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Compass Diversified Holdings Subsidiary, Clean Earth, Acquires AERC Recycling Solutions

Accretive Add-On Acquisition Adds to Clean Earth's Service Offerings, Expands Geographic Presence and Creates New Cross-Selling Opportunities

WESTPORT, Conn., March 27, 2017 /PRNewswire/ -- Compass Diversified Holdings (NYSE: CODI) ("CODI" or the "Company"), an owner of leading middle market businesses, announced today that its subsidiary, Clean Earth, Inc. ("Clean Earth"), has acquired AERC Recycling Solutions ("AERC").

Headquartered in Allentown, PA, AERC is a nationally regulated and permitted universal waste and electronic waste recycling company serving over 2,500 commercial and industrial customers across the United States. AERC processes fluorescent and mercury lamps, batteries, ballasts, retort and other forms of commonly produced hazardous wastes. In addition, AERC provides comprehensive electronic waste recycling services, specializing in asset recovery, disassembly and secure information destruction. Founded in 1990, AERC owns and operates processing facilities in Allentown, PA, Richmond, VA, West Melbourne, FL, and Hayward, CA, as well as a transfer station in Bolingbroke, GA. AERC's universal waste facility in Allentown has a RCRA Part B permit. For the trailing twelve months ended December 31, 2016, AERC reported net revenue of approximately \$13 million. CODI funded the purchase price through available cash on its balance sheet.

Commenting on the transaction, Alan Offenberg, CEO of CODI, said, "The acquisition of AERC makes this our fourth accretive add-on acquisition since acquiring Clean Earth in 2014. This addition will expand Clean Earth's service offering to include universal and electronic waste processing capabilities, while creating new cross-selling opportunities for Clean Earth. The acquisition will enhance Clean Earth's presence in the Eastern U.S., while giving the company coast-to-coast coverage via AERC's California-based facilities. Utilizing CODI's considerable financial resources, we will continue to pursue add-on and platform acquisitions of attractive middle market companies to generate long-term shareholder value."

Chris Dods, CEO of Clean Earth, commented, "For over 25 years, AERC has been a leader in serving the universal and electronic waste processing needs of commercial and industrial customers across the nation. The addition of AERC enables us to recycle these wastes internally while opening up new opportunities for cross selling with existing customers and adding new regional and national customers."

About Compass Diversified Holdings ("CODI")

CODI owns and manages a diverse family of established North American middle market businesses. Each of its current subsidiaries is a leader in its niche market.

CODI maintains controlling ownership interests in each of its subsidiaries in order to maximize its ability to impact long term cash flow generation and value. The Company provides both debt and equity capital for its subsidiaries, contributing to their financial and operating flexibility. CODI utilizes the cash flows generated by its subsidiaries to invest in the long-term growth of the Company and to make cash distributions to its shareholders.

Our eight majority-owned subsidiaries are engaged in the following lines of business:

- 1 The design and marketing of purpose-built tactical apparel and gear serving a wide range of global customers (**5.11**);
- 1 The manufacture of quick-turn, small-run and production rigid printed circuit boards (**Advanced Circuits**);
- 1 The manufacture of engineered magnetic solutions for a wide range of specialty applications and end-markets (**Arnold Magnetic Technologies**);
- 1 Environmental services for a variety of contaminated materials including soils, dredged material, hazardous waste and drill cuttings (**Clean Earth**);
- 1 The design and marketing of wearable baby carriers, strollers and related products (**ERGObaby**);
- 1 The design and manufacture of premium home and gun safes (**Liberty Safe**);
- 1 The manufacture and marketing of branded, hemp-based food products (**Manitoba Harvest**); and
- 1 The manufacture and marketing of portable food warming fuels and creative ambience solutions for the hospitality and consumer markets (**Sterno Products**).

This press release may contain certain forward-looking statements, including statements with regard to the future

performance of CODI. Words such as "believes," "expects," "projects," and "future" or similar expressions, are intended to identify forward-looking statements. These forward-looking statements are subject to the inherent uncertainties in predicting future results and conditions. Certain factors could cause actual results to differ materially from those projected in these forward-looking statements, and some of these factors are enumerated in the risk factor discussion in the Form 10-K filed by CODI with the SEC for the year ended December 31, 2016 and other filings with the SEC. Except as required by law, CODI undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

To view the original version on PR Newswire, visit:<http://www.prnewswire.com/news-releases/compass-diversified-holdings-subsiary-clean-earth-acquires-aerc-recycling-solutions-300429494.html>

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