



Your Mission Is Our Passion

Canaccord 40th Annual Growth Conference Presentation

AUGUST 12, 2020

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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 release include, among others, statements regarding, 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 release 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 risk that we will not realize the anticipated benefits of an acquisition; the challenges of managing larger and more widespread operations resulting from the acquisition; contract awards in connection with re-competes for present business and/or competition for new business; compliance with new 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.



Agenda



OVERVIEW



FINANCIAL HIGHLIGHTS



QUESTIONS AND ANSWERS

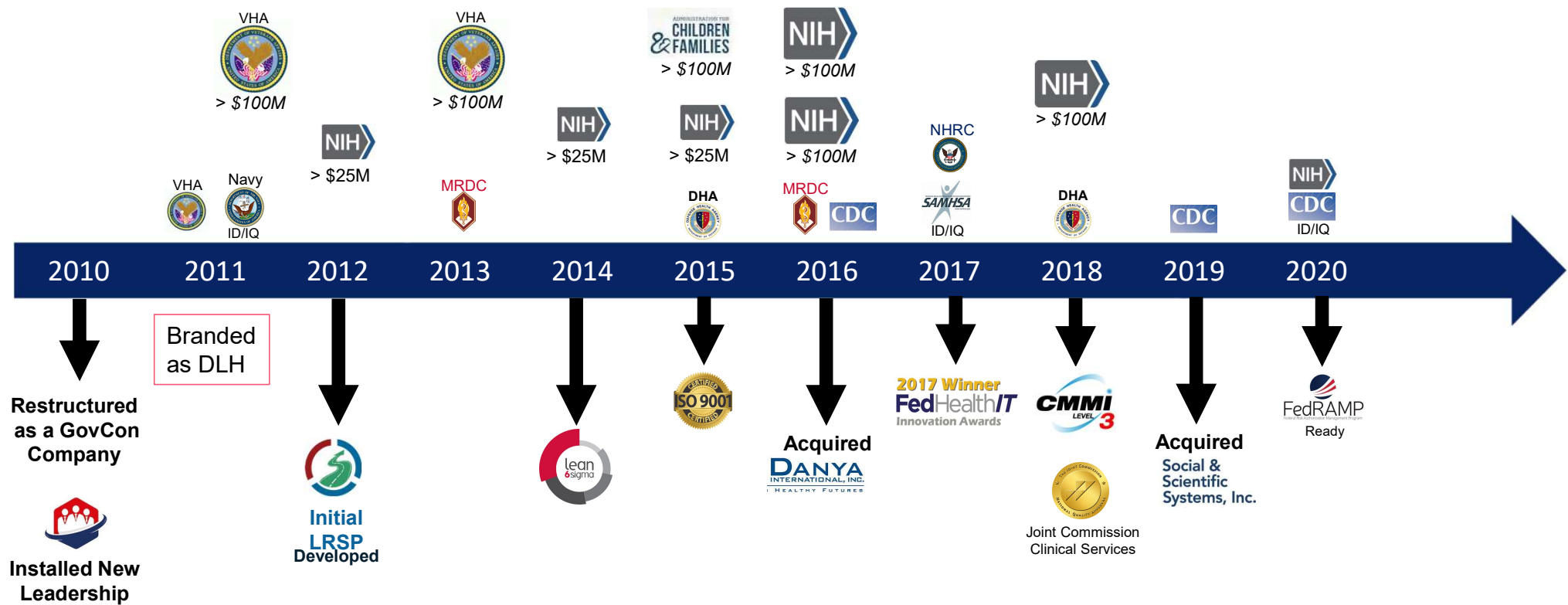


Zach Parker
President & CEO
DLH Holdings Corp.



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

Competitive Contract Awards and Key Milestones



Business Overview

Overview

Founded 1969

Headquarters:

Atlanta, GA

Complementary Offices:

