



Universal Technical Institute

Q1 2023 Investor Presentation

February 8, 2023

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, failure of our schools to comply with the extensive regulatory requirements for school operations; our failure to maintain eligibility for federal student financial assistance funds; continued Congressional examination of the for-profit education sector; a disruption in our ability to process student loans under the Federal Direct Loan Program; regulatory investigations of, or actions commenced against, us or other companies in our industry; our inability to execute on our growth and diversification strategy including our failure to realize the expected benefits of our acquisitions; changes in the state regulatory environment or budgetary constraints; our failure to successfully integrate our acquisitions; offerings into our current program offerings; our failure to improve underutilized capacity at certain of our campuses; enrollment declines or challenges in our students' ability to find employment as a result of macroeconomic conditions; our failure to maintain and expand existing industry relationships and develop new industry relationships with our industry customers; our ability to update and expand the content of existing programs and develop and integrate new programs in a timely and cost-effective manner while maintaining positive student outcomes; our failure to effectively identify, establish and operate additional schools, programs or campuses; the effect of our principal stockholder owning a significant percentage of our capital stock, and thus being able to influence certain corporate matters and the potential in the future to gain substantial control over our company; the impact of certain holders of our Series A Preferred Stock owning a significant percentage of our capital stock, their ability to influence and control certain corporate matters and the potential for future dilution to holders of our common stock; loss of our senior management or other key employees; and other risks that are described from time to time in our filings with the SEC; the effect of public health pandemics, epidemics or outbreak, including COVID-19. 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 several 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 Workplace Solutions Education Provider



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Addressing Skills
Gaps Through

2

In-Demand
Industry
Segments¹

**Transportation and
Skilled Trades**



Healthcare



33

Campuses
Nationwide

35+

Program
Offerings

4 / 5

Grads Employed
Within 1 Year²

20k+

Active Students

Strong Financial Outlook

\$595-610M

2023 Revenue guidance

\$58-62M

2023 Adj. EBITDA guidance

¹ The Universal Technical Institute segment includes MIAT throughout this presentation unless otherwise noted

² UTI data based on all graduates from UTI owned & operated campuses excluding MIAT, including those who completed MSAT programs, from 10/1/20-9/30/21, & 10/1/19-9/30/20, respectively, and excludes graduates not available for employment because of continuing education, military service, health, incarceration, death or international student status. Concorde data aggregated for campuses accredited by ACCSC, based on their 2022 reporting, and excludes campuses not accredited by ACCSC. Each of the ACCSC program outcomes is evaluated individually. See 10-Q filing for additional information.

High-quality,
state-of-the-
industry technical
and healthcare
training facilities
supporting
successful student
outcomes



Diversified Platform of In-Demand Programs



Example Programs



Auto/Diesel/Motorcycle/Marine Technician



Welding



Energy Technology and Wind Power



Aviation Maintenance, Airframe and Powerplant



Robotics and Automation



- ~13k Students
- 15+ programs across Transportation, Energy, & Skilled Trades
- 16 Campuses in 9 States
- In-person and Hybrid/Blended formats

Example Programs



Dental Hygienist/Assistant



Medical Assistant



Practical/Vocational/Registered Nursing



Healthcare Administration



Respiratory Therapy



- ~8k Students
- 20+ programs across Dental, Allied Health, Nursing, Patient Care and Diagnostics
- 17 Campuses in 8 States
- In-person, Hybrid/Blended, and Fully Online formats

Compelling Long-Term Investment Thesis



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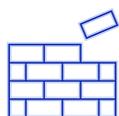
A leading platform in critical, in-demand markets delivered through in-person, hybrid, and online formats



Proven education and employment model reflected in consistently strong graduation and in-field employment rates¹, and deep partnerships with leading industry participants and employers



Successful transformation efforts driving diversified revenue growth, enhanced margin profile and strong organic cashflow



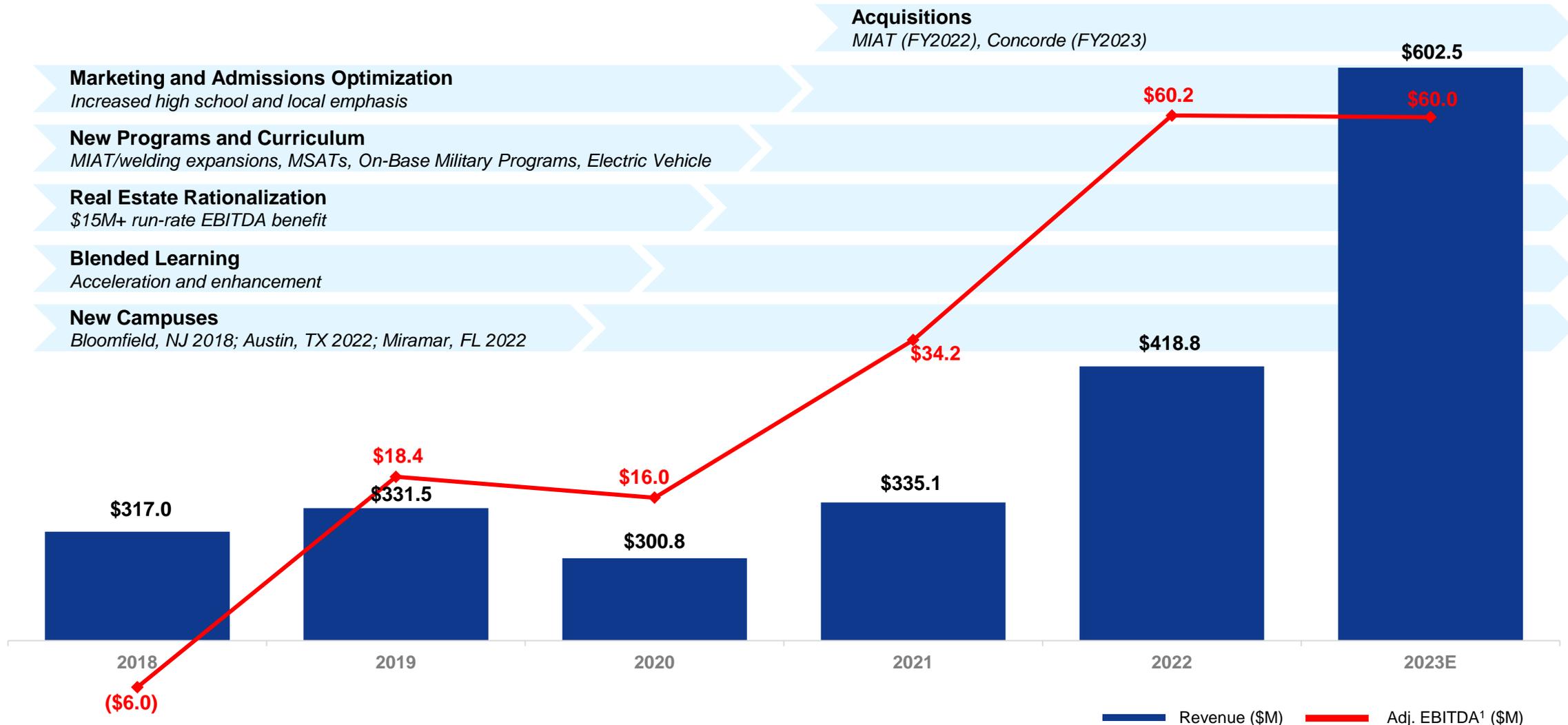
Healthy balance sheet and dedicated investment plan to support inorganic and organic investments, take advantage of growing addressable markets, and drive shareholder value

¹ Per recent years' accreditor reporting results, including MIAT in the most recent period, and pre-acquisition accreditor reporting results as reported by MIAT and Concorde. See 10-K filings for additional information.

