



**UNIVERSAL
TECHNICAL
INSTITUTE**

FY19 Company Presentation

December 2019

Safe Harbor Statement

This presentation may contain forward-looking statements regarding events or future financial performance. These statements are only predictions and the actual events or results may differ materially. For important factors that could cause actual results to differ materially from those contained in our forward-looking statements, please refer to the Company's filings with the Securities and Exchange Commission.



Providing State-of-the-Industry Technology and Training



Leading Provider of Skilled Transportation Technicians

54

YEARS

11K+

STUDENTS

35+

MANUFACTURER
BRAND PARTNERS

220K+

GRADUATES SINCE 1965

4,600+

TUITION REIMBURSEMENT
PROGRAM EMPLOYERS

86%

EMPLOYMENT RATE¹

\$331.5M

FY19 REVENUE²

\$65.4M

CASH AND EQUIVALENTS²




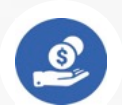

NYSE: UTI



¹For 2018, UTI had 8,117 total graduates. 7,709 were available for employment and 6,664 were employed within one year of their graduation date, for a total UTI employment rate of 86%. See UTI's 10-K for additional information. ²September 30, 2019 4

UTI Investment Rationale

New management team ready for innovation

-  Attractive student value proposition borne of competitive advantages
-  Evolved strategy fueling revenue and student population growth
-  Optimized for any macro economic cycle with counter cyclical upside
-  Improved operations and strong balance sheet strengthen position
-  Multiple investment opportunities to continue to drive growth

Demand for UTI Graduates Far Exceeds Supply

1.2
MILLION+

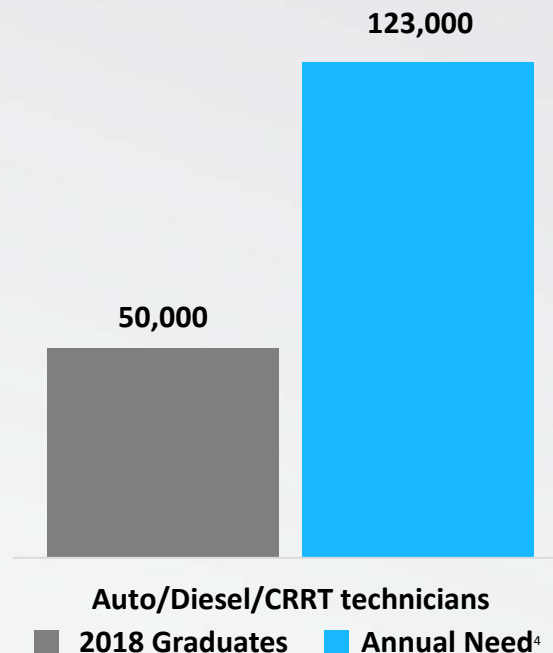
TECHNICIAN JOB
OPENINGS BY 2026³

260
MILLION+

VEHICLES IN THE
UNITED STATES²

1.3
BILLION+

VEHICLES ON THE
ROAD WORLDWIDE¹



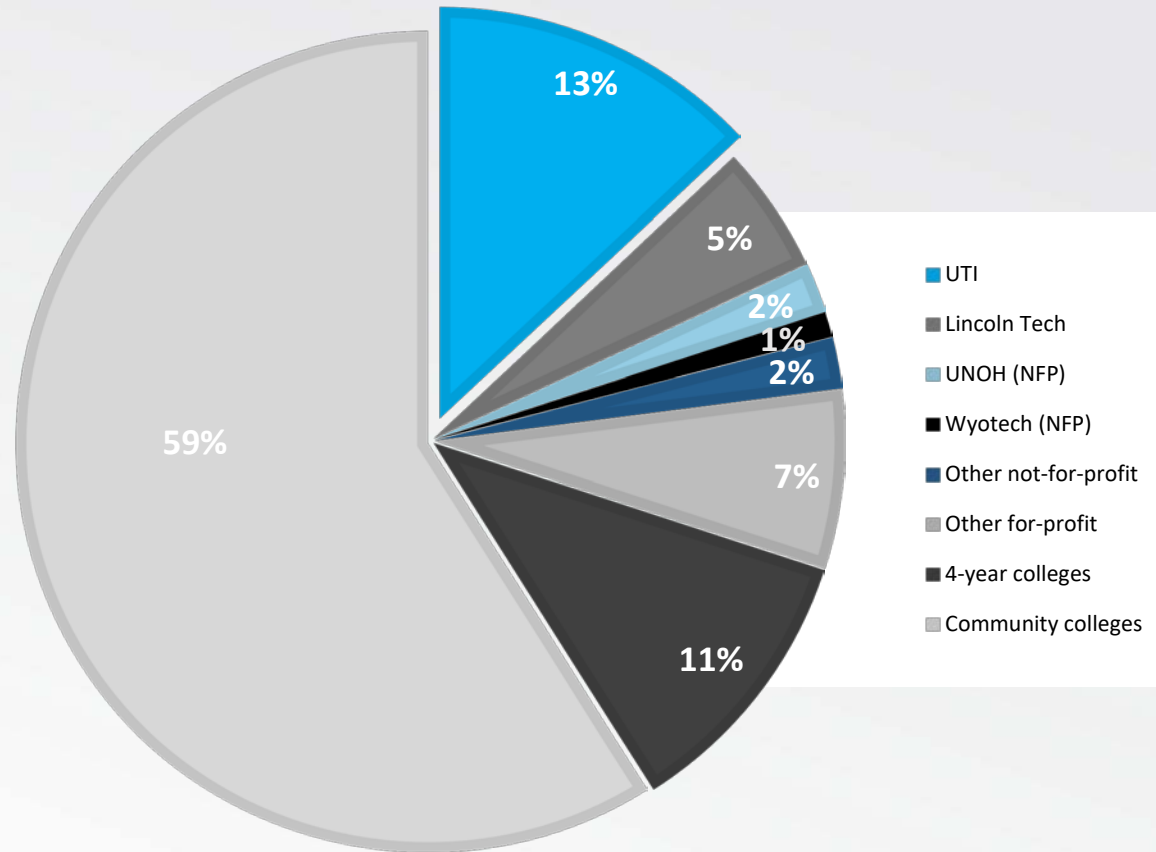
¹Source: <https://subscribers.wardsintelligence.com/analysis/world-vehicle-population-rose-46-2016>, ²Federal Highway Administration, Office of Highway Policy Information, Highway Statistics 2016, number of state motor vehicle registrations, <https://www.fhwa.dot.gov/policyinformation/statistics/2016/mv1.cfm>. ³Based on data compiled from the U.S. Bureau of Labor Statistics, Employment Projections (2016-2026), www.bls.gov ⁴U.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. 6



