

**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): August 1, 2017

Hanesbrands Inc.

(Exact name of registrant as specified in its charter)

Maryland
(State or other jurisdiction
of incorporation)

001-32891
(Commission File Number)

20-3552316
(IRS Employer Identification No.)

1000 East Hanes Mill Road
Winston-Salem, NC
(Address of principal executive offices)

27105
(Zip Code)

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

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

- 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))

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 August 1, 2017, Hanesbrands Inc. ("HanesBrands") issued a press release announcing its financial results for the first quarter ended July 1, 2017. A copy of the press release is attached as Exhibit 99.1 to this Current Report on Form 8-K. Exhibit 99.1 is being "furnished" and shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934 (the "Exchange Act"), nor shall Exhibit 99.1 be deemed incorporated by reference in any filing under the Securities Act of 1933 (the "Securities Act") or the Exchange Act, except as shall be expressly set forth by specific reference in such filing.

Exhibit 99.1 contains disclosures about adjusted EPS, adjusted net income, adjusted operating profit (and margin), adjusted SG&A, adjusted gross profit (and margin) and EBITDA, which are not generally accepted accounting principle ("GAAP") measures. Adjusted EPS is defined as diluted EPS excluding actions and the tax effect on actions. Adjusted net income is defined as net income excluding actions and the tax effect on actions. Adjusted operating profit is defined as operating profit excluding actions. Adjusted gross profit is defined as gross profit excluding actions. Adjusted SG&A is defined as selling, general and administrative expenses excluding actions. EBITDA is defined as earnings before interest, taxes, depreciation and amortization.

HanesBrands has chosen to present non-GAAP measures excluding the effects of actions 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 acquisition-related expenses and other actions. 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 and integration of any of actions taken.

In addition, HanesBrands has chosen to present EBITDA to investors because it considers it to be an important supplemental means of evaluating operating performance. HanesBrands believes that EBITDA is frequently used by securities analysts, investors and other interested parties in the evaluation of companies in the industry, and management uses EBITDA for planning purposes in connection with setting its capital allocation strategy. EBITDA should not, however, be considered as a measure of discretionary cash available to invest in the growth of the business.

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.

Item 7.01. Regulation FD Disclosure

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

Exhibits 99.1 and 99.2 to this Current Report on Form 8-K include forward-looking financial information that is expected to be discussed on Hanesbrands' previously announced conference call with investors and analysts to be held at 4:30 p.m., Eastern Daylight time on August 1, 2017. 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 7:30 p.m., Eastern Daylight time, on August 1, 2017, until midnight, Eastern Daylight time, on August 8, 2017. 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 51190624. Exhibits 99.1 and 99.2 are being "furnished" and shall not be deemed "filed" for purposes of Section 18 of the Exchange Act, nor shall they be deemed incorporated by reference in any filing under the Securities Act or the Exchange Act, except as shall be expressly set forth by specific reference in such filing.

Item 9.01. Financial Statements and Exhibits

(d) Exhibits

Exhibit 99.1 [Press release dated August 1, 2017](#)

Exhibit 99.2 [Supplemental Information](#)

SIGNATURES

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

August 1, 2017

HANESBRANDS INC.

By: /s/ Richard D. Moss
Richard D. Moss
Chief Financial Officer

Exhibits

- 99.1 [Press release dated August 1, 2017](#)
- 99.2 [Supplemental Information](#)

HANES Brands Inc

news release

FOR IMMEDIATE RELEASE

News Media, contact: Matt Hall, (336) 519-3386

Analysts and Investors, contact: T.C. Robillard, (336) 519-2115

HANESBRANDS REPORTS IN-LINE RESULTS FOR SECOND-QUARTER 2017

- *2Q Net Sales of \$1.65 Billion Increased 12%; GAAP EPS of \$0.47 Increased 38%; Adjusted EPS of \$0.53 Increased 4%*
- *Working Capital Discipline Delivered Strong Cash Flow*
- *Company Reaffirms Full-Year 2017 Guidance for Net Sales, Operating Profit, EPS and Cash from Operations*

WINSTON-SALEM, N.C. (Aug. 1, 2017) - HanesBrands (NYSE: HBI), a leading global marketer of everyday basic apparel under world-class brands, today announced second-quarter 2017 net sales and earnings growth in line with company guidance.

For the second quarter ended July 1, 2017, net sales of \$1.65 billion increased 12 percent, primarily from acquisition contributions. Organic sales trends improved sequentially for the second consecutive quarter, and the company continues to expect organic sales to turn positive and contribute to growth in the second half.

On a GAAP basis, second-quarter operating profit of \$229 million increased 3 percent and diluted EPS of \$0.47 increased 38 percent. When excluding pretax acquisition-related and integration charges, adjusted operating profit of \$255 million and adjusted EPS of \$0.53 each increased 4 percent. (See Note on Adjusted Measures and Reconciliation to GAAP Measures below for additional discussion and details.)

Year-to-date net cash from operations was \$34 million, a \$163 million improvement versus a year ago as a result of working capital improvement initiatives that are expected to drive record cash flow for the year.

“We continued our strong start to 2017 in the second quarter, consistent with our guidance,” said Hanes Chief Executive Officer Gerald W. Evans Jr. “Organic sales trends continued to improve sequentially, acquisitions are contributing value as expected, and our cash-flow efforts, including disciplined inventory management, are generating strong results.

“Our team is doing a great job executing our Sell More, Spend Less, Generate Cash strategies and laying the foundation for taking our performance to the next level in the years to come through our Project Booster initiative. We are planning for the future while executing in the present.”

Key Callouts for Second-Quarter 2017 Results

Acquisitions Deliver Growth. Acquisitions completed in 2016, primarily Champion Europe and Hanes Australasia, contributed approximately \$220 million in net sales in the second quarter. Organic sales decreased 3 percent, primarily as a result of the expected lower sales in Innerwear and domestic manage-for-cash businesses as well as an unexpected timing shift of sports apparel sales to the third quarter. However, organic sales trends continued to improve from previous sequential quarters in which organic sales decreased 4 percent in the first quarter of 2017 and 5 percent in the fourth quarter of 2016. Positive organic growth is expected in the third and fourth quarters of 2017.

