

MARKET BRIEF

In June, economic indicators painted a mixed picture. The unemployment rate held steady, while the Consumer Confidence Index experienced a slight decline. Meanwhile, the Consumer Price Index saw a slight month-over-month decrease and the Case-Shiller Index experienced an all-time high. Public markets had a strong performance, with the S&P 500 rising by 3.5%, the Nasdaq gaining 6.0%, and the Dow Jones increasing by 1.1%. Middle market M&A activity and cross-border transactions both increased on a month-over-month basis, although leveraged buyouts saw a decline.

Unemployment Rate Remains Steady in June

There was little change in unemployment in June, with the unemployment rate coming in at 4.1% and the number of unemployed people at 6.8 million. The unemployment rate has remained in a narrow range (3.7% to 4.1%) since August 2023. The number of long-term unemployed (those jobless for 27+ weeks) rose by 166,000 to 1.5 million and accounts for 22% of all unemployed people in June. The labor force participation rate (62.6%) changed slightly while the employment-population ratio (60.1%) held steady. There was also minimal change in the number of people employed part time for economic reasons (4.2 million). Those outside the workforce who still want a job declined by 483,000 to 5.2 million in June.

[Bureau of Labor Statistics](#)

Consumer Confidence Weakens Slightly in June

Consumer confidence in the U.S. dipped slightly in June, according to The Conference Board's Consumer Confidence Index®, dropping to 100.4 (1985=100) from 101.3 in May. However, the Present Situation Index, which reflects views on current conditions, increased to 141.5 in June from 140.8 last month. The Expectations Index, based on the consumer's short-term perspective for business conditions, job availability, and income, fell to 73.0 in June, down moderately from 74.9 in May.

Dana M. Peterson, Chief Economist at The Conference Board noted "strength in current labor market views continued to outweigh concerns about the future." Peterson cautioned, however, that weakness in the labor market would likely cause Confidence to decline.

According to Peterson, "Consumers expressed mixed feelings this month: their view of the present situation improved slightly overall, driven by an uptick in sentiment about the current labor market, but their assessment of current business conditions cooled. Meanwhile, for the second month in a row, consumers were a bit less pessimistic about future labor market conditions. However, their expectations for both future income and business conditions weakened, weighing down the overall Expectations Index."

Looking beyond confidence levels, optimism surrounded the stock market with 48.4% of consumers expecting that stock prices will continue to rise over the year ahead, while the share of consumers expecting higher interest rates decreased to its lowest level since February (52.6%). There was a slight rise in plans to buy big-ticket items such as appliances and smartphones, while fewer consumers planned to buy a laptop or a PC.

[The Conference Board](#)

The Case-Shiller Index Reaches Another All-Time High in April 2024

The upward trend of home prices in the U.S. decelerated in April, after last month's new all-time high, according to the S&P CoreLogic Case-Shiller U.S. National Home Price NSA Index. The Index reported a 6.3% annual gain for April, down from an 8.3% annual increase in the previous month. In contrast, the 20-City Composite index showed an increase of 7.2% year-over-year, compared to a 7.5% increase in the previous month. San Diego continues to lead the way with the highest year-over-year gain (10.3%) among the 20 cities tracked, followed by New York (9.4%) and Chicago (8.7%). Portland held steady with the smallest year-over-year growth this month; a 1.7% annual increase in April. Notably, the upward trend of all three indices (National, 20-City, and 10-City Composite) decelerated, showing pre-adjustment increases of 1.2%, 1.4%, and 1.4%, respectively. When adjusted for seasonal variations, the monthly growth remained positive. The National Index rose 0.3% month-over-month, while the 10-City and 20-City Composite indices increased by 0.3% and 0.4% month-over-month.

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

The Consumer Price Index Fell in June

The Consumer Price Index for All Urban Consumers (CPI-U) declined 0.1% in June on a seasonally adjusted basis, after being unchanged in May. The all-items index rose 3.0% for the 12 months ending June, a smaller increase than the 3.3% increase for the 12 months ending May. The energy index fell 2.0% over the month, while the food index rose 0.2%. Excluding food and energy, inflation rose 0.1% in June (the smallest increase in this index since August 2021).

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

PUBLIC MARKET

The S&P 500 increased by 3.5% in June with a 22.7% increase over the past twelve months and a year-to-date return of 14.5%. The Dow Jones Industrial Average saw a 1.1% increase in June with a twelve month return of 13.7%. The Nasdaq Composite Index finished the month 6.0% higher and is up 28.6% over the trailing twelve months.

