SILK ROAD MEDICAL INC (SILK) Q4 2019 Earnings Call Transcript

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SILK earnings call for the period ending December 31, 2019.

SILK ROAD MEDICAL INC (SILK -1.56%)

Q4 2019 Earnings Call

Feb 26, 2020, *4:30 p.m. ET*

IMAGE SOURCE: THE MOTLEY FOOL.

Contents:

Prepared Remarks:

Operator

Good afternoon, ladies and gentlemen, and welcome to the Silk Road Medical's 2019 Fourth Quarter Earnings Call. [Operator Instructions]

I would now like to turn the conference over to your host Ms. Lynn Lewis, Investor Relations. Ma'am, please go ahead.

Lynn Pieper Lewis -- *Founder and Chief Executive Officer*

Thank you, and thank you all for participating in today's call. Joining me are Erica Rogers, Chief Executive Officer; and Lucas Buchanan, Chief Financial Officer. Earlier today, Silk Road Medical released financial results for the quarter and full year ended December 31st, 2019. A copy of the press release is available on the Company's website.

Before we begin, I'd like to remind you that management will make statements during this call that include forward-looking statements within the meaning of federal securities laws, which are made pursuant to the Safe Harbor provisions of the Private Securities Litigation Reform Act of 1995. Any statements contained in this call that relate to expectations or predictions to future events, results or performance are forward-looking statements. All forward-looking statements, including without limitation, those relating to our examination of operating trends and our future financial expectations, which includes expectations for hiring, physician training, growth in our organization and reimbursement, market opportunity, label expansion, clinical studies, pipeline developments and guidance for procedures, revenue, gross margin, and operating expenses in 2020 are based upon our current estimates and various assumptions.

These statements involve material risks and uncertainties that could cause actual results or events to materially differ from those anticipated or implied by these forward-looking statements. Accordingly, you should not place undue reliance on these statements. For a list and description of the risks and uncertainties associated with our business, please refer to the Risk Factors Section of our Form 10-Q filing with the Securities and Exchange Commission on November 13th, 2019 in connection with our most recent quarterly report.

This conference call contains time-sensitive information and is accurate only as of the live broadcast today February 26th, 2020. Silk Road Medical disclaims any intention or obligation, except as required by law, to update or revise any financial projections or forward-looking statements whether because of new information, future events or otherwise.

And with that, I'll turn the call over to Erica.

Erica J. Rogers -- *President and Chief Executive Officer*

Thanks, Lynn. Good afternoon, everyone, and thank you for joining us for Silk Road Medical's fourth quarter and full-year 2019 earnings call. Joining me is Lucas Buchanan, our Chief Financial Officer.

2019 was marked by consistent and compelling patient outcomes that drove continued TCAR adoption and robust revenue growth. Our full-year revenue was $63.4 million, up over 80% year-over-year, with fourth quarter results of $18.6 million and growth of 62%. I am exceptionally proud of our team's many accomplishments throughout 2019, as we made substantial progress toward the two key priorities we set in the beginning of the year, building the clinical evidence base and U.S. commercial execution.

In June, we announced the final results of our ROADSTER 2 post-market study as well as updated results from over 10,000 patients in the TCAR Surveillance Project, which compared TCAR favorably to the standard of care carotid endarterectomy, or CEA. In December, the Journal of the American Medical Association or JAMA, published a large study showing significant benefits of TCAR over transfemoral carotid artery stenting or CAS. These compelling datasets contributed toward our goal of becoming the standard of care and provided a tailwind to our second key priority of U.S. commercial execution.

In 2019, we expanded our sales territories from 25 at the beginning of the year to 33 at year-end. This team in turn expanded our hospital account base from approximately 400 to approximately 640 accounts, and we trained over 650 new physicians to reach approximately 1,440 total physicians trained. In the fourth quarter, our growing physician base performed approximately 2,450 procedures, which enabled us to end the year with over 8,400 TCAR procedures having been performed and crossed the 16,000 cumulative procedure mark by year-end.

