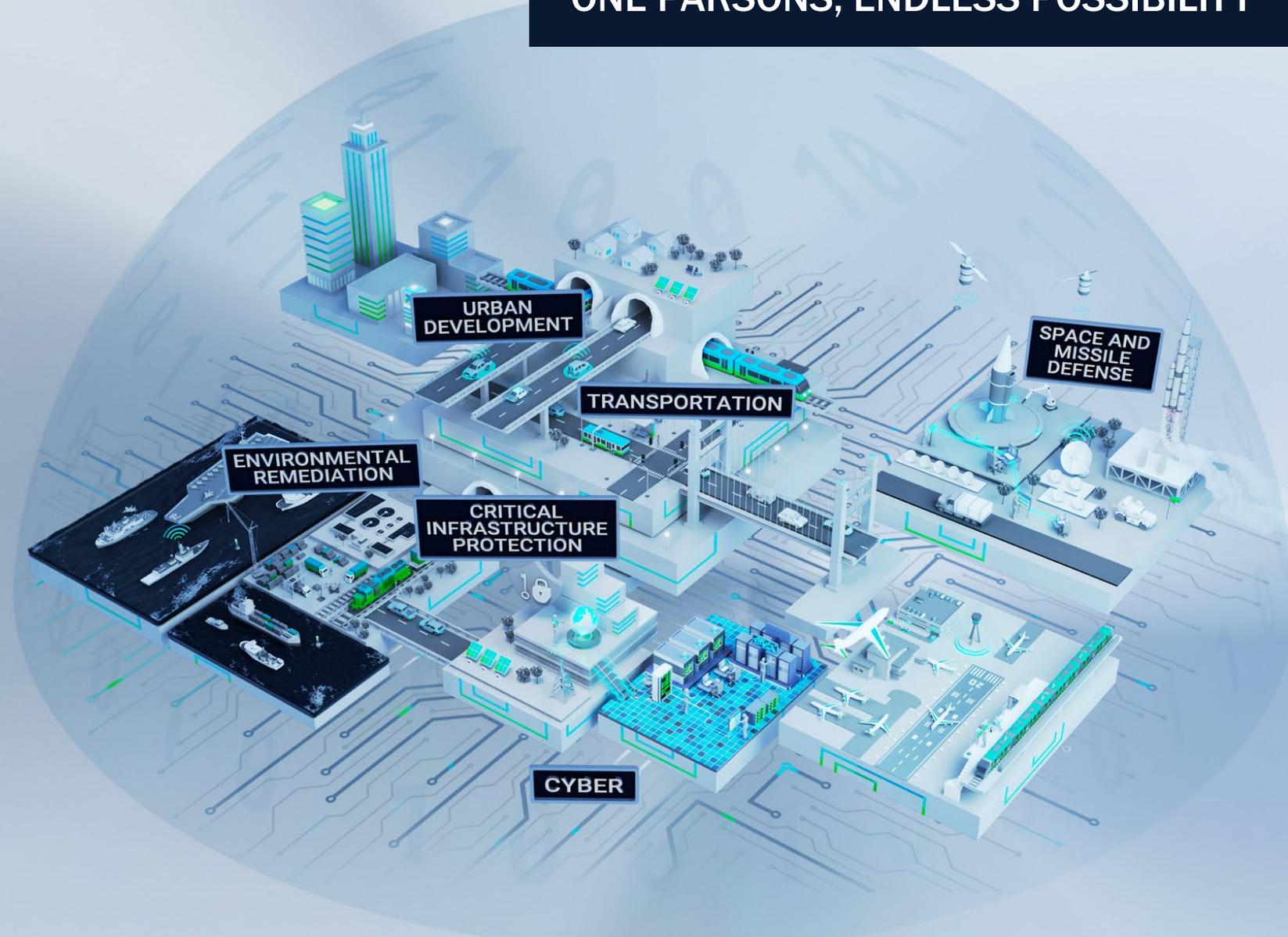




ONE PARSONS, ENDLESS POSSIBILITY

# INVESTOR DAY

March 15, 2023



# AGENDA

**ONE PARSONS,  
ENDLESS POSSIBILITY**

## Strategic Vision and Investment Thesis

- Carey Smith, Chair, President, and Chief Executive Officer

## Business Group Leader Panel Discussion

- Paul Decker, President, Defense & Intelligence
- Mark Fialkowski, President, Mobility Solutions
- Jon Moretta, President, Engineered Systems
- Peter Torrellas, President, Connected Communities
- Jason Yaley, Chief Communications Officer

## Financial Overview

- Matt Ofilos, Chief Financial Officer

## Executive Q&A and Closing Remarks

- Carey Smith & Matt Ofilos

## Demonstrations & Lunch

- Ricardo Lorenzo, Chief Technology Officer

# FORWARD LOOKING STATEMENTS

The statements made during Investor Day and the material included therewith contain 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 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 statements made during Investor Day that becomes untrue because of subsequent events, new information of otherwise, except to the extent we are required to do so in connection with our ongoing requirements under federal securities laws.

# NON-GAAP FINANCIAL INFORMATION

This presentation includes certain non-GAAP financial measures, such as Adjusted EBITDA, Adjusted EBITDA Margin, Adjusted Net Income, Free Cash Flow, Free Cash Flow Conversion, Net Debt and Net Debt Leverage.

These are not measures of financial performance under generally accepted accounting principles in the U.S. ("GAAP") and, accordingly, these measures should not be considered in isolation or as a substitute for the comparable GAAP measures and should be read in conjunction with the Company's consolidated financial statements prepared in accordance with GAAP.

Management believes that these non-GAAP measures provide another measure of the Company's results of operations and financial condition, including its ability to comply with financial covenants. These non-GAAP measures are frequently used by financial analysts covering Parsons Corporation and its peers. The Company's computation of its non-GAAP measures may not be comparable to similarly titled measures reported by other companies, thus limiting their use for comparability.

# NON-GAAP FINANCIAL INFORMATION

Adjusted EBITDA is computed by adjusting net income or loss attributable to Parsons Corporation for the following:

- Exclude interest expense (net of interest income).
- Exclude provision for income taxes.
- Exclude depreciation and amortization.
- Include net income or loss attributable to noncontrolling interests.
- Exclude equity-based compensation.
- Exclude transaction-related costs.
- Exclude restructuring costs.
- Exclude other non-operational income or expense to include asset impairment charges, significant non-recurring litigation-related expenses, deferred gains related to sales-leaseback transactions, gain or loss related to sale of fixed assets, software implementation costs, and other individually insignificant items that are non-recurring in nature.

Adjusted EBITDA margin is computed by dividing Adjusted EBITDA by Revenue.

Free Cash Flow (“FCF”) is computed by subtracting capital expenditures from Cash Flow from operating activities.

Adjusted Net Income is computed by adjusting net income or loss attributable to Parsons Corporation for the following:

- Exclude deferred tax asset recognition as a result of the company converting from an S-Corporation to a C-Corporation.
- Exclude acquisition related intangible asset amortization.
- Exclude equity-based compensation.
- Exclude transaction-related costs.
- Exclude restructuring costs.
- Exclude other non-operational income or expense to include asset impairment charges, significant non-recurring litigation-related expenses, deferred gains related to sales-leaseback transactions, gain or loss related to sale of fixed assets, software implementation costs, and other individually insignificant items that are non-recurring in nature.

Free Cash Flow (“FCF”) Conversion is computed by dividing Free Cash Flow by Adjusted Net Income.

Net Debt is computed by subtracting cash and cash equivalents from total debt, excluding lease liabilities.

Net Debt Leverage is computed by dividing Net Debt by trailing twelve months Adjusted EBITDA as of the balance sheet date.



ONE PARSONS, ENDLESS POSSIBILITY

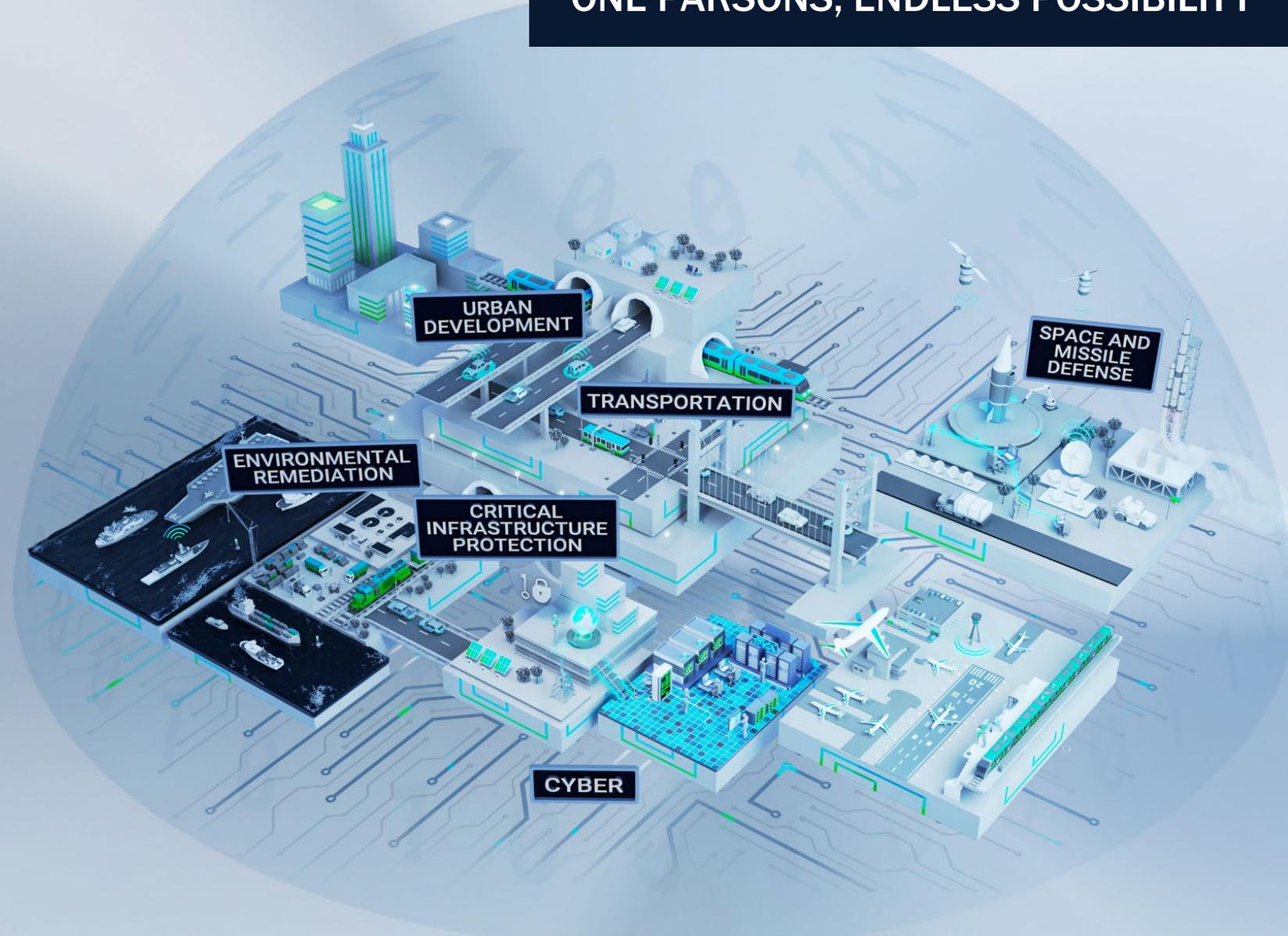
# CEO REMARKS

INVESTOR DAY 2023

**Carey Smith**

Chair, President, and Chief Executive Officer

March 15, 2023



# DRIVING ENDURING ORGANIC GROWTH



# INVESTMENT THESIS



Experienced management team that delivers on commitments



People-first culture and mission focus attracts destination employees



All six end-markets are growing, enduring, and profitable



Distinguished national security portfolio positioned to deliver solutions that outpace near-peer threats



