



Second Quarter 2021 Financial Results

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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, and asset impairments.



Gerry Smith

Chief Executive Officer



2Q21: Remaining True to ODP's Strategic Tenets; 5C Culture; Execution

Remained True
to ODP's
Strategic Tenets



**Drive
Low-Cost
Model**

Lower fixed cost,
scalable model

**Transition to
Higher Growth
Opportunities**

Expanding
value proposition



**Evolving into
Higher Value
Businesses**

New growth engines,
digital transformation
leveraging
B2B assets



2Q21

- ✓ Improved Overall Performance
- ✓ Digital Transformation Progress
- ✓ Taking Action to Unlock Shareholder Value

2Q21: Significant Accomplishments

Maintained Safety Measures for Associates & Customers

- ✓ Delivered Strong Adjusted Operating Results
- ✓ Advanced the Development of Digital Platform Business
- ✓ Solid Progress on Spin-off Transaction
- ✓ Executed Upon New Share Repurchase Authorization

Building a More Valuable Enterprise



THE ODP CORPORATION

Office DEPOT OfficeMax CompuCom. GRAND&TOY.

Drove Increase in Revenue; Improved Adjusted Operating Results

Improving business environment and low-cost model drove performance!

- Broad economic recovery driving increased business activity
- Overall value proposition meeting customer needs in multiple environments
- Low-cost model and Maximize B2B plan helped drive strong increase in adjusted operating income
- Continued trends 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.



Office DEPOT OfficeMax CompuCom. GRAND&TOY.





Retail Division: Home Office & School Supply Headquarters

Strong support for schools and small business driving demand;
low-cost operating model driving strong operating results

- Support for schools and hybrid workers; continued home office supply headquarters source for small businesses
- Strong increase in traffic and conversion
- Stronger core product mix offsetting softening PPE sales
- Revenue flat despite 169 fewer stores in service
- Operating income up 2.5x versus last year partially driven by new labor model
- Increase in net promoter scores

Positioned for Strong Back-to-School Season; Continued Community Support

- ✓ Early set and in position for strong Back-to-School season
- ✓ 30-Minute In-Store & Curbside Pickup Guarantee
- ✓ Start Proud Backpack & school supply program
- ✓ Give Back to Schools program
- ✓ Elevate Together
- ✓ In-store savings for teachers & military discounts



Office DEPOT OfficeMax CompuCom. GRAND&TOY.

BSD: Improving Performance

Gaining traction as businesses and schools begin to return to work and to in-class learning

Business economy recovering; increase in business activity

- Public and Education (K-12) sectors driving demand
- Strong lift in contract sales; lower eCommerce demand
- Higher ED/large corporates growth expected in 2nd half

Core categories rebounding; adjacencies demand solid

- Core supply category sales up YOY
- Adjacencies 44% of total BSD despite lower PPE sales
 - Furniture, Technology and Print Services up
- Supporting customers in all environments

Business proposition resonating with customers

- Pipeline of new customers growing
- Net new customer wins – positioning for future
- Trusted supply chain partner; addressing challenges



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12%

Increase BSD Revenue 2Q21 versus Prior Year



~2.5x Increase

Operating income 2Q21 versus Prior Year



Net New Customers & Late-Stage Pipeline





CompuCom: Positioning for the Future

Focused on growth; positioning for the future

- Strong support of customers through the pandemic
- Drove revenue increase YOY
 - Strong product sales; stabilizing services sales

Addressed malware incident; working to grow pipeline

- Resumed normal operations
- Improved security measures

Well-positioned to support “future of work”

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

Progress on B2B Pivot & Digital Transformation



Integrated BuyerQuest into new technology business
Leading procure-to-pay (P2P) platform

Advanced our collaboration with Microsoft
Development path remains on-track

Added key team members
Industry-leading talent

Continuing to work closely with suppliers
Strong interest from supplier community
Broad capabilities and reach on new digital platform



Progress on Value-Creating Separation of ODP

- ✓ Established internal team and identified external resources
- ✓ Meaningful progress on mechanics; market-based commercial agreements
- ✓ Modified approach: plan to spin-off consumer business instead of B2B businesses
- ✓ On-track with plan to complete in first half of 2022
- ✓ Plan to provide more details in 3Q21

Separation Creates Two, Highly Focused, Publicly-traded Companies



Remaining business



Spin-off



The ODP Corporation

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 Corporation

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

Office Depot Office Max Retail Stores	Direct Channel (officedepot.com)
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Key capabilities and assets also include:

- Merchandising
- Marketing



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

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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**

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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



Update on Sycamore/Staples Proposal

David Bleisch, EVP and Chief Legal & Administrative Officer



2Q21 Financial Overview

Anthony Scaglione, EVP & Chief Financial Officer



Second Quarter 2021 Summary

Second Quarter		
(\$ in millions, except per share amounts)	2021	2020
Sales	\$2,286	\$2,158
Operating Loss	\$(78)	\$(456)
Adjusted Operating Income ⁽¹⁾	\$44	\$10
Net Loss	\$(88)	\$(439)
Diluted Loss Per Share	\$(1.62)	\$(8.19)
Adjusted Net Income (Loss) ⁽¹⁾	\$28	\$(4)
Adjusted Earnings (Loss) per share (diluted) ⁽¹⁾	\$0.51	\$(0.07)
Adjusted EBITDA ⁽¹⁾	\$93	\$59
Operating Cash Flow	\$(11)	\$(8)
Free Cash Flow ⁽²⁾	\$(27)	\$(23)
Adjusted Free Cash Flow ⁽³⁾	\$(13)	\$(7)

- **Pandemic recovery**; businesses and schools preparing to return to office and in-class learning
- **Small business, public and education sectors beginning to recover**; Increasing demand for core supplies
- **Recognized non-cash goodwill and intangibles impairment charges of \$114 million at CompuCom largely related to continued COVID impact on business conditions**
- **Low-cost model, Maximize B2B plan, cost efficiency plans helped drive adjusted operating performance**
 - Adjusted operating income ⁽¹⁾ of \$44 million; adjusted EBITDA ⁽¹⁾ of \$93 million
- **Finished quarter with strong momentum**

(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, 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.

