

UNIVERSAL TECHNICAL INSTITUTE INC

Form 10-Q

May 02, 2012

[Table of Contents](#)

U. S. SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

Form 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2012

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission File Number 1-31923

UNIVERSAL TECHNICAL INSTITUTE, INC.

(Exact name of registrant as specified in its charter)

Delaware

86-0226984

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(State or other jurisdiction of incorporation or organization) **16220 North Scottsdale Road, Suite 100**
Scottsdale, Arizona 85254
(Address of principal executive offices)
(623) 445-9500
(Registrant's telephone number, including area code)

(IRS Employer Identification No.)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer, and smaller reporting company in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer
Non-accelerated filer (Do not check if a smaller reporting company) Smaller reporting company
Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

At April 25, 2012, there were 24,676,845 shares outstanding of the registrant's common stock.

Table of Contents

FOR THE QUARTER ENDED MARCH 31, 2012

	Page Number
<u>Special Note Regarding Forward-Looking Statements</u>	ii
PART I. FINANCIAL INFORMATION	
Item 1. <u>Financial Statements (unaudited)</u>	
<u>Condensed Consolidated Balance Sheets at March 31, 2012 and September 30, 2011 (unaudited)</u>	1
<u>Condensed Consolidated Income Statements for the three months and six months ended March 31, 2012 and 2011 (unaudited)</u>	2
<u>Condensed Consolidated Statement of Shareholders' Equity for the six months ended March 31, 2012 (unaudited)</u>	3
<u>Condensed Consolidated Statements of Cash Flows for the six months ended March 31, 2012 and 2011 (unaudited)</u>	4
<u>Notes to Condensed Consolidated Financial Statements (unaudited)</u>	5
Item 2. <u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	15
Item 3. <u>Quantitative and Qualitative Disclosures About Market Risk</u>	25
Item 4. <u>Controls and Procedures</u>	25
PART II. OTHER INFORMATION	
Item 1. <u>Legal Proceedings</u>	26
Item 1A. <u>Risk Factors</u>	26
Item 2. <u>Unregistered Sales of Equity Securities and Use of Proceeds</u>	27
item 6 <u>Exhibit</u>	27
<u>SIGNATURES</u>	28

Table of Contents

Special Note Regarding Forward-Looking Statements

This report contains forward-looking information about our financial results, estimates and our business prospects that involve substantial risks and uncertainties. From time to time, we also may provide oral or written forward-looking statements in other materials we release to the public. Forward-looking statements are expressions of our current expectations or forecasts of future events. You can identify these statements by the fact that they do not relate strictly to historical or current facts. They often include words such as anticipate, estimate, expect, project, intend, plan, believe, will, and other words and terms of similar meaning in connection with any discussion of future operating or financial performance. In particular, these include statements relating to future actions, future regulatory initiatives, future performance or results, expenses, the outcome of contingencies, such as legal proceedings, and financial results.

We cannot guarantee any forward-looking statement will be realized, although we believe we have been prudent in our plans and assumptions. Achievement of future results is subject to risks, uncertainties and inaccurate assumptions. Should known or unknown risks or uncertainties materialize, or should underlying assumptions prove inaccurate, actual results could vary materially from past results and those anticipated, estimated or projected. Investors should bear this in mind as they consider forward-looking statements.

Except as required by law, we undertake no obligation to publicly update forward-looking statements, whether as a result of new information, future events or otherwise. You are advised, however, to consult any further disclosures we make on related subjects in our Form 10-Q, 8-K and 10-K reports to the Securities and Exchange Commission (SEC). The Form 10-K that we filed with the SEC on November 30, 2011 listed various important factors that could cause actual results to differ materially from expected and historical results. We note these factors for investors within the meaning of Section 21E of the Securities Exchange Act of 1934 and Section 27A of the Securities Act of 1933, as amended. Readers can find them under the heading Risk Factors in the Form 10-K and investors should refer to them. You should understand that it is not possible to predict or identify all such factors. Consequently, you should not consider any such list to be a complete set of all potential risks or uncertainties. Our filings with the SEC may be accessed at the SEC s web site at www.sec.gov.

