FOURTH QUARTER AND FISCAL YEAR 2022

Earnings Conference Call

February 15, 2023

FORWARD LOOKING STATEMENTS

This presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements are based on our current expectations, beliefs, and assumptions, and are not guarantees of future performance. Forward-looking statements are inherently subject to uncertainties, risks, changes in circumstances, trends and factors that are difficult to predict, many of which are outside of our control. Accordingly, actual performance, results and events may vary materially from those indicated in the forward-looking statements, and you should not rely on the forward-looking statements as predictions of future performance, results or events. Numerous factors could cause actual future performance, results and events to differ materially from those indicated in the forward-looking statements, including, among others: the impact of COVID-19; any issue that compromises our relationships with the U.S. federal government or its agencies or other state, local or foreign governments or agencies; any issues that damage our professional reputation; changes in governmental priorities that shift expenditures away from agencies or programs that we support; our dependence on long-term government contracts, which are subject to the government's budgetary approval process; the size of addressable markets and the amount of government spending on private contractors; failure by us or our employees to obtain and maintain necessary security clearances or certifications; failure to comply with numerous laws and regulations; changes in government procurement, contract or other practices or the adoption by governments of new laws, rules, regulations and programs in a manner adverse to us; the termination or nonrenewal of our government contracts, particularly our contracts with the U.S. government; our ability to compete effectively in the competitive bidding process and delays, contract terminations or cancellations caused by competitors' protests of major contract awards received by us; our ability to generate revenue under certain of our contracts; any inability to attract, train or retain employees with the requisite skills, experience and security clearances; the loss of members of senior management or failure to develop new leaders; misconduct or other improper activities from our employees or subcontractors; our ability to realize the full value of our backlog and the timing of our receipt of revenue under contracts included in backlog; changes in the mix of our contracts and our ability to accurately estimate or otherwise recover expenses, time and resources for our contracts; changes in estimates used in recognizing revenue; internal system or service failures and security breaches; and inherent uncertainties and potential adverse developments in legal proceedings including litigation, audits, reviews and investigations, which may result in material adverse judgments, settlements or other unfavorable outcomes. These factors are not exhaustive and additional factors could adversely affect our business and financial performance. For a discussion of additional factors that could materially adversely affect our business and financial performance, see the factors including under the caption "Risk Factors" in our Annual Report with the Securities and Exchange Commission pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the fiscal year ended December 31, 2022, on Form 10-K, filed on or about February 17, 2023, and our other filings with the Securities and Exchange Commission. All forward-looking statements are based on currently available information and speak only as of the date on which they are made. We assume no obligation to update any forward-looking statement made in this presentation that becomes untrue because of subsequent events, new information or otherwise, except to the extent we are required to do so in connection with our ongoing requirements under federal securities laws.

MAJOR MESSAGES

Strong Finish to Fiscal Year 2022

Record revenue and adjusted EBITDA results for Q4 and fiscal year 2022

- Achieved record revenue for Q4 and fiscal year 2022
  - Q4 2022 total revenue growth of 16% and organic growth of 9%
  - FY22 total revenue growth of 15% and organic growth of 9%
- Record adjusted EBITDA: $353M for FY22 and $98M for Q4
- Maintained hiring and retention momentum
- Contract wins worth $100 million or more: 11 for FY22 and 3 in Q4 2022
- Closed our largest acquisition since our IPO
- Continued recognition for ESG commitment
- Well positioned in two complementary and growing segments

2022 FINANCIAL PERFORMANCE

Double-digit revenue, adjusted EBITDA and cash flow growth

	2022 Guidance Mid-point	2022 Actuals	Highlights
Total Revenue	\$4.125B	\$4.195B	15% total revenue growth over FY21
Adjusted EBITDA	\$350M	\$353M	14% increase over the prior year
Cash Flow from Operations	\$265M	\$238M	16% increase over FY21. Q4 2022 cash flow lighter than expected as a result of timing on international receipts
Book to Bill	N/A	1.0x TTM	Total backlog of \$8.2B representing approximately 2 years of annual revenue 11 contract awards ≥ \$100M in 2022

