Acquisition of Grove Resource Solutions, Inc.

December 8, 2022

Forward-looking statements

“Safe Harbor” Statement under the Private Securities Litigation Reform Act of 1995:

This presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements relate to future events, such as DLH Holdings Corp’s (“DLH’s”) and Grove Resource Solutions, Inc.’s (“GRSi's”) future financial performance and the performance of the combined enterprise, including estimates of future revenues, operating income, earnings, and backlog. Any statements that are not statements of historical fact (including without limitation statements to the effect that DLH 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 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 the anticipated benefits of the GRSi acquisition (including anticipated future financial operating performance and results); 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 GRSi employees and customers; 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 GRSi and any future acquisitions; and other risks described in DLH's 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 DLH's periodic reports filed with the SEC, including DLH's Annual Report on Form 10-K for the fiscal year ended September 30, 2022, as well as interim quarterly filings thereafter. The forward-looking statements contained herein are made as of the date hereof. DLH does not assume any responsibility for updating forward-looking statements, except as may be required by law.

DLH Holdings Continues to Create Value

What We Are Presenting Today

DLH Holdings has acquired privately held, *Grove Resource Solutions, Inc.* (“GRSi”) through a strategic acquisition that brings together two highly complementary businesses in terms of customers, capabilities, mission, and culture.

Strengthens DLH Strategy Execution

Highly differentiated digital transformation and IT modernization platform expands ability to address a broader range of clients’ solution needs across the entire DLH enterprise

Acquisition complements DLH’s current Health portfolio at NIH while offering new, diversified opportunities within the Department of Defense

Key Financial Impacts

$185 million purchase price funded via a new $260 million credit facility and $7 million in DLH stock

Total debt leverage forecasted at approximately 3.7x FY2023 EBITDA[1]

Valuation Rationale

Purchase price represents a multiple of ~10.0x 2023P EBITDA[1], and ~8.5x after including tax benefits from the acquisition

Expected to add between $18 - 19 million of FY2023 EBITDA[1]

Combined post transaction contracted backlog of approximately $1 billion affords significant forward financial visibility

1. EBITDA is a non-GAAP measure that is further detailed and reconciled in this presentation

Strategic Rationale

The acquisition of Grove Resource Solutions, Inc. ("GRSi") offers significant capability expansion and access to mission-critical programs expected to drive accelerated growth opportunities for DLH both near- and long-term

- Accelerates long-term strategy with proven pure-play **digital transformation** and IT modernization solutions
- Combination of GRSi's high-end IT and technical capabilities with DLH's significant research portfolio domain expertise creates a **highly differentiated solutions** offering
- Elevates DLH's **cybersecurity capabilities** with industry-leading digital transformation and IT expertise
- Further **diversifies** business base and **expands total addressable market** (capability and customers) at scale given post-close adjusted EBITDA[1] of approximately $50 million and backlog of approximately $1 billion

1. See slide 12 for a reconciliation of proforma EBITDA to proforma net income.

Strengthens DLH Operating Model

Science Research & Development (SRD)

- Epidemiology Studies
- Clinical Trials Research
- Data Science & Analytics
- Technology Readiness
- Applied Research
- Testing and Evaluation
- Pharmacy IV&V[1]
- Laboratory Operations

System Engineering & Integration (SEI)

- IT System DME[2]
- Specialty and Readiness Engineering
- Health IT Integration and Management
- Logistics / Supply Chain Management
- Requirements Analysis and IV&V
- Life Cycle Engineering & Management
- Trade Studies
- Configuration Management

Powered by Digital Transformation and Cyber Security

- INFINIBYTE CLOUD®
- CYBERSECURITY ENGINEERING/ OPS
- AI/ML/RPA
- CLOUD ENABLEMENT/ MANAGEMENT
- AGILE DEVSECOPS
- BIG DATA ANALYTICS SYSTEMS
- MODELING & SIMULATION

1. Independent Verification and Validation
2. Development, Modernization, and Enhancement

Transaction Strategically Aligned with DLH Vision

Acquisition of GRSi addresses numerous elements of the previously identified expansion avenues

Major COVID clinical trial work nears completion, potential for future work in surveillance and pandemic prevention remains

DLH focus areas continue to align with Federal spending priorities, driving strong cash flow

Key IDIQs with NIH and DOD; position DLH well for FY23 and beyond

Heavy new business proposal activity anticipated for FY2023

Strong strategic pipeline of M&A opportunities; Total Leverage Ratio down to 0.55

