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GIL.TO - Gildan Activewear Inc Investor Call – COVID-19 Update

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OVERVIEW:

Co. provided an update in response to impact of COVID-19 on its business and operations.

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PRESENTATION

Operator

Ladies and gentlemen, thank you for standing by, and welcome to the Gildan Investor Update Call. (Operator Instructions) Please be advised that today's conference is being recorded. (Operator Instructions)

I would now like to hand the conference over to your speaker today, Ms. Sophie Argiriou, Vice President, Investor Communications. Please go ahead, ma'am.

Sophie Argiriou - *Gildan Activewear Inc. - VP of Investor Communications*

Thank you, Katherine. Good morning to everyone, and thank you for joining the call today. Earlier this morning, we issued a press release providing an update related to COVID-19. With me on the call, we have Glenn Chamandy, our President and Chief Executive Officer; and Rhod Harries, our Executive Vice President and Chief Financial and Administrative Officer. Shortly, Rhod will be providing commentary on our update and a Q&A session will follow. Today's conference call includes certain statements that may constitute forward-looking statements within the meaning of the U.S. Private Securities Litigation Reform Act of 1995. Such forward-looking statements involve unknown and known risks, uncertainties and other factors which could cause actual results to differ materially from future results expressed or implied by such forward-looking statements. We refer you to the company's filings with the U.S. Securities and Exchange Commission and Canadian securities regulatory authorities that may affect the company's future results. I will now turn the call over to Rhod. Rhod, go ahead.

Rhodri J. Harries - *Gildan Activewear Inc. - Executive VP, CFO & Chief Administrative Officer*

Thank you, Sophie, and good morning, everyone. We're here today to give you an update on how COVID-19 is impacting our business and operations and how we are addressing the situation. Please know that we are thinking of all our stakeholders and hope they are safe. Our first priority is the health and safety of our employees, customers, suppliers and other partners as well as ensuring the continuity and health of our operations, which we have been working to address.

We have been monitoring the status of COVID-19 since early this year, closely following all guidelines issued by various health protection agencies and have implemented various measures to reduce risks and protect everyone's health. Thus far, we have not seen any confirmed cases within our operations. Across our manufacturing facilities, distribution centers and offices, we have implemented enhanced cleaning procedures, thermal testing of employees in production plants. We have ongoing information campaigns at all levels of the organization on sanitary measures to follow. We've implemented business travel restrictions and social distancing requirements for those returning from travel and, for the most part, office employees are now working remotely from home.

Of course, however, the spread of the coronavirus continues to heighten and is having a significant impact on global economic activity. Governments all over the world are stepping up measures and restrictions to contain the spread of COVID-19, mandating shutdowns of both public and private sector activity. Many organizations have been canceling sporting, entertainment, promotional and cultural events, and retailers are increasingly announcing the closure of their retail outlets. Consequently, we have started to see a significant deterioration in demand for our products, particularly on the imprintable side, where the end uses of our products are very much linked to large gathering events. The deceleration of POS in the imprintables evolved quickly over the course of the last month. Last week, for instance, POS started to decline at levels in the 50% plus range versus the preceding week when POS was down in the 15% plus range, while in the earlier part of the quarter, POS was tracking largely in line with our expectations, down but to a much lesser extent.

On the retail side, some channels like mass, particularly those that have grocery offerings as well as online channels, are currently being less impacted than other channels where store closures are accelerating. However, the situation remains very fluid, and with new information each day on statewide shutdowns and with consumers increasingly limited purchases to basic essentials, demand declines in retail will accelerate as well.

Moving on to the manufacturing side. Effective March 17, the government of Honduras mandated a 7-day shutdown of all private sector enterprises in the country. And this weekend, the shutdown was extended for another week. Accordingly, our facilities in Honduras have been idle since Tuesday last week, while production in the other regions like Nicaragua, the Dominican Republic, Haiti and Bangladesh as well as our yarn spinning and distribution operations in the U.S. ran last week. However, other countries where we operate are now also starting to impose similar directives. Given the impact of all of the factors that are unfolding due to the COVID-19 situation, we have now decided to temporarily stop production at all of our manufacturing facilities as of today through the middle of April. This decision will allow us to abide by government directives and do our part in the global efforts to contain the spread, while at the same time, allow us to align our production and inventory level with current demand requirements. For the time being, our distribution warehouses will remain open and are well-stocked with strong inventory levels to service our customers. And our office staff in various locations will continue with working from home arrangements. We should reiterate that given the fluidity and unprecedented nature of the COVID-19 situation, we'll continue to monitor and adjust our plans for our business as the situation evolves, ensuring we are taking the necessary actions to ensure safety and continuity of business.

