UNIVERSAL TECHNICAL INSTITUTE

Chosen by Industry. Ready to Work.

Investor Presentation

Kim McWaters, President & CEO

Bryce Peterson, CFO

May 3, 2018

Safe harbor

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.

UNIVERSAL TECHNICAL INSTITUTE
Chosen by Industry. Ready to Work.

NASCAR TECHNICAL INSTITUTE

MMI MOTORCYCLE MECHANICS INSTITUTE

MMI MARINE MECHANICS INSTITUTE

Nation's leading provider of skilled transportation technicians

- 50+ years of training technicians
- 200,000+ graduates
- 30+ leading manufacturer partners
  - BMW, Cummins, Ford, Harley-Davidson
- 86% graduate employment rate [1]
- $324.3 million in revenue in fiscal 2017
- $82.9 million in cash & equivalents/investments [2]
- NYSE: UTI

[1]UTI employment rate for 2016 graduates who were employed within one year of graduation was 86%. See UTI's 10-K for additional information. For 2016, we had approximately 9,200 total graduates, of which approximately 8,600 were available for employment. Of those graduates available for employment, approximately 7,400 were employed within one year of their graduation date, for a total of 86%.
[2]March 31, 2018

A national campus network with capacity for expansion

ESTABLISHED FOOTPRINT

- 12 campuses in eight states
- 2.32 million campus square feet

**Bloomfield, NJ campus is under construction. Anticipated opening of Fall 2018. Pursuing necessary approvals.*

Impressive training facilities

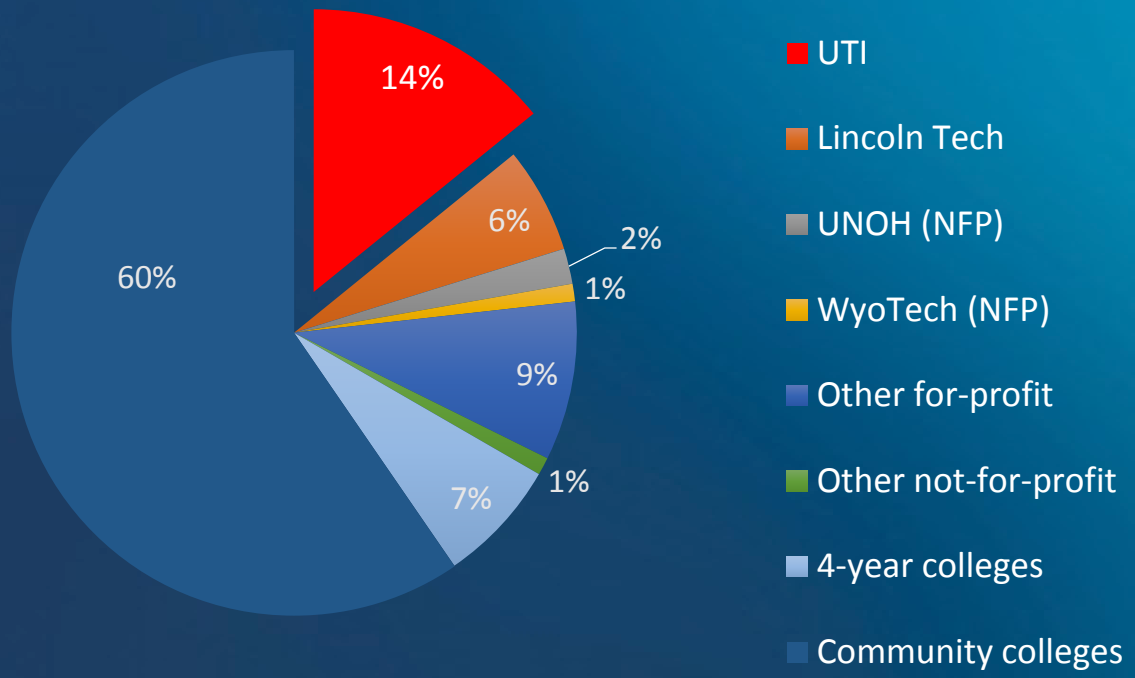
Dallas/Fort Worth campus

State-of-the-industry vehicles and technology

Long Beach, Calif. campus

More market share than our three closest competitors combined

UTI graduates <u>more</u> auto/diesel techs than any other school in the country.



