VGR

// Q3 2026

GILDAN®

Hanes COMFORT COLORS® American Apparel BALI® MAIDENFORM Playtex

VGR MARKET INTELLIGENCE

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01

Executive Summary

Primary source: Gildan Activewear Inc., "Gildan Reports Third Quarter Results and Updates its Full Year 2026 Guidance", Form 6-K Exhibit 99.1, 5 November 2026. https://www.sec.gov/Archives/edgar/data/1061894/000106189426000025/exhibit991q32026newsrelease.htm

The tariff refund is 96% of the rise in adjusted operating income

Gildan Activewear reported third-quarter net sales of $1,466.6m, up 61.1%, and adjusted operating income of $396.2m, up 87.3%, at a margin of 27.0%. The company recorded IEEPA tariff refunds of approximately $177m in gross profit. Without them, VGR arithmetic gives adjusted operating income of about $219.2m, up about 3.6%, and a margin of about 14.9% against 23.2%.

On the company's proforma base, sales fell 8.9%

The 61.1% rise reflects the HanesBrands acquisition of 1 December 2025, which the 2025 quarter does not contain. Against proforma net sales from continuing operations of $1,610.2m, Wholesale fell 10.8% and Retail 7.0%. Sales were about $183m below the guide of approximately $1.65bn, which the company attributes to roughly $100m of weaker demand and mix and roughly $60m of availability and service constraints.

The revenue guide was cut by $550m and the 2026-2028 objectives were withdrawn

Full-year revenue is now $5.4bn to $5.5bn, against the low end of $6.0bn to $6.2bn, and adjusted diluted EPS $3.70 to $3.80, against $4.65 to $4.75. After nine months at $4,215.1m, the range implies fourth-quarter sales of about $1,185m to $1,285m, 12.5% to 19.3% below the proforma fourth quarter of 2025.

Inventories fell 12.7% since December while leverage stands at 2.7x

Inventories were $2,068.3m against $2,370.2m at 28 December 2025. Days of inventory on reported cost of sales are about 224, or about 185 without the refund. Net debt was $4,135.4m, 2.7x adjusted EBITDA against 3.0x, and about 3.1x if the $202m received in nine months is removed from the trailing figure.

Retail is now half of sales

Retail was 49.9% of third-quarter sales against 13.4% a year earlier. Wholesale fell 6.8% to $734.8m. Customers in the United States supplied 90.6% of sales, and Canada fell 17.0% on the proforma base while International rose 1.5%.

WHAT TO WATCH

Continuation: fourth-quarter sales inside the $1,185m to $1,285m the guidance implies.

Break: fourth-quarter adjusted operating income below the implied $165m, with only about $18m of refunds left to receive.

VGR will publish the full-year analysis when the figures are released.

The period in figures

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GILDAN ACTIVEWEAR INC. · TSX/NYSE: GIL · THIRD QUARTER 2026 · USD AS PUBLISHED

FINANCIAL YEAR ENDS 3 JANUARY 2027 · PERIOD ENDED 27 SEPTEMBER 2026 · REPORTED 5 NOVEMBER 2026 · ANALYSIS 7 NOVEMBER 2026

NET REVENUES	GROSS PROFIT	OPERATING PROFIT	NET PROFIT
+61.1%	**+107.0%**	**+87.3%**	**+110.6%**
1,466.6 vs 910.6	634.6 vs 306.6	396.2 vs 211.6	253.1 vs 120.2

	GROSS MARGIN	OPERATING MARGIN	RoS
	43.3%	**27.0%**	**17.3%**
	from 33.7%	from 23.2%	from 13.2%

SALES VS PROFORMA	MARGIN EX-REFUND	INVENTORIES	NET DEBT/EBITDA
−8.9%	**14.9%**	**$2,068m**	**2.7x**
1,466.6 vs 1,610.2	from 23.2%	from $2,370m (Dec)	from 3.0x (Dec)

$m, quarter against the same quarter a year earlier; gross and operating profit adjusted; 2025 contains no HanesBrands; 2026 includes a tariff refund of approximately $177m

03 · THE PERIMETER AND THE PROFORMA BASE

Against a proforma base, every quarter of 2026 is down about 9%

Gildan completed the HanesBrands acquisition on 1 December 2025, so the 2025 quarter holds no Hanes sales and the reported 61.1% is a change of perimeter. The company publishes one like-for-like basis: proforma net sales from continuing operations, which treats the acquisition as made at the start of 2025 and leaves out Hanes Australasia (HAA), a discontinued operation sold on 26 October 2026, and the Champion transition services revenue. It is a sales basis only; no proforma profit line is published.

