UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended March 31, 2026

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

Commission File Number: 001-07782

Parsons Corporation

(Exact Name of Registrant as Specified in its Charter)

Delaware	**95-3232481**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
14291 Park Meadow Drive, Suite 100 Chantilly, Virginia	**20151**
(Address of principal executive offices)	**(Zip Code)**

Registrant's telephone number, including area code: (703) 988-8500

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, $1 par value	PSN	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
Emerging growth company	☐		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of April 21, 2026, the registrant had 106,978,521 shares of common stock, $1.00 par value per share, outstanding.

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PART I—FINANCIAL INFORMATION

Item 1. Financial Statements.

PARSONS CORPORATION AND SUBSIDIARIES
Consolidated Balance Sheets
(in thousands, except share information)
(Unaudited)

	March 31, 2026	December 31, 2025
Assets		
Current assets:		
Cash and cash equivalents (including $90,488 and $153,144 Cash of consolidated joint ventures)	$ 283,921	$ 466,388
Accounts receivable, net (including $323,655 and $337,270 Accounts receivable of consolidated joint ventures)	1,096,575	1,124,417
Contract assets (including $38,585 and $41,318 Contract assets of consolidated joint ventures)	1,021,848	915,806
Prepaid expenses and other current assets (including $16,139 and $11,145 Prepaid expenses and other current assets of consolidated joint ventures)	191,796	176,932
Total current assets	2,594,140	2,683,543
Property and Equipment, net (including $2,462 and $2,488 Property and equipment of consolidated joint ventures)	154,586	151,061
Right of use assets, operating leases (including $3,895 and $4,482 Right of use assets, operating leases of consolidated joint ventures)	151,669	126,770
Goodwill	2,423,561	2,186,650
Investments in and advances to unconsolidated joint ventures	162,296	148,640
Intangible assets, net	407,859	325,880
Deferred tax assets	60,254	88,191
Other noncurrent assets	57,743	58,799
Total assets	$ 6,012,108	$ 5,769,534
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable (including $21,234 and $58,914 Accounts payable of consolidated joint ventures)	$ 232,588	$ 250,514
Accrued expenses and other current liabilities (including $191,847 and $195,747 Accrued expenses and other current liabilities of consolidated joint ventures)	831,532	884,445
Contract liabilities (including $48,749 and $44,802 Contract liabilities of consolidated joint ventures)	359,760	340,113
Short-term lease liabilities, operating leases (including $2,004 and $2,395 Short-term lease liabilities, operating leases of consolidated joint ventures)	42,760	45,353
Income taxes payable	12,903	11,239
Total current liabilities	1,479,543	1,531,664
Long-term employee incentives	27,870	30,834
Long-term debt	1,512,921	1,237,816
Long-term lease liabilities, operating leases (including $1,888 and $2,083 Long-term lease liabilities, operating leases of consolidated joint ventures)	121,309	94,044
Deferred tax liabilities	11,900	12,159
Other long-term liabilities	104,408	95,345
Total liabilities	$ 3,257,951	$ 3,001,862
Contingencies (Note 12)		
Shareholders' equity:		
Common stock, $1 par value; authorized 1,000,000,000 shares; 145,677,597 and 145,676,335 shares issued; 56,923,103 and 56,103,965 public shares outstanding; 50,046,241 and 50,864,117 ESOP shares outstanding	$ 145,678	$ 145,676
Treasury stock, 38,708,253 shares at cost	(793,002)	(792,638)
Additional paid-in capital	2,610,651	2,648,730
Retained earnings	709,725	661,173
Accumulated other comprehensive loss	(23,439)	(20,921)
Total Parsons Corporation shareholders' equity	2,649,613	2,642,020
Noncontrolling interests	104,544	125,652
Total shareholders' equity	2,754,157	2,767,672
Total liabilities and shareholders' equity	$ 6,012,108	$ 5,769,534

The accompanying notes are an integral part of these consolidated financial statements.

PARSONS CORPORATION AND SUBSIDIARIES
Consolidated Statements of Income
(In thousands, except per share information)
(Unaudited)

	Three Months Ended	
	March 31, 2026	March 31, 2025
Revenue	$ 1,491,176	$ 1,554,360
Direct cost of contracts	1,133,756	1,200,377
Equity in earnings (losses) of unconsolidated joint ventures	6,156	(687)
Selling, general and administrative expenses	267,902	244,063
Operating income	95,674	109,233
Interest income	1,811	2,142
Interest expense	(15,998)	(12,246)
Other income (expense), net	(189)	1,635
Total other income (expense)	(14,376)	(8,469)
Income before income tax expense	81,298	100,764
Income tax benefit (expense)	(16,087)	(18,977)
Net income including noncontrolling interests	65,211	81,787
Net income attributable to noncontrolling interests	(12,285)	(15,584)
Net income attributable to Parsons Corporation	$ 52,926	$ 66,203
Earnings per share:		
Basic	$ 0.49	$ 0.62
Diluted	$ 0.49	$ 0.60

The accompanying notes are an integral part of these consolidated financial statements.

PARSONS CORPORATION AND SUBSIDIARIES
Consolidated Statements of Comprehensive Income
(In thousands)
(Unaudited)

	Three Months Ended	
	March 31, 2026	March 31, 2025
Net income including noncontrolling interests	$ 65,211	$ 81,787
Other comprehensive income, net of tax		
Foreign currency translation adjustment, net of tax	(2,517)	847
Pension adjustments, net of tax	-	7
Comprehensive income including noncontrolling interests, net of tax	62,694	82,641
Comprehensive income attributable to noncontrolling interests, net of tax	(12,285)	(15,584)
Comprehensive income attributable to Parsons Corporation, net of tax	$ 50,409	$ 67,057

The accompanying notes are an integral part of these consolidated financial statements.

PARSONS CORPORATION AND SUBSIDIARIES
Consolidated Statements of Cash Flows
(In thousands)
(Unaudited)

	For the Three Months Ended	
	March 31, 2026	**March 31, 2025**
Cash flows from operating activities:		
Net income including noncontrolling interests	$ 65,211	$ 81,787
Adjustments to reconcile net income to net cash used in operating activities		
Depreciation and amortization	35,926	27,403
Amortization of debt issue costs	1,212	1,223
Loss (gain) on disposal of property and equipment	122	15
Deferred taxes	4,528	1,555
Foreign currency transaction gains and losses	1,012	(786)
Equity in losses (earnings) of unconsolidated joint ventures	(6,156)	687
Return on investments in unconsolidated joint ventures	7,208	12,963
Stock-based compensation	11,242	10,979
Contributions of treasury stock	19,347	17,764
Changes in assets and liabilities, net of acquisitions and consolidated joint ventures:		
Accounts receivable	47,235	(21,015)
Contract assets	(94,998)	(78,015)
Prepaid expenses and other assets	(12,552)	(17,171)
Accounts payable	(21,430)	79,659
Accrued expenses and other current liabilities	(75,250)	(132,892)
Contract liabilities	19,247	3,153
Income taxes	589	(2)
Other long-term liabilities	(6,193)	906
Net cash used in operating activities	(3,700)	(11,787)
Cash flows from investing activities:		
Capital expenditures	(14,921)	(13,473)
Payments for acquisitions, net of cash acquired	(333,511)	(31,612)
Investments in unconsolidated joint ventures	(23,695)	(16,585)
Return of investments in unconsolidated joint ventures	7,540	-
Net cash used in investing activities	(364,587)	(61,670)
Cash flows from financing activities:		
Proceeds from borrowings under credit agreement	350,000	145,900
Repayments of borrowings under credit agreement	(76,000)	(145,900)
Repurchases of convertible notes due 2025	-	(28,480)
Contributions by noncontrolling interests	234	260
Distributions to noncontrolling interests	(33,628)	(42,009)
Repurchases of common stock	(34,989)	(24,995)
Taxes paid on vested stock	(19,702)	(15,640)
Proceeds from issuance of common stock	572	-
Net cash (used in) provided by financing activities	186,487	(110,864)
Effect of exchange rate changes	(667)	518
Net increase (decrease) in cash, cash equivalents, and restricted cash	(182,467)	(183,803)
Cash, cash equivalents and restricted cash:		
Beginning of year	466,388	453,548
End of period	$ 283,921	$ 269,745

The accompanying notes are an integral part of these consolidated financial statements.

PARSONS CORPORATION AND SUBSIDIARIES
Consolidated Statements of Shareholders' Equity
For the Three Months Ended March 31, 2026 and March 31, 2025
(In thousands)
(Unaudited)

	Common Stock	Treasury Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total Parsons Equity	Noncontrolling Interests	Total
Balance at December 31,2025	$ 145,676	$ (792,638)	$ 2,648,730	$ 661,173	$ (20,921)	$ 2,642,020	$ 125,652	$ 2,767,672
Net income	-	-	-	52,926	-	52,926	12,285	65,211
Foreign currency translation loss, net	-	-	-	-	(2,518)	(2,518)	1	(2,517)
Contributions of treasury stock to ESOP	-	(364)	364	-	-	-	-	-
Contributions	-	-	-	-	-	-	234	234
Distributions	-	-	-	-	-	-	(33,628)	(33,628)
Repurchase of warrants	32	-	(30)	-	-	2	-	2
Issuance of equity securities, net of retirement	543	-	(15,240)	(4,374)	-	(19,071)	-	(19,071)
Repurchases of common stock	(573)	-	(34,415)	-	-	(34,988)	-	(34,988)
Stock based compensation	-	-	11,242	-	-	11,242	-	11,242
Balance at March 31, 2026	$ 145,678	$ (793,002)	$ 2,610,651	$ 709,725	$ (23,439)	$ 2,649,613	$ 104,544	$ 2,754,157
Balance at December 31, 2024	$ 146,655	$ (815,282)	$ 2,684,829	$ 426,781	$ (26,594)	$ 2,416,389	$ 118,100	$ 2,534,489
Net income	-	-	-	66,203	-	66,203	15,584	81,787
Foreign currency translation gain, net	-	-	-	-	847	847	3	850
Pension adjustments, net	-	-	-	-	7	7	-	7
Contributions	-	-	-	-	-	-	260	260
Distributions	-	-	-	-	-	-	(42,009)	(42,009)
Issuance of equity securities, net of retirements	473	-	(10,750)	(5,359)	-	(15,636)		(15,636)
Repurchases of common stock	(424)	-	(24,571)	-	-	(24,995)	-	(24,995)
Stock based compensation	-	-	10,979	-	-	10,979	-	10,979
Balance at March 31, 2025	$ 146,704	$ (815,282)	$ 2,660,487	$ 487,625	$ (25,740)	$ 2,453,794	$ 91,938	$ 2,545,732

The accompanying notes are an integral part of these consolidated financial statements.

Parsons Corporation and Subsidiaries
Notes to Consolidated Financial Statements (Unaudited)

1. Description of Operations

Organization

Parsons Corporation, a Delaware corporation, and its subsidiaries (collectively, the “Company”) provide sophisticated design, engineering and technical solutions to the United States federal government and Critical Infrastructure customers worldwide. The Company performs work in various foreign countries through local subsidiaries, joint ventures and foreign offices maintained to carry out specific projects.

2. Basis of Presentation and Principles of Consolidation

The accompanying unaudited consolidated financial statements and related notes of the Company have been prepared in accordance with generally accepted accounting principles in the United States of America ("GAAP") and pursuant to the interim period reporting requirements of Form 10-Q. They do not include all of the information and footnotes required by GAAP for complete financial statements and, therefore, should be read in conjunction with our consolidated financial statements and the notes thereto included in the Company’s Annual Report on Form 10-K for the year ended December 31, 2025.

In the opinion of management, the consolidated financial statements reflect all normal recurring adjustments necessary for a fair statement of the financial position, results of operations and cash flows for the interim periods presented. The results of operations and cash flows for any interim period are not necessarily indicative of results for the full year or for future years.

This Quarterly Report on Form 10-Q includes the accounts of Parsons Corporation and its subsidiaries and affiliates which it controls. Interests in joint ventures that are controlled by the Company, or for which the Company is otherwise deemed to be the primary beneficiary, are consolidated. For joint ventures in which the Company does not have a controlling interest, but exerts a significant influence, the Company applies the equity method of accounting (see “Note 14 – Investments in and Advances to Joint Ventures" for further discussion). Intercompany accounts and transactions are eliminated in consolidation. Certain amounts may not foot due to rounding.

Use of Estimates

The preparation of the consolidated financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual amounts could differ from those estimates. The Company’s most significant estimates and judgments involve revenue recognition with respect to the determination of the costs to complete contracts and transaction price; determination of self-insurance reserves; useful lives of property and equipment and intangible assets; valuation of deferred income tax assets and uncertain tax positions, among others. Estimates of costs to complete contracts are continually evaluated as work progresses and are revised when necessary. When a change in estimate is determined to have an impact on contract profit, the Company records a positive or negative adjustment to the consolidated statement of income.

3. New Accounting Pronouncements

In the fourth quarter of 2024, the FASB issued ASU 2024-03 "Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40)" (ASU 2024-03"). ASU 2024-03 requires disclosure, in the notes to financial statements, of specified information about certain costs and expenses. ASU 2024-03 is effective for annual reporting periods beginning after December 15, 2026, and interim reporting periods beginning after December 15, 2027. Early adoption is permitted and this ASU should be applied prospectively; however, retrospective application is also permitted. The adoption of this ASU will not have a material impact on the Company's consolidated financial statements.

In December 2023, the FASB issued ASU No. 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures (“ASU 2023-09”), to improve the transparency of income tax disclosures. ASU 2023-09 requires a public

business entity (“PBE”) to disclose, on an annual basis, specific categories in its income tax rate reconciliation and provide additional information for reconciling items that meet a quantitative threshold. ASU 2023-09 also requires all entities to disclose its income taxes paid, net of refunds received, disaggregated by federal, state and foreign taxes, with further disaggregation required for significant individual jurisdictions. For public business entities, the new standard is effective for annual periods beginning after December 15, 2024. This ASU was adopted in the fourth quarter of 2025, prospectively. The adoption of this ASU only impacted disclosures and did not have a material impact on the Company's consolidated financial statements.

4. Acquisitions

Altamira Technologies Corporation

On January 14, 2026, the Company acquired a 100% ownership interest in Altamira Technologies Corporation ("ATC"), a privately owned company, for approximately $340 million in cash and up to an additional $45 million in the event an earn out EBITDA target is exceeded. The Company borrowed $330.0 million under the Credit Agreement to fund the acquisition. Headquartered in McLean, Virginia, ATC enhances Parsons’ defense and intelligence portfolio by delivering advanced analytics, signals intelligence (SIGINT), cyber, missile warning, and space capabilities, complementing the Company’s strengths in all-domain technology integration and Indo-Pacific operations, and expanding with intelligence community (IC) customers. In connection with this acquisition, the Company recognized $5.0 million of acquisition-related expenses in “Selling, general and administrative expense” in the consolidated statements of income for the three months ended March 31, 2026, including legal fees, consulting fees, and other miscellaneous direct expenses associated with the acquisition.

The Company agreed to pay the selling shareholders up to an additional $45 million in the event an earn out EBITDA target is exceeded during the fiscal year ended December 31, 2026. In the event that the 2026 EBITDA is less than target, the earn out payment shall be zero. The fair value of the earn out (contingent consideration in the table below) was calculated using a Black-Scholes model. See "Note 16—Fair Value" for further information on how the fair value of contingent consideration is determined.

The following table summarizes the acquisition date fair value of the purchase consideration transferred (in thousands):

	Amount
Cash paid at closing	$ 340,395
Fair value of contingent consideration to be achieved	11,387
Post closing adjustment	(2,234)
Total purchase price	$ 349,548

The following table summarizes the estimated fair values of the assets acquired and liabilities assumed based on the preliminary purchase price allocation as of the date of acquisition (in thousands):

	Amount
Cash and cash equivalents	$ 6,918
Accounts receivable	20,443
Contract assets	12,066
Right of use assets, operating leases	20,927
Prepaid expenses and other current assets	300
Income taxes receivable	435
Property and Equipment	3,556
Goodwill	237,473
Intangible assets	105,800
Other noncurrent assets	178
Accounts payable	(3,886)
Short-term lease liabilities, operating leases	(1,989)
Accrued expenses and other current liabilities	(7,344)
Income taxes payable	(1,073)
Contract liabilities	(1,200)
Long-term lease liabilities, operating leases	(18,937)
Deferred tax liabilities, net	(23,207)
Other long-term liabilities	(912)
Net assets acquired	$ 349,548

Of the total purchase price, the following values were preliminarily assigned to intangible assets (in thousands, except for years):

	Gross Carrying Amount	Amortization Period
		(in years)
Customer relationships	$ 85,300	15
Backlog	16,400	1
Trade name	3,900	2
Non-compete agreements	200	3

Amortization expense of $6.0 million related to these intangible assets was recorded for the three months ended March 31, 2026. The entire value of goodwill was assigned to the Federal Solutions reporting unit and represents synergies expected to be realized from this business combination. $2.2 million of goodwill is deductible for tax purposes.

The amount of revenue generated by ATC and included within consolidated revenue is $39.8 million for the three months ended March 31, 2026. The Company has determined that the presentation of net income from the date of acquisition is impracticable due to the integration of general corporate functions upon acquisition.

The Company is still in the process of finalizing its valuation of the assets and liabilities acquired.

Supplemental Pro Forma Information (Unaudited)

Supplemental information of unaudited pro forma operating results assuming the ATC acquisition had been consummated as of the beginning of fiscal year 2025 (in thousands) is as follows:

	Three Months Ended	
	March 31, 2026	March 31, 2025
Pro forma Revenue	$ 1,497,153	$ 1,589,396
Pro forma Net Income including noncontrolling interests	71,799	71,228

The unaudited pro forma supplemental information is based on estimates and assumptions which the Company believes are reasonable and reflects the pro forma impact of additional amortization related to the fair value of acquired

intangible assets, the pro forma impact of interest expense on acquired debt, and the pro forma impact of reflecting acquisition costs, which consisted of legal, advisory and due diligence fees and expenses which are reflected in the earliest period presented. This supplemental pro forma information has been prepared for comparative purposes and does not purport to be indicative of what would have occurred had the acquisition been consummated during the periods for which pro forma information is presented.

