

**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): December 9, 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 7 Regulation FD**

**Item 7.01 Regulation FD Disclosure**

On Thursday, December 9, 2021, the management of Compass Diversified Holdings (NYSE: CODI) and Compass Group Diversified Holdings LLC (collectively "CODI") will hold a virtual investor presentation at 1:00 p.m., Eastern Time. The event includes a presentation by the CODI management team and CODI's Marucci Sports subsidiary. A copy of the press release announcing the event is attached as Exhibit 99.1 hereto. A copy of management's presentation is attached as Exhibit 99.2 hereto.

The information contained under Item 7.01 in this Report, including Exhibits 99.1 and 99.2, is being furnished and, as a result, such information shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or subject to the liabilities of that section, nor shall such information be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing.

**Section 9 Financial Statements and Exhibits**

**Item 9.01 Financial Statements and Exhibits**

99.1 [CODI Investor Day Press Release](#).

99.2 [CODI Investor Presentation](#).

104 Cover Page Interactive Data File (embedded within the Inline XBRL document)

**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: December 9, 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: December 9, 2021

COMPASS GROUP DIVERSIFIED HOLDINGS LLC

By: /s/ Ryan J. Faulkingham

Ryan J. Faulkingham  
*Chief Financial Officer*



**Compass Diversified to Discuss Strategy, Transformation and Growth Potential  
at Virtual Investor Day**

*Presentation Begins Today at 1:00 PM ET*

WESTPORT, Conn. – December 9, 2021 – Compass Diversified (NYSE: CODI) (“CODI” or the “Company”), an owner of leading middle market businesses, today will host its 2021 Virtual Investor Day, where the Company’s management team will discuss CODI’s proven strategy, its transformation and its long-term growth potential. The event will also include a presentation from Kurt Ainsworth, CEO of Marucci Sports.

“Investor day is an exciting forum to discuss the transformation underway at CODI while also outlining the compelling opportunity in front of us,” said Elias Sabo, Chief Executive Officer of CODI. “Over the past year, we have taken a number of strategic actions to evolve our business, increase our growth rate and lower our weighted average cost of capital. In pursuit of our long-term goal of achieving \$1 billion of EBITDA, we believe now is the right time to begin to explore new opportunities in healthcare – an attractive, high-growth market with advantageous demographics. We look forward to executing on our strategy to strengthen our competitive position and continue to drive value for our shareholders.”

**CODI Successfully Executing to Create Shareholder Value**

- **Generating consistently superior returns** with long-term, opportunistic approach led by experienced management team.
- **Building a competitive advantage** with a strengthened capital structure and a lower weighted average cost of capital.
- **Creating value** through actively partnering with management to grow and manage businesses for the long term.
- **Instilling superior governance and transparency** at a highly accountable organization.

**Presentation from Marucci Sports**

Founded in 2009, Marucci Sports has become the leading manufacturer and distributor of baseball and softball equipment as the number one bat in the big leagues. At today’s event, Marucci CEO, Kurt Ainsworth, will provide an overview of Marucci’s:

- Leading position in diamond sports;
- Competitive advantages in the consumer market;
- Focus and strategies for continued growth, including expansion into new categories

**Presentation from CODI**

In today’s presentation, CODI’s management team will discuss the Company’s strong financial position, including:

- Execution on CODI’s long-term strategy and its growth potential;
- The strategic path to achieve \$1 billion of EBITDA, including the exploration of the new Healthcare vertical;
- Efforts to strengthen CODI’s capital structure and lower its weighted average cost of capital; and
- 2021 financial performance, guidance and outlook.

**Webcast Information**

Today’s Virtual Investor Day will begin at 1:00 pm ET. A live video webcast including audio, video, presentation materials and an archived replay, is available here: [CODI 2021 Virtual Investor Day](https://www.compassdiversified.com/), or on the Investor Relations section of CODI’s website, <https://www.compassdiversified.com/>. Please allow extra time prior to the start of the event to download any necessary software that may be needed to view the webcast.

### **About Compass Diversified (“CODI”)**

CODI owns and manages a diverse set of highly defensible North American middle market businesses. Each of its current subsidiaries is a leader in its niche market. For more information, visit [compassdiversified.com](http://compassdiversified.com).

Leveraging its permanent capital base, long-term disciplined approach and actionable expertise, CODI maintains controlling ownership interests in each of its subsidiaries, maximizing its ability to impact long-term cash flow generation and value creation. The Company provides both debt and equity capital for its subsidiaries, contributing to their financial and operating flexibility. CODI utilizes the cash flows generated by its subsidiaries to invest in the long-term growth of the Company and has consistently generated strong returns through its culture of transparency, alignment and accountability.

Our ten majority-owned subsidiaries are engaged in the following lines of business:

- The design and marketing of purpose-built technical apparel and gear serving a wide range of global customers (**5.11**);
- The manufacture of quick-turn, small-run and production rigid printed circuit boards (**Advanced Circuits**);
- The design and manufacture of custom packaging, insulation and componentry (**Altor Solutions**);
- The manufacture of engineered magnetic solutions for a wide range of specialty applications and end-markets (**Arnold Magnetic Technologies**);
- The design, engineering and marketing of dial based fit systems delivering a scientifically proven performance advantage for athletes (**BOA Technology**);
- The design and marketing of wearable baby carriers, strollers and related products (**Ergobaby**);
- The design, manufacture, and marketing of high-end, one-of-a kind jewelry (**Lugano Diamonds**);
- The design and manufacture of baseball and softball equipment and apparel (**Marucci Sports**);
- The manufacture and marketing of portable food warming systems used in the foodservice industry, creative indoor and outdoor lighting, and home fragrance solutions for the consumer markets (**Sterno**); and
- The design, manufacture and marketing of airguns, archery products, optics and related accessories (**Velocity Outdoor**).

### **Forward Looking Statements**

*This press release contains, and the webcast will contain, forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements include, but are not limited to, statements as to the future performance or liquidity of CODI and its subsidiaries, such as expectations regarding our 2021 guidance or future outlook, market forecasts or projections, projected capital expenditures, future business strategy and other statements with regard to the future performance and goals of CODI and its subsidiaries.*

*We may use words such as “anticipate,” “believe,” “expect,” “intend,” “plan,” “will,” “should,” “may,” “seek,” “look,” and similar expressions to identify forward-looking statements. The forward-looking statements contained in this press release and webcast involve risks and uncertainties. Actual results could differ materially from those implied or expressed in the forward-looking statements for any reason, including the factors set forth in “Risk Factors” and*

elsewhere in CODI's annual report on Form 10-K and its quarterly reports on Form 10-Q. Other factors that could cause actual results to differ materially include: changes in the economy, financial markets and political environment; risks associated with possible disruption in CODI's operations or the economy generally due to terrorism, natural disasters, social, civil and political unrest or the COVID-19 pandemic; future changes in laws or regulations (including the interpretation of these laws and regulations by regulatory authorities); general considerations associated with the COVID-19 pandemic and its impact on the markets in which we operate; and other considerations that may be disclosed from time to time in CODI's publicly disseminated documents and filings. Undue reliance should not be placed on such forward-looking statements as such statements speak only as of the date on which they are made. Although, except as required by law, CODI undertakes no obligation to revise or update any forward-looking statements, whether as a result of new information, future events or otherwise, you are advised to consult any additional disclosures that CODI may make directly to you or through reports that it in the future may file with the SEC, including annual reports on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K.