Table of Contents**PART I FINANCIAL INFORMATION****Item 1. FINANCIAL STATEMENTS**

UNIVERSAL TECHNICAL INSTITUTE, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS (UNAUDITED)

	September 30, March 31, 2012	September 30, September 30, 2011
	(In thousands)	
Assets		
Current assets:		
Cash and cash equivalents	\$ 58,281	\$ 53,670
Investments, current portion	44,453	50,052
Receivables, net	11,265	11,205
Deferred tax assets, net	6,222	7,837
Prepaid expenses and other current assets	12,677	10,709
Total current assets	132,898	133,473
Investments, less current portion	14,199	5,830
Property and equipment, net	92,220	100,377
Goodwill	20,579	20,579
Deferred tax assets, net	1,569	
Other assets	6,035	5,328
Total assets	\$ 267,500	\$ 265,587
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable and accrued expenses	\$ 40,040	\$ 35,905
Deferred revenue	55,036	61,394
Accrued tool sets	4,566	4,723
Income tax payable	379	2,032
Other current liabilities	768	642
Total current liabilities	100,789	104,696
Deferred tax liabilities, net		2,443
Deferred rent liability	12,951	11,799
Other liabilities	6,039	4,534
Total liabilities	119,779	123,472
Commitments and contingencies (Note 8)		
Shareholders' equity:		
Common stock, \$0.0001 par value, 100,000,000 shares authorized, 29,989,972 shares issued and 24,676,845 shares outstanding at March 31, 2012 and 29,560,276 shares issued and 24,690,050 shares outstanding at September 30, 2011	3	3
Preferred stock, \$0.0001 par value, 10,000,000 shares authorized; 0 shares issued and outstanding		
Paid-in capital	165,865	156,497
Treasury stock, at cost, 5,313,127 shares at March 31, 2012 and 4,870,226 at September 30, 2011 (Note 9)	(83,713)	(76,506)

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Retained earnings	65,566	62,121
Total shareholders' equity	147,721	142,115
Total liabilities and shareholders' equity	\$ 267,500	\$ 265,587

The accompanying notes are an integral part of these condensed consolidated financial statements.

Table of Contents

UNIVERSAL TECHNICAL INSTITUTE, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED INCOME STATEMENTS (UNAUDITED)

	September 30, Three Months Ended March 31, 2012	September 30, Three Months Ended March 31, 2011	September 30, Six Months Ended March 31, 2012	September 30, Six Months Ended March 31, 2011
	(In thousands, except per share amounts)			
Revenues	\$ 106,240	\$ 114,161	\$ 212,667	\$ 231,608
Operating expenses:				
Educational services and facilities	53,458	57,692	105,149	111,528
Selling, general and administrative	49,873	45,079	98,043	91,837
Total operating expenses	103,331	102,771	203,192	203,365
Income from operations	2,909	11,390	9,475	28,243
Other income:				
Interest income, net	58	55	150	143
Other income	213	125	366	255
Total other income	271	180	516	398
Income before income taxes	3,180	11,570	9,991	28,641
Income tax expense	1,312	4,575	4,083	11,390
Net income	\$ 1,868	\$ 6,995	\$ 5,908	\$ 17,251
Earnings per share:				
Net income per share basic	\$ 0.08	\$ 0.29	\$ 0.24	\$ 0.71
Net income per share diluted	\$ 0.08	\$ 0.28	\$ 0.24	\$ 0.70
Weighted average number of shares outstanding:				
Basic	24,692	24,366	24,692	24,323
Diluted	24,845	24,668	24,826	24,629
Cash dividend declared per common share	\$ 0.10	\$	\$ 0.10	\$

The accompanying notes are an integral part of these condensed consolidated financial statements.

Table of Contents

UNIVERSAL TECHNICAL INSTITUTE, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENT OF SHAREHOLDERS EQUITY (UNAUDITED)

	September 30,	September 30,	September 30,	September 30,	September 30,	September 30,	September 30,
	Common Stock Shares	Common Stock Amount	Paid-in Capital	Treasury Stock Shares (In thousands)	Treasury Stock Amount	Retained Earnings	Total Shareholders Equity
Balance at September 30, 2011	29,560	\$ 3	\$ 156,497	4,870	\$ (76,506)	\$ 62,121	\$ 142,115
Net income						5,908	5,908
Issuance of common stock under employee plans	121		399				399
Shares withheld for payroll taxes	309		5,466	317	(5,569)		(103)
Tax charge from employee stock plans		&nb					