Now turning to our liquidity situation for a moment, which we know is an important concern for all companies as we move through this crisis. When we ended fiscal 2019, our net debt-to-adjusted EBITDA leverage ratio stood at 1.6x. We had $862 million of net debt drawn on $1.6 billion of facilities. Out of an abundance of caution last week, we elected to draw down on the remaining available portion of our revolving long-term bank credit facility, which was not drawn, effectively positioning us with just over $500 million of cash and over $50 million of available lines totaling close to $600 million of liquidity.

At year-end, you may also recall, we had over $1 billion of inventory, which is now closer to $1.2 billion, which we can use to support sales. Accordingly, we feel good about the overall financial flexibility we have to navigate through this environment, given our liquidity position and balance sheet, combined with the level of our fixed cost structure and as we place significantly heightened focus on managing operating expenses, CapEx and working capital as we move through the crisis.

Moving on to guidance. As you can appreciate, visibility in the context of the current environment is weakening, particularly as it relates to the duration of the COVID-19 pandemic and related impacts on a global scale. When we provided our guidance on February 20, we did not include any impact on our results from COVID-19 disruptions. Accordingly, given how the situation is evolving, we are now withdrawing our first quarter and full year 2020 guidance. We will provide a further update when we release results for the first quarter.

In closing, we would like to assure you that we are doing everything we can to safeguard our people and ensure the continuity of our business. We would like to thank our employees for their commitment and hard work during this difficult time, our customers for their business and all our partners for their support. Gildan has been able to successfully navigate through difficult times over the years, and we are confident that our strong business model, financial position, resilience and our capability to adapt to challenging environments will continue to position us well for long-term success as we emerge from this global crisis. And with that, I will turn it back over to Sophie.

Sophie Argiriou - *Gildan Activewear Inc. - VP of Investor Communications*

Thank you, Rhod. That concludes our formal remarks, and we'll be starting the Q&A session. I would ask that you please limit the number of questions to 2 so we can address as many callers as possible, and we'll circle back for a second round of questions if time permits. I'll now turn it back over to the operator for the question-and-answer session.

QUESTIONS AND ANSWERS

Operator

(Operator Instructions) And our first question comes from Sabahat Khan with RBC Capital Markets.

Sabahat Khan - *RBC Capital Markets, Research Division - Analyst*

Okay. When you talk about the decrease in demand that you're seeing and the percent range that you gave, can you maybe give some color around what you're seeing across various price points? And are you seeing similar trends for fashion basics? And how is that comparing to the sort of regular trade basics? Is it similar? Are they varying?

Glenn J. Chamandy - *Gildan Activewear Inc. - Founder, President, CEO & Non-Independent Director*

Okay. I'll answer that one. Well, basically, look, it's pretty much across the board in all product categories. Like Rhod alluded to in his commentary, if you go back to when we announced in February, in fact, we're actually optimistic in terms of our POS momentum, to be perfectly honest with you. And we've seen a decline each week. So to give you an example, our U.S. POS in, like, around week 8 when we reported, it was about 4% plus. And week 9 was minus 2%, then it was minus 7%, then it was minus 15%. And last week was minus 50%, and we think that's going to go below that level probably as we look into this week.

We have a little bit of a history in terms of the POS in Europe, which we've seen -- obviously, as they're a little bit in front of us and as well in China, we've seen the momentum of the POSs in those markets. So China, for example, in February, the POS was down somewhat 70%, and now it's recovering, it's down 35%. So as people get back to work, the POS comes back. So I think that's where we see -- we don't have a crystal ball, obviously, and that's why we're withdrawing our guidance. But I would say that the POS drop is in all categories. And if you look at the end uses of our products, we've got 35% of the market is corporate wear. Tourism is about 30%. Uniform is 10%. Education is 10% and 15% is consumer. Well, other than the consumer, all those other areas are pretty much shut down or going to be shut down. So I think that's the way you have to look at it. There'll be -- I think POS will continue to decline for a period as we can see more shutdowns in the market, and then we'll start to rebound as things move open. And that's really in printwear.

