

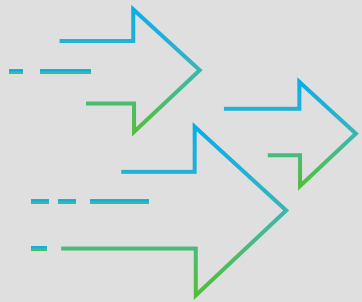


# THIRD QUARTER 2025

Earnings Conference Call Presentation

**NOVEMBER 5, 2025**

# 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, 2024, on Form 10-K, filed on February 19, 2025, 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.

# Q3 2025 HIGHLIGHTS

- Delivered double-digit revenue growth (excluding the confidential contract), significant adjusted EBITDA margin expansion, and strong free cash flow. Funded backlog at the highest level since the IPO
- 14% total revenue growth and 9% organic growth excluding the company's confidential contract
- Adjusted EBITDA margin expands 60 basis points to 9.8%
- Cash flow from operations of \$163M, Free Cash Flow conversion of 135%
- Book-to-bill ratio of 1.0x and continued streak of TTM book-to-bill ratio of 1.0x or greater in every quarter since IPO
  - Critical Infrastructure book-to-bill  $\geq 1.0x$  for 20 consecutive quarters
- After Q3, acquired Applied Sciences Consulting, expanding water expertise
- Modifying FY25 revenue outlook and reiterating adjusted EBITDA and cash flow guidance ranges at the mid-point





## Q3 2025 REVENUE

**\$1.6 Billion**

## NET INCOME

**\$64 Million**

## ADJUSTED EBITDA

**\$158 Million**

## CASH FLOW FROM OPERATIONS

**\$163 Million**

## BOOK-TO-BILL RATIO

**1.0x**      **Trailing 12-months of 1.0x**

## STRONG BALANCE SHEET

**Net Debt Leverage Ratio 1.4x**

# Q3 2025 KEY HIGHLIGHTS

## Strong revenue growth, significant margin expansion and winning large contracts

- Total revenue of \$1.6B and net income of \$64M
- Total revenue growth of 14% and 9% organically, excluding confidential contract
- Adjusted EBITDA margin expanded 60 basis points to 9.8%

## Continuing to win significant contracts and positioned for growth

- Four contract wins over \$100M in Q3 2025
- Quarterly and trailing 12-month book-to-bill ratio of 1.0x
- Backlog increased \$48M to \$8.8B; 72% is funded, highest level since IPO
- Approximately \$11B worth of contract wins that have not yet been booked into backlog
- \$58B pipeline includes more than 115 opportunities of contracts worth \$100M or more and 15 opportunities worth \$500M or more

## Leveraging strong balance sheet to continue accretive acquisitions

- Net debt leverage ratio of 1.4x will enable Parsons to continue to make internal investments and accretive acquisitions to drive additional growth and margin expansion
- Closed strategic acquisition of Applied Sciences Consulting after the third quarter ended that enhances Parsons' water expertise and strengthens its presence in Florida

