

Compass Health
Income Statement

	March							YTD						
	Actual	2023 Budget	Var\$ F/(U)	Var%	PY	Var\$ F/(U)	Var%	Actual	2023 Budget	Var\$ F/(U)	Var%	PY	Var\$ F/(U)	Var%
(\$ in thousands)														
Sales	\$16,666	\$16,206	\$461	2.8%	\$19,769	(\$3,103)	-15.7%	\$46,776	\$46,605	\$171	0.4%	\$55,288	(\$8,512)	-15.4%
Cost of Goods	(10,973)	(10,702)	(271)	2.5%	(14,464)	3,490	-24.1%	(31,033)	(31,061)	28	-0.1%	(39,740)	8,708	-21.9%
Net Margin	\$5,693	\$5,504	\$189	3.4%	\$5,305	\$388	7.3%	\$15,743	\$15,544	\$199	1.3%	\$15,548	\$196	1.3%
Other Cost of Sales														
Freight - Outbound	(1,549)	(1,522)	(27)	1.8%	(1,494)	(55)	3.7%	(4,304)	(4,322)	18	-0.4%	(4,166)	(138)	3.3%
Wages - Warehouse	(454)	(484)	30	-6.1%	(450)	(4)	0.9%	(1,309)	(1,362)	53	-3.9%	(1,331)	22	-1.6%
Indirect Costs	(403)	(368)	(35)	9.5%	(355)	(48)	13.6%	(1,190)	(1,126)	(64)	5.7%	(1,071)	(119)	11.1%
Total Other Cost of Sales	(\$2,406)	(\$2,373)	(\$33)	1.4%	(\$2,299)	(\$107)	4.7%	(\$6,803)	(\$6,810)	\$7	-0.1%	(\$6,567)	(\$236)	3.6%
Gross Profit	\$3,287	\$3,130	\$157	5.0%	\$3,006	281	9.3%	\$8,940	\$8,734	\$206	2.4%	\$8,980	(\$40)	-0.4%
Operating Expenses														
Selling	(1,111)	(1,037)	(74)	7.2%	(1,030)	(81)	7.9%	(3,149)	(3,008)	(141)	4.7%	(3,094)	(56)	1.8%
General & Admin.	(1,506)	(1,482)	(24)	1.6%	(\$1,210)	(296)	24.4%	(4,241)	(4,268)	27	-0.6%	(3,490)	(751)	21.5%
Other, Net	(469)	(588)	120	-20.3%	(604)	135	-22.4%	(1,645)	(1,765)	120	-6.8%	(1,811)	166	-9.2%
Total Operating Expenses	(\$3,086)	(\$3,107)	\$21	-0.7%	(\$2,844)	(\$242)	8.5%	(\$9,035)	(\$9,041)	\$6	-0.1%	(\$8,395)	(\$640)	7.6%
Depr. & Amort.	609	741	(131)		750	141		2,063	2,206	(142)		2,251	(188)	
EBITDA	\$811	\$764	\$47	6.1%	\$913	(\$102)	-11.2%	\$1,969	\$1,899	\$70	3.7%	\$2,837	(\$868)	-30.6%
Memo: Incr Inbound Frght; (variance vs baeline of \$3800)	620	701	81		1,899	1,278		2,155	2,308	154		5,079	2,924	
Memo #2: Incr Inbound Frght vs \$4K current booking rate	585	666												
EBITDA w/ IBF at Current Booking Rates	\$1,396	\$1,431	(\$35)	-2.4%										
Margin Performance														
Net Margin	34.2%	34.0%	20 bps		26.8%	732 bps		33.7%	33.4%	30 bps		28.1%	554 bps	
Freight	9.3%	9.4%	10 bps		7.6%	-174 bps		9.2%	9.3%	7 bps		7.5%	-167 bps	
Warehouse Wages	2.7%	3.0%	26 bps		2.3%	-45 bps		2.8%	2.9%	12 bps		2.4%	-39 bps	
Indirect Costs	2.4%	2.3%	-15 bps		1.8%	-62 bps		2.5%	2.4%	-13 bps		1.9%	-61 bps	
Gross Margin	19.7%	19.3%	41 bps		15.2%	452 bps		19.1%	18.7%	37 bps		16.2%	287 bps	
EBITDA Margin	4.9%	4.7%	15 bps		4.6%	25 bps		4.2%	4.1%	13 bps		5.1%	-92 bps	

