

## MARKET BRIEF

Economic indicators were overall a mixed bag in December, with the unemployment rate remaining steady at 4.1%, and the Consumer Price Index increasing 0.4% on a seasonally adjusted basis for the month. The Consumer Confidence Index declined by 8.1 points, and the U.S. public markets stumbled across the 2024 finish line with the S&P 500, Dow Jones, and Nasdaq experiencing 2.5%, 5.3%, and 1.2% decreases, respectively, in December. Middle-market M&A activity decreased slightly from November, driven by uncertainty and other mixed market dynamics. The outlook for middle-market M&A transactions appears optimistic as the new year begins.

### Unemployment Rate Changed Little in December

The unemployment rate remained steady in December, decreasing slightly from 4.2% to 4.1%. The number of unemployed people also changed little at 6.9 million. Total nonfarm payroll employment saw a larger than expected increase in December of 256,000. Sectors adding jobs in December included healthcare (46,000 jobs), retail trade (43,000 jobs), government (33,000 jobs), leisure and hospitality (43,000), and social assistance (23,000 jobs). The labor force participation rate, at 62.5%, was unchanged in December and has remained in a narrow range between 62.5% and 62.7% since December 2023.

[Bureau of Labor Statistics](#)

### US Consumer Confidence Retreated in December

The Conference Board Consumer Confidence Index® declined by 8.1 points in December to 104.7 (1985=100). The Present Situation Index—based on consumers' assessment of current business and labor market conditions—fell 1.2 points to 140.2 in December. The Expectations Index—based on consumers' short-term outlook for income, business, and labor market conditions—dropped 12.6 points to 81.1, slightly above the threshold of 80 that usually signals a recession ahead.

“The recent rebound in consumer confidence was not sustained in December as the Index dropped back to the middle of the range that has prevailed over the past two years,” said Dana M. Peterson, Chief Economist at The Conference Board. “While weaker consumer assessments of the present situation and expectations contributed to the decline, the expectations component saw the sharpest drop. Consumer views of current labor market conditions continued to improve, consistent with recent jobs and unemployment data, but their assessment of business conditions weakened. Compared to last month, consumers in December were substantially less optimistic about future business conditions and incomes. Moreover, pessimism about future employment prospects returned after cautious optimism prevailed in October and November.”

[The Conference Board](#)

## The Case-Shiller Index Records 3.6% Annual Gain in October 2024

The S&P CoreLogic Case-Shiller U.S. National Home Price NSA Index, covering all nine U.S. census divisions, reported a 3.6% annual gain in October, down from a 3.9% annual gain in the previous month. The 10-City Composite saw an annual increase of 4.8%, down from a 5.2% annual increase in the previous month. The 20-City Composite posted a year-over-year increase of 4.2%, dropping from a 4.6% increase in the previous month. Month-over-month, the pre-seasonally adjusted U.S. National Index reported a -0.2% decrease in October, while the 20-City and 10-City Composites saw a -0.2% and -0.1% return for this month, respectively.

Brian D. Luke, Head of Commodities, Real & Digital Assets noted, "New York once again reigns supreme as the fastest-growing housing market with annual returns over double the national average. Two markets have dominated the top ranks with New York leading all markets the past six months and San Diego the six months prior. New York is the only market sitting at all-time highs and one of just three markets with gains on the month. Accounting for seasonal adjustments shows a broader rally across the country."

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

## The Consumer Price Index

The Consumer Price Index for All Urban Consumers (CPI-U) increased 0.4% on a seasonally adjusted basis in December, following a 0.3% increase in November. The all-items index has increased 2.9% over the past 12 months, before seasonal adjustment. The index for shelter and the index for food both rose 0.3% in December.

The index for all items less food and energy rose 0.2% in December, a slight decrease from the 0.3% increase for each of the 4 months prior. Components that experienced growth in December included shelter, airline fares, used cars and trucks, new vehicles, motor vehicle insurance, and medical care. Communication, alcoholic beverages, and personal care were among the components that decreased over the month.