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# CODI Investor Day Presentation

December 9, 2021



# Legal Disclaimer



This presentation contains certain forward-looking statements within the meaning of the federal securities laws. These statements may be made a part of this presentation or by reference to other documents we file with the SEC.

Some of the forward-looking statements can be identified by the use of forward-looking words. Statements that are not historical in nature, including the words “anticipate,” “may,” “estimate,” “should,” “seek,” “expect,” “plan,” “believe,” “intend,” and similar words, or the negatives of those words, are intended to identify forward-looking statements. Certain statements regarding the following particularly are forward-looking in nature: future financial performance and goals, 2021 guidance, ESG initiatives, market forecasts or projections, projected capital expenditures; and our business and acquisition strategy.

All forward-looking statements are based on our management’s beliefs, assumptions and expectations of our future economic performance, taking into account the information currently available to it. These statements are not statements of historical fact. Forward-looking statements are subject to a number of factors, risks and uncertainties, some of which are not currently known to us, that may cause our actual results, performance or financial condition to be materially different from the expectations of future results, performance or financial position. Our actual results may differ materially from the results discussed in forward-looking statements. Factors that might cause such a difference include but are not limited to the risks set forth in “Risk Factors” included in our SEC filings.

In addition, our discussion may include references to Adjusted EBITDA, EBITDA, cash flow, CAD or other non-GAAP measures. A reconciliation of the most directly comparable GAAP financial measures to such non-GAAP financial measures is included in our annual and quarterly reports in Forms 10-K and 10-Q filed with the SEC as well as the attached Appendix. In reliance on the unreasonable efforts exception provided under Regulation G and Item 10(e)(1)(i)(B) of Regulation S-K, we have not reconciled 2021 Adjusted EBITDA or 2021 Payout Ratio (which requires an estimate of 2021 CAD) to their comparable GAAP measure because we do not provide guidance on Net Income (Loss), Cash Flow Provided by Operating Activities or the applicable reconciling items as a result of the uncertainty regarding, and the potential variability of, these items. For the same reasons, we are unable to address the probable significance of the unavailable information, which could be material to future results.



# CODI Presenters



## **ELIAS SABO**

Founding Partner & CEO

Responsible for directing CODI's strategy

Investment Committee Member

Joined The Compass Group in 1998 as one of its founding partners

Graduate of Rensselaer Polytechnic Institute



## **RYAN FAULKINGHAM**

EVP & CFO

Responsible for capital raising, accounting and reporting, financial controls, as well as risk assessment

Investment Committee Member

Joined The Compass Group in 2008

Graduate of Lehigh University and Fordham University



## **PATRICK MACIARIELLO**

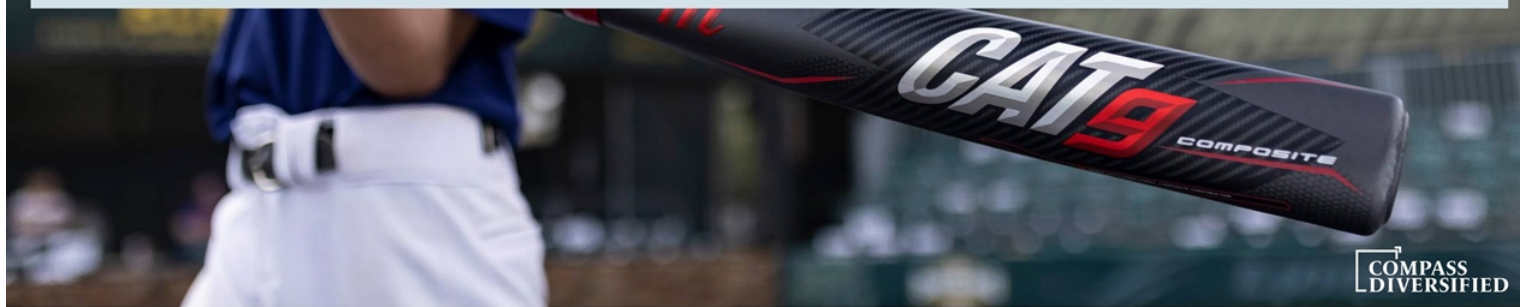
Chief Operating Officer

Managing Partner

Investment Committee Member

Joined The Compass Group in 2005

Graduate of University of Notre Dame and Columbia Business School



# Agenda

- 1** Introduction — Elias Sabo
- 2** Marucci Sports Presentation — Kurt Ainsworth
- 3** Marucci Sports Q&A — Kurt Ainsworth
- 4** CODI Remarks — Elias Sabo
- 5** CODI Subsidiary Update — Pat Maciariello
- 6** CODI Financial Review — Ryan Faulkingham
- 7** CODI Q&A — Elias Sabo, Ryan Faulkingham & Pat Maciariello
- 8** Closing Remarks — Elias Sabo

# Compass Diversified (NYSE: CODI)

Overview



# Compass Diversified Holdings (NYSE: CODI) Offers Shareholders a Unique Opportunity To Own a Diverse Group of Leading Middle-Market Businesses

Founded in 1998, CODI is an experienced acquirer and manager of established North American middle-market businesses; currently we operate 6 branded consumer and 4 niche industrial subsidiaries

## KEY DIFFERENTIATORS



Long-term, Opportunistic Approach in Sectors with Management Expertise



Value Creation Through Actively Partnering with Management



Superior Governance and Transparency

## Subsidiaries

5.11



ALVOR SOLUTIONS



BOA



LUGANO DIAMONDS

marucci



VELOCITY OUTDOOR

## CODI BY THE NUMBERS

As of 9/30/2021

1998

**FOUNDED**  
IPO in 2006

\$6.9B+

**AGGREGATE TRANSACTIONS**  
22 Platforms & 30 Add-Ons

\$2.8B

**ASSETS MANAGED**  
10 Current Platforms

~\$465M

**Available Revolver**  
Permanent Capital Base

\$1.9B+

**TTM Proforma Revenue**

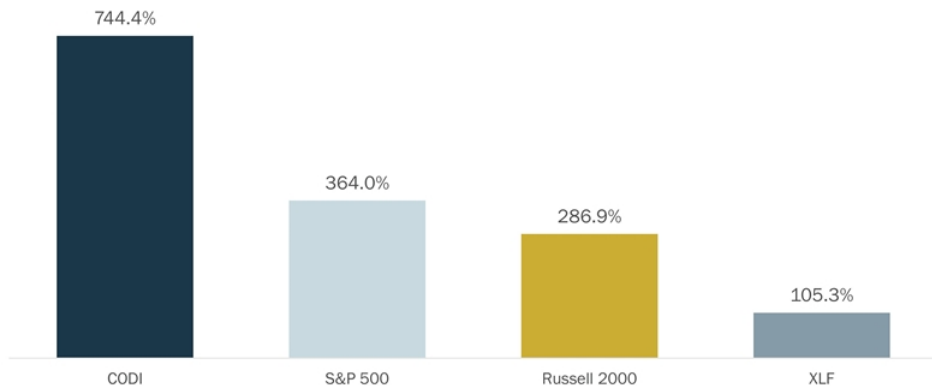
\$381M+

**TTM Proforma Adjusted EBITDA**



# Company Management Team Successfully Executing on Strategy to Create Value

Total return from May 16, 2006 through December 7, 2021<sup>(1)</sup>



**\$1.00 invested at IPO is worth \$8.44 today vs. \$4.64 in the S&P 500 or \$3.87 in the Russell 2000**



CODI has been executing the same strategy for more than 23 years and has consistently generated superior results



