



Investor Presentation

June 2024

Zach Parker

President and Chief Executive Officer

Kathryn JohnBull

Chief Financial Officer



Forward-Looking Statements



“Safe Harbor” Statement under the Private Securities Litigation Reform Act of 1995:

This press release 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 release 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 release due to a variety of factors, including: including the measures to reduce its spread, and its impact on the economy and demand for our services, are uncertain, cannot be predicted, and may precipitate or exacerbate other risks and uncertainties; the diversion of management’s attention from normal daily operations of the business and the challenges of managing larger and more widespread; the inability to retain employees and customers; contract awards in connection with re-competes 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, 2023, 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.

Who We Are



Leveraging science, technology, cyber, and engineering solutions on behalf of vital missions

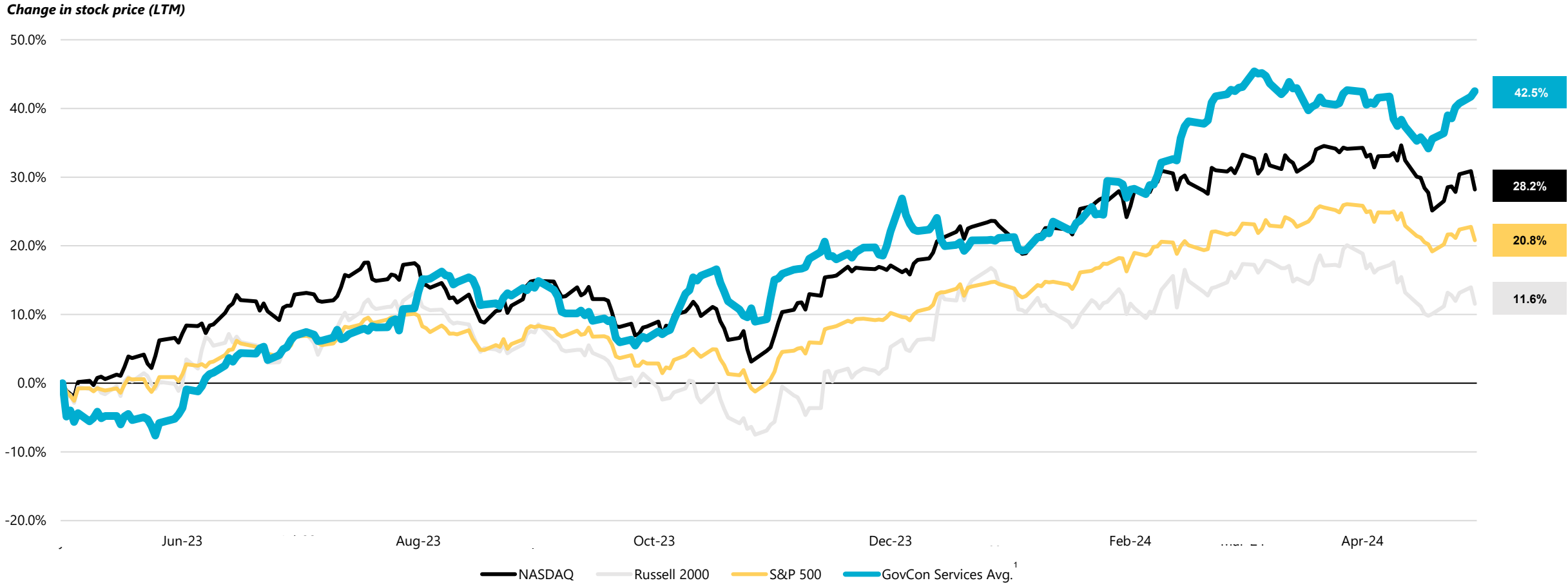
- ✔ **Leading provider of health and cyber readiness solutions to federal government customers**
- ✔ **Serving federal civilian and defense customers**
- ✔ **High-end capabilities power advanced solution set**
Includes cyber technology, artificial intelligence, data analytics, cloud-based solutions, and more
- ✔ **Technology solutions provide platform for industry leading profitability, strong cash flow generation, and decade+ of consecutive revenue growth**



Value Proposition of Government Services



Sector has shown resilience irrespective of macroeconomic conditions



¹Consists of industry benchmark companies selected by the Company's management and comprised of large publicly-traded companies in the government services market.

