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CODI Investor Presentation

JULY 2020

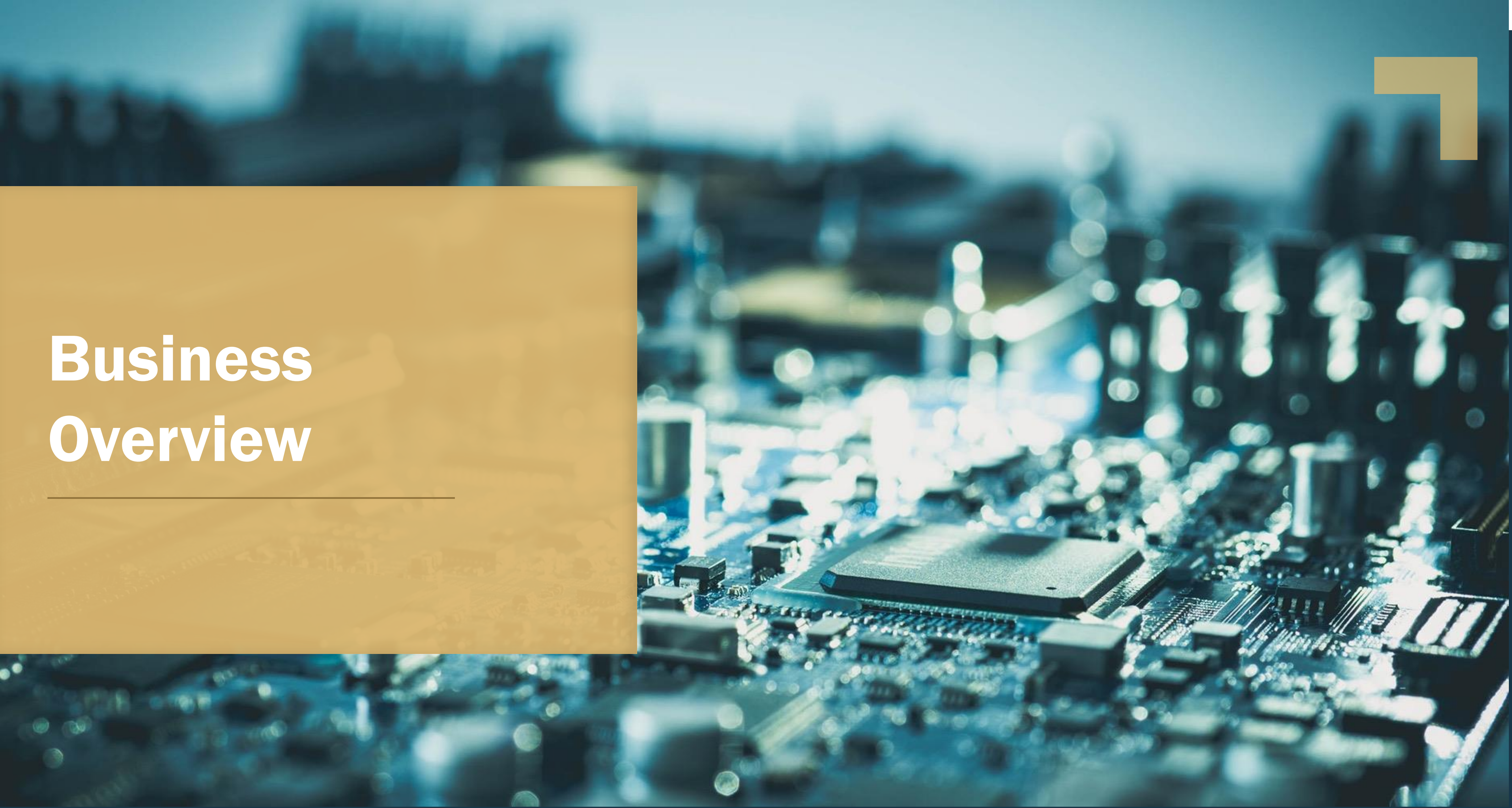
Legal Disclaimer

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 EBITDA, EBITDA, cash flow, CAD 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.



Business Overview

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

COMPANY MANAGEMENT TEAM

CODI has been executing the same strategy for more than 22 years and has consistently generated superior results

Private equity-like compensation structure aligns interest of shareholders and management team and allows for recruitment of top-level talent

14+ year history as a public company manager, patient deployer of capital, willing to net divest

Highly accountable organization focused on consistently exceeding our weighted average cost of capital on all invested capital

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Compass Diversified Holdings (NYSE: CODI) Offers Shareholders a Unique Opportunity To Own a Diverse Group of Leading Middle-Market Businesses

Provides access to a strategy typically reserved for private equity investors without the barriers to entry

Founded in 1998, CODI is an experienced acquirer, manager and opportunistic divestor of established North American middle-market businesses; currently the portfolio is made up of 5 branded consumer and 4 niche industrial subsidiaries

KEY DIFFERENTIATORS

- Long-term, Opportunistic Approach through Permanent Capital Base
- Value Creation Through Sector Expertise
- Superior Governance and Transparency

CODI BY THE NUMBERS

As of 6/30/2020

1998	**FOUNDED**	IPO in 2006
$5.9B+	**AGGREGATE TRANSACTIONS**	20 Platforms & 27 Add-Ons
$1.1B+	**REALIZED GAINS SINCE IPO**	11 Divestitures To Date
131%+	**IPO PRICE DISTRIBUTED**	279% Total Return Since IPO
$2.0B	**ASSETS MANAGED**	9 Current Platforms
~$1.0B	**DRY POWDER**	Permanent Capital Base

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Benefits of Owning CODI

CONSISTENT OUTPERFORMANCE OF BENCHMARKS

- CODI total return of 279% since IPO versus total return of 151% for the Russell 2000
- Consistent distribution which has never been reduced
- Paid distribution during Financial Crisis and Q1 and Q2 of Pandemic

ACCESS TO AN ATTRACTIVE SEGMENT OF THE MARKET HISTORICALLY RESERVED FOR PRIVATE EQUITY MANAGERS

- Experienced manager with aligned compensation model

SUPERIOR GOVERNANCE MODEL

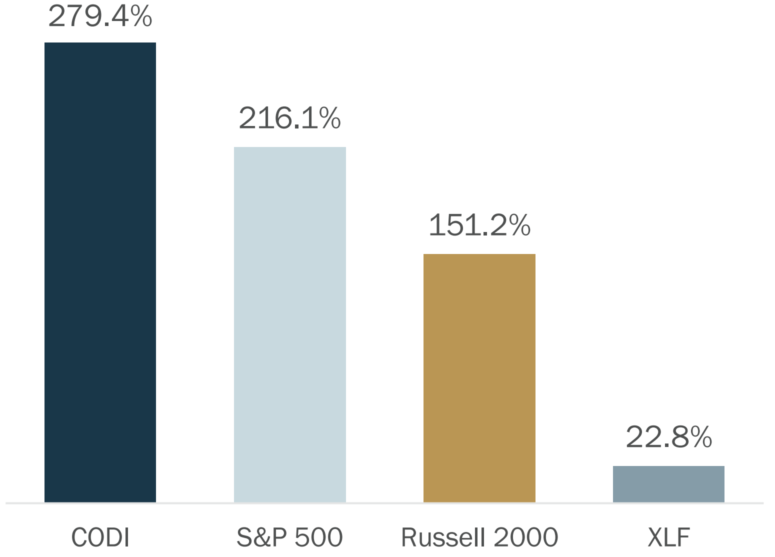
- Majority of Board of Directors independent with Chairman and CEO roles separated; Independent Lead Director
- Transparency into each of the operating subsidiaries
- SOX compliance with 404 pushed down to each operating subsidiary

