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

FORM 8-K

CURRENT REPORT

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

Date of Report (Date of earliest event reported): May 1, 2018

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

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

1000 East Hanes Mill Road Winston-Salem, NC	27105
(Address of principal executive offices)	(Zip Code)

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

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

o Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
o Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
o Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
o Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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

Emerging growth company o

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

Item 2.02. Results of Operations and Financial Condition

On May 1, 2018, Hanesbrands Inc. ("HanesBrands") issued a press release announcing its financial results for the first quarter ended March 31, 2018. 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.

Item 7.01. Regulation FD Disclosure

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

Exhibits 99.1 and 99.2 to this Current Report on Form 8-K include forward-looking financial information that is expected to be discussed on Hanesbrands' previously announced conference call with investors and analysts to be held at 8:30 a.m., Eastern Daylight time on May 1, 2018. 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 Daylight time, on May 1, 2018, until midnight, Eastern Daylight time, on May 8, 2018. 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 3077647. 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 May 1, 2018
Exhibit 99.2	Supplemental Information

SIGNATURES

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

May 1, 2018	HANESBRANDS INC.	
	By:	/s/ Barry A. Hytinen
		Barry A. Hytinen
		Chief Financial Officer

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

HANES Brands Inc
news release

FOR IMMEDIATE RELEASE

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

HANESBRANDS REPORTS FIRST-QUARTER 2018 FINANCIAL RESULTS

- *Net Sales of $1.47 Billion Increased 7% with Constant-Currency Organic Sales Growth of 1%*
- *GAAP EPS of $0.22 increased 16% and Adjusted EPS of $0.26 decreased 10%*
- *Company Announces Investor Day Meeting to be held May 15, 2018, in Winston-Salem*

WINSTON-SALEM, N.C. (May 1, 2018) - HanesBrands (NYSE: HBI), a leading global marketer of everyday basic apparel under world-class brands, today announced first-quarter 2018 results that exceeded company guidance for net sales, organic sales and EPS.

For the quarter ended March 31, 2018, the company reported net sales growth of 7 percent to $1.47 billion versus a guidance range of $1.42 billion to $1.44 billion. GAAP diluted earnings per share for continuing operations increased 16 percent to $0.22 compared with guidance of $0.17 to $0.20, and adjusted EPS excluding actions decreased 10 percent to $0.26, compared with guidance of $0.23 to $0.25. The EPS comparisons to last year reflect a higher corporate tax rate for 2018 as a result of U.S. tax reform.

Hanes has reiterated its full-year guidance and issued net sales and EPS guidance for the second-quarter 2018. (See financial guidance section for details. See Note on Adjusted Measures and Reconciliation to GAAP Measures later in this news release for additional discussion and details.)

"We are focused on delivering quarterly results consistent with the promises we make in our guidance," said Hanes Chief Executive Officer Gerald W. Evans Jr. "We're off to a good start. We are reaping ongoing benefits from diversifying our business through geographic expansion, *Champion* brand growth globally, and increased sales in the online channel. We have created powerful cash-generating global innerwear and activewear businesses that can leverage our leading market positions and brands, our robust global supply chain, and our global management expertise. This is the engine for creating shareholder value."

Key Callouts for First-Quarter 2018 Financial Results

The diversification of Hanes' global business model supported the company's execution of its Sell More, Spend Less and Generate Cash strategies in the first quarter. The acquisitions of Bras N Things and Alternative Apparel contributed to sales growth in the quarter, while organic sales growth, driven by increased *Champion* and online sales, more than offset declines in the U.S. brick-and-mortar channel. International operating profit growth was offset by declines in domestic operating profit. Key callouts follow.

Acquisition Contributions and Organic Sales Growth Drive 7 Percent Net Sales Increase. Net sales for Bras N Things, acquired in February 2018, and Alternative Apparel, acquired in October 2017, totaled $32 million in the quarter. Organic sales, which exclude sales from acquisitions under a year old, increased 1 percent in constant currency, the third consecutive quarter of organic growth. Stronger-than-expected *Champion* sales across all geographies drove organic growth. Global Champion sales increased 22 percent in the quarter and was up 17 percent in constant currency. The *Champion, Alternative* and *Bras N Things* brands all benefit from a strong millennial consumer base.

Double-Digit Growth in Global Consumer-Directed Sales Continues. Global consumer-directed sales, consisting of company retail and online channel sales, increased 23 percent in the first quarter and represented 21 percent of total sales. Company retail sales, which includes sales at company-owned stores and dedicated brand stores, increased 24 percent, while online channel sales, which includes company websites, traditional retailer websites and pure-play Internet retailers, increased 20 percent, up in every geography.

