Q2 2015 Earnings Call

Company Participants

- Rogerio Melzi, Chief Executive Officer
- Virgilio Gibbon, CFO & IR

Other Participants

- Bruno Giardino, Analyst
- Fabio Levi, Analyst

Presentation

Operator

Good morning, ladies and gentlemen, thank you for standing by and welcome to Estacio's conference call to discuss the Second Quarter of 2015 results. The event is also being broadcast simultaneously on the Internet via webcast, which can be accessed on the company's IR website www.estacioparticipacoes.com.br/ir. Together with the respective presentation and the earnings release, we would like to inform as there in any company's presentation, all participants will only be able to listen to the call. We will then begin the Q&A session where further instructions will be given. (Operator Instructions) This conference call contains forward-looking statements that are subject to risks and uncertainties that could cause the company's actual results to differ materially from those in the forward-looking statements. Such statements speak only as of the day they are made and the company is under no obligation to update them in light of new information. I would now turn the conference over to Mr. Rogerio Melzi, CEO. Please Mr. Rogerio, you may proceed.

Rogerio Melzi {BIO 16212298 <GO>}

Well thank you. Good morning, everyone. Welcome to our conference call to discuss our results for the Second Quarter of 2015. I'm here with Virgilio Gibbon, our CFO and also with our IR team. We are having a question and answer session just as soon as the presentation is over. So let's go straight to slide number two of our presentation, which is also available on our website where we will talk about the main highlights of the quarter. It starts the results in the Second Quarter of 2015 were once again strong and consistent. Further underlining our capacity to maintain a healthy growth pace, despite a turbulent scenario and circumstances triggered by the change in FIES during the first half of the year. After concluding another record high intake cycle in the first semester, thanks to our internal efforts and organization, we were able to keep the dropout rates under control allowing us to close the Second Quarter 2015 with a total base of 500,500 students, 30.9% up year-on-year. Net operating revenue came to BRL774 million in Second Quarter 2015, 31.4% more than in Second Quarter 2014 while EBITDA totaled BRL166.1 million, a

57% increase with an EBITDA margin of 21.4%, a 3.4percentage point improvement. Net income reached BRL131.9, 53.4% more than in second Q 2014. And earnings per share came to BRL0.42 up by 44.8%. On the other hand, as already expected, our cash flow was substantially impacted by the FIES's schedule in the first semester. But our solid cash position and internal organization allowed us to go through this good external -- (technical difficulty). Okay, just returning here, the call has dropped. Sorry for that.

We are talking in from slide number 4. So here you can see a vertical analysis of operating costs and expenses. In Second Quarter, the cash cost as a percentage of net revenues ratio continued to improve due to our efforts on the management front and the scalability of our business, recording 1percentage point improvement over Second Quarter 2014, thanks to gains of; 1percentage points in salaries and payroll charges, reflecting the expected gains in faculty cost management and a gradual expansion of the distance-learning segment in the operation; and number two, 0.8percentage point in gain in textbook materials. The other lines remained relatively flat over Second Quarter 2014, worsening by just 0.4percentage point in; number one, rentals line, which has the comparison impacted by the one-time reversal of provisions in Second Quarter 2014. Also, we have seven additional units in comparison to last year which are still maturing and had an impact of BRL4.5 million.

In the first half as a whole, this line came to 7.5%, only 0.1percentage point up year-on-year; and number two, the third-party services and others line negatively affected mainly by the increase in electricity costs, which saw an increase of 40% in its factor cost.

Selling expenses represented 12.2% of net operating revenue in Second Quarter, an efficiency gain of 1.5percentage points due to the 1.2 and 0.3percentage point improvements in PDA and marketing respectively.

G&A corresponded to 10.7% of net revenue in Second Quarter a 1.0percentage point improvement over Second Quarter last year, mainly due to the 1.4percentage point gain in personnel, which lodge and offset the relation in institutional events line, impacted by BRL8.5 million related to our sponsorship of 2016 Olympic Games in Rio, as mentioned in previous quarters.

However, it is worth remembered that there was a corresponding counter-entry in the under revenues line, related to the training we offered to the volunteers who will help at the event. So there is no impact on EBITDA, only margins in the period. Excluding the effect from the sponsorship, G&A expenses would have represented 9.7% of net revenue, a gain of 2.0percentage points.

