

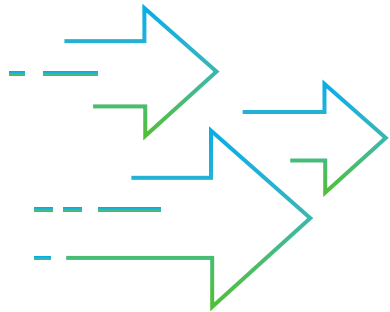


SECOND QUARTER 2020

Earnings Conference Call

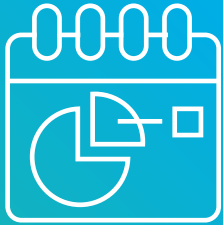
August 5, 2020

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: 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 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 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, 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.



Q2 2020 REVENUE

\$979 Million

NET INCOME

\$23 Million

ADJUSTED EBITDA

\$91 Million

CASH FLOW FROM OPERATIONS

\$88 Million

BOOK-TO-BILL RATIO

1.0x

STRONG BALANCE SHEET

0.4x Net Debt Leverage Ratio

Q2 2020 KEY TAKEAWAYS

Reiterated all fiscal year 2020 guidance metrics

Strong adjusted EBITDA and cash flow results

- Revenue of \$979M was in-line with internal expectations; includes \$67M of adverse impact from COVID-19, as well as strategy to reduce pass-through revenue run-off
 - Federal Solutions y/y organic growth of 6% in Q2 2020 and 8% for the first half of 2020, excluding \$32M of adverse impact from COVID-19
 - Net income decreased to \$23M due to a large income tax benefit in Q2 2019
- Adjusted EBITDA increased 20% to \$91M and Adjusted EBITDA margin expands 160 basis points to 9.3%
- Strong cash flow from operations of \$88M, includes \$33M from tax deferrals
- Q2 2020 book-to-bill ratio of 1.0x, driven by 1.2x in Critical Infrastructure

Rapidly developing new solutions, establishing new partnerships, and deploying new offerings across various industries during a global crisis

- Developed innovative solutions consistent with our strategy to transition to increased hardware, software and transactional revenue streams
- Partner-friendly strategy played a key role in the release of our DetectWise™, Grid Armor™ and bio-surveillance solutions in Q2 2020

Robust balance sheet continues to provide the company with the flexibility to strategically evaluate internal and external investments

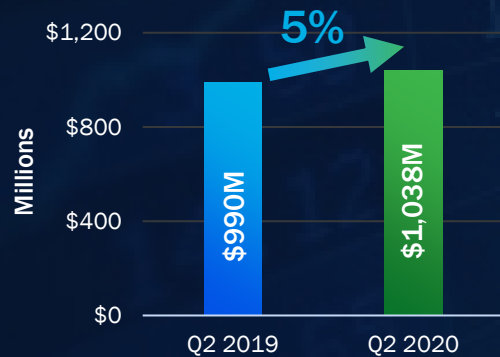
Q2 2020 FINANCIAL HIGHLIGHTS



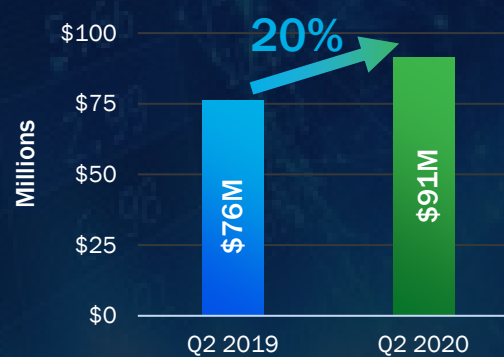
Delivered Strong Second Quarter Adjusted EBITDA

- Total revenue of \$979M decreased 1% from Q2 2019
- Q2 2020 total organic revenue increased 5% year-over-year excluding \$67M adverse impact from COVID-19
- Net income decreased 42% to \$23M; net income margin decreased to 2.4%
- Adjusted EBITDA increased 20% to \$91M; adjusted EBITDA margin increased 160 basis points to 9.3%
- Q2 2020 cash flow from operating activities of \$88M, compared to \$12M in Q2 2019
- Q2 2020 and trailing 12-month book-to-bill ratio of 1.0x

