

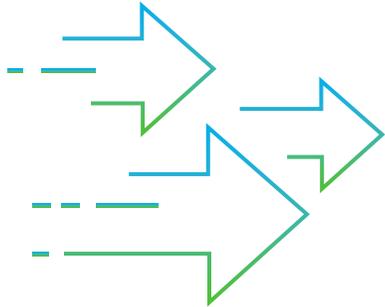


SECOND QUARTER 2021

Earnings Conference Call

August 4, 2021

FORWARD LOOKING STATEMENTS



This presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements are based on our current expectations, beliefs, and assumptions, and are not guarantees of future performance. Forward-looking statements are inherently subject to uncertainties, risks, changes in circumstances, trends and factors that are difficult to predict, many of which are outside of our control. Accordingly, actual performance, results and events may vary materially from those indicated in the forward-looking statements, and you should not rely on the forward-looking statements as predictions of future performance, results or events. Numerous factors could cause actual future performance, results and events to differ materially from those indicated in the forward-looking statements, including, among others: the impact of COVID-19; any issue that compromises our relationships with the U.S. federal government or its agencies or other state, local or foreign governments or agencies; any issues that damage our professional reputation; changes in governmental priorities that shift expenditures away from agencies or programs that we support; our dependence on long-term government contracts, which are subject to the government's budgetary approval process; the size of addressable markets and the amount of government spending on private contractors; failure by us or our employees to obtain and maintain necessary security clearances or certifications; failure to comply with numerous laws and regulations; changes in government procurement, contract or other practices or the adoption by governments of new laws, rules, regulations and programs in a manner adverse to us; the termination or nonrenewal of our government contracts, particularly our contracts with the U.S. government; our ability to compete effectively in the competitive bidding process and delays,

contract terminations or cancellations caused by competitors' protests of major contract awards received by us; our ability to generate revenue under certain of our contracts; any inability to attract, train or retain employees with the requisite skills, experience and security clearances; the loss of members of senior management or failure to develop new leaders; misconduct or other improper activities from our employees or subcontractors; our ability to realize the full value of our backlog and the timing of our receipt of revenue under contracts included in backlog; changes in the mix of our contracts and our ability to accurately estimate or otherwise recover expenses, time and resources for our contracts; changes in estimates used in recognizing revenue; internal system or service failures and security breaches; and inherent uncertainties and potential adverse developments in legal proceedings including litigation, audits, reviews and investigations, which may result in material adverse judgments, settlements or other unfavorable outcomes. These factors are not exhaustive and additional factors could adversely affect our business and financial performance. For a discussion of additional factors that could materially adversely affect our business and financial performance, see the factors including under the caption "Risk Factors" in our Annual Report with the Securities and Exchange Commission pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the fiscal year ended December 31, 2020 on Form 10-K, filed on February 24, 2021, and our other filings with the Securities and Exchange Commission. All forward-looking statements are based on currently available information and speak only as of the date on which they are made. We assume no obligation to update any forward-looking statement made in this presentation that becomes untrue because of subsequent events, new information or otherwise, except to the extent we are required to do so in connection with our ongoing requirements under federal securities laws.



MAJOR MESSAGES

Two complementary business segments (Federal Solutions and Critical Infrastructure) aligned with attractive markets that are enduring and growing

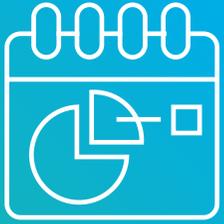
- Unique intersection of infrastructure and technology
- Enabling cyber, software and AI technologies drive national security innovation
- Global infrastructure spending increasing

Laser focused on driving organic growth and successfully completing legacy programs

Winning a significant amount of new business

- Record awards in Q2 including large/long-term new programs in strategic focus areas
- Solidified core revenue base with the \$2.2B TEAMS recompetes win - largest Parsons' contract win ever
- Two significant contracts gaining momentum post-COVID

