



Your Mission Is Our Passion



Annual Shareholders Meeting

MARCH 12, 2020

© Copyright 2020 DLH Holdings Corp.
All Rights Reserved.



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 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. Those risks and uncertainties include, but are not limited to, the following: failure to achieve contract awards in connection with re-competes for present business and/or competition for new business; the risks and uncertainties associated with client interest in and purchases of new services; changes in client budgetary priorities; government contract procurement (such as bid protest, 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 our recent and any future acquisitions; 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, 2019, as well as interim quarterly filings thereafter. The forward-looking statements contained herein are made as of the date hereof and may become outdated over time.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.



Call to Order

Introduction of Directors,
Management and
Accountants

Rick Wasserman | Chairman
Zach Parker | President and CEO



Proposal I - Election of Directors

Proposal II - Advisory Vote to Approve the Compensation of the Company's Named Executive Officers

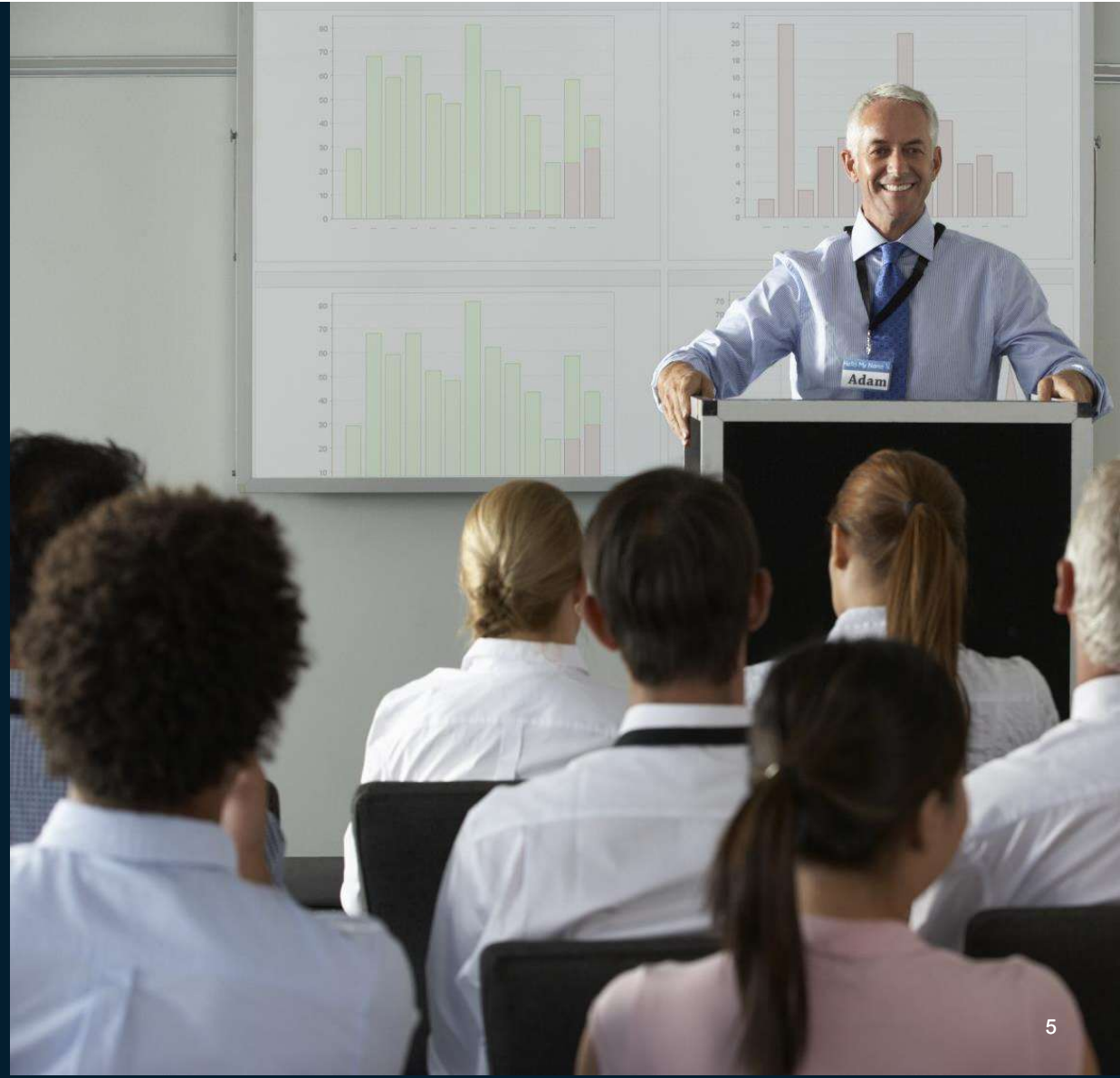
Proposal III - Proposal to ratify the appointment of the Company's independent registered public accounting firm for the fiscal year ending September 30, 2020

Zach Parker | President and CEO



Management's Presentation

Zach Parker | President and CEO



Agenda



OVERVIEW



FINANCIAL HIGHLIGHTS



QUESTIONS AND ANSWERS



Zach Parker
President & CEO
DLH Holdings Corp.



