



# CODI Investor Day Presentation

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December 2020



# Welcome

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Elias Sabo



# Today's 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**

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



## **PATRICK MACIARIELLO**

Chief Operating Officer

Managing Partner

Investment Committee Member

Joined The Compass Group in 2005

Graduate of University of Notre Dame and Columbia Business School



## **SHAWN NEVILLE**

President & CEO, BOA Technology

Named CEO in June 2017

Seasoned executive with deep consumer/retail and technology experience at companies including Avery Dennison, Keds Corporation, Footaction USA, Reebok, Visa and Procter & Gamble

Graduate of the University of Denver



# 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.

# Today's Agenda



## **1** CODI Prepared Remarks — Elias Sabo

Disciplined Approach and Structural Advantage

Transforming CODI's Portfolio

Competitive Advantages

Investing in Tomorrow / ESG Initiatives

## **2** Subsidiary Update — Pat Maciariello

## **3** BOA Technology Presentation — Shawn Neville

## **4** BOA Technology Q&A — Shawn Neville and Elias Sabo

## **5** CODI Financial Review — Ryan Faulkingham

## **6** CODI Q&A — Elias Sabo, Ryan Faulkingham & Pat Maciariello

## **7** Closing Remarks — Elias Sabo





# Prepared Remarks

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Elias Sabo



# Compass Diversified (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

CODI is an experienced acquirer, manager and opportunistic divestor of established North American middle-market businesses; currently the portfolio is made up of 6 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 9/30/2020

**1998** **FOUNDED**  
IPO in 2006

**\$6.4B+** **AGGREGATE TRANSACTIONS**  
21 Platforms & 27 Add-Ons

**\$1.1B+** **REALIZED GAINS SINCE IPO**  
11 Divestitures To Date

**\$2.5B** **ASSETS MANAGED**  
10 Current Platforms

**~\$500M** **DRY POWDER**  
Permanent Capital Base  
Pro forma for BOA Deal

# Disciplined Approach and Structural Advantage in Action

## CODI IS POSITIONED TO DELIVER REGARDLESS OF ECONOMIC CLIMATE

- **If economic expansion** – ten 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 \$500mm in available capital to deploy into acquisitions at attractive prices

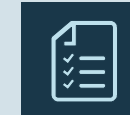
Our actions over the past two years demonstrate the effectiveness of this strategy:



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 acquisitions of Marucci Sports and BOA Technology

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



# 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 YOY despite COVID

# 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	\$190	\$590

# Competitive Advantages — How We Win

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

## 1 Permanent Capital is Strategic Capital

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

## 2 Actively Manage Subsidiaries for the Long Term

- Business builders rather than asset traders
- 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

## 3 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

## 4 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





# 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

With no pre-defined investment periods to drive our strategy, we can remain patient and disciplined in our approach to capital deployment and avoid the “moral hazard” faced by other private equity managers

From sourcing to exit, this permanent capital approach allows our team to be opportunistic and patient in acquiring, actively managing and opportunistically divesting leading middle market businesses



Certainty of financing and speed of closure



Invest in businesses to drive long term value creation



Enables a conservative, low leverage approach



Ability to hold subsidiaries until divestiture optimizes outcome for shareholders

