FY2023 Second Quarter Earnings Presentation:
Three Months Ended 3.31.2023

MAY 4, 2023

CALL PARTICIPANTS

Zach Parker
President and CEO

Kathryn JohnBull
Chief Financial Officer

Forward-Looking Statements

"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. 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 in this release include, among others, statements regarding estimates of future revenues, operating income, earnings and cash flow. These 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 release due to a variety of factors, including: the impact of the novel coronavirus ("COVID-19"), including the measures to reduce its spread, and its impact on the economy and demand for our services, are uncertain, cannot be predicted, and may precipitate or exacerbate other risks and uncertainties; the risk that we will not realize the anticipated benefits of our acquisition of GRSi or any other acquisitions (including anticipated future financial performance and results); the diversion of management's attention from normal daily operations of the business and the challenges of managing larger and more widespread operations resulting from our recent acquisition; the inability to retain employees and customers; contract awards in connection with re-competes for present business and/or competition for new business; our ability to manage our increased debt obligations; 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 GRSi or 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.

Financial Highlights

REVENUE	**OPERATING INCOME**	**EBITDA[1]**
$99.4M	**$6.0M**	**$10.5M**
TERM LOAN	**BACKLOG**	**DILUTED EPS**
$204.2M *Reflects acquisition of GRSi*	**$940.6M** *As of March 31, 2023*	**$0.06**

[1]A reconciliation of EBITDA is available on slide 17.

Second Quarter Headlines

Awarded contract vehicle to leverage high-end IT and technical capabilities

DLH to provide leading-edge enterprise and specialized information technology services to the National Cancer Institute

Senior GovCon financial executive joins Board of Directors

Former industry CFO Judith L. Bjornaas elected to Board at DLH annual meeting

DLH enhanced capabilities in line with government budget priorities

White House FY24 budget request calls for historic investments in innovation and research, AI/ML, digital transformation