Public Trading Multiples

As of July 15, 2024

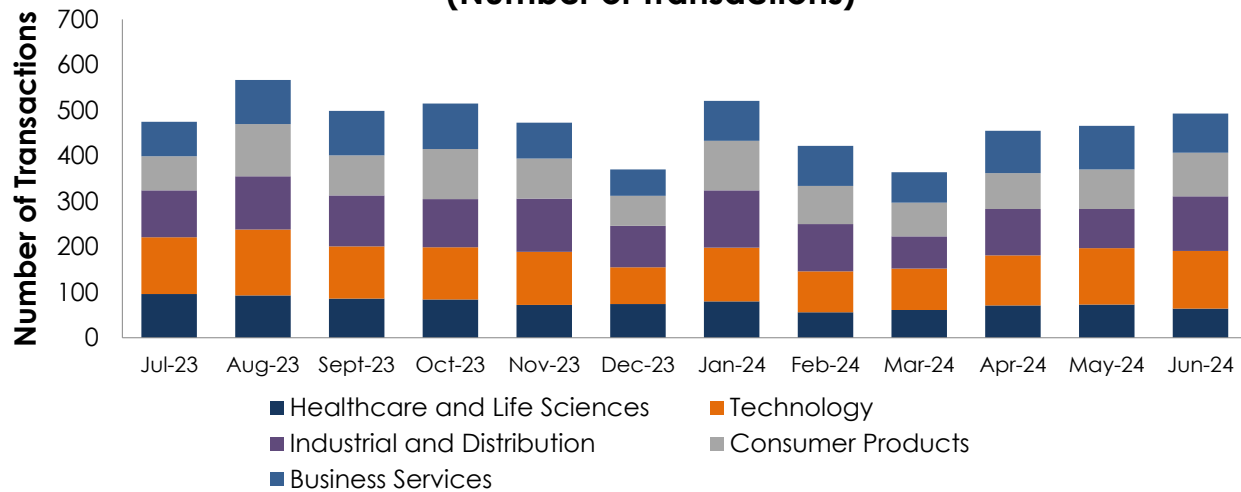
Category	EV / Revenue	EV / EBITDA	Revenue Growth		EBITDA Growth		EBITDA Margin
			1 Year	3 Year	1 Year	3 Year	
Healthcare and Life Sciences							
Healthcare Technology	3.5x	24.1x	6.9%	8.6%	55.1%	23.5%	1.2%
Healthcare Equipment and Supplies	4.2x	18.8x	2.0%	4.5%	2.0%	-1.8%	16.3%
Healthcare Providers and Services	0.7x	11.2x	7.4%	8.7%	1.0%	1.6%	9.7%
Healthcare and Life Sciences Aggregate	2.8x	18.1x	5.4%	7.2%	19.4%	7.8%	9.1%
Technology							
IT Services	2.4x	14.4x	1.4%	3.6%	15.4%	3.5%	14.9%
Software	8.7x	25.3x	9.5%	11.5%	30.8%	14.4%	6.8%
Computers and Other Electronic Equipment	2.1x	14.4x	-6.3%	0.2%	-4.6%	-0.4%	13.7%
Technology Aggregate	4.4x	18.0x	1.5%	5.1%	13.9%	5.8%	11.8%
Industrial and Distribution							
Aerospace and Defense	2.3x	18.1x	7.3%	5.1%	2.8%	11.6%	9.3%
Building Products	1.8x	11.4x	-2.0%	5.5%	-1.9%	6.2%	-3.0%
Construction and Engineering	0.7x	9.5x	3.8%	5.0%	5.6%	5.6%	6.8%
Machinery	1.7x	11.8x	3.5%	5.8%	13.2%	10.9%	7.7%
Distributors	1.0x	10.8x	-10.5%	4.3%	-2.8%	10.6%	4.8%
Industrial and Distribution Aggregate	1.5x	12.3x	0.4%	5.1%	3.4%	9.0%	5.1%
Consumer Products							
Food and Beverage	1.9x	11.4x	-0.9%	5.8%	2.0%	3.0%	13.4%
Household and Personal Products	3.1x	15.6x	0.9%	1.7%	7.4%	-0.4%	14.7%
Household Durables	1.0x	9.0x	-2.8%	2.0%	-5.3%	-0.1%	8.7%
Textiles, Apparel, and Luxury Goods	2.5x	12.4x	2.7%	10.1%	6.8%	18.9%	8.6%
Consumer Products Aggregate	2.1x	12.1x	0.0%	4.9%	2.7%	5.3%	11.3%
Business Services							
Human Resource and Employment Services	1.4x	14.4x	0.5%	6.8%	-0.4%	10.2%	9.8%
Research and Consulting Services	3.1x	17.2x	7.9%	6.9%	11.9%	7.3%	13.3%
Business Services Aggregate	2.3x	15.8x	4.2%	6.9%	5.7%	8.7%	11.6%
Travel and Hospitality							
Hotels, Resorts, and Cruise Lines	3.6x	14.2x	21.4%	52.1%	48.8%	0.0%	13.9%
Restaurants	2.6x	13.6x	10.7%	15.8%	25.6%	29.1%	6.5%
Leisure Facilities	4.0x	12.2x	10.7%	32.1%	16.1%	200.7%	35.6%
Travel and Hospitality Aggregate	3.4x	13.3x	14.3%	33.4%	30.2%	76.6%	18.7%