LIQUIDITY VIA TRADEABLE SHARES

A History of Outperformance

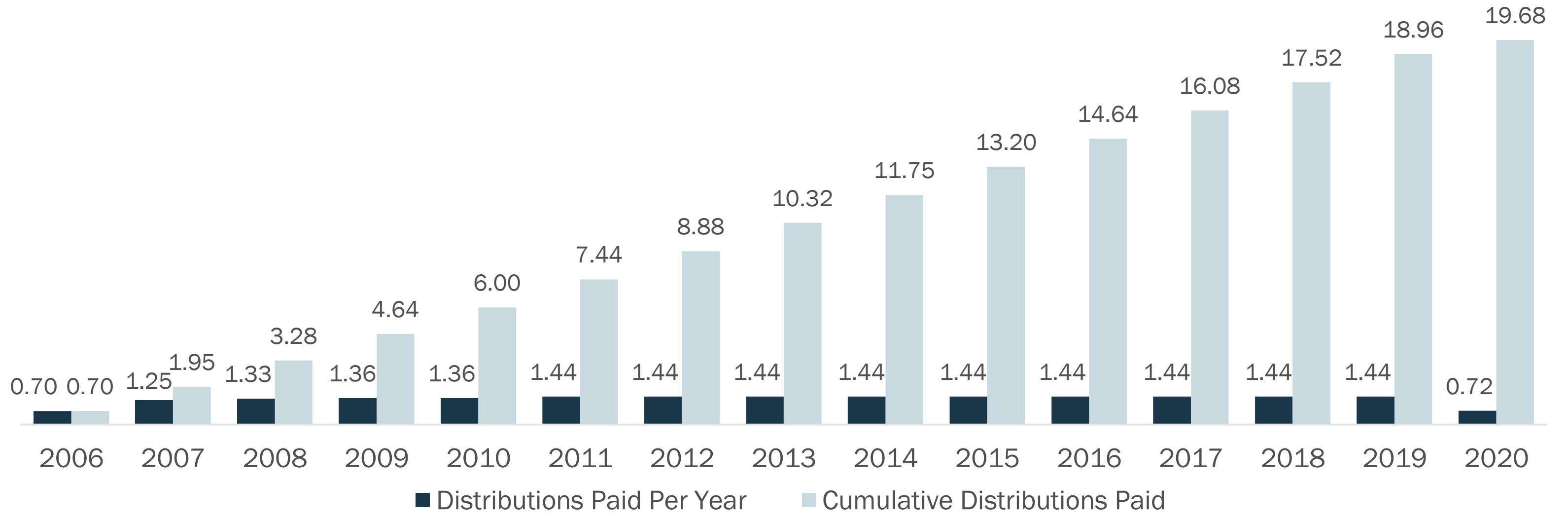
Compared to both publicly-traded peers and market indices, CODI has consistently generated superior returns through its culture of transparency, alignment and accountability

TOTAL RETURN FROM MAY 16, 2006 THROUGH JULY 27, 2020



DISTRIBUTIONS PAID SINCE IPO

($19.68 Per Share) ~9.0% Yield At 07/27/20



$1.00 invested at IPO is worth $3.79 today vs. $3.16 in the S&P 500 or $2.51 in the Russell 2000

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Investment Thesis

Why CODI?

CODI's core principles — which have differentiated our business for nearly 15 years — have never been more relevant or produced stronger results for shareholders

01 Permanent Capital Is Strategic Capital

- Opportunistic in capital deployment
- Enables long-term approach
- "Eliminates" traditional PE investment horizon pressure

02 Benefits to Owning a Family of Uncorrelated Subsidiaries

- Lower cost of capital versus financing each company separately
- Defensive positioning
- Professionalization at scale
- Diversity of subsidiaries provides consistency in earnings and cash flow

03 Clear Alignment with Investors

- Compensation structure aligns interest of shareholders and management team and allows for recruitment of top-level talent
- Transparency / regular reporting
- History of waiving management fees when appropriate
- Significant and growing ownership of CODI shares by Manager partners and employees

By offering access to a diverse portfolio of middle market businesses, CODI's strategy offers a differentiated liquid alternative

Why CODI Now?

STRONG BALANCE SHEET

- Leverage <2.0x
- Approximately $1B of availability to deploy

LOWEST COST OF CAPITAL IN OUR HISTORY

- $200mm tack on of unsecured debt in May 2020
- 2018 debt refinancing extended maturities and added $400mm of unsecured debt with flexible covenants
- Roughly half of capital, non-dilutive, at an average cost of 7.9%
- If entire Revolver availability of $600mm was deployed, average cost of debt would decline to 5.5%

CODI IS POSITIONED TO DELIVER REGARDLESS OF ECONOMIC CLIMATE

- **If economic expansion** — nine remaining subsidiaries producing strong Cash Flow which on an annualized basis is expected to exceed distribution; poised to grow in economic expansion
- **If economic downturn** — Cash Flow from existing subsidiaries expected to decline, however offset by $1B in available capital to deploy into acquisitions at attractive prices

Significant Events in 2020

Reported Positive Second Quarter Financial Results

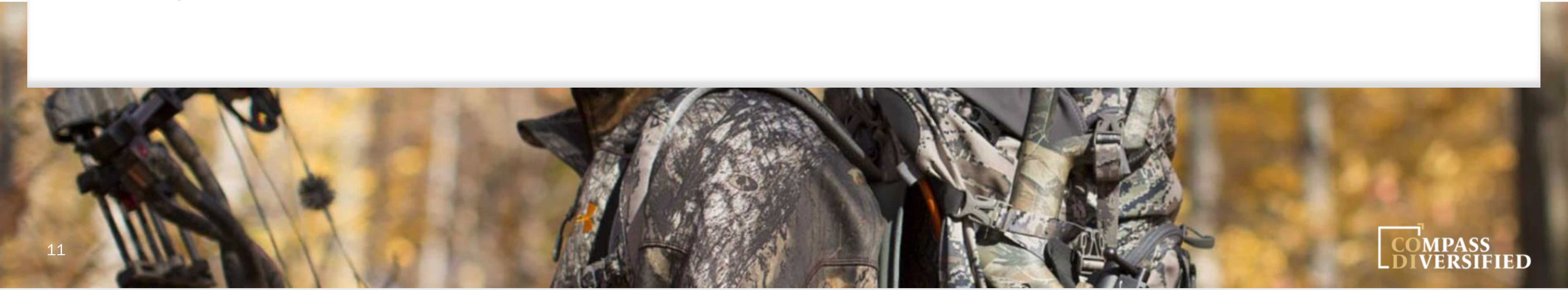
- Beat second quarter Adjusted EBITDA guidance mid-point by >50%
- Branded Consumer businesses QTD net sales up 2.9% and adjusted EBITDA up 7.5%
- 3 consumer ‘readiness-focused’ brands sales up 11.3% and adjusted EBITDA up 30.6% in Q2

