Universal Technical Institute, Inc.

Q1 FY24 Financial Supplement

February 7, 2024

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.

Consolidated Q1 2024 Highlights

Financial Supplement

Q1 2024
Revenue
$174.7 million
Net Income
$10.4 million
Adjusted EBITDA
$24.5 million
Diluted Earnings Per Share
$0.17

- Company delivered Q1 financial results ahead of expectations and revised fiscal 2024 guidance follows:
  - Revenue – Raised range to $710 million - $720 million (was $705 million - $715 million)
  - Adjusted EBITDA – Raised range to $100 million - $103 million (was $98 million - $102 million)
  - Net Income – Raised range to $36 million - $40 million (was $34 million - $38 million)
  - Diluted EPS – Raised range to $0.67 - $0.72 (was $0.53 - $0.58)
  - Adjusted Free Cash Flow – No change from prior guidance
  - New student starts – No change from prior guidance

Note: See press release and investor presentation for more details on guidance, including non-GAAP reconciliations.

- Segment revenue contribution in the quarter was $115.4 million for UTI representing 9.3% year over year growth, and $59.3 million for Concorde which is a full quarter contribution versus the prior year only having one month due to the acquisition closing December 1, 2022.
- Total new student starts of 4,346, with UTI delivering 2,314 representing 17.2% year over year growth, and Concorde delivering 2,032
- $143.6 million of cash and $8.2 million of revolver capacity provides ample liquidity for any potential business needs or new opportunities that may arise
- The UTI division launched the last of the initial fourteen planned program expansions during the quarter, and has announced four more planned expansions during fiscal 2024 and early fiscal 2025, and continues work to provide students access to program offerings in even more locations. Concorde launched three new programs during the quarter, and has two more targeted for launch in fiscal 2024.

Consolidated Q1 2024 Summary Results

($ in millions)

Financial Supplement

	3 Mos. 12/31/23	3 Mos. 12/31/22[2]	YoY Change
Revenues	$174.7	$120.0	45.6%
Operating expenses	$160.5	$115.6	38.9%
Ed Services	$92.4	$61.4	50.5%
SG&A	$68.1	$54.1	25.7%
Income from operations	$14.2	$4.4	$9.8
Net interest and other expense	$(0.7)	$(0.3)	$(0.4)
Income tax expense	$(3.2)	$(1.5)	$(1.6)
Net income	$10.4	$2.6	$7.7
Adjusted EBITDA[1]	$24.5	$14.4	$10.1
Operating cash flow	$10.8	$2.8	$8.0
Adjusted free cash flow[1]	$10.2	$2.6	$7.6
Capital expenditures	$3.8	$6.8	$(2.9)

1. *For a detailed reconciliation of Non-GAAP measures, see slides 14-18.*
2. *The acquisition of Concorde closed on December 1, 2022 impacting comparability for all future periods.*

Consolidated Statements of Operations Trend
($ in thousands, except EPS)