Q4 2022 REVENUE

$1.1 Billion

NET INCOME

$28 Million

ADJUSTED EBITDA

$98 Million

CASH FLOW FROM OPERATIONS

$89 Million

BOOK-TO-BILL RATIO

1.0x Trailing 12-months of 1.0x

STRONG BALANCE SHEET

Net Debt Leverage Ratio Below 1.4x

Q4 2022 KEY HIGHLIGHTS

Strong finish to the year

- Delivered results above FY22 guidance mid-point for revenue and adjusted EBITDA
- Q4 2022 revenue growth of 16% over Q4 2021 with 9% organic growth
- Adjusted EBITDA margin of 8.9%
- Solid cash flow of $89M in Q4 2022

Continuing to win large contracts and positioned for growth

- Three contract wins > $100M; including expected value of $2B follow-on contract for remediation efforts on Giant Mine in the Northwest Territories of Canada
- Q4 2022 hiring increased 33% year-over-year and increased 42% for full year; employee retention ahead of industry benchmarks
- Total backlog of $8.2B representing ~ 2 years of annual revenue
- Critical Infrastructure segment benefiting from the ramp-up of new and existing contracts, including strong hiring

Strong balance sheet

- Net debt leverage ratio below 1.4x and undrawn borrowing capacity will enable Parsons to continue to make internal investments and accretive acquisitions to drive additional growth

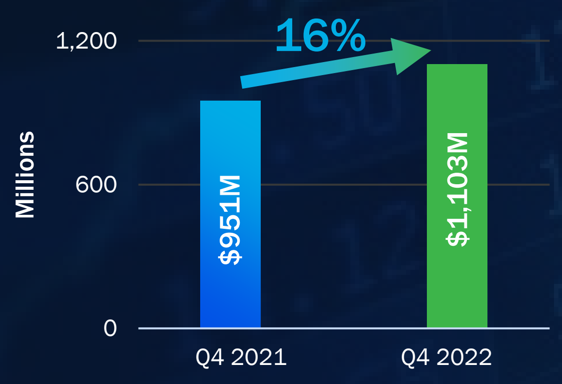
Establishing measured fiscal year 2023 guidance metrics

Q4 2022 FINANCIAL SUMMARY

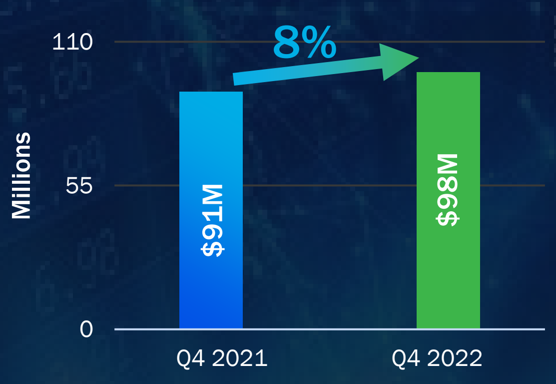
Record quarterly revenue and adjusted EBITDA, including strong organic

- Q4 2022 total revenue of $1,103M increased 16% and 9% organically from Q4 2021
- Adjusted EBITDA of $98M increased 8% from prior year period
- Cash flow from operations of $89M, compared to $90M in Q4 2021.
- Contract awards increased 34% from Q4 2021; Q4 2022 and TTM book-to-bill ratio of 1.0x