More Market Share than Three Closest Competitors

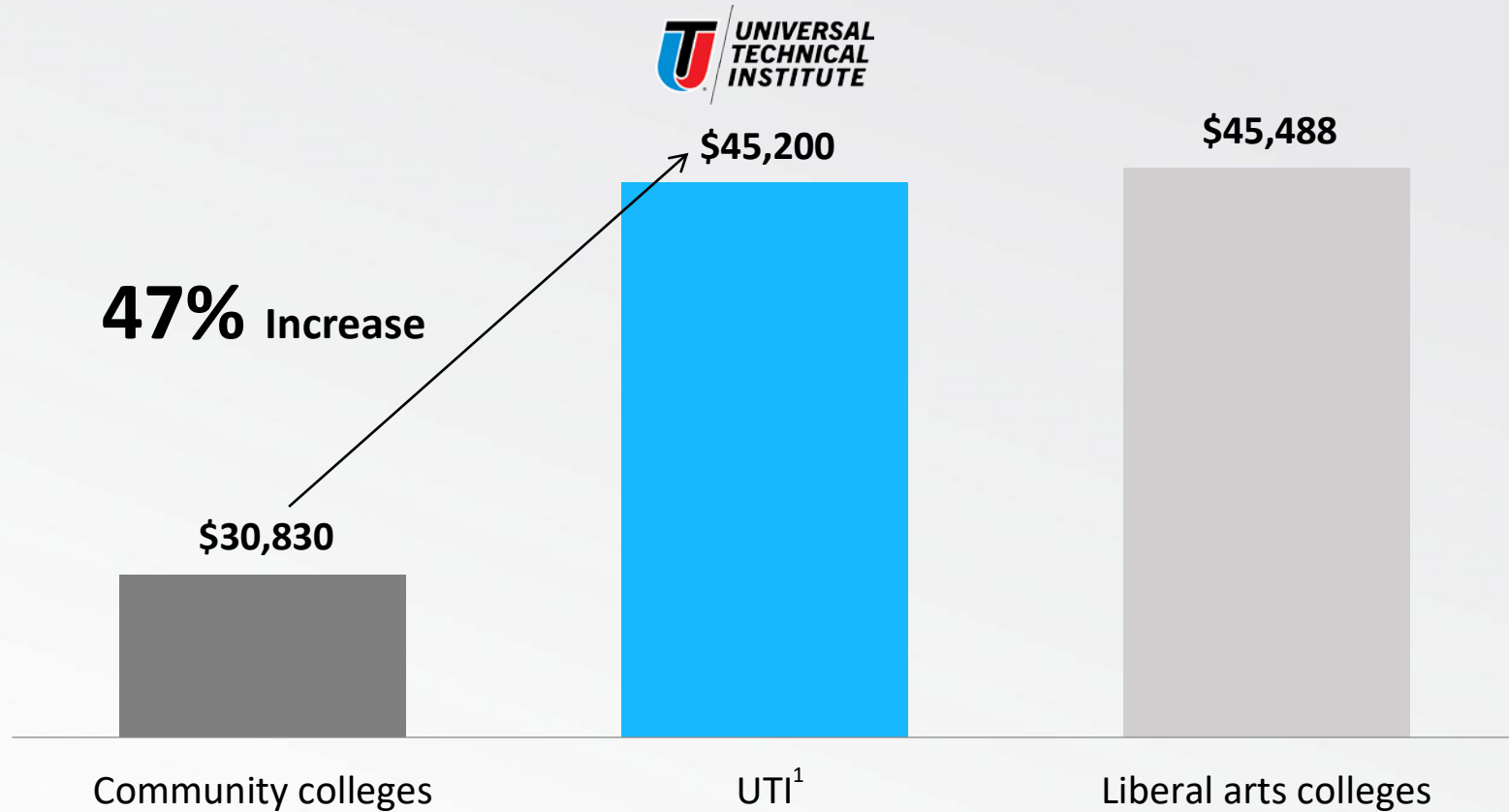


graduates more
Auto/Diesel techs
than any other
school in the country.



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.

Delivering Higher 10-year Median Earnings



Source: The College Scorecard. See Appendix for details and calculation methodology. UTI cannot guarantee employment or salary. ¹UTI of Arizona OPEID.