Investment Thesis

Sustainable revenue growth and a favorable operating model, driving strong cash flow



+

Advanced technology capability set offering differentiated solutions



+

Large addressable markets, underpinned by programs with enduring, bi-partisan support



At the Intersection of Technology and Science



High-end technical capacity is fused with significant research portfolio, creating unique value

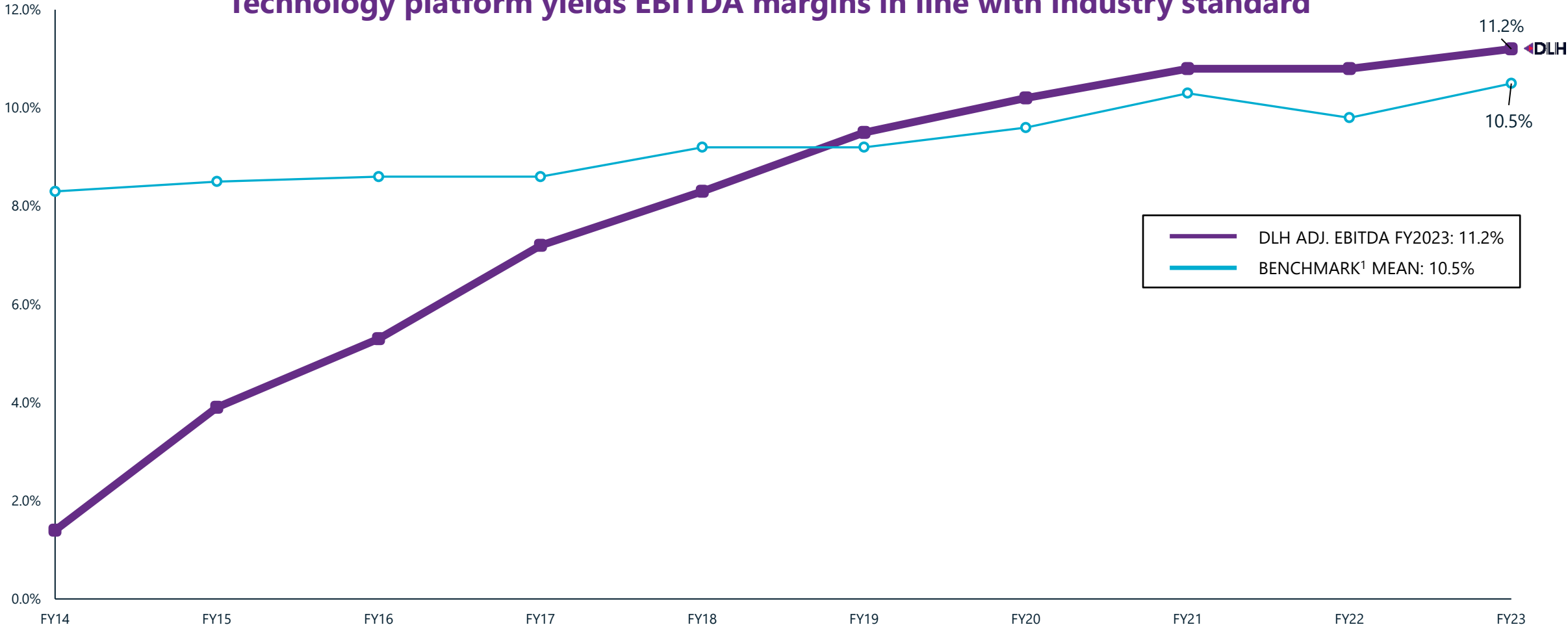


Financials

Industry Leading Profitability



Technology platform yields EBITDA margins in line with industry standard

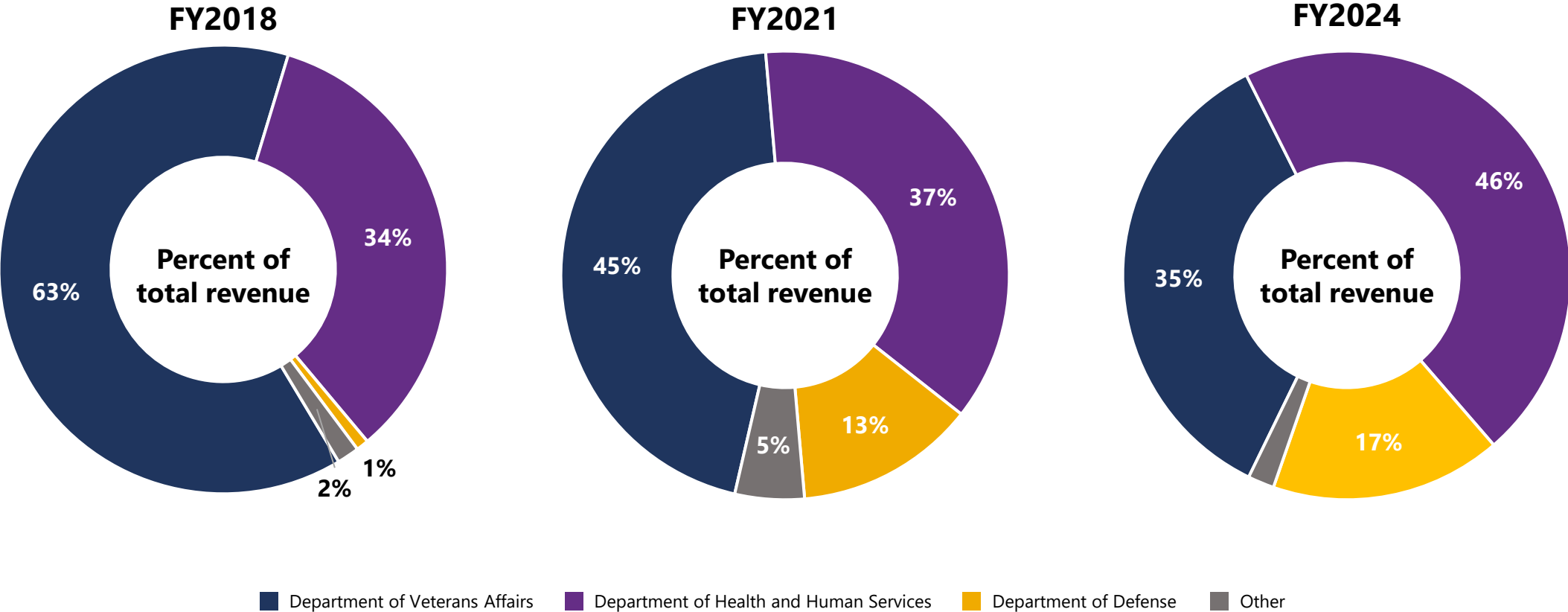


¹Represents the average of EBITDA margin and/or Adjusted EBITDA margin of the Industry Benchmark Companies. Derived from data compiled by the Company from publicly available information reported by Industry Benchmark Companies.

