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June 26, 2020

VIA FEDERAL EXPRESS
Mr. Ronald L. Nelson
Chairman of the Board
Hanesbrands, Inc.
1000 East Hanes Mills Rd
Winston-Salem, NC 27105

Re: A compelling growth opportunity for Hanesbrands, Inc.

Dear Mr. Nelson:

On behalf of funds advised by Kingdom Capital Management ("KCM" or "we"), a long-term investor in Hanesbrands, Inc. ("Hanes" or the "Company"), we are writing to share an opportunity for the Company's future.

KCM has been a shareholder in Hanes since 2016. We have been and remain firm believers in the company's brands, unique product offering, innovations, and long-term prospects. This belief comes from our thorough analysis and due diligence of the company's brands, positioning, culture, and history. We applaud the management team for their resiliency during the COVID-19 pandemic and in a challenging retail environment.

KCM sees an opportunity for Hanes to play offense amidst a secular shift in retail—transitioning from physical stores to the online-based market. We believe a large acquisition can position the company to effectively compete in this new environment. **Below you will find a detailed review on the strategic rationale for an acquisition and merger with Under Armour ("UA" or the "Target Company"). We have concluded that the best approach for Hanes and its shareholders involves a large-scale business combination. This deal has the potential to immediately improve the company's profile by taking advantage of the combined scale of both companies. The result would increase business diversification and streamline the cost structure via synergies, creating a more dynamic and stronger Hanes.**

KCM does not have any disagreements with Hanes's management team or the board of directors. KCM believes in the management's ability to innovate. Historically, Hanes has been a well-run company. We hold the opinion that the management could not have predicted the pace at which the industry has evolved in recent years. What used to be Hanes's biggest strengths (a large brick and mortar retail presence and its vertically integrated supply chain) have now created a unique set of challenges. It would be impossible for the company to "right-size" the ship overnight, and we understand this. Therefore, we have concluded that the best course of action is a strategic merger. Through our internal analysis and financial modeling, we found that the merger will in fact be a merger of equals.

Below you will find a summary of our transaction assumptions and the combined company financials. We have conservatively forecasted the financials of the combined company, factoring in cost synergies and transaction costs[1]. The transaction-related assumptions and synergies are estimated using previously completed mergers in the retail industry by similarly sized companies as a guide[2]. The figures and transaction assumptions for Hanes's and UA's share prices are as of June 17, 2020. We have assumed a minimum cash balance (cash required) to run daily operations for the combined company of approximately $350 million. Purchase funding assumes a mix of debt, cash, and equity. Hanes will use a portion of its available cash on its balance sheet and a portion of UA's available cash, leaving a minimum of $350 million on the combined company's balance sheet. The structure of the deal is reflected in the "Transaction Assumptions" table below.

Merger Model – Hanesbrands, Inc. and Under Armour, Inc.

($ in Millions, Except Per Share Amounts in Dollars as Stated)

Transaction Assumptions

Target - "Undisturbed" Share Price:	$ 10.00	Advisory Fee %:		1.0%	
Premium Paid to Target's Share Price:	30.0%	Debt Issuance Fee %:		3.0%	
Offer Price per Share:	$ 13.00	Amortization Period (Years):		5	
Price at Which Acquirer Issues Shares:	$ 13.00	Breakup Fee Paid to Previous Target:		$ 48.0	
		Legal and Other Fees:		$ 83.7	
Purchase Equity Value:	$ 5,920.1				
Purchase Enterprise Value:	6,324.7	Combined Minimum Cash Balance:		$ 350.0	
Implied LTM EV / EBITDA Multiple:	14.4 x	Pre-Deal Combined Cash Balance:		1,122.3	
Implied LTM EV / Revenue Multiple:	1.2 x				
			Amount:	Pre-Tax Cost:	After-Tax Cost:
% Cash:	5.0%	Cash Used:	$ 296.0	0.0%	0.0%
% Debt:	55.0%	Debt Issued:	3,256.1	5.4%	4.0%
% Stock:	40.0%	New Shares Issued (Millions):	182.157		19.7%
		Weighted Average Acquisition Cost:			10.1%
Revenue Synergies % Combined Revenue:	2.0%	Target's "Yield":			1.3%
Gross Margin on Revenue Synergies:	42.7%				

1 The financial data of Hanesbrands, Inc. and Under Armour, Inc. were sourced from Reuters/Refinitiv and aggregated through each company's SEC filings.
2 For guidance, we used Reuters/Refinitiv data for the 2017 Michael Kors acquisition of Jimmy Choo and Versace, the 2017 PVH acquisition of True&Co, and the 2018 acquisition of Camuto Group by DSW and Authentic Brands.

