UNIVERSAL TECHNICAL INSTITUTE

Universal Technical Institute

Fiscal 2020 Investor Presentation

November 18, 2020

Forward-Looking Statements

This presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 that are subject to the safe harbor created by such Act. These statements are based on our management's current beliefs, expectations and assumptions about future events, conditions and results and on information currently available to us. Discussions containing these forward-looking statements may be found, among other places, in the Sections entitled "Business Overview," "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" incorporated by reference from our most recent Annual Report on Form 10-K, in our subsequent Quarterly Reports on Form 10-Q and certain of our current reports on Form 8-K,, as well as any amendments thereto, filed with the SEC. This presentation also contains estimates and other statistical data made by independent parties and by us relating to market size and growth and other data about our industry. This data involves a number of assumptions and limitations, and you are cautioned not to give undue weight to such estimates. In addition, projections, assumptions and estimates of our future performance and the future performance of the markets in which we operate are necessarily subject to a high degree of uncertainty and risk.

In addition, statements that refer to projections of earnings, revenue, costs or other financial items in future periods; anticipated growth and trends in our business or key markets; cost synergies, growth opportunities and other potential financial and operating benefits; future growth and revenues; future economic conditions and performance; anticipated performance of curriculum; plans, objectives and strategies for future operations; and other characterizations of future events or circumstances, and all other statements that are not statements of historical fact are forward-looking statements within the meaning of the Securities Act and the Exchange Act. Such statements are based on currently available operating, financial and competitive information and are subject to various risks, uncertainties and assumptions that could cause actual results to differ materially from those anticipated or implied in our forward-looking statements due to a number of factors, including, but not limited to, those set forth under the section entitled "Risk Factors" in our filings with the SEC. Factors that might cause such a difference include, but are not limited to macro economic impacts related to the COVID-19 pandemic, changes to federal and state educational funding, changes to regulations or agency interpretation of such regulations affecting the for-profit education industry, possible failure or inability to obtain regulatory consents and certifications for new or modified campuses or instruction, potential increased competition, changes in demand for the programs offered by UTI, increased investment in management and capital resources, the effectiveness of the recruiting, advertising and promotional efforts, changes to interest rates and unemployment, general economic conditions of the company, the adoption of new accounting standards including the new lease accounting guidance. Given these risks, uncertainties and other factors, many of which are beyond our control, you should not place undue reliance on these forward-looking statements. Except as required by law, we assume no obligation to update these forward-looking statements publicly, or to revise any forward-looking statements, even if new information becomes available in the future.

Leading Provider of Skilled Transportation Technicians

UNIVERSAL TECHNICAL INSTITUTE

55 YEARS	**12K+** STUDENTS
35+ MANUFACTURING BRAND PARTNERS	**225K+** GRADUATES SINCE 1965
4,600+ INCENTIVE & TUITION REIMBURSEMENT EMPLOYER LOCATIONS	**84%** EMPLOYMENT RATE[1]
$300.8M Fiscal Year 2020 [2]	**$114.9M** CASH AND INVESTMENTS[3]

NYSE: UTI

[1]For 2019, UTI had 8,482 total graduates. 8,065 were available for employment and 6,763 were employed within one year of their graduation date, for a total UTI employment rate of 84%. See UTI's 10-K for additional information. [2] Twelve Months ended September 30, 2020.. Includes Q3FY20 ($54.5M) + Q4FY20 ($76.3) revenues which reflect timing impacts associated with COVID-19. [3] As of September 30, 2020; Includes $76.8M Cash & Cash equivalents + $38.1M Held-to-maturity Investments

State-of-the-Industry Technology and Training

Impressive Training Facilities Nationwide

UNIVERSAL TECHNICAL INSTITUTE


Avondale, AZ


Bloomfield, NJ


Dallas/Ft. Worth, TX


Exton, PA


Houston, TX

Lisle, IL


Long Beach, CA


Mooresville, NC


Orlando, FL


MMI Motorcycle – Orlando, FL


MMI Marine – Orlando, FL


MMI Motorcycle – Phoenix, AZ


Rancho Cucamonga, CA


Sacramento, CA


Phoenix, AZ

Notes: Excludes the Norwood, MA campus which was closed on July 31, 2020; Orlando campus consists of the 3 buildings shown

Investment Thesis Highlights

Strengthened management team well down the path of executing Company transformation plan with strong results

UNIVERSAL TECHNICAL INSTITUTE

- Attractive student value proposition which includes blended learning model
- Evolved strategy fueling EBITDA and student population growth
- Optimized for any macro economic cycle with counter cyclical upside
- Improved operations and strong balance sheet strengthen position
- Multiple high ROI investment opportunities to drive further growth
- Significant industry and OEM partnerships driving student success

UTI's COVID-19 Response

Health and safety of students and employees a top priority, rapid and innovative solutions implemented to overcome the many challenges we have faced

Students

- CDC protocols for safety
- Developed and implemented interactive, online curriculum
- Modified hands on, in person labs*
- Flexible Leave of Absence (LOA) and Retake policies
- Continued focus on post graduate career development with OEM and industry partners
- Utilizing HEERF** funds for emergency financial aid grants and laptop computers for eligible students

Employees

- CDC protocols for safety
- Flexible work from home and leave policies
- All COVID related testing and treatment 100% covered by employee health plan
- Limiting personnel on campus to minimize opportunities for exposure
- Launched digital tools and learning resources to optimize remote working and managing
- Limited reductions-in-force, utilized furloughs where necessary due to disruption in campus operations

Marketing & Admissions

- Introduced virtual interviews, workshops, presentations and campus tours to supplement traditionally face-to-face interactions
- Developed nationally marketed webinars as a new tool for virtual engagement
- Digital media mix significantly increased
- Highly focused and data driven with real-time analytics to ensure maximum impact

Financials

- $114.9 million of liquidity as of September 30, 2020
- No debt and not currently planning to participate in CARES lending programs
- Financial impact primarily from revenue and cash flow timing associated with student LOAs and progression through labs upon reopening campuses, fully recoverable while students complete their education
- Use of a portion of HEERF** grant funds to offset costs due to significant changes to the delivery of instruction

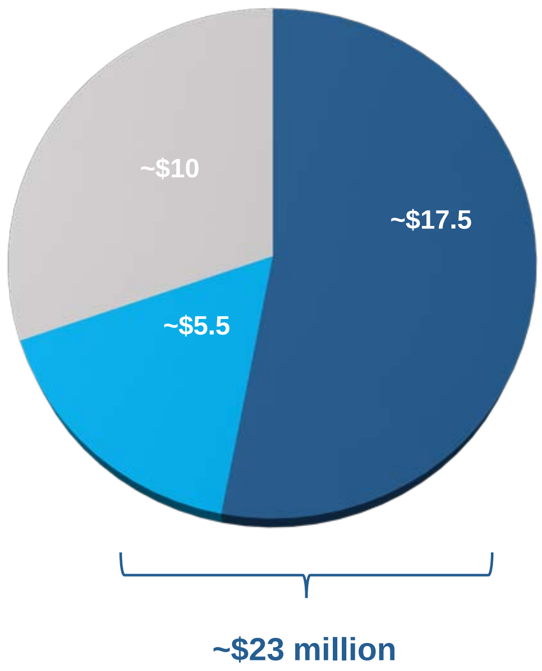
** Upon campus re-opening, only instructor led clinical labs are being held on campus, classroom curriculum continues to be delivered online*
*** CARES Act Higher Education Emergency Relief Funds*

UTI CARES Funds Uses

UTI is using its Higher Education Emergency Relief Fund (HEERF) allocation to support students and provide them a safe, quality education.

CARES Act HEERF funding is helping our students stay in school, continue their educations and move toward graduation and career success in transportation and the skilled trades. Approximately 70 percent of UTI's HEERF allocation will go directly to students in cash grants and technology.

UTI CARES Act HEERF Funding Allocation
In millions



Safe, quality education for our students (~30%)

Transition to a blended learning model
Investments in IT, online courses, and facilities to train students in a CDC-compliant environment and ensure the online education experience meets our high standards. Safety, compliance, and operational expenditures to effectively serve students.

Upgrading the online experience
Enhancements and adjustments to ensure our curriculum effectively serves students in a digital environment.

Direct support to our students (~70%)

Emergency student grants – 53%
Direct cash grants used to cover eligible expenses and help students facing financial difficulties make ends meet.

Student laptops – 17%
Technology to enable students to more effectively access online education. Graduates keep their laptops and can use them in their careers.

Strategic Initiatives Delivered Significant Achievements

THE PRESENT

THE PAST

Distressed Situation

- Declining enrollment
- Decreasing revenue
- Inefficient marketing spend
- Excess cost
- Underutilized, large legacy campuses
- Unprofitable, poor cash flow

Strategic Initiatives

Executed Transformation Plan

- Durable cost reductions
- Enhanced marketing & admissions
- Focused retention & student services

Metro Campus Expansion

- Opened Bloomfield, NJ in 2018

Launched Welding Programs

- Three programs running at or near capacity
- Launched two more in FY 2020
- Two announced for FY 2021, considering others

Optimized Footprint

- Rationalizing legacy campuses
- Teach-out Norwood (Completed)

Significantly Improved Results

Student Starts and Population:

- First average student growth in FY19 since FY10
- New student starts[1] in FY19, highest since FY15:
  - Up 5 straight qtrs through FYQ42019
  - 11.5% growth YOY
  - 4.5% of starts from welding
  - 31% growth from Bloomfield campus

Operating Efficiencies:

- ~500k SF reduction (incl. Norwood and HQ)
- ~$6M projected annual cost reduction (incl. HQ, excl. Norwood)
- ~500bps decrease in compensation and related expenses as % of revenue for FY19 vs. FY16

Financial Improvement in FY19:

- First YOY revenue growth since 2011
- $3.7M EBITDA contribution from Bloomfield
- $27.5M operating loss improvement YOY
- $35.1M operating cash flow increase YOY

Continued Momentum First Half FY2020 (Pre COVID-19):

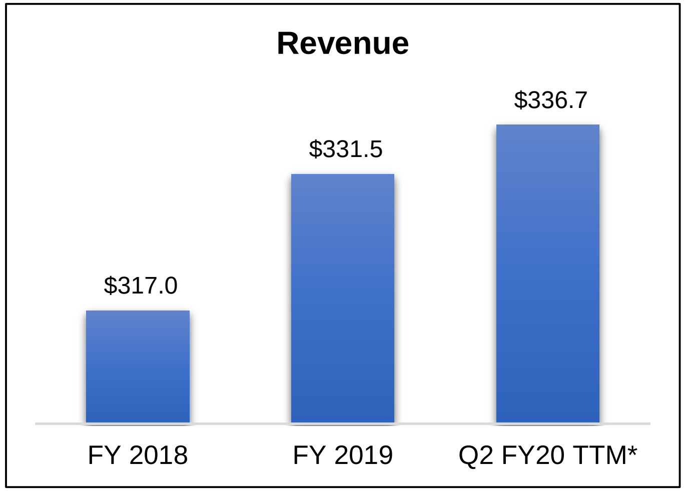
YoY Performance

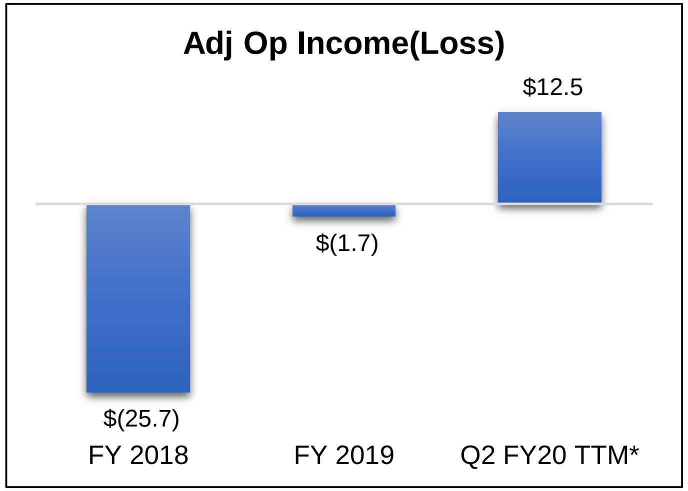
- Revenue growth 3.1%
- Start growth in both quarters, 7.1% overall
- Operating income up $16.5M
- Adjusted EBITDA increase $11.0M

