



WE'RE DIFFERENT

In pursuit of a better way.

Investor Presentation

February 2020

PARSONS CORPORATION

Enabling a safer, smarter, and more interconnected world.

SEGMENTS



Federal Solutions

Technology-driven solutions for defense and intelligence customers



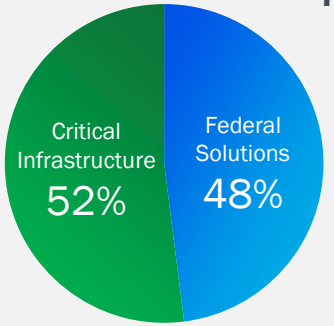
Critical Infrastructure

Engineered solutions for complex physical and digital infrastructure challenges

FINANCIAL SNAPSHOT

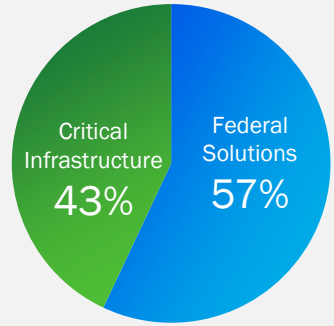
\$4.1B

Q3 2019 Revenue Run Rate



\$356M

Q3 2019 Adj. EBITDA Run Rate



KEY FACTS AND FIGURES



75

Years of History



~16K

Employees



5%

Revenue Growth (Q3 2019 y/y)



8.7%

Adj. EBITDA Margin (Q3 2019)



