| Supply chain re-startup | 45,149 | 3,459 | 48,608 | 48,608 | — | 48,608 | 0.14 |
| Discrete tax benefits | — | — | — | — | (3,113) | (3,113) | (0.01) |
| Tax effect on actions | — | — | — | — | (7,360) | (7,360) | (0.02) |
| Total restructuring and other action-related charges | 47,599 | 4,658 | 52,257 | 52,257 | (10,473) | 41,784 | 0.12 |
| As adjusted | $ 619,070 | $ (377,726) | $ 241,344 | $ 192,946 | $ (32,937) | $ 160,009 | $ 0.46 |
| As a percentage of net sales | **36.6 %** | **22.3 %** | **14.3 %** | | | | |

| | Nine Months Ended September 26, 2020 | | | | | | |
|---|---|---|---|---|---|---|---|
| | **Gross Profit** | **Selling, General and Administrative Expenses** | **Operating Profit** | **Income From Continuing Operations Before Income Tax Expense** | **Income Tax Expense** | **Income From Continuing Operations** | **Diluted Earnings Per Share From Continuing Operations[1]** |
| As reported | $ 1,503,501 | $ (1,064,328) | $ 439,173 | $ 302,919 | $ (43,008) | $ 259,911 | $ 0.73 |
| As a percentage of net sales | **33.9 %** | **24.0 %** | **9.9 %** | | | | |
| Restructuring and other action-related charges: | | | | | | | |
| Supply chain actions | 18,800 | — | 18,800 | 18,800 | — | 18,800 | 0.05 |
| Program exit costs | 9,387 | 467 | 9,854 | 9,854 | — | 9,854 | 0.03 |
| Other | (377) | 7,688 | 7,311 | 7,311 | — | 7,311 | 0.02 |
| COVID-19 related charges: | | | | | | | |
| Supply chain re-startup | 45,149 | 3,459 | 48,608 | 48,608 | — | 48,608 | 0.14 |
| Bad debt | — | 9,418 | 9,418 | 9,418 | — | 9,418 | 0.03 |
| Inventory | 14,869 | — | 14,869 | 14,869 | — | 14,869 | 0.04 |
| Discrete tax benefits | — | — | — | — | (3,113) | (3,113) | (0.01) |
| Tax effect on actions | — | — | — | — | (17,581) | (17,581) | (0.05) |
| Total restructuring and other action-related charges | 87,828 | 21,032 | 108,860 | 108,860 | (20,694) | 88,166 | 0.25 |
| As adjusted | $ 1,591,329 | $ (1,043,296) | $ 548,033 | $ 411,779 | $ (63,702) | $ 348,077 | $ 0.98 |
| As a percentage of net sales | **35.9 %** | **23.5 %** | **12.3 %** | | | | |

[1] Amounts may not be additive due to rounding.

TABLE 6-C

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

| | Quarter Ended September 28, 2019 | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | **Net Sales** | **Gross Profit** | **Selling, General and Administrative Expenses** | **Operating Profit** | **Income From Continuing Operations Before Income Tax Expense** | **Income Tax Expense** | **Income From Continuing Operations** | **Diluted Earnings Per Share From Continuing Operations[1]** |
| As reported | $ 1,729,308 | $ 646,469 | $ (385,291) | $ 261,178 | $ 211,134 | $ (22,129) | $ 189,005 | $ 0.52 |
| Less exited programs[2] | (118,698) | (36,290) | 9,018 | (27,272) | (27,272) | 3,848 | (23,424) | (0.06) |
| As rebased | 1,610,610 | 610,179 | (376,273) | 233,906 | 183,862 | (18,281) | 165,581 | 0.45 |
| As a percentage of net sales | | **37.9 %** | **23.4 %** | **14.5 %** | | | | |
| Restructuring and other action-related charges: | | | | | | | | |
| Supply chain actions | — | 9,308 | — | 9,308 | 9,308 | — | 9,308 | 0.03 |
| Other | — | — | 535 | 535 | 535 | — | 535 | 0.00 |
| Tax effect on actions | — | — | — | — | — | (1,389) | (1,389) | 0.00 |
| Total restructuring and other action-related charges | — | 9,308 | 535 | 9,843 | 9,843 | (1,389) | 8,454 | 0.02 |
| As adjusted | $ 1,610,610 | $ 619,487 | $ (375,738) | $ 243,749 | $ 193,705 | $ (19,670) | $ 174,035 | $ 0.48 |
| As a percentage of net sales | | **38.5 %** | **23.3 %** | **15.1 %** | | | | |

