



FY26

Second Quarter Earnings

Three Months Ended 3.31.26

May 7, 2026

CALL PARTICIPANTS



ZACH PARKER

President & Chief Executive Officer

KATHRYN JOHNBULL

Chief Financial Officer

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 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 presentation 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 presentation due to a variety of factors, including: the risk that we will not realize the anticipated benefits of acquisitions (including the anticipated future financial performance and results); the inability to retain employees and customers; contract awards in connection with recompetes 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 – Q2 fiscal 2026



Dynamic federal procurement environment emphasizing speed to market and service delivery excellence

- Multiple delayed procurements now advancing through the pipeline with award decisions expected near-term
- FY27 President's Budget signals historic Defense & Intelligence investment and increased veterans' care modernization, partially offset by reprioritized Federal Health spending
- Executive Orders continue to prioritize a streamlined procurement process with particular focus on innovative, cost-effective solutions

Technology-powered solutions driving competitive differentiation and organic growth

- Advanced data science and C6ISR integration investments unlocking incremental revenue streams
- Industry recognition for DLH expertise in digital modernization, cybersecurity, and Zero Trust across Federal Health and Defense & Intelligence markets

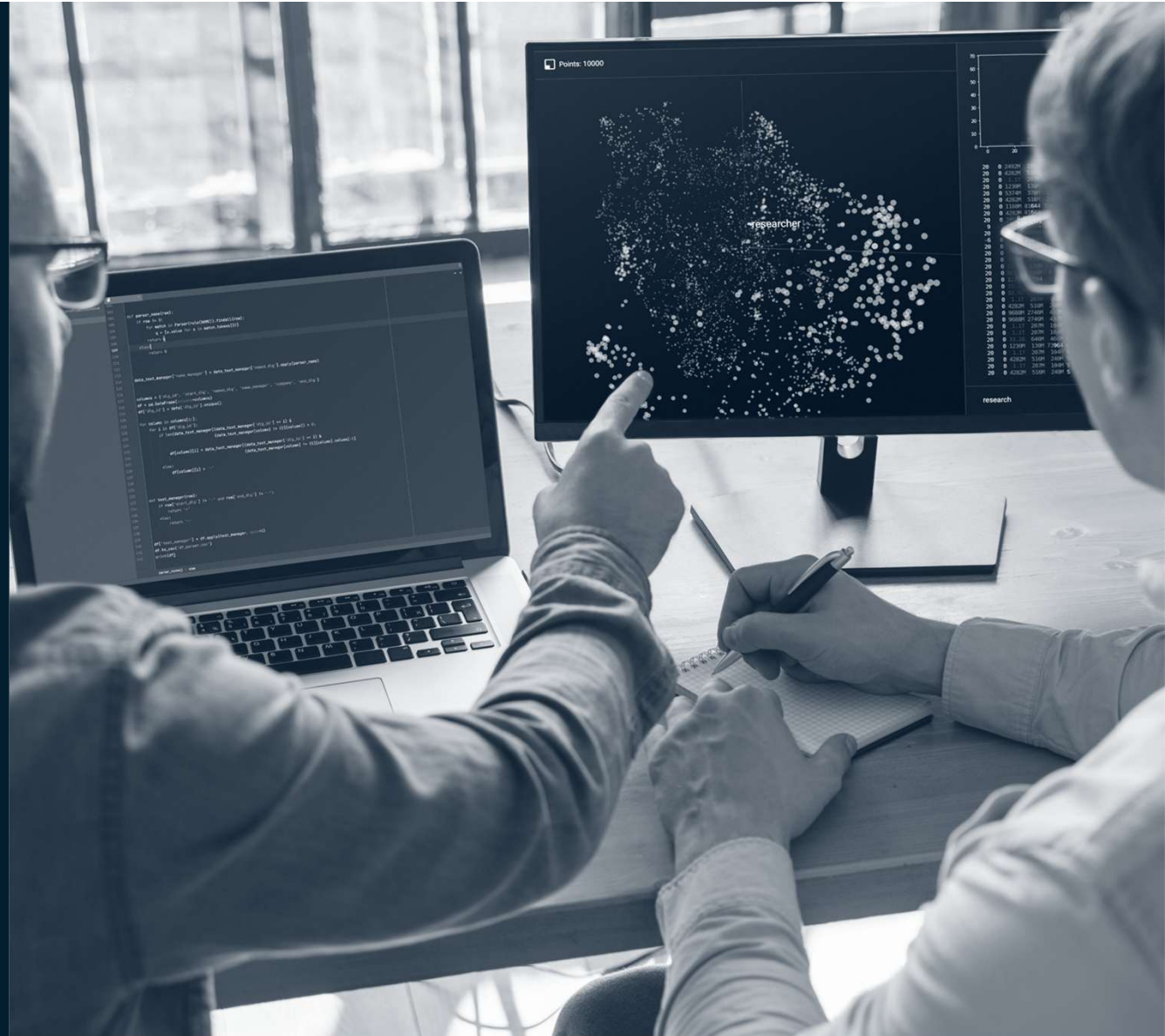
Disciplined cost alignment, capital allocation and improving revenue visibility enhance shareholder value