Estimates - Long-Term Synergies:

Cost of Goods Sold:	$ 100.0
General & Administrative:	50.0
Stores:	14.0
E-Commerce:	20.0
Advertising Media:	6.0
Total Long-Term Synergies:	**$ 190.0**

Implied # of Stores Closed:	
Average SG&A Expense per Store:	1.88
Implied # of Stores Closed:	7.4
% Total Stores as of Deal Close:	0.5%
COGS Synergies % Combined COGS:	1.0%
OpEx Synergies % Combined OpEx:	1.5%

		Historical			Projected				
Estimated Annual Synergies	*Units*	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24
% Synergies Realized:	%				16.0%	50.0%	85.0%	100.0%	100.0%
COGS Synergies:	*$M*				$ 16.0	$ 50.0	$ 85.0	$ 100.0	$ 100.0
OpEx Synergies:	*$M*				14.4	45.0	76.5	90.0	90.0
Total Annual Synergies:	*$M*				**$ 30.4**	**$ 95.0**	**$ 161.5**	**$ 190.0**	**$ 190.0**
Integration Costs:	*$M*				33.3	66.7	-	-	-

		Projected				
Combined Income Statement	*Units*	FY20	FY21	FY22	FY23	FY24
Acquirer - Revenue:	*$M*	$ 7,984.0	$ 8,133.7	$ 8,233.5	$ 8,433.1	$ 8,582.8
Target - Revenue:	*$M*	6,330.0	7,524.0	8,516.2	9,083.0	9,500.4
Revenue Synergies:	*$M*	286.3	313.2	335.0	350.3	361.7
Total Revenue:	*$M*	**14,600.3**	**15,970.9**	**17,084.7**	**17,866.4**	**18,444.9**
Acquirer - Cost of Goods Sold:	*$M*	4,764.9	4,854.2	4,913.8	5,032.9	5,122.2
Target - Cost of Goods Sold:	*$M*	3,437.3	4,085.6	4,624.4	4,932.2	5,158.9
COGS Associated w/ Rev. Synergies:	*$M*	164.0	179.4	192.0	200.7	207.2
COGS Synergies:	*$M*	(16.0)	(50.0)	(85.0)	(100.0)	(100.0)
Total COGS:	*$M*	**8,350.2**	**9,069.3**	**9,645.2**	**10,065.8**	**10,388.3**
Gross Profit:	*$M*	**6,250.1**	**6,901.5**	**7,439.5**	**7,800.6**	**8,056.5**
Acquirer - SG&A Expense:	*$M*	1,876.2	1,876.2	1,876.2	1,876.2	1,876.2
Target - SG&A Expense:	*$M*	2,669.4	3,172.9	3,591.3	3,830.3	4,006.3
Acquirer - Rental Expense:	*$M*	166.8	154.7	159.7	159.7	164.7
Target - Rental Expense:	*$M*	125.1	169.4	157.2	138.0	121.3
Goodwill Impairment Charge:	*$M*	152.7	152.7	152.7	152.7	152.7
Asset Impairment Charges:	*$M*	7.1	7.1	7.1	7.1	7.1
OpEx Synergies:	*$M*	(14.4)	(45.0)	(76.5)	(90.0)	(90.0)
Amortization of New Intangibles:	*$M*	43.2	43.2	43.2	43.2	43.2
Depreciation from PP&E Write-Up:	*$M*	17.3	17.3	17.3	17.3	17.3
Operating Income:	*$M*	**1,206.6**	**1,352.9**	**1,511.3**	**1,666.0**	**1,757.6**
Acquirer - Net Interest Inc. / (Expense):	*$M*	175.2	174.6	174.6	174.6	174.6
Target - Net Interest Inc. / (Expense):	*$M*	0.5	0.5	0.5	0.5	0.5
Foregone Interest on Cash:	*$M*	-	-	-	-	-
Interest Paid on New Debt Issued:	*$M*	(350.6)	(318.6)	(309.3)	(294.7)	(262.5)
Interest Saved on Refinanced Debt:	*$M*	(175.2)	(174.6)	(174.6)	(174.6)	(174.6)
Amortization of Financing Fees:	*$M*	(19.5)	(19.5)	(19.5)	(19.5)	(19.5)
Net Interest Income / (Expense):	*$M*	**(369.6)**	**(337.6)**	**(328.3)**	**(313.7)**	**(281.5)**
Pre-Tax Income:	*$M*	**837.0**	**1,015.3**	**1,183.0**	**1,352.3**	**1,476.1**
Income Tax Provision:	*$M*	209.2	253.8	295.7	338.1	369.0
Net Income:	*$M*	**627.7**	**761.5**	**887.2**	**1,014.2**	**1,107.1**
Net (Income) Loss Attrib. to NCI:	*$M*	25.0	25.0	25.0	25.0	25.0
Net Income to Common:	*$M*	**$ 652.7**	**$ 786.5**	**$ 912.2**	**$ 1,039.2**	**$ 1,132.1**
Acquirer - Avg. Dil. Shares:	*M Shares*	359.000	359.000	359.000	359.000	359.000
Shares Issued in Transaction:	*M Shares*	182.157	182.157	182.157	182.157	182.157
Total Diluted Shares:	*M Shares*	**541.157**	**541.157**	**541.157**	**541.157**	**541.157**
Acquirer - Standalone EPS:	*$ / Share*	$ 2.56	$ 2.71	$ 2.78	$ 2.95	$ 3.07
Earnings Per Share (EPS):	*$ / Share*	**$ 1.21**	**$ 1.45**	**$ 1.69**	**$ 1.92**	**$ 2.09**