And the -- on the retail side, it hasn't been that bad. We've actually -- we're having -- we were having a pretty good quarter on POS. But over the last couple of weeks, we start seeing a decline, not as significant as the printwear market. But we've seen declines as people are loading up on toilet paper and other food and so forth. So retail is also -- we see a decline happening as well as we move into April.

Sabahat Khan - *RBC Capital Markets, Research Division - Analyst*

Right. And then the $1.2 billion of inventory that you called out, can you maybe give us some color on the composition of that? And how much is imprintables versus retail? And even within the imprintables, what's the mix of basics versus fashion basics? I just want to understand your ability to service the various markets.

Glenn J. Chamandy - *Gildan Activewear Inc. - Founder, President, CEO & Non-Independent Director*

Well, our inventory is in very, very good shape, basically. It's covering, I think, all of our sales forecast, both retail, wholesale, fashion, fleece, whatever criteria or product that we needed to support the Q2 sales, basically, and those goods are in our warehouse, right? So if you look at the sales and recovery, we have enough inventory to cover every single category at 100% pretty much in our -- just in our finished goods warehouse right now. So we're in very good shape. And what we'll do is we're turning off manufacturing until April 14 and we'll continue to sell down our inventory and turn that inventory into free cash flow.

Sabahat Khan - *RBC Capital Markets, Research Division - Analyst*

Okay. And then you mentioned that you have about $600 million of liquidity to kind of weather the storm, so to speak. Is there -- I'm kind of thinking about -- I'm assuming the NCIB is on hold, but have you guys thought about the dividend at all? Or is that kind of a bridge you'll cross if things stay shut down for an extended period of time?

Glenn J. Chamandy - *Gildan Activewear Inc. - Founder, President, CEO & Non-Independent Director*

I think it's a bridge we'll cross after we see what happens over an extended period of time.

Operator

And our next question comes from Heather Balsky with Bank of America.

Heather Nicole Balsky - *BofA Merrill Lynch, Research Division - VP*

First question is can you help put in perspective, especially with factory shutdown, what your cash needs look like on a week-by-week basis? What costs are still accruing and how to think through that?

Glenn J. Chamandy - *Gildan Activewear Inc. - Founder, President, CEO & Non-Independent Director*

Rhod, do you want to take that one?

Rhodri J. Harries - *Gildan Activewear Inc. - Executive VP, CFO & Chief Administrative Officer*

Sure, yes, very definitely. So if you look at our cash needs on a week-by-week basis, I mean, our fixed cost structure, we can manage very well, really. So if we move forward in this crisis, if we move beyond, let's say, mid-April, right, where we -- right now, we've announced that we will shut down through mid-April, we see our overall fixed cost structure getting down to about $35 million to $40 million a month. So you can see, effectively, that if you look at our fixed cost structure, the split between variable and fixed, that we have a lot of variable cost in our overall cost structure. And we do have some fixed costs. But as we move forward, effectively, we can bring all of that variable cost down, and effectively, we'll have, again, a cost, on a monthly basis, I would say, from middle of April onwards around $35 million to $40 million overall.

Heather Nicole Balsky - *BofA Merrill Lynch, Research Division - VP*

Great. And then the second question is, can you just talk a little bit about what you're seeing from your distribution partners with regards to how they're responding from a liquidity perspective and managing their cash?

Glenn J. Chamandy - *Gildan Activewear Inc. - Founder, President, CEO & Non-Independent Director*

Well, I think, look, obviously, what we refer to in POS is the net of sales out of our wholesale customers. So their businesses deteriorated in the same type of format. So what's happening, I think, is we will see this -- they're going to need to reduce their operating costs as well. And they've got a multitude of different warehouses. So for example, a typical distributor has anywhere between 7 and 10 distribution centers. So if business is declining, they'll shut their distribution centers and service the remaining of the market's requirements from fewer centers and continue to look at driving their operating costs down during this situation as well. So I mean, I think this is flowing through the whole supply chain and to our customers' customers as well. Do you know what I mean?

Heather Nicole Balsky - *BofA Merrill Lynch, Research Division - VP*

Got it.

Operator

And our next question comes from Vishal Shreedhar with National Bank.

Vishal Shreedhar - *National Bank Financial, Inc., Research Division - Analyst*

Just on the CapEx. I'm wondering to what degree you have flexibility to moderate that in the current fiscal year.

