DHI Group's First Quarter Total Revenue Increases 29% Year-Over-Year as Bookings Increase 32% Year-Over-Year

CENTENNIAL, Colorado, May 4, 2022 - DHI Group, Inc. (NYSE: DHX) ("DHI" or the "Company") today announced financial results for the first quarter ended March 31, 2022.

During the second quarter 2021, the Company completed the spinoff of its eFinancialCareers ("eFC") business to the eFC management team. The results of the eFC business for all periods on or before June 2021 are reported as discontinued operations.

First Quarter 2022 Financial Highlights

- Total revenue was $34.3 million, up 29% year over year.
- Total bookings[1] were $50.7 million, up 32% year over year.
- Income from continuing operations was $1.3 million, or $0.03 per diluted share, compared to income from continuing operations of $2.0 million, or $0.04 per diluted share in the year-ago quarter.
- Net income was $1.3 million, or $0.03 per diluted share and net income margin of 4%, compared to net income of $2.7 million, or $0.05 per diluted share and net income margin of 10%, in the year-ago quarter. Adjusted earnings per diluted share[2] for the quarter was $0.01 versus earnings of $0.00 in the year-ago quarter.
- Adjusted EBITDA[2] was $6.9 million, an Adjusted EBITDA margin[2] of 20%, compared to $5.6 million and 21% in the year-ago quarter.
- Cash flow from operations was $9.2 million, compared to $6.4 million in the year-ago quarter.
- Cash was $5.0 million and total debt was $33.0 million at quarter end.

[1] See definition later in this press release.
[2] See "Notes Regarding the Use of Non-GAAP Financial Measures" later in this press release.

Commenting on the quarter, Art Zeile, President and CEO of DHI Group, Inc., said:

"We are pleased to report continued strong total revenue growth as more employers are using our subscription-based offering to find, attract, engage and hire the highest quality tech professionals. Dice bookings continued to grow across all Dice teams, increasing 32% year over year, while revenue grew 29% year over year. Dice added 245 net new customers during the quarter and its revenue renewal rate improved to 104%, up from 82% a year ago. Similarly, ClearanceJobs performed extremely well in the first quarter with bookings growth of 31% and revenue growth of 27%, and a 104% revenue renewal rate. ClearanceJobs also added 50 net new customers during the quarter.

During the first quarter, U.S. employers posted 1.1 million tech jobs, 43% more than a year earlier. As demand for technologists continues to grow at a rapid pace, we believe more employers will need our growing community of technologists, and our sophisticated tool set, to find and attract the right tech candidates. We believe the total addressable market for our subscription-based offering is vast and wide and we are just scratching the surface as open tech job postings reach record levels."

Financial Guidance

"Based on our continued strong bookings growth, we expect second quarter total revenue to be in the range of $35.0 million to $36.0 million, representing growth of between 22% and 25% year over year," commented Kevin Bostick, CFO of DHI Group, Inc. "For the full year 2022, we expect total revenue to be in the range of $144.0 million to $146.0 million, representing growth of between 20% and 22% year over year. We will continue to operate the business to Adjusted EBITDA margins at or near 20% throughout 2022 as we continue to balance our strong financial performance with increased sales and marketing investment to drive continued double-digit revenue growth. We expect net income margins to be negligible for the second quarter and full year 2022."

Conference Call Information

Art Zeile, President and Chief Executive Officer, and Kevin Bostick, Chief Financial Officer, will host a conference call today, May 4, 2022, at 5:00 p.m. Eastern Time to discuss the Company's financial results and recent developments.

The call can be accessed by dialing 844-890-1790 (in the U.S.) or 412-380-7407 (outside the U.S.). Please ask to be placed into the DHI Group, Inc. call. A live webcast of the call will simultaneously be available through the Investor Relations section of the Company's website, https://www.dhigroupinc.com, and available for replay after the call ends.

About DHI Group, Inc.

DHI Group, Inc (NYSE: DHX) is a provider of AI-powered career marketplaces that focus on technology roles. DHI's two brands, Dice and ClearanceJobs, enable recruiters and hiring managers to efficiently search for and connect with highly skilled technologists based on the skills requested. The Company's patent-pending algorithms manage over 100,000 unique technology skills. Additionally, our marketplaces allow technology professionals to find their ideal next career opportunity, with relevant advice and personalized insights. Learn more at www.dhigroupinc.com.

Investor Contact
Todd Kehrli or Jim Byers
MKR Investor Relations, Inc.
212-448-4181
ir@dhigroupinc.com

Media Contact
Rachel Ceccarelli
VP of Engagement
212-448-8288
media@dhigroupinc.com

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. 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 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 from the sale of businesses, discontinued operations, or investments, 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 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, 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.

Forward-Looking Statements

This press release 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 potential impact of COVID-19 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.