# CODI in Action — Active Management

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

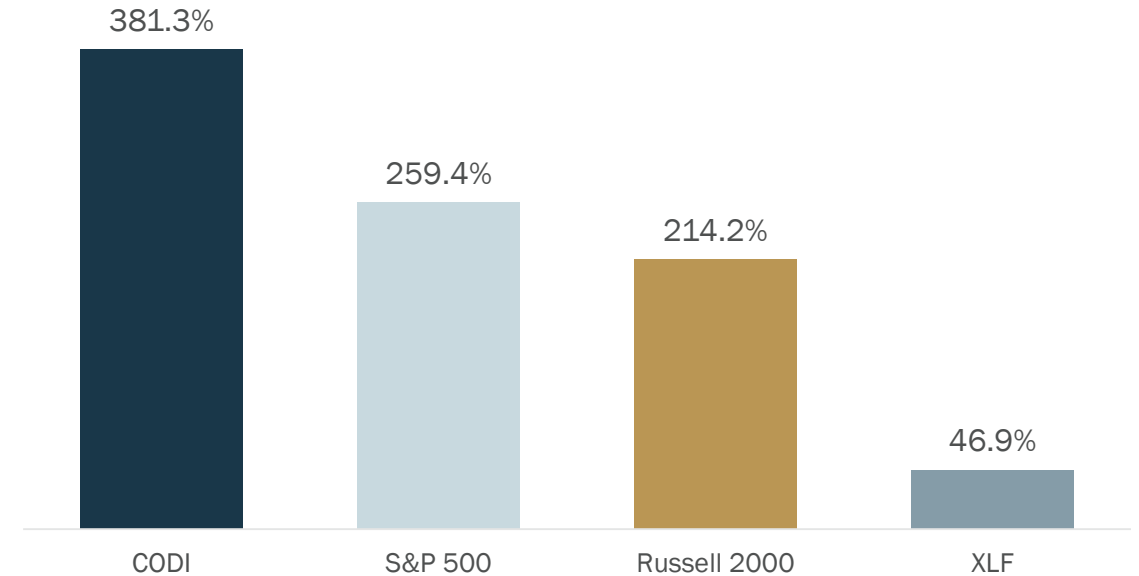
1 Strategic Acquisitions	2 Active Management	3 Opportunistic Divestitures
<ul style="list-style-type: none"><li>• Decentralized, regional business development efforts</li><li>• Balance sheet provides certainty of financing and speed of closure</li><li>• Permanent capital avoids “moral hazard” faced by private equity managers operating under a fixed fund life</li><li>• Approach and model is attractive to management teams</li></ul>	<ul style="list-style-type: none"><li>• Business builders rather than asset traders</li><li>• Focus on a few core areas that we believe translate into the highest value creation for our shareholders, including:<ul style="list-style-type: none"><li>• Creating a culture of accountability;</li><li>• Supporting our subsidiary management - enhancing talent and depth if needed;</li><li>• Investing in infrastructure and systems; and</li><li>• Enhancing strategic positioning through add-on acquisitions and growth capex.</li></ul></li></ul>	<ul style="list-style-type: none"><li>• Flexible model optimizes and prioritizes outcomes for all stakeholders</li><li>• Strong industry relationships</li><li>• Diverse range of exit strategies — have generated realized gains in excess of \$1 billion</li></ul>

# Management Team Alignment

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

- **Significant and growing ownership of CODI shares by partners and employees**
  - Acquired approximately \$4 million of stock using after-tax proceeds over the past 2 years
- **History of waiving management fees when appropriate**
  - Approximately \$20 million waived over the past 2 years
- **Compensation structure aligns interest of shareholders and management team and allows for recruitment of top-level talent**
  - Added new MD of Business Development and hired 2 additional investment professionals
- **Best in class governance structure**
  - Board remains majority independent and separated the roles of the Chairman and CEO

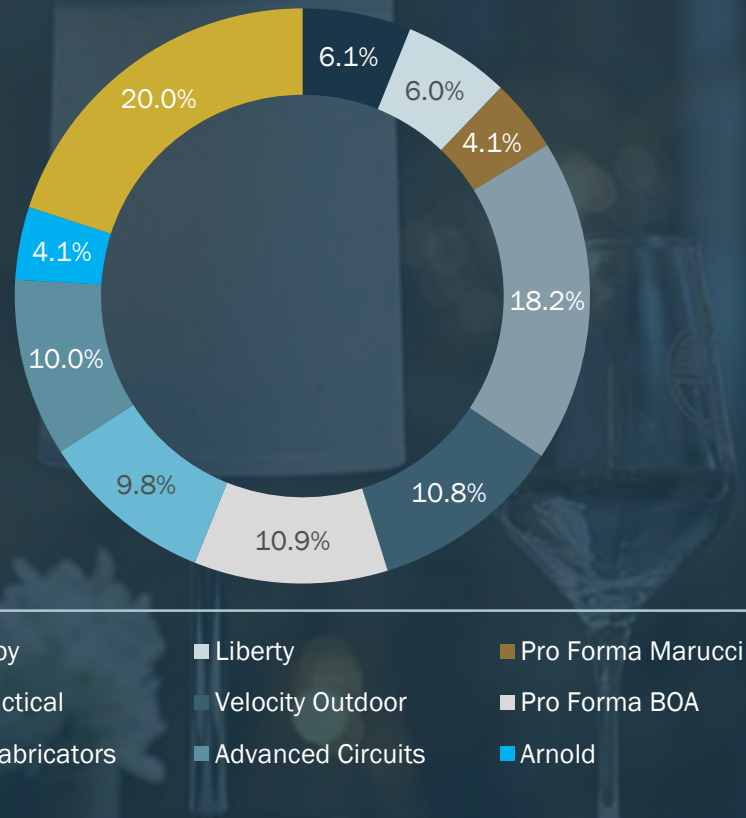
## TOTAL RETURN FROM MAY 16, 2006 THROUGH DECEMBER 3, 2020





# Diversity producing consistent cash flow and earnings

## Subsidiary Pro Forma Adjusted EBITDA



Note: References to Adjusted EBITDA includes Pro Forma information for Marucci and BOA.

