INVESTOR DAY
MAY 16, 2018
SAFE HARBOR

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. 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 readily obtainable at no charge at www.sec.gov and at the company’s website at investor.officedepot.com.

During portions of today’s presentation, the company may refer to results which are not GAAP numbers. A reconciliation of GAAP to non-GAAP measures is available on the Office Depot website at investor.officedepot.com. The company’s outlook for 2018 includes non-GAAP measures, such as adjusted operating income and adjusted diluted earnings per share, which excludes 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. The exact amount of these charges or credits are not currently determinable, but may be significant. Accordingly, the company is unable to provide equivalent reconciliations from GAAP to non-GAAP for these financial measures.
AGENDA

REGISTRATION

Gerry Smith
Jerri DeVard
Janet Schijns
Leveraging the Omni-Channel Platform for Sustainable Growth
Creating a Customer-Focused Services Company
Optimizing Our Solution to Drive Growth

BREAK

Steve Calkins
Dan Stone
Kevin Moffitt
Focusing on the Core: Winning in BSD
Capturing the Technology Services Opportunity
Leveraging the Last-Mile Advantage: Retail’s Path to Growth

BREAK

Joe Lower
Gerry Smith
Sustainable Growth & Strong Cash Generation
Where We Go From Here

LUNCH

Q&A WITH FULL EXECUTIVE TEAM

EVENT ENDS
LEVERAGING THE OMNI-CHANNEL PLATFORM FOR SUSTAINABLE GROWTH

Gerry Smith
CEO
WHERE WE WERE ONE YEAR AGO

[5 Years Declining Revenue / Unsustainable Profitability]

Core Products
- BSD in decline
- Declining store traffic
- Lack of customer focus

Business Services
- ~7% of revenue
- No strategic focus
- Limited expertise

Operations
- No management system
- Neglected infrastructure
- No focus on COGS/FCF

Demand Generation
- Analog marketing -1980s
- Not customer centric
- Lack of ROI discipline
### Assets

- **20th Largest Supply Chain in North America**
- **$10+ Billion** in Omni-Channel Revenue
- **~1,400 Retail Locations** in North America
- **40,000+ Dedicated Employees**

### Customers

- **28.6M** Annual Active Customers
- **450M+** Omni-Channel Customer Impressions
- **200K** Enterprise Accounts
- **50+%** of School Districts in USA

### Reach

- **1,800+ Sales Professionals**
- **~ 5.9 Million** Small & Medium Businesses are within 3 miles of our stores
- **98.5%** Deliver to 98.5% of US Population Next-Day
- **TUL** Private Label Brands
TECHNOLOGY IS THE OFFICE SUPPLY OF THE FUTURE
CompuCom.

**ASSETS**
- 15 Consecutive Years of Analyst Accolades
- 100,000+ Certifications
- 11,000 Associates
- $1B Stable Sales Revenue

**CUSTOMERS**
- 5.1M End Users
- 97% of Revenue from Repeat Customers
- 15 Years Average Client Relationships
- 6 Out of the 10 Top Fortune 500

**REACH**
- 6,000+ Employee Technicians
- 450K Servers Managed
- 18 Delivery Centers
- 7M End User Devices Managed
COMBINED POWER OF OFFICE DEPOT & COMPUCOM

450M+
OMNI-CHANNEL CUSTOMER IMPRESSIONS
DELIVER TO 98.5%
OF US POPULATION NEXT-DAY

~1,400 RETAIL LOCATIONS IN NORTH AMERICA

~ 5.9 MILLION SMALL & MEDIUM BUSINESSES ARE WITHIN 3 MILES OF OUR STORES

50,000+
DEDICATED EMPLOYEES

6,000+
EMPLOYEE TECHNICIANS

BUILDING OUR BUSINESS SERVICES PLATFORM
Deliver customer focused value through the integration of business services and products via an omni-channel platform

<table>
<thead>
<tr>
<th>TRANSFORM</th>
<th>STRENGTHEN</th>
<th>DISRUPT</th>
</tr>
</thead>
<tbody>
<tr>
<td>our business</td>
<td>our core</td>
<td>for our future</td>
</tr>
<tr>
<td>Acquisition of CompuCom</td>
<td>Superior customer experience</td>
<td>E2E Business Services Platform</td>
</tr>
<tr>
<td>Digital demand generation</td>
<td>Low cost business model</td>
<td>New routes to market</td>
</tr>
<tr>
<td>Retail transformation</td>
<td>Product innovation</td>
<td>Analytics Excellence / AI</td>
</tr>
</tbody>
</table>

UNIQUE OMNI-CHANNEL PLATFORM
POSITIONED TO **COMPETE AND WIN**
IN LARGE & GROWING MARKETS

- **$55B** 1% CAGR
  - **Business Services**
    - US SMB (<1k employees) Business Services
    - and Business Process Outsourcing

- **$28B** 6% CAGR
  - **Cleaning & Breakroom**
    - Chemicals, Paper/Plastic Products, Accessories,
    - and other Janitorial

- **$26B** 4% CAGR
  - **Technology Solutions**
    - Managed Workplace Services, Network, Data Center, and
    - Service Desk Outsourcing, and Infrastructure Utility Services

- **$116B** -0.5% CAGR
  - **Office Products & Technology**
    - Device Technologies, Printers, Ink, Toner, Paper, Supplies, Furniture and More

Sources: IDC, ISSA, Gartner, and an interpolation of sources from NPD, IBIS, literature reviews, and Bain.
ASSEMBLED WORLD CLASS TEAM TO EXECUTE

