

NYSE: DHX

Q3 2020 Investor Presentation

November 4, 2020

Forward Looking Statements

This presentation and oral statements made from time to time by our representatives contain forward-looking statements. You should not place undue reliance on those statements because they are subject to numerous uncertainties and factors relating to our operations and business environment, all of which are difficult to predict and many of which are beyond our control. Forward-looking statements include, without limitation, information concerning our possible or assumed future results of operations. These statements often include words such as “may,” “will,” “should,” “believe,” “expect,” “anticipate,” “intend,” “plan,” “estimate” or similar expressions. These statements are based on assumptions that we have made in light of our experience in the industry as well as our perceptions of historical trends, current conditions, expected future developments and other factors we believe are appropriate under the circumstances. Although we believe that these forward-looking statements are based on reasonable assumptions, you should be aware that many factors could affect our actual financial results or results of operations and could cause actual results to differ materially from those in the forward-looking statements. These factors include, but are not limited to, our ability to execute our tech-focused strategy, competition from existing and future competitors in the highly competitive markets in which we operate, failure to adapt our business model to keep pace with rapid changes in the recruiting and career services business, failure to maintain and develop our reputation and brand recognition, failure to increase or maintain the number of customers who purchase recruitment packages, cyclicality or downturns in the economy or industries we serve, the impact of the coronavirus COVID-19 outbreak on our operations and financial results, the uncertainty in respect of the regulation of data protection and data privacy, failure to attract qualified professionals to our websites or grow the number of qualified professionals who use our websites, failure to successfully identify or integrate acquisitions, U.S. and foreign government regulation of the Internet and taxation, our ability to borrow funds under our revolving credit facility or refinance our indebtedness and restrictions on our current and future operations under such indebtedness. These factors and others are discussed in more detail in the Company’s filings with the Securities and Exchange Commission, all of which are available on the Investors page of our website at www.dhigroupinc.com, including the Company’s most recently filed periodic reports on Form 10-K and Form 10-Q and subsequent filings under the headings “Risk Factors,” “Forward-Looking Statements” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations.” You should keep in mind that any forward-looking statement made by the Company or its representatives herein, or elsewhere, speaks only as of the date on which it is made. New risks and uncertainties come up from time to time, and it is impossible to predict these events or how they may affect us. We have no obligation to update any forward-looking statements after the date hereof, except as required by federal securities laws.

Our vision is to create indispensable career marketplaces to match the highest quality candidates with the right client career opportunities.

Company Overview

- **Founded:** 1990
- **Listed:** NYSE: DHX (2007)
- **Headquarters**: Denver, CO
- **Employees:** ~ 550
- **Clients:** ~11,000
- **Candidate Focus:** Technology Professionals
- **30 Day Active Candidates:** ~ 200K
- **Brands**
  - Dice
  - ClearanceJobs
  - eFinancialCareers
- **Investment Category:** HCM Software for Talent Acquisition

- **Year-end:** 12/31/19
- **Diluted Shares Outstanding:** ~52M
- **FY 2019 Financial Results**
  - Revenues: $149M
  - Net Income: $13M
  - Diluted EPS: $0.24
  - Adjusted EBITDA[1]: $35M
  - Adjusted EBITDA margin[1]: 23%
  - Operating Cash Flow: $22.9M
  - Net Debt[1]: $4.6M

[1]Notes regarding the use of Non-GAAP financial measures and GAAP to Non-GAAP Reconciliation at end of document

Third Quarter 2020 Financial Highlights

- **Revenues**: $33.3 million. Total revenues[1] were down 11% YOY
  - Dice revenues: $19.8 million, down 13% YOY
  - ClearanceJobs revenues: $7.3 million, up 16% YOY
  - eFinancialCareers revenues: $6.1 million, down 23% YOY
- **Net Loss**: $27.3 million, which was negatively impacted by $29.3 million in non-cash impairment and other charges, net of tax
- **Earnings (loss) Per Diluted Share:** Loss of $0.57 per diluted share, compared to earnings of $0.08 per diluted share in the year ago quarter. Adjusted earnings per diluted share[1] for the quarter was $0.04 vs. $0.07 last year.
- **Cash/Debt:** $26.8 million of cash; total debt of $37.0 million; net debt[1] of $10.2 million
- **Operating Cash Flow**: $4.4 million, compared to $4.6 million in prior year quarter
- **Adjusted EBITDA[1]:** $7.6 million; 23% margin

[1] Notes regarding the use of Non-GAAP financial measures and GAAP to Non-GAAP Reconciliation at end of document.

