

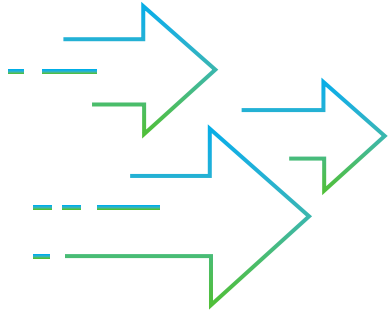


THIRD QUARTER 2022

Earnings Conference Call Presentation

November 2, 2022

FORWARD LOOKING STATEMENTS



This presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements are based on our current expectations, beliefs, and assumptions, and are not guarantees of future performance. Forward-looking statements are inherently subject to uncertainties, risks, changes in circumstances, trends and factors that are difficult to predict, many of which are outside of our control. Accordingly, actual performance, results and events may vary materially from those indicated in the forward-looking statements, and you should not rely on the forward-looking statements as predictions of future performance, results or events. Numerous factors could cause actual future performance, results and events to differ materially from those indicated in the forward-looking statements, including, among others: the impact of COVID-19; any issue that compromises our relationships with the U.S. federal government or its agencies or other state, local or foreign governments or agencies; any issues that damage our professional reputation; changes in governmental priorities that shift expenditures away from agencies or programs that we support; our dependence on long-term government contracts, which are subject to the government's budgetary approval process; the size of addressable markets and the amount of government spending on private contractors; failure by us or our employees to obtain and maintain necessary security clearances or certifications; failure to comply with numerous laws and regulations; changes in government procurement, contract or other practices or the adoption by governments of new laws, rules, regulations and programs in a manner adverse to us; the termination or nonrenewal of our government contracts, particularly our contracts with the U.S. government; our ability to compete effectively in the competitive bidding process and delays,

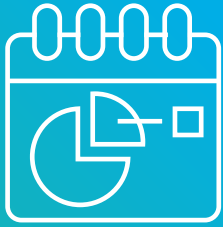
contract terminations or cancellations caused by competitors' protests of major contract awards received by us; our ability to generate revenue under certain of our contracts; any inability to attract, train or retain employees with the requisite skills, experience and security clearances; the loss of members of senior management or failure to develop new leaders; misconduct or other improper activities from our employees or subcontractors; our ability to realize the full value of our backlog and the timing of our receipt of revenue under contracts included in backlog; changes in the mix of our contracts and our ability to accurately estimate or otherwise recover expenses, time and resources for our contracts; changes in estimates used in recognizing revenue; internal system or service failures and security breaches; and inherent uncertainties and potential adverse developments in legal proceedings including litigation, audits, reviews and investigations, which may result in material adverse judgments, settlements or other unfavorable outcomes. These factors are not exhaustive and additional factors could adversely affect our business and financial performance. For a discussion of additional factors that could materially adversely affect our business and financial performance, see the factors including under the caption "Risk Factors" in our Annual Report with the Securities and Exchange Commission pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the fiscal year ended December 31, 2021, on Form 10-K, filed on February 23, 2022, and our other filings with the Securities and Exchange Commission. All forward-looking statements are based on currently available information and speak only as of the date on which they are made. We assume no obligation to update any forward-looking statement made in this presentation that becomes untrue because of subsequent events, new information or otherwise, except to the extent we are required to do so in connection with our ongoing requirements under federal securities laws.



MAJOR MESSAGES

Strong third Quarter 2022 Results

- Delivered strong third quarter financial results with record revenue and adjusted EBITDA
- Achieved year-over-year double-digit organic revenue growth in both business segments and grew adjusted EBITDA by 22% and contract awards by 21%. Operating cash flow increased by 59% year-over-year and by 28% for the first nine months of this year compared to prior year period
- Solid book-to-bill ratio of 1.1x; Federal Solutions and Critical Infrastructure also 1.1x
- Continued strong hiring and retention
- Well-positioned to benefit from growing budgets in both segments
- Further strengthened robust balance sheet
- Xator acquisition is making meaningful contributions to the company's results
- Raised midpoints of 2022 revenue, adjusted EBITDA, and cash flow guidance ranges



