Your Mission Is Our Passion

FY2022 Third Quarter Earnings Presentation: Three Months Ended 6.30.2022

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AUGUST 3, 2022

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 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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Third Quarter Highlights

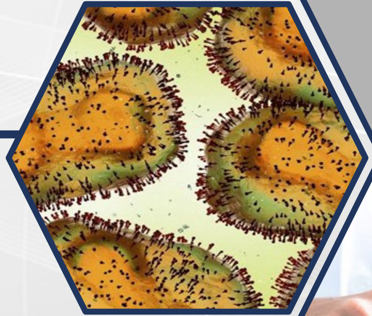
- Q3 revenue rose to $66.4 million, a year over year increase of 8.0%
- Posted Q3 operating income of 7.1 million; operating margin was 10.7%
- First quarter Diluted EPS of $0.34
- Term loan reduced to $28.5 million from $37.5 million during the quarter
- Backlog $509.7 million as of June 30, 2022

> *"I'm very pleased to announce that DLH continued to post strong performance exemplified by organic growth, margin expansion, and solid bottom line results"*
>
> *- Zach Parker, CEO*

DLH Innovation Supports Vital Customer Missions

DLH-Supported project named 2022 FedHealthIT Innovation Award winner

DHA's Defense Medical Logistics Standard Support ("DMLSS") program recognized for successfully connecting defense health supply-chain management IT systems



DoD ESSENSE program positively identifies early case of Monkeypox

DLH supports advanced monitoring capability for early detection of imminent health threats impacting force readiness for active duty service members.

Select CMOP sites achieve "All-time" daily production records

DLH utilizes proprietary supply chain management productivity optimizing tools to improve service in face of global supply-chain issues and unprecedented labor market challenges

DLH Infinibyte® Cloud achieves FedRAMP authorization

DLH has successfully completed a rigorous security capabilities assessment to certify to customers that DLH's cloud offering meets the enhanced data security requirements of civilian agencies and DoD

DLH to conduct on-site clinical monitoring for NIAID

DLH was awarded a contract to conduct on-site clinical monitoring for the Outpatient Treatment with Anti-Coronavirus Immunoglobulin (OTAC) study at eight clinical research sites in Peru through INSIGHT, an NIAID-funded global HIV trials network

Many Avenues for Expansion Available

Major COVID clinical trial work nears completion, potential for future work in surveillance and pandemic prevention remains

DLH focus areas continue to align with Federal spending priorities, driving strong cash flow

Key IDIQs with NIH and DOD; position DLH well for FY23 and beyond

Heavy new business proposal activity anticipated for Q4 and early FY2023

Strong strategic pipeline of M&A opportunities; Total Leverage Ratio down to 0.70