- Adjusted EBITDA¹ of \$5.3M (9.0% margin) — reflects full-quarter impact of cost-scaling initiatives
- Debt reduced to \$132.7M (~\$42M cumulative reduction from peak); targeting 50–55% of FY26 EBITDA toward paydown by year-end
- Awarded a two-year sole source extension of our contract to provide clinical research support services to NIH



1. A full reconciliation of non-GAAP measures is available in the Appendix..

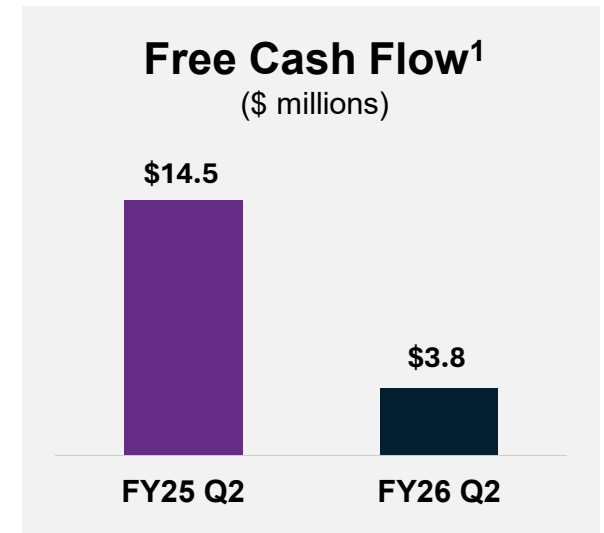
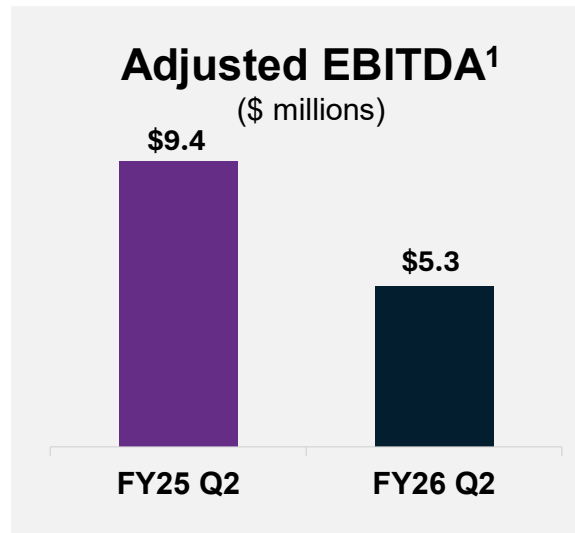
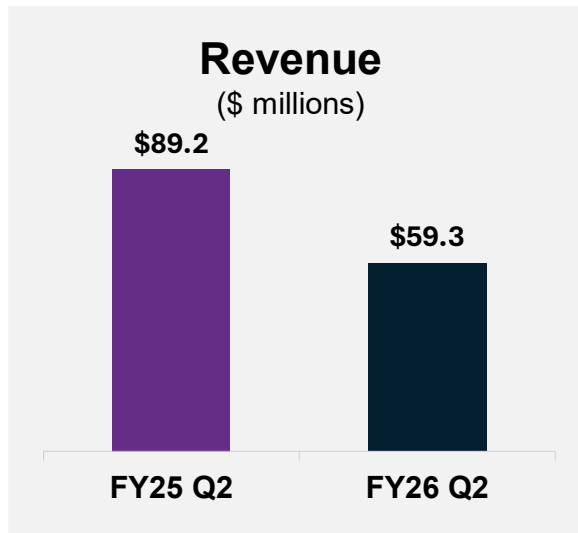
FINANCIAL RESULTS



