

ModernGraham Valuation

Company Name:

Hanesbrands Inc.

Company Ticker HBI

Date of Analysis

12/12/2016



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

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

1. Adequate Size of the Enterprise	Market Cap > \$2Bil	\$8,726,784,910	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.90	Fail
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	352.83%	Pass
6. Moderate PEmg Ratio	PEmg < 20	20.38	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	7.44	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	1.90	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	2.18	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	\$1.13
MG Growth Estimate	15.00%
MG Value	\$43.61
MG Value based on 3% Growth	\$16.42
MG Value based on 0% Growth	\$9.63
Market Implied Growth Rate	5.94%

MG Opinion

Current Price	\$23.08
% of Intrinsic Value	52.93%
Opinion	Undervalued
MG Grade	B-

Stage 3: Information for Further Research

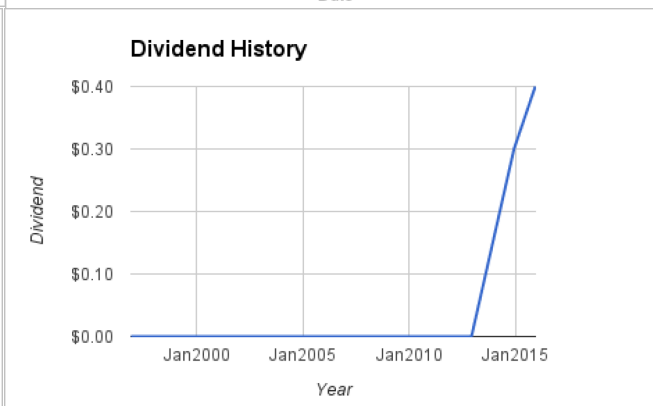
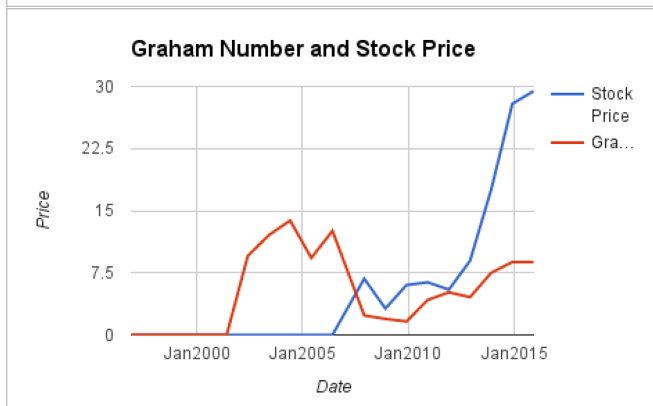
Net Current Asset Value (NCAV)	-\$6.68
Graham Number	\$10.46
PEmg	20.38
Current Ratio	1.90
PB Ratio	7.44
Current Dividend	\$0.43
Dividend Yield	1.86%
Number of Consecutive Years of Dividend Growth	4

Useful Links:

ModernGraham tagged articles	Morningstar
Google Finance	MSN Money
Yahoo Finance	Seeking Alpha
GuruFocus	SEC Filings

EPS History		EPSmg History	
Next Fiscal Year Estimate	\$1.55	Next Fiscal Year Estimate	\$1.13
Dec2015	\$1.06	Dec2015	\$0.88
Dec2014	\$0.99	Dec2014	\$0.75
Dec2013	\$0.81	Dec2013	\$0.59
Dec2012	\$0.41	Dec2012	\$0.46
Dec2011	\$0.67	Dec2011	\$0.46
Dec2010	\$0.54	Dec2010	\$0.38
Dec2009	\$0.14	Dec2009	\$0.35
Dec2008	\$0.34	Dec2008	\$0.52
Dec2007	\$0.33	Dec2007	\$0.68
Jun2006	\$0.84	Jun2006	\$0.87
Jun2005	\$0.57	Jun2005	\$0.84
Jun2004	\$1.17	Jun2004	\$0.86
Jun2003	\$1.11	Jun2003	\$0.61
Jun2002	\$0.88	Jun2002	\$0.29
Jun2001	\$0.00	Jun2001	\$0.00
Dec2000	\$0.00	Dec2000	\$0.00
Dec1999	\$0.00	Balance Sheet Information 9/1/2016	
Dec1998	\$0.00	Total Current Assets	\$3,562,127,000
Dec1997	\$0.00	Total Current Liabilities	\$1,872,880,000
Dec1996	\$0.00	Long-Term Debt	\$3,684,408,000
		Total Assets	\$7,304,334,000
		Intangible Assets	\$2,490,059,000
		Total Liabilities	\$6,117,809,000
		Shares Outstanding (Diluted Average)	382,558,000





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**
- [5 Undervalued Stocks Near Lows for Enterprising Value Investors – Aug 2016](#)
 - [26 Best Stocks For Value Investors This Week – 2/6/16](#)
 - [Hanesbrands Inc Valuation – February 2016 Update \\$HBI](#)
 - [12 Best Stocks For Value Investors This Week – 11/7/15](#)
 - [Hanesbrands Inc. Valuation – November 2015 Update \\$HBI](#)

- Other ModernGraham posts about related companies**
- [Wolverine World Wide Inc Valuation – September 2016 \\$WWW](#)
 - [Ralph Lauren Corp Valuation – August 2016 \\$RL](#)
 - [Gap Inc Valuation – August 2016 \\$GPS](#)
 - [PVH Corp Valuation – August 2016 \\$PVH](#)
 - [American Eagle Outfitters Valuation – August 2016 \\$AEO](#)
 - [Hanesbrands Inc Valuation – August 2016 \\$HBI](#)
 - [VF Corp Valuation – August 2016 \\$VFC](#)
 - [L Brands Inc Valuation – July 2016 \\$LB](#)
 - [Michael Kors Holdings Ltd Valuation – July 2016 \\$KORS](#)
 - [Under Armour Inc Valuation – June 2016 \\$UA](#)