BlackHorse Solutions strengthens Parsons' near-peer threat offerings



Q2 2021 REVENUE

\$879 Million

NET INCOME

\$7 Million

ADJUSTED EBITDA

\$66 Million

CASH FLOW FROM OPERATIONS

\$104 Million

BOOK-TO-BILL RATIO

1.9x

STRONG BALANCE SHEET

0.5x Net Debt Leverage Ratio

Q2 2021 KEY HIGHLIGHTS

Record cash flow and bookings; revenue & margins impacted by two reserves

- Cash flow of \$104M, a company record for the second quarter
- 1.9x book-to-bill ratio; driven by Federal Solutions of 2.8x, both company records
- Revenue of \$879M; impacted by reserves of \$19.3M and \$6.9M
- Adjusted EBITDA margin of 7.5%, impacted by reserves of \$15.4M and \$6.9M
- Backlog increased 9% year-over-year and represents ~ two years of annual revenue

Winning large contracts and positioned for growth

- Three significant Q2 2021 contract wins of \$2.2B, \$618M, and \$185M; \$953M win at the beginning of Q3 2021
- 1.3x TTM book-to-bill ratio; 1.5x in Federal Solutions and 1.1x in Critical Infrastructure
- New contract wins and large recompetes win provide solid foundation for growth

Accretive M&A supports strategic focus

- BlackHorse Solutions acquisition enhances cyber, electronic warfare and information dominance capabilities
- Net debt leverage ratio of 0.5x; pro forma ratio of 1.1x post BlackHorse acquisition

Updated all fiscal year 2021 guidance metrics



Q2 2021 FINANCIAL SUMMARY



Delivered record cash flow and bookings; lower total revenue and adjusted EBITDA

- Total revenue of \$879M decreased 10% YOY; impacted by reserves of \$19.3M and \$6.9M
- Total revenue down 13% YOY excluding \$29M of revenue from Braxton
- Adjusted EBITDA margin decreased to 7.5%; impacted by reserves of \$15.4M and \$6.9M
- Net income and net income margin decreased to \$7M and 0.8%, respectively



BUSINESS SEGMENT SUMMARY



Federal Solutions

- Q2 2021 revenue decreased 8% YOY. Excluding \$29M of revenue from Braxton, revenue decreased 14%; impacted by \$6.9M reserve
- Adjusted EBITDA margin decreased to 7.4%; impacted by \$6.9M reserve
- Book-to-bill ratio of 2.8x in Q2 2021; TTM of 1.5x

Book-to-Bill Ratio



Total Backlog



Critical Infrastructure

- Q2 2021 revenue decreased 12% YOY; impacted by \$19.3M reserve
- Adjusted EBITDA margin decreased to 7.6%; impacted by \$15.4M reserve
- Book-to-bill ratio of 1.1x in Q2 2021; TTM of 1.1x

Book-to-Bill Ratio



Total Backlog





RECENT SIGNIFICANT CONTRACT WINS



Awarded
\$2.2B

Missile Defense Agency (MDA) Technical, Engineering, Advisory, and Management Support (TEAMS)–Next Systems Engineering contract. Parsons will provide engineering, analysis, and management support for the development of integrated and layered missile defense systems that defend U.S. and allied forces against ballistic, hypersonic, and cruise missile threats, and advance the agency’s integrated air and missile defense, command and control, and battle management communication missions across the all-domain battlespace. Under this contract, Parsons booked the three-year base period worth approximately \$617M in the second quarter of 2021.



Awarded
\$618M

General Services Administration (GSA) contract for professional services that advance the Intelligence Community’s global cyber and intelligence technologies for C5ISR, exercise, operations, and information services. Under this contract, Parsons booked the first-year base period worth approximately \$90M in the second quarter of 2021



Awarded
\$185M

Space and Missile Systems Center for Integrated Solutions for Situational Awareness (ISSA) support. In addition to delivering operational, technical, and space domain awareness expertise, Parsons will meet critical innovation and agility goals for the ISSA effort by providing unique solutions in astrophysics, intelligence, data analytics, and multi-domain operations. These solutions will include technical and scientific capabilities such as space vehicle launch characterization, C2 satellite transmission, high accuracy orbit determination, space asset tasking, threat processing, real-time launch characterization and custody, and modeling and simulation for directed energy and satellite breakup.



Awarded
\$953M

After the end of the second quarter of 2021, awarded a single-award contract with a \$953M ceiling value. Parsons’ will lead a talented industry team that will design, mature, procure, integrate, operate, and maintain Air Base Air Defense (ABAD) systems across the European and African continent areas of responsibility for the U.S. Air Forces in Europe and Air Forces in Africa. This new work will be performed at Ramstein Air Base, Germany.