FINANCIALS

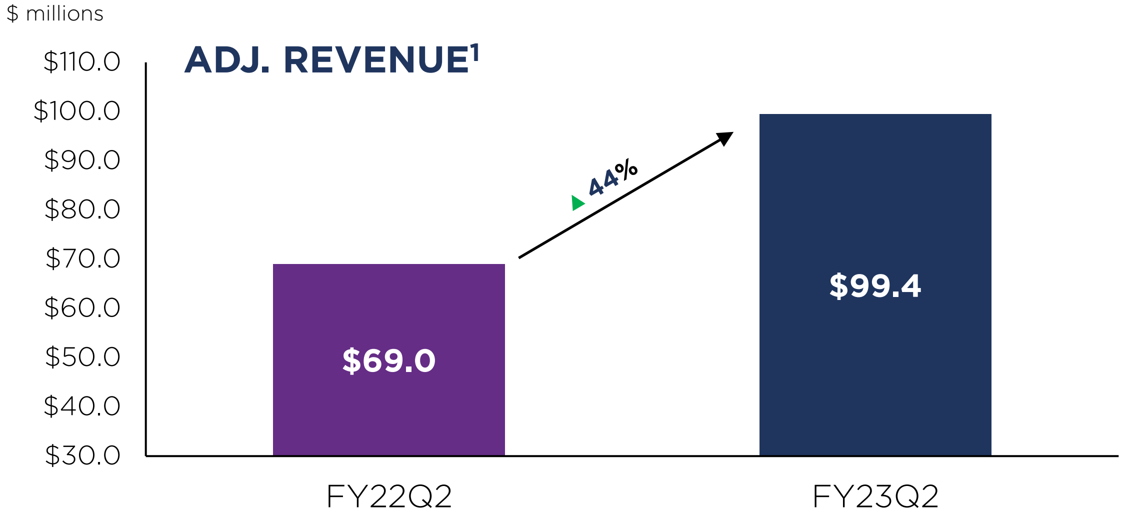
Key Financial Results

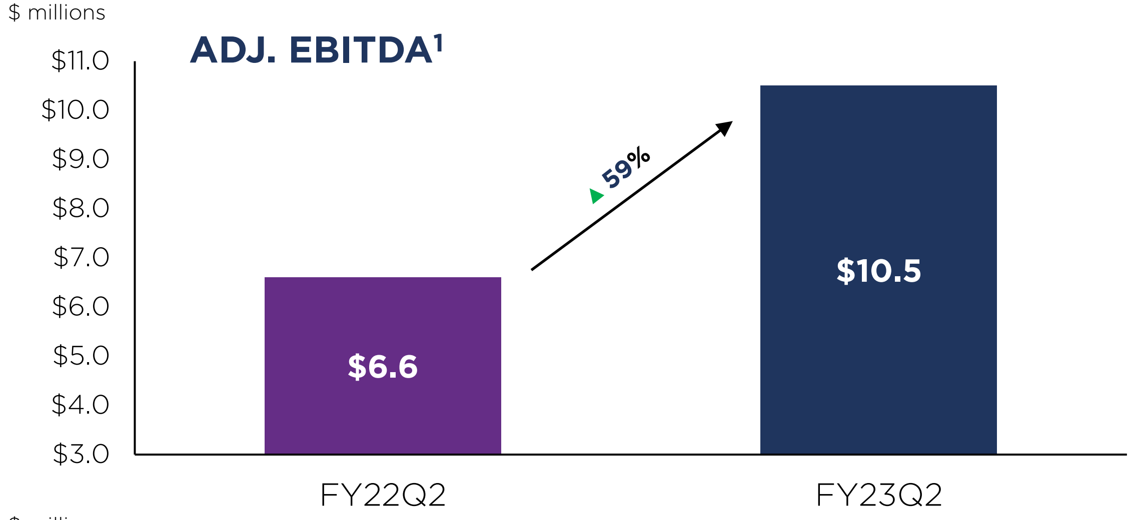
	FY23Q2	FY22Q2
Revenue	$99.4 million	$108.7 million
Adjusted Revenue[1]	$99.4 million	$69.0 million
EBITDA[1]	$10.5 million	$12.1 million
Adjusted EBITDA[1]	$10.5 million	$6.6 million
Operating Income	$6.0 million	$10.3 million
Adjusted Operating Income[1]	$6.0 million	$4.7 million

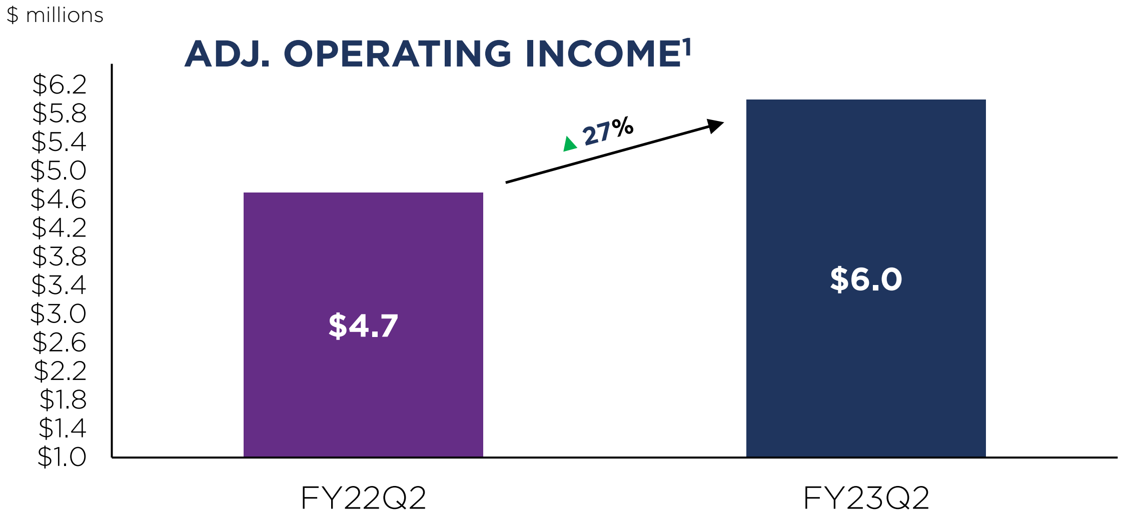
	FY23 YTD	FY22 YTD
Cash from Operations	$6.9 million	($14.8) million
Adjusted Cash from Operations[2]	$6.9 million	$5.8 million