Compass Health
Income Statement

	Actual					Budget					Actual					Budget					Actual					Budget				
	1 Month Ended				Variance	1 Month Ended				Variance	YTD as of				Variance	YTD as of				Variance	YTD as of				Variance					
	March-23		March-23			March-22		Mar-23			March-23		Mar-22			Mar-23		Mar-22			Mar-22		Mar-22			Mar-22				
Sales	\$16,666,208	100.0%	\$16,205,539	100.0%	\$460,669	\$19,768,924	100.0%		(\$3,102,716)	\$46,776,099	100.0%	\$46,604,654	100.0%	\$171,445	\$55,287,943	100.0%		(\$8,511,844)	\$55,287,943	100.0%		(\$8,511,844)								
Cost of Prd	10,973,215	65.8%	10,701,855	66.0%	(271,360)	14,463,668	73.2%		3,490,453	31,032,679	66.3%	31,060,548	66.6%	27,869	39,740,288	71.9%		8,707,609	39,740,288	71.9%		8,707,609								
Product Margin	\$5,692,992	34.2%	\$5,503,684	34.0%	\$189,309	\$5,305,256	26.8%		\$387,737	\$15,743,420	33.7%	\$15,544,106	33.4%	\$199,314	\$15,547,655	28.1%		\$195,765	\$15,547,655	28.1%		\$195,765								
Other Cost of sales:																														
Freight - Outgoing	1,549,067	9.3%	1,521,883	9.4%	(27,184)	1,494,420	7.6%		(54,647)	4,304,470	9.2%	4,322,371	9.3%	17,901	4,166,337	7.5%		(138,134)	4,166,337	7.5%		(138,134)								
Wages - warehouse	453,897	2.7%	483,556	3.0%	29,659	449,987	2.3%		(3,910)	1,308,792	2.8%	1,361,994	2.9%	53,202	1,330,528	2.4%		21,736	1,330,528	2.4%		21,736								
Indirect costs	403,045	2.4%	368,049	2.3%	(34,996)	354,693	1.8%		(48,352)	1,189,808	2.5%	1,125,666	2.4%	(64,142)	1,070,557	1.9%		(119,251)	1,070,557	1.9%		(119,251)								
Customer	-	0.0%	-	0.0%	-	-	0.0%		-	-	0.0%	-	0.0%	-	-	0.0%		-	-	0.0%		-								
Total other cost of sales	\$2,406,009	14.4%	\$2,373,488	14.6%	-\$32,521	\$2,299,101	11.6%		(\$106,909)	\$6,803,070	14.5%	\$6,810,031	14.6%	\$6,961	\$6,567,422	11.9%		(\$235,648)	\$6,567,422	11.9%		(\$235,648)								
Gross profit	\$3,286,983	19.7%	\$3,130,196	19.3%	\$156,788	\$3,006,155	15.2%		\$280,828	\$8,940,350	19.1%	\$8,734,074	18.7%	\$206,275	\$8,980,233	16.2%		(\$39,883)	\$8,980,233	16.2%		(\$39,883)								
Operating expenses:																														
Selling expenses	1,111,106	6.7%	1,036,823	6.4%	(74,282)	1,029,897	5.2%		(81,209)	3,149,372	6.7%	3,008,040	6.5%	(141,332)	3,093,753	5.6%		(55,619)	3,093,753	5.6%		(55,619)								
General and admin expenses	1,505,874	9.0%	1,481,641	9.1%	(24,233)	1,210,270	6.1%		(295,603)	4,240,543	9.1%	4,268,022	9.2%	27,479	3,490,011	6.3%		(750,532)	3,490,011	6.3%		(750,532)								
Total operating expense	\$2,616,979	15.7%	\$2,518,464	15.5%	(\$98,515)	\$2,240,167	11.3%		(\$376,812)	\$7,389,915	15.8%	\$7,276,063	15.6%	(\$113,852)	\$6,583,763	11.9%		(\$806,151)	\$6,583,763	11.9%		(\$806,151)								
Income (loss) from operations	\$670,004	4.0%	\$611,731	3.8%	\$58,272	\$765,988	3.9%		(\$95,984)	\$1,550,435	3.3%	\$1,458,012	3.1%	\$92,423	\$2,396,470	4.3%		(\$846,035)	\$2,396,470	4.3%		(\$846,035)								
Total other (income) expense	1,485,095	8.9%	1,490,674	9.2%	5,579	1,290,160	6.5%		194,935	4,187,296	9.0%	4,254,364	9.1%	67,068	3,838,653	6.9%		348,643	3,838,653	6.9%		348,643								
Net income (loss) before taxes	(\$815,091)	-4.9%	(\$878,942)	-5.4%	\$63,851	-\$524,172	-2.7%		(\$290,919)	(\$2,636,861)	-5.6%	(\$2,796,352)	-6.0%	\$159,491	(1,442,184)	-2.6%		(\$1,194,677)	(1,442,184)	-2.6%		(\$1,194,677)								
Provision For Income Taxes	51,804	0.3%	41,339	0.3%	(10,465)	59,643	0.3%		7,839	85,984	0.2%	67,629	0.1%	(18,355)	203,372	0.4%		117,388	203,372	0.4%		117,388								
Net income (loss)	(\$866,895)	-5.2%	(\$920,281)	-5.7%	\$53,386	(\$583,816)	-3.0%		(\$283,079)	(\$2,722,845)	-5.8%	(\$2,863,981)	-6.1%	\$141,135	(1,645,556)	-3.0%		(\$1,077,289)	(1,645,556)	-3.0%		(\$1,077,289)								
Adjustments to arrive at EBITDA																														
Interest Expense	800,628	4.8%	808,292	5.0%	7,664	615,846	3.1%		184,782	2,348,599	5.0%	2,358,314	5.1%	9,714	1,952,971	3.5%		395,628	1,952,971	3.5%		395,628								
Other Income	(836)	0.0%	(802)	0.0%	34	162	0.0%		(998)	(2,010)	0.0%	(2,178)	0.0%	(168)	649	0.0%		(2,659)	649	0.0%		(2,659)								
Taxes	51,804	0.3%	41,339	0.3%	(10,465)	59,643	0.3%		(7,839)	85,984	0.2%	67,629	0.1%	(18,355)	203,372	0.4%		(117,388)	203,372	0.4%		(117,388)								
Depreciation & Amortization	609,412	3.7%	740,702	4.6%	131,290	750,384	3.8%		(140,972)	2,063,476	4.4%	2,205,789	4.7%	142,313	2,251,316	4.1%		(187,840)	2,251,316	4.1%		(187,840)								
Mgmt Fees (Bank)	244,838	1.5%	70,000	0.4%	(174,838)	70,000	0.4%		174,838	282,945	0.6%	108,108	0.2%	(174,837)	70,000	0.1%		212,945	70,000	0.1%		212,945								
Transaction expense	(28,155)	-0.2%	25,000	0.2%	53,155	552	0.0%		(28,708)	(87,221)	-0.2%	25,568	0.1%	112,789	4,233	0.0%		(91,455)	4,233	0.0%		(91,455)								
EBITDA	\$810,795	4.9%	\$764,249	4.7%	\$46,546	\$912,772	4.6%		(\$101,977)	\$1,968,928	4.2%	\$1,899,249	4.1%	\$69,680	\$2,836,986	5.1%		(\$868,058)	\$2,836,986	5.1%		(\$868,058)								