Impressive Training Facilities Nationwide



State-of-the-industry Equipped Labs Attract Students

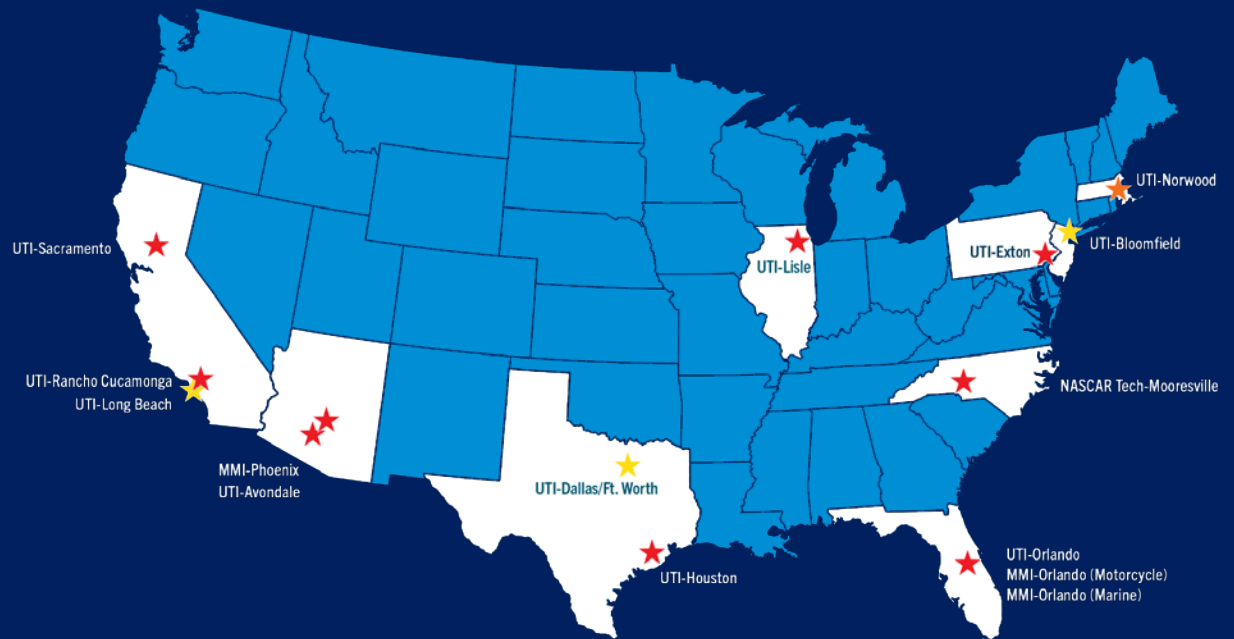


Well Positioned National Campus Network

Existing capacity to increase students and opportunity to add campuses

NATIONAL FOOTPRINT

- 13 campuses
- 9 states
- 2.2M SF
- Located in high demand job markets
- Easy access to major population



★ Metro-Commuter campus format ★ In teach-out; estimated closure Fall before the end of fiscal 2020



Industry Partnerships that Deliver Value

86% graduate industry employment rate¹

PARTNERS

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

STUDENTS

- Pipeline to jobs
- Better jobs and higher starting wages²
- Tuition support
- Certifications and credentials

UTI

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



5,100+

Graduates since
1995



25,800+

Graduates since
2000



500+

Graduates since
2013



18,300+

Graduates since
1987



3,600+

Graduates since
2006

¹For 2018, UTI had 8,117 total graduates. 7,709 were available for employment and 6,664 were employed within one year of their graduation date, for a total UTI employment rate of 86%. See UTI's 10-K for additional information. ²Based on comparison with graduates from core programs between October 1, 2015, and July 6, 2018. 12

Strategic Initiatives Deliver Significant Achievements

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

Additional Metro Campus

- Opened Bloomfield, NJ in 2018

Optimized Footprint

- Rationalized legacy campuses
- Teach-out Norwood

Launched Welding Programs

- Added to three campuses
- Launching a fourth in fiscal 2020
- Consider additional locations

Improved Results

Student Starts and Population:

- First average student growth in FY19 since FY10
- New student starts¹ in FY19:
 - Up 5 consecutive qtrs through FYQ42019
 - 11.5% growth YOY
 - 4.5% of starts from welding
 - 31% growth from Bloomfield campus
 - Highest total starts in since FY15

Operating Efficiencies:

- ~450k SF reduction (including Norwood)
- \$4.5M projected annual cost reduction (excluding 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

Evolving Strategy to Better Reach and Engage Students

HIGH SCHOOL GRADS

VETERANS

ADULT LEARNERS



52%¹

9%¹

39%¹

UP 15.6% IN FY19

UP 7.7% IN FY19

UP 7.4% IN FY19

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

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

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

(1) The percentage of students who started in FY19 by channel.