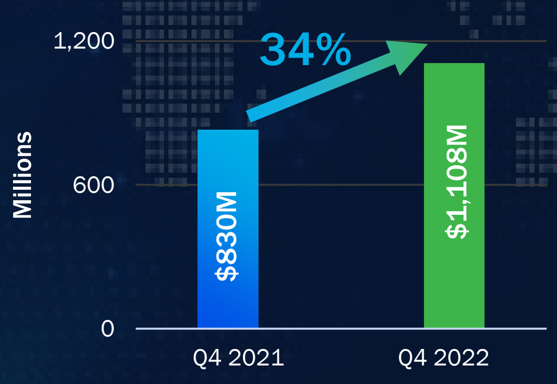
Q4 2022 Total Revenue



Adjusted EBITDA



Contract Awards

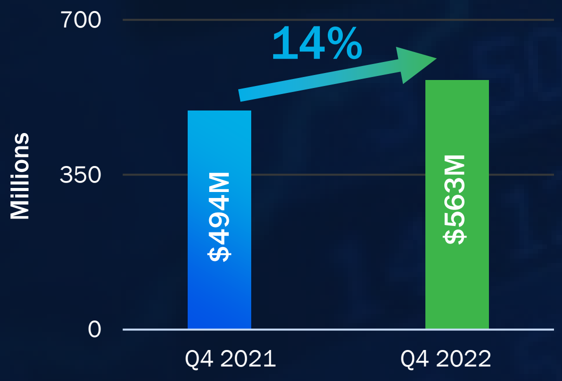


Q4 2022 BUSINESS SEGMENT SUMMARY

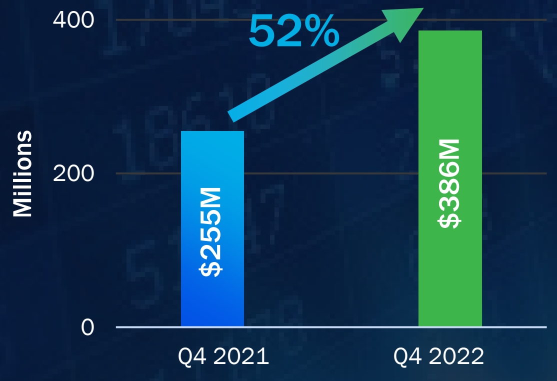
Federal Solutions

- Q4 2022 revenue increased 14% and 1% organically from Q4 2021
- Adjusted EBITDA of $48M decreased 8% from prior year period
- Contract awards increased 52% from the prior year period

Total Revenue



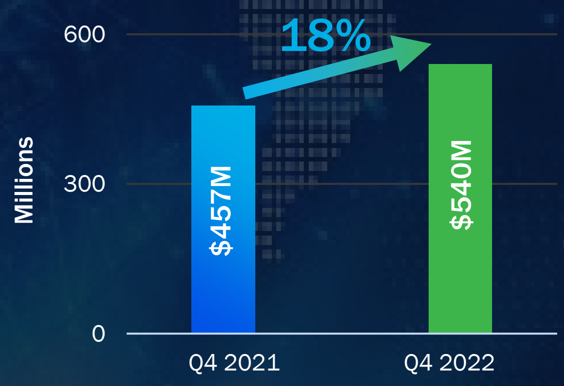
Contract Awards



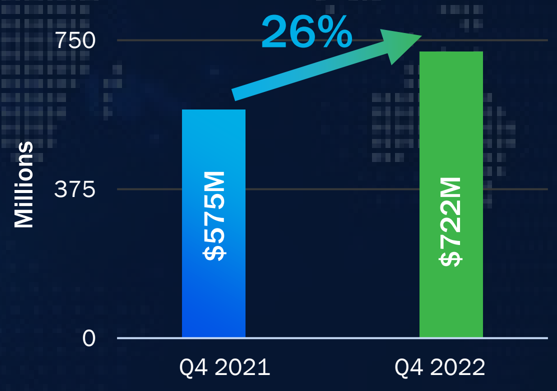
Critical Infrastructure

- Q4 2022 revenue increased 18% (all organic) from Q4 2021
- Adjusted EBITDA of $51M increased 30% from prior year period
- Contract awards increased 26% from the prior year period