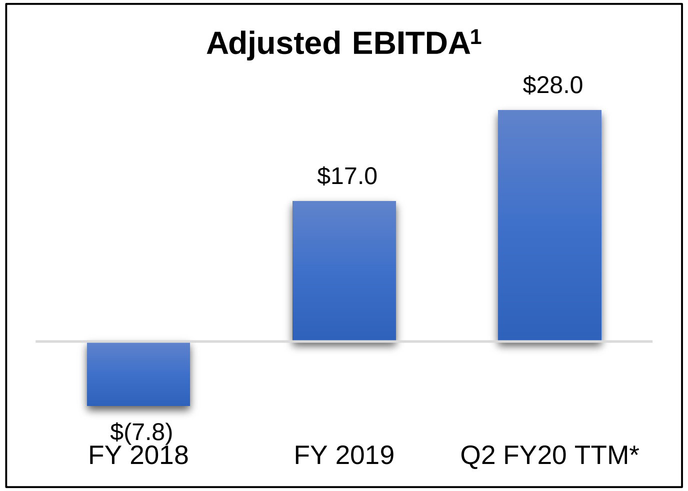
[1] *New student starts excludes the Norwood, MA campus.*

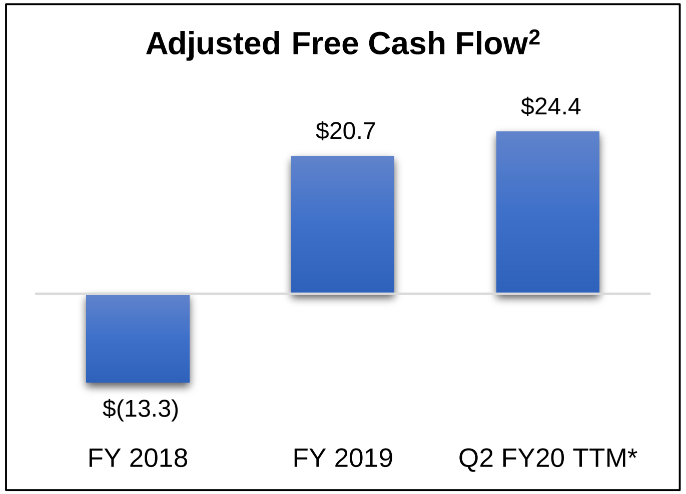
Transformation Yielded Strong Improvements

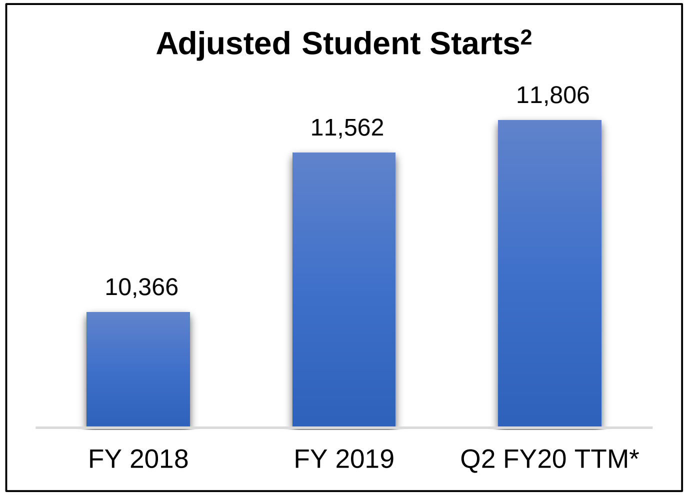
($ in millions, except for student data)

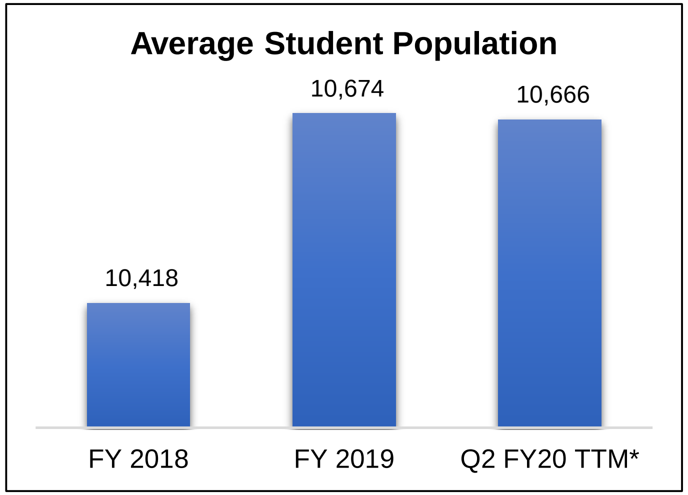












[1] For a detailed reconciliation of Non-GAAP measures, see the Appendix.
[2] Excludes Norwood, MA starts in 2018 and 2019. There are no starts in Norwood, MA in 2020.
** Trailing Twelve Months (TTM) through March 31, 2020 to reflect data pre COVID-19 impacts seen in Q3 and Q4 FY20*

Evolving Strategy to Better Reach and Engage Students

HIGH SCHOOL GRADS

52%[1]

Added reps and enhanced marketing to better represent high-value, technical education as alternative to college

VETERANS

17%[1]

Assisting veterans, working to regain access and implementing innovative on-base programs

ADULT LEARNERS

32%[1]

Optimizing traditional and digital advertising to generate inquiries to offset impact of strong job market

(1) The percentage of students who started in FY20 by channel.

Metro Campus Investments Deliver Results

Adapting to changing student expectations

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DALLAS, TX 2010

LONG BEACH, CA 2015

BLOOMFIELD, NJ 2018

Campus Profile

- ~100,000 SF
- Average student capacity of at least 750
- ~$10-$15M capital investment
- IRR 35%+
- Accretive to earnings in 18 months
- Cumulative cash flow breakeven by year 4

48% of incoming first year students now enroll within 50 miles of home

Differentiated Programs Driving Student Starts

WELDING

- High demand for technicians
- 36-week program in Rancho Cucamonga, CA, Avondale, AZ, and Dallas, TX, all running at or near capacity
- FY20 launched in Houston, TX, and Long Beach, CA
- FY21 Lisle, IL and a 7th campus planned

CNC MACHINING

- High demand for technicians
- 36-week program at NASCAR Technical Institute
- Only CNC school affiliated with Roush Yates & NASCAR

- Create pipeline of prospective students
- Improve campus economics

- Utilize excess capacity
- Drive growth

Note: See appendix for Welding program financial summary.

Optimizing Real Estate Footprint for Efficiency

1 Enhance utilization of existing space with new programs

2 Optimize real estate
- Lease expirations
- Own versus Rent
- Sublease
- Other reductions

	Completed	In Process	Evaluation	Total Sq. Ft
BLOOMFIELD, NJ*			Programs	102,000
LONG BEACH, CA*	Welding FY20			137,000
DALLAS, TX*	Welding FY19			95,000
RANCHO CUCAMONGA, CA	Welding FY17, Optimize SF FY18		Programs	148,000
MOORESVILLE, NC	CNC FY17		Programs, Optimize SF	146,000
LISLE, IL	Optimize SF FY17-18	Welding FY21	Programs	187,000
SACRAMENTO, CA[1]	Optimize SF FY18	Programs, Optimize SF		245,000
AVONDALE, AZ	Welding FY18		Programs, Optimize SF	283,000
PHOENIX, AZ	Optimize SF FY17		Optimize SF	117,000
HOUSTON, TX	Optimize SF FY18 Welding FY20			172,200
EXTON, PA	Optimize SF FY20		Programs	129,000
ORLANDO, FL			Programs, Optimize SF	263,000
Corporate Headquarters and Operational Support				
HOME OFFICE (AZ)	Optimize SF FY20			29,000
PHOENIX, AZ	Optimize SF FY17		Optimize SF	47,000

**Metro Campuses*

(1) On September 29, 2020, we signed an amendment for our Sacramento campus which extended our lease through February 2033. Additionally, this amendment reduces our leased space by approximately 128,000 square feet to 117,000 square feet effective January 1, 2022

UTI Student Lifecycle

~271k
Media Workable Leads

~25k
Enrollments

~11k
Starts

~8k
Graduates*

~7k
Employed in Field

All data is trailing twelve months as of September 30, 2020 and includes pro-forma adjustment for graduates delayed in Q3 & Q4 FY20 due to COVID-19

Demand for Auto/Diesel Technicians Far Exceeds Industry Supply

~1.0M

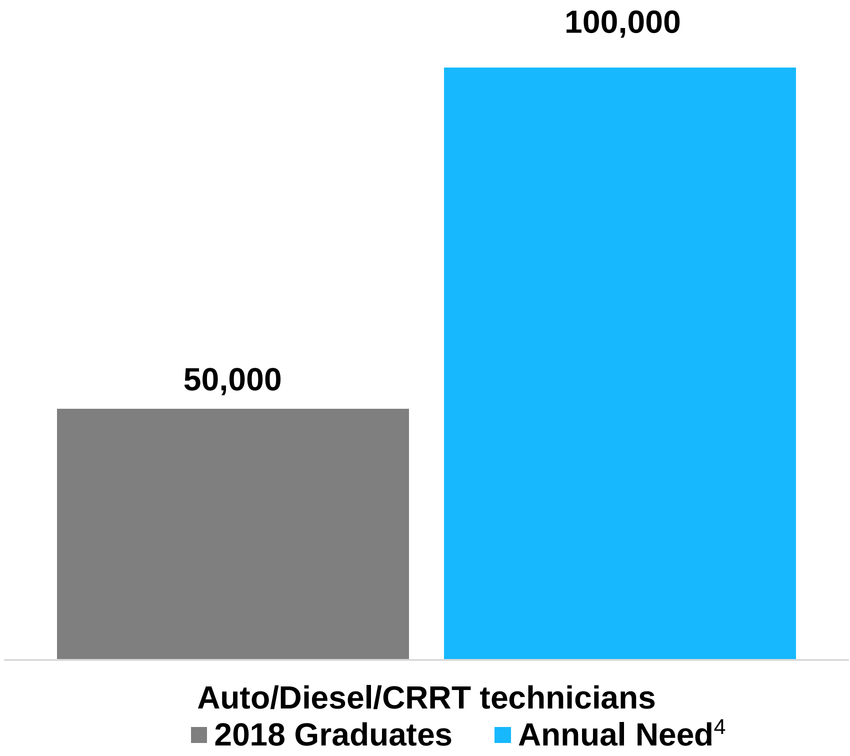
TECHNICIAN JOB OPENINGS BY 2029[3]

