

Parsons To Acquire BlackHorse Solutions, Inc.

10 June, 2021

Parsons Corporation (NYSE:PSN) announced today that it has entered into a definitive agreement to acquire BlackHorse Solutions, Inc. in an accretive deal valued at \$203 million. Founded in 2018, BlackHorse expands Parsons' customer base and brings differentiated best-in-class capabilities in cyber, digital operations, artificial intelligence/machine learning, and full-spectrum operations.

Parsons' acquisition of BlackHorse expands the company's proven solutions and products that address next-generation military, intelligence, and space operations. The transaction is consistent with Parsons' strategy of completing accretive acquisitions of companies with revenue growth and adjusted EBITDA margins exceeding 10%, respectively, while adding critical intellectual property that strengthens the company's existing portfolio. BlackHorse will be integrated into Parsons' federal solutions business segment, adding nearly two hundred employees, the predominance of which hold high-level security clearances.

"Adding BlackHorse increases our scale in the areas of cyber, electronic warfare, and information dominance, enhancing Parsons' position to pursue and win upcoming large joint all-domain contract opportunities, which is a key component of our national defense strategy," said Chuck Harrington, Parsons' chairman and chief executive officer. "We have partnered closely with BlackHorse in the past, so we know our cultures are well aligned and are excited to welcome their talented team of employees to the Parsons' family and leverage their exceptional reputation in the market."

Headquartered in Herndon, Va., BlackHorse's technology is shaping the future of information dominance and converged military operations by unifying cyber, electromagnetic warfare, and information operations for Department of Defense and Intelligence Community customers. The company also provides autonomous and distributed detection, identification, exploitation, and the defeat of today's most complex communications.

"We are thrilled to join the Parsons family," said Mike Kushin, BlackHorse president and chief executive officer. "We share a common passion for supporting our nation's most pressing security challenges, and joining forces continues that tradition while accelerating our growth and expanding our customer base. I'm excited for what the future holds."

The transaction is valued at \$203 million, or approximately 11.5x BlackHorse's estimated 2022 adjusted EBITDA. For 2022, BlackHorse is expected to generate revenue of approximately \$100 million. The company expects the transaction to be accretive to Parsons' fiscal year 2021 and 2022 revenue growth rate, adjusted EBITDA margin, and adjusted diluted earnings per share. The transaction is expected to close in July 2021, subject to customary closing conditions. Parsons was advised by Baird and Latham & Watkins LLP. BlackHorse was advised by Raymond James & Associates, Inc. and Cooley LLP.

Link to original press release:

<https://www.parsons.com/2021/06/parsons-to-acquire-blackhorse-solutions-inc/>

