

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 8-K

**CURRENT REPORT
Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934**

Date of report (Date of earliest event reported): September 9, 2019

DLH Holdings Corp.

(Exact Name of Registrant as Specified in Charter)

New Jersey
(State or Other Jurisdiction
of Incorporation)

0-18492
(Commission
File Number)

22-1899798
(I.R.S. Employer
Identification No.)

**3565 Piedmont Road, NE
Building 3, Suite 700
Atlanta, GA 30305**
(Address of Principal Executive Offices, and Zip Code)

(866) 952-1647
Registrant's Telephone Number, Including Area Code
Not Applicable
(Former Name or Former Address, if Changed Since Last Report)
Securities registered pursuant to Section 12(b) of the Act:

| Title of each class | Trading Symbol(s) | Name of each exchange on which registered |
|---------------------|-------------------|---|
| Common Stock | DLHC | Nasdaq Capital Market |

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communication pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 Pre-commencement communication pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 Pre-commencement communication pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 1.01 Entry into a Material Definitive Agreement.

On September 9, 2019, DLH Holdings Corp. (“DLH” or the “Company”) along with its subsidiaries named as borrowers under that certain Credit Agreement dated as of June 7, 2019 (the “Credit Agreement”), entered into a First Amendment to Credit Agreement dated as of September 6, 2019 (the “Amendment”), among the Company, the borrowers signatory to the Credit Agreement, the Lenders identified on the signature pages to the Amendment, and First National Bank of Pennsylvania, as Administrative Agent. The Amendment amends the Credit Agreement by modifying the covenant prohibiting certain restricted payments to provide that DLH may repurchase up to \$2,000,000 of shares of its Common Stock. The foregoing summary does not purport to be complete and is qualified in its entirety by reference to the Amendment, filed as Exhibit 10.1 to this Current Report on Form 8-K and incorporated herein by reference

Item 8.01 Other Events.

On September 12, 2019, DLH issued a press release announcing that its Board of Directors has approved a new stock repurchase program authorizing the Company to repurchase up to \$1.0 million of shares of the Company’s common stock. Under the stock repurchase program, the Company intends to repurchase shares through open market purchases, privately-negotiated transactions, block purchases or otherwise in accordance with applicable federal securities laws, including Rule 10b-18 of the Securities Exchange Act of 1934 (the “Exchange Act”).

The repurchase program does not obligate the Company to repurchase any particular number or amount of shares of common stock and such stock repurchase program will depend on a number of factors, including the market price of its common stock, general business and market conditions, and alternative investment opportunities. The Board also authorized the Company to enter into written trading plans under Rule 10b5-1 of the Exchange Act to facilitate the repurchase of its common stock pursuant to the share repurchase program. A plan under Rule 10b5-1 allows companies to repurchase shares at times when it might otherwise be prevented from doing so by securities laws or because of self-imposed trading blackout periods. Information regarding share repurchases will be available in the Company’s periodic reports on Form 10-Q and 10-K filed with the Securities and Exchange Commission as required by the applicable rules of the Exchange Act. The new stock repurchase program does not have an expiration date and may be suspended or discontinued by the Company in its discretion. As of September 1, 2019, the Company had 12,036,131 shares of common stock outstanding.

In September 2013, the Company’s Board of Directors had authorized a repurchase program for up to \$350,000 of shares of Common Stock. As of the date of the Board’s authorization of the new repurchase program, approximately \$77,000 was available under the prior program. In authorizing the new stock repurchase program, the prior share repurchase program was terminated and the Company will now conduct repurchases of its common stock under the newly-authorized program. A copy of the press release is attached as Exhibit 99.1 hereto, and is incorporated herein by reference.

