

DLH Reports Key Metrics for Fiscal 2023 Year End

Exceeded Debt Reduction Expectations, Facility Rationalization Review Completed

Atlanta, Georgia – October 24, 2023 - DLH Holdings Corp. (NASDAQ: DLHC) (“DLH” or the “Company”), a leading provider of digital transformation; science, research and development; and systems engineering and integration, today announced selected key metrics for the fiscal year ended September 30, 2023.

Debt Reduction

Total debt at fiscal year end was \$179.4 million compared to \$207.6 million following the acquisition of Grove Resource Solutions, Inc. (“GRSi”) in December 2022, outperforming management expectations of \$186.4 million. The Company reduced its debt by \$28.2 million in total for the post-acquisition period, composed of \$14.3 million in mandatory payments and \$13.9 million in prepayments.

“DLH has a history of effectively deploying free cashflow to aggressively pay down debt,” said DLH President & CEO Zach Parker. “This track record provides the capacity to make transformative acquisitions, invest in our people, and grow the Company’s footprint within key markets. I am proud that we are once again making tremendous progress towards de-levering the balance sheet and providing additional value to our shareholders.”

Fourth Quarter Revenue

The preliminary estimate of revenue for the fiscal 2023 fourth quarter is approximately \$100 million versus \$67.2 million in the prior-year period. The increase was primarily driven by contributions from GRSi. The Company’s legacy contract portfolio grew moderately to offset the completion of short-term contracts associated with the COVID-19 pandemic response in fiscal 2022.

Facility Rationalization

During the fourth quarter of fiscal 2023, DLH reduced its leased office space requirement by consolidating underutilized premises as part of an ongoing facility rationalization effort, to accurately reflect the operational needs of the business. As a result, the Company has

determined that its Right of Use Assets experienced a reduction in fair value below its associated carrying value. While DLH continues to quantify this reduction, the Company anticipates that its year end audited financial statements will include an impairment in the amount of approximately \$8 million. This non-cash charge will decrease operating income for the fourth quarter, but the Company expects to benefit from lower lease expenses by approximately \$1 million annually going forward. DLH expects to primarily utilize such savings in strategic initiatives related to organic growth.

As the Company has not completed its year end annual close procedures and the audit of its 2023 financial statements is not complete, the financial information presented in this press release is preliminary, subject to final year end closing adjustments and may change materially. The information presented above has not been audited by the Company's independent accountants, should not be considered a substitute for audited financial statements, and should not be regarded as a representation by DLH as to the actual financial results for the fiscal year ended September 30, 2023. DLH expects to release full audited financial results for its fiscal fourth quarter and year ended September 30, 2023, on December 6, 2023.

About DLH

DLH (NASDAQ: DLHC) 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 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. For more information, visit <http://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. 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. Forward-looking statements are based only on our current beliefs, expectations and assumptions that may not prove to be accurate and are subject to numerous risks and uncertainties, including the completion of the audit of the Company's consolidated financial statements for the fiscal year ended September 30, 2023, as well as other risks relating to our business or general economic and market factors. Our actual results may differ materially from such forward-looking statements made in this release due to a variety of factors, including: 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.

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.

INVESTOR RELATIONS

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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): October 24, 2023

DLH Holdings Corp.

(Exact name of Registrant as Specified in its 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

(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:

- Written communications 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 communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications 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 2.02 Results of Operations and Financial Condition

On October 24, 2023, DLH Holdings Corp. (the “Company”) issued a press release announcing certain preliminary financial results for the fiscal year and fourth fiscal quarter ended September 30, 2023. A copy of the press release is attached hereto as Exhibit 99.1 and is incorporated herein by reference. The preliminary financial information presented in the press release is based on the Company’s current expectations and may be adjusted as a result of, among other things, completion of the audit of the Company’s financial statements as of, and for the year ended, September 30, 2023.

The information furnished pursuant to Item 2.02 of this Current Report, including Exhibit 99.1, shall not be deemed “filed” for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that section, nor shall such information be deemed incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such filing.

Cautionary Note Regarding Forward-Looking Statements. This Current Report on Form 8-K and the press release furnished as Exhibit 99.1 hereto contain forward-looking statements that involve certain risks and uncertainties that could cause actual results to differ materially from those expressed or implied by these statements. Please refer to the note in the press release under the heading “Forward-Looking Statements” regarding these forward-looking statements.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits

The following exhibit is attached to this Current Report on Form 8-K:

<u>Exhibit Number</u>	<u>Exhibit Title or Description</u>
99.1	Press Release dated October 24, 2023
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

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: October 24, 2023