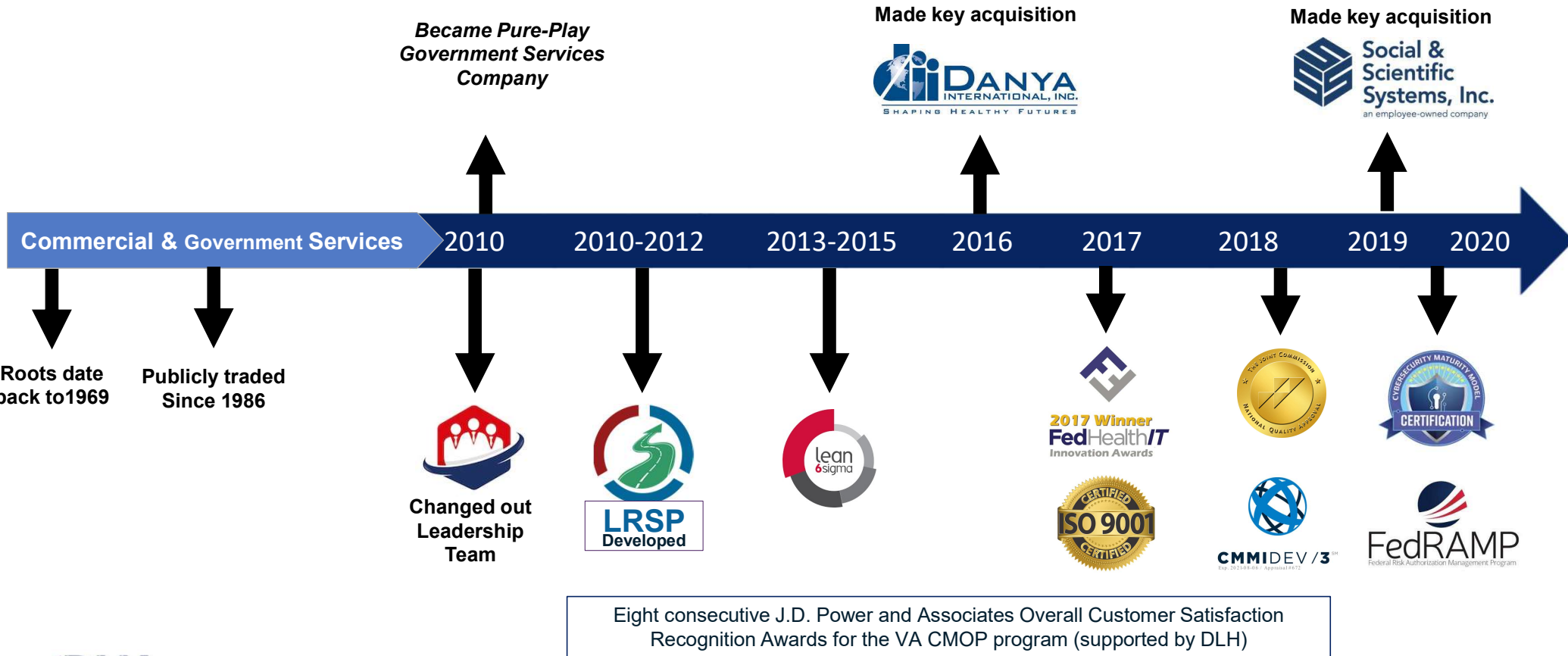
Kathryn M. JohnBull
Chief Financial Officer,
DLH Holdings Corp.

Overview

Zach Parker | President and CEO






DLH's Transformation Journey



Eight consecutive J.D. Power and Associates Overall Customer Satisfaction Recognition Awards for the VA CMOP program (supported by DLH)



Business Overview

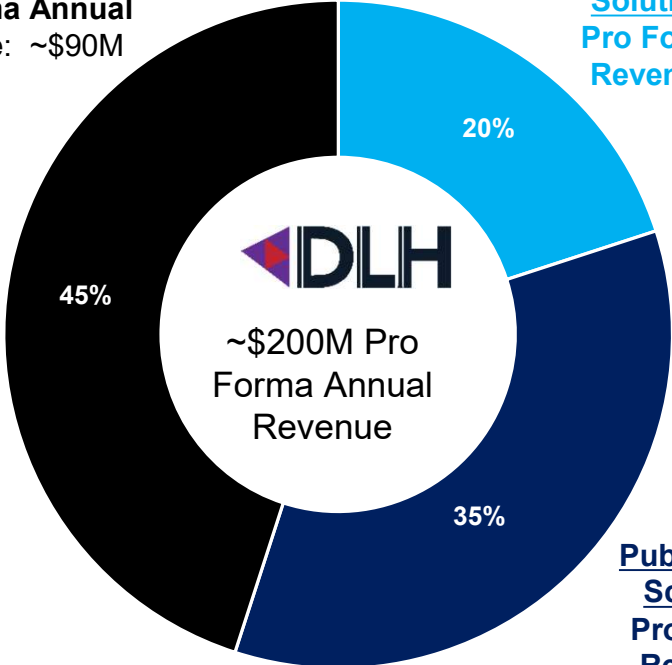
Overview	Technology Enabled Services and Solutions			
<p>Founded 1969</p> <hr/> <p>Headquarters: <i>Atlanta, GA</i></p> <p>Complementary Offices:</p> <p><i>Silver Spring, MD</i></p> <p><i>Durham, NC</i></p> <hr/> <p>Nasdaq <i>Public Since</i> DLHC <i>1986</i></p> <hr/> <ul style="list-style-type: none"> • > 1,900 Skilled employees • Located in > 50 Locations in the US and overseas <hr/>	<p>Healthcare Research</p> 	<p>Disease Prevention</p> 	<p>Program Monitoring & Evaluation</p> 	<p>Patient Care Services</p> 
<p>3 Market Focus Areas</p>				
 <p>Defense and Veterans Solutions</p>		 <p>Human Services & Solutions</p>		 <p>Public Health & Life Sciences</p>



