PARSONS®

FOURTH QUARTER AND FISCAL YEAR 2021

Earnings Conference Call

February 23, 2022

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, 2021, on Form 10-K, filed on February 23, 2022, 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

Strong Finish to Fiscal Year 2021

Delivered on strategic and financial objectives established at the end of Q2 2021

- Delivered encouraging second half 2021 growth over the first half
- Maintained hiring and retention momentum
- Expanded adjusted EBITDA margins
- Continued to win large strategic contract awards
- Strong total and funded backlog
- Well balanced portfolio across infrastructure, defense and intelligence markets
- Delivered critical program performance results
- ESG deeply embedded in our business offerings
- Continued purchases under $100 million share repurchase program, while maintaining ample balance sheet flexibility to drive additional shareholder value

2021 FINANCIAL PERFORMANCE

	2021 Guidance Mid-point	2021 Actuals	Highlights
Total Revenue	$3.65B	$3.66B	2H over 1H 2021 growth of 9% with 7% organic growth
Adjusted EBITDA	$305M	$310M	2H adjusted EBITDA increased 30% over 1H 2021; 2H margin of 9.2% compared to 7.7% in 1H 2021
Cash Flow from Operations	$205M	$206M	Cash flow generation as expected
Book to Bill	N/A	1.25x TTM	Total backlog of $8.3B up 3% from Q4 2020 13 contract awards ≥ $100M in 2021; company record
Capital Deployment	N/A	$236M	Acquired BlackHorse Solutions and Echo Ridge; $100M share repurchase program implemented and completed $22M of repurchases

*Includes acquisitions, share repurchases and capital expenditures

Q4 2021 KEY HIGHLIGHTS

Q4 2021 REVENUE
$951 Million

NET INCOME
$29 Million

ADJUSTED EBITDA
$91 Million

CASH FLOW FROM OPERATIONS
$90 Million

BOOK-TO-BILL RATIO
0.9x   Trailing 12-months of 1.25x

STRONG BALANCE SHEET
0.8x Net Debt Leverage Ratio

Strong finish to the year and achieved Q4 and FY21 objectives

- Delivered results above mid-point of all FY21 guidance metrics provided on Q2 call
- 2H 2021 revenue growth of 9% over 1H 2021 with 7% organic growth
- Q4 adjusted EBITDA margin of 9.6%
- Solid cash flow of $90M in Q4 2021

Continuing to win large contracts and positioned for growth

- Three contract wins > $100M; including $2B Faro Mine award with expanded scope
- 1.25x TTM book-to-bill ratio with 1.3x in Federal Solutions and 1.2x in Critical Infrastructure
- 2H 2021 hiring increased 30% over 1H 2021; momentum continued into 2022
- Total backlog up 3% year-over-year and > 2 years of annual revenue
- Critical Infrastructure segment benefiting from increased spending on global infrastructure; Federal Solutions benefiting from spending on National Security priorities

Strong balance sheet

- 0.8x net debt leverage will enable Parsons to make additional organic and M&A investments to drive growth and expand margins

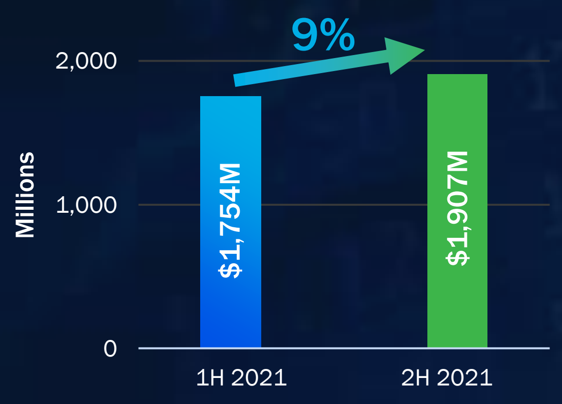
Establishing measured fiscal year 2022 guidance metrics

