



First Quarter 2021 Financial Results

Safe Harbor Statement

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During portions of today’s presentation, the Company may refer to results which are non-GAAP financial measures. A reconciliation of GAAP to non-GAAP financial measures is available on the Company’s website at investor.theodpcorp.com. These measures exclude charges or credits not indicative of core operations and the tax effects of these items, which may include but not be limited to merger integration, restructuring, acquisition costs, asset impairments, loss on extinguishment of modification of debt and executive transition costs. The exact amount of these charges or credits are not currently determinable but may be significant. Accordingly, the Company is unable to provide GAAP measures or equivalent reconciliations from GAAP to non-GAAP for these financial measures.



Gerry Smith

Chief Executive Officer



1Q21: Remaining True to ODP's Strategic Tenets; 5C Culture; Execution

1

Drive Low-Cost Model

Lower fixed cost, scalable model

2

Transition to Higher Growth Opportunities

Expanding our value proposition

3

Evolving into Higher Value Businesses

New growth engines, digital transformation, leveraging B2B assets

1Q

Progress

✓ Delivered
solid operating
results

✓ Made significant progress in
our B2B pivot and digital
transformation

✓ Announced plan to separate ODP
into two independent, publicly
traded companies

Creating Long-Term Shareholder Value

1Q21: Significant Accomplishments

Maintained Safety Measures for Associates & Customers

- ✓ Drove Solid Operating Results & Strong Free Cash Flow Despite COVID-19 Challenges
- ✓ Made Significant Progress on B2B Evolution & Digital Transformation
- ✓ Announced Plan to Unlock Shareholder Value Through Spin-Off of B2B Businesses, Creating Two Independent, Publicly Traded Companies
- ✓ Established New \$300 Million Share Repurchase Authorization

Drove Solid Operating Results & Free Cash Flow

Low-cost model and balanced ecosystem drove performance!

- Challenges related to COVID persisted during the quarter along with adverse weather challenges in the Southwest
- Low-cost model, Maximize B2B plan, and ecosystem helped partially offset COVID and weather-related impacts
- Overall value proposition meeting customer needs in multiple environments
- Trends improved throughout the quarter supporting stronger second-half thesis

(1) Non-GAAP financial measure. A reconciliation of GAAP to non-GAAP financial measures can be found at investor.theodpcorp.com.

(2) As used in this presentation, Adjusted Free Cash Flow is defined as free cash flow excluding cash charges associated with the Company's Maximize B2B Restructuring Plan and its Business Acceleration Program. Adjusted Free Cash Flow is a non-GAAP financial measure. A reconciliation of GAAP to non-GAAP financial measures can be found at investor.theodpcorp.com.



THE ODP CORPORATION

Office DEPOT OfficeMax CompuCom. GRAND&TOY.

A background image showing a group of business professionals in a meeting. A woman in a blue sleeveless top and glasses is smiling and looking towards a man in a light-colored shirt who is looking down at a tablet. Other people are partially visible, some holding documents or tablets. The setting appears to be a modern office or meeting room with a wooden floor and large potted plants.

\$91M

Adjusted Operating Income 1Q21⁽¹⁾

\$79M

Adjusted Free Cash Flow 1Q21⁽²⁾



Retail: Continues to Deliver Strong Performance

Strong demand for BOPIS offering

New operating model and retail footprint optimization driving strong operating results

- ↑ Sales/shopper up offsetting lower traffic
- ↑ 15% increase in operating income; new operating model and efficiencies
- ↑ Buy On-Line Pick-Up in Store (BOPIS) up 35%
- ↑ Beginning to see higher core product mix

BSD: Positioning for Return to Work & the Classroom

COVID-19 and weather impact business, but trends improving

- Contract channel impacted by COVID-19
- Business and Education sector trends beginning to improve

Supporting customers in all environments

- Supporting work/learn from home initiatives; growth in Tech/Furniture
- Increases in sales through eCommerce channel
- Adjacency penetration: 44% of total BSD revenue

Growing pipeline for future

- Net new customer wins – positioning for future
- Trusted supply chain partner
- Preparing for “return to office and return to classroom”

Leveraging low-cost model, product breadth and supply chain flexibility



Pipeline of new customers improving



Improving pace of business/school re-openings support 2nd half growth



CompuCom: Positioning for the Future

Addressing COVID challenges; positioning for future growth

- Continuing to support customers through the pandemic
- Well positioned to support “future of work”
- Sales YOY impacted by COVID and malware incident

Addressed malware incident; working to grow pipeline

- Worked closely with customers through malware incident
- Malware incident impacted top-line and incurred cost to remediate/address incident
- Restored services to all customers
- Strengthened systems with enhanced security measures

**Continuing to make progress
on plans for value maximizing sale**

Strong Progress on B2B Pivot & Digital Transformation



BuyerQuest

New technology platform business integrated BuyerQuest
Leading procure-to-pay (P2P) platform
New Customer Launches
Growing Pipeline and Interest

