

MARKET BRIEF

The US labor market saw an uptick in job growth with 199,000 jobs added in November 2023. This was a jump from the 150,000 jobs added the month prior but was below the prior 12-month average of 240,000 jobs added. It is notable that a portion of November's job growth reflects the return to work of striking auto and entertainment workers. The annual inflation rate for the United States was reported at 3.1% for the 12 months ended in November, a slight decrease from the previous rate of 3.2%. The S&P 500 rose 8.9% in November, one of its 20 best monthly performances in history.

November Unemployment Rate Ticked Downward to 3.7%

The unemployment rate fell slightly to 3.7% with the number of unemployed people staying mostly unchanged at 6.3 million. Total nonfarm payroll employment rose by 199,000 in November, slightly ahead of economists' forecasts, with notable job gains in the health care, government, and manufacturing sectors. The number of long-term unemployed decreased to 1.2 million.

[Bureau of Labor Statistics](#)

Consumer Confidence Rose 2.9% in November

The Conference Board Consumer Confidence Index® increased in November to 102.0 (1985=100), up from a downwardly revised 99.1 in October. The Present Situation Index—based on consumers' assessment of current business and labor market conditions—ticked down slightly to 138.2 (1985=100), from 138.6. The Expectations Index—based on consumers' short-term outlook for income, business, and labor market conditions—rose to 77.8 (1985=100) in November, up from its downwardly revised reading of 72.7 in October. "Consumer confidence increased in November, following three consecutive months of decline," said Dana Peterson, Chief Economist at The Conference Board. "This improvement reflected a recovery in the *Expectations Index*, while the *Present Situation Index* was largely unchanged. General improvements were seen across the spectrum of income groups surveyed in November. Nonetheless, write-in responses revealed consumers remain preoccupied with rising prices in general, followed by war/conflicts and higher interest rates."

[The Conference Board](#)

Case Shiller Index

The S&P CoreLogic Case-Shiller U.S. National Home Price NSA Index reported a 3.9% annual change in September 2023, its most recent results, up from a 2.5% change in the previous month. The 10-City Composite and the 20-City Composite showed increases of 4.8% and 3.9% year-over-year, respectively. Craig J. Lazzara, Managing Director at S&P DJI, said that "U.S. home prices continued their rally in September 2023" and the "National Composite rose by 0.3% in September, marking eight consecutive monthly gains since prices bottomed in January 2023. The Composite now stands 3.9% above its year-ago level and 6.6% above its January level. Our 10- and 20-City Composites both rose in September, and likewise currently exceed their year-ago and January levels."

[S&P Global | National Home Price Index](#)

The Consumer Price Index Rose 0.1% in November

The Consumer Price Index (CPI) report showed a slight 0.1% increase to November's headline inflation on a seasonally adjusted basis, the U.S. Bureau of Labor Statistics reported. Over the last 12 months, the all items index increased 3.1% before seasonal adjustment, which is in line with expectations.

[U.S. Bureau of Labor Statistics](https://www.bls.gov/)

PUBLIC MARKET

The U.S. public markets saw significant gains in November. The S&P 500 was up 8.9% in November, bringing its year-to-date return to 18.9%. The Dow Jones Industrial Average gained 8.8% for the month and was up 8.5% YTD. The *Nasdaq Composite Index* gained 10.7% for the month.

