NYSE: DHX

Q4 2022 Investor Presentation

February 7, 2023



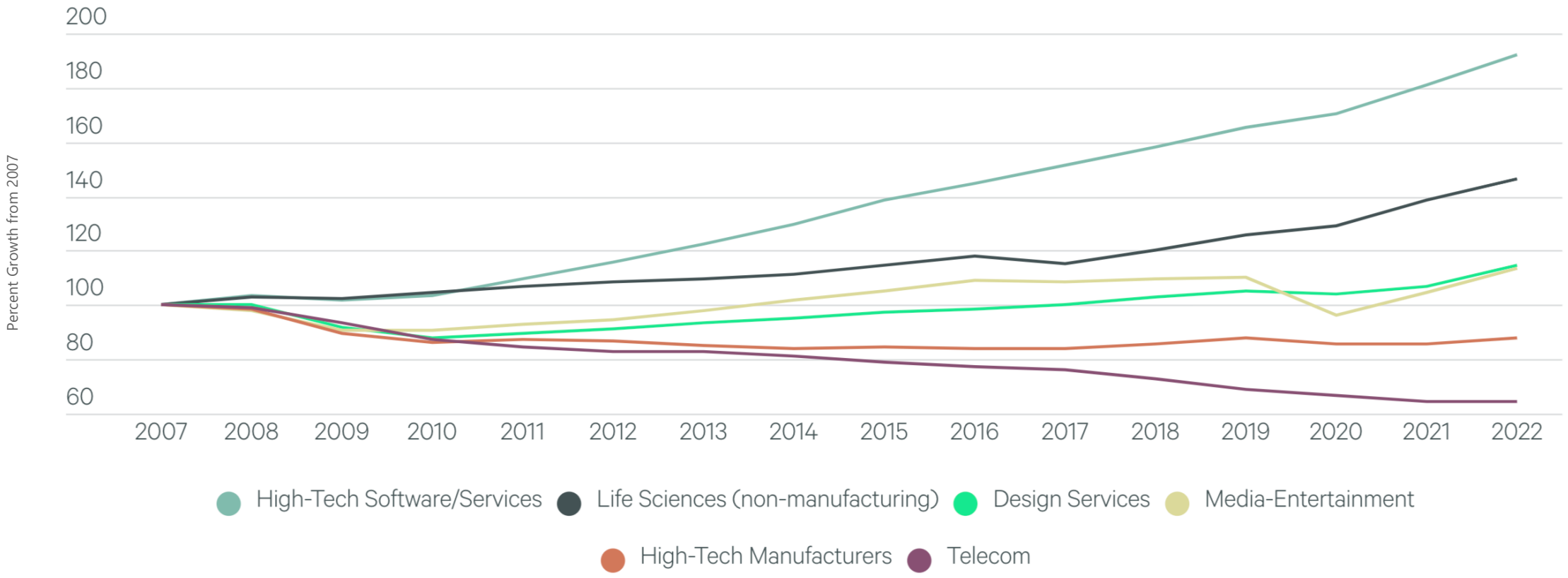
Forward looking statements

This presentation and oral statements made from time to time by our representatives contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. 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 financial condition, liquidity and results of operations, including expectations (financial or otherwise), our strategy, plans, objectives, expectations (financial or otherwise) and intentions, growth potential, and statements regarding our 2023 financial outlook. 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, uncertainty in respect to 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 applicable federal securities laws.

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

Technology Growth Contributing to Economic Expansion

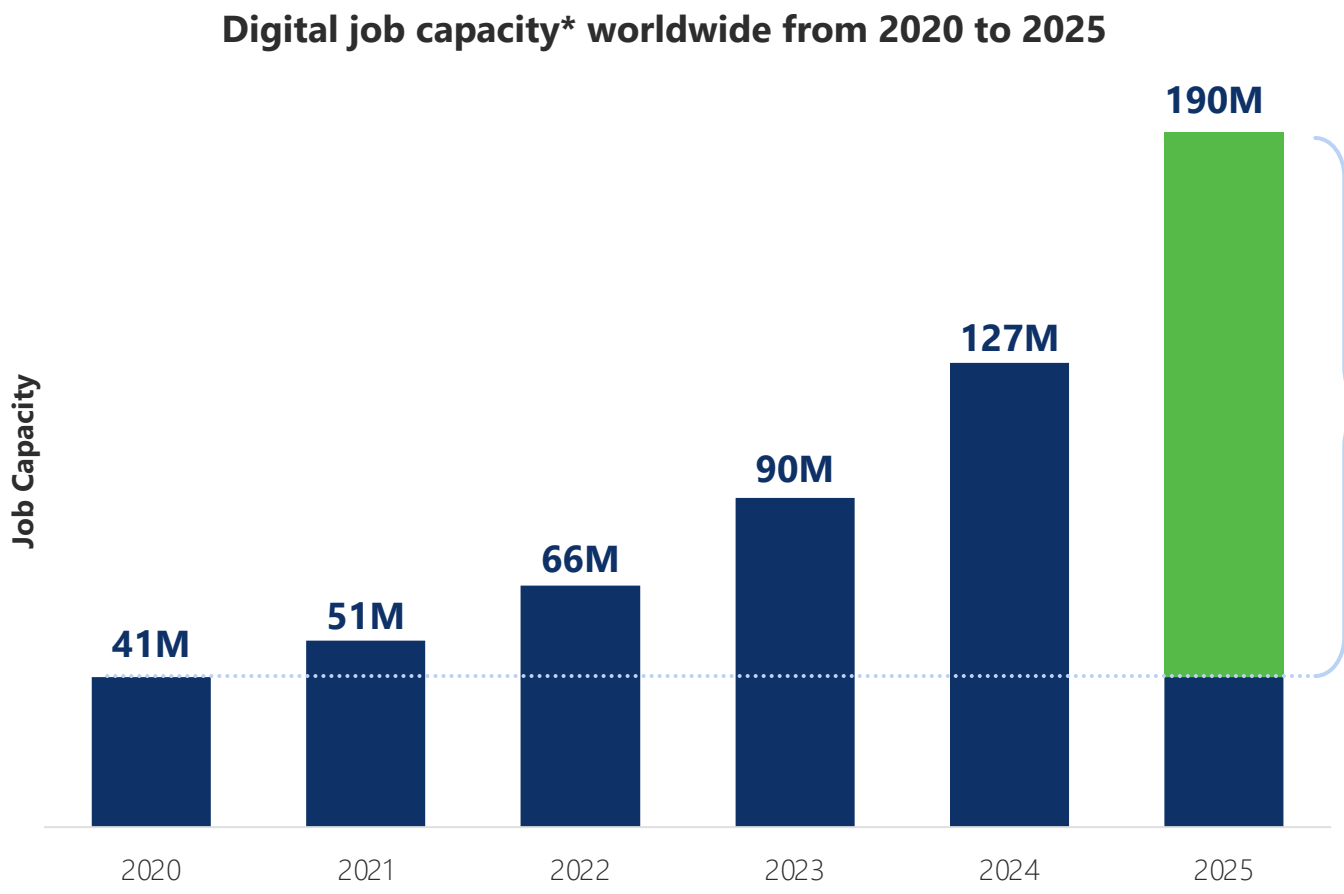
U.S. job growth for high-tech and creative industries