Combined Co. - Key Metrics and Ratios	Units	Projected				
		FY20	FY21	FY22	FY23	FY24
EBITDA Calculation:						
Operating Income:	$M	$ 1,206.6	$ 1,352.9	$ 1,511.3	$ 1,666.0	$ 1,757.6
Depreciation & Amortization:	$M	374.0	418.7	455.4	479.1	496.6
Amortization of New Intangibles:	$M	43.2	43.2	43.2	43.2	43.2
Depreciation of PP&E Write-Up:	$M	17.3	17.3	17.3	17.3	17.3
Legacy amortization of debt	$M	11.6	11.8	12.0	12.3	12.5
Loss on Disposition of Assets:	$M	5.5	5.5	5.5	5.5	5.5
Goodwill Impairment Charge:	$M	152.7	152.7	152.7	152.7	152.7
Asset Impairment Charge:	$M	47.2	47.2	47.2	47.2	47.2
EBITDA:	$M	**1,858.1**	**2,049.4**	**2,244.6**	**2,423.3**	**2,532.6**
Rental Expense:	$M	291.9	324.1	316.9	297.7	286.0
EBITDAR:	$M	**$ 2,150.1**	**$ 2,373.6**	**$ 2,561.5**	**$ 2,721.0**	**$ 2,818.6**
Beginning Shareholders' Equity:	$M	**3,528.7**	**3,950.9**	**4,494.5**	**5,157.7**	**5,934.0**
Plus: Net Income:	$M	627.7	761.5	887.2	1,014.2	1,107.1
Less: Dividends:	$M	(205.5)	(217.9)	(224.0)	(237.9)	(247.4)
Ending Shareholders' Equity:	$M	**$ 3,950.9**	**$ 4,494.5**	**$ 5,157.7**	**$ 5,934.0**	**$ 6,793.7**
Revenue Growth:	%	*19.3%*	*9.4%*	*7.0%*	*4.6%*	*3.2%*
Gross Margin:	%	*42.8%*	*43.2%*	*43.5%*	*43.7%*	*43.7%*
Operating Margin:	%	*8.3%*	*8.5%*	*8.8%*	*9.3%*	*9.5%*
EBITDA Margin:	%	*12.7%*	*12.8%*	*13.1%*	*13.6%*	*13.7%*
EBITDAR Margin:	%	*14.7%*	*14.9%*	*15.0%*	*15.2%*	*15.3%*
Net Margin:	%	*4.5%*	*4.9%*	*5.3%*	*5.8%*	*6.1%*
Effective Tax Rate:	%	*25.0%*	*25.0%*	*25.0%*	*25.0%*	*25.0%*
D&A % Revenue:	%	*2.6%*	*2.6%*	*2.7%*	*2.7%*	*2.7%*
CapEx % Revenue:	%	*2.5%*	*2.6%*	*2.7%*	*2.7%*	*2.7%*
Total Debt / EBITDA:	x	*3.8 x*	*3.0 x*	*2.4 x*	*2.0 x*	*1.7 x*
Total Debt / EBITDAR:	x	*3.3 x*	*2.6 x*	*2.1 x*	*1.8 x*	*1.5 x*
Net Debt / EBITDA:	x	*3.5 x*	*2.8 x*	*2.2 x*	*1.8 x*	*1.5 x*
Net Debt / EBITDAR:	x	*3.0 x*	*2.4 x*	*1.9 x*	*1.6 x*	*1.4 x*
EBITDA / Net Interest Expense:	x	*5.0 x*	*6.1 x*	*6.8 x*	*7.7 x*	*9.0 x*
EBITDAR / Net Interest Expense:	x	*5.8 x*	*7.0 x*	*7.8 x*	*8.7 x*	*10.0 x*
Total Debt / Equity:	x	*1.8 x*	*1.4 x*	*1.1 x*	*0.8 x*	*0.6 x*
Total Debt / Capital:	%	*63.9%*	*58.0%*	*51.5%*	*45.1%*	*39.1%*
Net Debt / Equity:	x	*1.6 x*	*1.3 x*	*1.0 x*	*0.7 x*	*0.6 x*
Net Debt / Net Capital:	%	*62.1%*	*55.8%*	*48.9%*	*42.2%*	*36.0%*

