



# CODI Investor Presentation

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MAY 2022



# 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, market forecasts or projections, projected capital expenditures; and our business 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 Earnings, Adjusted EBITDA, EBITDA, cash flow, 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.

# Experienced Leadership Team



**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**  
COO

West Coast Managing Partner  
Joined The Compass Group in 2005

Graduate of University of Notre Dame and Columbia Business School

## COMPANY MANAGEMENT TEAM



CODI has been executing the same strategy since its founding and has consistently generated superior results



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



16+ 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

# Who is CODI?

Compass Diversified Holdings (NYSE: CODI) owns a diverse group of leading middle-market businesses

Long-term ownership approach through permanent capital base

Founded in 1998, came public in 2006

Currently controlling ownership in six branded consumer and four niche industrial subsidiaries

Provides shareholders access to leading middle market businesses through public company transparency and liquidity

## SUBSIDIARIES

5.11<sup>+</sup>

ADVANCED  
CIRCUITS

ALIOR  
SOLUTIONS

ARNOLD  
MAGNETIC TECHNOLOGIES

ergobaby™

LUGANO<sup>®</sup>  
DIAMONDS

marucci

THE  
Sterno  
GROUP

VELOCITY  
OUTDOOR

SOA<sup>®</sup>

## CODI BY THE NUMBERS

As of 3/31/2022

**\$7.0B<sup>+</sup>**

**AGGREGATE  
TRANSACTIONS**

22 Platforms & 31 Add-Ons

**\$127.6M**

**TTM Adjusted Earnings**

**\$3.1B**

**ASSETS MANAGED**

10 Current Platforms

**\$600M**

**Available Revolver**

Permanent Capital Base

**\$2.1B<sup>+</sup>**

**TTM Proforma Revenue**

**\$407M<sup>+</sup>**

**TTM Proforma Adjusted  
EBITDA**

# Why is CODI Unique?

## Permanent Capital is Strategic Capital.

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Permanent capital structure & long-term holding horizons allow us to:

- Deploy capital patiently
- Withstand short-term market distortions
- Act swiftly when others are sidelined

## Owning Uncorrelated Assets Drives Lower Cost of Capital.

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Track record of scaling diverse assets has consistently:

- Reduced our cost of capital
- Increased share price returns
- Deepened our economic and competitive moat

## Clear Alignment with Investors.

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Since we finance acquisitions at the parent company level vs. separate companies (à la traditional private equity):

- We bear the risk alongside our shareholders

# A Closer Look at What Makes CODI Unique – Our Permanent Capital Advantage



## Long-term, Opportunistic Approach in Sectors with Management Expertise

- Partner with management teams to sustainably build businesses for the long-term
- 24 years of experience in branded consumer and niche industrial verticals
- Strong balance sheet provides certainty and speed to close
- Acquired three businesses during the pandemic, all are contributing double-digit top-line growth



## Value Creation Through Actively Partnering with Management

- Permanent capital drives long-term value creation through:
  - Building management teams
  - Investing in lasting infrastructure
  - Organic growth and add-on acquisitions



## Superior Governance and Transparency

- Compensation structure aligns interest of shareholders and management
- Quarterly reporting = transparency
- Majority of board is independent
- History of waiving management fees when appropriate
- Large and growing ownership of CODI shares by manager partners and employees

**CODI's permanent capital structure enables active management and business building to drive long-term value creation**

# Commitment to ESG

Our mission is to deliver superior investment results while mitigating risk and conducting our business in a socially responsible and ethical manner

ESG is embedded in all aspects of our investment process from the original investment selection, to the subsequent value creation and eventual divestiture with a goal of continuous improvement

Our long-term approach, deep expertise and commitment to sustainability are critical to ensuring we are a trusted partner to our subsidiary companies

 <p>Committed to reducing use of virgin plastic by at least 50% within 10 years; working to incorporate recycled or renewably sourced materials into 100% of products by 2027</p>	 <p>Going greener through its commitment to reducing the company's carbon footprint</p>
<p>5.11 </p> <p>Made recent investments in LEED-certified facility and sophisticated water reclamation system</p>	<p><i>marucci</i></p> <p>Committed to sourcing timber from sustainable forests / establishing an end-of-life, recycling program</p>
 <p>Published the first annual impact report for accountability on all ESG goals such as growing the Everlove re-commerce program and reducing the company's carbon footprint.</p>	 <p>First industry player to introduce BioEPS®, a high performance protective and thermal packaging solution that is 100% sustainable, recyclable, biodegradable and reusable</p>

## PILLARS OF OUR STRATEGY



INVESTING RESPONSIBLY



ATTRACTING, RETAINING AND DEVELOPING THE BEST PROFESSIONALS



ENGAGING WITH OUR LOCAL COMMUNITIES

# Multipronged Strategy to Reach \$1B of EBITDA in 5-7 Years

## 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 is Accelerating Our Core Growth Rate



**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

**\$122M gain**



**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

**\$209M gain**



**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

**2021 Revenue Growth Rate: 79%**



**October 2020**  
(Acquisition)

Acquired market leader of dial based fit systems delivering a scientifically proven performance advantage for athletes

**\$454m**

**2021 Revenue Growth Rate: 55%**



**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

**\$73M gain**



**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

## 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–\$800M size

### ✓ Investment in Subsidiaries

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


# Financials

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# Subsidiary Snapshot

(\$ millions)

