



**Purpose. People. Profit.**  
Investor Presentation



Universal Technical Institute, Inc.

## Safe Harbor

*This presentation may include predictions, estimates or other information that may be considered forward looking under the Safe Harbor provision of the Private Securities Litigation Reform Act of 1995. Such statements are based on UTI's last data reported and have not been updated to reflect any changes that may have occurred since our last reporting date. Any forward looking statements are subject to a number of risks and uncertainties that could cause actual results to differ materially from those anticipated by these forward-looking statements. Factors that could affect the company's actual results include changes to federal and state educational funding, construction delays for new and expanded campuses, possible failure or inability to obtain regulatory consents and certifications for new campuses, potential increased competition, changes in demand for the programs offered by the company, increased investment in management and capital resources, and effectiveness of the company's recruiting, advertising and promotional efforts, changes to interest rates and low unemployment. Further information on these and other potential factors that could affect the company's financial results may be found in the company's filings with the Securities and Exchange Commission.*



## Adoption of SFAS No. 123(R)

The company adopted Statement of Financial Accounting Standards No. 123(R) effective October 1, 2005. SFAS No. 123(R) requires the company to recognize equity based compensation expense for all stock option and other equity-based awards. Prior to its adoption of SFAS No. 123(R), the company accounted for stock-based awards to employees in accordance with Accounting Principles Board Opinion No. 25.

As a result of the company's adoption of SFAS No. 123(R), the company's presentation includes certain financial measures that may be deemed "non-GAAP financial measures" under rules of the Securities and Exchange Commission. These non-GAAP financial measures are provided to enhance the reader's overall understanding and provide greater comparability of the company's interim and annual financial performance for fiscal 2006. This information should be considered in conjunction with the company's financial results prepared in accordance with GAAP.



# Presentation Overview

About UTI

Compelling supply and demand dynamics

- ▶ Good value proposition for students
- ▶ Industry-oriented business model

High-value strategic relationships

Operational focus and growth strategies

Financial highlights



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# About UTI

40-year history began in 1965

Leading brands in technical education

- ▶ 60% recent high school graduates
- ▶ 40% adult learners

16,324 students on average for FY06 nine months

- ▶ 60% recent high school graduates
- ▶ 40% adult learners

Growing national presence

- ▶ 75% in auto/truck related programs
- ▶ 10 campuses in 8 states

Primary customer focus is industry

- ▶ Manufacturer specific training for leading OEM's
- ▶ 19 advanced level training manufacturer specific facilities

Unique competitive advantages



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# Leading Brands in Technical Education