Unprecedented global infrastructure spending



Favorable financial outlook and proven, effective capital deployment strategy

# GROWTH STRATEGY

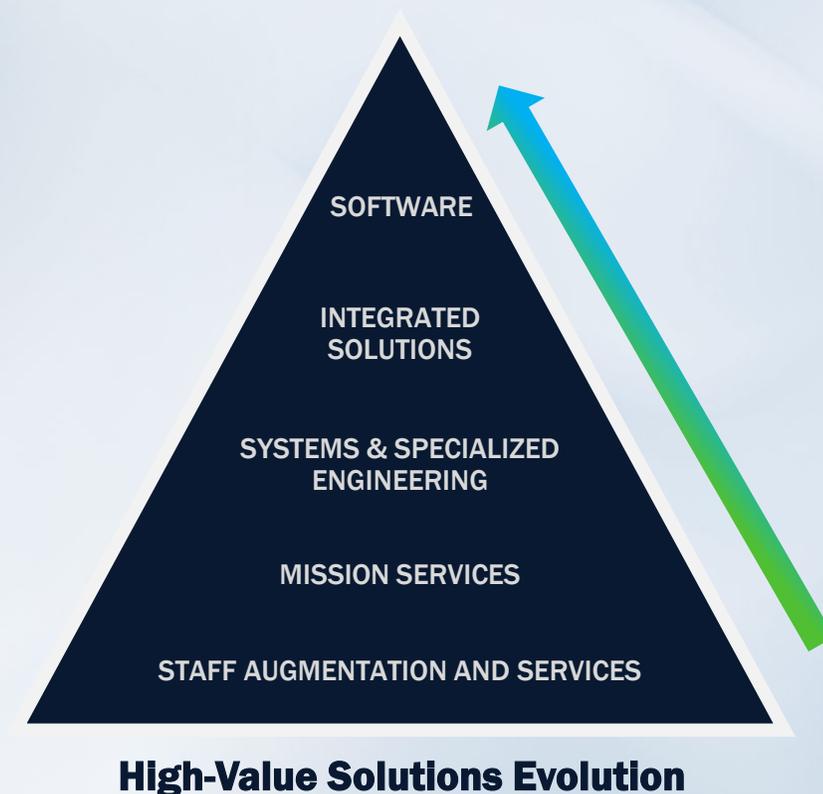
Invest in **software and integrated solutions** to move up the value chain and win larger, more profitable contracts

Create an exquisite federal company that delivers operationally relevant **cyber, space and missile defense solutions**

Be the “**build back smarter**” pioneer exploiting digital technology to upgrade our **global infrastructure**

Leverage unique portfolio and deep market understanding to ensure **critical infrastructure protection for transportation, utility, water, and facility sectors** to defend against evolving threats

Preferred acquirer and integrator of selective and accretive assets





# COLLABORATIVE EXPERIENCED MANAGEMENT TEAM

Driven by a High-Value Purpose and Focused on People-First Culture

**Paul Decker**  
President, Defense And Intelligence

**Carey Smith**  
Chair, President, And Chief Executive Officer

**Jon Moretta**  
President, Engineered Systems

**Michael Kolloway**  
Chief Legal Officer

**Susan Balaguer**  
Chief Human Resources Officer

**Jason Yaley**  
Chief Communications Officer

**Matt Ofilos**  
Chief Financial Officer

**Wendy Van Wickle**  
Chief Business Operations Officer

**Ricardo Lorenzo**  
Chief Technology Officer

**Peter Torrellas**  
President, Connected Communities

**Mark Fialkowski**  
President, Mobility Solutions

**Tim Schmitt**  
Chief Development Officer



**~17,000**  
Employees



**23**  
Countries and All 50 States



**25%**  
Cleared Personnel



**~20%**  
MILVET in US Workforce Population



**50%**  
Advanced Degrees

# IMAGINE NEXT

A Leader in Advanced Technology Solutions

## VISION

Parsons' vision is to **create the future of national security and global infrastructure** to deliver a better world.

## MISSION

In a complex security environment with adversaries challenging on every domain and an economy driven by digital transformation, Parsons leverages **innovative technologies to deliver integrated solutions at the speed of relevance.**

### CORE MARKETS



Cyber and Intelligence



Space and Missile Defense



Transportation



Critical Infrastructure Protection



Environmental Remediation



Urban Development

# MARKET-LEADING CAPABILITIES

## CYBER AND INTELLIGENCE



Offensive/  
Defensive

Cyber tools,  
platforms, and  
operations

Converged cyber,  
electronic warfare,  
information  
operations

Critical  
infrastructure

## SPACE AND MISSILE DEFENSE



Launch Vehicle  
Integration

Space Domain  
Awareness

Hypersonics

Integrated Air and  
Missile Defense

Ground Systems

Assured Position,  
Navigation, and  
Timing

## TRANSPORTATION



Intelligent  
Transportation  
Systems

Aviation

Rail and transit

Bridges

Roads & Highways

## CRITICAL INFRASTRUCTURE PROTECTION



Electronic Security  
Systems

Identity/Biometrics

Counter-unmanned  
aircraft systems

Biosurveillance

## ENVIRONMENTAL REMEDIATION



Mine reclamation

Water and  
wastewater  
treatment

PFAS Remediation

Oil plugging &  
abandonment

## URBAN DEVELOPMENT



Owner's Engineer

Program  
Management

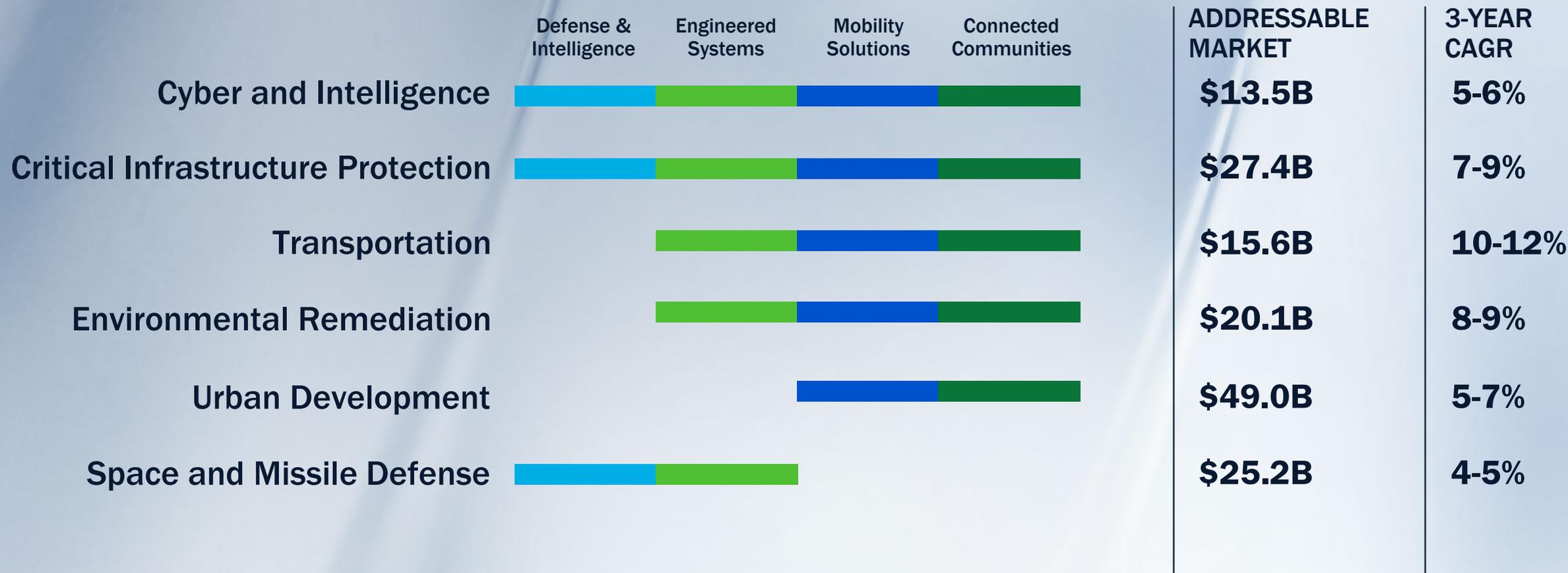
Planning and  
Design

# MACROENVIRONMENT



**Parsons' Growth Driven By Addressing Emerging Challenges**

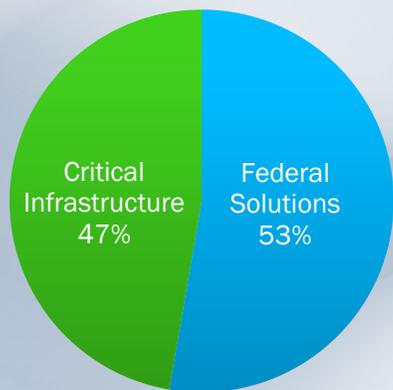
# PORTFOLIO ALIGNED FOR GROWTH



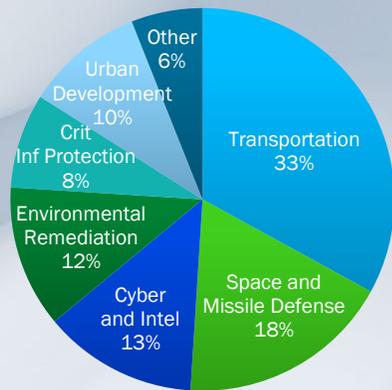
Sources: Bloomberg, Avascent, MarketsandMarkets, Grandview Research, and internal analysis

# BALANCED, STABLE PORTFOLIO

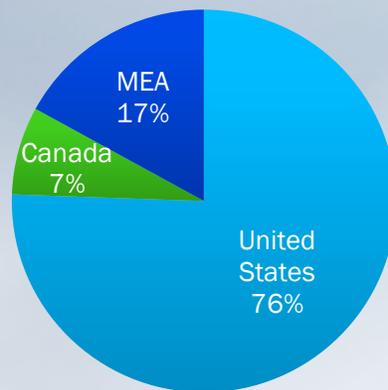
Unique & Complementary Advantages



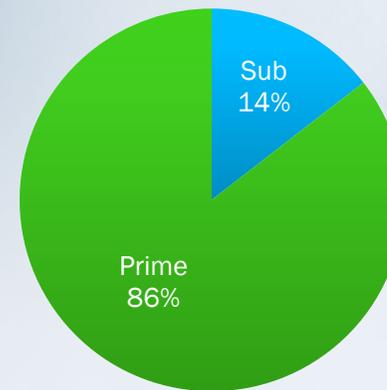
Balanced Portfolio



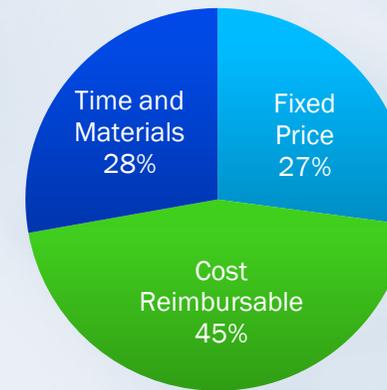
Growing End Markets



Global Footprint



Priming Driving Growth



Higher Margin

# MILESTONE AWARDS ACROSS KEY MARKETS



## CYBER AND INTELLIGENCE

Combatant Commands Cyber Mission Support (CCMS) option year: **\$118M**

C5ISR, exercise, operations, and information services (CEOIS) option year: **\$121M**



