Universal Technical Institute

G.research Microcap Symposium Investor Presentation

May 18, 2021

Forward-Looking Statements

This presentation contains forward-looking statements within the meaning of the safe harbor from civil liability provided for such statements by the Private Securities Litigation Reform Act of 1995 (set forth in Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended). Forward-looking statements may contain words such as "goal," "target," "future," "estimate," "expect," "anticipate," "intend," "plan," "believe," "seek," "project," "may," "should," "will," the negative form of these expressions or similar expressions. 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. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance, achievements or events and circumstances reflected in the forward-looking statements will occur. Discussions containing these forward-looking statements may be found, among other places, in the Sections entitled “Business,” “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 Securities and Exchange Commission (the ”SEC”).

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. 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 macroeconomic 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 and political conditions, the adoption of new accounting standards including the new lease accounting guidance and other risks that are described from time to time in our filings with the SEC. 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. Neither we nor any other person makes any representation as to the accuracy or completeness of these forward-looking statements and, 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.

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 and our business. 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.

Leading Provider of Skilled Transportation Technicians

UNIVERSAL TECHNICAL INSTITUTE

55
YEARS

~11K
STUDENTS[1]

35+
MANUFACTURING BRAND PARTNERS

225K+
GRADUATES SINCE 1965

4,700+
INCENTIVE & TUITION REIMBURSEMENT EMPLOYER LOCATIONS

84%
EMPLOYMENT RATE[2]

$300.8M
FISCAL YEAR 2020 REVENUE[3]

$78.5M
CASH AND INVESTMENTS[1]

NYSE: UTI

[1] As of March 31, 2021; Cash figure includes $59.0M Cash & Cash equivalents + $19.5M Held-to-maturity Investments

[2] 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.

[3] Twelve Months ended September 30, 2020. Includes Q3FY20 ($54.5M) + Q4FY20 ($76.3M) revenues which reflect timing impacts associated with COVID-19.

Demand for Our Technicians Far Exceeds Industry Supply

~1.2M

TRANSPORTATION TECHNICIANS NEEDED BY 2029[1]

~0.6M

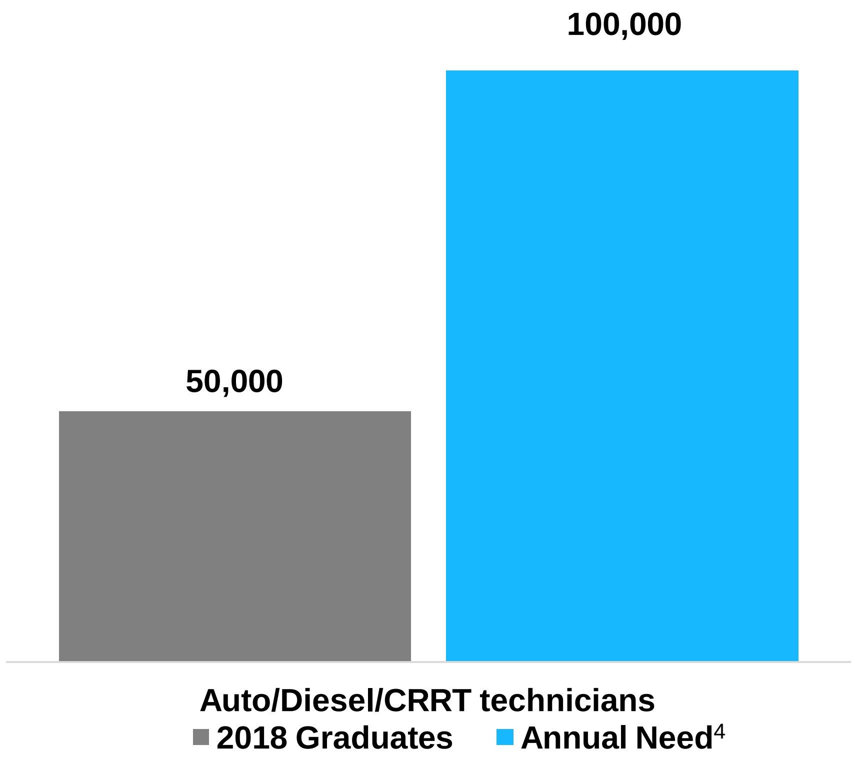
WELDING & CNC JOBS OVER THE NEXT DECADE[1]

275M+

VEHICLES IN THE UNITED STATES[2]