RECENT ADDITIONAL CORPORATE AND ESG HIGHLIGHTS



Harrington Retires After 40 Years; Smith To Succeed

Parsons' board of directors elected Carey Smith as chief executive officer, effective July 1st, 2021. Ms. Smith succeeds Charles "Chuck" Harrington, who announced his retirement after nearly 40 years with the company. Harrington will continue to serve on Parsons' Board as executive chairman.



a **PARSONS** Company

BlackHorse Solutions, Inc. Acquisition

Expands Parsons' customer base and capabilities in next-generation military, intelligence, and space operations, specifically in cyber, electronic warfare, and information dominance. BlackHorse also exceeds Parsons' acquisition financial criteria with revenue growth and adjusted EBITDA margins in excess of 10%.



New ESG Strategy Introduced and CSR Report Published

Parsons launched CARE (Cultivating a Responsible Enterprise), an enterprise strategy that empowers every employee to make a difference. In conjunction with this initiative, the company published its 2021 CSR report which highlights its new environmental, social, and governance (ESG) strategy, including reducing absolute greenhouse gas emissions by 20% by 2025, enhancing gender diversity, and enhancing ethnic/racial diversity.



Advancing Fairness and Equality

In partnership with the Modern Military Association of America (MMAA), Parsons proudly awarded the inaugural recipient of the 2021 MMAA Donna Johnson Military Spouse Scholarship to Jonathan Hegwood, a military spouse and US Army veteran. MMAA is the nation's largest non-profit organization dedicated to advancing fairness and equality for the LGBTQ military and veteran community, making a difference through education and advocacy.



UPDATING FISCAL YEAR 2021 GUIDANCE

	Current FY21 Guidance	Prior FY21 Guidance
Total Revenue	\$3.6 billion to \$3.7 billion	\$3.85 billion to \$4.05 billion
Adjusted EBITDA	\$295 million to \$315 million	\$350 million to \$375 million
Cash Flow from Operating Activities	\$195 million to \$215 million	\$280 million to \$310 million

Net income guidance is not presented as the company believes volatility associated with interest, taxes, depreciation, amortization and other matters affecting net income, including but not limited to one-time and nonrecurring events and impact of M&A, will preclude the company from providing accurate net income guidance for fiscal year 2021.



FISCAL YEAR 2021 GUIDANCE ASSUMPTIONS

- ~ **51%** of total revenue to be generated from Federal Solutions segment at the mid-point
- Adjusted EBITDA margin of ~ **8.4%** at the midpoint of revenue
- Net interest expense of ~ **\$18M**
- GAAP effective tax rate of ~ **26%**
- Adjusted net income diluted share count of ~ **103M shares**
- Capital expenditures of ~ **1%** of total revenue
- Equity-based compensation expenses of ~ **\$22M**
- Depreciation and amortization expenses of ~ **\$145M**, which includes ~ **\$104M** of acquisition-related amortization
- FY21 guidance includes ~**\$16m** of transaction and other expenses, including BlackHorse, but does not include additional acquisitions or share repurchases
- **Quarterly cadence:** we expect sequential improvements in revenue and adjusted EBITDA in Q3, and then normal slight seasonal sequential declines in Q4. For operating cash flow, we expect the second half of the year to be heavily weighted towards Q4



APPENDIX: SUPPLEMENTAL MATERIALS

ADJUSTED EBITDA RECONCILIATION

PARSONS CORPORATION

Non-GAAP Financial Information

Reconciliation of Net Income to Adjusted EBITDA

(in thousands)

	Three Months Ended		Six Months Ended	
	June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020
Net income attributable to Parsons Corporation	\$6,702	\$23,299	\$15,741	\$36,272
Interest expense, net	4,758	3,963	9,201	7,757
Income tax provision (benefit)	3,838	11,891	9,213	16,975
Depreciation and amortization (a)	34,635	32,081	69,308	64,490
Net income attributable to noncontrolling interests	5,325	7,826	10,300	9,224
Equity-based compensation (b)	4,921	12,854	11,901	5,133
Transaction-related costs (c)	4,086	(2,485)	6,732	9,526
Restructuring (d)	73	1,143	150	1,110
Other (e)	1,389	589	1,880	1,170
Adjusted EBITDA	\$65,727	\$91,161	\$134,426	\$151,657