| | Nine Months Ended September 28, 2019 | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | **Net Sales** | **Gross Profit** | **Selling, General and Administrative Expenses** | **Operating Profit** | **Income From Continuing Operations Before Income Tax Expense** | **Income Tax Expense** | **Income From Continuing Operations** | **Diluted Earnings Per Share From Continuing Operations[1]** |
| As reported | $ 4,815,704 | $ 1,795,573 | $ (1,174,894) | $ 620,679 | $ 461,418 | $ (46,708) | $ 414,710 | $ 1.13 |
| Less exited programs[2] | (331,512) | (101,347) | 27,695 | (73,652) | (73,652) | 10,388 | (63,264) | (0.17) |
| As rebased | 4,484,192 | 1,694,226 | (1,147,199) | 547,027 | 387,766 | (36,320) | 351,446 | 0.96 |
| As a percentage of net sales | | **37.8 %** | **25.6 %** | **12.2 %** | | | | |
| Restructuring and other action-related charges: | | | | | | | | |
| Supply chain actions | — | 39,210 | — | 39,210 | 39,210 | — | 39,210 | 0.11 |
| Other | — | — | 4,238 | 4,238 | 4,238 | — | 4,238 | 0.01 |
| Tax effect on actions | — | — | — | — | — | (6,127) | (6,127) | (0.02) |
| Total restructuring and other action-related charges | — | 39,210 | 4,238 | 43,448 | 43,448 | (6,127) | 37,321 | 0.10 |
| As adjusted | $ 4,484,192 | $ 1,733,436 | $ (1,142,961) | $ 590,475 | $ 431,214 | $ (42,447) | $ 388,767 | $ 1.06 |
| As a percentage of net sales | | **38.7 %** | **25.5 %** | **13.2 %** | | | | |

1 Amounts may not be additive due to rounding.

2 Includes the results for the exited *C9 Champion* mass program and the DKNY intimate apparel license.

**TABLE 6-D**

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

| | Quarter Ended September 28, 2019 | | | | |
|---|---|---|---|---|---|
| | As Reported | Less: Exited Programs[1] | Adjusted for Exited Programs | Less: Restructuring and other action-related charges | Rebased |
| Segment net sales: | | | | | |
| Innerwear | $ 578,453 | $ 16,168 | $ 562,285 | $ — | $ 562,285 |
| Activewear | 548,117 | 102,530 | 445,587 | — | 445,587 |
| International | 513,382 | — | 513,382 | — | 513,382 |
| Other | 89,356 | — | 89,356 | — | 89,356 |
| Total net sales | $ 1,729,308 | $ 118,698 | $ 1,610,610 | $ — | $ 1,610,610 |
| Segment operating profit: | | | | | |
| Innerwear | $ 121,467 | $ 3,696 | $ 117,771 | $ — | $ 117,771 |
| Activewear | 97,314 | 23,576 | 73,738 | — | 73,738 |
| International | 94,908 | — | 94,908 | — | 94,908 |
| Other | 12,898 | — | 12,898 | — | 12,898 |
| General corporate expenses/other | (55,566) | — | (55,566) | — | (55,566) |
| Restructuring and other action-related charges | (9,843) | — | (9,843) | (9,843) | — |
| Total operating profit | $ 261,178 | $ 27,272 | $ 233,906 | $ (9,843) | $ 243,749 |

| | Nine Months Ended September 28, 2019 | | | | |
|---|---|---|---|---|---|
| | As Reported | Less: Exited Programs[1] | Adjusted for Exited Programs | Less: Restructuring and other action-related charges | Rebased |
| Segment net sales: | | | | | |
| Innerwear | $ 1,733,002 | $ 46,826 | $ 1,686,176 | $ — | $ 1,686,176 |
| Activewear | 1,401,734 | 284,686 | 1,117,048 | — | 1,117,048 |
| International | 1,435,030 | — | 1,435,030 | — | 1,435,030 |
| Other | 245,938 | — | 245,938 | — | 245,938 |
| Total net sales | $ 4,815,704 | $ 331,512 | $ 4,484,192 | $ — | $ 4,484,192 |
| Segment operating profit: | | | | | |
| Innerwear | $ 375,623 | $ 7,729 | $ 367,894 | $ — | $ 367,894 |
| Activewear | 209,686 | 65,923 | 143,763 | — | 143,763 |
| International | 246,174 | — | 246,174 | — | 246,174 |
| Other | 23,327 | — | 23,327 | — | 23,327 |
| General corporate expenses/other | (190,683) | — | (190,683) | — | (190,683) |
| Restructuring and other action-related charges | (43,448) | — | (43,448) | (43,448) | — |
| Total operating profit | $ 620,679 | $ 73,652 | $ 547,027 | $ (43,448) | $ 590,475 |

[1] Includes the results for the exited *C9 Champion* mass program and the DKNY intimate apparel license.