Subsidiaries	Year Acquired	LTM AT 3/31/22 <sup>(1)</sup>				Purchase Price + Add-ons
		Revenue	Adj. EBITDA	Adj. EBITDA Margin	Capital Expenditures	
 5.11	2016	\$449	\$65	14%	\$12.1 <sup>(2)</sup>	\$400
 VELOCITY OUTDOOR	2017	\$256	\$46	18%	\$5.1	\$248
 ergobaby	2010	\$92	\$17	18%	\$0.5	\$168
 LUGANO DIAMONDS	2021	\$143	\$47	33%	\$0.8	\$268
 marucci	2020	\$134	\$30	22%	\$6.7	\$249
 BOA DIALED IN.	2020	\$185	\$71	38%	\$5.0	\$454
<b>Total Branded Consumer:</b>		<b>\$1,259</b>	<b>\$276</b>	<b>22%</b>	<b>\$30.2</b>	
 Sterno	2014	\$375	\$44	12%	\$2.8	\$347
 ALTOR SOLUTIONS	2018	\$206	\$36	17%	\$2.9	\$321
 ARNOLD MAGNETIC TECHNOLOGIES	2012	\$145	\$22	15%	\$7.1	\$165
 ADVANCED CIRCUITS <sup>(3)</sup>	2006	\$92	\$29	32%	\$0.6	\$100
<b>Total Niche Industrial:</b>		<b>\$818</b>	<b>\$131</b>	<b>16%</b>	<b>\$ 13.4</b>	
<b>Consolidated:</b>		<b>\$2,077</b>	<b>\$407<sup>(4)</sup></b>	<b>20%</b>	<b>\$43.6</b>	<b>\$2,720</b>

1. Revenue, Adj. EBITDA, capex shown pro forma for acquisition of Lugano Diamonds and divestiture of Liberty Safe.

2. Growth capex at 5.11 for retail store rollout.

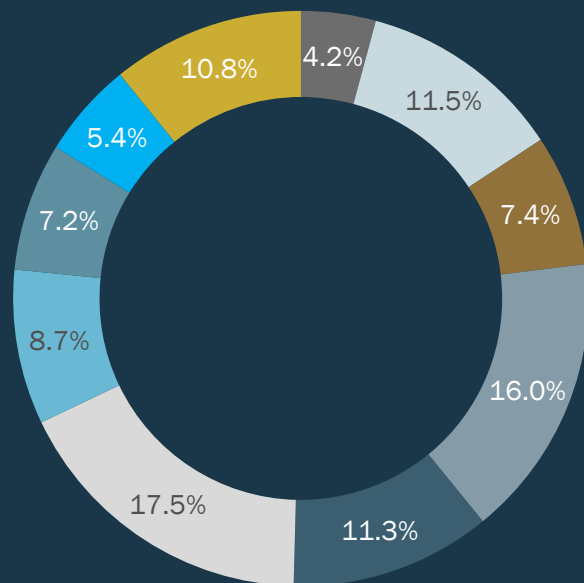
3. ACI was a held for sale asset at 3/31/22.

4. Subsidiary Adj. EBITDA does not include ~\$16M of corporate expenses.

# Diversity Producing Consistent Cash Flow



Subsidiary Pro Forma Adj. EBITDA – LTM at 3/31/22



Note: References to Adj. EBITDA and revenue includes pro forma information for Lugano Diamonds and excludes Liberty Safe.

ACI was a held for sale asset at 3/31/22.

- Ergobaby
- Pro Forma Lugano
- Marucci
- 5.11 Tactical
- Velocity Outdoor
- BOA
- Altor Solutions
- Advanced Circuits
- Arnold
- Sterno



## DIVERSIFIED CASH FLOWS FROM 10 SUBSIDIARIES

- Four niche industrial subsidiaries representing 39% of revenues and 32% of Adj. EBITDA (LTM 3/31/22)
- Six branded consumer subsidiaries representing 61% of revenues and 68% of Adj. EBITDA (LTM 3/31/22)



## DIVERSIFIED CUSTOMER BASE

- 10 subsidiaries in diverse industry segments reduce customer concentration risk
- **If economic expansion** – ten remaining subsidiaries producing strong cash flow and poised to grow in economic expansion
- **If economic downturn** – cash flow from existing subsidiaries expected to decline, offset by \$600M in available capital to deploy into acquisitions at attractive prices

# Strong Balance Sheet as of March 31, 2022

## OVERVIEW

Cash: **\$97.3M**

Debt: **\$1,300M**

Leverage: **3.05x**

**~\$600M**

of deployable capital

## LIQUIDITY DETAIL

**7.785%**

Preferred Equity Issuances

\$215M in March 2018 and Nov 2019

**5.25%**

Senior Unsecured Bond due 2029

\$1B in March 2021

**5.0%**

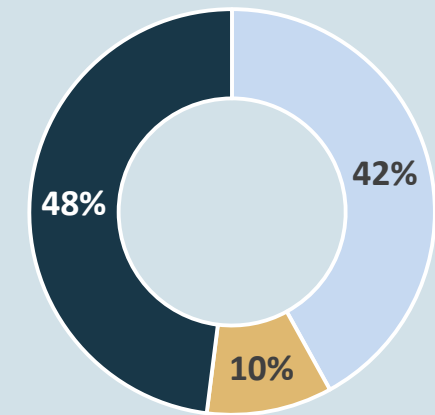
Senior Unsecured Bond Due 2032

\$300M in Nov 2021

**No Floating Rate Debt**

At March 31, 2022

## CAPITAL STRUCTURE



□ Debt   □ Preferred   ■ Equity

Rate on debt – 5.2%<sup>1</sup>

Rate on preferred – 7.7%

1) If the Company drew its entire revolver, its effective rate on debt would decline to ~4.6%

