Fiscal 2025 Second Quarter Earnings Call

Bruce Caswell
President & Chief Executive Officer

May 8, 2025

Forward-looking Statements & Non-GAAP Information

These slides should be read in conjunction with our most recent quarterly earnings press release, along with listening to or reading a transcript of management comments from our most recent quarterly earnings conference call.

This document may contain non-GAAP financial information. Management uses this information in its internal analysis of results and believes that this information may be informative to investors in gauging the quality of our financial performance, identifying trends in our results, and providing meaningful period-to-period comparisons. These measures should be used in conjunction with, rather than instead of, their comparable GAAP measures. For a reconciliation of non-GAAP measures to the comparable GAAP measures presented in this document, see the Company's most recent quarterly earnings press release.

Included in this presentation are forward-looking statements within the meaning of the safe harbor provisions of the United States Private Securities Litigation Reform Act of 1995. Forward-looking statements can be identified by words such as: "anticipate," "intend," "plan," "goal," "seek," "opportunity," "could," "potential," "believe," "project," "estimate," "expect," "forecast," "strategy," "future," "likely," "may," "should," "will," and similar references to future periods.

Forward-looking statements that are not historical facts, including statements about our confidence, strategies and initiatives and our expectations about guidance, revenues, results of operations, profitability, liquidity, market demand are forward-looking statements that involve risks and uncertainties.

These risks could cause the Company's actual results to differ materially from those indicated by such forward-looking statements. A Special Note Regarding Forward-Looking Statements is included within our forthcoming Form 10-Q and a summary of risk factors can be found in Item 1A, "Risk Factors" in our Annual Report on Form 10-K for the year ended September 30, 2024, filed on November 21, 2024.

Any forward-looking statement made by us in this report is based only on information currently available to us and speaks only as of the date on which it is made. We undertake no obligation to publicly update the guidance herein or any other forward-looking statement, whether written or oral, that may be made from time to time, whether as a result of new information, future developments or otherwise.

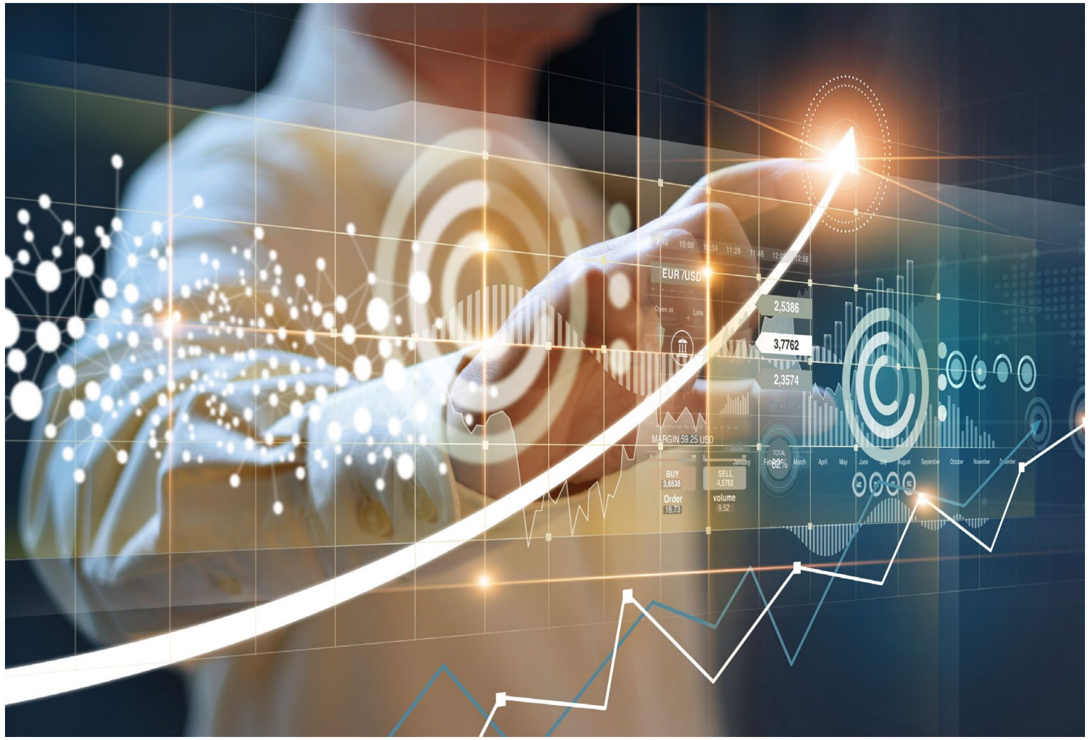
Throughout this presentation, numbers may not add due to rounding.

