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PRESENTATION

Operator

Greetings, and welcome to the Retailwinds, Inc. Third Quarter 2019 Earnings Conference Call. (Operator Instructions) Please note this conference is being recorded. I will now turn the conference over to your host, Francesca Filandro of ICR. You may begin.

Francesca Filandro - *ICR, LLC - IR Associate*

Thank you. Good afternoon, everyone. Before we begin, I would like to remind you that some of the comments made on today's call, either as part of our prepared remarks or in response to your questions, may contain forward-looking statements that are made pursuant to the safe harbor provisions in the Private Securities Litigation Reform Act of 1995. Actual results may differ from those projected in such forward-looking statements. Such forward-looking statements are subject to risks and uncertainties as described in the company's documents filed with the SEC, including the company's fiscal year '18 Form 10-K. The company undertakes no obligation to publicly update or revise any forward-looking statements to reflect subsequent events or circumstances.

As a supplement to today's presentation, we have made slides available, which you can view under the Investor Relations section at nyandcompany.com.

And now I would like to turn the call over to Greg Scott, CEO.

Gregory J. Scott - *RTW Retailwinds, Inc. - CEO & Director*

Thank you, Francesca. Good afternoon, and thank you for joining us. With me today to discuss our third quarter 2019 results are Traci Inglis, our President, Chief Marketing and Customer Officer; and Sheamus Toal, our Executive Vice President, COO and CFO.

As noted in our press release, we were disappointed with our third quarter results as softness in our store channel contributed to our sales decrease and operating loss below our expectations. That said, we continue to make progress against our strategic initiatives, which include growing our multi-brand platform, driving digital growth across all brands and implementing our Customer First initiative.

I'm encouraged to report that in the third quarter, our Fashion to Figure brand delivered a 55% comp. Our total digital businesses across all brands delivered positive comp results and represented 36% of total volume, and we were able to accelerate further our new customer growth. Unfortunately, traffic in our store channel, combined with challenges in our denim-based Soho Jeans sub-brand drove the quarter's operating loss. The team navigated these headwinds through disciplined inventory and expense controls, and we ended the quarter with \$66 million in cash on hand and no debt. We acknowledge these challenges and are addressing this with a sense of urgency.

I am proud of our team's ability to navigate challenges by appropriately managing our controllable, including expenses and inventory, which contributed to near-peak product margin rate level while also investing in new businesses to support our multi-brand portfolio and customer acquisition to drive future growth. Overall, the combined impact of the negative 4% consolidated comp sales decline, coupled with increased shipping expenses, reduced vendor rebates, increased marketing expense to drive customer acquisition and investments in new businesses, resulted in non-GAAP operating loss of \$7.5 million, which excludes the impact of a onetime charges related to the closure of our lingerie business, Uncommon Sense. These results were way below our expectations, driven by continued weakness in store traffic. We do benefit from lease flexibility with more than 70% of our stores on 2-year or less terms, and we continue to evaluate our real estate portfolio.

Let me now turn to an update on our strategic initiatives, which -- where we continue to advance our strategic agenda. I'd like to share a few highlights regarding the progress made in our transformation. Regarding our celebrity brands and new businesses, Fashion to Figure, our on-trend plus size brand, delivered a positive 55% comp, driven by the e-commerce channel and supported by the brand's ongoing execution of its strategic plan.

Happy x Nature, our ready-to-wear brand in partnership with Kate Hudson continued to build momentum, driven by the strength of Kate's 10 million active and engaged social following. Our celebrity brands, which are exclusive to New York & Company delivered positive comp increases and continue to be an important driver of new customer acquisition and assortment differentiation.

Regarding our goal to increase new customer acquisition. We achieved positive growth in our 12-month customer file, and we achieved positive 5% comp increase in new and reactivated customers to our brand as we continue to invest in new customer acquisition channels to support future growth. Regarding our goal to drive digital growth, total digital sales across all brands delivered positive comp growth supported by double-digit traffic increases with digital businesses now representing 36% of our total sales volume.

Regarding our ongoing challenges related to our casual Soho Jeans sub-brand. One, we introduced a new manufacturing base in Denim to support our new assortment in spring 2020. Two, we achieved positive customer response to chase deliveries from our new vendor, producing our best-performing styles in the quarter, which will greatly influence our investments in spring 2020 in the category. And three, we advanced critical new hires to lead the sub-brand reposition in fall 2020.

