

Q2 2024 Earnings Call Handout

August 8, 2024



HANES *Brands*

Safe Harbor Statement

Forward-looking Statements

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

With respect to the pending sale of the global *Champion* business, whether and when the required regulatory approvals will be obtained, whether and when the closing conditions will be satisfied, and whether and when the pending sale will close, if at all; our ability to execute, and realize benefits, successfully, or at all, from the pending sale of the global *Champion* business; our ability to successfully implement our strategic plans, including our supply chain restructuring and consolidation and other cost savings initiatives; trends associated with our business; the rapidly changing retail environment and the level of consumer demand; the effects of any geopolitical conflicts (including the ongoing Russia-Ukraine conflict and Middle East conflicts) or public health emergencies or severe global health crises, including effects on consumer spending, global supply chains, critical supply routes and the financial markets; our ability to deleverage on the anticipated time frame or at all, which could negatively impact our ability to satisfy the financial covenants in our Credit Agreement or other contractual arrangements; any inadequacy, interruption, integration failure or security failure with respect to our information technology; future intangible assets or goodwill impairment due to changes in our business, market conditions, or other factors; significant fluctuations in foreign exchange rates; legal, regulatory, political and economic risks related to our international operations; our ability to effectively manage our complex international tax structure; our future financial performance; and other risks identified from time to time in our most recent Securities and Exchange Commission reports, including our annual report on Form 10-K and quarterly reports on Form 10-Q.

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

Non-GAAP Terms and Definitions

To supplement financial guidance prepared in accordance with GAAP, this presentation contains historical financial results and projections concerning certain non-GAAP financial measures, including adjusted income (loss) from continuing operations, adjusted diluted earnings (loss) per share from continuing operations (“Adjusted EPS”), adjusted operating profit (and margin), adjusted gross profit (and margin), EBITDA and adjusted EBITDA. Please see the attached Appendix for more information regarding the definition of these non-GAAP financial measures and a reconciliation to the most directly comparable GAAP financial measure.





Q2 2024 Financial Summary

As Adjusted (see Appendix for reconciliation to GAAP)

(\$ in millions, except per share results)					=	Total HBI	Total HBI Guidance (as of 5/9/2024)	Results vs. Guide
	Continuing Operations	+	Discontinued Operations ¹					
Revenue	\$995	+	\$359	=	\$1,354	\$1,335 - \$1,375	✓	
Adjusted Gross Margin (%)	39.8%		37.6%		39.2%	~ 38.5% - 39.0%	✓	
Adjusted Operating Profit	\$126	+	\$7	=	\$133	\$115 - \$130	✓	
Adjusted Operating Margin (%)	12.7%		1.9%		9.8%	8.6% - 9.5%	✓	
Adjusted EPS	\$0.15	+	(\$0.03)	=	\$0.12	\$0.07 - \$0.11	✓	
Innerwear Segment Sales					(2%)	~ Down 3% to 4%	✓	
Activewear Segment Sales					(4%)	~ Down MSD%	✓	
International Segment Sales					(8%) Reported / (4%) CC	~ Down MSD% Reported / Flat CC	—	

