



## Canada's Retail Giant Could Move Significantly Higher

### Description

The year 2020 presented businesses and industries all over the world with [unprecedented challenges](#). While the global impacts of COVID-19, together with the impact of back-to-back hurricanes in Central America, were particularly difficult for **Gildan Activewear** ([TSX:GIL](#))([NYSE:GIL](#)), the company was able to leverage the strength and resiliency of the company's people and a unique and focused business strategy to quickly chart a path towards a strong recovery.

### Accomplishment of important goals in 2020

Overall, Gildan accomplished some important goals in 2020 and has emerged stronger from these challenges. The government measures to help prevent the spread of COVID-19 created widespread economic shutdowns that halted Gildan's manufacturing operations and significantly impacted the company's sales. At the beginning of the crisis and throughout, the board of directors appears to have met regularly and collaborated closely with Gildan's management team.

### Financial flexibility to move through a highly uncertain environment

The result was a strong COVID-19 response focused on the well-being of employees, the continued support of Gildan's customers, and the long-term competitive strength and value of the company. Specifically, with the goal of supporting Gildan's financial flexibility to move through the quickly evolving and highly uncertain environment, the board appears to have supported both the addition of new temporary financing arrangements and the suspension of share repurchases and quarterly dividends.

### Strong liquidity positions it well for the future

Further, the board seems to support management's actions to rapidly accelerate initiatives tied to the company's strategy. All of these actions had significant effects, and the company finished 2020

generating record fourth-quarter free cash flow and with strong liquidity, positioning it well for the future, including the ability to re-consider capital return policies as it gains further clarity on the course of the pandemic in 2021.

## Proactive role in handling COVID-19

At the beginning of the pandemic, the company joined global efforts to fight the virus by quickly moving available operations to produce personal protective equipment (PPE) in response to government requests for PPE. Throughout this effort, Gildan's employees and teams of medical staff and personnel showed great devotion, collaboration, and team spirit, and the company played a proactive role in handling the coronavirus disease.

## Concerted efforts to support communities

Further, throughout 2020, Gildan stayed committed to the company's environmental, social, and governance (ESG) practices, and heightened the need to prioritize health and safety. Gildan also maintained a keen focus on the company's social programs and also made concerted efforts to [support communities](#) across the company's supply chain. During the year, the company made ongoing donations to national authorities, hospitals, and local organizations.

## Continuous support to impacted employees and communities

In the wake of hurricanes Eta and Iota in Honduras, Gildan provided continuous support to impacted employees and communities by providing food, shelter, emergency kits, and PPE, among other necessities.

In 2020, the company was listed on the Dow Jones Sustainability Index (DJSI) for the eighth consecutive year and was once again included in the S&P Global Sustainability Yearbook. Gildan was also included in the leadership band of the Carbon Disclosure Project's (CDP) Climate Change Report for the second year in a row.

### CATEGORY

1. Investing

### TICKERS GLOBAL

1. NYSE:GIL (Gildan Activewear Inc.)
2. TSX:GIL (Gildan Activewear Inc.)

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