Founded 1965 // Leading provider to Auto, Diesel and Collision industries



Dupont Performance Coatings



Founded 1973 // Leading motorcycle and marine technician school



Founded 1980 // Graduate-level, Manufacturer Specific



Mercedes-Benz



PORSCHE



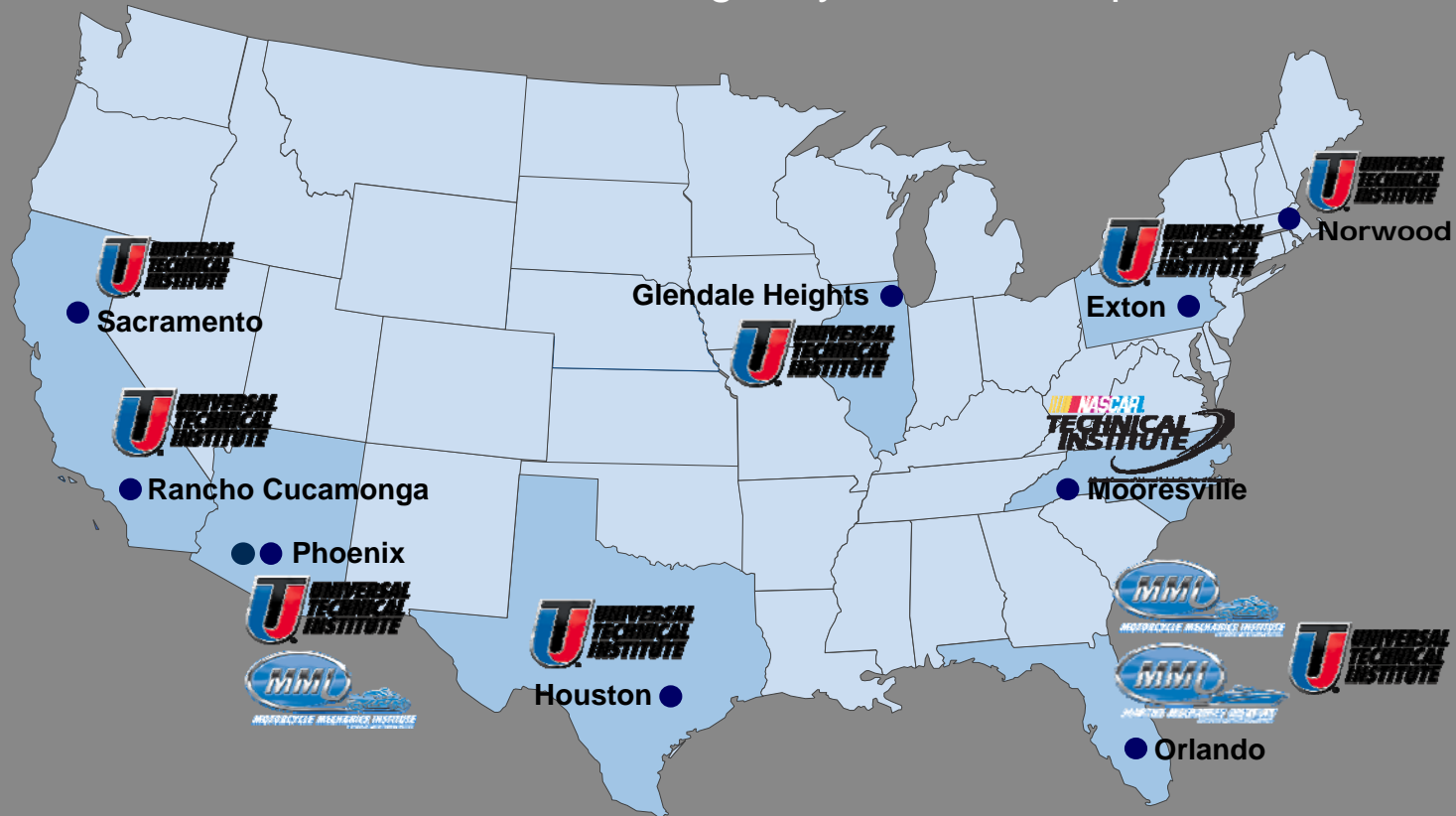
Founded 2002 // Exclusive educational partner of NASCAR



