Universal Technical Institute Inc.

First Quarter Fiscal 2022 Earnings Conference Call

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CORPORATE PARTICIPANTS

Jerome Grant - *Chief Executive Officer*

Troy Anderson - *Chief Financial Officer*

Matt Kempton - *Vice President of Corporate Finance*

PRESENTATION

Operator
Good afternoon and welcome to the Universal Technical Institute First Quarter Fiscal 2022 Earnings Conference Call. 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." Please note, that this event is being recorded.

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

Matt Kempton
Hello and thank you for joining us. With me today are our CEO, Jerome Grant; and CFO, Troy Anderson. During the call today, we'll update you on our fiscal first quarter and fiscal year 2022 business highlights, financial results and vision for the future. Then we will open the call for your questions.

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 US Private Securities Litigation Reform Act 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're 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 will 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 is net income or loss adjusted for items that affect trends and 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 flows 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 the call to our CEO, Jerome Grant.

Jerome Grant
Good afternoon, everyone, and thank you all for joining us today. I'd like to begin today's call by thanking our students and staff for their continued commitment and hard work. We had a strong performance as we continue to navigate COVID challenges. I am proud of our team's dedication, resilience and effectiveness to ensure our campuses operated seamlessly throughout the entire quarter. We're also thrilled to have the students, faculty and staff from MIAT on the team, as the acquisition officially closed November 1st of 2021. The integration is going quite well and we're excited for the future with them on our team.

Today I'd like to focus my comments in four key areas, performance, outcomes, strategy and regulation. We delivered another strong top and bottom line performance this quarter, driven by higher average student population as well as higher overall revenue per student on a year-over-year basis. Revenue grew 38% for the quarter compared with the year ago, and adjusted EBITDA grew 360% versus the comparable period a year ago. The first quarter results that were reported today reflect overall solid operating performance and execution against our key priorities. They also include two months of MIAT results. The positive performance in the first quarter set us up well to deliver on our expectations for the full year.

We expected to start the year with strong year-over-year financial performance and we did just that. Average students as well as revenue per student were better than expected, and thus, so was our revenue. And as always, our team was diligent on controlling costs which along with revenue favorability resulted in a strong performance with respect to profitability as well. Starts for the period we were up just over 2% aided by the addition of MIAT to UTI as well as our new programs.

The modest student start rate was not unexpected, as we faced a difficult comparison from last year's first quarter, where we saw 21% year-over-year growth, partially driven by the measureable number of students deferring out of the fourth quarter of 2020, due to COVID travel restrictions and challenges. Hence, our initial commentary on pacing for fiscal '22 indicated that we expected the first half of the year would be our lowest growth for new student starts. Nonetheless, we still believe we are outperforming the broader industry and our peer group. And we're focused on delivering our overall growth objectives for the full year.

I want to remind everyone, as we set expectations for 2022, we highlighted that the main risk that was outside of our control would likely be COVID-related, for example, new variants, or a spike. And our view on this has not changed as we've seen some impact from Omicron, which burst into the scene in November 2021 as our quarter was winding down.

We're seeing modest impact on start rates, the timeline for getting back to pre-pandemic revenue per student numbers. And similarly, we're seeing some incremental increases in leave of absences and the number of students studying online only versus our expectations. However, given the trend, we remain optimistic that any impact from this current variant will be brief, and we're confident in our ability to manage through it. Despite the choppiness this may cause in the short-term, we're laser focused on supporting our students and staff, and meeting the full year expectations we've set for the investment community.

We've also seen some of the supply chain impacts, which have directly impacted the timeline of obtaining key electrical components for our new Austin campus and it's delayed our targeted launch date for the campus by approximately 90 days, with our new target launch date in late April. I think it's important to note that the enrollments for programs at the Austin campus have been encouraging in line with our expectations. It's also important to note that our new campus in Miramar, Florida remains on track and on budget for its start in fiscal fourth quarter.