Before turning to some thoughts on milestones and goals for 2020, I would like to share one TCAR patient treatment journey. Dr. Wayne Wilson is a retired vascular surgeon from Roanoke, Virginia. Last year, he unexpectedly experienced aphasia c difficulty speaking. It resolved spontaneously. But after further evaluation, he was diagnosed with right carotid artery disease after having received a CEA on his left side a few years earlier.

Dr. Adams from the Carilion Clinic in Roanoke recommended the TCAR procedure for his right side, due to his age and to anatomic features that would increase the risk of surgical complications. In addition, he has several comorbidities, including coronary artery disease, heart failure, and diabetes, such that general anesthesia would be risky.

Wayne was a self-described, old-school vascular surgeon, and he'd been the Chief of Surgery at the University of Virginia Medical Center and he was hearing about TCAR for the first time, and was initially a bit reluctant to have the procedure. Dr. Adams walked him through the benefits of TCAR and Wayne agreed after careful consideration. After a successful TCAR procedure under local anesthesia, Wayne was back to his normal everyday activities quickly. This was particularly poignant, given Wayne's history of performing CEA and his own experience as a patient receiving CEA in the past.

Dr. Wilson, his wife, and his daughter, all expressed profound appreciation for the faster recovery time and improvement in his quality of life following TCAR. Wayne story demonstrates the power of TCAR, specifically how this minimally invasive approach can safely and effectively treat carotid artery disease and reduce the risk of a potentially devastating stroke, while reducing the risk of other complications and allowing patients to quickly recover and return to spending time with the people they love the most. At Silk Road Medical, we never rest when it comes to building positive experiences with TCAR, one patient and one physician at a time.

Looking ahead to 2020, we continue to be focused on U.S. commercial execution and driving deeper penetration in our trained physician base, underpinned by our now much larger clinical evidence base. Our expectations are for full-year 2020 revenues to be in the range of $92 million to $95 million.

As we continue to work toward becoming the global leader in the treatment of carotid artery disease, we've outlined three strategic priorities for 2020. Number 1, U.S. commercial execution. Number 2, outlining our regulatory and reimbursement pathway with a goal of obtaining label expansion and coverage for the standard surgical risk patient population. And finally, Number 3, further development of our R&D pipeline.

Starting with U.S. commercial execution, our biggest and most important priority for 2020. As we discussed in the past, we are measuring our success and operational performance through several key metrics and initiatives both near- and long-term in nature. As always, the pace in which we execute commercial team expansion, new account activation, and physician training, the key levers of our business, will always be dictated by our focus on patient outcomes and operational excellence. This focus is working well and will put us on the best path toward our long-term goal of becoming the standard of care.

We expect growth will continue to come from increased TCAR adoption in the U.S. by our growing trained physician base supported by our expanded commercial organization. Over the last couple of years, we have been methodically hiring and training a world-class field team as we've carefully rolled out TCAR. It is our people and programs combined with our technology that has led to our physician success in driving positive patient outcomes with TCAR, which in turn fuels our commercial success.

In 2020, commercial execution is still all about driving adoption of TCAR to generate initial and repeat orders of our products in the hospitals where TCAR is performed. We are continuing to train new physicians in both new and established hospital accounts, and we continue to provide significant support early in their learning curve, which we believe is critical to sustained and growing adoption of TCAR in the long-term.

However, our primary focus this year is to continue moving already trained physicians up the adoption curve, thereby capturing a larger share of patients, who would otherwise receive CEA or CAS. Many of our trained physicians are still early in their TCAR experience, and others have adopted to significant levels, but still have lots of upside potential. Our business continues to be one physician at a time, one patient at a time each and every day.

On the heels of our data presentations and publications throughout 2019, we saw a meaningful increase in physician interest for our test drive training courses. We responded to this demand and increased the number and size of courses in the second half of 2019. Our philosophy is to train physicians at a pace where we can sustain positive experiences and successful patient outcomes early in the adoption curve, which we feel engenders the confidence required for sustained and increasing adoption over the long-term. As a result, we trained and certified over 650 physicians for the year. That figure includes fellows and the official certification of a small cohort of physicians initially trained in periods before 2019.