Source: U.S. Bureau of Labor Statistics and CBRE Research, August 2022

Technology talent in demand

Companies globally rely on tech talent to advance innovation



149M new jobs by 2025

- **1M** Privacy and trust
- **6M** Cyber security
- **20M** Data analysis, machine learning and AI
- **23M** Cloud and data roles
- **98M** Software development

*Global Jobs, not limited to United States
Source: Microsoft Data Science whitepaper "Methodology: Digitization Capacity of the World Economy"

Why DHX



Tech sector employment is anticipated to grow by double digit rates this decade

Millions of candidate profiles amassed over 30 years

Our unique candidate matching tool is a must for recruiters

DHI is achieving sustained revenue growth

DHI company overview

Listed
NYSE: DHX (2007)

HQ
Denver, CO Est. 1990



Employees
530

Subscription clients
8,375

Candidate focus
Technology Professionals

Total Members
6.5M

Q4 FY22 financial results (ended December 31, 2022)

Revenues
$39.8M up 18% YoY

Bookings[1]
$37.7M up 4% YoY

Adjusted EBITDA[2]
$8.1M

Adjusted EBITDA Margin[2]
20%

Operating Cash Flow
$7.3M

Capex
$4.6M

Debt
$30M

Net Income/Net Income Margin
$2.4/6%

1 See definition of bookings later in this document.
2 Notes regarding the use of Non-GAAP financial measures and GAAP to Non-GAAP Reconciliation at end of document.

DHI business model elements

Clients
Fee for job ads and profile/ CV views

~90%
subscription based revenue

67%
of annual contracts paid upfront

95%
revenue renewal rate

Candidates
Free access to platforms



 *Metrics are Q4 2022 for combined Dice and ClearanceJobs

Dice

Tech Candidate Marketplace

2022 Revenue

$107M

Subscription clients

6,311

Growth opportunity

80,000+
Commercial accounts

18,000
Staffing, Recruiting, Consulting Firms

CISCO · Raytheon · Western Union · Dominion Energy · dish · charles SCHWAB · UPS

Deloitte. · leidos · Bank of America · ASGN Incorporated · Disney · KFORCE · Northrop Grumman

