

Fiscal 2013 Second Quarter Earnings

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Chief Financial Officer and Treasurer

May 9, 2013

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.



Total Company Financial Results

(\$ in millions)	Q2 FY13	Q2 FY12	% Change
Revenue			
Total Company	\$ 326.4	\$ 243.5	
Terminated Contract Revenue	(16.0)	-	
Adjusted Revenue	\$ 310.3	\$ 243.5	27%
Operating Income			
Total Company*	\$ 50.7	\$ 26.8	
Terminated Contract OI	(10.9)	-	
Adjusted Operating Income	\$ 39.8	\$ 26.8	49%
<i>Adjusted Operating Margin %</i>	<i>12.8%</i>	<i>11.0%</i>	
Net Income	\$ 31.7	\$ 14.2	
Terminated contract net income	(6.5)	-	
Adjusted Net Income	\$ 25.2	\$ 14.2	77%
Adjusted EPS	\$ 0.72	\$ 0.49	47%

*Excluding legal, settlement and acquisition expense

Note: numbers may not add due to rounding

Q2 FY13 results in line with expectations

- Q2 FY13 results included \$16m of non-recurring revenue, pre-tax income of \$10.9m (after tax \$6.5m), or \$0.19 per diluted share, in the Human Services Segment due to a terminated contract
- Excluding the \$16m, Q2 FY13 revenue grew 27% to \$310.3m compared to last year. Organic revenue growth accelerated. Organic revenue grew 15% over last year driven by growth in both segments
- Q2 FY13 total company operating income, excluding legal, settlement and acquisition expense, totaled \$50.7m (pre-tax). Excluding the pre-tax profit of \$10.9m from the terminated contract, segment operating income totaled \$39.8m (12.8% operating margin)
- Income from continuing ops, net of taxes, totaled \$31.7m (or \$0.91 per diluted share) and included \$6.5m (or \$0.19 per diluted share) related to the terminated contract
- Excluding the \$0.19 one-time benefit, adjusted EPS grew 47% to \$0.72

Health Services Segment

(\$ in millions)	Q2 FY13	Q2 FY12	% Change
Revenue			
Health Services	\$ 197.9	\$ 161.2	23%
Operating Income			
Health Services	\$ 28.9	\$ 18.2	59%
<i>Operating Margin %</i>	<i>14.6%</i>	<i>11.3%</i>	

Revenue

- Q2 revenue increased 23% to \$197.9 million, driven by the PSI acquisition, expansion on existing programs, and new work that is starting to ramp nicely. Still experiencing healthy volumes in federal Medicare appeals business

Operating Income & Margins

- Q2 operating income increased 59% to \$28.9 million compared to the same period last year and operating margin improved to 14.6% in Q2 driven by accretive growth. This compares to operating margin of 11.3% reported for the same period last year

Demand for Core Services Remains Strong

- New win to support General Dynamics Information Technology under the federal Customer Contact Center Operations (CCO) contract; includes customer service for ACA-related activities for the federally facilitated health insurance marketplace
- Cost reimbursable program will only provide a few months of lower-margin revenue in FY13 and we do factor new contracts into our forecast, so full year outlook remains unchanged

Human Services Segment

(\$ in millions)	Q2 FY13	Q2 FY12	% Change
Revenue			
Human Services	\$ 128.4	\$ 82.3	
Terminated Contract Revenue	(16.0)	-	
Adjusted Revenue	\$ 112.4	\$ 82.3	37%
Operating Income			
Human Services	\$ 21.5	\$ 8.6	
Terminated Contract OI	(10.9)	-	
Adjusted Operating Income	\$ 10.6	\$ 8.6	23%
<i>Adjusted Operating Margin %</i>	<i>9.4%</i>	<i>10.5%</i>	

Revenue

Q2 revenue increased to \$128.4m. Excluding the \$16.0m from the terminated contract, revenue grew 37% to \$112.4m compared to last year, driven by the PSI acquisition, the ramp in the UK, and growth from Canada and Saudi Arabia

Operating Income & Margins

- Q2 operating income totaled \$21.5m, and included pre-tax income of \$10.9m from the terminated contract
- Excluding the \$10.9m, the Segment's normalized Q2 operating income was \$10.6m (operating margin of 9.4%)

Balance Sheet and Cash Flows

Cash Flows & DSOs

- Q2 cash flow consistent with expectations
- As expected, we continue to experience administrative payment delays on two programs
- DSOs were sequentially lower at 66 days at March 31 (excluding revenue from the terminated contract)

Cash and Use of Cash

- Cash provided by operating activities from continuing operations totaled \$29.4m at March 31, 2013
- Free cash flow totaled \$18.3m
- Cash and cash equivalents of \$187.3m at March 31

Share Buybacks

- No shares were purchased in the quarter; at March 31, \$114.6 million was available for future purchases

Credit Facility

- Completed a \$100m, five-year line of credit
- Accordion feature up to an additional \$50m
- Available for general corporate purposes

