

Universal Technical Institute Announces Welding Program Expansion and Additional Real Estate Rationalization Benefits

PHOENIX, Sept. 9, 2020 /PRNewswire/ -- [Universal Technical Institute](#) (NYSE: UTI), the nation's leading provider of transportation technician training, announced the expansion of its Welding Technology program to a seventh campus and significant cost savings from lease restructuring and rightsizing at its Sacramento campus.

"As more Americans turn to technical careers, and as we continue to see increasing interest in UTI's education, we remain focused on delivering growth through innovative initiatives to attract and serve more students, meet the nation's urgent need for skilled workers, and optimize our cost structure," said Jerome A. Grant, Chief Executive Officer. "We are actively pursuing our growth strategy, including launching new programs and rationalizing our campus footprint, as we continue to evolve our blended learning model and support our students and employees in response to the COVID-19 pandemic."

Welding Technology Training program expansion

UTI plans to expand its successful [Welding Technology Training program](#) to a seventh campus during the fourth quarter of fiscal 2021. Also, as scheduled, the company will launch welding at [UTI-Lisle](#) in the second quarter of fiscal 2021.

Building on its existing program locations at [Rancho Cucamonga, Calif.](#), [Avondale, Ariz.](#), and [Dallas, Texas](#), the company opened Welding Technology in [Houston](#), Texas on May 18, 2020 and in [Long Beach](#), Calif. on August 10, 2020. The company continues to see strong demand for its welding program across its campuses. On average, once fully ramped, each new welding launch increases UTI's current overall new student starts by approximately 1.5 percent.

"Welding is an important piece of our growth strategy," Grant said. "It broadens our student base and lets us serve a much wider range of industry customers. At the same time, it complements our core technical training business and is consistent with our commitment to quality education that prepares students for rewarding careers."

Welders are increasingly sought after in essential industries such as transportation, energy, and manufacturing, and are particularly in demand for major infrastructure projects. The U.S. Bureau of Labor Statistics projects that there will be more than 488,000 job openings for welders by the year 2028.

Campus footprint optimization

As part of its larger footprint optimization strategy, UTI will eliminate underutilized square footage by downsizing its [Sacramento, Calif.](#) campus over 50 percent, or 128,000 square feet, and decreasing the cost per square foot. The combination of these actions will reduce annual occupancy costs and improve EBITDA by approximately \$3 million beginning in January of 2022.

The company will make a one-time capital investment of approximately \$2 million to consolidate its operations into one of the two buildings it currently occupies, effective December 31, 2021. In addition, it has negotiated favorable terms and is in the process of finalizing a new lease, which goes into effect on January 1, 2022. As part of the transition, the campus' [Collision Repair and Refinish Technology program \(CRRT\)](#) will be phased out at the Sacramento campus. All current CRRT students will be able to complete their program, and the company will continue to offer its successful CRRT program in Houston and Long Beach.

"In addition to driving significant cost savings, the changes in Sacramento right-size that campus and allow us to continue to give students a quality education that delivers strong student outcomes," Grant said.

Social Media Disclosure

Universal Technical Institute (UTI) uses its website (<https://www.uti.edu/>) and LinkedIn page (<https://www.linkedin.com/school/universal-technical-institute/>) as channels of distribution of information about its programs, its planned financial and other announcements, its attendance at upcoming investor and industry conferences, and other matters. Such information may be deemed material information, and UTI may use these channels to comply with its disclosure obligations under Regulation FD. Therefore, investors should monitor the company's website and its social media accounts in addition to following the company's press releases, SEC filings, public conference calls, and webcasts.

Safe Harbor Statement

All statements contained herein, other than statements of historical fact, are "forward-looking" statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended, and Section 27A of the

Securities Act of 1933, as amended. Such forward-looking statements include the following: the company's belief that it is taking steps to address cost and working capital management; the company's ability to complete curriculum with in-person labs; and the company's focus on offering online curriculum to provide its students training for job skills that are in high demand. Such statements are based upon management's current expectations and are subject to a number of uncertainties that could cause actual performance and results to differ materially from the results discussed in the forward-looking statements. Factors that could affect the company's actual results include, among other things, the COVID-19 pandemic and its impact on our business and the US and global economies, 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 expanding campuses, 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, and other risks that are described from time to time in the company's public filings. Further information on these and other potential factors that could affect the financial results or condition may be found in the company's filings with the Securities and Exchange Commission. The forward-looking statements speak only as of the date of this press release. Except as required by law, the company expressly disclaims any obligation to publicly update any forward-looking statements whether as a result of new information, future events, changes in expectations, any changes in events, conditions or circumstances, or otherwise.

About Universal Technical Institute, Inc.

With more than 220,000 graduates in its 55-year history, Universal Technical Institute, Inc. (UTI, or the Company) is the nation's leading provider of technical training for automotive, diesel, collision repair, motorcycle and marine technicians, and offers welding technology and computer numerical control (CNC) machining programs. The Company has built partnerships with industry leaders, outfits its state-of-the-industry facilities with current technology, and delivers training that is aligned with employer needs. Through its network of 12 campuses nationwide, UTI offers post-secondary programs under the banner of several well-known brands, including Universal Technical Institute, Motorcycle Mechanics Institute and Marine Mechanics Institute (MMI) and NASCAR Technical Institute (NASCAR Tech). The Company is headquartered in Phoenix, Arizona.

For more information, visit www.uti.edu. Like UTI on www.facebook.com/UTI or follow UTI on Twitter @UTITweet, @MMITweet, and @NASCARTechUTI.

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