Applied Sciences Consulting, Inc.

On October 1, 2025, the Company acquired a 100% ownership interest in Applied Sciences Consulting, Inc. ("ASC"), a privately owned company, for $28.2 million from cash on hand. ASC specializes in water and stormwater solutions for cities, counties, and water management districts across the state of Florida. ASC enhances our ability to partner with Florida communities on delivering innovative solutions for their resiliency challenges, while expanding those capabilities to new and existing clients around the world. In connection with this acquisition, the Company recognized $0.5 million of acquisition-related expenses in “Selling, general and administrative expense” in the consolidated statements of income for the year ended December 31, 2025, including legal fees, consulting fees, and other miscellaneous direct expenses associated with the acquisition.

The following table summarizes the acquisition date fair value of the purchase consideration transferred (in thousands):

		Amount
Cash and cash equivalents	$	1,422
Accounts receivable		1,210
Right of use assets, operating leases		586
Property and Equipment		140
Goodwill		21,852
Intangible assets		4,590
Accounts payable		(557)
Short-term lease liabilities, operating leases		(107)
Accrued expenses and other current liabilities		(398)
Long-term lease liabilities, operating leases		(511)
Net assets acquired	$	28,227

Of the total purchase price, the following values were preliminarily assigned to intangible assets (in thousands, except for years):

		Gross Carrying Amount	Amortization Period
			(in years)
Backlog	$	2,460	3
Customer relationships		1,840	3
Non-compete agreements		220	3
Trade name		70	1

Amortization expense of $0.4 million related to these intangible assets was recorded for the three months ended March 31, 2026. The entire value of goodwill was assigned to the Critical Infrastructure reporting unit and represents synergies expected to be realized from this business combination. The entire value of goodwill is deductible for tax purposes.

The amount of revenue generated by ASC and included within consolidated revenue is $2.4 million for the three months ended March 31, 2026. The Company has determined that the presentation of net income from the date of acquisition is impracticable due to the integration of general corporate functions upon acquisition.

The Company is still in the process of finalizing its valuation of the assets and liabilities acquired.

Supplemental Pro Forma Information (Unaudited)

Supplemental information of unaudited pro forma operating results assuming the ASC acquisition had been consummated as of the beginning of fiscal year 2024 (in thousands) is as follows:

	Three Months Ended March 31, 2025
Pro forma Revenue	$ 1,556,243
Pro forma Net Income including noncontrolling interests	82,101

The unaudited pro forma supplemental information is based on estimates and assumptions which the Company believes are reasonable and reflects the pro forma impact of additional amortization related to the fair value of acquired intangible assets, and the pro forma impact of reflecting acquisition costs, which consisted of legal, advisory and due diligence fees and expenses which are reflected in the earliest period presented. This supplemental pro forma information has been prepared for comparative purposes and does not purport to be indicative of what would have occurred had the acquisition been consummated during the periods for which pro forma information is presented.

Chesapeake Technology International, Corp

On June 30, 2025, the Company acquired a 100% ownership interest in Chesapeake Technology International, Corp ("CTI"), a privately owned company, for $91.5 million from cash on hand. CTI brings extensive capabilities as an all-domain technology solutions provider, powered by cutting-edge products that enhance the warfighters' ability to sense, evaluate and deliver effects within the invisible battlespaces. CTI enhances our mission-ready solutions for the Department of War. In connection with this acquisition, the Company recognized $2.2 million of acquisition-related expenses in "Selling, general and administrative expense" in the consolidated statements of income for the year ended December 31, 2025, including legal fees, consulting fees, and other miscellaneous direct expenses associated with the acquisition.

The following table summarizes the acquisition date fair value of the purchase consideration transferred (in thousands):

	Amount
Cash and cash equivalents	$ 4,769
Accounts receivable	28,145
Contract assets	4,256
Inventory	169
Right of use assets, operating leases	2,310
Prepaid expenses and other current assets	498
Property and Equipment	1,029
Goodwill	57,468
Intangible assets	34,820
Other noncurrent assets	3,173
Accounts payable	(17,818)
Short-term lease liabilities, operating leases	(143)
Accrued expenses and other current liabilities	(7,471)
Contract liabilities	(8,079)
Deferred income taxes	(5,446)
Long-term lease liabilities, operating leases	(2,167)
Other long-term liabilities	(3,979)
Net assets acquired	$ 91,534

Of the total purchase price, the following values were preliminarily assigned to intangible assets (in thousands, except for years):

	Gross Carrying Amount	Amortization Period
		(in years)
Customer relationships	$ 20,690	15
Backlog	8,010	5
Developed technologies	3,000	3
Non-compete agreements	2,460	3
Trade name	$ 660	1

Amortization expense of $1.4 million related to these intangible assets was recorded for the three months ended March 31, 2026. The entire value of goodwill was assigned to the Federal Solutions reporting unit and represents synergies expected to be realized from this business combination. $8.8 million of goodwill is deductible for tax purposes.

The amount of revenue generated by CTI and included within consolidated revenue is $17.7 million for the year ended March 31, 2026. The Company has determined that the presentation of net income from the date of acquisition is impracticable due to the integration of general corporate functions upon acquisition.

The Company is still in the process of finalizing its valuation of the assets and liabilities acquired.

Supplemental Pro Forma Information (Unaudited)

Supplemental information of unaudited pro forma operating results assuming the CTI acquisition had been consummated as of the beginning of fiscal year 2024 (in thousands) is as follows:

	Three Months Ended March 31, 2025
Pro forma Revenue	$ 1,589,802
Pro forma Net Income including noncontrolling interests	81,518

The unaudited pro forma supplemental information is based on estimates and assumptions which the Company believes are reasonable and reflects the pro forma impact of additional amortization related to the fair value of acquired intangible assets, and the pro forma impact of reflecting acquisition costs, which consisted of legal, advisory and due diligence fees and expenses which are reflected in the earliest period presented. This supplemental pro forma information has been prepared for comparative purposes and does not purport to be indicative of what would have occurred had the acquisition been consummated during the periods for which pro forma information is presented.

TRS Group, Inc.

On January 31, 2025, the Company acquired a 100% ownership interest in TRS Group, Inc. ("TRS"), a privately owned company, for $36.6 million from cash on hand (of which $3.8 million will be paid in July 2026). TRS is an environmental solutions firm that specializes in remediation technology. In connection with this acquisition, the Company recognized $0.5 million of acquisition-related expenses in “Selling, general and administrative expense” in the

consolidated statements of income for the year ended December 31, 2025, including legal fees, consulting fees, and other miscellaneous direct expenses associated with the acquisition.

The following table summarizes the acquisition date fair value of the purchase consideration transferred (in thousands):

	Amount
Cash and cash equivalents	$ 2,054
Accounts receivable	3,390
Contract assets	2,277
Income taxes receivable	354
Prepaid expenses and other current assets	2,414
Property and Equipment	5,832
Goodwill	22,972
Intangible assets	6,100
Accounts payable	(1,095)
Accrued expenses and other current liabilities	(3,270)
Contract liabilities	(4,222)
Short-term lease liabilities, operating leases	(116)
Long-term lease liabilities, operating leases	(124)
Net assets acquired	$ 36,566

Of the total purchase price, the following values were preliminarily assigned to intangible assets (in thousands, except for years):

	Gross Carrying Amount	Amortization Period
		(in years)
Backlog	$ 1,900	3
Developed technologies	3,900	5
Trade name	$ 300	1

Amortization expense of $0.4 million and $0.2 million related to these intangible assets was recorded for the three months ended March 31, 2026 and March 31, 2025, respectively. The entire value of goodwill was assigned to the Critical Infrastructure reporting unit and represents synergies expected to be realized from this business combination. The entire value of goodwill is deductible for tax purposes.

The amount of revenue generated by TRS and included within consolidated revenue is $4.1 million for the three months ended March 31, 2025. The Company has determined that the presentation of net income from the date of acquisition is impracticable due to the integration of general corporate functions upon acquisition.

Supplemental Pro Forma Information (Unaudited)

Supplemental information of unaudited pro forma operating results assuming the TRS acquisition had been consummated as of the beginning of fiscal year 2024 (in thousands) is as follows:

	Three Months Ended March 31, 2025
Pro forma Revenue	$ 1,556,383
Pro forma Net Income including noncontrolling interests	82,047

The unaudited pro forma supplemental information is based on estimates and assumptions which the Company believes are reasonable and reflects the pro forma impact of additional amortization related to the fair value of acquired intangible assets, and the pro forma impact of reflecting acquisition costs, which consisted of legal, advisory and due diligence fees and expenses which are reflected in the earliest period presented. This supplemental pro forma information

has been prepared for comparative purposes and does not purport to be indicative of what would have occurred had the acquisition been consummated during the periods for which pro forma information is presented.

5. Contracts with Customers

Disaggregation of Revenue

The Company's contracts contain both fixed-price and cost reimbursable components. Contract types are based on the component that represents the majority of the contract. The following table presents revenue disaggregated by contract type (in thousands):

	March 31, 2026	March 31, 2025
Fixed-Price	$ 470,903	$ 574,573
Time-and-Materials	372,845	347,090
Cost-Plus	647,428	632,697
Total	$ 1,491,176	$ 1,554,360

See "Note 18 – Segments Information" for the Company's revenues by business lines.

Contract Assets and Contract Liabilities

Contract assets and contract liabilities balances at March 31, 2026 and December 31, 2025 were as follows (in thousands):

	March 31, 2026	December 31, 2025
Contract assets	$ 1,021,848	$ 915,806
Contract liabilities	359,760	340,113
Net contract assets (liabilities) (1)	$ 662,088	$ 575,693

(1) Total contract retentions included in net contract assets (liabilities) were $120.5 million as of March 31, 2026, of which $60.6 million are not expected to be paid in the next 12 months. Total contract retentions included in net contract assets (liabilities) were $114.6 million as of December 31, 2025. Contract assets at March 31, 2026 and December 31, 2025 include $58.9 million and $58.9 million, respectively, related to net claim recoveries. For the three months ended March 31, 2026 and March 31, 2025, there were no material losses recognized related to the collectability of claims, unapproved change orders, and requests for equitable adjustment.

During the three months ended March 31, 2026 and March 31, 2025, the Company recognized revenue of $133.2 million and $117.3 million, respectively, that was included in the corresponding contract liability balances at December 31, 2025 and December 31, 2024, respectively.

There was no significant write-down of contract assets recognized during the three months ended March 31, 2026 and March 31, 2025.

Certain changes in contract assets and contract liabilities consisted of the following (in thousands):

	March 31, 2026	December 31, 2025
Acquired contract assets	$ 12,066	$ 6,533
Acquired contract liabilities	1,200	12,301

There have been no revisions in estimates, such as changes in estimated claims or incentives, related to performance obligations partially satisfied in previous periods that individually had an impact of $5 million or more on revenue during the three months ended March 31, 2026 and March 31, 2025.

Accounts Receivable, net

Accounts receivable, net consisted of the following as of March 31, 2026 and December 31, 2025 (in thousands):

	2026	2025
Billed	$ 665,606	$ 732,414
Unbilled	434,855	395,889
Total accounts receivable, gross	1,100,461	1,128,303
Allowance for doubtful accounts	(3,886)	(3,886)
Total accounts receivable, net	$ 1,096,575	$ 1,124,417

Billed accounts receivable represents amounts billed to clients that have not been collected. Unbilled accounts receivable represents amounts where the Company has a present contractual right to bill but an invoice has not been issued to the customer at the period-end date. Receivables from contracts with the U.S. federal government and its agencies were 16% and 19% as of March 31, 2026 and December 31, 2025, respectively.

The allowance for doubtful accounts was determined based on consideration of trends in actual and forecasted credit quality of clients, including delinquency and payment history, type of client, such as a government agency or commercial sector client, and general economic conditions and particular industry conditions that may affect a client's ability to pay.

Transaction Price Allocated to the Remaining Unsatisfied Performance Obligations

The Company's remaining unsatisfied performance obligations ("RUPO") as of March 31, 2026 represent a measure of the total dollar value of work to be performed on contracts awarded and in-progress. The Company had $7.1 billion in RUPO as of March 31, 2026.

RUPO will increase with awards of new contracts and decrease as the Company performs work and recognizes revenue on existing contracts. Projects are included within RUPO at such time the project is awarded and agreement on contract terms has been reached.

RUPO is comprised of: (a) original transaction price, (b) change orders for which written confirmations from our customers have been received, (c) pending change orders for which the Company expects to receive confirmations in the ordinary course of business, and (d) claim amounts that the Company has made against customers for which it has determined that it has a legal basis under existing contractual arrangements and a significant reversal of revenue is not probable, less revenue recognized to-date.

The Company expects to satisfy its RUPO as of March 31, 2026 over the following periods (in thousands):

Period RUPO Will Be Satisfied	Within One Year	Within One to Two Years	Thereafter
Federal Solutions	$ 1,534,828	$ 434,556	$ 152,666
Critical Infrastructure	2,624,140	1,326,701	1,009,923
Total	$ 4,158,968	$ 1,761,257	$ 1,162,589

6. Leases

The Company has operating and finance leases for corporate and project office spaces, vehicles, heavy machinery and office equipment. Our leases have remaining lease terms of one year to ten years, some of which may include options to extend the leases for up to five years, and some of which may include options to terminate the leases after the third year.

The components of lease costs for the three months ended March 31, 2026 and March 31, 2025 are as follows (in thousands):

	Three Months Ended	
	March 31, 2026	March 31, 2025
Operating lease cost	$ 16,533	$ 16,555
Short-term lease cost	5,270	$ 3,378
Amortization of right-of-use assets	1,131	$ 1,108
Interest on lease liabilities	117	$ 128
Sublease income	(867)	$ (924)
Total lease cost	$ 22,184	$ 20,245

Supplemental cash flow information related to leases for the three months ended March 31, 2026 and March 31, 2025 is as follows (in thousands):

	Three Months Ended	
	March 31, 2026	March 31, 2025
Operating cash flows for operating leases	$ 16,132	$ 17,088
Operating cash flows for finance leases	117	128
Financing cash flows from finance leases	1,121	1,073
Right-of-use assets obtained in exchange for new operating lease liabilities	12,345	4,694
Right-of-use assets obtained in exchange for new finance lease liabilities	$ 345	$ 548

Supplemental balance sheet and other information related to leases as of March 31, 2026 and December 31, 2025 are as follows (in thousands):

	March 31, 2026	December 31, 2025
Operating Leases:		
Right-of-use assets	$ 151,669	$ 126,770
Lease liabilities:		
Current	42,760	45,353
Long-term	121,309	94,044
Total operating lease liabilities	$ 164,069	$ 139,397
Finance Leases:		
Other noncurrent assets	$ 8,533	$ 8,990
Accrued expenses and other current liabilities	$ 4,132	$ 4,118
Other long-term liabilities	$ 4,780	$ 5,240
Weighted Average Remaining Lease Term:		
Operating leases	4.4 Years	3.7 Years
Finance leases	2.5 Years	2.6 Years
Weighted Average Discount Rate:		
Operating leases	4.6%	4.6%
Finance leases	4.9%	4.9%

As of March 31, 2026, the Company has no material leases that have not yet commenced.

A maturity analysis of the future undiscounted cash flows associated with the Company's operating and finance lease liabilities as of March 31, 2026 is as follows (in thousands):

	Operating Leases	Finance Leases
2026	$ 38,610	$ 3,482
2027	40,662	3,474
2028	34,484	2,130
2029	26,637	686
2030	14,087	75
Thereafter	31,456	-
Total lease payments	185,936	9,847
Less: imputed interest	(21,867)	(935)
Total present value of lease liabilities	$ 164,069	$ 8,912

7. Goodwill

The following table summarizes the changes in the carrying value of goodwill by reporting segment from December 31, 2025 to March 31, 2026 (in thousands):

	December 31, 2025	Acquisitions	Foreign Exchange	March 31, 2026
Federal Solutions	$ 1,861,218	$ 237,473	$ -	$ 2,098,691
Critical Infrastructure	325,432	76	(638)	324,870
Total	$ 2,186,650	$ 237,549	$ (638)	$ 2,423,561

The Company performed a qualitative triggering analysis and determined there was no triggering event indicating a potential impairment to the carrying value of its goodwill at March 31, 2026 and concluded there has not been an impairment.

8. Intangible Assets

The gross amount and accumulated amortization of intangible assets with finite useful lives included in "Intangible assets, net" on the consolidated balance sheets are as follows (in thousands except for years):

	March 31, 2026			December 31, 2025			
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Weighted Average Amortization Period *(in years)*
Backlog	$ 170,870	$ (95,916)	$ 74,954	$ 154,470	$ (83,181)	$ 71,289	3.3
Customer relationships	$ 480,030	$ (173,524)	$ 306,506	395,460	(166,391)	229,069	12.1
Developed technology	$ 29,100	$ (14,111)	$ 14,989	30,100	(13,496)	16,604	4.5
Trade name	$ 4,930	$ (1,318)	$ 3,612	2,530	(2,123)	407	1.7
Non-compete agreements	$ 10,680	$ (4,682)	$ 5,998	10,980	(4,293)	6,687	3.0
In process research and development	$ 1,800	$ -	$ 1,800	1,800	-	1,800	n/a
Other intangibles	$ -	$ -	$ -	24	-	24	n/a
Total intangible assets	$ 697,410	$ (289,551)	$ 407,859	$ 595,364	$ (269,484)	$ 325,880	

The aggregate amortization expense of intangible assets for the three months ended March 31, 2026 and March 31, 2025 was $23.8 million and $16.4 million, respectively.

Estimated amortization expense for the remainder of the current fiscal year and in each of the next four years and beyond is as follows (in thousands):

	March 31, 2026
2026	$ 65,748
2027	$ 66,183
2028	$ 48,480
2029	$ 32,107
2030	$ 28,389
Thereafter	$ 165,152
Total	$ 406,059

9. Property and Equipment, Net

Property and equipment consisted of the following at March 31, 2026 and December 31, 2025 (in thousands):

	March 31, 2026	December 31, 2025	Useful Life (years)
Buildings and leasehold improvements	$ 123,040	$ 118,945	1-15
Furniture and equipment	88,663	88,011	3-10
Computer systems and equipment	196,401	181,595	3-10
Construction equipment	15,730	15,739	5-7
Construction in progress	39,064	51,070	
	462,898	455,360	
Accumulated depreciation	(308,312)	(304,299)	
Property and equipment, net	$ 154,586	$ 151,061	

Depreciation expense for the three months ended March 31, 2026 and March 31, 2025 was $10.2 million and $9.1 million, respectively.

