



First Quarter 2024 Financial Results

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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 risk that the Company will not be able to achieve the expected benefits of its strategic plans, including a potential sale of Varis and the benefits related to Project Core. 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 on 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 limited to merger integration, restructuring, acquisition costs, and asset impairments.

The Company’s full year guidance in 2024 included in this presentation includes non-GAAP measures, such as adjusted EBITDA, adjusted Operating Income, adjusted Earnings Per Share (EPS) and adjusted Free Cash Flow. These measures exclude charges or credits not indicative of core operations, which may include but not be limited to merger integration expenses, restructuring charges, acquisition-related costs, asset impairments and other significant items that currently cannot be predicted without unreasonable efforts. The exact amount of these charges or credits are not currently determinable but may be significant. Accordingly, the Company is unable to provide equivalent GAAP measures or reconciliations from GAAP to non-GAAP for these financial measures.

Gerry Smith

Chief Executive Officer



Commitment to Operational Excellence - Project Core

Driving efficiencies throughout business and positioning ODP to drive sustained long-term value

Operational excellence Embedded in ODP's DNA

Low-cost model mindset and approach

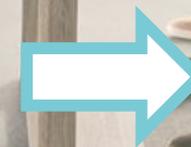
Project Core: Business optimization initiative to continue driving the low-cost model

- ✓ Streamlining operations
- ✓ Maximizing in-year and run-rate cost savings
- ✓ Enterprise-wide cost improvement actions including all routes to market
- ✓ Improving ODP's position to pursue future profitable growth

