

MARKET BRIEF

Economic indicators were mixed in April, with the unemployment rate holding steady and the Consumer Confidence Index declining. The Consumer Price Index rose by 0.3% on a month-over-month basis. The public markets decreased in April with a 4.2% loss in the S&P 500, as well as losses for both the Dow Jones and Nasdaq. Total middle market M&A activity, cross-border transactions, and leveraged buyouts all increased on a month-over-month basis.

Unemployment Rate Remains Steady in April

There was little change in unemployment in April, with the unemployment rate coming in at 3.9% and the number of unemployed people at 6.5 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 175,000, a lower number than the average monthly gain of 242,000 jobs over the past 12 months. Job growth was the strongest in health care, social assistance, and transportation and warehousing. The labor force participation rate (62.7%) and employment-population ratio (60.2%) were little changed both in April and over the past 12 months. There was also little change in the number of people employed part time for economic reasons (4.5 million) and those outside the workforce who still want a job (5.6 million).

[Bureau of Labor Statistics](#)

Consumer Confidence Decreases in April

Consumer confidence in the U.S. dipped for the third straight month in April, according to The Conference Board's Consumer Confidence Index®, falling to 97.0 (1985=100) from a revised 103.1 in March. This decline is particularly concerning because it focuses on future expectations. The Expectations Index plummeted to 66.4 from 73.8 in March 2024 due to consumer pessimism about business conditions, job availability, and income. However, the Present Situation Index—reflecting views on current conditions—remains positive at 142.9.

According to Dana M. Peterson, Chief Economist at The Conference Board, consumer confidence in April hit its lowest point since July 2022 driven by consumers' growing pessimism about the future, particularly regarding business conditions, job availability, and income. Despite the overall drop, Peterson highlights that optimism about the current situation remains positive, suggesting consumers are more confident about the present than the future. The data reveals a more nuanced picture when examining different demographics.

Consumer concerns in April were dominated by rising prices, especially for food and gas, according to write-in responses. Inflation expectations remained steady at 5.3% for the next 12 months despite these anxieties. While the perceived likelihood of a recession in the next year rose slightly, it is still significantly lower than its May 2023 peak. Looking beyond confidence levels, the expectation that stock prices will continue to rise over the year ahead decreased and the anticipation of higher interest rates increased. This has led to a softening in buying plans for items sensitive to the interest rate, like homes and appliances. Vacation plans have also decreased, reaching their lowest level since June 2023, with both domestic and international travel plans declining.

[The Conference Board](#)

The Case-Shiller Index Reports 6.4% Annual Gain in February 2024

Home prices in the U.S. continued to rise in February according to the S&P CoreLogic Case-Shiller U.S. National Home Price NSA Index. The National Index reported a 6.4% annual gain, up from 6.0% in January. Similarly, both the 10-City and 20-City Composite indices showed increases, rising 8.0% and 7.3% year-over-year, respectively, compared to 7.4% and 6.6% in January. San Diego led the way with the highest year-over-year gain (11.4%) among the 20 cities tracked, followed by Chicago and Detroit (8.9%). Even Portland, which previously reported the lowest year-over-year growth for two months in a row, saw a significant annual increase of 2.2% in February. Notably, all three indices (National, 10-City, and 20-City Composite) rose for the first time since October 2023, showing pre-adjustment increases of 0.6%, 0.9%, and 1.0%, respectively. When adjusted for seasonal variations, the monthly growth remained positive. The National Index rose 0.4% month-over-month, while the 10-City and 20-City Composite indices both increased by 0.6% month-over-month.

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

The Consumer Price Index Increased 0.3% in April

U.S. inflation rose slightly in April, with the Consumer Price Index for All Urban Consumers (CPI-U) edging up 0.3% on a seasonally adjusted basis, after rising 0.4% in March. The all items index rose 3.4% for the 12 months ending in April, smaller than the 3.5% increase for the 12 months ending in March. Housing and gasoline costs were the biggest drivers of inflation in April, causing more than 70% of the overall price increase. The energy index rose 1.1% in April while the food index was unchanged. Excluding food and energy, inflation rose 0.3% in April, and increased 3.6% over the past 12 months.

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

PUBLIC MARKET

The S&P 500 fell by 4.2% in April finishing the month with a one-year return of 20.8%. The Dow Jones Industrial Average saw a drop of 5.0% in April and was up 10.9% annually. The Nasdaq Composite Index finished the month 4.4% lower.