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# Growing National Presence

10 strategically located campuses

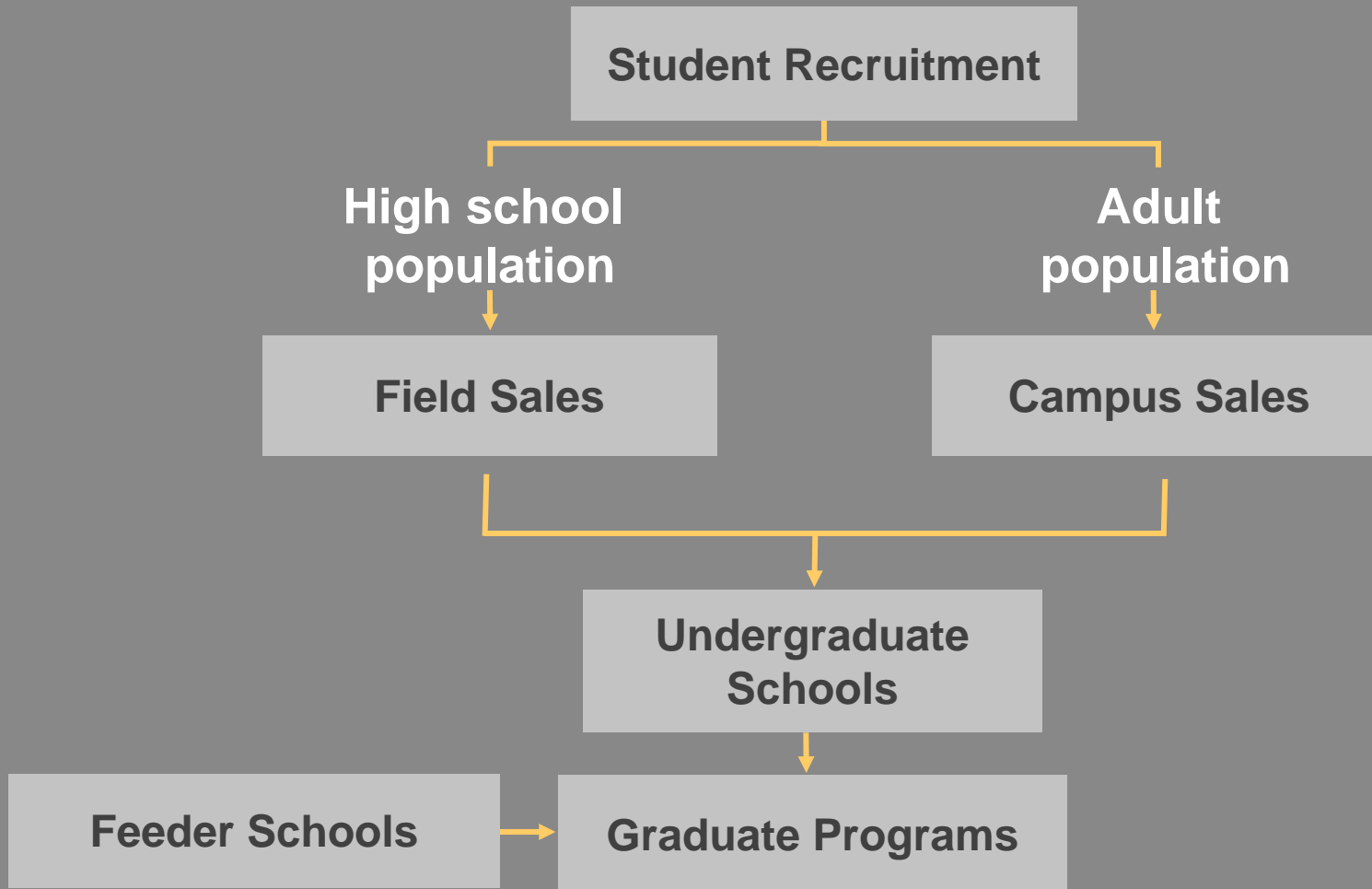


Local education and placement offers high value to OEMs, dealers and students.



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# Proven Recruitment Strategy





# Undergraduate Programs Overview

## Degreed or diploma programs

- ▶ Auto, diesel, collision repair
- ▶ Motorcycle and marine

## Program length

- ▶ 45 – 90 weeks
- ▶ Average is 15 months

## Tuition

- ▶ \$18,000 – \$35,000
- ▶ Title IV Eligible



# Advanced Training Programs Overview

## Manufacturer Specific Training

Company	Program	Started	Length
Audi	AATP	2000	16 weeks
BMW	STEP	1995	27 weeks
International/Navistar	ITEP	2000	16 weeks
Mercedes-Benz	ELITE	1998	16 weeks
Porsche	PTAP	1999	19 weeks
Volkswagen	VATRP	2000	11 weeks
Volvo	SAFE	2000	16 weeks



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# Advanced Training Locations

19 manufacturer specific facilities



Manufacturer sites are strategically located to serve dealer networks and OEM needs.



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A yellow sports car is driving on a road during sunset. The car is in the foreground, and the background shows a winding road and hills under a warm, orange sky. The car's license plate is visible and reads "22-483 1692".

**Industry Trends Drive  
Need for Technicians**

**Industry Relationships  
Drive Student Interest**



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# Trends Driving Technician Demand

- ▶ Industry growth
- ▶ New technologies
- ▶ Skills obsolescence
- ▶ Aging workforce
- ▶ Experienced technicians leave the industry



# Strong Demand In All End Markets

## AUTO

- ▶ Industry size: 802,843
- ▶ 16% growth by 2014
- ▶ Annual new openings: 33,900

## DIESEL

- ▶ Industry size: 270,055
- ▶ 14% growth by 2014
- ▶ Annual new openings: 10,800

## CRRT

- ▶ Industry size: 200,581
- ▶ 10% growth by 2014
- ▶ Annual new openings: 6,100

## MARINE / MOTORCYCLE

- ▶ Industry size: 41,712
- ▶ 14% growth by 2014
- ▶ Annual new openings: 1,600

## KEY STATISTICS

- ▶ Overall market growth of 10% – 16% by 2014
- ▶ Annual new job openings of 52,400



# End Market Segments

Auto	Diesel	Collision	Motorcycle/ Marine
<p>Dealers                      Repair Shops                      Independents                      Tire Stores                      Gas Stations                      Government                      Utilities                      Parts/Suppliers</p>	<p>Freight Trucking                      Government                      Auto Repair                      Parts/Suppliers                      Schools                      Natural Gas Co.                      Utilities                      Power                      Generation Co's.</p>	<p>Dealers                      Repair Shops                      Independents                      Tire Stores                      Gas Stations                      Government                      Utilities                      Parts/Suppliers</p>	<p>Dealers                      Independents                      Recreation                      Appliance Repair                      Parts/Suppliers                      Machinery Repair                      Boat Bldg.                      Equip. Manuf.</p>