Three Tech-Focused Brands

	Dice	efinancialcareers	ClearanceJobs
	Focused on technologists, managing over 9 million US profiles	**Global financial services careers platform ~30% of job postings are in technology**	**Leading database of security cleared professionals. Transformed from job board to career marketplace.**
Geographic Focus	United States	Global Financial Markets	United States
2019 Revenue	$93M	$32M	$25M
Growth Opportunity	Staffing, Recruiting, Consulting Accounts Commercial Accounts	Asia Pacific	Government Agencies



The Marketplace Evolution

Business Model Elements

- Clients pay for job advertising and profile/resume views
- Greater than 90% Subscription Based Revenue
- 70% of Annual Contracts Paid Upfront
- 66% Revenue Renewal Rate*
- Candidates do not pay for access to platforms

*Dice Renewal rates & Percentage of Annual Contracts Paid Upfront based on trailing 12 months

Loyal Customers

Dice

Tech Candidate Marketplace

~ 5,300 Subscription Clients
~ 20% of Fortune 1000



DHI

Loyal Customers

ClearanceJobs®

Cleared Professionals Marketplace

~ 1,700 Subscription Clients
~ 80% of top 50 US Defense Contractors



Loyal Customers

efinancialcareers

Global Finance Marketplace

~ 850 Subscription Clients
75% of Global 50 Banks



The Market for Online Recruiting is Large and Growing…

And Technology Occupations Are The Sweet Spot

Industry at a Glance

Online Recruitment Sites in 2019

Key Statistics Snapshot

Revenue

$9.5bn

Profit

$1.1bn

Annual Growth 19-24

7.0%

Businesses

1,460

IT Talent Generates ~15% of Online Recruiting Revenue in the US

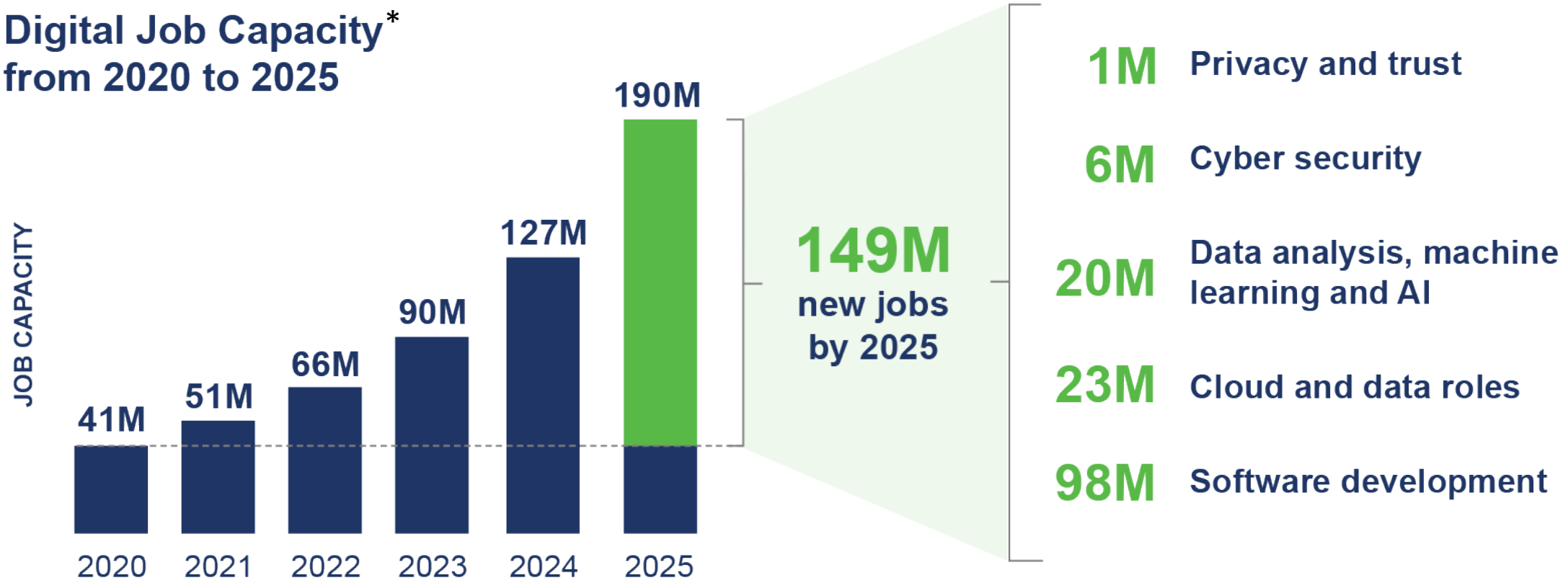
IT Jobs are Growing at a Faster Rate than Other Sectors

Tech Sector is 3rd Largest Contributor of Economic Impact and a High Job Multiplier

Source: IBIS Online Recruitment Sites Industry Report, November 2019; Sand Cherry Analysis

Great Lockdown will accelerate digitization

Companies globally must rely on tech talent to advance innovation



*Global Jobs; not limited to United States

Source: Microsoft Data Science whitepaper "Methodology: Digitization Capacity of the World Economy"