¹ Reflects Global *Champion* and U.S. Outlet Store businesses

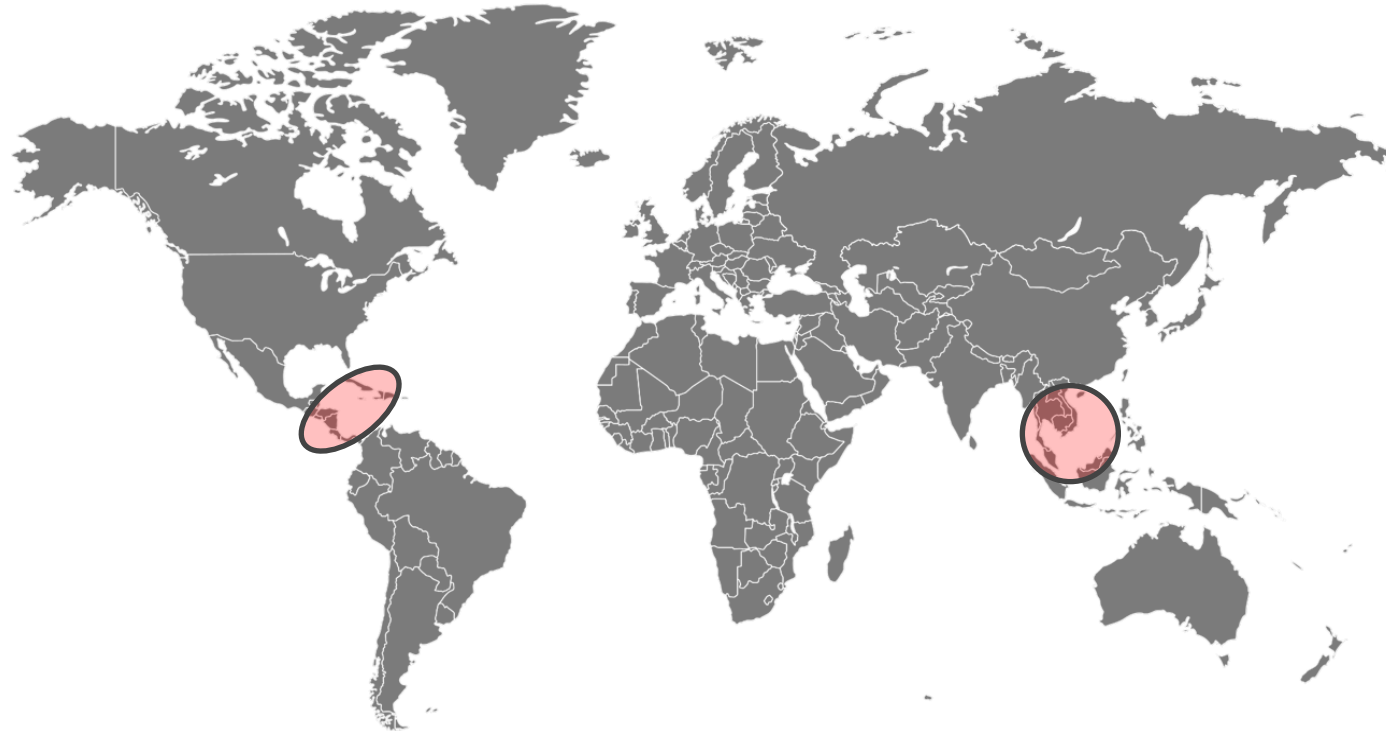
Hanesbrands Continuing Operations: Segments

	U.S.		International		Other	
Geographic Regions	U.S.		Australia, Asia, Latin America, and Canada		N/A	
Products	Core apparel products including men's underwear, women's underwear, children's underwear, socks, bras, and shapewear.		Core apparel products including men's underwear, women's underwear, children's underwear, socks, bras, shapewear, baby clothes, activewear, and linens.		All other businesses including U.S. Sheer Hosiery (sold September 29, 2023) and sales from a transition service agreement between the supply chain and the Company's previously owned European Innerwear business.	
Key Brands	   		   		N/A	
Categories	<u>Innerwear</u> ~ 90%	<u>Non-Innerwear</u> ~ 10%	<u>Innerwear</u> ~ 70%	<u>Non-Innerwear</u> ~ 30%	N/A	
Channel Mix	<u>Wholesale</u> 97%	<u>DTC</u> 3%	<u>Wholesale</u> ~50%	<u>DTC</u> ~50%	N/A	
FY23 Sales	<u>\$</u> \$2,637	<u>% of Total HBI</u> 70%	<u>\$</u> \$1,053	<u>% of Total HBI</u> 28%	<u>\$</u> \$70	<u>% of Total HBI</u> 2%

Hanesbrands Continuing Operations Overview

GLOBAL MANUFACTURING FOOTPRINT

HBI'S global supply chain is balanced across the East and West, leveraging large scale facilities in low-cost locations.