Gerry Smith
CEO

Jerri DeVard
Customer & Mktg

Janet Schijns
Merchandising & Services

Steve Calkins
BSD

Dan Stone
CompuCom

Kevin Moffitt
Retail

Joe Lower
Finance

David Bleisch
Legal & Admin

John Gannfors
Supply Chain

Todd Hale
I/T
ACTIONS WE ARE TAKING

Core Products
- Focused Assortment/ SKU Reduction
- Variable Compensation
- Private Label & Partnership
- Workout/ Lean 6 Sigma

Business Services
- Focus & Aligned Strategy
- Subscriptions Sales
- Cross-Selling Services & Products
- CompuCom

Operations
- Robust Management System
- Investment in Infrastructure
- Supply Chain Investments
- Cash & Cost Focus

Demand Generation
- Analytics COE / AI
- Customer Segmentation
- Digital Media
- Higher ROI Vehicles

WINNING EVERY DAY!
TRANSMISSION OF STRATEGY TO RESULTS

Core Business

Business Services

Streamlined Operations

Demand Generation

EARLY EVIDENCE OF OUR SUCCESS

Q1 Online Traffic  +9%

Q1 Customers  +16% Biz Customers

Q1 Revenue  $2.8B

Q1 Free Cash Flow(1)  +$170M

(1) Free Cash Flow is defined throughout this presentation as operating cash flow from continuing operations less capital expenditures.
Continued to grow customers

RAISING GUIDANCE FOR 2018*

- Continue to grow customers
- 2018 Revenue ~$10.8B
- 2018 Adj. Operating Income ~$360M
- 2018 Free Cash Flow ~$350M

* The Company’s outlook for 2018 included in this presentation is for continuing operations only and includes non-GAAP measures, such as adjusted operating income, which excludes charges or credits not indicative of core operations, which may include but not be limited to merger integration expenses, restructuring charges, acquisition-related costs, executive transition costs, asset impairments and other significant items that currently cannot be predicted. The exact amount of these charges or credits are not currently determinable, but may be significant. Accordingly, the Company is unable to provide equivalent reconciliations from GAAP to non-GAAP for these financial measures.
POSITIONED FOR SUSTAINABLE, PROFITABLE LONG-TERM GROWTH

Core Business
Business Services
Streamlined Operations
Demand Generation

END TO END MARKETPLACE FOR SERVICES AND PRODUCTS

BUSINESS SERVICES PLATFORM
- Digital Demand Generation
- Omni-Channel Expertise
- Nationwide Footprint
- Leading Supply Chain
- Deep Sustainable Customer Relationships

28.6M ACTIVE USERS ACROSS OUR BUSINESS PLATFORM

WE WILL CONTINUE TO PARTNER AND GROW THE PLATFORM

Depot.Different!
CREATING A CUSTOMER FOCUSED SERVICES COMPANY

Jerri DeVard
Customer & Marketing
WE WERE COMFORTABLE BEING COMPLACENT
WE WERE AFRAID TO LET GO OF WHAT WORKED IN THE PAST
We were afraid to let go of what worked in the past. We battled for the attention of consumers rather than sticking to our B2B core.
WE BOWED TO CONVENTIONAL WISDOM RATHER THAN THE CUSTOMER
WE WERE RELUCTANT TO HARNESS THE POWER OF OMNI-CHANNEL
We were afraid to let go of what worked in the past. We battled for the attention of consumers rather than sticking to our B2B core. We bowed to the conventional wisdom rather than the Customer. We lacked one source of truth, common tools, language and reporting.

\[ \frac{1}{2} \text{truth} + \frac{1}{2} \text{truth} \neq \text{Truth} \]
For years, we were doing the same thing and expecting a different result…
EVOLVE

DIE
What Changed
Starting Q4 2017

- Doubled-down on targeting Businesses and Omni-channel customers
- Concentrated on Demand Generation!
- Target message to target audience
- Shifted spend to digital
- Reignited eCommerce
- Encouraged a test and learn environment
- Empowered data

Return on Marketing Investment

<table>
<thead>
<tr>
<th></th>
<th>Q1-Q3 2017</th>
<th>Q4 2017</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$2.78</td>
<td>$3.11</td>
<td>+12%</td>
</tr>
</tbody>
</table>

Transformation began!
Evolving eCOMMERCE
to be a growth and acquisition engine
and critical entry point for our brand

Q1 2018 Highlights

Every week had positive sales, traffic and conversion for the first time in 2 years

Every merchandising division had positive demand sales increase

Now have 3rd fastest mobile site of top U.S. retailers*

An eComm customer is 6.5x more likely to shop Omni-Channel

*according to Google

Online Traffic

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1-Q3</td>
<td>-1.5%</td>
<td>+18.4%</td>
<td>+9.0%</td>
</tr>
<tr>
<td>Q4</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Demand generation is revved up!
- Customer base stabilized at 28.6M since Q4 2017
- Year-over-year trend improved since -2.5% Q4 2017 to -1.6% Q1 2018
- +90 bps improvement in YOY trend since Q4!

**STARTING TO SLOW THE CUSTOMER DECLINE**

12-MONTH ACTIVE CUSTOMERS
YOO% CHG
## Our Customer Snapshot

<table>
<thead>
<tr>
<th>Metric</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customers</td>
<td>28.6 million</td>
</tr>
<tr>
<td>Omni-channel visits</td>
<td>450+ million</td>
</tr>
<tr>
<td>Awareness across the country</td>
<td>99%</td>
</tr>
<tr>
<td>Loyalty customers who spend 2X more than non-loyalty</td>
<td>18+ million</td>
</tr>
<tr>
<td>Human touch preferred</td>
<td>44%</td>
</tr>
<tr>
<td>B2B Omni-channel sales</td>
<td>60%</td>
</tr>
<tr>
<td>Business services</td>
<td>14%</td>
</tr>
<tr>
<td>eCOMM Customer satisfaction</td>
<td>91%</td>
</tr>
<tr>
<td>RETAIL Customer satisfaction</td>
<td>81%</td>
</tr>
<tr>
<td>Subscriptions growing daily</td>
<td>245,000+</td>
</tr>
</tbody>
</table>
Leverage our customer knowledge to better meet their needs

Evolving:

- Gain deeper insights into our prime prospects
- Make our brand relevant and compelling today and tomorrow
- Utilize machine learning and AI to reach prime prospects more efficiently and effectively
While they are distinctive, they have similar characteristics

**Passionate** and serious about their work

Work **50+ hours** a week

**Time** is the **most valuable** asset

They are **Omni-channel shoppers**

70% purchase **business services** within first 6 months,
79% purchase the best service they can afford

While most SMBs can find all the info they need online, they value the expert guidance of a trusted expert
Omni-customers exist in every size business and reflects their purchasing behavior.

