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TUP - Q2 2019 Tupperware Brands Corp Earnings Call

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OVERVIEW:

Co. reported 2Q19 net sales of $475.3m and adjusted EPS of $0.98. Expects 2019 sales to decline 6-8% and adjusted EPS to be $3.50-3.60. Expects 3Q19 sales to decline YoverY by approx. 9-11% and adjusted EPS to be $0.61-0.68.

CORPORATE PARTICIPANTS

Jane Garrard *Tupperware Brands Corporation - VP of IR*

Patricia A. Stitzel *Tupperware Brands Corporation - CEO & Chairman*

Sandra Harris

CONFERENCE CALL PARTICIPANTS

Beth N Kite *Citigroup Inc, Research Division - VP and Analyst*

Douglas Matthai Lane *Lane Research - Principal & Director of Research*

Olivia Tong *BofA Merrill Lynch, Research Division - Director*

PRESENTATION

Operator

Good morning. My name is in Michiana, and I will be your conference operator today. At this time, I would like to welcome everyone to the Tupperware Brands Corporation Second Quarter 2019 Earnings Conference Call. (Operator Instructions) Thank you. I would now like to turn the conference over to Ms. Jane Garrard, VP of Investor Relations. Please go ahead.

Jane Garrard - *Tupperware Brands Corporation - VP of IR*

Thank you, Michiana. Welcome to the Tupperware Brand's Second Quarter 2019 Earnings Conference Call.

With me on today's call are Tricia Stitzel, our Chairman and Chief Executive Officer; and Sandra Harris, our Executive Vice President and Chief Financial Officer.

Earlier today, the company issued a press release detailing its financial results for the second quarter ended June 29, 2019 and updating its outlook for the full year. We also published a set of supplemental slides to accompany the remarks made on today's call.

You can access these materials and our forward-looking statement language to the Investor Relations section of the company website or you can also access a webcast replay of this call later today.

I will now turn the call over to Tricia for her remarks on our second quarter results.

Patricia A. Stitzel - *Tupperware Brands Corporation - CEO & Chairman*

Thank you, Jane, and good morning, everyone. We have a bold vision for this iconic brand. My team and I have a deep respect for this company that has a successful 70-year history, and we have a clear plan to make it relevant for the next 70 years.

In my first quarter, as Chairman, my primary objective has been to work towards refocusing our leadership team on the next wave of growth by revitalizing the core, expanding access through our harmonized channels and continuing to streamline the organization.

This realignment will allow us to adapt our business to the dynamically changing consumer trends across our network of 3 million sellers.

Now what's evident to me is that Tupperware is and always has been a great company. However, we still have work to do.

We recognize that the power of our brand is not translating to the sales growth or the financial performance, we or you want and expect.

Let me reiterate what I said before. This is a 3-year endeavor that may be bumpy at times, we're tasked with turning a large ship and bringing along a family of over 3 million individual sellers with us.

We are doing the right things for this business long term, which can sometimes cause short-term discomfort.

We continue to develop our technology and business model capabilities, which is essential to our ability to offer a competitive, entrepreneurial opportunity and to drive an active sales force to reach today's consumer. What you'll hear from us today and moving forward is a focus, the greater focus on the key components of our transformation strategy, along with specific updates and milestones that we believe demonstrate that we're on the right path and making measurable progress.

Our focus is clear. Return to sales growth, improve operational efficiency for quality earnings and return capital back to shareholders. We remain committed to the dividend, and it's our intention to continue this return of capital as we go through our transformation.

We recognize the need to balance our focus between the sales force and the consumer, particularly with the rapidly changing marketplace, that is different than it is today than it has been for the last 20 years.

We have a deep knowledge in the legacy direct selling industry, and we have added a significant amount of talent to the organization, resulting in improved technological and digital capabilities, change in project management and retail experience. This is most evident in the hiring of Sandra Harris, our new CFO. She comes from a company with a portfolio of iconic retail brands and provides a strong complement to our historical perspective.

What we are in the midst of doing right now is significant change for us as we shift our model to meet the changing consumer demands, and we have a prescribed plan to get there by 2022.

I'll spend some time later in today's call diving into those specific tenants of our transformation strategy, which includes revitalizing our core, expanding access through harmonized channels and streamlining the structure.

We believe this will work to allow us to move to our next wave of growth and drive greater sustainable returns for our shareholders.

