Universal Technical Institute Inc.

Fiscal Third Quarter 2021 Earnings Conference Call

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CORPORATE PARTICIPANTS

Jerome Grant - *Chief Executive Officer*

Troy Anderson - *Chief Financial Officer*

Matt Kempton - *Vice President, Corporate Finance*

PRESENTATION

Operator
Hello, and welcome to the Universal Technical Institute Fiscal Third Quarter 2021 Earnings Conference Call.

With us today are Jerome Grant, Chief Executive Officer, and Troy Anderson, Chief Financial Officer. All participants will be in a listen-only mode. Should you need assistance, please signal a conference specialist by pressing the "*" key followed by "0." After today's presentation, there will be an opportunity to ask questions. To ask a question, you may press "*" then "1" on your touchtone phone and to withdraw your question, please press "*" then "2." Please note this event is being recorded.

I would now like to turn the conference over to Matt Kempton, Vice President of Corporate Finance. Mr. Kempton, please go ahead.

Matt Kempton
Thank you, operator. Before we begin, we want to remind everyone that today's call will contain forward-looking statements within the meaning of the 'safe harbor' provisions of the U.S. Private Securities Litigation Reform Act of 1995. Please carefully review today's press release for additional information and important disclosures about forward-looking statements.

Because forward-looking statements relate to the future, they are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict and many of which are outside of our control. Our actual results and financial condition may differ materially from those indicated in the forward-looking statements. Therefore, you should not rely on any of these forward-looking statements. As a reminder, the section entitled forward-looking statements in today's press release also applies to everything discussed during this conference call.

During today's call, we'll refer to adjusted net income or loss, adjusted EBITDA, and adjusted free cash flow, which are non-GAAP financial measures. Adjusted net income or loss, net income or loss, adjusted for items that affect trends in underlying performance from year-to-year and are not considered normal recurring operations, including the income tax effect on the adjustments utilizing the effective tax rate.

Adjusted EBITDA is net income or loss before interest expense, interest income, income taxes, depreciation, amortization and adjusted for items not considered as part of the company's normal recurring operations. Adjusted free cash flow is net cash provided by or used in operating activities less capital expenditures, adjusted for items not considered as part of the company's normal recurring operations.

Management internally uses adjusted net income or loss, adjusted EBITDA and adjusted free cash flow as performance measures and those figures will be discussed on today's call. As a reminder, we have provided reconciliations of these non-GAAP measurements to the most directly comparable GAAP financial measurements in today's press release, and we encourage you to carefully review those reconciliations.

It is now my pleasure to turn our call to our CEO, Jerome Grant.

Jerome Grant
Thank you, Matt. Good afternoon, everyone, and thank you all for joining us today. First, I'd like to express my gratitude to our students and staff for their ongoing efforts and diligence during the quarter.

All our campuses were fully operational this quarter and have returned to normal class densities. It is my sincere hope that I will be able to retire this particular reminder shortly as we emerge from this pandemic. You see, being fully open and operational is our natural state and not something I would like to regularly update our stakeholders on going forward. Though it feels like a long time ago, it was just a little over a year ago that the COVID-19 pandemic basically shut down much of our economy and that of the world as well.

As a reminder, or quick review, for most of this quarter last year, all of our campuses were closed for hands on instruction. Metrics such as, student withdrawal rates, leaves of absence, CARES Act Funds, and student progression rates were either introduced into our reporting or increased substantially, temporarily becoming the focus of our business health for some. For UTI, and our management team, however these were just short term, though critical, challenges to address.

Our financial strength, track record for success and industry leading outcomes continue to be the foundational pillars we are building upon even through COVID-19. Our focus is, and always will be on raising the bar for ourselves and our students.

With that in mind, we have been innovating by developing a new blended learning delivery model over the past several years. The timetable and approach for this work was adapted and accelerated in response to the pandemic as we quickly adjusted our plan, moving to roll-out this innovative model across all of our facilities last spring.

We also put new laptop computers in the hands of many of our students and rapidly adapted to the unprecedented environment that confronted us and all individuals, families and businesses across this country. It's been quite a year and then some. But, as communities and families and individuals, and as a company focused on the critical need for education, we embraced this challenge to raise the stakes on the critical services we provide.

Turning to this year's fiscal third quarter, we performed quite well relative to our own expectations during the quarter and we continue to distance ourselves from the challenges we face during the most difficult waves of the pandemic. I am pleased to say that we achieved year-over-year revenue growth of 54% during the quarter and start growth of nearly 39% and produced net income totaling $3 million.