All statements in this Current Report on Form 8-K that do not directly and exclusively relate to historical facts constitute “forward-looking statements.” Forward looking statements include those that refer to expectations, projections or other characterizations of future events or circumstances. Such statements involve risks and uncertainties which could cause actual events or DLH’s actual results to differ materially from those indicated by the forward-looking statements. You can identify forward-looking statements by words such as “expects,” “intends,” “plans,” “anticipates,” “believes,” “estimates,” and similar words or phrases. These statements reflect our belief and assumptions as to future events that may not prove to be accurate. Forward-looking statements regarding our plans with respect to share repurchases reflect our current beliefs and assumptions and are subject to various risks and uncertainties, including our stock price, the trading volume of our stock, our cash flows from operations, general economic conditions, and others that are more fully described in our filings with the SEC, including under the caption “Risk Factors” in our Annual Report on Form 10-K for the fiscal year ended September 30, 2018, and in our subsequent filings with the SEC. Such forward-looking statements are made as of the date hereof and may become outdated over time. The Company does not assume any responsibility for updating forward-looking statements, except as may be required by law.

Item 9.01 Financial Statements and Exhibits.

(d) *Exhibits*

The following exhibits are attached to this Current Report on Form 8-K:

| <u>Exhibit Number</u> | <u>Exhibit Title or Description</u> |
|-----------------------|--|
| 10.1 | First Amendment to Credit Agreement |
| 99.1 | Press Release dated September 12, 2019 |

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, hereunto duly authorized.

DLH Holdings Corp.

By: /s/ Kathryn M. JohnBull

Name: Kathryn M. JohnBull

Title: Chief Financial Officer

Date: September 12, 2019

FIRST AMENDMENT TO CREDIT AGREEMENT

THIS FIRST AMENDMENT TO CREDIT AGREEMENT dated as of September 6, 2019 (this "First Amendment") is entered into among the Persons signatory hereto as "Borrowers" (the "Borrowers"), the Lenders identified on the signature pages hereto and First National Bank of Pennsylvania, in its capacities as Administrative Agent. Capitalized terms used herein and not otherwise defined shall have the meanings ascribed thereto in the Credit Agreement (as defined below and as amended hereby).

RECITALS

WHEREAS, the Borrowers, the Lenders and the Administrative Agent are parties to that certain Credit Agreement dated as of June 7, 2019 (as amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement");

WHEREAS, the Borrowers have requested an amendment to the Credit Agreement in order to facilitate the repurchase by DLH Holdings Corp. of shares of capital stock of DLH Holdings Corp. valued at an aggregate amount equal to \$2,000,000 (the "Share Repurchase"), and the Lenders party hereto have agreed to such modifications subject to the terms hereof; and

NOW, THEREFORE, in consideration of the agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. Amendments to Credit Agreement. The Credit Agreement is hereby amended in the following respects:

Section 8.2.5 of the Credit Agreement is amended by inserting the following subsection in the appropriate numerical order:

"(v) Restricted Payments consisting of the repurchase by DLH Holdings Corp. of its Capital Stock in an aggregate amount not to exceed \$2,000,000; provided, however, immediately prior to and following each such repurchase no Default or Event of Default shall exist or result therefrom."

2. First Amendment is a "Loan Document". This First Amendment shall be deemed to be, and is, a Loan Document and all references to a "Loan Document" in the Credit Agreement and the other Loan Documents (including, without limitation, all such references in the representations and warranties in the Credit Agreement and the other Loan Documents) shall be deemed to include this First Amendment.

3. Conditions Precedent; Effectiveness. This First Amendment shall become effective as of the date on which the following conditions have been satisfied:

- (a) the Administrative Agent shall have received a copy of this First Amendment duly executed by the Borrowers and the Required Lenders, and

(b) the Administrative Agent shall have received a Compliance Certificate signed by the Chief Executive Officer, President or Chief Financial Officer of the Borrowers, prepared on a pro forma basis for the period ending September 30, 2019 and demonstrating compliance with the requirements therein after giving effect to the Share Repurchase in the amount of \$2,000,000.