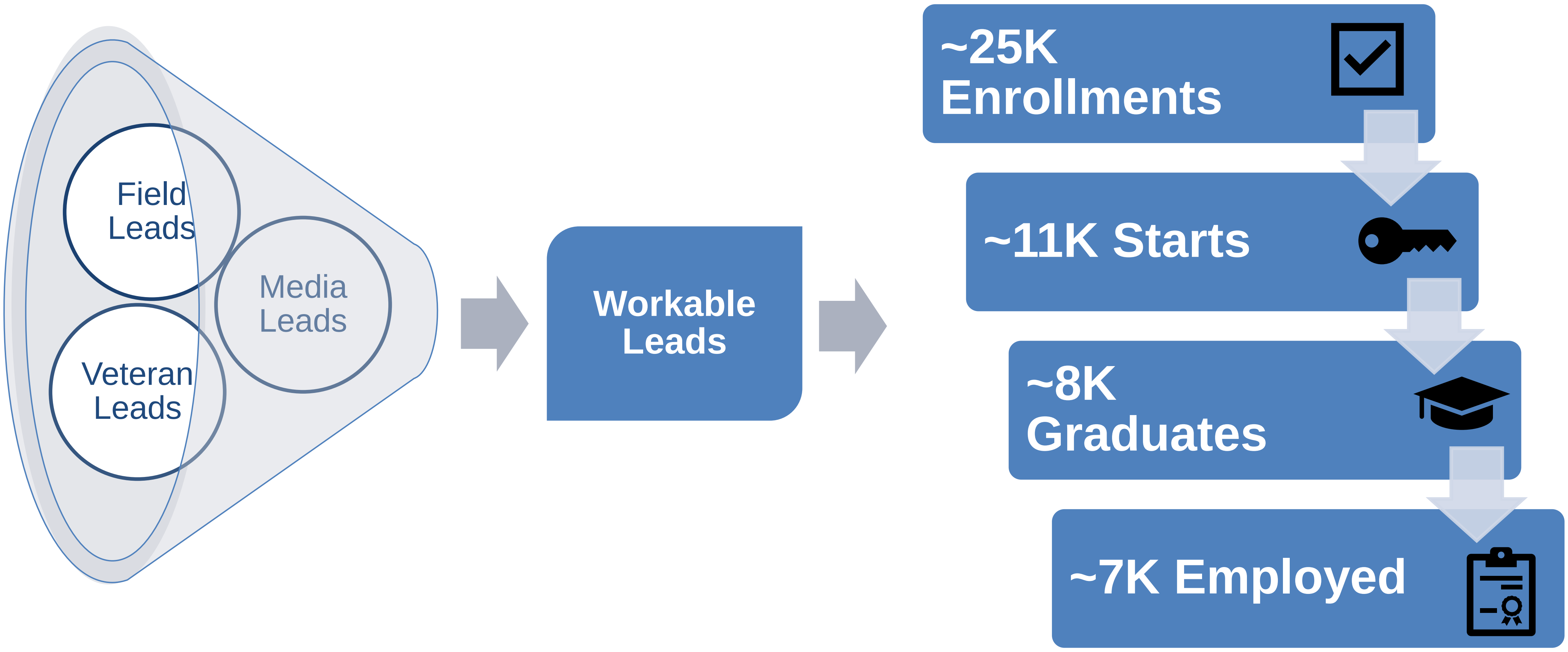
1.3B+

VEHICLES ON THE ROAD WORLDWIDE[3]



[1]Based on data compiled from the U.S. Bureau of Labor Statistics, Employment Projections (2019-2029), www.bls.gov. The projected total numbers by 2029 are Automotive Service Technicians and Mechanics, 728,800; Bus and Truck Mechanics and Diesel Engine Specialists, 290,800; Automotive Body and Related Repairers, 159,900; Motorboat Mechanics and Service Technicians, 25,900; and Motorcycle Mechanics, 18,000; Welders, Cutters, Solderers, and Brazers, 452,500; Computer Numerically Controlled Tool Operators, 141,700. [2]Federal Highway Administration, Office of Highway Policy Information, Highway Statistics 2019, number of state motor vehicle registrations, https://www.fhwa.dot.gov/policyinformation/statistics/2019/mv1.cfm. [3]Source: https://subscribers.wardsintelligence.com/analysis/world-vehicle-population-rose-46-2016, [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.

UTI Student Lifecycle



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

Evolving Strategy to Better Reach and Engage Students

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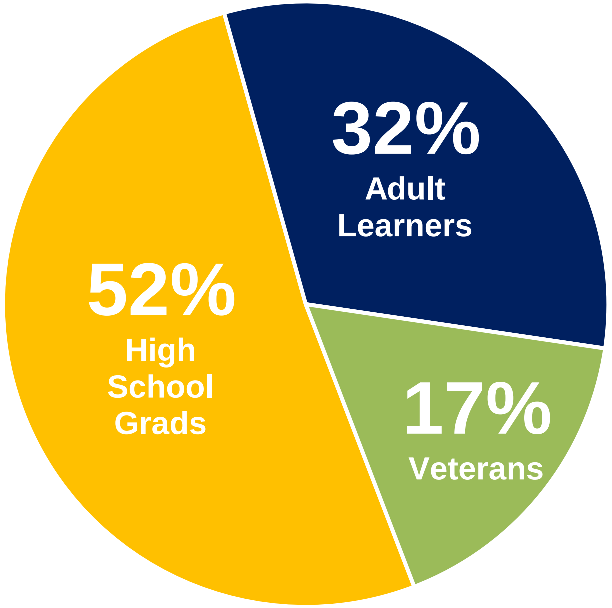
FY20 Starts by Channel



Three unique groups of students with unique innovative advertising, admissions, and programs to drive enrollment in each

ADULT LEARNERS

Optimizing traditional and digital advertising to generate inquiries motivated by robust opportunities in the job market

HIGH SCHOOL GRADUATES

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

VETERANS

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

Learning Experience Evolution

Improving engagement, best practices, and alignment to industry and lifelong learning

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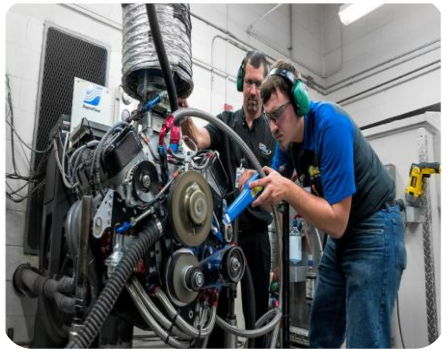
Traditional Model

On-campus, in-person, synchronous learning



Interim Blended Model

On-line asynchronous instruction, socially distanced hands-on labs

Future Blended Model

Fully integrated experience: on-line and on-campus instruction and mentoring

Refined approach for our students also drives efficiencies in our campus footprint and Real Estate strategy

Industry Partnerships that Deliver Value

84% graduate industry employment rate[1]

PARTNERS

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

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+	25,800+	500+	18,300+	3,600+
Graduates since 1995	Graduates since 2000	Graduates since 2013	Graduates since 1987	Graduates since 2006

NEWEST PARTNERSHIP

AGCO Your Agriculture Company

Launching Fall 2021

[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.