Tax Reform Effect on EPS Comparisons. U.S. tax reform, which resulted in a higher corporate tax rate beginning in 2018, affects the year-over-year comparisons for EPS. When applying the 2018 first-quarter tax rate to 2017 first-quarter results, GAAP EPS increased 29 percent on a pro forma basis and adjusted EPS was consistent with a year ago.

<u>Business Segment Summaries</u>

Beginning in the first-quarter 2018, Hanes has eliminated the business-segment allocation of certain overhead selling, general and administrative expenses related to global functions in order to reflect the manner in which businesses are managed. Prior-year segment operating profit results have been revised to conform to the current presentation of segment results.

Innerwear Results Consistent with Expectations. U.S. Innerwear segment sales decreased 3 percent, as expected, and operating profit decreased 13 percent, affected by raw material inflation and lower volume.

Innerwear Basics sales decreased less than 1 percent, with growth in socks and children’s underwear sales offset by declines primarily in women’s underwear. The company’s latest innovation, *Hanes* Comfort Flex Fit men’s underwear boxer briefs, were successfully introduced in the quarter and met with good consumer reception.

Innerwear Intimates sales decreased 7 percent, primarily affected by soft shapewear sales and retailer door closings within the past year. Bra sales decreased less than 2 percent with improving trends as ongoing improvement initiatives are gaining traction.

Activewear Sales Increase on Acquisition Benefits and *Champion* Growth. U.S. Activewear segment sales increased 6 percent in the quarter, benefitting from the acquisition of Alternative Apparel. Organic sales increased 1 percent despite space constraints in the mass channel. *Champion* sales increased at a high-single-digit rate. Online channel sales for the segment increased 26 percent in the quarter and represented 10 percent of sales.

Although mix of products sold was favorable, segment operating profit decreased 12 percent due to raw material inflation and short-term higher distribution costs.

International Segment Achieves Strong Double-Digit Sales and Profit Growth. International sales increased 19 percent and operating profit increased 46 percent, benefitting from foreign currency exchange rates, organic growth, synergies from past acquisitions, and contributions from the mid-quarter acquisition of Bras N Things. The segment's operating margin of 13.5 percent increased 250 basis points over the year-ago quarter.

International constant-currency organic sales increased 7 percent on strong double-digit *Champion* sales growth in Europe and Asia. Organic consumer-directed sales, which consist of all online channel sales and company retail stores, increased 22 percent and accounted for 28 percent of total segment sales.

2018 Financial Guidance

Hanes has reiterated full-year financial guidance for 2018 and has issued second-quarter guidance for net sales and EPS.

The company continues to expect full-year 2018 net sales of $6.72 billion to $6.82 billion, GAAP operating profit of $870 million to $905 million, adjusted operating profit excluding actions of $950 million to $985 million, GAAP EPS of $1.54 to $1.62, adjusted EPS excluding actions of $1.72 to $1.80, and net cash from operations of $675 million to $750 million.

With U.S. income tax reform, the company expects the 2018 full-year tax rate to be approximately 16 percent.

Key assumptions in the company's guidance include: a cautious outlook for the U.S. brick-and-mortar consumer environment, including the first-half effect of door closures; an increase in full-year organic sales driven by online, global *Champion*, and International growth; and higher commodity costs and increased marketing investment to support additional planned product innovation.

Second-Quarter Guidance. Second-quarter net sales are expected to be in the range of $1.7 billion to $1.725 billion. At the midpoint of this guidance range, constant-currency organic sales are expected to decline less than 1 percent. GAAP EPS is expected to be $0.38 to $0.40, and adjusted EPS excluding actions is expected to be $0.44 to $0.46. Charges related to acquisition integration and other actions are expected to total approximately $25 million in the second quarter.

FASB Note. In keeping with a new Financial Accounting Standards Board rule, pension expense is being reported below operating profit on the income statement within interest and other expenses rather than the previous practice of accounting for pension expense within selling, general and administrative expense. All prior periods have been revised to reflect this change.

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

Note on Adjusted Measures and Reconciliation to GAAP Measures

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

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

Charges for actions taken in the first quarter and for guidance for the full year primarily represent acquisition-related and integration costs related to Hanes Europe Innerwear, Hanes Australasia, Champion Europe, Alternative Apparel and Bras N Things. Acquisition and integration costs include legal fees, consulting fees, bank fees, severance costs, certain purchase accounting items, facility closures, inventory write-offs, information technology integration costs and similar charges. While these costs are not operational in nature and are not expected to continue for any singular transaction on an ongoing basis, similar types of costs, expenses and charges have occurred in prior periods and may recur in the future depending upon acquisition activity.

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

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

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-quarter 2018, Hanes incurred $20 million in charges for acquisition-related and integration actions. In the first-quarter 2017, Hanes incurred $38 million in charges for acquisition-related and integration actions.

