06-Aug-2026

Covista, Inc. (CVSA)

Q4 2026 Earnings Call

CORPORATE PARTICIPANTS

Jeremy Cohen
Investor Relations, Covista, Inc.

Stephen Wayne Beard
Chairman & Chief Executive Officer, Covista, Inc.

Robert J. Phelan
Chief Financial Officer, Covista, Inc.

OTHER PARTICIPANTS

Jack Slevin
Analyst, Jefferies LLC

Ryan Griffin
Analyst, BMO Capital Markets Corp.

Jasper Bibb
Analyst, Truist Securities, Inc.

MANAGEMENT DISCUSSION SECTION

Operator: Greetings and welcome to the Covista's Fourth Quarter 2026 Earnings. At this time, all participants are in a listen-only mode. A question-and-answer session will follow the presentation. [Operator Instructions] As a reminder, this conference is being recorded.

It is now my pleasure to introduce Jeremy Cohen, Vice President, Investor Relations. Thank you. You may begin.

Jeremy Cohen

Investor Relations, Covista, Inc.

Good afternoon, and welcome to Covista's earnings call for the fiscal year 2026 fourth quarter and full year. On the call with me today are Steve Beard, Chairman and Chief Executive Officer of Covista; and Bob Phelan, Chief Financial Officer. Before I hand you over to Steve, I will take you through the legal Safe Harbor and cautionary declarations.

Certain statements and projections of future results made in this presentation constitute forward-looking statements that are based on our current market, competitive and regulatory expectations and are subject to risks and uncertainties that could cause actual results to vary materially. We undertake no obligation to update publicly any forward-looking statement after this presentation, whether as a result of new information, future events, changes in assumptions or otherwise. Please see our latest Form 10-K for a discussion of risk factors as they relate to forward-looking statements.

In today's presentation, we will use certain non-GAAP financial measures and we refer you to the appendix in the presentation materials available on our Investor Relations website for reconciliations to the most directly comparable GAAP financial measures and related information. You will find a link to the webcast on our Investor Relations website at investors.covista.com. After this call, the presentation and webcast will be archived on the website for 30 days.

I will now hand you over to Steve.

Stephen Wayne Beard

Chairman & Chief Executive Officer, Covista, Inc.

Thanks, Jeremy. Good afternoon, everyone, and thank you for joining us. Fiscal 2026 closed out Growth with Purpose. Three years ago, we set out to prove that closing the healthcare workforce gap and delivering for shareholders could be the same thing. We were right and we exceeded not just this year's guidance, but the long-term targets we set at the outset of the strategy. This strategy changed how we operate and where we stand in the market. It built the infrastructure for durable, profitable growth while holding our focus on student outcomes. The results are worth stating plainly.

On the operational side, we delivered 12 consecutive quarters of total enrollment growth across the company. Record enrollments at Walden and Chamberlain during fiscal 2026, 100,000 enrolled students, up from 76,000, joining a community of 400,000 alumni delivering care in nearly every community in the country. Those gains converted into revenue, margin and free cash flow.

Over the last three years, we grew revenue from less than $1.5 billion to $1.95 billion. Expanded EBITDA margins by 300 basis points nearly doubled adjusted earnings per share and more than doubled free cash flow, which led us invest in high return opportunities and return capital to shareholders at the same time.

Now we begin Purpose at Scale, our next three-year strategy. It carries forward the operating discipline that produced those results and adds three pillars across our five institutions: platform extension, employer integration, and technology. I want to spend my time on those three pillars and how they show up in our fiscal 2027 outlook.

From a macro perspective, behind our strategy and our guidance sits a demand backdrop that has not changed. The population is aging, care demand is rising, and the existing workforce is under real strain. This is a secular story, not a cyclical one. In our Covista Care Capacity Monitor, more than 70% of clinicians and healthcare executives told us that staffing shortages are affecting their ability to deliver quality care. Staffing is the constraint, patient care pays the cost, and that's the problem we were built to solve.

Turning to 2026 results. All three segments finished fiscal 2026 strong. Walden and Medical and Veterinary each delivered their strongest total enrollment growth of the year in the fourth quarter and Chamberlain accelerated again. We exceeded our annual financial guidance, delivering revenue growth of 9.3% to $1.95 billion and adjusted earnings per share growth of 23.7% to $8.25 per share, both finished above the high end of our raised ranges. We're also initiating fiscal 2027 guidance today. We're pacing ahead of the long-term targets we set at the start of Investor Day, and we continue to build momentum towards them. Bob will take you through those details in a few minutes.