In 2020, we plan to train approximately 450 new physicians, which would bring our total trained physician base to approximately 1,900 by the end of the year. We continue to believe that we can effectively cover the bulk of the hospitals and physicians that drive a majority of carotid procedures with between 40 to 50 territories and approximately a one-to-two [Phonetic] ratio of area managers to therapy development specialists. Throughout 2020, we expect to selectively add highly qualified personnel to our commercial organization. We plan to exit the year with roughly 45 territories, and we have set a goal for our efficient commercial team and trained physician base to yield in excess of 13,000 procedures for the year.

Moving to our second key priority, broadening the indication for the ENROUTE stent to standard surgical risk patients and expanding reimbursement. As a quick reminder, the current indication for use for the ENROUTE stent is in patients who are considered at high risk for adverse events from CEA or high surgical risk. And this is also the population of patients eligible for reimbursement in the TCAR Surveillance Project. We estimate that the high surgical risk population represents approximately two-thirds the patients currently treated with the remaining deemed standard risk.

We've shown a clear ability to achieve successful patient outcomes and drive adoption in the sicker, older patients represented in the high surgical risk population, which we believe bodes well for the future of TCAR in standard surgical risk patients.

Through our continued collaboration with a key constituents, FDA, CMS and the Society of Vascular Surgery, we expect to finalize and provide clarity on our combined regulatory and reimbursement pathways for standard surgical risk patients in 2020. We have been in regular discussions with the stakeholders on what is desired, what is required, and what is the right approach to meet all stakeholder needs and what will ultimately support widespread physician adoption. We look forward to providing updates on our standard surgical risk pathway as we obtain further clarity during the year.

Finally, our third priority is focused on continued pipeline development. We are committed to the continued development of additional and next generation products to support and improve TCAR to meet the evolving needs of physicians and their patients. First and foremost, we will continue to seek ways to improve the speed, ease, and convenience of TCAR to support continued adoption and to potentially increase the per procedure revenue opportunity by iterating existing products and developing new products.

Further, with a broad intellectual property platform and core competencies in both direct carotid access and neuroprotection, we are leveraging our expertise and the physiologic and engineering advantages made possible by our trans carotid approach in the development of new products targeting procedures and vascular disease states in the heart, aortic arch and brain. These are areas where we believe significant unmet needs remain. And we're excited about the potential for transcarotid therapies in acute ischemic stroke and other areas. We look forward to sharing more details about our progress on our pipeline products and clinical strategies in the future.

In summary, we expect growth and performance in our core U.S. TCAR market, where we still have substantial market opportunity in front of us, while we continue working to progress our other longer term growth initiatives. We are excited about the opportunities across our entire platform, and we are committed to delivering improved patient outcomes by seeking out unmet clinical needs and working to develop new solutions.

With that, I will now turn the call over to Lucas Buchanan, our Chief Financial Officer.

Lucas Buchanan -- *Chief Financial Officer*

Thank you, Erica. Revenue for the three months ended December 31st, 2019 was $18.6 million, a 62% increase from $11.5 million in the same period of the prior year. We continue to see strong reorder rates from hospital accounts, driven by growing procedure volumes across both new and tenure TCAR physicians.

Gross margin for the fourth quarter of 2019 was 75% as compared to 68% in the fourth quarter of the prior year. Gross margin improvement was driven primarily by leveraging manufacturing overhead costs across higher revenue and the realization of manufacturing efficiencies. Due to the timing of certain manufacturing engineering projects and increased investment in infrastructure projects to support long-term growth and risk mitigation, we expect gross margins in 2020 to be flat to slightly down as compared to 2019.

Total operating expenses for the fourth quarter of 2019 were $21.4 million, a 42% increase from $15.1 million in the fourth quarter of 2018. R&D expenses for the fourth quarter of 2019 were $3.3 million, compared to $3.4 million in the fourth quarter of 2018. The slight decrease was primarily driven by the completion of our ROADSTER 2 post market study and associated costs.