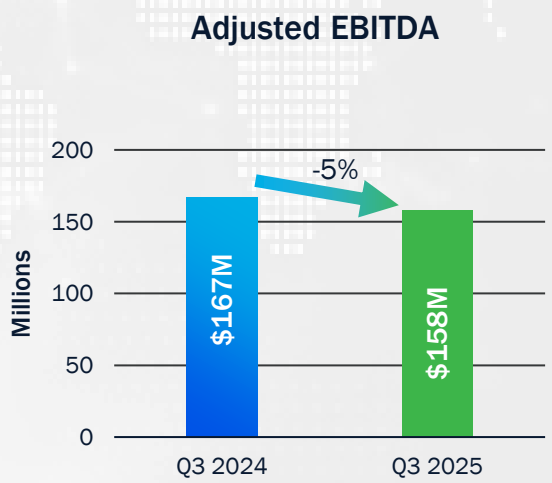
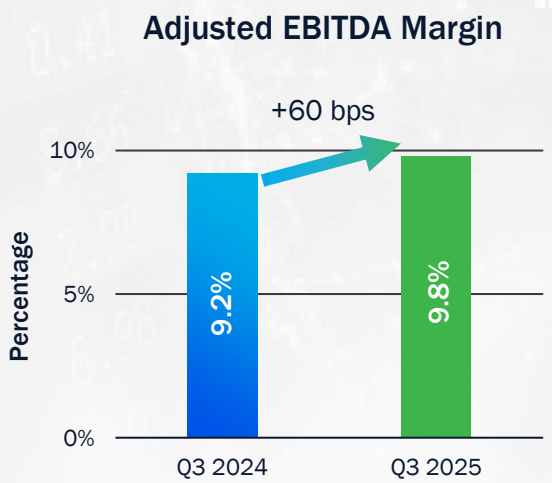
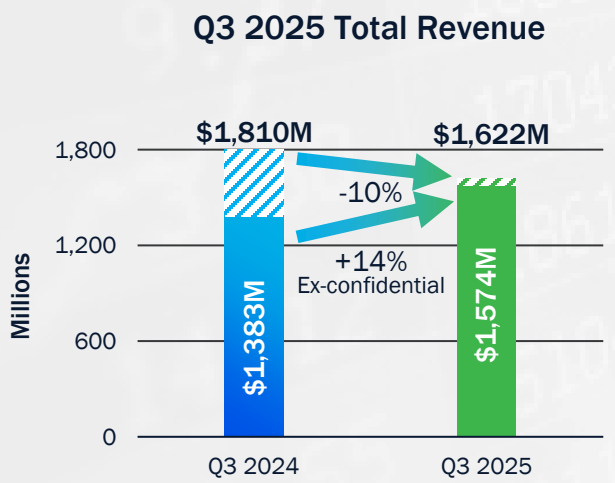
## Modifying FY25 revenue outlook and reiterating adjusted EBITDA and cash flow guidance ranges at the mid-point

# Q3 2025 FINANCIAL SUMMARY



**Strong total and organic revenue growth (excluding confidential contract), adjusted EBITDA margins, and cash flow from operations exceeded our forecast**

- Total revenue excluding the company's confidential contract increased 14% and 9% organically
- Total revenue of \$1,622M decreased 10% from Q3 2024
- Book-to-bill ratio of 1.0x
- Adjusted EBITDA margin expands 60 bps to 9.8%, second-highest for Q3
- Adjusted EBITDA of \$158M decreased 5% from prior year period
- Cash flow from operations of \$163 million exceeded expectations for Q3





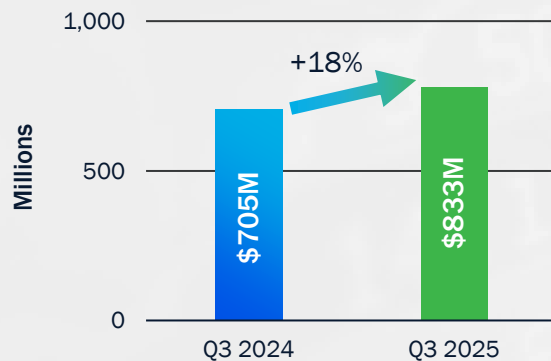
# BUSINESS SEGMENT SUMMARY



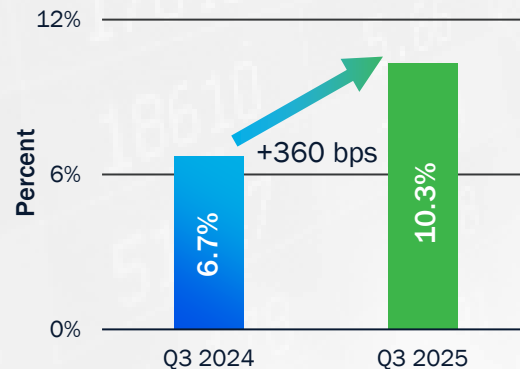
## Critical Infrastructure

- Q3 2025 revenue increased 18% and 13% organically from Q3 2024
- Adjusted EBITDA of \$86M increased 83% from prior year period
- Q3 2025 adjusted EBITDA margin of 10.3% increased 360 bps from prior year period
- Book-to-bill ratio of 1.1x