Silver Spring, MD

Durham, NC

Kampala, UG



Nasdaq

Public Since 1986

DLHC

- ~2,000 employees
- Located in > 30 Locations in the US and overseas

Technology Enabled Services and Solutions

Clinical and Medical Healthcare Research



Disease Prevention & Health Promotion



Program Monitoring & Evaluation



Patient Care / Telehealth Services



3 Market Focus Areas



Defense and Veterans Solutions



Human Services & Solutions



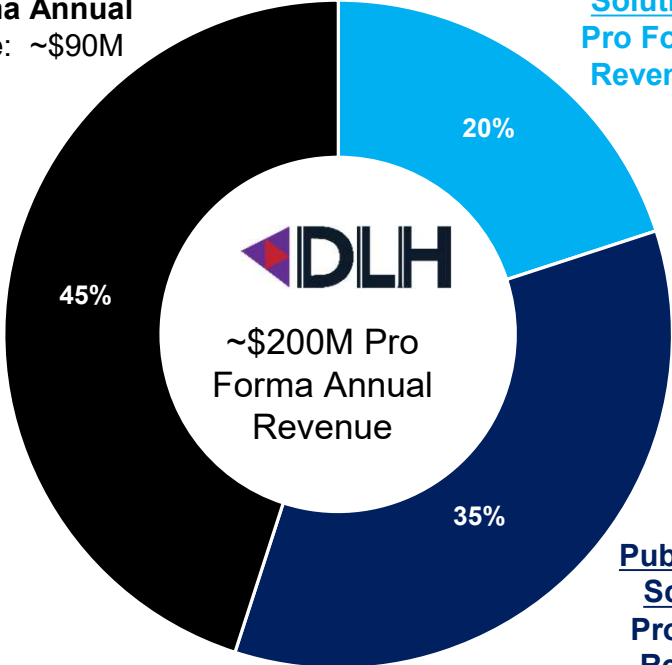
Public Health & Life Sciences



Strong Portfolio of Services

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

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

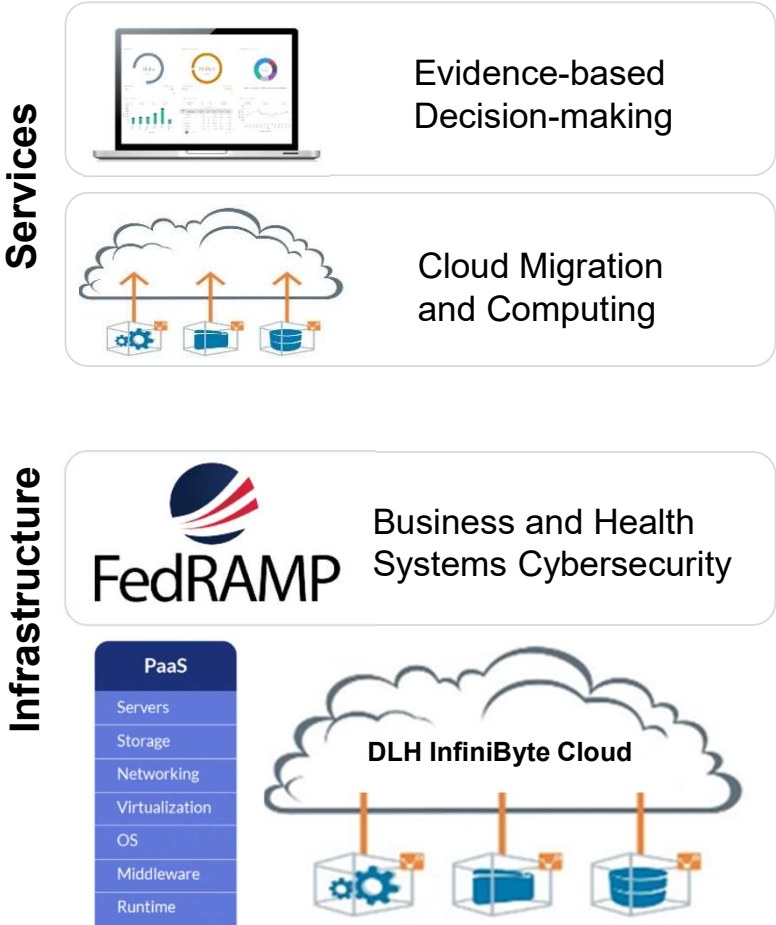
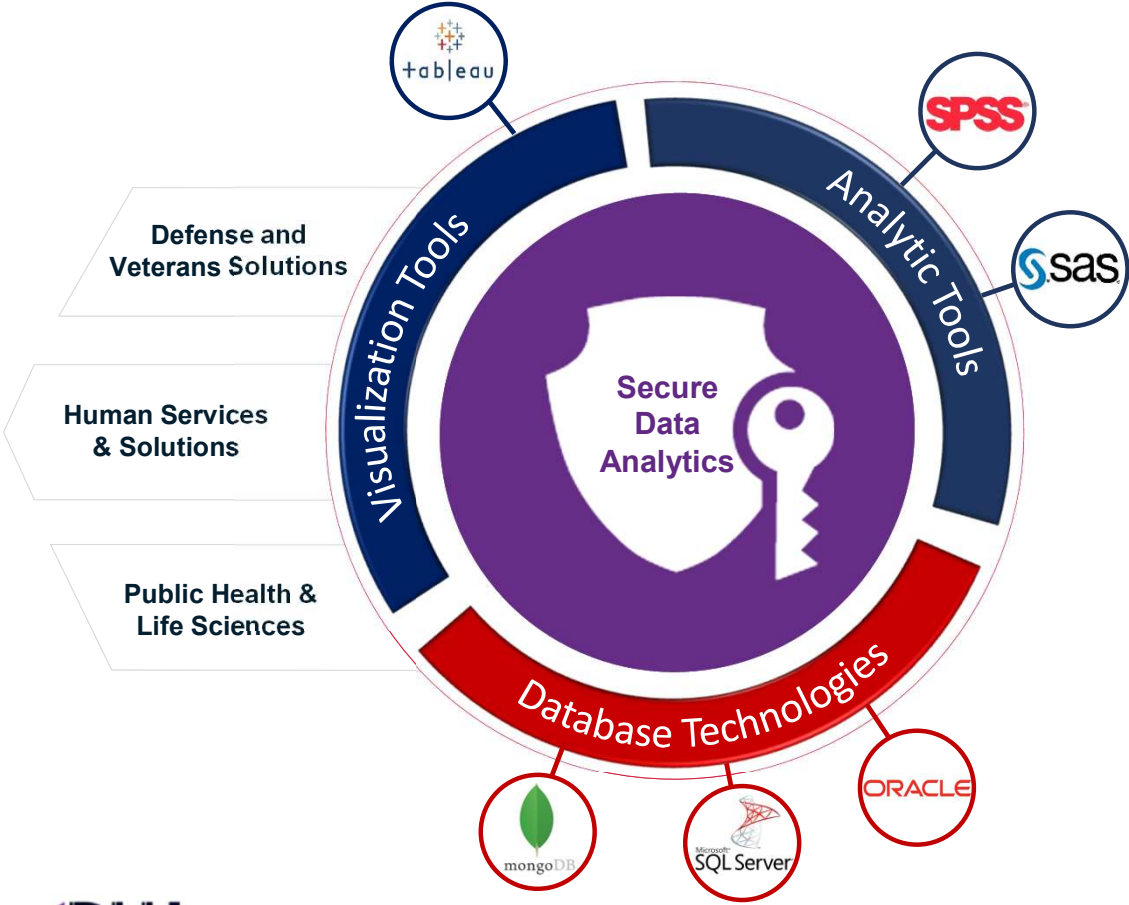


