

MARKET BRIEF

Economic indicators were mostly positive in August, with the unemployment rate declining slightly by 0.1%, the Consumer Confidence Index rising to 103.3, and the U.S. National Home Price NSA Index increasing by 0.5% month-over-month in August. The U.S. Public Markets saw an overall rise in the month of August as inflation slowed and federal rate cuts were anticipated for late 2024. The S&P 500, Dow Jones, and Nasdaq indices all experienced upward momentum in August with 2.4%, 2.0%, and 0.7% increases, respectively. Middle-market M&A activity remained steady. Due to the anticipated lower cost of capital, the outlook for middle-market M&A transactions remains optimistic for the foreseeable future.

Unemployment Rate Changes Little in August

The unemployment rate declined slightly to 4.2% in August and the number of unemployed people stayed relatively unchanged at 7.1 million. Total nonfarm payroll employment edged up by 142,000 in August, Employment growth in August was in line with average job growth in recent months but was below the average monthly gain of 202,000 over the prior 12 months. Sectors adding jobs in August included construction (34,000 jobs), healthcare (31,000 jobs), and social assistance (13,000 jobs). The labor force participation rate remained stable at 62.7%, with little change in August.

[Bureau of Labor Statistics](#)

US Consumer Confidence Showing Signs of Improvement

The Conference Board Consumer Confidence Index® rose in August to 103.3 (1985=100), from an upwardly revised 101.9 in July. The Present Situation Index—based on consumers' assessment of current business and labor market conditions—improved to 134.4 from 133.1 in July. The Expectations Index—based on consumers' short-term outlook for income, business, and labor market conditions—also improved to 82.5 in August, marking the second consecutive month of the Index above 80. (A reading below the threshold of 80 usually signals a recession ahead.) “Overall consumer confidence rose in August but remained within the narrow range that has prevailed over the past two years,” said Dana M. Peterson, Chief Economist at The Conference Board. “Consumers continued to express mixed feelings in August. Compared to July, they were more positive about business conditions, both current and future, but also more concerned about the labor market. Consumers' assessments of the current labor situation, while still positive, continued to weaken, and assessments of the labor market going forward were more pessimistic. This likely reflects the recent increase in unemployment. Consumers were also a bit less positive about future income.”

[The Conference Board](#)

The Case-Shiller Index Hits New All-Time High in June 2024

The S&P CoreLogic Case-Shiller U.S. National Home Price NSA Index, covering all nine U.S. census divisions, reported a 5.4% annual gain in June, down from 5.9% in the previous month. The 10-City Composite saw a year-over-year increase of 7.4%, down from a 7.8% annual increase in the previous month. The 20-City Composite posted a year-over-year increase of 6.5%, dropping from a 6.9% increase in the previous month. The upward trend for the U.S. National Index, the 20-City Composite, and the 10-City Composite have all continued to decelerate from last month, reporting pre-seasonality adjustment increases of 0.5%, 0.6%, and 0.6%, respectively. Brian D. Luke, Head of Commodities, Real & Digital Assets noted, "The S&P CoreLogic Case-Shiller Indices continue to show above-trend real price performance when accounting for inflation. Home prices and inflation continue to factor into the political agenda coming into the election season. While both housing and inflation have slowed, the gap between the two is larger than historical norms, with our National Index averaging 2.8% more than the Consumer Price Index. That is a full percentage point above the 50-year average. Before accounting for inflation, home prices have risen over 1,100 percent since 1974, but have slightly more than doubled (111%) after accounting for inflation."

[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 August, the same increase as in July. Over the last 12 months, the all items index increased 2.5% before seasonal adjustment. The 0.5% increase in the shelter index was the main factor in the all items increase. The index for food increased by 0.1% in August, after rising 0.2% in July. The index for all items less food and energy rose 0.3% in August, after rising 0.2% the preceding month. Indices showing an increase in August include shelter, airline fares, motor vehicle insurance, education, and apparel. The indices reflecting a decrease in August included used cars and trucks, household furnishings and operations, medical care, communication, and recreation.

[Bureau of Labor Statistics](#)

PUBLIC MARKET

The U.S. public markets booked moderate gains in August, recovering from a steep sell-off at the beginning of August and picking up momentum towards the end of the month. The S&P 500 rose modestly, increasing by 2.4% in August. The Dow Jones finished the month with a 2.0% increase, and the Nasdaq Composite rose 0.7%.