I'd now like to turn the call over to over Chief Financial Officer, Sandra Harris, for a deeper discussion of our financials. Sandra?

Sandra Harris

Thank you, Tricia. As Tricia noted, while we are not satisfied with our quarterly sales, we are in the middle of taking proactive measures to drive sales and profitability in the near term while laying the groundwork for our long-term financial footing to create the next wave of growth.

We are doing this by revitalizing our core business, expanding access to our products through harmonized channels, while also streamlining our structure to provide future growth in sales and operating margins.

Let's turn to the top line to understand what drove the second quarter. We reported net sales as $475.3 million, down 7% versus last year on a local-currency basis.

This was below our forecasted guidance of being down 2% to 4%. Geopolitical tensions and lower consumer spending trends, predominantly in China and Brazil are impacting our results. The economic slowdown in China has continued to put pressure on consumer spending in that region. Despite this trend, retail sales were up 3% in the quarter. Our company sales though were down 9%, as our Chinese studios rebalance their inventory as they adjusted to the slow down and to changing consumer [demands] (corrected by company after the call). The consumer spending trend is resulting in lower productivity in our studios, meaning a shift from high-priced products to lower and mid-price products, which were up 22% versus the prior year.

This does not fully replace the impact of the higher priced products like the water filters, which has been the base of our business there for some time.

We are still growing and expanding in China with 400 new studios during the quarter, and closures improving down 16%.

We are intentionally slowing down the rapid expansion of new studio openings and focusing on stronger productivity of existing studios to ultimately drive a healthier business. We are also seeing significant momentum in our digital engagement across China. In particular, the 9% growth in WeChat contracts during the quarter and 450,000 members activated with over 14 million in retail sales in our E-channel.

Before we leave China, as you're likely aware, the Chinese government recently conducted a 100-day review of direct sellers in country, which negatively impacted the financial results of several of our direct selling peers.

I do want to emphasize that we operate in China as a retailer through our studio model, and we are not subject to this review.

The slowing consumer spending is also impacting Brazil, down 9% versus the prior year, despite an increase in the total sales force size. The efforts to reactivate the sales force and to reduce the minimum order value for new recruits has resulted in increased sales force but not a year-over-year increase in our sales.

Our competitors are also suffering from some harsh externals and have gotten more aggressive through a louder voice in the media, deeper offers and more aggressive merchandising and the role out of digital tools to amplify their contact with their sales force.

These factors emphasize our need to modernize.

We continue to believe we have a relevant entrepreneur opportunity in this market. To create the next wave of growth in Brazil, we will need to make it more appealing by improving our processes and tools to make it easier for them to sell.

For the remainder of 2019, we are implementing digital tools for both the sales force and the consumer.

We will launch a media campaign to drive energy and excitement around the brand to ultimately grow sales.

We are also targeting market expansion opportunities through expanding the number of distributors in unpenetrated and underpenetrated areas and are working on B2B programs for 2020.

Turning now to profit. Overall, our adjusted pretax return on sales was 14% for the quarter, which is in line with our second quarter guidance.

This resulted in an adjusted earnings per share of $0.98, which is at the low end of our guidance after considering the $0.02 worse foreign currency since we provided you guidance in April.

Regarding cash, the outflow for the quarter was $21 million, which is $22 million better than the year-over-year comparisons, predominantly related to inventory improvement.

We know that we need to revitalize the core by modernizing our model, expand access through harmonizing the channels and streamline our structure to improve efficiency and profitability.

We are committed to delivering improvements as we launch this new wave of growth.

At the same time, we need to adjust the outlook for 2019 based on current trends.

We expect sales to decline year-over-year by approximately 9% to 11% in the third quarter, which includes a negative 2 percentage point comparison impact from lower B2B sales than in the prior year.

Adjusted EPS is expected to be between $0.61 and $0.68 due to the expected sales decline in key markets, including less B2B, which carries a higher operating margin than our core business.

For the full year, we're expecting sales to decline between 6% and 8%, and adjusted earnings per share of [$3.45] (corrected by company after the call) to $3.60, and operating cash flow net of investing of $80 million to $95 million.

Before I turn the call back to Tricia, I'd like to address our capital allocation policy. We are proud of our ability to consistently pay an above-average dividend.

We believe this is the most prudent way to return cash to our shareholders as we continue to direct available cash into organically growing our business and reduce our debt-to-EBITDA ratio to 2x.