As you can see now on slide number 5, EBITDA grew by 56.6% over Second Quarter last year, to BRL166 million, with a 3.4percentage point increase in the margin reaching 21.4%. This improvement was mainly due to the efficiency gains from personnel and selling expenses, PDA and marketing. Therefore we recorded yet another quarter of consistent margin expansion underlying our disciplined and controlling costs and expenses and a sustainable provision efficiency gain. Net income followed the increase in EBITDA and grew by 53.4% to BRL131.9 million. On the slide six, we present our accounts receivable.

Our average days receivables including FIES receivables and FIES net revenues reached 127 days, 51 more than the Second Quarter last year mainly due to new FIES certificates transfers and buyback schedule for 2015. Excluding FIES net revenues and FIES receivables, the average days receivable was 98 days.

The 11-day increase in our average non-FIES days receivables were partially due to the lower penetration of FIES in the freshmen base and the 10,000 students who lost FIES after Fourth Quarter 2014, when the FNDE began to limit retroactive amendment. Therefore after renegotiating their debts related to the second semester of 2014, the students emigrated to the non-FIES base in the first semester of 2015 contributed to the increase of around BRL26 million in accounts receivable equivalent to six days.

As you can see now on the slide seven, FIES accounts receivable increased by BRL226.6 million over the previous quarter to BRL552.5 million, reflecting the new FIES schedule disclosed in December. In addition, the significant delays in the contract amendment process in the first semester of 2015 made a substantial contribution to the build-up of FIES receivables, due to the lower number of certificates transferred. On the other hand, this indicator should improve in the second semester with transfer from April to June within the schedule proposed by the MEC. And due to delay in concluded amendment that were regularized.

Consequently, of the BRL688 million in FIES revenue in the first semester of 2015, only BRL130 million came from transfers in January, February and March due to delay in the amendment process, which effectively began only after the FNDE had reopened the SisFIES in March 2015. Therefore the majority of the amendments and new contracts were concluded after the date for the transfers of the first three months of the year. The difference of around BRL558 million as well as the BRL74.4 million in carry-forward credits related to certificates already issued will have a cash effect during the second half of this year, according to the schedule disclosed by the Ministry of Education in December, 2014. Consequently the average days receivable was 187 days in the Second Quarter, 91 days more than the Second Quarter last year.

Slide eight shows our operating cash flows, which we call negative operational cash flow of BRL132.5 million in the Second Quarter, mainly reflects the negative variation in working capital, due to accumulation of FIES receivables. It is worth remembering that the new FIES schedule, which is already affecting our cash

generation in 2015. And the closure of the SisFIES during an important period in the semester delayed the student contract amendment process, jeopardizing transfers at the beginning of the year. We should therefore see an improvement in the cash generation in the second half, when we should receive the certificates on the first semester . Therefore, we expect a positive cash flow in the second semester, reversing the negative trend observed in the first half. Moving on now to slide 9, we will talk a bit about UniSEB results. The table on the left shows that UniSEB's total student base came to 43,6000, 15.7% up on the Second Quarter last year. The distance-learning undergrad base totaled 32,000 students, a substantial 20.0% increase on the same period last year, fueled by the good intake numbers in First Quarter and by more effective control over the dropout rate in the Second Quarter. The on-campus undergrad base came to 2,900 students, 41.5% more than in Second Quarter last year. The significant growth in the total base over the previous three months were the result of the three successful intakes after conclusion of the acquisition, reversing the stability trend of the student base present in 2014. All these healthy results together of our management of UniSEB is beginning to translate that into financial results. The table on the right side shows that UniSEB's stand-alone net operating revenue came to BRL36 million with EBITDA of BRL16.4 million and an EBITDA margin of 45.5% helping leverage operating margin through the increased share of distance learning segment in our operational mix. Following the consolidation of UniSEB, we achieved accumulated 12-month EBITDA of BRL53.4 million, with a margin of 45.0%. We firmly believe in our ability to reap many benefits from UniSEB through operational leverage, efficiency gains and synergies with Estacio's operation, as well as the gradual increase in the students per center ratio, which is now about 320, versus the average of around 300 at the end of Second Quarter 2014. Despite the opening of seven new centers. In addition, integration is moving ahead at full steam towards final stage. In the distance learning undergrad segment. In the distance-learning undergraduate segment, it is worth noting the on-schedule progress of migration of around 20,000 distance learning students from 77 distance learning centers to Estacio's systems

by the beginning of 2016. This will be a significant milestone for the integration project, marking the conclusion

of the migration that began in the second semester of 2014. This will also bring more synergies to the operation and enable the deactivation of UniSEB's distance-learning undergraduate legacy systems. On slide 10, we will talk a little about FIES. We ended June with a FIES student base of 146,100 students, representing 43% of our on-campus undergraduate base, following the FIES contracting process that ended on April 30. It is worth noting, however, that some students who had begun the process on (previous) date were unable to finish the process afterwards, which increased the number of contracts over the number previously disclosed for April.

