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Q1 2018 Supplemental Slides

February 8, 2018

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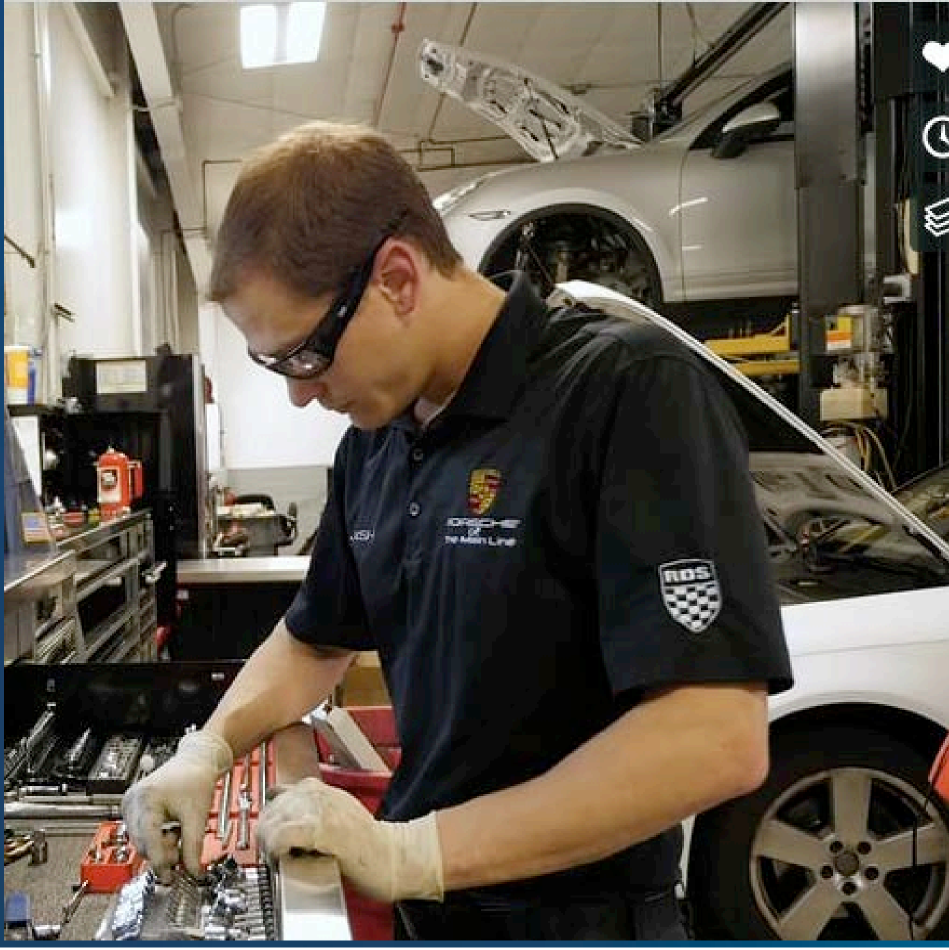

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Use of Non-GAAP financial information

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Q1 2018 Supplemental Presentation Contents

- Commuter Campus Cash Flows/Pro Forma
- Campus Portfolio
- Welding Program Cash Flows
- Q1 2018 Financials, including FY 2018 Outlook
- Summary – UTI’s Focus for the Future

Long Beach campus cash flows

Long Beach cash flows ($mm)[a]	FY15A	FY16A	FY17A	FY18P	FY19P
Revenue	$0.7	$12.2	$18.3	$18.6	$20.8
EBITDA contribution[b]	(3.6)	2.9	9.0	9.5	11.5
Net finance obligation	(0.2)	(1.4)	(1.4)	(1.5)	(1.5)
Capital expenditures	(15.8)	(0.2)	(0.4)	(0.2)	(0.2)
Pre-tax cash flow	**$(19.6)**	**$1.3**	**$7.2**	**$7.8**	**$9.8**
Perpetuity IRR	**35%+**				

- ~$16m capital investment and ~$4m EBITDA loss in year 1
- 142k sq. ft. facility; rent ~$13/ft. NNN
- Accretive to earnings in 18 months; cumulative cash flow breakeven by year 4
- Average student count assumed to scale to ~700 by FY19

