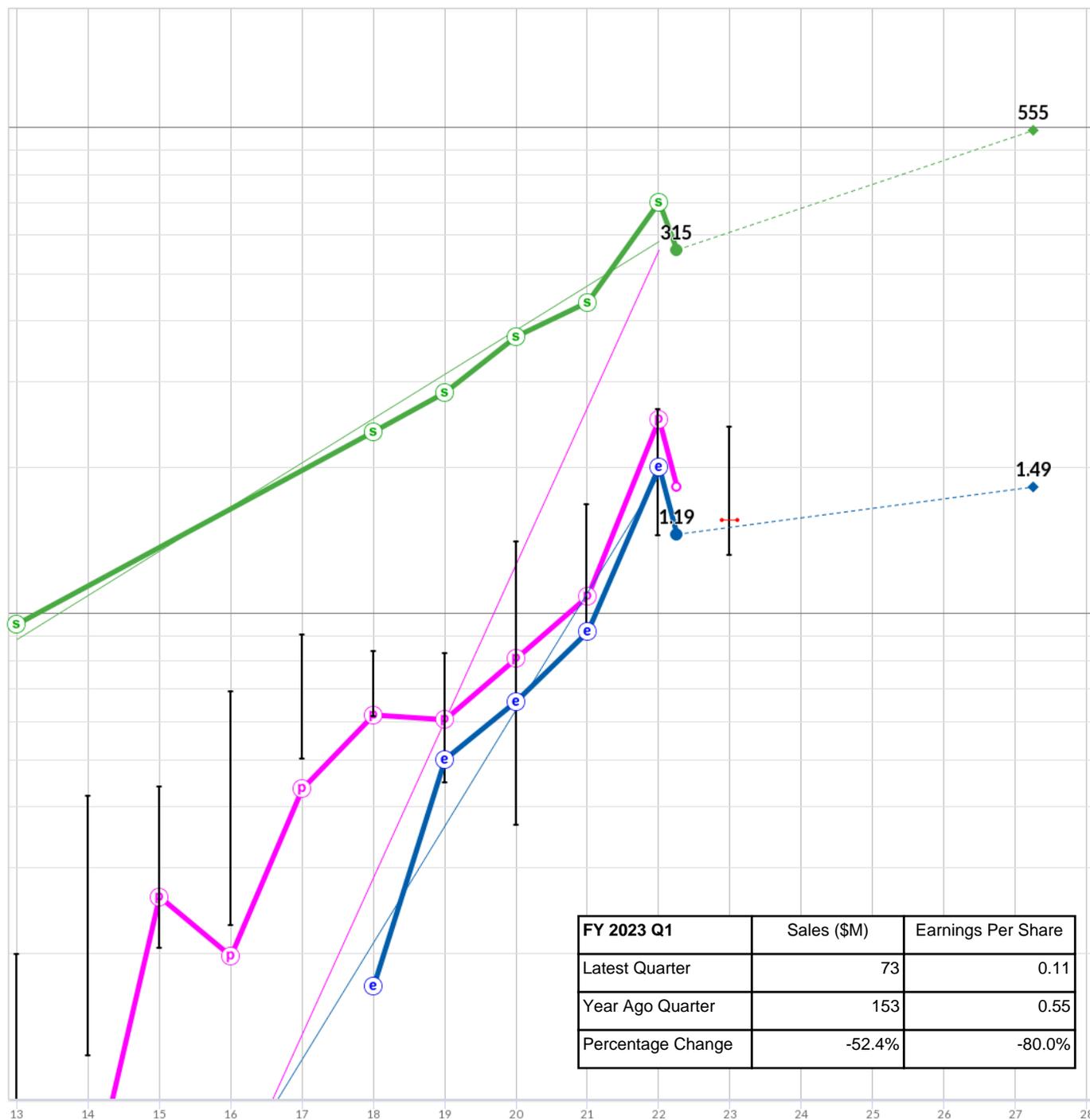


Stock Selection Guide

Company	DLH Hldgs		Date	03/08/23	
Prepared by	TOBIN		Data taken from	BI Stock Data	
Where traded	NAS		Industry	Specialty Business Services	
Capitalization --- Outstanding Amounts	Reference				
Preferred (\$M)	0.0	% Insiders	% Institution		
Common (M Shares)	14.3	43.8	17.3		
Debt (\$M)	216.0	% to Tot Cap	68.2	% Pot Dil	7.3

Symbol: DLHC

1 VISUAL ANALYSIS of Sales, Earnings, and Price



FY 2023 Q1	Sales (\$M)	Earnings Per Share
Latest Quarter	73	0.11
Year Ago Quarter	153	0.55
Percentage Change	-52.4%	-80.0%

- (1) Historical Sales Growth 23.3%
- (2) Estimated Future Sales Growth 12.0%
- (3) Historical Earnings Per Share Growth 73.8%
- (4) Estimated Future Earnings Per Share Growth 4.6%

2 EVALUATING Management

DLH Hldgs

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	Last 5 Year Avg.
% Pre-tax Profit on Sales	-0.3%	1.3%	5.0%	2.9%	4.7%	5.8%	4.7%	4.8%	5.5%	7.9%	5.7%
% Earned on Equity	-2.4%	57.2%	57.0%	12.5%	9.1%	4.5%	11.3%	13.0%	15.3%	24.4%	13.7%
% Debt To Capital	14.4%	0.0%	0.0%	41.1%	34.3%	0.0%	54.1%	63.0%	50.3%	29.8%	39.4%

3 PRICE-EARNINGS HISTORY as an indicator of the future

This shows how stock prices have fluctuated with earnings and dividends. It is building block for translating earnings into future stock prices.

