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. 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.officedepot.com.

During portions of today’s presentation, the company may refer to results which are non-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 2019 includes non-GAAP measures, such as adjusted EBITDA, adjusted operating income, and Free Cash Flow 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.
Gerry Smith
Chief Executive Officer
B2B Driving Improved Results

✓ BSD Revenue & Profitability UP
✓ CompuCom Sequential Quarterly Turnaround
✓ Business Acceleration Program ("BAP") Delivering Cost Savings

B2B Driving Our Business

Total Revenue (1)
- Retail ~40%
- B2B ~60%

Division Level Operating Income
- Retail ~10%
- B2B ~90%

(1) Does not include additional B2B sales that are captured in Retail.
Second Quarter 2019 Highlights

✓ Generated $2.6 billion in Revenue; GAAP Results Impacted by Charges
  • Total revenue down 2% versus 2Q18
    - BSD Division revenue up 2%, driven by distribution expansion and contract business
    - Retail Division revenue down 5%; same store sales down 3.6%
    - CompuCom revenue down 7%
  • GAAP operating loss of $15 million; GAAP diluted loss per share of $0.04
    (includes BAP-related charges and impact related to new lease accounting standard)

✓ Operating Performance Improves Year-Over-Year
  • Adjusted EBITDA\(^{(1)}\) of $125 million, up 9% year-over-year
  • Adjusted operating income\(^{(1)}\) of $71 million, up 13% year-over-year; Adjusted EPS\(^{(1)}\) of $0.07

✓ Invested in Services Platform, Technology, and Demand Generation

✓ Transformation Efforts Continue to Make Progress
  • Service revenue 16% of total revenue; Up 7% in Retail and 5% in BSD year-over-year on reported basis
  • Retail service revenue up approximately 12% on a same store comparable basis
  • Steady progress on supply chain as a service, collaboration efforts, expanded offerings

✓ Balance Sheet Remains Strong
  • Approximately $1.4 billion of total available liquidity
  • Low leverage

\(^{(1)}\) A non-GAAP measure which excludes charges and 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, asset impairments, and executive transition costs. Non-GAAP measure. A reconciliation of GAAP to non-GAAP measures can be found at investor.officedepot.com
BSD: B2B Distribution Platform Drives Core Growth

Revenue Growth

2Q 2019 % Change in Sales YOY

Expanding Beyond Traditional Office Products

Office Products
- Paper
- Ink & Toner
- Supplies

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

✓ Adjusted operating income$^{(1)}$ up 28% vs. 2Q18; up 87% vs. 1Q19
✓ Tuck-in acquisition strategy delivering results
✓ Strong sales funnel plus winning new business
✓ Leveraging cross-selling opportunities

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(1) A non-GAAP measure which excludes charges and 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, asset impairments, and executive transition costs. Non-GAAP measure. A reconciliation of GAAP to non-GAAP measures can be found at investor.officedepot.com
CompuCom: Strategic Component of Services Pivot

✓ Significant operational turnaround vs. 1Q19
  • Revenue up 4% vs. 1Q19
  • Operating income of $1 million vs. operating loss of $15 million in 1Q19

✓ Continuing to win new contracts
  • 30+ new logo customers in 2Q19

✓ Investing in new technology
  • Automation; self-healing networks; digital transformation tools

✓ Positioning for opportunities
  • Digital transformation and services; infrastructure modernization; managed workplace
  • Enterprise and SMB

✓ Actions
  • New leadership – Mick Slattery; industry veteran
  • Refine service portfolio to better support clients
  • Accelerate service sales and go-to-market activities
  • Increase efficiency through the use of technology and automation
  • Aggressively pursuing cross-selling opportunities
  • Business Acceleration Program cost savings
The Retail Experience -- Services Growth

- 12% increase in same store comparable service revenue
- 17% growth YOY from buy on-line/pick-up in store
- Same store sales declined 3.6%; improved sequentially
- Loyalty customers continue to grow
- Store within a store opportunities: Lenovo
- Expanding services through the Telos partnership: Identification and background check services
- Improving experience through customer engagement, diversified and innovative products & services
Office Depot

A Leading B2B Integrated Distribution Company Providing Business Services and Supplies, Products & Technology Solutions

✓ Valuable Asset Base and Extensive Market Reach

✓ Transforming Business and Driving Improvements in Core Operations
  • Leveraging proven distribution assets to deliver business services and products
  • Growing B2B business