Scholastic · Matlen Silver · Capital One · Judge · Adecco · Robert Half

DHI

ClearanceJobs®

Cleared Professionals Marketplace

2022 Revenue

$43M

Subscription clients

2,064

Growth opportunity

10,000+
Cleared employers

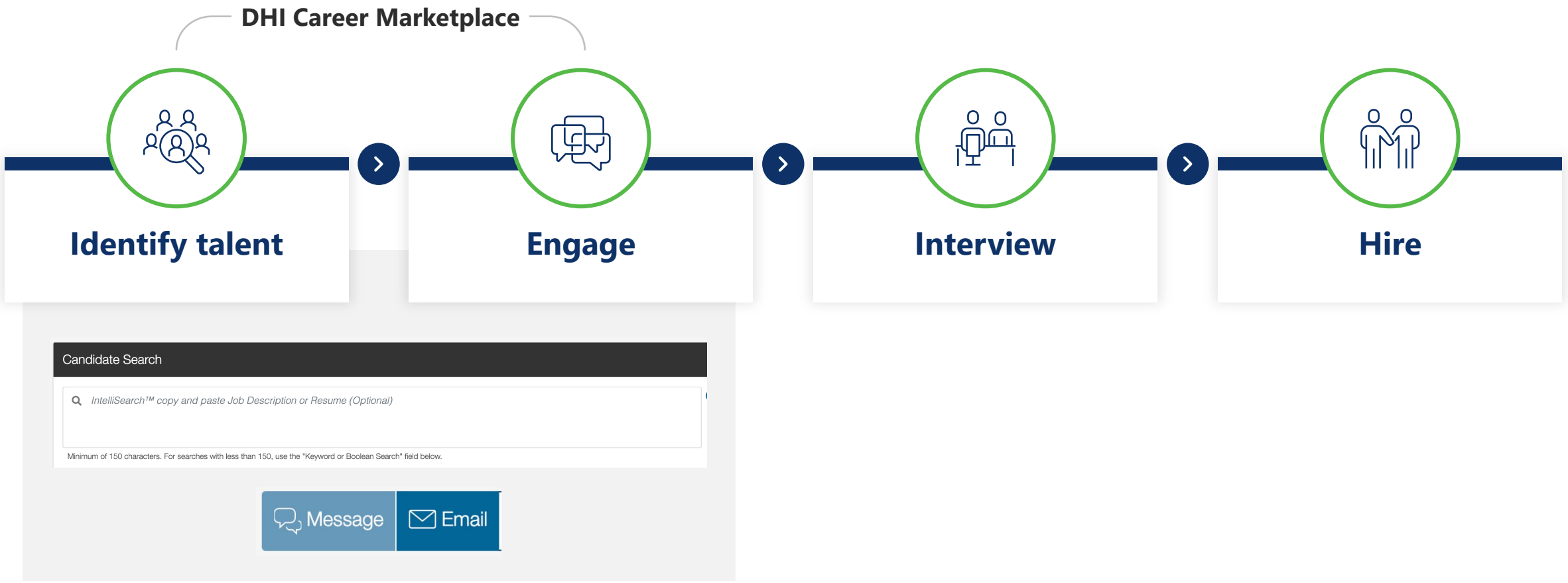
100+
Government agencies

NORTHROP GRUMMAN
Honeywell
SAIC
GENERAL DYNAMICS
Raytheon
Booz | Allen | Hamilton
TELEDYNE
CACI
Sandia National Laboratories
National Reconnaissance Office
BAE SYSTEMS
LOCKHEED MARTIN
Huntington Ingalls Industries
leidos
BOEING
Ball Aerospace & Technologies Corp.
ASRC FEDERAL
IRON MOUNTAIN®

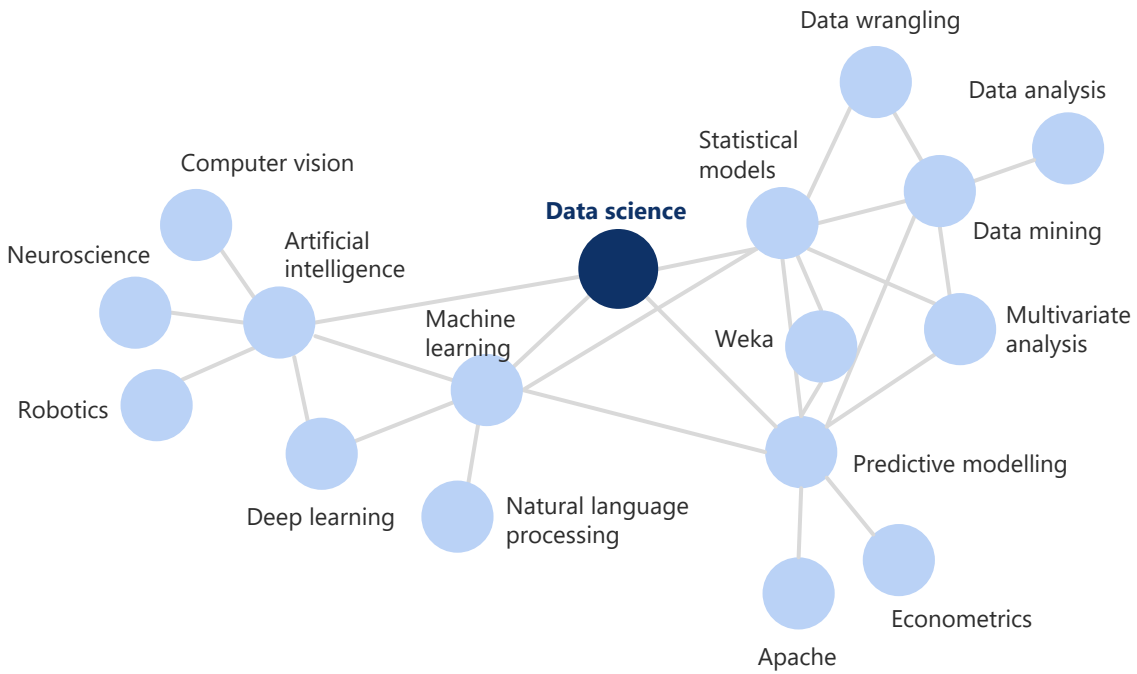
DHI

DHX created the career marketplace

From job board to marketplace



DHI skills mapping finds the best candidate



Tech recruiting is all about the unique skills required by a position and the candidate profile

DHX has spent 10+ 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

Job postings are all about skills

20-30 skills indicated in each job posting

Senior Software Engineer

Education, Experience

- Bachelor's degree in MIS, Computer Science, Computer Engineering or related discipline or equivalent work experience
- 5+ years experience analyzing, designing, coding, building, testing and deploying application systems in a business environment and several of the following:
  - Extensive experience building RESTful Web API's and integration systems with Python, Java, Node.js)
  - Experience with serverless function based architectures (i.e AWS Lambda in Python, Java, Node.js)
  - Excellent understanding of SQL and NoSQL Databases Databases (Postgres and Dynamo preferred)
  - Experience building large scale APIs, web applications and asynchronous services
  - Experience with event-driven microservice architectures and domain-driven design
  - Experience with Git (Bitbucket a plus)
  - Experience mentoring and providing technical leadership within an Agile environment
- Preferred experience to set you apart from the crowd
  - Experience with CI/CD tools (AWS Code*, Jenkins, Automated Testing, etc.)
  - Experience with AWS (Lambda, EC2, DynamoDB, AppSync, API Gateway, CloudWatch, SQS, SNS)
  - Experience with infrastructure as code tools, such as CloudFormation or Terraform
  - Experience with Node.js preferably with TypeScript
  - Experience with Stencil, Angular or Front-end frameworks
  - Demonstrable open-source work and contributions