GRSi

Continued expansion into the growing public health market; new opportunities within the National Security market

GRSi brings a strong presence in the NIH combined with deep customer relationships

GRSi helps expand DLH's presence in the Military Health and National Security markets

Notable transaction that will add significant scale to DLH

DLH

GRSi Capabilities Overview

Big Data & AI / ML

Leverage and connect disparate data sets so that customers access accurate information automatically, displaying data in unique ways that is pulled from the tactical edge

Enterprise Operations & Modernization

Delivering IT operational resilience and efficiency in parallel with technology and innovation integration, via hybrid and multi-cloud solutions leveraging integrated services, process automation, ML, advanced tool stacks, and mature quality processes

Specialized Engineering

Unique engineering expertise encompassing areas of performance-based logistics, specialized intelligence systems, model-based systems engineering, specialized training production and delivery

Agile DevSecOps

Employs complex software engineering underpinned by scalable, adaptable, and repeatable processes designed to deliver solutions on-time and within budget while securing the software supply chain

Cloud Enablement

Drive cloud adoption by moving, managing, and optimizing workloads, leveraging the best LaaS, PaaS, and SaaS with hybrid cloud solutions and seamless integration of secure, commercial cloud services with on-premises IT infrastructure

Cyber Ecosystem

Full spectrum cyber capabilities; cryptographic and true cyber engineering, CISO / ISSO support, risk management framework phase 1-6, COOP / DR, and enterprise infrastructure

DLH

Ready to Support Future Operations

01 Experienced Executive Leadership Team prepared to accelerate corporate growth trajectory

02 Corporate platform, built through key strategic investments, ready to support consolidated enterprise

03 Bolstered human capital operation with expertise in development, organizational design, talent acquisition, and change management

Financial Benefits of the Acquisition

Significant revenue visibility

- GRSi has approximately $550[1] million of total backlog
- Increasing diversification of revenue through new customer relationships and contract awards

Expected strong free cash flow

- Capital requirements of the business are minimal

Significant potential for combined organic growth

- Revenue growth is driven primarily by continued contract execution against recurring customer requirements and cross-selling opportunities (expanding offerings into each other's respective markets)