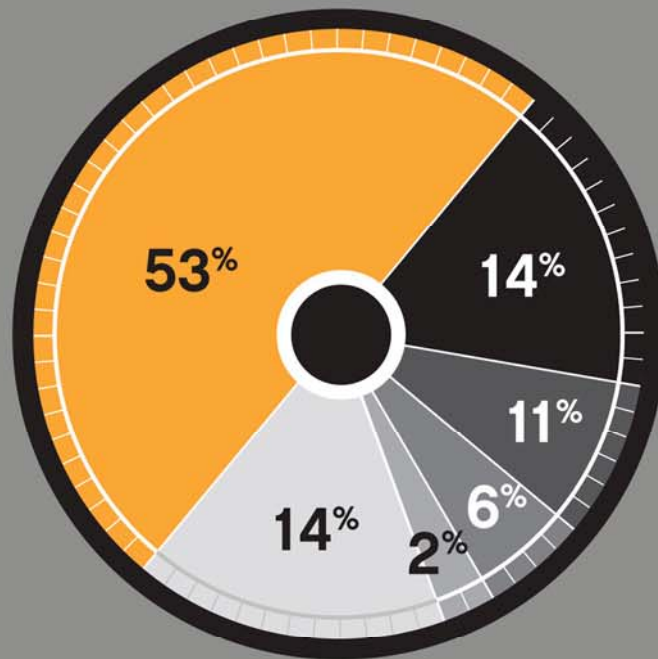
*UTI is building strategic relationships within each vertical across multiple customer segments.*



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# Where UTI Graduates Work

Auto / Diesel / Employment Statistics CY04



- Automotive Dealerships
- Independent Service Shops
- Aftermarket Franchises
- Motor Freight Companies
- Parts Stores
- Other

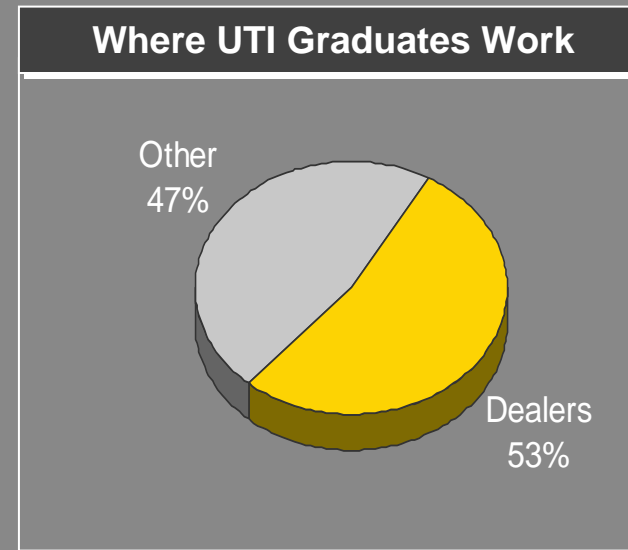
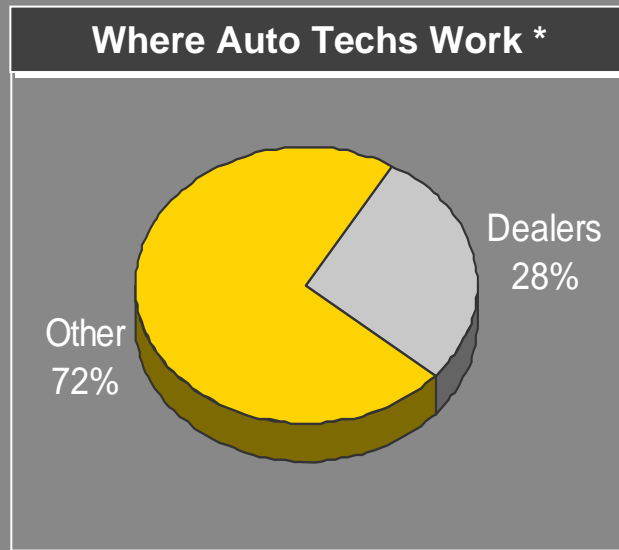


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# Industry Orientation Improves Employment Quality

Better than 85% placement rates for the past decade.



