UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of report: **May 8, 2017**
Date of earliest event reported: **May 4, 2017**

MAXIMUS, INC.
(Exact name of registrant as specified in its charter)

Virginia	**1-12997**	**54-1000588**
(State or other jurisdiction of incorporation)	(Commission File Number)	(I.R.S. Employer Identification No.)

1891 Metro Center Drive, Reston, Virginia	**20190-5207**
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: **(703) 251-8500**

Not Applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 2.02 Results of Operations and Financial Condition.

On May 4, 2017, the Company issued a press release announcing its financial results for the quarter ended March 31, 2017. The full text of the press release is furnished as Exhibit 99.1 to this Current Report on Form 8-K and incorporated by reference into this Item 2.02.

On May 4, 2017, the Company held a conference call with respect to these financial results. The conference call was open to the public. The transcript and slide presentation that accompanied the call are furnished as Exhibit 99.2 and Exhibit 99.3 to this Current Report on Form 8-K and incorporated by reference into this Item 2.02.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits. The following exhibits are being furnished pursuant to Item 2.02 above.

Exhibit No.	Description
99.1	Press release dated May 4, 2017
99.2	Conference call transcript for Earnings Call - May 4, 2017
99.3	Conference call slide presentation for Earnings Call - May 4, 2017

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

		MAXIMUS, Inc.
Date: May 8, 2017	By:	/s/ David R. Francis
		David R. Francis
		General Counsel and Secretary

EXHIBIT INDEX

Exhibit No.	Description
99.1	Press release dated May 4, 2017
99.2	Conference call transcript for Earnings Call - May 4, 2017
99.3	Conference call slide presentation for Earnings Call - May 4, 2017

MAXIMUS News Release

FOR IMMEDIATE RELEASE

CONTACT: Lisa Miles 703.251.8637
lisamiles@maximus.com

Date: May 4, 2017

MAXIMUS Reports Second Quarter Results
- Raises Lower End of Full-Year Earnings Guidance and Maintains Revenue Guidance for Fiscal Year 2017 -

(RESTON, Va. - May 4, 2017) - MAXIMUS (NYSE: MMS), a leading provider of government services worldwide, today reported financial results for the three and six months ended March 31, 2017.

Highlights for the second quarter of fiscal year 2017 include:

- Revenue growth of 3% to $622.0 million compared to the same period last year
- Diluted earnings per share of $0.80 compared to $0.74 for the same period last year
- Strong cash flow with cash from operations of $65.7 million and free cash flow of $60.5 million
- Year-to-date signed contract awards of $1.5 billion and contracts pending (awarded but unsigned) of $155.1 million at March 31, 2017
- Sales pipeline of $3.3 billion at March 31, 2017
- Updated fiscal 2017 earnings guidance now expected to range between $3.00 and $3.10

For the second quarter of fiscal 2017, revenue increased 3% to $622.0 million compared to $606.5 million reported for the same period last year driven by the Health Services Segment. Most of the revenue growth in the quarter was organic, which was partially offset by a 2% decline from unfavorable foreign currency translation. On a constant currency basis, revenue would have increased 4% compared to the same period last year.

Total company operating margin for the second quarter of fiscal 2017 was 12.9% compared to 12.8% for the same period last year.

For the second quarter of fiscal 2017, net income attributable to MAXIMUS totaled $52.5 million (or $0.80 of diluted earnings per share). This was better than expected, driven by favorable results on several volume-based contracts in both the U.S. Federal Services and Health Services segments. This compares to diluted earnings per share of $0.74 for the second quarter of fiscal 2016, which benefited from out-of-period revenue and pre-tax income of $15.2 million (or $0.16 of diluted earnings per share) from two previously disclosed contract amendments in the Health Services Segment.

Health Services Segment
Health Services Segment revenue for the second quarter of fiscal 2017 increased 6% to $349.0 million compared to $330.6 million reported for the same period last year. Most of the growth in the quarter was organic, which was offset by a 3% decline from unfavorable foreign currency translation. On a constant currency basis, revenue growth would have been 9%.

Operating margin for the second quarter of fiscal 2017 was 16.2% compared to 17.2% reported in the prior-year period.

As previously disclosed, the second quarter of last year benefited from $15.2 million of out-of-period revenue and pre-tax income related to two items: an $8.6 million change order on a large U.S. contract and $6.6 million resulting from contract modifications on the U.K. Health Assessment Advisory Service.

U.S. Federal Services Segment
U.S. Federal Services Segment revenue for the second quarter of fiscal 2017 decreased 3% to $145.4 million compared to $150.2 million reported for the same period last year. As previously disclosed, the lower revenue was largely a result of a contract cancellation for a program with the U.S. Department of Veterans Affairs. This contract ended in April of this year.

Operating margin for the second quarter was 12.1% compared to 10.0% reported for the prior-year period. The margin expansion was driven by favorable results from several volume-based contracts.

Human Services Segment
Human Services Segment revenue for the second quarter of fiscal 2017 increased 2% to $127.7 million compared to $125.7 million for the same period last year. Nearly all growth in the quarter was organic, which was partially offset by expected decreases in the Company's United Kingdom operations. The anticipated ramp down of the U.K. Work Programme unfavorably impacted both revenue and operating income in the second quarter of fiscal 2017.

Operating margin for the second quarter was 7.5% and comparable to 7.8% for the same period last year.

Sales and Pipeline
Year-to-date signed contract awards at March 31, 2017 totaled $1.5 billion and includes a three-year contract extension with the State of New York. In addition, contracts pending (awarded but unsigned) totaled $155.1 million.

The sales pipeline at March 31, 2017 was $3.3 billion (comprised of approximately $0.6 billion in proposals pending, $0.9 billion in proposals in preparation, and $1.9 billion in opportunities tracking). This compares to a pipeline of $4.0 billion at December 31, 2016. The sequential decline is principally due to contracts converting to new awards and, to a lesser extent, procurement delays, contract losses, cancellations and no bids.

Balance Sheet and Cash Flows
Cash and cash equivalents at March 31, 2017 totaled $94.9 million. For the three months ended March 31, 2017, cash flows from operations totaled $65.7 million, with free cash flow of $60.5 million.

At March 31, 2017, Days Sales Outstanding (DSOs) were 69 and within the Company’s expected range.

On February 28, 2017, MAXIMUS paid a quarterly cash dividend of $0.045 per share. On April 11, 2017, the Company announced a $0.045 per share cash dividend, payable on May 31, 2017 to shareholders of record on May 15, 2017.

Outlook

MAXIMUS is raising the bottom end of its fiscal 2017 earnings guidance and now expects GAAP diluted earnings per share to range between $3.00 and $3.10 for fiscal 2017. This compares to the Company's prior range of $2.90 to $3.10.

MAXIMUS is reiterating its revenue guidance and continues to expect revenue to range between $2.425 billion and $2.475 billion for fiscal 2017. The Company is also reiterating its cash flow guidance and continues to expect cash flows from operations to range between $230 million and $280 million and free cash flow to range between $170 million and $220 million for fiscal 2017. The Company’s guidance does not include any future acquisitions or future legal expenses or recoveries.

"We are pleased to be raising the lower end of our earnings guidance for fiscal year 2017 as a result of good performance and some expected tax benefits," commented MAXIMUS CEO Richard A. Montoni. "In addition, the extension of our contract with New York through 2020 is confirmation of our pledge to continue providing high-quality services to the state. During the quarter, we closed out contract year two of the U.K. Health Assessment Advisory Service. We successfully completed more than a million assessments in our second contract year, and we remain on track to achieve our financial and operational objectives for this program."

Conference Call and Webcast Information

MAXIMUS will host a conference call this morning, May 4, 2017, at 9:00 a.m. (ET). The call is open to the public and is available by webcast at http://investor.maximus.com or by phone at:

877.407.8289 (Domestic)/+1.201.689.8341 (International)

For those unable to listen to the live call, a replay will be available through May 18, 2017. Callers can access the replay by calling:

877.660.6853 (Domestic)/+1.201.612.7415 (International)
Replay conference ID number: 13660023

About MAXIMUS

Since 1975, MAXIMUS has operated under its founding mission of *Helping Government Serve the People®*, enabling citizens around the globe to successfully engage with their governments at all levels and across a variety of health and human services programs. MAXIMUS delivers innovative business process management and technology solutions that contribute to improved outcomes for citizens and higher levels of productivity, accuracy, accountability and efficiency of government-sponsored programs. With more than 18,000 employees worldwide, MAXIMUS is a proud partner to government agencies in the United States, Australia, Canada, Saudi Arabia and the United Kingdom. For more information, visit maximus.com.

