Universal Technical Institute
Q4 FY22 Financial Supplement

December 12, 2022

For additional information please see Company public filings and the Financials section of our investor website

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 and speak only as of the date hereof. 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; the effect of public health pandemics, epidemics or outbreak, including COVID-19; changes in the state regulatory environment or budgetary constraints; our failure to realize the expected benefits of our acquisitions; 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. 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.

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.

Q4 2022 Summary Results

($ in millions)

	3 Mos. 9/30/22	3 Mos. 9/30/21	YoY Change	12 Mos. 9/30/22[4]	12 Mos. 9/30/21	YoY Change
New student starts	5,965	6,165	(3.2)%	13,374	13,028	2.7%
Average undergraduate full-time active students	12,709	12,167	4.5%	12,838	11,489	11.7%
Revenues	$110.6	$97.5	13.5%	$418.8	$335.1	25.0%
Operating expense	$107.2	$84.7	26.5%	$396.4	$320.1	23.8%
Operating income (loss)	$3.5	$12.8	$(9.3)	$22.4	$14.9	$7.4
Net income[1]	$2.8	$12.0	$(9.2)	$25.8	$14.6	$11.3
Adjusted net income[2]	$8.0	$13.9	$(5.9)	$35.5	$17.5	$18.0
Adjusted EBITDA[2]	$14.0	$18.3	$(4.2)	$55.9	$32.5	$23.3
Operating cash flow	$38.1	$40.4	$(2.3)	$46.0	$55.2	$(9.2)
Adjusted free cash flow[2]	$38.0	$32.4	$5.5	$34.9	$37.4	$(2.5)
Capital expenditures[3]	$9.8	$7.3	$2.5	$79.5	$61.6	$17.9

[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] For a detailed reconciliation of Non-GAAP measures, see slides 12-14
[3] Includes approximately $28.7 million for the purchase of the Lisle, Illinois campus in February 2022 and approximately $45.2 million for the purchase of the Avondale, Arizona campus in December 2020
[4] The acquisition of MIAT closed on November 1, 2021 impacting comparability for all future periods

Quarterly Trend – Key Metrics

($ in millions, except revenue per student amounts)

	3 Mos. 9/30/22[1]	3 Mos. 6/30/22[1]	3 Mos. 3/31/22[1]	3 Mos. 12/31/21[1]	3 Mos. 9/30/21	3 Mos. 6/30/21	3 Mos. 3/31/21	3 Mos. 12/31/20	3 Mos. 9/30/20
Adjusted new student starts	5,965	3,166	2,275	1,972	6,165	2,531	2,405	1,927	5,772
Y/Y growth/(decline)	(3.2)%	25.1%	(5.4)%	2.3%	6.8%	38.8%	14.9%	20.9%	1.1%[2]
Average undergraduate full-time active students	12,709	12,025	12,903	13,729	12,167	10,797	11,356	11,813	11,251
Y/Y growth/(decline)	4.5%	11.4%	13.6%	16.2%	8.1%	19.1%	10.8%	1.8%	2.9%
Revenues	$110.6	$101.0	$102.1	$105.1	$97.5	$83.8	$77.7	$76.1	$76.3
Y/Y growth/(decline)	13.5%	20.5%	31.4%	38.1%	27.8%	53.8%	(6.0)%	(12.7)%	(12.9)%
Income (loss) from operations	$3.5	$2.0	$3.4	$13.6	$12.8	$3.1	$(1.7)	$0.8	$6.2
Margin	3.2%	2.0%	3.3%	12.9%	13.1%	3.7%	(2.2)%	1.1%	8.1%
Revenue per student	$8,700	$8,400	$7,900	$7,700	$8,000	$7,800	$6,800	$6,400	$6,800
Adjusted EBITDA[3]	$14.0	$11.0	$10.9	$19.9	$18.3	$7.2	$2.8	$4.3	$9.7
Margin	12.7%	10.9%	10.7%	18.9%	18.8%	8.6%	3.6%	5.7%	12.7%
Net income (loss)	$2.8	$0.8[4]	$7.4[4]	$14.8	$12.0	$3.0	$(1.5)	$1.1	$6.5
Cash & Investments	$95.4	$70.7[5]	$61.5[5]	$99.5	$133.7	$103.1[6]	$78.5	$72.1[6]	$114.9

