

ASGN Acquires Blackstone Federal

Acquisition Deepens Differentiated Transformation, Engineering, and Creative Solutions for Federal Government Clients

CALABASAS, Calif.--(BUSINESS WIRE)-- ASGN Incorporated (NYSE: ASGN), one of the foremost providers of IT and professional services in the technology, digital, creative, engineering, and life sciences fields across commercial and government sectors, announced today the completion of its acquisition of the Federal division of Blackstone Technology Group (Blackstone Federal), for \$85 million in cash, which is now part of ASGN's ECS government IT solutions and services segment. Blackstone Federal will be immediately integrated into ECS' enterprise solutions group, which focuses on delivering digital solutions to Federal civilian customers.

Founded in 2002 in Arlington, Virginia, Blackstone Federal is comprised of roughly 100 technical and creative consultants who together deliver agile application development, cloud modernization and systems architecture, cybersecurity, user experience design, and branding services to government clients. Blackstone Federal has a long-standing relationship with the Federal government, including more than 18 years of experience providing highly technical support to the Department of Homeland Security (DHS) and its sub-agencies.

Blackstone Federal's enduring success at DHS is attributed to its exclusive commitment to its customers' missions. The Company is a leading player and prime contractor on major, full and open and flexible DHS contract vehicles, including the Architecture, Development, and Platform Technical Services (ADaPTS) Blanket Purchase Agreement. For 2019, Blackstone Federal generated approximately \$44 million in revenues and is expected to grow over 10 percent in 2020 and generate EBITDA margins in the mid-teens.

Commenting on the acquisition, Ted Hanson, ASGN's President and Chief Executive Officer, said, "Blackstone Federal's talented team and solution offerings are an excellent addition to our rapidly growing ECS segment, which is focused on large and complex IT solutions across key and attractive Federal government customers. This acquisition fits perfectly with ASGN's hybrid growth and capital allocation strategy, to scale ECS to over \$1 billion in revenue through a combination of strong

organic growth and complementary acquisitions in strategic technologies, capabilities, customers, and contract areas that together will enable us to even further enhance the solutions we provide to our customers.”

“ECS welcomes the Blackstone Federal team,” said George Wilson, President of ECS. “Both ECS and Blackstone Federal share innovative and solutions-driven cultures focused on the customer, collaboration, and quick decision-making. We’ve also both worked hard to deliver the most powerful technologies, tools, and strategies to our DHS customers. With our combined technologies and depth of talent, we will accomplish even more together. On behalf of ASGN, ECS is committed to continuing to attract, develop, and retain the best talent in our industry, and the addition of Blackstone Federal is no exception to this mission.”

In connection with the closing of the acquisition, ASGN will be granting restricted stock unit awards to seven Blackstone Federal employees for a total of approximately 31,000 shares. Subject to continued service to ASGN, the grants will vest: (i) one-half on the second anniversary of the grant date and (ii) 25 percent on each of the third and fourth anniversaries of the grant date. The restricted stock unit awards are being granted to the Blackstone Federal employees as employment inducement awards pursuant to New York Stock Exchange rules.

ASGN retained Sullivan & Cromwell LLP as legal counsel on the transaction. DC Advisory served as exclusive financial advisor to Blackstone Technology Group, and DLA Piper LLP served as its legal counsel.

About ASGN

ASGN Incorporated (NYSE: ASGN) is one of the foremost providers of IT and professional services in the technology, digital, creative, engineering, and life sciences fields across commercial and government sectors. Operating through its Apex, Oxford, and ECS segments, ASGN helps leading corporate enterprises and government organizations develop, implement, and operate critical IT and business solutions through its integrated offering of professional staffing and IT solutions. Our mission is to be the most trusted partner for companies seeking highly skilled human capital and integrated solutions to fulfill their strategic and operational needs. For more information, visit us at [asgn.com](https://www.asgn.com).

About ECS

ECS, a segment of ASGN, delivers advanced solutions in cloud, cybersecurity, artificial intelligence (AI), machine learning (ML), application and IT modernization, science, and engineering. The company solves critical, complex challenges for

customers across the U.S. public sector, defense, and intelligence industries. ECS maintains partnerships with leading cloud, cybersecurity, and AI/ML providers and holds specialized certifications in their technologies. Headquartered in Fairfax, Virginia, ECS has more than 3,000 employees throughout the United States. For more information, visit [ECStech.com](https://www.ecstech.com).

About Blackstone Federal

Launched in Arlington, Virginia, in 2002, Blackstone Federal is a premier engineering, transformation, and creative design agency. Rooted in a common culture, Blackstone Federal bridges the gap between the Beltway and Silicon Valley to create service offerings unlike any in D.C. For more information, visit [blackstonefederal.com](https://www.blackstonefederal.com).

Safe Harbor

Certain statements made in this news release are “forward-looking statements” within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended, and involve a high degree of risk and uncertainty. Forward-looking statements include statements regarding our anticipated financial and operating performance.

All statements in this release, other than those setting forth strictly historical information, are forward-looking statements. Forward-looking statements are not guarantees of future performance, and actual results might differ materially. In particular, we make no assurances that the estimates of revenues and Adjusted EBITDA will be achieved. Factors that could cause or contribute to such differences include actual demand for the services of ASGN, ECS or Blackstone Federal, the ability to attract, train and retain qualified employees, the ability to remain competitive in obtaining and retaining clients, management of growth, the companies' ability to manage litigation matters, the successful integration of Blackstone Federal, and other risks detailed from time to time in reports filed with the SEC, including ASGN's Annual Report on Form 10-K for the year ended December 31, 2018, as filed with the SEC on March 1, 2019 and ASGN's Quarterly Report on Form 10-Q for the quarter ended September 30, 2019, as filed with the SEC on November 8, 2019. We specifically disclaim any intention or duty to update any forward-looking statements contained in this news release.

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Source: ASGN Incorporated