In-House Manufacturing:	~ 80% to 85%
Sourced:	~ 20% to 15%

Hanesbrands Continuing Operations Overview – Full Year

HISTORICAL & PROJECTED FINANCIAL OVERVIEW – FULL YEAR 2022 - 2024

(\$ in millions)	FY 2022	FY 2023	FY 2024	2024 vs. 2023*
Revenue	\$3,988	\$3,759	\$3,590 to \$3,630	(4.0%)
Organic Constant Currency				(1.6%)
Adjusted Gross Profit	\$1,415	\$1,346		
Adjusted Gross Margin (%)	35.5%	35.8%	Slightly > 40%	> +420 bps
Adjusted Operating Profit	\$330	\$297	\$395 to \$415	+36%
Adjusted Operating Margin	8.3%	7.9%	11.0% to 11.4%	+330 bps

* Year-over-Year calculations based on midpoint of guidance range

Hanesbrands Continuing Operations Overview – Q3

HISTORICAL & PROJECTED FINANCIAL OVERVIEW – Q3 2023 & Q3 2024

(\$ in millions)	Q3 2023	Q3 2024	2024 vs. 2023*
Revenue	\$961	\$920 to \$950	(2.7%)
Organic Constant Currency			(0.6%)
Adjusted Gross Profit	\$351		
Adjusted Gross Margin (%)	36.5%	~ 40%	~ +350 bps
Adjusted Operating Profit	\$84	\$105 to \$120	+34%
Adjusted Operating Margin	8.7%	11.4% to 12.6%	+330 bps

* Year-over-Year calculations based on midpoint of guidance range

Appendix

Balance Sheet Q4 2022 – Q2 2024*

GAAP and Non-GAAP Reconciliations

*Balance Sheet Q4 2002 – Q2 2024 pp. 9 – 10 added on August 22, 2024

HANESBRANDS INC.
Condensed Consolidated Balance Sheets
Revised to Present the Global *Champion* and U.S.-Based Outlet Store Businesses as Held for Sale*
(in thousands)
(Unaudited)

	December 31, 2022	April 1, 2023	July 1, 2023	September 30, 2023	December 30, 2023
Assets					
Cash and cash equivalents	\$ 218,758	\$ 194,786	\$ 173,415	\$ 172,787	\$ 185,717
Trade accounts receivable, net	610,788	545,925	558,165	572,744	451,052
Inventories	1,286,438	1,305,999	1,173,006	1,066,161	972,654
Other current assets	148,977	137,852	155,262	155,289	117,057
Current assets held for sale.....	866,793	844,411	831,849	628,775	549,735
Total current assets.....	3,131,754	3,028,973	2,891,697	2,595,756	2,276,215
Property, net	376,874	378,566	369,812	356,474	354,410
Right-of-use assets.....	265,679	303,713	297,820	279,417	281,898
Trademarks and other identifiable intangibles, net	974,368	960,875	955,786	928,425	959,851
Goodwill	664,619	660,789	658,864	650,263	664,805
Deferred tax assets.....	5,010	5,555	3,762	5,267	18,176
Other noncurrent assets	116,124	123,717	142,398	148,464	139,151
Noncurrent assets held for sale.....	969,448	970,492	958,892	949,222	945,808
Total assets	\$ 6,503,876	\$ 6,432,680	\$ 6,279,031	\$ 5,913,288	\$ 5,640,314
Liabilities and Stockholders' Equity					
Accounts payable.....	\$ 708,753	\$ 796,848	\$ 791,531	\$ 628,765	\$ 580,285
Accrued liabilities	419,268	422,242	399,696	432,553	421,805
Lease liabilities	71,521	64,679	67,731	70,701	70,490
Accounts Receivable Securitization Facility	209,500	166,000	149,000	200,500	6,000
Current portion of long-term debt	37,500	52,750	59,000	59,000	59,000
Current liabilities held for sale	344,088	261,953	261,130	263,759	252,988
Total current liabilities	1,790,630	1,764,472	1,728,088	1,655,278	1,390,568
Long-term debt	3,612,077	3,588,945	3,504,275	3,310,256	3,235,640
Lease liabilities - noncurrent	210,940	259,401	252,944	234,149	239,686
Pension and postretirement benefits.....	115,263	112,791	109,708	107,129	103,456
Other noncurrent liabilities.....	245,538	230,959	206,534	201,859	123,918
Noncurrent liabilities held for sale	131,164	136,586	129,522	130,581	127,693
Total liabilities.....	6,105,612	6,093,154	5,931,071	5,639,252	5,220,961
Stockholders' equity:					
Preferred stock	—	—	—	—	—
Common stock	3,490	3,495	3,498	3,500	3,501
Additional paid-in capital.....	334,676	336,851	343,042	348,837	353,367
Retained earnings	572,106	537,702	515,595	476,796	554,796
Accumulated other comprehensive loss	(512,008)	(538,522)	(514,175)	(555,097)	(492,311)
Total stockholders' equity	398,264	339,526	347,960	274,036	419,353
Total liabilities and stockholders' equity	\$ 6,503,876	\$ 6,432,680	\$ 6,279,031	\$ 5,913,288	\$ 5,640,314