Compensation structure aligns interest of shareholders and management team and allows for recruitment of top-level talent

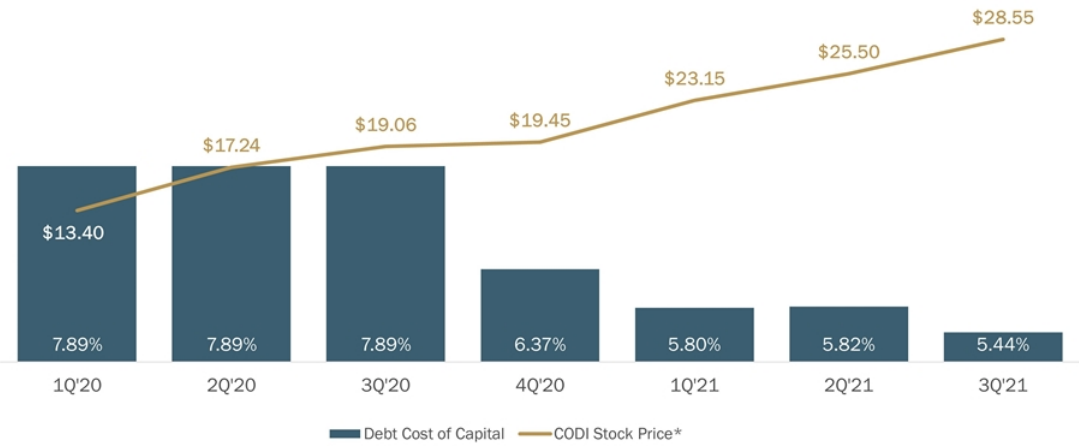



15+ year history as a public company manager, patient deployer of capital, ability to grow and manage businesses for the long term



Highly accountable organization focused on generating consistent strong shareholder returns

# Lower Debt Cost of Capital Enables Greater Shareholder Returns



 Building a competitive advantage and driving long-term shareholder value

8 \* Stock prices represent CODI's closing stock price on last trading day of quarter. DEBT cost of capital calculated using o/s debt and preferred.





## Kurt Ainsworth

Co-Founder & CEO, Marucci Sports

Co-Founded Marucci Sports in 2009

Appointed CEO in April 2014

Led Marucci for nearly 13 years, overseeing product innovation, direct to consumer sales and marketing strategy

Spearheaded growth by leading the acquisition of Marucci Bat Company, Victus Sports, Carpenter Trade, two wood mills, and Lizard Skins

Brokered a strategic alliance with Baseball Performance Lab

Former MLB pitcher for the San Francisco Giants and Baltimore Orioles, and Olympic Gold Medalist

Graduate of Louisiana State University





# Long-Term Strategic Vision for CODI







*Our Goal:*

**\$1 Billion of EBITDA  
in 5 – 7 Years**

# Positioning CODI for Long-Term Success and Value Creation



## Benefits of Scale



Diversification in companies and industries creating reduced financial volatility



Larger businesses with enhanced systems, capabilities and controls

- Deeper Management Teams
- Sarbanes Oxley Compliance
- ESG Focus

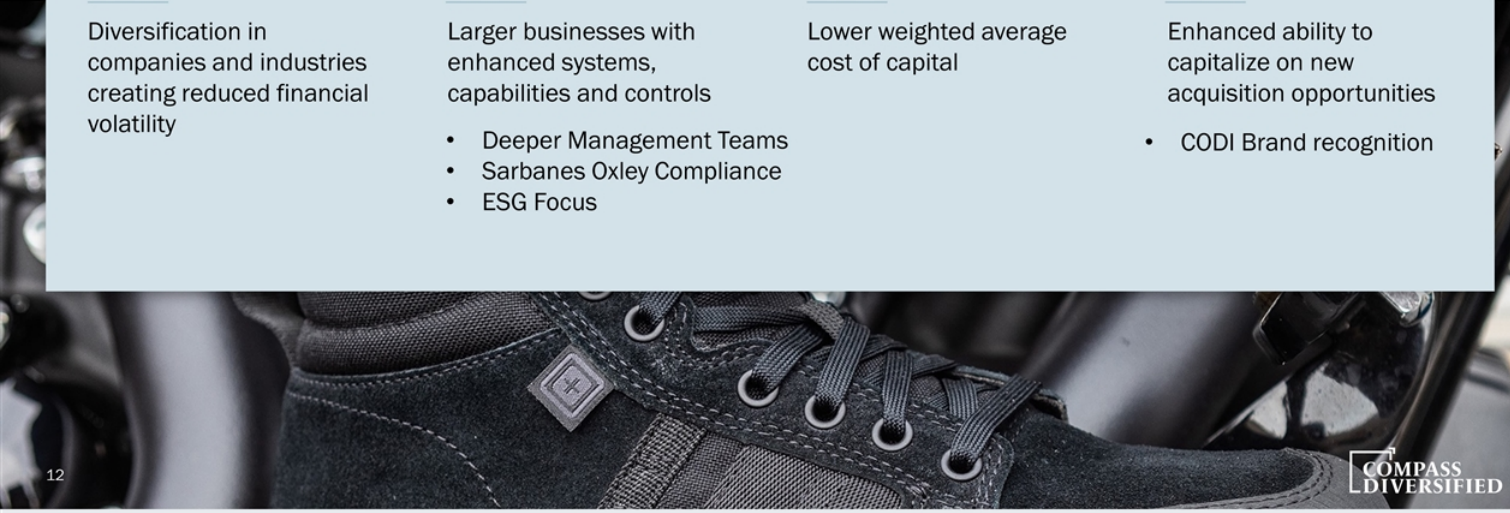


Lower weighted average cost of capital



Enhanced ability to capitalize on new acquisition opportunities

- CODI Brand recognition



# Multipronged Strategy to Growing EBITDA and Reaching CODI's Goal



## Growth Drivers

# 1

### Business transformation

- Recently focused on premium, highly-differentiated brands
- Increases our consolidated core growth rate
- Positioned to capitalize on evolving economic factors and robust consumer demand

# 2

### Capital Allocation

- Acquire new Platform businesses
- Sustainably invest in our current subsidiaries
  - Add-on acquisitions
  - Growth capital expenditures

# 3

### Healthcare vertical

- Advantageous demographic indicators
- Compelling targets aligned with CODI's acquisition profile



# 1 Business Transformation



**February 2019**  
(Divestiture)

Raised awareness, grew customer base across North America, and drove category expansion

Opportunistically sold to strategic consolidator to accelerate MH's growth through use of consolidators brand, supply chain, distribution and infrastructure



**May 2019**  
(Divestiture)

Strengthened brand, industry leadership and financial performance

Capitalized on organic growth opportunities and compelling add-on acquisitions

Opportunistically sold to strategic consolidator with revenue synergies and infrastructure

**marucci**

**April 2020**  
(Acquisition)

Acquired leading manufacturer and distributor of baseball and softball equipment for \$200mm