Turning to platform extension, let me start with Chamberlain. Platform extension means putting our programs in more places, more formats, and more markets. At Chamberlain, the team continues to execute the marketing and conversion initiatives we committed to, taking friction out of the funnel, and improving marketing efficiencies. That includes a new campaign built on the compassion, camaraderie, and calling that define nursing as a profession. We're also extending existing campuses with broader course offerings and evening and weekend access in large urban markets that supports persistence, it expands the addressable student population in markets where we already carry fixed costs.

On new capacity, six campuses are in active development and three have full regulatory approval. Cincinnati and Salt Lake opened in the first half of fiscal 2027, and the attractive economics are why we are moving at this pace, roughly $9 million to $12 million of capital per campus.

EBITDA breakeven in 24 months and steady state margins accretive to our existing campus base. Underneath it all sits the structural demand tied to a national nursing shortage. Together, these initiatives should drive growth in both new and total enrollment, and we expect Chamberlain's total enrollment growth rate to accelerate again in the first quarter, consistent with the sequential improvement we saw from the third to the fourth quarter in fiscal 2026.

Turning to Walden, that institution delivered its strongest quarter of the year. And Bob will give you the enrollment and revenue detail in a moment. What matters strategically is the breadth of that growth. It was broad-based with every degree level contributing. Doctoral accelerated on better program alignment to professional needs. Master's added the most students in absolute terms, and undergraduate grew fastest, up more than 20%, which we're supporting by our new Your Career Is Our Job campaign, which positions Walden as a career outcome partner and not just an education provider.

Investment in student persistence continues to pay off. Increasingly sophisticated analytics let us support at-risk students before they fall behind. And as you know, persistence is one of the critical drivers of both financial and operational performance. And Walden compounds that year-after-year.

New programs launched into the 2026 academic year at roughly 1,700 students. Four more launched last month and two behavioral sciences programs are in regulatory review. Our ability to launch quickly in high demand fields is a durable competitive advantage.

Turning to Medical and Veterinary. The segment delivered strong top line performance with disciplined execution and fiscal 2026 was its strongest year in several years. Two important drivers. First, we build an on-the-ground recruitment team that lifted our high yield prospective student pipeline and we upgraded tech-enabled admissions to support that yield. Some of this quarter's enrollments reflect students moving ahead of the OBBB loan changes. That's a consumer behavior dynamic rather than a shift in underlying demand. And it doesn't change how we see the segment's full year trajectory, which is embedded in our fiscal 2027 guide.

We've also been more methodical about the core student profile that fits our class mix. That leads me to expanding our employer partnerships. First, early results with SSM are strong enough that we're expanding our target enrollment there. Second, we announced a new collaboration with Advocate Health, the third largest non-profit integrated health system in the country. In Covista, they found a partner with the scale and the infrastructure to support them in building a sustainable nursing workforce. Delivered through Chamberlain, the program funds nursing education, builds clinical readiness inside advocates care setting, and creates a financially supported pathway into the profession. The first cohort starts in September. And given the geographic overlap between us, we expected to serve hundreds of students a year.

Employer participation changes the economics for everyone at the table. When an employer commits, whether through tuition support, hiring commitments or clinical integration, we expect students to enroll at higher rates, persist longer and be more likely to complete their education. Health systems get a differentiated pipeline and we get a more durable enrollment model at a lower cost of acquisition. Our Care Capacity Monitor shows why the runway is long. Nearly 70% of healthcare executives say talent partnerships work, but only 22% are meaningfully investing in them. That gap is the opportunity we're stepping into.

Let me now touch on our enterprise technology investments. We launched AI credentials with Google Cloud in the third quarter and added nine more certifications in the fourth quarter. More than 9,000 learners have enrolled. We're also testing prototypes of an AI-powered classroom with students now. The first live deployments are expected in the second half of fiscal 2027. The shift from search optimization to AI answer optimization is changing how prospects find their options. Three things position us well: trusted brands in a category with durable demand, strong student outcomes, and marketing teams that moved early and are optimizing for both AI and traditional search.

We expect that institutions with trusted brands, authoritative content, relevant programs and strong conversions will be the ones prospects find and trust. We're watching this shift closely and we'll keep you updated on what we see.