Investment Thesis Highlights

Executing on strategic and transformation plans, building momentum toward ever stronger results

- Attractive student value proposition which includes blended learning model
- Evolved post-COVID strategy will fuel EBITDA and student start growth
- Optimized for any macro economic cycle with counter cyclical upside
- Streamlined operations and strong balance sheet strengthen market position
- Deploying capital toward multiple high ROI investment opportunities, continuing to evaluate other opportunities
- Significant industry and OEM partnerships supporting student success

Near-Term Capital Allocation Priorities

Management and Board are prudently allocating capital in support of growth and diversification strategy while also considering return of capital to shareholders

NEW CAMPUSES

Two planned for FY2022, others being evaluated

PROGRAM EXPANSIONS

Two new welding in FY2022, MIAT programs in FY2023+, and other opportunities (e.g. EV)

INORGANIC GROWTH

MIAT announced, continuing to build pipeline for additional acquisition targets

BUSINESS MODEL EXTENSIONS

Pursuing additional B2B and on-base programs, exploring other opportunities

Double-Digit Revenue & Adjusted EBITDA Margin Growth

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Current initiatives expected to drive >10% Revenue CAGR and Adjusted EBITDA margin expansion; Actively evaluating additional opportunities to drive additional growth and shareholder value

Baseline Business Growth
- Expanding current offerings
- New curriculum development
- Continued go-to-market and business model optimization

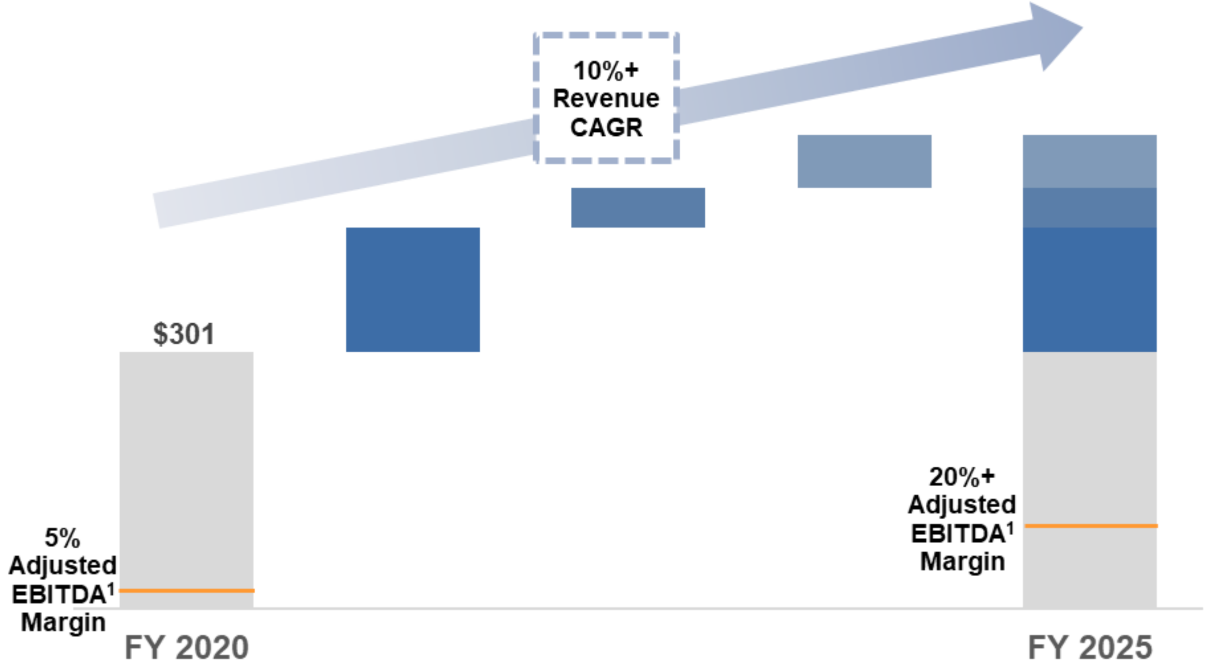
Organic New Campus Development
- New geographies
- Diversify student mix
- Leverage blended learning efficiencies

Tuck-In M&A
- Immediately accretive
- Significant growth synergies
- Accelerated program and geographic diversification

5-Year Outlook Including Announced Initiatives

10%+ Revenue CAGR

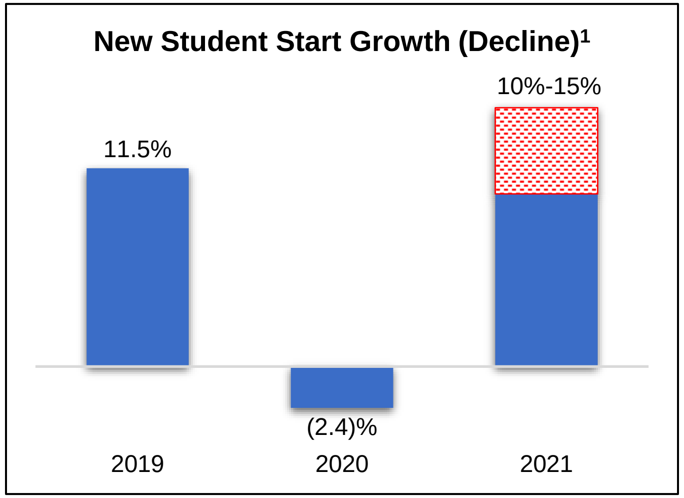
15 points+ of Adjusted EBITDA Margin Expansion