Seasonal cash generation in Q4

1. *The acquisition of MIAT closed on November 1, 2021 impacting comparability for all future periods*
2. *Adjusted for 725 student starts that occurred on July 1, 2019*
3. *A reconciling table for Adjusted EBITDA is available on slides 12-13*
4. *Net income for the three months ended March 31, 2022 includes an income tax benefit from the reversal of a majority of our valuation allowance.*
5. *Purchased the Lisle, Illinois campus for approximately $28.6 million in cash consideration in February 2022. Completed the financing of the Lisle, Illinois campus in April 2022, increasing available liquidity by approximately $20.0 million.*
6. *Purchased the Avondale, Arizona campus for approximately $45.2 million in December 2020. Completed the financing of the Avondale, Arizona campus in May 2021 increasing available liquidity by approximately $31.2 million.*

Statements of Operations Trend

($ in thousands, except EPS)

	12 Mos. 9/30/22[3]	3 Mos. 9/30/22[3]	3 Mos. 6/30/22[3]	3 Mos. 3/31/22[3]	3 Mos. 12/31/21[3]	12 Mos. 9/30/21	3 Mos. 9/30/21	3 Mos. 6/30/21	3 Mos. 3/31/21	3 Mos. 12/31/20	12 Mos. 9/30/20
Revenues	**$ 418,765**	$ 110,638	$ 100,966	$ 102,086	$ 105,075	**$ 335,083**	$ 97,481	$ 83,768	$ 77,709	$ 76,125	**$ 300,761**
Operating expenses:											
Educational services	**207,233**	56,907	53,216	49,209	47,901	**166,818**	44,769	42,238	40,480	39,331	**155,932**
SG&A	**189,158**	50,266	45,796	49,500	43,596	**153,318**	39,931	38,478	38,890	36,019	**148,700**
Total operating expenses	**396,391**	107,173	99,012	98,709	91,497	**320,136**	84,700	80,716	79,370	75,350	**304,632**
Income (loss) from operations	**22,374**	3,465	1,954	3,377	13,578	**14,947**	12,781	3,052	(1,661)	775	**(3,871)**
Total other (expense) income, net	**(1,933)**	(434)	(775)	(621)	(103)	**236**	(212)	34	80	334	**1,277**
Income tax benefit (expense)[1]	**5,407**	(202)	(336)	4,598	1,347	**(602)**	(524)	(86)	34	(26)	**10,602**
Net income (loss)[1]	**$ 25,848**	$ 2,829	$ 843	$ 7,354	$ 14,822	**$ 14,581**	$ 12,045	$ 3,000	$ (1,547)	$ 1,083	**$ 8,008**
Preferred stock dividends	**(5,159)**	(1,246)	(1,296)	(1,294)	(1,323)	**(5,250)**	(1,312)	(1,313)	(1,312)	(1,313)	**(5,264)**
Net income (loss) available to common shareholders	**$ 12,842**	$ 989	$ (453)	$ 3,701	$ 8,232	**$ 5,684**	$ 6,543	$ 1,028	$ (2,859)	$ (230)	**$ 1,609**
Net income (loss) per share, diluted	**$ 0.38**	$ 0.03	$ (0.01)	$ 0.11	$ 0.25	**$ 0.17**	$ 0.20	$ 0.03	$ (0.09)	$ (0.01)	**$ 0.05**
EBITDA[2]	**$ 38,819**	$ 8,122	$ 6,224	$ 7,098	$ 17,375	**$ 29,493**	$ 16,349	$ 6,824	$ 1,981	$ 4,339	**$ 9,414**

1. *Net income for the three months ended March 31, 2022 and twelve months ended September 30, 2022 includes an income tax benefit from the reversal of a majority of our valuation allowance. Net income for the three months ended March 31, 2020 includes an income tax benefit of $10.8M related to the CARES Act.*
2. *A reconciling table for EBITDA is available on slide 12*
3. *The acquisition of MIAT closed on November 1, 2021 impacting comparability for all future periods*