Source: IPEDS, provisional 2016 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.

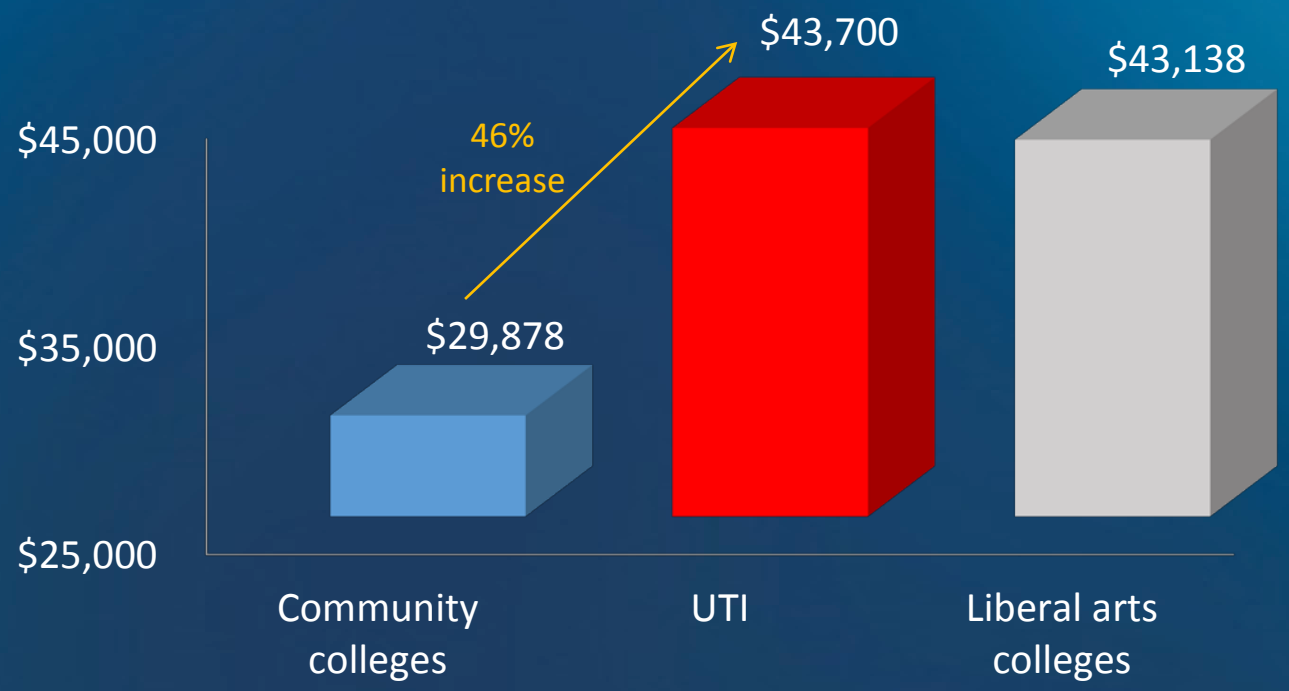
Partnerships with the world's leading manufacturers

86%

graduate employment rate*

UTI employment rate for 2016 graduates who were employed within one year of graduation was 86%. See UTI's 10-K for additional information. For 2016, we had approximately 9,200 total graduates, of which approximately 8,600 were available for employment. Of those graduates available for employment, approximately 7,400 were employed within one year of their graduation date, for a total of 86%.

Delivering higher 10-year median earnings



Source: The College Scorecard. See Appendix for details and calculation methodology.

Demand for auto/diesel technicians far exceeds supply

100,000

new auto/diesel technicians needed every year through 2026

50,000

total auto/diesel graduates in 2016

SOURCES: BLS Employment Outlook Summary, October 2017. Includes new job growth and replacements. IPEDS, provisional 2016 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.

