

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

FORM 10-K

(Mark one)

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended **September 30, 2024**

TRANSITIONAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____.

Commission file number: **1-12997**

maximus

Maximus, Inc.

(Exact name of registrant as specified in its charter)

Virginia	54-1000588
<small>(State or other jurisdiction of incorporation or organization)</small>	<small>(I.R.S. Employer Identification No.)</small>
1600 Tysons Boulevard, McLean, Virginia	22102
<small>(Address of principal executive offices)</small>	<small>(Zip Code)</small>
(703) 251-8500	
<small>(Registrant's telephone number, including the area code)</small>	

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, no par value	MMS	New York Stock Exchange

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer
 Non-accelerated filer Smaller reporting company Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b).

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes No

The aggregate market value of outstanding voting stock held by non-affiliates of the registrant as of March 31, 2024, was \$5,068,972,205 based on the last reported sale price of the registrant's Common Stock on The New York Stock Exchange as of the close of business on that day.

There were 60,295,271 shares of the registrant's Common Stock outstanding as of November 12, 2024.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Registrant's definitive proxy statement relating to its 2025 annual meeting of shareholders are incorporated by reference into Part III of this Annual Report on Form 10-K where indicated. The Registrant's definitive proxy statement will be filed with the U.S. Securities and Exchange Commission within 120 days after the end of the fiscal year to which this report relates.

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Unless otherwise specified, references in this Annual Report on Form 10-K to "our," "we," "us," "Maximus," the "Company," and "our business" refer to Maximus, Inc. and its subsidiaries.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

Included in this Annual Report on Form 10-K 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," "opportunity," "could," "potential," "believe," "project," "estimate," "expect," "continue," "forecast," "strategy," "future," "likely," "may," "should," "will," and similar references to future periods.

Any statements herein that are not historical facts, including statements about our confidence, strategies and initiatives, and our expectations about revenues, results of operations, profitability, liquidity, market demand, and our recent acquisitions and divestitures, are forward-looking statements that are subject to risks and uncertainties. These risks could cause our actual results to differ materially from those indicated by such forward-looking statements. Therefore, you should not rely on any of these forward-looking statements. Important factors that could cause our actual results and financial condition to differ materially from those indicated in the forward-looking statements include, among others, the following:

- a failure to meet performance requirements could lead to penalties, liquidated damages, actual damages, adverse settlement agreements, and/or contract termination;
- our ability to successfully compete, bid for, and accurately price contracts to generate our desired profit;
- the effects of future legislative or government budgetary and spending changes;
- the impact of the U.S. government on federal procurement, federal funding to states' safety-net programs, and the overall decision-making process related to our industry, including our business and customers;
- our ability to manage our growth, including acquired businesses;
- difficulties in integrating or achieving projected revenues, earnings, and other benefits associated with acquired businesses;
- the outcome of reviews or audits, which might result in financial penalties and impair our ability to respond to invitations for new work;
- our ability to manage capital investments and startup costs incurred before receiving related contract payments;
- our ability to manage our debt;
- our ability to maintain our technology systems and otherwise protect confidential or protected information;
- our discovery of additional information related to the previously disclosed cybersecurity incident and any potential legal, business, reputational, or financial consequences resulting from the incident;
- our ability to attract and retain executive officers, senior managers, and other qualified personnel to execute our business;
- the effect of union activity and organizing efforts at our U.S. locations;
- the ability of government customers to not exercise options, or to recompetes or terminate contracts on short notice, with or without cause;
- our ability to win recompetes and/or succeed in protests on our significant contracts;
- our reliance on a small number of individual contracts;
- our ability to realize the full value of our backlog;
- our ability to maintain relationships with key government entities from whom a substantial portion of our revenue is derived;
- a failure to comply with laws governing our business, which might result in the Company being subject to fines, penalties, suspension, debarment, and other sanctions;
- the costs and outcome of litigation;
- our ability to manage third parties upon whom we depend to provide services to our customers;
- the effects of changes in laws and regulations governing our business, including tax laws and applicable interpretations and guidance thereunder, or changes in accounting policies, rules, methodologies, and practices, and our ability to estimate the impact of such changes;
- our ability to manage emerging artificial intelligence (AI) and machine learning (ML) technologies;
- matters related to businesses we disposed of or divested; and
- other factors set forth in Item 1A, "Risk Factors."

Any forward-looking statement made by us in this report 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 any 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.

PART I

Item 1. Business

General

Maximus, under its mission of *Moving People Forward*, helps millions of people access the vital government services they need. With nearly 50 years of experience working with local, state, federal, and international government clients, we proudly design, develop, and deliver innovative and impactful programs that change lives. We are driven to strengthen communities and improve the lives of those we serve.

We create value for our customers through our ability to translate health and human services public policy into operating models that achieve outcomes for governments at scale. Our work covers a broad array of services, including the operation of large health insurance eligibility and enrollment programs; clinical services, including assessments, appeals, and independent medical reviews; and technology services. These services benefit from a market with increasing demographic demand, constrained government budgets, and an increased focus on technology as governments prioritize modernization. We also demonstrate the ability to move quickly, ranging from digitally enabled contact center support services for natural disaster response to swift establishments of public health and safety initiatives, examples of which occurred during the COVID-19 pandemic. Our organic growth through increased contract scope and entry into new markets has been supplemented by strategic acquisitions. In recent years, three acquisitions enhanced our qualifications for servicing the U.S. Federal Government in areas of clinical assessments, leading technology consulting solutions, and digitally-enabled contact center services.

We are progressing through our strategic plan introduced in fiscal year 2022. We believe in further expansion of our business and remain in a strong position to capitalize on organic growth opportunities in our core business. Our strategic plan consists of three central pillars:

- Customer Services, Digitally Enabled. Elevate the customer experience to achieve higher levels of satisfaction, performance, and outcomes through intelligent automation and cognitive computing. The launch of Maximus Total Experience Management (TXM) is evidence of this focus and commitment. TXM is an integrated solution designed to help federal agencies deliver trusted information and government services simply, consistently, and securely. This new differentiated solution seamlessly integrates people, experience, data insights, and secure technologies into one digitally powered platform to reimagine government service delivery.
- Future of Health. Help governments reach the rising demand for health services by growing our clinical capabilities and increasing the level of sophistication of underlying tools to improve the health of people and their communities.
- Advanced Technologies for Modernization. Further our credibility as a technology leader, enabling the transformation of government programs and legacy system environments to be resilient, dynamic, integrated, and equitable.

Our strategic plan is aligned with specific opportunities within all three segments and include a common focus on optimizing processes and simplifying our structure under our Maximus Forward corporate initiative. We also continue to focus on our people - the foundation of our strategy. As an employer of choice, our goal is to continue to prioritize attracting, retaining, developing, and empowering employees as a central part of our plan for achieving future growth.

Our Business Segments

We operate our business through three segments: U.S. Federal Services, U.S. Services, and Outside the U.S. We operate in the United States and worldwide.

For the year ended September 30, 2024, approximately 50% of our revenue was derived from U.S. federal government agencies, 36% from U.S. state government agencies, 12% from foreign government agencies, and the balance from other sources, including local municipalities and commercial customers.

For more information on our segment presentation and geographic distribution of our business, including comparative revenue, gross profit, operating income, identifiable assets, and related financial information for the 2024, 2023, and 2022 fiscal years, see "Note 3. Business Segments" within Item 8 of this Annual Report on Form 10-K.

U.S. Federal Services Segment

Our U.S. Federal Services Segment generated 52% of our total revenue in fiscal year 2024.

Our U.S. Federal Services Segment delivers solutions that help various U.S. federal government agencies better deliver on their mission, including program operations and management, clinical services, and technology solutions. The segment also includes system and application development, Information Technology (IT) modernization, and maintenance services. Clinical services comprises appeals and assessments services, which includes managing the evaluation process for U.S. veterans and service members on behalf of the U.S. Department of Veterans Affairs (VA) and certain state-based assessments and appeals work that is part of the segment's heritage. Under Technology Consulting Services (TCS), the segment executes on its digital strategy to deliver technology solutions that advance agency missions, including the challenge to modernize, provide better customer experience, and drive process efficiencies.

Program Operations. Program operations include business process services (BPS), eligibility and enrollment, outreach, and other services for federal health and human services programs. In fiscal year 2022, our contract with the Centers for Medicare and Medicaid Service (CMS) to support the Contact Center Operations was renewed. This contract supports the federal marketplace under the Affordable Care Act (ACA) and serves as the primary support engagement center for Medicare, also known as 1-800-MEDICARE. The contract serves the U.S. population through multiple customer contact centers handling general inquiries for the marketplace and general and claims-based Medicare inquiries.

Under the name Aidvantage, we are an independent and conflict-free customer service provider assisting borrowers with Department of Education-originated loans. We view student loan servicing as an opportunity to apply our insights, expertise, and quality-driven approach through support for Federal Student Aid (FSA) and student borrowers.

The manner in which we provide these services varies from contract to contract but may include a mix of digitally enabled contact centers, mail-room operations, and mobile and website media.

Clinical Services. In line with our strategic focus for the future, this division continues to expand its clinical programs, most notably through the VA medical disability examinations (MDE) contracts. As a leading provider of MDEs, we administer the clinical evaluation process for U.S. veterans and service members on behalf of the VA and manage a vast network of experienced clinicians focused on serving veterans. This highly-scaled platform in the U.S. federal government domain is an in-demand capability across a multitude of agencies.

Near-term growth has been realized as a result of the Promise to Address Comprehensive Toxics Act of 2022 (PACT) Act, which was passed by the U.S. Congress in August 2022. The PACT Act expanded certain conditions under which veterans qualify for benefits and resulted in increases in MDE volumes. We are operating at higher volumes amidst strong demand and expect this to continue for the foreseeable future.

The independent health and disability assessments and appeals portion of our business is a growing part of our overall portfolio, lending further credibility to our organic growth efforts with other Federal departments and in non-Federal markets.

Technology Solutions. Under this division, we execute on digital strategy to deliver technology solutions that advance agency missions, including the challenge to modernize, provide better customer experience, and drive process efficiencies. Our core capabilities include:

- Application development & modernization: Modernize, develop, and deliver solutions utilizing automation and agile development, security, and operations (DevSecOps) practices.
- Enterprise Business Solutions: Integrate and manage disparate business processes and systems.
- Advanced Analytics & Emerging Technologies: Provide technology services to leverage and integrate the latest technologies for AI/ML, automation, and high-performance computing.
- Cybersecurity: Deliver full spectrum cybersecurity services, including cyber engineering and operations, digital forensics, and incident response.
- Infrastructure and Engineering: Deploy solutions that leverage cloud-hosted and on-premise designs to optimize costs.

We also build digital qualifications in the market. We utilize AI and machine learning to build bespoke data models, providing predictive analytics to maximize process efficiency, as well as identify systemic process issues that can be isolated and prioritized for troubleshooting. End-to-end automation of software development and business processes achieves speed, efficiency, and error reduction, as well as advanced tool capabilities, resulting in greater operational efficiency, enhanced customer experiences, and increased return on investment. Finally, high-performance computing clusters support mission requirements for data mining, scientific modeling, advanced analytics, research, and machine learning.

The majority of this segment contains performance-based contracts where revenue is earned from transaction-based measures, such as the number and type of assessments or appeals processed, or participant numbers. A group of other contracts in this segment earn their revenue on a cost-plus or time-and-materials basis, which typically carry lower levels of risk and lower levels of profit margin as compared to performance-based contracts.

This segment may experience seasonality with increased revenue in the first quarter of the fiscal year from cost-plus work tied to CMS's annual open enrollment period. Other fluctuations may result from volume variations or program maturity, with contracts recording lower revenue and profitability during program startup.

Contracts with government clients often contain "termination without cause" provisions. Such contractual language generally allows the government to terminate a contract at any time and enables us to recover only our costs incurred or committed and settlement expenses and profit, if any, on the work completed prior to termination.

Our primary competitors in the U.S. Federal Services Segment are General Dynamics Information Technology, Deloitte, Leidos, IBM, Accenture, Booz Allen Hamilton, and other federal contractors.

U.S. Services Segment

Our U.S. Services Segment generated 36% of our total revenue in fiscal year 2024.

Our U.S. Services Segment provides a variety of services, such as program operations, clinical services, employment services and technology solutions and related consulting work for U.S. state and local government programs. These services support a variety of programs, including the programs under ACA, Medicaid, the Children's Health Insurance Program (CHIP), Temporary Assistance to Needy Families (TANF), and child support programs. In fiscal years 2020 through 2023, many programs in this segment were operating with depressed margins resulting from the pause in Medicaid redeterminations. The depressed margins resulted from reduced operating leverage in the segment as costs could not scale down at the same rate to meet lower demand due to the requirements to fulfill other obligations on these contracts. Fiscal year 2024 reflected a full period of volumes. The middle two quarters of the fiscal year experienced slightly elevated volumes from excess temporary work. This work was concluded by the last fiscal quarter with the segment's margin appropriately aligned.

Program Operations. Program operations include our comprehensive program administration services for government health benefit programs. The services we provide vary from program to program but may include:

- Centralized multilingual customer contact centers and multichannel, digital self-service options to better serve citizens' needs;
- Application assistance and independent health plan choice counseling to beneficiaries to help them access benefits and make informed choices;
- Beneficiary outreach, education, eligibility assistance, enrollment, and redeterminations services. In programs such as Medicaid, Maximus does not make the final determination of eligibility; and
- Administration of programs that provide subsidized telephone services for eligible consumers.

As a leading supplier in many of the health program administration markets that we serve, we are the largest provider of Medicaid eligibility support and enrollment services and state-based health insurance exchange operations.

Clinical Services. Clinical services include our person-centered assessment services, primarily to determine consumers' eligibility for Medicaid Long-Term Care services. Clinical services is a growing portion of the segment and demonstrates successful focus and execution of our continued strategy. Our services help governments engage with program recipients while at the same time helping improve the efficiency, cost-effectiveness, quality, and accountability of state health and disability benefits programs. These include person-centered independent assessments of the elderly; physically, intellectually, or developmentally disabled consumers, including adults and children in need of long term services and support; and Preadmission Screening and Resident Reviews, which fulfill a federal requirement to help ensure that individuals are not inappropriately placed in nursing homes for long term care. We are a leading provider of such services in the U.S.

In 2023, a large assessment program for a major state customer went live and contributed a full period of operations in fiscal year 2024.

Employment Services. Employment services cover a number of attributes, including eligibility support, case management, job-readiness preparation, job search and employer outreach, job retention and career advancement, and selected educational and training services, including vocational training. Children services include full and specialized child support case management services through customer contact center operations and program and systems consulting services.

Technology Solutions. Technology solutions offer state and local governments assistance with system planning, implementation oversight, and the construction and maintenance of client systems to allow processing of transactions. We also provide system implementation project management and independent verification and validation services to state and local clients. Our Independent Verification and Validation (IV&V) services provide comprehensive objective testing to confirm that requirements in client systems are correct, and validate that the system correctly implements the functionality and security requirements. Consistent with our overall corporate strategy, technology solutions in our U.S. Services Segment is an area of focus for growth.

The rest of the segment's revenue is from specialized consulting services. These services include financial consulting, including cost allocation plans, business process assessment and design, quality assurance processes, including policy and procedure reviews, and audit preparation and compliance, including grant and proposal reviews. The segment also assists commercial customers in claiming workforce and location-based tax benefits.

Payment for our services varies from contract to contract based upon factors such as the priorities of the customer and their willingness to share risks and rewards. The majority of contracts include a level of performance-based compensation, a fixed fee, or a mixture of both, with fees being based upon call volumes, the size of the population served, or transactions such as clinical assessments completed. Some contracts are performed on a cost-plus basis, where we receive revenue based on the hours and costs incurred and typically operate at lower margins. Our employment services contracts typically have outcome-based payments to ensure that we help job seekers find long-term, sustained employment and achieve economic independence.

The segment may experience seasonality due to transaction-based work, such as program open enrollment periods. Other fluctuations may arise from changes in programs directed by our clients and activity related to contract life cycles.

Contracts with government clients often contain "termination without cause" provisions. Such contractual language generally allows the government to terminate a contract at any time and enables us to recover only our costs incurred or committed and settlement expenses and profit, if any, on the work completed prior to termination.

A small number of large states comprise a significant share of this segment's revenue. In addition, even though the majority of our direct clients are state governments, a significant amount of our revenue is ultimately funded via the U.S. federal government in the form of cost-sharing arrangements with the states, as is the case with Medicaid.

Our primary competitors are government insourced operations. External competitors include Conduent, Automated Health Systems, TTEC, Acentra Health, GetInsured, Veritas, Public Consulting Group, and Deloitte. Some of these companies compete with the segment in a single market, while others compete in multiple markets. We also compete against specialized private companies, often within a regional or state focused market area, and nonprofit organizations that vary based on the nature of the work.

Outside the U.S. Segment

Our Outside the U.S. Segment generated 12% of our total revenue in fiscal year 2024.

Our Outside the U.S. Segment provides BPS and technology solutions for international governments. These services include health and disability assessments, program administration for employment services, wellbeing solutions and other job seeker-related services, digitally-enabled customer services, and advanced technologies for modernization. We support programs and deliver services in the United Kingdom, including the newly awarded Functional Assessment Services (FAS) contract, which replaced the Health Assessment Advisory Service (HAAS) contract, and the Restart employment program; and Australia, including Workforce Australia, and other employment support and job seeker services in a number of other countries.

We are currently reshaping this segment in a thoughtful manner to align with the broader Maximus strategy. The segment has not met profitability expectations in recent periods due, in part, to increased volatility from employment services programs that are dependent on fluctuating macroeconomic conditions. As a result, we divested a small commercial practice in the U.K. and our business in Sweden during fiscal year 2023. We also divested our businesses in Italy and Singapore, as well as our Canadian employment services business during the first quarter of fiscal year 2024.

Employment Services. Comprehensive employment services help vulnerable individuals transition from government assistance programs to sustainable employment and economic independence. These services cover a number of attributes, including eligibility determination, case management, job-readiness preparation and work capability assessments, job search and employer outreach, job retention and career advancement, and selected educational and training services. Payment terms are typically focused on achieving employment outcomes.

Clinical Services. Clinical services includes appeals and assessments work. On these contracts, we are typically reimbursed for each transaction. The FAS contract supersedes our flagship HAAS contract and is a hybrid contract with cost-plus elements coupled with a number of incentives and penalties to achieve the programmatic outcomes defined by the government in order to ensure quality and timeliness of service. Maximus carries out these assessments on behalf of the Department for Work and Pensions (DWP), and the DWP makes the final decision on the level of benefit.

The balance of the segment provides program administration and some specialized services.

Seasonality is not significant to this segment. Contracts with government clients often contain "termination without cause" provisions. Such contractual language generally allows the government to terminate a contract at any time and enables us to recover only our costs incurred or committed and settlement expenses and profit, if any, on the work completed prior to termination.

Our primary competitors in this segment include Atos, Capita, Serco, Staffline, Shaw Trust, Reed in Partnership, Ingeus, Advanced Personnel Management, IBM, Telus-Health, NTT Data, Pacific Blue Cross, Sawaeed, Elm, and other specialized private companies and nonprofit organizations. Although the basis for competition varies from contract to contract, we believe that typical contracts are awarded based on a mix of comprehensive solutions and prices. In some cases, clients award points for past performance tied to program outcomes.

Economic and Market Environments

In all the markets and locations in which we operate, we are seeing consistent themes that drive our long-term strategy.

Investment in Technology Modernization. Many federal agencies must address the maintenance of legacy IT systems, and the pressing need for IT infrastructure modernization continues to grow. Legacy processes and systems are fundamental to government operations, yet they are expensive to operate in an environment that requires online agility and rapid response to new demands, requirements, and global challenges. We are delivering and supporting the priorities set by our federal customers: cybersecurity, IT modernization, and customer service and customer experience. By aligning our priorities with the U.S. federal government, we believe that we are well-positioned to meet agency change and to provide enterprise-wide solutions and strategies.

Complex Programs at Scale. We believe that efficient management of the complex planning required to administer large-scale government programs, as well as improving the quality and access to these programs, is an overarching priority for our customers. A propensity for government to manage and look after beneficiaries in well-defined programs drive increased transaction volumes and caseloads.

Contractors Provide Capacity. Contractors provide capacity to government customers in delivering vital services as their needs outpace their ability to hire or maintain their own staff. We anticipate ongoing use of this operating model as customers desire to maintain variability with operations and budgets, while also benefiting from enhanced technology and processes. We believe that the funding and government mechanics allow ongoing flexibility in this area.

Competitive Advantages

Some of the competitive advantages that allow us to capitalize on various market opportunities are as follows:

Subject matter, clinical, and digital expertise. Our workforce includes many individuals who possess substantial subject matter expertise in areas critical to the successful design, implementation, administration, and operation of government health and human services programs. We also employ a diverse set of experts, including a wide network of clinicians and an experienced team of digital technologists, including experts in AI/ML, cybersecurity, digital modernization, IT service management, and software development. Many of our employees worked for governments in management positions and can offer insights into how we can best provide valuable, practical, and effective services to our clients.

Digital engagement, analytics, and automation solutions to enhance government programs. Participants in government programs expect the same types of digital engagement they rely upon when interacting with consumer-oriented businesses. We believe our clients value our ability to infuse digital, such as mobile applications, omnichannel solutions, and digital media, into our solutions to make it easier for beneficiaries to engage with government programs. Analytics enable us to optimize our operations and provide our clients with improved outcomes through greater insight into the populations we serve. Process automation incorporated into our solutions increases the efficiency and quality of the programs we operate.

Providing digital modernization and fully managed services to enhance outcomes for government programs. We develop, deploy, and in many cases fully manage complex technology solutions at scale for customers across our segments, including the ability to meet complex and evolving federal security standards like FedRamp. This includes secure cloud-based and hybrid offerings, network operations, end user device management, service desk operations, AI/ML integration, and application development and modernization. We deliver these capabilities via business models that make it easier for customers to evaluate and procure, which leads to speed of innovation and value-added outcomes for end users.

AI/ML, data and analytics solutions at worldwide scale. We develop and deliver differentiated AI/ML solutions such as intelligent automation, intelligent voice/chat communications, and intelligent solutions delivery across all segments. Our AI/ML solutions are proven and in use today within large and small scale programs, using secure AI to improve customer outcomes, improve citizen services, and making business processes more efficient. All of this helps drive customer experience (CX) and digitization to drive parity between government and commercial solutions.

Enterprise partnerships with disruptive small companies to hyperscale technology providers. We have established significant partnerships to help ensure we are leveraging commercial technologies and solutions to enhance services across government customers and programs. Our scale enables us to create competitive advantages through better enterprise pricing, early access to new technologies, influence on product roadmaps, joint development and innovation activities - elements we exploit to bring new capabilities and efficiencies to government customers while keeping our employee population trained on the latest technologies.

Flexibility and scalability. We are experienced in launching large-scale complex operations under compressed time frames. We offer clients the flexibility and scalability to deliver the people, processes, and technology to complete short- and long-term contractual assignments in an efficient and cost-effective manner, including the ability to modernize customer solutions, infrastructure, and equipment to maintain operational resilience.

Financial strength. Our business provides us with robust cash flows from operations as a result of our profitability and our management of customer receivables. In the event that we have significant cash outlays at the commencement of projects or where delays in payments result in short-term working capital needs, we may borrow up to \$750 million through a credit agreement with JPMorgan Chase Bank N.A. (the "Credit Agreement"), subject to standard covenants. We have the ability to borrow under the Credit Agreement in all of the principal currencies in which we operate. We believe we have strong, constructive relationships with the lenders on the Credit Agreement. We believe our financial strength provides reassurance to government agencies that we will be able to establish and maintain the services they need to operate high-profile public health and human services programs.

Focused portfolio of services. We are one of the largest publicly traded companies that provide a portfolio of BPS almost exclusively to government customers. Our government program expertise and proven ability to deliver defined, measurable outcomes differentiate us from other firms and nonprofit organizations, including large consulting firms that serve multiple industries and lack the focus necessary to manage the complexities of serving government efficiently.

Expertise in competitive bidding. Government agencies typically award contracts through a comprehensive, complex, and competitive request for proposals (RFP) and bidding process. Although the bidding criteria varies from contract to contract, typical contracts are awarded based on a mix of technical solution and price. In some cases, governments award points for past performance tied to program outcomes. With nearly 50 years of experience in responding to RFPs, we believe we have the necessary experience to navigate government procurement processes and to assess and allocate the appropriate resources necessary for successful project completion in accordance with contractual terms.

Barriers to entry. The market for providing our services to government agencies is competitive and subject to rapid change. However, given the specialized nature of our services, market entry can be difficult for new or inexperienced firms. The complex nature of competitive bidding, qualifying criteria related to past performance, the required investment in subject-matter expertise, repeatable processes and support infrastructure, and the need to achieve specific program outcomes create barriers to entry for potential new competitors unfamiliar with the nature of government procurement. In some areas of our business, notably contracts with the U.S. federal government, there are requirements for bidders seeking contracts to be pre-approved on registered contract vehicles, further limiting the pool of competitors.

Human Resources

We move people forward. Our strength lies within our people – connectors, innovators, and problem solvers – united by a shared purpose and championing our customers' mission to deliver results. Cultivating a culture that thrives on individual contributions and embracing inclusivity, we attract and retain a future-ready, diverse workforce through opportunities for career advancement and ensuring that each employee can unlock their true potential. How we work is as important as what we accomplish, and we are dedicated to helping our people explore, learn, and grow to deliver on our business strategy and commitments to shareholders and customers. We propel our entire organization toward a future where technology, innovation, and human connection intersect to drive lasting change. Our culture, values, and unwavering commitment to our people define who we are, and they guide us in making a meaningful impact on the lives of those we serve.

As of September 30, 2024, we had approximately 41,100 employees and 11,800 contingent workers, consisting of 15,400 employees in our U.S. Federal Services Segment, 15,600 employees in the U.S. Services Segment, 8,300 employees in the Outside the U.S. Services Segment, and 1,800 corporate administrative employees.

Talent Acquisition

Our success depends in large part on our ability to attract talent globally to meet the needs of our customers and comply with our contracts. This makes our hiring efforts significant and extensive, and as a result, our talent acquisition team focuses on finding top talent quickly. We believe our culture values individual skills, experiences, and differences that allow us to deliver robust and innovative approaches to solving some of our communities' most challenging needs. Our recruiting programs focus on identifying and evaluating talent through practices that welcome a diverse workforce, including veterans and people with disabilities, language barriers, and those from varying socioeconomic backgrounds.

We continue to invest in our employees through a variety of benefits and overall program enhancements. Our teams continue to adapt to the recruiting, hiring, and training needs of our customers in both remote and onsite settings to ensure continuity of vital services.

Talent Management and Talent Development

We are committed to Moving Our Talent Forward. Embarking on an organization-wide initiative of the same name, we are focused on planning and meeting our current and future strategic talent goals by empowering our most important success factor - our employees. This initiative was designed with two primary focus areas:

- Mobilizing our talent internally as the business needs, enabling us to move staff between projects, contracts, and functions, and;
- Helping employees level-up for future skill needs; our employees are our collective talent, regardless of project or business function, and we are dedicated to developing, upskilling, and retaining them to meet our future organizational talent needs.

As part of Moving Our Talent Forward, we have seen initial successes in both primary focus areas.

To support mobilizing our talent internally, we created a Strategic Workforce Planning (SWP) function to ensure we are taking an employee-centric approach to streamlining the redeployment of our workforce. The SWP function is dedicated to ensuring we have the right people with the right skills at the right time to meet the demands of our government clients to effectively serve and support the citizens in our own communities. This team partnered with the Company to implement

the “Beach,” which is a virtual status that bridges the gap between assignments, provides income and benefit continuity, proactively assists our employees during times of change, provides our employees with stability, and enables employees to move more seamlessly to new projects. Since its implementation in October 2023, we have utilized demand signal and pipeline strategies to match talent ending a project with open positions. This supports the prevention of potential reductions in force (RIFs) by redeploying over 2,000 employees to projects within Maximus, creates value by avoiding severance, recruitment, and rehiring expenses, and creates an atmosphere of increased employee security by ensuring that once their project is finished, their careers can continue.

To support our employees' journey to level-up for future skills, we are committed to and value ongoing development and continuous learning, and strive to support and provide learning opportunities to all our employees. We support enterprise-wide professional development by offering a variety of instructor-led and self-paced learning programs for diverse audiences ranging from individual contributors to frontline supervisors and executive leadership. Our project training teams are positioned to manage customized programs supporting contract requirements, customer service, local leadership development, and employee engagement. We also provide many employees with online role-based and skill-based learning tools. Specifically, starting in 2023, to support our transition to a Skills-Based Organization, we invested in both internal cross-functional resources and into an innovative AI Total Talent Management System, Eightfold. Officially launched on October 1, 2024, Eightfold will enable us to address talent needs and gaps more effectively as it is designed as a career hub that gives Maximus more data and insight into the skillsets of our employees, recommends internal roles based on skillsets and career aspirations, and connects employees to skill development opportunities.

Total Rewards

In support of Moving Our Talent Forward, a Maximus-wide initiative focused on planning for our organization's current and future needs and equipping our talent to meet those needs, we offer and maintain market-competitive total rewards programs for our employees to attract and retain superior talent. In addition to competitive base wages, additional programs include incentive bonus opportunities, restricted stock units, performance stock units, global retirement programs including a company-matched 401(k) Plan in the U.S., healthcare and insurance benefits, health savings and flexible spending accounts, paid time off, family leave, family care resources, flexible work schedules, employee assistance programs, and supplemental programs to support our employees' physical, mental, and financial well-being.

During fiscal year 2024, we made significant improvements to the employee value proposition in the U.S., introducing a tuition reimbursement program accessible to all employees who have been at Maximus for at least a year. Improvements in our benefits programs include covering all domestic partners, adding free telehealth services to our medical plan, increasing our short-term disability maximum weekly benefit, and adding an enhanced buy-up option for our vision plan. We also launched an employee recognition program, allowing managers and peers to recognize employees who demonstrate our values with public recognition and monetary awards. We also continue to make great strides in our efforts to close the gender and ethnicity pay gap, continuing an annual review to identify and close any new or persistent unsubstantiated differences in pay between our employees. We improved the hourly wage in fiscal year 2024 to at least \$17.20 an hour for over 85% of our U.S. population and committed to our goal of being a "Real Living Wage" employer in the UK.

Employee Engagement

Our employees are essential, and their well-being is paramount. Engaged employees stay longer, provide a better consumer experience, and influence other employees. To better understand employee morale, satisfaction, and engagement, we administer an annual Global Employee Engagement survey. We utilize anonymous feedback to shape the employee experience and culture where our values of Respect, Compassion, Innovation, Accountability, Collaboration, and Customer Focus are lived out. Aggregated results are dispersed throughout the organization to ensure all levels of management understand employee sentiment. Maximus empowers employee leaders alongside an organizational action committee to review the responses and create action plans to improve our culture and performance. Our employee engagement score had increased to +33 as of our last pulse survey in fiscal year 2024.

Our employee engagement initiatives also involved innovation. A study of comparative use case analysis and employee survey of employee communications found generative artificial intelligence combined with human writers to be more engaging and effective, resulting in multiple industry awards. For example, our Social Media Advocacy program empowered employees to champion our brand with their own authentic points of view through their social networks. Our emphasis on innovation extended to our annual Global Leadership Conference, which aims to provide leaders with tools to advance the Company's strategy.

Other key events that contributed to our culture of engagement included Foundation Month, which is focused on our impacts on local non-profits, Customer Service Week, which celebrates all employees with virtual, interactive events, and the inaugural Values Icon Awards, which recognizes employees who demonstrate excellence in one of the company values.

Awards

We are proud to receive accolades and recognition by our industry peers and the media for making an impact that matters. Our awards include, but are not limited to: TIME's World's Best Companies, Washington Post Top Workplace, Handshake's Early Talent Award, Top 100 Internship Programs by WayUp and Yello, VETS Indexes 5 Star Employer, Military.com Top Veteran Employer, Amazon Business Customer Awards for Sustainability and Supplier Diversity, Forbes Best Employers for Diversity, BusinessBecause: Top Employers for Diversity and Inclusion Initiatives, Disability Matters North America, Washington Business Journal's Women on Public Company Boards, Fortune 1000, and TIME's American's Best Midsize Companies.

Running our Business Ethically and with Integrity

We have earned a reputation for service excellence and commitment to the highest ethical principles and values. To maintain this reputation, we strive to consistently demonstrate the highest standards of accountability, integrity, responsibility, and ethics in our daily activities, across the organization globally, and across all disciplines.

We strive to be champions for an inclusive and collaborative culture that is free from discrimination and harassment, where everyone is treated with respect and dignity. Our expectation is that Maximus and its employees always conduct business according to the highest standards of ethics and performance and in compliance with all applicable laws.

Violations of our ethics standards and policies are taken seriously. Any director, officer, or employee may anonymously report suspected violations of the Maximus Standards for Business Conduct and Ethics, Company policies, or applicable laws and regulations.

Maximus is committed to an environment where open, honest communications are the expectation, not the exception.

Employees understand our efforts to act with integrity, which is summarized in our Standards for Business Conduct and Ethics, which includes the confidential ethics hotline contact information and is available at [maximus.com](https://www.maximus.com).

Environment

The Board of Directors' Nominating and Governance Committee has oversight responsibility for Environmental, Social, and Governance (ESG) matters, which includes climate-related risks and opportunities.

Some of our customers are requesting that their providers adopt and disclose their climate policies and principles and are using these in procurement decisions. These requirements vary between customers and are constantly evolving, often with limited notice. Such policies and principles may be subjective, and the manner of scoring our performance against our competitors may vary between bids. The inclusion of these additional criteria, in addition to price and quality of service, may provide opportunities for us but may also count against us in competitive bids if our real or perceived performance against climate and environmental requirements is deemed unsatisfactory. As procurement trends evolve, we are engaged in efforts to mature our programs and processes to meet the demands.

In addition, our operations are subject to various local, state, federal, and international environmental laws and regulations. Given the nature of our business, we do not currently anticipate that the costs of complying with, or the liabilities associated with, environmental laws and regulations will materially affect us. However, we cannot ensure that we will not incur material costs or liabilities in the future.

Government Regulations

Our business is heavily regulated. In the U.S., we must adhere to local, state, and federal laws and regulations. Within the U.S. Federal Services Segment, we must also comply with the Federal Acquisition Regulations (FAR), which regulates the procurement, award, administration, and performance of U.S. government contracts. Outside the U.S., we must also comply with local laws and regulations as determined by geography, as well as U.S. government laws. Adherence includes human rights protections, environmental regulation, and contract specifications. Our government clients have strict policies, procedures, and requirements in the procurement process, as well as regulations governing contract pricing and reimbursable costs.

Community Involvement

We aim to give back to the communities where we live and work and believe that this commitment helps in our efforts to attract and retain employees. We offer employees the opportunity to give back through the Maximus Foundation. The Foundation focuses our grant giving to carefully selected partners who have the expertise and capability to enhance our communities and the quality of life of the people we serve. We provide financial support for nonprofit organizations and charities that share our commitment in helping disadvantaged populations and underserved communities.

Other Information

Maximus, Inc. is a Virginia corporation founded in 1975.

Our principal executive offices are located at 1600 Tysons Boulevard, McLean, Virginia, 22102. Our telephone number is 703-251-8500.

Our website address is maximus.com. We make our website available for informational purposes only. It should not be relied upon for investment purposes, nor is it incorporated by reference into this Annual Report on Form 10-K.

We make our Annual Report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and the proxy statement for our annual shareholders' meeting, as well as any amendments to those reports, available free of charge through our website as soon as reasonably practical after we file that material with, or furnish it to, the Securities and Exchange Commission (SEC). Our SEC filings may be accessed through the Investor Relations page of our website at investor.maximus.com. These materials, as well as similar materials for other SEC registrants, may be obtained directly from the SEC through its website at sec.gov.

We also use our website as a channel of distribution for important company information. Important information, including press releases, earnings and analyst presentations and financial information regarding us, as well as corporate governance information, is routinely posted and accessible on the investor relations page on our website. Information on or that can be accessed through our website is not part of this Annual Report on Form 10-K or any other report or document we file with the SEC.

Item 1A. Risk Factors

Our operations are subject to many risks that could adversely affect our future financial condition, results of operations, and cash flows, and, therefore, the market value of our securities. The risks described below highlight some of the factors that have affected and, in the future, could affect our operations. Additional risks we do not yet know of or that we currently think are immaterial may also affect our business operations. If any of the events or circumstances described in the following risks actually occurs, our business, financial condition, or results of operations could be materially adversely affected.

Risks Pertaining to the Performance of Our Business

If we fail to satisfy our contractual obligations or to meet performance standards, our contracts may be terminated, and we may incur significant costs or liabilities, including actual or liquidated damages and penalties, which could adversely impact our operating results, financial condition, cash flows, and our ability to compete for future contracts.

Our contracts may be terminated due to our failure to satisfy our contractual obligations or to meet performance standards and often require us to indemnify customers for their damages. In addition, some of our contracts contain substantial liquidated damages provisions and financial penalties related to performance failures. The policy coverage and limits in our errors and omissions insurance may not be adequate to provide protection against all potential liabilities. Further, for certain contracts, we may post significant performance bonds or issue letters of credit to secure our performance, indemnification, and other obligations. If a claim is made against a performance bond or letter of credit, we may be required to reimburse the issuer for the amount of the claim. Consequently, we may incur significant costs or liabilities, including penalties, which could adversely impact our operating results, cash flows, financial condition, and our ability to compete for future contracts. We may also incur impairment costs on assets related to these contracts.

If we fail to accurately estimate the factors upon which we base our contract pricing, we may generate less profit than expected or incur losses on those contracts.

During fiscal year 2024, we derived approximately 55% of our revenue from performance-based contracts and 13% from fixed-price contracts. For performance-based contracts, we receive our fee on a per-transaction basis or upon meeting specified milestones. These contracts include workforce services contracts in which we receive a payment for performing an independent medical examination or placing a participant in sustained employment for a specified time period. For fixed-price contracts, we receive our fee based on services provided. Those services include operating a Medicaid enrollment center pursuant to specified standards, designing and implementing information systems or applications, or delivering a planning document under a consulting arrangement. To earn a profit on these contracts, we must accurately estimate the likely volume of work that will occur, costs, and resource requirements involved, and assess the probability of completing individual transactions or milestones within the contracted time period. If our estimates prove to be inaccurate, we may not achieve the level of profit we expected, or we may incur a net loss on a contract.

Our growth initiatives could adversely affect our profitability.

We may encounter start-up challenges, new compliance requirements, unforeseen costs, and other risks as we enter new markets, including managing our ramp-up, recruiting and retaining appropriately experienced and qualified employees, managing customer expectations, and appropriately budgeting and pricing new work. If we are unable to manage the risks of operating in these new markets, our reputation and profitability could be adversely affected.

We may incur significant costs before receiving related contract payments, which could result in an increased use of cash and risk of impairment charges.

From time to time, when we are awarded a contract, we incur significant expenses before we receive any contract payments. These expenses include leasing and outfitting office space, purchasing office equipment, developing internal-use software, and hiring personnel. In other situations, contract terms provide for billing upon achievement of specified project milestones. In these situations, we are required to expend significant sums of money before receiving related contract payments. In addition, payments due to us from government agencies may be delayed due to billing cycles or as a result of failures by the government to approve governmental budgets in a timely manner. In addition to these factors, poor execution on project start-ups could impact us by increasing our use of cash.

In certain circumstances, we may defer recognition of costs incurred at the inception of a contract. That deferral assumes we will be able to recover these costs over the life of the contract. To the extent that a project does not perform as anticipated, these deferred costs may not be considered recoverable, resulting in an impairment charge.

We may also make broad investments in resources, such as technology or personnel, to address new or adjacent markets. These investments may not be recovered if we are unsuccessful in our entrance into these markets.

We face competition from a variety of organizations, many of which have substantially greater financial resources than we do; we may be unable to compete successfully with these organizations.

We face competition from a number of different organizations depending upon the market and geographic location in which we are competing. Some of our most significant competitors are included in Item 1 of this Annual Report on Form 10-K.

Many of these companies are international in scope, larger than us, and have greater financial resources, name recognition, and larger technical staff. Substantial resources could enable certain competitors to initiate severe price cuts or take other measures in an effort to gain market share. In addition, we may be unable to compete for the limited number of large contracts because we may not be able to meet a Request For Proposal's (RFP) requirement to obtain and post a large performance bond. In some cases, competitors may choose to take greater risks or lower profit margins in order to enter a market or build market share. Also, in some geographic areas, we face competition from smaller firms with established reputations and political relationships. There can be no assurance that we will be able to compete successfully against our existing or any new competitors.

We use third parties to assist us in providing services to our customers, and these third parties may not perform as expected.

From time to time, we engage subcontractors, teaming partners, or other third parties to provide our customers with a single-source solution. We cannot guarantee that those parties will comply with the terms set forth in their agreements or remain financially sound. We may have disputes with our subcontractors, teaming partners, or other third parties arising from the quality and timeliness of their work, customer concerns about them, or other matters. Subcontractor or teaming partner performance deficiencies could result in a customer terminating our contract for default. We may be exposed to liability, and we and our clients may be adversely affected if a subcontractor or teaming partner fails to meet its contractual obligations.

Risks Pertaining to Data and Data Security

Our use of artificial intelligence (AI) involves risks such as potential liability, regulatory issues, competition, and reputational damage. AI technologies create specific risks that require tailored governance and use case specific review. Insufficient oversight could lead to legal liability, financial loss, and reputational harm.

We use artificial intelligence (AI) to sort, organize, analyze, and generate data for business purposes. AI encompasses machine learning, generative AI, and other standard techniques. The comprehensive lifecycle utilization of AI, whether implemented directly by us or in collaboration with third parties, will necessitate ongoing investment in governance and security resources to help ensure its responsible use of AI and to safeguard against potential risks and vulnerabilities.

The use of AI carries considerable risks, and we cannot guarantee the achievement of intended outcomes. As an evolving technology, AI may occasionally produce incomplete or misleading results. Despite training and risk management efforts, there is a possibility that employees might misuse AI, either intentionally or unintentionally. Additionally, given the nature of our citizen-facing services, we are vulnerable to potential adversarial attacks. Should our AI generate suboptimal or contentious outcomes, or if public perception of AI shifts negatively due to perceived risks, we may encounter operational challenges, competitive disadvantages, legal liabilities, reputational harm, or other business impacts.

AI-related legal and regulatory frameworks are evolving due to concerns about bias, discrimination, transparency, and security. The use of AI technologies involves issues associated with intellectual property, data privacy, consumer protection, competition, and equal opportunity, with potential for new regulations. AI is under review by U.S. Federal and State and international agencies, and the recent elections may influence the regulatory landscape in the United States. New or expanded AI laws could raise compliance costs and pose unpredictable risks, potentially affecting our operations and results.

Our systems and networks are and have been subject to cybersecurity breaches.

We are a trusted provider to government and other clients of critical health and human services that rely heavily upon technology systems, software, and networks to receive, input, maintain, and communicate participant and client data. The risk of a security breach, system disruption, ransom-ware attack, or similar cyber-attack or intrusion, including by computer hackers, cyber terrorists, or foreign governments, is persistent and substantial as the volume, intensity, and sophistication of attempted attacks, intrusions and threats from around the world increase daily. If our systems or networks are compromised, we could be adversely affected by losing confidential or protected information of program participants

and clients or by facing a demand for ransom to prevent disclosure of or to restore access to such information. The loss, theft, or improper disclosure of that information could subject us to sanctions under the relevant laws, breach of contract claims, contract termination, class action, or individual lawsuits from affected parties, negative press articles, reputational damage, and a loss of confidence from our government clients, all of which could adversely affect our existing business, future opportunities, and financial condition. Additionally, if our internal networks were compromised, we could suffer the loss of proprietary, trade secret, or confidential technical and financial data. That could make us less competitive in the marketplace and adversely affect our existing business, future opportunities, and financial condition.