Q4 2021 FINANCIAL SUMMARY

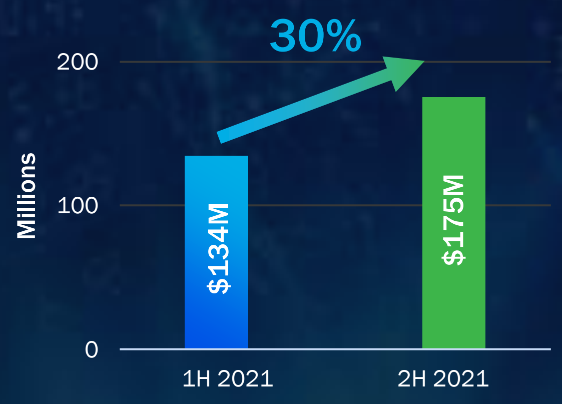
Strong 2H 2021 revenue growth, Q4 margin expansion, solid Q4 bookings drive strong TTM book-to-bill ratio

- 2H 2021 revenue growth of 9% over 1H 2021 with 7% organic growth
- Q4 2021 total revenue of $951M decreased 1% year-over-year and 6.5% organically from Q4 2020
- Adjusted EBITDA margin increased 20 basis points to 9.6% from 9.4% in Q4 2020
- Net income increased 34% year-over-year to $29M
- Total backlog increased 3% year-over-year to $8.3B
- Q4 book-to-bill ratio of 0.9x; TTM ratio of 1.25x

1H/2H 2021 Total Revenue



1H/2H 2021 Adjusted EBITDA



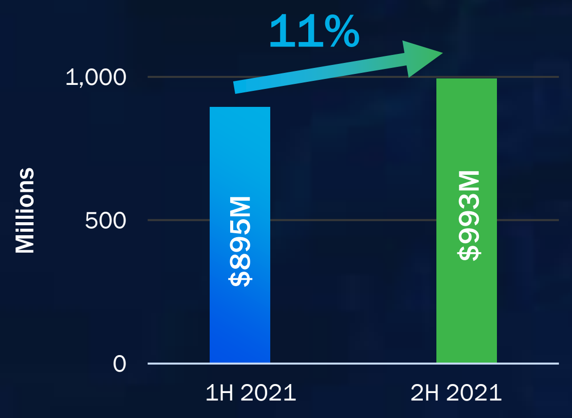
Total Backlog

BUSINESS SEGMENT SUMMARY

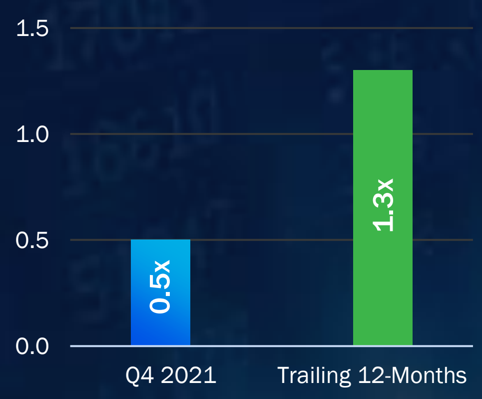
Federal Solutions

- 2H 2021 revenue growth of 11% over 1H 2021 with 7% organic growth
- Q4 2021 revenue increased 9% and decreased 2% organically from Q4 2020
- Adjusted EBITDA margin increased 120 basis points to 10.5% from 9.3% in Q4 2020
- Book-to-bill ratio of 0.5x (seasonal); TTM of 1.3x

1H/2H 2021 Total Revenue



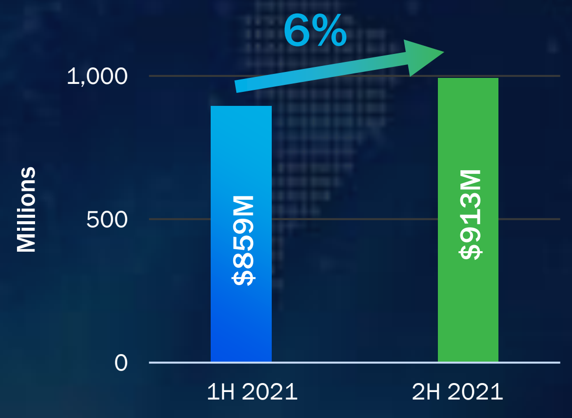
Book-to-Bill Ratio



Critical Infrastructure

- 2H 2021 revenue growth of 6% over 1H 2021, all organic growth
- Q4 2021 revenue decreased 11% from Q4 2020, all organic
- Adjusted EBITDA margin decreased 80 basis points to 8.6% from 9.4% in Q4 2020
- Book-to-bill ratio of 1.3x; TTM of 1.2x

1H/2H 2021 Total Revenue



Book-to-Bill Ratio

Q4 2021 SIGNIFICANT CONTRACT WINS

Awarded
$2B

Awarded a $2 billion contract to perform as the care and maintenance operator and project and construction manager at Faro Mine in Faro, Yukon, Canada. Once the world's largest open pit lead-zinc mine, the Faro Mine Remediation Project is one of the most complex abandoned mine clean-up projects. This is also one of the largest contract awards in Parsons' history.