260M+

VEHICLES IN THE UNITED STATES[2]

1.3B+

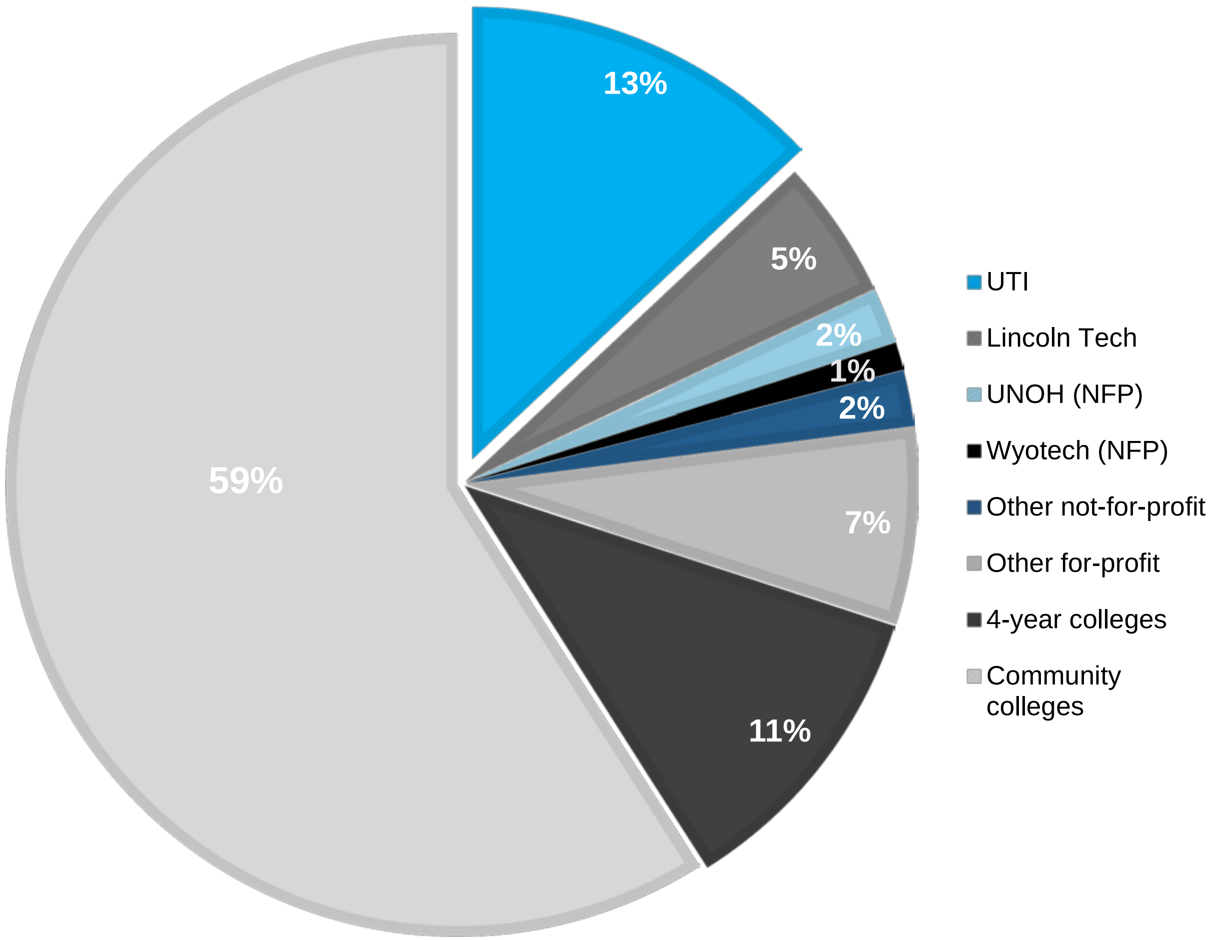
VEHICLES ON THE ROAD WORLDWIDE[1]



[1]Source: https://subscribers.wardsintelligence.com/analysis/world-vehicle-population-rose-46-2016, [2]Federal Highway Administration, Office of Highway Policy Information, Highway Statistics 2016, number of state motor vehicle registrations, https://www.fhwa.dot.gov/policyinformation/statistics/2016/mv1.cfm. [3]Based on data compiled from the U.S. Bureau of Labor Statistics, Employment Projections (2019-2029), www.bls.gov, viewed November 2020. The projected number of annual job openings, by job classification is: Automotive Service Technicians and Mechanics, 61,700; Bus and Truck Mechanics and Diesel Engine Specialists, 24,500; and Automotive Body and Related Repairers, 13,600. Job openings include openings due to growth and net replacements. [4]U.S. Bureau of Labor Statistics Employment Outlook Summary, 2019. Includes new job growth and replacements. IPEDS, provisional 2017-2018 postsecondary completions data. Based on first major, completions for bachelor's degree, associate's degree, and certificates below the baccalaureate level for all Title IV institutions. Includes programs for auto mechanics, diesel mechanics and medium/heavy vehicle and truck technicians.

Market Share Exceeds Three Closest Competitors

graduates <u>more</u> Auto/Diesel techs than any other school in the country.



Source: IPEDS, provisional 2017-2018 completions data. Based on first major, completions for bachelor's degree, associate's degree, and certificates below the baccalaureate level for all Title IV institutions. Includes programs for auto mechanics, diesel mechanics and medium/heavy vehicle and truck technicians.

Well Positioned National Campus Network

Available capacity to increase students plus additional market opportunities to add rapidly accretive campuses

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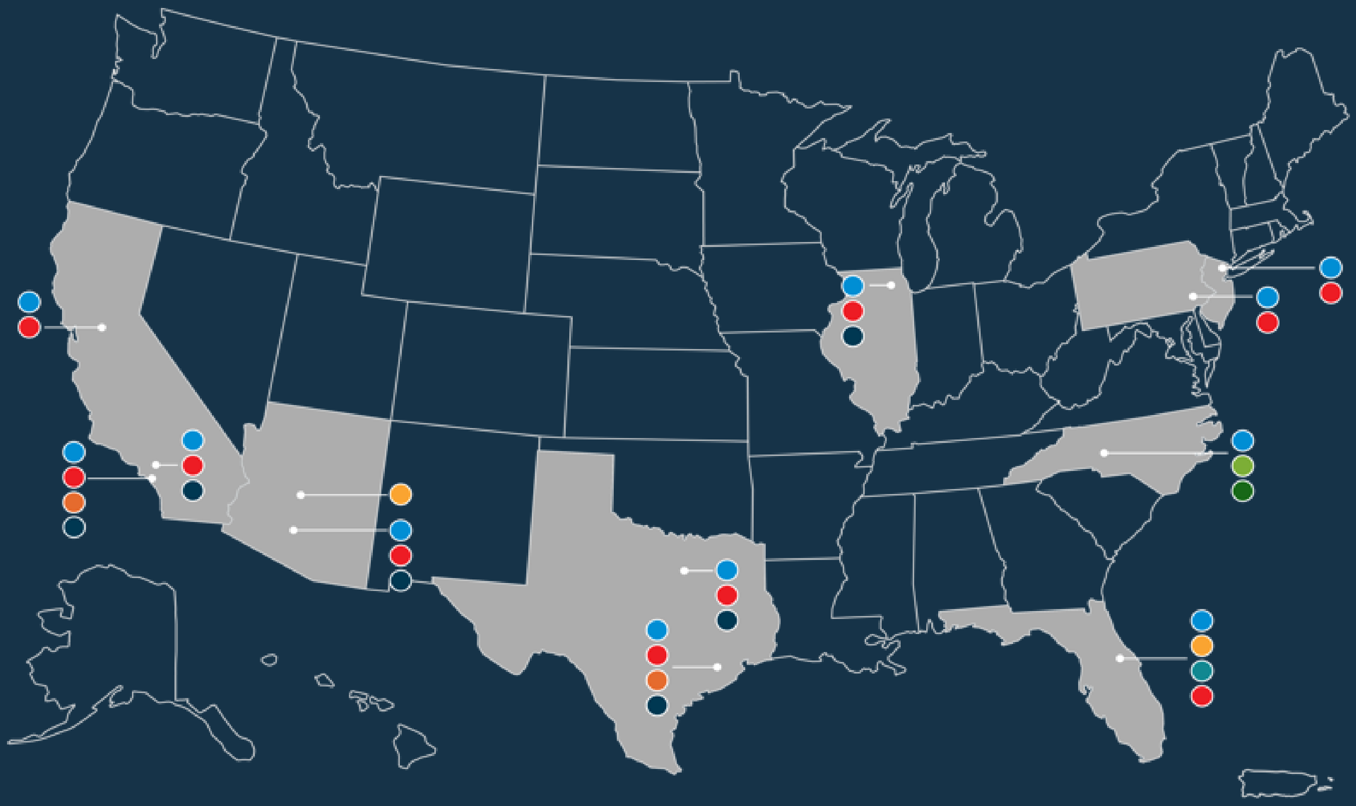
UTI
Avondale, AZ
Bloomfield, NJ
Dallas/Fort Worth, TX
Exton, PA
Houston, TX
Lisle, IL
Long Beach, CA
Mooresville, NC
Orlando, FL
Rancho Cucamonga, CA
Sacramento, CA

MMI–MOTORCYCLE
Orlando, FL
Phoenix, AZ

MMI–MARINE
Orlando, FL

NASCAR TECH
Mooresville, NC



AUTOMOTIVE
COLLISION REPAIR
MOTORCYCLE
DIESEL
NASCAR
CNC MACHINING
MARINE
WELDING

UNIVERSAL TECHNICAL INSTITUTE
MMI MOTORCYCLE MECHANICS INSTITUTE
MMI MARINE MECHANICS INSTITUTE
NASCAR TECHNICAL INSTITUTE

Overview:

- 12 Campuses in 8 States
- ~2.0M SF
- Located in high demand job markets
- Easy access to major population

Welding Program Expansion:

- Houston, TX & Long Beach (LA), CA launched FY 20
- Lisle, IL (planned Q2 FY21)
- 7th campus TBD (planned Q4 FY21)

Industry Partnerships that Deliver Value

84% graduate industry employment rate[1]

PARTNERS

- Efficient hiring source
- Lowers costs
- Techs who are ready to work

STUDENTS

- Pipeline to jobs
- Better jobs and higher starting wages[2]
- Tuition support
- Certifications and credentials

UTI

- Current technology and tools
- Increased marketing impact
- Lower expenses and capex
- Value for students

BMW	Ford	Peterbilt	Harley-Davidson	Cummins
5,100+ Graduates since 1995	25,800+ Graduates since 2000	500+ Graduates since 2013	18,300+ Graduates since 1987	3,600+ Graduates since 2006

[1]For 2019, UTI had 8,482 total graduates. 8,065 were available for employment and 6,763 were employed within one year of their graduation date, for a total UTI employment rate of 84%. See UTI's 10-K for additional information [2]Based on comparison of graduates of UTI's manufacturer-paid advanced training programs and UTI's core programs between October 1, 2015, and July 6, 2019.