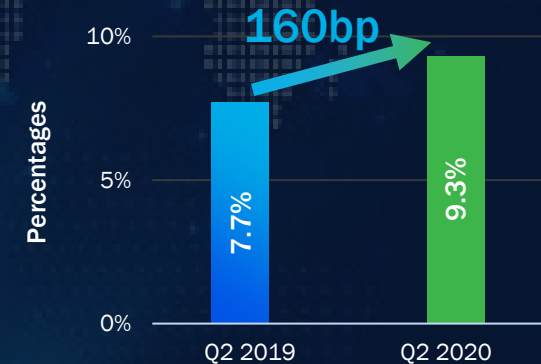
Total Organic Revenue Growth
Excluding COVID-19 Impacts



Adjusted EBITDA



Adjusted EBITDA Margin



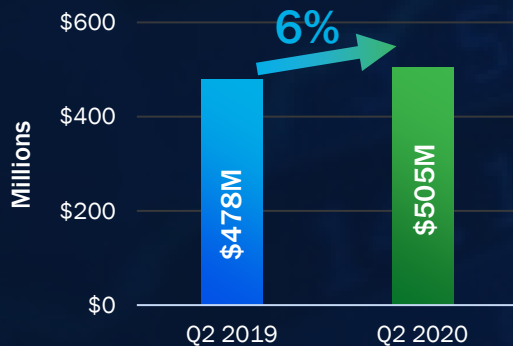
BUSINESS SEGMENT HIGHLIGHTS



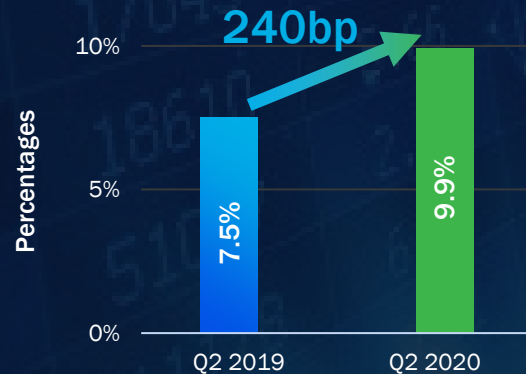
Federal Solutions

- Total revenue increased 1% year-over-year to \$482M
- Q2 2020 organic revenue increased 6% y/y and 8% for the first half of 2020, excluding \$32M of COVID-19 contract work delays
- Adjusted EBITDA increased 240 basis points to 9.9%

Organic Revenue Growth Excluding COVID-19 Impacts



Adjusted EBITDA Margin



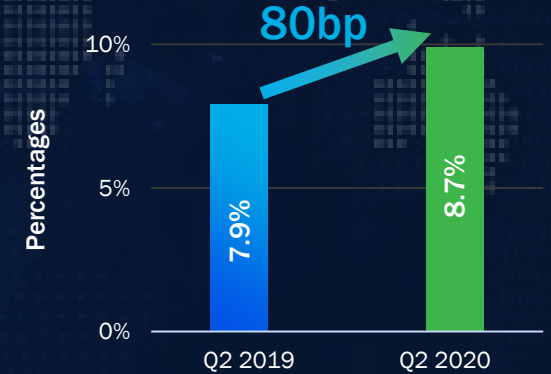
Critical Infrastructure

- Total revenue decreased 3% year-over-year to \$497M
- Q2 2020 organic revenue increased 4% y/y excluding \$35M of adverse impact from COVID-19
- Adjusted EBITDA increased 80 basis points to 8.7%

Organic Revenue Growth Excluding COVID-19 Impacts



Adjusted EBITDA Margin



RECENT SIGNIFICANT CONTRACT WINS



Awarded
\$307M

Awarded a \$307M contract with a classified customer to provide enterprise security, including both cyber and physical security. This contract was awarded in the third quarter of 2020.



Awarded
\$224M

As the lead partner of a joint venture (JV), Parsons was awarded a \$224M recomplete contract for the Riyadh Metro, the largest ongoing metro project in the world. Parsons' work scope includes program, design and construction management; systems testing, and commissioning.



Awarded
\$950M

Awarded a \$950 million ceiling multiple-award IDIQ contract for the U.S. Air Force's Advanced Battle Management System mission. The Air Force will use this contract for the maturation, demonstration and proliferation of capabilities across platforms and domains, leveraging open systems design, modern software and algorithm development in order to enable Joint All Domain Command and Control (JADC2).