[Bureau of Labor Statistics](#)

## PUBLIC MARKET

The U.S. public markets stumbled across the finish line in December, posting a slight decrease in the S&P 500, Dow Jones, and Nasdaq Composite, and closing out an overall strong year. The S&P 500 decreased 2.5% in December, finishing 2024 with a 23.3% return for the year. The Dow Jones declined 5.3% in December, closing out 2024 with an increase of 12.9%. The Nasdaq Composite declined by 1.2% in December, ending 2024 with a 28.6% increase.

### Public Trading Multiples

As of December 31, 2024

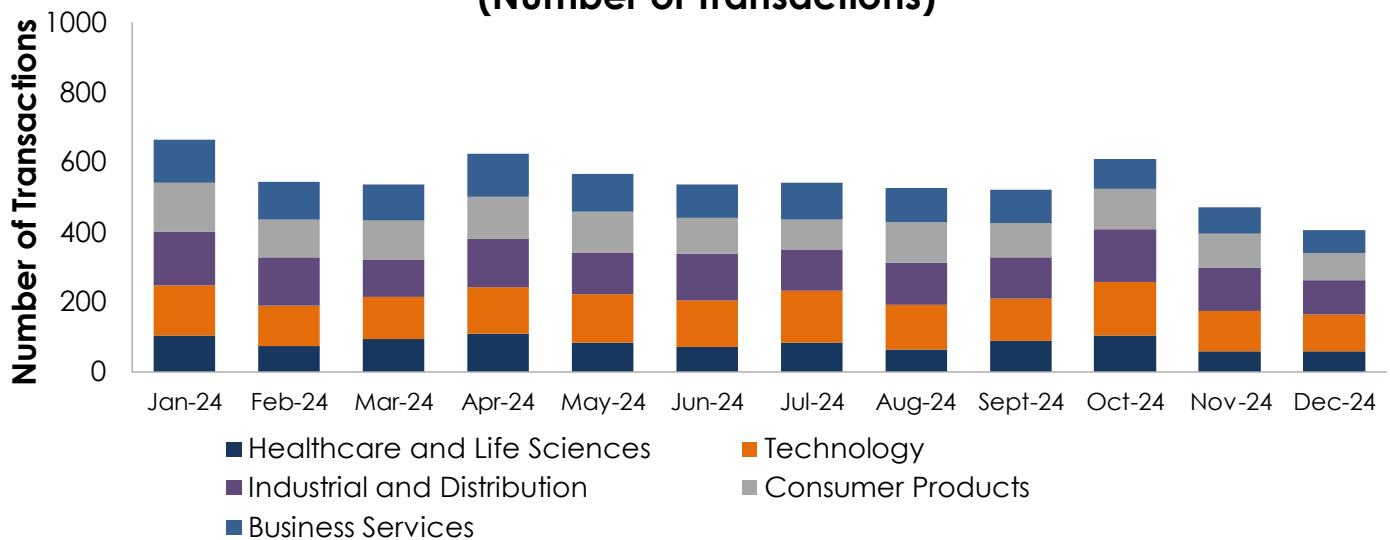
Category	EV / Revenue	EV/ EBITDA	Revenue Growth		EBITDA Growth		EBITDA Margin
			1 Year	3 Year	1 Year	3 Year	
<b>Healthcare and Life Sciences</b>							
Healthcare Technology	3.9x	23.4x	8.0%	6.5%	26.8%	12.8%	1.6%
Healthcare Equipment and Supplies	4.3x	19.0x	5.8%	2.5%	9.5%	-4.8%	15.9%
Healthcare Providers and Services	0.7x	11.7x	8.1%	8.0%	-1.8%	1.0%	9.8%
<b>Healthcare and Life Sciences Aggregate</b>	<b>3.0x</b>	<b>18.0x</b>	<b>7.3%</b>	<b>5.7%</b>	<b>11.5%</b>	<b>3.0%</b>	<b>9.1%</b>
<b>Technology</b>							
IT Services	2.8x	16.9x	4.5%	2.8%	14.7%	2.5%	15.0%
Software	9.6x	27.5x	11.5%	10.8%	25.8%	15.1%	7.7%
Computers and Other Electronic Equipment	2.2x	15.2x	5.8%	-0.2%	12.7%	-2.4%	16.5%
<b>Technology Aggregate</b>	<b>4.8x</b>	<b>19.8x</b>	<b>7.3%</b>	<b>4.4%</b>	<b>17.7%</b>	<b>5.1%</b>	<b>13.1%</b>
<b>Industrial and Distribution</b>							