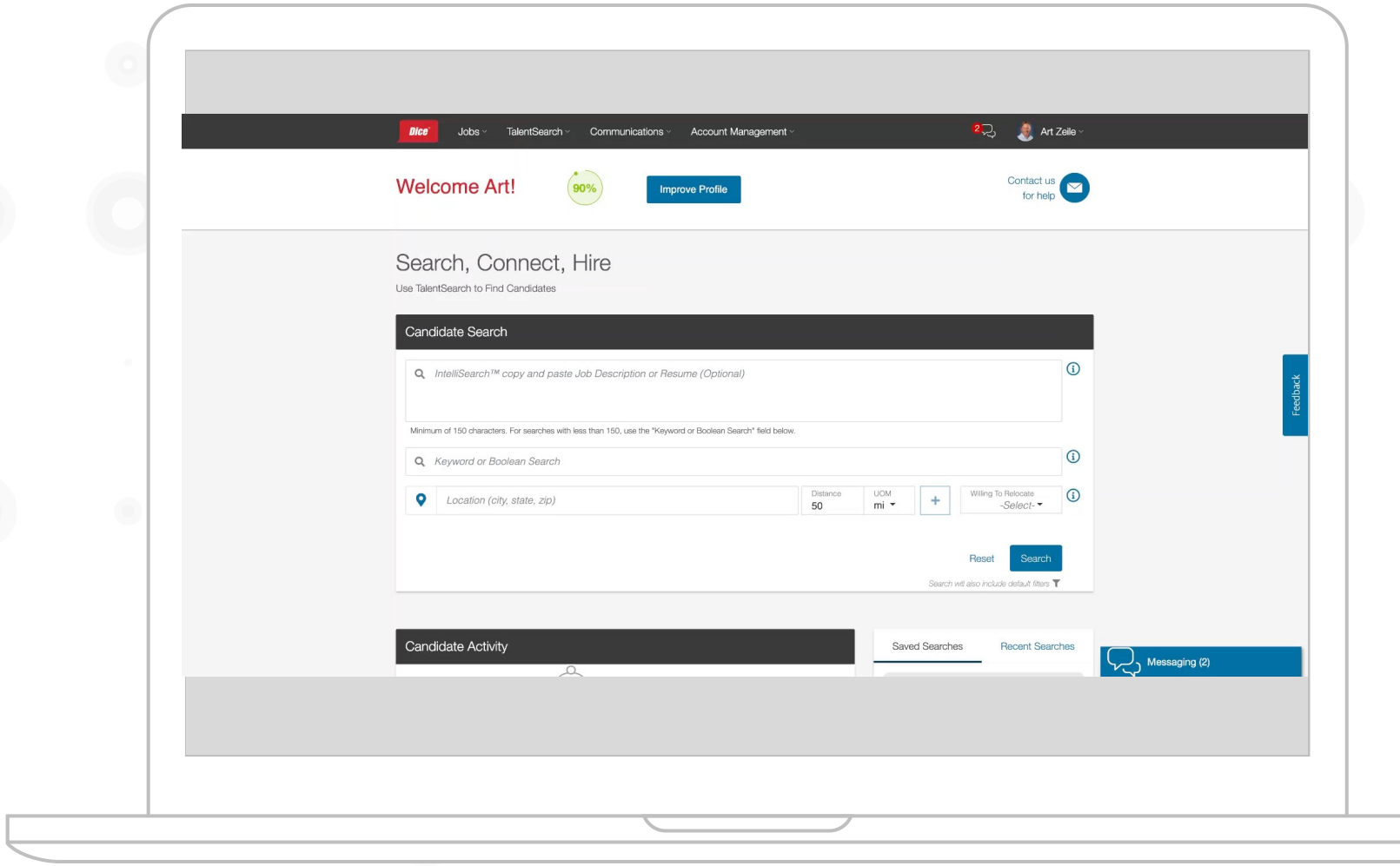
Skills



Right candidate

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



Click Image Above

Continuous product innovation

Dice

Multi-Factor Authentication

Q4 ‘22

Dice

New Job Page

Q4 ‘22

ClearanceJobs

Company Pages

Q4 ‘22

ClearanceJobs

Scheduled Broadcast Messages

Q3 ‘22

Dice

TalentSearch Auto Talent Alerts

Q3 ‘22

Dice

iOS App Messaging

Q3 ‘22

ClearanceJobs

Multi-Factor Authentication

Q2 ‘22

ClearanceJobs

Live Video

Q1 ‘22

DHI

2022 Go-to-market transformation

Dice marketplace evolution

Strong Sales + Marketing leadership

Expansion of Dice Commercial Accounts Team

Activation of additional marketing channels + awareness campaigns

ClearanceJobs engages government accounts

Dice Bookings Momentum

As compared to FY 2021

New Business bookings[1]

$19.0M

(+5% from FY 2021)

Renewal rate on revenue

99%

(+12 points from FY 2021)

Total bookings[1]

$113.1M

(+18% from FY 2021)

Renewal rate on count

85%

(+6 points from FY 2021)