## SPACE AND MISSILE DEFENSE

Missile Defense Agency TEAMS Facilities: **\$104M**

Space Operations: **\$78M**



## TRANSPORTATION

Riyadh Metro Program: **\$148M**

Federal Aviation Administration: **\$233M**



## CRITICAL INFRASTRUCTURE PROTECTION

Technical Security: **\$230M**

Intelligence Community Security: **\$133M**



## ENVIRONMENTAL REMEDIATION

Giant Mine: **\$270M\***

Emerging Contaminants: **\$108M**



## URBAN DEVELOPMENT

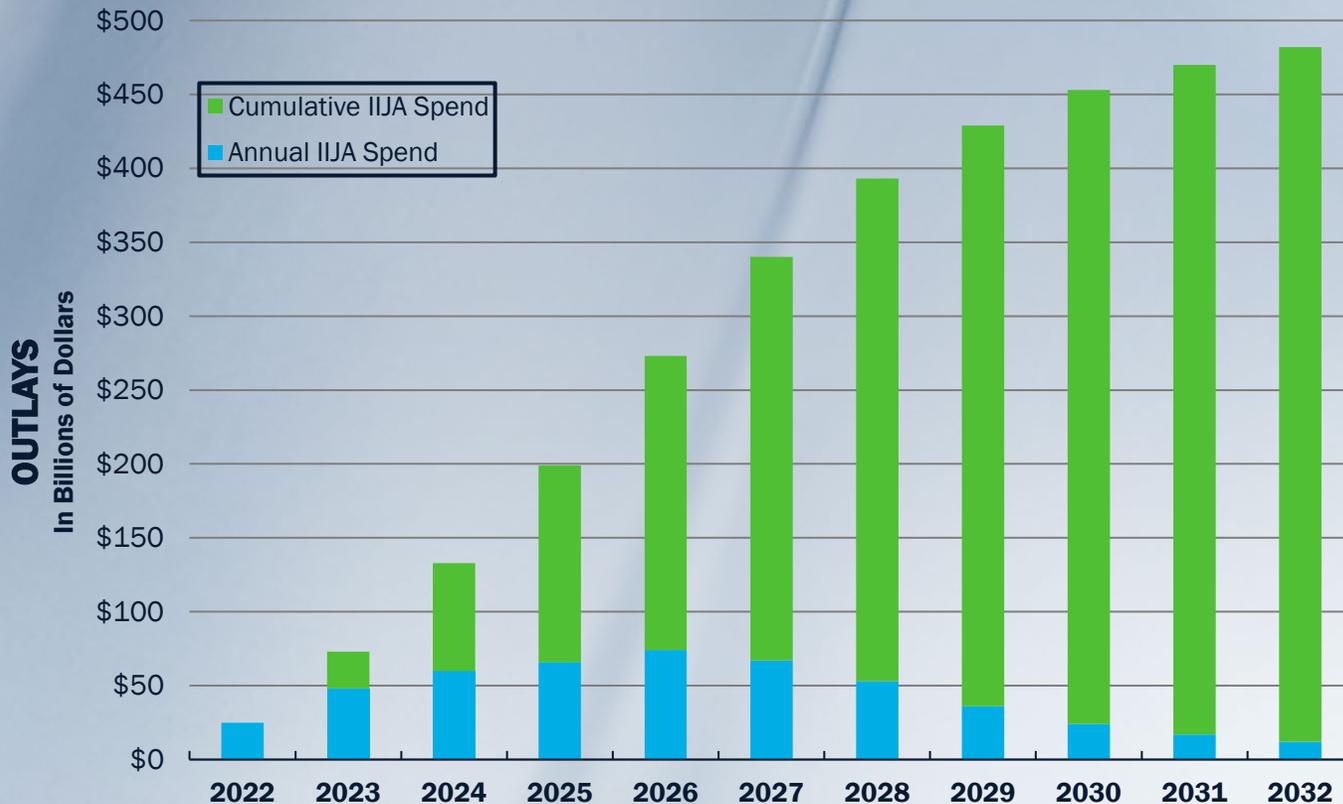
Future Cities: **\$327M\***

Entertainment/Recreation: **\$157M\***

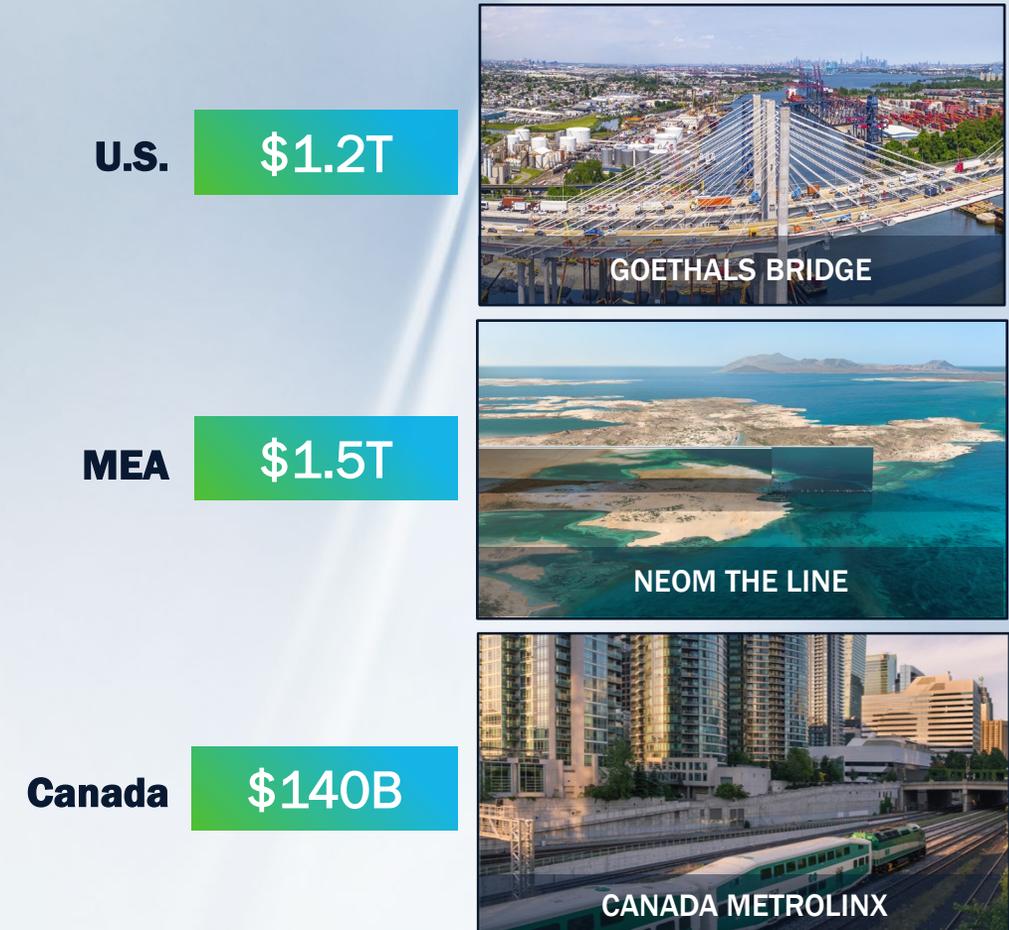
\* Represents Bookings for 2022 vs Total Contract Value Awarded in 2022

# CAPTURING GLOBAL INFRASTRUCTURE SPENDING

## NEW IIJA SPENDING PROJECTIONS



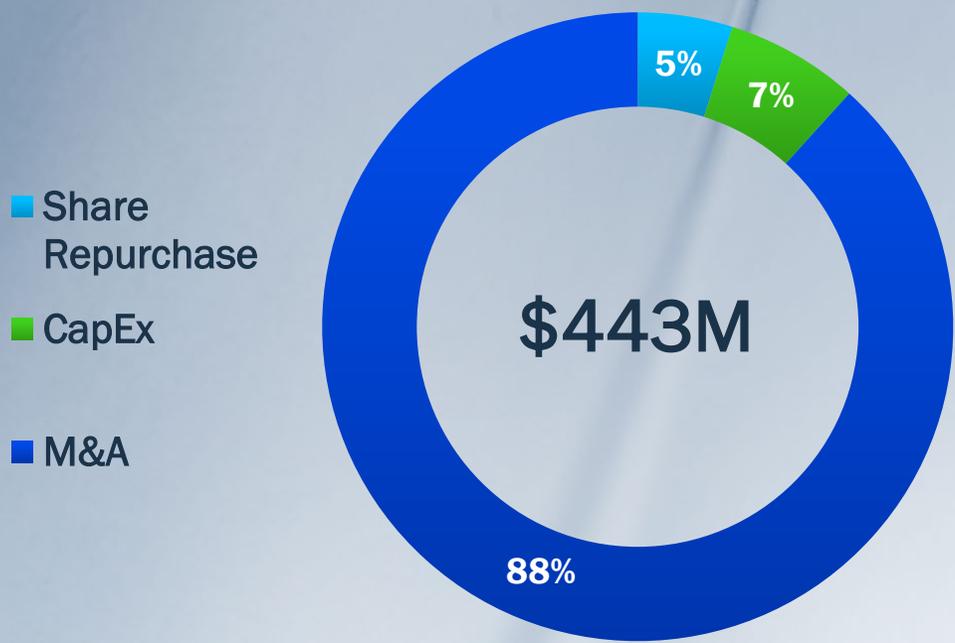
## GLOBAL INVESTMENTS IN INFRASTRUCTURE



Sources: Congressional Budget Office: An Analysis of the President's 2023 Budget, September 2022; H.R.3684 - Infrastructure Investment and Jobs Act; Infrastructure Canada: Investing in Canada Plan – Building a Better Canada; MEED (formerly Middle East Economic Digest)

# DISCIPLINED CAPITAL DEPLOYMENT

## 2022 CAPITAL DEPLOYMENT



## FUTURE CAPITAL DEPLOYMENT PRIORITIES

- Selective, accretive acquisitions
- Share repurchases of ~\$20M/year
- CapEx ~1% of revenue
- Excess cash used for debt repayment

Maintain 1.0X–2.5X target leverage ratio

# TECHNOLOGY DIFFERENTIATION

 <b>SECURE AND CONNECTED ECOSYSTEM</b>	 <b>PRECISION SENSING AND EFFECTS</b>	 <b>DIGITALIZATION AND AUTONOMY</b>	 <b>ENVIRONMENTAL IMPROVEMENT</b>
<ul style="list-style-type: none"> <li>▪ Connected battlespace</li> <li>▪ Cyber solutions</li> <li>▪ Cognitive/Smart cities</li> <li>▪ Critical infrastructure protection</li> <li>▪ Urban development</li> <li>▪ Connected transportation</li> </ul>	<ul style="list-style-type: none"> <li>▪ Space</li> <li>▪ Missile defense</li> <li>▪ Electronic warfare</li> <li>▪ Directed energy</li> </ul>	<ul style="list-style-type: none"> <li>▪ Counter UAS</li> <li>▪ Biometrics</li> <li>▪ Digital twin</li> <li>▪ AI/ML</li> <li>▪ Data analytics and processing</li> <li>▪ Command and control</li> </ul>	<ul style="list-style-type: none"> <li>▪ PFOS/PFAS elimination</li> <li>▪ Mine reclamation</li> <li>▪ Well plugging and abandonment</li> <li>▪ Water/wastewater treatment</li> </ul>

# ESG: A BUSINESS ENABLER



## ENVIRONMENTAL

- **17% Reduction in Greenhouse Gas Emissions (scopes 1 and 2) from '19-'21 vs goal of 20% by 2025**
  - New Reduction target of 45% from '21-'31
- Net-zero commitment by '50
- Reducing and optimizing office space



## SOCIAL

- **40% Diverse supplier base**
- ~20% of MILVET US workforce, with > 90% retention
- ~20,000 Volunteer hours in 2022
- Thriving DEI Council and six employee business resource groups



## GOVERNANCE

- **14 Consecutive years named to World's Most Ethical Companies list**
- **45% Board of Directors diversity**
- **50% Executive Leadership Team diversity**
- Incentive compensation tied to ESG metrics