Awarded
$104M

Awarded a $104 million, single award five-year indefinite delivery/indefinite quantity (ID/IQ) contract by an Intelligence Community customer.

Awarded
$100M

BlackHorse Solutions, a company Parsons acquired in the third quarter of 2021 was awarded expanded scope on a single-award contract that the company expects to have an approximate value of $100 million. This award includes customers from the Department of Defense, Intelligence Community, and Civilian organizations that span cybersecurity, electronic warfare, technical operations, readiness, and analytics.

Awarded
$1.1B

Awarded a potential ten-year, $1.1 billion ceiling multiple award task order contract by the United States Army Corps of Engineers (USACE) Engineering & Support Center. The new award will support USACE Huntsville in meeting environmental and munitions response challenges, enabling lands and waters to be safely and efficiently used for their intended purposes – whether wildlife refuge, military use, or community development.

CONTINUED RECOGNITION FOR ESG Excellence

Platinum Award - Gordie Howe International Bridge Project

Which Parsons serves as the Owner's Engineer for the Windsor-Detroit Bridge Authority, was **recognized as a leader in sustainable infrastructure by earning the prestigious Envision Platinum Award.** This certification is the highest possible distinction from the Institute for Sustainable Infrastructure, which recognizes efforts to achieve sustainable development and environmental performance standards at every stage of an infrastructure project, from design to construction and implementation.

Diamond Award - New York City's RFK Bridge Project

The Harlem River Drive North Connector Ramp – was recognized by the American Council of Engineering Companies New York with a Diamond Award as part of the 2021 New York Engineering Excellence Awards. The new ramp has **decreased congestion, reduced noise pollution, eliminated 2,500 tons of CO2-equivalent per year, and improved the quality of life in neighboring East Harlem, while providing a shorter and safer route for travelers.**

Grand Pinnacle Award – Route 7 Battlefield Parkway Project

Parsons also received the Grand Pinnacle Award at the American Council of Engineering Companies Metropolitan Washington (ACEC/MW) Engineering Excellence Awards Gala for the team's work on Route 7 Battlefield Parkway Interchange. The **project improves mobility and safety for more than 100,000 vehicles each day and enhances mobility for bicyclists and pedestrians along the corridor. Prior to the improvement, this was the most dangerous intersection in Leesburg, VA.**

Three Awards Recognizing Parsons' Culture of Support and Employment for Military Veterans

Recipient of three individual awards recognizing Parsons' culture of support and empowerment to the military veteran community and its position as an excellent company for veteran employment. Awards received included: GI Jobs: Military Friendly Employers 2022 Gold Ranking; #17 on the Military Times: Best for Vets 2021; 2021 Above and Beyond Award from the Virginia Committee of Department of Defense Employer Support of the Guard and Reserve.

FISCAL YEAR 2022 GUIDANCE

	2021 Actuals	2022 Guidance	Growth at Mid-Point
Total Revenue	$3.66B	$3.7 - $3.9B	+4% (2% organic)
Adjusted EBITDA	$310M	$315 - $345M	+6.5% (20 bps)
Cash Flow from Operations	$206M	$240 - $280M	+26%

Top Line Drivers

- $8.3B of total backlog
- Hiring momentum
- Low re-compete rate (< 5%)
- Strong win rates
- On-contract growth
- Robust balance sheet for investments
- Both segments poised for increased spending
- Less impact from COVID
- Less program completions

Bottom Line Drivers

- Bidding higher margin work
- Core program execution
- Full year impact of acquisitions
- Solutions with technology differentiation

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 2022.

