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FY2022 Second Quarter Earnings Presentation: Three Months Ended 3.31.2022

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MAY 5, 2022

Forward-looking statements

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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, 2021, 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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FY22 Q2 Key Financial Results

Rates are year over year unless otherwise noted

TOTAL REVENUE

$108.7M

increase of 77%

including the short-term impact of $39.8 million from Alaska FEMA awards

OPERATING INCOME

$10.3M

increase of 122%

including the short-term impact of $5.5 million from Alaska FEMA awards

EBITDA

$12.1M

increase of 83%

including the short-term impact of $5.5 million from Alaska FEMA awards

TERM LOAN

$37.5M

reduced from $42.9 million during Q2

BACKLOG

$554.7M

decrease of 14%

compared to December 31, 2021, reflecting conversion of Alaska FEMA awards to revenue

EPS

$0.50

increase of 164%

including the short-term impact of $0.28 from Alaska FEMA awards

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FY22 Q2 Headlines

- Federal budget priorities continue to support DLH markets
    - Evidenced through appropriation bills and presidential budget requests
    - DLH remains well aligned with government spending trends
- Strong operational performance, healthy margins
- DLH remains on strategy
    - Expanding and leveraging technology to support clients and differentiate work
    - Investing in human capital initiatives to counter national workforce challenges
    - Deploying capital for growth and value creation
- Addressable market and pipeline remain strong

Capability expansion drives market diversification

Revenue by market

	FY2013 **TOTAL REVENUE:** $53.5 M	FY2017 **TOTAL REVENUE:** $115.7 M	FY2021 **TOTAL REVENUE:** $246.1M
DEFENSE AND VETERANS HEALTH	97%	62%	57%
HUMAN SERVICES AND SOLUTIONS	3%	34%	15%
PUBLIC HEALTH AND LIFE SCIENCES		4%	28%

