

Investment Considerations



Leading Subsidiaries

Opportunity to own innovative and disruptive middle market businesses with strong cash flows and a “reason to exist.” These businesses are typically owned by founding families or private equity firms; CODI provides liquid ownership platform with high levels of transparency and governance.



Considerable Financial Strength

~\$544M available under revolving line of credit and \$68.4M in cash, 3.72x total leverage as of 06/30/2024. 75% of our debt is fixed at a blended 5.20% until 2029+.



Strong Growth Prospects

Opportunities for organic growth at each of our market-leading subsidiaries are enhanced by the operating flexibility created by our financial strength. In addition, our financial capacity enables us to aggressively pursue attractive opportunities to grow our company through add-on or new platform subsidiary acquisitions.



Attractive Distributions

\$0.25 per common share quarterly distribution declared on 07/02/24.

\$0.453125 per preferred share A quarterly distribution declared on 07/02/24. This distribution covers the period from and including 04/30/24, up to, but excluding, 07/30/24.

\$0.4921875 per preferred share B quarterly distribution declared on 07/02/24. This distribution covers the period from and including 04/30/24, up to, but excluding, 07/30/24.

\$0.4921875 per preferred share C quarterly distribution declared on 07/02/24. This distribution covers the period from and including 04/30/24, up to, but excluding, 07/30/24.



Proven Management

Highly successful management team with a proven track record over the past 18 years of acquiring, managing and growing middle market businesses through various economic conditions.

COMPASS DIVERSIFIED

Compass Diversified (NYSE: CODI) offers shareholders a unique opportunity to own a diverse group of leading middle-market businesses. We own controlling interests in our subsidiary businesses, which maximizes our operating flexibility and drives long-term value creation.

Our permanent capital structure provides us with unmatched financial flexibility to be opportunistic and disciplined about our acquisitions. The potential for extended ownership enables our collaborative, low leverage approach, which is attractive to management teams and allows subsidiaries to better manage for growth.

We maintain a strong internal culture of accountability and governance and deliver the highest level of transparency through quarterly financial reporting.

CODI owns and manages ten diverse subsidiaries. We believe these market leaders will continue producing stable cash flows over the long-term, enabling us to invest in their growth and make cash distributions to our shareholders.

NYSE

Exchange

CODI

Ticker

\$23.69

Price
(7/25/24)

\$1.79B

Market Cap

\$17.06 – \$24.56

52 Week Range

152%+

IPO Price Distributed

\$1.5B+

Realized Gains
Since IPO

\$3.3B+

Assets Managed

~\$612M

Dry Powder

Diverse Portfolio of Leading Middle Market Companies



Sterno Group is a manufacturer and marketer of portable food warming systems, creative indoor and outdoor lighting, and home fragrance solutions for the foodservice industry and consumer markets.



BOA Technology, creator of the revolutionary, award-winning, patented BOA Fit System, partners with market-leading brands to make the best gear even better.



Velocity Outdoor is a designer, manufacturer, and marketer of archery products, hunting apparel and related accessories.



Arnold Magnetic Technologies is a designer and manufacturer of engineered electric motor and magnetic solutions.



ERGObaby is a designer and marketer of wearable baby carriers, strollers and related juvenile products.



The Honey Pot is a premium “better-for-you” feminine care brand, powered by plant-derived ingredients and clinically tested formulas.



Lugano Diamonds is a designer, manufacturer and marketer of high-end, one-of-a-kind jewelry.



Altor Solutions is a designer and manufacturer of Packaging, Insulation and Componentry (PIC) solutions.



5.11 is a designer and marketer of purpose-built technical apparel and gear serving a wide range of global customers.



PrimaLoft is the leading provider of branded, high-performance synthetic insulation used primarily in consumer outerwear and accessories.

