



NobleCon14: Noble Capital Growth Conference

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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 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 that could cause actual events or DLH's actual results to differ materially from those indicated by the forward-looking statements. For a discussion of such risks and uncertainties, 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, 2017. In light of the risks and uncertainties inherent in the forward-looking statements included herein, the inclusion of such statements should not be regarded as a representation by the company or any other person that the objectives and plans of the company will be achieved. The forward-looking statements contained in this presentation are made as of the date hereof and may become outdated over time. The company does not assume any responsibility for updating any forward-looking statements.

Agenda



Overview



Financial Highlights



Questions and Answers





Prime Contractor Offerings

- ◀ Established mid-tier Government services business with an excellent service reputation and long-term customer relationships
- ◀ Strong prime contractor position in key Federal agencies like VA, DOD, and HHS



Financial Strength

- ◀ Excellent cash flow, consistent margins, and solid balance sheet
- ◀ Long-term contracts, high re-compete win rates, and substantial pipeline



Positioned for Growth

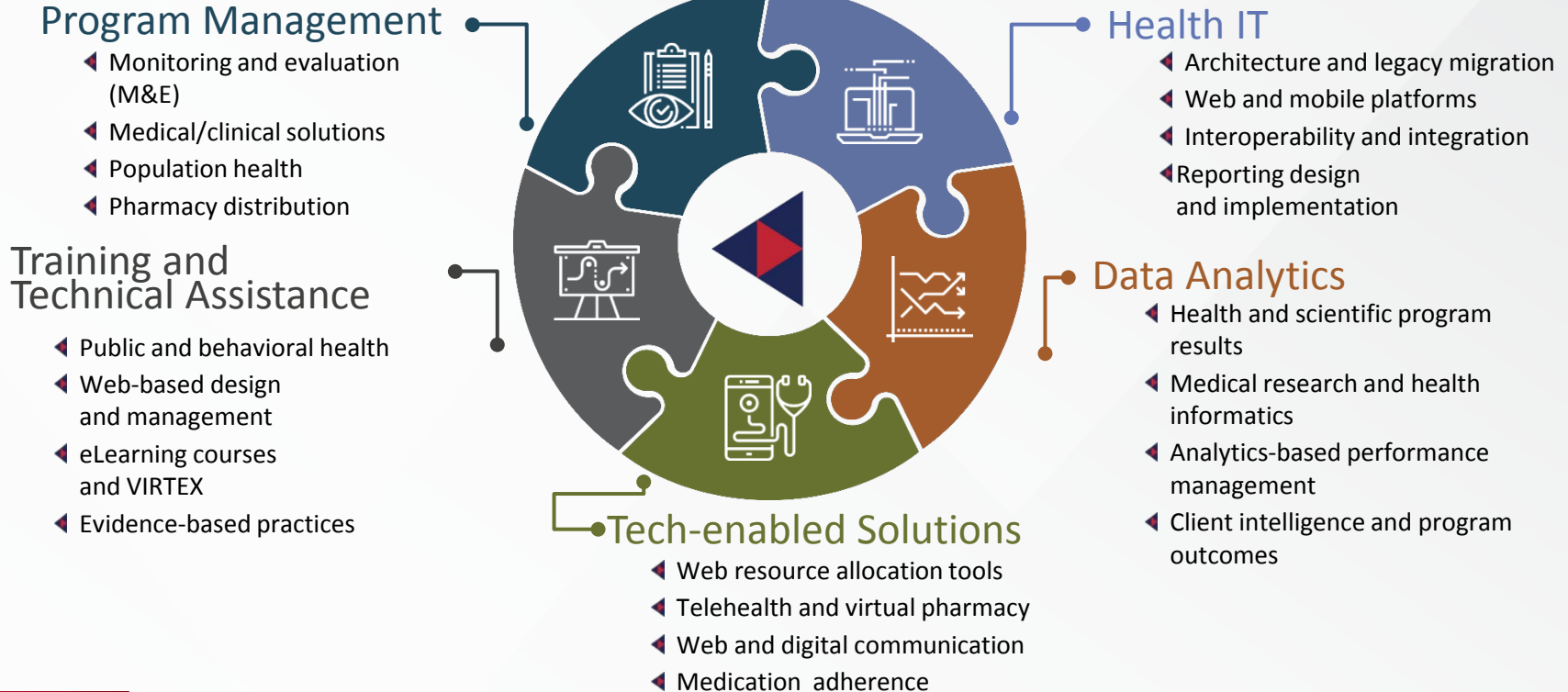
- ◀ Focused on critical areas of Federal health technology, data analytics, and health and human service market segments
- ◀ Aligned with favorable Federal market trends and demand dynamics