## SEPTEMBER 30, 2020 TTM REVENUES AND SUBSIDIARY PRO FORMA ADJUSTED EBITDA OF \$1.6B AND \$284M, RESPECTIVELY



### DIVERSIFIED CASH FLOWS FROM 10 SUBSIDIARIES

- 4 niche industrial subsidiaries representing 42% of Revenues and 44% of Adjusted EBITDA
- 6 branded consumer subsidiaries representing 58% of Revenues and 56% of Adjusted EBITDA



### DIVERSIFIED CUSTOMER BASE

- 10 subsidiaries in diverse industry segments reduce customer concentration risk

# 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



“Everlove” buyback and resale program benefits families and the planet by extending the use of Ergobaby carriers



Going greener through its commitment to reducing the company’s carbon footprint



Made recent investments in LEED-certified facility and sophisticated water reclamation system



First industry player to introduce BioEPS®, a packaging solution that is 100% sustainable, recyclable, biodegradable and reusable



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

# Subsidiary Update


Pat Maciariello





# Subsidiary Snapshot

(\$ millions)

Subsidiaries	Year Acquired	TTM 09/30/20 <sup>(1)</sup>		
		Revenue	Adj. EBITDA	Adj. EBITDA Margin
 ADVANCED CIRCUITS	2006	\$91	\$28	31%
 ARNOLD MAGNETIC TECHNOLOGIES	2012	\$106	\$12	11%
 Foam Fabricators	2018	\$117	\$27	23%
 Sterno	2014	\$364	\$57	16%
<b>Total Niche Industrial:</b>		<b>\$678</b>	<b>\$124</b>	<b>18%</b>
 SOA DIALED IN.	2020	\$106	\$31	29%
 ergobaby	2010	\$81	\$17	21%
 LIBERTY	2010	\$109	\$17	16%
 marucci	2020	\$67	\$12	18%
 VELOCITY OUTDOOR	2017	\$189	\$31	16%
 5.11	2016	\$391	\$52	13%
<b>Total Branded Consumer:</b>		<b>\$943</b>	<b>\$160</b>	<b>17%</b>
<b>Consolidated:</b>		<b>\$1,621</b>	<b>\$284</b>	<b>18%</b>



### ACQUIRED

October 16, 2020



### INDUSTRY

Designer and marketer of dial-based closure systems that deliver performance fit across footwear, headwear and medical bracing products



### PURCHASE PRICE

\$454mm

Minority cash investment: \$61.5mm



### COMPASS VALUE ADDED

Working with Management to penetrate new product categories and geographies, and drive new product development initiatives



### COMPETITIVE STRENGTHS

- Disruptive, innovative and high-quality products
- Large addressable market
- Broad intellectual property position