CLOSING PRICE 12.74 (03/08/23)

52-WEEK HIGH 19.73

52-WEEK LOW 10.76

	A	B	C	D	E	F	G	H
Year	Price		Earnings	Price Earnings Ratio		Dividend	% Payout	% High Yield
	High	Low	Per Share	High A / C	Low B / C	Per Share	F / C * 100	F / B * 100
2018	6.8	5.0	0.14	48.8	35.8	0.00	0.0	0.0
2019	6.8	3.7	0.41	16.5	8.9	0.00	0.0	0.0
2020	11.5	3.0	0.54	21.3	5.6	0.00	0.0	0.0
2021	13.7	7.4	0.75	18.3	9.9	0.00	0.0	0.0
2022	21.5	11.9	1.64	13.1	7.2	0.00	0.0	0.0
AVERAGE		6.2		23.6	13.5		0.0	
CURRENT/TTM			1.19	16.6	9.0	0.00	0.0	
AVERAGE PRICE EARNINGS RATIO: 18.5					CURRENT PRICE EARNINGS RATIO: 10.7			

4 EVALUATING RISK and REWARD over the next 5 years

Assuming one recession and one business boom every 5 years, calculations are made of how high and how low the stock might sell. The upside-downside ratio is the key to evaluating risk and reward.

A HIGH PRICE - NEXT 5 YEARS

Avg. High P/E 20.0 X Estimate High Earnings/Share 1.49 = Forecasted High Price \$ 29.8

B LOW PRICE - NEXT 5 YEARS

(a) Avg. Low P/E 6.0 X Estimate Low Earnings/Share 1.60 = Forecasted Low Price \$ 9.6

(b) Avg. Low Price of Last 5 Years 6.2

(c) Recent Market Low Price 7.4

(d) Price Dividend Will Support $\frac{\text{Indicated Dividend}}{\text{High Yield}} = \frac{0.00}{0.00\%} = 0.0$

Selected Forecasted Low Price \$ 9.6

C ZONING using 25%-50%-25%

Forecasted High Price 29.8 Minus Forecasted Low Price 9.6 = 20.2 Range. 25% of Range 5.1

Buy Zone 9.6 to 14.7

Hold Zone 14.7 to 24.8

Sell Zone 24.8 to 29.8

Present Market Price of 12.74 is in the **BUY** Zone

D UPSIDE DOWNSIDE RATIO (POTENTIAL GAIN VS. RISK OR LOSS)

$\frac{\text{High Price} - \text{Present Price}}{\text{Present Price}} = \frac{29.8 - 12.74}{12.74} = 1.34$
 $\frac{\text{Present Price} - \text{Low Price}}{\text{Present Price}} = \frac{12.74 - 9.6}{12.74} = 0.24$
 Ratio = $\frac{1.34}{0.24} = 5.4$ To 1

E PRICE TARGET (Note: This shows the potential market price appreciation over the next five years in simple interest terms.)

$\frac{\text{High Price}}{\text{Closing Price}} = \frac{29.8}{12.74} = 2.3392$
 $2.3392 \times 100 = 233.92 - 100 = 133.9\%$ % Appreciation

5 5-YEAR POTENTIAL

This combines price appreciation with dividend yield to get an estimate of total return. It provides a standard for comparing income and growth stocks.

A $\frac{\text{Indicated Annual Dividend}}{\text{Closing Price}} = \frac{0.00}{12.74} = 0.0000 = 0.0\%$ Current Yield

B AVERAGE YIELD - USING FORECAST HIGH P/E

$\frac{\text{Avg. \% Payout}}{\text{Forecast High PE}} = \frac{0.0\%}{20.00} = 0.0\%$

AVERAGE YIELD - USING FORECAST AVERAGE P/E

$\frac{\text{Avg. \% Payout}}{\text{Forecast Average PE}} = \frac{0.0\%}{13.00} = 0.0\%$

C COMPOUND ANNUAL RETURN - USING FORECAST HIGH P/E

Annualized Appreciation 18.5 %
 Average Yield 0.0 %
 Annualized Rate of Return 18.5 %

COMPOUND ANNUAL RETURN - USING FORECAST AVG P/E

Annualized Appreciation 8.7 %
 Average Yield 0.0 %
 Annualized Rate of Return 8.7 %