

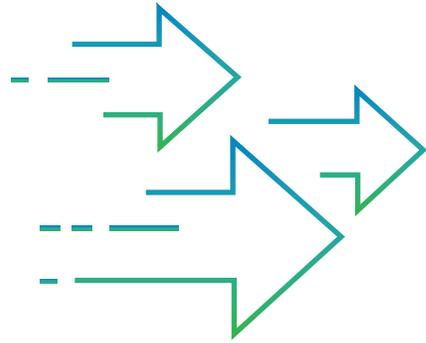
**PARSONS**

# Second Quarter 2019

Earnings Conference Call

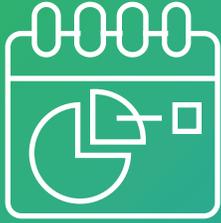
August 13, 2019

# 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: any issue that compromises our relationships with the U.S. federal government or its agencies or other state, local or foreign governments or agencies; any issues that damage our professional reputation; changes in governmental priorities that shift expenditures away from agencies or programs that we support; our dependence on long-term government contracts, which are subject to the government's budgetary approval process; the size of our addressable markets and the amount of government spending on private contractors; failure by us or our employees to obtain and maintain necessary security clearances or certifications; failure to comply with numerous laws and regulations; changes in government procurement, contract or other practices or the adoption by governments of new laws, rules, regulations and programs in a manner adverse to us; the termination or nonrenewal of our government contracts, particularly our contracts with the U.S. federal government; our ability to compete effectively in the

competitive bidding process and delays, contract terminations or cancellations caused by competitors' protests of major contract awards received by us; our ability to generate revenue under certain of our contracts; any inability to attract, train or retain employees with the requisite skills, experience and security clearances; the loss of members of senior management or failure to develop new leaders; misconduct or other improper activities from our employees or subcontractors; our ability to realize the full value of our backlog and the timing of our receipt of revenue under contracts included in backlog; changes in the mix of our contracts and our ability to accurately estimate or otherwise recover expenses, time and resources for our contracts; changes in estimates used in recognizing revenue; internal system or service failures and security breaches; and inherent uncertainties and potential adverse developments in legal proceedings, including litigation, audits, reviews and investigations, which may result in materially adverse judgments, settlements or other unfavorable outcomes. These factors are not exhaustive and additional factors could adversely affect our business and financial performance. For a discussion of additional factors that could materially adversely affect our business and financial performance, see the factors included under the caption "Risk Factors" in our Registration Statement on Form S-1 and our other filings with the Securities and Exchange Commission. All forward-looking statements are based on currently available information and speak only as of the date on which they are made. We assume no obligation to update any forward-looking statement made in this presentation that becomes untrue because of subsequent events, new information or otherwise, except to the extent we are required to do so in connection with our ongoing requirements under federal securities laws.



## Q2 REVENUE

---

\$990M +10% year-over-year

## NET INCOME OF \$40M

---

## ADJUSTED EBITDA MARGIN

---

7.7% +190 bps

## BOOK-TO-BILL

---

1.2x Trailing 12-months

## ACQUIRED QRC TECHNOLOGIES

---

## LEVERAGING STRONG BALANCE SHEET

---

# Q2 2019 Key Takeaways

## Second quarter results reflect strength in both business segments

- Revenue of \$990M, increases 10% year-over-year
  - Federal Solutions organic growth of 6.4%
- Adjusted EBITDA increases 45% to \$76 million; margin expands 190 bps to 7.7%
- GAAP and adjusted EPS impacted by IPO-related expenses and income tax adjustments
- Book-to-bill ratio of 1.2x for trailing 12-months
  - Federal Solutions segment: 1.2x trailing 12-months
  - Critical Infrastructure segment: 1.3x trailing 12-months
- Total backlog increases 10% to \$8.5 billion
- Federal Solutions' revenue contribution increases to 48% (38% in Q2 2018)

**Building on Strong M&A track record** with key acquisition of QRC, expands presence in software and hardware markets; enhances margins and revenue growth profile