HANESBRANDS INC.
Condensed Consolidated Balance Sheets
Revised to Present the Global *Champion* and U.S.-Based Outlet Store Businesses as Held for Sale *
(in thousands)
(Unaudited)

	March 30, 2024	June 29, 2024
Assets		
Cash and cash equivalents	\$ 176,503	\$ 213,767
Trade accounts receivable, net	431,817	483,951
Inventories	1,060,397	937,980
Other current assets	132,375	189,347
Current assets held for sale	522,622	460,863
Total current assets	2,323,714	2,285,908
Property, net	340,992	209,801
Right-of-use assets	260,666	240,219
Trademarks and other identifiable intangibles, net	926,678	936,294
Goodwill	654,237	658,736
Deferred tax assets	10,703	17,029
Other noncurrent assets	140,299	126,385
Noncurrent assets held for sale	932,387	905,472
Total assets	\$ 5,589,676	\$ 5,379,844
Liabilities and Stockholders' Equity		
Accounts payable	\$ 682,420	\$ 704,114
Accrued liabilities	421,929	512,717
Lease liabilities	65,044	65,136
Accounts Receivable Securitization Facility	17,500	—
Current portion of long-term debt	44,250	44,250
Current liabilities held for sale	228,296	240,263
Total current liabilities	1,459,439	1,566,480
Long-term debt	3,237,419	3,224,155
Lease liabilities - noncurrent	221,441	217,483
Pension and postretirement benefits	99,276	95,067
Other noncurrent liabilities	108,394	93,705
Noncurrent liabilities held for sale	125,533	118,551
Total liabilities	5,251,502	5,315,441
Stockholders' equity:		
Preferred stock	—	—
Common stock	3,515	3,516
Additional paid-in capital	354,760	363,078
Retained earnings	515,772	217,400
Accumulated other comprehensive loss	(535,873)	(519,591)
Total stockholders' equity	338,174	64,403
Total liabilities and stockholders' equity	\$ 5,589,676	\$ 5,379,844

HANESBRANDS INC.
Reconciliation of Select GAAP Measures to Non-GAAP Measures
Revised to Present the Global *Champion* and U.S.-Based Outlet Store Businesses as Discontinued Operations
(in thousands, except per share data)
(Unaudited)

The following tables present a reconciliation of the results of continuing operations as reported under GAAP to the results of continuing operations as adjusted the full year 2022, by quarter for 2023 and the second quarter of 2024. The results of continuing operations exclude the results of the global *Champion* and U.S.-based outlet store businesses, which have been reclassified to discontinued operations for all periods presented. The Company has chosen to present the following non-GAAP measures to investors to enable additional analyses of past, present and future operating performance and as a supplemental means of evaluating continuing operations absent the effect of restructuring and other actions that are deemed to be material stand-alone initiatives apart from the Company's core operations. While these costs are not expected to continue for any individual 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.