We must greet our key prospects with one consistent, cohesive customer experience across all touch points.

Our messages, offers, in-store promotions need to be aligned to provide them with the information to make it easy for them to do business on their terms.

Omni-customers spend 2x more than online only customers and 3.6x more than retail only customers.

### Omni-Customer Growth YoY

<table>
<thead>
<tr>
<th></th>
<th>Q1-Q3 2017</th>
<th>Q4 2017</th>
<th>Q1 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>+22%</td>
<td>+24%</td>
<td>+31%</td>
</tr>
</tbody>
</table>

* Transformation began!
DEFINING OUR CUSTOMERS

The Digital Pragmatists

MARKET
SEGMENT SIZE  SHARE OF SPEND
19%           27%

- Work in mid/large companies, high spenders, skews female, high income and still like to outsource business services
- Communicate online where they do most purchases
- Provide online, positive OD reviews as content
- Pain points: Need for IT services, marketing services, full service supplies and cutting edge business services

Strategy:
Grow and Cultivate
### DEFINING OUR CUSTOMERS

<table>
<thead>
<tr>
<th>The Digital Pragmatists</th>
<th>The High Touch Quality Seekers</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>MKT</strong></td>
<td><strong>MKT</strong></td>
</tr>
<tr>
<td>SEGMENT SIZE</td>
<td>SEGMENT SIZE</td>
</tr>
<tr>
<td>19%</td>
<td>18%</td>
</tr>
<tr>
<td>SHARE OF SPEND</td>
<td>SHARE OF SPEND</td>
</tr>
<tr>
<td>27%</td>
<td>26%</td>
</tr>
</tbody>
</table>

- Work in mid/large companies, high spenders, skews female, high income and still like to outsource business services
- Communicate online where they do most purchases
- Provide online, positive OD reviews as content
- Pain points: Need for IT services, marketing services, full service supplies and cutting edge business services

**Strategy:**
Grow and Cultivate

- High spenders, enjoy the full shopping experience and are Omni-channel
- Skews male and high income
- Concentrated in technology and telecommunications
- Pain points: Expert counsel and advice guiding them to make the right decision for them, IT and technology, and marketing products

**Strategy:**
Grow and Cultivate
DEFINING OUR CUSTOMERS

**The Digital Pragmatists**

**MARKET**

<table>
<thead>
<tr>
<th>SEGMENT SIZE</th>
<th>SHARE OF SPEND</th>
</tr>
</thead>
<tbody>
<tr>
<td>19%</td>
<td>27%</td>
</tr>
</tbody>
</table>

- Work in mid/large companies, high spenders, skews female, high income and still like to outsource business services
- Communicate online where they do most purchases
- Provide online, positive OD reviews as content
- Pain points: Need for IT services, marketing services, full service supplies and cutting edge business services

**Strategy:**
Grow and Cultivate

---

**The High Touch Quality Seekers**

**MARKET**

<table>
<thead>
<tr>
<th>SEGMENT SIZE</th>
<th>SHARE OF SPEND</th>
</tr>
</thead>
<tbody>
<tr>
<td>18%</td>
<td>26%</td>
</tr>
</tbody>
</table>

- High spenders, enjoy the full shopping experience and are Omni-channel
- Skews male and high income
- Concentrated in technology and telecommunications
- Pain points: Expert counsel and advice guiding them to make the right decision for them, IT and technology, and marketing products

**Strategy:**
Grow and Cultivate

---

**Premium Pioneers**

**MARKET**

<table>
<thead>
<tr>
<th>SEGMENT SIZE</th>
<th>SHARE OF SPEND</th>
</tr>
</thead>
<tbody>
<tr>
<td>13%</td>
<td>28%</td>
</tr>
</tbody>
</table>

- Highest spenders, skews male, high income, millennial, likely to work in manufacturing, financial, tech, retail
- Omni-channel and focus on social media and in-store
- Seek counsel and advice on business services
- Pain points: IT and technology, digital marketing services, office expansion and break room supplies

**Strategy:**
To galvanize our service offerings and stay ahead of our customers’ evolving needs, we’re introducing a new brand

**CUSTOMER NEEDS**

61% SAY GROWTH/SALES IS TOP PRIORITY
(Marketing, Website, eMarketing)

24% PLAN TO SPEND MORE IN SERVICE CATEGORY
(IT, Tech Support, Repair Service)
Introducing Workonomy

Workonomy is:

How technology meets humanity

Where solutions converge in one place that’s reachable everywhere

When we learn, share and grow together

For all businesses, from startup to enterprise, to gain assistance

This is the free-flowing exchange of products, services and ideas
Evolving eCommerce to be a consistent growth and acquisition engine

Empowering data/analytics and AI to deliver higher ROI and insights that drive results both front and back end

Embracing Omni-channel/customer dynamics

Creating one B2B services brand that elevates the importance of invaluable business services to all customers in addition to offering great products

Creating one B2B services brand that elevates the importance of invaluable business services to all customers in addition to offering great products

Embracing Omni-channel/customer dynamics

Evolving eCommerce to be a consistent growth and acquisition engine

Empowering data/analytics and AI to deliver higher ROI and insights that drive results both front and back end
Building on the irrefutable gains made in the past two Quarters

WE WILL CONTINUE TO BREAK GLASS AND CAPTURE DEMAND IN 2018 AND BEYOND!
OPTIMIZING OUR SOLUTION TO DRIVE GROWTH

Janet Schijns
Merchandising & Services
Create unique value by anticipating business customers needs and delivering the integrated, innovative solutions to grow and protect their business.

