UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended September 30, 2026

Or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ to _____

COMPASS DIVERSIFIED HOLDINGS

(Exact name of registrant as specified in its charter)

Delaware	001-34927	57-6218917
(State or other jurisdiction of incorporation or organization)	(Commission file number)	(I.R.S. employer identification number)

COMPASS GROUP DIVERSIFIED HOLDINGS LLC

(Exact name of registrant as specified in its charter)

Delaware	001-34926	20-3812051
(State or other jurisdiction of incorporation or organization)	(Commission file number)	(I.R.S. employer identification number)

301 Riverside Avenue, Second Floor, Westport, CT 06880

(Address of principal executive office)

(203) 221-1703

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Trading Symbol(s)	Name of Each Exchange on Which Registered
Shares representing beneficial interests in Compass Diversified Holdings	CODI	New York Stock Exchange
Series A Preferred Shares representing beneficial interests in Compass Diversified Holdings	CODI PR A	New York Stock Exchange
Series B Preferred Shares representing beneficial interests in Compass Diversified Holdings	CODI PR B	New York Stock Exchange
Series C Preferred Shares representing beneficial interests in Compass Diversified Holdings	CODI PR C	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer", "accelerated filer", "smaller reporting company", and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☐	Accelerated filer	☒	Non-accelerated filer	☐
Smaller reporting company	☐	Emerging growth company	☐		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of October 30, 2026, there were 75,235,966 Trust common shares of Compass Diversified Holdings outstanding.

COMPASS DIVERSIFIED HOLDINGS

QUARTERLY REPORT ON FORM 10-Q
For the period ended September 30, 2026

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NOTE TO READER

In reading this Quarterly Report on Form 10-Q, references to:

- the “Trust” and “Holdings” refer to Compass Diversified Holdings;
- the “LLC” refers to Compass Group Diversified Holdings LLC;
- the "Company" refers to Compass Diversified Holdings and Compass Group Diversified Holdings LLC, collectively;
- “businesses”, “operating segments”, “subsidiaries” and “reporting units” all refer to, collectively, the businesses controlled by the Company;
- the “Manager” refers to Compass Group Management LLC (“CGM”);
- the "Trust Agreement" refers to the Third Amended and Restated Trust Agreement of the Trust dated as of August 3, 2021, as further amended;
- the "2022 Credit Facility" refers to the sixth amended and restated credit agreement entered into on July 12, 2022, as further amended, among the LLC, the lenders from time to time party thereto, Bank of America, N.A., as Administrative Agent, Swing Line Lender and letter of credit issuer (the "agent");
- the "LLC Agreement" refers to the Sixth Amended and Restated Operating Agreement of the Company dated as of August 3, 2021, as further amended;
- the “Management Services Agreement” or “MSA” refers to the Management Services Agreement with CGM effective May 16, 2006, as amended; and
- "we," "us" and "our" refer to the Trust, the Company and the businesses together;
- the “2025 Form 10-K” refers to the Company’s Form 10-K for the fiscal year ended December 31, 2025 filed with the United States Securities and Exchange Commission (“SEC”) on February 27, 2026.

Explanatory Note

As previously disclosed, in April 2025, the Audit Committee of the Company’s board of directors commenced an internal investigation into the financing, accounting, and inventory practices of Lugano Holding, Inc. (“Lugano”), a subsidiary and operating segment of the Company (the “Lugano Investigation”). The Lugano Investigation identified certain unrecorded financing arrangements and irregularities involving, among other things, sales, cost of sales, inventory, and accounts receivable recorded by Lugano.

Following Chapter 11 bankruptcy filings by Lugano and certain of its subsidiaries in November 2025, Lugano was deconsolidated from the Company’s consolidated financial statements as of the bankruptcy filing date. Lugano’s plan of liquidation became effective on September 30, 2026.

The Company has incurred significant professional fees and other expenses related to the Lugano Investigation, the preparation of restated and delayed periodic financial statements, related litigation and investigations, financing arrangements and internal control remediation. In addition, the Company suspended its quarterly cash distribution on its common shares in 2025, and its ability to access the capital markets, including through its at-the-market equity programs, was limited in light of these events.

This Form 10-Q should be read in conjunction with the Company’s 2025 Form 10-K for additional information regarding the Lugano Investigation and restatement, the deconsolidation of Lugano, related financing arrangements, internal control remediation efforts and related risks.

FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q (this “Form 10-Q”), contains both historical and forward-looking statements. We may, in some cases, use words such as "project," "predict," "believe," "anticipate," "plan," "expect," "estimate," "intend," "should," "would," "could," "potentially," "may," or other words that convey uncertainty of future events or outcomes to identify these forward-looking statements. All statements other than statements of historical or current fact are “forward-looking statements” for purposes of federal and state securities laws. Forward-looking statements include, among other things, (i) statements as to our future performance or liquidity, such as expectations for our results of operations, net income, leverage, Adjusted EBITDA, our deleveraging efforts and ability to make quarterly distributions, and (ii) our plans, strategies and objectives for future operations, including our business outlook and planned capital expenditures. Forward-looking statements in this Form 10-Q are subject to a number of risks and uncertainties, such as those disclosed or incorporated by reference in our filings with the SEC, including, but not limited to, those described under the sections entitled “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in both this Form 10-Q and our Annual Report on Form 10-K for the year ended December 31, 2025 filed with the United States Securities and Exchange Commission (“SEC”) February 27, 2026 as such factors may be updated from time to time in our filings with the SEC. Many of these risks and uncertainties are beyond our control. Important factors that could cause our actual results, performance and achievements to differ materially from those estimates or projections contained in our forward-looking statements include, among other things:

- litigation relating to our representations regarding our financial statements and litigation, enforcement actions or investigations relating to our internal controls, restatement reviews, matters related to the Lugano Investigation (as defined herein) and additional liabilities we are currently unaware of;
- the likelihood that the control deficiencies identified or that may be identified in the future will result in additional material weaknesses in our internal control over financial reporting;
- our ability to maintain our credit agreements or incur additional borrowings on terms we deem attractive;
- the amount and timing of any recoveries on our Special Beneficial Interest in the Lugano Liquidation Trust under the Settlement Agreement and the confirmed Plan of Liquidation, including the risk that asset monetization or litigation recoveries may be lower or later than expected, or that the priority of allowed claims may reduce or eliminate recoveries;
- claims or causes of action asserted by third parties against us and/or our current or former directors and officers arising out of or relating to Lugano, the Lugano Investigation or the bankruptcy proceedings, including claims not released under the Settlement Agreement or the Plan of Liquidation, which could result in substantial defense costs, potential liability or settlement payments;
- our and our Manager’s ability to retain or replace qualified employees of our subsidiaries and Manager;
- difficulties and delays in identifying, integrating, and managing acquisitions or an inability to fully realize cost savings and other benefits related thereto;
- our ability to successfully complete divestitures that we may execute and our ability to execute on our deleveraging strategy;
- our ability to finance future acquisitions on acceptable terms;
- our board of directors' ability to cause, in its sole discretion, the Trust to be converted into a corporation;
- our board of directors' ability to reduce or eliminate distributions to our shareholders;
- our reliance on receipts from our subsidiaries to make distributions to our shareholders;
- our board of directors' ability to change the terms of the Company’s shares in its sole discretion;
- provisions in our governing documents and the governing documents of the Trust which may limit a third party’s ability to acquire control of the Company and Trust;
- the potential for conflicts of interest to arise between the Company and the boards of directors of its respective businesses;
- our ability to service our debt obligations;
- our indebtedness may limit our ability to obtain financing in the future, increase the cost of future borrowings, limit our ability to use operating cash, and increase our vulnerability to adverse economic conditions;
- interest rate fluctuations;
- the potential for conflicts of interest in acquisition opportunities;
- the possibility that we may be deemed to be an investment company under the Investment Company Act of 1940, as amended, if we cease to control and operate our businesses in the future;
- the dependence of some of our businesses on a limited number of customers for a significant percentage of revenue;
- the lack of long-term customer contracts;

- changes to tariffs and import/export regulations;
- the impact of the Trust's tax reclassification;
- future changes to tax laws and the potential for the Trust to be taxed at rates higher than expected or for the Trust to fail to realize the anticipated benefits of its tax election;
- the discretionary and non-cumulative nature of distributions on Series A Preferred Shares;
- the subordination of our Series A, Series B, and Series C Preferred Shares to our existing and future indebtedness;
- the potential for members of management to allocate their time to the operations of other businesses;
- the potential for our Manager, its affiliates, and members of the Company's management team to engage in activities that compete with us or our businesses;
- the difficulty in removing our Manager for poor performance;
- the ability of our Manager to resign on 180 days' notice and the possibility that we may be unable to find a suitable replacement in a timely fashion;
- our requirement to pay our Manager base management fees regardless of our performance;
- uncertainty with respect to determining the amount of the management fee that will be paid over time;
- uncertainty with respect to determining the amount of profit allocation that will be paid over time;
- payment of the management fee, fees under offsetting management services agreements, and profit allocation may significantly reduce the amount of earnings and cash available for shareholder distributions;
- the Manager's influence and ability to increase its fees;
- the possibility that our management fees or profit allocation may induce our Manager to make suboptimal operations decisions;
- the obligation to pay management fees and profit allocation may cause the Company to liquidate assets or incur debt;
- potential material environmental liabilities arising from a subsidiary's operations and the prior operations of predecessor companies;
- the potential for product liability and product safety claims against some of our businesses;
- cybersecurity-related risks, including system failures, data breaches, and the unauthorized access to and use of our and our customers' confidential information;
- goodwill impairment;
- disruptions to our business, operations, and supply chains, including as a result of natural disasters, inclement weather, accidents, transportation delays, and other events;
- fluctuations in the cost and availability, and the possibility of shortages, of raw materials, components, or whole goods;
- our ability to protect and enforce our intellectual property rights;
- the legal and regulatory environment in which we and our subsidiaries operate, particularly with respect to environmental regulations, product safety regulations, and product liability;
- risks inherent in operating a global business, including political and economic volatility, differing or conflicting cross-jurisdictional requirements, and import/export restrictions; and
- the importance of maintaining the value and reputation of our branded consumer businesses.

Our actual results, performance, prospects or opportunities could differ materially from those expressed in or implied by the forward-looking statements. A description of the risks that could cause our actual results to differ appears under the sections entitled "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" in both this Form 10-Q and the 2025 Form 10-K.

In light of these risks, uncertainties and assumptions, you should not place undue reliance on any forward-looking statements. The forward-looking events discussed in this Form 10-Q may not occur. These forward-looking statements are made as of the date of this Form 10-Q. We undertake no obligation to update or revise any forward-looking statements to reflect subsequent events or circumstances, whether as a result of new information, future events or otherwise, except as required by law.

PART I
FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

COMPASS DIVERSIFIED HOLDINGS
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)

(in thousands)	September 30, 2026	December 31, 2025
Assets		
Current assets:		
Cash and cash equivalents	$ 127,167	$ 68,015
Accounts receivable, net	195,889	202,887
Inventories, net	370,228	404,102
Prepaid expenses and other current assets	65,723	78,398
Due from related parties (refer to Note N)	1,300	20,757
Due from unconsolidated affiliate (refer to Note B)	—	71,000
Total current assets	760,307	845,159
Property, plant and equipment, net	182,625	209,742
Goodwill	830,902	895,421
Intangible assets, net	795,144	892,811
Special Beneficial Interest and affiliate receivable, long-term (refer to Note B)	9,500	26,000
Other non-current assets	171,072	170,051
Total assets	$ 2,749,550	$ 3,039,184
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	$ 71,819	$ 96,335
Accrued expenses	174,084	163,265
Current portion, long-term debt	75,000	37,500
Other current liabilities	47,118	52,519
Total current liabilities	368,021	349,619
Deferred income taxes	91,970	104,189
Long-term debt	1,486,272	1,839,817
Other non-current liabilities	177,640	171,896
Total liabilities	2,123,903	2,465,521
Commitments and contingencies (refer to Note M)		
Stockholders' equity		
Trust preferred shares, 50,000 authorized; 20,109 shares issued and outstanding at September 30, 2026 and December 31, 2025, respectively.		
Series A preferred shares, no par value; 4,678 shares issued and outstanding at September 30, 2026 and December 31, 2025, respectively.	112,010	112,010
Series B preferred shares, no par value; 7,524 shares issued and outstanding at September 30, 2026 and December 31, 2025, respectively.	177,771	177,771
Series C preferred shares, no par value; 7,907 shares issued and outstanding at September 30, 2026 and December 31, 2025, respectively.	188,049	188,049
Trust common shares, no par value, 500,000 authorized; 76,135 shares issued and 75,236 shares outstanding at September 30, 2026 and December 31, 2025, respectively.	1,288,951	1,288,951
Treasury shares, at cost	(18,910)	(18,910)
Accumulated other comprehensive income (loss)	(438)	738
Accumulated deficit	(1,263,854)	(1,306,585)
Total stockholders' equity attributable to Holdings	483,579	442,024
Noncontrolling interest	142,068	131,639
Total stockholders' equity	625,647	573,663
Total liabilities and stockholders' equity	$ 2,749,550	$ 3,039,184

See notes to condensed consolidated financial statements.

COMPASS DIVERSIFIED HOLDINGS
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

(in thousands, except per share data)	Three months ended September 30,		Nine months ended September 30,	
	2026	**2025**	**2026**	**2025**
Net revenues	$ 422,930	$ 472,562	$ 1,273,827	$ 1,405,027
Cost of revenues	224,420	264,847	685,996	792,739
Gross profit	198,510	207,715	587,831	612,288
Operating expenses:				
Selling, general and administrative expense	130,362	179,315	396,709	491,804
Management fees	13,651	16,213	43,402	54,111
Amortization expense	22,652	23,254	68,182	69,722
Impairment expense	—	—	20,500	31,515
Other operating (income) expense	—	—	(10,234)	—
Operating income (loss)	31,845	(11,067)	69,272	(34,864)
Other income (expense):				
Interest expense, net	(21,769)	(66,721)	(73,159)	(136,668)
Amortization of debt issuance costs	(1,711)	(826)	(5,805)	(2,922)
Loss on debt modification	(1,038)	—	(1,038)	(2,827)
Gain (loss) on sale of product division	(4,338)	—	178,004	—
Increase (decrease) in fair value of bankruptcy related financial asset (refer to Note B)	303	—	(57,697)	—
Other income (expense), net	(239)	(2,343)	(3,038)	(14,311)
Income (loss) from continuing operations before income taxes	3,053	(80,957)	106,539	(191,592)
Provision for income taxes	(20,140)	5,763	32,303	25,659
Income (loss) from continuing operations	23,193	(86,720)	74,236	(217,251)
Gain (loss) on sale of discontinued operations, net of income taxes	435	(523)	2,072	2,326
Net income (loss)	23,628	(87,243)	76,308	(214,925)
Less: Net income (loss) from continuing operations attributable to noncontrolling interest	2,084	(13,228)	4,434	(59,700)
Net income (loss) attributable to Holdings	$ 21,544	$ (74,015)	$ 71,874	$ (155,225)
Amounts attributable to Holdings				
Income (loss) from continuing operations	$ 21,109	$ (73,492)	$ 69,802	$ (157,551)
Gain (loss) on sale of discontinued operations, net of income tax	435	(523)	2,072	2,326
Net income (loss) attributable to Holdings	$ 21,544	$ (74,015)	$ 71,874	$ (155,225)
Basic and diluted income (loss) per common share attributable to Holdings (refer to Note H)				
Continuing operations	$ 0.05	$ (1.20)	$ 0.42	$ (2.53)
Discontinued operations	0.01	(0.01)	0.03	0.03
Basic and diluted income (loss) per common share attributable to Holdings (refer to Note H)	$ 0.06	$ (1.21)	$ 0.45	$ (2.50)
Basic and diluted weighted average common shares outstanding	75,236	75,236	75,236	75,236
Cash distributions declared per Trust common share (refer to Note H)	$ —	$ —	$ —	$ 0.50

See notes to condensed consolidated financial statements.

COMPASS DIVERSIFIED HOLDINGS
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(Unaudited)

(in thousands)	Three months ended September 30,		Nine months ended September 30,	
	2026	**2025**	**2026**	**2025**
Net income (loss)	$ 23,628	$ (87,243)	$ 76,308	$ (214,925)
Other comprehensive income (loss)				
Foreign currency translation adjustments	(887)	791	(1,615)	1,155
Pension benefit liability, net	76	276	439	1,209
Other comprehensive income (loss)	(811)	1,067	(1,176)	2,364
Total comprehensive income (loss), net of tax	$ 22,817	$ (86,176)	75,132	(212,561)
Less: Net income (loss) attributable to noncontrolling interests	2,084	(13,228)	4,434	(59,700)
Less: Other comprehensive income (loss) attributable to noncontrolling interests	(10)	236	(42)	(1,126)
Total comprehensive income (loss) attributable to Holdings, net of tax	$ 20,743	$ (73,184)	$ 70,740	$ (151,735)

See notes to condensed consolidated financial statements.

COMPASS DIVERSIFIED HOLDINGS
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(Unaudited)

(in thousands)	Trust Preferred Shares			Trust Common Shares	Treasury Shares	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Stockholders' Equity Attributable to Holdings	Non-Controlling Interest	Total Stockholders' Equity
	Series A	Series B	Series C							
Balance — July 1, 2025	$ 112,010	$ 177,771	$ 188,049	$ 1,288,951	$ (18,910)	$ (1,141,951)	$ (4,040)	$ 601,880	$ (191,150)	$ 410,730
Net loss	—	—	—	—	—	(74,015)	—	(74,015)	(13,228)	(87,243)
Total other comprehensive income, net	—	—	—	—	—	—	1,067	1,067	—	1,067
Option activity attributable to noncontrolling shareholders	—	—	—	—	—	—	—	—	4,073	4,073
Effect of subsidiary stock option exercise	—	—	—	—	—	—	—	—	270	270
Purchase of noncontrolling interest	—	—	—	—	—	—	—	—	(781)	(781)
Reclassification of noncontrolling shareholder interest to liability	—	—	—	—	—	—	—	—	(35)	(35)
Distributions paid - Trust Preferred Shares	—	—	—	—	—	(9,715)	—	(9,715)	—	(9,715)
Balance — September 30, 2025	$ 112,010	$ 177,771	$ 188,049	$ 1,288,951	$ (18,910)	$ (1,225,681)	$ (2,973)	$ 519,217	$ (200,851)	$ 318,366
Balance — July 1, 2026	$ 112,010	$ 177,771	$ 188,049	$ 1,288,951	$ (18,910)	$ (1,275,684)	$ 373	$ 472,560	$ 134,610	$ 607,170
Net income	—	—	—	—	—	21,544	—	21,544	2,084	23,628
Total other comprehensive loss, net	—	—	—	—	—	—	(811)	(811)	—	(811)
Option activity attributable to noncontrolling shareholders	—	—	—	—	—	—	—	—	2,841	2,841
Effect of subsidiary stock option exercise	—	—	—	—	—	—	—	—	542	542
Purchase of noncontrolling interest	—	—	—	—	—	—	—	—	(1,153)	(1,153)
Reclassification of noncontrolling shareholder interest to liability	—	—	—	—	—	—	—	—	6	6
Rimports distribution adjustment	—	—	—	—	—	—	—	—	3,138	3,138
Distributions paid - Trust Preferred Shares	—	—	—	—	—	(9,714)	—	(9,714)	—	(9,714)
Balance — September 30, 2026	$ 112,010	$ 177,771	$ 188,049	$ 1,288,951	$ (18,910)	$ (1,263,854)	$ (438)	$ 483,579	$ 142,068	$ 625,647

COMPASS DIVERSIFIED HOLDINGS
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(Unaudited)

(in thousands)	Trust Preferred Shares			Trust Common Shares	Treasury Shares	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Stockholders' Equity Attributable to Holdings	Non-Controlling Interest	Total Stockholders' Equity
	Series A	Series B	Series C							
Balance — January 1, 2025	$ 109,159	$ 147,906	$ 161,767	$ 1,289,010	$ (18,910)	$ (1,004,975)	$ (5,337)	$ 678,620	$ (148,046)	$ 530,574
Net loss	—	—	—	—	—	(155,225)	—	(155,225)	(59,700)	(214,925)
Total other comprehensive income, net	—	—	—	—	—	—	2,364	2,364	—	2,364
Issuance of Trust common shares	—	—	—	(59)	—	—	—	(59)	—	(59)
Issuance of Trust preferred shares	2,851	29,865	26,282	—	—	—	—	58,998	—	58,998
Option activity attributable to noncontrolling shareholders	—	—	—	—	—	—	—	—	12,274	12,274
Effect of subsidiary stock option exercise	—	—	—	—	—	—	—	—	1,980	1,980
Purchase of noncontrolling interest	—	—	—	—	—	—	—	—	(7,249)	(7,249)
Reclassification of noncontrolling shareholder interest to liability	—	—	—	—	—	—	—	—	(110)	(110)
Distributions paid - Trust Common Shares	—	—	—	—	—	(37,618)	—	(37,618)	—	(37,618)
Distributions paid - Trust Preferred Shares	—	—	—	—	—	(27,863)	—	(27,863)	—	(27,863)
Balance — September 30, 2025	$ 112,010	$ 177,771	$ 188,049	$ 1,288,951	$ (18,910)	$ (1,225,681)	$ (2,973)	$ 519,217	$ (200,851)	$ 318,366
Balance — January 1, 2026	$ 112,010	$ 177,771	$ 188,049	$ 1,288,951	$ (18,910)	$ (1,306,585)	$ 738	$ 442,024	$ 131,639	$ 573,663
Net income	—	—	—	—	—	71,874	—	71,874	4,434	76,308
Total other comprehensive loss, net	—	—	—	—	—	—	(1,176)	(1,176)	—	(1,176)
Option activity attributable to noncontrolling shareholders	—	—	—	—	—	—	—	—	8,680	8,680
Effect of subsidiary stock option exercise	—	—	—	—	—	—	—	—	5,682	5,682
Purchase of noncontrolling interest	—	—	—	—	—	—	—	—	(11,048)	(11,048)
Reclassification of noncontrolling shareholder interest to liability	—	—	—	—	—	—	—	—	(17)	(17)
Rimports distribution adjustment	—	—	—	—	—	—	—	—	3,138	3,138
Sale of product division	—	—	—	—	—	—	—	—	(440)	(440)
Distributions paid - Trust Preferred Shares	—	—	—	—	—	(29,143)	—	(29,143)	—	(29,143)
Balance — September 30, 2026	$ 112,010	$ 177,771	$ 188,049	$ 1,288,951	$ (18,910)	$ (1,263,854)	$ (438)	$ 483,579	$ 142,068	$ 625,647

COMPASS DIVERSIFIED HOLDINGS
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

(in thousands)	Nine months ended September 30, 2026	2025
Cash flows from operating activities:		
Net income (loss)	$ 76,308	$ (214,925)
Gain on sale of discontinued operations	2,072	2,326
Income (loss) from continuing operations	74,236	(217,251)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Depreciation expense	32,557	34,247
Amortization expense - intangibles	68,182	69,722
Amortization of debt issuance costs	5,805	2,922
Decrease in fair value of bankruptcy related financial asset	57,697	—
Paid-in-kind interest	—	22,750
Loss on debt modification	1,038	2,827
Impairment expense	20,500	31,515
Noncontrolling stockholder stock based compensation	8,680	12,274
Provision for receivable and inventory reserves	(5,767)	373
Deferred income taxes	(4,994)	(1,480)
Gain on sale of product division	(178,004)	—
Gain on sale-leaseback	(10,234)	—
Other	2,243	814
Changes in operating assets and liabilities, net of acquisitions:		
Accounts receivable	(13,257)	(21,594)
Inventories	19,116	(30,867)
Other current and non-current assets	5,151	4,962
Accounts payable and accrued expenses	22,219	34,952
Cash provided by (used in) operating activities	105,168	(53,834)
Cash flows from investing activities:		
Acquisitions, net of cash acquired	—	495
Purchases of property and equipment	(17,971)	(34,176)
Proceeds from sale of businesses	288,991	2,326
Proceeds from bankruptcy distribution	29,803	—
Other investing activities	9,812	(1,729)
Cash provided by (used in) investing activities	310,635	(33,084)

COMPASS DIVERSIFIED HOLDINGS
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

(in thousands)	Nine months ended September 30, 2026	2025
Cash flows from financing activities:		
Proceeds and expenses from issuance of Trust common shares, net	—	(59)
Proceeds and expenses from issuance of Trust preferred shares, net	—	58,998
Borrowings - revolving credit facility	94,000	98,000
Repayments - revolving credit facility	(94,000)	(202,000)
Borrowings - term loan	—	200,000
Repayments - term loan	(292,750)	—
Scheduled principal payments - term loan	(26,250)	(15,000)
Subsidiary financing arrangements - borrowings	—	26,982
Subsidiary financing arrangements - repayments	—	(8,360)
Distributions paid - common shares	—	(37,618)
Distributions paid - preferred shares	(29,143)	(27,863)
Net proceeds provided by noncontrolling shareholders	5,682	1,980
Purchase of noncontrolling interest	(11,048)	(7,249)
Debt issuance costs	(1,650)	(1,722)
Other	(36)	(34)
Net cash provided by (used in) financing activities	(355,195)	86,055
Foreign currency impact on cash	(1,456)	2,343
Net increase in cash and cash equivalents	59,152	1,480
Cash and cash equivalents — beginning of period	68,015	59,659
Cash and cash equivalents — end of period	$ 127,167	$ 61,139
Supplemental Disclosure of Non-Cash Investing and Financing Activities		
Non-cash Investing activities [(1)]	$ 9,500	$ —
Non-cash financing activities [(2)]	$ —	$ 4,534

[(1)] During the three months ended September 30, 2026, the Company exchanged its $9.5 million remaining receivable arising from the CODI Secured Claim for the Special Beneficial Interest in the Lugano Liquidation Trust. The exchange did not involve cash and is presented as a noncash investing activity.

[(2)] Represents the non-cash settlement of subsidiary financing arrangements.

See notes to condensed consolidated financial statements.

Note A - Presentation and Principles of Consolidation

Compass Diversified Holdings, a Delaware statutory trust (the "Trust") and Compass Group Diversified Holdings LLC, a Delaware limited liability company (the "LLC"), were formed to acquire and manage a group of small and middle-market businesses headquartered in North America. Collectively, Compass Diversified Holdings and Compass Group Diversified Holdings, LLC are referred to as the "Company". In accordance with the Third Amended and Restated Trust Agreement, dated as of August 3, 2021 (as further amended and restated, the "Trust Agreement"), the Trust is sole owner of 100% of the Trust Interests (as defined in the LLC's Sixth Amended and Restated Operating Agreement, dated as of August 3, 2021 (as further amended and restated, the "LLC Agreement")) of the LLC and, pursuant to the LLC Agreement, the LLC has, outstanding, the identical number of Trust Interests as the number of outstanding common shares of the Trust. The LLC is the operating entity with a board of directors and other corporate governance responsibilities, similar to that of a Delaware corporation. The Trust does not have operations independent of acting as the parent company of the LLC. Compass Group Management LLC, a Delaware limited liability Company ("CGM" or the "Manager"), manages the day to day operations of the LLC and oversees the management and operations of our businesses pursuant to a management services agreement (the "Management Services Agreement" or "MSA").

The LLC is a controlling owner of eight businesses, or operating segments, at September 30, 2026. The segments are as follows: 5.11 Acquisition Corp. ("5.11"), Boa Holdings Inc. ("BOA"), Relentless Topco, Inc. ("PrimaLoft"), THP Topco, Inc. ("The Honey Pot Co." or "THP"), CBCP Products, LLC ("Velocity Outdoor" or "Velocity"), AMTAC Holdings LLC ("Arnold"), FFI Compass, Inc. ("Altor Solutions" or "Altor"), and Rimports Holdings, Inc. ("Rimports"). The segments are referred to interchangeably as "businesses", "operating segments" or "subsidiaries" throughout the financial statements. During the second quarter of 2026, the Company completed the sale of Sterno's food service business. Prior to the sale, Sterno distributed Rimports, its home fragrance business, to its stockholders, and Rimports remained a majority owned subsidiary of the LLC. Accordingly, Rimports is presented as the Company's operating segment following the distribution, and the results of Sterno's food service business through the date of sale and Rimports for all periods presented are included in continuing operations. Refer to Note B - "Dispositions" for further discussion of the sale of Sterno's food service business and the Rimports distribution. Refer to Note O - "Operating Segment Data" for further discussion of the operating segments. Lugano Holding, Inc. ("Lugano") was an operating segment of the Company until November 16, 2025 when Lugano was deconsolidated. Refer to Note B - "Dispositions" for further discussion of the accounting for Lugano.

Basis of Presentation

The condensed consolidated financial statements for the three and nine month periods ended September 30, 2026 and September 30, 2025 are unaudited, and in the opinion of management, contain all adjustments necessary for a fair presentation of the condensed consolidated financial statements. Such adjustments consist solely of normal recurring items. Interim results are not necessarily indicative of results for a full year or any subsequent interim period. The condensed consolidated financial statements and notes are prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP" or "GAAP") and presented as permitted by Form 10-Q and do not contain certain information included in the annual consolidated financial statements and accompanying notes of the Company.

The accompanying consolidated financial statements have been prepared on a going concern basis, which assumes the Company will continue to realize its assets and satisfy its liabilities in the ordinary course of business.

Correction of Prior Period Financial Statements

During the second quarter ended June 30, 2026, the Company identified an immaterial classification misstatement related to the presentation of the gain of $10.2 million recognized in connection with Altor's January 23, 2026 sale-leaseback transaction, which was previously presented in other income (expense), net in the Company's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2026 and corrected to be presented in other operating income within operating expenses in the condensed consolidated statements of operations. The correction reflects management's determination that the gain is appropriately presented within operating results because the transaction related to Altor's manufacturing facilities and underlying operating assets. This correction increased previously reported operating income by the amount of the sale-leaseback gain and decreased other

income (expense), net by the same amount, with no effect on previously reported income from continuing operations before income taxes, net income, cash flows, or stockholders' equity.

Consolidation

The condensed consolidated financial statements include the accounts of the Company, as well as the businesses acquired as of their respective acquisition date. All significant intercompany accounts and transactions have been eliminated in consolidation. Businesses or components that meet the criteria for discontinued operations are presented as discontinued operations for all periods presented.

Recently Adopted Accounting Pronouncements

Income Taxes (Topic 740): Improvements to Income Tax Disclosures

In December 2023, the FASB issued ASU No. 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures. This guidance will require, among other things, the following for public business entities: (i) enhanced disclosures of specific categories of reconciling items included in the rate reconciliation, as well as additional information for any of these items meeting certain qualitative and quantitative thresholds; (ii) disclosure of the judgment used in categorizing them if not otherwise evident; and (iii) enhanced disclosures for income taxes paid, which includes federal, state, and foreign taxes, as well as for individual jurisdictions over a certain quantitative threshold. The amendments in ASU 2023-09 eliminate the requirement to disclose the nature and estimate of the range of the reasonably possible change in unrecognized tax benefits for the 12 months after the balance sheet date. The guidance is effective for annual periods beginning after December 15, 2024. The Company adopted ASU 2023-09 for the year ended December 31, 2025 and applied the new disclosure requirements prospectively to the 2025 annual period.

Recently Issued Accounting Pronouncements

Disaggregation of Income Statement Expenses

In November 2024, the FASB issued ASU No. 2024-03, Income Statement - Reporting Comprehensive Income- Expense Disaggregation Disclosures (Subtopic 220-40). This guidance will require the disclosure of disaggregation of certain relevant expenses presented in the consolidated statements of operations, including inventory purchases, employee compensation, selling expense and depreciation expense. The guidance is effective for our annual period ending December 31, 2027 and interim periods thereafter. The Company is currently evaluating the impact this standard will have on the consolidated financial statements.

Note B — Dispositions

Sale of Sterno and Distribution of Rimports

On March 28, 2026, the LLC, in its capacity as representative of the holders of common stock of SternoCandleLamp Holdings, Inc. ("Sterno"), a then-majority-owned subsidiary of the LLC, and, for the limited purposes of the Rimports Distribution described below, entered into a definitive Agreement and Plan of Merger (the "Sterno Agreement") with WCHG Buyer, Inc. ("Parent"), WCHG Heat Merger Sub, Inc. ("Merger Sub") and Sterno. Pursuant to the Sterno Agreement, Parent agreed to acquire Sterno through the merger of Merger Sub with and into Sterno, with Sterno surviving the merger as a wholly owned subsidiary of Parent.

Immediately prior to the closing of the merger, on April 30, 2026, Sterno completed the distribution of all of the limited liability company interests of its indirect wholly owned subsidiary Rimports, LLC ("Rimports"), which operates Sterno's home fragrance business, to Rimports Holdings, Inc., the equity of which was, in turn, distributed pro rata to the Sterno stockholders, including the LLC (the "Rimports Distribution"), with Rimports remaining a majority owned subsidiary of the LLC. On May 1, 2026, the parties completed the merger pursuant to the Sterno Agreement, resulting in the sale of Sterno's food service business.

The purchase consideration for Sterno's food service business was based on an enterprise value of $292.5 million and was subject to customary adjustments, including for transaction expenses, change-of-control payments, option termination payments and the net working capital, cash and debt balances of Sterno and its subsidiaries, excluding Rimports and its subsidiaries, at closing. Approximately $2.6 million of the closing proceeds were placed in escrow to satisfy post-closing purchase price true-ups, if any.

After allocation of the purchase consideration to Sterno's noncontrolling stockholders and payment of transaction costs, CODI received approximately $282 million of total proceeds at closing, representing amounts received with respect to the Company's outstanding loans to Sterno, including accrued interest, and its equity interests in Sterno.

The Company used the proceeds received from the sale to repay outstanding borrowings under its senior credit facility.

The Rimports Distribution represented a transfer of equity interests between entities under common control because the Company controlled Sterno, inclusive of Rimports, before the distribution and continues to control Rimports after the distribution. Accordingly, the Rimports Distribution was accounted for as a transaction between entities under common control at historical carrying amounts, and no gain or loss was recognized in the Company's condensed consolidated financial statements as a result of the distribution.

As of March 31, 2026, the Company had classified Sterno's food service business as held for sale. Because the Company retained Rimports following the Rimports Distribution, the assets and liabilities of Rimports were excluded from the held-for-sale disposal group and continued to be presented within the Company's condensed consolidated balance sheet. Upon completion of the sale on May 1, 2026, the Company deconsolidated Sterno's food service business and recognized a gain on the sale of $182.3 million which was reduced by $4.3 million in the third quarter of 2026 primarily to correct the initial allocation of the gain between the controlling and noncontrolling stockholders to reflect the exercise of certain Sterno stock options immediately prior to the transaction, and to reflect the post-closing working capital settlement and other transaction adjustments. The Company recognized a total gain on sale of $178.0 million within income from continuing operations during the nine months ended September 30, 2026.