More importantly, it was another quarter of providing strong educational and employment outcomes for our students and filling the skills gap by supplying our technicians to our employment partners and the broader market. This is all coming together at a time when the educational needs, outcomes and requirements in post secondary education are becoming an increasing focus around the country.

Impressively, despite the challenges of the past year, today we are in a position where many of the most important metrics for our business are rivaling what was seen in 2019 prior to the onset of COVID. For example, our average student population during the most recent quarter was 900 more students than in 2019.

Not only did we repair the damage done and address the challenges of the past year, but we are coming out better and stronger than we went in, bringing forward innovation while also making progress on important growth and diversification plans.

Though, there will eventually be many consensus takeaways from this unique period we have all been living through this past year, one seemingly universal takeaway already is that this pandemic accelerated trends that were already in place but perhaps not moving as quickly as they could.

For UTI, that acceleration has focused on the introduction of our innovated blended learning model across all of our campuses that I mentioned earlier, as well as, substantially advancing the growth and diversification strategy that our management team in collaboration with our board of directors has begun putting into place.

This pandemic certainly exposed the skills and training gaps that exist across this country in terms of education. It also awakened many workers in lower paying and lower skill jobs. Today, more than ever before, we are seeing that prospective students are keenly focused on getting ready for a tomorrow that has great, high paying, stable, careers not merely jobs. From UTI's standpoint, this is where preparation meets opportunity in the form or our new learning model.

At the heart of the advancement in our approach to education and training is meeting students where they are and advancing and broadening the technology skills they need, which are being increasingly sought after by its prospective employers.

Though neither of our core constituencies, students and employers asked us to develop this model, the feedback from students, families and our corporate partners has been enthusiastic. From a company standpoint, in addition to the benefits that our students and employment partners gain from this new approach it enables UTI to deliver more programs through the same footprint and increase the capacity and capabilities of our offering.

To explain how we are beginning to capitalize on this newfound efficiency, I would now like to turn briefly to our growth and diversification strategy. Earlier this year we announced three initial steps in this strategy; these were, the launch of two additional welding programs in our existing campus network, our plan to open the first two of our true blended-learning oriented campuses in Austin and Miami and the agreement to acquire MIAT School of technology. We are pleased to say that all three of these actions are still going according to plan.

As a reminder, the MIAT acquisition is supposed to close by the end of calendar 2021, and both of our new campuses, as well as, our 8th and 9th welding programs, are progressing toward launching on schedule in Fiscal 2022. Additionally, the associated plan and timing to expand an initial set of four MIAT programs across nine of the UTI campuses remains unchanged, pending a successful close.

We continue to meet with the MIAT management team, and these meetings have increased our enthusiasm about the combination. We could not be more excited to welcome their team on board. As Troy and I mentioned in our report last quarter, these actions are merely the initial stages of our growth and diversification strategy. Although, we have no announcements today, we are keenly focused on exploring additional opportunities for growth.

Now, before handing the call over to Troy, I think it is especially important to revisit our core value proposition given the nationwide labor shortages, inflation, and other areas concerning the broader economy and how this foundation ties directly to our growth strategy.

Our value proposition really lies within the high demand skills that we can provide for our students. These skills are ultimately a tool to give students a career with a viable growth path and not just minimum wage job with a paycheck. We see these sorts of outcomes coming through all the time for our students.

Our graduates are leaving UTI with a strong technical skill set and are prepared to begin building a life-long, stable career with significant upside potential. This is only one reason why we feel comfortable with our trajectory despite the unprecedented trends we are seeing in the labor market today. We know that there is always going to be a place for our graduates who leave UTI with the high-demand technical skills that we offer. America simply cannot function without them.

These outcomes and opportunities for our graduates are why we're very confident in the platform we've built, and we believe we can generate core campus start growth annually in the low to mid single-digits no matter the economic environment. Building upon that platform, we plan to continue expanding our portfolio of high-demand program offerings, while we also continue to assess new geographic markets in need of our services.

We're not only confident in our big picture goals, but given the current trends we're seeing and strength of our base business and assuming no major COVID-19 related interruptions. We also have continued confidence in our ability to execute on our business as it is today. And therefore, we're reaffirming our previously outlined guidance for the fiscal year. We also remain confident in the longer term projections we provided in the last call for 2022 and beyond.

With that said, I'll now turn the call over to Troy for an in-depth discussion of our operating performance, our guidance and a view into the future. Troy.

