

**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): January 19, 2023

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 Disclosure
Item 7.01 Regulation FD Disclosure

On Thursday, January 19, 2023, the management of Compass Diversified Holdings (NYSE: CODI) and Compass Group Diversified Holdings LLC (collectively "CODI") will hold an investor presentation at 11:00 a.m., Eastern Time. The event includes a presentation by the CODI management team and CODI's PrimaLoft 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

(d)	Exhibits.
99.1	CODI Investor Day Press Release
99.2	CODI Investor Presentation - January 19, 2023
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: January 19, 2023

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: January 19, 2023

COMPASS GROUP DIVERSIFIED HOLDINGS LLC

By: /s/ Ryan J. Faulkingham

Ryan J. Faulkingham
Chief Financial Officer



Compass Diversified to Discuss Strategic Initiatives, Healthcare Expansion and Future Growth Opportunities at Investor Day in New York City

Feature Presentation from Mike Joyce, CEO of CODI's Newest Acquisition, PrimaLoft

Event Begins Today at 11:00am ET, Virtual Presentations Begin at 12:15pm ET

WESTPORT, Conn., January 19, 2023 -- Compass Diversified (NYSE: CODI) ("CODI" or the "Company"), an owner of leading middle market businesses, today will host its Investor Day in New York City. The event will feature a self-guided walk through of CODI's consumer businesses followed by the PrimaLoft product experience. CODI management will also host a presentation discussing its strategic initiatives, expansion into the Healthcare vertical, and additional growth opportunities. The event will also feature a presentation from Mike Joyce, CEO of PrimaLoft.

"Our Investor Day provides us the opportunity to update our stakeholders on key strategic, financial and operational growth initiatives that are expected to drive future value creation," said Elias Sabo, CEO of Compass Diversified. "Over the past few years, we've continued to transform our business by accelerating our core growth rate, and we believe today's event showcases the outstanding consumer companies that will drive further shareholder value creation."

Presentation from PrimaLoft

Established in 1983 by Albany International Corporation (NYSE: AIN), PrimaLoft is an advanced material technology company who is a world leader in the development of high-performance, sustainable insulations and technical fabrics. Mike Joyce, CEO of PrimaLoft, will discuss the following:

- An overview of how PrimaLoft makes advanced materials felt by consumers and the planet;
- PrimaLoft's authentic heritage with proven, strong performance;
- Its clear runway for accelerating growth; and
- Its compelling competitive advantages, strong market tailwinds and other keys to success.

Presentation from CODI

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

- History and value creation roadmap;

- State of the M&A market and expectations for 2023;
- An overview of the new Healthcare vertical, including investment criteria and target sectors;
- An update on CODI's ESG initiatives; and
- Financial performance, outlook, and long-term targets.

Webcast Information

Today's Investor Day will include a webcast of both presentations beginning at 12:15pm ET. A live video webcast including audio, video, presentation materials and an archived replay is available here: CODI January 2023 Investor Day, 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.

Summary Agenda

- **11:00am – 11:40am:** Participant check-in and self-guided walk through of CODI's consumer businesses
- **11:40am – 12:00pm:** Walk-through PrimaLoft product experience
- **12:00pm – 12:30pm:** Lunch
- **12:15pm – 12:45pm:** PrimaLoft presentation
- **12:45pm – 1:30pm:** Compass Diversified presentation

About Compass Diversified

Since its founding in 1998, CODI has consistently executed on its strategy of owning and managing a diverse set of highly defensible, middle-market businesses across the niche industrial, branded consumer and healthcare sectors. The Company leverages its permanent capital base, long-term disciplined approach, and actionable expertise to maintain 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. For more information, please visit [compassdiversified.com](https://www.compassdiversified.com).

FORWARD-LOOKING STATEMENTS

This press release may contain certain forward-looking statements, including statements with regard to the future performance of CODI and its subsidiaries. Words such as "believes," "expects," and "future" or similar expressions, are intended to identify forward-looking statements. These forward-looking statements are subject to the inherent uncertainties in predicting future results and conditions. Certain factors could cause actual results to differ materially from those projected in these forward-looking statements, and some of these factors are enumerated in the risk factor discussion in the Form 10-K filed by CODI with the SEC for the year ended December 31, 2021 and in other filings with the SEC. Except as required by law, CODI undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Investor Relations

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COMPASS
DIVERSIFIED

CODI Investor Day Presentation

JANUARY 19, 2023



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," "target," "poised," references to future periods 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, retained cash, 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.

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 subsidiary adjusted EBITDA or adjusted earnings to their comparable GAAP measures because we do not provide guidance on net income (loss) or net income (loss) from continuing operations 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

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

Joined The Compass Group in 2005

Investment Committee Member

Graduate of University of Notre Dame and Columbia Business School



Kurt Roth

Partner & Head of Healthcare

Responsible for leading CODI's Healthcare efforts

Joined The Compass Group in 2022 as one of its partners and Head of Healthcare

Graduate of University of California, Berkeley



Zoe Koskinas

Vice President & Head of ESG

Responsible for CODI's commitment to environmental stewardship, corporate social responsibility, corporate governance and sustainability

Joined The Compass Group in 2021

Graduate of University of Western Sydney and the Institute of Sustainability Leadership at Cambridge



Agenda



- 1** Opening Remarks and Value Creation Roadmap – Elias Sabo
- 2** State of the M&A Market – Pat Maciariello
- 3** Launch of Healthcare Vertical – Kurt Roth
- 4** CODI ESG – Zoe Koskinas
- 5** Financial Review – Ryan Faulkingham



Opening Remarks
and Value Creation
Roadmap

Who is CODI?

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

Long-term ownership approach through permanent capital base

Founded in 1998, came public in 2006

Currently own and manage seven branded consumer and four niche industrial subsidiaries

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

CODI managed by The Compass Group

SUBSIDIARIES



CODI BY THE NUMBERS

As of 9/30/22

\$7.0B⁺	Aggregate Acquisitions 23 Platforms & 32 Add-Ons
\$3.3B	Invested Capital 11 Current Companies
\$2.3B⁺	TTM Proforma Revenue
\$464M⁺	TTM Proforma Adjusted EBITDA
\$167.0M	TTM Adjusted Earnings
~\$550M	Available Revolver + Cash Permanent Capital Base
17%	TTM Proforma Revenue Growth
17%	TTM Proforma Subsidiary Adjusted EBITDA Growth

Our History



Our History



May 2006 – IPO

- Four subsidiaries, ~\$70M subsidiary Adj. EBITDA
- Cost of debt: mid-teens
- Acquisition strategy: Acquire and manage market share leading businesses in stable industries at low multiples

2014 – Balance Sheet Restructuring

- Refinanced debt with leading national bank
- Added term loans, significantly lowered cost of debt
- Increased use of leverage to lower WACC

2018 – Elias Sabo Named CEO

- 10 subsidiaries, ~\$255M subsidiary Adj. EBITDA
- Accessed high yield market for first time with \$400M, eight-year bond, 8% interest rate
- **Strategy shift:** Acquire and manage market share leading businesses with strong growth profiles at prevailing market prices, opportunistically divest slower growth businesses, accelerate core growth rate

2019 – Opportunistically Divested Manitoba Harvest & Clean Earth

- Achieved record pricing – ~\$900M in combined sale enterprise value
- 2018 combined Adj. EBITDA of \$46.5M (~19x multiple)
- No new acquisitions despite record liquidity
- 10th year of economic cycle coupled with record acquisition multiples favored divesting, not acquiring

2020 – COVID-19 Outbreak, Acquired BOA and Marucci

- Acquired BOA Technologies for \$454M and Marucci Sports for \$200M (pre-Lizard Skins)
- BOA first year Adj. EBITDA¹ - \$59.5M (7.6x forward multiple)
- Marucci Sports first year Adj. EBITDA² - \$27.8M (7.2x forward multiple)
- Issued \$200M of unsecured bonds at same pricing as 2018 despite pandemic distortions
- Achieved slight organic growth despite global pandemic

2021 - Opportunistically Divested Liberty Safe, Acquired Lugano Diamonds

- Liberty Safe sale enterprise value of \$147.5M (7.8x 2020 EBITDA; 13.5x 2019 EBITDA)
- Acquired Lugano Diamonds for \$268M
- First year Adj. EBITDA³ of \$60.2M (4.4x forward multiple)
- Refinanced debt – issued \$1B of 8-year unsecured bonds at 5.25%; \$300M of 10-year unsecured bonds at 5%
- Saves \$36.5M⁴ (>\$0.55/share) per year in lower financing costs

2022 - Acquired PrimaLoft for \$530M

- Issued \$400M of Term Loan A, taking advantage of secured debt capacity
- 11 subsidiaries, \$464M subsidiary TTM Adj. EBITDA⁴, up 17% over prior year



1. Measurement period is LTM 6/30/21.
2. Measurement period is 2021.
3. Assumes 8% rate of savings and 64.9M historical share count at the time of bond refinancing.
4. Measurement period is LTM 9/30/22.