INTEGRATED OFFERING VISION

Integrated Product and Services Portfolio

Service Offerings Roadmap

Driving Value Creation

Differentiating with Private Brands

Delivering Customer Solutions via Unique Models

Increasing Insights and Efficiency

Improving Customer Engagement through Diversified Platforms

Earning the Right to Serve
INTEGRATED PRODUCT
AND SERVICES PORTFOLIO

Streamline & Strengthen Core Assortment

Office Essentials
Technology Products
Furniture
Cleaning, Breakroom & Facilities
INTEGRATED PRODUCT AND SERVICES PORTFOLIO

Streamline & Strengthen Core Assortment
- Furniture
- Office Essentials
- Technology Products
- Cleaning, Breakroom & Facilities

Expand Business Services
- Print & Digital Marketing Services
- Technology Services
- Administrative Services
- Workplace/Workspace Services
INTEGRATED PRODUCT AND SERVICES PORTFOLIO

Streamline & Strengthen Core Assortment
- Furniture
- Office Essentials
- Technology Products
- Cleaning, Breakroom & Facilities

Expand Business Services
- Print & Digital Marketing Services
- Technology Services
- Administrative Services
- Workplace/Workspace Services

SMB

Public Sector

Enterprise

Consumer
SERVICE OFFERINGS
2017 AND ROADMAP

- Basic Print Services
- Outsourced Tech Services
- Mail & Ship
- Product Protection Plans

1H2017
Beginning State
SERVICE OFFERINGS
2017 AND ROADMAP

- Basic Print Services
- Outsourced Tech Services
- Mail & Ship
- Product Protection Plans

- Hired Top Tech Talent
- Leveraged CompuCom Services in SMB
- Fully Deployed Large Format Printers
- Introduced Packing Services

1H2017
Beginning State

2H2017
SERVICE OFFERINGS
2017 AND ROADMAP

- Basic Print Services
- Outsourced Tech Services
- Mail & Ship
- Product Protection Plans

- Hired Top Tech Talent
- Leveraged CompuCom Services in SMB
- Fully Deployed Large Format Printers
- Introduced Packing Services

- Rolled Out New Capabilities
  - Subscription Platform
  - Device as a Service
  - IT as a Service
  - Device Managed Services
  - 3D Printing
- Autopay on Self Service Copy & Print
- Optimized Tech Services Assortment
- Co-Working Test
- Nationwide Cell Phone Repair

1H2017
Beginning State

2H2017

1H 2018
SERVICE OFFERINGS 2017 AND ROADMAP

- Basic Print Services
- Outsourced Tech Services
- Mail & Ship
- Product Protection Plans
- Hired Top Tech Talent
- Leveraged CompuCom Services in SMB
- Fully Deployed Large Format Printers
- Introduced Packing Services
- Rolled Out New Capabilities
  - Subscription Platform
  - Device as a Service
  - IT as a Service
  - Device Managed Services
  - 3D Printing
- Autopay Experience on Self Service Copy & Print
- Optimized Tech Services Assortment
- Co-Working Test
- Nationwide Cell Phone Repair
- Fully Integrated Business Services and Product offerings
- One stop shop for all Business Services
- Expanded Business Services offerings
  - Business & Health Insurance
  - Customer Service as a Service
  - Hiring Services
  - Business Coaching
  - Tax Services

1H2017
Beginning State

2H2017

1H 2018

2H 2018+
Changing how we engage with partners

- Source from fewer, more intimate strategic vendors
- Focused on long-term mutual benefits
  - Predictable volumes with longer planning horizons
  - Shared responsibility for inventory efficiency
  - Increased vendor collaboration on developing differentiated customer solutions

Executing negotiations through expanded direct procurement team

Improved cost and payment terms with nearly 200 vendors already

Reducing total cost enables competitive everyday pricing

Lowered price in many categories including CPD; aggressively testing others
Transforming to a solution driven approach to deliver unique value to our customers.

CUSTOMER SOLUTIONS

- Collaborative Classroom
- Smart Home & Office
- Localized Assortment
- Evolving Office
- Gaming
- Collectables
- Active Workplace
- Maker Movement
Our Brands deliver over one-third of our sales, a significantly higher contribution to margin and provide a platform for innovation.

<table>
<thead>
<tr>
<th>Power Brands</th>
<th>National Brand Equivalents</th>
<th>Value Brands</th>
<th>Emerging Brands Pipeline</th>
</tr>
</thead>
<tbody>
<tr>
<td>Differentiated, Innovative, Extensible</td>
<td>Support Margin on Mid-Tier Core Items</td>
<td>Support Margin on Opening Price Point Core Items</td>
<td>Opportunities for Growth and Differentiated Assortment Statements</td>
</tr>
</tbody>
</table>

**Supplies**
- TUL

**Furniture**
- WorkPro

**Cleaning & Breakroom**
- Office Depot
- Foray

**Technology**
- Highmark

**Services**
- Compuserv
DESIGNING EXCLUSIVE PRODUCTS WITH A STRONG FOCUS ON OUR CUSTOMERS

Style, Function and Powerful Value

Experience the Extraordinary

Engineered to Perform

Uniquely You

Personalization

Design & Installation

Creative Services
DELIVERING CUSTOMER SOLUTIONS VIA UNIQUE MODELS

We create value by combining differentiated offerings and easy purchase paths for our customers.