The sale did not represent a strategic shift that had, or will have, a major effect on the Company's operations or financial results and therefore did not qualify for discontinued operations presentation. Accordingly, the results of operations and cash flows of Sterno's food service business through the date of sale, and Rimports for all periods presented, are included within continuing operations in the Company's condensed consolidated statements of operations and cash flows.

Summarized results of operations of Sterno for the nine months ended September 30, 2026 through the date of disposition and the three and nine months ended September 30, 2025 are as follows (in thousands):

(in thousands)	Three months ended September 30, 2025	For the period January 1, 2026 through disposition	Nine Months Ended September 30, 2025
Net sales	$ 35,665	$ 45,125	$ 107,212
Gross profit	$ 11,755	$ 14,096	$ 34,058
Operating income	$ 5,777	$ 8,519	$ 17,713
Net income from operations before income taxes [(1)]	$ 5,777	$ 8,511	$ 17,690
Provision for income taxes	$ 1,927	$ 2,084	$ 5,069
Net income [(1)]	$ 3,850	$ 6,427	$ 12,621

[(1)] The results of operations for the periods from January 1, 2026 through disposition, and the three and nine months ended September 30, 2025, each exclude $1.4 million, $2.0 million and $6.5 million, respectively, of intercompany interest expense which is eliminated in consolidation.

Lugano

On November 16, 2025, Lugano and certain of its subsidiaries filed voluntary petitions for relief under Chapter 11 of the United States Bankruptcy Code in the United States Bankruptcy Court for the District of Delaware (the "Lugano Bankruptcy"), resulting in the deconsolidation of Lugano. Following deconsolidation, the Company retained equity interests in Lugano at zero fair value and recognized a receivable at fair value for expected recoveries on its secured creditor claim arising from former intercompany loans (the "CODI Secured Claim"). The Company elected the fair value option under Accounting Standards Codification ("ASC") 825, Financial Instruments, for both the receivable and the retained equity interests, with subsequent changes in fair value recognized in earnings. Upon effectiveness of the Chapter 11 plan of liquidation (the "Plan") and related settlement, the CODI Secured Claim was satisfied through cash and a special beneficial interest in the Lugano Liquidation Trust.

Upon deconsolidation, the Company recognized the receivable based on management's estimate of expected recoveries on the CODI Secured Claim and elected the fair value option under ASC 825. The receivable was remeasured at fair value at each reporting date, with changes in fair value recognized in earnings. At December 31, 2025, the receivable had an estimated fair value of $97.0 million, of which $71.0 million was classified as current and $26.0 million was classified as noncurrent. During the three months ended June 30, 2026, management updated its estimate following the Company's entry on June 24, 2026 into a Settlement Agreement and Mutual Release and a related Plan Support Agreement with Lugano, the official committee of unsecured creditors and the

other parties thereto. The reduction in expected proceeds resulted in a $58.0 million decrease in fair value, reducing the estimated fair value of the receivable to $39.0 million at June 30, 2026, of which $19.2 million was classified as current and $19.8 million was classified as noncurrent.

On August 27, 2026, Lugano filed a preliminary Chapter 11 plan of liquidation (the “Plan”), including the settlement and the Company’s participation percentages in specified recoveries. The preliminary Plan established the Company’s right to 34.79% of specified net inventory, tax-refund and theft-policy insurance proceeds, 45% of net proceeds from specified litigation against a designated third party and 25% of net proceeds from certain other litigation claims. The Bankruptcy Court confirmed the Plan on September 24, 2026, and the Plan became effective on September 30, 2026 (the “Effective Date”). On September 29, 2026, the Company received a $29.8 million Initial CODI Distribution, equal to 34.79% of Effective Date Cash and including the Company’s share of Lugano’s 2024 tax refund. The distribution was received one day before the Effective Date and reduced the receivable to $9.2 million.

On the Effective Date, the Liquidation Trust Agreement was executed, and the Company received a special beneficial interest in the Lugano Liquidation Trust (the “Special Beneficial Interest”) in satisfaction of the remaining CODI Secured Claim. The Special Beneficial Interest represents contractual rights to distributions under the Liquidation Trust Agreement rather than title to the Liquidation Trust’s assets. The Company derecognized the remaining bankruptcy receivable and recognized the Special Beneficial Interest as a new financial asset. The Plan also cancelled the Company’s zero-value Lugano equity interests, which the Company derecognized. The Company elected the fair value option under ASC 825 for the Special Beneficial Interest, with subsequent changes in fair value recognized in other income (expense), net.

At September 30, 2026, the Special Beneficial Interest had an estimated fair value of $9.5 million and was classified as a noncurrent asset in the condensed consolidated balance sheet based on management’s estimate of the timing of expected distributions. During the three months ended September 30, 2026, the Company remeasured the remaining receivable from $9.2 million to $9.5 million and recognized the $0.3 million increase in fair value in other income (expense), net. The Company then derecognized the receivable upon satisfaction of the CODI Secured Claim and recognized the Special Beneficial Interest at its $9.5 million initial fair value. The Level 3 measurement reflects the Company’s 34.79% share of estimated 2021–2023 tax refunds, net of applicable deductions and discounting. No value was ascribed to potential litigation or theft-policy insurance recoveries, the Company’s share of any released Effective Date reserves, or its right to residual proceeds after general unsecured claims are paid in full because of uncertainty regarding amounts, timing, coverage, costs and duration. The timing and amount of ultimate recoveries remain uncertain. Refer to "Note J - Fair Value Measurements" for additional information.

The following table summarizes Lugano's results of operations that are included in the Company's consolidated results of operations for the period from January 1, 2025 through September 30, 2025:

(in thousands)	Three months ended September 30, 2025	Nine months ended September 30, 2025
Net sales	$ 17,350	$ 70,966
Gross profit	$ 13,292	$ 39,916
Operating loss	$ (10,787)	$ (71,228)
Net loss from operations before income taxes [1]	$ (17,160)	$ (105,089)
Provision for income taxes	$ —	$ (256)
Net loss	$ (17,160)	$ (104,833)

[1] The results of operations for the three and nine months ended September 30, 2025 exclude $17.1 million and $49.8 million, respectively, of intercompany interest expense which is eliminated in consolidation.

Note C — Revenue

The Company recognizes revenue when a customer obtains control of promised goods or services. The amount of revenue recognized reflects the consideration to which the Company expects to be entitled to receive in exchange for these goods or services, and excludes any sales incentives or taxes collected from customers which are subsequently remitted to government authorities.

Disaggregated Revenue - The Company disaggregates revenue by operating segment and by geography for each strategic business unit which are categories that depict how the nature, amount and uncertainty of revenue and cash flows are affected by economic factors. The disaggregation in the tables below reflects where revenue is

earned based on the shipping address of our customers unless otherwise noted. This disaggregation also represents how the Company evaluates its financial performance, as well as how the Company communicates its financial performance to the investors and other users of its financial statements. Each strategic business unit represents one of the Company's reportable segments and offers different products and services. During the second quarter of 2026, the Company completed the sale of Sterno's food service business. Prior to the sale, Sterno distributed Rimports, its home fragrance business, to its stockholders, and Rimports remained a majority owned subsidiary of the LLC. Accordingly, the disaggregation of revenue by reportable segment includes the results of Sterno's food service business through the May 1, 2026 date of sale and the results of Rimports for all periods presented, including the three and nine months ended September 30, 2025 and 2026. The results of operations of Lugano are included in the Company's consolidated results of operations for the period from January 1, 2025 through November 16, 2025 and therefore in the disaggregation of revenue by reportable segment in the table below only for the three and nine months ended September 30, 2025.

The following tables provide disaggregation of revenue by reportable segment geography for the three and nine months ended September 30, 2026 and 2025 (in thousands):

	Three months ended September 30, 2026					
	United States	Mexico	Europe	Asia Pacific	Other International	Total
5.11	$ 102,312	$ 11,064	$ 7,983	$ 5,453	$ 7,054	$ 133,866
BOA [1]	13,096	—	25,773	13,909	192	52,970
PrimaLoft	313	—	874	14,749	375	16,311
The Honey Pot Co.	42,774	—	—	—	—	42,774
Velocity Outdoor	29,215	—	20	4	480	29,719
Altor	61,801	2,826	—	—	—	64,627
Arnold	30,056	—	13,301	2,733	1,564	47,654
Rimports	33,278	—	807	—	924	35,009
Total	$ 312,845	$ 13,890	$ 48,758	$ 36,848	$ 10,589	$ 422,930

	Three months ended September 30, 2025					
	United States	Mexico	Europe	Asia Pacific	Other International	Total
5.11	$ 109,042	$ 12,800	$ 8,012	$ 4,375	$ 9,011	$ 143,240
BOA [1]	10,539	14	21,832	11,458	98	43,941
Lugano	16,184	—	1,166	—	—	17,350
PrimaLoft	307	—	678	12,046	263	13,294
The Honey Pot Co.	34,708	—	—	—	19	34,727
Velocity Outdoor	28,625	—	10	14	391	29,040
Altor	75,827	3,997	—	—	—	79,824
Arnold	23,833	—	10,755	2,110	988	37,686
Sterno	70,342	—	1,212	1	1,905	73,460
Total	$ 369,407	$ 16,811	$ 43,665	$ 30,004	$ 12,675	$ 472,562

	Nine months ended September 30, 2026					
	United States	Mexico	Europe	Asia Pacific	Other International	Total
5.11	$ 301,012	$ 21,440	$ 23,978	$ 14,788	$ 23,119	$ 384,337
BOA [1]	42,961	10	82,726	37,900	549	164,146
PrimaLoft	674	—	2,863	63,276	1,164	67,977
The Honey Pot Co.	126,318	—	—	—	2	126,320
Velocity Outdoor	58,998	—	101	16	1,539	60,654
Altor	186,974	7,957	—	—	—	194,931
Arnold	81,480	55	37,423	7,947	4,154	131,059
Rimports	138,006	—	2,423	—	3,974	144,403
Total	$ 936,423	$ 29,462	$ 149,514	$ 123,927	$ 34,501	$ 1,273,827

	Nine months ended September 30, 2025					
	United States	Mexico	Europe	Asia Pacific	Other International	Total
5.11	$ 318,684	$ 23,353	$ 24,009	$ 12,946	$ 25,060	$ 404,052
BOA [1]	37,497	30	70,230	33,138	292	141,187
Lugano	63,955	—	2,830	95	4,086	70,966
PrimaLoft	919	—	2,437	57,640	798	61,794
The Honey Pot Co.	103,673	—	—	—	43	103,716
Velocity Outdoor	56,496	—	69	32	857	57,454
Altor	224,635	14,751	—	—	—	239,386
Arnold	71,610	71	30,896	4,971	2,578	110,126
Sterno	207,572	—	2,821	1	5,952	216,346
Total	$ 1,085,041	$ 38,205	$ 133,292	$ 108,823	$ 39,666	$ 1,405,027

[1] For BOA, revenue reflects the location of the Brand Partners of the business.

Note D — Property, Plant and Equipment and Inventory

Property, plant and equipment

Property, plant and equipment is comprised of the following at September 30, 2026 and December 31, 2025 *(in thousands)*:

	September 30, 2026	December 31, 2025
Machinery and equipment	$ 267,352	$ 288,698
Furniture, fixtures and other	73,502	70,452
Leasehold improvements	100,878	99,449
Buildings and land	4,277	11,805
Construction in process	17,735	22,474
	463,744	492,878
Less: accumulated depreciation	(281,119)	(283,136)
Total	$ 182,625	$ 209,742

Depreciation expense was $10.3 million and $32.6 million for the three and nine months ended September 30, 2026 and $10.9 million and $34.2 million for the three and nine months ended September 30, 2025, respectively.

Inventory

Inventory is comprised of the following at September 30, 2026 and December 31, 2025 *(in thousands)*:

	September 30, 2026	December 31, 2025
Raw materials	$ 62,146	$ 71,641
Work-in-process	20,213	16,667
Finished goods	314,535	347,196
Less: obsolescence reserve	(26,666)	(31,402)
Total	$ 370,228	$ 404,102

Note E — Goodwill and Other Intangible Assets

As a result of acquisitions of various businesses, the Company has significant intangible assets on its balance sheet that include goodwill and an indefinite-lived intangible. The Company's goodwill and indefinite-lived intangibles are tested and reviewed for impairment annually as of March 31st or more frequently if facts and circumstances warrant by comparing the fair value of each reporting unit to its carrying value. Each of the Company's businesses represent a reporting unit.

Goodwill

Annual Impairment Testing

The Company uses a qualitative approach to test goodwill and indefinite lived intangible assets for impairment by first assessing qualitative factors to determine whether it is more-likely-than-not that the fair value of a reporting unit is less than its carrying amount as a basis for determining whether it is necessary to perform quantitative goodwill impairment testing.

2026 Annual Impairment Testing

For the Company's annual goodwill impairment test as of March 31, 2026, the Company performed a qualitative assessment of its reporting units with goodwill balances to determine whether it was more-likely-than-not that the fair value of each reporting unit was less than its carrying amount. Based on this assessment, the Company concluded that it was more-likely-than-not that the fair value of each reporting unit exceeded its carrying amount, except the PrimaLoft reporting unit. As a result, the Company performed a quantitative goodwill impairment test for the PrimaLoft reporting unit.

The Company estimated the fair value of the PrimaLoft reporting unit using a combination of the income approach (discounted cash flow method) and the market approach (guideline company multiples). Significant assumptions used in the quantitative test included, among others, projected revenue growth, operating margins, the terminal growth rate and the discount rate, each of which reflects management's best estimates based on historical performance, current market conditions and expectations of future operating performance. The discount rate used in the income approach was 13.4%. The quantitative test indicated that the fair value of the PrimaLoft reporting unit was less than its carrying amount; accordingly, the Company recorded a goodwill impairment charge of $20.5 million during the three months ended March 31, 2026, which is included in operating income/(loss) in the consolidated statements of operations.

2025 Annual Impairment Testing

For the Company's annual impairment testing at March 31, 2025, the Company performed a qualitative assessment of our reporting units with goodwill balances. The results of the qualitative analysis indicated that it was more-likely-than-not that the fair value of each of the reporting units tested except the PrimaLoft reporting unit exceeded their carrying value. Based on the Company's analysis, the Company determined that the PrimaLoft reporting unit required quantitative testing because we could not conclude that the fair value of this reporting unit significantly exceeded the carrying value based on qualitative factors alone. The Company performed a quantitative test of PrimaLoft using an income approach and a market approach to determine the fair value of the PrimaLoft reporting unit. The discount rate used in the income approach was 11.3%. The results of the testing indicated that the fair value of PrimaLoft exceeded the carrying value by 12.1%.

2025 Interim Impairment Testing

Arnold - The Company performed an interim impairment test of goodwill at Arnold as of October 31, 2025. During 2025, Arnold was negatively impacted by both production delays related to facility transitions, and supply chain constraints caused by export controls and disruption in the market for rare earth minerals, a key component in certain of Arnold's products. As a result, the operating results of Arnold were below our forecast and prior year results for the business. While Arnold's backlog continued to grow, the production delays and supply chain disruption caused by the export controls led us to determine that a triggering event had occurred. The Company used an income approach for the impairment test, whereby we estimated the fair value of the reporting unit based on the present value of future cash flows. Cash flow projections are based on management's estimate of revenue growth rates and operating margins and take into consideration industry and market conditions as well as company specific economic factors. The Company used a discount rate of 14.2% in the income approach. The results of the testing indicated that the fair value of Arnold exceeded the carrying value by 77%.

The following is a summary of the net carrying amount of goodwill at September 30, 2026 and December 31, 2025, *(in thousands)*:

	September 30, 2026	December 31, 2025
Goodwill - gross carrying amount	$ 1,006,729	$ 1,050,748
Accumulated impairment losses [1]	(175,827)	(155,327)
Goodwill - net carrying amount	$ 830,902	$ 895,421

[1] Comprised of accumulated goodwill impairment expense of $72.7 million at Velocity, $24.9 million at Arnold and $78.3 million at PrimaLoft.

The following is a reconciliation of the change in the carrying value of goodwill for the nine months ended September 30, 2026 by operating segment *(in thousands)*:

	Balance at January 1, 2026	Goodwill Impairment	Other	Balance at September 30, 2026
5.11	$ 92,966	$ —	$ —	$ 92,966
BOA	254,153	—	—	254,153
PrimaLoft	232,536	(20,500)	—	212,036
The Honey Pot Co.	107,039	—	—	107,039
Velocity Outdoor	—	—	—	—
Altor	114,124	—	—	114,124
Arnold	39,267	—	—	39,267
Rimports [1]	55,336	—	(44,019)	11,317
Total	$ 895,421	$ (20,500)	$ (44,019)	$ 830,902

[1] The Sterno food service product division was sold on May 1, 2026. The balance at September 30, 2026 represents the goodwill balance of the Rimports product division that remains after the sale of Sterno.

Long lived assets

Other intangible assets are comprised of the following at September 30, 2026 and December 31, 2025 *(in thousands)*:

	September 30, 2026			December 31, 2025		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Customer relationships	$ 710,654	$ (340,460)	$ 370,194	$ 772,137	$ (362,737)	$ 409,400
Technology and patents	202,222	(103,846)	98,376	201,049	(92,853)	108,196
Trade names, subject to amortization	454,316	(128,242)	326,074	453,512	(109,665)	343,847
Non-compete agreements	1,588	(1,588)	—	1,588	(1,530)	58
Other contractual intangible assets	90	(90)	—	210	(210)	—
Total	1,368,870	(574,226)	794,644	1,428,496	(566,995)	861,501
Trade names, not subject to amortization [(1)]	—	—	—	30,810	—	30,810
In-process research and development [(2)]	500	—	500	500	—	500
Total intangibles, net	$ 1,369,370	$ (574,226)	$ 795,144	$ 1,459,806	$ (566,995)	$ 892,811

[(1)] Represents the indefinite-lived trade name related to the Sterno operating segment that was sold in May 2026.

[(2)] In-process research and development is considered indefinite-lived until the underlying technology becomes viable, at which point the intangible asset will be amortized over the expected useful life.

Amortization expense related to intangible assets was $22.7 million and $68.2 million for the three and nine months ended September 30, 2026 and $23.3 million and $69.7 million for the three and nine months ended September 30, 2025, respectively.

Estimated charges to amortization expense of intangible assets for the remainder of 2026 and the next four years, are as follows *(in thousands)*:

2026	2027	2028	2029	2030
$ 22,565	$ 81,600	$ 79,499	$ 79,377	$ 79,217

Interim long-lived asset impairment testing

Lugano - As a result of the preliminary findings of the Lugano Investigation, the Company determined that a triggering event had occurred in the second quarter of 2025 and tested the long-lived assets of Lugano for impairment. The long-lived assets at Lugano were comprised of a tradename intangible asset, property, plant and equipment and right-of-use lease assets. The long-lived assets were assessed as definite lived assets to be held and used as of the impairment testing in the second quarter. The assessment of the recoverability of the carrying value of the Lugano assets resulted in an impairment loss of $29.5 million related to property, plant and equipment and $1.9 million related to right-of-use assets as of June 30, 2025. The impairment of the property, plant and equipment reflects the amount by which the carrying value of these assets exceed their estimated fair value, with fair value determined primarily through a market comparison method. The right-of-use asset related to a retail salon in Toronto, Canada. At the time of the triggering event, the Toronto retail salon had not yet opened and the Company's assessment determined that given the findings of the Lugano Investigation, it was unlikely that the Toronto salon would open in the near term. The impairment test for right-of-use assets involves comparing the right-of-use asset's carrying value to the undiscounted cash flows expected from its future use. Given the expectation that the Toronto retail salon would not open, no cash flows were expected from its future use and an impairment loss was recognized for the entire balance of the right-of-use asset associated with the Toronto salon lease.

Note F — Warranties

The Company's BOA and Velocity Outdoor operating segments estimate their exposure to warranty claims based on both current and historical product sales data and warranty costs incurred. The Company assesses the adequacy of its recorded warranty liability quarterly and adjusts the amount as necessary. Warranty liability is included in accrued expenses in the accompanying consolidated balance sheets. A reconciliation of the change in the carrying value of the Company's warranty liability for the nine months ended September 30, 2026 and the year ended December 31, 2025 is as follows (*in thousands*):

Warranty liability	Nine months ended September 30, 2026	Year ended December 31, 2025
Beginning balance	$ 1,293	$ 1,121
Provision for warranties issued during the period	1,500	2,399
Fulfillment of warranty obligations	(1,315)	(2,227)
Ending balance	$ 1,478	$ 1,293

Note G — Debt

2022 Credit Facility

The LLC is party to a Third Amended and Restated Credit Agreement, dated July 12, 2022, as amended from time to time, which we refer to as the "2022 Credit Facility." On August 6, 2026, the LLC entered into a Sixth Amendment to the 2022 Credit Facility (the "Sixth Amendment") with Bank of America, N.A. (the "Administrative Agent"), in its capacity as administrative agent for the lenders, swing line lender, and L/C issuer. The Sixth Amendment, among other things, waived the milestone fees that otherwise would have been payable under the Fifth Amendment Transaction Letter, reduced the aggregate revolving commitments under the Credit Agreement from $100,000,000 to $54,000,000, and extended the maturity date to January 12, 2028. The Sixth Amendment also made several other changes to the Credit Agreement, including reducing the portion of Combined Eligible Availability that may be attributable to any individual subsidiary business from 40% to 25%, removing the Incremental Delayed Draw Term Loan facility, permitting Rimports Holdings, Inc., any other individual subsidiary business approved by the administrative agent, and their respective subsidiaries to enter into supply chain financing arrangements, and permitting the Company and its subsidiaries to pay fees under the Ninth Amended and Restated Management Services Agreement, dated July 12, 2026, between the Company and Compass Group Management LLC. In addition, the Sixth Amendment reduced the aggregate amount available under the incremental facilities from $250,000,000 to $150,000,000. Under the Sixth Amendment, the Company is required to maintain a Consolidated Total Leverage Ratio of no more than (a) 5.75 to 1.00 for the fiscal quarter ending September 30, 2026, (b) 5.25 to 1.00 for the fiscal quarters ending December 31, 2026 and March 31, 2027, (c) 5.00 to 1.00 for fiscal quarters ending June 30, 2027 and September 30, 2027 and (d) 4.50 to 1.00 for each fiscal quarter thereafter. If the Company has not repaid the term loans under the Credit Agreement on or before December 31, 2026, the Company will be required to pay a milestone fee in the amount of $4,000,000.

In October 2026, the Company used the $29.8 million distribution received in September 2026 in connection with the Lugano bankruptcy to repay a portion of the term loans under the 2022 Credit Facility.

At September 30, 2026, there were no revolving borrowings and approximately $1.0 million of outstanding letters of credit under the 2022 Credit Facility, resulting in net availability of approximately $53.0 million. Amounts outstanding under the 2022 Credit Facility mature on January 12, 2028.

Borrowings bear interest at either a base rate or Term SOFR, plus an applicable margin based on the Company's Consolidated Total Leverage Ratio, which applicable margin ranges from 0.50% to 2.25% for borrowings bearing interest based on the base rate and from 1.50% to 3.25% for borrowings bearing interest based on Term SOFR. The 2022 Credit Facility is secured by substantially all assets of the Company, including equity interests in, and loans to, its consolidated subsidiaries, and contains customary affirmative and negative covenants, financial covenants, restrictions on certain restricted payments and management fee payments, enhanced reporting requirements, and requirements to use net cash proceeds from certain dispositions and deleveraging transactions to repay indebtedness.

Senior Notes

The Company has outstanding $1,029.4 million aggregate principal amount of 5.250% Senior Notes due April 15, 2029 (the "2029 Senior Notes") and $308.8 million aggregate principal amount of 5.000% Senior Notes due January 15, 2032 (the "2032 Senior Notes"), which we refer to collectively as the "Senior Notes." Interest on the 2029 Senior Notes is payable in cash semi-annually on April 15 and October 15 of each year, and interest on the 2032 Senior Notes is payable in cash semi-annually on January 15 and July 15 of each year. The outstanding principal amounts of the Senior Notes reflect paid-in-kind payments made in 2025 in connection with an indenture forbearance arrangement which was described in detail in the 2025 Form 10-K.

The Senior Notes rank equal in right of payment with all of the Company's existing and future senior unsecured indebtedness and senior in right of payment to all of the Company's future subordinated indebtedness, if any. The Senior Notes are effectively subordinated to the Company's existing and future secured indebtedness, including indebtedness under the 2022 Credit Facility, to the extent of the value of the assets securing such indebtedness. The indentures governing the Senior Notes contain customary restrictive covenants, subject to certain exceptions, including limitations on the incurrence of additional indebtedness, restricted payments, transactions with affiliates, asset sales, mergers and consolidations, subsidiary guarantees, liens, sale-leaseback transactions and certain investments.

Lugano Financing Arrangements

Lugano entered into various financing arrangements with third parties that were not recorded in the financial statements of Lugano as debt. In connection with the Lugano Investigation, the Company determined that the inventory and sales transactions recorded in connection with these financing agreements were invalid because they were inconsistent with the underlying substance of the agreements. These financing arrangements represented debt and the financing arrangements and related interest expense were recorded in the consolidated financial statements. Interest expense was determined based on documentation related to the underlying arrangement or, when no documentation existed related to the financing arrangement, imputed based on various factors associated with the arrangement. Lugano recorded $20.8 million in interest expense in the nine months ended September 30, 2025 related to these financing arrangements which is included in interest expense in the consolidated statement of operations.

Covenants

The Company is subject to customary affirmative and restrictive covenants under the 2022 Credit Facility, including financial maintenance covenants. The following table reflects the financial covenant requirements and actual ratios as of September 30, 2026 under the 2022 Credit Facility, as amended by the Sixth Amendment:

Description of Required Covenant Ratio	Covenant Ratio Requirement	Actual Ratio
Consolidated Fixed Charge Coverage Ratio	Greater than or equal to 1.00:1.00	1.82:1.00
Consolidated Senior Secured Leverage Ratio	Less than or equal to 2.50: 1.00	0.48:1.00
Consolidated Total Leverage Ratio	Less than or equal to 5.75: 1.00	4.53:1.00

As of September 30, 2026, the Company was in compliance with all covenants as defined by the 2022 Credit Facility, as amended.

The following table provides the Company's outstanding long-term debt and effective interest rates at September 30, 2026 and December 31, 2025 *(in thousands)*:

	September 30, 2026		December 31, 2025	
	Effective Interest Rate	Amount	Effective Interest Rate	Amount
2029 Senior Notes	5.25%	$ 1,029,371	8.15%	$ 1,029,371
2032 Senior Notes	5.00%	308,811	7.93%	308,811
2022 Credit Facility - Term Loan	7.11%	233,500	10.14%	552,500
Unamortized premiums and debt issuance costs		(10,410)		(13,365)
Total debt		$ 1,561,272		$ 1,877,317
Less: Current portion of long-term debt		(75,000)		(37,500)
Long-term debt		$ 1,486,272		$ 1,839,817

The contractual annual maturities of the Company's debt obligations at September 30, 2026 are as follows (*in thousands*):

Remainder of 2026	$ 11,250
2027	45,000
2028	177,250
2029	1,029,371
2030	—
2031 and thereafter	308,811
	$ 1,571,682

The Senior Notes consisted of the following carrying value and estimated fair value (*in thousands*):

	Maturity Date	Rate	Fair Value Hierarchy Level	September 30, 2026	
				Carrying Value	Fair Value
2032 Senior Notes	January 15, 2032	5.000 %	2	$ 308,811	$ 273,298
2029 Senior Notes	April 15, 2029	5.250 %	2	$ 1,029,371	$ 965,035

Debt Issuance Costs

Deferred debt issuance costs represent the costs incurred in connection with the Company's financing arrangements. Debt issuance costs associated with the revolving loan commitments under the 2022 Credit Facility are recorded in other non-current assets because the commitments are available under a revolving credit arrangement. Debt issuance costs associated with term loans under the 2022 Credit Facility and the Senior Notes are recorded as a reduction of the related debt balances.The Company recorded $1.7 million in deferred debt issuance costs related to the Sixth Amendment of the 2022 Credit Facility in the three months ended September 30, 2026. The Sixth Amendment to the 2022 Credit Facility reduced the aggregate borrowing amount available for revolving commitments to $54 million from $100 million. As a result of the reduction in available revolving commitments, the Company wrote-off a portion of the deferred financing costs associated with the 2022 Revolving Credit Facility and recognized $1.0 million in loss on debt modification in the third quarter of 2026.

The following table summarizes debt issuance costs at September 30, 2026 and December 31, 2025, and the balance sheet classification in each of the periods presented (*in thousands*):

	September 30, 2026	December 31, 2025
Deferred debt issuance costs	$ 39,518	$ 38,906
Accumulated amortization	(27,654)	(21,849)
Deferred debt issuance costs, net	$ 11,864	$ 17,057
Balance sheet classification:		
Other noncurrent assets	$ 1,454	$ 3,692
Long-term debt	10,410	13,365
	$ 11,864	$ 17,057

Note H — Stockholders' Equity

Trust Common Shares

The Trust is authorized to issue 500,000,000 Trust common shares and the LLC is authorized to issue a corresponding number of Trust common interests. The Company will at all times have the identical number of Trust interests outstanding as Trust shares. Each Trust share represents an undivided beneficial interest in the Trust, and each Trust share is entitled to one vote per share on any matter with respect to which members of the LLC are entitled to vote. At September 30, 2026, the Trust had 76,135,000 common shares issued and 75,236,000 common shares outstanding. The Company did not issue any common shares under its at-the-market equity programs during the three months ended September 30, 2026, and, as a result of the commencement of the Lugano Investigation and related events, the Company determined during the quarter ended June 30, 2025 that it was unable to continue offering and selling common shares under this program. The Company did not declare or pay any distributions on its common shares during the three months ended September 30, 2026, following the suspension of common share distributions in 2025.

Trust Preferred Shares

The Trust is authorized to issue up to 50,000,000 Trust preferred shares and the Company is authorized to issue a corresponding number of Trust preferred interests.

The Trust has outstanding 7.250% Series A Preferred Shares, 7.875% Series B Preferred Shares and 7.875% Series C Preferred Shares, each representing beneficial interests in the Trust (collectively, the "Preferred Shares"). Each series of Preferred Shares has a liquidation preference of $25.00 per share. Distributions on the Series A Preferred Shares are discretionary and non-cumulative. When, and if declared by the Company's board of directors, distribution on the Series A Preferred Shares will be payable quarterly on January 30, April 30, July 30, and October 30 of each year, at a rate per annum of 7.250%. Distributions on the Series B Preferred Shares and Series C Preferred Shares are cumulative and, when and as declared by the Company's board of directors, are also payable quarterly in arrears on January 30, April 30, July 30 and October 30 of each year. The Series B Preferred Shares bear distributions at a fixed rate of 7.875% per annum until April 30, 2028, after which the distribution rate will reset quarterly at a floating rate equal to the applicable successor to three-month LIBOR plus a spread of 4.985% per annum. Distributions on the Series C Preferred Shares are payable at a rate per annum of 7.875%.

At September 30, 2026, accumulated and unpaid distributions were approximately $2.5 million on the Series B Preferred Shares and approximately $2.6 million on the Series C Preferred Shares. The Series A Preferred Shares and Series C Preferred Shares are currently redeemable at the Company's option, in whole or in part, and the Series B Preferred Shares are redeemable at the Company's option, in whole or in part, on or after April 30, 2028, in each case at a redemption price of $25.00 per share plus any applicable declared or accumulated and unpaid distributions to, but excluding, the redemption date. The Preferred Shares are not convertible into Trust common shares and have no voting rights, except in limited circumstances as provided in the applicable share designations.

Unless full cumulative distributions on the Series B Preferred Shares and Series C Preferred Shares have been declared and paid or set apart for payment for all past distribution periods, the Company may not declare or pay distributions on the Trust common shares. In addition, if the Company's board of directors does not declare a

distribution on the Series A Preferred Shares for a quarterly distribution period, the Company may not declare or pay distributions on the Trust common shares during the remainder of that quarterly distribution period.

At-the-Market Equity Offering Program

In 2024, the Company established at-the-market equity offering program for the Preferred Shares. As a result of the commencement of the Lugano Investigation and related events, the Company determined during the quarter ended June 30, 2025 that it was unable to continue offering and selling its preferred shares under the Amended Preferred Sales Agreement. No preferred shares were sold during the three and nine months ended September 30, 2026.

The following table reflects the activity in the preferred share ATM program during the nine months ended September 30, 2025 *(in thousands, except share data)*:

	Nine months ended September 30, 2025		
	Number of Shares Sold	Net Proceeds	Commissions Paid
Series A Preferred Shares	127,078	$ 2,854	$ 58
Series B Preferred Shares	1,331,522	29,869	611
Series C Preferred Shares	1,152,584	26,285	537
Total	2,611,184	$ 59,008	$ 1,206

The Company incurred less than $0.1 million in total costs related to the preferred share ATM program during the nine months ended September 30, 2025.

Allocation Interests

The holder of the Allocation Interests (the "Holder"), Sostratus LLC, is entitled to receive distributions pursuant to a profit allocation formula upon the occurrence of certain events. The profit allocation is payable upon the sale of a business (a "Sale Event") and, at the election of the Holder, during the 30-day period following the fifth anniversary of the date upon which the Company acquired a controlling interest in a business (a "Holding Event"). The Company records distributions of the profit allocation upon occurrence of a Sale Event or Holding Event as dividends declared on Allocation Interests within stockholders' equity when approved by the Company's board of directors.

The deconsolidation of Lugano in November 2025 represented a Sale Event; however the calculation of the profit allocation payment resulted in a negative amount. Therefore no profit allocation payment was due to the Holder. The negative amount will offset future profit allocation payments due to the Holder.

The sale of the Sterno food service product division in the second quarter of 2026 was a Sale Event. Although the sale of Sterno resulted in the calculation of a positive profit allocation distribution, no amount will be paid to the Holder as a result of the sale of Sterno as the amount of profit allocation payment due was not sufficient to exceed the high water mark in the profit allocation formula.

Reconciliation of net income (loss) available to common shares of Holdings

The following table reconciles net income (loss) attributable to Holdings to net income (loss) attributable to the common shares of Holdings (*in thousands*):

	Three months ended September 30,		Nine months ended September 30,	
	2026	2025	2026	2025
Net income (loss) from continuing operations attributable to Holdings	$ 21,109	$ (73,492)	$ 69,802	$ (157,551)
Less: Distributions paid - Preferred Shares	9,714	9,715	29,143	27,863
Less: Accrued distributions - Preferred Shares	5,148	5,148	5,148	5,148
Net income (loss) from continuing operations attributable to common shares of Holdings	$ 6,247	$ (88,355)	$ 35,511	$ (190,562)

Earnings per share

The Company calculates basic and diluted earnings per share using the two-class method which requires the Company to allocate to participating securities that have rights to earnings that otherwise would have been available only to Trust shareholders as a separate class of securities in calculating earnings per share. The Allocation Interests are considered participating securities that contain participating rights to receive profit allocations upon the occurrence of a Holding Event or Sale Event. The calculation of basic and diluted earnings per share for the three and nine months ended September 30, 2026 and 2025 reflects the incremental increase during the period in the profit allocation distribution to Holder related to Holding Events.

