

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

\$598M available under revolving line of credit and \$450.5M in cash, 3.11x total leverage as of 12/31/2023. 77% 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 1/04/24.

\$0.453125 per preferred share A quarterly distribution declared on 1/04/24. This distribution covers the period from and including 10/30/23, up to, but excluding, 1/30/24.

\$0.4921875 per preferred share B quarterly distribution declared on 1/04/24. This distribution covers the period from and including 10/30/23, up to, but excluding, 1/30/24.

\$0.4921875 per preferred share C quarterly distribution declared on 1/04/24. This distribution covers the period from and including 10/30/23, up to, but excluding, 1/30/24.



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

\$22.65

Price
(2/15/24)

\$1.72B

Market Cap

\$17.06 – \$23.20

52 Week Range

152%+

IPO Price Distributed

\$1.5B+

Realized Gains
Since IPO

\$3.3B+

Assets Managed

~\$1.0B

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 is a designer, engineer and marketer of dial-based fit systems delivering a scientifically proven performance advantage for athletes.



Velocity Outdoor is a designer, manufacturer and marketer of airguns, archery products, optics 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 years ended December 31, 2023, 2022 and 2021.

(in thousands)	Year Ended 12/31/2023	Year Ended 12/31/2022	Year Ended 12/31/2021
Revenue	\$2,058,876	\$ 2,009,130	\$1,723,502
Adjusted Earnings	\$116,688	\$110,200	\$94,323
Weighted Average Common Shares Outstanding	72,105	70,715	65,362
Preferred Series A Shares Outstanding	4,000	4,000	4,000
Preferred Series B Shares Outstanding	4,000	4,000	4,000
Preferred Series C Shares Outstanding	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 **\$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 & Jewlery** 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 — **DEREK HEWETT**

B. Riley — **MATT HOWLETT**

CJS Securities — **LARRY SOLOW**

Jefferies — **KYLE JOSEPH**

Oppenheimer — **MITCHEL PENN**

Raymond James — **ROBERT DODD**

ROTH MKM — **MATTHEW KORANDA**

William Blair — **CRIS KENNEDY**

Company News

[02/01/24](#): Compass Diversified Completes Partnership with Leading "Better-for-You" Feminine Care Brand The Honey Pot Company

[01/16/24](#): Compass Diversified Announces Partnership with The Honey Pot Company

[01/08/24](#): Compass Diversified Announces Investment Team Promotions

[01/04/24](#): Compass Diversified Declares Fourth Quarter 2023 Distributions on Common and Series A, B and C Preferred Shares

[12/21/23](#): Compass Diversified Receives \$75.2 Million Equity Investment

Contacts

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