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TUP - Q1 2018 Tupperware Brands Corp Earnings Call

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OVERVIEW:

Co. reported 1Q18 diluted EPS, without items, of $0.91. Expects 2018 EPS, without items, to be $4.67 at high-end.

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CORPORATE PARTICIPANTS

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PRESENTATION

Operator

Good morning. My name is Joshua, and I'll be your conference operator today. At this time, I would like to welcome everyone to the Tupperware Brands Corporation First Quarter 2018 Earnings Conference call. (Operator Instructions) Thank you.

I would like to turn the call over to Rick Goings, Chairman and CEO. You may begin your conference.

E. V. Goings - *Tupperware Brands Corporation - Chairman & CEO*

Thanks, Joshua. Good morning, everyone. I'm in Orlando with Tricia Stitzel, our President and CEO Elect; Mike Poteshman, our CFO; and James Hunt, the Head of IR. Along with our prepared remarks, it's on Slide 2, we have prepared these usual slides, including standard message with regard to forward-looking statements. I know most of you have already seen the release, and in a moment, I'm going to turn it over to Tricia and Mike to get into, not only the details of the quarter, our outlook, but also handle the bulk of questions and answers.

As announced in February, Tricia takes over as CEO, actually in just about 2 weeks, so this is going to be my last time participating in our earnings call as CEO. I do want to give you a brief overview of the quarter, and then I've got some words with regard to perspective of where this company is that I think are fitting at this time. As you see in the first quarter, it was a disappointment, down 2% in dollars, while local currency sales decreased 6%, which was below the low-end of our January guidance range of 3 points. Through our releases, we have shared with you the challenges we have continued to face in continental Europe as well as Brazil, India and Indonesia. Tricia and Michael will get more into those. There were, though, bright spots in our portfolio, most significantly, in China, the U.S., Canada, but also Russia, CIS, Malaysia, Singapore as well in our Tupperware and Beauty businesses in South Africa and in Mexico.

Our adjusted EPS in Q1 was $0.91. That was below the low-end of January guidance range by $0.10, including a $0.06 hit from taxes, which is still to me seems to be a bouncing ball. We've just went through all the new tax regs yesterday, as well as a one cent benefit from foreign exchange versus our January guidance. Mike's going to amplify the details of the earnings and performance metrics, including the additional tax element that is impacting this P&L.

Let me point out that this tax item is not expected to impact cash flow, so no real impact with regard to our ability to support investment in the company and dividend and share repurchase. Now worth noting at this time, though, is I've personally done more than 80 quarterly releases and most of this management team has been together during that period of time since we spun this company off in 1996. Of those 80 releases, I am pleased to say we have missed the range only 3 times and it hurts and certainly isn't the way I want to have my last quarter. And by the way, we've made that range almost all the times, in spite of national disasters, revolutions, the collapse of economies and currencies. We've kind of steamed through all of that. Frankly, what that really says is it speaks to the power of our business model, our portfolio approach and actually an internal culture here of make your numbers. And because this is going to be my last earnings release as CEO, I do want to -- before we get into the specifics, I want to share some perspective.

Firstly, the bulk of our sales in profits when we spun this company off, what kept me up at night was really Germany and a handful of countries and that's changed materially. Now we have engines of growth in multiple locations and beachheads for future growth in, not only the Americas, but Africa, Asia Pacific, and I really believe even Europe as well as we transform the model. I was in China last month, as I am every year, and I'm confident that in less than a decade, at our current level of robust momentum and scale, China itself is poised to be a unicorn. Interesting, somebody wrote on turnarounds last year -- last week, they mentioned us and they said, they were concerned about our reliance on China. And I also mentioned this to Tricia this morning, and she says, "Goodness knows, I'm happy we've got that model working right in China." To say this is, we have -- I looked at it this last week, we've had -- we've been working on what's the right model for China, and we've had a CAGR of 22% over the last decade in China and margins there that are among the highest in the world. So I don't share the concern of China. Lots of expansion runway there. And our unique business model there is about now half demonstration selling and half digital. And I'll tell you, I know that Tricia and the team are really working to mine what can we transfer from that learning into our other markets of the world. So there's a lot of runway in these, particularly, these emerging markets. We've got to figure out the model now for India, because between those 2 countries, that's 2.6 billion people and it's most of the future growth of the world economies.

Turning to product, I've got to say that's changed a lot too. In '96, when we did that first earnings release, 90% of our sales were from food storage and serving. And we know, those categories have been commoditized by low-cost discount brands and even plastic bags. And I'm pleased to say, food storage is less than 1/3 of our business today as we've leveraged our first mover product innovation ability. And the ability to demonstrate this as we've moved into new product categories and new technologies at either higher price points. Even they shared with me yesterday that we're up in the space station right now working on a project there of how to grow food in space.

Also at this time, we've made a lot of progress with the transformation of our selling method, better in some markets than others, China is a prime example of that. But it's really starting to change in other markets. We still are going to leverage our ability to recruit, train and motivate sales force to demonstrate products where they work, live and socialize. But to that, we've really added more ways to have contact locations and increasing the number of what we call studios. And I personally believe it's going to take up to 5 years to really scale this up because we don't want to disrupt our current business, it needs to be a transformation. And in markets like China, we have nothing to lose. We can start out with a clean slate, but in other markets, we do. Studios, I'm pleased to say too are outperforming our traditional selling distributor organizations. So that's a force that's really going to help us in the future.

And speaking of the sales force, it was small in '96, now it's 3.1 million entrepreneurs. And I would also be less than honest with regard to sales force, if I didn't express this contemporarization of our established markets has been one heck of a challenge, but I think we're making headway on model changes. They have often been a drag, particularly Europe, but we've been working to fix them, while also investing in opening emerging markets where the bulk of the world's population lives. And yet in spite of that drag of these markets and the important investments we've made in opening 24 new countries, our cash generation has always been solid, allowed us to support a strong dividend. In fact, we've even raised the dividend in number of years double-digit over this past decade. You already know we bought in, we now have plans to buy in additionally, $200 million. And up to now, we've already bought in 20% of the company stock, so that's going to continue. Importantly too, for our brand and our company, this may not seem important to investors, but over time, it will be. Our brand, in 8 of the last 10 years, has been named Fortune most admired. We've been named best company for leaders. And also Forbe's Just 100 Best Corporate Citizens. We also -- Barron just named as 1 of the 100 Most Sustainable Companies. These things matter, because they'd enable us to not only better attract a sales force and retain them, but also customers appreciate them.

