

News

02.25.2008



News

Rulers of the M&A Game

Washington Technology

M&A special report | Rulers of the M&A game

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02/25/08

Dealmakers see a government market ripe for acquisitions

A New Player

Closing five deals in less than six months brought plenty of attention to D.C. Capital Partners and the company it formed to make those acquisitions, National Interest Security Co. Under the leadership of Thomas Campbell, chairman of NISC and president of D.C. Capital, the slew of deals landed the company at No. 4 on the list of the top 10 deals of the year.

The company was formed with the July 25 acquisition of three firms — the Intelligence Services Division of GAITS, Technology and Management Services Inc. and Omen Inc. It followed with Information Manufacturing Corp. and Athenyx Inc. Dec. 11.

“We’re looking to build a government services platform with two verticals — technology management consulting and information management,” Campbell said. A sixth acquisition is pending, and D.C. Capital expects to launch another platform company in the training and logistics space.

When the sixth deal for NISC closes, the company should have about \$160 million in 2008 revenue. Campbell has brought in government veterans Andrew Maner as chief executive officer and James Van Dusen as CFO.

Maner most recently was president of ABM LLC, a strategic advisory firm, and CFO at DHS from 2004 through 2006. Van Dusen has been a senior executive at Titan Corp. and CFO at L-3 Government Services.

Their goal will be to make NISC’s various parts, which will remain independent operating units, work together to fuel organic growth, Campbell said.

“Under their leadership and with the operating companies’ presidents, they can grow the company to \$350 million in revenue in the next two to three years,” he said.

Already sounding like a strategic buyer, Campbell said the executives look for acquisitions they can build on rather than chasing the whims of the market.

“Our perspective is long term, and we see a tremendous amount of opportunity,” he said. “But we stick to the basics. We’re kind of boring.”

No. 4

Buyer: National Interest Security Co.

Seller: Athenyx Inc., Information Manufacturing Corp., Intelligence Services Division of GAITS, Omen Inc., and Technology and Management Services

Price: Not available

Closing date: July 25 for GAITS, Omen Inc., and Technology and Management Services; Dec. 11 for Athenyx and Information Manufacturing

Adviser: Jefferies Quarterdeck for Athenyx, BB&T Capital Markets/Windsor Group and Aronson Capital Partners for Information Manufacturing, Aronson for GAITS and Technology and Management Services.

Why it's a big deal: Created and led by the private-equity group D.C. Capital Partners, this company launched itself with a bang by closing five deals in 12 months. Another is in the works for early 2008. As its name implies, the company is focused on mission-critical government functions, such as information technology, intelligence, homeland security and defense electronics.