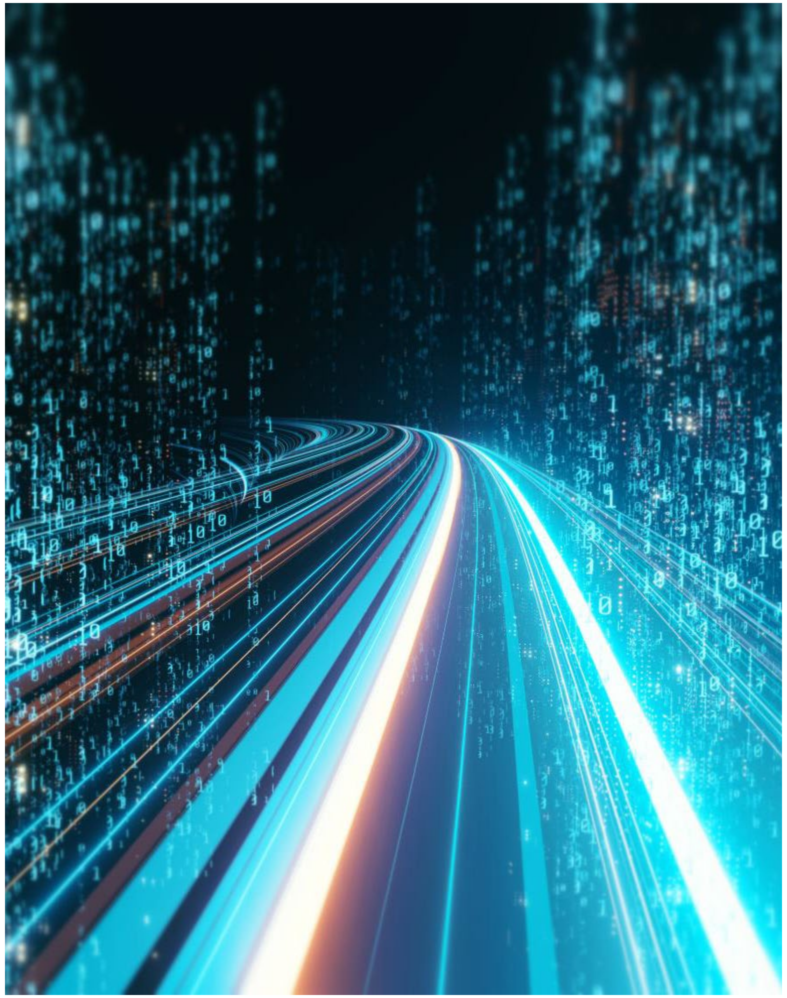
1. Proforma as of November 30, 2022

Proforma Considerations

- DLH uses EBITDA as a supplemental non-GAAP measure of our performance. DLH defines EBITDA as net income excluding (i) interest expense, (ii) provision for or benefit from income taxes and (iii) depreciation and amortization

- DLH estimates that GRSi will contribute approximately $140 million to revenue in 2023, with similar operating margins to what GRSi has experienced historically

- The following unaudited pro forma financial information combines the historical financial information of DLH and GRSi and may not be indicative of the historical results that would have been achieved had the companies been combined during the periods presented or of the future results that the combined companies will experience

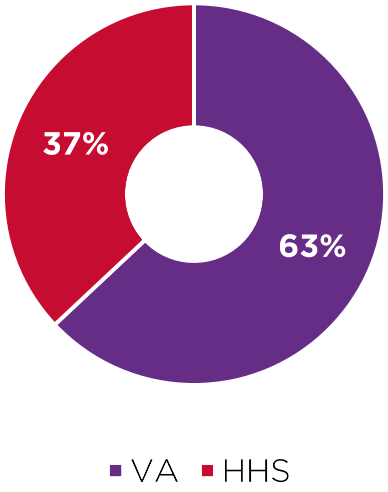


GRSi Acquisition Continues to Drive Diversification

Combination of DLH and GRSi transforms our revenue portfolio & delivers key strategic capabilities for further expansion as top tier provider of health IT & systems engineering services

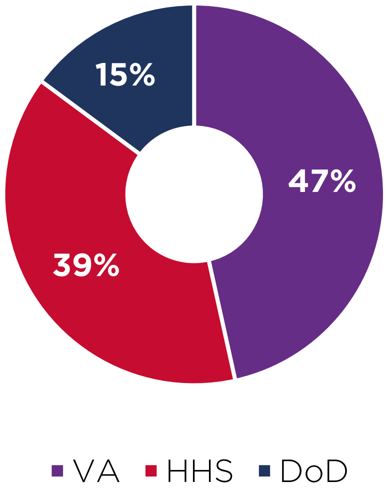
Fiscal 2018

DLH
$133 million



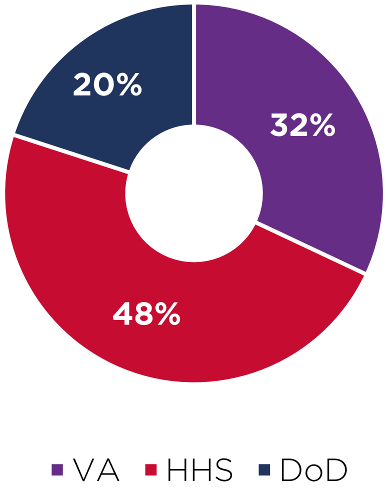
Fiscal 2022

DLH[1]
$269 million



Fiscal 2023 Proforma

DLH & GRSi
$420 million



EBITDA delivery expected to be approximately $50 million in first year, expanding free cash flow to reduce leverage