Our Business Transformation is Accelerating Our Core Growth Rate

Pro Forma Subsidiary Growth Profile

Subsidiaries (\$ in millions)	Year Acquired	Revenue	Revenue Growth Rate	TTM AT 9/30/22 ⁽¹⁾			Capital Expenditures	Purchase Price + Add-ons
				Subsidiary Adj. EBITDA	Adj. EBITDA Growth Rate	Adj. EBITDA Margin		
5.11 ⁽²⁾	2016	\$475	8.0%	\$66	2%	14%	\$19 ⁽²⁾	\$400
VELOCITY ⁽³⁾ OUTDOOR	2017	\$245	-10%	\$39	-28%	16%	\$5	\$268
LUGANO ⁽³⁾	2010	\$93	10%	\$17	11%	18%	\$1	\$168
marucci	2020	\$154	47%	\$32	13%	21%	\$4	\$249
PRIMALOFF	2020	\$211	42%	\$82	49%	39%	\$5	\$454
PRIMALOFF	2022	\$78	32%	\$32	44%	40%	-	\$530
Total Branded Consumer:		\$1,437	18%	\$328	19%	23%	\$39	
ALIFOR	2014	\$357	-6%	\$43	-8%	12%	\$3	\$347
ALIFOR	2018	\$257	58%	\$40	28%	16%	\$3	\$321
ARNOLD ⁽³⁾	2012	\$154	24%	\$25	44%	16%	\$6	\$165
ADVANCED CIRCUITS	2006	\$90	3%	\$27	6%	30%	-	\$100
Total Niche Industrial:		\$860	14%	\$136	12%	16%	\$12	
Consolidated:		\$2,297	16.6%	\$464⁽³⁾	17.0%	20%	\$51	\$3,270

18% Operating cash flow margin



1. Revenue, Adj. EBITDA, capex shown pro forma for acquisition of Lugano Diamonds and PrimalOff and divestiture of Liberty Safe.
2. Growth capex at 5.11 for retail store rollout.
3. Subsidiary Adj. EBITDA does not include \$52M of management fees and \$17M corporate expenses.

Zooming in on The Assets Driving This Transformation



- Disruptive technology, low market penetration
- Significant IP
- Highly diversified customer base
- Historical earnings growth rate of 40%+
- \$82M in TTM Adj. EBITDA



- Disruptive technology, low market penetration
- Strong IP
- Global brand rooted in sustainability
- Historical earnings growth rate of ~20%
- Highly diversified customer base
- \$32M in TTM Adj. EBITDA



- Disruptive business model, low market penetration
- Historical 50%+ earnings growth rate
- \$60M in TTM Adj. EBITDA



- Authentic niche global brand
- Diversified revenue channel
- Historical 10%+ earnings growth rate
- \$66M in TTM Adj. EBITDA

Collectively, these companies represent \$240M of TTM Adj. EBITDA (52% of total consolidated TTM Adj. EBITDA), growing at strong double-digit growth rates with positive outlooks to sustain this growth.



Where Are We Going? 2023 And Beyond.



2023+ - Achieve subsidiary Adj. EBITDA of \$1B by 2028. How?

- 11 current companies producing subsidiary Adj. EBITDA of ~\$465M in 2022E¹, growing at a core growth rate of 8-10%
 - 3-year pro forma growth – 2020 ~+1%; 2021 +34%; 2022E¹ +12% (CAGR +16%)
 - ~\$715M² in subsidiary Adj. EBITDA in 2028
 - Acquisition strategy requires \$285M of additional net Adj. EBITDA
- Future state of 15+ subsidiaries, \$1B+ Adj. EBITDA, avg. company size >\$50M, similar core growth profile as today
 - Generate significant levels of free cash flow
 - Improve credit ratings and lower cost of capital
 - Expand ESG efforts, creating a platform that provides essential capital in a societally responsible manner



1. Based on the guidance midpoint as of the Company's third quarter earnings call.
2. Assumes no growth in 2023 due to global macro headwinds but core growth rate resumes thereafter.

Financial Targets



	2022E ¹	2023E ²	2028 GROWTH TARGETS
Subsidiary Adj. EBITDA	\$465M	\$465M	8%-10% v. 2023E (~\$715M ³)
Adj. Earnings	\$150M	\$140M	12%-15% v. 2023E (~\$265M ³)
Dividend	\$1.00	\$1.00 (~5% yield)	

Higher Adjusted Earnings growth rate is being driven by the leverage gained from fixed expenses like management fees, corporate expenses, interest and preferred costs



1. Outlook provided on third quarter 2022 earnings call. Figures represent midpoint of ranges given.
2. These estimates are preliminary and subject to change.
3. Represents midpoint of 2028 growth target percentage range.

Announced Sale of Advanced Circuits



ANNOUNCEMENT DATE
(JAN 2023)

\$220M

Cash at close

\$100M - \$110M

Expected pre-tax gain on sale

January 19, 2023 - Compass Diversified announced the definitive agreement to sell Advanced Circuits, Inc. (ACI) to APCT, Inc., a leading manufacturer of high reliability printed circuit boards, and portfolio company of Industrial Growth Partners



PURCHASE PRICE
(MAY 2006)

\$81M

+\$19M in add-on acquisitions



DESCRIPTION

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



USE OF PROCEEDS

Pay off outstanding revolver borrowings

How CODI Intends to Drive Long-Term Shareholder Value



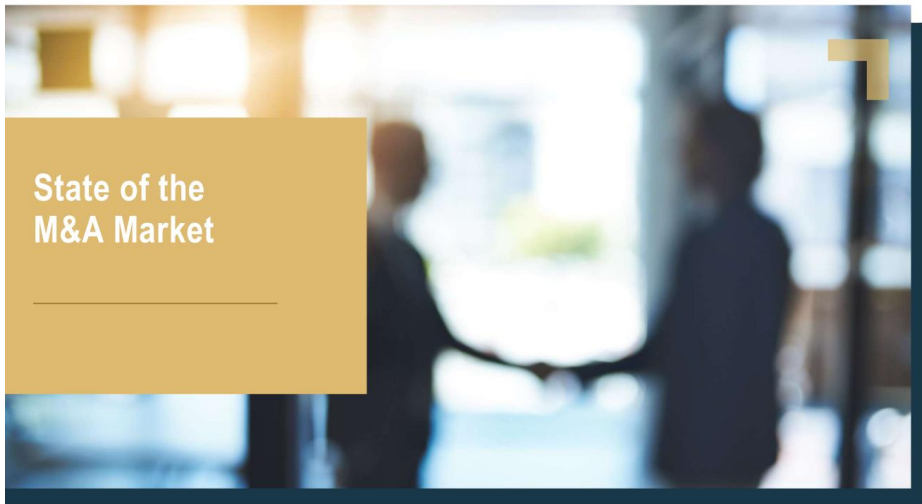
CODI is poised to deliver double digit earnings growth while also returning capital through its quarterly dividend (currently yielding ~5%).