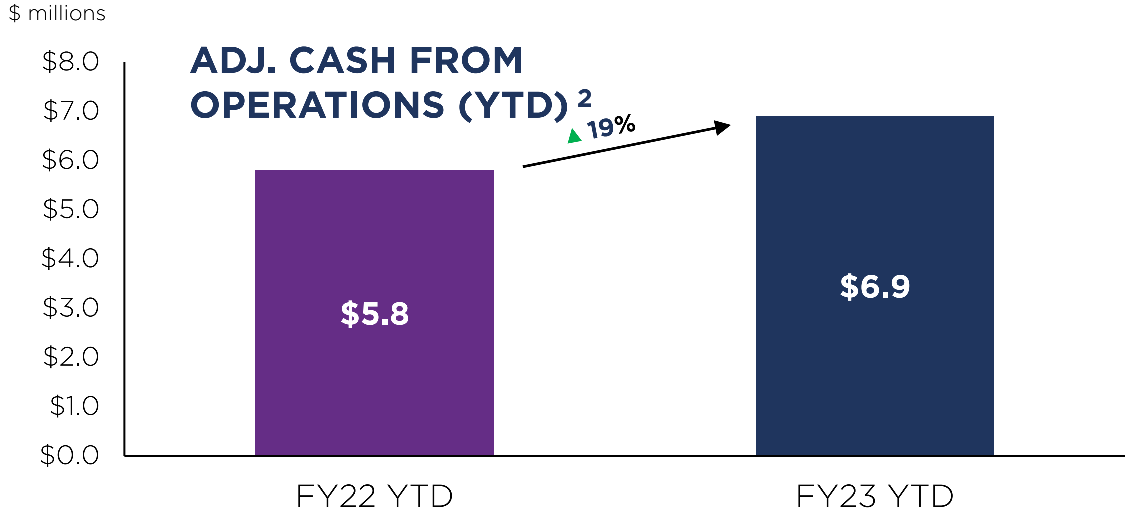
[1]A reconciliation of Adjusted Revenue, EBITDA, Adjusted EBITDA, and Adjusted Operating Income, to the most directly comparable financial measure calculated and presented in accordance with GAAP is available on slide 17.
[2] A reconciliation of Adjusted Cash from Operations is available on slide 18.

Key Adjusted Financial Metrics









[1]A reconciliation of Adjusted Revenue, EBITDA, Adjusted EBITDA, and Adjusted Operating Income, to the most directly comparable financial measure calculated and presented in accordance with GAAP is available on slide 17.
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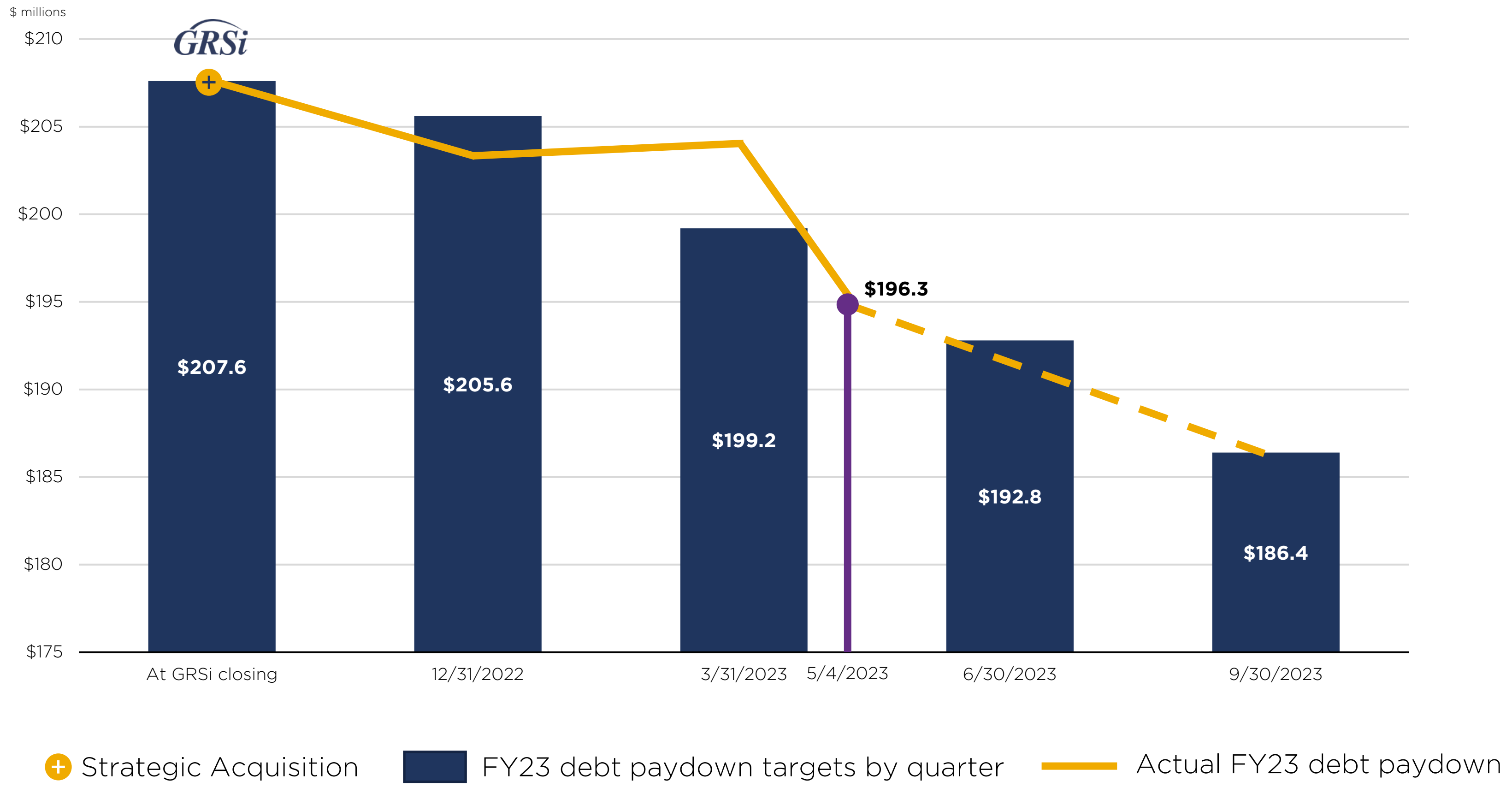
FY23 quarterly debt paydown targets