Long-Term Growth Strategy



Acquisition Targets

We acquire innovative and disruptive middle market businesses in various industries. These businesses are frequently ones that have outgrown their entrepreneurial founder or are non-core subsidiaries of a larger parent corporation. Other qualities we look for include:

- Significant market share in a defensible industry niche
- Proven management team
- Low technological and/or product obsolescence risk
- Diverse customer and supplier base



Operating Improvements

We work with our subsidiary management teams to expand cash flows by:

- Pursuing organic and/or external growth opportunities
- Considering alternate product applications or sourcing
- Improving management information systems
- Enhancing financial reporting and monitoring
- Implementing appropriate incentive compensation program



Key Factors for Success

- Disciplined approach to valuation and due diligence
- Proactive monitoring and management

Financial Results

The results of operations are for the six months ended June 30, 2024 and 2023, as well as for the years ended December 31, 2023 and 2022.

(in thousands)	Six Months Ended 6/30/2024	Six Months Ended 6/30/2023	Year Ended 12/31/2023	Year Ended 12/31/2022
Revenue	\$1,066,885	\$970,822	\$2,058,876	\$ 2,009,130
Adjusted Earnings	\$74,145	\$49,031	\$116,688	\$110,200
Weighted Average Common Shares Outstanding	75,332	72,005	72,105	70,715
Preferred Series A Shares Outstanding	4,045	4,000	4,000	4,000
Preferred Series B Shares Outstanding	4,128	4,000	4,000	4,000
Preferred Series C Shares Outstanding	4,838	4,600	4,600	4,600

The information in this document may include forward-looking statements. All statements, other than statements of historical facts, which address activities, events or developments that the Company expects or anticipates will or may occur in the future, are forward-looking statements. These statements are subject to risks and uncertainties, which could cause actual results and developments to differ materially from these statements. A complete discussion of these risks and uncertainties is contained in the Company's reports and documents files from time to time with the Securities and Exchange Commission.

Strategic Acquisitions and Opportunistic Divestitures

Completed sale of **Crosman**, a division of Velocity Outdoor, in April 2024

Completed **\$380M acquisition of The Honey Pot** in January 2024.

Completed sale of **Marucci Sports for a TEV of \$572M** in November 2023, which resulted in a \$180M gain.

Completed sale of **Advanced Circuits for a TEV of \$220M** in February 2023, which resulted in a \$98M gain.

Completed **\$530M acquisition of PrimaLoft** in July 2022.

Completed **\$256M acquisition of Lugano Diamonds & Jewellery** in September 2021.

Completed sale of **Liberty Safe for a TEV of \$148M** in August of 2021, which resulted in a \$73M gain.

Completed **\$454M acquisition of BOA Technology** in October 2020.

Completed **\$200M acquisition of Marucci Sports** in April 2020.

Completed sale of **Clean Earth for a TEV of \$625M** in July 2019, which resulted in a \$206M gain.

Completed sale of **Manitoba Harvest for a TEV of \$249M** in February 2019, which resulted in a \$122M gain.

Completed **\$253M acquisition of Foam Fabricators** in February 2018.

Completed **\$150M acquisition of Velocity Outdoor** in June 2017.

Completed **acquisition of 5.11 Tactical** in August 2016.

Management Team

LARRY L. ENTERLINE | Chairman

ELIAS J. SABO | Chief Executive Officer

RYAN J. FAULKINGHAM | Chief Financial Officer

Compass Group Management LLC manages the day-to-day operations and affairs of the company, oversees the management and operations of the businesses and performs certain other services.

Sell-side Analysts

Bank of America Securities — **ERIC DRAY**

B. Riley — **MATT HOWLETT**

CJS Securities — **LARRY SOLOW**

Jefferies — **MATT HURWIT**

Oppenheimer — **MITCHEL PENN**

Raymond James — **ROBERT DODD**

ROTH MKM — **MATTHEW KORANDA**

William Blair — **CRIS KENNEDY**

Company News

[07/02/24](#): Compass Diversified Declares Second Quarter 2024 Distributions on Common and Series A, B and C Preferred Shares

[04/30/24](#): Compass Diversified Announces Sale of Crosman Air Gun Business

[04/18/24](#): Compass Diversified-Backed The Honey Pot Co. Strengthens Its Board With The Appointment of Three New Directors

[04/04/24](#): Compass Diversified Declares First Quarter 2024 Distributions on Common and Series A, B and C Preferred Shares

[03/05/24](#): Compass Diversified Announces Appointment of Joshua Gaynor as President of Lugano Diamonds

Contacts

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