We have experienced cybersecurity incidents in the past that were immaterial, and in the third quarter of fiscal year 2023, we experienced a material cybersecurity incident as the personal information of a significant number of individuals was accessed by an unauthorized third party by exploiting a zero-day vulnerability in a third-party vendor's file transfer application used by many organizations, including us. We have recorded expenses in connection with our investigation and remediation activities related to this incident; further details are included in "Note 15. Commitments and Contingencies" in Item 8 of this Annual Report on Form 10-K. We may continue to experience cybersecurity incidents in the future. There can be no guarantee that our preventative and remediation efforts will be sufficient to protect the company's information systems, information, and other assets from significant harm and that future cybersecurity incidents will not have a material adverse effect on the company or its results of operations or financial condition or cause reputational or other harm to the company. For more information regarding our cybersecurity risk management, see "Item 1C. Cybersecurity" of this Annual Report on Form 10-K.

Many of our projects handle protected health information or other forms of confidential personal information, the loss or disclosure of which has adversely affected, and in the future, could further adversely affect, our business, results of operations, and reputation.

As a provider of services under government health and human services programs, we often receive, maintain, and transmit protected health information or other types of confidential personal information. That information may be regulated by the Health Insurance Portability and Accountability Act (HIPAA) as amended by the Health Information Technology for Economic and Clinical Health Act of 2009 (HITECH), Internal Revenue Service regulations, the European Union General Data Protection Regulation (GDPR), or similar U.S. or foreign laws. The loss, theft, or improper use or disclosure of that information could subject us to sanctions under the relevant laws, breach of contract claims, class action or individual lawsuits from affected parties, negative press articles, and a loss of confidence from our government clients, all of which could adversely affect our existing business, future opportunities, and financial condition.

For instance, as a result of the cybersecurity incident described above, several class actions and lawsuits have been filed. The resolution of these matters may result in damages, costs, fines or penalties, which may adversely affect our existing business, future opportunities, and financial condition.

Risks Pertaining to Our Client Relationships

We obtain most of our business through competitive bidding in response to government RFPs. We may not be awarded contracts through this process at the same level in the future as in the past, and contracts we are awarded may not be profitable.

Substantially all of our customers are government agencies. To market our services to government customers, we are often required to respond to government RFPs, which may result in contract awards on a competitive basis. To do so effectively, we must accurately estimate our cost structure for providing the required services, the time required to establish operations, and likely terms of the proposals submitted by competitors. We must also assemble and submit a large volume of information within an RFP's rigid timetable. Our ability to respond successfully to RFPs will greatly impact our business. There is no assurance that we will continue to obtain contracts in response to government RFPs, and our proposals may not result in profitable contracts. In addition, competitors may protest contracts awarded to us through the RFP process that may cause the award to be delayed, overturned, or require the customer to reinstate the RFP process.

Even where we are an incumbent, our ability to secure continued work or work at similar margins may be affected by competitive rebids or contract changes and cancellations. If we do not win certain recompetes, this may adversely affect our revenues and profitability, potentially resulting in impairment of goodwill and other intangible assets. Although it is difficult to track all the reasons for changes in our contracts, we believe that this contract erosion has typically affected approximately 7% to 10% of our business annually, with the erosion largely being replaced by new or expanded work elsewhere.

Our business could be adversely affected by future legislative or government budgetary and spending changes.

The market for our services depends largely on domestic and international legislative programs and the budgetary capability to support programs, including the continuance of existing programs. Many of our contracts are not fully funded at inception and rely upon future appropriations of funds. Accordingly, a failure to receive additional anticipated funding may result in early termination of a contract. In addition, many of our contracts include clauses that allow clients to unilaterally modify or terminate contracts with little or no recompense.

Changes in state or federal government initiatives or in the level of government spending due to budgetary or deficit considerations may have a significant impact on our future financial performance. For example, regulatory steps taken in response to the COVID-19 pandemic in the United States affected the level of work on many of our contracts.

Similarly, increased or changed spending on defense, security, or anti-terrorism threats may impact the level of demand or funding for the health and human services programs that we operate. Many state programs in the United States, such as Medicaid, are federally mandated and fully or partially funded by the U.S. Federal Government. Changes to those programs, such as program eligibility, benefits, or the level of federal funding, including a government shutdown, could reduce the level of demand for our services, which could materially adversely impact our future financial performance.

Government entities have in the past terminated and may, in the future, terminate their contracts with us earlier than we expect, which may result in revenue shortfalls and unrecovered costs.

Many of our government contracts contain base periods of one or more years, as well as option periods covering more than half of the contract's potential duration. Government agencies do not have to exercise these option periods, and they may elect not to exercise them for budgetary, performance, or any other reason. Our contracts also typically contain provisions permitting a government customer to terminate the contract on short notice, with or without cause. Termination without cause provisions generally allow the government to terminate a contract at any time and enable us to recover only our costs incurred or committed and settlement expenses and profit, if any, on the work completed prior to termination. We may or may not be able to recover all the costs incurred during the start-up phase of a terminated contract. The unexpected termination of significant contracts could result in significant revenue shortfalls. If revenue shortfalls occur and are not offset by corresponding reductions in expenses, our business could be adversely affected. We cannot anticipate if, when, or to what extent a customer might terminate their contracts with us.

If we fail to establish and maintain important relationships with government officials, entities and agencies, our ability to successfully bid under RFPs and retain existing work and secure new work on future procurements may be adversely affected.

To facilitate our ability to prepare bids in response to RFPs and retain existing work and secure new work on future procurements, we rely in part on establishing and maintaining relationships with officials of various government entities and agencies. These relationships enable us to provide informal input and advice to government entities and agencies prior to the development of an RFP and our capabilities to support government objectives. We also engage marketing consultants and other third-party consultants to establish and maintain relationships with elected officials and appointed members of government agencies. The effectiveness of these consultants may be reduced or eliminated if a significant political change occurs. In that circumstance, we may be unable to successfully manage our relationships with government entities and agencies and with elected officials and appointees. Any failure to maintain positive relationships with government entities and agencies may adversely affect our business.

Our customers may limit or prohibit the outsourcing of certain programs or may refuse to grant consents and/or waivers necessary to permit contractors, such as us, to perform certain elements of government programs.

Governments could limit or prohibit private contractors like us from operating or performing elements of certain programs. Within the U.S., state or local governments could be required to operate such programs with government employees as a condition of receiving federal funding. Moreover, under current law, in order to privatize certain functions of government programs, the U.S. federal government must grant consent and/or waiver to the petitioning state or local agency. If the U.S. federal government does not grant a necessary consent or waiver, the state or local agency will be unable to outsource that function to a private entity, such as us. This situation could eliminate or reduce the value of an existing contract.

We rely on key contracts with state, local, and federal governments for a significant portion of our revenue. A substantial reduction in those contracts would materially adversely affect our operating results.

In fiscal year 2024, approximately 50% of our total revenue was derived from the U.S. federal government, and approximately 37% of our total revenue was derived from contracts with state and local government agencies. Any significant disruption or deterioration in our relationship with federal, state, and local governments and a corresponding reduction in these contracts would significantly reduce our revenue and could substantially harm our business.

In fiscal year 2024, approximately 55% of our revenue came from our ten largest contracts. If any of our current significant contracts or significant contracts we enter into in the future were terminated or our work under those contracts was decreased, our revenues and net income could significantly decline. Additional potential impacts of the loss of a significant contract or contracts might include impairment charges over tangible assets and intangible assets, including our goodwill balance. Our success will depend on our continued ability to develop and manage relationships with significant customers and there is no assurance that we will be able to diversify our customer base in the near future, if at all.

The markets in which we sell our products are served by a relatively small number of governmental agencies, which limits the number of potential customers. We cannot provide assurance that we will be able to retain our largest customers, that we will be able to attract additional customers, or that our customers will continue to buy our services in the same volume as in prior years. The loss of one or more of our largest customers, any reduction or delay in sales to these customers, our inability to successfully develop relationships with additional customers, or future price concessions could impact our business.

Our contracts typically run for a fixed number of years and may be extended for an additional specified number of years if the contracting entity or its agent elects to do so. When these contracts expire, they may be opened for bidding by competing bidders, and there is no guarantee that the contracts will be renewed or extended. Our clients may elect to open bidding processes up earlier than anticipated, resulting in increased competition prior to the anticipated end of contracts.

Our reputation and relationships with our clients are key factors in maintaining our business. Negative press reports or publicity, regardless of accuracy, could harm our reputation. If our reputation is negatively affected, our clients may decrease or cease business with us. In addition, we are subject to various reviews, audits, and investigations to verify our compliance with the terms of our contracts, as well as compliance with applicable laws and regulations. Any adverse review, audit, or investigation could result in, among other things, cancellation of contracts; refunding of amounts that have been paid pursuant to contracts; imposition of fines, penalties, and other sanctions; loss of rights to participate on various programs; loss of licenses; lowered quality ratings; or changes to the way we do business. In addition, under government procurement regulations and practices, a negative determination from a government audit could result in a contractor being fined, debarred, and/or suspended from being able to bid on, or be awarded new government contracts for a period of time.

Within our U.S. Federal business, our ability to participate in many competitive bids in response to government RFPs is dependent on our Government-Wide Acquisition Contracts (GWACs), the most commonly used process by which agencies of the federal government purchase goods and services. Eligibility to remain on a GWAC changes over time. If we are unsuccessful and not awarded GWAC contracts, this would have a negative impact on future opportunities.

A GWAC is a pre-competed, multiple-award, indefinite-delivery, indefinite-quantity (IDIQ) contract that agencies can use to buy total IT solutions. All IDIQs, including GWACs, are regulated by the FAR, which sets forth rules and regulations that must be followed by federal agencies and providers of goods and services to the government in the procurement process. For instance, in 2018, Maximus Federal was named a recipient of the U.S. General Services Administration's (GSA) Alliant 2 GWAC. Alliant 2 is an unrestricted, IDIQ, multi-vendor award with a contract ceiling of \$50 billion. If we are unable to adapt to changing eligibility requirements for strategic GWAC competitions, we would risk losing access to related contracts and awards.

Risks Related to our Acquisitions

We may experience difficulties in integrating our operations with those of acquired businesses and realizing the expected benefits of these acquisitions.

Our growth strategy includes a program to identify and execute acquisitions to enable long-term, sustainable, organic growth by continuing to expand the business, enhance our clinical and digital capabilities, and extend into new market areas. Although we anticipate that acquisitions will create long-term shareholder value, this expectation is based on assumptions about our acquisitions and preliminary estimates of their performance, which may change materially. The benefits of acquisitions depend, in part, on our ability to successfully integrate the acquired businesses and realize the anticipated benefits, including business opportunities and growth prospects from combining our businesses. We may not achieve these objectives within the anticipated time frame or may never realize these benefits, and the value of our common stock may be harmed. Integration of acquired businesses may result in material challenges, including, without limitation:

- Our management might have its attention diverted from ongoing business concerns while trying to integrate these operations, and we could experience performance shortfalls within our existing or acquired businesses as a result of the devotion of management's attention to integration efforts.
- The integration process could take longer than anticipated and could result in the loss of key employees, the disruption of each company's ongoing businesses, tax costs or inefficiencies, or inconsistencies in standards, controls, information technology systems, compliance requirements, procedures, and policies, any of which could materially adversely affect our ability to maintain relationships with customers, employees, or other third parties, or our ability to achieve the anticipated benefits of the transactions, and could harm our financial performance.
- We could encounter unanticipated issues in integrating information technology, communications, and other systems that could harm our financial performance.
- If we are unable to successfully or timely integrate our operations with those of our acquisitions, we may incur unanticipated liabilities and be unable to realize the revenue growth, synergies, and other anticipated benefits, and our business, results of operations, and financial condition could be materially adversely affected.

In connection with our acquisitions, we may be required to take write-downs, write-offs, restructuring, impairment, or other charges that could negatively affect our business, assets, liabilities, prospects, outlook, financial condition, and results of operations.

The due diligence we conduct on our acquisitions may not reveal all material issues that may be present, nor does it preclude factors outside of our control from arising later. There is no assurance that our representations and warranties insurance policies that we purchase for certain acquisitions will cover any losses we might experience from breaches of the sellers' representations and warranties or otherwise arising from the acquisitions. Even if our due diligence successfully identifies certain risks, unexpected risks may arise, and previously known risks may materialize in a manner not consistent with our preliminary risk analysis.

We are required to identify the fair value of assets acquired, such as customer relationships and technology, using estimates that are based upon factors such as expected future operations and the manner in which we will utilize these assets, which may be inaccurate or may change post-acquisition. In addition, we have recorded \$1.78 billion of goodwill at September 30, 2024. This balance represents the difference between the amount paid for acquisitions and the identifiable assets acquired. Goodwill is allocated to reporting units, consistent with our segments, and is regularly reviewed to ensure that the value of those segments exceeds the carrying value of the assets held, including goodwill. If the carrying value of our assets, including goodwill, exceeds their fair value, we may be required to take write-offs, write-downs, restructuring, impairment, or other charges that could negatively affect business, assets, liabilities, prospects, outlook, financial condition, and results of operations.

Risks Pertaining to Legal Compliance

We are subject to review and audit by governments at their sole discretion and, if any improprieties are found, we may be required to refund revenue we have received or forego anticipated revenue, which could have a material adverse impact on our revenue and our ability to bid in response to RFPs.

We are subject to audits, investigations, and reviews relating to compliance with the laws and regulations that govern our role as a contractor to agencies and departments of the U.S. federal government, state, local, and foreign governments, and otherwise in connection with performing services in countries outside of the United States. Adverse findings could lead to criminal, civil, or administrative proceedings, and we could be faced with penalties, fines, suspension, or debarment. Adverse findings could also have a material adverse effect on us because of our reliance on government contracts. We are subject to periodic audits by U.S., federal, state, local, and foreign governments for taxes. We are also involved in various claims, arbitrations, and lawsuits arising in the normal conduct of our business, including but not limited to bid protests, employment matters, contractual disputes, and charges before administrative agencies.

We may be subject to fines, penalties, and other sanctions if we fail to comply with laws governing our business.

Our business operates within a variety of complex regulatory environments, including but not limited to the FAR, Federal Cost Accounting Standards, the Truth in Negotiations Act, the Fair Debt Collection Practices Act (and similar national, state, and foreign laws), the Foreign Corrupt Practices Act, the United Kingdom Bribery Act, as well as the regulations governing Medicaid and Medicare and accounting standards. If a government audit finds improper or illegal activities by us or we otherwise determine that these activities have occurred, we may be subject to civil and criminal penalties and administrative sanctions, including termination of contracts, forfeiture of profits, suspension of payments, fines, and suspension or disqualification from doing business with the government. Any such determination could adversely impact our ability to bid in response to RFPs in one or more jurisdictions. Further, as a government contractor subject to the types of regulatory schemes described above, we are subject to an increased risk of investigations, criminal prosecution, civil fraud, whistleblower lawsuits, and other legal actions and liabilities to which other private sector companies are not, the result of which could have a material adverse effect on our operating results, cash flows, and financial condition.

Adverse judgments or settlements in legal disputes could harm our operating results, cash flows, and financial condition.

From time to time, we are subject to a variety of lawsuits and other claims. These may include lawsuits and claims related to contracts, subcontracts, securities compliance, employment and wage claims, and compliance with Medicaid and Medicare regulations, as well as laws governing student loans and child support enforcement. Adverse judgments or settlements in some or all of these legal disputes may result in significant monetary damages or injunctive relief. In addition, litigation and other legal claims are subject to inherent uncertainties, and management's view of these matters may change in the future. Those uncertainties include, but are not limited to, costs of litigation, unpredictable court or jury decisions, and the differing laws and attitudes regarding damage awards among the states and countries in which we operate.

We may be precluded from bidding and performing certain work due to other work we currently perform.

Various laws and regulations prohibit companies from performing work for government agencies that might be viewed as an actual or apparent conflict of interest. These laws limit our ability to pursue and perform certain types of work. For example, some of our businesses assist government agencies in developing RFPs for various government programs. In those situations, the divisions involved in operating such programs would likely be precluded from bidding on those RFPs. Similarly, regulations governing the independence of Medicaid enrollment brokers and Medicare appeal providers prevent us from providing services to other organizations such as health plans and providers.

We may face liabilities arising from divested or discontinued businesses.

We have divested a number of businesses. The transaction documents for those divestitures typically contain a variety of representations, warranties, and indemnification obligations. We have faced, and continue to face, indemnification claims and liabilities from alleged breaches of representations or warranties.

Risks Pertaining to our Human Resources

We may lose executive officers and senior managers on whom we rely to generate business and execute projects successfully.

The ability of our executive officers and our senior managers to generate business and execute projects effectively is important to our success. The loss of an executive officer or senior manager, including those who joined us through acquisitions, could impair our ability to secure and manage engagements, which could harm our business, prospects, financial condition, results of operations, and cash flows.

We may be unable to attract and retain sufficient qualified personnel to sustain our business.

Our delivery of services is labor-intensive. When we are awarded a government contract, we must quickly hire project leaders and operational staff. Some larger projects have required us to hire and train thousands of operational staff in a short time period. That effort can be especially challenging in geographic areas with low unemployment rates. The additional operational staff also creates a concurrent demand for increased administrative personnel. Our success requires that we attract, develop, motivate, and retain:

- experienced and innovative executive officers globally;
- senior managers who have successfully managed or designed government services programs; and
- information technology professionals who have designed or implemented complex information technology projects within and outside the U.S.

Innovative, experienced, and technically proficient individuals are in great demand and are likely to remain a limited resource. There can be no assurance that we will be able to continue to attract and retain desirable executive officers, senior managers, and management personnel. Our inability to hire sufficient personnel on a timely basis or the loss of significant numbers of executive officers and senior managers could adversely affect our business.

Unions may oppose outsourcing of government programs to outside vendors such as us, which could limit our market opportunities and could impact us adversely. In addition, our unionized workers outside the United States could disrupt our operations, and our non-unionized workers could attempt to unionize, which could disrupt our operations and impose higher costs on us.

Our success depends in part on our ability to win profitable contracts to administer and manage programs often previously administered by government employees. Many government employees, however, belong to labor unions with considerable financial resources and lobbying networks. Further, unions that have historically not represented government employees may seek to unionize our workforce. Unions have in the past applied, and are likely to continue to apply, political pressure on legislators and other officials responsible for outsourced government programs.

Union activity in the United States has seen a resurgence in recent years. Maximus has been the subject of union-initiated press reports and walk-outs, work disruptions and other actions designed to promote union membership. Non-unionized workers at several of our U.S. locations initiate organizing efforts from time to time to unionize. Even if unsuccessful, such organizing efforts could be disruptive to our business operations and can result in adverse publicity.

The potential for adverse media coverage may have a negative effect on the willingness of government agencies to outsource or cause them to seek contract terms that could impact us adversely. A successful union organizing effort at one or more of our locations could substantially increase our costs and result in our inability to successfully re compete for existing business.

Outside the United States, we currently operate outsourced programs with unionized employees in the U.K., and in the past we have operated programs with unionized employees in Canada. We experienced opposition from unions in Canada, which objected to the outsourcing of government programs. Our unionized workers outside the United States could declare a strike or could bargain in a manner that could adversely affect our performance and financial results.

General Risk Factors

A number of factors may cause our cash flows and results of operations to vary from quarter to quarter.

Factors that may cause our cash flows and results of operations to vary from quarter to quarter include:

- the commencement of new contracts;

- caseloads and other factors where revenue is derived on transactional volume on contracts;
- the levels of revenue earned and profitability of fixed-price and performance-based contracts;
- expenses related to certain contracts which may be incurred in periods prior to revenue being recognized;
- increasing rates of inflation, which may increase our costs of labor and other goods and services;
- the commencement, completion, or termination of contracts during any particular quarter;
- the schedules of government agencies for awarding contracts;
- government budgetary delays or shortfalls;
- the timing of change orders being signed;
- the terms of awarded contracts; and
- potential acquisitions.

Changes in the volume of activity and the number of contracts commenced, completed, or terminated during any quarter may cause significant variations in our cash flows and results of operations because a large amount of our expenses are fixed.

Our profitability may be constrained by the effects of inflation.

Demand for talent in certain elements of our business can be highly competitive. To the extent actual wage inflation exceeds our estimates or we are not able to incorporate wage increases in our contracts that cover the actual wage inflation we experience, our operations and financial results may be adversely affected. Our portfolio includes fixed-price, performance-based, and cost-plus contracts for which employment requirements are contract-specific and have varying impacts to financial results.

In cost-plus contracts, we work with our customers to come to an agreement for wage increases to meet the current demand and hiring needs, which generally does not impact profitability of these contracts. For fixed-price and performance-based contracts, large and/or sudden changes to the labor market may require us to hire talent at wage levels higher than budgeted, which can adversely impact results on what are often multi-year contracts. For example, our fixed-price and performance-based contracts typically include labor escalators but varying market conditions could require wage increases exceeding the priced escalators, which would adversely impact margins. This is one of many factors that may impact profitability on multi-year fixed-price and performance-based contracts. As contracts reach re-procurement milestones, we may have the ability to adjust our pricing to current and/or future expected market conditions.

Our indebtedness could adversely affect our business and our ability to meet our obligations.

At September 30, 2024, we owed \$1.1 billion under our credit facilities. At September 30, 2024, our effective interest rate was 5.52%, compared to 5.97% at September 30, 2023. Our credit facilities are subject to variable rates that expose us to interest rate risk. When interest rates increase, our debt service obligations on the variable rate indebtedness increase even though the amount borrowed remains the same.

Our indebtedness contains financial or other covenants that limit our operational flexibility in a number of other ways, including:

- causing us to be less able to take advantage of business opportunities, such as other acquisition opportunities, and to react to changes in market or industry conditions;
- increasing our vulnerability to adverse economic, industry, or competitive developments;
- affecting our ability to pay or refinance debts as they become due during adverse economic, financial market, and industry conditions;
- requiring us to use a larger portion of cash flow for debt service, reducing funds available for other purposes;
- decreasing our profitability and/or cash flow;
- causing us to be disadvantaged compared to competitors with less leverage; and

- limiting our ability to borrow additional funds in the future to fund working capital, capital expenditures, and other general corporate purposes.

Approximately half of our long-term debt is held at variable interest rates. Interest rates in the United States are currently close to their highest levels for over a decade. Higher interest rates have a detrimental effect on our profits and cash flows, as well as reducing the amount of cash we have available for servicing of debt or other transactions.

We may not be able to realize the full value of our backlog.

At September 30, 2024, our total backlog was \$16.2 billion. This represents an estimate of potential revenue from our existing contract portfolio. We may not be able to realize all of this backlog or accurately estimate the timing of revenue from this backlog for a number of reasons.

- Our backlog may be dependent upon continued funding of our contracts, which may be subject to legislative or executive approvals.
- Almost all of our contracts may be canceled at the convenience of our customer, or might otherwise be reduced, modified, amended, or delayed.
- Many of our contracts include option years, which our customers may choose not to exercise.
- Where revenue is based upon factors tied to our performance, such as the number of transactions we perform, the quantity and type of personnel we provide, or the service penalties we incur, we may fall short of the amounts estimated within our current backlog and receive less revenue.

We are subject to the risks of doing business internationally.

For the year ended September 30, 2024, 12% of our revenue was driven from jurisdictions outside the U.S. As a result, a significant portion of our business operations are subject to foreign financial, tax, and business risks which could arise in the event of:

- foreign currency exchange fluctuations, including unrealized foreign exchange gains and losses which may become realized in the event of a disposal or abandonment;
- unexpected increases in tax rates or changes in U.S. or foreign tax laws;
- non-compliance with international laws and regulations, such as data privacy, employment regulations, and trade barriers;
- non-compliance with U.S. laws affecting the activities of U.S. companies in international locations, including the Foreign Corrupt Practices Act;
- the absence in some jurisdictions of effective laws to protect our intellectual property rights;
- new regulatory requirements or changes in local laws that materially affect the demand for our services or directly affect our foreign operations;
- local economic and political conditions, including severe or protracted recessions in foreign economies and inflation risk;
- the length of payment cycles and potential difficulties in collecting accounts receivable;
- difficulty managing and communicating with teams outside the U.S.;
- difficulty in maintaining our control environment, including controls over financial reporting;
- unusual or unexpected monetary exchange controls, price controls, or restrictions on transfers of cash; or
- civil disturbance, terrorism, or other geopolitical or catastrophic events that reduce business activity in other parts of the world.

These factors may lead to decreased revenues and profits, which could adversely affect our business, financial condition, and results of operations.

Our business could be materially and adversely impacted by natural or man-made factors outside of our control.

We face various risks related to disruptions of our operations due to natural disasters, pandemics, global conflicts, and similar events beyond our control. Despite precautions and business interruption and disaster recovery procedures we currently have in place, we could face disruption to our operations due to the impact of natural disasters such as earthquakes, hurricanes, fires, floods, epidemics, pandemics and public health crises, and other catastrophic events such as terrorism, war, or global or regional economic, political and social conditions.

For example, the COVID-19 pandemic negatively impacted worldwide economic activity and resulted in travel and work restrictions, commercial disruptions, and affected companies' operations around the world. We were affected by the COVID-19 pandemic, including operational disruptions and changes in working practices. If significant portions of our workforce are unable to work effectively, including because of illness, quarantines, government actions, facility closures resulting from a natural disaster or public health crisis, failures in key networks or communications systems resulting from a natural disaster, or other limitations or restrictions in connection with a natural disaster or public health crisis, our operations will likely be adversely impacted. If our operations are materially restricted, we may be unable to perform fully on our contracts, and our costs may increase significantly. These cost increases may not be fully recoverable or adequately covered by insurance.

Inaccurate, misleading, or negative media coverage could adversely affect our reputation and our ability to bid for government contracts.

Because of the public nature of many of our business lines, the media frequently focuses their attention on our contracts with government agencies. If the media coverage is negative, it could influence government officials to slow the pace of outsourcing government services, which could reduce the number of RFPs. The media also focus their attention on the activities of political consultants engaged by us, and we may be tainted by adverse media coverage about their activities, even when those activities are unrelated to our business. Moreover, inaccurate, misleading, or negative media coverage about us could harm our reputation and, accordingly, our ability to bid for and win government contracts.

Our Articles of Incorporation and bylaws include provisions that may have anti-takeover effects.

Our Articles of Incorporation and bylaws include provisions that may delay, deter, or prevent a takeover attempt that shareholders might consider desirable. For example, our Articles of Incorporation provide that our shareholders may not take any action in writing without a meeting. This prohibition could impede or discourage an attempt to obtain control of us by requiring that any corporate actions initiated by shareholders be adopted only at properly called shareholder meetings.

Item 1B. Unresolved Staff Comments

None.

Item 1C. Cybersecurity

Risk Management and Strategy

Cybersecurity forms a critical component of the services we provide to our customers. We collect and utilize many different types of information, including financial, medical, human resources, and other personal information. Federal and state laws and regulations, contractual obligations, and national and international industry standards, impose obligations on us to protect the confidentiality, integrity, and availability of information relating to employees, clients, vendors, patients, and citizens. We maintain an Information Security Office (ISO), whose mission is to protect the confidentiality, integrity, and availability of data through administrative, technical, and physical safeguards.

Identifying, assessing, and managing cybersecurity related risks are integrated into our overall enterprise risk management (ERM) process, which is our approach to identifying, assessing, and mitigating major risks. Cybersecurity threats are evaluated based on our perceived vulnerability to a particular threat and the potential impact such a threat could have, with mitigation efforts focused on the highest risks. This risk assessment is updated no less than annually and reviewed by the Board of Directors.

We have experienced cybersecurity incidents that were immaterial and, as previously disclosed, in the third quarter of fiscal year 2023, we experienced a material cybersecurity incident as the personal information of a significant number of individuals was accessed by an unauthorized third-party exploiting a zero-day vulnerability in a third-party vendor's file transfer application used by many organizations, including us. We have recorded expenses in connection with the investigation and remediation activities related to this incident; further details are included in "Note 15. Commitments and Contingencies" in Item 8 of this Annual Report on Form 10-K. To date, we are not aware of any other cybersecurity incidents that have had a material effect on our business. Despite our preventative and remediation efforts, we may continue to experience cybersecurity incidents in the future. There can be no guarantee that such efforts will be sufficient to protect the company's information systems, information, and other assets from significant harm and that future cybersecurity incidents will not have a material adverse effect on the company or its results of operations or financial condition or cause reputational or other harm to the company. Refer to Item 1A of this Form 10-K, which includes a section on "Risks Pertaining to Data and Data Security," for further discussion of the associated risks.

We engage third parties to conduct independent cybersecurity assessments. The assessments include technical control reviews of new technologies, penetration testing, and ongoing monitoring of our security posture. We also rely on third parties to conduct annual audits to maintain cybersecurity certifications, such as ISO27001 and Cyber Essentials. As a government contractor, we are also subject to numerous Service Organization Control (SOC) audits each year to fulfill contractual requirements.

The ISO manages our security vendor risk management program. Each vendor's cybersecurity risk is ranked using a risk tiering calculator. The calculator is designed to provide a consistent methodology for evaluating key risk factors, such as the type of service or product the vendor provides and the location and classification of data. For high- and moderate-risk vendors, an assessment is completed that includes reviewing external audits and certifications (e.g., SOC 2 Type 2 audit, ISO27001 and associated Statement of Applicability, FedRAMP authorization). As needed, an industry-standard questionnaire is completed by the vendor and the results assessed by ISO in an effort to ascertain information security maturity and overall posture. High-risk vendors are re-evaluated annually while moderate-risk vendors are evaluated every three years. Ongoing monitoring is in place for all high, moderate, and low risk vendors using an external service that rates the cybersecurity posture of corporate entities using a scored analysis of cyber threats.

We are in the process of implementing an enterprise-wide third-party risk management program that expands the review of vendors and includes financial and operational screening. This new solution is designed to help ensure compliance with the National Institute of Standards and Technology (NIST) supply chain risk framework that is required when supporting federal agencies.

Governance

Board's Roles and Responsibilities

Oversight for risk management and the overall enterprise risk management strategy of the Company, including cybersecurity, is the responsibility of the Board of Directors. Risks identified are monitored by the Board as a whole or the Board may delegate oversight to a specific subcommittee. Our Technology Committee, comprised of four board members possessing relevant background and experience, assists the Board of Directors in its oversight role with respect to strategy and risk management for our information systems, information technology, or IT, and IT security, including cybersecurity.

The Technology Committee is briefed at least quarterly, on the quality and effectiveness of our cybersecurity practices and policies, information security program and infrastructure, and data governance and security program, along with key initiatives in this area. The Technology Committee also assesses the cybersecurity risk management strategy. This assessment includes reviews of the results of audits, testing, and metrics, including reports of third-party reviewers.

In the event of a cybersecurity incident, we have an incident response process and an escalation process in place to promptly identify, notify and brief the Board, including the Chair of the Technology Committee, outside of the regular reporting process in the event of an emerging or potentially material cybersecurity incident. The Board of Directors may choose to delegate responsibility for oversight of a particular cybersecurity matter to the Technology Committee in its discretion.

Management's Roles and Responsibilities

Our cybersecurity response is handled by our information security team and managed by our Chief Information Security Officer (CISO), who reports to the Chief Financial Officer. Our CISO has over thirty years of business and technical experience in information risk, risk management, and regulatory compliance, including twelve years in a CISO role. Our information security team manages risks by establishing policies and procedures that manage information system access appropriately. These policies and procedures are tested through internal exercises and with external assistance and supplemented by training and communication to our employees and subcontractors.

Cybersecurity threats are constantly evolving, which drives the evolution of our responses. Typical activities for our information security team include system monitoring, new hire and annual training, testing and evaluation, including "phishing" exercises, and publication of tips and best practices. The results of this testing are communicated company-wide, including to the Technology Committee of the Board of Directors. Our CISO reports to the Technology Committee as requested, but no less than quarterly.

Item 2. Properties

As of September 30, 2024, we leased approximately 141 offices in the U.S., totaling approximately 3.0 million square feet. In seven countries outside the U.S., we leased approximately 321 offices, totaling approximately 0.6 million square feet. The lease terms vary from month-to-month to ten-year leases and are generally entered into at market rates. In the event that a property is used for our services in the U.S., we typically negotiate clauses to allow termination of the lease if the service contract is terminated by our customer. Such clauses are not standard in foreign leases.

We believe that our properties are maintained in good operating condition and are suitable and adequate for our purposes.

Item 3. Legal Proceedings

Refer to our disclosures included in "[Note 15. Commitments and Contingencies](#)" included in Item 8 of this Annual Report on Form 10-K.

Item 4. Mine Safety Disclosures

Not applicable.

PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Our common stock is traded on the New York Stock Exchange, or NYSE, under the symbol "MMS."

Holders of Record

As of October 22, 2024, there were 31 holders of record of our outstanding common stock. The number of holders of record is not representative of the number of beneficial owners due to the fact that many shares are held by depositories, brokers, or nominees. We estimate there are approximately 170,000 beneficial owners of our common stock.

Dividend Policy

During the first fiscal quarter of 2025, we declared a quarterly dividend of \$0.30 per share of Maximus common stock. Our quarterly dividends during fiscal years 2024, 2023, and 2022 were \$0.30, \$0.28, and \$0.28 per share, respectively.

We intend to continue paying regular cash dividends, although there is no assurance of this. Future cash dividends, if any, will be paid at the discretion of our Board of Directors and will depend, among other things, upon our future operating results, capital requirements and surplus, general financial condition, contractual restrictions, and other factors our Board of Directors may deem relevant.

Issuer Purchases of Equity Securities

The following table sets forth the information required regarding purchases of common stock that we made during the three months ended September 30, 2024.

Common Stock Repurchase Activity During the Three Months Ended September 30, 2024

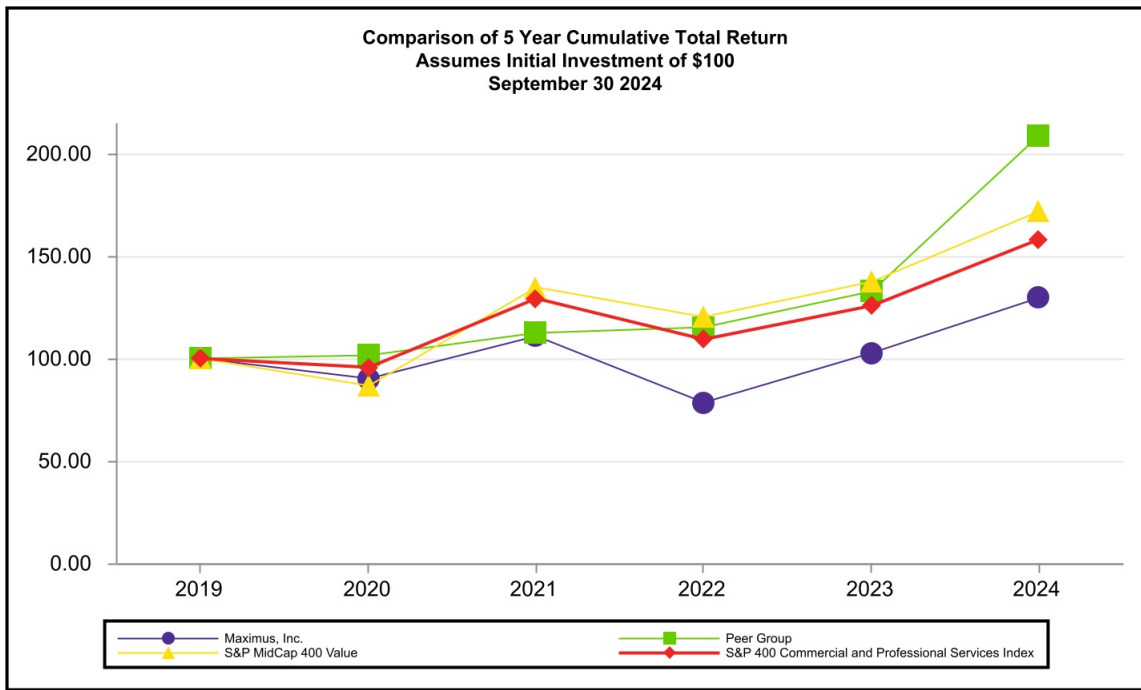
Period	Total Number of Shares Purchased	Average Price Paid Per Share	Total Number of Shares Purchased as Part of the Publicly Announced Plans (1)	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans (in thousands)
July 1, 2024 - July 31, 2024	250,194	\$ 84.78	250,194	\$ 172,643
August 1, 2024 - August 31, 2024	—	—	—	\$ 172,643
September 1, 2024 - September 30, 2024	14,316	84.83	14,316	\$ 171,429
	<u>264,510</u>	<u>\$ 84.78</u>	<u>264,510</u>	

(1) In June 2024, the Board of Directors authorized an increase to our existing stock purchase program whereby we may purchase, at management's discretion, up to \$200.0 million of our common stock.

Stock Performance Graph

The following graph compares the cumulative total shareholder return on our common stock for the five-year period from September 30, 2019, to September 30, 2024, with the cumulative total returns for the S&P MidCap 400 Value Index, which is utilized in outstanding market-based equity awards issued by Maximus. In addition, we compared the cumulative total shareholder return of a peer group to our common stock's performance. This peer group is based upon the companies with similar revenue by end market. This peer group is comprised of Booz Allen Hamilton Holding Corp., CACI International Inc., Conduent, Inc., ICF International, Inc., Leidos, Inc., and Science Applications International Corporation (SAIC). We have also included the S&P 400 Commercial & Professional Index. This index is used in evaluating certain components of senior employee compensation.

This graph assumes the investment of \$100 on September 30, 2019, in our common stock, the S&P MidCap 400 Value Index, the S&P 400 Commercial and Professional Index, and our peer group, weighted by market capitalization, and assumes dividends are reinvested.



Notes:

- The lines represent index levels derived from compounded daily returns that include all dividends.
- The indexes are reweighted daily, using the market capitalization on the previous trading day.
- If the monthly interval, based on the fiscal year-end, is not a trading day, the preceding trading day is used.
- The index level for all series was set to \$100.00 on September 30, 2019.

Item 6. [Reserved]

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

This Management's Discussion and Analysis of Financial Condition and Results of Operations should be read together with the Company's audited consolidated financial statements and the related notes thereto for the fiscal years ended September 30, 2024, 2023, and 2022, included in Item 8. Financial Statements and Supplementary Data.

The discussion below contains management's comments on our business strategy and outlook, and such discussions contain forward-looking statements. These forward-looking statements reflect the expectations, beliefs, plans, and objectives of management about future financial performance and assumptions underlying management's judgment concerning the matters discussed, and accordingly involve estimates, assumptions, judgments, and uncertainties. Our actual results could differ materially from those discussed in the forward-looking statements, and the discussion below is not necessarily indicative of future results. Factors that could cause or contribute to any differences include, but are not limited to, those discussed below and elsewhere in this Annual Report on Form 10-K, particularly in "Item 1A. Risk Factors" and in "Special Note Regarding Forward-Looking Statements."

A discussion of our results of operations, backlog, and liquidity and capital resources for fiscal year 2023, including comparisons to fiscal year 2022, can be found in last year's Annual Report on Form 10-K.

Business Overview

For an overview of our business, including our business segments and discussion of the services we provide, see Item 1. Business of this Annual Report on Form 10-K.

Financial Overview

A number of factors have affected our fiscal year 2024 results, the most significant of which we have listed below. More detail on these changes is presented below within our "Results of Operations" section.

- We experienced significant organic growth within our United States businesses. This growth was driven by volume growth on our core programs, a return to full volumes on programs tied to Medicaid-related activities, such as redeterminations, and incremental work on Medicaid-related activities that provided surplus volumes. This growth is reflected in our improved profitability and operating cash flows.
- Our results in fiscal year 2023 included significant costs related to the investigation and remediation of a cybersecurity incident. Although we continue to incur costs to resolve this matter, the level of costs in fiscal year 2024 was significantly lower.
- Our Outside the U.S. Segment has tempered losses through divestitures of businesses and a rebalancing of its portfolio. It has also received a benefit in fiscal year 2024 from the strength of the British Pound.
- Our interest costs have declined slightly despite fluctuating interest rates through a combination of reduced principal and our use of interest rate swaps.

Results of Operations

The following table sets forth, for the fiscal years indicated, information derived from our statements of operations. In preparing our discussion and analysis of these results, we focused on the comparison between fiscal years 2024 and 2023.

Table MD&A 1: Consolidated Results of Operations

	For the Year Ended September 30,	
	2024	2023
	<i>(dollars in thousands, except per share data)</i>	
Revenue	\$ 5,306,197	\$ 4,904,728
Cost of revenue	4,054,545	3,876,120
Gross profit	1,251,652	1,028,608
Gross profit percentage	23.6 %	21.0 %
Selling, general, and administrative expenses	671,583	639,223
Selling, general, and administrative expenses as a percentage of revenue	12.7 %	13.0 %
Amortization of intangible assets	91,570	94,591
Operating income	488,499	294,794
Operating margin	9.2 %	6.0 %
Interest expense	82,440	84,138
Other (income)/expense, net	(450)	363
Income before income taxes	406,509	210,293
Provision for income taxes	99,595	48,501
Effective tax rate	24.5 %	23.1 %
Net income	\$ 306,914	\$ 161,792
Earnings per share:		
Basic	\$ 5.03	\$ 2.65
Diluted	\$ 4.99	\$ 2.63

Our business segments have different factors driving revenue fluctuations and profitability. The sections that follow cover these segments in greater detail. Our revenue reflects fees earned for services provided. Cost of revenue consists of direct costs related to labor and related overhead, subcontractor labor, outside vendors, rent, and other direct costs. The largest component of cost of revenue, approximately two-thirds, is labor, including subcontracted labor.

Table MD&A 2: Changes in Revenue, Cost of Revenue, and Gross Profit for the Year Ended September 30, 2024

	Revenue		Cost of Revenue		Gross Profit	
	Dollars	% Change	Dollars	% Change	Dollars	% Change
	<i>(dollars in thousands)</i>					
Fiscal year 2023	\$ 4,904,728		\$ 3,876,120		\$ 1,028,608	
Organic growth	432,381	8.8 %	214,257	5.5 %	218,124	21.2 %
Disposal of businesses	(42,373)	(0.9) %	(45,539)	(1.2) %	3,166	0.3 %
Currency effect compared to the prior period	11,461	0.2 %	9,707	0.3 %	1,754	0.2 %
Fiscal year 2024	\$ 5,306,197	8.2 %	\$ 4,054,545	4.6 %	\$ 1,251,652	21.7 %

Selling, general, and administrative (SG&A) expenses

Our SG&A expenses consist of indirect costs related to general management, marketing, and administration. It is primarily composed of labor costs. These costs may be incurred at a segment level, for dedicated resources that are not client-facing, or at a corporate level. Corporate costs are allocated to segments on a consistent and rational basis. Fluctuations in our SG&A are primarily driven by changes in our administrative cost base, which is not directly driven by changes in our revenue. As part of our work for the U.S. federal government and many states, we allocate these costs using a methodology driven by the U.S. Federal Cost Accounting Standards.

Our SG&A expenses have expanded through our growth, as well as investments made in our workforce and infrastructure. In addition, our SG&A includes charges which are not directly connected to our day-to-day operations. Our costs for the year ended September 30, 2024 and 2023, include charges of \$2.9 million and \$29.3 million, respectively, for the investigation and remediation costs of a previously disclosed cybersecurity incident. As previously disclosed, the Company believes that the personal information of a significant number of individuals was accessed by an unauthorized third party by exploiting a zero-day vulnerability in a file transfer application used by the Company for internal and external file sharing purposes. We have provided notices to individuals whose personal information, including social security numbers, protected health information, and/or other personal information, may have been included in the impacted files.

Interest expense

Interest expense for fiscal year 2024 and 2023 decreased from \$84.1 million to \$82.4 million. Our exposure to increasing interest rates in the United States was mitigated by a reduction in our debt balance and by maintaining interest rate swap agreements on approximately 50% of our gross debt.