# 2022 Financial Outlook

## RAISED FULL YEAR GUIDANCE

**\$410M - \$430M**

Full Year 2022 Pro Forma Adj.  
EBITDA guidance  
(\$400 - \$420M prior)

**4% - 9%**

Implied YOY growth in Pro Forma Adj.  
EBITDA

**\$120M - \$135M**

Adj. Earnings (excluding Advanced Circuits)  
(\$110 - \$125M prior)





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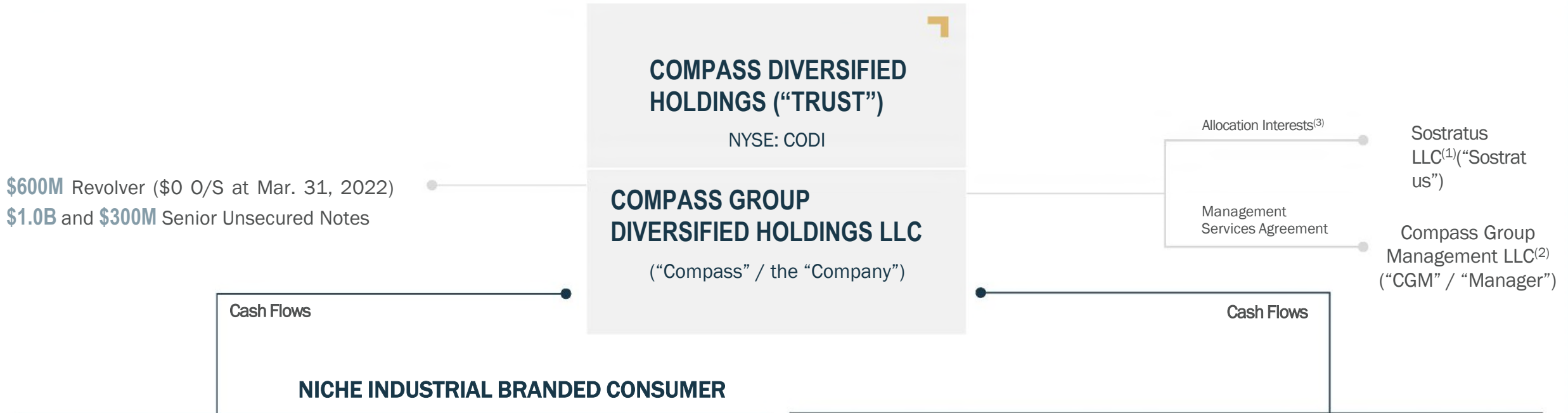


# Appendix

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# CODI Partnership Structure



1. As of 12/31/21, 57.8% beneficially owned by certain persons who are employees and partners of our Manager. C. Sean Day, the Chairman of our Board of Directors, CGI and former founding partners of the Manager, are non-managing members.

2. Mr. Sabo is a Member and the Manager of this entity, which is an LLC, not a partnership

3. The Allocation Interests, which carry the right to receive a profit allocation, represent less than 0.1% equity interest in the Company.

# C-Corp Tax Reclassification Benefits

Creates clear alignment with investors by simplifying corporate structure and attracting additional investors

NOTE: Reclassified to C-Corp on September 1, 2021

## We believe there are significant benefits to reclassifying as a C-Corp



Broadens pool of investors by making it significantly easier for both institutional and retail investors to own CODI shares

- Simplifies tax reporting and uncertainty



Reduces average cost of capital

- Increases share liquidity
- Improves cost of equity capital and shares become more attractive currency