Non-GAAP Measures

We utilize non-GAAP measures where we believe it will assist the user of our financial statements in understanding our business. The presentation of these measures is meant to complement, and not replace, other financial measures in this document. The presentation of non-GAAP numbers is not meant to be considered in isolation, nor as alternatives to revenue growth, cash flows from operations or net income as measures of performance. These non-GAAP measures, as determined and presented by us, may not be comparable to related or similarly titled measures presented by other companies.

In this press release, we use the non-GAAP measures of organic revenue growth, constant currency movement and free cash flow. A description of these measures, including a description of our use of these measures and our methodology for calculating them, is included in our most recent Annual Report on Form
10-K, filed with the Securities and Exchange Commission on November 21, 2016. We have included a reconciliation of free cash flow to cash flows from operations in this press release.

Statements that are not historical facts, including statements about the Company's confidence and strategies and the Company's expectations about revenues, results of operations, profitability, future contracts, market opportunities, market demand or acceptance of the Company's products are forward-looking statements that involve risks and uncertainties. These uncertainties could cause the Company's actual results to differ materially from those indicated by such forward-looking statements and include reliance on government clients; risks associated with government contracting; risks involved in managing government projects; legislative changes and political developments; opposition from government unions; challenges resulting from growth; adverse publicity; and legal, economic, and other risks detailed in Exhibit 99.1 to the Company's most recent Annual Report filed with the Securities and Exchange Commission, found on maximus.com.

MAXIMUS, Inc.
CONSOLIDATED STATEMENTS OF OPERATIONS
(Amounts in thousands, except per share data)
(Unaudited)

	Three Months Ended March 31, 2017	Three Months Ended March 31, 2016	Six Months Ended March 31, 2017	Six Months Ended March 31, 2016
Revenue	$ 622,047	$ 606,453	$ 1,229,611	$ 1,163,175
Cost of revenue	469,730	458,786	932,476	905,293
Gross profit	152,317	147,667	297,135	257,882
Selling, general and administrative expenses	68,596	65,976	133,994	130,210
Amortization of intangible assets	3,386	3,262	6,788	6,411
Restructuring costs	—	—	2,242	—
Acquisition-related expenses	—	529	—	575
Operating income	80,335	77,900	154,111	120,686
Less:				
Interest expense	744	1,273	1,593	2,262
Add:				
Other income, net	417	2,209	680	3,340
Income before income taxes	80,008	78,836	153,198	121,764
Provision for income taxes	26,911	29,495	53,772	45,541
Net income	53,097	49,341	99,426	76,223
Income attributable to noncontrolling interests	582	556	247	829
Net income attributable to MAXIMUS	$ 52,515	$ 48,785	$ 99,179	$ 75,394
Basic earnings per share attributable to MAXIMUS	$ 0.80	$ 0.74	$ 1.51	$ 1.14
Diluted earnings per share attributable to MAXIMUS	$ 0.80	$ 0.74	$ 1.50	$ 1.14
Dividends paid per share	$ 0.045	$ 0.045	$ 0.09	$ 0.09
Weighted average shares outstanding:				
Basic	65,549	65,760	65,669	65,872
Diluted	65,947	66,079	65,989	66,196

MAXIMUS, Inc.
CONSOLIDATED BALANCE SHEETS
(Amounts in thousands)

	March 31, 2017	September 30, 2016
	(unaudited)	
ASSETS		
Current assets:		
Cash and cash equivalents	$ 94,862	$ 66,199
Accounts receivable — billed and billable	432,255	444,357
Accounts receivable — unbilled	39,878	36,433
Income taxes receivable	524	17,273
Prepaid expenses and other current assets	50,442	56,718
Total current assets	617,961	620,980
Property and equipment, net	112,882	131,569
Capitalized software, net	27,564	30,139
Goodwill	395,011	397,558
Intangible assets, net	101,645	109,027
Deferred contract costs, net	16,917	18,182
Deferred compensation plan assets	25,805	23,307
Deferred income taxes	8,791	8,644
Other assets	9,910	9,413
Total assets	$ 1,316,486	$ 1,348,819
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable and accrued liabilities	$ 130,537	$ 150,711
Accrued compensation and benefits	80,636	96,480
Deferred revenue	63,533	73,692
Income taxes payable	11,870	7,979
Long-term debt, current portion	217	277
Other liabilities	11,582	11,617
Total current liabilities	298,375	340,756
Deferred revenue, less current portion	32,902	40,007
Deferred income taxes	10,550	16,813
Long-term debt	115,559	165,338
Deferred compensation plan liabilities, less current portion	26,950	24,012
Other liabilities	8,740	8,753
Total liabilities	493,076	595,679
Shareholders' equity:		
Common stock, no par value	472,075	461,679
Accumulated other comprehensive loss	(40,235)	(36,169)
Retained earnings	387,881	323,571
Total MAXIMUS shareholders' equity	819,721	749,081
Noncontrolling interests	3,689	4,059
Total equity	823,410	753,140
Total liabilities and equity	$ 1,316,486	$ 1,348,819

MAXIMUS, Inc.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Amounts in thousands)
(Unaudited)

	Three Months Ended March 31,		Six Months Ended March 31,	
	2017	2016	2017	2016
Cash flows from operations:				
Net income	$ 53,097	$ 49,341	$ 99,426	$ 76,223
Adjustments to reconcile net income to cash flows from operations:				
Depreciation and amortization of property, equipment and capitalized software	15,405	12,912	29,967	25,859
Amortization of intangible assets	3,386	3,262	6,788	6,411
Deferred income taxes	(11,631)	172	(5,721)	(327)
Stock compensation expense	5,345	4,819	10,234	9,151
Change in assets and liabilities:				
Accounts receivable — billed and billable	(4,657)	(5,304)	10,030	(35,051)
Accounts receivable — unbilled	(1,447)	(2,998)	(3,445)	(4,851)
Prepaid expenses and other current assets	1,267	127	7,512	5,443
Deferred contract costs	954	46	998	810
Accounts payable and accrued liabilities	(3,144)	(28,137)	(17,719)	(19,949)
Accrued compensation and benefits	10,944	7,172	(6,293)	(14,211)
Deferred revenue	(5,757)	877	(15,853)	(2,009)
Income taxes	3,813	(19,554)	20,715	(22,597)
Other assets and liabilities	(1,867)	(2,237)	209	(3,038)
Cash flows from operations	65,708	20,498	136,848	21,864
Cash flows from investing activities:				
Purchases of property and equipment and capitalized software costs	(5,207)	(9,151)	(12,975)	(19,836)
Acquisition of businesses, net of cash acquired	—	(39,206)	—	(41,812)
Proceeds from the sale of a business	—	—	385	—
Other	175	126	218	210
Cash used in investing activities	(5,032)	(48,231)	(12,372)	(61,438)
Cash flows from financing activities:				
Cash dividends paid to MAXIMUS shareholders	(2,917)	(2,919)	(5,837)	(5,860)
Repurchases of common stock	(91)	—	(28,858)	(31,138)
Tax withholding related to RSU vesting	(12)	(44)	(9,267)	(11,597)
Borrowings under credit facility	70,000	83,493	135,000	130,563
Repayment of credit facility and other long-term debt	(104,761)	(42,498)	(184,828)	(55,219)
Other	—	—	(1,145)	—
Cash (used in)/provided by financing activities	(37,781)	38,032	(94,935)	26,749
Effect of exchange rate changes on cash and cash equivalents	2,200	(474)	(878)	(1,064)
Net increase/(decrease) in cash and cash equivalents	25,095	9,825	28,663	(13,889)
Cash and cash equivalents, beginning of period	69,767	50,958	66,199	74,672
Cash and cash equivalents, end of period	$ 94,862	$ 60,783	$ 94,862	$ 60,783

MAXIMUS, Inc.
SEGMENT INFORMATION
(Amounts in thousands)
(Unaudited)