Basic and diluted earnings per share for the three and nine months ended September 30, 2026 and 2025 attributable to the common shares of Holdings is calculated as follows *(in thousands, except per share data)*:

	Three months ended September 30,		Nine months ended September 30,	
	2026	2025	2026	2025
Net income (loss) from continuing operations attributable to common shares of Holdings	$ 6,247	$ (88,355)	$ 35,511	$ (190,562)
Less: Effect of contribution based profit - Holding Event	2,293	1,902	3,691	—
Net income (loss) from continuing operations attributable to common shares of Holdings	$ 3,954	$ (90,257)	$ 31,820	$ (190,562)
Income from discontinued operations attributable to Holdings	$ 435	$ (523)	$ 2,072	$ 2,326
Less: Effect of contribution based profit - Holding Event	—	—	—	—
Income from discontinued operations attributable to common shares of Holdings	$ 435	$ (523)	$ 2,072	$ 2,326
Basic and diluted weighted average common shares outstanding	75,236	75,236	75,236	75,236
Basic and diluted income (loss) per common share attributable to Holdings				
Continuing operations	$ 0.05	$ (1.20)	$ 0.42	$ (2.53)
Discontinued operations	0.01	(0.01)	0.03	0.03
	$ 0.06	$ (1.21)	$ 0.45	$ (2.50)

Distributions

On May 27, 2025, the Company announced that it suspended the quarterly cash distribution historically paid to common shareholders. No common distributions were paid subsequent to April 24, 2025. The following table summarizes information related to our quarterly cash distributions on our Trust common and preferred shares (*in thousands, except per share data*):

Period	Cash Distribution per Share	Total Cash Distributions	Record Date	Payment Date
Trust Common Shares:				
January 1, 2025 - March 31, 2025	$ 0.25	$ 18,809	April 17, 2025	April 24, 2025
Series A Preferred Shares:				
July 30, 2026 - October 29, 2026 [1]	$ 0.453125	$ 2,120	October 15, 2026	October 30, 2026
April 30, 2026 - July 29, 2026	$ 0.453125	$ 2,120	July 15, 2026	July 30, 2026
January 30, 2026 - April 29, 2026	$ 0.453125	$ 2,120	April 15, 2026	April 30, 2026
October 30, 2025 - January 29, 2026	$ 0.453125	$ 2,120	January 15, 2026	January 30, 2026
July 30, 2025 - October 29, 2025	$ 0.453125	$ 2,120	October 15, 2025	October 30, 2025
April 30, 2025 - July 29, 2025	$ 0.453125	$ 2,120	July 15, 2025	July 30, 2025
January 30, 2025 - April 29, 2025	$ 0.453125	$ 2,120	April 15, 2025	April 30, 2025
October 30, 2024 - January 29, 2025	$ 0.453125	$ 2,062	January 15, 2025	January 30, 2025

Series B Preferred Shares:						
July 30, 2026 - October 29, 2026 [1]	$	0.4921875	$	3,703	October 15, 2026	October 30, 2026
April 30, 2026 - July 29, 2026	$	0.4921875	$	3,703	July 15, 2026	July 30, 2026
January 30, 2026 - April 29, 2026	$	0.4921875	$	3,703	April 15, 2026	April 30, 2026
October 30, 2025 - January 29, 2026	$	0.4921875	$	3,703	January 15, 2026	January 30, 2026
July 30, 2025 - October 29, 2025	$	0.4921875	$	3,703	October 15, 2025	October 30, 2025
April 30, 2025 - July 29, 2025	$	0.4921875	$	3,703	July 15, 2025	July 30, 2025
January 30, 2025 - April 29, 2025	$	0.4921875	$	3,703	April 15, 2025	April 30, 2025
October 30, 2024 - January 29, 2025	$	0.4921875	$	3,048	January 15, 2025	January 30, 2025
Series C Preferred Shares:						
July 30, 2026 - October 29, 2026 [1]	$	0.4921875	$	3,892	October 15, 2026	October 30, 2026
April 30, 2026 - July 29, 2026	$	0.4921875	$	3,892	July 15, 2026	July 30, 2026
January 30, 2026 - April 29, 2026	$	0.4921875	$	3,892	April 15, 2026	April 30, 2026
October 30, 2025 - January 29, 2026	$	0.4921875	$	3,892	January 15, 2026	January 30, 2026
July 30, 2025 - October 29, 2025	$	0.4921875	$	3,892	October 15, 2025	October 30, 2025
April 30, 2025 - July 29, 2025	$	0.4921875	$	3,892	July 15, 2025	July 30, 2025
January 30, 2025 - April 29, 2025	$	0.4921875	$	3,892	April 15, 2025	April 30, 2025
October 30, 2024 - January 29, 2025	$	0.4921875	$	3,324	January 15, 2025	January 30, 2025

[1] This distribution was declared on October 1, 2026.

Note I — Noncontrolling Interest

Noncontrolling interest represents the portion of the Company's majority owned subsidiaries' net income (loss) and equity that is owned by noncontrolling shareholders. The following tables reflect the LLC's ownership percentage of its majority owned operating segments and related noncontrolling interest balances as of September 30, 2026 and December 31, 2025:

	% Ownership [1] September 30, 2026		% Ownership [1] December 31, 2025	
	Primary	Fully Diluted	Primary	Fully Diluted
5.11	96.9	88.8	97.8	87.6
BOA	91.4	84.1	91.4	82.8
PrimaLoft	90.7	85.3	90.7	84.7
The Honey Pot Co.	85.0	77.0	85.0	76.5
Velocity Outdoor	99.4	93.2	99.4	93.2
Altor	98.8	92.5	99.3	90.5
Arnold	98.0	82.0	98.0	82.8
Rimports [2]	93.3	93.3	98.4	92.2

[1] The principal difference between primary and diluted percentages of our operating segments is due to stock option issuances of subsidiary stock to management of the respective businesses.

[2] As of December 31, 2025, the Company owned approximately 98.4% of Sterno on a primary basis, inclusive of its indirect ownership interest in Rimports. In connection with the Rimports Distribution completed immediately prior to the sale of Sterno's food service business, the Sterno stockholders, including holders of in-the-money Sterno equity awards, received their proportionate interests in Rimports. As a result, as of September 30, 2026, the Company continued to own approximately 93.3% of Rimports on a primary and fully diluted basis and consolidates Rimports in its condensed consolidated financial statements, with the remaining ownership interest reflected as noncontrolling interest. Following the May 1, 2026 sale, the Company no longer owns an equity interest in Sterno's food service business.

(in thousands)	Noncontrolling Interest Balances	
	September 30, 2026	December 31, 2025
5.11	$ 12,427	$ 14,605
BOA	29,563	23,330
PrimaLoft	33,416	33,599
The Honey Pot Co.	46,948	43,417
Velocity Outdoor	6,914	6,917
Altor	6,762	7,067
Arnold	1,716	1,592
Rimports [1]	4,222	1,012
Allocation Interests	100	100
	$ 142,068	$ 131,639

[1] The noncontrolling interest balance at Rimports as of December 31, 2025 reflected the ownership interest in Sterno held by minority shareholders. In connection with the Rimports Distribution completed immediately prior to the May 1, 2026 sale of Sterno's food service business, Sterno's shareholders, received their proportionate interests in Rimports. Accordingly, the noncontrolling interest balance at September 30, 2026 primarily reflects the ownership interest in Rimports held by minority shareholders.

Note J — Fair Value Measurement

Recurring Fair Value Measurements

The following tables present, by level within the fair value hierarchy, the Company's financial assets and liabilities that are measured at fair value on a recurring basis as of September 30, 2026 or December 31, 2025 according to the valuation technique utilized to determine their fair values.

(in thousands)	Fair Value Measurements at September 30, 2026			
	Carrying Value	Level 1	Level 2	Level 3
Assets:				
Special Beneficial Interest	$ 9,500	$ —	$ —	$ 9,500
Total recorded at fair value	$ 9,500	$ —	$ —	$ 9,500

(in thousands)	Fair Value Measurements at December 31, 2025			
	Carrying Value	Level 1	Level 2	Level 3
Assets:				
Receivable due from unconsolidated affiliate	$ 97,000	$ —	$ —	$ 97,000
Total recorded at fair value	$ 97,000	$ —	$ —	$ 97,000

The Company had no assets or liabilities Level 3 fair value measurements during the nine months ended September 30, 2025. A reconciliation of the change in the carrying value of the Company's Level 3 fair value measurement during the nine months ended September 30, 2026 is as follows:

	Nine months ended September 30, 2026
Balance at January 1st	$ 97,000
Change in fair value of receivable due from unconsolidated affiliate	(58,000)
Distribution received	(29,803)
	9,197
Change in fair value of receivable due from unconsolidated affiliate	303
Balance at September 30th	$ 9,500

Valuation Techniques

During the quarter, the Company began applying a new valuation technique to measure the fair value of the Special Beneficial Interest recognized in connection with the Lugano liquidation. The Company did not change the valuation techniques used to measure any of its other financial assets and liabilities during the period. For details of the Company's fair value measurement policies under the fair value hierarchy, refer to the 2025 Form 10-K.

In connection with the recognition of the Special Beneficial Interest during the period, the fair value of the Special Beneficial Interest was estimated using an expected cash flow approach based on the Company's contractual participation percentages and management's estimates of the timing and amount of expected net proceeds from specified tax refunds. The significant unobservable inputs include the estimated amount and timing of the tax-refund recoveries, applicable deductions and discounting. Because these inputs are not observable in the market, the Special Beneficial Interest is classified within Level 3 of the fair value hierarchy. No value was ascribed to potential litigation rights because of the expected cost and duration of pursuing them and the priority of trust expenses. No value was ascribed to theft-policy insurance recoveries because coverage is uncertain and any recovery would likely require a coverage dispute with the insurers, with cost and duration similar to the litigation rights. No value was ascribed to the Company's share of any released Effective Date reserves or to its right to residual proceeds after general unsecured claims are paid in full because of uncertainty regarding amount and timing. Accordingly, the September 30, 2026 fair-value measurement reflects the Company's 34.79% share of estimated 2021–2023 tax refunds, net of applicable deductions and discounting.

Nonrecurring Fair Value Measurements

The following table provides the assets and liabilities carried at fair value measured on a non-recurring basis as of September 30, 2026 and December 31, 2025. Refer to "Note E - Goodwill and Intangible Assets", for a description of the valuation techniques used to determine fair value of the assets measured on a non-recurring basis in the tables below.

	Fair Value Measurements at September 30, 2026				Expense Nine months ended
(in thousands)	Carrying Value	Level 1	Level 2	Level 3	September 30, 2026
Goodwill - PrimaLoft	$ 212,036	—	—	$ 212,036	$ 20,500

	Fair Value Measurements at December 31, 2025				Expense Year ended
(in thousands)	Carrying Value [1]	Level 1	Level 2	Level 3	December 31, 2025
Property, plant and equipment - Lugano	$ —	—	—	$ —	$ 29,631
Right-of-use asset - Lugano	$ —	—	—	$ —	$ 1,884

[1] Lugano recorded impairment expense in the second quarter of 2025 related to long-lived assets. As a result of the deconsolidation of Lugano on November 16, 2025, the carrying value of the related assets as of December 31, 2025 was $0.

Note K — Income taxes

The Company estimates its annual effective tax rate each fiscal quarter and applies that estimated rate to its interim pre-tax earnings. In this regard, the Company reflects the full year's estimated tax impact of certain unusual or infrequently occurring items and the effects of changes in tax laws or rates in the interim period in which they occur. The Company's parent, the Trust, is subject to entity-level U.S. federal, state and local corporate income taxes on the Company's earnings that flow through to the Trust.

The computation of the annual estimated effective tax rate for each interim period requires certain assumptions, estimates, and significant judgment, including with respect to the projected operating income for the year, projections of income earned and taxes incurred in various jurisdictions, permanent and temporary differences and the likelihood of recovering deferred tax assets. The accounting estimates used to compute the provision for income taxes may change as new events occur, as additional information is obtained, as our tax structure changes or as the tax laws change. Certain foreign operations are subject to foreign income taxation under existing provisions of the laws of those jurisdictions.

The Company recognizes interest and penalties related to unrecognized tax benefits within income tax expense. The Company accrues interest on all cumulative unrecognized tax benefits, reflecting financial exposure that spans both historical tax years and the current reporting period. During the current year, the Company identified that interest associated with certain previously recognized uncertain tax positions had not been accrued in prior reporting periods. The Company recorded approximately $6.2 million of additional accrued interest during the nine months ended September 30, 2026, substantially all of which relates to prior years. Management concluded that the adjustment was not material to any previously issued financial statements and, accordingly, recorded the adjustment as a component of income tax expense during the current year.

The reconciliation between the Federal Statutory Rate and the effective income tax rate for the nine months ended September 30, 2026 and 2025 is as follows:

	Nine months ended September 30,	
	2026	2025
United States Federal Statutory Rate	21.0 %	21.0 %
State income taxes (net of Federal benefits)	12.5	3.5
Foreign income taxes	(3.0)	(1.6)
Nontaxable or nondeductible items	(1.9)	—
Utilization of tax credits	(1.8)	1.6
Changes in valuation allowances	(24.4)	(38.2)
United States tax on foreign income	2.7	0.7
Impairment expense	4.1	—
Change in unrecognized tax benefits	6.0	—
Tax effect - sale of Sterno	14.6	—
Other	0.5	(0.4)
Effective income tax rate	30.3 %	(13.4)%

Note L — Defined Benefit Plan

In connection with the acquisition of Arnold, the company has a defined benefit plan covering substantially all of Arnold's employees at its Lupfig, Switzerland location. The benefits are based on years of service and the employees' highest average compensation during the specific period.

The unfunded liability of $2.7 million is recognized in the consolidated balance sheet as a component of other non-current liabilities at September 30, 2026. Net periodic benefit cost consists of the following for the three and nine months ended September 30, 2026 and 2025 *(in thousands*):

	Three months ended September 30,		Nine months ended September 30,	
	2026	2025	2026	2025
Service cost	$ 190	$ 183	$ 585	$ 533
Interest cost	50	45	154	129
Expected return on plan assets	(40)	(32)	(123)	(93)
Amortization of prior service cost	(13)	(15)	(42)	(43)
Amortization of unrecognized loss	—	25	—	73
Effect of settlement	—	24	—	57
Net periodic benefit cost	$ 187	$ 230	$ 574	$ 656

During the nine months ended September 30, 2026, per the terms of the pension agreement, Arnold contributed approximately $0.5 million to the plan. For the remainder of 2026, the expected contribution to the plan will be approximately $0.2 million.

The plan assets are pooled with assets of other participating employers and are not separable; therefore, the fair values of the pension plan assets at September 30, 2026 were considered Level 3.

Note M - Commitments and Contingencies

Legal Matters

The Company and its subsidiaries are subject to legal proceedings and claims that arise in the ordinary course of business. The Company accrues a liability for a loss contingency when it is both probable that a liability has been incurred and the amount of the loss can be reasonably estimated. For material loss contingencies that are reasonably possible or for which the amount of loss cannot be reasonably estimated, the Company discloses the nature of the contingency. The Lugano Investigation, the restatement of the Company's previously issued consolidated financial statements and related matters may result in additional litigation, regulatory investigations and liabilities in future periods.

Securities Class Actions Involving the Company

Following the Company's announcement of the Lugano Investigation and restatement, several putative securities class actions were filed against the Company and certain of its officers and directors. The previously filed California actions were consolidated and later voluntarily dismissed so that the lead plaintiff could pursue its claims in the United States District Court for the District of Connecticut. The Connecticut action, originally captioned *Moreno v. Compass Diversified Holdings LLC, et al.*, now known as *In Re Compass Diversified Holdings Securities Litigation*, asserts claims under Sections 10(b) and 20(a) of the Exchange Act and Rule 10b-5. The lead plaintiff filed an amended complaint on February 6, 2026, and the defendants filed motions to dismiss on March 23, 2026. All motions are fully briefed. The Company believes it has defenses available and intends to vigorously defend the action. Management has determined that a loss is reasonably possible but cannot reasonably estimate a range of potential loss.

Derivative Actions Involving the Company

Several shareholder derivative actions have been filed, purportedly on behalf of the Company, against certain current and former officers and directors. The derivative actions generally assert claims for breach of fiduciary duty and violations of the federal securities laws based on allegations related to Lugano and the restatement. The California derivative actions have been consolidated and stayed, and the Connecticut derivative actions have been consolidated and stayed, in each case pending further developments in the securities class action. A derivative action was also recently filed in Delaware Chancery Court. All derivative actions are in the early stages. The Company believes defenses are available and intends to vigorously defend these matters. Management has determined that a loss is reasonably possible but cannot reasonably estimate a range of potential loss.

External Investigations and Reviews

As a result of the Company's withdrawal of reliance on its 2024, 2023 and 2022 financial statements, delayed periodic reporting and the underlying conduct at Lugano, the Company is subject to ongoing investigations by the SEC and the U.S. Department of Justice. The investigative process is inherently uncertain, and the Company cannot predict the outcome of these investigations. The Company is cooperating with the ongoing investigations.

Management has determined that a loss is reasonably possible but cannot reasonably estimate a range of potential loss.

State Court Action Naming the Company as Defendant

Certain state court actions previously filed attempting to hold the Company responsible for the alleged conduct of Lugano, including Kraus v. Lugano Diamonds & Jewelry, Inc., et al., and Royal T Diamonds Group Ltd. v. Lugano Diamonds & Jewelry Inc., et al., have been dismissed. A similar case, Coyne v. Mordechai Haim Ferder, et al., was recently filed. Plaintiff seeks damages, plus interest, against the Company as the alleged successor in interest to Lugano. The Company believes defenses are available and intends to vigorously defend this matter. Management has determined that a loss is reasonably possible but cannot reasonably estimate a range of possible loss, if any, that may result from this matter.

Lugano Chapter 11 Filing and Related Matters

On November 16, 2025, Lugano and certain of its subsidiaries filed voluntary Chapter 11 petitions under the United States Bankruptcy Code in the United States Bankruptcy Court for the District of Delaware. As a result, Lugano was deconsolidated from the Company's consolidated financial statements. On June 24, 2026, CODI entered into the Settlement Agreement and Plan Support Agreement described in Note B. The Bankruptcy Court confirmed the Plan of Liquidation on September 24, 2026, and the Plan became effective on September 30, 2026. The Settlement Agreement and applicable release provisions became effective in accordance with their terms. The releases are subject to the scope, conditions and exclusions set forth in the Settlement Documents, the Plan and the order confirming the Plan. The timing and amount of remaining recoveries are uncertain, and third parties not bound by the releases may assert claims against the Company. Such claims could result in significant defense costs, settlement payments or judgments.

Tariff Refunds

In February 2026, the U.S. Supreme Court issued a decision holding that tariffs imposed under the International Emergency Economic Powers Act ("IEEPA") were not authorized under the statute. As a result, the legal and regulatory framework surrounding certain IEEPA tariffs continues to evolve, including the process for seeking potential refunds of previously paid tariffs. Several of the Company's subsidiaries submitted claims for refunds related to previously paid tariffs. During the three and nine months ended September 30, 2026, the Company recognized $6.9 million and $14.4 million, respectively, as a reduction of cost of goods sold in the consolidated statement of operations related to IEEPA refunds received. An additional $1.8 million in tariff refunds received reduced the balance of inventory for product that had not yet been sold. Our subsidiaries have submitted additional claims for refunds related to certain eligible tariffs paid; however, based on claims submitted and information currently available, the Company does not expect any remaining refunds to be material to its consolidated financial statements. At September 30, 2026, the Company had not recognized a receivable for these additional refund claims because recovery remained uncertain. The Company will continue to monitor developments and recognize a receivable when amounts are realized or realizable.

Leases

The Company and its subsidiaries lease office and manufacturing facilities, computer equipment and software under various arrangements. Certain of the leases are subject to escalation clauses and renewal periods. The Company and its subsidiaries recognize lease expense, including predetermined fixed escalations, on a straight-line basis over the initial term of the lease including reasonably assured renewal periods from the time that the Company and its subsidiaries control the leased property. Leases with an initial term of 12 months or less are not recorded on the balance sheet; we recognize lease expense for these leases on a straight-line basis over the lease term. Certain of our subsidiaries have leases that contain both fixed rent costs and variable rent costs based on achievement of certain operating metrics. The variable lease expense was not a material component of our total lease expense for the three and nine months ended September 30, 2026 and 2025. The Company recognized $12.2 million and $36.6 million in the three and nine months ended September 30, 2026, respectively and $13.6 million and $39.9 million in the three and nine months ended September 30, 2025, respectively, in expense related to operating leases in the condensed consolidated statements of operations. The Company entered into one finance lease in the fourth quarter of 2024. In both the three and nine months ended September 30, 2026 and September 30, 2025 the Company recognized $0.2 million and $0.5 million, respectively, in interest expense related to its finance lease.

The maturities of lease liabilities at September 30, 2026 are as follows (*in thousands*):

	Operating	Finance	Total
2026 (excluding the nine months ended September 30, 2026)	$ 13,339	$ 180	$ 13,519
2027	49,329	7,040	56,369
2028	41,201	—	41,201
2029	34,001	—	34,001
2030	30,171	—	30,171
Thereafter	91,188	—	91,188
Total undiscounted lease payments	$ 259,229	$ 7,220	$ 266,449
Less: Interest	93,013	389	93,402
Present value of lease liabilities	$ 166,216	$ 6,831	$ 173,047

The calculated amount of the right-of-use assets and lease liabilities are impacted by the length of the lease term and discount rate used to present value the minimum lease payments. The Company's lease agreements often include one or more options to renew at the Company's discretion. In general, it is not reasonably certain that lease renewals will be exercised at lease commencement and therefore lease renewals are not included in the lease term. As the discount rate is rarely determinable, the Company utilizes the incremental borrowing rate of the subsidiary entering into the lease arrangement, on a collateralized basis, over a similar term as adjusted for any country specific risk.

The weighted average remaining lease terms and discount rates for all of our operating leases were as follows:

Lease Term and Discount Rate	**September 30, 2026**	**September 30, 2025**
Weighted-average remaining lease term (years)		
Operating Leases	6.68	6.22
Finance Leases	0.58	1.58
Weighted-average discount rate		
Operating Leases	8.85 %	9.12 %
Finance Leases	9.90 %	9.90 %

Supplemental balance sheet information related to leases was as follows (*in thousands*):

	Line Item in the Company's Consolidated Balance Sheet	**September 30, 2026**	**December 31, 2025**
Assets:			
Operating lease right-of-use assets	Other non-current assets	$ 150,496	$ 146,755
Finance lease right-of-use assets	Other non-current assets	6,879	$ 6,881
		$ 157,375	$ 153,636
Liabilities			
Operating lease liabilities - current	Other current liabilities	$ 33,330	$ 37,854
Operating lease liabilities - non-current	Other non-current liabilities	132,887	126,084
Finance lease liabilities - current	Other current liabilities	6,830	47
Finance lease liabilities - non-current	Other non-current liabilities	—	6,820
		$ 173,047	$ 170,805

Supplemental cash flow information related to leases was as follows (*in thousands*):

	Nine months ended September 30, 2026	Nine months ended September 30, 2025
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	$ 38,190	$ 41,932
Operating cash flows from finance leases	503	506
Financing cash flows from finance leases	36	33
Right-of-use assets obtained in exchange for lease obligations:		
Operating leases	$ 31,771	$ 20,430

Altor Sale Leaseback

On January 23, 2026, Altor completed a sale leaseback transaction for its manufacturing facilities in Bloomsburg, Pennsylvania; New Albany, Indiana; and El Dorado Springs, Missouri (the "Properties"). Under the purchase and sale agreement, Altor sold the land, buildings and certain integrated fixtures to the buyer/lessor for total consideration of $11.75 million and recognized a gain on the transaction of $10.2 million in other operating income (expense) from continuing operations in the nine months ended September 30, 2026. Concurrently with the execution of the purchase and sale agreement, Altor entered into a 20 year triple-net master lease to lease back all three Properties.

Accounting for the transaction is governed by ASC 842, *Leases*. Under ASC 842, a sale leaseback is accounted for as a sale and a lease only if the transfer of the Properties qualifies as a sale in accordance with ASC 606, including that control of the Properties transferred to the buyer/lessor and the leaseback does not include (among other things) a repurchase option or other provisions that would prevent the transfer from being accounted for as a sale. When a sale is achieved, the seller-lessee derecognizes the carrying amount of the Properties, recognizes any resulting gain or loss, and recognizes a right-of-use asset and lease liability for the leaseback measured in accordance with ASC 842. Altor determined that the sale leaseback transaction qualified as a sale under ASC 606 and accordingly recognized a gain and recognized a right-of-use asset and lease liability for the leaseback.

For the leaseback, Altor will recognize lease expense generally on a straight-line basis over the lease term, and the related lease payments will be presented within operating cash flows. Because the lease is a triple-net lease, Altor is generally responsible for certain costs associated with the Properties, such as real estate taxes, insurance and maintenance; amounts paid for these items are generally excluded from the measurement of the lease liability when they represent non-lease components or variable payments, and are recognized in expense as incurred.

Exit Costs

Altor

Subsequent to the acquisition of Lifoam in October 2024, Altor determined that they would shut down four of their facilities that had geographic overlap with Lifoam facilities. During the nine months ended September 30, 2025, Altor recorded approximately $4.6 million in exit costs related to the plant closures in selling general and administrative expense. The plant closures were finalized in the fourth quarter of 2025 and no additional expense was recorded subsequent to the first quarter of 2026 related to these facilities closures.

Arnold

During 2026, Arnold closed a facility in Ogallala, Nebraska. Arnold recorded $0.3 million in costs in selling, general and administrative expense during the three and nine months ended September 30, 2026 related to the closure of the facility.

During 2024, Arnold relocated two of its facilities located in Marengo, Illinois into one combined facility in Woodstock, Illinois. Arnold recorded $0.9 million in costs in selling, general and administrative expense in the three months ended March 31, 2025 related to the relocation of the two facilities. The exit from the Marengo facility was completed during 2025.

Note N — Related Party Transactions

Management Services Agreement

The LLC entered into a MSA with CGM effective May 16, 2006, as amended. CGM is managed by Wayfinder Partners LLC, of which Zachary T. Sawtelle, the Company's Chief Operating Officer, is the managing member. Elias J. Sabo, the Company's Chief Executive Officer, is also a member of CGM. The MSA provides for, among other things, CGM to perform services for the LLC in exchange for a management fee. The management fee is required to be paid prior to the payment of any distributions to shareholders.

Pursuant to the MSA, CGM is entitled to enter into off-setting management service agreements with each of the operating segments. The amount of the fee is negotiated between CGM and the operating management of each segment and is based upon the value of the services to be provided. The fees paid directly to CGM by the segments offset on a dollar for dollar basis the amount due CGM by the LLC under the MSA.

Amendments to Management Services Agreement

On February 23, 2026, the LLC and CGM entered into an Eighth Amended and Restated Management Services Agreement (the "Eighth MSA"), which amended and restated the MSA. The Eighth MSA, among other things, (i) established a repayment protocol for previously overpaid management fees, including permitting the Company, subject to interest, to fund all or a portion of otherwise payable quarterly fees while an overpayment balance remains outstanding, (ii) provided for a dollar-for-dollar reduction of fees payable under the MSA for certain services outsourced by the Company to third-party service providers and excludes such services from the scope of services to be provided by CGM, (iii) clarified requirements and restrictions applicable to personnel seconded by CGM to the Company, and (iv) updated certain operational, governance, authority and indemnification provisions.

On July 12, 2026, the LLC and CGM entered into the Ninth Amended and Restated Management Services Agreement (the "Ninth MSA"), which became effective upon execution and amends and restates the Eighth MSA. The Ninth MSA revises the Company's management fee and incentive compensation arrangements with CGM. The fee and incentive-award provisions described below become effective January 1, 2027 and the fee provisions of the Eighth MSA remain in effect through December 31, 2026.

Beginning in 2027, the annual base management fee will equal 1.25% of the first $3.0 billion of Adjusted Net Assets, 1.125% of Adjusted Net Assets between $3.0 billion and $5.0 billion and 1.0% of Adjusted Net Assets above $5.0 billion, with Adjusted Net Assets as defined in the Ninth MSA. The 2027 base management fee will be capped at $30.0 million. In addition, aggregate fees and awards attributable to 2027 will be subject to a cap equal to 1.75% of 2026 Average Adjusted Net Assets, with reductions applied in the order specified in the Ninth MSA.

The Ninth MSA also replaces the existing incentive management fee structure with an annual Share Alignment Award and an annual Performance-Based Award. The Share Alignment Award will equal 0.125% of the Company's Average Adjusted Net Assets for the preceding fiscal year, and the Performance-Based Award will have a target opportunity equal to the same amount. For 2027, the Share Alignment Award will be paid in cash, and the Performance-Based Award will be denominated by reference to notional CODI common shares and settled solely in cash following certification of performance by the Compensation Committee.

The Performance-Based Award will be based 70% on CODI's total shareholder return relative to the S&P SmallCap 600 Index, with target performance at the 60th percentile, and 30% on Company-level adjusted EBITDA objectives established by the Compensation Committee. The relative total shareholder return component will be subject to a requirement that CODI's absolute total shareholder return for the applicable performance period not be negative and, for 2027, a $17.25 dividend-adjusted stock-price threshold. The awards are subject to the terms, certification, forfeiture, acceleration and clawback provisions set forth in the Ninth MSA.

For fiscal years after 2027, the parties intend to seek shareholder approval of an equity-based structure for the Share Alignment Award and the Performance-Based Award. If no equity-based or other permanent structure is operative for a later year, the cash-based award structure applicable to 2027 generally will continue, subject to the terms of the Ninth MSA; however, the 2027 Aggregate Fee Cap and the $17.25 threshold are specific to 2027. For any later year in which the awards remain cash-based, aggregate Management Fees may not exceed the amount that would have been payable under the Eighth MSA for that year. Any amount excluded by this limitation will be carried forward solely for purposes of calculating Management Fees in subsequent years and will not otherwise be payable for the year in which it is excluded. The Ninth MSA also requires the Manager to maintain share ownership guidelines for senior Manager personnel who provide material services to the Company and confirms that amounts

paid or payable under the Ninth MSA are subject to the Company's Dodd-Frank clawback policy if and to the extent applicable.

Effect of Restatement on Management Fees

As a result of the restatement of the financial statements as of December 31, 2024, 2023 and 2022 and for the years ended December 31, 2024, 2023 and 2022, as well as for the period ended December 31, 2021 and revisions made in the quarter ended March 31, 2025, the management fees paid to CGM were in excess of the amounts that should have been due under the MSA. While the MSA did not, prior to the MSA Amendment, contain an express mechanism that permitted the Company to immediately clawback the overpayment of management fees during the aforementioned periods, the MSA provided that future payments under the MSA would be reduced, on a dollar-for-dollar basis, by the aggregate amount of all overpaid management fees. The Company calculated the total aggregate amount of excess management fees paid as a result of the restatement of the financial statements as $50.4 million. In 2025, restrictions under the Company's financing arrangements limited the Company's ability to pay management fees, resulting in management fee expense being incurred but not fully paid. The Company determined that the amount of management fees that had been overpaid at December 31, 2025 was $33.8 million, which was recorded as an asset ("Due from CGM") and reduced management fee expense for the year ended December 31, 2025. For the nine months ended September 30, 2026, the Company recorded management fee expense of $43.4 million. During the nine months ended September 30, 2026, the Company reduced the Due from CGM balance by $20.8 million for management fees applied against the prior overpayment by reducing the management fee due to CGM. As of September 30, 2026, the Due from CGM balance of $1.3 million reflects amounts due from CGM of $13.8 million including interest expense in accordance with the Eighth MSA Amendment, net of management fees accrued of $12.5 million. Subsequent to September 30, 2026, the Company elected to fund $5.2 million of the quarterly management fee that otherwise would have been payable for the third quarter of 2026.

The Company expects to continue to reduce future management fee payments until the overpayment has been fully recouped. Total cash paid for Management fees in the nine months ended September 30, 2026 was $23.3 million as compared to total cash paid for Management fees for the nine months ended September 30, 2025 of $49.8 million.

LLC Agreement

The LLC agreement gives the Holder the right to distributions pursuant to a profit allocation formula upon the occurrence of a Sale Event or a Holding Event. The Holder is entitled to receive and as such can elect to receive, if due pursuant to the profit allocation formula, an allocation payment upon a Sale Event and upon election of the Holders upon a Holding Event. The Lugano Bankruptcy was a Sale Event and any corresponding loss on such Sale Event will have the effect of reducing future allocation payments. The LLC Agreement also contains a mechanism to adjust future profit allocation payments by over-paid and under-paid profit distributions. The Company intends to cause future allocation payments to be adjusted, as necessary, to reflect the impact of the restatement of the Company's financial statements.

The sale of the Sterno food service product division in the second quarter of 2026 was a Sale Event. Although the sale of Sterno resulted in the calculation of a positive profit allocation distribution, no amount will paid to the Holder as a result of the sale of Sterno as the amount of profit allocation payment due was not sufficient to exceed the high water mark in the profit allocation formula.

Integration Services

During the three months ended March 31, 2025, The Honey Pot Co., paid CGM $0.9 million in integration service fees under an integration services agreement that has since been fully paid. An amendment to the Management Services Agreement entered into in January 2025 eliminated integration service fees for future acquisitions therefore no integration service fees were incurred subsequent to March 31, 2025.

The Company and its businesses have the following significant related party transactions

5.11

Related Party Vendor Purchases - 5.11 purchases inventory from a vendor who is a related party to 5.11 through one of the executive officers of 5.11 via the executive's 40% ownership interest in the vendor. 5.11 purchased approximately $0.3 million and $0.5 million during the three and nine months ended September 30, 2026, respectively and $0.3 million and $0.8 million during the three and nine months ended September 30, 2025, respectively in inventory from the vendor.

BOA

Related Party Vendor Purchases - A contract manufacturer used by BOA as the primary supplier of molded injection parts is a noncontrolling shareholder of BOA. BOA purchased approximately $13.1 million and $37.1 million from this supplier during the three and nine months ended September 30, 2026, respectively and $10.1 million and $33.2 million from this supplier during the three and nine months ended September 30, 2025, respectively.