HOW?

- 1) M&A - Achieve a higher rate of return on acquired assets than the return lost from opportunistic divestitures
 - Since 2018 our three divestitures have realized a multiple of 1.6x
 - Our four acquisitions were at an average multiple of 8x first 12 months of CODI ownership¹
 - Earnings dilution from a sale is temporary – earnings power recouped upon the consummation of another acquisition
- 2) Widen our WACC advantage (principally versus private equity investors)
- 3) \$50M share repurchase plan announced today
 - Allows CODI to opportunistically drive shareholder value when market prices become dislocated from intrinsic value



1. PrimaLoft data is as of the last twelve months ended 9/30/22, only 1 full quarter of CODI ownership.

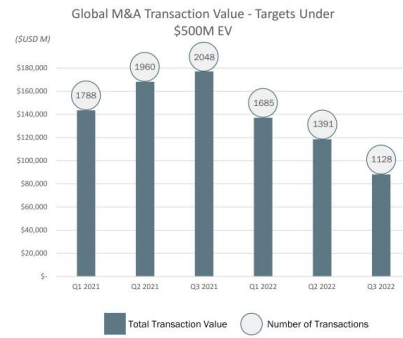
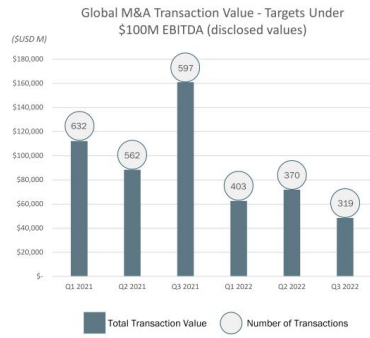


State of the
M&A Market

State of the M&A Market



Deal activity down significantly given economic headwinds and macro backdrop

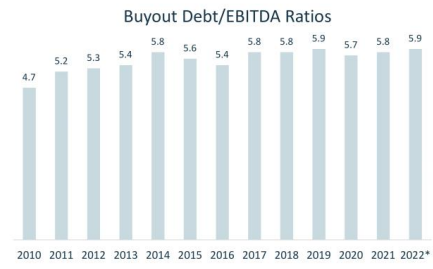
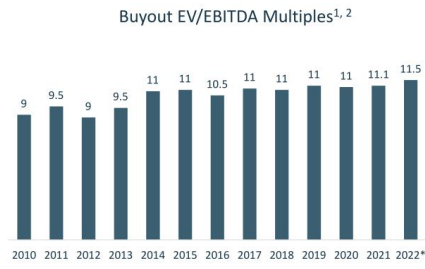


COMPASS BI DIVERSIFIED Data provided by S&P Capital IQ

State of the M&A Market



Like other illiquid markets, prices are sticky, though with far fewer transactions



Source: Pitchbook, U.S. data.
1. LBO multiples use purchase price in the numerator
2. Values approximated for 2010 - 2020.
*As of September 30, 2022



State of the M&A Market



We expect an uptick in relevant deal activity in 2023

Much of 2022 deal activity was not relevant to CODI

- Numerous minority/non-control transactions often designed to provide liquidity while maintaining favorable credit arrangements
- Secondary limited partner sales
- Strategic transactions often relying on cost savings for investment case

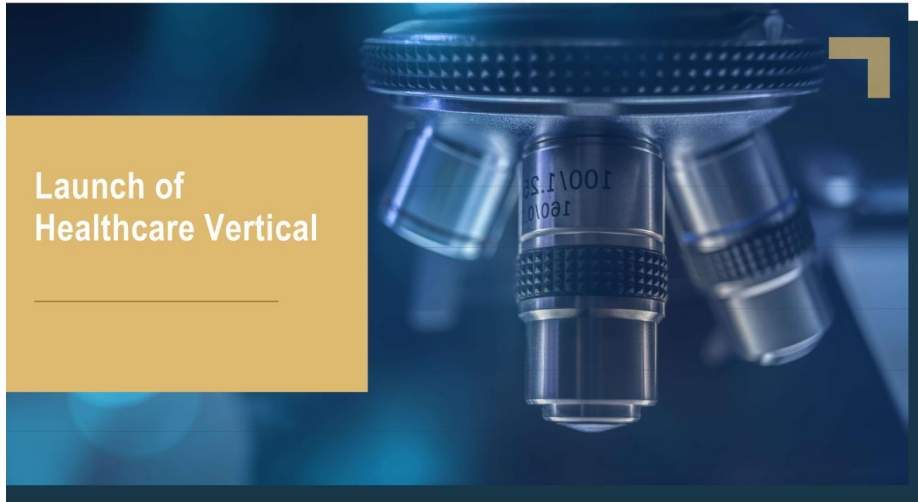
"Avalanche" of restructuring-related transactions has not occurred, though beginning to see some lender-driven transactions

Believe transaction pace likely to increase driven by either improved growth prospects, more solid economic footing or increased number of distressed deals in recessionary scenario

CODI remains disciplined though well-positioned to invest opportunistically regardless of recession or recovery in 2023



Launch of Healthcare Vertical



Launch of Healthcare Vertical

Introduction to Kurt Roth



Kurt Roth
Partner,
Head of Healthcare

- Hired Nov 2022, responsible for leading CODI's diversification efforts into newest Healthcare vertical
- Decade-long professional relationship with senior members of Compass prior to joining
- Most recent role: SVP, Corporate Development and Strategy at Sotera Health Company (NASDAQ: SHC)
- 25+ years of M&A and business development experience; served as a managing director in Baird's investment banking unit before Sotera Health

Relevant Experience



- Disciplined approach to M&A enabled the successful completion of two transformational and six bolt-on transactions
- Strategically expanded the TAM in outsourced MedTech and Pharma Services, increased the corporate growth rate and margins
- EBITDA increased 2.5x over Kurt's seven-year tenure



Healthcare Industry Overview



We expect several positive secular trends to drive increased spending for healthcare and outsourced & ancillary services

Annual growth in U.S. health expenditures will average 5.1% over 2021-2030 and reach \$6.8T by 2030 (~20% of GDP)¹

This will be driven by:

- 1 Aging demographic trends coupled with higher levels of access to healthcare
- 2 Growth in R&D spending and innovation
- 3 Increasingly complex supply chains and regulatory environment

Healthcare Industry Overview (continued)



We expect several positive secular trends to drive increased spending, such as:

1 Aging demographic trends coupled with higher levels of access to healthcare

- Healthcare demand is increasing globally
- World population expected to increase by nearly 2.0B in the next 30 years, from 8.0B to 9.7B in 2050¹
- One in six people are projected to be over 65 by 2050, up from one in eleven in 2019¹
- Percentage of U.S. population without access to healthcare insurance was 8.3% in 2021, down from 13.3% in 2013²



1. The Centers for Medicare & Medicaid Services
2. U.S. Census Bureau

Healthcare Industry Overview (continued)



We expect several positive secular trends to drive increased spending, such as:

2 Growth in R&D spending and innovation across healthcare

- Pharmaceutical and medical device industries continuously innovating and developing new products and treatments
- Worldwide pharmaceutical R&D spending expected to grow steadily at a 3% CAGR between 2021 and 2028, reaching \$285B¹
- Global pharmaceutical manufacturing market projected to grow at a 12.4% CAGR, reaching \$914.9B by 2027
- Top 10 medical device companies expected to grow R&D spending by 4% between 2021 and 2028, reaching \$23B²



1. EvaluatePharma® Aug 2022
2. EvaluateMedTech® World Preview 2022

Healthcare Industry Overview (continued)



We expect several positive secular trends to drive increased spending, such as:

3 Increasingly complex supply chains and regulatory environment

- More companies are outsourcing production to contract manufacturers, adding new modalities and exploring novel ways to reach patients
- Due to supply chain burdens and advances in technology, FDA's FY2023 budget is \$8.4B – a nearly 34% increase over FY2022
- Companies are struggling to keep up with ever-evolving regulatory requirements and increasingly outsourcing these requirements to specialized regulatory consultants