Troy Anderson
Thank you, Jerome. As Jerome mentioned, we performed well this quarter and delivered solid growth across our key operating and financial metrics. While the year-over-year metrics benefit measurably from the prior year pandemic impacts, we continue to be very pleased with the underlying performance and trajectory of our business. I'll start with a discussion of this quarter's results and then move to our fiscal 2021 outlook and longer term strategic road map before handing the call back to Jerome for closing remarks.

The interest in our programs remained strong, with third quarter new student starts up 38.8% from the prior year quarter and average active students increasing 19.1%. Show rate was also very strong at 280 basis points better than the prior year quarter. We saw year-over-year new student start growth across all three channels with the greatest improvement this quarter in the adult channel, up 62%.

We delivered total revenue of $83.8 million or 53.8% growth compared to the prior year quarter and 6% growth versus the third quarter of fiscal 2019. The revenue growth versus the prior year was due to higher revenue per student and approximately 1,700 more average active students, given pandemic related leaves of absence in the prior year.

The revenue per student continues to pace towards pre-COVID levels as we see steady improvements across the various factors that impact it. This is a clear indicator regarding the effectiveness of our student engagement efforts.

Lab make-ups are essentially complete, retake and withdrawal rates continue to normalize and the leave of absence rate was fairly stable in the quarter. An additional note, we recognized the $800,000 of deferred revenue associated with lab make-ups that was outstanding at the end of the second quarter and have no deferral as of the end of the third quarter.

Our growing student population in nearly recovered revenue per student supports our confidence around our fiscal 2021 guidance and the longer term outlook we have provided. I'll have more on that in a few minutes.

Moving down the income statement; operating income for the quarter was $3.1 million compared to an operating loss of $13.8 million in the prior year period, with the improvement primarily attributable to the higher revenue in the quarter, which was partially offset by higher comparable operating expenses.

Notably, during the pandemic environment last year, we measurably decreased labor and other operating expenses during the third quarter. While expenses have increased since then as we've resumed full operations. It is important to note, they are lower than they were in the quarters immediately preceding the pandemic despite a similar number of students. This reflects the operating efficiencies we are beginning to see from our blended learning model, our real estate optimization efforts and other productivity improvement initiatives.

Adjusted EBITDA for the period was $7.2 million compared to negative adjusted EBITDA of $8.8 million in the prior year period. Adjustments in the period were for acquisition related expenses and new campus startup costs. Net income for the period was $3 million, while adjusted net income was $3.3 million, reflecting the same adjustments as adjusted EBITDA. Basic and fully diluted earnings per share were $0.03 during the quarter. Net loss in the prior year comparable period was $13.3 million with loss per share of $0.45. Shares outstanding for the quarter were 32.8 million.

Turning to our balance sheet and cash flow. We ended the quarter with available liquidity of $103.1 million, which includes short term held-to-maturity investments. Note, we completed the financing of our Avondale campus in May, shortly after our last earnings call, yielding approximately $31 million. As a reminder, we purchased the campus in December 2020 for $45.2 million. We also continue to build liquidity through our operations with year-to-date operating cash flow of $14.8 million compared to a use of $10.3 million in the prior year. Additionally, adjusted free cash flow year-to-date is $5 million compared to a use of $16.2 million at this time last year.

I'd now like to speak briefly about our outlook for the remainder of the year and thoughts on fiscal 2022 and beyond. For fiscal 2021, we are reiterating our guidance of year-over-year new student start and revenue growth of 10% to 15%. Adjusted EBITDA of $30 million to $35 million, adjusted net income of $14 million to $19 million and adjusted free cash flow of $20 million to $25 million. As Jerome stated, this assumes no major COVID-related disruptions.

Within our guidance, we took into account more normalized year-over-year start growth in the fourth quarter versus what we have seen over the last three quarters, and we expect fourth quarter revenue growth will be double-digits with strong profitability and cash flow. We also anticipate elevated CAPEX in the fourth quarter as spin ramps for our new campus and welding growth investments and for our real estate consolidation projects in Sacramento, Orlando and Avondale.

Of note, the contour of our new student starts for the year has been different than in past years, particularly for the high school channel where we saw greater strength throughout the year but are projecting less substantial growth in the fourth quarter. This is partly a reflection of the carryover of starts out of the last two quarters of fiscal 2020 and to the initial quarters of this year, higher third quarter starts and more limited high school access during the year, which initially was virtual-only and with no on-site tours at our campuses, but ended the school year much more normalized as a mix of virtual and in-person.