Q3 Financials

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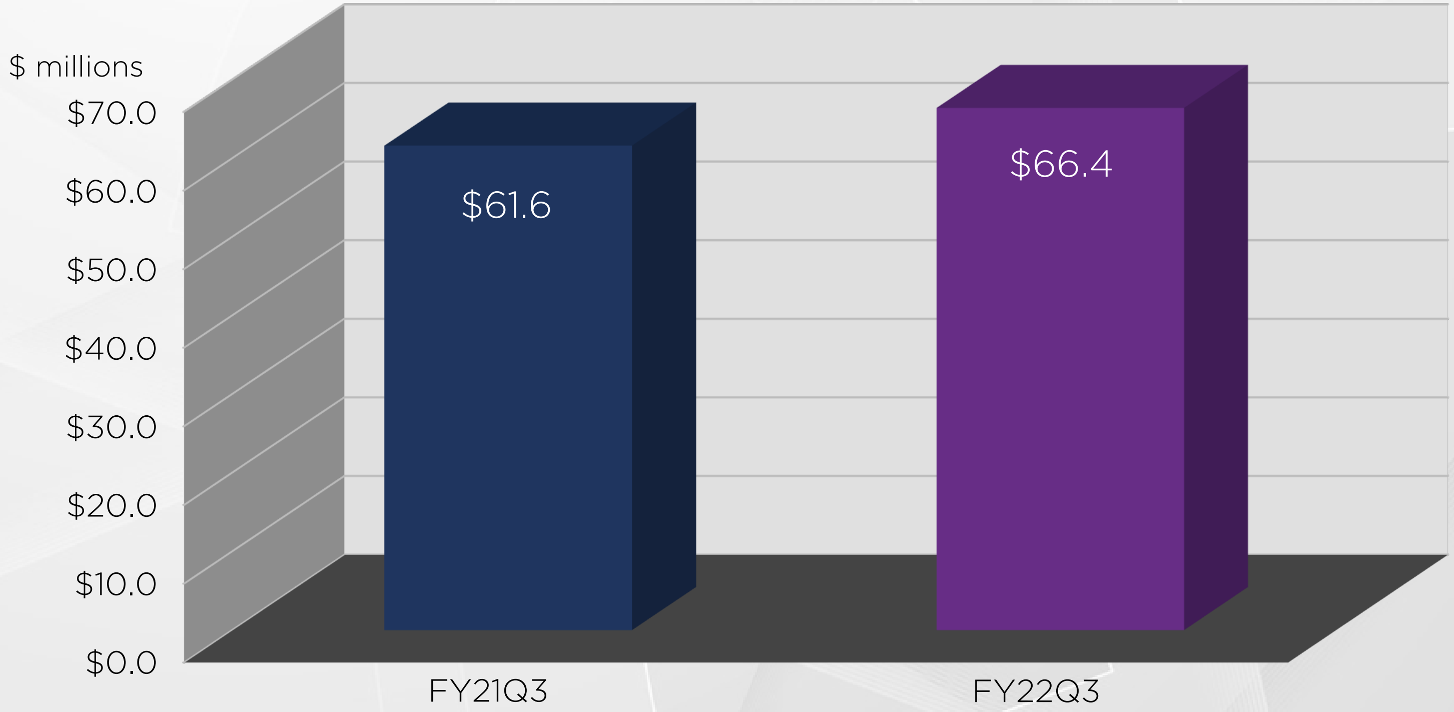
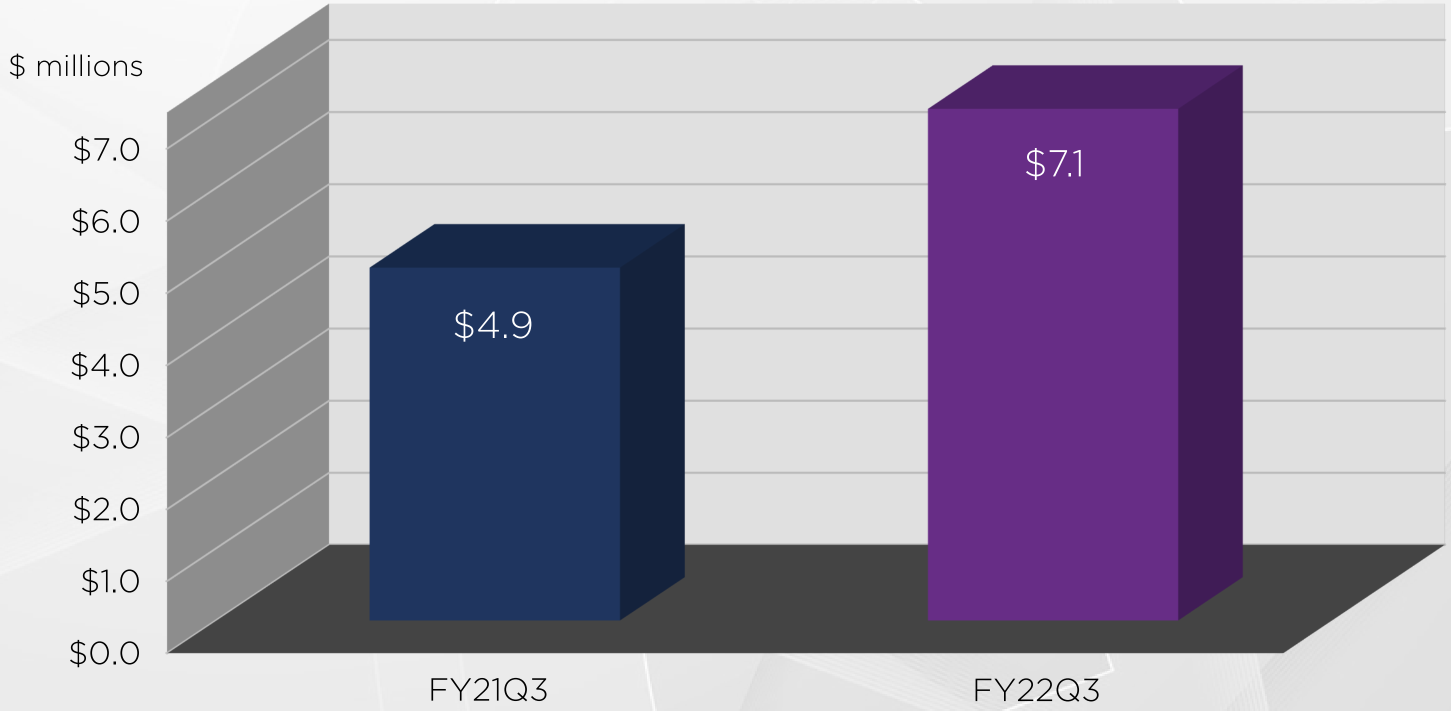
FY2022 Q3 Results: Revenue