10. Debt and Credit Facilities

Debt consisted of the following (in thousands):

	March 31, 2026	December 31, 2025
Long-Term Debt:		
Convertible senior notes due 2029	800,000	800,000
Revolving credit facility	274,000	-
Term loan due 2028	450,000	450,000
Debt issuance costs	(11,079)	(12,184)
Total Long-Term Debt	1,512,921	1,237,816
Total Debt	$ 1,512,921	$ 1,237,816

In June 2025, the Company terminated its $350 million Delayed Draw Term Loan due 2025 and its $650 million Revolving Credit Facility due 2026 and replaced these credit facilities with a $450 million Term Loan due 2028 and a $750 million Revolving Credit Facility due 2030. Proceeds from the Term Loan were used to pay off the outstanding balance of the Delayed Draw Term Loan.

Term Loan

In June 2025, the Company entered into a $450 million unsecured Term Loan with an increase option of up to $150 million. Proceeds of the Term Loan Agreement may be used (a) to pay off in full, or partially pay off, the Company's existing Convertible Senior Notes, (b) to prepay revolving loans outstanding under the Revolving Credit Agreement (as defined below), or (c) for working capital, capital expenditures and other lawful corporate purposes. The Company incurred $0.9 million of debt issuance costs in connection with the Term Loan. These costs are presented as a direct deduction from long-term debt on the face of the balance sheet. Interest expense related to the Term Loan for the three months ended March 31, 2026 was $5.5 million. Included in this amount was amortization of debt fees of $0.1 million. The amortization of debt issuance costs and interest expense is recorded in "Interest expense" on the consolidated statements

of income. As of March 31, 2026 and December 31, 2025, the net carrying value of the Term Loan was $449.4 million and $449.3 million, respectively.

The Term Loan has a three-year maturity and permits the Company to borrow in U.S. dollars. The Term Loan does not require any amortization payments by the Company. Depending on the Company's consolidated leverage ratio (or debt rating after such time as the Company has such rating), borrowings under the Term Loan Agreement will bear interest at either an adjusted Term SOFR benchmark rate plus a margin between 0.875% and 1.500% or a base rate plus a margin of between 0% and 0.500% and will initially bear interest at the middle of this range. Amounts outstanding under the Term Loan Agreement may be prepaid at the option of the Company without premium or penalty, subject to customary breakage fees in connection with the prepayment of benchmark rate loans. The interest rate was 4.8% for all periods presented.

Delayed Draw Term Loan (Terminated June 2025)

In September 2022, the Company entered into a $350 million unsecured Delayed Draw Term Loan with an increase option of up to $150 million (the "2022 Delayed Draw Term Loan"). Proceeds of the 2022 Delayed Draw Term Loan Agreement may be used (a) to pay off in full, or partially pay off, the Company's existing Senior Notes, (b) to prepay revolving loans outstanding under the Revolving Credit Agreement (as defined below), or (c) for working capital, capital expenditures and other lawful corporate purposes. The Company incurred $0.9 million of debt issuance costs in connection with the delayed draw term loan. These costs are presented as a direct deduction from long-term debt on the face of the balance sheet. Interest expense related to the Delayed Draw Term Loan for the three months ended March 31, 2025 was $4.9 million. Included in this amount was amortization of debt fees of $0.1 million. The amortization of debt issuance costs and interest expense is recorded in "Interest expense" on the consolidated statements of income.

Convertible Senior Notes due *2025*

In August 2020, the Company issued an aggregate $400.0 million of 0.25% Convertible Senior Notes due 2025, including the exercise of a $50.0 million initial purchasers' option. The Company received proceeds from the issuance and sale of the Convertible Senior Notes of $389.7 million, net of $10.3 million of transaction fees and other third-party offering expenses. The Convertible Senior Notes accrued interest at a rate of 0.25% per annum, payable semi-annually on February 15 and August 15 of each year beginning on February 15, 2021. The Convertible Senior Notes due 2025 matured August 15, 2025.

The Company recognized interest expense of $0.1 million for the three months ended March 31, 2025.

Convertible Senior Notes due 2029

In February 2024, the Company issued an aggregate $800.0 million of 2.625% Convertible Senior Notes due 2029 (the "2029 Convertible Notes"), including the exercise of a $100.0 million initial purchasers' option in full. The Company received proceeds from the issuance and sale of the 2029 Convertible Notes of $781.1 million, net of $18.9 million of transaction fees and other third-party offering expenses. The 2029 Convertible Notes accrue interest at a rate of 2.625% per annum, payable semi-annually on March 1 and September 1 of each year beginning on September 1, 2024, and will mature on March 1, 2029, unless earlier repurchased, redeemed or converted.

The 2029 Convertible Notes are the Company's senior unsecured obligations and will rank senior in right of payment to any of the Company's indebtedness that is expressly subordinated in right of payment to the 2029 Convertible Notes; equal in right of payment to any of the Company's unsecured indebtedness that is not so subordinated; effectively junior in right of payment to any of the Company's secured indebtedness, including borrowings under the Company's revolving credit facility and term loan credit facility, to the extent of the value of the assets securing such indebtedness; and structurally junior to all indebtedness and other liabilities (including trade payables) of the Company's subsidiaries.

Each $1,000 of principal of the 2029 Convertible Notes will initially be convertible into 10.6256 shares of our common stock, which is equivalent to an initial conversion price of approximately $94.11 per share, subject to adjustment upon the occurrence of specified events. On or after October 1, 2028 until the close of business on the second scheduled trading day immediately preceding the maturity date of the 2029 Convertible Notes, holders may convert all or a portion of their 2029 Convertible Notes, regardless of the conditions below.

Prior to the close of business on the business day immediately preceding October 1, 2028, the 2029 Convertible Notes will be convertible at the option of the holders thereof only under the following circumstances:

- during any calendar quarter commencing after the calendar quarter ending on June 30, 2024, if the last reported sale price of the Company's common stock for at least 20 trading days, whether or not consecutive, during a period of 30 consecutive trading days ending on, and including the last trading day of the immediately preceding calendar quarter, is greater than or equal to 130% of the conversion price on each applicable trading day;

- during the five business day period after any ten consecutive trading day period in which, for each trading day of that period, the trading price per $1,000 principal amount of 2029 Convertible Notes for such trading day was less than 98% of the product of the last reported sale price of the Company's common stock and the conversion rate on each such trading day;

- if the Company calls such 2029 Convertible Notes for redemption; or

- upon the occurrence of specified corporate events described in the Indenture.

The Company may redeem all or any portion of the 2029 Convertible Notes for cash, at its option, on or after March 8, 2027 and before the 51st scheduled trading day immediately before the maturity date at a redemption price equal to 100% of the principal amount of the 2029 Convertible Notes to be redeemed, plus accrued and unpaid interest, but only if the last reported sale price per share of the Company's common stock exceeds 130% of the conversion price for a specified period of time. In addition, calling any 2029 Convertible Notes for redemption will constitute a Make-Whole Fundamental Change with respect to that 2029 Convertible Note, in which case the conversion rate applicable to the conversion of that 2029 Convertible Notes will be increased in certain circumstances if it is converted after it is called for redemption.

Upon the occurrence of a fundamental change prior to the maturity date of the 2029 Convertible Notes, holders of the 2029 Convertible Notes may require the Company to repurchase all or a portion of the 2029 Convertible Notes for cash at a price equal to 100% of the principal amount of the 2029 Convertible Notes to be repurchased, plus any accrued and unpaid interest to, but excluding, the fundamental change repurchase date.

Upon conversion, the Company will settle the principal amount of the 2029 Convertible Notes converted in cash and will settle the remainder of the consideration owed upon conversion in cash, shares of the Company's common stock, or a combination thereof, at the Company's option, with such amount of cash and, if applicable, shares of common stock due upon conversion based on a daily conversion value calculated on a proportionate basis for each trading day in a 50-trading day observation period.

The Company recognized interest expense with respect to the Convertible Senior Notes Due 2029 of $6.3 million and $6.3 million for the three months ended March 31, 2026 and March 31, 2025, respectively. Included in these amounts were amortization of debt fees of $1.0 million for all periods presented. As of March 31, 2026 and December 31, 2025, the net carrying value of the Convertible Senior Notes Due 2029 were $789.5 million and $788.5 million, respectively.

Capped Call Transactions - Convertible Senior Notes due 2029

In February 2024, in connection with the offering of the 2029 Convertible Notes, the Company entered into capped call transactions (the "Capped Call Transactions") with certain financial institutions. The Capped Call Transactions are expected generally to reduce the potential dilution to the Company's common stock upon any conversion of the Convertible Senior Notes due 2029 and/or offset any cash payments the Company is required to make in excess of the principal amount of any converted Convertible Senior Notes due 2029, as the case may be. If, however, the market price per share of the Company's common stock, as measured under the terms of the Capped Call Transactions, exceeds the cap price of the Capped Call Transactions, there would nevertheless be dilution and/or there would not be an offset of such cash payments, in each case, to the extent that such market price exceeds the cap price of the Capped Call Transactions.

The cap price of the Capped Call Transactions is initially $131.7575 per share, which represents a premium of 75% over the last reported sale price of the Company's common stock of $75.29 per share on the New York Stock Exchange on February 21, 2024, and is subject to certain adjustments under the terms of the Capped Call Transactions. The cost of $88.4 million for the Capped Call Transactions was recorded as a reduction to additional paid-in capital in the consolidated balance sheets.

At issuance, the Company recorded a deferred tax asset of $22.3 million related to the Capped Call Transactions costs through additional paid-in capital. The deferred tax asset was included in Deferred tax assets in the consolidated balance sheets.

Revolving Credit Facility due 2030

In June 2025, the Company entered into a $750 million unsecured revolving credit facility (the “Credit Agreement”). The Company incurred $1.7 million of costs in connection with this Credit Agreement. The 2025 Credit Agreement replaced an existing Credit Agreement dated as of June 25, 2021. Under the new agreement, the Company’s revolving credit facility was increased from $650 million to $750 million. The credit facility has a five-year maturity, which may be extended up to two times for periods determined by the Company and the applicable extending lenders, and permits the Company to borrow in U.S. dollars, certain specified foreign currencies, and each other currency that may be approved in accordance with the 2025 Facility. The borrowings under the Credit Agreement bear interest at either the Term SOFR rate plus a margin between 1.0% and 1.625% or a base rate (as defined in the Credit Agreement) plus a margin of between 0% and 0.625%. The rates on March 31, 2026 and December 31, 2025 were 4.9% and 5.0%, respectively. Letters of credit commitments outstanding under this agreement aggregated to $41.8 million at March 31, 2026 which reduced borrowing limits available to the Company.

Interest expenses related to the Credit Agreements (due 2030 and due 2026) were $3.8 million and $0.3 million for the three months ended March 31, 2026 and March 31, 2025. Included in these amounts were amortization of debt fees of $0.1 million for all periods presented. The net carrying value of the Credit Agreement was $274.0 million as of March 31, 2026 and there was no amount outstanding as of December 31, 2025.

The Credit Agreement includes various covenants, including restrictions on indebtedness, liens, acquisitions, investments or dispositions, payment of dividends and maintenance of certain financial ratios and conditions. The Company was in compliance with these covenants at March 31, 2026.

Letters of Credit

The Company also has in place several secondary bank credit lines for issuing letters of credit, principally for foreign contracts, to support performance and completion guarantees. Letters of credit commitments outstanding under these bank lines aggregated approximately $336.1 million and $356.2 million at March 31, 2026 and December 31, 2025, respectively.

11. Income Taxes

The Company’s effective tax rate was 19.8% and 18.8% for the three months ended March 31, 2026 and March 31, 2025, respectively. The increase in the effective tax rate was due primarily to decreases in the tax benefits related to foreign-derived deduction eligible income (FDDEI) and in the windfall equity-based compensation deductions partially offset by a change in jurisdictional mix of earnings.

The difference between the effective tax rate and the statutory U.S. Federal income tax rate of 21% for the three months ended March 31, 2026 primarily relates to a discrete windfall tax benefit from equity-based compensation and the tax benefits related to untaxed income attributed to noncontrolling interests and earnings from lower tax jurisdictions, partially offset by state income taxes and foreign withholding taxes.

As of March 31, 2026, the Company’s deferred tax assets were subject to a valuation allowance of $49.5 million primarily related to foreign net operating loss carryforwards, foreign tax credit carryforwards, and capital losses that the Company has determined are not more-likely-than-not to be realized. The factors used to assess the likelihood of realization include: the past performance of the entities, forecasts of future taxable income, future reversals of existing taxable temporary differences, and available tax planning strategies that could be implemented to realize the deferred tax assets. The ability or failure to achieve the forecasted taxable income in these entities could affect the ultimate realization of deferred tax assets.

As of March 31, 2026 and December 31, 2025, the liability for income taxes associated with uncertain tax positions was $33.6 million and $32.4 million, respectively.

Although the Company believes its reserves for its tax positions are reasonable, the final outcome of tax audits could be materially different, both favorably and unfavorably.

Different non-US tax jurisdictions continue to enact legislation to adopt components of the Organization for Economic Co-operation and Development (OECD) Base Erosion and Profit Shifting (BEPS) Pillar Two Model Rules. In January 2026, the OECD issued further administrative guidance introducing a side-by-side framework under Pillar Two, largely exempting U.S.-headquartered companies from the application of Pillar Two, however, Pillar Two compliance and qualified domestic minimum top-up taxes (QDMTT) remain and will continue to apply. The OECD and implementing countries are expected to continue to make further revisions to their legislation and release additional guidance intended to adopt this side-by-side framework into law in each of the member countries. The Company has evaluated the impact of the enacted legislation to date and has determined there is no material impact to the Company's income tax provision. We are continuing to evaluate the potential impact on future periods of the Pillar Two Framework, pending enactment of legislation by individual countries.

12. Contingencies

The Company is subject to certain lawsuits, claims and assessments that arise in the ordinary course of business. Additionally, the Company has been named as a defendant in lawsuits alleging personal injuries as a result of contact with asbestos products at various project sites. Management believes that any significant costs relating to these claims will be reimbursed by applicable insurance and, although there can be no assurance that these matters will be resolved favorably, management believes that the ultimate resolution of any of these claims will not have a material adverse effect on our consolidated financial position, results of operations, or cash flows. A liability is recorded when it is both probable that a loss has been incurred and the amount of loss or range of loss can be reasonably estimated. When using a range of loss estimate, the Company records the liability using the low end of the range unless some amount within the range of loss appears at that time to be a better estimate than any other amount in the range. The Company records a corresponding receivable for costs covered under its insurance policies. Management judgment is required to determine the outcome and the estimated amount of a loss related to such matters. Management believes that there are no claims or assessments outstanding which would materially affect the consolidated results of operations or the Company's financial position.

In September 2015, a former Parsons employee filed an action in the United States District Court for the Northern District of Alabama against us as a qui tam relator on behalf of the United States (the "Relator") alleging violation of the False Claims Act. The plaintiff alleges that, as a result of these actions, the United States paid in excess of $1 million per month between February and September 2006 that it should have paid to another contractor, plus $2.9 million to acquire vehicles for the contractor defendant to perform its security services. The lawsuit sought (i) that we cease and desist from violating the False Claims Act, (ii) monetary damages equal to three times the amount of damages that the United States has sustained because of our alleged violations, plus a civil penalty of not less than $5,500 and not more than $11,000 for each alleged violation of the False Claims Act, (iii) monetary damages equal to the maximum amount allowed pursuant to §3730(d) of the False Claims Act, and (iv) Relator's costs for this action, including recovery of attorneys' fees and costs incurred in the lawsuit. The United States government did not intervene in this matter as it is allowed to do so under the statute. The court heard dispositive motions in 2023, including Parsons' motion for summary judgment. In March 2025, the court granted Parsons' motion for summary judgment. The Relator has appealed this decision. Oral argument is currently scheduled to occur before the appellate court during the week of May 4, 2026.

On July 1, 2024, a final judgment was filed with the clerk of the Superior Court of the State of California In and For the County of San Mateo with an award of damages in the total amount of approximately $102.5 million in favor of Parsons Transportation Group, Inc. and against Alstom Signaling Operations LLC ("Alstom"). This proposed award relates back to a lawsuit Parsons initially filed against the Peninsula Corridor Joint Powers Board for breach of contract and wrongful termination in February 2017 (which was settled between Parsons and the Joint Powers Board in 2021) and a cross-complaint filed against Alstom Signaling Operations LLC in November 2017, as subsequently amended, for breach of contract, negligence and intentional misrepresentation. On September 23, 2024, the Court awarded pre-judgment interest in the amount of $34.0 million and amended the judgment accordingly to include such interest. Alstom filed a Notice of Appeal and has posted a bond as required under California law. The appellate briefs have been filed and both parties have requested oral argument. A date for oral argument has not been set: however, we anticipate that oral argument will occur in 2026.

At this time, the Company is unable to determine the probability of the outcome of the litigation.

Federal government contracts are subject to audits, which are performed for the most part by the Defense Contract Audit Agency (“DCAA”). Audits by the DCAA and other agencies consist of reviews of our overhead rates, operating systems and cost proposals to ensure that we account for such costs in accordance with the Federal Acquisition Regulations (“FAR”). If the DCAA determines we have not accounted for such costs in accordance with the FAR, the DCAA may disallow these costs. The disallowance of such costs may result in a reduction of revenue and additional liability for the Company. Historically, the Company has not experienced any material disallowed costs as a result of government audits. However, the Company can provide no assurance that the DCAA or other government audits will not result in material disallowances for incurred costs in the future. All audits of costs incurred on work performed through 2023 have been closed, and years thereafter remain open.

Although there can be no assurance that these matters will be resolved favorably, management believes that their ultimate resolution will not have a material adverse impact on the Company’s consolidated financial position, results of operations, or cash flows.