M&A MARKET

While total U.S. M&A deal volume increased 13.4% in June (ending the month with 1,076 deal announcements compared to 949 in May), total deal value was down. Some of the largest acquisitions announced in June were Waste Management's acquisition of Stericycle for \$7.8 billion, Blackstone, GIC, Abu Dhabi Investment Authority's acquisition of Copeland for \$3.4 billion, Advent International and Abu Dhabi Investment Authority's purchase of Fisher Investments for \$3.0 billion, and SM Energy Company and Northern Oil and Gas' agreement to acquire the Uinta Basin Oil and Gas Assets for \$2.6 billion.

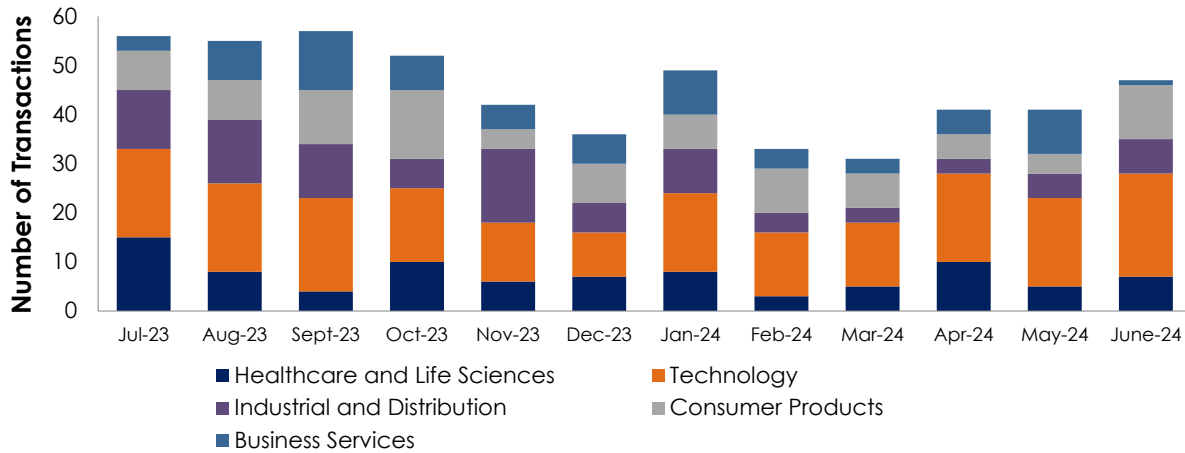
U.S. middle-market M&A deal volume continued its upward trend this month. Middle-market M&A deal volume increased by 4.6% in June compared to May, while the Industrial and Distribution, and Consumer Products sectors increased in transaction volume month over month (39.5% and 10.3% respectively).