Public Trading Multiples

As of August 30, 2024

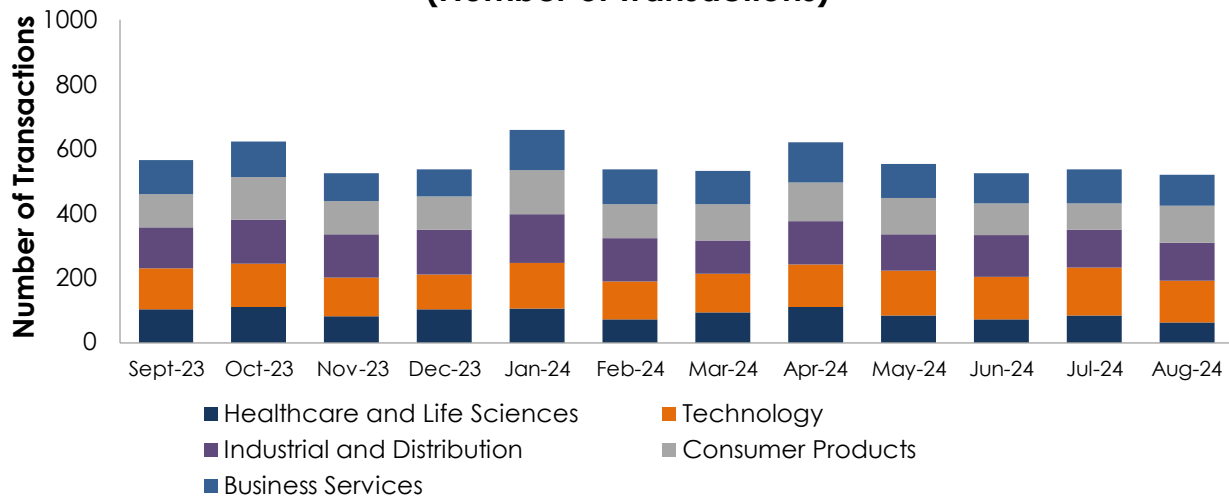
Category	EV / Revenue	EV/ EBITDA	Revenue Growth		EBITDA Growth		EBITDA Margin
			1 Year	3 Year	1 Year	3 Year	
Healthcare and Life Sciences							
Healthcare Technology	3.8x	22.8x	6.2%	6.6%	25.5%	22.0%	0.5%
Healthcare Equipment and Supplies	4.3x	18.8x	2.4%	2.1%	5.4%	-5.9%	15.4%
Healthcare Providers and Services	0.7x	11.6x	6.9%	7.8%	1.0%	1.8%	10.2%
Healthcare and Life Sciences Aggregate	2.9x	17.8x	5.1%	5.5%	10.6%	5.9%	8.7%
Technology							
IT Services	2.5x	15.3x	0.6%	2.4%	14.3%	2.3%	14.9%
Software	9.0x	26.8x	10.1%	10.9%	27.8%	14.5%	7.2%
Computers and Other Electronic Equipment	2.2x	15.4x	-1.7%	-1.1%	5.3%	-2.4%	15.5%
Technology Aggregate	4.6x	19.2x	3.0%	4.1%	15.8%	4.8%	12.5%
Industrial and Distribution							
Aerospace and Defense	2.4x	18.9x	4.4%	4.4%	-0.8%	4.8%	10.0%
Building Products	1.8x	11.6x	-1.5%	2.7%	-0.6%	1.0%	-3.5%
Construction and Engineering	0.8x	9.8x	3.5%	3.2%	4.9%	3.7%	7.0%
Machinery	1.7x	11.7x	1.8%	3.4%	9.0%	7.2%	8.1%
Distributors	1.0x	11.3x	-8.2%	0.9%	0.8%	5.8%	4.8%
Industrial and Distribution Aggregate	1.5x	12.7x	0.0%	2.9%	2.7%	4.5%	5.3%
Consumer Products							
Food and Beverage	1.9x	11.3x	-2.6%	4.0%	2.0%	1.5%	13.7%
Household and Personal Products	3.2x	15.7x	-1.2%	0.8%	6.4%	-0.2%	14.5%
Household Durables	1.1x	9.3x	-0.6%	-0.3%	0.4%	-3.5%	8.9%
Textiles, Apparel, and Luxury Goods	2.3x	11.4x	0.2%	6.5%	1.5%	8.4%	8.3%
Consumer Products Aggregate	2.1x	11.9x	-1.1%	2.7%	2.6%	1.6%	11.3%
Business Services							
Human Resource and Employment Services	1.5x	15.0x	-0.7%	4.3%	-0.4%	4.9%	9.8%
Research and Consulting Services	3.2x	17.7x	5.6%	6.5%	11.7%	5.9%	13.3%
Business Services Aggregate	2.3x	16.3x	2.5%	5.4%	5.7%	5.4%	11.5%
Travel and Hospitality							
Hotels, Resorts, and Cruise Lines	3.4x	13.5x	17.5%	44.6%	0.0%	0.0%	14.9%
Restaurants	2.4x	13.0x	9.6%	12.4%	18.7%	20.6%	5.2%
Leisure Facilities	4.2x	12.8x	6.4%	24.3%	8.4%	92.2%	33.6%
Travel and Hospitality Aggregate	3.3x	13.1x	11.2%	27.1%	9.0%	37.6%	17.9%