Financial Supplement

	3 Mos. 12/31/23	12 Mos. 9/30/23	3 Mos. 9/30/23	3 Mos. 6/30/23	3 Mos. 3/31/23	3 Mos. 12/31/22[3]	12 Mos. 9/30/22
Revenues	$ 174,695	**$ 607,408**	$ 170,298	$ 153,286	$ 163,820	$ 120,004	**$ 418,765**
Operating expenses:							
Educational services and facilities	92,409	**329,870**	93,155	88,377	86,930	61,408	**207,233**
SG&A	68,055	**256,139**	66,804	64,246	70,941	54,148	**189,158**
Total operating expenses	160,464	**586,009**	159,959	152,623	157,871	115,556	**396,391**
Income from operations	14,231	**21,399**	10,339	663	5,949	4,448	**22,374**
Total other (expense) income, net	(682)	**(3,312)**	(1,095)	(1,236)	(706)	(275)	**(1,933)**
Income tax (expense) benefit[1]	(3,160)	**(5,765)**	(2,541)	64	(1,763)	(1,525)	**5,407**
Net (loss) income[1]	$ 10,389	**$ 12,322**	$ 6,703	$ (509)	$ 3,480	$ 2,648	**$ 25,848**
Preferred stock dividends	(1,097)	**(5,069)**	(1,278)	(1,263)	(1,251)	(1,277)	**(5,159)**
Income (loss) available for distribution	$ 9,292	**$ 7,253**	$ 5,425	$ (1,772)	$ 2,229	$ 1,371	**$ 20,689**
Income allocated to participating securities	$ (2,855)	**$ (2,712)**	$ (2,025)	$ —	$ (833)	$ (514)	**$ (7,847)**
Net income (loss) available to common shareholders	$ 6,437	**$ 4,541**	$ 3,400	$ (1,772)	$ 1,396	$ 857	**$ 12,842**
Net income (loss) per share, diluted	$ 0.17	**$ 0.13**	$ 0.10	$ (0.05)	$ 0.04	$ 0.02	**$ 0.38**
EBITDA[2]	$ 21,429	**$ 47,097**	$ 16,848	$ 7,407	$ 12,821	$ 10,021	**$ 38,820**
Total Shares Outstanding (Period End)	53,732	**34,075**	34,075	34,151	34,149	33,925	**33,775**
Weighted Average Diluted Shares Outstanding	37,439	**34,479**	34,824	34,067	34,553	34,408	**33,743**

1. *Net income for the twelve months ended September 30, 2022 includes an income tax benefit from the reversal of a majority of our valuation allowance.*
2. *A reconciling table for EBITDA is available on slide 14.*
3. *The acquisition of Concorde closed on December 1, 2022 impacting comparability for all future periods.*

Consolidated Results of Operations Trend

Percent of Revenue

Financial Supplement

	3 Mos. 12/31/23	**12 Mos. 9/30/23**	3 Mos. 9/30/23	3 Mos. 6/30/23	3 Mos. 3/31/23	3 Mos. 12/31/22[2]	**12 Mos. 9/30/22**
Revenues	100.0%	**100.0%**	100.0%	100.0%	100.0%	100.0%	**100.0%**
Operating Expenses:							
Educational services and facilities	52.9%	**54.3%**	54.7%	57.7%	53.1%	51.2%	**49.5%**
SG&A	39.0%	**42.2%**	39.2%	41.9%	43.3%	45.1%	**45.2%**
Total operating expenses	91.9%	**96.5%**	93.9%	99.6%	96.4%	96.3%	**94.7%**
Income from operations	8.1%	**3.5%**	6.1%	0.4%	3.6%	3.7%	**5.3%**
Total other (expense) income, net	(0.4)%	**(0.5)%**	(0.6)%	(0.7)%	(0.4)%	(0.2)%	**(0.5)%**
Income tax (expense) benefit[1]	(1.8)%	**(0.9)%**	(1.5)%	—%	(1.1)%	(1.3)%	**1.3%**
Net income (loss)[1]	5.9%	**2.0%**	3.9%	(0.3)%	2.1%	2.2%	**6.1%**
Preferred stock dividends	(0.6)%	**(0.8)%**	(0.8)%	(0.8)%	(0.8)%	(1.1)%	**(1.2)%**
Income (loss) available for distribution	5.3%	**1.2%**	3.2%	(1.2)%	1.4%	1.1%	**4.9%**
Income allocated to participating securities	(1.6)%	**(0.4)%**	(1.2)%	—%	(0.5)%	(0.4)%	**(1.9)%**
Net income (loss) available to common shareholders	3.7%	**0.7%**	2.0%	(1.2)%	0.9%	0.7%	**3.1%**
EBITDA	12.3%	**7.8%**	9.9%	4.8%	7.8%	8.4%	**9.3%**