Universal Technical Institute's Transformation Journey



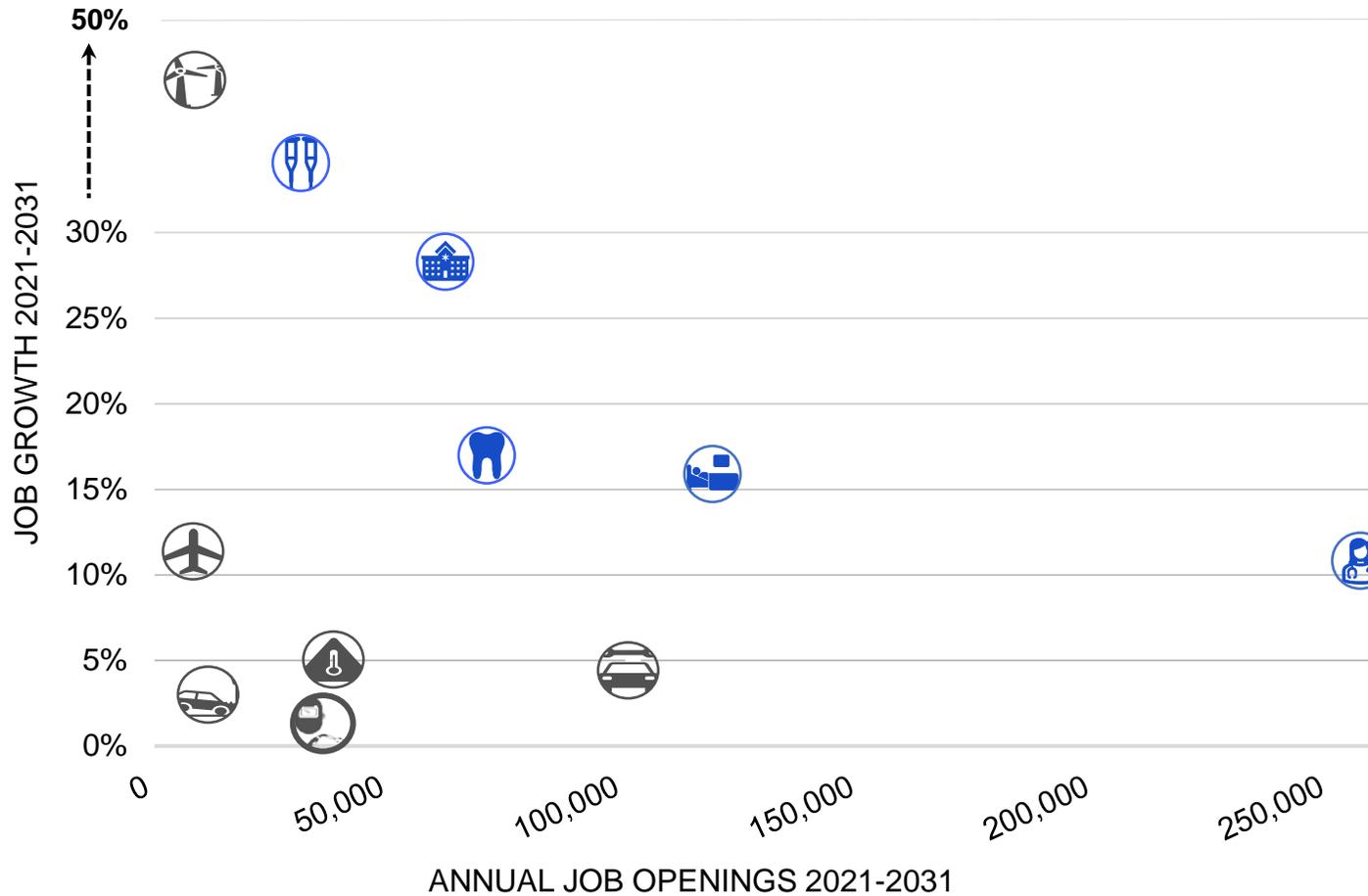
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Note: FY23 outlook aligns to midpoint of Company's guidance and includes 10 months of Concorde

¹ Beginning with fiscal 2023, adjusted EBITDA excludes stock-based compensation. Prior years have been revised for comparison. Refer to definition and reconciliation outlined in the appendix as a Non-GAAP measure

In-Demand Offerings Across Transportation, Skilled Trades, and Healthcare



Healthcare Program Offerings
Dental Hygienists & Assistants
Healthcare Administration
Medical Assistants
Nursing
Physical and Occupational Therapy Assistants

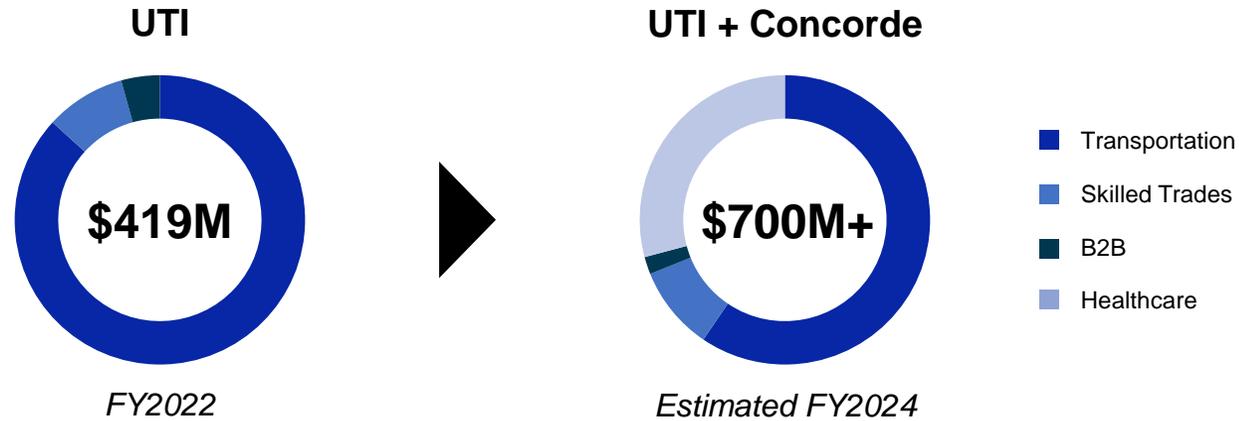
Transportation, Energy, & Skilled Trade Program Offerings
Aircraft Mechanics & Technicians
Auto Body Repairers
Auto/Diesel Technicians
HVACR Mechanics & Installers
Welding
Wind Turbine Service Technicians

Note: Projections as per the U.S. Bureau of Labor Statistics www.bls.gov, viewed December 2022. Job openings include those due to net employment changes and net replacements.