Healthcare Investment Criteria



We are focused on partnering with growing middle-market businesses across the broad Healthcare sector

Acquisition criteria:

- ✓ Headquartered in North America
- ✓ Industry leader within respective sub-sector
- ✓ Highly defensible market position
- ✓ Strong management team
- ✓ Stable and growing EBITDA of \$20M+
- ✓ Asset light, high free cash flow

What we are NOT Pursuing:

- × Biotech companies
- × Pre-revenue or negative EBITDA companies
- × Companies dependent upon healthcare reimbursement

Target Healthcare Sectors

While we are interested in all areas of Healthcare, we have a particular focus on the following sectors:



OUTSOURCED PHARMA SERVICES

- CDMO: Small/large molecule, API, finished dosage form, packaging, cold chain
- CRO: Drug discovery, preclinical, clinical
- CCO: Reg affairs, consulting, patient support, hub services



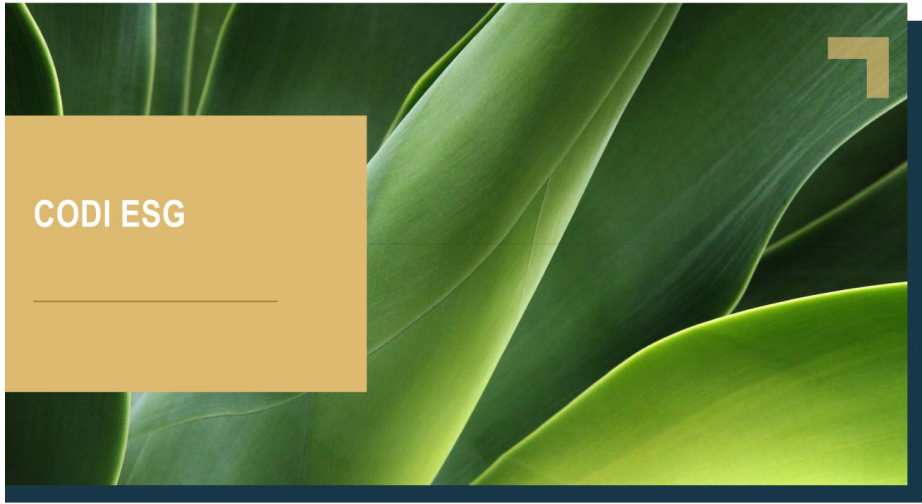
OUTSOURCED MEDICAL MANUFACTURING SERVICES

- Design and engineering
- Medical device CRO and consulting
- Medical manufacturing
- Coatings
- Packaging and post-manufacturing services
- Lab consumables and services



OUTSOURCED PROVIDER SERVICES

- Outsourced physician services
- Clinical provider services
- Provider business services
- Medical equipment management & logistics



CODI ESG

Sustainability is a Business Strategy



Companies must embody a **clear reason to exist** above and beyond the pursuit of profit in order to succeed in today's world.

Companies are being **challenged on multiple fronts** - economic, societal, geopolitical, technological and environmental.

Companies **must change** the way they do business if they want to stay in business - making sustainability a core business strategy.

Most Common Questions from Investors



Do you have a **framework**?



Do you have **goals**?



Do you have **KPI's** and practices in place to measure, track and report?



Do you have a **governance structure model** in place?



Where does **accountability** for ESG ultimately reside?

WHY?

We have a responsibility to play an important role in driving a more sustainable future



CODI's DRIVERS:

Gaining long-term value by identifying companies with strong ESG performance

Protecting acquisitions against ESG risks by selecting companies that are equipped to deal with turbulence

Capture ESG upside by identifying areas of potential value and executing on such opportunities

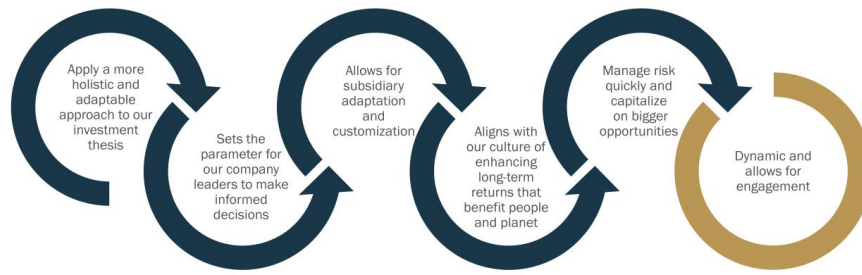


What does ESG mean to CODI?

Our material ESG factors are viewed as long-term drivers of value, facilitating oversight of our acquisitions and ability to address the needs our stakeholders

ESG Progress to Date





Framework

Our ESG framework is built on two key pillars, and supported by eight priority areas, collectively underpinned by sound governance practices





Today

1

Framework

2

Ambitious Pillars

8

Material Focus Areas

10

Core Metrics

10

Minimum Standards

Next Steps



Collect baseline data



Set time bound targets



Designate executives as champions



Report on progress



Measure progress

CODI Governance Structure



ESG as a Strategic Driving Force



Your Questions Answered



1
Do you have a framework?

2
Do you have goals?

3
Do you have KPI's and practices in place to measure, track and report?

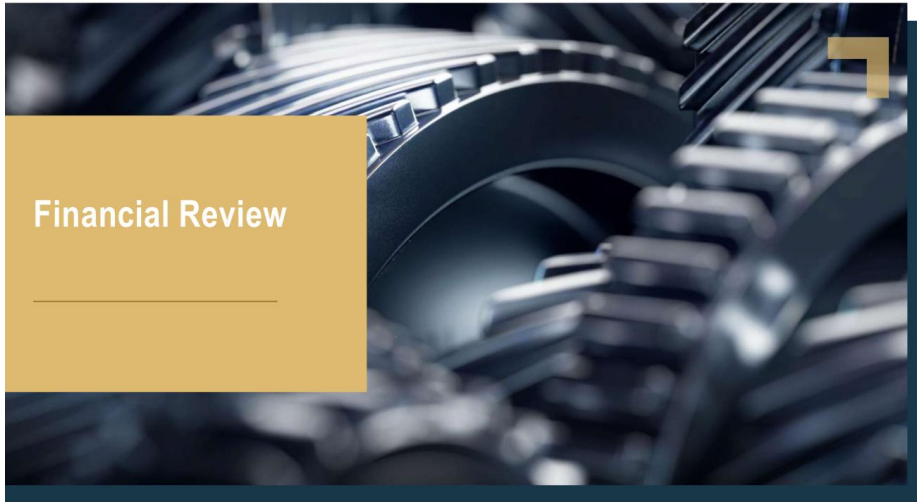
4
Do you have a governance structure model in place?

5
Where does accountability for this work ultimately reside?

COMPASS DIVERSIFIED

37





Financial Review

Revenue and EBITDA

(Figures in all tables below are in millions)

PF REVENUE – QTD

	Three months ended September 30, 2022	Three months ended September 30, 2021	Increase (decrease)	%
Niche Industrial	\$219.4	\$205.0	\$14.4	7.0%
Branded Consumer ¹	\$380.5	\$314.8	\$65.8	20.9%
PF Net Revenues	\$599.9	\$519.7	\$80.2	15.4%

PF ADJ. EBITDA – QTD

	Three months ended September 30, 2022	Three months ended September 30, 2021	Increase (decrease)	%
Niche Industrial	\$33.2	\$33.0	\$0.3	0.8%
Branded Consumer ¹	\$85.3	\$68.8	\$16.5	24.0%
PF Adj. EBITDA	\$118.5	\$101.8	\$16.7	16.5%

PF REVENUE – YTD

	Nine months ended September 30, 2022	Nine months ended September 30, 2021	Increase (decrease)	%
Niche Industrial	\$632.8	\$559.1	\$73.8	13.2%
Branded Consumer ¹	\$1,091.5	\$936.6	\$154.8	16.5%
PF Net Revenues	\$1,724.3	\$1,495.7	\$228.6	15.3%

PF ADJ. EBITDA – YTD

	Nine months ended September 30, 2022	Nine months ended September 30, 2021	Increase (decrease)	%
Niche Industrial	\$102.2	\$92.2	\$10.0	10.8%
Branded Consumer ¹	\$256.8	\$217.5	\$39.3	18.0%
PF Adj. EBITDA	\$359.0	\$309.7	\$49.3	15.9%



1. Net sales for Lugano and PrimalLoft are pro forma as if the Company had acquired these businesses on January 1, 2021. Historical net sales for Lugano prior to acquisition on September 3, 2021 were \$18.7 million and \$71.2 million, respectively, for the three and nine months ended September 30, 2021. Historical net sales for PrimalLoft prior to acquisition on July 12, 2022 were \$2.3 million and \$55.2 million, respectively, for the three and nine months ended September 30, 2022, and \$12.9 million and \$52.4 million, respectively, for the three and nine months ended September 30, 2021.