Compass Health Brands – Net Sales & Margin

March

Compass Net Sales March							
Net Sales	Actual	Budget	Var \$	Var %	PY	Var \$	Var %
RETAIL	\$4,644	\$4,511	\$133	2.9%	\$5,088	(\$444)	–8.7%
AMAZON	\$2,955	\$2,236	\$719	32.1%	\$1,332	\$1,622	121.8%
HME	\$6,314	\$6,902	(\$588)	–8.5%	\$9,818	(\$3,504)	–35.7%
THERAPY	\$1,958	\$1,970	(\$12)	–0.6%	\$2,353	(\$395)	–16.8%
SPECIAL SRC	\$467	\$361	\$106	29.3%	\$948	(\$481)	–50.7%
CANADA	\$311	\$250	\$61	24.4%	\$161	\$149	92.6%
Corporate	\$19	(\$25)	\$44		\$69	(\$50)	–73.0%
Total	\$16,666	\$16,206	\$461	2.8%	\$19,769	(\$3,103)	–15.7%

Net Margin \$'s	Actual	Budget	Var \$	Var %	PY	Var \$	Var %
RETAIL	\$1,754	\$1,687	\$66	3.9%	\$1,353	\$401	29.6%
AMAZON	\$1,128	\$844	\$284	33.6%	\$407	\$721	176.9%
HME	\$2,076	\$2,379	(\$302)	–12.7%	\$2,715	(\$639)	–23.5%
THERAPY	\$773	\$741	\$32	4.3%	\$889	(\$116)	–13.0%
SPECIAL SRC	\$165	\$126	\$39	30.9%	\$250	(\$85)	–33.9%
CANADA	\$143	\$93	\$49	52.9%	\$74	\$69	93.3%
Corporate	(\$346)	(\$368)	\$22		(\$383)	\$37	–9.6%
Total	\$5,693	\$5,504	\$189	3.4%	\$5,305	\$388	7.3%