Public Trading Multiples

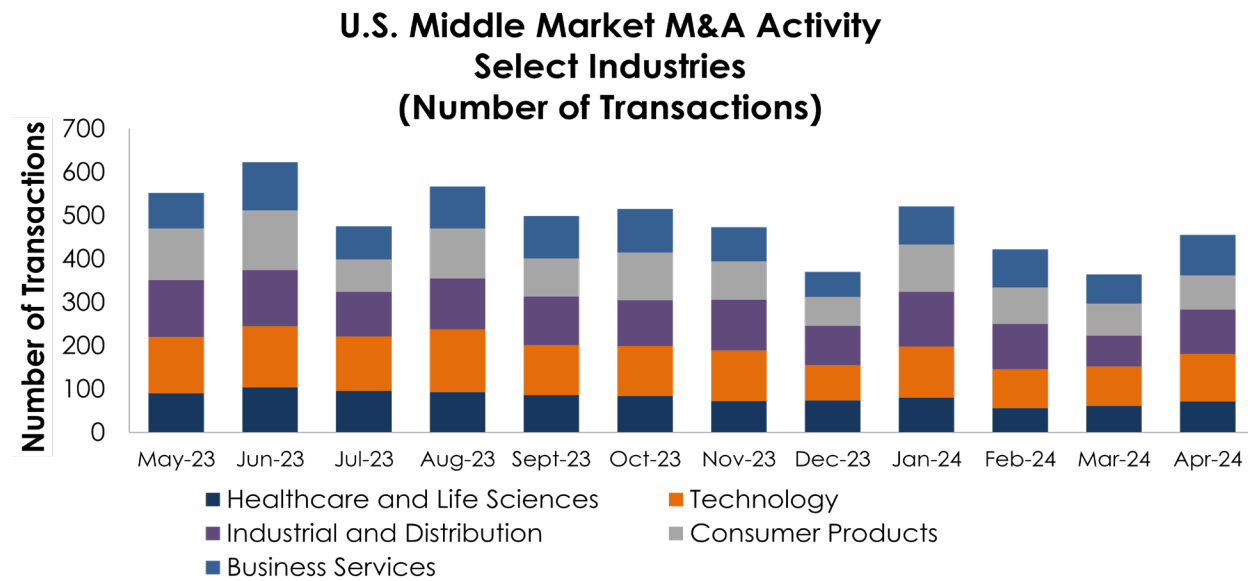
As of April 30, 2024

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	25.0x	6.6%	8.3%	26.6%	22.2%	1.5%
Healthcare Equipment and Supplies	4.3x	19.1x	1.7%	5.3%	-4.3%	-0.2%	15.8%
Healthcare Providers and Services	0.7x	11.1x	7.8%	8.6%	0.6%	1.3%	10.0%
Healthcare and Life Sciences Aggregate	3.0x	18.4x	5.4%	7.4%	7.6%	7.8%	9.1%
Technology							
IT Services	2.5x	15.2x	2.8%	4.0%	11.3%	2.8%	14.8%
Software	8.9x	25.8x	10.1%	11.8%	31.5%	14.1%	6.8%
Computers and Other Electronic Equipment	2.0x	14.0x	-5.2%	1.2%	-3.9%	0.7%	13.8%
Technology Aggregate	4.4x	18.4x	2.6%	5.7%	13.0%	5.9%	11.8%
Industrial and Distribution							
Aerospace and Defense	2.2x	17.5x	7.9%	5.1%	3.4%	11.8%	10.3%
Building Products	1.8x	11.1x	-1.6%	5.7%	2.7%	8.1%	19.9%
Construction and Engineering	0.7x	9.4x	5.7%	5.3%	6.5%	5.9%	7.3%
Machinery	1.7x	11.6x	5.6%	6.0%	16.1%	11.0%	7.2%
Distributors	1.0x	11.0x	-8.8%	5.3%	-6.4%	10.0%	4.8%
Industrial and Distribution Aggregate	1.5x	12.1x	1.8%	5.5%	4.5%	9.4%	9.9%
Consumer Products							
Food and Beverage	1.9x	11.2x	1.8%	6.4%	2.9%	3.4%	13.5%
Household and Personal Products	3.1x	15.4x	1.7%	1.8%	7.1%	-0.3%	14.6%
Household Durables	1.0x	9.1x	-0.5%	2.9%	-6.2%	1.7%	8.7%
Textiles, Apparel, and Luxury Goods	2.5x	12.3x	4.5%	11.3%	7.4%	22.4%	8.8%
Consumer Products Aggregate	2.1x	12.0x	1.9%	5.6%	2.8%	6.8%	11.4%
Business Services							
Human Resource and Employment Services	1.4x	14.1x	0.9%	6.0%	-2.6%	9.5%	9.6%
Research and Consulting Services	3.1x	17.1x	6.6%	6.4%	9.0%	6.5%	13.6%
Business Services Aggregate	2.2x	15.6x	3.7%	6.2%	3.2%	8.0%	11.6%
Travel and Hospitality							
Hotels, Resorts, and Cruise Lines	3.6x	14.3x	26.1%	43.3%	65.7%	0.0%	14.3%
Restaurants	2.6x	14.2x	14.3%	14.0%	29.2%	26.6%	6.5%
Leisure Facilities	4.1x	12.5x	13.1%	28.1%	17.6%	185.8%	36.7%
Travel and Hospitality Aggregate	3.4x	13.7x	17.8%	28.5%	37.5%	70.8%	19.2%