Our effective interest rate was 5.52% at September 30, 2024, compared to 5.97% at September 30, 2023, and 4.69% at September 30, 2022. We have mitigated our risk by fixing interest rates on \$650 million of our debt and our near-term capital allocation plan continues to prioritize reducing our debt using our free cash flow. At our current debt balances, a 100 basis point change in SOFR would result in an increased annual interest expense of \$5.0 million.

Income taxes

Our effective income tax rate for the year ended September 30, 2024 and 2023, was 24.5% and 23.1%, respectively. Our tax rate in fiscal year 2023 received the benefit of higher tax credits. For fiscal year 2025, we expect the effective tax rate to be between 24.5% and 25.5%.

U.S. Federal Services Segment

Our U.S. Federal Services Segment delivers solutions that help various U.S. federal government agencies better deliver on their mission, including program operations and management, clinical services, and technology solutions. The segment also includes system and application development, Information Technology (IT) modernization, and maintenance services. Clinical services comprises appeals and assessments services, which includes managing the evaluation process for U.S. veterans and service members on behalf of the U.S. Department of Veterans Affairs (VA) and certain state-based assessments and appeals work that is part of the segment's heritage. Under Technology Consulting Services (TCS), the segment executes on its digital strategy to deliver technology solutions that advance agency missions, including the challenge to modernize, provide better customer experience, and drive process efficiencies.

Table MD&A 3: U.S. Federal Services Segment - Financial Results

	For the Year Ended September 30,	
	2024	2023
	<i>(dollars in thousands)</i>	
Revenue	\$ 2,737,244	\$ 2,403,606
Cost of revenue	2,071,482	1,845,720
Gross profit	665,762	557,886
Selling, general, and administrative expenses	332,140	308,197
Operating income	333,622	249,689
Gross profit percentage	24.3 %	23.2 %
Operating margin percentage	12.2 %	10.4 %

Our revenue and cost of revenue for the year ended September 30, 2024, increased 13.9% and 12.2%, respectively, compared to fiscal year 2023. All movement was organic.

Our revenue and margin growth has principally been driven by volume growth and strong performance on our contracts relating to clinical assessments.

We anticipate that revenue and profit margins will remain consistent through fiscal year 2025. We continue to monitor the status of announced recompetes of two of our significant contracts.

- The Centers for Medicare & Medicaid Services is currently recompeting the Contact Center Operations contract awarded to us in 2022, which is earlier-than-expected, and for the express purpose of including a labor harmony agreement requirement. In June 2024, we filed a pre-award protest which will be adjudicated by the Government Accountability Office. In September 2024, the Government Accountability Office partially sustained our pre-award protest thereby requiring redrafting of the labor harmony requirement. In November 2024, we filed a lawsuit in the U.S. Court of Federal Claims challenging the rebid of the contract awarded to us. The delayed procurement timeline now assumes an anticipated award in late second quarter of fiscal year 2025 and we remain engaged in the process to maintain leverage in advocating for our legal rights. Meanwhile, a subsequent contract option year has been executed by the customer which extends the current contract through September 2025. The \$6.6 billion contract value over a base plus a nine-year period of performance, is equivalent to approximately 10% to 15% of total Company revenue on an annual basis. The contract type is cost-plus-award-fee which traditionally carries low single digit margins. Given the contract's absorption of indirect costs, the impact to consolidated operating income from the absence of this contract would likely be more significant than just the low single digit margin, depending in part on the extent to which we would be able to mitigate the effects. Maximus has consistently met or exceeded contractual service levels with uninterrupted operations and driven the highest independently measured customer satisfaction in the history of the program. We anticipate continuing to work on this contract uninterrupted until the recompete process, including any subsequent protest actions, is completed. We also believe that, as the incumbent, we have significant operational advantages.
- A majority of the MDE contracts under the VA, which comprise our acquired VES business, had ceilings on claims volumes at the time of award in 2018. Volumes have significantly increased since the passage of the PACT Act, thereby requiring a rebid process. In fiscal year 2024, these contracts together represented approximately 30% to 35% of this segment's revenue. We anticipate continuing to work on these contracts uninterrupted until the recompete process is completed and that, as the incumbent, we have significant operational advantages.

We anticipate operating margins in fiscal year 2025 of approximately 12%.

U.S. Services Segment

Our U.S. Services Segment provides a variety of BPS, such as program operations, clinical services, employment services, and technology solutions and related consulting work for U.S. state and local government programs. These services support a variety of programs, including the programs under ACA, Medicaid, the Children's Health Insurance Program (CHIP), Temporary Assistance to Needy Families (TANF), and child support programs. In fiscal years 2020 through 2023, many programs in this segment were operating with depressed margins resulting from the pause in Medicaid redeterminations. The depressed margins resulted from reduced operating leverage in the segment as costs could not scale down at the same rate to meet lower demand due to the requirements to fulfill other obligations on these contracts. Fiscal year 2024 reflected a full period of volumes. The middle two quarters of the fiscal year experienced slightly elevated volumes from excess temporary work. This work was concluded by the last fiscal quarter with the segment's margin appropriately aligned.

Table MD&A 4: U.S. Services Segment - Financial Results

	For the Year Ended September 30,	
	2024	2023
	<i>(dollars in thousands)</i>	
Revenue	\$ 1,911,813	\$ 1,812,069
Cost of revenue	1,432,026	1,434,528
Gross profit	479,787	377,541
Selling, general, and administrative expenses	232,805	194,991
Operating income	246,982	182,550
Gross profit percentage	25.1 %	20.8 %
Operating margin percentage	12.9 %	10.1 %

Our revenue for the year ended September 30, 2024, increased 5.5% and cost of revenue slightly declined compared to fiscal year 2023. All movement was organic.

Growth in fiscal year 2024 was principally from Medicaid-related activities returning to normal levels, supplemented by some additional volumes from catch-up work. This resulted in improvements to our profit margins. At this time, much of the additional volume and extra services related to the unwinding have ended and, accordingly, we anticipate that our results in fiscal year 2025 will revert to a run-rate consistent with the fourth quarter of fiscal year 2024. We anticipate profit margins of approximately 11% in fiscal year 2025.

Outside the U.S. Segment

Our Outside the U.S. Segment provides BPS and technology solutions for international governments. These services include health and disability assessments, program administration for employment services, wellbeing solutions and other job seeker-related services, digitally-enabled customer services, and advanced technologies for modernization. We support programs and deliver services in the United Kingdom, including the newly awarded Functional Assessment Services (FAS) contract, which replaced the Health Assessment Advisory Service (HAAS) contract, and the Restart employment program; and Australia, including Workforce Australia, and other employment support and job seeker services in a number of other countries.

Table MD&A 5: Outside the U.S. Segment - Financial Results

	For the Year Ended September 30,	
	2024	2023
	<i>(dollars in thousands)</i>	
Revenue	\$ 657,140	\$ 689,053
Cost of revenue	551,037	595,872
Gross profit	106,103	93,181
Selling, general, and administrative expenses	98,398	102,311
Operating income/(loss)	7,705	(9,130)
Gross profit percentage	16.1 %	13.5 %
Operating margin percentage	1.2 %	(1.3) %

Table MD&A 6: Outside the U.S. Segment - Changes in Revenue, Cost of Revenue and Gross Profit

	Revenue		Cost of Revenue		Gross Profit	
	Amount	% Change	Amount	% Change	Amount	% Change
	<i>(dollars in thousands)</i>					
Balance for fiscal year 2023	\$ 689,053		\$ 595,872		\$ 93,181	
Organic effect	(1,001)	(0.1) %	(9,003)	(1.5) %	8,002	8.6 %
Disposal of businesses	(42,373)	(6.1) %	(45,539)	(7.6) %	3,166	3.4 %
Currency effect compared to the prior period	11,461	1.7 %	9,707	1.6 %	1,754	1.9 %
Balance for fiscal year 2024	<u>\$ 657,140</u>	<u>(4.6) %</u>	<u>\$ 551,037</u>	<u>(7.5) %</u>	<u>\$ 106,103</u>	<u>13.9 %</u>

The Outside the U.S. Segment has tempered losses through a rebalancing of its contract portfolio and the divestiture of a number of operations as part of an effort to improve performance and deliver consistent profitability. We are prioritizing these efforts and anticipate a smaller footprint once completed. We expect these actions would result in divestiture-related charges that would not impact our adjusted operating income.

The divestitures include the sale of a small commercial practice in the United Kingdom and our Swedish business in fiscal year 2023 and the sale of our businesses in Italy and Singapore, as well as our Canadian employment services contract, in fiscal year 2024. These disposals had a positive effect on our overall profit margins.

Margins also received the benefit of improved organic performance, where costs were reduced. Much of this benefit was from our contracts in the United Kingdom, which also received the benefit of stronger currency than in fiscal year 2023.

We recognize revenue over our period of performance, using estimates of our ability to place people in work and the time that this will take. Our estimates are based upon historical performance, where appropriate and available, and are constantly updated. This may result in volatility within revenue as changes in estimates of future performance impact the revenue recognized in any period.

Backlog

Backlog represents estimated future revenue from:

- existing signed contracts;
- contracts that have been awarded but not yet signed; and
- unexercised priced contract options.

As of September 30, 2024, we estimate that we had approximately \$16.2 billion in backlog.

Table MD&A 7: Backlog by Segment

	As of September 30,	
	2024	2023
	<i>(in millions)</i>	
U.S. Federal Services	\$ 10,286	\$ 13,800
U.S. Services	3,867	4,851
Outside the U.S.	2,014	2,089
Backlog	<u>\$ 16,167</u>	<u>\$ 20,740</u>

At September 30, 2024, the average weighted remaining life of the contracts in our backlog was approximately 6.33 years, including option periods.

Increases in backlog result from the award of new contracts and the extension or renewal of existing contracts. Reductions in backlog come from fulfilling contracts or the early termination of contracts, which our experience shows to be a rare occurrence. The backlog associated with our performance-based contracts is an estimate based upon management's experience of caseloads and similar transaction volume, which is subject to revision based upon the latest information available. Additionally, backlog estimates may be affected by foreign currency fluctuations. For further discussion of the risks related to our backlog, see "Risk Factors" in Item 1A of this Annual Report, notably "We may not be able to realize the full value of our backlog."

We believe that comparisons of backlog period-to-period are difficult. We also believe that it is difficult to predict future revenue solely based on analysis of backlog. The actual timing of revenue from projects included in backlog will vary. We also may experience periods in which there is a greater concentration of rebids, resulting in a comparatively reduced backlog balance until subsequent award or extension on those contracts.

The longevity of these contracts assists management in predicting revenue, operating income, and cash flows for the purposes of business planning. Our standard forecasting process includes analyzing new work pipelines and submitted responses to requests for proposals (RFPs) when predicting future revenue, operating income, and cash flows.

Liquidity and Capital Resources

Our primary sources of liquidity are cash on hand, cash from operations, and availability under our revolving credit facilities. As of September 30, 2024, we had \$183.1 million in cash and cash equivalents. We believe that our current cash position, access to our revolvers, and cash flow generated from operations should be not only sufficient for our operating requirements but also to enable us to fund required long-term debt repayments, dividends, and any share purchases we might choose to make. We believe we have access to sufficient funds to manage through a potential shutdown of the U.S. federal government. See "Note 8. Debt and Derivatives" to the Consolidated Financial Statements for a more detailed discussion of our debt financing arrangements.

The below table summarizes our change in cash, cash equivalents, and restricted cash.

Table MD&A 8: Net Change in Cash and Cash Equivalents and Restricted Cash

	For the Year Ended September 30,	
	2024	2023
	<i>(in thousands)</i>	
Cash flows:		
Net cash provided by operating activities	\$ 515,258	\$ 314,340
Net cash used in investing activities	(129,104)	(80,963)
Net cash used in financing activities	(275,646)	(250,798)
Effect of foreign exchange rates on cash and cash equivalents and restricted cash	3,164	2,717
Net change in cash and cash equivalents and restricted cash	<u>\$ 113,672</u>	<u>\$ (14,704)</u>

Net Cash Provided By Operating Activities

Net cash provided by operating activities increased by \$200.9 million in fiscal year 2024 compared to fiscal year 2023. Almost all of this increase was a result of our increased profitability.

Our Days Sales Outstanding (DSO) has remained broadly consistent from September 30, 2022, when it was 62 days, through September 30, 2023 (60 days), and September 30, 2024 (61 days). Excluding the effect of our Receivables Purchase Agreement, our DSO would have been 65 days at both September 30, 2024 and 2023.

Net Cash Used In Investing Activities

We continue to make significant investments in our capital base, most notably in upgrading technology on our Federal MDE contracts; we anticipate this capital spend will decline in fiscal year 2025.

In addition, we invested \$18 million in acquiring one of our established vendors.

During fiscal year 2024, we sold our businesses in Italy and Singapore, as well as our Canadian employment business. In fiscal year 2023, we sold a small commercial practice in the United Kingdom on payments terms which included installment payments.

Net Cash Used In Financing Activities

The principal drivers of financing cash flows are the Credit Agreement, our equity transactions, and restricted cash flows where we hold funds on behalf of customers or vendors.

During both fiscal years 2023 and 2022, we utilized our operating cash inflows to pay down debt and pay our dividends. In fiscal year 2024, we also used funds to purchase Maximus common stock.

Cash in Foreign Locations

We have no requirement to remit funds from our foreign locations to the United States. We will continue to explore opportunities to remit additional funds, taking into consideration the working capital requirements and relevant tax rules in each jurisdiction. When we are unable to remit funds back without incurring a penalty, we will consider these funds indefinitely reinvested until such time as these restrictions are changed. As a result, we do not record U.S. deferred income taxes on any funds held in foreign jurisdictions. We have not attempted to calculate our potential liability from any transfer of these funds, as any such transaction might include tax planning strategies that we have not fully explored. Accordingly, it is not possible to estimate the potential tax obligations if we were to remit all of our funds from foreign locations to the United States.

Free Cash Flow (Non-GAAP)

Table MD&A 9: Free Cash Flow (Non-GAAP)

	For the Year Ended September 30,	
	2024	2023
	<i>(in thousands)</i>	
Net cash provided by operating activities	\$ 515,258	\$ 314,340
Purchases of property and equipment and capitalized software	(114,190)	(90,695)
Free cash flow (Non-GAAP)	<u>\$ 401,068</u>	<u>\$ 223,645</u>

Material Cash Requirements from Contractual Obligations

Credit Facilities

Our principal debt agreement is with JPMorgan Chase Bank N.A. (the "Credit Agreement"). At September 30, 2024, we owed \$1.15 billion under the Credit Agreement, with access to an additional \$750.0 million through a revolving credit facility. Mandatory repayments are required under this agreement through May 2031, when the agreement ends, and must be renegotiated or the funds repaid.

We have included the following table showing our debt balances as of September 30, 2024, and their effective interest rates.

Table MD&A 10: Debt Balances and Interest Rates as of September 30, 2024

	September 30, 2024		
	Carrying value	Effective cash interest rate	Interest rate basis
	<i>(dollars in thousands)</i>		
Term Loan A - Hedged through May 2026	\$ 500,000	3.81 %	Fixed rate of 2.31% plus margin. (1)
Term Loan A - Unhedged	141,875	6.10 %	Term SOFR reset monthly plus margin. (1)
Term Loan B - Hedged through September 2026	75,000	5.72 %	Fixed rate of 3.72% plus margin. (1)
Term Loan B - Hedged through September 2025	75,000	6.09 %	Fixed rate of 4.09% plus margin. (1)
Term Loan B - Unhedged	348,750	6.60 %	Term SOFR reset monthly plus margin. (1)
Debt held by international subsidiaries	5,194	6.28 %	Floating rate, reset quarterly.
Debt Principal	<u>\$ 1,145,819</u>		

(1) Applicable margin ranges between 1% and 2%, based on our leverage ratio.

Our effective cash interest rate reflects the drivers of our cash interest payments as of September 30, 2024, which can change based upon the reset of the rates. Including the amortization of the upfront payments, our effective interest rate as of September 30, 2024 was 5.52%.

The Credit Agreement contains a number of covenants with which we are expected to comply. Failure to meet these requirements would result in a need to renegotiate the agreement or a requirement to repay our outstanding debt in full. There are two financial covenants, both defined in the Credit Agreement.

- Our Consolidated Net Total Leverage Ratio means, for any twelve-month period, the ratio of our Funded Debt, offset by up to \$150 million (which was \$75 million under our previous agreement) of unrestricted cash (Consolidated Total Leverage), against our Consolidated EBITDA (as defined by the Credit Agreement). To comply with our Credit Agreement, this ratio cannot exceed 4.00:1.00 at the end of each quarter, with a step up to 4.50:1.00 under certain circumstances. This ratio also determines both our interest rate and the charge we pay on the unused component of our revolving credit facility, with the charge increasing as the leverage ratio increases.
- Our Consolidated Net Interest Coverage Ratio means, for any twelve-month period, the ratio of our Consolidated EBITDA against our Consolidated Net Interest Expense as defined by the Credit Agreement. To comply with our Credit Agreement, this ratio cannot be less than 3.00:1.00 at the end of each quarter.

Consolidated EBITDA also drives certain permissions within the Credit Agreement, such as the level of investment we are entitled to make without seeking additional approval from our lenders.

Our Credit Agreement defines Consolidated EBITDA, as well as other components of the calculations above. The definition of Consolidated EBITDA requires us to include adjustments not typically included within EBITDA, including unusual, non-recurring expenses, certain non-cash adjustments, the pro forma effects of acquisitions and disposals, and estimated synergies from acquisitions. As a result, Consolidated EBITDA as defined by the Credit Agreement is calculated in a different manner from the Adjusted EBITDA we utilize to assess business performance and may not be comparable to EBITDA or related or similarly-titled measures presented by other companies.

We have summarized below the components of our two financial ratio calculations, including the components of Consolidated EBITDA as defined by the Credit Agreement, which are included within our financial statements. At September 30, 2024, we were in compliance with all applicable covenants of our Credit Agreement. We do not believe that these covenants represent a significant restriction in our ability to operate our business or to pay our dividends.

Table MD&A 11: Reconciliation of Net Income to Consolidated EBITDA as defined by our Credit Agreement

	For the Year Ended September 30,	
	2024	2023
	<i>(in thousands)</i>	
Net income	\$ 306,914	\$ 161,792
Adjustments:		
Interest expense	82,440	84,138
Other expense, net	(450)	363
Provision for income taxes	99,595	48,501
Amortization of intangibles	91,570	94,591
Stock compensation expense	35,349	29,522
Acquisition-related expenses	3,218	575
Loss on sale of businesses	1,018	883
Depreciation and amortization of property, equipment, and capitalized software	33,957	54,725
Pro forma and other adjustments permitted by our Credit Agreement	72,172	69,892
Consolidated EBITDA (as defined by our Credit Agreement)	<u>\$ 725,783</u>	<u>\$ 544,982</u>

Table MD&A 12: Consolidated Net Total Leverage Ratio

	For the Year Ended September 30,	
	2024	2023
	<i>(in thousands, except ratio data)</i>	
Funded Debt (as defined by our Credit Agreement)	\$ 1,145,819	\$ 1,257,529
Cash and cash equivalents up to \$150 million	150,000	65,405
Consolidated Net Total Leverage (as defined by our Credit Agreement)	<u>\$ 995,819</u>	<u>\$ 1,192,124</u>
Consolidated Net Total Leverage Ratio (as defined by our Credit Agreement)	1.37	2.19

Table MD&A 13: Consolidated Net Interest Coverage Ratio

	For the Year Ended September 30,	
	2024	2023
	<i>(in thousands, except ratio data)</i>	
Consolidated EBITDA (as defined by our Credit Agreement)	\$ 725,783	\$ 544,982
Interest expense	82,440	84,138
Components of other income/expense, net allowed in ratio calculation	2,533	2,684
Consolidated Net Interest Expense (as defined by our Credit Agreement)	<u>\$ 84,973</u>	<u>\$ 86,822</u>
Consolidated Net Interest Coverage Ratio (as defined by our Credit Agreement)	8.54	6.28

Leases

As of September 30, 2024, we reported current and long-term operating lease liabilities of \$47.7 million and \$97.2 million, respectively. These balances represent our contractual obligation to make future payments on our leases, discounted to reflect our cost of borrowing. The majority of these leases are for real estate. In the event that we vacate a location, we may be obligated to continue making lease payments. Where possible, we mitigate this risk by including clauses allowing for the termination of lease agreements if the contract the location covers is terminated by our customer. See "Note 10. Leases" to the Consolidated Financial Statements for information regarding our leases, including obligations by fiscal year.

Critical Accounting Policies and Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the U.S. requires us to make estimates and judgments that affect the amounts reported. We consider the accounting policies below to be the most important to our financial position and results of operations either because of the significance of the financial statement item or because of the need to use significant judgment in recording the balance. We base our estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities. Actual results could differ from those estimates. Our significant accounting policies are summarized in "Note 2. Significant Accounting Policies" of the Consolidated Financial Statements included in Item 8 in this Annual Report on Form 10-K.

Revenue Recognition

Although much of our revenue is recognized concurrently with billing or with the passage of time, some of our revenue requires us to make estimates. These estimates are reviewed quarterly, with any changes being recorded as a cumulative catch-up.

Certain performance-based contracts include variable consideration in the form of penalties and incentives, based on our performance under the terms of the contract. The calculation of these penalties and incentives requires the evaluation of both objective and subjective criteria, which may require the use of estimates.

Within our employment services business in our Outside the U.S. segment, some of our performance-based contract revenue is recognized based on future milestones defined in each contract. This requires us to make estimates about the attainment of the milestones.

We estimate the total variable consideration we will receive using the expected value method. We recognize the revenue over the expected period of performance. At each reporting period, we update our estimates of the variable fees to represent the circumstances present at the end of the reporting period. We are required to constrain our estimates to the extent that it is probable that there will not be a significant reversal of cumulative revenue when the uncertainty is resolved. We do not have a history of significant constraints on these contracts.

Business Combinations and Goodwill

Our balance sheet as of September 30, 2024, includes \$1.78 billion of goodwill and \$630.6 million of net intangible assets. These assets are typically obtained through business acquisitions, and their acquisition and maintenance requires certain critical estimates.

- During an acquisition, we are required to estimate the fair value of all acquired tangible and intangible assets, as well as liabilities assumed, in order to allocate the purchase price. For many assets acquired and liabilities assumed, the calculation of fair value requires little judgment as balances may be readily convertible to cash receipts or cash payments, or there may be an active market against which to measure value. For the valuation of intangible assets, significant judgment is necessary in identifying and valuing such assets. This valuation will also involve identifying the useful economic life of this asset. Our estimates of these fair values and useful economic lives are based upon assumptions we believe to be reasonable and, where appropriate, include assistance from third-party appraisal firms. The accounting for our acquisitions included determining the fair value of intangible assets representing customer relationships, the VES provider network, technology, and an assembled workforce. In making our determination of the fair value of these assets, we utilized estimates, the most significant of which were forecasts related to future revenues and profit margins. These assumptions relate to the future performance of the acquired business, are forward-looking, and could be affected by future economic and market conditions. The asset values and asset lives determined at acquisition may change based on circumstances such as contract terminations or changes in strategy. When this occurs, we may need to accelerate our amortization charges. These assets are also subject to impairment if events indicate that the carrying value of the assets may not be recoverable. For example, our intangible asset balance includes customer relationship assets which, if the customer relationship ends, would require evaluation of the remaining asset life and asset value.
- The excess purchase price over the identified net assets is considered to be goodwill. Goodwill is recorded at the reporting unit level. The identification of our reporting units requires judgment based on the manner in which our business is operated and the services performed. Our reporting units are consistent with our segments. Where we have acquisitions that provide services to more than one segment or where the acquisition provides benefits across all of our segments, we use judgment to allocate the goodwill balance based on the relative value we anticipate that each segment will realize.

- Goodwill is not amortized but is subject to impairment testing on an annual basis, or more frequently if impairment indicators arise. Impairment testing is performed at the reporting unit level. This process requires judgment in assessing the fair value of these reporting units. We performed the annual impairment test using the qualitative assessment as of July 1, 2024, and concluded it was not more likely than not that the fair value of the reporting units was less than the carrying amounts.

Contingencies

From time to time, we are involved in legal proceedings, including contract and employment claims, in the ordinary course of business. We assess the likelihood of any adverse judgments or outcomes to these contingencies, as well as potential ranges of probable losses, and establish reserves accordingly. The amount of reserves required may change in future periods due to new developments or changes in approach to a matter, such as a change in settlement strategy.

We are also subject to audits by our government clients on many of our contracts based upon measures such as costs incurred or transactions processed. These audits may take place several years after a contract has been completed. We maintain reserves where we believe a loss is probable and are able to estimate any potential liability that is updated as audits are completed.

Non-GAAP and Other Measures

We utilize non-GAAP measures where we believe it will assist users of our financial statements in understanding our business. The presentation of these measures is meant to complement, but not replace, other financial measures in this document. The presentation of non-GAAP numbers is not meant to be considered in isolation, nor as an alternative to revenue growth, net cash provided by operating activities, operating income, net income, or earnings per share as measures of performance or liquidity. 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 fiscal year 2024, 12% of our revenue was generated outside the U.S. We believe that users of our financial statements wish to understand the performance of our foreign operations using a methodology that excludes the effect of year-over-year exchange rate fluctuations. To calculate year-over-year currency movement, we determine the current fiscal year's results for all foreign businesses using the exchange rates in the prior fiscal year.

In recent years, we have made a number of acquisitions. We believe users of our financial statements wish to evaluate the performance of our operations, excluding changes that have arisen due to businesses acquired or disposed of. We identify acquired revenue and cost of revenue by showing these results for periods for which no comparative results exist within our financial statements. We identify revenue and cost of revenue that has been disposed of in a similar manner. This information is supplemented by our calculations of organic growth. To calculate organic growth, we compare current fiscal year results, excluding transactions from acquisitions or disposals, to our prior fiscal year results.

Our recent acquisitions have resulted in significant intangible assets, which are amortized over their estimated useful lives. We believe users of our financial statements wish to understand the performance of the business by using a methodology that excludes the amortization of our intangible assets. During fiscal year 2023, we have also incurred losses on sales of businesses and taken an impairment charge on a business sold in early fiscal year 2024. We believe that providing supplemental measures that exclude the impact of the items detailed below is useful to investors in evaluating our core operations and results in relation to past periods. Adjusted EBITDA is also a useful measure of performance that focuses on the cash generating capacity of the business as it excludes the non-cash expenses of depreciation, amortization and divestiture-related charges, and makes for easier comparisons between the operating performance of companies with different capital structures by excluding interest expense and therefore, the impacts of financing costs. Accordingly, we have calculated our operating income, Adjusted EBITDA, net income, and diluted earnings per share, excluding the effect of the amortization of intangible assets and divestiture-related charges. As noted above, Adjusted EBITDA is calculated in a different manner from Consolidated EBITDA, as defined by our Credit Agreement. We have included a table showing our reconciliation of these income measures to their corresponding GAAP measures.

Table MD&A 14: Non-GAAP Adjusted Results - Operating Income, Adjusted EBITDA, Net Income, and Diluted Earnings per Share

	For the Year Ended September 30,	
	2024	2023
	<i>(dollars in thousands, except per share data)</i>	
Operating income	\$ 488,499	\$ 294,794
Add back: Amortization of intangible assets	91,570	94,591
Add back: Divestiture-related charges	1,018	3,751
Adjusted operating income excluding amortization of intangible assets and divestiture-related charges (Non-GAAP)	\$ 581,087	\$ 393,136
Adjusted operating income margin excluding amortization of intangible assets and divestiture-related charges (Non-GAAP)	11.0 %	8.0 %
Add back: Depreciation and amortization of property, equipment, and capitalized software	33,957	54,725
Adjusted EBITDA (Non-GAAP)	\$ 615,044	\$ 447,861
Adjusted EBITDA margin (Non-GAAP)	11.6 %	9.1 %
Net income	\$ 306,914	\$ 161,792
Add back: Amortization of intangible assets, net of tax	67,481	69,714
Add back: Divestiture-related charges	1,018	3,751
Adjusted net income excluding amortization of intangible assets and divestiture-related charges (Non-GAAP)	\$ 375,413	\$ 235,257
Diluted earnings per share	\$ 4.99	\$ 2.63
Add back: Effect of amortization of intangible assets on diluted earnings per share	1.10	1.14
Add back: Effect of divestiture-related charges on diluted earnings per share	0.02	0.06
Adjusted diluted earnings per share excluding amortization of intangible assets and divestiture-related charges (Non-GAAP)	\$ 6.11	\$ 3.83

In order to sustain our net cash provided by operating activities, we regularly refresh our fixed assets and technology. We believe that users of our financial statements wish to understand the cash flows that directly correspond with our operations and the investments we must make in those operations using a methodology that combines net cash provided by operating activities and capital expenditures. We provide free cash flow to complement our consolidated statements of cash flows. Free cash flow shows the effects of our operations and replacement capital expenditures and excludes the cash flow effects of acquisitions, purchases of our common stock, dividend payments, and other financing transactions. We have provided a reconciliation of net cash provided by operating activities to free cash flow in "Liquidity and Capital Resources."

To sustain our operations, our principal source of financing comes from receiving payments from our customers. We believe that users of our financial statements wish to evaluate our efficiency in converting revenue into cash receipts. Accordingly, we provide DSO, which we calculate by dividing billed and unbilled receivable balances at the end of each quarter by revenue per day for the period. Revenue per day for a quarter is determined by dividing total revenue by 91 days.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

In the normal course of business, we are exposed to financial risks such as changes in interest rates, foreign currency exchange rates, and counterparty risk. We do not enter into financial instruments for trading purposes.

Foreign Currency Risk

As of September 30, 2024, we held net assets denominated in currencies other than the U.S. Dollar of \$252.5 million. Of this balance, we had net monetary assets of \$99.2 million and cash and cash equivalents of \$56.1 million. We consider monetary assets to be those which hold a fair value close to their book value and which represent a recent cash outflow or which will become a cash inflow or outflow within a short period of time. These assets and liabilities are typically cash, billed, billable, and unbilled accounts receivable, current prepaid expenses, operating lease right-of-use assets, accounts payable, accrued compensation, deferred revenue, lease liabilities, and debt.

A hypothetical 10% favorable or unfavorable exchange rate movement across currencies would have the following incremental effects on our comprehensive income and our cash flow statement.

Table 7A.1: Exposure to Currency Risk

	As of September 30,	
	2024	2023
	<i>(in thousands)</i>	
Change in comprehensive income attributable to Maximus	\$ 25,252	\$ 21,036
Change in net monetary assets	\$ 9,922	\$ 9,171
Change in cash and cash equivalents	\$ 5,610	\$ 3,113

Where possible, we mitigate our foreign currency risks. Our operations typically incur costs and cash outflows in the same currency as their revenue. We identify surplus funds in foreign locations and place them in entities with the U.S. Dollar as their functional currency.

Interest Rate Risk

Our principal exposure to interest rates relates to our debt. At September 30, 2024, we owed a gross balance of \$1.15 billion associated with debt in the United States and in foreign locations.

Our principal debt agreement incurs interest based upon a fixed rate, applicable spread, and a market rate. The market rate is based on SOFR. A rise in interest rates would increase our interest expense, and a reduction in interest rates would decrease our interest expense. We mitigate this risk through interest rate swaps. At September 30, 2024, \$650.0 million of our debt-carrying value was hedged with fixed interest rate swaps.

We based the following sensitivity calculation on the SOFR rate of 4.6% in accordance with the most recent measurement date specified in our Credit Agreement. A 100 basis point change in interest rates would have the following impact of net income:

Table 7A.2: Exposure to Interest Rate Risk

	As of September 30,	
	2024	2023
	<i>(in thousands)</i>	
100 basis point increase impact on net income	\$ (4,958)	\$ (6,075)
100 basis point decrease impact on net income	\$ 4,958	\$ 6,075

Counterparty Risk

We are exposed to credit losses in the event of nonperformance by the counterparties to our derivative instrument. Our counterparty has investment-grade credit ratings; accordingly, we anticipate that the counterparty will be able to fully satisfy their obligations under the contracts. Our agreement outlines the conditions upon which we or the counterparty are required to post collateral. As of September 30, 2024, we had no collateral posted with our counterparty related to the derivatives.

Item 8. Financial Statements and Supplementary Data

Report of Independent Registered Public Accounting Firm

To the Shareholders and the Board of Directors of Maximus, Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Maximus, Inc. (the Company) as of September 30, 2024 and 2023, the related consolidated statements of operations, comprehensive income, changes in shareholders' equity and cash flows for each of the three years in the period ended September 30, 2024, and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at September 30, 2024 and 2023, and the results of its operations and its cash flows for each of the three years in the period ended September 30, 2024, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of September 30, 2024, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) and our report dated November 21, 2024 expressed an unqualified opinion thereon.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current period audit of the financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective or complex judgments. The communication of the critical audit matter does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Revenue recognition – Measuring Variable Consideration in Certain Performance-based Revenue Contracts

Description of the Matter As described in Note 2 and Note 4 to the consolidated financial statements, for certain performance-based contracts, the Company constrains revenue due to penalties and incentives on performance criteria defined in each contract. For the year-ended September 30, 2024, the Company recognized revenue related to performance-based contracts of \$2.94 billion. Revenue recognition for some of these contracts involves estimation of variable consideration utilizing management’s judgments about achieving the performance criteria.

Auditing the Company’s measurement of variable consideration for these performance-based contracts requires judgment because the calculation to determine the constraint requires the evaluation of both objective and subjective criteria, which may require the use of estimates.

How We Addressed the Matter in Our Audit We obtained an understanding, evaluated the design and tested the operating effectiveness of controls over the Company’s process to calculate the variable consideration, including determining the objective and subjective criteria defined in the contract.

To test the variable consideration, our audit procedures included, among others, evaluating the judgments used in management’s calculation of variable consideration. For example, we prepared a trend analysis to evaluate the achievement of the subjective criteria and compared the result to management’s estimate.

/s/ Ernst & Young LLP

We have served as the Company’s auditor since 1996.

Tysons, Virginia
November 21, 2024

Maximus, Inc.
Consolidated Statements of Operations

	For the Year Ended September 30,		
	2024	2023	2022
	<i>(in thousands, except per share amounts)</i>		
Revenue	\$ 5,306,197	\$ 4,904,728	\$ 4,631,018
Cost of revenue	4,054,545	3,876,120	3,691,208
Gross profit	1,251,652	1,028,608	939,810
Selling, general, and administrative expenses	671,583	639,223	534,493
Amortization of intangible assets	91,570	94,591	90,465
Gain on sale of land and building	—	—	11,046
Operating income	488,499	294,794	325,898
Interest expense	82,440	84,138	45,965
Other (income)/expense, net	(450)	363	2,835
Income before income taxes	406,509	210,293	277,098
Provision for income taxes	99,595	48,501	73,270
Net income	\$ 306,914	\$ 161,792	\$ 203,828
Earnings per share:			
Basic	\$ 5.03	\$ 2.65	\$ 3.30
Diluted	\$ 4.99	\$ 2.63	\$ 3.29
Weighted average shares outstanding:			
Basic	61,049	61,125	61,774
Diluted	61,484	61,450	61,969
Dividends declared per share	\$ 1.20	\$ 1.12	\$ 1.12

See accompanying notes to consolidated financial statements.

Maximus, Inc.
Consolidated Statements of Comprehensive Income

	For the Year Ended September 30,		
	2024	2023	2022
	<i>(in thousands)</i>		
Net income	\$ 306,914	\$ 161,792	\$ 203,828
Other comprehensive income, net of tax:			
Foreign currency translation adjustments	11,259	6,625	(17,504)
Net gains/(losses) on cash flow hedge, net of tax provision/(benefit) of \$(5,745), \$(103), and \$8,368, respectively	(16,104)	(279)	23,451
Other comprehensive income	(4,845)	6,346	5,947
Comprehensive income	<u>\$ 302,069</u>	<u>\$ 168,138</u>	<u>\$ 209,775</u>

See accompanying notes to consolidated financial statements.

Maximus, Inc.
Consolidated Balance Sheets

	As of September 30,	
	2024	2023
	<i>(in thousands)</i>	
Assets:		
Cash and cash equivalents	\$ 183,123	\$ 65,405
Accounts receivable, net	879,514	826,873
Income taxes receivable	5,282	16,556
Prepaid expenses and other current assets	132,625	146,632
Total current assets	1,200,544	1,055,466
Property and equipment, net	38,977	38,831
Capitalized software, net	187,677	107,811
Operating lease right-of-use assets	133,594	163,929
Goodwill	1,782,871	1,779,215
Intangible assets, net	630,569	703,648
Deferred contract costs, net	59,432	45,372
Deferred compensation plan assets	55,913	42,919
Deferred income taxes	14,801	2,459
Other assets	27,130	46,147
Total assets	<u>\$ 4,131,508</u>	<u>\$ 3,985,797</u>
Liabilities and Shareholders' Equity:		
Liabilities:		
Accounts payable and accrued liabilities	\$ 303,321	\$ 282,081
Accrued compensation and benefits	237,121	194,251
Deferred revenue, current portion	83,238	60,477
Income taxes payable	26,535	451
Long-term debt, current portion	40,139	86,844
Operating lease liabilities, current portion	47,656	49,852
Other current liabilities	69,519	49,058
Total current liabilities	807,529	723,014
Deferred revenue, non-current portion	45,077	38,849
Deferred income taxes	169,118	203,898
Long-term debt, non-current portion	1,091,954	1,163,149
Deferred compensation plan liabilities, non-current portion	57,599	46,432
Operating lease liabilities, non-current portion	97,221	129,367
Other liabilities	20,195	13,253
Total liabilities	2,288,693	2,317,962
Commitments and contingencies (Note 15)		
Shareholders' equity:		
Common stock, no par value; 100,000 shares authorized; 60,352 and 60,998 shares issued and outstanding as of September 30, 2024 and 2023, respectively	598,304	577,898
Accumulated other comprehensive loss	(32,460)	(27,615)
Retained earnings	1,276,971	1,117,552
Total shareholders' equity	1,842,815	1,667,835
Total liabilities and shareholders' equity	<u>\$ 4,131,508</u>	<u>\$ 3,985,797</u>

See accompanying notes to consolidated financial statements.

Maximus, Inc.
Consolidated Statements of Cash Flows

	For the Year Ended September 30,		
	2024	2023	2022
	<i>(in thousands)</i>		
Cash flows from operating activities:			
Net income	\$ 306,914	\$ 161,792	\$ 203,828
Adjustments to reconcile net income to cash flows from operations:			
Depreciation and amortization of property, equipment and capitalized software	33,957	54,725	42,330
Amortization of intangible assets	91,570	94,591	90,465
Amortization of debt issuance costs and debt discount	3,534	2,837	3,012
Gain on sale of land and building	—	—	(11,046)
Deferred income taxes	(36,022)	1,552	10,204
Stock compensation expense	35,349	29,522	30,476
Loss on sale of businesses	1,018	883	—
Change in assets and liabilities, net of effects of business combinations and disposals:			
Accounts receivable	(50,562)	(23,401)	14,132
Prepaid expenses and other current assets	10,565	859	(6,745)
Deferred contract costs	(13,155)	2,688	(12,056)
Accounts payable and accrued liabilities	18,267	17,729	(32,722)
Accrued compensation and benefits	38,247	12,650	3,288
Deferred revenue	28,534	(12,123)	(19,342)
Income taxes	32,305	(16,958)	(13,510)
Operating lease right-of-use assets and liabilities	(1,906)	(2,035)	(1,112)
Other assets and liabilities	16,643	(10,971)	(11,363)
Net cash provided by operating activities	<u>515,258</u>	<u>314,340</u>	<u>289,839</u>
Cash flows from investing activities:			
Purchases of property and equipment and capitalized software	(114,190)	(90,695)	(56,145)
Acquisitions of businesses, net of cash acquired	—	—	(14,295)
Asset acquisition	(17,999)	—	—
Proceeds from divestitures	3,085	9,732	—
Proceeds from the sale of land and building	—	—	16,431
Net cash used in investing activities	<u>(129,104)</u>	<u>(80,963)</u>	<u>(54,009)</u>
Cash flows from financing activities:			
Cash dividends paid to Maximus shareholders	(72,901)	(68,073)	(68,716)
Purchases of Maximus common stock	(73,069)	—	(96,119)
Tax withholding related to RSU vesting	(13,455)	(8,475)	(9,673)
Payments for contingent consideration	(10,977)	(9,431)	(1,369)
Payments for debt financing costs	(9,724)	—	—
Proceeds from borrowings	1,100,166	844,299	615,000
Principal payments for debt	(1,212,202)	(952,974)	(770,658)
Cash-collateralized escrow liabilities	16,516	(56,144)	83,264
Net cash used in financing activities	<u>(275,646)</u>	<u>(250,798)</u>	<u>(248,271)</u>
Effect of exchange rate changes on cash, cash equivalents, and restricted cash	3,164	2,717	(7,334)
Net change in cash, cash equivalents, and restricted cash	113,672	(14,704)	(19,775)
Cash, cash equivalents and restricted cash, beginning of period	122,091	136,795	156,570
Cash, cash equivalents and restricted cash, end of period	<u>\$ 235,763</u>	<u>\$ 122,091</u>	<u>\$ 136,795</u>

See accompanying notes to consolidated financial statements.

Maximus, Inc.
Consolidated Statements of Changes in Shareholders' Equity

	Common Stock		Accumulated Other Comprehensive Loss	Retained Earnings	Total Equity
	Shares	Amount			
	<i>(in thousands)</i>				
Balance as of September 30, 2021	61,954	\$ 532,411	\$ (39,908)	\$ 987,826	\$ 1,480,329
Net income	—	—	—	203,828	203,828
Foreign currency translation	—	—	(17,504)	—	(17,504)
Cash flow hedge, net of tax	—	—	23,451	—	23,451
Cash dividends	—	—	—	(68,716)	(68,716)
Dividends on RSUs	—	1,465	—	(1,465)	—
Purchases of Maximus common stock	(1,407)	—	—	(96,119)	(96,119)
Stock compensation expense	—	30,476	—	—	30,476
Tax withholding related to RSU vesting	—	(6,374)	—	—	(6,374)
RSUs vested	227	—	—	—	—
Balance at September 30, 2022	60,774	557,978	(33,961)	1,025,354	1,549,371
Net income	—	—	—	161,792	161,792
Foreign currency translation	—	—	6,625	—	6,625
Cash flow hedge, net of tax	—	—	(279)	—	(279)
Cash dividends	—	—	—	(68,073)	(68,073)
Dividends on RSUs	—	1,521	—	(1,521)	—
Stock compensation expense	—	29,522	—	—	29,522
Tax withholding related to RSU vesting	—	(11,123)	—	—	(11,123)
RSUs vested	224	—	—	—	—
Balance as of September 30, 2023	60,998	577,898	(27,615)	1,117,552	1,667,835
Net income	—	—	—	306,914	306,914
Foreign currency translation	—	—	11,259	—	11,259
Cash flow hedge, net of tax	—	—	(16,104)	—	(16,104)
Cash dividends	—	—	—	(72,901)	(72,901)
Dividends on RSUs	—	1,525	—	(1,525)	—
Purchases of Maximus common stock	(876)	—	—	(73,069)	(73,069)
Stock compensation expense	—	35,349	—	—	35,349
Tax withholding related to RSU vesting	—	(16,468)	—	—	(16,468)
RSUs vested	230	—	—	—	—
Balance as of September 30, 2024	60,352	\$ 598,304	\$ (32,460)	\$ 1,276,971	\$ 1,842,815

See accompanying notes to consolidated financial statements.