Glenn J. Chamandy - *Gildan Activewear Inc. - Founder, President, CEO & Non-Independent Director*

Well, we have total control of CapEx, obviously, and Q1 is done. We spent money in Q1, but we can dial down our CapEx to $3 million or $4 million a quarter, basically. So Q2 will be probably around $3 million and change. And primarily, the only capital investment that we'll have in, really, in Q2 will be the foundation for Bangladeshi facility, which is going to take about 2.5 months to construct, which will become at a limited cost, but we're trying to do that before the rainy season happens in September. So -- and then after that, we can decide what kind of capital we want to continue to invest in Bangladesh as we see how the whole crisis shakes out. Hope that's helpful.

Vishal Shreedhar - *National Bank Financial, Inc., Research Division - Analyst*

And in terms of the accounts receivable, do you anticipate any pressure there? And will Gildan kind of limit fulfilling, to the degree that you are, orders to certain wholesalers? Is that in the cards yet?

Glenn J. Chamandy - *Gildan Activewear Inc. - Founder, President, CEO & Non-Independent Director*

Well, we haven't got to that point yet. But look, we're going to continue to manage our receivables. We're going to continue to work very closely with all of our customers to make sure that we work together to go through this crisis. This is not a Gildan crisis. This is a global crisis. So we'll work very closely. We'll mitigate exposure, but at the same time, we'll work with our customers to make sure that we all come out of this in one piece.

Operator

And our next question comes from Mark Petrie with CIBC.

Mark Robert Petrie - *CIBC Capital Markets, Research Division - Executive Director of Institutional Equity Research & Research Analyst*

I just had one other question, which is, could you just talk about with regards to the retail channel, any differences you're seeing in terms of the sales patterns between in-store and online?

Glenn J. Chamandy - *Gildan Activewear Inc. - Founder, President, CEO & Non-Independent Director*

Well, I think that the -- in retail, we still see good sales through online as well as the grocery-type mass outlets. I think department stores are weaker because they're not -- they don't have the traffic. Anybody who's selling food or online sales is performing relatively good. That means we're seeing a -- we saw a little bit more negative POS in the last week beyond -- even in those segments. But I think that's partly because people are loading up on other things other than apparel, right? So -- but I think we're well positioned in retail because of the type of customer we have, which is really mass and the online are the 2 biggest outlets that we do have. Part of our -- also, our retail business is also servicing national global lifestyle brands, and that business has deteriorated as the big brands closed down their retail outlets. So it's mixed within the retail, but basically, mass and online are doing well -- or better. Not well, but better. Rhod, do you want to say anything?

Rhodri J. Harries - *Gildan Activewear Inc. - Executive VP, CFO & Chief Administrative Officer*

One thing I would add to that is that the craft is also interestingly, within mass and other channels, holding up well. As you might expect, obviously, it's going to be impacted like everything as we go forward, but there are definitely some bright spots as people, obviously, are adjusting to the environment.

Operator

And our next question comes from Brian Morrison with TD Securities.

Brian Morrison - *TD Securities Equity Research - Research Analyst*

Rhod, I just wanted to ask, you talked about the cash burn potential and obviously, EBITDA is going to decline here. I'm wondering if you can just discuss your covenants on your revolver, your term debt. Presumably, you've had talks with lenders and the potential for a temporary holiday with respect to your covenants.

Rhodri J. Harries - *Gildan Activewear Inc. - Executive VP, CFO & Chief Administrative Officer*

Well, if you look at the covenants on our debt, if you look at our revolver and our term debt, the covenants are set at levels which we think are manageable on a go-forward basis. So effectively, if you look at our revolver, our covenant is 3.25. If you look at our -- our private debt is higher than that actually. At the end of the year, we were at 1.6x. And so -- and we've talked about the -- effectively, our ability to manage our fixed cost structure on a go-forward basis. And so if you look at covenants overall, we think they're manageable as we see the situation currently. And obviously, we're in -- as with everybody, we're talking with our banking group and we're in touch with them just to make sure they're updated. But right now, we see things as being manageable as we go forward.

Brian Morrison - *TD Securities Equity Research - Research Analyst*

Okay, that's great. And one other question I wanted to ask, it was alluded to earlier, but with respect to your distribution partners within the imprintable channel, I'm just wondering if you might be able to go back to the financial crisis and talk about any potential bad debts during that time frame. Or were you able to work through it for the most part?