Finally, we maintained our strong balance sheet with \$66 million in cash on hand or \$1.02 per share and no debt, which is a competitive advantage in today's volatile environment. Looking ahead, we continue to see opportunity in our core brand and are working to address the customer assortment challenges, which impacted our results while also continuing to evaluate our real estate portfolio.

In addition, Traci will provide an update on our Customer First initiative, which we've recently launched to drive positive results across our brands. We believe we have the team, focus and plan in place to return our company's sales growth and positive operating profit and are acting with a sense of urgency.

Turning to our third quarter results. I'd like to spend a few moments discussing our progress. First, we continue to leverage our celebrity collaborations of sub-brands as market differentiated that our customers can only find at New York & Company. Combined, our celebrity collaborations delivered positive comp growth in the third quarter and continue to be a significant source of new customer acquisition.

In addition, we were pleased by the customer response to our recently launched Happy x Nature brand, where we saw performance improved throughout the quarter. Looking ahead, we recognize more opportunities to complement our celebrity influencers with nano and micro influencers and will be initiating a test in the fourth quarter to leverage brand fans and drive further awareness.

We are seeing our customers respond to areas of the business that satisfy her need for fashion, style, quality and value. Our dress assortments, which represent over 10% of total company volume, delivered strong results in the quarter and provided important fashion and lifestyle [haloes] across New York & Company. Our Soho Street sub-brand, which provides a streetwear influence complement that enhances our lifestyle projection, also delivered positive comp increases, supported by innovation in our bottoms category.



And finally, our 7th Avenue sub-brand, supported by strength in our marketing-leading franchise pant programs, continues to be an area of competitive strength and a strong driver of customer loyalty. With that being said, the comp decreases we experienced in Soho Jeans significantly impacted our overall comp performance and represented near the entirety of our volume decrease in our core New York & Company brand. Number two, regarding our second strategic priority to increase brand awareness and customer engagement, we continue to experience increased bifurcation performance between our store and digital channels.

I am pleased to share that we delivered positive double-digit traffic increases across our digital brands. That said, while our store traffic continues to perform generally in line with widely reported industry results, we experienced traffic declines below industry benchmarks in our outlet conversion stores, further impacting our overall store traffic performance. We are actively engaged in improving these results and testing into new initiatives to drive traffic.

In terms of our customer file, we are pleased to see comp increases both our 12-month customer file as well as positive 5% increase in new and reactivated customers, which represent an improvement from trend. We have an active testing agenda focused on acquisition and retention. And under Traci's leadership, we are actively rebalancing our marketing mix to invest in digital acquisition channels to ensure we are bringing new customers to our portfolio of brands.

In addition, we launched our Customer First initiative during the third quarter, with the objective to reinvent all aspects of our marketing organization from data analytics, creative storytelling, personalization and segmentation and content creation with an intense focus on the customer. Traci will share additional details of this initiative during her prepared remarks.

Our third strategic priority focused on driving digital and omni. Our New York & Company e-commerce performance delivered positive comp results in the third quarter, supported by double-digit increases in traffic. Our Fashion to Figure e-commerce business essentially doubled over the prior year, and we recognized an opportunity to accelerate performance in this channel even further. Our rental program available at nyandcompanycloset.com continues to grow, driven by increases in our subscriber base.

Finally, sales to our omni programs, which includes in store pickup, order online, ship from store or online and order in store, ship from store or online increased at double-digit rate for the quarter.

From a product perspective, our e-commerce exclusive merchandise delivered double-digit comp performance in the quarter and allows us to expand our fashion projection through new styles and categories. These assortments are also size inclusive as we offer size [from] double 0 to 20 in nearly all styles, including our celebrity collections.

Across all brands, we are able to increase our digital sales penetration to nearly 36% of volume as compared to 32% last year, driven by the positive comp performance across digital channels, brands and services. Looking ahead, we will continue to implement the changes necessary to accelerate further our digital growth.

Our fourth strategic priority focused on our real estate portfolio. We have opportunistically taken advantage of much of the consolidation that has happened in the industry over the past several years. We see stores as an important driver of customer acquisition and engagement metrics that inform our holistic approach to real estate. In addition, we have amplified our retention efforts when closing stores with the goal of increasing our omnichannel customer base and overall retention rates. During the fiscal year, we anticipate closing up to 30 locations and more than 70% of our existing store base on a 2-year or less terms, we continue to actively evaluate our store portfolio.