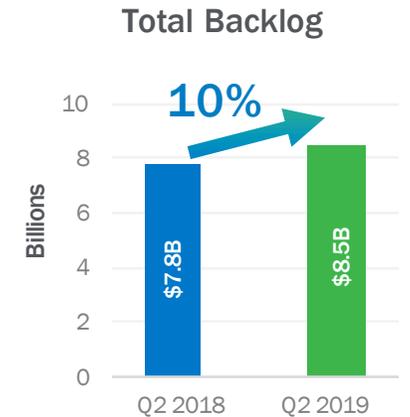
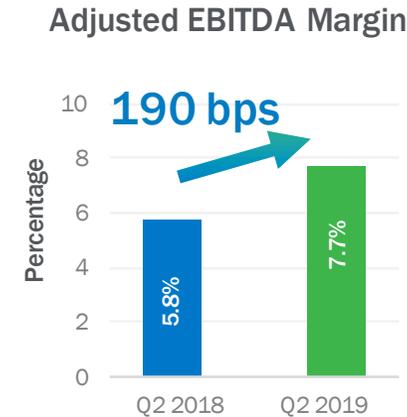
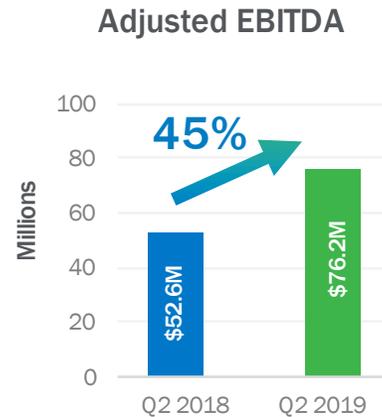
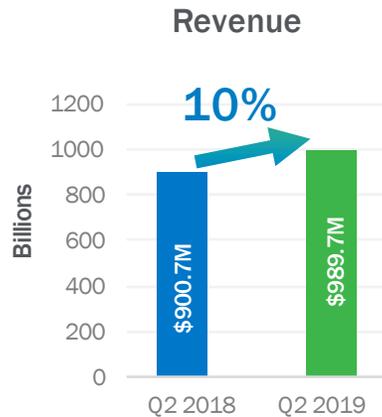
**Pro forma Net debt of approximately \$264M post QRC**, significant operating cash flow and borrowing capacity will enable ongoing investments in growth strategy. Pro forma net debt leverage ratio under 1.0x

# Second Quarter 2019 Financial Highlights



## Delivered strong revenue and profitability

- Revenue increase driven by acquisitions and organic growth in both federal solutions and critical infrastructure markets (ex. \$55M legal gain in Q2 2018)
- Organic revenue increased 3.2%
- Margin expansion continues and ability to win new business and grow existing contracts driving backlog growth
- Total backlog increased 10% from Q2 2018
- Adjusted EBITDA increased 45% and adjusted EBITDA margin improved by 190 bps
- Cash flow from operations of \$12M



# Business Segment Highlights

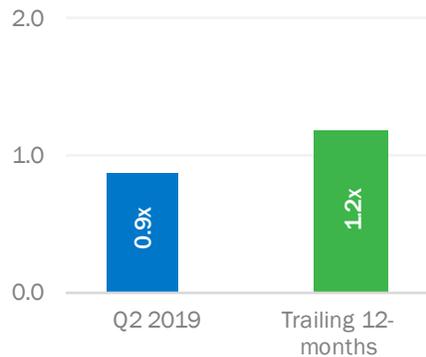


## Federal Solutions

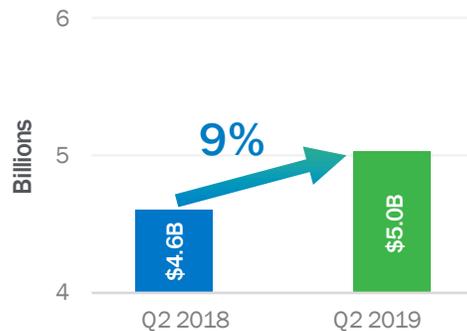
Achieves strong revenue and profitability

- Revenue increased 40% due to acquisitions and organic growth
- Organic revenue increased 6.4%; backlog increased 9%
- Adjusted EBITDA increased 5%, Adjusted EBITDA margin of 7.5%; impacted primarily by a greater allocation of corporate indirect G&A costs in-line with its growing share of the overall business