Closed on Marucci Sports in April

- Acquired for $200mm;
- Leading manufacturer and distributor of baseball and softball equipment under the Marucci and Victus brands
- Highly passionate consumer base; ‘fastest growing brand in baseball’

Accessed $290 Million of Additional Capital in Early May

- Issued ~$83.9 million in net proceeds in common equity offering
- Added $200 million in unsecured bonds to existing 2026 notes priced at 101%
- Upgraded by Moody’s and S&P



Update Regarding COVID-19, and 2020 Guidance

We anticipate that COVID-19 will negatively impact our results of operations for the full year 2020 as compared to 2019

Full Year 2020 Guidance

We anticipate Adjusted EBITDA for the full year of 2020 will be between $205 million and $235 million

We anticipate our Payout Ratio, defined as our prior year's annual distribution to common shareholders divided by our 2020 full year estimate for CAD, to be between 140% and 120%

We believe that we have sufficient liquidity and capital resources to meet all of our obligations, including quarterly distributions to our shareholders, as approved by the Board of Directors

During 2019, we received $771.6 million in net cash proceeds from our divestitures of Manitoba Harvest and Clean Earth and $111.0 million from the issuance and sale of Series C Preferred Shares

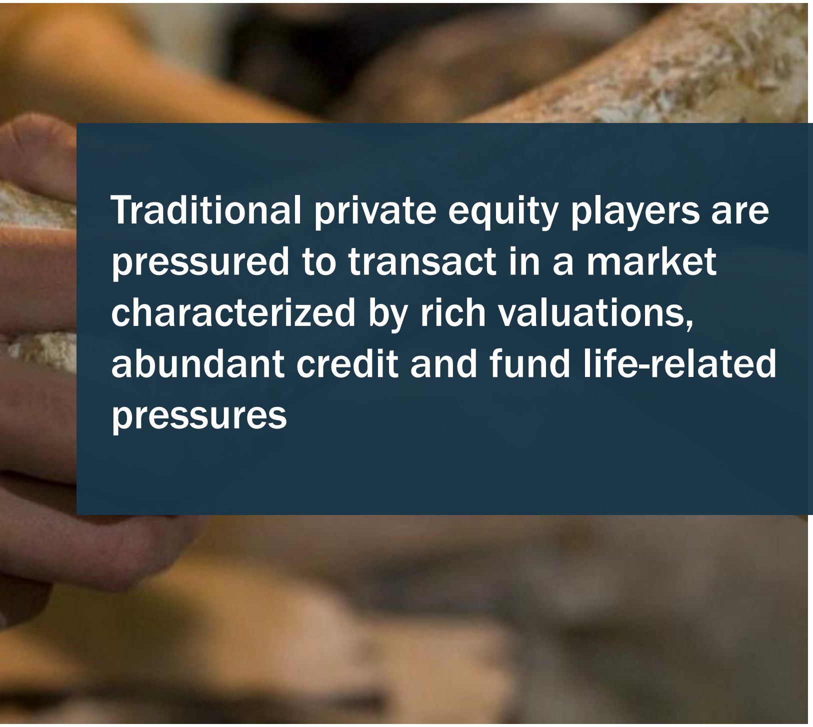
Proceeds were used primarily to extinguish the Company's Term Loan B, bringing the Company's year-end leverage ratio to its lowest level in history

In May 2020, we raised $290mm in gross proceeds from a common secondary offering and a bond tack on

If our operations are affected more than anticipated in 2020 or experience a more prolonged impact from COVID-19-related economic conditions and a potential extended economic recession, our results of operations, liquidity and capital resources could be impacted more than currently expected

Closer Look at the Strategy

The Permanent Capital Advantage



Traditional private equity players are pressured to transact in a market characterized by rich valuations, abundant credit and fund life-related pressures

**CODI can remain patient and choose not to buy when valuations are inflated.
Our actions over the past two years demonstrate the effectiveness of this strategy:**

- Generated tangible, sustained value for shareholders by selling two businesses opportunistically for sizeable gains
- Used proceeds to repay debt and strengthen balance sheet
- Permanent capital structure and strong balance sheet allowed CODI to move forward with the acquisition of Marucci Sports

CODI's permanent capital structure provides a competitive advantage throughout the entire lifecycle of an asset from sourcing to exit and through various economic cycles

CODI in Action

Permanent capital structure drives value at every stage of investment as CODI leverages its sector expertise and superior governance and transparency to build businesses for the long-term

01 Strategic Acquisitions	02 Active Management	03 Opportunistic Divestitures

01 Strategic Acquisitions

- Decentralized, regional business development efforts
- Balance sheet provides certainty of financing and speed of closure
- Permanent capital avoids "moral hazard" faced by private equity managers operating under a fixed fund life
- Approach and model is attractive to management teams

02 Active Management

- Enables a conservative, low leverage approach
- Permanent capital available to invest in businesses to drive long term value creation
  - Build management teams
  - Invest in lasting infrastructure
  - Organic growth and add-on acquisitions

03 Opportunistic Divestitures

- Flexible model optimizes and prioritizes outcomes for all stakeholders
- Strong industry relationships
- Diverse range of exit strategies — have generated realized gains in excess of $1 billion

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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

ergobaby	"Everlove" buyback and resale program benefits families and the planet by extending the use of Ergobaby carriers
The Sterno Group	Going greener through its commitment to reducing the company's carbon footprint
5.11	Made recent investments in LEED-certified facility and sophisticated water reclamation system
marucci	Committed to sourcing timber from sustainable forests / establishing an end-of-life, recycling program

PILLARS OF OUR STRATEGY

- INVESTING RESPONSIBLY
- ATTRACTING, RETAINING AND DEVELOPING THE BEST PROFESSIONALS
- ENGAGING WITH OUR LOCAL COMMUNITIES

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Profile of a Potential CODI Subsidiary

PLATFORM

Leading niche industrial or branded consumer company headquartered in North America

Highly defensible position and meaningful organic or external growth opportunities

Operating in industry with favorable long-term macroeconomic trends

Low technological or product obsolescence risk

Proven management team and diverse customer and supplier base

Preferred transaction size $100 – $800 million

Strong margins and minimal CapEx requirements / Strong free cash flow generation

STRATEGIC ADD-ONS

Strategic fit within a subsidiary company

Ability to generate meaningful synergies

Subsidiary Highlights

Having been exclusively dedicated to these industries for 20+ years, our team is able to further position our subsidiaries for long term success