Continued Growth for Online Sales and Global *Champion* Activewear. Second-quarter sales in the online channel globally increased approximately 25 percent and represented approximately 9 percent of total sales. Global *Champion* sales increased 7 percent in the second quarter on a pro forma basis.

Project Booster Progress. Hanes continues to execute its multiyear Project Booster program to generate investment for sales growth, reduce costs and increase cash flow. As expected, the company incurred Project Booster-related expense in the second quarter of approximately \$8 million, including funding an employee separation program. For the full year, Project Booster is expected to be cost-neutral with cost savings realized in the second half. By the end of 2019, Project Booster is expected to generate approximately \$150 million in annualized cost savings, with annualized reinvestment of approximately \$50 million of the savings for targeted growth opportunities.

Business Segment Highlights

Sequential Improvement for Innerwear Sales Trends. Year-over-year segment sales decreased less than 3 percent in the second quarter, compared with lower sales of 6 percent in the first quarter 2017 and 8 percent in the fourth quarter 2016. There was sequential improvement for both the basics and intimates businesses. Operating profit declined 8 percent as a result of lower sales and Project Booster expenses.

Activewear Results Mixed. Activewear sales increased 1 percent. Acquisition benefits and sales growth for *Hanes* retail and the online channel were partially offset by the later-than-expected licensed sports apparel shipments and the effect of retailer bankruptcies. Operating profit decreased 10 percent, primarily as a result of the impact of retailer bankruptcies and Project Booster expense.

International Segment Growth. Second-quarter segment sales increased 76 percent as a result of acquisitions and strong results in Asia, while operating profit increased 152 percent, benefiting from European acquisition synergies.

2017 Financial Guidance

Hanes has reaffirmed its full-year guidance for 2017 and issued third-quarter guidance for select performance measures.

For 2017, the company expects net sales of \$6.45 billion to \$6.55 billion, GAAP operating profit of \$845 million to \$895 million, adjusted operating profit excluding actions of \$935 million to \$975 million, GAAP EPS for continuing operations of \$1.70 to \$1.82, adjusted EPS for continuing operations excluding actions of \$1.93 to \$2.03, and record net cash from operations of \$625 million to \$725 million.

Compared with 2016 results, the midpoint of 2017 guidance represents net sales growth of 8 percent, GAAP operating profit growth of 12 percent, adjusted operating profit growth of 5 percent, GAAP EPS growth from continuing operations of 26 percent, adjusted EPS growth from continuing operations of 7 percent, and operating cash flow growth of 11 percent.

Third-Quarter Guidance. The company expects total net sales of approximately \$1.80 billion in the third quarter, an increase of approximately 2.5 percent compared with the third quarter 2016. More back-to-school shipments are expected to fall in the third quarter than a year ago as retailers time orders closer to sales events.

Third-quarter GAAP EPS is expected to be \$0.54 to \$0.57, and adjusted EPS is expected to be \$0.59 to \$0.61. The company expects approximately 368 million weighted average diluted shares outstanding.

Additional Full-Year Guidance. Incremental sales from acquisitions for the year are expected to be approximately \$440 million. Full-year organic sales growth is expected to range from flat to up 2 percent, and full-year Innerwear segment sales are expected to be comparable to 2016. In the second half, the company expects organic growth in each of the Innerwear, Activewear and International segments.

Project Booster initiatives are expected to be cost neutral for 2017, with cost savings in the second half split between the third and fourth quarters.

The company expects approximately \$15 million in synergy cost benefits in 2017.

In conjunction with continued acquisition integrations in 2017, the company continues to expect to incur an estimated \$80 million to \$90 million of pretax charges for actions related primarily to Hanes Europe Innerwear, Knights Apparel, Hanes Australasia, Champion Europe, and integration-related supply chain rebalancing.

Guidance for operating cash flow growth in 2017 includes the expected benefits from net income growth and lower pretax cash charges related to acquisitions.

The company continues to expect capital expenditures of approximately \$90 million to \$100 million in 2017. The company is not required to make a pension contribution in 2017 and does not anticipate making a voluntary contribution, compared with a \$40 million voluntary contribution in 2016.

Hanes continues to expect interest expense and other expenses to be approximately \$175 million combined. The 2017 full-year tax rate is expected to be comparable to 2016, assuming no changes to U.S. tax law and policy. The company made share repurchases of approximately \$300 million in the first quarter and expects approximately 370 million weighted average diluted shares outstanding for the full year.

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

Note on Adjusted Measures and Reconciliation to GAAP Measures

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

Adjusted EPS is defined as diluted EPS from continuing operations excluding actions and the tax effect on actions. Adjusted net income is defined as net income from continuing operations excluding actions and the tax effect on actions. Adjusted operating profit is defined as operating profit excluding actions. Adjusted gross profit is defined as gross profit excluding actions. Adjusted SG&A is defined as selling, general and administrative expenses excluding actions. EBITDA is defined as earnings before interest, taxes, depreciation and amortization.

Actions during the periods presented include adjustments for acquisition-related and integration costs. These costs include legal fees, consulting fees, bank fees, severance costs, certain purchase accounting items, facility closures, inventory write-offs, information technology integration costs, and similar charges. While these costs are not operational in nature and are not expected to continue for any singular transaction on an ongoing basis, similar types of costs, expenses and charges have occurred in prior periods and may recur in the future as the company continues to integrate prior acquisitions and pursues any future acquisitions.

Hanes has chosen to present non-GAAP measures excluding the effects of these actions 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 acquisition-related and integration expenses and other actions. Hanes believes these non-GAAP measures provide management and investors with valuable supplemental information for analyzing the operating performance of the company's ongoing business during each period presented without giving effect to costs associated with the execution and integration of any of the aforementioned actions taken.