DHX: In the Midst of Transformation

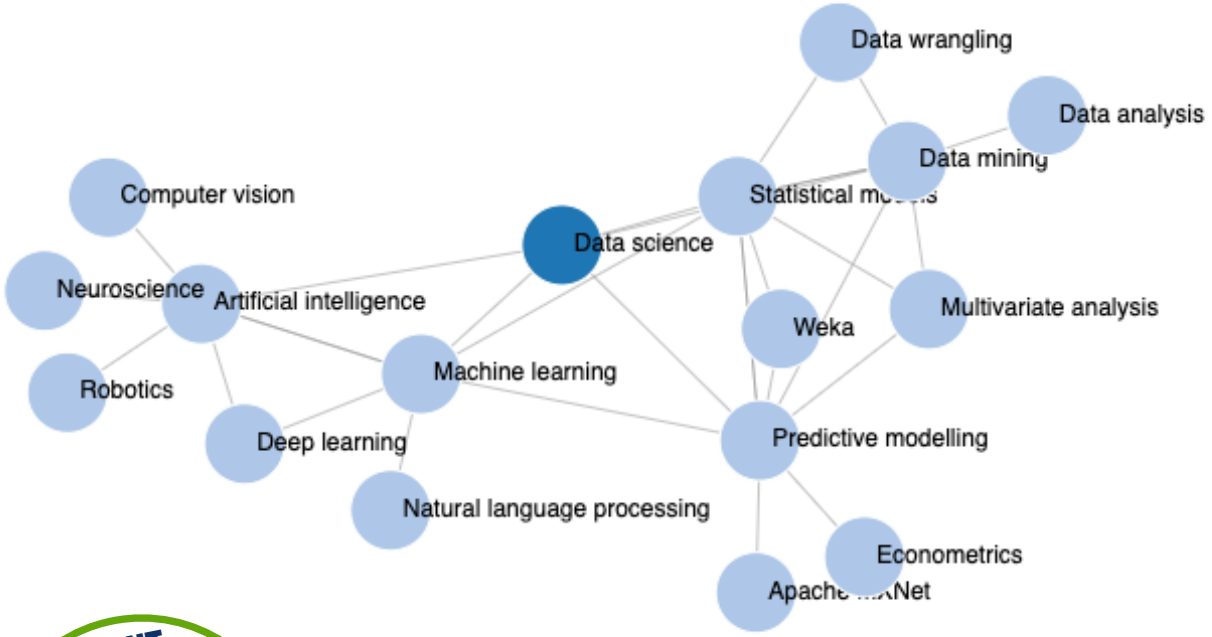
From Job Board to Marketplace

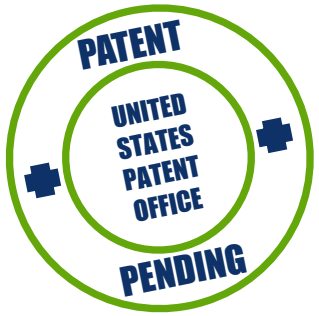
OUR MARKETPLACE APPROACH Indispensable modern marketplaces are/have:	
• Two-sided (buyers and sellers)	• Robust search and match capabilities
• Balanced, with both sides sharing info	• Instant feedback mechanisms
• Self-sustaining, user generated content	• Trust, safety, and risk management
• Contain user profiles	• Mobile-friendly
• Enable communication between users	• Innovative UI, UX, and features

Product Innovation

Dice IntelliSearch Job Alerts Q320	Dice Remote Jobs Q220	ClearanceJobs Client Team Dashboard Q320	ClearanceJobs Workflow Q220	efinancialcareers Follow, Voice, Video Q320	efinancialcareers Job Alerts Q120
Dice Recruiter Profile Q220	Dice Private Email Q220	ClearanceJobs Favorites Q120	ClearanceJobs Candidate Dashboard Q419	efinancialcareers Messaging Q419	efinancialcareers Recruiter + Client Profile Q419

