

## Investment Considerations



### Niche Leading Subsidiaries

**Opportunity to own highly defensible middle market businesses** with strong cash flows and a 'reason to exist.' These businesses are typically owned by founding families or private equity firms; CODI provides liquid ownership platform with high levels of transparency and governance.



### Considerable Financial Strength

**\$465M available** under revolving line of credit, \$70M in cash and net working capital of \$520.5M.



### Strong Growth Prospects

**Opportunities for organic growth** at each of our niche market leading subsidiaries are enhanced by the operating flexibility created by our financial strength. In addition, our financial capacity enables us to aggressively pursue attractive opportunities to grow our company through-add-on or new platform subsidiary acquisitions.



### Attractive Distribution

**\$0.36 per common share** quarterly distribution declared on 10/05/21.

**Cumulative distributions of \$22.3552** paid since CODI's May 2006 IPO. This includes a one-time paid special cash distribution of \$0.88 per share on CODI's common shares in September 2021.

**\$0.453125 per preferred share A** quarterly distribution declared on 10/05/21. This distribution covers the period from and including July 30, 2021, up to, but excluding, October 30, 2021.

**\$0.4921875 per preferred share B,** distribution declared 10/05/21. This distribution covers the period from and including July 30, 2021, up to, but excluding, October 30, 2021.

**\$0.4921875 per preferred share C,** distribution declared 10/05/21. This distribution covers the period from and including July 30, 2021, up to, but excluding, October 30, 2021.



### Proven Management

**Highly successful management team** with a proven track record over the past twelve years of acquiring, managing and growing middle market businesses through various economic conditions.

# COMPASS DIVERSIFIED

Compass Diversified (NYSE: CODI) offers shareholders a unique opportunity to own a diverse group of leading middle-market businesses. We own controlling interests in our subsidiary businesses, which maximizes our operating flexibility and drives long-term value creation.

Our differentiated permanent capital structure provides us with unmatched financial flexibility to be opportunistic and disciplined about our investments. The potential for extended ownership enables our collaborative, low leverage approach, which is attractive to management teams and allows subsidiaries to better manage for growth.

We maintain a strong internal culture of accountability and governance and deliver the highest level of transparency through quarterly financial reporting across our portfolio.

CODI owns and manages ten diverse subsidiaries. We believe these market leaders will continue producing stable cash flows over the long-term, enabling us to invest in their growth and make cash distributions to our shareholders.

**NYSE**

Exchange

**CODI**

Ticker

**\$29.65**

Price  
(10/26/21)

**\$1.92B**

Market Cap

**\$16.91 – \$32.34**

52 week range

**149%+**

IPO Price Distributed

**\$1.1B+**

Realized Gains  
Since IPO

**\$2.8B+**

Assets Managed

**~\$465M**

Dry Powder

## Diverse Portfolio of Leading Middle Market Companies



**Sterno Group** is a manufacturer and marketer of portable food warming systems, creative indoor and outdoor lighting, and home fragrance solutions for the foodservice industry and consumer markets.



**BOA Technology** is a designer, engineer and marketer of dial based fit systems delivering a scientifically proven performance advantage for athletes.



**Velocity Outdoor** is a designer, manufacturer and marketer of airguns, archery products, optics and related accessories.



**Arnold Magnetic Technologies** is a manufacturer of engineered magnetic solutions for a wide range of specialty applications and end-markets.



**ERGObaby** is a designer and marketer of wearable baby carriers, strollers and related product.



**Marucci Sports** is a designer and manufacturer of baseball and softball equipment and apparel.



**Advanced Circuits** is a manufacturer of quick-turn, small-run and production rigid printed circuit boards.



**Lugano Diamonds** is a designer, manufacturer and marketer of high-end, one-of-a-kind jewelry.



**Altor Solutions** is a designer and manufacturer of Packaging, Insulation and Componentry (PIC) solutions.



**5.11** is a designer and marketer of purpose-built technical apparel and gear serving a wide range of global customers.

