

Depot.Different!

I N V E S T O R
D A Y

MAY 16, 2018

Office DEPOT. OfficeMax. CompuCom.

SAFE HARBOR

The Private Securities Litigation Reform Act of 1995, as amended, (the "Act") provides protection from liability in private lawsuits for "forward-looking" statements made by public companies under certain circumstances, provided that the public company discloses with specificity the risk factors that may impact its future results. The company wants to take advantage of the "safe harbor" provisions of the Act. Certain statements made during this presentation are forward-looking statements under the Act. Except for historical financial and business performance information, statements made during this presentation should be considered forward-looking as referred to in the Act. Much of the information that looks towards future performance of the company is based on various factors and important assumptions about future events that may or may not actually come true. As a result, operations and financial results in the future could differ materially and substantially from those discussed in the forward-looking statements made during this presentation. Certain risks and uncertainties are detailed from time to time in the company's filings with the United States Securities and Exchange Commission ("SEC"). You are strongly urged to review all such filings for a more detailed discussion of such risks and uncertainties. The company's SEC filings are readily obtainable at no charge at www.sec.gov and at the company's website at investor.officedepot.com.

During portions of today's presentation, the company may refer to results which are not GAAP numbers. A reconciliation of GAAP to non-GAAP measures is available on the Office Depot website at investor.officedepot.com. The company's outlook for 2018 includes non-GAAP measures, such as adjusted operating income and adjusted diluted earnings per share, which excludes charges or credits not indicative of core operations, which may include but not be limited to merger integration expenses, restructuring charges, acquisition-related costs, asset impairments, and other significant items that currently cannot be predicted. The exact amount of these charges or credits are not currently determinable, but may be significant. Accordingly, the company is unable to provide equivalent reconciliations from GAAP to non-GAAP for these financial measures.



[AGENDA]

Gerry Smith
Jerri DeVard
Janet Schijns

REGISTRATION

Leveraging the Omni-Channel Platform for Sustainable Growth
Creating a Customer-Focused Services Company
Optimizing Our Solution to Drive Growth

BREAK

Steve Calkins
Dan Stone
Kevin Moffitt

Focusing on the Core: Winning in BSD
Capturing the Technology Services Opportunity
Leveraging the Last-Mile Advantage: Retail's Path to Growth

BREAK

Joe Lower
Gerry Smith

Sustainable Growth & Strong Cash Generation
Where We Go From Here

LUNCH

Q&A WITH FULL EXECUTIVE TEAM

EVENT ENDS

LEVERAGING THE OMNI-CHANNEL PLATFORM FOR SUSTAINABLE GROWTH



Gerry Smith
CEO

WHERE WE WERE ONE YEAR AGO

[5 Years Declining Revenue / Unsustainable Profitability]

Core Products



- BSD in decline
- Declining store traffic
- Lack of customer focus

Business Services



- ~7% of revenue
- No strategic focus
- Limited expertise

Operations



- No management system
- Neglected infrastructure
- No focus on COGS/FCF

Demand Generation



- Analog marketing -1980s
- Not customer centric
- Lack of ROI discipline

[ASSETS]

20TH LARGEST



SUPPLY CHAIN IN NORTH AMERICA

\$10+ BILLION



IN OMNI-CHANNEL REVENUE

~1,400 RETAIL



LOCATIONS IN NORTH AMERICA

40,000+



DEDICATED EMPLOYEES

[CUSTOMERS]

28.6M



ANNUAL ACTIVE CUSTOMERS

450M+



OMNI-CHANNEL CUSTOMER IMPRESSIONS

200K



ENTERPRISE ACCOUNTS

50+%



OF SCHOOL DISTRICTS IN USA

[REACH]

1,800+



SALES PROFESSIONALS

~ 5.9 MILLION



SMALL & MEDIUM
BUSINESSES ARE WITHIN
3 MILES OF OUR STORES

DELIVER TO
98.5%



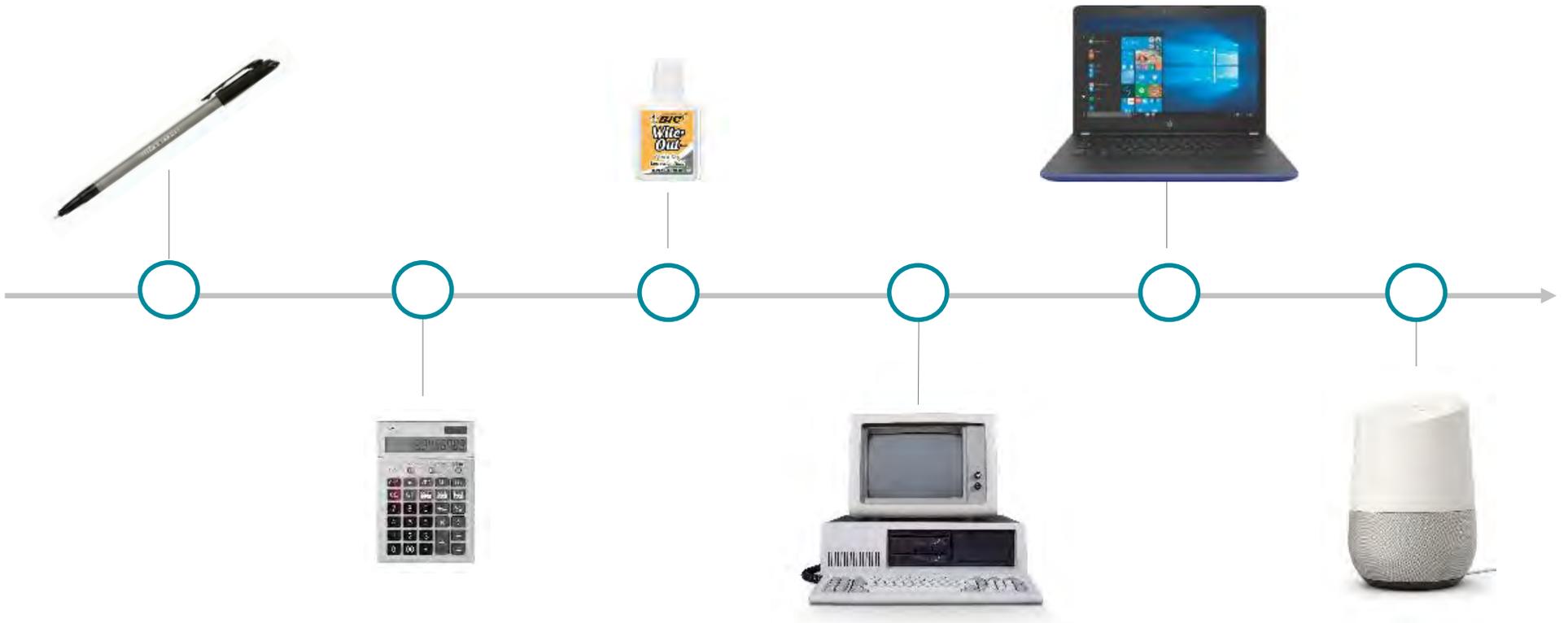
OF US POPULATION NEXT-DAY

COMPELLING

TÜL

PRIVATE LABEL BRANDS

TECHNOLOGY IS THE OFFICE SUPPLY OF THE FUTURE



CompuCom®

[ASSETS]

15



CONSECUTIVE YEARS OF
ANALYST ACCOLADES

100,000+



CERTIFICATIONS

11,000



ASSOCIATES

\$1B



STABLE SALES REVENUE

[CUSTOMERS]

5.1M



END USERS

97%



OF REVENUE FROM
REPEAT CUSTOMERS

15 YEARS



AVERAGE CLIENT RELATIONSHIPS

6 OUT OF THE 10



TOP FORTUNE 500

[REACH]

6,000+



EMPLOYEE
TECHNICIANS

450K



SERVERS MANAGED

18



DELIVERY CENTERS

7M



END USER DEVICES
MANAGED

COMBINED POWER OF OFFICE DEPOT & COMPUCOM

450M+



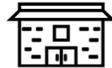
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CUSTOMER IMPRESSIONS

DELIVER TO
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OF US POPULATION NEXT-DAY

~1,400 RETAIL



LOCATIONS IN NORTH AMERICA

~ 5.9 MILLION



SMALL & MEDIUM
BUSINESSES ARE WITHIN
3 MILES OF OUR STORES

50,000+



DEDICATED EMPLOYEES

6,000+



EMPLOYEE TECHNICIANS

BUILDING OUR BUSINESS SERVICES PLATFORM

[DIFFERENTIATED STRATEGY]

Deliver customer focused value through the integration of business services and products via an omni-channel platform

TRANSFORM

our business

Acquisition of CompuCom

Digital demand generation

Retail transformation

STRENGTHEN

our core

Superior customer experience

Low cost business model

Product innovation

DISRUPT

for our future

E2E Business Services Platform

New routes to market

Analytics Excellence / AI

UNIQUE OMNI-CHANNEL PLATFORM

POSITIONED TO **COMPETE AND WIN** IN LARGE & GROWING MARKETS



ASSEMBLED WORLD CLASS TEAM TO EXECUTE



Gerry Smith
CEO



Jerri DeVard
Customer & Mktg



Janet Schijns
Merchandising & Services



Steve Calkins
BSD



Dan Stone
CompuCom



Kevin Moffitt
Retail



Joe Lower
Finance



David Bleisch
Legal & Admin



John Gannfors
Supply Chain



Todd Hale
I/T

ACTIONS WE ARE TAKING

Core Products



- Focused Assortment/ SKU Reduction
- Variable Compensation
- Private Label & Partnership
- Workout/ Lean 6 Sigma

Business Services



- Focus & Aligned Strategy
- Subscriptions Sales
- Cross-Selling Services & Products
- CompuCom

Operations



- Robust Management System
- Investment in Infrastructure
- Supply Chain Investments
- Cash & Cost Focus

Demand Generation



- Analytics COE / AI
- Customer Segmentation
- Digital Media
- Higher ROI Vehicles

WINNING EVERY DAY!