Public Health & Life Sciences Market
 Pro Forma Annual Revenue: ~\$70M

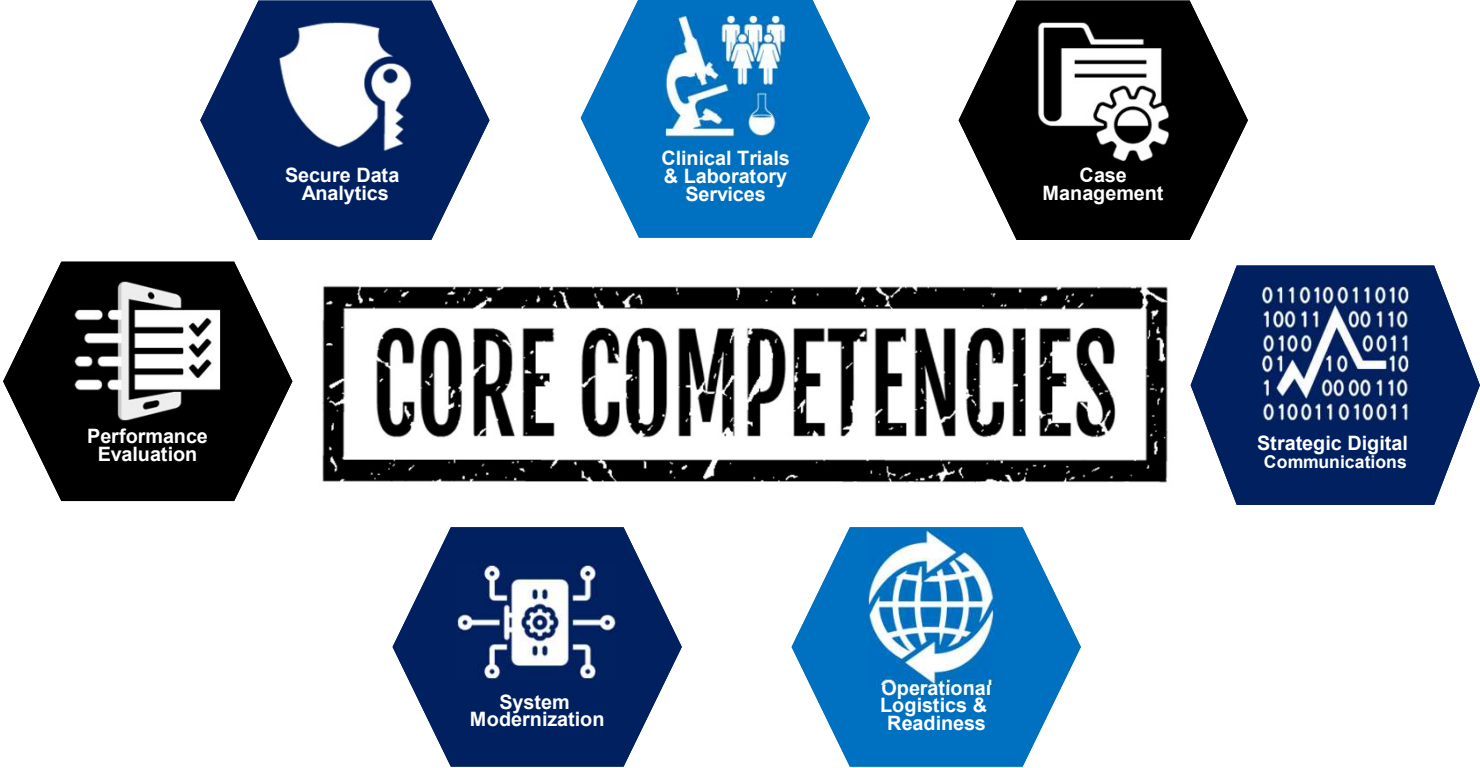
Key Federal Customers



Unique Value Proposition



Organic Growth Drivers



Healthy Growth Profile

Opportunities

As of June 30, 2020, the DLH pipeline of qualified new business opportunities was over \$1 billion

Timing

An estimated \$600-\$700 million of those opportunities are 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 Targeted Agencies



- Strategically-focused
 - Competency-aligned
 - Adjacent markets

COVID-19 Impact / Opportunities

Defense & Veterans Health Solutions



Human Services and Solutions



Public Health and Life Sciences



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

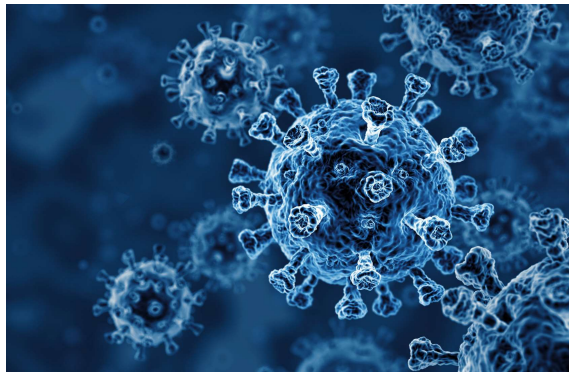
- Care and treatment of military
- Rx expansion for veterans
- Prospects for behavioral health

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

- Clinical trials for therapeutics and vaccine development
- Preparedness & Response
- Environmental Implications



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 Achieves FedRAMP Ready Status

Opens Door to Federal Business Opportunities for Cloud-Based Platform-As-A-Service (PaaS)

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 cyber 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.