FY26 Q2 results



Q2 results reflect the anticipated impact of legacy contract transitions on revenue, earnings, and cash flow



\$60.7 TPS Revenue² \$39.5

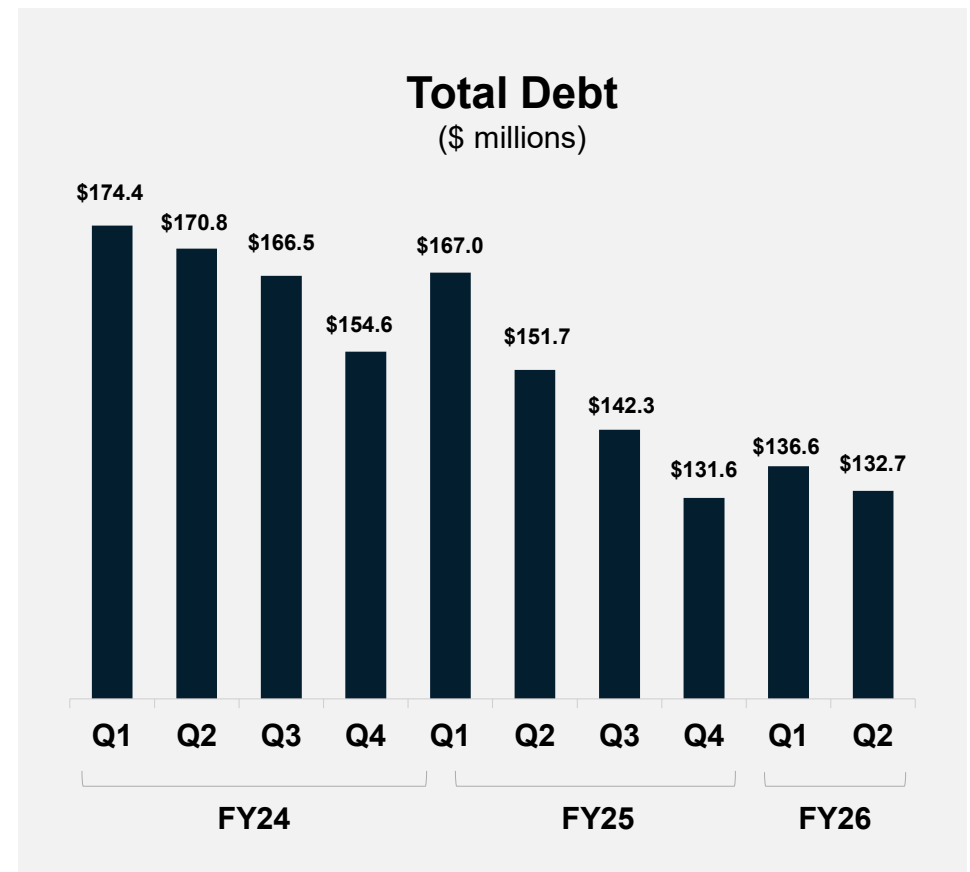
Expanding technology-powered pipeline and disciplined cost alignment position DLH for near-term acceleration

1. A full reconciliation of non-GAAP measures is available in the Appendix.
2. Revenue from Technology-Powered Solutions excludes that from the VA CMOP program.