Aerospace and Defense	2.5x	17.5x	6.6%	5.3%	0.8%	4.5%	11.5%
Building Products	1.9x	12.0x	0.8%	1.9%	1.3%	0.3%	17.4%
Construction and Engineering	0.8x	10.0x	5.9%	3.8%	7.3%	4.3%	7.3%
Machinery	1.8x	12.2x	5.3%	4.3%	8.9%	7.6%	8.8%
Distributors	0.9x	10.8x	0.1%	0.9%	5.9%	4.5%	4.9%
<b>Industrial and Distribution Aggregate</b>	<b>1.6x</b>	<b>12.5x</b>	<b>3.8%</b>	<b>3.2%</b>	<b>4.8%</b>	<b>4.2%</b>	<b>10.0%</b>
<b>Consumer Products</b>							
Food and Beverage	1.9x	11.1x	0.5%	4.3%	5.4%	3.0%	13.6%
Household and Personal Products	3.2x	15.4x	0.6%	1.4%	7.3%	0.8%	13.5%
Household Durables	1.1x	9.5x	5.5%	0.8%	5.2%	-2.9%	8.7%
Textiles, Apparel, and Luxury Goods	2.3x	11.6x	2.3%	6.5%	2.3%	7.1%	8.0%
<b>Consumer Products Aggregate</b>	<b>2.1x</b>	<b>11.9x</b>	<b>2.2%</b>	<b>3.2%</b>	<b>5.0%</b>	<b>2.0%</b>	<b>11.0%</b>
<b>Business Services</b>							
Human Resource and Employment Services	1.6x	16.3x	4.5%	4.9%	4.1%	3.1%	9.9%
Research and Consulting Services	3.3x	18.2x	5.0%	5.6%	12.0%	5.4%	14.2%
<b>Business Services Aggregate</b>	<b>2.5x</b>	<b>17.3x</b>	<b>4.7%</b>	<b>5.2%</b>	<b>8.1%</b>	<b>4.3%</b>	<b>12.0%</b>
<b>Travel and Hospitality</b>							
Hotels, Resorts, and Cruise Lines	3.7x	14.6x	16.1%	38.6%	0.0%	0.0%	13.7%
Restaurants	2.7x	14.7x	9.9%	12.3%	16.6%	20.7%	4.7%
Leisure Facilities	3.8x	12.0x	12.1%	20.8%	11.9%	45.8%	32.6%
<b>Travel and Hospitality Aggregate</b>	<b>3.4x</b>	<b>13.8x</b>	<b>12.7%</b>	<b>23.9%</b>	<b>9.5%</b>	<b>22.1%</b>	<b>17.0%</b>