9 SUBSIDIARIES

5 BRANDED CONSUMER & 4 NICHE INDUSTRIAL

Market leaders with strong, identifiable competitive moats

EXTRAORDINARY FREE CASH FLOW PROFILE

$247mm – **$17mm** – **$16mm** = **$214mm**

$247mm	$17mm	$16mm	$214mm
6/30/20 pro forma adjusted EBITDA	6/30/20 pro forma maintenance capex	6/30/20 pro forma cash taxes	Net cash flow (before working capital changes and growth capex) on $1.9 billion of acquisition price (includes add-on acquisitions)

>11% Cash on cash yield (before working capital changes and growth capex)

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Subsidiary Snapshot

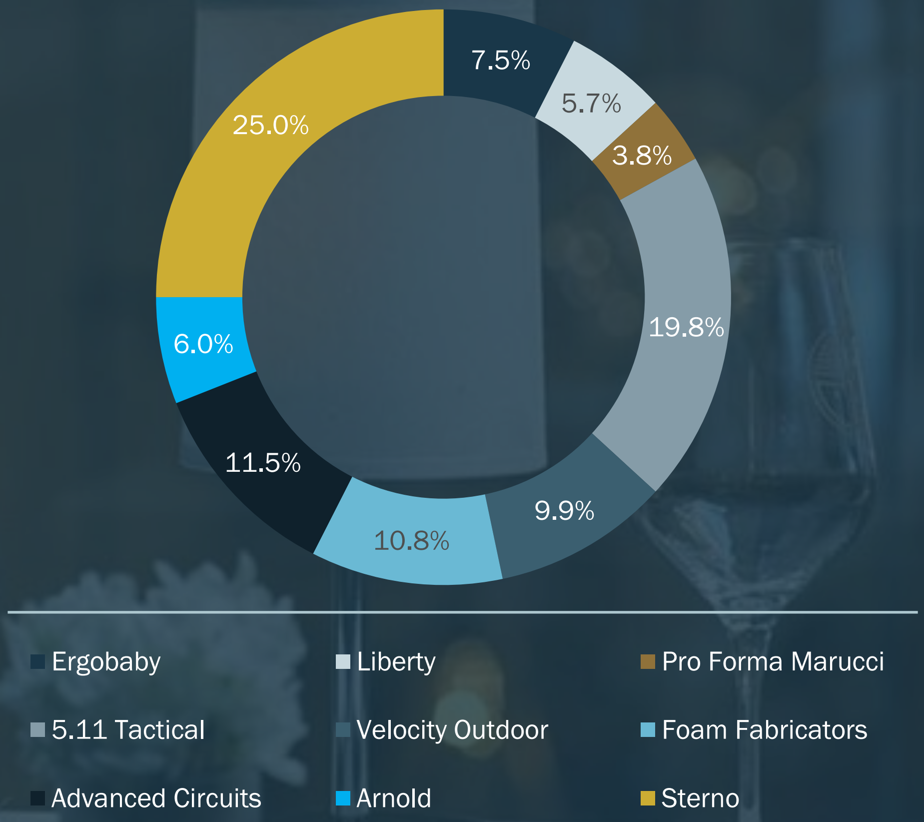
($ millions)

Subsidiaries	Year Acquired	TTM 06/30/20[1]					Purchase Price + Add-ons
		Revenue	Adj. EBITDA	Adj. EBITDA Margin	Maintenance Capex	Growth Capex	
5.11	2016	$391	$49	*13%*	$2	$9[2]	**$400**
Velocity Outdoor	2017	$165	$25	*15%*	$3	—	**$248**
ergobaby	2010	$84	$18	*21%*	$0.5	—	**$168**
Liberty	2010	$103	$14	*14%*	$0.5	$0.5	**$71**
marucci	2020	$60	$9	*15%*	—	—	**$200**
Total Branded Consumer:		**$803**	**$115**	***14%***	**$6**	**$9.5**	
Sterno	2014	$378	$62	*16%*	$1	$4	**$344**
Foam Fabricators	2018	$112	$27	*24%*	$2	$0.5	**$261**
Arnold Magnetic Technologies	2012	$114	$15	*13%*	$4	—	**$129**
Advanced Circuits	2006	$90	$28	*31%*	$4	$2	**$100**
Total Niche Industrial:		**$694**	**$132**	**19%**	**$11**	**$6.5**	
Consolidated:		**$1,497**	**$247**	**16%**	**$17**	**$16**	**$1,921**

1. Revenue, Adj. EBITDA, Capex shown pro forma for acquisition of Marucci
2. Growth Capex at 5.11 for retail store rollout
3. Subsidiary Adj. EBITDA does not include ~$14 million of corporate expenses

Diversity producing consistent cash flow and earnings

Subsidiary Adjusted EBITDA



JUNE 30, 2020 TTM REVENUES AND SUBSIDIARY ADJUSTED EBITDA OF $1.5B AND $247M, RESPECTIVELY

DIVERSIFIED CASH FLOWS FROM 9 SUBSIDIARIES

- 4 niche industrial subsidiaries representing 46% of Revenues and 53% of Adjusted EBITDA
- 5 branded consumer subsidiaries representing 54% of Revenues and 47% of Adjusted EBITDA

DIVERSIFIED CUSTOMER BASE

- 9 subsidiaries in diverse industry segments reduce customer concentration risk

Note: References to Adjusted EBITDA and Revenue exclude Manitoba Harvest and Clean Earth. Also includes Pro Forma information for Marucci.

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Demonstrated History of Value Creation

GENERATED $1.5 BILLION IN CASH FLOW AND REALIZED GAINS OVER THE LAST 8 YEARS

Stable cash flow generated by diverse businesses

Note: CAD refers to Cash Available for Distribution or Reinvestment.

Refer to the appendix for a reconciliation.