Adapting to changing student expectations

53%

of incoming college freshman now enroll within 100 miles of home

SOURCE: Cooperative Institutional Research Program (CIRP) The American Freshman: National Norms Fall 2016 CIRP; page 27
https://www.heri.ucla.edu/monographs/TheAmericanFreshman2016.pdf

Transitioning from destination to commuter campus model

DALLAS 2010

LONG BEACH 2015

- 100-150K square feet, depending on program offerings
- Average student capacity of 750
- ~$10-$15 million capital investment
- Accretive to earnings in 18 months
- Cumulative cash flow breakeven by year 4

New commuter campus – Bloomfield, New Jersey

- Capital investment of ~$11m
- ~$6m of EBITDA loss in year 1
- Accretive to earnings in 18 months
- Cash flow break even by year 4
- IRR 35%+

State-of-the-industry training facility

100,000 square feet

Auto, diesel and manufacturer-specific training

Scheduled to open Fall 2018

See Appendix for Bloomfield, NJ Pro-Forma

Right-sizing destination campuses for efficiency

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

Adding new, differentiated program offerings

WELDING

- High demand for technicians
- 36-wk program in Rancho Cucamonga, CA & Avondale, AZ
- Expanding to additional campuses in 2018 - 2019

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

Utilize excess capacity

Improve business unit economics

Drive growth

See appendix for on Welding program relative cash flows

Evolving strategy to better reach and engage students

High school grads	Veterans	Adult learners
		
Steady	Declining	Improving
45%	**15%**	**40%**
Field team visits schools to generate interest and help students apply; working to overcome “college for all” mentality; improving sentiment toward skilled trades	Field team visits bases to help transitioning soldiers; dedicated teams assist veterans; decline due to base access issues and re-enlistment incentives; working to regain access	Optimizing traditional and digital advertising to generate inquiries, served by campus–based reps; declining enrollment due to a strong job market has begun to turn around

Focusing on 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 the 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 adding new programs that create more choices and career pathways
- Streamlining our cost structure to drive efficiencies and support agility with a "student first" mindset

Stabilizing the business and investing for growth

2016 – recapitalized our business to enable our future growth strategy

2017 – implemented our Financial Improvement Plan to drive cost efficiencies

2018 – investing to:

- transform our marketing, admissions, and student support strategies to generate $30m incremental operating income in FY20
- open Bloomfield, New Jersey campus
- expand welding program to new locations
- drive cost efficiencies across the organization
- rationalize footprint to drive $2.5-3m in annualized savings in future years

Q2 2018 highlights:

- marketing and admissions investments produced +7% YoY application growth
- student retention continues to improve upon multi-year highs in FY17
- average revenue per student YTD +2.4%

Q2 performance reflects investment in growth initiatives

($ in millions, except for student data and EPS)	3 Months Ended				
	Q2'18	Q1'18	Q4'17	Q3'17	Q2'17
New student starts Y/Y growth/(decline)	1,819 (2.7)%	1,316 (4.6)%	5,550 (1.4)%	1,774 11.2%	1,869 (18.4)%
Average enrollment Y/Y growth/(decline)	10,394 (4.4)%	11,261 (6.0)%	10,725 (8.0)%	9,990 (9.6)%	10,876 (10.7)%
Revenues Y/Y growth/(decline)	$80.7 (2.2)%	$81.2 (3.6)%	$81.3 (6.4)%	$76.3 (7.3)%	$82.5 (6.5)%
Operating income (loss) Margin	$(8.8) (10.9%)	$(3.6) (4.5%)	$(1.1) (1.3)%	$(2.8) (3.7)%	$0.7 0.8%
Revenue per student	$7,800	$7,200	$7,600	$7,600	$7,600
EBITDA[1]	($4.0)	$0.8	$3.9	$2.1	$5.6
Diluted EPS	$(0.40)	$(0.10)	$(0.08)	$(0.21)	$(0.12)
Cash, cash equivalents & investments	$82.9	$93.3	$97.9	$84.5	$98.7

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

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: $348 – $353 million
- Operating loss: $28 – $33 million; negative EBITDA due to revenue decline and investments in:
  - Transformation Plan
  - New Jersey campus
  - welding program(s)
- Capital expenditures: $24 million – $25 million

