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Your Mission Is Our Passion

FY2022 Fourth Quarter Earnings Presentation: Three & Twelve Months Ended 9.30.2022

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DECEMBER 5, 2022

Forward-looking statements

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

This presentation may contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements relate to future events or DLH`s future financial performance. Any statements that refer to expectations, projections or other characterizations 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. Forward-looking statements reflect our belief and assumptions as to future events that may not prove to be accurate. Our actual results may differ materially from such forward-looking statements made in this presentation due to a variety of factors, including: the continuation of the novel coronavirus (“COVID-19”), including the measures to reduce its spread, and its impact on the economy and demand for our services, which are uncertain, cannot be predicted, and may precipitate or exacerbate other risks and uncertainties; the failure to achieve the anticipated benefits of any acquisition (including anticipated future financial operating performance and results); diversion of management’s attention from normal daily operations of the business and the challenges of managing larger and more widespread operations resulting from acquisitions; the inability to retain employees and customers; contract awards in connection with re-competes for present business and/or competition for new business; compliance with bank financial and other covenants; changes in client budgetary priorities; government contract procurement (such as bid and award protests, small business set asides, loss of work due to organizational conflicts of interest, etc.) and termination risks; the ability to successfully integrate the operations of any future acquisitions; the impact of inflation and higher interest rates; and other risks described in our SEC filings. For a discussion of such risks and uncertainties which could cause actual results to differ from those contained in the forward-looking statements, see “Risk Factors” in the Company’s periodic reports filed with the SEC, including our Annual Report on Form 10-K for the fiscal year ended September 30, 2022, as well as subsequent reports filed thereafter. The forward-looking statements contained herein are not historical facts, but rather are based on current expectations, estimates, assumptions and projections about our industry and business. 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.

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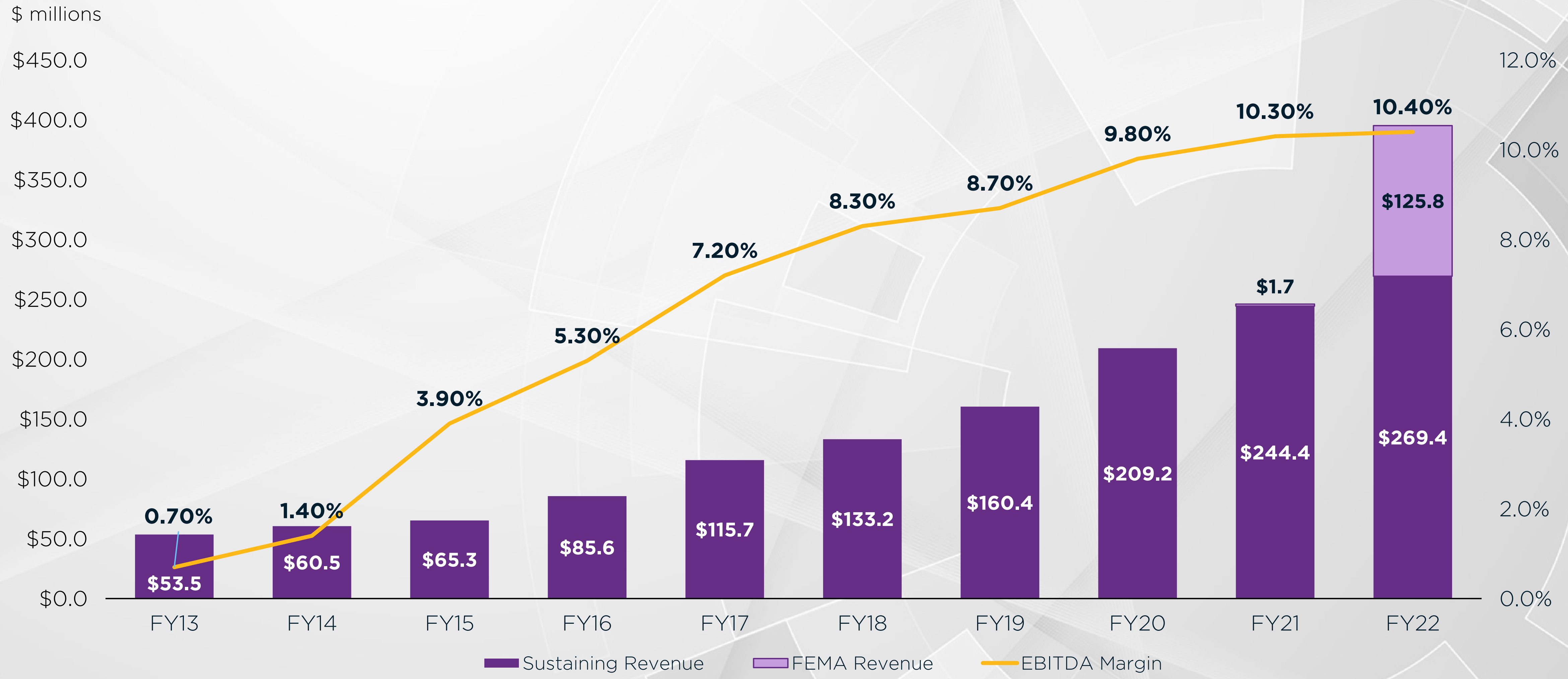
Fourth Quarter & Full Year Highlights