A final word on the management team. In the direct selling industry, there have been numerous horror stories regarding new leadership taking over a company with no industry knowledge. That continues to this day, and I've got to say that's not the case here. I'm confident in our future, the Tupperware management team, it's experienced and seasoned. And while each of them is relatively young, most are in their 40s or early 50s, our senior management team each has about 15 years Tupperware experience. And all of them have worked in multiple countries with Tupperware. So as I move to Executive Chairman, I really am confident that Tupperware Brands is in capable hands and strong hands.

So with that, madam, CEO elect, I turn it over to you.

Patricia A. Stitzel - *Tupperware Brands Corporation - President & COO*

Thank you, Rick. Thank you for your confidence, and I agree with you about the strength of our team and the strength of our model, which gives us a great foundation for growth going forward. Now in Q1 overall, emerging markets accounted for 70% of the sales, growing 1% year-over-year on top of what was our most difficult comparison. So these markets were up 9% in the first quarter of 2017. The established markets, however, were down 19% and this was primarily in light of the issues that we've noted in Europe and also the exit from Beauticontrol last year. Our total sales force ended March at 3.1 million and that's even year-over-year after adjusting for the closure of Beauticontrol and combining the NaturCare and Tupperware businesses in Japan. Active sellers were down 4% also excluding the impacts of Beauticontrol and Japan.

So as Rick said, this was a disappointing start for us, in which we faced a wide variety of challenges in Q1, both external such as strikes, severe weather, economic pressures and internal factors, which related to our execution and planning. So let me take you around the world and provide some detail on how these factors influenced our results.

I'll begin first in Europe. As you know, we announced in Q4, the closure of the French manufacturing facility due to overcapacity, which had lasted for several years. And we knew going in, that closing a facility in France would be a difficult thing to do. We planned a comprehensive communication plan with our country leaders and our distributors. And although, we planned many different scenarios, in the end, we underestimated the impact of a few key factors, which ultimately disrupted service to the sales force. This began in December in Germany and it carried over into January and February for continental Europe. And the most sizable impacts were, of course, in January, but also France and Italy. Now it's really important to understand that January is one of our largest sales months of the year in most of our established markets in Europe. We even call these weeks big weeks as we promote them to the sales force and to our consumers. So in Germany and France, the disruption in December negatively impacted the crucial dating period of parties for January. And fewer parties in January had the spillover effect into February. And then add to that, the pace of production and mold availability in December, meant that our promotional offers, critical to the big weeks promotional period needed to be changed at the last minute. That caused additional confusion and frustration in the sales force. So all these factors converging, we expected -- we experienced this wave of negative sentiment on social media across Europe. So in retrospect, we could have managed some of these factors better, with regard to execution and timing.

Now as we mentioned on the January call, we have successfully negotiated a shutdown agreement and the plant is now closed. We believe that the operations would normalize pretty quickly and interactions with the sales force would rebound, but the lack of sales force engagement and momentum, along with the social media distraction carried deeper into Q1 than we had imagined. So closing the French facility was the most significant action within our revitalization program in 2018 and it's now behind us. Service has returned to more normal levels, and we are now working to restore the confidence and the momentum with the sales force. And this is going to happen through a focus on our core business fundamentals, including enhanced contact and communication.

I was just in both France and Germany last week, and I have to say, I found both teams there more positive about the engagement of the sales force. I also personally met with the French distributors. And here, I was very proud to see their loyalty, their resilience. They are working with us on this and they are determined to build the sales force size for improved results in the second quarter. And what we've seen these last weeks in March, have already started to see some better activation and engagement in both Germany and France.

So let me turn to Brazil, where we were up 2% in the quarter. And this was up against a plus 24% in Q1 of 2017. And here too, we faced external pressures stemming from a customs strike. Now the customs strike is not something new to us, it has been ongoing issue for some time. But it quickly escalated in Q1, when they actually reduced the number of days they were working. And this restricted our ability to move molds in or out of Brazil according to our planning cycle. And then these delays caused production slowdowns, and then, we couldn't fill the orders. So due to an inability to sell certain products due to the strike, we, therefore, emphasized other items, and as a result, had some big oversells on those products and that impacted our order fulfillment. Now this also include a third-party local resourced item that ultimately did not meet our quality standards. And this item alone impacted the fulfillment of about 25% of all the orders. So as you might expect, when we don't fill orders on a timely basis, the sales force doesn't deliver the orders and they don't place new ones.

So I was also just in Brazil, working with the management team there on responses to these issues. First of all, we have put in place a new process for product planning, which allows more time for molds to go in and out. And we will also consider these duplicate molds where it's appropriate and also stronger merchandising to cut down on the number of SKUs that need to be produced, which will give us more capacity. We are also exploring external alternatives within the Brazilian system that might lead to more expedited custom clearance. But as with most things in Brazil, even if we're successful, it -- this might take several months to obtain. We're also going to work to improve our forecasting method, because huge oversells leave us little time to respond. And this will include communicating with some key sales force leaders in advance to review the product plans and gain insight on the reaction, so it helps us to gain our planning and capacity issues in a proactive way.

Now the economic situation in Brazil is improving slightly, but it is still not a good consumer spending environment. There is also still a large percentage of the population with credit restrictions, and that limits our ability to add them to the sales force. This week, however, we will begin accepting credit cards for a portion of those people that have the restrictions, which is expected to positively impact our ability to convert the leads into productive sales force additions, without increasing our credit risk. So we really feel we have a lot of runway left in Brazil. And when we look at the number of sellers that we have per household, we can see there's a long way for us to go.

That said, we're up against another tough comparison in Q2, where in 2017, we were up 23% and that was before we began feeling the full impact of this consumer spending slowdown. However, this is one of our most experienced and our best management teams in Brazil. We have a lot of confidence in their ability to adapt and deliver on the results. I'd also like to highlight our businesses in Mexico, both Tupperware and House of Fuller. We're really pleased with the developments in these businesses and both show the power of the strategies we have been implementing over the past couple of years. Tupperware Mexico was up 6% in the quarter. And you may remember that they've been a pilot market for us for several initiatives related to our global growth strategy. And we see the power of these things coming together to produce a more systematic approach to executing on our fundamentals. They really put this whole package together, leveraging a consistent contact platform, which includes social media. And it all starts with inspirational leadership, consistent recruiting, onboarding the new sellers, activating and having a strong sales force manager earning opportunity and that's really the fuel for our business. They continue to execute very well on these initiatives and it shows the power when all these things come together and this is exactly what we plan to replicate in other countries.