Total Revenue



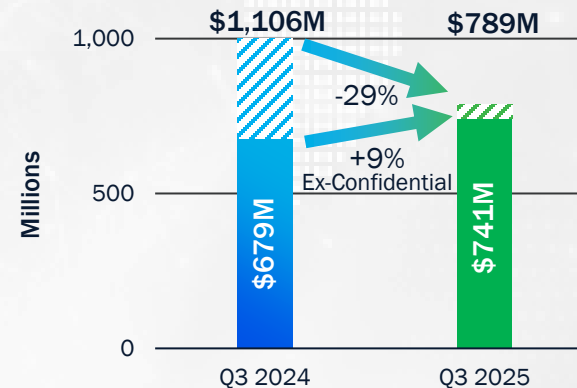
Adjusted EBITDA Margin



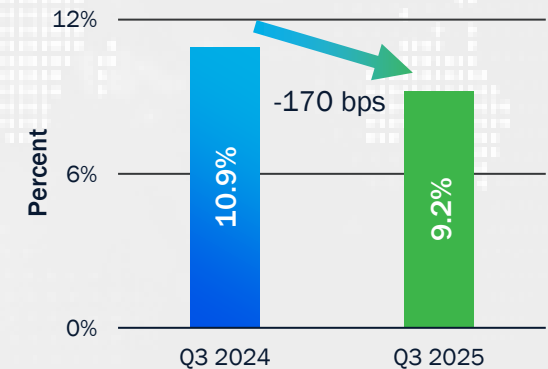
## Federal Solutions

- Q3 2025 revenue growth of 9% and 5% on an organic basis excluding the company's confidential contract
- Q3 2025 total revenue decreased 29% and 31% organically from prior year period
- Adjusted EBITDA margin of 9.2%; impacted by contract mix and increased investments for B&P activity on strategic pursuits and key personnel

Total Revenue



Adjusted EBITDA Margin





# SIGNIFICANT CONTRACT WINS

## Awarded **Significant Industrial Base Modernization Contract**

Awarded a new large ten-year single-award task order contract as exclusive sub-contractor to provide design and modernization support for the Holston Army Ammunition Plant Government-Owned Contractor-Operated Production & Modernization contract.

## Awarded **\$133M**

Received an additional six-year, \$133 million authorization to continue serving as the lead designer for the Georgia State Route 400 Express Lanes. This project is adding new express lanes and uses state-of-the-art traffic, incident management, and digital twin systems. The company booked the full amount on this contract during the third quarter.

## Awarded **\$100M+**

Awarded two new multi-year single-award defense and security contracts for two Middle Eastern government customers, including a contract valued at over \$100 million. These contracts represent new work to lead the design review and project and construction management of regional national security infrastructure programs. Additionally, the company will design border security infrastructure and facilities across critical border regions. These contracts reflect Parsons' ability to bring its comprehensive national security, critical infrastructure protection, and program management capabilities and expertise to bear on the success of its regional customer base in the Middle East. The company booked over \$100 million of these contracts during the third quarter.

## Awarded **\$665M**

MPA Delivery Partners, a joint venture of three companies including Parsons, was awarded a \$665 million, 4.5-year contract extension by the Gateway Development Commission to continue managing the successful delivery of the Hudson Tunnel Project. The project will build a new two-tube rail tunnel under the Hudson River and rehabilitate the existing 115-year old tunnel as well as nine miles of new passenger rail track between New York and New Jersey.



# SIGNIFICANT CONTRACT WINS

## Awarded **\$88M; \$190M+** Year-To-Date

Awarded over \$190 million in task order contract wins through the nine-months ended 2025, including a \$88 million task order contract awarded in the third quarter under the Air Base Air Defense (ABAD) IDIQ contract vehicle. Under this task order, Parsons will provide equipment procurement and configuration, systems integration, training, technical support, and ongoing maintenance to support the European and African continent areas of responsibility for the U.S. Air Forces at Ramstein Air Base, Germany. The contract includes a one-year base period and two one-year option periods. The company booked \$82 million on this contract during the third quarter.