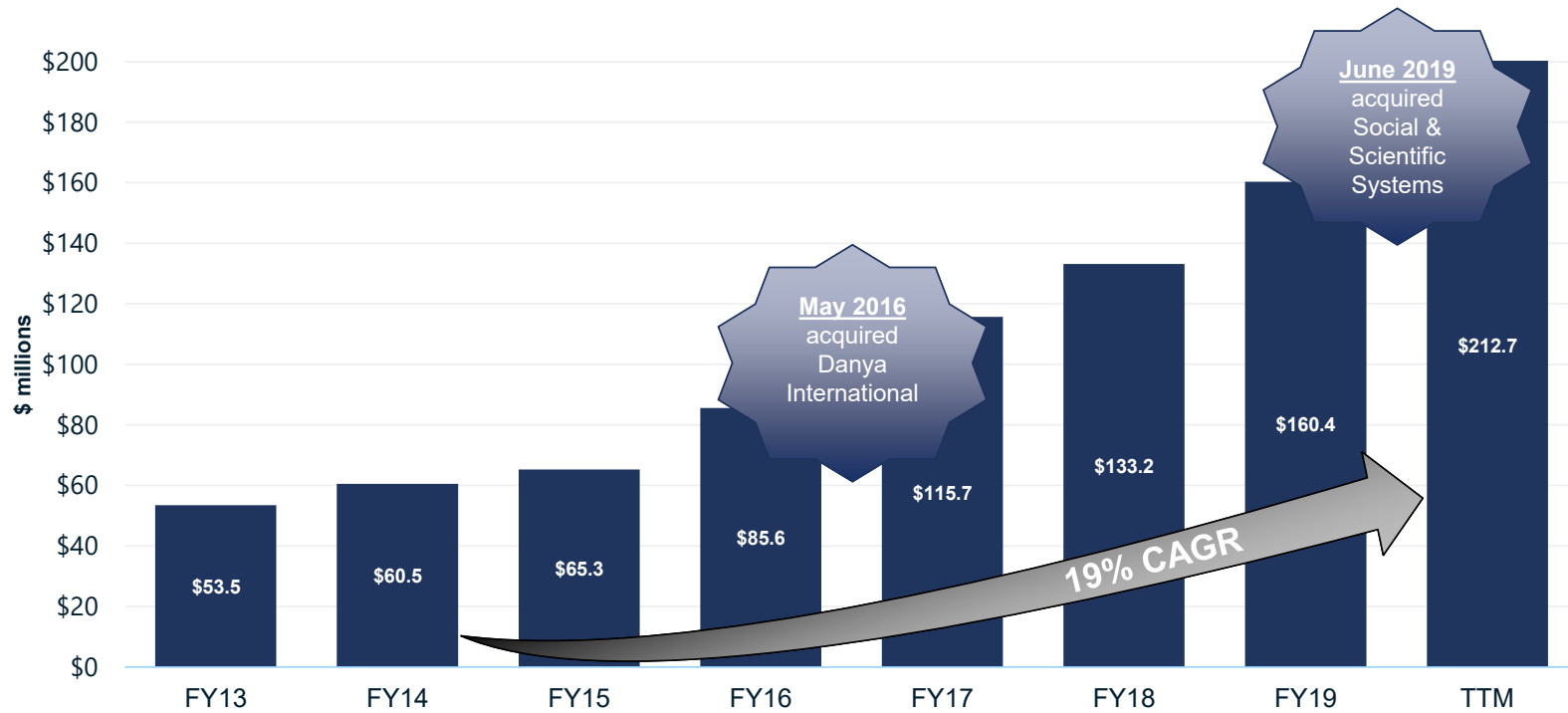
Financial Highlights

Kathryn JohnBull | CFO



A History of Growth...