TRANSMISSION OF STRATEGY TO RESULTS

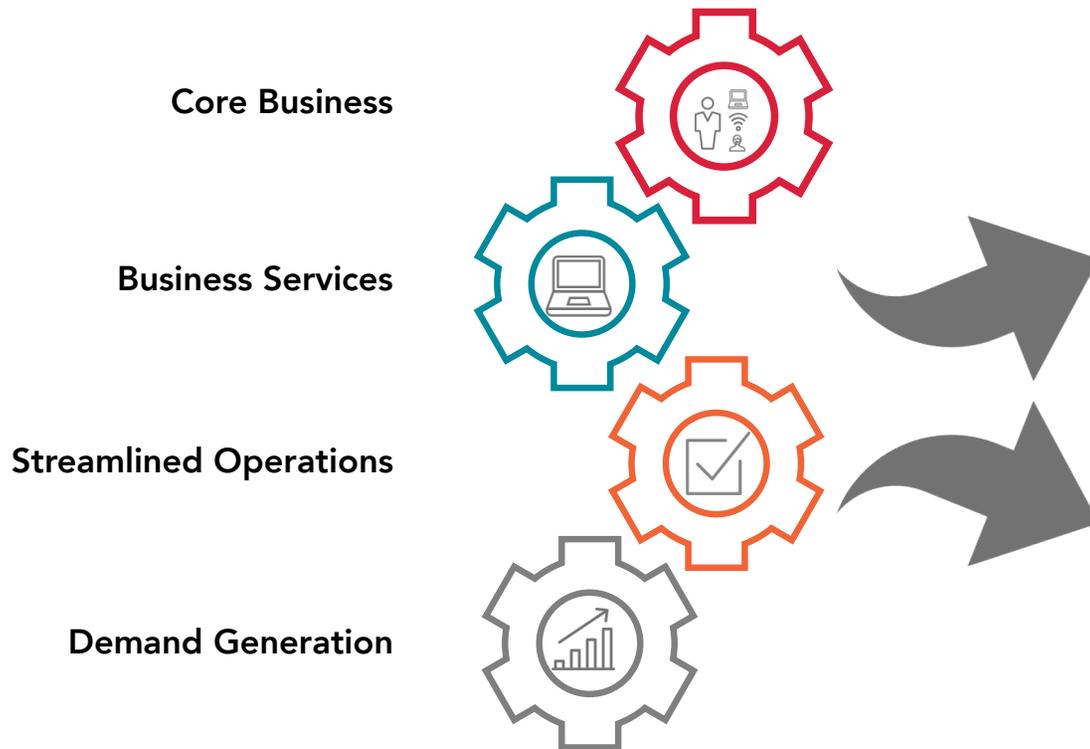


TRANSMISSION OF STRATEGY TO RESULTS



* The Company's outlook for 2018 included in this presentation is for continuing operations only and includes non-GAAP measures, such as adjusted operating income, which excludes charges or credits not indicative of core operations, which may include but not be limited to merger integration expenses, restructuring charges, acquisition-related costs, executive transition costs, asset impairments and other significant items that currently cannot be predicted. The exact amount of these charges or credits are not currently determinable, but may be significant. Accordingly, the Company is unable to provide equivalent reconciliations from GAAP to non-GAAP for these financial measures.

POSITIONED FOR SUSTAINABLE, PROFITABLE LONG-TERM GROWTH



Core Business

Business Services

Streamlined Operations

Demand Generation

END TO END MARKETPLACE FOR
SERVICES AND PRODUCTS

BUSINESS SERVICES PLATFORM

- ✓ Digital Demand Generation
- ✓ Omni-Channel Expertise
- ✓ Nationwide Footprint
- ✓ Leading Supply Chain
- ✓ Deep Sustainable Customer Relationships

28.6M ACTIVE USERS ACROSS
OUR BUSINESS PLATFORM

**[WE WILL CONTINUE TO PARTNER
AND GROW THE PLATFORM]**



CREATING A **CUSTOMER FOCUSED SERVICES** COMPANY

Jerri DeVard
Customer & Marketing



THE STATE OF MARKETING

SEPTEMBER 2017



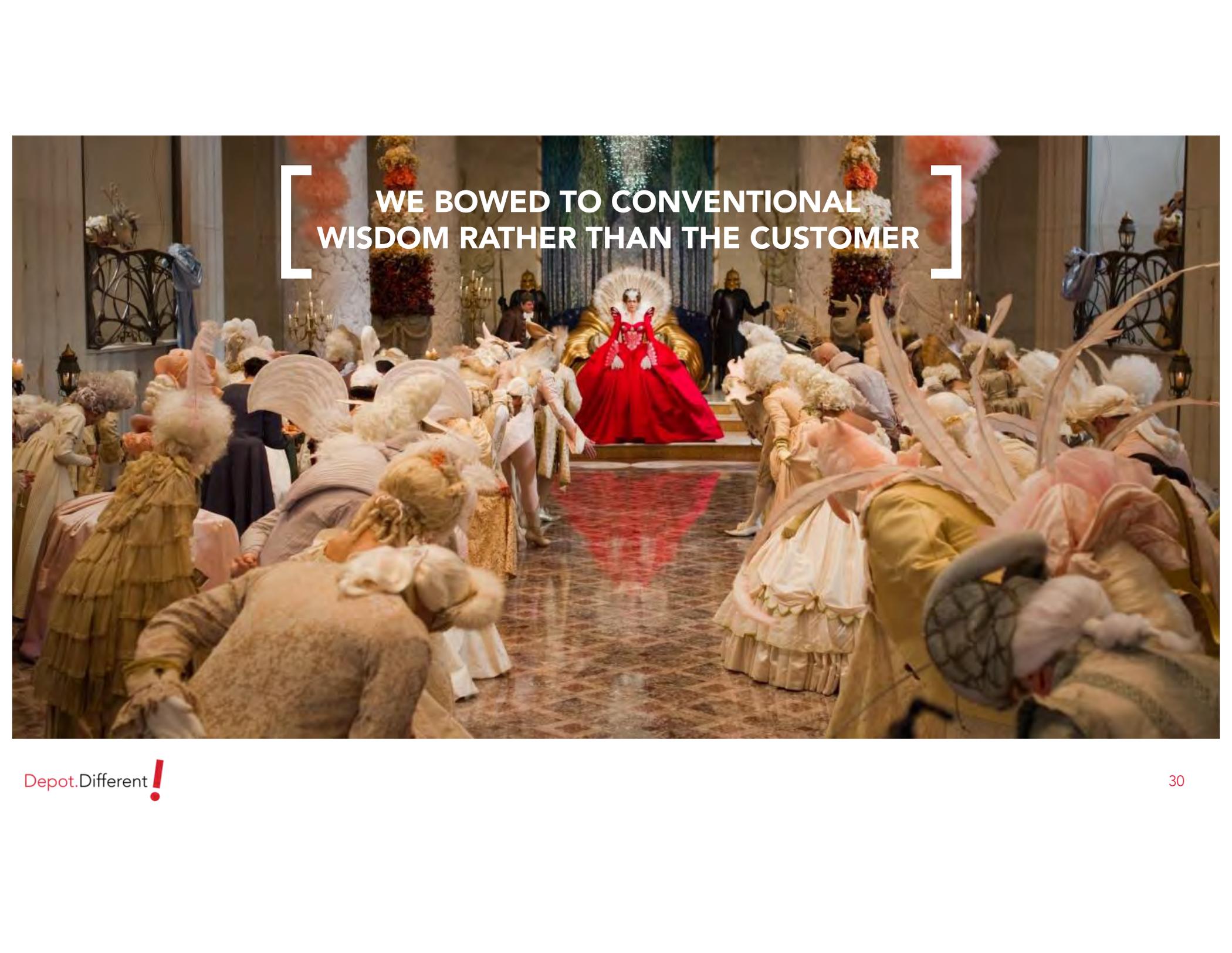
**WE WERE
COMFORTABLE
BEING
COMPLACENT**



**WE WERE AFRAID
TO LET GO OF
WHAT WORKED
IN THE PAST**



**WE BATTLED
FOR THE ATTENTION
OF CONSUMERS
RATHER THAN
STICKING TO OUR
B2B CORE**

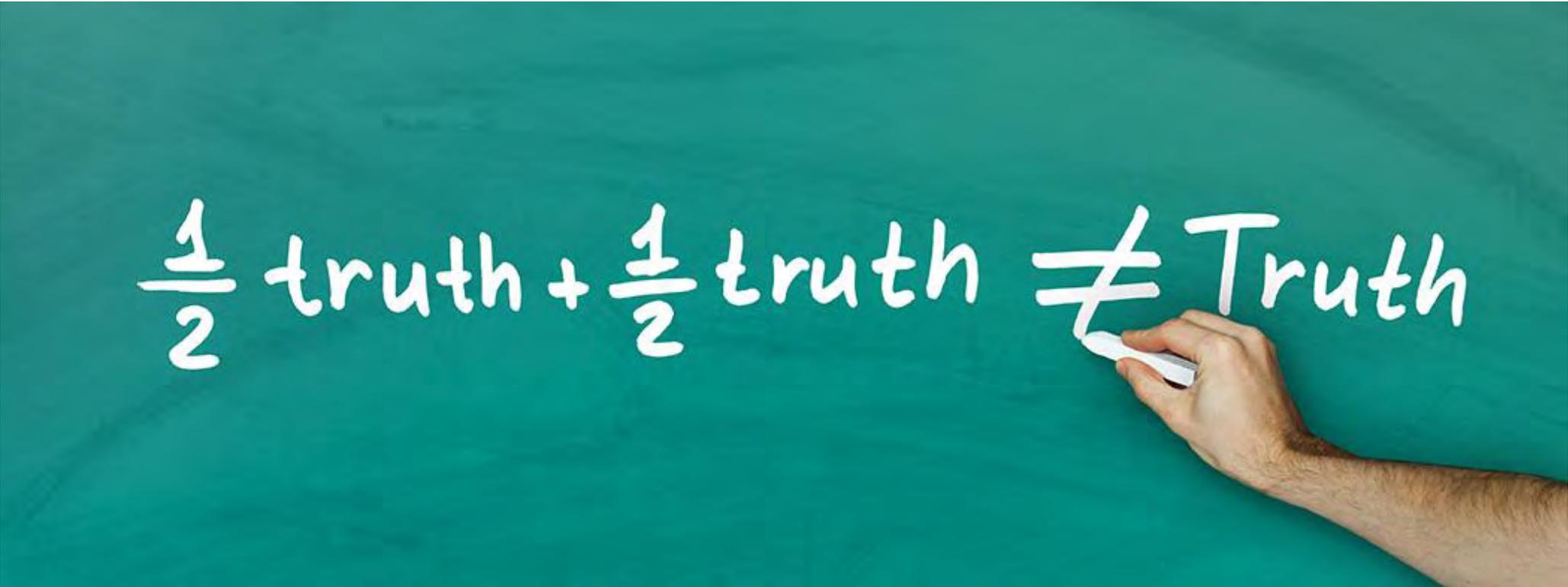


**[WE BOWED TO CONVENTIONAL
WISDOM RATHER THAN THE CUSTOMER]**

A close-up photograph of two women. On the right, a woman with dark hair is whispering into the ear of a woman with blonde hair on the left. The blonde woman has a surprised expression with wide eyes and an open mouth. The background is a blurred cityscape.

**WE WERE RELUCTANT TO HARNESS
THE POWER OF OMNI-CHANNEL**

**WE LACKED ONE SOURCE OF TRUTH,
COMMON TOOLS, LANGUAGE AND REPORTING**



$\frac{1}{2}$ truth + $\frac{1}{2}$ truth \neq Truth

THE DEFINITION OF INSANITY

For years, we were doing the same thing and expecting a different result...

2011



2013



2015



2017



2012



2014



2016





EVOLVE



DIE

[WHAT CHANGED]

STARTING Q4 2017



Doubled-down on targeting Businesses and Omni-channel customers



Concentrated on Demand Generation!
Target message to target audience



Shifted spend to digital



Reignited eCommerce



Encouraged a test and learn environment



Empowered data

Return on Marketing Investment		
Q1-Q3 2017	Q4 2017	% CHANGE
\$2.78	*\$3.11	+12%

* Transformation began!