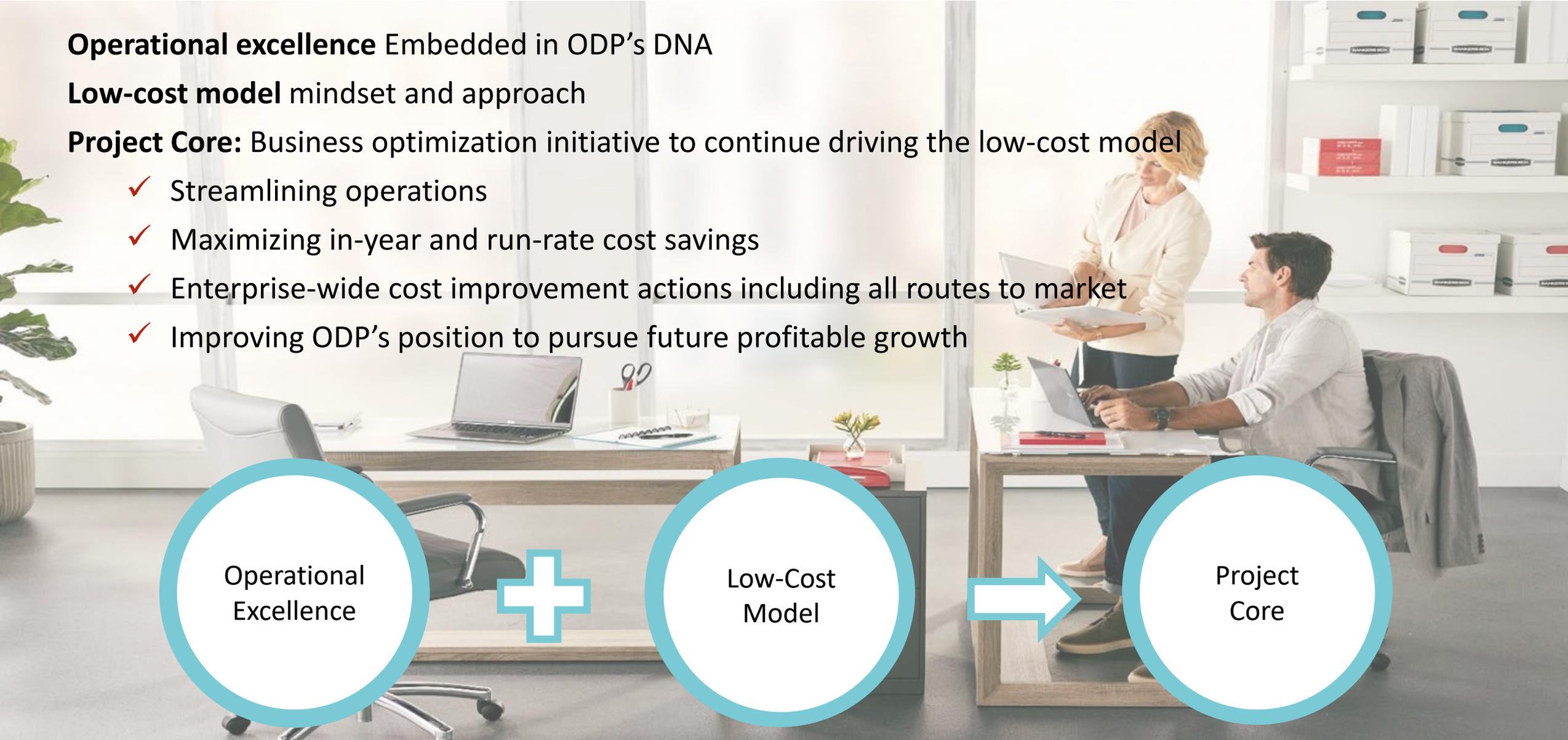
Operational
Excellence



Low-Cost
Model



Project
Core



First Quarter 2024 Performance

1

Challenging macroeconomic environment and business conditions in the quarter

2

Accelerating execution of shareholder-focused capital allocation plan

- Increased pace of buyback expecting to continue at current pace or higher in the near term
- Repurchased approximately \$90 million since beginning of year, including over \$70 million since inception of the new plan

3

Accelerating Project Core to drive increased enterprise-wide operational efficiencies

- Driving cost efficiency measures throughout the business including all routes to market, Varis, shared services, procurement and IT; Significant cost reductions at Varis
- Expected to generate annualized run-rate cost savings of over \$100 million when fully implemented

4

Board approved plan for sale of Varis

- Held for sale designation; Reducing cash burden

5

Updating 2024 operational guidance as supported by Project Core



Valuable Partner for the Evolving Needs of Business

B2B distribution business serving large enterprises, medium, and small businesses

Sales decrease primarily related to weaker macroeconomic conditions, enterprise-level spending constraints, slower customer on-boarding, and fewer transactions

Lower sales in technology, supplies, and furniture

Adjacency sales 43% of division revenue

Strong foundation and continuing to win new business

- Strong pipeline of new business opportunities
- Historically high renewal win rate
- Federation business continues to grow
- Higher net promoter score

Initializing account reviews and other actions to drive sales





Office DEPOT[®] OfficeMax[®]

Strong Value Proposition to Small Business, Education & Home Office Customers

- Strong cash generation engine
- Customer first mindset: industry leading net promoter score – 70%+; adding business intelligence capabilities
- Continued optimization of store footprint
- Macroeconomic conditions and high inflation resulting in constrained consumer spending. Severe weather conditions and fewer stores in service also dampened top-line results
- Lower sales for technology and furniture categories; expecting PC refresh cycle to positively impact sales in second half of year
- Enhancing value proposition through expanding product and services portfolio
 - Education 365; Convenience tools for students/teachers
 - TSA Precheck sign-ups; Passport photos
 - Greeting cards; Dorm room accessories; Celebrations



Veyer Supply Chain & Logistics

Nationwide supply chain services and global sourcing

- Core competencies in distribution, fulfillment, transportation, global sourcing and purchasing
- 8 million square feet of facilities, distribution centers and cross-docks
- Global sourcing operations in Asia

Delivering best in class service

- Next business day delivery to 98.5% of the US population
- Servicing ODP's internal customers at a low cost
- Leveraging existing capacity to provide services to 3rd party customers

Driving growth with 3rd party customers

- 3rd party revenue up 29% YOY
- 3rd party EBITDA up 40% YOY

Building the pipeline for future business

- Adding new 3rd party, nationally-branded, customer logos

Modernization roadmap progress

- Deploying Gartner Magic Quadrant-level tech stack
- Implemented Veyer Kinetic and deploying new warehouse management systems





VARIS

Innovative Digitally Native B2B Platform

Innovative digital procurement ecosystem for buying organizations and the suppliers who serve them