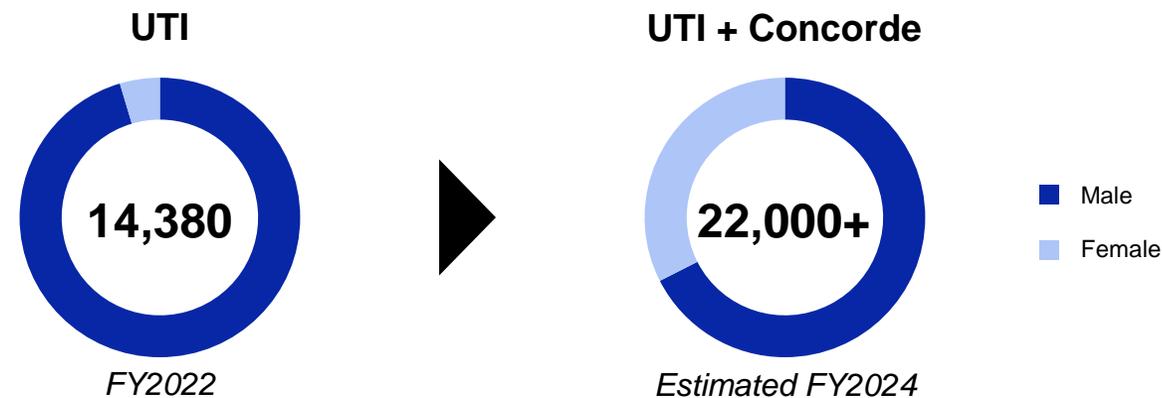
Healthcare Platform & Program Expansions Accelerating Growth and Diversification



Diversified Revenue Mix



Expanded Student Demographics



Healthcare Value Proposition

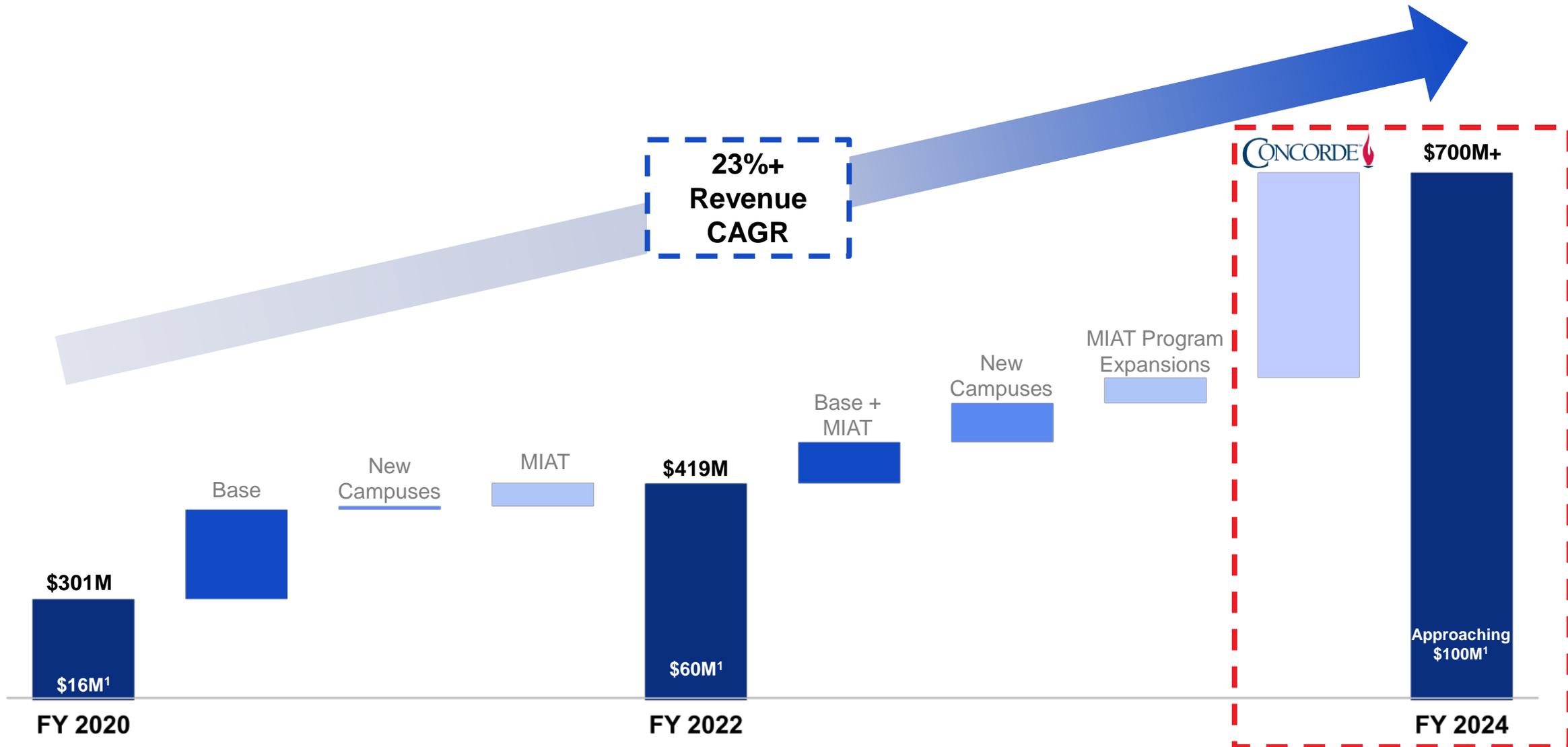
Overall employment in healthcare occupations is expected to result in about **2 million new jobs** from 2021-2031¹, driven by an aging workforce, increasing demand for healthcare and ongoing COVID-19 impacts

Healthcare support occupations projected to grow at **17.8%**, the fastest of all occupational groups from 2021-2031²

Demand is much greater for all healthcare occupations than the number of people available to fill the positions³

¹ U.S. Bureau of Labor Statistics "Occupational Outlook Handbook" Sep 8, 2022
² U.S. Bureau of Labor Statistics "Employment Projections: 2021-2031 Summary" Sep 8, 2022
³ "Demand is high for healthcare workers while labor numbers stagnate" Healthcare Finance, May 12, 2021