[EVOLVING eCOMMERCE]

to be a growth and acquisition engine
and critical entry point for our brand

Online Traffic

2017	2017	2018
Q1-Q3	* Q4	Q1
-1.5%	+18.4%	+9.0%

DEMAND GENERATION IS REVVED UP!

Q1 2018 Highlights

Every week had positive sales, traffic and conversion for the first time in 2 years

Every merchandising division had positive demand sales increase

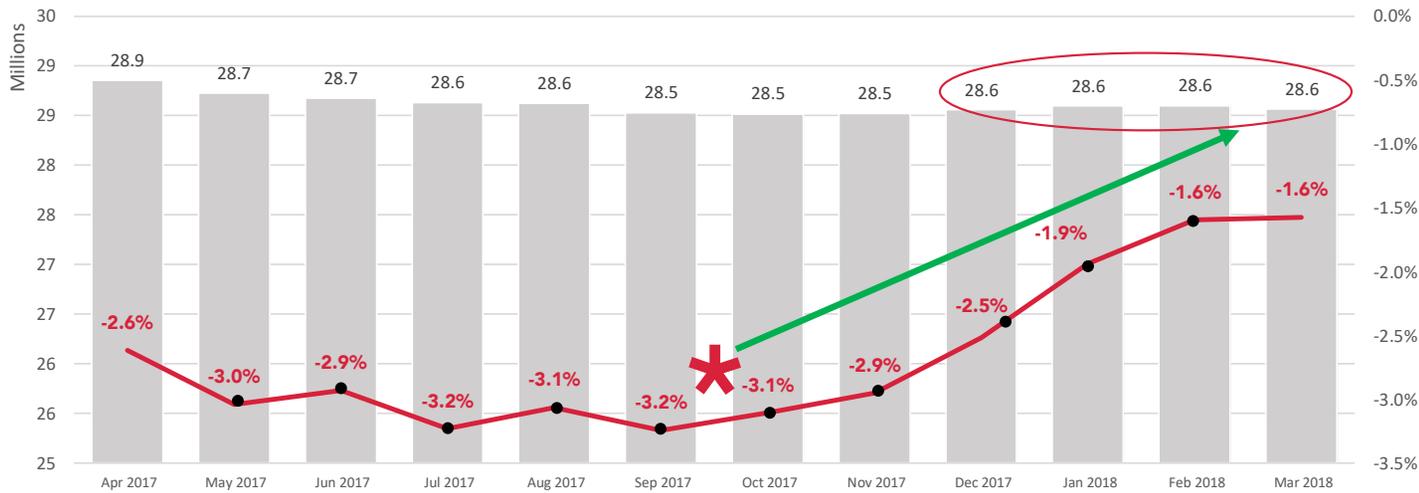
Now have 3rd fastest mobile site of top U.S. retailers*

An eComm customer is 6.5x more likely to shop Omni-Channel

STARTING TO SLOW THE CUSTOMER DECLINE

- Customer base stabilized at 28.6M since Q4 2017
- Year-over-year trend improved since -2.5% Q4 2017 to -1.6% Q1 2018
- +90 bps improvement in YOY trend since Q4!

12-MONTH ACTIVE CUSTOMERS
YOY% CHG



[OUR CUSTOMER SNAPSHOT]

28.6
MILLION
Customers

18+
MILLION
Loyalty customers who spend
2X more than non-loyalty

450+
MILLION
Omni-channel visits

99%
AWARENESS
Across the country

44%
PREFER
Human touch

60%
B2B
Omni-channel sales

14%
REVENUE
Business services

91%
eCOMM
Customer satisfaction

81%
RETAIL
Customer satisfaction

245,000+
SUBSCRIPTIONS
Growing daily



Evolving: **Depot.** Different!

OUR CUSTOMERS' NEEDS | OUR NORTH STAR

- **Deliver on the preference for human touch**
- **Leverage our customer knowledge** to better meet their needs
- **Gain deeper insights** into our prime prospects
- **Make our brand relevant** and compelling today and tomorrow
- **Utilize machine learning and AI** to reach prime prospects more efficiently and effectively

WHO ARE OUR KEY PROSPECTS



While they are distinctive, they have similar characteristics

Passionate and serious about their work

Work 50+ hours a week

Time is the **most valuable** asset

They are **Omni-channel shoppers**

70% purchase **business services** within first 6 months,
79% purchase the best service they can afford

While most SMBs can find all the info they need online,
they value the expert guidance of a trusted expert

[OUR OMNI-CUSTOMER]

Omni-customers exist in every size business and reflects their purchasing behavior

We must greet our key prospects with one consistent, cohesive customer experience across all touch points

Our messages, offers, in-store promotions need to be aligned to provide them with the information to make it easy for them to do business on their terms

Omni-customers spend 2x more than online only customers and 3.6x more than retail only customers

Omni-Customer Growth YoY		
Q1-Q3 2017	Q4 2017	Q1 2018
+22%	* +24%	+31%

* Transformation began!

DEFINING OUR CUSTOMERS

The Digital Pragmatists



MARKET

SEGMENT SIZE	SHARE OF SPEND
19%	27%

- Work in mid/large companies, high spenders, skews female, high income and still like to outsource business services
- Communicate online where they do most purchases
- Provide online, positive OD reviews as content
- Pain points: Need for IT services, marketing services, full service supplies and cutting edge business services

Strategy:
Grow and Cultivate

DEFINING OUR CUSTOMERS

The Digital Pragmatists



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Strategy:
 Grow and Cultivate

The High Touch Quality Seekers



MARKET

SEGMENT SIZE SHARE OF SPEND
18% **26%**

- High spenders, enjoy the full shopping experience and are Omni-channel
- Skews male and high income
- Concentrated in technology and telecommunications
- Pain points: Expert counsel and advice guiding them to make the right decision for them, IT and technology, and marketing products

Strategy:
 Grow and Cultivate

DEFINING OUR CUSTOMERS

The Digital Pragmatists



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Strategy:
 Grow and Cultivate

Premium Pioneers



MARKET

SEGMENT SIZE SHARE OF SPEND
13% **28%**

- Highest spenders, skews male, high income, millennial, likely to work in manufacturing, financial, tech, retail
- Omni-channel and focus on social media and in-store
- Seek counsel and advice on business services
- Pain points: IT and technology, digital marketing services, office expansion and break room supplies

Strategy:
 Acquire. Acquire. Acquire.

To galvanize our service offerings and stay ahead of our customers' evolving needs, we're introducing a new brand

Administrative Services

Digital Transformation

Enterprise Mobility

Infrastructure Modernization

IT Staffing

Managed Print Services

CUSTOMER NEEDS

61% SAY GROWTH/SALES IS TOP PRIORITY
(Marketing, Website, eMarketing)

24% PLAN TO SPEND MORE IN SERVICE CATEGORY
(IT, Tech Support, Repair Service)

Managed Workplace Services

Marketing Services

Technology Consulting

Technology Procurement

Tech Services

Workplace/Workspace Services

Introducing

Workonomy

Workonomy is:

How technology meets humanity

Where solutions converge in one place that's reachable everywhere

When we learn, share and grow together

For all businesses, from startup to enterprise, to gain assistance

This is the free-flowing exchange of products, services and ideas

WITH CUSTOMERS AS OUR
NORTH STAR WE WILL
**TRANSFORM STRENGTHEN
DISRUPT**

Creating one B2B services brand that elevates the importance of invaluable business services to all customers in addition to offering great products

Embracing Omni-channel/customer dynamics

Evolving eCommerce to be a consistent growth and acquisition engine

Empowering data/analytics and AI to deliver higher ROI and insights that drive results both front and back end

Building on the irrefutable gains made in the past two Quarters

**WE WILL CONTINUE TO BREAK GLASS
AND CAPTURE DEMAND IN 2018 AND BEYOND!**

Depot.Different!



OPTIMIZING
OUR SOLUTION
**TO DRIVE
GROWTH**

Janet Schijns
Merchandising & Services

[INTEGRATED OFFERING VISION]

Create **unique value** by anticipating **business customers** needs and delivering the **integrated, innovative solutions** to grow and protect their business

Integrated Product and Services Portfolio

①

Service Offerings Roadmap

②

Driving Value Creation

③

Differentiating with Private Brands

④



⑤

Delivering Customer Solutions via Unique Models

⑥

Increasing Insights and Efficiency

⑦

Improving Customer Engagement through Diversified Platforms

⑧

Earning the Right to Serve

1

INTEGRATED PRODUCT AND SERVICES PORTFOLIO

Streamline & Strengthen
Core Assortment



Furniture

Office Essentials

Technology Products

Cleaning, Breakroom & Facilities



1

INTEGRATED PRODUCT AND SERVICES PORTFOLIO

Streamline & Strengthen
Core Assortment



Furniture

Office Essentials

Technology Products

Cleaning, Breakroom & Facilities



Expand
Business Services



Print & Digital Marketing Services

Technology Services

Administrative Services

Workplace/Workspace Services

1

INTEGRATED PRODUCT AND SERVICES PORTFOLIO

Streamline & Strengthen
Core Assortment



Furniture

Office Essentials

Technology Products

Cleaning, Breakroom & Facilities



Expand
Business Services



Print & Digital Marketing Services

Technology Services

Administrative Services

Workplace/Workspace Services

②

[SERVICE OFFERINGS 2017 AND ROADMAP]

- Basic Print Services
- Outsourced Tech Services
- Mail & Ship
- Product Protection Plans



Beginning State

②

[SERVICE OFFERINGS 2017 AND ROADMAP]

- Basic Print Services
- Outsourced Tech Services
- Mail & Ship
- Product Protection Plans
- Hired Top Tech Talent
- Leveraged CompuCom Services in SMB
- Fully Deployed Large Format Printers
- Introduced Packing Services



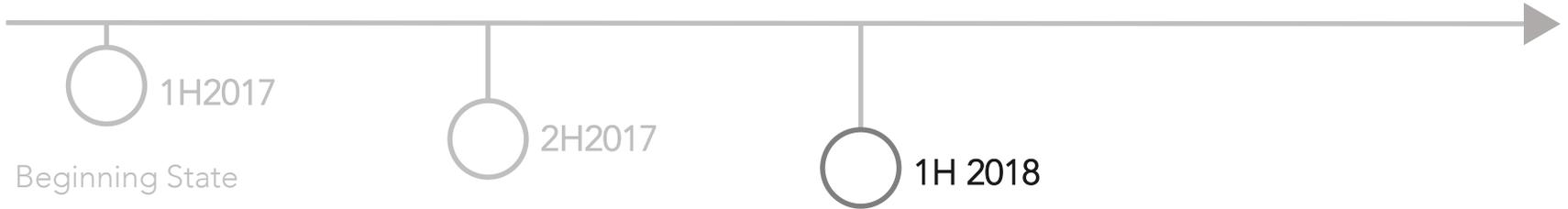
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[SERVICE OFFERINGS 2017 AND ROADMAP]