- Q4 revenue rose to $67.2 million; full year revenue climbed to $395.2 million, reflecting Alaska FEMA business
- Posted Q4 operating income of $4.7 million and, for full year, $33.3 million
- Fourth quarter Diluted EPS of $0.24; full year earnings of $1.64 per share
- Term loan reduced to $22.0 million from $46.8 million
- Backlog of $482.5M as of September 30, 2022
- In fiscal 2022, won 7 contracts with VA, NIH, and DOD to deliver innovative healthcare IT, public health, and data analytic solutions

"Fiscal 2022 was a year that, once again, demonstrated the strength of our people, the ability of our platform to deliver excellent results and the agility of the Company's advanced technological capabilities, driving us to record performance and positioning us well for the quarters to come,"

- Zach Parker, CEO

10 Year Performance Trends



A reconciliation of revenue to sustaining and FEMA revenue is provided in the back of this presentation.

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Market Outlook Remains Positive Despite Macro Environment

1 **Limited changes to Congressional budget outlook anticipated**

- Continuing Resolution expires Dec. 16, likely to be extended
- Focus shift from Covid to Ukraine (esp. within DoD)
- Expanded regulatory reporting requirements

2 **Government-wide commitment to technology & modernization**

- Strategic focus on cybersecurity across all agencies with a particular emphasis on federal health markets
- Digital Transformation and modernization efforts continue throughout federal markets and agencies
- Innovative and cost-effective operations and maintenance (O&M) of systems a significant and growing consideration in strategic goals and imperatives

3 **GovCon market contends with macroeconomic factors**

- Consistent inflation pressures driving focus on equitable adjustments
- Increased competition through directed efforts to contract with small businesses and broader utilization of ID/IQ vehicles
- Tight labor markets and the competition for talent

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FY2023 Growth Prospects Remain Bright

GROWTH OPPORTUNITIES AVAILABLE TO DLH

- DLH focus areas continue to align with Federal spending priorities and enjoy bipartisan support
- Key IDIQs with NIH, VA, DOD; position DLH well for FY23 and beyond
- Heavy new business proposal activity anticipated for FY2023
- Strong strategic pipeline of M&A opportunities with expected ability to support a transaction