1.2X

TTM Book-to-Bill



\$8.3B

Backlog as of 9/30/2019



0.4X

Net Leverage 9/30/19 Post QRC Acquisition

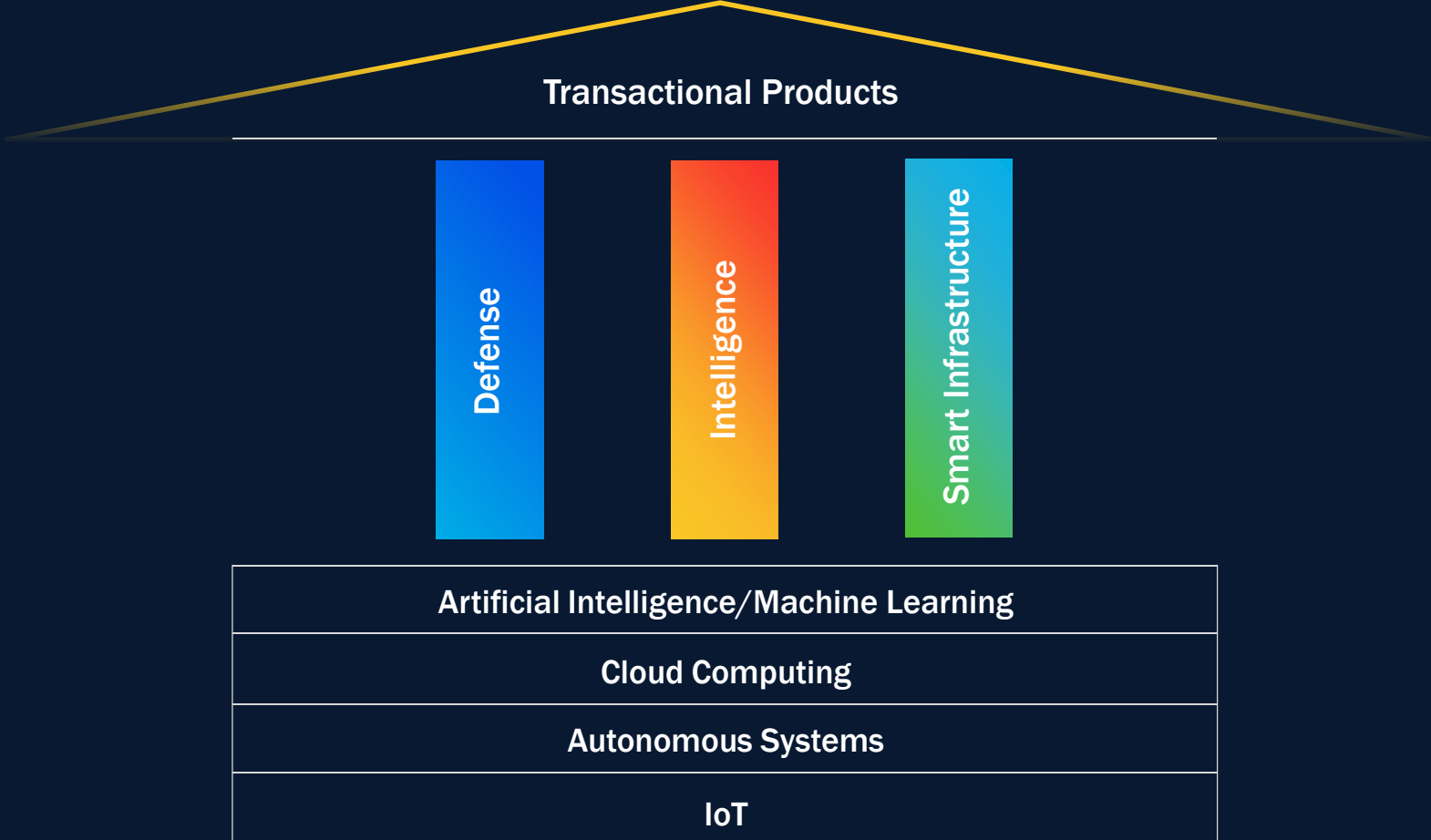
KEY INVESTMENT HIGHLIGHTS

Technology-Focused Solutions Drive Strong Performance



STRATEGY STATEMENT

“Parsons provides differentiated product-led solutions composed of hardware, software, and services to support our customers' missions.”



TECHNOLOGY-DRIVEN SOLUTIONS FOR DEFENSE AND INTELLIGENCE CUSTOMERS

Markets We Serve



Cyber and Intelligence

Full Spectrum Cyber Solutions
Actionable Intelligence,
Spatial and Signals Intelligence



Missile Defense and C5ISR

C5ISR
Missile Defense Systems
Big Data & Video Analytics
PUMA Labs Software Test Bed



Space and Geospatial Solutions

Small Satellite Launch Integration
Space Cyber & EW Resiliency
Space Situational Awareness
Geospatial Sensor Hardware and
Software Applications

Agile, Innovative and Disruptive

What Our Solutions Do

- Deliver hardware/software solutions that protect our Nation at the speed of war
- Provide actionable intelligence leveraging cyber, geospatial and signals intelligence, AI and big data analytics
- Protect national space / airspace
- Eliminate weapons of mass destruction
- Deliver and protect mission critical infrastructure

Representative Solutions

- Cybersecurity solutions including high speed processing, network visualization and vulnerability research & engineering
- RF spectrum collection, situation awareness, record and playback for actionable intelligence
- Geospatial collection systems and on-demand 3D processing to provide high resolution aerial imagery
- Space situational awareness and small satellite systems integration
- Missile defense systems engineering and integration including counter-Hypersonics
- Multi-domain command and control

ENGINEERED SOLUTIONS FOR COMPLEX PHYSICAL AND DIGITAL INFRASTRUCTURE CUSTOMERS

Markets We Serve



Connected Communities

Intelligent Transportation Systems
Hardware, Software & Services
Protection and Resiliency



Mobility Solutions

Complex Smart Infrastructure
Integrated Delivery
Full Service Highway, Bridge,
Rail, Tunnels



Engineered Systems

Program & Construction Mgt.
Chemical Warfare Munitions Solutions
Energy Conservation & Renewables

Agile, Innovative and Disruptive

What Our Solutions Do

- Design, develop and implement smart cities
- Improve management, efficiency and safety of transportation
- Deliver and protect mission critical infrastructure
- Optimize program management and capital project execution
- Improve our environment

Representative Solutions

- INTELLIGENT NETWORKS® platform to improve transportation safety and efficiency
- Communications based train control design
- Airports, bridges, tunnels, roads & highways, rail and transit engineering design
- Converged operational/information technology cybersecurity solutions
- Critical infrastructure resiliency

SOLVING TOUGH CHALLENGES WITH SMART TECHNOLOGIES

Delivering innovative technologies across segments.



AVAA automates data analysis associated with massive volumes of motion imagery.



The most deployed traffic management software in the world, iNET controls stoplights and intelligent signage on freeways and changes tolls in response to changes in traffic.



C2Core provides mission management, strategic assessment, and situational awareness across domains to improve power protection.



DOMAIN6 protects both operational and information technology to safeguard critical infrastructure.



PeARL Flash enables intelligence customers to analyze objects and movements from space and reduces or eliminates the need for infrastructure measurements and inspections.



ENVE analyzes network traffic and fingerprints devices—in real time.



SURVEY radio-frequency products provide survey, record, and playback; COMINT; and identification capabilities.



RoMaN supports rapid data delivery, using state-of-the-art, low-cost equipment built to establish and maintain high-bandwidth, low-latency network infrastructure independent of physical location.



ZEUS provides precision standoff neutralization of surface mines, unexploded ordnance (UXO), and improvised explosive devices (IEDs). It achieves neutralization by focusing a laser on the outer casing of the target munition.



PeARL Detect spectral imaging technology enables automated detection of humans and surface swimmers, reducing time needed by operators and analysts to review video screens while increasing the overall detection rate.