M&A MARKET

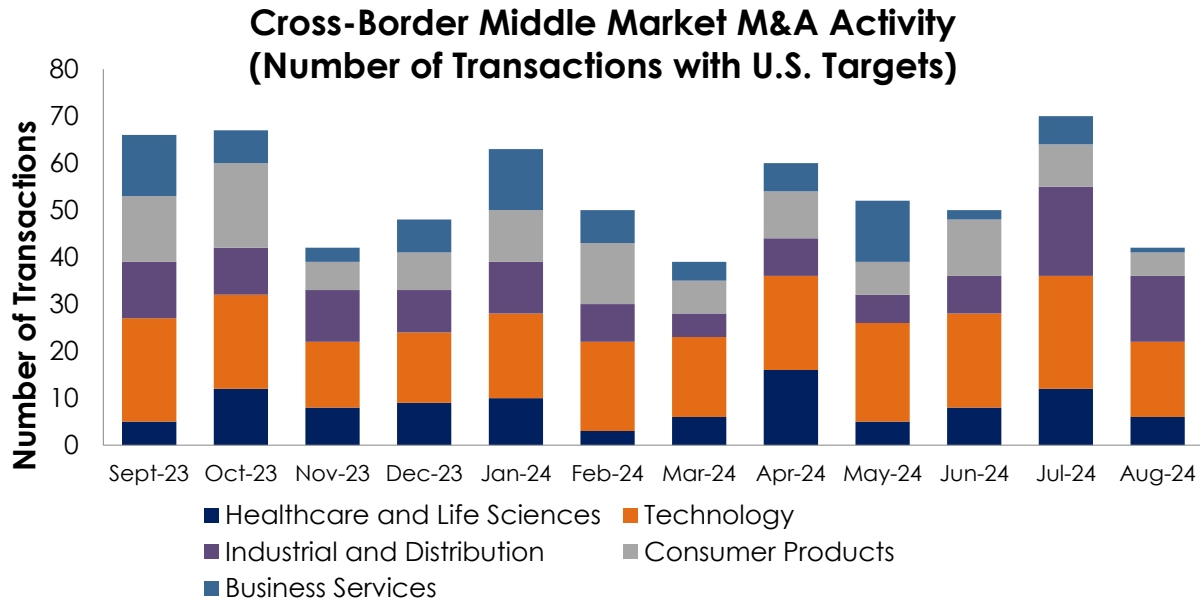
Some of the largest deals announced this month include an agreement by TowerBrook Capital Partners LP and Clayton Dubilier & Rice LLC acquiring the remaining 70.6% stake not owned in R1 RCM, Inc. for \$8.9 billion, Mars acquiring Kellanova for approximately \$35 billion, and AMD acquiring AI infrastructure group ZT Group International for \$5 billion.

Middle-market M&A activity remained steady in August, with all sectors showing little change in the number of transactions completed.