# Financial Review

Ryan Faulkingham



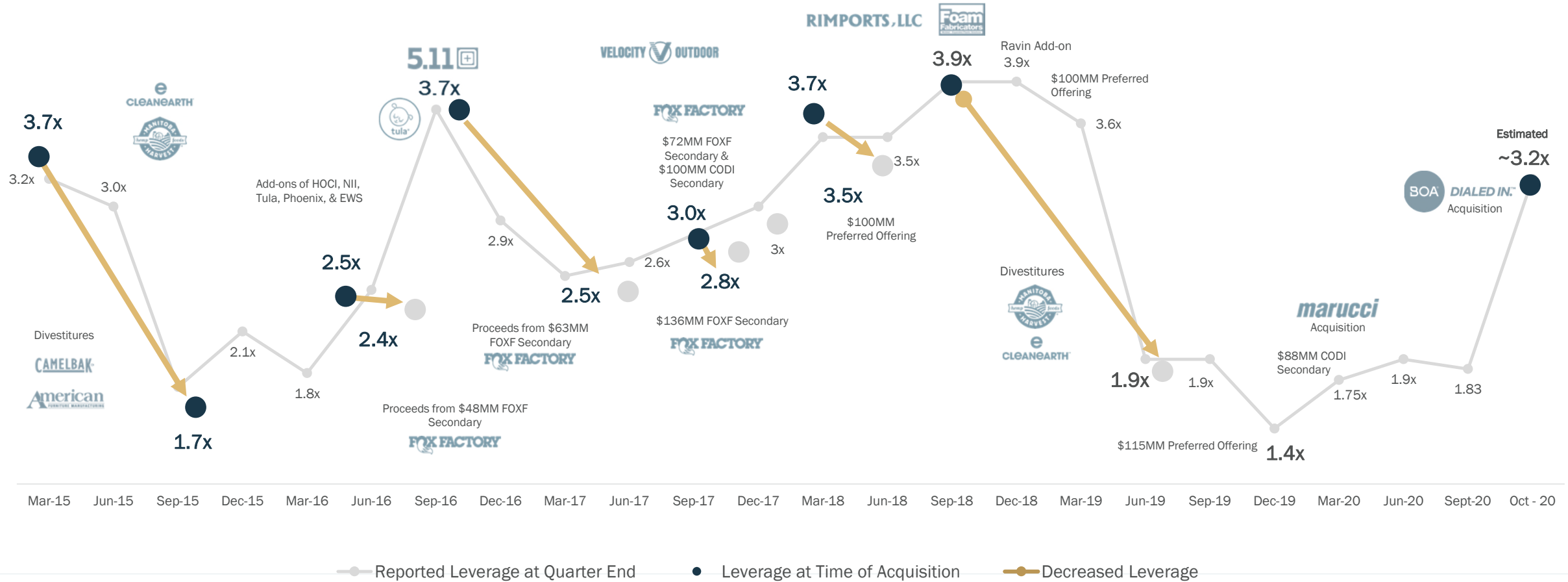
# Pro-Forma Balance Sheet — Summary Items (000,000's)



	September 30, 2020	Summary of BOA Acquisition	Pro-Forma September 30, 2020
<b>Current Assets:</b>			
Cash and cash equivalents	\$177	(\$100)	\$77
Other current assets	\$624	—	\$624
Total current assets	\$801	(100)	\$701
Property, plant and equipment	\$155	—	\$155
Goodwill, intangibles and other assets	\$1,236	\$460	\$1,696
Total assets	\$2,192	\$360	\$2,552
<b>Current Liabilities:</b>			
Revolver	—	\$300	\$300
Other current liabilities	\$284	—	\$284
Total current liabilities	\$284	\$300	\$584
Senior Secured Notes	\$592	—	\$592
Other liabilities	\$125	—	\$125
Total liabilities	\$1,001	\$300	\$1,301
<b>Stockholders' Equity:</b>			
Preferred equity (Series A, B and C)	\$304	—	\$304
Common Equity	\$1,009	—	\$1,009
Other Equity	\$(122)	\$60	\$(62)
Total stockholders' equity	\$1,191	\$60	\$1,251
Total liabilities and stockholders' equity	\$2,192	\$360	\$2,552
<b>Pro Forma Subsidiary Adjusted EBITDA</b>	<b>\$253</b>	<b>\$31</b>	<b>\$284</b>
<b>Leverage Ratio</b>	<b>1.83 : 1.00</b>		<b>~3.20 : 1.00</b>

# History of Successfully Deleveraging

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



# Revenue and EBITDA

## GUIDANCE FULL YEAR 2020

	Range
PF Adj. EBITDA	\$270,000 – \$280,000
Payout Ratio	100% – 90%

### PF REVENUE – Q3

	Three months ended September 30, 2020	Three months ended September 30, 2019	Increase (decrease)	%
Niche Industrial	\$179,653	\$195,566	(15,913)	-8.1%
Branded Consumer*	\$239,250	\$207,693	31,557	15.2%
PF Net Revenues	\$418,903	\$403,259		

### PF ADJ. EBITDA – Q3

	Three months ended September 30, 2020	Three months ended September 30, 2019	Increase (decrease)	%
Niche Industrial	\$30,824	\$37,749	(6,925)	-18.3%
Branded Consumer*	\$46,072	\$32,371	13,701	42.3%
PF Adj. EBITDA	\$76,896	\$ 70,120		