Book-to-Bill



Total Backlog

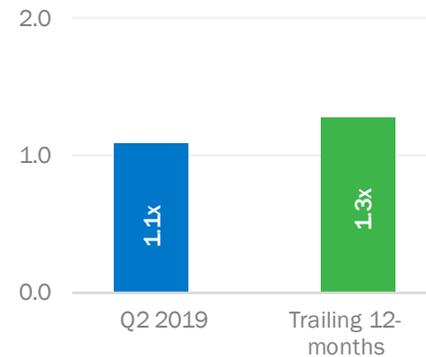


## Critical Infrastructure

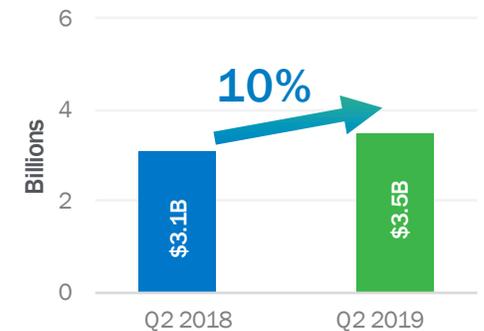
Delivered solid revenue and profitability growth

- Organic revenue increased 1.2% (excluding \$55M legal gain in Q2 2018)
- Adjusted EBITDA increased 117%; Adjusted EBITDA margin expands to 7.9%; expansion driven by higher equity in earnings of unconsolidated JV's and reduction in the allocation of indirect G&A expenses
- Total backlog increased 10%

Book-to-Bill



Total Backlog



# Strategic High-Growth M&A Continues



**QRC fits squarely within our Enhance, Extend, and Transform strategy and meets all of our financial and strategic criteria**



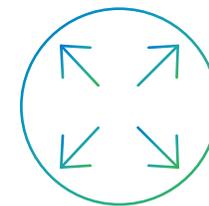
## Enhance

QRC Enhances our margins and revenue growth given their exceptional EBITDA margins ~ 30% range and robust revenue growth in the mid-20 percent range.



## Extend

QRC Extends our capabilities and customer base within the Special Operations Command and Intelligence Communities, as well as with the Navy and Marine Corp which enables us to augment QRC's products with our existing solutions offerings.



## Transform

This transaction is also consistent with our Transform strategy to build our technology and transactional revenue streams.

QRC expands our presence in the bespoke security software and hardware market.



QRC is an agile, disruptive product company that specializes in radio frequency spectrum survey, record and playback; signals intelligence; and electronic warfare missions. The acquisition closed on 7/31.

## Considerations

## QRC Strategic Attributes

### ▶ Product Portfolio

### ▶ Customer Focus

### ▶ Synergy Potential

### ▶ Financial Attributes

### ▶ Cultural Fit

- ✓ Highly scalable business model that builds upon our technology and transactional revenue streams
- ✓ Enhances our presence in the bespoke security software and hardware world, enabling us to deliver a total solution to our customers.
- ✓ Longstanding relationships with U.S. Special Operations, Intelligence Community and International customers
- ✓ Opportunity to integrate Parsons' artificial intelligence and machine learning capabilities into QRC's offerings to help expedite the creation of actionable intelligence for our customers
- ✓ Cross selling potential across Parsons' broader portfolio of DoD the IC customers
- ✓ Revenue growth in the mid 20% range with EBITDA margins ~ 30%
- ✓ Accretive to GAAP EPS in 2020 (excluding one-time transaction related costs)
- ✓ Experienced and committed QRC management team that is committed to the go forward vision
- ✓ Parsons and QRC engineering teams are already collaborating on new opportunities

# Winning Key Awards Across Both Markets

Q2 2019 Contract Wins



Awarded  
**\$147M**

\$147 million of additional scope on the Company's Ballistic Missile Defense System contracts with the Missile Defense Agency in areas including cyber, command and control, foreign military sales and targets and countermeasures