Strategic Initiatives Driving Steady Growth

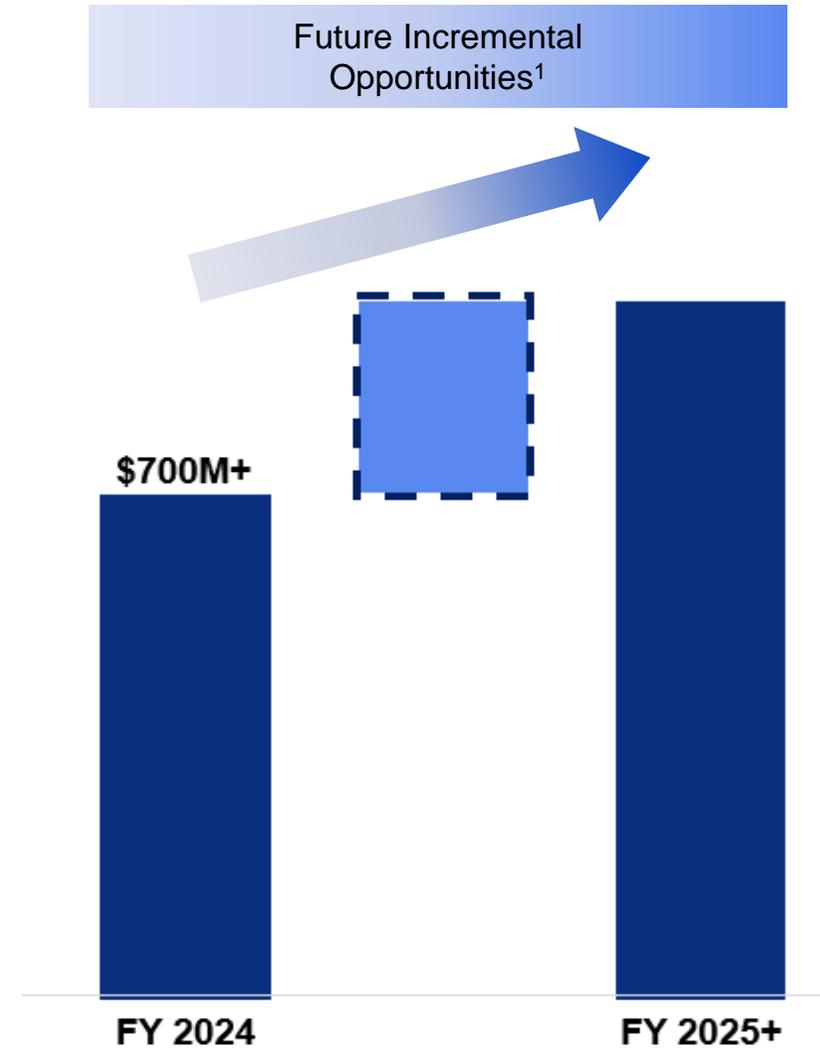


¹ Adjusted EBITDA, which now excludes stock-based compensation; prior years have been updated to reflect this change. Refer to definition and reconciliation outlined in the appendix as a Non-GAAP measure

Disciplined Execution Driving Sustainable Growth



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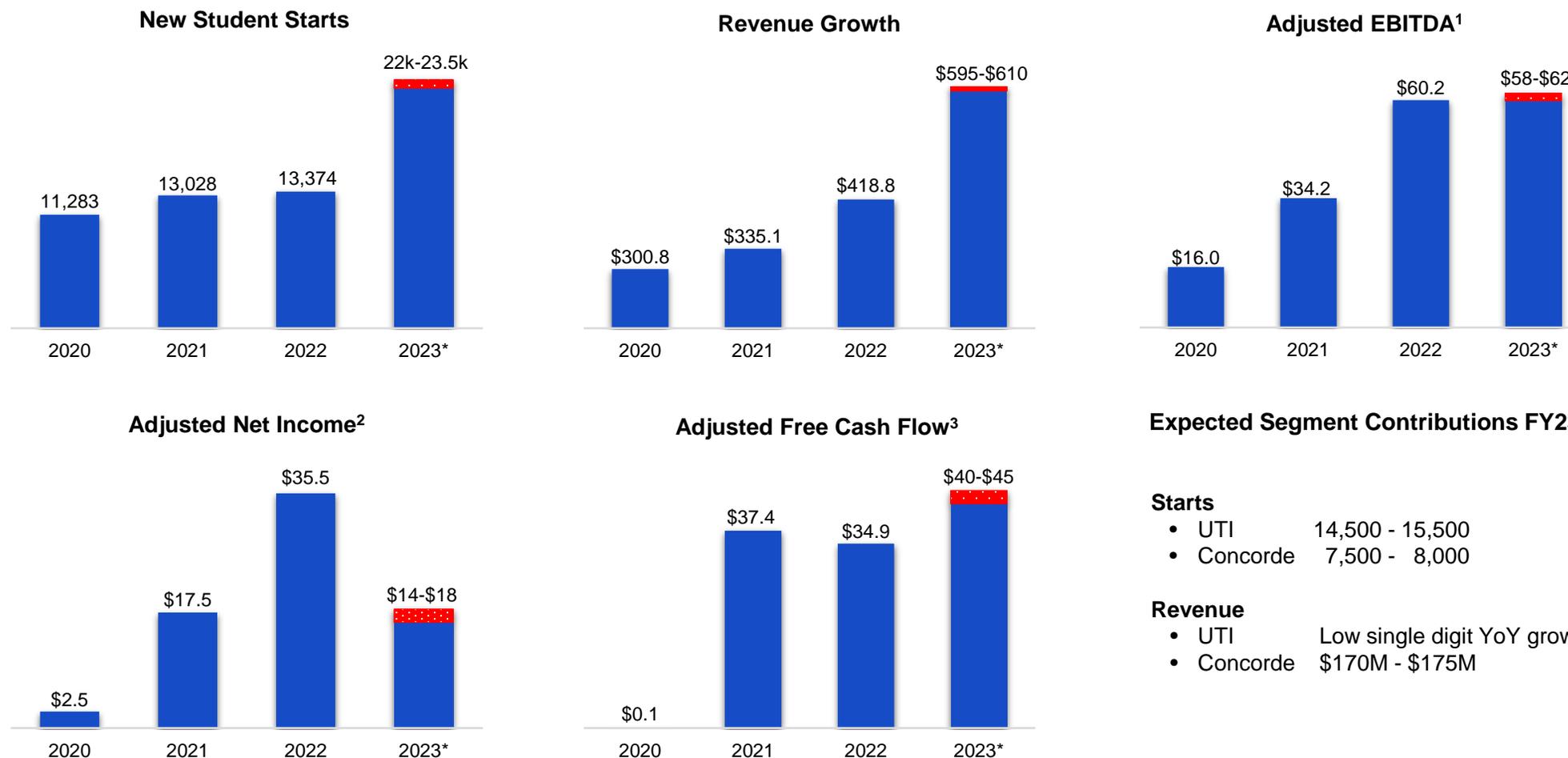
¹ Represents yet to be determined, future potential growth opportunities. No definitive plans have been announced at this time.

