# GFAB™

## NGA Glass Fabricator Conference

THE FUTURE OF GLASS
FABRICATION HAPPENS HERE

JUN 14-17, 2026

CHICAGO

# WALKING BACKWARDS TO YOUR EXIT

## *STARTING WITH THE END IN MIND TO SHAPE STRATEGY & DECISIONS*


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# SCOTT MASHUDA

## Founding Partner

REAG
M&A Brokers | Lower Middle Market M&A Advisory

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REAG

M&A Brokers | Lower Middle Market M&A Advisory

- Boutique Lower-Middle Market M&A Advisory Firm
- Delivering institutional-grade execution, market intelligence, and a human-centered approach to Lower-Middle Market transactions

$

**Revenue**
Up to $250M

**EBITDA**
Up to $25M


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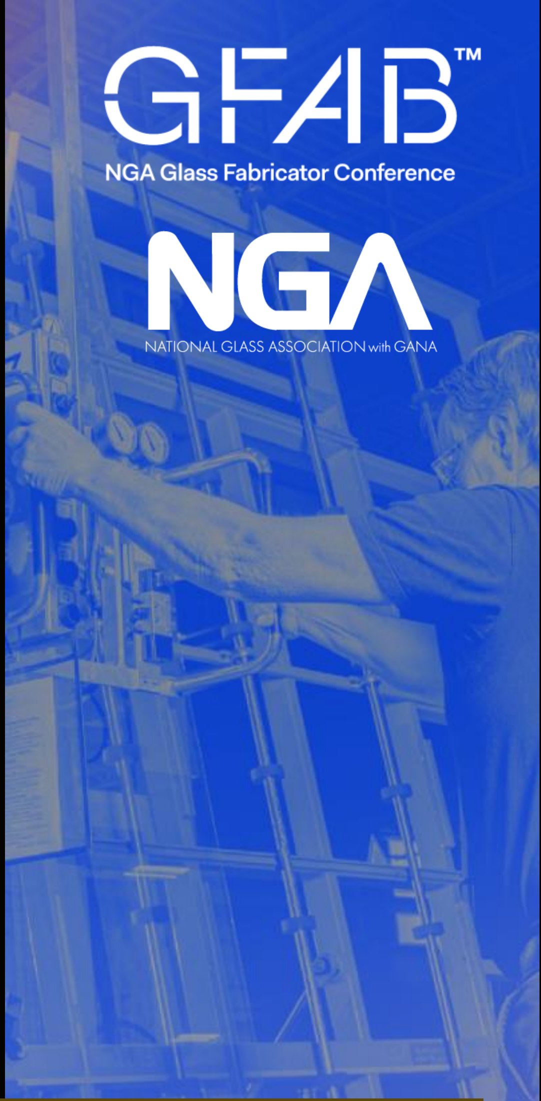
# The REAG ADVANTAGE

**INSTITUTIONAL-GRADE EXECUTION**
Structured, competitive process aligned to long-term vision

**INSTITUTIONAL-GRADE EXECUTION**
Quantifies leadership, scalability, and systems — what spreadsheets miss

**MARKET INTELLIGENCE**
Real-time M&A and sector insights for early decision-making

**HUMAN-CENTERED**
Aligns founders with buyers who share core values and care for employees

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# AGENDA

- THE GAME
- HOW BUSINESSES ARE VALUED
- TYPES OF BUYERS
- THE SELLING PROCESS
- DESIGNING YOUR OWN EXIT

# THE GAME

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- Only bet in $1 increments
- Cannot have consecutive bids
- $20 goes to the highest bidder
- Second highest bidder pays their bid but does not win the $20


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# The Game vs. M&A

- Created a market that didn't previously exist
- Everyone thought they understood the fair value of the asset
- The investment banker set the rules of engagement and ran the process
- Market gained efficiency as the game progressed
- Value was re-set based on market dynamics
- Risk of not doing the deal was introduced
- Strategic value was ultimately paid