Over the past 4 years, we have observed volatility in Hanes's operations, which in turn has led to share price underperformance relative to its peer group. Based on the market's evaluation of Hanes, we have concluded that there is a lack of communication from the company on a clear path forward. This includes specific goals, financial targets, and the necessary timeline and milestones needed to achieve them. The market continues to take a "wait-and-see" or a "show-me-first" approach. We firmly conclude that the market's perception of Hanes's attractiveness as an investment will remain stagnant unless a drastic change occurs sooner than later. The competitive landscape and evolving dynamics within the retail sector are too powerful to ignore; therefore, decisive action is necessary for Hanes to remain competitive and maintain consumer appeal.

Despite Hanes's popular brands, unique history, culture, and recent operational improvements, the company's share price has persistently lagged, as evidenced in the charts below. Hanes's valuation multiple has steadily trended lower, for example, the average EV/EBIT multiple was 13.9x from 2016 to 2019. However, the multiple has contracted from a high of 17.5x at year end 2016 to 9.8x by year end 2019[3]. The change in the multiple applied to Hanes's future expected operating results have contributed meaningfully to its underperformance in shareholder returns on an absolute basis.

HBI Price to EV/EBIT Multiple (Dec-31-2016 to Dec-31-2019)

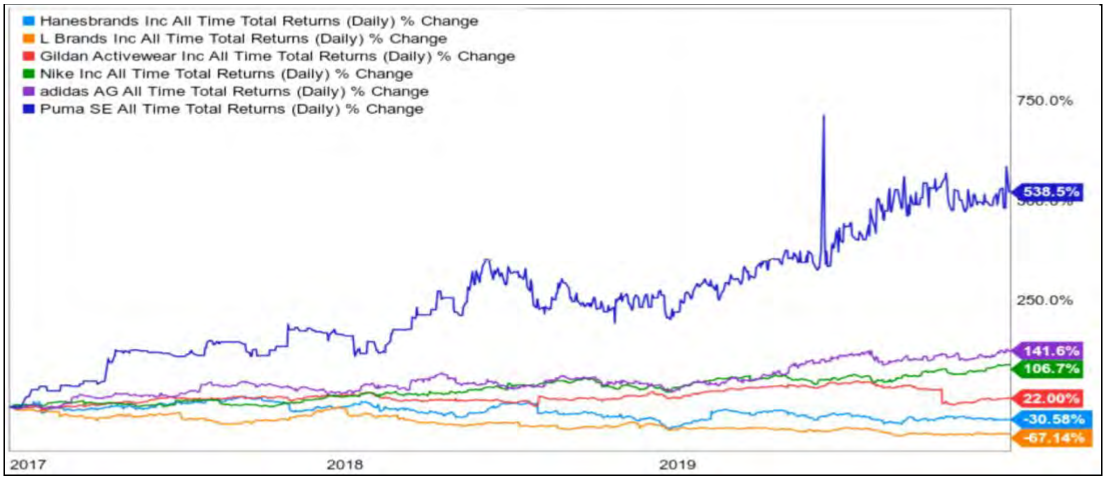
On a relative basis, Hanes has underperformed most stock market indices over the same time[4].This timeframe includes Hanes's corporate transformation initiatives[5].

HBI vs. Market and Industry Indices (Dec-31-2016 to Dec-31-2019)

3 Source: YCharts EV/FY1 EBIT from Dec-31-2016 to Dec-31-2019.
4 Source: YCharts Hanesbrands Inc. all time total daily percentage return from Dec-31-2016 to Dec-31-2019 vs. SPX ETF, a proxy for the S&P 500 index, iShares Retail ETF, and Vanguard Consumer Discretionary ETF.
5 Source: Hanesbrands Inc. 10-K filings MD&A sections for the full years of 2017, 2018, and 2019.

Similarly, Hanes has lagged its competitors, apart from L Brands Inc[6].

HBI vs. Peer Group (Dec-31-2016 to Dec-31-2019)



Negative market sentiment persists and weighs heavily on Hanes's share price. Confidence in Hanes's corporate transformation strategy is mixed, which further highlights the misunderstandings regarding Hanes's strategy and goals. Specifically, skepticism has persisted around Hanes's ability to compete in the active wear segment. Below you will find excerpts from recent research reports by leading investment banks, providing further examples of the analyst community's perception of Hanes.