13. Retirement Benefit Plan

The Company’s principal retirement benefit plan is the Parsons Employee Stock Ownership Plan (“ESOP”), a stock bonus plan, established in 1975 to cover eligible employees of the Company and certain affiliated companies. Contributions of treasury stock to the ESOP are made annually in amounts determined by the Company’s board of directors and are held in trust for the sole benefit of the participants. Shares allocated to a participant’s account are fully vested after three years of credited service, or in the event(s) of reaching age 65, death or disability while an active employee of the Company. As of March 31, 2026 and December 31, 2025, total shares of the Company’s common stock outstanding were 106,969,344 and 106,968,082, respectively, of which 50,046,241 and 50,864,117, respectively, were held by the ESOP.

A participant’s interest in their ESOP account is redeemable upon certain events, including retirement, death, termination due to permanent disability, a severe financial hardship following termination of employment, certain conflicts of interest following termination of employment, or the exercise of diversification rights. Distributions from the ESOP of participants’ interests are made in the Company’s common stock based on quoted prices of a share of the Company’s common stock on the NYSE. A participant will be able to sell such shares of common stock in the market, subject to any requirements of the federal securities laws.

Total ESOP contribution expense was $19.3 million and $17.8 million for the three months ended March 31, 2026 and March 31, 2025, respectively. The expense is recorded in “Direct costs of contracts” and “Selling, general and administrative expense” in the consolidated statements of income. The fiscal 2026 ESOP contribution has not yet been made. The amount is currently included in accrued liabilities.

14. Investments in and Advances to Joint Ventures

The Company participates in joint ventures to bid, negotiate and complete specific projects. The Company is required to consolidate these joint ventures if it holds the majority voting interest or if the Company meets the criteria under the consolidation model, as described below.

The Company performs an analysis to determine whether its variable interests give the Company a controlling financial interest in a Variable Interest Entity (“VIE”) for which the Company is the primary beneficiary and should, therefore, be consolidated. Such analysis requires the Company to assess whether it has the power to direct the activities of the VIE and the obligation to absorb losses or the right to receive benefits that could potentially be significant to the VIE.

The Company analyzed all of its joint ventures and classified them into two groups: (1) joint ventures that must be consolidated because they are either not VIEs and the Company holds the majority voting interest, or because they are VIEs and the Company is the primary beneficiary; and (2) joint ventures that do not need to be consolidated because they are either not VIEs and the Company holds a minority voting interest, or because they are VIEs and the Company is not the primary beneficiary.

Many of the Company’s joint venture agreements provide for capital calls to fund operations, as necessary; however, such funding is infrequent and is not anticipated to be material.

Letters of credit outstanding described in “Note 10 – Debt and Credit Facilities” that relate to project ventures are $163.1 million and $184.4 million at March 31, 2026 and December 31, 2025, respectively.

In the table below, aggregated financial information relating to the Company’s joint ventures is provided because their nature, risk and reward characteristics are similar. None of the Company’s current joint ventures that meet the characteristics of a VIE are individually significant to the consolidated financial statements.

Consolidated Joint Ventures

The following represents financial information for consolidated joint ventures included in the consolidated financial statements (in thousands):

	March 31, 2026	December 31, 2025
Current assets	$ 468,867	$ 542,877
Noncurrent assets	7,207	7,961
Total assets	476,074	550,838
Current liabilities	263,851	301,891
Noncurrent liabilities	3,222	3,417
Total liabilities	267,073	305,308
Total joint venture equity	$ 209,001	$ 245,530

	Three Months Ended	
	March 31, 2026	March 31, 2025
Revenue	$ 176,989	$ 196,358
Costs	152,302	164,954
Net income	$ 24,687	$ 31,404
Net income attributable to noncontrolling interests	$ 12,285	$ 15,584

The assets of the consolidated joint ventures are restricted for use only by the particular joint venture and are not available for the Company’s general operations.

Unconsolidated Joint Ventures

The Company accounts for its unconsolidated joint ventures using the equity method of accounting. Under this method, the Company recognizes its proportionate share of the net earnings of these joint ventures as “Equity in (losses) earnings of unconsolidated joint ventures” in the consolidated statements of income. The Company’s maximum exposure to loss as a result of its investments in unconsolidated joint ventures is typically limited to the aggregate of the carrying value of the investment and future funding commitments.

The following represents the financial information of the Company’s unconsolidated joint ventures as presented in their unaudited financial statements (in thousands):

	March 31, 2026	December 31, 2025
Current assets	$ 1,444,215	$ 1,549,367
Noncurrent assets	430,998	439,496
Total assets	1,875,213	1,988,863
Current liabilities	953,170	1,046,970
Noncurrent liabilities	477,343	469,833
Total liabilities	1,430,513	1,516,803
Total joint venture equity	$ 444,700	$ 472,060
Investments in and advances to unconsolidated joint ventures	$ 162,296	$ 148,640

	Three Months Ended	
	March 31, 2026	March 31, 2025
Revenue	$ 295,003	$ 524,556
Costs	276,896	520,876
Net income	$ 18,107	$ 3,680
Equity in earnings of unconsolidated joint ventures	$ 6,156	$ (687)

The Company had net contributions to its unconsolidated joint ventures of $8.9 million and $3.6 million for the three months ended March 31, 2026 and March 31, 2025, respectively.

15. Related Party Transactions

The Company often provides services to unconsolidated joint ventures and revenues include amounts related to recovering costs for these services. Revenues related to services the Company provided to unconsolidated joint ventures for the three months ended March 31, 2026 and March 31, 2025 were $49.6 million and $45.5 million, respectively.

For the three months ended March 31, 2026 and March 31, 2025, the Company incurred reimbursable costs of $32.3 million and $33.8 million, respectively.

Amounts included in the consolidated balance sheets related to services the Company provided to unconsolidated joint ventures are as follows (in thousands):

	March 31, 2026	December 31, 2025
Accounts receivable	$ 45,681	$ 45,116
Contract assets	34,879	29,283
Contract liabilities	6,755	7,297

16. Fair Value of Financial Instruments

The authoritative guidance on fair value measurement defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (referred to as an “exit price”). At March 31, 2026 and December 31, 2025, the Company’s financial instruments include cash, cash equivalents, accounts receivable, accounts payable, and other liabilities. The fair values of these financial instruments approximate their carrying values due to their short-term maturities.

Fair value is determined by using one or more of the following valuation techniques:

- *Market approach*—Prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities;
- *Cost approach*—Amount that would be required to replace the service capacity of an asset (i.e., replacement cost); and
- *Income approach*—Techniques to convert future amounts to a single present amount based on market expectations (including present value techniques, option-pricing models and lattice models).

In addition, the guidance establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted market prices in active markets for identical assets and liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are:

Level 1 Unadjusted quoted prices in active markets that are accessible at the measurement date for identical assets and liabilities;

Level 2 Pricing inputs that include quoted prices for similar assets and liabilities in active markets and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the instrument; and

Level 3 Prices or valuations that require inputs that are both significant to the fair value measurements and unobservable.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Company believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Financial assets and liabilities measured at fair value on a quarterly basis are as follows:

Fair value as of March 31, 2026:

	Level 1	Level 2	Level 3	Total
Contingent consideration				
Earnout liability	$ -	$ -	$ 11,387	$ 11,387
Total liabilities at fair value	$ -	$ -	$ 11,387	$ 11,387

The carrying values and estimated fair values of our financial instruments that are not required to be recorded at fair value in our consolidated balance sheets, on the basis of Level 2 inputs, were as follows (in thousands):

	March 31, 2026		December 31, 2025	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Liabilities:				
Convertible senior notes due 2029	800,000	784,320	800,000	825,680
Term loan due 2028	450,000	450,000	450,000	450,000
Revolving credit facility	274,000	274,000	-	-
Total	$ 1,524,000	$ 1,508,320	$ 1,250,000	$ 1,275,680

17. Earnings Per Share

Basic earnings per share ("EPS") is computed using the weighted average number of shares outstanding during the period and income available to shareholders. Diluted EPS includes additional common shares that would have been outstanding if potential common shares with a dilutive effect had been issued using the if-converted method for Convertible Debt and the treasury stock method for all other instruments.

Under the treasury stock method, the weighted average number of shares outstanding is adjusted to reflect the dilutive effects of stock-based awards.

Under the if-converted method:

1. Convertible Senior Notes due 2025:
   a. Income available to shareholders is adjusted to add back interest expense, after tax (unless antidilutive).
   b. Weighted average number of shares outstanding is adjusted to include the shares underlying the convertible debt (unless antidilutive).
   c. Shares underlying the bond hedge (unless antidilutive).
   d. Shares underlying the warrants (unless antidilutive).
2. Convertible Senior Notes due 2029:
   a. No shares have been included in the denominator of diluted EPS, as the principal amount of convertible debt will be settled in cash with any excess conversion value settled in cash or shares of common stock.
   b. Excludes shares underlying the capped call as the shares are antidilutive.

The following tables reconcile the denominator and numerator used to compute basic EPS to the denominator and numerator used to compute diluted EPS for the three months ended March 31, 2026 and March 31, 2025 (in thousands):

	Three Months Ended	
	March 31, 2026	March 31, 2025
Numerator for Basic and Diluted EPS:		
Net income attributable to Parsons Corporation - basic	$ 52,926	$ 66,203
Convertible senior notes if-converted method interest adjustment	-	54
Net income attributable to Parsons Corporation - diluted	$ 52,926	$ 66,257
Denominator for Basic and Diluted EPS:		
Basic weighted average number of shares outstanding	107,182	106,831
Dilutive effect of stock-based awards	1,182	1,637
Dilutive effect of warrants	28	440
Dilutive effect of convertible senior notes due 2025	-	2,118
Diluted weighted average number of shares outstanding	108,392	111,026
Earnings per share:		
Basic	$ 0.49	$ 0.62
Diluted	$ 0.49	$ 0.60

Anti-dilutive stock-based awards excluded from the calculation of earnings per share for the three months ended March 31, 2026 and March 31, 2025 were 18,583 and 12,733, respectively.

Share Repurchases

On August 9, 2021, the Company's Board of Directors authorized the Company to acquire a number of shares of Common Stock having an aggregate market value of not greater than $100 million from time to time, commencing on August 12, 2021. The Board further amended this authorization in August 2022 to remove the prior expiration date and grant executive leadership the discretion to determine the price for such share repurchases. The Board further amended this authorization in February 2024 to restore the repurchase capacity to $100 million and removed the $25 million quarterly cap on such repurchases. The Board further amended this authorization in March 2025 to increase and reset the repurchase capacity to $250 million. Repurchases made by the Company during the first quarter of 2025 were deducted from the reset capacity.

Under prior authorizations, the Company had repurchased shares with an aggregate market value of $79.7 million. The aggregate market value of shares of Common Stock the Company is authorized to acquire from prior authorizations and the March 2025 authorization is not greater than $329.7 million.

As of March 31, 2026, the Company has spent $239.7 million (which includes commissions paid of $79 thousand) repurchasing 4,119,224 shares of Common Stock at an average price of $58.19 per share.

Repurchased shares of common stock are retired and included in "Repurchases of common stock" in cash flows from financing activities in the Consolidated Statements of Cash Flows. The primary purpose of the Company's share repurchase program is to reduce the dilutive effect of shares issued under the Company's ESOP and other stock benefit plans. The timing, amount and manner of share repurchases may depend upon market conditions and economic circumstances, availability of investment opportunities, the availability and costs of financing, the market price of the Company's common stock, other uses of capital and other factors.

The following table summarizes the repurchase activity under the stock repurchase program:

	Three Months Ended	
	March 31, 2026	March 31, 2025
Total shares repurchased	583,375	423,980
Total shares retired	583,375	423,980
Average price paid per share (1)	$ 59.99	$ 58.95

(1) Includes commissions in the calculation of average price per share

18. Segment Information

The Company operates in two reportable segments: Federal Solutions and Critical Infrastructure.

The Federal Solutions segment provides advanced technical solutions to the U.S. government, delivering timely, cost-effective hardware, software and services for mission-critical projects. The segment provides advanced technologies, supporting national security missions in cyber operations, missile defense, and military facility modernization, logistics support, hazardous material remediation and engineering services.

The Critical Infrastructure segment provides integrated engineering and management services for complex physical and digital infrastructure around the globe. The Critical Infrastructure segment is a technology innovator focused on next generation digital systems and complex structures. Industry leading capabilities in engineering and project management allow the Company to deliver significant value to customers by employing cutting-edge technologies, improving timelines and reducing costs.

The Company defines its reportable segments based on the way the chief operating decision maker ("CODM"), its Chief Executive Officer, evaluates the performance of each segment and manages the operations of the Company for purposes of allocating resources among the segments. The CODM evaluates segment operating performance using segment Revenue, segment direct cost of contracts, segment Selling, General and Administrative expense and segment Adjusted EBITDA attributable to Parsons Corporation.

The Company defines Adjusted EBITDA attributable to Parsons Corporation as Adjusted EBITDA excluding Adjusted EBITDA attributable to noncontrolling interests. The Company defines Adjusted EBITDA as net income (loss) attributable to Parsons Corporation, adjusted to include net income (loss) attributable to noncontrolling interests and to exclude interest expense (net of interest income), provision for income taxes, depreciation and amortization and certain other items that are not considered in the evaluation of ongoing operating performance. These other items include net income (loss) attributable to noncontrolling interests, asset impairment charges, income and expense recognized on litigation matters, expenses incurred in connection with acquisitions and other non-recurring transaction costs and expenses related to our prior restructuring.

Adjusted EBITDA is the measure of our operating performance used by the CODM to assess our segments' financial performance. The CODM uses Adjusted EBITDA for business planning purposes, including to manage our segments against internal projected results of operations and measure the performance of our segments generally.

The following tables present segment information provided to the CODM, as of each period presented, along with a reconciliation of segment adjusted EBITDA attributable to Parsons Corporation to net income attributable to Parsons Corporation for the periods presented (in thousands):

	Three Months Ended March 31, 2026		
	Federal Solutions	Critical Infrastructure	Total
Revenue	$ 758,348	$ 732,828	$ 1,491,176
Direct cost of contracts	(585,415)	(548,341)	(1,133,756)
Selling, general and administrative expenses (a)	(46,342)	(47,458)	(93,800)
Equity in earnings (losses) of unconsolidated joint ventures	1,792	4,364	6,156
Other segment items (b)	(56,830)	(74,492)	(131,322)
Adjusted EBITDA attributable to Parsons Corporation	$ 71,553	$ 66,901	138,454
Reconciliation: Segment Adjusted EBITDA to Net Income Attributable to Parsons Corporation			
Adjusted EBITDA attributable to non-controlling interests			12,475
Depreciation and amortization			(35,926)
Interest expense, net			(14,187)
Income tax expense			(16,087)
Equity-based compensation expense			(9,454)
Transaction related costs (c)			(8,439)
Other (d)			(1,625)
Net income including noncontrolling interests			65,211
Net income attributable to noncontrolling interests			(12,285)
Net income attributable to Parsons Corporation			$ 52,926

	Three Months Ended March 31, 2025		
	Federal Solutions	Critical Infrastructure	Total
Revenue	$ 842,557	$ 711,803	$ 1,554,360
Direct cost of contracts	(661,912)	(538,465)	(1,200,377)
Selling, general and administrative expenses (a)	(45,409)	(46,127)	(91,536)
Equity in earnings (losses) of unconsolidated joint ventures	(992)	305	(687)
Other segment items (b)	(58,712)	(69,329)	(128,041)
Adjusted EBITDA attributable to Parsons Corporation	$ 75,532	$ 58,187	133,719
Reconciliation: Segment Adjusted EBITDA to Net Income Attributable to Parsons Corporation			
Adjusted EBITDA attributable to non-controlling interests			15,057
Depreciation and amortization			(27,403)
Interest expense, net			(10,104)
Income tax expense			(18,977)
Equity-based compensation expense			(7,103)
Transaction related costs (c)			(3,701)
Other (d)			299
Net income including noncontrolling interests			81,787
Net income attributable to noncontrolling interests			(15,584)
Net income attributable to Parsons Corporation			$ 66,203

(a) The amount of selling, general and administrative expenses (“SG&A”) is total SG&A excluding allocations.

(b) The amount of other segment items is the difference between segment revenue less direct cost of contracts, segment SG&A expenses, equity in earnings (losses) of unconsolidated joint ventures, and Adjusted EBITDA attributable to Parsons Corporation. Other segment items primarily include:

i. Corporate and shared segment SG&A (excluding Adjusted EBITDA items)
ii. Noncontrolling interests attributable to operating income and other income/expense
iii. Bad debt expense
iv. Sublease income
v. Foreign currency gain/loss, and
vi. Certain other income/expense items

(c) Reflects costs incurred in connection with acquisitions, and other non-recurring transaction costs, primarily fees paid for professional services and employee retention.

(d) 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.

Asset information by segment is not a key measure of performance used by the CODM.

The following tables present revenues and property and equipment, net by geographic area (in thousands):

	Three Months Ended	
	March 31, 2026	March 31, 2025
Revenue		
North America	$ 1,212,584	$ 1,284,232
Middle East	272,242	265,083
Rest of World	6,350	5,045
Total Revenue	$ 1,491,176	$ 1,554,360

The geographic location of revenue is determined by the location of the customer.

	March 31, 2026	December 31, 2025
Property and Equipment, Net		
North America	$ 140,868	$ 137,894
Middle East	13,718	13,167
Total Property and Equipment, Net	$ 154,586	$ 151,061

North America includes revenue in the United States for the three months ended March 31, 2026 and March 31, 2025 of $1.1 billion and $1.2 billion, respectively. North America property and equipment, net includes $133.6 million and $130.5 million of property and equipment, net in the United States at March 31, 2026 and December 31, 2025, respectively.

The following table presents revenues by business units (in thousands):

	Three Months Ended	
	March 31, 2026	March 31, 2025
Revenue		
Defense and Intelligence	$ 503,747	$ 443,323
Engineered Systems	254,601	399,234
Federal Solutions revenues	758,348	842,557
Infrastructure – North America	458,412	444,908
Infrastructure – Europe, Middle East and Africa	274,416	266,895
Critical Infrastructure revenues	732,828	711,803
Total Revenue	$ 1,491,176	$ 1,554,360

19. Subsequent Events

None.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

The following discussion and analysis is intended to help investors understand our business, financial condition, results of operations, liquidity and capital resources. You should read this discussion together with our consolidated financial statements and related notes thereto included elsewhere in this Form 10-Q and in conjunction with the Company's Form 10-K for the year ended December 31, 2025. Certain amounts may not foot due to rounding.