1. *Net income for the twelve months ended September 30, 2022 includes an income tax benefit from the reversal of a majority of our valuation allowance.*
2. *The acquisition of Concorde closed on December 1, 2022 impacting comparability for all future periods.*

Quarterly Trend – Segment Key Metrics

($ in millions, except revenue per student amounts)

	3 Mos. 12/31/23 UTI	3 Mos. 12/31/23 Concorde	3 Mos. 12/31/22 UTI	1 Mo. 12/31/22 Concorde
New student starts	2,314	2,032	1,974	321
Y/Y growth/(decline)	17.2%	533.0%	0.1%	—%
Average undergraduate full-time active students	14,321	8,244	13,511	7,737
Average student Y/Y growth/(decline)	6.0%	6.6%	(1.6)%	—%
Revenue per student[1]	$8,100	$7,200	$7,800	$5,600
Revenues	$115.4	$59.3	$105.6	$14.4
Y/Y growth/(decline)	9.3%	311.8%	0.5%	—%
Income (loss) from operations	$15.1	$7.1	$13.4	$(0.7)
Margin	13.1%	12.0%	12.7%	(4.9)%
Adjusted EBITDA[2][3]	$21.6	$8.8	$20.1	$(0.1)
Adjusted EBITDA margin	18.7%	14.8%	19.1%	(0.7)%

Note: Corporate results are not included within these metrics as they do not have any student data.

1. *Concorde's December 2022 revenue per student was adjusted to reflect the revenue per student for a full quarter.*
2. *The reconciling tables for Adjusted EBITDA are available on slides 14-15.*
3. *Starting in fiscal 2023, stock-based compensation expense is included in Adjusted EBITDA. All prior periods have been restated for comparability.*

Segment Results of Operations
($ in thousands)

Financial Supplement

	3 Mos. 12/31/23 UTI	3 Mos. 12/31/23 Concorde	3 Mos. 12/31/23 Corporate	3 Mos. 12/31/23 Consolidated	3 Mos. 12/31/22 UTI	1 Mos. 12/31/22 Concorde	3 Mos. 12/31/22 Corporate	3 Mos. 12/31/22 Consolidated
Revenues	$ 115,373	$ 59,322	$ —	**$ 174,695**	$ 105,573	$ 14,431	$ —	**$ 120,004**
Ed Services	57,368	35,041	—	**92,409**	50,877	10,531	—	**61,408**
SG&A	42,915	17,153	7,987	**68,055**	41,274	4,626	8,248	**54,148**
Total operating expenses	100,283	52,194	7,987	**160,464**	92,151	15,157	8,248	**115,556**
Income (loss) from operations	15,090	7,128	(7,987)	**14,231**	13,422	(726)	(8,248)	**4,448**
Net income (loss)	13,597	7,173	(10,381)	**10,389**	12,732	(734)	(9,350)	**2,648**
EBITDA[1]	20,597	8,282	(7,450)	**21,429**	18,385	(269)	(8,095)	**10,021**
Adjusted EBITDA[1]	$ 21,611	$ 8,752	$ (5,835)	**$ 24,528**	$ 20,180	$ (64)	$ (5,677)	**$ 14,439**
Adjusted EBITDA margin	18.7%	14.8%	—%	**14.0%**	19.1%	(0.4)%	—%	**8.3%**

1. *For a detailed reconciliation of Non-GAAP measures, see slides 14-18.*

Segment Expense Details
($ in thousands)