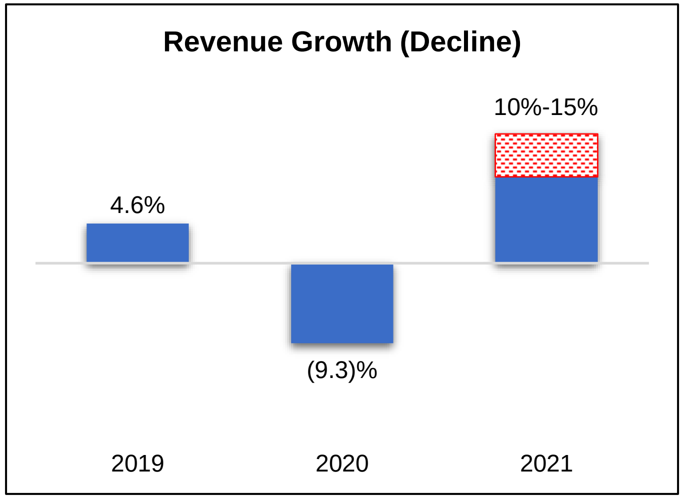


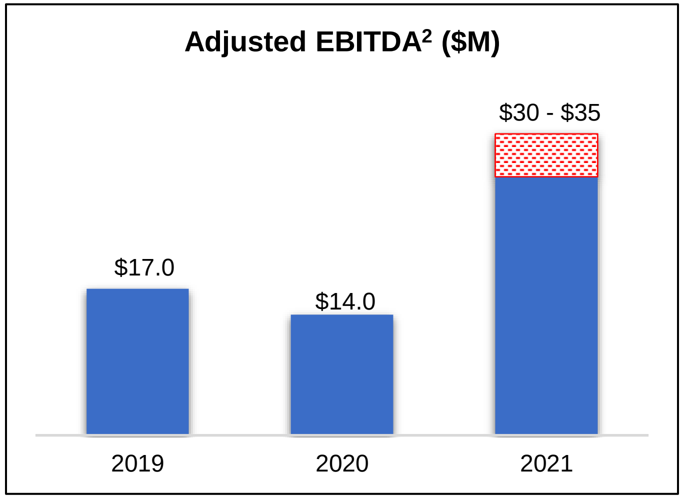
[1] Refer to appendix for adjusted EBITDA reconciliation and definition

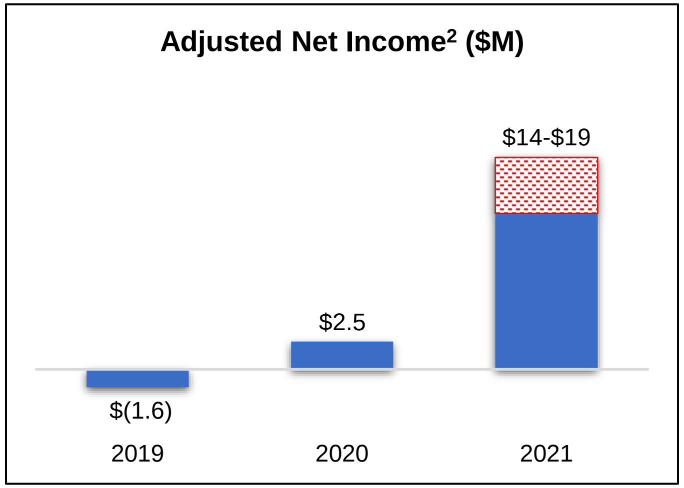
FY 2021 Guidance Creates Momentum For FY 2022+

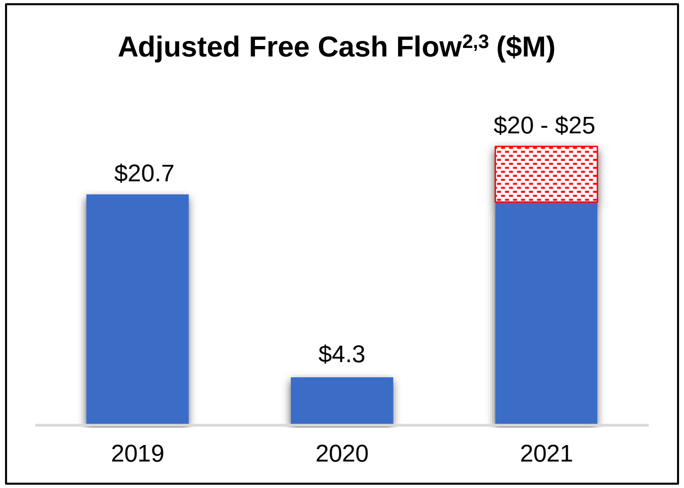
FY 2021 performance projected to drive double-digit expansion on both top and bottom line in, and result in significant base business momentum and similar outcome for FY 2022











[1] *Excludes Norwood, MA starts in FY 2019. There are no starts in Norwood, MA in F Y 2020 or FY 2021.*
[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.*

New Campuses Leverage Blended Learning Model

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Proven new campus model further enhanced by fully integrating blended learning benefits

Shifting instruction to a blended learning model as a result of COVID-19 has provided the opportunity to launch new campuses and programs in a fully blended format, benefitting both the student and UTI

Benefits to the Student
- Increased Program & Scheduling Flexibility
- Engaged in a Personalized Learning Model

Benefits to the Company
- Higher Utilization of Real Estate
- Efficiencies in Instructional Costs

