



BLUESTONE CAPITAL PARTNERS SERVES AS ADVISOR TO OMNIPLEX WORLD SERVICES CORPORATION IN ITS MAJORITY SALE TO ALTAMONT CAPITAL PARTNERS

On December 21, 2012, OMNIPLEX World Services Corporation (“OMNIPLEX” or the “Company”) announced that Altamont Capital Partners, a \$500 million private equity firm, completed a majority investment in the Company. OMNIPLEX is a leading provider of government security and background investigations services, primarily within highly classified environments. As one of a handful of providers of security clearance background investigations for federal agencies, OMNIPLEX benefits substantially from the federal government’s recurring need to investigate both potential and existing employees. Additionally, the Company is one of the largest providers of physical security and access control services to the intelligence community and is responsible for protecting some of the federal government’s most sensitive assets and facilities. Founded in 1990, OMNIPLEX has a longstanding and consistent track record of performance within its core markets, as well as an industry leading prime contract re-compete win rate, which has resulted in a foundation of long-standing key customer relationships.



The Company’s partnership with Altamont Capital Partners highlights continued private equity interest in defense and government services companies, despite persistent political and budgetary uncertainty. Private equity has enjoyed a long and successful history of investing in the industry and today there are dozens of private equity firms with deep expertise across the sector. With significant capital to deploy and a favorable credit environment for sound, stable investment “stories,” private equity sponsors continue to aggressively pursue attractive consolidation and value-creation opportunities in the sector. The following are several examples of company characteristics that often attract significant private equity interest in sale processes:

- Given the current budgetary environment, investors are attracted to government services companies, like OMNIPLEX, which possess attractive recurring revenue and solid backlog, and support mission critical agencies that are less susceptible to budgetary pressures. These stable businesses are typically viewed as solid investment platforms with a strong potential for growth through diversification and add-on acquisitions and are perceived as having less or limited downside risk.
- Outstanding management teams that possess a demonstrated track record of success and a desire to capture additional value through equity ownership can be an important discriminator in a sale transaction. The strength of a company’s existing management team is as critical as ever in securing interest in a sale process, particularly from private equity sponsors.
- Businesses in the defense and government services sector that derive a preponderance of their revenue from customers within the intelligence community generally benefit from higher competitive barriers to entry relative to companies serving many other segments of the industry. As such, companies with strong relationships with a diversified base of intelligence community customers continue to be sought after assets by prospective acquirers within the sector.

Private equity sponsors and their platform companies will continue to play an active role in driving merger and acquisition activity in the defense and government services market, and Bluestone’s recent transaction experience supports this trend. In fact, more than half of our last 10 deals involved a private equity buyer acquiring a new platform or an add-on to an existing portfolio company.

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