Strong Portfolio of Services

DOD & Veteran Health Services Market
 Pro Forma Annual Revenue: ~\$90M

Human Services & Solutions Market
 Pro Forma Annual Revenue: ~\$40M



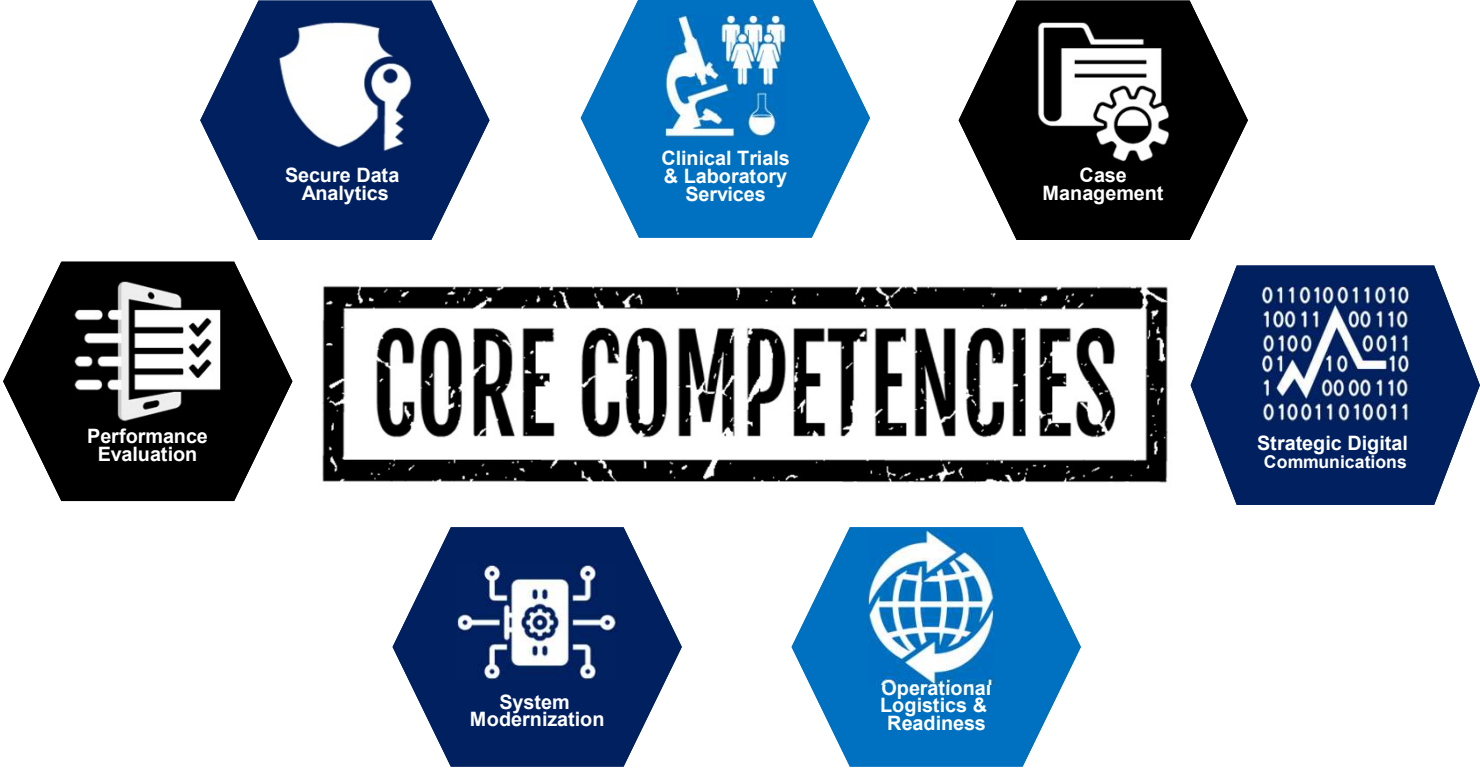
Public Health & Life Sciences Market
 Pro Forma Annual Revenue: ~\$70M