"Even after COVID-19 impacts end, HBI has two main issues: First, athletic wear brands, private label, and small upstarts are all taking share. Second, HBI lacks a strong US direct-to-consumer channel necessary to engage consumers as they migrate away from traditional brick & mortar retail. We see sales in the long run for this business stabilizing at $2.4B." – UBS, May 1, 2020

"We have an Underperform rating for HBI. We expect multiple contraction driven by slower 2020 growth, exacerbated by slower core Champion growth and the exit of C9 from Target. We also think choppy US inner-wear sales (38% of sales), private label competition and elevated leverage will cap near term multiple expansion." – BofA Global Research, April 20, 2020

As the company invested and allocated corporate resources towards innovation and product launches, revenue has grown, but profitability has lagged. KCM agrees with market sentiment regarding Hanes's participation in the active wear segment. With that said, we appreciate management's willingness to take advantage of the growing active wear market. Nevertheless, our analysis has led us to conclude Hanes

6 Source: YCharts Hanesbrands Inc. all-time total daily percentage return from Dec-31-2016 to Dec-31-2019 vs. peers listed in its 2019 10-K filing, comprising L Brands, Gildan, Nike, Adidas, and Puma SE.

was a late entrant in this category and is consistently playing catch up. Thus, it lags established competitors, who possess stronger brand presence and lower cost structures in some cases.

KCM has concluded that a large-scale corporate transformation is needed and timely for Hanes. Hanes should utilize the company's valuable supply chain assets and buy UA's stronger active wear brand. Hanes has historically been successful through its innerwear brands. Although Hanes's active wear revenue is growing, innerwear has traditionally shown higher margins and return on assets utilized[7]. KCM speculates that Hanes's investment and attention to active wear has resulted in a lack of focus on the traditional innerwear business. We think that buying the Target Company will allow Hanes to diversify operations and stay ahead of the active wear curve, a category that continues to grow in stature[8]. A merger with the Target Company is compelling and will provide synergy to Hanes's established brands and operations. Merging with UA will establish Hanes's presence in active wear and immediately improve its presence in online shopping as well.

