

MARKET BRIEF

Economic indicators continued to send mixed signals in July, with the unemployment rate increasing by 0.2%, the Consumer Confidence Index rising to 100.3, and U.S. National Home Index continuing to set all-time highs, increasing by 0.9% month-over-month in July. The U.S. Public Markets saw an overall rise in the month of July as inflation slowed and federal rate cuts were anticipated for late 2024. The S&P 500 and Dow Jones Indices stayed positive in July with 1.2% and 4.5% increases, respectively. The Nasdaq Composite dipped slightly, decreasing by 0.7% through July. Middle-market M&A activity remained steady. Due to the anticipated lower cost of capital and a limited supply of high-quality companies in the market, the outlook for middle-market M&A transactions remains optimistic for the foreseeable future.

Unemployment Rate Continues to Increase in July

The unemployment rate rose to 4.3% in July—the highest level since October 2021—and the number of unemployed people increased by 352,000 to 7.2 million. This marks the fifth consecutive month of rising unemployment and a 0.2% increase since June. Total nonfarm payroll employment edged up by 114,000 in July, significantly below the average monthly gain of 215,000 over the prior 12 months. Sectors adding jobs in July included healthcare (55,000 jobs), construction (25,000 jobs), and transportation & warehousing (14,000 jobs). The labor force participation rate remained steady at 62.7% with little change in July.

[Bureau of Labor Statistics](#)

US Consumer Confidence Still Mixed in July

The Conference Board Consumer Confidence Index® rose in July to 100.3 (1985=100), increasing from a downwardly revised 97.8 in June. The Present Situation Index—based on consumers' assessment of current business and labor market conditions—declined to 133.6 from 135.3 last month. The Expectations Index—based on consumers' short-term outlook for income, business, and labor market conditions—improved to 78.2 in July, up from 72.8 in June, but still below 80 (the threshold which usually signals a recession). “Confidence increased in July, but not enough to break free of the narrow range that has prevailed over the past two years,” said Dana M. Peterson, Chief Economist at The Conference Board. “Even though consumers remain relatively positive about the labor market, they still appear to be concerned about elevated prices and interest rates, and uncertainty about the future; things that may not improve until next year.”

[The Conference Board](#)

The Case-Shiller Index Breaks Previous Month's All-Time High Again in May 2024

The S&P CoreLogic Case-Shiller U.S. National Home Price NSA Index, covering all nine U.S. census divisions, reported a 5.9% year-over-year gain in May, down from 6.4% in the previous month. The 10-City Composite saw a year-over-year increase of 7.7%, down from an 8.1% annual increase in the previous month. The 20-City Composite posted a year-over-year increase of 6.8%, dropping from a 7.3% increase in the previous month. Month-over-month upward trends continued to decelerate from last month with the U.S. National Index, the 20-City Composite, and the 10-City Composite, with pre-seasonality adjustment increases of 0.9%, 1.0%, and 1.0%, respectively. Brian D. Luke, Head of Commodities, Real & Digital Assets noted, "The Big Apple returned to the top of the leader boards, toppling San Diego from its six-month perch. New York's 9.4% annual return outpaced San Diego and Las Vegas, by 0.3% and 0.7%, respectively. All 20 markets observed annual gains for the last six months. The last time we saw that long a streak was when all markets rose for three years consecutively during the COVID housing boom. This rally pales in comparison in both duration and annual gains, with above trend growth of 6.2%. The waiting game for the possibility of favorable changes in lending rates continues to be costly for potential buyers as home prices march forward."

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

The Consumer Price Index

The Consumer Price Index for All Urban Consumers (CPI-U) increased 0.2% on a seasonally adjusted basis in July. Over the last 12 months, the all items index increased 2.9% before seasonal adjustment; the smallest annual increase in more than three years (since March 2021). The 0.4% increase in the index for shelter accounted for nearly 90% of the monthly increase in the all items index. The index for food increased by 0.2% for a second straight month. The index for all items less food and energy rose 0.2% in July. Indexes showing an increase in July included shelter, motor vehicle insurance, household furnishings and operations, education, recreation, and personal care. The indexes reflecting a decrease in July included used cars and trucks, medical care, airlines fares, and apparel.

[Bureau of Labor Statistics](#)

PUBLIC MARKET

The U.S. public markets continued to remain stable in July, picking up momentum towards the end of the month. The S&P 500 stayed relatively flat, increasing by 1.2% in July. The Dow Jones gained some traction at the end of the month, finishing with a 4.5% increase and the Nasdaq Composite slightly dipped, decreasing by 0.7%.

