

## MARKET BRIEF

Economic indicators were unchanged in March, with the unemployment rate remaining steady and the Consumer Confidence Index flat. The Consumer Price Index rose by 0.4% on a month-over-month basis. The public markets continued their upward momentum with a 3.1% gain in the S&P 500, as well as gains in both the Dow Jones and Nasdaq. Total middle market M&A activity, cross-border transactions, and leveraged buyouts all decreased on a month-over-month basis.

### Unemployment Rate Remains Steady in March

There was little change in unemployment in March, with the unemployment rate coming in at 3.8% and the number of unemployed people at 6.4 million. The unemployment rate has remained in a narrow range (3.7% to 3.9%) since August 2023. The number of jobs in nonfarm businesses grew by 303,000, a higher number than the average monthly gain of 231,000 jobs over the past 12 months. Job growth was the strongest in healthcare, government, and construction. The labor force participation rate (62.7%) and employment-population ratio (60.3%) were little changed both in March and over the past 12 months. There was also little change in the number of people employed part time for economic reasons (4.3 million) and those outside the workforce who still want a job (5.4 million).

[Bureau of Labor Statistics](#)

### Consumer Confidence Unchanged in March

Consumer confidence remained flat in March according to The Conference Board's *Consumer Confidence Index*® (104.7 (1985=100), essentially unchanged from a revised 104.8 in February). The *Present Situation Index*—a measure of current business and labor market conditions as seen by consumers—increased to 151.0 in March, up from 147.6 in February, while the *Expectations Index*—based on consumers' short-term outlook for income, business, and labor market conditions—fell to 73.8 in March, down from 76.3 last month (a reading below 80 often signals an upcoming recession).

Dana M. Peterson, Chief Economist at The Conference Board, said: "Consumers' assessment of the present situation improved in March, but they also became more pessimistic about the future. Consumers remained concerned with elevated price levels, which predominated write-in responses. March's write-in responses showed an uptick in concerns about food and gas prices, but in general complaints about gas prices have been trending downward. Indeed, average 12-month inflation expectations came in at 5.3 percent—barely changed from February's four-year low of 5.2 percent. Recession fears continued to trend downward both in write-in responses and as measured by consumers' Perceived Likelihood of a US Recession over the Next 12 Months. Meanwhile, consumers expressed more concern about the US political environment compared to prior months."

Over the last six months, consumer confidence displayed no real up or down trend, whether by income or age group. Consumer expectations for the next six months, however, dipped to their lowest point since October 2023, driven by a less optimistic view of future business conditions, labor market conditions, and income, including slightly lower confidence in their current and future family financial situations.

[The Conference Board](#)

### **The Case-Shiller Index Reports 6.0% Annual Gain in January 2024**

Home prices in the U.S. continued to rise year-over-year in January. According to data released on March 26, 2024 (covering January 2024) the U.S. National Home Price Index reported a 6.0% annual gain, exceeding the previous month's 5.6% annual increase. Similarly, both the 10- and 20-City Composites showed year-over-year increases with San Diego (11.2% increase) and Los Angeles (8.6% increase) leading the pack. However, on a month-to-month basis, the national index and the 20-City Composite saw a slight decrease of 0.1%, while the 10-City Composite remained flat. When adjusted for seasonal variations, all three indices showed positive monthly gains.

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

### **The Consumer Price Index Increased 0.4% in March**

U.S. inflation rose slightly in March, with the Consumer Price Index for All Urban Consumers (CPI-U) edging up 0.4% on a seasonally adjusted basis, matching February's increase. The all items index rose 3.5% for the 12 months ending in March, exceeding the 3.2% increase for the 12 months ending February. Rising costs for housing and gasoline were the main culprits in March, pushing up the energy index by 1.1%, while food prices saw a modest 0.1% increase. Excluding food and energy, inflation remained steady at 0.4% for the third month in a row but rose 3.8 percent over the past 12 months.

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

## PUBLIC MARKET

The S&P 500 rose by 3.1% in March with a one-year return of 27.9%. The Dow Jones Industrial Average saw an uptick of 2.1% in March and was up 19.7% annually. The Nasdaq Composite Index added 1.2%.

