39th Annual Canaccord Genuity Growth Conference
August 7 – 8, 2019
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 benefits of the acquisition, estimates of future revenues, operating income, earnings, earnings per share, backlog, and cash flows. 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 the acquisition of SSS; the diversion of management’s attention from normal daily operations of the business and the challenges of managing larger and more widespread operations resulting from the acquisition; the inability to retain SSS employees and customers; contract awards in connection with re-competes for present business and/or competition for new business; compliance with new bank financial and other covenants; 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 SSS 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, 2018, as well as interim quarterly filings 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.
Management Presentation Team

Zach Parker  
President & CEO  
DLH Holdings Corp.

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

Kevin Beverly  
President, SSS, Operating Unit  
DLH Holdings Corp.
Business Overview

**Overview**

- **Founded 1969**
- **Headquarters:** Atlanta, GA
- **Complementary Offices:** Silver Spring, MD
- **Nasdaq** DLHC **Public Since** 1986
- > 1,900 Skilled employees
- Located in > 30 Locations in the US and overseas

**Technology Enabled Services and Solutions**

- Healthcare Research
- Disease Prevention
- Program Monitoring & Evaluation
- Patient Care Services

**3 Market Focus Areas**

- Defense and Veterans Solutions
- Human Services & Solutions
- Public Health & Life Sciences
Mission Driven and Customer Focused

CORE COMPETENCIES

- Secure Data Analytics
- Clinical Trials & Laboratory Services
- Case Management
- Performance Evaluation
- Strategic Digital Communications
- System Modernization
- Operational Logistics & Readiness
- Case Management
- Strategic Digital Communications
- System Modernization
- Operational Logistics & Readiness
SSS Acquisition Rationale

Highly complementary businesses with common core capabilities for complex, nationally dispersed programs, operational synergies, and new business opportunities

- Accelerates long-term strategy of both entities – public health & life sciences capabilities with a proven secure data analytics platform to go to market

- Reduces portfolio risk especially in view of Kingdomware (set-aside) impact on legacy VA revenue and profit delivery; adds > $300M unfunded contract backlog

- Government contract consolidations (and IDIQ focus), coupled with industry mergers, place greater value on scale for small, mid-tier organic competitiveness
Market Portfolio Balanced via SSS Addition

**DOD & Veteran Health Services Market**
- **Pro Forma Annual Revenue:** ~$90M
- **Key Capabilities:** Mail-order pharmacy ops, virtual pharmacy, behavioral health, substance abuse counseling, training, disability assessments, care coordination, case management
- **Recent Customers:** VHA, Navy, BUMED, DHA, USAMMA

**Human Services & Solutions Market**
- **Pro Forma Annual Revenue:** ~$40M
- **Key Capabilities:** Large-scale program monitoring & evaluation, data collection and management, trend analyses, congressional reporting, electronic medical records migration, nutritional and social health assessments
- **Recent Customers:** ACF OHS, DHS, USAID

**Public Health & Life Sciences Market**
- **Pro Forma Annual Revenue:** ~$70M
- **Key Capabilities:** Disease prevention and health promotion, clinical trials, epidemiology studies, environmental studies, public health policy data analysis, microsimulation, statistical data analysis and national reporting, website & social media campaigns, biological research and surveys, capacity-building
- **Recent Customers:** CDC, NIH, CMS, AHRQ, DOI

~$200M Pro Forma Annual Revenue
Looking Ahead

**Positioned for Growth**
Focused on critical areas of Federal market segments, favorable bipartisan budget trends and demand dynamics

**Deep CRM Profile**
Excellent service reputation and long-term customer relationships

**Established Innovator**
National recognition for offering the best innovations in both program and technology solutions outcomes

**Proven Methodology**
Processes yielding agile methods, measurable results and savings
SSS Service Areas

- Clinical Research Services
- Epidemiology and Public Health Studies
- Health Information Technology
- Program Evaluation and Policy Analysis
- Health Data Management and Analysis
Strategic Differentiator

- Defense and Veterans Solutions
- Human Services & Solutions
- Public Health & Life Sciences
- Secure Data Analytics
- Cloud Migration and Computing
- Evidence-based Decision-making
- Business and Health Systems Cybersecurity

2019 DLH Holdings Corp – Confidential and Proprietary
Financial Highlights

Kathryn JohnBull
CFO
DLH Holdings Corp
Acquisition – Financial Benefits

- Purchase price represents a multiple of ~11x on EBITDA
- Highly visible revenue
  - Acquired company has approx. $345 million of total backlog, of which $40 million is funded
  - Due to research and studies nature of work, contract durations tend to be longer
- Expected strong free cash flow and debt service
  - Free cash flow is supported by tax-deductible purchase price and prior DLH tax shield
  - Capital requirements of the business are minimal
- Substantial existing contract base
  - The acquired company’s contract portfolio supports 100% of its expected FY19 revenue and 95% of expected FY20 revenue
- Significant potential for combined organic growth
  - Revenue growth driven primarily by continued execution against recurring customer requirements, cross-selling opportunities (expanding offerings into each other’s respective markets), and unsaturated customer bases
Track Record of Success

**Historical Revenue ($ in millions)**

<table>
<thead>
<tr>
<th>FY13</th>
<th>FY14</th>
<th>FY15</th>
<th>FY16</th>
<th>FY17</th>
<th>FY18</th>
</tr>
</thead>
<tbody>
<tr>
<td>$53.5</td>
<td>$60.5</td>
<td>$65.3</td>
<td>$85.6</td>
<td>$115.7</td>
<td>$133.2</td>
</tr>
</tbody>
</table>