Results of Operations – Percent of Revenue Trend

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	12 Mos. 9/30/22[2]	3 Mos. 9/30/22[2]	3 Mos. 6/30/22[2]	3 Mos. 3/31/22[2]	3 Mos. 12/31/21[2]	12 Mos. 9/30/21	3 Mos. 9/30/21	3 Mos. 6/30/21	3 Mos. 3/31/21	3 Mos. 12/31/20	12Mos. 9/30/20
Revenues	**100.0%**	100.0%	100.0%	100.0%	100.0%	**100.0%**	100.0%	100.0%	100.0%	100.0%	**100.0%**
Operating Expenses:											
Educational services	**49.5%**	51.4%	52.7%	48.2%	45.6%	**49.8%**	45.9%	50.4%	52.1%	51.7%	**51.9%**
SG&A	**45.2%**	45.4%	45.4%	48.5%	41.5%	**45.8%**	41.0%	45.9%	50.0%	47.3%	**49.4%**
Total operating expenses	**94.7%**	96.9%	98.1%	96.7%	87.1%	**95.6%**	86.9%	96.3%	102.1%	99.0%	**101.3%**
Income (loss) from operations	**5.3%**	3.1%	1.9%	3.3%	12.9%	**4.4%**	13.1%	3.6%	(2.1)%	1.0%	**(1.3)%**
Total other (expense) income, net	**(0.5)%**	(0.4)%	(0.7)%	(0.7)%	(0.1)%	**0.1%**	(0.2)%	—%	0.1%	0.5%	**0.4%**
Income tax benefit (expense)[1]	**1.3%**	(0.2)%	(0.3)%	4.5%	1.3%	**(0.2)%**	(0.5)%	(0.1)%	—%	—%	**3.5%**
Net income (loss)[1]	**6.1%**	2.6%	0.8%	7.2%	14.1%	**4.3%**	12.4%	3.6%	(2.0)%	1.4%	**2.6%**
Preferred stock dividends	**1.2%**	1.1%	1.3%	1.3%	1.3%	**1.6%**	1.3%	1.6%	1.7%	1.7%	**1.8%**
Net income (loss) available to common shareholders	**3.0%**	0.9%	(0.4)%	3.6%	7.8%	**1.7%**	6.7%	1.2%	(3.7)%	(0.3)%	**0.5%**

1. *Net income for the three months ended March 31, 2022 and the twelve months ended September 30, 2022 includes an income tax benefit from the reversal of a majority of our valuation allowance. Net income for the three months ended March 31, 2020 includes an income tax benefit of $10.8M related to the CARES Act.*
2. *The acquisition of MIAT closed on November 1, 2021 impacting comparability for all future periods*

Results of Operations – Educational Services and SG&A ($ in thousands)