Public Trading Multiples

As of July 31, 2024

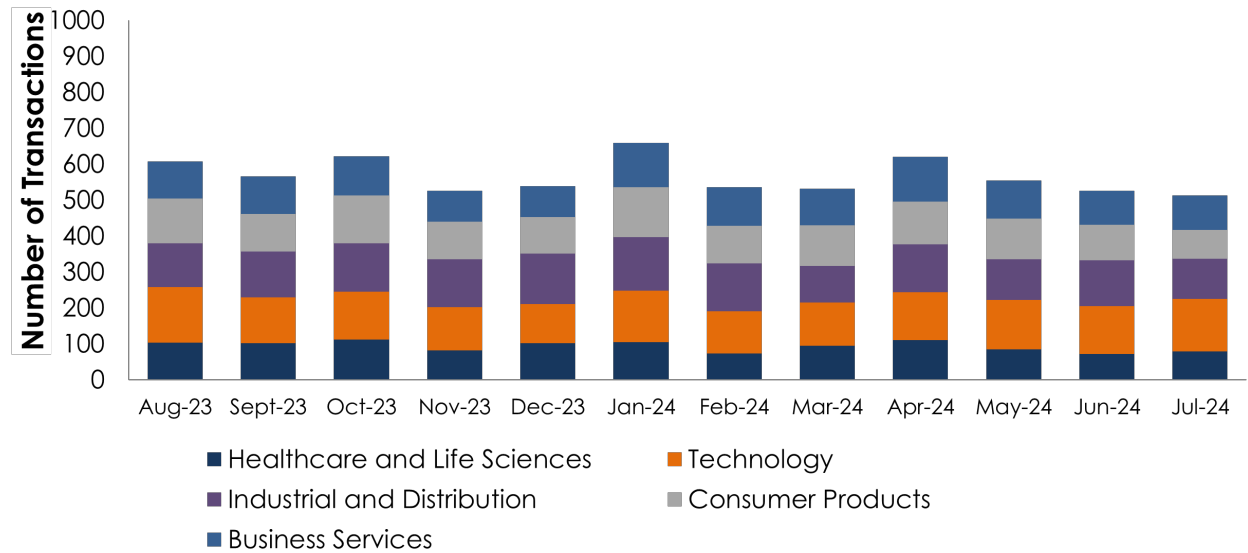
Category	EV / Revenue	EV/ EBITDA	Revenue Growth		EBITDA Growth		EBITDA Margin
			1 Year	3 Year	1 Year	3 Year	
Healthcare and Life Sciences							
Healthcare Technology	3.5x	24.4x	6.9%	8.1%	52.2%	19.0%	1.0%
Healthcare Equipment and Supplies	4.3x	18.8x	2.0%	3.7%	3.1%	-3.6%	16.3%
Healthcare Providers and Services	0.7x	11.4x	7.0%	8.4%	0.3%	2.2%	9.7%
Healthcare and Life Sciences Aggregate	2.8x	18.2x	5.3%	6.7%	18.5%	5.9%	9.0%
Technology							
IT Services	2.4x	14.9x	1.4%	3.4%	15.1%	2.9%	14.9%
Software	8.8x	25.6x	9.5%	11.5%	31.1%	14.6%	6.8%
Computers and Other Electronic Equipment	2.1x	14.4x	-6.3%	0.1%	-3.5%	-0.5%	13.9%
Technology Aggregate	4.4x	18.3x	1.5%	5.0%	14.2%	5.6%	11.9%
Industrial and Distribution							
Aerospace and Defense	2.3x	18.5x	6.9%	5.1%	0.1%	9.7%	9.3%
Building Products	1.8x	11.4x	-1.7%	5.2%	-1.1%	5.9%	-2.9%
Construction and Engineering	0.7x	9.5x	3.4%	4.9%	5.2%	5.5%	7.2%
Machinery	1.7x	11.8x	3.0%	5.3%	12.3%	9.7%	7.7%
Distributors	1.0x	10.9x	-10.6%	4.3%	-3.3%	10.4%	4.8%
Industrial and Distribution Aggregate	1.5x	12.4x	0.2%	5.0%	2.7%	8.2%	5.2%
Consumer Products							
Food and Beverage	1.9x	11.5x	-2.1%	5.5%	-0.2%	2.6%	13.4%
Household and Personal Products	3.3x	16.0x	0.1%	1.6%	7.7%	0.4%	14.8%
Household Durables	1.1x	9.3x	-2.7%	1.4%	-4.1%	-1.0%	9.6%
Textiles, Apparel, and Luxury Goods	2.3x	11.7x	-0.5%	8.2%	0.3%	11.5%	8.5%
Consumer Products Aggregate	2.1x	12.1x	-1.3%	4.2%	0.9%	3.4%	11.6%
Business Services							
Human Resource and Employment Services	1.4x	14.6x	0.2%	5.8%	0.2%	8.5%	9.7%
Research and Consulting Services	3.2x	17.5x	6.0%	6.7%	10.4%	6.3%	13.2%
Business Services Aggregate	2.3x	16.1x	3.1%	6.3%	5.3%	7.4%	11.5%
Travel and Hospitality							
Hotels, Resorts, and Cruise Lines	3.6x	14.2x	20.9%	51.6%	0.0%	0.0%	13.9%
Restaurants	2.5x	13.4x	10.6%	15.6%	26.1%	27.9%	6.4%
Leisure Facilities	4.0x	12.1x	10.2%	32.8%	15.4%	245.3%	35.5%
Travel and Hospitality Aggregate	3.4x	13.2x	13.9%	33.3%	13.8%	91.1%	18.6%

