Fiscal 2014 Second Quarter Earnings

David N. Walker

Chief Financial Officer and Treasurer

May 8, 2014

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.

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 Results

($ in millions)	Q2 FY14	Q2 FY13*	% Change
Revenue			
Total Company	$ 439.0	$ 326.4	
Terminated Contract Revenue	-	(16.0)	
Adjusted Revenue	$ 439.0	$ 310.3**	41%
Operating Income			
Total Company***	$ 65.5	$ 50.7	
Terminated Contract OI	-	(10.9)	
Adjusted Operating Income	$ 65.5	$ 39.8	65%
Adjusted Operating Margin %	*14.9%*	*12.8%*	
Net Income - Continuing Operations	$ 41.2	$ 31.7	
Diluted EPS from continuing ops	$ 0.59	$ 0.45	31%
Adjustments:			
Legal & settlement expenses	0.01	-	
Tax adjustment	(0.01)	-	
Terminated contract	-	(0.09)	
Subtotal adjustments	-	(0.09)	
Adjusted EPS	$ 0.59	$ 0.36	64%

* FY 13 actuals reflect 2-for-1 stock split

** May not add due to rounding

*** Excluding legal, settlement and acquisition expense

- Q2 FY14 revenue of $439.0m
- Q2 FY13 included one-time revenue benefit of $16.0m and $10.9m pre-tax income related to a terminated contract
- Excluding the terminated contract, Q2 14 revenue grew 41% and organic growth was 36%
- Currency headwinds: Q2 revenue grew on a constant currency basis 37% and excluding the terminated contract revenue grew 44%
- Top and bottom-line increases primarily attributable to growth in domestic health business, much of which was tied to contracts related to ACA
- Consolidated operating income totaled $65.5m (operating margin of 14.9%)
- Income from continuing operations, net of taxes, totaled $41.2 million, or $0.59 per diluted share (including $0.01 tax benefit that was offset by -$0.01 of legal and settlement expense)
- Adjusted diluted earnings per share increased 64% to $0.59, driven principally by accretive growth in the Health Segment

Health Services Segment

($ in millions)	Q2 FY14	Q2 FY13	% Change
Revenue			
Health Services	$ 324.1	$ 197.9	64%
Operating Income			
Health Services	$ 48.8	$ 28.9	69%
Operating Margin %	*15.1%*	*14.6%*	

Revenue

Health Services delivered another solid quarter. Top-line increases fueled by:

1. Organic growth resulting from new work and expansion of existing contracts, including those related to the implementation and support of the Affordable Care Act (ACA)
2. Increased transactional volumes in the Company's appeals and assessments business, including an increase from the ramp-up in the CA Worker's Compensation contract. Looking into FY15, increasing volumes in this program will help offset potential decreases in our Medicare appeals work due to changes in the RAC program
3. Acquired revenue from HML acquisition completed on July 1, 2013

Operating Income & Margins

- Q2 operating income increased 69% with an operating margin of 15.1%
- As expected, operating margins were higher compared to the same period last year

Q2 FY14 benefitted from highly accretive change orders, many tied to ACA, which increased the scope of work in various projects to support health insurance exchange activities and other ACA requirements

Raising FY14 estimates to account for some additional work that support activities related to HIX and state Medicaid programs

Human Services Segment

($ in millions)	Q2 FY14	Q2 FY13	% Change
Revenue			
Human Services	$ 115.0	$ 128.4	
Terminated Contract Revenue	-	(16.0)	
Adjusted Revenue	$ 115.0	$ 112.4	2%
Operating Income			
Human Services	$ 16.8	$ 21.5	
Terminated Contract OI	-	(10.9)	
Adjusted Operating Income	$ 16.8	$ 10.6	59%
Adjusted Operating Margin %	*14.6%*	*9.4%*	

Revenue

- Excluding last year's $16.0 million benefit, Q2 FY14 revenue increased 2.3% and was up 7.3% on a constant currency basis

Operating Income & Margins

- Q2 FY14 operating income totaled $16.8 million; delivering an operating margin of 14.6%
- Q2 FY14 operating margin bolstered by finalization of Saudi Arabia contract and a couple of highly accretive short-term consulting engagements
- Currently expect operating margin to run towards the lower end of 10-15% range for the remainder of the fiscal year