All in all, 22.6% freshmen were able to contract FIES in the first half. Once again we'd like to emphasize that our new student intake recorded an excellent result despite the lower number of new FIES contracts in the first semester of 2015, show effectiveness of our strategy of not depending on government financing to attract new students. At the same time, we are working to offer our students other financing alternatives in order to meet their needs.

One tool that has been successful up to now is PraValer, which has proven to be an attractive alternative for our students. By the end of June, around 5,000 students had contracted PraValer financing. And we will continue to offer this alternative in the second half. We are also studying other financing options for 2016, which we will keep the market informed.

It's public knowledge that the Ministry of Education has established new process and conditions on FIES contract volumes. A total of 61,500 seats were authorized nationwide for the second semester, out of which Estacio got around 6,000 seats.

Besides, the good results in terms of seats with the increase of (staff share) in the total FIES offering, given that the government is facing some major budget restrictions due the ongoing fiscal adjustment. The continuing support for FIES is a clear indication that post-secondary education will continue to receive support in the coming years. As for the measures announced for FIES in the second semester of 2015, we believe that are also a step in the right direction by seeking to ensure the program's long-term sustainability and allocate the resources currently available to the most financially challenged portion of the population, an idea that we has always defended before the MEC, Ministry of Education, the financial market and society in general.

I will now hand you back to Melzi for his conclusions and closing remarks. Thank you.

Thank you, Virgilio . On slide 11, I would like to comment on the outlook for the second half of the year,

(inaudible) for the excellent result in the first six months and despite the drastic change to the FIES program, enrollment is already (underway) and more evident signs of Brazil's economic downturn, we prepare ourselves with enormous discipline for the second half in-take process. In a short space of time, we managed to introduce three changes and improvements to the process. They have been proving to be fundamental for yet another highly successful enrollment cycle despite the more adverse external scenario.

Number one, we alter our campaign adopting the theme of commitment to (classroom), underlining our commitment to our students, always about an attitude of support and seeking solutions for those who wish to study without ever using FIES as a mechanism for attracting students. Number two, we implemented albeit partially. But in a record time a version of the enrollment center focusing on the graduated students after successfully passing the idea in the graduate segment in the previous cycle. The idea is to improve the conventional rate of leads to registrations and then from registrations to enrollments. And number three, making full use of our organizational culture and our proximity to operations, we involved an enormous number of employees in enrollment and renewal campaigns in order to motivate existing and prospective students. And to provide an increasingly better service, which is absolutely essential in times of adversity.

In this context, we expect our on campus undergrad intake excluding Nossa (inaudible) in second half 2015 to grow between 3% and 6% over the second semester of 2014. In the same period, we expect the distance learning undergrad intake to grow between 8% and 12%, already including UniSEB's numbers both in 2014 and in 2015. At the same time, we continue with our student based renewal process and believe we can conclude the re-enrollment cycle in Third Quarter 2015 with renewal rate similar to those presented in Third Quarter 2014 both in the on-campus and on the distance learning segments, despite the change in FIES that impacted the student enrolling the first semester of the year. Also, we must highlight the growth in the graduate segment, which continues to post excellent results following the same expansion pace presented in the last quarter's further contributing to Estacio's growth and to the diversification of our business lines.

Finally, with slide 12, I come to my closing remarks on the current scenario. We are fully aware that we are going through extremely charged times in Brazil due to all the difficulties arising from the economic and political scenarios. However, thanks to Estacio's culture, we are confident in our capacity to continue generating healthy results and adding value, even in peers of greater diversity, such as the current one. See we've prepared the Company for moments like this with extreme discipline in the past few years. Over this last three years, we decided not to about growth pace bigger than our capacity and to use period of positive externalities to build the differentials, which has been proven to be very important in this more trouble scenario.