Key Differentiator: Skills Mapping

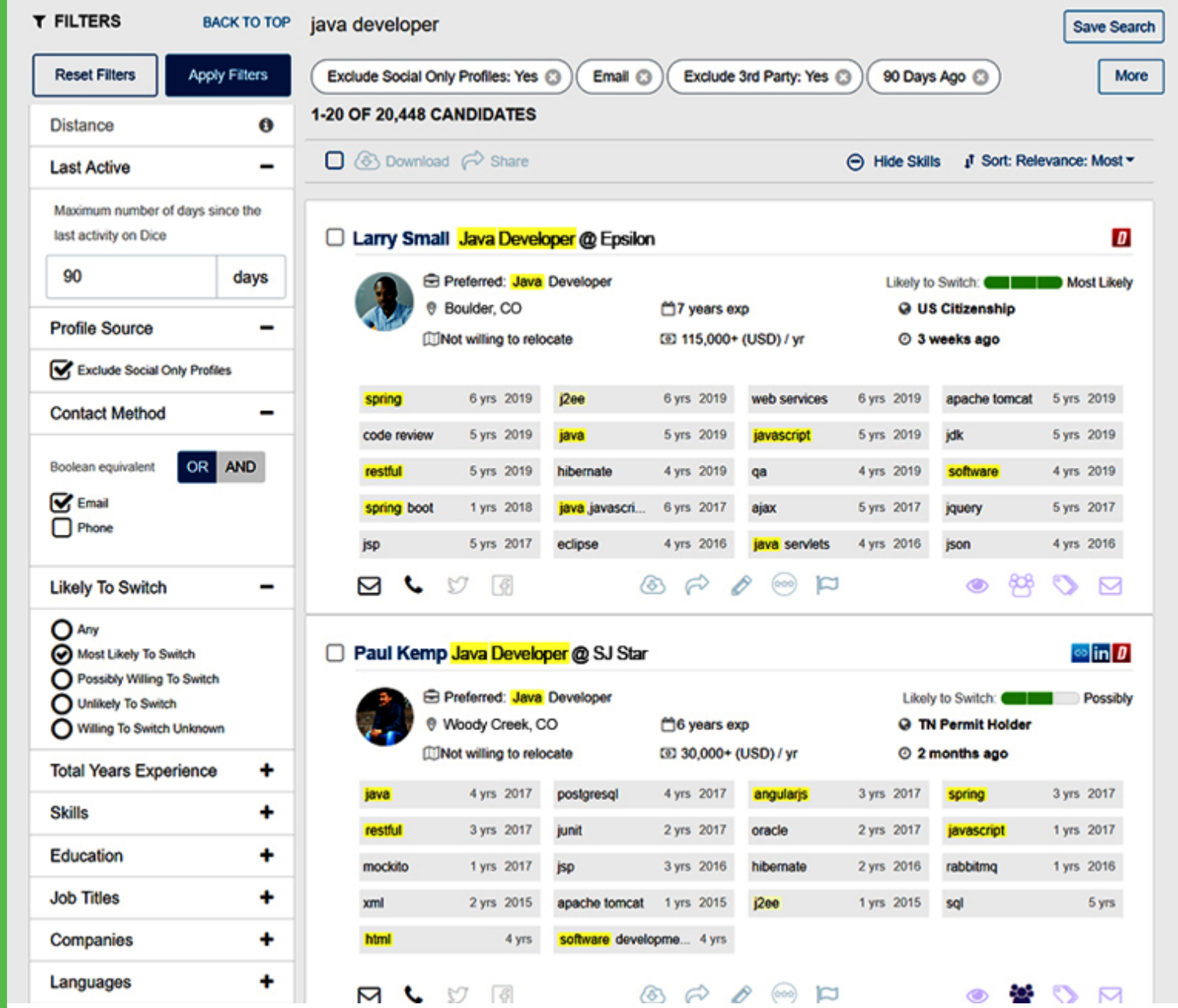




- Tech recruiting is all about the unique skills required by a position and the candidate profile
- DHX has spent 8+ years creating a data model that captures the relationship between 100,000+ tech skills
- Machine Learning allows DHX to constantly improve its skill search capabilities with IntelliSearch
- No competitor brings this same depth of expertise of Match and Quality for technology candidates

IntelliSearch

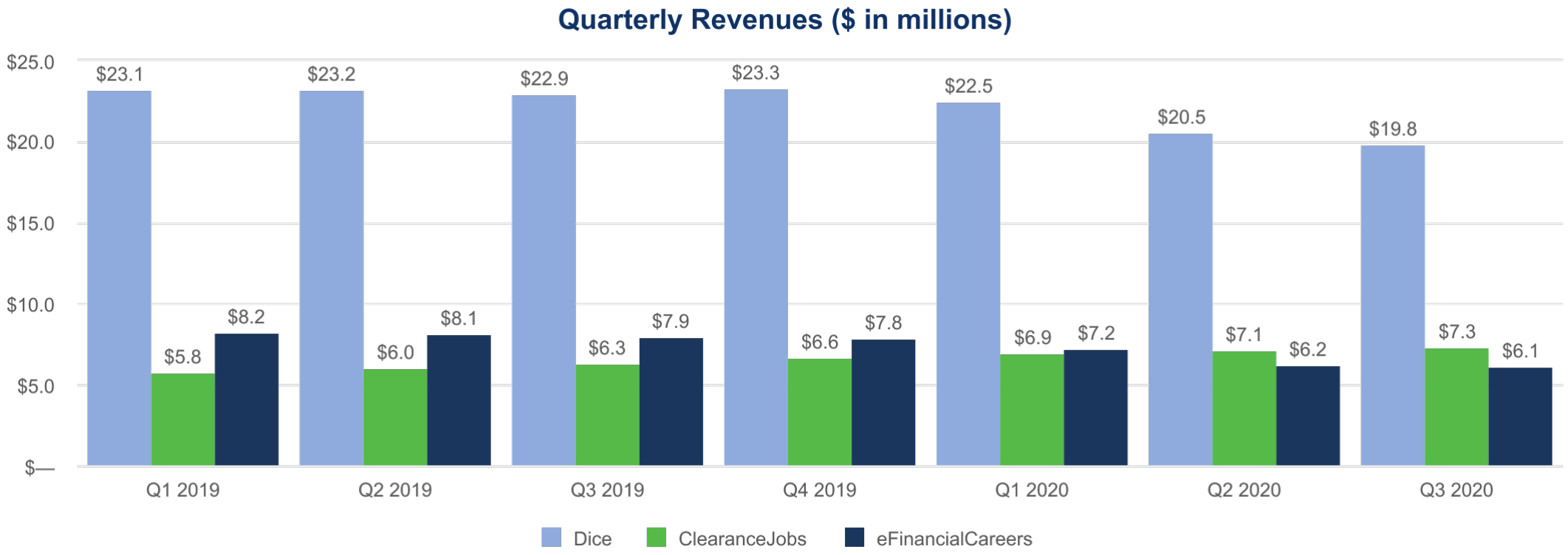
- Paste entire job description, instead of title, to return results
- Algorithmic search powered by predictive analysis, artificial intelligence + machine learning
- Relevance results prioritize fit (skills and adjacent skills) over quantity and candidates likely-to-switch