# HOW DEALS ARE VALUED

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- Opinion
- Relative worth, merit, or importance
- Value is determined based on a risk versus return analysis
- EV = Multiple x Normalized EBITDA

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# The Multiple Measures Risk

- Project-Based Revenue vs. Recurring (or Contractual) Revenue
- Customer Concentration vs. Diversification
- End Market Concentration vs. Diversification
- Owner Reliance vs. Management Team
- Commodity Products vs. Specialized Products

# EBITDA Measures Performance

## Net Income

- Taxes
  - Pretax Net Income
- Interest Expense
  - Operating Income
- Depreciation & Amortization
  - EBITDA
- Normalizing Adjustments
  - Normalized EBITDA

## Potential Normalizing Adjustments

- Owner & Family Salaries
- Rent
- Personal Expenses
- Non-recurring / One-Time Items

# Value is in the Eye of the Beholder

- Buyers view risks differently
- Not all buyers have the same approach and capabilities
- Unlocking maximum strategic value requires the right buyers competing for the deal
- To unlock maximum value
  - Maximize the return
  - Minimize the risk

# BUYER TYPES

- Three Types of Buyers
- Buyer Types & Risk

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# Three Types of Buyers

- Strategic Acquirers
  - Existing company
  - Strategic fit; horizontal or vertical integration
  - Buying decision is based on the ability to unlock strategic or synergistic value
    - Value enhancement:  Integration of systems, teams, and processes
    - New market penetration, product / service expansion
    - Enhancement of core business
  - High potential for turnover

# Three Types of Buyers

- Private Equity Firms
  - Maximizing returns in a 5-7 year hold period
  - Acquisitions are treated as investments, based on in-depth financial analysis
  - Maximize financial leverage
  - Platform vs. Add-on
  - Growth strategy
  - Advanced reporting requirements
  - Retention of existing management team

# Three Types of Buyers

- Family Offices
  - Long-term hold
  - Desire consist, predictable companies
  - Less structured
  - Unique

## Consider These Risks & Buyer Reactions (Marketability & Valuation)

- Project-Based Revenue vs. Recurring (or Contractual) Revenue
- Customer Concentration vs. Diversification
- End-Market Concentration vs. Diversification
- Owner reliance vs. Management Team
- Commodity Products vs. Specialized Products

# SELL-SIDE M&A PROCESS

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- Customized Sell-Side Process
  - Third Party Sales
  - Management Buyouts
  - Generational Transfers
  - Strategic Partnerships

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# Customized Sell-Side Process

- The process is a funnel – widest at the beginning, narrow at the end
- It is a CONFIDENTIAL process
- An M&A Advisor is the key to maintaining confidentiality and driving competition
- It's a PROCESS and *NOT* an EVENT
- 9-12 months start to finish, plus employment agreements, consulting agreements, 3-year lookback, and clean-up
- Creating competition is the key to unlocking maximum value
  - Price is only one component of value

### Kickoff

- Gather financial, operational and marketing information about the company
- Develop buyer lists
- Quality of Earnings Analysis

### Research & Outreach

- Prepare teaser and CIM
- Present the teaser to potential acquirers
- Establish timeline for review, indications of interest, management meetings, and letters of intent

### Suitability

- Execute Non-Disclosure Agreements and provide preliminary data room access
- Provide CIM to interested buyers
- Facilitate Q&A
- Collect indications of interest

### Site Visit & Management Meetings

- Facilitate management meetings, to understand the facility, operations, culture, growth potential and suitability
- Fulfill additional Q&A and information requests

### Negotiations

- Call for Letters of Intent (LOIs)
- Gather, review, analyze and negotiate LOIs
- Select winner

### Due Diligence

- Facilitate due diligence and manage virtual data room
- Introduce appropriate debt/equity sources to determine capitalization

### CLOSING

# THE TIPPING POINT

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What happens when the LOI is signed?