NET SALES, $M	2026	2025 PRO-FORMA	CHANGE
Third quarter	1,466.6	1,610.2	**(8.9%)**
First half (nine months less Q3)	2,748.5	3,011.1	**(8.7%)**
Nine months	4,215.1	4,621.3	**(8.8%)**
Reported, third quarter	1,466.6	910.6	**+61.1%**

Source: Gildan Activewear Inc., Q3 2026 results release, 5 November 2026. Changes, margins and contributions are VGR arithmetic on the disclosed figures. First-half and nine-month proforma sums use the quarterly proforma table.

The company says the decline against the proforma base was "primarily due to lower volumes reflecting softer-than-anticipated demand trends across both Wholesale and Retail". The release gives no split of the decline between volume and price, so that sentence cannot be tested here. Cash flows and free cash flow include discontinued operations, which the company does not segregate.

04 · THE REFUND BRIDGE

Without the refund, adjusted operating margin is about 14.9%

The company states the refund as "approximately $177 million", so every figure in the middle column is approximate. It also says the higher SG&A "includes expenditures related to strategic reinvestments utilizing a portion of IEEPA refunds" without sizing them. The ex-refund column therefore keeps that spending in costs and is a lower bound on underlying profit.

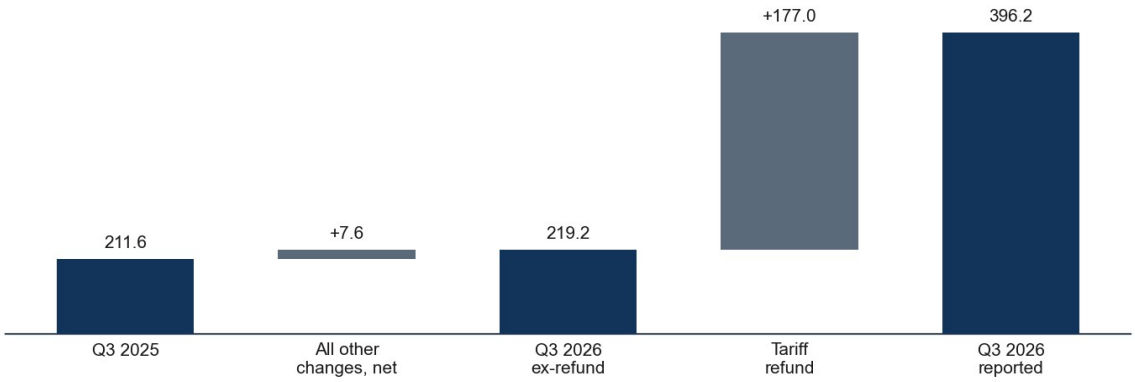
$M	REPORTED	EX-REFUND	A YEAR EARLIER
Q3 adjusted gross profit	634.6	about 457.6	306.6
Q3 adjusted gross margin	43.3%	about 31.2%	33.7%
Q3 adjusted operating income	396.2	about 219.2	211.6
Q3 adjusted operating margin	27.0%	about 14.9%	23.2%
Q3 adjusted EBITDA	452.5	about 275.5	248.6
Q3 adjusted diluted EPS	$1.54	about $0.73	$1.00

Source: Gildan Activewear Inc., Q3 2026 results release, 5 November 2026. Changes, margins and contributions are VGR arithmetic on the disclosed figures. EPS uses about 185.1m diluted shares and the 14.9% adjusted tax rate implied by the quarter, so it is bounded.

The refund equals 12.1 points of sales. Adjusted gross margin rose 9.6 points, so without the refund it fell about 2.5 points. Of the $184.6m rise in adjusted operating income, $177m, or 95.9%, is the refund. Nine-month refunds received are approximately $202m and the company expects approximately $220m in total, which leaves about $18m to arrive.

The tariff refund is 96% of the rise in adjusted operating income

Gildan Activewear adjusted operating income, third quarter 2026 against 2025 · $m



Source: Gildan Q3 2026 release. Refund stated as approximately $177m. Bridge: VGR arithmetic. Axis from $150m.

