

February 2026

MARKET BRIEF

Economic indicators for the first month of the new year resulted in uneven performance. The unemployment rate held steady at 4.3% and the total nonfarm payroll employment increased by 130,000 jobs, while the Consumer Confidence index dropped sharply by 9.7 points to 84.5, and the Expectations Index remained well below the threshold of 80, which usually signals a recession ahead. Inflation cooled as CPI rose 2.4% in the 12 months through January, down from 2.7% in December and the lowest since last May. Core CPI, which strips out food and energy prices, increased 2.5%, the smallest gain since March 2021.

Unemployment Rate Remains Steady

In January 2026, the unemployment rate (4.3%) and the number of unemployed people (7.4 million) showed little change from the previous month. Total nonfarm payroll employment (+130,000) showed a modest increase in January. Industries showing job growth included construction (+33,000), health care (+82,000), and social assistance (+42,000). Financial services (-22,000) and federal government (-34,000) lost jobs. Industries showing little to no change in January included mining oil & gas extraction, retail trade, manufacturing, transportation and warehousing, and leisure and hospitality, among others.

[Bureau of Labor Statistics](#)

Consumer Confidence Fell Sharply in January

The Conference Board Consumer Confidence Index fell by 9.7 points in January to 84.5 (1985=100), from an upwardly revised 94.2 in December. The *Present Situation Index*—based on consumers' assessment of current business and labor market conditions—decreased by 9.9 points to 113.7 in January. The *Expectations Index*—based on consumers' short-term outlook for income, business, and labor market conditions—fell by 9.5 points to 65.1, well below the threshold of 80 that usually signals a recession ahead.

“Confidence collapsed in January, as consumer concerns about both the present situation and expectations for the future deepened,” said Dana M Peterson, Chief Economist, The Conference Board. “All five components of the Index deteriorated, driving the overall Index to its lowest level since May 2014 (82.2)—surpassing its COVID-19 pandemic depths.”

[The Conference Board](#)

S&P Cotality Case-Shiller Index

The S&P Cotality Case-Shiller U.S. National Home Price NSA Index posted a 1.4% annual gain for November 2025, in line with the previous month. The 10-City Composite showed an annual increase of 2.0%, up from a 1.9% increase in the previous month. The 20-City Composite increased by 1.4% year-over-year.

"November's results confirm that the housing market has entered a period of tepid growth," said Nicholas Godec, CFA, CAIA, CIPM, Head of Fixed Income Tradables & Commodities at S&P Dow Jones Indices. "National home prices were only 1.4% higher than a year ago, unchanged from October's annual pace and still near the weakest showing since mid-2023. This subdued price growth is less than half of the 3.7% annual price increase notched in November 2024. Consumer inflation cooled to 2.7%, dipping below 3% for the first time since August and aligning with its average pace over the prior 12 months. However, home price growth still trails inflation by roughly 1.3 percentage points, meaning real home values have effectively edged down over the past year."

[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 January. Over the last 12 months, the all items index increased 2.4% before seasonal adjustment. The index for shelter rose 0.2% in January and was the largest factor in the all items monthly increase. The food index increased 0.2% over the month as did the food at home index, while the food away from home index rose 0.1%. These increases were partially offset by the index for energy, which fell 1.5% in January.

The index for all items less food and energy rose 0.3% in January. Indexes that increased over the month include airline fares, personal care, recreation, medical care, and communication. The indexes for used cars and trucks, household furnishings and operations, and motor vehicle insurance were among the major indexes that decreased in January. The all items index rose 2.4% for the 12 months ending January, after rising 2.7% for the 12 months ending December. The all items less food and energy index rose 2.5% over the last 12 months. The energy index decreased 0.1% for the 12 months ending January. The food index increased 2.9% over the last year.

[Bureau of Labor Statistics | Consumer Price Index - January 2025](#)

PUBLIC MARKET

The public markets posted modest gains in January, with the S&P 500 finishing up 1.4%, the Dow up 1.7%, and the Nasdaq up 0.9% for the month.