**Historical EBITDA* ($ in millions)**

<table>
<thead>
<tr>
<th>FY13</th>
<th>FY14</th>
<th>FY15</th>
<th>FY16</th>
<th>FY17</th>
<th>FY18</th>
</tr>
</thead>
<tbody>
<tr>
<td>$0.4</td>
<td>$0.9</td>
<td>$2.6</td>
<td>$4.5</td>
<td>$8.4</td>
<td>$11.0</td>
</tr>
</tbody>
</table>

*A reconciliation of net income to EBITDA is provided in the appendix to this presentation.*
FY2019 Q3 Financial Results

Revenue:
Revenue increase reflects program timing and acquisition of SSS

Gross Profit:
25.6% in FY19Q3 versus 23.1% in FY18Q3

Operating Income:
Operating income was impacted by $1.2 million of acquisition-related transaction expenses in the quarter

EBITDA:
As a percent of revenue, EBITDA was 6.7% in FY19Q3 vs 8.9% in FY18Q3 principally due to acquisition-related transaction expenses incurred in the quarter

*A reconciliation of Net Income to EBITDA is provided in the back of this presentation.
Balance Sheet Highlights

- Cash on hand of $6.0 million as of June 30, 2019
- $70 million of new senior debt represents a leverage level of 3.47x proforma LTM Adjusted EBITDA\(^{(1)}\) at closing
- Focus on debt pay-down with $6.5 million of voluntary debt payments since June 7 – $3.9 million on June 30 and $2.6 million on July 31

<table>
<thead>
<tr>
<th>First National Bank Group</th>
<th>First National Bank Group</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Term Loan</strong></td>
<td><strong>Revolving Line of Credit</strong></td>
</tr>
<tr>
<td>$70 million</td>
<td>$25 million</td>
</tr>
<tr>
<td><strong>Interest Rate</strong></td>
<td><strong>Libor +4.0%(^{(2)})</strong></td>
</tr>
<tr>
<td>Libor +4.0%(^{(2)})</td>
<td>Libor +4.0%(^{(2)})</td>
</tr>
<tr>
<td><strong>Term</strong></td>
<td><strong>Maturity</strong></td>
</tr>
<tr>
<td>5.0 years</td>
<td>5.0 years</td>
</tr>
</tbody>
</table>

Please note that additional financing terms are discussed in detail in Form 8-K filed with SEC.

\(^{(1)}\) Adjusted EBITDA pursuant to definition provided in new senior loan agreement, which adds non-cash stock expense and transaction expense to EBITDA.

\(^{(2)}\) Interest rate spread ranges from 2.5% - 4.5%, depending on the total leverage ratio.
### Our Levers of Value Creation

<table>
<thead>
<tr>
<th>#</th>
<th>Revenue Stream Growth</th>
<th>Sustainable Margin Expansion</th>
<th>Long-Term Cash Flow Growth</th>
<th>Balanced Capital Deployment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Focus on Federal agencies with sustained bipartisan support</td>
<td>Concentrate on capture of professional work projects that typically yield higher gross margins</td>
<td>Expand EBITDA and balance sheet optimization</td>
<td>Push growth – organically and through M&amp;A</td>
</tr>
<tr>
<td></td>
<td>Optimize workforce and service delivery</td>
<td>Pursue excellence across key dimensions of agility and cost efficiency</td>
<td>Drive working capital efficiency and free cash flow</td>
<td>Balance debt and equity financing</td>
</tr>
</tbody>
</table>
Appendix
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 also is contained in the company’s most recent earnings press release.
**Trending EBITDA Reconciliation**

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Net (loss)/income</td>
<td>$ (159)</td>
<td>$ 5,357</td>
<td>$ 8,728</td>
<td>$ 3,384</td>
<td>$ 3,288</td>
<td>$ 1,836</td>
<td>$ 5,515</td>
</tr>
<tr>
<td>(i) Interest expense/other (income)</td>
<td>407</td>
<td>4</td>
<td>(744)</td>
<td>823</td>
<td>1,228</td>
<td>1,116</td>
<td>1,599</td>
</tr>
<tr>
<td>(ii) (Benefit)/provision for taxes</td>
<td>—</td>
<td>(4,597)</td>
<td>(5,488)</td>
<td>(938)</td>
<td>2,114</td>
<td>5,830</td>
<td>2,279</td>
</tr>
<tr>
<td>(iii) Depreciation and amortization</td>
<td>121</td>
<td>106</td>
<td>55</td>
<td>1,244</td>
<td>1,754</td>
<td>2,242</td>
<td>2,625</td>
</tr>
<tr>
<td><strong>EBITDA</strong></td>
<td>$ 369</td>
<td>$ 870</td>
<td>$ 2,551</td>
<td>$ 4,513</td>
<td>$ 8,384</td>
<td>$ 11,024</td>
<td>$ 12,018</td>
</tr>
</tbody>
</table>

Amounts in $000s

Twelve Months Ended September 30,
# FY19 Q3 EBITDA Reconciliation

| Amounts in $000s                  | Three Months Ended June 30, |  | Nine Months Ended June 30, |  | Change |
|----------------------------------|-----------------------------|--|---------------------------|--|--
|                                  | 2019                        | 2018 | Change                   | 2019 | 2018 | Change |
| Net income                       | $ 803                       | $1,614 | $(811)                   | $3,758 | $79 | 3,679   |
| (i) Interest expense             | 562                         | 262   | 300                      | 1,284 | 801  | 483     |
| (ii) Provision for taxes         | 325                         | 738   | (413)                    | 1,532 | 5,084 | (3,552) |
| (iii) Depreciation and amortization | 914                         | 588   | 326                      | 2,037 | 1,654 | 383     |
| EBITDA                           | $ 2,604                     | $3,202 | $(598)                   | $8,611 | $7,618 | 993     |