

February 2024

MARKET BRIEF

Economic indicators signaled a robust recovery in January. The U.S. unemployment rate remained stable at 3.7%, while job creation maintained its upward trajectory, adding 353,000 positions. Consumer confidence experienced an uptick, with the *Consumer Confidence Index* rising to 114.8 from December's 108.0. The Consumer Price Index increased by 0.3%. The public markets saw gains at the beginning of the year, with the S&P 500, Dow Jones, and Nasdaq showing continued upward momentum. Middle-market M&A activity surged amid uncertainties surrounding inflation and interest rates. Cross-border M&A transactions also witnessed an upward trend.

Unemployment Rate Remains at 3.7% in January

The unemployment rate held steady at 3.7% in January for the third month in a row, with the number of unemployed persons falling slightly to 6.1 million. Total nonfarm payroll employment rose by 353,000, surpassing expectations and making the strongest growth in a year. Major job gains were observed in professional and business services, health care, retail trade, and social assistance sectors. Both the labor force participation rate, at 62.5%, and the employment population ratio, at 60.2%, showed minimal change over the year.

[Bureau of Labor Statistics](#)

Consumer Confidence Continues to Rise in January

The Conference Board *Consumer Confidence Index*® rose in January to 114.8 (1985=100), up from a downwardly revised 108.0 in December. This marked the third straight monthly increase and represented the highest level since December 2021. The *Present Situation Index*—based on consumers' assessment of current business and labor market conditions—spiked to 161.3 (1985=100) from 147.2 last month. The *Expectations Index*—based on consumers' short-term outlook for income, business, and labor market conditions—improved to 83.8 (1985=100) in January, up from a downwardly revised reading of 81.9 in December. "January's increase in consumer confidence likely reflected slower inflation, anticipation of lower interest rates ahead, and generally favorable employment conditions as companies continue to hoard labor," said Dina Peterson, Chief Economist at The Conference Board. The proportion of consumers reporting their current family financial condition as "good" increased, while the number reporting their situation as "bad" decreased.

[The Conference Board](#)

Case-Shiller Index

According to data released on January 30, 2024, covering November 2023, the S&P CoreLogic Case-Shiller U.S. National Home Price NSA Index displayed a 5.1% annual gain in November, up from a 4.7% rise in the previous month. The 10-City Composite showed an increase of 6.2%, surpassing the 5.7% increase in the prior month. The 20-City Composite posted a year-over-year increase of 5.4%, up from a 4.9% increase in the previous month. Once again, Detroit reported the highest year-over-year gain among the 20 cities with an 8.2% increase in November, followed again by San Diego with an 8% increase. Portland experienced a decline for the third month in a row, falling 0.7% and remaining the only city reporting lower prices in November compared to a year ago.

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

The Consumer Price Index Increased 0.3% in January

The Consumer Price Index for All Urban Consumers (CPI-U) rose by 0.3% in January on a seasonally adjusted basis, following a 0.2% rise in December, the U.S. Bureau of Labor Statistics reported. Over the past 12 months, the all items index increased 3.1% before seasonal adjustment. The index for shelter continued its upward trend, climbing 0.6% and contributing over two-thirds of the monthly all items increase. The food index increased 0.4%. In contrast, the energy index fell 0.9% during the month, primarily due to the decline in the gasoline index.

[U.S. Bureau of Labor Statistics](#)

PUBLIC MARKET

The U.S. public markets started 2024 with gains. The S&P 500 advanced 1.6% in January, extending its gains for a third consecutive month and achieving a one-year return of 18.9%. The Dow Jones Industrial Average saw an uptick of 1.2% and was up 11.9% for the one-year period. The Nasdaq Composite Index added 1.0%.