Total Revenue



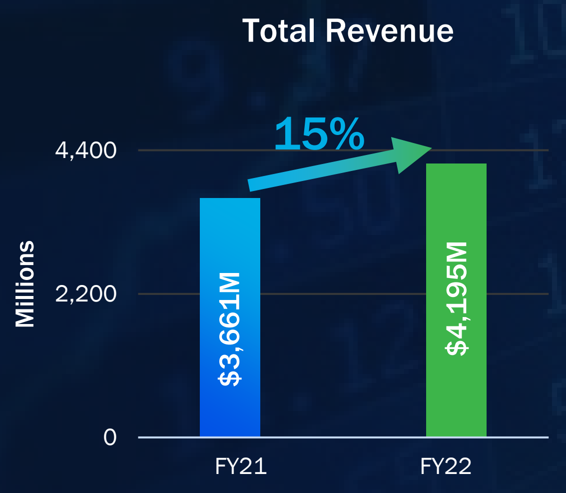
Contract Awards

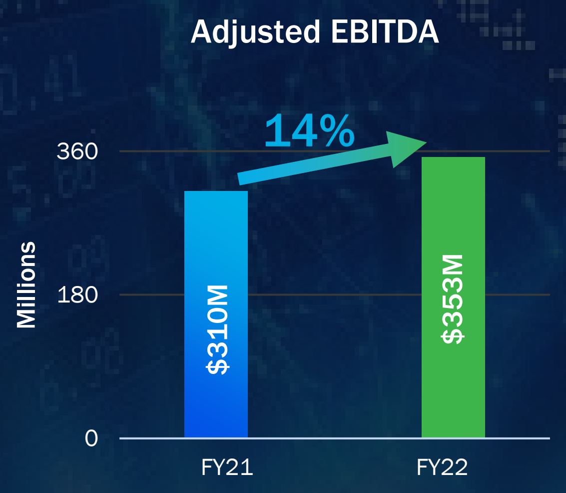


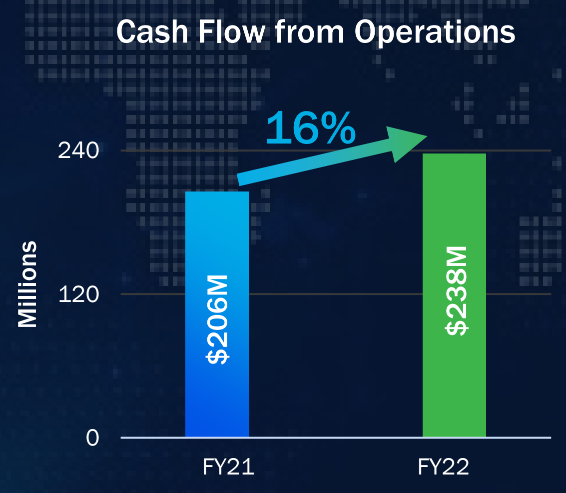
FY22 FINANCIAL SUMMARY

Record revenue and adjusted EBITDA, strong organic growth and cash flow from operations

- FY22 total revenue of $4,195M increased 15% and 9% organically from FY21; strong growth driven by hiring and execution in both the Critical Infrastructure and Federal Solutions business units
- Adjusted EBITDA of $353M increased 14% from prior year
- Cash flow from operations of $238M increased 16% from FY21