Sales, general, and administrative expenses for the fourth quarter of 2019 were $18.2 million, compared to $11.7 million in the fourth quarter of 2018. The increase was primarily attributable to expenses related to growth in our commercial team, and marketing efforts, as well as costs related to being a public company. We expect continued growth in operating expenses in 2020, as we expand our commercial team, invest in R&D, and incur rising costs associated with a competitive labor market as well as being a public company.

Net loss for the fourth quarter was $8.2 million or a loss of $0.27 per share, as compared to a net loss of $15.6 million or a loss of $14.12 per share for the same period of the prior year. We ended 2019 with $90.7 million of cash, cash equivalents and short-term investments.

Turning to our outlook for 2020, we expect full-year revenue to be in the range of $92 million to $95 million, representing growth of 45% to 50% over 2019 revenue of $63.4 million. As our business continues to evolve, we enter 2020 with an increasingly experienced commercial team, covering an established base of hospital accounts and trained physicians that drive the majority of carotid procedures in the United States. And as such, we are increasingly focused on driving deeper adoption among physicians already trained.

Bear in mind that it often takes 12 months or more for a physician to get to the 10-plus procedures during their appropriately conservative learning curve, a threshold we believe is necessary to build the confidence for increasing adoption longer term. Simultaneously, we are still committed to growing our footprint in 2020, and have set goals to train approximately 450 physicians and expand to roughly 45 sales territories in order to stimulate and serve the growing demand. We expect our growing physician base to perform in excess of 13,000 procedures for the year.

At this point, I would like to turn the call back to Erica for closing comments.

Erica J. Rogers -- *President and Chief Executive Officer*

Thank you, Lucas. As we reflect on 2019 and look ahead to 2020, we have defined three strategic pillars that will be critical to our continued success this year and beyond: U.S. commercial execution, label expansion, and pipeline development. We have created a strong foundation and culture that fosters a patient-first mindset and positions as well for the long-term.

We are deeply committed to improving the lives of millions of patients at risk of stroke from carotid and other vascular diseases, and remain steadfast in our efforts. With this in mind, I would like to acknowledge and thank our entire research and development organization, which includes our engineering and product teams as well as our clinical, regulatory, quality and medical affairs departments.

Their commitment to improve and expand our portfolio of transcarotid therapies and drive consistent compelling outcomes for broad base of physicians and patients is truly remarkable. I am grateful to be working alongside these teams every day. Our research and development capabilities and unique insights will enable us to continue down a path of growth and innovation. These teams have been and will continue to be the backbone of Silk Road Medical.

With that, we will now open it up to questions. Operator?

Questions and Answers:

Operator

[Operator Instructions] Your first question comes from the line of Robbie Marcus with JP Morgan. Robbie, your line is open.

Allen -- *JP Morgan -- Analyst*

Hi, this is Allen [Phonetic] on for Robbie. I just had one quick question to start off on the pipeline. I think, we've heard you talk about a balloon as being kind of the first product that you might be looking to slot into the portfolio to add on with TCAR. Should we expect that to be something that you talked about more of 2020 and maybe even kind of launch in that time frame? What other types of devices do you guys really have in mind for 2020, and maybe 2021?

Erica J. Rogers -- *President and Chief Executive Officer*

Right. Thank you for that question. Yeah, as I said in the prepared remarks, our goal, first and foremost, is always to improve the speed, ease, and convenience of TCAR and to continuously seek ways to improve the already excellent outcomes. And among the products that are under consideration are things like balloons and other accessory products. At this point, we're not giving specifics as to what 2020 might look like, but we look forward to doing that as the year progresses.