Public Trading Multiples

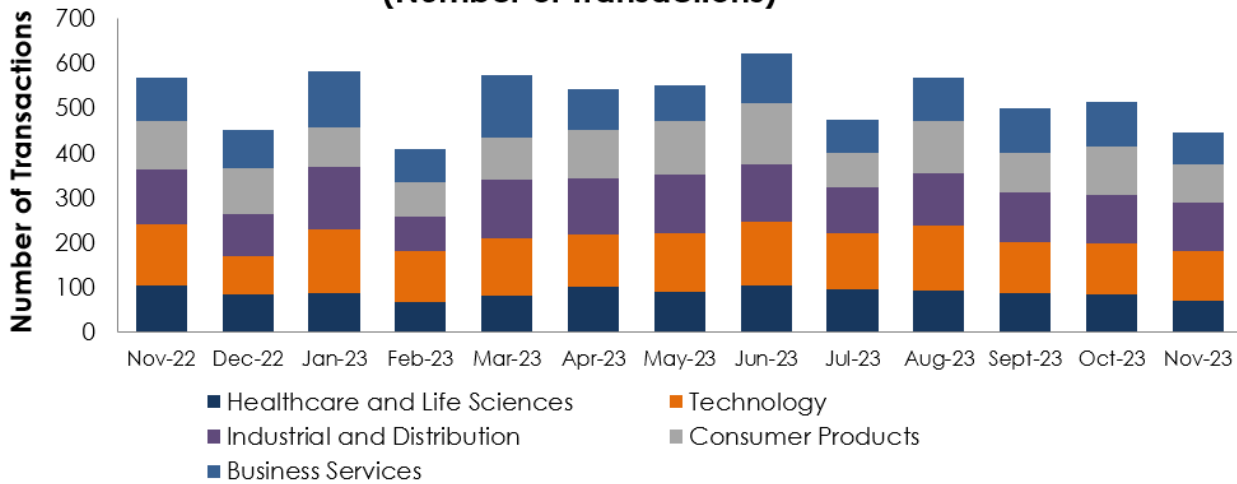
As of November 30, 2023

Category	EV / Revenue	EV/ EBITDA	Revenue Growth		EBITDA Growth		EBITDA Margin
			1 Year	3 Year	1 Year	3 Year	
Healthcare and Life Sciences							
Healthcare Technology	4.0x	24.5x	10.8%	8.2%	31.7%	2.2%	2.8%
Healthcare Equipment and Supplies	3.8x	17.2x	2.0%	6.6%	-11.1%	4.9%	15.2%
Healthcare Providers and Services	0.9x	10.7x	9.0%	9.2%	5.0%	4.8%	9.8%
Healthcare and Life Sciences Aggregate	2.9x	17.5x	7.3%	8.0%	8.5%	4.0%	9.3%
Technology							
IT Services	2.3x	13.1x	7.9%	3.2%	8.6%	2.3%	14.3%
Software	8.0x	24.6x	9.3%	12.2%	18.3%	13.6%	5.8%
Computers and Other Electronic Equipment	1.9x	13.9x	-4.3%	3.6%	-13.1%	4.7%	12.7%
Technology Aggregate	4.0x	17.2x	4.3%	6.3%	4.6%	6.9%	10.9%
Industrial and Distribution							
Aerospace and Defense	2.1x	15.8x	13.3%	1.9%	11.0%	6.2%	9.2%
Building Products	1.5x	9.9x	1.9%	6.7%	0.3%	10.9%	19.2%
Construction and Engineering	0.7x	8.9x	9.6%	6.4%	7.8%	4.2%	6.9%
Machinery	1.5x	10.5x	11.4%	6.5%	26.6%	11.7%	7.4%
Distributors	0.8x	9.6x	-0.8%	7.6%	3.9%	13.5%	4.4%
Industrial and Distribution Aggregate	1.3x	10.9x	7.1%	5.8%	9.9%	9.3%	9.4%
Consumer Products							
Food and Beverage	1.9x	11.6x	7.1%	7.5%	4.9%	4.1%	13.9%
Household and Personal Products	2.8x	15.4x	7.9%	3.1%	8.9%	-1.0%	13.6%
Household Durables	0.9x	8.2x	0.8%	4.4%	-8.7%	6.3%	8.5%
Textiles, Apparel, and Luxury Goods	2.1x	11.7x	7.2%	10.7%	5.2%	24.4%	9.4%
Consumer Products Aggregate	1.9x	11.7x	5.7%	6.4%	2.6%	8.5%	11.4%
Business Services							
Human Resource and Employment Services	1.0x	12.2x	5.7%	5.3%	-5.0%	7.5%	9.3%
Research and Consulting Services	2.7x	15.2x	6.8%	6.0%	7.5%	7.8%	2.8%
Business Services Aggregate	1.9x	13.7x	6.3%	5.6%	1.3%	7.7%	6.0%
Travel and Hospitality							
Hotels, Resorts, and Cruise Lines	3.4x	13.6x	36.4%	17.6%	0.0%	111.8%	13.4%
Restaurants	2.4x	14.2x	16.1%	12.7%	41.2%	20.7%	7.0%
Leisure Facilities	3.1x	9.3x	19.1%	17.6%	39.5%	61.6%	39.8%
Travel and Hospitality Aggregate	3.0x	12.4x	23.8%	16.0%	26.9%	64.7%	20.1%