Financial Supplement

	3 Mos. 12/31/2023 UTI	% of Segment Revenue	3 Mos. 12/31/2023 Concorde	% of Segment Revenue	3 Mos. 12/31/2023 Corporate	% of Consolidated Revenue	3 Mos. 12/31/2023 Consolidated	% of Consolidated Revenue
EDUCATIONAL SERVICES AND FACILITIES EXPENSES:								
Compensation and related costs	$ 27,642	24.0 %	$ 21,963	37.0 %	$ —	— %	$ **49,605**	**28.4 %**
Occupancy Costs	7,458	6.5 %	5,563	9.4 %	—	— %	**13,021**	**7.5 %**
Depreciation and amortization expense	5,392	4.7 %	1,258	2.1 %	—	— %	**6,650**	**3.8 %**
Supplies, maintenance and student expense	10,413	9.0 %	3,861	6.5 %	—	— %	**14,274**	**8.2 %**
Contract service expense	884	0.8 %	503	0.8 %	—	— %	**1,387**	**0.8 %**
Other educational services and facilities expense	5,579	4.8 %	1,893	3.2 %	—	— %	**7,472**	**4.3 %**
Total	**$ 57,368**	**49.7 %**	**$ 35,041**	**59.1 %**	**$ —**	**— %**	**$ 92,409**	**52.9 %**
SELLING, GENERAL, AND ADMINISTRATIVE EXPENSES:								
Compensation and related costs	$ 21,689	18.8 %	$ 7,094	12.0 %	$ 5,588	3.2 %	$ **34,371**	**19.7 %**
Advertising and marketing costs	13,353	11.6 %	6,092	10.3 %	—	— %	**19,445**	**11.1 %**
Professional and contract service expense	1,703	1.5 %	1,367	2.3 %	2,507	1.4 %	**5,577**	**3.2 %**
Other selling general and administrative expense	6,170	5.3 %	2,600	4.4 %	(108)	(0.1)%	**8,662**	**5.0 %**
Total	**$ 42,915**	**37.2 %**	**$ 17,153**	**28.9 %**	**$ 7,987**	**4.6 %**	**$ 68,055**	**39.0 %**
COMPENSATION AND RELATED COST SUMMARY:								
Salaries, employee benefit and tax expense	$ 45,367	39.3 %	$ 28,192	47.5 %	$ 3,563	2.0 %	$ **77,122**	**44.1 %**
Bonus expense	3,494	3.0 %	857	1.4 %	1,022	0.6 %	**5,373**	**3.1 %**
Stock based compensation	470	0.4 %	8	— %	1,003	0.6 %	**1,481**	**0.8 %**
Total compensation and related costs:	**$ 49,331**	**42.8 %**	**$ 29,057**	**49.0 %**	**$ 5,588**	**3.2 %**	**$ 83,976**	**48.1 %**

New Student Starts Details

Financial Supplement

	3 Mos. 12/31/23	3 Mos. 9/30/23	3 Mos. 6/30/23	3 Mos. 3/31/23	3 Mos. 12/31/22	3 Mos. 9/30/22
UTI Segment						
Total New Student Starts	2,314	6,500	3,333	2,374	1,974	5,965
Y/Y growth/(decline)	17.2%	9.0%	5.3%	4.4%	0.1%	(3.2)%
High School New Student Starts	640	4,044	1,195	539	560	3,786
Y/Y growth/(decline)	14.3%	6.8%	15.8%	0.2%	15.9%	1.0%
Adult New Student Starts	1,154	1,919	1,613	1,320	1,013	1,729
Y/Y growth/(decline)	13.9%	11.0%	(2.9)%	3.7%	0.2%	(11.6)%
Military New Student Starts	520	537	525	515	401	450
Y/Y growth/(decline)	29.7%	19.3%	11.0%	11.0%	(16.1)%	(2.6)%
Concorde Segment						
Total New Student Starts	2,032	3,892	1,967	2,252	321	
Core New Student Starts	1,375	1,986	1,325	1,384	321	
Clinical New Student Starts	657	1,906	642	868	—	

Consolidated Balance Sheet and Cash Flow Summary ($ in thousands)