Recent Strong Financial Performance



Significant Increase in Adj. Earnings and Subsidiary Pro Forma Adj. EBITDA Over Past Three Fiscal Years in USD (millions)



Note: Subsidiary Adj. EBITDA proforma for acquisitions of BOA, Marucci, Lugano and Primaloft
* Guidance midpoint as of the Company's third quarter earnings call

Strong Balance Sheet as of September 30, 2022



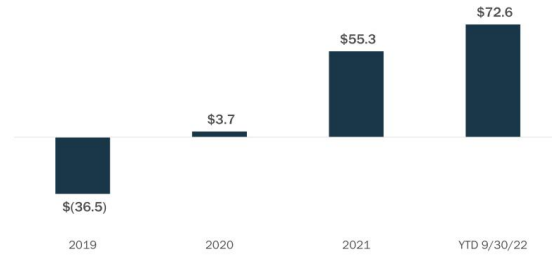
Created duration and fixed cost of capital at historic low rates
 Opened secured capacity to fund additional acquisitions (e.g., PrimaLoft) at attractive rates

Transformed Business Stands to Benefit from Increased Retained Cash



Significant increase in retained cash since 2019
(Before change in working capital)

Retained Cash Over Past Four Years in USD (millions)



Strong subsidiary operating performance leading to increased retained cash



Robust retained cash offers enhanced opportunity for growth

- Deploying capital in pursuit of new acquisitions
- Investing in subsidiaries
- Organically de-levering



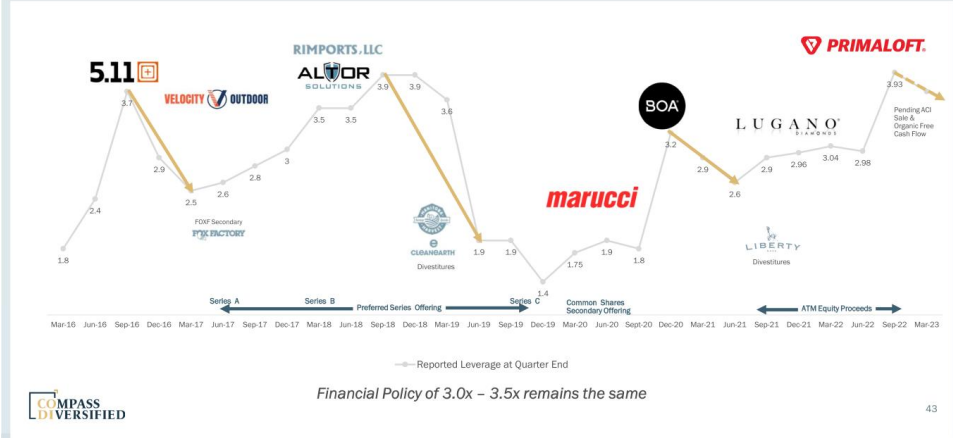
Will provide continued momentum in lowering WACC

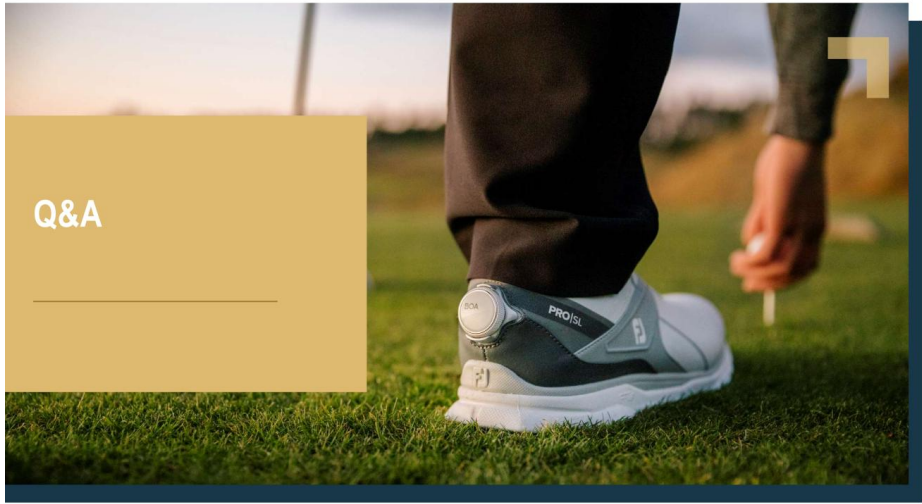


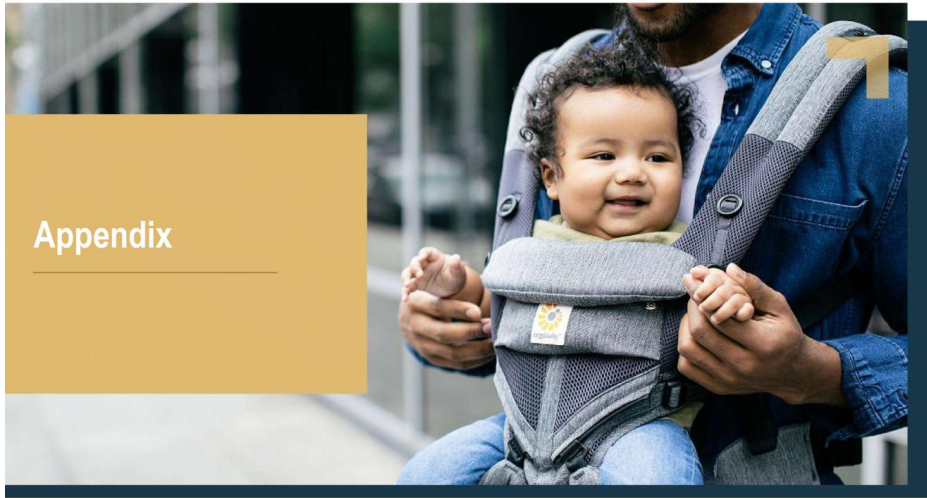
See appendix for retained cash reconciliation

History of Successfully Deleveraging

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







Appendix

Retained Cash Before Working Capital



(Figures in thousands)

	Nine Months Ended September 30, 2022	Year Ended December 31, 2021	Year Ended December 31, 2020	Year Ended December 31, 2019
Net cash provided by operating activities	\$ (39,923)	\$ 134,051	\$ 148,625	\$ 84,562
Changes in operating assets and liabilities (working capital)	223,164	80,990	(2,008)	15,176
Less:				
Total capital expenditures	(39,683)	(41,696)	(29,406)	(34,898)
Preferred distributions	(18,136)	(24,181)	(23,678)	(15,125)
Common distributions	(52,794)	(93,834) ¹	(89,856)	(86,256)
Retained cash before working capital changes	\$ 72,628	\$ 55,330	\$ 3,677	\$ (36,541)