Metro Campus Model Delivering Results

Adapting to changing student expectations

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

57%

of incoming first year students now
enroll within 100 miles of home

New, Differentiated Programs Driving Student Starts

WELDING



- High demand for technicians
- 36-week program in Rancho Cucamonga, CA, Avondale, AZ, and Dallas, TX
- Launching welding in Houston, TX

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

Optimizing Destination Campuses for Efficiency

1 Enhance utilization of existing space with new programs

2 Optimize real estate

- Lease expirations
- Sublease
- Other reductions

	Completed	In Process	Evaluation
BLOOMFIELD, NJ*			
LONG BEACH, CA*			Programs
DALLAS, TX*	Welding FY19		
RANCHO CUCAMONGA, CA	Welding FY17, Optimize SF FY18		
MOORESVILLE, NC	CNC FY17		Optimize SF
LISLE, IL	Optimize SF FY17-18		Programs
SACRAMENTO, CA	Optimize SF FY18		Programs, Optimize SF
AVONDALE, AZ	Welding FY18		Optimize SF
PHOENIX, AZ	Optimize SF FY17		Optimize SF
HOUSTON, TX	Optimize SF FY18	Welding FY20	Programs
EXTON, PA ¹		Optimize SF FY20	
ORLANDO, FL			Programs, Optimize SF
NORWOOD, MA ²		Teach-out FY20	

*Metro Campus

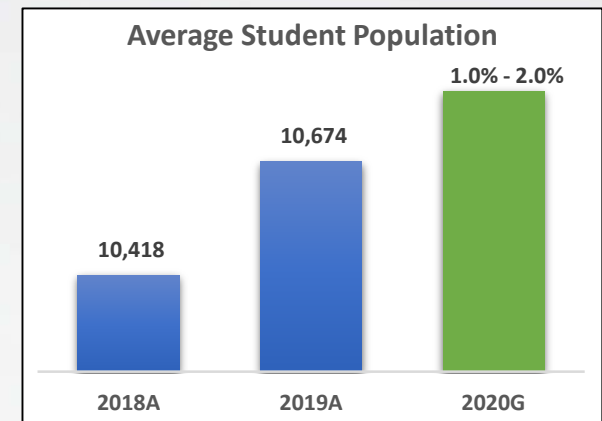
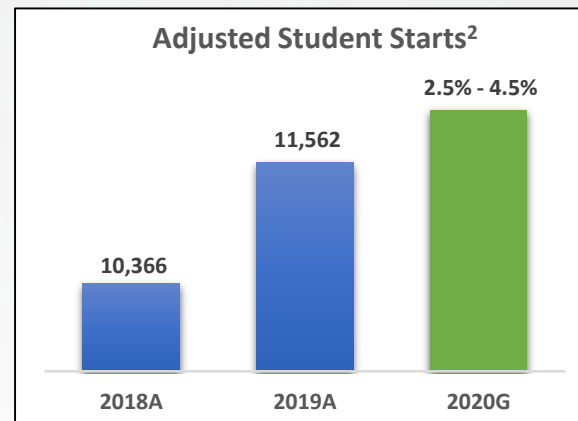
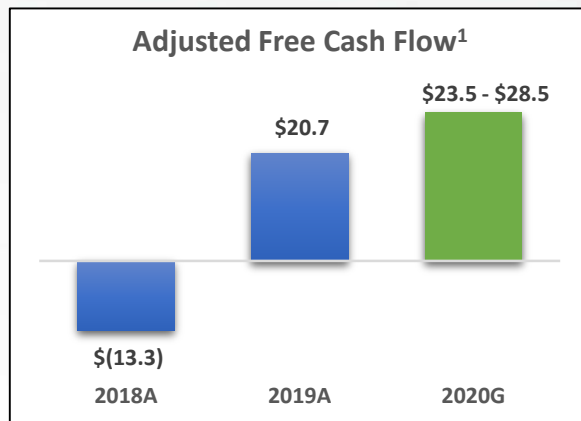
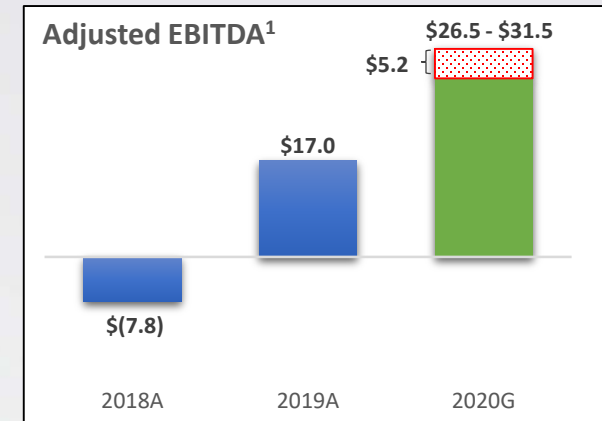
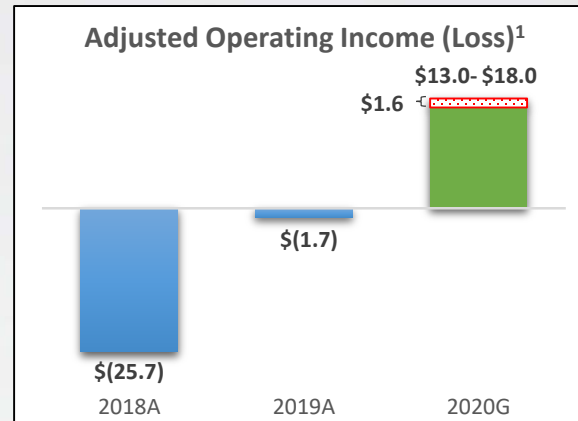
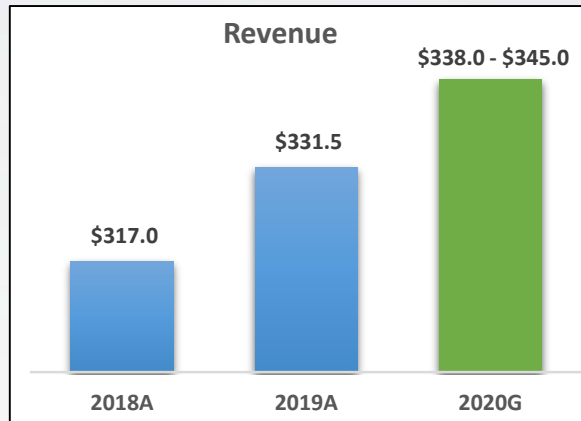
¹ Exton, PA campus new lease signed 8/2019 to reduce approximately 71,000 SF to ~129,000 SF; \$1M cost savings in 2020, \$1.8M 2021+

² The teach-out of the Norwood, MA campus expects to be complete by the end of FY 2020.