	3 Mos. 9/30/2022(1)	% of Revenue	3 Mos. 9/30/2021	% of Revenue	12 Mos. 9/30/2022(1)	% of Revenue	12 Mos. 9/30/2021	% of Revenue
EDUCATIONAL SERVIES AND FACILITIES EXPENSES:								
Compensation and related costs	$ 29,121	26.3 %	$ 22,600	23.2 %	$ 108,591	25.9 %	$ 89,295	26.6 %
Depreciation and amortization expense	4,445	4.0 %	3,329	3.4 %	15,709	3.8 %	13,232	3.9 %
Occupancy Costs	8,150	7.4 %	8,025	8.2 %	35,408	8.5 %	31,409	9.4 %
Other educational services and facilities expense	5,427	4.9 %	3,108	3.2 %	17,717	4.2 %	10,717	3.2 %
Contract service expense	1,028	0.9 %	647	0.7 %	4,764	1.1 %	2,516	0.8 %
Student expense	2,308	2.1 %	1,304	1.3 %	4,908	1.2 %	4,158	1.2 %
Taxes and licensing expense	622	0.6 %	555	0.6 %	2,749	0.7 %	2,422	0.7 %
Supplies and maintenance expense	5,806	5.2 %	5,201	5.3 %	17,387	4.2 %	13,069	3.9 %
Total	**$ 56,907**	**51.4 %**	**$ 44,769**	**45.9 %**	**$ 207,233**	**49.5 %**	**$ 166,818**	**49.8 %**
SELLING, GENERAL, AND ADMINISTRATIVE EXPENSES:								
Compensation and related costs	$ 23,717	21.4 %	$ 21,696	22.3 %	$ 93,554	22.3 %	$ 84,028	25.1 %
Advertising costs	13,271	12.0 %	8,738	9.0 %	51,546	12.3 %	38,748	11.6 %
Contract service expense	1,869	1.7 %	1,295	1.3 %	5,815	1.4 %	5,509	1.6 %
Depreciation and amortization expense	314	0.3 %	229	0.2 %	1,174	0.3 %	796	0.2 %
Professional services expense	1,827	1.7 %	2,089	2.1 %	8,755	2.1 %	5,409	1.6 %
Intangible asset impairment expense	2,000	1.8 %	—	— %	2,000	0.5 %	—	— %
Other selling general and administrative expense	7,268	6.6 %	5,884	6.0 %	26,314	6.3 %	18,828	5.6 %
Total	**$ 50,266**	**45.4 %**	**$ 39,931**	**41.0 %**	**$ 189,158**	**45.2 %**	**$ 153,318**	**45.8 %**
COMPENSATION AND RELATED COST SUMMARY:								
Salaries expense	$ 40,302	36.4 %	$ 33,721	34.6 %	$ 151,951	36.3 %	$ 132,205	39.5 %
Employee benefit and tax	7,791	7.0 %	5,916	6.1 %	29,118	7.0 %	22,654	6.8 %
Bonus expense	3,681	3.3 %	4,112	4.2 %	16,664	4.0 %	16,656	5.0 %
Stock based compensation	1,064	1.0 %	547	0.6 %	4,412	1.1 %	1,808	0.5 %
Total Compensation and related costs:	**$ 52,838**	**47.8 %**	**$ 44,296**	**45.4 %**	**$ 202,145**	**48.3 %**	**$ 173,323**	**51.7 %**

1. *The acquisition of MIAT closed on November 1, 2021 impacting comparability for all future periods*

Quarterly Trend - New Student Starts By Channel

	3 Mos. 9/30/22[1]	3 Mos. 6/30/22[1]	3 Mos. 3/31/22[1]	3 Mos. 12/31/21[1]	3 Mos. 9/30/21	3 Mos. 6/30/21	3 Mos. 3/31/21	3 Mos. 12/31/20	3 Mos. 9/30/20
Total New Student Starts	5,965	3,166	2,275	1,972	6,165	2,532	2,405	1,927	5,772
Y/Y growth/(decline)	(3.2)%	25.0%	(5.4)%	2.3%	6.8%	38.8%	14.9%	20.9%	1.1%[3]
High School New Student Starts[2]	3,786	1,032	544	483	3,748	540	476	519	3,761
Y/Y growth/(decline)	1.0%	91.1%	14.3%	(6.9)%	(0.3)%	22.4%	24.9%	24.5%	(2.8)%[3]
Adult New Student Starts[2]	1,729	1,661	1,268	1,011	1,955	1,432	1,372	924	1531
Y/Y growth/(decline)	(11.6)%	16.0%	(7.6)%	9.4%	27.7%	66.1%	12.8%	16.5%	6.5%[3]
Military New Student Starts[2]	450	473	463	478	462	560	557	484	480
Y/Y (decline)/growth	(2.6)%	(15.5)%	(16.9)%	(1.2)%	(3.8)%	7.5%	12.3%	26.0%	18.8%[3]

1. *The acquisition of MIAT closed on November 1, 2021 impacting comparability for all future periods.*
2. *Channel designations have been restated at various times for change in classification.*
3. *Adjusted to be on a comparable basis due to 725 student starts that occurred on July 1, 2019. The comparable fiscal 2020 start occurred on June 29, 2020.*

Balance Sheet and Cash Flow Summary

($ in thousands)

