DCF Valuation Model

Date:	12/21/2016							
Company:	HBI		Input only fields that are highlighted!					
Price/ Share:	22.1							
Shares Outstanding:	377.8							
Operating Data								
	2013	2014	2015	2016 P	2017 P	2018 P	2019 P	2020 P
Revenue	4,623	5,325	5,732	6,133	6,563	6,956	7,304	7,596
Rev. Growth %		0.15184944	0.07643192	7.00%	7.00%	6.00%	5.00%	4.00%
EBITDA	613	668	706	736	788	765	730	760
EBITDA Margin%		0.125446009	0.123168178	12.00%	12.00%	11.00%	10.00%	10.00%
EBIT	515	564	595	613	656	626	584	608
EBIT Margin %	0.111399524	0.105915493	0.10380321	10.00%	10.00%	9.00%	8.00%	8.00%
Depreciation/ Amort.	98	104	111	123	131	139	146	152
D&A as % of Rev.		0.019530516	0.019364968	0.02	0.02	0.02	0.02	0.02
Balance Sheet Data								
	2013	2014	2015	2016 P	2017 P	2018 P	2019 P	2020 P
Cash			490	5,000	4,500	4,500	4,500	5,000
Accounts Rec.			962	1029	1101	1167	1238	1312
Inventories			2005	2145.35	2295.52	2433.26	2579.25	2734.01
Prepaid Expenses			145	155	166	174	183	192
Accounts Payable			758	811	868	920	975	1034
Accrued Expenses			1115	1193	1277	1353	1434	1520
Debt			3684	7000	7000	6800	6700	6500
CAPEX			300	1110	278	300	321	343

A/R Growth %				7.0%	7.0%	6.0%	6.0%	6.0%
Inventories Growth%				7.0%	7.0%	6.0%	6.0%	6.0%
Prepaid Growth%				7.0%	7.0%	5.0%	5.0%	5.0%
A/P Growth%				7.0%	7.0%	6.0%	6.0%	6.0%
Accrued Exp %				7.0%	7.0%	6.0%	6.0%	6.0%
CAPEX Growth%				270.0%	-75.0%	8.0%	7.0%	7.0%

Free Cash Flows

	2013	2014	2015	2016 P	2017 P	2018 P	2019 P	2020 P
Forcasted Period				1	2	3	4	5
Total Revenues				6,133	6,563	6,956	7,304	7,596
EBITDA				736	788	765	730	760
EBIT				613	656	626	584	608
Effective tax rate				12.0%	12.0%	12.0%	12.0%	12.0%
EBIAT (NOPAT)				**540**	**578**	**551**	**514**	**535**
Depreciation/ Amort.				123	131	139	146	152
A/R				-67	-72	-66	-70	-74
Inventories				-140.35	-150.17	-137.73	-146.00	-154.76
Prepaid Expenses				-10	-11	-8	-9	-9
A/P				53	57	52	55	59
Accrued Expenses				78	84	77	81	86
CAPEX				-810	833	-22	-21	-22
Unlevered Free Cash Flow				-234	1448	584	551	571
WACC				5.81%	5.81%	5.81%	5.81%	5.81%
Present value of FCS				-221.47	1293.76	493.34	439.54	430.28
Sum Present Value of FCS		**2435.45**						

Terminal Value

Long term growth rate	2.00%
WACC	5.81%
Free cash flow t+1	582.08
Terminal value	15278.86

Present value of T	**$11,520**	Stage 1						
WACC								
Share Price	22.1							
Diluted share outsta	377.8							
Cost of Debt	4.00%		YTM	Risk Free:	2.50%			
Tax rate	12.00%			Market Ret	7.00%			
After-tax Cost of De	3.5%			Beta:	0.96			
Cost of Equity	6.82%		Capital asset pricing mo		equals: risk free+Beta(marke trisk premium)			
Total Debt	3684							
Total Equity	8349.38							
Total Capital	$12,033	Stage 2						
Debt weight	30.61%							
Equity weight	69.39%							
WACC =	5.81%							
Enterprise Value to Equity Value								
Enterprise value	$13,956	Sum of stage 1 & 2						
Less net debt	$3,194		Add in all debt, including Preferred shares if applicable, subtract cash					
equity value:	**$10,762**							
Diluted shares outs	377.8							
Equity Value Per Sh	$28.49	$10,761.74						
Price/ Share:	22.1							
Implied up(down)sid	28.89%							