Business Outlook

Fiscal 2023 Guidance



Fiscal 2023 Guidance



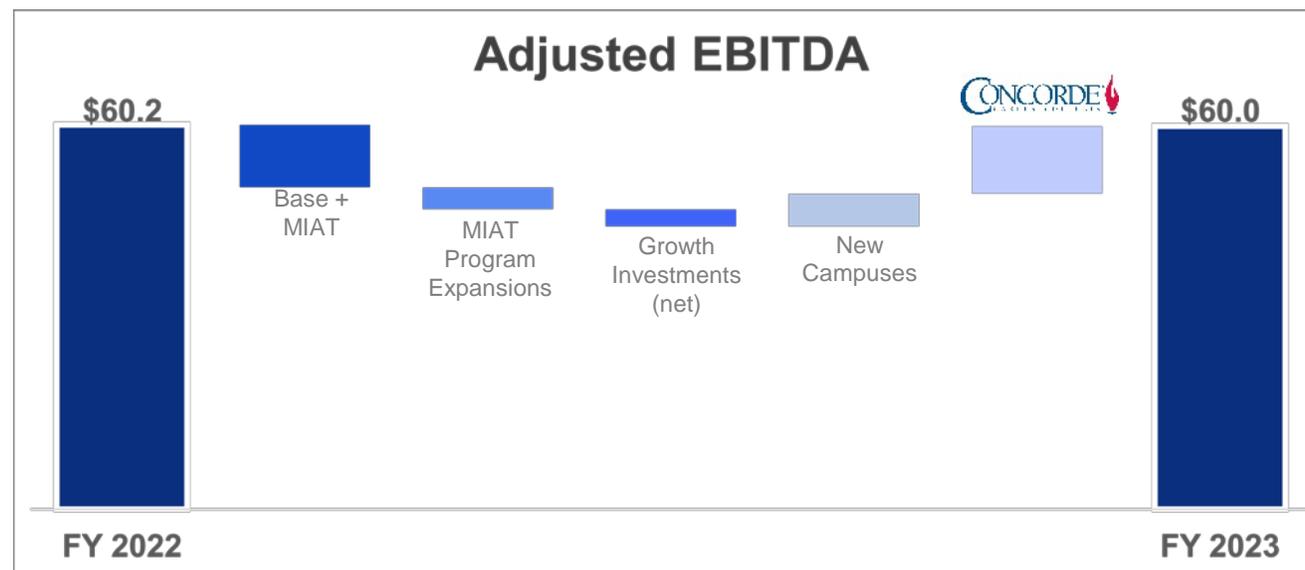
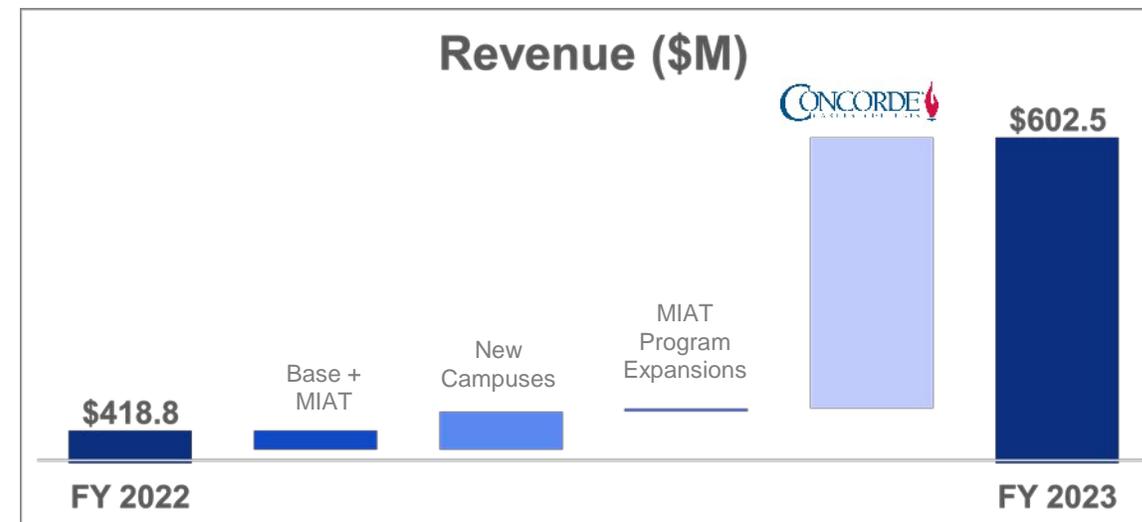
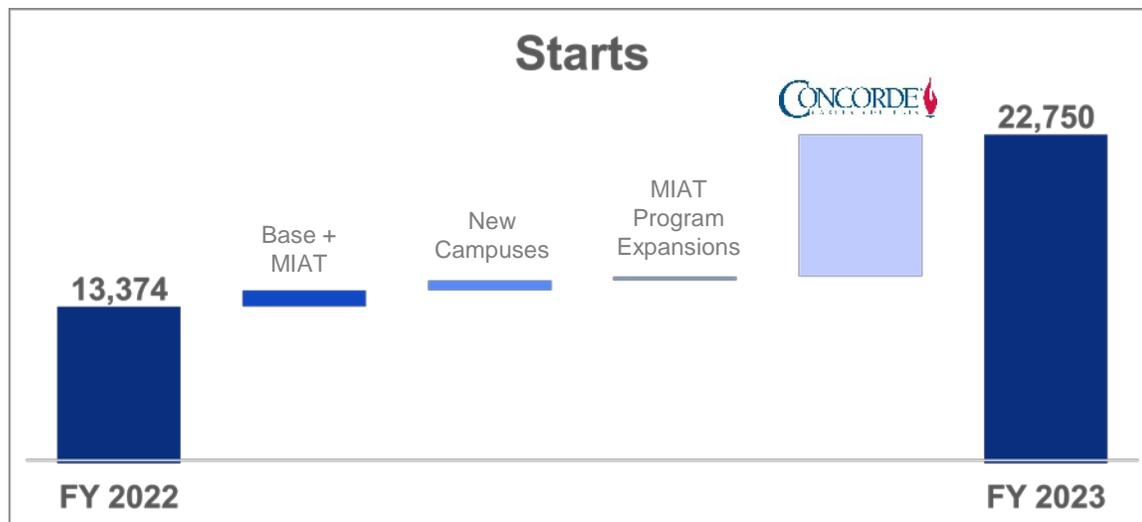
¹ FY23 Adj EBITDA excludes stock-based compensation; prior years updated for comparison. See bridge on subsequent page for more details on YoY performance..

² FY23 Adj NI impacted by a significant effective tax rate increase (5% to 25%) due to the valuation allowance reversal, increased interest expense, and higher D&A..

³ FY23 Adj Free Cash Flow reflects \$36M-\$40M of capital expenditures before adjustments. FY23 capex includes residual investments for the Austin and Miramar campuses, UTI and Concorde planned program expansions, and a consistent level of annual maintenance capex. Company expects to adjust out ~50% of the projected 2023 capex as one-time growth investments.