WBT-3002 is a fully self-contained RF recording and playback system that can record two 40 MHz sections of RF spectrum from 50 MHz to 6 GHz.



ICS-512 is an autonomous collection system populating regionally specific survey settings based on the system's GPS location, surveys the environment, and records detected control channels' metadata and information.

SOLVING TOUGH CHALLENGES WITH SMART TECHNOLOGIES (CONT.)

Delivering innovative technologies across segments.

Qp2

Qp2, an extremely versatile hand-held cellular protocol measurement tool, is available pre-installed on a Samsung GALAXY™ S7 handset and can operate on several other commercial handsets. Capabilities vary between various phone models.



MAAPTK® is a planning tool created to modernize how missions are developed for inclusion into an Air Tasking Order (ATO).



Dfuze is a commercial off-the-shelf technology that enables video streaming feeds over Wi-Fi, 3G, 4G LTE, satellite, and other networks to multiple users and locations that exist in secure systems anywhere in the world.



PlayMaker's modular open-signal processing architecture allows for rapid implementation of new protocol demodulations and capabilities delivered through scheduled software updates.

CIDNE

CIDNE transmits classified information to authorized groups who might not otherwise share data by providing a standardized reporting framework across intelligence and operations disciplines.



Knowtify is a secure, web-based enterprise search, discovery, and analytics tool developed to provide users with the means to find important information buried in both structured and unstructured data.

ICS·Trilogy

ICS-Trilogy is a passive monitoring and active targeting tool for GSM, WCDMA, LTE, Bluetooth, TPMS, and Wi-Fi that can provide full mobile device ID correlation.

WebTAS®

The Web-enabled Temporal Analysis System (WebTAS®) Enterprise (WE) provides secure integration, visualization, analysis, and production of actionable information across disparate data sources, user communities, and missions.



DXTRS provides training at the institution or division/below-unit level in dealing with intense situational challenges for leading tactical warfighting units during full-spectrum operations involving major combat operations.

PARSONS PACKET PROCESSING SYSTEM

The Parsons PPS high-speed packet processing solution can process up to 3.2Tbps of packet data, using a tiered architecture with advanced hardware offloading to provide scalability and redundancy.

LMSI

Parsons provides multi-manifest payload carriers and launch integration capabilities to operationalize access-to-space for small space vehicle systems.