- Basic Print Services
- Outsourced Tech Services
- Mail & Ship
- Product Protection Plans

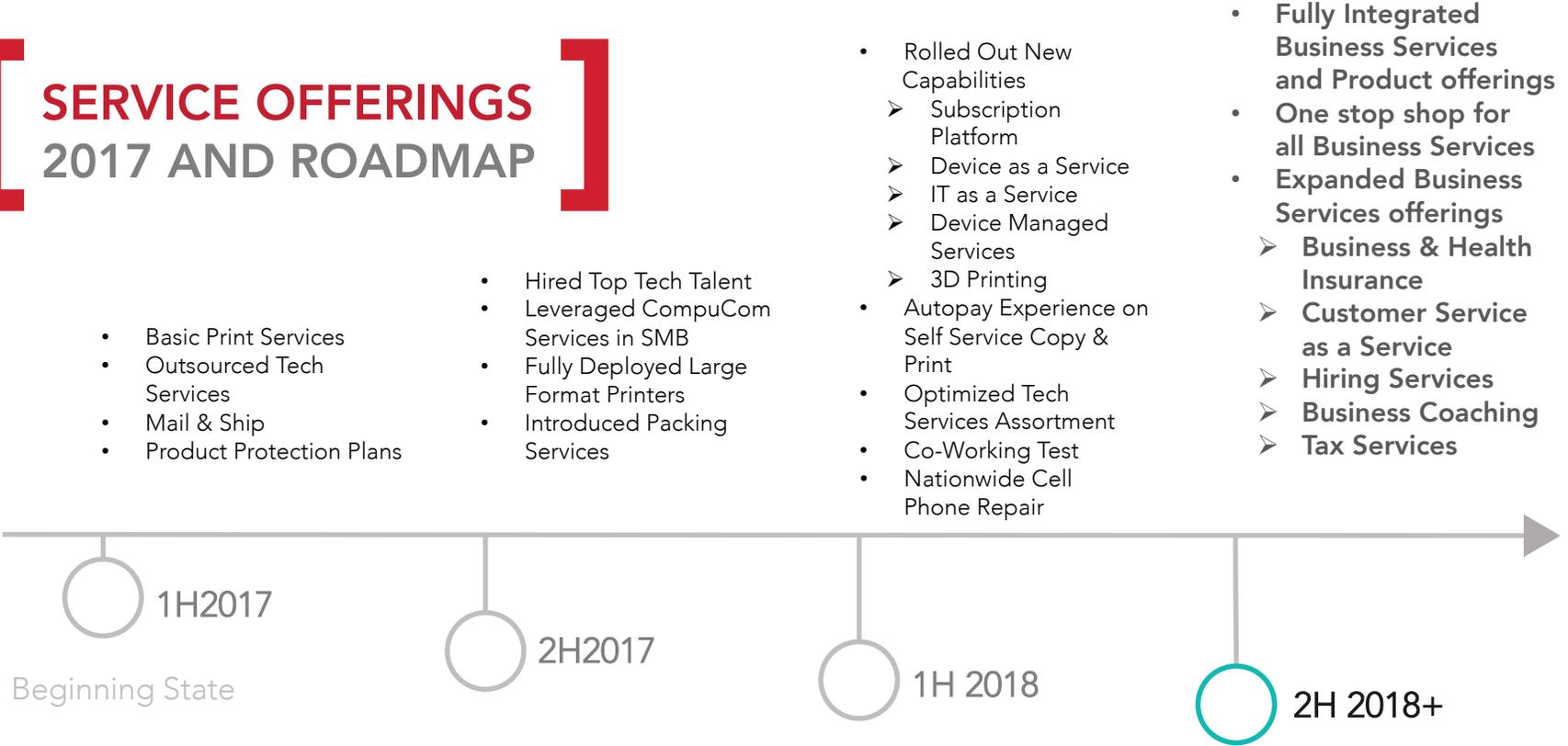
- Hired Top Tech Talent
- Leveraged CompuCom Services in SMB
- Fully Deployed Large Format Printers
- Introduced Packing Services

- Rolled Out New Capabilities
 - Subscription Platform
 - Device as a Service
 - IT as a Service
 - Device Managed Services
 - 3D Printing
- Autopay on Self Service Copy & Print
- Optimized Tech Services Assortment
- Co-Working Test
- Nationwide Cell Phone Repair



2

[SERVICE OFFERINGS 2017 AND ROADMAP]



3

[DRIVING VALUE CREATION]

Changing how we engage with partners

- Source from fewer, more intimate strategic vendors
- Focused on long-term mutual benefits
 - Predictable volumes with longer planning horizons
 - Shared responsibility for inventory efficiency
 - Increased vendor collaboration on developing differentiated customer solutions



Executing negotiations through expanded direct procurement team



Improved cost and payment terms with nearly 200 vendors already

Reducing total cost enables competitive everyday pricing



Lowered price in many categories including CPD; aggressively testing others

3

CAPITALIZING ON EMERGING TRENDS

Transforming to a solution driven approach to deliver unique value to our customers



4

DIFFERENTIATING WITH PRIVATE BRANDS

Our Brands deliver over one-third of our sales, a significantly higher contribution to margin and provide a platform for innovation

	<u>Supplies</u>	<u>Furniture</u>	<u>Cleaning & Breakroom</u>	<u>Technology</u>	<u>Services</u>
Power Brands Differentiated, Innovative, Extensible	TÜL	WORKPRO			CompuCom.
National Brand Equivalents Support Margin on Mid-Tier Core Items	Office DEPOT. FORAY.	realspace	HIGHMARK	ATIVA sm	
Value Brands Support Margin on Opening Price Point Core Items	JUSTBASICS	brenton STUDIOS	UNIVERSITY SUITE		
Emerging Brands Pipeline Opportunities for Growth and Differentiated Assortment Statements	SCHOLASTIC	seeJanework			

4

DESIGNING EXCLUSIVE PRODUCTS WITH A STRONG FOCUS ON OUR CUSTOMERS

Style, Function and Powerful Value

TÜL

Experience the Extraordinary



50%
GROWTH

■ Personalization



WORK PRO®

Engineered to Perform



7%
GROWTH

■ Design & Installation

seeJanework®

Uniquely You



25%
GROWTH

■ Creative Services

5

DELIVERING CUSTOMER SOLUTIONS VIA **UNIQUE MODELS**

We create value by combining differentiated offerings and easy purchase paths for our customers



Business Tech Bundle – Built For Business

Device Managed Services

techservices

DO YOU NEED RELIABLE TECH SUPPORT ANYTIME?

The best plan for you is **24/7 on-demand remote tech support**, best support in the industry.

\$15 per device per month

Cyber Security

Millions of users are hacked everyday worldwide.

RECON SENTINEL

Bundle Tech + Services

total tech PACKAGE

JUST **\$599.99**

Includes: Dell Laptop, Office Chair, Mouse, Keyboard, Printer, Webcam, Headset, and more!

Office Depot Voice Services

WELCOME TO YOUR SMART WORLD

Connect it. Control it. Love it.

Includes: Smart Home devices like smart bulbs, smart plugs, smart speakers, and smart displays.

Nations Largest Cell Phone Repair Provider



5

DELIVERING CUSTOMER SOLUTIONS VIA **UNIQUE MODELS**

We offer customers easy methods for purchasing the products and services they need



Simplify and Improve Customer Experience

Product as a Subscription

Never run on empty.

Schedule and control automatic deliveries of your favorite products so you never run out.

245K+ Subscriptions

Automated Shopping Experiences

TeacherLists™

print©

Ready, Set, Print

Waiting in line is a thing of the past. Print here when you need it fast.

Customer-Centric Subscription

Some Things are Simply Better Together

FREE brewer with your 2-year K-Cup® subscription.

1. Select your FREE brewer from the highlighted assortment below
2. Choose your coffee and quantities
3. Set a delivery frequency

Early termination fees apply. See below for details.

STEAM SCHOLASTIC

6

INCREASING INSIGHTS AND EFFICIENCY

Implementing new data management system, new artificial intelligence and machine learning based applications for assortment management, space allocation, pricing, and supply chain



INSIGHTS

- Improve **speed and accuracy** of item data and content
- **Increase Sales, Margin and Inventory Efficiency** by incorporating data-driven insights that guide retail space allocation, assortment and pricing optimization decisions
- **Provide greater relevance** by developing customer-centric assortment clustering



EFFICIENCY

- **Reduced our assortment by one-third**, streamlining operations, improving inventory productivity and simplifying the shopping experience for our Omni-channel customer
- **Accelerated speed to market** for new products by 60% since Q1 2017
- Increased sales for **buy on-line and pick-up in store**

7

IMPROVING CUSTOMER ENGAGEMENT THROUGH DIVERSIFIED PLATFORMS

A competitive advantage is our ability to serve customers of all sizes through our Omni-channel model

Extending reach by adding value-added- resellers, online marketplaces, non-competitive retail partnerships, and wholesaling routes to market

EXPANDING THE PLATFORM

Indirect Channel



Marketplace



Industry Verticals



Healthcare

Education

8

EARNING THE RIGHT TO SERVE

RIGHT SERVICES



**>14%
REVENUE
AND
GROWING**

RIGHT PRODUCTS



**60% SPEED
TO MARKET
IMPROVEMENT**



EXPANDED CAPABILITIES



**AUTOMATION
AND
CERTIFICATION**

EXPANDED MARKET ROUTES



**5K+ AGENTS
INDIRECT
CHANNEL AND
MARKETPLACE**

BREAK





FOCUSING ON THE CORE: WINNING IN BSD

Steve Calkins
Business Solutions Division

[THE OMNI-CHANNEL ADVANTAGE]

- eCommerce traffic up 9% in Q1
- Increased personalization and digital marketing driving growth in eCommerce
- Consultative sales approach
- Customized pricing and product assortment
- 98.5% of the US population covered next day through 50+ Distribution Centers & Ship from Store.
- Same day service through Buy Online Pick up in Store and Same Day Delivery in select markets



PUTTING THE CUSTOMER FIRST

	SMB		Emerging	Strategic	Public
Revenue Bands	\$0 - \$10K	\$10K - \$75K	\$ 75K - \$1M	\$1M +	All Revenues
Primary Touch Point	eCommerce	Field / Inside Sales	Field Sales	Field Sales	Field Sales

Inside Sales Coverage Support

SUCCESS IN KEY CUSTOMER VERTICALS

- Dedicated field resources with industry expertise
- Curated assortment
- Strategic cooperative partnerships
- Fertile ground for adjacency, services, and new customer acquisition
- Penetration across customer segments, from SMB to Fortune 100
- Clients represent many of the largest entities in their field