So as soon as we concluded the successful first semester intake cycle when we reported growth rates are considerably higher than the market average, we began focusing on internal issues including; A. showing the maintenance of our student base through the adoption of initiatives to reduce the dropout rates. B, And increasingly technical and intense monitoring of delinquency rates and cash flow; c, the preparation of involvement campaigns for the second semester of 2015; d, engage our people in all of our campaigns, which is essential in these more uncertain and difficult times and fine-tuning our media long-term strategies in case the economic crisis lasts for a longer periods. The results were in line with our expectations and at least for now show that it is possible to deal with adversities in a calm, peaceful, focused and (inaudible) manner reinforced by rigid discipline and productivity. The preliminary second semester enrollment everyday results indicates that it can continue generating attractive returns in 2015 and our disciplined management of cost expenses and cash should enable us to emerge from this turbulent semester relatively safe. On the other hand, it is essential to carry on investing in the seeds that will bear fruits in the future as well as in those elements that will distinguish us from our competitors. We therefore plan to continue using inorganic growth leverage, such as acquisitions and new businesses as well as investing in innovation, branching, social responsibilities, new education technologies, recruitment, people training and development and clearly in the construction of an organizational culture that throughout the years will unquestionably become Estacio's greatest competitive advantage; that is why we have decided to take advantage of the turbulent scenario. To engage our people around Compromisso Estacio, which means Estacio's Commitment in order to ensure that they remain motivated and aligned with our mission of Educating to Transform. And at the same time to tell all of our prospective students and alumni that now more than ever and more than in anyone else they can trust Estacio's way to keep growing in their lives. In the coming cycles, we intend to sustain the same pace intensity and focus on the planning and execution of our operation. We are aware that in difficult times such as these we are living now we need to get the most from ourselves at all times and to pay attention to each detail, thereby ensuring that our structure continues to provide services that are far above the average. That's why we are working hard to close the second semester intake and renewal cycles. Part of our team is aware of the design structure for the first semester of 2016 when we will be able to count on a more mature Enrollment Center and also on its brand new relationship center. By maintaining our proactive and bold approach, although always aware of the dangers of over optimism, we believe we will be taking command of our lives and not putting our future in the hands of others. After all as Peter Drucker used to say, the best way to predict the future is to create it. And as the popular saying states life must go on. That brings me to the end of our presentation. So we can now move on to the Q&A session. Thank you.

Questions And Answers

Operator

Thank you, sir. Ladies and gentlemen, we will now begin the QA. (Operator Instructions) Bruno Giardino, Santander.

Q - Bruno Giardino {BIO 15974970 <GO>}

Hi. Good morning, or afternoon, everyone. Congratulations on the results Melzi and Virgilio. My first question comes from the line of receivables, I have noticed that particularly in the range of receivables overdue by more than 90 days, there was an increase of almost BRL40 million from the First Quarter to the Second Quarter. And I'm just wondering if this could materialize into future provision for delinquencies in the next semester or is this related to the number of students in the FIES that couldn't get their amendment and then what will be the strategy to bring this line down than in the first semester. That's my first question.

A - Virgilio Gibbon {BIO 16679141 <GO>}

Okay, Bruno, thank you for your question. This BRL40 million of receivables at the end of June, we already renegotiating all this values (inaudible) I think the most important indicator that we have right now is that we are very close to the same renewal rates that we had in the past in the same week of renegotiation that we have with our students. So we are expecting to have as a final result of our renewal very close to what we delivered last year. That means that the PDA levels for the second half that's one thing that's concerning my sense, one of my most important issue for the second half. We expect them to be something closely aligned, all this benefit that we're seeing year-over-year, 1.2% in the PDA line, maybe we can go a little bit more flat year-over-year and the second half of 2015. That's what we are expecting. But all the renegotiation, all the new process that we have put in place to renegotiate and also to recover all this old receivable that help in the new entrants of PDA levels, it's helping a lot Estacio to reduce the new entrants of PDA for the following semester.

Q - Bruno Giardino {BIO 15974970 <GO>}

Okay, understood. And the second question is the Mais Medicos Program, you've got five licenses to open new medicine courses. And when do you expect to open to start classes with these courses and if possible, what's the level of average tuition that you should ask for this courses?