We previously announced in April 2018, a share repurchase plan of $200 million. $100 million of that is still available to us to utilize when we have access capital with which to do so. At this time, we believe it is most important to invest in our transformation, continue to pay the dividend and reduce leverage rather than repurchasing shares.

With that, I'll turn it back over to Tricia to further discuss our transformation. Tricia?

Patricia A. Stitzel - *Tupperware Brands Corporation - CEO & Chairman*

Thanks, Sandra. I am incredibly excited about the opportunities that lay ahead for Tupperware. We are keenly focused on the next wave of growth so we can drive shareholder returns, and let me go a bit deeper into what that means. So firstly, we're revitalizing the core by ensuring an aspirational entrepreneurial opportunity for our sales force through updating compensation plans to remain competitive in each geography.

During the first half of 2019, we launched 2 important compensation plan revisions. Indonesia is the most recent one, which launched on July 1, and is focused on making the mid-to upper-level opportunity more attractive. China also had changes, where we have added a requirement for new studio owners to meet a certain sales threshold and productivity level before opening another studio. This is an effort to improve the productivity and health of our network of studios for the longer term.

Our efforts to contemporize the business model in continental Europe is another component of revitalizing the core by reducing the administrative work from the sales force. We're currently on track with 20% complete as of the end of the second quarter, and we expect a full transition by the end of 2021.

In addition to reducing the administrative work from the sales force, this move provide better supply chain visibility and sets up the move to an enhanced digital presence, including e-commerce.

Our pilot markets for this transition in Europe have been Poland and Iberia. Now while they are a small, they have delivered double-digit sales growth subsequent to the move.

Another major component of our next wave of growth is extending access through harmonized channels We continue to add studios to provide opportunities for consumers to access and engage with us. At the end of the quarter, we had a total of about 7,200 studios, including 6,800 of these in China. Now sales of our studio leaders outside China are 11 percentage points higher year-to-date than last year versus a seller not in the studio.

Furthermore, the studio model is having a positive impact on recruiting and average active sales force growth with strong double-digit improvement for sellers in the studio versus those not in the studio. These are early signs that the studios are enhancing the power of the brand and the entrepreneurial opportunity for our sales force.

We've also made a major change in India with a new leadership team and a new business model, that harmonizes the existing direct-selling channel in India together with the studio concept similar to China. It also includes e-commerce initiatives through our own .com site, plus e-tail opportunities with Amazon and FlipKart.

The implementation of this model is happening now and the Amazon e-tail site is already in pilot.

It is important to note that this effort is harmonized with our distributors because they will fulfill the orders received through Amazon and FlipKart channels. This allows us to control our brand and benefit from additional consumer traffic.

The initial feedback from distributors was positive and 90% of the distributors signed up for the new model.

We have a strong brand and demand for our product in India, however, we need to establish the appropriate consumer access. While India is a small market right now, there's a huge opportunity given the size of the population and our low level of penetration.

Expanding e-commerce, while harmonizing it with our existing direct selling channel is another avenue of growth for us.

This is a big opportunity as our e-commerce base is mostly in the U.S., Canada and Germany right now, and we have not yet leveraged the full power of this channel. As we mentioned last quarter, we were on track to improve the existing e-commerce capabilities in the U.S. and Canada site, with a launch date of fall 2019.

We expect this platform to be one of the foundations to be utilized for additional e-commerce opportunities across our markets.

We continue the pilot of personalized professional communications on behalf of our sales force in the U.S. and Canada, with early results showing about a 10% increase in the activity of our new recruits and a $200 average increase in the productivity for those recruits included in the pilot. And the last component, streamlining our structure.

We are constantly evaluating all facets of our business to help centralize and standardize processes that will allow us to gain economies of scale. Our transformation efforts in continental Europe to streamline our structure for better operational efficiency includes 17 countries in 11 operating units. We have a plan for this, and we are meeting all program milestones to date.

Just to reiterate, we will continue to sell in all these markets, but operate the back office from fewer locations.

As this initiative progresses, we will provide more details, but in the meantime, things are moving forward on time, on plan to achieve the savings we've outlined before.

Now underlying all these initiatives is technology and our innovative products. As of July 1, we successfully went live on new ERP systems in Germany, Mexico and Australia. Regarding product, starting in the late summer this year, we're going to begin to introduce the circular certified polymers in new products that aid in the reduction of single-use plastic products, including a portable, reusable straws and an on-the-go coffee cup.