Q2 Financial Highlights

- Revenue of **$1.36 billion** in the quarter, representing a solid 3.0% organic growth year-over-year

- Adjusted EBITDA margin was **13.7%** in Q2 and is in the upper end of our near-term guidance range

We believe these results reflect the strength and resilience of our business, our role as a partner to government in delivering complex programs efficiently at scale, and our earned reputation for technology innovation in government services.



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Alignment with Administration’s Objectives

DOGE and the Administration’s objectives align with many of our recent *Maximus Forward* initiatives, where we questioned traditional structures and processes, sought to apply technology and innovation to drive more efficient operations, and focused on customer satisfaction.

- **Federal “No Surprises Act” Contract** implemented an AI solution that is designed to streamline the independent dispute resolution process. Automation helped clear a backlog of disputes, ensured SLA targets were met, provided more meaningful work for our employees, and supported significant growth in project volumes.

- Working with the **Department of Veterans Affairs (VA)**, we have invested significantly to accelerate case preparation on our MDE contract. Since implementation, we have reduced the time required for manual case preparation, enabling us to take on greater volumes in the wake of the PACT Act. This has also freed up staff to focus on higher-value tasks like quality assurance, helping the VA resolve claims faster for our Veterans.

These are two positive examples of the ways in which we are collaborating and executing on shared priorities.

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Alignment with Administration's Objectives (cont.)

- We are working closely to support our customers and DOGE representatives to address questions on certain contracts and program operations.
- In some cases, it has led to further discussions about opportunities for efficiencies, consolidation, and innovation.
- The impact of DOGE decisions on the business, to date, have been limited to a handful of small contracts, where budget or scope has now been modified, some of which were already scheduled to end this fiscal year.
- More specifically, these actions are estimated to total about $4 million in FY25 revenue – a de minimis figure on our base of $5-plus billion of revenue.
- The environment in which we are operating continues to evolve and we are maintaining a balanced stance of both supporting our customers in response to inquiries as well as leaning into opportunities to shape the future of certain programs.
- As an example, like others in our sector, we have fielded requests for pricing concessions on certain contracts, which leads to a process of mutual negotiation in due course. We recognize that this is an ongoing process, which may lead to further requests, and reflects the systematic review of government spending that has been a communicated priority of the Administration.

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Proven Track Record at the State Level

- Recently, federal guidance was issued to **reaffirm states' authority to use private sector partners that meet Merit System Principles**, a framework administered by the Office of Personnel Management (OPM).
- The challenge for states is that managing growing, complex populations often exceeds the realistic constraints of a government workforce, leading to reduced service quality and a poor citizen experience.
- We refer to the federal guidance as "Flexibility to Contract" because, from the state customer perspective, **they can choose what is in their interest** – ideally balancing their workforce to perform inherently governmental functions while partnering with private sector providers like Maximus.
- **We believe our track record in this area is unmatched.** During the pandemic, Flexibility to Contract guidance was attached to emergency pandemic response bills, which enabled the private sector to support states in processing claims for unemployment insurance benefits.
- **Maximus became the leading provider of these services.** With Flexibility to Contract reactivated, we are once again supporting our state customers as they examine the benefits of a hybrid public-private model.

Maximus was the first organization in our sector to certify that its systems of personnel management meet the high standards government demands of its own workforce, fully complying with government Merit System Principles

- As discussed in February, federal Medicaid spending faces potential changes.
- There has been little actionable movement in this area, but the contours of possible legislative actions are emerging.
- Changes that require consumer engagement, such as verifying eligibility, typically increase our activity volume, which is our primary contracting model for state Medicaid programs.
- In many of our largest states, we also manage state-based exchanges where consumers can enroll if they are no longer eligible for Medicaid. This helps maintain our ongoing engagement with those consumers.