Fuller has also been a positive story for us, with our strategy coming together here as well as it has been in process for some time. They were up 7% in Q1. And we now have a solid and experienced management team there, who have been staying the course and building on the work that we started a couple of years ago, with the rebranding, updating the merchandising and the product proposition to add energy to every campaign and boost the sales force morale. We're also revamping the field manager opportunity. Now it's likely too early to claim victory, but we're really encouraged with this trend.

Now in Asia, India, and Indonesia have continued to be trouble spots for us. We're not getting the traction that we expected. And as a result in March, we changed the leader in Indonesia. We put in Hock Seang Neoh, who has more than 20 years of direct selling experience with us across a number of different business units. He is really a change agent. He's very strong on execution. And he recently worked in Japan to consolidate those 2 businesses for us there. We have the right strategies in place here, and we're confident that they'll work. We have key actions in the second quarter that will focus on reaffirming a recruiting culture aimed at the sales force additions in support of building this manager pipeline. As I said, it's the engine of our business. Now I mentioned that we've seen in businesses like Brazil and Mexico, that when you have a strong manager base, then you have a more solid business. That is very resilient to temporary distractions in the externals.

Now we do need to improve our overall execution and the ability to scale our new business leader opportunity in Indonesia. And we can do this with effective contact and communication, and we do have confidence that Neoh is going to get this job done. In India, we continue to struggle under the recruiting guidelines from the government. Here too, we're focused on building a solid pipeline of managers And we now have implemented the new compensation plan. The standards in this compensation plan are much tougher, and we saw that as we come through the first quarter. And we also realized that we needed to help them build for these new behaviors, so we implemented a bridge program, which incented them to perform consistently. Now, of course, changing behaviors is always difficult. However, we have experience with this. We know how to change these plans. And the most important thing during this time is that you stay the course, but also be open to course correction as needed.

So enough of the challenges, we also have many bright stops within Tupperware. Rick's mentioned a couple of those. I've also talked about the Mexican businesses. And again, all of which showcase the effectiveness of the strategies. But in addition, I want to highlight the improved results that we're seeing in our European emerging markets such as CIS and Turkey, both of them have been works in progress for some time, and we've seen steadily improving results through Q4 and Q1. CIS was up 26% in Q1, and we've seen traction in their execution on our success formula initiative, which just as a reminder, is a template for what we believe sales force members should be doing each week, each month to be successful in their business.

Also South Africa is still a success story. They were up 11% in Q1, and we've seen solid returns there from the onboarding program and sales force leadership earning opportunity, again, giving us confidence in our approach. The U.S. and Canada performed well, overcoming severe weather throughout the course of the whole quarter. And as a result of a good first quarter on top of what was really a 14% growth in the prior year, this allowed the sales force to earn a good income and it kept them engaged in the business through what seemed to be an endless winter. As a matter of fact, I'm not even sure winter has ended in the north up there, I keep hearing about snow. But it really kept them engaged. And now I do also want to point out that there was a kick in this unit from the new revenue recognition rule, where we now recognize the revenue when the product is shipped rather than received. And there'll be a little bit of kickback here in future quarters, but we've built that into our guidance already.

So -- and let me also mention Malaysia/Singapore, which had a good quarter. They were up 8%, leveraging a larger sales force that was more productive in response to seasonal product and promotional offerings. And finally, I'll also highlight on China. It continues to have amazing growth of 24%. They continue to grow the number of outlets and their productivity. The outlet count is now up to 6,400 and that's a year-over-year increase of 14%. It's in part due to the program that incents our current outlet owners to find other new qualified outlet owners. And we continue to leverage our integrated online and off-line model as Rick talked about, to engage our consumer base that we call members and that drives productivity on top of this outlet growth. We do this through WeChat, our members and potential members play online games, they make purchases, they learn recipes and lifestyle tips. So this keeps them coming back. So they not only come back to us online, but the members are also compelled to visit outlets that are located where they live. So we enhance that community. And there in the outlet, they can purchase highly differentiated products after seeing them demonstrated through either a cooking class that's in the outlet or may be even online video. So we really like the consistent pace with which we are managing the growth there, while appropriately leveraging the opportunity to support the portfolio as well.

So we are pleased to close the door on Q1, having one of the most difficult aspects of the revitalization plan behind us. And we have learned some lessons along the way about the pace of change and ensuring that we are not overly disruptive to our sales force. But be sure that we know what needs to be done. We have the right strategies in place and they have already proven to be effective. When they are fully implemented, we will be able to provide more access to our sales force, to us and for our consumers to our sales force. We also have plans in place to improve engagement and contact via new digital solutions. And finally, we want to make it easier for her to do business by reducing the amount of administration that she needs to manage on a daily basis.

With that, I'll turn it over to Mike.

Michael S. Poteshman - *Tupperware Brands Corporation - Executive VP & CFO*

Thanks, Tricia. As Rick and Tricia have spoken to, we were down 6% versus last year in sales and local currency for the quarter. And as highlighted in our April 9th update on first quarter guidance, this was 3 points below the line of the January guidance, that came largely from the customer service issues related to the French facility and in Brazil, together with results in Indonesia being below expectations. Versus last year, the big contributors were the large increase in China, more than offset by the performance in France, Germany and Italy that included the service issues, lower sales in Indonesia and the wind-down of Beauticontrol, that together with the impact of merging the Tupperware and NaturCare units in Japan, with the year-over-year comparison by 2 points. On volume versus price impacts, overall volume and mix was down 8%, while price was up 2%. We would estimate that about 6 of the 8 point decrease from volume related to the customer service issues and the Beauticontrol wind-down and unit merger in Japan, net of about a 1 point benefit from changes due to the new revenue recognition rules related to the timing of reporting sales and classifying amounts.