Second Half FY20 Results Show Timing Impacts of COVID-19

First half FY20 results showed continued momentum

$ Millions	First Half FY20 Actuals	YoY First Half Change	Second Half FY20 Actuals	YoY Second Half Change
Student start growth (excluding Norwood, MA)	3,687	7.1%	7,596	(6.4%)
Average population	10,923	0.2%	10,160	(7.0%)
Revenue	$170.0	3.1%	$130.8	(21.5%)
Operating expense	$166.2	(6.4%)	$138.4	(14.4%)
Operating income (loss)	$3.8	$16.6	($7.6)	($12.6)
Adjusted operating income (loss)[(1)]	$7.0	$14.2	($6.1)	($11.6)
Net Income (loss)	$14.8[(2)]	$27.8	($6.8)	($11.9)
Adjusted EBITDA[(1)]	$13.1	$11.0	$0.8	($14.0)
Operating cash flow	$10.9	$8.1	$0.1	($18.8)
Adjusted free cash flow[(1)]	$6.7	$3.7	($2.4)	($20.1)
Capital expenditures	$5.2	$0.4	$4.1	$2.4

[1] *For a detailed reconciliation of Non-GAAP measures, see the Appendix*
[2] *Includes $10.8M Q2FY20 Income Tax Benefit due to CARES Act*

Note: See Item 7. Management Discussion and Analysis within the Form 10-K for the year ended September 30, 2020, which is expected to be filed early December 2020, for more information regarding fiscal 2020 full year results and impacts related to COVID-19.

Pre-COVID Quarterly Performance Trends Showed Continued Positive Momentum

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($ in millions, except for student data)	3 Mos. 9/30/20	3 Mos. 6/30/20	3 Mos. 3/31/20	3 Mos. 12/31/19	3 Mos. 9/30/19	3 Mos. 6/30/19	3 Mos. 3/31/19	3 Mos. 12/31/18	3 Mos. 9/30/18
Adjusted new student starts[1]	5,772	1,824	2,093	1,594	6,437	1,682	1,963	1,480	5,829
Y/Y growth/(decline)	1.1% *	(24.2)% *	6.6%	7.7%	10.4%	11.9%	11.0%	16.9%	9.0%
Average enrollment	11,251	9,068	10,246	11,600	10,933	9,884	10,576	11,225	10,496
Y/Y growth/(decline)	2.9%	(8.3)%	(3.1)%	3.3%	4.2%	4.2%	1.8%	(0.30)%	(-2.10)%
Revenues	$76.3	$54.5	$82.7	$87.2	$87.7	$79.0	$81.7	$83.1	$80.3
Y/Y growth/(decline)	(12.9)%	(31.1)%	1.2%	5.0%	9.2%	5.5%	1.3%	2.3%	(1.3)%
Income (loss) from operations	$6.2	($13.8)	($0.5)	$4.3	$5.4	($0.5)	($5.6)	($7.2)	($11.1)
Margin	8.1%	(25.3)%	(0.6)%	4.9%	6.2%	(0.6)%	(6.8)%	(8.7)%	(13.8)%
Revenue per student	$6,800	$6,000	$8,100	$7,500	$8,000	$8,000	$7,700	$7,400	$7,600
Adjusted EBITDA[2]	$9.7	($8.8)	$3.1	$10.1	$10.4	$4.5	$0.8	$1.4	($4.1)
Margin	12.7%	(16.2)%	3.8%	11.6%	11.9%	5.7%	1.0%	1.7%	(5.1)%
Net income (loss)	$6.5	($13.3)	$10.1[(3)]	$4.7	$5.5	($0.4)	($5.3)	($7.7)	($11.0)
Cash & Investments[3]	$114.9	$91.5	$118.1[(4)]	$70.5	$65.4	$42.7	$52.9	$58.6	$58.1

Reflects COVID-19 timing/other impacts

Seasonal cash consumption in Q2 and Q3

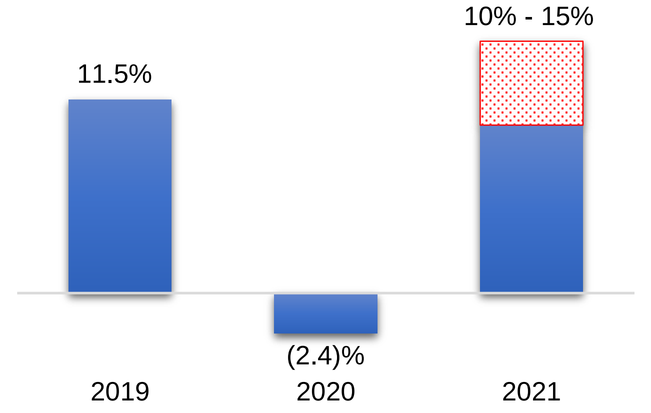
Note: See Item 7. Management Discussion and Analysis within the Form 10-K for the year ended September 30, 2020, which is expected to be filed early December 2020, for more information regarding fiscal 2020 full year results and impacts related to COVID-19.

[1] New student starts exclude Norwood, MA campus which closed in July 2020.
[2] A reconciling table for Adjusted EBITDA is available in the Appendix of this presentation
[3] Reflects $10.8M Income Tax Benefit related to CARES Act
[4] Includes $49.5M of net proceeds from primary equity offering in February 2020
** YoY growth rate adjusted for 725 student starts that occurred July 1, 2019*

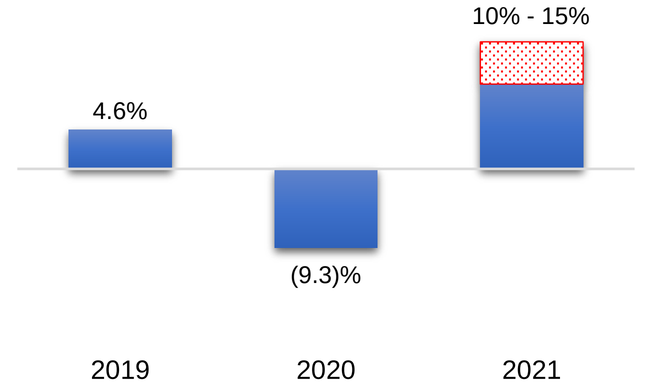
FY 2021 Guidance *

($ in millions, except for student data)

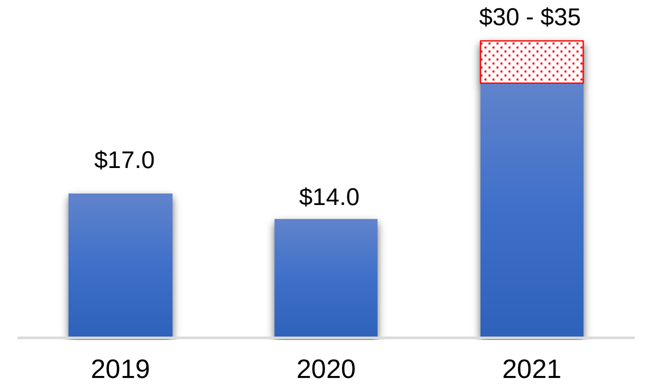
New Student Start Growth (Decline)[1]



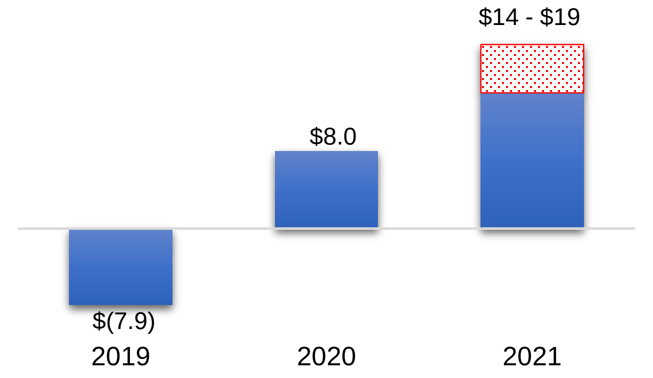
Revenue Growth



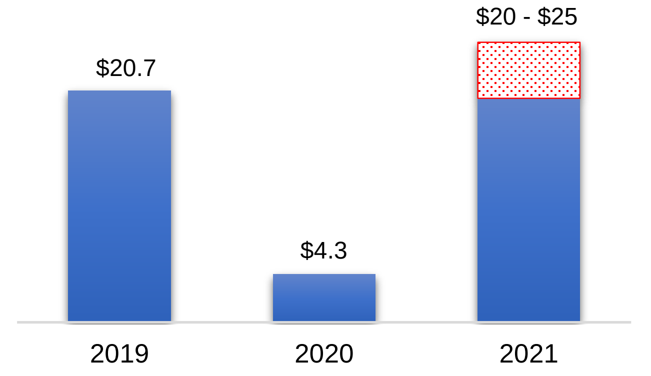
Adjusted EBITDA[2]



Net Income



Adjusted Free Cash Flow[2,3]



** Fiscal 2021 guidance does not include the impact of any potential strategic actions that have not been announced at this time, nor does it contemplate any major disruptions due to COVID-19.*

[1] Excludes Norwood, MA starts in FY 2019. There are no starts in Norwood, MA in 2020.
[2] For a detailed reconciliation of Non-GAAP measures, see the Appendix.
[3] FY 2020 includes $9.3 million of capex. FY 2021 assumes $15 to $20 million of capex which includes incremental investments for welding programs, online curriculum enhancements, and campus optimization efforts.