Note fiscal 2023 includes 10 months of Concorde performance; For detailed reconciliations of Non-GAAP measures see the Appendix

Fiscal 2023 Starts & Revenue Bridges



Note: Bridges are intended to provide indicative year-over-year impacts only; Charts are not presented at full scale in order to highlight the relative impacts of year-over-year performance drivers.

Base & MIAT (net) includes the revenue impact of FY22 new student starts shortfall, partially offset by growth in FY23, largely in 2nd half of the year driven primarily by the high school channel, and net benefit from MIAT growth and synergies.

Growth Investments (net) represent investments in the admissions channels, to scale company infrastructure, and other growth drivers, along with inflationary impacts; partially offset by real estate optimization benefits and other cost efficiencies.

New Campuses represents the year over year impact of the Austin, TX and Miramar, FL campuses launched in FY2022. There are no new campuses planned in FY2023.

* Fiscal 2023 represents the midpoint of the Company's guidance ranges and includes 10 months of projected Concorde performance; For detailed reconciliations of Non-GAAP measures see the Appendix

Appendix



Universal Technical Institute Overview



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Leading provider of transportation and energy and skilled trades technical training, driven to change the world one life at a time by helping people achieve their dreams.

Summary Statistics

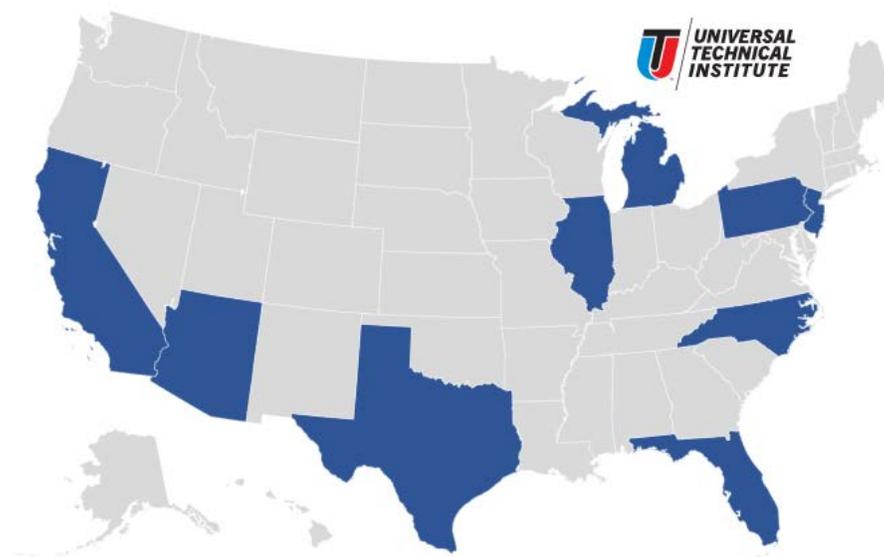
Founded	1965
Revenue ¹	\$419M
Adj. EBITDA ¹	\$60M
Locations	16 Campuses in 9 States
Enrollment	~13K Students

Key Metrics²

Composite Score	2.3 (of 3.0)
Cohort Default Rate	~3%
90/10 Ratio	~69%
Graduation Rate ³	~60%
Employment Rate ⁴	~82%

Business Overview

- 15+ programs for in-demand fields such as transportation and other skilled trades
- Program Mix (2022 Revenue):
 - Auto/Diesel 74%, Other Transportation 13%, Welding 6%, Other Skilled Trades 3%, Industry Training 4%
- Expanding 15 programs⁵ to UTI and MIAT campuses over FY23 and FY24 including Aviation, Robotics, HVACR, Welding and Auto/Diesel.



Mission Statement

To serve our students, partners, and communities by providing quality education and support services for in-demand careers.

¹ As of September 30, 2022; Beginning in fiscal 2023 Company reports Adjusted EBITDA excluding stock-based compensation; fiscal 2022 has been adjusted accordingly.

² Based on most recent reporting periods for UTI. CDR and 90/10 ratios represent approximate averages across UTI's 4 OPEIDs, and individual programs whose individual results may vary significantly from the mean. 90/10 Title IV metric ranges from 64% to 70%, with a Cohort Default Rate range of 1.9% to 3.7%.

³ Represents overall aggregated average of all campuses and programs as reported in most recent regulatory reporting period results, inclusive of MIAT

⁴ Based on all graduates from UTI owned & operated campuses excluding MIAT, including those who completed MSAT programs, from 10/1/20-9/30/21, & 10/1/19-9/30/20, respectively, and excludes graduates not available for employment because of continuing education, military service, health, incarceration, death or international student status. See 10-K filing for additional information

⁵ Pending regulatory approval

Concorde Career Colleges Overview



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Healthcare education provider focused on preparing America's next generation of healthcare professionals for rewarding careers in areas such as nursing, dental, patient care, and allied health

Summary Statistics

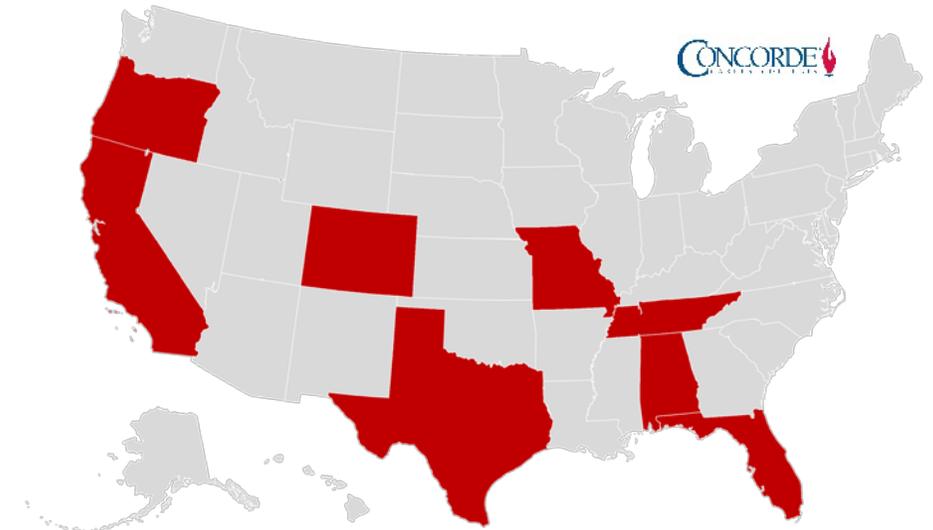
Founded	1968
Revenue ¹	~\$200M
Adj. EBITDA ¹	\$17M
Locations	17 Campuses in 8 States
Enrollment	~8K Students

Key Metrics²

Composite Score	2.0 (of 3.0)
Cohort Default Rate	~4%
90/10 Ratio	~75%
Graduation Rate ³	~72%
Employment Rate ³	~83%

Business Overview

- 20+ programs for in-demand healthcare professional degrees and certifications
- Program Mix (2022 Revenue):
 - Dental 27%, Allied Health 26%, Patient Care 22%, Nursing 18%, Diagnostic 7%
- Expansion of dental hygiene and nursing into new campuses



Mission Statement

To prepare committed students for successful employment in a rewarding health care profession through high-caliber training, real world experience and student-centered support.