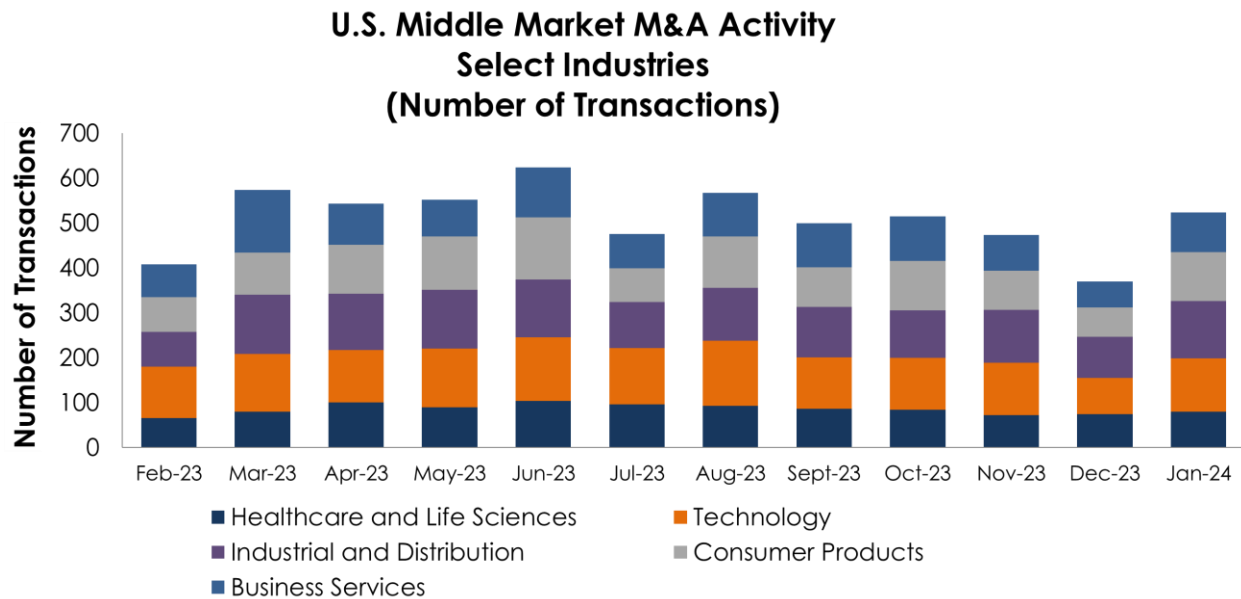
Public Trading Multiples

As of January 31, 2024

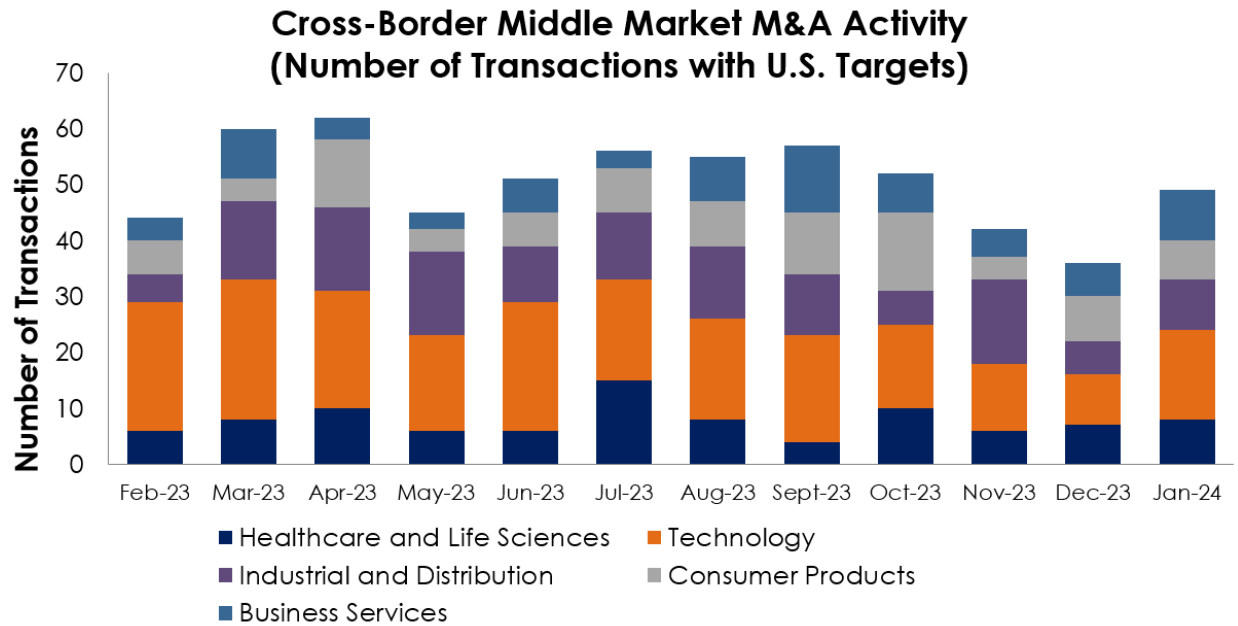
Category	EV / Revenue	EV / EBITDA	Revenue Growth 1 Year	Revenue Growth 3 Year	EBITDA Growth 1 Year	EBITDA Growth 3 Year	EBITDA Margin
Healthcare and Life Sciences							
Healthcare Technology	3.6x	22.5x	10.3%	9.2%	22.8%	-2.1%	2.9%
Healthcare Equipment and Supplies	4.1x	18.3x	2.3%	6.4%	-7.8%	3.7%	15.9%
Healthcare Providers and Services	0.8x	10.7x	9.2%	9.2%	7.8%	5.1%	9.7%
Healthcare and Life Sciences Aggregate	2.8x	17.2x	7.3%	8.2%	7.6%	2.2%	9.5%
Technology							
IT Services	2.4x	14.2x	6.7%	4.2%	7.6%	3.5%	14.5%
Software	8.9x	26.7x	10.2%	12.1%	27.1%	14.3%	5.8%
Computers and Other Electronic Equipment	1.9x	14.1x	-5.2%	3.0%	-11.5%	3.5%	12.1%
Technology Aggregate	4.4x	18.3x	3.9%	6.4%	7.7%	7.1%	10.8%
Industrial and Distribution							
Aerospace and Defense	2.1x	16.3x	13.3%	3.9%	6.7%	16.0%	9.4%
Building Products	1.5x	10.0x	1.1%	7.1%	1.1%	10.7%	19.9%
Construction and Engineering	0.7x	9.0x	9.6%	6.4%	8.5%	4.7%	6.5%
Machinery	1.6x	10.9x	10.8%	6.9%	27.3%	12.7%	7.2%
Distributors	0.9x	9.8x	-0.4%	7.4%	4.2%	13.7%	4.6%
Industrial and Distribution Aggregate	1.3x	11.2x	6.9%	6.3%	9.5%	11.6%	9.5%
Consumer Products							
Food and Beverage	1.9x	11.7x	7.1%	7.6%	4.8%	4.1%	13.9%
Household and Personal Products	3.1x	15.9x	5.8%	2.8%	6.8%	-0.7%	13.5%
Household Durables	1.0x	8.6x	-0.1%	3.9%	-8.5%	5.0%	8.5%
Textiles, Apparel, and Luxury Goods	2.4x	11.7x	6.6%	11.6%	6.4%	25.1%	9.4%
Consumer Products Aggregate	2.1x	12.0x	4.9%	6.5%	2.4%	8.4%	11.3%
Business Services							
Human Resource and Employment Services	1.4x	14.0x	6.0%	5.7%	-2.8%	8.4%	9.4%
Research and Consulting Services	2.8x	15.8x	7.2%	6.3%	6.0%	6.8%	3.1%
Business Services Aggregate	2.1x	14.9x	6.6%	6.0%	1.6%	7.6%	6.3%
Travel and Hospitality							
Hotels, Resorts, and Cruise Lines	3.4x	13.4x	32.8%	22.7%	107.6%	0.0%	13.4%
Restaurants	2.5x	13.7x	16.2%	13.7%	32.5%	24.0%	6.6%
Leisure Facilities	4.5x	13.6x	18.6%	20.5%	38.1%	71.5%	39.0%
Travel and Hospitality Aggregate	3.5x	13.6x	22.6%	19.0%	59.4%	31.8%	19.7%