A - Rogerio Melzi {BIO 16212298 <GO>}

Hi, Bruno, this is Melzi. Thank you for your questions. Well we are now waiting for the results of process because there was a preliminary result only. So some of the players who actually lost ended up, no question, in the Ministry for Education, it was already expected and I believe the final result shall come by September only. So if there is enough time after these finals result comes, we may try to launch something in the first half of next year, otherwise you do have to wait until the second half of next year.

But again it is a (risky) process and you know how do things work in Brazil. So we need to wait until it is actually done. As for the tuition, it is going to be higher than the ones we are usually (inaudible) support our medical problems because, to go through this (risky) process, we needed to offer a lot of things in return for the (series). So the only way you can compensate that is by increasing our tuition. So the average tuition for this (series) shall be around BRL6,000 per moment, they can vary a bit here and there. But I think the average will be around that, okay.

Q - Bruno Giardino {BIO 15974970 <GO>}

Okay, good. Thanks for the answers and have a nice day.

A - Rogerio Melzi {BIO 16212298 <GO>}

Same for you.

Operator

Fabio Levi, BTG Pactual.

Q - Fabio Levi

My first question is related to your average ticket. We are seeing that year-over-year there was a deceleration on the average ticket from close to 10 last year and Fourth Quarter, now we are seeing more close to 5% year-over-year. I was wondering if, how we should see the behavior for the second half given that you have a lot of the expectations higher in terms of intake. So I was wondering if you have anything that we should see any further pressures on average ticket because of the expectation of maybe more discounts for the second half or now do you think that nothing will change your average ticket because it's part of your commercial efforts. Just wanting to understand how tickets will evolve for the second half? Thank you.

A - Rogerio Melzi {BIO 16212298 <GO>}

Sure, thanks for question, Fabio. I think we need to split this answer in two pieces and the first one goes for our pricing strategy and the best idea is to keep passing inflation through, we did that again in 2016, we just split partially in the first semester and then we had another price increase now in the second semester, to make sure (inaudible) 8% or 8.5% expected inflation for 2015. So we're passing inflation through, number one, is still on the price side of the equation. It is obvious that in the first semester we had to perhaps see higher discount level because we were absolutely surprised by what happened. So there was no way anyone could predict, what is happening with this FIES thing in the first half of the year. So the only thing we have in our hands besides the proper layout, the zero interest rate loan we are providing was to manage your pricing a bit of a different way. So yes, I think there was a higher level of discounts in the first semester. We do not expect this to carry on. As far as we are seeing at least until now for the second half of the year intake, we are keeping the same kind of discounts and promotions of the last year. Obviously this can change, because again we are talking about a very volatile time in Brazil. But I'm talking about what we are seeing until now. So price should go up along with inflation that is our expectation and we are not giving any kind of extra or I'd say very aggressive discount at this point in time, we may be again as time goes by this can change.

The other piece of this answer comes from the mix effect. And this is something really unpredictable at this point in time although there are signs that there will be a shift towards cheaper programs already in the second semester of the year for the simple reason the students who before had access to FIES could actually choose the best programs they actually wanted to take. But now they need to adopt whatever they want to (give) off their pockets. So we're already seeing this kind of shift provides a cheaper program. That doesn't mean that our margins are going to reduce because of course the level of service and the cautiousness somehow we will follow this trend as well. But there is another extra factor that is also happening and it was the same direction, which is the fact that here in Estacio we work in that credit system and part of the students who have been already studying with us and thought about giving up for a while and they went to talk to our people, they ended up reducing the number of credits you are taking in order to be able to keep paying us on a timely matter. And this is again another effect, is not a mix of effect, it is more of a volume effect, it does have impact in the average tuition for sure. It has limited effect on the cost side of the business because as much as the variable cost shall go down as well the truth is that there is no dilution of the fixed cost if students start reducing their average number of credits. But in our view at least it's much better to give this as soon as we can because at some point you need to take this (credits) postponing in the future right. And it's going to be good for everyone.

So this is what you are seeing right now. Not a huge price side, at least until now. But yes, potential changes or eventual changes at least in the volume and on the meat mix of the price okay, after tuitions are set.

Q - Fabio Levi

Yes. Thanks. Then how about your competitors, you see any price aggressiveness in the second half intake cycle?

