

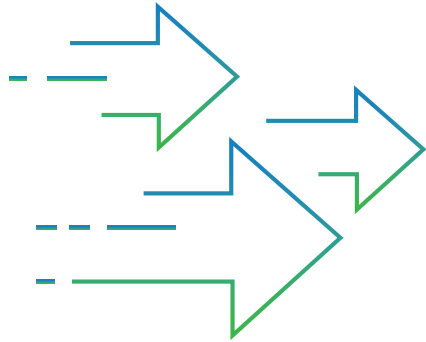


Fourth Quarter And Fiscal Year 2019

Earnings Conference Call

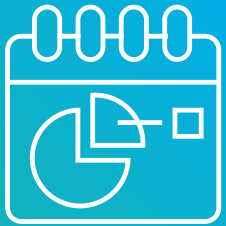
March 10, 2020

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: 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

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 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, 2019 on Form 10K to be filed on March 10, 2020, 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.



Q4 2019 REVENUE

\$1 Billion Company Record

NET INCOME

\$14 Million Increases 50 bps

ADJUSTED EBITDA

\$88 Million Increases 260 bps

CASH FLOW FROM OPERATIONS

\$90 Million 2H FY19: \$269 Million

BOOK-TO-BILL 2019

1.1x Trailing 12-months

STRONG BALANCE SHEET

0.2x Net Debt Leverage Ratio

KEY TAKEAWAYS

Strong Q4 2019 revenue and significant margin expansion

- Revenue of \$1B, increases 12% year-over-year; driven by strong organic growth of 14% in Federal Solutions segment
- Net income up 84% to \$14M and net income margin increases 50 bps to 1.3%
- Adjusted EBITDA increases 62% to \$88M and Adjusted EBITDA margin expands 260 basis points to 8.5%

Successfully executing on strategy: strong Federal Solutions organic growth, significant margin expansion across the enterprise, investing in employees and technology, leveraging strong balance sheet for strategic M&A

Achievements driven by: strong program execution and win rates, ability to win large new contracts, alignment to National Defense Strategy, and effectively managing costs

Cyber traction continues: awarded four strategic cyber contracts in Q4 2019; one quarter after winning largest cyber contract in Parsons' history

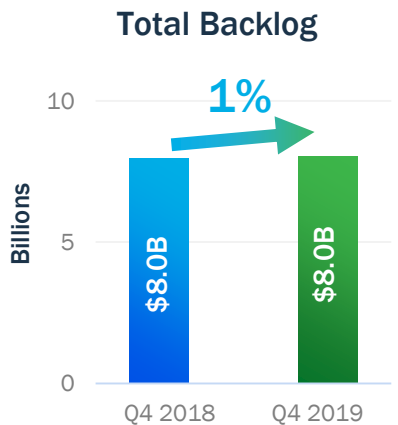
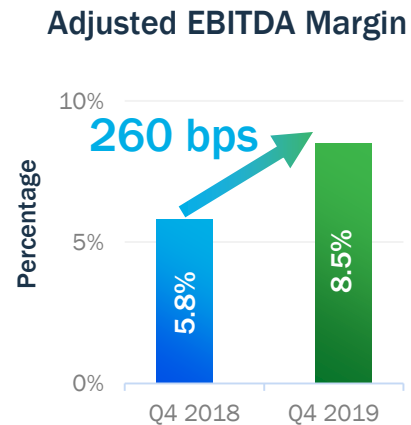
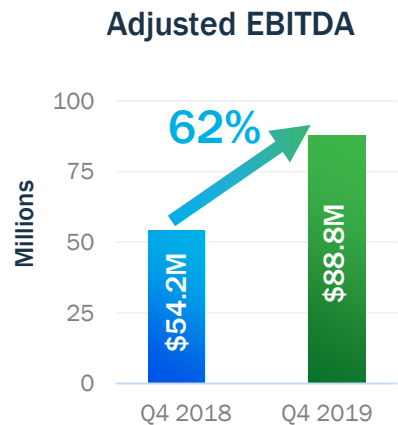
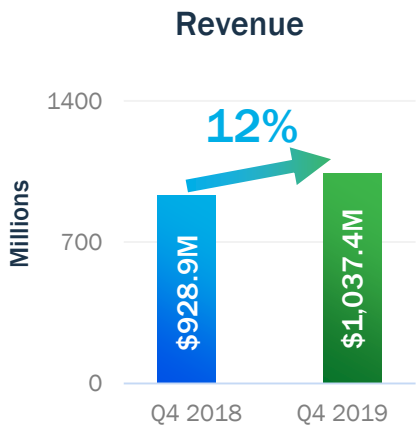
Environmental, Social, and Governance (ESG): employees participating in various ESG events to make the world a better place