FISCAL YEAR 2022 GUIDANCE ASSUMPTIONS

- ~ 52% of total revenue to be generated from Federal Solutions segment at the mid-point
- Adjusted EBITDA margin of ~ 8.7% at the mid-point of the revenue guidance, up 20bps from 2021
- Net interest expense of ~ $16M
- GAAP effective tax rate of ~ 25%
- Adjusted net income diluted share count of ~ 105M shares, includes share repurchases of ~ $50M
- Capital expenditures ~ 1% of total revenue
- Equity-based compensation expenses of ~ $29M
- Depreciation and amortization expenses of ~ $105M, which includes ~ $63M of acquisition-related amortization

- FY22 guidance includes ~$8M of transaction and other expenses from prior acquisitions, but **does not include future acquisitions**
- **Patterns**:
  - Revenue: expect Q1 to be our lowest quarter of the year and follow last year's historical pattern of down ~ 7% sequentially from Q4 2021. From Q1 onward, we expect sequential improvements through Q3 and then down sequentially in Q4
  - Adjusted EBITDA: expect Q1 2022 to be consistent with Q1 2021. From Q1 onward, we expect sequential improvements through Q3 and then down in Q4
  - Operating Cash Flow: expect typical seasonality with negative operating cash flow in Q1 and then positive cash flow with sequential improvements throughout the year, which is relatively in line 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		Twelve Months Ended	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Net income attributable to Parsons Corporation	$28,973	$21,611	$64,072	$98,541
Interest expense, net	4,113	7,025	17,301	20,169
Income tax provision (benefit)	5,258	9,500	23,636	42,492
Depreciation and amortization (a)	37,669	32,538	144,209	127,980
Net income attributable to noncontrolling interests	7,169	5,294	24,880	20,380
Equity-based compensation (b)	4,476	5,643	19,601	9,785
Transaction-related costs (c)	2,696	7,985	11,965	19,922
Restructuring (d)	229	718	736	2,193
Other (e)	319	(151)	3,320	1,159
Adjusted EBITDA	$90,902	$90,163	$309,720	$342,621

(a) Depreciation and amortization for the three months and year ended December 31, 2021, is $33.1 million and $125.7 million, respectively, in the Federal Solutions Segment and $4.6 million and $18.5 million, respectively in the Critical Infrastructure Segment. Depreciation and amortization for the three months and year ended December 31, 2020, is $27.4 million and $107.5 million, respectively in the Federal Solutions Segment and $5.1 million and $20.5 million, respectively in the Critical Infrastructure Segment.

(b) Includes compensation related to cash-settled awards.

(c) Reflects costs incurred in connection with acquisitions 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		Twelve Months Ended	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Federal Solutions Adjusted EBITDA attributable to Parsons Corporation	$51,770	$42,149	$162,733	$167,340
Federal Solutions Adjusted EBITDA attributable to noncontrolling interests	41	100	273	310
Federal Solutions Adjusted EBITDA including noncontrolling interests	$51,811	$42,249	$163,006	$167,650
Critical Infrastructure Adjusted EBITDA attributable to Parsons Corporation	31,855	42,796	121,700	154,528
Critical Infrastructure Adjusted EBITDA attributable to noncontrolling interests	7,236	5,118	25,014	20,443
Critical Infrastructure Adjusted EBITDA including noncontrolling interests	$39,091	$47,914	$146,714	$174,971
Total Adjusted EBITDA including noncontrolling interests	$90,902	$90,163	$309,720	$342,621

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		Twelve Months Ended	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Net income attributable to Parsons Corporation	$28,973	$21,611	$64,072	$98,541
Deferred tax asset recognition (a)	-	3,160	-	3,897
Acquisition related intangible asset amortization	27,105	22,116	103,153	87,823
Equity-based compensation (b)	4,476	5,643	19,601	9,785
Transaction-related costs (c)	2,696	7,985	11,965	19,922
Restructuring (d)	229	718	736	2,193
Other (e)	319	(151)	3,320	1,159
Tax effect on adjustments	(6,617)	(9,241)	(32,584)	(31,492)
Adjusted net income attributable to Parsons Corporation	57,181	51,841	170,263	191,828
Adjusted earnings per share:				
Weighted-average number of basic shares outstanding	102,785	101,291	102,544	100,848
Weighted-average number of diluted shares outstanding (f)	103,628	101,763	103,210	101,205
Adjusted net income attributable to Parsons Corporation per basic share	$0.56	$0.51	$1.66	$1.90
Adjusted net income attributable to Parsons Corporation per diluted share	$0.55	$0.51	$1.65	$1.90

(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) Includes compensation related to cash-settled awards.

(c) Reflects costs incurred in connection with acquisitions 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.

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