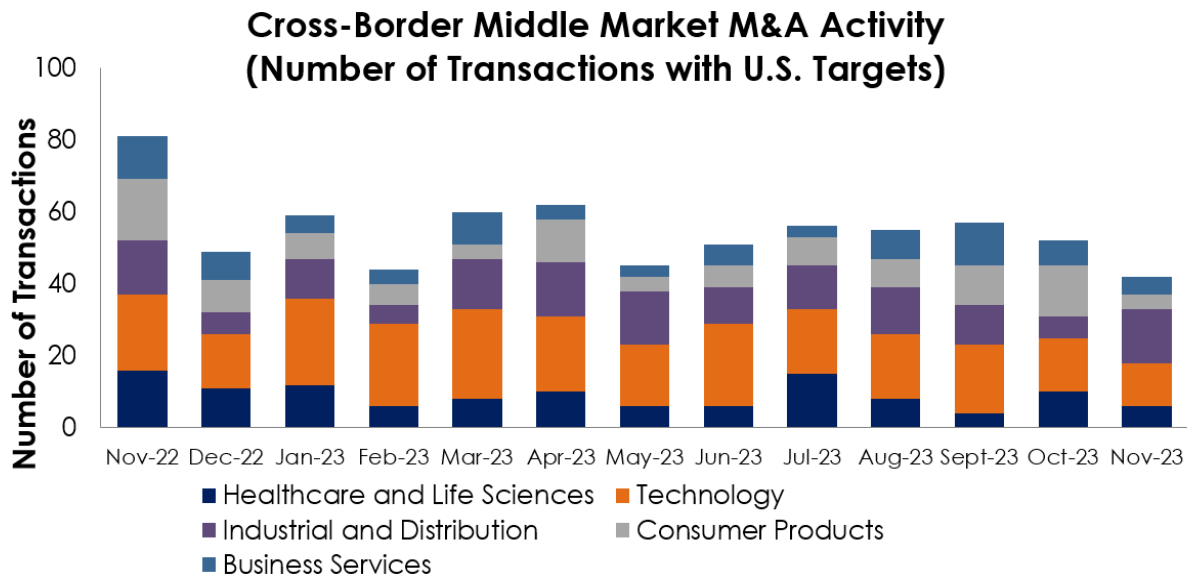
M&A MARKET

Middle-market M&A activity decreased slightly in November. The Technology and Industrials & Distribution sectors had the highest transaction volume, followed by Consumer Products. Middle market activity has remained resilient while fewer large deals are taking place. A Boston Consulting Group report titled ["M&A Is Looking Up After Bottoming Out"](#) notes that private equity firms have abundant "dry powder" which will act as a driver for short term M&A activity. In the medium to long term, ESG goals and digitalization are also expected to promote deal volume.

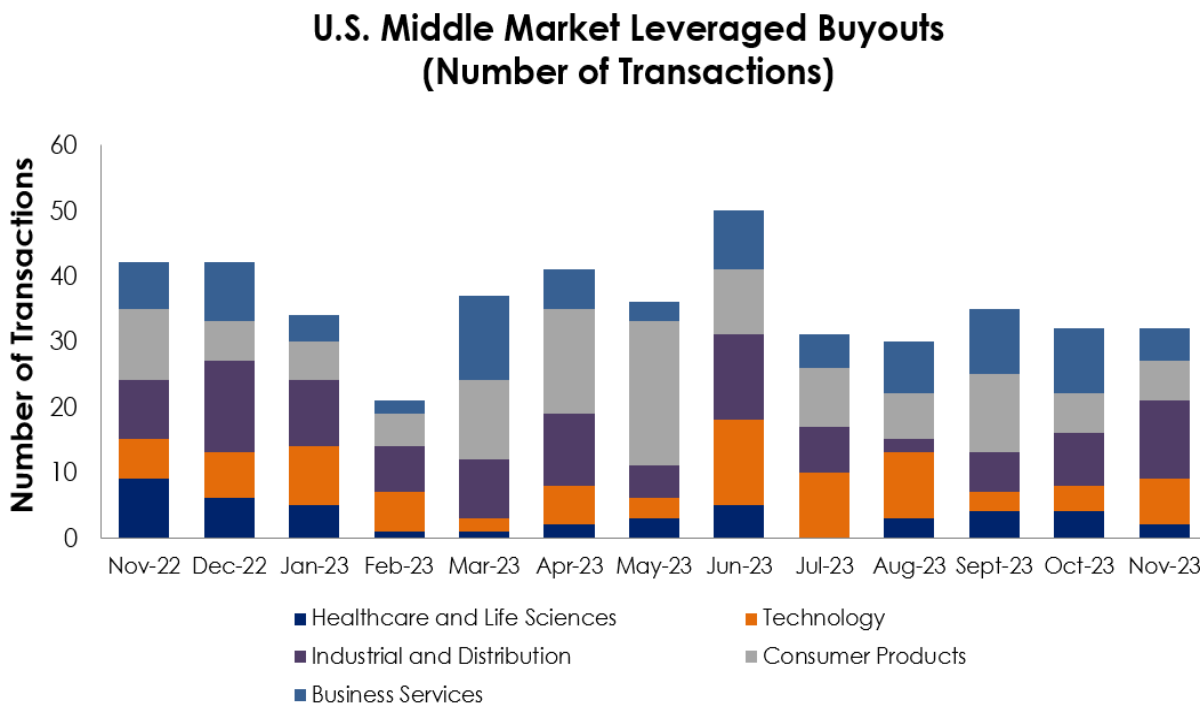
**U.S. Middle Market M&A Activity
 Select Industries
 (Number of Transactions)**