FINANCIAL



EDUCATION



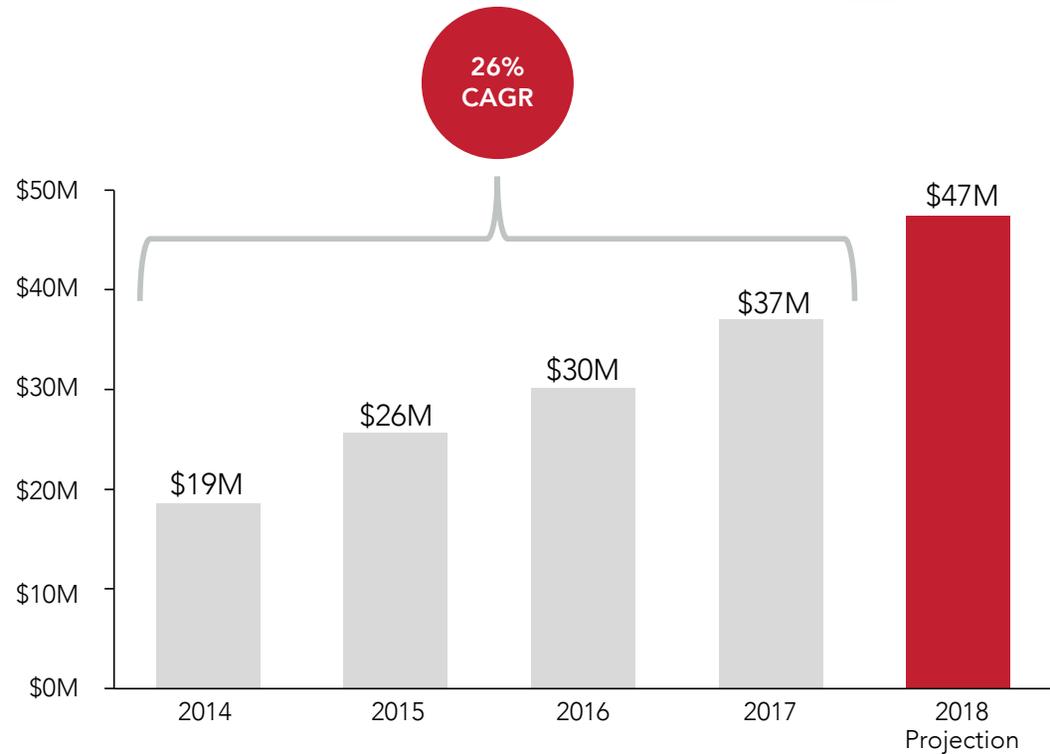
HEALTHCARE



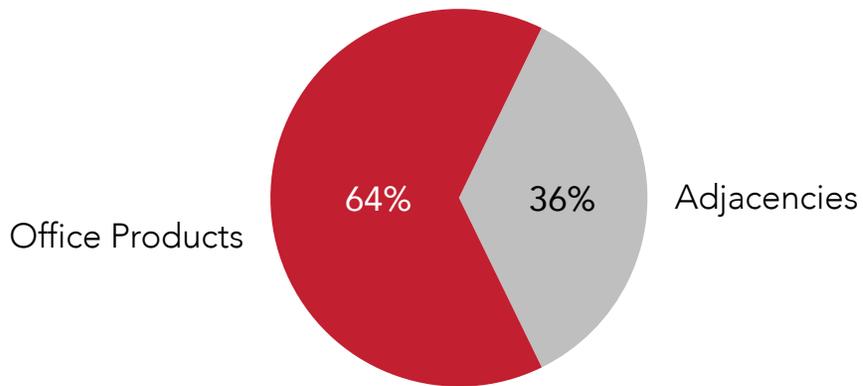
HOSPITALITY

HOSPITALITY CUSTOMER CASE STUDY

- Large hospitality cooperative
- Awarded in 2013 and recently renewed for 5 years
- Double digit growth every year
- **Adjacency penetration up 900 bps since inception**
- Approximately 10,000 ship-to locations with next-day delivery



GROWING BEYOND JUST OFFICE PRODUCTS



Cleaning & Breakroom



Copy & Print



Furniture



Technology

CLEANING AND BREAKROOM

- \$26 billion & growing fragmented industry
- Low penetration in existing customer base
- Establishing Office Depot as a destination for facilities supplies
- Launched our national stocking model – “Ready to Ship”
- Expect double digit growth in 2018



The advertisement features the Office Depot logo in the top right corner with the tagline "Taking care of business". On the left, the "ready to ship" logo is displayed with a truck icon. The main headline reads "CLEANING & BREAKROOM PRODUCTS. ALWAYS IN STOCK." Below this, a quote states: "Ready to Ship" items have been hand selected by our experts as must-have products for your facility. A second quote follows: All "Ready to Ship" items are stocked in your local distribution centers and typically ship out same day Monday through Friday, if ordered by 5pm local time, for delivery the next business-day. The central image shows a well-stocked breakroom or cleaning supply area with shelves of various cleaning products, a yellow mop bucket, and a mop. A red banner at the bottom left shows a fleet of white delivery trucks. The bottom right banner contains the text: "Best-in-class supply chain network. At Office Depot®, our tiered network ensures accurate and timely delivery of your orders through advanced warehouse technology, a superior transportation network and world-class customer service. We have a 99.1% customer fill rate and we're continually monitoring and improving our capabilities to make sure you always have the supplies you need when you need them. For more information, contact your Account Manager today!" The footer includes the website "Click business.officedepot.com" and the phone number "Call 888.2.OFFICE (888.263.3423)". A small copyright notice at the very bottom reads: "Office Depot is a trademark of The Office Club, Inc. © 2018 Office Depot, Inc. All rights reserved."

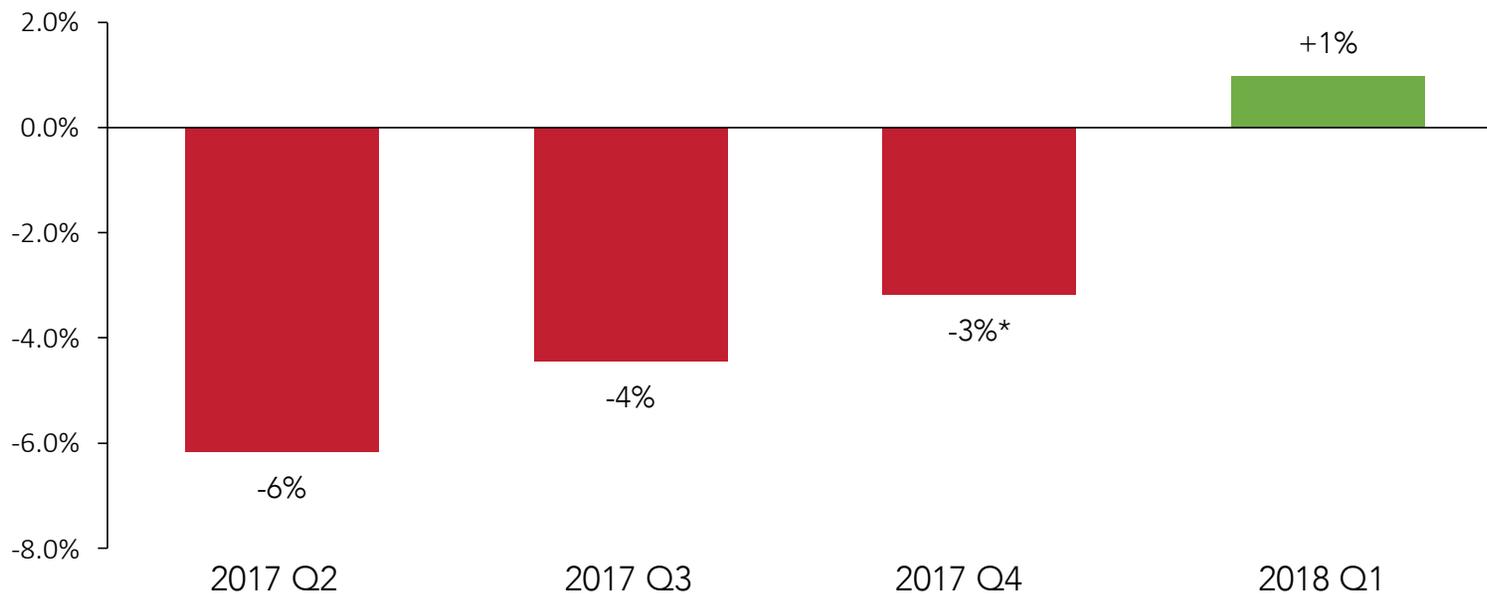
COMPUCOM PARTNERSHIP ADVANTAGE

- Hundreds of cross-selling opportunities...
Several large wins awarded in Q1
- Expands internal capabilities to provide IT services
- Broader technology offering
- Complementary capabilities
- Strengthens partnerships with business customers





[MEASURING SUCCESS]



Three consecutive quarters of improving YOY trends*
First Positive quarter since OfficeMax acquisition
*Excludes 53rd week impact



CAPTURING THE
**TECHNOLOGY
SERVICES**
OPPORTUNITY

 Dan Stone
CompuCom



Snapshot 2018

CompuCom

CompuCom is a part of Office Depot

\$ \$ \$ \$ \$10.8B
revenue

11,000
CompuCom associates

100,000+
certifications

We modernize with **AUTOMATION** and have more than **6000** employee technicians

Together, we resolve **more than 90%** of service requests on the **FIRST CONTACT**

15 consecutive years that CompuCom has earned significant analyst accolades

- ★ **2018 LEADER**
Gartner Magic Quadrant Managed Workplace Services, North America¹
- ★ **2018 #1 End-User Device**
Gartner Critical Capabilities, Managed Workplace Services, North America²
- ★ **2018 TOP 50 BEST WORKPLACE**
Silicon Review - Top 50 Best Workplaces of the Year

Our Clients

- 6 of the top 10** financial services firms in North America
- 7 of the top 10** retailers in North America
- 90%** of our clients have worked with us for more than five years
- 97%** of our revenue comes from repeat clients
- 4.80** out of **5** client satisfaction (industry average: 4.77)
- 6 of the top 10** Fortune 500 companies
- 75%** of IT service revenue is recurring annuity clients
- 15 yrs** average client relationship

© 2018 CompuCom
 1: Gartner "Magic Quadrant for Managed Workplace Services, North America" by Dan W. Barnes, Helen Handley, Karen A. Hobert, January 23, 2018
 2: Gartner "Critical Capabilities for Managed Workplace Services, North America" by Daniel Barua, David Greenhouse, February 9, 2018
 © 2018

[WHY COMPUCOM]



INDUSTRY LEADING WHITE GLOVE SERVICE

We modernize through automation and when necessary resolve complex issues with 6,000 certified employee technicians



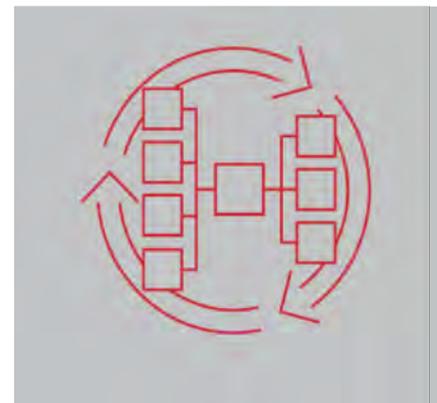
EXPERIENCE

Over 30 years of experience partnering with diverse businesses across multiple industries