Transformation Yielding Strong Improvements

(\$ in millions, except for student data)

Actual Guidance ASC 842 Impact



¹ For detail of the non-GAAP adjustments see the Appendix. ² Excludes Norwood, MA starts of 339 in 2018 and 90 starts in 2019. There will be no starts in Norwood, MA in 2020.

FYQ4 2019 Performance Reflects Financial Turn in Business

(\$ in millions, except for student data and EPS)	3 Months Ended							
	Q4'19	Q3'19	Q2'19	Q1'19	Q4'18	Q3'18	Q2'18	Q1'18
Adjusted new student starts ¹	6,437	1,682	1,963	1,480	5,829	1,503	1,768	1,266
Y/Y growth/(decline)	10.4%	11.9%	11.0%	16.9%	9.0%	(13.0)%	(2.2)%	(5.6)%
Average enrollment	10,933	9,884	10,576	11,225	10,496	9,484	10,394	11,261
Y/Y growth/(decline)	4.2%	4.2%	1.8%	(0.3)%	(2.1)%	(5.1)%	(4.4)%	(6.0)%
Revenues	\$87.7	\$79.0	\$81.7	\$83.1	\$80.3	\$74.9	\$80.7	\$81.2
Y/Y growth/(decline)	9.2%	5.5%	1.3%	2.3%	(1.2)%	(1.8)%	(2.2)%	(3.6)%
Income (loss) from operations	\$5.4	\$(0.5)	\$(5.6)	\$(7.2)	\$(11.1)	\$(11.8)	\$(8.8)	\$(3.6)
Margin	16.2%	(0.6)%	(6.9)%	(8.7)%	(13.8)%	(15.7)%	(10.9)%	(4.5)%
Revenue per student	\$8,000	\$8,000	\$7,700	\$7,400	\$7,600	\$7,900	\$7,800	\$7,200
EBITDA ²	\$10.2	\$4.4	\$(0.3)	\$(2.9)	\$(6.4)	\$(7.2)	\$(4.0)	\$0.8
Diluted EPS	\$0.09	\$(0.07)	\$(0.26)	\$(0.36)	\$(0.49)	\$(0.52)	\$(0.40)	\$(0.10)
Cash & cash equivalents	\$65.4	\$42.7	\$52.9	\$58.6	\$58.1	\$56.0	\$82.2	\$86.5

¹ New student starts exclude Norwood, MA

² A reconciling table for EBITDA is available in the Appendix of this presentation. 19

FY 2020 Guidance



	FY19 Actuals	FY 2020 Guidance
Student start growth (excluding Norwood, MA)	11.5%	Up 2.5% – 4.5%
Average population growth	2.5%	Up 1.0% – 2.0%
Revenue⁽¹⁾	\$331.5M	\$338.0M – \$345.0M
Operating expense	\$339.3M	\$330.0M – \$335.0M
Operating income (loss)	\$(7.8)M	\$8.0M – \$13.0M
Adjusted operating income (loss)⁽²⁾	\$(1.7)M	\$13.0M – \$18.0M
Adjusted EBITDA⁽²⁾	\$17.0M	\$26.5M – \$31.5M
Operating cash flow	\$21.7M	\$28.0M – \$33.0M
Adjusted free cash flow⁽²⁾	\$20.7M	\$23.5M – \$28.5M
Capital expenditures	\$6.5M	\$8.0M – \$9.5M

¹ Revenue guidance equates to 2% to 4% year over year growth, which includes a 1% to 1.5% net negative impact from the Norwood campus exit.

² For detail of the non-GAAP adjustments see the Appendix. 20



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APPENDIX

Seasoned Management Team with New Leadership

Jerome Grant, CEO



Business transformation, growth strategy, product development, business development

Troy Anderson, EVP & CFO



Financial strategy, FP&A, accounting, treasury, tax and compliance

Sherrell Smith, EVP Campus Operations & Services



Campus operations including education and admissions

Piper Jameson, EVP & CMO



Education industry, marketing, admissions and accounting

Eric Severson, SVP Admissions



Sales force leadership, strategy and admissions

Highly Qualified Board of Directors



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



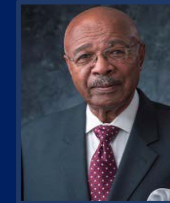
Jerome Grant
 Chief Executive Officer,
 Universal Technical
 Institute



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



Roger S. Penske
 Chairman, Penske
 Automotive Group,
 Inc.



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.