### PF REVENUE – YTD

	Nine months ended September 30, 2020	Nine months ended September 30, 2019	Increase (decrease)	%
Niche Industrial	\$491,340	\$540,574	(49,234)	-9.1%
Branded Consumer*	\$617,139	\$572,667	44,472	7.8%
PF Net Revenues	\$1,108,479	\$1,113,241		

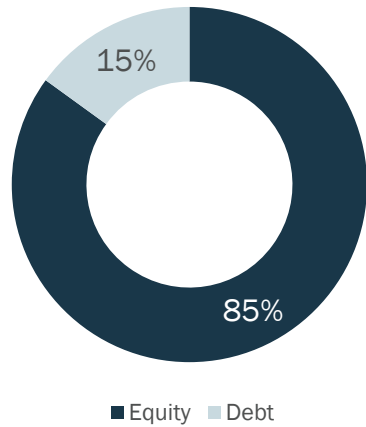
### PF ADJ. EBITDA – YTD

	Nine months ended September 30, 2020	Nine months ended September 30, 2019	Increase (decrease)	%
Niche Industrial	\$85,715	\$102,209	(16,494)	-16.1%
Branded Consumer*	\$97,624	\$82,926	14,698	17.7%
PF Adj. EBITDA	\$183,339	\$185,135		



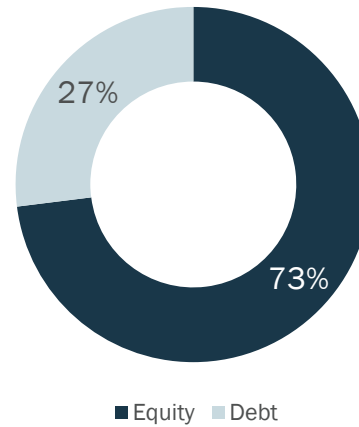
# Improving Cost of Capital

**MAY 2006**



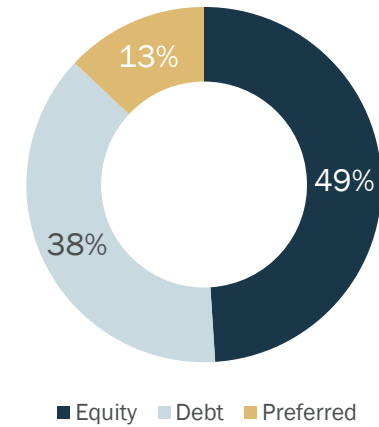
Rate on debt – 10.9%

**DEC 2011**



Rate on debt – 8.8%

**SEPT 2020  
PRO FORMA FOR BOA**



Rate on debt – 6.0%\*  
Rate on preferred – 7.7%

\*If we drew our entire Revolver, our effective rate on debt would decline to 5.5%



# Closing Remarks

Elias Sabo

# Strategy for 2021 and Beyond

**Key differentiators have positioned us to not only weather the storm brought on by COVID-19, but also to proactively execute on our growth strategy:**

- 1** Capital allocation
- 2** Unique permanent capital structure
- 3** Active management style
- 4** Diverse group of subsidiaries

Our subsidiaries are leaders in their respective industries and are poised to gain additional market share in the months and years to come

We are committed to taking a long-term perspective in building these businesses through strategic investments in people, processes and infrastructure

## COMPELLING OPPORTUNITIES FOR CODI TO GENERATE LONG TERM SHAREHOLDER VALUE DURING MARKET DISLOCATIONS LIKE WE ARE CURRENTLY EXPERIENCING



Executing on proven and disciplined acquisition strategy



Improving the operating performance of our companies



Opportunistically divesting



Enhancing our commitment to ESG initiatives across our portfolio



# Appendix

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# Current Subsidiaries

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# 5.11



## **PURCHASE PRICE** (AUGUST 2016)

\$400mm



## **INDUSTRY**

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



## **COMPETITIVE STRENGTHS**

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



## **COMPASS VALUE ADDED**

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

## **FINANCIALS**

	Revenue (\$ millions)	Adjusted EBITDA (\$ millions)
Nine Months Ended 9/30/2020	\$281.8	\$36.3
Nine Months Ended 9/30/2019	\$279.0	\$31.6
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





**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)
Nine Months Ended 9/30/2020	\$148.2	\$25.0
Nine Months Ended 9/30/2019	\$107.4	\$16.0
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 cyclical 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)
Nine Months Ended 9/30/2020	\$59.2	\$13.8
Nine Months Ended 9/30/2019	\$68.7	\$16.7
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