4. Representations and Warranties; No Default. Each Loan Party hereby represents and warrants to the Administrative Agent and each Lender that, immediately after giving effect to this First Amendment, (i) all representations and warranties of each Loan Party set forth in the Loan Documents are true and correct in all material respects (other than those representations and warranties that are expressly qualified by a Material Adverse Change or other materiality, in which case such representations and warranties are true and correct in all respects) on and as of the date hereof and (ii) no Default or Event of Default exists.

5. Reaffirmation of Obligations. Each Loan Party (a) acknowledges and consents to all of the terms and conditions of this First Amendment, (b) affirms all of its obligations under the Credit Agreement (as amended by this First Amendment) and the other Loan Documents and (c) agrees this First Amendment and all documents, agreements and instruments executed in connection with this First Amendment do not operate to reduce or discharge such Loan Party's obligations under the Credit Agreement (as amended by this First Amendment) or the other the Loan Documents. This First Amendment shall not be deemed or construed to be a satisfaction, reinstatement, novation or release of any Loan Document or a waiver by the Administrative Agent or any Lender of any rights and remedies under the Loan Documents, at law or in equity.

6. Reaffirmation of Security Interests. Each Loan Party (a) affirms that each of the Liens granted in or pursuant to the Loan Documents is valid and subsisting and (b) agrees that this First Amendment and all documents, agreements and instruments executed in connection with this First Amendment do not in any manner impair or otherwise adversely affect any of the Liens granted in or pursuant to the Loan Documents.

7. No Other Changes. Except as modified hereby, the Loan Documents and all of the terms and provisions thereof shall remain in full force and effect.

8. Counterparts; Delivery. This First Amendment may be executed by one or more of the parties to this First Amendment on any number of separate counterparts, and all of said counterparts taken together shall be deemed to constitute one and the same instrument. Delivery of an executed counterpart of a signature page of this First Amendment by facsimile transmission or by any other electronic imaging means (including .pdf), shall be effective as delivery of a manually executed original counterpart of this First Amendment.

9. Entire Agreement; Successors and Assigns. This First Amendment constitutes the entire contract among the parties relating to the subject matter hereof and supersedes any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. This Amendment will inure to the benefit of and bind the respective successors and permitted assigns of the parties hereto.

10. Governing Law. This First Amendment and any claims, controversy, dispute or cause of action (whether in contract or tort or otherwise) based upon, arising out of or relating to this First Amendment and the transactions contemplated hereby shall be construed in accordance with and be governed by the Law (without giving effect to the conflict of law principles thereof) of the State of MARYLAND. THE TERMS OF SECTIONS 12.11 OF THE CREDIT AGREEMENT ARE

INCORPORATED HEREIN BY REFERENCE, *MUTATIS MUTANDIS*, AS IF FULLY SET FORTH HEREIN.

[signature pages follow]

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IN WITNESS WHEREOF, the parties hereto, by their officers thereunto duly authorized, have executed this First Amendment as of the day and year first above written.

BORROWERS:

DLH HOLDINGS CORP.

By: /s/ Kathryn M. JohnBull

Name: Kathryn M. JohnBull

Title: Chief Financial Officer

DLH SOLUTIONS, INC.

By: /s/ Kathryn M. JohnBull

Name: Kathryn M. JohnBull

Title: Chief Financial Officer

DANYA INTERNATIONAL, LLC.

By: /s/ Kathryn M. JohnBull

Name: Kathryn M. JohnBull

Title: Chief Financial Officer

SOCIAL & SCIENTIFIC SOLUTIONS, INC.

By: /s/ Kathryn M. JohnBull

Name: Kathryn M. JohnBull

Title: Chief Financial Officer

Acknowledgment by Guarantors:

GUARANTORS:

TEAMSTAFF SOLUTIONS, INC.

By: /s/ Kathryn M. JohnBull

Name: Kathryn M. JohnBull

Title: Chief Financial Officer

TEAMSTAFF RX, INC.