- Transportation
- Environmental Remediation
- Urban Development

**>\$2B ESG Portfolio**



# THREE-YEAR GROWTH TARGETS

**4%-6%**

**Revenue Growth**

**20-30  
bps/year**

**Adjusted EBITDA  
Margin Expansion**

**>100%**

**Free Cash Flow  
Conversion**

**Average  
two per  
year**

**Acquisitions**



# ONE PARSONS, ENDLESS POSSIBILITY

Experienced management team

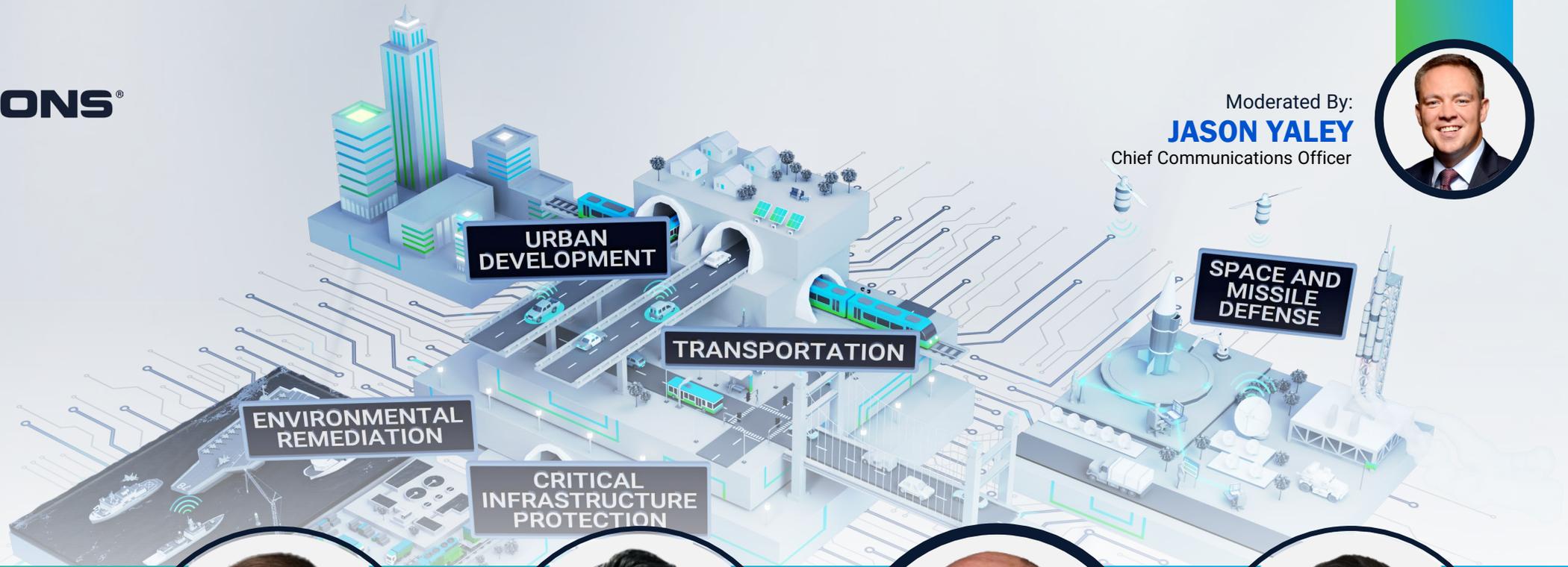
People-first culture and mission focus attracts destination employees

All end markets growing simultaneously

Distinguished national security portfolio

Unprecedented global infrastructure spending

Favorable financial outlook and proven, effective capital deployment strategy



Moderated By:  
**JASON YALEY**  
Chief Communications Officer

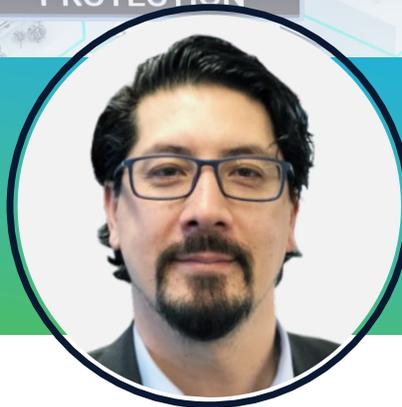


# PANEL



**MARK FIALKOWSKI**

President, Mobility Solutions



**PAUL DECKER**

President, Defense and Intelligence



**JON MORETTA**

President, Engineered Systems



**PETER TORRELLAS**

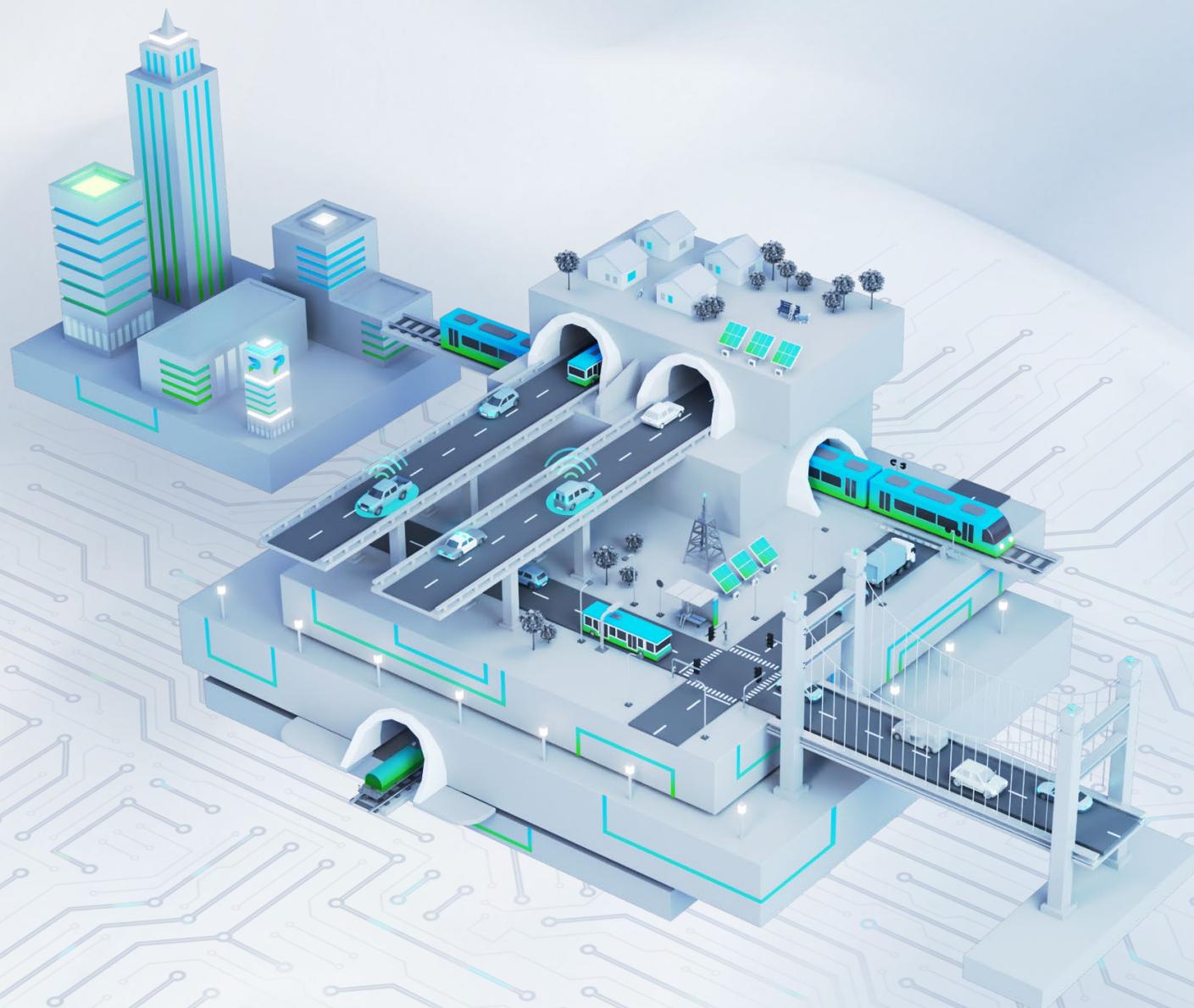
President, Connected Communities



# MOBILITY SOLUTIONS



Presented By:  
**MARK FIALKOWSKI**



# MOBILITY SOLUTIONS

## CAPABILITIES

- #4 on ENR's lists of both Top Professional Services and Program Management global companies
- Roads, bridges, highway and tunnel design, inspection, and program and construction management
- Building information modeling, virtual and augmented reality
- Environmental planning, studies, and permitting
- Wastewater treatment and water conveyance design
- Hydraulics and hydrology
- Traffic engineering, modeling, and simulation
- Transportation planning, urban planning, and complete streets

## CUSTOMERS

- State, provincial, and local transportation, water and wastewater, and development agencies
- Public works authorities
- Contractors
- Projects/customers across United States, Middle East, and Canada

## GROWTH STRATEGY

- Capitalize on global infrastructure demand
- Headcount growth and focus on employee success
- Strong program execution
- Design automation
- Sales and pursuit discipline
- M&A



