Office DEPOT
OfficeMax
Taking care of business

Second Quarter 2017 Results

August 9, 2017

Safe Harbor Statement

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. We want 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 our company is based on various factors and important assumptions about future events that may or may not actually come true. As a result, our operations and financial results in the future could differ materially and substantially from those we have discussed in the forward-looking statements made during this presentation. Certain risks and uncertainties are detailed from time to time in our 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, we may refer to results which are not GAAP numbers. A reconciliation of GAAP to non-GAAP measures is available on our website at investor.officedepot.com. The company's outlook for 2017 adjusted operating income excludes charges or credits not indicative of our core operations, which may include but not be limited to merger integration expenses, restructuring charges, 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 a reconciliation to an equivalent operating income outlook for 2017.

Gerry Smith

Chief Executive Officer

Second Quarter 2017 Financial Summary

- Sales of $2.4 billion down 9%; 6% adjusted for planned store closures
- Operating income decreased to $46 million compared to $271 million in the prior year period which included Staples termination fee of $250 million
  - ✓ Adjusted operating income* of $68 million, a decrease of $10 million
  - ✓ Adjusted operating margin* decreased about 10 bps to 2.9%
- EPS from continuing operations of $0.04 compared to $0.41 in Q2 2016
  - ✓ Adjusted EPS* from continuing operations of $0.06, flat to prior year
- First half adjusted operating income and adjusted EPS on track and ahead of prior year
- Nearing completion of planned International divestitures
  - ✓ Completed sale of businesses in South Korea & mainland China
  - ✓ Awaiting regulatory approval for Australia and New Zealand sale

* Non-GAAP measure. A reconciliation of GAAP to non-GAAP measures can be found at investor.officedepot.com.

Changing the Company Landscape

We help our customers take care of business, in the office, in the classroom and on the go

TRANSFORM Our Business — ***Deliver relevant business services & products***

STRENGTHEN Our Core — ***Focused Business units & addressing structural issues***

DISRUPT For our Future — ***Innovation & leveraging our assets***

Strengthening - Retail

- Launched new “Taking Care of Business” brand campaign
  - ✓ Utilizing TV, radio, inserts, direct mail, web, email and social media channels
- Introduced new Loyalty Rewards program
  - ✓ Successful test pilot with increased customer enrollment, sales and satisfaction
  - ✓ 2% back on everything
  - ✓ VIP Tier with free delivery, 5% back on paper, ink, toner and copy and print services
  - ✓ Redeem rewards instantly at checkout
- Well positioned for Back to School
  - ✓ Drive attachment and increased basket
  - ✓ TUL for School writing utensils
  - ✓ New assortment of Gaming PCs
  - ✓ New Serta iComfort chairs

Strengthening – BSD

- Continuing to win new contract customers with solid sales pipeline
- Experiencing growth in Cleaning/Breakroom category expansion strategy
- Finalizing OfficeMax integration
  - ✓ Supply chain integration nearly complete with additional efficiency opportunities
  - ✓ Migrated over 75% of legacy OfficeMax customers onto Office Depot platform
- Omnichannel strategy continuing to grow and gain traction
  - ✓ Buy online/pick-up in store increased approximately 30% over prior year
  - ✓ Ship from store capability now operational across all stores and ramping quickly
  - ✓ Launching same-day delivery in select markets

Transforming – Store of the Future

- Currently have 46 stores converted into new store of the future (SOF) format across 22 states
- Continue to see positive results from converted stores
  - ✓ Higher customer satisfaction scores
  - ✓ Improved overall sales versus control group
  - ✓ Attractive sales lift in copy, print and tech services
- Launching Austin, TX market pilot bringing together SOF proven learnings and best practices
- Expect to have approximately 75 stores converted into new format by the end of 2017