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Positive Proof Points of Strategic Focus Areas

The strategic intent of the 2021 acquisition of Veteran Evaluation Services (VES) is manifesting beyond our primary goal of becoming a valued partner to the VA.

The synergies in our pipeline (meaning opportunities that neither legacy company could successfully win) are coming to bid in the near future. As a combined entity with a period of proven success behind us, we believe we have the qualifications and credibility to be a serious competitor on new programs.

Combined with the solid, deep customer relationships we've built over time, we're optimistic in our ability to drive scale on new performance and volume-based contracts now in the capture phase.

We've secured new and rebid clinical assessment contracts in the fiscal year, which are proof points of a growing clinical services pipeline and our continued delivery on the strategic pillar we've referred to as Future of Health.

- Secured new work with the Department for Aging and Disability Services to operate the Statewide Home and Community-Based Services (or HCBS) Assessment Organization in Kansas, valued at $40M over 5.5 years.

- Secured the rebid of our California Independent Medical Review program, valued at $150 million dollars TCV over a three-year base period.

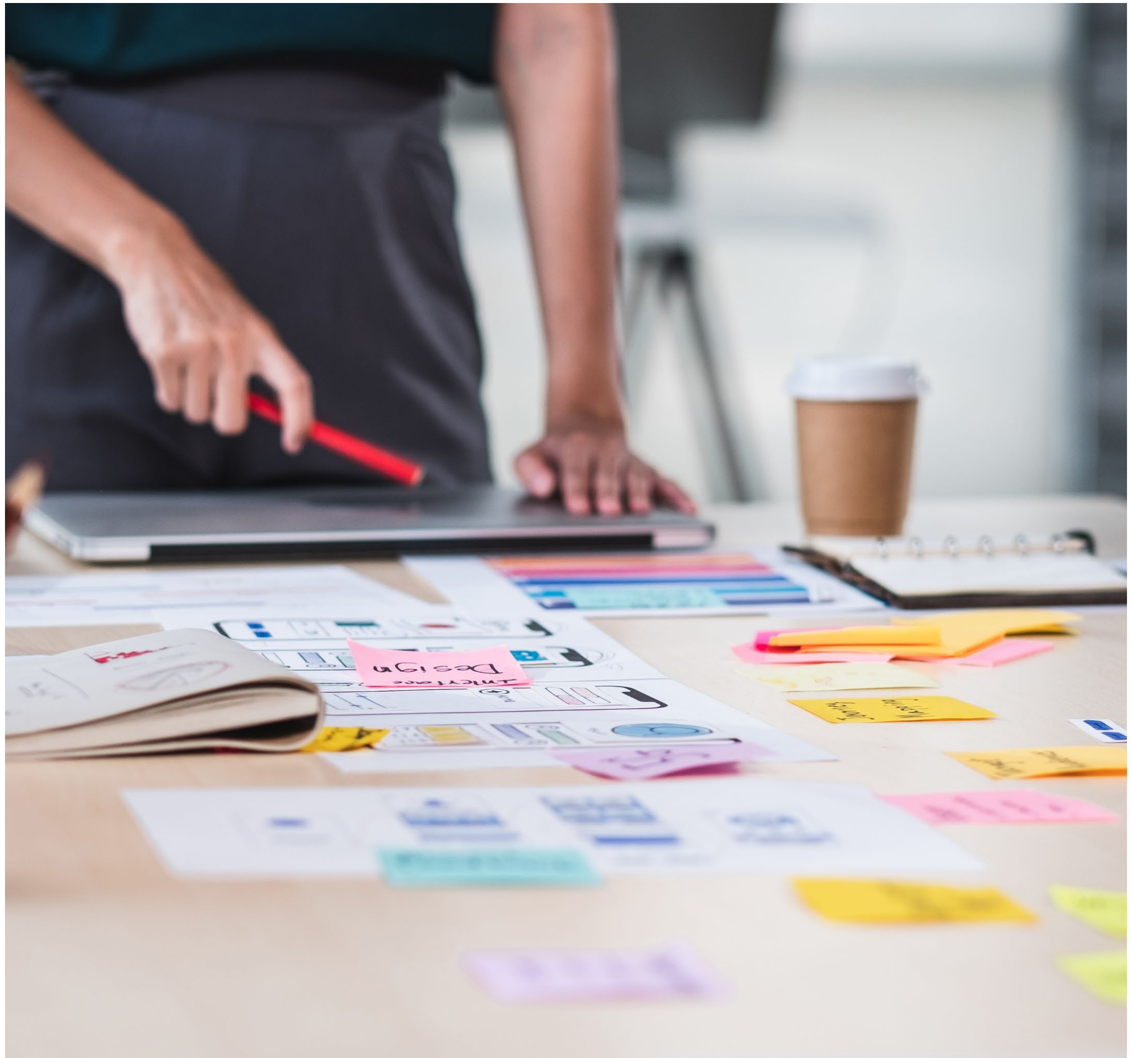
New assessment programs have kicked-off in three additional states, all of which will contribute to the bottom line this fiscal year. We continue to invest in the growth and optimization of the clinical assessment business through new technology and capabilities, reaffirming our commitment to the Future of Health strategic pillar.