Further, our new welding programs are on track with a program at our NASCAR Tech campus in North Carolina, having launched in January with a full first class. And our second new program, which will be at our Exton, Pennsylvania campus is on schedule for a July launch.
Closing on performance, we remain confident and supportive of our full year guidance, which we reiterate today.

As a brief recap, we expect full year revenue for fiscal 2022 to be in the range of $405 million to $420 million for a year-over-year growth in the low to mid 20% range. Start growth should be between 14% and 19% and adjusted EBITDA with a range of $50 (million) to $55 million. Troy will share more detailed review of the quarter performance in his remarks.

Looking at outcomes, we continue to excel here, graduating approximately 2,300 students in the quarter and placing graduating students with employment partners across this country where they can quit their advanced technical training to work. Demand continues to be strong as the need for skilled workers remains well in excess of the number of students we graduate each year.

Notably, our blended learning model, which has been enthusiastically embraced by our two core constituencies, students and corporate partners, is providing added flexibility in the current environment, creating scheduling options for our students, while at the same time enabling them to progress through their programs, despite the Omicron interruptions affecting the broader economy.

Turning to strategy, we're progressing well on all aspects of our growth and diversification efforts. As a reminder, over the past 18 months, we've put in place, acted on or accelerated action on all key components of the strategy. These include investments in new campuses, program expansions, such as welding, and strategic acquisitions like MIAT. Importantly, these high-level components of our strategy feed one another providing cross fertilization opportunities, like the planned MIAT program expansion across our UTI footprint beginning in 2023.

Supporting these efforts are important initiatives such as the development rollout of our blended learning model, real estate rationalizations, and other footprint optimizations and operational excellence programs. While we are executing on many activities and initiatives in support of the operational and strategic priorities was established, we retained the financial capacity and leadership bandwidth to continue to actively evaluate additional growth opportunities that would be additive to the long-term outlook we've established.

As we previously shared, with the strength of our base business and the initiatives we have already underway, we believe we can generate revenue comfortably above $500 million and adjusted EBITDA margins in excess of 20% by fiscal 2025. I also wanted to briefly touch on the broader higher education sector we make our home in, and more specifically the regulatory environment that governs our industry.

Here, as always, our relentless focus on the importance of outcomes is central to what we do. As I've said in the past, we don't manage or plan our business based on which party is in office. We actually keep it quite simple when it comes to how we manage our business in this regard, guided by a simple but important statement regarding what we do every day. We succeed when our students succeed.

Lastly, we have a lot of important work to be done in fiscal 2022. As we continue to integrate the MIAT team with UTI, we will be leveraging the UTI national marketing and admissions team to drive growth into the MIAT campuses. And we will be completing the planning and approvals necessary to begin offering MIAT programs at an initial group of UTI campuses in 2023. This is in addition to launching two new UTI campuses and two new welding programs during '22, which we are on track to complete.

In summary, I'm pleased with the strong results we've delivered this quarter and even more excited about what's still to come. I'll now hand the call over to Troy for an in-depth discussion of our operating performance and fiscal 2022 outlook. Troy?

Troy Anderson
Thank you, Jerome. We reported very positive financial and operational performance during the quarter, delivering on our expectations for continued strong top and bottom-line growth in 2022. Before I start, I will reiterate that all of our results include MIAT for two months, and unless stated otherwise, the year-over-year comparisons are on an as reported basis. As far as student metrics, as Jerome mentioned, we saw 2.3% growth in total new student starts versus the prior year first quarter with the addition of MIAT being the primary growth driver.

Total average students grew 16.2%, reflecting the double-digit new students start growth we saw throughout fiscal 2021, along with the addition of MIAT. As we only have a partial quarter for MIAT, I will speak briefly to UTI standalone metrics. New student starts were down just 34 stars versus the prior year quarter, which was an accomplishment after last year's 21% first quarter year-over-year increase.

In the quarter, we saw a lower year-over-year decline than we expected in the high school channel, and modest combined growth out of the other two channels. We believe Omicron had some impact late in the quarter as our December UTI start was the weakest versus our expectations although it was up year-over-year. The UTI show rate was 30 basis points better than our expectations and down 40 basis points year-over-year, again, given the COVID-related dynamics in the prior year quarter.