- Strong value proposition for customers and suppliers
- Board approved plan for sale of Varis
- Reducing cash burden by ~1/3rd until sale
- Maintaining platform and continuing to provide strong service to customers

1Q24 Financial Overview

Anthony Scaglione, EVP & Chief Financial Officer



First Quarter 2024 Summary

First Quarter		
(\$ in millions, except per share amounts) ⁽¹⁾	2024	2023
Sales	\$1,871	\$2,108
Operating Income	\$18	\$95
Adjusted Operating Income ⁽¹⁾	\$51	\$99
Net Income From Continuing Operations	\$15	\$72
Diluted Earnings Per Share From Continuing Operations	\$0.40	\$1.71
Adjusted Net Income From Continuing Operations ⁽¹⁾	\$40	\$75
Adjusted Earnings Per Share From Continuing Operations (Fully Diluted) ⁽¹⁾	\$1.05	\$1.78
Adjusted EBITDA ⁽¹⁾	\$82	\$131
Operating Cash Flow From Continuing Operations	\$38	\$157
Free Cash Flow ⁽²⁾	\$3	\$128
Adjusted Free Cash Flow ⁽¹⁾⁽³⁾	\$7	\$133

- (1) As presented throughout this presentation, adjusted results represent non-GAAP financial measures and exclude charges or credits not indicative of core operations and the tax effect of these items, which may include but not be limited to merger integration, restructuring, acquisition costs, and asset impairments. Reconciliations from GAAP to non-GAAP financial measures on the Company's Investor Relations website at investor.theodpcorp.com.
- (2) As used in this presentation, Free Cash Flow is defined as cash flows from operating activities less capital expenditures. Free Cash Flow is a non-GAAP financial measure and reconciliations from GAAP financial measures can be found on the Company's Investor Relations website 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 Project Core and Maximize B2B restructuring plans and related expenses. Adjusted Free Cash Flow is a non-GAAP financial measure and reconciliations from GAAP financial measures on the Company's Investor Relations website at investor.theodpcorp.com.

Continued challenging macroeconomic conditions and customer activity

Revenue results primarily driven by lower sales in Office Depot, partially related to 56 fewer stores in service YOY and fewer transactions; lower sales at ODP Business Solutions

Adjusted operating results included:

- Adjusted operating income ⁽¹⁾ of \$51 million
- Adjusted EBITDA ⁽¹⁾ of \$82 million
- Adjusted EPS ⁽¹⁾ \$1.05 per share (fully diluted)
- Adjusted free cash flow ⁽¹⁾⁽³⁾ of \$7 million

Accelerating Project Core and positioned to achieve goals for 2024



Valuable Partner for the Evolving Needs of Business

Challenging macroeconomic and business environment impacted top-line results

- Macroeconomic factors causing cautious enterprise spending
- Enterprise-level reductions in force
- Lower sales of technology, supplies, and furniture
- Flat return to office trends
- Ongoing delays in large customer on-boarding

Adjacency categories 43% of total division revenue

Operating income was \$30 million in 1Q24 versus \$39 million in prior year period

EBITDA margins approximately 4% in quarter

Continued strong position and foundation; winning new business

- New business wins
- Strong pipeline & historically high renewal win rate
- Expanding value proposition

Account-by-account reviews and intensified sales focus to help drive revenue

Sales

(\$ millions)

\$926

1Q24

\$1,009

1Q23

Operating Income

(\$ millions)

\$30

1Q24

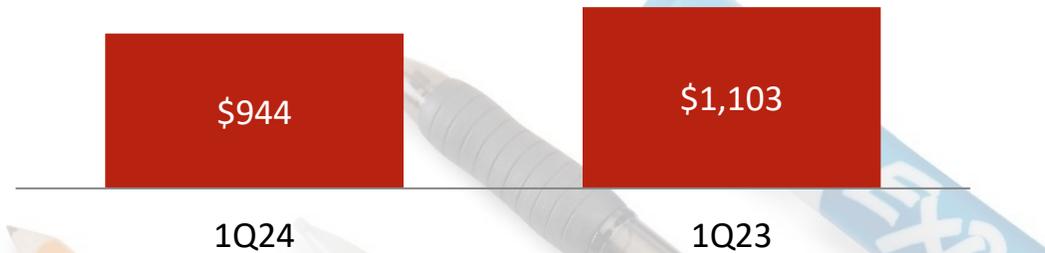
\$39

1Q23

Office DEPOT OfficeMax[®]