Awarded  
**\$140M**

Awarded more than \$140 million of new contracts for cybersecurity, software development, data analytics, systems engineering and integration, and mission system survivability by the Air Force Research Laboratory, Army Cyber, National Geospatial-Intelligence Agency, and the Defense Threat Reduction Agency



Awarded  
**\$87M**

Selected to serve as the lead designer for the \$1.2 billion Federal Way Link Extension project for Sound Transit in Seattle. Parsons' portion of this contract is currently worth \$87 million



Awarded  
**\$36M**

Awarded the program management contract for the California Delta Water Conveyance Modernization Project, a multi-billion dollar water transfer project to improve sustainability and reliability of the water supply for human and environmental uses from the Sacramento River. Parsons' initial contract value on this project is \$36 million with significant growth potential over the life of the program



Awarded  
**\$7.5B**

Selected as one of multiple awardees on the \$7.5 billion ceiling DISA Systems Engineering, Technology and Innovation contract, expanding the Company's robust IDIQ and OTA portfolio

# Recognized for CSR and Operational Excellence

---



## STEM Workforce Diversity

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



## ISO 27001 Certification

Achieved ISO 27001 certification, demonstrating the Company's commitment to operational excellence and world-class information security standards.



# Appendix: Supplemental Materials

---

# Adjusted EBITDA Reconciliation

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

	Three Months Ended		Six Months Ended	
	June 29, 2018	June 30, 2019	June 29, 2018	June 30, 2019
Net income attributable to Parsons Corporation	\$148,381	\$40,259	\$173,668	\$50,000
Interest expense, net	3,270	6,151	6,528	13,966
Income tax expense (benefit)	9,019	(53,496)	14,372	(51,610)
Depreciation and amortization	14,048	31,074	23,057	61,665
Net income (loss) attributable to noncontrolling interests	1,657	(114)	5,472	3,531
Litigation-related gains(a)	(132,004)	-	(129,674)	-
Amortization of deferred gain resulting from sale-leaseback transactions(b)	(1,829)	-	(3,642)	-
Equity based compensation(c)	5,049	43,311	8,149	47,161
Transaction-related costs(d)	4,930	7,715	5,055	17,070
Restructuring(e)	-	353	-	2,571
HCM software implementation costs(f)	337	586	337	3,498
Other(g)	(223)	366	143	377
<b>Adjusted EBITDA</b>	<b>\$52,635</b>	<b>\$76,205</b>	<b>\$103,465</b>	<b>\$148,229</b>

(a) Reversal of an accrued liability, with \$55.1 million recorded to revenue and \$74.6 million recorded to other income ("gain associated with claim on long-term contract") in our results of operations, associated with a lawsuit against a joint venture in which the Company is the managing partner. Please see "Note 14 – Commitments and Contingencies" in the Company's Form S-1/A filed on April 29, 2019, for a description of this matter, which was resolved in favor of the Company on June 13, 2018.

(b) Reflects recognized deferred gains related to sales-leaseback transactions.

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

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

(e) Reflects costs associated with our corporate restructuring initiatives.

(f) Reflects implementation costs incurred in connection with a new human resources and payroll application.

(g) Includes a combination of gain/loss related to sale of fixed assets and other individually insignificant items that are non-recurring in nature.

Note: 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. <sup>1</sup>Litigation related expenses (income) includes net adjustments related to the Los Angeles MTA settlement.

