

BLUESTONE CAPITAL PARTNERS ADVISES ENLIGHTEN IT CONSULTING IN ITS SALE TO MACAULAY-BROWN, INC.

On January 3, 2017, Enlighten IT Consulting (“EITC” or the “Company”) announced its acquisition by MacAulay-Brown, Inc. (“MacB”), a provider of advanced engineering services, cyber security, and product solutions to Defense, Intelligence Community (“IC”), Special Operations Forces, Homeland Security, and other federal agencies. Headquartered in Linthicum, Maryland, EITC is a highly differentiated provider of secure cloud engineering, big data analytics, and software solutions. The Company leverages its expertise in software engineering, agile development methodologies, cloud analytics, and big data technologies to develop, prototype, and field highly innovative solutions that transform the cyber operations and situational awareness capabilities of its customers across the Department of Defense (“DoD”) and IC. EITC will operate as a wholly-owned subsidiary of MacB.

The acquisition highlights several key M&A trends in the government technology market:

- **Strong Market Focus on Next Generation IT Solutions** – Federal agencies and the community of technology solutions and service providers supporting them are increasingly focused on building “next generation” capabilities (e.g., cloud computing, data science, big data analytics, and cybersecurity) to meet rapidly evolving global threats. As a pioneer in cloud and big data technologies, EITC developed the DoD’s first and only cloud stack, known as the Big Data Platform (“BDP”), to be accredited on both secret and unclassified networks. The BDP enables the ingest, real-time analysis, and visualization of critical cyber data from sensors and access points across DoD networks. The Company’s proprietary Rapid Analytic Deployment and Management Framework (“RADMF”) tool deploys key components of the BDP within an Amazon Web Services (“AWS”) cloud environment, enabling users to ingest data, perform computational algorithms, visualize data, and ultimately test analytic applications in a simulated production environment to streamline operational deployment. AWS recently recognized EITC for its innovation at the AWS Global Partner Summit, a strong testament to the Company’s technology leadership position in this high priority market.
- **Focus on Well-Funded Customers and Mission Critical Programs** – Federal and defense budget priorities have progressively shifted towards agencies and programs most critical to national security (often at the expense of others), driving significant consolidator interest in companies supporting well-funded customers and high priority programs. EITC develops innovative technology solutions that transform the cyber network defense, defensive and offensive cyber operations, and situational awareness capabilities of the DoD cyber community. With successful deployments of EITC technology solutions driving measurable increases in data ingest and analysis, boundary defense, threat detection, and operational response time, the Company has become a critical partner to the national defense and intelligence organizations that are responsible for navigating the rapidly evolving global cyber threat landscape.
- **Emerging Tier of Middle-Market Consolidators** – As larger government technology providers have increasingly focused their M&A activity on “needle moving” (e.g., ~\$500+ million) transactions, their privately held mid-tier counterparts have increasingly turned to middle-market M&A to build scale and add specialized capabilities. While consolidation in this segment of the market has been commonplace amongst private equity-backed government technology and services companies, closely held and founder/family owned businesses have become increasingly active in the M&A arena. In fact, 2016 marked the first year in recent history in which these businesses outpaced private equity-backed companies in middle-market M&A transaction volume (within the government technology and services market). The continued success and growth of companies like MacB, which has acquired nine companies over the past decade, will continue to dominate headlines in 2017.

EITC possesses several additional attributes that attracted MacB’s interest, including its largely prime contract base, highly specialized and technical employee base, and strong growth profile, among others. Based on market insight, Bluestone is confident that companies that share these characteristics will continue to receive strong interest from buyers as companies seek differentiation in a highly competitive government contracting environment.

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.



has been acquired by



Sale
(Private)

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