The statements in this discussion regarding industry outlook, our expectations regarding our future performance, liquidity and capital resources and other non-historical statements in this discussion are forward-looking statements. These forward-looking statements are subject to numerous risks and uncertainties, including, but not limited to, the risks and uncertainties described in "Risk Factors" and "Special Note Regarding Forward-Looking Statements" in the Company's Form 10-K for the year ended December 31, 2025. We undertake no obligation to revise publicly any forward-looking statements. Actual results may differ materially from those contained in any forward-looking statements.

PARSONS CORPORATION

Delivering innovative solutions that make the world safer, healthier, and more connected.

SEGMENTS

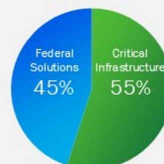
Critical Infrastructure
Lead smart, sustainable infrastructure deployment

Federal Solutions
Deliver information dominance across all domains

FINANCIAL SNAPSHOT

$6.3B
Total Revenue
(Trailing 12-Months)

$6.7B
Contract Awards
(Trailing 12-Months)



KEY FACTS AND FIGURES

81
Years Of History

21K+
Employees

$486M
Cash Flow From Operations
(Trailing 12-Months)

1.1X
Book-To-Bill Ratio
Trailing 12-Months

$9.3B
Backlog As Of
3/31/2026

Overview

We are a leading provider of the integrated solutions and services required in today's complex security environment and a world of digital transformation. We deliver innovative technology-driven solutions to customers worldwide. We have developed significant expertise and differentiated capabilities in key areas of cyber and electronic warfare, space and missile defense, critical infrastructure protection, transportation, water, environment and urban development. By combining our talented team of professionals and advanced technology, we solve complex technical challenges to enable a safer, smarter, more secure and more connected world.

We operate in two reporting segments, Federal Solutions and Critical Infrastructure. Our Federal Solutions business is an advanced technology provider to the U.S. government. Our Critical Infrastructure business provides integrated design and engineering services for complex physical and digital infrastructure around the globe.

Our employees provide services pursuant to contracts that we are awarded by the customer and specific task orders relating to such contracts. These contracts are often multi-year, which provides us backlog and visibility on our revenues for future periods. Many of our contracts and task orders are subject to renewal and rebidding at the end of their term, and some are subject to the exercise of contract options and issuance of task orders by the applicable government

entity. In addition to focusing on increasing our revenues through increased contract awards and backlog, we focus our financial performance on margin expansion and cash flow.

Key Metrics

We manage and assess the performance of our business by evaluating a variety of metrics. The following table sets forth selected key metrics (in thousands, except Book-to-Bill):

	March 31, 2026	March 31, 2025
Awards (year to date)	$ 2,058,409	$ 1,766,506
Backlog (1)	$ 9,305,926	$ 9,071,226
Book-to-Bill (year to date)	1.4	1.1

(1) Difference between our backlog of $9.3 billion and our remaining unsatisfied performance obligations, or RUPO, of $7.1 billion, each as of March 31, 2026, is due to (i) unissued task orders and unexercised option years, to the extent their issuance or exercise is probable, as well as (ii) contract awards, to the extent we believe contract execution and funding is probable.

Awards

Awards generally represent the amount of revenue expected to be earned in the future from funded and unfunded contract awards received during the period. Contract awards include both new and re-compete contracts and task orders. Given that new contract awards generate growth, we closely track our new awards each year.

The following table summarizes the year to-date value of new awards for the periods presented below (in thousands):

	Three Months Ended	
	March 31, 2026	March 31, 2025
Federal Solutions	$ 1,031,334	$ 744,709
Critical Infrastructure	$ 1,027,075	1,021,797
Total Awards	$ 2,058,409	$ 1,766,506

The change in new awards from year to year is primarily due to ordinary course fluctuations in our business. The volume of contract awards can fluctuate in any given period due to win rate and the timing and size of the awards issued by our customers.

The increase in awards for the three months ended March 31, 2026 in our Critical Infrastructure segment when compared to the corresponding period last year was primarily driven by an overall increase in awards in the current year period. The increase in awards for the three months ended March 31, 2026 in our Federal Solutions segment when compared to the corresponding period last year was primarily driven by significant awards. The comparable period included a delay in the timing of awards of a number of contracts being pursued.

Backlog

We define backlog to include the following two components:

- Funded—Funded backlog represents the revenue value of orders for services under existing contracts for which funding is appropriated or otherwise authorized less revenue previously recognized on these contracts.
- Unfunded—Unfunded backlog represents the revenue value of orders for services under existing contracts for which funding has not been appropriated or otherwise authorized less revenue previously recognized on these contracts. Unfunded backlog does not include potential task orders expected to be awarded under multiple awards IDIQ contract vehicles, where task orders are competitively awarded and separately priced.

Backlog includes (i) unissued task orders and unexercised option years, to the extent their issuance or exercise is probable, as well as (ii) contract awards, to the extent we believe contract execution and funding is probable.

The following table summarizes the value of our backlog at the respective dates presented below (in thousands):

	March 31, 2026	March 31, 2025
Federal Solutions:		
Funded	$ 1,862,047	$ 1,770,655
Unfunded	2,616,068	2,799,723
Total Federal Solutions	4,478,115	4,570,378
Critical Infrastructure:		
Funded	4,787,648	4,451,234
Unfunded	40,163	49,614
Total Critical Infrastructure	4,827,811	4,500,848
Total Backlog (1)	$ 9,305,926	$ 9,071,226

(1) Difference between our backlog of $9.3 billion and our RUPO of $7.1 billion, each as of March 31, 2026, is due to (i) unissued task orders and unexercised option years, to the extent their issuance or exercise is probable, as well as (ii) contract awards, to the extent we believe contract execution and funding is probable.

Our backlog includes orders under contracts that in some cases extend for several years. For example, the U.S. Congress generally appropriates funds for our U.S. federal government customers on a yearly basis, even though their contracts with us may call for performance that is expected to take a number of years to complete. As a result, our federal contracts typically are only partially funded at any point during their term. All or some of the work to be performed under the contracts may remain unfunded unless and until the U.S. Congress makes subsequent appropriations and the procuring agency allocates funding to the contract.

We expect to recognize $4.2 billion of our funded backlog at March 31, 2026 as revenues in the following twelve months. However, our U.S. federal government customers may cancel their contracts with us at any time through a termination for convenience or may elect to not exercise option periods under such contracts. In the case of a termination for convenience, we would not receive anticipated future revenues, but would generally be permitted to recover all or a portion of our incurred costs and fees for work performed. See "Risk Factors—Risk Relating to Our Business—We may not realize the full value of our backlog, which may result in lower-than-expected revenue" in the Company's Form 10-K for the year ended December 31, 2025.

The increase in backlog in the Critical Infrastructure segment was primarily from ordinary course fluctuations in our business and an overall increase in awards. The decrease in Federal Solutions backlog was primarily related to a reduction in work on our confidential contract as a result of the Department of State reorganization issued May 29, 2025, partially offset by an overall increase in awards.

Book-to-Bill

Book-to-bill is the ratio of total awards to total revenue recorded in the same period. Our management believes our book-to-bill ratio is a useful indicator of our potential future revenue growth in that it measures the rate at which we are generating new awards compared to the Company's current revenue. To drive future revenue growth, our goal is for the level of awards in a given period to exceed the revenue booked. A book-to-bill ratio greater than 1.0 indicates that awards generated in a given period exceeded the revenue recognized in the same period, while a book-to-bill ratio of less than 1.0 indicates that awards generated in such period were less than the revenue recognized in such period. The following table sets forth the book-to-bill ratio for the periods presented below:

	Three Months Ended	
	March 31, 2026	March 31, 2025
Federal Solutions	1.4	0.9
Critical Infrastructure	1.4	1.4
Overall	1.4	1.1

Factors and Trends Affecting Our Results of Operations

We believe that the financial performance of our business and our future success are dependent upon many factors, including those highlighted in this section. Our operating performance will depend upon many variables, including the success of our growth strategies and the timing and size of investments and expenditures that we choose to undertake, as well as market growth and other factors that are not within our control.

Government Spending

Changes in the relative mix of government spending and areas of spending growth, with shifts in priorities on homeland security, intelligence, defense-related programs, infrastructure and urbanization, and continued increased spending on technology and innovation, including cyber, artificial intelligence, connected communities and physical infrastructure, could impact our business and results of operations. Cost-cutting and efficiency initiatives, current and future budget restrictions, spending cuts and other efforts to reduce government spending could cause our government customers to reduce or delay funding or invest appropriated funds on a less consistent basis or not at all, and demand for our solutions or services could diminish. Furthermore, any disruption in the functioning of government agencies, including as a result of government closures and shutdowns, could have a negative impact on our operations and cause us to lose revenue or incur additional costs due to, among other things, our inability to deploy our staff to customer locations or facilities as a result of such disruptions.

Federal Budget Uncertainty

There is uncertainty around the timing, extent, nature and effect of Congressional and other U.S. government actions to address budgetary constraints, caps on the discretionary budget for defense and non-defense departments and agencies, and the ability of Congress to determine how to allocate the available budget authority and pass appropriations bills to fund both U.S. government departments and agencies that are, and those that are not, subject to the caps. Additionally, budget deficits and the growing U.S. national debt increase pressure on the U.S. government to reduce federal spending across all federal agencies, with uncertainty about the size and timing of those reductions. Furthermore, delays in the completion of future U.S. government budgets could in the future delay procurement of the federal government services we provide. A reduction in the amount of, or delays, or cancellations of funding for, services that we are contracted to provide to the U.S. government as a result of any of these impacts or related initiatives, legislation or otherwise could have a material adverse effect on our business and results of operations.

Regulations

Increased audit, review, investigation and general scrutiny by government agencies of performance under government contracts and compliance with the terms of those contracts and applicable laws could affect our operating results. Negative publicity and increased scrutiny of government contractors in general, including us, relating to government expenditures for contractor services and incidents involving the mishandling of sensitive or classified information, as well as the increasingly complex requirements of the U.S. Department of War and the U.S. intelligence community, including those related to cybersecurity, could impact our ability to perform in the markets we serve.

Competitive Markets

The industries we operate in consist of a large number of enterprises ranging from small, niche-oriented companies to multi-billion-dollar corporations that serve many government and commercial customers. We compete on the basis of our technical expertise, technological innovation, our ability to deliver cost-effective multi-faceted services in a timely manner, our reputation and relationships with our customers, qualified and/or security-clearance personnel, and pricing. We believe that we are well positioned to take advantage of the markets in which we operate because of our proven track record, long-term customer relationships, technology innovation, scalable and agile business offerings and world class talent. Our ability to effectively deliver on project engagements and successfully assist our customers affects our ability to win new contracts and drives our financial performance.

Acquired Operations

Altamira Technologies Corporation.

On January 14, 2026, the Company acquired a 100% ownership interest in Altamira Technologies Corporation ("ATC"), a privately owned company, for approximately $340 million in cash and up to an additional $45 million in the event an earn out EBITDA target is exceeded. The Company borrowed $330.0 million under the Credit Agreement to fund the acquisition. Headquartered in McLean, Virginia, ATC enhances Parsons' defense and intelligence portfolio by delivering advanced analytics, signals intelligence (SIGINT), cyber, missile warning, and space capabilities, complementing the company's strengths in all-domain technology integration and Indo-Pacific operations, and expanding with intelligence community (IC) customers. The financial results of ATC have been included in our consolidated results of operations from March 31, 2026 onward.

Applied Sciences Consulting, Inc.

On October 1, 2025, the Company acquired a 100% ownership interest in Applied Sciences Consulting, Inc. ("ASC"), a privately owned company, for $28.2 million from cash on hand. ASC specializes in water and stormwater solutions for cities, counties, and water management districts across the state of Florida. ASC enhances our ability to partner with Florida communities on delivering innovative solutions for their resiliency challenges, while expanding those capabilities to new and existing clients around the world. The financial results of ASC have been included in our consolidated results of operations from December 31, 2025 onward.

Chesapeake Technology International, Corp

On June 30, 2025, the Company acquired a 100% ownership interest in Chesapeake Technology International, Corp ("CTI"), a privately owned company, for $91.5 million from cash on hand. CTI brings extensive capabilities as an all-domain technology solutions provider, powered by cutting-edge products that enhance the warfighters' ability to sense, evaluate and deliver effects within the invisible battlespaces. CTI enhances our mission-ready solutions for the Department of War. The financial results of CTI have been included in our consolidated results of operations from June 30, 2025 onward.

TRS Group, Inc.

On January 31, 2025, the Company acquired a 100% ownership interest in TRS Group, Inc. ("TRS") a privately owned company, for $36.6 million. TRS is an environmental solutions firm that specializes in remediation technology. The acquisition of TRS significantly enhances Parsons' environmental remediation capabilities. The financial results of TRS have been included in our consolidated results of operations from January 31, 2025 onward.

Seasonality

Our results may be affected by variances as a result of weather conditions and contract award seasonality impacts that we experience across our businesses. The latter issue is typically driven by the U.S. federal government fiscal year-end, September 30. While not certain, it is not uncommon for U.S. government agencies to award task orders or complete other contract actions in the weeks before the end of the U.S. federal government fiscal year in order to avoid the loss of unexpended U.S. federal government fiscal year funds. In addition, we have also historically experienced higher bid and proposal costs in the months leading up to the U.S. federal government fiscal year-end as we pursue new contract opportunities expected to be awarded early in the following U.S. federal government fiscal year as a result of funding appropriated for that U.S. federal government fiscal year. Furthermore, many U.S. state governments with fiscal years ending on June 30 tend to accelerate spending during their first quarter, when new funding becomes available. We may continue to experience this seasonality in future periods, and our results of operations may be affected by it.

Results of Operations

Revenue

Our revenue consists of both services provided by our employees and pass-through fees from subcontractors and other direct costs. Our Federal Solutions segment derives revenue primarily from the U.S. federal government and our Critical Infrastructure segment derives revenue primarily from government and commercial customers.

We enter into the following types of contracts with our customers:

- Under cost-plus contracts, we are reimbursed for allowable or otherwise defined costs incurred, plus a fee. The contracts may also include incentives for various performance criteria, including quality, timeliness,

safety and cost-effectiveness. In addition, costs are generally subject to review by clients and regulatory audit agencies, and such reviews could result in costs being disputed as non-reimbursable under the terms of the contract.

- Under time-and-materials contracts, hourly billing rates are negotiated and charged to clients based on the actual time spent on a project. In addition, clients reimburse actual out-of-pocket costs for other direct costs and expenses that are incurred in connection with the performance under the contract.
- Under fixed-price contracts, clients pay an agreed fixed-amount negotiated in advance for a specified scope of work.

Refer to “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Critical Accounting Policies and Estimates” and “Note 2—Summary of Significant Accounting Policies” in the notes to our consolidated financial statements included in the Company’s Form 10-K for the year ended December 31, 2025 for a description of our policies on revenue recognition.

The table below presents the percentage of total revenue for each type of contract.

	Three Months Ended	
	March 31, 2026	**March 31, 2025**
Fixed-price	31.6%	37.0%
Time-and-materials	25.0%	22.3%
Cost-plus	43.4%	40.7%

The amount of risk and potential reward varies under each type of contract. Under cost-plus contracts, there is limited financial risk, because we are reimbursed for all allowable costs up to a ceiling. However, profit margins on this type of contract tend to be lower than on time-and-materials and fixed-price contracts. Under time-and-materials contracts, we are reimbursed for the hours worked using the predetermined hourly rates for each labor category. In addition, we are typically reimbursed for other direct contract costs and expenses at cost. We assume financial risk on time-and-materials contracts because our labor costs may exceed the negotiated billing rates. Profit margins on well-managed time-and-materials contracts tend to be higher than profit margins on cost-plus contracts as long as we are able to staff those contracts with people who have an appropriate skill set. Under fixed-price contracts, we are required to deliver the objectives under the contract for a pre-determined price. Compared to time-and-materials and cost-plus contracts, fixed-price contracts generally offer higher profit margin opportunities because we receive the full benefit of any cost savings, but they also generally involve greater financial risk because we bear the risk of any cost overruns. In the aggregate, the contract type mix in our revenue for any given period will affect that period’s profitability. Over time, we have generally experienced a relatively stable contract mix.

The significant change in the contract mix for the three months ended March 31, 2026 compared to the corresponding periods last year primarily relates to decreased business volume from a fixed price contract from a confidential contract in our Federal Solutions segment.

Our recognition of profit on long-term contracts requires the use of assumptions related to transaction price and total cost of completion. Estimates are continually evaluated as work progresses and are revised when necessary. When a change in estimated cost or transaction price is determined to have an impact on contract profit, we record a positive or negative adjustment to revenue.

Joint Ventures

We conduct a portion of our business through joint ventures or similar partnership arrangements. For the joint ventures we control, we consolidate all the revenues and expenses in our consolidated statements of income (including revenues and expenses attributable to noncontrolling interests). For the joint ventures we do not control, we recognize equity in (losses) earnings of unconsolidated joint ventures. Our revenues included amounts related to services we provided to our unconsolidated joint ventures for the three months ended March 31, 2026 and March 31, 2025 of $49.6 million and $45.5 million, respectively.

Operating costs and expenses

Operating costs and expenses primarily include direct costs of contracts and selling, general and administrative expenses. Costs associated with compensation-related expenses for our people and facilities, which includes ESOP contribution expenses, are the most significant component of our operating expenses. Total ESOP contribution expense for the three months ended March 31, 2026 and March 31, 2025 was $19.3 million and $17.8 million, respectively and is recorded in “Direct cost of contracts” and “Selling, general and administrative expenses.”

Direct costs of contracts consist of direct labor and associated fringe benefits, indirect overhead, subcontractor and materials ("pass-through costs"), travel expenses and other expenses incurred to perform on contracts.