Customer Diversification



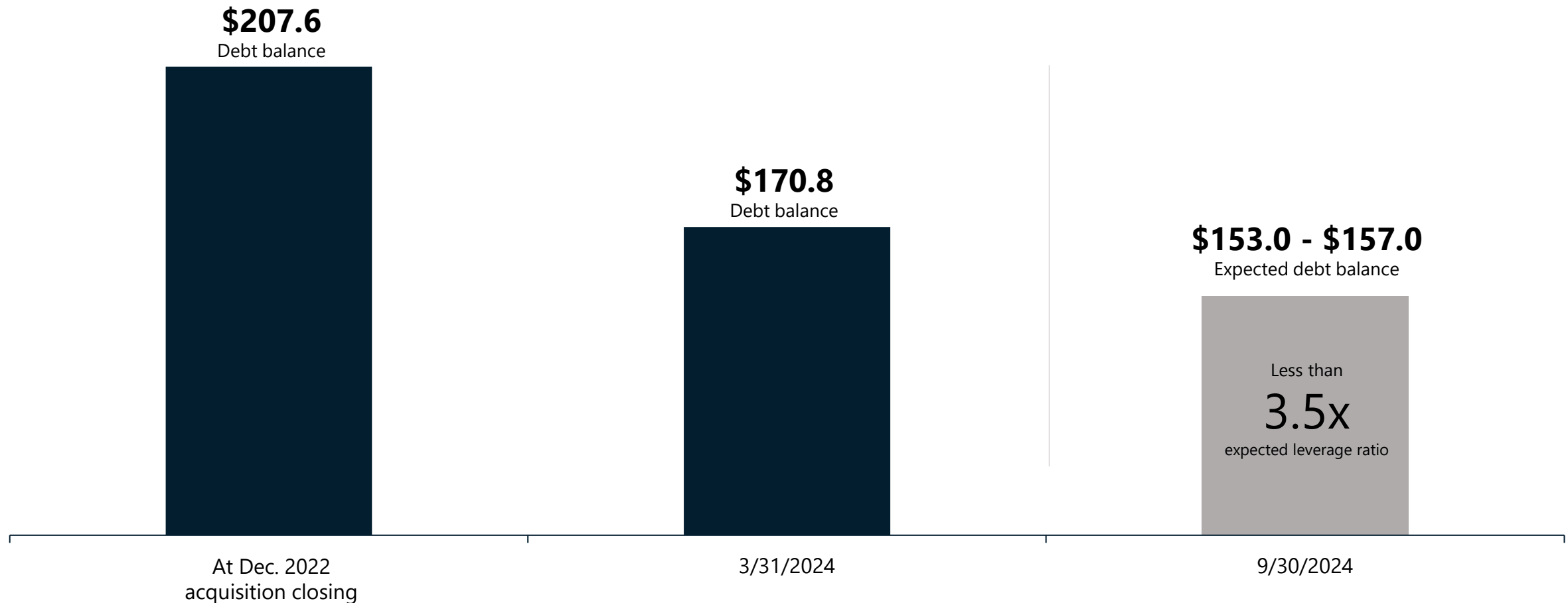
Diversified customer set spans military, national security, and critical federal civilian markets



Debt Paydown Model (\$ in millions)



Utilizing strong cash flow to aggressively extinguish debt ahead of schedule





Appendix

Digital Transformation & Cyber Security

Key Services

- Leveraging **advanced technology** to modernize obsolete systems
- Protecting **sensitive information**, managing **large datasets**, and enhancing operational **efficiency**
- Suite of tools including **artificial intelligence** and machine learning, **cloud enablement**, **cybersecurity ecosystem**, **big data** analytics, and **modeling and simulation**



Marketplace Snapshot

\$75B

Estimated Federal Civilian IT spending in FY25, a **34% increase since 2020¹**

DLH Solutions in Action



Science Research & Development



Key Services

- Advancing scientific knowledge and understanding through **extensive research portfolio** and domain expertise
- Providing large-scale **data analytics, testing and evaluation, clinical trials** research services, and **epidemiology** studies
- Involving highly specialized expertise and **transformative R&D** support services

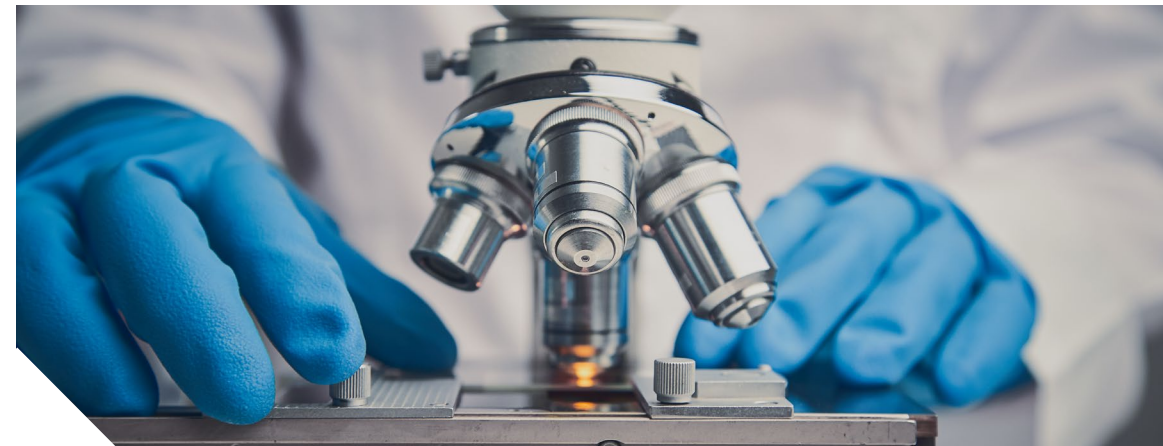


Marketplace Snapshot

\$51 B

President's budget proposal for FY24 HHS R&D funding, **6% above the FY23 estimated spend¹**