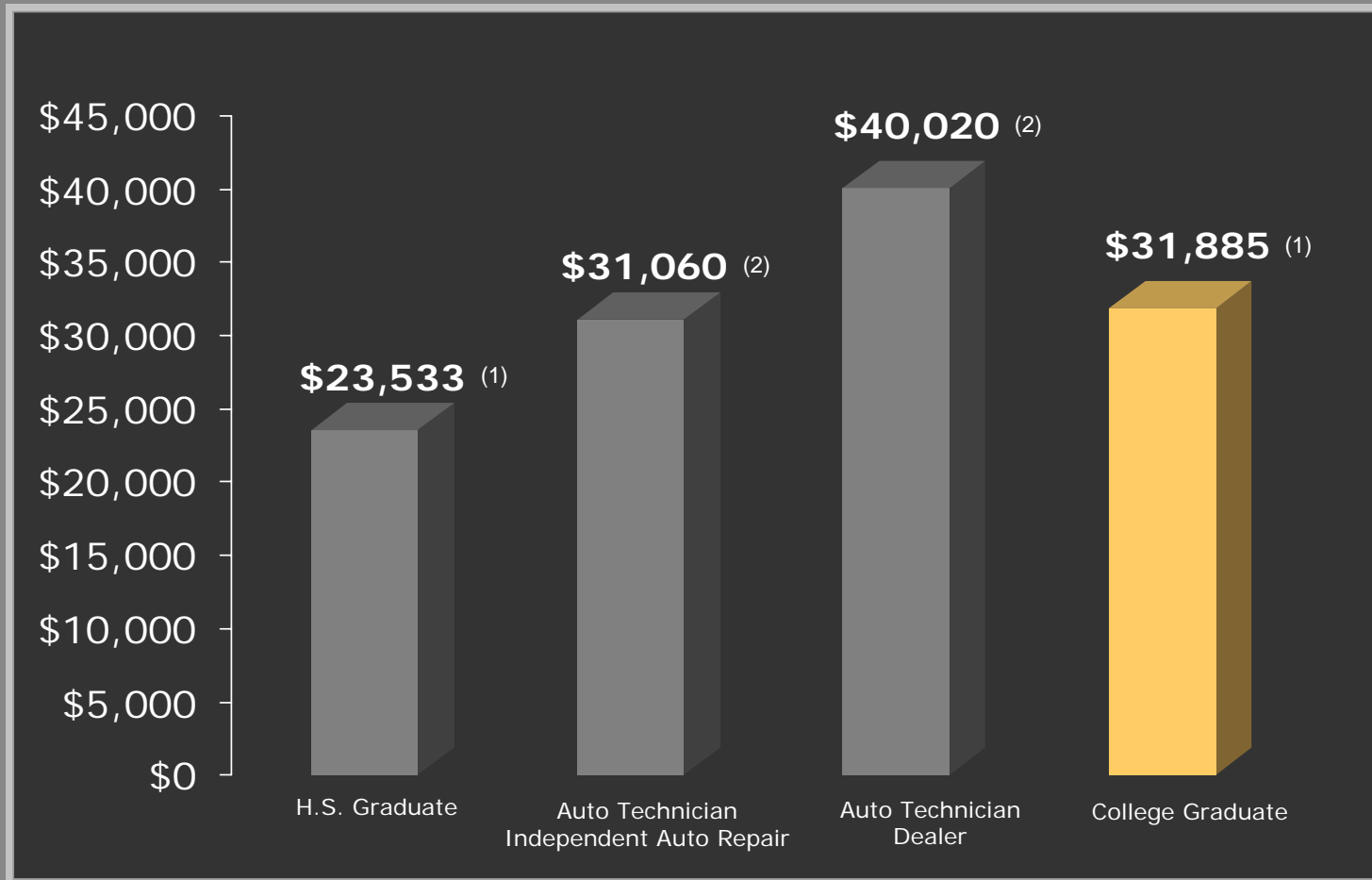
\* Data reflects Bureau of Labor Statistics reported in 2004

Note: "Other" includes auto, home and supply stores, gasoline service stations, local governments, self-employed and auto repair facilities.



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# Strong Student Value Proposition



(1) Data reflects mean earnings for the 18 – 24 year old age group as reported by the U.S. Census Bureau, 2004

(2) Data reflects mean annual wage for all automotive technicians employed as reported by the U.S. Department of labor, November, 2004



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# High Value Strategic Relationships

Depth and breadth of relationships is unmatched in industry.