Expansion related to re-allocation of work in Australia

- Disability Management Services (DMS): small partial year contribution in FY14
- Job Services Australia (JSA): reallocation begins in Q4 FY14: full-year contributions in FY15
- Validates that excellent performance in these outcomes-based programs is incentivized, measured, and rewarded

Balance Sheet and Cash Flows

Cash Flows were solid in Q2

- DSOs were 68 days in the quarter, in target range of 65-80 days

Reconciliation to Free Cash Flow

$ in millions	Q2 FY14
Cash provided by operating activities from continuing operations	$34.6
Cash paid for property, equipment and capitalized software	($8.8)
Free cash flow	$25.8

Share Buybacks

- In Q2 FY14, purchased 301,400 shares of MMS common stock for $13.0 million
- At March 31, 2014, $62.1 million was available for future purchases
- Subsequent to quarter close (through May 2), purchased another 241,500 shares for approximately $10.3 million
- Buyback program is opportunistic in nature

Cash and Use of Cash

- At March 31, 2014, cash and cash equivalents totaled $131.3 million (approximately 65% is held overseas)
- Focused on same fundamental principles for cash deployment:
  - Investing in business development and growth prospects
  - Working an active pipeline of potential strategic acquisition targets
  - Remaining committed to quarterly cash dividend and opportunistic share buyback program

Increasing FY 14 Guidance

		New FY14 Guidance		Prior FY14 Guidance
Revenue		$1.68B - $1.73B		$1.60B - $1.68B
Adjusted Diluted EPS		$2.00 - $2.10		$1.95 - $2.05

		FY14 Guidance
Cash from Continuing Ops		$180M - $205M
Free Cash Flow from Cont Ops		$140M - $165M

Guidance Raise

- Raising guidance based on strong delivery in Q2 FY14 and increased visibility into new work related to ACA and state Medicaid programs materializing in back half of FY14. In addition, ramping up certain HIX contact centers earlier than anticipated for 2015 open enrollment period
- Reiterating cash flow guidance but expect to be towards lower end of range due to increased working capital requirements tied to upward revision of revenue

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Richard A. Montoni

President and Chief Executive Officer

May 8, 2014

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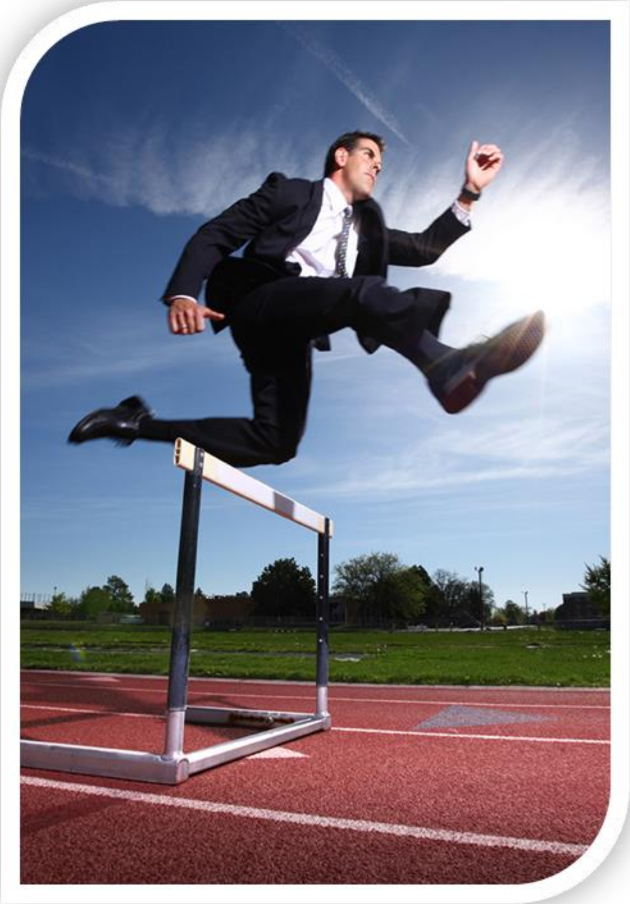
Responding to the Needs of Our Clients

