ModernGraham Valuation

Company Name:

Company Ticker

Date of Analysis

Hanesbrands Inc.



Stage 1: Is this company suitable for the Defensive Investor or the Enterprising Investor?

11/3/2015

Defensive Investor; must pass 6 out of the following 7 tests.

HBI

 Adequate Size of the Enterprise 	Market Cap > \$2Bil	\$12,949,658,641 Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	2.08 Pass
3. Earnings Stability	Positive EPS for 10 years prior	Pass
4. Dividend Record	Dividend Payments for 10 years prior	Fail
5. Earnings Growth	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	101.34% Pass
o. Lamings Growth	beginning and end	101.0470 1 033
Moderate PEmg Ratio	PEmg < 20	35.54 Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	10.66 Fail

Enterprising Investor; must pass 4 out of the following 5 tests, or be suitable for the Defensive Investor.

1. Sufficiently Strong Financial Condition	Current Ratio > 1.5	2.08 Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	1.39 Fail
3. Earnings Stability	Positive EPS for 5 years prior	Pass
4. Dividend Record	Currently Pays Dividend	Pass
5. Earnings Growth	EPSmg greater than 5 years ago	Pass

Suitability

Defensive No Enterprising Yes

Stage 2: Determination of Intrinsic Value

EPSmg	\$0.93
MG Growth Estimate	15.00%
MG Value	\$35.82
MG Value based on 3% Growth	\$13.49
MG Value based on 0% Growth	\$7.91
Market Implied Growth Rate	13.52%

MG Opinion

Current Price \$33.06 92.31% % of Intrinsic Value

Opinion **Fairly Valued**

Stage 3: Information for Further Research

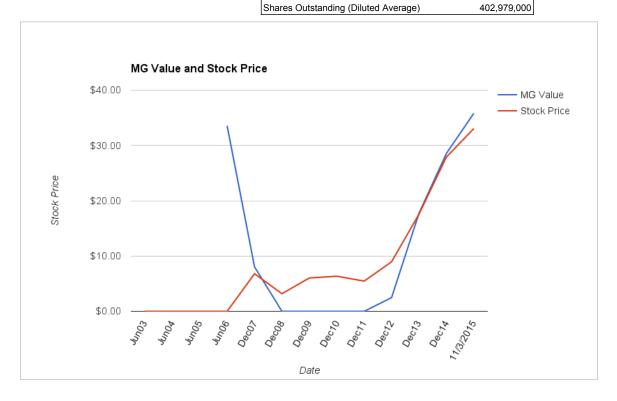
Net Current Asset Value (NCAV)	-\$3.24
Graham Number	\$9.32
PEmg	35.54
Current Ratio	2.08
PB Ratio	10.66
Dividend Yield	1.13%
Number of Consecutive Years of Dividend Growth	3

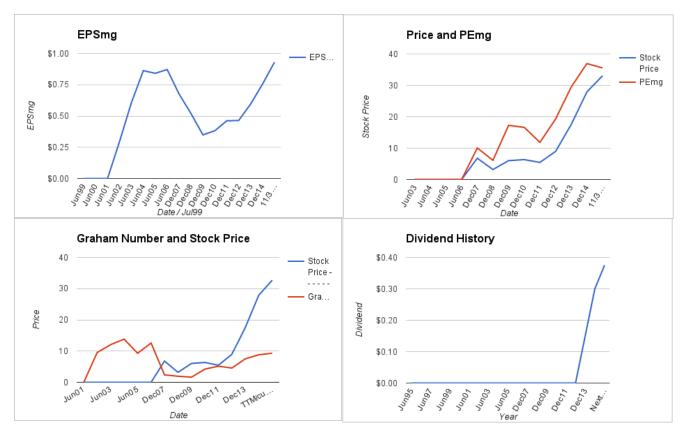
Morningstar

Useful Links: ModernGraham tagged articles

> MSN Money Google Finance Yahoo Finance Seeking Alpha GuruFocus **SEC Filings**

EPS History		EPSmg History	
Next Fiscal Year Estimate	\$1.21	Next Fiscal Year Estimate	\$0.93
Dec14	\$0.99	Dec14	\$0.76
Dec13	\$0.81	Dec13	\$0.60
Dec12	\$0.41	Dec12	\$0.46
Dec11	\$0.67	Dec11	\$0.46
Dec10	\$0.54	Dec10	\$0.38
Dec09	\$0.14	Dec09	\$0.35
Dec08	\$0.34	Dec08	\$0.52
Dec07	\$0.33	Dec07	\$0.68
Jun06	\$0.84	Jun06	\$0.87
Jun05	\$0.57	Jun05	\$0.84
Jun04	\$1.17	Jun04	\$0.86
Jun03	\$1.11	Jun03	\$0.61
Jun02	\$0.88	Jun02	\$0.29
Jun01	\$0.00	Jun01	\$0.00
Jun00	\$0.00	Jun00	\$0.00
Jun99	\$0.00	Jun99	\$0.00
Jun98	\$0.00	Balance Sheet Information	Sep15
Jun97	\$0.00	Total Current Assets	\$3,265,454,000
Jun96	\$0.00	Total Current Liabilities	\$1,572,137,000
Jun95	\$0.00	Long-Term Debt	\$2,361,607,000
		Total Assets	\$5,819,400,000
		Intangible Assets	\$1,549,192,000
		Total Liabilities	\$4,569,101,000
		Shares Outstanding (Diluted Average)	402 979 000





Disclaimer:

This valuation is not investment advice. Anyone who is considering making an investment decision should speak to a registered investment advisor.

The author did not hold a position in any company mentioned in this article at the time of publication and had no intention of changing those holdings within the next 72 hours.

Recommended Reading:

Other ModernGraham posts about the company

The Best Companies of the Apparel Industry – June 2015 \$GPS \$HBI \$KORS \$RL

\$VFC

The 16 Best Stocks For Value Investors This Week – 8/1/15

Hanesbrands Inc. Analysis - Initial Coverage \$HBI

Other ModernGraham posts about related companies

Under Armour Inc Valuation - October 2015 Update \$UA

Michael Kors Holdings Limited Analysis – October 2015 Update \$KORS

Wolverine World Wide Inc. Analysis – September 2015 Update \$WWW

Ralph Lauren Corporation Analysis - September 2015 Update \$RL

Gap Inc Analysis – September 2015 Update \$GPS

VF Corporation Analysis – September 2015 Update \$VFC

L Brands Inc. Analysis – August 2015 Update \$LB

Abercrombie & Fitch Company Analysis - Initial Coverage \$ANF

Nike Inc. Analysis – August 2015 Update \$NKE

The Best Companies of the Apparel Industry – June 2015 \$GPS \$HBI \$KORS \$RL \$VFC