Key Customers

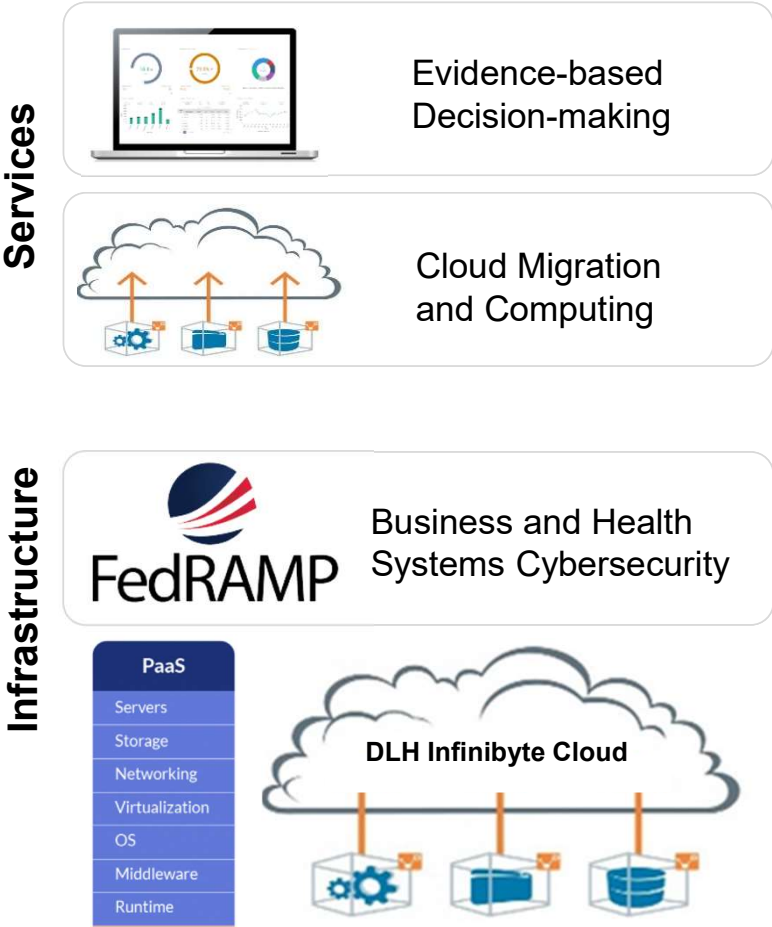
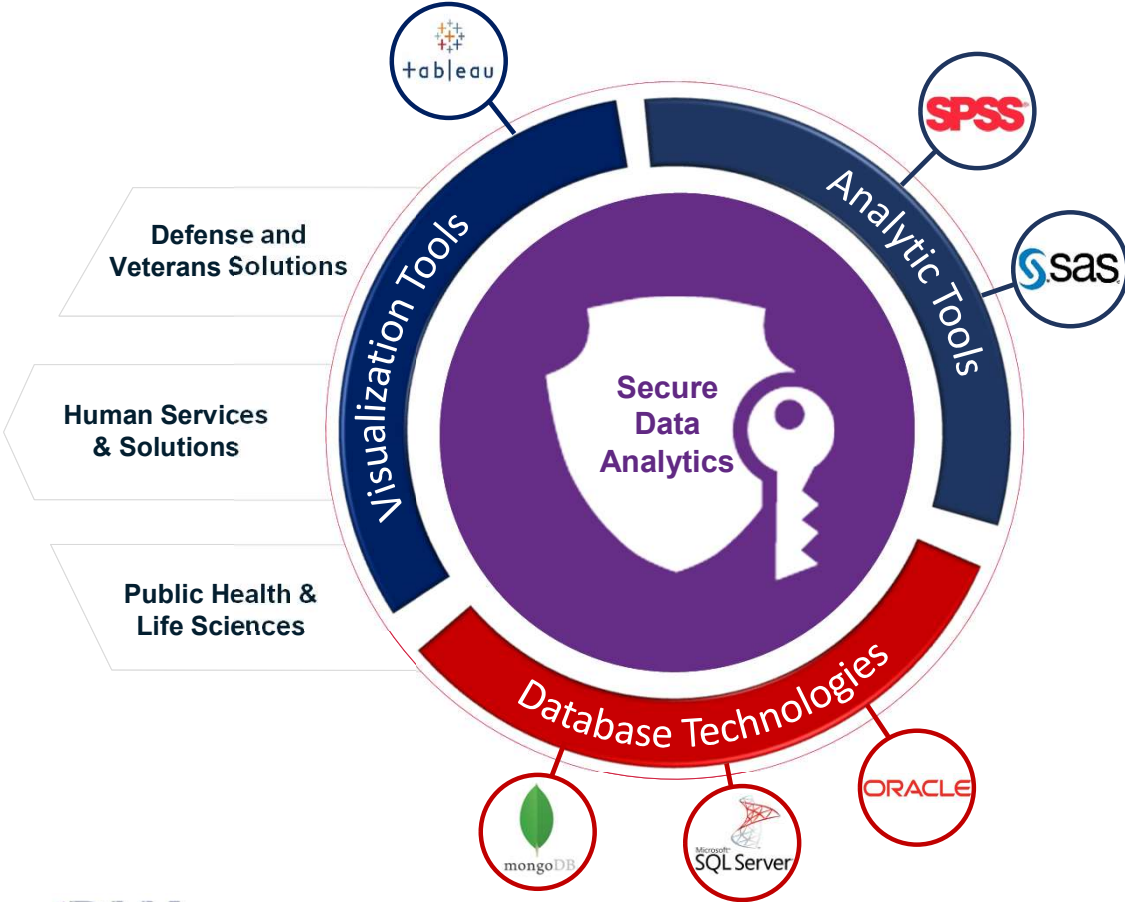
- DEPARTMENT OF VETERANS AFFAIRS
- DEPARTMENT OF DEFENSE
- ADMINISTRATION FOR CHILDREN & FAMILIES
- SAMHSA (Substance Abuse and Mental Health Services Administration)
- NIH (National Institutes of Health)
- CDC (CENTERS FOR DISEASE CONTROL AND PREVENTION)
- DEPARTMENT OF HEALTH & HUMAN SERVICES - USA



