FY26
Third Quarter Earnings

Three Months Ended 6.30.26

July 30, 2026

CALL PARTICIPANTS

KATHRYN JOHNBULL

President & Chief Executive Officer

STEVE OROHO

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 – Q3 fiscal 2026

Leadership transition marks next stage of DLH's corporate journey

- Kathryn JohnBull appointed President and Chief Executive Officer; Steve Oroho appointed Chief Financial Officer
- Leadership team well positioned to advance the Company's strategy and compete for new business opportunities, creating value for shareholders

ID/IQ contract award opens growth channels within U.S. Navy

- DLH awarded a multiple-award indefinite delivery/indefinite quantity ("MAC ID/IQ") contract to provide a full range of logistics IT services for U.S. Navy integrated platforms and DevSecOps pipelines
- Contract administered by Naval Air Systems Command ("NAVAIR") – a new DLH customer
- Though task orders are to be competed under this contract, DLH will have the opportunity to implement system modernization, integration, sustainment, and migration missions

Completed cost-scaling initiatives to further enhance competitive position

- Adjusted EBITDA[1] of $3.4M — reflects full-quarter impact of cost-scaling initiatives
- Emphasis on debt reduction continues with mandatory payments nearly nine months ahead of schedule

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

Prioritizing strategic clarity, sharp focus during transition

01

Grow
Expand addressable markets and contract opportunities with a focused pipeline

02

Execute
Deliver innovative solutions to drive increase profitability

03

Financial Strength
Continue emphasis on deleveraging through operating performance

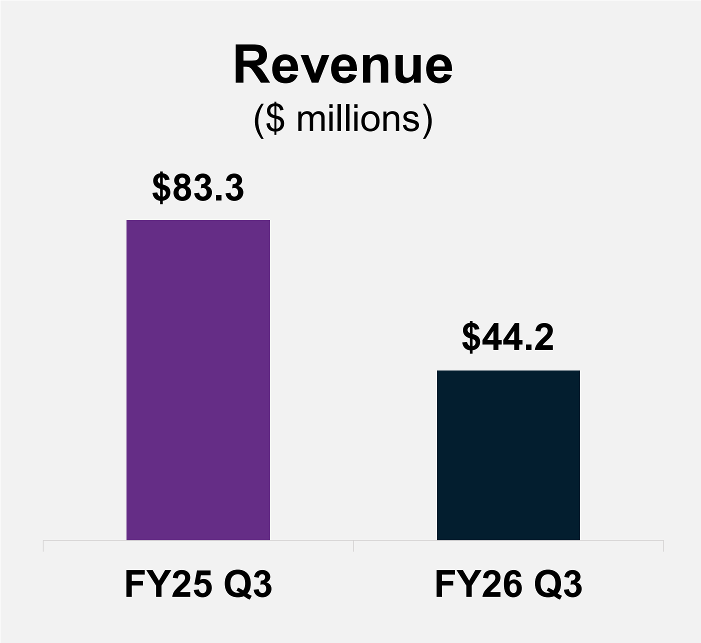
04

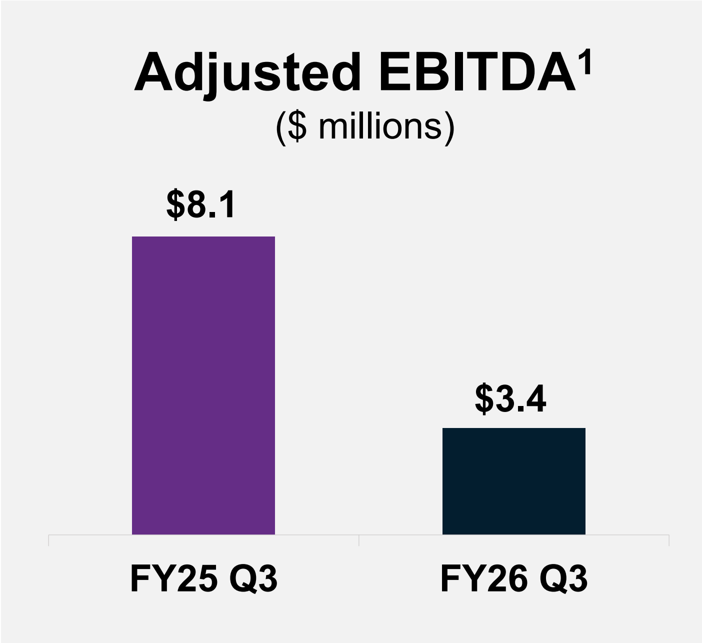
Shareholder Value
Optimize a simplified enterprise built on technology