Furthermore, I'd like to highlight the progress that we've made in the area of environmental sustainability. In the past quarter, we've launched our sustainability campaign, "No Time to Waste", in which we pledged to significantly reduce plastic and food waste by 2025, through product innovation, packaging reduction, operational goals and strategic partnerships with organizations like the Ellen MacArthur Foundation and the World Central Kitchen.

Since our founding, Tupperware has been on the forefront of introducing reusable long-lasting plastics in the home to reduce food waste.

We continue to extend that commitment through our products we offer today, that are made to keep food fresher, longer and to be used for years to come through this new platform that frames our vision to increase circularity and decrease waste.

We recognize that many of our strategies are not things that can be easily evidenced quarter-to-quarter. Our goal is to drive the transformation of our entire business to be more consumer centric and sales force enabling across all of our markets. We are committed to achieving the mid-single-digit sales growth, as we've communicated in 2022. Ultimately, the successful execution of these critical actions will drive improved total shareholder return through a better performing share price and the continued return of above average capital to our shareholder in the form of the dividend.

Our capital allocation strategy and conviction in our ability to ride the ship, leads me to believe our loyal shareholders will be rewarded as we successfully execute this turnaround.

At our core, Tupperware is a community of 3 million independent sellers across multiple markets and cultures. We are working to revitalize the core, harmonize the channels and streamline the business to drive value for our community of sellers, the Tupperware Enterprise and our shareholders.

And with that, we'll now turn the call over for questions. Operator?

QUESTIONS AND ANSWERS

Operator

(Operator Instructions) You have a question from the line of Doug Lane with Lane Research.

Douglas Matthai Lane - *Lane Research - Principal & Director of Research*

Thanks for the update on the initiative that you're putting in the place, and I appreciate that. I wanted to talk, if I could, a little bit about cash flow, to pay for all this. So it looks like your cash flow from operation forecast this year is $80 million to $95 million, and I don't know what it was before. Is that lower than what it was before when you put out that figure out there?

Sandra Harris

Yes, Doug, previously, we communicated a $120 million to $140 million.

Douglas Matthai Lane - *Lane Research - Principal & Director of Research*

Okay. And I was just wondering, I'm trying to get a feel for how this plays out, because there's a lot of moving parts here if you can understand especially from the outside. Well, it looks like through -- in your cash flow here through June last year, cash flow was almost $40 million (inaudible) a modest cash generation this year. So you actually had a gain through 6 months. So it sounds like you reduced the second half. And I just wanted to see if I could get some more color on the cash generation in the second half of this year versus the second half of last year.

Sandra Harris

Yes, Doug. So we have reduced it, and it is in relation to pull down of sales. If you look at what the profitability will be for the remainder of the year, the cash flow was impacted by that reduction.

And you're right, it's coming off of the point where we have improved cash year-over-year, quite significantly, and as we have communicated, we're really focusing on areas of working capital, which has helped us to achieve that reduction year-over-year.

Patricia A. Stitzel - *Tupperware Brands Corporation - CEO & Chairman*

Yes. And the difference in the second half, we have much stronger B2B in the second half. So when you compare it...

Sandra Harris

Last year, right.

Patricia A. Stitzel - *Tupperware Brands Corporation - CEO & Chairman*

So when you compare it, there is a bit of disconnect there. And all of the initiatives that we have talked about have been factored in to this clearly. So it's not something that's incremental.

Douglas Matthai Lane - *Lane Research - Principal & Director of Research*

And I didn't see a CapEx number for the year. I know this is down year-to-date. You have a number for the full year CapEx expectation?

Sandra Harris

Yes. it's somewhere between $60 million and $70 million, and we are, obviously, managing that as well based on the priority investments that we are making. It's actually lower than last year.

Operator

Your next question comes from the line of Olivia Tong with Bank of America.

Olivia Tong - *BofA Merrill Lynch, Research Division - Director*

In terms of the dividend, you were very clear about your commitment to the dividend in terms of priority level versus debt reduction, share repurchase. But what about the actual rate? Right now you've been looking at your revised guidance, since it's probably at the annualized run rate, which closes us (inaudible) payout give or take, but pretty significant yield relative to where others in the market are. So just what -- if you could talk through about it a little bit that would be helpful?

Sandra Harris

Yes, Olivia, as we communicated back when we reduced the dividend, our commitment is to deliver around the $0.27 dividend, and you're right, it's resulting in about a 5% dividend yield at this time. And we do feel like that's the most prudent way to return to our shareholders.

