

NATIONAL SURVEY: BUSINESS BROKERS SAY HEIGHTENED M&A PACE WILL CONTINUE IN 2019, BUT END IS NEAR

Business advisors say that the intense pace of mergers and acquisitions that occurred in 2018 is likely to continue into 2019, but not for much longer. According to the Q4 2018 Market Pulse Report published by the International Business Brokers Association (IBBA), M&A Source and the Pepperdine Private Capital Market Project, 83 percent of business advisors say the strong M&A market won't last more than two years and nearly a third (32 percent) predict the current seller's market will be over within the year.

Advisors are pessimistic, believing that general business conditions will decline and profitability pressure on businesses will get worse. While more deal volume is expected in 2019, it is anticipated that the overall time to close will take longer. The current average time to close is 9.3 months, which is trending slower than normal.

"Increased deal activity is being driven by in part by the low unemployment rate which makes it hard for businesses to attract talent to support growth," said Mike McCarthy of Marathon Capital Advisors, an award-winning affiliate of VR Business Brokers/Mergers & Acquisitions. "There is an increasing trend of companies buying other companies in order to acquire their skilled labor force. This high demand for labor, coupled with strong earnings, a positive lending environment, and historically low interest rates, are all driving up deal flow and valuations. However, advisors aren't optimistic that the current climate will last through 2020. Considering that it's taking about a year to sell a business valued between \$2 million - \$50 million, sellers should consider going to market before the market flips."

According to the report, seller-market sentiment is on the rise in most market

sectors, with more advisors describing Q4 2018 as a "seller's market" than a year ago, in all but the \$500,000 to \$1 million sector. Of note, 2018 marks the first full year in which four of the five market segments have been described as a seller's market.

Price multiples on earnings continue to remain strong in all categories, at or near market peak in some sectors. Year-over-year, these multiples were generally stable or increasing in most market sectors. Advisors do not predict additional multiple growth in 2019, according to the report.

"Business owners are thinking about getting out before the next recession," said Scott Bushkie, IBBA Marketing Chair and Principal of Cornerstone Business Services Inc. "Those who made it through the last financial crisis haven't forgotten the pain and stress. They're looking ahead and telling us they don't have the stamina to work through another one."

About the Market Pulse Report: The Market Pulse Report compares conditions for businesses being sold on Main Street (values of up to \$2 million) to those being sold in the Lower Middle Market (values of \$2 million to \$50 million). The Q4 2018 survey was completed by 319 business brokers and M&A advisors.

About International Business Brokers Association (IBBA) and the M&A Source: Founded in 1983, IBBA is the largest non-profit association specifically formed to meet the needs of professionals engaged in business brokerage and mergers and acquisitions. The IBBA is a trade association of business brokers providing education, conferences and professional designations.

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REGIONAL CHAMBER ROUNDUP

Please see pages 29-38 for the TriCounty Area Chamber of Commerce news and information section.

PHOENIXVILLE REGIONAL CHAMBER OF COMMERCE

• 171 East Bridge Street, Phoenixville, PA 19460 • 610.933.3070 • fax 610.917.0503
• info@phoenixvillechamber.org • www.phoenixvillechamber.org



PHOENIXVILLE
REGIONAL CHAMBER OF COMMERCE

The Phoenixville Regional Chamber of Commerce is an independent organization serving the business interests of Northern Chester, Western Montgomery and parts of Delaware Counties.

The Chamber's mission is to "advance the principles of free enterprise by providing the leadership which will enhance the economic climate of the region, address the priority needs of its members, and interact with other individuals and organizations for the overall benefit of the business community."

UPCOMING EVENTS

Young Professionals Networking Event (YPN) with the Phoenixville Jaycees – Tuesday, March 5th, 6:00 PM @ Bistro on Bridge

Join the Phoenixville Chamber and the Jaycees at the Professional Networking Group in the Phoenixville Area. Created for business minded people aged 21 to 40 to gather in a relaxed atmosphere, YPN meets the first Tuesday of every month. Join us to network with other young professionals. Refreshments will be provided with a Cash Bar Bring plenty of business cards. Visit our website at www.phoenixvillechamber.org for information and registration

March Monthly Membership Luncheon – Phoenixville Office of Emergency Management, Tuesday, March 12th, 11:15-1:00 PM @ Phoenixville Country Club

Join the Phoenixville Chamber for an afternoon of education and networking. Karin Williams, Director of the Phoenixville Office of Emergency Management, will present information on emergency preparedness for home & business. Visit our website at www.phoenixvillechamber.org for information and registration Cost: \$20 pre-registered, \$25 at the door. \$30 for non-members.