Retention %

110%

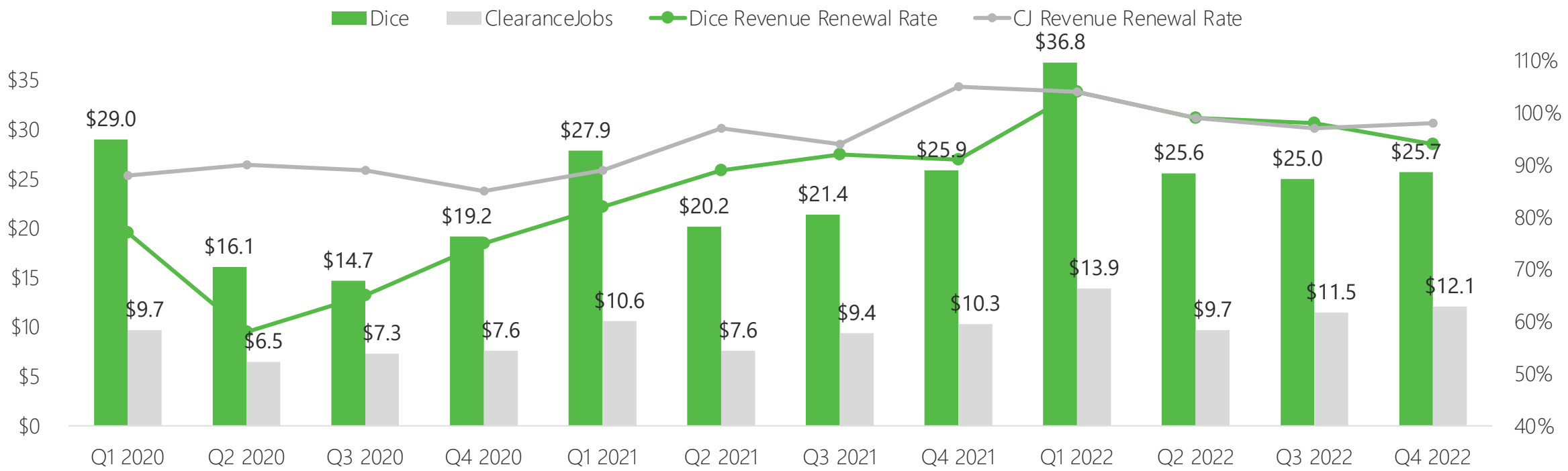
(+10 points from FY 2021)



[1]See definition of bookings later in this document.

DHI bookings

Quarterly bookings[1] ($ in millions)



Q1 is seasonally the largest bookings quarter for both Dice and ClearanceJobs.

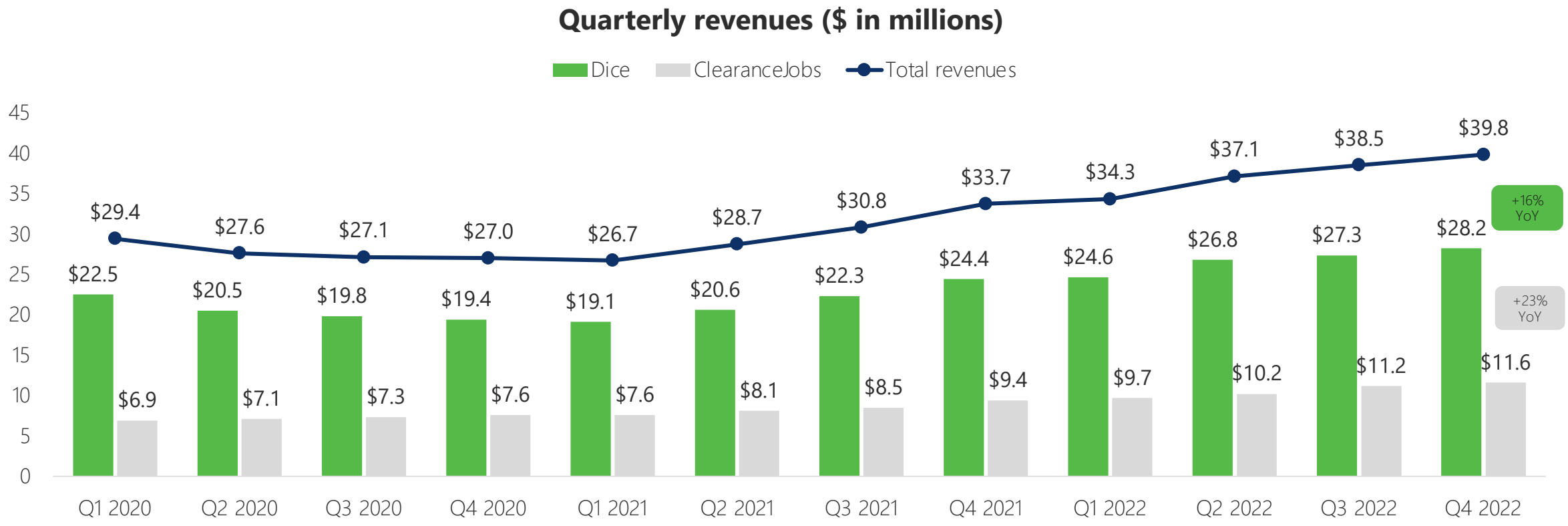
Q4 2022 Bookings for Dice decreased 1% YoY, but increased 18% YTD

Q4 2022 Bookings for ClearanceJobs increased 17% YoY, and 24% YTD

Revenue renewal rates for Dice and Clearance Jobs at 94% and 98%, respectively, for Q4 2022

[1] See definition of bookings later in this document.