Potential Capital Deployment Opportunities to Drive the Company's Long Term Growth

Management and Board will prudently allocate capital across defined categories each representing estimated 25%+ IRR opportunities, and also consider return of capital to shareholders

NEW CAMPUSES

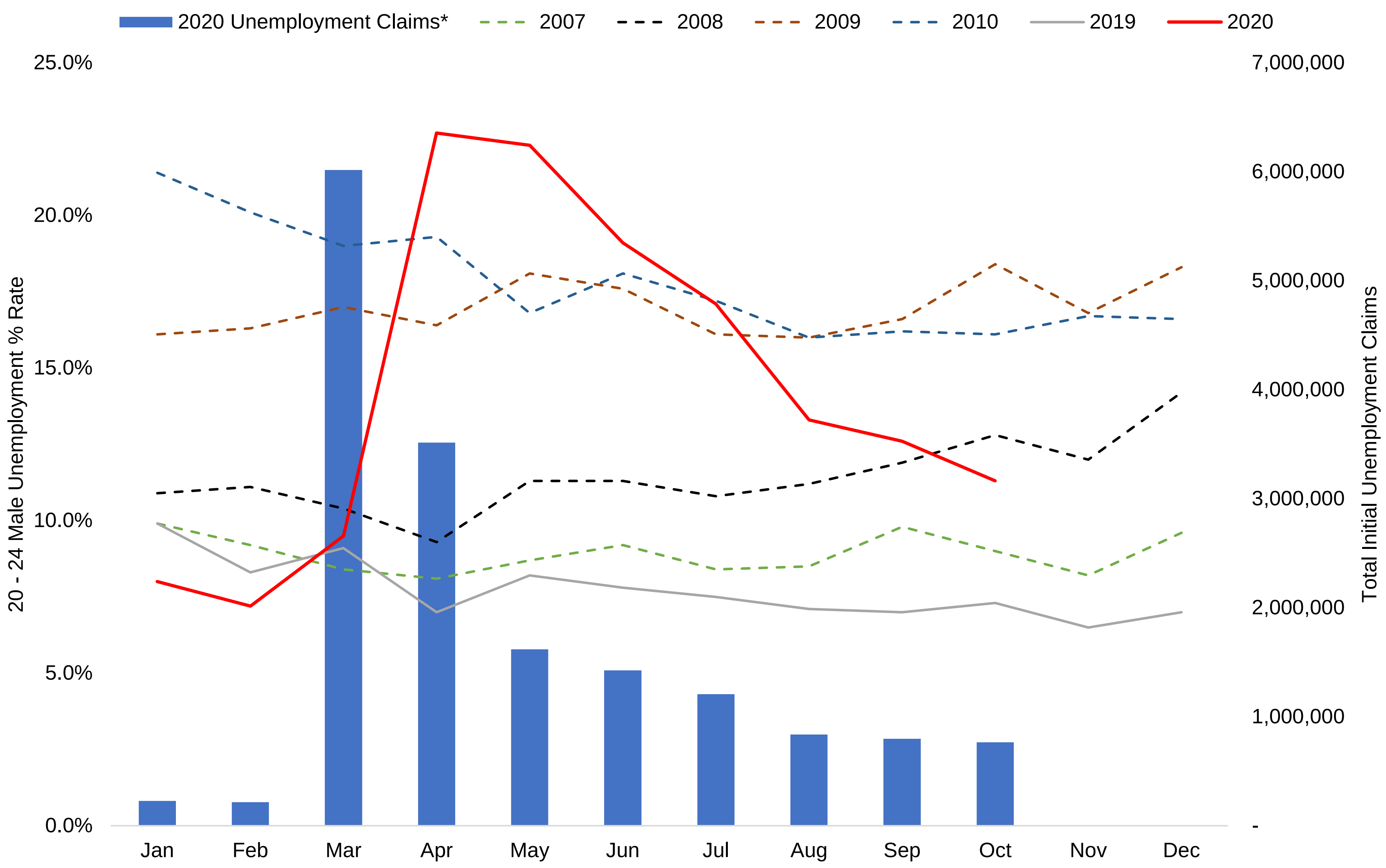
PROGRAM EXPANSIONS

INORGANIC GROWTH

BUSINESS MODEL EXTENSIONS

Current Unemployment Scenario Comparison

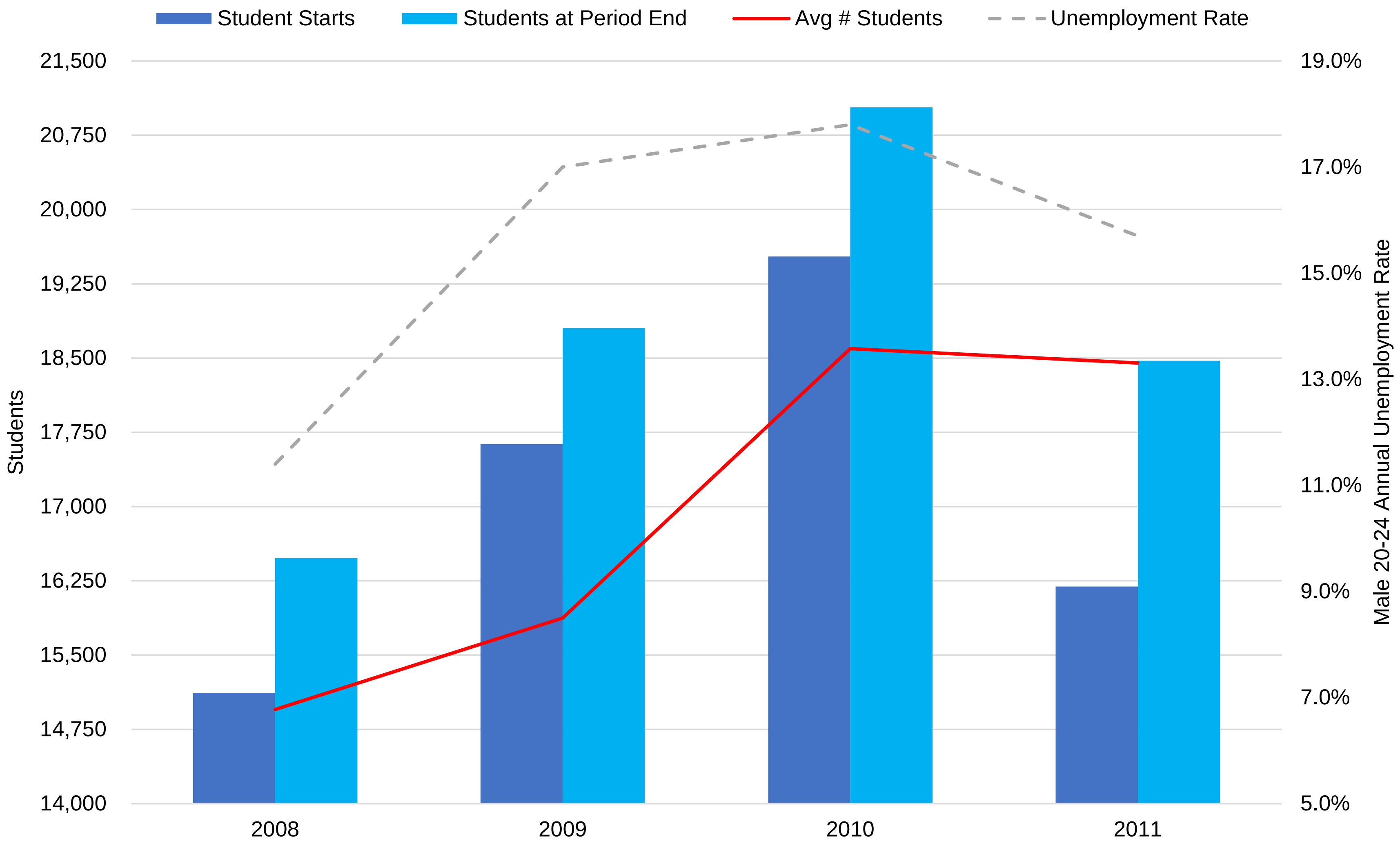
2019 – 2020 trends are very different than 2007 – 2010



Unemployment Data source: https://data.bls.gov/ for 20-24 age Males only
Series ID: LNU04000037

Prior Recessionary Impact – Student Data

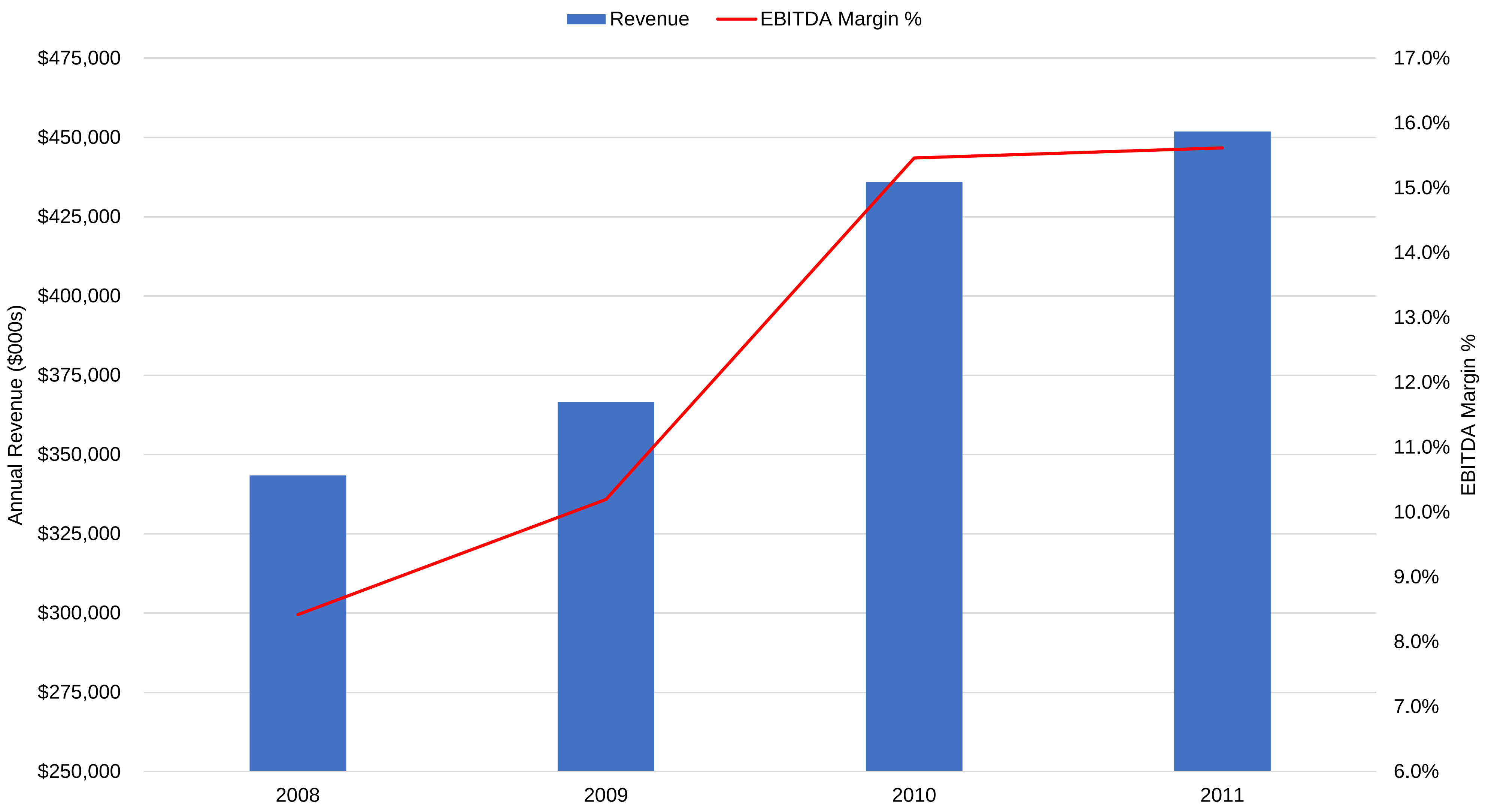
2008 – 2011



Unemployment Data source: https://data.bls.gov/ for 20-24 age Males only
Series ID: LNU04000037

Prior Recessionary Impact – Financial Data

2008 – 2011



Industry Leader with a Strong Value Proposition for Students and Shareholders

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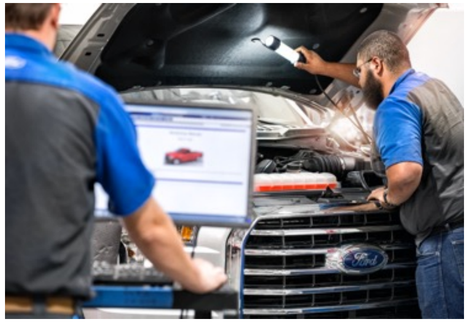


APPENDIX

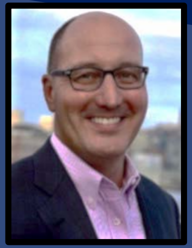
Talented Management Team with New Leadership

Jerome Grant, CEO

Troy Anderson, EVP & CFO

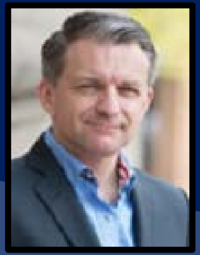
Sherrell Smith, EVP Campus Operations & Services

Eric Severson, SVP Admissions



Lori Smith, SVP Chief Information Officer

Todd Hitchcock, SVP Chief Strategy & Transformation Officer



Chris Kevane, SVP Chief Legal Officer

Sonia Mason, SVP Chief Human Resources Officer

Bart Fesperman, SVP Chief Commercial Officer

Highly Qualified Board of Directors

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Robert DeVincenzi
Non-Executive Chairman, Universal Technical Institute; Principal, Lupine Ventures; Former President and CEO of Redflex Holdings Ltd.