Q3 2022 REVENUE

\$1,134 Million

NET INCOME

\$30 Million

ADJUSTED EBITDA

\$103 Million

CASH FLOW FROM OPERATIONS

\$123 Million

BOOK-TO-BILL RATIO

1.1x Trailing 12-months of 1.0x

STRONG BALANCE SHEET

1.6x Net Debt Leverage Ratio

Q3 2022 KEY HIGHLIGHTS

Strong Q3 2022 financial results

- Revenue increased 19% year-over-year to \$1,134 million, includes organic growth of 11%
- Organic revenue growth driven by both segments: Critical Infrastructure 13% and Federal Solutions 10%
- Net income increased 53% to \$30 million
- Adjusted EBITDA increased 22% to \$103 million
- Book-to-bill ratio of 1.1x on contract awards growth of 21% in Q3 2022

Momentum Continues

- Strong results driven by sustained recruiting and retention, growing revenue on existing contracts, driving task orders to large single-award contracts, and operating effectively in two well-funded and growing markets
- Xator integration going well - revenue and profitability have been in line with our expectations, and they are exceeding their sales targets

Strong balance sheet

- 1.6x net debt leverage and over \$600M of undrawn revolver and term loan capacity will enable the company to continue making internal investments and accretive acquisitions

Increasing midpoints of 2022 revenue, adjusted EBITDA, and cash flow guidance ranges



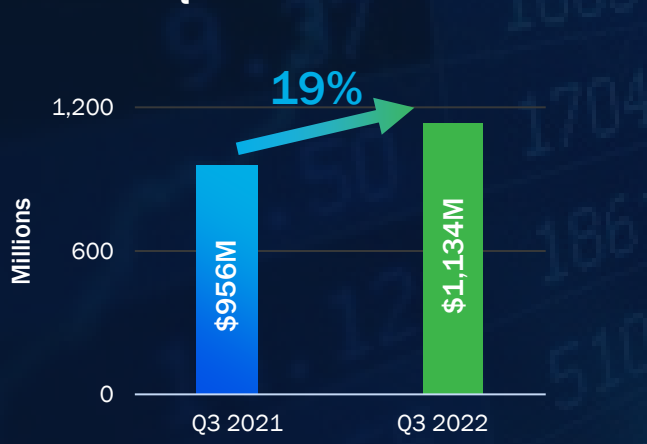
Q3 2022 FINANCIAL SUMMARY



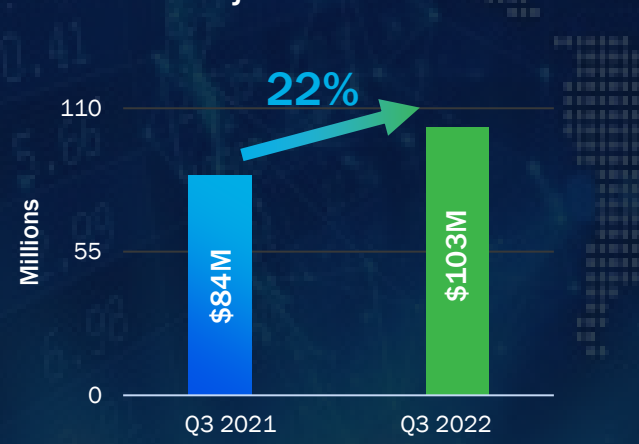
Record quarterly revenue and adjusted EBITDA, strong organic growth and contract awards

- Q3 2022 total revenue of \$1,134M increased 19% and 11% organically from Q3 2021
- Adjusted EBITDA of \$103M increased 22% from prior year period
- Net income increased 53% year-over-year to \$30M
- Cash flow from operations of \$123M, compared to \$77M in Q3 2021. For the 9-months ended 9/30/22, cash flow increased 28% from the prior year period
- Contract awards increased 21% from Q3 2021; Q3 2022 book-to-bill ratio of 1.1x; TTM ratio of 1.0x

