

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): September 7, 2021

COMPASS DIVERSIFIED HOLDINGS
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

001-34927
(Commission
File Number)

57-6218917
(I.R.S. Employer
Identification No.)

COMPASS GROUP DIVERSIFIED HOLDINGS LLC
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

001-34926
(Commission
File Number)

20-3812051
(I.R.S. Employer
Identification No.)

301 Riverside Avenue, Second Floor, Westport, CT 06880
(Address of principal executive offices and zip code)

Registrant's telephone number, including area code: (203) 221-1703

Check the appropriate box below if the Form 8-K is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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 is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

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.

Section 8 Other Events

Item 8.01 Other Events

As previously disclosed in the Current Report on Form 8-K filed on October 19, 2020 and amended on December 28, 2021, Compass Group Diversified Holdings LLC (the "Company") and Compass Diversified Holdings ("Holdings," and together with the Company, collectively "CODI", "us" or "we") through its newly formed acquisition subsidiaries, BOA Holdings Inc., a Delaware corporation ("BOA Holdings") and BOA Parent Inc., a Delaware corporation ("Buyer") and a wholly-owned subsidiary of BOA Holdings, acquired BOA Technology, Inc. ("Boa") and its subsidiaries pursuant to an Agreement and Plan of Merger by and among Buyer, Reel Holding Corp., a Delaware corporation ("Reel") and the sole stockholder of Boa, BOA Merger Sub Inc., a Delaware corporation and a wholly-owned subsidiary of Buyer, and Shareholder Representative Services LLC (in its capacity as the representative of the stockholders of Reel).

This Current Report on Form 8-K is being filed to provide certain financial information of Boa and update certain pro forma financial information of the Company to be incorporated into one or more registration statements filed or to be filed by the Company. The historical audited consolidated balance sheet of Boa as of December 31, 2019, and the related consolidated statement of income, stockholder's equity and cash flows and the related notes thereto and the Report of Pricewaterhouse Coopers LLP, independent registered public accounting firm, dated April 28, 2020, except for the effects of the revisions discussed under Adjustments to Financial Statements in Note 1 to the consolidated financial statements, as to which the date is December 28, 2020, are filed as exhibit 99.1 and incorporated herein by reference. The historical unaudited consolidated balance sheet of Boa as of September 30, 2020, and the related consolidated statements of income, stockholder's equity and cash flows for the nine months ended September 30, 2020 and 2019, and the related notes thereto, are filed as Exhibit 99.2 and incorporated herein by reference. The unaudited pro forma condensed combined statements of income for the year ended December 31, 2020, giving effect to the Merger as if it had been completed on January 1, 2020, and related notes thereto, are filed as Exhibit 99.3.

Section 9 Financial Statements and Exhibits

Item 9.01 Financial Statements and Exhibits

(a) Financial Statements of Business Acquired.

Pursuant to a letter dated November 6, 2020 (the "Relief Letter"), the Company has obtained relief from the Staff of the Securities and Exchange Commission, pursuant to its authority under Rule 3-13 of Regulation S-X, from the requirements of Rule 3-05 of Regulation of S-X to provide certain historical financial statements that would otherwise be required in connection with its acquisition of Reel. In accordance with the Relief Letter, the Company has substituted the audited historical consolidated financial statements of Boa for the year ended December 31, 2019 and the condensed consolidated financial statements of Boa for the nine months ended September 30, 2020 and 2019, in place of the consolidated financial statements of Reel as required by Rule 3-05 of Regulation S-X.

The audited consolidated financial statements of Boa for the fiscal year ended December 31, 2019 are attached hereto as Exhibit 99.1 and are incorporated by reference into this Item 9.01(a) and made a part hereof.

The unaudited condensed consolidated interim financial statements of Boa for the nine months ended September 30, 2020 and 2019 are attached hereto as Exhibit 99.2 and are incorporated by reference into this Item 9.01(a) and made a part thereof.

(b) Pro Forma Financial Information.

The following unaudited pro forma financial information of CODI is attached hereto as Exhibit 99.3 and is incorporated by reference into this Item 9.01(b) and made a part hereof: unaudited condensed pro forma statement of operations for the year ended December 31, 2020 and notes thereto.

(d) Exhibits.