Improves likelihood of inclusion within stock indices

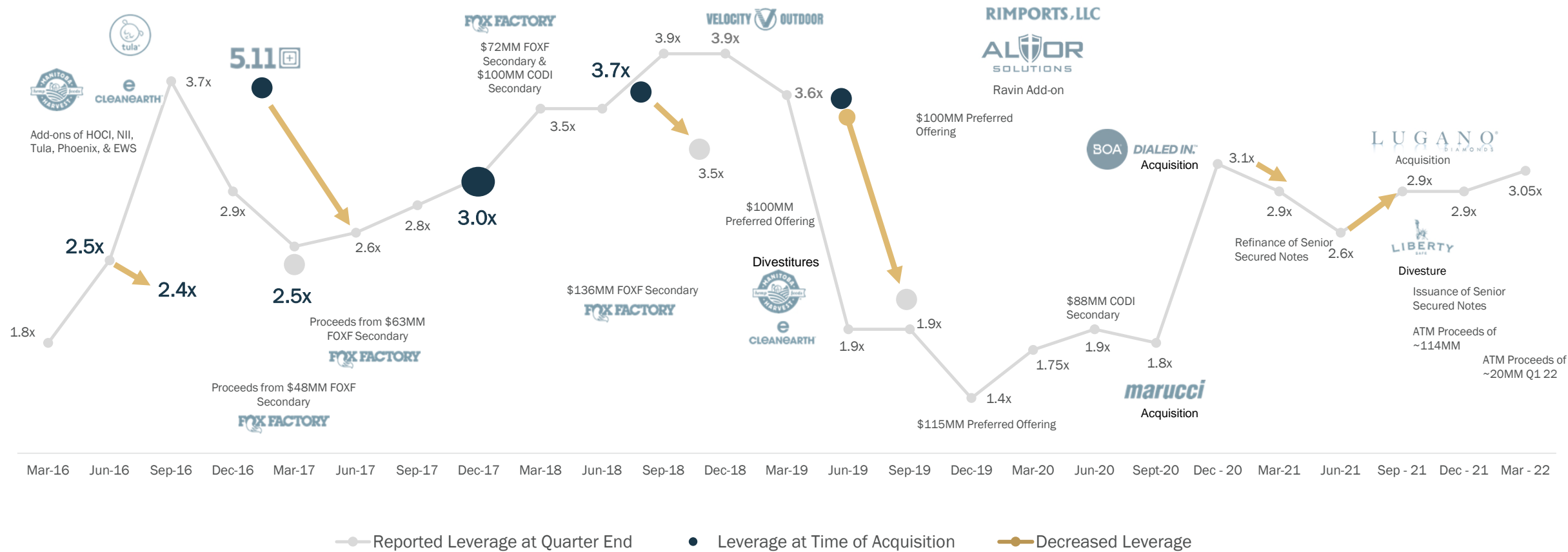


Improves profile with rating agencies Reduces administrative costs Eliminates K-1 and UBTI

Building on 16+ years of success, C-Corp taxation would drive greater value for all CODI shareholders over time

# History of Successfully Deleveraging

CODI has a demonstrated history of paying down its debt and is committed to staying conservatively levered





## Case Study



**PURCHASE PRICE**  
(JULY 2015)

C\$ 132M



### OVERVIEW

Manitoba Harvest is a pioneer and global leader in hemp-based foods, both under its own brand and as an ingredient supplier. The company is the world's largest vertically-integrated hemp food manufacturer and is strategically located near its supply base in Canada.



### COMPETITIVE STRENGTHS

Market share leader in Canada and the U.S.

Vertically-integrated manufacturing model

Passionate and loyal consumer following

Unique access to highly regulated supply base

Strong management team; thought leaders in Hemp industry



### CODI's Active Management in Action

- Recruited Bill Chiasson, a former CEO of a CODI portfolio company, to transition from founder led business
- Recruited VP Marketing, SVP Global Sales, CFO
- Relocated corporate offices from Winnipeg to Minneapolis, providing access to robust talent pool for future growth
- Add-on acquisition (C\$42mm) of the leading hemp food ingredient processor, Hemp Oil Canada, strengthening product and supply position
- Invested heavily in sales, marketing and product R&D
  - Expanded points of distribution
  - Increased consumer awareness by ~100% (Household Penetration)
  - Launched multiple new products including protein powders, granola, bars and CBD (announced prior to divestiture)



### Results

- Sold Feb 2019 to Tilray Inc. (NASDAQ: TLRY) for \$294M (C\$132M purchase price)
- Bill Chiasson, CEO of Manitoba Harvest, stated: "CODI's ability and willingness to make substantial investments into consumer marketing for our leading brands has resulted in a greatly expanded consumer appreciation of hemp-based food products, accelerating sales growth, and a ubiquitous market presence in highly desirable retail locations. I would like to thank CODI for all that they have done to bring Manitoba Harvest to the transformative market opportunity that we are realizing today."



**PURCHASE PRICE**  
(AUG 2014)

C\$ 251M



**OVERVIEW**

Clean Earth is a provider of environmental services including de-characterization, remediation, disposal, recycling, and beneficial reuse for hazardous and non-hazardous wastes, contaminated soil, wastewater and dredged material. Clean Earth serves a variety of industries including infrastructure, chemical, utilities, industrial, commercial, retail, and healthcare markets.



**COMPETITIVE STRENGTHS**

Market share leader

Significant portfolio of regulatory permits, processing knowledge and equipment

Benefits from strengthening and enforcement of environmental regulation

Increasing waste disposal costs and landfill avoidance trends

Strong management team; average tenure of approximately 10 years



**CODI's Active Management in Action**

- Worked with management to execute an aggressive add-on acquisition strategy, repositioning the company's end markets and customer base while broadening its facility footprint and permit portfolio.
- Completed accretive add-ons of seven environmental services providers, representing ~\$100M of annual revenue and expanding the Company's footprint from 12 to 27 fixed facilities across the U.S.
  - Transformed revenue mix from primarily soil to majority hazardous waste treatment, which is higher margin, more programmatic and less indexed to macroeconomic fluctuations
  - Shifted contaminated materials end markets from primarily commercial to majority infrastructure
  - Developed advanced reporting and analytical systems to manage operational integration and track performance of the add-ons
- Successfully targeted fragmented hazardous waste treatment market, acquiring 8 valuable RCRA Part B permits to expand processing capacity and capabilities (no new commercial Part B permits issued in over 30 years)
- Deployed capital through proprietary transactions at accretive valuations in a high-multiple environment



**Results**

- Sold June 2019 to Harsco Corp. (NYSE: HSC) for \$625M (\$251M purchase price)
- Chris Dods, CEO of Clean Earth stated of the transaction: "The momentum that [CODI] helped create will provide us with a strong platform for the future."