	Three Months Ended March 31,				Six Months Ended March 31,			
(Amounts in thousands)	**2017**	**% (1)**	**2016**	**% (1)**	**2017**	**% (1)**	**2016**	**% (1)**
Revenue:								
Health Services	$ 348,994	100%	$ 330,567	100%	$ 689,723	100%	$ 622,470	100%
U.S. Federal Services	145,370	100%	150,191	100%	286,668	100%	295,476	100%
Human Services	127,683	100%	125,695	100%	253,220	100%	245,229	100%
Total	$ 622,047	100%	$ 606,453	100%	$ 1,229,611	100%	$ 1,163,175	100%
Gross Profit:								
Health Services	$ 86,454	24.8%	$ 82,717	25.0%	$ 164,688	23.9%	$ 134,689	21.6%
U.S. Federal Services	36,571	25.2%	33,421	22.3%	74,147	25.9%	61,659	20.9%
Human Services	29,292	22.9%	31,529	25.1%	58,300	23.0%	61,534	25.1%
Total	$ 152,317	24.5%	$ 147,667	24.3%	$ 297,135	24.2%	$ 257,882	22.2%
Selling, general, and administrative expense:								
Health Services	$ 29,914	8.6%	$ 25,803	7.8%	$ 58,021	8.4%	$ 50,967	8.2%
U.S. Federal Services	18,927	13.0%	18,438	12.3%	38,622	13.5%	35,960	12.2%
Human Services	19,663	15.4%	21,735	17.3%	36,902	14.6%	42,633	17.4%
Other (4)	92	NM	—	NM	449	NM	650	NM
Total	$ 68,596	11.0%	$ 65,976	10.9%	$ 133,994	10.9%	$ 130,210	11.2%
Operating income:								
Health Services	$ 56,540	16.2%	$ 56,914	17.2%	$ 106,667	15.5%	$ 83,722	13.4%
U.S. Federal Services	17,644	12.1%	14,983	10.0%	35,525	12.4%	25,699	8.7%
Human Services	9,629	7.5%	9,794	7.8%	21,398	8.5%	18,901	7.7%
Amortization of intangible assets	(3,386)	NM	(3,262)	NM	(6,788)	NM	(6,411)	NM
Restructuring costs (2)	—	NM	—	NM	(2,242)	NM	—	NM
Acquisition-related expenses (3)	—	NM	(529)	NM	—	NM	(575)	NM
Other (4)	(92)	NM	—	NM	(449)	NM	(650)	NM
Total	$ 80,335	12.9%	$ 77,900	12.8%	$ 154,111	12.5%	$ 120,686	10.4%

(1) Percentage of respective segment revenue. Percentages not considered meaningful are marked "NM."

(2) During the current fiscal year, we incurred costs in restructuring our United Kingdom Human Services business.

(3) Acquisition-related expenses relate to the acquisitions of Assessments Australia and Ascend in December 2015 and February 2016, respectively.

(4) During the six months ended March 31, 2017, we incurred $0.4 million of legal-related costs pertaining to a legacy matter from a business line that the Company exited. During the six months ended March 31, 2016, we incurred $0.7 million of legal costs related to a matter that occurred in fiscal year 2014. Both items are classified within other selling general and administrative expense.

MAXIMUS, Inc.
FREE CASH FLOW
(Non-GAAP measure)
(Amounts in thousands)
(Unaudited)

	Three Months Ended March 31,		Six Months Ended March 31,	
(in thousands)	**2017**	**2016**	**2017**	**2016**
Cash provided by operating activities	$ 65,708	$ 20,498	$ 136,848	$ 21,864
Purchases of property and equipment and capitalized software costs	(5,207)	(9,151)	(12,975)	(19,836)
Free cash flow	$ 60,501	$ 11,347	$ 123,873	$ 2,028

-XXX-

Helping Government **Serve the People®**

Rick Nadeau

Chief Financial Officer

May 4, 2017

MAXIMUS®

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.

Total Company Results – Second Quarter of FY 2017

($ in millions, except per share data)	Q2 FY17	Q2 FY16	% Change
Revenue			
Health Segment	$ 349.0	$ 330.6	6%
U.S. Federal Segment	145.4	150.2	(3%)
Human Segment	127.7	125.7	2%
Total	**$ 622.0**	**$ 606.5**	3%
Operating Income			
Health Segment	$ 56.5	$ 56.9	(1%)
U.S. Federal Segment	17.6	15.0	18%
Human Segment	9.6	9.8	(2%)
Segment Income	**$ 83.8**	**$ 81.7**	3%
Intangibles amortization	(3.4)	(3.3)	
Acquisition-related expenses	-	(0.5)	
Other	(0.1)	-	
Total	**$ 80.3**	**$ 77.9**	3%
Operating Margin %	12.9%	12.8%	
Net Income attributable to MAXIMUS	**$ 52.5**	**$ 48.8**	8%
Diluted EPS - GAAP	**$ 0.80**	**$ 0.74**	8%

- Revenue increased 3%
- Most growth was organic, partially offset by unfavorable foreign currency translation (most notably from British Pound); on a constant currency basis, revenue would have increased 4%
- GAAP diluted EPS were $0.80 – better than expectations and principally due to favorable results from several volume-based contracts
- As a reminder, Q2 FY16 included out-of-period revenue and pre-tax income of $15.2M ($0.16 of diluted EPS) related to two contracts in the Health Services Segment:
  1. A change order on large U.S. contract where costs were incurred in Q1 FY16 but revenue and profit of $8.6M were recognized in Q2 FY16
  2. A $6.6M contract modification for the U.K. Health Assessment Advisory Service contract
- Excluding these items from Q2 FY16, year-over-year revenue would have grown 5% and diluted EPS would have grown 38%

Health Services Segment

($ in millions)	Q2 FY17	Q2 FY16	% Change
Revenue			
Health Services	$ 349.0	$ 330.6	6%
Operating Income			
Health Services	$ 56.5	$ 56.9	(1%)
Operating Margin %	16.2%	17.2%	

Q2 FY17 Revenue

- Most of the growth was organic, but unfavorably impacted 3% from foreign currency translation; on a constant currency basis, growth would have been 9% compared to Q2 FY16
- Excluding aforementioned out-of-period revenue and income benefits from the same period last year, Q2 FY17 revenue would have grown 11%

NY and HAAS Contract Updates

- Finalized three-year extension for our New York Enrollment Center contract
  - Expect it to operate at its current run rate over next three years
  - Contract has grown over time to include additional programs and populations; most recent expansion was the new customer contact center in Rochester in Q4 FY16
- Completed contract year two of Health Assessment Advisory Service contract
  - Performed well in Q2 and expected to deliver a full-year operating margin in our targeted range

U.S. Federal Services Segment

($ in millions)	Q2 FY17	Q2 FY16	% Change
Revenue			
U.S. Federal Services	$ 145.4	$ 150.2	(3%)
Operating Income			
U.S. Federal Services	$ 17.6	$ 15.0	18%
Operating Margin %	12.1%	10.0%	

Q2 FY17 Revenue

- As expected, revenue decreased 3% compared to Q2 FY16
- Disclosed last quarter, largest driver for revenue decline was ramp down of work for U.S. Department of Veterans Affairs that ended in April

Q2 FY17 Operating Margin

- Better than our expectations, driven by favorable results in several volume-based contracts

Human Services Segment

($ in millions)	Q2 FY17	Q2 FY16	% Change
Revenue			
Human Services	$ 127.7	$ 125.7	2%
Operating Income			
Human Services	$ 9.6	$ 9.8	(2%)
Operating Margin %	7.5%	7.8%	

Q2 FY17 Revenue

- Nearly all growth was organic; partially offset by expected decreases in U.K. operations

U.K. Work Programme Wind Down

- Work Programme contract is winding down and unfavorably impacted revenue and operating income in Q2 FY17
- New referrals to program ended March 31, 2017; contractually required to serve cases for up to two years; expect revenue will continue to decrease over next several quarters

Cash Flows and DSOs

Delivered strong cash flows in Q2 FY17

$ in millions	Q2 FY17
Cash flows from operations	$65.7
Cash paid for property, equipment & capitalized software	($5.2)
Free cash flow	$60.5

Days Sales Outstanding (DSOs)

- DSOs in-line with expectations and totaled 69 days at March 31, 2017

Cash, Uses of Cash and Capital Allocation

Long-Term Debt Payments

- During three months ended March 31, 2017, used net cash of ~$34.8M to pay down long-term debt
- Ended Q2 with $115M drawn on U.S. credit facility and <$1M of other cash borrowing obligations

Q2 FY17 Share Repurchases

- Immaterial in Q2; at March 31, 2017, had ~$109M remaining under Board-authorized program

Q2 FY17 Balance Sheet

- Healthy balance sheet with flexibility for capital deployment and investments
- At March 31, 2017, had cash and cash equivalents totaling $94.9M, most held outside the U.S.