Management affirms aggressive debt repayment



APPENDIX

Non-GAAP Reconciliations

This document contains non-GAAP financial information including Adjusted Revenue, Adjusted Operating Income, EBITDA, Adjusted EBITDA, EBITDA Margin on Revenue, Adjusted EBITDA Margin on Adjusted Revenue, and Adjusted Cash from Operations are not recognized measurements under accounting principles generally accepted in the United States, or GAAP, and when analyzing our performance investors should (i) evaluate each adjustment in our reconciliation to the nearest GAAP financial measures and (ii) use the aforementioned non-GAAP measures in addition to, and not as an alternative to, revenue and operating income as measures of operating results, each as defined under GAAP. We have defined these non-GAAP measures as follows:

"Adjusted Revenue" represents revenue less the contribution to revenue from the short-term FEMA task orders

"Adjusted Operating Income" represents operating income plus the corporate development costs associated with completing the GRSi acquisition incurred in fiscal 2023 less the contribution from the FEMA task orders, which occurred in fiscal 2022.

"EBITDA" represents net income excluding (i) interest expense, (ii) provision for or benefit from income taxes and (iii) depreciation and amortization

"EBITDA Margin" represents EBITDA for the measurement period divided by revenue for the same period

"Adjusted EBITDA" represents net income before income taxes, interest, depreciation and amortization and the corporate costs associated with completing the acquisition, less the contribution from FEMA task orders.