Next, sourcing. Regarding the impact of potential tariffs on imports from China, we have been proactively working with our partners to mitigate risk, and we have taken early receipt of merchandise in advance of potential tariffs. Our current guidance incorporates risks associated with potential tariffs, and we maintain an active and open dialogue with our vendor partners, recognizing the dynamic nature of the macro environment.

In addition, we have made significant changes to our manufacturing base and country of origin strategy and have reduced our dependence on Chinese manufacturing significantly, decreasing to 40% in spring 2020 from 60% in the prior year, with a long-term goal below 25%.

Our final strategic priority focused on growth initiatives. While we are maintaining our focus within our core New York & Company business, we are also looking at additional white space opportunities without significant capital investments by leveraging our RTW operating platform.

Our Fashion to Figure brand continues to execute against the strategic plan we implemented beginning in the fall of 2018, resulting in a positive 55% comp for the third quarter. We are pleased with the overall customer response to our assortment and marketing messages as we position this brand for growth in the plus-size market.

In addition, we delivered several influencer collaborations during the quarter, which drove awareness, increased sales and provided a source for new customer acquisition. We see these types of collaborations as an important component driving the brand's future growth and will be increasing the frequency of these drops throughout 2020. I'm also pleased to share that Gabrielle Union will be partnering with Fashion to Figure with our first collaborative collection available now. In addition, we'll be accelerating growth in our e-commerce business to build on the channel's double-digit growth rate and efficient customer acquisition costs. Looking ahead, we are pleased to report the trends we experienced in the third quarter have carried into the fourth and anticipate similarly strong results from the Fashion to Figure business.

Regarding our Happy x Nature business, we are pleased with the customer response and believe in the potential of this lifestyle brand. We are seeing the strength of Kate Hudson's social channel. In fact, social channels contributed to nearly 20% of happybynature.com volume, reflecting the importance of social in acquiring customers and driving sales. We are pleased to see the brand's momentum increase throughout the quarter and has continued in the fourth quarter. We will continue to provide further updates regarding our growth plans for Happy x Nature.

Looking ahead to the fourth quarter, while our reads in October and early November were above our expectations, our Black Friday performance was disappointing due to traffic in our store channel. We were very pleased that our Cyber Monday results delivered record-breaking traffic and sales, which reflects the continued bifurcation of our positive digital growth and our traffic headwinds in stores. While we anticipate improved margins rate over the prior year, reflecting our merchandise strategies, we are also continuing to invest in the future, including marketing, to drive customer acquisition, which is increasing our marketing expense over the prior year.

All said, for the fourth quarter, we expect to drive positive growth across our digital businesses and the Fashion to Figure brand. We will continue to invest in the future, including marketing, and we believe continued pressure on brick-and-mortar traffic is all reflected in our fourth quarter guidance.

With that, I would like to turn the call over to Traci, our President, Chief Marketing Customer Officer, who'll provide an update regarding our Customer First transformation.

Traci Inglis - RTW Retailwinds, Inc. - President, Chief Marketing & Customer Officer and Director

Thank you, Greg. As I approach my 6 months with the Retailwinds team, I continue to believe that we have the right ingredients for success, including strong products with unique market positioning, highly engaged customers and an organization that is receptive to making the necessary changes to introduce digital marketing and Customer First best practices.

With that in mind, I'd like to provide an update on our journey to becoming a customer-led organization through our Customer First initiative. As I've previously shared, we are transforming our marketing efforts to be Customer First data-driven and creative optimized, which, when combined, will elevate our overall brand experience while reaching new customers for whom we may not have been front of mind today.

Last quarter, I shared with you that our shoppers are very loyal and spend per customer is strong but that we simply need more of them. We laid out strategies to drive new customer acquisition based in digital best practices and leveraging the strength of the New York & Company brand. I am pleased to share that those strategies, which I shared last quarter are working. We have successfully reversed the trend on our customer acquisition efforts from several quarters of negative growth to our first quarter of modest gains in new customer acquisition. We have also seen strong year-over-year increases in traffic, driven by digital marketing.

Further, we kicked off 15 separate projects, both internally driven and consultant-driven in support of our Customer First initiative in Q3. I'm pleased to report that we are on budget and on schedule across all initiatives and have already begun to see progress toward becoming a customer-led organization. We are focused on 3 key areas. First, experience. We are addressing how the customer engages with our brands and how we can translate awareness into advocacy across an integrated approach with specific focus on new customer acquisition.