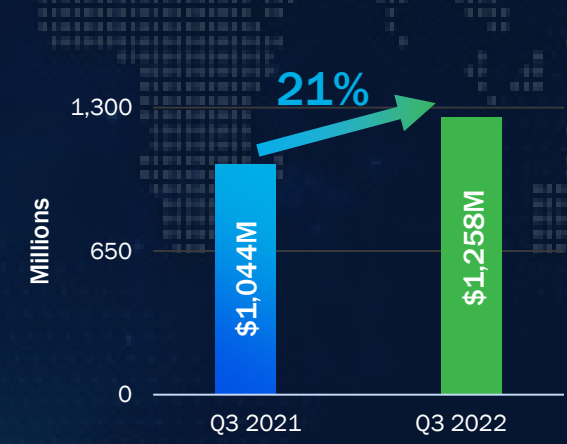
Q3 2022 Total Revenue



Adjusted EBITDA



Contract Awards



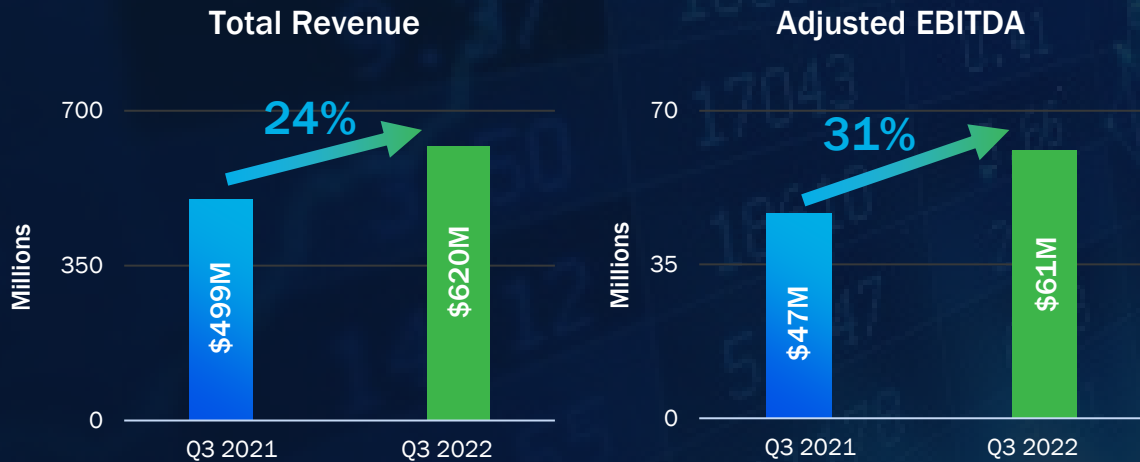


BUSINESS SEGMENT SUMMARY



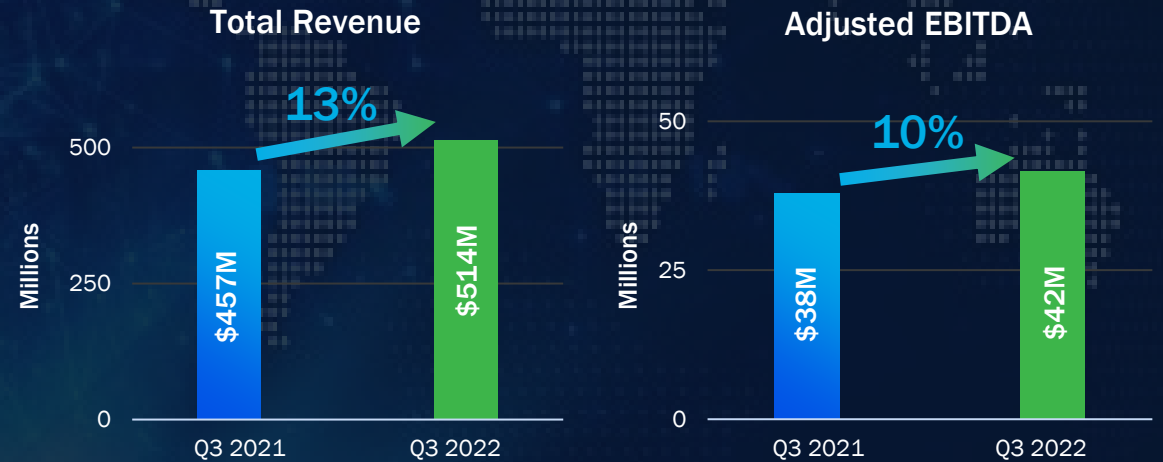
Federal Solutions

- Q3 2022 revenue increased 24% and 10% organically from Q3 2021
- Adjusted EBITDA increased 31% to \$61M; adjusted EBITDA margin increased to 9.9%
- Contract awards increased 22% from the prior year period; Q3 2022 book-to-bill ratio of 1.1x



Critical Infrastructure

- Q3 2022 revenue increased 13% (all organic) from Q3 2021
- Adjusted EBITDA increased 10% to \$42M; adjusted EBITDA margin decreased to 8.1%
- Contract awards increased 19% from the prior year period; Q3 2022 book-to-bill ratio of 1.1x





SIGNIFICANT CONTRACT WINS



Awarded
\$121M

Awarded a \$121 million option year on our Combatant Commands Cyber Mission Support contract, where we provide offensive and defensive cyber operations, and open-source intelligence in support of joint all-domain operations.



Awarded
\$120M

Awarded \$120 million of new work under two contracts to support the development of two major industrial cities in the Middle East. On these giga-projects, we only booked the first phase of each contract.



Awarded
\$117M

Awarded \$117 million of new project work under the FAA's Technical Support Services Contract to provide engineering, construction oversight, installation, and technical services. Over \$70 million of the growth on this contract was funded under the Infrastructure Investment and Jobs Act.



Awarded
\$104M

Awarded a \$104 million TEAMS Next Facilities Lifecycle Management re-compete contract to provide advisory and technical services support to the Missile Defense Agency.



SIGNIFICANT CONTRACT WINS (continued)



Awarded
\$75M

