Fiscal 2015 Fourth Quarter & Full Year Earnings

Richard J. Nadeau

Chief Financial Officer

November 12, 2015

MAXIMUS®

HELPING GOVERNMENT SERVE THE PEOPLE®

Forward-looking Statements & Non-GAAP Information

These slides should be read in conjunction with the Company's most recent quarterly earnings press release, along with listening to or reading a transcript of the comments of Company management from the Company's 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.

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

A number of statements being made today will be forward-looking in nature. Such statements are only predictions and actual events or results may differ materially as a result of risks we face, including those discussed in our SEC filings. We encourage you to review the summary of these risks in Exhibit 99.1 to our most recent Form 10-K filed with the SEC. The Company does not assume any obligation to revise or update these forward-looking statements to reflect subsequent events or circumstances.

Revision to Fiscal Year 2016 Earnings Guidance

- Earnings guidance revision is a result of a single program in start-up: U.K. Health Assessment Advisory Service
  - While we have made substantial progress in effecting positive change to program, the ramp-up to contract volume targets has been slower than originally planned
  - As a result, we now expect FY16 diluted EPS will range between $2.40 and $2.70

- FY16 earnings guidance includes a wide range of possible outcomes under this program:
  - Lower end of range assumes we continue to face challenges on achieving contractual volume targets
  - Upper end of range contemplates improved performance
  - Focused on delivering results that move us back toward upper end of $2.40 to $2.70 range

- Firmly believe that the overall, macro-trends remain intact for our business; continue to see opportunities for our core services across all segments & geographies

- Governments around the world continue to seek ways to run more effectively and efficiently, while at the same time, dealing with rising caseloads, changing demographics & unsustainable social program spend

- Through a combination of short-term & long-term opportunities, we see continued growth for years to come

Total Company Results – Full Fiscal Year 2015

($ in millions, except per share data)	FY15	FY14	% Change
Revenue			
Health Segment	$ 1,109.2	$ 906.7	22%
Federal Segment	502.5	341.8	47%
Human Segment	488.1	452.4	8%
Total	**$ 2,099.8**	**$1,700.9**	23%
Operating Income			
Health Segment	$ 154.3	$ 115.6	33%
Federal Segment	59.4	63.1	(6%)
Human Segment	60.2	53.2	13%
Segment Income	**$ 273.9**	**$ 231.8**	18%
Acquisition	(4.7)	-	
Intangibles Amortization	(9.3)	(5.9)	
Other	-	(0.6)	
Total	**$ 259.8**	**$ 225.3**	15%
Operating Margin %	*12.4%*	*13.2%*	
Net Income attributable to MAXIMUS	**$ 157.8**	**$ 145.4**	9%
Diluted EPS - GAAP	**$ 2.35**	**$ 2.11**	11%

Revenue

- FY15 revenue increased 23%:
  - 19% organic, mostly from Health & Federal Segments
  - 8% driven by acquisitions of Acentia & Remploy
  - 4% decline ($60M) due to unfavorable FX; on a constant currency basis, revenue would have increased 27%

Operating Income

- Operating margins benefitted from reduction to 2015 management cash bonus plan which reduced SG&A
  - Cash bonus accrues based on performance
  - Lower bonus payments due to slower ramp of U.K. assessment contract & need to drive future improvements
  - Proportionally allocated across segments
  - Improved full year OI margin by 30 basis points
- As expected, operating margin for full year was tempered by new programs in start-up & the decrease in volumes in Medicare appeals, which were highly accretive
- GAAP diluted EPS increased 11% to $2.35 & included $0.04 of acquisition-related expenses
- Excluding acquisition-related expenses, adjusted diluted EPS for FY15 increased 13% to $2.39