Anticipated Improvement in Procurement Trends

- As has been the case for some time now, we are seeing delays in federal procurement processes, mostly in civilian agencies, resulting in new awards pushing to the right.

- Consistent with the Administration’s focus on innovation through performance-based contracting that leverages commercial solutions, our teams are shaping tomorrow’s opportunities. We call this “shifting left,” and our pipeline is building with opportunities to which we believe our capabilities are well-positioned.

Proposals in prep and proposals submitted, in aggregate, are 25% higher than last quarter, which demonstrates many government customers moving forward with procurements.



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New Awards & Pipeline

Our current book-to-bill represents a step-up from our previous book-to-bill at September 30 and tracks to our expectations for an improved metric in this fiscal year.

New Awards (YTD)	March 31, 2025
Signed Contracts	$2.9 billion
Unsigned Contracts	$451 million
Book-to-Bill ratio (TTM)	0.8x

$41.2B **total pipeline** of sales opportunities

55% new work

60% U.S. Federal Services Segment

$2.0B Proposals pending

$3.0B Proposals in preparation

$36.3B **Opportunities tracking**

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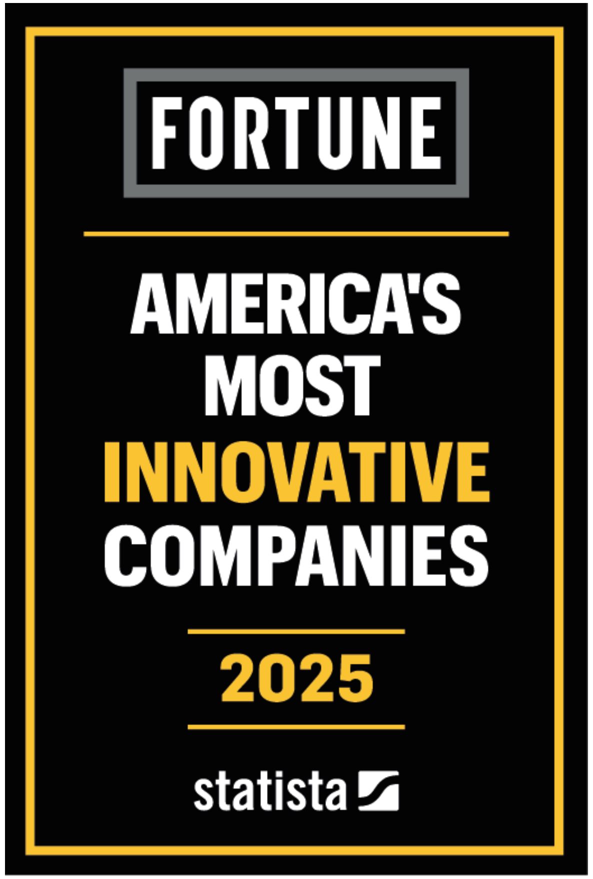
Innovation Forward

Maximus has once again been recognized by Fortune as one of America's Most Innovative Companies — a distinction that places us among the top 300 companies nationwide known for shaping the future through product excellence, operational innovation, and a strong internal culture of creativity.

