FY2020 Second Quarter Earnings Presentation
Three Months Ended 03.31.2020

ZACH PARKER | PRESIDENT & CEO
KATHRYN JOHN BULL | CFO
MAY 7, 2020
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: the outbreak of the novel coronavirus ("COVID-19"), 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; 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 The forward-looking statements contained herein are made as of the date hereof and may become outdated over time.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.
Fiscal 2020 Second Quarter Highlights & Summary*

- Posted Q2 revenue of $54.8 million versus $33.8 million in FY19
- Operating income of $3.8 million, up from $2.3 million last year
- EBITDA of $5.6 million, compared to $2.9 million in FY19
- VA cancels small business RFP for pharmacy services
- DLH mission-critical services insulated from COVID-19 disruption (ref: March 25 Form 8K for further discussion)

*Versus Q2-FY2019 unless otherwise stated; a reconciliation of net income to EBITDA is provided in the back of this presentation.
A Portfolio of National, Mission-Critical Operations & Solutions

Defense & Veterans Health Solutions

Human Services and Solutions

Public Health and Life Sciences

DLH TACKLING COVID-19 FOR THE VA, DOD, CDC, NIAID, AND OTHERS

- Care and treatment of military
- Rx expansion for veterans
- Prospects for behavioral health

- Specialized communications
- Pandemic-related websites
- Social media outreach / metrics

- Clinical trials for therapeutics and vaccine development
- Preparedness & Response
- Environmental Implications
COVID-19 Public Health & Life Sciences Sector Work

SELECTIVE CLINICAL TRIALS LEVERAGING DLH CLINICAL NETWORK:
• Remdesivir (by Gilead) *Early Progress*

By Novartis
• Hydroxychloroquine
• Canakinumab
• Azithromycin in conjunction with Hydroxychloroquine
• Ruxolitinib

INVESTIGATING INTERACTIONS WITH CHRONIC DISEASES:
• Heart Disease
• Lung Disease
• Forms of Cancer
• Other

DATA / INFORMATION COLLECTION AND ANALYSES:
• Various environmental
• Mobile & traditional collection
DLH’s InfiniByte Cloud™ Secure Data Analytics Environment

- Achieves FedRAMP Marketplace Status
- Differentiating PaaS solution for Big Data programs
- Provides key cybersecurity services
- Managing large (petabyte) databases for clients
FY2020 Q2 Results: **Revenue**

<table>
<thead>
<tr>
<th></th>
<th>FY19Q2</th>
<th>FY20Q2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>$33.8</td>
<td>$54.8</td>
</tr>
</tbody>
</table>

Reflects S3 contribution of $18.7 million and organic growth across the Company.
FY2020 Q2 Results: **Operating Income**

Largely reflects impact from increase in revenue year-over-year; FY2020 absorbing substantially higher amortization from acquired intangibles
FY2020 Q2 Results: **EBITDA**

Performance reflects overall revenue growth and solid margins; EBITDA as a percentage of revenue rose to 10.2% in Q2 of FY2020 from 8.5% in Q2 of FY2019.

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

<table>
<thead>
<tr>
<th></th>
<th>6/7/2019</th>
<th>9/30/2019</th>
<th>3/31/2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Debt Balance*</td>
<td>$70 M</td>
<td>$56 M</td>
<td>$55 M</td>
</tr>
<tr>
<td>Less cash on hand</td>
<td>$1.9</td>
<td>$1.8</td>
<td>$1.1</td>
</tr>
<tr>
<td>Net Debt</td>
<td>$68.1 M</td>
<td>$54.2 M</td>
<td>$53.9 M**</td>
</tr>
</tbody>
</table>

*$70M originally

**3/31/20 balances reflect delays from financial system integration

Increased operating cash flow anticipated in subsequent quarters leading to a projected year-end debt balance of $42 to $45 million.

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 the Company’s financial data. Net Debt is calculated by subtracting cash and cash equivalents from the outstanding principal balance of the term loan.
Q&A
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 is presented in this document, and the definitions of the non-GAAP measures we use 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.
# FY2020 Q2 EBITDA Reconciliation

(amounts in thousands)

<table>
<thead>
<tr>
<th></th>
<th>Three Months Ended</th>
<th></th>
<th></th>
<th></th>
<th>Six Months Ended</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>2020</td>
<td>2019</td>
<td>Change</td>
<td>2020</td>
<td>2019</td>
<td>Change</td>
</tr>
<tr>
<td>Net income</td>
<td></td>
<td>$2,076</td>
<td>$1,265</td>
<td>$811</td>
<td>$3,628</td>
<td>$2,955</td>
<td>$673</td>
</tr>
<tr>
<td>(i) Interest expense, net</td>
<td></td>
<td>906</td>
<td>544</td>
<td>362</td>
<td>1,846</td>
<td>721</td>
<td>1,125</td>
</tr>
<tr>
<td>(ii) Provision for taxes</td>
<td></td>
<td>855</td>
<td>517</td>
<td>338</td>
<td>1,488</td>
<td>1,207</td>
<td>281</td>
</tr>
<tr>
<td>(iii) Depreciation and</td>
<td></td>
<td>1,760</td>
<td>560</td>
<td>1,200</td>
<td>3,619</td>
<td>1,123</td>
<td>2,496</td>
</tr>
<tr>
<td>EBITDA</td>
<td></td>
<td>$5,597</td>
<td>$2,886</td>
<td>$2,711</td>
<td>$10,581</td>
<td>$6,006</td>
<td>$4,575</td>
</tr>
</tbody>
</table>

| EBITDA as a % of revenue       | 10.2 %            | 8.5 % | 1.7 % | 9.9 % | 8.9 % | 1.0 % |
| Revenue                        | $54,798           | $33,756| $21,042| $107,036| $67,508| $39,528|

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A History of Solid Performance

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>
<th>FY19</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>
<td>$160.4</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>
<th>FY19</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>
<td>$13.9</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Amounts in $000s</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net (loss)/income</td>
<td>$ (159)</td>
<td>$ 5,357</td>
<td>$ 8,728</td>
<td>$ 3,384</td>
<td>$ 3,288</td>
<td>$ 1,836</td>
<td>$ 5,324</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>2,473</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>2,171</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>3,956</td>
</tr>
<tr>
<td>EBITDA</td>
<td>$ 369</td>
<td>$ 870</td>
<td>$ 2,551</td>
<td>$ 4,513</td>
<td>$ 8,384</td>
<td>$ 11,024</td>
<td>$ 13,924</td>
</tr>
</tbody>
</table>
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