Total Company Results – Fourth Quarter of FY 2015

($ in millions, except per share data)	Q4 FY15	Q4 FY14	% Change
Revenue			
Health Segment	$ 296.2	$ 230.5	29%
Federal Segment	154.3	90.6	70%
Human Segment	128.2	114.4	12%
Total	**$ 578.7**	**$ 435.4**	33%
Operating Income			
Health Segment	$ 30.5	$ 31.2	(2%)
Federal Segment	20.9	12.2	71%
Human Segment	13.4	9.9	35%
Segment Income	**$ 64.8**	**$ 53.3**	22%
Acquisition	(0.2)	-	
Intangibles Amortization	(3.2)	(1.5)	
Other	0.1	-	
Total	**$ 61.5**	**$ 51.8**	19%
Operating Margin %	***10.6%***	***11.9%***	
Net Income attributable to MAXIMUS	**$ 35.4**	**$ 36.2**	(2%)
Diluted EPS - GAAP	**$ 0.53**	**$ 0.53**	0%

Revenue

- Q4 revenue grew 33%:
  - 22% organic growth
  - 16% from acquisitions of Acentia & Remploy
  - 5% decline ($21M) due to unfavorable FX; on a constant currency basis, revenue would have grown 38%
- Q4 revenue slightly lower-than-expected principally due to U.K. assessment contract

Operating Income

- Bonus adjustment provided margin improvement of approx.100 basis points
- Q4 operating margin was was tempered by new programs in start-up, including jobactive in Australia & the U.K. assessment contract
- Tax rate of 40.4% & Q4 diluted EPS of $0.53

Health Services Segment

($ in millions)	Q4 FY15	Q4 FY14	% Change	FY15	FY14	% Change
Revenue						
Health Services	$ 296.2	$ 230.5	29%	$ 1,109.2	$ 906.7	22%
Operating Income						
Health Services	$ 30.5	$ 31.2	(2%)	$ 154.3	$ 115.6	33%
Operating Margin %	*10.3%*	*13.5%*		*13.9%*	*12.7%*	

Revenue

- Another solid year of strong top-line growth, driven by new work & expansion of existing contracts
- All growth in segment was organic

Operating Income & Margin

- As expected, operating margins were tempered by new programs in start-up, most notably U.K. assessment contract

U.K. Health Assessment Advisory Service Contract

- Delivered approximately $105M in revenue & an operating loss of $4M
- Revenue short of initial projected revenue range of $140M – $165M; shortfall has two elements:
    1. Staffing levels running lower than our plan; therefore billable costs are lower than forecast; as a result, revenue & operating income are lower on the cost-reimbursable piece of the contract
    2. We are not achieving certain performance metrics, most notably volume targets; as a result, we are not earning performance-based incentive fees
- We are firmly committed to getting the program on track & have made significant progress in bringing positive improvements to the overall service

U.S. Federal Services Segment

($ in millions)	Q4 FY15	Q4 FY14	% Change	FY15	FY14	% Change
Revenue						
U.S. Federal Services	$ 154.3	$ 90.6	70%	$ 502.5	$ 341.8	47%
Operating Income						
U.S. Federal Services	$ 20.9	$ 12.2	71%	$ 59.4	$ 63.1	(6%)
Operating Margin %	***13.5%***	***13.5%***		***11.8%***	***18.5%***	

Revenue

- U.S. Federal Services Segment had a solid year
- Q4 revenue increased 70% & 56% was attributable to Acentia
- FY15 revenue grew 47% compared to last year
  - 30% was attributable to Acentia acquisition
  - 17% was organic growth from new work & expansion of existing contracts

Operating Income & Margin

- Q4 & FY15 operating margins impacted by expected decline in highly accretive Medicare appeals volumes
- We had steady improvements throughout the fiscal year from ramp up of Department of Education contract, which remains on track to break even in FY16; this helped the year-over-year comparisons in Q4 FY15

Human Services Segment

($ in millions)	Q4 FY15	Q4 FY14	% Change	FY15	FY14	% Change
Revenue						
Human Services	$ 128.2	$ 114.4	12%	$ 488.1	$ 452.4	8%
Operating Income						
Human Services	$ 13.4	$ 9.9	35%	$ 60.2	$ 53.2	13%
Operating Margin %	*10.4%*	*8.7%*		*12.3%*	*11.7%*	