Why invest in UTI

Strong and growing end-market demand

Leader in transportation technician training

Industry partnerships that create competitive advantage

Strong student value proposition

Subsiding regulatory headwinds

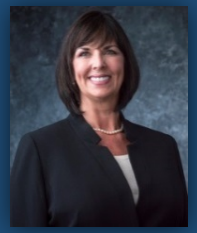
Business is stabilizing; enrollment near inflection point

Investing in strengths to drive growth

Appendix

Management team – more than 140 combined years of education experience

Kim McWaters



President & CEO

- Education industry experience: business strategy, operations, marketing and admissions

Bryce Peterson

EVP & CFO

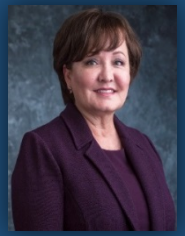
- Education industry experience: finance, accounting, compliance, and information technology

Jerome Grant

EVP & COO

- Education industry experience: digital learning technology, product development, business development and sales

Piper Jameson



EVP & CMO

- Education industry experience: marketing and admissions

Sherrell Smith

EVP Admissions & Operations

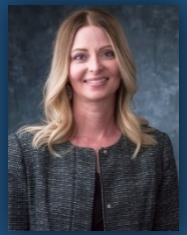
- Education industry experience: campus operations including education and admissions

Chad Freed

EVP & General Counsel

- Education industry experience: governance, regulatory/SEC compliance, corporate development, mergers and acquisitions

Rhonda Turner



SVP People Services

- Education industry experience: human capital management

A highly qualified Board of Directors

Robert DeVincenzi

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

Kimberly McWaters

President and Chief Executive Officer, Universal Technical Institute

David Blaszkiewicz

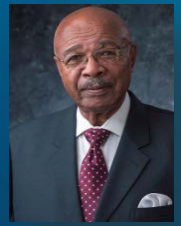
President and Chief Executive Officer, Invest Detroit

Conrad A. Conrad

Former Executive Vice President and Chief Financial Officer, The Dial Corporation

William J. Lennox, Jr.

Former Superintendent of the United States Military Academy at West Point; President, Saint Leo University



Roderick Paige

Former U.S. Secretary of Education; Interim President, Jackson State University

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

Chief Financial Officer, Tenneco Inc.

John C. White

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

Industry partnerships that deliver value

PARTNERS

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

STUDENTS

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

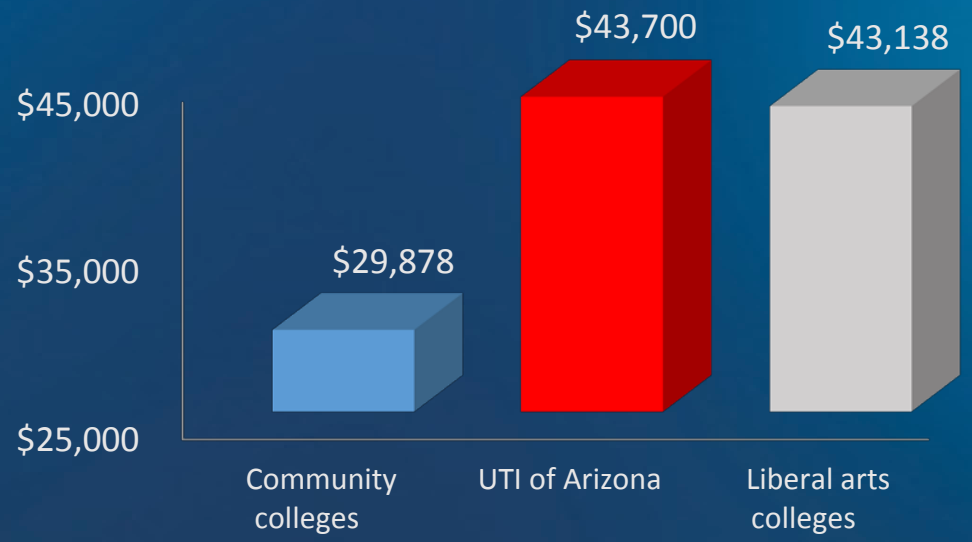
UTI

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

BMW	Ford	Peterbilt	Harley-Davidson	Cummins
4,800+ graduates since 1995	26,000+ graduates since 2000	330+ graduates since 2013	33,000+ graduates since 1987	3,200+ graduates since 2006