The overall sales force size comparison stood at minus 2% at the end of March. Without the drag from not having Beauticontrol and stand-alone NaturCare, the comparison was even with last year. The 5 point sequential decline from the fourth quarter most significantly reflected more difficult criteria to be added to the sales force in CIS and the South African units. This was worth 3 of the 5 points. And notwithstanding the change, all 3 units had good active seller and local currencies sales increases in the quarter. Also a drag sequentially from the fourth quarter, each a fraction of a point on the whole company comparison, was a lack of traction from initiatives in Indonesia, the NaturCare fold into Tupperware Japan and a lower total seller count in Brazil, reflecting knock-on effects from the customer service issues and the consumer spending and credit environment as we've been seeing for the last year.

Active sellers for the whole company were down 8% in the quarter, half of which was from the actions taken on Beauticontrol and NaturCare. Slide 6 shows diluted earnings per share without items, that at $0.91 was toward the high end of the updated outlook range from April 9, but $0.10 below the low end of the range from January. Of the $0.10, $0.06 was from a higher tax rate having to do with the guilty tax that we spoke of in our April 9 release, with the rest coming from lower-than-expected sales, partially offset by lower-than-forecast unallocated corporate expenses, mainly due to a lower amount for management incentives, but also some lower spending and a slightly more favorable impact from foreign exchange.

As shown on Slide 7, this brought pretax return on sales, excluding items to 12.5% for the quarter equal to 2017 in dollars and 40 basis points worse in local currency. This was 20 basis points below the low-end of the external range, with the hit primarily from Europe on the drop-through on much lower sales. Most of the benefits from the revitalization program that was announced last July related to actions in Europe. Some benefits of this program came through in the first quarter, with more expected over the rest of the year.

Gross margin as a percentage of sales was 67.0%, 1 point lower than last year's quarter. This primarily reflected an unfavorable mix of products sold and increased sales incentives, mainly in Brazil and China and higher manufacturing costs in Europe as we worked through the transition there. There was also a small impact from higher resin costs. This was partially offset by a favorable mix impact from relatively higher sales in certain units with higher-than-average gross margins. DS&A as a percentage of sales was 53.3% in the first quarter of 2018 compared with 53.7% in 2017. The comparison reflected more efficient promotional spending, primarily in Brazil, Fuller Mexico and Indonesia, together with lower marketing costs in several of the units. There was also a positive impact from the translation effect of changes in foreign currency exchange rates. This was partially offset by higher distribution costs in Europe in Tupperware North America, higher bad debt expense in France and Germany and increased sales force commissions in a couple of the units.

On Slide 8, you can see the cash flow from operating activities. Net of investing activities for the quarter was an outflow of $51 million. This was $17 million worse than last year's first quarter. We received $5 million of proceeds from selling a building made excess by the revitalization plan, but had close to $10 million of cash reengineering payments in the quarter. The rest of the decrease came from the timing of the payout of payables and accruals.

On the revitalization program, our expectations haven't changed for the full year, where we foresee $30 million of pretax expense and $70 million of payments. Our outlook for full year capital spending also has not changed and is $75 million.

We indicated in our April 9 release that we expected to raise our full year cash flow guidance, which we are doing. The previous range was $170 million to $180 million for the year, and we're taking this up by $10 million, to $180 million to $190 million, with the drivers being $25 million of proceeds from asset sales under the revitalization program, that includes the $5 million that we had in the first quarter and another $20 million to be received this quarter. With an offset of $15 million, mainly related to lower pretax profit. As noted in the April 9 release, while we've taken down the net income guidance by $0.35 for the guilty tax or $18 million, this is not a cash item in 2018.

As a reminder, for the full year, the cash cost of the $0.68 per share of quarterly dividend that our board has been declaring is about $140 million. You've also seen that we announced in our release today, that we intend to make $200 million worth of open market share repurchases over the next several months. To give you some more insight on our thought process around this move, we want you to understand that we view this as an exceptional opportunistic move rather than a decision to come off of a 1.75x debt to EBITDA target. In that sense, you can think about it as a timing versus future repurchases in light of our low current stock multiple. I'll also reiterate here that our dividend remains a priority ahead of share repurchases, and we expect to continue to target a payout of 50% of trailing earnings per share without items, although, with enough flexibility that we wouldn't expect to need cut the dividend, even if some unexpected things happen, like the FX headwinds in 2014 through 2016, that hit our earnings per share by $2.38, with a parallel negative impact on EBITDA.

Turning to the outlook on Slide 9. After a 2-point drag for not having unit control in the separate NaturCare business, our local currency sales guidance for the second quarter is to be even to minus 2%. This is 2 points below what had been included within our full year guidance on January 31. On our 2-year stack basis in local currency at the high end of the range, this would take us to plus 2% in the second quarter from even in the first quarter. In assessing this improvement, an important factor is the drag from the service issues in the first quarter that we believed to be largely behind us. Excluding items, we're expecting a higher pretax profit than last year in the quarter on the even sales at the high end of the range. And at the high end, there's an improvement on return on sales, ex items, of a bit over 100 basis points in both dollars and local currency to 15.7% as we've realized some benefits of reengineering, along with the mix benefit of not having Beauticontrol sales that generated a $1.2 million loss in the quarter last year.

With the drag from the higher tax rate, which all-in is $0.12, most of which is from the guilty tax, at the high-end EPS without items would be $0.02 lower than last year in dollars, with no impact from FX. As noted in our release, we've not included in the guidance the impact of share repurchases on earnings per share. Together with the first quarter actual result and the second quarter sales even with last year in local currency at the high end of the range, we've not changed the second half local currency sales expectation from what was in our January guidance. And this brings the full year range to even to minus 2%, down 2 points from January.

As with the first and second quarters, there's a 2 point drag on the comparison in 2017 from the Beauticontrol exit and Japanese business combination. Also at the high end, pretax return on sales is expected to be 15.5% without items, which would be up from last year by 90 basis points in both dollars and local currency. EPS without items at the high end at $4.67, also without the impact of share repurchases is $0.57 lower than the January guidance, of which $0.35 is from the guilty tax, a little over $0.20 from lower segment results, mainly in the first quarter and then the foreign exchange benefit versus 2015 is now $0.05, which is $0.09 worse than in January. Going the other way, the full year forecast includes net interest expense of about $43 million and unallocated corporate expenses of about $65 million, which sets interest $1 million better than January and unallocated $5 million better. Hereto, the interest amount excludes the impact of the share repurchases.