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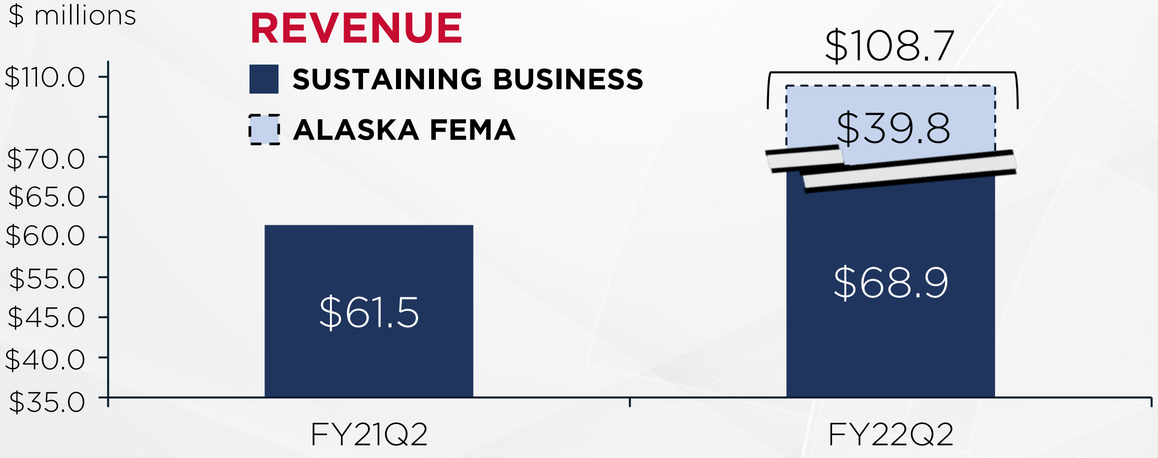
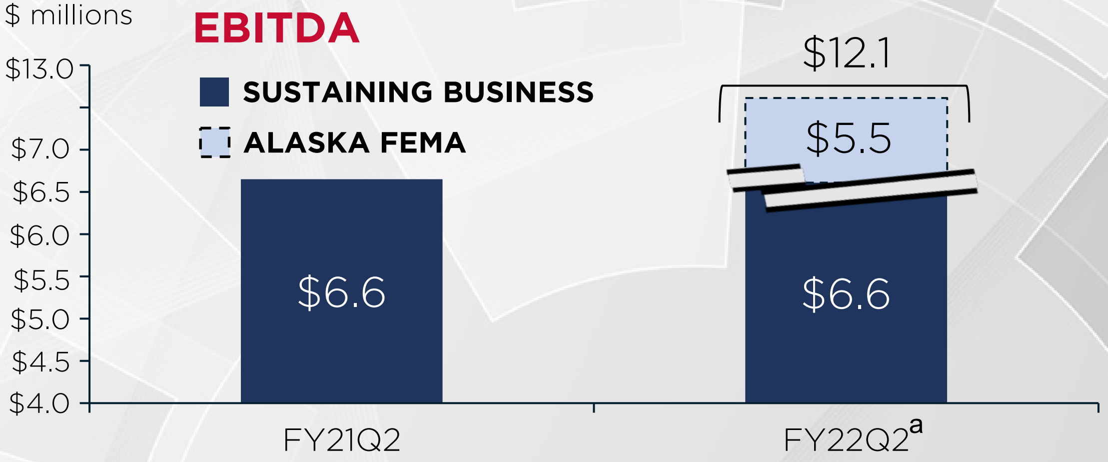
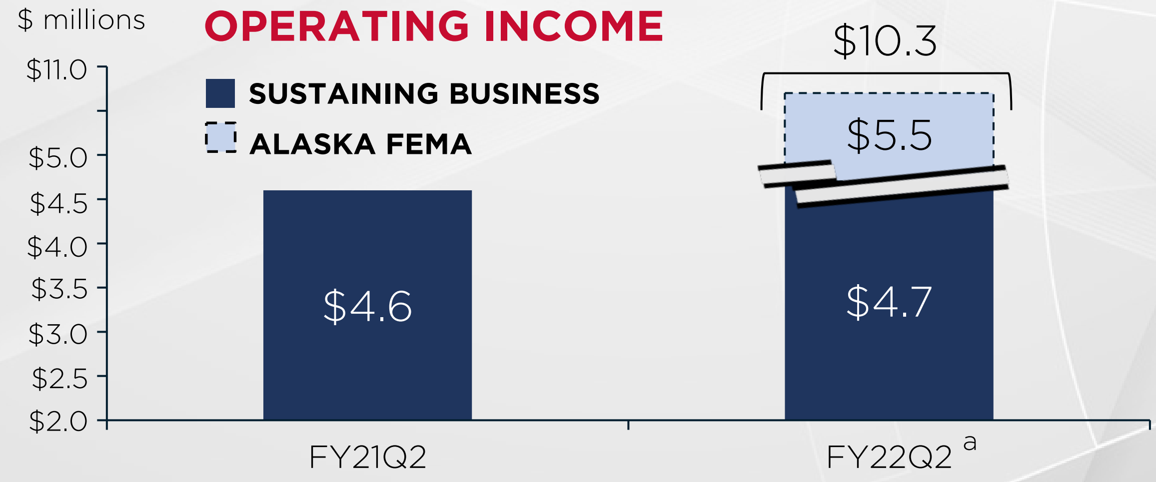
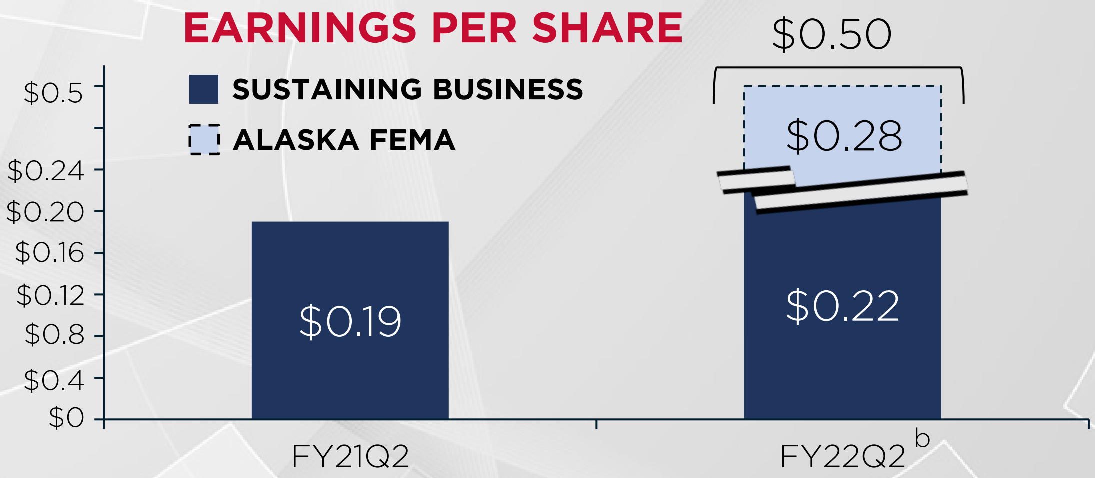
FY22 Q2 Results









