

## MARKET BRIEF

Although March 2025 brought positive news from the labor market as well as cooling inflation, other economic indicators showed negative movement. The Consumer Confidence Index declined by 7.2 points in March to 92.9; the Expectations Index fell to its lowest level in 12 years; and all major U.S. public markets finished the month lower, fueled by macroeconomic uncertainties. As we move into Q2 2025, cautious optimism surrounds middle-market M&A. Business owners are hopeful for a rebound in M&A activity, although deal activity could be affected by looming tariffs and the global trade policy shifts.

### Unemployment Rate Ticks Slightly Higher in March

In March, the unemployment rate increased slightly from 4.1% in February to 4.2%. The number of unemployed people remained at 7.1 million. Non-farm payroll employment increased by 228,000 jobs in March, handily beating the expected forecast of 140,000 jobs. Sectors that added jobs included healthcare (54,000 jobs), social assistance (24,000 jobs), retail trade (24,000), and transportation and warehousing (23,000 jobs). Federal government employment declined by a further 4,000 jobs in March—following February's DOGE-fueled layoff loss of 11,000 jobs—this number does not account for government workers on paid leave or those receiving severance pay. The labor force participation rate increased slightly from February to 62.5% and has remained within a narrow range of 62.4% to 62.6% since December 2024.

[Bureau of Labor Statistics](#)

### US Consumer Confidence Decreased Significantly in March

The Conference Board Consumer Confidence Index declined by 7.2 points in March to 92.9 (1985=100). The Present Situation Index—based on consumers' assessment of current business and labor market conditions—fell in March by 3.6 points to 134.5. The Expectations Index—based on consumers' short-term outlook for income, business, and labor market conditions—fell by 9.6 points to 65.2, dropping to its lowest level in 12 years and significantly below the threshold of 80, that usually signals a recession ahead.

“Consumer confidence declined for a fourth consecutive month in March, falling below the relatively narrow range that had prevailed since 2022,” said Stephanie Guichard, Senior Economist, Global Indicators at The Conference Board. “Of the Index's five components, only consumers' assessment of present labor market conditions improved, albeit slightly. Views of current business conditions weakened to close to neutral. Consumers' expectations were especially gloomy, with pessimism about future business conditions deepening and confidence about future employment prospects falling to a 12-year low. Meanwhile, consumers' optimism about future income—which had held up quite strongly in the past few months—largely vanished, suggesting worries about the economy and labor market have started to spread into consumers' assessments of their personal situations.”

[The Conference Board](#)

## S&P CoreLogic Case-Shiller Index Records 4.1% Annual Gain in January

The S&P CoreLogic Case-Shiller U.S. National Home Price NSA Index, covering all nine U.S. census divisions, reported a 4.1% annual increase for January, up from a 4.0% annual increase in the previous month. The 10-City Composite saw an annual increase of 5.3%, up from a 5.2% annual increase in the previous month. The 20-City Composite posted a year-over-year increase of 4.7%, up from a 4.5% increase in the previous month. The pre-seasonally adjusted U.S. National and 20-City Composite Indices presented a slight increase in January, with both posting 0.1% increases. The 10-City Composite posted a monthly return of 0.2%.

Nicholas Godec, Head of Fixed Income Tradables & Commodities at S&P Dow Jones Indices, noted, "Rising mortgage rates throughout the year elevated monthly payment burdens, which, combined with already high home prices, pushed affordability to multi-decade lows in many regions. This likely contributed to subdued activity in the back half of the year, with both buyers and sellers exercising caution. Inventory constraints also remain a challenge, particularly in legacy metro areas, where limited new construction continues to restrict supply."

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

## The Consumer Price Index

The Consumer Price Index for All Urban Consumers (CPI-U) fell 0.1% on a seasonally adjusted basis in March, after rising 0.2% in February. The index for all items less food and energy rose 0.1% in March, following a 0.2% increase in February. Components that increased over the month include personal care, medical care, education, apparel, and new vehicles. The components for airline fares, motor vehicles insurance, used cars and trucks, and recreation were among those components that decreased in March.

The all items index rose 2.4% for the 12 months ending March, after rising 2.8% over the 12 months ending February. The all items less food and energy index rose 2.8% over the last 12 months. The energy index decreased 3.3% for the 12 months ending March. The food index increased 3.0% over the last year.

[Bureau of Labor Statistics](#)

## PUBLIC MARKET

The U.S. public markets delivered negative returns during the month of March. The S&P 500 posted a loss of 5.8%, the Dow Jones was down 4.2%, and the Nasdaq Composite finished the month down 8.2%, reflecting overall uncertainty around the administration's trade, immigration, tax, and international policies.