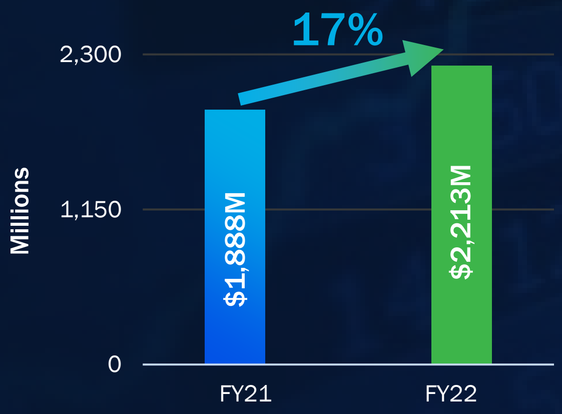


FY22 BUSINESS SEGMENT SUMMARY

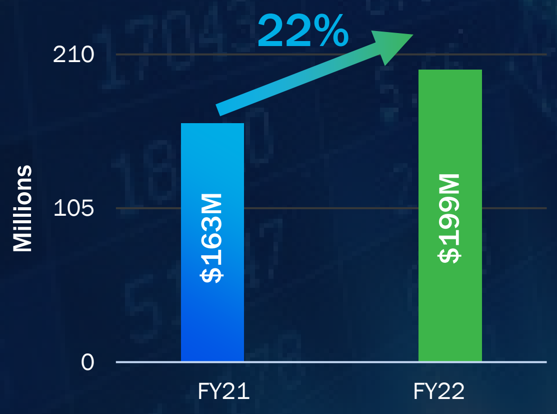
Federal Solutions

- FY22 revenue of $2.2B increased 17% and 6% organically from FY21
- Adjusted EBITDA of $199M increased 22% from prior year period
- Contract awards of $1.9B, 0.9x book-to-bill ratio in FY22

Total Revenue



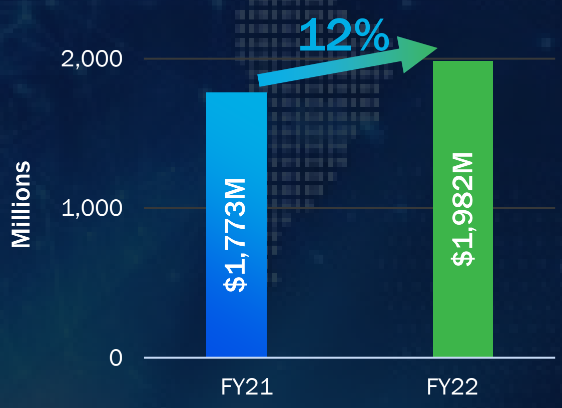
Adjusted EBITDA



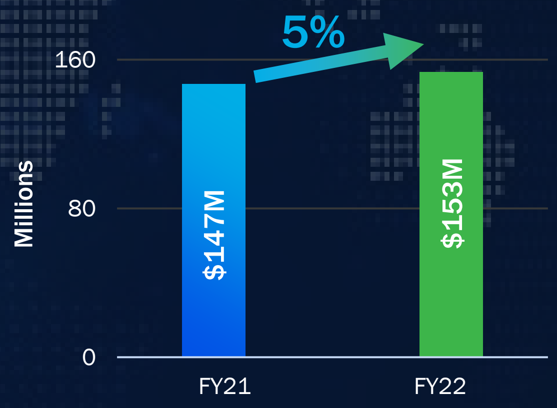
Critical Infrastructure

- FY22 revenue of $2.0B increased 12% (all organic) from FY21
- Adjusted EBITDA of $153M increased 5% from prior year period
- Contract awards of $2.4B, 1.2x book-to-bill ratio in FY22

Total Revenue



Adjusted EBITDA



SIGNIFICANT SINGLE-AWARD CONTRACT WINS

Awarded **~$2B**

Awarded a 12-year follow-on contract for environmental remediation on the Giant Mine program in Canada, which is one of the largest mine reclamation projects in the world. The expected value of this program to Parsons is approximately $2 billion, of which the company booked $270 million in the fourth quarter.

Awarded **$122M**

Awarded a $122 million option year contract for C5ISR, exercises, operations, and information services by the General Services Administration. Under this contract, the company booked $40 million in the fourth quarter of 2022. Parsons is pleased to support the Intelligence Community by providing critical global cyber and intelligence technologies.