Patricia A. Stitzel - *Tupperware Brands Corporation - CEO & Chairman*

I mean it's just because of the low stock price, right? So if stock price improves, the yield will come more in line, but the $0.27 is what we factored in.

Olivia Tong - *BofA Merrill Lynch, Research Division - Director*

Got it. That's helpful. And then in terms of the margins, the margin guidance revision is a fair bit higher than the sales guidance revision. So can you just talk through a little bit about the factors that are impacting the margin relative to your expectations last quarter? Because couple of things that you cited in your prior comments, like B2B or things like that, like those were already known when you issued the prior guidance. So just what was sort of the incremental relative to the guidance that you updated last quarter that resulted in such a difference between the EPS change versus the top line change?

Sandra Harris

Yes. So the EPS, you're correct, it's changed, and if you track through all the sales changes that we've made, you would've expected roughly $0.70 impact on EPS. So what you're seeing is relatively a 54% impact. And we are committed to ensuring that we're watching our expense structure, that we are doing all the things that we can do to keep our profitability at a good level as we see the sales decline, while still making these important investments to start to grow the top line.

Olivia Tong - *BofA Merrill Lynch, Research Division - Director*

Got it. And then just lastly on B2B. How do those discussions work? And where do they fit in terms of the priority in terms of driving an improvement in top line?

Patricia A. Stitzel - *Tupperware Brands Corporation - CEO & Chairman*

So the way we think about these -- and in fact, internally, we've even changed the name of the way in which we refer them, rather than B2Bs and really thinking it as this separate one-off thing that happens in the market, we now call them recruiting and branding campaigns. And that's exactly what we have done in France, and we really bring the sales force in, and we also engage the local retail stores in our process as well. So we go into the stores, we train the management on the product, we train them on what we're trying to do. We've completely renegotiated how we interact in the stores. So whereas, previously, they really were reluctant to have our sellers in there, our sellers couldn't recruit, they couldn't date those kind of things. And so now what we are doing is, engaging all of our sellers in this -- they are free to do all those things. And what we've seen in France actually is a strong lift in the core business because of the actions that they were able to take in Carrefour. The other thing that we did was to include -- ensure that our branding was included in their media campaign. So it really served as this point of pride for our sales force as we saw all the billboards, and I think there's something like 1,700 Carrefour stores in France, and they were really excited and engaged to see our branding out there. And so it was a big boost for us in France, it was a great learning, a great model. And what we're looking to do, we used to really focus these only in Europe. We are now talking with our partner there, because it's a global company to look at this on a global basis. And typically we don't really like to repeat year-after-year in the same country, and so we would always take a break. And the great think about looking at this globally is, it gives us the world as a playing field, and so we can post these B2B opportunities really around the world, which maintains the sales at a global level, right, on a year-over-year basis. So we don't have these peaks and valleys. And so we're really looking to do that. We see some opportunities for next year in some of our Latin America markets and potentially, Asia-Pacific as well.

Operator

Your next question comes from the line of Beth Kite with Citi.

Beth N Kite - *Citigroup Inc, Research Division - VP and Analyst*

I was hoping, we could (inaudible) -- I was wondering if we could talk a little bit more into either regional or country expectations for sales growth in the second half of the year. Specifically, are you expecting any major markets to try this some better, some worse? How does that tic to innovation plans? And then, I guess specifically especially to Brazil, I expect it kind of the second quarter to you, if I was thinking about trucker strike correctly, you had a pretty easy comp a year ago. So just if we could also talk about Brazil and kind of the challenges there even when you had the rather easy comp here in this quarter sort of what that pertains to the second half of the year?

Patricia A. Stitzel - *Tupperware Brands Corporation - CEO & Chairman*

Okay. So let's dig into some of the bigger ones. So Sandra gave you a little bit of color on China and what's happening there. We're following through on the strategy that we had put forth for China in terms of moderating the rapid expansion of the number of studios that we have there. But you want to make sure that we have a rock solid productivity and the health of these as we roll them out. And then of course, the continuing turmoil in the economy and the lack of certainty around the trade deal. So [the trade deal doesn't] (corrected by company after the call) have an impact on us. What impacts us with this trade talk is the impact that it has on the Chinese economy.