Notes:

a. FY22 Q2 EBITDA and operating income performance reflects impact of planned investments in business development and human capital management

b. FY22 Q2 EPS performance benefitting from reductions to non-operating expenses.

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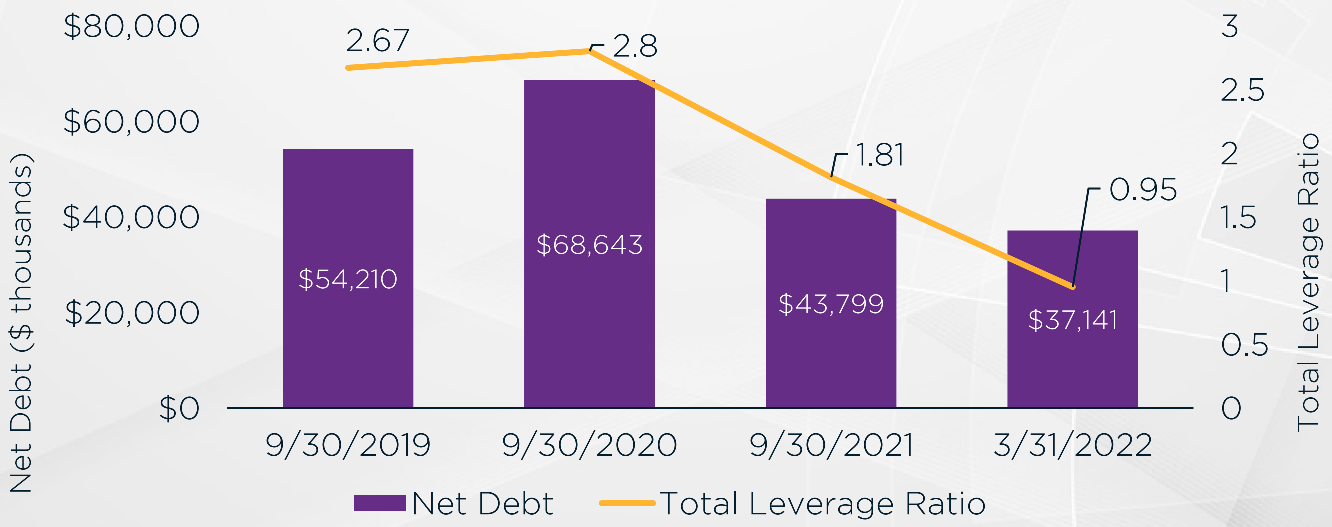
Debt Position and Outlook

Strong cash flow anticipated to fund additional de-levering in FY2022, with a target YE debt position of less than $25 million.



	IBA Acquisition			
(In thousands)	**09/30/19**	**09/30/20**	**09/30/21**	**3/31/22**
Debt				
Term debt (legacy)	$ 56,000	$ 37,000	$ 46,750	$ 37,500
Term debt (IBA)	-	33,000	-	-
Revolving debt	-	-	-	-
Total Debt	56,000	70,000	46,750	37,500
Cash on hand*	(1,790)	(1,357)	(2,951)	(359)
Net debt	$ 54, 210	$ 68,643	$ 43,799	$ 37,141
Total leverage ratio	**2.67**	**2.80**	**1.81**	**0.95**

Since the end of fiscal Q2, the Company paid off all remaining debt from the 2019 Social & Scientific Systems ("S3") acquisition. The $70 million, 5-year term loan was retired in 35 months.

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 quarter ended March 31, 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 13 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.