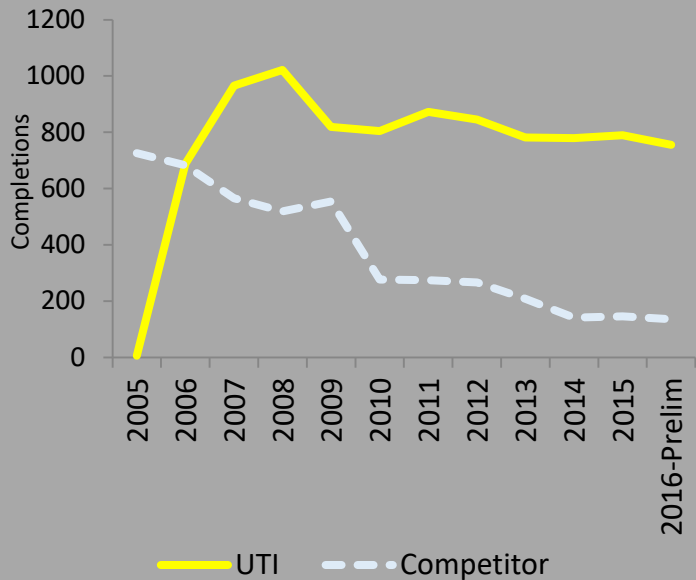


John C. White
 Former Chairman, Universal
 Technical Institute, Inc.;
 Founder, Motorcycle
 Mechanics Institute

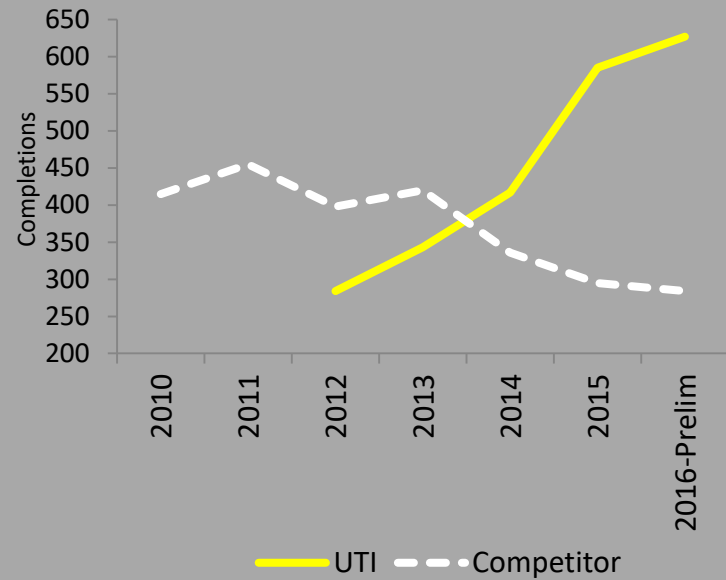


Long History of Entering and Executing in New Markets

PHILADELPHIA, PA MARKET ENTRY^(a)



DALLAS/FORT WORTH, TX MARKET ENTRY^(b)



(a) Total completions for UTI-Exton, PA versus Lincoln-Philadelphia, PA. Includes all certificates below the baccalaureate level and associate's degrees for automotive and diesel programs. Source is IPEDS.

(b) Total completions for UTI-Dallas, TX versus Lincoln-Grand Prairie, TX. Includes all certificates below the baccalaureate level and associate's degrees for automotive, collision and diesel programs. Source is IPEDS. UTI's Dallas, TX campus opened in 2010.

Metro Campuses Deliver Positive Financial Results

Pro-forma cash flows (\$m) ^(a)	Long Beach, CA					Bloomfield, NJ				
	Y1 FY15A	Y2 FY16A	Y3 FY17A	Y4 FY18A	Y5 FY19A	Y1 FY18A	Y2 FY19A	Y3 FY20P	Y4 FY21P	Y5 FY22P
Revenue	\$0.7	\$12.2	\$18.3	\$20.9	\$22.4	\$0.6	\$10.9	\$17.7	\$19.2	\$19.7
EBITDA contribution ^(b)	(3.6)	2.9	9.0	11.7	13.3	(4.9)	3.7	9.7	10.4	10.6
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)	(0.2)	(0.2)
Pre-tax cash flow	\$(19.6)	\$1.3	\$7.2	\$10.4	\$12.0	\$(14.1)	\$3.4	\$9.7	\$10.2	\$10.4
Perpetuity IRR	35%+					35%+				

- ~\$16m capital investment and ~\$4m EBITDA loss in year 1 ^(c)
- 142k sq. ft. facility; rent ~\$15/ft.
- 800+ students as of 9/30/19

- ~\$9.2m capital investment and ~\$5m of EBITDA loss in year 1 ^(c)
- 108k sq. ft. facility; rent ~\$14/ft.
- Average student count assumed to scale to ~650 by FY22
- 500+ students as of 9/30/19

(a) Representative cash flows from Long Beach, CA and Bloomfield, NJ campuses excluding allocated corporate and marketing costs and working capital considerations

(b) Excludes Rancho Cucamonga, CA and Exton, PA campus cannibalization impact and planned offsetting efforts to remediate impact

(c) The capital investment is net of tenant improvement allowances

Welding Financials – Avondale, AZ

Welding pro-forma cash flows (\$m) ^(a)	FY17A	FY18A	FY19A	FY20P	FY21P
Revenue	\$0.0	\$1.2	\$3.4	\$3.2	\$3.1
EBITDA contribution ^(b)	(0.1)	0.5	2.4	2.2	2.1
Capital expenditures ^(c)	(0.4)	(1.1)	(0.0)	0.0	0.0
Pre-tax cash flow	\$(0.5)	\$(0.6)	\$2.4	\$2.2	\$2.1
Perpetuity IRR	80%+				

- 1st program opened at Rancho Cucamonga, CA campus in FY17Q4; first class graduated FY18Q2
- 2nd program opened at Avondale, AZ campus in FY18Q2
- 3rd program opened at Dallas, TX in FY19Q2
- 4th program to open in Houston FY20.

