



BLUESTONE CAPITAL PARTNERS ADVISES IRON BOW TECHNOLOGIES ON ITS DEBT FINANCING AND RECAPITALIZATION

On March 3, 2016, Iron Bow Technologies, LLC (“Iron Bow” or the “Company”) completed a recapitalization through which the Company redeemed the shares of non-management shareholders via a tender offer. To finance the redemption, the Company secured a new subordinated debt facility with American Capital, Ltd. Iron Bow is a leading provider of information technology solutions to the U.S. federal government and various commercial customers with a focus on cloud computing, collaboration, data center, information security, and network infrastructure solutions.

Iron Bow’s recapitalization highlights some important considerations for businesses seeking to execute a leveraged transaction in the government services M&A market:

The credit markets continue to support alternative exit options for owners in the government services market:

For middle-market government services companies where a traditional sale is not preferred, based on ownership objectives or other company specific factors, the credit markets support alternative exit strategies including ESOP’s, management buyouts, and recapitalizations. While some of the Business Development Companies (“BDC’s”) have recently faced increased capital constraints, liquidity remains robust with several new mezzanine and unitranche providers entering the market, enticed by the predictable cash flows and experienced management teams that are hallmarks of the government services market. These junior debt providers, combined with the numerous traditional senior banks covering the market, allow for the structuring of transactions that can be compelling for business owners contemplating alternative exit strategies.

When contemplating alternative exit strategies, it is important to select a financial advisor with both significant debt capital markets experience and a long-term perspective on success:

As a majority of ESOP’s, management buyouts, and recapitalizations do not result in full liquidity at the time of the initial transaction, it is important to select a trusted advisor who will not only execute on the initial transaction but also provide guidance and advice over the long-term so that stakeholders can achieve their objectives. Bluestone has been a trusted advisor to the Iron Bow team over the last five years, advising the management team on its original purchase of majority ownership of the Company from New Mountain Capital in 2011, advising the Company on a debt refinancing in 2014 to take advantage of improved credit markets, and most recently advising Iron Bow on its debt recapitalization and redemption efforts. Bluestone’s constant interaction and dialogue with debt providers, coupled with its unique resources that possess significant expertise and experience in structuring leveraged transactions, allow Bluestone to provide unmatched support to companies seeking alternative liquidity solutions.

About Bluestone Capital Partners

Bluestone Capital Partners is a boutique investment banking firm that provides advisory services to middle market companies on mergers and acquisitions, divestitures, and other corporate finance transactions. Over the past two decades our principals have advised on more than 150 transactions in the aerospace, defense, and government technology and services markets, representing billions of dollars of shareholder value.



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