Strong Value Proposition to Small Businesses,
Education & Home Office Customers

Sales (\$ millions)



Operating Income (\$ millions)



Industry leading net promotor score (NPS) of over 70%

Sales challenged by weaker macroeconomic conditions, fewer transactions, and fewer stores in service YOY

- More cautious consumer spending & 56 fewer stores in service YOY; closed 13 stores in quarter
- Lower demand in technology and furniture, supplies, and lower online sales
- Meaningful interruptions related to inclement weather
- Same store sales comp down 10%

Operating income of \$50 million in 1Q24 versus \$85 million in prior year period

Expanded product and services offerings showing promise

- Education 365 – year-round coordinated approach to education market
- Launching new convenience tools for teachers and students
- Expanding TSA Precheck services & launching passport photos
- Celebrations, greeting cards, and dorm room accessories showing promise
- New marketing efforts



Veyer Supply Chain & Logistics

Nationwide supply chain services and global sourcing

- Core competencies in distribution, fulfillment, transportation, global sourcing and purchasing; Global sourcing presence in Asia

Delivering best-in-class service

- Next business day delivery to 98.5% of the US population
- Servicing ODP Business Solutions and Office Depot at a low cost
- Gaining momentum providing services using existing capacity to external 3rd party customers

Gaining traction with 3rd party customers

- Adding new nationally-branded customers
- Revenue derived from 3rd party customers up 29% YOY
- EBITDA generated from 3rd party services up 40% YOY

Making progress with tech stack modernization

- Improving capabilities for the future
- Deploying Gartner Magic Quadrant-level tech stack
- Successfully implemented “Veyer Kinetic”
- Deploying new warehouse management systems



VARIS

Innovative Digitally Native B2B Platform

Sales of \$2 million; operating loss of \$14 million in 1Q24

Board approved plan for sale of Varis; “held for sale” status

Reducing cash burden by 1/3rd (~\$20M) annually until the sale

Engaging prospective buyers

Maintaining strong platform and service for current customers through the sale process

Sales (*\$ millions*)



Operating Loss (*\$ millions*)



Balance Sheet / Cash Flow Highlights

Strong Available Liquidity

Total available liquidity of approximately \$971 million at end of 1Q24

- \$282 million in cash and cash equivalents
- \$689 million available credit under the Third Amended Credit Agreement
- \$125 million in total debt
- Launched process of renewal of ABL facility

Operating Cash Flow

Operating cash flow of \$38 million in 1Q24

- Included \$4 million of restructuring costs
- Prudent inventory and working capital management

Capital Expenditures & Other

Capital expenditures of \$35 million in 1Q24

Continued investments in the Company's digital transformation, supply chain and distribution network, and eCommerce capabilities

Adjusted Free Cash Flow*

Adjusted Free Cash flow of \$7 million in 1Q24

Share Repurchase

Repurchased approximately \$90 million of our stock since beginning of year; includes over \$70 million in repurchases since initiation of new authorization

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Updated Full Year 2024 Guidance

	Previous	Updated
Sales	Decline of 2% - 5%	Affirmed Lower End
Adjusted EBITDA ⁽¹⁾	\$410 million - \$430 million	Increased to \$430 million - \$450 million
Adjusted Operating Income ⁽¹⁾	\$280 million - \$300 million	Increased to \$320 million - \$340 million
Adjusted Earnings per Share (fully diluted) ^{(*) (1)}	\$5.60 - \$5.80 per share	Increased to \$6.30 - \$6.60 per share
Adjusted Free Cash Flow ⁽²⁾	Greater than \$200 million	Affirmed

*Adjusted Earnings per Share (EPS) guidance (fully diluted) for 2024 excludes potential discrete (tax) items that may affect quarter to quarter fluctuations and includes expected impact from share repurchases.

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Q&A