In addition to these non-GAAP measures, the company has chosen to present EBITDA to investors because it considers that measure to be an important supplemental means of evaluating operating performance. Hanes believes that EBITDA is frequently used by securities analysts, investors and other interested parties in the evaluation of companies in the industry, and management uses EBITDA for planning purposes in connection with setting its capital allocation strategy. EBITDA should not, however, be considered as a measure of discretionary cash available to invest in the growth of the business.

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.

In the first and second quarters of 2017, Hanes incurred approximately \$38 million and \$26 million, respectively, in pretax charges related to acquisitions and integrations (primarily Hanes Europe Innerwear, Hanes Australasia, Knights Apparel, and Champion Europe).

In the first and second quarters of 2016, Hanes incurred approximately \$25 million and \$72 million, respectively, in pretax charges related to acquisition-related financing and integrations (Hanes Europe Innerwear, Knights Apparel, and Champion Japan in each quarter and Champion Europe and Hanes Australasia in the second quarter).

Hanes expects to incur approximately \$80 million to \$90 million in pretax charges in 2017 related to acquisition integrations of Hanes Europe Innerwear, Hanes Australasia, Knights Apparel, and Champion Europe, along with an effective tax rate comparable to 2016, assuming no changes to U.S. tax law and policy. In the third quarter of 2017, Hanes expects approximately \$16 million to \$18 million in pretax charges related to acquisition integrations.

Webcast Conference Call

Hanes will host an internet webcast of its quarterly investor conference call at 4:30 p.m. EDT today. The broadcast, which will consist of prepared remarks followed by a question-and-answer session, may be accessed at www.Hanes.com/investors. The call is expected to conclude by 5:30 p.m.

An archived replay of the conference call webcast will be available at www.Hanes.com/investors. A telephone playback will be available from approximately 7:30 p.m. EDT today through midnight EDT Aug. 8, 2017. 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 51190624.

Cautionary Statement Concerning Forward-Looking Statements

This press release contains certain “forward-looking statements,” as defined under U.S. federal securities laws, with respect to our long-term goals and trends associated with our business, as well as guidance as to future performance. In particular, among others, statements following the heading “2017 Financial Guidance,” as well as statements about the benefits anticipated from Project Booster, the acquisitions of Hanes Europe Innerwear, Hanes Australasia, Knights Apparel and Champion Europe, and assumptions regarding the timing of back-to-school shipments, organic sales growth, and U.S. tax law and policy are forward-looking statements. These forward-looking statements are based on our current intent, beliefs, plans and expectations. Readers are cautioned not to place any undue reliance on any forward-looking statements. Forward-looking statements necessarily involve risks and uncertainties, many of which are outside of our control, that could cause actual results to differ materially from such statements and from our historical results and experience. These risks and uncertainties include such things as: the highly competitive and evolving nature of the industry in which we compete; any inadequacy, interruption, integration failure or security failure with respect to our information technology; significant fluctuations in foreign exchange rates; the rapidly changing retail environment; our complex multinational tax structure; our ability to properly manage strategic projects; our ability to attract and retain a senior management team with the core competencies needed to support our growth in global markets; risks related to our international operations, including the impact to our business as a result of the United Kingdom’s recent referendum to leave the European Union; 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 access sufficient capital at reasonable rates or commercially reasonable terms or to maintain sufficient liquidity in the amounts and at the times needed; and other risks identified from time to time in our most recent Securities and Exchange Commission reports, including our annual report on Form 10-K and quarterly reports on Form 10-Q. Since it is not possible to predict or identify all of the risks, uncertainties and other factors that may affect future results, the above list should not be considered a complete list. Any forward-looking statement speaks only as of the date on which such statement is made, and HanesBrands undertakes no obligation to update or revise any forward-looking statement, whether as a result of new information, future events or otherwise, other than as required by law.

HanesBrands

HanesBrands, based in Winston-Salem, N.C., is a socially responsible leading marketer of everyday basic innerwear and activewear apparel in the Americas, Europe, Australia and Asia-Pacific under some of the world's strongest apparel brands, including *Hanes*, *Champion*, *Maidenform*, *DIM*, *Bali*, *Playtex*, *Bonds*, *JMS/Just My Size*, *Nur Die/Nur Der*, *L'eggs*, *Lovable*, *Wonderbra*, *Berlei*, and *Gear for Sports*. The company sells T-shirts, bras, panties, shapewear, underwear, socks, hosiery, and activewear produced in the company's low-cost global supply chain. A member of the S&P 500 stock index, Hanes has approximately 68,000 employees in more than 40 countries and is ranked No. 448 on the Fortune 500 list of America's largest companies by sales. Hanes takes pride in its strong reputation for ethical business practices. The company is the only apparel producer to ever be honored by the Great Place to Work Institute for its workplace practices in Central America and the Caribbean, and is ranked No. 167 on the Forbes magazine list of America's Best Employers. For eight consecutive years, Hanes has won the U.S. Environmental Protection Agency Energy Star sustained excellence/partner of the year award - the only apparel company to earn sustained excellence honors. The company ranks No. 172 on Newsweek magazine's green list of 500 largest U.S. companies for environmental achievement. More information about the company and its corporate social responsibility initiatives, including environmental, social compliance and community improvement achievements, may be found at www.Hanes.com/corporate. Connect with HanesBrands via social media on Facebook (www.facebook.com/hanesbrandsinc) and Twitter ([@HanesBrands](https://twitter.com/HanesBrands)).