# Historical Adjusted EBITDA Reconciliation

	Quarter Ended				Year Ended	Quarter Ended
	March 30, 2018	June 29, 2018	September 28, 2018	December 31, 2018	December 31, 2018	March 31, 2019
<b>PARSONS CORPORATION</b>						
<b>Non-GAAP Financial Information</b>						
<b>Reconciliation of Net Income to Adjusted EBITDA</b>						
<b>(in thousands)</b>						
<b>Net income attributable to Parsons Corporation</b>	\$25,287	\$148,381	\$41,222	\$7,447	\$222,337	\$9,741
<b>Interest expense, net</b>	3,258	3,270	5,589	6,015	18,132	7,815
<b>Income tax expense</b>	5,353	9,019	4,154	1,841	20,367	1,886
<b>Depreciation and amortization</b>	9,009	14,048	23,599	23,213	69,869	30,591
<b>Net income attributable to noncontrolling interests</b>	3,815	1,657	4,844	6,783	17,099	3,645
<b>Litigation related expenses (income)(a)</b>	2,330	(132,004)	-	-	(129,674)	-
<b>Amortization of deferred gain resulting from sale-leaseback transactions(b)</b>	(1,813)	(1,829)	(1,798)	(1,813)	(7,253)	-
<b>Equity based compensation(c)</b>	3,100	5,049	5,049	3,289	16,487	3,850
<b>Transaction related costs(d)</b>	125	4,930	2,456	5,431	12,942	9,355
<b>Restructuring(e)</b>	-	-	-	-	-	2,218
<b>HCM implementation costs(f)</b>	-	337	3,032	2,000	5,369	2,912
<b>Other(g)</b>	366	(223)	417	9	569	11
<b>Adjusted EBITDA</b>	<b>\$50,830</b>	<b>\$52,635</b>	<b>\$88,564</b>	<b>\$54,215</b>	<b>\$246,244</b>	<b>\$72,024</b>

(a) The fiscal quarter ended March 30, 2018 reflects post-judgment expense recorded in “Interest and other expenses associated with claim on long-term contract”. The fiscal Quarter ended June 29, 2018 reflects the reversal of an accrued liability, with \$55.1 million recorded to revenue and \$74.6 million recorded to other income (“gain associated with claim on long-term contract”) in our results of operations, associated with a lawsuit against a joint venture in which the Company is the managing partner. Please see “Note 14 – Commitments and Contingencies” in the Company’s Form S-1/A filed on April 29, 2019, for a description of this matter, which was resolved in favor of the Company on June 13, 2018.

(b) Reflects recognized deferred gains related to sales-leaseback transactions.

(c) Reflects equity compensation costs related to cash settled awards. Please see a further discussion of these

awards in Management’s Discussion and Analysis of Financial Condition and Results of Operations in the Company’s Form 10-Q for the quarter ended June 30, 2019.

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

(e) Reflects costs associated with our corporate restructuring initiatives.

(f) Reflects implementation costs incurred in connection with a new human resources and payroll application.

(g) Includes a combination of gain/loss related to sale of fixed assets and other individually insignificant items that are non-recurring in nature.

Note: 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. <sup>1</sup>Litigation related expenses (income) includes net adjustments related to the Los Angeles MTA settlement.

# Adjusted Net Income Reconciliation

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

	Three Months Ended		Six Months Ended	
	June 29, 2018	June 30, 2019	June 29, 2018	June 30, 2019
<b>Net income attributable to Parsons Corporation</b>	<b>\$148,381</b>	<b>\$40,259</b>	<b>\$173,668</b>	<b>\$50,000</b>
<b>Deferred Tax Asset Recognition(a)</b>	-	(56,363)	-	(56,363)
<b>Acquisition-related intangible asset amortization</b>	<b>6,114</b>	<b>21,389</b>	<b>7,929</b>	<b>42,295</b>
<b>Litigation-related expenses(b)</b>	<b>(132,004)</b>	-	<b>(129,674)</b>	-
<b>Amortization of deferred gain resulting from sale-leaseback transactions(c)</b>	<b>(1,829)</b>	-	<b>(3,642)</b>	-
<b>Equity based compensation(d)</b>	<b>5,049</b>	<b>43,311</b>	<b>8,149</b>	<b>47,161</b>
<b>Transaction-related costs(e)</b>	<b>4,930</b>	<b>7,715</b>	<b>5,055</b>	<b>17,070</b>
<b>Restructuring(f)</b>	-	353	-	2,571
<b>HCM software implementation costs(g)</b>	<b>337</b>	<b>586</b>	<b>337</b>	<b>3,498</b>
<b>Other(h)</b>	<b>(223)</b>	<b>366</b>	<b>143</b>	<b>377</b>
<b>Tax effect on adjustments</b>	<b>1,513</b>	<b>(17,578)</b>	<b>1,438</b>	<b>(18,066)</b>
<b>Adjusted net income attributable to Parsons Corporation</b>	<b>32,268</b>	<b>40,038</b>	<b>63,403</b>	<b>88,543</b>
<b>Adjusted earnings per share:</b>				
<b>Weighted-average number of basic/diluted shares outstanding</b>	<b>81,074,264</b>	<b>92,336,119</b>	<b>81,460,285</b>	<b>85,248,801</b>
<b>Adjusted net income attributable to Parsons Corporation per basic/diluted share</b>	<b>\$0.40</b>	<b>\$0.43</b>	<b>\$0.78</b>	<b>\$1.04</b>