Selling, general and administrative expenses ("SG&A") include salaries and wages and fringe benefits of our employees not performing work directly for customers, facility costs and other costs related to these indirect functions.

Other income and expenses

Other income and expenses primarily consist of interest income, interest expense and other income, net.

Interest income primarily consists of interest earned on U.S. government money market funds.

Interest expense consists of interest expense incurred under our Convertible Senior Notes, Term Loan, and Revolving Credit Agreement.

Other income, net primarily consists of gain or loss on sale of assets, sublease income and transaction gain or loss related to movements in foreign currency exchange rates.

Adjusted EBITDA

The following table sets forth Adjusted EBITDA, Net Income Margin, and Adjusted EBITDA Margin for the three months ended March 31, 2026 and March 31, 2025.

(U.S. dollars in thousands)	Three Months Ended March 31, 2026	Three Months Ended March 31, 2025
Adjusted EBITDA (1)	$ 150,929	$ 148,776
Net Income Margin (2)	4.4%	5.3%
Adjusted EBITDA Margin (3)	10.1%	9.6%

(1) A reconciliation of net income attributable to Parsons Corporation to Adjusted EBITDA is set forth below (in thousands).
(2) Net Income Margin is calculated as net income including noncontrolling interest divided by revenue in the applicable period.
(3) Adjusted EBITDA Margin is calculated as Adjusted EBITDA divided by revenue in the applicable period.

	Three Months Ended March 31, 2026	Three Months Ended March 31, 2025
Net income attributable to Parsons Corporation	$ 52,926	$ 66,203
Interest expense, net	14,187	10,104
Income tax expense	16,087	18,977
Depreciation and amortization	35,926	27,403
Net income attributable to noncontrolling interests	12,285	15,584
Equity-based compensation	9,454	7,103
Transaction-related costs (a)	8,439	3,701
Other (b)	1,625	(299)
Adjusted EBITDA	$ 150,929	$ 148,776

(a) Reflects costs incurred in connection with acquisitions and other non-recurring transaction costs, primarily fees paid for professional services and employee retention.
(b) 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 is a supplemental measure of our operating performance used by management and our board of directors to assess our financial performance both on a segment and on a consolidated basis. We discuss Adjusted EBITDA because our management uses this measure for business planning purposes, including to manage the business against internal projected results of operations and measure the performance of the business generally. Adjusted EBITDA is frequently used by analysts, investors and other interested parties to evaluate companies in our industry.

Adjusted EBITDA is not a GAAP measure of our financial performance or liquidity and should not be considered as an alternative to net income as a measure of financial performance or cash flows from operations as measures of liquidity,

or any other performance measure derived in accordance with GAAP. We define Adjusted EBITDA as net income attributable to Parsons Corporation, adjusted to include net income attributable to noncontrolling interests and to exclude interest expense (net of interest income), provision for income taxes, depreciation and amortization and certain other items that we do not consider in our evaluation of ongoing operating performance. These other items include, among other things, impairment of goodwill, intangible and other assets, interest and other expenses recognized on litigation matters, expenses incurred in connection with acquisitions and other non-recurring transaction costs, equity-based compensation and expenses related to our corporate restructuring initiatives. Adjusted EBITDA should not be construed as an inference that our future results will be unaffected by unusual or non-recurring items. Additionally, Adjusted EBITDA is not intended to be a measure of free cash flow for management's discretionary use, as it does not reflect tax payments, debt service requirements, capital expenditures and certain other cash costs that may recur in the future, including, among other things, cash requirements for working capital needs and cash costs to replace assets being depreciated and amortized. Management compensates for these limitations by relying on our GAAP results in addition to using Adjusted EBITDA supplementally. Our measure of Adjusted EBITDA is not necessarily comparable to similarly titled captions of other companies due to different methods of calculation.

The following table shows Adjusted EBITDA attributable to Parsons Corporation for each of our reportable segments and Adjusted EBITDA attributable to noncontrolling interests (in thousands):

	Three Months Ended		Variance	
	March 31, 2026	March 31, 2025	Dollar	Percent
Federal Solutions Adjusted EBITDA attributable to Parsons Corporation	$ 71,553	$ 75,532	$ (3,979)	(5.3)%
Critical Infrastructure Adjusted EBITDA attributable to Parsons Corporation	66,901	58,187	8,714	15.0%
Adjusted EBITDA attributable to noncontrolling interests	12,475	15,057	(2,582)	(17.1)%
Total Adjusted EBITDA	$ 150,929	$ 148,776	$ 2,153	1.4%

The following table sets forth our results of operations for the three months ended March 31, 2026 and March 31, 2025 as a percentage of revenue.

	Three Months Ended	
	March 31, 2026	March 31, 2025
Revenues	100%	100%
Direct costs of contracts	76.0%	77.2%
Equity in (losses) earnings of unconsolidated joint ventures	0.4%	0.0%
Selling, general and administrative expenses	18.0%	15.7%
Operating income	6.4%	7.0%
Interest income	0.1%	0.1%
Interest expense	-1.1%	-0.8%
Convertible debt repurchase loss	0.0%	0.0%
Other income, net	0.0%	0.1%
Total other income (expense)	-1.0%	-0.5%
Income before income tax expense	5.5%	6.5%
Income tax expense	-1.1%	-1.2%
Net income including noncontrolling interests	4.4%	5.3%
Net income attributable to noncontrolling interests	-0.8%	-1.0%
Net income attributable to Parsons Corporation	3.5%	4.3%

Revenue

	Three Months Ended		Variance	
(U.S. dollars in thousands)	March 31, 2026	March 31, 2025	Dollar	Percent
Revenue	$ 1,491,176	$ 1,554,360	$ (63,184)	(4.1)%

Revenue decreased $63.2 million for the three months ended March 31, 2026 when compared to the corresponding period last year, due to a decrease in revenue in our Federal Solutions segment of $84.2 million, offset by

an increase in revenue in our Critical Infrastructure Segment of $21.0 million. See “Segment Results” below for a further discussion of the changes in the Company's revenue.

Direct costs of contracts

(U.S. dollars in thousands)	Three Months Ended		Variance	
	March 31, 2026	**March 31, 2025**	**Dollar**	**Percent**
Direct costs of contracts	$ 1,133,756	$ 1,200,377	$ (66,621)	(5.6)%

Direct cost of contracts decreased $66.6 million for the three months ended March 31, 2026 when compared to the corresponding period last year, primarily due to a decrease of $76.5 million in our Federal Solutions segment offset by an increase of $9.9 million in our Critical Infrastructure segment. The decrease in direct costs of contracts in the Federal Solutions segment is primarily related to reduced volume from our confidential contract, See “Segment Results” below for a further discussion. The increase in direct costs of contracts in the Critical Infrastructure segment is primarily related to increased volume from new and existing contracts.

Equity in earnings (losses) of unconsolidated joint ventures

(U.S. dollars in thousands)	Three Months Ended		Variance	
	March 31, 2026	**March 31, 2025**	**Dollar**	**Percent**
Equity in earnings of unconsolidated joint ventures	$ 6,156	$ (687)	$ 6,843	996.1%

Equity in earnings of unconsolidated joint ventures improved by $6.8 million for the three months ended March 31, 2026 compared to the corresponding period last year. The Company is winding down its participation in construction joint ventures.

Selling, general and administrative expenses

(U.S. dollars in thousands)	Three Months Ended		Variance	
	March 31, 2026	**March 31, 2025**	**Dollar**	**Percent**
Selling, general and administrative expenses	$ 267,902	$ 244,063	$ 23,839	9.8%

As a percentage of revenue, our SG&A increased by 2.3% to 18.0% for the three months ended March 31, 2026 compared to 15.7% for the corresponding period last year. The increase in SG&A was primarily due to higher transaction costs and intangible asset amortization associated with the Company's acquisitions compared to the corresponding period last year.

Total other income (expense)

(U.S. dollars in thousands)	Three Months Ended		Variance	
	March 31, 2026	**March 31, 2025**	**Dollar**	**Percent**
Interest income	$ 1,811	$ 2,142	$ (331)	(15.5)%
Interest expense	(15,998)	(12,246)	(3,752)	30.6%
Other income (expense), net	(189)	1,635	(1,824)	(111.6)%
Total other income (expense)	$ (14,376)	$ (8,469)	$ (5,907)	69.7%

Interest income is related to interest earned on investments in government money funds.

Interest expense for the three months ended March 31, 2026 and March 31, 2025 is primarily due to debt related to our Convertible Senior Notes, Term Loan, and Revolving Credit Facility.

The amounts in other income (expense), net are primarily related to transaction gains and losses on foreign currency transactions and sublease income.

Income tax expense

(U.S. dollars in thousands)	Three Months Ended		Variance	
	March 31, 2026	March 31, 2025	Dollar	Percent
Income tax expense	$ 16,087	$ 18,977	$ (2,890)	(15.2)%

The Company's effective tax rate was 19.8% and 18.8% and income tax expense was $16.0 million and $19.0 million for the three months ended March 31, 2026 and March 31, 2025, respectively. The decrease in tax expense for the three months ended March 31, 2026 compared to the three months ended March 31, 2025 was due primarily to the tax impact of a decrease in pre-tax income, and a change in the jurisdictional mix of earnings, partially offset by decreases in tax benefits from the foreign-derived deduction eligible income (FDDEI) and windfall equity-based compensation deductions.

Segment Results

We evaluate segment operating performance using segment revenue and segment Adjusted EBITDA attributable to Parsons Corporation. Adjusted EBITDA attributable to Parsons Corporation is Adjusted EBITDA excluding Adjusted EBITDA attributable to noncontrolling interests. Presented above, in this Management's Discussion and Analysis of Financial Condition and Results of Operations, is a discussion of our definition of Adjusted EBITDA, how we use this metric, why we present this metric and the material limitations on the usefulness of this metric. See "Note 18—Segments Information" in the notes to the consolidated financial statements in this Form 10-Q for further discussion regarding our segment Adjusted EBITDA attributable to Parsons Corporation.

The following table shows Adjusted EBITDA attributable to Parsons Corporation for each of our reportable segments and Adjusted EBITDA attributable to noncontrolling interests:

(U.S. dollars in thousands)	Three Months Ended	
	March 31, 2026	March 31, 2025
Federal Solutions Adjusted EBITDA attributable to Parsons Corporation	$ 71,553	$ 75,532
Critical Infrastructure Adjusted EBITDA attributable to Parsons Corporation	66,901	58,187
Adjusted EBITDA attributable to noncontrolling interests	12,475	15,057
Total Adjusted EBITDA	$ 150,929	$ 148,776

Federal Solutions

(U.S. dollars in thousands)	Three Months Ended		Variance	
	March 31, 2026	March 31, 2025	Dollar	Percent
Revenue	$ 758,348	$ 842,557	$ (84,209)	(10.0)%
Adjusted EBITDA attributable to Parsons Corporation	$ 71,553	$ 75,532	$ (3,979)	(5.3)%

The decrease in Federal Solutions revenue for the three months ended March 31, 2026 compared to the corresponding period last year was primarily driven by our confidential contract operating at a reduced volume as a result of the Department of State reorganization issued May 29, 2025. This decrease was offset by growth on existing contracts and the ramp-up of new task orders.

The decrease in Federal Solutions Adjusted EBITDA attributable to Parsons Corporation for the three months ended March 31, 2026 compared to the corresponding period last year was primarily due to the factors impacting revenue discussed above.

Critical Infrastructure

(U.S. dollars in thousands)	Three Months Ended		Variance	
	March 31, 2026	March 31, 2025	Dollar	Percent
Revenue	$ 732,828	$ 711,803	$ 21,025	3.0%
Adjusted EBITDA attributable to Parsons Corporation	$ 66,901	$ 58,187	$ 8,714	15.0%

The increase in Critical Infrastructure revenue for the three months ended March 31, 2026 compared to the corresponding period last year was primarily related to organic growth of 2% and $5.6 million from business acquisitions. Organic growth was primarily due to an increase in business volume from existing contracts and ramping up of recent awards.

The increase in Critical Infrastructure Adjusted EBITDA attributable to Parsons Corporation for the three months ended March 31, 2026 compared to the corresponding period last year was primarily related to the revenue impacts discussed above and recent business acquisitions. These increases in Adjusted EBITDA, were partially offset by an increase in SG&A.

Liquidity and Capital Resources

We currently finance our operations and capital expenditures through a combination of internally generated cash from operations, our Convertible Senior Notes, Term Loan and periodic borrowings under our Revolving Credit Facility.

Generally, cash provided by operating activities has been adequate to fund our operations. Due to fluctuations in our cash flows and growth in our operations, it may be necessary from time to time in the future to borrow under our Credit Agreement to meet cash demands. Our management regularly monitors certain liquidity measures to monitor performance. We calculate our available liquidity as a sum of cash and cash equivalents from our consolidated balance sheet plus the amount available and unutilized on our Credit Agreement.

As of March 31, 2026, we believe we have adequate liquidity and capital resources to fund our operations, support our debt service and support our ongoing acquisition strategy for at least the next twelve months based on the liquidity from cash provided by our operating activities, cash and cash equivalents on-hand and our borrowing capacity under our Revolving Credit Facility. Management continually monitors debt maturities to strategically execute optimal terms and ensure appropriate levels of working capital liquidity are maintained for the company.

Cash Flows

Cash received from customers, either from the payment of invoices for work performed or for advances in excess of revenue recognized, is our primary source of cash. We generally do not begin work on contracts until funding is appropriated by the customers. Billing timetables and payment terms on our contracts vary based on a number of factors, including whether the contract type is cost-plus, time-and-materials, or fixed-price. We generally bill and collect cash more frequently under cost-plus and time-and-materials contracts, as we are authorized to bill as the costs are incurred or work is performed. In contrast, we may be limited to bill certain fixed-price contracts only when specified milestones, including deliveries, are achieved. A number of our contracts may provide for performance-based payments, which allow us to bill and collect cash prior to completing the work.

Billed accounts receivable represents amounts billed to clients that have not been collected. Unbilled accounts receivable represents amounts where the Company has a present contractual right to bill but an invoice has not been issued to the customer at the period-end date.

Accounts receivable is the principal component of our working capital and is generally driven by revenue growth. Accounts receivable includes billed and unbilled amounts. The total amount of our accounts receivable can vary significantly over time but is generally sensitive to revenue levels. We experience delays in collections from time to time from Middle East customers. Net days sales outstanding, which we refer to as net DSO, is calculated by dividing (i) accounts receivable (net of project accruals, billings in excess of revenue and accounts payable) by (ii) average revenue per day (calculated by dividing trailing twelve months revenue by the number of days in that period). We focus on collecting outstanding receivables to reduce net DSO and improve working capital. Net DSO was 72 days at March 31, 2026 a 14 day increase from March 31, 2025. Impacting the change in DSO was lower volume from our confidential contract and delayed collections in the Middle East. Our working capital (current assets less current liabilities) was $1.1 billion at March 31, 2026 and $1.2 billion at December 31, 2025.

Our cash and cash equivalents decreased by $182.5 million to $283.9 million at March 31, 2026 from $466.4 million at December 31, 2025.

The following table summarizes our sources and uses of cash over the periods presented (in thousands):

	Three Months Ended	
	March 31, 2026	March 31, 2025
Net cash used in operating activities	$ (3,700)	$ (11,787)
Net cash used in investing activities	(364,587)	(61,670)
Net cash (used in) provided by financing activities	186,487	(110,864)
Effect of exchange rate changes	(667)	518
Net (decrease) increase in cash and cash equivalents	$ (182,467)	$ (183,803)

Operating Activities

Net cash provided by operating activities consists primarily of net income adjusted for noncash items, such as: equity in losses (earnings) of unconsolidated joint ventures, contributions of treasury stock, depreciation and amortization of property and equipment and intangible assets, provisions for doubtful accounts, amortization of deferred gains, and impairment charges. The timing between the conversion of our billed and unbilled receivables into cash from our customers and disbursements to our employees and vendors is the primary driver of changes in our working capital. Our operating cash flows are primarily affected by our ability to invoice and collect from our clients in a timely manner, our ability to manage our vendor payments and the overall profitability of our contracts.

Net cash used in operating activities decreased $8.1 million for the three months ended March 31, 2026 compared to the three months ended March 31, 2025. The primary drivers of the decrease in cash flows used in operating activities was a $28.5 million change in cashflows from our working capital accounts (primarily from accounts receivable, prepaid expenses and other assets, contract liabilities, and accrued expenses and other current liabilities, offset by changes in contract assets and accounts payable) offset by a change in net income after adjusting for non-cash items of $13.9 million and other long-term liabilities of $7.1 million.

Investing Activities

Net cash used in investing activities consists primarily of cash flows associated with capital expenditures, joint ventures and business acquisitions.

Net cash used in investing activities increased $302.9 million for the three months ended March 31, 2026, when compared to the three months ended March 31, 2025. This change was primarily driven by a $301.9 million increase in payments for acquisitions, net of cash acquired, and a $7.1 million increase in investments in unconsolidated joint ventures, offset by a $7.5 million increase in return of investments in unconsolidated joint ventures.

Financing Activities

Net cash (used in) provided by financing activities is primarily associated with proceeds from debt, the repayment thereof, and distributions to noncontrolling interests.

Net cash (used in) provided by financing activities increased $297.4 million for the three months ended March 31, 2026 compared to the three months ended March 31, 2025. The change in cash flows (used in) provided by financing activities is primarily driven by net proceeds of $274.0 million from our Revolving Credit Facility. Also impacting net cash (used in) provided by financing activities were a $8.4 million change in distributions to noncontrolling interest offset by a $10.0 million of repurchase of common stock.

Letters of Credit

We also have in place several secondary bank credit lines for issuing letters of credit, principally for foreign contracts, to support performance and completion guarantees. Letters of credit commitments outstanding under these bank lines aggregated to $336.1 million as of March 31, 2026. Letters of credit outstanding under the Credit Agreement total $41.8 million as of March 31, 2026.

Recent Accounting Pronouncements

See the information set forth in “Note 3—New Accounting Pronouncements” in the notes to our consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q.

Off-Balance Sheet Arrangements

As of March 31, 2026, we have no off-balance sheet arrangements that have or are reasonably likely to have a material current or future effect on our financial condition, changes in financial condition, revenue or expenses, results of operations, liquidity, capital expenditures or capital resources.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

Interest Rate Risk

We are exposed to interest rate risks related to the Company's Revolving Credit Facility and Term Loan.

