

MARKET BRIEF

Economic indicators were mostly positive in October, with the Consumer Confidence Index reporting its strongest monthly gain since March 2021, rising to 108.7. The unemployment rate was unchanged at 4.1%, and the Consumer Price Index reported a stable 0.2% seasonally-adjusted increase, the same increase seen over each of the last three months. The S&P 500, Dow Jones, and Nasdaq indices finished the month in the negative, however, posting losses of -0.9%, -1.3%, and -0.5%, respectively. Middle-market M&A activity increased, driven by loosening credit markets and reduced cost of debt. The outlook for middle-market M&A transactions appears promising for the near future.

Unemployment Rate Unchanged in October

The unemployment rate was unchanged at 4.1% in October and the number of unemployed individuals rose slightly to 7.0 million. Total nonfarm payroll employment saw a minimal change, increasing by 12,000 in October—a number well below the average monthly gain of 194,000 over the prior 12 months. Sectors adding jobs in October included healthcare (52,000 jobs) and government employment (40,000 jobs). In contrast, temporary help services decreased (49,000 jobs) and manufacturing employment declined (46,000), largely due to strike activities. Both the labor force participation rate (62.6%) and employment-population ratio (60.0%) changed little in October.

[Bureau of Labor Statistics](#)

US Consumer Confidence Trended Towards Optimism in October

The Conference Board Consumer Confidence Index® increased in October to 108.7 (1985=100), up from 99.2 in September. The Present Situation Index—based on consumers' assessment of current business and labor market conditions—increased by 14.2 points to 138.0 in October. The Expectations Index—based on consumers' short-term outlook for income, business, and labor market conditions—increased by 6.3 points to 89.1 in October, ending well above the threshold of 80 which typically signals a recession ahead. "Consumer confidence recorded the strongest monthly gain since March 2021, but still did not break free of the narrow range that has prevailed over the past two years," said Dana M. Peterson, Chief Economist at The Conference Board. "In October's reading, all five components of the Index improved. Consumers' assessments of current business conditions turned positive. Views on the current availability of jobs rebounded after several months of weakness, potentially reflecting better labor market data. Compared to last month, consumers were substantially more optimistic about future business conditions and remained positive about future income. Also, for the first time since July 2023, they showed some cautious optimism about future job availability."

[The Conference Board](#)

The Case-Shiller Index Growth Slowed in August 2024

The S&P CoreLogic Case-Shiller U.S. National Home Price NSA Index, covering all nine U.S. census divisions, reported 4.2% annual growth in August, down from 4.8% annual growth in the previous month, reflecting a slowdown in pace. The 10-City Composite saw an annual increase of 6.0%, down from a 6.8% annual increase in the previous month. The 20-City Composite posted a year-over-year increase of 5.2%, dropping from a 5.9% increase in the previous month. Month-over-month, the pre-seasonally adjusted National Index showed a slight decline of -0.1%, with the 20-City and 10-City Composites also reporting decreases of -0.3% and -0.4%, respectively. Brian D. Luke, Head of Commodities, Real & Digital Assets at S&P Global, noted, "Home price growth is beginning to show signs of strain, recording the slowest annual gain since mortgage rates peaked in 2023. As students went back to school, home price shoppers appeared less willing to push the index higher than in the summer months. Prices continue to decelerate for the past six months, pushing appreciation rates below their long-run average of 4.8%. After smoothing for seasonality in the data, home prices continued to reach all-time highs, for the 15th month in a row."

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

The Consumer Price Index Increased 0.2% in October

The Consumer Price Index for All Urban Consumers (CPI-U) increased 0.2% on a seasonally adjusted basis in October, the same rise recorded in the previous three months. Over the last 12 months, the all items index increased by 2.6% before seasonal adjustment.

The index for shelter rose by 0.4% in October, accounting for over half of the monthly all items increase. The food index also increased by 0.2%, with the food at home index rising 0.1% and the food away from home index up 0.2%. The energy index was unchanged over the month, after declining 1.9% in September. The index for all items less food and energy rose 0.3% in October—the same increase seen during the previous two months.

Components that increased in October included used cars and trucks (2.7%), as well as shelter, airline fares, medical care, and recreation. In contrast, the indices for apparel, communication, and household furnishings and operations were among those that decreased over the month.

[Bureau of Labor Statistics](#)

PUBLIC MARKET

The U.S. public markets experienced a decline in October, with major indices posting a loss for the month. October marked the end of a five-month streak of gains for the S&P 500, and the Nasdaq Composite reported its first down month since July 2024. The S&P 500 fell 0.9%, the Dow Jones lost 1.3%, and the Nasdaq Composite fell 0.5%. Despite these monthly losses, all indices remain positive year-to-date, with the S&P 500 up 19.6%, the Dow Jones up 10.8%, and the Nasdaq Composite up 21.2%.