2020 Go-to-Market Transformation

- Dice and eFC Adopt ClearanceJobs Marketplace Features
- New Sales Leadership
- Expansion of Commercial Accounts Team
- Activation of Additional Marketing Channels
- ClearanceJobs Engages Government Accounts

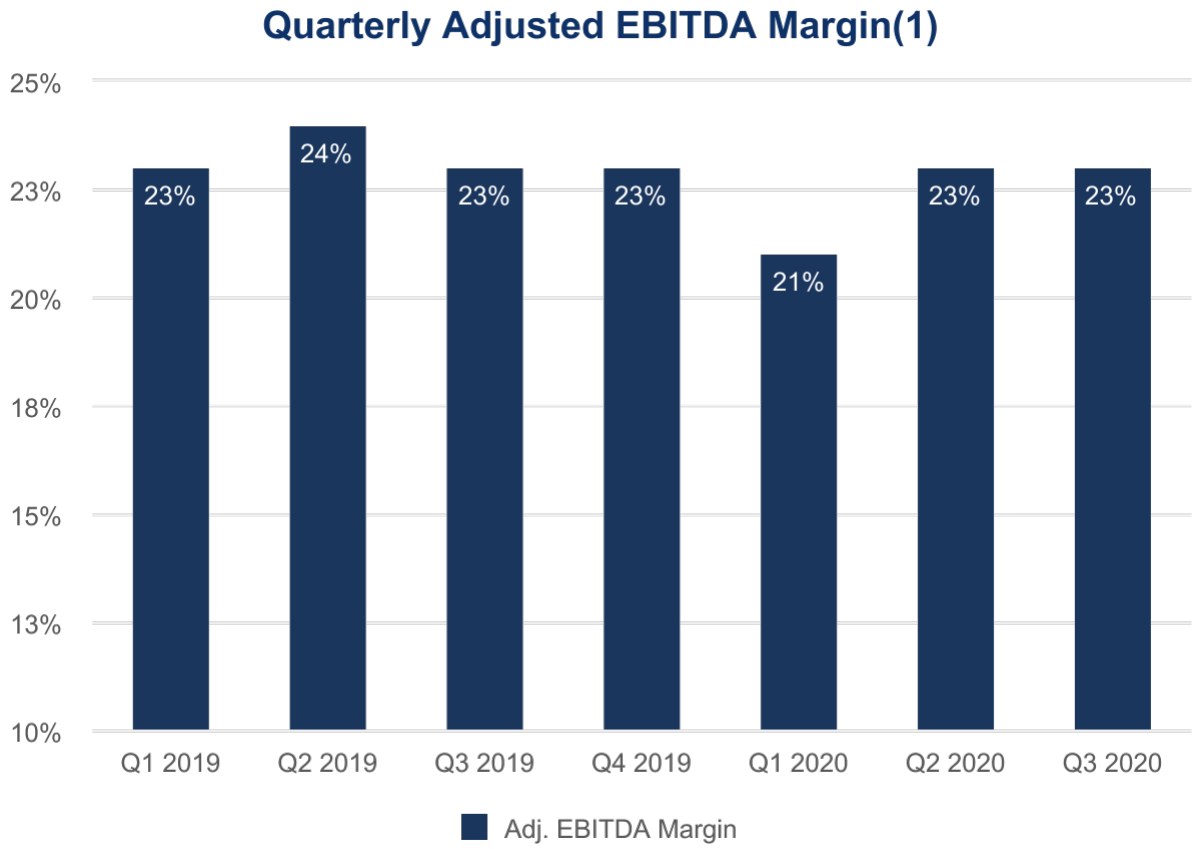
DHI Brand Revenues



eFinancialCareers Revenue Decline in Q4 2019 + Q1 2020 driven by political protests in Hong Kong and COVID-19