Our Customer First transformation begins with the customer decision journey. We've just completed this work and are now identifying our activation plan to enable critical components of this road map. This was a critical guide to inform our strategic agenda and is a comprehensive and thorough assessment of all the different ways a customer experiences our brand across all channels and touch points and where gaps in this experience compromise our acquisition and retention efforts.

Next, data and technology. We are leveraging customer data and decision-making with a focus on acquiring new customers, maintaining our healthy lifetime values and optimizing our investments by building a test-to-invest mindset to minimize risk of untested concepts and scale-proven investments. As we do this, the measurement, management and optimization of these investments is increasingly important, and we are building capabilities and tools to support this.

In Q3, we added an A/B testing tool, new payment options of Apple Pay and Afterpay, improved site UX and filtering and more. We have a very full road map of tools and technology to further optimize our digital growth throughout the next several quarters.

Finally, creative. As part of our aspiration to build a content creation culture, we are taking the steps necessary to support increased content creation, aligned with where our customer is engaging with our brands, whether stores, site or social. Being customer-led is not just a marketing initiative. Going forward, I see our Customer First initiative becoming an embedded part of the Retailwinds culture that can be enabled across all brands and teams and whose success will be realized in ever-increasing sales and customer lifetime value. Our initial results are encouraging for our long-term growth, and I'm excited to be a part of this migration.

With that, I will now turn the call over to Sheamus.

Sheamus G. Toal - RTW Retailwinds, Inc. - Executive VP, COO & CFO

Thank you, Traci. Good afternoon, everyone. Net sales were \$200.1 million as compared to \$210.8 million in the prior year, reflecting a 4% decrease in comparable store sales and a reduction of 14 stores, partially offset by increases in sales from the new businesses. In the comparable store sales base, average dollar sales per transaction decreased 1.1%, while the number of transactions per average store decreased 3%.

Gross profit as a percentage of net sales decreased 460 basis points to 27.8% versus 32.4% in the prior year third quarter. The decrease includes \$3.3 million in write-offs of inventory and \$0.4 million of severance related to the exit of the Uncommon Sense brand, which combined contributed 180 basis points of the 460 basis point decrease in margin rate. Margin was also impacted by increases in shipping costs and the deleveraging of buying and occupancy costs on lower sales.

Selling, general and administrative expenses were favorable to our prior guidance at \$67.7 million or 33.8% of net sales as compared to the \$66.8 million or 31.7% of net sales in the third quarter of 2018. Included in selling, general and administrative expenses is \$1.5 million of incremental spending from the prior year incurred in the connection with the incubation of new businesses. \$0.6 million of expenses associated with the exit of Uncommon Sense and \$0.4 million of nonoperating charges related to severance due to a reorganization in the New York & Company brand, partially offset by a \$200,000 legal accrual reversal. Excluding these items, selling, general and administrative were \$65.4 million.

Operating loss for the third quarter was \$12.1 million, inclusive of \$5.8 million of losses from the company's new businesses. These new business losses included a charge of \$4.2 million to exit the Uncommon Sense business which is consistent with our prior guidance. This compares to operating income of \$1.6 million for the third quarter of fiscal year 2018.



On a non-GAAP basis, the operating loss was \$7.5 million after excluding the impact of \$4.2 million in charges to exit the Uncommon Sense business, \$0.6 million in reorganization charges in New York & Company and partially offset by \$0.2 million in legal accrual reversals. This compares to non-GAAP operating income of \$2.4 million for the third quarter of fiscal year 2018.

Net loss for the third quarter of fiscal year 2019 was \$11.6 million or \$0.18 per diluted share as compared to net income of \$1.7 million or \$0.03 per diluted share in the third quarter of fiscal year 2018. Total quarter-end inventory decreased 5.2% as compared to the end of the prior year period, primarily reflecting planned decreases in merchandise in transit and inventory on hand.

Capital expenditures were \$2 million as compared to \$2.1 million in the prior year period, primarily reflecting investments in the company's information technology and omnichannel infrastructure. During the quarter, the company opened 2 stores, closed 1 store and remodeled 1 store, ending the third quarter with 414 stores, including 120 Outlet stores. On the real estate front, our short-term renewal strategy continues to provide for a highly flexible lease portfolio with more than 70% of our leases expiring in 2 years or less.