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FY2022 Q2 EBITDA Reconciliation

(amount in thousands)	Three Months Ended March 31, 2022	2021	Change	Six Months Ended March 31, 2022	2012	Change
Net (loss)/income	$ 7,178	$ 2,567	$ 4,611	$ 14,982	$ 4,381	$ 10,601
(i) Interest expense/other (income)	554	1,004	(450)	1,226	2,084	(858)
(ii) (Benefit)/provision for taxes	2,522	1,049	1,473	5,265	1,790	3,475
(iii) Depreciation and amortization	1,881	2,029	(148)	3,867	4,091	(224)
EBITDA	**$ 12,135**	**$ 6,649**	**$ 5,486**	**$ 25,339**	**$ 12,346**	**$12,993**
Net income as a % of revenue	6.6 %	4.2 %	2.4 %	5.7 %	3.7 %	2.0 %
EBITDA as a % of revenue	11.2 %	10.8 %	0.4 %	9.7 %	10.3 %	(0.6)%
Revenue	$ 108,669	$ 61,506	$ 47,193	$ 261,500	$ 119,358	$ 142,142

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Reconciliation of FY2022 Q2 FEMA Business

(amount in thousands)	Re	Three Months Ended March 31, 2022	2021	Change	Six Months Ended March 31, 2022	2012	Change
Revenue							
Total enterprise		$ 108,699	$ 61,506	$ 47,193	$ 261,500	$ 119,358	$ 142,142
Less: FEMA task orders to support Alaska	(a)	39,764	-	39,764	130,889	-	130,889
Remaining contract portfolio	(a)	68,935	61,506	7,429	130,611	119,358	11,253
Operating income							
Total enterprise		$ 10,254	$ 4,620	$ 5,634	$ 21,473	$ 8,255	$ 13,218
Less: FEMA task orders to support Alaska	(b)	5,525	-	5,525	11,871	-	11,871
Remaining contract portfolio	(b)	4,729	4,620	109	9,602	8,255	1,347
Net income							
Total enterprise		$ 7,178	$ 2,567	$ 4,611	$ 14,982	$ 4,381	$ 10,601
Less: FEMA task orders to support Alaska	(c)	4,089	-	4,089	8,785	-	8,785
Remaining contract portfolio	(c)	3,089	2,567	522	6,197	4,381	1,816
Diluted earnings per share							
Total enterprise		$ 0.50	$ 0.19	$ 0.31	$ 1.04	$ 0.32	$ 0.72
Less: FEMA task orders to support Alaska	(d)	0.28	-	0.28	0.61	-	0.61
Remaining contract portfolio	(d)	0.22	0.19	0.03	0.43	0.32	0.11
EBITDA							
Total enterprise		$ 12,135	$ 6,649	$ 5,486	$ 25,340	$ 12,346	$ 12,994
Less: FEMA task orders to support Alaska	(e)	5,525	-	5,525	11,871	-	11,871
Remaining contract portfolio	(e)	6,610	6,649	(39)	13,469	12,346	1,123

Ref (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.

Ref (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. 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 task 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. Operating income for the remaining contract portfolio for the three and six months ended March 31, 2022 represents the Company's consolidated operating income for such period less the operating income attributable to the FEMA task orders for such period.

Ref (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. Net 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, general & administrative costs of $0.6 million, and income tax expense of $1.4 million. Similarly, for the six months ended March 31, 2022 net income for the FEMA task orders is derived by subtracting from the revenue attributable to the task orders of $130.9 million the following amounts associated with such task orders: contract costs $117.9 million, general & administrative costs of $1.1 million, and tax expense of $3.1 million. Net income for the remaining contract portfolio for the three and six months ended March 31, 2022 represents the Company's consolidated net income for such period less the net income attributable to the FEMA task orders for such period.

Ref (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.

Ref (e): EBITDA attributable to the FEMA tasks orders of $5.5 million and $11.9 million for the three and six months ended March 31, 2022, respectively, is arrived at through the same calculation as operating income as there are not any depreciation and amortization costs attributable to the FEMA tasks 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.