Uses of Cash

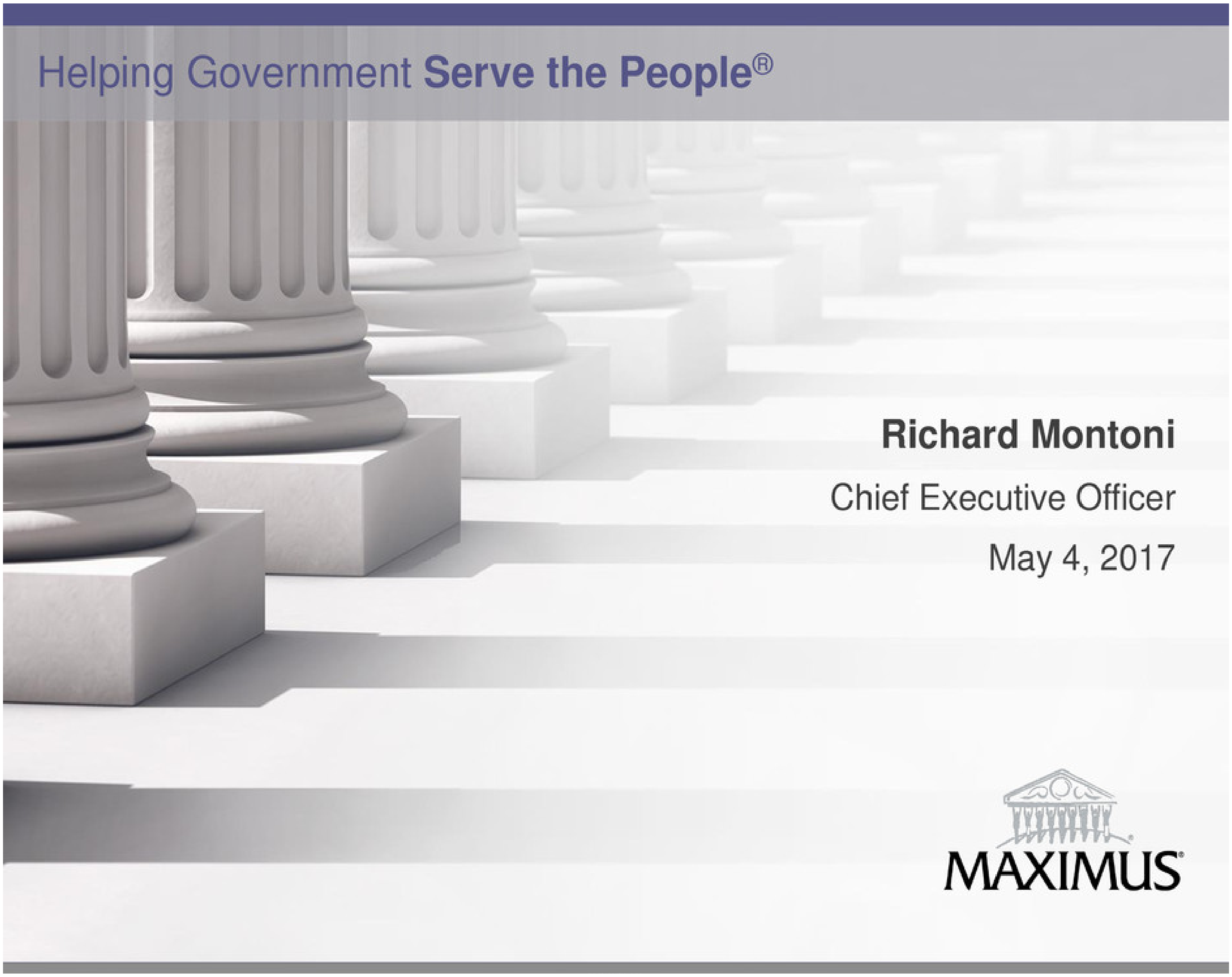
- Remain committed to sensible and practical uses of cash to create long-term shareholder value
- Capital allocation priorities include:
  - Selective acquisitions to enhance our ability to pursue new growth platforms
  - Quarterly cash dividend
  - Opportunistic share repurchase programs
  - Use of excess cash to pay down our debt

Guidance

- Strong performance for 1HFY17, with constant currency revenue growth of 8% and operating margin of 12.5% for six months ended March 31, 2017

Fiscal 2017 Guidance			
	New	Old	Notes
Revenue	\$2.425B - \$2.475B	\$2.425B - \$2.475B	No change
GAAP Diluted EPS	\$3.00-\$3.10	\$2.90-\$3.10	Raising lower end due to solid performance & expected incremental tax benefits
Cash flows from operations	\$230M - \$280M	\$230M - \$280M	No change, but bias toward top of range
Free cash flow	\$170M - \$220M	\$170M - \$220M	No change, but bias toward top of range

- Now expect effective tax rate for FY17 to be in the 35.0% to 35.5% range, with a bias to lower end due to ongoing tax initiatives expected to be completed by September 30, 2017 and provide a benefit in FY17


Helping Government **Serve the People**®
Richard Montoni
Chief Executive Officer
May 4, 2017
MAXIMUS®

Solid Results & On Track to Achieve FY17 Objectives

- Solid results in Q2 confirm that we remain on track to achieve our financial and operational objectives for FY17
- Land and expand remains an important element of our long-term growth strategy
- Today, we will provide some additional color on a contract extension in New York and an update of our United Kingdom operations

New York Enrollment Center Three-Year Extension

The Contract	New York Enrollment Center (NYEC) contract is a vehicle to gain program efficiencies by streamlining eligibility and enrollment for multiple health insurance benefit programs Extension demonstrates solid partnership since contract started in 2010
Its History	Over time, we have helped the state serve new populations and programs through an evolving scope of work: • 2010: started processing renewals for public health insurance participants in 25 counties through a centralized EC in Albany; state designed EC to be scalable and serve as blueprint for its state-based exchange • 2013: began providing eligibility and enrollment support for the exchange and its associated health insurance programs, including Medicaid, CHIP, Qualified Health Plans and the Small Business Marketplace • 2015, assisted the state in implementing its Basic Health Program (known as the Essential Plan) and assumed responsibility for eligibility support, enrollment, renewals and other case management functions for populations served
Where We Are Today	Now have a location in Rochester for providing additional administrative and contact center services for several health programs that we support throughout the state

Underscores importance of constantly bringing innovation and delivering additional value to our clients

New Work in Scotland

As part of ongoing trend to devolve programs to local authorities, Scottish Government established transitional employment services programs

<u>Two New Contracts</u>

- Remploy won two small, but strategic transition contracts:
  1. Work First Scotland is the replacement for larger U.K. Work Choice program
  2. Work Able is a specialist program for helping people with health conditions & other barriers into employment
- 12-month contracts with a combined value of approximately $7M
- Under both programs, Remploy will support nearly 5,000 job seekers; began work on both contracts last month
- New wins help position Remploy as one of the largest national employment support providers in Scotland

Remploy in partnership with MAXIMUS

HAAS Highlights from Contract Year Two (CY2)

1. **New Operating Structure**
   - Implemented a new operating structure that put better management information in the hands of the operators
   - Resulted in a single line of accountability with better data & reporting; staff have greater clarity on delivery of key performance metrics to help achieve contract goals

2. **Record Number of Assessments Completed & Improved Customer Experience**
   - 1.1M assessments, a 17% increase over CY1
   - Significantly reduced average length of time it takes for a customer to be assessed
   - Customer satisfaction stands at 94%

3. **New Training for Fluctuating Conditions**
   - Remain ever-mindful of varied needs of populations we serve
   - Introduced new training to better address fluctuating conditions & increased number of Mental Health Champions

Pleased to meet key operational and financial metrics and applaud the U.K. team for meaningful steps & improved service delivery for participants of this highly visible program

New Awards & Sales Pipeline

New Awards	March 31, 2017
YTD Signed Contracts	$1.5B
Additional Unsigned Contracts	$155M

Sales Opportunities	March 31, 2017
Total Pipeline*	$3.3B

* Reported pipeline only reflects short-term opportunities where we believe request for proposals will be released within next six months

- With NYEC contract extension, YTD signed contracts were strong.
- Sequential pipeline decline due in large part to a high value of contracts converting from pipeline to awards (NYEC)
- Continue to see some procurement delays and other normal-course fluctuations (losses, cancellations and no bids)
- Of the $3.3B pipeline, roughly half is new work and reflects opportunities across all three segments and our current geographies

Conversion of sales pipeline into future revenue growth will ultimately depend upon win rates, timing of awards, how they ramp up, and the rate of recurring revenue

Conclusion

Short-Term Environment

- Dynamic and industry is experiencing a pause; using this time to best position the Company for growth:
  - Refining our processes
  - Reinvesting in new platforms
  - Bringing in key people
  - Examining potential new markets
  - Other strategic initiatives
- Years when we operate above our 10% long-term growth target and periods like now where revenue growth is expected to be less than 10%
- From a top-line perspective, current-day environment where single-digit growth seems more reasonable
- Will complete bottoms-up planning process for FY18 this fall and issue guidance in November

Long-Term Environment

- Long-term outlook continues to be positively influenced by macro demographic, economic and legislative trends
- Populations that are aging, have complex health care needs, and face substantial barriers to economic security are increasing demand for outcome-based government programs around the world
- We believe governments will continue to seek out partners like MAXIMUS who can achieve the outcomes that matter through cost-effective and efficient solutions

Operator: Greetings and welcome to the MAXIMUS Fiscal 2017 Second Quarter Conference Call.