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TABLE 1

HANESBRANDS INC.
Condensed Consolidated Statements of Income
(Amounts in thousands, except per-share amounts)
(Unaudited)

	Quarter Ended			Six Months Ended		
	July 1, 2017	July 2, 2016	% Change	July 1, 2017	July 2, 2016	% Change
Net sales	\$ 1,646,610	\$ 1,472,731	11.8%	\$ 3,026,965	\$ 2,691,871	12.4%
Cost of sales	1,000,708	915,440		1,841,532	1,677,324	
Gross profit	645,902	557,291	15.9%	1,185,433	1,014,547	16.8%
As a % of net sales	39.2%	37.8%		39.2%	37.7%	
Selling, general and administrative expenses	417,225	336,081		835,488	670,932	
As a % of net sales	25.3%	22.8%		27.6%	24.9%	
Operating profit	228,677	221,210	3.4%	349,945	343,615	1.8%
As a % of net sales	13.9%	15.0%		11.6%	12.8%	
Other expenses	1,394	48,325		2,778	48,974	
Interest expense, net	44,130	36,540		86,267	68,106	
Income from continuing operations before income tax expense	183,153	136,345		260,900	226,535	
Income tax expense	10,989	8,202		15,654	18,123	
Income from continuing operations	172,164	128,143	34.4%	245,246	208,412	17.7%
Loss from discontinued operations, net of tax	368	—		(2,097)	—	
Net income	<u>\$ 172,532</u>	<u>\$ 128,143</u>	34.6%	<u>\$ 243,149</u>	<u>\$ 208,412</u>	16.7%
Earnings per share - basic:						
Continuing operations	\$ 0.47	\$ 0.34		\$ 0.66	\$ 0.54	
Discontinued operations	—	—		(0.01)	—	
Net income	<u>\$ 0.47</u>	<u>\$ 0.34</u>	38.2%	<u>\$ 0.66</u>	<u>\$ 0.54</u>	22.2%
Earnings per share - diluted:						
Continuing operations	\$ 0.47	\$ 0.34		\$ 0.66	\$ 0.54	
Discontinued operations	—	—		(0.01)	—	
Net income	<u>\$ 0.47</u>	<u>\$ 0.34</u>	38.2%	<u>\$ 0.65</u>	<u>\$ 0.54</u>	20.4%
Weighted average shares outstanding:						
Basic	365,911	379,233		370,075	383,448	
Diluted	367,992	382,511		372,147	386,756	

TABLE 2

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

	Quarter Ended			Six Months Ended		
	July 1, 2017	July 2, 2016	% Change	July 1, 2017	July 2, 2016	% Change
Segment net sales¹:						
Innerwear	\$ 719,006	\$ 737,690	(2.5)%	\$ 1,224,196	\$ 1,274,711	(4.0)%
Activewear	379,756	374,511	1.4 %	707,099	691,054	2.3 %
International	475,242	269,662	76.2 %	952,640	548,749	73.6 %
Other	72,606	90,868	(20.1)%	143,030	177,357	(19.4)%
Total net sales	\$ 1,646,610	\$ 1,472,731	11.8 %	\$ 3,026,965	\$ 2,691,871	12.4 %
Segment operating profit¹:						
Innerwear	\$ 164,279	\$ 178,023	(7.7)%	\$ 266,980	\$ 287,758	(7.2)%
Activewear	49,630	55,009	(9.8)%	83,038	87,114	(4.7)%
International	58,307	23,153	151.8 %	108,802	47,872	127.3 %
Other	5,643	12,530	(55.0)%	6,088	18,209	(66.6)%
General corporate expenses/other	(23,120)	(23,110)	— %	(50,534)	(48,274)	4.7 %
Acquisition-related and integration charges	(26,062)	(24,395)	6.8 %	(64,429)	(49,064)	31.3 %
Total operating profit	\$ 228,677	\$ 221,210	3.4 %	\$ 349,945	\$ 343,615	1.8 %
EBITDA²:						
Net income from continuing operations	\$ 172,164	\$ 128,143	34.4 %	\$ 245,246	\$ 208,412	17.7 %
Interest expense, net	44,130	36,540	20.8 %	86,267	68,106	26.7 %
Income tax expense	10,989	8,202	34.0 %	15,654	18,123	(13.6)%
Depreciation and amortization	29,330	24,007	22.2 %	58,095	46,827	24.1 %
Total EBITDA	\$ 256,613	\$ 196,892	30.3 %	\$ 405,262	\$ 341,468	18.7 %

¹ In the first quarter of 2017, the Company realigned its reporting segments to reflect the new model under which the business will be managed and results will be reviewed by the chief executive officer, who is the Company's chief operating decision maker. The former Direct to Consumer segment, which consisted of the Company's U.S. value-based ("outlet") stores, legacy catalog business and U.S. retail Internet operations, was eliminated. The Company's U.S. retail Internet operations, which sells products directly to consumers, is now reported in the respective Innerwear and Activewear segments. The Other category consists of the Company's U.S. value-based ("outlet") stores, U.S. hosiery business (previously reported in the Innerwear segment) and legacy catalog operations. Prior year segment sales and operating profit results have been revised to conform to the current year presentation.

² Earnings from continuing operations before interest, taxes, depreciation and amortization (EBITDA) is a non-GAAP financial measure.

TABLE 3

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

	July 1, 2017	December 31, 2016
Assets		
Cash and cash equivalents	\$ 449,415	\$ 460,245
Trade accounts receivable, net	935,548	836,924
Inventories	2,000,436	1,840,565
Other current assets	192,603	137,535
Current assets of discontinued operations	—	45,897
Total current assets	<u>3,578,002</u>	<u>3,321,166</u>
Property, net	619,883	692,464
Trademarks and other identifiable intangibles, net	1,346,369	1,285,458
Goodwill	1,132,981	1,098,540
Deferred tax assets	480,001	464,872
Other noncurrent assets	79,735	67,980
Total assets	<u>\$ 7,236,971</u>	<u>\$ 6,930,480</u>
Liabilities		
Accounts payable and accrued liabilities	\$ 1,350,103	\$ 1,381,442
Notes payable	72,157	56,396
Accounts Receivable Securitization Facility	203,609	44,521
Current portion of long-term debt	152,719	133,843
Current liabilities of discontinued operations	—	9,466
Total current liabilities	<u>1,778,588</u>	<u>1,625,668</u>
Long-term debt	3,797,245	3,507,685
Pension and postretirement benefits	377,715	371,612
Other noncurrent liabilities	205,097	201,601
Total liabilities	<u>6,158,645</u>	<u>5,706,566</u>
Equity		
Total liabilities and equity	<u>\$ 7,236,971</u>	<u>\$ 6,930,480</u>