Added Lizard Skins, which brings complementary products and high brand awareness

Increased YTD Sept. '21 revenue by 82.5% and Adj. EBITDA by 175.4% on a proforma basis over the same prior year period

**BOA**

**October 2020**  
(Acquisition)

Acquired market leader with strong brand awareness and diverse customer base for \$454mm

Increased YTD Sept. '21 revenue by 55.5% and Adj. EBITDA by 89.3% on a proforma basis over the same prior year period



**July 2021**  
(Divestiture)

Scaled the business and cemented Liberty's leading status

Supported Liberty's growth as a leading national brand

Opportunistically sold after owning for >10 years due to change in strategic direction at CODI

**LUGANO**  
BRANDS

**September 2021**  
(Acquisition)

Acquired high growth, luxury goods brand with differentiated go-to-market approach for \$256mm

Appointed two experienced, independent directors to company Board:

- Frederic Cumenal, Former CEO of Tiffany & Co
- David Arnold, Vice Chairman of Robb Report



Acceleration of Core Consolidated Growth Rate

## 2 Capital Allocation — Identifying New Opportunities for Growth

### ☑ Platform Acquisitions

- Continue the same strategy acquiring leading **niche industrial** and **branded consumer** companies
- Target 1 to 2 Platform Acquisitions per year
- Target companies in the \$200 – \$800mm size

### ☑ Investment in Subsidiaries

- Strategic Add-Ons – Target 2-3 per year
- Growth Capex – Recent spend \$20-\$30mm per year

### Optimal Future Structure

- ~15 Subsidiary companies mixed among niche industrial, branded consumer and healthcare
- Each Subsidiary company has the potential to reach \$70m+ EBITDA

### 3 Exploring New Healthcare Vertical



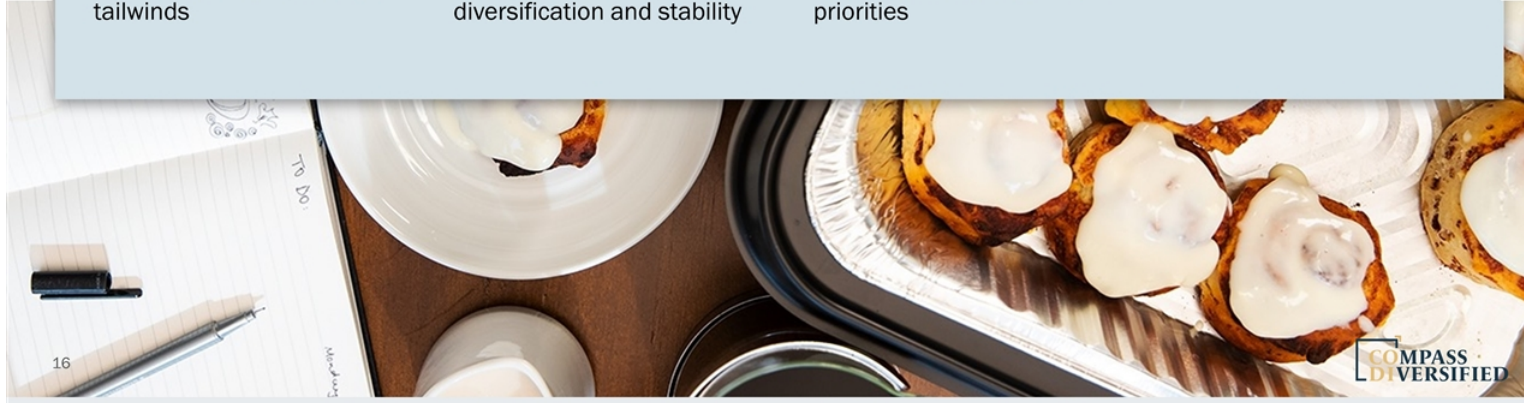
Attractive, high-growth market with strong industry tailwinds



Acyclical industry that will bring valuable diversification and stability



Strong alignment with CODI's existing Subsidiaries priorities



# Driving Financial and Operational Results Over the Last 10 Years




Proforma Adjusted EBITDA Since 2011<sup>(1)</sup>

**11.2%**

compound annual growth rate (CAGR), Adj EBITDA over past 10 years



 Transformed company from 8 subsidiaries and \$133mm in Adjusted EBITDA in 2011 to 10 subsidiaries and \$385mm Adjusted EBITDA Midpoint Guidance

\* Midpoint of full year 2021 Proforma Adjusted Consolidated EBITDA Guidance

<sup>1</sup> All figures in chart are proforma for acquisitions in given year and reflective of discontinued operations

# CODI's Corporate Values





# CODI is Committed to Continuing to Advance Corporate Values



Long-term approach enables subsidiaries to conduct business in a socially responsible and ethical manner

## SINCE INCEPTION CODI HAS OPERATED WITH ESG TOP OF MIND



### STRONG GOVERNANCE MODEL

- Transparency and accountability



### ENGAGING WITH OUR LOCAL COMMUNITIES

- Active member in communities in which we operate
- Consistently has given time and financial resources to multiple local charities

## OUR PEOPLE ARE OUR GREATEST ASSET

- Investing in talented, capable and experienced management teams
- Employees have strong emotional and financial investment toward success
- CGM's great culture evidenced by 95% retention rate over the last four years
- With diversity as an important component of effective governance, currently over 40% of CGM's employees are women
- Recent surveys indicate that 49% of millennials chose their careers based on companies with sustainability goals

## ONGOING ENHANCEMENT TO SOCIAL COMMITMENTS

### Human Capital

- Hired Head of ESG, Zoe Koskinas, to further integrate ESG across company and subsidiaries
- Zoe leads a dedicated ESG team of 3

### ESG Initiatives

- Developing CODI's Global ESG Policies and Procedures
- Leveraging ESG learnings to help subsidiary companies implement ESG policies, processes and reporting

## COMMITMENT TO RESPONSIBLE INVESTING IN ACTION

We pride ourselves on being business builders. We take a long-term approach to supporting the companies we acquire and commit significant capital to facilitate our subsidiaries' growth initiatives.

**~\$771m**

Since inception, CODI has invested ~\$771m in subsidiary companies for add-on acquisitions

**\$94m+**

CODI has committed \$94m+ in growth capital expenditures to current subsidiaries

These efforts enable opportunities for our employees, vendors and local communities to flourish

# CODI Continues to Advance Its Governance Standards



## SINCE ITS FORMATION CODI HAS PROVIDED A STRONG GOVERNANCE FRAMEWORK FOR ITS SHAREHOLDERS

The majority of the Board of Directors is independent

CODI has split the roles of CEO and Chairman

- Chairman of the Board is fully independent

Highly qualified Board's across all our subsidiary companies

- 19 independent directors appointed to boards of existing subsidiary companies

## FURTHER ENHANCEMENTS TO CODI'S GOVERNANCE MODEL

Senior leadership and Board of Directors are highly supportive and engaged on ESG

- Management reports on ESG to the Board quarterly

Enhancement to CODI's Board

- Engaged Spencer Stuart on Board refresh process
- Will plan to seek shareholder approval for annual director elections

## COMMITMENT TO RESPONSIBLE INVESTING IN ACTION

SOA

Within 10 years, we are committed to eliminating virgin fossil fuel based plastics and driving production waste to zero.