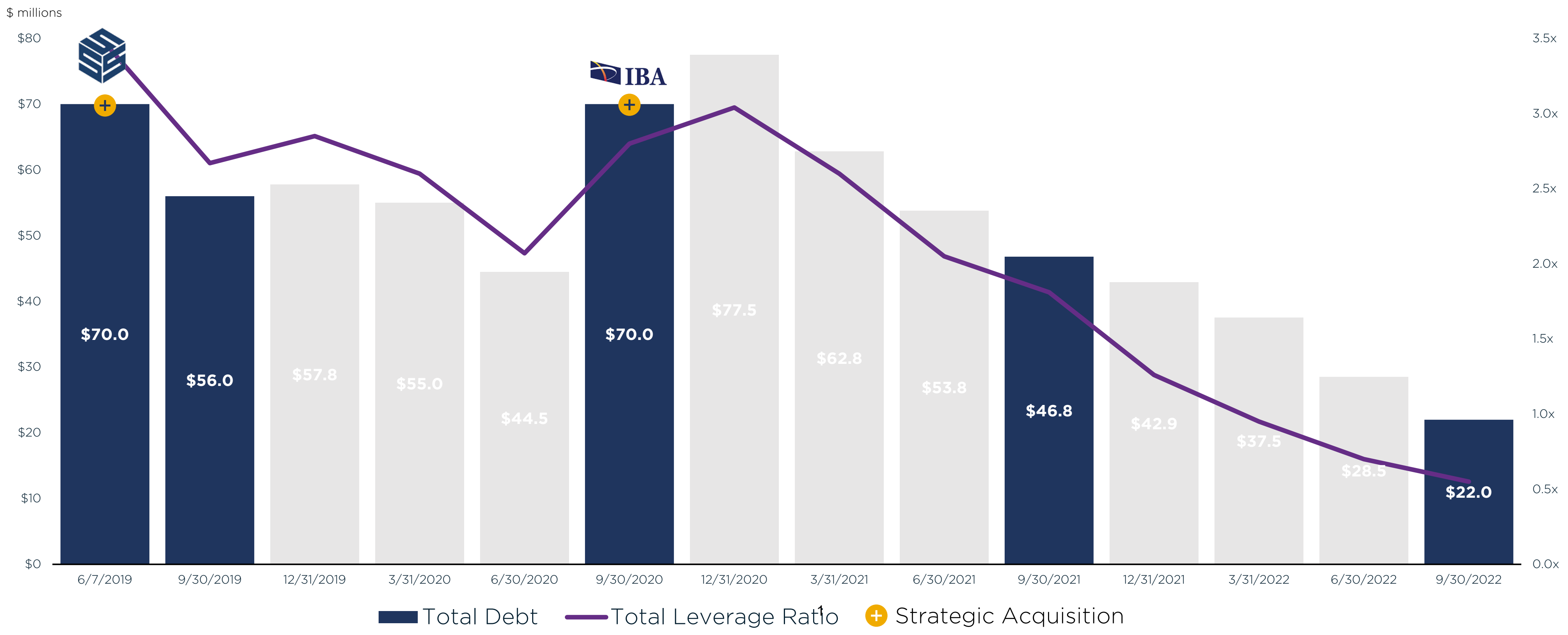
"Adjusted EBITDA Margin on Adjusted Revenue" is calculated as Adjusted EBITDA divided by Adjusted Revenue.

"Adjusted Cash from Operations" represents cash generated from operations less the impact from the FEMA task orders in fiscal 2022. This measure is being presented to provide insight about the period over period performance without the impact of the FEMA task orders that ended in March 2022.

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 Second Amended and Restated Credit Agreement dated December 8, 2022 (the "Credit Agreement"), which provides for a maximum total leverage ratio from 4.50 to 2.00 for all periods commencing from closing date through the term of the loan. 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.

Track Record of Deploying Cash Flow to Pay Down Debt



The Company has effectively deployed its cash flow to aggressively pay down debt, which provided capacity to add GRSi to the corporate portfolio