1. Excludes Special Distribution of \$57.1mm paid in September 2021

Net Income (Loss) to Non-GAAP Adjusted Earnings



	Year Ended December 31, 2021	Year Ended December 31, 2020
Net income	\$ 126,809	\$ 27,197
Income from discontinued options, net of tax	72,770	100
Gain on sale of discontinued operations, net of tax	7,665	13,531
Net income (loss) from continuing operations	46,374	13,566
Less: income (loss) from continuing operations attributable to noncontrolling interest	11,735	3,546
Net income (loss) attributable to Holdings - continuing operations	34,639	10,020
Adjustments:		
Distributions paid: preferred shares	(24,181)	(24,180)
Amortization expense - intangible assets and inventory step-up	83,108	67,798
Loss on debt extinguishment	33,305	-
Non-controlling shareholder compensation	11,437	8,966
Acquisition expenses	3,591	4,832
Integration services fee	4,863	2,125
Corporate tax effect	(12,119)	-
Impairment expense	-	-
Loss on sale of securities	-	-
Other	1,100	922
Adjusted earnings	\$ 135,743	\$ 70,483



Net Income (Loss) to Non-GAAP Adjusted Earnings

	Three Months Ended		Nine Months Ended	
	September 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021
Net Income	\$ 2,585	\$ 90,156	\$ 63,282	\$ 100,901
Gain on sale of discontinued operations	1,479	72,745	6,893	72,745
Income (loss) from discontinued operations, net of tax	—	(1,309)	—	7,665
Net Income from continuing operations	\$ 1,106	\$ 18,720	\$ 56,389	\$ 20,491
Less: income from continuing operations attributable to noncontrolling interest	4,359	2,201	14,927	7,915
Net income (loss) attributable to Holdings - continuing operations	\$ (3,253)	\$ 16,519	\$ 41,462	\$ 12,576
Adjustments:				
Distributions paid - Preferred Shares	(6,045)	(6,045)	(18,136)	(18,136)
Amortization expense - intangibles and inventory step up	26,241	19,056	72,092	56,502
Loss on debt extinguishment	534	—	534	33,305
Stock compensation	3,242	2,892	8,851	8,496
Acquisition expenses	5,902	1,866	6,118	2,176
Integration Services Fee	1,625	1,100	2,750	4,300
Held-for-Sale tax impact - corporate	16,457	—	12,119	—
Other	1,287	460	4,116	(609)
Adjusted Earnings	\$ 45,990	\$ 35,648	\$ 129,906	\$ 98,610

Adjusted Earnings to Adjusted EBITDA



In 000's	Three Months Ended		Nine Months Ended	
	September 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021
Adjusted Earnings	\$ 45,990	\$ 35,848	\$ 129,906	\$ 98,610
Plus (less):				
Depreciation	11,284	10,372	32,589	28,896
Income Taxes	21,163	9,556	39,201	24,662
Held for Sale tax impact - corporate	(16,457)	—	(12,119)	—
Interest expense, net	22,799	13,855	57,737	42,607
Amortization of debt issuance	1,004	759	2,735	2,167
Noncontrolling interest	4,359	2,201	14,927	7,915
Preferred distributions	6,045	6,045	18,136	18,136
Other expense (income)	2,139	(1,032)	(606)	1,906
Adjusted EBITDA	\$ 98,326	\$ 77,604	\$ 282,506	\$ 224,899



Adjusted EBITDA

Quarter Ended September 30, 2022

In 000's	Corporate	5.11	BOA	Ergo	Lugano	Marucci Sports	PrimeLoft	Velocity Outdoor	ACI	Altor Solutions	Arnold	Sterno	Consolidated
Income (loss) from continuing operations	\$ (29,950)	\$ 5,905	\$ 8,935	\$ (759)	\$ 8,095	\$ 4,230	\$ (8,492)	\$ 4,679	\$ 2,426	\$ 2,765	\$ 3,475	\$ (203)	\$ 1,106
Adjusted for:													
Provision (benefit) for income taxes	16,457	1,906	1,776	(410)	1,166	1,609	(3,570)	1,416	671	805	537	(1,200)	21,163
Interest expense, net	22,725	2	(7)	—	3	3	(4)	70	—	—	7	—	22,799
Intercompany interest	(28,762)	3,503	1,808	1,737	3,263	1,812	3,251	2,997	1,621	2,821	1,402	4,547	—
Loss on debt extinguishment	534	—	—	—	—	—	—	—	—	—	—	—	534
Depreciation and amortization expense	285	5,766	5,577	2,033	3,083	2,504	4,194	3,420	538	4,124	1,936	5,069	38,529
EBITDA	\$ (18,711)	\$ 17,082	\$ 18,089	\$ 2,601	\$ 15,610	\$ 10,158	\$ (4,621)	\$ 12,582	\$ 5,256	\$ 10,515	\$ 7,357	\$ 8,213	\$ 84,131
Other (income) expense	(73)	709	403	—	—	(1)	260	971	224	110	—	(463)	2,140
Non-controlling shareholder compensation	—	381	621	362	356	537	—	240	124	375	13	232	3,241
Acquisition expenses	—	—	—	—	—	—	5,680	222	—	—	—	—	5,902
Integration services fee	—	—	—	—	562	—	1,063	—	—	—	—	—	1,625
Other	—	—	—	—	—	—	—	—	853	—	—	434	1,287
Adjusted EBITDA	\$ (18,784)	\$ 18,172	\$ 19,113	\$ 2,963	\$ 16,528	\$ 10,694	\$ 2,382	\$ 14,015	\$ 6,457	\$ 11,000	\$ 7,370	\$ 8,416	\$ 98,326

Adjusted EBITDA

Quarter Ended September 30, 2021

In 000's	Corporate	5.11	BOA	Ergo	Lugano	Marucci Sports	Velocity Outdoor	ACI	Altor Solutions	Arnold	Sterno	Consolidated
Income (loss) from continuing operations	\$ (10,553)	\$ 5,223	\$ 4,256	\$ (531)	\$ 681	\$ 2,235	\$ 8,568	\$ 3,821	\$ 2,594	\$ 2,245	\$ 181	\$ 18,720
Adjusted for:												
Provision (benefit) for income taxes	—	1,830	700	329	304	631	2,334	1,093	1,336	1,058	(58)	9,557
Interest expense, net	13,813	1	—	—	—	1	35	—	—	5	—	13,855
Intercompany interest	(17,717)	2,960	1,958	441	548	697	1,902	1,792	1,657	1,313	4,449	—
Depreciation and amortization	243	5,868	5,149	2,050	70	2,155	3,161	557	3,206	2,005	5,722	30,186
EBITDA	\$ (14,214)	\$ 15,882	\$ 12,063	\$ 2,289	\$ 1,603	\$ 5,719	\$ 16,000	\$ 7,263	\$ 8,793	\$ 6,626	\$ 10,294	\$ 72,318
Other (income) expense	(433)	(2)	110	—	22	(11)	(2)	55	(267)	(51)	(453)	(1,032)
Non-controlling shareholder compensation	—	639	572	434	—	275	253	124	257	8	330	2,892
Acquisition expenses	39	—	—	—	1,827	—	—	—	—	—	—	1,866
Integration services fees	—	—	1,100	—	—	—	—	—	—	—	—	1,100
Other	187	273	—	—	—	—	—	—	—	—	—	460
Adjusted EBITDA¹⁾	\$ (14,421)	\$ 16,792	\$ 13,845	\$ 2,723	\$ 3,452	\$ 5,983	\$ 16,251	\$ 7,442	\$ 8,783	\$ 6,583	\$ 10,171	\$ 77,604



1) As a result of the sale of Liberty Safe in August 2021, Adjusted EBITDA for the three months ended September 30, 2021 does not include \$0.2 million in Adjusted EBITDA from Liberty.