A - Rogerio Melzi {BIO 16212298 <GO>}

To be sincere, no, we haven't seen that yet. And this was something we were paying attention especially not from the big players, I think big players must have a better behavior in terms of pricing. But we had been observing or we have been observing how we should know how all mid-sized players may behave in this difficult scenario. But we haven't identified anything that seems to be a national trend, there may be something going on here and there, the way it's been working as far as in this semester is really interesting because somehow we may be able to anticipate our enrollments. If you can anticipate you enrollment you can guarantee that your student -- that specific student will be with you then this student is much less likely to be affected compared to (the campaign). So that the fact that we've, in our view, at least we were really happy when we change our campaign, provided a commitment (inaudible) quickly increased in a very, I would say in a very intense way the number of applicants starts and then through the enrollment center we'd be able to (compare the) student somewhat quickly. I think this has somehow prevented us from entering any kind of a price dispute that maybe are rising. But on top of that, we really haven't seen anything that is at least until now that is scary, or something that actually can concern us in a deeper way.

Q - Fabio Levi

Thanks. And my second question is the way that your strategy on learning tuitions (inaudible) we can see that that is maturing in order to reduce the exposure to keep further reducing. Can you remind us what should be the best strategy to go on this learning going forward?

A - Rogerio Melzi {BIO 16212298 <GO>}

Yes, I think it's a combination of what you're doing in terms of product and remember we have the same product in Estacio doesn't matter whether you are a on campus or an online student you take the same content, you go through the same final exams right. So as we keep evoking our content and the level of service we are providing, obviously we are building differentials that now help us to fight with any kind of competitors in the future and we keep doing that innovation technology, improving the quality of the service we are providing, improving our relationship with the students, this thing I mentioned at the end of my speech here the future relationship status is something that we've actually changed the way we relate to a student and I think is going to change the industry as a whole the moment you can get things going on. So all these things, I think are related to the steps and the content and the quality of our products for sure, they are a big piece of our equation for the (business). The other part of this goes to the learning centers because it doesn't matter, how successfully you maybe in terms of content, if you cannot distribute that in a proper way. So as we went through that acquisition and then integration of UniSEB we're clearly increasing our distribution network. So as to become more powerful competitors. I also mentioned during my speech that we are getting a new license to operating Santa Catarina, therefore increasing our centers once again and also as we made that acquisition in Sao Paulo in Carapicuiba we are just about to get all their 20 centers plus all processes they have going through in the Ministry of Education to increase the collaboration for current operations. I think in the medium to long term, we are going to be able to have a huge network of distribution, sorry of learning centers and therefore this combination between our ability to produce some difference in terms of content technology innovation plus these distribution network will be a huge competitive advantage. Then on top of that, I really believe in brands, I think this business in the future will be everything about brands. So as (Estacio) starts its brands nationwide, on campus, distance learning as we get more and more respect and admiration for this brand has increased the level of exposure in newspapers, magazines, internet for Estacio we are building our future.

Q - Fabio Levi

Okay, that's clear. Thanks.

Operator

This concludes our question and answer session. I'd like to turn the floor back over to Mr. Rogerio Melzi for his final remarks.

A - Virgilio Gibbon {BIO 16679141 <GO>}

Well thank you very much. But before going through our final remarks. Just a quick word on that buyback program we launched yesterday is something new, kind of challenging for us, because as we look at this moment and see all these opportunities that may arise from the kind of our multiples we are seeing right now in my estimates here we're talking about a EBITDA multiple between five to six times for a company that is growing 30 plus % year-over-year that seems to be quite attractive.

On the other hand we need to take care of our cash. So it was kind of difficult decision on one hand but a very clear opportunity in the other hand. So this is the reason we ended up launching this along with our results last night. So I'd like to thank you all for a once again joining us and for sharing or for allowing us to share our thoughts with you.

And to finalize emphasizing that we remain quite confident in our capacity to generate significant results even in tough times thanks to everything we have been doing in those years, when the scenario favors the education segment in Brazil. I would also like to emphasize that it is precisely in these hard times that we can actually show the results of all of our work in a more effective way. As we go home with our 20-mile march approach in a very determined and disciplined manner. So we're going to be here available for you, Virgilio, myself, our team hope to see you soon, either in road shows or in other opportunities. So once again thank you very much and have a great day.

Operator

Thank you, sir. This concludes Estacio's conference call. You may now disconnect. And have a great day