FY2020 Third Quarter
Earnings Presentation
Three Months Ended 6.30.2020

ZACH PARKER | PRESIDENT & CEO
KATHRYN JOHNBULL | CFO
AUGUST 6, 2020
Forward-looking Statements

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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 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 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; the challenges of managing larger and more widespread operations; contract awards in connection with re-competes for present business and/or competition for new business; compliance with bank financial and other covenants; 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 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 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. 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.
Fiscal 2020 Third Quarter Highlights & Summary*

• Posted Q3 revenue of $51.5 million versus $38.7 million in FY19
• Operating income of $3.8 million, up from $1.7 million last year
• EBITDA of $5.5 million, compared to $2.6 million in FY19
• Paid down $10.5 million of debt during the quarter
• Recently announced HHS awards related to COVID-19 that exceed $15 million in value

*Versus Q3 - FY2019 unless otherwise stated; a reconciliation of net income to EBITDA is provided in the back of this presentation.
DLH Leadership Appointments

Jackie Everett  
Chief Growth Officer

Jeanine Christian  
President, Social & Scientific Systems
COVID-19 Impact and Activities

**Resilient Workforce** – Braving the challenges and delivering productivity

- Demonstrating strong business continuity
- Work-from-Home directive extended through remainder of calendar year

**CARES Act and Furloughs** – Coordinating with government clients as required

**DLH In-house COVID-19 Executive Task Force**

- Weekly “DLH Communities” Assessment
- Advance planning for the *“Next Normal”* for the business
- Evolving Center for Disease Control and Prevention (CDC) guidelines

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1 Membership includes Doctors of Epidemiology, Family Practice, and Public Health
New COVID-19 Public Health & Life Sciences Work

CLINICAL RESEARCH TRIALS & LABORATORY SERVICES

- Over $15 million of new awards thus far in calendar 2020
- Conducting trials of the safety and efficacy of investigational therapeutics for the treatment of COVID-19
- Observational studies of outpatients with COVID-19
- Clinical Research Organization support services to provide infrastructure to exchange data among scientific stakeholders
- Large network consortium of partner medical centers, clinics, academic institutions
- Study of immune aging in smokers in relation to COVID susceptibility
- Investigating interactions of COVID-19 with chronic diseases including types of cancer, heart disease, lung disease, and more
DLH Addressing National Focus on Diversity & Inclusion and Social Injustice

- Enterprise-wide and “grass root” communications to focus on what employees are experiencing

- Fostering change through corporate philanthropy and harnessing our capabilities

- Following through with specific actions to be an agent of change and progress

- Recognized industry leader
FY2020 Q3 Results: **Revenue**

FY20 Q3 reflects a full quarter’s revenue contribution from S3
FY2020 Q3 Results: Operating Income

Reflects impact from increased revenue year-over-year and improved margins
FY2020 Q3 Results: EBITDA

Performance reflects revenue growth and improved margins; EBITDA as a percentage of revenue rose to 10.7% in Q3 of F2020 from 6.7% in Q3 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>
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</tr>
</thead>
<tbody>
<tr>
<td>Debt Balance*</td>
<td>$70 M</td>
<td>$56 M</td>
<td>$55 M</td>
<td>$44.5 M</td>
</tr>
<tr>
<td>Less cash on hand</td>
<td>$1.9</td>
<td>$1.8</td>
<td>$1.1</td>
<td>$0.7</td>
</tr>
<tr>
<td>Net Debt</td>
<td>$68.1 M</td>
<td>$54.2 M</td>
<td>$53.9 M</td>
<td>$43.8 M</td>
</tr>
</tbody>
</table>

*$70M originally

Continued strong operating cash flow anticipated in fourth quarter leading to a projected year-end debt balance of $40 to $42 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 our financial data. Net Debt is calculated by subtracting cash and cash equivalents from the sum of current and long-term debt.
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 Q3 EBITDA Reconciliation

<table>
<thead>
<tr>
<th>Amounts in $000s</th>
<th>Three Months Ended</th>
<th>Nine Months Ended</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>June 30,</td>
<td>Change</td>
</tr>
<tr>
<td>Net (loss)/income</td>
<td>$2,124</td>
<td>$1,321</td>
</tr>
<tr>
<td>(i) Interest expense/other (income)</td>
<td>813</td>
<td>251</td>
</tr>
<tr>
<td>(ii) (Benefit)/provision for taxes</td>
<td>863</td>
<td>538</td>
</tr>
<tr>
<td>(iii) Depreciation and amortization</td>
<td>1,721</td>
<td>807</td>
</tr>
<tr>
<td>EBITDA</td>
<td>$5,521</td>
<td>$2,917</td>
</tr>
<tr>
<td>EBITDA as % of revenue</td>
<td>10.7%</td>
<td>4.0%</td>
</tr>
<tr>
<td>Revenue</td>
<td>$51,459</td>
<td>$12,759</td>
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</table>

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A History of Solid Growth

Historical Revenue

<table>
<thead>
<tr>
<th>FY13</th>
<th>FY14</th>
<th>FY15</th>
<th>FY16</th>
<th>FY17</th>
<th>FY18</th>
<th>FY19</th>
<th>TTM*</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>
<td>$212.7</td>
</tr>
</tbody>
</table>

*TTM is the trailing twelve months ending June 30, 2020

May 2016 acquired Danya International

June 2019 acquired Social & Scientific Systems

19% CAGR
And Increasing Value

Historical EBITDA

*TTM is the trailing twelve months ending June 30, 2020

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## Trending EBITDA Reconciliation

<table>
<thead>
<tr>
<th>Amounts in $000s</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>TTM*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net (loss)/income</td>
<td>$ (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>
<td>$ 7,316</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>
<td>3,850</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>
<td>2,991</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>
<td>7,259</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>
<td>$ 21,416</td>
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*TTM is the trailing twelve months ending June 30, 2020