Historical Revenue

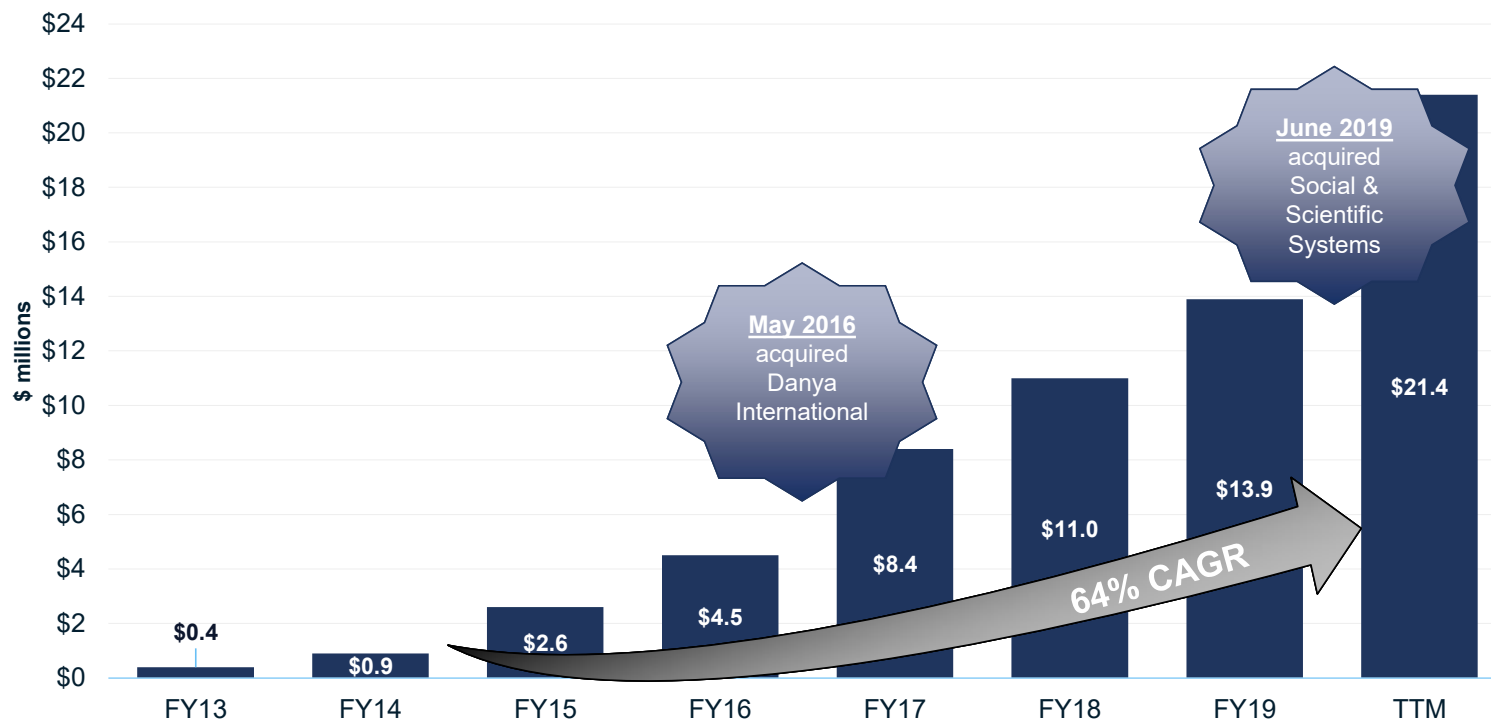


TTM is the trailing twelve months ending June 30, 2020



And Expanding Value

Historical EBITDA



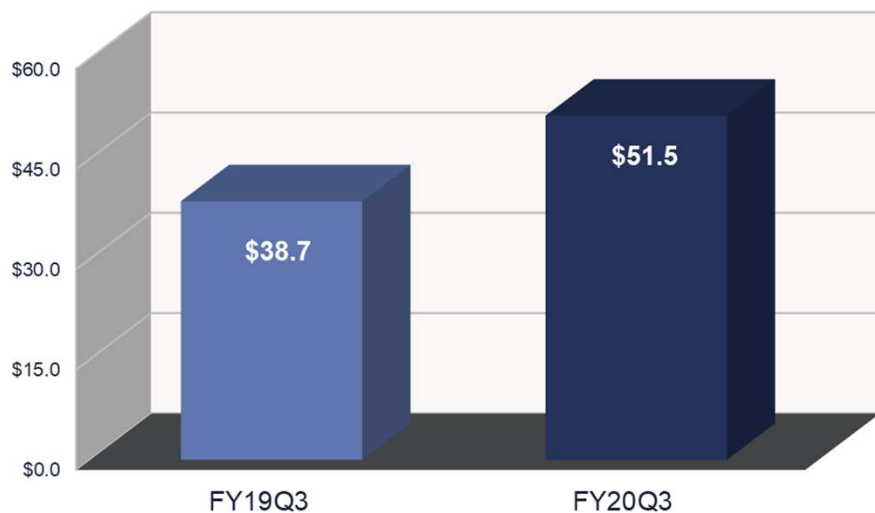
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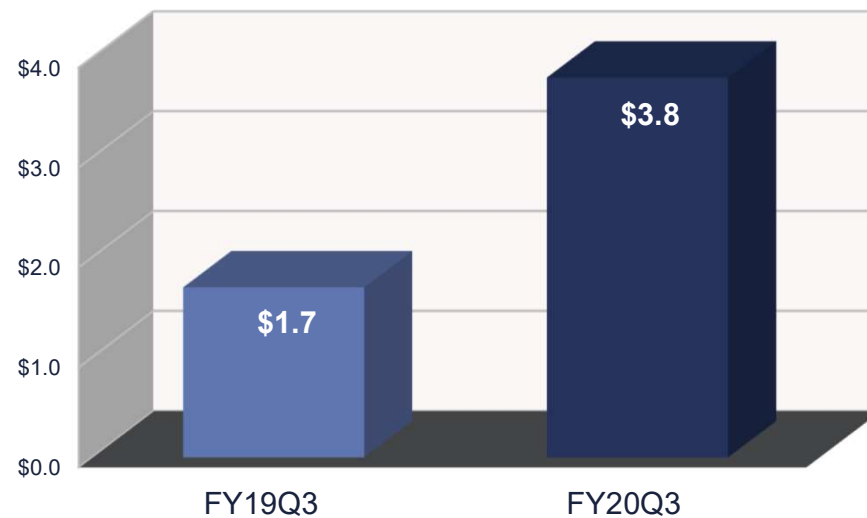
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Fiscal Q3 Results (Three Months Ended 6/30/2020)