Transforming – Services

- Copy and Print:
  - ✓ Expand wide-format printing capabilities and solutions
  - ✓ Provide in-depth training for associates
  - ✓ Targeted selling strategies with high-value customer segments
- Managed Print and Tech Services:
  - ✓ Expanding selling resources
  - ✓ Focus on vertical market opportunities
  - ✓ Piloting enhanced tech services for SMB's
  - ✓ Exploring partnerships to expand capabilities and accelerate growth
- Hired Janet Schijns to oversee copy, print and tech services and regional print facilities supporting growth across all channels

Disrupting – Long Term Value

CENTRIQ
Your home in your hands

- Announced partnership with Centriq Technology
  - ✓ Award winning home management app
  - ✓ Equity investment in the company
  - ✓ Exclusive licensing agreement of their SMB Asset Management Platform
- Focused on delivering a business-to-business version of the home application
  - ✓ Enable businesses to better track and manage their assets
  - ✓ Gateway to servicing those physical assets
  - ✓ Provides enhanced value to our customers
  - ✓ Differentiated offering exclusively from Office Depot
- Exploring additional partnership opportunities to build out a platform of service offerings for customers

Steve Hare

Executive Vice President and Chief Financial Officer

Second Quarter and YTD 2017 Summary

($ in millions, except per share amounts)	Second Quarter 2017	Second Quarter 2016	Year-to-Date 2017	Year-to-Date 2016
Operating Income (GAAP)	$46	$271	$173	$356
Adjusted Operating Income*	$68	$78	$220	$202
Net Income from Continuing Operations (GAAP)	$21	$232	$95	$294
Adjusted Net Income from Continuing Operations*	$34	$35	$122	$104
EPS from Continuing Operations (GAAP-diluted)	$0.04	$0.41	$0.18	$0.53
Adjusted EPS from Continuing Operations* (diluted)	$0.06	$0.06	$0.23	$0.19

- Total company sales declined 9% compared to Q2 2016
  - ✓ Down 6% adjusted for planned U.S. store closures and foreign currency
  - ✓ Impacted by prior period customer losses, lower store traffic and competitive pressures
- 2Q17 adjusted operating income* of $68 million, down $10 million to 2Q16
  - ✓ Excludes $22 million in merger integration, restructuring, executive transition and asset impairment costs
- YTD adjusted operating income* up $18 million vs. 2016, with margins up 66 bps to 4.4%
- 2Q17 adjusted EPS* from continuing operations of $0.06, flat to prior year
- YTD adjusted EPS* from continuing operations up 21% over 2016 to $0.23