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

(b) Reversal of an accrued liability, with \$55.1 million recorded to revenue and \$74.6 million recorded to other income ("gain associated with claim on long-term contract") in our results of operations, associated with a lawsuit against a joint venture in which the Company is the managing partner. Please see "Note 14 - Commitments and Contingencies" in the Company's Form S-1/A filed on April 29, 2019, for a description of this matter, which was resolved in favor of the Company on June 13, 2018.

(c) Reflects recognized deferred gains related to sales-leaseback transactions.

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

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

(f) Reflects costs associated with our corporate restructuring initiatives.

(g) Reflects implementation costs incurred in connection with a new human resources and payroll application.

(h) Includes a combination of gain/loss related to sale of fixed assets and other individually insignificant items that are non-recurring in nature.

# Historical Adjusted Net Income Reconciliation

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

	Quarter Ended				Year Ended	Quarter Ended
	March 30, 2018	June 29, 2018	September 28, 2018	December 31, 2018	December 31, 2018	March 31, 2019
<b>Net income attributable to Parsons Corporation</b>	\$25,287	\$148,381	\$41,222	\$7,447	\$222,337	\$9,741
<b>Acquisition-related intangible asset amortization</b>	1,815	6,114	14,745	14,734	37,408	20,906
<b>Litigation-related expenses(a)</b>	2,330	(132,004)	-	-	(129,674)	-
<b>Amortization of deferred gain resulting from sale-leaseback transactions(b)</b>	(1,813)	(1,829)	(1,798)	(1,813)	(7,253)	-
<b>Equity based compensation(c)</b>	3,100	5,049	5,049	3,289	16,487	3,850
<b>Transaction-related costs(d)</b>	125	4,930	2,456	5,431	12,942	9,355
<b>Restructuring(e)</b>	-	-	-	-	-	2,218
<b>HCM software implementation costs(f)</b>	-	337	3,032	2,000	5,369	2,912
<b>Other(g)</b>	366	(223)	417	9	569	11
<b>Tax effect on adjustments</b>	(75)	1,513	(294)	(280)	864	(488)
<b>Adjusted net income attributable to Parsons Corporation</b>	<b>\$31,135</b>	<b>\$32,268</b>	<b>\$64,829</b>	<b>\$30,817</b>	<b>\$159,049</b>	<b>\$48,505</b>
<b>Adjusted earnings per share:</b>						
<b>Weighted-average number of basic/diluted shares outstanding</b>	<b>81,846,305</b>	<b>81,074,264</b>	<b>79,185,527</b>	<b>77,949,381</b>	<b>80,013,869</b>	<b>78,161,484</b>
<b>Adjusted net income attributable to Parsons Corporation per basic/diluted share</b>	<b>\$0.38</b>	<b>\$0.40</b>	<b>\$0.82</b>	<b>\$0.40</b>	<b>\$1.99</b>	<b>\$0.62</b>

(a) Reversal of an accrued liability, with \$55.1 million recorded to revenue and \$74.6 million recorded to other income ("gain associated with claim on long-term contract") in our results of operations, associated with a lawsuit against a joint venture in which the Company is the managing partner. Please see "Note 14 – Commitments and Contingencies" in the Company's Form S-1/A filed on April 29, 2019, for a description of this matter, which was resolved in favor of the Company on June 13, 2018.

(b) Reflects recognized deferred gains related to sales-leaseback transactions.

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

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

(e) Reflects costs associated with our corporate restructuring initiatives.

(f) Reflects implementation costs incurred in connection with a new human resources and payroll application.

(g) Includes a combination of gain/loss related to sale of fixed assets and other individually insignificant items that are non-recurring in nature.