Allen -- *JP Morgan -- Analyst*

Got it. And then I guess like, so your original plan for 2019 was to train over 500 new physicians. You clearly surpassed that by a pretty healthy amount to get here 1,440 number to end the year. How should we view the kind of 450 guidance that you gave for 2020? Obviously, there's going to be a little bit of a slowdown, there's some level of low hanging fruit especially as you're riding the high of the ROADSTER 2 data and TCAR Surveillance Project data that you presented this year. But should we expect that to be -- like how much room is there for upside to that, I guess?

Erica J. Rogers -- *President and Chief Executive Officer*

Right. Well, training physicians is one of many levers that we pull on to drive the business. We're constantly asking ourselves, step on the gas pedal, pull off on the gas pedal, train more physicians or go back and work on the adoption curve of the already existing installed trained physician. So, this is a constant push and pull as you can imagine. And certainly, what we saw in 2019 was two things, really the recognition that our system of training carefully and methodically and moving physicians up the adoption curve was working, outcomes were excellent and being reported as excellent.

And that kind of gave us the confidence that we could accelerate the training for the back half of 2019. And so, we remain able to respond to those kinds of market dynamics as we see fit to grow the business. But as I stated in the prepared remarks, our primary focus for 2020 is moving our already trained physicians up the adoption curve.

Operator

Speakers, we do have a next question. It comes from the line of Bob Hopkins of Bank of America. Bob, your line is open.

Bob Hopkins -- *Bank of America -- Analyst*

Thanks, and good afternoon, and congrats on a really good year. I just -- Erica, I wanted to ask a little bit about the metric of the number of procedures being done by the average trained surgeon, because while the business is clearly doing well, and the growth is really strong, and you're exceeding expectations, you've trained a ton of physicians. And if you just look at the number of physicians trained divided by the number of surgeries, the number is super low. Even if you used number of doctors trained a couple of years ago divided by the number of procedures, you're still talking about on average doing sort of fewer than two per month.

And so, I'm just trying to reconcile that with the success of the Company. It just seems like a little bit of a different metric. I just -- I'm just trying to understand how I should be interpreting that metric, because it seems lower than I would think, but at the same time, the business is obviously doing well. So, how do you think about that?

Erica J. Rogers -- *President and Chief Executive Officer*

Yeah. Hi, Bob. Thanks so much for the question. First of all, it starts with the recognition -- that you're right, we trained more physicians in 2019, and responded to the increased demand that kind of followed off of the data presentations mid-year. So, I think it's important to first and foremost recognize that almost half of our trained physicians were trained in 2019 and almost half of those were trained in the back half of 2019. And as we've talked about before, that early part of the learning curve is the most critical part of the physician adoption journey. That has to go well in order to see long-term deeper penetration.

And so, we and the physicians are careful and methodical in the beginning. And we've talked about before that physicians trained in 2019 are probably not going to be overly meaningful to 2020 physicians trained in the back of 2018, not meaningful to 2019, etc. So, there's this kind of lag effect, as physicians come up their slow and methodical adoption curve. And we continue to look at that Bob and continue to see that it's 10 to 15 cases before that acceleration really picked up. And that 10 to 15 procedures could take 12 months or even longer in some of these physicians. So, one way to think about it is that this cohort in 2019 and certainly the back half of 2019 are just getting started. And I can hand it over to Lucas for some finer points on the matter.

Lucas Buchanan -- *Chief Financial Officer*

Sure. I mean, I can just add a little bit. I mean the stats on the last two years of training, if you look at our physicians trained in '18, and '19, it's almost three quarters, right? So, it's not just the fact that half of them came from '19. So, this is still a very young business in terms of TCAR experience. And all the things we've talked about in the past, Bob, where some of the top physicians are doing five, six, seven per quarter is still the case. On an absolute basis, that cohort is bigger just with the rising tide.

We've obviously accelerated the dilution of the denominator which affects the aver but we like the trends we're seeing for the more experienced cohort. And it still is a minority of physicians driving a majority of procedures, but again, that minority itself on an absolute basis, just getting bigger and the ratio is also getting bigger. So, we like the overall trends we see and a lot of the decisions we make are with this kind of standard of care goal in mind sitting here at 5% penetrated, we're trying to set this up right for the long-term, and really be super careful in terms of patient outcomes early in the learning curve. And so, we turned down cases and we make choices that are long-term beneficial we think even if they're not really contributing to short-term results.