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Q4 Financials

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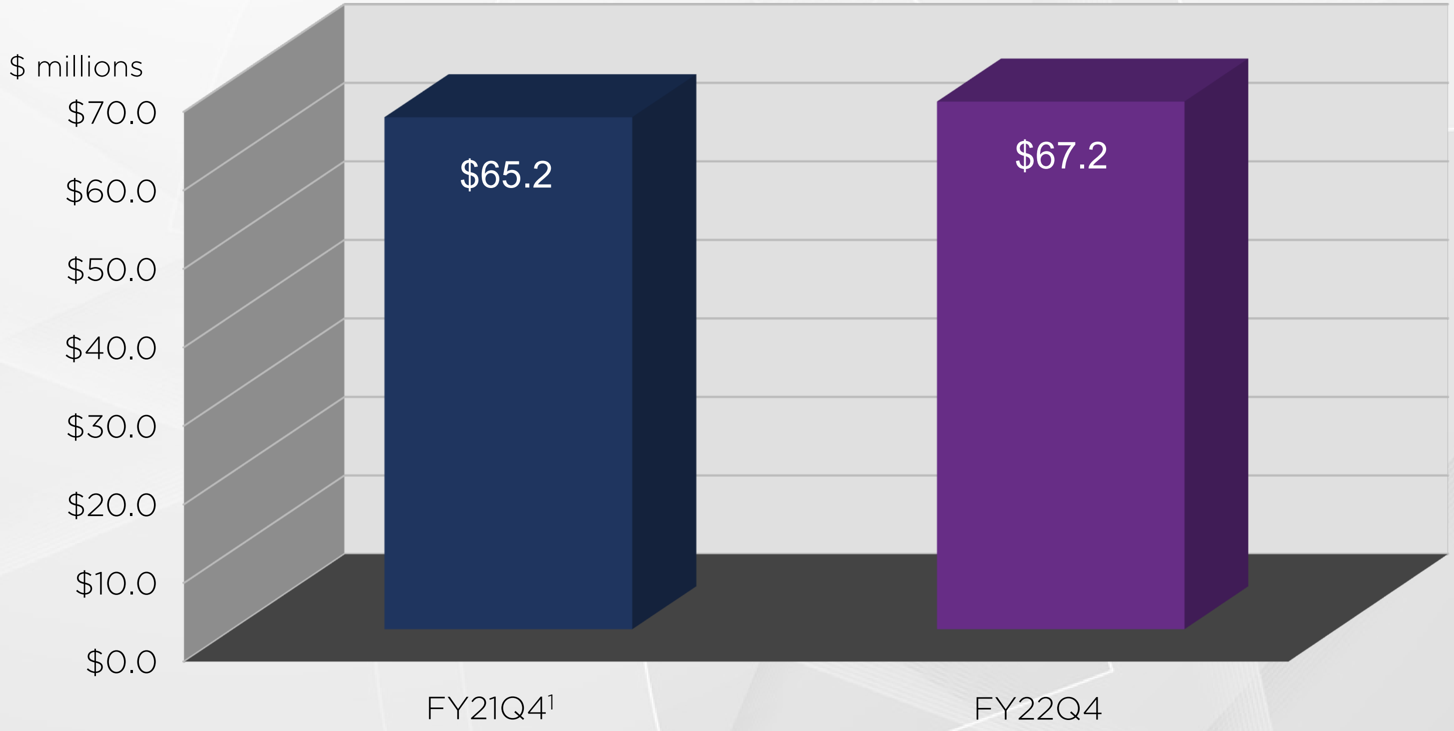
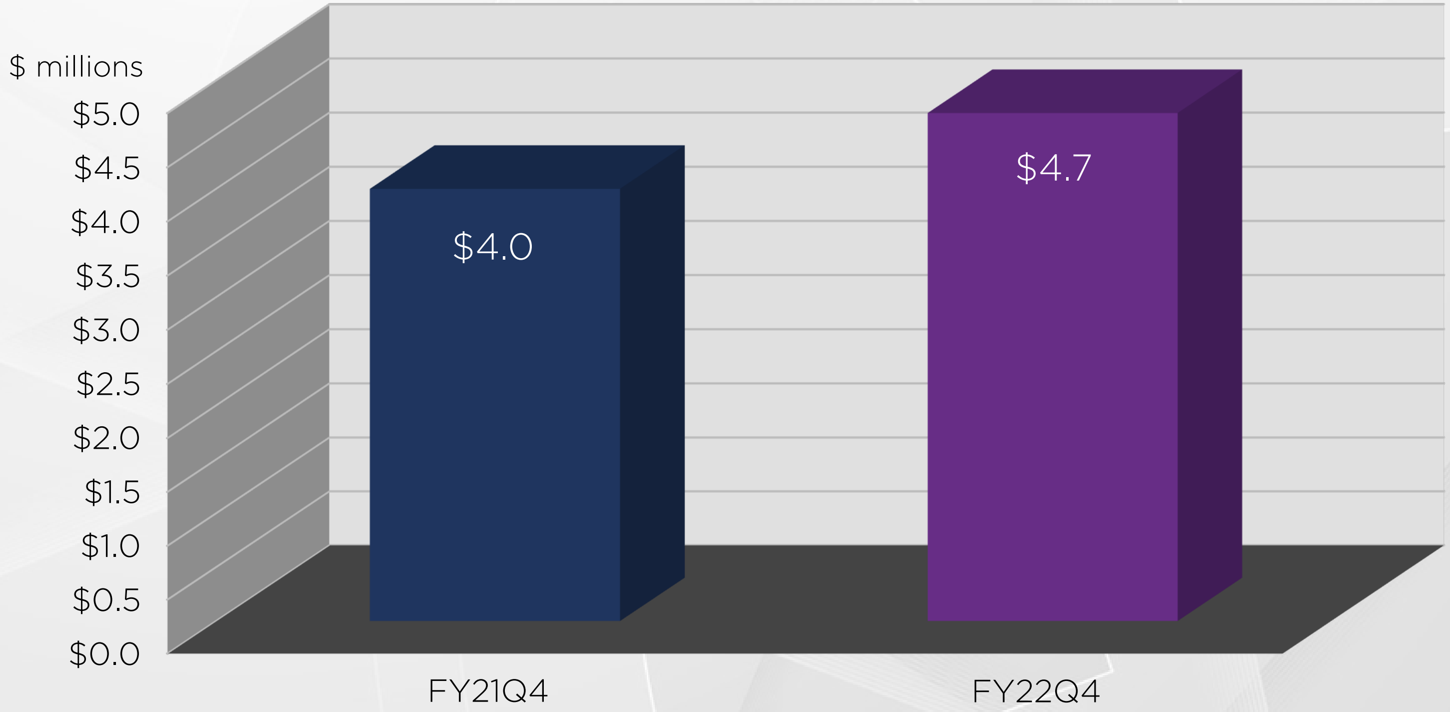
FY2022 Q4 Results: Revenue