ALIGNED WITH LARGE AND GROWING MARKETS

We are Well Positioned to Benefit from Trends in Our Markets

Addressable Markets are Large and Growing¹

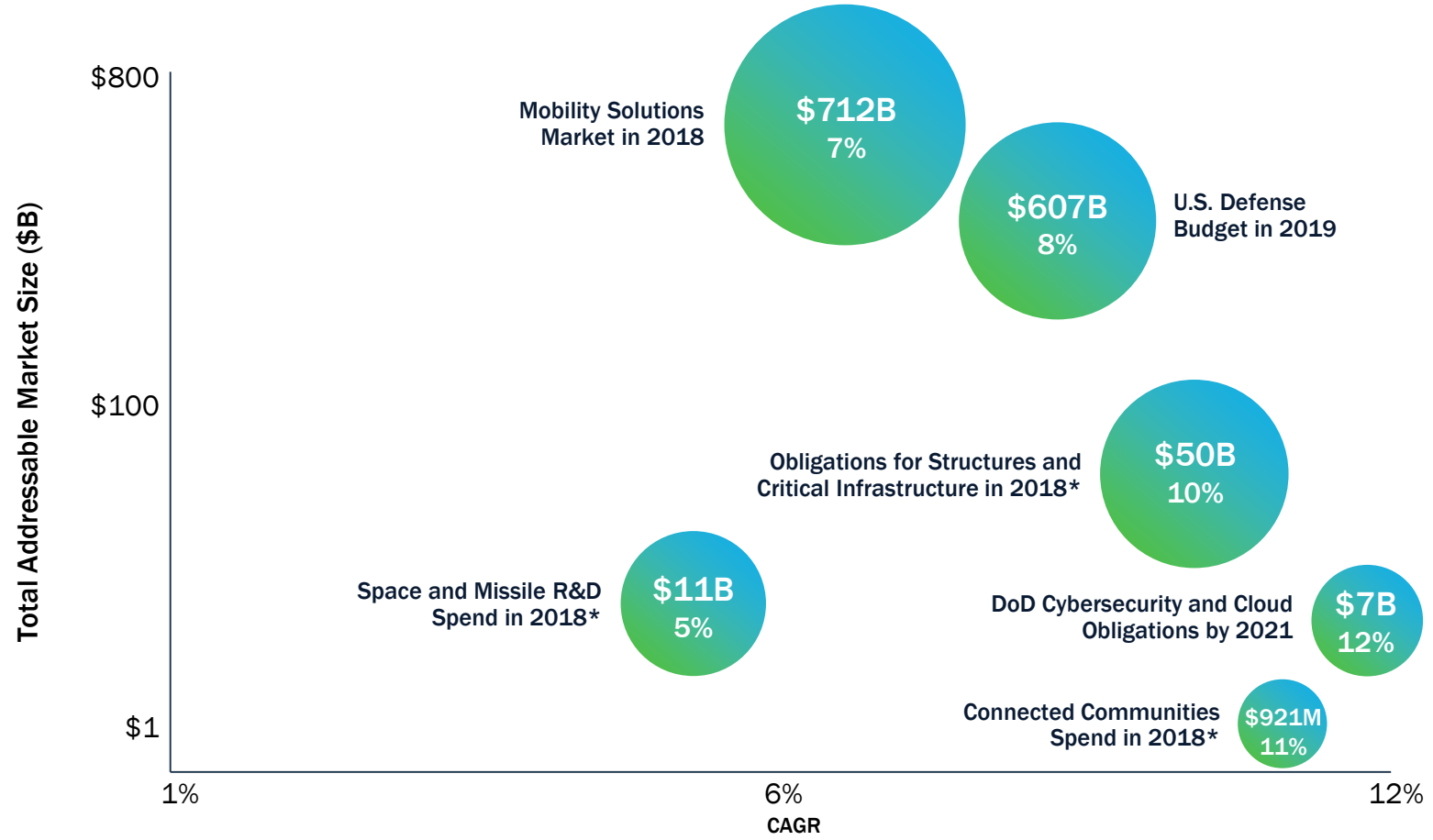


Chart not to scale; *= U.S. Federal Government Spend or Obligations

¹All CAGRs represent growth from 2018-2021 except the U.S. Defense Budget Spend which represents growth from 2017-2019.

STRONG M&A TRACK RECORD

Disciplined M&A Process and Team

Strategy
 Focused on: Cyber, AI, Machine Learning, IoT and Smart Cities

Sourcing
 Robust M&A Pipeline

Financial
 High Growth, Profitable, Accretive Targets

Integration
 Cultural Fit

Management
 Management / Board Alignment

\$1.6B

Aggregate Purchase Price of Acquisitions

†Dollar values indicate the respective transaction values



EXPERIENCED MANAGEMENT TEAM AND BOARD

32 Years
Avg. Industry Experience



Chuck Harrington
Chairman and Chief Executive Officer

15 Years
Avg. Tenure with Parsons



George Ball
Chief Financial Officer



Carey Smith
President and
Chief Operating Officer



Mike Kolloway
Chief Legal Officer



Virginia Grebbien
Chief Corporate Affairs Officer



Debra Fiori
Chief People Officer



Dave Spille
Investor Relations

Board of Directors



Chuck Harrington
Chairman and
Chief Executive Officer



James McGovern
Lead Independent Director, Senior
Managing Partner of McGovern and
Associates, Former Acting Secretary of
U.S. Air Force



Tamara Lundgren
Compensation Committee
Chair, Chief Executive Officer
& President of Schnitzer
Steel Industries, Inc.



M. Christian Mitchell
Audit Committee Chair, Former
National Managing Partner of
Deloitte & Touche LLP



Mark Holdsworth
Nominating & Governance
Committee Chair, Co-Founder &
Former Managing Partner of
Tennenbaum Capital Partners, LLC

14 Years
Avg. Board
Experience



Kenneth Dahlberg
Former Chairman, Chief
Executive Officer &
President of SAIC



Steven Leer
Former Chairman &
Chief Executive Officer
of Arch Coal, Inc.



Harry McMahon
Former Executive Vice
Chairman of Bank of
America Merrill Lynch



**Major General Suzanne M.
"Zan" Vautrinot, USAF (ret)**
Former Commander,
Air Force Cyber Command

8 Years
Avg. Tenure on
Parsons' Board

CSR AND OPERATIONAL EXCELLENCE



23 SITES

World-class safety performance



TOP 10

Consistently recognized as a market leader



11 YEARS

Named one of the World's Most Ethical Companies® by the Ethisphere Institute (11 consecutive years)



**ISO 9001
ISO 14001
ISO 270001**

Continuous improvement of work processes



TOP INNOVATOR

Inventive processes and unique solutions



MULTIPLE AWARDS

Delivering exceptional quality



TOP 50

Employer by STEM Workforce Diversity (fourth consecutive year)