All Brands Revenues Decline in Q2 and Q3 2020 due to impact of COVID-19

Profitability



Business Outlook

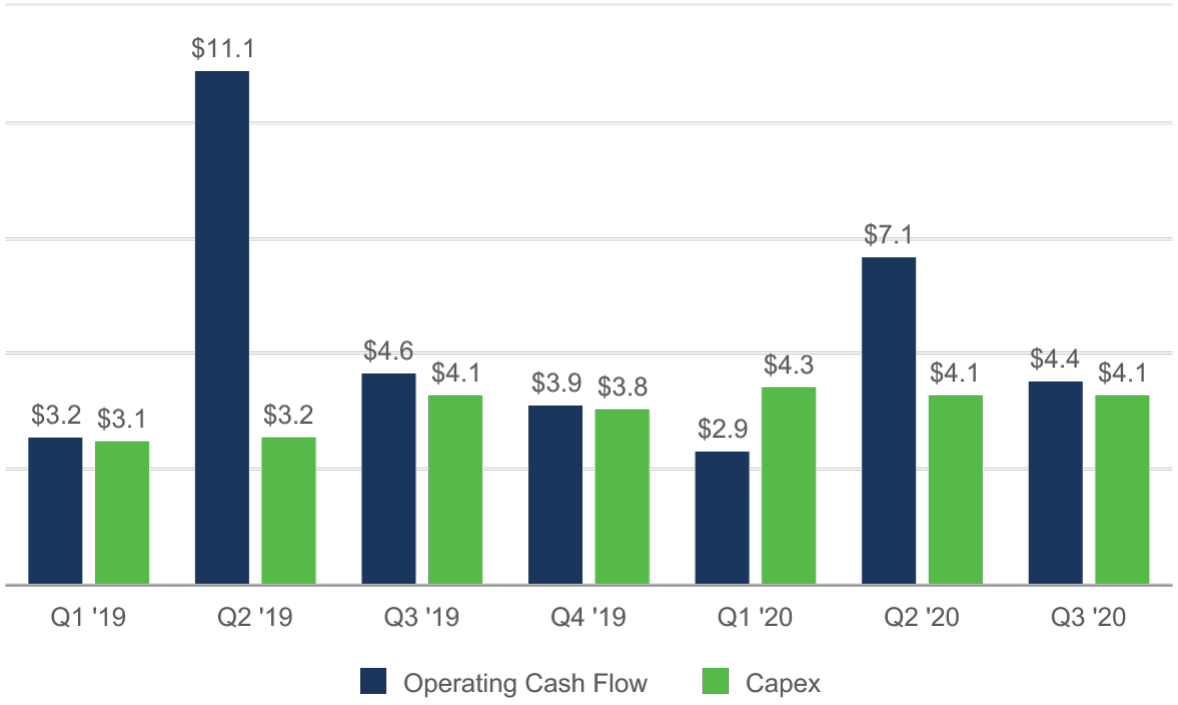
Expected Adjusted EBITDA Margin[1] in 20% range for Q4 2020.

[1] Notes regarding the use of Non-GAAP financial measures and GAAP to Non-GAAP Reconciliation at end of document

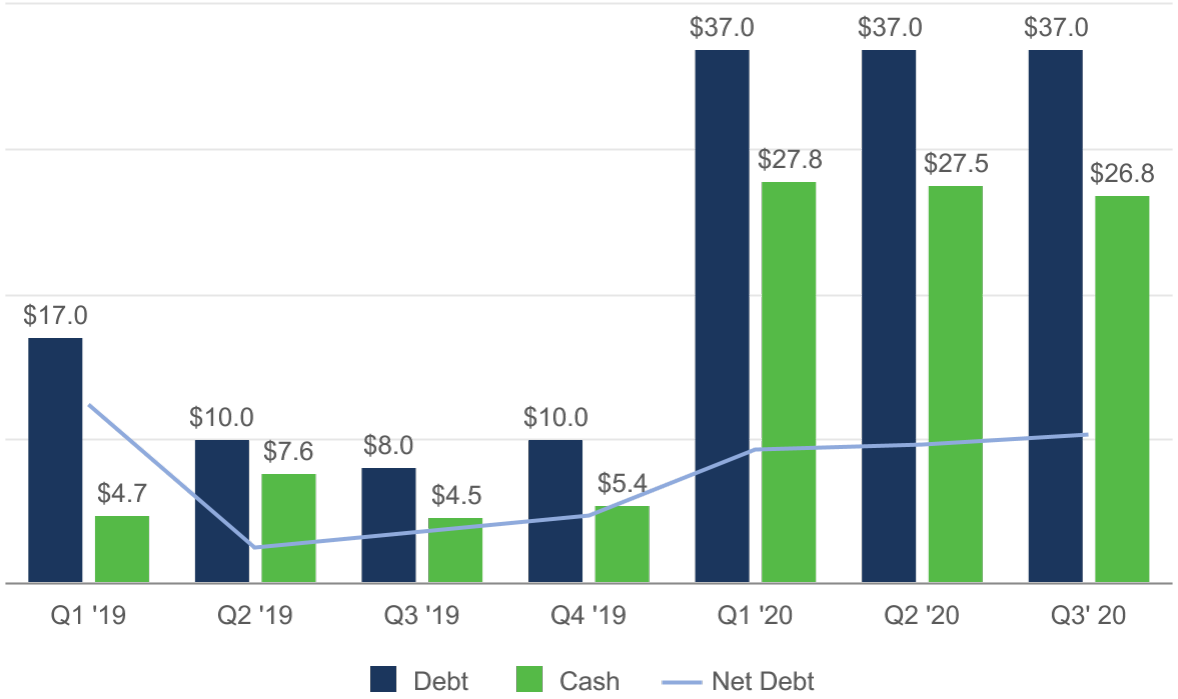
Liquidity Snapshot

$25 million revolver 1Q20 draw as precaution for COVID-19

Operating Cash Flow & Capex ($ in millions)