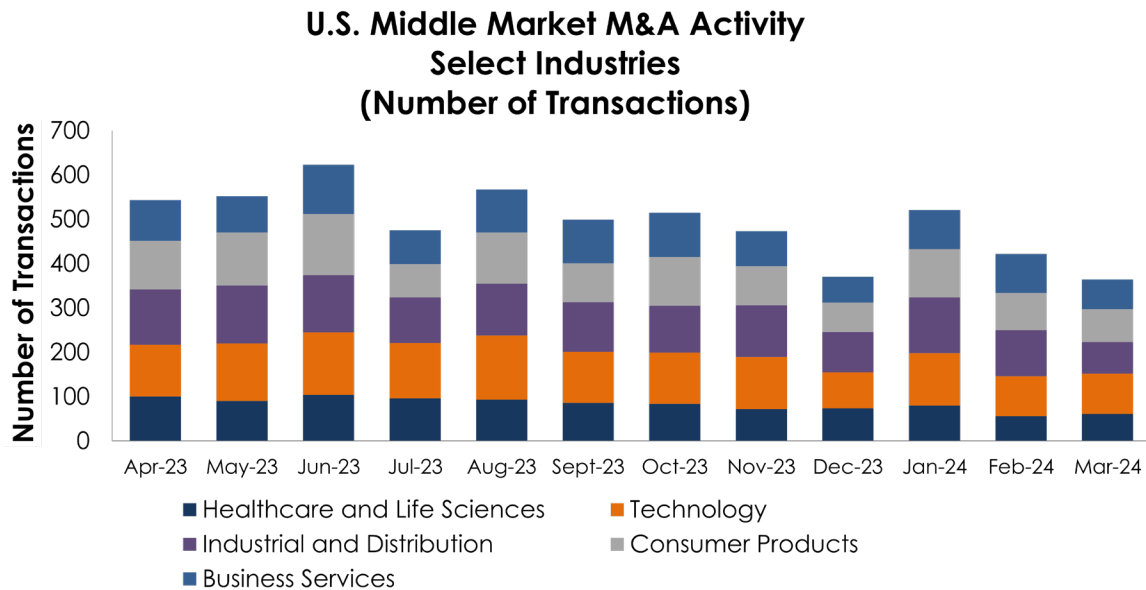
### Public Trading Multiples

As of March 31, 2024

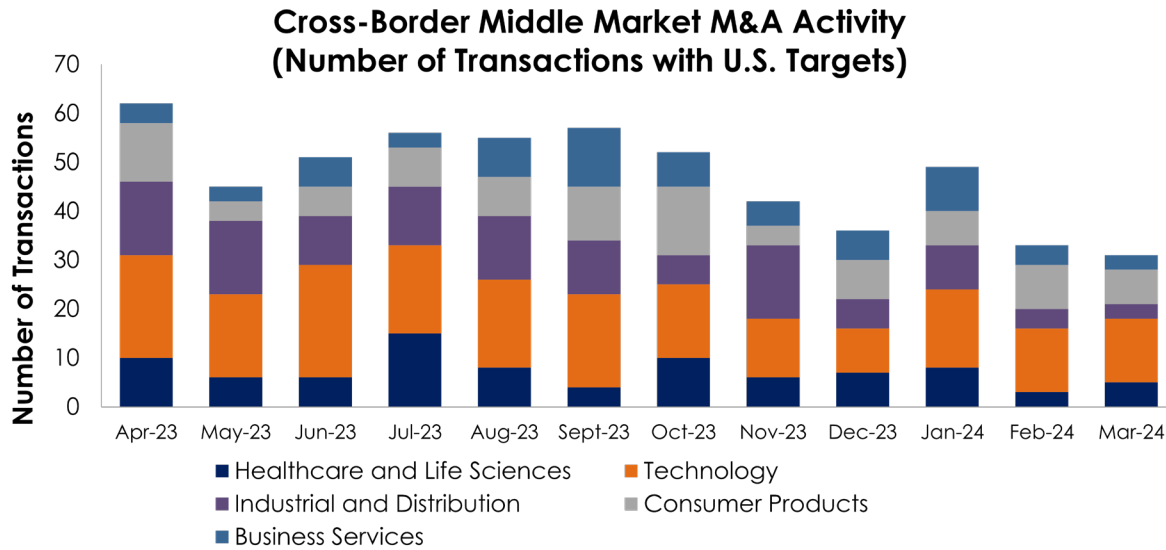
Category	EV / Revenue	EV/ EBITDA	Revenue Growth		EBITDA Growth		EBITDA Margin
			1 Year	3 Year	1 Year	3 Year	
<b>Healthcare and Life Sciences</b>							
Healthcare Technology	4.0x	25.4x	7.1%	9.1%	24.7%	25.3%	4.9%
Healthcare Equipment and Supplies	4.3x	19.3x	1.9%	6.0%	-6.0%	1.5%	16.1%
Healthcare Providers and Services	0.7x	11.1x	8.5%	8.8%	4.8%	3.9%	9.7%
Healthcare and Life Sciences Aggregate	3.0x	18.6x	5.8%	7.9%	7.8%	10.2%	10.2%
<b>Technology</b>							
IT Services	2.5x	15.7x	4.6%	4.1%	13.8%	3.6%	14.7%
Software	9.3x	27.3x	9.5%	11.9%	27.1%	13.9%	6.8%
Computers and Other Electronic Equipment	2.0x	14.3x	-5.6%	2.2%	-8.9%	2.9%	12.6%
Technology Aggregate	4.6x	19.1x	2.8%	6.1%	10.7%	6.8%	11.4%
<b>Industrial and Distribution</b>							
Aerospace and Defense	2.2x	17.1x	8.7%	4.7%	4.5%	12.1%	10.1%
Building Products	1.7x	10.7x	-1.7%	6.1%	2.3%	9.6%	20.6%
Construction and Engineering	0.7x	9.1x	7.5%	6.7%	6.5%	6.3%	6.4%