Chamber Annual Golf Tournament – Tuesday, April 30th, 11:30 AM, Rivercrest Golf Club & Preserve

The course at RiverCrest Golf Club & Preserve is one of the most exciting golf venues built in the Philadelphia area. Enjoy a fun-filled day on the course starting with lunch, golf and ending with an Awards dinner. All golfers costs include lunch, dinner, door prize, greens fees, cart, on-course refreshments and awards ceremony. Join us for a delicious dinner, open bar and wonderful silent auction items! www.phoenixvillechamber.org for information and registration.

PHOENIXVILLE EVENTS

First Fridays in Downtown Phoenixville - May 3, June 7, July 5, August 2, September 6, October 4 6:00-10:00 PM

Visit our Phoenixville on the First Friday of every month, May through October, to experience the vibe of our eclectic town. Sample some of the region's best craft brews, grab some local eats, shop our sweet boutiques, and listen to live music on the street. Main Street is closed between Bridge & Church Streets to allow vendors to set up and showcase their wares.



Food Truck Festival – Saturday, May 4 & Saturday, October 5 12noon – 6PM

30+ food vendors, music, arts, craft beers, and so much more. This family-friendly day of food and fun. Bridge Street is closed between Starr and Gay streets, and Main Street is closed between Price and Church Streets for this awesome food truck festival. Parking will be tricky, FREE shuttle service is available. Visit www.phoenixvillefoodfestival.com for more information

WELCOME NEW CHAMBER MEMBERS!

The Desmond Malvern
Diversity in Action
Higher Information Group
Kelsey Joy Creative
My Favorite Muffin
Patriot Pest Solutions
Preserve at Kimberton Glen
Professional Referral Exchange
West Powelton Drummers

IBBA AND THE M&A SOURCE

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Founded in 1991, the M&A Source promotes professional development of merger and acquisition professionals so that they may better serve their clients' needs and maximize public awareness of professional intermediary services available for middle market merger and acquisition transactions.

About Pepperdine University Graziadio Business School: For the last 50 years, the Pepperdine Graziadio Business School has challenged individuals to think boldly and drive meaningful change within their industries and communities. Dedicated to developing Best for the World Leaders, the Graziadio School offers a comprehensive range of MBA, MS, executive, and doctoral degree programs grounded in integrity, innovation, and entrepreneurship. The Graziadio School advances experiential learning through small classes with distinguished faculty that stimulate critical thinking and meaningful connection, inspiring students and working professionals to realize their greatest potential as values-centered leaders. Follow Pepperdine Graziadio on Facebook, Twitter, Instagram, and LinkedIn.

For additional information, please contact Mike McCarthy, Advisor, Marathon Capital Advisors at: 610/898.8086 x23 (Office); 484.769.8225 (Cell); mmccarthy@ormarathon.com; www.ormarathon.com.

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REGIONAL CHAMBER ROUNDUP

Please see pages 29-38 for the TriCounty Area Chamber of Commerce news and information section in this issue.

SPRING-FORD CHAMBER OF COMMERCE

Building a Better Community Through Business

• 313 Ridge Pike, 2nd Floor, Limerick, PA 19468 • 610.489.7200



The Spring-Ford Chamber of Commerce is a community-focused business advocate. We strive to help our member businesses grow while improving the community in which we all live and work.

The Chamber consists of local businesses whose main objective is to run a successful business. We are a great resource for members, not only because we offer the opportunity to network and brainstorm with fellow members, but also to have exposure to the local community, your customer, through our continued involvement in community events and charitable endeavors. Visit www.springfordchamber.com for Chamber Events, Press Releases, Online Newsletters and more!