For 2018 guidance, Hanes expects full-year GAAP EPS of $1.54 to $1.62 with anticipated pretax charges for acquisition-related and integration costs and other actions of approximately $80 million, which results in adjusted EPS guidance of $1.72 to $1.80. For the second quarter, the company expects GAAP EPS of $0.38 to $0.40 with anticipated pretax charges for acquisition-related and integration costs and other actions of approximately $25 million, which results in adjusted EPS guidance of $0.44 to $0.46.

Webcast Conference Call

Hanes will host an Internet webcast of its first-quarter investor conference call at 8:30 a.m. EDT today, May 1, 2018. 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 9:30 a.m.

An archived replay of the conference call webcast will be available in the investors section of the Hanes corporate website. A telephone playback will be available from approximately noon EDT today through midnight EDT May 8, 2018. The replay will be available by calling toll-free (855) 859-2056 or by toll call at (404) 537-3406. The replay ID is 3077647.

Investor Day Webcast

Hanes will host an Investor Day informational meeting for registered participants and stock analysts at its Winston-Salem headquarters beginning at 8 a.m. Tuesday, May 15.

A live Internet broadcast of the meeting, including audio and slides, is expected to end by noon and may be accessed at www.Hanes.com/investors.

The company will review its global business strategies, key initiatives, and long-term financial goals. Several members of management will speak, including HanesBrands Chief Executive Officer Gerald W. Evans Jr. and Chief Financial Officer Barry A. Hytinen.

An archived replay of the meeting webcast and copies of the presentation slides will be available in the investors section of the Hanes corporate website.

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 2018 Financial Guidance, are forward-looking statements. These forward-looking statements are based on our current intent, beliefs, plans and expectations. Readers are cautioned not to place any undue reliance on any forward-looking statements. Forward-looking statements necessarily involve risks and uncertainties, many of which are outside of our control, that could cause actual results to differ materially from such statements and from our historical results and experience. These risks and uncertainties include such things as: the highly competitive and evolving nature of the industry in which we compete; the rapidly changing retail environment; any inadequacy, interruption, integration failure or security failure with respect to our information technology; the impact of significant fluctuations and volatility in various input costs, such as cotton and oil-related materials, utilities, freight and wages; our ability to properly manage strategic projects; significant fluctuations in foreign exchange rates; our ability to attract and retain a senior management team with the core competencies needed to support our growth in global markets; legal, regulatory, political and economic risks related to our international operations; our ability to successfully integrate acquired businesses; our reliance on a relatively small number of customers for a significant portion of our sales; and other risks identified from time to time in our most recent Securities and Exchange Commission reports, including our annual report on Form 10-K and quarterly reports on Form 10-Q. Since it is not possible to predict or identify all of the risks, uncertainties and other factors that may affect future results, the above list should not be considered a complete list. Any forward-looking statement speaks only as of the date on which such statement is made, and HanesBrands undertakes no obligation to update or revise any forward-looking statement, whether as a result of new information, future events or otherwise, other than as required by law.

HanesBrands

HanesBrands, based in Winston-Salem, N.C., is a socially responsible leading marketer of everyday basic innerwear and activewear apparel in the Americas, Europe, Australia and Asia-Pacific. The company sells its products under some of the world's strongest apparel brands, including *Hanes*, *Champion*, *Maidenform*, *DIM*, *Bali*, *Playtex*, *Bonds*, *JMS/Just My Size*, *Nur Die/Nur Der*, *L'eggs*, *Lovable*, *Wonderbra*, *Berlei*, *Alternative*, *Bras N Things*, and *Gear for Sports*. The company sells T-shirts, bras, panties, shapewear, underwear, socks, hosiery, and activewear produced in the company's low-cost global supply chain. A member of the S&P 500 stock index, Hanes has approximately 68,000 employees in more than 40 countries and is ranked No. 432 on the Fortune 500 list of America's largest companies by sales. Hanes takes pride in its strong reputation for ethical business practices. Connect with HanesBrands at www.Hanes.com/corporate or via social media (Twitter: @hanesbrands, and Facebook: www.facebook.com/hanesbrandsinc).