Restructuring and other action-related charges in 2022, 2023 and the second quarter of 2024 include the following:

Supply chain restructuring and consolidation	Represents charges related to supply chain segmentation to restructure and position the Company's distribution and manufacturing network to align with its demand trends, simplify operations and improve efficiencies.
Corporate asset impairment charges	Primarily represents charges related to a contract terminated in the second quarter of 2024 and impairment of the Company's headquarters location that was classified as held for sale in the second quarter of 2024.
Headcount actions and related severance	Represents charges related to operating model initiatives primarily headcount actions and related severance charges and adjustments related to restructuring activities.
Technology	Represents technology charges related to the implementation of the Company's technology modernization initiative which includes a global enterprise resource planning platform.
Professional services	Represents professional fees, primarily including consulting and advisory services, related to restructuring activities.
Gain/loss on sale of business and classification of assets held for sale	Represents the gain/loss associated with the sale of the Company's U.S. Sheer Hosiery business and adjustments to the related valuation allowance prior to the sale, primarily from the changes in carrying value due to changes in working capital.
Loss on extinguishment of debt	Represents charges related to the redemption of the Company's 4.625% Senior Notes and 3.5% Senior Notes in the first quarter of 2023.
Gain on final settlement of cross currency swap contracts	Primarily represents the remaining gain related to cross-currency swap contracts previously designated as cash flow hedges in accumulated other comprehensive loss which was released into earnings as the Company unwound the cross-currency swap contracts in connection with the redemption of the 3.5% Senior Notes at the time of settlement in the first quarter of 2023.
Discrete tax expense/benefit	Represents an adjustment to non-cash reserves established at December 30, 2023 and December 31, 2022 related to deferred taxes established for Swiss statutory impairments, which are not indicative of the Company's core business operations.
Tax effect on actions	Represents the applicable effective tax rate on the restructuring and other action-related charges based on the jurisdiction of where the charges were incurred.

	Year Ended	Quarters Ended				Year Ended	Quarter Ended
	Dec. 31, 2022	Apr. 1, 2023	Jul. 1, 2023	Sep. 30, 2023	Dec. 30, 2023	Dec. 30, 2023	Jun. 29, 2024
Gross profit, as reported under GAAP	\$ 1,401,295	\$ 282,379	\$ 356,793	\$ 349,781	\$ 355,181	\$ 1,344,134	\$ 307,073
As a % of net sales	35.1 %	31.9 %	34.5 %	36.4 %	40.4 %	35.8 %	30.8 %
Restructuring and other action-related charges:							
Supply chain restructuring and consolidation	14,345	1,516	236	660	(1,284)	1,128	78,226
Corporate asset impairment charges	—	—	—	—	—	—	10,395
Headcount actions and related severance	(712)	—	—	869	156	1,025	—
Other	12	—	—	—	—	—	—
Gross profit, as adjusted	\$ 1,414,940	\$ 283,895	\$ 357,029	\$ 351,310	\$ 354,053	\$ 1,346,287	\$ 395,694
As a % of net sales	35.5 %	32.1 %	34.5 %	36.5 %	40.3 %	35.8 %	39.8 %

	Year Ended	Quarters Ended				Year Ended	Quarter Ended
	Dec. 31, 2022	Apr. 1, 2023	Jul. 1, 2023	Sep. 30, 2023	Dec. 30, 2023	Dec. 30, 2023	Jun. 29, 2024
Operating profit (loss), as reported under GAAP	\$ 275,415	\$ 25,544	\$ 69,933	\$ 81,030	\$ 97,971	\$ 274,478	\$ (63,129)
As a % of net sales	6.9 %	2.9 %	6.8 %	8.4 %	11.1 %	7.3 %	(6.3)%
Restructuring and other action-related charges:							
Supply chain restructuring and consolidation	14,345	1,516	236	660	(1,284)	1,128	156,807
Corporate asset impairment charges	—	—	—	—	—	—	20,107
Headcount actions and related severance	6,975	(871)	2,760	2,531	729	5,149	6,911
Technology	11,922	4,221	2,881	588	657	8,347	218
Professional services	23,994	40	3,608	165	6	3,819	3,544
(Gain) loss on sale of business and classification of assets held for sale	(3,535)	(2,139)	7,338	(1,558)	—	3,641	—
Other	941	242	(128)	324	277	715	1,668
Operating profit, as adjusted	\$ 330,057	\$ 28,553	\$ 86,628	\$ 83,740	\$ 98,356	\$ 297,277	\$ 126,126
As a % of net sales	8.3 %	3.2 %	8.4 %	8.7 %	11.2 %	7.9 %	12.7 %