TOP 50

Employer by *Woman Engineer*



TOP 50

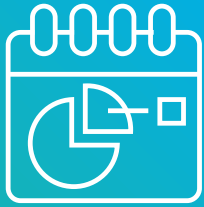
Employer by *Minority Engineer*



SAFETY AWARD

2019 recipient of the Robert W. Campbell Award for EHS Management

FINANCIAL HIGHLIGHTS



Q3 2019 REVENUE

\$1 Billion Company Record

CASH FLOW FROM OPERATIONS

\$179 Million

ADJUSTED EBITDA MARGIN

\$89 Million Company Record

BOOK-TO-BILL

1.2x Trailing 12-months

LARGEST CYBER WIN TO DATE

LEVERAGING STRONG BALANCE SHEET

Q3 2019 Key Takeaways

Record Revenue and adjusted EBITDA, strong free cash flow

- Revenue of \$1 billion, increases 5% year-over-year to a new company record
- Adjusted EBITDA of \$89 million; driven by strong Federal Solutions margin of 10.4%
- GAAP and adjusted EPS driven by strong adjusted EBITDA. GAAP EPS also driven by income tax benefit
- Book-to-bill ratio of 1.2x for trailing 12-months
 - Federal Solutions segment: 1.3x trailing 12-months
 - Critical Infrastructure segment: 1.1x trailing 12-months
- Total backlog increases 4% to \$8.3 billion

Established presence in growing and enduring markets with key accomplishments in core markets of Cyber, Defense, Space and Connected Communities

Strong win rates and momentum in Federal Solutions market drives Q3 2019 book-to-bill ratio to 1.7x

Net debt leverage of 0.4x, post QRC Technologies acquisition; significant borrowing capacity enabling ongoing investments in growth strategy

Q3 2019 BUSINESS SEGMENT HIGHLIGHTS

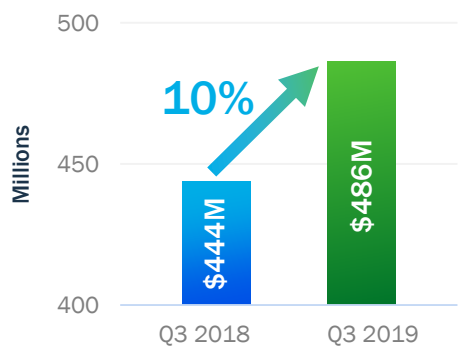


Federal Solutions

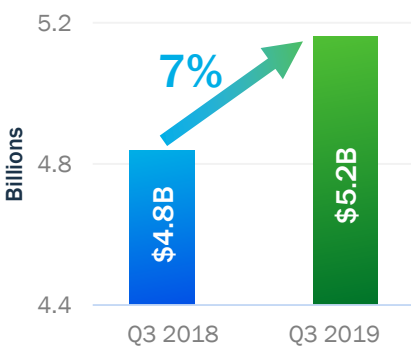
Achieves strong profitability and book-to-bill ratio

- Revenue increased 10% due to acquisitions and organic growth
- Organic revenue increased 1% year-over-year; 5% excluding approximately \$20 million of unusually high volume on two contracts in Q3 2018
- Total backlog increased 7%
- Adjusted EBITDA increased 11%, Adjusted EBITDA margin increased to 10.4%

Revenue Growth



Backlog

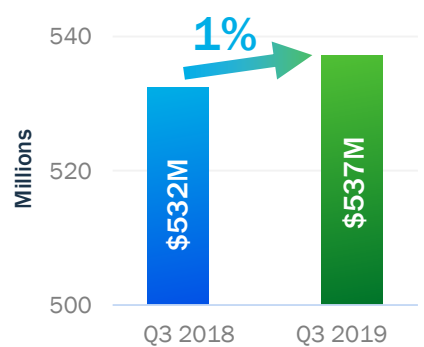


Critical Infrastructure

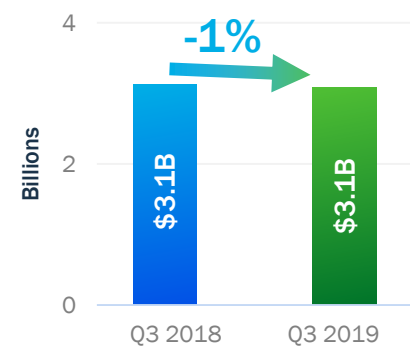
Delivered solid revenue and profitability

- Organic revenue increased 1%
- Adjusted EBITDA of \$39 million; Adjusted EBITDA margin of 7.2%
- Total backlog relatively flat with Q3 2018, reflecting impacts from portfolio shaping initiatives
- Trailing 12-month book-to-bill ratio of 1.1x