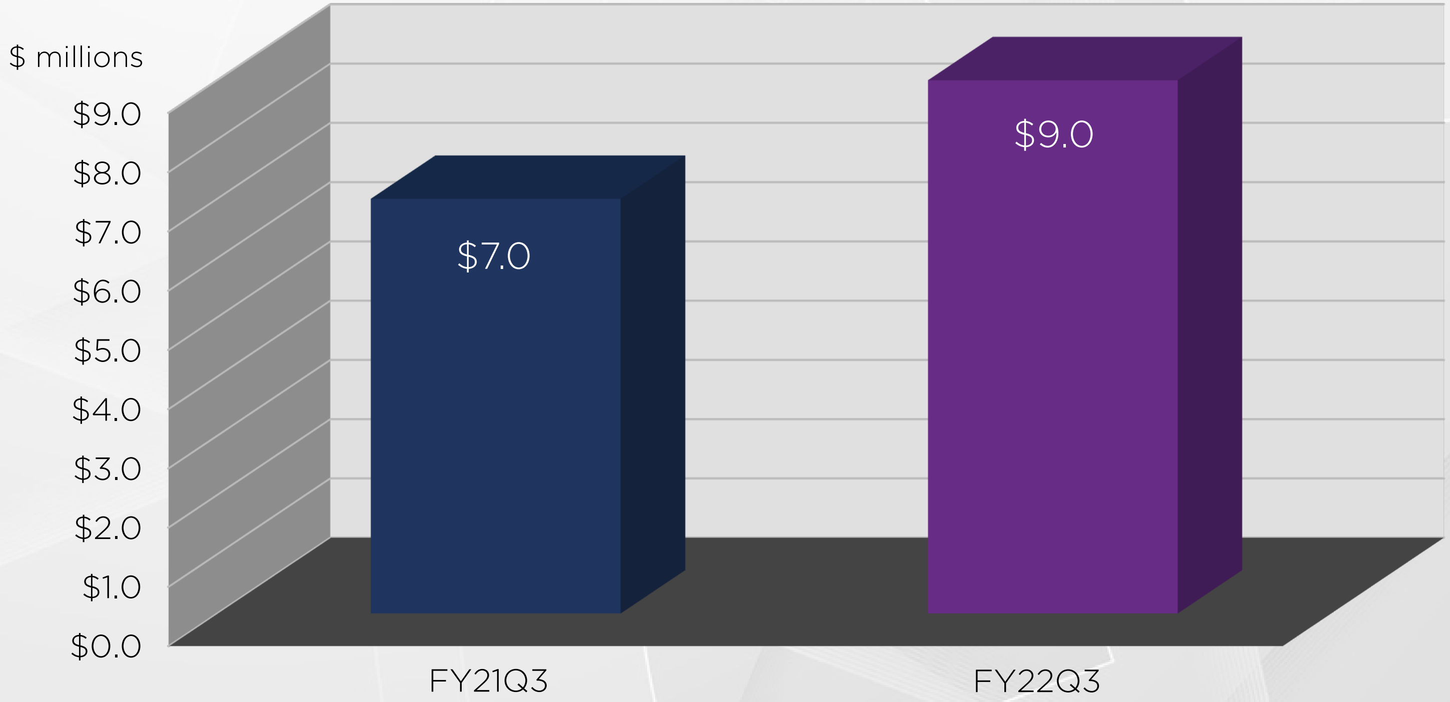
Revenue increase reflects the impact of increased demand for our services from our existing contract portfolio.

FY2022 Q3 Results: Operating Income



The quarter's performance reflects the impact of increased revenue volume and higher margins from effective management of contract costs.

