

THE ODP CORPORATION
RECONCILIATIONS OF NON-GAAP FINANCIAL MEASURES

We report our results in accordance with accounting principles generally accepted in the United States (“GAAP”). We also review certain financial measures excluding impacts of transactions that are not related to our core operations (“non-GAAP”). Management believes that the presentation of these non-GAAP financial measures enhances the ability of its investors to analyze trends in its business and provides a means to compare periods that may be affected by various items that might obscure trends or developments in its business. Management uses both GAAP and non-GAAP measures to assist in making business decisions and assessing overall performance. Non-GAAP measures help to evaluate programs and activities that are intended to attract and satisfy customers, separate from expenses and credits directly associated with Merger, restructuring, and certain similar items. Certain non-GAAP measures are also used for short and long-term incentive programs.

Our measurement of these non-GAAP financial measures may be different from similarly titled financial measures used by others and therefore may not be comparable. These non-GAAP financial measures should not be considered superior to the GAAP measures, but only to clarify some information and assist the reader. We have included reconciliations of this information to the most comparable GAAP measures in the tables included within this material.

Free cash flow is a non-GAAP measure, which we define as cash flows from operating activities of continuing operations less capital expenditures. We believe that free cash flow is an important indicator that provides additional perspective on our ability to generate cash to fund our strategy and expand our distribution network. Adjusted free cash flow is also a non-GAAP measure, which we define as free cash flow excluding cash charges and credits not indicated of core operations. For the periods presented these cash charges and credits include restructuring costs associated with the Optimize for Growth, Project Core, and Maximize B2B programs.

THE ODP CORPORATION
RECONCILIATION OF NON-GAAP FINANCIAL MEASURES
NET INCOME (LOSS)
(Dollars in millions, except per share amounts) *

	13 Weeks Ended		26 Weeks Ended	
	June 28, 2025	June 29, 2024	June 28, 2025	June 29, 2024
Net Income (Loss)				
Net income (loss)	\$ -	\$ (73)	\$ (29)	\$ (58)
Discontinued operations, net of tax	-	(69)	-	(85)
Net income (loss) from continuing operations	-	(4)	(29)	27
Add (Less):				
Charges and credits, after tax	16	24	77	44
Adjusted net income from continuing operations	<u>\$ 15</u>	<u>\$ 20</u>	<u>\$ 47</u>	<u>\$ 70</u>
EPS from continuing operations (fully diluted) - GAAP	\$ -	\$ (0.12)	\$ (0.97)	\$ 0.73
Add (Less):				
Charges and credits, after tax	0.51	0.68	2.54	1.16
Adjusted EPS from continuing operations (fully diluted)	<u>\$ 0.51</u>	<u>\$ 0.56</u>	<u>\$ 1.57</u>	<u>\$ 1.89</u>
Weighted-average shares used:				
Basic	30	35	30	36
Diluted	30	35	30	37
<u>Charges/Credits</u>				
Merger and transaction related expenses, net				
Transaction and integration	\$ -	\$ -	\$ -	\$ -
Total Merger and transaction related expenses, net	-	-	-	-
Restructuring expenses				
Non-facility termination benefits	3	15	12	26
Professional fees	1	8	4	14
Facility closure and termination benefits, contract termination, and other expenses, net	9	2	45	5
Total Restructuring expenses, net	13	25	61	45
Total Merger and restructuring expenses, net	13	25	61	45
Asset impairments	3	8	41	14
Other expense, net - European business liability	1	-	1	-
Charges and credits, pretax	17	33	103	59
Income tax effect of charges and credits	1	9	26	15
Charges and credits, after tax	<u>\$ 16</u>	<u>\$ 24</u>	<u>\$ 77</u>	<u>\$ 44</u>

* Amounts may not foot due to rounding. The sum of the quarterly amounts may not equal the reported amounts for the year due to rounding.

**Varis Division was sold through a single disposal group in the fourth quarter of 2024. Accordingly, that business is presented as discontinued operations.