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



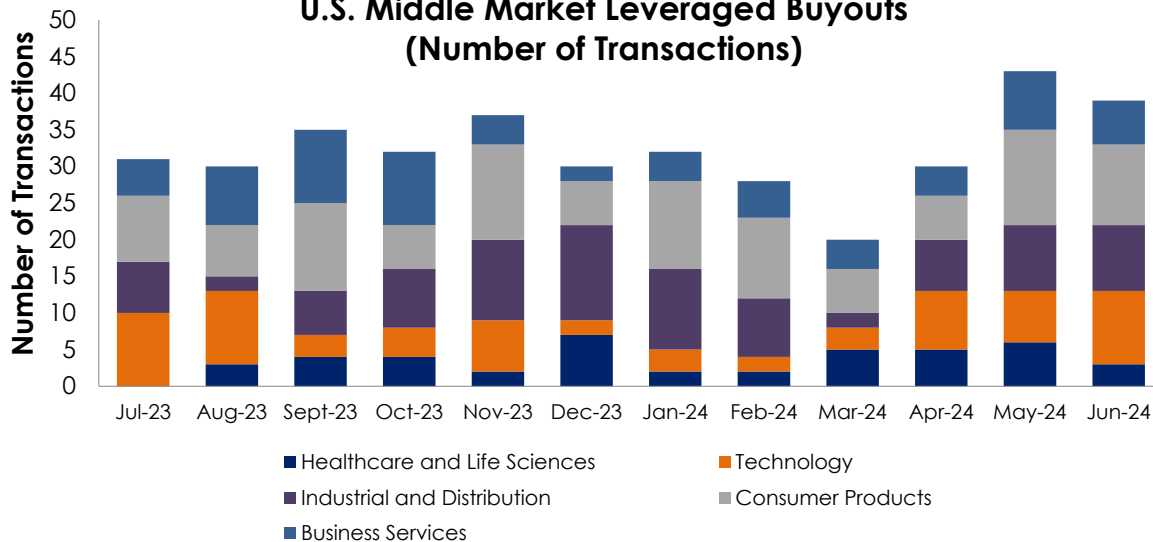
Cross-border middle-market M&A activity showed an increase in June after staying essentially flat in May. While the Technology sector continued to lead with the highest deal volume, the number of transactions in the Healthcare and Life Sciences, Industrial and Distribution, and Consumer Products sectors all increased.

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



LBO transaction volume decreased in June following a significant increase in May. Middle-market LBO volume increased in the Technology sector but decreased in the Business Services, Healthcare and Life Sciences, and Consumer Products sectors. Industrial and Distribution showed no change in transaction volume in June.

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



SELECT MIDDLE MARKET M&A TRANSACTIONS – HEALTHCARE & LIFE SCIENCE

Fabric Acquires MeMD from Walmart Inc

[Full Article](#)

Fabric, a health tech company and care enablement system, has acquired MeMD from Walmart Inc (NYSE: WMT). MeMD is a leading virtual provider of behavioral, urgent, and primary care benefits. Fabric's AI-powered solution triages and routes patients to the most appropriate point of care based on time of day, availability, distance, and disposition, while streamlining treatment across virtual and in-person workflows. This acquisition builds upon MeMD's previous technology partnership with Fabric. Aniq Rahman, founder and CEO of Fabric, stated, "This acquisition aligns with our strategic vision to transform healthcare delivery through innovative technology and exceptional patient care." The combined organizations will drive innovation and provide millions of patients with access to lower-cost, high-quality care.

Arcadia Acquires CareJourney

[Full Article](#)

Arcadia, a healthcare data platform, has acquired CareJourney, a provider of clinically relevant healthcare data and AI-powered analytics and insights. CareJourney derives market-leading analytics from the claims data of 300 million beneficiaries and over 2 million Medicare, Medicaid, Medicare Advantage, and Commercial healthcare providers nationwide. Aneesh Chopra, President of CareJourney and former U.S. Chief Technology Officer stated, "By merging CareJourney's advanced data science with Arcadia's data engineering and operational tools, we will equip providers and payers with the tools to manage costs, build high-performing networks, and excel in value-based care." This strategic acquisition blends Arcadia's next-generation healthcare data platform, proprietary analytics, and workflow tools with CareJourney's cost, quality, and benchmark data.

GHR Healthcare Acquires United Anesthesia

[Full Article](#)

GHR Healthcare, a provider of comprehensive workforce solutions in the healthcare industry, announced the acquisition of United Anesthesia, a CRNA and Anesthesiologist staffing provider. Based in Greensboro, NC, United Anesthesia has established a robust anesthesia staffing presence across the country. "We expect continued strong secular tailwinds to exist due to the current and growing physician shortage in the United States," said Marc Aronstein, the Chairman of the Board for GHR Healthcare. "United Anesthesia plays a critical role in helping health systems meet their needs for staffing anesthesiologists and CRNAs, which are in short supply."

FURTHER INFORMATION

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