**PURCHASE PRICE**  
(JAN 2008)

\$80M



### OVERVIEW

FOX is a designer, manufacturer and marketer of high-performance suspension products used primarily on mountain bikes, side-by-side vehicles, on-road vehicles with off-road capabilities, off-road vehicles and trucks, all-terrain vehicles, snowmobiles, specialty vehicles and applications and motorcycles.



### COMPETITIVE STRENGTHS

Global, premium, performance-based lifestyle brand

Large white space opportunity in new vehicle categories

Highly-engineered products with focus on innovation

Strong OEM relationships and global aftermarket distribution network

Experienced management team leading company of enthusiasts



### CODI's Active Management in Action

- Recruited professional management team including CEO, CFO and SVP of Operations
- Streamlined mountain bike supply chain and co-located by key OEMs
- Supported large R&D budget to drive new product introduction in rapidly growing vehicle categories like side-by-sides and off-road trucks
- Invested heavily in sales and marketing to drive consumer demand and loyalty



### Results

- Completed IPO in Aug 2013 (NASDAQ: FOXF) at \$15 per share
- Reduced holdings via five secondary offerings from 2014-2017
- Ultimately received proceeds of over \$527M (\$80M purchase price)



# Current Subsidiaries

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# 5.11



## PURCHASE PRICE (AUGUST 2016)

\$400mm



## DESCRIPTION

The design and marketing of purpose-built technical apparel and gear serving a wide range of global customers



## COMPETITIVE STRENGTHS

- Passionate and enthusiastic customer base
- Entrenched position in the professional market providing stable cash flow
- Broad customer base and product portfolio



## COMPASS VALUE ADDED

Working with management to build its direct-to-consumer efforts through online and retail and enhance omni-channel infrastructure

## FINANCIALS

	Revenue (\$ millions)	Adjusted EBITDA (\$ millions)
Three Months Ended 3/31/2022	\$104.0	\$12.0
Three Months Ended 3/31/2021	\$99.9	\$12.1
Year Ended 12/31/2021	\$445.0	\$65.1
Year Ended 12/31/2020	\$401.1	\$54.7
Year Ended 12/31/2019	\$388.6	\$46.9



**PURCHASE PRICE**  
(JUNE 2017)

**\$152mm**

+ \$97mm add-on acquisitions



**DESCRIPTION**

The design, manufacture and marketing of airguns, archery products, optics and related accessories



**COMPETITIVE STRENGTHS**

- Market share leader in airguns and crossbows
- Unrivaled sourcing and manufacturing capabilities allows for penetration into new markets
- Well-known brand names
- Enthusiastic and passionate customer base



**COMPASS VALUE ADDED**

Working with management to develop strategy for new market penetration, identify add-ons and broaden international distribution

**FINANCIALS**

	Revenue (\$ millions)	Adjusted EBITDA (\$ millions)
Three Months Ended 3/31/2022	\$51.5	\$6.6
Three Months Ended 3/31/2021	\$65.6	\$12.2
Year Ended 12/31/2021	\$270.4	\$51.4
Year Ended 12/31/2020	\$216.0	\$39.5
Year Ended 12/31/2019	\$147.8	\$21.6



### **PURCHASE PRICE (SEPTEMBER 2010)**

**\$85mm**

+\$83mm add-on acquisitions



### **DESCRIPTION**

The design and marketing of wearable baby carriers, strollers and related products



### **COMPETITIVE STRENGTHS**

- Carrier endorsed as “one of the 20 best products in the last 20 years” by Parenting Magazine
- Superior design resulting in improved comfort for both parent and child
- Passionate and enthusiastic customer base
- Reduced cyclical industry with low elasticity of price due to importance of product to purchaser



### **COMPASS VALUE ADDED**

Recruited senior management team. Working with management to improve product distribution globally, identify add-on acquisitions and related brand products to sell into passionate customer base

### **FINANCIALS**

	Revenue (\$ millions)	Adjusted EBITDA (\$ millions)
Three Months Ended 3/31/2022	\$20.2	\$2.3
Three Months Ended 3/31/2021	\$22.3	\$4.7
Year Ended 12/31/2021	\$93.6	\$19.7
Year Ended 12/31/2020	\$74.7	\$15.6
Year Ended 12/31/2019	\$90.0	\$20.3



**PURCHASE PRICE**  
(SEPTEMBER 2021)

\$256mm



**DESCRIPTION**

The design, manufacture, and marketing of high-end, one-of-a-kind jewelry



**COMPETITIVE STRENGTHS**

- World-class design capabilities creates exquisite, one-of-a-kind jewelry
- Unique retail strategy improves client experience
- Highly effective event-driven marketing strategy
- Long-lasting client connections bring high-value, discerning and loyal clientele



**COMPASS VALUE ADDED**

Working with management to support retail rollout plans and build infrastructure to support growth

**FINANCIALS**

	Revenue (\$ millions)	Adjusted EBITDA (\$ millions)
Three Months Ended 3/31/2022	\$47.0	\$16.8
Proforma Three Months Ended 3/31/2021	\$29.4	\$11.5
Proforma Year Ended 12/31/2021	\$125.1	\$41.4
Proforma Year Ended 12/31/2020	\$67.2	\$21.3



## PURCHASE PRICE (APRIL 2020)

\$200mm

+\$48mm add-on acquisitions



## DESCRIPTION

The design and manufacture of baseball and softball equipment and apparel



## COMPETITIVE STRENGTHS

- Leading position in the professional market
- Enthusiast and aspirational brands
- Vertically integrated wood bat operations
- Broad product portfolio and omni-channel sales strategy