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TABLE 1

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

	Quarter Ended		
	March 31, 2018	**April 1, 2017**	**% Change**
Net sales	$ 1,471,504	$ 1,380,355	6.6%
Cost of sales	892,583	840,824	
Gross profit	578,921	539,531	7.3%
As a % of net sales	**39.3%**	**39.1%**	
Selling, general and administrative expenses	432,863	413,102	
As a % of net sales	**29.4%**	**29.9%**	
Operating profit	146,058	126,429	15.5%
As a % of net sales	**9.9%**	**9.2%**	
Other expenses	5,761	6,545	
Interest expense, net	45,763	42,137	
Income from continuing operations before income tax expense	94,534	77,747	
Income tax expense	15,125	4,665	
Income from continuing operations	79,409	73,082	8.7%
Loss from discontinued operations, net of tax	—	(2,465)	
Net income	$ 79,409	$ 70,617	12.5%
Earnings (loss) per share - basic:			
Continuing operations	$ 0.22	$ 0.20	
Discontinued operations	—	(0.01)	
Net income	$ 0.22	$ 0.19	15.8%
Earnings (loss) per share - diluted:			
Continuing operations	$ 0.22	$ 0.19	
Discontinued operations	—	(0.01)	
Net income	$ 0.22	$ 0.19	15.8%
Weighted average shares outstanding:			
Basic	361,882	373,218	
Diluted	363,291	375,251	

TABLE 2

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

	Quarter Ended		
	March 31, 2018	April 1, 2017	% Change
Segment net sales:			
Innerwear	$ 491,078	$ 505,190	(2.8)%
Activewear	346,125	327,343	5.7
International	569,887	477,398	19.4
Other	64,414	70,424	(8.5)
Total net sales	$ 1,471,504	$ 1,380,355	6.6 %
Segment operating profit[1]:			
Innerwear	$ 101,419	$ 116,622	(13.0)%
Activewear	38,287	43,350	(11.7)
International	77,061	52,662	46.3
Other	2,627	2,628	—
General corporate expenses/other	(53,719)	(50,466)	6.4
Acquisition, integration and other action-related charges	(19,617)	(38,367)	(48.9)
Total operating profit	$ 146,058	$ 126,429	15.5 %

[1] In the first quarter of 2018, HanesBrands eliminated the allocation of certain corporate overhead selling, general and administrative expenses related to the legal, human resources, information technology, finance and real estate departments to the segments, in order to reflect the manner in which the business is managed and results are reviewed by the chief executive officer, who is HanesBrands' chief operating decision maker. Prior year segment operating profit disclosures have been revised to conform to the current year presentation.

The following table presents a reconciliation of total reported net sales to organic constant currency net sales for the quarter ended March 31, 2018 and a comparison to prior year:

	Quarter Ended March 31, 2018				
	Reported Net Sales	Acquisitions[1]	Impact from Foreign Currency[2]	Organic Constant Currency	% Change
Segment net sales:					
Innerwear	$ 491,078	$ —	$ —	$ 491,078	(2.8)%
Activewear	346,125	15,630	—	330,495	1.0
International	569,887	16,137	44,859	508,891	6.6
Other	64,414	—	—	64,414	(8.5)
Total	$ 1,471,504	$ 31,767	$ 44,859	$ 1,394,878	1.1 %

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

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

TABLE 3

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

	March 31, 2018	December 30, 2017
Assets		
Cash and cash equivalents	$ 373,662	$ 421,566
Trade accounts receivable, net	874,684	903,318
Inventories	2,044,680	1,874,990
Other current assets	106,800	186,496
Total current assets	3,399,826	3,386,370
Property, net	630,669	623,991
Trademarks and other identifiable intangibles, net	1,668,876	1,402,857
Goodwill	1,282,504	1,167,007
Deferred tax assets	233,279	234,932
Other noncurrent assets	112,621	79,618
Total assets	$ 7,327,775	$ 6,894,775
Liabilities		
Accounts payable and accrued liabilities	$ 1,337,147	$ 1,517,283
Notes payable	17,830	11,873
Accounts Receivable Securitization Facility	157,081	125,209
Current portion of long-term debt	165,702	124,380
Total current liabilities	1,677,760	1,778,745
Long-term debt	4,185,252	3,702,054
Pension and postretirement benefits	408,787	405,238
Other noncurrent liabilities	350,281	322,536
Total liabilities	6,622,080	6,208,573
Equity	705,695	686,202
Total liabilities and equity	$ 7,327,775	$ 6,894,775

TABLE 4

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

	Quarter Ended	
	March 31, 2018	April 1, 2017
Operating Activities:		
Net income	$ 79,409	$ 70,617
Depreciation and amortization	31,925	28,765
Stock compensation expense	4,746	3,528
Other noncash items	(452)	9,632
Changes in assets and liabilities, net	(243,771)	(135,340)
Net cash from operating activities	(128,143)	(22,798)
Investing Activities:		
Purchases/sales of property and equipment, net, and other	(18,298)	(11,446)
Acquisition of business, net of cash acquired	(334,915)	(524)
Disposition of businesses	—	37,434
Net cash from investing activities	(353,213)	25,464
Financing Activities:		
Cash dividends paid	(54,053)	(55,875)
Share repurchases	—	(299,919)
Net borrowings on notes payable, debt and other	513,137	360,305
Net cash from financing activities	459,084	4,511
Effect of changes in foreign currency exchange rates on cash	1,186	(3,799)
Change in cash, cash equivalents and restricted cash	(21,086)	3,378
Cash and cash equivalents at beginning of year	421,566	460,245
Cash, cash equivalents and restricted cash at end of period	400,480	463,623
Less restricted cash at end of period	26,818	—
Cash and cash equivalents per balance sheet at end of period	$ 373,662	$ 463,623