Segment Returns and Growth Metrics

Hanesbrands Inc. , HBI	FY 16 31-12-2016	FY 17 30-12-2017	FY 18 29-12-2018	FY 19 28-12-2019
INNERWEAR				
External Revenue	**$2,544**	**$2,463**	**$2,380**	**$2,303**
% Growth		*(3.2%)*	*(3.4%)*	*(3.2%)*
Operating Income/Loss	**$564**	**$528**	**$527**	**$516**
% Growth		*(6.4%)*	*(0.2%)*	*(2.1%)*
% of Revenue	*22.2%*	*21.4%*	*22.1%*	*22.4%*
% Return on Assets	*35.3%*	*33.7%*	*35.8%*	*38.5%*
Total Assets	**$1,604**	**$1,578**	**$1,484**	**$1,353**
Fixed Assets - Purchased	$28	$21	$20	$17
Depreciation & Amortization	$37	$32	$33	$30
ACTIVEWEAR				
External Revenue	**$1,601**	**$1,654**	**$1,792**	**$1,855**
% Growth		*3.3%*	*8.3%*	*3.5%*
Operating Income/Loss	**$225**	**$228**	**$267**	**$281**
% Growth		*1.3%*	*8.3%*	*3.5%*
% of Revenue	*14.0%*	*13.8%*	*14.9%*	*15.2%*
% Return on Assets	*25.9%*	*26.3%*	*25.1%*	*27.0%*
Total Assets	**$874**	**$872**	**$1,069**	**$1,046**
Fixed Assets - Purchased	$12	$11	$16	$20
Depreciation & Amortization	$19	$19	$19	$24

7 The financial data is based on Hanes's historical financials from historical 10-K filings with the SEC.
8 Growth rate calculation year-over-year, return on assets calculated using operating income divided by total assets at the end of the reporting year, adding new fixed assets purchased and subtracting D&A in the same year.

UA is a unique asset, with strong brand awareness and popularity. Their technology is developed, unique, and proven. As market sentiment on UA has deteriorated, we think that Hanes has a once-in-a-decade opportunity to take advantage. In recent years, UA has been expanding rapidly into brick and mortal retail. As you know, this has been the exact opposite of what industry peers have been doing, namely consolidating physical stores instead. As a result, we expect much of UA's growth to come from international markets where the brand is not as well known. Hanes has a stronger international presence, pointing to another reason for undertaking the merger. Moreover, given the COVID-19 pandemic, the Target Company's turnaround has been on hold, as forced store closures have taken effect; as a result, the company has seen a significant decline in revenue. The stock price and market have reflected this new reality in UA's share price.

Consequently, we affirm that the macro dislocation surrounding UA provides a golden opportunity for Hanes to seize. Hanes has been closing brick and mortar stores in recent years and working to develop and transform itself into a hybrid retailer (online with brick/mortar). UA did the exact opposite; it established an online platform and then decided to expand its physical presence. A merger between Hanes and UA takes advantage of both companies' established strengths and bridges areas of deficiency in each company. If acted upon, Hanes will be a stronger, more balanced company, with an improved competitive position going forward.

Finally, Hanes's supply chain assets can be applied strategically to UA's products and customers. This transaction would establish economies of scale immediately. The combined company would achieve higher margins on a larger revenue base, resulting in lower cost of goods sold and corporate expenses as a percentage of revenue. Hanes could take advantage of this excess capital and allocate it toward future growth initiatives. Synergies can be realized in marketing, cost of goods, logistics, and rent expense, among others (as shown in the transaction assumptions and financial summary on pages 2 and 3).

Mr. Nelson, thank you for the opportunity to share our insights on how Hanes's future can be stronger and better positioned to navigate the cyclical challenges of the industry. We believe that if our advice is acted upon, the benefits will yield an overwhelmingly positive result for Hanes and UA's shareholders. We look forward to engaging in further discussions with you, or any of Hanes' representatives in the coming weeks.

Sincerely,

Kinny R. Madori	Kyle M. Levy
CEO & Portfolio Manager	Investment Analyst