## Long-Term Growth Strategy



### Acquisition Targets

We acquire niche-leading middle market businesses in various industries. These businesses are frequently ones that have 'outgrown' their entrepreneurial founder or are non-core subsidiaries of a larger parent corporation. Other qualities we look for include:

- Significant market share in a defensible industry niche
- Proven management team
- Low technological and/or product obsolescence risk
- Diverse customer and Supplier base



### Operating Improvements

We work with our subsidiary management teams to expand cash flows by:

- Pursuing organic and/or external growth opportunities
- Considering alternate product applications or sourcing
- Improving management information systems
- Enhancing financial reporting and monitoring
- Implementing appropriate incentive compensation program



### Key Factors for Success

- Disciplined approach to valuation and due diligence
- Proactive monitoring and management

## Financial Results

The results of operations are for the months ended September 30, 2021 and 2020, and for the years ended December 31, 2020 and 2019. Please note — Cash Flow Available For Distribution does not include gains from the sale of businesses.

(in thousands)	Nine Months Ended 9/30/2021	Nine Months Ended 9/30/2020	Year Ended 12/31/2020	Year Ended 12/31/2019
Revenue	\$1,372,266	\$1,005,380	\$1,560,757	\$1,450,253
Cash Flow Available for Distribution	\$135,311	\$74,653	\$110,646	\$104,038
Common Shares Outstanding	65,008	64,900	64,900	59,900
Preferred Series A Shares Outstanding	4,000	4,000	4,000	4,000
Preferred Series B Shares Outstanding	4,000	4,000	4,000	4,000
Preferred Series C Shares Outstanding	4,600	4,600	4,600	4,600

The information in this document may include forward-looking statements. All statements, other than statements of historical facts, which address activities, events or developments that the Company expects or anticipates will or may occur in the future, are forward-looking statements. These statements are subject to risks and uncertainties, which could cause actual results and developments to differ materially from these statements. A complete discussion of these risks and uncertainties is contained in the Company's reports and documents files from time to time with the Securities and Exchange Commission.

### Strategic Acquisitions and Opportunistic Divestitures

Completed **\$256M acquisition of Lugano Diamonds & Jewelry, Inc.** in September 2021.

Completed sale of our **Liberty Safe subsidiary for a TEV of \$148M** in August of 2021, which resulted in a \$73M gain.

Completed **\$454M acquisition of BOA Technology** in October 2020.

Completed **\$200M acquisition of Marucci Sports** in April 2020.

Completed sale of our **Clean Earth subsidiary for a TEV of \$625M** in July 2019, which resulted in a \$206M gain.

Completed sale of our **Manitoba Harvest subsidiary for a TEV of \$249M** in February 2019, which resulted in a \$122M gain.

Completed **\$253M acquisition of Foam Fabricators** in February 2018.

Completed **\$150M acquisition of Velocity Outdoor** in June 2017.

Completed **acquisition of 5.11 Tactical** in August 2016.

Completed **sale of CamelBak Products, LLC for a TEV of approximately \$413M** in July 2015, which resulted in a gain to CODI of \$164M.

**Generated debt and equity proceeds totaling approximately \$525M** from the IPO and subsequent secondary offerings of CODI's Fox subsidiary in August 2013, July 2014, March 2016, August 2016, November 2016, and March 2017 respectively.

### Management Team

**C. SEAN DAY** | Chairman  
**ELIAS J. SABO** | Chief Executive Officer  
**RYAN FAULKINGHAM** | Chief Financial Officer

Compass Group Management LLC manages the day-to-day operations and affairs of the company, oversees the management and operations of the businesses and performs certain other services.

### Sell-side Analysts

Bank of America Securities — **DEREK HEWETT**  
CJS Securities — **LARRY SOLOW, CFA**  
Janney Montgomery Scott — **MITCHEL PENN**  
Jefferies — **KYLE JOSEPH**  
Raymond James — **ROBERT DODD**  
ROTH Capital Partners — **DAVID M. KING, CFA**  
William Blair — **ROBERT NAPOLI**

### Company News

10/25/21: Compass Diversified-Backed Marucci Sports Announces Acquisition of Lizard Skins

10/15/21: Compass Diversified Announces Third Quarter 2021 Earnings and Conference Call Information

10/14/21: Compass Diversified Announces Sale of Advanced Circuits

10/05/21: Compass Diversified Declares Third Quarter 2021 Distributions on Common and Series A, B and C Preferred Shares

10/05/21: Compass Diversified-Backed Altor Solutions, Inc. Announces Acquisition of Plymouth Foam

09/07/21: Compass Diversified Announces Acquisition of Lugano Diamonds & Jewelry, Inc.

09/01/21: Compass Diversified Completes Simplification of Tax Structure

08/10/21: 5.11 Announces Confidential Submission of Draft Registration Statement for Proposed Initial Public Offering

08/03/21: Compass Diversified completes Sale of Liberty Safe

### Contacts

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