Revenue

- Top-line increases driven by acquisition of Remploy & solid organic growth – offset by unfavorable impact from foreign currency translations
- Segment was the most adversely impacted by foreign currency exchange rates, which reduced full year revenue by approximately $37M
- On a constant currency basis, revenue would have grown 23% in Q4 & 16% for FY15

Operating Income & Margin

- Margin expansion was principally due to solid delivery across North America, the United Kingdom & Saudi Arabia. This was offset by expected start-up losses in jobactive contract, which launched on July 1, 2015

Cash Flows & Balance Sheet

- Days Sales Outstanding were 67 days for Q4 & in-line with our targeted range of 65 to 80 days

$ in millions	Q4 FY15	FY15
Cash provided by operating activities	$25.2	$206.2
Cash paid for property, equipment and capitalized software	($32.0)	($105.1)
Free cash flow	($6.7)*	$101.1

Reconciliation to free cash flow can be found in financial tables in the Q4 FY15 earnings press release.

- Balance sheet remains healthy and ended FY15 with cash and cash equivalents totaling $74.7M, most of which was outside the U.S.

- Long-term cash deployment priorities remain unchanged:
  - Dividends
  - Opportunistic share buybacks
  - Working capital investments to support growth in the business
  - Acquisitions

*Does not add due to rounding

Share Repurchases & Other Uses of Cash

Share Repurchases

Period	Approximate Number of Shares	Purchase Amount	Weighted Average Price
Q4 FY15	865,000	$52.2M	$60.20
Fiscal 2015	1,600,000	$82.8M	$51.11
Subsequent to 9/30/15	103,000	$6.1M	$59.41

- Approximately $162.5M remaining for repurchases under Board-authorized program

Uses of Cash

- Believe we can sufficiently address our cash needs in 2016
- Currently expect that spending on capital expenditures will decrease significantly in FY16
- Committed to sensible & practical uses of cash in order to best position & grow the business
- Priority remains squarely focused on strengthening core business for long-term growth

Establishing Formal FY16 Guidance

Fiscal 2016 Guidance	
Revenue	$2.4B - $2.5B
Diluted EPS	$2.40 - $2.70

Cash provided from operating activities	$200M - $230M
Free cash flow	$130M - $160M

- Revenue range between $2.4B & $2.5B driven by growth across all segments, predominantly in Health & U.S. Federal Services, & to a lesser extent, Human Services
- At September 30, 2015, we had $4.6B in backlog
- Based on mid-point of our FY16 revenue guidance range, we estimate that approx. 93% of our forecasted FY16 revenue is already in the form of backlog or option periods
- Now expect diluted earnings per share to range between $2.40 & $2.70; expected to be back-end loaded
- Expect that Q1 FY16 diluted EPS will be lower compared to Q4 FY15 due to programs in start-up

FY16 Guidance Data Points

1. Reason for the reduced FY16 earnings guidance is the slower ramp & resulting lower operating income contribution of U.K assessment contract. Guidance assumes a wide range of potential outcomes on this contract.
   - Contract also has a stop loss provision that restricts loss to 5% of allowable costs – plus any costs incurred that are not billable under the contract in any contract year
   - Our analyses indicate it is remote that we will trigger stop loss in contract year one (which ends 02/29/16) or contract year two

2. Other programs in start-up that will continue to have a tempering impact in FY16, including:
   - Australian jobactive
   - U.S. Department of Education
   - U.K. Fit for Work

3. Guidance is always subject to any fluctuations in foreign currency exchange rates

4. Estimated tax rate for FY16 will range between 37% and 39%; final tax rate will ultimately depend on mix of operating income contribution from our various tax jurisdictions

Forecast for FY16 compared to FY 15

- Revenue growth between 14% and 19%
- GAAP-basis earnings growth between 2% and 15%