Maximus, Inc.
Notes to the Consolidated Financial Statements

1. ORGANIZATION

Maximus, a Virginia corporation established in 1975, is a leading provider of government services worldwide. Under our mission of *Moving People Forward*, we help millions of people access the vital government services they need. With nearly 50 years of experience working with local, state, federal, and international government clients, we proudly design, develop, and deliver innovative and impactful programs that change lives. We are driven to strengthen communities and improve the lives of those we serve. We are a proud partner to government agencies in the United States (U.S.) and worldwide.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying consolidated financial statements, including the notes, include the accounts of the Company and its wholly-owned subsidiaries, and have been prepared in accordance with accounting principles generally accepted in the United States, or U.S. GAAP, and the rules and regulations of the U.S. Securities and Exchange Commission (SEC). All intercompany balances and transactions have been eliminated in consolidation.

Our fiscal year ends on September 30 and unless otherwise noted, references to fiscal year or fiscal years ended September 30. The accompanying consolidated financial statements present our financial position as of September 30, 2024, and 2023 and our results of operations for fiscal years 2024, 2023, and 2022.

Use of Estimates

The preparation of these financial statements, in conformity with U.S. GAAP, requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent liabilities, and the reported amounts of revenue and expenses. At each reporting period end, we make estimates, including those related to revenue recognition and cost estimation on certain contracts, the realizability of long-lived assets, and amounts related to income taxes, certain accrued liabilities, and contingencies and litigation.

Our balance sheet includes a number of long-lived assets, including property and equipment, capitalized software, operating lease right-of-use assets, deferred contract costs, and intangible assets. These assets are depreciated or amortized over their estimated useful economic lives but are subject to impairment if events indicate that the carrying amounts may not be recoverable.

As disclosed in "Note 4. Revenue Recognition," certain performance-based contracts include variable consideration in the form of penalties and incentives, based upon our performance under the terms of the contract. The calculation of these penalties and incentives requires the evaluation of both objective and subjective criteria, which may require the use of estimates.

Within our employment services business in our Outside the US segment, some of our performance-based contract revenue is recognized based upon future milestones defined in each contract. This requires us to make estimates about the attainment of the milestones.

As disclosed in "Note 7. Acquisitions and Divestitures," we acquired several businesses. For assets acquired and liabilities assumed, we are required to identify and recognize these balances at their fair value as of the date of acquisition.

In May 2021, we acquired VES Group, Inc. As part of the acquisition, we allocated \$ 27.0 million to certain technology assets used by the business, which we elected to amortize over twelve years. This was our best estimate of asset life at that time. In fiscal year 2023, we took the opportunity to improve our technology portfolio, including the development of a replacement asset that will eventually replace much of the acquired technology. Accordingly, we revised the asset life on the existing technology. We previously assumed a cease-use date of September 2026, which was revised in fiscal year 2024 to September 2025. This resulted in amortization expense in fiscal year 2024 of \$7.2 million, with \$10.8 million remaining to be amortized in fiscal year 2025. The revision in fiscal year 2024 reduced our earnings per share by \$0.01.

We are required to evaluate our long-lived assets used in operations when events and circumstances indicate that the valuation of the assets exceeds their fair value.

- At September 30, 2024, our capitalized software balance includes \$34.4 million related to technology for new services within our U.S. Services Segment. During the first quarter of fiscal year 2024, we evaluated these assets by comparing their carrying value to their estimated future cash flows. At that time, our probability-weighted undiscounted cash flows showed that we would recover the costs of these assets through our contract pipeline. We continue to monitor these assets. If circumstances change, we may be required to adjust the value or asset life of these assets.
- During fiscal year 2024, we completed the sale of some of our international businesses. In the course of the sale, we noted that the carrying value of the assets being disposed of would exceed the sale price. As a result, we recorded an impairment charge of \$2.9 million at September 30, 2023. This charge was spread across various long-lived assets, including fixed assets and lease right-of-use assets.

Cash and Cash Equivalents

We consider all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

Restricted cash represents funds that are held in our bank accounts but which are precluded from use for general business needs through contractual requirements. These requirements typically include serving as collateral bonds and letters of credit or where we hold funds on behalf of clients. We report our restricted cash balances within "Prepaid expenses and other current assets" on our balance sheet.

Revenue Recognition

We recognize revenue as, or when, we satisfy performance obligations under a contract. We account for a contract when the parties approve the contract and are committed to perform on it, the rights of each party and the payment terms are identified, the contract has commercial substance, and it is probable that we will collect substantially all of the consideration. A performance obligation is a promise in a contract to transfer a distinct good or service, or a series of distinct goods or services, to a customer. The transaction price of a contract must be allocated to each performance obligation and recognized as the performance obligation is satisfied.

Although our services may have many components, these components are not necessarily distinct performance obligations as they may be interdependent on or interrelated to each other. Where our contracts contain more than one performance obligation, we allocate the contract's transaction price to each performance obligation using our best estimate of the standalone selling price of each component. This method will vary from contract to contract. Where available, we utilize standalone selling prices of similar components. If this information is unavailable, we utilize a suitable metric to allocate selling price, such as costs incurred.

In most cases, we view our performance obligations as promises to transfer a series of distinct services to our customer that are substantially the same and which have the same pattern of service. We recognize revenue over the performance period as a customer receives the benefits of our services. This continuous transfer of control is supported by the unilateral right of many of our customers to terminate contracts for convenience, without having to provide justification for this decision. Where we are reimbursed on a cost-plus basis, we recognize revenue based upon our costs incurred to date; where we are reimbursed on a fixed price basis, we recognize revenue based upon an appropriate output measure that may be time elapsed or another measure within the contract. When we have variable fees, such as revenue related to the volume of work or award fees, we allocate that revenue to the distinct periods of service to which they relate. In estimating our variable fees, we are required to constrain our estimates to the extent that it is probable that there will not be a significant reversal of cumulative revenue when the uncertainty is resolved.

Contract modifications are reviewed to determine whether they should be accounted for as part of the original performance obligation or as a separate contract. Where the modification changes the scope or price and the additional performance obligations are at their standalone selling price, these services are considered a separate contract. Where there is a modification, and the additional performance obligations are not at their standalone selling price, we consider whether those performance obligations are distinct from those already delivered. If services are distinct from those already provided, the contract is accounted for prospectively, as though the original contract had been terminated and a new arrangement entered into. Where the modification includes goods or services that are not distinct from those already provided, we record a cumulative adjustment to revenue based upon a remeasurement of progress towards the complete satisfaction of performance obligations not yet fully delivered.

Accounts Receivable-Billed, Billable, and Unbilled and Deferred Revenue

Billed receivables are balances where an invoice has been prepared and issued and is collectible under standard contract terms. Many of our clients require invoices to be prepared on a monthly basis. When we anticipate that an invoice will be issued within a short period of time and the funds are considered collectible within standard contract terms, we include this balance as billable accounts receivable.

Both billed and billable balances are recorded at their face amount less an allowance for credit losses over the contractual payment terms of the receivable. We periodically reassess these amounts by analyzing reasonably available information as of the balance sheet date, including the length of time that the receivable has been outstanding, historical bad debts and aging trends, and other general and contract-specific factors.

We present billed, billable, and unbilled receivables as one component on our consolidated balance sheets. Our deferred revenue is presented as a separate item on our consolidated balance sheet, broken out by current and long-term portion. Unbilled receivables and deferred revenue represent timing differences between when amounts are billed or billable and when revenue has been recognized or has occurred as of period end. The timing of these billings is generally driven by the contractual terms, which may have billing milestones that are different from revenue recognition milestones. Our unbilled receivables balance includes retainage balances, where customers may hold back payment for work performed for a period of time to allow opportunities to evaluate the quality of our performance. The balance also includes estimated fees where performance outcomes are anticipated but have not yet been achieved. Our unbilled receivable balance is recorded at fair value - the value that we expect to invoice for the services performed once the objective criteria laid out by the contract have been met.

We defer revenue where we receive up-front funds to establish the infrastructure needed for a long-term contract.

Credit Risk

Credit risk has not historically been significant to our business due to the nature of our customers. Approximately 50% of our revenue is from the U.S. federal government, and much of our Outside the U.S. segment is from national governments. Many of our U.S. state government agency programs receive significant federal funding. We believe that the credit risk associated with our receivables is limited due to the creditworthiness of our customers.

Business Combinations and Goodwill

The purchase price of an acquired business is allocated to tangible assets, separately identifiable intangible assets acquired and liabilities assumed based upon their respective fair values. Any excess balance is recorded as goodwill. Costs incurred directly related to an acquisition, including legal, accounting, and valuation services, are expensed as incurred.

Goodwill is not amortized but is subject to impairment testing on an annual basis, or more frequently if impairment indicators arise. Impairment testing is performed at the reporting unit level. A reporting unit is the operating segment, or a business one level below that operating segment (the component level) if discrete financial information is prepared and reviewed regularly by segment management. However, components are aggregated if they have similar economic characteristics. We have the option to assess qualitative factors to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount, including goodwill. If we conclude that such an impairment is not more-likely-than-not in all cases, no additional quantitative analysis is required. If such an impairment is more-likely-than-not, or if we choose to bypass this qualitative assessment, a quantitative evaluation is performed by comparing the fair value of the relevant reporting unit to the carrying value, including goodwill, of the reporting unit. If the fair value of the reporting unit exceeds the carrying value, no impairment loss is recognized. However, if the carrying value of the reporting unit exceeds the fair value, the goodwill of the reporting unit is determined to be impaired.

Our reporting units are consistent with our operating segments, U.S. Federal Services, U.S. Services, and Outside the U.S. We perform our annual impairment test as of July 1 of each year. We performed the annual impairment test using the qualitative assessment as of July 1, 2024, and concluded it was not more likely than not that the fair value of the reporting units was less than the carrying amounts.

Intangible Assets

Our intangible assets are generally acquired through business combinations. They are separately identified and recorded at fair value upon acquisition.

We use judgment in identifying, valuing, and assigning a useful economic life to assets as they are acquired. The judgments required vary with the type of asset but may include projections of future results, estimated costs to recreate or replace assets, the cost of utilizing other, similar assets provided by a third party, and an appropriate cost of capital. Where appropriate, we utilize the services of a third-party specialist to assist us in these valuations. We amortize our intangible assets over their estimated useful lives on a straight-line basis. We believe this reflects the manner in which the value from our customer relationships, technology, and other assets is realized by the business.

Property and Equipment

Property and equipment are recorded at cost. Depreciation is recorded over the assets' respective useful economic lives using the straight-line method, which are not to exceed seven years. Leasehold improvements are amortized over the shorter of their useful life or the remaining term of the lease. Repairs and maintenance costs are expensed as incurred.

Capitalized Software

All of our capitalized software represents development costs for software that is intended for our internal use. Direct costs of time and materials incurred for the development of application software for internal use are capitalized and amortized using the straight-line method over the estimated useful life of up to ten years. Costs incurred for upgrades and enhancements that do not result in additional functionality are expensed as incurred.

Deferred Contract Costs

Deferred contract costs consist of contractually recoverable costs to fulfill services related to long-term service contracts. These costs include direct and incremental costs incurred prior to the commencement of providing service to our customer. These costs are expensed over the period the services are provided using the straight-line method.

Income Taxes

Deferred tax liabilities and assets are determined based on the difference between the financial statement and tax basis of assets and liabilities and are measured by applying enacted tax rates and laws for the taxable years in which those differences are expected to reverse. In addition, a valuation allowance is recorded if it is believed more likely than not that a deferred tax asset will not be fully realized.

We recognize the financial statement benefit of a tax position only after determining that the relevant tax authority would "more likely than not" sustain the position following an audit. For tax positions meeting the "more likely than not" threshold, the amount recognized in the financial statements is the largest benefit that has a greater than 50 percent likelihood of being realized upon ultimate settlement with the relevant tax authority.

Foreign Currency

For all foreign operations, the functional currency is the local currency. The assets and liabilities of foreign operations are translated into U.S. Dollars at period-end exchange rates, and revenue and expenses are translated at average exchange rates for the year. The resulting cumulative translation adjustment is included in accumulated other comprehensive loss on our consolidated balance sheets. Gains and losses from foreign currency transactions are included in "other expense, net" on our consolidated statements of operations.

Contingencies

Liabilities for loss contingencies arising from claims, assessments, litigation, fines and penalties, and other sources are recorded when it is probable that a liability has been incurred and the amount of the assessment and/or remediation can be reasonably estimated. Where claims are reasonably possible, we disclose a potential liability.

Fair Value Measurements

U.S. GAAP provides a framework for measuring fair value, establishes a fair value hierarchy of the valuation techniques used to measure the fair value, and requires certain disclosures relating to fair value measurements. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between marketplace participants.

The three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value, is as follows:

- Level 1 - Observable inputs such as quoted prices (unadjusted) in active markets for identical assets or liabilities that we have the ability to access;
- Level 2 - Inputs, other than the quoted market prices included in Level 1, which are observable for the asset or liability, either directly or indirectly; and
- Level 3 - Unobservable inputs for the asset or liability, which is typically based on an entity's own assumptions when there is little, if any, related market data available.

We evaluate assets and liabilities subject to fair value measurements on a recurring and non-recurring basis to determine the appropriate level to classify them for each reporting period. This determination requires significant assumptions.

Leases

We enter into contractual arrangements primarily for the use of real estate facilities, information technology equipment, and certain other equipment. These arrangements contain a lease when we control the underlying asset and have the right to obtain substantially all of the economic benefits or outputs from the asset. Where contracts include both lease and non-lease components, we do not separate the non-lease components in our accounting. The majority of our leases are operating leases.

At the inception of a lease, we recognize a liability for future minimum lease payments based upon the present value of those payments.

- In identifying our future minimum lease payments, we do not include variable lease costs, such as those for maintenance or utilities. These are recorded as lease expenses in the period in which they are incurred.
- In identifying future lease payments, we do not include short-term leases, identified as those with an initial term of twelve months or less.
- Lease options are included within our lease liability only where it is reasonably certain that we will utilize those periods of the lease and incur the related costs.
- In calculating the fair value of our lease liability, we utilize an estimate of our collateralized incremental borrowing rate. This estimate is based upon publicly available information adjusted for company, country, and lease-specific factors. The weighted average incremental borrowing rate utilized as of September 30, 2024, was 5.7%.

Over the course of a lease, the lease liability is reduced as scheduled lease payments are made and increased as the implied interest charges are added.

Our right-of-use asset is based upon the lease liability at the contract inception but is adjusted over the life of the lease by lease prepayments, additional costs, or lease incentives. The right-of-use asset is amortized on a straight-line basis over the lease term, offset by the interest accretion recorded on the lease liability.

Lease expense is recorded within our consolidated statements of operations based upon the nature of the assets. Where assets are used to directly serve our customers, such as facilities dedicated to customer contracts, lease costs are recorded in "cost of revenue." Facilities and assets that serve management and support functions are expensed through "selling, general, and administrative expenses."

Stock Compensation Plan

We grant both restricted stock units (RSUs) and performance stock units (PSUs) to eligible participants under our 2021 Omnibus Incentive Plan, which was approved by the Board of Directors and the Company's shareholders.

The fair value of each RSU is equal to the market price of our common stock at the date of the grant, which is expensed ratably over the vesting period. The RSUs granted vest ratably over one to four years, in each case from the grant date. All individuals who are granted RSUs also receive dividend-equivalent payments in the form of additional RSUs. However, until the shares are issued, they have no voting rights and may not be bought or sold. In the event that an award is forfeited, the dividend-equivalent payments received by the holder with respect to that award are also forfeited. We account for stock award forfeitures as they occur.

We issue PSUs with targets based upon profit metrics. These PSUs vest in full at the end of a three-year period. The fair value of each award is based upon the market price of the common stock on the day of the grant, and expense is recorded based upon our estimate of how much of the award will vest over the three years of the award.

We issue PSUs with a target based upon total shareholder return. These PSUs vest in full after three years. The fair value of each award is based upon an assessment performed at the grant date and is expensed over the life of the award regardless of whether the targets are reached.

Certain executive awards include a retirement provision whereby such awards fully vest upon an employee's retirement. We recognize total compensation expense of the awards for eligible participants ratably over the shorter of the vesting period or the employees' retirement eligibility date.

Derivative Instruments

We use interest rate swap contracts to manage our exposure to the variability of the interest payments on long-term debt. We have elected to designate these derivative instruments as cash flow hedges. The effective portion of changes in the fair value of the derivative is recorded to accumulated other comprehensive income and is reclassified to earnings, through interest expense, when the underlying forecasted transaction affects earnings. Cash flows from derivative instruments are included in net cash provided by operating activities in the consolidated statements of cash flows. We reassess the effectiveness of the hedges on a quarterly basis.

New Accounting Pronouncements

In November 2023, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2023-07 Segment Reporting (Topic 280). This ASU aims to improve disclosures over our segments, including disclosure of significant expense categories within segments, which are regularly provided to our Chief Executive Officer, as well as disclosing how segment measures of profit are used by our Chief Executive Officer. The amendments in this ASU are effective for us starting in fiscal year 2025 for annual periods and in fiscal year 2026 for interim periods, and are required to be applied retrospectively. We are assessing the effect of this standard but do not anticipate that it will have a material effect on our historical or future financial statements.

In December 2023, the FASB issued ASU No. 2023-09 Income Taxes (Topic 740). This ASU aims to enhance the transparency and usefulness of income tax disclosures. In particular, it will supplement detail over our income tax rate reconciliation and our annual tax payments. We must adopt this standard during our 2026 fiscal year, although early adoption is permitted. We are assessing the effect of this ASU on our financial statements.

3. BUSINESS SEGMENTS

We conduct our operations through three business segments: U.S. Federal Services, U.S. Services, and Outside the U.S. Our operating segments represent the manner in which our Chief Executive Officer reviews our financial results.

U.S. Federal Services

Our U.S. Federal Services Segment delivers solutions that help various U.S. federal government agencies better deliver on their mission, including program operations and management, clinical services, and technology solutions. The segment also includes system and application development, Information Technology (IT) modernization, and maintenance services. Clinical services comprises appeals and assessments services, which includes managing the evaluation process for U.S. veterans and service members on behalf of the U.S. Department of Veterans Affairs (VA) and certain state-based assessments and appeals work that is part of the segment's heritage. Under Technology Consulting Services (TCS), the segment executes on its digital strategy to deliver technology solutions that advance agency missions, including the challenge to modernize, provide better customer experience, and drive process efficiencies.

U.S. Services

Our U.S. Services Segment provides a variety of services, such as program operations, clinical services, employment services and technology solutions and related consulting work for U.S. state and local government programs. These services support a variety of programs, including the programs under ACA, Medicaid, the Children's Health Insurance Program (CHIP), Temporary Assistance to Needy Families (TANF), and child support programs. In fiscal years 2020 through 2023, many programs in this segment were operating with depressed margins resulting from the pause in Medicaid redeterminations. The depressed margins resulted from reduced operating leverage in the segment as costs could not scale down at the same rate to meet lower demand due to the requirements to fulfill other obligations on these contracts. Fiscal year 2024 reflected a full period of volumes. The middle two quarters of the fiscal year experienced slightly elevated volumes from excess temporary work. This work was concluded by the last fiscal quarter with the segment's margin appropriately aligned.

Outside the U.S.

Our Outside the U.S. Segment provides BPS and technology solutions for international governments. These services include health and disability assessments, program administration for employment services, wellbeing solutions and other job seeker-related services, digitally-enabled customer services, and advanced technologies for modernization. We support programs and deliver services in the United Kingdom, including the newly awarded Functional Assessment Services (FAS) contract, which replaced the Health Assessment Advisory Service (HAAS) contract, and the Restart employment program; and Australia, including Workforce Australia, and other employment support and job seeker services in a number of other countries.

Table 3.1: Results of Operation by Business Segment

	For the Year Ended September 30,					
	2024		2023		2022	
	Amount	% (1)	Amount	% (1)	Amount	% (1)
(dollars in thousands)						
Revenue:						
U.S. Federal Services	\$ 2,737,244		\$ 2,403,606		\$ 2,259,744	
U.S. Services	1,911,813		1,812,069		1,607,612	
Outside the U.S.	657,140		689,053		763,662	
Revenue	<u>\$ 5,306,197</u>		<u>\$ 4,904,728</u>		<u>\$ 4,631,018</u>	
Gross profit:						
U.S. Federal Services	\$ 665,762	24.3 %	\$ 557,886	23.2 %	\$ 519,440	23.0 %
U.S. Services	479,787	25.1 %	377,541	20.8 %	343,004	21.3 %
Outside the U.S.	106,103	16.1 %	93,181	13.5 %	77,366	10.1 %
Gross profit	<u>\$ 1,251,652</u>	23.6 %	<u>\$ 1,028,608</u>	21.0 %	<u>\$ 939,810</u>	20.3 %
Selling, general, and administrative expenses:						
U.S. Federal Services	\$ 332,140	12.1 %	\$ 308,197	12.8 %	\$ 284,509	12.6 %
U.S. Services	232,805	12.2 %	194,991	10.8 %	160,902	10.0 %
Outside the U.S.	98,398	15.0 %	102,311	14.8 %	92,536	12.1 %
Divestiture related charges (2)	1,018	NM	3,751	NM	—	NM
Other (4)	7,222	NM	29,973	NM	(3,454)	NM
Selling, general, and administrative expenses	<u>\$ 671,583</u>	12.7 %	<u>\$ 639,223</u>	13.0 %	<u>\$ 534,493</u>	11.5 %
Operating income/(loss):						
U.S. Federal Services	\$ 333,622	12.2 %	\$ 249,689	10.4 %	\$ 234,931	10.4 %
U.S. Services	246,982	12.9 %	182,550	10.1 %	182,102	11.3 %
Outside the U.S.	7,705	1.2 %	(9,130)	(1.3)%	(15,170)	(2.0)%
Amortization of intangible assets	(91,570)	NM	(94,591)	NM	(90,465)	NM
Divestiture related charges (2)	(1,018)	NM	(3,751)	NM	—	NM
Gain on sale of land and building (3)	—	NM	—	NM	11,046	NM
Other (4)	(7,222)	NM	(29,973)	NM	3,454	NM
Operating income	<u>\$ 488,499</u>	9.2 %	<u>\$ 294,794</u>	6.0 %	<u>\$ 325,898</u>	7.0 %
Depreciation and amortization:						
U.S. Federal Services	\$ 10,503	0.4 %	\$ 18,336	0.8 %	\$ 12,332	0.5 %
U.S. Services	16,079	0.8 %	22,674	1.3 %	16,528	1.0 %
Outside the U.S.	7,375	1.1 %	13,715	2.0 %	13,470	1.8 %
Depreciation and amortization	<u>\$ 33,957</u>	0.6 %	<u>\$ 54,725</u>	1.1 %	<u>\$ 42,330</u>	0.9 %

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

(2) During fiscal years 2024 and 2023, we sold a number of businesses in our Outside the U.S. Segment. Refer to "Note 7. Acquisitions and Divestitures" for more details.

(3) During fiscal year 2022, we sold the land and building that held our corporate headquarters, resulting in a gain on sale of \$ 11.0 million.

(4) Other includes credits and costs that are not allocated to a particular segment. For the fiscal years 2024 and 2023, these charges include \$ 2.9 million and \$29.3 million, respectively, related to the costs of a previously disclosed cybersecurity incident. Other charges include direct costs of acquisitions. These costs are excluded from measuring each segment's operating performance.

Table 3.2: Assets by Segment

	As of September 30,	
	2024	2023
	<i>(in thousands)</i>	
U.S. Federal Services	\$ 2,786,180	\$ 2,716,367
U.S. Services	692,446	780,737
Outside the U.S.	291,608	278,289
Corporate	361,274	210,404
Assets	\$ 4,131,508	\$ 3,985,797

Our long-lived assets consist of property and equipment, capitalized software costs, operating lease right-of-use assets, and deferred compensation plan assets.

Table 3.3: Long-Lived Assets by Geography

	As of September 30,	
	2024	2023
	<i>(in thousands)</i>	
United States	\$ 383,989	\$ 313,830
Outside the US	32,172	39,660
Total	\$ 416,161	\$ 353,490

4. REVENUE RECOGNITION

We recognize revenue as, or when, we satisfy performance obligations under a contract. The majority of our contracts have performance obligations that are satisfied over time. In most cases, we view our performance obligations as promises to transfer a series of distinct services to our customers that are substantially the same and which have the same pattern of service. We recognize revenue over the performance period as a customer receives the benefits of our services.

Disaggregation of Revenue

In addition to our segment reporting, we disaggregate our revenues by service, contract type, customer type, and geography.

Table 4.1: Revenue by Service Type

	For the Year Ended September 30,					
	2024	%	2023	%	2022	%
	<i>(dollars in thousands)</i>					
Program Operations	\$ 2,570,494	48.4 %	\$ 2,500,678	51.0 %	\$ 2,502,620	54.0 %
Clinical Services	1,891,292	35.6 %	1,486,040	30.3 %	1,176,081	25.4 %
Employment & Other	469,304	8.8 %	520,981	10.6 %	551,755	11.9 %
Technology Solutions	375,107	7.1 %	397,029	8.1 %	400,562	8.6 %
Total revenue	\$ 5,306,197		\$ 4,904,728		\$ 4,631,018	

We occasionally reevaluate the service types with which a contract best aligns, particularly to reflect changes in how we manage, operate or perform services. In fiscal year 2024, we moved approximately \$125 million from Program Operations to Technology Solutions. We have recast the comparative years consistent with the reevaluation.

Table 4.2: Revenue by Contract Type

	For the Year Ended September 30,					
	2024		2023		2022	
		%		%		%
	<i>(dollars in thousands)</i>					
Performance-based	\$ 2,939,536	55.4 %	\$ 2,425,597	49.5 %	\$ 2,091,608	45.2 %
Cost-plus	1,247,202	23.5 %	1,238,574	25.3 %	1,248,759	27.0 %
Fixed price	686,555	12.9 %	717,167	14.6 %	627,402	13.5 %
Time and materials	432,904	8.2 %	523,390	10.7 %	663,249	14.3 %
Total revenue	\$ 5,306,197		\$ 4,904,728		\$ 4,631,018	

Table 4.3: Revenue by Customer Type

	For the Year Ended September 30,					
	2024		2023		2022	
		%		%		%
	<i>(dollars in thousands)</i>					
New York state government agencies	\$ 647,349	12.2 %	\$ 525,051	10.7 %	\$ 389,004	8.4 %
Other U.S. state government agencies	1,255,181	23.7 %	1,275,763	26.0 %	1,216,453	26.3 %
Total U.S. state government agencies	1,902,530		1,800,814		1,605,457	
United States federal government agencies	2,674,014	50.4 %	2,344,863	47.8 %	2,189,303	47.3 %
International government agencies	642,222	12.1 %	663,044	13.5 %	722,192	15.6 %
Other, including local municipalities and commercial customers	87,431	1.6 %	96,007	2.0 %	114,066	2.5 %
Total revenue	\$ 5,306,197		\$ 4,904,728		\$ 4,631,018	

Contract balances

Differences in timing between revenue recognition and cash collection result in contract assets and contract liabilities. We classify these assets as accounts receivable — billed and billable and unbilled receivables; the liabilities are classified as deferred revenue.

In many contracts, we bill our customers on a monthly basis shortly after the month end for work performed in that month, and such balances are considered collectible and are included within accounts receivable, net.

Exceptions to this pattern will arise for various reasons, including those listed below.

- Under cost-plus contracts, we are typically required to estimate a contract's share of our general and administrative expenses. This share is based upon estimates of total costs, which may vary over time. We typically invoice our customers at an agreed provisional billing rate which may differ from actual rates incurred. If our actual rates are higher than the provisional billing rates, an asset is recorded for this variance; if the provisional billing rates are higher than our actual rates, we record a liability.
- Certain contracts include retainage balances, whereby revenue is earned, but some portion of cash payments are held back by the customer for a period of time, typically to allow the customer to confirm the objective criteria laid out by the contract have been met. This balance is classified as accounts receivable - unbilled until restrictions on billing are lifted. As of September 30, 2024 and 2023, \$31.9 million and \$20.7 million, respectively, of our unbilled receivables related to amounts pursuant to contractual retainage provisions.
- In certain contracts, we may receive funds from our customers prior to performing operations. These funds are typically referred to as "set-up costs" and reflect the need for us to make investments in infrastructure prior to providing a service. This investment in infrastructure is not a performance obligation that is distinct from the service that is subsequently provided and, as a result, revenue is not recognized based upon the establishment of this infrastructure but rather over the course of the contractual relationship. The funds are initially recorded as deferred revenue and recognized over the term of the contract. Other contracts may not include set-up fees but will provide higher fees in earlier periods of the contract. The premium on these fees is deferred.

- Some of our contracts, notably our employment services contracts in the Outside the U.S. Segment, include payments for desired outcomes, such as job placement and job retention, and these outcome payments occur over several months. We are required to estimate these outcome fees ahead of their realization and recognize this estimated fee over the period of delivery.

During the year ended September 30, 2024, we recognized revenue of \$ 57.6 million included in our deferred revenue balances at September 30, 2023. During the year ended September 30, 2023, we recognized revenue of \$81.5 million included in our deferred revenue balances at September 30, 2022.

Contract estimates

We are required to use estimates in recognizing revenue from some of our contracts.

Certain performance-based contracts include variable consideration in the form of penalties and incentives, based upon our performance under the terms of the contract. The calculation of these penalties and incentives requires the evaluation of both objective and subjective criteria, which may require the use of estimates.

Within our employment services business in our Outside the U.S. segment, some of our performance-based contract revenue is recognized based upon future milestones defined in each contract. This requires us to make estimates about the attainment of the milestones.

We estimate the total variable consideration we will receive using the expected value method. We recognize the revenue over the expected period of performance. At each reporting period, we update our estimates of the variable fees to represent the circumstances present at the end of the reporting period. We are required to constrain our estimates to the extent that it is probable that there will not be a significant reversal of cumulative revenue when the uncertainty is resolved. We do not have a history of significant constraints on these contracts.

Table 4.4: Effect of Changes in Contract Estimates

	For the Year Ended September 30,		
	2024	2023	2022
	<i>(in thousands, except per share data)</i>		
Benefit to/(reduction of) revenue recognized due to changes in contract estimates	\$ (12,617)	\$ (13,346)	\$ (2,500)
Benefit to/(reduction of) diluted earnings per share recognized due to changes in contract estimates	\$ (0.15)	\$ (0.16)	\$ (0.03)

Remaining performance obligations

As of September 30, 2024, we had approximately \$ 370 million of remaining performance obligations. We anticipate that we will recognize revenue on approximately 69% of this balance within the next 12 months. This balance excludes contracts with an original duration of twelve months or less, including contracts with a penalty-free termination for convenience clause and any variable consideration that is allocated entirely to future performance obligations, including variable transaction fees or fees tied directly to costs incurred.

5. EARNINGS PER SHARE

Table 5: Weighted Average Number of Shares - Earnings Per Share

	For the Year Ended September 30,		
	2024	2023	2022
	<i>(in thousands)</i>		
Basic weighted average shares outstanding	61,049	61,125	61,774
Dilutive effect of unvested RSUs and PSUs	435	325	195
Denominator for diluted earnings per share	61,484	61,450	61,969

The diluted earnings per share calculation for the year ended September 30, 2024, 2023, and 2022 excludes approximately 74,000, 231,000, and 444,000 unvested anti-dilutive restricted stock units, respectively.

6. DEBT AND DERIVATIVES

Our principal credit agreements are held within the United States. In addition, we hold revolving credit facilities in Australia, Canada, and the United Kingdom.

On May 30, 2024, we amended our credit agreement with J.P. Morgan Chase Bank, N.A. (the Credit Agreement). The amendment extended the life of the debt, updated the mandatory repayments, and adjusted the mix of debt, but did not significantly change the rates or conditions under which we borrow funds. The Credit Agreement is available for general corporate purposes, including the funding of working capital, capital expenditures, purchases of Maximus common stock, and possible future acquisitions.

The Credit Agreement has three components.

- A Term Loan A facility (the TLA), which matures on May 30, 2029. Interest rates on this facility are variable, based upon a combination of a Secured Overnight Financing Rate (SOFR) and a margin based on our leverage, varying between 1.0% and 2.0%. At May 2024, it was set at 1.5% and will remain at this level until our December 2024 leverage calculation is submitted, which is likely to be in February 2025.
- A Term Loan B facility (the TLB), which matures on May 30, 2031. The interest rates are based upon SOFR, subject to a floor of 0.5%, plus a fixed 2.0% margin.
- A revolving credit facility, which enables us to borrow or utilize up to \$ 750.0 million. The interest on this facility is generally based upon the same rates as those used for the TLA. In addition, we are charged a commitment fee between 0.125% and 0.30% on unused funds, which is based upon our leverage. Commitment fees are recorded as interest expense on the consolidated statements of operations.

Table 6.1: Details of Debt

	As of September 30,	
	2024	2023
	<i>(in thousands)</i>	
Term Loan A	\$ 641,875	\$ 909,375
Term Loan B	498,750	344,934
Subsidiary loan agreements	5,194	3,220
Funded Debt	1,145,819	1,257,529
Less: Unamortized debt-issuance costs and discounts	(13,726)	(7,536)
Total debt	1,132,093	1,249,993
Less: Current portion of long-term debt	(40,139)	(86,844)
Long-term debt	<u>\$ 1,091,954</u>	<u>\$ 1,163,149</u>

Under the terms of the Credit Agreement, we are required to comply with certain covenants, the terms of which are customary and include a Consolidated Net Total Leverage Ratio and a Consolidated Net Interest Coverage Ratio. The Consolidated Net Total Leverage Ratio is calculated as total outstanding debt less the lower of (a) unrestricted cash or (b) \$150.0 million divided by Consolidated EBITDA (as defined by the Credit Agreement). With certain exceptions, the covenant requires the Consolidated Net Total Leverage Ratio to be less than 4.00, calculated over the previous twelve months. The Consolidated Net Interest Coverage Ratio is calculated as Consolidated EBITDA divided by Consolidated Net Interest Expense over the previous twelve months, all defined by the Credit Agreement. The covenant requires a Consolidated Net Interest Coverage Ratio of 3.00 or greater. As of September 30, 2024, the Consolidated Net Total Leverage Ratio and the Consolidated Net Interest Coverage Ratio were 1.37 and 8.54, respectively. We were in compliance with all applicable covenants under the Credit Agreement as of September 30, 2024. We do not believe that the covenants represent a significant restriction on our ability to successfully operate the business or to pay our dividends.

The Credit Agreement is, subject to customary exceptions, secured by substantially all of the assets of the Company and its wholly owned material domestic subsidiaries, and guaranteed by each of the Company's wholly owned material domestic subsidiaries.

Costs incurred in establishing the Credit Agreement were recorded as a reduction to the gross debt balance and will be amortized over the respective lives of the arrangements. Costs incurred in amending the Credit Agreement were deferred or expensed depending upon the nature of the costs. All costs deferred as of the amendment date are being amortized prospectively over the new respective lives of the arrangements.

In addition to the Credit Agreement, we hold smaller credit facilities in Australia, Canada, and the United Kingdom. These agreements allow our businesses to borrow to meet any short-term working capital needs.

Table 6.2: Details of Future Minimum Principal Payments Due

	Amount Due <i>(in thousands)</i>	
Year ended September 30, 2025	\$	42,694
Year ended September 30, 2026		41,563
Year ended September 30, 2027		53,750
Year ended September 30, 2028		57,812
Year ended September 30, 2029		476,250
Thereafter		473,750
Total Payments	\$	1,145,819

Interest Rate Derivative Instruments

We utilize interest rate swaps to manage our exposure to interest rates on our Credit Agreement, which we have designated as cash flow hedges.

- We have an arrangement for a notional amount of \$75.0 million, which hedges a SOFR component of our TLB to a fixed amount of 4.09%. This arrangement expires in September 2025.
- We have arrangements for a combined notional amount of \$500.0 million, which hedges a SOFR component of our TLA to a fixed amount of 2.31%. These arrangements expire in May 2026.
- We have an arrangement for a notional amount of \$75.0 million, which hedges a SOFR component of our TLB to a fixed amount of 3.72%. This arrangement expires in September 2026.

In addition to the arrangements above, we had an arrangement for a notional amount of \$150 million, which hedged a SOFR component of our TLA to a fixed amount of 4.38%. This arrangement expired in September 2024.

Our effective interest rate as of September 30, 2024 was 5.52%.

At September 30, 2024 and September 30, 2023, we had assets of \$12.6 million and \$31.0 million, respectively, related to these interest rate swaps. At September 30, 2024, we had liabilities of \$3.4 million related to these interest rate swaps, with no comparison at September 30, 2023. These instruments were recorded as "other assets" and "other liabilities" within our consolidated balance sheets. As these instruments are considered effective cash flow hedges, gains and losses based upon interest rate fluctuations are recorded within "accumulated other comprehensive income (AOCI)" within our consolidated financial statements.

Table 6.3: Gains/(Losses) on Derivatives

	For the Year Ended September 30,		
	2024	2023	2022
	<i>(in thousands)</i>		
Gain/(loss) recognized in AOCI on derivatives, net of tax	\$ (3,681)	\$ 8,558	\$ 23,004
Amounts reclassified to earnings from accumulated other comprehensive income	(12,423)	(8,837)	447
Net current period other comprehensive income	\$ (16,104)	\$ (279)	\$ 23,451

Counterparty Risk

The Company is exposed to credit losses in the event of nonperformance by the counterparty to our derivative instrument. Our counterparty has investment-grade credit ratings; accordingly, we anticipate that the counterparty will be able to fully satisfy its obligations under the contracts. Our agreements outline the conditions upon which it or the counterparty are required to post collateral. As of September 30, 2024 and 2023, there was no collateral posted with the Company's counterparty related to the derivatives.

At September 30, 2024 and 2023, we had letters of credit totaling \$3.0 million, respectively.

7. ACQUISITIONS AND DIVESTITURES

IT vendor acquisition

On February 14, 2024, we acquired part of a vendor who has performed IT services for us over several years for cash consideration of \$ 18.0 million. Almost all of the consideration was allocated directly to the most significant asset, the acquired workforce. The value of this asset will be amortized over eight years. This asset is anticipated to provide support across all three of our operating segments.

Aidvantage

On October 6, 2021, we completed the acquisition of the student loan servicing business from Navient, rebranded as Aidvantage. This business is a part of our U.S. Federal Services Segment and supplements our existing portfolio of services to the U.S. Department of Education.

The purchase price was contingent upon future volumes within an acquired contract, up to a maximum payment of \$ 65.0 million. At acquisition, we estimated the fair value of this liability, based upon a probability-weighted assessment of the potential outcomes, of \$18.5 million. We updated this liability each quarter, with changes recorded to our statement of operations, as we updated our estimate of fair value. We made our final payment in May 2024 and, accordingly, we have no remaining liability at September 30, 2024, compared to a liability of \$7.5 million at September 30, 2023. Total payments made since acquisition were \$19.3 million.

We recorded a single intangible asset related to the customer contract and relationship of \$ 16.7 million, which was amortized over 27 months. The goodwill balance, representing the difference between the identifiable assets acquired and the estimated obligation, represents the assembled workforce, as well as the knowledge base acquired.

Stirling Institute of Australia Pty Ltd (Stirling)

On June 1, 2022, we acquired 100% of the share capital of Stirling for an estimated purchase price of \$ 4.1 million (A\$5.7 million Australian Dollars). Stirling provides vocational training to Australians seeking to improve their knowledge and qualifications. We acquired this business to complement our existing employment services. The business was integrated into our Outside the U.S. Segment. We recorded goodwill and intangible assets of \$2.3 million and \$ 1.8 million, respectively, related to the acquisition.

BZ Bodies Limited (BZB)

On January 31, 2022, we acquired 100% of the share capital of BZB for a purchase price of \$ 2.5 million (£ 1.9 million); the consideration was principally comprised of an estimate of contingent consideration payable upon future performance, which was paid in full in fiscal year 2024. BZB provides weight management services for adults, children, and vulnerable groups in the United Kingdom. We acquired this business to complement our services within the United Kingdom. The business was integrated into our Outside the U.S. Segment. We recorded goodwill and intangible assets of \$1.4 million and \$ 1.3 million, respectively, related to the acquisition.

Divestitures

We have sold a number of components of our Outside the U.S. Segment:

- In November 2023, we sold our businesses in Italy and Singapore, as well as our employment services business in Canada, recording a loss on sale of \$1.0 million. During the fourth quarter of fiscal year 2023, we recorded an impairment charge of \$ 2.9 million related to these assets.
- In March 2023, we sold our commercial practice in the United Kingdom, resulting in a pre-tax loss of \$0.6 million. The cash consideration had a fair value of \$16.0 million, to be received in installments. At September 30, 2024, we have installments remaining of \$ 5.8 million.
- In March 2023, we sold our Swedish subsidiary for cash consideration of \$ 0.4 million, resulting in a small loss.

8. GOODWILL AND INTANGIBLE ASSETS

Table 8.1: Changes in Goodwill by Segment

	U.S. Federal Services	U.S. Services	Outside the U.S.	Total
	<i>(in thousands)</i>			
Balance as of September 30, 2022	\$ 1,559,863	\$ 164,472	\$ 55,080	\$ 1,779,415
Divestitures	—	—	(3,172)	(3,172)
Foreign currency translation	—	—	2,972	2,972
Balance as of September 30, 2023	1,559,863	164,472	54,880	1,779,215
Divestitures	—	—	(364)	(364)
Foreign currency translation	—	—	4,020	4,020
Balance as of September 30, 2024	\$ 1,559,863	\$ 164,472	\$ 58,536	\$ 1,782,871

There were no impairment charges to our goodwill for the years ended September 30, 2024, 2023, and 2022.

Table 8.2: Details of Intangible Assets, Net

	As of September 30,					
	2024			2023		
	Cost	Accumulated Amortization	Intangible Assets, Net	Cost	Accumulated Amortization	Intangible Assets, Net
	<i>(in thousands)</i>					
Customer contracts and relationships	\$ 870,810	\$ 309,067	\$ 561,743	\$ 891,511	\$ 251,868	\$ 639,643
VES Provider network	57,000	15,833	41,167	57,000	11,083	45,917
Technology-based intangible assets	31,586	20,786	10,800	31,572	13,484	18,088
Assembled workforce	18,185	\$ 1,326	16,859	—	—	—
Trademarks and trade names	4,474	4,474	—	4,471	4,471	—
Total	\$ 982,055	\$ 351,486	\$ 630,569	\$ 984,554	\$ 280,906	\$ 703,648

Table 8.3: Details of Weighted Average Remaining Lives

	As of September 30, 2024
Customer contracts and relationships	8.0 years
VES Provider network	8.7 years
Technology-based intangible assets	1.0 year
Assembled workforce	7.4 years
Trademarks and trade names	0.0 years
Weighted Average Remaining Life	7.9 years

Table 8.4: Details of Future Amortization Expense of Intangible Assets, Net

	As of September 30, 2024
	<i>(in thousands)</i>
Year ended September 30, 2025	\$ 92,058
Year ended September 30, 2026	81,258
Year ended September 30, 2027	81,258
Year ended September 30, 2028	81,258
Year ended September 30, 2029	71,298
Thereafter	223,439
Total	\$ 630,569

9. FAIR VALUE MEASUREMENTS

The following assets and liabilities are recorded at fair value on a recurring basis.

- We hold mutual fund assets within a Rabbi Trust to cover liabilities in our deferred compensation plan. These assets have prices quoted within active markets and, accordingly, are classified as level 1 within the fair value hierarchy.
- We have interest rate swap agreements to manage our interest rate exposure. These agreements can be valued using observable data and, accordingly, are classified as level 2 within the fair value hierarchy.
- During fiscal year 2024, we recorded liabilities for additional consideration payable on certain acquisitions. This consideration was contingent upon the post-acquisition performance of these businesses. This liability was based upon our internal assumptions regarding profits, volumes, and contract terms. Accordingly, these inputs were not observable and were classified as level 3 within the fair value hierarchy. In fiscal year 2024, all outstanding liabilities were settled.

The tables below present assets and liabilities measured and recorded at fair value in our consolidated balance sheets on a recurring basis and their corresponding level within the fair value hierarchy. No transfers between Level 1, Level 2, and Level 3 fair value measurements occurred for the year ended September 30, 2024.