That said our high school and overall recruitment approach has evolved significantly throughout the year, and we have learned a tremendous amount. We continue to evolve and optimize our marketing and recruiting efforts to be as effective as possible in any environment across all our channels, furthering our confidence heading into fiscal 2022.

For our announced strategic initiatives, namely the MIAT acquisition and opening of new campuses in Austin and Miami, I'll reiterate Jerome's comments that we remain confident in the previously announced timelines. We expect MIAT to close by the end of fiscal 2021 or early in fiscal 2022, and we are on track for the fiscal 2022 launch of Austin in the second quarter in Miami in the fourth quarter.

Our expectations for the aggregate benefit of these strategic actions, coupled with the trajectory of our base business are also unchanged. We estimate they would result in an average annual revenue growth rate of more than 10% over the next several years, positioning the company to deliver annual revenue solidly over $500 million by fiscal 2025, with adjusted EBITDA margin in excess of 20% by that time.

Included within that is an estimated fiscal 2022 revenue growth rate in the low to mid-20s, and adjusted EBITDA margin in the low teens. As we said in our last call this is not guidance. That said, we expect to issue formal guidance for fiscal 2022 in our fourth quarter earnings call in November.

And finally, as Jerome mentioned, we will continue to explore additional opportunities to grow and diversify our business. Our strong balance sheet and the strategic road map we shave outlined give us great optionality as we move forward. We will provide more updates on this when it is warranted.

Before closing, I would be remiss if I didn't comment on the current COVID environment and the most recent announcements by the CDC in response to the surge of the Delta variant, particularly in those who are not vaccinated. Throughout the pandemic, we've adhered to CDC and local guidelines and we continue to do so. Additionally, while we strongly encourage vaccination for both our students and faculty, currently, we do not require it to be in our facilities.

Given our flexible learning model and the knowledge we have gained about operating in this environment over the past year, we are confident in our ability to effectively maintain our operations and support our students and staff and we'll continue to adapt to the circumstances to the best of our ability. With that, thanks as always to the UTI team and our students for another quarter of hard work and positive outcomes.

I'd now like to turn the call over to Jerome for closing remarks.

Jerome Grant
Thank you, Troy. Before opening the call up for Q&A, I'd like to again express my gratitude for the progress we've made as an organization and for what our students have been able to accomplish throughout the past year. Like all great organizations, our response to the unprecedented challenges of the past year was to view this as an opportunity, an opportunity to come out the other side stronger, raising the bar on our already industry-leading outcomes, an opportunity to accelerate innovation through our business, creating additional capacity and flexibility at a time when the demand for our services is growing in both importance and need.

And finally, an opportunity to begin to execute on our growth and diversification strategy as we position UTI for the future. As I said, we feel the outlook for our business is bright and are very excited for what the future holds. We look forward to keeping the investment community updated on our strategy and initiatives sand closing out the year with considerable momentum as we head into fiscal 2022.

I'd now like to turn the call over to the operator for Q&A. Operator.

QUESTION AND ANSWER

Operator
Thank you. We will now begin the question and answer session. To ask a question, you may press "*" then "1" on your touchtone phone. If you are using a speakerphone, please pickup your handset before pressing the keys. At this time, we will pause momentarily to assemble our roster.

And the first question will come from Austin Moldow with Canaccord. Please go ahead.

Austin Moldow
Hi, thanks for taking my questions. Can you walk through the puts and takes on average revenue per student, and what that should look like through fiscal 2022 with MIAT baked in?

Troy Anderson
Yes, hi, Austin. This is Troy. Thanks for the question. What we've said...well, what we showed this quarter and we had said coming into this quarter was we would see steady progression from earlier in the year to...leading towards pre-COVID levels, which was around $8,000, $8,100 per quarter per student. And so, we're on that right trajectory and that's what we're expecting as we exit the year to be essentially at that pre-COVID level. I would expect FY '22 and the longer term outlook that we've provided would be operating at those levels. We typically bake in a little bit of an annual price increase. So you see some nominal change in that. We haven't factored in the variability or any variability, I should say, that might occur with the different mix of programs from MIAT. But I think you know, once we get closer to the closing of that transaction, we'll provide combined metrics on what they may look like.

Austin Moldow
Okay. Thank you. And a two part advertising question. Firstly, can you talk about how your localization efforts are going? And secondly, when do you typically begin to spend ahead of...spend on marketing ahead of new campus openings like you'll have in Austin and Miami?