Business Tech Bundle – Built For Business

Device Managed Services | Cyber Security | Bundle Tech + Services | Office Depot Voice Services | Nations Largest Cell Phone Repair Provider

Depot. Different!
We offer customers easy methods for purchasing the products and services they need.

Simplify and Improve Customer Experience

DELIVERING CUSTOMER SOLUTIONS VIA UNIQUE MODELS

Product as a Subscription

Automated Shopping Experiences

Customer-Centric Subscription

245K+ Subscriptions

Ready. Set. Print

Some Things are Simply Better Together

FREE brewer with your 2-year K Cup® subscription
1. Select your FREE brewer from the highlighted assortment below
2. Choose your offer and quantities
3. Set a delivery frequency

Early redemption fees apply. See terms for details.
Implementing new data management system, new artificial intelligence and machine learning based applications for assortment management, space allocation, pricing, and supply chain efficiency.

**Insights**

- Improve **speed and accuracy** of item data and content
- **Increase Sales, Margin and Inventory Efficiency** by incorporating data-driven insights that guide retail space allocation, assortment and pricing optimization decisions
- **Provide greater relevance** by developing customer-centric assortment clustering

**Efficiency**

- **Reduced our assortment by one-third**, streamlining operations, improving inventory productivity and simplifying the shopping experience for our Omni-channel customer
- **Accelerated speed to market** for new products by 60% since Q1 2017
- Increased sales for **buy on-line and pick-up in store**
A competitive advantage is our ability to serve customers of all sizes through our Omni-channel model. Extending reach by adding value-added resellers, online marketplaces, non-competitive retail partnerships, and wholesaling routes to market.

**EXPANDING THE PLATFORM**

- Indirect Channel
- Marketplace
- Industry Verticals
  - Healthcare
  - Education
EARNING THE RIGHT TO SERVE

RIGHT SERVICES

>14% REVENUE AND GROWING

RIGHT PRODUCTS

60% SPEED TO MARKET IMPROVEMENT

EXPANDED CAPABILITIES

AUTOMATION AND CERTIFICATION

EXPANDED MARKET ROUTES

5K+ AGENTS INDIRECT CHANNEL AND MARKETPLACE
FOCUSING ON THE CORE: WINNING IN BSD

Steve Calkins
Business Solutions Division
eCommerce traffic up 9% in Q1

Increased personalization and digital marketing driving growth in eCommerce

Consultative sales approach

Customized pricing and product assortment

98.5% of the US population covered next day through 50+ Distribution Centers & Ship from Store.

Same day service through Buy Online Pick up in Store and Same Day Delivery in select markets
PUTTING THE CUSTOMER FIRST

<table>
<thead>
<tr>
<th>Revenue Bands</th>
<th>SMB</th>
<th>Emerging</th>
<th>Strategic</th>
<th>Public</th>
</tr>
</thead>
<tbody>
<tr>
<td>$0 - $10K</td>
<td>eCommerce</td>
<td>Field</td>
<td>Field Sales</td>
<td>All Revenues</td>
</tr>
<tr>
<td>$10K - $75K</td>
<td>Field/Inside Sales</td>
<td>Field Sales</td>
<td>Field Sales</td>
<td></td>
</tr>
<tr>
<td>$75K - $1M</td>
<td>Field Sales</td>
<td>Field Sales</td>
<td></td>
<td></td>
</tr>
<tr>
<td>$1M +</td>
<td>Field Sales</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Inside Sales Coverage Support
SUCCESS IN KEY CUSTOMER VERTICALS

• Dedicated field resources with industry expertise
• Curated assortment
• Strategic cooperative partnerships
• Fertile ground for adjacency, services, and new customer acquisition
• Penetration across customer segments, from SMB to Fortune 100
• Clients represent many of the largest entities in their field

FINANCIAL  EDUCATION
HEALTHCARE  HOSPITALITY
HOSPITALITY CUSTOMER CASE STUDY

- Large hospitality cooperative
- Awarded in 2013 and recently renewed for 5 years
- Double digit growth every year
- **Adjacency penetration up 900 bps since inception**
- Approximately 10,000 ship-to locations with next-day delivery

![Graph showing revenue growth with 26% CAGR from $19M in 2014 to $47M in 2018 projection.](image)
GROWING BEYOND JUST OFFICE PRODUCTS

- Office Products: 64%
- Adjacencies: 36%

Adjacencies:
- Cleaning & Breakroom
- Copy & Print
- Furniture
- Technology

Depot.Different
• $26 billion & growing fragmented industry
• Low penetration in existing customer base
• Establishing Office Depot as a destination for facilities supplies
• Launched our national stocking model – “Ready to Ship”
• Expect double digit growth in 2018
Hundreds of cross-selling opportunities…
Several large wins awarded in Q1

Expands internal capabilities to provide IT services

Broader technology offering

Complementary capabilities

Strengthens partnerships with business customers
Three consecutive quarters of improving YOY trends*
First Positive quarter since OfficeMax acquisition
*Excludes 53rd week impact
CAPTURING THE TECHNOLOGY SERVICES OPPORTUNITY

Dan Stone
CompuCom
VIDEO PLACEHOLDER
INDUSTRY LEADING WHITE GLOVE SERVICE
We modernize through automation and when necessary resolve complex issues with 6,000 certified employee technicians

EXPERIENCE
Over 30 years of experience partnering with diverse businesses across multiple industries

TECHNOLOGY INDEPENDENT
Multi-vendor procurement & single source for end-to-end life cycle services

