

The Exit Barometer

Is the Market on Your Side?

Meliora Exit Conditions Index
July 2026

Meliora Exit Conditions Index (MECI)



Supportive Environment

Conditions remain broadly seller-favourable. Resilient earnings and open credit markets are offsetting a clear cooling in demand and confidence.

At 6.2 - conditions remain supportive and seller-favourable: engaged buyers, available financing and steady deal execution in the lower middle market.

1 Demand & Confidence

Manufacturing PMI

53.3%

Industrial activity remains in expansion territory, supporting continued acquisition demand across industrial sectors.

● **STRONG**

Services PMI

54.0%

Services sector momentum continues to support recurring-revenue business models favored by strategic and PE buyers.

● **SUPPORTIVE**

CEO Confidence Index

47

Corporate leadership sentiment has slipped below neutral, signalling greater caution toward capital investment and M&A.

● **CHALLENGING**

2 Earnings & Valuation Support

Durable Goods Orders

-11.9 \$B

Forward order activity turned lower year-on-year, pointing to a pause in the industrial capital-investment cycle.

● **CHALLENGING**

Corporate Profit

+18.4%

Healthy corporate earnings strengthen buyer balance sheets and support acquisition capacity across the market.

● **STRONG**

Public Valuation Multiples

20.4x

Supportive public market valuations provide favorable valuation reference points for private market transactions.

● **SELECTIVE**

3 Financing & Deal Execution

Leveraged Loan Spread

9.75%

Strong institutional demand for leveraged credit continues to support acquisition financing availability for quality platforms.

● **SUPPORTIVE**

High Yield Credit Spread

2.70%

Stable credit spreads signal sustained investor risk appetite and favorable conditions in leveraged finance markets.

● **STRONG**

Bank Lending Standards

+2%

Lending conditions remain broadly stable, allowing banks and private lenders to continue supporting acquisition financing.

● **SUPPORTIVE**

Current signal band
MECI reads 6.2 - Supportive