We were pleased to end the quarter with a strong balance sheet with \$65.6 million of cash on hand, representing \$1.02 per diluted share, and we have no outstanding borrowings under our revolving credit facility and no long-term debt. As previously announced, we were also pleased to complete a new 5-year credit facility during the quarter, which is available to provide the company with significant additional liquidity, if needed, at reduced rates and lower costs.

Now turning to outlook for the fourth quarter of fiscal year 2019. We continue to focus on investing in the future to drive improvements in long-term operating results and increases in both top line sales and annual operating income. While we make these investments, we continue to expect the headwind of negative mall traffic trends to impact our brick-and-mortar stores, which highlights further the importance of our Customer First and digital strategies.

For the fourth quarter, we expect the following. Net sales are expected to be down in the mid- to upper single-digit percentage range, reflecting the combination of reduced store counts and comparable store sales, which are expected to be down in the mid-single-digit percentage range. Gross margin is expected to be down by up to 150 basis points, reflecting increased shipping costs with product margins expected to be flat to up slightly. Selling, general and administrative expenses are expected to be up slightly as we continue to invest in the future with marketing to attract new customers and through the incubation of new businesses. In addition to these marketing investments and new business costs, we also expect to see increases in variable e-commerce selling expenses, driven by growth in the e-commerce business and increases in variable compensation due to the elimination of accrual reversals, which occurred last year, all of which was partially offset by reductions in payroll.

Operating results for the fourth quarter are expected to reflect a loss of \$4 million to \$8 million. On-hand inventory at the end of the fourth quarter of fiscal year 2019 is expected to be down in the mid-single-digit percentage range.

Capital expenditures for the fourth quarter of fiscal year 2019 are expected to be approximately \$5.5 million to \$6.5 million to support ongoing investments in the IT infrastructure and new and remodeled store activity. Full year capital expenditures are expected to be between \$11 million and \$12 million. Depreciation and amortization expense for the fourth quarter is estimated to be approximately \$5 million.

During the fourth quarter of fiscal year 2019, the company expects to open 1 New York & Company store and close a total of 27 stores, including 19 New York & Company stores, 4 Fashion to Figure stores and 4 Outlet stores. For the full fiscal year 2019, the company expects to have opened a total of 7 New York & Company stores and 2 Fashion to Figure stores and close a total of 31 stores, including 22 New York & Company stores, 4 Fashion to Figure store and 5 Outlet stores.

With that, I would like to turn the call over to the operator to begin the question-and-answer portion of the call.



QUESTIONS AND ANSWERS

Operator

(Operator Instructions) Our first question comes from the line of David Kanen of Kanen Wealth Management.

David L. Kanen - *Kanen Wealth Management LLC - President & Portfolio Manager*

So I know that e-comm was about 36% of total revenue. What was the year-over-year growth in total of e-comm?

Sheamus G. Toal - *RTW Retailwinds, Inc. - Executive VP, COO & CFO*

Dave, this is Sheamus. We don't typically disclose comps by channel. So we have disclosed the percentage in terms of total penetration. But for accounting purposes and SEC reporting purposes, we've not gotten into disclosing individual comps by channel.

David L. Kanen - *Kanen Wealth Management LLC - President & Portfolio Manager*

Okay. And e-comm being at a total of 36%, that incorporates all of the celebrity brands, et cetera, correct, as well as Fashion to Figure?

Sheamus G. Toal - *RTW Retailwinds, Inc. - Executive VP, COO & CFO*

Yes. It does include all of the celebrity brands, all of our digital sales in terms of both celebrities as well as the Fashion to Figure brand and the Happy x Nature brand as well. So all digital-facing brands as well as the New York & Company brand.

David L. Kanen - *Kanen Wealth Management LLC - President & Portfolio Manager*

Okay. And then I think you alluded to -- during the quarter, you started to see some momentum in Happy x Nature. Can you just elaborate on that? How it's doing in a general sense? And when do you think it will potentially be a meaningful contributor, \$25 million to \$50 million a year? How long will it take, if ever, to get to that point?