- 23.1 [Consent of PriceWaterhouseCoopers LLC](#)
 - 99.1 [Audited consolidated financial statements of Boa as of and for the year ended December 31, 2019 \(incorporated by reference to Exhibit 99.1 of the Form 8-K/A filed on December 28, 2020 \(File No. 001-34927\)\)](#)
 - 99.2 [Unaudited interim condensed consolidated financial statements of Boa as of and for the nine months ended September 30, 2020 and 2019 \(incorporated by reference to Exhibit 99.2 of the Form 8-K/A filed on December 28, 2020 \(File No. 001-34927\)\)](#)
 - 99.3 [Unaudited condensed Pro Forma Statement of Operations for the year ended December 31, 2020 and notes thereto](#)
 - 104 Cover Page Interactive Data File (embedded with the Inline XBRL document)
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SIGNATURES

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

Date: September 7, 2021

COMPASS DIVERSIFIED HOLDINGS

By: /s/ Ryan J. Faulkingham

Ryan J. Faulkingham
Regular Trustee

SIGNATURES

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

Date: September 7, 2021

COMPASS GROUP DIVERSIFIED HOLDINGS LLC

By: /s/ Ryan J. Faulkingham

Ryan J. Faulkingham
Chief Financial Officer

CONSENT OF INDEPENDENT AUDITORS

We hereby consent to the incorporation by reference in the Registration Statements on Form S-3 (No. 333-147217 and No. 333-234665) of Compass Diversified Holdings of our report dated April 28, 2020, except for the effects of the revisions discussed under Adjustments to Financial Statements in Note 1 to the consolidated financial statements, as to which the date is December 28, 2020, relating to the financial statements of Boa Technology Inc., which appears in Compass Diversified Holdings' Current Report on Form 8-K/A dated December 28, 2020.

/s/ PricewaterhouseCoopers LLP
Denver, Colorado
September 7, 2021

COMPASS DIVERSIFIED HOLDINGS
PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS
(UNAUDITED)

The following pro forma condensed combined financial statement gives effect to the acquisition of Boa Holdings, Inc. ("Boa") with a total purchase price of approximately \$454 million, as further described on the Form 8-K that we filed on October 19, 2020.

The following pro forma condensed combined statement of operations for the year ended December 31, 2020 gives effect to the acquisition of Boa as if the acquisition had occurred on January 1, 2020.

The "as reported" financial information of Boa is derived from the unaudited historical financial statements of Boa Technology, Inc. for the nine months ended September 30, 2020, which is incorporated by reference into this Form 8-K. The "as reported" financial information for Compass Diversified Holdings (the "Company" or "Holdings") is derived from the audited financial statements of the Company for the year ended December 31, 2020 as filed on Form 10-K dated February 24, 2021. The "as reported" of the Company for the year ended December 31, 2020 includes the results of operations of Boa from the date of acquisition, October 16, 2020, through December 31, 2020. The results of operations for Boa for the period from October 1, 2020 through October 15, 2020 are not presented and were not material.

Assumptions underlying the pro forma adjustments necessary to reasonably present this unaudited pro forma condensed combined financial information are described in the accompanying notes. The pro forma adjustments described in the accompanying notes have been made based on the available information and, in the opinion of management, are reasonable. The unaudited pro forma combined statement of operations reflects the adjustments to the historical consolidated results of operations that are expected to have a continuing effect. The unaudited pro forma condensed combined statement of operations does not include certain items such as transaction costs related to the acquisition.

The historical consolidated financial information has been adjusted to give effect to estimated pro forma events that are directly attributable to the acquisition, factually supportable and, with respect to the unaudited pro forma condensed combined statement of operations, expected to have a continuing impact on the consolidated results of operations. The unaudited pro forma condensed combined financial information should not be considered indicative of actual results that would have been achieved had the acquisition occurred on the date indicated and do not purport to indicate results of operations for any future period.

You should read these unaudited pro forma condensed combined financial statements in conjunction with the accompanying notes, the financial statements of Boa included in this Form 8-K and the consolidated financial statements of the Company, including the notes thereto as previously filed.

Compass Diversified Holdings
Pro Forma Condensed Combined Statement of Operations
for the year ended December 31, 2020
(unaudited)

<i>(in thousands, except per share data)</i>	Compass Diversified Holdings as Reported	Boa as Reported	Pro Forma Adjustments	Pro Forma Combined Compass Diversified Holdings
Net revenues	\$ 1,560,757	\$ 77,173	\$ —	\$ 1,637,930
Cost of revenues	997,976	31,074	72 (a)	1,029,122
Gross Profit	562,781	46,099	(72)	608,808
Operating expenses:				
Selling, general and administrative expense	371,264	27,765	(98) (a)	398,931
Management fees	34,749	—	3,405 (b)	38,154
Amortization expense	61,935	184	11,246 (c)	73,365
Operating income	94,833	18,150	(14,625)	98,358
Other income (expense):				
Interest income (expense), net	(45,768)	149	(6,750) (d)	(52,369)
Amortization of debt issuance cost	(2,454)	—	—	(2,454)
Other income (expense), net	(2,620)	173	—	(2,447)
Income (loss) from continuing operations before income taxes	43,991	18,472	(21,375)	41,088
Provision for income taxes	16,894	105	—	16,999
Net income from continuing operations	27,097	18,367	(21,375)	24,089
Less: Net income from continuing operations attributable to noncontrolling interest	4,417	—	3,328 (e)	7,745
Net income (loss) attributable to Holdings from continuing operations	\$ 22,680	\$ 18,367	\$ (24,703)	\$ 16,344
Basic and fully diluted loss per share attributable to Holdings	<u>(0.34)</u>			<u>(0.44)</u>
Weighted average number of shares	<u>63,151</u>			<u>63,151</u>

See accompanying Notes to the Unaudited Pro Forma Condensed Combined Financial Information.