Lugano

Related Party Transaction - In the first quarter of 2025, the former Chief Executive Officer of Lugano represented that he had entered into an agreement with a customer of Lugano to pay, on behalf of the customer, an $8.8 million outstanding account receivable owed to Lugano since July 2024. However, the former Chief Executive Officer of Lugano misrepresented the purpose and explanation for the transaction. It was subsequently determined that neither the account receivable nor the purpose of the payment by the former Chief Executive Officer of Lugano were factually accurate, and that instead the payment was made by the former Chief Executive Officer of Lugano in furtherance of his previously described schemes.

Related Party Vendor Purchases - Lugano purchased inventory from a vendor who was a related party to Lugano through one of the executive officers of Lugano. The related party relationship commenced in the second quarter of 2024 and ended in the fourth quarter of 2025. Lugano had approximately $18.0 thousand and $0.3 million in net purchases during the three and nine months ended September 30, 2025, respectively.

Note O — Operating Segment Data

At September 30, 2026, the Company had eight reportable operating segments. Each operating segment represents a platform acquisition. The Company's operating segments are strategic business units that offer different products and services. While each is actively managed by the Company, they are managed separately because each business requires different technology and marketing strategies. A description of each of the reportable segments and the types of products from which each segment derives its revenues is as follows:

- 5.11 is a global apparel, footwear, and gear company serving consumers who demand performance, durability, and versatility across work, training, and adventure. 5.11 is a brand known for innovation and authenticity and works directly with end users to create purpose-built apparel, footwear and gear designed to enhance the safety, accuracy, speed and performance of tactical professionals and enthusiasts worldwide. 5.11 operates sales offices and distribution centers globally, and 5.11 products are widely distributed in uniform stores, military exchanges, outdoor retail stores, its own retail stores and on 511tactical.com.

- BOA, creator of the patented BOA Fit System, partners with market-leading brands to make the best gear even better. Delivering fit solutions purpose-built for performance, the BOA Fit System is featured in footwear across snow sports, cycling, outdoor, athletic, workwear as well as performance headwear and bracing. The system consists of three integral parts: a micro-adjustable dial, high-tensile lightweight laces, and low friction lace guides creating a superior alternative to laces, buckles, Velcro, and other traditional closure mechanisms. Each unique BOA configuration is designed with brand partners to deliver superior fit and performance for athletes, is engineered to perform in the toughest conditions and is backed by The BOA Lifetime Guarantee. BOA is headquartered in Denver, Colorado and has operations in Austria, China, South Korea, Japan and Vietnam.

- PrimaLoft is a leading provider of branded, high-performance synthetic insulation and materials used primarily in consumer outerwear, and accessories. The portfolio of PrimaLoft synthetic insulations offers products that can both mimic natural down aesthetics and provide the freedom to design garments ranging from stylish puffers to lightweight performance apparel. PrimaLoft insulations also offer superior economics to the brand partner and enable better sustainability characteristics through the use of recycled, low-carbon inputs. PrimaLoft is headquartered in Latham, New York.

- The Honey Pot Co. is a leading "better-for-you" feminine care brand, powered by plant-derived ingredients and clinically tested formulas. Founded in 2012 by CEO Beatrice Dixon, The Honey Pot Co. is rooted in the belief that all products should be made with healthy and efficacious ingredients that are kind to and safe for skin. The company offers an extensive range of holistic wellness products across the feminine hygiene, menstrual, personal care, and sexual wellness categories. The Honey Pot Co.'s mission is to educate, support, and provide consumers around the world with tools and resources that promote menstrual health and vaginal wellness. Its products can be found in more than 33,000 stores across the U.S. through mass merchants, drug and grocery retail chains, and online. The Honey Pot Co. is headquartered in Atlanta, Georgia.

- Velocity Outdoor is a leading designer, manufacturer, and marketer of archery products, hunting apparel and related accessories. The archery product category consists of products including Ravin crossbows and CenterPoint archery products, and the apparel category offers high-performance, feature rich hunting and casual apparel under the King's Camo brand, utilizing King’s own proprietary camo patterns. Velocity Outdoor offers its products through national retail chains and dealer and distributor networks. Velocity Outdoor is headquartered in Rochester, New York. On April 30, 2024, Velocity Outdoor sold the Crosman airgun product division. The results of operation for Crosman are included in the accompanying financial statements through the date of sale.

- Altor Solutions is a designer and manufacturer of custom molded protective foam solutions and original equipment manufacturer components made from expanded polystyrene and expanded polypropylene. Altor provides products to a variety of end markets, including appliances and electronics, pharmaceuticals, health and wellness, automotive, building and other products. Altor is headquartered in St. Louis, Missouri and operates 19 molding and fabricating facilities across North America.

- Arnold is a global solutions provider and manufacturer of engineered solutions for a wide range of specialty applications and end-markets, including aerospace and defense, general industrial, motorsport/transportation, oil and gas, medical, energy, semiconductor and advertising specialties. Arnold engineers solutions for and produces high performance permanent magnets (PMAG), stators, rotors and full electric motors (Ramco), precision foil products (Precision Thin Metals), and flexible magnets (Flexmag™) that are mission critical in motors, generators, sensors and other systems and components. Based on its long-term relationships, Arnold has built a diverse and blue-chip customer base totaling more than 2,000 customers and leading systems-integrators worldwide with a focus on North America, Europe, and Asia. Arnold has built a preferred rare earth supply chain and has leading rare earth and other permanent magnet production capabilities. Arnold is headquartered in Rochester, New York.

- Rimports manufactures and distributes branded and private label wickless candle products used for home decor and fragrance systems under the ScentSationals and Fusion brands. Rimports offers unique lines of wickless candle products including ceramic wax warmers, scented wax cubes, fragrance oils, essential oils, and diffusers. Rimports also sells flameless candles, lanterns, and outdoor lighting. Rimports was acquired by Sterno in February 2018 and is headquartered in Provo, Utah.

The function of chief operating decision-maker (“CODM”) is performed collectively by the Company's Chief Executive Officer, the Chief Operating Officer of CGM and the partners of CGM. The CODM evaluates financial results by segment, utilizing segment operating income to assess performance and allocate resources. The allocation of resources to operating segments may include, but is not limited to, debt financing through the Company's intercompany credit agreements with its operating segments to fund working capital needs, purchases of capital equipment and add-on acquisitions. The primary resource allocation process occurs predominantly in the annual budget and forecasting process. The CODM then reviews and considers budget-to-actual variances on a monthly basis for segment operating income in order to determine whether to make any adjustments to capital allocations.

The tabular information that follows shows data for each of the operating segments reconciled to amounts reflected in the consolidated financial statements. The operations of each of the operating segments are included in consolidated operating results as of their date of acquisition. During the second quarter of 2026, the Company completed the sale of Sterno's food service business. Prior to the sale, Sterno distributed Rimports, its home fragrance business, to its stockholders, and Rimports remained a majority owned subsidiary of the LLC. Accordingly, the Rimports operating segment reflects the home fragrance business retained by the Company following the sale of Sterno's food service business. The December 31, 2025 balance sheet disclosures include Sterno's food service business prior to the sale and distribution of Rimports. The results of Sterno's food service business through the date of sale and the results of Rimports for all periods presented are included in continuing operations and reflected in the operating segment data, as applicable. Lugano was an operating segment of the Company until November 16, 2025 when Lugano filed for bankruptcy and was deconsolidated. The results of operation of Lugano are included in the Summary of Operating Segments table and the Depreciation and Amortization table for the three and nine months ended September 30, 2025. Segment profit is determined based on internal performance measures used by the CODM to assess the performance of each business. The significant expense categories and amounts align with the segment-level information that is regularly provided to the CODM. In comparison to the Consolidated Statement of Operations, selling, general and administrative expense is exclusive of stock-based compensation and acquisition costs, which are categorized to Other. Corporate consists of corporate overhead and management fees to CGM that are not allocated to the Company's reportable segments. There were no significant inter-segment transactions.

Summary of Operating Segments

	Three Months Ended September 30, 2026								
(in thousands)	**5.11**	**BOA**	**PrimaLoft**	**THP**	**Velocity Outdoor**	**Altor**	**Arnold**	**Rimports**	**Total**
Net revenues	$ 133,866	$ 52,970	$ 16,311	$ 42,774	$ 29,719	$ 64,627	$ 47,654	$ 35,009	$ 422,930
Cost of revenues	56,291	18,181	6,049	13,193	18,019	53,342	32,600	26,745	224,420
Selling, general and administrative expense	58,241	14,658	4,984	13,398	6,012	7,221	8,006	5,154	117,674
Other segment items [1]	2,871	5,249	6,208	4,590	1,314	3,777	724	2,323	27,056
Total segment operating income (loss)	16,463	14,882	(930)	11,593	4,374	287	6,324	787	53,780
Corporate									(21,935)
Total consolidated operating income									31,845
Interest expense, net									(21,769)
Amortization of debt issuance costs									(1,711)
Increase in fair value of receivable due from unconsolidated affiliate									303
Loss on sale of product division									(4,338)
Loss on debt modification									(1,038)
Other expense, net									(239)
Total consolidated income from continuing operations before income taxes									$ 3,053

[1] Other consists of segment allocated management fees, amortization expense of intangible assets and stock-based compensation expense.

Three Months Ended September 30, 2025										
(in thousands)	**5.11**	**BOA**	**Lugano**	**PrimaLoft**	**THP**	**Velocity Outdoor**	**Altor**	**Arnold**	**Rimports**	**Total**
Net revenues	$ 143,240	$ 43,941	$ 17,350	$ 13,294	$ 34,727	$ 29,040	$ 79,824	$ 37,686	$ 73,460	$ 472,562
Cost of revenues	65,993	15,654	4,058	4,852	15,530	19,747	59,646	28,234	51,133	264,847
Selling, general and administrative expense	57,986	11,882	23,433	4,262	11,895	5,066	11,125	7,470	9,509	142,628
Other segment items [1]	2,993	5,607	646	6,038	4,647	1,315	3,886	753	3,003	28,888
Total segment operating income (loss)	16,268	10,798	(10,787)	(1,858)	2,655	2,912	5,167	1,229	9,815	36,199
Corporate										(47,266)
Total consolidated operating loss										(11,067)
Interest expense, net										(66,721)
Amortization of debt issuance costs										(826)
Other expense, net										(2,343)
Total consolidated loss from continuing operations before income taxes										$ (80,957)

[1] Other consists of segment allocated management fees, amortization expense of intangible assets, and stock-based compensation.

Nine Months Ended September 30, 2026									
(in thousands)	**5.11**	**BOA**	**PrimaLoft**	**THP**	**Velocity Outdoor**	**Altor**	**Arnold**	**Rimports**	**Total**
Net revenues	$ 384,337	$ 164,146	$ 67,977	$ 126,320	$ 60,654	$ 194,931	$ 131,059	$ 144,403	$1,273,827
Cost of revenues	166,261	55,845	24,311	46,164	39,361	158,508	94,065	101,481	685,996
Selling, general and administrative expense	172,646	41,548	15,666	38,836	14,976	22,597	22,551	20,094	348,914
Other segment items [1]	9,008	15,690	38,797	13,804	3,943	944	2,205	7,424	91,815
Total segment operating income (loss)	36,422	51,063	(10,797)	27,516	2,374	12,882	12,238	15,404	147,102
Corporate									(77,830)
Total consolidated operating income									69,272
Interest expense, net									(73,159)
Amortization of debt issuance costs									(5,805)
Decrease in fair value of receivable due from unconsolidated affiliate									(57,697)
Gain on sale of product division									178,004
Loss on debt modification									(1,038)
Other expense, net									(3,038)
Total consolidated income from continuing operations before income taxes									$ 106,539

(1) Other consists of segment allocated management fees, amortization expense of intangible assets, stock-based compensation, other operating (income) expense and impairment expense at PrimaLoft of $20.5 million.

	Nine Months Ended September 30, 2025									
(in thousands)	**5.11**	**BOA**	**Lugano**	**PrimaLoft**	**THP**	**Velocity Outdoor**	**Altor**	**Arnold**	**Rimports**	**Total**
Net revenues	$ 404,052	$ 141,187	$ 70,966	$ 61,794	$ 103,716	$ 57,454	$ 239,386	$ 110,126	$ 216,346	$ 1,405,027
Cost of revenues	186,595	50,677	31,050	22,317	46,061	39,845	177,457	84,470	154,267	792,739
Selling, general and administrative expense	173,860	35,273	77,120	14,174	32,837	14,375	32,836	22,898	25,776	429,149
Other segment items [1]	9,002	16,738	34,024	18,113	13,622	4,058	11,674	2,261	9,019	118,511
Total segment operating income (loss)	34,595	38,499	(71,228)	7,190	11,196	(824)	17,419	497	27,284	64,628
Corporate										(99,492)
Total consolidated operating loss										(34,864)
Interest expense, net										(136,668)
Amortization of debt issuance costs										(2,922)
Loss on debt modification										(2,827)
Other expense, net										(14,311)
Total consolidated loss from continuing operations before income taxes										$ (191,592)

(1) Other consists of segment allocated management fees, amortization expense of intangible assets, stock-based compensation and impairment expense at Lugano of $31.5 million.

Depreciation and Amortization Expense	Three months ended September 30,		Nine months ended September 30,	
(in thousands)	2026	2025	2026	2025
5.11	$ 4,916	$ 5,369	$ 16,213	$ 16,525
BOA	5,126	5,056	15,280	15,156
Lugano	—	228	—	2,333
PrimaLoft	5,237	5,219	15,728	15,718
The Honey Pot Co.	4,096	4,096	12,290	12,290
Velocity Outdoor	1,517	1,348	4,287	4,076
Altor Solutions	6,459	6,540	19,358	19,393
Arnold	2,586	2,760	7,925	7,999
Rimports	3,002	3,522	9,658	10,479
Total	32,939	34,138	100,739	103,969
Reconciliation of segment to consolidated total:				
Amortization of debt issuance costs	1,711	826	5,805	2,922
Consolidated total	$ 34,650	$ 34,964	$ 106,544	$ 106,891

	Accounts Receivable		Identifiable Assets	
(in thousands)	September 30, 2026	December 31, 2025	September 30, 2026 [1]	December 31, 2025 [1]
5.11	$ 62,276	$ 67,064	$ 390,781	$ 420,755
BOA	4,790	3,971	201,887	209,388
PrimaLoft	1,546	1,908	232,758	248,314
The Honey Pot Co.	23,465	21,348	257,011	268,162
Velocity Outdoor	17,817	8,247	83,779	84,880
Altor Solutions	37,994	37,981	281,504	288,966
Arnold	31,959	25,501	127,341	126,276
Rimports	21,144	41,877	62,427	133,468
Sales allowance accounts	(5,102)	(5,010)	—	—
Total	195,889	202,887	1,637,488	1,780,209
Reconciliation of segment to consolidated totals:				
Corporate and other identifiable assets	—	—	85,271	160,667
Total	$ 195,889	$ 202,887	$ 1,722,759	$ 1,940,876

[1] Does not include accounts receivable balances per schedule above or goodwill balances - refer to Note E - "Goodwill and Other Intangible Assets".

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

This Item 2 contains forward-looking statements. Forward-looking statements in this Quarterly Report on Form 10-Q are subject to a number of risks and uncertainties, some of which are beyond our control. Our actual results, performance, prospects or opportunities could differ materially from those expressed in or implied by the forward-looking statements. Additional risks of which we are not currently aware or which we currently deem immaterial could also cause our actual results to differ, including those discussed in the section entitled "Forward-Looking Statements" included elsewhere in this Quarterly Report on Form 10-Q as well as those risk factors discussed in the section entitled "Risk Factors" in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2025 and in the section entitled "Risk Factors" in Part II, Item 1A of this Quarterly Report on Form 10-Q.

Overview

Compass Diversified Holdings ("Holdings", or the "Trust") was formed in Delaware on November 18, 2005. Compass Group Diversified Holdings LLC (the "LLC") was also formed on November 18, 2005. Holdings and the LLC (collectively, the "Company") were formed to acquire and manage a group of small and middle-market businesses headquartered in North America. The LLC is a controlling owner of eight businesses, or operating segments, at September 30, 2026: 5.11 Acquisition Corp. ("5.11"), Boa Holdings Inc. ("BOA"), Relentless Topco, Inc. ("PrimaLoft"), THP Topco, Inc. ("The Honey Pot Co." or "THP"), CBCP Products, LLC ("Velocity Outdoor" or "Velocity"), AMTAC Holdings LLC ("Arnold"), FFI Compass, Inc. ("Altor Solutions" or "Altor"), and Rimports Holdings, Inc. ("Rimports"). On May 1, 2026, the Company completed the sale of Sterno's food service business. Prior to the sale, Sterno distributed Rimports, its home fragrance business, to its stockholders, and Rimports remained a majority owned subsidiary of the LLC. Accordingly, the Rimports operating segment reflects the home fragrance business retained by the Company following the sale of Sterno's food service business. Lugano Holding, Inc. ("Lugano") was an operating segment of the Company until November 16, 2025 when Lugano was deconsolidated. The Company retained its equity interest in Lugano until September 30, 2026, when the Company's equity interests in Lugano were cancelled when the Lugano Chapter 11 plan of Liquidation became effective. Refer to "Note B - Dispositions" in the condensed consolidated financial statements for details of the Lugano disposition. The results of operations of Lugano are included in the Company's results of operations through the date of the deconsolidation.

We acquired our existing businesses that we own at September 30, 2026 as follows:

		Ownership Interest - September 30, 2026	
Business	**Acquisition Date**	**Primary**	**Diluted**
Arnold	March 5, 2012	98.0%	82.0%
Rimports *	October 10, 2014	93.3%	93.3%
5.11	August 31, 2016	96.9%	88.8%
Velocity Outdoor	June 2, 2017	99.4%	93.2%
Altor Solutions	February 15, 2018	98.8%	92.5%
BOA	October 16, 2020	91.4%	84.1%
PrimaLoft	July 12, 2022	90.7%	85.3%
The Honey Pot Co.	January 31, 2024	85.0%	77.0%

* During the second quarter of 2026, the Company completed the sale of Sterno's food service business. Prior to the sale, Sterno distributed Rimports, its home fragrance business, to its stockholders, and Rimports remained a majority owned subsidiary of the LLC.

We categorize our subsidiary businesses into two separate groups of businesses: (i) branded consumer businesses, and (ii) industrial businesses. Branded consumer businesses are those businesses that we believe capitalize on a valuable brand name in their respective market sectors. We believe that our branded consumer businesses are leaders in their respective particular product categories. Industrial businesses are those businesses that focus on manufacturing and selling particular products and/ or industrial services within a specific market sector. We believe that our industrial businesses are leaders in their specific market sector.

The following is an overview of each of our operating segments:

Branded Consumer

5.11 - 5.11 is a global apparel, footwear, and gear company serving consumers who demand performance, durability, and versatility across work, training, and adventure. 5.11 is a brand known for innovation and authenticity and works directly with end users to create purpose-built apparel, footwear and gear designed to enhance the safety, accuracy, speed and performance of tactical professionals and enthusiasts worldwide. 5.11 operates sales offices and distribution centers globally, and 5.11 products are widely distributed in uniform stores, military exchanges, outdoor retail stores, its own retail stores and on 511tactical.com.

BOA - BOA, creator of the patented BOA Fit System, partners with market-leading brands to make the best gear even better. Delivering fit solutions purpose-built for performance, the BOA Fit System is featured in footwear across snow sports, cycling, outdoor, athletic, workwear as well as performance headwear and bracing. The system consists of three integral parts: a micro-adjustable dial, high-tensile lightweight laces, and low friction lace guides creating a superior alternative to laces, buckles, Velcro, and other traditional closure mechanisms. Each unique BOA configuration is designed with brand partners to deliver superior fit and performance for athletes, is engineered to perform in the toughest conditions and is backed by The BOA Lifetime Guarantee. BOA is headquartered in Denver, Colorado and has operations in Austria, China, South Korea, Japan and Vietnam.

PrimaLoft - PrimaLoft is a leading provider of branded, high-performance synthetic insulation and materials used primarily in consumer outerwear and accessories. The portfolio of PrimaLoft synthetic insulations offers products that can both mimic natural down aesthetics and provide the freedom to design garments ranging from stylish puffers to lightweight performance apparel. PrimaLoft insulations also offer superior economics to the brand partner and enable better sustainability characteristics through the use of recycled, low-carbon inputs. PrimaLoft is headquartered in Latham, New York.

The Honey Pot Co. - The Honey Pot Co. is a leading “better-for-you” feminine care brand, powered by plant-derived ingredients and clinically tested formulas. Founded in 2012, The Honey Pot Co. is rooted in the belief that all products should be made with healthy and efficacious ingredients that are kind to and safe for skin. The Honey Pot Co. offers an extensive range of holistic wellness products across the feminine hygiene, menstrual, personal care, and sexual wellness categories. The Honey Pot Co.'s mission is to educate, support, and provide consumers around the world with tools and resources that promote menstrual health and vaginal wellness. Its products can be found in more than 33,000 stores across the U.S. through mass merchants, drug and grocery retail chains, and online. The Honey Pot Co. is headquartered in Atlanta, Georgia.

Velocity Outdoor - Velocity Outdoor is a leading designer, manufacturer, and marketer of archery products, hunting apparel and related accessories. The archery product category consists of products including Ravin crossbows and CenterPoint archery products, and the apparel category offers high-performance, feature rich hunting and casual apparel under the King's Camo brand, utilizing King’s own proprietary camo patterns. Velocity Outdoor offers its products through national retail chains and dealer and distributor networks. Velocity Outdoor is headquartered in Rochester, New York.

Industrial

Altor Solutions - Founded in 1957 and headquartered in St. Louis, Missouri, Altor Solutions is a designer and manufacturer of custom molded cold chain and protective foam solutions including OEM components made from EPS and EPP. Altor operates molding and fabricating facilities across North America and provides products to a variety of end-markets, including appliances and electronics, pharmaceuticals, health and wellness, building products and others.

Arnold - Arnold serves a variety of markets including aerospace and defense, general industrial, motorsport/ transportation, oil and gas, medical, energy, semiconductor and advertising specialties. Over the course of more than 100 years, Arnold has successfully evolved and adapted its products, technologies, and manufacturing presence to meet the demands of current and emerging markets. Arnold engineers solutions for and produces high performance permanent magnets (PMAG), stators, rotors and full electric motors (Ramco), precision foil products (Precision Thin Metals), and flexible magnets (Flexmag™) that are mission critical in motors, generators, sensors and other systems and components. Based on its long-term relationships, Arnold has built a diverse and blue-chip customer base totaling more than 2,000 customers and leading systems-integrators worldwide with a focus on North America, Europe, and Asia. Arnold has built a preferred rare earth supply chain and has leading rare earth

and other permanent magnet production capabilities.

Rimports - Rimports manufactures and distributes branded and private label wickless candle products used for home decor and fragrance systems under the ScentSationals, and Fusion brands. Rimports offers unique lines of wickless candle products including ceramic wax warmers, scented wax cubes, fragrance oils, essential oils, and diffusers. Rimports also sells flameless candles, lanterns, and outdoor lighting. Rimports was acquired by Sterno in February 2018 and is headquartered in Provo, Utah.

2026 Outlook and Significant Trends Impacting our Subsidiary Businesses

Macroeconomic Trends

The U.S. economy continued to expand through the third quarter of 2026, supported by resilient consumer spending and business investment, while inflation remained elevated and interest rates increased. These conditions have affected our subsidiaries differently based on their end markets, customer mix, sourcing profiles and ability to implement pricing and productivity actions. Within our Branded Consumer businesses, demand has remained strongest at BOA, PrimaLoft and The Honey Pot, supported by customer wins, expanded distribution and demand from Asian brand partners. At 5.11, disciplined promotional activity, tariff recoveries and cost management have supported margins despite softer revenue. Consumer demand nevertheless remains uneven, and changes in discretionary spending, promotional intensity, channel inventories and retailer ordering patterns could affect sales and margins. Within our Industrial businesses, Arnold has benefited from demand for rare-earth magnets sourced outside China, while Altor has experienced softer demand in certain white-goods and cold-chain applications, higher input costs, and increased competitive pressure. Rimports also faces lower anticipated volume from a significant customer. We expect labor, freight, energy, packaging, commodities and other raw-material costs to remain variable. In particular, volatility in diesel, gasoline and other fuel prices has affected and will continue to affect inbound and outbound freight costs through changes in carrier rates and fuel surcharges, which have pressured and may continue to pressure gross margins and working capital to the extent such costs cannot be offset fully or promptly through pricing, sourcing, logistics optimization or customer negotiations. Our subsidiaries continue to use pricing, productivity, sourcing, freight-management and working-capital initiatives to mitigate these pressures. Higher benchmark rates and tighter financing conditions may also affect consumer and customer spending and the cost and availability of incremental financing. Although a significant portion of our outstanding debt is fixed-rate, sustained higher rates may increase refinancing costs and reinforce our focus on free cash flow generation and debt reduction.

Geopolitics and Trade Policy

Geopolitical and trade-policy conditions remained fluid during 2026 and continue to affect sourcing decisions, landed product costs, supply availability, pricing and customer demand across our portfolio. The U.S. Supreme Court ruled in February 2026 that the International Emergency Economic Powers Act does not authorize the President to impose tariffs. Other tariff authorities, including Sections 232 and 301, remain available, and the scope, timing and administration of replacement or additional measures continue to evolve. The ruling also created uncertainty regarding the timing, amount and accounting treatment of refunds for tariffs previously paid. Certain subsidiaries have received or expect recoveries related to previously paid tariffs, but the amount and timing of additional recoveries cannot be predicted with certainty. Our subsidiaries continue to diversify suppliers, reduce concentrated sourcing exposure to China, negotiate with customers and vendors, adjust pricing and inventory levels, and pursue product and manufacturing alternatives. These actions are particularly relevant to Arnold, where export-licensing requirements in China may constrain access to certain rare-earth materials and components while also increasing demand for non-China-sourced products. Tariffs and trade restrictions may increase working-capital requirements, cause order timing changes, disrupt supply or compress margins when higher costs cannot be offset fully or promptly. We will continue to monitor developments and adapt sourcing, pricing and inventory strategies as conditions evolve.

Business Outlook

Our near-term priorities are to generate free cash flow, reduce leverage, maintain adequate liquidity and improve the operating performance of our subsidiaries. During 2026, we completed the sale of Sterno’s Food Service business and applied more than $280 million of proceeds to senior secured debt. We intend to continue evaluating targeted divestitures where we believe a transaction can realize attractive value and accelerate deleveraging. We

also amended our management services agreement to reduce expected management costs beginning in 2027 and to tie a greater portion of the Manager's compensation to shareholder returns and operating performance.

At our Branded Consumer businesses, we are focused on sustaining momentum at BOA, PrimaLoft and The Honey Pot through product innovation, distribution expansion and customer wins, while maintaining pricing and promotional discipline at 5.11. At our Industrial businesses, priorities include supporting Arnold's opportunities in non-China-sourced rare-earth magnets, improving commercial execution and aligning costs with demand at Altor, and managing customer concentration and volume pressure at Rimports. Across the portfolio, we continue to emphasize disciplined capital spending, working-capital management, sourcing flexibility, productivity, margin protection and strengthened governance and financial-reporting processes. Our outlook remains subject to changes in inflation, interest rates, consumer and industrial demand, tariffs and trade restrictions, geopolitical developments, customer order timing and the availability and cost of financing.

Lugano Restatement and Deconsolidation

As previously disclosed, following concerns reported to the Company's management, the Company commenced the Lugano Investigation. As a result of the Lugano Investigation, the Company determined that the Company's previously issued financial statements for fiscal years 2022, 2023 and 2024, including other interim and full-year financial information, should no longer be relied upon. In connection with the restatement process, the Company corrected these errors in its 2024 Form 10-K/A, which was filed on December 8, 2025. The Company then filed its Quarterly Reports on Form 10-Q for the first, second and third quarters of 2025, on December 18, 2025, December 29, 2025, and January 14, 2026, respectively. In addition, as a result of the Lugano Bankruptcy, effective November 16, 2025, Lugano and its subsidiaries were deconsolidated from the Company's consolidated financial statements in accordance with ASC 810 – *Consolidation*. Accordingly, the results of Lugano are included in the Company's consolidated results through November 16, 2025, and periods subsequent to that date do not include Lugano's results of operations, assets or liabilities, except to the extent of any retained interest or other continuing involvement recognized in accordance with applicable accounting guidance.

Recent Events

Amendment to the 2022 Credit Facility

On August 6, 2026, we entered into a Sixth Amendment to the 2022 Credit Facility. The amendment extends the maturity of the revolving commitments and term loans to January 12, 2028 and modifies certain terms of the facility. Among other changes, the amendment reduces the aggregate revolving commitments from $100.0 million to $54.0 million, waives milestone fees that otherwise would have been payable under the Fifth Amendment transaction letter, removes the incremental delayed draw term loan facility, reduces the aggregate amount available under incremental facilities from $250.0 million to $150.0 million, and revises certain covenant and availability provisions, including reducing the concentration limit for Combined Eligible Availability attributable to any one portfolio company from 40% to 25%. The amendment also permits certain supply chain financing arrangements and payments under the Ninth Amended and Restated Management Services Agreement. In addition, if the term loans under the 2022 Credit Facility have not been repaid on or before December 31, 2026, we will be required to pay a $4.0 million milestone fee. We believe the Sixth Amendment provides additional time and flexibility to execute our deleveraging and liquidity plans; however, our ability to maintain adequate liquidity and comply with the amended covenants will depend on our operating performance, cash generation, asset monetization activity and other factors discussed in this Form 10-Q.

MSA Amendment

On July 12, 2026, the Company and the Manager entered into an amendment to the Management Service Agreement (the "Ninth MSA"). Beginning January 1, 2027, the Ninth MSA reduces the base management fee rates, caps the 2027 base management fee at $30.0 million, establishes the 2027 Aggregate Fee Cap and replaces the existing incentive management fee with the Share Alignment Award and Performance-Based Award described in Note N. The revised fee and award structure is expected to reduce total management fees for 2027 relative to the amounts that otherwise would have been payable under the Eighth MSA, although actual amounts will depend on the Company's Adjusted Net Assets, the level of payout under the Performance-Based Award and other applicable factors.

Chief Executive Officer Succession

In June 2026, the Company announced that Elias J. Sabo is expected to retire as Chief Executive Officer at the end of 2026 and that Zachary T. Sawtelle, who was appointed Chief Operating Officer, is expected to succeed him as Chief Executive Officer on January 1, 2027.

Lugano Settlement

At June 30, 2026, the estimated fair value of the Company's receivable associated with the CODI Secured Claim against Lugano was $39.0 million after a $58.0 million decrease in fair value recognized during the second quarter of 2026. On August 27, 2026, Lugano filed its Chapter 11 plan of liquidation, incorporating the settlement among the Company, Lugano, the official committee of unsecured creditors and other parties in interest. The Bankruptcy Court confirmed the Plan on September 24, 2026, and the Plan became effective on September 30, 2026. On September 29, 2026, the Company received a $29.8 million Initial CODI Distribution, equal to 34.79% of Effective Date Cash and including its share of Lugano's 2024 tax refund. The distribution was received one day before the Plan's effective date due to wire timing and reduced the receivable to $9.2 million. On September 30, 2026, the Company remeasured the remaining receivable to $9.5 million and recognized a $0.3 million fair-value increase in other income (expense), net. Upon execution of the Lugano Liquidation Trust Agreement, the Company exchanged the receivable for a special beneficial interest in the Lugano Liquidation Trust (the "Special Beneficial Interest") with an initial fair value of $9.5 million. The Special Beneficial Interest represents contractual rights to future distributions from specified tax-refund, insurance, litigation and other recoveries. Its September 30, 2026 fair value reflects the Company's share of estimated 2021–2023 tax refunds, net of applicable deductions and discounting; no value was ascribed to litigation or theft-policy insurance recoveries because of uncertainty regarding amounts, timing, coverage, costs and duration. The amount and timing of ultimate recoveries remain uncertain. In October 2026, we used the $29.8 million distribution to repay a portion of the 2022 Term Loan.

Sale of Sterno Food Service Division

On March 28, 2026, we signed an Agreement and Plan of Merger (the "Merger Agreement") to sell Sterno, which we owned approximately 92% of on a fully diluted basis. Under the Merger Agreement, WCHG Buyer, Inc. (the "Buyer") acquired Sterno's food service business through the merger of a Buyer subsidiary with and into Sterno, with Sterno surviving as a wholly owned subsidiary of the Buyer. Immediately before the closing, Sterno distributed all of the equity interests in its indirect wholly owned subsidiary, Rimports, LLC ("Rimports"), to Rimports Holdings, Inc., the equity of which was, in turn, distributed pro rata to Sterno's stockholders, including the LLC (the "Rimports Distribution"). After the Rimports Distribution, Rimports (which holds Sterno's home fragrance business) remains a majority-owned subsidiary of CODI.

The Sterno sale closed on May 1, 2026. The sale price was based on an enterprise value of $292.5 million. After allocation of the purchase consideration to Sterno's noncontrolling stockholders and payment of transaction costs, CODI received approximately $282 million of total proceeds at closing, representing amounts received with respect to the Company's outstanding loans to Sterno, including accrued interest, and its equity interests in Sterno. The Company used the proceeds received from the sale to repay outstanding borrowings under its senior credit facility.

The Rimports distribution was accounted for as a transaction between entities under common control at historical carrying amounts because the Company controlled Sterno, inclusive of Rimports, before the distribution and continues to control Rimports after the distribution. No gain or loss was recognized as a result of the distribution. Because the Company retained Rimports following the distribution, the assets and liabilities of Rimports were excluded from the held-for-sale disposal group and continue to be presented in the Company's condensed consolidated balance sheet.

Upon completion of the sale on May 1, 2026, the Company deconsolidated Sterno's food service business and recognized a gain on the sale of Sterno of $182.3 million, which was reduced by $4.3 million in the third quarter of 2026 to reflect the working capital settlement and other transaction adjustments.

Altor Sale Leaseback

On January 23, 2026, Altor completed a sale leaseback transaction for its manufacturing facilities in Bloomsburg, Pennsylvania; New Albany, Indiana; and El Dorado Springs, Missouri (the "Properties"). Under the purchase and sale agreement, Altor sold the land, buildings and certain integrated fixtures to the buyer/lessor for total consideration of $11.75 million. At the same time, Altor entered into a 20 year triple-net master lease to lease back all three Properties. As required by the Fifth amendment to the 2022 Credit Facility, the Company made a payment of the amount of the net proceeds to reduce the term loan under the 2022 Credit Facility by $11 million.