### **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)
Nine Months Ended 9/30/2020	\$80.6	\$13.9
Nine Months Ended 9/30/2019	\$67.6	\$7.6
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





## **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 Nine Months Ended 9/30/2020	\$47.3	\$8.6
Proforma Nine Months Ended 9/30/2019	\$50.0	\$11.0
Proforma Year Ended 12/31/2019	\$69.6	\$14.2



### PURCHASE PRICE (OCTOBER 2020)

\$454mm



### INDUSTRY

Designer and marketer of dial-based closure systems that deliver performance fit across footwear, headwear and medical bracing products



### COMPETITIVE STRENGTHS

- Market leader with strong brand awareness in core categories
- Diverse customer base with global end-market focus
- Broad intellectual property position creates barriers to entry



### COMPASS VALUE ADDED

Working with Management to penetrate new product categories and geographics, and drive new product development initiatives

### FINANCIALS

	Revenue (\$ millions)	Adjusted EBITDA (\$ millions)
Proforma Nine Months Ended 9/30/2020	\$77.2	\$24.2
Proforma Nine Months Ended 9/30/2019	\$77.8	\$23.1
Proforma Year Ended 12/31/2019	\$106.3	\$29.9



## PURCHASE PRICE (OCTOBER 2014)

**\$160mm**

+\$184mm add-on acquisition



## INDUSTRY

Foodservice and Consumer Products manufacturer and marketer



## 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



## 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)
Nine Months Ended 9/30/2020	\$258.1	\$34.8
Nine Months Ended 9/30/2019	\$289.1	\$46.5
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





## 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)
Nine Months Ended 9/30/2020	\$89.3	\$22.0
Nine Months Ended 9/30/2019	\$93.6	\$22.7
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



### **PURCHASE PRICE** (MARCH 2012)

\$129mm



### **INDUSTRY**

Engineered permanent magnet and magnetic assemblies, manufacturer of thin and ultra-thin alloy products in a variety of materials



### **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)
Nine Months Ended 9/30/2020	\$76.4	\$8.0
Nine Months Ended 9/30/2019	\$90.4	\$11.6
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



## 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



## PURCHASE PRICE (MAY 2006)

**\$81mm**

+\$19mm add-on acquisition



## INDUSTRY

Quick-turn production printed circuit board (“PCB”) manufacturing

## FINANCIALS

	Revenue (\$ millions)	Adjusted EBITDA (\$ millions)
Nine Months Ended 9/30/2020	\$67.4	\$20.9
Nine Months Ended 9/30/2019	\$67.4	\$21.4
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



# Financials

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# Balance Sheet — Condensed (000's)

September 30, 2020

## Current Assets:

Cash and cash equivalents	\$	176,819
Other current assets		623,856
Total current assets		800,675
Property, plant and equipment		155,601
Goodwill, intangibles and other assets		1,235,708
Total assets	\$	2,191,984

## Current Liabilities:

Current portion of debt	\$	—
Other current liabilities		283,776
Total current liabilities		283,776
Long-term debt		592,107
Other liabilities		125,408
Total liabilities		1,001,291

## Stockholders' Equity:

Controlling interest		1,119,899
Non-controlling interest		70,794
Total stockholders' equity		1,190,693
Total liabilities and stockholders' equity	\$	2,191,984

# Income Statement — Condensed (000's)

YTD September 30, 2020

Net Sales	\$	1,085,979
Cost of Sales		695,304
Gross Profit	\$	390,675
Operating Income	\$	62,883
Interest expense, net		(32,122)
Other income (expense)		(3,967)
Provision (benefit) for income taxes		8,477
Income from discontinued operations, net of income tax		—
Net gain on sales of discontinued operations		100
Net Income	\$	18,417
Noncontrolling interest		4,003
Net income attributable to Holdings	\$	14,414



# Cash Flow Statement — Condensed (000's)

YTD September 30, 2020

Net cash provided in operating activities	\$	112,872
Net cash used in investing activities	\$	(236,502)
Net cash provided by financing activities	\$	200,395
Effect of foreign currency on cash	\$	(260)
Net increase in cash and cash equivalents	\$	76,505