## COMPASS VALUE ADDED

Working with management to penetrate new markets, continue its omni-channel approach, pursue strategic acquisitions and broaden international distribution

## FINANCIALS

	Revenue (\$ millions)	Adjusted EBITDA (\$ millions)
Three Months Ended 3/31/2022	\$52.1	\$14.2
Three Months Ended 3/31/2021	\$36.6	\$13.5
Year Ended 12/31/2021	\$118.2	\$29.5
Proforma Year Ended 12/31/2020	\$65.9	\$13.9
Proforma Year Ended 12/31/2019	\$66.5	\$14.2



### PURCHASE PRICE (OCTOBER 2020)

\$454mm



### DESCRIPTION

The design, engineering and marketing of dial based fit systems delivering a scientifically proven performance advantage for athletes



### COMPETITIVE STRENGTHS

- Market leader with strong brand awareness in core categories
- Diverse customer base with global end-market focus
- Broad intellectual property position creates barriers to entry



### COMPASS VALUE ADDED

Supporting management’s strategic vision to penetrate new product categories and geographies, and to drive increased brand awareness

### FINANCIALS

	Revenue (\$ millions)	Adjusted EBITDA (\$ millions)
Three Months Ended 3/31/2022	\$56.8	\$25.0
Three Months Ended 3/31/2021	\$36.5	\$14.1
Year Ended 12/31/2021	\$165.2	\$60.5
Proforma Year Ended 12/31/2020	\$106.4	\$34.1
Proforma Year Ended 12/31/2019	\$106.3	\$30.2



## PURCHASE PRICE (OCTOBER 2014)

**\$160mm**

+\$184mm add-on acquisition



## DESCRIPTION

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



## COMPETITIVE STRENGTHS

- Leading manufacturer in a niche market
- Iconic brand with over 100 year history
- Strong management team with proven ability to make accretive acquisitions



## COMPASS VALUE ADDED

Working with management team to develop its strategic plan to enter new markets, support the development of new products, and pursue add-on acquisitions

## FINANCIALS

	Revenue (\$ millions)	Adjusted EBITDA (\$ millions)
Three Months Ended 3/31/2022	\$76.9	\$8.3
Three Months Ended 3/31/2021	\$77.3	\$9.8
Year Ended 12/31/2021	\$375.1	\$45.5
Year Ended 12/31/2020	\$370.0	\$49.5
Year Ended 12/31/2019	\$395.4	\$68.5





### **PURCHASE PRICE** (FEBRUARY 2018)

**\$248mm**

+\$69mm add-on acquisition



### **DESCRIPTION**

The design and manufacture of custom packaging, insulation and componentry



### **COMPETITIVE STRENGTHS**

- A leader in molded foam protective packaging
- National manufacturing footprint of 19 plants provides:
  - Ability to scale raw material purchases
  - Ability to service national customers
- Long-tenured blue-chip customer relationships



### **COMPASS VALUE ADDED**

Working with management to develop its strategic plan and to pursue add-on acquisitions

### **FINANCIALS**

	Revenue (\$ millions)	Adjusted EBITDA (\$ millions)
Three Months Ended 3/31/2022	\$63.8	\$10.4
Three Months Ended 3/31/2021	\$37.8	\$7.7
Year Ended 12/31/2021	\$180.2	\$32.9
Year Ended 12/31/2020	\$130.0	\$30.5
Year Ended 12/31/2019	\$121.4	\$28.5



### PURCHASE PRICE (MARCH 2012)

**\$129mm**

+\$36mm add-on acquisition



### DESCRIPTION

A designer and manufacturer of engineered electric motor and magnetic solutions for a wide range of specialty applications and end markets on a global basis.



### COMPETITIVE STRENGTHS

- Market share leader
- Attractive and diverse end-markets
- Engineering and product development capabilities
- Stable blue chip customer base—2,000+ customers globally
- Global manufacturing footprint



### COMPASS VALUE ADDED

Working with management to identify and consummate add-on acquisitions and expand capabilities through investment in technology center

### FINANCIALS

	Revenue (\$ millions)	Adjusted EBITDA (\$ millions)
Three Months Ended 3/31/2022	\$38.2	\$5.6
Three Months Ended 3/31/2021	\$32.5	\$5.1
Year Ended 12/31/2021	\$139.9	\$21.6
Year Ended 12/31/2020	\$99.0	\$9.3
Year Ended 12/31/2019	\$120.0	\$15.4



## PURCHASE PRICE (MAY 2006)

**\$81mm**

+\$19mm add-on acquisition



## DESCRIPTION

The manufacture of quick-turn, small-run and production rigid printed circuit boards



## COMPETITIVE STRENGTHS

- Insulated from Asian manufacturing due to small, customized order size and requirements for rapid turnaround
- Largest quick turn manufacturer in the US; approximately 300 unique daily orders received
- Manufacturing scale produces high margins
- Diverse customer base — 10,000 current customers



## COMPASS VALUE ADDED

Working with management to identify and consummate add-on acquisitions and build complementary quick turn assembly business

## FINANCIALS

\* ACI is classified as held for sale at 12/31/2021 and 3/31/2022

	Revenue (\$ millions)	Adjusted EBITDA (\$ millions)
Three Months Ended 3/31/2022	\$23.2	\$7.3
Three Months Ended 3/31/2021	\$21.6	\$6.3
Year Ended 12/31/2021	\$90.5	\$28.3
Year Ended 12/31/2020	\$88.1	\$26.3
Year Ended 12/31/2019	\$90.8	\$28.9