We continue to see strong front-end demand overall. In the first quarter UTI media inquiries were up year-over-year, and high school non-media inquiries were up significantly given improved access to high schools, this despite not having full access in the high school channel, and thus leveraging a blend of virtual and in-person engagement. More recently, Omicron has caused further in-person limitations, which we are cautiously optimistic will be temporary in nature.

Switching to financials, we delivered total revenue of $105.1 million during the quarter, which represented 38% growth versus the prior year quarter. The increase in revenue was driven by the growth in the total average student population, better than expected improvement in average revenue per student, and the addition of MIAT. Going deeper on revenue per student, we saw a significant increase in the prior year quarter as a result of the improvement we realized throughout fiscal 2021. Sequentially, we saw our normal seasonal dip this quarter due to the one week holiday break in December.

Revenue per student in the first quarter, including MIAT, was $7,700 versus $6,400 in the prior year quarter and $8,000 in the fourth quarter of fiscal 2021. While revenue per student was better than our expectations in the first quarter, we see it being more in line for the remainder of the year. I should note that MIAT has a lower revenue per student given the duration and mix of their programs. On average, we estimate that the overall UTI blended revenue per student will be $100 to $200 lower per quarter with the inclusion of MIAT.

Adjusted EBITDA for the first quarter was $19.9 million, compared to $4.3 million from the prior year. Adjustments for the period included acquisition related expenses, MIAT integration costs and new campus startup costs. Adjusted EBITDA margin for the quarter was 19% compared to 5.7% a year ago. The substantial increase in adjusted EBITDA was driven primarily by the improvement in revenue per student, as well as operating leverage across the business and some expense timing benefits.

Operating expenses were $91.5 million, a 21.4% increase from last year's first quarter. The year-over-year increase in operating expenses is attributable to education services cost to support higher student counts, the addition of MIAT, continued investments in the company's growth and diversification strategy, including our new campus investments, and increased advertising to support our growth objectives. While increased year-over-year, operating expenses in the quarter were lower than our expectations due to timing shifts, primarily around our new campus and other strategic investment spending.

We continue to see robust growth on the bottom-line during the first quarter, with net income of $14.8 million and adjusted net income of $15.4 million, both compared to $1.1 million in the prior year quarter. We realized a $1.9 million income tax benefit on our GAAP net income driven by an adjustment to our valuation allowance as a result of the inclusion of MIAT. Diluted earnings per share were $0.25 compared to a loss of $0.01 in the first quarter of 2021. Shares outstanding as of the end of the quarter were 32.9 million.

Turning to cash flow. Cash from operations in the quarter was $2.5 million, a decrease from the prior year quarter mostly resulting from working capital changes associated with continued growth and investment in our business and the income tax refund included in the year ago period. Adjusted free cash flow was negative $3.6 million, reflecting the increased CAPEX spend for our campus consolidation projects, and new welding programs.

Looking at the balance sheet, we ended the quarter with $99.5 million in cash and cash equivalents showing the expected decline from the prior quarter as a result of the MIAT acquisition and our increased cap spend. Also on the balance sheet, you will notice a few changes as a result of the MIAT acquisition.

The major direct impacts were a goodwill increase of approximately $10 million and tangible assets increase of approximately $16 million, and approximately $15 million of increase to the operating lease asset and liability. You will find more details on this in the first quarter 10-Q, which we expect to file within the next few days.

With a positive start in the first quarter and the visibility we have for the remainder of the year, we remain confident on our full year guidance for fiscal 2022 across all metrics, new student starts, revenue, adjusted EBITDA, adjusted net income and adjusted free cash flow. Our guidance calls for double-digit growth across starts, revenue and profitability for the year supported by our strong base business, as well as from executing the initial steps of our growth and diversification strategy. As always, we will evaluate our guidance throughout the year to determine if any adjustments are needed.