At:		9/30/22[2]		9/30/21
Cash & cash equivalents	$	66,452	$	133,721
Restricted cash[1]		3,544		12,256
Held-to-maturity investments		28,918		—
Current assets		135,953		183,392
PP&E (net)		214,292		122,051
Right-of-use assets for operating leases		132,038		159,075
Total assets	**$**	**552,911**	**$**	**512,570**
Operating lease liability – current	$	12,959	$	14,075
Current liabilities		137,722		132,718
Operating lease liability – LT		129,302		153,228
Total liabilities		337,514		324,040
Stockholders' equity		215,397		188,530
Total liabilities & equity	**$**	**552,911**	**$**	**512,570**

		12 Mos. 9/30/22[2]		12 Mos. 9/30/21
Net cash provided by operating activities	**$**	**46,031**	**$**	**55,185**
Cash paid for acquisition, net of cash acquired[2]		(26,514)		—
Purchase of property and equipment, excluding Avondale and Lisle		(50,978)		(16,346)
Purchase of Lisle, Illinois campus		(28,479)		—
Purchase of Avondale campus		—		(45,240)
Net purchases/ proceeds from held-to-maturity securities		(28,821)		37,651
Net cash used in investing activities	**$**	**(134,597)**	**$**	**(22,951)**
Proceeds from term loan		38,000		31,150
Payments on term loans and finance leases		(19,227)		(383)
Net cash provided by financing activities	**$**	**12,585**	**$**	**24,824**
Change in cash and restricted cash		(75,981)		57,058
Ending balance of cash and restricted cash	**$**	**69,996**	**$**	**145,977**

1. *Restricted cash includes the funds transferred in advance of loan purchases under UTI's proprietary loan program, certain funds held for students from Title IV financial aid programs and funds held as collateral for certain of the surety bonds.*
2. *The acquisition of MIAT closed on November 1, 2021 impacting comparability for all future periods.*

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 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, without limitation, acquisition-related costs for both announced and potential acquisitions, integration costs for completed acquisitions, costs related to the purchase of our Lisle, Illinois and Avondale, Arizona campuses, start-up costs associated with the Austin, TX and Miramar, FL campus openings, lease accounting adjustments resulting from the purchase of our Lisle, Illinois campus and our campus consolidation efforts, the income tax benefit recorded as a result of the CARES Act, severance expenses for the CEO transition, intangible asset impairment charges, 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 ("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 Net Income (Loss) Trend

($ in thousands)

	12 Mos. 9/30/22(1)	3 Mos. 9/30/22(1)	3 Mos. 6/30/22(1)	3 Mos. 3/31/22(1)	3 Mos. 12/31/21(1)	12 Mos. 9/30/21	3 Mos. 9/30/21	3 Mos. 6/30/21	3 Mos. 3/31/21	3 Mos. 12/31/20	12 Mos. 9/30/20
Net income (loss)	$ 25,848	$ 2,829	$ 843	$ 7,354	$ 14,822	$ 14,581	$ 12,045	$ 3,000	$ (1,547)	$ 1,083	$ 8,008
Income tax (benefit) expense	(5,407)	202	336	(4,598)	(1,347)	602	524	86	(34)	26	(10,602)
Income (loss) before income taxes	20,441	3,031	1,179	2,756	13,475	15,183	12,569	3,086	(1,581)	1,109	(2,594)
Adjustments:											
Acquisition related costs(2)	4,239	1,016	314	2,023	886	2,522	1,482	251	789	—	—
MIAT integration costs	1,691	788	702	126	75	—	—	—	—	—	—
Intangible asset impairment(3)	2,000	2,000	—	—	—	—	—	—	—	—	—
Facility lease accounting adjustments(4)	(64)	397	547	(1,008)	—	—	—	—	—	—	—
Start-up costs associated with Austin, TX and Miami, FL campus openings(5)	9,177	1,711	3,169	2,704	1,593	502	423	79	—	—	—
Severance expense due to CEO transition	—	—	—	—	—	—	—	—	—	—	1,531
Norwood, MA campus operating loss	—	—	—	—	—	—	—	—	—	—	3,272
Adjusted income (loss) before income taxes	37,484	8,943	5,911	6,601	16,029	18,207	14,474	3,416	(792)	1,109	2,209
Income tax effect: (expense) benefit(6)	(1,983)	(935)	(248)	(238)	(636)	(722)	(603)	(95)	17	(26)	258
Adjusted net income (loss), non-GAAP	**$ 35,501**	**$ 8,008**	**$ 5,663**	**$ 6,363**	**$ 15,393**	**$ 17,485**	**$ 13,871**	**$ 3,321**	**$ (775)**	**$ 1,083**	**$ 2,467**
GAAP effective income tax rate(7)	5.3 %	10.5 %	4.2 %	3.6 %	4.0 %	4.0 %	4.2 %	2.8 %	2.2 %	2.3 %	(11.7)%