	Year Ended	Quarters Ended				Year Ended	Quarter Ended
	Dec. 31, 2022	Apr. 1, 2023	Jul. 1, 2023	Sep. 30, 2023	Dec. 30, 2023	Dec. 30, 2023	Jun. 29, 2024
Income (loss) from continuing operations, as reported under GAAP	\$ (313,335)	\$ (50,594)	\$ (8,850)	\$ (5,977)	\$ 101,190	\$ 35,769	\$ (136,545)
Restructuring and other action-related charges:							
Supply chain restructuring and consolidation	14,345	1,516	236	660	(1,284)	1,128	156,807
Corporate asset impairment charges	—	—	—	—	—	—	20,107
Headcount actions and related severance	6,975	(871)	2,760	2,531	729	5,149	6,911
Technology	11,922	4,221	2,881	588	657	8,347	218
Professional services	23,994	40	3,608	165	6	3,819	3,544
(Gain) loss on sale of business and classification of assets held for sale	(3,535)	(2,139)	7,338	(1,558)	—	3,641	—
Other	941	242	(128)	324	277	715	1,668
Loss on extinguishment of debt	—	8,466	—	—	—	8,466	—
Gain on final settlement of cross currency swaps	—	(1,370)	—	—	—	(1,370)	—
Discrete tax expense (benefit)	422,918	—	—	(4,263)	(80,859)	(85,122)	—
Tax effect on actions	(9,152)	—	—	—	—	—	—
Income (loss) from continuing operations, as adjusted	\$ 155,073	\$ (40,489)	\$ 7,845	\$ (7,530)	\$ 20,716	\$ (19,458)	\$ 52,710

	Year Ended ¹	Quarters Ended ¹				Year Ended ¹	Quarter Ended ¹
	Dec. 31, 2022	Apr. 1, 2023	Jul. 1, 2023	Sep. 30, 2023	Dec. 30, 2023	Dec. 30, 2023	Jun. 29, 2024
Diluted earnings (loss) per share from continuing operations, as reported under GAAP	\$ (0.90)	\$ (0.14)	\$ (0.03)	\$ (0.02)	\$ 0.29	\$ 0.10	\$ (0.39)
Restructuring and other action-related charges:							
Supply chain restructuring and consolidation	0.04	0.00	0.00	0.00	0.00	0.00	0.44
Corporate asset impairment charges	—	—	—	—	—	—	0.06
Headcount actions and related severance	0.02	0.00	0.01	0.01	0.00	0.01	0.02
Technology	0.03	0.01	0.01	0.00	0.00	0.02	0.00
Professional services	0.07	0.00	0.01	0.00	0.00	0.01	0.01
(Gain) loss on sale of business and classification of assets held for sale	(0.01)	(0.01)	0.02	0.00	—	0.01	—
Other	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Loss on extinguishment of debt	—	0.02	—	—	—	0.02	—
Gain on final settlement of cross currency swaps	—	0.00	—	—	—	0.00	—
Discrete tax expense (benefit)	1.21	—	—	(0.01)	(0.23)	(0.24)	—
Tax effect on actions	(0.03)	—	—	—	—	—	—
Diluted earnings (loss) per share from continuing operations, as adjusted	\$ 0.44	\$ (0.12)	\$ 0.02	\$ (0.02)	\$ 0.06	\$ (0.06)	\$ 0.15

¹ Amounts may not be additive due to rounding.