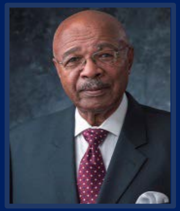
David Blaszkiewicz
President and Chief Executive Officer, Invest Detroit

George Brochick
Executive Vice President of Strategic Development, Penske Automotive Group

Jerome Grant
Chief Executive Officer, Universal Technical Institute

William J. Lennox, Jr.
Former Superintendent of the United States Military Academy at West Point

Kimberly McWaters
Former President and Chief Executive Officer, Universal Technical Institute



Roderick Paige
Former U.S. Secretary of Education

Chris Shackelton
Managing Partner, Coliseum Capital Management

Linda J. Srere
Former President, Young and Rubicam Advertising

Kenneth R. Trammell
Former Chief Financial Officer, Tenneco Inc.

John C. White
Former Chairman, Universal Technical Institute, Inc.; Founder, Motorcycle Mechanics Institute

Statements of Operations Trend

	12 Mos. 9/30/20	3 Mos. 9/30/20	3 Mos. 6/30/20	3 Mos. 3/31/20	3 Mos. 12/31/19	12 Mos. 9/30/19	3 Mos. 9/30/19	3 Mos. 6/30/19	3 Mos. 3/31/19	3 Mos. 12/31/18
Revenues	**$300,761**	$76,327	$54,483	$82,717	$87,234	**$331,504**	$87,666	$79,042	$81,746	$83,050
Operating expenses:										
Educational services	**155,932**	37,671	32,476	42,909	42,876	**178,317**	43,924	42,836	45,822	45,735
SG&A	**148,700**	32,530	35,786	40,307	40,104	**160,989**	38,304	36,661	41,504	44,520
Total operating expenses	**304,632**	70,174	68,262	83,216	82,980	**339,306**	82,228	79,497	87,326	90,255
(Loss) income from ops.	**(3,871)**	6,153	(13,779)	(499)	4,254	**(7,802)**	5,438	(455)	(5,580)	(7,205)
Total other income (expense), net	**1,277**	394	532	(163)	514	**137**	(11)	121	406	(379)
Income tax expense (benefit)	**(10,602)**	97	21	(10,804)	84	**203**	(50)	31	89	133
Net Income (loss)	**$8,008**	6,450	$(13,268)	$10,142	$ 4,684	**$(7,868)**	$5,477	$(365)	$(5,263)	$(7,717)
Preferred stock dividends	**5,264**	1,323	1,309	1,309	1,323	**5,250**	1,323	1,309	1,295	1,323
Income (loss) available for distribution	**$2,744**	$5,127	$(14,577)	$8,833	$3,361	**$(13,118)**	$4,154	$(1,674)	$(6,558)	$(9,040)
Earnings (loss) per share, diluted	**$0.05**	$0.09	$(0.45)	$0.18	$0.07	**$(0.52)**	$0.09	$(0.07)	$(0.26)	$(0.36)
EBITDA[1]	**$9,414**	9,620	$(10,204)	$2,224	$7,774	**$11,355**	$10,153	$4,436	$(319)	$(2,915)

[1] *A reconciling table for EBITDA is available in the Appendix of this presentation*

Note: See Item 7. Management Discussion and Analysis within the Form 10-K for the year ended September 30, 2020, which is expected to be filed early December 2020, for more information regarding fiscal 2020 full year results and impacts related to COVID-19.

Balance Sheet and Cash Flow Summary

At:	9/30/20	9/30/19
Cash & cash equivalents	$ 76,803	$ 65,442
Restricted cash*	12,116	15,113
Held-to-maturity investments	38,055	–
Current assets**	180,179	118,104
PP&E (net)**	72,743	104,126
Right of Use assets for operating leases**	144,663	–
Total assets	**$ 441,981**	**$ 270,526**
Operating lease liability – current**	23,666	–
Current liabilities**	121,640	96,844
Operating lease liability – LT**	134,089	–
Total liabilities**	265,459	156,238
Stockholders' equity**	176,522	114,288
Total liabilities & equity	**$ 441,981**	**$ 270,526**

	3 Mos. 9/30/20	12 Mos. 9/30/20	3 Mos. 9/30/19	12 Mos. 9/30/19
Net cash provided by (used in) operating activities	**$21,149**	**$11,032**	**$28,870**	**$21,746**
Purchase of property and equipment	(2,072)	(9,262)	(1,152)	(6,453)
Purchase of held-to-maturity securities, net	(6,588)	(38,389)	–	–
Net cash used in investing activities	**$(8,573)**	**$(45,760)**	**$(1,059)**	**$(6,152)**
Proceeds from equity offering	16	49,153	–	–
Net cash provided by/(used in) financing activities	**$(2,818)**	**$43,092**	**$(3,479)**	**$(7,198)**
Change in cash and restricted cash	9,758	8,364	24,332	8,396
Ending balance of cash and restricted cash	**$88,919**	**$88,919**	**$80,555**	**$80,555**

- *Restricted cash includes the funds transferred in advance of loan purchases under UTI's proprietary loan program, certain funds held for students from Title IV financial aid programs and funds held as collateral for certain of the surety bonds. Also includes undistributed portion of student emergency financial aid grant funds associated with CARES Act Higher Education Emergency Relief Funds.*

*** Impacted by implementation of ASC 842; see slide 32 for details`*

Impact of the New Leasing Standard (ASC 842)

- UTI adopted the new standard effective 10/1/19
- Key impacts
  - UTI's 2020 assets increased for the addition of Right of Use assets less the prepaid rent.
  - UTI's 2020 liabilities increased for the present value of the lease payments less the amounts of Deferred Rent and Incentives that remained.
  - The "build to suit" assets and related financing obligation have been de-recognized and are now included in the lease assets and lease liabilities.
  - Also for the 'build to suit" leases, interest expense on the financing obligation and depreciation and amortization of the assets will now be reported as lease expense resulting in an increase in operating expenses and a decrease in operating income and EBITDA.

Summary of the Financial Statement Impact[(1)]

	Opening Balance Sheet Impact		
$ M	**Net Assets**	**Net Liabilities**	**Net Equity**
Additions for ASC 842	$148.6	$163.0	--
Deletions for ASC 842	$(0.9)	$(15.3)	--
Removal of Capital Leases	$(31.6)	$(40.7)	$9.0
Net Impact	**$116.1**	**$107.0**	**$9.0**

Impact to Fiscal 2020 Statement of Income (in millions)

	Increase (Decrease)
Revenues	$ --
Total operating expenses	1.6
Income from operations	**(1.6)**
Total other income (expense), net	1.8
Net income	$ 0.2
EBITDA	
Interest expense	$ (3.0)
Depreciation and amortization	(2.4)
Net EBITDA Impact	**$ (5.2)**

(1) These amounts represent the effects of adopting ASC 842 as of October 1, 2019.

Exploring Additional Opportunities For Long-Term Growth: New Campuses

NEW CAMPUSES

- **Metro Campus** & **Micro Metro Campus** expansion strategy based on primary and secondary research aligned to Designated Market Areas (DMA)
- Typical full Metro campus capital Investment range from $10M to $15M, Micro will be proportionally lower. Facility range from 75K+ SF for Micro to ~100K SF for full Metro.
- Estimated financial impact per campus:
  - Revenue at full ramp expected to be $20M+ annually
  - Direct EBITDA margin of 50%+
  - IRR >25%+ with payback of ~4 years
- Multi-pronged approach used to target locations for both the Metro Campus and smaller Micro Metro Campus
- Long Beach, CA and Bloomfield, NJ Campuses successful full Metro case studies included for reference

Exploring Additional Opportunities For Long-Term Growth: Program Expansion

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NEW PROGAMS AT EXISTING CAMPUSES

- **Leverage existing campus footprint** to add new, high demand programs
- Continued expansion in welding through the introduction to additional campuses each year which represent high ROI investment opportunities
  - 3 implemented and at/near capacity (Rancho, Avondale, Dallas)
  - Houston launched in May 2020, Long Beach launched in August 2020
  - Lisle, IL early FY21 along with a 7th program planned to launch late FY21
- Additional opportunities to add new programs in high-demand skilled trade areas (e.g. renewable energy)
- Typical capital investment range from $2.0M - $3.0M per program
- Estimated financial impacts per program:
  - Revenue at full ramp expected to be ~$3M annually
  - Direct EBITDA margin of 60%+
  - IRR >35%+ with payback of ~3 years

Exploring Additional Opportunities For Long-Term Growth: Inorganic Growth

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INORGANIC GROWTH

- **Acquisition pipeline in development and expanding**
- Initial targets under review would be immediately accretive
- Targets could range from new regions, program expansion, scale opportunities and business diversification
- Incremental capital needs/sources could vary depending upon size
- Regulatory approval requirements could impact timing

Exploring Additional Opportunities For Long-Term Growth: Business Model Extensions

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BUSINESS MODEL EXTENSIONS

- Multiple strategic initiatives have been identified that would allow for a diversification strategy
- Diversification strategies designed to reduce the reliance Title IV as a funding source
- Student funding models include employer pay / apprenticeship-like models, income sharing models, and corporate-sponsored campuses and programs
- Also exploring expansion of B2B models including sponsored academies
  - Reference cases with Camp Pendleton and Fort Bliss (3rd to be named)
- Opportunity to deliver new programming through new modalities (i.e. online)

Metro Campuses Deliver Positive Financial Results

Pro-forma Financials	Long Beach, CA Y1 FY15A	Y2 FY16A	Y3 FY17A	Y4 FY18A	Y5 FY19A	Bloomfield, NJ Y1 FY18A	Y2 FY19A	Y3 FY20A	Y4 FY21P	Y5 FY22P
Revenue	$0.7	$12.2	$18.3	$20.9	$22.4	$0.6	$10.9	$14.6	$20.5	$21.1
EBITDA contribution	(3.6)	2.9	9.0	11.7	13.3	(4.9)	3.7	$7.3	$11.6	$11.9
Net finance obligation	(0.2)	(1.4)	(1.4)	(1.3)	(1.3)	--	--	--	--	--
Capital expenditures	(15.8)	(0.2)	(0.4)	(0.0)	(0.0)	(9.2)	(0.3)	(0.0)	(0.0)	(0.2)
Pre-tax cash flow[1]	**$(19.6)**	**$1.3**	**$7.2**	**$10.4**	**$12.0**	**$(14.1)**	**$3.4**	**$7.3**	**$11.5**	**$11.7**
Perpetuity IRR	**35%+**					**35%+**				

Long Beach, CA:

- ~$16m capital investment and ~$4m EBITDA loss in year 1 [2]
- 142k sq. ft. facility; rent ~$15/ft.
- Larger footprint includes Collision program, welding added FY20
- ~950 students as of 9/30/20

Bloomfield, NJ:

- ~$9.2m capital investment and ~$5m of EBITDA loss in year 1 [2]
- 102k sq. ft. facility; rent ~$14/ft.
- ~780 students as of 9/30/20
- Potential to add welding or other programs

[1] Representative cash flows from Long Beach, CA and Bloomfield, NJ campuses excluding allocated corporate and marketing costs and working capital considerations.
[2] The capital investment is net of tenant improvement allowances.