Seasoned Leadership

- ◀ Executive leadership built to leverage industry best practices
- ◀ Transformed governance board to align with GovCon industry

Offering the best of innovation and trusted mission-critical, long-term relationships



Sample Program Expertise

Medical Research



- **Example program:** U.S. Army Medical Materiel Agency Enhance Defense Health Program
- **Agency:** U.S. Department of Defense
- **Services rendered:** Medical clinical solutions; interoperability and integration; medical research and health informatics; and evidence-based practices

Program Management

- ◀ Monitoring and evaluation (M&E)
- ◀ **Medical/clinical solutions**
- ◀ Population health
- ◀ Pharmacy distribution

Training and Technical Assistance

- ◀ Public and behavioral health
- ◀ Web-based design and management
- ◀ eLearning courses and VIRTEX
- ◀ **Evidence-based practices**

Tech-enabled Solutions

Health IT

- ◀ Architecture and legacy migration
- ◀ Web and mobile platforms
- ◀ **Interoperability and integration**
- ◀ Reporting design and implementation

Data Analytics

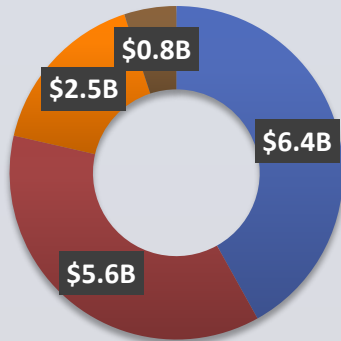
- ◀ Health and scientific program results
- ◀ **Medical research and health informatics**
- ◀ Analytics-based performance management
- ◀ Client intelligence and program outcomes

***Moving Up the Value Chain:
Stickier contracts, higher margins, and more credentialed staff***

FY2017 Customer Spending by Service Type

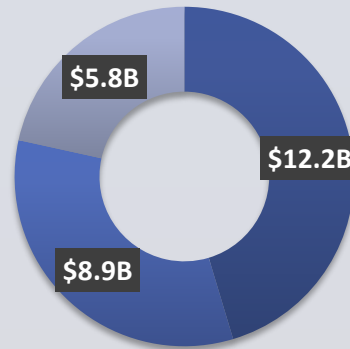
Delivering technology-enabled solutions focused on Federal Government contracts

Public Health and Human Services



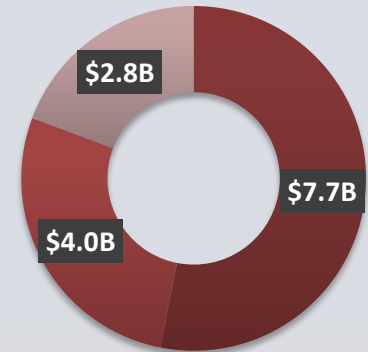
- Professional Services
- IT
- R&D
- Health Services