- Solid results in second quarter reflect our success during first year of the Affordable Care Act (ACA)
- Continued success is based on seeking innovative, flexible and scalable ways to reform social programs
- Takes years for new programs to move from concept to launch to normalized steady-state
- Long term growth strategies for MAXIMUS:
  - Enhancing U.S. operations by supporting clients through next phase of ACA
  - Expanding international operations through health and human services opportunities in multiple geographies
  - Growing federal business line



U.S. Operations and ACA Update

- Supporting our clients' efforts to meet the requirements under ACA and to respond to technology challenges during the first open enrollment period
  - Provided enhanced consumer assistance through our contact centers – in many cases, helped consumers complete applications over the phone to finish the enrollment process
  - Handled a total of approximately five million calls from October through March
  - Reacted to the volume increases quickly, leveraging overflow capabilities in other contact centers and rapidly adding incremental capacity

- Providing responsive solutions for our clients after the conclusion of the first open enrollment period
  - Surprised with the resiliency of demand
  - Despite call volumes coming down, added supplemental work related to ACA and Medicaid
  - Ramping up certain contact center operations at higher levels than originally expected in preparation for the next open enrollment period
  - Resulting in a back-fill of revenue that has largely led to increase our FY14 estimates

- Preparing for the best way to support our clients with ongoing implementation and stabilization of ACA
  - Multi-year growth driver, as steady-state enrollment in the exchanges is not expected until 2017 to 2018
  - Over time, other states will likely adopt state-based exchanges to have more control over coverage expansion, access to federal funds for marketing and outreach, and to maintain a closer linkage to state insurance regulations

Medicaid Expansion and Other Support Services

Medicaid expansion and other Medicaid support services are also part of our long-term growth strategy under ACA

- Some states already using ACA-related funding to expand Medicaid programs
- Expansions include new service areas and additional populations like the dual eligibles
- Proud to be working with several clients participating in the Centers for Medicare & Medicaid Services (CMS) demonstration programs to provide coordinated care to dual eligibles
- Other states are exploring alternative mechanisms to expansion, including:
  - Waivers to use federal funds in new ways
  - Premium assistance and healthy incentive programs
- All waiver requests must be approved by CMS, so while we are supporting early states in this model, we anticipate that this will remain a longer-term growth driver

International: Australia Update

Expanding our footprint in Australia through service area reallocations

Disability Management Services (DMS) – Provide case management services to individuals with injuries, disabilities or other major health issues

- DMS reallocation shifted service areas from under-performing vendors to those with demonstrated success
- We increased our overall disability employment business share with an additional 12 employment service areas, bringing our total DMS areas to 32
- Adds $5 million in new annual revenue and when fully ramped should contribute $22 million annually
- Confirmation that solid execution leads to increased market share under these performance-based contracts

Job Services Australia program (JSA) – Largest W2W program; we serve approximately 75,000 job seekers

- Performance is measured through the achievement of sustainable employment outcomes
- Government reports publically each quarter through their Star Rating program
- Some JSA vendors will be replaced by higher performing vendors
    - Notification that we will receive some reallocated work
    - Current contract runs about $125 million annually and this increased market share could provide:
        - Between 10% and 15% of new annual revenue
        - Increased caseload to more than 100,000
- Additional awards will also support next rebid of the JSA contract and currently expect request for tenders to drop towards the end of this calendar year. Two important aspects of this type of rebid:
    - Australian government historically has placed greater reliance on performance than price for these types of contracts
    - Not an “all or nothing” bid because the awards are based on site locations

Remain cautiously optimistic in our role as a trusted partner to Australian government

International: United Kingdom Update

- The Department for Work and Pensions (DWP) recently published quarterly Work Programme statistics that cover the performance period up to December 31, 2013. As a prime provider, MAXIMUS:
  - Helped approximately 11,000 individuals into a job that they have held for more than six months (or in some cases three to six months)
  - Achieved targets for a significant percentage of the payment groups within the program
  - Was third among all 18 providers for the overall cumulative percentage of referrals for which we have received a job outcomes payment