TECHNOLOGY INDEPENDENT

Multi-vendor procurement & single source for end-to-end life cycle services



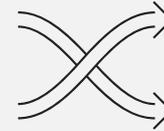
END USER INNOVATION

Leading with innovation to continue to drive out costs and delight our end users

COMPUCOM DIGITAL WORKPLACE SERVICES



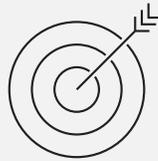
MANAGED WORKPLACE SERVICES



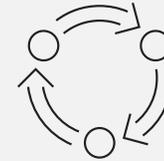
DIGITAL TRANSFORMATION



INFRASTRUCTURE MODERNIZATION



TECHNOLOGY PROCUREMENT



TECHNOLOGY CONSULTING



ENTERPRISE MOBILITY

[THE NORTH AMERICAN IT OUTSOURCING OPPORTUNITY]

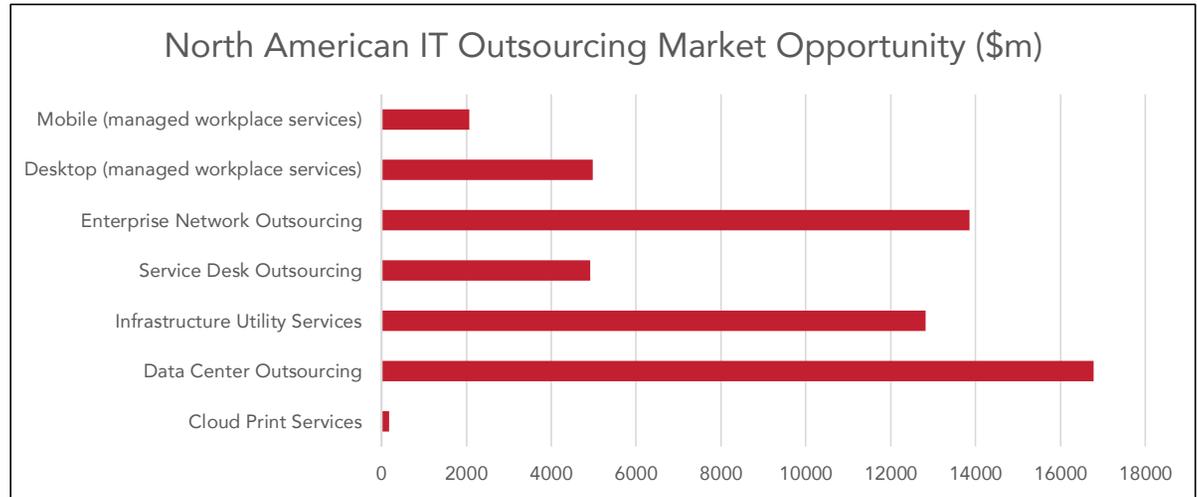
CompuCom's Service Areas* - North American Market \$55B in 2018

Enterprise

- Digital-related services and automation present strong market opportunities
- CompuCom is the #2 provider in Managed Workplace Services in North America by revenue

SMB Outlook**

- By 2020, 50% of end-user outsourcing deals will be centered in digital workplace transformation
- 39% of SMB plan to increase spending on IT services
- 69% of SMB hire IT services provider



Technology is the Office Supply of the Future



**COMPETITIVE
STRENGTH**

Gartner

2018 Leader

Gartner Magic Quadrant
Managed Workplace Services,
North America

CompuCom received the
**Highest Score for
End User Device**

a key Gartner use case for
Managed Workplace
Services

15 Years in a row
of formal Industry
Recognition



COMPUCOM + OFFICE DEPOT AN OMNI-CHANNEL PLATFORM

We bring award winning enterprise level managed technology services to 5.9M SMBs within 3 miles of ~1,400 ODP stores

Uniquely positioned to lead in the SMB market with support from ODP distribution channels, national footprint and BSD salesforce

Positioned to service customers of all sizes and grow with SMBs as their businesses and needs evolve

**OFFICE DEPOT
WITH COMPUCOM
WILL ENHANCE ITS
TECH SERVICES
CAPABILITIES**

	Office Depot Capabilities	CompuCom Capabilities	Joint Capabilities
Hardware Sales			
Nationwide Distribution Footprint			
Technology Services Capabilities			
Dispatch Field Services			
Managed Print Services			
Cloud Related Services / IOT			
IT Professional Services			
Large Customer Base / Omni-channel Platform			

NEW COMPUCOM DRIVEN WORKONOMY OMNI-CHANNEL OFFERINGS



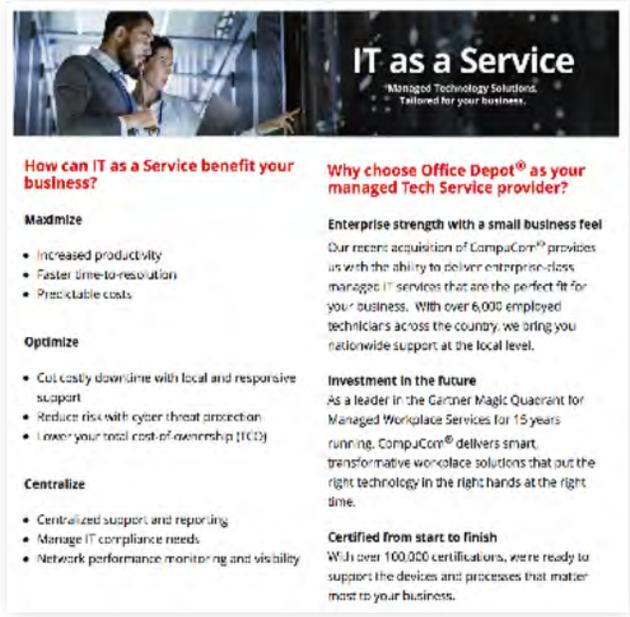
techservices
PC Support Plans

Accomplish more. Reduce IT costs. Improve productivity.

Plans & Pricing

<p>Unlimited On Demand Technical Support & Tune Ups</p> <p>\$15.00 monthly</p>	<p>Proactive PC Monitoring & Security Support</p> <p>\$23.00 monthly</p>
---	---

Device Managed Services - SMB with < 20 employees



IT as a Service
Managed Technology Solutions.
Tailored for your business.

How can IT as a Service benefit your business?

Maximize

- Increased productivity
- Faster time-to-resolution
- Predictable costs

Optimize

- Cut costly downtime with local and responsive support
- Reduce risk with cyber threat protection
- Lower your total cost of ownership (TCO)

Centralize

- Centralized support and reporting
- Manage IT compliance needs
- Network performance monitoring and visibility

Why choose Office Depot® as your managed Tech Service provider?

Enterprise strength with a small business feel
Our recent acquisition of CompuCom® provides us with the ability to deliver enterprise-class managed IT services that are the perfect fit for your business. With over 6,000 employed technicians across the country, we bring you nationwide support at the local level.

Investment in the future
As a leader in the Gartner Magic Quadrant for Managed Workplace Services for 15 years running, CompuCom® delivers smart, transformative workplace solutions that put the right technology in the right hands at the right time.

Certified from start to finish
With over 100,000 certifications, we're ready to support the devices and processes that matter most to your business.

IT as a Service - SMB with > 20 employees

[AND IT IS ALREADY BEGINNING TO PAY OFF IN THE SMB...]

NEW BUSINESS - SELF STORAGE FACILITIES - \$22K Monthly Recurring Revenue

QUICK STATS

Business: Self Storage Facilities

Locations: 181

Revenue: \$22K MRR

Close Date: April, 2018

Sell Cycle: 30 days

Services:

- Firewall as a Service (FaaS)
- 1 User ITaaS support per location

ABOUT THE DEAL

The customer was conducting a web search for firewalls and found the CompuCom website. Discovery team determined SMB opportunity for Firewall as a service.

WHY THIS IS SIGNIFICANT

- 1. New Offering:** This offering is part of a new catalog of service bundles that the combined CompuCom & Office Depot teams built together.
- 2. Size:** This is the second largest transaction completed for the SMB market.
- 3. Speed:** While not typical, from initial contact to signed agreed in exactly 30 days.
- 4. Remote Sales:** This transaction was done without any on-site sales meetings. All selling activity occurred over the phone, WebEx and email.

[AND IT IS ALREADY BEGINNING TO PAY OFF IN THE SMB...]

NEW BUSINESS – IT Maintenance Company- \$42K Monthly Recurring Revenue

QUICK STATS

Business: IT Maintenance for data center & network equipment

Locations: 100+

Revenue: \$42K MRR

Close Date: February, 2018

Sell Cycle: 1 Year

Services:

- Device as a Service (DaaS)
- 650 Laptops deployed over 4 months

ABOUT THE DEAL

Moving from BYOD to client owned devices. SMB Tech Services team worked side by side with the customer to determine the most cost effective strategy which was DaaS

WHY THIS IS SIGNIFICANT

- 1. New Offering:** This offering is part of a larger strategy developed to move as many of our traditional hardware sales to "as-a-Service" models.
- 2. Size:** This is the largest transaction completed for the SMB market (2.5M Total Contract value). Likely to double over 12-18 months.
- 3. Duration:** 5 year transaction internally funded; no leasing company to support the finances.
- 4. Sticky:** Because we maintain title to the equipment, difficult for the customer to walk away

[AND IT IS ALREADY BEGINNING TO PAY OFF IN THE ENTERPRISE...]

[INSERT SPARTANBURG
SCHOOL VIDEO]

[ROADMAP TO GROWTH]

- Grow the core Enterprise business and penetrating significant SMB market opportunity
- Boost subscription-based revenue
 - Build a sticky recurring Managed Services Provider revenue model that we drive through a nationwide variable comp sales organization
- Expand into retail footprint of ~1,400 stores to reach more customers locally
- Continue to innovate in the marketplace across all business sizes and our key verticals:

Digital Lockers & Vending

**Digital Building &
Digital Automation**

Device as a Service

Design Thinking

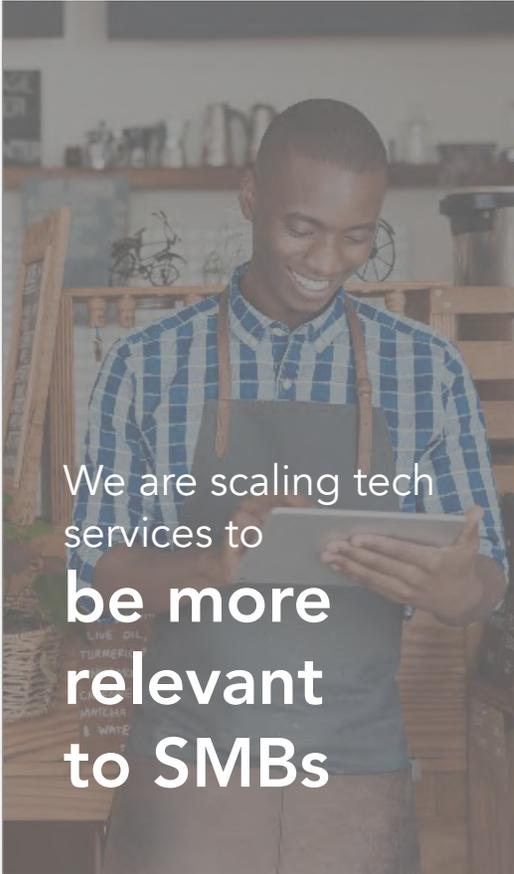
Self Healing Branch

Self Healing Store

Office DEPOT® OfficeMax® CompuCom®

We are working together and **cross selling services and products** with our enterprise customers