## Awarded **\$23M**

Awarded three contracts in the PFAS market with a total value of \$23 million during the third quarter. These strategic wins across the Federal Solutions and Critical Infrastructures businesses continue to expand the portfolio in the highly strategic and rapidly growing PFAS market. The company booked \$16 million on these contracts during the third quarter. Year-to-date, the company has won nearly \$70 million in PFAS contract awards and PFAS represents a \$40 billion addressable market for Parsons. These wins represent revenue synergies with the company's TRS Group acquisition.

## Awarded **\$43.5B**

Awarded prime positions on four multiple-award IDIQ contracts by federal customers, with a combined ceiling value of \$43.5 billion.





## ADDITIONAL CORPORATE HIGHLIGHTS



### Acquired Applied Sciences Consulting

Parsons announced and closed its acquisition of Applied Sciences Consulting, Inc., a Florida-based engineering firm that specializes in water and stormwater solutions for cities, counties, and water management districts across the state. The acquisition expands Parsons' water expertise, strengthens its presence in Florida, and is consistent with the company's strategy of completing accretive acquisitions with revenue growth and adjusted EBITDA margins of at least 10%. This acquisition closed after the third quarter ended.



### World's Best Companies 2025 by TIME and Statista

Recognized by TIME and Statista as one of the World's Best Companies in 2025. The World's Best Companies 2025 ranking is a comprehensive analysis conducted to identify the top-performing companies across the globe and were identified based employee satisfaction, revenue growth, and sustainability.



### Best-Led Companies in 2025 by Glassdoor

Honored by Glassdoor as one of the Best-Led Companies in 2025, based on employee reviews and ratings from the previous year. Ranked #27, Parsons is the highest-ranked company among national security and critical infrastructure firms and the only member of its peer group to be included on the list.



### Diamond Award in Structural Systems by ACEC

Honored with the prestigious Diamond Award in the Structural Systems category from the American Council of Engineering Companies (ACEC) of New York for the company's work on the Brooklyn Bridge Rehabilitation Project. This award places the Brooklyn Bridge Rehabilitation among North America's most distinguished infrastructure projects.



# UPDATING FISCAL YEAR 2025 GUIDANCE

	Current FY25 Guidance	Prior FY25 Guidance	Highlights
<b>Total Revenue</b>	\$6,400 - \$6,500M	\$6,480 - \$6,680M	-4% growth and -8% organically; +14% growth and +9% organically excluding confidential contract
Adjusted EBITDA	\$600 - \$630M	\$595 - \$635M	+2% growth (50 bps expansion)
Cash Flow from Operations	\$380 - \$460M	\$400 - \$440M	-20% growth*

*\*2025 free cash flow conversion is expected to be 85% of adjusted net income given timing of collections and a change in our 401-K match benefit*

## Top Line Drivers

- Ramp-up of recent contract wins
- \$8.8B of total backlog (72% funded)
- \$11B in contract wins not included in total backlog
- Both segments poised for increased spending
- Hiring and retention momentum
- Strong contract win rates
- On-contract growth

## Bottom Line Drivers

- Strong program execution
- Increasing demand for global infrastructure
- Improved equity in earnings
- Bid discipline
- Growth in high margin markets
- Growth on margin accretive contracts
- Accretive M&A

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 2025.

# FISCAL YEAR 2025 GUIDANCE ASSUMPTIONS

- ~ 51% of total revenue to be generated from Federal Solutions segment at the mid-point
- Adjusted EBITDA margin of ~ 9.5% at the mid-point of the revenue guidance, up 50bps from 2024
- Net interest expense of ~ \$45M
- GAAP effective tax rate of ~ 20%
- Net income attributable to noncontrolling interests of ~ \$70M
- Tax effect on adjustments ~ (-\$33M) for full-year
- Adjusted net income diluted share count of ~ 108.5M shares
- GAAP diluted share count of ~ 109.8M shares
- CapEx of ~ \$70M (approximately 1% of total revenue)
- Equity-based compensation expenses of ~ \$42M
- D&A expenses of ~ \$115M, which includes ~ \$69M of acquisition-related amortization
- FY25 guidance includes ~\$24M of transaction and other expenses - does not include future acquisitions