Fiscal 2015 Fourth Quarter & Full Year Earnings

Richard Montoni

Chief Executive Officer

November 12, 2015

MAXIMUS®

HELPING GOVERNMENT SERVE THE PEOPLE®

Introduction

- Challenges we face with U.K. assessment contract result in a reduced earnings outlook for FY16; this is a single contract in our global portfolio
- Over past twelve months, introduced several new growth platforms that strengthened our position for future opportunities in key markets
- Macro trends that drive demand for our services at global level remain very favorable

<u>Topics for today:</u>

- U.K. Health Assessment Advisory Service (HAAS) contract
  - Challenges today
  - Addressing those challenges
  - Improvements already made to the overall service
- Updates
  - Acentia integration
  - Third ACA Open Enrollment period (OE3)
  - New awards, pipeline & rebids
- Closing
  - Commitment to solid growth delivery in FY16

Three Main Challenges With HAAS Today

Program Background

Conduct assessments for individuals seeking certain disability benefits. Program faced significant criticism under previous provider. At contract takeover in March 2015, we said it would take time to meaningfully improve program.
Hybrid contract – predominantly cost-reimbursable, with significant performance incentives; the largest is volumes

Three Main Challenges Today

Falling short of achieving initial volume targets; ability to hit targets is tied to three areas:

1. Number of Health Care Professionals (HCPs) we recruit
2. Number of HCPs that complete training & graduate
3. Productivity of these new HCP recruits

Getting the Program Better Aligned With Contractual Targets

- Need to have the right number of qualified HCPs – that goal hasn't changed
- What has changed is amount of time it is taking to recruit, graduate & ramp up new staff
- Confident that we can achieve our goals over time
- Modified forecasts to account for slower-than-expected staffing ramp
- Believe staffing resources will be in place to meet volume demand & contractual targets by end of summer 2016

Remedies to Address Three Main HAAS Challenges

1. Recruitment

- Launched comprehensive recruitment campaign to ensure continued flow of qualified candidates
- Expanded network of recruitment partners
- Enhanced employee referral program
- Implemented advertising & social media campaign
- New recruitment portal website
- Exhibiting at recruitment fairs across the country

Through these efforts, we have seen a sizable uptick in the number of new recruits.

2. Training & Support

- Candidates must complete rigorous training, pass a series of competency tests, & graduate to become fully accredited
- To increase graduation rates, we have some key initiatives underway:
  - Increased engagement & coaching with new candidates during entire training period.
  - Working with recruits who struggle with initial competency tests & providing individualized training support

Yielding results by keeping more candidates in the process; with the extra support, we expect more candidates will graduate.

3. Productivity

- Once new staff begin performing assessments, there is a learning curve; may take them 6-8 months to achieve full productivity levels
- In the meantime, have efforts underway to increase productivity with our current workforce:
  - Optimized work schedules of our staff & offered voluntary overtime incentives – including weekend shifts – to increase number of assessments completed each day

Efforts had direct influence on our ability to reduce the significant backlog inherited at the time of contract takeover.

Increased recruiting efforts, supplemented by enhanced training & optimization of current workforce, will help increase productivity, meet volume targets, and reduce wait times over the coming months.

Meaningful Progress on Program Improvements

Reduced Backlog: Top Priority for Department for Work and Pensions

- At time of contract takeover, inherited significant caseload of 550,000+ outstanding assessments
- Today – eliminated more than a third of backlog & making concerted progress to continue to reduce backlog of cases & shorten wait times

Enhanced Stakeholder Engagement: Customer Representative Group

- Representatives from 25+ nonprofits & disability advocacy groups; group provides practical feedback that we incorporate to areas such as clinical training, assessment interview, facilities & customer communications

Improved Customer Experience: Increased Engagement Levels

- Refreshed & rolled out enhanced program engagement materials
- User-friendly website with multi-media content
- Updating customer-facing materials to make them easier to understand
- Usability testing showed that 96% of testers reported positively
- Launched new help-line to assist customers with pre-assessment forms & provide practical support on types of medical evidence that may be required
- Piloting text messaging to prompt customers to complete certain tasks & remind them of upcoming appointments; nationwide roll-out in coming weeks