# Net Income (Loss) to Non-GAAP Adjusted Earnings



In 000's	Three Months Ended		Years Ended	
	March 31, 2022	March 31, 2021	December 31, 2021	December 31, 2020
<b>Net income (loss)</b>	\$ 29,740	\$ 21,966	\$ 126,809	\$ 27,197
Gain on sale of discontinued operations, net of tax	5,993	–	72,770	100
Income from discontinued operations, net of tax	5,370	8,914	29,180	32,838
<b>Net income (loss) from continuing operations</b>	\$ 18,377	\$ 13,082	\$ 24,859	\$ (5,741)
Less: income from continuing operations attributable to noncontrolling interest	4,937	1,903	7,740	(480)
<b>Net Income (loss) attributable to Holdings – continuing operations</b>	\$ 13,440	\$ 11,179	\$ 17,119	\$ (5,261)
Less: Distributions Paid – Preferred Shares	(6,045)	(6,045)	(24,181)	(23,678)
Less: Held-for-sale corporate tax impact	–	–	(12,119)	–
Add: Amortization expense – intangibles and inventory step-up	23,366	18,589	83,069	67,545
Add: Loss on debt extinguishment	–	–	33,305	–
Add: Stock compensation expense	2,681	2,640	10,941	8,471
Add: Acquisition expenses	216	299	3,591	4,832
Add: Integration service fees	563	1,600	4,863	2,125
Add (less): Other	1,802	(2,101)	1,100	921
<b>Adjusted Earnings</b>	\$ 36,023	\$ 26,161	\$ 117,688	\$ 54,955

# Adjusted Earnings to Adjusted EBITDA



In 000's	Three Months Ended		Years Ended	
	March 31, 2022	March 31, 2021	December 31, 2021	December 31, 2020
<b>Adjusted Earnings</b>	\$ 36,023	\$ 26,161	\$ 117,668	\$ 54,955
Plus (less):				
Depreciation	9,927	8,557	37,336	31,131
Income Taxes	9,976	5,308	18,337	10,175
Held-for-sale tax impact - corporate	—	—	12,119	—
Interest expense, net	17,419	13,805	58,839	45,769
Amortization of debt issuance	866	686	2,979	2,454
Management fees	14,436	10,798	46,943	33,749
Noncontrolling interest	4,937	1,903	7,740	(480)
Preferred Distributions	6,045	6,045	24,181	23,678
Other expense (income)	(2,036)	2,228	1,184	2,459
<b>Adjusted EBITDA</b>	<b>\$ 97,593</b>	<b>\$ 75,491</b>	<b>\$ 327,346</b>	<b>\$ 203,890</b>

# Adjusted EBITDA

Quarter Ended March 31, 2022

In 000's

	Corporate	5.11	BOA	Ergo	Lugano	Marucci Sports	Velocity Outdoor	Altor Solutions	Arnold	Sterno	Consolidated
Net income (loss) from continuing operations <sup>(1)</sup>	\$ (14,981)	\$ 2,645	\$ 14,199	\$ (1,479)	\$ 8,494	\$ 6,134	\$ 713	\$ 1,936	\$ 960	\$ (244)	\$ 18,377
Adjusted for:											
Provision (benefit) for income taxes	—	819	2,477	399	2,895	2,006	202	1,059	1,012	(893)	9,976
Interest expense, net	17,368	26	(5)	1	5	1	17	—	6	—	17,419
Intercompany interest	(19,275)	2,920	2,028	787	2,125	1,517	1,853	2,465	1,267	4,313	—
Depreciation and amortization expense	336	5,454	5,317	2,008	2,254	4,189	3,269	3,990	2,226	5,116	34,159
<b>EBITDA</b>	<b>(16,552)</b>	<b>11,864</b>	<b>24,016</b>	<b>1,716</b>	<b>15,773</b>	<b>13,847</b>	<b>6,054</b>	<b>9,450</b>	<b>5,471</b>	<b>8,292</b>	<b>79,931</b>
Other (income) expense	—	(548)	50	4	2	(1,810)	209	312	—	(255)	(2,036)
Non-controlling shareholder compensation	—	411	635	413	240	276	251	268	13	174	2,681
Acquisition expenses	—	—	—	—	—	—	—	216	—	—	216
Integration services fee	—	—	—	—	563	—	—	—	—	—	563
Other	—	—	—	—	—	1,802	—	—	—	—	1,802
Management fees	12,935	250	250	125	188	125	125	188	125	125	14,436
<b>Adjusted EBITDA <sup>(2)</sup></b>	<b>\$ (3,617)</b>	<b>\$ 11,977</b>	<b>\$ 24,951</b>	<b>\$ 2,258</b>	<b>\$ 16,766</b>	<b>\$ 14,240</b>	<b>\$ 6,639</b>	<b>\$ 10,434</b>	<b>\$ 5,609</b>	<b>\$ 8,336</b>	<b>\$ 97,593</b>

1) Net income from continuing operations does not include income from discontinued operations for the three months ended March 31, 2022.

2) As a result of the classification of ACI as Held for Sale at March 31, 2022, Adjusted EBITDA for the three months ended March 31, 2022 does not include \$7.3 million in Adjusted EBITDA from ACI.