Financial Supplement

At:		12/31/23		9/30/23
Cash & cash equivalents	$	143,590	$	151,547
Total current assets		197,442		204,985
PP&E (net)		263,922		266,346
Right-of-use assets for operating leases		174,973		176,657
Total assets		**732,413**		**740,685**
Operating lease liability – current		22,521		22,481
Long term debt, current portion		2,560		2,517
Total current liabilities		181,935		184,700
Operating lease liability – LT		164,125		165,026
Long term debt		158,962		159,600
Total liabilities		510,228		514,718
Stockholders' equity		222,185		225,967
Total liabilities & equity	**$**	**732,413**	**$**	**740,685**

		3 Mos. 12/31/23		3 Mos. 12/31/22[1]
Net cash (used in) provided by operating activities	**$**	**10,836**	**$**	**2,812**
Cash paid for acquisition, net of cash acquired[1]		—		(16,973)
Net (purchases) proceeds from held-to-maturity securities		—		29,000
Purchase of property and equipment, excluding Lisle, Orlando, new campus purchases and program expansion		(2,265)		(3,177)
Purchase of property and equipment for new campus and program expansion		(1,583)		(3,605)
Net cash used in investing activities		**(3,848)**		**5,245**
Proceeds from revolving credit facility		—		90,000
Preferred share repurchase		(11,320)		—
Payments on term loans and finance leases		(618)		(273)
Net cash provided by financing activities		**(15,089)**		**88,718**
Change in cash and restricted cash		(8,101)		96,775
Ending balance of cash and restricted cash	**$**	**148,823**	**$**	**166,771**

1. *The acquisition Concorde closed on December 1, 2022 impacting comparability for all future periods.*

Earnings Per Share Trend and Guidance

($ in thousands, except EPS)

Financial Supplement

	Guidance Fiscal 2024 Midpoint	Actual 3 Mos. 12/31/23	Actual 12 Mos. 9/30/23	Actual 3 Mos. 9/30/23	Actual 3 Mos. 6/30/23	Actual 3 Mos. 3/31/23	Actual 3 Mos. 12/31/22[1]
Net Income (loss)	~$36,000-40,000	$ 10,389	$ 12,322	$ 6,702	$ (509)	$ 3,480	$ 2,648
Less: Preferred stock dividend declared	(1,097)	(1,097)	(5,069)	(1,278)	(1,263)	(1,251)	(1,277)
Net income (loss) available for distribution	~$37,000	9,292	7,253	5,424	(1,772)	2,229	1,371
Income allocated to participating securities	(2,855)	(2,855)	(2,712)	(2,025)	—	(833)	(514)
Net income (loss) available to common shareholders	~$32,300	$ 6,437	$ 4,541	$ 3,399	$ (1,772)	$ 1,396	$ 857
Weighted average basic shares outstanding	~49,000	36,434	33,985	34,070	34,067	33,999	33,805
Basic income (loss) per common share	~$0.67-0.72	$ 0.18	$ 0.13	$ 0.10	$ (0.05)	$ 0.04	$ 0.03
Weighted average basic shares outstanding	~49,000	36,434	33,985	34,070	34,067	33,999	33,805
Dilutive effect related to employee stock plans	~1000	1,005	494	754	—	554	603
Weighted average diluted shares outstanding	~50,000	37,439	34,479	34,824	34,067	34,553	34,408
Diluted income (loss) per common share	~$0.67-0.72	$ 0.17	$ 0.13	$ 0.10	$ (0.05)	$ 0.04	$ 0.02

Note: With the December 2023 conversion of all remaining Series A preferred shares into common shares, the two-class EPS calculation method the Company has employed previously will no longer be applicable. While it was used for Q1 FY2024 and will remain in place for year-to-date calculations to account for the Preferred shares before conversion, the remaining quarters in FY24 and beyond will employ the more traditional basic and diluted EPS methodology.