05 · CHANNELS AND GEOGRAPHY

Wholesale fell 10.8% and Retail 7.0% against the proforma base

Retail was $731.9m against $122.1m, and is 49.9% of sales against 13.4%. Both channels fell on the proforma base. The company attributes the fall to weaker end-consumer demand in both and, in Retail, product availability and service constraints that it sizes at about $60m of the quarter's shortfall.

NET SALES, $M	Q3 26	Q3 25 PRO-FORMA	PROFORMA	REPORTED
Wholesale	734.8	823.4	(10.8%)	(6.8%)
Retail	731.9	786.8	(7.0%)	n.m.
Total	1,466.6	1,610.2	(8.9%)	+61.1%

Source: Gildan Activewear Inc., Q3 2026 results release, 5 November 2026. Changes, margins and contributions are VGR arithmetic on the disclosed figures. Segments sum to 1,466.7 in the release; rounding.

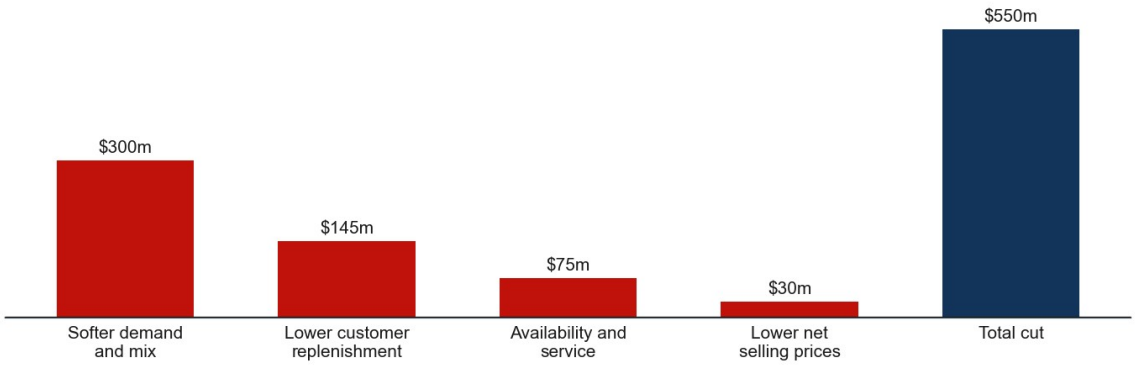
NET SALES, $M	Q3 26	Q3 25 PRO-FORMA	PROFORMA	REPORTED
United States	1,329.3	1,466.8	(9.4%)	+62.2%
Canada	36.7	44.2	(17.0%)	+19.2%
International	100.7	99.2	+1.5%	+67.0%

Source: Gildan Activewear Inc., Q3 2026 results release, 5 November 2026. Changes, margins and contributions are VGR arithmetic on the disclosed figures.

The United States is 90.6% of sales, so the country mix is a single-market exposure. The company names Comfort Colors, American Apparel and Champion as performing well with customers and gives no brand sales, so that statement cannot be sized.

Softer demand and mix account for $300m of the $550m revenue cut

Gildan Activewear full-year 2026 revenue guidance reduction by driver · $m, approximate



Source: Gildan Q3 2026 release. Previous guide: low end of $6.0bn to $6.2bn; new guide $5.4bn to $5.5bn.

06 · MARGIN ARCHITECTURE

Reported gross margin rose 890bp, of which the refund is about 1,210bp

The company credits the refund and lower manufacturing and raw material costs, and names unfavourable mix and the flow-through of tariff costs in inventory as offsets. It does not size the cost items. SG&A rose to 16.3% of sales from 10.5%, a perimeter effect as well as the reinvestment.

SHARE OF SALES	Q3 26	Q3 25	CHANGE
Gross margin	42.6%	33.7%	+890bp
Adjusted gross margin	43.3%	33.7%	+960bp
Adjusted gross margin ex-refund	about 31.2%	33.7%	about (250bp)
SG&A	16.3%	10.5%	+580bp
Operating margin	24.1%	21.1%	+300bp
Adjusted operating margin	27.0%	23.2%	+380bp

Source: Gildan Activewear Inc., Q3 2026 results release, 5 November 2026. Changes, margins and contributions are VGR arithmetic on the disclosed figures.