TABLE 4

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

	Six Months Ended	
	July 1, 2017	July 2, 2016
Operating Activities:		
Net income	\$ 243,149	\$ 208,412
Depreciation and amortization	58,095	46,827
Loss on disposition of businesses	1,100	—
Other noncash items	16,827	54,288
Changes in assets and liabilities, net	(284,921)	(438,605)
Net cash from operating activities	34,250	(129,078)
Investing Activities:		
Purchases/sales of property and equipment, net, and other	(26,460)	(27,037)
Acquisition of businesses, net of cash acquired	(524)	(193,396)
Disposition of businesses	40,285	—
Net cash from investing activities	13,301	(220,433)
Financing Activities:		
Cash dividends paid	(110,529)	(84,234)
Share repurchases	(299,919)	(379,901)
Net borrowings on notes payable, debt and other	355,237	1,154,816
Net cash from financing activities	(55,211)	690,681
Effect of changes in foreign currency exchange rates on cash	(3,170)	658
Change in cash and cash equivalents	(10,830)	341,828
Cash and cash equivalents at beginning of year	460,245	319,169
Cash and cash equivalents at end of period	\$ 449,415	\$ 660,997

TABLE 5

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

	Quarter Ended		Six Months Ended	
	July 1, 2017	July 2, 2016	July 1, 2017	July 2, 2016
Gross profit, as reported under GAAP	\$ 645,902	\$ 557,291	\$ 1,185,433	\$ 1,014,547
Acquisition-related and integration charges	4,284	9,300	19,759	14,169
Gross profit, as adjusted	<u>\$ 650,186</u>	<u>\$ 566,591</u>	<u>\$ 1,205,192</u>	<u>\$ 1,028,716</u>
As a % of net sales	39.5%	38.5%	39.8%	38.2%
Selling, general and administrative expenses, as reported under GAAP	\$ 417,225	\$ 336,081	\$ 835,488	\$ 670,932
Acquisition-related and integration charges	(21,778)	(15,095)	(44,670)	(34,895)
Selling, general and administrative expenses, as adjusted	<u>\$ 395,447</u>	<u>\$ 320,986</u>	<u>\$ 790,818</u>	<u>\$ 636,037</u>
As a % of net sales	24.0%	21.8%	26.1%	23.6%
Operating profit, as reported under GAAP	\$ 228,677	\$ 221,210	\$ 349,945	\$ 343,615
Acquisition-related and integration charges included in gross profit	4,284	9,300	19,759	14,169
Acquisition-related and integration charges included in SG&A	21,778	15,095	44,670	34,895
Operating profit, as adjusted	<u>\$ 254,739</u>	<u>\$ 245,605</u>	<u>\$ 414,374</u>	<u>\$ 392,679</u>
As a % of net sales	15.5%	16.7%	13.7%	14.6%
Net income from continuing operations, as reported under GAAP	\$ 172,164	\$ 128,143	\$ 245,246	\$ 208,412
Acquisition-related and integration charges included in gross profit	4,284	9,300	19,759	14,169
Acquisition-related and integration charges included in SG&A	21,778	15,095	44,670	34,895
Debt refinance charges included in other expenses	—	47,291	—	47,291
Tax effect on actions	(1,564)	(4,996)	(3,866)	(7,709)
Net income from continuing operations, as adjusted	<u>\$ 196,662</u>	<u>\$ 194,833</u>	<u>\$ 305,809</u>	<u>\$ 297,058</u>
Diluted earnings per share from continuing operations, as reported under GAAP	\$ 0.47	\$ 0.34	\$ 0.66	\$ 0.54
Acquisition-related and integration charges	0.07	0.17	0.16	0.23
Diluted earnings per share from continuing operations, as adjusted	<u>\$ 0.53</u>	<u>\$ 0.51</u>	<u>\$ 0.82</u>	<u>\$ 0.77</u>

Hanesbrands FAQs

Updated **August 1, 2017** – **New or updated information is in red**

Current Period FAQs (Guidance comments as of **August 1, 2017**)

Q: What is factored into your **third** quarter 2017 guidance?

A: *Our guidance for GAAP EPS from continuing operations is **\$0.54 to \$0.57**, and our guidance for adjusted EPS from continuing operations, which excludes pretax acquisition and integration-related expenses, is **\$0.59 to \$0.61**. We expect total net sales of approximately **\$1.80 billion**. Our total net sales guidance for the third quarter implies year-over-year growth of roughly **2.5%**, which we also believe is a good revenue growth rate assumption for the fourth quarter. In looking at both the third and fourth quarter consensus estimates (FactSet estimates on July 31, 2017), they are essentially in-line with our current expectations (as of August 1, 2017) from the standpoint of revenue, operating profit, and earnings per share.*

Q: What is factored into your guidance for 2017?

A: *While there are many items that are factored into our guidance, a few of the key assumptions are: (1) We expect our online revenue, across all channels, to grow at a double-digit rate; (2) We are taking a prudent approach to the U.S. brick-and-mortar channel by assuming some additional store closings and further inventory tightening driven by the continued consumer shift to online; (3) Contributions from acquisition wraps of approximately **\$440 million** of revenue, of which approximately **\$430 million** was **recognized** in the first half, and approximately **\$35 million** of adjusted operating profit, excluding pretax acquisition and integration-related charges; (4) Pretax acquisition and integration-related charges of approximately **\$80 - \$90 million**; (5) An assumption of organic revenue growth of roughly flat to +2%; and, (6) Approximately **\$15 million** of acquisition synergies.*

With respect to our 2017 organic growth outlook of flat to 2% growth, it includes the following assumptions: (1) Modest growth in our Activewear segment driven by the anniversary of U.S. sporting goods bankruptcies, continued momentum of Champion in the mass channel and growth in our Licensed Sports Apparel business; (2) Modest organic growth (constant currency) in our International segment driven by continued growth in Asia and growth from Hanes Australasia (Pacific Brands) and Champion Europe in the second half of 2017 as we anniversary these acquisitions – this growth will be partially offset by our assumption of F/X headwinds; (3) Roughly flat revenue in our Innerwear segment, which assumes continued online growth in the U.S. is offset by pressures from store closings and tighter inventory management within the brick-and-mortar channel; and (4) a decline in our Other category, weighted to the first-half, driven by the exits of our U.S. catalog business and noncore offerings in our U.S. outlet stores.