I just want to take a moment on recent leadership additions. We announced two new board members, Emily Chiu and Leslie Storms, who bring operating experience and judgment in sectors central to our next phase of growth. In addition, Rick Sinkfield joins as Vice President of Expansion, overseeing the enterprise-wide expansion, including Chamberlain's campus growth. He brings two decades of experience in complex regulated markets from Laureate to ETS, plus his service on Chamberlain's Board of Trustees.

In addition, Scott Liles becomes Chief Strategy and Performance Officer, adding corporate strategy and a new performance acceleration office through his leadership of the Medical and Veterinary segment.

So in closing, let me attempt to bring this all together. We enter Purpose at Scale with the foundation to go after a much bigger opportunity, a proven operating model, a balance sheet that can fund the plan and momentum already in place across all three segments. The demand opportunity is structural. The returns on the capital we're deploying are attractive. We hold the leading position in healthcare workforce education, and we intend to extend it. Our best work remains ahead of us. As always, thank you for your continued support.

And now I'll turn it over to Bob for a deeper dive into our operational and financial outcomes.

Robert J. Phelan

Chief Financial Officer, Covista, Inc.

Thank you, Steve. And hello, everyone. Fiscal year 2026 was a milestone year for Covista. We completed our three-year Growth with Purpose strategy and we did so in a position of real financial strength exceeding both our 2026 targets and the long-term financial targets that we set at the start of that journey. Our results demonstrate the durability of the operating model we have built. Sustained enrollment growth, expanding margins, robust cash generation, and a balance sheet that gives us significant flexibility as we begin our next chapter Purpose at Scale. That cash generation and robust balance sheet allowed us to return meaningful capital to shareholders over the course of Growth with Purpose, reducing shares outstanding by 20%, all while continuing to invest in the business.

We enter fiscal 2027 with momentum and with the financial capacity to further invest in significant and expanding opportunity ahead while continuing to deliver strong returns for shareholders.

I will now review our fourth quarter and full year results and key drivers, and then I will discuss our expectations and assumptions for fiscal 2027. Starting with the top line, fourth quarter revenue increased 9.7% to $501.4 million, driven by all three segments and led by Walden and Med/Vet. For the full year, revenue was $1.954 billion, up 9.3%, and which exceeded the high end of our raised guidance range. Adjusted EBITDA in the fourth quarter was $126.9 million, up 15.2% compared to the prior year.

Growth was led by Walden with Med/Vet and Chamberlain contributing. Fourth quarter adjusted EBITDA margin of 25.3% expanded 120 basis points from prior year. For the full year, adjusted EBITDA was $521.7 million, an increase of 13.5%. Adjusted EBITDA margin was 26.7%, up 100 basis points versus prior year and in line with the approximately 100 basis points we committed to at the start of the year. This reflects the operational leverage and efficiencies embedded across our platform, partially offset by an elevated level of investment in our strategic growth initiatives.

Fourth quarter adjusted net income increased 16.6% to $72.8 million. Adjusted earnings per share was $2.09, up 25.9% versus the prior year. For the full year, adjusted net income increased 15.3% to $294.7 million, and adjusted earnings per share was $8.25, up 23.7%, and which exceeded the high end of our raised guidance range.

Our EPS growth continues to benefit from lower interest expense and a lower share count. Full year interest expense declined to $45.4 million from $52.3 million, reflecting our actions to reduce and refinance debt and lower our borrowing costs. Average diluted shares outstanding were approximately $2.6 million lower for the full year at $35.7 million, reflecting our fiscal 2026 share repurchases. These benefits were partially offset by a higher effective tax rate consistent with what we communicated throughout the year.

Next, I'll discuss our fourth quarter financial highlights by segment. Chamberlain reported fourth quarter revenue of $190.2 million, an increase of 3.2% compared with the prior year, driven by pre-licensure nursing and master's program enrollment growth, along with pricing optimization. Importantly, Chamberlain delivered its second consecutive quarter of positive total enrollment growth, up 1.6% and its 16th consecutive quarter of pre-licensure BSN total enrollment growth. Fourth quarter adjusted EBITDA increased 3.8% to $46.8 million, with adjusted EBITDA margin of 24.6%, up 20 basis points versus the prior year.