NINE MONTHS	2026	2025	CHANGE
Adjusted gross margin	37.1%	32.2%	+490bp
Adjusted operating margin	21.7%	21.9%	(20bp)
Operating margin	12.5%	20.5%	(800bp)
Adjusted EPS from continuing operations	$3.26	$2.55	+27.8%

Source: Gildan Activewear Inc., Q3 2026 results release, 5 November 2026. Nine-month 2026 adjusted figures include refunds of approximately $202m.

Over nine months the adjusted operating margin is 20bp lower than a year earlier even with $202m of refunds in it.

07 · INVENTORY

Inventories fell 12.7% since December

Inventories were $2,068.3m against $2,370.2m at 28 December 2025. No Q3 2025 inventory exists on the combined perimeter, so December is the only comparison. Third-quarter cost of sales was $841.6m, which gives about 224 days on a 91-day quarter. The refund lowers reported cost of sales: on about $1,018.6m without it, days are about 185, so the first reading is the wider one. The release does not say whether the inventory figure excludes assets held for sale.

08 · WORKING CAPITAL, CASH AND CAPITAL STRUCTURE

Net debt fell 6.4% and leverage stands at 2.7x

$M	27 SEP 26	28 DEC 25	CHANGE
Cash and cash equivalents	249.9	284.5	(34.6)
Trade accounts receivable	1,004.9	955.7	+49.2
Inventories	2,068.3	2,370.2	(301.9)
Long-term debt incl. current portion	3,980.8	4,313.7	(332.9)
Net debt	4,135.4	4,417.1	(281.7)
Net debt leverage ratio	2.7x	3.0x	(0.3x)
Proforma adjusted EBITDA, trailing twelve months	1,523.0	1,491.1	+31.9

Source: Gildan Activewear Inc., Q3 2026 results release, 5 November 2026. Changes, margins and contributions are VGR arithmetic on the disclosed figures.

Trailing proforma EBITDA of $1,523.0m contains refunds of about $202m. Without them leverage is about 3.1x. The company's target framework is 1.5x to 2.5x; it says leverage may temporarily exceed that and expects to return within it by the end of 2027. Third-quarter operating cash flow was $632.7m, 43.1% of sales, and free cash flow $605.7m, both including discontinued operations. Receivables rose 5.1% on December while sales fell.

09 · CAPITAL ALLOCATION

The buyback authority covers about 5% of shares

The company says it returned $139m to shareholders through dividends. The next dividend is $0.249 per share, payable on 21 December 2026, about $46m on the 185.2m shares outstanding. It also renewed its normal course issuer bid for up to 9,260,156 shares, approximately 5%. Proceeds of the HAA sale, an enterprise value of approximately A$700m (about $490m) paid in cash, go to debt repayment. With leverage above its own ceiling and the free cash flow guide cut to $700m to $750m, the release does not say whether the bid will be used in 2026.

10 · EARNINGS QUALITY

Adjustments to operating income were $387.1m in nine months

Adjusted operating income exceeds the reported figure by $42.5m in the quarter and $387.1m in nine months, against $34.6m in the nine months of 2025. Restructuring and acquisition-related costs were $182.6m in nine months against $32.3m. Net earnings from continuing operations were $253.1m, 17.3% of sales, after financial expenses of $61.1m against $43.7m and a tax charge of $39.4m, about 13.5% of pre-tax earnings. Discontinued operations added $6.2m in the quarter

and cost $144.8m in nine months, which brings total nine-month net earnings to $143.6m against $288.5m from continuing operations.

11 · GUIDANCE AND THE IMPLIED FOURTH QUARTER

The guidance implies fourth-quarter sales about 12.5% to 19.3% below last year

GUIDE	PREVIOUS	CURRENT	VGR CHECK
FY revenue	Low end of $6.0bn to $6.2bn	$5.4bn to $5.5bn	Midpoint (9.2%) vs $6.0bn
FY adjusted operating margin	About 21.8%	About 20%	Ex-refund about 16.0%
FY adjusted diluted EPS	$4.65 to $4.75	$3.70 to $3.80	Ex-refund about $2.75
FY free cash flow	About $1.0bn	$700m to $750m	Q4 about $78m to $128m
Q4 net sales	not disclosed	not disclosed	$1,185m to $1,285m
Q4 vs proforma $1,467.8m	not disclosed	not disclosed	(19.3%) to (12.5%)
Q4 adjusted operating income	not disclosed	not disclosed	About $165m to $185m
Q4 adjusted EPS	not disclosed	not disclosed	$0.44 to $0.54

Source: Gildan Activewear Inc., Q3 2026 results release, 5 November 2026. Implied figures: VGR arithmetic on nine-month results. Ex-refund figures remove the full $220m expected for the year.