M&A MARKET

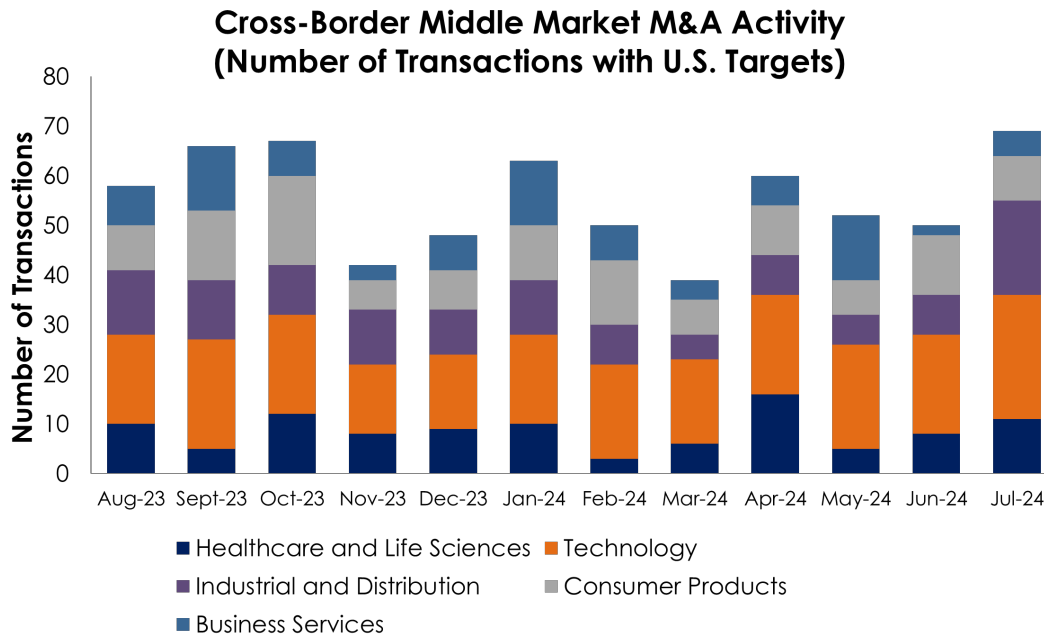
Total U.S. M&A deal volume increased by 7.2% in July compared to the previous month, according to FactSet. Total deal value also increased, rising 42.6% compared to June aggregate value. Some of the largest deals announced this month include Skydance Media LLC, a portfolio company of RedBird Capital Partners Management LLC, entering an agreement to acquire the remaining 90.5% stake in Paramount Global for \$9 billion; Devon Energy Corp.'s acquisition of the Williston Basin business from Grayson Mill Energy LLC for \$5 billion; and The Boeing Co. entering an agreement to acquire Spirit AeroSystems Holdings, Inc. for \$4.3 billion.

Middle-market M&A activity remained steady.