Adjusted EBITDA

Nine Months Ended September 30, 2022

In 000's	Corporate	5.11	BOA	Ergo	Lugano	Marucci Sports	PrimaLoft	Velocity Outdoor	ACI	Altor Solutions	Arnold	Sterno	Consolidated
Income (loss) from continuing operations	\$ (51,431)	\$ 15,540	\$ 37,122	\$ (634)	\$ 21,871	\$ 8,374	\$ (8,492)	\$ 7,826	\$ 9,510	\$ 7,149	\$ 7,217	\$ 2,337	\$ 56,389
Adjusted for:													
Provision (benefit) for income taxes	12,119	4,999	6,819	432	5,863	2,821	(3,570)	2,372	2,600	2,907	2,768	(929)	39,201
Interest expense, net	57,559	12	(19)	2	12	13	(4)	142	—	—	20	—	57,737
Intercompany interest	(71,727)	9,501	5,634	4,000	7,841	4,649	3,251	6,987	4,851	7,844	3,947	13,222	—
Loss on debt extinguishment	534	—	—	—	—	—	—	—	—	—	—	—	534
Depreciation and amortization expense	862	16,804	16,345	6,061	8,385	9,558	4,194	9,981	1,634	12,254	6,065	15,272	107,415
EBITDA	\$ (52,084)	\$ 46,856	\$ 65,901	\$ 9,861	\$ 43,972	\$ 25,415	\$ (4,621)	\$ 27,308	\$ 18,595	\$ 30,154	\$ 20,017	\$ 29,902	\$ 261,276
Other (income) expense	(73)	93	498	4	2	(1,829)	260	1,154	251	219	—	(1,185)	(606)
Non-controlling shareholder compensation	—	1,210	1,889	1,154	800	1,089	—	742	372	910	38	647	8,851
Acquisition expenses	—	—	—	—	—	—	5,680	222	—	216	—	—	6,118
Integration services fee	—	—	—	—	1,688	—	1,063	—	—	—	—	—	2,751
Other	—	—	—	250	—	1,802	—	—	853	—	—	1,211	4,116
Adjusted EBITDA	\$ (52,157)	\$ 48,159	\$ 68,288	\$ 11,269	\$ 46,462	\$ 26,477	\$ 2,382	\$ 29,426	\$ 20,071	\$ 31,499	\$ 20,055	\$ 30,575	\$ 282,506

Adjusted EBITDA

Nine Months Ended September 30, 2021

In 000's	Corporate	5.11	BOA	Ergo	Lugano	Marucci Sports	Velocity Outdoor	Advanced Circuits	Altor Solutions	Arnold	Sterno	Consolidated
Income (loss) from continuing operations	\$ (64,717)	\$ 14,318	\$ 16,908	\$ 3,071	\$ 681	\$ 9,485	\$ 19,157	\$ 10,366	\$ 5,892	\$ 3,839	\$ 1,491	\$ 20,491
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
EBITDA	\$ (41,540)	\$ 44,688	\$ 40,426	\$ 12,319	\$ 1,603	\$ 20,677	\$ 39,738	\$ 20,055	\$ 22,856	\$ 15,856	\$ 31,952	\$ 208,630
Other (income) expense	(286)	(302)	190	—	22	881	2,611	123	(399)	(51)	(883)	1,906
Non-controlling 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 services fees	—	—	3,300	—	—	1,000	—	—	—	—	—	4,300
Other	1,085	273	—	—	—	—	(2,300)	—	—	—	333	(609)
Adjusted EBITDA¹⁾	\$ (40,702)	\$ 46,585	\$ 45,571	\$ 13,560	\$ 3,452	\$ 23,384	\$ 40,826	\$ 20,550	\$ 23,227	\$ 16,131	\$ 32,315	\$ 224,889



1) As a result of the sale of Liberty Safe in August 2021, Adjusted EBITDA for the nine months ended September 30, 2021 does not include \$12.7 million in Adjusted EBITDA from Liberty.

Adjusted EBITDA

Year ended December 31, 2021

In 000's	Corporate	5.11	BOA	Ergo	Lugano	Marucci Sports	Velocity Outdoor	Advanced Circuits	Altor Solutions	Arnold	Sterno	Consolidated
Net income (loss) from continuing operations	\$ (65,287)	\$ 20,152	\$ 21,178	\$ 5,079	\$ 5,239	\$ 10,232	\$ 23,035	\$ 14,178	\$ 7,871	\$ 5,013	\$ (316)	\$ 46,374
Adjusted for:												
Provision (benefit) for income taxes	(12,119)	6,905	3,559	2,018	2,094	3,070	6,237	3,419	2,619	1,345	2,609	21,756
Interest expense, net	58,639	16	—	—	9	5	165	—	(1)	6	—	58,839
Intercompany interest	(73,982)	11,868	8,581	1,960	2,450	3,110	7,461	7,217	7,558	5,455	18,322	—
Loss on debt extinguishment	33,305	—	—	—	—	—	—	—	—	—	—	33,305
Depreciation and amortization	905	22,355	20,279	8,435	4,757	8,634	12,704	2,212	12,938	8,888	23,369	125,476
EBITDA	(56,539)	61,296	53,597	17,492	14,549	25,051	49,602	27,026	30,985	20,707	43,984	285,750
Other (income) expense	(284)	125	377	—	16	(119)	2,573	299	(323)	8	(1,189)	1,483
Other	1,132	273	—	—	—	1,000	(2,300)	—	—	—	995	1,100
Non-controlling shareholder compensation	—	2,428	2,194	1,693	190	1,101	1,020	496	1,035	38	1,242	11,437
Acquisition expenses	39	—	—	—	1,827	971	—	—	444	310	—	3,591
Integration services fee	—	—	3,300	—	563	1,000	—	—	—	—	—	4,863
Management fees	—	—	—	—	—	—	—	—	—	—	—	—
Adjusted EBITDA	\$ (57,652)	\$ 64,122	\$ 59,468	\$ 19,185	\$ 17,145	\$ 29,004	\$ 50,895	\$ 27,821	\$ 32,141	\$ 21,063	\$ 45,032	\$ 308,224

Adjusted EBITDA

Year ended December 31, 2020



In 000's

	Corporate	S.I.I	BOA	Erge	Liberty	Marucci Sports	Velocity Outdoor	ACI	Arnold	Allor Solutions	Sterns	Consolidated
Net income from continuing operations (1)	\$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
EBITDA	(43,505)	49,751	4,457	13,362	18,480	5,878	36,548	25,152	8,798	28,452	47,692	195,065
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
Adjusted EBITDA	\$(43,281)	\$ 53,660	\$8,607	\$15,116	\$18,516	\$9,512	\$39,028	\$25,801	\$8,787	\$29,715	\$48,998	\$214,459



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

55

LTM Revenue

Trailing Twelve Months Ended September 30, 2022

in 000's	TTM 9/30/2022
Branded Consumer	
5.11 Tactical	\$474,562
BOA	211,332
Ergobaby	92,787
Lugano	180,453
Marucci Sports	154,319
PrimaLoft	79,391
Velocity Outdoor	245,309
	<u>\$1,438,153</u>
Niche Industrial	
Advanced Circuits	\$90,472
Altor Solutions	257,225
Arnold	154,367
Sterno Group	357,474
	<u>\$859,538</u>
Consolidated Pro forma revenue	\$2,297,691
Pro forma Net Sales	
Lugano	\$ -
PrimaLoft	55,185
	<u>55,185</u>