Stock Split

- On June 28, 2013, shareholders of record on June 14 will receive an additional share of stock for each outstanding share

Reconciliation to Free Cash Flow

\$ in millions	March 31, 2013
Cash provided by operating activities from continuing operations	\$29.4
Cash paid for property, equipment and capitalized software	(\$11.0)
Free cash flow	\$18.3

Note: numbers may not add due to rounding

FY 13 Guidance: Reiterating Revenue & Adjusted EPS

Consolidated Guidance	FY13 E
Revenue	\$1.25B - \$1.30B
Adjusted Diluted EPS	\$3.00 - \$3.15
Cash from Continuing Ops	\$115M - \$135M
Free Cash Flow from Cont Ops	\$70M - \$90M

Reiterating Revenue and Earnings Guidance; Maintaining Cash Flow Guidance

- We are reiterating our FY 13 revenue, adjusted EPS guidance and cash flow guidance
- From a modeling perspective:
 1. Many new programs coming on board have revenue and profit ramps this means that the remainder of the year will be back-end loaded into Q4
 2. Some examples of new programs with ramping trends include:
 - a) New HIX work in NY, CT, VT, plus new CCO contract (which is more of a Q4 contributor)
 - b) Our new contract for independent medical reviews for the California worker's comp program (as volumes grow)
 - c) The new DES program in Australia
 - d) Steady monthly volume increases in federal Medicare appeals
- Great quarter and remain confident on the remainder of fiscal 2013

Fiscal 2013 Second Quarter Earnings



Richard A. Montoni

President and Chief Executive Officer

May 9, 2013

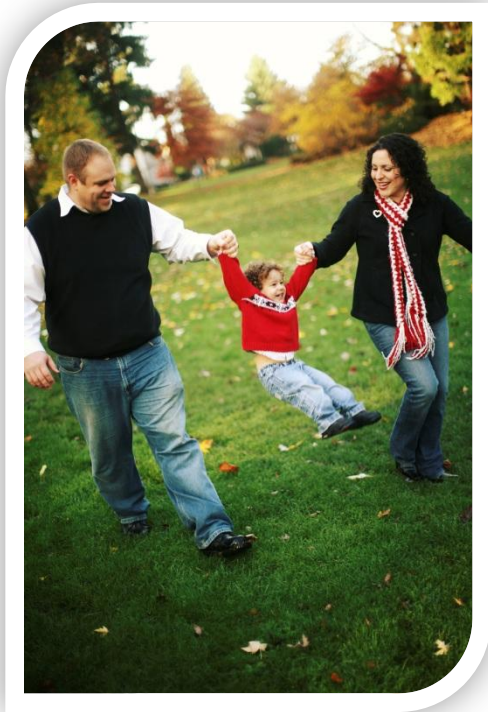


On Track for Continued Growth in Fiscal 2013

- Solid Q2 financial results support growth trajectory for the remainder of fiscal year 2013 and beyond
- Several new awards to share today and start-up programs are progressing largely as planned
- On track for exceptional top- and bottom-line growth in fiscal 2013, as we seek to expand our health and human services operations, both in the U.S. and abroad
- Maintain an optimistic outlook on growth potential and capitalize on opportunities to deliver value to shareholders



Health Services: Renewal of MassHealth Contract



- Received award notification for a five-year renewal of MassHealth Medicaid contract
- Scope of work is largely unchanged; MAXIMUS:
 - Provides general eligibility and program participation customer service to Medicaid members and providers
 - Enrolls Medicaid participants into managed care health plans
 - Enrolls and credentials providers
 - Provides other services on the Commonwealth's behalf.
- In final contract negotiations with the client

Health Care Reform Update: Federal Market

- Seeing the expected pick-up in procurements on the federally facilitated exchange, also known as the Health Insurance Marketplace
- Part of the team selected by CMS for the contact center operations contract:
 - MAXIMUS is a subcontractor to General Dynamics Information Technology (GDIT)
 - Under the contract, we will handle ACA-related inquiries across the U.S. and territories
 - Important step in strategy of growing federal business and winning fair share of health reform
- Two additional federal exchange RFPs in our sweet spot; award dates uncertain
 1. Eligibility Support functions of the Marketplace
 2. Eligibility Appeals work in the Marketplace
- We have submitted bids for both contracts and for competitive reasons cannot share other details
- As a reminder, a vendor cannot win both the Eligibility Support and Eligibility Appeals contracts

Health Care Reform remains our largest domestic growth driver and MAXIMUS continues to add new contracts to our growing portfolio of ACA-related work.