# Adjusted EBITDA

Quarter Ended March 31, 2021

In 000's

	Corporate	5.11	BOA	Ergo	Marucci Sports	Velocity Outdoor	Altor Solutions	Arnold	Sterno	Consolidated
Net income (loss) from continuing operations <sup>(1)</sup>	\$ (11,407)	\$ 1,999	\$ 5,544	\$ 1,043	7,528	\$ 5,225	\$ 2,215	\$ 958	\$ (23)	\$ 13,082
Adjusted for:										
Provision (benefit) for income taxes	—	768	(707)	347	2,398	1,506	935	536	(475)	5,308
Interest expense, net	13,759	—	—	—	2	44	—	—	—	13,805
Intercompany interest	(16,131)	2,984	2,286	566	552	1,818	1,738	1,462	4,725	—
Depreciation and amortization	206	5,455	4,967	2,225	2,169	3,128	2,623	1,761	5,298	27,832
<b>EBITDA</b>	<b>(13,573)</b>	<b>11,206</b>	<b>12,090</b>	<b>4,181</b>	<b>12,649</b>	<b>11,721</b>	<b>7,511</b>	<b>4,717</b>	<b>9,525</b>	<b>60,027</b>
Other (income) expense	120	(12)	55	—	(2)	2,386	(264)	—	(55)	2,228
Non-controlling shareholder compensation	—	628	560	404	275	262	257	—	254	2,640
Acquisition expenses	—	—	—	—	—	—	—	299	—	299
Integration services fees	—	—	1,100	—	500	—	—	—	—	1,600
Other	199	—	—	—	—	(2,300)	—	—	—	(2,101)
Management fees	9,485	250	250	125	125	125	188	125	125	10,798
<b>Adjusted EBITDA <sup>(2)</sup></b>	<b>\$ (3,769)</b>	<b>\$ 12,072</b>	<b>\$ 14,055</b>	<b>\$ 4,710</b>	<b>\$ 13,547</b>	<b>\$ 12,194</b>	<b>\$ 7,692</b>	<b>\$ 5,141</b>	<b>\$ 9,849</b>	<b>\$ 75,491</b>

1) Net income (loss) from continuing operations does not include income from discontinued operations for the three months ended March 31, 2021.

2) As a result of the sale of Liberty Safe in August 2021, and the classification of ACI as Held for Sale at December 31, 2021, Adjusted EBITDA for the three months ended March 31, 2021 does not include \$6.2 million in Adjusted EBITDA from Liberty and \$6.3 million in Adjusted EBITDA from ACI.

# Adjusted EBITDA

Year ended December 31, 2021

In 000's	Corporate	5.11	BOA	Ergobaby	Lugano	Marucci Sports	Velocity Outdoor	Altor Solutions	Arnold	Sterno	Consolidated
<b>Net income from continuing operations (1)</b>	\$ (72,624)	\$ 20,152	\$ 21,178	\$ 5,079	\$ 5,239	\$ 10,232	\$ 23,035	\$ 7,871	\$ 5,013	\$ (316)	\$ 24,859
Adjusted for:											
Provision (benefit) for income taxes	(12,119)	6,905	3,559	2,018	2,094	3,070	6,237	2,619	1,345	2,609	18,337
Interest expense, net	58,639	16	—	—	9	5	165	(1)	6	—	58,839
Intercompany interest	(66,765)	11,868	8,581	1,960	2,450	3,110	7,461	7,558	5,455	18,322	—
Loss on debt extinguishment	33,305	—	—	—	—	—	—	—	—	—	33,305
Depreciation and amortization	1,025	22,355	20,279	8,435	4,757	8,634	12,704	12,938	8,888	23,369	123,384
<b>EBITDA</b>	<b>(58,539)</b>	<b>61,296</b>	<b>53,597</b>	<b>17,492</b>	<b>14,549</b>	<b>25,051</b>	<b>49,602</b>	<b>30,985</b>	<b>20,707</b>	<b>43,984</b>	<b>258,724</b>
Other (income) expense	(284)	125	377	—	16	(119)	2,573	(323)	8	(1,189)	1,184
Noncontrolling shareholder compensation	—	2,428	2,194	1,693	190	1,101	1,020	1,035	38	1,242	10,941
Acquisition expenses	39	—	—	—	1,827	971	—	444	310	—	3,591
Integration services fees	—	—	3,300	—	563	1,000	—	—	—	—	4,863
Other	1,132	273	—	—	—	1,000	(2,300)	—	—	995	1,100
Management fees	41,505	1,000	1,000	500	188	500	500	750	500	500	46,943
<b>Adjusted EBITDA</b>	<b>\$ (16,147)</b>	<b>\$ 65,122</b>	<b>\$ 60,468</b>	<b>\$ 19,685</b>	<b>\$ 17,333</b>	<b>\$ 29,504</b>	<b>\$ 51,395</b>	<b>\$ 32,891</b>	<b>\$ 21,563</b>	<b>\$ 45,532</b>	<b>\$ 327,346</b>

(1) Net Income from continuing operations does not include income from discontinued operations for the twelve months ended December 31, 2021



# Adjusted EBITDA

Year ended December 31, 2020

In 000's

	Corporate	5.11	BOA	Ergobaby	Liberty	Marucci Sports	Velocity Outdoor	ACI	Arnold	Altor Solutions	Sterno	Consolidated
<b>Net income from continuing operations (1)</b>	\$(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>



(1) Net Income (loss) does not include income (loss) from discontinued operations for the year ended December 31, 2020.