1. *The acquisition of MIAT closed on November 1, 2021 impacting comparability for all future periods.*
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. *Lease accounting adjustments from our campus optimization efforts. These are primarily non-cash except for a lease termination payment related to our Orlando campus.*
5. *The Austin, TX and Miramar, FL campuses both opened during FY2022. The adjustment reflects preopening costs incurred for both campuses.*
6. *The calculation of income tax (expense) benefit on adjusted pre-tax income (loss) is based upon the GAAP effective tax rate applicable for the period.*
7. *The GAAP effective income tax rate for the three ended June 30, 2020 has been adjusted to remove the impact of the income tax benefit recorded as a result of the CARES Act. The rate for the three months ended December 31, 2021 has been adjusted to remove the impact from the MIAT purchase accounting adjustments for deferred tax liabilities which created a benefit for the period. The rate for the three months ended March 31, 2022 and twelve months ended September 30, 2022 has been adjusted to remove the impact from the reversal of a majority of our valuation allowance.*

EBITDA Reconciliation Trend

($ in thousands)

	12 Mos. 9/30/22[2]	3 Mos 9/30/22[2]	3 Mos 6/30/22[2]	3 Mos 3/31/22[2]	3 Mos 12/31/21[2]	12 Mos. 9/30/21	3 Mos. 9/30/21	3 Mos. 6/30/21	3 Mos. 3/31/21	3 Mos. 12/31/20	12 Mos. 9/30/20
Net income (loss), as reported[1]	$ 25,848	$ 2,829	$ 843	$ 7,354	$ 14,822	$ 14,581	$ 12,045	$ 3,000	$ (1,547)	$ 1,083	$ 8,008
Interest expense (income), net	1,495	332	484	458	221	282	222	119	(7)	(52)	(1,142)
Income tax (benefit) expense	(5,407)	202	336	(4,598)	(1,347)	602	524	86	(34)	26	(10,602)
Depreciation and amortization	16,883	4,759	4,561	3,884	3,679	14,028	3,558	3,619	3,569	3,282	13,150
EBITDA	$ 38,819	$ 8,122	$ 6,224	$ 7,098	$ 17,375	$ 29,493	$ 16,349	$ 6,824	$ 1,981	$ 4,339	$ 9,414

1. *Net income for the three months ended March 31, 2022 and 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 MIAT closed on November 1, 2021 impacting comparability for all future periods.*

Adjusted EBITDA Reconciliation Trend

($ in thousands)

	12 Mos. 9/30/22[7]	3 Mos. 9/30/22[7]	3 Mos. 6/30/22[7]	3 Mos. 3/31/22[7]	3 Mos. 12/31/21[7]	12 Mos. 9/30/21	3 Mos. 9/30/21	3 Mos. 6/30/21	3 Mos. 3/31/21	3 Mos. 12/31/20	12 Mos. 9/30/20
EBITDA	$ 38,819	$ 8,122	$ 6,224	$ 7,098	$ 17,375	$ 29,493	$ 16,349	$ 6,824	$ 1,981	$ 4,339	$ 9,414
Acquisition related costs[1]	4,239	1,016	314	2,023	886	2,522	1,482	251	789	—	—
MIAT integration costs	1,691	788	702	126	75	—	—	—	—	—	—
Intangible asset impairment[2]	2,000	2,000	—	—	—	—	—	—	—	—	—
Start-up costs for Austin, TX and Miami, FL campus openings[3]	9,177	1,711	3,169	2,704	1,593	502	423	79	—	—	—
Facility lease accounting adjustments[4]	(64)	397	547	(1,008)	—	—	—	—	—	—	—
Severance Expense for CEO transition[5]	—	—	—	—	—	—	—	—	—	—	1,531
Norwood, MA Campus EBITDA[6]	—	—	—	—	—	—	—	—	—	—	3,005
Adjusted EBITDA, non-GAAP	**$ 55,862**	**$ 14,034**	**$ 10,956**	**$ 10,943**	**$ 19,929**	**$ 32,517**	**$ 18,254**	**$ 7,154**	**$ 2,770**	**$ 4,339**	**$ 13,950**

