Fourth Quarter & Full Year 2021 Financial Results
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. 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, including the impacts on our business due to the unknown severity and duration of the COVID-19 pandemic including its impact on our supply chain, labor shortages and inflationary pressures and the results of our ongoing discussions concerning our consumer business. 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 available at no charge at www.sec.gov and at the Company’s website at investor.theodpcorp.com.

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.
David Bleisch
EVP and Chief Legal & Administrative Officer
Gerry Smith
Chief Executive Officer
ODP: Continuing to Rise to the Challenge!

**Market Challenges**
- Macroeconomic backdrop
- COVID outbreaks, slower back to office trends
- Inflation, supply chain & sourcing
- Work environment/distributed workforces
- Evolving customer needs

**Focus on Key Tenets**
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

**2021 Results**
- ✓ Delivered strong operating results
- ✓ Made significant progress on strategic initiatives
- ✓ Continued to advance digital transformation/Varis
- ✓ Progress on unlocking shareholder value
Winning Culture

Commitment  Customer  Change  Caring  Creativity

Strong Support of our Communities

#depotdifference

ESG Matters

Environmental Reducing GHG emissions

Social Focused on diversity and inclusion

Governance Independent Directors and Pay for Performance
2021 Significant Accomplishments

Safety of associates and customers are priority #1

1. Drove strong operating results
2. Made significant progress on strategic initiatives
3. Advanced digital platform business (Varis)
4. Enhanced returns to shareholders

Building a More Valuable Enterprise
**Low-Cost Model & Operational Excellence Drove Strong Operating Results**

Delivered solid performance despite industry challenges

- Operational excellence and supply chain flexibility positioned ODP to deliver solid performance
- Back-to-office trends slower due to COVID variants; slightly better traction in enterprise contract channel
- Retail Division outperformed
- Private fleet, distribution assets, diverse third-party relationships, and flexible pricing strategies helped mitigate some of the supply chain cost pressures
- Low-cost model helped drive $305 million in adjusted operating income

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

$305 Million*

Adjusted Operating Income
BSD: Strong Value Proposition
Serving customers “anywhere”; Positioned for “Back-to-Office”

Back-to-office recovering, but at a slow pace
- Slower return-to-office activity due to Covid variants
- Private enterprise & education sector beginning to recover
- Contract channel sales up, offset by lower sales in eCommerce channel
- Sourcing and supply challenges for technology related products

Growth opportunities ahead in return-to-office; adjacency categories remain at ~44% of sales
- Increase in core supply categories; up YOY in Contract channel
- Adjacencies ~44% of total BSD despite lower PPE and furniture sales; Copy & Print services up
- Technology-related product sourcing remains a challenge
- Strong renewal win rate; net customer wins – positioned for future

Prior investments partially mitigating supply chain pressures
- Private fleet; 3PL relationships; contract base carrier agreements
- Flexible sourcing & supply network; pricing flexibility
Retail: Strong Performance in 2021
Strong support for schools, education customers, and small business; Low-cost operating model driving strong operating results

- Support for schools and hybrid workers; continued home office supply headquarters source for small businesses
- Optimized Retail footprint; expected increase in sales for open stores with stable traffic trends and strong conversion and sales per shopper
- Improved Back-to-School season during year; Back-to-School supplies industry expected to continue to recover in future
- Lower sales of PPE and cleaning SKU’s compared to last year’s strong demand during pandemic
- Strong operating margins
- Technology product availability continues to be a challenge
ODP: Building a More Valuable Business

2020

Office DEPOT OfficeMax

Holding Company Reorganization
Maximize B2B

2022

ODP
THE ODP CORPORATION

Aligning Assets to
Support our Business
Varis: Strong Progress in 2021

Leading procure-to-pay (P2P) platform
Attracting new business
Initializing new customers

Advanced our collaboration with Microsoft

Attracting industry leading talent

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

BUYERS
Buyer Focused Purchasing with "B2C-Like" User Experience

SELLERS
Supplier Focused Go-to-Market Solution

Innovative Platform for Buyers & Suppliers
2021 Financial Overview

Anthony Scaglione, EVP & Chief Financial Officer
## Fourth Quarter 2021 Summary

($ in millions, except per share amounts)  
(1) Reflects reclassification of financial results of the CompuCom Division to Discontinued operations, net of tax in the Consolidated Statements of Operations for all periods presented. The Company also reclassified the related assets and liabilities as assets and liabilities held for sale on the accompanying Consolidated Balance Sheets as of December 25, 2021, and December 26, 2020. Cash flows from the Company’s discontinued operations are presented in the Consolidated Statements of Cash Flows for all periods.  
(2) 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, 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.  
(4) 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, the Business Acceleration Program, and the planned separation of the consumer business. Adjusted Free Cash Flow is a non-GAAP financial measure and reconciliations from GAAP financial measures can be found at the Company’s investor relations website at investor.theodpcorp.com.

