



Boyne Capital and Grindstone Partners Announce the Sale of Fulcrum IT Services to Huntington Ingalls Industries.

Miami, FL (February 26, 2019) – Boyne Capital (“Boyne”) and Grindstone Partners (“Grindstone”), Miami, FL and Alexandria, VA based private equity firms focused on small and mid-sized companies, announced today the sale of their portfolio company, Fulcrum IT Services, LLC (“Fulcrum” or the “Company”) to Huntington Ingalls Industries (NYSE: HII) for \$193 million. Boyne and Grindstone acquired Fulcrum in 2010 in partnership with management.

Headquartered in Centreville, Virginia, Fulcrum is a leading information technology and government consulting company that provides pivotal solutions and services primarily for federal customers in the defense, intelligence, education and healthcare sectors leveraging its capabilities in software development, data analytics, cyber security, advanced engineering and across the C5ISR domain.

Jeff Handy, CEO of Fulcrum, commented, “We greatly appreciate the support that Boyne and Grindstone have provided over the last nine years. It has been a tremendous partnership, in the truest sense of the word. They sourced and facilitated growth through acquisition and supported our leadership in growing organically. Over the course of our relationship, we were able to grow revenues from \$22 million to over \$160 million and EBITDA from \$2 million to \$17 million.”

Derek McDowell, Boyne’s Managing Partner and CEO, said “Boyne is proud to have been a long-term partner of Fulcrum, its management team, and Grindstone. It has been a rewarding experience working with Jeff Handy, Carroll Johnson, Fulcrum’s CFO, and Fulcrum’s other managers. During our ownership period, Fulcrum has become a highly-respected solution to federal government customers in the defense, intelligence, education and healthcare sectors due to management’s strategic vision and excellent execution. We are very excited for Fulcrum to join HII’s Technical Solutions and firmly believe in the continued success of the business.”

Michael Bluestein, Grindstone’s Managing Partner, added “Through six key acquisitions and the award of an expanded portfolio of contracts, Fulcrum’s management steered the company closer to the client’s mission and turned Fulcrum into a leading provider of critical services to many agencies of the United States Government. Their efforts and leadership drove tremendous

growth in the company and impressive returns to the management team and investors” He added, “We are grateful to Jorge Freeland of Freeland Partners LLP, who provided expert legal direction on the sale and Susan Gabay and her team at Houlihan Lokey, which skillfully guided the Company through the sale process. We are also appreciative for the legal services of Holland & Knight LLP and Dixon Hughes Goodman LLP, who provided legal, tax and accounting assistance to the Company during the sale and for the past 9 years.”

About Boyne Capital

Boyne Capital is a Florida-based private equity firm focused on investments in lower middle market companies. Founded in 2006, Boyne has successfully invested in a broad range of industries, including healthcare services, consumer products, niche manufacturing, and business and financial services among others. Beyond financial resources, Boyne provides industry and operational expertise to its portfolio companies and partners with management to drive both company performance and growth. Boyne specializes in providing the capital necessary to fund corporate growth and facilitate owners and shareholders’ partial or full exit. Contact Jonathan Cohn at jcohn@boynecapital.com or 786.539.2246 with inquiries related to the sale.

About Grindstone Partners

Grindstone is a Virginia-based private equity firm that partners with managers to create extraordinary shareholder value in small and midsized companies. The firm brings its operational, growth, M&A and turnaround experience and its broad network of resources to its portfolio investments. Grindstone invests in service, healthcare, software and light manufacturing companies with high growth potential and revenue above \$10 million. Transactions often involve family-owned businesses where liquidity is needed and are always in partnership with management. Contact Michael Bluestein at michael@grindstonepartners.com.

About Huntington Ingalls Industries

Huntington Ingalls Industries is America’s largest military shipbuilding company and a provider of professional services to partners in government and industry. For more than a century, HII’s Newport News and Ingalls shipbuilding divisions in Virginia and Mississippi have built more ships in more ship classes than any other U.S. naval shipbuilder. HII’s Technical Solutions division provides a wide range of professional services through its Fleet Support, Mission Driven Innovative Solutions, Nuclear & Environmental, and Oil & Gas groups. Headquartered in Newport News, Virginia, HII employs more than 40,000 people operating both domestically and internationally.

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