### Public Trading Multiples

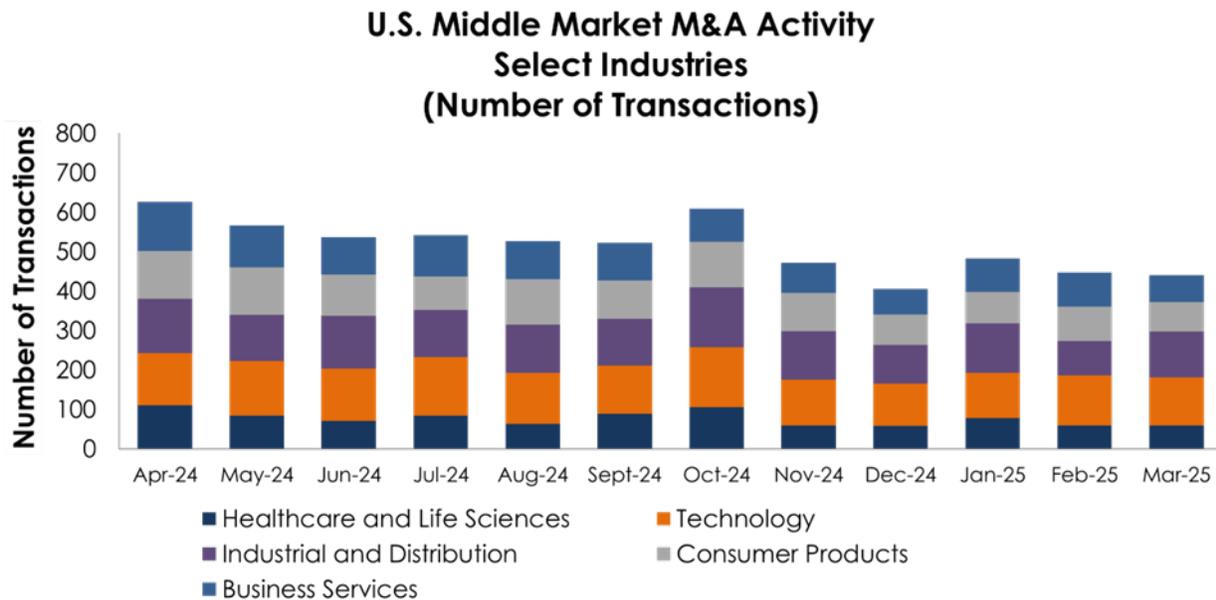
As of March 31, 2025

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	4.0x	24.0x	6.7%	5.0%	15.3%	-5.3%	1.7%
Healthcare Equipment and Supplies	4.6x	19.8x	2.1%	2.0%	7.2%	-3.7%	16.7%
Healthcare Providers and Services	0.7x	11.1x	7.3%	7.6%	-1.6%	0.4%	9.9%
Healthcare and Life Sciences Aggregate	3.1x	18.3x	5.4%	4.9%	7.0%	-2.9%	9.4%
<b>Technology</b>							
IT Services	2.9x	17.6x	-0.2%	2.7%	-0.4%	2.1%	15.2%
Software	9.6x	25.8x	8.9%	9.7%	19.7%	16.1%	7.2%
Computers and Other Electronic Equipment	2.3x	15.8x	3.9%	-1.2%	10.1%	-3.1%	17.2%
Technology Aggregate	4.9x	19.7x	4.2%	3.7%	9.8%	5.0%	13.2%
<b>Industrial and Distribution</b>							
Aerospace and Defense	2.8x	18.3x	2.1%	4.7%	2.2%	3.1%	13.1%
Building Products	1.9x	11.7x	-3.6%	0.3%	-3.2%	0.1%	17.4%
Construction and Engineering	0.8x	9.7x	-0.1%	3.0%	2.0%	2.0%	7.6%
Machinery	1.9x	12.9x	-3.2%	2.6%	-2.6%	6.4%	9.1%
Distributors	1.0x	11.1x	-6.9%	-1.6%	-1.6%	0.5%	4.3%
Industrial and Distribution Aggregate	1.7x	12.8x	-2.4%	1.8%	-0.6%	2.4%	10.3%
<b>Consumer Products</b>							
Food and Beverage	1.8x	10.5x	-2.3%	2.6%	4.6%	2.8%	13.9%
Household and Personal Products	3.0x	14.8x	-2.3%	0.1%	2.3%	0.5%	13.1%
Household Durables	1.1x	9.4x	0.8%	0.1%	3.8%	-3.4%	8.7%
Textiles, Apparel, and Luxury Goods	2.3x	12.3x	-0.7%	4.7%	-3.8%	4.5%	8.5%
Consumer Products Aggregate	2.1x	11.8x	-1.1%	1.9%	1.7%	1.1%	11.1%
<b>Business Services</b>							
Human Resource and Employment Services	1.7x	17.4x	-1.2%	2.7%	-2.3%	-0.2%	10.0%
Research and Consulting Services	3.2x	17.4x	3.0%	5.2%	7.9%	5.5%	15.2%
Business Services Aggregate	2.5x	17.4x	0.9%	3.9%	2.8%	2.7%	12.6%