This recognition acknowledges our track record in deploying AI, robotic process automation, and advanced analytics to help government agencies deliver faster, more efficient services to the people who need them most.



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Fiscal 2025 Second Quarter Earnings Call

David Mutryn
Chief Financial Officer

May 8, 2025

Total Company Results – Second Quarter of FY25

($ in millions, except per share data)	Q2 FY25	*Margin*	Q2 FY24	*Margin*	*% Change*
U.S. Federal Services	$ 777.9		$ 701.7		*10.9 %*
U.S. Services	442.4		486.1		*(9.0)%*
Outside the U.S.	141.5		160.5		*(11.9)%*
Total Revenue	**$ 1,361.8**		**$ 1,348.4**		*1.0 %*
U.S. Federal Services	$ 119.0	*15.3%*	$ 83.5	*11.9%*	*42.5 %*
U.S. Services	53.8	*12.2%*	67.9	*14.0%*	*(20.8)%*
Outside the U.S.	4.8	*3.4%*	0.7	*0.4%*	*nm*
Intangibles amortization	(23.0)		(21.6)		*6.3 %*
Divestiture-related charges	(1.0)		-		*nm*
Other	(0.6)		(2.9)		*nm*
Total Operating Income	**$ 153.0**	***11.2%***	**$ 127.5**	***9.5%***	*20.0 %*
Intangibles amortization	$ 23.0		$ 21.6		*6.3 %*
Divestiture-related charges	1.0		-		*nm*
Depreciation & amortization (PP&E/CapSW)	9.4		8.2		*15.1 %*
Adjusted EBITDA (Non-GAAP)	**$ 186.4**	**13.7%**	**$ 157.3**	**11.7%**	*18.5 %*
Interest expense	$ 21.5		$ 20.4		*5.4 %*
Effective Tax Rate	*27.1 %*		*25.4 %*		
Net Income	$ 96.6		$ 80.5		*19.9 %*
Diluted EPS	**$ 1.69**		**$ 1.31**		*29.0 %*
Intangibles amortization per share	$ 0.30		$ 0.26		*15.4 %*
Divestiture-related charges per share	0.02		-		*nm*
Adjusted Diluted EPS (Non-GAAP)	**$ 2.01**		**$ 1.57**		*28.0 %*

- Revenue increased 1.0%, or 3.0% on an organic basis, driven primarily by the U.S. Federal Segment
- In Q2 FY24, the U.S. Services Segment benefited from the Medicaid unwinding activities, resulting in revenue and earnings over-delivery in that period; Q2 FY25 reflected a normalized business following completion of those activities last year
- The Outside the U.S. Segment revenue reduction resulted from previously divested businesses while realizing positive mid-single digit organic growth
- Adjusted EBITDA margin was 13.7% and adjusted EPS was $2.01 for Q2 FY25

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U.S. Federal Services Segment

- Revenue increased by 10.9% and was all organic
- There were multiple growth drivers throughout the segment, including clinical assessments across several contract areas
- Strong Q2 FY25 segment margin of 15.3% resulted from operational efficiencies combined with processing extra volumes in certain smaller clinical programs to meet higher demand

($ in millions)	Q2 FY25	Q2 FY24	*% Change*
Revenue			
U.S. Federal Services	$ 777.9	$ 701.7	*10.9 %*
Operating Income			
U.S. Federal Services	$ 119.0	$ 83.5	*42.5 %*
Operating Margin %	***15.3 %***	***11.9 %***	

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U.S. Services Segment

- Revenue decreased by 9.0% as a result of Q2 FY24 having outsized growth from the Medicaid-related portfolio; mostly excess volumes from the completed unwinding exercise
- Segment margin this quarter of 12.2% was expected sequential improvement over Q1 FY25 margin (not shown); Q2 FY24 high margin resulted from the excess volumes
- Full-year FY25 margin outlook for the segment is unchanged at ~11%

($ in millions)	Q2 FY25	Q2 FY24	*% Change*
Revenue			
U.S. Services	$ 442.4	$ 486.1	*(9.0)%*
Operating Income			
U.S. Services	$ 53.8	$ 67.9	*(20.8)%*
Operating Margin %	***12.2 %***	***14.0 %***	