Defense



- Health Services
- IT
- Professional Services

Veterans Affairs

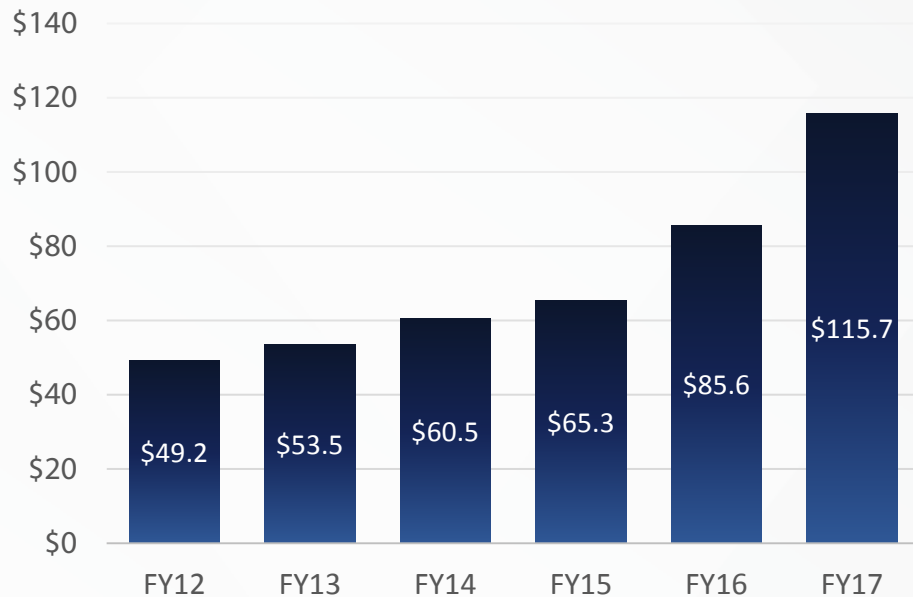


- Health Services
- IT
- Professional Services

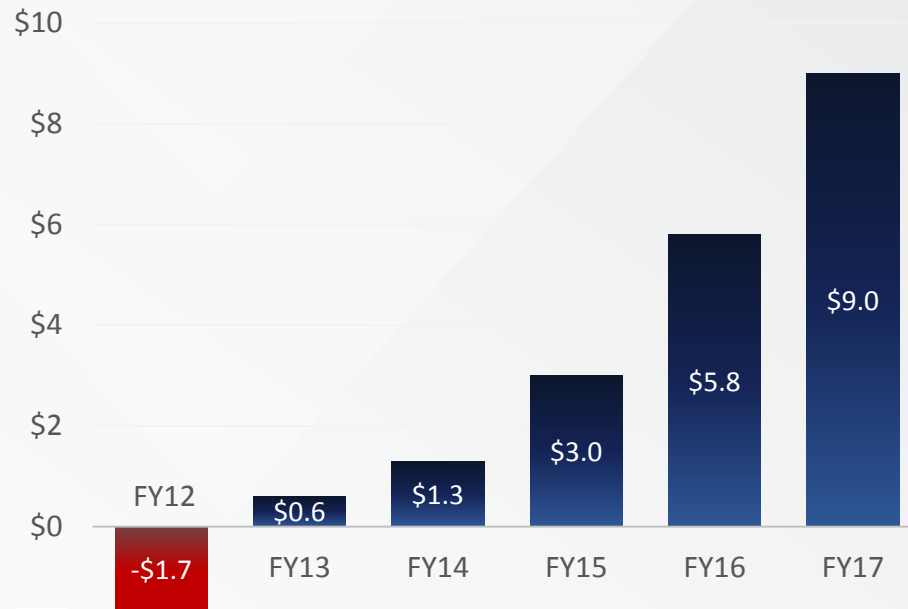
Source: GovWin IQ FY2017 Agencies' Profiles

Our Track Record of Success

Historical Revenue (\$ in millions)



Historical Adjusted EBITDA* (\$ in millions)



*A reconciliation of Net Income to Adjusted EBITDA is provided in company earnings releases, available on our website at www.dlhcorp.com.