Non-GAAP Financial Measures

In addition to the results of operations contained in this report, which have been prepared and presented in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP" or "GAAP"), we have also included supplemental information concerning our results of operations on a non-GAAP basis. A non-GAAP financial measure is a numerical measure of historical or future performance, financial position or cash flow that excludes amounts, or is subject to adjustments that effectively exclude amounts, included in the most directly comparable measure calculated and presented in accordance with GAAP in our financial statements, and vice versa for measures that include amounts, or are subject to adjustments that effectively include amounts, that are excluded from the most directly comparable measure as calculated and presented.

See “Reconciliation of Non-GAAP Financial Measures” for further discussion of our non-GAAP financial measures and related reconciliations.

Results of Operations

The following discussion reflects a comparison of the historical results of operations of our consolidated business for the three and nine months ended September 30, 2026 and September 30, 2025, and components of the results of operations for each of our operating segments on a stand-alone basis.

Lugano Bankruptcy - In November 2025, Lugano and certain of its subsidiaries filed the Lugano Bankruptcy. As a result of the bankruptcy filing, the Company no longer maintained a controlling financial interest in Lugano and, accordingly, deconsolidated Lugano and its subsidiaries in accordance with ASC 810 - *Consolidation*. The results of operations of Lugano are included in the Company's consolidated results through the date control was lost. From that date forward, Lugano is no longer included as an operating segment of the Company.

Sale of Sterno Food Service Division - On May 1, 2026, the Company completed the sale of Sterno's food service product division. Immediately prior to the sale, Rimports, which operates the retained home fragrance business, was separated from Sterno and remained a consolidated business of the Company. Because the sale did not qualify for discontinued operations presentation, the results of the food service product division are included in continuing operations through the date of sale. In addition, the historical results presented for Rimports include the amounts attributable to the food service product division for periods prior to the sale, which affects comparability between the current and prior-year periods.

In the following results of operations, we provide (i) our actual Consolidated Results of Operations for the three and nine months ended September 30, 2026 and 2025, which includes the historical results of operations of each of our businesses (operating segments) from the date of acquisition in accordance with US GAAP, and (ii) comparative historical components of the results of operations for each of our businesses on a stand-alone basis for the three and nine months ended September 30, 2026 and 2025. The following results of operations at each of our businesses are not necessarily indicative of the results to be expected for a full year.

All dollar amounts in the financial tables are presented in thousands. Certain amounts and percentages may not sum or recalculate due to the presentation of rounded numbers. Amounts discussed within the supporting narrative are calculated based on unrounded numbers and consequently the sum of the components may not agree to totals using the rounded numbers provided. References in the financial tables to percentage changes that are not meaningful are denoted by "NM."

Consolidated Results of Operations - Quarter-to-Date

Three months ended September 30, 2026 compared to three months ended September 30, 2025

The following table sets forth our unaudited results of operations for the periods indicated, in dollars and as a percentage of net revenues:

	Three months ended			
	September 30, 2026		September 30, 2025	
Net revenues	$ 422,930	100.0 %	$ 472,562	100.0 %
Cost of revenues	224,420	53.1 %	264,847	56.0 %
Gross profit	198,510	46.9 %	207,715	44.0 %
Selling, general and administrative expense	130,362	30.8 %	179,315	37.9 %
Management fees	13,651	3.2 %	16,213	3.4 %
Amortization expense	22,652	5.4 %	23,254	4.9 %
Operating income (loss)	31,845	7.5 %	(11,067)	(2.3)%
Interest expense	(21,769)	(5.1)%	(66,721)	(14.1)%
Amortization of debt issuance costs	(1,711)	(0.4)%	(826)	(0.2)%
Loss on debt modification	(1,038)	(0.2)%	—	— %
Increase in fair value of receivable due from unconsolidated affiliate	303	0.1 %	—	— %
Loss on sale of product division	(4,338)	(1.0)%	—	— %
Other income (expense)	(239)	(0.1)%	(2,343)	(0.5)%
Income (loss) from continuing operations before income taxes	3,053	0.7 %	(80,957)	(17.1)%
Provision (benefit) for income taxes	(20,140)	(4.8)%	5,763	1.2 %
Net income (loss) from continuing operations	$ 23,193	5.5 %	$ (86,720)	(18.4)%

Net revenues

	Three months ended			
	September 30, 2026	September 30, 2025	Increase (Decrease)	
5.11	$ 133,866	$ 143,240	(9,374)	(6.5)%
BOA	52,970	43,941	9,029	20.5 %
Lugano	—	17,350	(17,350)	(100.0)%
PrimaLoft	16,311	13,294	3,017	22.7 %
The Honey Pot Co.	42,774	34,727	8,047	23.2 %
Velocity	29,719	29,040	679	2.3 %
Total Branded Consumer	$ 275,640	$ 281,592	$ (5,952)	(2.1)%
Altor	64,627	79,824	(15,197)	(19.0)%
Arnold	47,654	37,686	9,968	26.5 %
Rimports	35,009	73,460	(38,451)	(52.3)%
Total Industrial	$ 147,290	$ 190,970	$ (43,680)	(22.9)%
Consolidated net revenues	$ 422,930	$ 472,562	$ (49,632)	(10.5)%

Consolidated net revenues for the three months ended September 30, 2026 decreased by approximately $49.6 million, or 10.5%, compared to the corresponding period in 2025. The decrease primarily reflected lower net revenues at Rimports ($38.5 million decrease), Altor ($15.2 million decrease), and 5.11 ($9.4 million decrease), partially offset by higher net revenues at Arnold ($10.0 million), BOA ($9.0 million), The Honey Pot Co. ($8.0 million), and PrimaLoft ($3.0 million). The decrease at Rimports was primarily attributable to the May 1, 2026 sale of the Sterno food service division. Accordingly, Rimports' historical results include the Sterno division through the date of

sale, while the Sterno division's $35.7 million of net revenue recognized in the third quarter of 2025 did not recur in the third quarter of 2026. In addition, Lugano recognized $17.4 million of revenue in the third quarter of 2025 that did not recur in the third quarter of 2026 as a result of Lugano's bankruptcy in November 2025. Refer to "Results of Operations - Operating Segments - Quarter-to-Date" for a more detailed analysis of net revenues by operating segment.

We do not generate any revenues apart from those generated by our subsidiaries. We may generate interest income on the investment of available funds, but expect such earnings to be minimal. We make loans from the Company to our subsidiary businesses and also hold equity interests in those businesses. Cash flows coming to the Trust and the LLC are the result of interest payments on those loans, amortization of those loans and additional principal payments on those loans. However, on a consolidated basis, these items will be eliminated.

Gross Profit

	Three months ended			
	September 30, 2026	September 30, 2025	Increase (Decrease)	
5.11	$ 77,575	$ 77,247	$ 328	0.4 %
BOA	34,789	28,287	6,502	23.0 %
Lugano	—	13,292	(13,292)	(100.0)%
PrimaLoft	10,262	8,442	1,820	21.6 %
The Honey Pot Co.	29,581	19,197	10,384	54.1 %
Velocity	11,700	9,293	2,407	25.9 %
Total Branded Consumer	$ 163,907	$ 155,758	$ 8,149	5.2 %
Altor	11,285	20,178	(8,893)	(44.1)%
Arnold	15,054	9,452	5,602	59.3 %
Rimports	8,264	22,327	(14,063)	(63.0)%
Total Industrial	$ 34,603	$ 51,957	$ (17,354)	(33.4)%
Consolidated gross profit	$ 198,510	$ 207,715	$ (9,205)	
Gross Margin				
Branded Consumer	59.5 %	55.3 %	4.2%	
Industrial	23.5 %	27.2 %	(3.7)%	
Consolidated gross margin	46.9 %	44.0 %		

On a consolidated basis, gross profit decreased approximately $9.2 million during the three months ended September 30, 2026 compared to the corresponding period in 2025. We saw notable decreases in gross profit at Altor ($8.9 million decrease) and Rimports ($14.1 million decrease) that corresponded to the decrease in net revenue noted above. We saw increases in gross profit at BOA ($6.5 million increase), PrimaLoft ($1.8 million increase), The Honey Pot Co. ($10.4 million increase), and Arnold ($5.6 million increase). The decrease in net revenues and gross profit at Rimports is attributable to the sale of the Sterno food service division on May 1, 2026. Rimports' historical results include the Sterno division through the date of sale, with the Sterno division's $11.8 million of gross profit recognized in the third quarter of 2025 not recurring in the third quarter of 2026. In addition, Lugano recognized $13.3 million in gross profit in the quarter ended September 30, 2025 which was nonrecurring due to the Lugano bankruptcy in November 2025.

Gross margin was approximately 46.9% in the three months ended September 30, 2026 compared to 44.0% in the three months ended September 30, 2025. The increase in gross margin in the quarter ended September 30, 2026 as compared to the quarter ended September 30, 2025 is driven by the increase in gross margin at our consumer businesses during the quarter. Our branded consumer businesses had gross margin of 59.5% in the third quarter of 2026 as compared to 55.3% in the third quarter of 2025, while our industrial businesses had gross margin of 23.5% in the third quarter of 2026 as compared to 27.2% in the third quarter of 2025. Gross margin at several of our businesses benefited from refunds of duties previously paid under IEEPA tariffs of approximately $6.9 million in total during the quarter, which were recognized as a credit to cost of goods sold upon receipt of cash, consistent with the accounting for gain contingencies. The remainder of the increase in gross margin at the branded consumer

businesses was primarily attributable to product mix, particularly at BOA. The decrease in gross margin at our industrial businesses was attributable to higher fixed overhead costs absorbed on a lower revenue base and higher raw material costs at Altor during the quarter.

Selling, general and administrative expense

	Three months ended			
	September 30, 2026	September 30, 2025	Increase (Decrease)	
Selling, general and administrative expense	$ 130,362	$ 179,315	$(48,953)	(27.3)%

Consolidated selling, general and administrative expense decreased approximately $49.0 million during the three months ended September 30, 2026, compared to the corresponding period in 2025, driven primarily by expense incurred by Lugano ($24.1 million) in the prior year quarter which was nonrecurring due to the Lugano bankruptcy in November 2025, the sale of the Sterno food service division on May 1, 2026, the impact of a workforce reduction at Altor in the first half of 2026 ($3.9 million decrease in expense quarter over quarter), and the reduction in selling, general and administrative expense incurred at the corporate level ($22.8 million decrease) in the current quarter versus the comparable quarter in 2025 . These decreases were offset by increases in expense at BOA ($2.4 million increase) due to higher costs related to BOA's bonus plan and at The Honey Pot Co. ($1.4 million increase) due to increased product innovation and marketing investment.

At the corporate level, general and administrative expense decreased by $22.8 million, to $9.8 million for the three months ended September 30, 2026, from $32.6 million for the corresponding period in 2025. The decrease primarily reflected higher costs incurred in the prior-year period in connection with the Company’s Lugano subsidiary and the related restatement of the Company’s financial statements. The Company continued to incur elevated expenses during the current-year period associated with ongoing litigation, corporate governance changes, and internal control remediation activities.

Management Fees

	Three months ended			
	September 30, 2026	September 30, 2025	Increase (Decrease)	
Management fees	$ 13,651	$ 16,213	$(2,562)	(15.8)%

Under the Management Services Agreement ("MSA"), we pay CGM (i) a base management fee equal to (a) 2% of the Company’s adjusted net assets when the adjusted net assets are less than or equal to $3.5 billion (the “Initial Threshold Fee”), and (b) an incentive fee if the adjusted net assets are greater than $3.5 billion. Such incentive management fee is subject to approval by the Compensation Committee of the Company’s board of directors. For the three months ended September 30, 2026, we incurred approximately $13.7 million in management fees as compared to $16.2 million in fees in the three months ended September 30, 2025. The decrease in the management fee in 2026 is primarily due to the deconsolidation of Lugano in November 2025 and the sale of Sterno in May 2026, which reduced the net assets used in the calculation of the management fee. The Management fee incurred in the three months ended September 30, 2025 reflects the amount incurred prior to the restatement of the Company's financial statements as the Company is not permitted under the MSA to adjust the amount owed to the Manager until the time when the restated financial information was available, which occurred upon the filing of the Company's 10-K/A on December 8, 2025. Therefore the expense recorded in the quarter ended September 30, 2025 reflects the amount that would have been due to the Manager at the time calculated, prior to the restatement of the Company's financial statements. While the MSA did not contain an express mechanism that permitted the Company to immediately clawback the overpayment of management fees, the MSA provided that future payments under the MSA would be reduced, on a dollar-for-dollar basis, by the aggregate amount of all overpaid management fees. The Company will reduce future management fee payments until the overpayment has been fully recouped. The total cash paid for Management fees in the quarter ended September 30, 2026 was $7.9 million as compared to total cash paid for Management fees in the quarter ended September 30, 2025 of $12.1 million.

Refer to "Note N - Related Party Transactions" in the "Notes to the Condensed Consolidated Financial Statements" for a description of the effect of the restatement on the Management Fees.

Amortization expense

	Three months ended			
	September 30, 2026	September 30, 2025	Increase (Decrease)	
Amortization expense	$ 22,652	$ 23,254	$ (602)	(2.6)%

Amortization expense for the three months ended September 30, 2026 decreased $0.6 million as compared to the three months ended September 30, 2025 due to the effect of the sale of Sterno on May 1, 2026.

Interest expense, net

	Three months ended			
	September 30, 2026	September 30, 2025	(Increase) Decrease	
Interest expense, net	(21,769)	(66,721)	$44,952	(67.4)%

Interest expense decreased by $45.0 million, to $21.8 million for the three months ended September 30, 2026, from $66.7 million for the corresponding period in 2025. The decrease reflected lower interest expense on the 2022 Term Loan as a result of $319 million of principal repayments made during 2026. Interest expense associated with the 2022 Term Loan decreased to approximately $4.4 million for the three months ended September 30, 2026, from $10.0 million for the corresponding period in 2025. The prior-year period also included $5.2 million of interest expense related to financing arrangements at Lugano, which was deconsolidated in November 2025. In addition, in connection with the Indenture Forbearance Agreement entered into during the third quarter of 2025, the LLC agreed to pay each holder of the Notes its pro rata share of (i) an upfront fee equal to 1.75% of the aggregate principal amount of Notes outstanding and (ii) additional interest equivalent to a 5.00% per annum increase in the interest rate on the applicable series of Notes for the period from August 1, 2025 through October 24, 2025. Both amounts were paid in kind through increases in the principal amount of the applicable series of Notes. Accordingly, the Company recognized $22.8 million of paid-in-kind interest expense in the third quarter of 2025 related to the upfront fee and accrued approximately $11.5 million related to the increased interest rate. These decreases were partially offset by higher interest expense on the Company's Senior Notes in the third quarter of 2026 due to the higher principal balance resulting from the 2025 paid-in-kind payments made in connection with the Indenture Forbearance Agreement, as described in the Company's 2025 Form 10-K.

Loss on debt modification

During the third quarter of 2026, the Company entered into an amendment to the 2022 Credit Agreement which reduced the aggregate borrowing amount available for revolving commitments to $54 million from $100 million. As a result of the reduction in available revolving commitments, the Company recognized $1.0 million in loss on debt modification in the third quarter of 2026.

Receivable due from unconsolidated affiliate

The Company recognized a $0.3 million increase in the fair value of the receivable due from an unconsolidated affiliate during the three months ended September 30, 2026. The increase resulted from the remeasurement of the remaining receivable from $9.2 million to $9.5 million based on updated estimates of expected recoveries on the CODI Secured Claim. During the quarter, the Company also received a $29.8 million initial distribution, which reduced the receivable to $9.2 million. Upon the September 30, 2026 effective date of Lugano's Chapter 11 plan, the remaining receivable was satisfied and replaced by a Special Beneficial Interest in the Lugano Liquidation Trust with an initial fair value of $9.5 million.

Loss on sale of product division

On May 1, 2026, the Company sold the Sterno food service product division. The Company received approximately $282 million of total proceeds at closing, representing amounts received with respect to the Company's outstanding loans to Sterno, including accrued interest, and its equity interests in Sterno. The Company recorded a reduction in

the gain on the sale of Sterno in the quarter ending September 30, 2026 of $4.3 million reflecting the final working capital settlement and other transaction adjustments.

Other income (expense)

	Three months ended			
	September 30, 2026	September 30, 2025	(Increase) Decrease	
Other income (expense), net	(239)	(2,343)	$2,104	(89.8)%

For the quarter ended September 30, 2026, we recorded $0.2 million in other expense as compared to $2.3 million in other expense in the quarter ended September 30, 2025, a decrease in expense of $2.1 million. Other income (expense) typically reflects the movement in foreign currency at our subsidiary businesses with international operations, gains or (losses) realized on the sale of property, plant and equipment, and expenses incurred or income earned that are not considered a part of our operations. In both the current quarter and prior year comparable quarter, the amounts relate primarily to foreign currency gains and losses.

Provision (benefit) for income taxes

	Three months ended			
	September 30, 2026	September 30, 2025	Increase (Decrease)	
Provision for income taxes	$ (20,140)	$ 5,763	$ (25,903)	(449.5)%
Effective tax rate	(659.7)%	(7.1)%		

We had an income tax benefit of $20.1 million during the three months ended September 30, 2026 compared to an income tax provision of $5.8 million during the same period in 2025, a decrease of $25.9 million. The change primarily reflected a discrete tax benefit recognized in the current-year quarter following approval of the settlement of the Lugano bankruptcy, which permitted the Company to recognize for income tax purposes the loss on its intercompany loans with Lugano. The resulting tax loss was used to offset the taxable gain recognized on the sale of Sterno in the second quarter of 2026. The Company's effective tax rate may also vary from period to period based on recurring factors, including applicable tax rates in foreign jurisdictions and the relative amount of income earned in those jurisdictions, as well as discrete items that are not consistent between periods.

Results of Operations - Operating Segments - Quarter-to-Date

Three months ended September 30, 2026 compared to three months ended September 30, 2025

Branded Consumer Businesses

5.11

	Three months ended			
	September 30, 2026	September 30, 2025	Increase (Decrease)	
Net sales	$ 133,866	$ 143,240	$ (9,374)	(6.5)%

Net sales for the three months ended September 30, 2026 were $133.9 million as compared to net sales of $143.2 million for the three months ended September 30, 2025, a decrease of $9.4 million, or 6.5%. The decrease was primarily attributable to a decrease in direct-to-consumer sales of approximately $2.9 million, reflecting an intentional reduction in promotional activity compared to the prior year period, a decrease in domestic wholesale sales of approximately $4.8 million, due to customer inventory reductions, and a decrease in international sales of approximately $2.6 million, reflecting the timing of demand for large government business in Latin America and the impact of geopolitical tensions in the Middle East.

	Three months ended			
	September 30, 2026	September 30, 2025	Increase (Decrease)	
Segment operating income	$ 16,463	$ 16,268	$ 195	1.2 %
Segment operating margin	12.3 %	11.4 %	0.9%	

Segment operating income for the three months ended September 30, 2026 was $16.5 million, an increase of $0.2 million when compared to segment operating income of $16.3 million for the same period in 2025. The increase was primarily attributable to improved gross margin and disciplined operating expense management, which more than offset the impact of lower net sales. Gross margin benefited from a higher mix of full-price sales and from refunds of duties previously paid under IEEPA tariffs of $2.3 million, which were recognized as a credit to cost of goods sold upon receipt of cash, consistent with the accounting for gain contingencies. Selling, general and administrative expenses were essentially flat compared to the prior year period, as lower payroll expense was offset by higher performance-based bonus accruals, higher variable selling costs associated with growth in marketplace sales, and increased occupancy costs associated with new store openings. Segment operating margin was 12.3% in the third quarter of 2026 and 11.4% in the third quarter of 2025.

BOA

	Three months ended			
	September 30, 2026	September 30, 2025	Increase (Decrease)	
Net sales	$ 52,970	$ 43,941	$ 9,029	20.5 %

Net sales for the three months ended September 30, 2026 were $53.0 million as compared to net sales of $43.9 million for the three months ended September 30, 2025, an increase of $9.0 million, or 20.5%. BOA adult premium performance sales increased across key industries including Athletic, Workwear, Cycling, Snowsports, Outdoor, Helmets, and Performance Bracing, partially offset by reduced kids-based business in China.

	Three months ended			
	September 30, 2026	September 30, 2025	Increase (Decrease)	
Segment operating income	$ 14,882	$ 10,798	$ 4,084	37.8 %
Segment operating margin	28.1 %	24.6 %	3.5%	

Segment operating income for the three months ended September 30, 2026 was $14.9 million, an increase of $4.1 million when compared to segment operating income of $10.8 million for the same period in 2025. The increase in segment operating income was driven by higher net sales, improved product margins, partially offset by an increase in selling, general, and administrative expense related to BOA's bonus plan. Segment operating margin increased to 28.1% in the third quarter of 2026 from 24.6% in the third quarter of 2025, primarily driven by improved gross margins.

PrimaLoft

	Three months ended			
	September 30, 2026	September 30, 2025	Increase (Decrease)	
Net sales	$ 16,311	$ 13,294	$ 3,017	22.7 %

Net sales for the three months ended September 30, 2026 were $16.3 million, an increase of $3.0 million as compared to net sales of $13.3 million for the three months ended September 30, 2025. The increase in net sales in the current quarter versus the quarter ended September 30, 2025 is primarily attributable to continued strong consumer demand in China for outdoor products and a shift in consumer preferences in that market away from down jackets toward high-performance synthetic jackets.

	Three months ended			
	September 30, 2026	September 30, 2025	Increase (Decrease)	
Segment operating loss	$ (930)	$ (1,858)	$ 928	(49.9)%
Segment operating margin	(5.7)%	(14.0)%	8.3%	

Segment operating loss for the three months ended September 30, 2026 was $0.9 million, an improvement of $0.9 million when compared to segment operating loss of $1.9 million for the same period in 2025, driven by higher net sales in the current quarter. Segment operating margin was (5.7)% in the third quarter of 2026 as compared to (14.0)% in the third quarter of 2025.

The Honey Pot Co.

	Three months ended			
	September 30, 2026	September 30, 2025	Increase (Decrease)	
Net sales	$ 42,774	$ 34,727	$ 8,047	23.2 %

Net sales for the three months ended September 30, 2026 were $42.8 million, an increase of $8.0 million or 23.2% from net sales of $34.7 million for the three months ended September 30, 2025. The increase in net sales was primarily due to strong volume growth and market share gains in the Period Care product line, particularly in mass retail, drugstores and online channels, and the net pricing benefit related to Period Care pack price optimization implemented in late 2025. Overall, volume and share growth continued to be supported by compelling innovation, targeted investments in demand generation, and disciplined investments in capabilities to accelerate growth.

	Three months ended			
	September 30, 2026	September 30, 2025	Increase (Decrease)	
Segment operating income	$ 11,593	$ 2,655	$ 8,938	336.6 %
Segment operating margin	27.1 %	7.6 %	19.5%	

Segment operating income for the three months ended September 30, 2026 was $11.6 million, an increase of $8.9 million when compared to segment operating income of $2.7 million for the same period in 2025. Operating income for the three months ended September 30, 2026 includes a one-time benefit of $3.7 million related to IEEPA tariff refunds. Underlying organic growth of $5.2 million was primarily driven by higher net sales and improved operating leverage, partially offset by increased investments in marketing and human capital. Selling, general and administrative expense as a percentage of net sales was 32.1% in the third quarter of 2026 and 35.4% in the third quarter of 2025. Segment operating margin in the third quarter of 2026 was 27.1% as compared to 7.6% in the third quarter of 2025.

Velocity Outdoor

	Three months ended			
	September 30, 2026	September 30, 2025	Increase (Decrease)	
Net sales	$ 29,719	$ 29,040	$ 679	2.3 %

Net sales for the three months ended September 30, 2026 were $29.7 million, an increase of $0.7 million or 2.3%, compared to net sales of $29.0 million in the same period in 2025. The increase in net sales for the three months ended September 30, 2026 was primarily driven by increased apparel sales through national retailer and direct to consumer channels.

	Three months ended			
	September 30, 2026	September 30, 2025	Increase (Decrease)	
Segment operating income	$ 4,374	$ 2,912	$ 1,462	50.2 %
Segment operating margin	14.7 %	10.0 %	4.7%	

Segment operating income for the three months ended September 30, 2026 was $4.4 million compared to $2.9 million in the same period in 2025, reflecting an improvement of $1.5 million or 50.2%. This improvement was driven by higher net sales combined with favorable product margins. Segment operating margin was 14.7% in the third quarter of 2026 as compared to 10.0% in the third quarter of 2025.

Industrial Businesses

Altor Solutions

	Three months ended			
	September 30, 2026	September 30, 2025	Increase (Decrease)	
Net sales	$ 64,627	$ 79,824	$ (15,197)	(19.0)%

Net sales for the quarter ended September 30, 2026 were $64.6 million, a decrease of $15.2 million, or 19.0%, compared to net sales of $79.8 million in the quarter ended September 30, 2025. The decrease in net sales during the third quarter was primarily attributable to lower sales volumes resulting from reduced demand in the industrial white goods market and shifting market conditions in the perishable and cold chain markets.

	Three months ended			
	September 30, 2026	September 30, 2025	Increase (Decrease)	
Segment operating income	$ 287	$ 5,167	$ (4,880)	(94.4)%
Segment operating margin	0.4 %	6.5 %	(6.0)%	

Segment operating income was $0.3 million in the three months ended September 30, 2026, a decrease of $4.9 million as compared to the three months ended September 30, 2025. Segment operating margin was 0.4% in the third quarter of 2026 as compared to 6.5% in the third quarter of 2025, with the decrease driven by lower sales volumes, the deleveraging effect of fixed costs, as well as an increase in the index driving the main raw materials purchase price and freight inflation driven by rising oil costs. Gross margin was 17.5% in the three months ended September 30, 2026 and 25.3% in the three months ended September 30, 2025.

Arnold

	Three months ended			
	September 30, 2026	September 30, 2025	Increase (Decrease)	
Net sales	$ 47,654	$ 37,686	$ 9,968	26.5 %

Net sales for the three months ended September 30, 2026 were approximately $47.7 million, an increase of $10.0 million compared to net sales of $37.7 million in the same period in 2025. The increase in net sales was primarily attributable to growing demand for non-China sourced permanent magnets, partially offset by material and production constraints.

	Three months ended			
	September 30, 2026	September 30, 2025	Increase (Decrease)	
Segment operating income	$ 6,324	$ 1,229	5,095	414.6 %
Segment operating margin	13.3 %	3.3 %	10.0%	

Segment operating income for the three months ended September 30, 2026 was approximately $6.3 million, an increase of $5.1 million when compared to the same period in 2025. The increase in segment operating income was driven by higher revenue and the resulting operating leverage. Segment operating margin was 13.3% in the third quarter of 2026 as compared to 3.3% in the third quarter of 2025.

Rimports

	Three months ended			
	September 30, 2026	September 30, 2025	Increase (Decrease)	
Net sales	$ 35,009	$ 73,460	$ (38,451)	(52.3)%

Net sales for the three months ended September 30, 2026 were approximately $35.0 million, a decrease of $38.5 million, or 52.3%, compared to net sales of $73.5 million in the same period in 2025. The decrease was primarily attributable to the sale of Sterno Products' food service business in May 2026. In the third quarter of 2025, the Sterno Products' food service division had net sales of $35.7 million. The Rimports variance was driven by a reduction in key distribution within the private label business.

	Three months ended			
	September 30, 2026	September 30, 2025	Increase (Decrease)	
Segment operating income	$ 787	$ 9,815	$ (9,028)	(92.0)%
Segment operating margin	2.2 %	13.4 %	(11.1)%	

Segment operating income for the three months ended September 30, 2026 was approximately $0.8 million, a decrease of $9.0 million compared to the three months ended September 30, 2025. The decrease was primarily attributable to the sale of Sterno Products' food service business in May 2026. In the third quarter of 2025, the Sterno Products' food service division had operating income of $5.8 million. Segment operating margin was 2.2% in the third quarter of 2026 as compared to 13.4% in the third quarter of 2025. The Rimports variance was primarily driven by the reduction in revenue, inflationary costs and fixed cost deleveraging due to reduced distribution in the period.

Consolidated Results of Operations - Year-to-Date

Nine months ended September 30, 2026 compared to nine months ended September 30, 2025

The following table sets forth our unaudited results of operations for the periods indicated, in dollars and as a percentage of net revenues:

	Nine months ended			
	September 30, 2026		September 30, 2025	
Net revenues	$ 1,273,827	100.0 %	$ 1,405,027	100.0 %
Cost of revenues	685,996	53.9 %	792,739	56.4 %
Gross profit	587,831	46.1 %	612,288	43.6 %
Selling, general and administrative expense	396,709	31.1 %	491,804	35.0 %
Management fees	43,402	3.4 %	54,111	3.9 %
Amortization expense	68,182	5.4 %	69,722	5.0 %
Impairment expense	20,500	1.6 %	31,515	2.2 %
Other operating (income) expense	(10,234)	(0.8)%	—	— %
Operating income (loss)	69,272	5.4 %	(34,864)	(2.5)%
Interest expense	(73,159)	(5.7)%	(136,668)	(9.7)%
Amortization of debt issuance costs	(5,805)	(0.5)%	(2,922)	(0.2)%
Loss on debt modification	(1,038)	(0.1)%	(2,827)	(0.2)%
Decrease in fair value of receivable due from unconsolidated affiliate	(57,697)	(4.5)%	—	— %
Gain on sale of Sterno	178,004	14.0 %	—	— %
Other income (expense)	(3,038)	(0.2)%	(14,311)	(1.0)%
Income (loss) from continuing operations before income taxes	106,539	8.4 %	(191,592)	(13.6)%
Provision for income taxes	32,303	2.5 %	25,659	1.8 %
Net income (loss) from continuing operations	$ 74,236	5.8 %	$ (217,251)	(15.5)%

Net revenues

	Nine months ended			
	September 30, 2026	September 30, 2025	Increase (Decrease)	
5.11	$ 384,337	$ 404,052	$ (19,715)	(4.9)%
BOA	164,146	141,187	22,959	16.3 %
Lugano	—	70,966	(70,966)	(100.0)%
PrimaLoft	67,977	61,794	6,183	10.0 %
The Honey Pot Co.	126,320	103,716	22,604	21.8 %
Velocity	60,654	57,454	3,200	5.6 %
Total Branded Consumer	$ 803,434	$ 839,169	$ (35,735)	(4.3)%
Altor	194,931	239,386	(44,455)	(18.6)%
Arnold	131,059	110,126	20,933	19.0 %
Rimports	144,403	216,346	(71,943)	(33.3)%
Total Industrial	$ 470,393	$ 565,858	$ (95,465)	(16.9)%
Consolidated net revenues	$ 1,273,827	$ 1,405,027	$ (131,200)	(9.3)%

Consolidated net revenues for the nine months ended September 30, 2026 decreased by approximately $131.2 million, or 9.3%, compared with the corresponding period in 2025. The decrease primarily reflected lower net revenues at Rimports ($71.9 million decrease) and Altor ($44.5 million decrease), as well as $71.0 million of net revenues recognized by Lugano in the prior-year period that did not recur following Lugano's bankruptcy in

November 2025. The decrease at Rimports was primarily attributable to the May 1, 2026 sale of the Sterno product division. Net revenues also decreased at 5.11 by $19.7 million. These decreases were partially offset by higher net revenues at BOA ($23.0 million increase), The Honey Pot Co. ($22.6 million increase), and Arnold ($20.9 million increase). Refer to "Results of Operations - Operating Segments - Year-to-Date" for a more detailed analysis of net revenues by operating segment.

We do not generate any revenues apart from those generated by our subsidiaries. We may generate interest income on the investment of available funds, but expect such earnings to be minimal. We make loans from the Company to our subsidiary businesses and also hold equity interests in those businesses. Cash flows coming to the Trust and the LLC are the result of interest payments on those loans, amortization of those loans and additional principal payments on those loans. However, on a consolidated basis, these items will be eliminated.

Gross Profit

	Nine months ended			
	September 30, 2026	**September 30, 2025**	**Increase (Decrease)**	
5.11	$ 218,076	$ 217,457	$ 619	0.3 %
BOA	108,301	90,510	17,791	19.7 %
Lugano	—	39,916	(39,916)	(100.0)%
PrimaLoft	43,666	39,477	4,189	10.6 %
The Honey Pot Co.	80,156	57,655	22,501	39.0 %
Velocity	21,293	17,609	3,684	20.9 %
Total Branded Consumer	$ 471,492	$ 462,624	$ 8,868	1.9 %
Altor	36,423	61,929	(25,506)	(41.2)%
Arnold	36,994	25,656	11,338	44.2 %
Rimports	42,922	62,079	(19,157)	(30.9)%
Total Industrial	$ 116,339	$ 149,664	$ (33,325)	(22.3)%
Consolidated gross profit	$ 587,831	$ 612,288	$ (24,457)	(4.0)%
Gross Margin				
Branded Consumer	58.7 %	55.1 %	3.6%	
Industrial	24.7 %	26.4 %	(1.7)%	
Consolidated gross margin	46.1 %	43.6 %	2.6%	

Consolidated gross profit for the nine months ended September 30, 2026 decreased by approximately $24.5 million compared with the corresponding period in 2025. The decrease primarily reflected lower gross profit at Altor ($25.5 million decrease) and Rimports ($19.2 million decrease), as well as $39.9 million of gross profit recognized by Lugano during the nine months ended September 30, 2025 that did not recur following Lugano's bankruptcy. The decrease at Rimports was primarily attributable to the May 2026 sale of the Sterno food services product division and was consistent with the related decline in net revenues. These decreases were partially offset by higher gross profit at The Honey Pot Co. ($22.5 million increase), BOA ($17.8 million increase), and Arnold ($11.3 million increase).

Consolidated gross margin increased to 46.1% for the nine months ended September 30, 2026, from 43.6% for the corresponding period in 2025. Gross margin for the branded consumer businesses increased to 58.7% from 55.1%, reflecting improvement across each branded consumer business. Gross margin for the industrial businesses decreased to 24.7% from 26.4%, primarily due to higher fixed overhead costs absorbed over a lower revenue base and higher material and freight costs at Altor, partially offset by improved gross margins at Arnold and Rimports. Consolidated gross margin also benefited from $14.4 million of company-wide reductions related to refunds received year to date of duties previously paid under IEEPA tariffs, which were recognized as credits to cost of goods sold upon receipt of cash, consistent with the accounting for gain contingencies.

Selling, general and administrative expense

	Nine months ended			
	September 30, 2026	September 30, 2025	Increase (Decrease)	
Selling, general and administrative expense	$ 396,709	$ 491,804	$ (95,095)	(19.3)%

Consolidated selling, general and administrative expense decreased approximately $95.1 million during the nine months ended September 30, 2026, compared to the corresponding period in 2025, driven primarily by the impact of Lugano's bankruptcy, a reduction in the one-time costs at Corporate related to Lugano and the resulting restatement of our financial statements, and the sale of the Sterno food service division in the second quarter of 2026. Lugano had selling, general and administrative expense of $79.3 million in the nine months ended September 30, 2025 that was nonrecurring due to the November 2025 bankruptcy of Lugano.

