



## Parsons Acquires Sealing Technologies, Inc.

August 23, 2023

### **Acquisition bolsters Parsons' full-spectrum cyber operations solutions for the Defense and Intelligence communities; strengthens company's position as cyber leader in national security market**

CENTREVILLE, Va., Aug. 23, 2023 (GLOBE NEWSWIRE) -- Parsons Corporation (NYSE:PSN) announced today that it has acquired Maryland-based cyber and technology company Sealing Technologies, Inc., (SealingTech) in a transaction valued at up to \$200 million. Founded in 2012, SealingTech expands Parsons' customer base across the Department of Defense and Intelligence Community, and further enhances the company's capabilities in defensive cyber operations; integrated mission-solutions powered by artificial intelligence (AI) and machine learning (ML); edge computing and edge access modernization; critical infrastructure protection; and secure data management.

The transaction is consistent with Parsons' strategy of completing accretive acquisitions of companies with revenue growth and adjusted EBITDA margins each exceeding 10%, while adding critical intellectual property that strengthens the company's existing portfolio. SealingTech's nearly 150 employees, 70% of whom hold security clearances, will be aligned to Parsons' Defense & Intelligence business unit, with its capabilities being leveraged across both Parsons' Federal Solutions and Critical Infrastructure segments, customers, and projects.

"The addition of SealingTech is a natural extension of our growth strategy, adding critical, mission-ready solutions for our Department of Defense and Intelligence Community customers," said Carey Smith, Parsons' chair, president, and chief executive officer. "SealingTech's defensive cyber capabilities complement our leading offensive cyber capabilities and increase our share in the full-spectrum cyber operations market, which is expected to receive more government funding because of accelerating and evolving cyber threats. Their mission-focused approach and passion for delivering impactful solutions for our nation's most pressing security challenges aligns seamlessly with Parsons' business and culture. I look forward to welcoming this talented team of employees into the Parsons' family as we collectively imagine next."

SealingTech is headquartered in Columbia, Maryland, and focuses on protecting and defending their customers' networks and systems through innovative research, products, engineering, and integration services for the Internet of Things (IoT), edge combat operations, AI and ML, and cloud industries. The company delivers innovative cybersecurity solutions across defensive cyber operations, critical infrastructure network protection, and secure data management. SealingTech is a prime contractor on over 90% of its federal contracts and is directly aligned with high-impact national security initiatives.

"This partnership is the perfect next step in the future of our two companies," said Edward Sealing, chief executive officer of SealingTech. "There is complete alignment with our culture and values, and we share a common passion for supporting our nation's most pressing security challenges while promoting a people-first culture. I believe the combination of our capabilities will be a force multiplier for our warfighters and accelerate our business growth and expand our customer base. I am excited about our future together and to become part of the Parsons team."

Parsons is paying \$175 million of cash at closing for SealingTech, with an additional \$25 million earn out payable in Q1 2025 if certain revenue targets are met during 2024. After factoring in a \$21 million transaction-related tax benefit, the base purchase price implies a 10x multiple on SealingTech's forecasted 2023e adjusted EBITDA before considering any revenue or cost synergies. Parsons estimates SealingTech will generate \$110 million of revenue in 2024 and that the transaction will be accretive to Parsons' fiscal year 2024 revenue growth rate, adjusted EBITDA margin, and adjusted earnings per share. Barclays acted as financial advisor and Jenner & Block acted as legal advisor to Parsons. SealingTech was advised by Chesapeake Corporate Advisors and Nempfos Braue, LLC.

### **About Parsons**

*Parsons (NYSE: PSN) is a leading disruptive technology provider in the national security and global infrastructure markets, with capabilities across cyber and intelligence, space and missile defense, transportation, environmental remediation, urban development, and critical infrastructure protection. Please visit [parsons.com](https://www.parsons.com) and follow us on LinkedIn and Facebook to learn how we're making an impact.*

### **Forward-Looking Statements**

*This document 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: 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 our 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. federal 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 materially 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 included under the caption "Risk Factors" in our Registration Statement on Form S-1 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.*

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