ALIJOR  
SOLUTIONS

First industry player to introduce BioEPS®, a high performance protective and thermal packaging solution that is 100% sustainable, biodegradable and reusable



Introduced Everlove by Ergobaby, a first of its kind carrier buyback, restoration and resale program designed to create a more sustainable future

5.11

Made recent investments in LEED-certified facility and sophisticated water reclamation system

# Subsidiary Update



# Well positioned businesses with attractive attributes



# CODI's Performance through challenging times



Strong positioning and exceptional execution by CODI subsidiary management teams have allowed CODI to excel despite macro headwinds

## 2021 GLOBAL HEADWINDS



Rapid Inflation



Extremely tight labor supply



Covid related factory shutdowns



Shipping Disruption

## CODI RESULTS

Through the first three quarters CODI's financial performance is at a record levels:

**25.4%**

Consolidated revenue growth YTD September 2021

**41.4%**

Consolidated Adj. EBITDA growth YTD September 2021

**230**

Basis point expansion in EBITDA margins YTD September 2021

# Lugano Diamonds & Jewelry Poised for Growth Amid Macro Trends

Designer, Manufacturer and Marketer of One-of-a-Kind, High-End Jewelry



Founded in 2004 and competes in the high-end jewelry market (\$50,000 and above)



World-class design capabilities creates highly desired products



Unique event-based marketing strategy reaches target audience



Long-lasting client connections bring high-value, discerning and loyal clientele



Disrupting high-end jewelry industry with disintermediated supply chain and owned inventory

## Diverse Retail Product Offering Across Multiple Price Points

**Super High-End Jewelry**  
(highest priced pieces with rare stones)



**Unique Design Jewelry**  
(bespoke designs based on unique materials or customer specs)



**Diamond Jewelry**  
(white or colored diamond jewelry)



**\$256mm**

Purchase Price  
(September 2021)

TTM 9/30/21 Revenue  
**\$103M**

TTM 9/30/21 EBITDA  
**\$35M**



# Lugano is Ideally Positioned to Benefit From CODI's Resources and Capital



Well-positioned to emerge as a leading domestic and international luxury brand by leveraging CODI's strong experience building consumer brands



Additional capital flexibility will enable Lugano to opportunistically procure rare stones, expand its internal manufacturing capabilities, and accelerate its retail salon deployment



Company works with Kimberley Process certified suppliers, CODI working with Company to further enhance social compliance efforts



Strong existing management team with plans to significantly grow headcount and infrastructure to support growth



A woman wearing safety glasses and a dark shirt is working on a complex industrial machine. She is focused on her task, and the machine has various components, including a large circular part with the text 'lab 38-12' visible. The background shows a factory environment with other machinery and equipment.

# Financial Review



# Revenue and EBITDA

(Figures in all tables below are in Millions)

## PF REVENUE – QTD

	Three months ended September 30, 2021	Three months ended September 30, 2020	Increase (decrease)	%
Niche Industrial	\$205.0	\$179.7	\$25.3	14.1%
Branded Consumer*	\$301.9	\$249.1	\$52.8	21.2%
PF Net Revenues	\$506.9	\$428.8	\$78.1	18.2%

## PF ADJ. EBITDA – QTD

	Three months ended September 30, 2021	Three months ended September 30, 2020	Increase (decrease)	%
Niche Industrial	\$33.5	\$30.8	\$2.7	8.8%
Branded Consumer*	\$65.5	\$52.8	\$12.7	24.1%
PF Adj. EBITDA	\$99.0	\$83.6	\$15.4	18.5%

## PF REVENUE – YTD

	Nine months ended September 30, 2021	Nine months ended September 30, 2020	Increase (decrease)	%
Niche Industrial	\$559.1	\$491.3	\$67.8	13.8%
Branded Consumer*	\$884.2	\$659.8	\$224.4	34.0%
PF Net Revenues	\$1,443.3	\$1,151.1	\$292.2	25.4%

## PF ADJ. EBITDA – YTD

	Nine months ended September 30, 2021	Nine months ended September 30, 2020	Increase (decrease)	%
Niche Industrial	\$93.9	\$85.7	\$8.2	9.6%
Branded Consumer*	\$200.1	\$122.2	\$77.9	63.7%
PF Adj. EBITDA	\$294.0	\$207.9	\$86.1	41.4%

# Guidance

Reported Positive YTD Financial Results and Raised Guidance

## RAISED FULL YEAR GUIDANCE

**\$380 – 390<sub>mm</sub>**

Full Year 2021 Pro Forma Adjusted EBITDA guidance

**30 – 33%**

Implied YOY growth in Pro Forma Adjusted EBITDA

**Better than 55%**

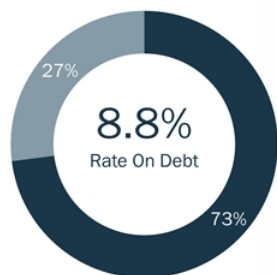
Payout Ratio expected to improve for full year 2021



# CODI's Strengthened Capital Structure

Consistent Financial Policy:  
Leverage 3.0 to 3.5 times

## DEC 2011



■ Equity ■ Debt

**~5.5 Years**  
Tenor on debt

**4% Cost**  
OID

## PURSUIT OF A LOWER WACC

### Since 2018

**8.0%** Senior Unsecured 8-Year Bond Due 2026  
\$400 million in March 2018 + \$200 million May 2020

**7.785%** Preferred Equity Issuances  
\$215 million in March 2018 and November 2019

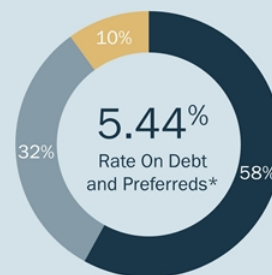
**Redeemed** Senior Unsecured Bond Due 2026

**5.25%** Senior Unsecured Bond due 2029  
\$1 billion in March 2021

**Complete Simplification** of Tax Structure  
September 2021.

**5.0%** Senior Unsecured 10-Year Bond Due 2032  
\$300 million in November 2021

## SEPT 2021



■ Equity ■ Debt ■ Preferred

**~9.5 Years**  
Tenor on debt

**0% Cost**  
OID

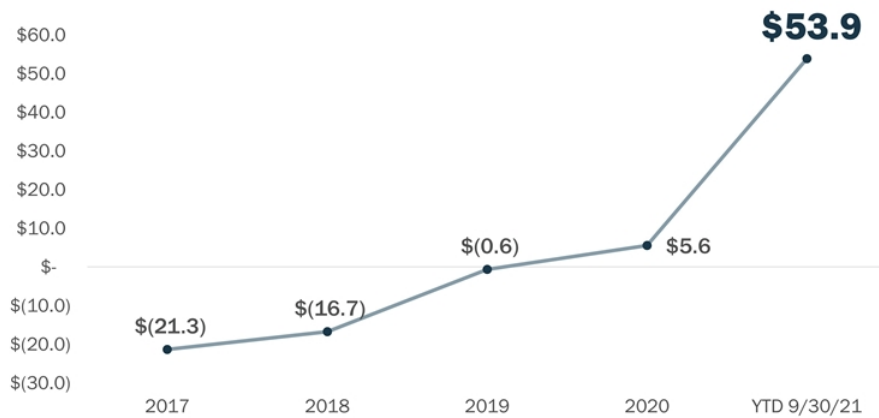
\* Rate drops to 4.56% if revolver is fully funded