Glenn J. Chamandy - *Gildan Activewear Inc. - Founder, President, CEO & Non-Independent Director*

We worked through it for the most part. We had no bad debts during the financial crisis, and we worked with our partners, and everything turned out pretty good. But the financial crisis wasn't -- it's not what it is today. I mean, let's just put it in perspective. I mean, if the overall broader market is down for 10 months, let's say, for example, I mean, if you look -- what we're doing as a company, just so you understand, is we're also thinking, plan for the worst, hope for the best. I mean, that's all we can do right now because we're in uncharted territory. So -- but I think it's a little bit different than the financial crisis. But back then, we basically did not have any bad debt, to answer your question.

Brian Morrison - *TD Securities Equity Research - Research Analyst*

Okay. Maybe squeeze in one last one, Glenn. I just wonder if you think that with what's taking place right now on the retail side, you might see a more accelerated move to private label when you come out to -- on the other side with intensification of market share and it might be a positive for you.

Glenn J. Chamandy - *Gildan Activewear Inc. - Founder, President, CEO & Non-Independent Director*

Well, I think that the landscape is going to change. So the customers that are performing well are going to basically -- are going to continue to evolve, right? So it's Walmart, Target, the mass market retailers that sell food are staying open. Some of the department stores are closing, right? So I think that, overall, the shift is towards private label. We think that we're well positioned. This could accelerate it. I mean, god only knows what will happen when this is all over. But look, we're well positioned. I think that also, maybe one of the things, just to point out, is that the company has been putting together its operating cost structure over the last 24 months and then focusing on our back-to-basics strategy. So if you look at the things we've done, I think they're going to pay off as we go and beat this crisis. I mean, that's why Rhod alluded to that our ongoing fixed costs are relatively low. I mean, our SG&A was around 12%. We have very low fixed operating, manufacturing cost. We are in good inventory position and our inventory, just so everybody understands, is that a black T-shirt, either being a fashion or being at a basic, they never go out of style. So even though we have inventory, we're not going to have to worry about the quality of that inventory as once we come back and -- versus the fashion business, basically, which is going to get hit with seasonal markdown. So we've got good liquidity of over $600 million. And I think we're relatively prepared to weather the storm. And I think that's an important part of, I think, where we are today.

Operator

And our next question comes from Luke Hannan with Canaccord Genuity.

Luke Hannan - *Canaccord Genuity Corp., Research Division - Associate*

Just going back to the fixed versus variable discussion. I'm just curious how much of that is felt in your cost of goods sold line item versus SG&A.

Glenn J. Chamandy - *Gildan Activewear Inc. - Founder, President, CEO & Non-Independent Director*

Rhod?

Rhodri J. Harries - *Gildan Activewear Inc. - Executive VP, CFO & Chief Administrative Officer*

Yes. So if you look at the cost of goods, I mean, effectively, our cost of goods is quite variable, really, ultimately, when you look at it, right, because effectively, we don't have much in the way of -- when we invest in plants, and we have the depreciation that's associated with that. But then ultimately, effectively, we have labor, and then we have raw materials that are coming in. Raw materials being fiber, for example. All of that, effectively, we can manage very well as we ramp down. So our cost of goods is quite variable, actually, when you look at it overall. And then, when you move to SG&A, again, effectively, that's probably more fixed, right, when you think about it. Obviously, we've got a corporate structure that is a little bit more fixed. But then when you move into distribution, that can be variable. I mean, obviously, right now, we're running where we expect to run our distribution warehouses. As Glenn said, we've got a lot of inventory that we can effectively ramp down as sales come in. And we'll be running our distribution. And then, obviously, on the selling side, we've got cost associated with that. So probably, SG&A, a little bit more fixed than on the manufacturing side. It's actually very variable when you look at it across our system.

Luke Hannan - *Canaccord Genuity Corp., Research Division - Associate*

Understood. And then one last one, as far as ramping back up whenever that may be, when it comes time to ramp back up, do you anticipate that being a relatively quick ramp? Or is there going to be some, I guess, on-boarding time or some amount of time before you can get back to full production? Or is it just going to be more so just flipping a switch, so to speak?

Glenn J. Chamandy - *Gildan Activewear Inc. - Founder, President, CEO & Non-Independent Director*

Well, typically, it's like flipping a switch. So we've normally closed down for a couple of weeks during the Christmas shutdown. And usually, when we come back, it's 24 hours between -- by the time we're fully up and running. So as long as we're down for -- if we were down for 10 months, it would be maybe a different story. But if we were basically going to come back on the 14th of April, we'll be flicking the switch and we'll be back up and running.