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# The Tipping Point

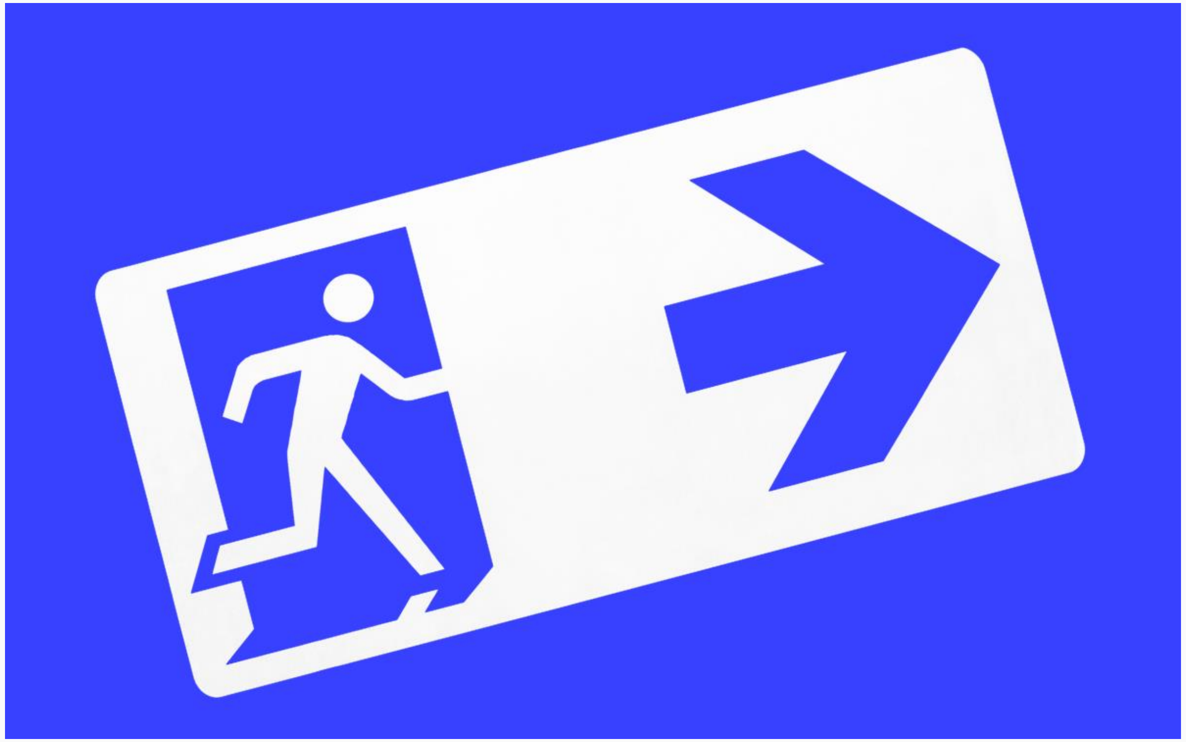
**The Tipping Point in a Sell-Side Process is when the LOI is signed**

- Leverage shifts from seller to buyer
- Playing defense instead of offense
- Nothing can adequately prepare you for due diligence
- Lean on your M&A Advisor and your QofE

# DESIGNING YOUR EXIT PATH



Now that you know how the game is played, let's walk backwards.



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# What Does a Successful Exit Look Like for You?

- Price & Structure (Cash at Close, Earn-Out, Seller Note, Equity Rollover)
- Timeline
- Real Estate Inclusion / Exclusion
- Involvement Post-Close
- Goals for the Management Team, Product Expansion, Additional Distribution, Employee Retention & Growth
- Potential consolidation
- Your Legacy

# KEY TAKEAWAYS

- Identify what you value in a transaction
- Build a business attractive buyers who value those same things and will provide the exit you want
- An M&A Advisor will help you:
    - Analyze what you have
    - Determine your suitability to different buyer types, identify what a current exit looks like, and outline what changes are needed to attract the buyers and exit you want
- Hire the right M&A team to execute and deliver your desired outcome


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# QUESTIONS?

Please use the mic stands at the sides of the room
or raise your hand and a runner will bring a mic to you.
All sessions are being recorded, so we want to make sure
every question is heard clearly by everyone in the room
and those watching later.

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