Discontinued Operations, Reconciliation of Select Non-GAAP Measures

HANESBRANDS INC.
Reconciliation of Select GAAP Measures to Non-GAAP Measures
Discontinued Operations
(in thousands, except per share data)
(Unaudited)

The key components from discontinued operations related to the Global *Champion* and U.S.-Based Outlet Store Businesses are as follows:

	Year Ended	Quarters Ended				Year Ended	Quarter Ended
	Dec. 31, 2022	Apr. 1, 2023	Jul. 1, 2023	Sep. 30, 2023	Dec. 30, 2023	Dec. 30, 2023	Jun. 29, 2024
Net sales	\$ 2,245,758	\$ 505,380	\$ 403,976	\$ 550,012	\$ 417,801	\$ 1,877,169	\$ 358,534
Operating profit (loss), as reported under GAAP	\$ 244,130	\$ 31,775	\$ (529)	\$ (15,068)	\$ (1,874)	\$ 14,304	\$ (145,335)
Restructuring and other action-related charges	5,216	3,112	1,366	74,361	14,266	93,105	152,205
Operating profit, as adjusted	\$ 249,346	\$ 34,887	\$ 837	\$ 59,293	\$ 12,392	\$ 107,409	\$ 6,870
Income (loss) from discontinued operations, net of tax, as reported under GAAP	\$ 182,166	\$ 16,190	\$ (13,614)	\$ (32,822)	\$ (23,249)	\$ (53,495)	\$ (161,835)
Restructuring and other action-related charges	5,216	3,112	1,366	74,361	14,266	93,105	152,205
Tax effect on actions	—	—	—	—	—	—	—
Income (loss) from discontinued operations, net of tax, as adjusted	\$ 187,382	\$ 19,302	\$ (12,248)	\$ 41,539	\$ (8,983)	\$ 39,610	\$ (9,630)
Diluted earnings (loss) per share from discontinued operations, as reported under GAAP ¹	\$ 0.52	\$ 0.05	\$ (0.04)	\$ (0.09)	\$ (0.07)	\$ (0.15)	\$ (0.46)
Restructuring and other action-related charges ¹	0.01	0.01	0.00	0.21	0.04	0.27	0.43
Diluted earnings (loss) per share from discontinued operations, as adjusted ¹	\$ 0.53	\$ 0.06	\$ (0.03)	\$ 0.12	\$ (0.03)	\$ 0.11	\$ (0.03)
Weighted average shares outstanding:							
Basic	349,970	350,435	350,501	350,667	350,765	350,592	351,990
Diluted	350,606	350,827	350,501	351,204	350,765	351,057	351,990

¹ Amounts may not be additive due to rounding.

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

	Quarter Ended	Year Ended
	September 28,	December 28,
	2024	2024
Operating profit outlook, as calculated under GAAP	\$85,000 to \$100,000	\$151,000 to \$171,000
Restructuring and other action-related charges outlook	20,000	244,000
Operating profit outlook, as adjusted	<u>\$105,000 to \$120,000</u>	<u>\$395,000 to \$415,000</u>
Interest expense, net outlook, as calculated under GAAP	\$50,000	\$210,000
Restructuring and other action-related charges outlook	—	10,000
Interest expense, net outlook, as adjusted	<u>\$50,000</u>	<u>\$200,000</u>
Diluted earnings (loss) per share from continuing operations outlook, as calculated under GAAP ¹	\$0.03 to \$0.08	\$(0.41) to \$(0.35)
Restructuring and other action-related charges outlook	0.06	0.72
Diluted earnings per share from continuing operations outlook, as adjusted	<u>\$0.09 to \$0.14</u>	<u>\$0.31 to \$0.37</u>
Cash flow from operations outlook, as calculated under GAAP		\$200,000
Capital expenditures outlook		40,000
Free cash flow outlook		<u>\$160,000</u>

¹ The Company expects approximately 354 million diluted weighted average shares outstanding for the quarter ended September 28, 2024 and approximately 353 million diluted weighted average shares outstanding for the year ended December 28, 2024.

The Company is unable to reconcile projections of financial performance beyond 2024 without unreasonable efforts, because the Company cannot predict, with a reasonable degree of certainty, the type and extent of certain items that would be expected to impact these figures in 2024 and beyond, such as net sales, operating profit, tax rates and action related charges.