Revenue increase reflects the impact of increased demand for our services from our existing contract portfolio.

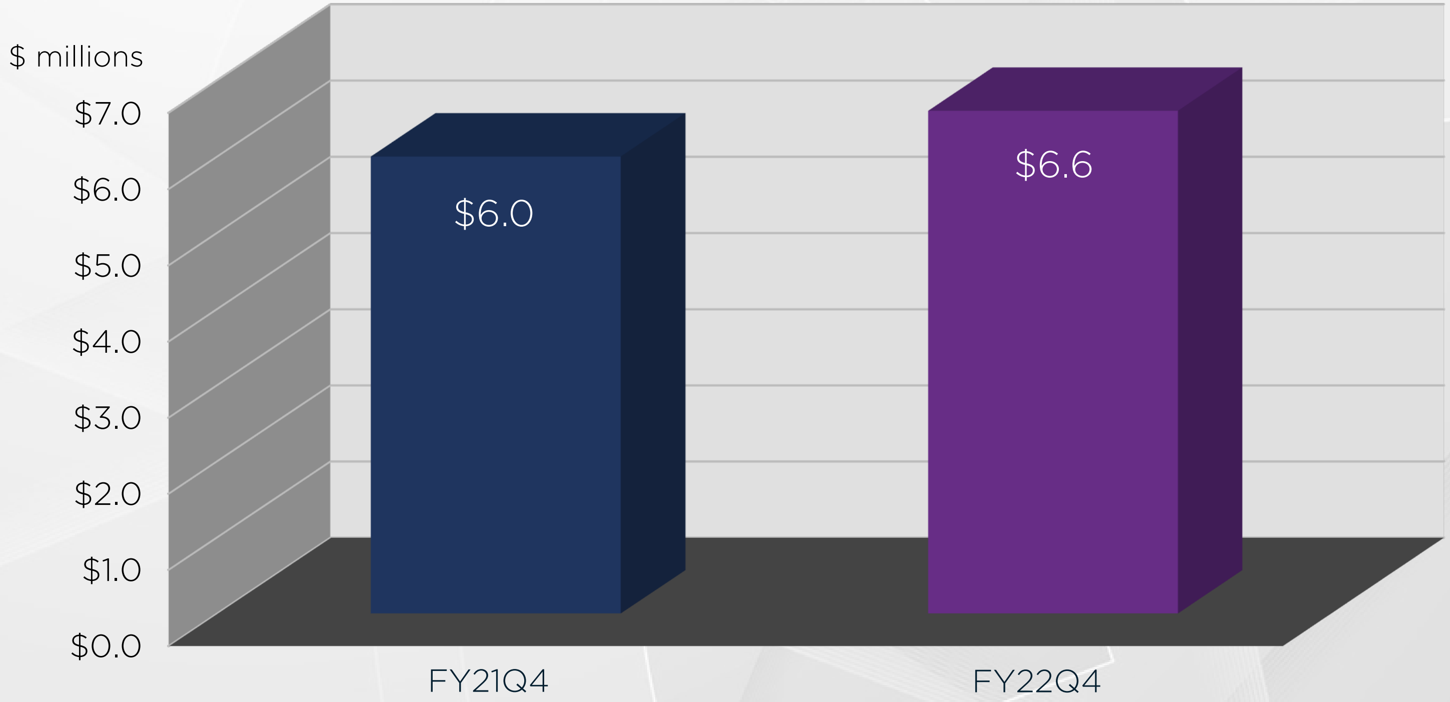
[1]Includes the short-term impact of $1.7 million from Alaska FEMA awards

FY2022 Q4 Results: Operating Income



The quarter's performance reflects the impact of revenue growth on higher margin contracts

FY2022 Q4 Results: EBITDA



EBITDA growth reflects the increased demand for services across contract portfolio and financially beneficial contract mix.

A reconciliation of net income to EBITDA and EBITDA as a percentage of revenue is provided in the back of this presentation.