END USER INNOVATION
Leading with innovation to continue to drive out costs and delight our end users
**THE NORTH AMERICAN IT OUTSOURCING OPPORTUNITY**

**CompuCom’s Service Areas**
- Enterprise
  - Digital-related services and automation present strong market opportunities
  - CompuCom is the #2 provider in Managed Workplace Services in North America by revenue

**SMB Outlook**
- By 2020, 50% of end-user outsourcing deals will be centered in digital workplace transformation
- 39% of SMB plan to increase spending on IT services
- 69% of SMB hire IT services provider

---

**North American IT Outsourcing Market Opportunity ($m)**

- Mobile (managed workplace services)
- Desktop (managed workplace services)
- Enterprise Network Outsourcing
- Service Desk Outsourcing
- Infrastructure Utility Services
- Data Center Outsourcing
- Cloud Print Services

---

*Technology is the Office Supply of the Future*

---

*Per Gartner ITS_ServiceLine_Forecast 2018Q1: North American segments for IaaS (print servers only), Data Center Services (DCO & Utility only), Service Desk Outsourcing, Network, and MWS; no Apps, implementation services or consulting included here)*

**Per Gartner**
Gartner

2018 Leader
Gartner Magic Quadrant
Managed Workplace Services, North America

CompuCom received the
Highest Score for
End User Device
a key Gartner use case for
Managed Workplace Services

15 Years in a row
of formal Industry Recognition
We bring award winning enterprise level managed technology services to 5.9M SMBs within 3 miles of ~1,400 ODP stores

Uniquely positioned to lead in the SMB market with support from ODP distribution channels, national footprint and BSD salesforce

Positioned to service customers of all sizes and grow with SMBs as their businesses and needs evolve
OFFICE DEPOT WITH COMPUCOM WILL ENHANCE ITS TECH SERVICES CAPABILITIES

<table>
<thead>
<tr>
<th>Service/Feature</th>
<th>Office Depot Capabilities</th>
<th>CompuCom Capabilities</th>
<th>Joint Capabilities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hardware Sales</td>
<td>![Red Circle]</td>
<td>![Red Circle]</td>
<td>![Red Circle]</td>
</tr>
<tr>
<td>Nationwide Distribution Footprint</td>
<td>![Red Circle]</td>
<td>![Red Circle]</td>
<td>![Red Circle]</td>
</tr>
<tr>
<td>Technology Services Capabilities</td>
<td>![Red Circle]</td>
<td>![Red Circle]</td>
<td>![Red Circle]</td>
</tr>
<tr>
<td>Dispatch Field Services</td>
<td>![Red Circle]</td>
<td>![Red Circle]</td>
<td>![Red Circle]</td>
</tr>
<tr>
<td>Managed Print Services</td>
<td>![Red Circle]</td>
<td>![Red Circle]</td>
<td>![Red Circle]</td>
</tr>
<tr>
<td>Cloud Related Services / IOT</td>
<td>![Red Circle]</td>
<td>![Red Circle]</td>
<td>![Red Circle]</td>
</tr>
<tr>
<td>IT Professional Services</td>
<td>![Red Circle]</td>
<td>![Red Circle]</td>
<td>![Red Circle]</td>
</tr>
<tr>
<td>Large Customer Base / Omni-channel Platform</td>
<td>![Red Circle]</td>
<td>![Red Circle]</td>
<td>![Red Circle]</td>
</tr>
</tbody>
</table>
NEW COMPUCOM DRIVEN WORKKOMONY OMNI-CHANNEL OFFERINGS

Device Managed Services - SMB with < 20 employees

IT as a Service - SMB with > 20 employees
NEW BUSINESS - SELF STORAGE FACILITIES - $22K Monthly Recurring Revenue

QUICK STATS
- **Business:** Self Storage Facilities
- **# Locations:** 181
- **Revenue:** $22K MRR
- **Close Date:** April, 2018
- **Sell Cycle:** 30 days
- **Services:**
  - Firewall as a Service (FaaS)
  - 1 User ITaaS support per location

ABOUT THE DEAL
The customer was conducting a web search for firewalls and found the CompuCom website. Discovery team determined SMB opportunity for Firewall as a service.

WHY THIS IS SIGNIFICANT
1. **New Offering:** This offering is part of a new catalog of service bundles that the combined CompuCom & Office Depot teams built together.
2. **Size:** This is the second largest transaction completed for the SMB market.
3. **Speed:** While not typical, from initial contact to signed agreed in exactly 30 days.
4. **Remote Sales:** This transaction was done without any on-site sales meetings. All selling activity occurred over the phone, WebEx and email.
NEW BUSINESS – IT Maintenance Company- $42K Monthly Recurring Revenue

QUICK STATS

Business: IT Maintenance for data center & network equipment

# Locations: 100+
Revenue: $42K MRR
Close Date: February, 2018
Sell Cycle: 1 Year

Services:
• Device as a Service (DaaS)
• 650 Laptops deployed over 4 months

ABOUT THE DEAL

Moving from BYOD to client owned devices. SMB Tech Services team worked side by side with the customer to determine the most cost effective strategy which was DaaS

WHY THIS IS SIGNIFICANT

1. **New Offering**: This offering is part of a larger strategy developed to move as many of our traditional hardware sales to “as-a-Service” models.

2. **Size**: This is the largest transaction completed for the SMB market (2.5M Total Contract value). Likely to double over 12-18 months.

3. **Duration**: 5 year transaction internally funded; no leasing company to support the finances.

4. **Sticky**: Because we maintain title to the equipment, difficult for the customer to walk away

AND IT IS ALREADY BEGINNING TO PAY OFF IN THE SMB...
AND IT IS ALREADY BEGINNING TO PAY OFF IN THE ENTERPRISE...