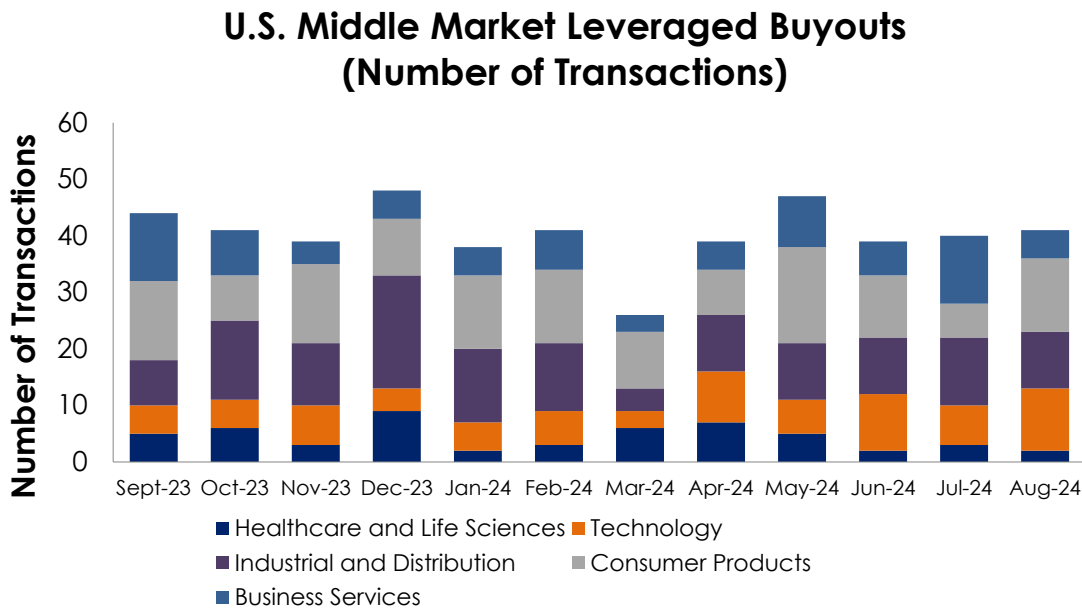
U.S. Middle Market M&A Activity Select Industries (Number of Transactions)



Cross-border middle-market M&A activity dropped sharply in August, reflecting a decrease in transactions across all sectors.



LBO transaction activity ticked up slightly during August, with strong growth in the number of Consumer Products and Technology transactions.



SELECT MIDDLE MARKET M&A TRANSACTIONS – TECHNOLOGY

Firefly Neuroscience completes merger with WaveDancer

[Full Article](#)

Firefly Neurosciences, an artificial intelligence technology company developing innovative neuroscientific solutions that improve outcomes for patients with mental illnesses and neurological disorders, completed its reverse merger with WaveDancer Inc. (NasdaqCM: WAVD).

WaveDancer, Inc. applies technology, services, and experience to legacy software migration and modernization, developing web-based and mobile device solutions, including dynamic electronic forms development and conversion, and data analytics.

The combined company will focus on continuing to develop and commercialize Firefly's AI-driven Brain Network Analytics (BNA™) platform, which was previously cleared by the U.S. Food and Drug Administration. The BNA platform provides first-of-its-kind brain imaging to drive superior diagnosis, treatment and patient outcomes for people suffering from brain health illnesses and disorders such as major depressive disorder and dementia.

SoundHound AI acquires Amelia for approximately \$80 million

[Full Article](#)

SoundHound AI, Inc. (Nasdaq: SOUN), a global leader in voice artificial intelligence, acquired Amelia, a leading enterprise AI software company, in August 2024. The business combination positions SoundHound AI as a leading provider of voice and conversational generative AI, with reach across multiple industries—including retail, financial services, healthcare, automotive, smart devices, restaurants, and more.

Keyvan Mohajer, CEO and Co-Founder of SoundHound AI stated: "SoundHound AI has emerged as a leader in bringing voice-enabled conversational AI to products and services. Now with more businesses choosing voice AI technology for customer service—and more consumers expecting a seamless, AI-powered service—this acquisition positions SoundHound as a strong force with range, scale, and world class technology."

Yext completes acquisition of Hearsay Systems

[Full Article](#)

Yext, Inc. (NYSE: YEXT), the leading digital presence platform for multi-location brands, completed its acquisition of Hearsay Systems, a global leader in digital client engagement for financial services customers.

Hearsay Systems helps 260,000 financial advisors and agents ensure all interactions meet regulatory and brand standards to reduce risk while providing a scalable way to manage customer engagement. The combination of Yext and Hearsay Systems is intended to produce the industry's first end-to-end digital presence platform, combining Yext's cutting-edge digital presence management capabilities with Hearsay Systems' compliant engagement solutions across social media, websites, text, and voice.

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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