Table 9.1: Fair Value Measurements

	As of September 30, 2024			Balance
	Level 1	Level 2	Level 3	
	<i>(in thousands)</i>			
Assets:				
Deferred compensation assets - Rabbi Trust	\$ 34,692	\$ —	\$ —	\$ 34,692
Interest rate swaps - \$300 million notional value	—	12,573	—	12,573
Total assets	<u>\$ 34,692</u>	<u>\$ 12,573</u>	<u>\$ —</u>	<u>\$ 47,265</u>
Liabilities:				
Interest rate swaps - \$350 million notional value	\$ —	\$ 3,394	\$ —	\$ 3,394
Total liabilities	<u>—</u>	<u>\$ 3,394</u>	<u>\$ —</u>	<u>\$ 3,394</u>

The fair values of receivables, prepaid assets, other assets, accounts payable, accrued costs, and other current liabilities approximate the carrying values as a result of the short-term nature of these instruments. The carrying value of our debt is consistent with the fair value as the stated interest rates in the agreements are consistent with the current market rates used in notes with similar terms in the markets (Level 2 inputs).

Accumulated Other Comprehensive Loss

All amounts recorded in accumulated other comprehensive loss are related to our foreign currency translations and interest rate swaps, net of tax. The following table shows changes in accumulated other comprehensive loss. Amounts reclassified from other comprehensive income were recorded within our selling, general, and administrative expenses (for foreign currency translation adjustments) and within interest expense (for gains on derivatives).

Table 9.2: Details of Changes in Accumulated Other Comprehensive Loss by Category

	Foreign currency translation adjustment	Net unrealized gain on derivatives, net of tax	Total
	<i>(in thousands)</i>		
Balance as of September 30, 2021	\$ (39,605)	\$ (303)	\$ (39,908)
Other comprehensive income/(loss) before reclassifications	(17,504)	23,004	5,500
Amounts reclassified from accumulated other comprehensive income/(loss)	—	447	447
Net current period other comprehensive income/(loss)	(17,504)	23,451	5,947
Balance as of September 30, 2022	(57,109)	23,148	(33,961)
Other comprehensive income/(loss) before reclassifications	6,509	8,558	15,067
Amounts reclassified from accumulated other comprehensive income/(loss)	116	(8,837)	(8,721)
Net current period other comprehensive income/(loss)	6,625	(279)	6,346
Balance as of September 30, 2023	(50,484)	22,869	(27,615)
Other comprehensive income before reclassifications	11,126	(3,681)	7,445
Amounts reclassified from accumulated other comprehensive loss	133	(12,423)	(12,290)
Net current period other comprehensive losses	11,259	(16,104)	(4,845)
Balance as of September 30, 2024	<u>\$ (39,225)</u>	<u>\$ 6,765</u>	<u>\$ (32,460)</u>

The foreign currency translation adjustment reflects a cumulative difference between the value of our earnings in currencies other than the U.S. Dollar between the time they were recorded and the date of the financial statements. As of September 30, 2024, the balance included approximately \$18.2 million of translation differences related to the Australian Dollar and \$13.3 million related to the British Pound, with the remaining balance principally comprised of differences related to the Canadian Dollar.

Contingent Consideration

The fair value of our contingent considerations are based upon estimates of the likely payments, which are based upon assumptions over future performance. The liabilities are reviewed on a quarterly basis and changes in estimates are recorded to selling and general administrative expenses.

Our contingent consideration relates to the businesses below:

- In October 2021, we acquired the student loan servicing business from Navient, which we rebranded as Aidvantage. Payments were based upon volumes, up to a maximum payment of \$65.0 million. At September 30, 2023, the Aidvantage contingent consideration was \$ 7.5 million. This liability was settled in the third quarter of fiscal year 2024.
- In January 2022, we acquired BZ Bodies Limited. Future payments were based upon the performance of the business through December 2023, up to a maximum payment of \$2.5 million (£2.0 million British Pounds). At September 30, 2023, we recorded a contingent consideration liability for the maximum payment, which we paid in the second quarter of fiscal year 2024.

The following table presents a reconciliation of the contingent consideration, which is measured and recorded at fair value on a recurring basis using Level 3 inputs:

Table 9.3: Fair Value Measurement Using Significant Unobservable Inputs (Level 3)

	Contingent Consideration (in thousands)	
Balance as of September 30, 2023	\$	9,903
Adjustments to fair value recorded in the current year		985
Cash payments		(10,977)
Foreign currency translation		89
Closing contingent consideration as of September 30, 2024	\$	—

Other assets

Other long-lived assets are reviewed when events indicate they may no longer be able to recover their value. Assets that we cease using or which do not appear able to generate sufficient future cash flows to support their values are reviewed and, where necessary, their value is written down. In this instance, the expense is reported in the same place where future expenses were anticipated to be recorded. For example, a fixed asset impairment would be recorded in depreciation expense. All the non-recurring fair values are considered Level 3, as the inputs are not observable and based on internal assumptions. For the year ended September 30, 2023, we recorded impairment charges of \$9.5 million. These impairment charges were on our long-lived assets within our U.S. Services and Outside the U.S. Services Segments and relate to assets on underperforming contracts. During the years ended September 30, 2024, and September 30, 2022, we recorded no impairment charges.

10. LEASES

Table 10.1: Details of Lease Costs

	For the Year Ended September 30,		
	2024	2023	2022
	(in thousands)		
Operating lease cost	\$ 69,071	\$ 76,630	\$ 90,423
Short-term lease cost	8,699	7,729	11,642
Variable lease cost	11,057	12,417	12,032
Total operating lease costs	\$ 88,827	\$ 96,776	\$ 114,097

Table 10.2: Future Minimum Lease Payments Under Non-cancelable Operating Leases

	Office Space	Equipment	Total
	(in thousands)		
Year ended September 30, 2025	\$ 53,928	\$ 985	\$ 54,913
Year ended September 30, 2026	40,612	156	40,768
Year ended September 30, 2027	33,346	33	33,379
Year ended September 30, 2028	23,807	5	23,812
Year ended September 30, 2029	5,013	—	5,013
Thereafter	3,003	—	3,003
Total minimum lease payments	159,709	1,179	160,888
Less: Imputed interest	(15,894)	(117)	(16,011)
Total lease liabilities	\$ 143,815	\$ 1,062	\$ 144,877

Our weighted average remaining lease term as of September 30, 2024, is 3.4 years.

For the years ended September 30, 2024, September 30, 2023, and September 30, 2022, we made cash payments of \$ 75.3 million, \$77.6 million, and \$86.5 million for amounts included in our lease liabilities, respectively. New or amended leases resulted in additional right-of-use assets of \$ 27.7 million, \$109.4 million, and \$43.5 million for the same periods, respectively.

11. INCOME TAXES

Table 11.1: Components of Provision for Income Taxes

	For the Year Ended September 30,		
	2024	2023	2022
	<i>(in thousands)</i>		
Current provision/(benefit):			
Federal	\$ 82,875	\$ 34,033	\$ 45,042
State and local	26,951	12,332	15,371
Foreign	25,791	584	2,653
Total current provision for income taxes	135,617	46,949	63,066
Deferred tax expense/(benefit):			
Federal	(16,347)	(1,495)	7,107
State and local	(5,447)	(673)	2,130
Foreign	(14,228)	3,720	967
Total deferred tax expense/(benefit)	(36,022)	1,552	10,204
Provision for income taxes	\$ 99,595	\$ 48,501	\$ 73,270

Table 11.2: Components of Income before Provision for Income Taxes by Country

	For the Year Ended September 30,		
	2024	2023	2022
	<i>(in thousands)</i>		
Domestic	\$ 377,594	\$ 198,115	\$ 274,641
Foreign	28,915	12,178	2,457
Income before provision for income taxes	\$ 406,509	\$ 210,293	\$ 277,098

Table 11.3: Reconciliation of Tax Expense at Statutory Rate to Actual Tax Expense

	For the Year Ended September 30,		
	2024	2023	2022
	<i>(dollars in thousands)</i>		
Tax expense at statutory rate	\$ 85,367	\$ 44,162	\$ 58,190
Increase/(decrease) due to:			
State income taxes, net of federal benefit	21,582	11,501	14,244
Foreign taxation rate differentials	875	(590)	(709)
Non-deductible expenses	2,444	2,889	882
Global intangible low taxed income	1,257	2,274	—
Valuation allowance - foreign jurisdictions	734	2,010	4,875
Tax credits	(8,997)	(6,645)	(5,239)
Excess tax expense/(benefits) from stock-based compensation	(1,656)	(1,399)	1,143
Other	(2,011)	(5,701)	(116)
Income tax expense	\$ 99,595	\$ 48,501	\$ 73,270
U.S. Federal Statutory tax rate	21.0 %	21.0 %	21.0 %
Effective tax rate	24.5 %	23.1 %	26.4 %

Table 11.4: Components of Deferred Tax Assets and Liabilities

	As of September 30,	
	2024	2023
	<i>(in thousands)</i>	
Deferred tax assets/(liabilities):		
Costs deductible in future periods	\$ 42,856	\$ 37,036
Deferred revenue	10,459	8,712
Stock compensation	7,482	6,212
Capital loss carryforward	7,872	2,391
Net operating loss carryforwards	35,492	33,278
Amortization of goodwill and intangibles	(183,406)	(189,316)
Capitalized software	(23,661)	(28,246)
Accounts receivable - unbilled	(4,731)	(7,963)
Property and equipment	1,286	(3,437)
Prepaid expenses	(11,696)	(10,906)
Financial instruments	(2,413)	(8,158)
Valuation allowance	(31,956)	(34,643)
Other	(1,901)	(6,399)
Net deferred tax liability	<u>\$ (154,317)</u>	<u>\$ (201,439)</u>

Our deferred tax assets and liabilities are held in various national and international jurisdictions that do not allow right of offset. Accordingly, our presentation of deferred taxes on our consolidated balance sheets is split between jurisdictions that show a net deferred tax asset and a net deferred tax liability.

Table 11.5: Deferred Tax Assets and Liabilities By Jurisdiction Positions

	As of September 30,	
	2024	2023
	<i>(in thousands)</i>	
Total of tax jurisdictions with net deferred tax assets	\$ 14,801	\$ 2,459
Total of tax jurisdictions with net deferred tax liabilities	(169,118)	(203,898)
Net deferred tax liabilities	<u>\$ (154,317)</u>	<u>\$ (201,439)</u>

We consider our foreign earnings in excess of the earnings subject to the one-time transition tax to be indefinitely reinvested outside of the U.S. in accordance with the relevant accounting guidance for income taxes. Accordingly, no U.S. deferred taxes were recorded with respect to such earnings. As of September 30, 2024, our foreign subsidiaries held approximately \$56.1 million of cash and cash equivalents in either U.S. Dollars or local currencies.

The provision for income taxes includes all provision to return adjustments included in the year recognized in the financial statements.

The tax loss on the sale of a small commercial practice in the United Kingdom and our Swedish subsidiary increased both the net operating loss carryforwards as well as the valuation allowance. In both cases, the losses are able to be carried forward indefinitely.

We account for uncertain tax positions by recognizing the financial statement effects of a tax position only when, based upon the technical merits, it is "more-likely-than-not" that the position will be sustained upon examination. The total amount of unrecognized tax benefits that, if recognized, would affect our annual effective income tax rate was \$3.4 million and \$4.9 million at September 30, 2024 and 2023, respectively.

We report interest and penalties as a component of income tax expense. We recognize and present uncertain tax positions on a gross basis (i.e., without regard to likely offsets for deferred tax assets, deductions, and/or credits that would result from payment of uncertain tax amounts).

Table 11.6: Reconciliation of the Beginning and Ending Amounts of Potential Tax Benefits

	For the Year Ended September 30,		
	2024	2023	2022
	<i>(in thousands)</i>		
Balance at beginning of year	\$ 6,233	\$ 8,676	\$ 12,642
Decreases for lapse of statute of limitations	—	(2,051)	(1,412)
Decreases for settlements with taxing authorities	—	(692)	(4,785)
Increases for tax positions taken in current year	7,248	300	2,231
Decreases for tax positions taken in current year	(2,589)	—	—
Balance at end of year	<u>\$ 10,892</u>	<u>\$ 6,233</u>	<u>\$ 8,676</u>

We file income tax returns in the U.S. federal jurisdiction and in various state and foreign jurisdictions. We are no longer subject to federal income tax examinations for years before 2021 and to state and local income tax examinations by tax authorities for years before 2019. In international jurisdictions, similar rules apply to filed income tax returns, although the tax examination limitations and requirements may vary. We are no longer subject to audit by tax authorities for foreign jurisdictions for years prior to 2020.

12. EQUITY

Stock Compensation

We grant restricted stock units (RSUs) and performance stock units (PSUs) to eligible participants under our 2021 Omnibus Incentive Plan, which was approved by our Board of Directors and shareholders. We issue new shares to satisfy our obligations under these plans.

The RSUs granted to employees vest ratably over three or four years and one year for members of the board of directors, in each case from the grant date. In past years, we have also granted awards which vest over five years. The expense is recorded ratably over the same period, or the employee service period if that is shorter, and is based upon the fair value of the award on grant date.

The PSUs granted to employees vest at the end of a three-year performance period. Vesting is subject to the achievement of certain performance and market conditions, and the number of PSUs earned could vary from 0% to 200% of the number of PSUs awarded. The value of performance-based awards are calculated at grant date based upon the value of each individual award; these awards are expensed over the three year period based upon our expectation of the number of awards which will ultimately vest. The value of the market-based awards is calculated at grant date based upon a Monte Carlo model; unforfeited awards are expensed over three years regardless of the performance of the share price.

Table 12: Restricted Stock Units and Performance-Based Stock Units

	Restricted Stock Units	Performance Stock Units	Total	Weighted Average Grant Date Fair Value
Non-vested outstanding units as of September 30, 2023	481,134	170,758	651,892	\$ 75.46
Granted	393,311	190,816	584,127	82.61
Vested	(351,104)	(69,050)	(420,154)	77.79
Forfeited	(87,744)	(24,499)	(112,243)	77.63
Non-vested outstanding units as of September 30, 2024	435,597	268,025	703,622	\$ 79.66

In addition to the non-vested shares, as part of individual elections made in the deferred compensation plan, certain directors and employees held approximately 301,000 vested but not issued awards as of September 30, 2024. These vested unissued units are included in outstanding shares for basic and diluted earnings per share but are not reported as issued and outstanding in the Consolidated Balance Sheets and Consolidated Statements of Changes in Shareholders' Equity.

As of September 30, 2024, the intrinsic value of RSUs and PSUs expected to vest was \$ 65.8 million.

For the years ended September 30, 2024, 2023, and 2022, we recognized share-based compensation expenses of \$ 35.3 million, \$29.5 million, and \$30.5 million, respectively. The income tax benefit recorded on these charges for the same years was \$ 11.0 million, \$8.1 million, and \$6.9 million, respectively. The expenses related to share-based compensation awards are recorded in selling and administrative expenses. As of September 30, 2024, there was \$39.8 million of total estimated unrecognized compensation cost related to non-vested RSUs and PSUs. This cost is expected to be recognized over three years, with an average life of 1.2 years. This expense may be affected by factors including changes in performance-based award expectations or award forfeitures.

The weighted-average grant-date fair value of RSUs granted in years ended September 30, 2023 and 2022, was \$ 70.38 and \$79.75, respectively. The total fair value of RSUs vested during the years ended September 30, 2024, 2023, and 2022, was \$39.6 million, \$29.8 million, and \$23.5 million, respectively.

Stock Repurchase Programs

Under a resolution adopted in June 2024, the Board of Directors authorized an increase to our existing stock purchase program that allows us to purchase, at management's discretion, up to \$200.0 million of our common stock. During the years ended September 30, 2024 and 2022, we purchased 0.9 million and 1.4 million common shares at a cost of \$ 73.1 million and \$96.1 million, respectively. We made no purchases during fiscal year 2023. As of September 30, 2024, \$171.4 million remained available for future stock purchases. Subsequent to year-end, we have acquired a further 0.5 million shares at a cost of \$ 43.2 million.

13. CASH AND CASH EQUIVALENTS AND RESTRICTED CASH

Table 13.1: Details of Cash and Cash Equivalents and Restricted Cash

	As of September 30,	
	2024	2023
	(in thousands)	
Cash and cash equivalents	\$ 183,123	\$ 65,405
Restricted cash (1)	52,640	56,686
Cash, cash equivalents, and restricted cash	<u>\$ 235,763</u>	<u>\$ 122,091</u>

(1) Restricted cash is recorded within "Prepaid expenses and other current assets" on the Consolidated Balance Sheets.

Table 13.2: Supplemental Disclosures of Cash Flow Information

	For the Year Ended September 30,		
	2024	2023	2022
	(in thousands)		
Interest payments	\$ 78,955	\$ 81,098	\$ 43,094
Income tax payments	\$ 99,686	\$ 61,050	\$ 76,038

14. OTHER BALANCE SHEET COMPONENTS

Accounts Receivable, Net

Table 14.1: Details of Accounts Receivable, Net

	As of September 30,	
	2024	2023
	(in thousands)	
Billed and billable receivables	\$ 734,817	\$ 692,707
Unbilled receivables	149,488	137,885
Allowance for credit losses	(4,791)	(3,719)
Accounts receivable, net	<u>\$ 879,514</u>	<u>\$ 826,873</u>

Table 14.2: Changes in Allowance for Credit Losses

	For the Year Ended September 30,		
	2024	2023	2022
	(in thousands)		
Balance at beginning of period	\$ 3,719	\$ 8,273	\$ 8,044
Provision for estimated credit losses	12,761	7,097	6,799
Write-offs, net of recoveries	(11,689)	(11,651)	(6,570)
Balance at end of period	<u>\$ 4,791</u>	<u>\$ 3,719</u>	<u>\$ 8,273</u>

We have a Receivables Purchase Agreement with Wells Fargo Bank N.A., under which we may sell certain U.S.-originated accounts receivable balances up to a maximum amount of \$200.0 million. In return for these sales, we receive a cash payment equal to the face value of the receivables less a financing charge.

We account for these transfers as sales. We have no retained interest in the transferred receivables other than administrative responsibilities, and Wells Fargo has no recourse for any credit risk. We estimate that the implicit servicing fees for an arrangement of this size and type would be immaterial.

For the years ended September 30, 2024 and 2023, the fair value of accounts receivables transferred to Wells Fargo and derecognized from our balance sheet was \$334.3 million and \$450.4 million, respectively. In exchange for these sales, we received cash of \$ 332.2 million and \$447.7 million for the same periods, respectively. The balance, representing a loss on sale from these transfers, is included within our selling, general, and administrative expenses. We have recorded these transactions within our operating cash flows.

Property and Equipment, Net

Table 14.3: Details of Property and Equipment, Net

	As of September 30,	
	2024	2023
	<i>(in thousands)</i>	
Office furniture and equipment	\$ 123,027	\$ 134,910
Leasehold improvements	78,894	78,520
Property and equipment, at cost	201,921	213,430
Accumulated depreciation	(162,944)	(174,599)
Property and equipment, net	<u>\$ 38,977</u>	<u>\$ 38,831</u>

Depreciation expense for the years ended September 30, 2024, 2023, and 2022, was \$ 19.2 million, \$28.4 million, and \$28.3 million, respectively. This expense was recorded within "cost of revenue" and "selling, general, and administrative expenses" on our consolidated statements of operations.

Capitalized Software Costs, Net

Capitalized software is recorded at cost and includes purchased, internally-developed, and externally-developed software used in our operations. Amortization expense is provided using the straight-line method over the estimated useful lives of the software.

A summary of activities related to capitalized software costs is shown below:

Table 14.4: Details of Capitalized Software, Net

	As of September 30,	
	2024	2023
	<i>(in thousands)</i>	
Capitalized software	\$ 290,426	\$ 195,813
Accumulated amortization	(102,749)	(88,002)
Capitalized software, net	<u>\$ 187,677</u>	<u>\$ 107,811</u>

Amortization expense related to capitalized software for the years ended September 30, 2024, 2023, and 2022 was \$ 14.8 million, \$26.3 million, and \$14.1 million, respectively. The majority of this amortization was recorded within our "cost of revenue" and "selling, general, and administrative expenses" on our consolidated statements of operations.

Deferred Contract Costs, Net

Deferred contract costs consist of contractually recoverable costs to fulfill services related to long-term service contracts. These costs include direct and incremental costs incurred prior to the commencement of providing service to our customer. These costs are expensed over the period the services are provided using the straight-line method.

A summary of activities related to deferred contract costs is shown below:

Table 14.5: Details of Deferred Contracts Costs, Net

	As of September 30,	
	2024	2023
	<i>(in thousands)</i>	
Deferred contract costs	\$ 94,253	\$ 77,597
Accumulated amortization	(34,821)	(32,225)
Total deferred contract costs, net	<u>\$ 59,432</u>	<u>\$ 45,372</u>

Amortization expense related to deferred contract costs for the years ended September 30, 2024, 2023, and 2022 was \$ 9.8 million, \$12.7 million, and \$8.9 million, respectively. These amounts were recorded within our "cost of revenue" on our consolidated statements of operations.

15. COMMITMENTS AND CONTINGENCIES

Litigation

We are subject to audits, investigations, and reviews relating to compliance with the laws and regulations that govern our role as a contractor to agencies and departments of federal, state, local, and foreign governments. Adverse findings could lead to criminal, civil, or administrative proceedings, and we could be faced with penalties, fines, suspension, or debarment. Adverse findings could also have a material adverse effect on us because of our reliance on government contracts. We are subject to periodic audits by federal, state, local, and foreign governments for taxes. We are also involved in various claims, arbitrations, and lawsuits arising in the normal conduct of our business, which include but are not limited to bid protests, employment matters, contractual disputes, and charges before administrative agencies. Except for the matters described below for which we cannot predict the outcome, we do not believe the outcome of any existing matter would likely have a material adverse effect on our consolidated financial position, results of operations, or cash flows.

We evaluate developments in our litigation matters and establish or make adjustments to our accruals as appropriate. A liability is accrued if a loss is probable and the amount of such loss can be reasonably estimated. If the risk of loss is probable, but the amount cannot be reasonably estimated, or the risk of loss is only reasonably possible, a potential liability will be disclosed but not accrued, if material. Due to the inherent uncertainty in the outcome of litigation, our estimates and assessments may prove to be incomplete or inaccurate and could be impacted by unanticipated events and circumstances, adverse outcomes, or other future determinations.

MOVEit Cybersecurity Incident Litigation

As the Company has previously disclosed, on May 31, 2023, Progress Software Corporation, the developer of MOVEit, a file transfer application used by many organizations to transfer data, announced a critical zero-day vulnerability in the application that allowed unauthorized third parties to access its customers' MOVEit environments. Maximus uses MOVEit for internal and external file sharing purposes, including to share data with government customers related to Maximus's services in support of certain government programs. Based on its review of the impacted files to date, the Company has provided notices to individuals whose personal information, including social security numbers, protected health information, and/or other personal information, may have been included in the impacted files.

On August 1, 2023, a purported class action was filed against Maximus Federal Services, Inc. (a wholly-owned subsidiary of Maximus, Inc.) in the U.S. District Court for the Eastern District of Virginia arising out of the MOVEit cybersecurity incident – Bishop v. Maximus Federal Services, Case No. 1:23-cv-01019 (U.S. Dist. Ct. E. D. VA). The plaintiff, who purports to represent a nationwide class of individuals, alleges, among other things, that the Company's negligence resulted in the compromise of the plaintiff's personally identifiable information and protected health information. The plaintiff seeks damages to be proved at trial. Over the course of the next year, twelve similar cases were filed in federal courts across the country (inclusive of one case filed in state court and removed to federal court by the Company).

On October 4, 2023, the United States Judicial Panel on Multidistrict Litigation granted a Motion to Transfer creating a Multidistrict Litigation (MDL) in the District of Massachusetts for all cases related to the MOVEit cybersecurity incident. Each of the actions pending in federal courts are now centralized in the MDL.

The parties participating in the MDL have submitted briefing on an omnibus motion to dismiss Plaintiffs' claims pursuant to Rule 12(b)(1) challenging Plaintiffs' standing to bring this suit. That motion is currently pending with the Court. The Court has also named Maximus as a bellwether defendant in the MDL. Maximus and the other bellwether defendants anticipate filing motions to dismiss the pending actions pursuant to Rule 12(b)(6). Maximus and the other bellwether defendants will participate in phased discovery, with limited discovery prior to the Court's decision on the Rule 12 motions, and, if applicable, full discovery following the Court's decision on those motions.

Separately, a number of individual actions related to the incident are currently pending in Florida state courts. On September 6, 2023, an individual action related to the MOVEit incident was filed in state court in the Florida Circuit Court for the 7th Judicial Circuit, Volusia County: Taylor v. Maximus Federal Services, Case No. 2023-12349 (Fla. Cir. Ct., 7th Jud. Cir., Volusia Cnty.). The plaintiff alleges, among other things, that the Company's negligence resulted in the compromise of the plaintiff's personally identifiable information and protected health information. The plaintiff seeks damages to be proved at trial. On April 3, 2024, the Court stayed this action pending the issuance of a scheduling order in the MOVEit MDL that contemplates timing for class certification. Such a scheduling order has not yet been issued and this case remains stayed.

In addition, a total of seven individual actions related to the incident were filed in Florida County courts by a single Plaintiffs' firm. In November 2024, these plaintiffs, plus an eighth individual with similar claims, agreed to settle their claims. The Company anticipates the related seven cases will be dismissed in the near future.

The company also settled a single matter related to the incident filed in small claims court in Texas. That case has been dismissed.

The Company is not able to determine or predict the ultimate outcome of any of the remaining proceedings or reasonably provide an estimate or range of the possible outcome or loss, if any.

Census Project – Civil Investigation Demand (CID)

In 2021, Maximus received a CID from the U.S. Department of Justice (DOJ) pursuant to the False Claims Act seeking records pertaining to the Census project. The CID requested the production of documents related to the Company's compliance with telephone call quality assurance scoring and reporting requirements. The Company is cooperating with the DOJ in its investigation and providing responses and information on an ongoing basis. The Company recorded an accrual of \$8.2 million for the year ended September 30, 2024. While it is reasonably possible that losses exceeding the amount accrued may be incurred, it is not possible at this time to estimate the additional possible loss in excess of the amount already accrued.

Maximus Federal Services, Inc. v. United States

In October 2024, Maximus Federal Services, Inc. (a wholly-owned subsidiary of Maximus, Inc.) filed suit in the U.S. Court of Federal Claims, challenging the inclusion of a "labor harmony agreement" and related requirements in a solicitation issued by the Centers for Medicare and Medicaid Services (CMS) to reprocur the Contact Center Operations (CCO) 1-800-MEDICARE contract. The labor harmony agreement requirements mandate that the apparent successful offeror and contractor throughout performance enter into a labor harmony agreement with any union that demonstrates an intent to represent the workforce or risk ineligibility for contract award or default of the contract, among other remedies available to the government. The lawsuit alleges that the challenged requirements are unlawful, unduly restrictive of competition, and arbitrary and capricious. This lawsuit followed the Government Accountability Office's ruling in September 2024 that partially sustained the Company's pre-award protest, requiring CMS to revise the solicitation to remove an ambiguity.

Performance Bonds

Certain contracts require us to provide a surety bond as a guarantee of performance. As of September 30, 2024, we had performance bond commitments totaling \$34.9 million. These bonds are typically renewed annually and remain in place until the contractual obligations are satisfied. Although the triggering events vary from contract to contract, in general, we would only be liable for the amount of these guarantees in the event of default in our performance of our obligations under each contract, the probability of which we believe is remote.

16. EMPLOYEE BENEFIT PLANS AND DEFERRED COMPENSATION

Defined Contribution Plan

We have 401(k) plans for the benefit of employees who meet certain eligibility requirements. The plans provide for a company match, specified company contributions and discretionary company contributions. For the years ended September 30, 2024, 2023, and 2022, we contributed \$36.7 million, \$34.1 million, and \$28.0 million to the 401(k) plans, respectively. Outside the U.S., we have a number of defined contribution pension plans and other employee benefit plans. For the years ended September 30, 2024, 2023, and 2022, we contributed \$20.4 million, \$19.8 million, and \$23.7 million to these plans, respectively.

Deferred Compensation Plan

We also have a deferred compensation plan, which is a non-qualified plan available to a restricted number of highly compensated employees. The plan enables participants to defer compensation for tax purposes. These deferred employee contributions are held within a Rabbi Trust with investments directed by the respective employees. The assets of the Rabbi Trust are available to satisfy the claims of general creditors in the event of bankruptcy. The assets of the plan are sufficient to meet 90% of the liabilities as of September 30, 2024. The assets within the Rabbi Trust include \$ 34.7 million invested in mutual funds that have quoted prices in active markets. These assets, as well as the related employee liabilities, are recorded at fair value, with changes in fair value being recorded in the consolidated statements of operations. Refer to "Note 9. Fair Value Measurements" for more details.

17. SUBSEQUENT EVENTS

On October 5, 2024, our Board of Directors declared a quarterly cash dividend of \$ 0.30 for each share of our common stock outstanding. The dividend is payable on November 30, 2024, to shareholders of record on November 15, 2024. Based upon the number of shares outstanding, we anticipate a cash payment of approximately \$18.1 million.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None.

Item 9A. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our principal executive officer and principal financial officer, has evaluated the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934 (Exchange Act)) as of the end of the period covered by this Annual Report on Form 10-K. Based on this evaluation, our principal executive officer and principal financial officer concluded that our disclosure controls and procedures are effective and designed to ensure that the information required to be disclosed in our reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported within the time periods specified by the Securities and Exchange Commission's (SEC) rules and forms and that such information is accumulated and communicated to our management, including our principal executive officer and principal financial officer as appropriate, to allow timely decisions regarding required disclosure.

Management's Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting (as defined in Rule 13a-15(f) under the Exchange Act). Our internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of our financial reporting and the preparation of published financial statements in accordance with generally accepted accounting principles.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions or that the degree of compliance with the policies or procedures may deteriorate.

Management assessed the effectiveness of our internal control over financial reporting as of September 30, 2024. In making this assessment, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in the Internal Control—Integrated Framework (2013). Based on our assessment, we believe that as of September 30, 2024, our internal control over financial reporting was effective based on those criteria.

The attestation report concerning the effectiveness of our internal control over financial reporting as of September 30, 2024, issued by Ernst & Young LLP, the independent registered public accounting firm who also audited our consolidated financial statements, is included following this Item 9A.

Changes in Internal Control Over Financial Reporting

There was no change in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) identified in connection with the evaluation of our internal control that occurred during our fourth fiscal quarter of 2024 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Report of Independent Registered Public Accounting Firm

To the Shareholders and the Board of Directors of Maximus, Inc.

Opinion on Internal Control Over Financial Reporting

We have audited Maximus, Inc.'s internal control over financial reporting as of September 30, 2024, based on criteria established in *Internal Control—Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO criteria). In our opinion, Maximus, Inc. (the Company) maintained, in all material respects, effective internal control over financial reporting as of September 30, 2024, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the 2024 consolidated financial statements of the Company and our report dated November 21, 2024 expressed an unqualified opinion thereon.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Ernst & Young LLP

Tysons, Virginia

November 21, 2024

Item 9B. Other Information

- (a) None.
- (b) During the three months ended September 30, 2024, Jan D. Madsen, a member of our Board of Directors, adopted a new Rule 10b5-1 trading arrangement on September 14, 2024, intended to satisfy the affirmative defense of Rule 10b5-1(c), solely for “sell to cover” transactions to cover tax-withholding obligations relating to RSU settlements between March 15, 2025 and March 16, 2026.

Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections

Not Applicable.

PART III**Item 10. Directors, Executive Officers and Corporate Governance**

The information required by this item is herein incorporated by reference to the Company's definitive proxy statement relating to the 2025 Annual Meeting of Shareholders, which will be filed with the Securities and Exchange Commission within 120 days after September 30, 2024.

Item 11. Executive Compensation

The information required by this item is herein incorporated by reference to the Company's definitive proxy statement relating to the 2025 Annual Meeting of Shareholders, which will be filed with the Securities and Exchange Commission within 120 days after September 30, 2024.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters**Information with Respect to Securities Authorized for Issuance Under Equity Compensation Plans**

The following table sets forth as of September 30, 2024, information with respect to (a) the number of securities to be issued upon exercise of outstanding options, warrants, and rights, (b) the weighted average exercise price of outstanding options, warrants, and rights and (c) the number of securities remaining available for future issuance under our existing equity incentive plan. All shares under our existing equity incentive plan may be issued in the form of restricted stock, performance shares, stock appreciation rights, stock units, or other stock-based awards.

	(a)		(b)		(c)
	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights		Weighted Average Exercise Price of Outstanding Options, Warrants and Rights		Number of Securities Remaining Available for Future Issuance under Equity Compensation Plans (Excluding Securities in Column (a))
Equity compensation plans/arrangements approved by the shareholders	966,808	\$	—		1,807,031
Equity compensation plans/arrangements not approved by the shareholders	—		—		—
Total	966,808	\$	—		1,807,031

All other information required by this item is herein incorporated by reference to the Company's definitive proxy statement relating to the 2025 Annual Meeting of Shareholders, which will be filed with the Securities and Exchange Commission within 120 days after September 30, 2024.

Item 13. Certain Relationships and Related Transactions, and Director Independence

The information required by this item is herein incorporated by reference to the Company's definitive proxy statement relating to the 2025 Annual Meeting of Shareholders, which will be filed with the Securities and Exchange Commission within 120 days after September 30, 2024.

Item 14. Principal Accountant Fees and Services

The information required by this item is herein incorporated by reference to the Company's definitive proxy statement relating to the 2025 Annual Meeting of Shareholders, which will be filed with the Securities and Exchange Commission within 120 days after September 30, 2024.

PART IV

Item 15. Exhibits and Financial Statement Schedules

- (a) Documents filed as a part of the report:
- (1) Financial Statements. The Company's financial statements are included in Item 8. Financial Statements and Supplementary Data.
 - (2) Financial Statement Schedules. All schedules are omitted since they are not applicable, not required, or the information required to be set forth herein is included in the Consolidated Financial Statements or notes thereto.
 - (3) Exhibits. The exhibits listed in the Exhibit Index immediately below are filed as part of this Annual Report on Form 10-K, or are incorporated by reference herein.
- (b) Exhibits. See Item 15(a)(3) above.
- (c) Financial Statement Schedules. See Item 15(a)(2) above.

Exhibit No.	Description of Exhibit	Incorporated by Reference Herein			
		Form/Schedule	File No.	Date Filed	Exhibit No.
3.1	Amended and Restated Articles of Incorporation of the Company.	10-Q	1-12997	August 14, 1997	3.1
3.2	Articles of Amendment of Amended and Restated Articles of Incorporation.	10-Q	1-12997	August 14, 2000	
3.3	Articles of Amendment of Amended and Restated Articles of Incorporation.	10-Q	1-12997	May 10, 2013	3(i)
3.4	Articles of Amendment of Amended and Restated Articles of Incorporation.	10-Q	1-12997	May 7, 2020	3.1
3.5	Amended and Restated Bylaws of the Company.	8-K	1-12997	March 15, 2023	3.2
4.1	Specimen Common Stock Certificate.	10-Q	1-12997	August 14, 1997	4.1
4.2	Description of Securities.	10-K	1-12997	November 19, 2020	4.2
10.1	▲ Form of Indemnification Agreement by and between the Company and each of the directors of the Company.	S-1	333-21611	February 12, 1997	10.10
10.2	▲ Executive Employment, Non-Compete and Confidentiality Agreement between Bruce L. Caswell and Maximus, Inc.	8-K	1-12997	January 16, 2018	10.1
10.3	▲ Amended and Restated Income Continuity Program.	10-K	1-12997	November 16, 2015	10.6
10.4	▲ Deferred Compensation Plan, as amended.	8-K	1-12997	November 27, 2007	10.3
10.5	▲ 2011 Equity Incentive Plan.	14A	1-12997	January 27, 2012	B
10.6	▲ First Amendment to 2011 Equity Incentive Plan.	8-K	1-12997	December 21, 2015	10.1
10.7	▲ 1997 Equity Incentive Plan, as amended.	S-8	333-136400	August 8, 2006	4.3

- ▲ Denotes management compensatory plan or arrangement
- ❖ Filed herewith.
- Φ Furnished herewith.
- △ Schedules and similar attachments omitted pursuant to Item 601(b)(2) of Regulation S-K. The Company agrees to furnish a copy of omitted schedules to the Securities and Exchange Commission upon request.
- Ω Schedules omitted pursuant to Item 601(a)(5) of Regulation S-K. The Company agrees to furnish a copy of any omitted schedules to the Securities and Exchange Commission upon request.

Exhibit No.		Description of Exhibit	Incorporated by Reference Herein			
			Form/Schedule	File No.	Date Filed	Exhibit No.
10.8	▲	First Amendment to the 1997 Equity Incentive Plan, as amended.	8-K	1-12997	November 27, 2007	10.2
10.9	▲	1997 Equity Incentive Plan—Restricted Stock Units—Terms and Conditions.	8-K	1-12997	June 23, 2006	10.1
10.10	▲	2017 Equity Incentive Plan.	S-8	333-217657	May 4, 2017	4.5
10.11	▲	2021 Omnibus Incentive Plan.	14A	1-12997	January 27, 2021	A
10.12	▲❖	Form of Restricted Stock Unit (RSU) Agreement under Maximus Inc. 2021 Omnibus Incentive Plan.				
10.13	▲❖	Form of Performance-Based Restricted Stock Unit (PSU) Agreement under Maximus Inc. 2021 Omnibus Incentive Plan.				
10.14	Ω	Amended and Restated Credit Agreement, dated as of May 30, 2024, by and among the Company, JPMorgan Chase Bank, N.A., as administrative agent, collateral agent, an issuing lender and swing line lender, and the lenders and other financial institutions party thereto (incorporated by reference to the Company's Current Report on Form 8-K, filed June 4, 2024).	8-K	1-12997	June 4, 2024	10.1
10.15	▲❖	Separation and Release Agreement between Maximus, Inc. and Teresa A. Weipert - February 22, 2024				
10.16	▲❖	Separation and Release Agreement between Maximus, Inc. and Teresa A. Weipert - June 3, 2024				
19.1	❖	Insider Trading Policy.				
21.1	❖	List of Subsidiaries of the Company.				
23.1	❖	Consent of Independent Registered Public Accounting Firm.				
31.1	❖	Certification of Chief Executive Officer pursuant to Section 302 of Sarbanes-Oxley Act of 2002.				
31.2	❖	Certification of Chief Financial Officer pursuant to Section 302 of Sarbanes-Oxley Act of 2002.				
32.1	Φ	Certification of Chief Executive Officer pursuant to Section 906 of Sarbanes-Oxley Act of 2002.				
32.2	Φ	Certification of Chief Financial Officer pursuant to Section 906 of Sarbanes-Oxley Act of 2002.				
97.1	❖	Clawback Policy.				
101.INS	❖	XBRL Instance Document.				
101.SCH	❖	XBRL Taxonomy Extension Schema Document.				
101.CAL	❖	XBRL Taxonomy Calculation Linkbase Document.				
101.DEF	❖	XBRL Taxonomy Definition Linkbase Document.				
101.LAB	❖	XBRL Taxonomy Label Linkbase Document.				
101.PRE	❖	XBRL Taxonomy Presentation Linkbase Document.				
104	❖	Cover Page Interactive Data File. (formatted as Inline XBRL tags and contained in Exhibit 101)				

▲ Denotes management compensatory plan or arrangement

❖ Filed herewith.

Φ Furnished herewith.

Ω Schedules omitted pursuant to Item 601(a)(5) of Regulation S-K. The Company agrees to furnish a copy of any omitted schedules to the Securities and Exchange Commission upon request.

Item 16. Form 10-K Summary

None.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Maximus, Inc.

/s/ Bruce L. Caswell	November 21, 2024
By: Bruce L. Caswell President and Chief Executive Officer (Principal Executive Officer)	

/s/ David W. Mutryn	November 21, 2024
By: David W. Mutryn Chief Financial Officer (Principal Financial Officer)	

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed by the following persons on behalf of the Registrant and in the capacities and on the dates included.

Name	Title	Date
/s/ Bruce L. Caswell Bruce L. Caswell	President and Chief Executive Officer (Principal Executive Officer) and Director	November 21, 2024
/s/ David W. Mutryn David W. Mutryn	Chief Financial Officer (Principal Financial Officer)	November 21, 2024
/s/ Theresa Golinvaux Theresa Golinvaux	Corporate Controller (Principal Accounting Officer)	November 21, 2024
/s/ John J. Haley John J Haley	Chair of the Board of Directors	November 21, 2024
/s/ Anne K. Altman Anne K. Altman	Vice Chair of the Board of Directors	November 21, 2024
/s/ Richard A. Montoni Richard A. Montoni	Director	November 21, 2024
/s/ Jan D. Madsen Jan D. Madsen	Director	November 21, 2024
/s/ Gayathri Rajan Gayathri Rajan	Director	November 21, 2024
/s/ Raymond B. Ruddy Raymond B. Ruddy	Director	November 21, 2024
/s/ Michael J. Warren Michael J. Warren	Director	November 21, 2024

MAXIMUS, INC.

**2021 OMNIBUS INCENTIVE PLAN
RESTRICTED STOCK UNIT AWARD NOTICE**

You have been awarded Restricted Stock Units (“RSU”) pursuant to the terms and conditions of the MAXIMUS, Inc. 2021 Omnibus Incentive Plan (as amended from time to time, the “Plan”) and the attached Restricted Stock Unit Award Agreement (together with this Award Notice, the “Agreement”). Capitalized terms not defined herein shall have the meanings specified in the Plan or the Agreement.

Participant: [_____]

Grant Date: November __, 2023 (the “Grant Date”)

RSUs: [_____] RSUs

Each RSU represents the right to receive one share of Common Stock upon vesting.

Vesting Dates: The RSUs shall vest in equal one-third installments on September 30th of 2024, 2025 and 2026 (the “Vesting Date”), subject to acceleration in case of certain qualifying termination events.¹

MAXIMUS, INC.

By: _____

Name:

Title:

¹ If the RSUs are not evenly divisible by three, the remainder RSUs shall be allocated to the final vesting date. For example, for 100 RSUs, the vesting tranches shall be as follows: 33 RSUs –on the first annual vesting; 33 RSUs – on the second annual vesting; and 34 RSUs – on the 3rd annual vesting.

Acknowledgment, Acceptance and Agreement:

By electronically signing below and returning this Award Notice to MAXIMUS, Inc., I hereby acknowledge receipt of the Agreement and the Plan, accept the Award granted to me and agree to be bound by the terms and conditions of this Award Notice, the Agreement and the Plan.²

Participant

Name: _____

² To the extent that the Company has established, either itself or through a third-party plan administrator, the ability to accept this award electronically, such acceptance shall constitute the Participant's signature hereto.

MAXIMUS, INC.

**2021 OMNIBUS INCENTIVE PLAN
RESTRICTED STOCK UNIT AWARD AGREEMENT**

Pursuant to the provisions of the MAXIMUS, Inc. 2021 Omnibus Incentive Plan (as amended from time to time, the "Plan"), MAXIMUS, Inc., a Virginia corporation (the "Company"), hereby grants to the Participant named in the Restricted Stock Unit Award Notice attached hereto, Restricted Stock Units ("RSUs") with respect to the number of shares of the Company's Common Stock set forth in the Restricted Stock Unit Award Notice, upon and subject to the restrictions, terms and conditions set forth in the Plan and this agreement (the "Agreement").

Capitalized terms not defined herein shall have the meanings specified in the the Restricted Stock Unit Award Notice, or if not defined therein, the Plan.

1. Award Subject to Acceptance of Agreement. This Award shall be null and void unless the Participant accepts this Agreement by executing the Award Notice in the space provided therefor and returning an original execution copy of the Award Notice to the Company (or electronically accepting this Agreement within the Participant's stock plan account with the Company's stock plan administrator according to the procedures then in effect).