Award a \$75 million contract extension by a classified customer to provide comprehensive cyber vulnerability assessments for weapons systems.



Awarded
\$24M

Awarded a new \$24 million task order for the Army Corps of Engineers to perform remedial investigations and feasibility studies where PFAS and other contaminant releases have occurred. Parsons' emerging contaminant team has been aggressively pursuing opportunities and building market share with a total of over \$40 million in PFAS contract wins in both our federal solutions and critical infrastructure segments over the last nine months.



Awarded
>\$5B ceiling
>\$850M ceiling
>\$675M ceiling

Awarded prime positions on three multiple-award IDIQ contacts. The first one is a classified contract to provide offensive cyber operations with a \$5 billion ceiling value over 10 years. The second IDIQ win is for the Defense Threat Reduction Agency's Assessment, Exercise, and Modeling and Simulation Support contract with a \$850 million ceiling over 10 years. The third IDIQ is for the Huntsville U.S. Army Engineering and Support Center. This contract to provide electronic security systems design and maintenance has a \$675 million ceiling over seven years.



FISCAL YEAR 2022 GUIDANCE: INCREASING MIDPOINTS OF ALL GUIDANCE RANGES

	Current FY22 Guidance	Prior FY22 Guidance	FY22 Y/Y Growth at Mid-Point
Total Revenue	\$4.05 - \$4.20B	\$3.95 - \$4.15B	+13% (7% organic)
Adjusted EBITDA	\$340 - \$360M	\$330 - \$360M	+13%
Cash Flow from Operations	\$255 - \$275M	\$240 - \$280M	+29%

Net income guidance is not presented as the company believes volatility associated with interest, taxes, depreciation, amortization and other matters affecting net income, including but not limited to one-time and nonrecurring events and impact of M&A, will preclude the company from providing accurate net income guidance for fiscal year 2022.