Advanced collaboration with Microsoft

Successful technical demonstration at industry conference
Preparing for launch to Business Central customer later in year

Working closely with suppliers

Growing interest from supplier community
Broad capabilities and reach on new digital platform



Update on Staples Proposed Offer

David Bleisch, EVP and Chief Legal & Administrative Officer



Maximizing Shareholder Value Through Separation of ODP

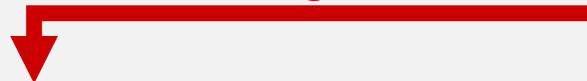
Gerry Smith, Chief Executive Officer



Separation Creates Two, Highly Focused, Publicly-traded Companies



Remaining business



Office Depot Corporation

A leading B2C brand and provider of business products and services, consisting of:

Office Depot
Office Max
Retail Stores

Direct Channel
(officedepot.com)

Key capabilities and assets also include:

Merchandising

Marketing

Spin-off



NewCo

A leading B2B distribution business and business commerce platform, consisting of:

US Core
Contract

B2B Digital
Platform Business
(includes BuyerQuest)

Grand & Toy
and Federation

CompuCom*

Key capabilities and assets also include:

Supply Chain Assets

Procurement & Sourcing



Office DEPOT OfficeMax CompuCom. GRAND&TOY.

* Plan for value-maximizing sale of CompuCom, ODP's managed workplace services provider subsidiary, continues to move forward

Unlocking Value for all Stakeholders

CUSTOMERS

Increase focus on the unique needs of differing customer bases through aligned go-to market strategies and approach to innovation

Build new capabilities to improve customer experience

.....

INVESTORS

Execute capital investments to **maximize valuations** and better **align with shareholder specific return profiles** across income and growth

Pursue value creation strategies that **allow for more targeted investment opportunities**

.....

TEAM

Attract and hire talent that is motivated by the specific mission of each entity and provide greater advancement opportunities

Optimize the skill mix to fit the unique needs of each business

Empower team to have more focused business strategy and goal



Key Separation Details



SEPARATION STRUCTURE

The separation is expected to occur through a **tax-free stock dividend** of NewCo to ODP's shareholders

NewCo name, Board, and Management Teams will be announced at a future date



TIMING

The separation will be completed in the **first half of 2022** subject to customary conditions including final Board approval



AGREEMENTS

ODP expects to **maintain ties** with NewCo in areas where leveraging combined scale is **mutually beneficial** (e.g., product sourcing and supply chain)

1Q21 Financial Overview

Anthony Scaglione, EVP & Chief Financial Officer



First Quarter 2021 Summary

First Quarter		
(\$ in millions, except per share amounts)	2021	2020
Sales	\$2,366	\$2,725
Operating Income	\$55	\$80
Adjusted Operating Income ⁽¹⁾	\$91	\$108
Net Income	\$53	\$45
Diluted Earnings Per Share ⁽²⁾	\$0.95	\$0.84
Adjusted Earnings per share (diluted) ⁽²⁾	\$1.21	\$1.21
Adjusted EBITDA ⁽¹⁾	\$138	\$157
Operating Cash Flow	\$86	\$188
Free Cash Flow ⁽³⁾	\$73	\$163
Adjusted Free Cash Flow ⁽⁴⁾	\$79	\$173

- **COVID-19 challenges and adverse weather**
- **Low-cost model, Maximize B2B plan, diverse channels to market helped to address challenges**
- **Lower SG&A helped drive solid adjusted operating results**
 - Adjusted operation income of \$91 million; adjusted EBITDA of \$138 million
- **Finished quarter with stronger momentum**

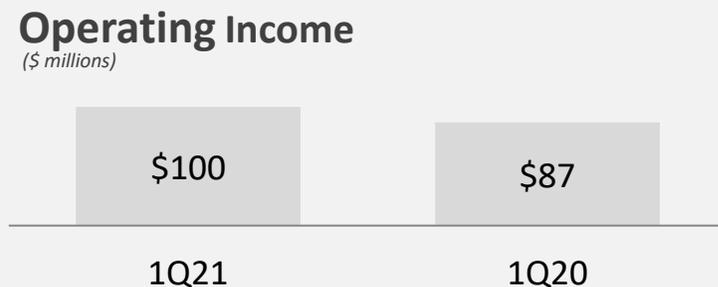
(1) Non-GAAP financial measure. A reconciliation of GAAP to non-GAAP financial measures can be found at investor.theodpcorp.com.

(2) After obtaining shareholder approval on May 11, 2020, the Company's Board of Directors determined to set a reverse stock split ratio of 1-for-10 for a reverse stock split of the Company's outstanding shares of common stock, and a reduction in the number of authorized shares of the Company's common stock by a corresponding ratio. The reverse stock split was effective on June 30, 2020. All share and per share amounts in this presentation have been retroactively adjusted for the prior period presented to give effect to this reverse stock split.