Lowering our WACC strengthens our competitive advantage and drives shareholder returns

# Transformed Business Stands to Benefit from Increased Retained Cash

Significant increase in retained cash since 2017  
(Before change in working capital)

## Growth in Retained Cash Over Past Five Years in USD (millions)



Strong subsidiary operating performance leading to record retained cash performance



Robust retained cash offers enhanced opportunity for growth

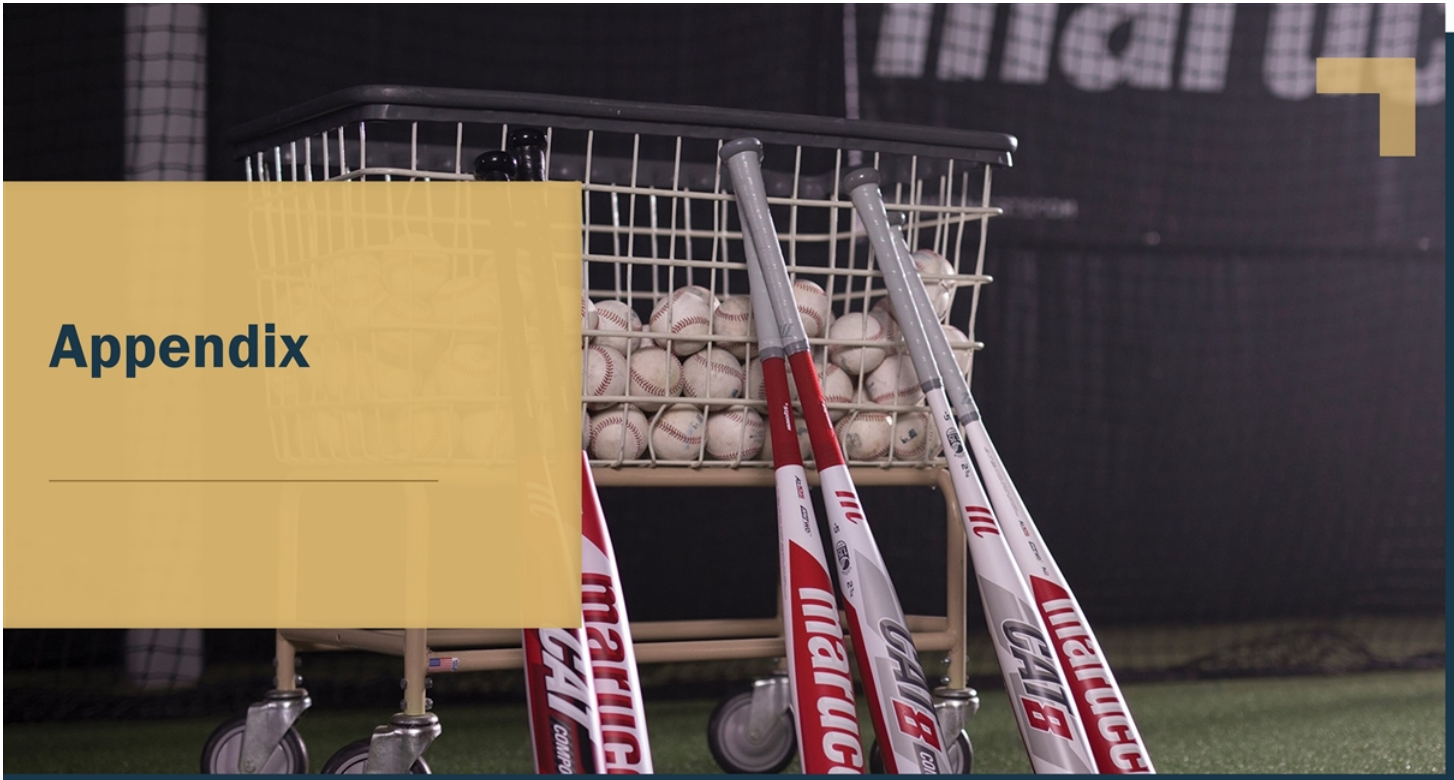
- Deploying capital in pursuit of new acquisitions
- Investing in subsidiaries
- Organically delivering



Will provide continued momentum in lowering WACC



# Appendix



# Adjusted EBITDA<sup>(1)</sup>

YTD September 30, 2021

(In Thousands)

	Corporate	5.11	BOA	Ergobaby	Lugano	Marucci Sports	Velocity Outdoor	Advanced Circuits	Altor Solutions	Arnold	Sterno	Consolidated
Net income (loss)	\$ 8,028	\$ 14,318	\$ 16,908	\$ 3,071	\$ 681	\$ 9,485	\$ 19,157	\$ 10,366	\$ 5,892	\$ 3,839	\$ 1,491	\$ 93,236
Adjusted for:												
Provision (benefit) for income taxes	—	4,857	2,165	1,357	304	2,920	5,381	2,547	2,867	2,062	202	24,662
Interest expense, net	42,464	8	—	—	—	5	125	—	—	5	—	42,607
Intercompany interest	(53,234)	8,743	6,320	1,514	548	1,890	5,586	5,484	5,075	4,128	13,946	—
Loss on debt extinguishment	33,305	—	—	—	—	—	—	—	—	—	—	33,305
Depreciation and amortization	642	16,762	15,033	6,377	70	6,377	9,489	1,658	9,022	5,822	16,313	87,565
<b>EBITDA</b>	<b>31,205</b>	<b>44,688</b>	<b>40,426</b>	<b>12,319</b>	<b>1,603</b>	<b>20,677</b>	<b>39,738</b>	<b>20,055</b>	<b>22,856</b>	<b>15,856</b>	<b>31,952</b>	<b>281,375</b>
Gain on sale of business	(72,745)	—	—	—	—	—	—	—	—	—	—	(72,745)
Other (income) expense	(286)	(302)	190	—	22	881	2,611	123	(399)	(51)	(883)	1,906
Noncontrolling shareholder compensation	—	1,926	1,655	1,241	—	826	777	372	770	16	913	8,496
Acquisition expenses	39	—	—	—	1,827	—	—	—	—	310	—	2,176
Integration service fee	—	—	3,300	—	—	1,000	—	—	—	—	—	4,300
Other	1,085	273	—	—	—	—	(2,300)	—	—	—	333	(609)
Management fees	30,133	750	750	375	58	375	375	375	563	375	375	34,504
<b>Adjusted EBITDA</b>	<b>\$ (10,569)</b>	<b>\$ 47,335</b>	<b>\$ 46,321</b>	<b>\$ 13,935</b>	<b>\$ 3,510</b>	<b>\$ 23,759</b>	<b>\$ 41,201</b>	<b>\$ 20,925</b>	<b>\$ 23,790</b>	<b>\$ 16,506</b>	<b>\$ 32,690</b>	<b>\$ 259,403</b>

33 (1) Excludes \$14 million in Adjusted EBITDA of Liberty Safe sold in August 2021



# Adjusted EBITDA<sup>(1)</sup>

YTD ended September 30, 2020

(In Thousands)