Illustrative Welding Financials – Avondale, AZ

Pro-forma financials ($m)	FY17A	FY18A	FY19A	FY20A	FY21P
Revenue	$0.0	$1.2	$3.4	$3.3	$3.2
EBITDA contribution[(b)]	(0.1)	0.5	2.4	2.5	2.4
Capital expenditures[(c)]	(0.4)	(1.1)	(0.0)	0.0	0.0
Pre-tax cash flow[(a)]	**$(0.5)**	**$(0.6)**	**$2.4**	**$2.5**	**$2.3**
Perpetuity IRR	**80%+**				

- All 3 welding program pacing at 180 to 200 starts per year at full ramp
- Avondale capex of $1.5M, while overall Welding program capex averages ~$2.5 million and varies primarily based upon facility reconfiguration requirements
- New non-Welding programs assumed at same average capex, could vary based upon course development and facility requirements

(a) Representative pro-forma cash flows for UTI's Welding program launched at the Avondale, AZ campus in January 2018
(b) EBITDA contribution includes targeted marketing investments and support related to the Avondale, AZ Welding, but excludes allocated corporate overhead and working capital considerations
(c) Includes capitalized curriculum development

CARES Act and Compliance Statistics

COVID 19 Aid, Relief, and Economic Security (CARES) Act

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HIGHER EDUCATION EMERGENCY RELIEF FUNDS (HEERF)

- The HEERF funding allocation by the Department of Education (ED) is as follows:

School	Total Allocation	Minimum Allocation to be Awarded for Emergency Financial Aid to Students	Remaining Funds
Universal Technical Institute - Avondale	$14,950,305	$7,475,153	$7,475,152
Universal Technical Institute – MMI Phoenix	$9,330,780	$4,665,390	$4,665,390
Universal Technical Institute - Houston	$8,848,799	$4,424,400	$4,424,399
Total	$33,129,884	$16,564,943	$16,564,941

- The link to the ED CARES Act and HEERF website is as follows:
  - https://www2.ed.gov/about/offices/list/ope/caresact.html
- At least **50%** of these funds must be used for **emergency financial aid grants for students**
  - Grant amounts are being determined using a need based methodology driven by campus proximity and expected family financial contribution (EFC)
  - Active and LOA students that complete an attestation and meet ED eligibility requirements will receive funds via check
- The remaining **50%** can be used by institutions to cover any **costs associated with significant changes to the delivery of instruction due to COVID-19** (excluding expenses associated with marketing, admissions, pre-enrollment or capital outlay for facilities)
  - Eligible costs could include the cost to develop and implement our online learning curriculum and platform, as well as costs to re-introduce students into the modified lab format
  - No quantification available currently as we are awaiting further guidance from ED

COVID 19 Aid, Relief, and Economic Security (CARES) Act

Tax Provisions and Impacts

NOL Utilization Rules Impact to UTI

- For the 12 months ended September 30, 2020, we have recorded an income tax receivable of $11.3M related to NOLs
    - $4.2M related to 2018 fiscal year losses that were carried back to 2017
    - $7.1M related to 2019 fiscal year losses that will be carried back to 2015 and 2014
    - Applications for $7.0M in tax refunds have been filed and received
    - Applications for the remaining $4.3M in tax refunds will be submitted over the next several months

Payroll Tax Deferral Impact to UTI

- The provision allows employers to defer payment of the employer share of the Social Security tax. The provision requires that the deferred employment tax be paid over the following two years, with half of the of the amount required to be paid by December 31, 2021 and the other half by December 31, 2022.
- UTI is utilizing this provision which increases our cash by $1.5-$2.0M per quarter from Q3 FY20 through Q1 FY21.

Employee Retention Credit (ERC) Impact to UTI

- The ERC is a fully refundable tax credit for employers equal to 50 percent of qualified wages (including allocable qualified health plan expenses) that eligible employers pay their employees. The ERC applies to qualified wages paid after March 12, 2020 and before January 1, 2021.
- Primarily recognizing credits for benefit costs associated with furloughed employees and other qualifying wages
    - 309K benefit recorded in Q3 FY20 and 19k benefit recorded in Q4 FY20

UTI Department of Education Regulatory Metrics

The Department of Education uses the following three regulatory metrics when assessing for-profit school performance:

90/10: Regulation that governs for-profit higher education capping the percentage of revenue that a school can receive from federal financial aid sources at 90% -- funds supporting the education of troops and veterans are not subject to this cap. However, even if veteran funding was included UTI would still be in compliance with this regulation

Cohort Default Rate (CDR): The percentage of a school's borrowers who enter repayment on loans during a particular federal fiscal year, and default or meet other specified conditions prior to the end of the second following fiscal year. If an institution's CDR equals or exceeds 30% for three consecutive years or equals or exceeds 40% for one year, the institution will no longer be eligible to participate in the Direct Loan and Pell Grant Programs for the remainder of the year and the following two fiscal years.

Composite Score: A Department of Education (DoE) calculated score based on a three-factor financial responsibility ratio (out of a possible score of 3.0). An institution that does not meet the DoE's minimum composite score of 1.5 can continue participating in the federal financial aid programs if it agrees to satisfy certain alternative standards, which may include the posting of a letter of credit in favor of the DoE.

		FY 2020				FY 2019			
Metric	Regulatory Requirement	UTI Overall	Avondale OPEID[1]	Houston OPEID[2]	MMI OPEID[3]	UTI Overall	Avondale OPEID[1]	Houston OPEID[2]	MMI OPEID[3]
90/10[4]	< 90%	66.4%	65.6%	68.4%	65.1%	71.2%	72.3%	71.4%	69.1%
CDR[5]	< 40%	14.5%	13.8%	14.0%	16.1%	14.8%	14.8%	14.4%	15.1%
Composite Score	> 1.5	2.3	NA	NA	NA	1.8	NA	NA	NA

(1) Avondale, Lisle, Rancho Cucamonga, NTI, Norwood & Long Beach campuses
(2) Houston, Exton, Dallas, & Bloomfield campuses
(3) MMI Phoenix, MMI Orlando, UTI Orlando, & Sacramento campuses
(4) FY 2020 Data. To see additional historical details see Slides 39-40
(5) 2016 Cohort reported in FY 19; 2017 Cohort reported in FY 20

Summary of UTI Annual Report Data Submitted to the Accrediting Commission of Career Schools and Colleges (ACCSC)

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	Total Students Avail. For Grad.	Total Grads	Completion Percentage	Students Available for Employment	Total Employed	Employment Percentage
Avondale, AZ	1,810	1,380	76.2%	1,169	1,013	86.7%
Rancho Cucamonga, CA	1,163	781	67.2%	739	621	84.0%
Houston, TX	1,120	709	63.3%	648	561	86.6%
Dallas, TX	1,024	797	77.8%	749	658	87.9%
Mooresville, NC	968	654	67.6%	628	539	85.8%
Exton, PA	744	527	70.8%	486	419	86.2%
Lisle, IL	743	510	68.6%	488	431	88.3%
Sacramento, CA	687	482	70.2%	458	374	81.7%
MMI Phoenix, AZ	593	454	76.6%	371	277	74.7%
MMI Orlando, FL	504	354	70.2%	336	273	81.3%
Long Beach, CA	227	172	75.8%	162	123	75.9%
UTI Orlando, FL	191	134	70.2%	125	104	83.2%
Bloomfield, NJ	164	120	73.2%	119	94	79.0%
UTI Total	**9,938**	**7,074**	**71.2%**	**6,478**	**5,487**	**84.7%**

	Total Students Avail. For Grad.	Total Grads	Completion Percentage	Students Available for Employment	Total Employed	Employment Percentage
Auto/Diesel	8,056	5,671	70.4%	5,213	4,534	87.0%
Motorcycle	813	602	74.0%	509	387	76.0%
Welding	383	305	79.6%	285	198	69.5%
Marine	284	206	72.5%	198	163	82.3%
Collision	274	190	69.3%	183	139	76.0%
CNC Machining Technology	128	100	78.1%	90	66	73.3%
UTI Total	**9,938**	**7,074**	**71.2%**	**6,478**	**5,487**	**84.7%**

This data represents completion and employment rates for programs offered as of October 15, 2020, and is used by the accreditor to determine program performance based on established student achievement benchmarks

Data as of July 1, 2020 and reported to the accreditor Oct 15, 2020
The reporting periods range from Jan 2017 – March 2019. Reporting periods are dependent on the length of the program, and the may be different for each scheduled variation of the programs.
These are based on 150% of the program length once a student starts, and in addition three months time to find employment.