Q4 2019 FINANCIAL HIGHLIGHTS



Delivered record revenue and significant margin expansion

- Revenue increase driven by organic growth in both segments and acquisition revenue
- Q4 2019 organic revenue increases 7% year-over-year
- Net income increases 84% to \$14 million and net income margin increases 50 bps to 1.3%
- Q4 2019 adjusted EBITDA of \$88 million, increases 62% over Q4 2018 and Adjusted EBITDA margin expands 260 basis points
- Q4 2019 cash flow from operations of \$90 million; impacted by accelerated payments received in the prior quarter, higher than expected cash taxes, and contract extensions that have lengthened the completion of certain legacy projects and associated collection of fees
- Total backlog increased 1% from Q4 2018
- Q4 2019 book-to-bill ratio of 0.9x; consistent across both segments

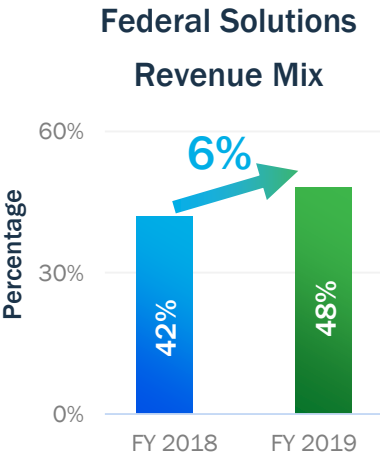
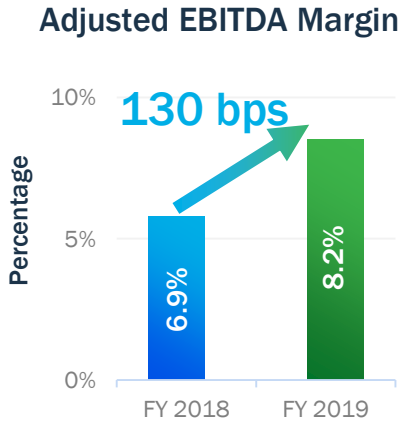
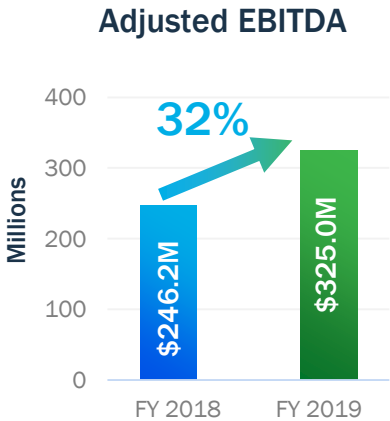
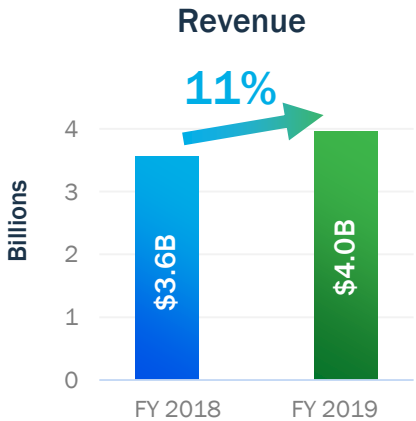


FISCAL YEAR 2019 FINANCIAL HIGHLIGHTS



Achieved record revenue and profitability with significant margin expansion

- Revenue increase driven by organic growth in both Federal Solutions and Critical Infrastructure and acquisition revenue
- FY19 organic revenue increases 4% year-over-year
- FY19 net income of \$121 million, decreases 46% over FY18; net income margin decreases 320 basis points
- FY19 adjusted EBITDA of \$325 million, increases 32% over FY18; adjusted EBITDA margin expands 130 basis points
- Margin expansion driven by selling more software and hardware products, acquiring higher-margin businesses, reshaping our portfolio, bidding higher-margin pursuits, and effectively managing cost structure
- FY19 cash flow from operations of \$220 million
- Completed two strategic Federal Solutions acquisitions in FY19 (OGSystems and QRC Technologies)
- Federal Solutions Mix: 48% of revenue; up from 42% in 2018
- FY19 book-to-bill ratio of 1.1x; driven by 1.3x in Federal Solutions