2. Rights as a Stockholder. The Participant shall not have the right to vote the shares of Common Stock subject to the RSUs unless and until the RSUs are vested pursuant to Section 3 hereof and the Participant becomes a stockholder of record with respect to such Shares. As of any date that the Company pays an ordinary cash dividend on its Shares, the Company will increase the applicable number of outstanding and unvested RSUs by the number of shares that represent a value equal to the per share cash dividend paid by the Company on its shares of Common Stock multiplied by the number of outstanding and unvested RSUs as of the related dividend payment date (collectively, "Dividend Equivalent Shares"). Any such Dividend Equivalent Shares shall be subject to the same vesting, forfeiture, payment, termination and other terms, conditions and restrictions as the original RSUs to which they relate.

3. Vesting.

3.1. Vesting Conditions. Except as otherwise provided in Section 3.2 below, the earned RSUs (if any) shall vest on the Vesting Date(s) set forth in the Restricted Stock Unit Award Notice, provided the Participant remains in continuous employment or service with the Company or an Affiliate through the applicable Vesting Date(s). The period of time prior to the applicable Vesting Date shall be referred to herein as the "Vesting Period." As promptly as possible following the Vesting Date, the Company will deliver to the Participant (either in certificated form or via book entry) the applicable number of Shares (or, in exceptional circumstances as determined by the Committee, the cash Fair Market Value equivalent thereof) corresponding to the vested RSUs.

3.2. Termination of Employment.

(a) Termination due to Retirement. If the Participant's employment with the Company terminates during the Vesting Period and prior to a Change in Control by reason of Retirement, the RSUs will remain outstanding and eligible to continue to vest in accordance with Section 3.1, provided that the Participant has continuously complied with the applicable Restrictive Covenants.

(b) Termination due to Death or Disability. If the Participant's employment with the Company terminates during the Vesting Period and prior to a Change in Control by reason of the Participant's death or a termination by the Company due to Disability, the RSUs shall become fully vested as of the termination date.

3.3. Change in Control.

(a) Accelerated Vesting if Awards not Assumed. In the event of a Change in Control, if the successor company does not equitably assume, continue or substitute the RSUs, such RSUs shall become fully vested as of the date of the Change in Control and the Participant shall be eligible to receive (at the same time and in the same form) the equivalent per share consideration offered to common shareholders generally.

(b) "Double-Trigger" Vesting for Assumed Awards To the extent the successor company equitably assumes, continues or substitutes the RSUs (the "Converted RSUs"), such Converted RSUs shall continue to vest in accordance with Section 3.1; provided, however, if during the Change in Control Protection Period, the Participant's employment is terminated by the Company or an Affiliate (or the successor company or a subsidiary or affiliate thereof) involuntarily without Cause or voluntarily by the Participant for Good Reason, any outstanding Converted RSUs shall become fully vested as of the termination date.

(c) Certain Conditions for Equitable Assumption. For purposes of this Section 3.3, for the Converted RSUs to be considered "equitably assumed, continued or substituted" by the successor company, the Committee must determine prior to the Change in Control that the assumed, continuing or substituted award satisfies the following requirements: (i) is based on stock of the successor company that is traded on an established U.S. securities market or an established securities market outside the United States upon which the Participant can readily trade the stock without administrative burdens or complexities; (ii) provides the Participant with rights and entitlements substantially equivalent to or better than the rights, terms and conditions applicable under the original RSUs; and (iii) have substantially equivalent value (determined at the time of the Change in Control).

3.4. Certain Definitions.

(a) Cause. For purposes of this Agreement, "Cause" shall have the definition specified in the Plan.

(b) Change in Control. For purposes of this Agreement, "Change in Control" shall have the definition specified in the Plan.

(c) Change in Control Protection Period. For purposes of this Agreement, "Change in Control Protection Period" means (i) for a Participant who is a covered participant in the Company's Income Continuity Plan (or its successor) as of the employment termination date, the applicable protection period for a severance qualifying termination as specified therein and (ii) for all other Participants, the 24-month period following a Change in Control.

(d) Disability. For purposes of this Agreement, "Disability" shall have definition specified in the Plan.

(e) Good Reason. For purposes of this Agreement, "Good Reason" shall have the definition specified in the Company's Income Continuity Plan (or its successor), and only to the extent Participant is a covered participant in the Income Continuity Plan (or its successor) as of the employment termination date.

(f) Restrictive Covenant. For purposes of this Agreement, "Restrictive Covenant" shall mean any non-competition, non-solicitation, confidentiality or protection of trade secrets (or similar provision regarding intellectual property) covenant by which Participant is bound under any agreement between Participant and the Company and its Subsidiaries. To the extent the Participant is not subject to a separate Restrictive Covenant agreement, or not an employee of the United States of America, the restrictive covenants are set forth in Appendix A shall apply.

(g) Retirement. For purposes of this Agreement, “Retirement” shall mean Participant’s termination of employment without Cause and at a time when (i) the Participant has attained age 55 with 10 or more years of service with the Company and its Affiliates, or (ii) the Participant has attained age 60 with five or more years of service with the Company and its Affiliates; provided that (A) the Participant must notify the Company at least 12 months before his/her potential retirement (this notice is not meant to be a formal notice of retirement, but it is intended to begin discussions regarding retirement to assist the Company in its succession planning) and (B) the Participant must sign an enhanced Confidentiality and Restrictive Covenant (“CRC”) Agreement that extends for two years beyond the final Vesting Date.

4. Additional Terms and Conditions of Award.

4.1. Equitable Adjustments. The outstanding and unvested RSUs shall be adjusted as necessary to prevent dilution or enlargement of a Participant’s rights hereunder in the manner contemplated by Section 4.4 of the Plan.

4.2. Withholding Taxes. As a condition precedent to the vesting of the RSUs and the delivery of shares of Common Stock hereunder, at the Company’s discretion either (i) the Participant shall pay to the Company such amount as the Company determines is required, under all applicable federal, state, local, foreign or other laws or regulations, to be withheld and paid over as income or other withholding taxes (the “Required Tax Payments”) with respect to the Award or (ii) the Company may, in its discretion, deduct any Required Tax Payments from any amount then or thereafter payable by the Company or an Affiliate to the Participant, which may include the withholding of whole Shares which would otherwise be delivered to the Participant having an aggregate Fair Market Value, determined as of the date on which such withholding obligation arises, equal to the Required Tax Payments, in either case in accordance with such terms, conditions and procedures that may be prescribed by the Company. Notwithstanding the foregoing, if the Required Tax Payments are due prior to the date the Company determines the number of Shares that have become vested, the amount of the Required Tax Payments, including the number of shares withheld to pay such Required Tax Payments, may be based on a reasonable estimate of the number of Shares that are expected to become vested. No shares of Common Stock shall be delivered until the Required Tax Payments have been satisfied in full. To the extent necessary for compliance with Rule 16b-3 of the Exchange Act, a determination by the Company to satisfy the Required Tax Payments by withholding Shares shall be made by the Committee if the Participant is subject to Section 16 of the Exchange Act.

4.3. Compliance with Section 409A of the Code. This Agreement is intended to comply with Section 409A of the Code or an exemption thereunder and shall be construed and interpreted in a manner that is consistent with the requirements for avoiding additional taxes or penalties under Section 409A of the Code. In addition and notwithstanding anything to the contrary in this Agreement, the Company reserves the right to revise this Agreement as it deems necessary or advisable, in its sole discretion and without Participant’s consent, to comply with Section 409A or to otherwise avoid imposition of any additional tax or income recognition under Section 409A in connection with this Award. Notwithstanding the foregoing, the Company makes no representations that the payments and benefits provided under this Agreement comply with Section 409A of the Code and in no event shall the Company be liable for all or any portion of any taxes, penalties, interest or other expenses that may be incurred by the Participant on account of non-compliance with Section 409A of the Code. For purposes of this Agreement, “Section 409A” means Section 409A of the Code, and any proposed, temporary or final Treasury regulations and Internal Revenue Service guidance thereunder, as each may be amended from time to time.

4.4. Compliance with Applicable Law. The RSUs are subject to the condition that if the listing, registration or qualification of the Shares subject to the Award upon any securities exchange or under any law, or the consent or approval of any governmental body, or the taking of any other action is necessary or desirable as a condition of, or in connection with, the delivery of shares hereunder, the

Shares subject to the Award shall not be delivered, in whole or in part, unless such listing, registration, qualification, consent, approval or other action shall have been effected or obtained, free of any conditions not acceptable to the Company.

4.5. Clawback/Repayment. The RSUs shall be subject to reduction, cancellation, forfeiture or recoupment to the extent necessary to comply with (i) any clawback, forfeiture or other similar policy adopted by the Board or Committee and as in effect from time to time; and (ii) applicable law. Further, to the extent that the Participant receives any amount in excess of the amount that the Participant should otherwise have received under the terms of the Award for any reason (including, without limitation, by reason of a financial restatement, mistake in calculations or other administrative error), the Participant shall be required to repay any such excess amount to the Company.

4.6. Award Confers No Rights to Continued Employment. In no event shall the granting of the Award or its acceptance by the Participant, or any provision of the Agreement or the Plan, give or be deemed to give the Participant any right to continued employment by the Company, any Subsidiary or any affiliate of the Company or affect in any manner the right of the Company, any Subsidiary or any affiliate of the Company to terminate the employment of any person at any time.

4.7. Decisions of Board or Committee. The Committee shall have the right to resolve all questions which may arise in connection with the Award. Any interpretation, determination or other action made or taken by the Board or the Committee regarding the Plan or this Agreement shall be final, binding and conclusive.

4.8. Successors. This Agreement shall be binding upon and inure to the benefit of any successor or successors of the Company and any person or persons who shall, upon the death of the Participant, acquire any rights hereunder in accordance with this Agreement or the Plan.

4.9. Notices. All notices, requests or other communications provided for in this Agreement shall be made, if to the Company, to 1891 Metro Center Drive, Reston, VA 20190, and if to the Participant, to the last known mailing address of the Participant contained in the records of the Company. All notices, requests or other communications provided for in this Agreement shall be made in writing either (a) by personal delivery, (b) by facsimile or electronic mail with confirmation of receipt, (c) by mailing in the United States mails or (d) by express courier service. The notice, request or other communication shall be deemed to be received upon personal delivery, upon confirmation of receipt of facsimile or electronic mail transmission or upon receipt by the party entitled thereto if by United States mail or express courier service; provided, however, that if a notice, request or other communication sent to the Company is not received during regular business hours, it shall be deemed to be received on the next succeeding business day of the Company.

4.10. Governing Law. This Agreement and all determinations made and actions taken pursuant hereto and thereto shall be governed by the laws of the Commonwealth of Virginia and construed in accordance therewith without giving effect to principles of conflicts of laws.

4.11. Nontransferability. Except as otherwise permitted under the Plan, this Agreement shall not be assignable or transferable by the Participant or by the Company (other than to successors of the Company) and no amounts payable under this Agreement, or any rights therein, shall be subject in any manner to any anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, levy, lien, attachment, garnishment, debt or other charge or disposition of any kind.

4.12. Agreement Subject to the Plan. This Agreement is subject to the provisions of the Plan and shall be interpreted in accordance therewith. In the event that the provisions of this Agreement and the Plan conflict, the Plan shall control. The Participant hereby acknowledges receipt of a copy of the Plan.

4.13. Entire Agreement. This Agreement and the Plan constitute the entire agreement of the parties with respect to the subject matter hereof and supersede in their entirety all prior undertakings and agreements of the Company and the Participant with respect to the subject matter hereof, and may not be materially modified adversely to the Participant's interest except by means of a writing signed by the Company and the Participant.

4.14. Partial Invalidity. The invalidity or unenforceability of any particular provision of this Agreement shall not affect the other provisions hereof and this Agreement shall be construed in all respects as if such invalid or unenforceable provision was omitted.

4.15. Amendment and Waiver. The Company may amend the provisions of this Agreement at any time; provided that an amendment that would materially adversely affect the Participant's rights under this Agreement shall be subject to the written consent of the Participant. No course of conduct or failure or delay in enforcing the provisions of this Agreement shall affect the validity, binding effect or enforceability of this Agreement.

4.16. Global Appendix. If the Participant is subject to the laws of a jurisdiction outside of the United States of America, the Award will be subject to all applicable terms and conditions set out in Appendix C.

Appendix A

Restrictive Covenants

As a condition to the grant of the RSUs, the Participant hereby agrees to the following:

1. **Certain Definitions.**

- a. "Confidential Information" means information, to the extent it is not a Trade Secret, that is nevertheless highly sensitive and proprietary to MAXIMUS which is possessed by or developed for MAXIMUS and which relates to MAXIMUS' existing or potential business or business methods, which information is generally not known to the public and which information MAXIMUS seeks to protect from disclosure to its existing or potential competitors or others, including, without limitation, sensitive business information, business plans, market strategies, existing or proposed bids, pricing information, data compilations, financial or business projections, marketing plans, training information and materials, sensitive information provided by clients about their businesses, client work files, client and prospective client lists containing information about clients, client contracts and contract information, and company databases. Confidential Information also includes information received by MAXIMUS from others which MAXIMUS has an obligation to treat as confidential, including all non-public information obtained in connection with client engagements.
- b. "MAXIMUS" means MAXIMUS, Inc. and any of its subsidiaries.
- c. "Trade Secret" means information developed or obtained by MAXIMUS that is protected as a Trade Secret under applicable law.
- d. "Work of Authorship" means any computer program, system, or database, as well as any written, graphic or other work or invention, whether published or unpublished, and whether copyrightable or not, in whatever form and in whatever media, originated solely by Participant or jointly with others, during employment by MAXIMUS (i) relating to any of MAXIMUS' services, processes, applications or other business or technical activities or investigations; or (ii) relating to ideas, work or investigations conceived or carried on by Participant in connection with or because of employment by MAXIMUS.

2. **Ownership of Intellectual Property.**

In the event Participant, individually or jointly with others, originates a Work of Authorship, creates Confidential Information, or creates a Trade Secret while employed by MAXIMUS, it shall, without further payment, immediately become the property of MAXIMUS throughout the world. In addition:

- a. Participant shall disclose and communicate to MAXIMUS promptly and fully all such Works of Authorship originated and Trade Secrets and Confidential Information created;
- b. At all times during or after Participant's employment by MAXIMUS, upon MAXIMUS' request and expense, Participant shall execute patent applications, copyright applications, assignments and other documents relating to each Work of Authorship necessary or proper to vest ownership in MAXIMUS and to obtain, maintain and enforce patents, certificates of copyright registration, and other proprietary rights to the Works of Authorship throughout the world; and
- c. At all times during or after Participant's employment by MAXIMUS, upon MAXIMUS' request and expense, Participant shall give affidavits and testimony as to facts within Participant's knowledge in connection with any such Works of Authorship in any administrative proceedings, arbitration, litigation or controversy relating thereto.
- d. Notwithstanding the foregoing, if Participant is employed by MAXIMUS in California, then this Agreement does not require assignment of any Work of Authorship that constitutes an invention protected by Section 2870 of the California Labor Code which is an invention that the employee developed entirely on his or her own time without using the employer's equipment, supplies, facilities,

or trade secret information except for those inventions that either: (1) relate at the time of conception or reduction to practice of the invention to the employer's business, or actual or demonstrate anticipated research or development of the employer; or (2) result from any work performed by the employee for the employer.

3. Restrictions on Disclosure and Use of Confidential Information.

Participant acknowledges that his or her rendering of services to MAXIMUS and its clients necessarily requires the disclosure to Participant of Confidential Information. Participant agrees that all Confidential Information, whether original, duplicated, computerized, memorized, handwritten, or in any other form, and all information contained in any MAXIMUS records, are the sole and exclusive property of MAXIMUS. During Participant's employment by MAXIMUS, Participant shall do what is reasonably necessary to prevent unauthorized disclosure or use of MAXIMUS' Confidential Information. Except as required in the conduct of MAXIMUS' business or as expressly authorized in writing on behalf of MAXIMUS, Participant shall not use or disclose, directly or indirectly, any Confidential Information during employment with MAXIMUS. In addition, at all times following the termination of Participant's employment for any reason, unless applicable law limits the time period of this restriction, in which case the time period provided by such applicable law shall apply, Participant shall not use or disclose, directly or indirectly, any Confidential Information. This prohibition does not apply to Confidential Information after it has become generally known in the industry in which MAXIMUS conducts its business, unless it became generally known through unauthorized use or disclosure by Participant or those acting in concert or participation with Participant.

This prohibition also does not prohibit Participant's use of general skills and know-how acquired during and prior to employment by MAXIMUS, as long as such use does not involve the use or disclosure of Confidential Information.

4. Protection of Trade Secrets.

Participant agrees that all Trade Secrets, whether original, duplicated, computerized, memorized, handwritten, or in any other form, and all information contained in any MAXIMUS records, are the sole and exclusive property of MAXIMUS. During Participant's employment by MAXIMUS, Participant shall do what is reasonably necessary to prevent unauthorized misappropriation or disclosure and threatened misappropriation or disclosure of MAXIMUS' Trade Secrets. In addition, at all times following the termination of Participant's employment for any reason, unless applicable law limits the time period of this restriction, in which case the time period provided by such applicable law shall apply, Participant shall not use or disclose MAXIMUS' Trade Secrets. Nothing in this Agreement is intended to limit MAXIMUS rights with respect to its Trade Secrets.

5. Protection and Return of Materials.

Participant will not physically remove or electronically export from any MAXIMUS location or media any copies, electronic images or originals of Confidential Information or Trade Secrets, client reports, client data, contracts, sales invoices, purchase orders, leases, pricing information, bid forms, government filings, plans, processes, technical information, training materials, valuation models, work papers, hardware, databases or disks, or other documents, electronic data or materials pertaining to MAXIMUS' business or clients, unless required in the course of conducting the business of MAXIMUS during Participant's employment by MAXIMUS or unless expressly authorized in writing by MAXIMUS. Immediately upon termination of employment, Participant will return to MAXIMUS, and if requested so certify in writing to MAXIMUS, all MAXIMUS' papers, documents, things, hardware and software, including information stored for use in or with computers and software applicable to MAXIMUS' business (and all copies thereof), which are in Participant's possession or under Participant's control, regardless whether such items contain Confidential Information or Trade Secrets, except for documents relating to Participant's compensation and benefits that have been provided to Participant by MAXIMUS for Participant's personal use.

6. Restrictions on Competition and Solicitation of Customers.

- a. During the term of employment with MAXIMUS, Participant shall not, without the prior written approval of MAXIMUS, directly or indirectly (1) own, manage, control, participate in, consult with, render services for, or in any manner engage in any business (except for ownership of 1% or less of a class of securities of a publicly held company) that competes with the businesses of MAXIMUS; (2) induce or attempt to induce any customer, supplier, licensee, or other business relation of MAXIMUS to cease doing business with or modify its business relationship with MAXIMUS; or (3) in any way intentionally interfere with the relationship between any such customer, supplier, licensee or business relation and MAXIMUS.
- b. During the twelve (12) months following the date that Participant ceases to be employed by MAXIMUS for any reason ("Restriction Period"), Participant shall not, without the prior written approval of MAXIMUS, directly or indirectly (1) own, manage, control, participate in, consult with, accept employment with, render services for, or in any manner engage in any business in the Territory (except for ownership of 1% or less of a class of securities of a publicly held company) that competes with the businesses of MAXIMUS as of the date of Participant's termination in which Participant engaged, or with respect to which Participant had access to or possessed Trade Secrets or Confidential Information, during the one year immediately preceding Participant's termination of employment; (2) solicit providing, or provide, services to a Customer that are the same as or similar to services that MAXIMUS provided to such Customer during the one year period preceding Participant's termination of employment; (3) induce or attempt to induce any Customer of MAXIMUS to cease doing business with or reduce its business relationship with MAXIMUS; or (4) in any way intentionally interfere with the relationship between any such Customer, or any supplier, licensee or business relation of MAXIMUS, and MAXIMUS. Participant acknowledges that the duration and geographic scope of these restrictions on competition are fair and reasonable, based on the geographic scope of MAXIMUS' business operations and the nature of Participant's position with MAXIMUS. Participant acknowledges that he or she will have responsibilities for developing and maintaining Customer relationships and the goodwill of such relationships, and/or will have access to Trade Secret and/or Confidential Information of value or use to MAXIMUS' competitors, and therefore these restrictions on Participant's employment and business activities during the Restriction Period are fair and reasonable, and necessary for the protection of the Company's business.
- c. The "Territory" means the United States and in those countries in which both MAXIMUS is conducting its business and Participant is either engaged in conducting such business or possesses Confidential Information regarding such business in such Country. Participant acknowledges and agrees that the market served by MAXIMUS is nationwide; that MAXIMUS' competitors and clients, present and potential, are located throughout the United States and its territories; and that the Territory of the non-competition restriction is therefore not overly broad, and is reasonable and necessary for the protection of MAXIMUS' legitimate business interests.
- d. "Customers" means the customers of MAXIMUS which (i) either were introduced to Participant by MAXIMUS or with whom Participant developed a business relationship as a result of Participant's activities on behalf of MAXIMUS, and (ii) with or for whom during the one year period preceding Participant's termination of employment Participant had personal contact or dealings on behalf of MAXIMUS or had direct or indirect customer relationship responsibilities.
- e. If Participant is employed by MAXIMUS in California, then the restrictions in section 6(b) above shall not apply to Participant.

7. Non-Solicitation of MAXIMUS Employees .

- a. Participant acknowledges that MAXIMUS has a protectable interest in maintaining a stable workforce, and in preventing the competitive exploitation of information about MAXIMUS' employees' identities, compensation, skill sets or performance histories.
- b. If Participant is employed in any state other than California, during the Restriction Period Participant will not directly or indirectly solicit, recruit, hire or employ or assist another person or entity to solicit,

recruit, hire or employ (i) any current employee of MAXIMUS or (ii) any individual who was employed by MAXIMUS during the six (6) months immediately preceding Participant's last day of employment at MAXIMUS.

- c. If Participant is employed in the state of California, during the Restriction Period Participant will not directly or indirectly solicit or recruit or assist another person or entity to solicit or induce any current employee of MAXIMUS to leave the employ of MAXIMUS to work for any competitor of MAXIMUS. If Participant is employed in California, section 7(b) shall not apply to Participant.

8. Compliance with Codes of Conduct; Non-Disparagement

Participant will comply with the MAXIMUS Standards of Business Conduct and Ethics and all other applicable policies and procedures (e) While employed by MAXIMUS and during the Restriction Period Participant shall not make any maliciously false statements that disparage or injure the reputation, business or goodwill of MAXIMUS or any of its affiliates, its shareholders, the principals of any of its shareholders, or the respective predecessors of the foregoing, or otherwise intentionally interfere with the business of MAXIMUS or its affiliates, its shareholders, the principals of any of its shareholders, or the respective predecessors of the foregoing, for the purpose of causing injuring to any of them.

9. Disclosure to Future Employer.

During Participant's employment and the Restriction Period, Participant shall disclose the existence and contents of this restrictive covenants agreement to any potential employer prior to accepting employment with that employer. MAXIMUS shall also have the right to make any future or potential employers of Participant aware of this agreement, including by providing a copy of this agreement to any future or potential employers of Participant.

10. Remedies and Equitable Relief.

- a. Participant's breach of this restrictive covenants agreement shall result in (i) the immediate forfeiture of any unvested equity awards and (ii) the rescission of any exercise, payment or delivery (including but not limited to the vesting of RSUs and PSUs) of an equity award made under the 2021 Omnibus Incentive Plan (or its successor) during the period beginning two (2) years before and ending two (2) years after such breach. Within ten (10) days after receiving written notice from MAXIMUS of such rescission, Participant shall pay to MAXIMUS the amount of any gain realized or value received by Participant as a result of the rescinded exercise, payment or delivery pursuant to an equity award.
- b. Participant acknowledges that any breach of this restrictive covenants agreement may cause substantial and irreparable harm to MAXIMUS for which money damages may be an inadequate remedy. Accordingly, in the event that Participant breaches, or MAXIMUS reasonably believes that Participant is about to breach, any of the covenants of this restrictive covenants agreement, Participant agrees that MAXIMUS shall be entitled to obtain injunctive and other forms of equitable relief to prevent such breach without posting any bond or security.

Appendix C
Global Appendix

PART 1 – GENERAL

The following terms, conditions and/or notices apply to the Award if the Participant is subject to the laws of a jurisdiction outside of the United States of America.

- a. Language and Translations. The documents relating to the Award are in the English language only. By accepting the Award, the Participant acknowledges that they fully understand the contents of the English language versions of these documents and that they do not need a translation.

- b. Adequate Information. By accepting the Award, the Participant acknowledges that they have been given all relevant information and materials required with respect to the terms and conditions of the Award.

- c. No Advice. The information and materials provided in connection with the Award do not take into account the Participant's objectives, financial situation or needs. If the Participant does not understand the terms and conditions of the Award, or is in any doubt, the Participant should consult an independent authorized financial adviser. Neither the Company nor any Affiliate, nor any entity or person acting on their behalf has provided the Participant with any legal, investment, tax or financial advice with respect to the Participant's participation in the Plan or the grant of the Award.

- d. Employment. The grant of the Award does not form part of and does not affect or change the Participant's employment contract or employment relationship with the Participant's employer. The Participant is not automatically entitled to the exercise of any discretion under the Award in their favor and the Participant does not have any claim or right of action in respect of any decision, omission, or discretion which may operate to their disadvantage. The Participant also waives all rights which might arise in connection with the Award, other than the right to acquire Shares or cash (subject to and in accordance with the terms of the Award), in consideration for and as a condition of the Award. The Participant does not have any right to compensation or damages for any loss (actual or potential) in relation to the Award.

- e. Internationally Mobile Employees. If the Participant is an internationally mobile employee, meaning that they are based in different jurisdictions during the course of their employment or that they are or may be subject to tax in more than one jurisdiction, the Participant is strongly encouraged to inform the Company and to speak with their own personal tax adviser regarding the tax treatment of the Award and their participation in the Plan.

- f. Exchange Controls and Reporting Requirements. The Participant is solely responsible for complying with any exchange control regulations or foreign asset reporting requirements which apply to them with respect to their Award and neither the Company nor any Affiliate will be responsible for obtaining exchange control approval or making such reports on the Participant's behalf. If the Participant fails to obtain any required exchange control approval or make such reports, neither the Company nor any Affiliate will be liable in any way for any resulting fines or penalties. The Participant should seek independent professional advice if they are unsure about their obligations as a result of their participation in the Plan and receipt of the Award.

g. Restricted Resale. Any Shares that the Participant may acquire upon settlement of the Award may be subject to restrictions on transfer and resale in the Participant's local jurisdiction. The Participant will comply with any such restrictions, including that the Participant will not offer, sell, advertise or otherwise market the Shares (or cause any of these to occur) in circumstances which constitute any type of public offering of securities, unless an exemption applies.

h. Currency Risk. If the Award is related to any Shares and those Shares are traded in a currency which is not the official currency in the Participant's jurisdiction, the value of the Shares may also be affected by movements in the exchange rate. Neither the Company nor any Affiliate, nor any entity or person acting on their behalf is liable for any depreciation (or other impact) on any Shares due to movements in the exchange rate or any charges imposed in relation to the conversion or transfer of money.

i. No Guarantee. Neither the Company nor any Affiliate guarantees a specified level of return on the Award or any Shares. There is a risk that any Shares subject to the Award may fall as well as rise in value. Market forces will impact the price of any such Shares and, in the worst case, the market value of the Shares may become zero. More information in relation to the Company, including the share price performance, can be found at www.maximus.com.

j. No Public Offer. The Award is being offered to the Participant in their capacity as an employee of the Company or a subsidiary. It is a private placement directed at certain key employees as selected by the Company in its sole discretion. The offering is not intended for the general public and may not be used for any public offer which requires a prospectus. The Award has not been authorized or approved by any applicable securities authorities and may have been offered pursuant to an exemption from registration in the Participant's local jurisdiction. The regulatory bodies in the Participant's jurisdiction accept no responsibility for the accuracy and completeness of the statements and information provided in connection with the Award and take no liability whatsoever for any loss arising from reliance upon the whole or any part of the contents of the Plan or Agreement. No prospectus or similar offering or registration document has been prepared, authorized or approved by any applicable authority in the Participant's jurisdiction.

k. Electronic Communications. By accepting the Award, the Participant consents to receiving all communications in relation to the Award electronically, including by email or via an online portal, and also consents to contracting electronically with the Company and/or other relevant parties in relation to the Award.

PART 2 – COUNTRY-SPECIFIC WORDING

The following terms, conditions and/or notices apply to the Award based on the laws of the jurisdiction to which the Participant is subject.



1. If the Participant is subject to the laws of Australia .

Securities Laws.

Any advice given by the Company, or any of its associated bodies corporate, in connection with any Award made pursuant to the Plan does not take into account the Participant's objectives, financial situation or needs. The Participant should consider obtaining their own financial product advice from a person who is licensed by the Australian Securities and Investments Commission to give such advice.

The Company undertakes, on request, at no charge and within a reasonable time, to provide the Participant with a full copy of the rules of the Plan.

The Shares underlying the Award are listed on the New York Stock Exchange. The market price of the Shares can be ascertained by visiting the website of the New York Stock Exchange at the following link (<https://www.nyse.com/quote/XNYS:MMS>) and the Australian dollar equivalent of that price by applying the prevailing USD/AUD exchange rate published by the Reserve Bank of Australia, which is accessible at the following link (<http://www.rba.gov.au/statistics/frequency/exchange-rates.html>).

Risk Warning.

There is a risk that the value of any Shares underlying the Award, and so the Award itself, may fall as well as rise through movement of equity markets. Market forces will impact the value of the Award made to the Participant and, at their worst, market values of any underlying Shares may become zero if adverse market conditions are encountered. As the price of any underlying Shares listed on the New York Stock Exchange are quoted in USD, the value of those Shares to the Participant may also be affected by movements in the USD/AUD exchange rate.

Data Protection.

By accepting the Award, the Participant:

- a) consents to InjuryNet Australia Pty Ltd and/or MAX Solutions Pty Ltd (each, the **Australian Employer**), any of its related bodies corporate or any third party, collecting the personal information (including sensitive information) necessary to administer the Plan and disclosing any personal information necessary to administer the Plan to the Australian Employer, any of its related bodies corporate or any third party engaged to assist in implementing the Plan, who may be situated in or outside Australia including in jurisdictions that may not afford the Participant's information the same level of protection as Australian laws do; and
- b) acknowledges that the Australian Employer will not be required to take steps to ensure that the Australian Employer, any of its related bodies corporate or any third party engaged to assist in implementing the Plan do not breach the Australian Privacy Principles

Tax.

This is a scheme to which Subdivision 83A-C of the Income Tax Assessment Act 1997 applies, subject to the requirements in that Act.



2. **If the Participant is subject to the laws of Canada .**

Securities Laws.

By accepting the Award, the Participant represents and warrants to the Company that the Participant's participation in the Plan, and the receipt of the Award, is voluntary and that the Participant has not been induced to participate by expectation of engagement, appointment, employment, continued engagement, continued appointment or continued employment, as applicable.

The Participant also acknowledges that, in addition to any restrictions on resale and transfer noted in the Plan and Agreement, Shares acquired pursuant to the Plan will be subject to certain restrictions on resale imposed by Canadian provincial securities laws (in general, residents in Canada may not resell the Shares to Canadian purchasers). Accordingly, Participants are encouraged to seek legal advice prior to any resale of such Shares.

Translations.

If the Participant is resident in Quebec, by accepting the Award, the Participant expressly requests that all documents evidencing or relating in any way to the grant of the Award (including, for greater certainty, any confirmation or any notice) will be in the English language only, and acknowledges the following:

Si vous êtes résident de Québec, vous reconnaissez, en acceptant l'allocation effectuée à votre profit, avoir expressément exigé que tous les documents relatifs à cette allocation ou s'y rapportant de

quelque manière que ce soit (incluant, pour plus de certitude, toute confirmation ou tout avis) soient rédigés en anglais uniquement.



3. If the Participant is subject to the laws of the Republic of Korea.

Securities Laws.

If the Participant is employed in the Republic of Korea then, notwithstanding anything set forth in the Plan or Agreement, the Award is granted by the Company, not the local employer (if different).



4. If the Participant is subject to the laws of Singapore.

Securities Laws.

By accepting the Award, the Participant acknowledges that neither the Plan nor the Agreement have been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, the Plan, the Agreement, and any other document or material in connection with the offer or sale, or invitation for subscription or purchase of the Shares may not be circulated or distributed, nor may the Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than pursuant to, and in accordance with the conditions of, an exemption under any provision (other than Section 280) of Subdivision (4) of Division 1 of Part XIII of the Securities and Futures Act, Chapter 289 of Singapore.

Classification.

The Award, and any Shares acquired under the Award, are prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and Excluded Investment Products (as defined in MAS Notices SFA 04-N12 and FAA-N16).

MAXIMUS, INC.

**2021 OMNIBUS INCENTIVE PLAN
PERFORMANCE AWARD NOTICE**

You have been awarded performance-based restricted stock units (“PSU”) pursuant to the terms and conditions of the MAXIMUS, Inc. 2021 Omnibus Incentive Plan (as amended from time to time, the “Plan”) and the attached Performance Award Agreement (together with this Award Notice, the “Agreement”). Capitalized terms not defined herein shall have the meanings specified in the Plan or the Agreement.

Participant: _____

Grant Date: November __, 2023 (the “Grant Date”)

Target PSUs: _____ PSUs, of which:

- _____ PSUs, the earning of which will be subject to adjusted earnings per share (EPS) growth performance (the “EPS PSUs”)
- _____ PSUs, the earning of which will be subject to total stockholder return (TSR) performance relative to the companies comprising the S&P 400 Value Index (the “TSR PSUs”)

Each PSU represents the right to receive one share of Common Stock upon vesting.

Depending on the level of performance attained, the number of shares of Common Stock that may be earned may range from (i) 0% to 200% of the target EPS PSUs, and (ii) 0% to 2000% of the target TSR PSUs.

Performance Period: The “Performance Period” is as follows:

EPS PSUs: Three fiscal years, commencing as of October 1, 2023 and ending as of September 30, 2026.

TSR PSUs: The period commencing on the Grant Date and ending as of September 30, 2026.

Vesting Date: September 30, 2026 (the "Vesting Date"), subject to acceleration in case of certain qualifying termination events.

Earning of PSUs: Subject to the Agreement, the Plan and the other terms and conditions set forth herein, the PSUs shall become earned in the manner set forth on Appendix A of the Agreement so long as you remain continuously employed by the Company from the Grant Date through the Vesting Date.

MAXIMUS, INC.

By: _____
Name:
Title:

Acknowledgment, Acceptance and Agreement:

By electronically signing and returning this Award Notice to MAXIMUS, Inc., I hereby acknowledge receipt of the Agreement and the Plan, accept the Award granted to me and agree to be bound by the terms and conditions of this Award Notice, the Agreement and the Plan.¹

Participant
Name: _____

¹ To the extent that the Company has established, either itself or through a third-party plan administrator, the ability to accept this award electronically, such acceptance shall constitute the Participant's signature hereto.

MAXIMUS, INC.

**2021 OMNIBUS INCENTIVE PLAN
PERFORMANCE AWARD AGREEMENT**

Pursuant to the provisions of the MAXIMUS, Inc. 2021 Omnibus Incentive Plan (as amended from time to time, the "Plan"), MAXIMUS, Inc., a Virginia corporation (the "Company"), hereby grants to the Participant named in the Performance Award Notice attached hereto, performance-based restricted stock units ("PSUs") with respect to the target number of shares of the Company's Common Stock set forth in the Performance Award Notice, upon and subject to the restrictions, terms and conditions set forth in the Plan and this agreement (the "Agreement").

Capitalized terms not defined herein shall have the meanings specified in the Performance Award Notice, or if not defined therein, the Plan.

1. Award Subject to Acceptance of Agreement. This Award shall be null and void unless the Participant accepts this Agreement by executing the Award Notice in the space provided therefor and returning an original execution copy of the Award Notice to the Company (or electronically accepting this Agreement within the Participant's stock plan account with the Company's stock plan administrator (www.netbenefits.com) according to the procedures then in effect).

1. Rights as a Stockholder. The Participant shall not have the right to vote the shares of Common Stock subject to the PSUs unless and until the PSUs are vested pursuant to Section 3 hereof and the Participant becomes a stockholder of record with respect to such Shares. As of any date that the Company pays an ordinary cash dividend on its Shares, the Company will increase the applicable number of outstanding and unvested PSUs by the number of Shares that represent a value equal to the per share cash dividend paid by the Company on its shares of Common Stock multiplied by the number of outstanding and unvested PSUs as of the related dividend payment date (collectively, "Dividend Equivalent Shares"). Any such Dividend Equivalent Shares shall be subject to the same vesting, forfeiture, payment, termination and other terms, conditions and restrictions as the original PSUs to which they relate.

2. Vesting.

2.1. Vesting Conditions. Except as otherwise provided in Section 3.2 below, the earned PSUs (if any) shall vest on the Vesting Date set forth in the Performance Award Notice, provided the Participant remains in continuous employment or service with the Company or an Affiliate through the Vesting Date. The period of time prior to the Vesting Date shall be referred to herein as the "Vesting Period." As promptly as possible following the Vesting Date, the Company will deliver to the Participant (either in certificated form or via book entry) the applicable number of Shares corresponding to the vested PSUs.

2.2. Termination of Employment.

(a) Termination due to Retirement. If the Participant's employment with the Company terminates during the Vesting Period and prior to a Change in Control by reason of Retirement, the PSUs will remain outstanding and eligible to vest based on actual performance achieved over the Performance Period, provided that the Participant has continuously complied with the applicable Restrictive Covenants.

(b) Termination due to Death or Disability. If the Participant's employment with the Company terminates during the Vesting Period and prior to a Change in Control by reason of the Participant's death or a termination by the Company due to Disability, the PSUs shall become fully vested as of the termination date, based on (x) target performance if the termination occurs prior the end of the

Performance Period, or (y) actual performance if the termination occurs after the end of the Performance Period.

2.3. Change in Control.

(a) Treatment of EPS PSUs. In the event of a Change in Control, the EPS PSUs will be deemed earned based on (x) actual performance for any completed fiscal year(s) in the Performance Period and (y) target performance for any incomplete fiscal year(s) in the Performance Period, and will automatically convert into, and represent the right to receive, an equivalent number of time-based Restricted Stock Units ("Converted EPS PSUs") which will continue to vest in accordance with Section 3.1 but without regard to achievement of any performance goals.

(b) Treatment of TSR PSUs.

(i) CIC During First Year of Performance Period. In the event of a Change in Control during the first fiscal year of the Performance Period, the target number of TSR PSUs will automatically convert into, and represent the right to receive, an equivalent number of time-based Restricted Stock Units ("Converted TSR PSUs") which will continue to vest in accordance with Section 3.1 but without regard to achievement of any performance goals.

(ii) CIC After First Year of Performance Period. In the event of a Change in Control after the first fiscal year of the Performance Period, the TSR PSUs will be deemed earned based on actual performance as of the Change in Control date, and will automatically convert into, and represent the right to receive, an equivalent number of time-based Restricted Stock Units ("Converted TSR PSUs") which will continue to vest in accordance with Section 3.1 but without regard to achievement of any performance goals.

(c) Accelerated Vesting if Awards not Assumed. In the event of a Change in Control, if the successor company does not equitably assume, continue or substitute the Converted EPS PSUs and Converted TSR PSUs, such PSUs shall become fully vested as of the date of the Change in Control and the Participant shall be eligible to receive (at the same time and in the same form) the equivalent per share consideration offered to common shareholders generally.

(d) "Double-Trigger" Vesting for Assumed Awards To the extent the successor company equitably assumes, continues or substitutes the Converted EPS PSUs and Converted TSR PSUs, such PSUs shall continue to vest in accordance with Section 3.1 but without regard to achievement of any performance goals; provided, however, if during the Change in Control Protection Period, the Participant's employment is terminated by the Company or an Affiliate (or the successor company or a subsidiary or affiliate thereof) involuntarily without Cause or voluntarily by the Participant for Good Reason, any outstanding Converted EPS PSUs and Converted TSR PSUs shall become fully vested as of the termination date.

(e) Certain Conditions for Equitable Assumption. For purposes of this Section 3.3, for the Converted EPS and TSR PSUs to be considered "equitably assumed, continued or substituted" by the successor company, the Committee must determine prior to the Change in Control that the assumed, continuing or substituted award satisfies the following requirements: (i) is based on stock of the successor company that is traded on an established U.S. securities market or an established securities market outside the United States upon which the Participant can readily trade the stock without administrative burdens or complexities; (ii) provides the Participant with rights and entitlements substantially equivalent to or better than the rights, terms and conditions applicable under the original PSUs; and (iii) have substantially equivalent value (determined at the time of the Change in Control).

2.4. Certain Definitions.

- (a) Cause. For purposes of this Agreement, "Cause" shall have the definition specified in the Plan.
- (b) Change in Control. For purposes of this Agreement, "Change in Control" shall have the definition specified in the Plan.
- (c) Change in Control Protection Period. For purposes of this Agreement, "Change in Control Protection Period" means (i) for a Participant who is a covered participant in the Company's Income Continuity Plan (or its successor) as of the employment termination date, the applicable protection period for a severance qualifying termination as specified therein and (ii) for all other Participants, the 24-month period following a Change in Control.
- (d) Disability. For purposes of this Agreement, "Disability" shall have definition specified in the Plan.
- (e) Good Reason. For purposes of this Agreement, "Good Reason" shall have the definition specified in the Company's Income Continuity Plan (or its successor), and only to the extent Participant is a covered participant in the Income Continuity Plan (or its successor) as of the employment termination date.
- (f) Restrictive Covenant. For purposes of this Agreement, "Restrictive Covenant" shall mean any non-competition, non-solicitation, confidentiality or protection of trade secrets (or similar provision regarding intellectual property) covenant by which Participant is bound under any agreement between Participant and the Company and its Subsidiaries. To the extent the Participant is not subject to a separate Restrictive Covenant agreement, or not an employee of the United States of America, the restrictive covenants are set forth in Appendix B shall apply.
- (g) Retirement. For purposes of this Agreement, "Retirement" shall mean Participant's termination of employment without Cause and at a time when (i) the Participant has attained age 55 with ten (10) or more years of service with the Company and its Affiliates, or (ii) the Participant has attained age 60 with 5 (five) or more years of service with the Company and its Affiliates; provided that (A) the Participant must notify the Company at least 12 months before his/her potential retirement (this notice is not meant to be a formal notice of retirement, but it is intended to begin discussions regarding retirement to assist the Company in its succession planning) and (B) the Participant must sign an enhanced Confidentiality and Restrictive Covenant Agreement that extends for two years beyond the final Vesting Date.

3. Additional Terms and Conditions of Award.

3.1. Equitable Adjustments. The outstanding and unvested PSUs shall be adjusted as necessary to prevent dilution or enlargement of a Participant's rights hereunder in the manner contemplated by Section 4.4 of the Plan.

3.2. Withholding Taxes. As a condition precedent to the vesting of the PSUs and the delivery of shares of Common Stock hereunder, at the Company's discretion either (i) the Participant shall pay to the Company such amount as the Company determines is required, under all applicable federal, state, local, foreign or other laws or regulations, to be withheld and paid over as income or other withholding taxes (the "Required Tax Payments") with respect to the Award or (ii) the Company may, in its discretion, deduct any Required Tax Payments from any amount then or thereafter payable by the Company or an Affiliate to the Participant, which may include the withholding of whole Shares which would otherwise be delivered to the Participant having an aggregate Fair Market Value, determined as of the date on which such withholding obligation arises, equal to the Required Tax Payments, in either case in accordance with such terms, conditions and procedures that may be prescribed by the Company. Notwithstanding the foregoing, if the Required Tax Payments are due prior

to the date the Company determines the number of Shares that have become vested, the amount of the Required Tax Payments, including the number of shares withheld to pay such Required Tax Payments, may be based on a reasonable estimate of the number of Shares that are expected to become vested. No shares of Common Stock shall be delivered until the Required Tax Payments have been satisfied in full. To the extent necessary for compliance with Rule 16b-3 of the Exchange Act, a determination by the Company to satisfy the Required Tax Payments by withholding Shares shall be made by the Committee if the Participant is subject to Section 16 of the Exchange Act.