As far as the expected pacing through the year, I provided commentary last quarter that was directional and complementary to our fiscal year guidance. The primary revisions I would offer to that commentary are as follows. We expect new students starts will be more back end loaded in the year given the push of the Austin campus launch to April and some near-term impact from Omicron with the second quarter being our lowest quarter for year-over-year start growth.

Revenue for the second and third quarters is likely to be in the mid to upper $90 million range, with the fourth quarter still expected above $110 million. Profitability is likely lowest in the third quarter given the change in the Austin launch timing and the expected flow revenue across the quarters. And for CAPEX, we anticipate heavier spend in the second and third quarters than what we saw in the first quarter, again, giving timing shifts in our initiatives.

In closing, we are pleased with the positive start to the year and confident in our ability to achieve the fiscal year guidance we established absent any major unexpected disruptions. We are proud of the accomplishments and hard work demonstrated by our team and our students. I would like to now turn the call over to Jerome for his closing remarks.

Jerome Grant
Thank you, Troy. Before we get into the Q&A portion of the call, I'd like to reiterate Troy's final comments and express my appreciation and gratitude for everyone in the organization and their commitment to helping our students reach their goals. We will continue to hold ourselves to the highest standards and take pride in partnering with great employers to give our students the best opportunities and path to successful and meaningful careers. We're executing well on our growth and diversification strategy. And we have the pieces in place to continue to do so going forward.

Financially, we're in a strong position to continue to actively evaluate potential new growth opportunities, and we'll be ready to capitalize when both the time and opportunity is right. I'd now like to turn the call over to the operator for Q&A. Operator?

QUESTION AND ANSWER

Operator
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 pick up your handset before pressing the keys. To withdraw your question, please press "*" then "2." At this time, we will pause momentarily to assembler the roster.

And our first question today will come from Alex Paris with Barrington Research. Please go ahead.

Alex Paris
Hi, guys. Thanks for taking my questions. So, Q1 was much better than expected across the board and Troy, in terms of your cadence, first of all, you reaffirmed full year guidance. And then just to be clear, Q2 and Q3, mid to upper 90s and Q4, above $110 million in revenue to get into that full year range. Is that correct?

Troy Anderson
Yes, hi Alex thanks for the questions. Correct. That's what I had said, which was an adjustment to the flow that we had articulated last quarter, just shuffling the revenue around a bit, a little bit more in Q1, still about the same in Q4, a little bit less than Q2 and Q3.

Alex Paris
Got you. Okay. And then, I was wondering, if you can give us a little bit more color around the delay in the Austin start. As I recall, I think that was supposed to open in February. You cited supply chain issues. Could we go through that again?

Jerome Grant
Yes, hey Alex, it's Jerome. It's actually pretty simple. There's some significant electronic component tree that has to be attached to the side of the building to meet code. And there's a shipping delay, that's the bottom line to it. And it's on its way. We expect it to be in place. It's progressing well, but just because of fire codes, we can't and won't open unsafely and so we had to push it out 90 days to accommodate that.

Alex Paris
Got you. Okay. You expect what did you say, an April opening?

Jerome Grant
Yes, end of April.

Alex Paris
Yes, end of April.

Jerome Grant
Remember, we do starts every three weeks. So we just jumped over a few and put it into the April start.

Alex Paris
Good. But Miramar as you said is on schedule for fourth quarter.

Jerome Grant
Yes. The construction is moving along and it's absolutely on schedule right now. We don't anticipate the same delay. But then, again, we think a lot of the supply chain issues are coming back in line now. So we think we'll be fine.

Alex Paris
And okay, great. And then I guess my last question will be, can we just cover again, the modest impact from Omicron in the quarter? You said you saw some impact late in the quarter just again, I guess I'm slow in taking notes. But if we can just kind of cover that again, please.

