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# Forward Looking Statements



## CAUTIONARY NOTES ON FORWARD LOOKING STATEMENTS

All non-historical statements in this presentation constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are typically identified by words such as "believe," "expect," "anticipate," "intend," "target," "estimate," "continue," "positions," "prospects" or "potential," by future conditional verbs such as "will," "would," "should," "could" or "may", or by variations of such words or by similar expressions. Such forward-looking statements include, but are not limited to, statements about the expected closing of the transaction with Boa Technology Inc. ("Boa"), expected accretion and financial impact of the transaction and anticipated future performance. These forward-looking statements are subject to numerous assumptions, risks and uncertainties which change over time. Forward-looking statements speak only as of the date they are made. Except to the extent required by applicable law or regulation, CODI assumes no duty to update forward-looking statements.

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. In addition to factors previously disclosed in CODI's reports filed with the SEC, the following factors, among others, could cause actual results to differ materially from forward-looking statements: ability to obtain necessary approvals and meet other closing conditions to the acquisition on the expected terms and schedule; delay in closing the acquisition; difficulties and delays in integrating Boa's business or fully realizing cost savings and other benefits; business disruption following the proposed transaction; changes in the economy, financial markets and political environment; risks associated with possible disruption in CODI's operations or the economy generally due to terrorism, natural disasters, social, civil and political unrest or the COVID-19 pandemic; future changes in laws or regulations (including the interpretation of these laws and regulations by regulatory authorities); general considerations associated with the COVID-19 pandemic and its impact on the markets in which we operate; and other considerations that may be disclosed from time to time in CODI's publicly disseminated documents and filings. Further information regarding CODI and factors which could affect the forward-looking statements contained herein can be found in CODI's annual reports on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K.

In reliance on the unreasonable efforts exception provided under Regulation G, we have not reconciled 2021 CAD accretion to comparable GAAP measures because we do not provide guidance on 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.



Link to watch video [here](#)

# Inventor and Market Share Leader of Dial-Based Fit Systems

BOA Fit System



Founded in 2001 to improve snowboarding experience and quickly expanded into new categories



Global end market sales (majority of sales outside the US)



Broad intellectual property position



Large addressable market

## Currently sold in...



**Mountain**  
(snowboarding, cycling, hiking/trail, and outdoor)



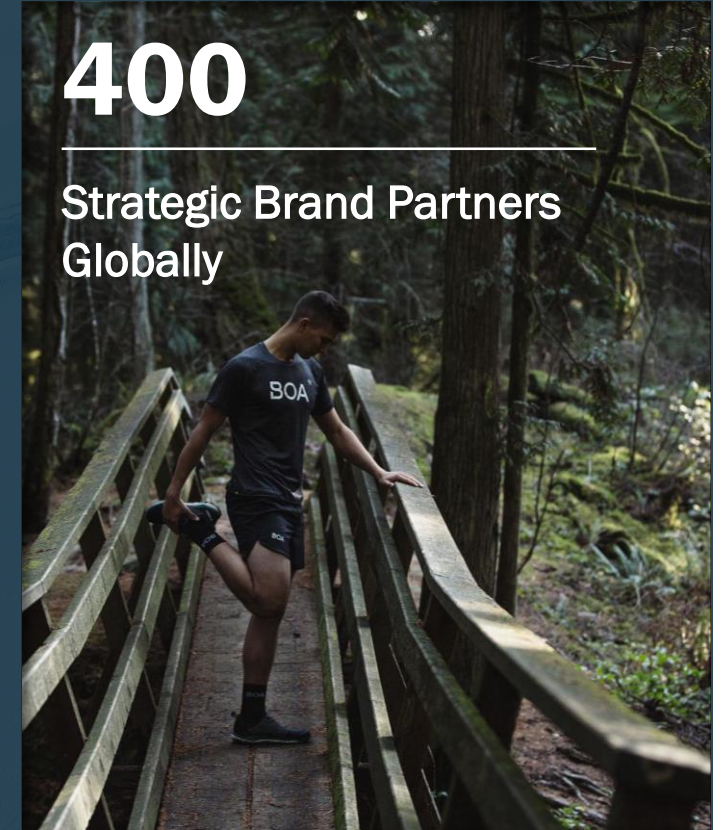
**Athletic**  
(golf, court, running/training)