Troy Anderson
I'll hit the second part first. We can't market the campuses until we have all the appropriate approvals. We have begun marketing Austin, at least the enrollments and some light marketing, I would say. We're still a good bit of way, obviously with Q2 fiscal '22 launch. But we are starting the efforts there and we'll be more aggressive in market as we get closer to that, but typically a few months out and after we get the approvals.

Jerome, do you want to handle the [indiscernible]?

Jerome Grant
Hi, Austin, Jerome here. The marketing efforts actually are going quite well. And we see the signs of that in the movement of our local adult population and show rates. Our show rates are favorable this year to our expectations and a lot of that is attributed to less commuting, which is the aim of what we are looking at in this campaign.

Austin Moldow
Great. Thanks very much.

Operator
The next question will come from Eric Martinuzzi with Lake Street. Please go ahead.

Eric Martinuzzi
Hi, just a clarification before my question. Jerome, in your prepared remarks, you talked about the MIAT acquisition closing by the end of calendar 2021. And then Troy, you talked about the end of fiscal 2021. We're still talking about October 1 close. Is that correct?

Troy Anderson
So we don't have a date certain. I wish we did. We're working…we have no indication that we're not on track. We actually said the same thing we said slightly differently and debated whether or not we should do that. But I said by the end of the fiscal year or early in fiscal '22, which by definition would be before the end of the calendar year. But as of right now, we have no indications that it should linger any longer than that, but we don't have a date certain.

Eric Martinuzzi
Okay, alright. And then shifting over to the channel, I wanted to go a layer deeper on the new student starts, terrific number there, by the way for the entire…for all channels, up 39% new student starts. You talked about 62%. I was just hoping to understand that a little bit better. I assume it has something to do with how the high school starts versus the adult starts a year ago as opposed to 2021. But can you help me understand that 62% number for the adult?

Troy Anderson
Yes. It is a reflection, I mean, we've seen great strength, by the way, in the adult channel throughout the year. High school has been also very strong throughout the year. And just this quarter, adult had a larger uptick. I think probably because Q3 typically is not a heavy high school quarter. So last year, the dip related to COVID was probably more in the adult sector. But overall, again, we see good strength in adult and expect to continue to see good strength there.

Eric Martinuzzi
Okay. And then lastly, on the MIAT with this...I know the transaction is yet to close, but as far as your high school…your high school outreach, has that come up yet? Do you have the folks

on the high school campuses and your...as you reach out to them. Has there already been interest in kind of programs beyond auto and diesel mechanic that's got those on the ground people more, I guess, interested in working with UTI?

Troy Anderson
We're doing all the planning that we can. I mean, we are separate companies and until we close, we're technically competitors. We're in the same market in Houston. So at this point in time, all we're doing is planning work. There's no cross pollinization of any of our activities.

Jerome Grant
And to get to your question about high school interest, one of the reasons that…our first priority of our growth and diversification plan was to look for a school like MIAT that brought nine new programs into our family that we can then spread across our campuses as quickly as possible. One of the main reasons is just what you brought up there, which is our high school reps talk to somewhere near a quarter million kids a year. And the interest isn't always exclusively in the transportation and welding area, which is where we play right now. And so, we think we have a great opportunity to take advantage of the interest that varies beyond transportation from high school kids. MIAT does not have a large high school presence in either Michigan. They have high school reps who are really quite good, but not a large high school presence in Michigan and Houston, nor do they have a relocation program in place the way we do. We see the ability to leverage the relationships we already have in high schools with a broader product set.

Eric Martinuzzi
Got it. Thanks.

Jerome Grant
Thanks, Eric.

Operator
The next question will come from Raj Sharma with B. Riley. Please go ahead.

Raj Sharma
Hi, good afternoon, guys. Stellar numbers, I had a couple of just questions on the 3Q starts…the apples-to-apples sort of comparison, any different number of start dates last year to this year, and does that impact 4Q, because you are still sticking to the 10% to 15% student start growth, I just wanted to understand that a little better?

Troy Anderson
Yes, Raj. It's a good question and I tried to touch on that a bit in my prepared remarks. The start dates are apples-to-apples. So there's no differential in start dates. That was last year versus the prior year. We're on the same start cycle currently this quarter. Our guidance all along that we set at the beginning of the year, we knew that we would have stronger starts in the first part of the year particularly Q3 and then more normalized in Q4. And so, we are still contemplating that. We've seen some shift, as I noted, around high school, very strong earlier in the year relative to prior...even pre-COVID earlier in the year, a little bit less in the fourth quarter. Adult has been strong and growing, and military has been consistent. So at the end of the day, yes, we'll see a more normalized growth rate in the fourth quarter, but still a very strong year overall.