Organic Growth Drivers



Unique Value Proposition



DLH Achieves FedRAMP Ready Status

Opens Door to Substantial Business Opportunities for Cloud-Based Service

DLH InfiniByte® Cloud



Secure Data Analytics Platform



FedRAMP

- Our new DLH InfiniByte® Cloud solution has achieved Federal Risk and Authorization Management Program (“FedRAMP”) “Ready” status.
- This achievement – approved by the General Services Administration – indicates to federal customers that DLH has undergone a security capabilities assessment and has a high likelihood of achieving FedRAMP Authorization.
- DLH’s InfiniByte® Cloud solution is now available on the FedRAMP Marketplace, the central portal for cloud offerings for federal agencies.
- The designation significantly expands opportunities for the Company, enabling it to meet the security requirements of civilian agencies as well as the U.S. Department of Defense.
- Provisional status enables DLH to pursue a FedRAMP Authorization to Operate.

New Business Pipeline

Opportunities

As of January 31, 2020, the DLH pipeline of qualified new business opportunities was just under \$900 million

Timing

Approximately \$600 million of those opportunities is expected to be decided in late FY20 or throughout FY21

Markets

New opportunities are well distributed across DLH end markets, targeting existing and adjacent agencies.

Key Target Agencies

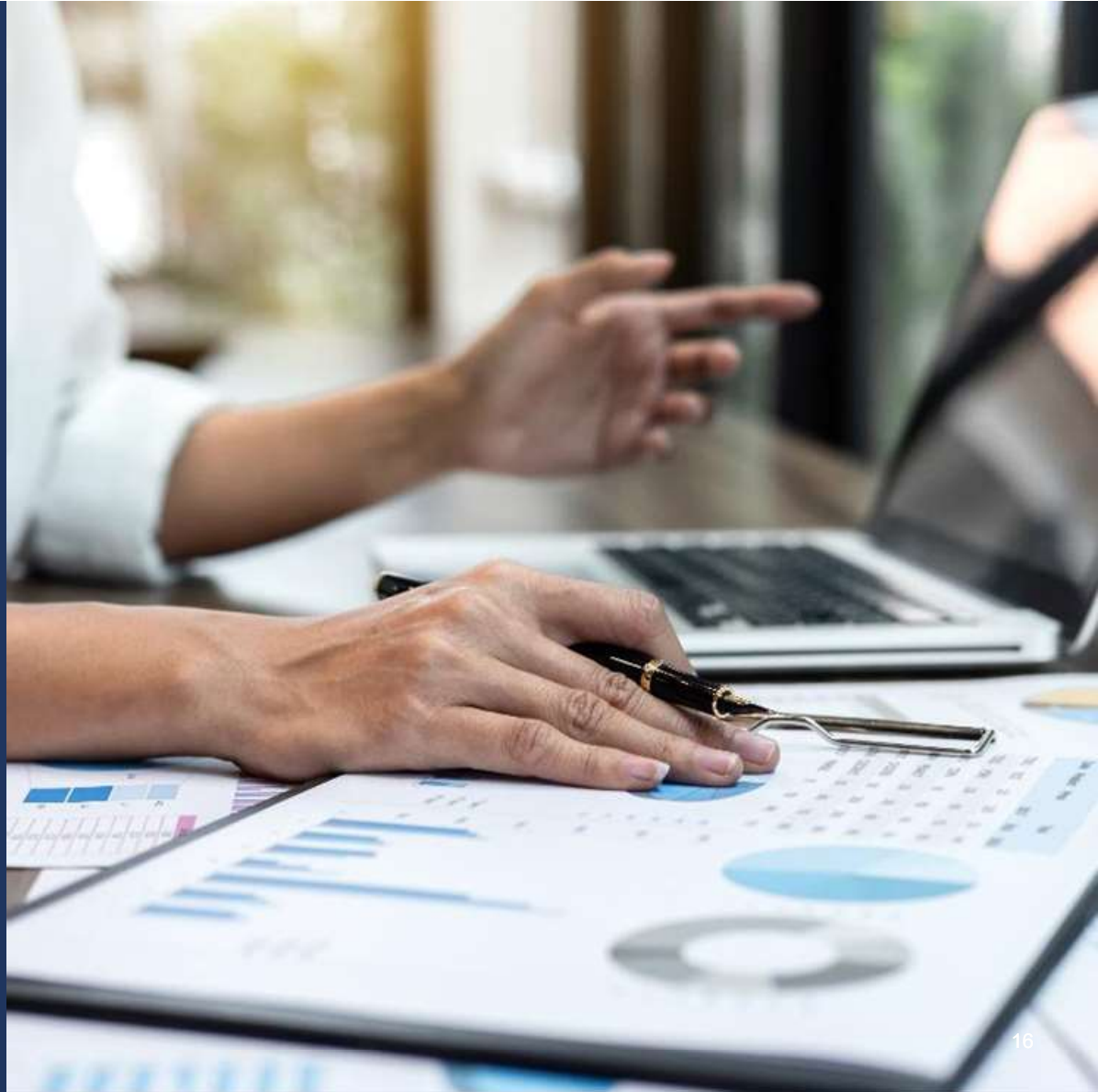


Coronavirus – Business Continuity Planning



Financial Highlights

Kathryn JohnBull | CFO

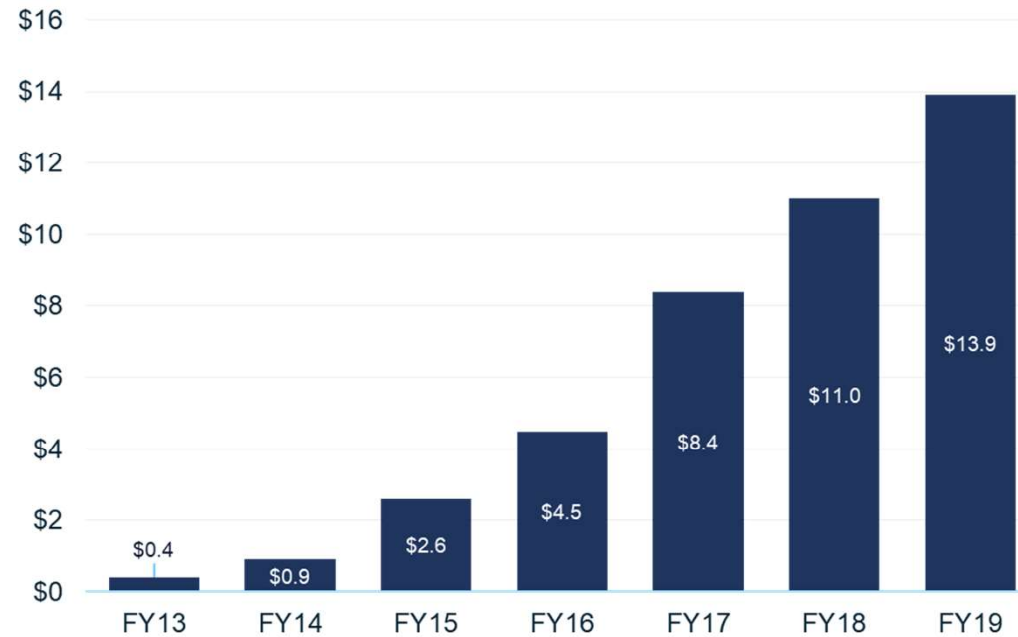


Track Record of Improving Performance

Historical Revenue (\$ in millions)



Historical EBITDA* (\$ in millions)



A reconciliation of Net Income to EBITDA is provided at the back of this presentation.



Debt Paydown Continues

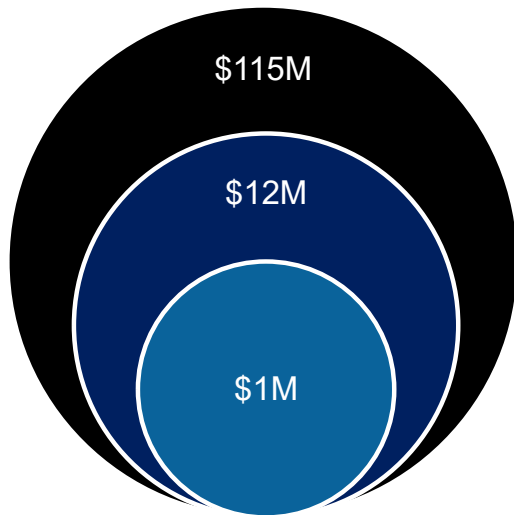
	<u>6/7/2019</u>	<u>9/30/2019</u>	<u>12/31/2019</u>	<u>1/31/2020</u>
Total debt balance*	\$70.0 M	\$56.0 M	\$57.8 M	\$53.0 M
Less cash on hand	\$1.9	\$1.8	\$0.4	\$0.3
Net Debt	\$68.1 M	\$54.2 M	\$57.4 M	\$52.7 M