BUSINESS SEGMENT HIGHLIGHTS



Federal Solutions

Achieved strong organic revenue and profitability

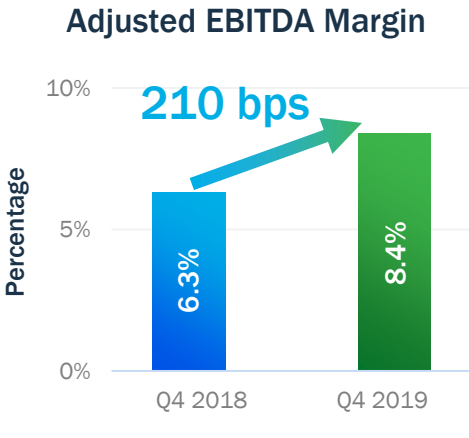
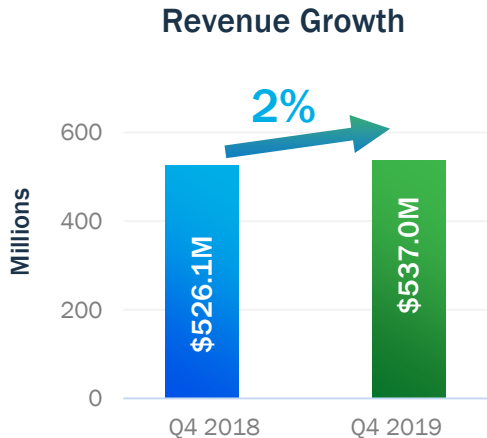
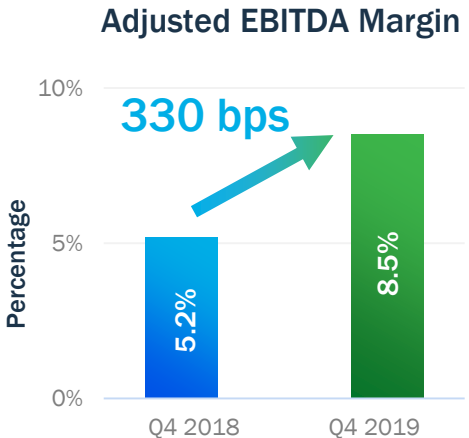
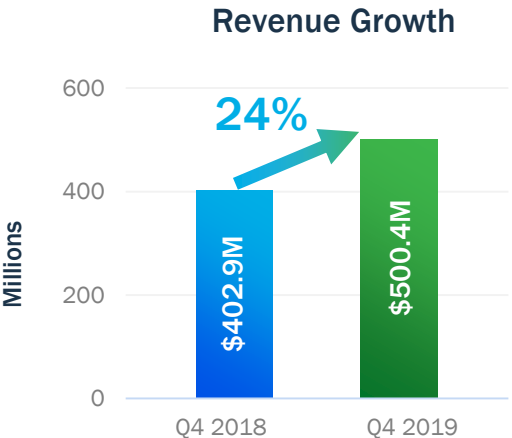
- Revenue increased 24% year-over-year in Q4 2019 and 28% in FY19; driven by acquisitions and organic growth
- Organic revenue increased 14% in Q4 2019 and 6% in FY19 (year-over-year)
- Q4 2019 adjusted EBITDA more than doubled y/y and adjusted EBITDA margin increased 330 basis points
- FY19 adjusted EBITDA increased 39% from FY18 and adjusted EBITDA margin increased 70 basis points



Critical Infrastructure

Delivered solid revenue and significant margin expansion

- Revenue increased 2% y/y in Q4 2019 and decreased by 1% in FY19; driven by growth on existing contracts
- Organic revenue increased 2% in Q4 2019, and 2% in FY19 (excluding \$55 million legal gain in Q2 2018)
- Q4 2019 adjusted EBITDA increased 36% y/y and adjusted EBITDA margin increased 210 basis points
- FY19 adjusted EBITDA increased 25% from FY18 and adjusted EBITDA margin increased 160 basis points



SIGNIFICANT CONTRACT WINS IN Q4 2019



Awarded
\$90M

Awarded A \$90 million cyber contract with a classified customer.