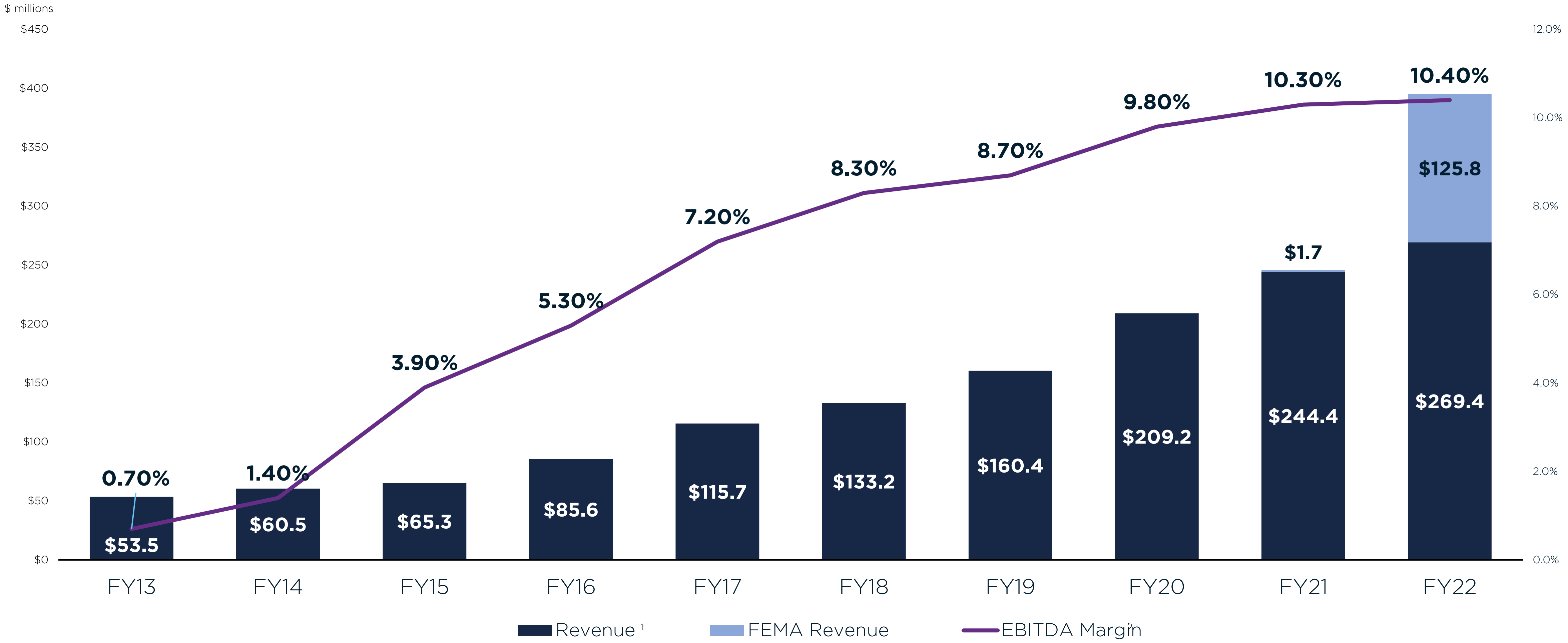
[1] A reconciliation of the Total Leverage Ratio is included on slide 14.

Reconciliation of Leverage Ratio

(amounts in millions)	6/7/2019	9/30/2019	12/31/2019	3/31/2020	6/30/2020	9/30/2020	12/31/2020	3/31/2021	6/30/2021	9/30/2021	12/30/2021	3/31/2022	6/30/2022	9/30/2022
Term Loan[1]	$ 70.0	$ 56.0	$ 56.0	$ 53.0	$ 44.5	$ 70.0[1]	$ 68.3	$ 62.8	$ 53.8	$ 46.8	$ 42.9	$ 37.5	$ 28.5	$ 22.0
Revolving Credit Loan	-	-	1.8	2.0	-	-	9.2	-	-	-	-	-	-	-
Letters of Credit	-	1.7	1.7	1.7	2.0	2.0	2.0	2.0	2.1	2.1	2.1	2.1	2.1	2.1
Total Funded Debt	$ 70.0	$ 57.7	$ 59.5	$ 56.7	$ 46.5	$ 72.0	$ 79.4	$ 64.7	$ 55.9	$ 48.8	$ 45.0	$ 39.6	$ 30.6	$ 24.1
Consolidated EBITDA	$ 20.2	$ 21.7	$ 20.9	$ 21.8	$ 22.5	$ 25.7	$ 26.1	$ 26.5	$ 27.3	$ 28.1	$ 35.6	$ 41.5	$ 44.0	$ 44.2
Total Leverage Ratio	3.5	2.7	2.8	2.6	2.1	2.8	3.0	2.4	2.0	1.7	1.3	1.0	0.7	0.5

[1]The term loan balance on September 30, 2020, includes $33 million used to complete the acquisition of Irving Burton Associates, LLC.

Historical Revenue



[1] Revenue for FY21 and FY22 consists of total revenue as reported by the Company less the revenue attributable to the FEMA task orders.
[2] A reconciliation of EBITDA Margin to Net Income Margin is included on slide 16.