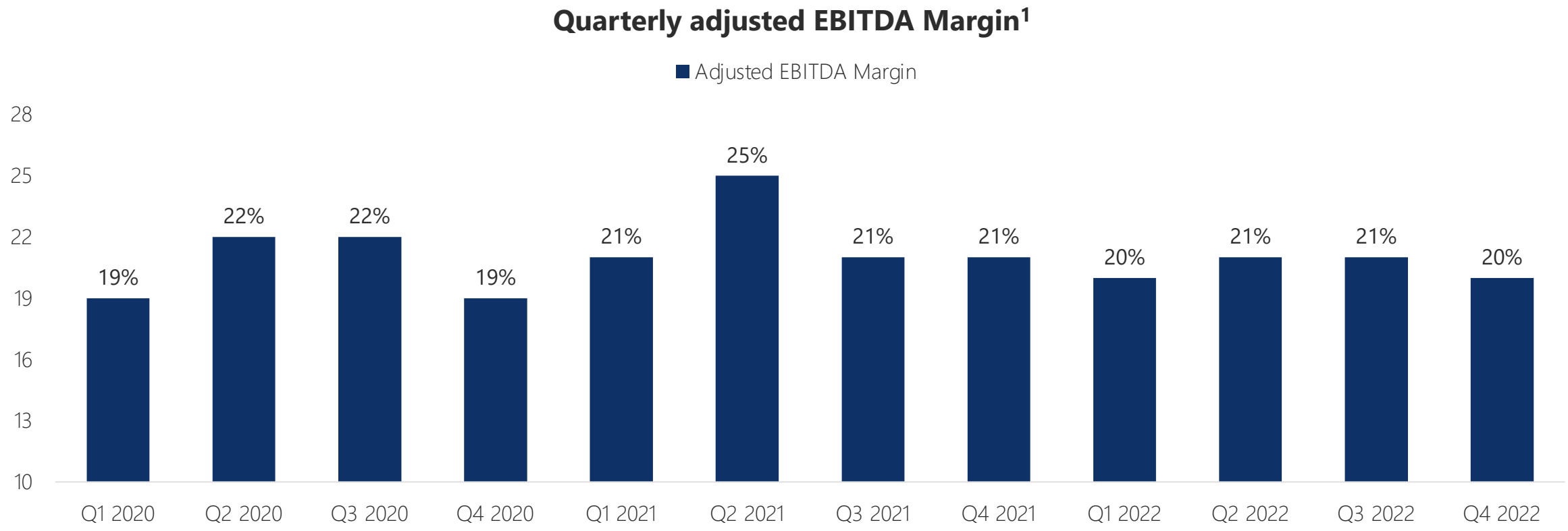
DHI revenues



DHI and Dice revenues have increased sequentially each quarter since Q1 2021; CJ consistent QoQ revenue growth

Revenues for Dice in Q4 2022 increased 16% YoY.
Revenues for ClearanceJobs in Q4 2022 increased 23% YOY.

Profitability



Business Outlook

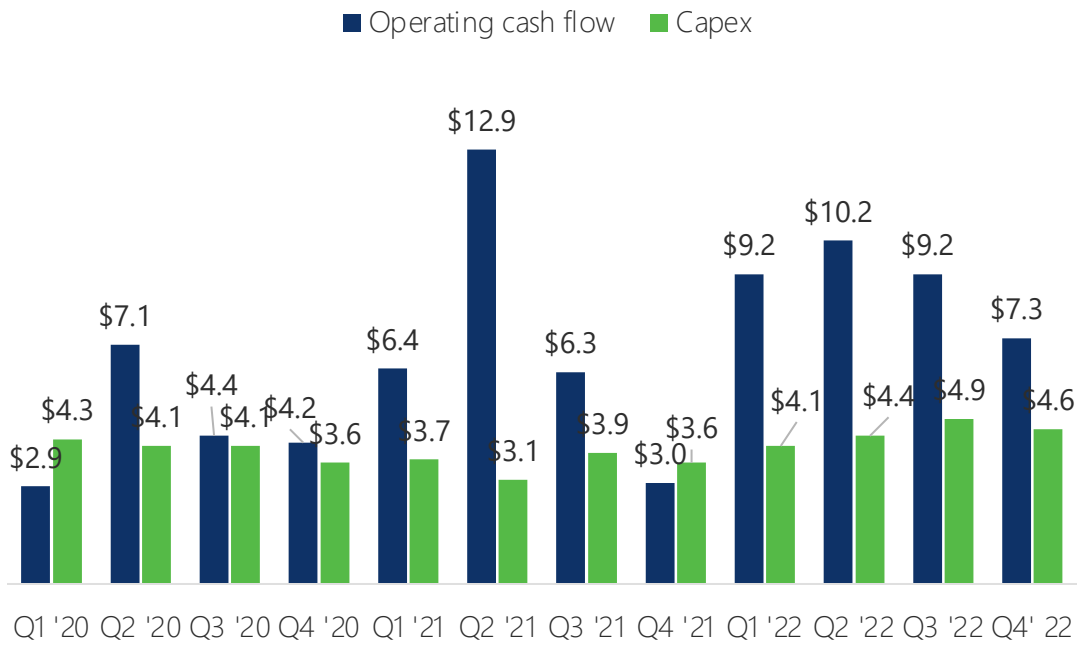
Managing the business to an Adjusted EBITDA Margin at or near 20%.