So we started a couple of quarters ago, moderating our need to depend on this high ticket item of only having the high-priced water filter, and we had added in some mid-priced products. So in fact, this quarter, we saw a nice increase in that, as Sandra said. One of the products there is the pressure cooker that actually did quite well, and that's about a $500 price point. We also have some sets that are at a lower level there. So we're starting to see that, and we do project continued growth in China, but given the uncertainty in the economy, we're not projecting it as high as we did. So more moderate the growth there, but we will continue to grow in China. Now in Brazil, we really see there a combination of 2 things. It's the economic environment that continues really to drag tighter consumer -- with the tighter consumer spending, and then there is also -- aggressive competition in the market. Now we do have a double-digit sales force size advantage. And so, we were seeing that coming out of the first quarter, we were very optimistic about what we could do there with that double-digit sales force size advantage, and historically, we've typically recruited career sellers, and those sellers focused on the earning opportunity, and they tended only to work for us.

But today what we see and as an we move through the second quarter, we see that with so many more competitors, we have the shift from these career sellers to more casual sellers, and given the tough economic environment, they really struggled to get to the second order.

So we have seen the number of people placing only one order increase.

Now what we're doing in Brazil is we're going to continue to focus on quantity recruiting because we know with less productivity, and again here, not really seeing a significant change in the economy for the second half, we're going to need an even larger sales force size. So they have some creative new programs, and also some new tools for Q3.

So we have a new recruiting campaign, we're also going to roll out online enrollment for them and mobile ordering in the second half as well.

And for the first time ever, we're going to launch a media and PR campaign to help our sellers kind of cut through the noise of this competition and really differentiate ourselves.

So we're going to be using both a push and a pull strategy to support our sellers and to attract consumers in Brazil. But Brazil, in terms of our outlook, we're not really changing what we see in the current trends. So there, we're assuming that they're going to continue more or less with the same trends there that we have seen there.

Sandra Harris

Hey Beth, I'll give you some color around that specifics as well. So Europe, Asia Pacific and South America, we are projecting ourselves to be down 5% to 8%, which if you look at Q1 and Q2, you'll see that, that's roughly in line with trends with a few exceptions. As Tricia noted, with China, we've talked about how this quarter, it was really a story about the retail studios really working on their inventory to make the studios healthier. And although we expect that to continue into Q3, we do expect that in Q4 for most companies sales perspective that we do improve in China, but it will be more in line with what the consumer spending trends are in China. The other exception is North America, which we are saying would be down 8% to 10%, and if you look at that is slightly improved from where we ended in Q1 and Q2, and again, that is on some of the actions that we're taking around technology with the launch of the site that we have discussed or the relaunch of our website in North America, and the conversion of the sales force for North America for the last part of the year. And then finally, as Tricia noted on Brazil, we do have a lot of work to do there. And so we do expect it to be more in line with the trends that we are currently seeing.

Beth N Kite - *Citigroup Inc, Research Division - VP and Analyst*

Great. That was -- if I would like you to expand. One thing, Tricia, I think you have talked about previously too the concept of expanding your portfolio through innovation, focused on emerging markets to may be shift a little bit more from food storage to food prep and greater earnings opportunity. Where would you say you are in that innovation cycle to prime a pipeline, if you will?

Patricia A. Stitzel - *Tupperware Brands Corporation - CEO & Chairman*

Right. So I think that's what we were talking about was really the focus on the demonstration selling in the emerging markets, and we gave some examples of that in terms of some of the premium ticket products and then bringing that down to a more value price but still demonstration base for the emerging markets.

And we continue to make good progress on that, in fact, we have one product that I believe is going to launch in the fourth quarter on that. And that is fully in our strategy for 2020 as well.

Operator

We have reached the allotted time for questions. Management, do you have any closing remarks?

Patricia A. Stitzel - *Tupperware Brands Corporation - CEO & Chairman*

Yes, we do. Thank you so much. And I want to thank everybody for being on the call today. We appreciate your support during this time of transition as we invest and refocus our business and continue to take the actions to position Tupperware for sustainable and profitable growth in the long term. We must reinvigorate and rejuvenate this great company for all the stakeholders, and we appreciate your ongoing investment in our company as we work to turn the ship towards a future with more compelling products, streamlined processes, strong financials and greater shareholder value.

Sandra and I look forward to updating you on our progress next quarter as we report on the size of our average active sales force, e-commerce and studio expansion and the revitalization efforts in continental Europe. Thanks again everyone. We appreciate your support. Have a good day. Bye-bye.

Operator

This concludes today's conference call. You may now disconnect.