Turning to Walden, fourth quarter revenue increased 15.7% to $210.8 million, driven by strong enrollment growth. Total student enrollment was up 14% to nearly 55,000 students, our 12th consecutive quarter of growth and the highest total enrollment in Walden's history, with strength across healthcare and non-healthcare programs. This also represents the ninth straight quarter of double-digit enrollment growth. Fourth quarter adjusted EBITDA increased 32.3% to $69.7 million, and adjusted EBITDA margin expanded 410 basis points to 33%, driven by our strong revenue growth and operational excellence that generated efficiencies and leverage.

For the Med/Vet segment, fourth quarter revenue was $100.3 million, an increase of 10.7% versus the prior year. Total student enrollment was up 7.3% to over 5,100 students led by medical with new enrollment accelerating at both Med and Vet. Fourth quarter adjusted EBITDA increased 12.3% to $22.5 million, with adjusted EBITDA margin of 22.4%, up 30 basis points versus the prior year.

Shifting to cash flow and the balance sheet, we continue to enhance our financial strength through robust cash generation and disciplined capital deployment. Full year operating cash flow of $471 million was up 41% over the prior year, while free cash flow of $393 million was up 39%, reflecting our high cash conversion and strong operating performance.

Net leverage improved to 0.5 times, down from 0.8 times at the end of fiscal 2025. During the year, we also refinanced our debt at attractive rates and extended our maturities further solidifying our financial position. Taken together, these actions give us the financial flexibility under Purpose at Scale to invest in the growth ahead and at the same time return capital to shareholders. And on that front, during fiscal 2026, we returned $238 million to shareholders through share repurchases at an average cost of $98.35. We have $662 million remaining under our

$750 million repurchase program, which was authorized in late 2025 and we will continue to take a disciplined returns-focused approach to capital allocation.

Turning to our outlook. Today, we are initiating fiscal 2027 guidance, the first year of our Purpose at Scale strategy. Importantly, we are pacing ahead of plan toward our long-term targets, aided by our strong performance in the back half of fiscal 2026. This is a testament to our business model and the execution against the strategic plan we have put in place. For fiscal 2027, we expect revenue in the range of $2.050 billion to $2.090 billion, or approximately 5% to 7% growth year-over-year. We expect adjusted earnings per share in the range of $8.90 to $9.15, or approximately 8% to 11% growth year-over-year.

A few underlying assumptions to frame the guidance. We continue to expect a positive step change in Chamberlain's total enrollment. For the first quarter, we expect the total enrollment growth rate to accelerate again, consistent with the sequential improvement we saw from the third quarter to the fourth in fiscal 2026. We expect additional growth throughout the balance of the year. Walden and Med/Vet are facing stronger comparables which was already contemplated in our long-term targets.

Related to the quarterly phasing, our fiscal 2027 assumptions contemplate Walden returning to an academic calendar that will have one less week in Q2 and one additional week in Q3 compared to fiscal 2026, thereby impacting the year-over-year comparisons in those two quarters. As a reminder, in fiscal 2026, the shift resulted in $18 million dollars of revenue and profitability being recognized in the second quarter rather than in the third quarter. And to be clear, there is no net impact for the full year comparison of fiscal 2027 to fiscal 2026.

With respect to adjusted EBITDA margins, we expect approximately 0 to 50 basis points of adjusted EBITDA margin expansion for the full year fiscal 2027. Our growth reflects the impact of our Purpose at Scale strategy and is in spite of investments we are making in campus expansion. We also anticipate more of our improvement in adjusted EBITDA margin expansion to be in the back half of the year due to the Walden academic calendar shift and relatively higher investment levels anticipated in the first half of the year.

We anticipate a capital expenditure run rate slightly higher than the annualized fourth quarter fiscal 2026 spend as we bring new capacity to market and we will continue to invest in new technology as one of our pillars of the Purpose at Scale strategy. And finally, we expect our effective tax rate to be higher in fiscal 2027 than in fiscal 2026.

Overall, we conclude Growth with Purpose having exceeded our commitments and we enter Purpose at Scale with strong momentum, including a proven operating model, a strong balance sheet, and a clear path to converting durable healthcare demand into sustainable, profitable growth. We expect to continue to execute on expanding access and delivering positive student outcomes, deploying capital to meet the healthcare education market's growing demand and ultimately generating high returns for all stakeholders.

And with that, I will now turn the call over to the operator for Q&A.

QUESTION AND ANSWER SECTION

Operator: Thank you. And at this time, we will be conducting our question-and-answer session. [Operator Instructions] And our first question comes from Jack Slevin with Jefferies. Please state your question.