At this time, all participants are in a listen-only mode. A brief question and answer session will follow the formal presentation. If anyone should require operator assistance during the conference, please press star, zero on your telephone keypad. As a reminder, this conference is being recorded.

It is now my pleasure to introduce your host, Lisa Miles, Senior Vice President of Investor Relations for MAXIMUS. Thank you, Ms. Miles. You may begin.

Lisa Miles: Good morning, and thanks for joining us. With me today is Rich Montoni, Chief Executive Officer, Bruce Caswell, President, and Rick Nadeau, Chief Financial Officer.

I'd like to remind everyone that a number of statements being made today will be forward-looking in nature. Please remember that such statements are only predictions, and actual events and results may differ materially as a result of the risks we face, including those discussed in Exhibit 99.1 of our SEC filings. We encourage you to review the summary of these risks in our most recent 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.

Today's presentation may contain non-GAAP financial information. Management uses this information in its internal analysis of results and believes 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. For a reconciliation of the non-GAAP measures presented in these documents, please see the company's most recent quarterly earnings press release.

And with that, I'll hand the call over to Rick.

Rick Nadeau: Thanks, Lisa.

This morning, MAXIMUS reported solid financial results for the second quarter of fiscal year 2017. For the second quarter of fiscal year 2017, total company revenue increased 3 percent compared to the same period last year. Most of the growth in the quarter was organic, which was partially offset by unfavorable effects from foreign currency translation, most notably from the British pound. On a constant currency basis, total company revenue would have increased 4 percent compared to the same period last year.

Total company operating margin for the second quarter of fiscal year 2017 was strong at 12.9 percent. For the second quarter of fiscal year 2017, net income attributable to MAXIMUS was $52.5 million. GAAP diluted earnings per share were 80 cents, which is better than expectations. This was principally due to favorable results from several volume based contracts.

As a reminder, last year's second quarter included out of period revenue and pre-tax income of $15.2 million or 16 cents of diluted earnings per share. This was related to two contracts in the health services segment. The first was a change order for a large US contract. The costs were incurred in the first quarter of fiscal year 2016, but revenue and profit of $8.6 million were recognized in the second quarter of fiscal year 2016.

The second was a $6.6 million contract modification for the UK Health Assessment Advisory Service contract. Excluding these items from the second quarter of fiscal year 2016, year-over-year revenue would have grown 5 percent, and diluted earnings per share would have grown 38 percent.

Now I will speak to segment results, starting with health services. Second quarter revenue for the health services segment increased 6 percent compared to the same period last year, and most of the growth was organic. The segment was unfavorably impacted 3 percent from foreign currency translation. On a constant currency basis, growth for the health segment would have been 9 percent.

Health segment operating margin for the second quarter of fiscal year 2017 was 16.2 percent compared to 17.2 percent reported for the same period last year. Excluding the aforementioned out of period revenue and income benefits from last year, health segment revenue would have grown 11 percent for the second quarter of fiscal year 2017.

As noted in the press release, we have great news out of New York. We just finalized a three year extension of our enrollment center contract. We anticipate that the contract will continue to operate at its current run rate over the next three years. As a reminder, this contract has grown over time to include additional programs and populations. Our most recent expansion was the new customer contact center in Rochester in the fourth quarter of fiscal year 2016.

In addition, we recently competed contract year two of the HAAS contract. We are pleased to report that the contract performed well in the quarter, and we expect it to deliver a full year operating margin in our targeted range. Rick will provide additional details about both contracts in his remarks.

I will now address the US Federal Services Segment. As expected, second quarter revenue for the US federal segment decreased 3 percent compared to the same period last year. As we disclosed last quarter, the largest driver of the revenue decline was the ramp down of the work for the US Department of Veterans Affairs that ended in April. Operating margin for the second quarter of fiscal year 2017 was 12.1 percent. This was better than expectations and driven by favorable results in several volume based contracts.

I will now speak to financial results for the human services segment. For the second quarter, revenue increased 2 percent compared to last year. Nearly all of the growth in the quarter was organic, which was partially offset by the expected decreases in our United Kingdom operations.

As a reminder, the work program contract is winding down, which unfavorably impacted revenue and operating income in the second quarter. New case referrals to the program ended on March 31, 2017. Under the contract, we are required to service these cases for up to two years. So, we expect that revenue from the work program will continue to decrease over the next several quarters. Human services segment operating margin in the second quarter of fiscal year 2017 was 7.5 percent.

I will now briefly discuss cash flows and balance sheet items. In the second quarter, MAXIMUS delivered strong cash flows with cash flow from operations of $65.7 million and free cash flow of $60.5 million. Days sales outstanding totaled 69 days at March 31, 2017, which is in line with our expectations.

During the three months ended March 31, 2017, we used net cash of approximately $34.8 million to pay down our long term debt. We ended the quarter with $115 million drawn on our US credit facility and less than $1 million of other cash borrowing obligations.

Share repurchases in the quarter were immaterial, and at the end of the quarter, we had approximately $109 million remaining under the board authorized program. Our balance sheet remains healthy and continues to offer us flexibility for capital deployment and investments. At March 31, 2017, we had cash and cash equivalents totaling $94.9, most of which was held outside of the United States. We remain committed to sensible and practical uses of cash to create long term shareholder value.

As a reminder, our priorities for capital allocation include selective acquisitions to enhance our ability to pursue new growth platforms, quarterly cash dividends, opportunistic share repurchase programs and use of excess cash to pay down our debt.

I will close my prepared remarks with guidance. Our performance for the first half of fiscal year 2017 was strong with constant currency revenue growth of 8 percent and an operating margin of 12.5 percent for the six months ended March 31, 2017.

With solid performance to date, coupled with some expected incremental tax benefits, we are narrowing our earnings guidance for fiscal year 2017 by raising the lower end from $2.90 to $3.

We now expect full year GAAP diluted EPS to range between $3 and $3.10. We are maintaining our revenue guidance range of $2.425 billion to $2.475 billion for fiscal year 2017. We have no changes to cash flow guidance, although it is worth noting that we have a bias toward the top end of the range. We still expect cash provided by operating activities to be in the range of $230 million to $280 million and free cash flow to range between $170 million and $220 million for fiscal year 2017.

We now expect our effective tax rate for fiscal year 2017 to be in the 35 to 35.5 percent range with a bias toward the lower end. This is tied to ongoing tax initiatives, which we believe will be completed by September 30, 2017 and provide a benefit in this fiscal year.

Thanks for your continued interest, and now I will turn the call over to Rich.

Rich Montoni: Thank you, Rick, and good morning, everyone. Our solid results in the second quarter confirm that we remain on track to achieve our financial and operational objectives for fiscal 2017. As you know, land and expand is an important element of our long term growth strategy. This morning, I will provide some additional color on the contract extension in New York and an update of our United Kingdom operations.

As Rick mentioned, we received a three year extension of the New York Enrollment Center contract. This contract has served as a vehicle for the state's efforts to gain program efficiencies by streamlining the eligibility and enrollment process for multiple health insurance benefit programs. The contract extension demonstrates the solid partnership we have forged since the start of the contract in 2010. Over time, we've helped the state serve new populations and programs.

Our original scope of the work was processing renewals for public health insurance participants in 25 counties through a centralized enrollment center in Albany. The state designed the enrollment center to be scalable and serve as a blueprint for its state-based exchange. In 2013, we began providing eligibility and enrollment support for the exchange and its associated health insurance programs, including Medicaid, CHIP, qualified health plans and the small business marketplace.