Gregory J. Scott - *RTW Retailwinds, Inc. - CEO & Director*

So -- Dave, it's Greg. So I think Happy x Nature continues to perform well on our New York & Company digital site. We saw good performance in the New York & Company stores. And at the same time, really, the momentum shift really happened on its own site, where we really saw incremental increased traffic over the quarter, really driven, I think, specifically by Kate Hudson's social presence and what she's done socially, which really drove good traffic, and we're really seeing upticks in conversion. So I will say as we're now about 6 -- 7 months into Happy x Nature, if I look at the trajectory of maybe the Eva Mendes brand and the Gabrielle Union brand, I would say that we're tracking certainly similarly to those brands, a little less than maybe that Eva did her first year. And I would say that -- as we look at it today, I would say that would be a 2- to 3-year horizon to hit those numbers. And it really, I think, we have to look at it and determine. I think what we're seeing is customers that are new to the Happy x Nature site, which really have no overlap to New York & Company that are discovering this brand. We have to, with the marketing team, really continue to find cohorts that are like that customer that are not part of the New York & Company brand to really have that kind of explosive growth because there, really new customers are finding and liking this brand.

David L. Kanen - *Kanen Wealth Management LLC - President & Portfolio Manager*

Okay. And then a housekeeping question for Sheamus. Do you expect to end the fiscal year with a higher cash balance, just based on working down the inventory and working capital?

Sheamus G. Toal - *RTW Retailwinds, Inc. - Executive VP, COO & CFO*

So we'll certainly end with a higher cash balance than we have at the end of the third quarter. The third quarter is our -- traditionally our lowest balance as we invest in inventory in advance of the holiday season. So you're absolutely correct. As we liquidate that inventory and convert it to cash, we would expect our cash balances to build at year-end.

David L. Kanen - *Kanen Wealth Management LLC - President & Portfolio Manager*

Okay. And then just, I guess, commentary for the management team and the Board. I understand your strategy to transform the company into more of an e-commerce play, which is great. And it's growing, although we would like to see it grow faster. But that business, by its very nature, is lower margin because it's a more expensive business. And the message really for the board and management is, I think you guys need to be more aggressive and bolder in terms of transforming your cost structure.

And just to throw out an idea or 2. Having 4 floors for headquarters in Manhattan, I'm sure you need some presence in Manhattan, but perhaps some of that can be moved across the river at a significantly lower cost. So my message, in general is you guys have to shake every tree and find savings to adapt to a better model in e-comm, one that has significantly more [hoss] in order to be profitable and have a company that's more valuable for shareholders. So that's my message. You're happy to comment on it. I'd love to hear that you've got initiatives underway, and that's pretty much all I've got for you.

Gregory J. Scott - *RTW Retailwinds, Inc. - CEO & Director*

Great. So I appreciate that feedback, Dave. I think just in terms of a couple of comments. Obviously, you know we have a very strong history of being aggressive in looking for every expense opportunity across the organization. It helped us over time to not only control our costs but build our cash balances. So we have been and will continue to be very aggressive with that. I think that as we look forward, we absolutely agree that we are transforming the company, and we need to look at expenses from a different perspective that we did before, and there may be some shift in expenses as we find opportunities elsewhere, in some areas, we'll use those opportunities to invest more in terms of our transformation and marketing and other initiatives that we want to roll forward.

I think the one that you've referenced is one that we're very active with right now in terms of you and I have discussed this, where we are looking at opportunities to sublease portions of our space. So that's on the market right now and out in terms of the real estate market. Where we can be more efficient in the use of our office space, where we can be more efficient in the use of our resources, we're definitely doing that.

Sheamus G. Toal - *RTW Retailwinds, Inc. - Executive VP, COO & CFO*

Just -- I would like to add that I think we'll continue and I think it's a great comment. I appreciate it. I think we're going to continue to look at every way to transform the business that makes sense. I think as we go to market from design to merchandising to planning, really looking at that total pipeline to understand the right strategy to go forward in the new era is important. You have my word that I'm actively with the team looking at that. I hope to talk about that in the New Year. But I think what you're saying is something that we think about every day, and it's well taken. And I hope that we're able to make some strong moves as we move into 2020.

Operator

We have reached the end of the question-and-answer session. I will now turn the call back over to Greg Scott for any closing remarks.



Gregory J. Scott - RTW Retailwinds, Inc. - CEO & Director

I appreciate everyone joining us today. Please note, we are working diligently to improve the business. I thank all of our associates for everything they do, and we look forward to speaking with you when we report our fourth quarter and full year results in middle of March. Have a good holiday, and we'll speak to you soon. Thank you.

Operator

This concludes today's conference. You may disconnect your lines at this time. Thank you for your participation, and have a great evening.

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