**TABLE 6-E**

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

| | Last Twelve Months | |
|---|---|---|
| | **October 2, 2021** | **September 26, 2020** |
| EBITDA[1]: | | |
| Income from continuing operations | $ 160,816 | $ 418,525 |
| Interest expense, net | 171,396 | 161,155 |
| Income tax expense (benefit) | (97,787) | 66,536 |
| Depreciation and amortization | 116,145 | 111,336 |
| Total EBITDA | 350,570 | 757,552 |
| Total restructuring and other action-related charges (excluding tax effect on actions) | 692,489 | 127,927 |
| Stock compensation expense | 15,017 | 13,813 |
| Total EBITDA, as adjusted | $ 1,058,076 | $ 899,292 |
| Net debt: | | |
| Debt (current and long-term debt) | $ 3,664,047 | $ 3,972,212 |
| Notes payable | — | 11 |
| (Less) Cash and cash equivalents | (873,628) | (716,921) |
| Net debt | $ 2,790,419 | $ 3,255,302 |
| Net debt/EBITDA, as adjusted | 2.6 | 3.6 |

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

| | Quarters Ended | | Nine Months Ended | |
|---|---|---|---|---|
| | **October 2, 2021** | **September 26, 2020** | **October 2, 2021** | **September 26, 2020** |
| Free cash flow[1]: | | | | |
| Net cash from operating activities | $ 315,120 | $ 249,015 | $ 527,376 | $ 231,222 |
| Capital expenditures | (29,989) | (2,521) | (55,320) | (49,033) |
| Free cash flow | $ 285,131 | $ 246,494 | $ 472,056 | $ 182,189 |

[1] Free cash flow includes the results from continuing and discontinued operations.

**TABLE 7**

**HANESBRANDS INC.**
**Supplemental Financial Information**
**Reconciliation of GAAP Outlook to Adjusted Outlook**
**(in thousands, except per share data)**
**(Unaudited)**

| | Quarter Ended | Year Ended |
|---|---|---|
| | January 1, 2022 | January 1, 2022 |
| Operating profit outlook, as calculated under GAAP | $182,000 to $202,000 | $825,000 to $845,000 |
| Restructuring and other action-related charges | $18,000 | $85,000 |
| Operating profit outlook, as adjusted | $200,000 to $220,000 | $910,000 to $930,000 |
| | | |
| Diluted earnings per share from continuing operations, as calculated under GAAP[1] | $0.24 to $0.29 | $1.53 to $1.58 |
| Restructuring and other action-related charges | $0.16 | $0.26 |
| Diluted earnings per share from continuing operations, as adjusted | $0.40 to $0.45 | $1.79 to $1.84 |

[1] The company expects approximately 353 million diluted weighted average shares outstanding for the quarter ended January 1, 2022 and approximately 352 million diluted weighted average shares outstanding for the year ended January 1, 2022.

# Hanesbrands FAQs

**Updated November 4, 2021 – New or updated information is in red**

## General and Current Period FAQs (Guidance comments as of November 4, 2021)

Unless otherwise indicated, all guidance and related commentary as well as comparisons to prior periods reflect continuing operations.

(1) Q: What is factored into your full-year 2021 guidance?

*A: Our full-year 2021 outlook reflects various puts and takes within the current environment, including, but not limited to: (1) the continued uncertainty due to the COVID-19 pandemic; (2) incremental disruptions to global supply chains around the world that are driving cost pressure and higher inflation; (3) strong demand for our brands in both our Innerwear and Activewear businesses globally; and, (4) maintaining our commitment to increase investment in our brands as part of our Full Potential strategy.*

*Net Sales: We expect total net sales from continuing operations of $6.76 billion to $6.83 billion. This includes an approximate $108 million tailwind from the effects of foreign exchange rates as compared to last year. The foreign exchange impact is reflected within the International segment. At the midpoint, our guidance represents net sales growth of approximately 11% over prior year on a reported basis.*

*Adjusting for the $820 million of PPE sales and $45 million of sales from the 53rd week in 2020, at the midpoint our full-year 2021 guidance represents net sales growth of approximately 29% over prior year.*