Reconciliation of Trending EBITDA

(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 Margin	-0.3%	8.9%	13.4%	4.0%	2.8%	1.4%	3.3%	3.4%	4.1%	5.9%
EBITDA Margin	0.7%	1.4%	3.9%	5.3%	7.2%	8.3%	8.7%	9.8%	10.3%	10.4%

Reconciliation of Non-GAAP Financial Results

(amount in thousands)	Three Months Ended March 31,			Six Months Ended March 31		
	2023	2022	Change	2023	2022	Change
Adjusted Revenue						
Revenue	$ 99,417	$ 108,699	$ (9,282)	$ 172,155	$ 261,500	$ (89,345)
Less: FEMA task orders to support Alaska (a)	—	39,764	(39,764)	—	130,889	(130,889)
Adjusted Revenue	$ 99,417	$ 68,935	$ 30,482	$ 172,155	$ 130,611	$ 41,544
Adjusted Operating Income						
Operating Income	$ 5,951	$ 10,254	$ (4,303)	$ 9,872	$ 21,473	$ (11,601)
Corporate development costs (b)	—	—	—	1,735	—	1,735
Less: FEMA task orders to support Alaska (c)	—	5,525	(5,525)	—	11,871	(11,871)
Adjusted Operating Income	$ 5,951	$ 4,729	$ 1,222	$ 11,607	$ 9,602	$ 2,005
EBITDA, Adjusted EBITDA, EBITDA Margin on Revenue & Adjusted EBITDA Margin on Adjusted Revenue						
Net Income	$ 805	$ 7,178	$ (6,373)	$ 2,352	$ 14,982	$ (12,630)
Depreciation and amortization	4,535	1,881	2,654	6,937	3,866	3,071
Interest expense	4,765	554	4,211	6,595	1,226	5,369
Provision for income taxes	381	2,522	(2,141)	925	5,265	(4,340)
EBITDA	$ 10,486	$ 12,135	$ (1,649)	$ 16,808	$ 25,339	$ (8,531)
Corporate development costs (b)	—	—	—	1,735	—	1,735
Less: acquired EBITDA	—	—	—	—	—	—
Less: FEMA task order to support Alaska (c)	—	5,525	(5,525)	—	11,871	(11,871)
Adjusted EBITDA	$ 10,486	$ 6,610	$ 3,876	$ 18,543	$ 13,468	$ 5,075
Net income margin on Revenue	0.8%	6.6%		1.4 %	5.7%	
EBITDA Margin on Revenue	10.5 %	11.2 %		9.8%	9.7%	
Adjusted EBITDA Margin on Adjusted Revenue	10.5 %	9.6%		10.8 %	10.3 %	

(a): Represents revenue adjusted to exclude revenue from the short-term FEMA task orders during the three and six months ended March 31, 2022.

(b): Represents corporate development costs we incurred to complete the GRSi transaction. These costs primarily include legal counsel, financial due diligence, customer market analysis and representation and warranty insurance premiums.

(c): Adjusted operating income represents the Company's consolidated operating income, determined in accordance with GAAP, adjusted to add the corporate development costs associated with the GRSi acquisition for fiscal year 2023 and adjusted to exclude the operating income derived from the FEMA task orders. Operating income for the FEMA task orders is derived by subtracting from the revenue attributable to such task orders during the three months ended March 31, 2022 of $39.8 million the following amounts associated with such task orders: contract costs of $33.7 million and general & administrative costs of $0.6 million. Similarly, for the six months ended March 31, 2022 operating income for the FEMA task orders is derived by subtracting from the revenue attributable to the tasks orders of $130.9 million the following amounts associated with such task orders: contract costs $117.9 million and general & administrative costs of $1.1 million.

Reconciliation of Adjusted Cash from Operations

(amount in thousands)	Six Months Ended March 31, 2023	Six Months Ended March 31, 2022
Operating activities		
Net income	$2,352	$14,982
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation and amortization	6,937	3,866
Amortization of deferred financing costs charged to interest expense	904	319
Stock-based compensation expense	1,352	1,309
Changes in operating assets and liabilities	(4,683)	(35,291)
Cash from Operations	6,862	(14,815)
Less: Adjustment related to FEMA Task Order	--	(20,655)
Adjusted Cash flow from Operations	$6,862	$5,840

About DLH

DLH enhances public health and national security readiness missions through science, technology, cyber, and engineering solutions and services. The Company's experts solve some of most complex and critical missions faced by the federal government, leveraging digital transformation, artificial intelligence, advanced analytics, cloud-based applications, telehealth systems, and more. With over 3,200 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.