Machinery	1.7x	11.4x	9.0%	6.9%	22.3%	12.6%	7.3%
Distributors	0.9x	10.2x	-4.1%	7.9%	-5.9%	11.0%	4.7%
Industrial and Distribution Aggregate	1.4x	11.7x	3.9%	6.4%	5.9%	10.3%	9.8%
<b>Consumer Products</b>							
Food and Beverage	1.9x	11.5x	2.9%	6.6%	4.3%	3.9%	13.3%
Household and Personal Products	3.1x	15.6x	2.2%	1.9%	6.0%	-0.6%	14.3%
Household Durables	1.0x	8.9x	-0.5%	3.6%	-8.2%	3.5%	8.7%
Textiles, Apparel, and Luxury Goods	2.5x	12.3x	4.6%	11.5%	6.4%	23.1%	9.1%
Consumer Products Aggregate	2.1x	12.1x	2.3%	5.9%	2.1%	7.5%	11.4%
<b>Business Services</b>							
Human Resource and Employment Services	1.4x	14.4x	1.9%	6.1%	-2.1%	9.6%	9.6%
Research and Consulting Services	3.1x	17.0x	6.7%	6.4%	8.2%	6.9%	13.8%
Business Services Aggregate	2.3x	15.7x	4.3%	6.2%	3.1%	8.2%	11.7%
<b>Travel and Hospitality</b>							
Hotels, Resorts, and Cruise Lines	3.7x	14.8x	28.4%	37.8%	77.8%	0.0%	14.2%
Restaurants	2.6x	13.9x	15.7%	14.8%	34.1%	28.7%	6.6%
Leisure Facilities	4.3x	13.2x	15.0%	25.5%	23.1%	130.7%	37.2%
Travel and Hospitality Aggregate	3.5x	14.0x	19.7%	26.0%	45.0%	53.1%	19.3%