Cross-border middle market M&A activity slowed in November after a decrease in October. Transaction volume for Business Services decreased slightly while volume for Industrial & Distribution increased. A Forbes article titled ["Trends And Predictions For The M&A Sector In 2024"](#) notes there has been an overall increase in interest in cross-border M&A over time as companies prioritize globalization and accessibility to international markets.



LBO transaction volume increased slightly in November after a decrease in October.



SELECT MIDDLE MARKET M&A TRANSACTIONS – BUSINESS SERVICES

Bright Mountain Media Acquires Big Village's Insights and Agency Divisions

[Full Article](#)

Bright Mountain Media (OTCPK:BMTM) acquired Big Village's Insights and Agency divisions for an enterprise value of \$20 million. Big Village's Agency division specializes in developing and managing digital marketing campaigns for retail brands.

The acquisition supports Bright Mountain Media's initiative to bolster its programmatic marketing technology stack, optimizing digital marketing methodologies, consumer insights data, and media investments. In addition, the transaction is expected to add ~\$50 million of annualized revenue to Bright Mountain Media's balance sheet.

Keywords Studios Acquires Digital Media Management

[Full Article](#)

Keywords Studios (AIM: KWS) acquired Digital Media Management for an enterprise value of \$100 million, equivalent to 2.9x EV/Revenue and 11.8x EV/EBITDA. Based in Los Angeles, California, Digital Media Management provides integrated social media strategy services, digital campaign management, and creative and influencer solutions to the Entertainment and Video Game verticals. Keywords Studios provides creative, technical, and marketing services to the Video Game vertical.

Digital Media Management's client base, comprised of film studios, streaming platforms, video game publishers, and entertainment brands, expands Keywords Studios' reach in the entertainment space. In addition, Digital Media Management's social media and short-form video expertise complements Keywords Studio's YouTube management services. The transaction is expected to add ~\$34 million of annualized revenue and ~\$8.5 million of annualized EBITDA to Keywords Studios' income statement.

Renovus Capital Acquires Thomas J. Paul

[Full Article](#)

Headquartered in Pennsylvania, Thomas J. Paul provides comprehensive marketing services and targeted communications solutions to a blue-chip client base of healthcare professionals and consumer businesses. The company's healthcare team specializes in pharmaceutical marketing, access & affordability programs, payer marketing, field force training, patient education, and more. TJP's consumer offerings include packaging design, branding, and consumer promotions. "In 1972, our visionary founder and my father, Thomas J. Paul, established the foundation for our family business, a company focused on strategy, creativity, and impeccable client service. We have been highly successful in distinguishing ourselves among our valued clients based on his legacy. And for over 50 years, we have embraced our dedicated team members as part of our extended family," said Jim Paul, owner of TJP. "I am most pleased to have found Renovus as the ideal partner, based on their prior experience and like-minded culture, as we look to take the company to the next level. I am confident that TJP is in good hands."

FURTHER INFORMATION

Successful business owners have turned to Mirus Capital Advisors for more than 35 years to help them realize their ultimate accomplishment – the sale of their business. As a mid-market investment bank focused on mergers and acquisitions, Mirus drives successful deals for companies in the industrial, consumer, business services, healthcare and technology industries. Mirus has proven time and again that its deep industry expertise, focus on relationships, thorough preparation and unwavering commitment to every deal lead to meaningful accomplishments for business owners. Our affiliate Mirus Securities, Inc. is a registered broker-dealer and FINRA member.

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