Revenue Growth



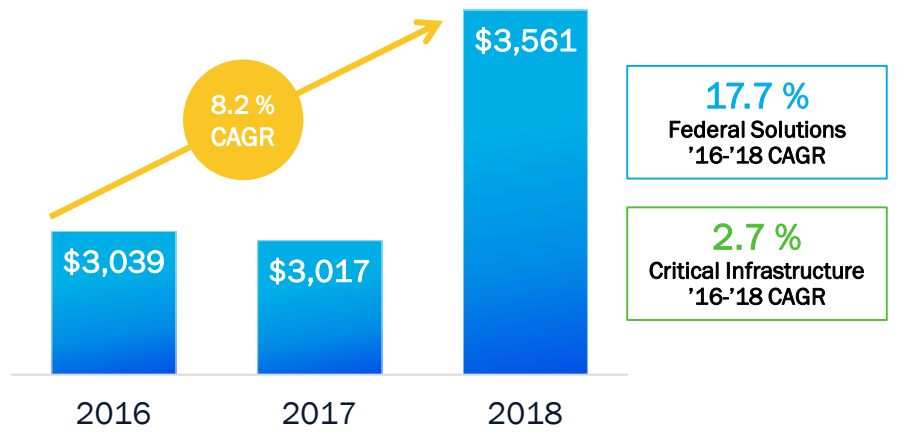
Backlog



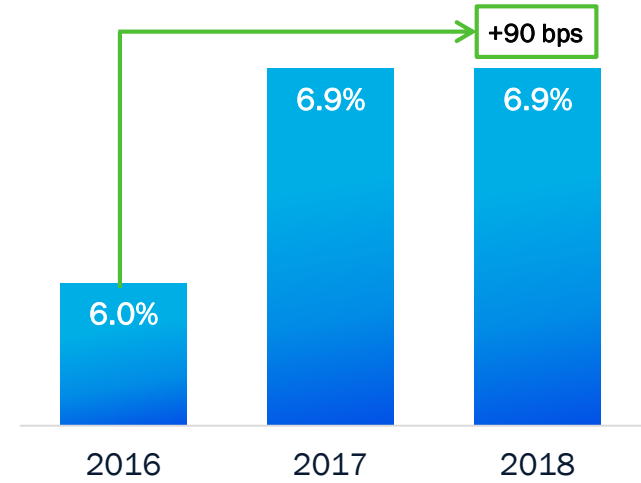
UNIQUE & ATTRACTIVE FINANCIAL PROFILE

(\$ in millions)