3.3. Compliance with Section 409A of the Code. This Agreement is intended to comply with Section 409A of the Code or an exemption thereunder and shall be construed and interpreted in a manner that is consistent with the requirements for avoiding additional taxes or penalties under Section 409A of the Code. In addition and notwithstanding anything to the contrary in this Agreement, the Company reserves the right to revise this Agreement as it deems necessary or advisable, in its sole discretion and without Participant's consent, to comply with Section 409A or to otherwise avoid imposition of any additional tax or income recognition under Section 409A in connection with this Award. Notwithstanding the foregoing, the Company makes no representations that the payments and benefits provided under this Agreement comply with Section 409A of the Code and in no event shall the Company be liable for all or any portion of any taxes, penalties, interest or other expenses that may be incurred by the Participant on account of non-compliance with Section 409A of the Code. For purposes of this Agreement, "Section 409A" means Section 409A of the Code, and any proposed, temporary or final Treasury regulations and Internal Revenue Service guidance thereunder, as each may be amended from time to time.

3.4. Compliance with Applicable Law. The PSUs are subject to the condition that if the listing, registration or qualification of the Shares subject to the Award upon any securities exchange or under any law, or the consent or approval of any governmental body, or the taking of any other action is necessary or desirable as a condition of, or in connection with, the delivery of shares hereunder, the Shares subject to the Award shall not be delivered, in whole or in part, unless such listing, registration, qualification, consent, approval or other action shall have been effected or obtained, free of any conditions not acceptable to the Company.

3.5. Clawback/Repayment. The PSUs shall be subject to reduction, cancellation, forfeiture or recoupment to the extent necessary to comply with (i) any clawback, forfeiture or other similar policy adopted by the Board or Committee and as in effect from time to time; and (ii) applicable law. Further, to the extent that the Participant receives any amount in excess of the amount that the Participant should otherwise have received under the terms of the Award for any reason (including, without limitation, by reason of a financial restatement, mistake in calculations or other administrative error), the Participant shall be required to repay any such excess amount to the Company.

3.6. Award Confers No Rights to Continued Employment. In no event shall the granting of the Award or its acceptance by the Participant, or any provision of the Agreement or the Plan, give or be deemed to give the Participant any right to continued employment by the Company, any Subsidiary or any affiliate of the Company or affect in any manner the right of the Company, any Subsidiary or any affiliate of the Company to terminate the employment of any person at any time.

3.7. Decisions of Board or Committee. The Committee shall have the right to resolve all questions which may arise in connection with the Award. Any interpretation, determination or other action made or taken by the Board or the Committee regarding the Plan or this Agreement shall be final, binding and conclusive.

3.8. Successors. This Agreement shall be binding upon and inure to the benefit of any successor or successors of the Company and any person or persons who shall, upon the death of the Participant, acquire any rights hereunder in accordance with this Agreement or the Plan.

3.9. Notices. All notices, requests or other communications provided for in this Agreement shall be made, if to the Company, to 1891 Metro Center Drive, Reston, VA 20190, and if to the Participant, to the last known mailing address of the Participant contained in the records of the Company. All notices, requests or other communications provided for in this Agreement shall be made in writing either (a) by personal delivery, (b) by facsimile or electronic mail with confirmation of receipt, (c) by mailing in the United States mails or (d) by express courier service. The notice, request or other communication shall be deemed to be received upon personal delivery, upon confirmation of receipt of facsimile or electronic mail transmission or upon receipt by the party entitled thereto if by United States mail or express courier service; provided, however, that if a notice, request or other communication sent to the Company is not received during regular business hours, it shall be deemed to be received on the next succeeding business day of the Company.

3.10. Governing Law. This Agreement and all determinations made and actions taken pursuant hereto and thereto shall be governed by the laws of the Commonwealth of Virginia and construed in accordance therewith without giving effect to principles of conflicts of laws.

3.11. Nontransferability. Except as otherwise permitted under the Plan, this Agreement shall not be assignable or transferable by the Participant or by the Company (other than to successors of the Company) and no amounts payable under this Agreement, or any rights therein, shall be subject in any manner to any anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, levy, lien, attachment, garnishment, debt or other charge or disposition of any kind.

3.12. Agreement Subject to the Plan. This Agreement is subject to the provisions of the Plan and shall be interpreted in accordance therewith. In the event that the provisions of this Agreement and the Plan conflict, the Plan shall control. The Participant hereby acknowledges receipt of a copy of the Plan.

3.13. Entire Agreement. This Agreement and the Plan constitute the entire agreement of the parties with respect to the subject matter hereof and supersede in their entirety all prior undertakings and agreements of the Company and the Participant with respect to the subject matter hereof, and may not be materially modified adversely to the Participant's interest except by means of a writing signed by the Company and the Participant.

3.14. Partial Invalidity. The invalidity or unenforceability of any particular provision of this Agreement shall not affect the other provisions hereof and this Agreement shall be construed in all respects as if such invalid or unenforceable provision was omitted.

3.15. Amendment and Waiver. The Company may amend the provisions of this Agreement at any time; provided that an amendment that would materially adversely affect the Participant's rights under this Agreement shall be subject to the written consent of the Participant. No course of conduct or failure or delay in enforcing the provisions of this Agreement shall affect the validity, binding effect or enforceability of this Agreement.

3.16. Global Appendix. If the Participant is subject to the laws of a jurisdiction outside of the United States of America, the Award will be subject to all applicable terms and conditions set out in Appendix C.

Appendix A

PSU METRICS, GOALS AND PAYOUT LEVELS

Subject to the Agreement and the Plan, the PSUs shall become earned in the manner set forth below:

- **Fiscal 2024-2026 EPS PSUs.**

The target EPS PSUs will be divided into three equal segments² for each fiscal year during the period beginning on October 1, 2023 and ending on September 30, 2026 (such three fiscal year period, the "Performance Period"). The first EPS PSU segment will be earned based on achievement of EPS in relation to the established target. Each EPS PSU segment after the 1st segment will be earned based on the extent to which the Company achieves the applicable level of adjusted EPS growth over the immediately preceding fiscal year's actual adjusted EPS result (i.e., each fiscal year's actual result forms the baseline for the immediately following fiscal year's performance measurement). Accordingly, with respect to Fiscal 2024 performance, the target EPS for Fiscal 2024 is \$5.10. The final number of earned EPS PSUs that are eligible to vest on the Vesting Date will be the sum of the number of actual EPS PSUs earned with respect to each of the three fiscal year segments, based on the annual performance level achievement as set forth in the table below.

Tranche 1	Tranches 2&3	Target EPS PSUs Earned Per Annual Segment (%)
FY24 Adjusted EPS	Annual EPS Growth over Prior Year	Target EPS PSUs Earned Per Annual Segment (%)
\$4.85	Below 0%	Zero
\$4.97	2.0%	50
\$5.10	4.0%	100
\$5.23	6.0%	150
\$5.36	8% or more	200

Annual EPS Growth" is defined as year over year growth of the Company's Adjusted EPS. "Adjusted EPS" is defined as the Company's fully diluted EPS, as adjusted for the positive or negative effect of: goodwill and intangible asset impairments; changes in the effective income tax rate; contributions to the Maximus Foundation or other tax-exempt organizations; the amortization of intangible assets; gains or losses on disposals of assets; changes in accounting standards; the portion of legal settlements or recoveries in excess of \$3 million (for the avoidance of doubt, the first \$3 million is not adjusted); merger, acquisition and divestiture expenses; gains, losses, or other charges related to divested or discontinued businesses; the portion of acquisitions and divestitures that have an accretive or dilutive impact in excess of \$0.05 per share after any discrete adjustments detailed in prior bullets (for the avoidance of doubt, the first \$0.05 per share is not adjusted); and the disclosed impact of a US Federal Government shutdown.

To the extent that actual EPS growth falls between any two of the values indicated in the table above, the number of earned EPS PSUs will be determined by the Committee based on an interpolation between the applicable values.

- **Fiscal 2024-2026 TSR PSUs**

The TSR PSUs will be based on the Company's Total Shareholders Return ("TSR") during the Performance Period, using as a comparison the TSR of the companies comprising the S&P 400 Value

² If the EPS PSUs are not evenly divisible by three, the remainder PSUs shall be allocated to the final segment. For example, for 100 EPS PSUs, the allocation shall be as follows: 33 PSUs - Fiscal 2024 segment; 33 PSUs - Fiscal 2025 segment; and 34 PSUs - Fiscal 2026 segment.

Index as of the beginning of the Performance Period. The percentage of TSR PSUs which shall become earned at the end of the Performance Period shall be as set forth in the table below.

TSR Ranking	Target Shares Earned (%)
Below 25th percentile	Zero
25th percentile	50
50th percentile	100
70th percentile	150
90th percentile and above	200

The beginning and ending share price for purposes of the TSR calculation will be based on a calendar day averaging period to mitigate the effect of stock price volatility; accordingly, the beginning share price will be the average closing price for the 30 calendar days commencing on the first day of the Grant Date and the ending share price will be the average closing price for the last 90 calendar days of the Performance Period. The TSR calculation will assume reinvestment of dividends as of the ex dividend date. Companies comprising the S&P 400 Value Index as of the first day of the Performance Period that (i) file for bankruptcy or delist at any time during the Performance Period will remain for calculation purposes in the comparator group with a deemed TSR of negative 100% in the final percentile rankings (and if multiple companies file for bankruptcy or liquidate due to an insolvency or are delisted, such members shall be ranked in order of when such bankruptcy or liquidation occurs, with earlier bankruptcies/liquidations/delistings ranking lower than later bankruptcies/liquidations/ delistings), or (ii) are acquired (including by merger) during the Performance Period will be removed from the TSR comparator group.

In the event of changes to the outstanding shares or capital structure of the Company or a company in the TSR comparator group, the TSR performance shall be equitably adjusted by the Committee as appropriate to reflect such change(s).

To the extent that the relative TSR falls between any of the rankings indicated in the table above, the number of earned TSR PSUs will be determined by the Committee based on an interpolation between the applicable ranges.

• **Miscellaneous Administrative Provisions**

At the end of the Performance Period, the Committee shall certify the Company's performance and determine the extent to which any EPS PSUs and TSR PSUs have been earned, if at all.

Except as otherwise provided in the Agreement, the Participant shall be eligible to receive on the Vesting Date shares of Common Stock equal to the applicable earned percentage of the PSUs, as soon as administratively feasible after the Committee certifies the actual performance of the Company (and in all events by December 31st of the year in which such PSUs become vested or within two and one half (2 ½) months after vesting, if later).

All determinations by the Committee shall be final and binding upon the Participant.

Appendix B

Restrictive Covenants

As a condition to the grant of the PSUs, the Participant hereby agrees to the following:

1. **Certain Definitions.**

- a. "Confidential Information" means information, to the extent it is not a Trade Secret, that is nevertheless highly sensitive and proprietary to MAXIMUS which is possessed by or developed for MAXIMUS and which relates to MAXIMUS' existing or potential business or business methods, which information is generally not known to the public and which information MAXIMUS seeks to protect from disclosure to its existing or potential competitors or others, including, without limitation, sensitive business information, business plans, market strategies, existing or proposed bids, pricing information, data compilations, financial or business projections, marketing plans, training information and materials, sensitive information provided by clients about their businesses, client work files, client and prospective client lists containing information about clients, client contracts and contract information, and company databases. Confidential Information also includes information received by MAXIMUS from others which MAXIMUS has an obligation to treat as confidential, including all non-public information obtained in connection with client engagements.
- b. "MAXIMUS" means MAXIMUS, Inc. and any of its subsidiaries.
- c. "Trade Secret" means information developed or obtained by MAXIMUS that is protected as a Trade Secret under applicable law.
- d. "Work of Authorship" means any computer program, system, or database, as well as any written, graphic or other work or invention, whether published or unpublished, and whether copyrightable or not, in whatever form and in whatever media, originated solely by Participant or jointly with others, during employment by MAXIMUS (i) relating to any of MAXIMUS' services, processes, applications or other business or technical activities or investigations; or (ii) relating to ideas, work or investigations conceived or carried on by Participant in connection with or because of employment by MAXIMUS.

2. **Ownership of Intellectual Property.**

In the event Participant, individually or jointly with others, originates a Work of Authorship, creates Confidential Information, or creates a Trade Secret while employed by MAXIMUS, it shall, without further payment, immediately become the property of MAXIMUS throughout the world. In addition:

- a. Participant shall disclose and communicate to MAXIMUS promptly and fully all such Works of Authorship originated and Trade Secrets and Confidential Information created;
- b. At all times during or after Participant's employment by MAXIMUS, upon MAXIMUS' request and expense, Participant shall execute patent applications, copyright applications, assignments and other documents relating to each Work of Authorship necessary or proper to vest ownership in MAXIMUS and to obtain, maintain and enforce patents, certificates of copyright registration, and other proprietary rights to the Works of Authorship throughout the world; and
- c. At all times during or after Participant's employment by MAXIMUS, upon MAXIMUS' request and expense, Participant shall give affidavits and testimony as to facts within Participant's knowledge in connection with any such Works of Authorship in any administrative proceedings, arbitration, litigation or controversy relating thereto.
- d. Notwithstanding the foregoing, if Participant is employed by MAXIMUS in California, then this Agreement does not require assignment of any Work of Authorship that constitutes an invention protected by Section 2870 of the California Labor Code which is an invention that the employee developed entirely on his or her own time without using the employer's equipment, supplies, facilities,

or trade secret information except for those inventions that either: (1) relate at the time of conception or reduction to practice of the invention to the employer's business, or actual or demonstrate anticipated research or development of the employer; or (2) result from any work performed by the employee for the employer.

3. Restrictions on Disclosure and Use of Confidential Information.

Participant acknowledges that his or her rendering of services to MAXIMUS and its clients necessarily requires the disclosure to Participant of Confidential Information. Participant agrees that all Confidential Information, whether original, duplicated, computerized, memorized, handwritten, or in any other form, and all information contained in any MAXIMUS records, are the sole and exclusive property of MAXIMUS. During Participant's employment by MAXIMUS, Participant shall do what is reasonably necessary to prevent unauthorized disclosure or use of MAXIMUS' Confidential Information. Except as required in the conduct of MAXIMUS' business or as expressly authorized in writing on behalf of MAXIMUS, Participant shall not use or disclose, directly or indirectly, any Confidential Information during employment with MAXIMUS. In addition, at all times following the termination of Participant's employment for any reason, unless applicable law limits the time period of this restriction, in which case the time period provided by such applicable law shall apply, Participant shall not use or disclose, directly or indirectly, any Confidential Information. This prohibition does not apply to Confidential Information after it has become generally known in the industry in which MAXIMUS conducts its business, unless it became generally known through unauthorized use or disclosure by Participant or those acting in concert or participation with Participant.

This prohibition also does not prohibit Participant's use of general skills and know-how acquired during and prior to employment by MAXIMUS, as long as such use does not involve the use or disclosure of Confidential Information.

4. Protection of Trade Secrets.

Participant agrees that all Trade Secrets, whether original, duplicated, computerized, memorized, handwritten, or in any other form, and all information contained in any MAXIMUS records, are the sole and exclusive property of MAXIMUS. During Participant's employment by MAXIMUS, Participant shall do what is reasonably necessary to prevent unauthorized misappropriation or disclosure and threatened misappropriation or disclosure of MAXIMUS' Trade Secrets. In addition, at all times following the termination of Participant's employment for any reason, unless applicable law limits the time period of this restriction, in which case the time period provided by such applicable law shall apply, Participant shall not use or disclose MAXIMUS' Trade Secrets. Nothing in this Agreement is intended to limit MAXIMUS rights with respect to its Trade Secrets.

5. Protection and Return of Materials.

Participant will not physically remove or electronically export from any MAXIMUS location or media any copies, electronic images or originals of Confidential Information or Trade Secrets, client reports, client data, contracts, sales invoices, purchase orders, leases, pricing information, bid forms, government filings, plans, processes, technical information, training materials, valuation models, work papers, hardware, databases or disks, or other documents, electronic data or materials pertaining to MAXIMUS' business or clients, unless required in the course of conducting the business of MAXIMUS during Participant's employment by MAXIMUS or unless expressly authorized in writing by MAXIMUS. Immediately upon termination of employment, Participant will return to MAXIMUS, and if requested so certify in writing to MAXIMUS, all MAXIMUS' papers, documents, things, hardware and software, including information stored for use in or with computers and software applicable to MAXIMUS' business (and all copies thereof), which are in Participant's possession or under Participant's control, regardless whether such items contain Confidential Information or Trade Secrets, except for documents relating to Participant's compensation and benefits that have been provided to Participant by MAXIMUS for Participant's personal use.

6. Restrictions on Competition and Solicitation of Customers.

- a. During the term of employment with MAXIMUS, Participant shall not, without the prior written approval of MAXIMUS, directly or indirectly (1) own, manage, control, participate in, consult with, render services for, or in any manner engage in any business (except for ownership of 1% or less of a class of securities of a publicly held company) that competes with the businesses of MAXIMUS; (2) induce or attempt to induce any customer, supplier, licensee, or other business relation of MAXIMUS to cease doing business with or modify its business relationship with MAXIMUS; or (3) in any way intentionally interfere with the relationship between any such customer, supplier, licensee or business relation and MAXIMUS.
- b. During the twelve (12) months following the date that Participant ceases to be employed by MAXIMUS for any reason ("Restriction Period"), Participant shall not, without the prior written approval of MAXIMUS, directly or indirectly (1) own, manage, control, participate in, consult with, accept employment with, render services for, or in any manner engage in any business in the Territory (except for ownership of 1% or less of a class of securities of a publicly held company) that competes with the businesses of MAXIMUS as of the date of Participant's termination in which Participant engaged, or with respect to which Participant had access to or possessed Trade Secrets or Confidential Information, during the one year immediately preceding Participant's termination of employment; (2) solicit providing, or provide, services to a Customer that are the same as or similar to services that MAXIMUS provided to such Customer during the one year period preceding Participant's termination of employment; (3) induce or attempt to induce any Customer of MAXIMUS to cease doing business with or reduce its business relationship with MAXIMUS; or (4) in any way intentionally interfere with the relationship between any such Customer, or any supplier, licensee or business relation of MAXIMUS, and MAXIMUS. Participant acknowledges that the duration and geographic scope of these restrictions on competition are fair and reasonable, based on the geographic scope of MAXIMUS' business operations and the nature of Participant's position with MAXIMUS. Participant acknowledges that he or she will have responsibilities for developing and maintaining Customer relationships and the goodwill of such relationships, and/or will have access to Trade Secret and/or Confidential Information of value or use to MAXIMUS' competitors, and therefore these restrictions on Participant's employment and business activities during the Restriction Period are fair and reasonable, and necessary for the protection of the Company's business.
- c. The "Territory" means the United States and in those countries in which both MAXIMUS is conducting its business and Participant is either engaged in conducting such business or possesses Confidential Information regarding such business in such Country. Participant acknowledges and agrees that the market served by MAXIMUS is nationwide; that MAXIMUS' competitors and clients, present and potential, are located throughout the United States and its territories; and that the Territory of the non-competition restriction is therefore not overly broad, and is reasonable and necessary for the protection of MAXIMUS' legitimate business interests.
- d. "Customers" means the customers of MAXIMUS which (i) either were introduced to Participant by MAXIMUS or with whom Participant developed a business relationship as a result of Participant's activities on behalf of MAXIMUS, and (ii) with or for whom during the one year period preceding Participant's termination of employment Participant had personal contact or dealings on behalf of MAXIMUS or had direct or indirect customer relationship responsibilities.
- e. If Participant is employed by MAXIMUS in California, then the restrictions in section 6(b) above shall not apply to Participant.

7. Non-Solicitation of MAXIMUS Employees .

- a. Participant acknowledges that MAXIMUS has a protectable interest in maintaining a stable workforce, and in preventing the competitive exploitation of information about MAXIMUS' employees' identities, compensation, skill sets or performance histories.
- b. If Participant is employed in any state other than California, during the Restriction Period Participant will not directly or indirectly solicit, recruit, hire or employ or assist another person or entity to solicit,

recruit, hire or employ (i) any current employee of MAXIMUS or (ii) any individual who was employed by MAXIMUS during the six (6) months immediately preceding Participant's last day of employment at MAXIMUS.

- c. If Participant is employed in the state of California, during the Restriction Period Participant will not directly or indirectly solicit or recruit or assist another person or entity to solicit or induce any current employee of MAXIMUS to leave the employ of MAXIMUS to work for any competitor of MAXIMUS. If Participant is employed in California, section 7(b) shall not apply to Participant.

8. Compliance with Codes of Conduct; Non-Disparagement

Participant will comply with the MAXIMUS Standards of Business Conduct and Ethics and all other applicable policies and procedures (e) While employed by MAXIMUS and during the Restriction Period Participant shall not make any maliciously false statements that disparage or injure the reputation, business or goodwill of MAXIMUS or any of its affiliates, its shareholders, the principals of any of its shareholders, or the respective predecessors of the foregoing, or otherwise intentionally interfere with the business of MAXIMUS or its affiliates, its shareholders, the principals of any of its shareholders, or the respective predecessors of the foregoing, for the purpose of causing injuring to any of them.

9. Disclosure to Future Employer.

During Participant's employment and the Restriction Period, Participant shall disclose the existence and contents of this restrictive covenants agreement to any potential employer prior to accepting employment with that employer. MAXIMUS shall also have the right to make any future or potential employers of Participant aware of this agreement, including by providing a copy of this agreement to any future or potential employers of Participant.

10. Remedies and Equitable Relief.

- a. Participant's breach of this restrictive covenants agreement shall result in (i) the immediate forfeiture of any unvested equity awards and (ii) the rescission of any exercise, payment or delivery (including but not limited to the vesting of RSUs and PSUs) of an equity award made under the 2021 Omnibus Incentive Plan (or its successor) during the period beginning two (2) years before and ending two (2) years after such breach. Within ten (10) days after receiving written notice from MAXIMUS of such rescission, Participant shall pay to MAXIMUS the amount of any gain realized or value received by Participant as a result of the rescinded exercise, payment or delivery pursuant to an equity award.
- b. Participant acknowledges that any breach of this restrictive covenants agreement may cause substantial and irreparable harm to MAXIMUS for which money damages may be an inadequate remedy. Accordingly, in the event that Participant breaches, or MAXIMUS reasonably believes that Participant is about to breach, any of the covenants of this restrictive covenants agreement, Participant agrees that MAXIMUS shall be entitled to obtain injunctive and other forms of equitable relief to prevent such breach without posting any bond or security.

Appendix C
Global Appendix

PART 1 – GENERAL

The following terms, conditions and/or notices apply to the Award if the Participant is subject to the laws of a jurisdiction outside of the United States of America.

- a. Language and Translations. The documents relating to the Award are in the English language only. By accepting the Award, the Participant acknowledges that they fully understand the contents of the English language versions of these documents and that they do not need a translation.
- b. Adequate Information. By accepting the Award, the Participant acknowledges that they have been given all relevant information and materials required with respect to the terms and conditions of the Award.
- c. No Advice. The information and materials provided in connection with the Award do not take into account the Participant's objectives, financial situation or needs. If the Participant does not understand the terms and conditions of the Award, or is in any doubt, the Participant should consult an independent authorized financial adviser. Neither the Company nor any Affiliate, nor any entity or person acting on their behalf has provided the Participant with any legal, investment, tax or financial advice with respect to the Participant's participation in the Plan or the grant of the Award.
- d. Employment. The grant of the Award does not form part of and does not affect or change the Participant's employment contract or employment relationship with the Participant's employer. The Participant is not automatically entitled to the exercise of any discretion under the Award in their favor and the Participant does not have any claim or right of action in respect of any decision, omission, or discretion which may operate to their disadvantage. The Participant also waives all rights which might arise in connection with the Award, other than the right to acquire Shares or cash (subject to and in accordance with the terms of the Award), in consideration for and as a condition of the Award. The Participant does not have any right to compensation or damages for any loss (actual or potential) in relation to the Award.
- e. Internationally Mobile Employees. If the Participant is an internationally mobile employee, meaning that they are based in different jurisdictions during the course of their employment or that they are or may be subject to tax in more than one jurisdiction, the Participant is strongly encouraged to inform the Company and to speak with their own personal tax adviser regarding the tax treatment of the Award and their participation in the Plan.
- f. Exchange Controls and Reporting Requirements. The Participant is solely responsible for complying with any exchange control regulations or foreign asset reporting requirements which apply to them with respect to their Award and neither the Company nor any Affiliate will be responsible for obtaining exchange control approval or making such reports on the Participant's behalf. If the Participant fails to obtain any required exchange control approval or make such reports, neither the Company nor any Affiliate will be liable in any way for any resulting fines or penalties. The Participant should seek independent professional advice if they are unsure about their obligations as a result of their participation in the Plan and receipt of the Award.

g. Restricted Resale. Any Shares that the Participant may acquire upon settlement of the Award may be subject to restrictions on transfer and resale in the Participant's local jurisdiction. The Participant will comply with any such restrictions, including that the Participant will not offer, sell, advertise or otherwise market the Shares (or cause any of these to occur) in circumstances which constitute any type of public offering of securities, unless an exemption applies.

h. Currency Risk. If the Award is related to any Shares and those Shares are traded in a currency which is not the official currency in the Participant's jurisdiction, the value of the Shares may also be affected by movements in the exchange rate. Neither the Company nor any Affiliate, nor any entity or person acting on their behalf is liable for any depreciation (or other impact) on any Shares due to movements in the exchange rate or any charges imposed in relation to the conversion or transfer of money.

i. No Guarantee. Neither the Company nor any Affiliate guarantees a specified level of return on the Award or any Shares. There is a risk that any Shares subject to the Award may fall as well as rise in value. Market forces will impact the price of any such Shares and, in the worst case, the market value of the Shares may become zero. More information in relation to the Company, including the share price performance, can be found at www.maximus.com.

j. No Public Offer. The Award is being offered to the Participant in their capacity as an employee of the Company or a subsidiary. It is a private placement directed at certain key employees as selected by the Company in its sole discretion. The offering is not intended for the general public and may not be used for any public offer which requires a prospectus. The Award has not been authorized or approved by any applicable securities authorities and may have been offered pursuant to an exemption from registration in the Participant's local jurisdiction. The regulatory bodies in the Participant's jurisdiction accept no responsibility for the accuracy and completeness of the statements and information provided in connection with the Award and take no liability whatsoever for any loss arising from reliance upon the whole or any part of the contents of the Plan or Agreement. No prospectus or similar offering or registration document has been prepared, authorized or approved by any applicable authority in the Participant's jurisdiction.

k. Electronic Communications. By accepting the Award, the Participant consents to receiving all communications in relation to the Award electronically, including by email or via an online portal, and also consents to contracting electronically with the Company and/or other relevant parties in relation to the Award.

PART 2 – COUNTRY-SPECIFIC WORDING

The following terms, conditions and/or notices apply to the Award based on the laws of the jurisdiction to which the Participant is subject.



1. If the Participant is subject to the laws of Australia.

Securities Laws.

Any advice given by the Company, or any of its associated bodies corporate, in connection with any Award made pursuant to the Plan does not take into account the Participant's objectives, financial situation or needs. The Participant should consider obtaining their own financial product advice from a person who is licensed by the Australian Securities and Investments Commission to give such advice.

The Company undertakes, on request, at no charge and within a reasonable time, to provide the Participant with a full copy of the rules of the Plan.

The Shares underlying the Award are listed on the New York Stock Exchange. The market price of the Shares can be ascertained by visiting the website of the New York Stock Exchange at the following link (<https://www.nyse.com/quote/XNYS:MMS>) and the Australian dollar equivalent of that price by applying the prevailing USD/AUD exchange rate published by the Reserve Bank of Australia, which is accessible at the following link (<http://www.rba.gov.au/statistics/frequency/exchange-rates.html>).

Risk Warning.

There is a risk that the value of any Shares underlying the Award, and so the Award itself, may fall as well as rise through movement of equity markets. Market forces will impact the value of the Award made to the Participant and, at their worst, market values of any underlying Shares may become zero if adverse market conditions are encountered. As the price of any underlying Shares listed on the New York Stock Exchange are quoted in USD, the value of those Shares to the Participant may also be affected by movements in the USD/AUD exchange rate.

Data Protection.

By accepting the Award, the Participant:

- a) consents to InjuryNet Australia Pty Ltd and/or MAX Solutions Pty Ltd (each, the **Australian Employer**), any of its related bodies corporate or any third party, collecting the personal information (including sensitive information) necessary to administer the Plan and disclosing any personal information necessary to administer the Plan to the Australian Employer, any of its related bodies corporate or any third party engaged to assist in implementing the Plan, who may be situated in or outside Australia including in jurisdictions that may not afford the Participant's information the same level of protection as Australian laws do; and
- b) acknowledges that the Australian Employer will not be required to take steps to ensure that the Australian Employer, any of its related bodies corporate or any third party engaged to assist in implementing the Plan do not breach the Australian Privacy Principles

Tax.

This is a scheme to which Subdivision 83A-C of the Income Tax Assessment Act 1997 applies, subject to the requirements in that Act.



2. **If the Participant is subject to the laws of Canada.**

Securities Laws.

By accepting the Award, the Participant represents and warrants to the Company that the Participant's participation in the Plan, and the receipt of the Award, is voluntary and that the Participant has not been induced to participate by expectation of engagement, appointment, employment, continued engagement, continued appointment or continued employment, as applicable.

The Participant also acknowledges that, in addition to any restrictions on resale and transfer noted in the Plan and Agreement, Shares acquired pursuant to the Plan will be subject to certain restrictions on resale imposed by Canadian provincial securities laws (in general, residents in Canada may not resell the Shares to Canadian purchasers). Accordingly, Participants are encouraged to seek legal advice prior to any resale of such Shares.

Translations.

If the Participant is resident in Quebec, by accepting the Award, the Participant expressly requests that all documents evidencing or relating in any way to the grant of the Award (including, for greater certainty, any confirmation or any notice) will be in the English language only, and acknowledges the following:

Si vous êtes résident de Québec, vous reconnaissez, en acceptant l'allocation effectuée à votre profit, avoir expressément exigé que tous les documents relatifs à cette allocation ou s'y rapportant de

quelque manière que ce soit (incluant, pour plus de certitude, toute confirmation ou tout avis) soient rédigés en anglais uniquement.



3. **If the Participant is subject to the laws of the Republic of Korea.**

Securities Laws.

If the Participant is employed in the Republic of Korea then, notwithstanding anything set forth in the Plan or Agreement, the Award is granted by the Company, not the local employer (if different).



4. **If the Participant is subject to the laws of Singapore.**

Securities Laws.

By accepting the Award, the Participant acknowledges that neither the Plan nor the Agreement have been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, the Plan, the Agreement, and any other document or material in connection with the offer or sale, or invitation for subscription or purchase of the Shares may not be circulated or distributed, nor may the Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than pursuant to, and in accordance with the conditions of, an exemption under any provision (other than Section 280) of Subdivision (4) of Division 1 of Part XIII of the Securities and Futures Act, Chapter 289 of Singapore.

Classification.

The Award, and any Shares acquired under the Award, are prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and Excluded Investment Products (as defined in MAS Notices SFA 04-N12 and FAA-N16).

SEPARATION AGREEMENT AND RELEASE

This Separation Agreement and Release ("Agreement") is made between Maximus, Inc. ("Maximus") and Teresa Weipert ("Employee"). Employee was provided a copy of this Agreement on February 22, 2024 (the "Notice Date"), which was subsequently amended and provided to Employee on February 27 and 29, 2024 (the "Revised Notice Dates").

WHEREAS, Employee has been employed by Maximus since April 1, 2021 at all times on an at-will basis; and

WHEREAS, the parties have mutually agreed to separate Employee from her duties and responsibilities as the Group General Manager, US Federal effective February 27, 2024 ("Separation Date"); and

WHEREAS, the parties have mutually agreed to terminate their employment relationship and Employee will be relieved of her duties and responsibilities as Group General Manager, US Federal effective as of February 27, 2024 ("Separation Date");

WHEREAS, Maximus has agreed that Employee may remain employed through June 30, 2024 ("Termination Date"); and

WHEREAS, Maximus is willing to provide Employee certain severance and incentive payments as set forth herein; and

WHEREAS, Employee and Maximus desire to enter into this Agreement regarding the terms and conditions of the termination of Employee's employment with Maximus.

NOW THEREFORE, Employee and Maximus enter into this Agreement and agree to the following terms and conditions in consideration of the promises contained herein and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged:

1. Separation and Termination of Employment Employee's job responsibilities will end as of close of business on the Separation Date. Thereafter, Employee will provide only transition support services to Maximus for the smooth and orderly transition and business continuity upon request, however, Employee will not conduct any business on behalf of Maximus, or attempt to conduct any business, from the Separation Date through the Termination Date other than to provide such transition support and information as directed by the Company through the Office of General Counsel.

(b) Maximus will pay all final wages due to Employee as of the Termination Date, which will be issued according to the normal payroll cycle.

(c) Employee's participation, if any, in all Maximus benefit plans shall cease as of the Termination Date, except that it is expressly recognized that Employee

shall retain all vested rights, if any, under such plans and any amounts payable to Employee under such plans shall be paid pursuant to the respective terms of such plans.

(i) All health insurance benefits, if any, cease on the last day of the month in which employee is terminated. In the event Employee is enrolled in the Company's group health plan at the time of termination, Employee acknowledges that (i) on the Termination Date, a "qualifying event" within the meaning of the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("COBRA") will occur with respect to Employee as a result of which Employee and any qualified beneficiaries will lose coverage under Maximus' group health plan; (ii) after the Termination Date, Employee will receive written notice of Employee's rights to elect to receive continuation coverage under said group health plan pursuant to COBRA ("COBRA Coverage"); and (iii) the provisions of COBRA shall govern whether Employee and any qualified beneficiaries shall be entitled to COBRA Coverage which shall be at Employee's sole cost.

(ii) All life and disability insurance benefits, if any, cease as of the Termination Date.

(iii) Except as provided herein, any unvested RSUs and PSUs previously granted to the Employee shall terminate and be forfeited as of the Termination Date.

(iv) There shall be no other benefits paid out unless set forth in this Agreement.

(d) Employee agrees to return all Maximus property including, if applicable, all documents belonging to Maximus on the Termination Date. Employee further agrees not to retain any copies of any documents, computer hardware and/or software. Company property shall include but not be limited to laptops, keys, passcards, telephone cards, credit cards and any and all other property provided by Maximus during the Employee's course and scope of employment. Severance pay shall be contingent upon Maximus receiving all Company property. Employee shall submit final expense reports, if any, by the Termination Date.

2. Consideration.

(a) Separation Severance Payment. Contingent on (i) Employee executing this Agreement on or before the expiration of the Consideration Period referred to in Paragraph 5(e) below; (ii) expiration of the Revocation Period referred to in Paragraph 5(f) below; and (iii) compliance with the promises made herein and the Confidentiality and Restrictive Covenant ("CRC") Agreement signed by the Employee effective March 26, 2021 (collectively, the "Payment Terms"), Maximus shall pay Employee a lump sum Separation Severance amount, less applicable taxes, withholdings, and deductions of \$10,000:

(b) Termination Severance. Contingent on (i) Employee execution of a Separation Agreement and Release substantially similar to this one on or before the expiration of the Consideration Period referred to in Paragraph 5(e) of that Agreement; (ii) expiration of the Revocation Period referred to in Paragraph 5(f) of that Agreement; (iii) return by Employee of all Maximus property and information as required by

Paragraph 1(d) above; and (iv) compliance with the promises made herein and the Confidentiality and Restrictive Covenant (“CRC”) Agreement signed by the Employee effective March 26, 2021 (collectively, the “Payment Terms”), Maximus shall pay Employee a lump sum severance amount, less applicable taxes, withholdings, and deductions, comprised of the following components:

- i. 12 (twelve) months’ pay at Employee’s final base rate equating to \$630,000,
- ii. a bonus that is the lesser of the prior year bonus or target bonus amount for fiscal year 2024 equating to \$360,000,
- iii. a one-time payment of \$25,000 to offset any benefits impacted by the termination, and
- iv. one year’s worth of outplacement services at \$50,000, and
- v. a one-time cash payment in lieu of the time-based RSU recognition that would have happened on Sept 30, 2024. The amount of this cash bonus will be determined based on the 90 day average of the stock price on 6/30/2024.

Maximus and Employee agree that the amounts specified above are correct. Payment of such amounts is subject to customary withholding.

3. No Further Compensation or Benefits. Employee shall not be entitled to any other payments or benefits except as set forth herein, and any unvested equity awards shall be forfeited as of the Termination Date. Employee acknowledges that the payments and arrangements described in Paragraph 2 above shall constitute full and complete satisfaction of any and all compensation and benefit amounts properly due and owing to Employee as a result of employee’s employment with Maximus and the termination of that employment, and that the amounts described under Paragraph 2 above represent consideration greater than that to which Employee would be entitled upon termination of employment in the absence of this Agreement.

4. General Release and Waivers. (a) In consideration of the payments and arrangements set forth above, Employee (on behalf of herself, Employee’s heirs, executors, administrators, successors and assigns) knowingly and voluntarily releases Maximus and its affiliated entities and their officers, directors, partners, owners, employees, contractors, clients, agents, representatives, predecessors, successors and assigns (the “Releasees”) from any and all individual or class action claims, actions, rights, demands, debts, damages, grievances or accountings of whatever nature, whether known or unknown, currently existing or arising in the future, relating in any way to Employee’s employment with Maximus or the termination thereof, including, without limitation, claims under the Age Discrimination in Employment Act, Older Workers Benefit Protection Act, Title VII of the Civil Rights Act of 1964, Worker Adjustment and Retraining Notification Act, Family and Medical Leave Act, Americans with Disabilities Act, Fair Credit Reporting Act, Sarbanes-Oxley Act, Immigration Reform and Control Act, Occupational Safety and Health Act, National Labor Relations Act, Sections 1981 through 1988 of Title 42 of the United States Code; The Employee Retirement Income Security Act of 1974; and all other federal, state or local laws or any other statute, rule, regulation or executive order precluding discrimination or retaliation in employment, claims for breach of contract (whether oral or written, express or implied from any source), wrongful discharge, personal injuries or torts (whether intentional, negligent or

otherwise), defamation, or common law and all claims whether known or unknown, or any claim for costs, fees, or other expenses including attorneys' fees incurred in these matters, arising through the date of execution of this Agreement by Employee, excepting only those matters explicitly set forth in this Agreement.

(b) Excluded from this release and covenant not to sue are: (i) any claim or right which cannot be waived by law, including without limitation, all claims arising after the date of this Agreement, claims for unemployment compensation, claims for vested retirement benefits and claims for worker compensation benefits; (ii) claims under the Fair Labor Standards Act; and (iii) the right to file a charge with or participate in an investigation conducted by an administrative agency, provided Employee is waiving, however, any right to any monetary recovery or other equitable or injunctive relief if any administrative agency or other party pursues any claim or claims on Employee's behalf with the exception of monetary recovery for Securities and Exchange Commission claims. Employee affirms that she has not filed or otherwise initiated any charge, complaint, lawsuit, action or other legal proceeding against Releasees in any forum or form. Nothing in this Agreement prohibits Employee from reporting possible violations of federal law or regulation to any governmental agency or entity, including but not limited to the Department of Justice, the Securities and Exchange Commission, the Congress, and any agency Inspector General, or making other disclosures that are protected under the whistleblower provisions of federal or state law or regulation.

(c) If any claim is not subject to release, to the extent permitted by law, Employee waives any right or ability to be a class or collective action representative or to otherwise participate in any putative or certified class, collective or multi-party action or proceeding based on such a claim in which Releasees are a party.

(d) This Agreement does not bar actions or proceedings instituted for the sole purpose of enforcing the provisions of this Agreement.

5. Older Worker Benefit Protection Act. In compliance with the Older Worker Benefit Protection Act ("OWBPA") and in providing a release of all claims under the Age Discrimination in Employment Act ("ADEA"), Employee agrees and acknowledges as follows:

(a) Employee has read the terms of this Agreement, understands its contents, and agrees to the terms and conditions set forth in this Agreement of Employee's own free will.

(b) Employee has been advised orally and, by this document, in writing to consult with legal counsel prior to executing this Agreement.

(c) Employee does not rely on any statement or representation of Maximus outside of this Agreement in entering into this Agreement.

(d) Employee is not releasing rights or claims under the ADEA that arise after the date this Agreement is executed.

(e) Employee shall have twenty-one (21) calendar days from the latter of the Revised Notice Dates (the "Consideration Period") within which to consider the terms and execute this Agreement. (Employee may consider, execute and provide this

Agreement to Maximus sooner, so long as Employee signs the Agreement on or after the Termination Date; however, if Employee chooses, Employee may take all 21 days if Employee desires.)

(f) Employee acknowledges and understands that Employee may revoke this Agreement within seven (7) calendar days of the date on which Employee executes this document (the "Revocation Period"). If the last day of the revocation period is a Saturday, Sunday, or legal holiday in the state in which Employee was employed on the Termination Date, then the revocation period shall not expire until the next following day which is not a Saturday, Sunday, or legal holiday. This Agreement shall not become effective or enforceable until the Revocation Period has expired. Should Employee wish to exercise the right to revoke this Agreement, the revocation must be in writing and must be delivered by email to **Michelle Link** michellelink@maximus.com within the Revocation Period. If Employee wishes to deliver the revocation by mail, the revocation must be postmarked within the Revocation Period; must be sent by certified mail, return receipt requested; and must be properly addressed as follows:

Michelle Link
Maximus - Human Resources
1600 Tysons Blvd., Suite 1400
Tysons, VA 22102

If Employee wishes to deliver the revocation by hand, the revocation shall be delivered to the person and address stated above within the Revocation Period.

(h) The consideration referred to in Paragraph 2 will not be paid until the Revocation Period has expired without Employee exercising Employee's right of revocation and all other Payment Terms are fulfilled. If Employee fails to sign and return this Agreement by the end of the Consideration Period or if employee timely exercises the right to revoke pursuant to Subparagraph 5(f), the offers and promises made in this Agreement are null and void and Employee shall return to the Company any consideration Employee received.

6. Employee acknowledges and agrees that the payments and arrangements made pursuant to this Agreement shall not be construed or interpreted as an admission of any liability on the part of Maximus.

7. Employee agrees that if Employee is subpoenaed relating to any litigation matters involving Maximus that Employee will notify Maximus's General Counsel, or his/her designee within forty-eight (48) hours. Nothing in this Agreement prevents either Party from cooperating with any law enforcement or administrative agency, participating in an investigation or legal proceeding of an administrative agency, or testifying truthfully under oath as required by applicable laws.

8. Non-Defamation and Neutral Reference

(a) Employee agrees, subject to any obligation the parties may have under applicable law, that she will not make or cause to be made any statements or take any actions that disparage or any way damages the reputation of Maximus or any of its affiliates, subsidiaries, agents, officers, directors or employees. Nothing in this

Paragraph prevents Employee from disclosing statements, of any kind, regarding possible violations of law or regulation to government agencies or authorities.

Employee agrees that Employee will not make any false statement about Maximus with knowledge of the falsity of that statement or reckless disregard of the truth or falsity of that statement.

(b) Employee shall direct any request for a reference, in writing, to HRSC@maximus.com. Maximus will confirm, in writing, final job title, dates of employment and final salary only.