FISCAL YEAR 2022 GUIDANCE ASSUMPTIONS

- ~ **53% - 54%** of total revenue to be generated from Federal Solutions segment at the mid-point
- Adjusted EBITDA margin of ~ **8.5%** at the mid-point of the revenue guidance
- Net interest expense of ~ **\$23M**
- GAAP effective tax rate of ~ **24%**
- Adjusted net income diluted share count of ~ **105M** shares
- Capital expenditures less than **1%** of total revenue
- Equity-based compensation expenses of ~ **\$23M**
- Depreciation and amortization expenses of ~ **\$121M**, which includes ~ **\$78M** of acquisition-related amortization
- FY22 guidance includes ~**\$18M** of transaction and other expenses from prior acquisitions, but **does not include future acquisitions**



APPENDIX: SUPPLEMENTAL MATERIALS



ADJUSTED EBITDA RECONCILIATION

PARSONS CORPORATION

Non-GAAP Financial Information Reconciliation of Net Income to Adjusted EBITDA

(in thousands)

	Three Months Ended		Nine Months Ended	
	September 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021
Net income attributable to Parsons Corporation	\$29,571	\$19,358	\$68,533	\$35,099
Interest expense, net	5,941	3,987	14,168	13,188
Income tax provision (benefit)	13,792	9,165	27,643	18,378
Depreciation and amortization (a)	29,578	37,232	90,668	106,540
Net income attributable to noncontrolling interests	14,024	7,411	21,685	17,711
Equity-based compensation	7,125	3,224	15,814	15,125
Transaction-related costs (b)	2,563	2,537	14,486	9,269
Restructuring (c)	-	357	213	507
Other (d)	93	1,121	1,139	3,001
Adjusted EBITDA	\$102,687	\$84,392	\$254,349	\$218,818

(a) Depreciation and amortization for the three and nine months ended September 30, 2022, is \$25.3 million and \$77.4 million, respectively, in the Federal Solutions Segment and \$4.3 million and \$13.3 million, respectively, in the Critical Infrastructure Segment. Depreciation and amortization for the three and nine months ended September 30, 2021, is \$32.4 million and \$92.6 million, respectively, in the Federal Solutions Segment and \$4.8 million and \$14.0 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		Nine Months Ended	
	September 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021
Federal Solutions Adjusted EBITDA attributable to Parsons Corporation	\$61,004	\$46,481	\$151,287	\$110,963
Federal Solutions Adjusted EBITDA attributable to noncontrolling interests	107	78	273	232
Federal Solutions Adjusted EBITDA including noncontrolling interests	\$61,111	\$46,559	\$151,560	\$111,195
Critical Infrastructure Adjusted EBITDA attributable to Parsons Corporation	27,545	30,371	81,020	89,845
Critical Infrastructure Adjusted EBITDA attributable to noncontrolling interests	14,031	7,462	21,769	17,778
Critical Infrastructure Adjusted EBITDA including noncontrolling interests	\$41,576	\$37,833	\$102,789	\$107,623
Total Adjusted EBITDA including noncontrolling interests	\$102,687	\$84,392	\$254,349	\$218,818



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		Nine Months Ended	
	September 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021
Net income attributable to Parsons Corporation	\$29,571	\$19,358	\$68,533	\$35,099
Acquisition related intangible asset amortization	19,071	27,039	58,875	76,048
Equity-based compensation	7,125	3,224	15,814	15,125
Transaction-related costs (a)	2,563	2,537	14,486	9,269
Restructuring (b)	-	357	213	507
Other (c)	93	1,121	1,139	3,001
Tax effect on adjustments	(8,361)	(8,595)	(23,887)	(25,967)
Adjusted net income attributable to Parsons Corporation	50,062	45,041	135,173	113,082
Adjusted earnings per share:				
Weighted-average number of basic shares outstanding	103,608	102,478	103,684	102,464
Weighted-average number of diluted shares outstanding (d)	104,526	103,230	104,431	103,101
Adjusted net income attributable to Parsons Corporation per basic share	\$0.48	\$0.44	\$1.30	\$1.10
Adjusted net income attributable to Parsons Corporation per diluted share	\$0.48	\$0.44	\$1.29	\$1.10

(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.