(a) Representative cash flows from Long Beach campus exclude allocated corporate and marketing costs and working capital considerations
(b) Excludes Rancho Cucamonga cannibalization impact which is mitigated through welding launch and facility downsizing in process

Bloomfield, NJ campus cash flows

NJ pro-forma cash flows ($mm)[a]	FY18P	FY19P	FY20P	FY21P	FY22P
Revenue	$0.9	$9.7	$16.5	$19.2	$21.4
EBITDA contribution[b]	(6.0)	(0.7)	5.9	7.8	9.2
Capital expenditures[c]	(7.8)	(0.9)	(0.2)	(0.2)	(0.2)
Pre-tax cash flow	**$(13.8)**	**$(1.6)**	**$5.8**	**$7.6**	**$9.0**
Perpetuity IRR	**35%+**				

- ~$11m capital investment and ~$6m of EBITDA loss in year 1
- 110k sq. ft. facility; rent ~$15/ft.
- Accretive to earnings in 18 months; cumulative cash flow breakeven by year 4
- Average student count assumed to scale to ~650 by FY22

(a) Representative cash flows from Bloomfield campus exclude allocated corporate and marketing costs and working capital considerations
(b) Excludes potential cannibalization to Exton, PA campus and planned offsetting efforts to remediate impact; cannibalization impact is estimated to grow from ~$225K in FY18 to ~$4M by FY22
(c) Net cash flow in FY18 includes lessor concessions on tenant improvements

Right-sizing destination campuses to drive efficiencies

1 Enhance utilization of existing space with new programs

2 Review opportunities to divest real estate and/or not renew leases

3 Explore subleasing options for existing capacity

	Add new programs	Divest real estate	Sub-lease space
AVONDALE, AZ	Welding FY18	✓	✓
PHOENIX, AZ			FY17
RANCHO CUCAMONGA, CA	Welding FY17	FY18	
SACRAMENTO, CA		✓	FY18
ORLANDO, FL	✓		
LISLE, IL	✓		FY17-18
NORWOOD, MA			FY17
MOORESVILLE, NC	CNC FY17		
EXTON, PA		✓	
HOUSTON, TX	✓	FY18	

✓= Current initiative; relevant dates not yet finalized

Avondale Welding program cash flows

Welding pro-forma cash flows ($mm)[a]	FY17A	FY18P	FY19P	FY20P	FY21P
Revenue	$0.0	$1.3	$3.0	$3.2	$3.2
EBITDA contribution[b]	(0.1)	0.2	1.9	2.0	2.0
Capital expenditures[c]	(0.4)	(1.6)	(0.0)	(0.1)	(0.1)
Pre-tax cash flow	**$(0.5)**	**$(1.4)**	**$1.9**	**$1.9**	**$2.0**
Perpetuity IRR	**80%+**				

- 1st program opened at Rancho Cucamonga campus in FY17Q4; first class graduated 2/1/18
- 2nd program opened at Avondale campus in 1/18/18
- 3rd program to open in FY18-19; pursuing regulatory approvals

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

Q1 performance reflects investment in growth initiatives

($ in millions, except for student data and EPS)	3 Months Ended				
	Q1'18	Q4'17	Q3'17	Q2'17	Q1'17
New student starts Y/Y growth/(decline)	1,300 (7.1)%	5,600 --	1,800 12.5%	1,900 (17.4)%	1,400 (22.2)%
Average enrollment Y/Y growth/(decline)	11,300 (5.8)%	10,700 (8.5)%	10,000 (9.9)%	10,900 (10.7)%	12,000 (9.8)%
Revenues Y/Y growth/(decline)	$81.2 (3.6)%	$81.3 (6.4)%	$76.3 (7.3)%	$82.5 (6.5)%	$84.2 (6.2)%
Operating income (loss) Margin	$(3.6) (4.5%)	$(1.1) (1.4)%	$(2.8) (3.7)%	$0.7 0.8%	$1.4 1.7%
Revenue per student	$7,200	$7,600	$7,600	$7,600	$7,000
EBITDA[1]	$0.8	$3.9	$2.1	$5.6	$6.3
Diluted EPS	$(0.10)	$(0.08)	$(0.21)	$(0.12)	$(0.12)
Cash, cash equivalents & investments	$93.3	$97.9	$84.5	$98.7	$103.8