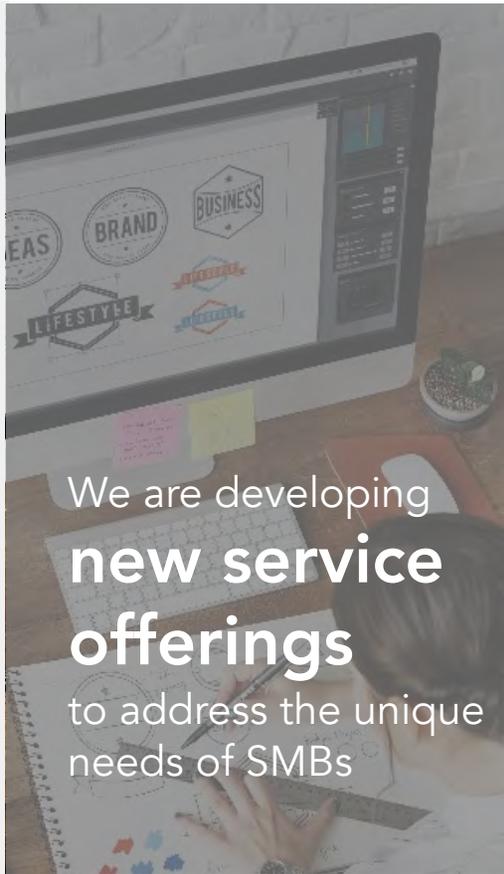
Depot.Different!



We are scaling tech services to

be more relevant to SMBs

We are deploying our plan to **leverage the ~1,400 ODP locations**



We are developing **new service offerings** to address the unique needs of SMBs



TRANSFORMING
**THE RETAIL
EXPERIENCE**
RETAIL'S PATH TO GROWTH

Kevin Moffitt
Retail

[OUR VISION]

Empowering our team
to Revolutionize Retail

One **client relationship**
at a time



[OUR HISTORICAL CHALLENGE]

OMX merger led to closing unprofitable & overlapping stores, boosting operating income and comp sales

However, the effect isn't sustainable as both operating income and comp sales have declined the past two years

Since the merger, ODP closed 500+ stores and lost \$1.5B in retail sales



[REBUILDING THE BASICS]

TRAFFIC

VISITS & CUSTOMER
FILE SIZE DECLINING
EACH YEAR



CONVERSION

LESS THAN 2/3 OF
VISITORS MAKE A
PURCHASE



ORDER SIZE

45% OF BUYERS
PURCHASE A
SINGLE ITEM

IMPROVING ALL THREE METRICS WILL DRIVE SIGNIFICANT RETAIL GROWTH

SELLING CULTURE

Store managers empowered to innovate and share ideas, driving conversion improvement of over 130 bps in Q1

Field incentives changed to drive sales, profit, services, and customer satisfaction





Cross-functional team dedicated to reducing operational overhead by **50%**

Over \$20M in labor savings will be reinvested in sales & service to drive **improvements in conversion and average order size**

**OPERATIONAL
EXCELLENCE**



Celebrating Small Businesses

PANY Inc. F@ST@MPANY

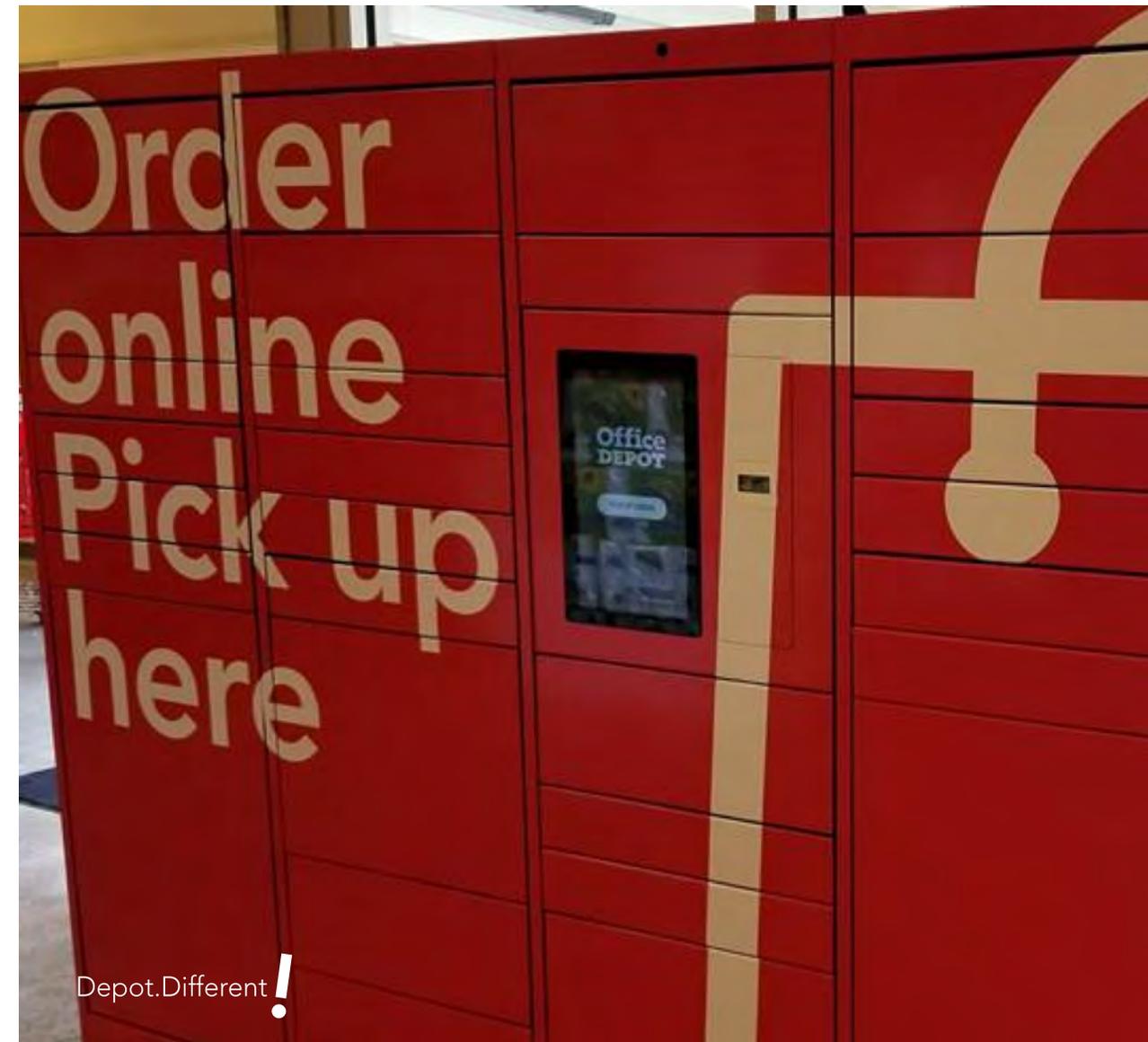
MPANY Inc. F@ST@MPAN

Inc. F@ST@MPANY Inc. F@ST@MPAN

[CUSTOMER & COMMUNITY FOCUS]

Refocusing marketing efforts on valuable
business and omni-channel customers

Improving traffic trends through localized demand generation,
community outreach and special networking events



Depot.Different!

[OMNI-CHANNEL ADVANTAGE]

Digital + physical capabilities combine to drive omni-channel growth and competitive differentiation as **store pickup customers increased 33% in Q1**

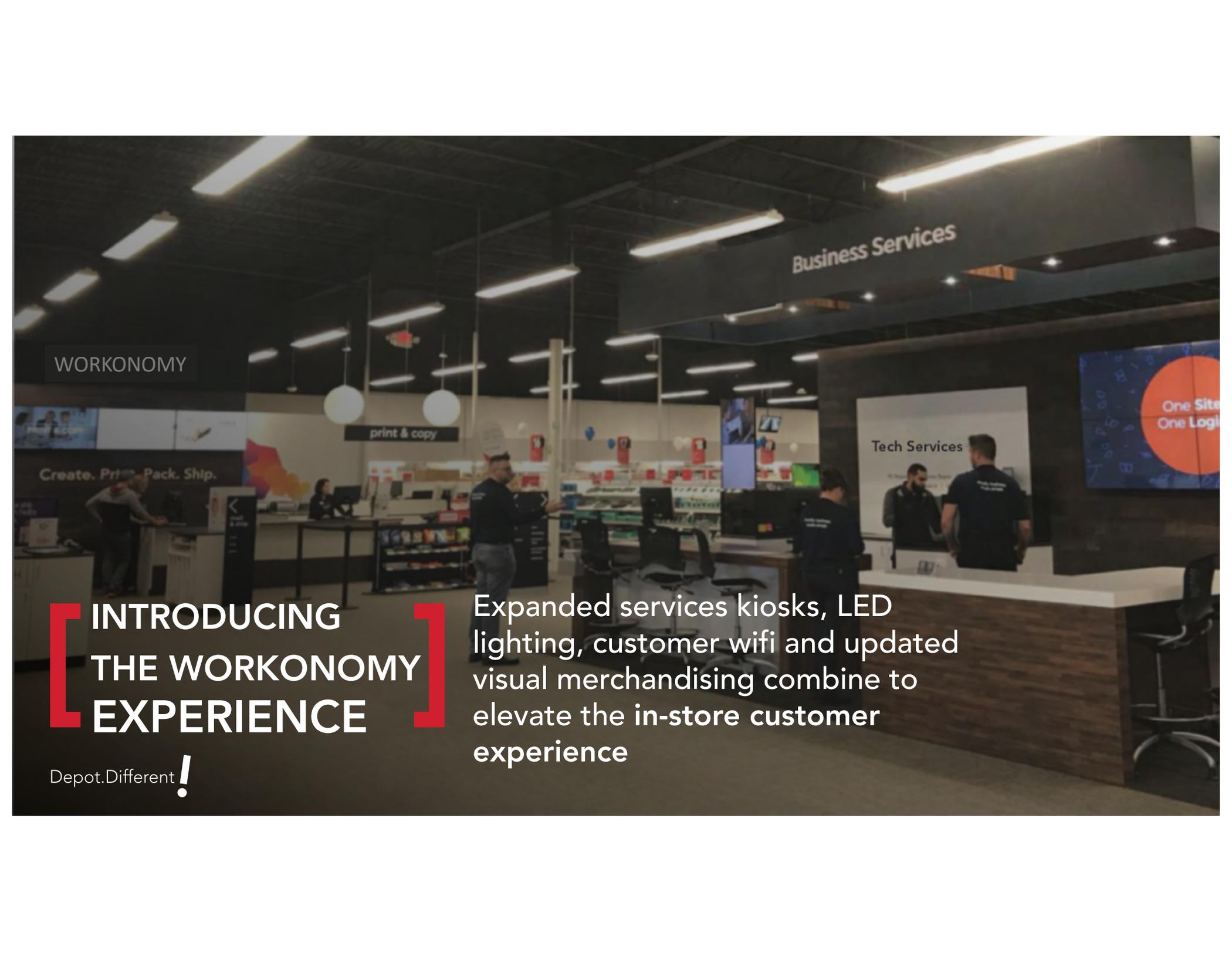
ODP has **ship-from-store** capabilities in all locations, **same day delivery** in select markets, and is piloting **store lockers** with CompuCom

[PIVOTING TO SOLUTIONS]

ODP now offers a full suite of **business services & solutions**, including print & marketing, workspace design, administrative services, and tech services powered by **CompuCom**

Over 175k subscriptions have been generated in retail, and **tech services attach rate** increased from 19% to 31%





WORKONOMY

INTRODUCING THE WORKONOMY EXPERIENCE

Expanded services kiosks, LED lighting, customer wifi and updated visual merchandising combine to elevate the in-store customer experience

Depot.Different!