DuPont Performance Coatings

NISSAN



Mercedes-Benz



PORSCHE



VOLVO



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# Unique Benefits to All Constituents

## Benefits to Students

- ▶ Higher quality employment
  - ▶ Tuition reimbursement (undergraduate)
  - ▶ Manufacturer sponsored tuition (advanced)
  - ▶ Higher wages
- 

## Benefits to Manufacturer

- ▶ Develops brand loyalty
  - ▶ Lower training costs
  - ▶ Efficient hiring source
  - ▶ Addresses critical need for technicians
- 

## Benefits to Company

- ▶ Manufacturer contributes equipment, tools, curriculum and training aids
- ▶ Sales and marketing advantage
- ▶ Improves student outcomes





# Navigating the Road Ahead



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# Operational Focus

- ▶ **Generate & accelerate revenue**
  - ▶ Lead generation
  - ▶ Student recruitment
  - ▶ Pre-start process
- ▶ **Right size cost structure**
- ▶ **Increase capacity utilization; improve profitability**
- ▶ **Invest in leadership development and alignment**



# Growth Strategies

- ▶ Fill existing capacity
  - ▶ Program expansions / transplants
  - ▶ New corporate training opportunities
  - ▶ New campuses
- 



# Campus and Program Expansions

- ▶ OEM branded electives



**NISSAN**

- ▶ Industry driven curriculum additions to existing programs



- ▶ Industry driven new programs



Mercedes-Benz

- ▶ Program transplants



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# Fill Existing Capacity

\$'s in 000's

	YR 1	YR 2	YR 3	YR 4	YR 5
Seating Capacity	1,920	1,920	1,920	1,920	1,920
Average Students	1,340	1,420	1,500	1,590	1,680
Density	69.8%	74.0%	78.1%	82.8%	87.5%
Revenue	31,300	34,500	37,900	41,700	45,900
Operating Income (1)	8,200	9,500	11,000	12,700	14,800
Operating Margin	26.2%	27.5%	29.0%	30.5%	32.2%

(1) Excludes corporate allocation



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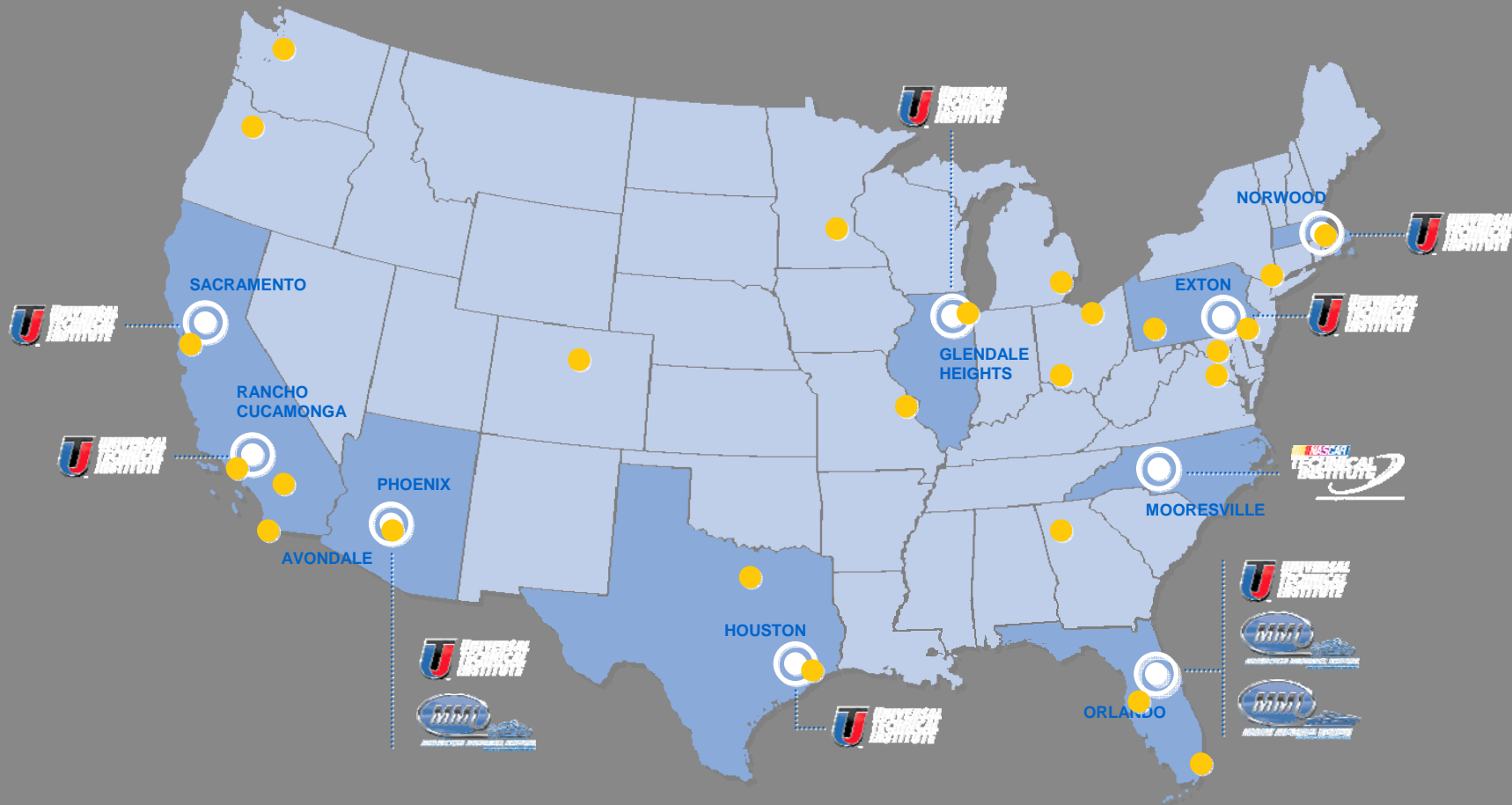
# New Opportunities