***Outstanding principal of term loan and revolving credit facility**

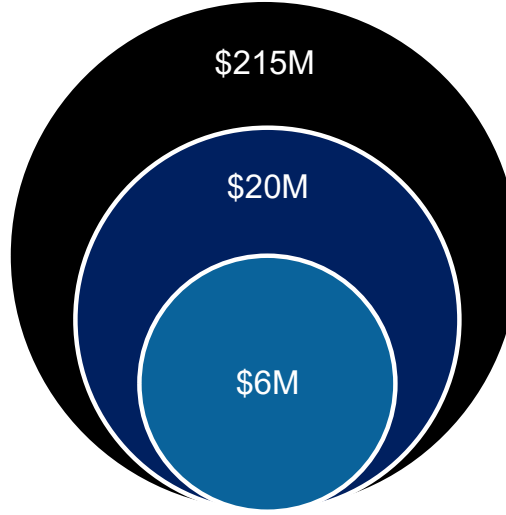
Net Debt is a non-GAAP metric used by investors and lenders and management believes it provides relevant and useful information to investors and other users of our financial data. Net Debt is calculated by subtracting cash and cash equivalents from the sum of current and long-term debt

Hypothetical P&L Scenarios

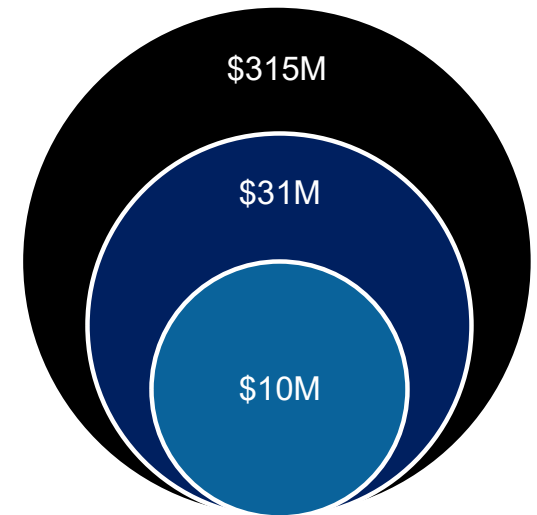
Downside¹



Baseline



Upside²



- Revenue
- EBITDA
- Net Income

1. Assumes reduction of \$100M of lower-margin business, corresponding scale of corporate infrastructure, with no change in interest and amortization expense from acquisitions.
2. Assumes organic growth of \$30M and acquisition growth of \$70M, at normal margins and leveraged growth in corporate infrastructure, plus growth in interest and acquisition expense from acquisitions.

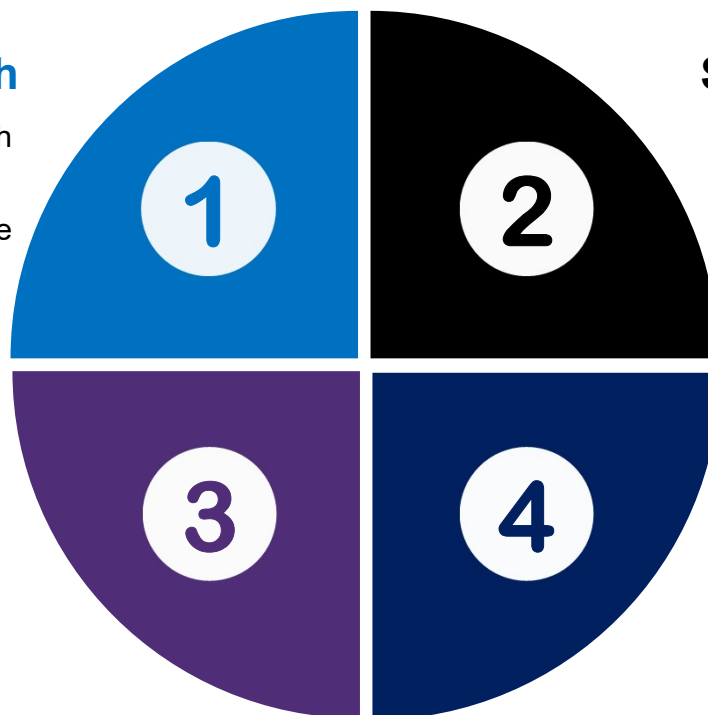
*Scenarios do not represent forecasts and are not related to a defined time or specific acquisitions; demonstrates potential margin improvement and operating leverage. No current acquisitions have been identified.



Our Four Levers of Value Creation

Revenue Stream Growth

- Focus on Federal agencies with sustained bipartisan support
- Optimize workforce and service delivery



Sustainable Margin Expansion

- Concentrate capture effort on projects that align with core competencies and expand operating income margins
- Pursue excellence across key dimensions of agility and cost efficiency

Long-Term Cash Flow Growth

- Expand EBITDA and balance sheet optimization
- Drive working capital efficiency and free cash flow
- Utilize long-term tax shield

Balanced Capital Deployment

- Push growth – organically and through M&A
- Appropriate allocation of debt and equity financing