## M&A MARKET

U.S. M&A activity increased in December, according to Factset, rising 0.6% with 997 announcements. Some of the largest deals announced in December include Novolex Holdings LLC, a portfolio company of Apollo Management LP, agreeing to acquire Pactiv Evergreen, Inc. for \$3.2 billion; Patient Square Capital entering an agreement to acquire Patterson Cos., Inc. for \$2.8 billion; Macquarie Asset Management, Inc.'s agreement to acquire 40% minority stake in the US Gulf Coast Infrastructure Assets from Dow, Inc. for \$2.4 billion; and TOPPAN Holdings, Inc.'s agreement to acquire the business and assets related to the Thermoformed & Flexibles Packaging Business from Sonoco Products Co. for \$1.8 billion.

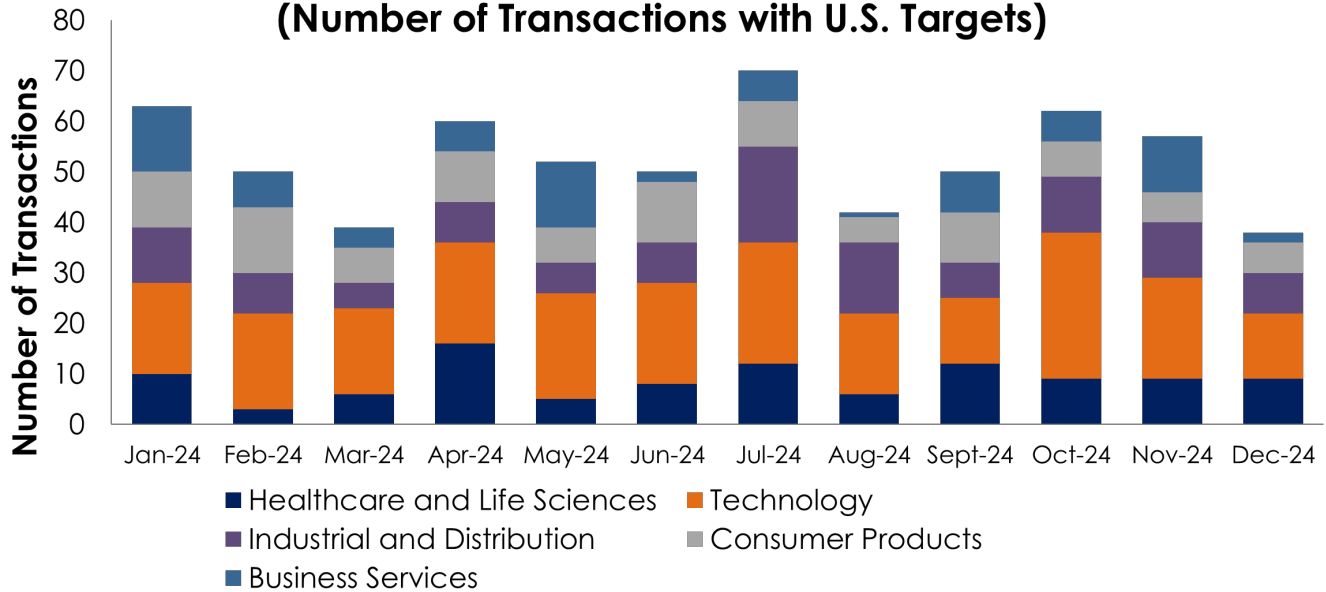
U.S. middle-market M&A activity declined in December. The Industrial and Distribution sector recorded a notable decrease in deal volume compared to November.

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



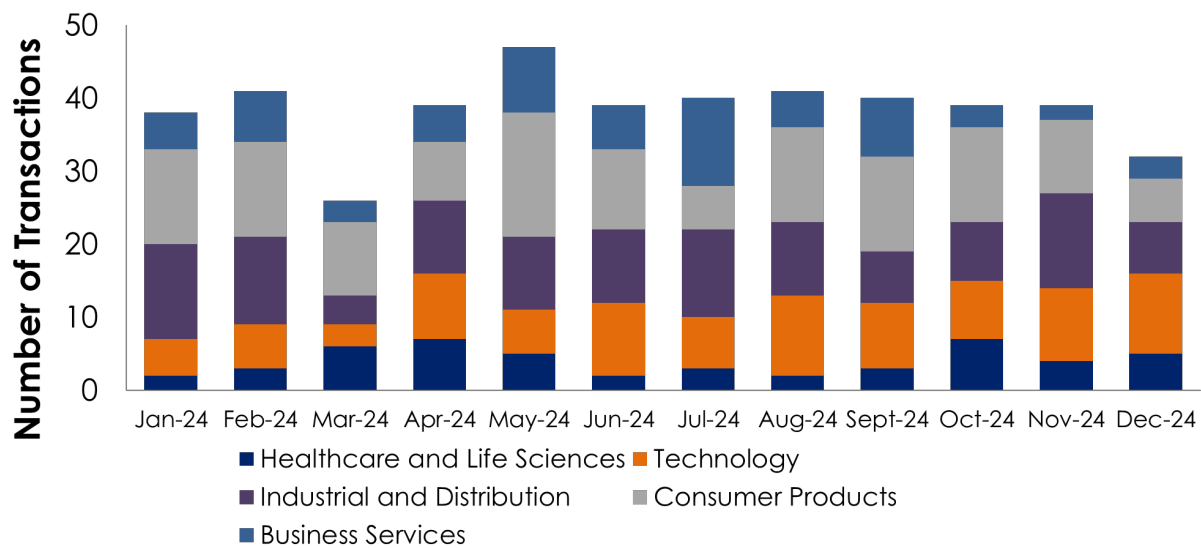
Cross-border middle-market M&A activity dropped in December, but the number of Healthcare and Life Sciences and Consumer Products transactions remained mostly unchanged.