M&A MARKET

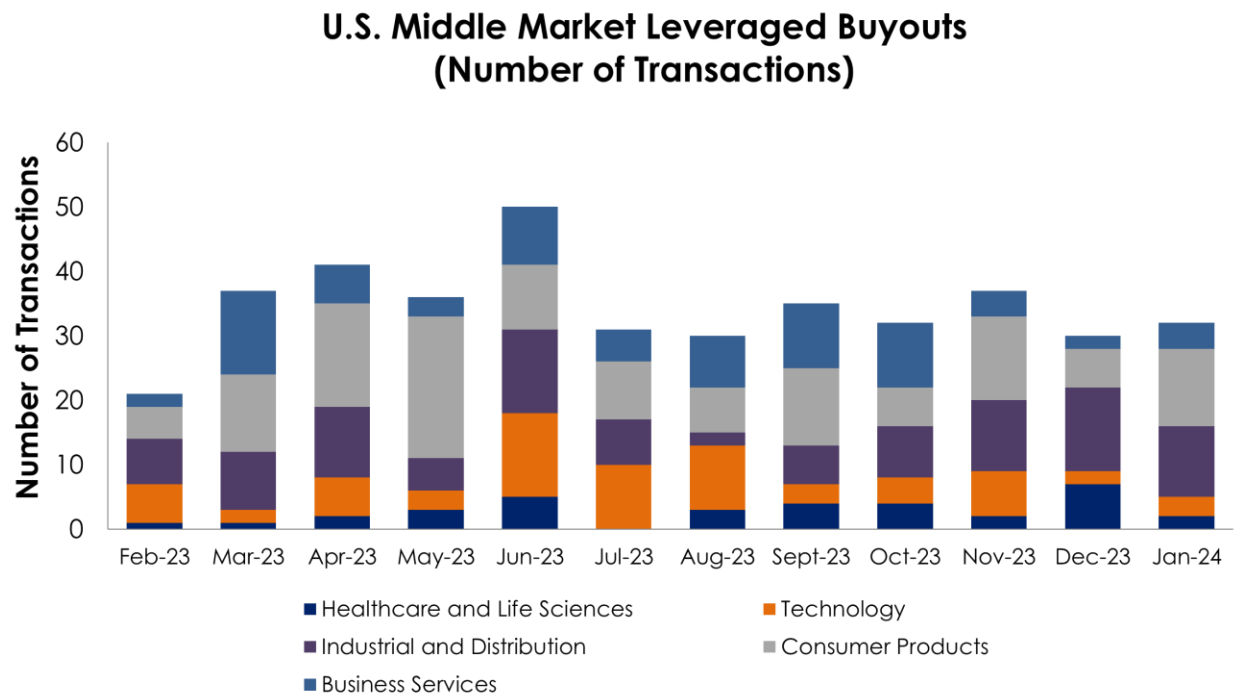
Middle-market M&A activity rebounded in January following a slight decline in Q4 2023. The resurgence was fueled by heightened transaction volumes in sectors including Technology, Industrials & Distribution, and Consumer Products. A [report](#) by Deloitte indicates potential signs of recovery in the M&A market in 2024, despite the uncertain trajectories of inflation and interest rates.