A few more words on taxes. As indicated in the April 9 release, the guilty number could still change significantly in 2018. Although if it does and even though it could go in either direction, we believe it is more likely that it would go lower. This could come both from favorable clarifications and how the law is to operate or from changes in how we operate statutorily. While the need to provide for guilty could continue into 2019 and we cannot predict what the cost could or would be, hereto, if we need to continue to provide for guilty, we would expect the impact on the rate to moderate.

Putting aside guilty and reiterating what we said in January, going forward into 2019, we would expect to be able to take actions to bring the rate down a couple of points from 2018 and also that the cash rate would come closer to the foot rate than it has been historically. Finally on resin, we had a year-over-year hit in local currency of $1 million in the first quarter, while we had foreseen no impact in the January guidance. For the full year, we now foresee a $6 million negative impact in the P&L. That is $3 million worse than the January outlook. The impact for the remainder of the year flows through relatively evenly by quarter, with a bit of a heavier weighting for the second quarter.

And so with that, we're going to turn the call over to questions. Joshua?

QUESTIONS AND ANSWERS

Operator

(Operator Instructions) Your first question comes from the line of Frank Camma from the company of Sidoti.

Frank Anthony Camma - *Sidoti & Company, LLC - Analyst*

Couple of quick things. First, can we just step back to Indonesia since it's been a much -- still important of a market. And when you look at that versus -- first of all, can you just tell us, it was down 34% this quarter, what was it down in the quarter last year? So like on a stack basis, a 2-year stack.

Michael S. Poteshman - *Tupperware Brands Corporation - Executive VP & CFO*

We were down [10], Frank. And it is important to remember or see, that we were down 39% in the second quarter and then in the higher teens in the third and fourth last year.

Frank Anthony Camma - *Sidoti & Company, LLC - Analyst*

Sure. Okay And the second part of that question is more qualitative. So I know you changed out the management. The prior management team, could you just tell us, like, how long was that executive there? And we they really the driver of the multiyear success? I'm just trying to figure out how that particular market from a management standpoint went off-track, given its size?

Patricia A. Stitzel - *Tupperware Brands Corporation - President & COO*

Okay. Thanks, Frank. So the previous leader had been there for 20-some years, I guess, so quite a long time. And she was really the architect of scaling up that business. And so -- and it's a strong team there that led that business to success. And many of them are still there, and, of course, they continue to have those same skills. I think the business just moved into a new season. And frankly, I think that the management team there, having lived for so long with the same leadership in the field and so forth, wasn't pushing as hard as we needed to do to make some of the changes that were -- that are sometimes difficult. And so the execution was a bit slow and loose. And although, we believe that the strategies are the right one and we've seen good success from what we're piloting there, we thought that it needed stronger hand at the helm in order to execute on these things. And so we're working on a few key things there to improve our leadership pipeline. And we've implemented this new business leader level, which is a non-stocking model and it has more locations, less administration. We've seen a lot interest from our sales force from this. And this would be a break away from the traditional distributor, which gives us new sprouts of leadership and that's what gives us a lot of confidence there. And so we need to scale this, of course, it'll take some time. But we really feel that this is -- can really strengthen us for the future there. A couple of other things that we're doing in Indonesia. First of all, we simplified the unit manager program. Early days for that, but we're still assessing the effectiveness. But again, working through that, and we think that's going to bring some growth as well in sparking new unit managers, which I've talked about, is important in Brazil, in Mexico, that gives us that engine. And then finally, with the product line, we have newness there in the product line, and we want to do more with printed items. So we're ramping up our capacity to do print. Again, we've seen such success with that in Brazil, in Mexico, and we really think that can inject some newness in short-term things in both late Q2, most likely in early Q3.

Frank Anthony Camma - *Sidoti & Company, LLC - Analyst*

Okay, great. Moving on to China, because I do agree that's a huge market. Can you just give us the update on how many outlets do you have today? What's the long-term goal, those metrics?

Michael S. Poteshman - *Tupperware Brands Corporation - Executive VP & CFO*

Sure, Frank. We closed the first quarter at around 6,400, which is a 14% advantage. As we moved through last year, we continued to improve that advantage. We were at around, I think, it was 2% at the end of the first quarter of '17 and the advantage has improved sequentially since then. We've talked about ultimately having the capacity for 20,000 outlets, so we'll see how that goes. And that was based on the number of households and how we needed to service them.

Frank Anthony Camma - *Sidoti & Company, LLC - Analyst*

Great. My last question just staying on China. It seems like China, and it's not surprising, is that as a market where you sort of have the best utilization or engagement of social media, if you will, with the WeChat and other things you're doing there, is that a fair statement? And can you take those things you learn there and apply them to other markets?

Patricia A. Stitzel - *Tupperware Brands Corporation - President & COO*

Absolutely. I mean, we're learning a lot from China in how they're using social media, not only to enhance communication among the members and to educate them, but also to drive them to the outlet. And when you drive them to the outlet, you create this sense of community that really has this nice effect on building relationships and keeps them coming back. So we're learning a lot from that. The other thing I'll comment on the digital side is that we have hired in now someone who is leading our digital efforts and really aligning them more globally to pick up on all these things and share them across markets. It's been fairly siloed in terms of -- each market is doing something, but we want to be able to better leverage these things. And also to look at automating marketing for our sales force as well, so that they're able to more easily share with their consumers the programs that are out there, the demonstrations, the videos, doing more of this online gaming kind of engagement thing. So we have a lot of plans with regard to digital as well in all markets.

Operator

Your next question come from the line of Dara Mohsenian of Morgan Stanley company.

Dara Warren Mohsenian - *Morgan Stanley, Research Division - MD*

Rick, congrats on what's been a long, illustrious career. I'm willing to bet you are the record holder for most miles traveled out of anyone during your tenure as CEO, and congrats again and please keep in touch. And then back to the business. Your guidance implies a large acceleration in the core sales trends in the remainder of the year versus the decline we saw in Q1. And I get there were some specific executional issues, many of which were resolved in Q1. But often what we've seen in the past with the direct selling model is that when there are supply chain or product hiccups, the weakness can linger even post the resolution as it impacts sales force morale and subsequently, the forward results. So can you give us a bit more detail on what gives you confidence in the acceleration? What you're seeing so far in Q2? And maybe, what's the worst level that some of this weakness lingers longer than you'd expect in some of these markets?