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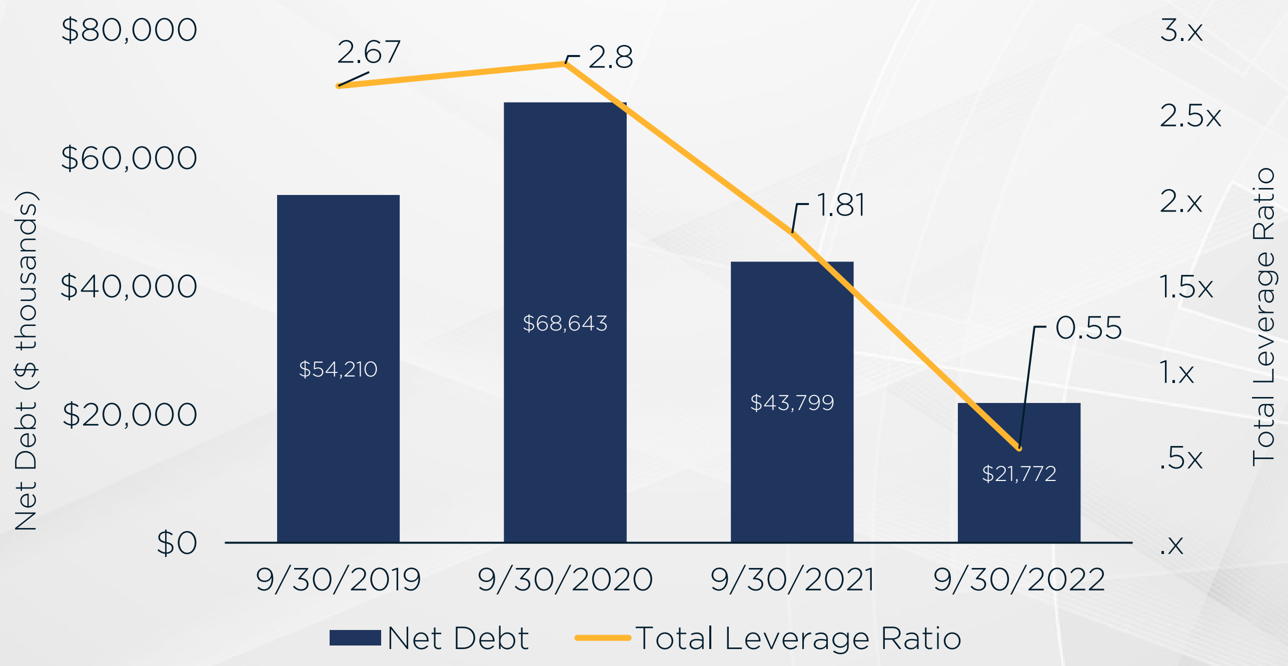
DLH Historical Net Debt Trends



(In thousands)	09/30/19	09/30/20	09/30/21*	9/30/22
Total Debt	$ 56,000	$ 70,000	$ 46,750	$ 22,000
Cash on hand*	(1,790)	(1,357)	(2,951)	(228)
Net debt	$ 54,210	$ 68,643	$ 43,799	21,772
Total leverage ratio	**2.67**	**2.80**	**1.81**	**0.55**

The Company has effectively deployed its free cashflow to aggressively pay down debt, which provides capacity for further expansion through corporate development and the M&A markets

Net Debt is a non-GAAP metric used by investors and lenders and management believes it provides relevant and useful information to investors and other users of our financial data. Net Debt is calculated by subtracting cash and cash equivalents from the sum of current and long-term debt. A reconciliation of the Total Leverage Ratio is included in the back of this presentation.

*Note: Cash on hand at FY21 year end excludes $21.1 million of contract start-up funding on the FEMA Medical Staffing Project

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Q&A

Appendix

Appendix

Non-GAAP Reconciliations

This document contains non-GAAP financial information including EBITDA and EBITDA as a percentage of revenue. Management uses this information in its internal analysis of results and believes this information may be informative to investors in gauging the quality of our financial performance, identifying trends in our results, and providing meaningful period-to-period comparisons. These measures should be used in conjunction with, rather than instead of, their comparable GAAP measures. A reconciliation of non-GAAP measures to the comparable GAAP measures is presented in this document. The Company defines EBITDA as net income excluding interest expense, provision for or benefit from income taxes, and depreciation and amortization; EBITDA as a percent of revenue is EBITDA divided by revenue. Definitions of the other non-GAAP measures we use in the presentation are contained in the Company's most recent earnings press release, which is available on the investor relations section of our web site at www.dlhcorp.com.

The Company is presenting additional non-GAAP measures to describe the impact from two short-term FEMA task orders on its financial performance for the year ended September 30, 2022. The measures presented are revenue, operating income, net income, diluted earnings per share, and EBITDA for our enterprise contract portfolio less the respective performance on the FEMA task orders. These resulting measures present the remaining contract portfolio's quarterly financial performance compared to results delivered in the prior year period. Further information is available on Slide 18 of this presentation.