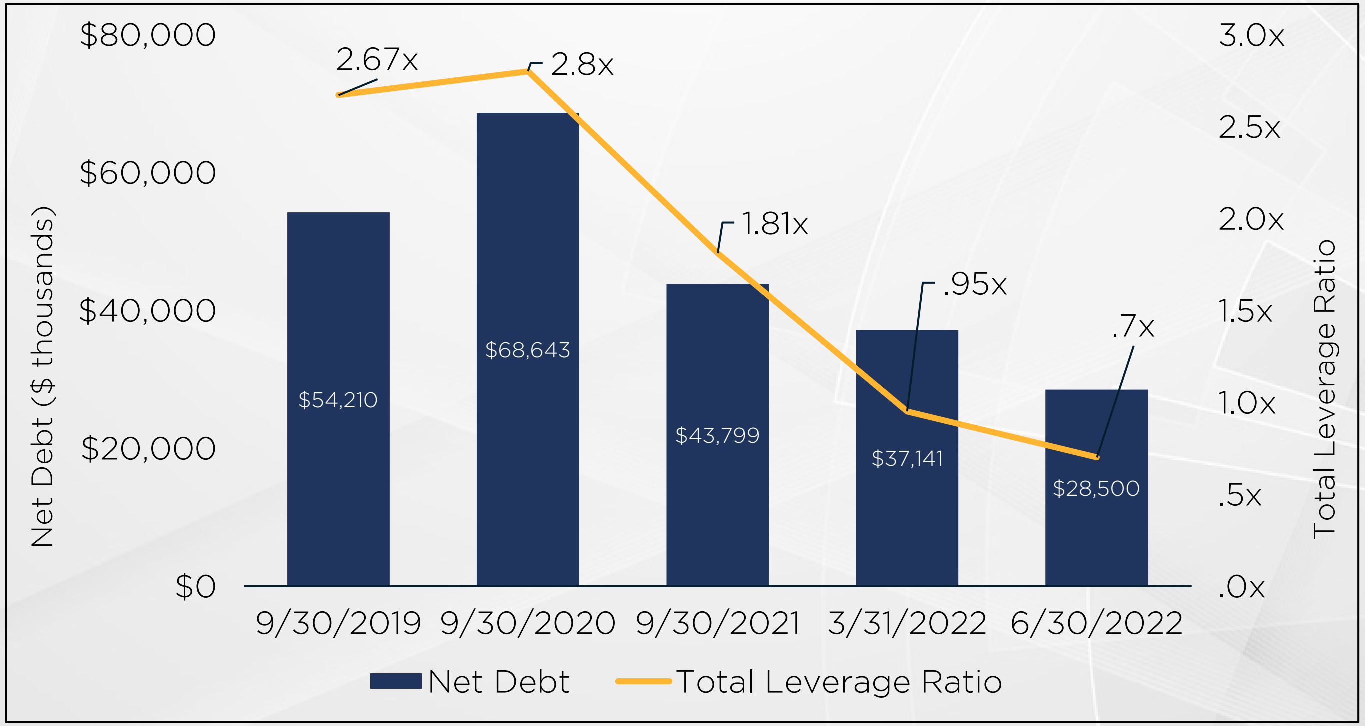
FY2022 Q3 Results: EBITDA



EBITDA growth reflects the increased demand for our services and effective management of indirect cost.

A reconciliation of net income to EBITDA and EBITDA as a percentage of revenue is provided in the back of this presentation.

Debt Position and Outlook



(In thousands)	09/30/19	09/30/20[a]	09/30/21	3/31/22	6/30/22
Total Debt	$ 56,000	$ 70,000	$ 46,750	$ 37,500	$ 28,500
Cash on hand*	(1,790)	(1,357)	(2,951)	(359)	(1,060)
Net debt	$ 54, 210	$ 68,643	$ 43,799	$ 37,141	$ 27,440
Total leverage ratio	**2.67x**	**2.80x**	**1.81x**	**0.95x**	**0.70x**

De-levering our balance sheet provides the flexibility to deliver additional shareholder value through a targeted acquisition strategy. We expect to continue to reduce our term debt to below $25 million by the end of the fiscal year.

a. Our debt balance as of September 30, 2020 included $33 million of borrowing to complete the acquisition of Irving Burton Associates.

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.