At the corporate level, general and administrative expense was $39.1 million in the nine months ended September 30, 2026 and $50.4 million in the nine months ended September 30, 2025, a decrease of $11.3 million. The decrease primarily reflected higher costs incurred in the prior-year period in connection with the Company’s Lugano subsidiary and the related restatement of the Company’s financial statements. The Company continued to incur elevated expenses during the current-year period due to costs associated with the Lugano investigation, litigation, governmental-investigation, governance and internal-control remediation.

Management fees

	Nine months ended			
	September 30, 2026	September 30, 2025	Increase (Decrease)	
Management fees	$ 43,402	$ 54,111	$ (10,709)	(19.8)%

For the nine months ended September 30, 2026, we incurred $43.4 million in management fees as compared to $54.1 million in fees in the nine months ended September 30, 2025. The decrease in the management fee expense in 2026 is primarily due to the deconsolidation of Lugano in November 2025 and the sale of Sterno in May 2026, which reduced the net assets used in the calculation of the management fee. The management fee incurred in the nine months ended September 30, 2025 reflects the amount incurred prior to the restatement of the Company's financial statements as the Company is not permitted under the MSA to adjust the amount owed to the Manager until the time when the restated financial information was available, which occurred upon the filing of the Company's 10-K/A on December 8, 2025. Therefore the expense recorded in the nine months ended September 30, 2025 reflects the amount that would have been due to the Manager at the time calculated, prior to the restatement of the Company's financial statements. While the MSA did not contain an express mechanism that permitted the Company to immediately clawback the overpayment of management fees, the MSA provided that future payments under the MSA would be reduced, on a dollar-for-dollar basis, by the aggregate amount of all overpaid management fees. The Company will reduce future management fee payments until the overpayment has been fully recouped. The total cash paid for Management fees in the nine months ended September 30, 2026 was $23.3 million as compared to total cash paid for Management fees for the nine months ended September 30, 2025 of $49.8 million.

Refer to "Note N - Related Party Transactions" in the "Notes to the Condensed Consolidated Financial Statements" for a description of the effect of the restatement on the Management Fees.

Amortization expense

	Nine months ended			
	September 30, 2026	September 30, 2025	Increase (Decrease)	
Amortization expense	$ 68,182	$ 69,722	$ (1,540)	(2.2)%

Amortization expense for the nine months ended September 30, 2026 decreased $1.5 million as compared to the nine months ended September 30, 2025 due to the effect of the sale of Sterno on May 1, 2026.

Impairment expense

	Nine months ended			
	September 30, 2026	September 30, 2025	Increase (Decrease)	
Impairment expense	$ 20,500	$ 31,515	$ (11,015)	(35.0)%

In connection with the Company's annual goodwill impairment test in 2026, the Company recorded a goodwill impairment charge at the PrimaLoft reporting unit of $20.5 million. Refer to "Note E - Goodwill and Other Intangible Assets" in the "Notes to the Condensed Consolidated Financial Statements" for additional information. In the prior year period, the Company recorded $31.5 million in impairment expense related to long-lived assets at Lugano.

Other operating (income)

	Nine months ended			
	September 30, 2026	September 30, 2025	(Increase) Decrease	
Other (income)	(10,234)	—	$ (10,234)	— %

Other operating income represents the gain on the sale leaseback completed at Altor in the nine months ended September 30, 2026.

Interest expense, net

	Nine months ended			
	September 30, 2026	September 30, 2025	(Increase) Decrease	
Interest expense	(73,159)	(136,668)	$ 63,509	(46.5)%

We recorded interest expense totaling $73.2 million for the nine months ended September 30, 2026 compared to $136.7 million for the comparable period in 2025, a decrease of $63.5 million. Interest expense in the nine months ended September 30, 2025 includes $20.8 million related to financing arrangements at Lugano, which was deconsolidated in November 2025. Excluding the impact of the Lugano financing arrangement in the prior-year period, interest expense decreased $42.7 million, primarily due to pay down of the Company's 2022 Credit Facility during 2026, offset by higher interest expense on the Company's Senior Notes resulting from the increased principal amount of the Senior Notes following the paid-in-kind payments made in 2025 in connection with the indenture forbearance agreement described in the 2025 Form 10-K.

Loss on debt modification

During the third quarter of 2026, the Company entered into an amendment to the 2022 Credit Agreement which reduced the aggregate borrowing amount available for revolving commitments to $54 million from $100 million. As a result of the reduction in available revolving commitments, the Company recognized $1.0 million in loss on debt modification in the third quarter of 2026. During the second quarter of 2025, the Company entered into a forbearance agreement which reduced the aggregate borrowing amount available for revolving commitments to $100 million from $600 million. As a result of the reduction in available revolving commitments, the Company recognized $2.8 million in loss on debt modification in the second quarter of 2025.

Receivable due from unconsolidated affiliate

The Company recognized a net $57.7 million decrease in the fair value of the receivable due from an unconsolidated affiliate during the nine months ended September 30, 2026. The decrease primarily reflected a $58.0 million reduction recognized in the second quarter of 2026 following the Company's entry into a settlement agreement and related plan support agreement on June 24, 2026, which reduced the estimated amount and changed the timing of expected recoveries on the CODI Secured Claim. This decrease was partially offset by a $0.3 million increase recognized in the third quarter of 2026 upon remeasurement of the remaining receivable from $9.2 million to $9.5 million. During the third quarter, the Company also received a $29.8 million initial distribution. Upon the September 30, 2026 effective date of Lugano's Chapter 11 plan, the remaining receivable was satisfied and replaced by a Special Beneficial Interest in the Lugano Liquidation Trust with an initial fair value of $9.5 million.

Gain on sale of product division

On May 1, 2026, the Company sold the Sterno food service product division. The Company received approximately $282 million of total proceeds at closing, representing amounts received with respect to the Company's outstanding loans to Sterno, including accrued interest, and its equity interests in Sterno. The Company recorded a gain on the sale of Sterno in the quarter ending June 30, 2026 of $182.3 million, which was reduced by $4.3 million in the current quarter to reflect the working capital settlement and other transaction adjustments.

Other income (expense)

	Nine months ended			
	September 30, 2026	September 30, 2025	(Increase) Decrease	
Other income (expense)	(3,038)	(14,311)	$ 11,273	(78.8)%

For the nine months ended September 30, 2026, other expense was $3.0 million, compared to $14.3 million in other expense in the nine months ended September 30, 2025. Other income (expense) generally reflects foreign currency movements at our subsidiary businesses with international operations, gains or (losses) realized on the sale of property, plant and equipment, and expenses incurred a finance charge at the corporate entity related to Lugano. The other expense in the nine months ended September 30, 2025 primarily represents expense recognized at Lugano related to losses resulting from the accounting for the transactions associated with the off-balance sheet arrangements ($13.0 million in expense in the nine months ended September 30, 2025).

Income taxes

	Nine months ended			
	September 30, 2026	September 30, 2025	Increase (Decrease)	
Provision for income taxes	$ 32,303	$ 25,659	$ 6,644	25.9 %
Effective tax rate	30.3 %	(13.4)%		

We had an income tax provision of $32.3 million during the nine months ended September 30, 2026 compared to an income tax provision of $25.7 million during the same period in 2025, an increase of $6.6 million. Our effective tax rate in the nine months ended September 30, 2026 was 30.3%, compared to an effective income tax rate of 13.4% during the same period in 2025. Our tax rate is affected by recurring items, such as tax rates in foreign jurisdictions and the relative amounts of income we earn in those jurisdictions. It is also affected by discrete items that may occur in any given year but are not consistent from year to year. The current year includes a discrete tax benefit recognized in the third quarter following approval of the settlement of the Lugano bankruptcy, which permitted the Company to recognize for income tax purposes the loss on its intercompany loans with Lugano. The resulting tax loss was used to offset the taxable gain recognized on the sale of Sterno in the second quarter of 2026. In the current year, the effective tax rate was also impacted by the goodwill impairment at PrimaLoft, the effect of state taxes and changes in valuation allowances. The Company also recognized approximately $6.2 million in interest associated with certain previously recognized uncertain tax positions that had not been accrued in prior reporting periods, substantially all of which relates to prior years.

Results of Operations - Operating Segments - Year-to-Date

Nine months ended September 30, 2026 compared to nine months ended September 30, 2025

Branded Consumer Businesses

5.11

	Nine months ended			
	September 30, 2026	September 30, 2025	Increase (Decrease)	
Net sales	$ 384,337	$ 404,052	$ (19,715)	(4.9)%

Net sales for the nine months ended September 30, 2026 were $384.3 million as compared to net sales of $404.1 million for the nine months ended September 30, 2025, a decrease of $19.7 million, or 4.9%. The decrease was

primarily attributable to a decrease in direct-to-consumer sales of approximately $10.8 million, reflecting an intentional reduction in promotional activity compared to the prior year period, a decrease in domestic wholesale sales of approximately $8.2 million, due to customer inventory reductions and large prior year orders that did not repeat in the current year period, and a decrease in international sales of approximately $2.0 million, reflecting the timing of demand for large government business in Latin America, as well as the impact of geopolitical tensions in the Middle East, partially offset by growth in Asia Pacific.

	Nine months ended			
	September 30, 2026	September 30, 2025	Increase (Decrease)	
Segment operating income	$ 36,422	$ 34,595	$ 1,827	5.3 %
Segment operating margin	9.5 %	8.6 %	0.9%	

Segment operating income for the nine months ended September 30, 2026 was $36.4 million, an increase of $1.8 million when compared to segment operating income of $34.6 million for the same period in 2025. The increase was primarily attributable to improved gross margin and disciplined operating expense management, which more than offset the impact of lower net sales. Gross margin performance benefited from a higher mix of full-price sales and from refunds of duties previously paid under IEEPA tariffs of $4.3 million, which were recognized as a credit to cost of goods sold in the second and third quarters upon receipt of cash, consistent with the accounting for gain contingencies. Selling, general and administrative expenses decreased modestly compared to the prior year period, driven by lower payroll expense, partially offset by higher performance-based bonus accruals, increased investment in brand marketing, and increased occupancy costs associated with new store openings. Segment operating margin was 9.5% in the nine months ended September 30, 2026 and 8.6% in the nine months ended September 30, 2025.

BOA

	Nine months ended			
	September 30, 2026	September 30, 2025	Increase (Decrease)	
Net sales	$ 164,146	$ 141,187	$ 22,959	16.3 %

Net sales for the nine months ended September 30, 2026 were $164.1 million as compared to net sales of $141.2 million for the nine months ended September 30, 2025, an increase of $23.0 million, or 16.3%. BOA adult premium performance sales increased across key industries including Athletic, Workwear, Cycling, Snowsports, Outdoor, Helmets, and Performance Bracing, partially offset by reduced kids-based business in China. This continued momentum was primarily a result of market share gains in many of BOA's key industries.

	Nine months ended			
	September 30, 2026	September 30, 2025	Increase (Decrease)	
Segment operating income	$ 51,063	$ 38,499	$ 12,564	32.6 %
Segment operating margin	31.1 %	27.3 %	3.8%	

Segment operating income for the nine months ended September 30, 2026 was $51.1 million, as compared to segment operating income of $38.5 million for the same period in 2025, an increase of $12.6 million or 32.6%. The increase in operating income was driven by higher net sales and improved gross profit margins, partially offset by an increase in selling, general, and administrative expense related to BOA's bonus plan. Segment operating margin was 31.1% in the nine months ended September 30, 2026 and 27.3% in the nine months ended September 30, 2025.

PrimaLoft

	Nine months ended			
	September 30, 2026	September 30, 2025	Increase (Decrease)	
Net sales	$ 67,977	$ 61,794	$ 6,183	10.0 %

Net sales for the nine months ended September 30, 2026 were $68.0 million, an increase of $6.2 million as compared to net sales of $61.8 million for the nine months ended September 30, 2025. The increase in net sales in the current period versus the nine months ended September 30, 2025 is primarily attributable to the Asia region, particularly China, where consumer demand for outdoor products remains strong and consumer preferences continued to shift away from down jackets toward high-performance synthetic jackets.

	Nine months ended			
	September 30, 2026	September 30, 2025	Increase (Decrease)	
Segment operating income (loss)	$ (10,797)	$ 7,190	$ (17,987)	(250.2)%
Segment operating margin	(15.9)%	11.6 %	(27.5)%	

Segment operating loss for the nine months ended September 30, 2026 was $10.8 million, a decrease of $18.0 million when compared to segment operating income of $7.2 million for the same period in 2025. PrimaLoft recorded a goodwill impairment charge of $20.5 million in the first quarter of 2026, which was the primary driver of the decrease. The decrease was partially offset by higher sales volume during the period. Segment operating margin was (15.9)% in the nine months ended September 30, 2026 as compared to 11.6% in the nine months ended September 30, 2025.

The Honey Pot Co.

	Nine months ended			
	September 30, 2026	September 30, 2025	Increase (Decrease)	
Net sales	$ 126,320	$ 103,716	$ 22,604	21.8 %

Net sales for the nine months ended September 30, 2026 were $126.3 million, an increase of $22.6 million or 21.8% from net sales of $103.7 million for the nine months ended September 30, 2025. The increase in net sales is primarily due to strong volume growth across retail channels, the benefits of price pack architecture optimization implemented in late 2025, and modestly lower trade investment versus the prior year.

	Nine months ended			
	September 30, 2026	September 30, 2025	Increase (Decrease)	
Segment operating income	$ 27,516	$ 11,196	$ 16,320	145.8 %
Segment operating margin	21.8 %	10.8 %	11.0%	

Segment operating income for the nine months ended September 30, 2026 was $27.5 million, an increase of $16.3 million when compared to segment operating income of $11.2 million for the same period in 2025. Operating income for the nine months ended September 30, 2026 includes a one-time benefit of $5.0 million related to tariff refunds. Underlying organic growth of $11.3 million was primarily driven by higher net sales and improved operating leverage, partially offset by increased investments in marketing and human capital. Selling, general and administrative expense as a percentage of net sales was 31.5% in the first half of 2026 and 32.5% in the first half of 2025.Segment operating margin in the nine months ended September 30, 2026 was 21.8% as compared to 10.8% in the nine months ended September 30, 2025.

Velocity Outdoor

	Nine months ended			
	September 30, 2026	September 30, 2025	Increase (Decrease)	
Net sales	$ 60,654	$ 57,454	$ 3,200	5.6 %

Net sales for the nine months ended September 30, 2026 were $60.7 million, an increase of $3.2 million or 5.6%, compared to net sales of $57.5 million in the same period in 2025. The increase in net sales for the nine months ended September 30, 2026 was primarily driven by increased archery and apparel sales through national retail chains and direct to consumer channels.

	Nine months ended			
	September 30, 2026	September 30, 2025	Increase (Decrease)	
Segment operating income (loss)	$ 2,374	$ (824)	$ 3,198	388.1 %
Segment operating margin	3.9 %	(1.4)%	5.3%	

Segment operating income for the nine months ended September 30, 2026 was $2.4 million compared to segment operating loss of $0.8 million for the same period in 2025. Segment operating margin was 3.9% in the nine months ended September 30, 2026 as compared to (1.4)% in the nine months ended September 30, 2025. The improvement was primarily driven by higher net sales and increased gross margins attributable to product mix along with favorable operating expenses, with gross margins of 35.1% in the nine months ended September 30, 2026 as compared to 30.6% in the nine months ended September 30, 2025.

Industrial Businesses

Altor Solutions

	Nine months ended			
	September 30, 2026	September 30, 2025	Increase (Decrease)	
Net sales	$ 194,931	$ 239,386	$ (44,455)	(18.6)%

Net sales for the nine months ended September 30, 2026 were $194.9 million, a decrease of $44.5 million, or 18.6%, compared to net sales of $239.4 million in the nine months ended September 30, 2025. The decrease in net sales during the period was primarily attributable to reduced consumer demand in the industrial white goods market, the introduction of alternative shipping materials in the GLP-1 market, and a life science customer's transition from a direct supply model to third-party distribution. Net sales in the perishables market increased in the current year, reflecting a recovery from the prior-year decline in the market.

	Nine months ended			
	September 30, 2026	September 30, 2025	Increase (Decrease)	
Segment operating income	$ 12,882	$ 17,419	$ (4,537)	(26.0)%
Segment operating margin	6.6 %	7.3 %	(0.7)%	

Segment operating income was $12.9 million in the nine months ended September 30, 2026, a decrease of $4.5 million as compared to the nine months ended September 30, 2025. Segment operating income in the current year includes income of $10.2 million from a sale leaseback transaction that occurred in the first quarter of 2026. Excluding the income from the sale leaseback transaction, Altor would have had a decrease in segment operating income driven by reduced sales volumes the deleveraging effect of fixed costs and increases in raw material costs as a result of increasing oil prices, which negatively impacted gross margins in the current period. Gross margin was 18.7% in the nine months ended September 30, 2026 and 25.9% in the nine months ended September 30, 2025. Segment operating margin was 6.6% in the first nine months of 2026 as compared to 7.3% in the first nine months of 2025.

Arnold

	Nine months ended			
	September 30, 2026	September 30, 2025	Increase (Decrease)	
Net sales	$ 131,059	$ 110,126	20,933	19.0 %

Net sales for the nine months ended September 30, 2026 were approximately $131.1 million, an increase of $20.9 million compared to net sales of $110.1 million in the same period in 2025. The increase in net sales was primarily attributable to growing demand for non-China sourced permanent magnets. The uncertain geopolitical climate and heightened licensing requirements to export certain rare earth and strategic minerals out of China are causing significant supply chain disruptions. As a result, Arnold is seeing increased demand from customers seeking more predictable and sustainable, non-China sourced magnet materials.

	Nine months ended			
	September 30, 2026	September 30, 2025	Increase (Decrease)	
Segment operating income	$ 12,238	$ 497	11,741	2362.4%
Segment operating margin	9.3 %	0.5 %	8.9%	

Segment operating income for the nine months ended September 30, 2026 was approximately $12.2 million, an increase of $11.7 million when compared to the same period in 2025. The improvement in segment operating results was driven primarily by strong sales growth and resulting operating leverage, combined with non-recurring costs incurred in the first half of 2025. Segment operating margin was 9.3% in the first nine months of 2026 as compared to 0.5% in the first nine months of 2025.

Rimports (including Sterno's food service business through May 1, 2026)

	Nine months ended			
	September 30, 2026	September 30, 2025	Increase (Decrease)	
Net sales	$ 144,403	$ 216,346	$ (71,943)	(33.3)%

Net sales for the nine months ended September 30, 2026 were approximately $144.4 million, a decrease of $71.9 million, or 33.3%, compared to net sales of $216.3 million in the same period in 2025. The decrease was primarily attributable to the sale of Sterno Products' food service business in May 2026. The Sterno Products' food service division had net sales of $45.1 million for the nine months ended September 30, 2026 (through the date of disposition of May 1, 2026) and net sales of $107.2 million for the nine months ended September 30, 2025. The Rimports variance was primarily driven by a reduction in key distribution within the private label business.

	Nine months ended			
	September 30, 2026	September 30, 2025	Increase (Decrease)	
Segment operating income	$ 15,404	$ 27,284	$ (11,880)	(43.5)%
Segment operating margin	10.7 %	12.6 %	(1.9)%	

Segment operating income for the nine months ended September 30, 2026 was approximately $15.4 million, a decrease of $11.9 million compared to the nine months ended September 30, 2025, The decrease was primarily attributable to the sale of Sterno Products' food service business in May 2026. The Sterno Products' food service division had segment operating income of $8.5 million for the nine months ended September 30, 2026 (through the date of disposition of May 1, 2026) and segment operating income of $17.7 million for the nine months ended September 30, 2025. The Rimports variance was primarily driven by the reduction in revenue, inflationary costs and fixed cost deleveraging, partially offset by IEEPA tariff refunds of $3.9 million which were recognized as a credit to cost of goods sold during the period. Segment operating margin was 10.7% in the first nine months of 2026 as compared to 12.6% in the first nine months of 2025.

Liquidity and Capital Resources

Our primary sources of liquidity are cash generated by our subsidiaries, cash on hand and borrowings under the 2022 Credit Facility. Our material cash requirements include operating expenses, management fees, working capital, capital expenditures, debt service, preferred share distributions and strategic investments, including acquisitions. We have incurred accounting, financing, legal and other professional costs associated with the Lugano Investigation and the completed restatement of our previously issued financial statements. Although the restatement-related costs were historical and are not expected to represent a future liquidity requirement, we expect to continue to incur costs associated with securities and derivative litigation, governmental investigations and our efforts to remediate material weaknesses and strengthen internal control over financial reporting. The amount and timing of these ongoing costs are uncertain and could materially affect our liquidity.

Beginning in 2027, the Ninth MSA will reduce the base management fee rates, cap the 2027 base management fee at $30.0 million, establish the 2027 Aggregate Fee Cap and replace the existing incentive management fee with the Share Alignment Award and Performance-Based Award. The revised fee and award structure is expected to reduce total management fees for 2027 relative to the amounts that otherwise would have been payable under the Eighth MSA, although actual amounts will depend on the Company's Adjusted Net Assets, the level of payout under the Performance-Based Award and other applicable factors.

As of September 30, 2026, we had $1,029.4 million of indebtedness associated with our 5.250% Senior Notes due 2029, $308.8 million of indebtedness associated with our 5.000% Senior Notes due 2032, $233.5 million outstanding under the term loans under our 2022 Credit Facility, and no revolving borrowings outstanding under the 2022 Credit Facility. At September 30, 2026, net availability under the 2022 Credit Facility was $53.0 million after giving effect to approximately $1.0 million of outstanding letters of credit. Our material cash requirements include interest and required principal payments on outstanding debt, repayment or refinancing of amounts outstanding under the 2022 Credit Facility at maturity, expected capital expenditures, preferred share distributions, management fees, working capital and operating needs, and costs associated with ongoing litigation, governmental investigations and internal control remediation. We expect to fund these requirements with cash on hand, cash generated by our subsidiaries, proceeds from subsidiary intercompany debt service, available borrowings and, as appropriate, other financing or asset-sale proceeds. At September 30, 2026, approximately 15% of our outstanding debt was subject to changes in interest rates.

At September 30, 2026, we had approximately $127.2 million of cash and cash equivalents on hand, an increase of $59.2 million as compared to the year ended December 31, 2025. On September 29, 2026, the LLC received $29.8 million in recoveries on the CODI Secured Claim from the Lugano bankruptcy. This amount was used to repay a portion of the 2022 Term Loan in October 2026. The majority of our cash is held in non-interest bearing checking accounts or invested in short-term money market accounts in accordance with the Company's investment policy, which identifies allowable investments and specifies credit quality standards.

Below is a summary of the change in cash and cash equivalents for the nine months ended September 30, 2026 and 2025:

	Nine months ended	
	September 30, 2026	**September 30, 2025**
(in thousands)		
Net cash provided by (used in):		
Operating activities	$ 105,168	$ (53,834)
Investing activities	310,635	(33,084)
Financing activities	(355,195)	86,055
Effect of exchange rates on cash and cash equivalents	(1,456)	2,343
Net increase (decrease) in cash and cash equivalents	59,152	1,480
Cash and cash equivalents — beginning of period	68,015	59,659
Cash and cash equivalents — end of period	$ 127,167	$ 61,139

Operating Activities:

Net cash provided by operating activities was $105.2 million for the nine months ended September 30, 2026, compared with net cash used in operating activities of $53.8 million for the nine-months ended September 30, 2025, an improvement of $159.0 million. The year-over-year improvement primarily reflected a $291.5 million increase in net income (loss) from continuing operations, and a $45.8 million favorable change in working capital. Working capital provided $33.2 million of cash in the nine months ended September 30, 2026 compared with cash use of $12.5 million in the nine months ended September 30, 2025, reflecting a shift from inventory investment in 2025 to inventory-related cash generation in 2026. The prior-year working capital use included accelerated inventory receipts ahead of anticipated tariff implementations. The comparison was also affected by changes in the composition of our operating segments. The 2025 period included $65.7 million of negative operating cash flow from Lugano, while the 2026 period included the Sterno food product division only through its sale in May 2026. As a result, the year-over-year improvement in consolidated operating cash flow may not be indicative of future periods.

Investing Activities:

Net cash provided by investing activities was $310.6 million for the nine months ended September 30, 2026, compared with net cash used in investing activities of $33.1 million for the nine months ended September 30, 2025. The year-over-year change primarily reflects proceeds from the Altor sale-leaseback transaction completed in the first quarter of 2026, the sale of the Sterno food service product division completed in the second quarter of 2026, and recoveries from the Lugano bankruptcy settlement in the third quarter of 2026. These transaction-related proceeds were partially offset by $18.0 million of capital expenditures. Excluding the transaction proceeds, investing cash flows primarily reflect capital expenditures. Capital expenditures decreased by $16.2 million from $34.2 million in 2025, primarily because the prior-year period included expenditures at Lugano, which ceased to be an operating segment following its November 2025 bankruptcy filing, and higher expenditures at Arnold related to the relocation of two product divisions to a new U.S. facility. We expect capital expenditures for the full year of 2026 to be approximately $30 million to $40 million. Because the 2026 investing cash inflow was driven principally by asset-disposition and sale-leaseback proceeds, it may not be indicative of future periods.

Financing Activities:

Net cash used in financing activities was $355.2 million for the nine months ended September 30, 2026 compared with net cash flows provided by financing activities of $86.1 million for the nine months ended September 30, 2025. The 2026 outflow was driven principally by $319.0 million of term-loan repayments funded with proceeds from the Altor sale-leaseback transaction and the sale of the Sterno food service product division. Financing cash flows also included $29.1 million of Trust preferred share distributions and transactions with noncontrolling shareholders of our subsidiaries. The 2025 inflow reflected $200.0 million of term-loan borrowings, a portion of which was used to repay revolving-credit borrowings, and $58.9 million of proceeds from the issuance of Trust preferred shares, partially offset by $27.9 million of preferred share distributions and $37.6 million of common share distributions. We suspended common share distributions in May 2025 and made no common share distributions thereafter. The period-over-period change therefore primarily reflects the use of 2026 transaction proceeds to reduce debt, compared with net debt and preferred-equity financing in 2025, and resulted in lower outstanding term-loan borrowings at September 30, 2026.

The 2025 financing cash flows also included $18.7 million of net proceeds from third-party financing arrangements entered into by Lugano and accounted for as debt in our consolidated financial statements. No comparable Lugano financing proceeds were reflected in the 2026 period following Lugano’s November 2025 bankruptcy filing.

Intercompany Debt

A component of our acquisition financing strategy that we utilize in acquiring the subsidiary businesses we own and manage is to provide both equity capital and debt capital, raised at the parent level through our existing credit facility. Our strategy of providing intercompany debt financing within the capital structure of our subsidiaries allows us the ability to distribute cash to the parent company through monthly interest payments and amortization of the principal on these intercompany loans. Each loan to our subsidiary businesses has a scheduled maturity and each subsidiary business is entitled to repay all or a portion of the principal amount of the outstanding loans, without penalty, prior to maturity. Certain of our subsidiaries have paid down their respective intercompany debt balances through the cash flow generated by these subsidiaries and we have recapitalized, and expect to continue to recapitalize, these subsidiaries in the normal course of our business. The recapitalization process involves funding the intercompany debt using either cash on hand at the parent or our applicable credit facility, and serves the

purpose of optimizing the capital structure at our subsidiaries and providing the noncontrolling shareholders with a distribution on their ownership interest in a cash flow positive business.

We will from time to time, amend the intercompany credit agreements to reflect changes in the business or funding needs of our businesses. The following amendments have been made in the time period indicated:

In the third quarter of 2026, we amended the Altor intercompany credit agreement to amend the applicable senior debt to EBITDA ratio covenant as Altor was not expected to be in compliance with the ratio through the remainder of 2026 based on their forecast for the remainder of 2026.

In the second quarter of 2026, we amended the Altor intercompany credit agreement to amend the applicable fixed charge coverage ratio covenant as Altor was not expected to be in compliance with the ratio through the remainder of 2026 based on their forecast for the remainder of 2026.

In the first quarter of 2025, we amended the Velocity intercompany credit agreement to amend the applicable fixed charge coverage ratio covenant and the applicable Total Debt to EBITDA ratio covenant. Velocity was not in compliance with the fixed charge coverage ratio or leverage ratio in their intercompany credit agreement at September 30, 2025, December 31, 2025, March 31, 2026 and June 30, 2026 and was granted a waiver for the covenant violations in each period.

At September 30, 2025, Arnold was not in compliance with the fixed charge coverage ratio and leverage ratio covenants contained within its intercompany credit agreement. In the fourth quarter of 2025, we amended the Arnold credit agreement to increase the amount of availability under the revolving credit facility and to waive the covenant violations that existed as of September 30, 2025. Arnold was not in compliance with the fixed charge coverage ratio and leverage ratio covenants contained within its intercompany credit agreement at December 31, 2025, and was not in compliance with the fixed charge coverage ratio at March 31, 2026 and was granted a waiver for the covenant violations in each period.

All of our subsidiaries were in compliance with the financial covenants under their intercompany credit arrangements at September 30, 2026 except Altor, which received waivers for the applicable covenant violations.

All intercompany loans eliminate in consolidation and are not reflected in the consolidated balance sheet. As of September 30, 2026, we had the following outstanding loans due from each of our subsidiary businesses (*in thousands*):

Subsidiary	Intercompany loan
5.11	$ 74,312
BOA	80,921
PrimaLoft	139,976
The Honey Pot Co.	54,500
Velocity Outdoor	57,450
Altor	156,362
Arnold	91,323
Rimports	100
Total intercompany debt	$ 654,944
Corporate and eliminations	(654,944)
Total	$ —

At the parent level, our primary source of cash is the receipt of interest and principal on outstanding loans to our subsidiaries. Accordingly, parent-level liquidity depends on the earnings, cash flows and ability of our subsidiaries to make such payments. Subsidiary cash flows are used for operating expenses; principal and interest under our applicable credit facility and interest on our Senior Notes; payments to CGM under the MSA and to Sostratus LLC under the LLC Agreement; distributions to shareholders; and investments in future acquisitions. Payments to CGM and Sostratus LLC are required before distributions to shareholders and may be significant. If subsidiary cash flows or intercompany debt service are insufficient, or if subsidiary covenant matters restrict or delay payments to the

parent, we may need to use cash on hand, borrow under our credit facility, dispose of assets or obtain other financing to satisfy parent-level cash requirements.

Financing Arrangements

Debt and Capital Structure

Our capital structure includes (i) the 2022 Credit Facility and (ii) the Senior Notes. See "Note G — Debt" included in the "Notes to the Consolidated Financial Statements" in this Form 10-Q for additional detail regarding our debt instruments, including outstanding balances, borrowing terms, covenant requirements, and availability under the 2022 Credit Facility.

Net availability under the 2022 Revolving Credit Facility after giving effect to the Sixth Amendment was approximately $53.0 million at September 30, 2026. The outstanding borrowings under the 2022 Revolving Credit Facility include $1.0 million of outstanding letters of credit at September 30, 2026, which are not reflected on our balance sheet.

Interest Expense

The components of interest expense and periodic interest charges on outstanding debt are as follows (*in thousands*):

	Nine months ended September 30,	
	2026	2025
Interest on credit facilities	$ 21,179	$ 29,792
Interest on Senior Notes	52,112	84,874
Unused fee on Revolving Credit Facility	369	1,210
Other interest expense [1]	540	21,378
Interest income	(1,041)	(586)
Interest expense, net	$ 73,159	$ 136,668

[1] Other interest expense in the nine months ended September 30, 2025 includes interest amounts related to Lugano financing arrangements.

The following table provides the effective interest rate of the Company's outstanding debt at September 30, 2026 and December 31, 2025 *(in thousands)*:

	September 30, 2026		December 31, 2025	
	Effective Interest Rate	Amount	Effective Interest Rate	Amount
2029 Senior Notes	5.25%	1,029,371	8.15%	1,029,371
2032 Senior Notes	5.00%	308,811	7.93%	308,811
2022 Credit Facility - Term Loan	7.11%	233,500	10.14%	552,500
2022 Credit Facility - Revolving Loans	—%	—	—%	—
Unamortized debt issuance costs		(10,410)		(13,365)
Total debt outstanding		$ 1,561,272		$ 1,877,317

Reconciliation of Non-GAAP Financial Measures

In this Form 10-Q, we present Adjusted EBITDA, which is a financial measure not calculated in accordance with generally accepted accounting principles in the United States ("GAAP"). Beginning with the quarter ended September 30, 2026, we no longer present Adjusted Earnings because management no longer uses the measure internally to evaluate the Company's operating performance and believes Adjusted EBITDA provides a more relevant measure for that purpose. We present Adjusted EBITDA in addition to, and not as a substitute for, net income (loss) from continuing operations and other financial measures prepared in accordance with GAAP. The reconciliation below begins with the most directly comparable GAAP financial measure and identifies each adjustment used to calculate Adjusted EBITDA.

Management uses Adjusted EBITDA to evaluate period-to-period operating performance, review the performance of our subsidiary businesses, prepare annual budgets and forecasts, and assess potential acquisitions. We believe Adjusted EBITDA is useful to investors because it facilitates comparison of operating performance across periods by separately identifying the effects of the adjustments described below. Investors should review Adjusted EBITDA together with the corresponding GAAP results and the reconciliation presented below.

GAAP or U.S. GAAP refer to generally accepted accounting principles in the United States. From time to time we may publicly disclose certain “non-GAAP” financial measures in the course of our investor presentations, earnings releases, earnings conference calls or other venues. A non-GAAP financial measure is a numerical measure of historical or future performance, financial position or cash flow that excludes amounts, or is subject to adjustments that effectively exclude amounts, included in the most directly comparable measure calculated and presented in accordance with GAAP in our financial statements, and vice versa for measures that include amounts, or are subject to adjustments that effectively include amounts, that are excluded from the most directly comparable measure as calculated and presented.

We have included information to reconcile non-GAAP financial measures for the periods presented to the most directly comparable GAAP financial measure. We use non-GAAP information for financial and operational decision-making purposes and as a means to evaluate the underlying performance of our business and/or in forecasting our business. We believe that the presentation of such non-GAAP information, when considered in conjunction with the most directly comparable GAAP information, provides additional useful information for investors in their assessment of the underlying performance of our business. The presentation of these non-GAAP financial measures supplements other metrics we use to internally evaluate our subsidiary businesses and facilitate the comparison of past and present operations. These measures are not intended to replace the presentation of financial results in accordance with U.S. GAAP, and may be different from or otherwise inconsistent with non-GAAP financial measures used by other companies.