1. DLH fiscal 2022 revenue of $395.2 million presented without contribution of FEMA task orders of $125.8 million.

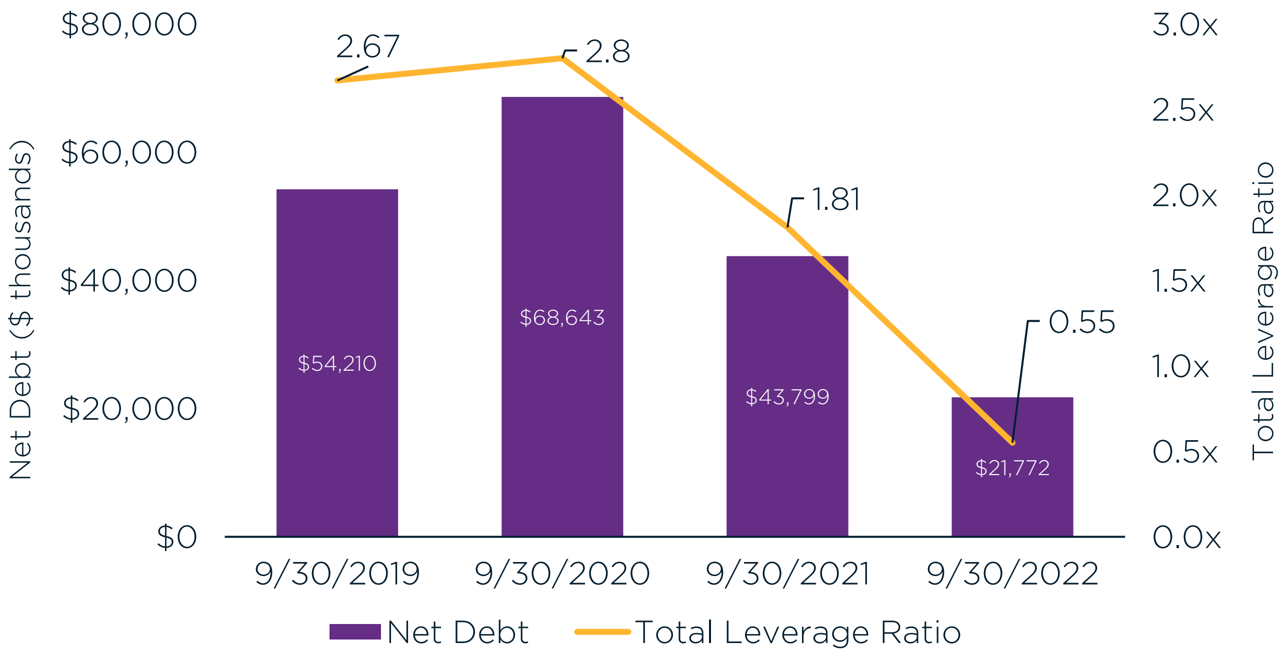
Proforma Projected FY2023 Results

$ millions	DLH	Proforma GRSi	GRSi Financing & Amortization	Proforma Combined
Total revenue	$ 280.0	$ 140.0	-	$ 420.0
EBITDA	29.0	18.5	-	47.5
% margin	*10.4%*	*13.2%*	-	*11.3%*
Dep. & amort.	9.0	0.3	7.5	16.8
Operating income	20.0	18.2	(7.5)	30.7
% margin	*7.1%*	*13.0%*	*(5.4%)*	*7.3%*
Interest expense	0.2	-	13.8	14.0
Tax expense	(5.1)	(4.7)	5.5	(4.3)
Net income	$ 14.7	$ 13.5	$ (15.8)	$ 12.4

Expansion of EBITDA margins from GRSi favorable contract mix

Expected to be accretive in fiscal 2024 after deployment of free cash flow to reduce leverage throughout fiscal 2023

DLH Historical Net Debt Trends



(In thousands)	09/30/19	09/30/20	09/30/21[1]	9/30/22
Total Debt	$ 56,000	$ 70,000	$ 46,750	$ 22,000
Cash on hand[1]	(1,790)	(1,357)	(2,951)	(228)
Net debt[2]	$ 54,210	$ 68,643	$ 43,799	21,772
Total leverage ratio	**2.67**	**2.80**	**1.81**	**0.55**