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 June 30, 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 16 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 Q3 EBITDA Reconciliation

	Three Months Ended June 30,			Nine Months Ended June 30,		
(amount in thousands)	2022	2021	Change	2022	2021	Change
Net (loss)/income	$ 4,864	$ 2,880	$ 1,984	$ 19,846	$ 7,261	$ 12,585
(i) Interest expense/other (income)	512	893	(381)	1,739	2,977	(1,238)
(ii) (Benefit)/provision for taxes	1,738	1,166	572	7,003	2,956	4,047
(iii) Depreciation and amortization	1,873	2,014	(141)	5,740	6,105	(365)
EBITDA	**$ 8,987**	**$ 6,953**	**$ 2,034**	**$ 34,328**	**$ 19,299**	**$ 15,029**
Net income as a % of revenue	7.3 %	4.7 %	2.6 %	6.1 %	4.0 %	2.1 %
EBITDA as a % of revenue	13.5 %	11.3 %	2.2 %	10.5 %	10.7 %	(0.2) %
Revenue	$ 66,440	$ 61,555	$ 4,885	$ 327,940	$ 180,913	$ 147,027

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FY2022 Q3 FEMA Business Reconciliation

		Three Months Ended June 30,			Nine Months Ended June 30,		
(amount in thousands)	Re	2022	2021	Change	2022	2012	Change
Revenue							
Total enterprise		$ 66,440	$ 61,555	$ 4,885	$ 327,940	$ 180,913	$ 147,027
Less: FEMA task orders to support Alaska	(a)	(5,116)	—	(5,116)	125,773	—	125,773
Remaining contract portfolio	(a)	$ 71,556	$ 61,555	$ 10,001	$ 202,167	$ 180,913	$ 21,254
Operating income							
Total enterprise		$ 7,114	$ 4,939	$ 2,175	$ 28,588	$ 13,194	$ 15,394
Less: FEMA task orders to support Alaska	(b)	608	—	$ 608	12,479	—	12,479
Remaining contract portfolio	(b)	$ 6,506	$ 4,939	$ 1,567	$ 16,109	$ 13,194	$ 2,915
Net income							
Total enterprise		$ 4,864	$ 2,880	$ 1,984	$ 19,846	$ 7,261	$ 3,350
Less: FEMA task orders to support Alaska	(c)	450	_	450	9,235	—	9,235
Remaining contract portfolio	(c)	$ 4,414	$ 2,880	$ 1,534	$ 10,611	$ 7,261	$ 3,350
Diluted earnings per share							
Total enterprise		$ 0.34	$ 0.21	$ 0.13	$ 1.40	$ 0.54	$ 0.86
Less: FEMA task orders to support Alaska	(d)	0.03	—	0.03	0.64	—	0.64
Remaining contract portfolio	(d)	$ 0.31	$ 0.21	$ 0.10	$ 0.76	$ 0.54	$ 0.22
EBITDA							
Total enterprise		$ 8,987	$ 6,953	$ 2,034	$ 34,328	$ 19,299	$ 15,029
Less: FEMA task orders to support Alaska	(e)	608	—	608	12,479	—	12,479
Remaining contract portfolio	(e)	$ 8,379	$ 6,953	$ 1,426	$ 21,849	$ 19,299	$ 2,550

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. The results for the three and nine months ended June 30, 2022 include final closeout activities related to the short-term FEMA COVID support contracts and the related agreements between DLH and its subcontractors. Reconciliation of estimated pass-through travel and accommodation expenses to the final reimbursable expenses resulted in a reduction to expenses, and a corresponding reduction to revenue, previously accrued and pending payment. This reduction reflected the value of in-kind expenses furnished by the State in support of the contract.