Public Trading Multiples

As of January 30, 2026

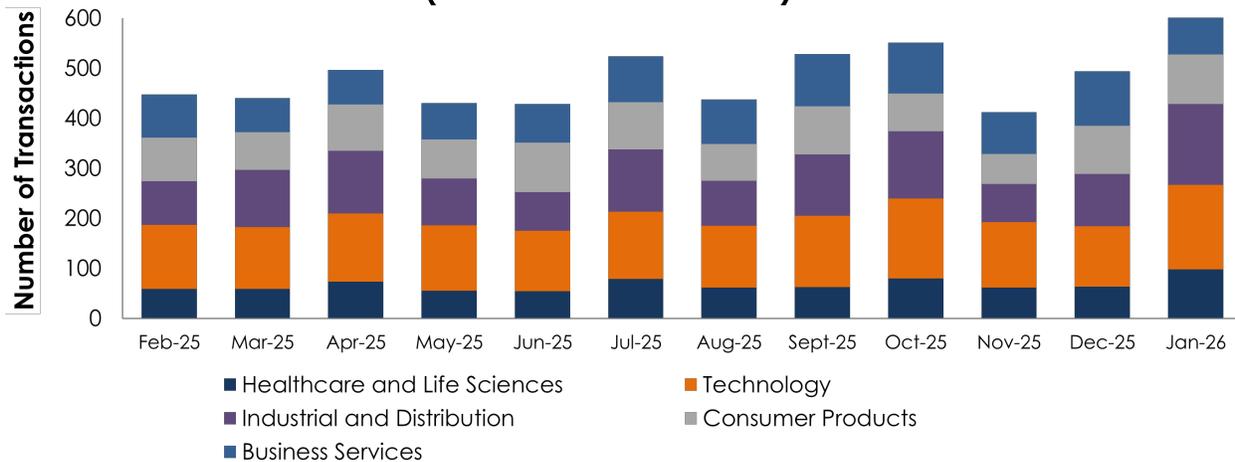
Category	EV / Revenue	EV/ EBITDA	Revenue Growth		EBITDA Growth		EBITDA Margin
			1 Year	3 Year	1 Year	3 Year	
Healthcare and Life Sciences							
Healthcare Technology	5.3x	25.1x	8.2%	8.8%	33.2%	19.9%	2.6%
Healthcare Equipment and Supplies	4.1x	17.7x	6.3%	4.9%	8.2%	3.4%	15.2%
Healthcare Providers and Services	0.6x	11.0x	9.6%	8.9%	-2.4%	0.1%	9.2%
Healthcare and Life Sciences Aggregate	3.4x	17.9x	8.0%	7.6%	13.0%	7.8%	9.0%
Technology							
IT Services	2.9x	15.7x	6.4%	5.5%	14.4%	8.4%	15.2%
Software	9.5x	21.6x	14.3%	10.9%	26.2%	24.1%	9.2%
Computers and Other Electronic Equipment	2.6x	18.1x	13.0%	4.0%	14.5%	4.3%	17.8%
Technology Aggregate	5.0x	18.5x	11.2%	6.8%	18.4%	12.3%	14.1%
Industrial and Distribution							
Aerospace and Defense	3.3x	21.1x	14.9%	9.4%	24.6%	11.0%	14.1%
Building Products	1.9x	12.1x	2.1%	1.5%	3.0%	2.3%	15.6%
Construction and Engineering	0.9x	10.6x	1.9%	6.0%	7.6%	7.9%	6.8%
Machinery	2.3x	15.4x	2.0%	5.2%	1.1%	9.4%	11.0%
Distributors	1.0x	12.3x	0.1%	0.0%	-2.9%	-0.3%	4.1%
Industrial and Distribution Aggregate	1.9x	14.3x	4.2%	4.4%	6.7%	6.0%	10.3%
Consumer Products							
Food and Beverage	1.9x	10.8x	5.0%	4.0%	6.2%	5.2%	15.0%
Household and Personal Products	2.9x	13.9x	2.8%	2.7%	3.4%	4.8%	13.6%
Household Durables	1.1x	9.9x	1.0%	3.0%	-3.7%	-1.6%	8.4%
Textiles, Apparel, and Luxury Goods	2.2x	11.7x	8.6%	4.2%	2.9%	0.1%	8.5%
Consumer Products Aggregate	2.0x	11.6x	4.4%	3.5%	2.2%	2.1%	11.4%
Business Services							
Human Resource and Employment Services	1.3x	13.6x	3.1%	4.4%	2.7%	2.1%	10.8%
Research and Consulting Services	2.9x	15.8x	8.6%	6.1%	9.0%	8.1%	14.1%
Business Services Aggregate	2.1x	14.7x	5.8%	5.3%	5.8%	5.1%	12.5%