Metro Campus Model | ***Blended Campus Model***

Illustrative Outlook	Bloomfield, NJ (Opened Q4 FY'18)					Austin, TX (Target Opening Q2 FY'22)					Miami, FL (Target Opening Q4 FY'22)				
	Y1	Y2	Y3	Y4	Y5	Y0/Y1	Y2	Y3	Y4	Y5	Y0/Y1	Y2	Y3	Y4	Y5
Proforma Financials[1]	FY18A	FY19A	FY20A	FY21P	FY22P	FY21-22P	FY23P	FY24P	FY25P	FY26P	FY21-22P	FY23P	FY24P	FY25P	FY26P
Revenue	$0.6	$10.9	$14.6	$20.7	$23.8	$5.3	$20.6	$20.7	$22.6	$24.5	$1.2	$15.7	$20.8	$23.2	$25.0
EBITDA[2]	($4.9)	$3.7	$7.3	$11.1	$13.8	($4.8)	$13.1	$12.8	$14.4	$15.9	($4.1)	$9.7	$14.6	$16.6	$18.1
Capital Expenditures	($9.2)	($0.3)	($0.0)	($2.8)	($0.2)	($15.2)	$0.0	$0.0	($0.1)	($0.1)	($18.6)	$0.0	$0.0	($0.1)	($0.1)
Pre-tax Cash Flow[2]	($14.1)	$3.4	$7.3	$8.3	$13.5	($20.0)	$13.1	$12.8	$14.3	$15.8	($22.7)	$9.7	$14.6	$16.5	$18.0
Perpetuity IRR	35%+					50%+					50%+				

- Facility – 108k square feet
- Students – 780 as of 9/30/20
- Programs – Auto, Diesel, MSAT; Welding launching late FY21
- No additional program capacity

- Facilities – ~100k square feet
- Students – Capacity of 1,100+
- Day 1 Programs – Auto, Diesel, Welding
- Additional programs to be added, driving incremental revenue and EBITDA contribution

[1] Projections based on our management's current beliefs, expectations and assumptions about future events, conditions and results, and on information currently available to us.
[2] Representative figures are not fully burdened, excluding allocated corporate and marketing costs and working capital considerations.

MIAT College of Technology Overview

ACCSC-accredited vocational and technical school offering a variety of programs complementary to UTI offerings accelerates realization of UTI's growth and diversification strategy

SUMMARY

FOUNDED: 1969

FY20 REV[1]: ~$25M **Adj. EBITDA[1]:** ~$3.5M

LOCATIONS: Canton, MI & Houston, TX

CURRENT ENROLLMENT: ~1,200

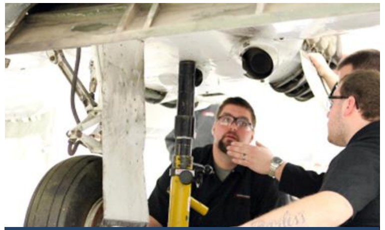
2019 METRICS:
- **COMPOSITE SCORE**: 2.4 (of 3.0)
- **90/10 RATIO**: 71.6%
- **EMPLOYMENT RATE[2]**: 78.8%

TRANSACTION DETAILS

Purchase price not to exceed $26M in cash
Seller is HCP Ed Holdings, LLC
Close timing likely late Q4 of fiscal 2021 or Q1 fiscal 2022
Close dependent upon Dept. of ED and other conditions and approvals

GROWTH, DIVERSIFICATION, & SYNERGY OPPORTUNITIES

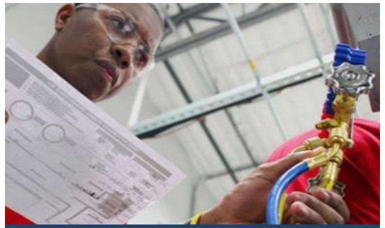
Adding MIAT Programs to UTI Campuses
Adding UTI Programs to MIAT Campuses
Marketing MIAT programs through UTI channels
Cost synergies in back-office and other areas