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

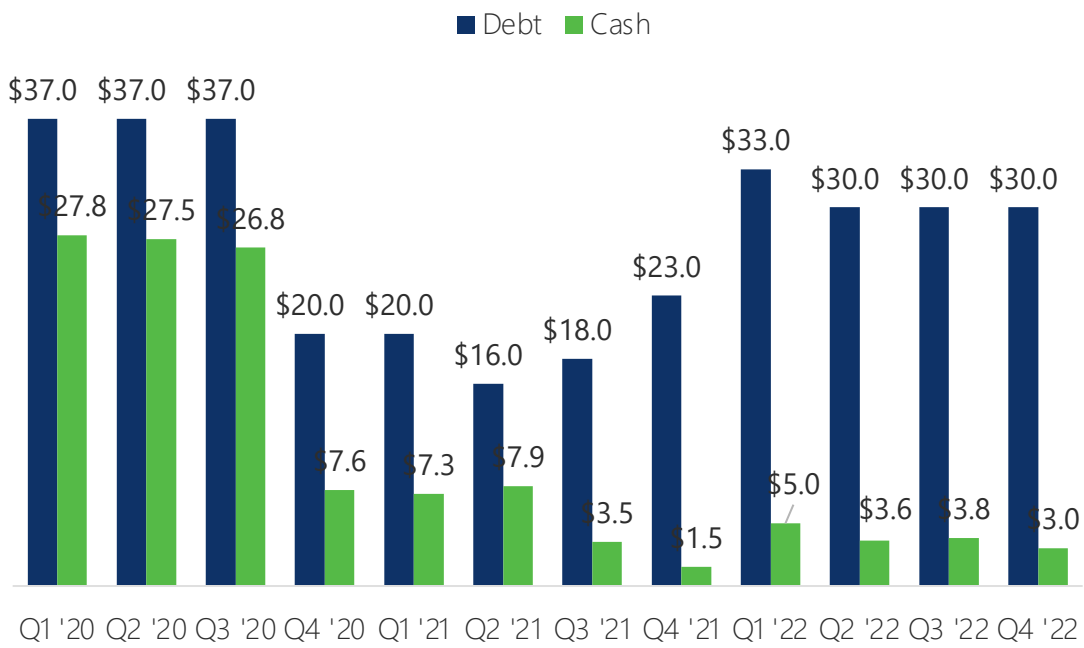
Liquidity snapshot

Strong operating cash flow in Q4 2022

Operating cash flow & Capex ($ in millions)



Debt & cash ($ in millions)



Operating cash flows of **$7.3M in Q4 2022** and **$36.0M in FY 2022**

Operating cash flow in Q4 2022 used for product development and share repurchases

$70M available[1] on **$100M** revolving credit facility, matures June 2027

[1] Subject to certain availability limits, as defined in our credit agreement.

DHX investment summary

- Tech market for online recruitment tools is growing
- Tech market focus plays to our innovation in collecting + mapping skills
- Demonstrated success of product innovation with ClearanceJobs
- Leadership team drives functional strength + focus
- Set up for operating leverage expansion and shareholder value creation
- Opportunity to invest in growth story



DHI Group, Inc.

Supplemental data - customer data (unaudited)

Dice	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022
Bookings[1] (in millions)	$29.0	$16.1	$14.7	$19.2	$27.9	$20.2	$21.4	$25.9	$36.8	$25.6	$25.0	$25.7
Recruitment Package Customers	5,850	5,450	5,300	5,150	5,200	5,441	5,770	6,004	6,249	6,386	6,409	6,311
Average Annual Revenue Per Recruitment Package Customer[2]	$13,836	$13,572	$13,464	$13,440	$13,536	$13,488	$13,656	$13,920	$14,112	$14,304	$14,868	$15,384
Revenue Renewal Rate	80%	61%	66%	75%	82%	89%	92%	91%	104%	99%	98%	94%
Customer Renewal Rate	67%	57%	63%	68%	71%	81%	83%	86%	86%	85%	84%	83%

ClearanceJobs	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022
Bookings[1] (in millions)	$9.7	$6.5	$7.3	$7.6	$10.6	$7.6	$9.4	$10.3	$13.9	$9.7	$11.5	$12.1
Recruitment Package Customers	1,661	1,652	1,682	1,718	1,753	1,784	1,816	1,878	1,928	1,976	2,030	2,064
Average Annual Revenue Per Recruitment Package Customer[2]	$15,636	$16,236	$16,296	$16,440	$16,476	$16,728	$17,052	$17,832	$18,408	$18,708	$19,308	$19,872
Revenue Renewal Rate	97%	93%	90%	87%	89%	97%	94%	105%	104%	99%	97%	98%
Customer Renewal Rate	73%	76%	74%	74%	82%	84%	87%	88%	87%	84%	84%	80%

[1]Bookings represent the value of all contractually committed services in which the contract start date is during the period and will be recognized as revenue within 12 months of the contract start date. For contracts that extend beyond 12 months, the value of those contracts beyond 12 months is recognized as bookings on each annual anniversary of each contract start date valued as the amount of revenue that will be recognized within 12 months of the respective anniversary date.

[2]Calculated by dividing recruitment package customer revenue by the daily average count of recruitment package customers during each month, adjusted to reflect a thirty day month. The simple average of each month is used to derive the amount for each period and then annualized to reflect twelve months.

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 alternatives to, 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, and Adjusted Diluted Earnings Per Share 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. Non-GAAP results exclude the impact of items that management believes affect the comparability or underlying business trends in our condensed consolidated financial statements in the periods presented. The non-GAAP measures apply to consolidated results or other measures as shown within this document. The Company has provided required reconciliations to the most comparable GAAP measures elsewhere in the document.