(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

Statements of Income (Loss)

(\$ in thousands, except per share amounts)

	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	12 Mos. 9/30/18	3 Mos. 9/30/18	3 Mos. 6/30/18	3 Mos. 3/31/18	3 Mos. 12/31/17
Revenues	\$331,504	\$87,666	\$79,042	\$81,746	\$83,050	\$316,965	\$80,256	\$74,890	\$80,663	\$81,156
Operating expenses:										
Educational services	178,317	43,924	42,836	45,822	45,735	182,589	47,954	44,737	45,817	44,081
SG&A	<u>160,989</u>	<u>38,304</u>	<u>36,661</u>	<u>41,504</u>	<u>44,520</u>	<u>169,651</u>	<u>43,353</u>	<u>41,953</u>	<u>43,666</u>	<u>40,679</u>
Total operating expenses	<u>339,306</u>	<u>82,228</u>	<u>79,497</u>	<u>87,326</u>	<u>90,255</u>	<u>352,240</u>	<u>91,307</u>	<u>86,690</u>	<u>89,483</u>	<u>84,760</u>
Income (loss) from ops.	(7,802)	5,438	(455)	(5,580)	(7,205)	(35,275)	(11,051)	(11,800)	(8,820)	(3,604)
Total other income (expense), net	137	(11)	121	406	(379)	(422)	59	(71)	(50)	(360)
Income tax expense (benefit)	<u>203</u>	<u>(50)</u>	<u>31</u>	<u>89</u>	<u>133</u>	<u>(3,015)</u>	<u>9</u>	<u>(158)</u>	<u>(37)</u>	<u>(2,829)</u>
Net Income (loss)	<u>\$ (7,868)</u>	<u>\$ 5,477</u>	<u>\$ (365)</u>	<u>\$ (5,263)</u>	<u>\$ (7,717)</u>	<u>\$ (32,682)</u>	<u>\$ (11,001)</u>	<u>\$ (11,713)</u>	<u>\$ (8,833)</u>	<u>\$ (1,135)</u>
Preferred stock dividends	<u>5,250</u>	<u>1,323</u>	<u>1,309</u>	<u>1,295</u>	<u>1,323</u>	<u>5,250</u>	<u>1,323</u>	<u>1,309</u>	<u>1,295</u>	<u>1,323</u>
Income (loss) available for distribution	<u>\$ (13,118)</u>	<u>\$ 4,154</u>	<u>\$ (1,674)</u>	<u>\$ (6,558)</u>	<u>\$ (9,040)</u>	<u>\$ (37,932)</u>	<u>\$ (12,324)</u>	<u>\$ (13,022)</u>	<u>\$ (10,128)</u>	<u>\$ (2,458)</u>
Earnings (loss) per share, basic & diluted	<u>\$ (0.52)</u>	<u>\$ 0.09</u>	<u>\$ (0.07)</u>	<u>\$ (0.26)</u>	<u>\$ (0.36)</u>	<u>\$ (1.51)</u>	<u>\$ (0.49)</u>	<u>\$ (0.52)</u>	<u>\$ (0.40)</u>	<u>\$ (0.10)</u>
EBITDA⁽¹⁾	<u>\$11,355</u>	<u>\$10,153</u>	<u>\$4,436</u>	<u>\$ (319)</u>	<u>\$ (2,915)</u>	<u>\$ (16,738)</u>	<u>\$ (6,361)</u>	<u>\$ (7,205)</u>	<u>\$ (4,015)</u>	<u>\$843</u>

¹ A reconciling table for EBITDA is available in the Appendix of this presentation 27

Balance Sheet and Cash Flow Summary

(\$ in thousands)

At:	9/30/19	9/30/18
Cash & cash equivalents	\$ 65,442	\$ 58,104
Restricted cash*	15,113	14,055
Current assets	118,104	116,795
PP&E (net)	104,126	114,848
Total assets	\$ 270,526	\$ 282,278
Current liabilities	96,844	92,462
Total liabilities	156,238	155,633
Stockholders' equity	114,288	126,645
Total liabilities & equity	\$ 270,526	\$ 282,278

	9/30/19	9/30/18	9/30/17
Net cash provided by (used in) operating activities	\$21,746	\$(13,353)	\$1,146
Purchase of property and equipment	(6,453)	(20,606)	(8,190)
Net cash provided by (used in) investing activities	\$(6,152)	\$27,132	\$(54,429)
Net cash used in financing activities	\$(7,198)	\$(6,580)	\$(6,758)
Change in cash and restricted cash	\$8,396	\$7,199	\$(60,041)
Ending balance of cash and restricted cash	\$80,555	\$72,159	\$64,960

* Restricted cash includes the funds transferred in advance of loan purchases under UTI's proprietary loan program, funds held for students from Title IV financial aid program funds that result in credit balances on a student's account and funds held as collateral for certain of the surety bonds that UTI's insurers issue on behalf of UTI campuses and admissions representatives with multiple states, which are required to maintain authorization to conduct UTI's business.