Public Trading Multiples

As of October 31, 2024

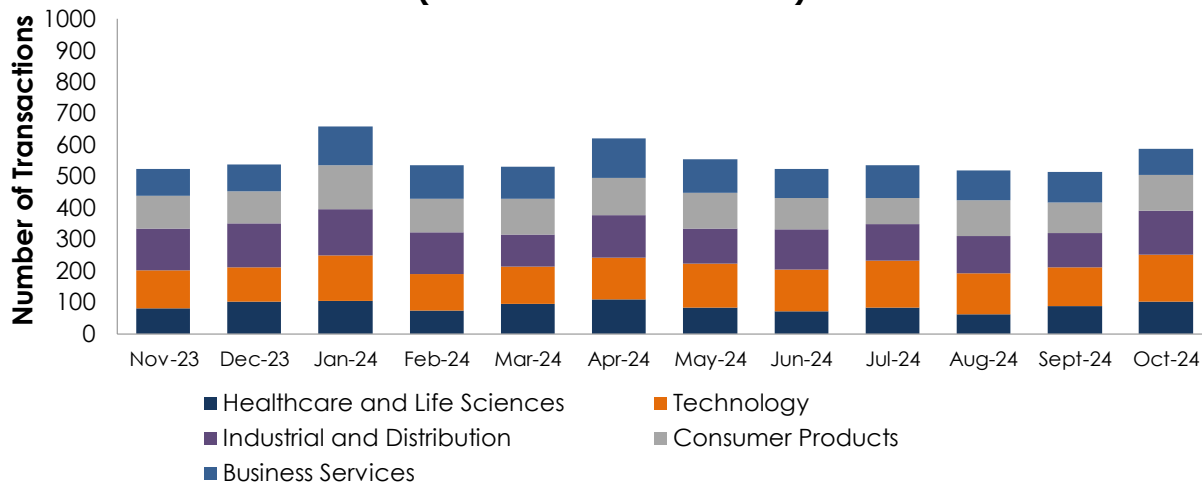
Category	EV / Revenue	EV/ EBITDA	Revenue Growth		EBITDA Growth		EBITDA Margin
			1 Year	3 Year	1 Year	3 Year	
Healthcare and Life Sciences							
Healthcare Technology	3.8x	23.1x	6.0%	6.5%	22.6%	21.6%	0.4%
Healthcare Equipment and Supplies	4.4x	19.3x	3.1%	2.2%	5.9%	-5.9%	15.3%
Healthcare Providers and Services	0.7x	11.5x	7.0%	7.7%	0.1%	1.5%	9.9%
Healthcare and Life Sciences Aggregate	3.0x	18.0x	5.4%	5.5%	9.5%	5.7%	8.5%
Technology							
IT Services	2.7x	16.3x	1.0%	2.3%	13.5%	2.3%	15.1%
Software	9.0x	26.7x	10.8%	11.0%	28.3%	14.8%	7.1%
Computers and Other Electronic Equipment	2.2x	15.5x	-0.6%	-1.1%	5.4%	-2.5%	15.5%
Technology Aggregate	4.6x	19.5x	3.7%	4.1%	15.7%	4.9%	12.6%
Industrial and Distribution							
Aerospace and Defense	2.4x	17.2x	5.4%	4.8%	-1.0%	4.0%	10.0%
Building Products	1.8x	11.7x	-0.9%	2.5%	-0.3%	0.8%	-3.7%
Construction and Engineering	0.8x	9.8x	3.1%	3.1%	4.0%	3.1%	7.0%
Machinery	1.7x	11.8x	2.1%	3.5%	8.3%	7.1%	8.1%
Distributors	1.0x	11.6x	-7.8%	0.5%	0.4%	5.1%	4.7%
Industrial and Distribution Aggregate	1.5x	12.4x	0.4%	2.9%	2.3%	4.0%	5.2%
Consumer Products							
Food and Beverage	1.9x	11.4x	-2.5%	3.9%	2.7%	1.9%	13.8%
Household and Personal Products	3.2x	15.7x	-1.5%	0.8%	5.1%	0.1%	13.6%
Household Durables	1.1x	9.4x	0.0%	-0.4%	0.8%	-3.9%	8.9%
Textiles, Apparel, and Luxury Goods	2.3x	11.5x	-0.2%	6.1%	1.1%	7.7%	8.2%
Consumer Products Aggregate	2.1x	12.0x	-1.1%	2.6%	2.4%	1.5%	11.1%
Business Services							
Human Resource and Employment Services	1.5x	15.4x	0.5%	4.3%	0.0%	3.7%	9.7%
Research and Consulting Services	3.3x	18.0x	5.8%	6.5%	12.2%	5.8%	13.7%
Business Services Aggregate	2.4x	16.7x	3.2%	5.4%	6.1%	4.8%	11.7%
Travel and Hospitality							
Hotels, Resorts, and Cruise Lines	3.5x	13.5x	16.0%	43.6%	0.0%	0.0%	14.8%
Restaurants	2.5x	13.2x	9.5%	12.9%	17.8%	20.9%	5.2%
Leisure Facilities	4.2x	12.8x	6.2%	23.7%	6.5%	87.1%	32.6%
Travel and Hospitality Aggregate	3.4x	13.2x	10.6%	26.7%	8.1%	36.0%	17.5%