	Corporate	5.11	Ergobaby	Marucci Sports	Velocity Outdoor	Advanced Circuits	Altor Solutions	Arnold	Sterno	Consolidated
Net income (loss)	\$ (13,346)	\$ 5,515	\$ 1,837	\$ (5,344)	\$ 4,245	\$ 10,980	\$ 4,188	\$ (1,719)	\$ 2,131	\$ 8,487
Adjusted for:										
Provision (benefit) for income taxes	—	(55)	2,265	(2,351)	1,386	2,878	1,891	(56)	162	6,120
Interest expense, net	31,971	43	—	6	102	—	—	—	—	32,122
Intercompany interest	(48,681)	10,770	1,818	1,194	6,945	4,176	5,290	4,300	14,188	—
Depreciation and amortization	530	16,033	6,152	8,031	9,651	1,980	9,473	5,040	17,251	74,141
<b>EBITDA</b>	<b>(29,526)</b>	<b>32,306</b>	<b>12,072</b>	<b>1,536</b>	<b>22,239</b>	<b>20,014</b>	<b>20,842</b>	<b>7,565</b>	<b>33,732</b>	<b>120,870</b>
OGain on sale of businesses	(100)	—	—	—	—	—	—	—	—	(100)
Other (income) expense	3	1,398	—	(46)	1,048	126	(438)	(1)	86	2,176
Noncontrolling shareholder compensation	—	1,870	748	361	1,287	372	771	34	651	6,094
Acquisition expenses	—	—	—	2,042	—	—	273	—	—	2,315
Integration services fees	—	—	—	500	—	—	—	—	—	500
Other	—	—	598	—	—	—	—	—	—	598
Management fees	19,651	750	375	222	375	375	563	375	375	23,061
<b>Adjusted EBITDA</b>	<b>\$ (9,972)</b>	<b>\$ 36,324</b>	<b>\$ 13,793</b>	<b>\$ 4,615</b>	<b>\$ 25,039</b>	<b>\$ 20,887</b>	<b>\$ 22,011</b>	<b>\$ 7,973</b>	<b>\$ 34,844</b>	<b>\$ 155,514</b>

34 (1) Excludes \$13.9 million in Adjusted EBITDA of Liberty Safe sold in August 2021





# Adjusted EBITDA

Year Ended December 31, 2020

(In Thousands)

	Corporate	5.11	BOA	Ergobaby	Liberty	Marucci Sports	Velocity Outdoor	Advanced Circuits	Arnold	Alter Solutions	Sterno	Consolidated
Net income (loss)	\$(19,065)	\$12,356	\$(2,640)	\$725	\$9,902	\$(4,785)	\$11,161	\$13,170	\$(3,539)	\$6,092	\$3,820	\$27,197
Adjusted for:												
Provision (benefit) for income taxes	–	1,808	(535)	2,033	3,288	(1,390)	3,560	3,431	(198)	2,554	2,343	16,894
Interest expense, net	45,610	19	–	–	–	7	131	–	–	–	1	45,768
Intercompany interest	(70,449)	14,085	2,043	2,405	3,548	1,843	8,915	5,778	5,730	7,084	19,018	–
Depreciation and amortization	399	21,483	5,589	8,199	1,742	10,203	12,781	2,773	6,805	12,722	22,510	105,206
<b>EBITDA</b>	<b>(43,505)</b>	<b>49,751</b>	<b>4,457</b>	<b>13,362</b>	<b>18,480</b>	<b>5,878</b>	<b>36,548</b>	<b>25,152</b>	<b>8,798</b>	<b>28,452</b>	<b>47,692</b>	<b>195,065</b>
Gain on sale of business	(100)	–	–	–	–	–	–	–	–	–	–	(100)
Other (income) expense	–	1,420	39	–	7	(42)	931	154	9	(38)	140	2,620
Noncontrolling shareholder compensation	–	2,489	469	1,156	29	634	1,549	495	(20)	1,028	1,166	8,995
Acquisition expenses and other	–	–	2,517	–	–	2,042	–	–	–	273	–	4,832
Integration service fee	–	–	1,125	–	–	1,000	–	–	–	–	–	2,125
Other	324	–	–	598	–	–	–	–	–	–	–	922
Management fees	29,402	1,000	250	500	500	347	500	500	500	750	500	34,749
<b>Adjusted EBITDA</b>	<b>\$(13,879)</b>	<b>\$ 54,660</b>	<b>\$8,857</b>	<b>\$15,616</b>	<b>\$19,016</b>	<b>\$9,859</b>	<b>\$39,528</b>	<b>\$26,301</b>	<b>\$9,287</b>	<b>\$30,465</b>	<b>\$49,498</b>	<b>\$249,208</b>

# Adjusted EBITDA

Year Ended December 31, 2019

(In Thousands)

	Corporate	5.11	Ergobaby	Liberty	Velocity Outdoor	Advanced Circuits	Arnold	Altor Solutions	Sterno	Consolidated
Net income (loss) <sup>(1)</sup>	\$ 282,240	\$ 2,059	\$ 4,793	\$ 3,130	\$ (36,982)	\$ 14,970	\$ 700	\$ 2,883	\$ 16,447	\$ 290,240
Adjusted for:										
Provision (benefit) for income taxes	–	2,520	2,250	932	(2,782)	3,896	1,280	1,258	5,388	14,742
Interest expense, net	57,980	(24)	17	–	242	(2)	(1)	–	4	58,216
Intercompany interest	(80,556)	17,567	3,325	4,364	11,194	6,543	6,295	8,635	22,633	–
Loss on debt extinguishment	12,319	–	–	–	–	–	–	–	–	12,319
Depreciation and amortization	1,598	21,540	8,561	1,667	13,222	2,551	6,545	12,452	22,486	90,622
<b>EBITDA</b>	<b>273,581</b>	<b>43,662</b>	<b>18,946</b>	<b>10,093</b>	<b>(15,106)</b>	<b>27,958</b>	<b>14,819</b>	<b>25,228</b>	<b>66,958</b>	<b>466,139</b>
Gain on sale of business	(331,013)	–	–	–	–	–	–	–	–	(331,013)
Other (income) expense	92	(122)	(11)	16	952	122	1	1,247	(112)	2,185
Non-controlling shareholder compensation	–	2,360	828	(8)	322	288	56	1,025	1,183	6,054
Impairment expense	–	–	–	–	32,881	–	–	–	–	32,881
Integration services fee	–	–	–	–	–	–	–	281	–	281
Earnout provision adjustment	–	–	–	–	2,022	–	–	–	–	2,022
Loss on sale of investment	10,193	–	–	–	–	–	–	–	–	10,193
Other	–	–	–	266	–	58	–	–	–	324
Management fees	32,280	1,000	500	500	500	500	500	750	500	37,030
<b>Adjusted EBITDA</b>	<b>\$ (14,867)</b>	<b>\$ 46,900</b>	<b>\$ 20,263</b>	<b>\$ 10,867</b>	<b>\$ 21,571</b>	<b>\$ 28,926</b>	<b>\$ 15,376</b>	<b>\$ 28,531</b>	<b>\$ 68,529</b>	<b>\$ 226,096</b>

# Adjusted EBITDA

Year Ended December 31, 2018

(In Thousands)