Aviation Maintenance

Wind Power

Energy Technology



HVACR

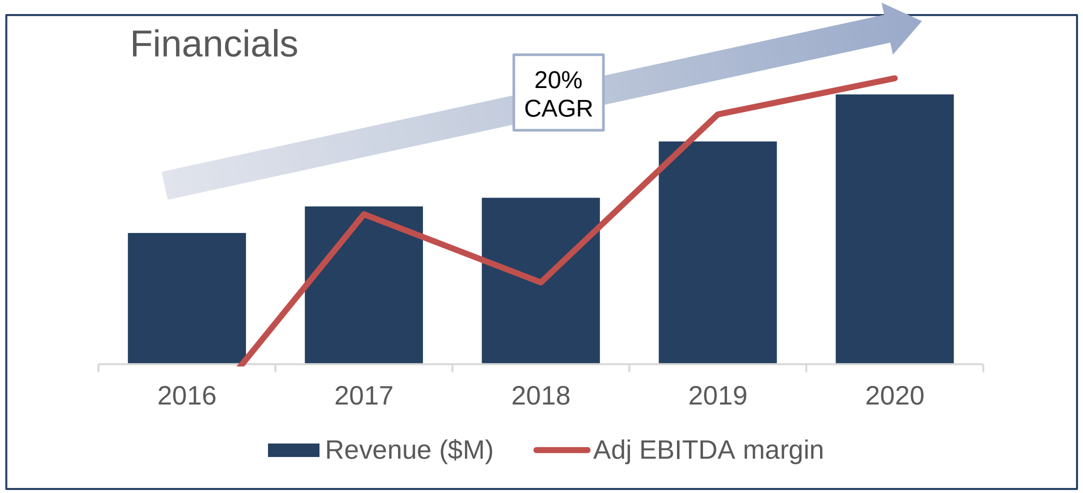
Robotics & Automation

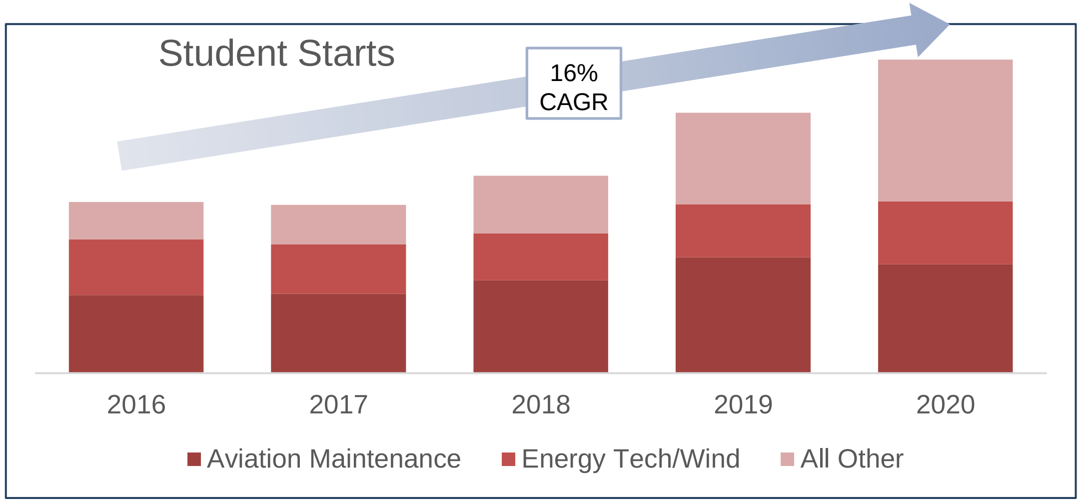
Welding

[1] Unaudited and as reported by MIAT; Refer to appendix for adjusted EBITDA definition.
[2] For 2019, MIAT had 386 graduates available for employment, of whom 304 were employed in field by the ACCSC-required reporting date of October 15, 2020, for a total employment rate of 78.8%
Data as of July 1, 2020 and reported to the accreditor Oct 15, 2020. The reporting periods include start dates from Apr 2015-May 2018. Reporting periods are dependent on the length of the program, and 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.

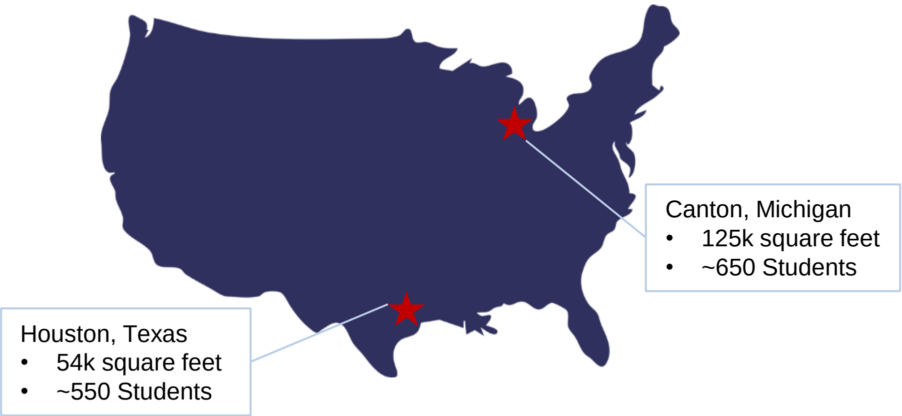
MIAT College of Technology Key Metrics

Strong growth and margin improvement trajectory supported by a diversified program mix