Our Levers of Value Creation

1

Stable Revenue Growth

- Scale technology-enabled and health analytics offerings
- Focus on Federal agencies with high growth
- Shift business mix toward greater complexity and professional work requirements
- Make strategic acquisitions to expand DLH offerings

2

Sustainable Margin Expansion

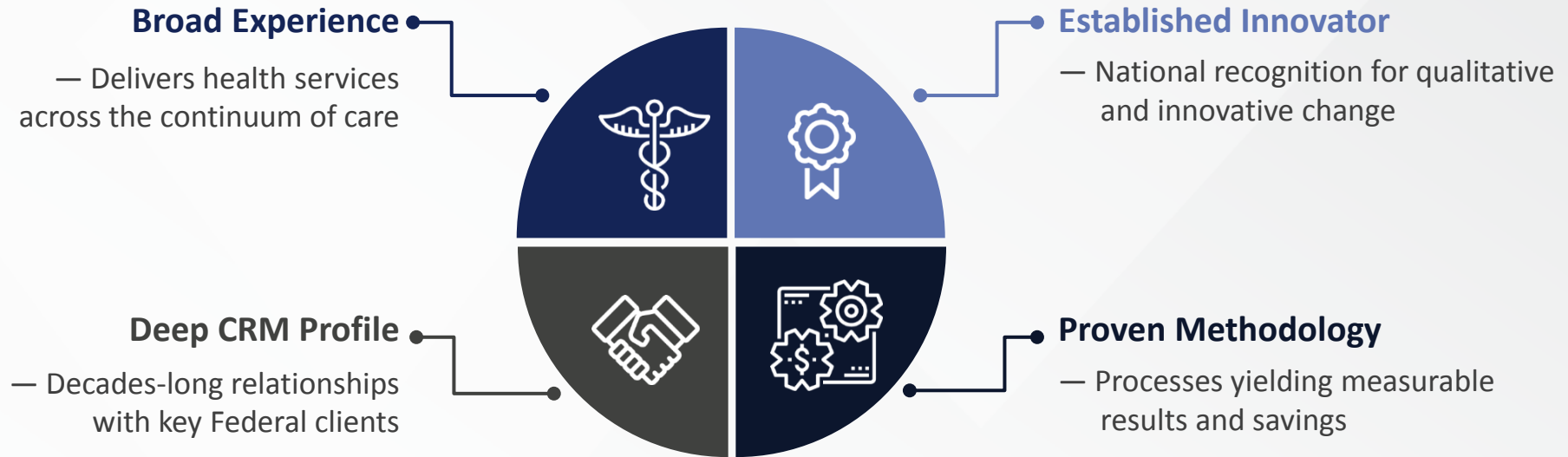
- Optimize workforce and service delivery
- Leverage expertise in IT system architecture design and migration services
- Focus on capture of professional work projects that typically yield higher gross margins
- Pursue excellence across key dimensions of agility and cost efficiency

3

Strong Cash Flow and Disciplined Capital Management

- Expand EBITDA and reduce leverage, strengthening balance sheet
- Drive working capital efficiency and free cash flow, supported by no inventory, minimal capex, and no cash taxes until ~2024
- Re-invest in business and make targeted acquisitions

Uniquely positioned mid-tier company



Large programs and suite of capabilities position DLH as a differentiated go-to-market performance leader

Financial Review: FY2017Q4 (ended 9/30/2017)

