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# Fiscal 2026 Second Quarter Earnings Call

**David Mutryn**

Chief Financial Officer

May 7, 2026

# 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 contains 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 forthcoming Form 10-Q.

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," "on track," "opportunity," "could," "potential," "believe," "project," "estimate," "expect," "continue," "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 and expectations about revenues, results of operations, profitability, future contracts, liquidity, market opportunities, market demand, acceptance of our products, our use of artificial intelligence, or acquisitions and divestitures 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 fiscal year ended September 30, 2025, filed on November 20, 2025.

Any forward-looking statement made by us in this presentation 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.

# Total Company Results – Second Quarter of FY26

(\$ in millions, except per share data)	Q2 FY26	Margin	Q2 FY25	Margin	% Change
U.S. Federal Services	\$ 753.1		\$ 777.9		(3.2)%
U.S. Services	415.8		442.4		(6.0)%
Outside the U.S.	137.1		141.5		(3.1)%
<b>Total Revenue</b>	<b>\$ 1,306.0</b>		<b>\$ 1,361.8</b>		<b>(4.1)%</b>
U.S. Federal Services	\$ 132.7	17.6%	\$ 119.0	15.3%	11.5 %
U.S. Services	38.6	9.3%	53.8	12.2%	(28.3)%
Outside the U.S.	(3.1)	-2.3%	4.8	3.4%	nm
Intangibles amortization	(20.3)		(23.0)		(11.7)%
Divestiture-related gains/charges	-		(1.0)		nm
Other	0.6		(0.6)		nm
<b>Total Operating Income</b>	<b>\$ 148.5</b>	<b>11.4%</b>	<b>\$ 153.0</b>	<b>11.2%</b>	<b>(2.9)%</b>
Intangibles amortization	\$ 20.3		\$ 23.0		(11.7)%
Divestiture-related gains/charges	-		1.0		nm
Depreciation & amortization (PP&E/CapSW)	12.3		9.4		30.6 %
Capitalized software impairment charge	6.9		-		nm
<b>Adjusted EBITDA (Non-GAAP)</b>	<b>\$ 188.0</b>	<b>14.4%</b>	<b>\$ 186.4</b>	<b>13.7%</b>	<b>0.9 %</b>
Interest expense	\$ 22.1		\$ 21.5		3.0 %
Effective tax rate	22.5 %		27.1 %		
Net income	\$ 98.1		\$ 96.6		1.5 %
<b>Diluted EPS</b>	<b>\$ 1.80</b>		<b>\$ 1.69</b>		<b>6.5 %</b>
Intangibles amortization per share	\$ 0.27		\$ 0.30		(10.0)%
Divestiture-related gains/charges per share	\$ -		\$ 0.02		nm
<b>Adjusted Diluted EPS (Non-GAAP)</b>	<b>\$ 2.07</b>		<b>\$ 2.01</b>		<b>3.0 %</b>

- This quarter reflected strong execution, sequential profitability improvement, and growing technology-driven returns
- Q2 FY26 revenue was consistent with the full-year FY26 outlook provided in February, which remains unchanged
- Q2 FY25 contained elevated natural disaster support work and temporary clinical volume surges in both domestic segments
- Adjusted EBITDA margin was **14.4%**, compared to 13.7% in the prior year period, driven by efficiencies enabled by automation, including AI tools
- Adjusted diluted EPS was **\$2.07**, compared to \$2.01 for the prior year period
- Two unusual items in Q2 FY26, a non-cash impairment charge (\$0.09 per share) and a discrete R&D tax benefit (\$0.08 per share), roughly offset and had no impact on adjusted EBITDA

# Segment Results - Second Quarter of FY26

## U.S. Federal Services Segment

- Revenue of **\$753** million, as anticipated, reflects the absence of elevated natural disaster support work performed in the prior year period
- Excluding natural disaster support, the segment would have grown 1.5%
- Segment operating margin of **17.6%** delivers on our commitment to technology-enabled programs that drive scalability, underpinning our decision to raise segment guidance again for FY26