Awarded
\$77M

Awarded three additional cyber contract awards valued at \$77 million. The work on these contracts is for classified and unclassified federal customers to provide various services including secure and resilient architecture development, secure communications, cyber risk and threat assessment for the enhancement and resiliency of weapon systems, and special security capabilities required in dynamic operational space missions.



Awarded
\$805M

As part of a joint venture team, Parsons was awarded an \$805 million contract for the Glendora to Pomona segment of the Foothill Gold Line light rail extension project that will benefit travelers across the LA Metro service area. We are a 25% joint-venture partner on this project and are providing design and construction management services.



Awarded
\$194M

As part of another joint venture team, we were awarded a \$194 million contract for the 14-mile extension of the Greater Minneapolis Light Rail Train System. On this contract, we are a 35% JV partner and are also providing design and construction management services.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG)



Participating in Various Community Service Events

Community service events benefited organizations such as the Tragedy Assistance Program for Survivors, or TAPS; the Special Operations Warrior Foundation; and Girls Lead the Way. Parsons also awarded scholarships to high school STEM students for developing next-generation ideas to make the world a better place.



One of the World's Most Ethical Companies

Parsons received numerous awards for safety, hiring, and integrity leadership in 2019, and we just received notice of our inclusion on Ethisphere Institute's list of the World's Most Ethical Companies for the 11th consecutive year.



World Class Safety and Sustainability

Parsons is designing and managing major infrastructure projects that positively impact communities and regions by improving safety, mobility, and reducing carbon emissions and fuel consumption. These projects also spur local economic growth through innovative advanced transportation management systems.

FISCAL YEAR 2020 GUIDANCE



Total Revenue

\$3.95 billion to
\$4.05 billion



Adjusted EBITDA

\$330 million to
\$360 million



Cash Flow From Operations

\$230 million to
\$250 million

Net income guidance is not presented as the Company believes market volatility and the resulting potential for fluctuations in the Company's stock price and the related impact on the Company's equity-based compensation expense and net income will preclude the Company from providing accurate projections for fiscal year 2020.

FISCAL YEAR 2020 GUIDANCE ASSUMPTIONS

- ~ **51%** of total revenue to be generated from Federal Solutions segment at the mid-point
- Continued adjusted EBITDA margin expansion in both business segments
- Net interest expense of ~ **\$13M**
- GAAP effective tax rate of ~ **30%**
- Diluted share count of ~ **101M shares**
- Capital expenditures of ~ **1.2%** to **1.3%** of total revenue
- Equity based comp. expenses of ~ **\$22M** (assumes no change in share price from 12/31/19)
- Depreciation and amortization expenses of ~ **\$130M**, which includes ~ **\$85M** of acquisition-related amortization
- FY20 guidance does not assume new acquisitions or share repurchases but includes legacy transaction and other expenses of ~ **\$10M**
- **Quarterly revenue, adjusted EBITDA and cash flow from operating activities** anticipated to be relatively consistent with historical patterns

APPENDIX: SUPPLEMENTAL MATERIALS

ADJUSTED EBITDA RECONCILIATION

PARSONS CORPORATION

Non-GAAP Financial Information Reconciliation of Net Income to Adjusted EBITDA
(in thousands)

	Three Months Ended		Fiscal Year Ended	
	December 31, 2018	December 31, 2019	December 31, 2018	December 31, 2019
Net income attributable to Parsons Corporation	\$7,447	\$13,722	\$222,337	\$120,534
Interest expense, net	6,015	3,981	18,132	22,429
Income tax provision (benefit)	1,841	(2,823)	20,367	(69,886)
Depreciation and amortization(a)	23,213	33,008	69,869	125,700
Net income attributable to noncontrolling interests	6,783	8,582	17,099	16,594
Litigation-related gains(b)	-	-	(129,674)	-
Amortization of deferred gain resulting from sale-leaseback transactions(c)	(1,813)	-	(7,253)	-
Equity-based compensation(d)	3,289	20,240	16,487	65,744
Transaction-related costs(e)	5,431	7,392	12,942	34,353
Restructuring(f)	-	544	-	3,424
Other(g)	2,009	3,182	5,938	6,155
Adjusted EBITDA	\$54,215	\$87,828	\$246,244	\$325,047

(a) Depreciation and amortization for the three months and fiscal year ended December 31, 2018 is \$18.4 million and \$51.0 million, respectively in the Federal Solutions Segment and \$4.8 million and \$18.8 million, respectively in the Critical Infrastructure Segment. Depreciation and amortization for the three months and fiscal year ended December 31, 2019 is \$27.9 million and \$103.0 million, respectively in the Federal Solutions Segment and \$5.1 million and \$22.7 million, respectively in the Critical Infrastructure Segment.