DHI GROUP, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)
(in thousands, except per share amounts)

	For the three months ended March 31,	
	2022	**2021**
Revenues	$ 34,334	$ 26,676
Operating expenses:		
Cost of revenues	4,099	3,702
Product development	3,942	3,602
Sales and marketing	13,941	9,771
General and administrative	7,766	6,154
Depreciation	3,958	3,631
Total operating expenses	33,706	26,860
Operating income (loss)	628	(184)
Income from equity method investment	155	—
Interest expense and other	(245)	(195)
Gain on investment	—	2,513
Income before income taxes	538	2,134
Income tax expense (benefit)	(763)	122
Income from continuing operations	1,301	2,012
Income from discontinued operations, net of tax	—	659
Net income	$ 1,301	$ 2,671
Basic earnings per share - continuing operations	$ 0.03	$ 0.04
Diluted earnings per share - continuing operations	$ 0.03	$ 0.04
Basic earnings per share - discontinued operations	$ —	$ 0.01
Diluted earnings per share - discontinued operations	$ —	$ 0.01
Basic earnings per share	$ 0.03	$ 0.06
Diluted earnings per share	$ 0.03	$ 0.05
Weighted-average basic shares outstanding	44,702	46,993
Weighted-average diluted shares outstanding	47,170	48,606

DHI GROUP, INC.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(Unaudited)

(in thousands)

	Three Months Ended March 31,	
	2022	**2021**
Cash flows from (used in) operating activities:		
Net income	$ 1,301	$ 2,671
Adjustments to reconcile net income to net cash flows from (used in) operating activities:		
Depreciation	3,958	4,096
Deferred income taxes	(1,823)	(304)
Amortization of deferred financing costs	37	37
Stock-based compensation	2,235	1,758
Income from equity method investment	(155)	—
Gain on investment	—	(2,513)
Change in accrual for unrecognized tax benefits	93	59
Changes in operating assets and liabilities:		
Accounts receivable	(3,820)	(3,345)
Prepaid expenses and other assets	386	629
Capitalized contract costs	(483)	(794)
Accounts payable and accrued expenses	(3,941)	(6,270)
Income taxes receivable/payable	954	1,127
Deferred revenue	10,640	9,351
Other, net	(164)	(78)
Net cash flows from operating activities	9,218	6,424
Cash flows used in investing activities:		
Purchases of fixed assets	(4,091)	(3,703)
Net cash flows used in investing activities	(4,091)	(3,703)
Cash flows from (used in) financing activities:		
Payments on long-term debt	(4,000)	(5,000)
Proceeds from long-term debt	14,000	5,000
Payments under stock repurchase plan	(7,499)	(1,669)
Purchase of treasury stock related to vested restricted and performance stock units	(4,202)	(1,343)
Net cash flows used in financing activities	(1,701)	(3,012)
Effect of exchange rate changes	—	(30)
Net change in cash and cash equivalents for the period	3,426	(321)
Cash and cash equivalents, beginning of period	1,540	7,640
Cash and cash equivalents, end of period	$ 4,966	$ 7,319

DHI GROUP, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)
(in thousands)

ASSETS	March 31, 2022	December 31, 2021
Current assets		
Cash and cash equivalents	$ 4,966	$ 1,540
Accounts receivable, net	22,205	18,385
Income taxes receivable	—	354
Prepaid and other current assets	3,557	4,177
Total current assets	**30,728**	**24,456**
Fixed assets, net	20,712	20,581
Capitalized contract costs	9,615	9,131
Operating lease right-of-use assets	6,445	6,888
Investments	3,932	3,769
Investments, at fair value	3,000	3,000
Acquired intangible assets	23,800	23,800
Goodwill	128,100	128,100
Other assets	2,087	1,853
Total assets	**$ 228,419**	**$ 221,578**
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued expenses	$ 11,916	$ 15,859
Deferred revenue	55,787	45,217
Income taxes payable	599	—
Operating lease liabilities	2,424	2,388
Total current liabilities	**70,726**	**63,464**
Deferred revenue	999	929
Operating lease liabilities	6,360	6,982
Long-term debt, net	32,767	22,730
Deferred income taxes	7,492	9,315
Accrual for unrecognized tax benefits	878	785
Other long-term liabilities	992	1,011
Total liabilities	**120,214**	**105,216**
Total stockholders' equity	**108,205**	**116,362**
Total liabilities and stockholders' equity	**$ 228,419**	**$ 221,578**

Supplemental Information and Non-GAAP Reconciliations

On the pages that follow, the Company has provided certain supplemental information that we believe will assist the reader in assessing our business operations and performance, including certain non-GAAP financial information and required reconciliations to the most comparable GAAP measure. A statement of operations and statement of cash flows for the three-month periods ended March 31, 2022 and 2021 and balance sheets as of March 31, 2022 and December 31, 2021 are provided elsewhere in this press release.

DHI GROUP, INC.