Chamber Notes

- Welcome our newest members **Urban Air, The Printes' Printer and Hilton Garden Inn Valley Forge**
- The Spring-Ford Chamber Annual Lunch has been moved to May of 2019
- 2019 will be a focus on Professional Development. Check back to the Spring-Ford Chamber Website for our upcoming professional development series, including workshops on Human Resources, Security, Social Media, Communication and Customer Service
- Directory sales for the 2019-2020 Chamber Directory are on sale now. Go online to www.springfordchamber.com to reserve your advertisement space and confirm your free listing.
- The Chamber is now taking basket donations for Dine for Education and the Annual Fashion Show proceeds benefit the Spring-Ford Chamber Education Fund and Operation Backpack
- The Spring-Ford Chamber has moved to a virtual office in an effort to be the most strategic chamber we can be. If you would like to contact Carla please call the chamber phone number and leave a message, you will receive a prompt reply.
- If you are interested in hosting a mixer or workshop in 2019 please contact the chamber at 610-489-7200 or email at info@springfordchamber.com

Spring-Ford Chamber Community Contributions

Over the years Spring-Ford Chamber of Commerce has donated to many worthy causes and organizations through our Annual Women's Fashion Show. However, did you realize that every year we give half of our portion earned through our Annual Limerick Community Day to the Limerick Township Parks and Recreation Depart. We also give out 3 college scholarships to deserving students each year from the Spring-Ford Area School District, Western Montgomery Career and Technology Center and the Pope John Paul II High School. Yearly these contributions add up to almost \$20,000.

Many of our events for 2019 are already on the calendar and we would truly appreciate your support by attending and donating to these worthy causes. Click on their names to register today!

UPCOMING EVENTS

RSVP for all events online at www.springfordchamber.com

March 14, 2019 - Chamber Luncheon

Topic: Meet our Local Legislators

Springford Country Club
48 Country Club Rd, Royersford
11:30 a.m. to 1:00 p.m.
\$25 Members/\$35 Non-members

March 21, 2019 - Shark Think Tank

Business Owners Roundtable

Copperfield Inn at Lakeside
594 W Ridge Pike, Limerick
11:30 a.m. to 1:00 p.m.
\$25 Members/\$35 Non-members
*Business Owners Only

March 27, 2019 - DINE FOR EDUCATION

Dinner prepared by the students of the WMCTC

Western Montgomery Career and Technology Center
77 Graterford Rd, Royersford
5:30pm - 7:30pm
\$25 Members and Non-members welcome
RSVP's for tables being accepted now
Raising Money for the Spring-Ford Education Fund supporting students in higher education.

April 2, 2019 - Network Before Work

TriCounty Area Federal Credit Union
1550 Medical Dr, Pottstown,
8:00 a.m. to 9:30 a.m.
Free Members/\$10.00 Non-members

April 11, 2019 - Annual WIN Fashion Show

Sunnybrook Ballroom
50 Sunnybrook Rd, Pottstown
11:00 a.m. to 1:30 p.m.
\$30 Per Person

FEATURED EVENTS

Dine for Education

Tuesday, March 27th

5:30pm - 7:30pm

\$25.00 Per Person

Western Montgomery Career and Technology Center

Register now to reserve your table. Bring your family for a wonderful dinner out! Catered by the students of the Western Montgomery Career and Technology Culinary Department and benefit the Spring-Ford Chamber Education Fund.

The Spring-Ford Chamber of Commerce will be hosting our first Dine for Education.

This fundraising event will go directly to the Spring-Ford Chamber Education Fund to support college scholarships for students in the Spring-Ford School District, Pope John Paul II High School and The Western Montgomery Career and Technology Center. The evening will include entertainment, 50/50 Raffle and a Basket Raffle

Reservations are being taken online at www.springfordchamber.com

Dinner will include:

Appetizers

- Asian shrimp salad in a crispy spring roll cup
- Bleu cheese mousse topped with a pear-ginger chutney in a flaky phyllo cup
- Salad station with an assortment of house-made dressings

Buffet will include:

- Pan-seared chicken breast Mediterranean: roasted tomatoes, feta cheese, Kalamata olives, fresh basil, drizzled with a balsamic glaze
- Marinated, Char-grilled salmon presented over sautéed spinach
- Scalloped potatoes
- Roasted Brussel sprouts with pancetta and shredded Parmesan cheese
- Sautéed green beans and carrots w/ roasted shallot butter
- Assorted desserts

Annual Fashion Show Thursday, April 11th

11:00am - 2:00pm

\$30.00 Per Person

Sunnybrook Ballroom

The Annual Fashion Show is a staple on the Chamber Calendar
The charitable organization for 2019; will be **Operation Backpack**

We are presently accepting monetary and basket donations!

SAVE THE DATE Limerick Community Day Saturday, August 24th

4:00pm - 7:00pm

Limerick Community Park