(b) Reversal of an accrued liability, with \$55.1 million recorded to revenue and \$74.6 million recorded to other income ("gain associated with claim on long-term contract") in our results of operations, associated with a lawsuit against a joint venture in which the Company is the managing partner. See "Management's Discussion and Analysis of Financial Condition and Results of Operations" in the Company's Annual Report on Form 10-K to be filed on March 10, 2020 for a description of this matter, which was resolved in favor of the Company on June 13, 2018.

(c) Reflects recognized deferred gains related to sales-leaseback transactions described in "Note 10—Sale-Leasebacks" in the notes to our consolidated financial statements in the Company's Annual Report on Form 10-K to be filed on March 10, 2020.

(d) Reflects equity-based compensation costs primarily related to cash-settled awards. See "Management's Discussion and Analysis of Financial Condition and Results of Operations in the Company's Annual Report on Form 10-K to be filed on March 10, 2020 for a further discussion of these awards.

(e) 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.

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

(g) 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

	Three Months Ended		Fiscal Year Ended	
	December 31, 2018	December 31, 2019	December 31, 2018	December 31, 2019
Federal Solutions Adjusted EBITDA attributable to Parsons Corporation	\$20,934	\$42,442	\$121,986	\$169,100
Federal Solutions Adjusted EBITDA attributable to noncontrolling interests	95	121	309	442
Federal Solutions Adjusted EBITDA including noncontrolling interests	\$21,029	\$42,563	\$122,295	\$169,542
Critical Infrastructure Adjusted EBITDA attributable to Parsons Corporation	26,555	36,674	106,851	138,851
Critical Infrastructure Adjusted EBITDA attributable to noncontrolling interests	6,631	8,591	17,098	16,654
Critical Infrastructure Adjusted EBITDA including noncontrolling interests	\$33,186	\$45,265	\$123,949	\$155,505
Total Adjusted EBITDA including noncontrolling interests	\$54,215	\$87,828	\$246,244	\$325,047

RECONCILIATION OF 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 share and per share data)

	Three Months Ended		Fiscal Year Ended	
	December 31, 2018	December 31, 2019	December 31, 2018	December 31, 2019
Net income attributable to Parsons Corporation	\$7,447	\$13,722	\$222,337	\$120,534
Deferred Tax Asset Recognition(a)	-	(8,206)	-	(93,878)
Acquisition related intangible asset amortization	14,734	23,820	37,408	88,258
Litigation-related expenses(b)	-	-	(129,674)	-
Amortization of deferred gain resulting from sale-leaseback transactions(c)	(1,813)	-	(7,253)	-
Equity-based compensation(d)	3,289	20,240	16,487	65,744
Transaction-related costs(e)	5,431	7,392	12,942	34,353
Restructuring(f)	-	544	-	3,424
Other(g)	2,009	3,182	5,938	6,155
Tax effect on adjustments	(280)	(12,299)	864	(35,390)
Adjusted net income attributable to Parsons Corporation	30,817	48,395	159,049	189,200
Adjusted earnings per share:				
Weighted-average number of basic shares outstanding	77,949	99,742	80,014	92,419
Weighted-average number of diluted shares outstanding	77,949	100,084	80,014	92,753
Adjusted net income attributable to Parsons Corporation per basic share	\$0.40	\$0.49	\$1.99	\$2.05
Adjusted net income attributable to Parsons Corporation per diluted share	\$0.40	\$0.48	\$1.99	\$2.04

(a) Reflects the reversal of a deferred tax asset as a result of the Company converting from and S-Corporation to a C-Corporation.

(b) Reversal of an accrued liability, with \$55.1 million recorded to revenue and \$74.6 million recorded to other income ("gain associated with claim on long-term contract") in our results of operations, associated with a lawsuit against a joint venture in which the Company is the managing partner. See "Management's Discussion and Analysis of Financial Condition and Results of Operations" in the Company's Annual Report on Form 10-K to be filed on March 10, 2020 for a description of this matter, which was resolved in favor of the Company on June 13, 2018.

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