**HEADCOUNT: 7,700+**

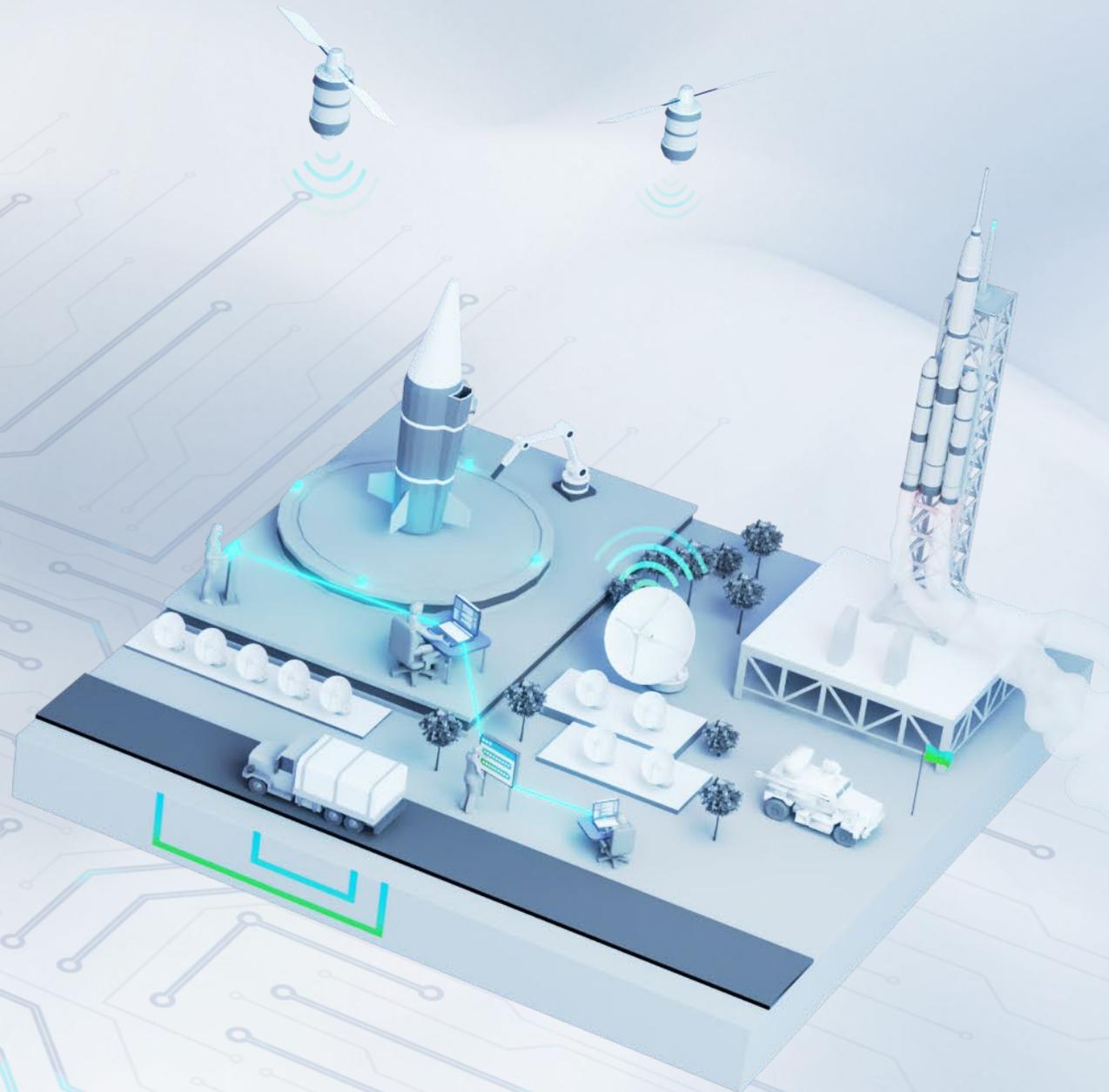


**2022 REVENUE: ~\$1.3B**

# DEFENSE & INTELLIGENCE



Presented By:  
**PAUL DECKER**



# DEFENSE & INTELLIGENCE

## CAPABILITIES

- Full-spectrum cyber
- End-to-end space operations: launch logistics; satellite operations; assured position, navigation, and timing (PNT); domain awareness; and geospatial intelligence
- Information and electronic warfare
- C5ISR systems development
- Joint All-Domain Command and Control (JADC2), systems and sensor integration
- Non-kinetic warfare and directed energy
- Battle management
- SATCOM command and control, secure networks
- Sensors and edge computing
- Model-based systems engineering

## CUSTOMERS

- Intelligence Community
- Department of Defense:
  - Combatant Commands
  - Research, Development, Test, and Evaluation (RDT&E)
  - DoD Labs
  - Defense Advanced Research Projects Agency (DARPA)
- Missile Defense Agency
- National Aeronautics and Space Administration (NASA)
- General Services Administration/FEDSIM

## GROWTH STRATEGY

- Capitalize on macroenvironment trends: geopolitical shifts, near-peer threats, cyber incidents, space race/commercialization of space
- Drive advancement of aging defense systems: digitization, PaaS/AI/ML/cloud, autonomy
- Seize on alignment with highest priority defense and intelligence programs



**HEADCOUNT: 3,200+**



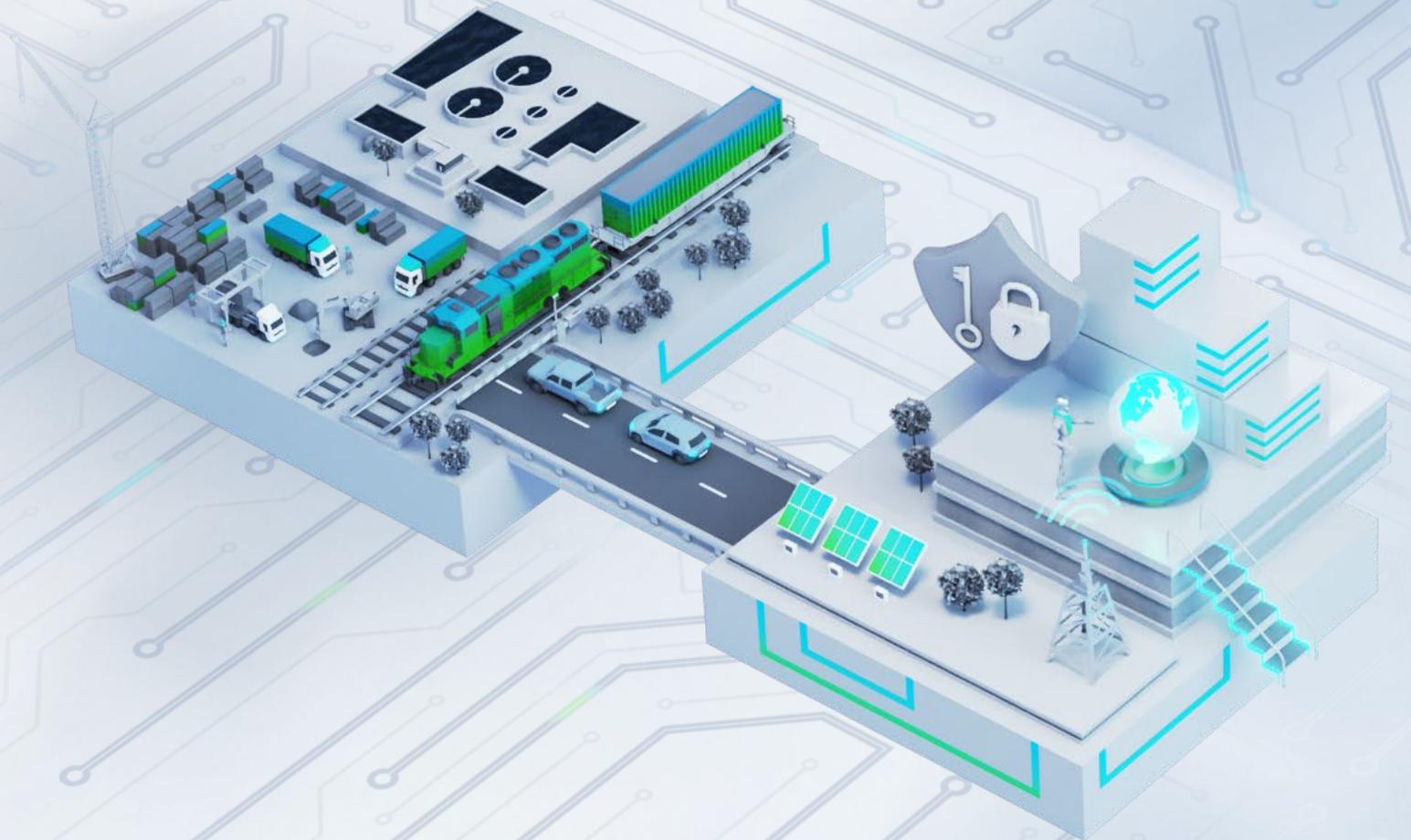
**2022 REVENUE: ~\$1.4B**



# ENGINEERED SYSTEMS



Presented By:  
**JON MORETTA**



# ENGINEERED SYSTEMS

## CAPABILITIES

- Master planning and engineering
- Program and construction management
- Complex infrastructure delivery
- Chemical weapons/munitions destruction
- Environmental remediation
- Biosurveillance
- Facility/border security and protection
- Biometrics/identity solutions
- Counter unmanned aircraft systems (cUAS)

## CUSTOMERS

- Department of Defense
- US Departments of State, Labor, Energy, Homeland Security
- Federal Aviation Administration
- US Army Corps of Engineers
- US Postal Service
- National Science Foundation

## GROWTH STRATEGY

- Capitalize on federal infrastructure demand
- Increase share of national defense work in the Indo-Pacific, US, and other locations
- Leverage state-of-the-art technology solutions in high-growth security and protection markets
- Capture large and complex environmental programs



**HEADCOUNT:** ~3,300



**2022 REVENUE:** ~\$845M

# CONNECTED COMMUNITIES



Presented By:  
**PETER TORELLAS**



# CONNECTED COMMUNITIES

## CAPABILITIES

- Rail systems integration
- Advanced traffic management systems
- Aviation Systems
- Environmental remediation
- Facilities assessment
- Program and construction management
- Digital transformation, artificial intelligence, and digital twins

## CUSTOMERS

- Public sector:
  - Airports
  - Transportation agencies
  - Local governments
  - Utilities
- Private clients:
  - Oil and gas
  - Private water
  - Manufacturing

## GROWTH STRATEGY

- Capture of infrastructure spending in North America
- Margin expansion through digital value creation
- New markets: broadband, electric vehicles, new geographic markets
- M&A



**HEADCOUNT: 2,300+**



**2022 REVENUE: ~691M**



ONE PARSONS, ENDLESS POSSIBILITY

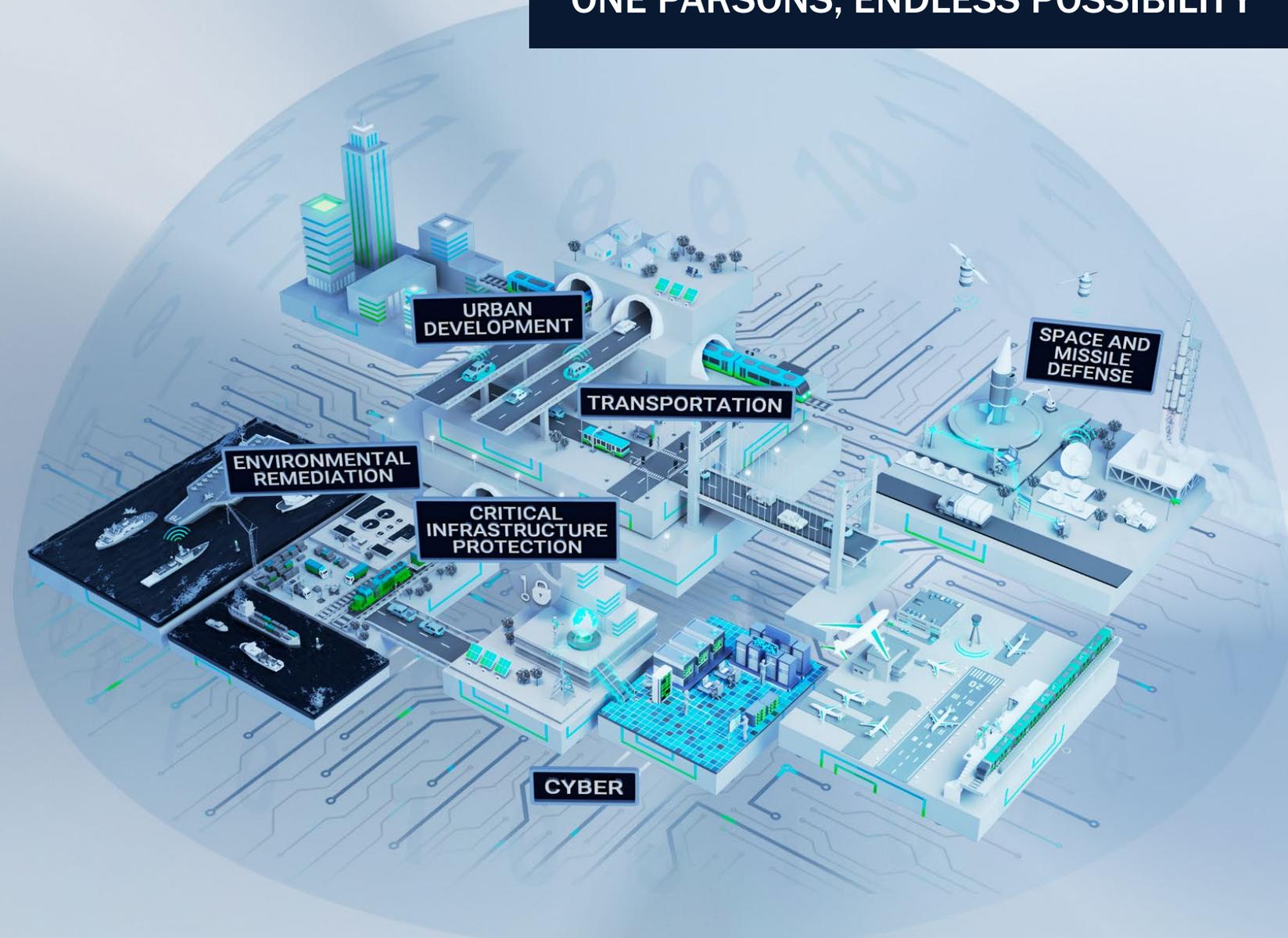
# CFO REMARKS

INVESTOR DAY 2023

**Matt Ofilos**

Chief Financial Officer

March 15, 2023



# FINANCIAL SUMMARY

## AWARDS

- Low recompetes, significant un-booked ceiling, strong win rates

## REVENUE

- Tailwinds associated with global infrastructure demand and Federal Solutions alignment to national defense strategy