¹ Unaudited results as per Concorde Career Colleges, Inc. TTM reported as of September 30, 2022.

² Based on most recent reporting periods for Concorde and represent approximate averages across Concorde's 12 OPEIDs and individual programs whose individual results may vary significantly from the mean. 90/10 Title IV metric ranges from 63% to 87%, with a Cohort Default Rate range of 2.9% to 6.7%. Composite Score for calendar 2021.

³ Aggregated rates for the 14 campuses accredited by ACCSC, based on their 2022 reporting, and excludes campuses not accredited by ACCSC. Each of the ACCSC program outcomes is evaluated individually.

Industry Partnerships That Deliver Value

UTI's relationships with more than 35 leading brands, and other industry and employer partners for both UTI and Concorde provide unique value propositions and competitive differentiation for our schools and students.



UTI Real Estate Optimization



Keys to Real Estate Transformation	Campus	Rationalize		Welding		Other Programs		Total Sq. Ft
		In Process	Complete	In Process	Complete	In Process	Complete	
<p>Enhance utilization of existing space with growth and new programs</p> <p>Optimize real estate</p> <ul style="list-style-type: none"> • Lease expirations • Own versus Rent • Sublease • Other reductions 	BLOOMFIELD, NJ*				✓	✓		102,000
	LONG BEACH, CA*				✓	✓		137,000
	DALLAS, TX* ¹				✓	✓		95,000
	RANCHO CUCAMONGA, CA		✓		✓	✓		148,000
	MOORESVILLE, NC				✓	✓		146,000
	LISLE, IL ¹		✓		✓	✓		187,000
	SACRAMENTO, CA		✓	✓		✓		117,000
	AVONDALE, AZ ^{1,2}		✓		✓	✓		283,000
	HOUSTON, TX ¹	✓	✓		✓	✓		172,000
	EXTON, PA		✓		✓	✓		129,000
	ORLANDO, FL ²		✓			✓		188,000
	CANTON, MI (MIAT)**					✓		125,000
	HOUSTON, TX (MIAT)**	✓						54,000
	AUSTIN, TX***					✓		107,000
	MIRAMAR, FL***					✓		103,000
Corporate Headquarters and Operational Support								
	HOME OFFICE (AZ) ³		✓					21,000

* Metro Campus

** Acquired Campus

*** Blended Learning Campus

¹ UTI-owned facilities. All other facilities are leased under operating leases.

² On December 29, 2020 UTI announced plans to consolidate the Phoenix MMI campus into the Avondale campus and to optimize the Orlando campus. Phoenix MMI campus consolidation was completed in Q3 FY2022, downsizing by ~164,000 sq ft. Orlando campus was downsized by ~75,000 sq ft and consolidated to one site in Q2 FY2022.

³ In September 2022, Company executed an amendment for its home office which reduced the leased space by approximately 8,000 square feet and extended the lease term to February 2027.

Overview of Preferred Shares



History

- **June 2016:** Sold Coliseum Holdings 700,000* shares of Series A Convertible Preferred Stock for \$70 million
 - Initial 700,000 shares were convertible into 21,021,021 shares of common stock (~30:1)
 - Subject to NYSE voting and conversion caps, and certain education regulatory approval limitations
- **February 2020:** Stockholders approve removal of NYSE voting and conversion caps
- **September 2020:** Coliseum distributed all 700,000 shares to affiliates (incl. Coliseum entities) and non-affiliates
 - Affiliates received 24.9% (from 39.2%) of outstanding shares on an as-converted basis
 - > Education regulatory limitation remains; voting and conversion cap of 9.99% of outstanding shares
 - Non-Affiliates received remaining 14.3% of outstanding shares on an as-converted basis; no voting or conversion caps on an individual basis



Dividends

- **7.5% annual dividend:** Currently \$5.1 million paid in cash in semi-annual installments on Sep. 30 and Mar. 31



Conversion

- **By Preferred Holders:** Convertible to common at any time at the option of the holder, subject to any caps
 - Coliseum & Affiliates subject to education regulatory approval cap of 9.99%, must request removal by UTI
- **By UTI:** When the daily VWAP of UTI common stock is \geq \$8.33 for 20 consecutive trading days (excluding trading windows closed to insiders), UTI may require conversion of any/all outstanding preferred stock into common, subject to removal of any caps

* As of December 31, 2022, preferred shares outstanding totaled 675,885 following conversion by one of the preferred holders in June 2022

Note: Above is intended as a summary only and is subject in its entirety to the actual terms contained in our filings with the SEC. Additional details may be found in the Company's public filings including its 10-Ks, 8-Ks, proxy statements and the 2016 Certificate of Designations

Non-GAAP Information



Use of Non-GAAP Financial Information



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This presentation contains non-GAAP (Generally Accepted Accounting Principles) financial measures, which are intended for supplemental informational purposes only, and should not be considered substitutes 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, and amortization. Management defines adjusted EBITDA as net income (loss) before interest expense, interest income, income taxes, depreciation and amortization, adjusted for stock-based compensation expense and items not considered as part of the company's normal recurring operations. Prior year amounts have been restated to include stock-based compensation expense. 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, without limitation, acquisition-related costs for both announced and potential acquisitions, integration costs for completed acquisitions, start-up costs associated with new campus openings and other program expansion, stock-based compensation expense, lease accounting adjustments resulting from the purchase of our Lisle, Illinois campus and our campus consolidation efforts, severance expenses for the CEO transition, and intangible asset impairment charges. 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 ("SEC"). Because the items excluded from these non-GAAP measures are significant components in understanding and assessing UTI's 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 UTI'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 define and calculate non-GAAP financial measures differently than we do, limiting their usefulness as a comparative measure across similarly titled performance measures presented by other 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 (loss) 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 forward-looking adjusted EBITDA, adjusted net (loss) 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. 9/30/23	Actual 12 Mos. 9/30/22	Actual 12 Mos. 9/30/21
Net income (loss)	~\$9,000	\$25,848	\$14,581
Interest (income) expense, net	~4,500	1,495	282
Income tax (benefit) expense	~3,000	(5,407)	602
<u>Depreciation and amortization</u>	<u>~27,900</u>	<u>16,883</u>	<u>14,028</u>
EBITDA	~\$44,400	\$38,819	\$29,493
Acquisition-related costs ⁽¹⁾	~2,300	4,239	2,522
Concorde integration and program expansion costs ⁽²⁾	~5,050	–	–
MIAT integration and program expansion costs ⁽³⁾	~2,000	1,691	–
New campus start-up costs ⁽⁴⁾	–	9,177	502
Facility lease accounting adjustments ⁽⁵⁾	–	(64)	–
Intangible asset impairment ⁽⁶⁾	–	2,000	–
Stock-based compensation ⁽⁷⁾	~\$6,250	4,337	1,733
Adjusted EBITDA, non-GAAP	~\$60,000	\$60,199	\$34,250
FY2023 Guidance Range	\$58,000-\$62,000		