Debt Covenant

We are also including Total Leverage Ratio in this presentation. Total Leverage Ratio is used for the purpose of testing the Maximum Total Leverage Ratio covenant in our Amended and Restated Credit Agreement dated September 30, 2020 (the “Credit Agreement”), which provides for a maximum total leverage ratio of 3.75 to 1.00 for all periods from closing date to September 30, 2021. For periods after September 30, 2021 to September 30, 2022 the maximum total leverage ratio is 3.50 to 1.00. Management considers the Total Leverage Ratio to be an important indicator of the Company’s ability to incur additional debt, its ability to service existing debt and the extent of our compliance with the leverage covenant in the Credit Agreement. We believe that analysts and investors use this metric to assess the Company’s ability to service existing debt and our liquidity, generally. The reconciliation of the Total Leverage Ratio is presented in the appendix to this presentation. As used in this presentation, Total Leverage Ratio, which is not calculated in accordance with GAAP, is defined as total debt as of the respective date(s) presented herein, divided by Consolidated EBITDA for the period(s) then ended. Total Leverage Ratio and Consolidated EBITDA are calculated in accordance with the Credit Agreement.

FY2022 Q4 EBITDA Reconciliation

(amount in thousands)	Three Months Ended September 30,			Twelve Months Ended September 30,		
	2022	**2021**	**Change**	**2022**	**2021**	**Change**
Net (loss)/income	$ 3,442	$ 2,883	$ 559	$ 23,288	$ 10,145	$ 13,143
(i) Interest expense, net	477	808	(331)	2,215	3,784	(1,569)
(ii) Provision for taxes	772	339	433	7,775	3,294	4,481
(iii) Depreciation and amortization	1,926	2,010	(84)	7,665	8,115	(450)
EBITDA	**$ 6,617**	**$ 6,040**	**$ 577**	**$ 40,943**	**$ 25,338**	**$ 15,605**
Net income as a % of revenue	5.1 %	4.4 %	0.7 %	5.9 %	4.1 %	1.8 %
EBITDA as a % of revenue	9.8 %	9.3 %	0.5 %	10.4 %	10.3 %	0.1 %
Revenue	$ 67,233	$ 65,182	$ 2,051	$ 395,173	$ 246,094	$ 149,079

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Trending EBITDA Reconciliation

(amount in thousands)	Twelve Months Ended September 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Net (loss)/income	$ (159)	$ 5,357	$ 8,728	$ 3,384	$ 3,288	$ 1,836	$ 5,324	$ 7,114	$ 10,145	$23,288
(i) Interest expense/other (income)	407	4	(744)	823	1,228	1,116	2,473	3,441	3,784	2,215
(ii) (Benefit)/provision for taxes	-	(4,597)	(5,488)	(938)	2,114	5,830	2,171	2,906	3,294	7,775
(iii) Depreciation and amortization	121	106	55	1,244	1,754	2,242	3,956	7,003	8,115	7,665
EBITDA	$ 369	$ 870	$ 2,551	$ 4,513	$ 8,384	$11,024	$13,924	$20,464	$25,338	$40,943
Revenue	$53,506	$60,493	$65,346	$85,602	$115,662	$133,236	$160,391	$209,185	$246,094	$395,173
Net income as a % of revenue	-0.3%	8.9%	13.4%	4.0%	2.8%	1.4%	3.3%	3.4%	4.1%	5.9%
EBITDA as a % of revenue	0.7%	1.4%	3.9%	5.3%	7.2%	8.3%	8.7%	9.8%	10.3%	10.4%

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Reconciliation of Leverage Ratio

(amount in thousands)	**09/30/19**	**09/30/20***	**09/30/21**	**9/30/2022**
Term Loan	$ 56,000	$ 70,000	$ 46,750	$22,000
Revolving Credit Loan	-	-	-	-
Letters of Credit	1,745	1,990	2,095	2,095
Total Funded Debt	$ 57,745	$ 71,990	$ 48,845	$24,095
Consolidated EBITDA	$ 21,664	$ 25,678	$ 26,997	$44,170
Total Leverage Ratio	2.67	2.80	1.81	0.55

Consolidated EBTIDA and Total Funded Debt are calculated as per the Company's Credit Agreement.