(3) As used in this presentation, Free Cash Flow is defined as cash flow from operating activities less capital expenditures. Free cash flow is a non-GAAP financial measure. A reconciliation of GAAP to non-GAAP financial measures can be found at investor.theodpcorp.com.

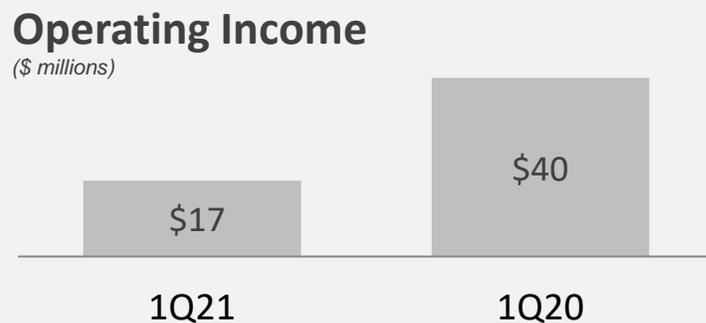
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Retail Division – 1Q21



- **Labor model improvements; cost efficiencies; and omni-channel flexibility drove performance**
- **1Q21 reported sales declined 10% versus 1Q20 driven by store closures**
 - Sales decline related to planned store closures - 149 fewer retail outlets compared to the prior year; and lower store traffic
 - Strong omni sales; 35% increase in BOPIS; Higher sales per shopper
- **1Q21 operating income of \$100 million versus \$87 million in 1Q20**
 - 210 bps margin improvement as a percentage of sales in quarter
 - Lower SG&A; lower operating lease costs; improvement in distribution and inventory management costs

Business Solutions Division – 1Q21



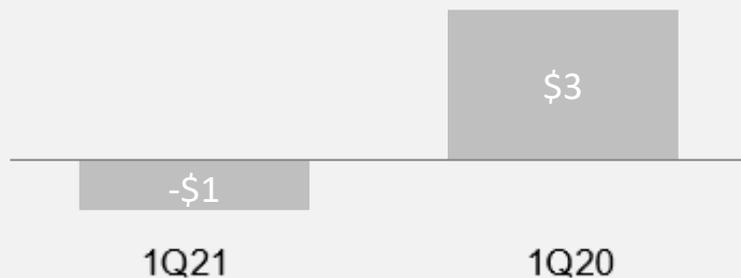
- **Sales impacted by conditions caused by COVID-19 primarily impacting Contract channel**
 - Reported sales of \$1.1 billion, down 16% versus 1Q20
 - Contract channel demand impacted by school/business closures due to pandemic; Partially offset by increase in demand in eCommerce channel
- **Adjacency categories continued strong demand**
 - 44% of total BSD revenue in the quarter
 - Strong work/learn-from-home category demand
- **Operating income of \$17 million versus \$40 million in 1Q20**
 - Margins impacted by flow through impact of lower sales and product mix
 - Lower SG&A from cost efficiency programs
- **Exited quarter with strong momentum**

CompuCom Division – 1Q21

Sales
(\$ millions)



Operating Income (Loss)
(\$ millions)



- **Reported sales of \$196 million versus \$235 million in prior year period**
 - COVID-19 impacts and other factors resulting in lower service volumes
 - Revenue also impacted by malware incident
- **Operating income (Loss) of \$(1) million versus \$3 million in prior year period**
 - Flow through impact related to lower sales due to COVID-19 outbreak
 - Cost reduction efforts helping to partially offset
- **Largely addressed malware incident and restored service**
 - Services restored; pipeline intact
 - \$10 million in costs related to restoring service; recognized in SG&A at ODP corporate entity
- **Refocusing on growth**
 - Leveraging core strengths to growth blue chip customer base
 - Growing pipeline
- **Plans for value-maximizing sale process continues**

Balance Sheet / Cash Flow Highlights*

Strong Available Liquidity	<p>Total available liquidity of approximately \$1.7 billion at end of 1Q21</p> <ul style="list-style-type: none">• \$946 million available credit under asset-based lending facility• \$753 million in cash and cash equivalents• \$367 million in total debt
Operating Cash Flow	<p>Operating cash flow of \$86 million in 1Q21</p> <ul style="list-style-type: none">• Included \$6 million of restructuring costs• Higher working capital usage relative to prior year period
Capital Expenditures & Other	<p>Capital expenditures of \$13 million in 1Q21</p> <p>Lower investment requirements for retail operations; continued investments in B2B platform and digital transformation</p>
Adjusted Free Cash Flow*	<p>Adjusted Free Cash Flow of \$79 million in 1Q21</p> <p>Surpassed internal plan</p>

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Q&A