TABLE 5

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

	Quarter Ended	
	March 31, 2018	**April 1, 2017**
Gross profit, as reported under GAAP	$ 578,921	$ 539,531
Acquisition, integration and other action-related charges	10,753	15,475
Gross profit, as adjusted	$ 589,674	$ 555,006
As a % of net sales	**40.1%**	**40.2%**
Selling, general and administrative expenses, as reported under GAAP	$ 432,863	$ 413,102
Acquisition, integration and other action-related charges	(8,864)	(22,892)
Selling, general and administrative expenses, as adjusted	$ 423,999	$ 390,210
As a % of net sales	**28.8%**	**28.3%**
Operating profit, as reported under GAAP	$ 146,058	$ 126,429
Acquisition, integration and other action-related charges included in gross profit	10,753	15,475
Acquisition, integration and other action-related charges included in SG&A	8,864	22,892
Operating profit, as adjusted	$ 165,675	$ 164,796
As a % of net sales	**11.3%**	**11.9%**
Net income from continuing operations, as reported under GAAP	$ 79,409	$ 73,082
Acquisition, integration and other action-related charges included in gross profit	10,753	15,475
Acquisition, integration and other action-related charges included in SG&A	8,864	22,892
Debt refinance charges included in other expenses	(50)	—
Tax effect on actions	(3,131)	(2,302)
Net income from continuing operations, as adjusted	$ 95,845	$ 109,147
Diluted earnings per share from continuing operations, as reported under GAAP	$ 0.22	$ 0.19
Acquisition and other related charges	0.05	0.10
Diluted earnings per share from continuing operations, as adjusted	$ 0.26	$ 0.29

	Quarter Ended	
	March 31, 2018	**April 1, 2017**
Action and other related charges by category:		
Hanes Europe Innerwear	$ 8,576	$ 19,878
Hanes Australasia	6,092	12,008
Champion Europe	1,880	1,168
Bras N Things	1,245	—
Smaller acquisitions and other action-related costs	1,824	5,313
Debt refinance charges	(50)	—
Tax effect on actions	(3,131)	(2,302)
Total action and other related charges	$ 16,436	$ 36,065

	Last Twelve Months	
	March 31, 2018	April 1, 2017
EBITDA[1]:		
Net income from continuing operations	$ 70,318	$ 529,740
Interest expense, net	178,061	163,263
Income tax expense	483,739	29,016
Depreciation and amortization	125,647	109,120
Total EBITDA	857,765	831,139
Total action and other related charges (excluding tax effect on actions)	179,104	199,508
Stock compensation expense	24,800	27,800
Total EBITDA, as adjusted	$ 1,061,669	$ 1,058,447
Net debt:		
Debt (current and long term debt and Accounts Receivable Securitization Facility)	$ 4,508,035	$ 4,096,525
Notes payable	17,830	43,418
(Less) Cash and cash equivalents	(373,662)	(463,623)
Net debt	$ 4,152,203	$ 3,676,320
Net debt/EBITDA, as adjusted	3.9	3.5

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

TABLE 6

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

	Quarter Ended June 30, 2018	Year Ended December 29, 2018
Operating profit outlook, as calculated under GAAP	$215,000 to $225,000	$870,000 to $905,000
Acquisition, integration and other action-related charges	$25,000	$80,000
Operating profit outlook, as adjusted	$240,000 to $250,000	$950,000 to $985,000
Diluted earnings per share from continuing operations, as calculated under GAAP	$0.38 to $0.40	$1.54 to $1.62
Acquisition, integration and other action-related charges	$0.06	$0.18
Diluted earnings per share from continuing operations, as adjusted	$0.44 to $0.46	$1.72 to $1.80

Hanesbrands FAQs

Updated May 1, 2018 – New or updated information is in red

General and Current Period FAQs (Guidance comments as of May 1, 2018)

Q: Can you provide any insights into your revenue performance in Q1 2018?

A: In the first quarter, total sales increased 6.6% over last year, above the high-end of our guidance range of an increase of 3% to 4%. Our strategic initiative over the past several years to diversify our revenue mix is driving a return to organic revenue growth. In the first quarter, organic revenue, which excludes acquisitions less than a year old, increased 4.3% over last year, above the high-end of our guidance range of an increase of 1.0% to 2.5%.