*Note: The term loan balance on September 30, 2020, includes $33 million used to complete the acquisition of Irving Burton Associates, LLC

FY2022 FEMA Business Reconciliation

	Twelve Months Ended September 30, 2022	2021	Change
Revenue (a)			
Total enterprise	$ 395,173	$ 246,094	$ 149,079
Less: FEMA task orders to support Alaska	125,773	1,727	124,046
Remaining contract portfolio	$ 269,400	$ 244,367	$ 25,033
Operating income (b)			
Total enterprise	$ 33,278	$ 17,223	$ 16,055
Less: FEMA task orders to support Alaska	12,479	117	12,362
Remaining contract portfolio	$ 20,799	$ 17,106	$ 3,693
Net income (c)			
Total enterprise	$ 23,288	$ 10,145	$ 13,143
Less: FEMA task orders to support Alaska	9,235	117	9,118
Remaining contract portfolio	$ 14,053	$ 10,028	$ 4,025
Diluted earnings per share (d)			
Total enterprise	$1.64	$0.75	$0.89
Less: FEMA task orders to support Alaska	0.65	0.01	0.64
Remaining contract portfolio	$0.99	$0.74	$0.25
EBITDA (e)			
Total enterprise	$ 40,943	$ 25,338	$ 15,606
Less: FEMA task orders to support Alaska	12,479	117	12,362
Remaining contract portfolio	$ 28,464	$ 25,221	$ 3,243

(a): Revenue for the Company's remaining contract portfolio less the FEMA task orders represents our consolidated revenues less the revenues generated from the FEMA task orders.

(b): Operating income attributable to the remaining contract portfolio less the FEMA task orders represents the Company's consolidated operating income, determined in accordance with GAAP, less the operating income derived from the FEMA task orders. Similarly, for the year ended September 30, 2022 operating income for the FEMA task orders is derived by subtracting from the revenue attributable to the tasks orders of $125.8 million the following amounts associated with such task orders: contract costs $112.1 million and general & administrative costs of $1.2 million.

(c): Net income attributable to the remaining contract portfolio less the FEMA task orders represents the Company's consolidated net income, determined in accordance with GAAP, less the net income derived from the FEMA task orders. For the year ended September 30, 2022 net income for the FEMA task orders is derived by subtracting from the revenue attributable to the tasks orders of $125.8 million the following amounts associated with such task orders: contract costs of $112.1 million, general & administrative costs of $1.2 million, and provision for income taxes of $3.2 million.

(d): Diluted earnings per share (diluted EPS) for the FEMA task orders is calculated using the net income attributable to such task orders as opposed to GAAP net income. Diluted EPS for the remaining contract portfolio (total contract portfolio excluding the FEMA task orders) is calculated by subtracting the diluted EPS for the FEMA task orders from the Company's total diluted EPS.

(e): EBITDA attributable to the FEMA task orders of $12.5 million for the year ended September 30, 2022, is arrived at through the same calculation as operating income as there are not any depreciation and amortization costs attributable to the FEMA task orders. EBITDA for the remaining contract portfolio is calculated by subtracting the EBITDA attributable to the FEMA task orders from the Company's total EBITDA.

About DLH

DLH delivers improved health and readiness solutions for federal programs through research, development, and innovative care processes. The Company's experts in public health, performance evaluation, and health operations solve the complex problems faced by civilian and military customers alike, leveraging digital transformation, artificial intelligence, advanced analytics, cloud-based applications, telehealth systems, and more. With over 2,400 employees dedicated to the idea that "Your Mission is Our Passion," DLH brings a unique combination of government sector experience, proven methodology, and unwavering commitment to public health to improve the lives of millions.