The tables below reconcile net income (loss) from continuing operations to Adjusted EBITDA.

Adjusted EBITDA – EBITDA is calculated from net income (loss) from continuing operations by adding back interest expense, income tax expense (benefit), depreciation expense and amortization expense, including amortization of intangibles, amortization of inventory step-up associated with purchase price allocations of our acquisitions, and debt charges, including debt issuance costs. Adjusted EBITDA is further adjusted for: noncontrolling stockholder compensation, which generally consists of non-cash stock-option expense; transaction costs incurred in connection with completed acquisitions and expensed under ASC 805, *Business Combinations*; impairment charges; changes in the fair value of contingent consideration after the acquisition date; integration service fees paid by newly acquired companies to the Manager during the first year of ownership; and other specifically identified items included in the reconciliation. We do not label an item as non-recurring solely because it occurs infrequently or at irregular intervals.

Adjusted EBITDA is a non-GAAP measure used by the Company to assess its performance. Adjusted EBITDA has limitations as an analytical tool. It excludes expenses that require or may require cash payments, including interest, taxes, acquisition-related costs and integration costs. It also does not reflect working-capital requirements, capital expenditures, debt-service obligations or other cash requirements and should not be viewed as a measure of liquidity or cash available for discretionary use. In addition, Adjusted EBITDA may not be comparable with similarly titled measures reported by other companies because other companies may calculate it differently.

Reconciliation of Net income (loss) from continuing operations to Adjusted EBITDA

The following tables reconcile net income (loss) from continuing operations, which we consider to be the most comparable GAAP financial measure, to *Adjusted EBITDA (in thousands)*:

Adjusted EBITDA
Nine months ended September 30, 2026

	Corporate	5.11	BOA	PrimaLoft	THP	Velocity Outdoor	Altor	Arnold	Rimports [1]	Consolidated
Net income (loss) from continuing operations	$ 8,923	$ 23,810	36,686	$ (22,771)	$ 16,787	$ (2,406)	$ 522	$ 2,314	$ 10,371	$ 74,236
Adjusted for:										
Provision (benefit) for income taxes	8,734	4,765	5,996	883	5,479	81	(261)	2,948	3,678	32,303
Interest expense, net	72,833	(3)	—	(28)	17	25	—	422	(107)	73,159
Intercompany interest	(55,609)	7,664	7,547	10,875	5,148	4,915	11,633	6,382	1,445	—
Loss on debt modification	1,038	—	—	—	—	—	—	—	—	1,038
Depreciation and amortization	3,754	16,415	15,867	15,957	12,457	4,301	19,768	8,095	9,930	106,544
EBITDA	39,673	52,651	66,096	4,916	39,888	6,916	31,662	20,161	25,317	287,280
Other (income) expense [2]	(117,504)	(16)	249	14	(82)	(256)	579	3	(256)	(117,269)
Noncontrolling shareholder compensation	—	1,786	2,942	1,937	1,008	12	601	79	315	8,680
Impairment expense	—	—	—	20,500	—	—	—	—	—	20,500
Other [3]	—	—	—	—	—	—	(9,698)	—	338	(9,360)
Adjusted EBITDA	$ (77,831)	$ 54,421	$ 69,287	$ 27,367	$ 40,814	$ 6,672	$ 23,144	$ 20,243	$ 25,714	$ 189,831

[1] Rimports includes the Adjusted EBITDA of the Sterno food service product division from January 1, 2026 through the date of sale, May 1, 2026.

[2] The amount of Other (income) expense at corporate includes the change in the fair value of the receivable due from unconsolidated affiliate ($57.7 million) and the gain on the sale of the Sterno food service product division ($178.0 million).

[3] Other in the nine months ended September 30, 2026 includes the exclusion of the $10.2 million gain on the sale leaseback transaction at Altor.

Adjusted EBITDA
Nine months ended September 30, 2025

	Corporate	5.11	BOA	Lugano	PrimaLoft	THP	Velocity Outdoor	Altor	Arnold	Sterno	Consolidated
Net income (loss) from continuing operations	$ (105,368)	$ 18,392	$ 22,656	$ (154,653)	$ (4,710)	$ 2,785	$ (5,413)	$ 492	$ (7,395)	$ 15,963	$ (217,251)
Adjusted for:											
Provision (benefit) for income taxes	9,601	5,468	3,796	(255)	(511)	846	41	377	1,172	5,124	25,659
Interest expense, net	115,406	(3)	(3)	20,846	(22)	(8)	8	—	444	—	136,668
Intercompany interest	(121,688)	10,910	11,235	48,360	12,180	7,371	5,004	13,980	6,186	6,462	—
Loss on debt modification	2,827	—	—	—	—	—	—	—	—	—	2,827
Depreciation and amortization	(283)	16,746	15,749	3,793	15,950	12,475	4,090	19,787	8,062	10,522	106,891
EBITDA	(99,505)	51,513	53,433	(81,909)	22,887	23,469	3,730	34,636	8,469	38,071	54,794
Other (income) expense	12	(394)	223	13,017	20	18	(478)	2,177	25	(309)	14,311
Noncontrolling shareholder compensation	—	1,738	4,089	2,185	1,753	826	127	726	12	818	12,274
Impairment expense	—	—	—	31,515	—	—	—	—	—	—	31,515
Integration services fee	—	—	—	—	—	875	—	—	—	—	875
Other [1]	—	—	—	—	—	—	—	5,943	2,359	280	8,582
Adjusted EBITDA	$ (99,493)	$ 52,857	$ 57,745	$ (35,192)	$ 24,660	$ 25,188	$ 3,379	$ 43,482	$ 10,865	$ 38,860	$ 122,351

[1] Other represents specified operating expenses that are included by management in the calculation of Adjusted EBITDA when analyzing monthly operating results of our subsidiaries. In 2025, the calculation of Adjusted EBITDA for Arnold included the add-back of certain expenses that were incurred related to the relocation of two of Arnold's facilities in the United States and costs related to the retirement of the chief executive officer at Arnold. For Altor, other included the add-back of certain expenses incurred related to restructuring of their facilities after the acquisition of Lifoam.

Seasonality

Earnings of certain of our operating segments are seasonal in nature due to various recurring events, holidays and seasonal weather patterns, as well as the timing of our acquisitions during a given year. Historically, the third and fourth quarter have produced the highest net sales in our fiscal year.

Related Party Transactions

Management Services Agreement

The LLC entered into a MSA with CGM effective May 16, 2006, as amended. CGM is managed by Wayfinder Partners LLC, of which Zachary T. Sawtelle, the Company's Chief Operating Officer, is the managing member. Elias J. Sabo, the Company's Chief Executive Officer, is also a member of CGM. CGM performs services for the LLC in exchange for a management fee. The management fee is required to be paid prior to the payment of any distributions to shareholders.

Pursuant to the MSA, CGM is entitled to enter into off-setting management service agreements with each of the operating segments. The amount of the fee is negotiated between CGM and the operating management of each segment and is based upon the value of the services to be provided. The fees paid directly to CGM by the segments offset on a dollar for dollar basis the amount due CGM by the LLC under the MSA.

Amendments to Management Services Agreement

On February 23, 2026, the LLC and CGM entered into an Eighth Amended and Restated Management Services Agreement (the "Eighth MSA amendment"), which amended and restated the parties' MSA. The Eighth MSA Amendment, among other things, (i) established a repayment protocol for previously overpaid management fees, including permitting the Company, subject to interest, to fund all or a portion of otherwise payable quarterly fees while an overpayment balance remains outstanding, (ii) provided for a dollar-for-dollar reduction of fees payable under the MSA for certain services outsourced by the Company to third-party service providers and excluded such services from the scope of services to be provided by CGM, (iii) clarified requirements and restrictions applicable to personnel seconded by CGM to the Company, and (iv) updated certain operational, governance, authority and indemnification provisions. On July 12, 2026, the LLC and CGM entered into the Ninth MSA, which became effective upon execution and amends and restates the Eighth MSA. The fee and incentive-award provisions of the Ninth MSA become effective January 1, 2027, and the fee provisions of the Eighth MSA remain applicable through December 31, 2026.

On July 12, 2026, the LLC and CGM entered into the Ninth MSA, which became effective upon execution and amends and restates the Eighth MSA. The Ninth MSA revises the LLC's management fee and incentive compensation arrangements with CGM. The fee and incentive-award provisions of the Ninth MSA described below become effective January 1, 2027, and the fee provisions of the Eighth MSA remain applicable through December 31, 2026.

Beginning in 2027, the annual base management fee will equal 1.25% of the first $3.0 billion of Adjusted Net Assets, 1.125% of Adjusted Net Assets between $3.0 billion and $5.0 billion and 1.0% of Adjusted Net Assets above $5.0 billion, with Adjusted Net Assets as defined in the Ninth MSA. The 2027 base management fee will be capped at $30.0 million. In addition, aggregate fees and awards attributable to 2027 will be subject to a cap equal to 1.75% of 2026 Average Adjusted Net Assets, with reductions applied in the order specified in the Ninth MSA.

The Ninth MSA also replaces the existing incentive management fee structure with an annual Share Alignment Award and an annual Performance-Based Award. The Share Alignment Award will equal 0.125% of the Company's Average Adjusted Net Assets for the preceding fiscal year, and the Performance-Based Award will have a target opportunity equal to the same amount. For 2027, the Share Alignment Award will be paid in cash, and the Performance-Based Award will be denominated by reference to notional CODI common shares and settled solely in cash following certification of performance by the Compensation Committee.

The Performance-Based Award will be based 70% on CODI's total shareholder return relative to the S&P SmallCap 600 Index, with target performance at the 60th percentile, and 30% on Company-level adjusted EBITDA objectives established by the Compensation Committee. The relative total shareholder return component will be subject to a requirement that CODI's absolute total shareholder return for the applicable performance period not be negative and, for 2027, a $17.25 dividend-adjusted stock-price threshold. The awards are subject to the terms, certification, forfeiture, acceleration and clawback provisions set forth in the Ninth MSA.

For fiscal years after 2027, the parties intend to seek shareholder approval of an equity-based structure for the Share Alignment Award and the Performance-Based Award. If no equity-based or other permanent structure is operative for a later year, the cash-based award structure applicable to 2027 generally will continue, subject to the terms of the Ninth MSA; however, the 2027 Aggregate Fee Cap and the $17.25 threshold are specific to 2027. For any later year in which the awards remain cash-based, aggregate Management Fees may not exceed the amount that would have been payable under the Eighth MSA for that year. Any amount excluded by this limitation will be carried forward solely for purposes of calculating Management Fees in subsequent years and will not otherwise be payable for the year in which it is excluded. The Ninth MSA also requires the Manager to maintain share ownership guidelines for senior Manager personnel who provide material services to the Company and confirms that amounts paid or payable under the Ninth MSA are subject to the Company's Dodd-Frank clawback policy if and to the extent applicable.Refer to Note N - "Related Party Transactions."

For the three and nine months ended September 30, 2026 and 2025, the Company incurred the following management fees to CGM, by entity:

	Three months ended September 30,		Nine months ended September 30, 2025	
(in thousands)	**2026**	**2025**	**2026**	**2025**
5.11	$ 250	$ 250	$ 750	$ 750
BOA	250	250	750	750
Lugano [1]	—	—	—	313
PrimaLoft	250	250	750	750
The Honey Pot Co.	250	250	750	750
Velocity	125	125	375	375
Altor	188	188	563	563
Arnold Magnetics	125	125	375	375
Rimports	125	125	375	375
Corporate	12,088	14,650	38,714	49,110
	$ 13,651	$ 16,213	$ 43,402	$ 54,111

[1] Lugano ceased paying a management fee to CGM in June 2025.

Effect of Restatement on Management Fees

As a result of the restatement of the financial statements as of December 31, 2024, 2023 and 2022 and for the years ended December 31, 2024, 2023 and 2022, as well as for the period ended December 31, 2021 and revisions made in the quarter ended March 31, 2025, the management fees paid to CGM were in excess of the amounts that should have been due under the MSA. While the MSA did not, prior to the Eighth MSA amendment, contain an express mechanism that permitted the Company to immediately clawback the overpayment of management fees during these periods, the MSA provided that future payments would be reduced, on a dollar-for-dollar basis, by the aggregate amount of all overpaid management fees. The Company calculated the total aggregate amount of excess management fees paid as a result of the restatement of the financial statements as $50.4 million. In 2025, restrictions under the Company's financing arrangements limited the Company's ability to pay management fees, resulting in management fee expense being incurred but not fully paid. The Company determined that the amount of management fees that had been overpaid at December 31, 2025 was $33.8 million, which was recorded as an asset ("Due from CGM") and reduced management fee expense for the year ended December 31, 2025. For the nine months ended September 30, 2026, the Company recorded management fee expense of $43.4 million. During the nine months ended September 30, 2026, the Company reduced the Due from CGM balance by $20.8 million for management fees applied against the prior overpayment by reducing the management fee due to CGM. As of September 30, 2026, the Due from CGM balance of $1.3 million reflects amounts due from CGM of $13.8 million including interest expense in accordance with the Eighth MSA Amendment, net of management fees accrued of $12.5 million. After September 30, 2026, the Company elected to fund $5.2 million of the quarterly management fee that otherwise would have been payable for the third quarter of 2026.

The Company expects to continue to reduce future management fee payments until the overpayment has been fully recouped.

Integration Services Agreement

No integration service fees were incurred during the nine months ended September 30, 2026. During the first quarter of 2025, The Honey Pot Co. paid CGM $0.9 million in integration service fees under an integration services agreement that has since been fully paid. An amendment to the Management Services Agreement entered into in January 2025 eliminated integration service fees for future acquisitions.

Allocation Interests

We have issued Allocation Interests, governed by our LLC agreement, to Sostratus, LLC (the "Holder") to receive distributions pursuant to a profit allocation formula upon the occurrence of certain events. The Holder is entitled to receive, if due pursuant to the profit allocation formula, an allocation payment upon the sale of a business (a "Sale Event") and upon election of the Holder during the 30-day period following the fifth anniversary of the date upon which we acquired a controlling interest in a business (a "Holding Event"). Payments of profit allocation to the Holder are accounted for as dividends declared on Allocation Interests and recorded in stockholders' equity once they are approved by the Company's board of directors.

The Lugano Bankruptcy was a Sale Event and any corresponding loss on such Sale Event will have the effect of reducing future allocation payments. The LLC Agreement also contains a mechanism to adjust future profit allocation payments by over-paid and under-paid profit distributions. The Company intends to cause future allocation payments to be adjusted, as necessary, to reflect the impact of the restatement of the Company's financial statements.

The sale of the Sterno food service product division in the second quarter of 2026 was a Sale Event. Although the sale of Sterno resulted in the calculation of a positive profit allocation distribution, no amount will be paid to the Holder as a result of the sale of Sterno as the amount of profit allocation payment due was not sufficient to exceed the high water mark in the profit allocation formula.

5.11

Related Party Vendor Purchases - 5.11 purchases inventory from a vendor who is a related party to 5.11 through one of the executive officers of 5.11 via the executive's 40% ownership interest in the vendor. 5.11 purchased approximately $0.3 million and $0.5 million during the three and nine months ended September 30, 2026, respectively, and $0.3 million and $0.8 million during the three and nine months ended September 30, 2025, respectively in inventory from the vendor.

BOA

Related Party Vendor Purchases - A contract manufacturer used by BOA as the primary supplier of molded injection parts is a noncontrolling shareholder of BOA. BOA purchased approximately $13.1 million and $37.1 million from this supplier during the three and nine months ended September 30, 2026, respectively, and $10.1 million and $33.2 million from this supplier during the three and nine months ended September 30, 2025, respectively.

Off-Balance Sheet Arrangements

We have no special purpose entities or off-balance sheet arrangements.

Critical Accounting Estimates

The preparation of our financial statements in conformity with GAAP requires management to make estimates and judgments that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from these estimates under different assumptions, judgments and uncertainties and could result in materially different results under different conditions. Management periodically reviews these critical accounting estimates, which are also subject to oversight by the audit committee of our board of directors.

Except as set forth below, our critical accounting estimates have not changed materially from those disclosed in Management's Discussion and Analysis of Financial Condition and Results of Operations included in the 2025 Form 10-K.

Goodwill and Indefinite-lived Intangible Asset Impairment Testing

Goodwill impairment is a critical accounting estimate because determining the fair value of a reporting unit requires significant judgment. We test goodwill for impairment annually as of March 31 and more frequently when events or changes in circumstances indicate that it is more-likely-than-not that a reporting unit's fair value is less than its

carrying amount. Goodwill is allocated to our reporting units, which generally correspond to our operating segments, with each subsidiary business representing a reporting unit. This reporting-unit structure determines the level at which we estimate fair value when quantitative testing is required, using the valuation methods and significant assumptions described below.

When qualitative factors are not sufficient to conclude that fair value exceeds carrying amount, we perform a quantitative goodwill impairment test using the income approach (discounted cash flow method), the market approach (guideline company multiples), or a weighting of the two methods. Significant assumptions include projected revenue growth, operating margins, the terminal growth rate, the discount rate, including the weighted-average cost of capital and company-specific risk adjustments, and market multiples for comparable companies. These assumptions reflect historical performance, current and expected market and economic conditions, and our expectations regarding future operating performance. Actual results may differ from these assumptions, and adverse changes in macroeconomic conditions, industry trends, competitive dynamics, customer demand or operating performance could materially affect estimated fair values, impairment conclusions and future goodwill impairment charges.

The operating results of our Altor operating segment remain sensitive to changes in customer demand, material costs, freight and distribution costs, and related operating margins. We continue to monitor these factors, together with Altor's performance relative to forecast and changes in key valuation assumptions, including projected revenue growth, anticipated margin recovery, discount rates and market multiples. As of September 30, 2026, we did not identify a goodwill impairment triggering event for Altor. However, Altor's estimated fair value exceeded its carrying value by a limited margin. Accordingly, a decline in financial performance relative to forecast, an unfavorable change or decrease in Altor's 2027 forecast identified as part of the 2027 budget process, a failure to achieve the operating improvements reflected in management's projections, or unfavorable changes in valuation assumptions or business and market conditions could cause Altor to fail a future quantitative impairment assessment and result in the recognition of a goodwill impairment charge.

Annual Impairment Testing

2026 Annual Impairment Testing

For the Company's annual goodwill impairment test as of March 31, 2026, the Company performed a qualitative assessment of its reporting units with goodwill balances to determine whether it was more-likely-than-not that the fair value of each reporting unit was less than its carrying amount. Based on this assessment, the Company concluded that it was more-likely-than-not that the fair value of each reporting unit exceeded its carrying amount, except for the PrimaLoft reporting unit. As a result, the Company performed a quantitative goodwill impairment test for the PrimaLoft reporting unit.

The Company estimated the fair value of the PrimaLoft reporting unit using a combination of the income approach (discounted cash flow method) and the market approach (guideline company multiples). Significant assumptions included projected revenue growth, operating margins, the terminal growth rate and a 13.4% discount rate. The discount rate reflected an increase in the company-specific risk premium, together with a broader increase in the weighted-average cost of capital attributable to macroeconomic conditions. The higher discount rate reduced the present value of PrimaLoft's projected cash flows and contributed to the estimated fair value of the reporting unit falling below its carrying amount. Accordingly, the Company recorded a $20.5 million goodwill impairment charge during the quarter ended March 31, 2026, which is included in operating income (loss) in the consolidated statements of operations.

2025 Annual Impairment Testing

At March 31, 2025, the Company performed a quantitative goodwill impairment test for PrimaLoft because the qualitative assessment did not support a conclusion that the reporting unit's fair value significantly exceeded its carrying amount. Using the income and market approaches and an 11.3% discount rate, the Company estimated that PrimaLoft's fair value exceeded its carrying amount by 12.1%. By March 31, 2026, the discount rate had increased to 13.4% and the estimated fair value had fallen below carrying amount, resulting in the $20.5 million impairment charge described above.

Indefinite-lived intangible asset

The Company's indefinite lived intangible asset consisted of a tradename of approximately $30.8 million related to the Sterno food service business which was held for sale at March 31, 2026, and subsequently sold on May 1,

2026. Accordingly, the Company no longer had an indefinite lived tradename at September 30, 2026. Refer to "Note B - Dispositions" of the condensed consolidated financial statements.

Recent Accounting Pronouncements

Refer to "Note A - Presentation and Principles of Consolidation" of the condensed consolidated financial statements for a discussion of recent accounting pronouncements.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

There have been no material changes to our market risk since December 31, 2025. For a further discussion of our exposure to market risk, refer to the section entitled "Quantitative and Qualitative Disclosures about Market Risk" in Part II, Item 7A of our 2025 Form 10-K.

ITEM 4. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

Management, with the participation of the Company's Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of the Company's disclosure controls and procedures as of the end of the period covered by this Form 10-Q. As previously disclosed in the 2025 Form 10-K, management identified material weaknesses in internal control over financial reporting. Because these material weaknesses described in the 2025 Form 10-K had not been fully remediated as of September 30, 2026, management concluded that the Company's disclosure controls and procedures were not effective as of that date.

Notwithstanding the identified material weaknesses, management, including the Chief Executive Officer and Chief Financial Officer, believes that the condensed consolidated financial statements included in this Quarterly Report fairly present, in all material respects, the Company's financial position, results of operations and cash flows for the periods presented, in accordance with accounting principles generally accepted in the United States.

Changes in Internal Control Over Financial Reporting

As previously disclosed in the 2025 Form 10-K, management developed a remediation plan to address the material weaknesses in the Company's internal control over financial reporting. During the quarter ended September 30, 2026, the Company continued remediation activities, including the remediation activities described in the 2025 Form 10-K. These remediation activities were ongoing as of September 30, 2026 and had not fully remediated the material weaknesses as of that date. Except for the ongoing remediation activities described above, there were no changes in the Company's internal control over financial reporting during the quarter ended September 30, 2026 that materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II
OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

Information regarding the Company's legal proceedings is incorporated by reference from Note M - Commitments and Contingencies of the accompanying Notes to the condensed consolidated financial statements and should be read together with the section entitled "Legal Proceedings" that was disclosed in Part I, Item 3 of the 2025 Form 10-K.

ITEM 1A. RISK FACTORS

The risk factors disclosed in our 2025 Form 10-K for the fiscal year ended December 31, 2025 should be considered together with information included in this Quarterly Report on Form 10-Q for the quarter ended September 30, 2026 and should not be considered the only risks to which we are exposed. Additional risks and uncertainties not currently known to us or that we currently believe are immaterial also may impair our business, including our results of operations, liquidity and financial condition. We believe there have been no material changes from the risk factors previously disclosed.

ITEM 5. OTHER INFORMATION

Second Amended and Restated Employment Agreement

On November 2, 2026, the Manager and Stephen Keller, who is seconded by the Manager to the Company to serve as its Chief Financial Officer, entered into a Second Amended and Restated Employment Agreement (the “Amended Employment Agreement”), effective as of November 2, 2026. The Amended Employment Agreement amends and restates the First Amended and Restated Employment Agreement (the “Prior Employment Agreement”) entered on January 13, 2025, by and between the Manager and Mr. Keller, to, among other things, (i) provide Mr. Keller with a continuity award of $300,000, subject to his continued employment through the date of the timely and accurate filing of the Company’s Annual Report on Form 10-K for the fiscal year 2026 and certain other conditions, and another continuity award of $300,000, subject to his continued employment through December 31, 2027 and certain other conditions, and (ii) reflect Mr. Keller’s current annual base salary of $612,000 and increase his severance payment upon termination by the Manager (other than for death, disability or proper cause) or by Mr. Keller for good reason to 100% of his base salary.

The preceding description is only a summary of the Amended Employment Agreement and the changes made to the Prior Employment Agreement, does not purport to be complete and is qualified in its entirety by reference to the full text of the Amended Employment Agreement, which is attached hereto as Exhibit 10.3 and incorporated herein by reference.

Fourth Amended and Restated Trust Agreement & Seventh Amended and Restated Operating Agreement

On November 1, 2026, (i) the Company, as sponsor, BNY Mellon Trust of Delaware, as Delaware trustee, and Elias J. Sabo and Stephen Keller, as regular trustees, entered into the Fourth Amended and Restated Trust Agreement of the Trust (the “Amended Trust Agreement”) to amend the Third Amended and Restated Trust Agreement of the Trust, dated as of August 3, 2021 and as further amended, and (ii) the Trust, as the holder of all trust interests of the Company, and Sostratus LLC, as the holder of all Allocation Interest of the Company, entered into the Seventh Amended and Restated Operating Agreement of the Company (the “Amended LLC Agreement” and, together with the “Amended Trust Agreement,” the “Amendments”) to amend the Sixth Amended and Restated Operating Agreement of the Company, dated as of August 3, 2021 and as further amended.

The Amendments, among other things, updated the provisions related to the notice requirement for shareholders to nominate directors for election by the shareholders of the Trust, including (i) requiring director nominees (other than as a director appointed by the holder of the Allocation Interests) to make themselves available for interviews with the Company’s board of directors or its committees if requested; (ii) requiring additional disclosures and representations from such director nominees, proposing shareholders and/or certain associated persons, with further updates such that information provided is true and correct in all material respects as of (a) the record date for the shareholders’ meeting and (b) the date that is 10 business days prior to the meeting; and (iii) requiring the proposing shareholders and certain associated persons to comply with Rule 14a-19 under the Exchange Act in soliciting proxies in support of director nominees, along with certain evidence for such compliance.

The foregoing brief descriptions of the changes in the Amendments to the procedures by which shareholders may recommend nominees to the Company's board of directors do not purport to be complete and are qualified in their entirety by reference to the full text of the Amended Trust Agreement and the Amended LLC Agreement, which are incorporated herein by reference.

ITEM 6. EXHIBITS

Exhibit Number	Description
3.1	Fourth Amended and Restated Trust Agreement of the Trust (incorporated by reference to Exhibit 3.1 of the Form 8-K filed on November 3, 2026 (File No. 001-34927)).
3.2	Seventh Amended and Restated Operating Agreement of the Company (incorporated by reference to Exhibit 3.2 of the Form 8-K filed on November 3, 2026 (File No. 001-34927)).
3.3	Amended and Restated Share Designation of Compass Diversified Holdings with respect to Series A Preferred Shares (incorporated by reference to Exhibit 3.3 of the Form 8-K filed on August 4, 2021 (File No. 001-34927))
3.4	First Amendment to Amended and Restated Share Designation of Compass Diversified Holdings with respect to Series A Preferred Shares (incorporated by reference to Exhibit 3.1 of the Form 8-K filed on March 20, 2024 (File No. 001-34926)).
3.5	Second Amendment to Amended and Restated Share Designation of Compass Diversified Holdings with respect to Series A Preferred Shares (incorporated by reference Exhibit 4.11 of the Form S-3 filed on September 4, 2024 (File No. 333-281931)).
3.6	Compass Group Diversified Holdings LLC Trust Interest Designation of Series A Trust Preferred Interests (incorporated by reference to Exhibit 3.2 of the Form 8-K filed on June 28, 2017 (File No. 001-34927)).
3.7	First Amendment to Trust Interest Designation of Compass Group Diversified Holdings LLC with respect to Series A Trust Preferred Interests (incorporated by reference to Exhibit 3.4 of the Form 8-K filed on March 20, 2024 (File No. 001-34926)).
3.8	Second Amendment to Trust Interest Designation of Compass Group Diversified Holdings LLC with respect to Series A Trust Preferred Interests (incorporated by reference Exhibit 4.14 of the Form S-3 filed on September 4, 2024 (File No. 333-281931)).
3.9	Amended and Restated Share Designation of Compass Diversified Holdings with respect to Series B Preferred Shares (incorporated by reference to Exhibit 3.4 of the Form 8-K filed on August 4, 2021 (File No. 001-34927)).
3.10	First Amendment to Amended and Restated Share Designation of Compass Diversified Holdings with respect to Series B Preferred Shares (incorporated by reference to Exhibit 3.2 of the Form 8-K filed on March 20, 2024 (File No. 001-34926)).
3.11	Second Amendment to Amended and Restated Share Designation of Compass Diversified Holdings with respect to Series B Preferred Shares (incorporated by reference Exhibit 4.17 of the Form S-3 filed on September 4, 2024 (File No. 333-281931)).
3.12	Trust Interest Designation of Compass Group Diversified Holdings LLC with respect to Series B Trust Preferred Interests (incorporated by reference to Exhibit 3.2 of the Form 8-K filed on March 13, 2018 (File No. 001-34927)).
3.13	First Amendment to Trust Interest Designation of Compass Group Diversified Holdings LLC with respect to Series B Trust Preferred Interests (incorporated by reference to Exhibit 3.5 of the Form 8-K filed on March 20, 2024 (File No. 001-34926)).
3.14	Second Amendment to Trust Interest Designation of Compass Group Diversified Holdings LLC with respect to Series B Trust Preferred Interests (incorporated by reference Exhibit 4.20 of the Form S-3 filed on September 4, 2024 (File No. 333-281931)).
3.15	Amended and Restated Share Designation of Compass Diversified Holdings with respect to Series C Preferred Shares (incorporated by reference to Exhibit 3.5 of the Form 8-K filed on August 4, 2021 (File No. 001-34927)).
3.16	First Amendment to Amended and Restated Share Designation of Compass Diversified Holdings with respect to Series C Preferred Shares (incorporated by reference to Exhibit 3.3 of the Form 8-K filed on March 20, 2024 (File No. 001-34926)).

3.17	Second Amendment to Amended and Restated Share Designation of Compass Diversified Holdings with respect to Series C Preferred Shares (incorporated by reference Exhibit 4.23 of the Form S-3 filed on September 4, 2024 (File No. 333-281931)).
3.18	Trust Interest Designation of Compass Group Diversified Holdings LLC with respect to Series C Trust Preferred Interests (incorporated by reference to Exhibit 3.2 of the Form 8-K filed on November 20, 2019 (File No. 001-34927)).
3.19	First Amendment to Trust Interest Designation of Compass Group Diversified Holdings LLC with respect to Series C Trust Preferred Interests (incorporated by reference to Exhibit 3.6 of the Form 8-K filed on March 20, 2024 (File No. 001-34926)).
3.20	Second Amendment to Trust Interest Designation of Compass Group Diversified Holdings LLC with respect to Series C Trust Preferred Interests (incorporated by reference Exhibit 4.26 of the Form S-3 filed on September 4, 2024 (File No. 333-281931)).
10.1†	Ninth Amended and Restated Management Services Agreement by and between Compass Group Diversified Holdings LLC and Compass Group Management LLC, dated as of July 12, 2026 and originally effective as of May 16, 2006 (incorporated by reference to Exhibit 10.1 of the Form 8-K filed on July 13, 2026 (File Nos. 001-34926 and 001-34927)).
10.2	Sixth Amendment to Credit Agreement, dated August 6, 2026, by and among Compass Group Diversified Holdings LLC, the Lenders party thereto, and Bank of America, N.A., in its capacity as Administrative Agent for the Lenders, Swing Line Lender and L/C Issuer (incorporated by reference to Exhibit 10.4 of the Form 10-Q filed on August 10, 2026 (File Nos. 001-34926 and 001-34927))
10.3†*	Second Amended and Restated Employment Agreement dated November 2, 2026 between Compass Group Management LLC and Stephen Keller.
31.1*	Rule 13a-14(a)/15d-14(a) Certification of Chief Executive Officer of Registrant
31.2*	Rule 13a-14(a)/15d-14(a) Certification of Chief Financial Officer of Registrant
32.1*+	Certification of Chief Executive Officer of Registrant pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2*+	Certification of Chief Financial Officer of Registrant pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.INS*	Inline XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH*	Inline XBRL Taxonomy Extension Schema Document
101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB*	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover page formatted as Inline XBRL and contained in Exhibit 101

* Filed herewith.

† Denotes management contracts and compensatory plans or arrangements.

\+ In accordance with Item 601(b)(32)(ii) of Regulation S-K and SEC Release No. 34-47986, the certifications furnished in Exhibit 32.1 and Exhibit 32.2 hereto are deemed to accompany this Form 10-Q and will not be deemed "filed" for purposes of Section 18 of the Exchange Act. Such certifications will not be deemed to be incorporated by reference into any filing under the Securities Act or the Exchange Act.

** Schedules and similar attachments have been omitted in reliance on Item 601(a)(5) of Regulation S-K. The registrant will provide, on a supplemental basis, a copy of any omitted schedule or attachment to the SEC or its staff upon request.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Date: November 4, 2026

COMPASS DIVERSIFIED HOLDINGS

By: /s/ Stephen Keller
Stephen Keller
Regular Trustee

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Date: November 4, 2026

COMPASS GROUP DIVERSIFIED HOLDINGS LLC

By: /s/ Stephen Keller
Stephen Keller
Chief Financial Officer
(Principal Financial and Accounting Officer)

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31.1*	Rule 13a-14(a)/15d-14(a) Certification of Chief Executive Officer of Registrant
31.2*	Rule 13a-14(a)/15d-14(a) Certification of Chief Financial Officer of Registrant
32.1*+	Certification of Chief Executive Officer of Registrant pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2*+	Certification of Chief Financial Officer of Registrant pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.INS*	Inline XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH*	Inline XBRL Taxonomy Extension Schema Document
101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB*	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover page formatted as Inline XBRL and contained in Exhibit 101

*	Filed herewith.
†	Denotes management contracts and compensatory plans or arrangements.
+	In accordance with Item 601(b)(32)(ii) of Regulation S-K and SEC Release No. 34-47986, the certifications furnished in Exhibit 32.1 and Exhibit 32.2 hereto are deemed to accompany this Form 10-Q and will not be deemed "filed" for purposes of Section 18 of the Exchange Act. Such certifications will not be deemed to be incorporated by reference into any filing under the Securities Act or the Exchange Act.
**	Schedules and similar attachments have been omitted in reliance on Item 601(a)(5) of Regulation S-K. The registrant will provide, on a supplemental basis, a copy of any omitted schedule or attachment to the SEC or its staff upon request.

Exhibit 10.3

SECOND AMENDED AND RESTATED EMPLOYMENT AGREEMENT

This SECOND AMENDED AND RESTATED EMPLOYMENT AGREEMENT is effective as of November 2, 2026 (the "Effective Date"), by and between **Stephen Keller** (the "Executive") and **Compass Group Management LLC**, a Delaware limited liability company (the "Manager"), and amends and restates in its entirety that certain First Amended and Restated Employment Agreement made and entered into effective as of August 31, 2024 by and between Executive and the Manager.

W I T N E S S E T H:

WHEREAS, the Manager wishes to continue to employ the Executive as Executive Vice President of Finance, and the Executive wishes to continue to be employed by the Manager with such title and in such role;

WHEREAS, the Manager and the Executive wish to set forth in writing the terms and conditions of the Executive's employment in this Second Amended and Restated Employment Agreement (the "Agreement");

NOW, THEREFORE, in consideration of the mutual promises contained herein, and of other good and sufficient consideration, the receipt and sufficiency of which are hereby acknowledged, the Manager and the Executive, intending to be legally bound hereby, agree as follows:

Article 1. Employment, Responsibilities, and Acceptance.