Operator

Our next question comes from Stephen MacLeod with BMO Capital Markets.

Stephen MacLeod - *BMO Capital Markets Equity Research - Analyst*

I just wanted to just circle around a little bit on the calendar. The time line for the shutdown is currently through, I guess, mid-April. Can you just talk a little bit about sort of when you'll reassess or at what frequency you'll reassess the potential ramping back up of operations?

Glenn J. Chamandy - *Gildan Activewear Inc. - Founder, President, CEO & Non-Independent Director*

Well, we'll continue to align the shutdown with our POS. But right now, we've targeted April 14. It's 3 weeks away from now, so we'll see how it goes in the next couple of weeks.

Stephen MacLeod - *BMO Capital Markets Equity Research - Analyst*

Right. Okay. And then, do you intend, on the employee side, will you -- on your cost of goods sold, will you continue to have the employee labor cost in there? Are you going to pay your employees during the shutdown as well?

Glenn J. Chamandy - *Gildan Activewear Inc. - Founder, President, CEO & Non-Independent Director*

Well, we have different requirements in different jurisdictions where we are. And we're definitely focusing on making sure of the well-being of all of our employees. So I can't say because each country is completely different, so we'll cross some of the rules of employment in the U.S., et cetera, et cetera. So we'll cross that bridge as we get there.

Operator

And our next question comes from Patricia Baker with Scotiabank.

Patricia A. Baker - *Scotiabank Global Banking and Markets, Research Division - Analyst*

It was interesting that you gave the perspective on POS in China, and that helps us provide perspective for us. But I was wondering if you could just talk a little bit about when you first saw POS going negative in China? Or in other words, what was the duration of negative POS?

Glenn J. Chamandy - *Gildan Activewear Inc. - Founder, President, CEO & Non-Independent Director*

Well, the POS started going negative in February, really in China, I mean, towards the end of January and February when the crisis occurred. And then as the crisis became more relevant and lockdowns were put into effect, our POS was down in the 70% range. But don't forget, China was a very small part of our overall business, it's a big list, which we called out, I think, in our quarter. But the good sign is that as they've come back to work, we've seen POS come back. It's not fully back to where it was, but it's only down 35%, to give you an example, last week. So it's moving in the right direction. So from the time it went down, it's come back. And we see it improving every week by week and as the economy comes back to work.

Operator

And our next question comes from Sabahat Khan with RBC Capital Markets.

Sabahat Khan - *RBC Capital Markets, Research Division - Analyst*

Just a follow-up, just a 2-part question around cotton. One, are you -- maybe are you halting your purchase of cotton until you have better visibility on production? And then second part is if cotton prices decreased during this period, how are you thinking about, at some point, using price incentives to addressing demand? Or what does that mean for the value of your inventory going forward? Just more, one, on your purchases; and second, on your sort of outlook on potentially pricing to stimulate some demand and your inventory value.

Glenn J. Chamandy - *Gildan Activewear Inc. - Founder, President, CEO & Non-Independent Director*

Yes. Well, look, I mean, as far as the purchases, we've stopped all purchases of all raw materials coming to the company, from cotton fiber to dyes, chemicals. So we're just basically shut down completely all of the variable costs associated with making product. So that's one. And as far as the pricing is concerned, look, I mean, it's not that relevant in the overall scheme of things, and it's not going to create more demand. I mean, schools are closed, they're not going to buy more T-shirts, right? It's just not happening, right? So it's not a pricing situation that's going to stir demand at this point. It's basically the people coming back, going to work, start tourism again, have rock concerts, get uniforms into restaurants, et cetera. I mean, all of the areas where our product is being sold, I mean, virtually, everything is being shut down, right? So it's not necessarily going to be a -- the price will not move the needle at all. It's just a function of waiting until the rebound and people come back to work.

Operator

And I'm showing no further questions at this time. I'd like to turn the call back to Sophie for any closing remarks.

Sophie Argiriou - *Gildan Activewear Inc. - VP of Investor Communications*

Okay, great. Thank you, Katherine. This concludes our call. Again, thank you, all, for joining us this morning. We hope everyone stays safe and healthy, and we look forward to speaking to you soon. Have a great day.

Operator

Ladies and gentlemen, this concludes today's conference call. Thank you for participating. You may now disconnect. Everyone, have a great day.
