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# 'A bit of a resurgence' in N.J. merger activity

tractive because it's in a field that's not affected that much by a recession."

The renewed emphasis on a steady revenue flow is helping **Achim Neumann** pitch the sale of a New Jersey-based food-services company.

"Buyers today are looking for a recurring revenue stream," said Neumann, president of **A Neumann & Associates LLC**, in Atlantic Highlands. "This particular company has contracts to supply jails and universities, two segments that are doing well despite the problems facing the overall economy."

He said standards used to help determine selling price, like multiples of annual sales, haven't come down that much since pre-recession days. But the baseline numbers themselves — like sales; or earnings before income taxes, depreciation and amortization — have retreated, which can lead to a good deal for a buyer.

"A South Jersey commercial contractor I work with is really getting pinched," Neumann said. "His annual sales went from \$12 million in 2007, to \$4 million in 2008, to only \$1 million in 2009. His revenues are up a bit in 2010, but the slowdown in Atlantic City is really hurting his results."