	Corporate	5.11	Ergobaby	Liberty	Velocity Outdoor	Advanced Circuits	Arnold	Altor Solutions	Sterno	Consolidated
Net income (loss)	\$ (35,018)	\$ (12,079)	\$ 4,937	\$ 1,161	\$ (4,458)	\$ 15,029	\$ (740)	\$ 1,103	\$ 12,451	\$ (17,614)
Adjusted for:										
Provision (benefit) for income taxes	—	(2,180)	1,634	409	(598)	3,736	1,731	1,152	4,582	10,466
Interest expense, net	54,994	14	1	—	281	(46)	—	—	1	55,245
Intercompany interest	(78,708)	17,486	4,674	4,233	9,298	7,402	6,213	8,228	21,174	—
Depreciation and amortization	2,739	21,898	8,523	1,620	12,352	3,310	6,384	10,973	27,385	95,184
<b>EBITDA</b>	<b>(55,993)</b>	<b>25,139</b>	<b>19,769</b>	<b>7,423</b>	<b>16,875</b>	<b>29,431</b>	<b>13,588</b>	<b>21,456</b>	<b>65,593</b>	<b>143,281</b>
Gain on sale of business	(1,258)	—	—	—	—	—	—	—	—	(1,258)
(Gain) loss on sale of fixed assets	—	(194)	—	92	47	—	55	73	19	92
Non-controlling shareholder compensation	—	2,183	869	45	1,009	23	(167)	848	1,901	6,711
Acquisition expenses	115	—	—	—	1,362	—	—	1,552	632	3,661
Integration services fee	—	—	—	—	750	—	—	1,969	—	2,719
Earnout provision adjustment	—	—	—	—	—	—	—	—	(4,800)	(4,800)
Inventory adjustment	—	4,175	—	—	—	—	—	—	—	4,175
Loss on foreign currency transaction and other	4,083	—	—	—	—	—	—	—	—	4,083
Management fees	38,786	1,000	500	500	500	500	500	658	500	43,444
<b>Adjusted EBITDA</b>	<b>\$ (14,267)</b>	<b>\$ 32,303</b>	<b>\$ 21,138</b>	<b>\$ 8,060</b>	<b>\$ 20,543</b>	<b>\$ 29,954</b>	<b>\$ 13,976</b>	<b>\$ 26,556</b>	<b>\$ 63,845</b>	<b>\$ 202,108</b>

# CAD Reconciliation

(In Thousands)

	Year to Date	Year Ended	Year Ended	Year Ended	Year Ended	Year Ended
	9/30/2021	12/31/2020	12/31/2019	12/31/2018	12/31/2017	12/31/2016
Net Income	\$100,901	\$27,197	\$307,141	\$(1,790)	\$33,612	\$56,530
Adjustment to reconcile net income to cash provided by operating activities:						
Depreciation and Amortization	86,474	102,752	100,462	120,575	110,051	87,405
Impairment expense	—	—	32,881	—	17,325	25,204
(Gain) loss on sale of businesses	(72,745)	(100)	(331,013)	(1,258)	(340)	(2,308)
Amortization of debt issuance costs premium/discount	2,084	2,232	3,773	4,483	5,007	3,565
Unrealized (gain) loss on interest rate hedges	—	—	3,500	(2,251)	(648)	1,539
Loss (gain) on equity method investment	—	—	—	—	5,620	(74,490)
Noncontrolling shareholder charges	8,513	8,995	7,993	8,975	7,027	4,382
Deferred taxes	2,256	(781)	(12,876)	(9,472)	(59,429)	(9,669)
Loss on debt extinguishment	33,305	—	—	—	—	—
Other	5,150	4,981	17,994	1,440	3,940	730
Changes in operating assets and liabilities	(18,790)	3,349	(45,293)	(6,250)	(40,394)	18,484
Net cash provided by operating activities	147,148	148,625	84,562	114,452	81,771	111,372
Plus:						
Unused fee on revolving credit facility	1,207	1,386	1,851	1,630	2,856	1,947
Integration service fee	4,300	2,125	281	2,719	3,083	1,667
Other	2,176	4,832	13,174	14,607	2,467	5,866
Changes in operating assets and liabilities	18,790	—	45,293	6,250	40,394	—
Less:						
Payments on interest rate swap	—	—	675	1,783	3,964	4,303
Maintenance capital expenditures	19,063	17,084	22,005	27,246	20,270	20,363
Realized gain from foreign currency	—	—	—	—	3,315	1,327
Changes in operating assets and liabilities	—	3,349	—	—	—	18,484
Preferred share distributions	18,136	23,678	15,125	12,179	2,457	—
Other	1,111	2,211	3,318	4,800	8,322	—
Estimated cash flow available for distribution and reinvestment	\$135,311	\$110,646	\$104,038	\$93,650	\$92,243	\$76,375

# Adjusted EBITDA Reconciliation

(In Thousands)

	Year Ended 12/31/2020	Year Ended 12/31/2019	Year Ended 12/31/2018	Year Ended 12/31/2017	Year Ended 12/31/2016
Subsidiary Companies					
Corporate	(13,879)	(14,867)	(14,267)	(11,995)	(11,206)
5.11 Tactical	54,660	46,900	32,303	38,544	16,886
BOA Technologies	8,857	-	-	-	-
Ergobaby	15,616	20,263	21,138	33,041	32,715
Marucci Sports	9,859	-	-	-	-
Liberty	19,016	10,867	8,060	11,726	16,907
Velocity Outdoor	39,528	21,571	20,543	12,422	-
Altor Solutions	30,465	28,531	26,556	-	-
Advanced Circuits	26,301	28,926	29,954	27,241	26,575
Manitoba Harvest	-	-	5,494	6,385	6,657
Clean Earth	-	-	41,859	35,776	34,864
Arnold Magnetics	9,287	15,376	13,976	10,288	12,810
Sterno	49,498	68,529	63,845	31,622	31,601
Lugano	-	-	-	-	-
Adjusted EBITDA	\$249,208	\$226,096	\$249,461	\$195,050	\$167,809
Corporate	13,879	14,867	14,267	11,995	11,206
Marucci*	4,012	-	-	-	-
BOA Technologies*	25,305	-	-	-	-
Clean Earth*	-	-	-	-	-
Altor Solutions*	-	-	2,890	-	-
Velocity Outdoor*	-	-	10,805	5,780	-
Manitoba Harvest*	-	-	-	-	-
Sterno*	-	-	5,490	-	-
5.11 Tactical*	-	-	-	-	19,297
Pro forma Adjusted EBITDA	\$292,404	\$240,963	\$282,913	\$212,825	\$198,312

# Retained Cash Reconciliation

(In Millions)

	Year to Date	Year Ended	Year Ended	Year Ended	Year Ended
	9/30/2021	12/31/2020	12/31/2019	12/31/2018	12/31/2017
Adjustment to reconcile CAD to retained cash:					
Cash Available for Distribution or Reinvestment (CAD)	\$135.3	\$110.6	\$104.0	\$93.7	\$92.2
Less:					
Unused fees	(1.2)	(1.4)	(1.9)	(1.6)	(2.9)
Growth Cap Ex	(10.1)	(13.7)	(16.4)	(22.5)	(24.3)
Retained Cash (excluding working capital)	\$124.0	\$95.5	\$85.7	\$69.6	\$65.0
Common Distribution	(70.1)*	(89.9)	(86.3)	(86.3)	(86.3)
Retained Cash (excluding working capital) less distribution	\$53.9	\$5.6	\$(0.6)	\$(16.7)	\$(21.3)

\* Excludes one-time special cash distribution of \$57.1 million paid for out of Liberty Safe sale proceeds related to offsetting a portion of the tax liability due to Company's tax reclassification.



Thank you