Q: Given the current U.S. retail environment, do you believe you can achieve your full-year guidance outlook of flat to 2% growth for organic sales?

A: *Yes. Based on our first half results and our outlook for the second half, we believe we can achieve our full-year guidance of flat to 2% growth in organic sales. We are forecasting a return to organic growth in the third and fourth quarters of 2017. Our confidence is being driven by several factors. First, the rate of change in our organic sales improved sequentially in both the first and second quarters of 2017 driven by the expected sequential improvements in our U.S. Innerwear business as we continue to gain share in Basics. Second, our Innerwear business remains on-track to return to growth in the second half driven by stabilizing shelf space in our Intimates business and continued momentum in our Basics business behind our FreshIQ innovation. Third, the year is unfolding as expected (recall, in February when we initially set our guidance for the year, we took a more conservative view than most regarding the expected impact from the various headwinds within the U.S. retail market, including door closings and tighter inventory management by retailers). Fourth, we have passed the largest impact from door closings.*

Fifth, during the second quarter we saw ongoing strong performance from two of our global growth initiatives, as Champion sales, worldwide, increased approximately 7%, while our global online revenue growth rate accelerated to roughly 25%. In fact, we saw accelerating online growth in all of our key regions, including the U.S., Europe, Asia and Australia, as well as in key product categories such as Basics, Intimates and Activewear. And sixth, there are various items that affect the year-over-year comparisons in the second half, such as the lapping of our catalog exit, the inclusion of our fast-growing year-old acquisitions into our base, and the expected shift in back-to-school timing (back-to-school is expected to be more third quarter weighted than prior years as retailers continue to shift promotion and orders closer to the event).

Q: What drove the strong year-over-year improvement in cash flow from operations in the first **six months** of 2017?

A: *Entering 2017, our goal, with respect to cash flow from operations, was twofold. First, level out the performance of cash flow from operations, which has historically seen a large use of cash in the first half. Second, drive improvement in working capital. For the first **six months**, cash flow from operations, which was roughly \$34 million, improved approximately \$163 million over last year **as the result of structural improvements to working capital in 2017**. The strong start to the year gives us confidence in our ability to deliver on our cash flow from operations guidance for the full-year.*

Q: Can you provide any insights to your 2017 Cash Flow from Operations guidance?

A: *The mid-point of our 2017 Cash Flow from Operations guidance is \$675 million. Looking at the key components, it includes: (1) GAAP Net Income of approximately \$650 million (mid-point of our guidance); (2) Non-cash items (D&A, stock comp, amortization of debt issuance costs) of roughly \$150 million; and, (3) Working Capital use of about \$125 million, which is essentially evenly split between two areas: (A) A/R, Inventory and A/P as slight sales growth and an increased mix of international sales drives a slight use in A/R and continued in-sourcing of production from acquisitions drives a use from Inventory and A/P; and (B) Accruals, which is driven by lower acquisition and integration-related expenses (i.e. there are more expenses rolling off the balance sheet than are being added) as well as the cash payments of prior-year accrued acquisition and integration expenses (namely accrued severance charges from our acquisition of Hanes Europe).*

Q: Can you explain how you get from your current 2017 cash flow from operations guidance to a run rate of over \$1 billion in annual cash flow from operations by the end of 2019?

A: *We believe we are very well positioned to achieve a run rate of more than \$1 billion a year of cash flow from operations by the end of 2019. Beginning with the mid-point of our 2017 guidance, which implies GAAP Net Income of approximately \$650 million and includes a roughly 6% tax rate: (1) add approximately \$85 million of pre-tax synergies (the remaining expected synergies in 2018 and 2019 from acquisitions already completed); (2) add-back approximately \$85 million of pre-tax acquisition and integration expense (we currently expect acquisition and integration expenses related to completed acquisitions to be finished by the end of 2019); (3) add approximately \$150 million of non-cash items (D&A, stock comp, amortization of debt issuance costs); and, (4) add approximately \$100 million of pre-tax net cost savings from Project Booster. For simplicity, we made the following base-level assumptions in this exercise: no contributions/benefits from any future acquisitions, no organic revenue growth, no supply chain efficiency gains (these have historically been \$30-\$40 million annually), and no improvement in core operating margins beyond the recognition of expected synergies from prior acquisitions. Any contribution from these items would be additive to the above calculation. This exercise excludes the expected working capital improvements from Project Booster.*

Q: You mentioned that your inventory at the end of the quarter declined approximately 7% from last year but your balance sheet **only indicates a small decrease**, can you explain the difference?

A: *Per GAAP accounting rules, our balance sheet is reflective of the last day of our quarter. The reported inventory on our balance sheet includes inventory from last year's acquisitions (that had not yet anniversaried in the second quarter) in the amount of approximately \$125 million at quarter-end. Our base inventory as of the end of the second quarter 2017, which excludes these amounts, declined approximately 7% from the prior year.*

Q: How much did acquisitions contribute to the revenue and adjusted operating profit results?

A: *For the second quarter, acquisitions contributed approximately \$220 million in revenue and approximately \$20 million in adjusted operating profit, which excludes pretax acquisition and integration-related charges.*

Q: How big is the online channel for Hanesbrands?

A: *Our U.S. online sales represent roughly 10% of our second quarter 2017 total U.S. sales across the online sites of traditional retailers, online pure-plays and our own websites. With respect to total company sales, online represented roughly 9% sales.*

Q: Do you believe a high-single digit to low double-digit tax rate is sustainable?

A: *Yes. Assuming no changes to various global tax laws, we believe a high single-digit to low double-digit tax rate is sustainable for many years to come. Our tax rate is the by-product of our global business model. We do not use artificial tax management, such as inversions or earnings stripping. Our accounting and tax strategies are sound. In fact, we were recently audited by the IRS (see our third quarter 2015 Form 10Q) and the audit was closed with no adjustments.*

Q: Have your thoughts on capital allocation changed?