Jerome Grant
Yes. And keep in mind the timing there, right. Started around Thanksgiving, it flared up dramatically throughout the month of December. I would say the really the primary impact we thought we saw in December was we had a mid-December start. And we were tracking pretty close through the quarter to our expectations and that one dropped off quite a bit. And then, we saw some similar pattern in January. We also saw the LOAs perk up a bit, latter part of December frankly through the month of January. So it was really less of a quarter impact and more as we're talking about the year and the guidance, taking into account some of those

impacts. We had some students. Of course, we have a more flexible model now, so we're able to move students online only, very quickly and seamlessly. So that's of course a big benefit. But we did have a spike there as well. But we're already seeing a come back down. This Monday was a start in return date, and we saw a large number of those January, LOAs come back. So we think we're in pretty good shape and if accounted for it in our pacing for the year, but it flared up pretty quickly like everybody else.

Alex Paris
Yes. And I would agree with you, it should be short lived, but we're managing through that right now. Alright. Well, thank you very much. I'll get back in the queue.

Jerome Grant
Thank you.

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

Raj Sharma
Hi. Thank you for taking my questions. Great results, Q1, I just wanted to understand a little bit more color on the young adults showed growth in starts to high schoolers suffered? Do you expect high schoolers starts to pick up through the year or you think that's still going to be severely impacted? And then also, what about MIAT starts? How are they trending? I noticed that you didn't break those out, or is it too early?

Troy Anderson
Yes, it's not a clean quarter, obviously, and thanks for the question, Raj. Two months, and so their starts for the quarter, were about 80, it was pretty small number, they don't start in the same cycles. They're roughly on an every other month, start cycle. And then every now and then it'll be something in between there but on average, I'd say it's about every other month. And of course, October was one of their months and December was not a start month because of the holidays. So it was a pretty light quarter from an MIAT perspective.

On the full year basis, again, as Jerome commented, last year, first quarter, we had a large number of high schoolers pushed out of Q4 of '20. And so, we saw that benefit. And so, we were expecting a decline in the high school channel as part of our guidance this year, in the first part of the year, but on a full year basis between same-store and the new campuses and the new welding programs, we expect good growth across all our channels.

Raj Sharma
Got it. So the other question was around understanding Q1 seems to be a blowout, revenue quarter. And Q2 is lower despite the fact that MIAT is going to now have a full quarter in the second quarter. So this is largely because of revenue per student change, maybe LOAs picked up. And you're accounting for that. Is that the way to think about it?

Troy Anderson
Yes. A little bit lighter start quarter, as I mentioned, the December start dropped off at that we think because of Omicron. And we saw some impact in January, as well. The LOAs were elevated for most of the month of January. And then the big driver, we were a little bit ahead on students in the first quarter average students was better than we expected. And we did get a good bit of rate benefit, which is why the EBITDA was so much stronger. And I mentioned in my comments that we thought that would be more in line, if not in Q2, maybe a little bit behind

because of the students that having to come back in from LOAs and from online only. So it takes a few core cycles for them to get back to fully normalize. Well, I will use Jerome's word from his comments. We'll have some choppiness in Q2, just getting everybody back on track. And then, of course, with Austin, starting in Q3, and then Miramar in Q4 and just start our normal strength in Q4, it'll ramp back up again.

Raj Sharma
Great. So that is really helpful. I was curious; I know that your model has changed in the sense of the blended learning and how COVID impacted you and the LOAs back in 2020, Feb/March, and your model is more flexible. But I know you’ve not reported the LOAs and this was, another a repeat Omicron COVID, quarter/time. I was curious, if you were to…what were the LOAs at the peak here in Jan relative to...they were pretty high back when COVID [indiscernible], I'm sure they're significantly lower. They were 2,500, 3,000 LOAs. Do you disclose that number. Do you want to talk about that?

Jerome Grant
Yes, we were running 1,000 to 1,200 throughout the month of January which is probably double what we would have expected, and LOAs are a function of how many students you have in the building too. And then, of course, holidays, we tend to have more student decides they want to stay out an extra cycle, we're closed a week in December they decide they want to stay out an extra cycle. And so who knows whether it was, I mean, obviously, we did see elevated activity from intake perspective students who were reporting that they may have been exposed, and were tested positive, those types of things. But it also could have just been people staying out an extra cycle, just with some of the uncertainty about, how quickly it was going to dissipate or that type of thing, so we saw a few 100 more students in online only and probably about double the LOAs we would have expected, but it was about 1,000 to 1,200, it wasn't anywhere near back in…

Raj Sharma
Right. And those you said they came back at the end of Jan and came back down. So you're seeing better trends there?