(\$ in millions)	Q2 FY26	Q2 FY25	% Change
Revenue	\$753.1	\$777.9	(3.2)%
Operating Income	\$132.7	\$119.0	11.5%
Operating Margin %	17.6%	15.3%	

## U.S. Services Segment

- Revenue of **\$416 million** is tracking to anticipated positive organic growth in Q4 FY26
- Segment operating margin of **9.3%**, impacted by a \$6.9 million non-cash impairment charge
- Excluding the charge, the segment margin would have been **10.9%**, representing expected, sequential improvement from the Q1 FY26 segment margin

(\$ in millions)	Q2 FY26	Q2 FY25	% Change
Revenue	\$415.8	\$442.4	(6.0)%
Operating Income	\$38.6	\$53.8	(28.3)%
Operating Margin %	9.3%	12.2%	

## Outside the U.S. Segment

- Revenue of **\$137 million** derived predominantly from the United Kingdom, with Canada and the Gulf Region comprising the balance, following our reshaping efforts
- The segment recorded an operating loss of \$3.1 million in the quarter
- We continue to track a focused set of pipeline opportunities in these remaining geographies while prioritizing growth and margin improvement

(\$ in millions)	Q2 FY26	Q2 FY25	% Change
Revenue	\$137.1	\$141.5	(3.1)%
Operating Income	\$(3.1)	\$4.8	nm
Operating Margin %	(2.3)%	3.4%	

# Cash Flows and Balance Sheet

## Cash Flows & DSO

<b>\$ in millions</b>	<b>Q2 FY26</b>	<i>FY26 Guidance</i>
Cash provided by operating activities	\$ 189.5	
Purchases of property and equipment and capitalized software costs	(10.5)	
<b>Free cash flow (Non-GAAP)</b>	<b>\$ 179.0</b>	<i>\$450M - \$500M</i>

- We expect cash generation to improve through H2 FY26 and reaffirm full-year free cash flow guidance
- DSO remained elevated at 78 days due to administrative delays at a major federal customer. Collections are expected to accelerate in H2 FY26 with DSO projected to finish below 70 days at September 30, 2026

## Debt, Repurchases & Capital Allocation

- At March 31, 2026, total debt was \$1.55 billion, and the ratio of debt, net of allowed cash, to consolidated EBITDA on a TTM basis, as calculated in accordance with our credit agreement, remains at **1.8x** and below our stated target leverage ratio range of 2 to 3x
- During the second quarter, we repurchased approximately 1.4 million shares totaling \$111 million and, subsequent to quarter end through May 1st, we repurchased an additional 0.6 million shares totaling \$40 million
- The Board approved a share repurchase program refresh, authorizing up to an aggregate of \$400 million, effective May 11, 2026
- In the near term, our priority is opportunistic share repurchases when we believe our share price does not reflect the intrinsic value of the business
- Amidst market conditions that we believe are favorable to share repurchases, we continue to pursue value-accretive M&A that enhances capabilities and adds and expands customer relationships within our 2 to 3x target net debt range

# Updated Fiscal Year 2026 Guidance

Fiscal 2026 Guidance	Updated	Previous
Revenue	<b>\$5.2B - \$5.35B</b> (no change)	\$5.2B - \$5.35B
Adjusted EBITDA margin	<b>Approx. 14.2%</b>	Approx. 14.0%
Adjusted diluted EPS	<b>\$8.25 - \$8.55</b>	\$8.05 - \$8.35
Free cash flow	<b>\$450M - \$500M</b> (no change)	\$450M - \$500M

## FY26 Guidance Reconciliation - Non-GAAP

(\$ in millions except per share items)