Patricia A. Stitzel - *Tupperware Brands Corporation - President & COO*

Sure. So I think the biggest disruption to Q1 was what we saw in Europe. And clearly now, with that behind us. You're right about sales force engagement, so it's not a light switch that you turn on and off and it immediately gets going again. But as we said and as we set this guidance, we were also looking to what's going on over there, and that's why I wanted to be there and actually be with the distributors to get a sense of that. So it's gaining momentum, I would say. Although, it hasn't been completely fixed, but we're seeing better attitudes. And as I said, with the French distributors on our side, I think, that was a really powerful sign to me that they also have made a commitment to us for recruiting in the second quarter, so in the very near term. And so they'll carry through on that. I think with regard to service, the one that I -- the other one that I highlighted was also Brazil and this customs strike is a challenge for us. Although, we do have some ways to work around it. What we had been doing was working really, really well and we were managing to that. And then Q1, with the tightening there, we have to readjust. And so we're in the process of doing that now. We'll have to see how that flows through in Brazil, because we don't see the customs strike really loosening up there, so we're going to have to take a different approach. But -- so those would be the 2 places, with Europe behind us in terms of supply issues, then also Brazil. Mike, anything to add?

Michael S. Poteshman - *Tupperware Brands Corporation - Executive VP & CFO*

Yes. Dara, so yes, we based the guidance on the assumption, again, that the service issues in Europe are largely behind us, but not necessarily completely. There's also relatively modest to the overall company, but some B2B sales included in the forecast, business-to-business sales in the second quarter. It's a well-integrated B2B in a sense it's working with our core model, so that gives a little bit of a lift versus last year. And then as we moved through the year, the comparisons from an operating point of view and in places like India and Indonesia, where we haven't necessarily completely turned the corner, but the comparisons do get significantly easier. I just was mentioning when -- on Frank's question, that we were down 39% in Indonesia in the second quarter last year versus 10% in the first quarter last year. So those are some of the elements. And then the

Beauticontrol comparison hit, if you will, goes out starting in the fourth quarter because we wound that business down during the third quarter and had some incremental sales there that we had been trending. So the comparison in the fourth quarter is certainly easier than in the third quarter.

Operator

Your next question comes from the line of Beth Kite of Citibank company.

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

Quickly if we could begin with the restructuring program. And just the concept that quite a bit of the savings from this year will flow through to the bottom line, but I think a bit will be reinvested. So what -- where would you like to spend those dollars? Where could -- in what regions or sort of what aspects of your business do you think you could reinvest to get better top line growth?

Michael S. Poteshman - *Tupperware Brands Corporation - Executive VP & CFO*

Yes. The thought on what's going to come through on the savings side hasn't changed. So from the full program, once it's fully implemented, we've said on an annual basis $35 million and about 2/3 of it this year, which after investment comes through in midteen dollar amounts dropping to the bottom line. The investments are somewhat diversified, but it goes to things that Tricia was talking about, where we change compensation plans in places like India, in Indonesia and other places. And then also where we have more significant model changes, the same sorts of things in terms of bridging type elements. And then there are tactical places where we invest as well, where we have salesforce shortfalls. And, of course, you hope to get the benefit near in, but you don't necessarily always get it and so we invest sometimes incrementally in those kind of things. So those are some of the examples of kind of the operating type investments that we're referring to.

Patricia A. Stitzel - *Tupperware Brands Corporation - President & COO*

So the way I would kind of sum it up is, in the overall strategy, we're looking to really ensure that we provide better access for our consumers. We want to enhance engagement, and we really want to focus on the engagement of, not only our existing sales force, but the sales force who may have left us and be able to really connect with them. And then there's even people that can't find us today. So people that can't find us, how do they connect with us? And then be able to better support her in her business and make it easier for her to do business is really what we're looking to. And as Mike said, that's really diversified across the world.

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

Across geographies, okay. Perfect. I have a question, if we go back to quickly to China, definitely the 24%, I believe it was sales growth is terrific, but I did find it somewhat interesting that the outlet count growth was quite strong relative to a number of quarters now. And yet the sales growth was slower, if you will, albeit still great, but of any quarter of 2017. So are you concerned like that big pop of outlets actually didn't lead to greater sales growth in China in the quarter?

Michael S. Poteshman - *Tupperware Brands Corporation - Executive VP & CFO*

Well, I guess that I would point to we continue to see productivity in the sense we were up, it's the ending count, not the average, but 14% in outlets at the end of the first quarter and sales were up to 24%. So we continued get a lot of, you can call it same-store increase, but there are sales that come outside the stores through -- in a sense through the digital initiatives. And we also have roadshows where we demonstrate -- I say we, the outlet owners demonstrate things like the water filter, outside of the outlets in venues that we organize and sell in that way. And the thing that we didn't mention in the script is we use this member model, which our consumers of the outlet owners, and we've been able to add to the number of consumers at a much greater rate. So we're adding a lot of members per outlet. Now they only come out of the count if they self-select to come out, so they're only going to be so active over time and everybody realizes that. But that's an illustration or part of the leverage that we get from the digital model that we're able to add all these members through the digital games and so on, that Tricia mentioned and that is where these marketing efforts go towards. And that would give us confidence that we're going to continue to be able to grow productivity, because we're addressing a lot more people per outlet and there isn't really a reason why that shouldn't continue. I'm not saying it's going to be geometric forever, but, I mean, we should be able to continue to add numbers.

Patricia A. Stitzel - *Tupperware Brands Corporation - President & COO*

Right. And that's -- I even commented on the consistent pace of growth that we have there. Because we think this is important. We don't want to just want explode the number of outlets, we want to make sure that each one of them has the right productivity and the right earning opportunity. And so we're very consistent about and methodical about how we do that.

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

Very well. And if I could close with just a quick one on the buybacks. Can you give us any sense that $200 million, is that -- I know that's in your guidance, if I heard correctly. But is that may be more heavily weighted sort of sooner rather than later? Is it sort of a 2018 goal? Or is that something that's kind of a multiyear use of that $200 million?