Adjusted EBITDA and Adjusted EBITDA Margin

Adjusted EBITDA and Adjusted EBITDA Margin are non-GAAP measures used by management to measure operating performance. Management uses Adjusted EBITDA and Adjusted EBITDA Margin as performance measures 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 these measures 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, and items such as 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 write-offs 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, losses from equity method investments, transaction costs in connection with the credit agreement, deferred revenues written off in connection with acquisition purchase accounting adjustments, write-off of non-cash stock-based compensation expense, severance and retention costs related to dispositions and reorganizations of the Company, and 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, including income from equity method investments, 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. Adjusted EBITDA Margin is computed as Adjusted EBITDA divided by Revenues. We also consider Adjusted EBITDA and Adjusted EBITDA Margin, as defined, to be important indicators to investors because they provide information related to our ability to provide cash flows to meet future debt service, capital expenditures, working capital requirements, and to fund future growth. We present Adjusted EBITDA and Adjusted EBITDA Margin as supplemental performance measures because we believe that these measures provide our board of directors, management and investors with additional information to measure our performance, provide comparisons from period to period 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. We understand that although Adjusted EBITDA and Adjusted EBITDA Margin are frequently used by securities analysts, lenders and others in their evaluation of companies, Adjusted EBITDA and Adjusted EBITDA Margin have limitations as analytical tools, and you should not consider them in isolation, or as a substitute for analysis of our liquidity or results as reported under GAAP. Some limitations are: Adjusted EBITDA and Adjusted EBITDA Margin do not reflect our cash expenditures, or future requirements for capital expenditures or contractual commitments; Adjusted EBITDA and Adjusted EBITDA Margin do not reflect changes in, or cash requirements for, our working capital needs; Adjusted EBITDA and Adjusted EBITDA Margin do not reflect interest expense, or the cash requirements necessary to service interest or principal payments on our debt; Although depreciation and amortization are non-cash charges, the assets being depreciated and amortized often will have to be replaced in the future, and Adjusted EBITDA and Adjusted EBITDA Margin do not reflect any cash requirements for such replacements; and Other companies in our industry may calculate Adjusted EBITDA and Adjusted EBITDA Margin differently than we do, limiting their usefulness as comparative measures. To compensate for these limitations, management evaluates our liquidity by considering the economic effect of excluded expense items independently, as well as in connection with its analysis of cash flows from operations and through the use of other financial measures, such as capital expenditure budget variances, investment spending levels and return on capital analysis. 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, net income margin, operating income, cash provided by operating activities, or any other performance measures derived in accordance with GAAP as a measure of our profitability or liquidity. Earlier in this press release, the Company provided guidance for Adjusted EBITDA margin. We are unable to reconcile expected Adjusted EBITDA margin to its nearest GAAP measure without unreasonable efforts because we are unable to predict with a reasonable degree of certainty the actual impact of items such as non-cash stock based compensation, impairments, income tax expense, gains or losses from equity method investments, severance and retention costs, and legal claims and fees. By their very nature, these items are difficult to anticipate with precision because they are generally associated with unexpected and unplanned events that impact our company and its financial results. Therefore, we are unable to provide a reconciliation of this non-GAAP financial measure.

DHI Group, Inc.

Supplemental data - non-GAAP (unaudited)

(Dollars in millions)	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Full Year 2020[1]	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Full Year 2021[1]	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Full Year 2022[1]
Reconciliation of Net Income to Adjusted EBITDA															
Net Income (loss)	**$ (6.6)**	**$ 1.9**	**$ (27.3)**	**$ 2.0**	**$ (30.0)**	**$ 2.7**	**$ (30.2)**	**$ (2.4)**	**$ 0.2**	**$ (29.7)**	**$ 1.3**	**$ 1.5**	**$ (0.9)**	**$ 2.4**	**$ 4.2**
Interest Expense	0.2	0.4	0.3	0.2	1.0	0.2	0.2	0.1	0.2	0.7	0.2	0.3	0.4	0.6	1.6
Income tax expense (benefit)	(1.2)	0.3	(1.6)	(0.3)	(2.8)	0.1	(0.1)	(0.6)	(0.1)	(0.6)	(0.8)	(0.2)	—	0.4	(0.6)
Depreciation	2.8	2.6	2.4	2.5	10.3	3.6	4.0	4.4	4.3	16.3	4.0	4.2	4.4	4.9	17.5
Non-cash stock based compensation	1.7	1.5	1.4	1.2	5.8	1.6	1.8	2.2	2.1	7.7	2.2	2.5	2.5	2.3	9.5
Income from equity method investment	—	—	—	—	—	—	—	—	(0.2)	(0.2)	(0.2)	(0.4)	(0.6)	(0.5)	(1.6)
Proceeds from settlement	—	—	—	—	—	—	—	—	—	—	—	—	—	(2.1)	(2.1)
Impairment of intangible assets	7.2	—	8.0	—	15.2	—	—	—	—	—	—	—	—	—	—
Impairment of goodwill	—	—	22.6	—	22.6	—	—	—	—	—	—	—	—	—	—
Impairment of investment	2.0	—	—	—	2.0	—	—	—	—	—	—	—	2.3	—	2.3
Impairment of right-of-use asset	—	—	—	—	—	—	—	1.9	—	1.9	—	—	—	—	—
Loss (gain) on investments	—	(0.2)	—	—	(0.2)	(2.5)	0.7	0.6	—	(1.2)	—	(0.3)	—	—	(0.3)
Severance and related costs	0.5	0.4	—	0.2	1.2	0.6	0.7	0.1	0.5	2.0	0.1	0.2	—	0.1	0.5
Loss (income) from discontinued operations, net of tax	(1.0)	(0.7)	0.2	(0.9)	(2.4)	(0.7)	30.0	—	—	29.3	—	—	—	—	—
Other	—	(0.1)	(0.1)	0.1	(0.1)	—	—	—	0.1	—	0.1	—	—	—	—
Adjusted EBITDA	$ 5.6	$ 6.1	$ 5.9	$ 5.0	$ 22.6	$ 5.6	$ 7.1	$ 6.4	$ 7.1	$ 26.2	$ 6.9	$ 7.8	$ 8.1	$ 8.1	$ 31.0
Revenues	**$ 29.4**	**$ 27.6**	**$ 27.1**	**$ 27.0**	**$111.2**	**$ 26.7**	**$ 28.7**	**$ 30.8**	**$ 33.7**	**$119.9**	**$ 34.3**	**$ 37.1**	**$ 38.5**	**$ 39.8**	**$149.7**
Net Income (loss) margin[2]	**(22)%**	**7 %**	**(101)%**	**7 %**	**(27)%**	**10 %**	**(105)%**	**(8)%**	**1 %**	**(25)%**	**4 %**	**4 %**	**(2)%**	**6 %**	**3 %**
Adjusted EBITDA Margin[2]	19 %	22 %	22 %	19 %	20 %	21 %	25 %	21 %	21 %	22 %	20 %	21 %	21 %	20 %	21 %

(1) The sum of the quarters may not equal the full year amount.

(2) Net income margin and Adjusted EBITDA margin are calculated by dividing the respective measure by that period's revenues.