As of March 31, 2026, there was $274.0 million outstanding under the Revolving Credit Facility. Borrowings under the Credit Facility effective June 2025 bear interest at either the Term SOFR rate plus a margin between 1.0% and 1.625% or a base rate (as defined in the Credit Agreement) plus a margin of between 0% and 0.625%. The rates on March 31, 2026 and December 31, 2025 were 4.9% and 5.0%, respectively.

As of March 31, 2026, there was $450.0 million outstanding under the Term Loan. Borrowings under the Term Loan Agreement effective June 2025 will bear interest at either an adjusted Term SOFR benchmark rate plus a margin between 0.875% and 1.500% or a base rate plus a margin of between 0% and 0.500% and will initially bear interest at the middle of this range. The interest rate was 4.8% for all periods presented.

Foreign Currency Exchange Risk

We are exposed to foreign currency exchange rate risk resulting from our operations outside of the U.S. We limit exposure to foreign currency fluctuations in most of our contracts through provisions that require client payments in currencies corresponding to the currency in which costs are incurred. As a result of this natural hedge, we generally do not need to hedge foreign currency cash flows for contract work performed.

Item 4. Controls and Procedures.

Evaluation of Disclosure Control and Procedures

Our management carried out, as of March 31, 2026, with the participation of our Chief Executive Officer and our Chief Financial Officer, an evaluation of the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act")). Based on that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that, as of March 31, 2026, our disclosure controls and procedures were effective to provide reasonable assurance that material information required to be disclosed by us in reports we file under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC rules and forms and that information required to be disclosed by us in the reports we file or submit under the Exchange Act is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

Changes in Internal Control Over Financial Reporting

During the first quarter of 2026, there were no changes to our internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II—OTHER INFORMATION

Item 1. Legal Proceedings.

The information required by this Item 1 is included in "Note 12 – Contingencies" included in the Notes to Consolidated Financial Statements appearing under Part I, Item 1 of this Form 10-Q which is incorporated herein by reference.

Item 1A. Risk Factors.

There have been no material changes to our Risk Factors disclosed in the Company's Form 10-K for the year ended December 31, 2025.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

Issuer Purchases of Equity Securities

On August 9, 2021, the Company's Board of Directors authorized the Company to acquire a number of shares of Common Stock having an aggregate market value of not greater than $100 million from time to time, commencing on August 12, 2021. The Board further amended this authorization in August 2022 to remove the prior expiration date and grant executive leadership the discretion to determine the price for such share repurchases. The Board further amended this authorization in March 2025 to increase and reset the repurchase capacity to $250 million. Repurchases made by the Company during the first quarter of 2025 were deducted from the reset capacity.

Under prior authorizations, the Company had repurchased shares with an aggregate market value of $79.7 million. The aggregate market value of shares of Common Stock the Company is authorized to acquire from prior authorizations and the March 2025 authorization is not greater than $329.7 million.

As of March 31, 2026, the Company has spent $239.7 million (which includes commissions paid of $79 thousand) repurchasing 4,119,224 shares of Common Stock at an average price of $58.19 per share.

Repurchased shares of common stock are retired and included in "Repurchases of common stock" in cash flows from financing activities in the Consolidated Statements of Cash Flows. The primary purpose of the Company's share repurchase program is to reduce the dilutive effect of shares issued under the Company's ESOP and other stock benefit plans. The timing, amount and manner of share repurchases may depend upon market conditions and economic circumstances, availability of investment opportunities, the availability and costs of financing, the market price of the Company's common stock, other uses of capital and other factors.

The following table presents the Company's repurchases of equity securities for the three months ended March 31, 2026.

Period	(a) Total number of shares (or units purchased)	(b) Average price paid per share (or unit) (1)	(c) Total number of shares (or units) purchased as part of publicly announced plans or programs	(d) Maximum number (or approximate dollar value) of shares (or units) that may yet be purchased under the plans programs
January 1 to 30, 2026	-	$ -	-	$ 125,006,260
February 1 to 28, 2026	230,501	$ 65.07	230,501	110,007,876
March 1 to 31, 2026	352,874	$ 56.68	352,874	90,007,983
Total	583,375	$ 59.99	583,375	$ 90,007,983

(1) Includes commissions in the calculation of average price per share.

Item 3. Defaults Upon Senior Securities.

None

Item 4. Mine Safety Disclosures.

Not Applicable

Item 5. Other Information.

During the three months ended March 31, 2026, none of our directors or officers adopted, modified or terminated any Rule 10b5-1 trading arrangement (as defined in Item 408(a) of Regulation S-K) or a non-Rule 10b5-1 trading arrangement (as defined in Item 408(c) of Regulation S-K).

Item 6. Exhibits.

Exhibit Number	Description
10.1*+	Change in Control Severance Agreement, dated April 7, 2026, by and between Parsons Corporation and Soo Lagasse.
31.1*	Certification of Principal Executive Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	Certification of Principal Financial Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1*	Certification of Principal Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2*	Certification of Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101	The following financial statements from the Company’s Quarterly Report on Form 10-Q for the quarter ended March 31, 2026, formatted in Inline XBRL: (i) Consolidated Balance Sheets, (ii) Consolidated Statements of Earnings, (iii) Consolidated Statements of Comprehensive Income (Loss), (iv) Consolidated Statements of Stockholders’ Equity, (v) Consolidated Statements of Cash Flows and (vi) Notes to Consolidated Financial Statements, tagged as blocks of text and including detailed tags.
104	Cover Page Interactive Data File (formatted as inline XBRL with applicable taxonomy extension information contained in Exhibits 101).

* Filed herewith.
+ Indicates a management contract or compensatory plan or arrangement.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Parsons Corporation

Date: April 29, 2026

By: /s/ Matthew M. Ofilos

Matthew M. Ofilos
Chief Financial Officer
(Principal Financial Officer)

Exhibit 10.1

PARSONS

PARSONS CORPORATION
CHANGE IN CONTROL SEVERANCE AGREEMENT

THIS CHANGE IN CONTROL SEVERANCE AGREEMENT (this “Agreement”) is made and entered into on this 7 day of April, 2026 (the “Effective Date”), by and between Parsons Corporation, a Delaware corporation (hereinafter referred to as the “Company”) and Soo Lagasse (“Executive”).

RECITALS

The Compensation Committee of the Board of Directors of Parsons Corporation (the “Committee”) and the Board of Directors have approved the Company’s entering into this Agreement with Executive. Executive is a key executive of the Company.

Should the possibility of a Change in Control (as defined below) arise, the Committee believes it imperative that the Company should be able to rely upon Executive to continue in Executive’s position, and that the Company should be able to receive and rely upon Executive’s advice, if requested, as to the best interests of the Company and its shareholders without concern that Executive might be distracted by the personal uncertainties and risks created by the possibility of a Change in Control.

Should the possibility of a Change in Control arise, in addition to Executive’s regular duties, Executive may be called upon to assist in the assessment of such a possible Change in Control upon the Company’s shareholders, advise management and the Board of Directors as to whether such a Change in Control would be in the best interests of the Company and its shareholders, and to take such other actions as the Board of Directors might determine to be appropriate.

NOW THEREFORE, to assure the Company that it will have the continued dedication of Executive and the availability of Executive’s advice and counsel notwithstanding the possibility, threat, or occurrence of a Change in Control, and to induce Executive to remain in the employ of the Company in the face of these circumstances and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Company and Executive agree as follows:

ARTICLE I
CERTAIN DEFINITIONS

Whenever used in this Agreement, the following terms shall have the meanings set forth below unless the context clearly indicates to the contrary:

(a) “Base Salary” means the salary of record paid to Executive by the Company as annual salary (whether or not deferred), but excludes amounts received under incentive or other bonus plans.

(b) “Beneficial Owner” shall have the meaning ascribed to such term in Rule 13d-3 of the General Rules and Regulations under the Exchange Act.

(c) “Board” means the Board of Directors of the Company.

(d) “Cause” means the occurrence of any one or more of the following:

(i) Executive’s commission of an act of fraud or embezzlement upon the Company.

(ii) Executive’s conviction of or pleading guilty or nolo contendere to a felony involving fraud, dishonesty, or moral turpitude.

(iii) Executive’s willful and continued failure to substantially perform material duties which is not remedied in a reasonable period of time after written demand for substantial performance is delivered by the Board.

(iv) Executive’s material violation of the Company’s Code of Conduct.

(e) “Change in Control” shall mean and include each of the following, and shall be deemed to have occurred as of the first day that any one or more of the following conditions shall have been satisfied:

(i) A transaction or series of transactions (other than an offering of Common Stock to the general public through a registration statement filed with the Securities and Exchange Commission) whereby any “person” or related “group” of “persons” (as such terms are used in Sections 13(d) and 14(d)(2) of the Exchange Act) directly or indirectly acquires beneficial ownership (within the meaning of Rules 13d-3 and 13d-5 under the Exchange Act) of securities of the Company possessing more than 50 % of the total combined voting power of the Company’s securities outstanding immediately after such acquisition; provided, however, that the following acquisitions shall not constitute a Change in Control: (i) any acquisition by the Company or any of its Subsidiaries; (ii) any acquisition by an employee benefit plan maintained by the Company or any of its Subsidiaries, (iii) any acquisition which complies with Sections 1(f)(iii)(1), (2) or (3) of this Article; or (iv) in respect of an Award held by a particular Holder, any acquisition by the Holder or any group of persons including the Holder (or any entity controlled by the Holder or any group of persons including the Holder); or

(ii) The incumbent directors cease for any reason to constitute a majority of the Board; or

(iii) The consummation by the Company (whether directly involving the Company or indirectly involving the Company through one or more intermediaries) of (x) a merger, consolidation, reorganization, or business combination, (y) a sale or other disposition of all or substantially all of the Company’s assets in any single transaction or series of related transactions or (z) the acquisition of assets or stock of another entity, in each case other than a transaction:

1) which results in the Company’s voting securities outstanding immediately before the transaction continuing to represent (either by remaining outstanding or by being converted into voting securities of the Company or the person that, as a result of the transaction, controls, directly or indirectly, the Company or owns, directly or indirectly, all or substantially all of the Company’s assets or otherwise succeeds to the business of the Company (the Company or such person, the

"Successor Entity")) directly or indirectly, at least a majority of the combined voting power of the Successor Entity's outstanding voting securities immediately after the transaction, and

2) after which no person or group beneficially owns voting securities representing 50% or more of the combined voting power of the Successor Entity; provided, however, that no person or group shall be treated for purposes of this Section 1(f)(iii)(2) as beneficially owning 50% or more of the combined voting power of the Successor Entity solely as a result of the voting power held in the Company prior to the consummation of the transaction; and

3) after which at least a majority of the members of the board of directors (or the analogous governing body) of the Successor Entity were Board members at the time of the Board's approval of the execution of the initial agreement providing for such transaction; or

(iv) The date which is 10 business days prior to the completion of a liquidation or dissolution of the Company.

Notwithstanding the foregoing, if a Change in Control constitutes a payment event with respect to any Award (or any portion of an Award) that provides for the deferral of compensation that is subject to Section 409A, to the extent required to avoid the imposition of additional taxes under Section 409A, the transaction or event described in subsection (i), (ii), (iii) or (iv) with respect to such Award (or portion thereof) shall only constitute a Change in Control for purposes of the payment timing of such Award if such transaction also constitutes a "change in control event," as defined in Treasury Regulation Section 1.409A-3(i)(5).

For sake of clarity, a Change in Control will not occur by reason of the Parsons Employee Stock Ownership Plan (the "ESOP") owning less than fifty percent of (50%) of the voting power of the Company's (or any successor thereto) equity securities due to (a) the ESOP making distributions to participants and their beneficiaries, or (b) the ESOP selling equity securities to the public through underwritten registered public offerings.

The Board shall have full and final authority, which shall be exercised in its sole discretion, to determine conclusively whether a Change in Control has occurred pursuant to the above definition, the date of the occurrence of such Change in Control, and any incidental matters relating thereto; provided that any exercise of authority in conjunction with a determination of whether a Change in Control is a "change in control event" as defined in Treasury Regulation Section 1.409A-3(i)(5) shall be consistent with such regulation.

(f) "Code" means the United States Internal Revenue Code of 1986, as amended.

(g) "Company" means Parsons Corporation, a Delaware corporation, any successor thereto or acquirer thereof.

(h) "Disability" means, for all purposes of this Agreement, the incapacity of Executive, due to injury, illness, disease, or bodily or mental infirmity, to engage in the

performance of substantially all of the usual duties of Executive's employment by the Company, such Disability to be determined by the Board upon receipt and in reliance on competent medical advice from one or more individuals, selected or approved by the Board, who are qualified to give such professional medical advice.

(i) "Exchange Act" means the United States Securities Exchange Act of 1934, as amended.

(j) "Good Reason" means, without Executive's express written consent, the occurrence of any one or more of the following, unless the action or failure giving rise to such occurrence is withdrawn, reversed or cured by the Company within thirty (30) days of the date of the occurrence, and is not thereafter reinstated by the Company during the term of this Agreement:

(i) A material reduction in the nature or status of Executive's authorities, duties, or responsibilities (when such authorities, duties, or responsibilities are viewed in the aggregate) from their level in effect on the day immediately prior to the start of the Protected Period.

(ii) A reduction by the Company of Executive's Base Salary as in effect on the day immediately prior to the start of the Protected Period.

(iii) A material reduction by the Company of Executive's aggregate welfare benefits or the value of the incentive programs provided under the Company's management incentive or other short- or long-term incentive programs, as such benefits and opportunities exist on the day immediately prior to the start of the Protected Period.

(iv) The relocation of Executive's principal office by the Company more than fifty (50) miles from the location of Executive's principal office immediately prior to the start of the Protected Period.

(v) Any purported termination by the Company of Executive's employment that is not effected pursuant to a Notice of Termination satisfying the requirements of Section 3.4.

(vi) The failure of the Company to obtain an agreement from any successor to the Company to assume and agree to perform the Company's obligations under this Agreement, as contemplated by Article 8.

(k) "Person" shall have the meaning ascribed to such term in Section 3(a)(9) of the Exchange Act and used in Sections 13(d) and 14(d) thereof, including a group as contemplated by Sections 13(d)(3) and l4(d)(2) thereof

(l) "Potential Change in Control" shall be deemed to have occurred as of the first day that any one or more of the following conditions shall have been satisfied:

(i) Any Person announces an intention to take an action that, if consummated, would result in a Change of Control and the Board expresses its good faith belief that such announced intention is serious.

(ii) The Company or the trustees of the Company's Employee Stock Ownership Plan enters into an agreement that, if consummated, would result in a Change in Control.

(iii) Any Person (other than the Company or a trustee or other fiduciary holding securities under an employee benefit plan of the Company) becomes the Beneficial Owner, directly or indirectly, of securities of the Company representing ten percent (10%) or more of the combined voting power of the Company's then outstanding securities.

(iv) The Board declares that a Potential Change in Control has occurred for purposes of this Agreement.

(m) "Protected Period" means the period related to a Change in Control commencing on the date of the Change in Control and ending on the date that is eighteen (18) months after the Change in Control.

(n) "Qualifying Termination Event" means the occurrence, upon a Potential Change of Control, of any of one of the events described in sub-sections (i) and (ii) below, and, the occurrence of any one or more of the following events upon a Change in Control, or within the Protected Period following a Change in Control:

(i) A termination of Executive's employment at the initiation of the Company, without Executive's consent, for reasons other than Cause;

(ii) A voluntary termination of employment by Executive for Good Reason;

(iii) A successor company fails or refuses to assume by written instrument the Company's obligations under this Agreement, as contemplated by Article 8;

(iv) The Company or any successor company repudiates or breaches any of the provisions of this Agreement.

ARTICLE II
SERVICES DURING CERTAIN EVENTS

If a Potential Change in Control occurs, Executive agrees that Executive will not voluntarily leave the employ of the Company and will render services until (a) the Board declares, or otherwise indicates, that the circumstances giving rise to the Potential Change in Control will not result in an actual Change in Control, or (b) if a Change in Control occurs, until six (6) months after the Change in Control; provided, however, that, subject to any right that Executive may have to benefits hereunder, the Company may terminate Executive's employment at any time for any reason, and Executive may terminate Executive's employment at any time for Good Reason.

ARTICLE III
SEVERANCE BENEFITS

3.1 Right to Severance Benefits. Executive shall be entitled to receive the benefits described in Section 3.2 if Executive incurs a Qualifying Termination Event, provided that Executive must (a) furnish the Company with written notice of Executive's exercise of the right to receive such benefits within thirty (30) days of the occurrence of a Qualifying Termination Event and (b) execute and deliver to the Company the Severance Agreement attached hereto as Exhibit A within fifty (50) days of the Qualifying Termination Event and not revoke it. If Executive does not timely execute and deliver to the Company the Severance Agreement, or if Executive executes the Severance Agreement but revokes it, the severance benefits set forth in Section 3.2 of this Severance Agreement will not be paid. If more than one Qualifying Termination Event occurs, such events shall constitute a single Qualifying Termination Event and Executive shall be entitled to receive the benefits provided under Section 3.2 (a) through (d) only once.

3.2 Severance Benefits. If a Qualifying Termination Event occurs and Executive satisfies the conditions set forth in Section 3.1 above, the Company will pay Executive as soon as practicable following Executive's satisfaction of such conditions, but in no event more than seventy-five (75) days following the Qualifying Termination Event, a non-discounted cash lump sum amount equal to the sum of the following:

(a) a pro-rata portion (based on the number of days that elapsed in the calendar year before the Qualifying Termination Event occurred) of the greater of (i) Executive's target annual bonus for the year of the Qualifying Termination Event or (ii) Executive's annual bonus that would have been paid (as determined by the Board in its discretion) assuming the year ended on the date of the Qualifying Termination Event and based on actual performance through that date;

(b) an amount equal to one years' salary at the highest rate of Executive's annualized Base Salary in effect at any time up to and including the Qualifying Termination Event multiplied by two (2); and

(c) an amount equal to the greater of (i) Executive's target annual bonus for the year of the Qualifying Termination Event or (ii) the average of the annual bonuses actually paid to Executive for the two years preceding the year of the Qualifying Termination Event, multiplied by two (2).