** Based on comparison with graduates from core programs between October 1, 2007, and September 30, 2014.*

College Scorecard and 10-year median earnings

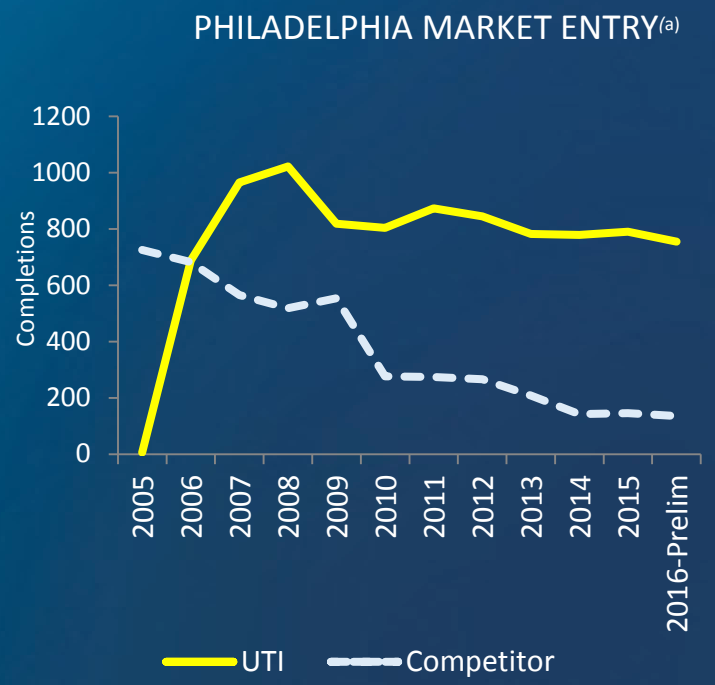


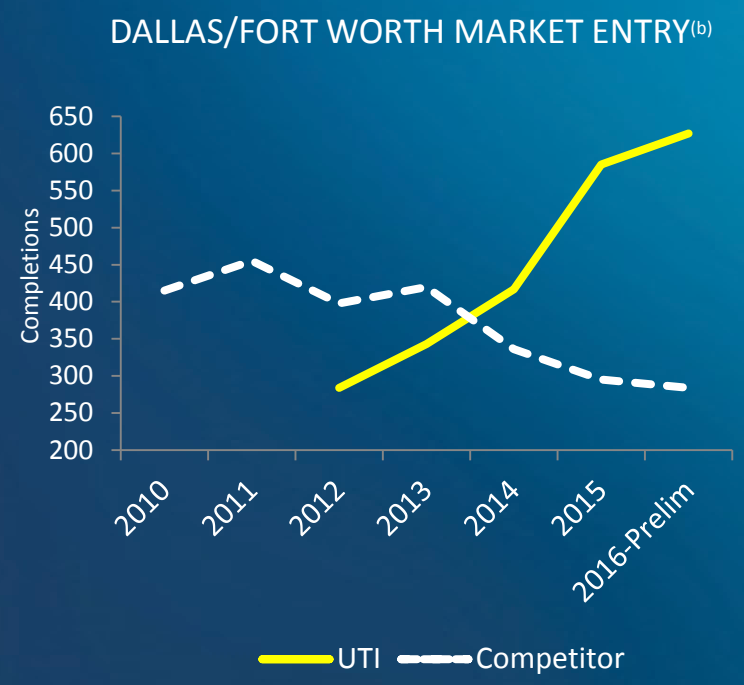
Data for the different institutions was gathered by averaging the graduation rates and 10-year median earnings figures provided on the College Scorecard for schools in the following categories:

Type of Institution	Number of Institutions	Description	Carnegie Classification Codes	Control
Two-Year Public Colleges	893	Associate's Colleges-Public	1-9	Public
Four-Year Liberal Arts Colleges	253	Bachelor's Colleges-Arts & Science	21	
Doctoral Universities	293	Doctoral Universities	15-17	