Adjusted EBITDA

Twelve Months Ended September 30, 2022



	Less:														
In 000's	Corporate	S.11 Tactical	BOA	Ergobaby	Lugano	Marucci Sports	Proforma PrimaLoft	Velocity Outdoor	Advanced Circuits	Allor	Arnold Magnetics	Sterno	Consolidated	Corporate	Adjusted EBITDA
Net income (loss) from continuing operations	\$ (52,001)	\$ 21,374	\$ 41,392	\$ 1,374	\$ 26,429	\$ 9,121	\$ 4,876	\$ 11,704	\$ 13,322	\$ 9,128	\$ 8,391	\$ 530	\$ 95,640	\$ (52,001)	\$ 147,641
Adjusted for:															
Provision (benefit) for income taxes	-	7,047	8,213	1,093	7,653	2,971	875	3,228	3,472	2,659	2,051	1,478	40,740	-	40,740
Interest expense, net	73,734	20	(19)	2	21	13	5,829	182	-	(1)	21	-	79,802	73,734	6,068
Intercompany interest	(92,475)	12,626	7,895	4,446	9,743	5,869	3,251	8,862	6,584	10,327	5,274	17,598	(0)	(92,475)	92,475
Loss on debt extinguishment	534	-	-	-	-	-	-	-	-	-	-	-	534	534	-
Depreciation and amortization expense	1,125	22,397	21,591	8,119	13,072	11,815	8,028	13,196	2,188	16,170	9,131	22,328	149,160	1,125	148,035
EBITDA	(69,083)	63,464	79,072	15,034	56,918	29,789	22,859	37,172	25,565	38,283	24,868	41,934	365,875	(69,083)	434,958
Other (income) expense	(71)	520	685	4	(4)	(2,829)	1,498	1,116	426	293	59	(1,491)	207	(71)	278
Non-controlling shareholder compensation	-	1,712	2,428	1,806	990	1,364	481	985	496	1,175	60	976	12,273	-	12,273
Acquisition expenses	-	-	-	-	-	971	5,680	222	-	660	-	-	7,533	-	7,533
Integration services fee	-	-	-	-	2,251	-	1,063	-	-	-	-	-	3,313	-	3,313
Other	47	-	-	250	-	2,802	-	-	853	-	-	1,873	5,825	47	5,778
Adjusted EBITDA	\$ (69,107)	\$ 65,696	\$ 82,185	\$ 16,894	\$ 60,154	\$ 32,097	\$ 31,581	\$ 39,495	\$ 27,341	\$ 40,411	\$ 24,987	\$ 43,292	\$ 395,026	\$ (69,107)	\$ 464,133



Adjusted EBITDA

Twelve Months Ended September 30, 2021



In 000's														Less:	
	Corporate	5.11 Tactical	BDA	Ergobaby	Proforma Lugano	Manucci Sports	Proforma PrimaLoft	Velocity Outdoor	Advanced Circuits	Altor	Arnold Magnetics	Sterno	Consolidated	Corporate	Subsidiary Adjusted EBITDA
Net income (loss) from continuing operations	\$ (74,065)	\$ 21,159	\$ 16,803	\$ 1,959	\$ 25,698	\$ 10,044	\$ 10,006	\$ 26,073	\$ 12,556	\$ 7,796	\$ 2,019	\$ 3,180	\$ 63,228	\$ (74,065)	\$ 137,293
Adjusted for:															
Provision (benefit) for income taxes	-	6,720	(1,516)	1,125	1,112	3,881	2,169	7,555	3,100	3,530	1,920	2,383	31,979	-	31,979
Interest expense, net	56,103	(16)	-	-	4,838	6	4,077	154	-	-	5	1	65,168	56,103	9,065
Intercompany interest	(71,454)	12,058	8,363	2,101	548	2,539	-	7,556	7,086	6,869	5,558	18,776	-	(71,454)	71,454
Loss on debt extinguishment	33,305	-	-	-	-	-	-	-	-	-	-	-	33,305	33,305	-
Depreciation and amortization expense	595	22,212	20,808	8,424	388	8,549	4,899	12,619	2,451	12,271	7,587	21,572	122,375	595	121,780
EBITDA	(55,516)	62,133	44,458	13,609	32,584	25,019	21,151	53,957	25,193	30,466	17,089	45,912	316,055	(55,516)	371,571
Other (income) expense	(292)	(280)	380	-	262	885	234	2,494	151	(0)	(41)	(829)	2,963	(292)	3,256
Non-controlling shareholder compensation	-	2,545	3,225	1,649	-	1,099	547	1,039	495	1,027	(38)	1,428	13,016	-	13,016
Acquisition expenses	39	-	2,517	-	1,827	-	-	-	-	-	310	-	4,693	39	4,654
Integration services fee	-	-	4,425	-	-	1,500	-	-	-	-	-	-	5,925	-	5,925
Other	1,409	273	-	-	-	-	-	(2,300)	-	-	-	333	(285)	1,409	(1,694)
Adjusted EBITDA	\$ (54,360)	\$ 64,671	\$ 55,005	\$ 15,258	\$ 34,673	\$ 28,503	\$ 21,932	\$ 55,190	\$ 25,839	\$ 31,493	\$ 17,320	\$ 46,844	\$ 342,368	\$ (54,360)	\$ 396,728



Reconciliation of 1st Year Adjusted EBITDA



in 000's	Lugano		
	As Reported		
	QTD 12/31/21	YTD 9/30/22	TTM 9/30/2022
Net income (loss) from continuing operations	\$ 4,558	\$ 21,871	\$ 26,429
Adjusted for:			
Provision (benefit) for income taxes	1,790	5,863	7,653
Interest expense, net	9	12	21
Intercompany interest	1,902	7,841	9,743
Loss on debt extinguishment	-	-	-
Depreciation and amortization	4,687	8,385	13,072
EBITDA	12,946	43,972	56,918
Other (income) expense	(6)	2	(4)
Non-controlling shareholder compensation	190	800	990
Acquisition expenses	-	-	-
Integration services fee	563	1,688	2,251
Other	-	-	-
Adjusted EBITDA	13,693	\$ 46,462	\$ 60,154



in 000's	BOA
	As Reported
	YTD 12/31/21
Net income (loss) from continuing operations	\$ 21,178
Adjusted for:	
Provision (benefit) for income taxes	3,559
Interest expense, net	-
Intercompany interest	8,581
Loss on debt extinguishment	-
Depreciation and amortization	20,279
EBITDA	53,597
Other (income) expense	377
Non-controlling shareholder compensation	2,194
Acquisition expenses	-
Integration services fee	3,300
Other	-
Adjusted EBITDA	\$ 59,468

Reconciliation of 1st Year Adjusted EBITDA



Manucci				
in 000's	As Reported			
	QTD 9/30/20	QTD 12/31/20	YTD 6/30/21	TTM 6/30/21
Net income (loss) from continuing operations	\$ 981	559	\$ 7,250	\$ 8,790
Adjusted for:				
Provision (benefit) for income taxes	(407)	961	2,289	2,843
Interest expense, net	2	1	4	7
Intercompany interest	662	649	1,193	2,504
Loss on debt extinguishment	-	-	-	-
Depreciation and amortization	3,314	2,172	4,222	9,708
EBITDA	4,552	4,342	14,958	23,852
Other (income) expense	(5)	4	892	891
Non-controlling shareholder compensation	271	273	551	1,095
Acquisition expenses	-	-	-	-
Integration services fee	500	500	1,000	2,000
Other	-	-	-	-
Adjusted EBITDA	\$ 5,318	\$ 5,119	\$ 17,401	\$ 27,838



Subsidiary Pro Forma Adjusted EBITDA¹



	Year Ended December 31, 2021	Year Ended December 31, 2020
Advanced Circuits	\$ 27,820	\$ 25,801
Altor Solutions	32,141	29,715
Arnold Magnetics	21,063	8,787
BOA ²	59,468	33,149
Ergo	19,185	15,116
Lugano ²	40,648	20,594
Manucci ²	29,004	13,371
PrimaLoft ²	24,963	15,334
Sterno	45,032	48,998
Velocity Outdoor	50,895	39,028
S,11	64,122	53,660
	\$ 414,341	\$ 303,553

1. Reduced for management fees paid by subsidiaries

2. BOA year ended December 31, 2020 results include \$24.5 million of Adjusted EBITDA prior to our acquisition. Lugano year ended December 31, 2021 and 2020 results include \$23.3 million and \$20.6 million of Adjusted EBITDA prior to our acquisition. Manucci year ended December 31, 2020 results include \$3.9 million of Adjusted EBITDA prior to our acquisition. PrimaLoft year ended December 31, 2021 and 2020 results include \$25.0 million and \$15.3 million of Adjusted EBITDA prior to our acquisition.