*Operating Profit (GAAP and Adjusted): Our guidance for GAAP Operating Profit from continuing operations is $825 million to $845 million. Our guidance for Adjusted Operating Profit from continuing operations, which excludes approximately $85 million of pretax Full Potential plan-related charges, is $910 million to $930 million. Our operating profit guidance includes an approximate $18 million tailwind from the effects of foreign exchange rates as compared to last year. At the midpoint, our guidance implies an Adjusted Operating Margin of 13.5%. The expected year-over-year margin increase reflects: (1) incremental brand marketing investment of more than $50 million over 2020, most of which is in the second-half; (2) the benefits from cost savings initiatives; (3) higher cost and inflation pressure as well as higher SG&A expense due to temporary COVID-driven cost cuts in the second and third-quarters of 2020; and, (4) expense leverage from higher sales.*

*As compared to rebased 2019, at the midpoint of our full-year 2021 guidance, which includes higher levels of brand marketing investment as well as higher cost and inflation pressures, net sales are expected to increase 13% and adjusted operating profit is expected to increase 12%.*
*Interest/Other Expenses and Tax Rate: Our guidance assumes Interest and Other expenses of approximately $175 million, which excludes an approximate $45 million charge related to the expected refinancing of the Senior Secured Credit Facility and the make-whole premium for the planned redemption of the $700 million 5.375% 2025 Senior Notes. Our guidance assumes GAAP and adjusted tax rates of approximately 11% and 14%, respectively.*

*EPS (GAAP and Adjusted): Our guidance for GAAP EPS from continuing operations is $1.53 to $1.58. Our guidance for Adjusted EPS from continuing operations is $1.79 to $1.84. Adjusted EPS from continuing operations excludes pretax Full Potential plan-related expenses (see below) and the one-time costs from the expected refinancing and Senior Note redemption (see paragraph above). Both ranges are based on diluted shares outstanding of approximately 352 million for the year.*

*Cash flow from operations: Our full-year cash flow from operations guidance is approximately $550 million to $600 million. Our capital expenditure guidance is approximately $75 million to $85 million.*

*Pretax expenses: Our guidance reflects approximately $85 million of pretax Full Potential plan-related charges.*

*There were no sales or profit from PPE in the third-quarter of 2021. Our full-year 2021 guidance ranges (sales, operating profit and EPS ranges noted above) assume no sales or profit related to the selling of our PPE inventory in the fourth quarter. We will not include any sales or profit related to the potential selling of the PPE inventory in any future guidance. In the event we sell any of the PPE inventory in future periods, we will clearly disclose the amount of PPE sales/profits included in our reported results for those future periods. Donations of PPE inventory will have no impact to sales or profits in future periods as this inventory has been fully written down.*

(2) Q: What is factored into your fourth-quarter 2021 guidance?

*A: Our fourth-quarter 2021 outlook reflects the various puts and takes within the current environment that are listed above in question 1. Since our investor day in May, we have highlighted our expectation for both cost/inflation pressures and brand marketing investments to build through the year in 2021, creating margin headwinds as the year progressed. We also highlighted our focus on cost savings initiatives and additional supply chain efficiencies to partially mitigate the cost pressures and higher levels of brand marketing investment.*

*Net Sales: We expect total net sales from continuing operations of $1.71 billion to $1.78 billion. This includes an approximate $6 million tailwind from the effects of foreign exchange rates as compared to last year. The foreign exchange impact is reflected within the International segment. At the midpoint, our guidance represents net sales growth of approximately 3% over prior year on a reported basis.*

*Adjusting for the $28 million of PPE sales and $45 million of sales from the 53rd week in the fourth-quarter of 2020, at the midpoint our fourth-quarter 2021 guidance represents net sales growth of approximately 8% over prior year. As compared to rebased 2019, at the midpoint, our guidance represents net sales growth of approximately 15% over fourth-quarter of 2019.*

*Operating Profit (GAAP and Adjusted): Our guidance for GAAP Operating Profit from continuing operations is $182 million to $202 million. Our guidance for Adjusted Operating Profit from continuing operations, which excludes approximately $18 million of pretax Full Potential plan-related charges, is $200 million to $220 million. Our operating profit guidance includes an approximate $1 million tailwind from the effects of foreign exchange rates as compared to last year. At the midpoint, our guidance implies an Adjusted Operating Margin of 12.0%. The expected year-over-year margin decline is driven by higher inflation (transportation, wages, commodities, etc.) and continued higher levels of brand marketing investment.*
*Interest/Other Expenses and Tax Rate: Our guidance assumes Interest and Other expenses of approximately $40 million, which excludes an approximate $45 million charge related to the expected refinancing of the Senior Secured Credit Facility and the make-whole premium for the planned redemption of the $700 million 5.375% 2025 Senior Notes. Our guidance assumes an effective tax rate of approximately 12% on both a GAAP and adjusted basis.*