DIVERSITY AND EXCELLENCE AWARDS



Continued Recognition for STEM Workforce Diversity Initiatives

Recognized by STEM Workforce Diversity magazine for the fifth consecutive year as a top national STEM employer for minority groups, women, and people with disabilities working in science, technology, engineering, and math (STEM).



Prestigious Awards for Engineering Excellence

Announced that three of the company's projects received Engineering Excellence Awards from the American Council of Engineering Companies. These prestigious awards signify the quality of the work Parsons' performs and the level of attention the company provides to its customers and to the communities in which it serves.



Outstanding Mentorship and Partnership Award

Parsons received its third Nunn-Perry Award for outstanding mentorship and partnership as part of the Department of Defense Mentor-Protégé Program with Mb Solutions, Inc. under the Missile Defense Agency.



Cogswell Outstanding Industrial Security Achievement Award

We received the Cogswell Outstanding Industrial Security Achievement award. This award promotes industrial security excellence and recognizes security programs that far exceed the National Industrial Security Program requirements.

REITERATED 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 in its share price and the resulting impact on the company's equity-based compensation expense, as well as charges to interest, taxes, depreciation, amortization and other matters affecting net income will preclude the company from providing accurate net income guidance for fiscal year 2020.

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, 2020	June 30, 2019	June 30, 2020	June 30, 2019
Net income attributable to Parsons Corporation	\$23,299	\$40,259	\$36,272	\$50,000
Interest expense, net	3,963	6,151	7,757	13,966
Income tax provision (benefit)	11,891	(53,496)	16,975	(51,610)
Depreciation and amortization (a)	32,081	31,074	64,490	61,665
Net income attributable to noncontrolling interests	7,826	(114)	9,224	3,531
Equity based compensation (b)	12,854	43,311	5,133	47,161
Transaction-related costs (c)	(2,485)	7,715	9,526	17,070
Restructuring (d)	1,143	353	1,110	2,571
Other (e)	589	952	1,170	3,875
Adjusted EBITDA	\$91,161	\$76,205	\$151,657	\$148,229

(a) 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. Depreciation and amortization for the three and six months ended June 30, 2019 is \$24.2 million and \$49.0 million, respectively in the Federal Solutions Segment and \$6.8 million and \$12.6 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, 2020	June 30, 2019	June 30, 2020	June 30, 2019
Federal Solutions Adjusted EBITDA attributable to Parsons Corporation	\$47,700	\$35,700	\$79,317	\$76,299
Federal Solutions Adjusted EBITDA attributable to noncontrolling interests	56	109	148	235
Federal Solutions Adjusted EBITDA including noncontrolling interests	\$47,756	\$35,809	\$79,465	\$76,534
Critical Infrastructure Adjusted EBITDA attributable to Parsons Corporation	35,519	40,525	62,876	68,201
Critical Infrastructure Adjusted EBITDA attributable to noncontrolling interests	7,886	(129)	9,316	3,494
Critical Infrastructure Adjusted EBITDA including noncontrolling interests	\$43,405	\$40,396	\$72,192	\$71,695
Total Adjusted EBITDA including noncontrolling interests	\$91,161	\$76,205	\$151,657	\$148,229

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 per share information)

	Three Months Ended		Six Months Ended	
	June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019
Net income attributable to Parsons Corporation	\$23,299	\$40,259	\$36,272	\$50,000
Deferred tax asset recognition (a)	-	(56,363)		(56,363)
Acquisition related intangible asset amortization	22,127	21,389	44,826	42,295
Equity based compensation (b)	12,854	43,311	5,133	47,161
Transaction-related costs (c)	(2,485)	7,715	9,526	17,070
Restructuring (d)	1,143	353	1,110	2,571
Other (e)	589	952	1,170	3,875
Tax effect on adjustments	(8,023)	(17,578)	(15,591)	(18,066)
Adjusted net income attributable to Parsons Corporation	49,504	40,038	82,446	88,543
Adjusted earnings per share:				
Weighted-average number of basic shares outstanding	100,695	92,336	100,682	85,249
Weighted-average number of diluted shares outstanding	100,986	92,336	100,949	85,249
Adjusted net income attributable to Parsons Corporation per basic share	\$0.49	\$0.43	\$0.82	\$1.04
Adjusted net income attributable to Parsons Corporation per diluted share	\$0.49	\$0.43	\$0.82	\$1.04

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

(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.