Raj Sharma
Great. Got it. And then you just recently announced...well, yesterday, you announced the Rancho Cucamonga, the Toyota-Lexus program. And that's a great way to address the labor shortage. I was just wondering if there's any change you foresee in these programs in terms of the way the tuition is going to be garnered. Any change in the mix of Title IV or corporate or is this sort of business as usual? And what is the size of these programs that...or what is the size of the program? How many students? Can you talk a little bit about that?

Troy Anderson
Yes. This is Troy. Maybe I'll start and Jerome may add some color commentary. But the Toyota program, you know, we've had a long standing relationship with Toyota. As you noted, launched it now in Rancho Cucamonga campus, that's a student paid elective for us, but it's a great program that...and a lot of employer and industry engagement with those kind of programs. We have Ford. We have many other programs that are student paid electives and then, of course, the manufacturer paid programs, advanced programs, Mercedes and Porsche and BMW and the like.

We're not envisioning specifically around the student model, any change there. We constantly are looking at our partnerships and any tweaks or changes, I mean, we might want to make in them, whether it'd be a student versus manufacturer paid or whether we continue a program or add a new program. But generally speaking, I'd say no change currently that we're thinking about there. But we always think about, are there other ways we can expand our relationships from a B2B perspective with the manufacturers, and that's part of our ongoing growth and diversification strategy.

Raj Sharma
Well, it’s obviously exactly what I was trying to get to is that, there seems to be a really good level of demand from the employers, and the way you're approaching this is really great of getting involvement from both sides. Does that...do you think it's good if the employer kind of step up and also pay for it or that's not really that important for the employers to step in and pay for tuition?

Jerome Grant
Well, I mean, clearly, we see...I mean, most of the employer paid programs also come with some period of time of a loyalty agreement to go and work for that brand. And there's a lot of variability between the 30 some OEM relationships that we have in terms of where the support comes from and how they do that. Yes, we obviously see higher employment rates in brand when the employer pays for it. But this program launch was in response to a very strong dealer community that really wanted us to be more strongly recommended.

And again, the difference between someone graduating with a core certification and then adding on a dealer program actually accelerates their ability to begin to do warranty work, which is where the dealers really make the money, right? And so, therefore, we're monitoring every locale around our campus to see if we have an opportunity to put some of these major programs in place. We're all...as Troy said we're always talking with both the dealer networks and the manufacturers around sponsorship and paying for the programs. I think most of them right now are still working in the model of tuition reimbursement, you know, as we said, we've got over 4,000 incentive and tuition reimbursement programs. So most, if not all, of the Toyota dealers have some sort of a deal in place that if you finish the program and come to work for us. We're going to be taking care of a large portion of your student debt as you're working here. So...but haven't really...not all of them have jumped over the line to scholarships or sponsorships.

Raj Sharma
Right. Well, this is...maybe you won't need to, because there is enough of a pull, right, that the employers are actually doing enough to be there and say, you know, we've got a job down the road for you for sure, or there's a high likelihood that, that happens.

Jerome Grant
And we've worked really, really hard at illuminating what these incentive packages are to go to work for each employer. And then also, through our Early Employment Program, one of the things we're doing basically is those who are participating actively by giving jobs and internships are getting earlier access to our students to bring them on in either part or full time capacity. And that's actually starting to get people to compete with each other for our kids, which is really what we want, because we're interested in them getting good, solid, high paying jobs. And the more the employment community competes for them, the better off they'll be.

Raj Sharma
Great. Well perfect. Great job guys. Thank you so much, I'll take it offline.

Jerome Grant
Thanks Raj.

Jerome Grant
Thanks Raj.

Operator
This concludes our question and answer session. I would like to turn the conference back over to Jerome Grant for any closing remarks. Please go ahead, sir.

CONCLUSION

Jerome Grant
Thank you very much, and thank you all for visiting with us today. By way of closing remarks, all I want to say is that we pride ourselves on making ourselves available to the investment community as much as we possibly can. But we'd be happy to share deeper thoughts on the results from Q4...or Q3, Q4 and into next year if we have a chance to talk together. So thanks again, and have a great rest of the afternoon. Bye-bye.

Operator
The conference has now concluded. Thank you for attending today's presentation. You may now disconnect.