(c) Maximus agrees, subject to any obligations the parties may have under applicable law, that the Maximus CEO and his direct reports will not make any external statements or take any actions that disparage or in any way damages the reputation of Employee. Nothing in this Paragraph prevents Maximus from disclosing statements, of any kind, regarding possible violations of law or regulation to government agencies or authorities.

9. To extent permitted by applicable law, Employee agrees to keep the terms, amount and fact of this Agreement confidential, except that Employee may, however, disclose this Agreement in connection with Employee's tax returns and to an attorney, tax advisor and to an immediately family member, provided Employee expressly advises them of the obligation to keep the Agreement confidential. This Paragraph does not prevent or apply to any action by Employee to challenge the validity of Employee's release of claims under the Age Discrimination in Employment Act.

10. (a) In consideration for the payments and benefits to Employee hereunder, consistent with Paragraph 1(a), Employee hereby agrees that Employee shall be reasonably available to the Company following the Notice Date to provide transition assistance and shall reasonably cooperate with the Company and provide information and assistance to the Company. All requests to provide services under this Paragraph shall be scheduled with good faith consideration for Employee's personal, employment, and other obligations.

(b) Employee agrees to reasonably assist the Company with respect to all reasonable requests to provide documents, testify, or otherwise assist in connection with any legal proceeding or matter relating to the Company, including but not limited to, any lawsuit and federal, state or local audit, proceeding or investigation, other than proceedings relating to the enforcement of this Agreement or other proceedings in which the Employee is a named party whose interests are adverse to those of the Company. Employee also hereby consents to testify on behalf of the Company should the Company designate her to testify pursuant to a subpoena served on the Company pursuant to Rule 30(b)(6) of the Federal Rules of Civil Procedure or any similar state rule. The Company shall reimburse Employee for any reasonable expenses incurred by Employee in connection with such services upon receipt of appropriate documentation of such expenses from Employee.

11. Employee hereby acknowledges that she has not suffered any work-related injury or experienced any accidents on the job during her employment which have not been reported to Maximus.

12. Employee represents and warrants that she is not aware of any circumstances which might entitle, or might have entitled, Employee to a leave of absence under the Family and Medical Leave Act or applicable state or local leave law or any fact which might justify a claim against Maximus for violation of the Family Medical Leave Act or applicable state or local leave law. Employee further represents and warrants that she have received any and all wages and commissions for work performed, all pay for paid time off under Maximus policies and law and all leave to which Employee may have been entitled, and Employee is not currently aware of any facts or circumstances constituting a violation by Maximus of the FMLA, FLSA or applicable state or local laws. Employee specifically warrants that she had the opportunity to discuss this issue and all underlying facts with an attorney and make these representations in consultation with said attorney or with the opportunity to consult with an attorney.

13. This Agreement sets forth the Parties' entire agreement and supersedes any and all prior written or oral agreements or understandings between them pertaining to the subject matter of this Agreement other than the CRC Agreement and any agreement(s) or covenant(s) previously executed by Employee to preserve the confidentiality of Releasees' data, documents, transactions or other information or to prohibit unfair competition by Employee.

14. Should any provision of this Agreement be determined by any court to be illegal or invalid and cannot be modified to be enforceable, the validity of the remaining terms shall not be affected thereby, and the illegal or invalid term shall be deemed not to be part of this Agreement. If any portion of the general release language is ruled to be unenforceable for any reason, Employee will, upon demand, execute additional or supplemental general release agreements waiving any and all claims that Employee may have, and Employee agrees that Employee may not obtain any personal recovery against Releasees.

15. This Agreement shall be construed in accordance with Virginia law, without regard to any jurisdiction's principles of conflict of laws. In any action brought to enforce this Agreement, the substantially prevailing party shall be entitled to recover reasonable legal fees and costs, and the action shall be tried to a court without a jury.

16. This Agreement shall inure to the benefit of and be binding on the successors, heirs and assigns of the Parties.

17. This Agreement may only be amended by a written document signed by both of Parties hereto, wherein specific reference is made to this Agreement.

18. A photocopy, facsimile or emailed copy of this Agreement shall be as effective as an original. An electronic signature shall be as effective as an original.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the dates set forth below.

Teresa Weipert

Maximus, Inc.

/s/ Teresa Weipert

By: /s/ Michelle Link

Michelle Link, CHRO

Date: March 5, 2024

Date: March 5, 2024

SEPARATION AGREEMENT AND RELEASE

This Separation Agreement and Release ("Second Agreement") is made between Maximus, Inc. ("Maximus" or the "Company") and Teresa Weipert ("Employee"). Employee was provided a copy of this Second Agreement on June 3, 2024 (the "Notice Date").

WHEREAS, the parties entered into a Separation Agreement and Release effective on March 5, 2024 ("First Separation Agreement"), the terms of which were agreed upon, put into effect, and remain in effect; and

WHEREAS, pursuant to the First Separation Agreement, the parties mutually agreed that Employee would remain employed through June 30, 2024 ("Termination Date") to provide certain transition support services to Maximus and would enter into this Second Agreement thereafter; and

WHEREAS, Maximus is willing to provide Employee certain severance and incentive payments as set forth herein; and

WHEREAS, Employee and Maximus desire to enter into this Second Agreement regarding the terms and conditions of the termination of Employee's employment with Maximus.

NOW THEREFORE, Employee and Maximus enter into this Second Agreement and agree to the following terms and conditions in consideration of the promises contained herein and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged:

1. Termination of Employment. Employee's employment with Maximus will end as of close of business on the Termination Date.

(a) Maximus will pay all final wages due to Employee as of the Termination Date, which will be issued according to the normal payroll cycle.

(b) Employee's participation, if any, in all Maximus benefit plans shall cease as of the Termination Date, except that it is expressly recognized that Employee shall retain all vested rights, if any, under such plans and any amounts payable to Employee under such plans shall be paid pursuant to the respective terms of such plans.

(i) All health insurance benefits, if any, cease on the last day of the month in which Employee is terminated. In the event Employee is enrolled in the Company's group health plan at the time of termination, Employee acknowledges that (i) on the Termination Date, a "qualifying event" within the meaning of the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("COBRA") will occur with respect to Employee as a result of which Employee and any qualified beneficiaries will lose coverage under Maximus' group health plan; (ii) after the Termination Date,

Employee will receive written notice of Employee's rights to elect to receive continuation coverage under said group health plan pursuant to COBRA ("COBRA Coverage"); and (iii) the provisions of COBRA shall govern whether Employee and any qualified beneficiaries shall be entitled to COBRA Coverage which shall be at Employee's sole cost.

(ii) All life and disability insurance benefits, if any, cease as of the Termination Date.

(iii) Except as provided herein, any unvested Restricted Stock Unit(s) ("RSU") and Performance Stock Unit(s) ("PSU") previously granted to Employee shall terminate and be forfeited as of the Termination Date.

(iv) There shall be no other benefits paid out unless set forth in this Second Agreement.

(c) Employee agrees to return all Maximus property including, if applicable, all documents belonging to Maximus on the Termination Date. Employee further agrees not to retain any copies of any documents, computer hardware and/or software. Company property shall include but not be limited to laptops, keys, pass cards, telephone cards, credit cards and any and all other property provided by Maximus during Employee's course and scope of employment. Severance pay, as provided for in this Second Agreement, shall be contingent upon Maximus receiving all Company property. Employee shall submit final expense reports, if any, by the Termination Date.

2. Consideration. Contingent on (i) Employee executing of this Second Agreement on or before the expiration of the Consideration Period referred to in Paragraph 5(e) below; (ii) expiration of the Revocation Period referred to in Paragraph 5(f) below; (iii) return by Employee of all Maximus property and information as required by Paragraph 1(d) above; and (iv) compliance with the promises made herein and the Confidentiality and Restrictive Covenant ("CRC") Agreement signed by Employee effective March 26, 2021 (collectively, the "Payment Terms"), Maximus shall pay Employee a lump sum severance amount, less applicable taxes, withholdings, and deductions, comprised of the following components:

- (a) 12 months' pay at Employee's final base rate equating to \$630,000;
- (b) a bonus that is the lesser of the prior year bonus or target bonus amount for fiscal year 2024 equating to \$360,000;
- (c) a one-time payment of \$25,000 to offset any benefits impacted by the termination;
- (d) one year's worth of outplacement services at \$50,000; and
- (e) a one-time cash payment in lieu of the time-based RSU recognition that would have happened on September 30, 2024.

The amount of this cash bonus will be determined based on the 90-day average of Maximus's stock price on the Termination Date.

Maximus and Employee agree that the amounts specified above are correct. Payment of such amounts is subject to customary withholding.

3. No Further Compensation or Benefits. Employee shall not be entitled to any other payments or benefits except as set forth herein, and any unvested equity awards shall be forfeited as of the Termination Date. Employee acknowledges that the payments and arrangements described in Paragraph 2 above shall constitute full and complete satisfaction of any and all compensation and benefit amounts properly due and owing to Employee as a result of Employee's employment with Maximus and the termination of that employment, and that the amounts described under Paragraph 2 above represent consideration greater than that to which Employee would be entitled upon termination of employment in the absence of this Second Agreement.

4. General Release and Waivers.

(a) In consideration of the payments and arrangements set forth above, Employee (on behalf of herself, Employee's heirs, executors, administrators, successors and assigns) knowingly and voluntarily releases Maximus and its affiliated entities and their officers, directors, partners, owners, employees, contractors, clients, agents, representatives, predecessors, successors and assigns (the "Releasees") from any and all individual or class action claims, actions, rights, demands, debts, damages, grievances or accountings of whatever nature, whether known or unknown, currently existing or arising in the future, relating in any way to Employee's employment with Maximus or the termination thereof, including, without limitation, claims under the Age Discrimination in Employment Act, Older Workers Benefit Protection Act, Title VII of the Civil Rights Act of 1964, Worker Adjustment and Retraining Notification Act, Family and Medical Leave Act, Americans with Disabilities Act, Fair Credit Reporting Act, Sarbanes-Oxley Act, Immigration Reform and Control Act, Occupational Safety and Health Act, National Labor Relations Act, Sections 1981 through 1988 of Title 42 of the United States Code; The Employee Retirement Income Security Act of 1974; and all other federal, state or local laws or any other statute, rule, regulation or executive order precluding discrimination or retaliation in employment, claims for breach of contract (whether oral or written, express or implied from any source), wrongful discharge, personal injuries or torts (whether intentional, negligent or otherwise), defamation, or common law and all claims whether known or unknown, or any claim for costs, fees, or other expenses including attorneys' fees incurred in these matters, arising through the date of execution of this Second Agreement by Employee, excepting only those matters explicitly set forth in this Second Agreement.

(b) Excluded from this release and covenant not to sue are: (i) any claim or right which cannot be waived by law, including without limitation, all claims arising after the date of this Second Agreement, claims for unemployment compensation, claims for vested retirement benefits and claims for worker compensation benefits; (ii) claims under the Fair Labor Standards Act; and (iii) the right to file a charge with or participate in an investigation conducted by an administrative agency, provided Employee is waiving, however, any right to any monetary recovery or other equitable or injunctive relief if any administrative agency or other party pursues any claim or claims

on Employee's behalf with the exception of monetary recovery for Securities and Exchange Commission claims. Employee affirms that she has not filed or otherwise initiated any charge, complaint, lawsuit, action or other legal proceeding against Releasees in any forum or form. Nothing in this Second Agreement prohibits Employee from reporting possible violations of federal law or regulation to any governmental agency or entity, including but not limited to the Department of Justice, the Securities and Exchange Commission, the Congress, and any agency Inspector General, or making other disclosures that are protected under the whistleblower provisions of federal or state law or regulation.

(c) If any claim is not subject to release, to the extent permitted by law, Employee waives any right or ability to be a class or collective action representative or to otherwise participate in any putative or certified class, collective or multi-party action or proceeding based on such a claim in which Releasees are a party.

(d) This Second Agreement does not bar actions or proceedings instituted for the sole purpose of enforcing the provisions of this Second Agreement.

5. Older Worker Benefit Protection Act. In compliance with the Older Worker Benefit Protection Act ("OWBPA") and in providing a release of all claims under the Age Discrimination in Employment Act ("ADEA"), Employee agrees and acknowledges as follows:

(a) Employee has read the terms of this Second Agreement, understands its contents, and agrees to the terms and conditions set forth in this Second Agreement of Employee's own free will.

(b) Employee has been advised orally and, by this document, in writing, to consult with legal counsel prior to executing this Second Agreement.

(c) Employee does not rely on any statement or representation of Maximus outside of this Second Agreement in entering into this Second Agreement.

(d) Employee is not releasing rights or claims under the ADEA that arise after the date this Second Agreement is executed.

(e) Employee shall have twenty-one (21) calendar days from the Notice Date (the "Consideration Period") within which to consider the terms and execute this Second Agreement. (Employee may consider, execute and provide this Second Agreement to Maximus sooner, so long as Employee signs the Second Agreement on or after the Termination Date; however, if Employee chooses, Employee may take all 21 days if Employee desires.)

(f) Employee acknowledges and understands that Employee may revoke this Second Agreement within seven (7) calendar days of the date on which Employee executes this document (the "Revocation Period"). If the last day of the Revocation Period is a Saturday, Sunday, or legal holiday in the state in which Employee was employed on the Termination Date, then the Revocation Period shall not expire until the next following day which is not a Saturday, Sunday, or legal holiday. This Second Agreement shall not become effective or enforceable until the Revocation Period has

expired. Should Employee wish to exercise the right to revoke this Second Agreement, the revocation must be in writing and must be delivered by email to **Michelle Link** michellelink@maximus.com within the Revocation Period. If Employee wishes to deliver the revocation by mail, the revocation must be postmarked within the Revocation Period; must be sent by certified mail, return receipt requested; and must be properly addressed as follows:

Michelle Link
Maximus - Human Resources
1600 Tysons Blvd., Suite 1400
Tysons, VA 22102

If Employee wishes to deliver the revocation by hand, the revocation shall be delivered to the person and address stated above within the Revocation Period.

(h) The consideration referred to in Paragraph 2 will not be paid until the Revocation Period has expired without Employee exercising Employee's right of revocation and all other Payment Terms are fulfilled. If Employee fails to sign and return this Second Agreement by the end of the Consideration Period or if Employee timely exercises the right to revoke pursuant to Subparagraph 5(f), the offers and promises made in this Second Agreement are null and void and Employee shall return to the Company any consideration Employee received.

6. Non Admission. Employee acknowledges and agrees that the payments and arrangements made pursuant to this Second Agreement shall not be construed or interpreted as an admission of any liability on the part of Maximus.

7. Subpoenas. Employee agrees that if Employee is subpoenaed relating to any litigation matters involving Maximus that Employee will notify Maximus's General Counsel, or his/her designee within forty-eight (48) hours. Nothing in this Second Agreement prevents either Party from cooperating with any law enforcement or administrative agency, participating in an investigation or legal proceeding of an administrative agency, or testifying truthfully under oath as required by applicable laws.

8. Non-Defamation and Neutral Reference.

(a) Employee agrees, subject to any obligation the parties may have under applicable law, that she will not make or cause to be made any statements or take any actions that disparage or in any way damages the reputation of Maximus or any of its affiliates, subsidiaries, agents, officers, directors or employees. Nothing in this Paragraph prevents Employee from disclosing statements, of any kind, regarding possible violations of law or regulation to government agencies or authorities.

Employee agrees that Employee will not make any false statement about Maximus with knowledge of the falsity of that statement or reckless disregard of the truth or falsity of that statement.

(b) Employee shall direct any request for a reference, in writing, to HRSC@maximus.com. Maximus will confirm, in writing, final job title, dates of employment and final salary only.

(c) Maximus agrees, subject to any obligations the parties may have under applicable law, that the Maximus CEO and his direct reports will not make any external statements or take any actions that disparages or in any way damages the reputation of Employee. Nothing in this Paragraph prevents Maximus from disclosing statements, of any kind, regarding possible violations of law or regulation to government agencies or authorities.

9. Confidentiality. To extent permitted by applicable law, Employee agrees to keep the terms, amount and fact of this Second Agreement confidential, except that Employee may, however, disclose this Second Agreement in connection with Employee's tax returns and to an attorney, tax advisor and to an immediately family member, provided Employee expressly advises them of the obligation to keep the Second Agreement confidential. This Paragraph does not prevent or apply to any action by Employee to challenge the validity of Employee's release of claims under the Age Discrimination in Employment Act.

10. Employee agrees to reasonably assist the Company with respect to all reasonable requests to provide documents, testify, or otherwise assist in connection with any legal proceeding or matter relating to the Company, including but not limited to, any lawsuit and federal, state or local audit, proceeding or investigation, other than proceedings relating to the enforcement of this Second Agreement or other proceedings in which Employee is a named party whose interests are adverse to those of the Company. Employee also hereby consents to testify on behalf of the Company should the Company designate her to testify pursuant to a subpoena served on the Company pursuant to Rule 30(b)(6) of the Federal Rules of Civil Procedure or any similar state rule. The Company shall reimburse Employee for any reasonable expenses incurred by Employee in connection with such services upon receipt of appropriate documentation of such expenses from Employee.

11. Employee hereby acknowledges that she has not suffered any work-related injury or experienced any accidents on the job during her employment which have not been reported to Maximus.

12. Employee represents and warrants that she is not aware of any circumstances which might entitle, or might have entitled, Employee to a leave of absence under the Family and Medical Leave Act or applicable state or local leave law or any fact which might justify a claim against Maximus for violation of the Family Medical Leave Act or applicable state or local leave law. Employee further represents and warrants that she has received any and all wages and commissions for work performed, all pay for paid time off under Maximus policies and law and all leave to which Employee may have been entitled, and Employee is not currently aware of any facts or circumstances constituting a violation by Maximus of the FMLA, FLSA or applicable state or local laws. Employee specifically warrants that she had the opportunity to discuss this issue and all underlying facts with an attorney and make these representations in consultation with said attorney or with the opportunity to consult with an attorney.

13. This Second Agreement sets forth the parties' entire agreement and supersedes any and all prior written or oral agreements or understandings between them pertaining to the subject matter of this Second Agreement other than the First Separation

Agreement, CRC Agreement and any agreement(s) or covenant(s) previously executed by Employee to preserve the confidentiality of Releasees' data, documents, transactions or other information or to prohibit unfair competition by Employee.

14. Should any provision of this Second Agreement be determined by any court to be illegal or invalid and cannot be modified to be enforceable, the validity of the remaining terms shall not be affected thereby, and the illegal or invalid term shall be deemed not to be part of this Second Agreement. If any portion of the general release language is ruled to be unenforceable for any reason, Employee will, upon demand, execute additional or supplemental general release agreements waiving any and all claims that Employee may have, and Employee agrees that Employee may not obtain any personal recovery against Releasees.

15. This Second Agreement shall be construed in accordance with Virginia law, without regard to any jurisdiction's principles of conflict of laws. In any action brought to enforce this Second Agreement, the substantially prevailing party shall be entitled to recover reasonable legal fees and costs, and the action shall be tried to a court without a jury.

16. This Second Agreement shall inure to the benefit of and be binding on the successors, heirs and assigns of the parties.

17. This Second Agreement may only be amended by a written document signed by both of parties hereto, wherein specific reference is made to this Second Agreement.

18. A photocopy, facsimile or emailed copy of this Second Agreement shall be as effective as an original. An electronic signature shall be as effective as an original.

IN WITNESS WHEREOF, the parties have executed this Second Agreement as of the dates set forth below.

Teresa Weipert

Maximus, Inc.

/s/ Teresa Weipert

By: /s/ Michelle Link

Michelle Link, CHRO

Date: June 30, 2024

Date: June 29, 2024

Insider Trading Policy

Purpose: 1.1. This policy establishes guidelines for defining and enforcing laws and rules against Insider Trading. We have adopted this policy to assure compliance with the laws as well as to avoid even the appearance of improper conduct by anyone associated with Maximus, Inc. ("Maximus" or the "Company").

1.2. [Reserved]

Scope: 1.3. This policy applies to all Maximus employees, officers, and directors, affiliated with all business units, including majority-owned subsidiaries and joint ventures worldwide.

Policy: 1.4. **Trading on Inside Information.** It is against the law and Maximus policy for any employee, officer or director, to buy or sell common stock or other securities (including derivative securities such as options) of the Company while in possession of material non-public information (commonly referred to as "inside information" or "insider information") pertaining to the Company.

1.5 **Communicating Inside Information.** It is also against the law and Maximus policy to communicate inside information to someone else who then buys or sells Maximus common stock or other securities.

1.6 **Inside Information of Other Parties.** This policy also applies to inside information about any other company with which Maximus is negotiating or doing business. You may not trade in the securities of any company on the basis of such inside information. Employees, officers or directors may not communicate inside information about any company to others.

1.7 **Family Members.** These restrictions also apply to employees, officers or directors' family members and others living in their household who may gain access to or become aware of inside information. Employees, officers or directors are responsible for their compliance with these rules.

1.8 **Public Disclosure.** Employees, officers or directors must not discuss internal Maximus matters with anyone outside the Company, except as may be required in the performance of their job functions. This rule applies particularly to discussions with the media or members of the financial community. All inquiries received from the media or members of the financial community must be directed to the Investor Relations team who will coordinate with the Chief Executive Office, the Chief Financial Officer and Office of the General Counsel, as appropriate.

1.9 **Trading Restrictions.** Maximus employees, officers and directors may not trade in Company securities when in possession of material, non-public

information or during any time the CEO has designated as a special blackout period (see section 1.12).

1.10 No Hedging. Hedging of the Company's securities might be perceived as involving insider trading or otherwise undermining confidence in the securities. Therefore, employees, officers and directors of the Company may not, directly or indirectly, trade in puts or calls, options, warrants or similar instruments relating to the Company's securities or otherwise hedge Company securities. These restrictions are also applicable to hedging transactions through the purchase of financial instruments, such as prepaid variable forward contracts, equity swaps, collars and exchange funds, trading on margin or in margin-related derivatives, or any financial instruments or derivatives or entering into any contracts, warrants or the like for the purpose of hedging price movements in the Company's securities.

1.11 No Pledging. Employees, officers and directors of the Company may not pledge their shares as collateral for a loan including incurring margin debt against their shares. Foreclosure or margin sales might occur at a time when the individual is aware of material nonpublic information or is otherwise not permitted to trade Company shares.

1.12 Blackout Periods. Maximus directors, Executive Committee members, and certain designated covered employees are subject to blackout periods when the Company is preparing its quarterly and annual earnings reports. These individuals may not trade in Company securities during the period that starts two weeks before the end of each fiscal quarter and ends two (2) business days after earnings for that quarter have been publicly released. The CEO may also designate special blackout periods when trading may not occur due to pending material events, news or similar situations. These special blackout periods may vary in length and may or may not be broadly communicated to covered persons. The Office of the General Counsel will notify persons that were subject to a special blackout period when such period has ended.

1.13 SEC Filings. Maximus directors and certain executive officers have been designated as subject to the reporting provisions and trading restrictions of Section 16 of the Securities Exchange Act of 1934. These individuals are known as "Section 16 Officers." Section 16 Officers are required to file with the SEC a report listing all purchases and sales of the Company's stock, plus all equity grants and all exercises of stock options, as well as any gifts of Company securities, within two business days of any transaction. This reporting requirement requires close coordination with legal counsel for the Company. Section 16 Officers also need to be aware of the so-called "short-swing" rule, which could force a Section 16 Officer to surrender the profits realized on purchases and sales of Company securities made within any six-month period. (Consult with the Office of the General Counsel for more guidance in this area.) All directors and Section 16 Officers are required to promptly notify the Office of the General Counsel of any planned or actual transactions in the Company's securities (including gifts) to permit timely preparation of the necessary filings with the SEC.

1.14 **Pre-Clearance.** Maximus directors and Section 16 Officers must request prior clearance from the General Counsel, or the General Counsel's designee, at least two business days before such person anticipates making any purchases, sales, or gifts of the Company's securities, in all cases regardless of whether or not a blackout period is then in effect. The General Counsel is under no obligation to approve a transaction submitted for pre-clearance, and may determine not to permit the transaction. If an insider seeks pre-clearance and permission to engage in the transaction is denied, then he or she must refrain from initiating any transaction in the Company's securities, and should not inform any other person of the restriction.

When a request for pre-clearance is made, the director or Section 16 Officer should carefully consider whether he or she may be aware of any material non-public information about the Company, and should describe fully those circumstances to the Office of the General Counsel. Pre-clearance approvals will go "stale" if more than two business days have lapsed before the transaction is executed or if the insider obtains material non-public information prior to executing the transaction (and will then need to seek a new pre-clearance).

1.15 **Stock Option Plans.** The trading prohibitions and restrictions of this policy **do** apply to all sales of securities acquired through the exercise of stock options granted by the Company, but **do not** apply to the acquisition of securities through such exercises. That is, employees may exercise stock options at any time, but they may not sell, pledge or otherwise transfer the stock acquired through the exercise when they are in possession of material non-public information (and during the blackout periods for directors and members of the Executive Committee). Accordingly, a "cashless exercise" of stock options (i.e., a simultaneous purchase and sale) would be prohibited when an employee possesses material non-public information. Special reporting rules (described above) pertain to Section 16 Officers.

1.16 **Trades Under Rule 10b5-1 Plans .** The trading prohibitions and restrictions of this policy **do not** apply to transactions in the Company's securities pursuant to a valid Rule 10b5-1 Plan that satisfies applicable law and the Company's guidelines for Rule 10b5-1 Plans. All directors and Section 16 Officers must submit a Rule 10b5-1 Plan for approval by the General Counsel at least five business days prior to the entry into or amendment of the Rule 10b5-1 Plan.

Definitions: 1.17. **Hedging** is a type of investment designed to reduce the risk of adverse price movements in another asset. Typically, a hedge consists of taking an offsetting position in a related security, such as a futures contract.

1.18. **Material.** Information is "material" if a reasonable investor would consider it significant in a decision to buy, hold or sell securities. In other words, any information that could reasonably be expected to positively or negatively affect the Company's stock price (or the price of another company's securities) is likely material.

Although it is not possible to identify all information that might be considered material, common examples of material information include:

- The Company's quarterly or year-end financial results
- Pending or proposed mergers or acquisitions
- Pending or proposed purchases or sales of business lines
- Public offerings of securities by the Company
- Changes in executive management
- Significant new products or technological discoveries
- Negotiations regarding significant licenses, contracts or joint ventures
- Significant litigation or the resolution of such litigation
- Proposed stock splits or dividends
- Financial or liquidity problems
- Significant actual or potential cybersecurity, privacy, or data incidents
- Significant accounting developments
- Change in auditors or notification that the auditor's reports may no longer be relied upon

1.19. **Non-public.** Information is considered non-public until it has been made available to investors (typically through a formal press release) and the market has had time to digest it. As a general rule, if you know of material non-public information about the Company, you should not engage in any stock transactions until 24 hours have passed from the time the information is publicly announced in a press release. This will ensure that the public market has had an opportunity to consider the information. If the information relates to the Company's financial performance, you should wait until 24 hours after the Company's quarterly earnings press release. This will typically occur in early February, May, August and November.

1.20. **Pledging** involves using Maximus stock as collateral for a loan. This could include incurring margin debt at a brokerage where the stock secures that obligation.

1.21. **Rule 10b5-1 Plan.** A written trading plan that is structured to provide a defense from insider trading liability by meeting certain conditions specified in Rule 10b5-1 promulgated under the Securities Exchange Act of 1934, as amended.

1.22. **Securities.** The prohibition on insider trading applies to Maximus common stock as well as any other securities of the Company. For these purposes "securities" includes options to buy or sell common stock (such as call and puts) as well as any instruments the Company may issue in the future such as preferred stock, convertible debentures, warrants or other derivative securities.

Responsibility: 1.23. All questions regarding this policy should be directed to the Office of the General Counsel.

Subsidiaries of Maximus, Inc.

Name of Subsidiary*	Jurisdiction of Incorporation or Organization
Ascend Management Innovations LLC	Tennessee
BZ Bodies Ltd	England & Wales
Child Welfare Assessments Pty Ltd	Australia
InjuryNet Australia Pty Ltd	Australia
InSysCo, Inc.	Virginia
Interactive Technology Solutions, LLC	Maryland
ITEQ Holding Company, Inc.	Maryland
MAX Solutions Pty Ltd	Australia
Maximus Australia Holding Company Pty Ltd	Australia
Maximus BC Health Benefit Operations Inc.	British Columbia
Maximus BC Health Inc.	British Columbia
Maximus Canada Services, Inc.	Canada
Maximus Canada, Inc.	Canada
Maximus Co., Ltd.	Korea
Maximus Companies Ltd	England & Wales
Maximus Consulting Services, Inc.	Virginia
Maximus Education, LLC	Delaware
Maximus Federal Consulting, LLC	Delaware
Maximus Federal IT, LLC	Virginia
Maximus Federal Services, Inc.	Virginia
Maximus Federal Systems, LLC	Maryland
Maximus Gulf Company Ltd	Saudi Arabia
Maximus Higher Education, Inc.	Virginia
Maximus Human Services, Inc.	Virginia
Maximus Services LLC	Delaware
Maximus US Services, Inc.	Indiana
Maximus UK Services Ltd	England & Wales
Policy Studies LLC	Colorado
PSI Services Holding LLC	Delaware
Stirling Institute of Australia Pty Ltd	Australia
VES Group, Inc.	Texas
Veterans Evaluation Services, Inc.	Illinois
Veterans Evaluation Services, Inc.	Texas

* Other subsidiaries have been omitted from this list because, considered in the aggregate, they would not constitute a significant subsidiary under Securities and Exchange Commission Regulation S-X, Rule 1-02(w).

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the following Registration Statements:

1. Registration Statements (Form S-8 Nos. 333-88012, 333-41871, 333-62380, 333-75263 and 333-136400) pertaining to the 1997 Equity Incentive Plan of Maximus, Inc.;
2. Registration Statement (Form S-8 No. 333-217657) pertaining to the 2017 Equity Incentive Plan of Maximus, Inc.; and
3. Registration Statement (Form S-8 No. 333-255811) pertaining to the 2021 Omnibus Incentive Plan of Maximus, Inc.

of our reports dated November 21, 2024, with respect to the consolidated financial statements of Maximus, Inc. and the effectiveness of internal control over financial reporting of Maximus, Inc. included in this Annual Report (Form 10-K) of Maximus, Inc. for the year ended September 30, 2024.

/s/ Ernst & Young LLP

Tysons, Virginia
November 21, 2024

Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Bruce L. Caswell, certify that:

1. I have reviewed this Annual Report on Form 10-K of Maximus, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Bruce L. Caswell

November 21, 2024

By: Bruce L. Caswell
President and Chief Executive Officer
(Principal Executive Officer)

Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, David W. Mutryn, certify that:

1. I have reviewed this Annual Report on Form 10-K of Maximus, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ David W. Mutryn

November 21, 2024

By: David W. Mutryn
Chief Financial Officer
(Principal Financial Officer)

**Certification Pursuant to 18 U.S.C. Section 1350,
As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the Annual Report of Maximus, Inc. (the "Company") on Form 10-K for the fiscal year ended September 30, 2024 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Bruce Caswell, President and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Bruce L. Caswell

November 21, 2024

By: Bruce L. Caswell
President and Chief Executive Officer
(Principal Executive Officer)

**Certification Pursuant to 18 U.S.C. Section 1350,
As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the Annual Report of Maximus, Inc. (the "Company") on Form 10-K for the fiscal year ended September 30, 2024 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, David Mutryn, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ David W. Mutryn

November 21, 2024

By: David W. Mutryn
Chief Financial Officer
(Principal Financial Officer)

**POLICY REGARDING RECOVERY OF EXECUTIVE COMPENSATION
(PURSUANT TO SEC AND NYSE RULES)**

The Board of Directors (the "**Board**") of Maximus, Inc. (the "**Company**") has adopted this Compensation Recovery Policy (the "**Policy**") effective as of October 2, 2023. This Policy provides for the recovery of certain incentive-based compensation in the event of a Financial Restatement (as defined below) of the Company's financial statements. This Policy is intended to comply with the requirements of Section 10D of the Exchange Act (as defined below) and Section 303A.14 of the New York Stock Exchange Listed Company Manual.

1. Definitions. For purposes of this Policy, the following terms shall have the meanings set forth below.

(a) "**Committee**" means the Compensation Committee of the Board, or if so designated by the Board, another committee of the Board comprised solely of independent directors.

(b) "**Covered Compensation**" means any Incentive based Compensation "received" by a Covered Executive during the applicable Recovery Period; provided that:

(i) such compensation was received by such Covered Executive (A) on or after October 2, 2023, (B) on or after he or she commenced service as an Executive Officer, and (C) while the Company had a class of securities publicly listed on a U.S. national securities exchange; and

(ii) such Covered Executive served as an Executive Officer at any time during the performance period applicable to such Incentive based Compensation.

For purposes of this Policy, Incentive based Compensation is deemed "**received**" by a Covered Executive in the fiscal period during which the Financial Reporting Measure applicable to such Incentive based Compensation (or portion thereof) is attained, even if the payment or grant of such Incentive based Compensation occurs after the end of such period.

(c) "**Covered Executive**" means any current or former Executive Officer.

(d) "**Exchange Act**" means the U.S. Securities Exchange Act of 1934, as amended.

(e) "**Executive Officer**" means, with respect to the Company, (i) its president, (ii) its principal executive officer ¹, (iii) its principal financial officer, (iv) its principal accounting officer (or if there is no such accounting officer, its controller), (v) any vice-president in charge of a principal business unit, division or function (such as sales, administration or finance), (vi) any other officer who performs a policy-making function for the Company (including any officer of the Company's parent(s) or subsidiaries if they perform policy-making functions for the Company), and (vii) any other person who performs similar policy-making functions for the Company. Policy-making function is not intended to include policy-making functions that are not significant.

(f) "**Financial Reporting Measure**" means any measure that is determined and presented in accordance with the accounting principles used in preparing the Company's financial statements, and any measures that are derived wholly or in part from any such measure. Stock price and total shareholder return are also Financial Reporting Measures. A Financial Reporting Measure does not need to be presented within the Company's financial statements or included in a filing with the U.S. Securities and Exchange Commission.

(g) "**Financial Restatement**" means an accounting restatement due to the material noncompliance of the Company with any financial reporting requirement under U.S. federal securities laws, including any required accounting restatement to correct an error in previously issued financial statements that is material to the previously

issued financial statements, or that would result in a material misstatement if the error were corrected in the current period or left uncorrected in the current period.

For the avoidance of doubt, for purposes of this Policy, a Financial Restatement shall not be deemed to occur in the event of a restatement of the Company's financial statements due to an out-of-period adjustment or a retrospective: (1) application of a change in accounting principles, (2) revision to reportable segment information due to a change in the structure of the Company's internal organization, (3) reclassification due to a discontinued operation, (4) application of a change in reporting entity, such as from a reorganization of entities under common control, or (5) revision for stock splits, reverse stock splits, stock dividends, or other changes in capital structure.

(h) "**Incentive based Compensation**" means any compensation (including, for the avoidance of doubt, any cash or equity or equity-based compensation, whether deferred or current) that is granted, earned or vested based wholly or in part upon the attainment of a Financial Reporting Measure. [For purposes of this Policy, "Incentive based Compensation" shall also be deemed to include any amounts which were determined based on (or were otherwise calculated by reference to) Incentive based Compensation (including, without limitation, any amounts under any long-term disability, life insurance or supplemental retirement plan or any notional account that is based on Incentive based Compensation, as well as any earnings accrued thereon).

(i) "**NYSE**" means the New York Stock Exchange, or any successor thereof.

(j) "**Recovery Period**" means the three fiscal years completed immediately preceding the date of any applicable Recovery Trigger Date. Notwithstanding the foregoing, the Recovery Period additionally includes any transition period (that results from a change in the Company's fiscal year) within or immediately following those three completed fiscal years, *provided* that a transition period between the last day of the Company's previous fiscal year end and the first day of its new fiscal year that comprises a period of nine (9) to twelve (12) months would be deemed a completed fiscal year.

(k) "**Recovery Trigger Date**" means the earlier of (i) the date that the Board (or a committee thereof or the officer(s) of the Company authorized to take such action if Board action is not required) concludes, or reasonably should have concluded, that the Company is required to prepare a Financial Restatement, and (ii) the date on which a court, regulator or other legally authorized body directs the Company to prepare a Financial Restatement.

2. Recovery of Erroneously Awarded Compensation.

(a) In the event of a Financial Restatement, if the amount of any Covered Compensation received by a Covered Executive (the "**Awarded Compensation**") exceeds the amount of such Covered Compensation that otherwise would have been received by such Covered Executive if it had been determined based on the information in the Financial Restatement (the "**Adjusted Compensation**"), the Company shall reasonably promptly recover from such Covered Executive an amount equal to the excess of the Awarded Compensation over the Adjusted Compensation, each calculated on a pre-tax basis (such excess amount, the "**Erroneously Awarded Compensation**").

(b) If (i) the Financial Reporting Measure applicable to the relevant Covered Compensation is stock price or total shareholder return (or any measure derived wholly or in part from either of such measures) and (ii) the amount of Erroneously Awarded Compensation is not subject to mathematical recalculation directly from the information in the Financial Restatement, then the amount of Erroneously Awarded Compensation shall be determined (on a pre-tax basis) based on the Company's reasonable estimate of the effect of the Financial Restatement on the Company's stock price or total shareholder return (or the derivative measure thereof) upon which such Covered Compensation was received and the Company shall maintain documentation of the determination of that reasonable estimate and provide such documentation to the NYSE.

(c) For the avoidance of doubt, the Company's obligation to recover Erroneously Awarded Compensation is not dependent on (i) if or when the restated financial statements are filed, or (ii) any fault of any Covered Executive for the accounting errors or other actions leading to a Financial Restatement.

(d) Notwithstanding anything to the contrary in Sections 2(a) through (c) hereof, the Company shall not be required to recover any Erroneously Awarded Compensation if both (x) the conditions set forth in any of the

following clauses (i), (ii) or (iii) are satisfied and (y) the Compensation Committee (or, in the absence of such committee, a majority of the independent directors serving on the Board) has determined that recovery of the Erroneously Awarded Compensation would be impracticable:

(i) the direct expense paid to a third party to assist in enforcing the recovery of the Erroneously Awarded Compensation under this Policy would exceed the amount of such Erroneously Awarded Compensation to be recovered; *provided* that, before concluding that it would be impracticable to recover any amount of Erroneously Awarded Compensation pursuant to this Section 2(d), the Company shall have first made a reasonable attempt to recover such Erroneously Awarded Compensation, document such reasonable attempt(s) to make such recovery, and provide that documentation to the NYSE;

(ii) recovery would violate home country law where that law was adopted prior to November 28, 2022. Before concluding that it would be impracticable to recover any amount of Erroneously Awarded Compensation based on violation of home country law, the Company must obtain an opinion of home country counsel, acceptable to the NYSE, that recovery would result in such a violation, and must provide such opinion to the NYSE; or

(iii) recovery would likely cause an otherwise tax-qualified retirement plan, under which benefits are broadly available to employees of the Company, to fail to meet the requirements of Sections 401(a)(13) or 411(a) of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**").

(e) The Company shall not indemnify any Covered Executive, directly or indirectly, for any losses that such Covered Executive may incur in connection with the recovery of Erroneously Awarded Compensation pursuant to this Policy, including through the payment of insurance premiums, through gross-up payments or any expenses that a Covered Executive incurs in opposing Company efforts to recoup amounts pursuant to this Policy².

(f) The Committee shall determine, in its sole discretion, the manner and timing in which any Erroneously Awarded Compensation shall be recovered from a Covered Executive in accordance with applicable law, including, without limitation, by (i) requiring reimbursement of Covered Compensation previously paid in cash, (ii) seeking recovery of any gain realized on the vesting, exercise, settlement, sale, transfer, or other disposition of any equity or equity-based awards, (iii) offsetting the Erroneously Awarded Compensation amount from any compensation otherwise planned or owed by the Company or any of its affiliates to the Covered Executive, (iv) cancelling outstanding vested or unvested equity or equity-based awards, (v) forfeiting deferred compensation, subject to compliance with Section 409A of the Code and the regulations promulgated thereunder and/or (vi) taking any other remedial and recovery action permitted by applicable law. For the avoidance of doubt, except as set forth in Section 2(d), in no event may the Company accept an amount that is less than the amount of Erroneously Awarded Compensation.

3. Administration. This Policy shall be administered by the Committee. All decisions of the Committee shall be final, conclusive and binding upon the Company and the Covered Executives, their beneficiaries, heirs, executors, administrators and any other legal representatives. The Committee shall have full power and authority to: (i) administer and interpret this Policy, (ii) correct any defect, supply any omission, and reconcile any inconsistency in this Policy, and (iii) make any other determination and take any other action that the Committee deems necessary or desirable for the administration of this Policy or to comply with applicable law, rules, regulations, administrative interpretations or listing standards.

4. Amendment/Termination. Subject to Section 10D of the Exchange Act and Section 303A.14 of the NYSE Listed Company Manual, this Policy may be amended, modified, supplemented, rescinded, replaced or terminated by the Committee at any time and from time to time in its sole discretion. To the extent that any applicable law, rules, regulations, administrative interpretations or listing standards require recovery of Erroneously Awarded Compensation in circumstances in addition to those specified herein, nothing in this Policy shall be deemed to limit or restrict the right or obligation of the Company to recover Erroneously Awarded Compensation to the fullest extent required by such applicable law, rules, regulations, administrative interpretations or listing standards. Unless

otherwise required by applicable law, this Policy shall no longer be effective from and after the date that the Company no longer has a class of securities listed on a United States national securities exchange.

5. Interpretation. Notwithstanding anything to the contrary herein, this Policy is intended to comply with the requirements of Section 10D of the Exchange Act and Section 303A.14 of the NYSE Listed Company Manual (and any applicable rules, regulations, administrative interpretations or listing standards adopted in connection therewith), and the provisions of this Policy shall be interpreted in a manner that satisfies such requirements, and this Policy shall be applied accordingly. If any provision of this Policy would otherwise frustrate or conflict with this intent, the provision shall be interpreted and deemed amended so as to avoid such conflict.

6. Other Compensation Clawback/Recovery Rights. Any right of recovery under this Policy is in addition to, and not in lieu of, (i) any other remedies, rights or requirements with respect to the clawback, recovery or recoupment of any compensation that may be available to the Company pursuant to the terms of any other policy of the Company (or any of its affiliates), including the Compensation Recovery Policy, that may be in effect from time to time, (ii) any provisions in any employment agreement, offer letter, equity plan, equity award agreement or similar plan or agreement, and (iii) any other legal remedies available to the Company under applicable law; *provided*, however, that any amounts recouped, recovered or clawed back under any law or other policy that would be recoverable under this Policy shall count toward any required recoupment, recovery or clawback under this Policy and vice versa, in each case without duplication.

7. Exempt Compensation. Notwithstanding anything to the contrary herein, the Company has no obligation pursuant to this Policy to seek recovery of amounts received by a Covered Executive which are awarded, paid, granted, vested or earned based solely upon the occurrence or non-occurrence of nonfinancial events. Such exempt compensation includes, without limitation, base salaries; bonuses paid solely at the discretion of the Compensation Committee or Board that are not paid from a "bonus pool" that is determined by satisfying a Financial Reporting Measure; bonuses paid solely upon satisfying one or more subjective standards; non-equity incentive plan awards earned solely upon satisfying one or more strategic measures or operational measures; equity awards for which the grant is not contingent upon achieving any Financial Reporting Measure performance goal and vesting is contingent solely upon completion of a specified employment period and/or attaining one or more nonfinancial reporting measures; or any other compensation awarded on the basis of the achievement of metrics that are not Financial Reporting Measures.

8. Miscellaneous.

(a) Any applicable award agreement or other document setting forth the terms and conditions of any compensation covered by this Policy shall be deemed to include the provisions imposed herein and incorporate this Policy by reference and, in the event of any inconsistency, the terms of this Policy will govern.

(b) This Policy shall be binding and enforceable against all Covered Executives and their beneficiaries, heirs, executors, administrators or other legal representatives.