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 June 30, 2022 of ($5.1) million the contract costs of ($5.7) million. Similarly, for the nine months ended June 30, 2022 operating income for the FEMA task orders is derived by subtracting from the revenue attributable to the tasks orders of $125.8 million the following amounts associated with such task orders: contract costs $112.1 million and general & administrative costs of $1.2 million. Operating income for the remaining contract portfolio for the three and nine months ended June 30, 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 June 30, 2022 of ($5.1) million the following amounts associated with such task orders: contract costs of ($5.7) million and income tax expense of $0.2 million. Similarly, for the nine months ended June 30, 2022 net income for the FEMA task orders is derived by subtracting from the revenue attributable to the tasks orders of $125.8 million the following amounts associated with such task orders: contract costs of $112.1 million, general & administrative costs of $1.2 million, and tax expense of $3.2 million. Net income for the remaining contract portfolio for the three and nine months ended June 30, 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 task orders of $0.6 million and $12.5 million for the three and nine months ended June 30, 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 task 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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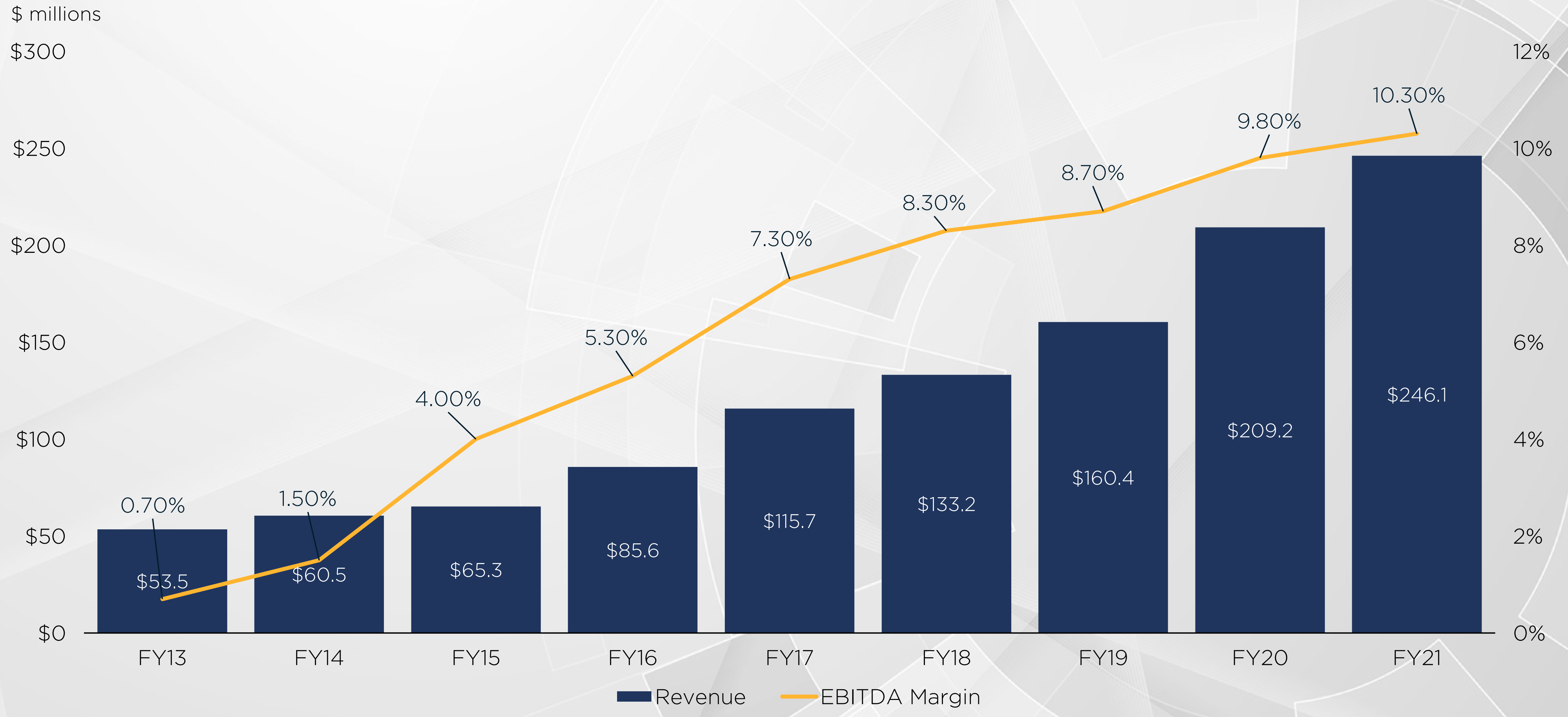
Reconciliation of Leverage Ratio

(amount in thousands)	09/30/19	IBA Acquisition 09/30/20	09/30/21	3/31/22	6/30/2022
Term Loan	$ 56,000	$ 70,000	$ 46,750	$ 37,500	$28,500
Revolving Credit Loan	-	-	-	-	-
Letters of Credit	1,745	1,990	2,095	2,095	2,095
Total Funded Debt	$ 57,745	$ 71,990	$ 48,845	$ 39,595	$ 30,595
Consolidated EBITDA	$ 21,664	$ 25,678	$ 26,997	$ 41,544	$ 44,000
Total Leverage Ratio	2.67	2.80	1.81	0.95	0.70

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

Yearly Performance Trends



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Trending EBITDA Reconciliation

(amount in thousands)	Twelve Months Ended September 30,								
	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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