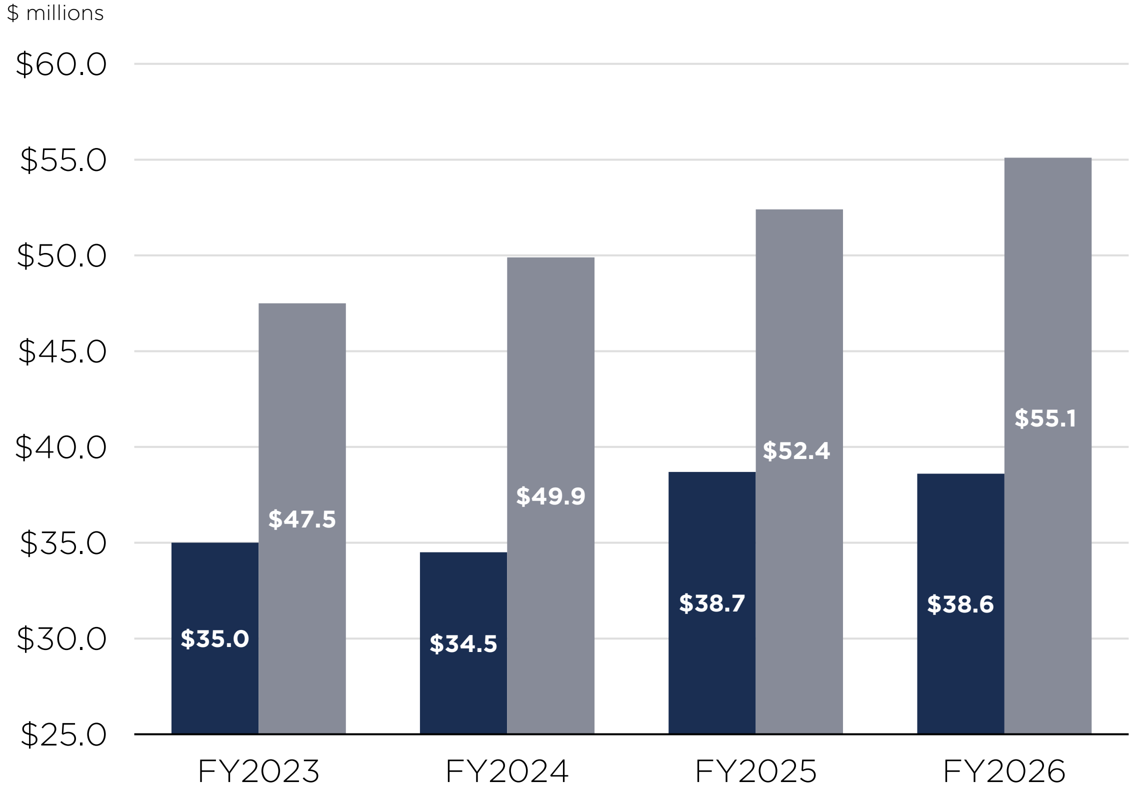
The Company has effectively deployed its free cashflow to aggressively pay down debt, which provided capacity to add GRSi to the corporate portfolio

1. Clash on hand at FY21 year end excludes $21.1 million of contract start-up funding on the FEMA Medical Staffing Project

2. 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. A reconciliation of the Total Leverage Ratio is included in the back of this presentation.

Projected Debt Service Model

Annual projected EBITDA[1] of the combined entity exceeds mandatory uses of cash; we expect to deploy free cash flow to make voluntary prepayments consistent with past practice



Mandatory Uses of Cash				
$ millions	**FY2023**	**FY2024**	**FY2025**	**FY2026**
Interest Payments	$15.9	$14.3	$12.1	$10.7
Mandatory Debt Amortization[2]	14.3	14.3	19.0	19.0
Tax Payments	3.8	4.9	6.3	7.6
Capex	1.0	1.0	1.3	1.3
Total	$35.0	$34.5	$38.7	$38.6

- Projected annual cash consumption for mandatory debt service, capital & regulatory costs
- Projected EBITDA for the consolidated enterprise

1. EBITDA is projected at an annual growth rate of 5% from proforma fiscal 2023 EBITDA on slide 12. This growth rate does not reflect management's assessment or expectation of future growth but demonstrate our debt service capability as a consolidated enterprise. See the appendix slides for a comment about non-GAAP projections.
2. Mandatory debt amortization is the annual payments on the term loan as required by the Credit Facility. These payments do not reflect the expected annual debt repayment but the minimum required debt amortization per our Credit Facility. See further detail on slide 16 of this presentation.

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Amended Credit Facility

The acquisition was primary funded with Senior Debt, provided by an amendment to our syndicated financing agreement led by our existing lender, First National Bank of Pennsylvania (agent)

Term and revolving debt, cash on hand, and DLH stock funded the transaction

First National Bank of Pennsylvania	
Term Loan	$190 million
Interest Rate	SOFR + 4.10%[1]
Term	5 years

First National Bank of Pennsylvania	
Revolving Line of Credit	$70 million
Interest Rate	SOFR + 4.10%[1]
Maturity	5 years

Joint Lead Arrangers:

First National Bank

M&T Bank

Atlantic Union Bank

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

1. Estimate as of close; rate ranges from 2.35% - 4.35%, depending on the total leverage ratio

Key Terms of Amended Credit Facilities

Term and revolving debt represent a leverage level of 3.7x proforma FY2023 Adjusted EBITDA[1]