DLH Solutions in Action



Systems Engineering & Integration



Key Services

- Delivering **engineering solutions** and accelerating innovation through **automation**
- Leveraging specialized engineering expertise to **rapidly deploy** resources, solutions, and services
- Delivering IT **operational resilience** and efficiency in parallel with technology innovation



Marketplace Snapshot

\$22B

Actual FY2023 DOD science and technology funding¹, **21% above the FY22 spend²**

DLH Solutions in Action



¹United States Department of Defense Fiscal Year 2025 Budget Request https://comptroller.defense.gov/Portals/45/Documents/defbudget/FY2025/FY2025_Budget_Request_Overview_Book.pdf

²United States Department of Defense Fiscal Year 2024 Budget Request https://comptroller.defense.gov/Portals/45/Documents/defbudget/FY2024/FY2024_Budget_Request_Overview_Book.pdf

Non-GAAP Reconciliations

This document contains non-GAAP financial information including Adjusted Revenue, EBITDA, Adjusted EBITDA, EBITDA Margin on Revenue, and Adjusted EBITDA Margin on Adjusted Revenue which are not recognized measurements under accounting principles generally accepted in the United States, or GAAP. When analyzing our performance investors should (i) evaluate each adjustment in our reconciliation to the nearest GAAP financial measures and (ii) use the aforementioned non-GAAP measures in addition to, and not as an alternative to, revenue and operating income as measures of operating results, each as defined under GAAP. We have defined these non-GAAP measures as follows:

“Adjusted Revenue” represents revenue less the contribution to revenue from the short-term FEMA task orders

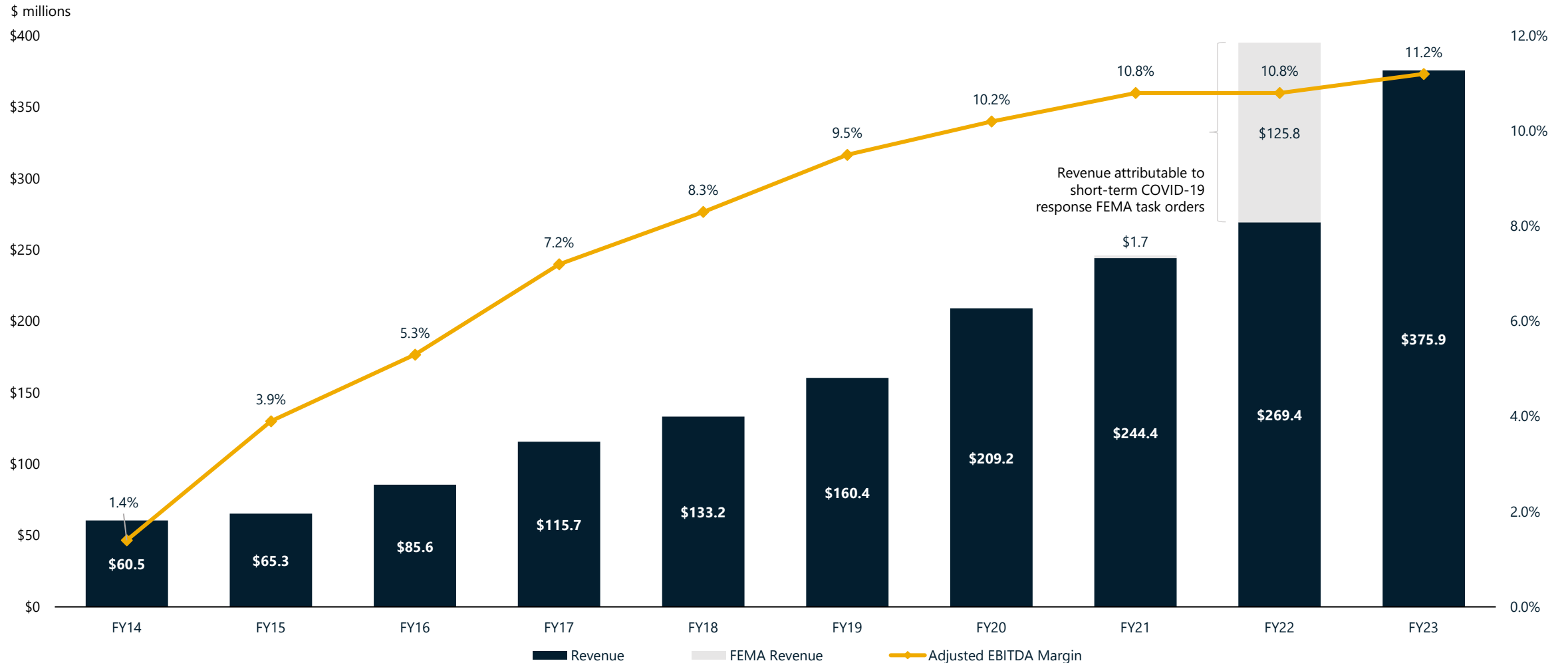
“EBITDA” represents net income excluding (i) interest expense, (ii) provision for or benefit from income taxes and (iii) depreciation and amortization