In 2015, we assisted the state in implementing its basic health program known as the Essential Plan. As part of this effort, we assumed the responsibility for eligibility support, enrollment, renewals and other case management functions for the populations served. As we discussed on our call last August, we now have a second location in Rochester where we are providing additional administrative and contact center services for several health programs that we now support throughout the state. This example underscores the importance of constantly bringing innovation and delivering additional value to our clients.

Turning now to our operations in the United Kingdom where we recently expanded our presence in Scotland - this is part of the ongoing trend of governments to devolve programs to local authorities. As part of this initiative, the Scottish government has put in place a few transitional employment services programs. I'm pleased to share that our Remploy business has won two small but strategic transition contracts. They are the Work First Scotland and Work Able programs.

We began work on both contracts last month. Each contract covers a 12 month period, and together, their combined value is approximately $7 million.

Work First Scotland is the replacement for the larger UK Work Choice Program. Work Able is a specialist program for helping people with health conditions and other barriers into employment. Under both programs, Remploy will support nearly 5,000 job seekers.

Remploy has maintained a significant presence in Scotland for more than 70 years. These new wins help position Remploy as one of the largest national employment support providers in Scotland.

As many of you know, we just closed out contract year two for the Health Assessment Advisory Service. We are proud of the significant progress we've made, and today, I'd like to share some highlights from contract year two.

One of the key business process changes we implemented over the last year was a new operating structure that put better management information in the hands of our operators. The result is a single line of accountability with better data in reporting where staff have greater clarity on the delivery of key performance metrics to help us achieve our contract goals.

Since the start of the contract, we doubled the number of healthcare professionals, which helped us achieve a record volume of assessments in contract year two. We completed 1.1 million assessments, a 17 percent increase over contract year one. In addition, we significantly decreased the length of time it takes for a customer to be assessed. These efforts have helped improve the overall customer experience. As a result, customer satisfaction stands at 94 percent.

We remain ever-mindful of the varied needs of the populations we serve, so we introduced new training to better address fluctuating conditions and increase the number of mental health champions. The period of time from concept to contract maturity often takes years, and we're pleased to be hitting the key operational and financial metrics. We applaud the UK team for the meaningful steps they continue to take towards improved service delivery for the participants of this highly visible program.

Moving on to new awards in pipeline, with the extension of our New York Enrollment Center contract, our year-to-date signed contracts came in strong at $1.5 billion. We also had an additional $155 million in awarded unsigned contracts at March 31st.

Our pipeline of opportunities at March 31st was 3.3 billion. Sequentially, the pipeline is down from 4 billion last quarter, due in large part to the positive fact that a high value of contracts converted from pipeline to awards.

We also continue to see some procurement delays and experience other normal course fluctuations, which includes losses, cancellations and no-bids. For example, we lost a couple of contracts where we went after work held by other vendors in the Medicaid enrollment broker space.

Of the $3.3 billion pipeline, roughly half is new work and reflects opportunities across all three segments and our current geographies. Bear in mind that the conversion of the sales pipeline into future revenue growth will ultimately depend upon win rates, the timing of awards, how they ramp up and the rate of recurring revenue.

In conclusion, our outlook continues to be shaped by the current day dynamic environment. We are still experiencing a period of pause in our industry, and as we have done in the past, we are using this time to best position the company for growth when the momentum picks back up. This includes refining our processes, investing in new platforms, bringing in key people, examining potential new markets and other strategic initiatives.

As we've often said, there will be years when we operate above our 10 percent long term growth target and periods of time, like now, where revenue growth is expected to be less than 10 percent.

From a top line perspective, our industry is currently in an environment where single digit growth seems more reasonable. We will complete our bottoms up planning process for the next year this fall and will issue formal guidance for fiscal 2018 on our November call.

Despite the pause we are experiencing today, our long term outlook continues to be positively influenced by macro demographic, economic and legislative trends. Populations that are aging have complex health care needs and face substantial barriers to economic security are increasing demand for outcome based government programs around the world. We believe governments will continue to seek out partners like MAXIMUS who can achieve the outcomes that matter through cost effective and efficient solutions.

And with that, we'll now move on to Q&A. Operator?

Operator: Thank you. We will now be conducting a question and answer session. If you would like to ask a question, please press star, one on your telephone keypad. A confirmation tone will indicate your line is in the question queue. You may press star, two if you would like to remove your question from the queue. For participants using speaker equipment, it may be necessary to pick up your handset before pressing the star keys. One moment please while we poll for questions.

Our first question is from Brian Gesuale from Raymond James.

Brian Gesuale: Yeah, good morning, guys. Rich, wanted to follow up on some of your commentary and really talk a little bit about 2018. You've been consistent in your messaging that not every year is going to be a double digit growth year for you guys. Clearly, new awards have been interrupted with some of the political instability here. Can you maybe broadly frame some of the puts and takes and help us hone in on a range of potential outcomes for next year?

Rich Montoni: Good morning, Brian. I'd be glad to do that. And I think I touched upon really the platform upon which this discussion has to occur. And I do think, as I've said many times before, that given--relative to our long term growth target of 10 percent plus--there'll be years when we're north of that, there'll be years where we're south of that. And as we think through that in the business model, certainly, this is a period of time where the industry goes through a pause. Interesting enough, we see that pause here in the U.S. and in the United Kingdom.

And these period of pause cause our clients to effectively pause moving forward new initiatives to decide what are those new initiatives, what are those programs, what are their priorities and does it flow down in terms of the new regulations, as well. Not only here in the US is it a weekly issue as it relates to the health care situation, it feels like it's even more frequent than a daily issue. It's--as we speak even today, we understand we could see some legislative action relative to the health plan.

And this is a really good example. Whether or not our U.S. healthcare program, the Affordable Care Act measures pushed down to the state, whether they become more state based and states move forward with rate waivers is a very important aspect of the health care program here in the United States upon which we're basically sitting here, you know, bated breath and preparing ourselves. Our teams are working with our clients and our prospects to be prepared to move forward as soon as that decision is made.

And that's just an example of what we see in a pause situation. We sense a lot of pent up interest, demand, conversations, currents. And once this logjam breaks, I think we're going to see a different dynamic.

And hence, you know, as we look forward, you have to ask the question what's the growth rate look like for the remainder of this year. I think we've done a very good job, and we've got good visibility, and we've shared with you where we think this year will end up. And as we enter into '18, the question becomes what--to what extent does this free up. That's to be determined. Certainly, in a pause mode, it sets the table for single digit as opposed to double digit type growth. But, some of that's to be determined. Hope that's helpful.

Brian Gesuale: Great, Rich. Yeah, it is. Great. Thank you. Just a real quick follow up - you guys have been executing really well and raised the midpoint of earnings guide by about a nickel. Can you maybe just break apart what is tax related and what was execution related? Thanks very much.

Rich Montoni: Rick Nadeau is going to address that one.

Rick Nadeau: Yeah. Thanks, Brian. I think if you look at the midpoint of where we were at $3 and you look at the midpoint of where we are now, $3.05, and look at the tax rates, I think about 1.5 cents of that 5 cents is attributable to tax rates.

Brian Gesuale: Great. Thanks so much.

Rick Nadeau: Okay.

Rich Montoni: Sure.

Lisa Miles: Thanks, Brian. Next question please.

Operator: Our next question is from Richard Close, Canaccord Genuity.

Brian Hoffman: Hey, good morning. This is Brian Hoffman in for Richard. In the conclusion of your slide deck, you indicated that single digit top line growth is reasonable for the short term. And looking at consensus, estimates are looking for about 5.5 percent. But, in looking at earnings, the Street seems to be looking for just under 10 percent growth. So, we're just curious how you view that assumption. Do you think that might be aggressive, or are you maybe expecting some sort of margin improvement next year? Thanks.

Rich Montoni: I'm going to hand this over to Rick Nadeau in a moment, but I would say, first off, we need to put it in perspective. Our comments don't constitute formal guidance. You know, we go through a bottoms up process, which we've launched already. We wrapped that in the fall, and we share our insights with you I think in the November call. So, stay tuned for that in terms of formal guidance. But, Rick's going to comment on the commentary that we do have in the slides.

Rick Nadeau: Okay. Thanks, Brian. I think I can give you some data points that can probably help you here. I think our guidance for FY '17 implies a total company operating income margin of 12.9 percent. And I think if you look at recent history, that's been a high of 13.9 percent in FY '13, and it's been as low as 11.9 in FY '16. FY '16, you remember, was tempered by startup costs that were there.