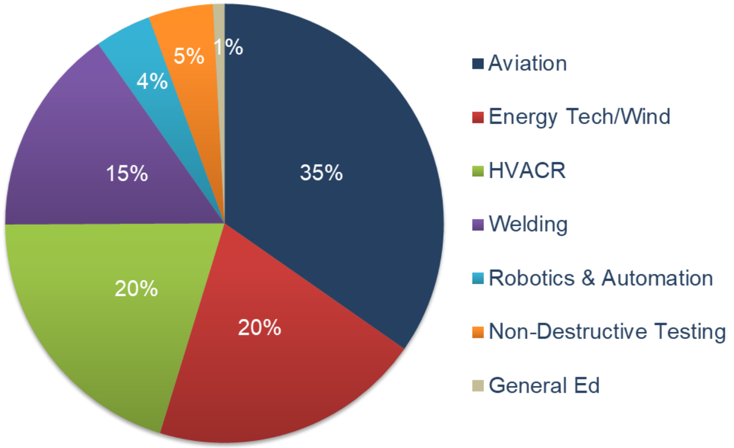




Campuses



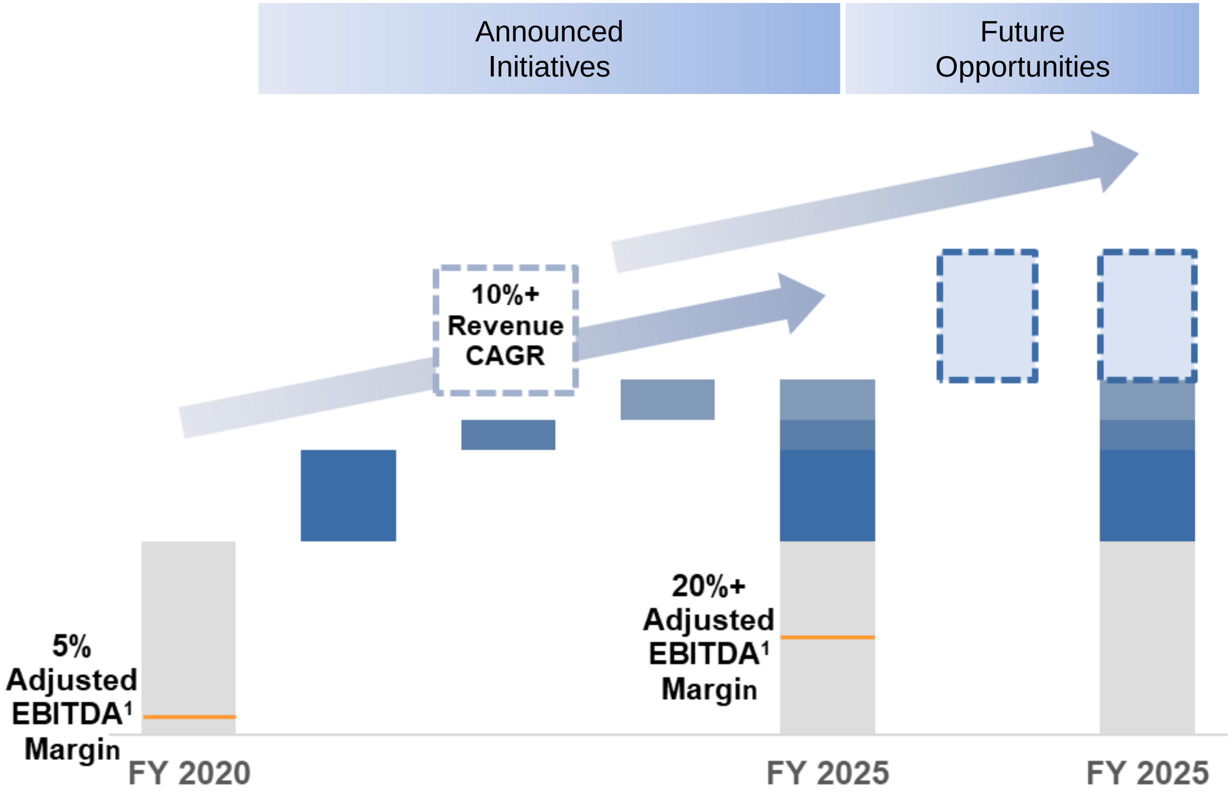
2020 Student Start Mix



Disciplined Execution Driving Strategic Growth

Initial capital allocation actions, continued business model expansion and go-to-market optimization are advancing UTI's growth objectives; with additional opportunities available to drive further growth and shareholder value

- M&A
- New Campus Additions
- Expansion of Current Programs
- New Program Offerings
- Business Model Transformation



[1] Refer to appendix for adjusted EBITDA reconciliation and definition

APPENDIX

Talented Management Team with New Leadership

Jerome Grant, CEO

Troy Anderson, EVP & CFO

Sherrell Smith, EVP Campus Operations & Services

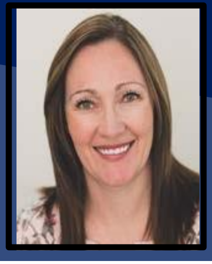
Eric Severson, SVP Admissions

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

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

Hon. Loretta L. Sanchez
Former Democratic Congresswoman from California

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.

Optimizing Real Estate Footprint for Efficiency

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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
AUSTIN, TX*		*Target Opening Q2 FY22*		107,000
MIAMI, FL*		*Target Opening Q4 FY22*		103,000
BLOOMFIELD, NJ**		Welding FY21		102,000
LONG BEACH, CA**	Welding FY20		Programs	137,000
DALLAS, TX** [1]	Welding FY19			95,000
RANCHO CUCAMONGA, CA	Welding FY17, Optimize SF FY18	Programs	Programs	148,000
MOORESVILLE, NC	CNC FY17		Programs	146,000
LISLE, IL	Optimize SF FY17-18 Welding FY21	Programs	Programs	187,000
SACRAMENTO, CA [2]	Optimize SF FY18	Programs, Optimize SF	Programs	245,000
AVONDALE, AZ [1 3]	Welding FY18	Optimize SF	Programs	283,000
PHOENIX, AZ [3]	Optimize SF FY17	Optimize SF		117,000
HOUSTON, TX [1]	Optimize SF FY18 Welding FY20		Programs	172,200
EXTON, PA	Optimize SF FY20		Programs	129,000
ORLANDO, FL [3]		Programs, Optimize SF	Programs	263,000
Corporate Headquarters and Operational Support				
HOME OFFICE (AZ)	Optimize SF FY20			29,000
PHOENIX, AZ [3]	Optimize SF FY17	Optimize SF		47,000

** Blended Learning Campuses*
*** Metro Campuses*

(1) UTI owned facilities. All other facilities are leased under operating leases.
(2) 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
(3) On December 29, 2020 UTI announced plans to consolidate the Phoenix MMI campus into the Avondale campus, and to optimize the Orlando campus. The Phoenix locations will be exited by the end of FY2022. The Orlando campus will be downsized by ~75,000 sq ft and consolidated to one site by the end of FY2021.