Required Amortization	
Year one ended 9/30/23	$14.25 million (7.5% of term debt)
Year two ended 9/30/24	$14.25 million (7.5% of term debt)
Year three ended 9/30/25	$19.00 million (10.0% of term debt)
Year four ended 9/30/26	$19.00 million (10.0% of term debt)
Year five ended 9/30/27	$23.75 million (12.5% of term debt)
Balance of term debt due at end of 5 year term	

Financial Covenants	
1. Total Leverage Ratio:	
Year one ended 9/30/23	Term debt 4.50x adjusted EBITDA
Year two ended 9/30/24	Term debt 3.75x adjusted EBITDA
Year three ended 9/30/25	Term debt 2.75x adjusted EBITDA
Year four ended 9/30/26	Term debt 2.00x adjusted EBITDA
Year five ended 9/30/27	Term debt 2.00x adjusted EBITDA
2. Minimum Fixed Charge Coverage Ratio: 1.25x throughout the term	

Bank Syndicate Members:

First National Bank · M&T Bank · Atlantic Union Bank · EagleBank · Sandy Spring Bank · ServisFirst Bank · WSFS bank

1. Adjusted EBITDA pursuant to definition provided in new senior loan agreement, which adds non-cash stock expense and transaction expenses to EBITDA

Appendix

Non-GAAP Projections

In this presentation we include projected EBITDA, a non-GAAP financial measure. Due the forward-looking nature of this measure, reconciliations of projected EBITDA to the comparable GAAP measure are not available without unreasonable effort and are excluded from this presentation. This is due to the inherent difficulty of forecasting the amount of the necessary reconciling items that would impact the most directly comparable forward-looking GAAP financial measure. Forward-looking non-GAAP financial measures provided without the most directly comparable GAAP financial measures may vary materially from the corresponding GAAP financial measures.

Debt Covenant

We are also including Total Leverage Ratio in this presentation. Total Leverage Ratio is used for the purpose of testing the Maximum Total Leverage Ratio covenant in our Amended and Restated Credit Agreement dated September 30, 2020 (the "Credit Agreement"), which provides for a maximum total leverage ratio of 3.75 to 1.00 for all periods from closing date to September 30, 2021. For periods after September 30, 2021 to September 30, 2022 the maximum total leverage ratio is 3.50 to 1.00. Management considers the Total Leverage Ratio to be an important indicator of the Company's ability to incur additional debt, its ability to service existing debt and the extent of our compliance with the leverage covenant in the Credit Agreement. We believe that analysts and investors use this metric to assess the Company's ability to service existing debt and our liquidity, generally. The reconciliation of the Total Leverage Ratio is presented in the appendix to this presentation. As used in this presentation, Total Leverage Ratio, which is not calculated in accordance with GAAP, is defined as total debt as of the respective date(s) presented herein, divided by Consolidated EBITDA for the period(s) then ended. Total Leverage Ratio and Consolidated EBITDA are calculated in accordance with the Credit Agreement.

(amount in thousands)	**09/30/19**	**09/30/20**[1]	**09/30/21**	**9/30/2022**
Term Loan	$ 56,000	$ 70,000	$ 46,750	$22,000
Revolving Credit Loan	-	-	-	-
Letters of Credit	1,745	1,990	2,095	2,095
Total Funded Debt	$ 57,745	$ 71,990	$ 48,845	$24,095
Consolidated EBITDA[2]	$ 21,664	$ 25,678	$ 26,997	$44,170
Total Leverage Ratio	2.67	2.80	1.81	0.55

1. The term loan balance on September 30, 2020, includes $33 million used to complete the acquisition of Irving Burton Associates, LLC
2. Consolidated EBTIDA and Total Funded Debt are calculated as per the Company's Credit Agreement.

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About DLH

DLH (NASDAQ:DLHC) delivers improved health and readiness solutions for federal programs through research and development, systems engineering and integration, and digital transformation. The Company's experts in public health, performance evaluation, and health operations solve the complex problems faced by civilian and military customers alike, leveraging digital transformation, artificial intelligence, advanced analytics, cloud-based applications, telehealth systems, and more. With over 2,500 employees dedicated to the idea that "Your Mission is Our Passion," DLH brings a unique combination of government sector experience, proven methodology, and unwavering commitment to public health to improve the lives of millions.