## M&A MARKET

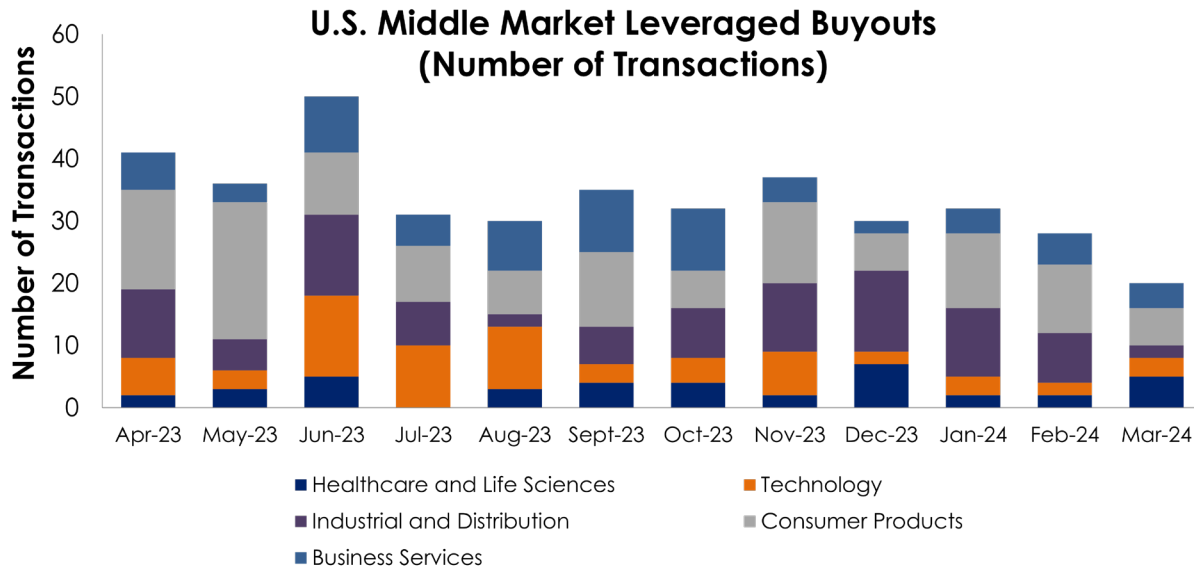
Total global M&A value was up 30% to over \$750 billion in the first quarter of 2024, according to Dealogic. Two \$10+ billion M&A transactions were announced in March. Notable deals included The Home Depot Inc.'s \$18.25 billion acquisition of SRS Distribution Inc., and EQT Corp.'s \$14.3 billion agreement to purchase Equitrans Midstream Corp. U.S. middle-market M&A activity declined by 22.6% in March. Technology had the highest transaction volume, followed by Consumer Products. Aggregate middle-market deal value decreased as well, with [FactSet](#) reporting a 38.7% decline compared to February.



Cross-border middle-market M&A activity showed a modest decrease in March after a significant decrease in February. Industrial and distribution, consumer products, and business services were the three sectors displaying a decrease in cross-border deal volume. The technology sector remained flat and healthcare showed a slight increase.



LBO transaction volume slowed in March following a decrease in February. Middle-market LBO volume decreased in the business services, consumer products, and industrial and distribution sectors. Middle-market LBO volume in the technology and healthcare and life sciences sectors increased.



## SELECT MIDDLE MARKET M&A TRANSACTIONS – BUSINESS SERVICES

### [Energy Solutions Acquires Cabrera Services](#)

[Full Article](#)

EnergySolutions, a leader in nuclear waste management and cleanup services, announced the completion of their acquisition of Cabrera Services. Cabrera, founded in 1994, specializes in environmental and radiological remediation for both commercial and federal clients. This acquisition will allow EnergySolutions to integrate Cabrera's expertise into their federal programs, significantly boosting their capabilities for government project execution and environmental cleanup. EnergySolutions CEO Ken Robuck highlighted the value Cabrera brings in terms of client relations, regulatory knowledge, and overall environmental protection efforts. With Cabrera's offices in Buffalo, NY, Sacramento, CA, and Hartford, CT, and their extensive client base across federal and state agencies, this merger expands EnergySolutions' presence in the environmental cleanup market throughout the United States.

### [Clean Harbors, Inc. Acquires HEPACO](#)

[Full Article](#)

Clean Harbors, a Massachusetts-based waste management company, has augmented its presence in the Eastern U.S. by finalizing the \$400 million acquisition of HEPACO, a leader in field and emergency response services headquartered in Charlotte, NC. This strategic move strengthens Clean Harbors' Field Services division, as Co-CEO Eric Gerstenberg anticipates significant cost savings through synergies in areas like subcontracting, branch networks, equipment rentals, transportation, and procurement. Gerstenberg expressed optimism about the acquisition, calling HEPACO an "ideal" addition and welcoming their talented team.

### [Publicis Sapient Acquires Spinnaker SCA](#)

[Full Article](#)

Publicis Sapient, the digital business transformation arm of Publicis Groupe, acquired Spinnaker SCA, a leader in end-to-end supply chain consulting. Spinnaker SCA will become the foundation for a new digital supply chain practice at Publicis Sapient. Spinnaker SCA brings expertise in areas like supply chain management, process improvement, design, and planning, along with omni-channel order management and execution. Additionally, their offerings enhance Publicis Sapient's capabilities in AI/ML, digital twins, data solutions, warehouse and transportation management, and digital sustainment services. By combining Spinnaker SCA's proven track record in supply chain performance improvement with Publicis Sapient's digital transformation expertise, the acquisition aims to unlock value for organizations across the entire supply chain landscape.

## 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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