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 net income (loss) as net income (loss), adjusted for items that affect trends in underlying performance from year to year and are not considered normal recurring operations, including the income tax effect on the adjustments utilizing the effective tax rate. 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 acquisition-related costs for both announced and potential acquisitions, costs related to the purchase of our Avondale, Arizona campus, the income tax benefit recorded as a result of the CARES Act, 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 costs related to 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) 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) 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 net 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 net 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 EBITDA Reconciliation

($ in thousands)

	Guidance Midpoint 12 Mos. 9/30/21	Actual 12 Mos. 9/30/20	Actual 12 Mos. 9/30/19
Net Income (Loss)	~$13,000	$8,008	($7,868)
Interest (income) expense, net	~(100)	(1,142)	1,729
Income tax (benefit) expense	~600	(10,602)	203
Depreciation and amortization	~15,000	13,150	17,291
EBITDA	~$28,500	$9,414	$11,355
Acquisition-related costs(1)	~1,500	–	–
New campus implementation costs(2)	~2,500	–	–
Severance expense due to CEO transition(3)	–	1,531	–
Norwood, MA Campus EBITDA(4)	–	3,005	(51)
Net restructuring charge for Norwood, MA campus exit(4)	–	–	1,433
Non-recurring consulting fees for transformation initiative(5)	–	–	4,224
Adjusted EBITDA, non-GAAP	~$32,500	$13,950	$16,961
FY2021 Guidance Range	**$30,000 - $35,000**		

(1) *Estimated costs related to both announced and potential acquisition targets*

(2) *Estimated expenses for implementation of the planned new campuses in Austin, TX and Miami, FL which are planned to launch in Q2 and Q4 FY2022, respectively*

(3) *In October 2019, we announced the retirement of our former President and Chief Executive Officer, Kimberly J. McWaters. During fiscal 2020, we incurred a total charge of $1.5 million, in accordance with Ms. McWaters' Retirement Agreement and Release of Claims, dated October 31, 2019.*

(4) *The Norwood, MA exit was announced in February 2019. As a result, we incurred a $1.4 million restructuring charge during fiscal 2019. The previously enrolled students completed their programs and the campus closed on July 31, 2020.*

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

Adjusted Net Income (Loss) Reconciliation

($ in thousands)

	Guidance Midpoint 12 Mos. 9/30/21	Actual 12 Mos. 9/30/20	Actual 12 Mos. 9/30/19
Net Income (Loss)	~$13,000	$8,008	$ (7,868)
Income tax (benefit) expense	~600	(10,602)	203
Income (Loss) before income taxes	~13,600	(2,594)	(7,665)
Acquisition-related costs[1]	~1,500	–	–
New campus implementation costs[2]	~2,500	–	–
Severance expense due to CEO transition[3]	–	1,531	–
Non-recurring consulting fees for transformation initiative [4]	–	–	4,224
Net restructuring charge for Norwood, MA campus exit[5]	–	–	1,433
Norwood, MA campus operating loss[5]	–	3,272	419
Adjusted (loss) income before income taxes	~17,600	2,209	(1,589)
Income tax effect: benefit (expense) [6]	~(800)	258	(41)
Adjusted income (loss) from operations, non-GAAP	~$16,800	$2,467	$ (1,630)
FY2021 Guidance Range	**$14,000-$19,000**		

(1) *Estimated costs related to both announced and potential acquisition targets*
(2) *Estimated expenses for implementation of the planned new campuses in Austin, TX and Miami, FL which are planned to launch in Q2 and Q4 FY2022, respectively*
(3) *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.*
(4) *The consulting services in fiscal 2018 covered marketing, admissions, future student processing, retention and cost savings initiatives related to our 2018 transformation plan. In October 2018, we terminated our agreement with the consultant and paid a termination fee.*
(5) *The Norwood, MA exit was announced in February 2019. As a result, we incurred a $1.4 million restructuring charge during fiscal 2019. The previously enrolled students completed their programs and the campus closed on July 31, 2020.*
(6) *An estimated GAAP effective tax rate has been used to compute adjusted net (loss) income for FY 2021*

Adjusted Free Cash Flow Reconciliation

($ in thousands)

	Guidance Midpoint 12 Mos. 9/30/21	Actual 12 Mos. 9/30/20	Actual 12 Mos. 9/30/19
Cash flow provided by (used in) operating activities, as reported	~$42,500	$ 11,032	$ 21,746
Purchase of property and equipment	~(73,500)	(9,262)	(6,453)
Free Cash Flow, non-GAAP	(31,000)	1,770	15,293
Acquisition-related costs(1)	~1,500	–	–
New campus implementation costs(2)	~2,500	–	–
New campus capital expenditures(2)	~11,000	–	–
Purchase of Avondale, Arizona campus(3)	45,240	–	–
Income tax refund related to CARES tax benefit(4)	(7,030)	(4,220)	–
Severance payments due to CEO transition(5)	300	1,218	–
Cash outflow associated with Norwood, MA campus operating activities(6)	–	1,302	104
Cash outflow associated with Norwood, MA restructuring(6)	–	–	1,362
Non-recurring consulting fees for transformation initiative(7)	–	–	3,950
Adjusted Free Cash Flow, non-GAAP	~$22,500	$70	$20,709
FY2021 Guidance Range	**$20,000 - $25,000**		

(1) Estimated costs related to both announced and potential acquisition targets

(2) Estimated expenses for implementation of the planned new campuses in Austin, TX and Miami, FL which are planned to launch in Q2 and Q4 FY2022, respectively

(3) In December 2020, we purchased our Avondale, Arizona campus for approximately $45.2 million.

(4) Income tax refunds received as a result of recording an income tax benefit from the CARES Act in 2020

(5) In October 2019, we announced the retirement of our former President and Chief Executive Officer, Kimberly J. McWaters. During fiscal 2020, we paid severance of approximately $1.2 million, in accordance with Ms. McWaters' Retirement Agreement and Release of Claims, dated October 31, 2019. We anticipate paying approximately $0.3 in remaining severance during fiscal 2021.

(6) The Norwood, MA exit was announced in February 2019. As a result, we paid $1.4 million in restructuring related charges during fiscal 2019. The previously enrolled students completed their programs and the campus closed on July 31, 2020.

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

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