On a constant currency basis, first-quarter organic revenue increased 1.1%, above our guidance of a decrease of less than 1%, due to better-than-expected Champion growth in both the U.S. Activewear and International segments. With respect to Champion, part of the stronger-than-expected sales in the first quarter were the result of earlier-than-anticipated placement of some of our seasonal product offerings.

Looking at first quarter organic growth, in constant currency, by segment: (1) U.S. Innerwear declined 3% compared to last year and was in-line with our expectation for a first-half decline in the low-single digit range; (2) U.S. Activewear increased 1% and was ahead of our expectation for a slight decline in the first half; (3) International increased 7%, compared to our full-year outlook of mid-single digit growth.

Q: Can you provide any insights into your adjusted operating profit performance in Q1 2018?

A: First quarter adjusted operating profit, excluding acquisition, integration and other charges, was approximately $166 million. This was an increase of approximately $1 million compared to last year as the benefits from synergies, cost initiatives, as well as acquisition and foreign exchange rate contributions were essentially offset by the expected increases in raw material costs, marketing investments, and distribution costs that were highlighted last quarter.

Q: What is factored into your guidance for 2018?

A: While there are many items that are factored into our guidance, a few of the key assumptions are: (1) we remain appropriately cautious with respect to the U.S. wholesale environment; (2) we believe our growth initiatives, including online, Champion, and International, should offset the U.S. wholesale challenges and drive full-year constant currency organic growth; and, (3) we are factoring in higher input costs to reflect higher input cost inflation as well as higher levels of marketing investment (i.e., growth-related investments we committed to with Project Booster) as we extend our innovation platforms to new product categories. See below for additional factors pertaining to our specific guidance ranges.

Revenue: Our full-year revenue guidance of $6.72 billion to $6.82 billion, which represents mid-single-digit year-over-year growth, includes the following assumptions: (1) approximately $180 million of acquisition contributions, which includes Alternative Apparel (Q1 – Q3) and Bras N Things (from close date through year-end); (2) F/X tailwind of approximately $70 million; and (3) organic constant currency growth of approximately +1% at the midpoint. In terms of revenue cadence, we expect constant currency organic growth to be tempered earlier in the year and stronger in the second half of the year due to the expected impact of first half door closings and ongoing tight inventory management by retailers within the U.S. wholesale channel.

By segment, we expect U.S. Innerwear revenue to be down slightly for the full-year, with the first half expected to be down low-single digits and the second half expected to be up modestly. U.S. Activewear is expected to be up low single-digit for the year primarily due to the acquisition of Alternative Apparel (closed in October 2017). For the full-year, International segment, on an organic basis, is expected to be up high-single digits, and up mid-single digits on an organic, constant currency basis. Bras N Things revenue is additive to the organic assumptions for the International segment.

Operating Profit (GAAP and Adjusted): Our full-year Adjusted Operating Profit guidance of $950 million to $985 million, which excludes all pretax acquisition, integration, and other charges, includes a higher gross margin year-over-year (at least 100 bps improvement), approximately $30 million of acquisition contributions from Alternative Apparel and Bras N Things, as well as reflects the change in accounting rules regarding pension expense (see pension question below). Our guidance implies essentially a flat operating margin year-over-year as expected benefits from Project Booster, acquisition contributions, and synergies should offset increased marketing investment (incremental $20 million compared to last year), commodity inflation (approximately $30 million to $35 million headwind compared to last year, net of 2018 pricing actions), and revenue mix. We expect operating margins to be down year-over-year in the first half as a result of higher levels of marketing investment (Basics, Intimates, International) and the short-term impact of lower distribution efficiencies. In the second half, as distribution efficiencies improve and we begin to price to offset commodity cost inflation (expected pricing actions that are embedded in 2018 guidance have been secured), we expect operating margins to increase year-over-year. Our full-year GAAP Operating Profit guidance of $870 million to $905 million incorporates our Adjusted Operating Profit guidance as well as our assumption of approximately $80 million in acquisition, integration, and other charges.

Interest/Other Expense and Tax Rate: Our guidance assumes approximately $207 million of Interest and Other expense, which includes pension expense that per an accounting rule change moved from SG&A in prior years to Other Expense (see pension expense question), and a tax rate of approximately 16% (see tax rate question).

EPS (GAAP and Adjusted): Our full-year GAAP EPS guidance is $1.54 to $1.62 and our adjusted EPS guidance, which excludes all pretax acquisition, integration, and other charges, is $1.72 to $1.80. To assist with comparability on our 2018 adjusted EPS guidance, our 2017 adjusted EPS, normalized for a roughly 16% tax rate, would have been $1.68, or $0.25 lower than the reported $1.93. At the midpoint, our 2018 adjusted EPS guidance implies a 5% increase over our normalized 2017 adjusted EPS of $1.68.