## Corporate training contracts

- ▶ Original equipment manufacturers
- ▶ Large dealer groups and national automotive aftermarket companies
- ▶ Automotive parts retailers
- ▶ National retailers with large corporate fleets
- ▶ Motor freight transportation companies
- ▶ Allied industries, equipment manufacturers and rental companies
- ▶ Utilities and power generating companies



# New Campus Expansion Opportunities



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# Large Campus Model

\$'s in 000's, except per share data

Months Expenses Incurred	14	26	38	50	62
Months in Operation	3	15	27	39	51
	FY1	FY2	FY 3	FY 4	FY5
Seating Capacity	1,920	1,920	1,920	1,920	1,920
Average Students	60	820	1,170	1,470	1,600
Density	3.1%	42.7%	60.9%	76.6%	83.3%
Revenue	1,200	16,900	24,700	31,800	35,500
Operating Income	(4,800)	1,200	3,200	7,200	8,200
Diluted EPS <sup>(2)</sup>	(0.10)	0.03	0.07	0.15	0.17

<sup>(1)</sup> Diluted EPS is presented using the December 31, 2004 share count for illustrative purposes

<sup>(2)</sup> Operating Income used in calculating illustrative EPS reflects a tax rate of 40%



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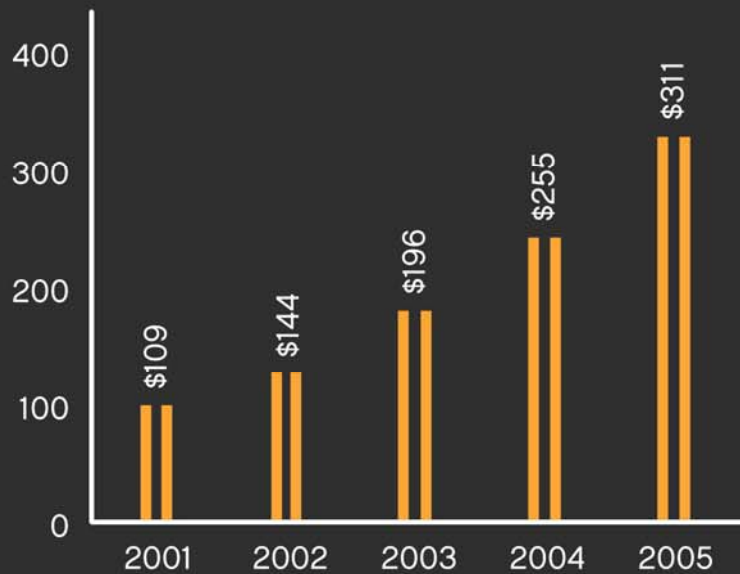
# Financial Highlights

- ▶ Consistent track record of growth
- ▶ Highly profitable
- ▶ Strong free cash flow
- ▶ High capital efficiency and investment IRR
- ▶ Clean regulatory record