Awarded **$119M**

Xator's OSIS II program received its second of five potential award years, valued at $119 million. Through OSIS II, Xator provides the Department of State with technical security installation and support services, operations centers and Counter Unmanned Aerial Systems services worldwide. Xator also won two task orders totaling $79 million under the Integrated Base Defense Security System contract to provide the U.S. Air Force with a platform that seamlessly integrates computing power, communications, and tools for situational awareness.

Awarded **$75M**

Won a single-award IDIQ contract to partner with a chemicals customer to develop and implement innovative and sustainable solutions for environmental remediation including emerging contaminants at both active and inactive manufacturing sites across North America. The total contract value for the five-year period is estimated at $75 million.

Awarded **$125M**

Awarded more than $125 million of contract wins on five different transportation projects, providing design expertise.

Awarded **$94M**

After the fourth quarter of 2022 ended, the company was awarded a $94 million single-award recompete contract from a classified customer for cyber capabilities development and support services.

CONTINUED RECOGNITION FOR ESG Excellence

2023 Gold Award – Top 10 employer designation by Military Friendly®

An advocacy program that sets standards that measure an organization's commitment, effort and success in creating sustainable and meaningful opportunity for the military community. Over 1,500 companies compete annually for this coveted designation. Parsons is pleased to have exceeded the standards of recruiting, hiring, supporting, retaining, and providing a culture of commitment, opportunity and advancement of veterans.

Gold Level - 2022 HIRE Vets Medallion Award

The Honoring Investments in Recruiting and Employing American Military Veterans Act (HIRE Vets Act) Medallion Program is the only federal award program that recognizes employers who are committed to veteran hiring, retention, and professional development.

Recognized as a top Best for Vets company by Military Times

This sought-after distinction recognizes organizations for their programs and policies that support veterans' post-military careers.

FISCAL YEAR 2023 GUIDANCE

	2022 Actuals	2023 Guidance	Growth at Mid-Point
Total Revenue	$4.2B	$4.375 - $4.575B	+7% (4% organic)
Adjusted EBITDA	$353M	$365 - $405M	+9% (20 bps)
Cash Flow from Operations	$238M	$270 - $330M	+26%

Top Line Drivers

- $8.2B of total backlog
- Both segments poised for increased spending
- Hiring and retention momentum
- Low re-compete rate (~ 5%)
- Strong win rates
- On-contract growth
- Robust balance sheet for investments

Bottom Line Drivers

- Operating leverage
- Higher equity in earnings
- Supply vs. Demand in a growing global infrastructure spend
- Growth in high margin markets
- Bid discipline
- Strong program execution

Net income guidance is not presented as the company believes volatility associated with interest, taxes, depreciation, amortization and other matters affecting net income, including but not limited to one-time and nonrecurring events and impact of M&A, will preclude the company from providing accurate net income guidance for fiscal year 2023.

FISCAL YEAR 2023 GUIDANCE ASSUMPTIONS

- ~ 53%-54% of total revenue to be generated from Federal Solutions segment at the mid-point
- Adjusted EBITDA margin of ~ 8.6% at the mid-point of the revenue guidance, up 20bps from 2022
- Net interest expense of ~ $24M
- GAAP effective tax rate of ~ 25%
- Adjusted net income diluted share count of ~ 106M shares, includes share repurchases of ~ $20M
- CapEx slightly less than ~ 1% of total revenue
- Equity-based compensation expenses of ~ $30M
- Depreciation and amortization expenses of ~ $112M, which includes ~ $68M of acquisition-related amortization

- FY23 guidance includes ~$10M of transaction and other expenses from prior acquisitions, but does not include future acquisitions
- **Patterns**:
  - Revenue: expect Q1 to be our lowest quarter of the year but up ~ 11% from Q1 2022. From Q1 onward, we expect sequential improvements through Q3 and then down sequentially in Q4 to get to guidance mid-point
  - Adjusted EBITDA $: expect Q1 2023 to be up ~ 6% from Q1 2022. From Q1 onward, we expect sequential improvements through Q3 and then down slightly in Q4 to get to guidance mid-point
  - Operating Cash Flow: expect typical seasonality with negative operating cash flow in Q1 of approximately $70M and then positive cash flow with sequential improvements throughout the year