Debt & Cash ($ in millions)



Operating cash flows of $22.9M in FY 2019 and $14.4M YTD 2020.

Net debt[1] of $10.2M as of September 30, 2020

[1] Notes regarding the use of Non-GAAP financial measures and GAAP to Non-GAAP Reconciliation at end of document

DHX Investment Thesis

- Tech Market for Online Recruitment Tools is Growing
- Tech Market Focus Plays to our Innovation in Collecting + Mapping Skills
- Leadership Team Drives Functional Strength + Focus
- Demonstrated Success of Product Innovation with ClearanceJobs
- Set for Operating Leverage Expansion and Shareholder Value Creation
- Opportunity to Invest at Inflection Point



NYSE: DHX

Notes Regarding the Use of Non-GAAP Financial Measures

Notes Regarding the Use of Non-GAAP Financial Measures

The Company has provided certain non-GAAP financial information as additional information for its operating results. These measures are not in accordance with, or an alternative for, measures in accordance with generally accepted accounting principles in the United States ("GAAP") and may be different from similarly titled non-GAAP measures reported by other companies. The Company believes that its presentation of non-GAAP measures, such as Adjusted EBITDA, Adjusted EBITDA margin, Adjusted Diluted Earnings Per Share, and Net Debt provides useful information to management and investors regarding certain financial and business trends relating to its financial condition and results of operations. In addition, the Company's management uses these measures for reviewing the financial results of the Company and for budgeting and planning purposes. The non-GAAP measures apply to consolidated results and results by segment or other measure as shown within this document. The Company has provided required reconciliations to the most comparable GAAP measures elsewhere in the document.

Adjusted Diluted Earnings Per Share

Adjusted Diluted Earnings Per Share is a non-GAAP metric and performance measure that is useful to investors and management in understanding our ongoing operations and in the analysis of operating trends. Adjusted Diluted Earnings Per Share is computed as diluted earnings per share plus or minus the impacts of certain non-cash and other items, including non-cash impairments, costs related to reorganizing the Company including severance and related costs, gains or losses on the sale of businesses, and disposition related and other costs, and discrete tax items.

Adjusted Diluted Earnings Per Share is not a measurement of our financial performance under GAAP and should not be considered as an alternative to diluted earnings per share, net income, or any other performance measures derived in accordance with GAAP as a measure of our profitability.

Adjusted EBITDA and Adjusted EBITDA Margin

Adjusted EBITDA and Adjusted EBITDA Margin are non-GAAP metrics used by management to measure operating performance. Management uses Adjusted EBITDA as a performance measure for internal monitoring and planning, including preparation of annual budgets, analyzing investment decisions and evaluating profitability and performance comparisons between us and our competitors. The Company also uses this measure to calculate amounts of performance based compensation under the senior management incentive bonus program. Adjusted EBITDA represents net income plus (to the extent deducted in calculating such net income) interest expense, income tax expense, depreciation and amortization, non-cash stock based compensation, losses resulting from certain dispositions outside the ordinary course of business including prior negative operating results of those divested businesses, certain writeoffs in connection with indebtedness, impairment charges with respect to long-lived assets, expenses incurred in connection with an equity offering or any other offering of securities by the Company, extraordinary or non-recurring non-cash expenses or losses, transaction costs in connection with the credit agreement, deferred revenues written off in connection with acquisition purchase accounting adjustments, writeoff of non-cash stock based compensation expense, severance and retention costs related to dispositions and reorganizations of the Company, losses related to legal claims and fees that are unusual in nature or infrequent, minus (to the extent included in calculating such net income) non-cash income or gains, interest income, business interruption insurance proceeds, and any income or gain resulting from certain dispositions outside the ordinary course of business, including prior positive operating results of those divested businesses, and gains related to legal claims that are unusual in nature or infrequent.

We also consider Adjusted EBITDA, as defined above, to be an important indicator to investors because it provides information related to our ability to provide cash flows to meet future debt service, capital expenditures and working capital requirements and to fund future growth. We present Adjusted EBITDA as a supplemental performance measure because we believe that this measure provides our board of directors, management and investors with additional information to measure our performance, provide comparisons from period to period and company to company by excluding potential differences caused by variations in capital structures (affecting interest expense) and tax positions (such as the impact on periods or companies of changes in effective tax rates or net operating losses), and to estimate our value.

Adjusted EBITDA Margin is computed as Adjusted EBITDA divided by Revenues.