	Low End	High End
Net Income	\$ 394	\$ 411
Add: interest expense / other (income)	84	84
Add: provision for income taxes	128	133
Add: amortization of intangible assets	81	81
Add: depreciation & amortization of PP&E and CapSW	54	54
Add: capitalized software impairment charges	7	7
Add: divestiture-related gains	(9)	(9)
Adjusted EBITDA	\$ 739	\$ 761
Revenue	\$ 5,200	\$ 5,350
Adjusted EBITDA margin	14.2%	14.2%
Diluted EPS	\$ 7.27	\$ 7.57
Add: effect of amortization of intangible assets on diluted EPS	1.10	1.10
Add: effect of divestiture-related gains on diluted EPS	(0.12)	(0.12)
Adjusted diluted EPS	\$ 8.25	\$ 8.55
Cash flows from operating activities	\$ 485	\$ 535
Remove: purchases of property and equipment and capitalized software costs	(35)	(35)
Free cash flow	\$ 450	\$ 500

- Raising FY26 adjusted EBITDA margin and adjusted diluted EPS for the second consecutive quarter while reiterating revenue and free cash flow guidance
- Adjusted EBITDA margin guidance increases by 20 basis points to ~**14.2%**, and adjusted diluted EPS guidance increases by \$0.20 to **\$8.25 - \$8.55** per share
- FY26 segment margin commentary:
  - U.S. Federal Services Segment: ~17.5%
  - U.S. Services Segment: ~10.0%
  - Outside the U.S. Segment: breakeven
- Other FY26 updated assumptions:
  - Interest expense: ~\$84 million
  - Full-year effective income tax rate: 24% - 25%

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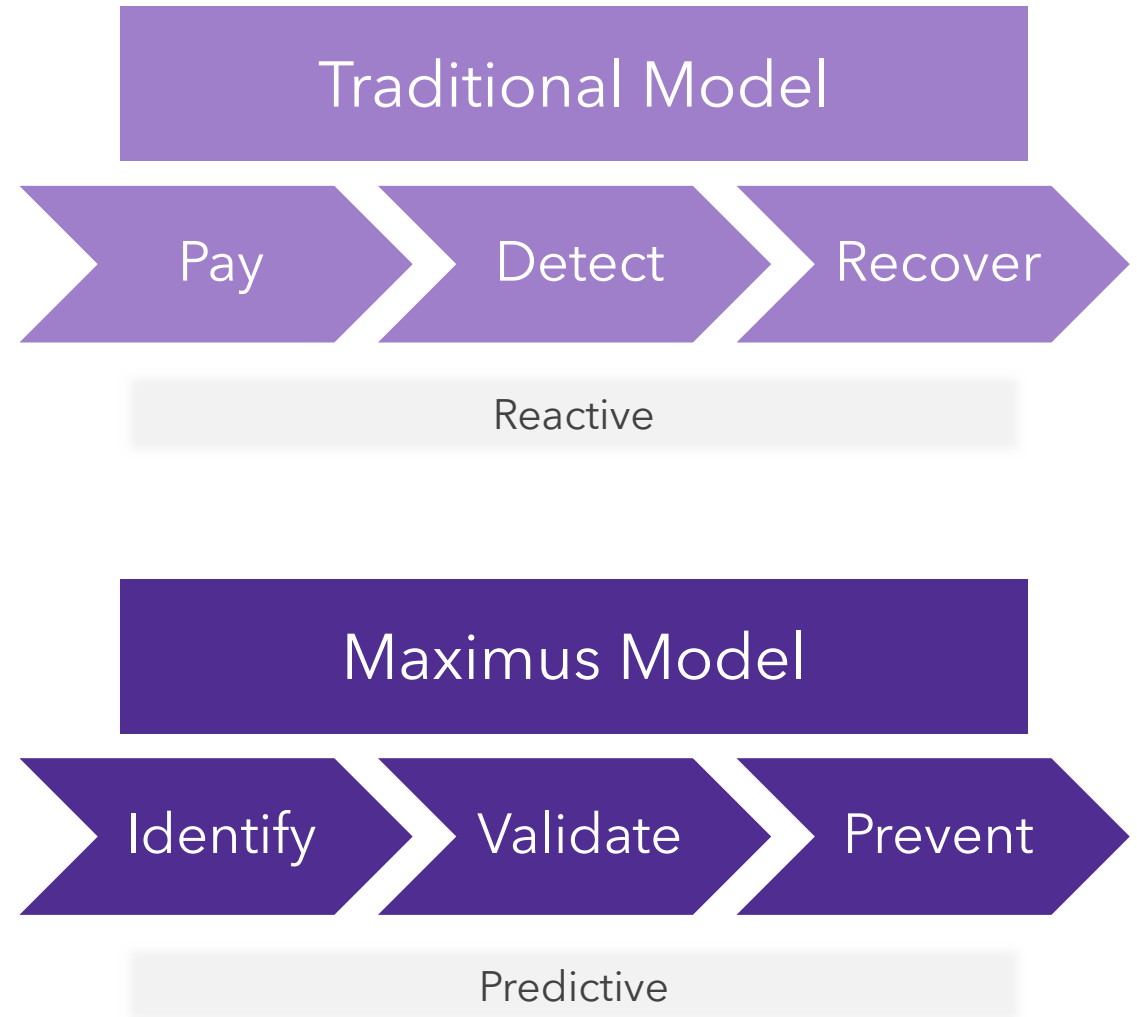
**Bruce Caswell**

