

ModernGraham Valuation

Company Name:

Hanesbrands Inc.

Company Ticker HBI

Date of Analysis

1/7/2019



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	\$4,801,356,381	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.84	Fail
3. Earnings Stability	Positive EPS for 10 years prior		Pass
4. Dividend Record	Dividend Payments for 10 years prior		Fail
	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	128.49%	Pass
5. Earnings Growth			
6. Moderate PEmg Ratio	PEmg < 20	12.85	Pass
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	5.57	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	1.84	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	2.26	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
	Score		

Suitability

Defensive	No
Enterprising	Yes

Stage 2: Determination of Intrinsic Value

EPSmg	\$1.04
MG Growth Estimate	5.62%
MG Value	\$20.45
MG Value based on 3% Growth	\$15.02
MG Value based on 0% Growth	\$8.81
Market Implied Growth Rate	2.17%

MG Opinion

Current Price	\$13.31
% of Intrinsic Value	65.10%
Opinion	Undervalued
MG Grade	B

Stage 3: Information for Further Research

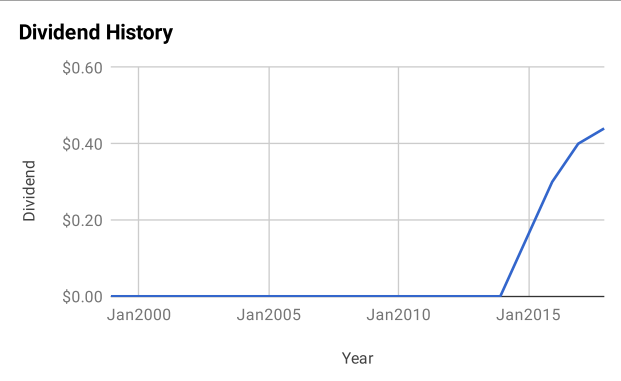
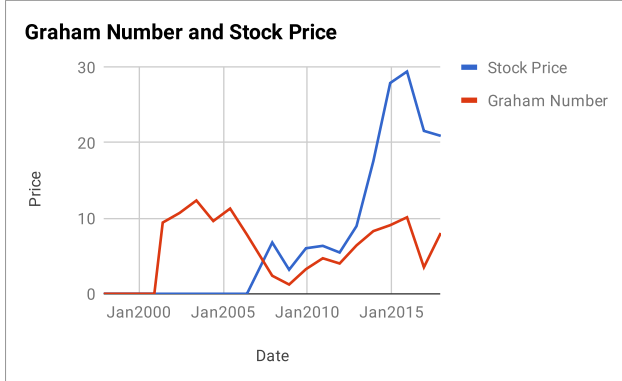
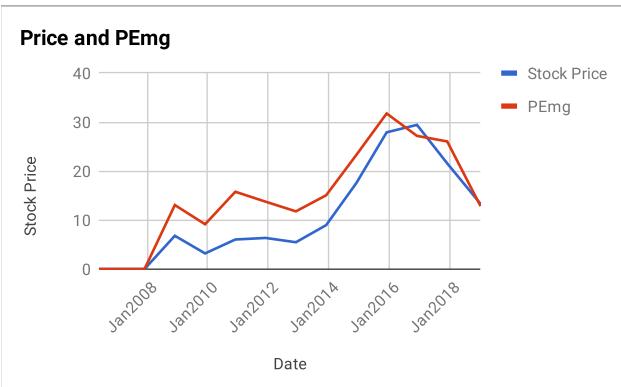
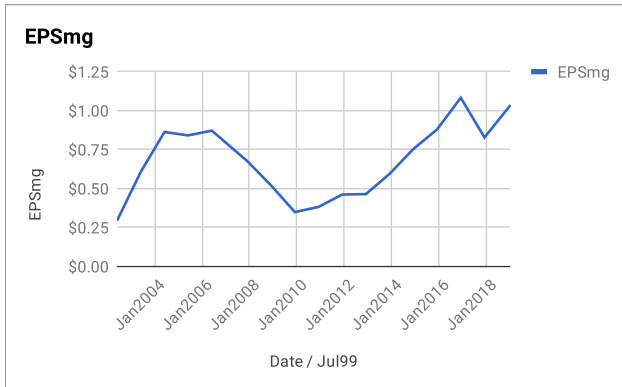
Net Current Asset Value (NCAV)	-\$7.81
Graham Number	\$8.05
PEmg	12.85
Current Ratio	1.84
PB Ratio	5.57
Current Dividend	\$0.60
Dividend Yield	4.51%
Number of Consecutive Years of Dividend Growth	5

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	\$1.51	Next Fiscal Year Estimate	\$1.04
Dec2017	\$0.17	Dec2017	\$0.83
Dec2016	\$1.40	Dec2016	\$1.08
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	Balance Sheet Information 9/1/2018	
Dec2000	\$0.00	Total Current Assets	\$3,737,205,000
Dec1999	\$0.00	Total Current Liabilities	\$2,027,128,000
Dec1998	\$0.00	Long-Term Debt	\$3,863,580,000
		Total Assets	\$7,455,506,000
		Intangible Assets	\$2,838,672,000
		Total Liabilities	\$6,584,918,000
		Shares Outstanding (Diluted Average)	364,638,000





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**
- [10 Best Dividend Paying Stocks for the Enterprising Investor – September 2018](#)
 - [10 Best Dividend Paying Stocks for the Enterprising Investor – May 2018](#)
 - [5 Companies for Enterprising Investors Near 52 Week Lows – April 2018](#)
 - [5 Great Stocks This Week – 3/12/18](#)
 - [Hanesbrands Inc Valuation – March 2018 \\$HBI](#)

- Other ModernGraham posts about related companies**
- [L Brands Inc Valuation – January 2019 \\$LB](#)
 - [Nike Inc Valuation – November 2018 \\$NKE](#)
 - [Deckers Outdoor Corp Valuation – May 2018 \\$DECK](#)
 - [Ralph Lauren Corp Valuation – May 2018 \\$RRL](#)
 - [Abercrombie & Fitch Co Valuation – May 2018 \\$ANF](#)
 - [Steven Madden Ltd Valuation – May 2018 \\$SHOO](#)
 - [Stage Stores Inc Valuation – May 2018 \\$SSI](#)
 - [American Eagle Outfitters Inc Valuation – May 2018 \\$AEO](#)
 - [Crocs Inc Valuation – May 2018 \\$CROX](#)
 - [Chico's FAS Inc Valuation – May 2018 \\$CHS](#)