By: /s/ Kathryn M. JohnBull

Name: Kathryn M. JohnBull

Title: Chief Financial Officer

[SIGNATURE PAGE OF FIRST AMENDMENT]

FIRST NATIONAL BANK OF PENNSYLVANIA, as Administrative Agent and as
a Lender

By: /s/ Douglas T. Brown

Name: Douglas T. Brown

Title: Senior Vice President

MANUFACTURERS AND TRADERS TRUST COMPANY, as a Lender

By: /s/ R. Mark Swaak Name: R. Mark Swaak Title: Vice President

SERVISFIRST BANK

By: /s/ Hal Clemmer

Name: Hal Clemmer

Title: Regional President

ATLANTIC UNION BANK

By: /s/ Joseph B. Humphries

Name: Joseph B. Humphries

Title: Market Executive

UNITED BANK

By: /s Larkin Wilson IV

Name: Larkin Wilson IV

Title: Vice President

WILMINGTON SAVINGS FUND SOCIETY, FSB

By: /s/ James A. Gise

Name: James A. Gise

Title: Senior Vice President



DLH Announces \$1 Million Share Repurchase Plan

Atlanta, Georgia – September 12, 2019 - DLH Holdings Corp. (NASDAQ: DLHC) (“DLH” or the “Company”), a leading provider of innovative healthcare services and solutions to federal agencies, today announced that the Company’s Board of Directors has approved a new plan to repurchase up to \$1,000,000 of shares of DLH’s common stock. Share repurchases may be made through open market transactions in compliance with Securities and Exchange Commission Rule 10b-18, privately negotiated transactions, or other means. The Company did not set an expiration date for this plan. Any repurchase activity will depend on factors such as the Company’s working capital needs, applicable legal requirements, economic and market conditions, and other relevant factors. DLH had 12,036,161 shares of common stock outstanding as of September 1, 2019.

“Given our robust cash flow and current market valuation, we believe that repurchasing outstanding shares is a smart use of cash. We are positioned to implement this plan, in part, because we have already satisfied our required debt repayments for the next 15 months” stated Zach Parker, President and Chief Executive Officer of DLH. “We are confident we will maintain the financial resources necessary to continue to grow our business for the benefit of our shareholders and simultaneously repay our debt, on or ahead of schedule, for the benefit of our lenders.”

About DLH

DLH (NASDAQ:DLHC) serves federal government clients throughout the United States and abroad delivering technology enabled solutions in key health and human services programs. The Company’s seven core competencies include secure data analytics, clinical trials and laboratory services, case management, performance evaluation, system modernization, operational logistics and readiness, and strategic digital communications. DLH has over 1,900 employees serving numerous government agencies. For more information, visit the corporate website at www.dlhcorp.com.

Safe Harbor Statement under the Private Securities Litigation Reform Act of 1995:

This press release may contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Any statements that refer to expectations, projections or of future events or circumstances or that are not statements of historical fact (including without limitation statements to the effect that the Company or its management “believes”, “expects”, “anticipates”, “plans”, “intends” and similar expressions) should be considered forward looking statements that involve risks and uncertainties which could cause actual events or DLH’s actual results to differ materially from those indicated by the forward-looking statements. Statements regarding our plans with respect to share repurchases reflect our current beliefs and assumptions and are subject to various risks and uncertainties, including our stock price, the trading volume of our stock, our cash flows from operations, general economic conditions, and others that are more fully described in our filings with the SEC, including under the caption “Risk Factors” in our Annual Report on Form 10-K for the fiscal year ended September 30, 2018, and in our subsequent filings with the SEC. Such forward-looking statements are made as of the date hereof and may become outdated over time. The Company does not assume any responsibility for updating forward-looking statements, except as may be required by law.

CONTACTS:

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INVESTOR RELATIONS

Contact: Chris Witty

Phone: 646-438-9385

Email: cwitty@darrowir.com

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