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Reconciliation of Leverage Ratio

(amount in thousands)	IBA Acquisition			
	09/30/19	**09/30/20**	**09/30/21**	**3/31/21**
Term Loan	$ 56,000	$ 70,000	$ 46,750	$ 37,500
Revolving Credit Loan	-	-	-	-
Letters of Credit	1,745	1,990	2,095	2,095
Total Funded Debt	$ 57,745	$ 71,990	$ 48,845	$39,595
Consolidated EBITDA	$ 21,664	$ 25,678	$ 26,997	$ 41,544
Total Leverage Ratio	2.67	2.80	1.81	0.95

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

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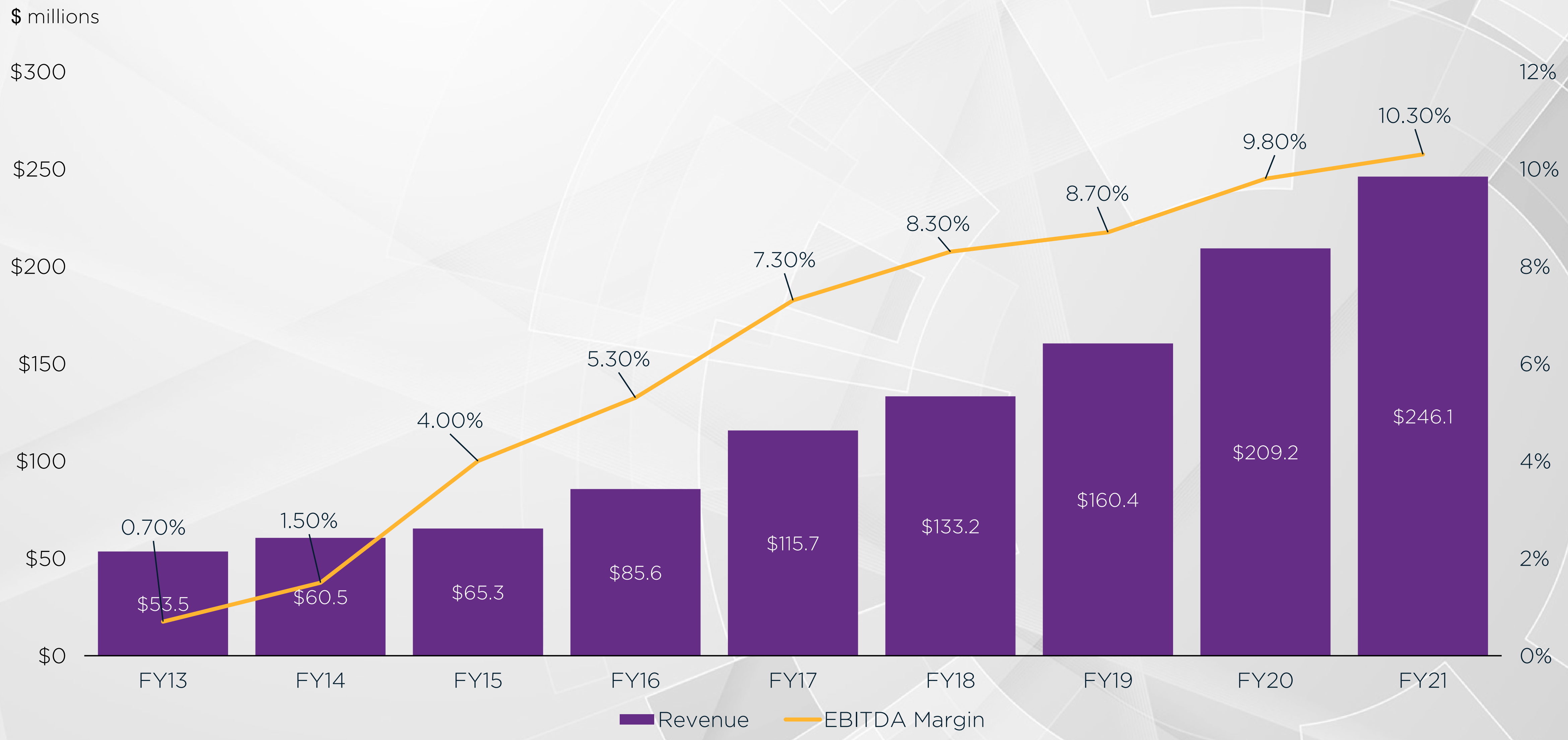
Yearly Performance Trends



Trending EBITDA Reconciliation

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

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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.