Revenue



Operating Income



Debt Paydown Strategy in Place

	6/7/2019	9/30/2019	3/31/2020	6/30/2020
Debt Balance*	\$70 M	\$56 M	\$55 M	\$44.5 M
Less cash on hand	\$1.9	\$1.8	\$1.1	\$0.7
Net Debt	\$68.1 M	\$54.2 M	\$53.9 M	\$43.8 M

*\$70M originally

Continued strong operating cash flow anticipated in fourth quarter leading to a projected year-end debt balance of \$40 to \$42 million.

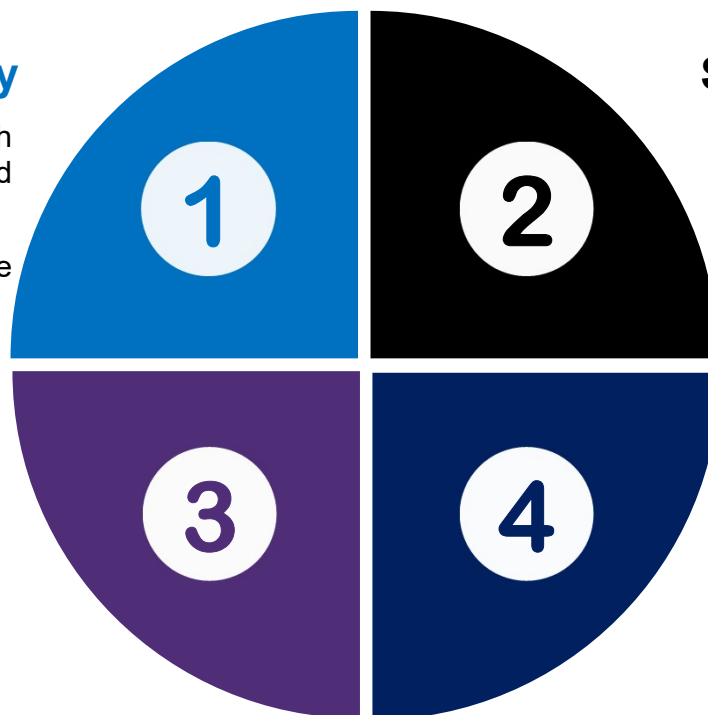
Net Debt is a non-GAAP metric used by investors and lenders and management believes it provides relevant and useful information to investors and other users of our financial data. Net Debt is calculated by subtracting cash and cash equivalents from the sum of current and long-term debt



Our Four Levers of Value Creation

Revenue Stream Stability

- Focus on Federal agencies with critical missions and 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

- Drive growth – organic and through M&A
- Appropriate allocation of debt and equity financing