INSERT SPARTANBURG SCHOOL VIDEO
• Grow the core Enterprise business and penetrating significant SMB market opportunity
• Boost subscription-based revenue
  – Build a sticky recurring Managed Services Provider revenue model that we drive through a nationwide variable comp sales organization
• Expand into retail footprint of ~1,400 stores to reach more customers locally
• Continue to innovate in the marketplace across all business sizes and our key verticals:

- Digital Lockers & Vending
- Device as a Service
- Self Healing Branch
- Digital Building & Digital Automation
- Design Thinking
- Self Healing Store
We are working together and cross selling services and products with our enterprise customers.

We are scaling tech services to be more relevant to SMBs.

We are deploying our plan to leverage the ~1,400 ODP locations.

We are developing new service offerings to address the unique needs of SMBs.
TRANSFORMING THE RETAIL EXPERIENCE
RETAIL’S PATH TO GROWTH

Kevin Moffitt
Retail
Empowering our team to Revolutionize Retail

One client relationship at a time
OUR HISTORICAL CHALLENGE

OMX merger led to closing unprofitable & overlapping stores, boosting operating income and comp sales

However, the effect isn’t sustainable as both operating income and comp sales have declined the past two years

Since the merger, ODP closed 500+ stores and lost $1.5B in retail sales
REBUILDING THE BASICS

TRAFFIC
VISITS & CUSTOMER FILE SIZE DECLINING EACH YEAR

CONVERSION
LESS THAN 2/3 OF VISITORS MAKE A PURCHASE

ORDER SIZE
45% OF BUYERS PURCHASE A SINGLE ITEM

IMPROVING ALL THREE METRICS WILL DRIVE SIGNIFICANT RETAIL GROWTH
SELLING CULTURE

Store managers empowered to innovate and share ideas, driving conversion improvement of over 130 bps in Q1

Field incentives changed to drive sales, profit, services, and customer satisfaction
Cross-functional team dedicated to reducing operational overhead by 50%

Over $20M in labor savings will be reinvested in sales & service to drive improvements in conversion and average order size
CUSTOMER & COMMUNITY FOCUS

Refocusing marketing efforts on valuable business and omni-channel customers

Improving traffic trends through localized demand generation, community outreach and special networking events
Digital + physical capabilities combine to drive omni-channel growth and competitive differentiation as store pickup customers increased 33% in Q1.

ODP has ship-from-store capabilities in all locations, same day delivery in select markets, and is piloting store lockers with CompuCom.
PIVOTING TO SOLUTIONS

ODP now offers a full suite of business services & solutions, including print & marketing, workspace design, administrative services, and tech services powered by CompuCom.

Over 175k subscriptions have been generated in retail, and tech services attach rate increased from 19% to 31%
Expanded services kiosks, LED lighting, customer wifi and updated visual merchandising combine to elevate the in-store customer experience.
We are leveraging strategic markets such as Austin, Silicon Valley and South Florida to rapidly test and pilot new concepts, including store layouts, staffing models, assortment, co-working, and localized marketing campaigns.
VIDEO PLACEHOLDER
Passionate associates

Increased traffic, conversion & order size

Innovative assortment of products & services

Improved omni-channel experience

Engaged customers
SUSTAINABLE GROWTH & STRONG CASH GENERATION

Joe Lower
Finance
OFFICE DEPOT BUSINESS DRIVERS

✓ Unique Omni-channel strategy enabling service led growth
✓ Aggressive demand generation
✓ Merchandising for profitable growth
✓ BSD growing via eCommerce, adjacencies & customer acquisition
✓ Leveraging CompuCom to accelerate technology-based services
✓ Retail creating new experience and re-leveraging the extensive footprint

GENERATING SUSTAINABLE PROFITABLE GROWTH AND SIGNIFICANT CASH FLOW
TRANSFORMATION TO B2B AND SERVICES

MOVING INTO HIGHER MARGIN, DEFENDABLE SERVICES

2017 Q1
51% RETAIL
49% B2B*

Services 7%

2018 Q1
44% RETAIL
56% B2B*

Services 14%

2020E
<40% RETAIL
>60% B2B*

Services ~20%

*NOTE: Does not include additional B2B sales that are captured in Retail.
IMPROVING MARGINS AND ENHANCING CASH FLOW

MARGIN IMPROVEMENT
- COGS initiatives
- Administrative efficiencies
- Shift to services
- Reversing sales de-leveraging

CASH FLOW GENERATION
- Inventory management
- Payment terms
- Collection process
- Tax strategies

DRIVING PROFITABILITY AND CASH GENERATION
### CASH GENERATION

<table>
<thead>
<tr>
<th></th>
<th>Outlook 2018</th>
<th>Outlook 2019 &amp; 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash Flow from Operations</td>
<td>~$525 M</td>
<td>~$500 M</td>
</tr>
<tr>
<td>Capital Expenditures</td>
<td>(~$175 M)</td>
<td>(~$150 M)</td>
</tr>
<tr>
<td>Free Cash Flow (1)</td>
<td>~$350 M</td>
<td>~$350 M</td>
</tr>
<tr>
<td>Sale of Discontinued Operations</td>
<td>~$100 M</td>
<td></td>
</tr>
<tr>
<td>Cash Generation to Deploy</td>
<td>~$450 M</td>
<td>~$350 M</td>
</tr>
</tbody>
</table>

#### SIGNIFICANT CASH TO FUND OPERATIONS & RETURN CAPITAL

(1) Free Cash Flow is defined throughout this presentation as operating cash flow from continuing operations less capital expenditures.
LIQUIDITY TO FUND OPERATIONS, FUEL GROWTH & RETURN CAPITAL

- Cash Balance Q1 2018: $737M
- ABL Availability: ~$900M
- 2018 Cash Generation Outlook: ~$450M