1. Costs related to both announced and potential acquisition targets.
2. Estimated one-time expenses for the integration of the Concorde acquisition and Concorde program expansions.
3. Estimated one-time expenses for the integration of the MIAT acquisition, and expansion of MIAT programs into other UTI campuses.
4. Expenses for implementation of the new campuses in Austin, TX, which launched in Q3'22 and Miramar, FL which launched in Q4'22.
5. Lease accounting adjustments from our campus optimization efforts. These are primarily non-cash except for a lease termination payment related to our Orlando campus.
6. During the fourth quarter of 2022, we completed a branding study and determined that the carrying value of the MIAT trademarks and trade name exceeded its fair value and recorded an intangible asset impairment charge of \$2.0 million during the year ended September 30, 2022.
7. Beginning in FY2023 UTI will include stock-based compensation in its non-GAAP add-backs to EBITDA; prior years have been restated above for comparison

Notes: The acquisition of MIAT closed on November 1, 2021 and Concorde closed on December 1, 2022, impacting comparability across periods;
Expected adjustments outlined for FY 2023 are illustrative only and may differ from what is realized, either in the amounts &/or the categories shown;
Adjusted EBITDA margin noted on prior slides is actual or estimated Adjusted EBITDA divided by actual or estimated revenue.

Adjusted Net Income Reconciliation

(\$ in thousands)



	Guidance Midpoint 9/30/23	Actual 12 Mos. 9/30/22	Actual 12 Mos. 9/30/21
Net income (loss)	~\$9,000	\$25,848	\$14,581
<u>Income tax (benefit) expense⁽¹⁾</u>	<u>~3,000</u>	<u>(5,407)</u>	<u>602</u>
Income before income taxes	~12,000	20,441	15,183
Acquisition-related costs ⁽²⁾	~2,300	4,239	2,522
Concorde integration and program expansion costs ⁽³⁾	~5,050	–	–
MIAT integration and program expansion costs ⁽⁴⁾	~2,000	1,691	–
New campus start-up costs ⁽⁵⁾	–	9,177	502
Facility lease accounting adjustments ⁽⁶⁾	–	(64)	–
Intangible asset impairment ⁽⁷⁾	–	2,000	–
<u>Adjusted income before income taxes</u>	<u>~21,350</u>	<u>37,484</u>	<u>18,207</u>
Income tax effect: benefit (expense) ⁽⁸⁾	~(5,350)	(1,983)	(722)
Adjusted Net Income from operations, non-GAAP	~\$16,000	\$35,501	\$17,485
<i>GAAP effective income tax rate⁽¹⁾</i>	<i>25.0%</i>	<i>5.3%</i>	<i>4.0%</i>
FY2023 Guidance Range	\$14,000-\$18,000		

1. FY23 rate is projected. The GAAP effective tax rate for FY2022 has been adjusted to remove the impact from the MIAT purchase accounting adjustments for deferred tax liabilities and the reversal of the valuation allowance, both of which created a net tax benefit for the period.
2. Estimated costs related to both announced and potential acquisitions.
3. Estimated one-time expenses for the integration of the Concorde acquisition, and Concorde program expansions.
4. Estimated one-time expenses for the integration of the MIAT acquisition, and expansion of MIAT programs into other UTI campuses.
5. Expenses for implementation of the new campuses in Austin, TX, which launched in Q3'22 and Miramar, FL which launched in Q4'22.
6. Lease accounting adjustments from our campus optimization efforts. These are primarily non-cash except for a lease termination payment related to our Orlando campus.
7. During the fourth quarter of 2022, we completed a branding study and determined that the carrying value of the MIAT trademarks and trade name exceeded its fair value and recorded an intangible asset impairment charge of \$2.0 million during the year ended September 30, 2022.
8. The calculation of income tax benefit (expense) on adjusted pre-tax income (loss) is based upon the GAAP effective tax rate applicable for the period.

Note: Expected adjustments outlined for FY 2023 are illustrative only and may differ from what is realized, either in the amounts &/or the categories shown

Adjusted Free Cash Flow Reconciliation

(\$ in thousands)



Investor
Presentation

	Guidance Midpoint 12 Mos. 9/30/23	Actual 12 Mos. 9/30/22	Actual 12 Mos. 9/30/21
Cash flow provided by (used in) operating activities, as reported	~\$51,750	\$46,031	\$55,185
<u>Purchase of property and equipment</u>	<u>~(38,000)</u>	<u>(79,457)</u>	<u>(61,586)</u>
Free Cash Flow, non-GAAP	~13,750	(33,426)	(6,401)
Acquisition-related costs paid ⁽¹⁾	~2,300	3,923	2,026
Concorde integration and program expansion costs ⁽²⁾	~5,050	–	–
Cash outflow for Concorde-related program expansion purchase of PP&E ⁽²⁾	~2,600	–	–
Cash outflow for MIAT integration and program expansion costs ⁽³⁾	~2,000	1,436	–
Cash outflow for MIAT-related program expansion purchase of PP&E ⁽³⁾	~12,000	–	–
Cash outflow for Austin, TX and Miramar, FL start-up costs ⁽⁴⁾	–	5,136	1,806
Cash outflow for Austin, TX and Miramar, FL purchase of PP&E ⁽⁴⁾	~4,800	28,579	1,489
Purchase of Avondale, Arizona campus ⁽⁵⁾	–	–	45,240
Purchase of Lisle, IL campus ⁽⁵⁾	–	28,680	–
Income tax refund related to CARES tax benefit ⁽⁶⁾	–	–	(7,030)
Severance payments due to CEO transition ⁽⁷⁾	–	32	280
Facility lease accounting adjustments ⁽⁸⁾	–	575	–
Adjusted Free Cash Flow, non-GAAP	~\$42,500	\$34,935	\$37,410
FY2023 Guidance Range	\$40,000-\$45,000		

- Costs related to both announced and potential acquisition targets.
- Estimated one-time expenses for the integration of the Concorde acquisition, and Concorde program expansions.
- Anticipated costs for integration of MIAT and expansion of MIAT programs into UTI campuses and select UTI programs into MIAT campuses.
- Expenses for implementation of the new campuses in Austin, TX, which launched in Q3'22, and Miramar, FL which launched in Q4'22.
- In December 2020, we purchased our Avondale, Arizona campus, and in February 2022 we purchased our Lisle, Illinois campus.
- Income tax refunds received as a result of recording an income tax benefit from the CARES Act in 2020.
- Adjustments reflect the cash paid in accordance with previous CEO Kimberly J. McWaters' Retirement Agreement and Release of Claims, dated October 31, 2019.
- Lease accounting adjustments from our campus optimization efforts. These are primarily non-cash except for a lease termination payment related to our Orlando campus.

Note: Expected adjustments outlined for FY 2023 are illustrative only and may differ from what is realized, either in the amounts &/or the categories shown