M&A MARKET

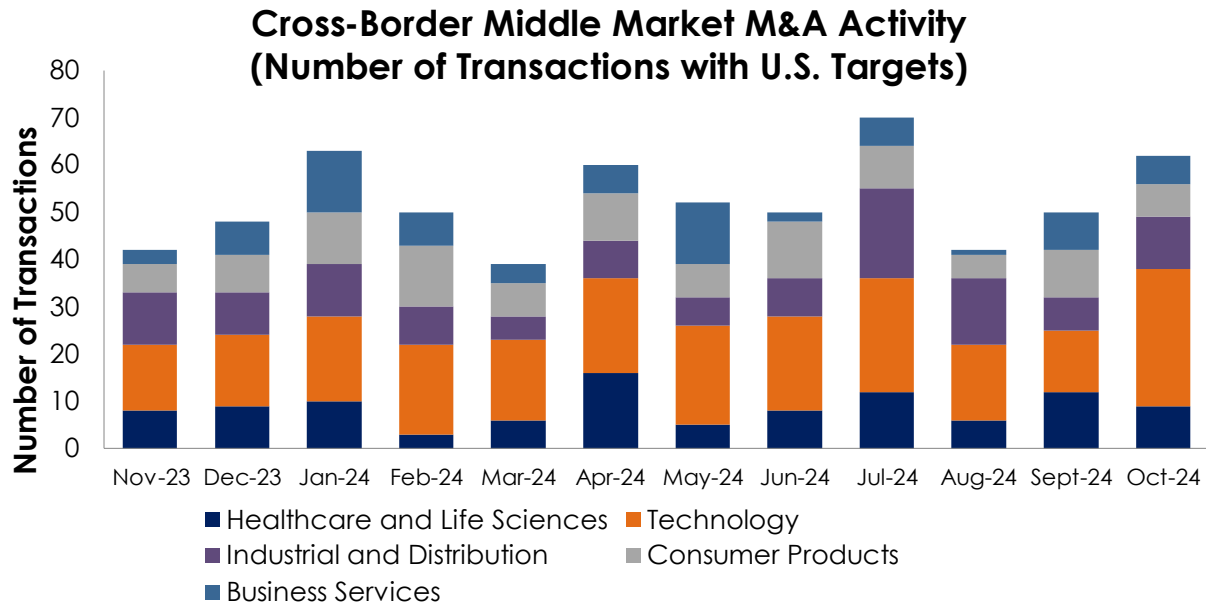
Total U.S. M&A deal volume increased by 9.1% in October, according to FactSet. However, aggregate M&A deal value decreased by 18.9% compared to September. Some of the largest deals announced this month include Siemens AG's acquisition of Altair Engineering, Inc. for \$9.6 billion; Apollo Management LP's acquisition of Barnes Group, Inc. for \$2.4 billion; TKO Group Holdings, Inc.'s deal to acquire 3 subsidiaries from Endeavor Group Holdings, Inc. for \$3.3 billion; Elevance Health, Inc.'s \$2.7 billion acquisition of CareBridge from Oak HC/FT Management Co. LLC; and Nippon Paint Holdings Co. Ltd.'s acquisition of LSF11 A5 Topco LLC from Lone Star Americas Acquisitions LLC for \$2.3 billion.

U.S. Middle-market M&A activity ticked up in October, with almost all sectors reporting increases in the number of transactions completed.