- On June 24, 2016, UTI raised \$70 million through the sale of Series A Convertible Preferred Stock to Coliseum Holdings
- The proceeds are being used to fund strategic long-term growth initiatives:
 - Strategic transformation of marketing, admissions and student support strategies
 - Smaller campus strategy
 - New programs in existing markets with under-utilized campus facilities (Welding and CNC Machining)

Impact of the New Leasing Standard

- **UTI's 2020 Guidance includes the estimated impact of the new leasing accounting standard**
- UTI adopted the new standard effective 10/1/19
- Key impacts
 - UTI's 2020 assets and liabilities will increase.
 - The financing obligation and related assets will now be included in the lease assets and lease liabilities.
 - Interest expense on the financing obligation will now be reported as lease expense resulting in a change in operating income and EBITDA.

Summary of the Financial Statement Impact⁽¹⁾

Opening Balance Sheet Impact		
Net Increase in Assets	Net Increase in Liabilities	Net Increase in Equity
~\$112.4 – \$122.4M	~\$103.2 – \$113.2M	~\$9.1M
Impact to 2020 operating income and EBITDA		
Decrease in Adjusted Operating Income	Decrease in Adjusted EBITDA	
~\$1.6M	~\$5.2M	

(1) These amounts represent management's best estimates of the effects of adopting ASC 842 at the time of the preparation of this presentation.

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 adjusted EBITDA gain (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 operating income (loss), adjusted for items that affect trends in underlying performance from year to year and are not considered normal recurring cash operating expenses. Management defines free cash flow as net cash provided by (used in) operating activities less capital expenditures. 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 and startup costs related to the Bloomfield, NJ campus, and the teach out 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.

EBITDA Reconciliation

(\$ in thousands)

	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	3 Mos. 6/30/18	3 Mos. 3/31/18	3 Mos. 12/31/17
Net income (loss), as reported	\$ 5,477	\$ (365)	\$ (5,263)	\$ (7,717)	\$ (11,001)	\$ (11,713)	\$ (8,833)	\$ (1,135)
Interest expense, net	458	444	416	411	480	474	500	431
Income tax expense (benefit)	(50)	31	89	133	9	(158)	(37)	(2,829)
Dep. & Amort.	<u>4,268</u>	<u>4,326</u>	<u>4,439</u>	<u>4,258</u>	<u>4,151</u>	<u>4,192</u>	<u>4,355</u>	<u>4,376</u>
EBITDA	\$ 10,153	\$ 4,436	\$ (319)	\$ (2,915)	\$ (6,361)	\$ (7,205)	\$ (4,015)	\$ 843

Adjusted EBITDA Reconciliation

(\$ in thousands)

	3 Mos. 9/30/19	3 Mos. 9/30/18	12 Mos. 9/30/19	12 Mos. 9/30/18
EBITDA	\$ 10,153	\$ (6,361)	\$ 11,355	\$ (16,738)
Non-recurring consulting fees for transformation initiative(1)	--	1,641	4,224	5,776
Start-up costs associated with Bloomfield, NJ campus opening(2)	--	507	--	3,446
Net restructuring charge for Norwood, MA campus exit	48	--	1,433	--
Impact of Norwood, MA campus operations	<u>154</u>	<u>133</u>	<u>(51)</u>	<u>(270)</u>
Adjusted EBITDA, non-GAAP	\$ 10,355	\$ (4,080)	\$ 16,961	\$ (7,786)

(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. Total expense recognized during the twelve months ended September 30, 2019, related to the consultant were \$4.22 million. During the three and twelve months ended September 30, 2018, we also incurred \$1.6 million and \$4.1 million, respectively in fees to the same consultant as we began our transformation plan.

(2) 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.

Adjusted Free Cash Flow

(\$ in thousands)

	12 Mos. 9/30/19	12 Mos. 9/30/18
Cash flow provided by (used in) operating activities, as reported	\$ 21,746	\$ (13,353)
Purchase of property and equipment	(6,453)	(20,606)
Non-recurring consulting fees for transformation initiative ⁽¹⁾	3,950	6,050
Cash outflow associated with Bloomfield, NJ campus opening ⁽²⁾	--	14,761
Cash outflow associated with Norwood, MA restructuring	1,362	--
Free cash flow used in (provided by) Norwood, MA campus operations	<u>104</u>	<u>(149)</u>
Adjusted free cash flow, non-GAAP	\$ 20,709	\$ (13,297)

(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. Total expense recognized during the twelve months ended September 30, 2019, related to the consultant were \$4.22 million. During the three and twelve months ended September 30, 2018, we also incurred \$1.6 million and \$4.1 million, respectively in fees to the same consultant as we began our transformation plan.

(2) 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.

Adjusted Operating Income (Loss)

(\$ in thousands)

	3 Mos. 9/30/19	3 Mos. 9/30/18	12 Mos. 9/30/19	12 Mos. 9/30/18
Income (loss) from operations, as reported	\$ 5,438	\$ (11,051)	\$ (7,802)	\$ (35,275)
Non-recurring consulting fees for transformation initiative ⁽¹⁾	--	1,641	4,224	5,776
Start-up costs associated with Bloomfield, NJ campus opening ⁽²⁾	--	507	--	3,465
Net restructuring charge for Norwood, MA campus exit	48	--	1,433	--
Norwood, MA campus operating loss	<u>266</u>	<u>276</u>	<u>419</u>	<u>362</u>
Adjusted income (loss) from operations, non-GAAP	\$ 5,752	\$ (8,627)	\$ (1,726)	\$ (25,672)

(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. Total expense recognized during the twelve months ended September 30, 2019, related to the consultant were \$4.22 million. During the three and twelve months ended September 30, 2018, we also incurred \$1.6 million and \$4.1 million, respectively in fees to the same consultant as we began our transformation plan.

(2) 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.



THANK YOU