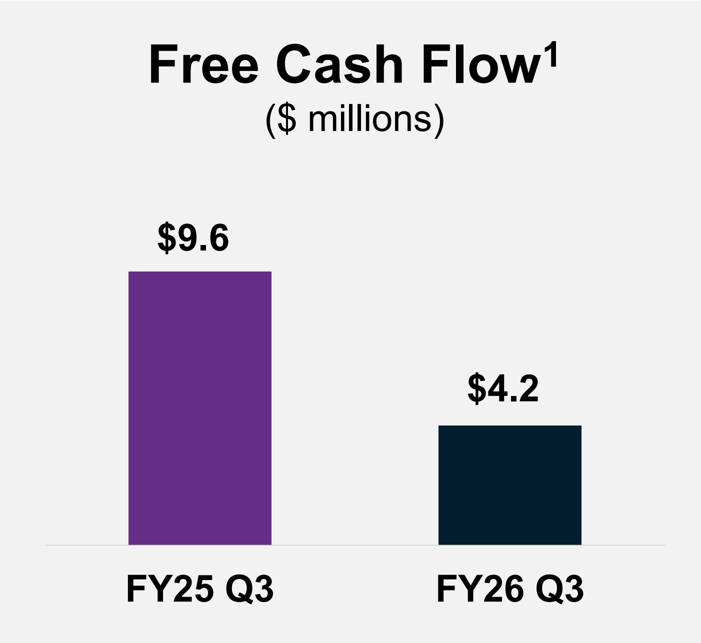
FINANCIAL RESULTS

FY26 Q3 results

Q3 results reflect the impact of legacy contract transitions on revenue, earnings, and cash flow