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



LBO transaction activity dropped slightly during December, with an increased volume in the number of Healthcare and Life Sciences and Technology transactions.

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



## SELECT MIDDLE MARKET M&A TRANSACTIONS – HEALTHCARE & LIFE SCIENCES

### [Novo Holdings A/S completes its acquisition of Catalent, Inc. for \\$16.78 billion](#)

[Full Article](#)

Novo Holdings A/S has completed its acquisition of Catalent, Inc, a developer and manufacturer of drug solutions, protein-based biologics, cell and gene therapies, and consumer health products worldwide. The acquirer, Novo Holdings A/S, is a global life sciences holding and investment company responsible for managing the assets and wealth of the Novo Nordisk Foundation.

Kasim Kutay, CEO of Novo Holdings, said, “We are pleased to welcome Alessandro and the talented Catalent team to the Novo Holdings family. Catalent plays a key role in driving product development, launch and supply solutions for pharma, biotechnology, and consumer health companies, and its mission is closely aligned with Novo Holdings’ purpose to invest for the benefit of people and the planet.”

### [AbbVie completes acquisition of Aliada Therapeutics](#)

[Full Article](#)

AbbVie (NYSE:ABBV), a biopharmaceutical company specializing in drugs for the treatment of chronic and complex diseases, has completed its acquisition of Aliada Therapeutics for \$1.4 billion. Aliada, a Boston-based biotechnology company, is focused on addressing delivery challenges in central nervous system (CNS) drug development. Aliada’s delivery technology, ALIA-1758, is a beta antibody in development for the treatment of Alzheimer’s disease.

Roopal Thakkar, M.D., Executive VP, and Chief Scientific Officer, at AbbVie stated, “This acquisition immediately positions us to advance ALIA-1758, a potentially best-in-class disease-modifying therapy for Alzheimer’s disease. In addition, Aliada’s novel blood-brain barrier (BBB)-crossing technology strengthens our R&D capabilities to accelerate the development of next-generation therapies for neurological disorders and other diseases where enhanced delivery of therapeutics into the CNS is beneficial.”

### [Cardinal Health acquires Integrated Oncology Network](#)

[Full Article](#)

Cardinal Health (NYSE:CAH), a provider of customized solutions for hospitals, healthcare systems, pharmacies, ambulatory surgery centers, clinical laboratories, physician offices and patients in the home, has acquired Integrated Oncology Network, a physician-led independent community oncology network, for \$1.15 billion. This transaction combines Integrated Oncology Network with Cardinal Health’s oncology practice, Navista, to grow Navista’s advanced services and technology offerings.

Jason Hollar, CEO of Cardinal Health stated, “With their proven model providing extensive support of community oncology across the cancer care continuum and healthcare ecosystem, we’re confident Integrated Oncology Network will further accelerate our oncology strategy and enable us to create value for providers and patients.”

## 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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