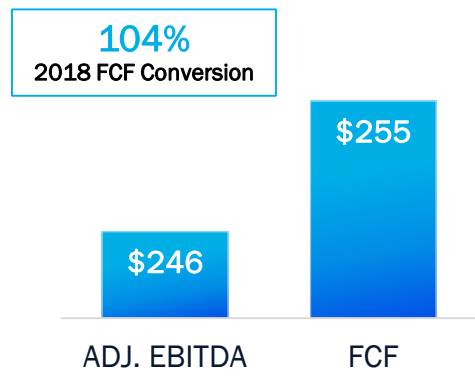
Robust Revenue Growth



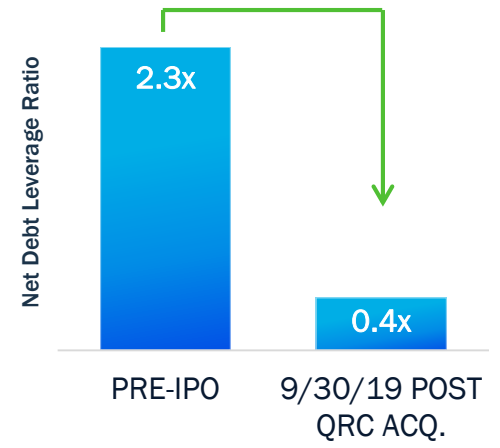
Continued Adj. EBITDA Margin Expansion



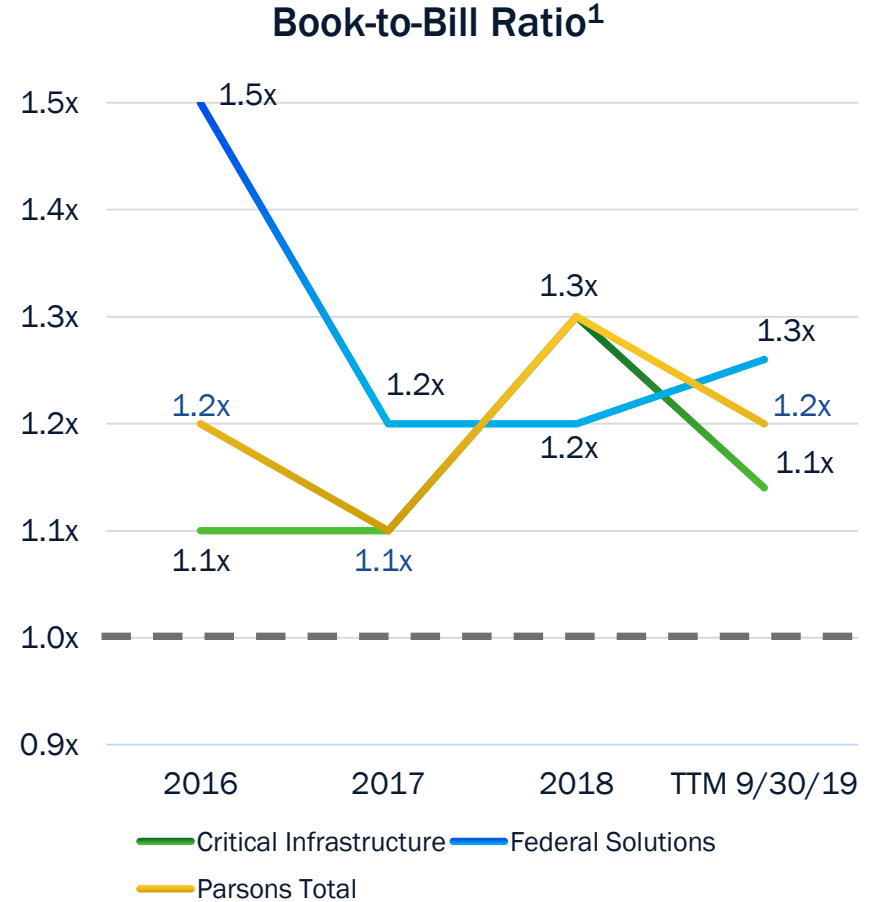
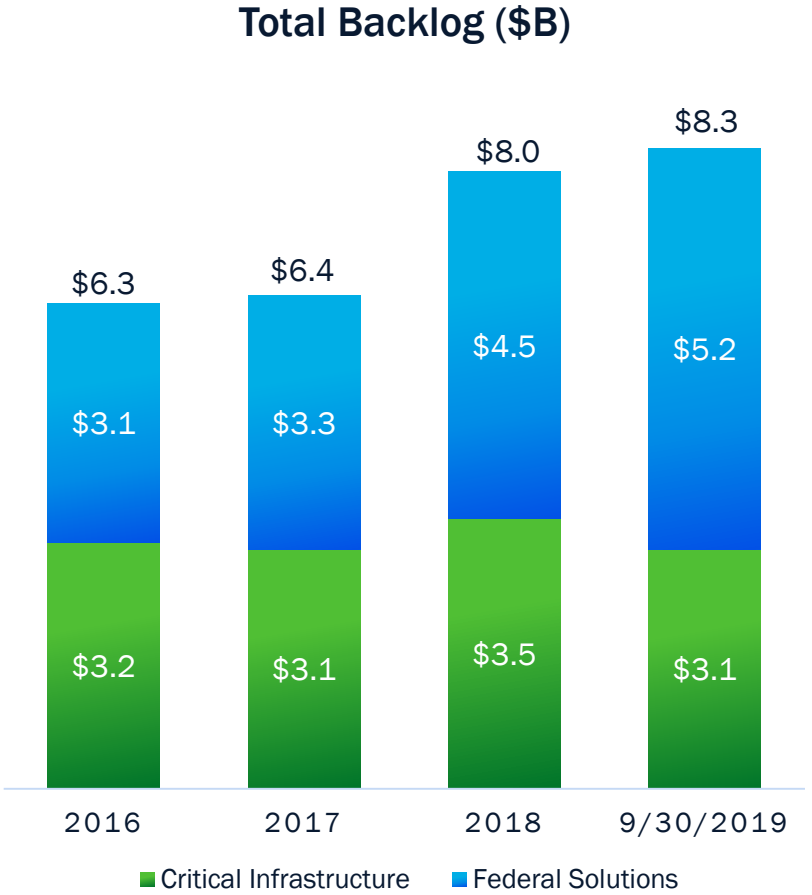
Strong Free Cash Flow Conversion



Optimal Balance Sheet to Fuel Future Growth



STRONG BACKLOG AND BOOK-TO-BILL VALIDATE COMPELLING GROWTH STORY



¹Book-to-Bill is the ratio of total awards to total revenue in the same period.

CAPITAL ALLOCATION FRAMEWORK

We are focused on driving shareholder value and maintaining balance sheet flexibility.