Health Care Reform Update: State Market

- Signed two new contracts to support state HIX
- Vermont: Contract amendment for customer support center for the state's health benefits exchange
 - Builds upon a 17-year partnership with the Department of Vermont Health Access and expands our customer support center operations in the state
 - One-year, \$12.5 million contract amendment started on May 1, 2013; has an additional one-year option period
- California: Contract to provide supplemental support to the state's HIX operations
 - California has elected to use public workers to staff its HIX customer service centers
 - MAXIMUS will train approximately 850 individuals associated with the service centers
 - The MAXIMUS Center for Health Literacy will provide services to ensure that all consumer correspondence, forms, and other program materials are easy-to-understand by the populations served through the state HIX



Health Services: Future Growth Opportunities

- Domestically, states that initially elect a federal or partnership exchange may transition to state-based exchanges down the road; presents future opportunity
- Health care reform will be a long-term, multi-year growth driver, as health insurance marketplaces evolve over time



- Internationally, many promising opportunities to grow our health business
- Expect RFP activity (as early as 2014) in existing markets outside U.S. and where current offerings are focused on welfare-to-work
- These emerging, new opportunities are right in our wheelhouse of core capabilities
- Natural progression of “land, execute and expand” strategy

Human Services: Growth in the U.S. Markets

- Launched a new contract with the New York City Human Resources Administration
 - Employment services centers in the Bronx and Staten Island
 - Provide assessment, work readiness, job placement and retention, and support services to participants in public programs, non-custodial parents and foster care youth
- As a result of a CMS requirement for independent oversight on large federally funded programs, seeing an increase in our Independent Verification and Validation (IV&V) consulting practice
 - We provide oversight services to ensure that large integration projects meet cost, time and quality objectives
 - Recent wins in Pennsylvania, Ohio and Oregon
 - Engagements are small, but can be helpful in positioning MAXIMUS for future work downstream



Human Services: International Update



- U.K. Work Programme contract meeting expectations
 - Department of Work and Pensions will release next performance statistics on June 27, 2013
 - Expect the government will start planning for work reallocation, but expect shift of work to happen in 2014
- Saudi Arabia pilot program running successfully
 - Initial one-year pilot program is set to end in August
 - Team's strong performance to-date sets solid platform as additional opportunities to deliver our core services develop over the long-term in this promising market

Contract Rebids

- Started fiscal year 2013 with 14 contracts with a total value of approximately \$475 million up for rebid
 - Texas Medicaid Enrollment and MassHealth contracts make up the lion's share with a combined value of approximately \$320 million
 - With award notification on both of these contracts, pleased to win our two largest rebids
 - Lost a child support rebid on price; it was valued at just under \$5 million a year
- Still having a great year from a re-bid perspective and on track to win 90%-plus
- Five rebids remaining, with a total contract value of just under \$50 million



New Awards and Sales Pipeline

New Sales	March 31, 2013
YTD signed awards	\$886 million
New contracts pending	\$425 million
Sales Opportunities	March 31, 2013
Total pipeline	\$2.3 billion

At March 31, 2013:

- MAXIMUS signed \$886 million in new contract awards (\$700 million signed in Q2)
- Approximately \$425 million of “awarded but unsigned” contracts
- Total sales pipeline of opportunities was \$2.3 billion, slightly lower than last quarter, driven mostly by contracts moving out of the pipe and into the award categories
- Routine fluctuations between the pipeline and award categories are driven by the stages in the procurement process and the timing of when contracts are awarded and signed

Use of Cash



- Cash in the quarter continues to be strong, with the majority held overseas
- Active M&A program with a very strategic approach towards opportunities that complement our growth strategy
- Subsequent to quarter end, announced a two-for-one stock split, which will take place at the end of June and demonstrates our:
 1. Ongoing confidence in the Company
 2. Superior market positioning
 3. Positive outlook related to the many emerging opportunities we see across our business

Conclusion

- Focus on delivering high-quality, value-added services to government clients
- Strong performance keeps us on a solid path for achieving our long-term goals of:
 1. Securing our fair share of health care reform work in the U.S.
 2. Growing our federal operations
 3. Expanding our global operations
- We are committed to offering the highest quality of services to clients, growing the business with new work, and building long-term shareholder value



Non-GAAP Measures

This presentation refers to non-GAAP financial measures, including free cash flows from operating activities, adjusted diluted earnings per share from continuing operations, organic growth, as well as revenues, operating income, net income and earnings per share excluding a terminated contract.

To provide organic growth information, revenue in the prior year is compared to the current year without PSI revenues. We believe organic growth provides a useful basis for assessing the performance of the business excluding PSI. We have provided a reconciliation of free cash flow to operating cash flow from continuing operations. We believe that free cash flow from operations is a useful basis for investors to compare our performance across periods or across our competitors. Free cash flow show the effects of the Company's operations and routine capital expenditure and exclude the cash flow effects of acquisitions, share repurchases, dividend payments and other financing transactions. We have provided a reconciliation to adjusted diluted earnings per share and operating income excluding legal, settlement and acquisition-related expenses and the benefits of the terminated contract. We have also provided a reconciliation between revenue and revenue excluding the terminated contract. We believe that these measures are a useful basis for assessing the Company's performance excluding the effect of the terminated contract, the costs of acquiring PSI, and net legal and settlement expenses.

The presentation of these non-GAAP numbers is not meant to be considered in isolation, nor as alternatives to net income, cash flows from operating activities, diluted earnings per share, revenue growth, operating income and operating margin as measures of performance.