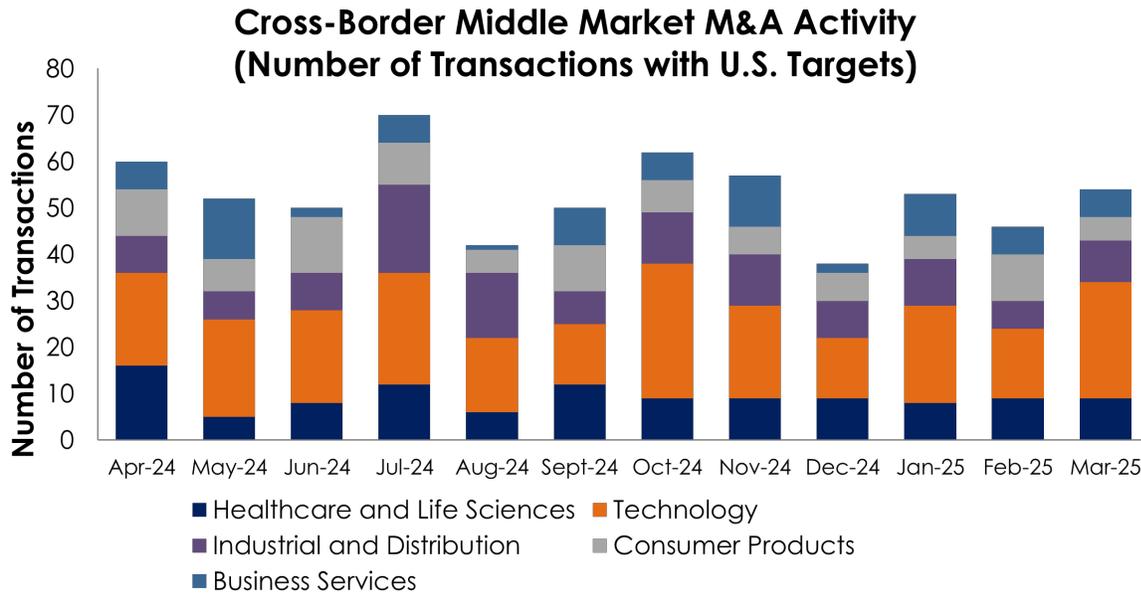
## M&A MARKET

Some of the largest deals announced in March included xAI's acquisition of X for \$33.0 billion; the \$12.5 billion planned acquisition of Walgreens Boots Alliance, an integrated healthcare, pharmacy and retail leader, by PE-firm Sycamore Partners, a specialist in consumer, distribution and retail related investments; Google's agreement to acquire Wiz, a cloud cybersecurity company, for \$32.0 billion; and the acquisition of Canadian group NOVA Chemicals Corporation by Borealis AG for \$13.4 billion.