Bob Hopkins -- *Bank of America -- Analyst*

So, yes, just as one follow-up to that. I mean, why -- you've already trained so many physicians. Is it the best use of time to train another 400 or 500 this year rather than concentrating on the 1,300 that you have, given that there's only 13,000 cases that you're suggesting this year? I mean, wouldn't be better just to really hammer on the guys that are already trained and get penetration rates up there rather than allocating resources to training a lot more? And you're not being critical. I'm just trying to understand the dynamic because it seems like there's momentum in the business. And I'm just wondering if the kind of balance between training versus getting more procedures on the current installed base is the -- it's the right mix of time.

Erica J. Rogers -- *President and Chief Executive Officer*

Yeah. Well, no, I can appreciate the question. And I think, as I said before, the primary commercial execution focus this year is on moving already trained physicians of their adoption curve. But one way to think about it is there's sort of three phases to onboarding a physician. The first is to train them. And that's a process that requires vetting the account and vetting the physician and getting them into our TEST Drive program.

And then, there's the methodical start to their journey. And this is kind of what we refer to is the long middle of their journey. And that long middle can be long as we've seen in some cases, a year or longer to get through that initial phase. And so, part of this Bob is getting the physicians started on their journey, right, to kind of fill that long middle pipeline, if you will, and then working them up through the acceleration phase.

So, we have physicians at all levels of these three phases, some -- many are in the acceleration phase, some are still in their methodical start. And if we think about the physicians trained in 2019, most of them are in this long middle phase. And so, it's always this balance of starting decisions on their journey, so that we can get over this long middle and up to this deeper part of the adoption curve and working on accelerating adoption in the existing trained physician base.

Lucas Buchanan -- *Chief Financial Officer*

And Bob, I'll just add on it. On a mathematical basis, we are doing that, 450 versus over 650 in 2019. So, the absolute number coming down. At the same time, we're growing sales territory. So on a per territory basis, it's coming down even further. And as Erica mentioned, our bias is increasingly toward the already trained physician base and working them either in their long middle or up through the accelerated. All of that analytics is built into our procedure guidance. And obviously, it's reflective of so much of the trained physician base still in that six, 12, 24 months of experience set overall.

Bob Hopkins -- *Bank of America -- Analyst*

Great. Thanks very much. Appreciate the thoughts.

Operator

Your next question comes from the line of Rick Wise from Stifel. Rick Wise, your line is open.

Rick Wise -- *Stifel -- Analyst*

Thank you. Good afternoon to you both and my congratulations on a superb finish to the year. Erica, thank you for being so clear about that standard risk is very much on the table for 2020 as a goal. And just if I heard you correctly, finalizing -- you're going to finalize and share the pathway. You're in regular conversation with all the stakeholders. And as you gain clarity on that path, you're going to share it with us. That's great. But sorry to push it, if I could push it a little further. Maybe can you give us a little more detail on the stakeholders FDA, and doctors or FDA [Phonetic] and the societies? Is this about reimbursement? Is this about the need for incremental clinical trial work. What's the clarity that we expect to sort of unfold it to the extent that you can share it with us, give us a little more detail?

Erica J. Rogers -- *President and Chief Executive Officer*

Sure. Hi, Rick, happy to. So in terms of the standard surgical risk labels indication for the stent, that is obviously a regulatory activity. And so, FDA is one of -- if not the key constituent around the table, because it all starts there, right? We need the labeled indication. But it doesn't serve the company well to have a labeled indication without coverage for that indication in that class of patients of standard surgical risk.