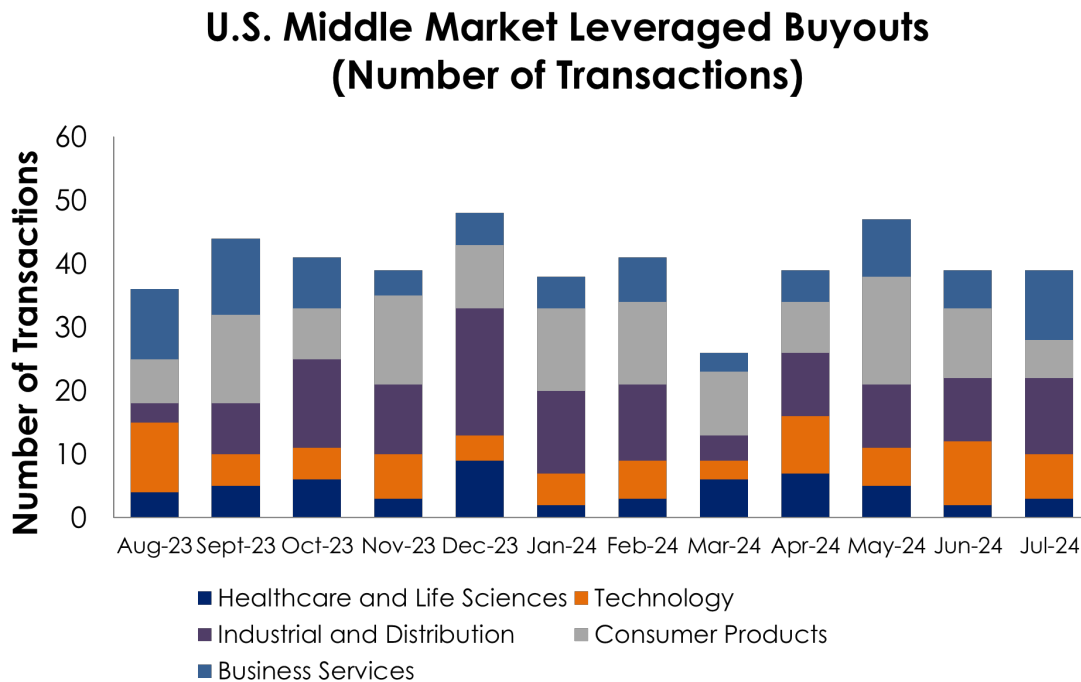
U.S. Middle Market M&A Activity Select Industries (Number of Transactions)



Cross-border middle-market M&A activity increased in July, fueled by a substantial increase in deal volume for the Industrials and Distribution sector as well as continued high volume of Technology transactions.



LBO transaction activity remained flat from June.



SELECT MIDDLE MARKET M&A TRANSACTIONS – TECHNOLOGY

Motomova, Inc. completes acquisition of Skillr, Inc.

[Full Article](#)

Motomova, Inc. (OTC: MTMV), a leading developer and manufacturer of testing solutions for electric motors, completed its acquisition of Skillr, Inc. to further bolster its suite of SaaS products. Founded in 2020 and headquartered in New York, Skillr, Inc. is a venture-backed developer of mobile application technology for consumer and enterprise clients.

Menny Shalom, Motomova's chairman and chief executive, stated, "We have executed the acquisition of Skillr as part of our 2024-2025 plan focused on capital formation and product line expansion into SaaS, driven by the demands for innovative solutions made by our clients worldwide."

Under the terms of the stock funded merger, Motomova Inc. acquired Skillr, Inc. for approximately \$32 million.

Barcoding, Inc. acquired DecisionPoint Systems, Inc. for approximately \$92 million

[Full Article](#)

DecisionPoint Systems, Inc. (NASDAQ: DPSI), a provider of deployment and management technologies for data capture and point-of-sale technologies within retail, logistics and end healthcare markets, announced its acquisition by Barcoding, Inc., a supplier of supply chain automation and innovation, and a portfolio company of Graham Partners.

Mike Stewart, a principal at Graham Partners, stated, "We believe this merger will be transformative for our investment in Barcoding and is underpinned by our continued belief in the value proposition of enterprise mobility integrators supporting trends towards increasing levels of automation and proliferation of traceability technology. We look forward to integrating these two businesses and developing a leading platform in the enterprise mobility industry."

Litera Corp. expands governance, risk, and compliance offerings with acquisition of FileTrail, Inc.

[Full Article](#)

Litera Corp., a global leader in legal technology solutions, announced the acquisition of FileTrail, Inc., a provider of information governance and records management services.

FileTrail CEO Harold Westervelt commented on the acquisition: "We are excited to showcase our cutting-edge suite of products to a larger, more agile fan base. The combination of FileTrail's capabilities, alongside Litera's CAM, PowerDesktop, and PS/Ship products creates a governance solution that allows our customers to have complete control over sensitive client data."

FileTrail's capabilities combined with Litera's modern approach to legal SaaS and AI technologies will create an elevated customer experience and allow existing customer to extract the utmost value from their Litera Solutions.

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 technology, industrial, consumer, business services, and healthcare 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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