Welcome

Canaccord Genuity 37th Annual Growth Conference

August 9, 2017
Boston, Massachusetts
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 that could cause actual events or DLH’s actual results to differ materially from those indicated by the forward-looking statements. For a discussion of such risks and uncertainties, 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, 2016. In light of the risks and uncertainties inherent in the forward-looking statements included herein, the inclusion of such statements should not be regarded as a representation by the company or any other person that the objectives and plans of the company will be achieved. The forward-looking statements contained in this presentation are made as of the date hereof and may become outdated with time. The company does not assume any responsibility for updating any forward-looking statements.
Strategic Overview

Zach Parker,
President and
Chief Executive Officer
Investor Highlights

Prime Contractor Offerings

- Established mid-tier Government services business with an excellent service reputation and long-term customer relationships
- Strong prime contractor position in key Federal agencies like VA, DOD, HHS, CDC, and SAMHSA

Positioned for Growth

- Focused on critical areas of Federal health technology, data analytics, and health and human service market segments
- Aligned with favorable Federal market trends and demand dynamics

Financial Strength

- Excellent cash flow, consistent margins, and solid balance sheet
- Long-term contracts, high re-compete win rates, and substantial pipeline

Focused Leadership

- Continued steady organic growth and accretive acquisitions
- Five-year Long-Range Strategic Plan (LRSP) in place for higher growth and improved financial performance
DLH’s Snapshot

A mission-driven company delivering technology-enabled solutions in key health and human services programs

Business Areas

- Professional
- Management
- Technology
- Research, Development, Test, and Evaluation

Operating model designed to deliver business outcomes at scale

to U.S. Federal Government Agencies
Premier Provider of Health and Human Services Solutions

DLH is enabled by:
- ≥$100M revenue (annualized)
- ≥$9-10M adjusted EBITDA (annualized)
- ≥1,400 employees
- ≥400 subject matter expert network
- Operations in 46 States and 9 countries

Health and Human Services
- M&E + IT for 1 million children at 1,700 grantee sites in all States, D.C., Puerto Rico, and the U.S. territories
- Specialized medical and compliance oversight for more than 3,000 individuals in Homeland Security family residential centers and short-stay juvenile facilities

DoD and VA Health
- Mail out ≥120M prescriptions to vets and dependents annually
- Clinical mentoring and training to more than 250 Navy substance abuse counselors worldwide
- RDT&E for military application of medical devices and products

Public Health and Life Sciences
- Disease and health promotion messaging for local and State health departments in all 50 States
- Training and technical assistance for the HIV prevention workforce across the United States
- Biological research and surveys covering waterways in key part of the United States

Offering the best of innovation and trusted mission-critical Partner long-term relationships
By the Numbers

400,000
Children in M&E programs reviewed annually

~400,000

300,000
Vets and dependents served daily

~300,000

1,200
M&E reviews annually

~1,200

11M
Public health interventions using digital channels with at-risk populations annually

~11M

5,000
eLearning and classroom training annual sessions for community-based and healthcare organizations

~5,000

6
Consecutive years received Superior Customer Satisfaction J.D. Power Award

6

3.6M
Prevention partners reached with public health knowledge/information transfers annually

~3.6M

70
New combat theater medical devices researched annually

~70

8,500
Individuals reached by the Act Against AIDS ambassador program annually

~8,500

8,000
Service members receiving substance use disorder treatment by Navy counselors annually

~8,000

120,000
Wide range of U.S. adults receiving tailored health prevention risk reduction messages annually

~120,000

The power of what we do underpins essential Federal Government programs

~300,000 Vets and dependents served daily

~1,200 M&E reviews annually

~11M Public health interventions using digital channels with at-risk populations annually

~70 New combat theater medical devices researched annually

1 2017 Winner FedHealth/IT Award

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~5,000 eLearning and classroom training annual sessions for community-based and healthcare organizations

~3.6M Prevention partners reached with public health knowledge/information transfers annually

~400,000 Children in M&E programs reviewed annually

~1,200 M&E reviews annually

~8,500 Individuals reached by the Act Against AIDS ambassador program annually

~8,000 Service members receiving substance use disorder treatment by Navy counselors annually

~120,000 Wide range of U.S. adults receiving tailored health prevention risk reduction messages annually

The power of what we do underpins essential Federal Government programs
Successful execution of our strategy will help DLH accelerate toward the top of our Federal services market.
Poised for Expansive Growth and Profitability

- Positioned for strong growth on market shifts, customer trends, and leading offerings
- Diverse staff with broad capabilities, tech-enabled tools, deep data analytics, and science research capabilities
- Bidding on more complex, margin expansion opportunities and increasing high-value new business pipeline
- Federal priorities track well and are consistent with our LRSP for Fiscal Years (FY) 2018–22

A company culture committed to customers, diverse and innovative ideas, and continuous improvement
The DLH Advantage

Uniquely positioned mid-tier company

**Broad Experience**
Delivers health services across the continuum of care

**Established Innovator**
National recognition for qualitative and innovative change

**Deep CRM Profile**
Decades-long relationships with key Federal clients

**Proven Methodology**
Processes yielding measurable results and savings

Large programs and suite of capabilities position DLH as a differentiated go-to-market performance leader
Financial Overview

Kathryn JohnBull,
Chief Financial Officer
FY2017 Q3 Financial Results ($millions)

**Revenue:** Reflects acquisition impact and 6% organic growth

**Strong Gross Profit:** Third quarter gross margin of 21.8% both years

**Operating Income:** Higher gross profit was partially offset by additional G&A expense tied to business development initiatives

**Adjusted EBITDA:** A reconciliation of net income to adjusted EBITDA is provided in our FY2017 Q3 Earnings Release
FY2017 Q3 Balance Sheet Highlights

Key Cash Metrics

- **Cash on Hand**: $4.6M
- **Revolving Credit Facility**: $10.0M
  - Line of Credit Availability: $5.4M
  - No Borrowing at 6/30/17
- **Term Loan**: $25.0M
  - $20.6M Balance
A reconciliation of net income to adjusted EBITDA is provided in the Form 10-K for each of the periods indicated above. Forms 10-K are available on our website at www.dlhcorp.com.
Drive Levers of Value Creation

1. Stable Revenue Growth
   - Scale tech-enabled and health analytics offerings
   - Focus on Federal agencies with high growth
   - Shift business mix toward greater complexity and professional work requirements
   - Make strategic acquisitions to expand DLH offerings

2. Sustainable Margin Expansion
   - Optimize workforce and service delivery
   - Leverage expertise in IT system architecture design and migration services
   - Focus on capture of professional work projects that typically yield higher gross margins
   - Harmonize enterprise-wide policies and benefits

3. Strong Cash Flow and Discipline Capital Allocation
   - Expand EBITDA
   - Drive working capital efficiency
   - Re-invest in business and make targeted acquisitions
   - Require excellence on key dimensions of agility and cost efficiency
Question & Answer Session