Cash flow from operations: Our full-year guidance range of $675 million to $750 million implies a roughly $57 million increase at the midpoint and reflects the expected impact from higher cash taxes. Our guidance range also includes a $15 million pension contribution (there was no contribution in 2017) as well as the one-time approximately $28 million contingent consideration payment for our Champion Europe acquisition (paid in first quarter 2018).

Pretax expenses: Our guidance reflects approximately $80 million of pretax acquisition, integration, and other expenses. About a quarter of these charges (approximately $20 million), which we would categorize as 'other', are related to a two-year realignment of our supply chain, with the focus on our network in the Western Hemisphere. As our supply chain has become more efficient and productive over time, we believe there are opportunities to further tighten our network to capture these productivity improvements. The remaining three-quarters of the charges (approximately $60 million) are related to the integration of existing acquisitions. We have completed the integration of Knights Apparel, we expect to be complete with the Hanes Europe and Champion Europe integrations by the end of 2018, and we expect to finish the Hanes Australasia integration by the end of 2019. Looking to 2019, and excluding any future acquisitions, we expect acquisition and integration-related charges, inclusive of all current acquisitions, to be $15 million or less, while we expect the 2019 costs associated with supply chain actions to be in line with 2018.

Q: What is factored into your guidance for Q2 2018?
A: *We expect total net sales of $1.70 billion to $1.725 billion, which includes approximately $50 million from acquisitions (Alternative Apparel and Bras N Things). Our revenue guidance implies total revenue growth of 3.2% to 4.8%. Reported organic growth is expected to be approximately 1% at the midpoint, which is driven by currency. Constant currency organic growth is estimated to be down less than 1% at the mid-point, reflecting our expectation for a decline in U.S. Innerwear as well as the previously mentioned shift of certain seasonal Champion programs into the first quarter. Our guidance for GAAP EPS is $0.38 to $0.40, and our guidance for adjusted EPS, which excludes pretax acquisition, integration, and other expenses, is $0.44 to $0.46. Our EPS guidance (both GAAP and Adjusted) assumes a year-over-year decline in operating margin, which reflects the higher input cost inflation, higher levels of marketing investment and higher distribution costs discussed on our earnings call in February. We expect to return to margin expansion in the second half as we benefit from cost leverage associated with organic revenue growth, improved efficiencies in distribution, a normalization of marketing investment (year-over-year) in the fourth quarter, and the partial mitigation of input cost inflation as the previously mentioned pricing actions, which we've secured, take effect.*

Q: What are your capital allocation priorities for 2018?
A: *As a result of our seasonal cash flow (i.e. cash use in the first half of the year) and the timing of our Bras N Things acquisition, our leverage ratio at the end of the first quarter was 3.9 times net debt-to-EBITDA. The first priority in our capital allocation strategy is to invest in the business. Capital expenditures are estimated to be $90 million to $100 million in 2018. Our second priority is our dividend. After that, excess free cash flow, which we define as cash from operations less capital expenditures and dividends, is expected to be used to pay down debt. Based on our 2018 guidance, we expect to be approaching 3 times on a net debt-to-EBITDA basis by the end of 2018. Looking into 2019, we expect to be back within our target leverage range of 2 to 3 times net debt-to-EBITDA.*

Q: Do you expect any impact from the accounting rule change regarding pension expense?
A: *There is an accounting rule change regarding pension expense that became effective at the beginning of 2018. Our pension expense will shift from SG&A to the Interest/Other expense line. Our 2018 guidance (Operating Profit and Interest/Other Expense) reflect the new rule regarding pension expense. Please see the Supplemental Table at www.hanes.com/investors, which recasts 2016 and 2017. Note, this rule change only impacts where these expenses are reflected in the P&L, prior period pretax income will be unchanged under the new rule.*

Q: How did the U.S. Tax Cuts and Jobs Act impact your 2018 tax rate?
A: *For 2018, we estimate our tax rate to be approximately 16%, similar to our rate in the 2009 to 2014 time frame, and below the 21% U.S. corporate rate as we continue to benefit from owning our global supply chain. In terms of cash flow, tax reform should not have a material impact on our strong cash generation and we believe it will actually be beneficial to our capital allocation strategy as cash repatriation is now more cost-effective. Our 2018 cash flow from operations guidance reflects the impact of higher cash taxes.*

Q: Do you believe you remain well positioned to achieve your cash flow from operations goal of a $1 billion?
A: *Yes. In spite of the impact of higher cash taxes resulting from U.S. tax reform, we believe we are well positioned to achieve $1 billion in cash flow operations in 2020. As an example, beginning with the high end of our 2018 cash flow from operations guidance of $750 million: (1) add back approximately $60 million to reflect the contingent consideration payment for our Champion Europe acquisition and pricing actions to recover input cost inflation; (2) add back approximately $80 million of acquisition, integration, and other charges, which we expect to be essentially complete by the end of 2019; and (3) add approximately $100 million of after-tax profit from synergies and cost initiatives. Note: this example reflects an approximate 16% tax rate (versus prior assumptions for a mid-single-digit rate), no contributions/benefits from future acquisitions, and no working capital improvements from Project Booster.*

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

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

Q: How big is the consumer-direct channel for Hanesbrands?