1. *Costs related to both announced and potential acquisition targets*
2. *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.*
3. *The Austin, TX and Miramar, FL campuses opened during FY2022. The adjustment reflects preopening costs incurred for both campuses.*
4. *Lease accounting adjustments from our campus optimization efforts. These are primarily non-cash except for a lease termination payment related to our Orlando campus.*
5. *During the three months ended December 31, 2019 we incurred a total charge of $1.5 million related to the retirement of our President and Chief Executive Officer, Kimberly J. McWaters.*
6. *The Norwood, MA exit was announced in February 2019. The previously enrolled students completed their programs and the campus closed on July 31, 2020.*
7. *The acquisition of MIAT closed on November 1, 2021 impacting comparability for all future periods.*

Adjusted Free Cash Flow Trend

($ in thousands)

	3 Mos. 9/30/22[9]	3 Mos. 9/30/21	3 Mos 9/30/20	12 Mos. 9/30/22[9]	12 Mos. 9/30/21	12 Mos 9/30/20
Cash flow provided by operating activities, as reported	$38,125	$40,402	$21,149	$46,031	$55,185	$11,032
Purchase of property and equipment	(9,842)	(7,341)	(2,072)	(79,457)	(61,586)	(9,262)
Free cash flow, non-GAAP	28,283	33,061	19,077	(33,426)	(6,401)	1,770
Adjustments:						
Purchase of Lisle campus building[1]	201	—	—	28,680	—	—
Purchase of Avondale, Arizona campus[2]	—	—	—	—	45,240	—
Income tax refund related to CARES tax benefit[3]	—	(4,291)	(4,220)	—	(7,030)	(4,220)
Acquisition related costs paid[4]	406	1,077	—	3,923	2,026	—
MIAT integration costs paid	692	—	—	1,436	—	—
Facility lease accounting adjustments[5]	—	—	—	575	—	—
Cash outflow for Austin, TX and Miramar, FL start-up costs[6]	721	1,441	—	5,136	1,806	—
Cash outflow for Austin, TX and Miramar, FL purchase of property and equipment[6]	7,649	1,082	—	28,579	1,489	—
Severance payment due to CEO transition[7]	—	65	140	32	280	1,218
Free cash flow used in Norwood, MA campus operations[8]	—	—	1,271	—	—	1,302
Adjusted free cash flow, non-GAAP	**$37,952**	**$32,435**	**$16,268**	**$34,935**	**$37,410**	**$70**

1. *In February 2022, we purchased our Lisle, Illinois campus for approximately $28.7 million in cash consideration.*
2. *In December 2020, we purchased our Avondale, Arizona campus for approximately $45.2 million.*
3. *Income tax refunds received as a result of recording an income tax benefit from the CARES Act in 2020.*
4. *Costs related to both announced and potential acquisition targets.*
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. *The Austin, TX and Miramar, FL campuses opened during FY2022. The adjustment reflects preopening costs incurred for both campuses.*
7. *Adjustments reflect the cash paid in accordance with previous CEO Kimberly J. McWaters' Retirement Agreement and Release of Claims, dated October 31, 2019.*
8. *The Norwood, MA exit was announced in February 2019. The previously enrolled students completed their programs and the campus closed on July 31, 2020.*
9. *The acquisition of MIAT closed on November 1, 2021 impacting comparability for all future periods.*

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