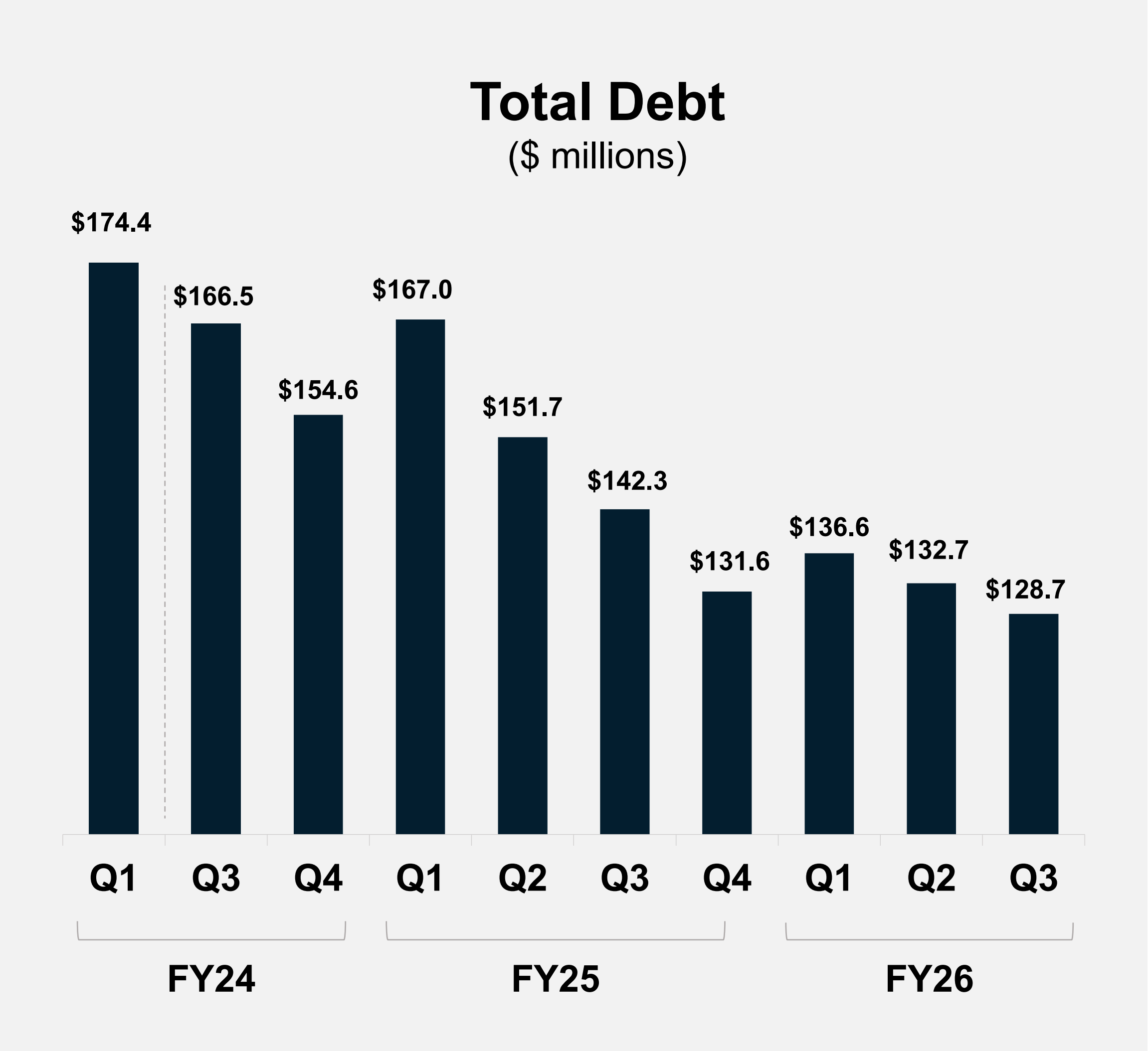
$56.4 TPS Revenue[2] $38.0

[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.

Maintaining consistent deleveraging trajectory

Methodical debt paydown on track for second half of fiscal 2026

- Converted strong collections to $4.2 million of free cash flow to its lowest point since December 2022 of $128.7 million
- Q3 debt declined ~$4M sequentially, continuing the deleveraging trend
- Maintained full covenant compliance due to disciplined capital allocation
- Accelerated debt repayment that is nearly three quarters ahead of schedule



DLH

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 June 30,		
(in thousands)	2026	2025	Change
Adjusted EBITDA Reconciliation			
Net (loss) income	$(16,787)	$289	$(17,076)
Depreciation and amortization	4,001	4,308	(307)
Interest expense, net	3,082	3,540	(458)
Provision for income taxes (benefit)	9,773	(74)	9,847
EBITDA	$69	$8,063	$(7,994)
Cost scaling initiatives[1]	3,283	--	3,283
Adjusted EBITDA	$3,352	$8,063	$(4,711)
Net income (loss) Margin on Revenue	(38.0)%	0.3%	
EBITDA Margin on Revenue	0.2%	9.7%	
Adjusted EBITDA Margin on Revenue	7.8%	9.7%	
Revenue	$44,225	$83,343	
Free Cash Flow Reconciliation			
Net cash provided by operating activities	$4,204	$9,571	$(5,367)
Less: purchases of equipment and improvements	--	--	--
Free Cash Flow	$4,204	$9,571	$(5,367)

(1) Cost scaling initiatives represent expenses the Company has incurred to scale its operations in alignment with its current contract volume, driven by the previously disclosed transition of programs from the Company's role as prime contractor to small business contractors. A portion of these costs is reflected in the management and infrastructure expenses within the contract costs.