Cross-border middle-market M&A activity increased in January after four consecutive months of decline. Transaction volumes in the Technology sector experienced exceptional gains. Deloitte's [survey](#) reveals a growing interest in cross-border transactions. Despite escalating geopolitical turmoil, corporate and private equity interest in international targeting to find value has increased 22 percentage points in the past two years. The increase could be attributed to the challenging economic environment in the United States. According to the survey, respondents are increasingly interested in safer harbors abroad, with Canada, France, Germany, and Mexico emerging as attractive destinations for dealmakers.



LBO transaction volume saw a modest increase in January after a decline in December. Transaction volume in the Industrial & Distribution sector decreased, while volume for Consumer Products doubled.



SELECT MIDDLE MARKET M&A TRANSACTIONS – TECHNOLOGY

[ServicePoint Invests in INNO4](#)

[Full Article](#)

INNO4 LLC (“INNO4”), a leading technology integrator and solutions provider, has secured a strategic investment from ServicePoint, a portfolio company of Mill Point Capital LLC (“Mill Point”). Based in Boston, INNO4 designs, installs, and supports custom, mission-critical data infrastructure, audio visual, IT services, and managed services solutions for medium and large enterprises in the U.S. and Canada. INNO4’s customers span a variety of sectors including e-commerce & retail, healthcare, real estate, technology, and financial services, among others. The company employs over 180 people across its five U.S. locations. Through this strategic investment, ServicePoint will benefit from an expanded geographic reach and service offering, and the increased ability to serve existing and new customers throughout North America.

Mirus Capital Advisors acted as financial advisor to INNO4 for the transaction.

[LiveRamp Acquires Habu](#)

[Full Article](#)

On January 17, 2024, LiveRamp (NYSE: RAMP), the leading data collaboration platform, announced its definitive agreement to acquire Habu, a data clean room software provider, in a cash and stock transaction valued at approximately \$200 million. Habu’s technology is utilized by global brands and media companies to securely share first-party customer data with business partners and publishers to enable more effective and personalized marketing. This acquisition will further accelerate LiveRamp’s ability to offer global data collaboration at scale, across all clouds and walled gardens, solving fundamental challenges for customers while also unlocking powerful measurement and analytics use cases. “Through this acquisition, we will further empower our customers to unlock insights, use cases, and revenue streams by seamlessly connecting data and deepening measurement, across any platform or partner they prefer,” said Scott Howe, CEO of LiveRamp.

[Enpro Acquires Advanced Micro Instruments](#)

[Full Article](#)

On January 29, 2024, Enpro Inc. (NYSE: NPO), an industrial technology company, announced the completion of its acquisition of Advanced Micro Instruments, Inc. (AMI), a leading provider of highly-engineered, application-specific analyzers and sensing technologies. The transaction, valued at \$210 million, was funded using available cash. Enpro serves critical applications across diverse end-markets, including semiconductor, industrial process, commercial vehicle, sustainable power generation, aerospace, food and pharma, photonics and life sciences. AMI’s solutions monitor critical parameters to ensure infrastructure integrity, drive process efficiency, enhance safety, and facilitate the transition to clean energy. AMI will be included in Enpro’s Sealing Technologies segment, broadening the segment’s portfolio of products and solutions that safeguard critical environments and is expected to be accretive to segment revenue growth and profitability, in addition to Enpro’s adjusted diluted earnings per share.

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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