M&A MARKET

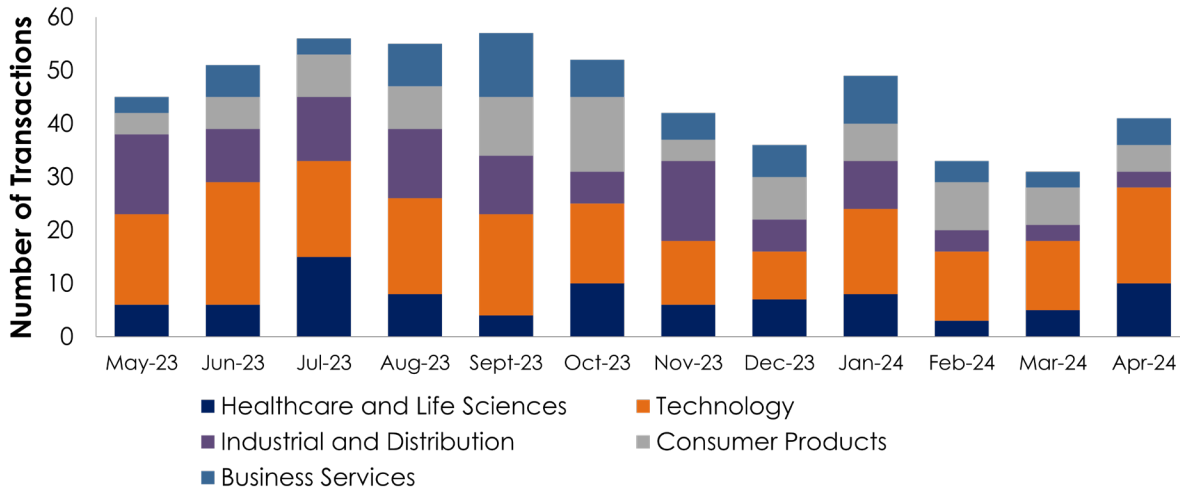
U.S. M&A deal volume increased 6.9% in April, ending the month with 988 deal announcements compared to 924 in March. In addition, there was a 9.6% increase in aggregate deal value compared to March. Some of the largest acquisitions announced in April were Johnson & Johnson buying Shockwave Medical for \$12.6 billion, Schlumberger acquiring ChampionX for \$7.7 billion, IBM acquiring HashiCorp for \$7 billion, and Blackstone's deal for Apartment Income REIT at \$5.7 billion.

U.S. middle-market M&A deal volume increased by 25% in April compared to March, with the Industrial and Distribution sector transaction volume increasing 44% month over month, followed by Business Services at 39% month over month.