Michael S. Poteshman - *Tupperware Brands Corporation - Executive VP & CFO*

The intention that we talked about is to buy over the next several months.

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

Okay, perfect. And Rick, congratulations. All my best, and we look forward to working with you as your Executive Chairman role. But congratulations on a wonderful run as CEO.

E. V. Goings - *Tupperware Brands Corporation - Chairman & CEO*

Thank you very much.

Operator

Your next question comes from the line of Olivia Tong from the company of Bank of America Merrill Lynch.

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

And I want to extend my congratulations to Rick as well. It's been a pleasure working with you, and we certainly wish you the best.

E. V. Goings - *Tupperware Brands Corporation - Chairman & CEO*

Thank you, Olivia.

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

If I can maybe follow up just a little bit on the outlook. You've got, obviously, Q1 behind you. Can you talk about some of things that you saw later in the quarter and perhaps in the first few weeks of April, that give you confidence in the turnaround that you're anticipating as the year progressed. You talked about Europe the plant's now closed, management changes in Indonesia. What about some of the other markets like India, other changes that you're making, for example in Brazil, to stabilize sales? Are you running more promotion? Is there anything incremental that you're adding to the year to sort of fast forward those changes?

Patricia A. Stitzel - *Tupperware Brands Corporation - President & COO*

Okay. Olivia, I'll give you a few comments on some of the countries we haven't yet mentioned. So India. India continues to be a bit of a challenge for us with the restrictions that we have around recruiting. What we've done in India to enhance the opportunity for the managers, because when that real earning opportunity kicks in is when we can keep them. We implemented a new compensation plan there, which requires a more disciplined approach from the manager. So it was pretty loose, who could be a manager, what -- how to keep their title and so we're tightening that up. And we're doing that based on the experience that we had in Russia and Turkey, where we're seeing good results there. So we're tightening that approach up. And through the course of the first quarter, we saw that we were maybe expecting a bit too much in terms of quick behavior change. So we built in a bridge program that would help them to lead to these consistent new behaviors. And so we're working through that. I think we have experience in doing these new compensation plans. And it's important that you stay the course on these things. And I mean, it's early. But based on that we've seen a decent pick up in the bridge program and then, at least, engaging with that. So too soon to claim victory over that. But we do think that this new program in India will yield some results. In Brazil, in addition to what I talked about with the supply chain, I also mentioned -- the credit restrictions have caused us a real issue in terms of converting leads into actual recruits. And it's -- I was just talking with some of the distributors there. They say half of the people have these credit restrictions, which makes it hard for them to turn in -- turn them into recruits. And so by having now the access to accept credit cards, we give people a new path in which to place an order. So we've never accepted credit cards there before. And so if they do have a credit restriction, they give us a credit card, we can take that now and then it's not an increased credit risk for our distributors either. So this will give the ability to turn these leads into recruits. And we still have a very good ability to create leads in Brazil. We've talked over time about the D-day approach and those kinds of things. It's still working very well and they're still very disciplined about doing it. It's this conversion that we have to do. So we've done that with the credit cards. We're also looking at new methods and programs to do the conversion in terms of -- it was a cooking class, we're updating that and reinvigorating that to engage more people and to convert more recruits. And that's really the key to our success in Brazil. So we have a couple of things that we're working on that should make a difference there.

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

Got it. I guess, just following up on a couple of questions around the outlook. First, on the revitalization program, it looks like you've raised the cash charges related to that for 2018. Is that just a pull forward of activity? Or is there an expectation embedded in that by cost and perhaps benefits could actually be higher than previously expected?

Michael S. Poteshman - *Tupperware Brands Corporation - Executive VP & CFO*

Maybe, we have to take another look at that, Olivia. We had said $70 million in cash spending this year and that continues to be the expectation for this year.

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

Okay. I just thought -- in today's release, you said $22 million in Q1 and then another $61 million over 2018.

Michael S. Poteshman - *Tupperware Brands Corporation - Executive VP & CFO*

Yes, the $22 million is program to date, so it includes the cash that went out the back half of last year.

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

No, okay. I understand. Okay. Perfect. And then the -- just a clarification on the earnings outlook. The $1.14 to $1.19 in -- for Q2 EPS, does that includes just the land sale that you've already executed, the one that you executed in Q1, that you expect to close in Q2, right? It doesn't include any potential additional sales for that full year outlook of $452 million to $467 million only includes what you've already executed, right?

Michael S. Poteshman - *Tupperware Brands Corporation - Executive VP & CFO*

The one transaction happened in the first quarter, the $5 million, and so that's in those numbers. And then yes, in the second quarter, not in the non-GAAP, the $1.14 to $1.19, but in the GAAP number, it's got the assumptions around the transaction in the second quarter, but not the onset.

Operator

Your next question comes from the line of Doug Lane coming from the company of Lane Research.

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

Can we talk about the comparisons here, Mike? You mentioned that Beauticontrol comparison is clean as of the fourth quarter. You've been adjusting a couple of things for a while now between the timing of the calendar, now you mentioned Japan. When do the comparisons really get fully clean going forward?

Michael S. Poteshman - *Tupperware Brands Corporation - Executive VP & CFO*

Well, in terms of the unit comparison being in other numbers like you mentioned, so Beauticontrol we wound down in the third quarter of last year so we'll lap that as of the end of the third quarter. And then the NaturCare merger with the Tupperware business was as of January 1, that's a much smaller element. So we will lap that -- we would hit that comparison for the last time in the fourth quarter of this year.

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

And the calendar vagaries are behind us now, right?

Michael S. Poteshman - *Tupperware Brands Corporation - Executive VP & CFO*

Yes, I mean, it's the nature of our fiscal calendar as that comes through every 6 or 7 years because we close on the last Saturday of December, but it's behind us for the next few years, that's right.

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

Okay. That's what I was looking for. And also you mentioned -- there's been a pretty big difference between cash taxes and book taxes over the last 2 or 3 years. I think it's something like $0.80 a share, which is pretty substantial. So looking at what's going on with your tax rate, should we look at it like the impact is that now your book taxes are going to close the gap with your cash taxes? Or do you think your cash taxes actually will go up as well?