1. *The acquisition of Concorde closed on December 1, 2022 impacting comparability for all future periods.*

Leverage Ratios

Leverage as of 12/31/2023	
Current Loan Balances	$161.5M
LTM EBITDA	$74.3
Cash & Cash Equivalents	$143.6
Gross Leverage Ratio	**2.17x**
Net Leverage Ratio	**0.24x**

Proforma Leverage 9/30/2024	
Projected Note Balances	$159.6M
LTM EBITDA - FY23 Guidance midpoint	~$101.5M
Cash & Cash Equivalents (projected)	~$185.0M
Gross Leverage Ratio	**1.57x**
Net Leverage Ratio	**-0.25x**

9/30/2024 proforma leverage calculation is based upon midpoint of the adjusted EBITDA guidance range and projected year-end cash balance, both of which will depend on actual company performance.

Note: FY24 proforma cash and debt balances assume no revolver paydown, though that will continue to be evaluated throughout the year. Any reduction to the outstanding revolver balance would benefit gross leverage but have no impact on net leverage.

Debt	
Term Loan: Avondale Campus (Fifth Third Bank)	
Original Note Amount	$31.2M
Inception Date	5/12/2021
Rate*	Fixed/Float
Maturity	7 years
Current Note Balance	$29.0M
Term Loan: Lisle Campus (Valley National Bank)	
Original Note Amount	$38.0M
Inception Date	4/14/2022
Rate**	Fixed/Float
Maturity	7 years
Current Note Balance	$37.5M
Revolver (Fifth Third Bank)	
Total Capacity	$100.0M
Inception Date	11/21/2022
Rate***	Float
Maturity	3 years
Current Loan Balance	$90.0M

**Avondale rate is 50% fixed at 3.50% + 50% Floating @ SOFR plus 2% Margin*
***Lisle rate is 50% fixed at 4.69% + 50% Floating @ SOFR plus 2% Margin*
****Revolver rate is SOFR plus 1.75% to 2.25% Margin based on UTI's Total Leverage*

Use of Non-GAAP Financial Information

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. 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, costs related to the purchase of our campuses, lease accounting adjustments resulting from the purchase of our Lisle, Illinois campus and our campus consolidation efforts, restructuring costs 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.

Consolidated Adjusted EBITDA Reconciliation Trend
($ in thousands)

Financial Supplement

	3 Mos. 12/31/23	12 Mos. 9/30/23	3 Mos. 9/30/23	3 Mos. 6/30/23	3 Mos. 3/31/23	3 Mos. 12/31/22[8]	12 Mos. 9/30/22
Net income (loss), as reported[1]	$ 10,389	$ 12,322	$ 6,703	$ (509)	$ 3,480	$ 2,648	$ 25,848
Interest expense (income), net	896	3,795	1,038	1,325	832	600	1,495
Income tax expense (benefit)	3,160	5,765	2,541	(64)	1,763	1,525	(5,407)
Depreciation and amortization	6,984	25,215	6,566	6,655	6,746	5,248	16,884
EBITDA	**$ 21,429**	**$ 47,097**	**$ 16,848**	**$ 7,407**	**$ 12,821**	**$ 10,021**	**$ 38,820**
Acquisition related costs[2]	—	2,374	56	221	1,322	775	4,239
Integration related costs for acquisitions	906	4,514	1,209	1,197	1,014	1,095	1,691
Intangible asset impairment[3]	—	—	—	—	—	—	2,000
Start-up costs for new campuses and program expansion[4]	668	6,412	1,023	2,088	1,921	1,379	9,177
Stock-based compensation expense[5]	1,482	3,848	33	533	2,113	1,169	4,337
Facility lease accounting adjustments[6]	—	—	—	—	—	—	(64)
Restructuring costs[7]	43	—	—	—	—	—	—
Adjusted EBITDA, non-GAAP	**$ 24,528**	**$ 64,245**	**$ 19,169**	**$ 11,446**	**$ 19,191**	**$ 14,439**	**$ 60,200**