## PATTERNS

**Revenue:** approximately 4% sequential growth (Q3 2025 to Q4 2025) to arrive at guidance mid-point of \$6,450M

**Adjusted EBITDA \$:** expect Q4 2025 to be ~ 26% of 2025's full-year AEBITDA to arrive at guidance mid-point of \$615M

**Operating Cash Flow:** expect Q4 2025 to be ~ 26% of 2025's full-year operating cash flow to arrive at guidance mid-point of \$420M

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# **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, 2025	September 30, 2024	September 30, 2025	September 30, 2024
Net income attributable to Parsons Corporation	\$64,123	\$71,951	\$185,556	\$180,873
Interest expense, net	11,696	8,802	33,301	29,831
Income tax expense	16,035	22,518	53,702	58,257
Depreciation and amortization (a)	29,849	24,542	85,844	73,513
Net income attributable to noncontrolling interests	17,671	13,638	48,514	40,428
Equity-based compensation	11,568	21,251	30,190	44,554
Convertible debt repurchase loss	-	-	-	18,355
Transaction-related costs (b)	5,074	3,770	13,910	8,958
Restructuring (c)	292	-	2,653	-
Other (d)	1,829	539	2,374	3,565
<b>Adjusted EBITDA</b>	<b>\$158,137</b>	<b>\$167,011</b>	<b>\$456,044</b>	<b>\$458,334</b>

(a) Depreciation and amortization for the three and nine months ended September 30, 2025, is \$21.1 million and \$60.7 million, respectively in the Federal Solutions Segment, and \$8.8 million and \$25.1 million, respectively in the Critical Infrastructure Segment. Depreciation and amortization for the three and nine months ended September 30, 2024, is \$19.4 million and \$58.7 million, respectively in the Federal Solutions Segment and \$5.2 million and \$14.8 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, 2025	September 30, 2024	September 30, 2025	September 30, 2024
Federal Solutions Adjusted EBITDA attributable to Parsons Corporation	\$72,501	\$120,091	\$215,105	\$315,413
Federal Solutions Adjusted EBITDA attributable to noncontrolling interests	11	35	73	125
Federal Solutions Adjusted EBITDA including noncontrolling interests	72,512	120,126	215,178	315,538
Critical Infrastructure Adjusted EBITDA attributable to Parsons Corporation	67,803	33,007	192,183	101,582
Critical Infrastructure Adjusted EBITDA attributable to noncontrolling interests	17,822	13,878	48,683	41,214
Critical Infrastructure Adjusted EBITDA including noncontrolling interests	85,625	46,885	240,866	142,796
Total Adjusted EBITDA including noncontrolling interests	\$158,137	\$167,011	\$456,044	\$458,334

# 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, 2025	September 30, 2024	September 30, 2025	September 30, 2024
Net income attributable to Parsons Corporation	\$64,123	\$71,951	\$185,556	\$180,873
Acquisition related intangible asset amortization	17,996	13,328	51,431	40,777
Equity-based compensation	11,568	21,251	30,190	44,554
Convertible debt repurchase loss	-	-	-	18,355
Transaction-related costs (a)	5,074	3,770	13,910	8,958
Restructuring (b)	292	-	2,653	-
Other (c)	1,829	539	2,374	3,565
Tax effect on adjustments	(7,829)	(8,016)	(24,235)	(29,413)
Adjusted net income attributable to Parsons Corporation	93,053	102,823	261,879	267,669
Adjusted earnings per share:				
Weighted-average number of basic shares outstanding	106,763	106,291	106,864	106,211
Weighted-average number of diluted shares outstanding (d)	108,158	107,952	108,264	107,839
Adjusted net income attributable to Parsons Corporation per basic share	\$0.87	\$0.97	\$2.45	\$2.52
Adjusted net income attributable to Parsons Corporation per diluted share	\$0.86	\$0.95	\$2.42	\$2.48

(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 2025 due to bond hedge.