A: *There is no change to our strategy. Our capital allocation strategy is to effectively deploy our significant, consistent cash flow to generate the best long-term returns for our shareholders. Over time, our goal is for our net debt-to-EBITDA to be in a range of 2 to 3 times. Our strategy is to use our cash flow to fund capital investments and our dividend, use debt for acquisitions and use excess free cash flow, which is defined as cash from operations less capital expenditures and dividends, to repurchase stock.*

Q: Will your capital expenditures increase significantly as a result of your acquisition strategy?

A: *With acquisitions, as the size of our business, profit and cash flows increases, so should the absolute level of our capital spending. Although our spending on capital expenditures has and is expected to continue to fluctuate year to year, we expect our capital expenditures to average around 1.75% of sales going forward, which is in-line with our historical average, and over time should roughly equal depreciation. Spending at this level should allow our global supply chain to remain competitive while also handling the increased capacity needs for growth and our acquisition strategy.*

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

A: *Changes in exchange rates between the U.S. Dollar and other currencies can impact our financial results in two ways; a translation impact and a transaction impact. The translation impact refers to the impact that changes in exchange rates can have on our published financial results. Similar to many multi-national corporations that publish financial results in U.S. Dollars, our revenue and profit earned in local foreign currencies is translated back into U.S. Dollars using an average exchange rate over the representative period. A period of strengthening in the U.S. Dollar results in a negative impact to our published financial results (because it would take more units of a local currency to convert into a dollar). The opposite is true during a period of weakening in the U.S. Dollar. Our*

biggest foreign currency exposure is the euro. The transaction impact on financial results is common for apparel companies that source goods because these goods are purchased in U.S. Dollars. The transaction impact from a strengthening dollar would be negative to our financial results (because the U.S. Dollar-based costs would convert into a higher amount of local currency units, which means a higher local-currency cost of goods, and in turn, a lower local-currency gross profit). The transaction impact from exchange rates is typically recovered over time with price increases. However, during periods of rapid change in exchange rates; pricing is unable to change quickly enough. In these situations, it could make sense to hedge the exchange rate exposure in sourcing costs.

Project Booster FAQs

Q: What is Project Booster?

A: *Project Booster is a multiyear initiative to increase investment for growth, reduce costs, and increase cash flow from operations. Over the past number of years, through the execution of our Sell More, Spend Less and Generate Cash strategy, in all of its variations, we have refined, strengthened, and evolved our business model. Over this time we have delivered strong financial results and created a powerful, global commercial and supply chain footprint. With Project Booster, we are entering the next phase in the evolution of our business model, where we plan to leverage our global scale to extract the full revenue and cash flow potential from our business model.*

Q: What is the financial impact and cadence related to Project Booster?

A: *We launched Project Booster late in the first quarter of 2017 and we expect to deliver a run rate of its full annualized benefits by the end of 2019. With Booster, we plan to leverage our global scale and rebalance our operations to remove approximately \$150 million of annual cost from our business. We anticipate reaching this annual run rate by the end of 2019. We expect to annually reinvest roughly \$50 million of these savings as well as reallocate resources to build toward more consistent organic growth of 1 - 2% annually. This is expected to result in approximately \$100 million of annual net cost savings. We anticipate reaching the annual run rates for reinvestment and net cost savings by the end of 2019. We also plan to drive approximately \$200 million of improvements in working capital, which when combined with the net cost savings is expected to generate an incremental roughly \$300 million of annual cash flow from operations. We expect to reach this annual run rate of incremental cash flow from operations by the end of 2019.*

In terms of cadence, we expect Project Booster to be neutral to operating profit and cash flow from operations in 2017. We incurred approximately \$7 million of cost in the first quarter 2017, or about 2 cents per share, and approximately \$8 million of cost in the second quarter 2017, or about 2 cents per share, primarily from headcount-related actions. The savings from these actions, which are expected to fully offset the first-half 2017 costs, should flow through in the third and fourth quarters of 2017. Looking to 2018 and 2019, we expect to recognize net cost savings in both years. However we plan to ramp the incremental growth-related investments at a faster pace, therefore we would expect larger net cost savings in 2019 relative to 2018 with the full annual benefit expected in 2020 and beyond. With respect to the anticipated \$200 million of working capital improvements, we expect those to be more evenly balanced between 2018 and 2019 with the full annual benefit in 2020 and beyond.

Q: Does Project Booster include benefits from prior strategies or prior acquisitions?

A: *No. The benefits from Project Booster are on top of our anticipated annual \$30 - \$40 million of supply chain efficiency gains as well as on top of the expected remaining synergies from our prior acquisitions (remaining synergies of \$15 million expected in 2017 and \$85 million expected over 2018 and 2019). Project Booster-related costs, roughly \$15 million in the first half of 2017 (see prior question), are reflected in our adjusted operating results, which means these costs are not part of our acquisition and integration-related charges.*

Q: Does Project Booster signal an end to or a diminished focus on your acquisition strategy?

A: *No. Acquisitions remain a key component of our long-term growth strategy as does our overall capital allocation strategy. Acquisitions have generated significant incremental returns for shareholders. Since 2013, acquisitions have brought with them approximately \$2.4 billion in sales and approximately \$200 million of operating profit, excluding acquisition and integration-related expenses. Assuming full synergies, these acquisitions are expected to deliver roughly \$420 million of operating profit, excluding acquisition and integration-related charges, or more than double their original operating profit base. Through the end of the first quarter 2017, we have generated approximately \$125 million of acquisition synergies with another roughly \$95 million expected over the time period between the second quarter 2017 and the end of 2019. Project Booster is not about de-emphasizing our current strategies, rather it is designed to further enhance them. Project Booster positions us to leverage the large, global footprint we created through acquisitions to reduce cost, to reinvest a portion of these savings to step-up growth-related investments, and to improve working capital to generate higher levels of sustainable cash flow from operations. We believe applying our balanced capital allocation strategy to these higher levels of cash flow positions us to continue to drive strong returns for shareholders.*

Q: Where do you plan to invest the roughly \$50 million from Project Booster to drive more consistent organic growth?