I think if you look at your consensus guidance out there, I think that where--I reverse engineer your tax rate at about 33.6 percent. That would imply an operating income margin of 13.4. So, that is in the range of, you know, where we've been historically and where we are today.

I would tell you, though, that if you look at our tax rate today, you'll see that it was better than what we thought it was going to be. I think in future years, I think you should be modeling a tax rate that's more like 35 to 36 percent and lower than what I can reverse engineer with what is in your consensus. Does that help you?

Brian Hoffman: Yes, that's helpful. Thank you. And with respect to the pipeline, last quarter, you talked about 250 million in the pipeline. That got pushed out. Just wondering if you have any update on some of those contracts?

Rich Montoni: This is Rich. We did mention last quarter we had about 250 million. I think we said we expected it to take about six months for that to roll back in. And we've seen some of it come back in, not all of it come back in. But, the commentary would be we've seen some of it come back in, and I think it's going to take a little more time to see the remainder of it come back in.

Brian Hoffman: Great. Thanks. And one more for me - in both the US federal and human services segments, you had contracts either ending or winding down. So, just curious if, for each of these contracts, you're able to provide contribution this quarter and last year so we can look at the segments excluding those contracts? Thanks.

Rick Nadeau: Oh, I think you're talking about the VATPA contract that is in the segment area, and I would say that that revenue is probably in the 15 million or so range for this year is what we have in this year's guidance. And that's lower than the prior year. And then on the work programme that's winding down in the United Kingdom, I think that's about a $65 million program in FY '17. And as we said, that will, you know, work its way down over time over the next two years. That's Work Choice and Work--.

Brian Hoffman: --Great.

Rick Nadaeu: I'm sorry. That's the Work Choice and the Work Programme. The Work Programme is the one that is ending, so the portion of that 65 million that is Work Programme will be working its way down over time.

Brian Hoffman: Great. Thanks for the questions.

Rick Nadeau: Okay.

Rich Montoni: You bet. Next question please.

Operator: Our next question is from Dave Styblo from Jefferies.

Dave Styblo: Hi there, good morning, and thanks for the questions. I just want to come back to the current environment. You guys had talked about this mid-single digit. Are you able to sort of refine that a little bit more as we look forward into '18 in terms of what the key puts and takes to that would be in terms of specifically how much confidence you have to say that? And I guess the angle I'm coming from is you've got 2 percent reported growth this year, which I think is more like 4 percent excluding FX. And so, from there, I think it would imply a bit of an acceleration. So, I'm just curious what you would see waning or what visibility you have on things to accelerate that when you still do have some contracts that are winding down like the UK Work Programme and Department of VA?

Rich Montoni: Yeah, I think this--on fiscal '18, I don't think I was saying mid-single digits. I think I was referring to a single digit environment. And I don't infer mid-single digit. It's just too soon to put any specificity on a single digit at this point in time.

The major variables in my mind, obviously, is new work that comes to the table. A big variable there will be here in the United States, what do we do with this health care program, what additional work will be required, when does that come to the table and when do we recognize it or realize it as revenue. Just one subset of that would be this concept of a work requirement, which we're hearing discussed extensively. And Bruce Caswell, who's here with me day in and day out--in a minute, I'm going to ask him to give you a little more color on what we see out there in our industry that--it's really at the heart of your question, the answer to your question, what work might come across our transom that would move the needle meaningfully in our fiscal '18 guidance we provided in November.

But, the variables would be new work that we manage to develop in the meantime. Obviously, we need to be cognizant of the erosion factor. Some work does normally erode, and it's a big difference in a year when you've got 2 or 3 or 5 percent erosion versus 10 percent. That'll move the organic needle 5 percent, as you can appreciate. So, that would be the two big variables.

Bruce, any color you'd like to add in terms of what you see in the market?

Bruce Caswell: Yeah, thanks, Rich. And, Dave, I think one thing is, you know, we're now, you know, in May, and our clients--one thing to think about is the open enrollment year five, which is just in front of us for the health insurance exchanges. So, a lot of what's being discussed in terms of revisions to the Affordable Care Act and the American Healthcare Act really won't be implemented until subsequent years.

So, point one is, you know, how stable is the base of current business for the health insurance exchange business. And we've had a lot of conversations with our clients on two fronts. One is, you know, how should we be thinking about open enrollment year five, and it's basically steady as we go, stay the course, business as usual, prepare for the ramp-ups as we have in prior years. And then number two is, you know, what does the market really look like and what does the environment look like, you know, after that, if there--if we have a revision to the current act.

And the clients recognize that a massive investment has been made in the infrastructure to support the basic business process of application, eligibility determination and enrollment for these individuals. And these are infrastructures that will be sustained over time because the basic problem and the need to get and keep people insured isn't going away.

Now, as Rich said, to kind of finish the question, there will, however, be probably broader state authority through the waiver process. And CMS has been guiding a number of states to use 1115 waivers to advance the comment--the concept of work requirements for the Medicaid population. Presently, there are five states that are headed in that direction. Indeed, in fact, Indiana already has a modest work requirement affiliated with their program. Kentucky's waiver application is first in the queue and likely to be decided, and that would require able bodied adults without dependents--the acronym we use around here is ABAWD--to be engaged in community engagement requirements, volunteer work, participate in job training and so forth.

There are a number of other states, including Arizona, Arkansas, Maine, Wisconsin that have all similarly indicated an interest in implementing work requirements.

Now, when you think of MAXIMUS, we are really quite uniquely qualified to help states in that bridge between a health program and a human services program delivery model.

So, those are some of the dynamics that we're seeing out there. And I'd add only one other thing, and that is, with the Trump Administration, the broad themes that we're seeing regarding program efficiency and the importance of assessing whether work can be done by the private sector in addition to government agencies, increased accountability on programs meeting the needs of citizens like veterans, moving programs toward individual responsibility like the work requirement in Medicaid that I just mentioned, and then lastly, still kind of at the early days, the importance of looking at the total cost of government and how these functions can be performed more efficiently - those are all broad themes that we're seeing, and we think that over time, as Rich has mentioned, that'll be translated into legislation regulation and procurement activity.

Dave Syblo: Got it. And then if I could just ask on the pipeline, so you went from 4 billion last quarter to 3.3 billion. A big chunk of that move I think is the value of signed contracts was worth a billion. So, that would sort of imply that you guys picked up some new business in that pipeline to replace it. Can you just crosswalk that bridge a little bit more and let us know how much of that 1 billion is new work versus existing work?

Rich Montoni: Good. I think there's two things to crosswalk. One is, as we look at the dynamics and the roll forward of the pipeline, you're right, we started the quarter with about 3.9, a little bit over 3.9 billion in pipeline. The net award in the quarter, not year-to-date but in the quarter was a little bit over a billion. So, that subtotal is at 2.9 billion.

To get back to the ending number of 3.3, it means we added a little bit over 400 million back into the pipeline. So, I think that's really good pipeline dynamics. Any time you convert a good portion of the pipeline to a win is good news. And given the nature and the significance of the New York situation, that's very, very good news.

In terms of how much of the awards in the quarter represents new work, historically, we don't break out the new work component of the year-to-date or the quarter awards. The reason we do that is, frankly, we alternatively factor the new work element, as you would expect, into our annual planning, in our guidance, in our quarterly updates to that because it's not only how much was new in the quarter, but in what year and what period will you recognize that, and you also need to feather in work that might go away. So, we think a better more refined approach is just to feather all of that into our quarterly update and guidance.

That aside, if we do have a meaningful significant new win in any period, we will share the details of that with you if we're permitted to do it--permitted by our client to share those detail. I hope that helps.

Dave Styblo: It does. Thanks.

Rich Montoni: Sure.

Operator: Ladies and gentlemen, as a reminder, please press star, one to ask a question.

Our next question is from Brian Kinstlinger from Maxim Group.

Brian Kinstlinger: Great, thanks. You know, when I look at the $1 billion roughly of awards in the quarter the last three months, I'm trying to understand the largest puts and takes. So, maybe, can you quantify the New York three year extension, because it seems quite a large number for not understanding where the large pieces are?

Rich Montoni: Fair enough, Brian. We're going to ask Bruce Caswell to respond to that question.

Bruce Caswell: Hi, Brian. Good morning. So, as you know, oftentimes, our clients actually do prevent us from disclosing a lot of specific contract details, so what I'm about to tell you I need to give you what is really publicly available that the state has listed on its procurement website, and that's the value of $2.5 billion over 10 years. Now, it's important to note that that's not all just incremental go forward. The start date for that would be August of 2010, August 20th, 2010 and the end date of that is August 19th, 2020, so 2.5 billion over ten years.

