

FY2025 Fourth Quarter Earnings

Three and Twelve Months Ended
9.30.25

December 11, 2025

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Call Participants

Zach Parker

President and Chief Executive Officer

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: 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 diversion of management’s attention from normal daily operations of the business and the challenges of managing larger and more widespread; 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 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, 2025, 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.

CEO key updates

Fiscal 2025 Q4



DLH continues to leverage technology and expertise to expand avenues for growth

- CMMC Level 2 certification demonstrates cybersecurity excellence, positions company to compete for high-value business in defense markets
- Represented government services industry in discussions with government leaders at the White House

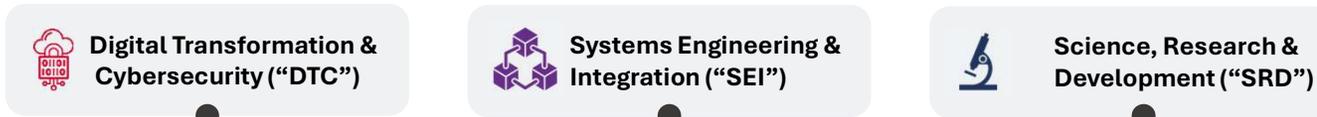
New contract awards provide increased clarity ahead of Fiscal 2026

- NIH Office of Information Technology contract award expands DLH digital transformation and cyber leadership
- Awarded sole-source Indefinite Quantity/Indefinite Delivery contract to continue providing pharmacy and logistic services at multiple CMOP locations

Robust collections result in strong Free Cash Flow to drive significant debt reduction

- \$131.6 million total debt, a reduction of \$10.7 million from Q3
- Mandatory term debt paid through September 30, 2026, a year ahead of schedule

Advancing Strategic Capabilities to Fuel Innovation



Structured around three core capability areas designed to meet the critical missions and evolving needs of our customers



Investing in proprietary innovation tools to strengthen our competitive edge and unlock new avenues for organic growth across our strategic market focus areas



Multi-billion dollar addressable market
DLH’s innovative differentiators underscore its ongoing strategic transformation, positioning the company to achieve sustained organic growth in the years ahead

Leveraging our proprietary tools to effectively support customers during disruption and drive efficiency is expected to unlock greater shareholder value

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Financials

Kathryn JohnBull, Chief Financial Officer

FY25 Q4 results

\$ millions

Revenue



\$62.2 million TPS ¹	\$54.5 million TPS
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- + Contribution from new contract awards
- Contract unbundling, transition to set-aside contractors & government efficiency initiatives

EBITDA



- + Scaled variable indirect costs
- Contract unbundling and transition to set-aside contractors

Free Cash Flow



- ↔ Strong cash collections in Q4, paced by a reduction in DSO

¹Revenue from Technology-Powered Solutions excludes that from the VA CMOP program

FY25 Results

\$ millions

Revenue



\$256.0 million TPS ¹	\$228 million TPS
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- + Contribution from new contract awards
- Contract unbundling, transition to set-aside contractors & government efficiency initiatives

EBITDA



- + Scaled variable indirect costs
- Contract unbundling and transition to set-aside contractors

Free Cash Flow



- ↔ Strong cash collections second half of the fiscal delivered strong cash flow

¹Revenue from Technology-Powered Solutions excludes that from the VA CMOP program