M&A MARKET

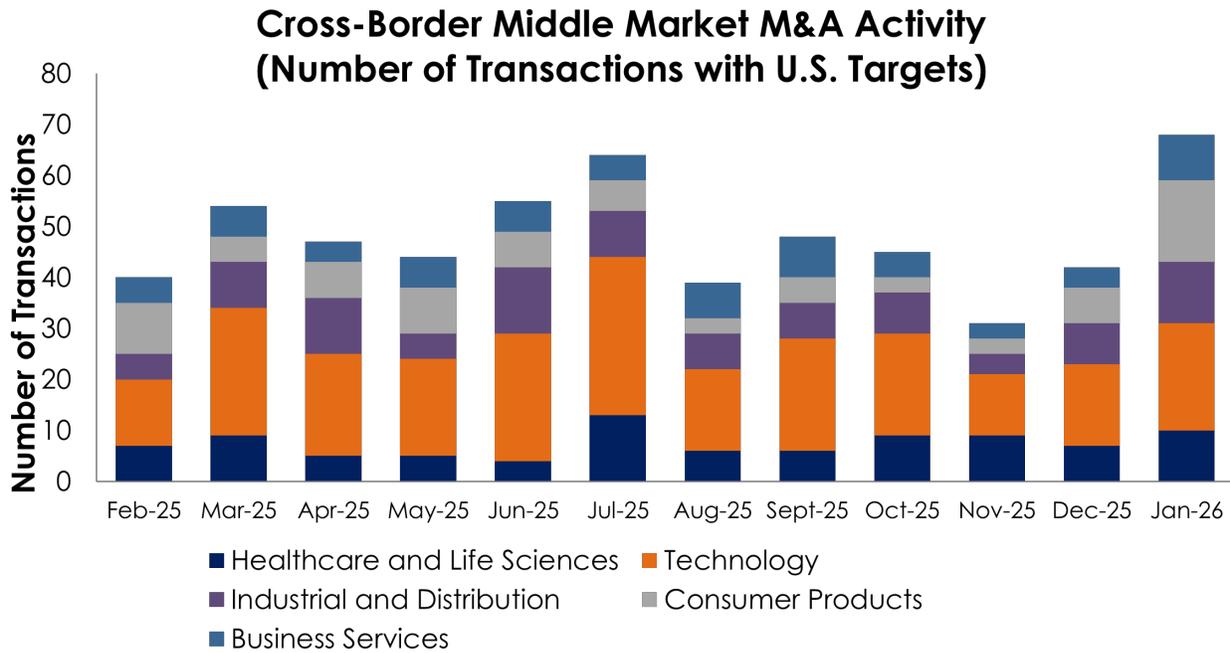
Some of the largest deals announced in January include Boston Scientific Corp.'s definitive agreement to acquire Penumbra, Inc. for \$14.6 billion; a private group led by Tidemark Management Co. LP, General Atlantic LLC and HgCapital LLP entering into an agreement to acquire OneStream, Inc. for \$5.9 billion; Mitsubishi Corp.'s agreement to acquire Aethon III LLC, Aethon United LP, and Aethon III Blocker LLC from Aethon Energy Management LLC for \$5.2 billion; and Capital One Financial Corp.'s deal to acquire Brex, Inc. for \$5.2 billion.

U.S. middle market M&A activity remained robust, increasing across the board in January with continued strong transaction volume across the Technology, Healthcare, and Industrials sectors. The Consumer segment activity held steady compared to previous months.