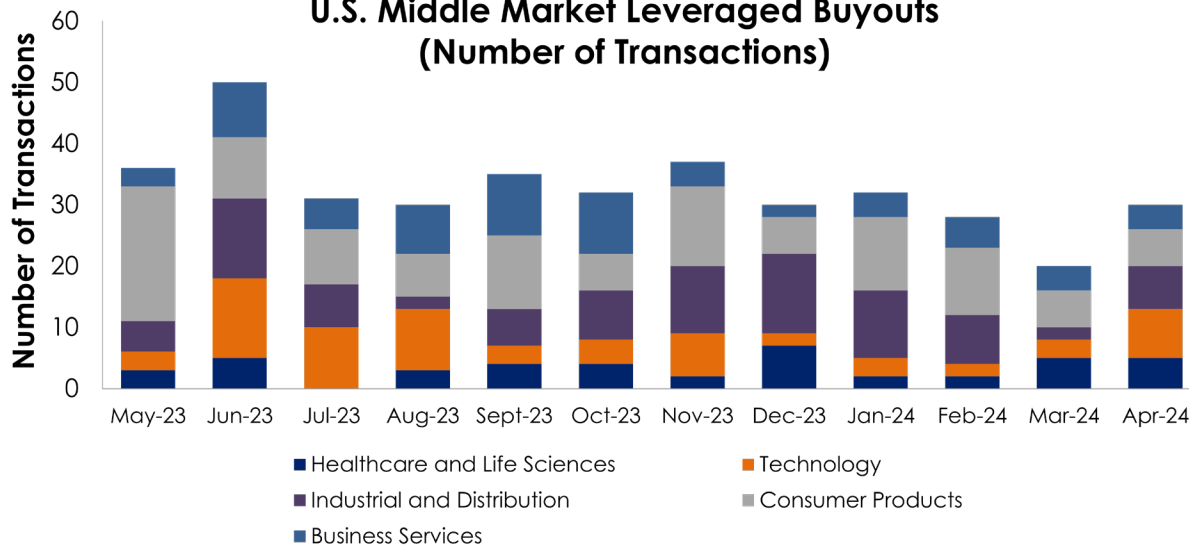
Cross-border middle-market M&A activity showed a noteworthy increase in April after a modest decrease in March. Healthcare and Life Sciences, Technology, and Business Services were the three sectors displaying an increase in cross-border deal volume. The Industrial and Distribution sector remained flat and Consumer Products showed a slight decrease.

Cross-Border Middle Market M&A Activity (Number of Transactions with U.S. Targets)



LBO transaction volume significantly increased in April following a decrease in March. Middle-market LBO volume increased in the Technology and Industrial and Distribution sectors. Middle-market LBO volume in the Healthcare and Life Sciences, Consumer Products, and Business Services sectors remained flat.

U.S. Middle Market Leveraged Buyouts (Number of Transactions)



SELECT MIDDLE MARKET M&A TRANSACTIONS – BUSINESS SERVICES

HR Path Acquires GroupeX

[Full Article](#)

HR Path, a global leader in Human Resources based in Paris, France, announced the acquisition of GroupeX Solutions, a leading HCM provider in North America. This acquisition will augment HR Path's position in North America and expand their HRIS consulting practice. Toronto, Canada-based GroupeX will benefit from HR Path's global presence and be able to offer a wider range of services to their clients. Farhan Khan, co-CEO, with GroupeX, stated, "Our team will benefit from access to a broad array of career opportunities, delivering a variety of great solutions, and the chance to collaborate with a large global team committed to delivering outstanding outcomes for our clients. We are excited to bring our expertise to an amazing team and making a substantial impact in the HR solutions landscape."

Apax Digital Funds Invests in IANS

[Full Article](#)

IANS Research, a leading provider of independent cybersecurity research and advisory services, announced a strategic investment from Apax Digital Funds to bolster their support for Chief Information Security Officers (CISOs). IANS offers a trusted information platform focused on CISOs' needs, delivering actionable, vendor-neutral guidance through a faculty of cybersecurity experts. This unique model tackles CISO challenges like rising cyberattacks, evolving regulations, expanding responsibilities, and talent shortages. Their services include subscription-based content, professional development, research, consulting services (like security assessments), and a community for CISOs to share best practices, all designed to help CISOs effectively manage risk for their organizations.

Gamut Capital Management to Acquire DEX Imaging

[Full Article](#)

New York-based middle-market PE firm Gamut Capital Management has announced a partnership with the Doyle family to acquire DEX Imaging from Staples. DEX Imaging, a premier provider of managed print services, was founded by the Doyle family in 2002 and was acquired by Staples in 2019. This acquisition strengthens DEX's position in the managed print services industry and provides them with the resources to expand nationally. Gamut will benefit from DEX's established client base and industry expertise. The combined leadership aims to drive further growth and innovation for DEX. CEO Dan Doyle Jr. stated: "Our family is pleased to again take an ownership stake in the business we founded, and we look forward to working alongside the Gamut team to further strengthen our relationships with suppliers and enhance our service capabilities, ensuring DEX continues to set industry standards in customer satisfaction and technological innovation."

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.

For any questions about the Middle Market Monitor or Mirus Capital Advisors, please contact Mirus Capital Advisors at 781-418-5900 or visit <http://merger.com>. You can also contact our senior bankers directly:

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