Ten-year median earnings are calculated by determining the median earnings of former students, who received federal financial aid and regardless of whether they graduated, at 10 years after entering the school. Earnings are defined in the College Scorecard as the sum of wages and deferred compensation from all W-2 forms received for each individual plus self-employment earnings. [3] Source: CollegeScorecard.ed.gov. 59.6% graduation rate represents College Scorecard's methodology (first-time, full-time graduation rate within 150% of program length) for the UTI Avondale campus. The graduation rate for two-year public colleges excludes students who transfer and graduate from a four-year college. [4]For information on employment rate calculation, see Slide 2 footnote. [5]The earnings data shown in the College Scorecard for UTI of Arizona represent earnings for the four campuses that were operating in 2002-2004 (Arizona, Rancho Cucamonga, NASCAR Technical Institute and Illinois).

A long history of entering and executing in new markets





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

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

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

Statement of loss

($ in thousands, except per share amounts)

	3 Mos. 3/31/18	3 Mos. 12/31/17	3 Mos. 9/30/17	3 Mos. 6/30/17	3 Mos. 3/31/17
Revenues	$ 80,663	$ 81,156	$ 81,329	$ 76,258	$ 82,497
Operating expenses:					
Educational services & facilities	45,817	44,081	44,919	44,120	44,834
SG&A	43,666	40,679	37,524	34,922	36,976
Total operating expenses	89,483	84,760	82,443	79,042	81,810
Loss from operations	(8,820)	(3,604)	(1,114)	(2,784)	687
Total other income (expense), net	(50)	(360)	32	(166)	(272)
Income tax expense (benefit)	(37)	(2,829)	(325)	967	2,145
Net loss	$ (8,833)	$ (1,135)	$ (757)	$ (3,917)	$ (1,730)
Preferred stock dividends	1,295	1,323	1,323	1,309	1,295
Loss available for distribution	$ (10,128)	$ (2,458)	$ (2,080)	$ (5,226)	$ (3,025)
Net loss per share, basic & diluted	$ (0.40)	$ (0.10)	$ (0.08)	$ (0.21)	$ (0.12)
EBITDA[(1)]	$ (4,015)	$ 843	$ 3,850	$ 2,146	$ 5,649

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

Balance sheet summary

($ in thousands)

At:	3/31/18	9/30/17
Cash & cash equivalents/investments	$82,946	$97,917
Restricted cash*	13,081	14,822
Current assets	133,908	146,826
Total assets	$297,187	$274,102
Current liabilities	87,292	86,389
Total liabilities	145,699	148,326
Stockholders' equity	151,488	125,776
Total liabilities & stockholders' equity	$297,187	$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:
  - 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)

** 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 early adopted ASC 606 (Revenue from Contracts with Customers)
  - The SEC encourages companies to early adopt, when possible
  - 8 of 10 of our peer group* were 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.*

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 helps to identify underlying trends. Additionally, such measures help compare the Company's performance on a consistent basis across time periods. Management also utilizes EBITDA as a performance measure internally. To obtain a complete understanding of the Company's performance, these measures should be examined in connection with net income (loss), 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 as a measure of the Company's operating performance or profitability. 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. Investors are encouraged to use GAAP measures when evaluating our financial performance. A reconciliation of the non-GAAP financial measures to the most directly comparable GAAP measures is included in the following slide.

EBITDA reconciliation

($ in thousands)

	3 Mos. 3/31/18	3 Mos. 12/31/17	3 Mos. 9/30/17	3 Mos. 6/30/17	12 Mos. 3/31/17
Net loss	$ (8,833)	$ (1,135)	$ (757)	$ (3,917)	$ (1,730)
Interest expense, net	500	431	461	559	712
Income tax expense (benefit)	(37)	(2,829)	(325)	967	2,145
Depreciation and amortization	4,355	4,376	4,471	4,537	4,522
EBITDA	$ (4,015)	$ 843	$ 3,850	$ 2,146	$ 5,649