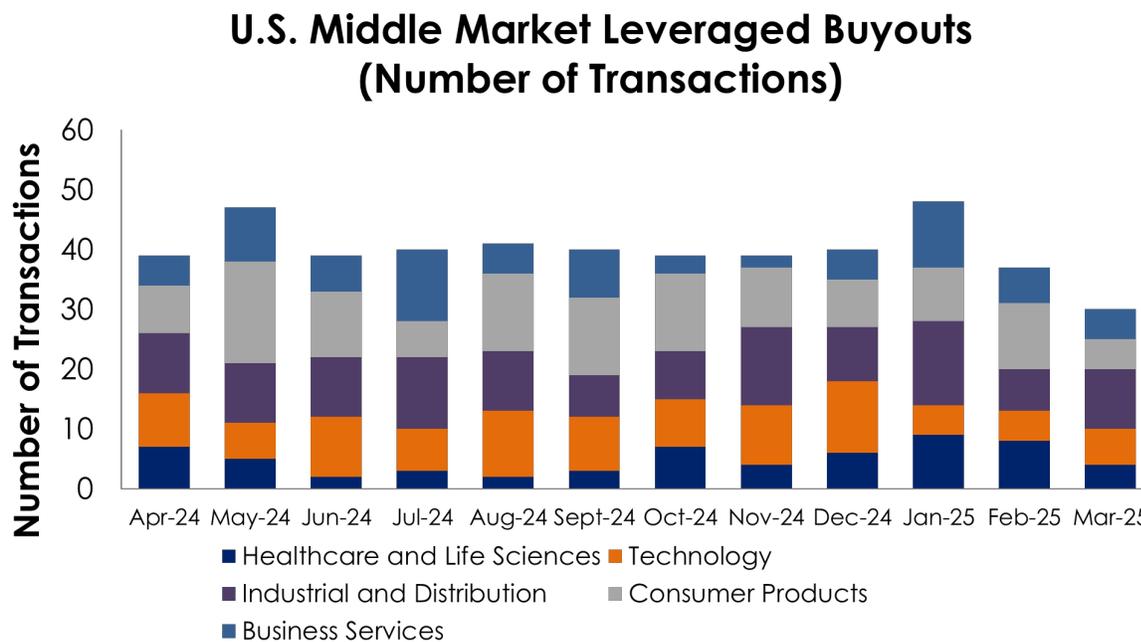
U.S. middle-market M&A activity was essentially flat in March. The Industrial and Distribution sector saw a slight increase in deal volume compared to February, while the Business Services sector saw slightly fewer transactions.



Cross-border middle-market M&A activity rose in March, as the number of Technology and Industrial and Distribution transactions increased; however, the Consumer Products sector saw a decrease in activity during March.



LBO transaction activity fell during March, with a noticeable decrease in the volume of Consumer Products and Healthcare and Life Sciences Transactions.



## SELECT MIDDLE MARKET M&A TRANSACTIONS – INDUSTRIALS

### [\*LSI Industries Completes Acquisition of Canada's Best Store Fixtures for \\$31 million\*](#)

[Full Article](#)

LSI Industries Inc. (Nasdaq: LYTS), the U.S. based manufacturer of commercial lighting and display solutions, completed the acquisition of privately held Canada's Best Holdings for an all-cash purchase price of \$24.0 million, with a \$7.0 million performance-based earnout potential.

Based in Ontario, Canada's Best Store Fixtures is a provider of retail fixtures and custom store design solutions for grocery, quick service restaurant, c-store, banking, and specialty retail environments. One of the largest custom display fixtures companies in Canada, Canada's Best Holdings is LSI's third acquisition within the custom display solutions market in the last four years.

### [\*CSW Industrials Announces Definitive Agreement to Acquire Aspen Manufacturing for \\$313.5 million\*](#)

[Full Article](#)

Based in Humble, Texas, Aspen Manufacturing is one of the largest independent evaporator coil and air handler manufacturers for the HVAC/R industry. All of Aspen's products are designed, engineered, and assembled in the U.S. Aspen's current product suite includes high-quality residential and light commercial evaporator coils, blowers, and air handling units for single-family, multi-family, and manufactured homes.

Joseph B. Armes, Chairman, President, and Chief Executive Officer of CSW Industrials, said, "I am pleased to announce that we have entered into a definitive agreement to acquire Aspen Manufacturing. This acquisition will allow CSWI to expand our existing HVAC/R product portfolio with an innovative portfolio of high-caliber evaporator coils and air handlers, while building on our existing HVAC/R end market leadership position. With our market knowledge and investment in people, systems, and processes, CSWI is uniquely positioned to accelerate Aspen's growth strategy. This acquisition will enable us to continue driving above market, profitable growth, and deliver value to our shareholders."

### [\*Smiths Group plc Acquires Duc-Pac Corporation For \\$40.5 million\*](#)

[Full Article](#)

Duc-Pac Corporation is a U.S.-based metal duct manufacturer for heating, ventilation & air conditioning (HVAC) applications. This bolt-on acquisition is in line with Smiths Group's ongoing strategy to build a nationwide, integrated North American construction segment and expands Smiths Group's metal duct coverage to the Northeast.

Roland Carter, CEO of Smiths Group, said: "We see an exciting future in our Flex-Tek business as we continue to invest for growth. We are building a strong track record of successfully integrating bolt on acquisitions to augment our strong organic growth."

## 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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