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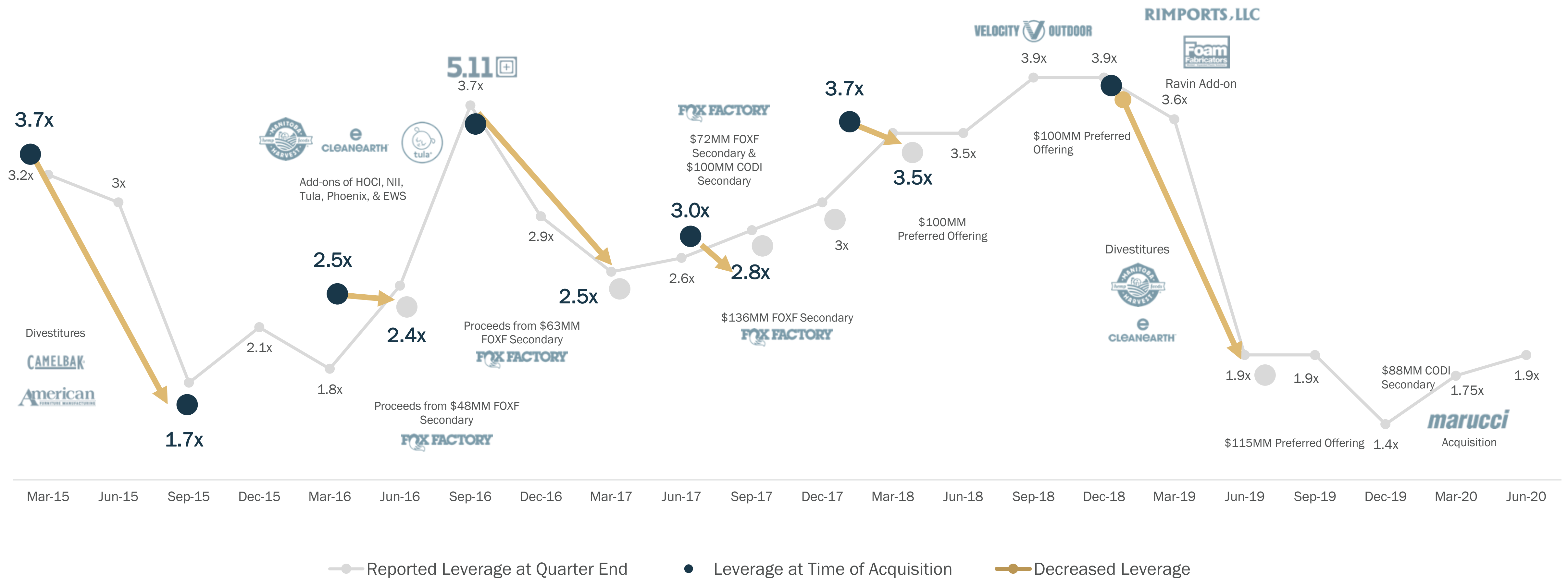
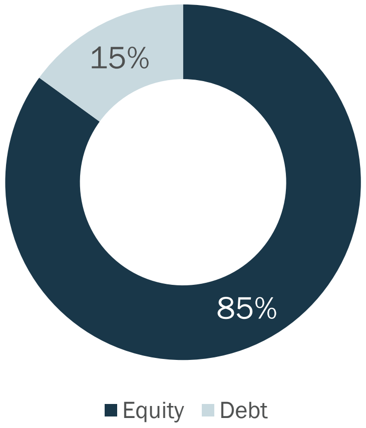
History of Successfully Deleveraging

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



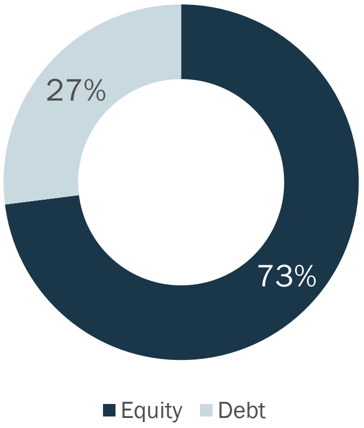
Improving Cost of Capital

MAY 2006



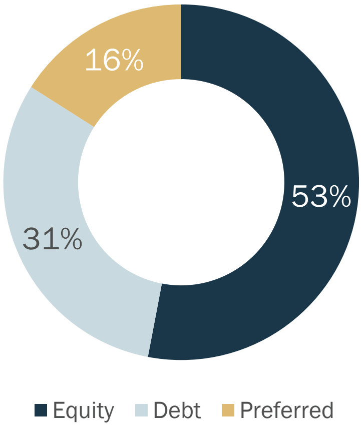
Rate on debt — 10.9%

DEC 2011



Rate on debt — 8.8%

JUNE 2020



Rate on debt — 8.0%*
Rate on preferred — 7.7%

*If the Company drew its entire Revolver, its effective rate on debt would decline to 5.5%

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Appendix

CODI Partnership Structure

COMPASS DIVERSIFIED HOLDINGS ("TRUST")

NYSE: CODI

COMPASS GROUP DIVERSIFIED HOLDINGS LLC

("Compass" / the "Company")

$600mm Revolver

$600mm Senior Unsecured Notes

Allocation Interests[3] — Sostratus LLC[1] ("Sostratus")

Management Services Agreement — Compass Group Management LLC[2] ("CGM" / "Manager")

Cash Flows

Cash Flows

NICHE INDUSTRIAL

Advanced Circuits · Arnold Magnetic Technologies · Sterno Products · Foam Fabricators

BRANDED CONSUMER

Liberty Safe · ergobaby · marucci · 5.11 · Velocity Outdoor

1. As of 12/31/19, 49.0% 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.

Case Study

PURCHASE PRICE
(JULY 2015)

C$132mm

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.

Passionate and loyal consumer following

Strong management team; thought leaders in Hemp industry

Vertically-integrated manufacturing model

Unique access to highly regulated supply base

OWNERSHIP AND MANAGEMENT

- 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 to provide 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)

DIVESTITURE OF MANITOBA HARVEST

- In February 2019, CODI completed the 100% sale of Manitoba Harvest to Tilray Inc. for an aggregate sales price of up to C$419mm
  - Under the terms of the agreement, C$49mm of the aggregate sales price is subject to Manitoba Harvest achieving certain performance milestones in 2019

SUCCESSFUL INVESTMENT

CODI to realize approximately C$298mm in proceeds plus up to an additional C$49mm potential milestone payment in early 2020

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CLEANEARTH

RECYCLING & DISPOSAL SOLUTIONS

Case Study

PURCHASE PRICE (AUG 2014) $251mm

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

VALUE CREATION

- 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 approximately $100 million of annual revenue and expanding the Company's footprint from 12 to 27 fixed facilities across the United States
  - 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

DIVESTITURE OF CLEANEARTH

In June 2019, CODI completed the 100% sale of Clean Earth to Harsco Corporation (NYSE: HSC) for $625 million.

FOX FACTORY

Case Study

PURCHASE PRICE (JANUARY 2008)

$80mm

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

Highly-engineered products with focus on innovation

Large white space opportunity in new vehicle categories

Strong OEM relationships and global aftermarket distribution network

Experienced management team leading company of enthusiasts

VALUE CREATION

- IPO provided increased capital availability and access to lower cost of capital to fund growth initiatives
- 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

DIVESTITURE OF FOX

In August 2013, CODI completed an Initial Public Offering of FOX Factory at $15.00 per share. As a patient investor, CODI subsequently reduced its holding position via 5 secondary share offerings from 2014 to 2017, ultimately realizing total proceeds of over $527 million upon exit.

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Current Subsidiaries

5.11

PURCHASE PRICE
(AUGUST 2016)

$400mm

COMPETITIVE STRENGTHS

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

FINANCIALS

	Revenue ($ millions)	Adjusted EBITDA ($ millions)
Six Months Ended 6/30/2020	$183.4	$21.4
Six Months Ended 6/30/2019	$180.9	$19.6
Year Ended 12/31/2019	$388.6	$46.9
Year Ended 12/31/2018	$347.9	$32.3
Year Ended 12/31/2017	$310.0	$38.5

INDUSTRY

Designer and manufacturer of purpose-built tactical apparel and gear serving a wide range of global customers

COMPASS VALUE ADDED

Working with management to enhance product distribution globally and continue its direct-to-consumer efforts through online and retail.

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marucci

PURCHASE PRICE
(APRIL 2020)

$200mm

INDUSTRY

Leading manufacturer and distributor of baseball and softball equipment under the Marucci and Victus brands.