Revenue



12%

FY16Q4

FY17Q4

Gross Profit

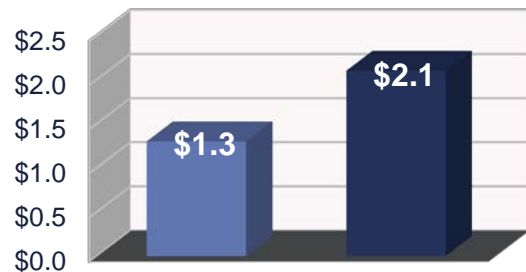


16%

FY16Q4

FY17Q4

Operating Income



62%

FY16Q4

FY17Q4

Adjusted EBITDA



22%

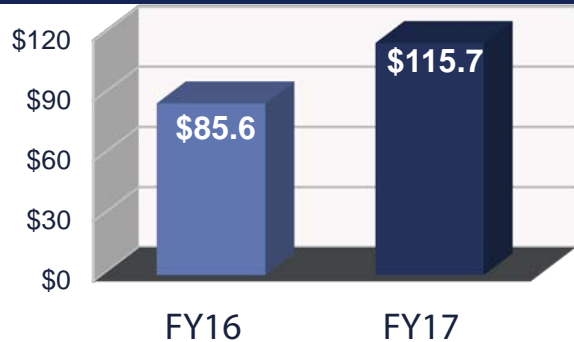
FY16Q4

FY17Q4

A reconciliation of Net Income to Adjusted EBITDA is provided in the Company's earnings releases, on its website, and in its filings with the SEC.

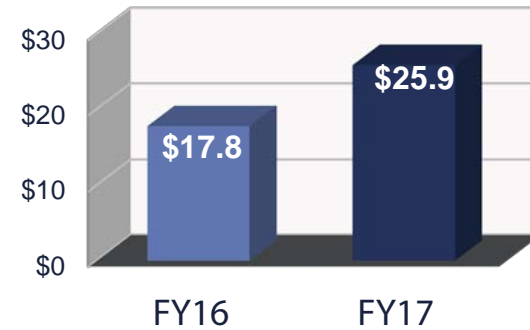
Full Year Fiscal 2017 (ended 9/30/2017)

Revenue



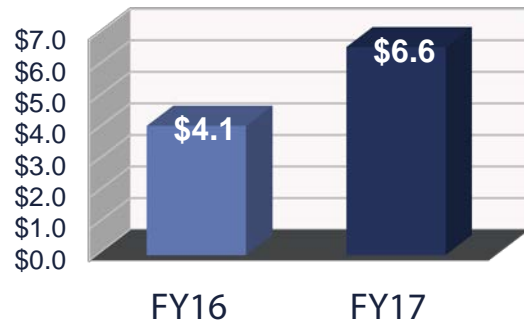
↑
35%

Gross Profit



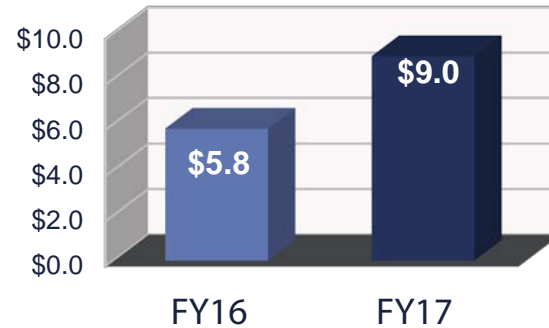
↑
45%

Operating Income



↑
63%

Adjusted EBITDA



↑
57%

A reconciliation of Net Income to Adjusted EBITDA is provided in the Company's earnings releases, on its website, and in its filings with the SEC.

Balance Sheet: Deleveraging Story Continues

	September 30, 2017	September 30, 2016
Term loan balance*	\$19.7M	\$23.4M
Revolver balance**	-0-	-0-
Less cash on hand	\$4.9M	\$3.4M
Net debt	\$14.8M	\$20.0M
Net debt/adjusted EBITDA	1.6x	3.5x

*Operating cash flow of \$6.5 million in fiscal 2017 and \$6.0 million in fiscal 2016;
Zero cash taxes anticipated until ~2024*

***\$25M originally**

****\$10M ceiling; availability \$9.9M; no borrowing as of 9/30/2017**

A reconciliation of Net Income to Adjusted EBITDA is provided in the company's earnings releases, on its website, and in its filings with the SEC.

ORGANIC

- ◀ Continued focus on core outsourcing opportunities in health and human services agencies, both within current customer base and in adjacencies

ACQUISITIVE

- ◀ Drive expansion via select acquisitions that strengthen DLH's position and broaden its footprint across known market areas, particularly within the health IT market
- ◀ Target key Federal agencies where DLH has existing relationships—Veterans Affairs, Department of Defense, and Health and Human Services—for further penetration

Question and Answer Session





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