*EPS (GAAP and Adjusted): Our guidance for GAAP EPS from continuing operations is $0.24 to $0.29. Our guidance for Adjusted EPS from continuing operations is $0.40 to $0.45. Adjusted EPS from continuing operations excludes pretax Full Potential plan-related expenses (see above) and the one-time costs from the expected refinancing and Senior Note redemption (see above). Both ranges are based on diluted shares outstanding of approximately 353 million for the quarter.*

*No sales or profit related to the selling of our PPE inventory are included in our fourth-quarter 2021 guidance ranges (sales, operating profit and EPS ranges noted above). We will not include any sales or profit related to the potential selling of the PPE inventory in any future guidance. In the event we sell any of the PPE inventory in future periods, we will clearly disclose the amount of PPE sales/profits included in our reported results for those future periods. Donations of PPE inventory will have no impact to sales or profits in future periods as this inventory has been fully written down.*

(3) Q: Can you comment on the intended refinancing of your Senior Secured Credit Facility?

*A: Subject to market conditions, we intend to refinance our Senior Secured Credit Facility in the fourth-quarter of 2021. In conjunction with the refinancing, we intend to redeem the $700 million 5.375% 2025 Senior Notes using proceeds from the transaction and cash on hand. The make-whole premium to redeem the 5.375% 2025 Senior Notes and the transaction fees are estimated to result in a one-time charge of approximately $45 million, which is reflected in our fourth-quarter and full-year 2021 guidance ranges (see questions 1 and 2). We estimate this transaction will result in approximately $35 million of annual savings in interest and other expense, with approximately $4 million recognized in the fourth-quarter 2021. The expected interest and other expense savings is reflected in our fourth-quarter and full-year 2021 guidance ranges (see questions 1 and 2).*

(4) Q: Can you provide any additional information regarding the reclassification of the European Innerwear business to Discontinued Operations?

*A: Please see the Investor Day Handout, which can be found on our IR website at www.Hanes.com/Investors, or in the 8-K filing on May 11, 2021.*

***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 income tax expense, adjusted income before income tax expense, 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 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 income tax expense is defined as income tax expense excluding actions. Adjusted income from continuing operations before income tax is defined as income from continuing operations before income tax excluding 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 2019 primarily represented supply chain network changes, program exit costs, and overhead reduction as well as completion of outstanding acquisition integration. Charges taken in 2020 include supply chain restructuring actions, program exit costs, COVID-19 related charges, Full Potential plan charges and the write-off of a discrete tax asset related to our *Bras N Things* acquisition. COVID-19 related charges include intangible asset and goodwill impairment charges, bad debt expense and supply chain re-startup costs. Full Potential plan charges include inventory write-down charges related to our SKU reduction initiative and discontinuation of our PPE business. Charges for actions taken in 2021 include professional fees, operating model charges and first quarter's intangible asset impairment charges related to our Full Potential plan. 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 future business plans and circumstances.

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 from continuing operations 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, we have chosen to present certain year-over-year comparisons with respect to our rebased 2019 business, which excludes the exited *C9 Champion* mass program and DKNY intimate apparel license. We believe this information is useful to management and investors to facilitate a more meaningful comparison of the results of our ongoing 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).
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 November 4, 2021 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.

<u>Cautionary Statement Concerning Forward-Looking Statements</u>
These FAQs include 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 pandemic on our business and financial performance, guidance and predictions regarding expected operating results, including related to our Full Potential plan, the disposal of our European Innerwear business, and the planned refinancing of our Senior Secured Credit Facility 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: our ability to successfully execute our Full Potential plan to achieve the desired results; the potential effects of the COVID-19 pandemic, including on consumer spending, global supply chains and the financial markets; the highly competitive and evolving nature of the industry in which we compete; the rapidly changing retail environment; our reliance on a relatively small number of customers for a significant portion of our sales; 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, such as our Full Potential plan, in order to achieve the desired results; significant fluctuations in foreign exchange rates; legal, regulatory, political and economic risks related to our international operations; our ability to

effectively manage our complex multinational tax structure; 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.