SUBSTANTIAL LIQUIDITY
## CAPITAL ALLOCATION PRIORITIES

<table>
<thead>
<tr>
<th></th>
<th>Outlook 2018</th>
<th>Outlook 2019 &amp; 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash Generation to Deploy</td>
<td>~$450 M</td>
<td>~$350 M</td>
</tr>
<tr>
<td>Mandatory Debt Repayments*</td>
<td>(~$75 M)</td>
<td>(~$75 M)</td>
</tr>
<tr>
<td>Shareholder Dividends*</td>
<td>(~$58 M)</td>
<td>(~$58 M)</td>
</tr>
<tr>
<td>Remaining Cash Available to Deploy</td>
<td>~$315 M</td>
<td>~$215 M</td>
</tr>
</tbody>
</table>

*Future shareholder dividends are expected. Current Term Loan agreement governs debt repayment, dividend and share repurchase ability.

**BALANCED CAPITAL DEPLOYMENT STRATEGY**
### Q1 HIGHLIGHTS

- Revenue growth of 6% YoY
  - CompuCom acquisition
  - BSD +1% YoY
  - Retail comparable sales -4% YoY
- Adjusted operating income above expectations on core strength
- Exceptional FCF based upon successful working capital initiatives
- Raising outlook on strong Q1 performance and positive trends

### Q1 2018 Results

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>$2.8 B</td>
</tr>
<tr>
<td>Operating Income</td>
<td>$77 M</td>
</tr>
<tr>
<td>Adjusted Operating Income(^{(1)})</td>
<td>$93 M</td>
</tr>
<tr>
<td>FCF (^{(2)})</td>
<td>$170 M</td>
</tr>
</tbody>
</table>

\(^{(1)}\) Non-GAAP number. A reconciliation from GAAP to Non-GAAP can be found at investor.officedepot.com

\(^{(2)}\) Free Cash Flow is defined throughout this presentation as operating cash flow from continuing operations less capital expenditures.
### 2018 Outlook

<table>
<thead>
<tr>
<th></th>
<th>2018 Outlook at Q4 2017</th>
<th>Change at Q1 2018</th>
<th>Current 2018 Outlook</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales:</td>
<td>~$10.6 B</td>
<td>$200 M</td>
<td>~$10.8 B</td>
</tr>
<tr>
<td>YoY Growth</td>
<td>+3.5%</td>
<td></td>
<td>+5.5%</td>
</tr>
<tr>
<td>Adjusted</td>
<td>~$350 M</td>
<td>$10 M</td>
<td>~$360 M</td>
</tr>
<tr>
<td>Operating Income*</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Free Cash Flow</td>
<td>~$325 M</td>
<td>$25 M</td>
<td>~$350 M</td>
</tr>
</tbody>
</table>

* The Company’s outlook for 2018 included in this presentation is for continuing operations only and includes non-GAAP measures, such as adjusted operating income, which excludes charges or credits not indicative of core operations, which may include but not be limited to merger integration expenses, restructuring charges, acquisition-related costs, executive transition costs, asset impairments and other significant items that currently cannot be predicted. The exact amount of these charges or credits are not currently determinable, but may be significant. Accordingly, the Company is unable to provide equivalent reconciliations from GAAP to non-GAAP for these financial measures.
OUTLOOK FOR 2019 AND 2020*

<table>
<thead>
<tr>
<th></th>
<th>2018 Outlook</th>
<th>2019 &amp; 2020 Outlook</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>~$10.8 B</td>
<td>0% to 2% CAGR</td>
</tr>
<tr>
<td>Services (as % of total sales)</td>
<td>~15%</td>
<td>~20%</td>
</tr>
<tr>
<td>Adjusted Operating Income*</td>
<td>~$360 M</td>
<td>3% to 5% CAGR</td>
</tr>
<tr>
<td>Free Cash Flow</td>
<td>~$350 M</td>
<td>~$350 M</td>
</tr>
</tbody>
</table>

IMPROVING PERFORMANCE WITH POSITIVE OUTLOOK

* The Company’s outlook for 2018, 2019 & 2020 included in this presentation is for continuing operations only and includes non-GAAP measures, such as adjusted operating income, which excludes charges or credits not indicative of core operations, which may include but not be limited to merger integration expenses, restructuring charges, acquisition-related costs, executive transition costs, asset impairments and other significant items that currently cannot be predicted. The exact amount of these charges or credits are not currently determinable, but may be significant. Accordingly, the Company is unable to provide equivalent reconciliations from GAAP to non-GAAP for these financial measures.
KEY TAKEAWAYS

✓ Generating demand to improve business trajectory

✓ Transforming to higher margin, defendable businesses

✓ Significant liquidity and strong cash generation engine

✓ Adequate capital to fund growth and return to stakeholders (debt & equity)

✓ Improving performance with positive long-term outlook
WHERE WE GO FROM HERE

Gerry Smith
CEO

Depot.Different
### THE NEW ODP: BRINGING THE VISION TO LIFE AND LOOKING TO THE FUTURE

<table>
<thead>
<tr>
<th>Unique Omni-Channel Platform</th>
<th>60% B2B Revenues Stable and Growing (BSD and CompuCom)</th>
<th>Revitalizing Retail</th>
<th>Targeting ~20% Services Revenue by 2020</th>
<th>Continue to Grow the Customer Base</th>
</tr>
</thead>
<tbody>
<tr>
<td>Compelling Opportunity with CompuCom in Underserved SMB Market</td>
<td>Energized, Experienced Leadership Team</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Maintain Focus on Expense Management</td>
<td></td>
<td>Clear Path to Sustainable, Profitable Growth with Strong Free Cash Flow</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Launching Workonomy to Leverage the Customer Base, The Marketplace & Business Services Platform**
Q & A SESSION