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, and pursue strategic acquisitions

FINANCIALS

	Revenue ($ millions)	Adjusted EBITDA ($ millions)
Proforma Six Months Ended 6/30/2020	$27.8	$3.1
Proforma Six Months Ended 6/30/2019	$35.0	$4.9
Proforma Year Ended 12/31/2019	$69.6	$14.2

VELOCITY OUTDOOR

PURCHASE PRICE
(JUNE 2017)

$152mm

+ $97mm add-on acquisitions

INDUSTRY

Designer, manufacturer and marketer 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)
Six Months Ended 6/30/2020	$77.6	$10.5
Six Months Ended 6/30/2019	$60.7	$7.7
Year Ended 12/31/2019	$147.8	$21.6
Proforma Year Ended 12/31/2018 (1)	$164.9	$31.3
Proforma Year Ended 12/31/2017 (2)	$150.0	$25.7

(1) Includes revenue of $33.5 and adjusted EBITDA of $10.8 related to Ravin add-on acquisition

(2) Includes revenue of $30.0 and adjusted EBITDA of $7.5 related to Ravin add-on acquisition

PURCHASE PRICE
(SEPTEMBER 2010)

$85mm

+$83mm add-on acquisitions

INDUSTRY

Designer and manufacturer of soft structured baby carriers, wraps, as well as complementary juvenile 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 cyclicality 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)
Six Months Ended 6/30/2020	$39.7	$8.9
Six Months Ended 6/30/2019	$45.4	$10.8
Year Ended 12/31/2019	$90.0	$20.3
Year Ended 12/31/2018	$90.6	$21.1
Year Ended 12/31/2017	$103.0	$33.0

LIBERTY SAFE

PURCHASE PRICE
(MARCH 2010)

$70mm

+$1mm add-on acquisition

INDUSTRY

Manufacturer of home and gun safes and related accessories

COMPETITIVE STRENGTHS

- Market share leader
- Well-known brand names
- Category management capabilities for customers
- Low cost domestic manufacturer

COMPASS VALUE ADDED

Working with management to build brand and expand manufacturing capabilities. Continue national marketing efforts and pursuit of organic growth initiatives

FINANCIALS

	Revenue ($ millions)	Adjusted EBITDA ($ millions)
Six Months Ended 6/30/2020	$49.4	$7.6
Six Months Ended 6/30/2019	$42.8	$4.4
Year Ended 12/31/2019	$96.2	$10.9
Year Ended 12/31/2018	$82.7	$8.1
Year Ended 12/31/2017	$92.0	$11.7

ARNOLD MAGNETIC TECHNOLOGIES

PURCHASE PRICE
(MARCH 2012)

$129mm

INDUSTRY

Quick-turn production printed circuit board ("PCB") manufacturing

COMPETITIVE STRENGTHS

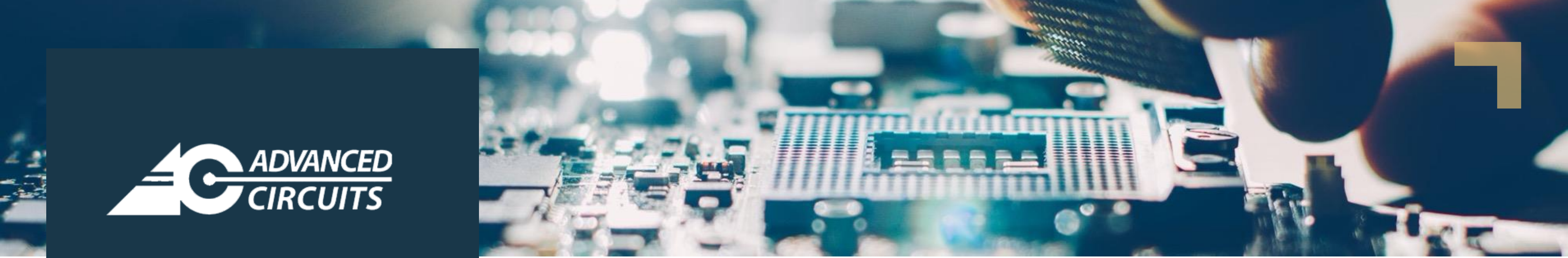
- Market share leader
- Attractive and diverse end-markets
- Engineering and product development capabilities
- Stable blue chip customer base—2,000+ customers globally
- Global manufacturing footprint

COMPASS VALUE ADDED

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

FINANCIALS

	Revenue ($ millions)	Adjusted EBITDA ($ millions)
Six Months Ended 6/30/2020	$53.8	$6.7
Six Months Ended 6/30/2019	$59.5	$7.2
Year Ended 12/31/2019	$120.0	$15.4
Year Ended 12/31/2018	$117.9	$14.0
Year Ended 12/31/2017	$105.6	$10.3



ADVANCED CIRCUITS

PURCHASE PRICE
(MAY 2006)

$81mm

+$19mm add-on acquisition

INDUSTRY

Quick-turn production printed circuit board ("PCB") manufacturing

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
- Completed accretive acquisitions of Circuit Express and UCI
- Diverse customer base — 10,000 current customers
- Approximate 30% EBITDA margins

COMPASS VALUE ADDED

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

FINANCIALS

	Revenue ($ millions)	Adjusted EBITDA ($ millions)
Six Months Ended 6/30/2020	$44.7	$13.8
Six Months Ended 6/30/2019	$45.5	$14.5
Year Ended 12/31/2019	$90.8	$28.9
Year Ended 12/31/2018	$92.5	$30.0
Year Ended 12/31/2017	$87.8	$27.2

COMPASS DIVERSIFIED

Foam Fabricators
Molded - Expanded Plastic Solutions

PURCHASE PRICE
(FEBRUARY 2018)

$248mm

+$13mm add-on acquisition

INDUSTRY

Designer and manufacturer of custom molded protective foam solutions and OEM components made from expanded polystyrene

COMPETITIVE STRENGTHS

- A leader in molded foam protective packaging
- National manufacturing footprint of 15 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)
Six Months Ended 6/30/2020	$52.8	$13.2
Six Months Ended 6/30/2019	$62.3	$15.0
Year Ended 12/31/2019	$121.4	$28.5
Pro forma Year Ended 12/31/2018	$128.5	$29.4
Pro forma Year Ended 12/31/2017	$126.4	$29.0

THE Sterno GROUP

PURCHASE PRICE
(OCTOBER 2014)

$160mm

+$184mm add-on acquisition

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

INDUSTRY

Foodservice and Consumer Products manufacturer and marketer

COMPASS VALUE ADDED

Working with management team to develop its strategic plan to enter new markets, and support the development of new products

FINANCIALS

	Revenue ($ millions)	Adjusted EBITDA ($ millions)
Six Months Ended 6/30/2020	$160.4	$21.2
Six Months Ended 6/30/2019	$177.7	$27.7
Year Ended 12/31/2019	$395.4	$68.5
Proforma Year Ended 12/31/2018 (1)	$405.9	$69.3
Proforma Year Ended 12/31/2017 (2)	$383.4	$66.3

(1) Includes revenue of $24.8 and adjusted EBITDA of $5.5 related to Rimports add-on acquisition

(2) Includes revenue of $157.3 and adjusted EBITDA of $34.7 related to Rimports add-on acquisition