Q&A Session

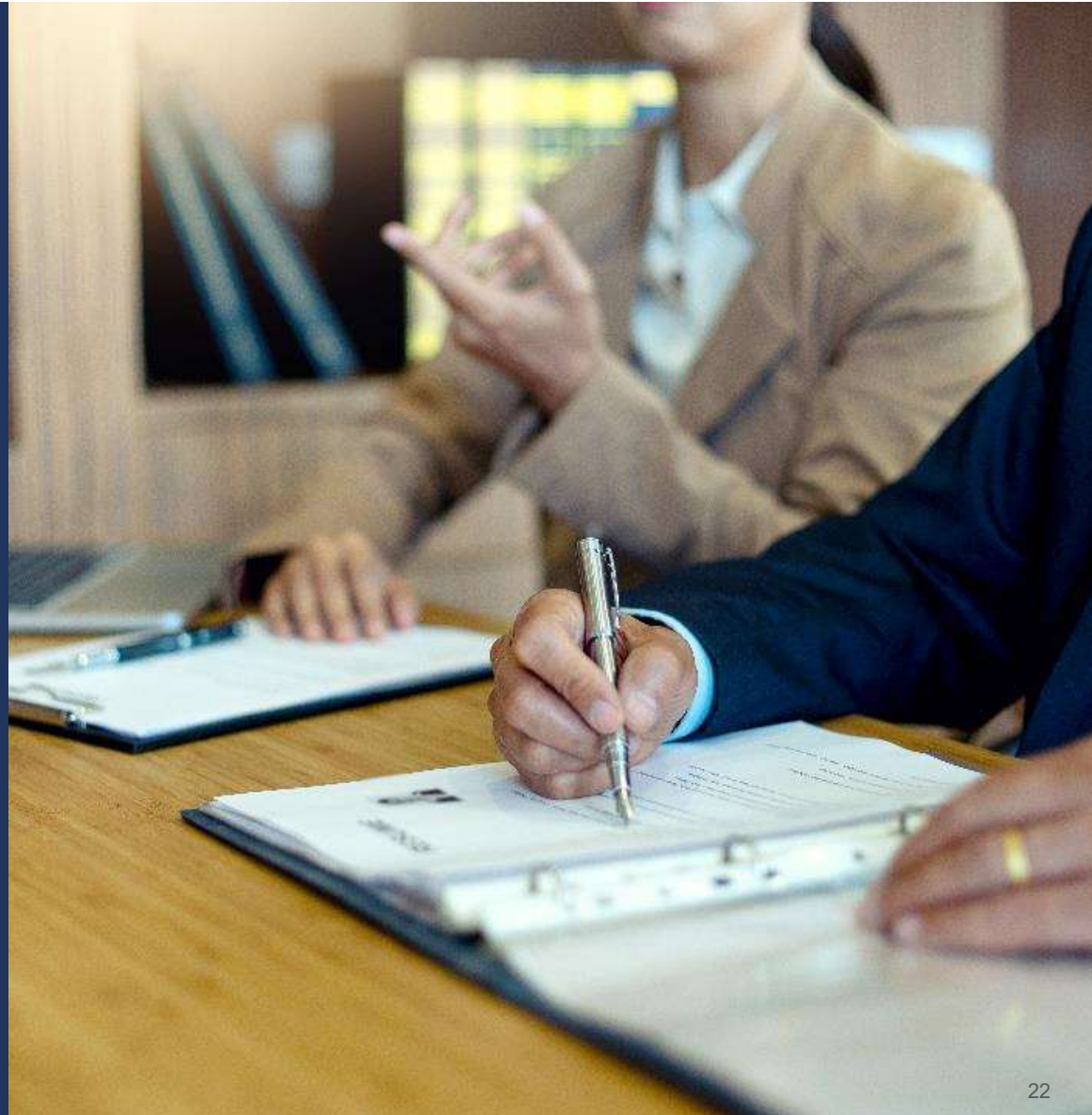
Zach Parker | President and CEO
Kathryn JohnBull | CFO



Appendix

Non-GAAP Reconciliations:

This document contains non-GAAP financial information. 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 presented in this document follows.



Trending EBITDA Reconciliation

<i>Amounts in \$000s</i>	Twelve Months Ended						
	2013	2014	2015	September 30, 2016	2017	2018	2019
Net (loss)/income	\$ (159)	\$ 5,357	\$ 8,728	\$ 3,384	\$ 3,288	\$ 1,836	\$ 5,324
(i) Interest expense/other (income)	407	4	(744)	823	1,228	1,116	2,473
(ii) (Benefit)/provision for taxes	-	(4,597)	(5,488)	(938)	2,114	5,830	2,171
(iii) Depreciation and amortization	121	106	55	1,244	1,754	2,242	3,956
EBITDA	\$ 369	\$ 870	\$ 2,551	\$ 4,513	\$ 8,384	\$ 11,024	\$ 13,924



**CORPORATE HEADQUARTERS
ATLANTA HQ**

3565 Piedmont Road, NE
Building 3 | Suite 700
Atlanta, GA 30305

**NATIONAL CAPITAL
REGION HQ**

8737 Colesville Road | Suite 1100
Silver Spring, MD 20910

8757 Georgia Avenue | Suite 1200
Silver Spring, MD 20910

**DURHAM, NORTH CAROLINA
OFFICES**

4505 Emperor Boulevard
Suite 400
Durham, NC 27703



Your Mission Is Our Passion