NON-GAAP & SUPPLEMENTAL DATA

(Unaudited)

(in thousands, except per share and customer data)

	Revenue			
	Q1 2022	**Q1 2021**	**$ Change**	**% Change**
Dice[1]	$ 24,634	$ 19,051	$ 5,583	29%
ClearanceJobs	9,700	7,625	2,075	27%
Total Revenues	**$ 34,334**	**$ 26,676**	**$ 7,658**	**29%**

Income from continuing operations[2]	**$ 1,301**	**$ 2,012**
Income from discontinued operations, net of tax	**$ —**	**$ 659**
Net income	**$ 1,301**	**$ 2,671**
Net income margin[3]	**4 %**	**10 %**
Diluted earnings per share - continuing operations	**$ 0.03**	**$ 0.04**
Diluted earnings per share - discontinued operations	**$ —**	**$ 0.01**
Diluted earnings per share	**$ 0.03**	**$ 0.05**
Adjusted diluted earnings per share	$ 0.01	$ —
Adjusted EBITDA	$ 6,930	$ 5,611
Adjusted EBITDA margin[3]	20 %	21 %

(1) Includes Dice and Career Events.

(2) For the three months ended March 31, 2022, the Company recorded severance and related costs, net of tax, and discrete tax items that positively impacted income from continuing operations by $0.7 million. For the three months ended March 31, 2021, the Company recorded a gain on investment and severance and related costs, all net of tax, and discrete tax items that positively impacted income from continuing operations by $2.0 million.

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

	Bookings[1]			
	Q1 2022	**Q1 2021**	**$ Change**	**% Change**
Dice	$ 36,819	$ 27,926	$ 8,893	32 %
ClearanceJobs	13,865	10,593	3,272	31 %
Total Bookings	$ 50,684	$ 38,519	$ 12,165	32 %

(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.

	Average Annual Revenue per Recruitment Package Customer[1]			
	Q1 2022	**Q1 2021**	**$ Change**	**% Change**
Dice	$ 14,112	$ 13,536	$ 576	4 %
ClearanceJobs	$ 18,408	$ 16,476	$ 1,932	12 %

(1) Calculated by dividing recruitment package customer revenue by the daily average count of recruitment package customers during each month, adjusted to reflect a 30-day month. The simple average of each month is used to derive the amount for each period and then annualized to reflect 12 months.

DHI GROUP, INC.

NON-GAAP & SUPPLEMENTAL DATA (CONTINUED)

(Unaudited)

(in thousands, except per share and customer data)

	Renewal Rates	
Renewal Rate on Revenue:	**Q1 2022**	**Q1 2021**
Dice	104 %	82 %
ClearanceJobs	104 %	89 %
Renewal Rate on Count:		
Dice	86 %	71 %
ClearanceJobs	87 %	82 %

	Recruitment Package Customers			
	March 31, 2022	**March 31, 2021**	**Change**	**% Change**
Dice	6,249	5,200	1,049	20 %
ClearanceJobs	1,928	1,753	175	10 %

	Deferred Revenue and Backlog			
	March 31, 2022	**December 31, 2021**	**$ Change**	**% Change**
Deferred Revenue	**$ 56,786**	**$ 46,146**	**$ 10,640**	**23 %**
Contractual commitments not invoiced	49,262	46,497	2,765	6 %
Backlog[(1)]	$ 106,048	$ 92,643	$ 13,405	14 %

(1) Backlog consists of deferred revenue plus customer contractual commitments not invoiced representing the value of future services to be rendered under committed contracts.

	Adjusted Diluted Earnings per Share	
	Q1 2022	**Q1 2021**
Diluted earnings (loss) per share	**$ 0.03**	**$ 0.05**
Severance and related costs, net of tax	—	0.01
Gain on investment	—	(0.04)
Discrete tax items	(0.02)	(0.01)
Income from discontinued operations, net of tax	—	(0.01)
Adjusted diluted earnings per share	$ 0.01	$ 0.00
Weighted average shares- diluted earnings per share	47,170	48,606

DHI GROUP, INC.
NON-GAAP & SUPPLEMENTAL DATA (CONTINUED)
(Unaudited)
(in thousands, except per share and customer data)

	Adjusted EBITDA Reconciliations	
	Q1 2022	**Q1 2021**
Reconciliation of Net Income to Adjusted EBITDA:		
Net income	**$ 1,301**	**$ 2,671**
Interest expense	245	188
Income tax expense (benefit)	(763)	122
Depreciation	3,958	3,631
Non-cash stock-based compensation	2,235	1,604
Income from equity method investment	(155)	—
Gain on investment	—	(2,513)
Severance and related costs	109	562
Income on discontinued operations, net of tax	—	(659)
Other	—	5
Adjusted EBITDA	$ 6,930	$ 5,611
Reconciliation of Operating Cash Flows to Adjusted EBITDA:		
Net cash provided by operating activities	**$ 9,218**	**$ 6,424**
Interest expense	245	188
Amortization of deferred financing costs	(37)	(37)
Income tax expense (benefit)	(763)	122
Deferred income taxes	1,823	304
Change in accrual for unrecognized tax benefits	(93)	(59)
Change in accounts receivable	3,820	3,345
Change in deferred revenue	(10,640)	(9,351)
Discontinued operations results	—	(1,656)
Severance and related costs	109	562
Changes in working capital and other	3,248	5,769
Adjusted EBITDA	$ 6,930	$ 5,611