Financials

Balance Sheet — Condensed (000's)

June 30, 2020

Current Assets:		
Cash and cash equivalents	$	205,228
Other current assets		542,759
Total current assets		747,987
Property, plant and equipment		150,229
Goodwill, intangibles and other assets		1,243,308
Total assets	$	2,141,524
Current Liabilities:		
Current portion of debt	$	—
Other current liabilities		230,822
Total current liabilities		230,822
Long-term debt		591,787
Other liabilities		122,033
Total liabilities		944,642
Stockholders' Equity:		
Controlling interest		1,129,066
Non-controlling interest		67,816
Total stockholders' equity		1,196,882
Total liabilities and stockholders' equity	$	2,141,524

COMPASS DIVERSIFIED

Income Statement — Condensed (000's)

YTD June 30, 2020

Net Sales	$	667,076
Cost of Sales		430,185
Gross Profit	$	236,891
Operating Income	$	27,016
Interest expense, net		(19,771)
Other income (expense)		(2,860)
Provision (benefit) for income taxes		6,871
Income from discontinued operations, net of income tax		—
Net gain on sales of discontinued operations		—
Net Income	$	(2,486)
Noncontrolling interest		2,286
Net income attributable to Holdings	$	(4,772)

Cash Flow Statement — Condensed (000's)

YTD June 30, 2020

Net cash provided in operating activities	$	88,330
Net cash used in investing activities	$	(212,990)
Net cash provided by financing activities	$	230,595
Effect of foreign currency on cash	$	(1,021)
Net increase in cash and cash equivalents	$	104,914

COMPASS DIVERSIFIED

Adjusted EBITDA

Six months ended June 30, 2020

	Corporate	5.11	Ergobaby	Liberty	Marucci Sports	Velocity Outdoor	ACI	Arnold	Foam	Sterno	Consolidated
Net income (loss)	$(3,521)	$2,120	$1,160	$3,460	$(6,325)	$(9,541)	$7,312	$1,472	$2,146	$(769)	$(2,486)
Adjusted for:											
Provision (benefit) for income taxes	—	(1,577)	1,154	1,148	(1,944)	6,328	1,819	(1,306)	1,141	108	6,871
Interest expense, net	19,651	40	—	—	4	76	—	—	—	—	19,771
Intercompany interest	(34,632)	7,334	1,252	1,900	532	4,791	2,843	2,882	3,513	9,585	—
Depreciation and amortization	259	10,639	4,106	862	4,717	6,474	1,347	3,320	6,108	11,489	49,321
EBITDA	(18,243)	18,556	7,672	7,370	(3,016)	8,128	13,321	6,368	12,908	20,413	73,477
Other (income) expense	1	1,168	—	(3)	(40)	1,067	17	—	(567)	82	1,725
Noncontrolling shareholder compensation	—	1,155	417	14	90	1,045	247	36	515	426	3,945
Acquisition expenses and other	—	—	—	—	2,042	—	—	—	—	—	2,042
Other	—	—	598	—	—	—	—	—	—	—	598
Management fees	11,305	500	250	250	97	250	250	250	375	250	13,777
Adjusted EBITDA	$(6,937)	$ 21,379	$8,937	$7,631	$(827)	$10,490	$ 13,835	$6,654	$13,231	$21,171	$95,564

COMPASS DIVERSIFIED

Adjusted EBITDA

Six months ended June 30, 2019

	Corporate	5.11	Ergobaby	Liberty	Marucci Sports	Velocity Outdoor	ACI	Arnold	Foam	Sterno	Consolidated
Net income (loss) (1)	$303,610	$(2,255)	$2,672	$490		$(5,636)	$7,578	$11	$1,906	$3,054	$311,430
Adjusted for:											
Provision (benefit) for income taxes	—	311	1,380	368		(648)	1,973	454	977	1,160	5,975
Interest expense, net	36,786	2	—	—		112	—	(1)	—	—	36,899
Intercompany interest	(41,454)	9,110	1,868	2,157		5,599	3,424	3,198	4,524	11,574	—
Depreciation and amortization	993	10,658	4,239	839		6,661	1,267	3,245	6,148	11,142	45,192
EBITDA	299,935	17,826	10,159	3,854		6,088	14,242	6,907	13,555	26,930	399,496
Gain on sale of businesses	(328,164)	—	—	—	Not Applicable	—	—	—		—	(328,164)
Other (income) expense	(582)	39	(4)	29		718	(84)	(2)	325	85	524
Noncontrolling shareholder compensation	—	1,196	412	18		665	45	8	510	475	3,329
Loss on sale of investment	5,300	—	—	—		—	—	—	—	—	5,300
Integration services fee	—	—	—	—		—	—	—	281	—	281
Other	—	—	—	266		—	58	—	—	—	324
Management fees	17,103	500	250	250		250	250	250	375	250	19,478
Adjusted EBITDA	$(6,408)	$19,561	$10,817	$4,417		$7,721	$14,511	$7,163	$15,046	$27,740	$100,568

(1) Net income (loss) does not include loss from discontinued operations for the six months ended June 30, 2019.

COMPASS DIVERSIFIED

Adjusted EBITDA

Year Ended December 31, 2019

	Corporate	5.11	Ergobaby	Liberty	Velocity Outdoor	Advanced Circuits	Arnold	Foam Fabricators	Sterno	Consolidated
Net income (loss) [1]	$ 282,240	$ 2,059	$ 4,793	$ 3,130	$ (36,982)	$ 14,970	$ 700	$ 2,883	$ 16,447	$ 290,240
Adjusted for:										
Provision (benefit) for income taxes	—	2,520	2,250	932	(2,782)	3,896	1,280	1,258	5,388	14,742
Interest expense, net	57,980	(24)	17	—	242	(2)	(1)	—	4	58,216
Intercompany interest	(80,556)	17,567	3,325	4,364	11,194	6,543	6,295	8,635	22,633	—
Loss on debt extinguishment	12,319	—	—	—	—	—	—	—	—	12,319
Depreciation and amortization	1,598	21,540	8,561	1,667	13,222	2,551	6,545	12,452	22,486	90,622
EBITDA	273,581	43,662	18,946	10,093	(15,106)	27,958	14,819	25,228	66,958	466,139
Gain on sale of business	(331,013)	—	—	—	—	—	—	—	—	(331,013)
Other (income) expense	92	(122)	(11)	16	952	122	1	1,247	(112)	2,185
Non-controlling shareholder compensation	—	2,360	828	(8)	322	288	56	1,025	1,183	6,054
Impairment expense	—	—	—	—	32,881	—	—	—	—	32,881
Integration services fee	—	—	—	—	—	—	—	281	—	281
Earnout provision adjustment	—	—	—	—	2,022	—	—	—	—	2,022
Loss on sale of investment	10,193	—	—	—	—	—	—	—	—	10,193
Other	—	—	—	266	—	58	—	—	—	324
Management fees	32,280	1,000	500	500	500	500	500	750	500	37,030
Adjusted EBITDA	$ (14,867)	$ 46,900	$ 20,263	$ 10,867	$ 21,571	$ 28,926	$ 15,376	$ 28,531	$ 68,529	$ 226,096