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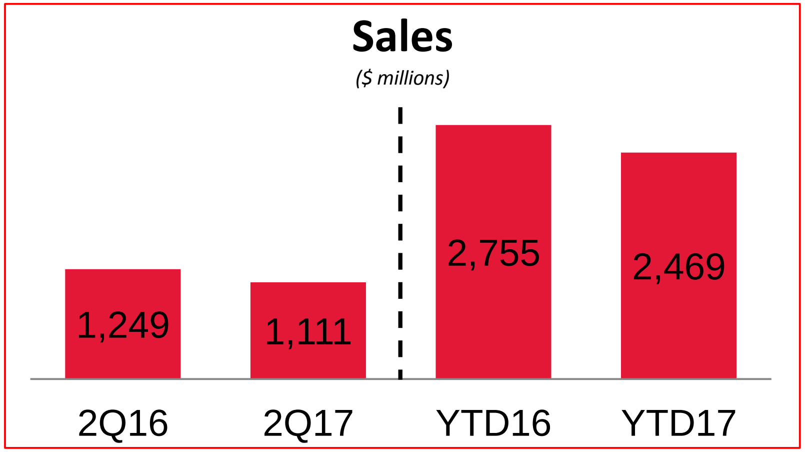
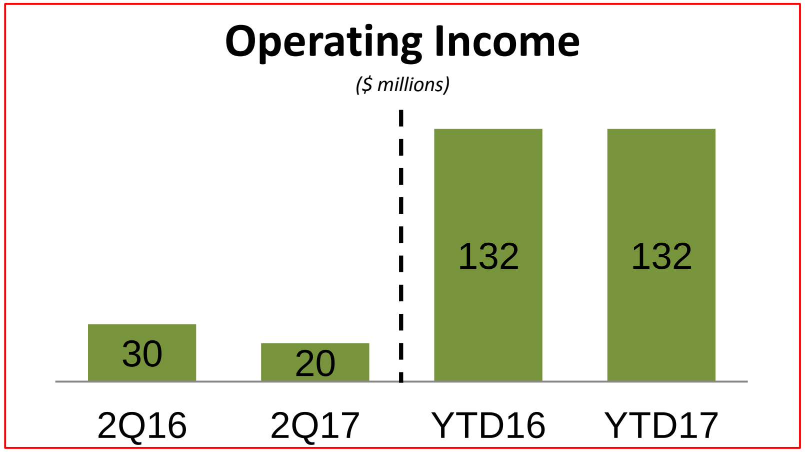
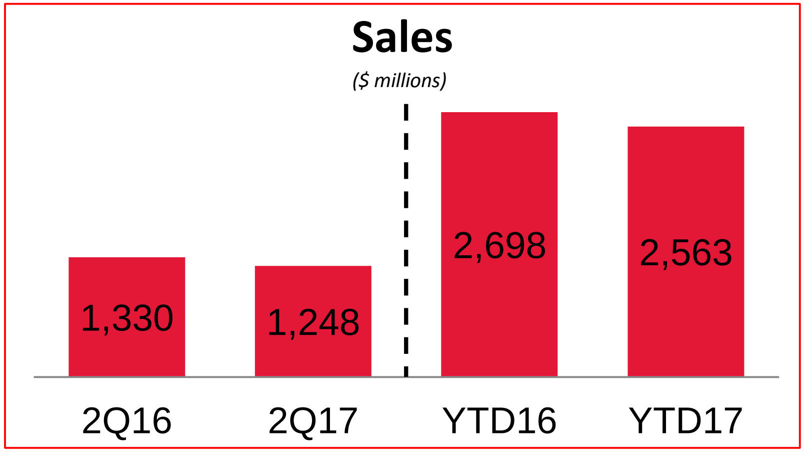
Retail Division - 2Q17

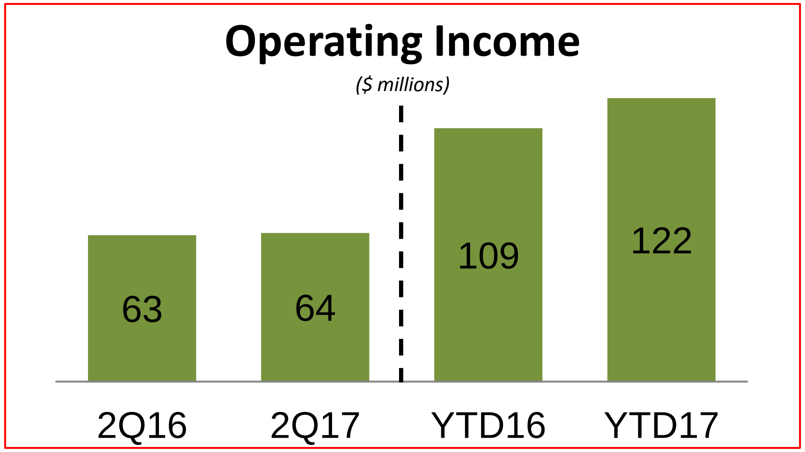




- 2Q17 comparable store sales decreased 6%; total sales decreased 11% due to impact of planned store closures
  - ✓ Transaction counts decreased and lower average order value
  - ✓ Sales declined across most product categories but increased mid-single digits in cleaning/breakroom
- 2Q17 division operating income decreased $10 million compared to prior year
  - ✓ Negative flow-through impact from lower sales and a lower gross margin rate more than offset lower SG&A expenses including payroll