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<thead>
<tr>
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<th>2021</th>
<th>2020</th>
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<tbody>
<tr>
<td>Sales</td>
<td>$2,042</td>
<td>$2,085</td>
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<tr>
<td>Operating Income</td>
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<td>Adjusted Operating Income (2)</td>
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<tr>
<td>Net Income From Continuing Operations</td>
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<td>Diluted Earnings Per Share From Continuing Operations</td>
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<td>Adjusted Net Income From Continuing Operations (2)</td>
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<td>Adjusted Earnings Per Share From Continuing Operations (Most Diluted) (2)</td>
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<tr>
<td>Adjusted EBITDA (2)</td>
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<td>Adjusted Free Cash Flow (4)</td>
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### Highlights:

- **Global supply chain dynamics creating industry challenges and increased costs**
- **Reduced store footprint drove decline in reported revenue**
- **Stronger demand for copy and print, core supplies, workspaces, offset by lower demand for cleaning and PPE categories**
- **Low-cost model, Maximize B2B plan, cost efficiency plans helped drive operating income**
  - GAAP operating income of $31 million
  - Adjusted operating income (2) of $47 million
  - Adjusted EBITDA (2) of $87 million
## Full Year 2021 Summary

<table>
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<tr>
<th>($ in millions, except per share amounts)</th>
<th>2021</th>
<th>2020</th>
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<tbody>
<tr>
<td>Sales</td>
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<tr>
<td>Operating Income</td>
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<tr>
<td>Adjusted Operating Income (2)</td>
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<td>Net Income Loss From Continuing Operations</td>
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<td>$(63)</td>
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<td>Diluted Earnings Loss Per Share From Continuing Operations</td>
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<td>Adjusted Net Income From Continuing Operations (2)</td>
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<td>Adjusted EBITDA (2)</td>
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<td>Operating Cash Flow From Continuing Operations</td>
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<td>Free Cash Flow (3)</td>
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<td>Adjusted Free Cash Flow (4)</td>
<td>$328</td>
<td>$422</td>
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- Planned store closures primarily drove revenue decline
- Pricing and strength of the distribution network helped offset supply chain constraints, inflation, and slower pace of back-to-office trends due to the pandemic
- Slight improvements in BSD’s contract channel offset by expected lower demand in eCommerce channel; Strong performance in Retail channel
- Low-cost model, Maximize B2B plan, cost efficiency plans helped drive operating performance
  - GAAP operating income of $234 million
  - Adjusted operating income (2) of $305 million
  - Adjusted EBITDA (2) of $465 million

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• **4Q21 Sales increased 2% versus 4Q20**
  - Enterprise contract channel sales increased YOY
  - Lower eCommerce channel demand
  - Pace of back-to-office trends slower due to Omicron variant

• **Increased demand for core supplies, furniture, copy and print; offset by lower demand for technology products**
  - Core supply demand improving as businesses slowly return to office
  - Lower demand YOY for PPE, cleaning and technology products
  - Adjacency categories remained essentially flat at 44% of total BSD revenue in the quarter
  - Inventory challenges in technology and ink

• **4Q21 operating income of $30 million versus $18 million in 4Q20**
  - Sales mix and cost efficiencies helped offset supply chain cost pressures

• **Growing pipeline of new business; net new wins**
Retail Division

Sales ($ millions)

- 4Q21: $885
- 4Q20: $851
- 2021: $3,837
- 2020: $4,167

Operating Income ($ millions)

- 4Q21: $54
- 4Q20: $50
- 2021: $306
- 2020: $275

- Sales decreased 7% versus 4Q20
  - Primarily driven by 116 fewer stores in service YOY, including 46 stores during the quarter
  - Solid demand for core supply categories and increase in demand for copy and print services; offset by lower sales in PPE, cleaning, furniture and technology
  - Supply chain sourcing challenges in technology and Ink

- Sales-per-shopper increase offset by lower traffic trends

- Strong omni-channel sales supported by our 20-minute pick-up guarantee

- 4Q21 operating income of $54 million versus $50 million in 4Q20
  - Product mix, low-cost model, Maximize B2B plan drove operating performance offsetting cost pressures
  - 80 bps margin improvement in margin as a percentage of sales
## Balance Sheet / Cash Flow Highlights

### Strong Available Liquidity
- Total available liquidity of approximately $1.4 billion at end of 4Q21
  - $514 million in cash and cash equivalents
  - $877 million available credit under asset-based lending facility
  - $248 million in total debt

### Operating Cash Flow
- Operating cash flow of $88 million in 4Q21
  - Included $7 million of restructuring costs
  - Lower working capital usage relative to prior year period

### Capital Expenditures & Other
- Capital expenditures of $26 million in 4Q21
  - Continued investments in B2B platform and digital transformation (Varis); Lower investment requirements for retail operations
  - Maximize B2B restructuring charges of $7 million and separation charges of $11 million

### Adjusted Free Cash Flow*
- Adjusted Free Cash Flow of $80 million in 4Q21

### Share Repurchase
- Transferred ~$185 million in share repurchase activity and commitments retiring 3.7 million shares in 4Q21
- Over $300 million committed to shareholders in 2021 through stock repurchases
- Executing upon ASR

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