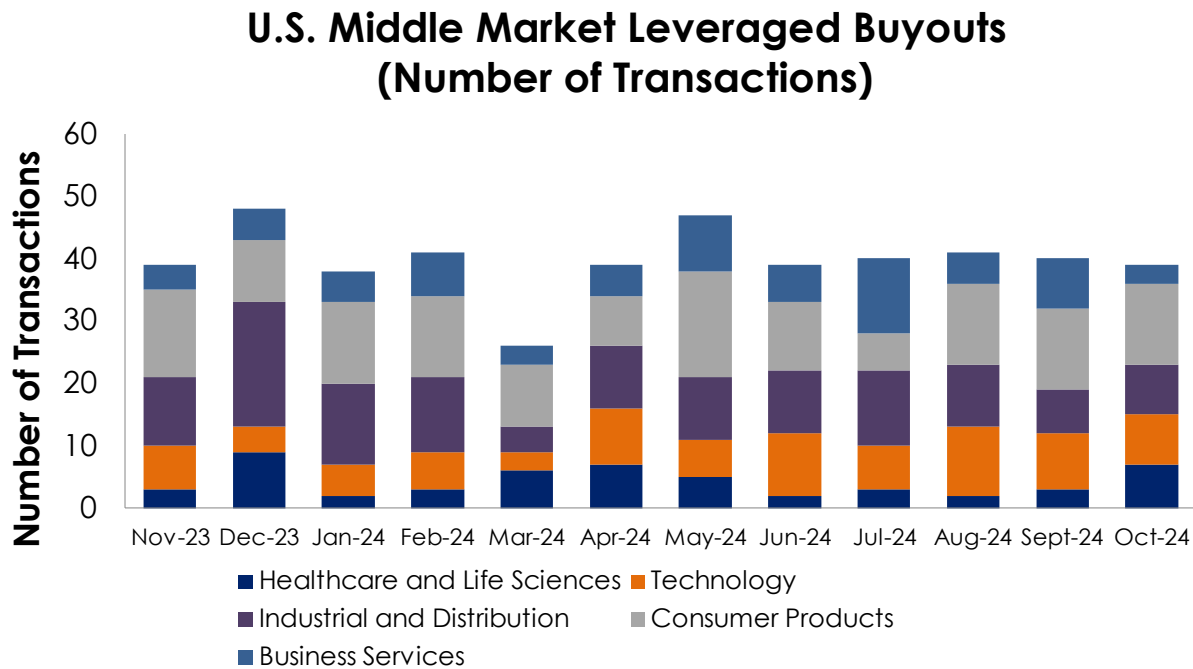
**U.S. Middle Market M&A Activity
 Select Industries
 (Number of Transactions)**



Cross-border middle-market M&A activity increased greatly in October, supported by increased volume in the number of Industrial and Distribution and Technology transactions.



LBO transaction activity ticked down slightly during October, with increased volume in the number of Industrial and Distribution and Healthcare and Life Sciences transactions.



SELECT MIDDLE MARKET M&A TRANSACTIONS – HEALTHCARE

Inlet Road Capital Management acquires Druid City Infusion, supported by Prospect Capital

[Full Article](#)

Prospect Capital (NASDAQ: PSEC) has provided first lien senior secured term and convertible loans to support the acquisition of Druid City Infusion by Inlet Road Capital Management. Druid City, a leading group within the Vital Care Infusion Services franchise system, operates nine territories across the South and Mountain West regions of the United States. Vital Care is a national home infusion platform with 160+ infusion pharmacy locations in 35 states.

Ryan McFerrin, Druid City CEO and co-founder stated, "Our unwavering commitment to patient care and delivering high level service to our referral partners will be enhanced as we begin this new chapter with Prospect and Inlet Road."

Massachusetts Medical Device Maker Hologic set to acquire Gynesonics for \$350 million

[Full Article](#)

Marlborough, MA-based Hologic (Nasdaq:HOLX) announced plans to acquire Gynesonics, a privately held medical device company focused on minimally invasive solutions for women's health, for \$350 million. Based in Redwood City, CA, Gynesonics develops and sells the Sonata System, which combines ultrasound technology with targeted radiofrequency to diagnose and destroy uterine fibroid tissue and tumors without the need for incisions.

Brandon Schnittker, Division President of Surgical Solutions at Hologic, stated, "This acquisition furthers our commitment to providing women with minimally invasive treatment options. We are enthusiastic about the future as we work to expand access to and drive innovation for treatments that enhance women's quality of life."

Lifespan acquires Saint Anne's and Morton Hospitals for \$175 million

[Full Article](#)

Lifespan, a Rhode Island-based healthcare system, has purchased Saint Anne's Hospital in Fall River, MA, and Morton Hospital in Taunton, MA, both owned by Steward Health Care System, LLC, a for-profit corporation based in Dallas, TX. In addition to assuming both hospital's operations, Lifespan is purchasing the land and buildings. The total purchase price, including hospital operations, land, and buildings, is \$175 million.

Both hospitals will benefit from the collaboration and system efficiencies including a shared electronic medical records system. More than 3,500 employees from both hospitals will be integrated into the Lifespan system.

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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