# Adjusted EBITDA

Nine months ended September 30, 2020

	Corporate	5.11	Ergobaby	Liberty	Marucci Sports	Velocity Outdoor	ACI	Arnold	Foam	Sterno	Consolidated
<b>Net income (loss)</b>	\$(10,535)	\$5,515	\$1,837	\$7,119	\$(5,334)	\$4,245	\$10,980	\$(1,719)	\$4,188	\$2,131	\$18,417
Adjusted for:											
Provision (benefit) for income taxes	—	(55)	2,265	2,357	(2,351)	1,386	2,878	(56)	1,891	162	8,477
Interest expense, net	31,971	43	—	—	6	102	—	—	—	—	32,122
Intercompany interest	(51,429)	10,770	1,818	2,748	1,194	6,945	4,176	4,300	5,290	14,188	—
Depreciation and amortization	467	16,033	6,152	1,294	8,031	9,651	1,980	5,040	9,473	17,251	75,372
<b>EBITDA</b>	(29,526)	32,306	12,072	13,518	1,536	22,329	20,014	7,565	20,842	33,732	134,388
Gain on sale of business	(100)	—	—	—	—	—	—	—	—	—	(100)
Other (income) expense	3	1,398	—	(4)	(46)	1,048	126	(1)	(438)	86	2,172
Noncontrolling shareholder compensation	—	1,870	748	22	361	1,287	372	34	771	651	6,116
Acquisition expenses and other	—	—	—	—	2,042	—	—	—	273	—	2,315
Integration service fee	—	—	—	—	500	—	—	—	—	—	500
Other	—	—	598	—	—	—	—	—	—	—	598
Management fees	19,651	750	375	375	222	375	375	375	563	375	23,436
<b>Adjusted EBITDA</b>	\$(9,972)	\$ 36,324	\$13,911	\$13,911	\$4,615	\$25,039	\$20,887	\$7,973	\$22,011	\$34,844	\$169,425

# Adjusted EBITDA

Nine months ended September 30, 2019

	Corporate	5.11	Ergobaby	Liberty	Marucci Sports	Velocity Outdoor	ACI	Arnold	Foam	Sterno	Consolidated
<b>Net income (loss) (1)</b>	\$292,440	\$(1,071)	\$4,251	\$1,404		\$(35,242)	\$11,035	\$(132)	\$3,383	\$8,819	\$284,887
Adjusted for:											
Provision (benefit) for income taxes	—	742	2,248	1,058		(2,198)	2,934	1,679	1,492	2,420	10,375
Interest expense, net	48,247	2	—	—		173	(1)	(1)	—	4	48,424
Intercompany interest	(61,609)	13,500	2,640	3,278		8,484	5,029	4,777	6,675	17,266	—
Loss on debt extinguishment	5,038	—	—	—		—	—	—	—	—	5,038
Depreciation and amortization	1,333	16,037	6,566	1,248		9,937	1,830	4,883	9,258	16,793	67,885
<b>EBITDA</b>	285,449	29,210	15,705	6,988		(18,846)	20,827	11,206	20,808	45,262	416,609
Gain on sale of businesses	(330,203)	—	—	—	Not Applicable	—	—	—	—	—	(330,203)
Other (income) expense	91	(92)	(11)	10		968	(22)	(3)	256	16	1,213
Noncontrolling shareholder compensation	—	1,742	620	(15)		86	167	32	767	866	4,265
Impairment expense	—	—	—	—		33,381	—	—	—	—	33,381
Loss on sale of investment	10,193	—	—	—		—	—	—	—	—	10,193
Integration services fee	—	—	—	—		—	—	—	281	—	281
Other	—	—	—	266		—	58	—	—	—	324
Management fees	24,789	750	375	375		375	375	375	563	375	28,352
<b>Adjusted EBITDA</b>	<b>\$(9,681)</b>	<b>\$31,610</b>	<b>\$16,689</b>	<b>\$7,624</b>		<b>\$15,964</b>	<b>\$21,405</b>	<b>\$11,610</b>	<b>\$22,675</b>	<b>\$46,519</b>	<b>\$164,415</b>