Fourth-quarter adjusted operating margin of about 13.9% to 14.4% compares with 27.0% in the third. The company cut revenue by approximately $550m: $300m for softer demand and mix, $145m for lower customer replenishment, $75m for availability and service constraints and $30m for lower selling prices. It assumes softer demand persists in the fourth quarter and withdrew its 2026-2028 objectives, with an update promised at an Investor Day in spring 2027. The fiscal-year convention gives 2026 a 53rd week, which would put 14 weeks in the fourth quarter; the release does not say so, and if true the underlying decline is larger than the figures above.

12 · DISCLOSURE DELTA AND METRICS NOT REPORTED

Eight measures are not reported in the release

METRIC	STATUS	WHAT IT WOULD SETTLE
Refund reinvested in SG&A	not disclosed	The underlying operating margin
Synergies realised to date	not disclosed	Whether the $100m for 2026 is on pace

METRIC	STATUS	WHAT IT WOULD SETTLE
Volume and price split of sales	not disclosed	Cause of the proforma decline
Constant-currency growth	not disclosed	Currency share of the change
Retail like-for-like and store count	not disclosed	Space against existing-store trend
Sales by brand	not disclosed	Basis for brand-level claims
Proforma profit lines	not disclosed	A like-for-like margin
Number of weeks in 2026	not disclosed	Fourth-quarter comparability

Source: Gildan Activewear Inc., Q3 2026 results release, 5 November 2026.

13 · THE COMPANY'S ACCOUNT, TESTED

Two of five claims are supported by the disclosed figures

CLAIM	TEST	DISPOSITION
The proforma decline was "primarily due to lower volumes"	No volume and price split in the release	Not verifiable from the disclosure.
The margin gain "mainly reflects" the $177m refund	Refund is 12.1 points of sales against a 9.6-point rise	Supported by the disclosed figures.
Operating margin "100 basis points ahead of guidance"	27.0% against about 26%; whether the guide held the refund is not stated	Not verifiable from the disclosure.
Shortfall: about $100m demand and about $60m availability	Gap to $1.65bn is about $183m; the $23m balance is price	Supported by the disclosed figures.
Comfort Colors, American Apparel and Champion "performed well"	No brand sales disclosed	Not verifiable from the disclosure.

Source: Gildan Activewear Inc., Q3 2026 results release, 5 November 2026.

14 · METHOD, SOURCES AND PRECISION

Method, sources and precision

All current-period figures come from the release named in the Executive Summary. The fiscal-year convention comes from the Q2 2026 interim statements in the VGR record. Margins are calculated from figures in millions. The release prints 1,466.6 and 1,466.7 for third-quarter sales, 211.6 and 211.5 for prior-year adjusted operating income; the first is used throughout.

ITEM	PRECISION	NOTE
Margins, growth and contributions	Exact	Calculated from disclosed figures
All ex-refund figures	Bounded	Refund stated as "approximately $177 million"
Ex-refund EPS and full-year figures	Bounded	Tax rate assumed; $220m total is also approximate
Q4 implied figures	Bounded	Rounded guidance ranges
Number of weeks in 2026	Derived	Fiscal-year convention, not stated

VGR precision register.

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Analysis by Pau Almar, VGR.

METHODOLOGY

VGR Standardised Financial Analysis Methodology v5. Arithmetic before language; every finding names the disclosure that would settle it.

PRIMARY SOURCE

Gildan Activewear Inc. (TSX/NYSE: GIL), "Gildan Reports Third Quarter Results and Updates its Full Year 2026 Guidance", Form 6-K Exhibit 99.1, 5 November 2026.
https://www.sec.gov/Archives/edgar/data/1061894/000106189426000025/exhibit991q32026newsrelease.htm

WORKING RECORD

Gildan_Q3_2026_Source_Figures.md, with company-disclosed figures, VGR arithmetic, the claims register and metrics not reported in separate parts, alongside the source file in _src.

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