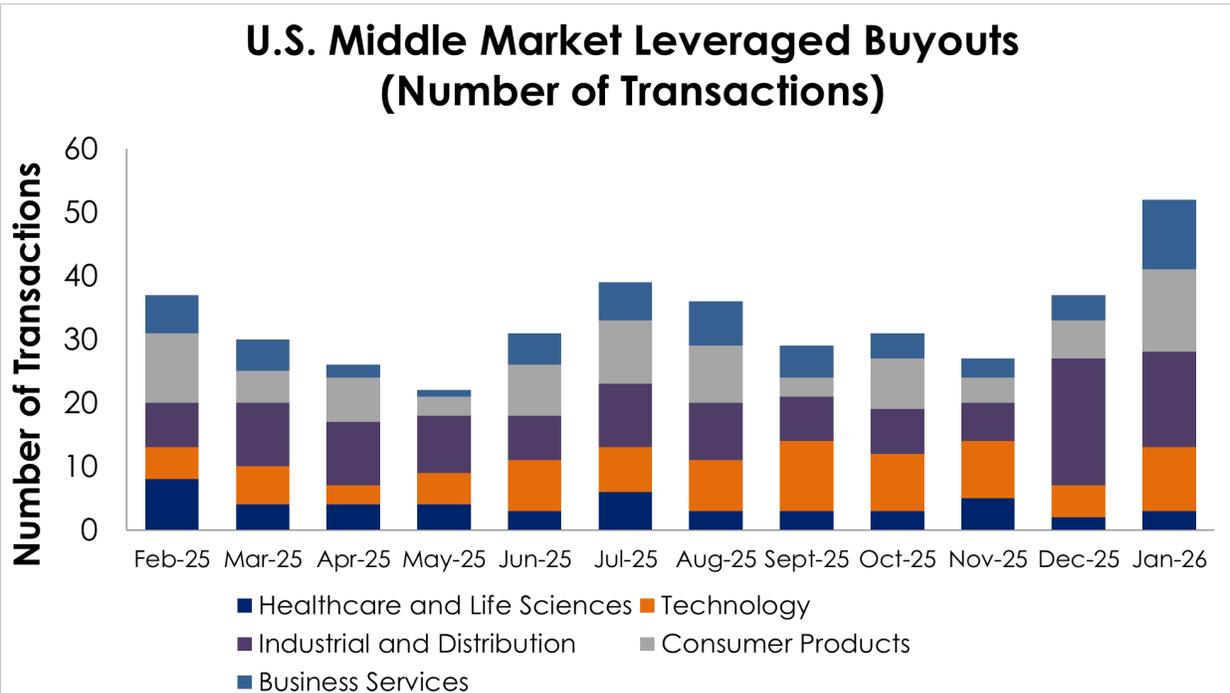
**U.S. Middle Market M&A Activity
Select Industries
(Number of Transactions)**



Cross-border middle market M&A activity rose across all tracked sectors in January. The Technology sector saw the largest increase in activity, followed closely by the Consumer sector.



LBO transaction activity rose in January compared to December. Technology, Consumer and Business Products saw a significant increase in deal flow from the prior month.



SELECT MIDDLE MARKET M&A TRANSACTIONS – INDUSTRIAL

[*US Masonry welcomes York Flashings to its growing family of brands*](#)

[Full Article](#)

US Masonry and Building Products ("USMBP") acquired York Flashings, a leading manufacturer of flexible flashing and moisture management systems used in commercial, institutional and residential construction. Based in Norwalk, CT, USMBP is a portfolio company of Kinderhook Industries, LLC. The acquisition expands USMBP's capabilities into high quality commercial, municipal and institutional and unlocks further opportunity in the residential construction market.

"York is an excellent strategic fit for USMBP and expands the platform's presence in the moisture management category across a broad range of end markets," said Nate Druckenmiller, Principal at Kinderhook. "We're excited to support York's next phase of growth as part of the broader USMBP platform."

[*Bodycote expands U.S. aerospace & defense footprint with acquisition*](#)

[Full Article](#)

Bodycote, a provider of advanced heat treatment and specialist thermal processing services, announced the acquisition of Spectrum Thermal Processing, a heat treatment provider based in Cranston, RI. The acquisition expands Bodycote's North American footprint, enhances regional capacity in critical process categories, and reinforces the company's ability to support aerospace, defense, space and industrial customers across the Northeast.

Jim Hairbairn, CEO of Bodycote plc, said: "This acquisition reflects our ongoing commitment to invest in high-growth, high-value sectors and to expand our capability in regions where customers need us most. Spectrum's proven technical expertise and strong local relationships enhance our service offering and strengthen our position as the most experienced thermal-processing network in New England."

[*A.O. Smith completes acquisition of Leonard Valve Company*](#)

[Full Article](#)

A.O. Smith has completed the acquisition of LVC Holdco LLC ("Leonard Valve"). Founded in 1911 and headquartered in Cranston, RI, Leonard Valve designs and manufactures water temperature control valves, digital and thermostatic mixing systems, and related monitoring devices used in hospitals, schools, universities, industrial facilities and other institutional and commercial settings. Together with its Heat-Timer brand of advanced boiler controls, Leonard Valve helps customers ensure safe, precise and efficient control of water temperature and hydronic heating in demanding environments.

"We are excited to join A. O. Smith," said David Brakenwagen, President of Leonard Valve. "Together, we can continue to further invest in our people and technology, enhance our digital and thermostatic mixing solutions, expand our boiler control offerings, and deliver even more integrated solutions to our customers."

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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