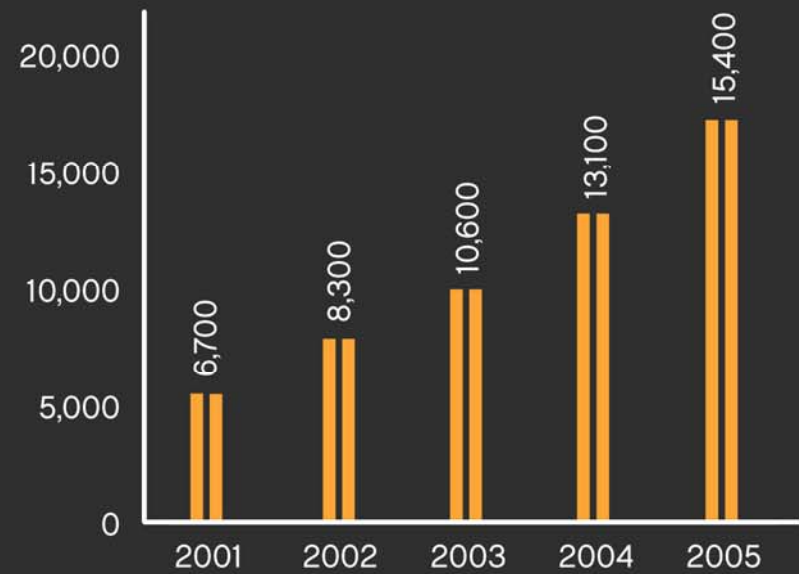


# Strong Performance Trends

ANNUAL NET REVENUES (in millions)



AVG. UNDERGRADUATE STUDENT ENROLLMENT



# Summary Financial Performance

(\$ in millions, except for enrollment data)

	Fiscal Year Ended September 30,				9 Months Ended	
	2002	2003	2004	2005	6/30/05	6/30/06
Average undergraduate enrollments	8,277	10,568	13,076	15,390	15,155	16,324
Net revenues	\$144.4	\$196.5	\$255.1	\$310.8	\$226.9	\$258.3
<i>Growth</i>	31.9%	36.1%	29.9%	21.8%	--	13.8%
Educational services and facilities expenses	\$70.8	\$92.4	\$116.7	\$145.0	\$105.3	\$127.8
Selling, general and administrative expenses	<u>\$51.5</u>	<u>\$67.9</u>	<u>\$88.3</u>	<u>\$110.0</u>	<u>\$80.2</u>	<u>\$96.0</u>
Operating income	\$22.0	\$36.2	\$50.1	\$55.8	\$41.4	\$34.5
<i>Margin</i>	15.3%	18.4%	19.6%	17.9%	15.2%	13.4%
Net income from continuing operations <sup>(1)</sup>	\$9.7	\$20.4	\$28.8	\$35.8	\$26.6	\$23.1
Capital expenditures	\$5.9	\$12.0	\$17.0	\$45.8	\$34.2	\$35.1

(1) Net income before preferred stock dividends are paid.



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# Strong Balance Sheet

(\$ in millions)	Actual 9/30/03	Actual 9/30/04	Actual 09/30/05	Actual 6/30/05	Actual 6/30/06
Cash and Cash Equivalents	\$8.9	\$42.6	\$52.0	\$47.3	\$54.9
Total Debt	57.4	---	---	---	---
Redeemable Convertible Preferred Stock	47.2	---	---	---	---
Shareholders Equity	(83.2)	5.0	95.7	85.5	111.6
<b>Total Book Capitalization</b>	<b>\$21.4</b>	<b>\$55.0</b>	<b>\$95.7</b>	<b>\$85.5</b>	<b>\$111.6</b>





# Regulatory Requirements

## Cohort Default Rates

	FY2000	FY2001	FY2002	FY2003
UTI AZ / IL / CA / NC	6.7%	4.4%	7.5%	5.9%
UTI TX	15.6%	8.1%	11.2%	10.0%
MMI AZ / FL	8.7%	5.9%	7.4%	6.9%

## 90/10 Statistics

	FY2001	FY2002	FY2003	FY2004	FY2005
UTI AZ / IL / CA / NC	71.8%	76.0%	76.5%	76.3%	73.1%
UTI TX	81.4%	80.5%	80.0%	71.8%	77.4%
MMI AZ / FL	75.8%	74.0%	73.5%	74.2%	72.9%





Thank you.



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