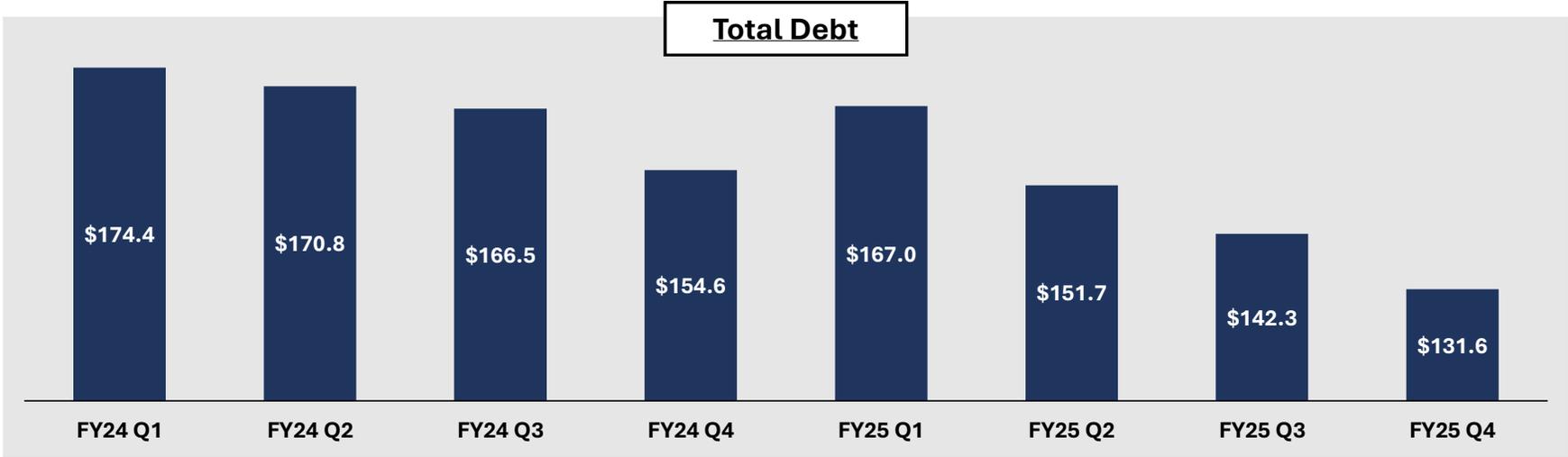


Strong collections result over \$10M in debt reduction

Debt reduction, organic growth remain capital allocation priorities

Debt reduced by \$10.7 million in Q4 to \$131.6 million

- Mandatory term debt paid through September 30, 2026, a year ahead of schedule
- Adequate liquidity available through collections and revolver availability
- Debt reduction benefited from strong collections in second half of fiscal 2025





Your Mission is Our Passion



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Appendix

Non-GAAP Reconciliations

This document contains non-GAAP financial information including EBITDA, EBITDA as a percent of revenue, Free Cash Flow which are not recognized measurements under accounting principles generally accepted in the United States, or GAAP, and when analyzing our performance and liquidity 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, operating income and net income as measures of operating results, each as defined under GAAP. We have defined these non-GAAP measures as follows:

“EBITDA” represents net income excluding depreciation and amortization, interest expense, and provision for or benefit from income taxes

“EBITDA as a percent of revenue” is EBITDA for the measurement period divided by revenue for the same period.

“Free Cash Flow” is net cash provided by operating activities less the impact of purchase of equipment and improvements

(in thousands)

	Three Months Ended			Twelve Months Ended		
	September 30,			September 30,		
	2025	2024	Change	2025	2024	Change
EBITDA Reconciliation						
Net income	\$ (920)	\$ 2,295	\$ (3,215)	\$ 1,362	\$ 7,397	\$ (6,035)
Depreciation and amortization	4,299	4,284	15	17,179	17,052	127
Interest expense, net	3,481	4,162	(681)	15,031	17,153	(2,122)
Provision for income tax expense (benefit)	(288)	(81)	(201)	393	350	43
EBITDA	\$ 6,578	\$ 10,660	\$ (4,082)	\$ 33,965	\$ 41,952	\$ (7,987)
Net income Margin on Revenue	(1.1)%	2.4%		0.4%	1.9%	
EBITDA Margin on Revenue	8.1%	11.1%		9.9%	10.6%	
Revenue	\$ 81,160	\$ 96,386		\$ 344,497	\$ 395,937	
Free Cash Flow Reconciliation						
Net cash provided by operating activities	\$ 10,680	\$ 12,435	\$ (1,755)	\$ 23,216	\$ 27,366	\$ (4,150)
Less: purchases of equipment and improvements	(28)	(209)	181	(241)	(836)	595
Free Cash Flow	\$ 10,652	\$ 12,226	\$ (1,574)	\$ 22,975	\$ 26,530	\$ (3,555)