(a) Depreciation and amortization for the three and six months ended June 30, 2021 is \$30.1 million and \$60.2 million, respectively, in the Federal Solutions Segment and \$4.6 million and \$9.1 million, respectively in the Critical Infrastructure Segment. Depreciation and amortization for the three and six months ended June 30, 2020 is \$27.0 million and \$54.4 million, respectively in the Federal Solutions Segment and \$5.1 million and \$10.1 million, respectively in the Critical Infrastructure Segment.

(b) Reflects equity-based compensation costs primarily related to cash-settled awards.

(c) Reflects costs incurred in connection with acquisitions, initial public offering, and other non-recurring transaction costs, primarily fees paid for professional services and employee retention.

(d) Reflects costs associated with and related to our corporate restructuring initiatives.

(e) Includes a combination of gain/loss related to sale of fixed assets, software implementation costs, and other individually insignificant items that are non-recurring in nature.



ADJUSTED EBITDA ATTRIBUTABLE TO NCI

PARSONS CORPORATION

Non-GAAP Financial Information

Computation of Adjusted EBITDA Attributable to Noncontrolling Interests

(in thousands)

	Three Months Ended		Six Months Ended	
	June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020
Federal Solutions Adjusted EBITDA attributable to Parsons Corporation	\$32,500	\$47,700	\$64,482	\$79,317
Federal Solutions Adjusted EBITDA attributable to noncontrolling interests	79	56	154	148
Federal Solutions Adjusted EBITDA including noncontrolling interests	\$32,579	\$47,756	\$64,636	\$79,465
Critical Infrastructure Adjusted EBITDA attributable to Parsons Corporation	27,817	35,519	59,474	62,876
Critical Infrastructure Adjusted EBITDA attributable to noncontrolling interests	5,331	7,886	10,316	9,316
Critical Infrastructure Adjusted EBITDA including noncontrolling interests	\$33,148	\$43,405	\$69,790	\$72,192
Total Adjusted EBITDA including noncontrolling interests	\$65,727	\$91,161	\$134,426	\$151,657



ADJUSTED NET INCOME ATTRIBUTABLE TO PARSONS

PARSONS CORPORATION

Non-GAAP Financial Information

Reconciliation of Net Income Attributable to Parsons Corporation to Adjusted

Net Income Attributable to Parsons Corporation

(in thousands, except per share information)

	Three Months Ended		Six Months Ended	
	June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020
Net income attributable to Parsons Corporation	\$6,702	\$23,299	\$15,741	\$36,272
Acquisition related intangible asset amortization	24,485	22,127	49,009	44,826
Equity-based compensation (a)	4,921	12,854	11,901	5,133
Transaction-related costs (b)	4,086	(2,485)	6,732	9,526
Restructuring (c)	73	1,143	150	1,110
Other (d)	1,389	589	1,880	1,170
Tax effect on adjustments	(8,552)	(8,023)	(17,372)	(15,591)
Adjusted net income attributable to Parsons Corporation	33,104	49,504	68,041	82,446
Adjusted earnings per share:				
Weighted-average number of basic shares outstanding	102,509	100,695	102,456	100,682
Weighted-average number of diluted shares outstanding (e)	103,254	100,986	103,092	100,949
Adjusted net income attributable to Parsons Corporation per basic share	\$0.32	\$0.49	\$0.66	\$0.82
Adjusted net income attributable to Parsons Corporation per diluted share	\$0.32	\$0.49	\$0.66	\$0.82

(a) Reflects equity-based compensation costs primarily related to cash-settled awards.

(b) Reflects costs incurred in connection with acquisitions and other non-recurring transaction costs, primarily fees paid for professional services and employee retention.

(c) Reflects costs associated with and related to our corporate restructuring initiatives

(d) Includes a combination of gain/loss related to sale of fixed assets, software implementation costs, and other individually insignificant items that are non-recurring in nature.

(e) Excludes dilutive effect of convertible senior notes due to bond hedge.