“EBITDA Margin” represents EBITDA for the measurement period divided by revenue for the same period

“Adjusted EBITDA” represents net income before income taxes, interest, depreciation and amortization and the corporate costs associated with completing the acquisition, the impairment loss on the right of use asset less the contribution from FEMA task orders.

“Adjusted EBITDA Margin on Adjusted Revenue” is calculated as Adjusted EBITDA divided by Adjusted Revenue.

Historical Performance



Reconciliation of Trending EBITDA



	Twelve Months Ended September 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<i>(amount in thousands)</i>										
Net (loss)/income	\$ 5,357	\$ 8,728	\$ 3,384	\$ 3,288	\$ 1,836	\$ 5,324	\$ 7,114	\$ 10,145	\$23,288	\$1,461
(i) Interest expense/other (income)	4	(744)	823	1,228	1,116	2,473	3,441	3,784	2,215	16,271
(ii) (Benefit)/provision for taxes	(4,597)	(5,488)	(938)	2,114	5,830	2,171	2,906	3,294	7,775	(641)
(iii) Depreciation and amortization	106	55	1,244	1,754	2,242	3,956	7,003	8,115	7,665	15,562
EBITDA	\$ 870	\$ 2,551	\$ 4,513	\$ 8,384	\$11,024	\$13,924	\$20,464	\$25,338	\$40,943	\$32,653
Corporate Development Costs	-	-	-	-	-	1,391	930	1,088	614	1,735
Impairment on long lived assets	-	-	-	-	-	-	-	-	-	7,673
Less: FEMA task orders to support Alaska¹	-	-	-	-	-	-	-	-	12,479	-
Adjusted EBITDA	\$ 870	\$ 2,551	\$ 4,513	\$ 8,384	\$11,024	\$15,315	\$21,394	\$26,426	\$29,078	\$42,061
Revenue	\$60,493	\$65,346	\$85,602	\$115,662	\$133,236	\$160,391	\$209,185	\$246,094	\$395,173	\$375,872
Less: FEMA task orders to support Alaska	-	-	-	-	-	-	-	\$1,737	\$125,773	-
Adjusted Revenue	\$60,493	\$65,346	\$85,602	\$115,662	\$133,236	\$160,391	\$209,185	\$244,357	\$269,400	\$375,872
Net income Margin	8.9%	13.4%	4.0%	2.8%	1.4%	3.3%	3.4%	4.1%	5.9%	0.4%
EBITDA Margin	1.4%	3.9%	5.3%	7.2%	8.3%	8.7%	9.8%	10.3%	10.4%	8.7%
Adj. EBITDA Margin on Adjusted Revenue	1.4%	3.9%	5.3%	7.2%	8.3%	9.5%	10.2%	10.8%	10.8%	11.2%

¹Represents operating income attributable to FEMA task orders.