(3) 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.

Retail Division – 2Q21

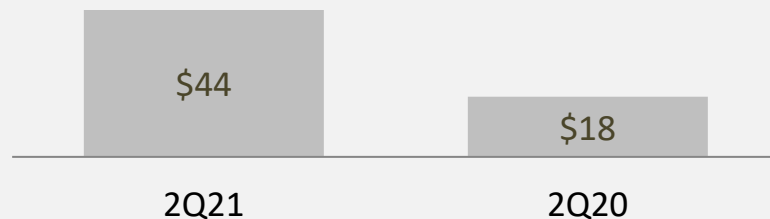
Sales

(\$ millions)



Operating Income

(\$ millions)



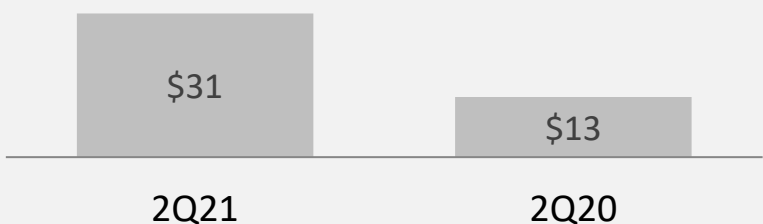
- **Sales flat despite 169 fewer stores**
 - Increased store traffic; Stronger conversion
 - Partially offset by 169 fewer retail outlets compared to the prior year; including 55 stores closed in quarter
- **Continued elevated demand from home office workers; recovery of copy & print and small business; core supplies**
- **BOPIS sales down versus strong 2Q20, but up over 70% versus 2Q19**
- **Product mix, volume, cost efficiencies, Maximize B2B plan drove operating income**
- **2Q21 operating income of \$44 million versus \$18 million in 2Q20**
 - Product mix, volume, cost efficiencies, Maximize B2B plan drove operating performance
 - 290 bps margin improvement in margin

Business Solutions Division – 2Q21

Sales *(\$ millions)*



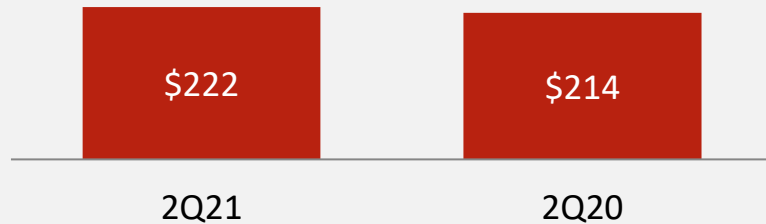
Operating Income *(\$ millions)*



- **12% sales increase YOY; more businesses and schools return to office and classroom**
 - Stronger demand in Public and Education sector
 - Increase in contract channel; partially offset by lower eCommerce channel demand
 - Large corporations & Higher Education only beginning to return to office and classroom; expected 2H21 recovery
- **Core products entering back into mix; Adjacency categories stable; Strong sales of service**
 - 44% of total BSD revenue in the quarter
 - Continued strong work/learn-from-home category demand
 - Furniture; Technology; Copy & Print; Core Supplies up
 - Services up 17%; Copy & print; Managed Print drivers
- **2Q21 operating income of \$31 million versus \$13 million in 2Q20**
 - Stronger volumes; sales mix; distribution
 - Increased gross margins
- **Growing pipeline and exited quarter with strong momentum**

CompuCom Division – 2Q21

Sales (*\$ millions*)



Operating Income (*\$ millions*)



- **Reported sales of \$222 million versus \$214 million in prior year period**
 - Stronger product sales; stabilizing service sales
- **Operating income of \$3 million versus \$4 million in prior year period**
 - Flow through impact related to lower sales of services
 - Cost efficiency efforts helping to partially offset
- **Refocusing on growth**
 - Leveraging core strengths to grow blue chip customer base
 - Growing pipeline
- **Moving forward with previously disclosed sale process**

Balance Sheet / Cash Flow Highlights

Strong Available Liquidity	<p>Total available liquidity of approximately \$1.7 billion at end of 2Q21</p> <ul style="list-style-type: none">• \$997 million available credit under asset-based lending facility• \$691 million in cash and cash equivalents• \$359 million in total debt
Operating Cash Flow	<p>Operating cash flow of \$(11) million in 2Q21</p> <ul style="list-style-type: none">• Included \$14 million of restructuring costs• Higher working capital usage relative to prior year period
Capital Expenditures & Other	<p>Capital expenditures of \$16 million in 2Q21</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 \$(13) million in 2Q21</p>
Share Repurchase	<p>2Q21: Repurchased \$46 million in stock retiring over 1 million shares</p> <p>Total through July: ~1.5 million shares for an average cost of \$45.38 per share</p>

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Q&A