Troy Anderson
Yes. We just had a start on Monday. And several 100 came back in line with that starts, we're happy to see where things are snapping back in. Another thing I think that helped us in the quarter was the change in the CDC guidance about how long you're expected to be out for a quarantine, sometimes that went over two sessions rather than one. And so, we can see things starting to snap back.

Raj Sharma
Got it. Thank you. And one other question was you mentioned…Jerome, you mentioned new growth opportunities outside of and different from the ones you already talked about? Do you expect those to come from an acquisition or is it going to be new campuses or any sort of direction there? Are you going to be moving away from title four or any color?

Troy Anderson
Well, we don't have anything specific to share today. The M&A markets aren't always under our control. But we are active both organically and inorganically looking at where we can go from the benchmark we set a few months back on the activities we already had. As soon as we have something to share, we'll be out there with it.

Raj Sharma
Got it, okay. Thank you so much again, and congratulations. I will take it offline. Thank you.

Troy Anderson
Thanks Raj.

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

Eric Martinuzzi
Yes, the question I had was with regard to the expense run rate, I understand we've got a couple of moving parts here and trying to come up with a "normalized expense run rate." But given maybe just quarterizing January, I'm just trying to get a sense for that 91.5 that we had in Q1, didn't include the month of October for MIAT. But it also had some push outs on some campus investments. So can you give us a feel for what's the quarterly expense run rate Troy?

Troy Anderson
Yes. If you went back to my Q4 comments, I said, the first quarter would be mid-90s…step up to the mid-90s, and then go up to around 100 million from their high 90s (million) to 100 million. And of course, we came in at 91.5 as you said, so that that was part of the profitability benefit. We saw and again, there's timing shifts, the Austin push out, and some other things that have phased out over the rest of the year. The other thing in Q1 is you have all your payroll tax resets. And of course, labor being a heavy component of our cost structure. That is the spike up to one month, as you said, MIAT, so probably in that high 90s million to 100 million range is what would make sense for the rest of…or the next two quarters. And then, a little bit higher than that, with the Q4 spike up with the students in the education cost to support the large number of students that come in.

Eric Martinuzzi
Got it. That's helpful. As I look at the two new MIAT campuses, one is in a geography where you haven't had a campus the other is in, I think its Houston, where you actually have a legacy UTI campus. Have you done anything synergies wise in Houston, as far as, either decided to leave those two campuses standalone or doing anything with a consolidation plan?

Jerome Grant
We've had great progress on working with the MIAT team, bringing them in to the family. We're running them as two campuses in the network; we do have some synergy between the Houston campuses. We're leveraging the skill set that some of the MIAT leadership has developed on their program expansions to lead the program expansion efforts. The marketing and admissions teams have been integrated. So we've done a lot of work, the back office side, HR, payroll, finance, we brought a lot of that already into common framework. So a lot of good progress has been made. And really the next few months, we'll probably complete…I would say the core integration and really from there, it's…and we're already working on, of course, the growth side as well with the marketing emissions combination and trying to drive more lead flow and housing program for the Michigan campus so that there's relocating students have more of an opportunity to go there, which is not something MIAT had really explored to any extent previously. So all of that is moving and moving very fast.

Eric Martinuzzi
Okay. Thank you for taking my questions.

Jerome Grant
Thanks Eric.

Troy Anderson
Thanks Eric.

Operator
And this will conclude our question and answer session. I'd like to turn the conference back over to Jerome Grant for any closing remarks.

CONCLUSION

Jerome Grant
Thank you very much, operator, and thank you all for joining us today. We look forward to speaking with all of you in the next quarter and that will conclude our call for the day. Have a great evening.

Operator
Your conference has now concluded. Thank you for attending today's presentation. You may now disconnect your lines at this time.