Adjusted EBITDA and Adjusted EBITDA Margin are not measurements of our financial performance under GAAP and should not be considered as an alternative to revenue, net income, operating income, cash provided by operating activities, or any other performance measures derived in accordance with GAAP as a measure of our profitability.

Net Debt

Net Debt is defined as total principal outstanding debt less cash and cash equivalents. We consider Net Debt to be an important measure of liquidity and indicator of our ability to meet ongoing obligations. We also use Net Debt, among other measures, in evaluating our choices for capital deployment. Net Debt presented herein is a non-GAAP measure and may not be comparable to similarly titled measures used by other companies.

DHI Group, Inc.
Non-GAAP Supplemental Data
(Unaudited)
(USD, in thousands)

	Quarter 1 2019	Quarter 2 2019	Quarter 3 2019	Quarter 4 2019	Full Year 2019	Quarter 1 2020	Quarter 2 2020	Quarter 3 2020
Reconciliation of Net Income to Adjusted EBITDA								
Net Income (loss)	**$ 1.6**	**$ 3.1**	**$ 4.4**	**$ 3.5**	**$ 12.6**	**$ (6.6)**	**$ 1.9**	**$ (27.3)**
Interest Expense	0.1	0.2	0.2	0.2	0.7	0.2	0.4	0.3
Income tax expense (benefit)	1.9	0.5	0.7	0.7	3.8	(0.9)	0.4	(1.5)
Depreciation	2.4	2.4	2.4	2.5	9.7	3.3	3.0	2.8
Non-cash stock based compensation	1.5	1.6	1.1	1.6	5.8	1.8	1.6	1.5
(Gain) loss on sale of businesses, net	—	0.5	—	—	0.5	—	—	—
Disposition related and other costs	0.9	0.8	—	—	1.7	—	—	—
Legal contingencies and fees	0.1	—	—	—	0.1	—	—	—
Impairment of intangible assets	—	—	—	—	—	7.2	—	8.0
Impairment of goodwill	—	—	—	—	—	—	—	23.6
Impairment of equity investment	—	—	—	—	—	2.0	—	—
Gain on sale of equity investment	—	—	—	—	—	—	(0.2)	—
Severance and related costs	—	—	—	—	—	0.5	0.7	0.2
Other	—	—	(0.1)	0.1	—	—	—	—
Adjusted EBITDA	$ 8.5	$ 9.1	$ 8.7	$ 8.6	$ 34.9	$ 7.5	$ 7.8	$ 7.6
Adjusted EBITDA Margin	23 %	24 %	23 %	23 %	23 %	21 %	23 %	23 %
Reconciliation of Debt to Net Debt:								
Long term debt, net	**$ 16.3**	**$ 9.4**	**$ 7.4**	**$ 9.4**		**$ 36.5**	**$ 36.5**	**$ 36.5**
Add: Deferred Financing Costs	$ 0.7	$ 0.6	$ 0.6	$ 0.6		$ 0.5	$ 0.5	$ 0.5
Principal Debt Outstanding	$ 17.0	$ 10.0	$ 8.0	$ 10.0		$ 37.0	$ 37.0	$ 37.0
Less: Cash and cash equivalents	$ 4.7	$ 7.6	$ 4.5	$ 5.4		$ 27.8	$ 27.5	$ 26.8
Net Debt	$ 12.3	$ 2.4	$ 3.5	$ 4.6		$ 9.2	$ 9.5	$ 10.2

DHI Group, Inc.
Non-GAAP Supplemental Data
(Unaudited)

Reconciliation of Diluted Earnings per Share to Adjusted Diluted Earnings per Share:	Three Months Ended September 30,		Nine Months Ended September 30,	
	2020	2019	2020	2019
Diluted earnings (loss) per share[1]	**$ (0.57)**	**$ 0.08**	**$ (0.66)**	**$ 0.18**
Impairment of goodwill and intangible assets, net of tax	0.59	—	0.74	—
Disposition, severance, and related costs, net of tax	—	—	0.02	0.03
Gain (loss) on sale, net of tax	—	—	—	—
Discrete tax items	—	(0.01)	—	—
Other[2]	0.02	—	0.02	—
Adjusted diluted earnings per share[3]	$ 0.04	$ 0.07	$ 0.12	$ 0.21

(1) For the three and nine month periods ended September 30, 2020, diluted loss per share utilized weighted average shares of 48.0 million and 48.5 million, respectively. For the three and nine month periods ended September 30, 2019, diluted earnings per share utilized weighted average shares of 52.1 million and 51.6 million, respectively.

(2) Adjusts for the dilutive share impact of common stock equivalents, where dilutive, for the three and nine month periods ended September 30, 2020.

(3) For the three and nine month periods ended September 30, 2020, adjusted diluted earnings per share utilized weighted average shares of 49.3 million and 49.8 million, respectively. For the three and nine month periods ended September 30, 2019, adjusted diluted earnings per share utilized weighted average shares of 52.1 million and 51.6 million, respectively.