Jack Slevin
Analyst, Jefferies LLC

Q

Hey, good afternoon. Thanks for taking the question and congrats on another strong quarter, guys.

Stephen Wayne Beard
Chairman & Chief Executive Officer, Covista, Inc.

A

Thank you.

Jack Slevin
Analyst, Jefferies LLC

Q

To kick off, I know this is going to be a point that is important for a lot of investors. So I'll just address it head-on. I heard a little bit of the commentary on some pull-forward activity into the second quarter related to OBBB. I'd just love to get your take on, having passed that sort of 7/1 drop-dead date on Grad PLUS, what you've seen before it across the business and what you've seen post that date in the last month or so here?

Stephen Wayne Beard
Chairman & Chief Executive Officer, Covista, Inc.

A

Yeah. So let me start by reiterating what we've said before, which is that we don't anticipate any headwinds for any of our programs or any challenges for any of our students persisting through our programs resulting from the OBBB loan changes. Obviously, we continue to monitor that closely. With respect to Med/Vet, we have seen some pull forwards in the quarter, with folks attempting to front-run the changes from the legislation. We view that as a consumer behavior dynamic, not a shift in underlying demand. The way we encourage investors to think about it is that a portion of the incremental growth coming in the fourth quarter as a shift between two periods, right? We'll get some of those enrollments now. Maybe we'll get some of those enrollments in the next enrollment cycle.

But over the two enrollment cycles together, we expect total enrollment to trend consistent with our forecast for the year. So our view of the world is that it has shortened the sales cycle for some students who have decided to jump into our programs earlier. That's fantastic. And that just means we have more capacity for the initial demand that we expect to show up in the fall enrollment cycle. So we view it as a net positive, and we're prepared to serve those students who decided they wanted to jump in a term early.

Jack Slevin
Analyst, Jefferies LLC

Q

Awesome. Appreciate the color there, Steve. And for my follow-up, just looking a little bit forward here to the September enrollment cycle and lapping some of the headwinds or misexecution you saw last year, just wanted to check in on any leading KPIs you have for Chamberlain specifically, and sort of how post-licensure and the broader Chamberlain portfolio might be shaping up as we head towards September enrollment?

Stephen Wayne Beard
Chairman & Chief Executive Officer, Covista, Inc.
A

Yeah, so we continue to be very encouraged with the trajectory for total enrollment at Chamberlain. As you know, we're accelerating beyond where we were at the time we announced Q3 earnings. We feel good about the places that enrollment momentum is coming from, particularly in pre-licensure BSN, but also recovery and stability in post-licensure RN to BSN and in the undergraduate programs. So we're really bullish on Chamberlain's performance into fiscal 2027, and all the leading indicators we monitor, including search data, inquiries, applications, are all trending as favorably as we close out Q4 as they were at the close of Q3, which bodes well for the all-important fall to peak cycle.

Jack Slevin
Analyst, Jefferies LLC
Q

Appreciate the color and thanks again.

Stephen Wayne Beard
Chairman & Chief Executive Officer, Covista, Inc.
A

Of course.

Operator: Thank you. And your next question comes from Jeff Silber with BMO Capital Markets. Please state your question.

Ryan Griffin
Analyst, BMO Capital Markets Corp.
Q

Thank you so much. This is Ryan on for Jeff. Just to say congratulations on the Advocate Health partnership. Was wondering how we should think about the scaling of that and over time, and then just the magnitude of the P&L impact for Chamberlain?

Stephen Wayne Beard
Chairman & Chief Executive Officer, Covista, Inc.
A

So I think, we're encouraged to have the endorsement of the third-largest not-for-profit health system in the country, and their willingness to work with us to think creatively about how to meet their nursing pipeline needs. The program will start out relatively modestly tailored, focused primarily in North Carolina, but we expect it to expand in due course as we prove it out, much as has been the case with SSM, where we started out with a narrowly defined program, and the demand and performance of that program is sufficiently robust that we've actually raised the enrollment targets in St. Louis. We're super encouraged with the partnership. We're looking forward to delivering for the folks at Advocate and then taking that success across the various markets in which they're prepared to deploy this kind of innovative approach to talent acquisition.

Ryan Griffin
Analyst, BMO Capital Markets Corp.
Q

Thank you. And then I know the definition of professional programs changed a bit at the end of the quarter, inclusive of nursing now. Was wondering if you're feeling any better about some of your programs now. Thank you.