## ADJUSTED EBITDA/MARGIN

- Expected margin expansion due to favorable market conditions and improved operational performance

## OPERATING CASH FLOW

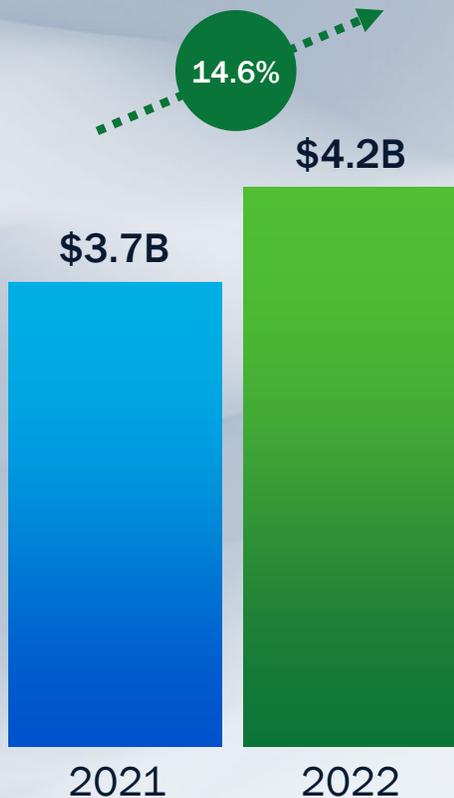
- Strong cash generation, with opportunity to improve collections

## BALANCE SHEET

- Cash conversion and lower leverage provides ample capacity to invest

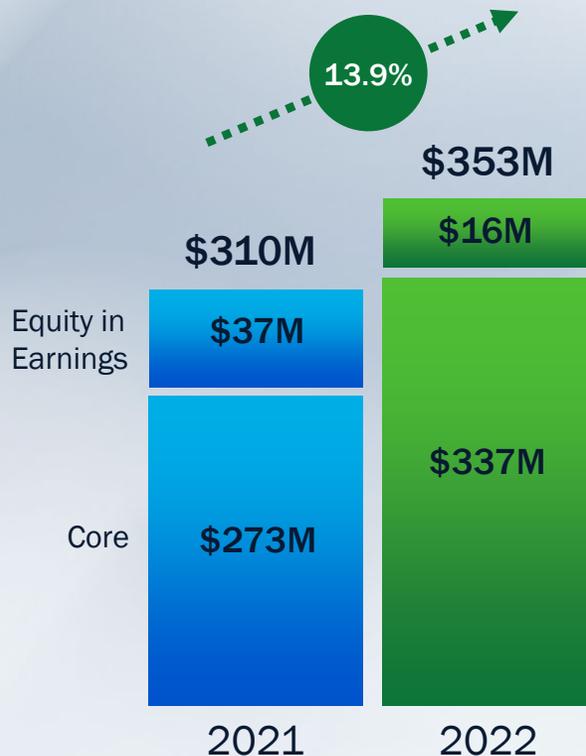
# STRONG BUSINESS MOMENTUM

## REVENUE



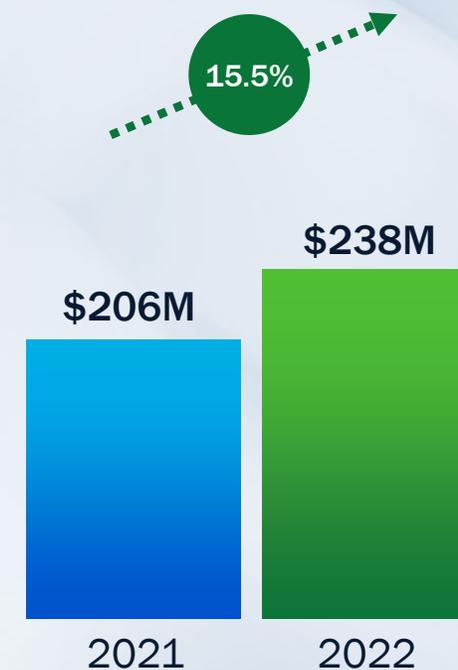
**Organic revenue growth**  
 FS = 6.4%  
 C.I. = 11.8%  
 Parsons = 9.0%