APPENDIX: SUPPLEMENTAL MATERIALS

ADJUSTED EBITDA RECONCILIATION

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

	Three Months Ended		Twelve Months Ended	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
Net income attributable to Parsons Corporation	$28,131	$28,973	$96,664	$64,072
Interest expense, net	8,051	4,113	22,219	17,301
Income tax provision	12,014	5,258	39,657	23,636
Depreciation and amortization (a)	29,833	37,669	120,501	144,209
Net income attributable to noncontrolling interests	8,216	7,169	29,901	24,880
Equity-based compensation	8,540	4,476	24,354	19,601
Transaction-related costs (b)	1,784	2,696	16,270	11,965
Restructuring (c)	-	229	213	736
Other (d)	1,864	319	3,003	3,320
Adjusted EBITDA	$98,433	$90,902	$352,782	$309,720

(a) Depreciation and amortization for the three months and year ended December 31, 2022, is $25.5 million and $102.9 million, respectively, in the Federal Solutions Segment and $4.3 million and $17.6 million, respectively in the Critical Infrastructure Segment. Depreciation and amortization for the three months and year ended December 31, 2021, is $33.1 million and $125.7 million, respectively in the Federal Solutions Segment and $4.6 million and $18.5 million, respectively in the Critical Infrastructure Segment.

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

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

(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.

ADJUSTED EBITDA ATTRIBUTABLE TO NCI

PARSONS CORPORATION
Non-GAAP Financial Information
Computation of Adjusted EBITDA Attributable to Noncontrolling Interests
(in thousands)

	Three Months Ended		Twelve Months Ended	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
Federal Solutions Adjusted EBITDA attributable to Parsons Corporation	$47,717	$51,770	$199,004	$162,733
Federal Solutions Adjusted EBITDA attributable to noncontrolling interests	88	41	361	273
Federal Solutions Adjusted EBITDA including noncontrolling interests	$47,805	$51,811	$199,365	$163,006
Critical Infrastructure Adjusted EBITDA attributable to Parsons Corporation	42,365	31,855	123,385	121,700
Critical Infrastructure Adjusted EBITDA attributable to noncontrolling interests	8,263	7,236	30,032	25,014
Critical Infrastructure Adjusted EBITDA including noncontrolling interests	$50,628	$39,091	$153,417	$146,714
Total Adjusted EBITDA including noncontrolling interests	$98,433	$90,902	$352,782	$309,720

ADJUSTED NET INCOME ATTRIBUTABLE TO PARSONS

PARSONS CORPORATION
Non-GAAP Financial Information
Reconciliation of Net Income Attributable to Parsons Corporation to Adjusted Net Income Attributable to Parsons Corporation
(in thousands, except per share information)

	Three Months Ended		Twelve Months Ended	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
Net income attributable to Parsons Corporation	$28,131	$28,973	$96,664	$64,072
Acquisition related intangible asset amortization	19,314	27,105	78,189	103,153
Equity-based compensation	8,540	4,476	24,354	19,601
Transaction-related costs (a)	1,784	2,696	16,270	11,965
Restructuring (b)	-	229	213	736
Other (c)	1,864	319	3,003	3,320
Tax effect on adjustments	(5,565)	(6,617)	(29,452)	(32,584)
Adjusted net income attributable to Parsons Corporation	54,068	57,181	189,241	170,263
Adjusted earnings per share:				
Weighted-average number of basic shares outstanding	103,980	102,785	103,758	102,544
Weighted-average number of diluted shares outstanding (d)	105,036	103,628	104,566	103,210
Adjusted net income attributable to Parsons Corporation per basic share	$0.52	$0.56	$1.82	$1.66
Adjusted net income attributable to Parsons Corporation per diluted share	$0.51	$0.55	$1.81	$1.65

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

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

(c) 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.

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