# Adjusted EBITDA

Year Ended December 31, 2019

	Corporate	5.11	Ergobaby	Liberty	Velocity Outdoor	Advanced Circuits	Arnold	Foam Fabricators	Sterno	Consolidated
<b>Net income (loss) <sup>(4)</sup></b>	\$ 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
<b>EBITDA</b>	<b>273,581</b>	<b>43,662</b>	<b>18,946</b>	<b>10,093</b>	<b>(15,106)</b>	<b>27,958</b>	<b>14,819</b>	<b>25,228</b>	<b>66,958</b>	<b>466,139</b>
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
<b>Adjusted EBITDA</b>	<b>\$ (14,867)</b>	<b>\$ 46,900</b>	<b>\$ 20,263</b>	<b>\$ 10,867</b>	<b>\$ 21,571</b>	<b>\$ 28,926</b>	<b>\$ 15,376</b>	<b>\$ 28,531</b>	<b>\$ 68,529</b>	<b>\$ 226,096</b>

# Adjusted EBITDA

Year Ended December 31, 2018

	Corporate	5.11	Ergobaby	Liberty	Velocity Outdoor	Advanced Circuits	Arnold	Foam	Sterno	Consolidated
<b>Net income (loss)</b>	\$ (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
<b>EBITDA</b>	(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
<b>Adjusted EBITDA</b>	\$ (14,267)	\$ 32,303	\$ 21,138	\$ 8,060	\$ 20,543	\$ 29,954	\$ 13,976	\$ 26,556	\$ 63,845	\$ 202,108

# Adjusted EBITDA

Year Ended December 31, 2017

	Corporate	5.11	Velocity Outdoor	Ergobaby	Liberty	Advanced Circuits	Arnold	Sterno	Consolidated
<b>Net income (loss)</b>	\$ (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
<b>EBITDA</b>	(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
<b>Adjusted EBITDA</b>	\$ (11,995)	\$ 38,544	\$ 12,422	\$ 33,041	\$ 11,726	\$ 27,241	\$ 10,288	\$ 31,622	\$ 152,889



# CAD Reconciliation

(in thousands)	Year to Date	Year to Date	Year Ended	Year Ended	Year Ended	Year Ended	Year Ended
	9/30/2020	9/30/2019	12/31/2019	12/31/2018	12/31/2017	12/31/2016	12/31/2015
Net Income	\$18,417	\$301,788	\$307,141	\$(1,790)	\$33,612	\$56,530	\$165,770
Adjustment to reconcile net income to cash provided by operating activities:							
Depreciation and Amortization	73,578	78,413	100,462	120,575	110,051	87,405	63,072
Impairment expense	—	33,381	32,881	—	17,325	25,204	9,165
(Gain) loss on sale of businesses	(100)	(330,203)	(331,013)	(1,258)	(340)	(2,308)	(149,798)
Amortization of debt issuance costs and original issue discount	1,656	3,022	3,773	4,483	5,007	3,565	2,883
Unrealized (gain) loss on interest rate hedges	—	3,486	3,500	(2,251)	(648)	1,539	5,662
Loss (gain) on equity method investment	—	—	—	—	5,620	(74,490)	(4,533)
Noncontrolling shareholder charges	6,116	6,204	7,993	8,975	7,027	4,382	3,737
Deferred taxes	(3,352)	(14,538)	(12,876)	(9,472)	(59,429)	(9,669)	(3,131)
Supplemental put expense	—	—	—	—	—	—	—
Other	6,150	8,747	17,994	1,440	3,940	730	34
Changes in operating assets and liabilities	10,407	(58,716)	(45,293)	(6,250)	(40,394)	18,484	(8,313)
Net cash provided by operating activities	112,872	31,584	84,562	114,452	81,771	111,372	84,548
Plus:							
Unused fee on revolving credit facility	1,148	1,393	1,851	1,630	2,856	1,947	1,612
Integration service fee	500	281	281	2,719	3,083	1,667	3,500
Other	2,315	11,152	13,174	14,607	2,467	5,866	4,587
Changes in operating assets and liabilities	—	58,716	45,293	6,250	40,394	—	8,313
Less:							
Payments on interest rate swap	—	675	675	1,783	3,964	4,303	2,007
Maintenance capital expenditures	10,366	14,760	22,005	27,246	20,270	20,363	18,194
Realized gain from foreign currency	—	—	—	—	3,315	1,327	—
Changes in operating assets and liabilities	10,407	—	—	—	—	18,484	—
Preferred share distributions	17,633	11,344	15,125	12,179	2,457	—	—
Other	3,776	2,301	3,318	4,800	8,322	—	—
Estimated cash flow available for distribution and reinvestment	\$74,653	\$74,046	\$104,038	\$93,650	\$92,243	\$76,375	\$82,359

Thank you!

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