Department of Education Regulatory Metrics

Federal Funding by Classification ($ in millions)

FY 2020 (10/1/19 – 9/30/20)		Avondale OPEID[1]	Houston OPEID[2]	MMI OPEID[3]	Consolidated		Avondale OPEID[1]	Houston OPEID[2]	MMI OPEID[3]	Consolidated
Amounts	Title IV	73.2	60.6	45.1	178.8	Proportions	82.1%	85.5%	80.1%	82.7%
	VA	15.9	10.3	11.2	37.3		17.9%	14.5%	19.9%	17.3%
	Total Funding	**$ 89.1**	**$ 70.8**	**$ 56.3**	**$ 216.2**		**100.0%**	**100.0%**	**100.0%**	**100.0%**

FY 2019 (10/1/18 – 9/30/19)		Avondale OPEID[1]	Houston OPEID[2]	MMI OPEID[3]	Consolidated		Avondale OPEID[1]	Houston OPEID[2]	MMI OPEID[3]	Consolidated
Amounts	Title IV	104.4	64.2	56.2	224.9	Proportions	88.1%	89.3%	84.0%	87.4%
	VA	14.1	7.7	10.7	32.5		11.9%	10.7%	16.0%	12.6%
	Total Funding	**$ 118.5**	**$ 71.9**	**$ 66.9**	**$ 257.4**		**100.0%**	**100.0%**	**100.0%**	**100.0%**

FY 2018 (10/1/17 – 9/30/18)		Avondale OPEID[1]	Houston OPEID[2]	MMI OPEID[3]	Consolidated		Avondale OPEID[1]	Houston OPEID[2]	MMI OPEID[3]	Consolidated
Amounts	Title IV	95.5	54.2	55.3	205.0	Proportions	86.8%	88.4%	84.2%	86.5%
	VA	14.5	7.1	10.4	32.0		13.2%	11.6%	15.8%	13.5%
	Total Funding	**$ 110.0**	**$ 61.4**	**$ 65.7**	**$ 237.0**		**100.0%**	**100.0%**	**100.0%**	**100.0%**

90/10: Regulation that governs for-profit higher education capping the percentage of revenue that a school can receive from federal financial aid sources at 90% -- funds supporting the education of troops and veterans are not subject to this cap. However, even if veteran funding was included UTI would still be in compliance with this regulation

(1) Avondale, Lisle, Rancho Cucamonga, NTI, Norwood & Long Beach campuses
(2) Houston, Exton, Dallas, & Bloomfield campuses
(3) MMI Phoenix, MMI Orlando, UTI Orlando, & Sacramento campuses

Non-GAAP Information

Use of Non-GAAP Financial Information

This presentation contains non-GAAP (Generally Accepted Accounting Principles) financial measures, which are intended to supplement, but not substitute for, the most directly comparable GAAP measures. Management chooses to disclose to investors these non-GAAP financial measures because they provide an additional analytical tool to clarify the results from operations and help to identify underlying trends. Additionally, such measures help compare the company's performance on a consistent basis across time periods. Management defines EBITDA as net income (loss) before interest expense, interest income, income taxes, depreciation, amortization. Management defines adjusted EBITDA as net income (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. Management defines adjusted operating income (loss) as income (loss) from operations, adjusted for items that affect trends in underlying performance from year to year and are not considered normal recurring cash operating expenses. Management defines adjusted free cash flow as net cash provided by (used in) operating activities less capital expenditures, adjusted for items not considered as part of the company's normal recurring operations. Management chooses to disclose any campus adjustments as direct costs (net of any corporate allocations). Management utilizes adjusted figures as performance measures internally for operating decisions, strategic planning, annual budgeting and forecasting. For the periods presented, this includes consulting fees incurred as part of the company's transformation initiative, severance costs related to our CEO transition, start up costs related to the Bloomfield, NJ campus, and the teachout and closure of the Norwood, MA campus.. To obtain a complete understanding of the company's performance, these measures should be examined in connection with net income (loss), operating income (loss) and net cash provided by (used in) operating activities, determined in accordance with GAAP, as presented in the financial statements and notes thereto included in the annual and quarterly filings with the Securities and Exchange Commission. Since the items excluded from these measures are significant components in understanding and assessing financial performance under GAAP, these measures should not be considered to be an alternative to net income (loss), operating income (loss) or net cash provided by (used in) operating activities as a measure of the company's operating performance or liquidity. Exclusion of items in the non-GAAP presentation should not be construed as an inference that these items are unusual, infrequent or non-recurring. Other companies, including other companies in the education industry, may calculate non-GAAP financial measures differently than UTI does, limiting their usefulness as a comparative measure across companies. A reconciliation of the historical non-GAAP financial measures to the most directly comparable GAAP measures is included in the following slides.

Information reconciling forward-looking adjusted EBITDA, adjusted operating income and adjusted free cash flow to the most directly comparable GAAP financial measure is unavailable to the company without unreasonable effort. The company is not able to provide a quantitative reconciliation of adjusted EBITDA, adjusted operating income or adjusted free cash flow to the most directly comparable GAAP financial measure because certain items required for such reconciliation are uncertain, outside of the company's control and/or cannot be reasonably predicted, including but not limited to the provision for (benefit from) income taxes. Preparation of such reconciliation would require a forward-looking statement of income and statement of cash flows prepared in accordance with GAAP, and such forward-looking financial statements are unavailable to the company without unreasonable effort.

Adjusted Operating Income (Loss) Trend

($ in thousands)

	12 Mos. 9/30/20	3 Mos. 9/30/20	3 Mos. 6/30/20	3 Mos. 3/31/20	3 Mos. 12/31/19	12 Mos. 9/30/19	3 Mos. 9/30/19	3 Mos. 6/30/19	3 Mos. 3/31/19	3 Mos. 12/31/18
Income (loss) from operations, as reported	$(3,871)	$6,153	$(13,779)	$(499)	$4,254	$(7,802)	$5,438	$(455)	$(5,580)	($7,205)
Non-recurring consulting fees for transformation initiative(1)	–	–	–	–	–	4,224	–	–	–	4,224
Severance expense due to CEO transition (2)	1,531	–	–	–	1,531	–	–	–	–	–
Start-up costs associated with Bloomfield, NJ campus opening(3)	–	–	–	–	–	–	–	–	–	–
Net restructuring charge for Norwood, MA campus exit(4)	–	–	–	–	–	1,433	48	136	1,250	–
Norwood, MA campus operating loss(4)	3,272	103	1,430	983	756	419	266	27	81	45
Adjusted income (loss) from operations, non-GAAP	**$ 932**	**$ 6,256**	**$ (12,349)**	**$ 484**	**$ 6,541**	**$ (1,726)**	**$ 5,752**	**$ (292)**	**$ (4,249)**	**$ (2,936)**

(1) *In October 2018, we terminated our agreement with the consultant and paid a termination fee of $3.95 million related to our transformation plan. The consulting services covered marketing, admissions, future student processing, retention and cost savings initiatives.*

(2) *On October 21, 2019, we announced the retirement of our President and Chief Executive Officer, Kimberly J. McWaters, effective October 31, 2019. During the three months ended December 31, 2019 we incurred a total charge of $1.5 million, in accordance with Ms. McWaters' Retirement Agreement and Release of Claims, dated October 31, 2019.*

(3) *The Bloomfield, NJ campus opened in August 2018. The results for the quarter and the year ended 9/30/18 reflect preopening costs through the end of July 2018.*

(4) *Norwood, MA teach-out was completed July 31, 2020*

EBITDA Reconciliation Trend
($ in thousands)

	12 Mos. 9/30/20	3 Mos. 9/30/20	3 Mos. 6/30/20	3 Mos. 3/31/20	3 Mos. 12/31/19	12 Mos. 9/30/19	3 Mos. 9/30/19	3 Mos. 6/30/19	3 Mos. 3/31/19	3 Mos. 12/31/18
Net income (loss), as reported	$ 8,008	$ 6,450	$ (13,268)	$ 10,142	$4,684	$(7,868)	$5,477	$(365)	$(5,263)	$(7,717)
Interest expense, net	(1,142)	(246)	(216)	(344)	(336)	1,729	458	444	416	411
Income tax expense (benefit)	(10,602)	97	21	(10,804)	84	203	(50)	31	89	133
Depreciation and amortization	13,150	3,319	3,259	3,230	3,342	17,291	4,268	4,326	4,439	4,258
EBITDA	**$ 9,414**	**$ 9,620**	**$ (10,204)**	**$ 2,224**	**$ 7,774**	**$ 11,355**	**$ 10,153**	**$ 4,436**	**$ (319)**	**$ (2,915)**

Adjusted EBITDA Reconciliation Trend

($ in thousands)

	12 Mos. 9/30/20	3 Mos. 9/30/20	3 Mos. 6/30/20	3 Mos. 3/31/20	3 Mos. 12/31/19	12 Mos. 9/30/19	3 Mos. 9/30/19	3 Mos. 6/30/19	3 Mos. 3/31/19	3 Mos. 12/31/18
EBITDA	$ 9,414	$ 9,620	$ (10,204)	$ 2,224	$ 7,774	$ 11,355	$ 10,153	$ 4,436	$ (319)	$ (2,915)
Non-recurring consulting fees for transformation initiative(1)	–	–	–	–	–	4,224	–	–	–	4,224
Severance Expense on Executives transition(2)	1,531	–	–	–	1,531	–	–	–	–	–
Start-up costs associated with Bloomfield, NJ campus opening(3)	–	–	–	–	–	–	–	–	–	–
Net restructuring charge for Norwood, MA campus exit(4)	–	–	–	–	–	1,433	48	136	1,250	–
Norwood, MA Campus EBITDA(4)	3,005	66	1,356	906	756	(51)	154	(83)	(112)	(9)
Adjusted EBITDA, non-GAAP	**$ 13,950**	**$ 9,686**	**$ (8,848)**	**$ 3,130**	**$ 10,061**	**$ 16,961**	**$ 10,355**	**$ 4,489**	**$ 819**	**$ 1,300**

(1) In October 2018, we terminated our agreement with the consultant and paid a termination fee of $3.95 million related to our transformation plan. The consulting services covered marketing, admissions, future student processing, retention and cost savings initiatives. We determined that the Company has developed sufficient expertise to execute transformation plan efforts internally.

(2) On October 21, 2019, we announced the retirement of our President and Chief Executive Officer, Kimberly J. McWaters, effective October 31, 2019. During the three months ended December 31, 2019 we incurred a total charge of $1.5 million, in accordance with Ms. McWaters' Retirement Agreement and Release of Claims, dated October 31, 2019.

(3) The Bloomfield, NJ campus opened in August 2018. The results for the quarter and the year ended 9/30/18 reflect preopening costs through the end of July 2018.

(4) Norwood, MA teach-out was completed July 31, 2020.

Adjusted Free Cash Flow Trend

	12 Mos. 9/30/20	3 Mos. 9/30/20	12 Mos. 9/30/19	3 Mos. 9/30/19	12 Mos. 9/30/18	3 Mos. 9/30/18
Cash flow provided by (used in) operating activities, as reported	$ 11,032	$ 21,149	$ 21,746	$ 28,870	$ (13,353)	$ 9,103
Purchase of property and equipment	(9,262)	(2,072)	(6,453)	(1,152)	(20,606)	(3,518)
Severance payment due to CEO transition(1)	1,218	140	–	–	–	–
Non-recurring consulting fees for transformation initiative(2)	–	–	3,950	–	6,050	1,744
Cash outflow/(inflow) associated with Bloomfield, NJ campus opening(3)	–	–	–	–	14,761	2,753
Cash outflow associated with Norwood, MA restructuring(4)	–	–	1,362	54	–	–
Free cash flow used in (provided by) Norwood, MA campus operations(4)	1,302	1,271	104	151	(149)	183
Adjusted free cash flow, non-GAAP	**$ 4,290**	**$ 20,488**	**$ 20,709**	**$ (27,932)**	**$ (13,297)**	**$ 10,265**

(1) *On October 21, 2019, we announced the retirement of our President and Chief Executive Officer, Kimberly J. McWaters, effective October 31, 2019. During the three and twelve months ended September 31, 2020, we paid cash of $0.1 million and $1.2 million, respectively, in accordance with Ms. McWaters' Retirement Agreement and Release of Claims, dated October 31, 2019*

(2) *In October 2018, we terminated our agreement with the consultant and paid a termination fee of $3.95 million related to our transformation plan. The consulting services covered marketing, admissions, future student processing, retention and cost savings initiatives. We determined that the Company has developed sufficient expertise to execute transformation plan efforts internally*

(3) *The Bloomfield, NJ campus opened in August 2018. The results for the quarter and the year ended 9/30/18 reflect preopening costs through the end of July 2018.*

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