Note: Excludes adjusted EBITDA information from Clean Earth and Manitoba Harvest

Adjusted EBITDA

Year Ended December 31, 2018

	Corporate	5.11	Ergobaby	Liberty	Velocity Outdoor	Advanced Circuits	Arnold	Foam	Sterno	Consolidated
Net income (loss)	$ (35,018)	$ (12,079)	$ 4,937	$ 1,161	$ (4,458)	$ 15,029	$ (740)	$ 1,103	$ 12,451	$ (17,614)
Adjusted for:										
Provision (benefit) for income taxes	—	(2,180)	1,634	409	(598)	3,736	1,731	1,152	4,582	10,466
Interest expense, net	54,994	14	1	—	281	(46)	—	—	1	55,245
Intercompany interest	(78,708)	17,486	4,674	4,233	9,298	7,402	6,213	8,228	21,174	—
Depreciation and amortization	2,739	21,898	8,523	1,620	12,352	3,310	6,384	10,973	27,385	95,184
EBITDA	(55,993)	25,139	19,769	7,423	16,875	29,431	13,588	21,456	65,593	143,281
Gain on sale of business	(1,258)	—	—	—	—	—	—	—	—	(1,258)
(Gain) loss on sale of fixed assets	—	(194)	—	92	47	—	55	73	19	92
Non-controlling shareholder compensation	—	2,183	869	45	1,009	23	(167)	848	1,901	6,711
Acquisition expenses	115	—	—	—	1,362	—		1,552	632	3,661
Integration services fee	—	—	—	—	750	—	—	1,969	—	2,719
Earnout provision adjustment	—	—	—	—	—	—	—	—	(4,800)	(4,800)
Inventory adjustment	—	4,175	—	—	—	—	—	—	—	4,175
Loss on foreign currency transaction and other	4,083	—	—	—	—	—	—	—	—	4,083
Management fees	38,786	1,000	500	500	500	500	500	658	500	43,444
Adjusted EBITDA	$ (14,267)	$ 32,303	$ 21,138	$ 8,060	$ 20,543	$ 29,954	$ 13,976	$ 26,556	$ 63,845	$ 202,108

Note: Excludes adjusted EBITDA information from Clean Earth and Manitoba Harvest

COMPASS DIVERSIFIED

Adjusted EBITDA

Year Ended December 31, 2017

	Corporate	5.11	Velocity Outdoor	Ergobaby	Liberty	Advanced Circuits	Arnold	Sterno	Consolidated
Net income (loss)	$ (22,790)	$ (9,405)	$ 7,634	$ 16,674	$ 4,861	$ 17,503	$ (10,740)	$ 10,712	$ 14,449
Adjusted for:									
Provision (benefit) for income taxes	—	(12,492)	(11,274)	917	531	(2,518)	(2,337)	3,432	(23,741)
Interest expense, net	27,047	53	167	—	—	(12)	—	—	27,255
Intercompany interest	(49,193	14,521	4,590	5,990	4,029	8,171	6,996	4,896	—
Depreciation and amortization	2,745	40,393	7,878	12,042	1,742	3,578	6,821	11,868	87,067
EBITDA	(42,191)	33,070	8,995	35,623	11,163	26,722	740	30,908	105,030
Gain on sale of business	(340)	—	—	—	—	—	—	—	(340
(Gain) loss on sale of fixed assets	—	(160)	43	—	46	(4)	(7)	216	134
Non-controlling shareholder compensation	—	2,301	508	698	17	23	191	740	4,478
Acquisition expenses	—	—	1,836	—	—	—	—	214	2,050
Impairment expense	—	—	—	—	—	—	8,864	—	8,864
Loss on equity method investment	5,620)	—	—	—	—	—	—	—	5,620
Adjustment to earnout provision	—	—	—	(3,780)	—	—	—	(956)	(4,736)
(Gain) loss on foreign currency transaction and other	(3,137)	—	—	—	—	—	—	—	(3,137)
	—	2,333	750	—	—	—	—	—	3,083
Management fees	28,053	1,000	290	500	500	500	500	500	31,843
Adjusted EBITDA	$ (11,995)	$ 38,544	$ 12,422	$ 33,041	$ 11,726	$ 27,241	$ 10,288	$ 31,622	$ 152,889

Note: Excludes adjusted EBITDA information from Clean Earth and Manitoba Harvest

CAD Reconciliation

(in thousands)	Year to Date 12/31/2019	Year Ended 12/31/2018	Year Ended 12/31/2017	Year Ended 12/31/2016	Year Ended 12/31/2015	Year Ended 12/31/2014	Year Ended 12/31/2013
Net Income	$307,141	$(1,790)	$33,612	$56,530	$165,770	$291,155	$78,816
Adjustment to reconcile net income to cash provided by operating activities:							
Depreciation and Amortization	100,462	120,575	110,051	87,405	63,072	55,696	46,227
Impairment expense	32,881	—	17,325	25,204	9,165	—	12,918
(Gain) loss on sale of businesses	(331,013)	(1,258)	(340)	(2,308)	(149,798)	(264,325)	—
Amortization of debt issuance costs and original issue discount	3,773	4,483	5,007	3,565	2,883	3,125	3,366
Unrealized (gain) loss on interest rate hedges	3,500	(2,251)	(648)	1,539	5,662	7,722	130
Loss (gain) on equity method investment	—	—	5,620	(74,490)	(4,533)	(11,029)	—
Noncontrolling shareholder charges	7,993	8,975	7,027	4,382	3,737	4,744	4,683
Deferred taxes	(12,876)	(9,472)	(59,429)	(9,669)	(3,131)	(8,601)	(5,257)
Supplemental put expense	—	—	—	—	—	—	(45,995)
Other	17,994	1,440	3,940	730	34	1,923	1,698
Changes in operating assets and liabilities	(45,293)	(6,250)	(40,394)	18,484	(8,313)	(9,715)	(24,212)
Net cash provided by operating activities	84,562	114,452	81,771	111,372	84,548	70,695	72,374
Plus:							
Unused fee on revolving credit facility	1,851	1,630	2,856	1,947	1,612	1,914	2,349
Integration service fee	281	2,719	3,083	1,667	3,500	1,000	—
Other	13,174	14,607	2,467	5,866	4,587	6,557	—
Changes in operating assets and liabilities	45,293	6,250	40,394	—	8,313	9,715	24,212
Less:							
Payments on interest rate swap	675	1,783	3,964	4,303	2,007	2,008	—
Maintenance capital expenditures	22,005	27,246	20,270	20,363	18,194	13,637	14,208
Realized gain from foreign currency	—	—	3,315	1,327	—	—	—
Changes in operating assets and liabilities	—	—	—	18,484	—	—	—
Preferred share distributions	15,125	12.179	2,457	—	—	—	—
Other	3,318	4,800	8,322	—	—	16,244	11,189
Estimated cash flow available for distribution and reinvestment	$104,038	$93,650	$92,243	$76,375	$82,359	$57,992	$73,538

COMPASS DIVERSIFIED

Thank you!