TEST & PILOT

We are leveraging strategic markets such as Austin, Silicon Valley and South Florida to rapidly test and pilot new concepts, including store layouts, staffing models, assortment, co-working, and localized marketing campaigns

Workonomy
tech services







Depot.Different!

[THE PATH TO GROWTH]

- ✓ Passionate associates
- ✓ Increased traffic, conversion & order size
- ✓ Innovative assortment of products & services
- ✓ Improved omni-channel experience
- ✓ Engaged customers

BREAK



Depot.Different!



SUSTAINABLE
GROWTH &
STRONG
CASH GENERATION

Joe Lower
Finance

OFFICE DEPOT BUSINESS DRIVERS

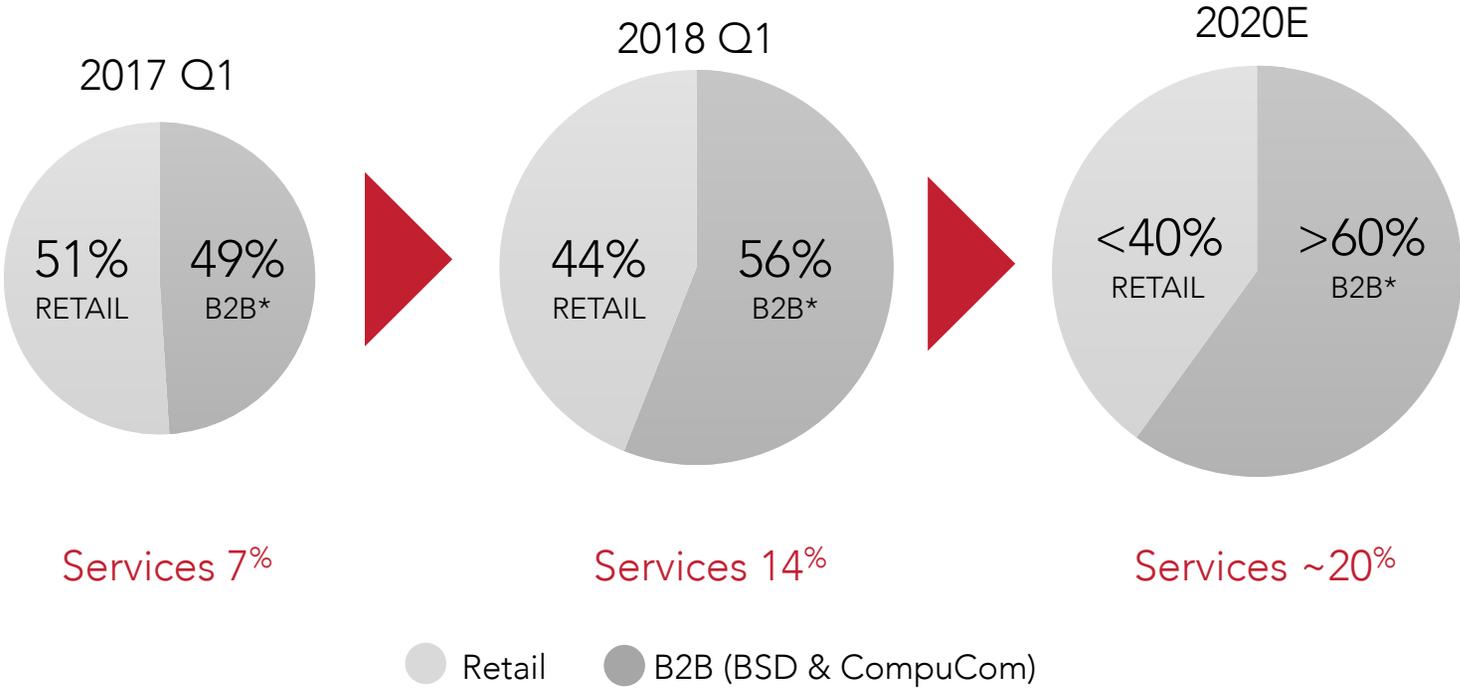
- ✓ Unique Omni-channel strategy enabling service led growth
- ✓ Aggressive demand generation
- ✓ Merchandising for profitable growth
- ✓ BSD growing via eCommerce, adjacencies & customer acquisition
- ✓ Leveraging CompuCom to accelerate technology-based services
- ✓ Retail creating new experience and re-leveraging the extensive footprint



GENERATING SUSTAINABLE PROFITABLE GROWTH AND SIGNIFICANT CASH FLOW

TRANSFORMATION TO B2B AND SERVICES

MOVING INTO HIGHER MARGIN, DEFENDABLE SERVICES



*NOTE: Does not include additional B2B sales that are captured in Retail.

[IMPROVING MARGINS AND ENHANCING CASH FLOW]

MARGIN IMPROVEMENT

- COGS initiatives
- Administrative efficiencies
- Shift to services
- Reversing sales de-leveraging

CASH FLOW GENERATION

- Inventory management
- Payment terms
- Collection process
- Tax strategies

DRIVING PROFITABILITY AND CASH GENERATION

[CASH GENERATION]

	Outlook 2018	Outlook 2019 & 2020
Cash Flow from Operations	~\$525 M	~\$500 M
Capital Expenditures	<u>(~\$175 M)</u>	<u>(~\$150 M)</u>
Free Cash Flow ⁽¹⁾	~\$350 M	~\$350 M
Sale of Discontinued Operations	<u>~\$100 M</u>	
Cash Generation to Deploy	~\$450 M	~\$350 M

SIGNIFICANT CASH TO FUND OPERATIONS & RETURN CAPITAL

[SUBSTANTIAL LIQUIDITY]

Cash Balance
Q1 2018

\$737M

ABL Availability

~\$900M

2018 Cash
Generation Outlook

~\$450M

LIQUIDITY TO FUND OPERATIONS, FUEL GROWTH & RETURN CAPITAL

[CAPITAL ALLOCATION PRIORITIES]

	Outlook 2018	Outlook 2019 & 2020
Cash Generation to Deploy	~\$450 M	~\$350 M
Mandatory Debt Repayments*	(~\$75 M)	(~\$75 M)
Shareholder Dividends*	(~\$58 M)	(~\$58 M)
Remaining Cash Available to Deploy	~\$315 M	~\$215 M

*Future shareholder dividends are expected. Current Term Loan agreement governs debt repayment, dividend and share repurchase ability

BALANCED CAPITAL DEPLOYMENT STRATEGY

[Q1 HIGHLIGHTS]

Q1 2018 Results	
Sales	\$2.8 B
Operating Income	\$77 M
Adjusted Operating Income ⁽¹⁾	\$93 M
FCF ⁽²⁾	\$170 M

- Revenue growth of 6% YoY
 - CompuCom acquisition
 - BSD +1% YoY
 - Retail comparable sales -4% YoY
- Adjusted operating income above expectations on core strength
- Exceptional FCF based upon successful working capital initiatives
- Raising outlook on strong Q1 performance and positive trends

STRONG Q1 REFLECTS FOCUS ON BUSINESS DRIVERS

[2018 OUTLOOK*]

	2018 Outlook at Q4 2017	Change at Q1 2018	Current 2018 Outlook
Sales: YoY Growth	~\$10.6 B +3.5%	+\$200 M	~\$10.8 B +5.5%
Adjusted Operating Income*	~\$350 M	+\$10 M	~\$360 M
Free Cash Flow	~\$325 M	+\$25 M	~\$350 M

* The Company's outlook for 2018 included in this presentation is for continuing operations only and includes non-GAAP measures, such as adjusted operating income, which excludes charges or credits not indicative of core operations, which may include but not be limited to merger integration expenses, restructuring charges, acquisition-related costs, executive transition costs, asset impairments and other significant items that currently cannot be predicted. The exact amount of these charges or credits are not currently determinable, but may be significant. Accordingly, the Company is unable to provide equivalent reconciliations from GAAP to non-GAAP for these financial measures.

OUTLOOK FOR 2019 AND 2020*

	2018 Outlook	2019 & 2020 Outlook
Sales	~\$10.8 B	0% to 2% CAGR
Services (as % of total sales)	~15%	~20%
Adjusted Operating Income*	~\$360 M	3% to 5% CAGR
Free Cash Flow	~\$350 M	~\$350 M

IMPROVING PERFORMANCE WITH POSITIVE OUTLOOK

* The Company's outlook for 2018, 2019 & 2020 included in this presentation is for continuing operations only and includes non-GAAP measures, such as adjusted operating income, which excludes charges or credits not indicative of core operations, which may include but not be limited to merger integration expenses, restructuring charges, acquisition-related costs, executive transition costs, asset impairments and other significant items that currently cannot be predicted. The exact amount of these charges or credits are not currently determinable, but may be significant. Accordingly, the Company is unable to provide equivalent reconciliations from GAAP to non-GAAP for these financial measures.

[KEY TAKEAWAYS]

- ✓ Generating demand to improve business trajectory
- ✓ Transforming to higher margin, defensible businesses
- ✓ Significant liquidity and strong cash generation engine
- ✓ Adequate capital to fund growth and return to stakeholders (debt & equity)
- ✓ Improving performance with positive long-term outlook





WHERE WE GO FROM HERE

 Gerry Smith
CEO

THE NEW ODP: BRINGING THE VISION TO LIFE AND LOOKING TO THE FUTURE

Unique
Omni-Channel
Platform

60% B2B Revenues
Stable and Growing
(BSD and CompuCom)

Revitalizing
Retail

Targeting ~20%
Services Revenue
by 2020

Continue to
Grow the
Customer Base

Maintain Focus
on Expense
Management

Compelling Opportunity
with CompuCom in
Underserved SMB
Market

Energized,
Experienced
Leadership Team

Clear Path to Sustainable,
Profitable Growth with
Strong Free Cash Flow

**LAUNCHING WORKONOMY TO LEVERAGE THE CUSTOMER BASE,
THE MARKETPLACE & BUSINESS SERVICES PLATFORM**

[Q & A] SESSION