A: We define consumer-direct in terms of consumer method of purchase, which in our definition includes owned retail locations as well as all online sales (owned websites, online pure play websites, and traditional retailer websites). Our global consumer-direct sales represented approximately 21% of total company sales in the first quarter of 2018. Specific to online sales, global online sales represented approximately 10% of total company sales in the quarter, while U.S. online sales represented approximately 11% of U.S. sales.

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. When we are within our targeted leverage range, we would use debt for acquisitions and use excess free cash flow, which is defined as cash from operations less capital expenditures and dividends, to repurchase stock. When we are outside of our targeted leverage range, we plan to use excess free cash flow to pay down debt.

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.

Acquisition FAQs

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

A: For the first-quarter, acquisitions contributed approximately $32 million in revenue and approximately $3 million in adjusted operating profit, which excludes pretax acquisition, integration, and other charges.

Q: Can you provide any insight into Bras N Things?

A: We believe this is a strategic acquisition as Bras N Things' consumer-direct model provides us another avenue to connect directly with the consumer, its products are targeted at the millennial consumer, and its business model (along with a strong management team) provides significant opportunity to expand to other geographies. Bras N Things is a leading provider of intimate apparel in Australia and New Zealand. The company offers a number of its own brands through a consumer direct model with over 170 stores and a growing online business. They have a proven process of driving growth through store optimization, disciplined pricing, and successfully balancing core and seasonal products. The company generated approximately US$140 million in revenue in 2017 with strong double-digit operating margins.

Q: What is the purchase price and expected return for the acquisition of Bras N Things?

A: The purchase price is approximately AUD500 million (approximately US$400 million). This transaction is valued at approximately 10 times 2017 EBITDA. Post synergies, we expect this multiple to be below 8 times. This acquisition fits within our stated acquisition criteria and is expected to be accretive to 2018 earnings. We believe this deal can generate a low-to-mid teens IRR based solely on cost synergies and should offer substantial revenue synergies over time as we leverage their successful model internationally.

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 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. In addition, we also plan to drive approximately $200 million of improvements in working capital by the end of 2019.

# # #

Charges for Actions and Reconciliation to GAAP Measures

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

Adjusted EPS is defined as diluted EPS excluding actions and the tax effect on actions. Adjusted net income is defined as net income excluding actions and the tax effect on actions. Adjusted operating profit is defined as operating profit excluding actions. Adjusted 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 the first quarter and for guidance for the full year primarily represent acquisition-related and integration costs related to Hanes Europe Innerwear, Hanes Australasia, Champion Europe, Alternative Apparel and Bras N Things. Acquisition and integration costs include legal fees, consulting fees, bank fees, severance costs, certain purchase accounting items, facility closures, inventory write-offs, information technology integration costs and similar charges. While these costs are not operational in nature and are not expected to continue for any singular transaction on an ongoing basis, similar types of costs, expenses and charges have occurred in prior periods and may recur in the future depending upon acquisition activity.

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

In addition to these non-GAAP measures, we have chosen to present EBITDA and adjusted EBITDA to investors because we consider it to be an important supplemental means of evaluating operating performance. EBITDA is defined as earnings before interest, taxes, depreciation and amortization. Adjusted EBITDA is defined as EBITDA excluding actions and stock compensation expense. We believe 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 our 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.

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

See our press release dated May 1, 2018 to reconcile quarterly and full-year non-GAAP performance measures to the most directly comparable GAAP measure. A copy of the press release is available at www.Hanes.com/investors.

Cautionary Statement Concerning Forward-Looking Statements

These FAQs certain "forward-looking statements," as defined under U.S. federal securities laws, with respect to our long-term goals and trends associated with our business, as well as guidance as to future performance. In particular, among others, statements regarding 2018 financial guidance, as well as statements about the benefits anticipated from Project Booster, and the Bras N Things acquisition, 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; the rapidly changing retail environment; any inadequacy, interruption, integration failure or security failure with respect to our information technology; the impact of significant fluctuations and volatility in various input costs, such as cotton and oil-related materials, utilities, freight and wages; our ability to properly manage strategic projects; significant fluctuations in foreign exchange rates; our ability to attract and retain a senior management team with the core competencies needed to support our growth in global markets; legal, regulatory, political and economic risks related to our international operations; our ability to successfully integrate acquired businesses; our reliance on a relatively small number of customers for a significant portion of our sales; 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.