In addition to the foregoing, if Executive satisfies the conditions set forth in Section 3.1 above, the Company will pay Executive as soon as practicable following Executive's satisfaction of such conditions, but in no event more than seventy-five (75) days following the Qualifying Termination Event, a non-discounted cash lump sum amount equal to the sum of the following: (i) the Company's estimate of the cost to continue Executive's medical, dental and vision insurance coverage at a level commensurate to that provided to Executive through the Company's group health plan immediately prior to the Qualifying Termination Event for a period of two (2) years based on the COBRA rates in effect at that time; (ii) the Company's estimate of the cost to continue Executive's life insurance coverage at a level commensurate to that in effect through Executive's Company-sponsored coverage immediately prior to the Qualifying Termination Event for a period of two (2) years following such Qualifying Termination Event, or, if shorter, the period ending on the last day of the level premium rate guarantee period established by the applicable insurer for such coverage; and (iii) the Company's estimate of the cost to continue Executive's executive supplemental disability coverage under the Company's supplemental disability insurance plan in effect immediately prior to the Qualifying Termination Event for a period of two

(2) years following such Qualifying Termination Event (or the date Executive attains age 65, if earlier), but the cash payment in this clause (iii) will only be paid if the terms of the applicable insurance policy under such disability insurance plan provide that the coverage may be continued following the Qualifying Termination Event and such costs to be estimated using the extent of the coverage allowed under the terms of such policy at a cost to the Company that is no greater than the cost borne by the Company immediately prior to the Qualifying Termination Event.

If the seventy-five (75)-day period following the Qualifying Termination Event for making the foregoing cash payments spans two calendar years, payment will in all cases be made in the second (later) calendar year.

Notwithstanding any provision of this Agreement to the contrary, to the extent that the Company determines that a delay in payment or benefits is required to avoid subjecting Executive to taxes under Code Section 409A ("Section 409A"), Executive shall not be entitled to receive any payments of, or benefits that constitute, deferred compensation (as defined in Section 409A) until the earlier of (i) the date which is six (6) months after Executive's termination of employment or (ii) the date of Executive's death (the "Section 409A Period"), at which time the Company shall pay all delayed payments to Executive in a lump sum without interest.

3.3 Termination for Other Reasons. Except as expressly provided below, the Company shall have no obligations (or no further obligations, as the case may be) to Executive under this Agreement if:

(a) Executive's employment is terminated by the Company for Cause;

(b) Executive terminates Executive's employment with the Company other than for Good Reason during a Protected Period;

(c) Executive's employment by the Company terminates due to Executive's Disability, retirement, or death; or

(d) Executive's employment by the Company is terminated by the Company or Executive for any reason, if such termination does not occur during a Protected Period.

(e) Prior to a Potential Change in Control, Executive ceases to perform services on a full-time basis in either the same position Executive was serving on the Effective Date or a more senior position and as a result the term of this Agreement terminates pursuant to Article VI.

If, during a Protected Period and immediately prior to Executive's Disability or retirement, Executive would have been entitled to terminate employment with the Company for Good Reason, then upon termination of Executive's employment for Disability or retirement, Executive shall be deemed to have terminated for Good Reason for purposes of this Agreement.

Notwithstanding anything else contained herein to the contrary, Executive's termination of employment on account of reaching the normal retirement age, as such age may be defined from time to time in policies adopted by the Company prior to the commencement of the Protected Period, to the extent such policies are applicable to Executive immediately prior to the commencement of the Protected Period and to the extent such policies are consistent with applicable law, shall not be a Qualifying Termination Event unless Executive was otherwise able

to terminate employment for Good Reason immediately prior to Executive's retirement and Executive's retirement occurred during a Protected Period.

3.4 Notice of Termination. Any termination of Executive's employment by the Company for Cause or by Executive for Good Reason shall be communicated by a Notice of Termination to the other party. For purposes of this Agreement, a "Notice of Termination" must be in writing, must describe in reasonable detail the facts and circumstances claimed to constitute Cause or Good Reason, and must cite the specific provision(s) of this Agreement on which such claim is based. The Notice of Termination shall be effective on the date specified in Section 9.8 of this Agreement.

ARTICLE IV
TAXES

The Company has the right to withhold from the Severance Benefits set forth in Section 3.2 any amount otherwise payable to Executive under or pursuant to this Agreement the amount of any taxes that the Company may legally be required to withhold with respect to such payment (including, without limitation, federal, state, or local taxes, Social Security, and Medicare). Executive is responsible for all taxes owed, if any, as a result of Executive's receipt of any amounts paid in connection with this Agreement.

ARTICLE V
THE COMPANY'S PAYMENT OBLIGATION

5.1 Payment Obligations Absolute. Subject to Executive's compliance with Section 9.1 and the agreement contemplated thereby, the Company's obligation to make the payments and the arrangements provided for herein shall be absolute and unconditional, and shall not be affected by any circumstances, including, without limitation, any offset (except an offset for the amount of any debt that is due from Executive to Company for loans, advances or similar items provided by the Company to Executive prior to the date of Executive's notice to the Company of a Qualifying Termination Event), counterclaim, recoupment, defense, or other right which the Company may have against Executive or anyone else. All amounts payable by the Company hereunder shall be paid without notice or demand. Each and every payment made hereunder by the Company shall be final, and the Company shall not seek to recover all or any part of such payment from Executive or from whomsoever may be entitled thereto, for any reasons whatsoever, except as a result of an error in calculating the value of benefits payable under Section 3.2 or as otherwise provided in Article 7 and subject to Executive's compliance with Section 9.1 and the agreement contemplated thereby.

Executive shall not be obligated to seek other employment in mitigation of the amounts payable or arrangements made under any provision of this Agreement, and the obtaining of any such other employment shall in no event effect any reduction of the Company's obligations to make the payments and arrangements required to be made under this Agreement.

5.2 Unsecured General Creditor. Executive and Executive's heirs, successors, and assigns shall have no legal or equitable rights, claims, or interest in any specific property or

assets of the Company. No assets of the Company shall be held under any trust or held in any way as collateral security for the fulfilling of the obligations of the Company under this Agreement. Any and all of the Company's assets shall be, and remain, the general unpledged, unrestricted assets of the Company. The Company's obligation under this Agreement shall be merely that of an unfunded and unsecured promise of the entity to pay money in the future, and the rights of Executive and Executive's heirs, successors, and assigns shall be no greater than those of unsecured general creditors. It is the intention of the Company that this Agreement be unfunded for purposes of the Code and for purposes of Title I of the Employee Retirement Income Security Act of 1974, as amended.

5.3 Other Plans and Benefits. All payments, benefits, and amounts provided under this Agreement shall be in addition to and not in substitution for any Executive's own vested or accrued employee benefits under Company's qualified retirement benefit plans, or any disability or workers' compensation benefits payable at the time Executive's employment by the Company terminates. Notwithstanding the foregoing, this Agreement shall not create an inference that any duplicate payments shall be required.

ARTICLE VI
TERM OF AGREEMENT

This Agreement will commence on the Effective Date and shall continue in effect through April 1, 2027. However, at the end of such initial period and, if extended, at the end of each additional year thereafter, the term of this Agreement shall be extended automatically for one (1) additional year, unless the Committee (or the Board) delivers written notice at least six (6) months prior to the end of such term, or extended term, to Executive, that this Agreement will not be extended. In such case, this Agreement will terminate at the end of the term, or extended term, then in progress. If a Potential Change in Control occurs, the Committee (or the Board) may not give notice that the term of this Agreement will not be extended, or further extended, as the case may be, unless and until the Board declares in good faith that the circumstances giving rise to the Potential Change in Control will not result in an actual Change in Control.

Unless the Board expressly determines that the term of this Agreement shall continue in effect, the term of this Agreement will terminate if, prior to a Potential Change in Control, Executive ceases to perform services on a full-time basis in either the same position Executive was serving on the Effective Date or a more senior position.

Notwithstanding anything to the contrary in this Agreement, in the event a Change in Control occurs during the initial or any extended term, this Agreement will remain in effect for the longer of: (a) eighteen (18) months beyond the month in which such Change in Control occurred; or (b) if Executive incurs a Qualifying Termination Event, until all obligations of the Company hereunder have been fulfilled, and until all benefits required hereunder have been paid to Executive.

Any subsequent Change in Control ("Subsequent Change in Control") that occurs during the term shall also continue the term until the later of: (a) the date the term then in effect, at the time of such Subsequent Change in Control, would end; or (b) until all obligations of the Company hereunder have been fulfilled and all benefits required hereunder have been paid to Executive; provided, however, that if one or more Subsequent Changes in Control occur, such event (or events) shall be considered a Change in Control hereunder, and this Agreement will be applicable

thereto only if it, or they, occur during a Protected Period in effect at the time of any Subsequent Change in Control.

Notwithstanding anything herein to the contrary, Executive shall be entitled to receive the benefits provided in this Agreement one time only under this Agreement, regardless of the number of Changes in Control or Subsequent Changes in Control that may occur.

ARTICLE VII
RESOLUTION OF DISPUTES

7.1 Arbitration of Claims. The Company and Executive hereby consent to the resolution by mandatory and binding arbitration of all claims or controversies arising out of or in connection with this Agreement and/or the Exhibits hereto that the Company may have against Executive, or that Executive may have against the Company or against its officers, directors, employees or agents acting in their capacity as such. Each party's promise to resolve all such claims or controversies by arbitration in accordance with this Agreement, rather than through the courts, is consideration for the other party's like promise. It is further agreed that the decision of an arbitrator on any issue, dispute, claim or controversy submitted for arbitration shall be final and binding upon the Company and Executive, and that judgment may be entered on the award of the arbitrator in any court having proper jurisdiction.

Except as otherwise provided in this procedure or by mutual agreement of the parties, any arbitration shall be before a sole arbitrator (the "Arbitrator') selected from Judicial Arbitration & Mediation Services, Inc. or its successor ("JAMS"), or if JAMS is no longer able to supply the arbitrator, such arbitrator shall be selected from the American Arbitration Association. Arbitration will be held in Washington, D.C. or Virginia, or the state of Executive's primary work location. Either party shall have the right to file dispositive motions, including without limitation a motion to dismiss and/or a motion for summary judgment, and the Arbitrator will apply the standards governing such motions under the Federal Rules of Civil Procedure. A party may make an offer of judgment in a manner consistent with, and within the time limitations, consequences, and effects provided in Rule 68 of the Federal Rules of Civil Procedure.

The Arbitrator shall interpret this Agreement, any applicable Company policy or rules and regulations, any applicable substantive law (and the law of remedies, if applicable) of the state in which the claim arose, or applicable federal law. In reaching his or her decision, the Arbitrator shall have no authority to change or modify any lawful Company policy, rule or regulation, or this Agreement. Except as provided in the next paragraph, the Arbitrator, and not any federal, state or local court or agency, shall have exclusive and broad authority to resolve any dispute relating to the interpretation, applicability, enforceability or formation of this Agreement, including but not limited to, any claim that all or any part of this Agreement is voidable. The Arbitrator shall have the authority to decide dispositive motions. Following the completion of the arbitration, the Arbitrator shall issue a written decision disclosing the essential findings and conclusions upon which the award is based.

Notwithstanding the foregoing, provisional injunctive relief may, but need not, be sought by Executive or the Company in a court of law while arbitration proceedings are pending, and any provisional injunctive relief granted by such court shall remain effective until the matter is finally resolved by the Arbitrator in accordance with the foregoing. Final resolution of any dispute through arbitration may include any remedy or relief which would otherwise be available at law and which

the Arbitrator deems just and equitable. The Arbitrator shall have the authority to award full damages as provided by law. Any award or relief granted by the Arbitrator hereunder shall be final and binding on the parties hereto and may be enforced by any court of competent jurisdiction.

The Company shall pay the reasonable fees and expenses of the Arbitrator and a stenographic reporter, if employed, and any other costs associated with the arbitration that are unique to arbitration. Each party shall pay its own legal fees and other expenses and costs incurred with respect to the arbitration and to the same extent as if the matter were being heard in court.

ARTICLE VIII
SUCCESSORS

The Company will require any successor (whether direct or indirect, by purchase, merger, consolidation, or otherwise) of all or substantially all of the business and/or assets of the Company or of any division or subsidiary thereof (the business and/or assets of which constitute at least fifty-one percent (51%) of the total business and/or assets of the Company) to expressly assume and agree to perform the Company's obligations under this Agreement in the same manner and to the same extent that the Company would be required to perform them if no such succession had taken place. Failure of the Company to obtain such assumption and agreement in a written instrument prior to the effective date of any such succession shall be a breach of this Agreement and shall entitle Executive to the benefits provided under this Agreement.

This Agreement shall inure to the benefit of and be enforceable by Executive's personal or legal representatives, trustees, executors, administrators, successors, heirs, distributees, devisees, and legatees. If Executive should die while any amount would still be payable to Executive hereunder had Executive continued to live, all such amounts, unless otherwise provided herein, shall be paid to Executive's estate in accordance with the terms of this Agreement.

ARTICLE IX
MISCELLANEOUS

9.1 Release and Agreement. The Company's obligation to pay the Severance Benefits set forth in Section 3.2 is conditioned upon Executive executing and not revoking a Separation Agreement and Release of Claims in the form attached hereto as Exhibit A (or such other form, which is substantially the same as the form attached hereto as Exhibit A, as the Committee may require) and Company's receipt of such executed agreement.

9.2 Employment Status. Executive and the Company acknowledge that, except as may be provided under this Agreement, the employment of Executive by the Company is "at will," and may be terminated by either Executive or the Company at any time, with or without notice, subject to applicable law and subject to the express provisions of Article 2.

9.3 Entire Agreement. This Agreement, including the Exhibits hereto, contains the entire understanding of the Company and Executive, and supersedes and replaces all prior negotiations and all agreements proposed or otherwise, whether written or oral, with respect to the subject matter hereof.

9.4 Gender and Number. Except where otherwise indicated by the context any masculine term used herein also shall include the feminine, the plural shall include the singular, and the singular shall include the plural.

9.5 Severability. In the event any provision of this Agreement shall be held illegal or invalid for any reason, the illegality or invalidity shall not affect the remaining parts of this Agreement, and this Agreement shall be construed and enforced as if the illegal or invalid provision had not been included. Further, the captions of this Agreement are not part of the provisions hereof and shall have no force and effect.

9.6 Modification. No provision of this Agreement may be modified, waived, or discharged unless such modification, waiver, or discharge is agreed to in writing and signed by Executive (or Executive's legal representative) and by an authorized member of the Committee (or the Board) or its designee or legal representative.

9.7 Notice. For purposes of this Agreement, notices, including Notice of Termination, and all other communications provided for in this Agreement shall be in writing and shall be deemed to have been duly given when delivered or on the date stamped as received by the U.S. Postal Service for delivery by certified or registered mail, postage prepaid and addressed: (a) if to Executive, to Executive's latest address as reflected on the records of the Company, and (b) if to the Company, to Parsons Corporation, 14291 Park Meadow Drive, Suite 100, Chantilly, VA 20151, Attn: Chair, Compensation and Management Development Committee, or to such other address as either party may furnish to the other in writing for the delivery of notices to that party, with specific reference to this Agreement and the importance of the notice, except that a notice of change of address shall be effective only upon receipt by the other party.

9.8 Applicable Law. To the extent not preempted by the laws of the United States, the laws of the State of Virginia shall be the controlling law in all matters relating to this Agreement, without regard to principles of conflicts of laws. Any statutory reference in this Agreement shall also be deemed to refer to all final rules and final regulations promulgated under or with respect to the referenced statutory provision.

9.9 Code Sections 280G and 4999. Notwithstanding anything contained in this Agreement to the contrary, if following a change in ownership or effective control or in the ownership of a substantial portion of assets (in each case, within the meaning of Section 280G of the Code), the tax imposed by Section 4999 of the Code or any similar or successor tax (the "Excise Tax") applies to any payments, benefits and/or amounts received by Executive pursuant to this Agreement or otherwise (collectively, the "Total Payments"), then the Total Payments shall be reduced (but not below zero) so that the maximum amount of the Total Payments (after reduction) shall be one dollar ($1.00) less than the amount which would cause the Total Payments to be subject to the Excise Tax; provided that such reduction to the Total Payments shall be made only if the total after-tax benefit to Executive is greater after giving effect to such reduction than if no such reduction had been made. If such a reduction is required, the Company shall reduce or eliminate the Total Payments by first reducing or eliminating any cash payments under this Agreement, then by reducing or eliminating any accelerated vesting of any long-term cash incentive awards, then by reducing or eliminating any other remaining Total Payments, in each case in reverse order beginning with the payments which are to be paid the farthest in time from the date of the transaction triggering the Excise Tax. The provisions of this Section 9.9 shall take

precedence over the provisions of any other plan, arrangement or agreement governing Executive's rights and entitlements to any benefits or compensation.

IN WITNESS WHEREOF, the parties have executed this Agreement on the date first set forth above.

Executive

Signature: /s/ Soo Lagasse

Soo Lagasse, Chief Human Resources Officer

Parsons Corporation

By: /s/ Carey Smith

Carey Smith

Its: Chief Executive Officer

Exhibit 31.1

CERTIFICATION PURSUANT TO
RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Carey A. Smith, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Parsons Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 29, 2026

By: /s/ Carey A. Smith
Carey A. Smith
Chief Executive Officer

Exhibit 31.2

CERTIFICATION PURSUANT TO
RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Matthew M. Ofilos, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Parsons Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 29, 2026

By: /s/ Matthew M. Ofilos
Matthew M. Ofilos
Chief Financial Officer

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Parsons Corporation (the “Company”) on Form 10-Q for the period ending March 31, 2026 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Carey A. Smith, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

Date: April 29, 2026

By: /s/ Carey A. Smith
Carey A. Smith
Chief Executive Officer

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Parsons Corporation (the “Company”) on Form 10-Q for the period ending March 31, 2026 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Matthew M. Ofilos, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

Date: April 29, 2026

By: /s/ Matthew M. Ofilos
Matthew M. Ofilos
Chief Financial Officer

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.