## ADJUSTED EBITDA



**Increasing profitability in core operations while de-risking portfolio**

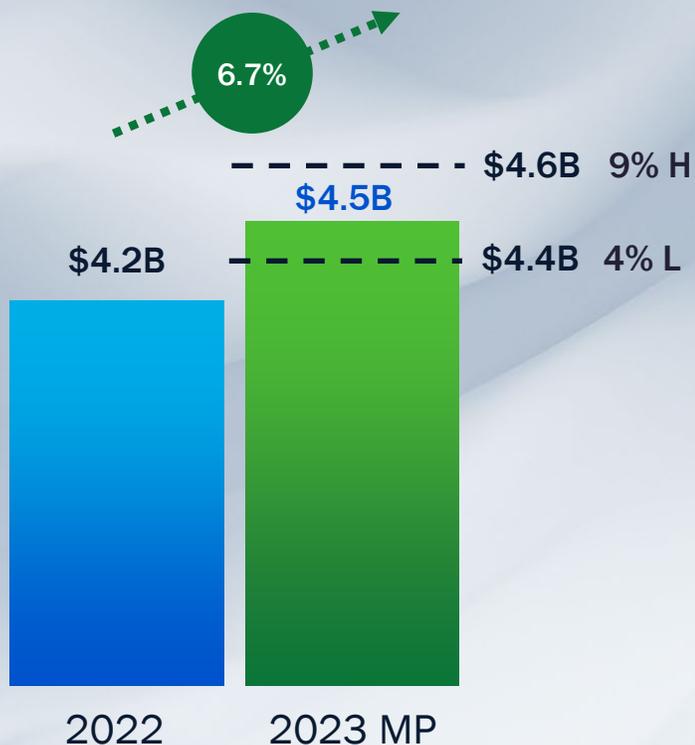
## CASH FLOW FROM OPS



**Continued positive cash generation**

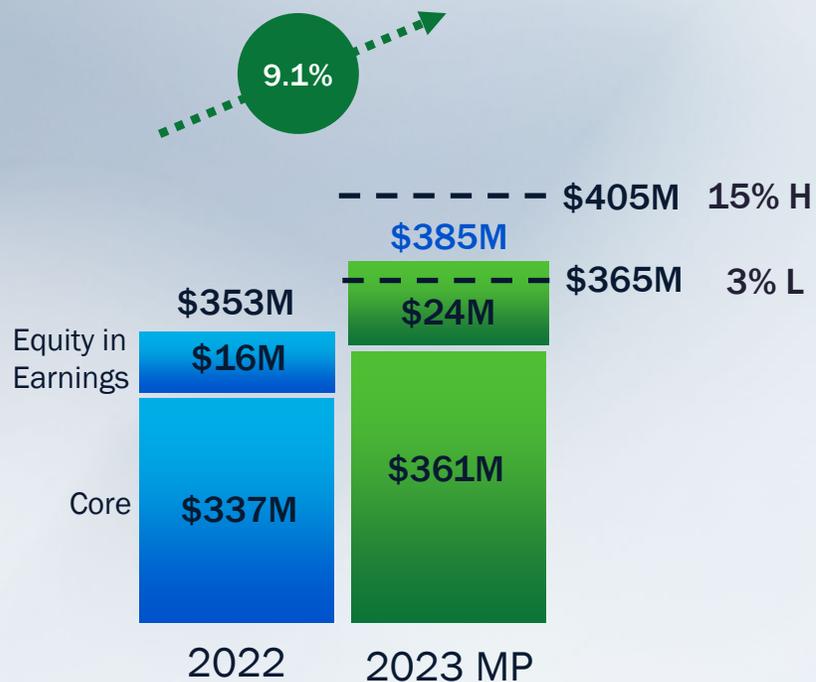
# REITERATING 2023 GUIDANCE

## REVENUE



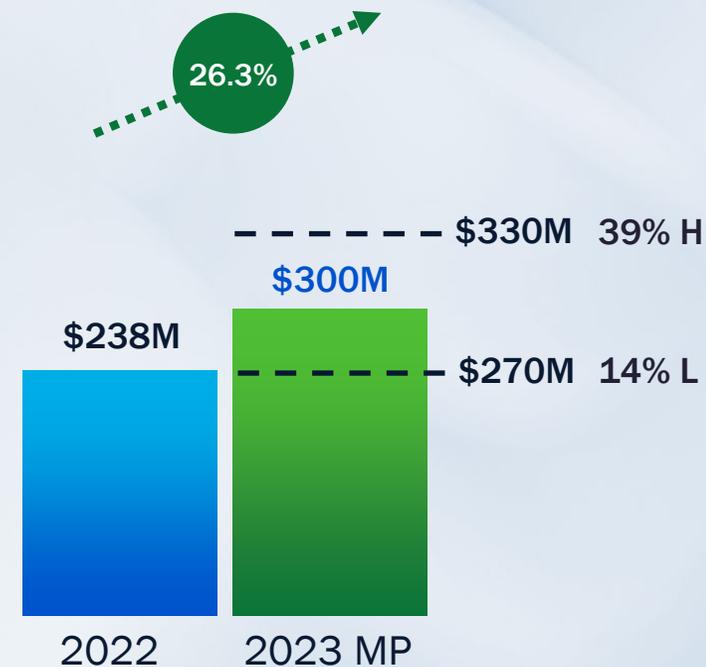
Solid top-line growth continues

## ADJUSTED EBITDA



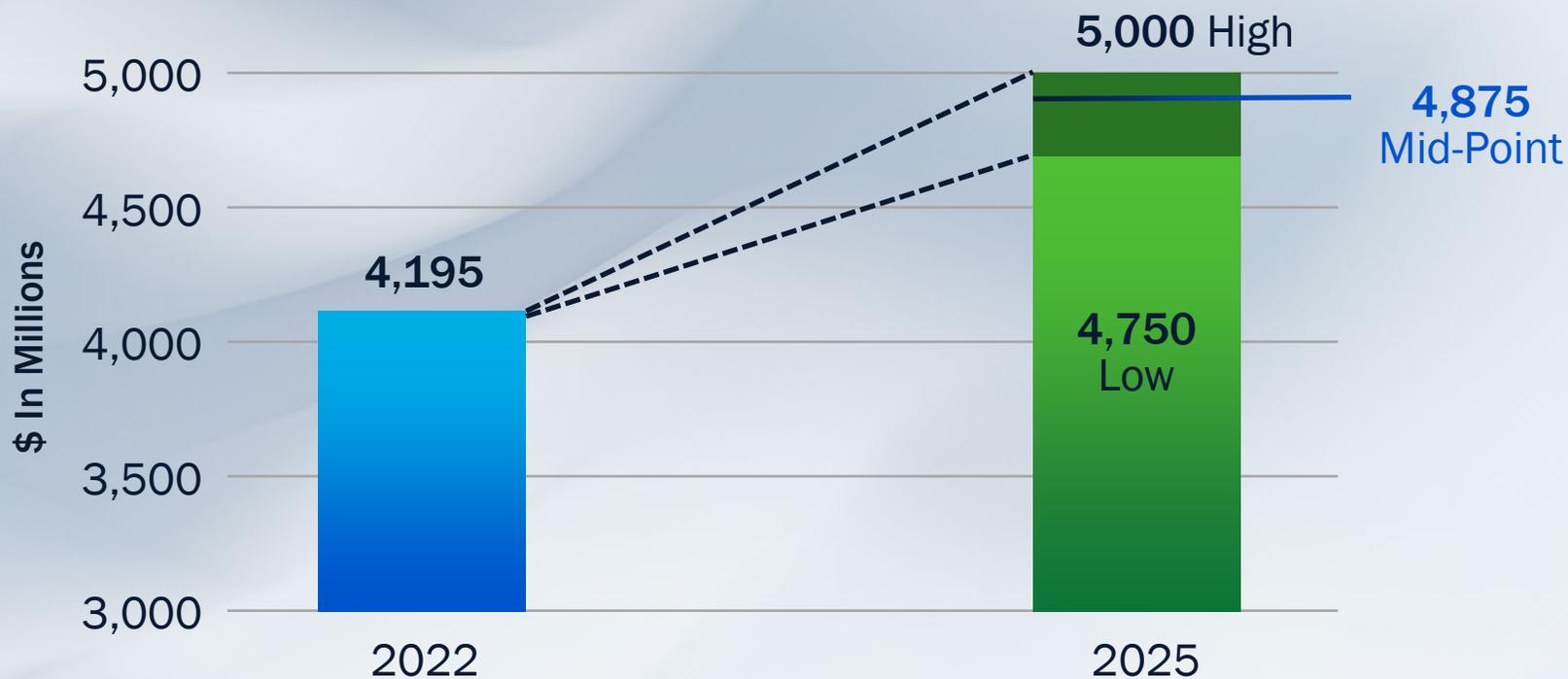
AEBITDA growth with margin expansion

## CASH FLOW FROM OPS



Continued strong cash generation

# SUSTAINED REVENUE GROWTH



## Revenue Growth

CAGR 2022-2025	
High	6%
Mid-Point	5%
Low	4%

### TAILWINDS

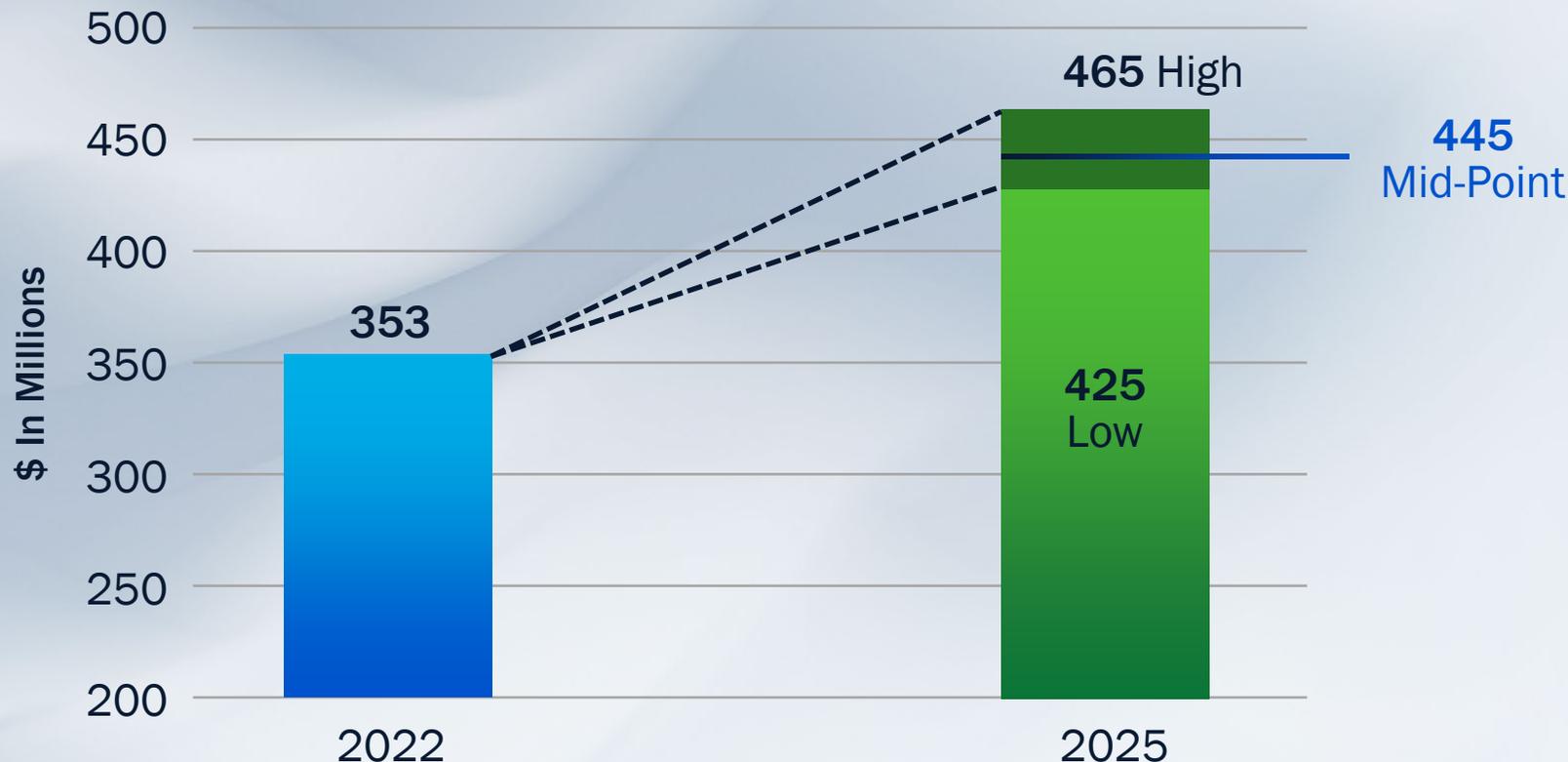
- Growing global infrastructure spend
- Capabilities aligned to near-peer threat
- Maintain strong hiring and retention rates
- \$8.2 billion of total backlog / \$42 billion of bid pipeline
- On-contract growth on existing programs
- ESG alignment
- Low recompile levels

### HEADWINDS

- Competition for labor
- Inflation
- Potential US budget uncertainty

Targets assume no new M&A or material write-downs on legacy programs

# ADJUSTED EBITDA GROWTH OUTPACES REVENUE



## Adjusted EBITDA Growth

CAGR 2022-2025	
High	10%
Mid-Point	8%
Low	6%

### TAILWINDS

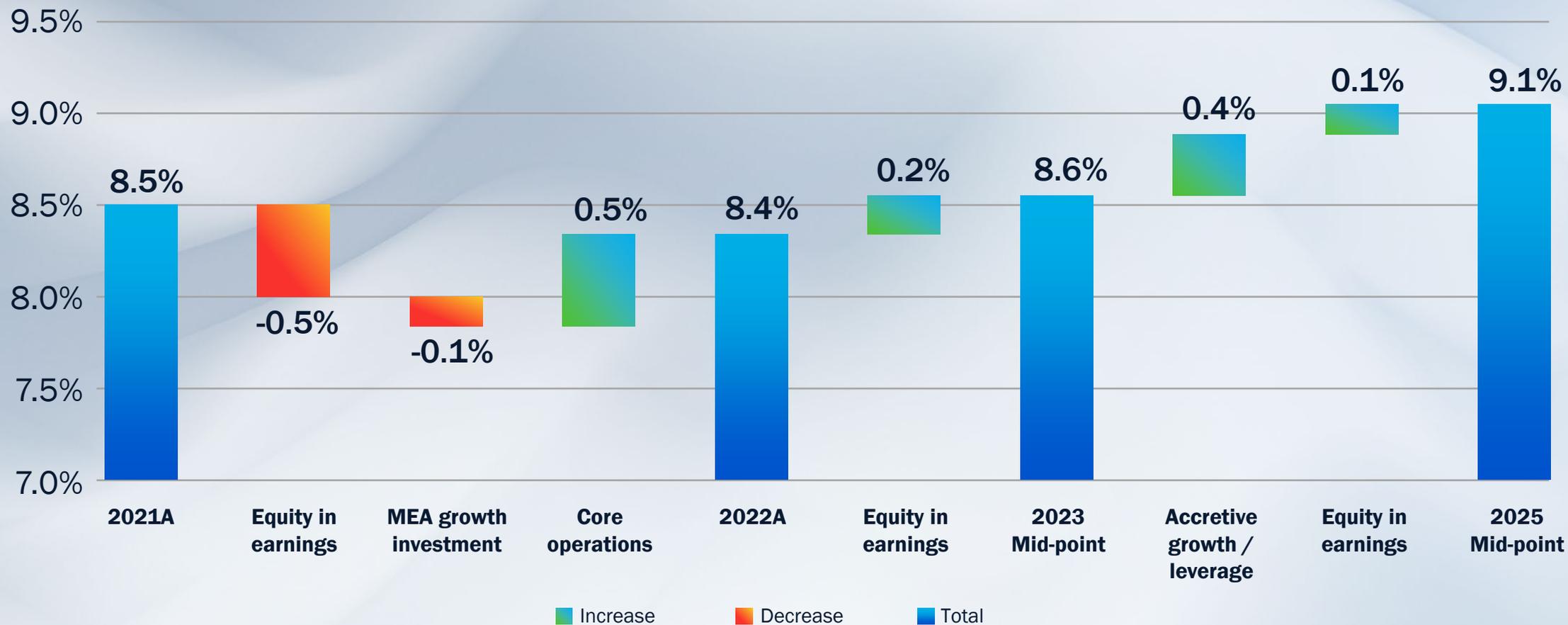
- Legacy program completions
- Demand > supply
- New accretive programs
- Operational leverage
- Historical acquisition growth