Michael S. Poteshman - *Tupperware Brands Corporation - Executive VP & CFO*

Well, what we're expecting longer term, I was talking about 2019 and forward is that, we entered this year 2018 with an expectation for 27% without items, and then we had a bump up because we added the guilty situation. And what we're trying to say is that, in 2019 and forward, we think based on how things will settle down and statutory changes that we would make, to putting aside guilty, that we would be able to come down off of that 27%. And that over time as well that the cash rate would come towards the book rate, not necessarily in the mid-20s, but better than it's been historically.

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

Okay. And then just switching gears. The emerging markets are up 1% organically is obviously, below trend. I mean, I don't know what you've been saying, for trend? In my mind, it's been more high single digits. But when -- I mean, just stepping back and looking at the emerging markets in their entirety, when do you think Tupperware will be back to more of a trend line kind of growth? Would it be quarters? Do you think in 2019, 2020? I mean, just from where you stand, when you see that returning to the trend line?

Michael S. Poteshman - *Tupperware Brands Corporation - Executive VP & CFO*

We have -- clearly, have businesses in different places. China is the best performer in that portfolio, certainly also of scale, of real large scale. We've done well consistently in the South African businesses, and the Mexican businesses, CIS has started to perform better. Clearly, India and Indonesia have been a big drag, particularly Indonesia being the larger one. And we do expect that the strategies that we have in place, we've also got the management changes in Indonesia to pay off. Obviously, we haven't built in a huge improvement this year given the specific guidance we've given, but those things should start to work. And then in Brazil, also, of course, they're important for us. There's some comparison hits in there that should resolve, but we need to clearly get these service issues and how we're going to operate in light of the customs strike working. But we have paths that we think will improve that. And then you know, we would hope to start doing better there. I don't know that we project that we're going to return to the 20% plus growth. But market-by-market where it's not happening like it should, we certainly have paths and reasons why we think things are going to improve.

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

Yes. I mean, the CIS number was impressive. If Brazil is just sort of a blip, as you mentioned, given the external factors. Mexico looks like it's doing well. And frankly, India and Indonesia, at this point, are much smaller than they used to be. So I think why wouldn't we see up an acceleration in an emerging markets growth rate as soon as 2 or 3 or 4 quarters out?

Michael S. Poteshman - *Tupperware Brands Corporation - Executive VP & CFO*

Yes, we certainly don't consider 1% to be the destination, absolutely.

Operator

There are no further questions at this time. Mr. Rick Goings, please continue with your conference.

E. V. Goings - *Tupperware Brands Corporation - Chairman & CEO*

Thank you very much, and thank you all for your time today. A couple of final comments. I'm going to move into this role of Executive Chairman, and they've made me an office over on the side of the building here. I'm close but not in the middle of the business. And Tricia and I and the management team, I'll help her in these areas of, not only in strategy but also leadership development and some important external initiatives.

But I do want to make a comment about the road ahead for us. I did about a month ago, a session at Dartmouth top business [school] and do this every couple of years. And we spend a couple of days with their seniors. And at any rate, talking about our business models, sources of competitive advantage and sustainability and the future. And one thing becomes really clear, here where we're going to win in the future and where we're not going to win. Where we're not going to win when you put models like Amazon up there as a low-cost supplier, nor are we going to be able to deliver products in 2 hours. But -- and by the way, we actually think low-cost suppliers are a road to hell because of the kind of capital investment they continue to make and that isn't what differentiates us. We really think there's 4 things that we're going to leverage going forward. Number one, is relationships. Our people don't sell, they share. And that's why it's been important, the quality of our products. When we get even a casual seller, she shares our products with friends, neighbors and relatives. Secondly, we continue to do product innovation. And again, we've moved away from doing burping bowls, to now we're showing people how to grill steaks in a microwave. And then we're able to couple that with Number 3, the ability to demonstrate actually of how it happens. I've been at more than 1 earnings -- or excuse me, meeting with investors out there, where I pulled out the Turbo Chopper and have an investor put carrots in it and they're shocked by what these products do. Demonstration unlocks our features and benefits. And the really major source of competitive advantage is these opportunity that we provide to have impact on people's lives. And we recruit about 3 million people per year. And it does -- we know from studies, it does have impact. Having said all of that though, I want to put one other thing in perspective, past and future. In the past, our business has been -- elements of it has been kind of like the movie business, where you have hits and you ride waves. And just like we talked about today, with some of the countries today, you'll have -- 20 years ago, it was Germany, we've got to do that. And then you rode that wave and kind of it ran out of steam. And then Mexico and Russia and France. And the key piece of that though, that's not bad. Why the volatility is in that business? Because you've got 3 million people per year that are coming in and going out of the business, and you keep working. That's why Tricia and her team have created this, IROAR, this, the inspirational leadership on the recruiting, onboarding activation and retention of that. But I think, it's always going to be the nature of the beast that's why you try to find way to make that longer. What I like about looking forward is, I think we're shifting to more of a hybrid model. When we talk about studios, it is still direct selling. We still don't have to advertise out there. Our value chain is really strong. And even when we've had these ups and downs, we've moved these operating margins from 5% to midteens, thrown up all kinds of cash. It has been a great cash machine. But what Tricia and the management team are working toward is how do you take out volatility in an industry where almost no direct seller has not been without volatility. And I think, my God, I think we're getting there, where I see the balance of these studios, where it brings it locally to an individual, she's still is out there selling product as a sales force, but it's closer to her. And we already know that the studios do more volume than the old traditional warehouses in the woods, as Tricia affectionately says it. So -- and I think we validated that, so we're shifting to that. And somebody asked a question that, if we had more cash, could we do this thing faster, where would you put it? As you're transitioning sales force out there, its transformation and it's going to take time. That's why I think this shifting in many of these markets, to more studio model of having direct sales forces. With a country like Germany, rather than have 125 locations, you have 500 locations and energy sources, that takes time to transition. And money really doesn't change that, we're going to have to bring that sales force around. But the more they're seeing these do better, the more open they are to make this change. And the second piece of that is, while what we've learned in China, the validation that we can do demonstration selling and digital and they contribute to each other. So I think the road ahead is becoming clear on that -- we've got sources of competitive advantage, we've just got to execute it. And like in the first quarter, not screw these thing up and shoot ourselves in the foot with some of the ways we're doing it. Anyway guys, thanks for your support.

Patricia A. Stitzel - *Tupperware Brands Corporation - President & COO*

Thank you.

Operator

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