Organic Growth

- Continue to invest in targeted technologies and high-growth, higher-margin customer markets
- Build on success of cross-selling services and solutions to grow recurring revenue with core customers
- Continuously enhance margin and return profile through operational enhancements and portfolio shaping



M&A

- Continue to transform business through selective high-growth, technology-focused acquisitions
- Drive accretive returns through a disciplined approach



Balance Sheet Flexibility

- Robust balance sheet and strong free cash flow enables dry powder for M&A
- Committed to maintaining Investment Grade profile over the long-term

APPENDIX: SUPPLEMENTAL MATERIALS

ADJUSTED EBITDA RECONCILIATION

PARSONS CORPORATION

Non-GAAP Financial Information Reconciliation of Net Income to Adjusted EBITDA

(in thousands)

	Three Months Ended		Nine Months Ended	
	September 28, 2018	September 30, 2019	September 28, 2018	September 30, 2019
Net income attributable to Parsons Corporation	\$41,222	\$56,812	\$214,890	\$106,812
Interest expense, net	5,589	4,482	12,117	18,448
Income tax provision (benefit)	4,154	(15,453)	18,526	(67,063)
Depreciation and amortization(a)	23,599	31,027	46,656	92,692
Net income attributable to noncontrolling interests	4,844	4,481	10,316	8,012
Litigation-related gains(b)	-	-	(129,674)	-
Amortization of deferred gain resulting from sale-leaseback transactions(c)	(1,798)	-	(5,440)	-
Equity based compensation(d)	5,049	(1,657)	13,198	45,504
Transaction-related costs(e)	2,456	9,891	7,511	26,961
Restructuring(f)	-	309	-	2,880
Other(g)	3,449	(902)	3,929	2,973
Adjusted EBITDA	\$88,564	\$88,990	\$192,029	\$237,219

(a) Depreciation and amortization for the three and nine months ended September 28, 2018 is \$19.0 million and \$32.6 million, respectively in the Federal Solutions Segment and \$4.6 million and \$14.0 million, respectively in the Critical Infrastructure Segment. Depreciation and amortization for the three and nine months ended September 30, 2019 is \$26.0 million and \$75.1 million, respectively in the Federal Solutions Segment and \$5.0 million and \$17.6 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. Please see "Note 14 – Commitments and Contingencies" in the Company's Form S-1/A filed on April 29, 2019, 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.

(d) Reflects equity compensation costs related to cash settled awards. Please see a further discussion of these awards in Management's Discussion and Analysis of Financial Condition and Results of Operations in the Company's Form 10-Q for the quarter ended June 30, 2019.

(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 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		Nine Months Ended	
	September 28, 2018	September 30, 2019	September 28, 2018	September 30, 2019
Federal Solutions Adjusted EBITDA attributable to Parsons Corporation	\$45,556	\$50,359	\$101,052	\$126,658
Federal Solutions Adjusted EBITDA attributable to noncontrolling interests	85	86	214	321
Federal Solutions Adjusted EBITDA including noncontrolling interests	\$45,641	\$50,445	\$101,266	\$126,979
Critical Infrastructure Adjusted EBITDA attributable to Parsons Corporation	38,006	33,976	80,296	102,177
Critical Infrastructure Adjusted EBITDA attributable to noncontrolling interests	4,917	4,569	10,467	8,063
Critical Infrastructure Adjusted EBITDA including noncontrolling interests	\$42,923	\$38,545	\$90,763	\$110,240
Total Adjusted EBITDA including noncontrolling interests	\$88,564	\$88,990	\$192,029	\$237,219

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		Nine Months Ended	
	September 28, 2018	September 30, 2019	September 29, 2018	September 30, 2019
Net income attributable to Parsons Corporation	\$41,222	\$56,812	\$214,890	\$106,812
Deferred Tax Asset Recognition(a)	-	(29,309)	-	(85,672)
Acquisition-related intangible asset amortization	14,745	22,143	22,674	64,438
Litigation-related expenses(b)	-	-	(129,674)	-
Amortization of deferred gain resulting from sale-leaseback transactions(c)	(1,798)	-	(5,440)	-
Equity based compensation(d)	5,049	(1,657)	13,198	45,504
Transaction-related costs(e)	2,456	9,891	7,511	26,961
Restructuring(f)	-	309	-	2,880
Other(h)	3,449	(902)	3,929	2,973
Tax effect on adjustments	(294)	(5,025)	1,144	(23,091)
Adjusted net income attributable to Parsons Corporation	64,829	52,262	128,232	140,805
Adjusted earnings per share:				
Weighted-average number of basic/diluted shares outstanding	79,185,527	99,434,877	80,702,032	89,977,493
Adjusted net income attributable to Parsons Corporation per basic/diluted share	\$0.82	\$0.53	\$1.59	\$1.56

(a) Reflects the reversal of a deferred tax asset as a resulting 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. Please see "Note 14 – Commitments and Contingencies" in the Company's Form S-1/A filed on April 29, 2019, for a description of this matter, which was resolved in favor of the Company on June 13, 2018.

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