1. *Net income for the twelve months ended September 30, 2022 includes an income tax benefit from the reversal of a majority of our valuation allowance.*
2. *Costs related to both announced and potential acquisition targets.*
3. *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.*
4. *The Austin, TX and Miramar, FL campuses opened during FY2022. The adjustment reflects opening costs incurred for both campuses and the costs incurred related to other program expansions.*
5. *Starting in fiscal 2023, stock-based compensation expense is included in Adjusted EBITDA. All prior periods have been restated for comparability.*
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. *On December 5, 2023, UTI announced plans to consolidate the two Houston, Texas campus locations to better align with our business strategy.*
8. *The acquisition of Concorde closed on December 1, 2022 impacting comparability for all future periods.*

Adjusted EBITDA Reconciliation By Segment
($ in thousands)

Financial Supplement

Quarter to date

	3 Mos. 12/31/23 UTI	3 Mos. 12/31/23 Concorde	3 Mos. 12/31/23 Corporate	3 Mos. 12/31/22 UTI	1 Mos. 12/31/22[5] Concorde	3 Mos. 12/31/22 Corporate
Net income (loss), as reported	$ 13,597	$ 7,173	$ (10,381)	$ 12,732	$ (734)	$ (9,350)
Interest expense (income), net	1,506	(45)	(565)	878	8	(286)
Income tax expense (benefit)	—	—	3,160	—	—	1,525
Depreciation and amortization	5,494	1,154	336	4,775	457	16
EBITDA	**$ 20,597**	**$ 8,282**	**$ (7,450)**	**$ 18,385**	**$ (269)**	**$ (8,095)**
Acquisition related costs[1]	—	—	—	—	—	775
Integration related costs for acquisitions	—	294	612	219	150	726
Start-up costs for new campuses and program expansion[2]	500	168	—	1,324	55	—
Stock-based compensation expense[3]	471	8	1,003	252	—	917
Restructuring costs[4]	43	—	—	—	—	—
Adjusted EBITDA, non-GAAP	**$ 21,611**	**$ 8,752**	**$ (5,835)**	**$ 20,180**	**$ (64)**	**$ (5,677)**

1. *Costs related to both announced and potential acquisition targets*
2. *The Austin, TX and Miramar, FL campuses opened during FY2022. The adjustment reflects opening costs incurred for both campuses and the costs incurred related to program expansions.*
3. *Starting in FY2023, stock-based compensation expense is included in Adjusted EBITDA. All prior periods have been restated for comparability.*
4. *On December 5, 2023, UTI announced plans to consolidate the two Houston, Texas campus locations to better align with our business strategy.*
5. *The acquisition of Concorde closed on December 1, 2022 impacting comparability for all future periods.*

Consolidated Adjusted Free Cash Flow
($ in thousands)

Financial Supplement

	3 Mos. 12/31/23	3 Mos. 12/31/22[4]
Cash flow provided by operating activities, as reported	$10,836	$2,812
Purchase of property and equipment	(3,848)	(6,782)
Free cash flow, non-GAAP	6,988	(3,970)
Adjustments:		
Acquisition related costs paid[1]	—	594
Integration related costs paid	984	980
Cash outflow for property and equipment for integration activities	9	—
Cash outflow for start-up costs for new campuses and program expansion[2]	668	1,379
Cash outflow for property and equipment for new campuses and program expansion[2]	1,583	3,605
Cash payments for restructuring costs[3]	5	—
Adjusted free cash flow, non-GAAP	**$10,237**	**$2,588**

1. *Costs related to both announced and potential acquisition targets.*
2. *The Austin, TX and Miramar, FL campuses opened during FY2022. The adjustment reflects opening costs incurred for both campuses and the costs incurred related to other program expansions.*
3. *On December 5, 2023, UTI announced plans to consolidate the two Houston, Texas campus locations to better align with our business strategy.*
4. *The acquisition of MIAT closed on November 1, 2021, and the acquisition of Concorde closed on December 1, 2022 impacting comparability for all future periods.*