THE ODP CORPORATION
RECONCILIATION OF NON-GAAP FINANCIAL MEASURES
ADJUSTED EBITDA
(Dollars in millions)*

	13 Weeks Ended		26 Weeks Ended	
	June 28, 2025	June 29, 2024	June 28, 2025	June 29, 2024
Adjusted EBITDA				
Net Income (loss)	\$ -	\$ (73)	\$ (29)	\$ (58)
Discontinued operations, net of tax	-	(69)	-	(85)
Net income (loss) from continuing operations	-	(4)	(29)	27
Income tax expense (benefit)	2	-	(8)	8
Income (loss) from continuing operations before income taxes	2	(4)	(37)	35
Add (subtract):				
Interest income	(3)	(2)	(5)	(5)
Interest expense	6	5	13	10
Adjusted depreciation and amortization**	24	24	49	49
Charges and credits, pretax ***	17	33	103	59
Adjusted EBITDA	<u>\$ 47</u>	<u>\$ 57</u>	<u>\$ 123</u>	<u>\$ 147</u>

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**Adjusted depreciation and amortization represents a non-GAAP measure and excludes accelerated depreciation caused by updating the salvage value and shortening the useful life of depreciable fixed assets to coincide with the planned store closures under an approved restructuring plan, but only if impairment is not present. Accelerated depreciation charges are restructuring expenses and included in the Charges and credits, pretax line item.

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THE ODP CORPORATION
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FREE CASH FLOW
(Dollars in millions)*

We define free cash flow as net cash provided by (used in) operating activities less capital expenditures. We believe that reporting free cash flow is useful to management and investors because it relates operating cash flow to the capital that is spent to continue and improve our existing businesses. Further, free cash flow facilitates management's ability to strengthen our balance sheet, repay our debt obligations and consider investment alternatives. Free cash flow is not a measure of financial performance under generally accepted accounting principles in the U.S. and may not be defined and calculated by other companies in the same manner. Free cash flow does not represent the residual cash flow available for discretionary expenditures as it does not incorporate certain cash payments, including payments made on capital lease obligations, scheduled debt repayments or other firm commitments and payments. Free cash flow should not be considered in isolation or as an alternative to cash flow provided by operating activities as an indicator of performance.

We define adjusted free cash flow as free cash flow excluding cash charges not indicated of core operations. For the periods presented these cash charges and credits include restructuring costs associated with the Optimize for Growth, Project Core, and Maximize B2B programs.

	13 Weeks Ended		26 Weeks Ended	
	June 28, 2025	June 29, 2024	June 28, 2025	June 29, 2024
Cash Flow Summary (As Reported)				
Net cash provided by (used in) operating activities of continuing operations	\$ 16	\$ (1)	\$ 73	\$ 43
Net cash used in investing activities of continuing operations	(5)	(18)	(17)	(48)
Net cash used in financing activities of continuing operations	(21)	(61)	(45)	(174)
Net cash provided by (used in) operating activities of discontinued operations	-	(10)	-	(16)
Net cash provided by (used in) investing activities of discontinued operations	-	(2)	(2)	(5)
Effect of exchange rate changes on cash, cash equivalents and restricted cash	2	-	2	(2)
Net increase (decrease) in cash, cash equivalents and restricted cash	<u>\$ (8)</u>	<u>\$ (92)</u>	<u>\$ 11</u>	<u>\$ (202)</u>
Free Cash Flow				
Net cash provided by (used in) operating activities of continuing operations	\$ 16	\$ (1)	\$ 73	\$ 43
Less: Capital expenditures	(12)	(19)	(33)	(50)
Less: Change in restricted cash impacting working capital	-	-	-	-
Free Cash Flow	<u>4</u>	<u>(20)</u>	<u>39</u>	<u>(7)</u>
Adjustments for certain cash charges:				
Optimize for Growth	7	-	14	-
Project Core	2	22	4	24
Maximize B2B Restructuring Plan	-	3	1	5
Adjusted Free Cash Flow	<u>\$ 13</u>	<u>\$ 5</u>	<u>\$ 58</u>	<u>\$ 22</u>

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THE ODP CORPORATION
RECONCILIATION OF NON-GAAP FINANCIAL MEASURES
OPERATING INCOME
(Dollars in millions)*

	13 Weeks Ended		26 Weeks Ended	
	June 28, 2025	June 29, 2024	June 28, 2025	June 29, 2024
Operating income				
Operating income (loss)	\$ 9	\$ -	\$ (23)	\$ 41
Add:				
Charges and credits, pretax	16	33	102	59
Adjusted operating income	<u>\$ 25</u>	<u>\$ 33</u>	<u>\$ 79</u>	<u>\$ 100</u>
Sales	\$ 1,586	\$ 1,717	\$ 3,286	\$ 3,586
Operating income (loss) margin	0.6%	—%	(0.7)%	1.1%
Adjusted operating income margin	1.6%	1.9%	2.4%	2.8%

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