A: *The changing retail environment requires a shift of our resources as well as the need for a step-up in investment. Through Project Booster, we plan to build toward more consistent organic growth of 1 - 2% annually by reallocating resources as well as increasing our annual investment in growth-related initiatives, reaching a run rate of approximately \$50 million by the end of 2019. These investments are being funded with a portion of the expected annual savings from Booster. Areas of investment include: (1) increased investment in our global portfolio of leading brands, including brand building and marketing support; (2) accelerated development of our global omnichannel capabilities, including online in the U.S. as well as online and retail in our international markets; and, (3) further expansion of our Champion brand globally, driving to \$2 billion in global sales (versus more than \$1.2 billion at the end of 2016).*

Q: How do you plan to generate a run rate of roughly \$150 million of annual cost savings from Project Booster by the end of 2019?

A: *Our cost reduction efforts, which are expected to build to a run rate of roughly \$150 million of annual cost savings by the end of 2019, are being driven by two initiatives. The first, and most significant, initiative is to further lower cost within our supply chain by leveraging our increased global scale. Note, the Booster-related cost savings come on top of the expected synergies from prior acquisitions as well as on top of our expected annual supply chain efficiency gains (see question at top of page). Examples include: procurement and product development efficiencies, utilizing global fabric platforms and silhouettes, the redesign of our distribution network to more efficiently ship online orders, and further optimizing our global textile and sewing operations to improve product flows. The second cost reduction initiative is to reduce organizational overhead, including headcount, to better match resources with opportunities as well as to reflect trends on a market-by-market basis.*

Q: How do you plan to generate a run rate of roughly \$300 million of incremental annual cash flow from operations by the end of 2019 from Project Booster?

A: *The expected roughly \$300 million of incremental annual cash flow from operations related to Project Booster is from two main sources. The first source is the expected \$100 million of annual net cost savings (\$150 million of annual cost savings less \$50 million of annual growth-related investments). The second source is the expected roughly \$200 million from working capital improvements, including improvements in inventory turns, accounts receivable, and accounts payable. We anticipate reaching these run rates by the end of 2019.*

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Charges for Actions and Reconciliation to GAAP Measures

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

Adjusted EPS is defined as diluted EPS excluding actions and the tax effect on actions. Adjusted net income is defined as net income excluding actions and the tax effect on actions. Adjusted operating profit is defined as operating profit excluding actions. Adjusted gross profit is defined as gross profit excluding actions. Adjusted SG&A is defined as selling, general and administrative expenses excluding actions. EBITDA is defined as earnings before interest, taxes, depreciation and amortization.

Actions during the periods presented include adjustments for acquisition and integration costs. Acquisition and integration costs include adjustments directly related to completed acquisitions and their integration. These costs include legal fees, consulting fees, bank fees, severance costs, certain purchase accounting items, facility closures, inventory write-offs, information technology integration costs, and similar charges. While these costs are not operational in nature and are not expected to continue for any singular transaction on an ongoing basis, similar types of costs, expenses and charges have occurred in prior periods and may recur in the future as the company continues to integrate prior acquisitions and pursues any future acquisitions. We have chosen to present non-GAAP measures excluding the effects of these actions 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 acquisition-related expenses 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 or foreign currency gains associated with the execution and integration of any of the aforementioned actions taken.

In addition to these non-GAAP measures, we have chosen to present EBITDA to investors because we consider it to be an important supplemental means of evaluating operating performance. We believe that EBITDA is frequently used by securities analysts, investors and other interested parties in the evaluation of companies in the industry, and management uses EBITDA for planning purposes in connection with setting its capital allocation strategy. EBITDA should not, however, be considered as a measure of discretionary cash available to invest in the growth of the business.

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 Table 2 and Table 5 attached to our press release dated August 1, 2017 to reconcile historical quarterly and full-year non-GAAP performance measures to the most directly comparable GAAP measure.

Full-year GAAP operating profit guidance of \$845 million to \$895 million, GAAP EPS guidance of \$1.70 to \$1.82, and third quarter GAAP EPS guidance of \$0.54 to \$0.57 reflects Hanes' expectations for net sales, operating profit, interest expense, and tax rate from continuing operations as detailed in this FAQ document. Full-year Non-GAAP adjusted operating profit guidance of \$935 million to \$975 million and adjusted EPS guidance of \$1.93 to \$2.03 reflects the GAAP guidance adjusted by adding back the approximately \$80 million to \$90 million of expected pretax charges for acquisition and integration expenses to adjusted operating profit and adjusted EPS, as well as a 2017 full-year tax rate comparable to 2016, assuming no changes to U.S. tax law and policy. Third quarter guidance for adjusted EPS of \$0.59 to \$0.61 reflects the GAAP guidance adjusted by adding back approximately \$16 million to \$18 million of expected pretax charges for acquisition integration expenses to adjusted EPS.

Cautionary Statement Concerning Forward-Looking Statements

These FAQs contain “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 2017 financial guidance, as well as statements about the benefits anticipated from Project Booster, and the Hanes Europe Innerwear, Pacific Brands and Champion Europe acquisitions, and assumptions regarding consumer behavior, foreign exchange rates and U.S. tax law and policy are forward-looking statements. These forward-looking statements are based on our current intent, beliefs, plans and expectations. Readers are cautioned not to place any undue reliance on any forward-looking statements. Forward-looking statements necessarily involve risks and uncertainties, many of which are outside of our control, that could cause actual results to differ materially from such statements and from our historical results and experience. These risks and uncertainties include such things as: the highly competitive and evolving nature of the industry in which we compete; any inadequacy, interruption, integration failure or security failure with respect to our information technology; significant fluctuations in foreign exchange rates; ; the rapidly changing retail environment; our complex multinational tax structure our ability to properly manage strategic projects; our ability to attract and retain a senior management team with the core competencies needed to support our growth in global markets; risks related to our international operations, including the impact to our business as a result of the United Kingdom’s recent referendum to leave the European Union; 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 access sufficient capital at reasonable rates or commercially reasonable terms or to maintain sufficient liquidity in the amounts and at the times needed; 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.