Brian Kinstlinger: Okay. So, that helps explain it. And then can you quantify the headwind of contracts that are already winding down that you know in fiscal 2018? What--you know, sometimes, you have a slingshot. Sometimes, you have a headwind. What is the headwind that you already know in fiscal 2018?

Rich Montoni: You know, I think we've given you a heads up on what those are. And by the way, again, we take all of that and, at the beginning of every year and every quarter, we refresh it. We do bottoms up existing contracts, we run them out, and that becomes the basis for any updates that we provide to you as it relates to our guidance.

So, all of it's baked into what we've shared with you. I do think that we've given you a heads up in terms of those individual contracts that are meaningful in that regard. We talked about our federal contract with the VA. We've talked about what's going on in the United Kingdom with the wind down of their program. And we've talked about Part A, the contract we lost. Those are the three that come to mind as being meaningful on an individual basis worthy of mention that we can mention. Nothing new in that context this quarter, by the way.

Brian Kinstlinger: Okay.

Rich Montoni: Okay?

Lisa Miles: Brian, do you have another question?

Brian Kinstlinger: No, I--that was it. I really wanted to understand fiscal '18, not '17, the number, but I guess you'll share that another time.

Rich Montoni: Okay.

Lisa Miles: Okay. Thanks, Brian. Next question please.

Operator: Our next question is from Jamie Stockton with Wells Fargo.

Jamie Stockton: Hi, good morning. Thanks for taking my questions. Maybe to start with, in this period where, you know, we're in kind of a pause environment, can you talk about your thoughts on M&A and whether or not, you know, that's a lever that could be used to try to create shareholder value, you know, when maybe there aren't a lot of awards being made?

Rich Montoni: Jamie, I'd be glad to talk about that. And our views on M&A are as follows - one, we do have an active M&A program. We have dedicated staff in the M&A space. We don't think we're compelled to go out and do an M&A to grow the company. We think, we're positioned to grow, just given by the--given the macro drivers in our existing space. However, particularly over the longer term, we think M&A is a great way to make sure we keep our saw sharp, and we do use it strategically. We have strategic interests to advance our business. That might be in geographies that we think are right for expansion. It might be to acquire new capabilities or additional capabilities where we see demand exceeding supply.

And we do have several opportunities on our plate as we speak today, and naturally, they would--and frankly, they'd range from tuck-ins to more meaningful acquisitions. And I've had conversations to share with you that there is a size of acquisition that is a factor, and at the end, I'd say we're not compelled to go out and make an acquisition to grow. We use it as a strategic tool. And, yes, we're very active in that space.

Jamie Stockton: Okay, that's great. And then maybe just quickly on the pipeline, can you talk about--you know, you obviously have this 3.3 billion that you've identified at this point. You know, I assume that there are thresholds that you guys set internally where a piece of business has to have a certain ROI or, you know, you have to, you know, believe that it's going to deliver a certain level of profitability for you to go after it. In periods where maybe we're entering more of a pause environment, you know, do those thresholds change at all, or, you know, are they relatively rigid? If you could just give us some color on that, that'd be great.

Rich Montoni: I'll share some comments, and I'll ask Rick Nadeau if he wants to jump in, as well. But, we do have a process here, a business review committee that looks at every significant piece of new business that crosses our transom. We consider many dimensions to new work. Obviously, the financial aspects of new work are very, very important.

We tend to take a long-term view at these relationships, at these program. And I think, sometimes, that serves as a competitive advantage and creates long-term shareholder value.

For example, what that might mean is we may expect to have meaningful upfront losses on a contract for a year and sometimes longer than a year. But, when you look at the long term shareholder aspects, they're very, very compelling.

So, we do have a process. We operate in the context that we have a portfolio and we take a portfolio view where we'd like the consolidated portfolio to fall within the 10 to 15 percent range. Historically, it's very much been within that range.

That being said, we will have some bid opportunities, new work opportunities that are well south of that range and some that are north of that range and will vary for such reasons as the type of contract that we're bidding or our desire to get into a new market.

So--and your--to answer your question relative to do we change the--it's--by the way, it's not rigid criteria, but do we change our criteria in pause periods like this. I like to think we don't change our criteria. We take a long term view of the opportunities. Rather, we use these pause periods to really better position the company when we do see a resurgence and the logs freeing up in the logjam.

Rick, anything you'd like to add?

Rick Nadeau: No, I think that was well said. The only thing I'd add is that, you know, when we talk about a contract at the beginning of our term on the contract, the operators are proud, and they do work hard and improve those margins over time. So, over the life of a contract, you'll see it improve within those ranges and within the thresholds that Rich talked about. But, obviously, it's judgmental, and we always take a long term view.

Jamie Stockton: Great, that's great. Thank you.

Rick Nadeau: You bet.

Rich Montoni: Next question please.

Operator: Our next question is from Frank Sparacino with First Analysis.

Frank Sparacino: Hi, guys. Maybe for Bruce - just on the Medicaid waiver side of things, I'd be curious to get your perspective first. I mean, I know there's been a lot of talk around some of the changes to Medicaid programs that you alluded to, but, you know, do you get the sense that there are a lot of states sort of in a wait and see mode to see what happens with some of these early waiver sort of votes. You know, if Kentucky's successful and others are successful, do you feel like, you know, that's a stimulant to other states to really start pushing forward? Is there something that's kind of holding others back at this stage?

Bruce Caswell: That's a great question, Frank. I think a couple things - first of all, I think you're absolutely right that the states are kind of looking at one another and figuring out how--you know, who wants to follow whom. There has been some discussion, as I understand it, about whether there could be a waiver approval streamlining process. In other--and there--it could take two forms.

One could be that if a waiver has already been approved for a certain state and a subsequent waiver from another state is largely identical in terms of the kind of form and substance of it--so, take, for example, pushing a work requirement, I don't know, down to the federal poverty level or even in some instances below the federal poverty level as part of Medicaid, if that's kind of in a template version already been preapproved, then other states may be able to be kind of grandfathered under that model. I've heard some discussion of that.

Another approach that folks in the industry have been theorizing is whether the waiver process itself, which historically, you know, it takes time to get through, it's not been the fastest process, might in some instances be supplanted by authority granted to states to actually modify their programs through their state plans because every state has to submit a state plan for Medicaid, for example, and other programs. But, there may be broader authority given to states where they could just indicate the changes they're making as part of the normal state plan amendment process, which is actually a faster track.

So, I think there's two things going on. One is the uncertainty around what are we really going to get in terms of, you know, the Affordable Care Act and a potential replacement because that has implications on Medicaid beginning in 2020 - specifically for Medicaid expansion states, as you know. And so, there's uncertainty there that's I think fueling maybe some states waiting and seeing. And then there's some clarity the states are seeking in terms of how the process is going to work within CMS.

And as you know, while key positions in CMS have been filled like that of the Administrator, other positions continue to be filled along the way. And I think things will become more clear as we go.

I think it's interesting that there are already the five states that I mentioned that have kind of lined up with the work requirement waivers. I would think we'll also start seeing states seeking greater use of call it kind of consumer engagement or personal responsibility waivers as it relates to some aspect of consumers having a financial stake in Medicaid. In other words, whether they're participating through a co-pay or a deductible or some type of account like in Michigan in Governor Snyder's state where you effectively are in credit for healthy lifestyle choices. That's another thing to keep watching. Does that help?

Frank Sparacino: Yes, very helpful. And if I could just sneak in one other question - on the sort of other programs, I don't think there's been any discussion on this call around LTSS, but just be curious on sort of the level of activity there. I know there was an RFP in the state of Pennsylvania, I believe, but any material sort of changes in that space?

Bruce Caswell: You know, I can't comment on specific RFPs in the marketplace, but I would just say I think that, overall, we remain pleased with the level of procurement activity as it relates to LTSS. And I would call--I would put--couple with that related activity around assessments, assessments related to pre-admission screening residency reviews, supports intensity scale assessments and other assessments, particularly the types performed by Ascend Management Innovations, which as you know is a company with whom we combined just over a year ago. So, I think we're pretty pleased with progress in that marketplace.

Frank Sparacino: Thank you guys.

Lisa Miles: Thanks, Frank.

Rich Montoni: Thank you. Next question please.

Operator: Ladies and gentlemen, we have reached the end of the question and answer session and are out of time for today's call. MAXIMUS thanks you for your time and participation. You may disconnect your lines at this time.