And so, as we did before, with our original high surgical risk strategy, which again is two-thirds of the market opportunity, as we did before, we want these things to be in concert. And so, it's not only what is required from a pure regulatory standpoint, but it's also what is desired to open up reimbursement sort of simultaneously. And then, there's the question of what will it take for physicians to adopt TCAR in standard surgical risk. And that's why we bring the Society of Vascular Surgery, the physician constituents along the way -- all along the way in the conversation. And these conversations, Rick, have been ongoing. They've been going on for a while now. And all of these three parties are involved along with Silk Road. And we look forward to bringing that clarity to you sometime later this year.

Rick Wise -- *Stifel -- Analyst*

Okay. Just if I could take it one step further. So if -- on this day, 12 months hence, we're hoping what that [Phonetic] the path will be clear, or we're hoping that if a trial is required, it's under way or we're hoping that reimbursements in hand, or where would we reasonably aspire to dream that we'd be in 12 months?

Erica J. Rogers -- *President and Chief Executive Officer*

Yeah, I can fully appreciate the question, Rick, and we're just not going to get ahead of ourselves on this one. And you can imagine the conversations are delicate, and we're weaving the right balance with the three constituents around the table. So, I think it's safe to say we'll have clarity on what is required.

Rick Wise -- *Stifel -- Analyst*

Got you. Turning to the pipeline commentary, it's exciting to hear you be more vocal about that. And I have to say, just in my doctor conversations, every time I speak to a doctor about TCAR, I ask about what don't you like about the technology? What do you think could be better? And I don't know, I must be asking the wrong doctors. They love it. Nobody has anything to offer. Can you -- a couple of questions. What are you assuming in the 2020 numbers in terms of new products? Is that part of the outlook unbeknownst does? And it's like what might be up first when you talk about the existing or adding related products? How meaningful will the flow potentially be this year and what's in the numbers?

Lucas Buchanan -- *Chief Financial Officer*

I'll take the first part, Rick, and then hand it over to Erica for the latter question. So no, the -- any new products or indications or international, that's not reflected in the revenue guidance.

Erica J. Rogers -- *President and Chief Executive Officer*

Yeah. And so, you're right about the TCAR product improvement. We often hear the same thing from physicians. But that said, there are some improvements that can be made on the overall ergonomics of the devices are small, iterative changes often. And then, there are some additional tools and accessories that just make the whole procedure either faster or easier.

And so, we continue to want to improve those things. I think you're right. It is not our goal to meaningfully changes outcomes because they're so good already that we don't foreshadow a need to change devices to improve outcomes in the base TCAR procedure. So, it's really about making the procedure easier, removing any barriers to adoption that might have to do with just convenience factors.

Rick Wise -- *Stifel -- Analyst*

Got you. And just last for me, if I could. You make tantalizing comments about using your technology in the heart, the aortic arch and the brain. Is it in that order -- what should we expect to hear in 2020? Thank you very much.

Erica J. Rogers -- *President and Chief Executive Officer*

You're welcome, Rick. So in terms of the intellectual property portfolio, as we said before, we have a broad base of intellectual property covering those three areas that you just outlined in our core competencies, which are transcarotid access and embolic protection. And so, taking those two themes and looking at unmet needs in those three disease areas that we articulated. That said, we are excited about the possibilities that exist in unmet needs in acute ischemic stroke.

Rick Wise -- *Stifel -- Analyst*

Thank you.

Operator

Speakers, I am not showing any other questions at this time. I would like to turn the conference back over to Ms. Erica Rogers, Chief Executive Officer. Ma'am, please go ahead.

Erica J. Rogers -- *President and Chief Executive Officer*

Thank you very much for listening in. We appreciate your comments and questions.

Operator

[Operator Closing Remarks]

Duration: 39 minutes

Call participants:

Lynn Pieper Lewis -- *Founder and Chief Executive Officer*

Erica J. Rogers -- *President and Chief Executive Officer*

Lucas Buchanan -- *Chief Financial Officer*

Allen -- *JP Morgan -- Analyst*

Bob Hopkins -- *Bank of America -- Analyst*

Rick Wise -- *Stifel -- Analyst*

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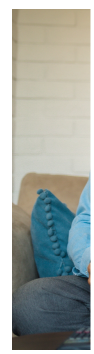

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