Consistent deleveraging trajectory reinforces balance sheet discipline

On track for accelerated paydown in second half of fiscal 2026

- Total debt reduced to \$132.7M in Q2 fiscal 2026, down from \$174.4M in Q1 fiscal 2024 — a cumulative reduction of ~\$42M over nine quarters
- Q2 debt declined ~\$4M sequentially, resuming the deleveraging trend after the Q1 seasonal uptick driven by short-term working capital timing
- Disciplined capital allocation delivers accelerated debt repayment and full covenant compliance





APPENDIX



Non-GAAP Reconciliations



The Company uses EBITDA, Adjusted EBITDA, EBITDA as a percent of revenue, and Adjusted EBITDA as a percent of revenue as supplemental non-GAAP measures of performance. The Company uses Free Cash Flow as a supplemental non-GAAP liquidity measure. We define the measures as follows:

- EBITDA and Adjusted EBITDA represent net (loss) income excluding depreciation and amortization, interest expense, and provision for income taxes; Adjusted EBITDA further excludes costs associated with scaling general and administrative expenses to revenue volume.
- EBITDA and Adjusted EBITDA as a percent of revenue are calculated by dividing EBITDA or Adjusted EBITDA, respectively, for the measurement period by revenue for the same period.
- Free cash flow is net cash provided by operating activities less the impact of purchases of equipment and improvements.

EBITDA, Adjusted EBITDA, EBITDA as a percent of revenue, and Adjusted EBITDA as a percent of revenue are non-GAAP measures of performance and are used by management to conduct and evaluate its business during its review of operating results for the periods presented. Free Cash Flow, a non-GAAP liquidity measure, is used by management to assess our ability to generate cash from our business operations and plan for future operating and capital actions.

Management and the Company's Board utilize these non-GAAP measures to make decisions about the use of the Company's resources, analyze performance between periods, develop internal projections and measure management performance. We believe that these non-GAAP measures are useful to investors in evaluating the Company's ongoing operating and financial results and understanding how such results compare with the Company's historical performance.

EBITDA, Adjusted EBITDA, EBITDA as a percent of revenue, Adjusted EBITDA as a percent of revenue, and free cash flow 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 adjustments in our reconciliation to the nearest GAAP financial measures and (ii) use non-GAAP measures in addition to, and not as an alternative to, measures of our operating results, as defined under GAAP.

	Three Months Ended		
	March 31,		
	2026	2025	Change
<i>(in thousands)</i>			
Adjusted EBITDA Reconciliation			
Net (loss) income	\$(2,535)	\$878	\$(3,413)
Depreciation and amortization	4,300	4,265	35
Interest expense, net	3,139	3,877	(738)
Provision for income taxes (benefit)	(659)	360	(1,019)
EBITDA	\$4,245	\$9,380	\$(5,135)
Cost scaling initiatives¹	1,082	--	1,082
Adjusted EBITDA	\$5,327	\$9,380	\$(4,053)
Net income Margin on Revenue	(4.3)%	1.0%	
EBITDA Margin on Revenue	7.2%	10.5%	
Adjusted EBITDA Margin on Revenue	9.0%	10.5%	
Revenue	\$59,265	\$89,212	
Free Cash Flow Reconciliation			
Net cash provided by operating activities	\$3,786	\$14,502	\$(10,716)
Less: purchases of equipment and improvements	--	--	--
Free Cash Flow	\$3,786	\$14,502	\$(10,716)

(1) Cost scaling initiatives consist of expenses incurred by the Company in scaling its business to align with its current contract volume resulting from the previously disclosed conversion of programs for which the Company previously served as prime contractor to small business contractor