Recognition of HAAS Improvements

Accomplishments Have Not Gone Unnoticed

- During a public Work and Pensions Select Committee meeting, several government officials praised our recruiting plan & efforts to work through backlog
- Confirmation of our effective working relationship with DWP & our belief that we are the right company to bring about improvements to this highly visible program

Moving Forward

- Making meaningful improvements
- Progress remains short of initial targets & original projections for operating income
- This is a single contract with an operating income ramp that's now pushed to the right
- Continue to make strides forward; not a matter of loss mitigation, but rather on bringing start-up to mature operation levels & delivering normalized operating income contribution

Demonstrated Results With Start-Up Challenges

- Start-ups are the nature of our business
- New programs are the best avenue to create substantial, long-term shareholder value
- Growing pains are normal during the early days
- Difficult to predict pace at which start-ups move to maturity
- Past turn around successes in British Columbia & Texas:
  - Took time, resources & a significant level of effort to implement many changes needed to turn these programs around
  - Are now flagship contracts that have delivered meaningful shareholder value

We believe the U.K. assessment contract will drive long-term significant shareholder value – it will just take longer than originally planned.

New Set of Opportunities Through Acentia Acquisition

ACENTIA
A MAXIMUS FEDERAL COMPANY

- Integration nearly complete & seeing new prospects that combine BPO with technology solutions
- Provides additional contract vehicles & access to new agencies
- Opens up an entirely new set of opportunities

Awarded a small, but strategic, task order on a contract vehicle gained through the acquisition

- Work is for physical & behavioral health assessment reviews of individuals placed on disabled list from their current assignments (for one branch of the military)
- Goal is to return them to their current duty, assign them to a new duty or assignment, or allow them to leave the service
- New task order plays nicely into our continuum of existing assessments & appeals services
- Positive confirmation that the acquired vehicles will play an important role in our longer-term strategy for Federal Segment
- Federal procurement process is slow; over next few years, expect to start seeing formal opportunities where we can play a meaningful role as a full-service provider

Affordable Care Act (ACA) Update

- Third Open Enrollment period (OE3) began last week & will run through January 31, 2016
- Believe that ACA-related revenue has largely stabilized into a relatively steady state
- Even though the number of first-time enrollments are projected to be lower, continue to support other ACA activities:
  - Completing redeterminations
  - Answering tax-related questions
  - Managing certain components of consumer engagement
- As with any large-scale government program, also expect normal course fluctuations as states prioritize a wide-ranging set of initiatives under ACA

New Awards, Pipeline & Rebids

New Awards	September 30, 2015
YTD Signed Awards	$3.4B
New Contracts Pending	$149M

Sales Opportunities	September 30, 2015
Total Pipeline	$3.2B

- Total pipeline includes anticipated rebid for U.K. Work Programme – lengthy rebid process expected to begin in the spring; awards expected in FY17
- Pipeline holds a broad mix of rebids & new work, representing opportunities in multiple geographies & all segments
- Pipeline reflects opportunities where we believe the request for proposals to be released within the next six months

Rebids

- FY15: Texas ESS contract is still outstanding; remain cautiously optimistic on the outcome
- FY16: Much lighter rebid year; 10 contracts with combined total contract value of approximately $170M

Conclusion

- Keenly focused on improving performance on U.K. assessment contract & delivering results toward upper end of guidance range
- Have our arms around the issues & corrective action plans well underway
- One contract in our global portfolio; fully expect it will provide solid returns to our shareholders over the long term
- Most importantly, macro drivers remain intact & confident about continued demand for our services for decades to come
- Trusted partner for governments around the world to help implement programs tied to major reform efforts – from welfare-to-work to managed care & health insurance exchanges to performance-based social reform efforts
- We will continue to capitalize on opportunities that will grow the business & generate shareholder value

MAXIMUS celebrated 40 years in September.
Thanks to our 16,000+ employees for their valuable contributions.