Q&A Session

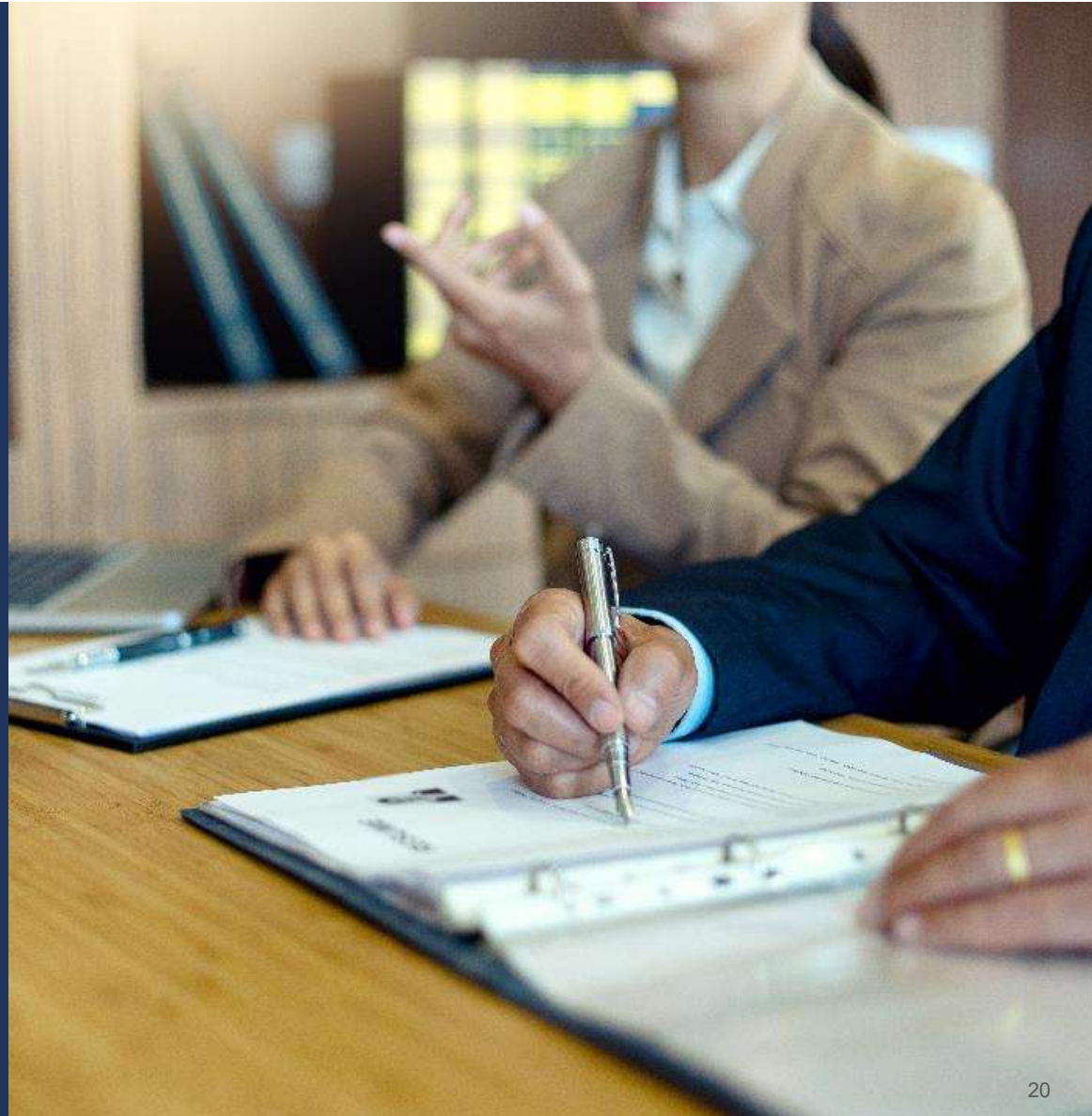
Zach Parker | President and CEO
Kathryn JohnBull | CFO



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							TTM*
	September 30,							
	2013	2014	2015	2016	2017	2018	2019	
Net (loss)/income	\$ (159)	\$ 5,357	\$ 8,728	\$ 3,384	\$ 3,288	\$ 1,836	\$ 5,324	\$ 7,316
(i) Interest expense/other (income)	407	4	(744)	823	1,228	1,116	2,473	3,850
(ii) (Benefit)/provision for taxes	-	(4,597)	(5,488)	(938)	2,114	5,830	2,171	2,991
(iii) Depreciation and amortization	121	106	55	1,244	1,754	2,242	3,956	7,259
EBITDA	\$ 369	\$ 870	\$ 2,551	\$ 4,513	\$ 8,384	\$ 11,024	\$ 13,924	\$ 21,416

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



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