1.1 Employment. The Manager agrees to employ the Executive, and the Executive agrees to be so employed, on the terms set forth herein. The Executive and the Manager each hereby acknowledge and agree that the Executive's employment with the Manager is "at will" and that each of the Executive and the Manager are free to terminate the employment relationship at any time for any reason.

1.2 Responsibilities. The Executive shall faithfully and diligently perform all such acts and have such titles, duties, powers, and responsibilities as may be prescribed or delegated from time to time by the manager of the Manager (the "Managing Member"). Subject to the secondment described below, the Executive agrees, during his employment with the Manager, to devote substantially all of the Executive's attention and time during business hours to the business and affairs of the Manager, except for vacations and approved leaves of absence. The Executive agrees to adhere to all of the Manager's policies and procedures as they may from time to time be amended. In furtherance of the foregoing, the Executive agrees to be seconded by the Manager to Compass Group Diversified Holdings LLC ("CODI") to act as its Chief

Financial Officer ("CFO") for a period of time to be determined by the Managing Member in its sole discretion.

1.3 Acceptance. The Executive hereby accepts such responsibilities and agrees to render his services hereunder fully, faithfully, and to the best of his ability, consistent with the terms of this Agreement. Without limiting the secondment described above, the Executive shall render services exclusively to the Manager and its Affiliates during the term of this Agreement, but nothing herein shall be deemed to prohibit the Executive from engaging in civic, academic, professional, trade association, not-for-profit organization, board memberships, or other personal activities which are not competitive or in conflict with the business then being conducted by the Manager or any business which, to the knowledge of the Executive, the Manager is preparing to enter, so long as such activities do not interfere with his day-to-day duties and responsibilities hereunder.

1.4 Location. The Executive's services under this Agreement shall principally be performed at the Manager's office at 275 McCormick Ave., Costa Mesa, CA 92626, subject to reasonable domestic and overseas travel on behalf of the Manager, including regular travel to the Manager's office at 301 Riverside Ave., 2nd Floor, Westport, CT 06880.

1.5 Transfer to Affiliate. In the event that the Manager transfers the Executive's employment, and its obligations hereunder, to an Affiliate of the Manager or an entity under the control of the Manager's equity holders or its management team, the Manager agrees to guarantee all amounts and benefits promised or owed to the Executive hereunder, and the Executive agrees that all of his obligations and the Manager's rights hereunder shall accrue to the entity to which employment is transferred. For purposes of this Agreement, "Affiliates" shall mean any entity that is controlled by the Manager or is under common control with the Manager.

Article 2. Compensation.

2.1 Base Compensation. During the Term (as defined below), the Manager shall pay an amount to the Executive in cash compensation at the aggregate annual base rate of Six Hundred Twelve Thousand Dollars ($612,000.00) per calendar year (the "Base Salary"), subject to such amounts as may be required to be withheld by law or authorized to be withheld by the Executive, payable semi-monthly or otherwise in accordance with the Manager's customary payment schedule for executive personnel. Such Base Salary shall be reviewed at least annually and may be adjusted upward as may be determined by the Manager in its sole discretion.

2.2 Vacation and Personal Time. During the Term, the Executive shall be entitled to accrue four (4) weeks' vacation per calendar year, subject to a 6-week accrual cap, which may be taken at any time in accordance with the Manager's vacation policies as determined by the Manager and so as not to interfere unreasonably with the performance of the Executive's duties and responsibilities hereunder. In the event of the termination of this Agreement, the Executive shall be compensated for all accrued and unused vacation, at his Base Salary compensation rate for the relevant period (the "Unused Vacation").

2.3 Proration. For the purposes of Sections 2.1 and 2.2, any period less than a full calendar year shall be prorated for the portion thereof which shall be applicable.

2.4 Expenses. The Manager shall pay or reimburse the Executive upon the receipt of appropriate documentation, for reasonable travel, meal and lodging expenses that he directly incurs in providing services at the request of the Manager, all subject to appropriate documentation and the terms and conditions of the then-current business expense reimbursement policy of the Manager.

2.5 Annual Bonus. The Executive may be entitled to receive an annual incentive bonus. The award of a bonus as well as the actual bonus amount, if any, payable to the Executive shall be determined by the Manager in its sole discretion, depending upon the Executive's attainment of individual and Manager performance objectives. The Executive's target annual incentive bonus shall be a percentage of Executive's Base Salary equal to Fifty Percent (50%) or greater. The Executive's annual incentive bonus, if any, shall be paid no later than March 15th of the year following the calendar year to which the performance objectives relate. Notwithstanding the foregoing, in order to receive an annual incentive bonus, if any, the Executive must continue to be employed by the Manager through the date such bonus is payable; provided, however, that in the event the Executive's employment hereunder is terminated subsequent to the end of an applicable calendar year to which the performance objectives relate, and before the annual incentive bonus is payable, and an incentive bonus would otherwise be payable to the Executive and such termination is (A) due to the Executive's death or disability, (B) by the Manager not for "proper cause", or (C) by the Executive for "good reason", such bonus shall be payable without regard to the Executive's termination of employment.

2.6 Benefits. During the Term, the Executive and the Executive's dependents, to the extent they are eligible, shall be eligible to participate in all group health, dental and life insurance plans and all retirement plans that in each case are generally made available from time to time to similarly situated employees of the Manager. The Executive acknowledges and agrees that the benefits of such plans may vary with duties, salary, and length of employment, and that any questions concerning eligibility, coverage, or duration shall be governed by the terms of the plans or policies. The Executive further acknowledges and agrees that the Manager reserves the right to modify, suspend, or discontinue any benefit plans, policies, and practices at any time without notice to or recourse by the Executive, so long as such action is taken generally with respect to a majority of other similarly situated executives employed by the Manager.

2.7 Housing Reimbursement. During fiscal year 2026, the Manager shall reimburse the Executive for the monthly rent associated with Executive's housing in Costa Mesa, California in an amount up to Three Thousand Dollars ($3,000.00) per month, subject to appropriate documentation and the terms and conditions of the then-current business expense reimbursement policy of the Manager.

2.8 Continuity Award. Subject to Executive's continued performance of Executive's duties faithfully, diligently, and to the best of the Executive's abilities, and Executive's

continued compliance with all reasonable directives of the Managing Member and the Chief Executive Officer of CODI, in each case, through the Continuity Dates set forth below, Executive will be eligible to receive the Continuity Award described below, payable in two tranches. If the Managing Member or the Chief Executive Officer of CODI reasonably determines, in good faith, that Executive has failed to satisfy the foregoing conditions and such failure is not remedied within fifteen (15) calendar days following written notice from the Manager describing with reasonable detail the basis for Executive's failure to satisfy the foregoing conditions, the Continuity Award will be forfeited, whether or not the Executive's employment is terminated. For the avoidance of doubt, the conditions for earning the Continuity Award described in this Section 2.8 shall not be construed as expanding or redefining the grounds for termination of Executive for "proper cause" set forth in Section 3.2(c) and failure to earn the Continuity Award shall not impact Executive's right to receive the payments described in Section 3.4; provided, however, if Executive's employment under this Agreement is terminated for "proper cause" in accordance with Section 3.2(c), any unearned Continuity Award shall be forfeited by Executive.

(a) Award Dates and Amounts.

(i) *Tranche 1 Continuity Payment*. Provided that the Executive (A) remains employed by the Manager through the date of the timely and accurate filing of CODI's Annual Report on Form 10-K for the fiscal year ended December 31, 2026 (the "Tranche 1 Continuity Date"), and (B) has not resigned other than "for good reason" and has not been terminated by the Manager (which includes termination for "proper cause" and termination due to death or disability) on or before the Tranche 1 Continuity Date, the Manager will pay the Executive a continuity payment equal to Three Hundred Thousand Dollars ($300,000.00) (the "Tranche 1 Continuity Award").

(ii) *Tranche 2 Continuity Payment*. Provided that the Executive (A) remains employed by the Manager through December 31, 2027 (the "Tranche 2 Continuity Date"), and (B) has not resigned other than for "good reason" and has not been terminated by the Manager (which includes termination for "proper cause" and termination due to death or disability) on or before the Tranche 2 Continuity Date, the Manager will pay the Executive a continuity payment equal to Three Hundred Thousand Dollars ($300,000.00) (the "Tranche 2 Continuity Award", and, together with the Tranche 1 Continuity Award, the "Continuity Award").

(iii) Notwithstanding the above, if (A) the Manager terminates the Executive's employment without "proper cause", or (B) the Executive resigns for "good reason", in each case, prior to the Tranche 1 Continuity Date or the Tranche 2 Continuity Date, as applicable, then the Manager will nonetheless pay the Executive the unpaid portion of the Tranche 1 Continuity Award and the unpaid portion of the Tranche 2 Continuity Award, in each case, subject to the

Executive timely executing and not revoking a Legal Release (as defined in Section 3.4 below).

(b) Payment. The payment of each of the Tranche 1 Continuity Award and the Tranche 2 Continuity Award set forth in Section 2.8(a) shall be made in a lump sum at the next regularly scheduled payroll date after each of (i) the Tranche 1 Continuity Date (with respect to the Tranche 1 Continuity Award), and (ii) the Tranche 2 Continuity Date (with respect to the Tranche 2 Continuity Award), or (iii) if earlier, within sixty (60) days following the date of either: (x) the Executive's termination by the Manager without "proper cause," or (y) the Executive's resignation for "good reason", but not earlier than, and subject to, the effective date of the Legal Release, as applicable, and shall, in each case, be less such taxes, deductions, and amounts as are required to be withheld by law.

(c) Assignment. The Executive shall not assign or otherwise transfer any rights or obligations to the Continuity Award. Any purported assignment or other transfer by the Executive shall be null and void. Subject to the foregoing, this Section 2.8 shall be binding upon and shall inure to the benefit of each of the Executive and the Manager and their respective heirs, legal representatives, successors, and shall not benefit any person or entity other than the Executive and the Manager.

(d) Unsecured Promise. The Executive hereby acknowledges that the Executive shall have no claim to the Continuity Award described in Section 2.8(a) unless and until all conditions for the receipt of such payment have been satisfied. In addition, the Executive further acknowledges that the rights of the Executive shall not be funded or secured in any way. Payment of the Continuity Award to the Executive shall be made only from the general assets of the Manager, and no person, other than the Manager, shall have any interest in such assets.

(e) No Guaranty of Continued Employment. Nothing contained in this Section 2.8 alters any of the other terms of the Executive's employment relationship with the Manager, including the "at will" nature of such relationship.

(f) Forfeiture. Notwithstanding anything in this Section 2.8 to the contrary, Executive shall forfeit any unpaid Continuity Award if, at any time prior to the payment of the applicable portion of the Continuity Award, (i) Executive, in his individual capacity, becomes subject to any order, judgment, decree, settlement, consent order, or other action by the Securities and Exchange Commission, any national securities exchange, or any other governmental or regulatory authority or any court of competent jurisdiction that prohibits, restricts, or materially impairs Executive's ability to serve as the Chief Financial Officer of CODI or otherwise serve as an executive officer of any public company; (ii) Executive is barred, suspended, disqualified, or otherwise prohibited from serving as an officer of a public company; (iii) Executive's individual conduct results in Executive's removal from, or ineligibility to hold, a position as an officer of a public company under applicable law or regulation; or (iv) Executive, in his individual capacity, engages in fraud, willful misconduct, gross negligence, or a material violation

of applicable securities laws, regulations, or fiduciary duties that results in any formal regulatory sanction or enforcement action against Executive in Executive's individual capacity. The Board of Directors of CODI shall have sole discretion to determine whether the foregoing conditions of forfeiture have been satisfied.

(g) Other Severance Amounts. For the avoidance of doubt, any Continuity Award payable to Executive pursuant to this Section 2.8 shall be in addition to and not in substitution for the Severance Amount, if any, otherwise due and payable to the Executive pursuant to Section 3.4 of this Agreement.

Article 3. Term and Termination.

3.1 Term. The term of the Executive's employment under this Agreement shall begin on the Effective Date and shall continue in accordance with this Agreement until terminated as herein provided (the "Term"). For purposes of this Agreement, "Termination Date" shall mean the date this Agreement is terminated by either party.

3.2 Grounds for Termination.

(a) Death. Upon the Executive's death during the Term, this Agreement shall terminate immediately.

(b) Inability to Perform Principal Duties. In the event the Executive becomes disabled as defined by Internal Revenue Code Section 409A and the regulations and other guidance promulgated thereunder ("Section 409A") and is unable to perform his principal duties as contemplated by this Agreement, and subject to the requirements of the Americans with Disabilities Act (or any state law counterpart thereof), if applicable, the Manager may on thirty (30) days' prior written notice, during which time the Executive fails to resume his duties hereunder, terminate the Executive's employment under this Agreement. In the event the Executive at any time prior to the Termination Date disputes any determination by the Manager of his inability to perform his principal duties, the matter shall be resolved by the determination of three physicians qualified to practice medicine in the United States, one to be selected by each of the Manager and the Executive and the third to be selected by the designated physicians. The Executive shall otherwise comply with whatever procedures the Manager may reasonably request set forth in any long-term disability policy of the Manager.

(c) Proper Cause. The Manager may terminate the Executive's employment under this Agreement for "proper cause," without prior notice (except as otherwise specified in Sections 3.2(c)(i) and 3.2(c)(v), each requiring prior notice in accordance with Section 6.1 of this Agreement ("Notice")). As used in this Agreement, "proper cause" shall be:

(i) any breach by the Executive of any material provision of this Agreement which breach is not remedied within thirty (30) days after receiving Notice of such breach specifically citing this Section 3.2(c)(i), provided, however, that the Manager may terminate this Agreement immediately, without providing a cure

period, in the event that the Executive breaches any provision of Article 4;

(ii) an act of dishonesty by the Executive if such act has or, in the reasonable discretion of the Manager and/or the Board of Directors of CODI, would reasonably be expected to have a material adverse impact on the financial interests or business reputation of CODI, the Manager or its Affiliates;

(iii) gross negligence or willful misconduct in the performance of the Executive's duties hereunder if such gross negligence or willful misconduct has or, in the reasonable discretion of the Manager and/or the Board of Directors of CODI, would reasonably be expected to have, a material impact on the financial interest or business reputation of CODI, the Manager or its Affiliates;

(iv) breach of the Executive's duty of loyalty or other fiduciary duties to CODI, the Manager or its Affiliates;

(v) willful failure of the Executive to follow the reasonable directives of the Managing Member or the Board of Directors of CODI pertaining to legal compliance or audits of CODI, the Manager or its Affiliates within ten (10) days of receiving Notice of any such failure to follow such directives;

(vi) the Executive's conviction of, or plea of nolo contendere to, a crime which the Manager and/or the Board of Directors of CODI reasonably determines materially and adversely affects or, in the reasonable discretion of the Manager and/or the Board of Directors of CODI, would reasonably be expected to materially and adversely affect the reputation of CODI, the Manager or any of its Affiliates or the Executive's ability to perform the services required hereunder;

(vii) a willful or reckless violation of a material regulatory requirement, or of any material written policy or procedure applicable to CODI, the Manager or its Affiliates, that has a material adverse impact or, in the reasonable discretion of the Manager and/or the Board of Directors of CODI, would reasonably be expected to have a material adverse impact on the financial interests or business reputation of CODI, the Manager or its Affiliates; or

(viii) commission of an act of fraud, embezzlement, or material misappropriation, by the Executive with respect to his relations

with CODI, the Manager or its Affiliates, or any of their respective employees, customers, agents, or representatives.

(d) Good Reason. The Executive may terminate his employment under this Agreement for "good reason." As used in this Agreement, "good reason" shall be:

(i) a breach by the Manager of any of the material provisions of this Agreement, which breach is not remedied within thirty (30) days after receiving written notice of the nature of such breach specifically citing this Section 3.2(d), which notice shall be provided to the Managing Member and the General Counsel of the Manager no later than ninety (90) days after the Executive's initial knowledge of the existence of such act or omission alleged to cause the breach of a material provision of this Agreement; or

(ii) the relocation, without the Executive's consent, of the Executive's principal place of employment to a location that is more than sixty (60) miles from both the Manager's Westport, Connecticut and the Manager's Costa Mesa, California location; provided, however, that, for the avoidance of doubt, permitting Executive to work remotely with reasonable expected travel shall not be considered a relocation for purposes of this Section 3.2(d)(ii).

(e) Termination for Other Reasons. Either the Executive or the Manager may terminate this Agreement at any time for any other reason not prohibited by law by giving written notice to the other.

3.3 Accrued Obligations. If the Executive's employment under this Agreement is terminated, the Manager shall pay Executive, or Executive's estate in the event of his death or disability, the following amounts: (A) Base Salary compensation accrued through the Termination Date, (B) Unused Vacation, (C) unpaid reimbursable expenses, including the housing reimbursement in Section 2.7, if any, (D) subject to Section 2.5 hereof, any annual incentive bonus awarded before the Termination Date but not paid, (E) vested benefits or amounts under any savings or retirement plans (including excess benefit plans), deferred compensation arrangements, or welfare benefit plans, pursuant to the terms of such plans or arrangements, and (F) vested cash and equity amounts with respect to long-term incentive awards and other incentive awards granted to the Executive, pursuant to the terms of such award (collectively, the "Accrued Obligations"). Accrued Obligations shall be paid in accordance with applicable law.

3.4 Severance. If the Executive's employment under this Agreement is terminated by the Manager pursuant to Section 3.2(e) (which, for the avoidance of doubt, does not include terminations in connection with death, disability or upon "proper cause") or by the Executive for "good reason" pursuant to Section 3.2(d), and the Executive executes and does not revoke a full waiver and release of all claims against CODI, the Manager and their Affiliates and their

respective officers, directors, shareholders, employees and agents containing standard terms for such an agreement (the "Legal Release"), then, in addition to the Accrued Obligations, the Executive shall be eligible to receive a severance payment equal to the Severance Amount (as defined below) in accordance with this Section 3.4. If the Executive is entitled to a severance payment pursuant to this Section 3.4, the Manager shall, within sixty (60) days following the Executive's Termination Date, pay the Executive, in a lump sum less tax and other legally required and Executive-elected withholdings, an amount equal to the "Severance Amount", which for purposes of this Agreement shall mean an amount equal to one hundred percent (100%) of the Executive's annual Base Salary as of the Termination Date. The Manager shall provide the Legal Release to the Executive for his signature within twenty (20) days of his Termination Date, and the Executive shall deliver to the Manager the fully executed Legal Release no later than twenty-one (21) days (or if pursuant to a group termination, no later than forty-five (45) days) following the Executive's receipt of the Legal Release. The Executive shall not be entitled to any other payments or benefits of any kind except as expressly specified in this Agreement.

3.5 No Further Payments. Except as set forth in this Agreement, Executive shall not be entitled to any further compensation or benefits after the Termination Date.

3.6 Executive's Further Obligations on Termination. Upon termination of the Executive's employment, irrespective of the circumstances, the Executive shall in any event continue to be bound by the applicable provisions of Article 4 hereof. Executive shall also immediately resign from any group, board, officer status or similar position with CODI, the Manager or their respective Affiliates.

3.7 Compliance with Section 409A.

(a) Notwithstanding anything in this Agreement to the contrary, if, at the time of the Executive's termination of employment with the Manager and its Affiliates, the Executive is a "specified employee" as defined in Section 409A and the deferral of the commencement of any payments or benefits otherwise payable hereunder that are Section 409A nonqualified deferred compensation, as a result of such termination of employment is necessary in order to avoid the additional tax under Section 409A, then the Manager will defer the payment or the commencement of the payment of any such payments or benefits hereunder (without any reduction in such payments or benefits ultimately paid or provided to the Executive) until the date that is six months and one business day following the Executive's Termination Date (or the earliest date as is permitted under Section 409A). Any monthly payment amounts deferred pursuant to this Section will be accumulated and paid to the Executive (without interest) six months and one business day after his termination of employment in a lump sum and the balance of payments due the Executive will be paid monthly or as otherwise provided herein.

(b) It is intended that the Agreement comply with Section 409A, and the Agreement shall be interpreted, administered and operated accordingly. Nothing herein shall be construed as an entitlement to or guarantee of any particular tax treatment to the Executive. For purposes of Section 409A, each payment made under this Agreement shall be treated as a

separate payment. In no event may the Executive, directly or indirectly, designate the calendar year of any payment.

Article 4. Confidential Information; Intellectual Property.

4.1 Confidential Information. The Executive acknowledges that as a result of the Executive's employment with the Manager, the Executive will use, acquire, and/or add to confidential information of a special and unique nature and value, including without limitation, all non-public information concerning the business and affairs of CODI, the Manager and its Affiliates (such as historical financial statements, financial projections and budgets, historical and projected sales, capital spending budgets and plans, the names and backgrounds of key personnel, personnel training and techniques and materials, systems, procedures, policies, trade secrets, lists of clients and accounts, compensation formulas and amounts, strategies, and other confidential business information and trade secrets of CODI, the Manager and their Affiliates) ("Confidential Information"). Confidential Information shall not include any information that is or becomes of general knowledge or use other than information that becomes of general knowledge or use because of the Executive's breach of this Agreement. As a material inducement to the Manager to enter into this Agreement, the Executive agrees to treat as secret all such Confidential Information and not to, directly or indirectly, use, disseminate, divulge, copy, or disclose, for any purpose whatsoever, any Confidential Information, during or after the term of this Agreement, except as may be required to fulfill the Executive's duties hereunder or as required by a court or other tribunal of competent jurisdiction, or by law; provided, however, that the Executive shall give reasonable written notice to the Manager in advance of being required to disclose Confidential Information, and shall cooperate with the Manager, upon request, to seek appropriate relief to prevent disclosure.

Further, the federal Defend Trade Secrets Act of 2016 immunizes employees against criminal and civil liability under federal or state trade secret laws – under certain circumstances – if the employee discloses a trade secret for the purpose of reporting a suspected violation of law. Immunity is available if a trade secret is disclosed in either of these two circumstances: (1) in confidence, directly or indirectly to a government official (federal, state or local) or to a lawyer, solely for the purpose of reporting or investigating a suspected violation of law; or (2) in the complaint or other documents filed in a legal proceeding, so long as the document is filed "under seal" (meaning that it is not accessible to the public). Further, nothing in this Agreement prohibits, limits or restricts, or shall be construed to prohibit, limit or restrict, the Executive from exercising any legally protected whistle-blower rights without notice to or consent from CODI, the Manager and/or their Affiliates.

4.2 Return of Confidential Information and Other Company Property. The Executive agrees that all Confidential Information shall remain the property of CODI, the Manager and its Affiliates. Upon termination of employment, whether such termination was initiated by the Executive or the Manager or any of its Affiliates, or at any time the Manager and its Affiliates may request, the Executive shall immediately return to the Manager and its Affiliates (and shall not retain any copies of) all documents, records, notebooks, computer disks, tapes and similar repositories or documents containing Confidential Information, whether prepared by the

Executive or any other person, as well as all other items of CODI's, the Manager's or its Affiliates' property in the Executive's possession, such as mobile or wireless telephones, computers, tablets, Personal Digital Assistants, facsimile machines, tape recorders, and automobiles. Executive shall further execute upon Manager's request a certification of compliance with this Section 4.2.

4.3 No Conflicts. The Executive hereby represents and warrants to the Manager that he is not bound by any agreement which conflicts with or prevents the full performance of his duties and obligations to CODI, the Manager or its Affiliates, as the case may be, during or after the term of this Agreement. The Executive shall not improperly use or disclose any proprietary information or trade secrets of any person or entity with whom he has an agreement or to whom he owes a duty to keep such information in confidence.

4.4 Enforcement. If the Executive commits a breach, or threatens to commit a breach, of any of the provisions of Sections 4.1 or 4.2 hereof, the Manager shall have the right and remedy:

(a) to have the provisions of this Agreement specifically enforced by any court having jurisdiction (without posting a bond or other security), it being acknowledged and agreed by the Executive that the services being rendered hereunder to the Manager are of a special, unique and extraordinary character and that any such breach will cause irreparable injury to the Manager and that money damages will not provide an adequate remedy to the Manager; and

(b) to require the Executive to account for and pay over to the Manager all material compensation, profits, moneys, accruals, increments or other benefits derived or received by the Executive as the result of any transactions constituting a breach of any of the provisions of Sections 4.1 or 4.2 hereof, and the Executive hereby agrees to account for and pay over such benefits to the Manager.

Each of the rights and remedies enumerated in this Section 4.4 shall be independent of the other, and shall be severally enforceable, and such rights and remedies shall be in addition to, and not in lieu of, any other rights and remedies available to the Manager under law or equity.

4.5 Assignment of Intellectual Property Rights. The Executive hereby irrevocably assigns, transfers and conveys, or shall cause to be assigned, transferred and conveyed to the Manager, any and all interest of the Executive in all Intellectual Property created in the course of his employment and used in connection with the business of the Manager, to the extent not previously assigned, transferred or conveyed. For purposes of this Agreement, "Intellectual Property" shall include (i) all inventions (whether patentable or unpatentable and whether or not reduced to practice), all improvements thereto, and all patents, patent applications, and patent disclosures, together with all reissuances, continuations, continuations-in-part, revisions, extensions and reexaminations thereof, (ii) all copyrightable works, all copyrights, and all applications, registrations, and renewals in connection therewith, and (iii) all trade secrets and confidential information. Subject to the provisions of the last sentence hereof, any Intellectual

Property relating to the business of the Manager that is developed by the Executive during the Term shall remain the property of the Manager. The Executive shall fully cooperate with the Manager to take any and all actions necessary to give effect to the provisions of this Section 4.5, including without limitation the execution of documents and the filing of applications. If the Manager is unable, after reasonable effort, to secure such cooperation needed to apply for or prosecute any patent, copyright, or other right or protection relating to Intellectual Property, the Executive hereby designates and appoints the Manager and its duly authorized officers and agents as the Executive's agent and attorney-in-fact, to act for and on the Executive's behalf to execute, verify and file any such applications and to do all other lawfully permitted acts to further the prosecution and issuance of patents, copyrights and other rights and protection thereon with the same legal force and effect as if executed by him. Such appointment shall be irrevocable and coupled with an interest. Notwithstanding the foregoing, this Agreement does not grant CODI, the Manager or their Affiliates any rights in inventions for which no equipment, supplies, facility, or trade secret information of CODI, the Manager or applicable Affiliate was used and which was developed entirely on Executive's own time, unless (a) the invention relates at the time of conception or reduction to practice (i) to the business of CODI, the Manager or their Affiliates, or (ii) to CODI's, the Manager's or their Affiliates' actual or demonstrably anticipated research or development, or (b) the invention results from any work performed by Executive for CODI, the Manager or their Affiliates or any inventions protected under California Labor Code Section 2870.

Article 5. Jurisdiction. The parties hereby irrevocably submit to the jurisdiction of the courts of the State of California with respect to the interpretation and enforcement of the provisions of this Agreement and the transactions contemplated hereby. Each of the parties hereby waives any right to assert and agrees not to assert as a defense in any action, suit, or proceeding for the interpretation or enforcement of this Agreement that it is not subject to such action, suit, or proceeding, that such action, suit, or proceeding may not be brought or is not maintainable in said courts, that the venue thereof may not be appropriate or that this Agreement may not be enforced in or by such courts. Each of the parties hereby consents to and grants any such court jurisdiction over the person of such party and over the subject matter of such action, suit or proceeding and hereby irrevocably agrees that all claims with respect to such action, suit or proceeding shall be heard and determined in such court; provided that nothing herein shall preclude either party from bringing an action, suit or proceeding in any other court for the purpose of (i) enforcing the provisions of this Article 5 or (ii) enforcing a judgment previously entered by the California courts in respect of any such claim.

Article 6. Miscellaneous Provisions.

6.1 Notices. All notices provided for in this Agreement shall be in writing and shall be delivered personally to the party to receive the same, given by electronic means, or when mailed first class postage prepaid, by registered or certified mail, return receipt requested, addressed to the party to receive the same as set forth below, or such other address as the party to receive the same may have specified by written notice given in the manner provided for in this Section 6.1. All notices shall be deemed to have been given as of the date of personal delivery, transmittal or mailing thereof.

(a) If to the Executive, to:

Stephen Keller
at such address as then on file with the Manager
email: stephen@compassdiversified.com (or such other personal email address as then on file with the Manager)

(b) If to the Manager, to:

Compass Group Management LLC
301 Riverside Ave., Second Floor
Westport, CT 06880
Attn: Zach T. Sawtelle
email: zach@compassdiversified.com

with a copy to:

Compass Group Diversified Holdings LLC
c/o Compass Group Management LLC
301 Riverside Ave., Second Floor
Westport, CT 06880
Attn: Carrie W. Ryan, General Counsel
email: cryan@compassdiversified.com

6.2 Entire Agreement. This Agreement sets forth the entire agreement of the parties relating to the terms of the Executive's employment by the Manager, and is intended to supersede all prior negotiations, understandings, and agreements concerning such subject matter. No provision of this Agreement may be waived or changed except by a writing signed by the party against whom such waiver or change is sought to be enforced. Except as to those provisions where notice is required to be given within a specified period of time after the occurrence of the event, the failure of any party to require performance of any provision hereof shall in no manner affect the right at a later time to enforce such provision.

6.3 Applicable Law. All questions with respect to the construction of this Agreement, and the rights and obligations of the parties hereunder, shall be determined in accordance with the laws of the State of California, without giving effect to conflicts of law principles thereof. If any provision of this Agreement or the application thereof to any party or circumstance is, for any reason and to any extent, deemed invalid or unenforceable, the remainder of this Agreement and the application of that provision to either party or circumstance shall not be affected but rather shall be enforced to the extent permitted by law. This Agreement shall be construed without regard to any presumption or other rule requiring construction against the party causing this Agreement to be drafted.

6.4 Dispute. In any action relating to or arising from this Agreement, or involving its application, the parties shall each bear their own respective expenses incurred in connection with the action, including court costs and reasonable attorneys' fees.

6.5 Headings. The Article and Section headings are inserted only as a matter of convenience and for reference and in no way define, limit or describe the scope or intent of any provision of this Agreement.

6.6 Assignment. The Manager shall have the right to assign this Agreement, and/or its rights and/or obligations hereunder, to a third party. The Manager shall give reasonable written notice to the Executive prior to the effective date of any such assignment. Neither this Agreement nor any of the rights or obligations hereunder shall be assignable by the Executive.

6.7 Provisions Severable. The provisions of this Agreement are independent of and severable from each other, and no provision shall be affected or rendered invalid or unenforceable by virtue of the fact that for any reason any other or others of them may be invalid or unenforceable in whole or in part. If any provision of this Agreement is, for any reason, held to be invalid or unenforceable, the other provisions of this Agreement will remain enforceable and the invalid or unenforceable provision will be deemed modified so that it is valid and enforceable to the maximum extent permitted by law.

6.8 Waiver. Neither any failure nor any delay on the part of either party hereto to exercise any right, remedy, power, or privilege under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any right, remedy, power, or privilege preclude any other or further exercise of the same or of any other right, remedy, power, or privilege, nor shall any waiver of any right, remedy, power, or privilege with respect to any occurrence be construed as a waiver of such right, remedy, power, or privilege with respect to any other occurrence.

6.9 Survival. The provisions in this Agreement that contemplate obligations on the Manager's part or Executive's part after the Executive's employment with the Manager ends, for whatever reason, shall survive the cessation of the Executive's employment.

IN WITNESS WHEREOF, the parties have executed this Agreement on November 2, 2026.

Executive:

/s/ Stephen Keller
Stephen Keller

Compass Group Management LLC, a Delaware limited liability company

By: Wayfinder Partners, LLC, a Delaware limited liability company
Its: Manager

By: /s/ Zach T. Sawtelle
Name: Zach T. Sawtelle
Its: Managing Member

Exhibit 31.1

CERTIFICATIONS PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Elias J. Sabo, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Compass Group Diversified Holdings LLC (the "registrant");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a. designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a. all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

November 4, 2026

/s/ Elias J. Sabo

Elias J. Sabo

Chief Executive Officer of
Compass Group Diversified Holdings LLC
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATIONS PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Stephen Keller, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Compass Diversified Holdings and Compass Group Diversified Holdings LLC (each, the "registrant");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a. designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b. designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c. evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d. disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a. all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

November 4, 2026

/s/ Stephen Keller

Stephen Keller

Regular Trustee of Compass Diversified Holdings and Chief Financial Officer of
Compass Group Diversified Holdings LLC
(Principal Financial and Accounting Officer*)*

Exhibit 32.1

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of COMPASS GROUP DIVERSIFIED HOLDINGS LLC on Form 10-Q for the period ended September 30, 2026 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Elias J. Sabo, Chief Executive Officer of Compass Group Diversified Holdings LLC, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Compass Group Diversified Holdings LLC.

Dated: November 4, 2026

/s/ Elias J. Sabo
Elias J. Sabo
Chief Executive Officer,
Compass Group Diversified Holdings LLC

The foregoing certification is being furnished to accompany Compass Group Diversified Holdings LLC's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2026 solely pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not be deemed filed as part of the Report or as a separate disclosure document and shall not be deemed incorporated by reference into any other filing of Compass Group Diversified Holdings LLC that incorporates the Report by reference. A signed original of this written certification required by Section 906 has been provided to Compass Group Diversified Holdings LLC and will be retained by Compass Group Diversified Holdings LLC and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 32.2

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of COMPASS DIVERSIFIED HOLDINGS and COMPASS GROUP DIVERSIFIED HOLDINGS LLC on Form 10-Q for the period ended September 30, 2026 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Stephen Keller, Regular Trustee of Compass Diversified Holdings and Chief Financial Officer of Compass Group Diversified Holdings LLC, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 as amended; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Compass Diversified Holdings and Compass Group Diversified Holdings LLC.

Dated: November 4, 2026

/s/ Stephen Keller
Stephen Keller
Regular Trustee, Compass Diversified Holdings and
Chief Financial Officer,
Compass Group Diversified Holdings LLC

The foregoing certification is being furnished to accompany Compass Diversified Holdings' and Compass Group Diversified Holdings LLC's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2026 solely pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not be deemed filed as part of the Report or as a separate disclosure document and shall not be deemed incorporated by reference into any other filing of Compass Diversified Holdings and Compass Group Diversified Holdings LLC that incorporates the Report by reference. A signed original of this written certification required by Section 906 has been provided to Compass Diversified Holdings and Compass Group Diversified Holdings LLC and will be retained by Compass Diversified Holdings and Compass Group Diversified Holdings LLC and furnished to the Securities and Exchange Commission or its staff upon request.