### HEADWINDS

- Competition for labor
- Inflation
- Potential US budget uncertainty

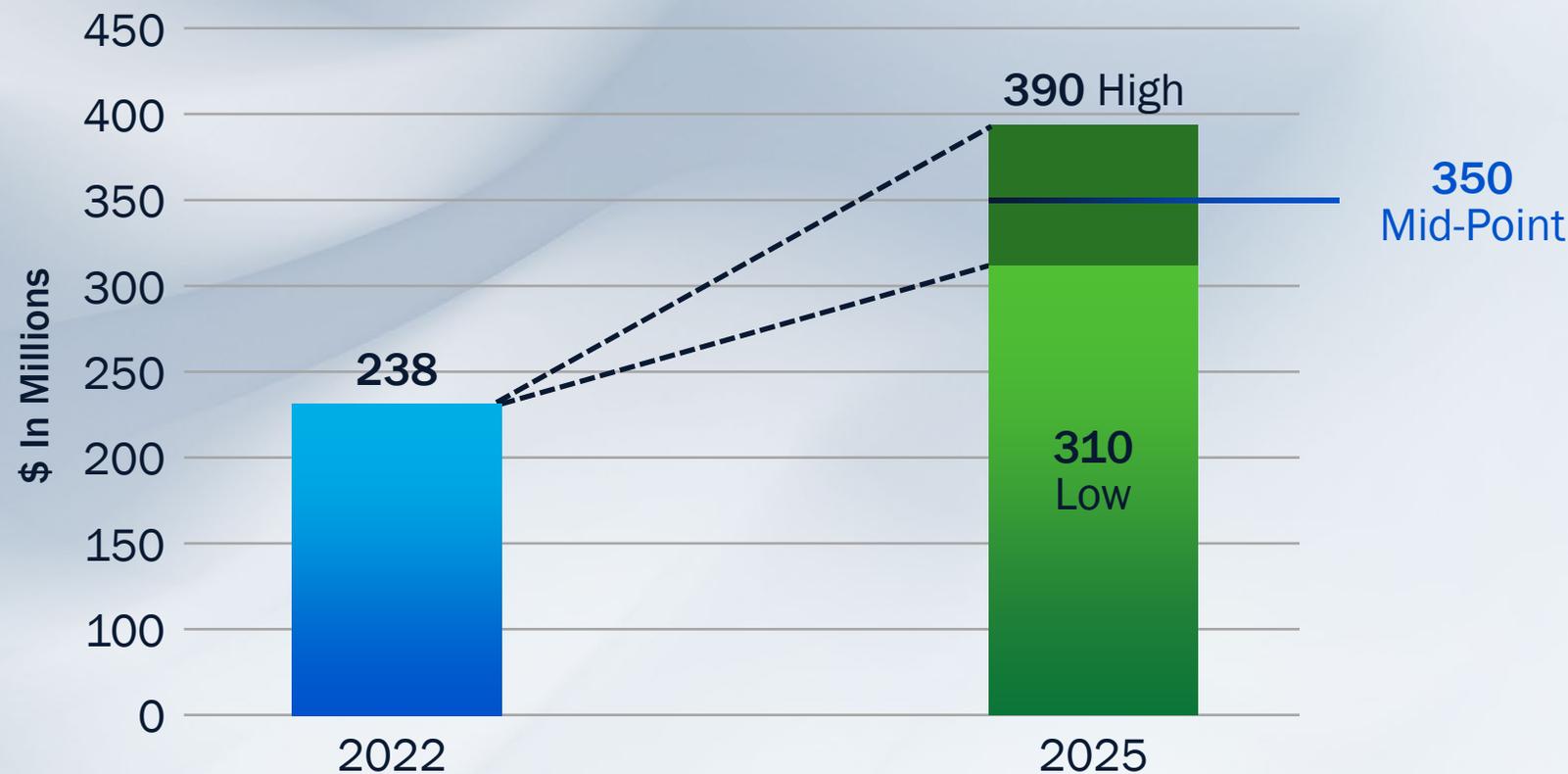
Targets assume no new M&A or material write-downs on legacy programs

# MARGIN WALK



Targets assume no new M&A or material write-downs on legacy programs

# STRONG OPERATING CASH FLOW AND CONVERSION



## Operating Cash Flow Growth

CAGR 2022-2025	
High	18%
Mid-Point	14%
Low	9%

### TAILWINDS

- Conversion projected > 100% over period
- Project completion payments
- Continued growth in FS with favorable pay terms

### HEADWINDS

- MEA growth and working capital needs
- Potential US budget uncertainty

Targets assume no new M&A or material write-downs on legacy programs

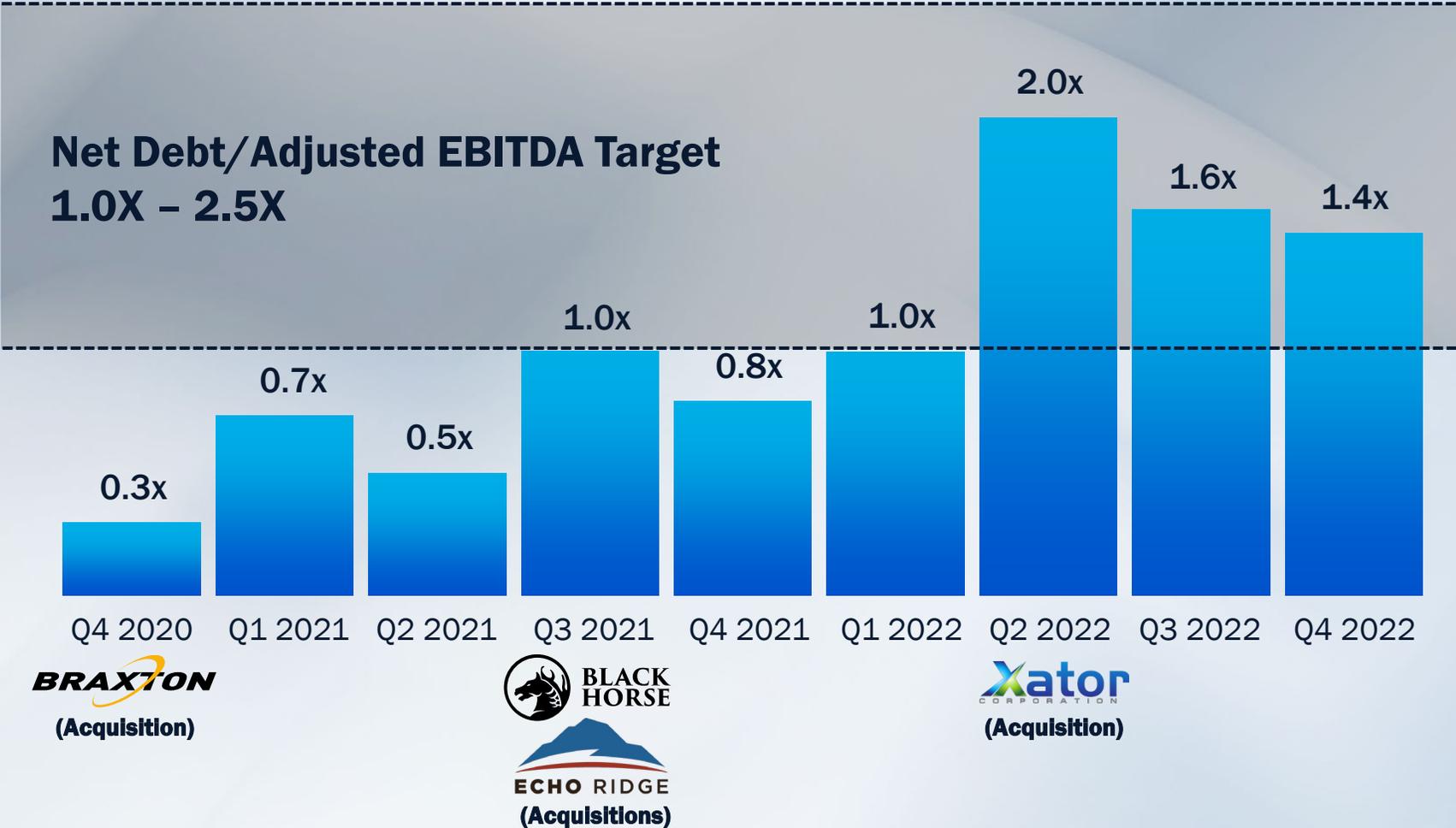
# BALANCE SHEET FLEXIBILITY

Strategic M&A remains top priority; continue share repurchase program

Available short-term capital of \$600M, with no near-term material debt maturities

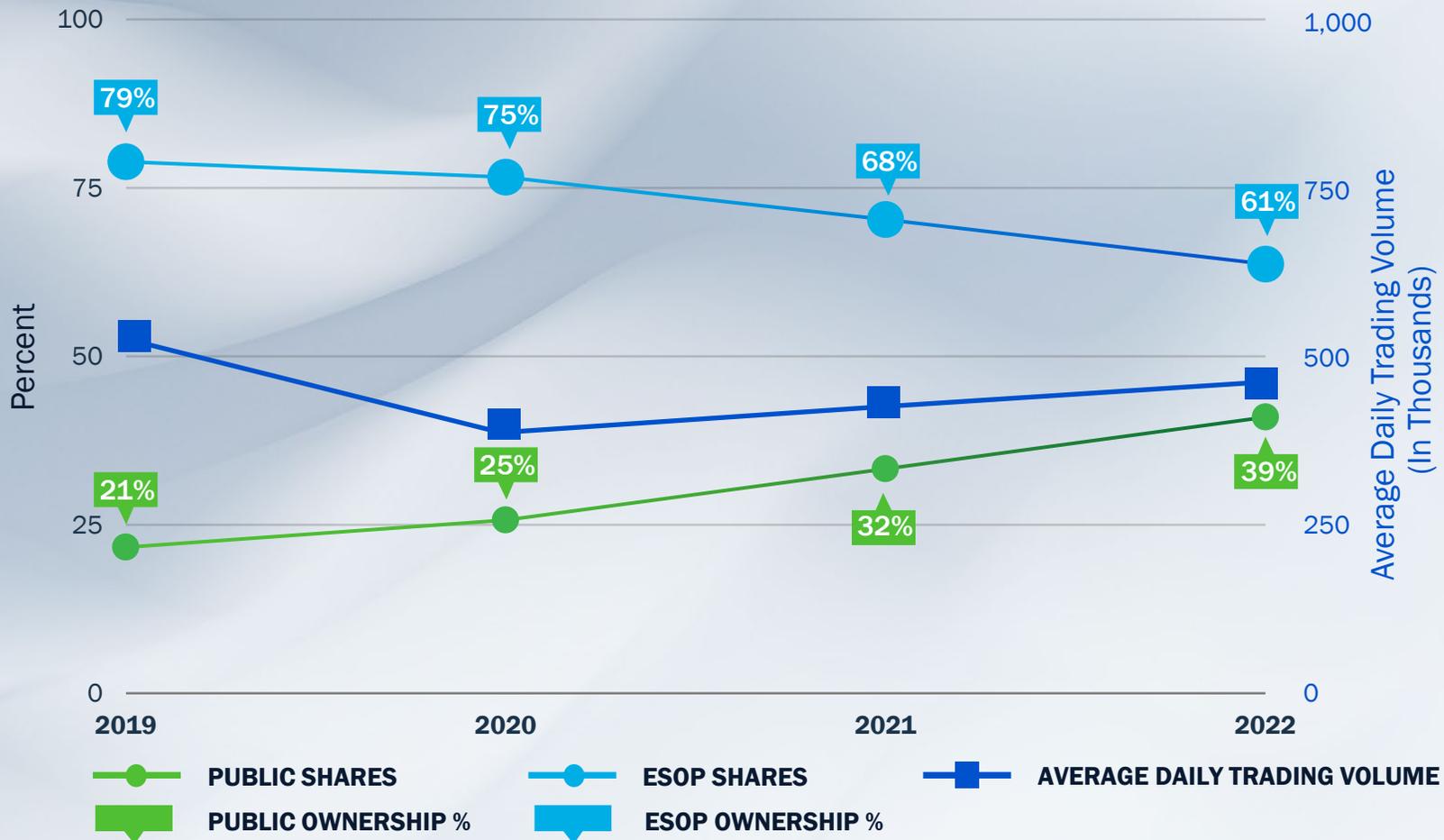
2023-2025 FCF expected > \$800M

2023 effective interest expense projected at ~3.75%



The company defines net debt as total debt less cash and cash equivalents. This figure is divided by Parsons' trailing 12-month adjusted EBITDA to arrive at the quarterly net debt leverage ratios.

# INCREASING FLOAT THROUGH ESOP DISTRIBUTIONS



### Highlights:

- Increased public float by 20M shares since IPO
- Avg. daily trading volume up 11% from post IPO average
- Relaxed distribution rules to accelerate shares to market
- ESOP continues to be a differentiator and retention tool for Parsons



# THREE-YEAR GROWTH TARGETS

**4%-6%**

**Revenue Growth**

**20-30  
bps/year**

**Adjusted EBITDA  
Margin Expansion**

**>100%**

**Free Cash Flow  
Conversion**

**Average  
two per  
year**

**Acquisitions**

# INVESTMENT THESIS



Experienced management team that delivers on commitments



People-first culture and mission focus attracts destination employees



All six end-markets are growing, enduring, and profitable



Distinguished national security portfolio positioned to deliver solutions that outpace near-peer threats



Unprecedented global infrastructure spending



Favorable financial outlook and proven, effective capital deployment strategy



ONE PARSONS, ENDLESS POSSIBILITY

# INVESTOR DAY

March 15, 2023