Compass Diversified Holdings
Notes to Pro Forma Condensed Combined Financial Statements
(Unaudited)

Pro forma information is intended to reflect the impact of the acquisition of Boa on the Company's results of operations through adjustments that are directly attributable to the transaction, that are factually supportable and, with respect to the pro forma condensed combined statements of operations that are expected to have a continuing impact. This information in Note 1 provides a description of each of the pro forma adjustments from each line item in the pro forma condensed combined financial statement together with information explaining how the adjustments were derived or calculated, and represents the effects of the acquisition of Boa as if the Company had acquired Boa on January 1, 2020.

Note 1. Pro Forma Adjustments

Statement of Operations

The following adjustments correspond to those included in the unaudited pro forma condensed combined statement of operations for the period presented:

(a) Depreciation expense

To record the adjustment to depreciation expense included in cost of revenues and selling, general and administrative expense for the revised property, plant and equipment amount associated with the preliminary allocation of the purchase price of Boa (in thousands):

Cost of revenues	For the nine months ended September 30, 2020	
Historical depreciation expense	\$	(917)
Revised depreciation expense		989
	\$	72

Selling, general and administrative expense	For the nine months ended September 30, 2020	
Historical depreciation expense	\$	(2,019)
Revised depreciation expense		1,921
	\$	(98)

(b) Management fee

To record the annual management fee payable to Compass Group Management (our Manager) calculated as 1% of the aggregate purchase price of Boa.

<i>(in thousands)</i>	For the nine months ended September 30, 2020	
Management Fee	\$	3,405

(c) To record the adjustment to amortization expense for the revised intangible assets associated with the preliminary allocation of the purchase price of Boa.

<i>(in thousands)</i>	For the nine months ended September 30, 2020	
Historical amortization expense	\$	(184)
Revised amortization expense		11,430
	\$	<u>11,246</u>

(d) To record the interest expense associated with the \$300 million of revolver borrowings used to fund the acquisition, offset by lower commitment fees (unused fees) on the revolving credit facility. The annual interest rate assumed was 3.25% for the revolving credit facility based on the average rate at September 30, 2020, and the commitment fee was 0.25%.

<i>(in thousands)</i>	For the year ended December 31, 2020	
Revolver borrowings	\$	300,000
		3.25 %
	\$	9,750
Less: Commitment fee	\$	300,000
		0.25 %
	\$	750
Revised interest expense	\$	<u>9,000</u>

<i>(in thousands)</i>	For the nine months ended September 30, 2020	
Interest expense	\$	6,750

(e) To record the noncontrolling interest associated with Boa's net income for the period presented.

<i>(in thousands)</i>	For the nine months ended September 30, 2020	
Boa Net Income	\$	18,367
Noncontrolling interest ownership percentage		18.1 %
	\$	<u>3,328</u>

Note 2. Earnings Per Share

Basic and fully diluted earnings per Trust common share is computed using the two-class method which requires companies to allocate participating securities that have rights to earnings that otherwise would have been available to common shareholders as a separate class of securities in calculating earnings per share. The Company has granted Allocation Interests that contain participating rights to receive profit allocations upon the occurrence of certain events, and has issued preferred shares that have rights to distributions when, and if, declared by the Company's Board of Directors. The calculation of basic and fully diluted earnings per Trust common share is computed by dividing income available to common shareholders by the weighted average number of Trust common shares outstanding during the period. Earnings per common share reflects the effect of distributions that were declared and paid to holders of the Allocation Interests, and distributions that were paid or cumulative on preferred shares during the period.

Reconciliation of pro forma net income (loss) from continuing operations available to common shares of Holdings

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

<i>(in thousands)</i>	Year ended December 31, 2020	
Pro forma net income from continuing operations attributable to Holdings	\$	16,344
Less: Distributions paid - Allocation Interests		9,087
Less: Distributions paid - Preferred Shares		23,678
Less: Accrued distributions - Preferred Shares		2,869
Pro forma net loss from continuing operations attributable to Holdings	\$	<u>(19,290)</u>

Pro forma earnings per share - continuing operations

<i>(in thousands, except per share data)</i>	Year ended December 31, 2020	
Pro forma net loss from continuing operations attributable to Holdings	\$	(19,290)
Less: Effect of Contribution based profit - Holding Event		8,571
Pro forma loss from Holdings attributable to common shares	\$	<u>(27,861)</u>
Basic and fully diluted weighted average common shares of Holdings		63,151
Basic and fully diluted pro forma loss per share attributable to Holdings Continuing operations	\$	(0.44)