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

Statement of loss

	3 Mos. 12/31/17	3 Mos. 9/30/17	3 Mos. 6/30/17	3 Mos. 3/31/17	3 Mos. 12/31/16
Revenues	$ 81,156	$ 81,329	$ 76,258	$ 82,497	$ 84,179
Operating expenses:					
Educational services & facilities	44,081	44,919	44,120	44,834	47,154
SG&A	40,679	37,524	34,922	36,976	35,638
Total operating expenses	84,760	82,443	79,042	81,810	82,792
Loss from operations	(3,604)	(1,114)	(2,784)	687	1,387
Total other income (expense), net	(360)	32	(166)	(272)	(501)
Income tax expense (benefit)	(2,829)	(325)	967	2,145	2,610
Net loss	$ (1,135)	$ (757)	$ (3,917)	$ (1,730)	$ (1,724)
Preferred stock dividends	1,323	1,323	1,309	1,295	1,323
Loss available for distribution	$ (2,458)	$ (2,080)	$ (5,226)	$ (3,025)	$ (3,047)
Net loss per share, basic & diluted	$ (0.10)	$ (0.08)	$ (0.21)	$ (0.12)	$ (0.12)
EBITDA[1]	$ 843	$ 3,850	$ 2,146	$ 5,649	$ 6,274

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

EBITDA reconciliation

($ in thousands)

	3 Mos. 12/31/17	3 Mos. 9/30/17	3 Mos. 6/30/17	12 Mos. 3/31/17	12 Mos. 12/31/16
Net loss	$ (1,135)	$ (757)	$ (3,917)	$ (1,730)	$ (1,724)
Interest expense, net	431	461	559	712	749
Income tax expense (benefit)	(2,829)	(325)	967	2,145	2,610
Depreciation and amortization	4,376	4,471	4,537	4,522	4,639
EBITDA	$ 843	$ 3,850	$ 2,146	$ 5,649	$ 6,274

Balance sheet summary

($ in thousands)

At:	12/31/17	9/30/17
Cash & cash equivalents/investments	$93,254	$97,917
Restricted cash*	14,143	14,822
Current assets	141,287	146,826
Total assets	$302,898	$274,102
Current liabilities	83,705	86,389
Total liabilities	142,015	148,326
Stockholders' equity	160,883	125,776
Total liabilities & stockholders' equity	$302,898	$274,102

- 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:
  - Smaller campus strategy
  - New programs in existing markets with under-utilized campus facilities (Welding and CNC Machining)

**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. The increase in restricted cash of $8.9 million was primarily related to the collateralization of surety bonds.*

ASC 606 adopted in Q1 2018

- UTI is early adopting ASC 606 (Revenue from Contracts with Customers)
  - The SEC encourages companies to early adopt, when possible
  - 8 of 10 of our peer group* are required to comply starting January 1, 2018
  - Adjusting entry to equity provides additional strength to composite score, which facilitates investments in growth, the NJ campus, and new programs

Impact	Amount	Notes
Total Assets	+ ~$40M	Tuition Loan Program (TLP) notes receivable
Total Liabilities	+~3M	Deferred Revenue
Owner’s Equity	+ ~$37M	Net impact to retained earnings
Composite Score	+ ~65 bps	Improves composite score compliance

**Peer group includes the following for-profit education companies: ATGE, BPI, CPLA, CECO, GPX, LOPE, LAUR, LTRE, LINC and STRA.*

2018 financial outlook

- Start growth: low single digits; weighted toward back of year
- Average population: down mid-single digits
- Revenue: $310 – $320 million
- Operating expenses: $340 – $345 million
- Operating loss: $20 – $25 million; negative EBITDA due to revenue decline and investments in:
    - New Jersey campus
    - welding program(s)
    - initiatives to drive start growth in 2018, 2019
- Capital expenditures: $22 million – $23 million

Our focus for the future is growth and efficiency

Demand for skilled technicians remains at historic highs, but the habits and preferences of our prospective students have fundamentally changed.

- Reinventing our go-to-market strategy and our customer experience to expand our reach and the way we engage with prospective students
- Adapting our footprint and educational experience to speak to a new generation of future technicians
- Opening new campuses closer to where our students live and new programs to offer more choices and career pathways underpins our path forward
- Streamlining our cost structure to drive efficiencies and support agility with a "student first" mindset allows UTI to accelerate its evolution