Business Solutions Division – 2Q17





- 2Q17 sales decreased 6% versus 2Q16 in constant currency
  - ✓ Sales decline primarily driven by continued competitive pressures, prior period losses in the contract channel, ongoing reduction in catalog sales and impact from omnichannel programs that are recorded in Retail division
  - ✓ Sales declined in supplies, technology and furniture categories but increased in cleaning/breakroom and in copy and print
- 2Q17 division operating income increased slightly compared to 2Q16, with margins up almost 40 bps to 5.1%
  - ✓ Lower SG&A expenses including payroll more than offset the negative flow-through impact from lower sales and a lower gross margin rate

Sale of International Businesses

South Korea	• Successfully completed sale on April 26, 2017
Mainland China	• Successfully completed sale on July 28, 2017
Australia and New Zealand	• Entered into agreement to sell operations in Australia and New Zealand on April 18, 2017 • Expect to complete transaction as soon as buyer obtains regulatory approval
Sourcing and Trading Operations	• Retaining sourcing and trading operations in Asia • Results reported as an “Other” segment

Balance Sheet / Cash Flow Highlights

Net Cash Position (of Continuing Operations)	• Total liquidity of approximately $1.8 billion at end of 2Q17 ✓ $0.8 billion of cash & equivalents ✓ $1.0 billion available on asset-based lending facility • Debt of $375 million at end of 2Q17, excluding non-recourse timber notes
Operating Cash Flow (of Continuing Operations)	• Operating cash flow provided $27 million in 2Q17, including cash outflows of: ✓ $15 million in restructuring activities ✓ $13 million in OfficeMax merger integration costs
Capex	• Capex of $25 million in 2Q17 ✓ Includes merger integration capex of $3 million
Shareholder Return	• Repurchased 2 million shares for $7 million in 2Q17 • Paid cash dividend of $0.025 per share or approximately $13 million in 2Q17

Cost Savings and Efficiency Programs

$250M+

Store Optimization Plan

- Closed 105 stores since Phase 2 launch
- Sales transfer rates continue to exceed expectations
- Achieving rent savings on square footage reductions

Operating Model Efficiencies

- Transitioning to lower-cost operating models
- Identifying additional business process improvement opportunities

Procurement Savings

- Cost of Goods Sold
- Facilities
- Warehouse and Transportation
- IT Hardware/Software and Services
- Travel and Entertainment

G&A Reductions

- Reduced G&A expenses
- Realigned organization to better support customers and deliver on growth initiatives

Free Cash Flow Generation

- Drive improvement in FCF
- Generate working capital efficiencies – payables, receivables and inventory turns

2017 Outlook

- Comparable total company sales in 2017 expected to be lower than 2016 primarily as a result of:
  - ✓ Impact of planned U.S. retail store closures and lower store traffic
  - ✓ Ongoing competitive pressures
  - ✓ Prior year BSD customer losses, though expect the BSD rate of decline to improve in the second half of the year as new customer wins are implemented
- The company continues to expect adjusted operating income* of approximately $500 million in 2017
  - ✓ Comparable year-over-year increase of 10%
  - ✓ First half adjusted operating income* increased by 9%
  - ✓ Estimated non-GAAP annual effective tax rate of approximately 41%
- Free cash flow* from continuing operations of more than $300 million
  - ✓ Timing shift of one-time costs into 2017
  - ✓ Capital expenditures from continuing operations estimated at $150 million
  - ✓ Approximately $150 million of depreciation and amortization expense
  - ✓ Cash tax rate of 15%

* Non-GAAP measure. A reconciliation of GAAP to non-GAAP measures can be found at investor.officedepot.com.

Summary

- On track to deliver 2017 operating plan
- Execute against our critical business priorities:
  - ✓ Build foundation for profitable top-line growth
  - ✓ Leverage omnichannel platform & stores for last mile distribution
  - ✓ Expand opportunities in adjacencies and services
  - ✓ Execute on cost savings and efficiency programs
  - ✓ Drive additional margin and free cash flow
- Position Office Depot for long-term success

Q & A