President & Chief Executive Officer

May 7, 2026

# Combating Fraud: Technology-Enabled Program Integrity

- Government customers are shifting from “pay-and-chase” models to upfront prevention, prioritizing integrity, efficiency, and public trust
- Maximus embeds program integrity directly into operations using analytics, automation, data matching, and AI-supported workflows
- Advanced data integration is designed to enable faster, more accurate prevention of issues like enrollment errors before they occur
- As a trusted partner, Maximus operationalizes policy intent into practical, technology-enabled solutions that strengthen program integrity and reinforce public trust
- Insights from tens of millions of annual citizen interactions inform data-driven solutions that help eliminate friction, prevent fraud, and enhance program performance



# Accelerating AI

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Total Experience Management Solution

- **Enterprise AI acceleration:** activation of AI enabling faster service delivery, deeper insight into program effectiveness, greater operating leverage, and rapid adaptation to changing policy and mission needs
- **Customer-validated proof points:**
  - TXM platform recognized by a federal customer as “the most sophisticated AI deployment they have seen in a government contact center,” which is designed to address a multi-billion-dollar market
  - Generative and probabilistic AI is automating nearly half of high-volume dispute resolution workflows, freeing staff to focus on outcome accuracy and more complex cases
- **Responsible, execution-first approach:** we deploy AI where we believe that it measurably improves program integrity, speed, and consistency while grounded in domain expertise, workforce adoption, embedded controls, and secure integration with legacy environments
- **From pilots to scale:** high-value use cases, including call deflection, summarization, training, quality assurance, intelligent document processing, and real-time fraud detection are expected to grow
- **Sustainable differentiation:** Proprietary R&D, venture investments, strategic partnerships, and domain-specific IP, such as traceable clinical decision support built on knowledge graphs, position Maximus to scale trusted AI responsibly while respecting regulatory constraints and maintaining public trust

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# Procurement Updates, Awards, and Pipeline

- **Federal environment:** delays are impacting procurement timelines, with many awards subject to challenge, though underlying demand (particularly for technology modernization) remains strong
- **State HR-1 (aka Working Families Tax Cut) momentum:** Two states are working with us to support their Medicaid Community Engagement (MCE) (aka work requirements) compliance, which could either utilize existing contracts or be reported as new awards
- **Regulatory timing:** Delayed clarity on final MCE regulations has constrained momentum, but customer action is expected to accelerate next quarter as requirements solidify
- **Adjacent opportunities:** our **Accuracy Assistant™** demos for SNAP payment error rate support are impressing customers, and renewed demand for unemployment insurance administration expands near-term pipeline

New Awards (YTD)		March 31, 2026
Signed Contracts		\$913 million
Unsigned Contracts		\$322 million
Book-to-Bill ratio (TTM)		0.5x
Book-to-Bill ratio (Q2 FY26)		0.5x
\$56.8B Total pipeline of sales opportunities	59%	New work
	58%	U.S. Federal Services Segment

Comprised of

**\$4.6B**  
Proposals  
pending

**\$1.5B**  
Proposals in  
preparation

**\$50.7B**  
Opportunities  
tracking

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