Stephen Wayne Beard
Chairman & Chief Executive Officer, Covista, Inc.

A

We think that's a positive development. It wasn't one that we factored into the way we thought about the market opportunity for those programs. We were highly confident that even with the old definition, that we'd be able to support our students in financing their academic journeys with us. As you know, we survey a not insignificant number of working adults for whom there are a variety of different inputs to the pay mix. But net-net, we think it's a very positive development, and we're encouraged to see it. And we know that the nursing profession is quite satisfied with that outcome as well. So it's a positive all around.

Operator: Thank you. And your next question comes from Jasper Bibb with Truist Securities. Please state your question.

Jasper Bibb
Analyst, Truist Securities, Inc.

Q

Hey, good afternoon, guys. I guess I'll start on what's kind of been the topic of this earnings season so far. Curious what you're seeing with the increased consumer adoption of agentic search. Has that had any impact on the volume or the quality of leads you're seeing or maybe the conversion rates further down the funnel?

Stephen Wayne Beard
Chairman & Chief Executive Officer, Covista, Inc.

A

No, we're monitoring this dynamic closely. I'm pleased to say that it hasn't had any headwind impact on our funnel, particularly at the top of the funnel. That said, we believe the dynamic is real, and it's one that I think all consumer discretionary finance will have to adjust to. As I said in the prior call, though, we got an early start on that, particularly from the content development perspective, because we were rebranding the enterprise as Covista. And we're at a point now in our journey that we actively track how our brands are represented across all the major AI platforms and answer engines, including tracking visibility, share of voice, competitive positioning. Obviously, this is going to continue to evolve. It's a bit of a moving target, but as we sit here today, we feel pretty good about the handle that we have on it. And we've been able to continue to drive robust top-of-the-funnel activity for our programs despite these dynamics.

Jasper Bibb
Analyst, Truist Securities, Inc.

Q

Good to hear. I guess on Chamberlain, helpful comments on the Chamberlain sequencing. I guess I'm wondering if you could give us any additional detail on how much of an acceleration in enrollment growth you're anticipating in the 2027 guidance? And then thinking back the last couple quarters, you've given us some pretty good detail on application growth as the leading indicator in the past two quarters, I think. If you have that number, I'm curious how that's trending. Thanks.

Stephen Wayne Beard
Chairman & Chief Executive Officer, Covista, Inc.

A

Yes. We don't guide to enrollment growth by institution or program. We provide directional commentary from time to time. But what I will tell you is that we do feel that the issue that we were managing a little over a year ago at Chamberlain is one that has been fully addressed. We feel really, really good about the performance of our marketing and enrollment teams at Chamberlain. We feel really good about the trajectory of new enrollment across particularly pre-licensure nursing and the stabilization in post-licensure nursing. So I think we expect, setting aside the year-over-year comparisons for a moment, I think on a sequential basis, we're expecting to see really attractive gains in total enrollment at Chamberlain over the course of fiscal 2027.

Jasper Bibb
Analyst, Truist Securities, Inc.

Q

Got it. Thanks, guys.

Operator: Thank you. And that's all the questions we have for today. So I'll now hand it back to Chairman and CEO, Steve Beard for closing remarks.

Stephen Wayne Beard
Chairman & Chief Executive Officer, Covista, Inc.

Thank you. I think what I'd love to do as we close is really extend my sincere gratitude to the Covista family and all of our faculty and student advisors who have stood by our students throughout the year. The results that we enjoyed over the course of this fiscal year is really the product of the incredible work that they do. So I want to express my gratitude for that. And then the final idea I think I want to leave the investment community with is that as we turn the page from fiscal 2026 to 2027, the structured demand environment for the programs we take to market is broad, it's robust, and it's durable. With demand alone isn't an advantage. The advantage is really converting that demand into qualified licensed clinicians.

That depends on a proven student journey, clinical placement capacity, strong licensure outcomes, and regulatory standing built through years of consistent execution. These are capabilities we enjoy at scale, are difficult to replicate, and can't be assembled quickly. We're going to continue to invest behind those capabilities and those advantages while thoughtfully returning excess capital to shareholders. And our owners can rest assured that we're not managing Covista for the next quarter or the next year. We're building the capacity America will need in 2035 and the durable earnings power that results from that. So thank you for your support. Look forward to seeing you next quarter.

Operator: Thank you and that concludes today's conference. All parties may disconnect. Have a good day.