



## Compass Diversified Holdings

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Exchange:	NYSE
Ticker:	CODI
Price (08/02/17):	\$17.35
Market Cap:	\$1,039.3M
52 Week High:	\$19.50
52 Week Low:	\$15.90
Shares Outstanding:	59,900
Fiscal year end:	December 31

## Investment Considerations

### Niche Leading Subsidiaries:

Opportunity to own highly defensible middle market businesses with strong cash flows and a 'reason to exist.' These businesses are typically owned by founding families or private equity firms; CODI provides liquid ownership platform with high levels of transparency and governance.

### Considerable Financial Strength:

Approximately \$545 million available under \$550 million revolving line of credit, \$39.3 million in cash and net working capital of \$286.2 million.

### Strong Growth Prospects:

Opportunities for organic growth at each of our niche market leading subsidiaries are enhanced by the operating flexibility created by our financial strength. In addition, our financial capacity enables us to aggressively pursue attractive opportunities to grow our company through add-on or new platform subsidiary acquisitions.

### Attractive Distribution:

\$0.36 per share quarterly distribution declared on 07/06/17. Cumulative distributions of \$15.3552 paid since CODI's May 2006 IPO. CODI has never reduced the quarterly payout in its history as a public company.

### Proven Management:

Highly successful management team with a proven track record over the past twelve years of acquiring, managing and growing middle market businesses through various economic conditions.

## About Compass Diversified Holdings

Compass Diversified Holdings ("CODI") offers our shareholders an opportunity to own profitable middle market businesses that hold highly defensible positions in their individual market niches.

We own controlling interests in our subsidiary businesses, which maximizes our ability to impact their performance. Our model for creating shareholder value involves discipline in identifying and valuing businesses and proactive engagement with the management teams of the companies we acquire. From time to time, we will monetize our interests in those subsidiaries if we believe that doing so will maximize value to our owners.

We deliver a high level of transparency in our financial reporting and governance processes. We believe our owners deserve and should demand nothing less.

CODI owns and manages nine diverse subsidiaries; we believe that these businesses will continue to produce stable and growing cash flows over the long term, enabling us both to invest in the long-term growth of the company and to make distributions of cash to our shareholders.

## Diverse Portfolio of Leading Middle Market Companies



**5.11** is a leading designer and marketer of purpose built tactical apparel and gear serving a wide range of customers through outdoor retailers, military exchanges, company-owned retail, online, and a global network of dealers and distributors.



**Advanced Circuits** is a market leading provider of prototype, quick-turn, and volume printed circuit boards, or PCBs, throughout North America.



**Arnold Magnetic Technologies** is a global manufacturer of engineered magnetic solutions for a wide range of specialty applications and end-markets.



**Clean Earth** is a leading provider of environmental services for a variety of contaminated materials including soils, dredged materials, hazardous waste and drill cuttings.



**Crosman** is designer, manufacturer and marketer of airguns, archery products, optics and related accessories.



**ERGObaby** is a premier designer, marketer and distributor of babywearing products and accessories.



**Liberty Safe** is the premier designer, manufacturer and marketer of home and gun safes in North America, producing home and gun safe models in a broad assortment of sizes, features and styles.



**Manitoba Harvest** is a manufacturer and marketer of branded, hemp-based food products, which are carried in thousands of retail stores across the US and Canada.



**Sterno Products** is a manufacturer and marketer of portable food warming fuel and creative table lighting solutions for the foodservice industry.

Gains from monetizing interests in subsidiary businesses have totaled approximately \$770 million since CODI's IPO in 2006

Sold Tridien Medical for a TEV of \$25 million in September 2016.

Sold CamelBak Products, LLC for a TEV of approximately \$412.5 million in July 2015, which resulted in a gain to CODI of \$164.0 million.

Generated debt and equity proceeds totaling approximately \$525 million from the IPO and subsequent secondary offerings of CODI's Fox subsidiary in August 2013, July 2014, March 2016, August 2016, November 2016, and March 2017 respectively.

Sold Halo Holding Corporation for a TEV of approximately \$76.5 million in May 2012, which did not result in a significant gain or loss.

Sold Staffmark Holdings, Inc. for a TEV of approximately \$295 million in October 2011, which resulted in a gain to CODI of \$88.6 million.

Sold Silvue Technologies Group, Inc. for a TEV of approximately \$95 million in June 2008, which resulted in a gain to CODI of \$38.3 million.

Sold Aeroglide Corporation for a TEV of approximately \$95 million in June 2008, which resulted in a gain to CODI of \$34 million.

Sold Crosman Acquisition Corporation for a TEV of approximately \$143 million in January 2007, which resulted in a gain to CODI of \$36 million.

### Management Team

C. Sean Day, *Chairman*  
 Alan B. Offenberg, *Chief Executive Officer*  
 Ryan Faulkingham, *Chief Financial Officer*

Compass Group Management LLC manages the day-to-day operations and affairs of the company, oversees the management and operations of the businesses and performs certain other services.

### Sell-side Analysts

Sun Trust - Douglas Mewhirter  
 CJS Securities - Larry Solow  
 Raymond James - Robert Dodd  
 William Blair - Robert Napoli  
 Jefferies - Kyle Joseph  
 BAML - Derek Hewitt  
 Janney - Mitchel Penn

### Company News

08/02/17 Reports Second Quarter 2017 Financial Results  
 07/20/17 Acquires Commercial Business of LaserMax, Inc.  
 07/06/17 Declares Second Quarter 2017 Distribution of \$0.36 Per Share  
 06/19/17 Announces Pricing of \$100 Million Preferred Share Offering  
 06/05/17 Acquires Crosman Corporation

### Investor Contact

For additional information, contact Leon Berman of The IGB Group at (212) 477-8438 or [berman@igbir.com](mailto:berman@igbir.com).

## Long-Term Growth Strategy

### Acquisition Targets

We acquire niche-leading middle market businesses in various industries. These businesses are frequently ones that have 'outgrown' their entrepreneurial founder or are non-core subsidiaries of a larger parent corporation. Other qualities we look for include:

- Significant market share in a defensible industry niche
- Proven management team
- Low technological and/or product obsolescence risk
- Diverse customer and supplier base

### Operating Improvements

We work with our subsidiary management teams to expand cash flows by:

- Pursuing organic and/or external growth opportunities
- Considering alternate product applications or sourcing
- Improving management information systems
- Enhancing financial reporting and monitoring
- Implementing appropriate incentive compensation programs

### Key Factors for Success

- Disciplined approach to valuation and due diligence
- Proactive monitoring and management

## Financial Results

The results of operations are for the six months ended June 30, 2017 and 2016 and for the years ended December 31, 2016, 2015 and 2014. Please note - Cash Flow Available For Distribution does not include gains from the sale of businesses.

(in thousands)	Six Months Ended 06/30/2017	Six Months Ended 06/30/2016	Year Ended 12/31/2016	Year Ended 12/31/2015
Revenue	\$597,373	\$407,463	\$978,309	\$727,978
Cash Flow Available For Distribution	\$40,417	\$29,218	\$76,375	\$82,359
Common Shares Outstanding	59,900	54,300	59,900	54,300
Preferred Shares Outstanding	4,000	N/A	N/A	N/A

The information in this document may include forward-looking statements. All statements, other than statements of historical facts, which address activities, events or developments that the Company expects or anticipates will or may occur in the future, are forward-looking statements. These statements are subject to risks and uncertainties, which could cause actual results and developments to differ materially from these statements. A complete discussion of these risks and uncertainties is contained in the Company's reports and documents files from time to time with the Securities and Exchange Commission.