Net Margin %	Actual	Budget	Var	PY	Var
RETAIL	37.8%	37.4%	0.4%	26.6%	11.2%
AMAZON	38.2%	37.8%	0.4%	30.6%	7.6%
HME	32.9%	34.5%	–1.6%	27.7%	5.2%
THERAPY	39.5%	37.6%	1.9%	37.8%	1.7%
SPECIAL SRC	35.4%	34.9%	0.4%	26.4%	9.0%
CANADA	45.9%	37.3%	8.6%	45.7%	0.2%
Corporate					
Total	34.2%	34.0%	0.2%	26.8%	7.3%

Compass Health
Statements of Cash Flows

(\$ in thousands)

	Mar-23	YTD2022
<u>Cash flow from operating activities</u>		
Net income	\$ (867)	\$ (2,723)
<u>Add (deduct) items not affecting cash</u>		
Depreciation and amortization	609	2,063
Decrease (increase) in receivables	(38)	(1)
Decrease (increase) in inventory	(4,679)	196
Decrease (increase) in prepaids	(41)	(64)
Decrease (increase) other	-	30
Increase (decrease) in payables and accruals	3,500	(440)
Increase (decrease) in accrued interest	(127)	374
Increase (decrease) in deferred taxes	(0)	(0)
Increase (decrease) in taxes payable	44	91
Net cash flow from operating activities	\$ (1,599)	\$ (474)
<u>Cash flow from investing activities</u>		
Decrease (increase) in subsidiary	-	-
Decrease (increase) in property and equipment	(119)	(300)
Decrease (increase) in intangible assets	-	-
Decrease (increase) in Goodwill	-	-
Cash flow from investing activities	\$ (119)	\$ (300)
<u>Cash flow from financing activities</u>		
Increase (decrease) in stock	(13)	(16)
Increase (decrease) in revolving credit facility	-	-
Increase (decrease) in capital leases	(32)	(97)
Increase (decrease) in long-term debt	281	324
Dividends Paid	-	-
Cash flow from financing activities	\$ 236	\$ 212
Net increase (decrease) in cash	\$ (1,483)	\$ (563)
Cash at Beginning of Period	6,420	5,499
Cash at End of Period	\$ 4,937	\$ 4,937

Mar '23

ASSETS	
Current Assets	
Cash	
Accounts receivables - trade	
Inventory	
Prepaid and deferred expenses	
Current Assets	
Property and Equipment	
Fixed assets cost	
Accumulated depreciation	
Property and equipment	
Intangible Assets	
Accumulated amortization	
Other assets	
Total Assets	

ASSETS	
Current Assets	
Cash	\$4, 937
Accounts receivables - trade	\$23, 872
Inventory	\$51, 596
Prepaid and deferred expenses	\$167
Current Assets	
\$80, 572	
Property and Equipment	
Fixed assets cost	\$13, 595
Accumulated depreciation	(\$9, 628)
Property and equipment	
\$3, 967	
Intangible Assets	
Accumulated amortization	\$103, 223
Other assets	(\$67, 344)
Total Assets	
\$125, 427	

Mar '23

LIAB & EQUITY	
Current Liabilities	
Payables and accrued items	
Accrued interest	
Revolving credit facility	
Current maturities of long-term debt	
Income tax payable	
Current Liabilites	
Long-Term Debt	
Term loan	
Bridge Note	
Mezz Debt	
Capital Lease	
Less-current maturites	
Long-term debt	
Deferred income taxes	
Stockholders Equity	
Stock (Common & Preferred)	
Retained earnings	
Stockholders Equity	
Total Liabilites and Equity	

LIAB & EQUITY	
Current Liabilities	
Payables and accrued items	\$34, 734
Accrued interest	\$382
Revolving credit facility	\$8, 500
Current maturities of long-term debt	\$465
Income tax payable	(\$170)
Current Liabilites	
\$43, 911	
Long-Term Debt	
Term loan	\$45, 919
Bridge Note	\$3, 106
Mezz Debt	\$25, 043
Capital Lease	\$818
Less-current maturites	(\$465)
Long-term debt	
\$74, 421	
Deferred income taxes	
\$1, 571	
Stockholders Equity	
Stock (Common & Preferred)	\$105, 214
Retained earnings	(\$99, 690)
Stockholders Equity	
\$5, 524	
Total Liabilites and Equity	
\$125, 427	