- Relative performance for all Work Programme providers has remained stable

- DWP working on first inter-region reallocation where high-performing vendors can bid to pick up a new region
  - We are eligible to bid on the region and are reviewing the opportunity
  - Our interest predicated on terms and conditions of transitioning the region to new vendor
  - A new process for the UK government we will keep a close eye on the opportunity
  - Work Programme reallocations not expected to be primary UK growth driver in the near term

- Rather, remain excited about other emerging opportunities in the UK
  - Established a foothold in the health services market with last year's acquisition of Health Management, the largest occupational health care provider
  - Continue to focus on several larger near-term opportunities
  - Build upon established reputation with the UK government
  - Actively preparing bids and feel positive about these prospects

Expanding Federal Book of Business

- Good progress on introducing our core capabilities to new programs and agencies

- U.S. Department of Education (DOE)
  - Successful resolution on protest
  - Help administer a portfolio of defaulted student loans
  - Ramping up operations and remain on track to launch in August

- DOE contract is a prime example of extending our core offerings to a wider set of federal agencies
  - Citizen engagement
  - Customer contact centers
  - Case management

- Successfully launched eligibility appeals operations for Federal Marketplace
  - Help consumers whose applications were previously incomplete, to reapply and complete enrollment process

Rebids

	Number of contracts	Total contract value ($ in millions)
Contracts up for rebid	15	$225
Won or extended	6	$85
Lost	1	$7
Remaining	**8**	**$133**

- Fiscal 2014 will be a light year for rebids and overall total awards
- Of the 15 contracts worth a total of $225 million up for bid, won or received extensions on 6 with a total contract value of $85 million
- During the quarter, lost a small child support contract with a total contract value of $7 million and annual contract value of less than $2 million
- Year-to-date, results are tracking favorably with 8 rebids left for a total value of about $133 million

New Awards and Sales Pipeline

New Awards	March 31, 2014
YTD signed awards	$969 million
New contracts pending	$76 million
Sales Opportunities	**March 31, 2014**
Total pipeline	$2.2 billion

At March 31, 2014:

- Signed $969 million in year-to-date contract awards
- Additional $76 million in year-to-date contracts pending (notified of award and in contract negotiations)
- Sales pipeline was at $2.2 billion with opportunities across multiple geographies and both segments
  - Pipeline reflects opportunities where the request for proposal is expected to be released within the next six months
  - Opportunities include new work, rebids, and option periods
  - Sequentially, the pipeline is slightly lower compared to $2.4 billion reported for Q1 FY14 due to more than $600 million in signed contract awards
  - Fluctuations are normal course and primarily related to opportunities converting into new awards

Opportunities Ahead Shape Fiscal 2015

- At the start of our annual planning process and plan to give:
  - Additional insights on next quarterly call
  - Formal guidance on end-of year call in November
- Underpinnings of growth driven by long-term demand trends tied to operating large government social programs
- Overarching demand tails are decades-long in nature and driven by:
  - Demographic shifts
  - Pressured government budgets
- While program or legislative changes often create specific opportunities; timing of these opportunities can vary
- Long-term, believe we can grow revenue and earnings by 10%
  - Some years will have accelerated growth above the 10% mark (FY13 and FY14)
  - Other years may have overall growth tempered by start-ups, rebids or government procurement cycles

What Does This Mean for FY15?

- Meaningful new business opportunities that will ultimately drive our guidance for FY15
  - Expect good growth year with its own headwinds and tailwinds
- Additional ACA- and Medicaid-related work that helped bolster fiscal 2014
  - Some additional work will continue and some will abate
  - Seasonality in HIX contracts, too early to predict next year's open enrollment spike will compare to this year
- Pipeline remains robust with several key opportunities that could materialize and boost growth
  - Handful of large bids that are in process and right in our sweet spot
  - Remain optimistic on our overall prospects for success

Conclusion

- Year-to-date performance and expectations for the remainder of FY14 as additional confirmation of long-term growth opportunities in FY15 and beyond
- Look forward to reporting specific growth expectations for FY15 as we progress through our planning process and as the pending new opportunities evolve
- Remain excited to continue to provide our clients and program beneficiaries the highest quality of services
- Appreciate all the great efforts by our employees
- Thank you for your continued interest and support