**Professional**  
(workwear, tactical, medical)

# 400

**Strategic Brand Partners Globally**



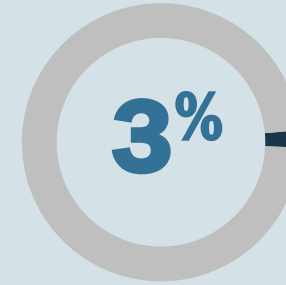


# Strategic Rationale

## LARGE ADDRESSABLE MARKET OPPORTUNITY

**+700mm**

pairs of footwear sold globally in price lanes and categories where the company's products enhance value



of TAM — ~16–17mm pairs of current sales of systems

## PROPRIETARY BOA® FIT SYSTEM ENHANCES PERFORMANCE AND CONVENIENCE

- Recently launched Performance Fit Lab to measure improvement gains using BOA system on
  - Agility and Speed
  - Power and Precision
  - Endurance and Health
- BOA wrap system improves connectivity to the midsole and heel, while allowing for a roomier toe box which improves proprioception
- Initial testing shows improved performance that is statistically significant
- White papers currently being peer reviewed
- ~160 issued patents and 85 pending

# BOA's Exceptional Financial Profile



>\$100mm of revenue; ~\$30mm of EBITDA

**~30%**

EBITDA margins, low CapEx (roughly 4% of sales)



Negative working capital

**~18%**

2017–2019 revenue CAGR



2020 financial performance negatively impacted due to COVID, however, tracking to be roughly flat in 2020 to 2019

# Terms of the Transaction



\$454mm purchase price



Expected close on or before October 31, 2020



Management and sellers rolling over ~\$62mm; will become ~18% equity owners



CGM will reduce its management fee on BOA assets by 50% or ~\$5.7mm through the end of 2021 in order to support cash flow while COVID impacts still present



Estimated ~\$10mm CAD accretive in 2021

# Financed with Cash on Hand, Revolver Borrowings



**~\$100mm** of cash at CODI<sup>1</sup>

**~\$300mm** Expected to draw on revolver; leaving availability of ~\$300mm (does not include upside option of \$250mm)

**\$276mm** LTM June 2020 pro forma adjusted EBITDA<sup>2</sup>

**~3.3x** Total leverage<sup>3</sup>, pro forma for transaction total outstanding indebtedness of \$900mm

<sup>1</sup> As of 8/31/2020, does not include cash held at subsidiaries

<sup>2</sup> Pro forma to include ~\$10mm of Marucci adjusted EBITDA and ~\$30mm of BOA adjusted EBITDA prior to our ownership

<sup>3</sup> Per credit agreement calculation



# Negotiated Transaction In Lieu of Broad Auction Process



Met with management pre-COVID



Contacted BOA's advisors after economy reopened to pursue negotiated transaction



CODI's permanent capital model provided competitive advantage and 'certainty to close'



Awarded exclusivity to pursue acquisition in early September



Despite COVID, performed full due diligence process without compromise

# Transforming CODI's Portfolio



## THE COMPOSITION OF CODI'S PORTFOLIO HAS CHANGED SIGNIFICANTLY OVER THE PAST TWO YEARS

- Capitalized on market conditions in 2019 to divest two companies at strong valuations
- Leveraged current market dislocation to acquire two best-in-class consumer businesses in 2020



## AS A RESULT OF THESE STRATEGIC MOVES, THE CODI PORTFOLIO HAS:

- Achieved a faster core growth rate
- Added two highly aspirational, rapidly growing consumer businesses
- Achieved a multiple arbitrage, netting roughly \$100mm in added capital while retaining essentially the same cash flow to holdings



## ON A PRO FORMA BASIS, INCREASED BRANDED CONSUMER EBITDA CONCENTRATION TO OVER HALF THE PORTFOLIO

- Branded consumer EBITDA growing despite COVID — pro forma to include BOA and Marucci H1' 20: growth of ~7% year-over-year

# CODI Capital Allocation



	Clean Earth (LTM 6/30/19)	Manitoba Harvest (FY 2018)	Total Divested	BOA (estimated FY 2019)	Marucci (estimated FY 2019)	BOA + Marucci (estimated FY 2019)
EBITDA	\$42	\$5	\$47	\$30	\$14	\$44
CapEx	\$11	\$0	\$11	\$4	\$1	\$5
Cash Taxes	\$1	\$0	\$1	\$5	\$0	\$5
Cash Flow to CODI <sup>1</sup>	\$30	\$5	\$35	\$21	\$13	\$34
Net sale/acq. proceeds	\$508	\$203	\$711	\$400	\$189	\$589

<sup>1</sup> Cash flow before CODI level expenses such as management fees, interest expense and corporate expense

# Thank you!

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