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Outside the U.S. Segment

- Revenue decreased as anticipated and driven by previously divested businesses that were present in Q2 FY24
- Organic revenue growth was 4.6% and enabled by the healthier components of the segment that remain
- Q2 FY25 margin was 3.4%, our goal is to continue improving the profitability profile of the segment

($ in millions)	Q2 FY25	Q2 FY24	% Change
Revenue			
Outside the U.S.	$ 141.5	$ 160.5	*(11.9)%*
Operating Income			
Outside the U.S.	$ 4.8	$ 0.7	*nm*
Operating Margin %	***3.4 %***	***0.4 %***	

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Cash Flows & Balance Sheet

Cash Flows & DSO

$ in millions		Q2 FY25	*FY25 Guidance*
Cash (used in)/provided by operating activities	$	42.7	
Purchases of property and equipment and capitalized software costs		(17.2)	
Free cash flow (Non-GAAP)	**$**	**25.5**	*$355M - $385M*

- Q2 FY25 cash flows reflect lighter collections in the quarter, which are believed to be temporary
- Increased DSOs of 73 days for Q2 FY25 demonstrate lighter collections, compared to 62 days for Q1 FY25
- A large state-based contract with a pending extension was primary driver of higher DSO; the extension is expected to be finalized within the fiscal year, and free cash flow guidance for the full FY25 is unchanged

Capital Allocation, Share Repurchases, & Debt

- Continue to take a disciplined approach to capital allocation, and while there haven't been widespread payment disruptions, we recognize the potential for broader delays and have planned accordingly
- We are keeping our interests focused on potential M&A opportunities and will remain opportunistic in approach to future share repurchases
- Q2 FY25 share repurchases totaled approximately 947K shares for $73 million; approximately $66 million remains under current Board of Directors authorization for future repurchases
- At March 31, 2025, total debt was $1.51 billion and the ratio of debt, net of allowed cash, to consolidated EBITDA on TTM basis, as calculated in accordance with credit agreement, was 1.9x as compared to 1.8x at December 31, 2024; we remain below our target debt ratio of 2 – 3x

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Further Improvement to Fiscal Year 2025 Guidance

Fiscal 2025 Guidance	Updated	*Previous*
Revenue	**$5.25B - $5.4B**	*$5.2B - $5.35B*
Adjusted EBITDA margin	**Approx. 11.7%**	*Approx. 11.2%*
Adjusted diluted EPS	**$6.30 - $6.60**	*$5.90 - $6.20*
Free cash flow	**$355M - $385M** (no change)	*$355M - $385M*

($ in millions except per share items)	FY25 Guidance Reconciliation *Low End*	*High End*
Operating income	$ 439	$ 463
Add: amortization of intangible assets	92	92
Add: depreciation & amortization of PP&E and CapSW	41	41
Add: divestiture-related charges	39	39
Adjusted EBITDA	$ 611	$ 636
Revenue	$ 5,250	$ 5,400
Adjusted EBITDA Margin	11.6%	11.8%
Diluted EPS	$ 4.45	$ 4.75
Add: effect of amortization of intangible assets on diluted EPS	1.17	1.17
Add: effect of divestiture-related charges on diluted EPS	0.68	0.68
Adjusted diluted EPS	$ 6.30	$ 6.60
Cash flows from operating activities	$ 427	$ 457
Remove: purchases of property and equipment and capitalized software costs	(72)	(72)
Free cash flow	$ 355	$ 385

- FY25 revenue guidance now implies ~2% organic growth over the prior fiscal year
- Adjusted diluted EPS guidance for FY25 increases by $0.40 due to Q2 results
- FY25 full year segment margin commentary:
  - U.S. Federal Segment: 12.5 – 13%
  - U.S. Services Segment: ~11%
  - Outside the U.S. Segment: 3 – 5%
- Other FY25 assumptions:
  - Amortization of intangible assets expense: $92 million
  - Depreciation & amortization of PP&E and CapSW: $41 million
  - Interest expense: $78 million
  - Full-year effective income tax rate: 28 – 29%
  - WASO: ~58 million

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