

FOR IMMEDIATE RELEASE

**BARINGTON CAPITAL SENDS LETTER CALLING FOR CHANGE AT HANESBRANDS**

*Believes Hanesbrands Must Immediately Focus on Reducing Costs and Debt to Create Long-Term Shareholder Value*

*Questions Ability of Current Board and Management Team to Effectively Lead the Business*

**New York, August 8, 2023** – Barington Capital Group L.P. and its affiliates (“Barington”), a fundamental, value-oriented activist investor which is a shareholder of Hanesbrands Inc. (NYSE: HBI) (“Hanesbrands” or the “Company”), yesterday sent a letter to Ronald L. Nelson, Chairman of Hanesbrands, calling for immediate and decisive actions to create long-term value for shareholders.

In its letter, Barington highlights that Hanesbrands’ share price has declined by -51.6% in the last year alone.<sup>1</sup> Barington believes this destruction in value is due to the Company’s largely ineffective response to recent market challenges, poor operating performance, and excessive debt burden. Hanesbrands has underperformed its proxy statement peer group, the Russell 2000, and the S&P 500 over the last 1-, 3-, 5-, 10-, 15-, and 17-year periods.<sup>2</sup>

In order to generate cash, reduce debt, and ultimately create sustainable value for shareholders, Barington recommends that the Company immediately take the following critical actions:

1. Reduce SG&A expense by at least \$300 million per year, in line with more reasonable, market-based expectations for growth, and use the resulting cash savings primarily to reduce debt.
2. Ensure the reduction of inventories by the end of this calendar year to less than 170 days outstanding, by closely monitoring stock levels, production, and purchases, with further operational improvement resulting in inventory reductions to 150 days outstanding over the following 18 months, again with substantially all proceeds earmarked for debt reduction.
3. Accelerate gross margin recovery through further facility consolidation and operating process improvements.

Additionally, in its letter, Barington questions the ability of the incumbent board and management team to guide the Company through its current challenges. Barington believes the Company may need to retain a new Chief Executive Officer and add directors with the relevant skills and industry experience required to implement its plan to create long-term shareholder value.

James Mitarotonda, Chairman of Barington, said, “We invested in Hanesbrands because we believe in its recognized portfolio of value brands, strong distribution capabilities, and unique vertically integrated

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<sup>1</sup> As of close of trading on August 3, 2023, and including re-investment of dividends, per S&P Capital IQ.

<sup>2</sup> The Company’s Adjusted Proxy Statement Peer Group is market-cap weighted and includes the Company’s peers identified in its FY 2022 Proxy Statement, which consists of American Eagle Outfitters, Inc.; Carter’s Inc.; Foot Locker, Inc.; Gildan Activewear, Inc.; lululemon athletica, inc.; Levi Strauss & Co.; PVH Corp.; Ralph Lauren Corp.; Tapestry, Inc.; The Gap, Inc.; Under Armour, Inc.; V.F. Corporation; The Clorox Company; The Hershey Company; Newell Brands Inc.; and Stanley Black & Decker, Inc. Excludes L Brands, Inc. due to separation of Victoria’s Secret & Co. from Bath & Body Works, Inc.

operating model. However, the Company's poor execution and performance under current leadership has destroyed substantial shareholder value and left the Company in a precarious position."

Mr. Mitarotonda continued, "In order to reverse Hanesbrands' rapidly declining share price, we believe the Company must immediately focus on cash generation and debt reduction while also considering new management and directors to implement these performance enhancing initiatives. Barington has a proven track record of successfully investing in consumer and retail and apparel companies, and we look forward to bringing this considerable sector experience to assist in the creation of long-term value for Hanesbrands shareholders."

The full text of the letter can be found at: <https://barington.com/hanesbrands>

### **About Barington Capital Group, L.P.**

Barington Capital Group, L.P. ("Barington") is a fundamental, value-oriented activist investment fund founded in 2000 by James A. Mitarotonda. Barington invests in undervalued publicly traded companies that Barington believes can appreciate significantly in value when substantive improvements are made to their operations, corporate strategy, capital allocation and corporate governance. Barington's investment team, advisors and network of industry experts draw upon their extensive strategic, operating and boardroom experience to assist companies in designing and implementing initiatives to improve long-term shareholder value.