✓ Strong Balance Sheet; Low Leverage; Strong Cash Flow Profile

✓ Executing Upon Business Acceleration Program
  • Operational improvements; cost savings; additional fuel for growth

POSITIONED TO DRIVE SHAREHOLDER VALUE
Joe Lower
Chief Financial Officer
# Second Quarter 2019 Summary

<table>
<thead>
<tr>
<th>($ in millions, except per share amounts)</th>
<th>Second Quarter</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2019</td>
</tr>
<tr>
<td>Sales</td>
<td>$2,588</td>
</tr>
<tr>
<td>Operating Income (loss) (GAAP)</td>
<td>$(15)</td>
</tr>
<tr>
<td>Adjusted Operating Income&lt;sup&gt;(1)&lt;/sup&gt;</td>
<td>$71</td>
</tr>
<tr>
<td>Earnings Per Share (loss) from Continuing Operations (GAAP)</td>
<td>$(0.04)</td>
</tr>
<tr>
<td>Adjusted Diluted EPS from Continuing Operations&lt;sup&gt;(1)&lt;/sup&gt;</td>
<td>$0.07</td>
</tr>
<tr>
<td>Adjusted EBITDA&lt;sup&gt;(1)&lt;/sup&gt;</td>
<td>$125</td>
</tr>
<tr>
<td>Operating Cash Flow from Continuing Operations (GAAP)</td>
<td>$(58)</td>
</tr>
<tr>
<td>Free Cash Flow from Continuing Operations&lt;sup&gt;(1)(2)&lt;/sup&gt;</td>
<td>$(103)</td>
</tr>
<tr>
<td>Adjusted Free Cash Flow</td>
<td>$(48)</td>
</tr>
</tbody>
</table>

- **Total reported Company sales decreased 2% compared to 2Q18**
  - BSD division sales up 2%
  - CompuCom division sales down 7%
  - Retail division sales down 5%; down 3.6% on same store sales comparable basis

- **Adjusted Operating Income<sup>(1)</sup> of $71 million, up 13% versus $63 million in 2Q18**
  - 2Q19 EBITDA<sup>(1)</sup> of $125 million vs. $115 million in prior year

- **2Q19 Adjusted Free Cash Flow of $(48) million versus $7 million in 2Q18**
  - Excludes FTC cash settlement of $25 million and cash expenditures of $30 million related to BAP
  - Higher capital expenditures of $45 million in 2Q19 versus $37 million in 2Q18
  - Significant working capital improvements in 2Q18 not repeated in 2Q19

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<sup>(1)</sup> Non-GAAP measure. A reconciliation of GAAP to non-GAAP measures can be found at investor.officedepot.com.

<sup>(2)</sup> Free Cash Flow is a non-GAAP measure and is defined as operating cash flow from continuing operations less capital expenditures.
Business Solutions Division – 2Q19

- 2Q19 reported sales increased 2% versus 2Q18
  ✓ Solid performance in Contract channel and acquisitions fueled growth
  ✓ Increased sales of paper related products; growth in adjacencies such as cleaning and breakroom
  ✓ Offset by actions to improve profitability in online channel, resulting in negative impact to sales

- Growth in adjacency categories and service revenue in 2Q19
  ✓ Adjacency categories grew year-over-year and account for 36% of BSD revenue
  ✓ Services revenue up 5%; product revenue grew 2%

- Operating income increased 28% versus 2Q18; Increased 87% versus 1Q19
  ✓ Improved gross profit margins benefitting from cost increase mitigation efforts
  ✓ Lower SG&A from BAP related cost efficiencies

Sales ($ millions)
- 2Q19: $1,328
- 2Q18: $1,298

Operating Income ($ millions)
- 2Q19: $86
- 2Q18: $67
CompuCom Division – 2Q19

- 2Q19 sales decreased 7% vs. 2Q18; up 4% vs. 1Q19
  ✓ Lower sales from project-related revenue in existing accounts; lower service volume
  ✓ Partially offset by strong product related sales up 34% versus last year
- 2Q19 operating income of $1 million vs. $6 million 2Q18; sequential improvement vs. 1Q19
  ✓ Flow-through impact due to lower project-related revenue
  ✓ Continued investments in the development of additional service offerings
  ✓ BAP-related cost efficiencies drove operating improvement versus 1Q19
- Executing plan to improve performance
  ✓ Increased use of automation and technology to improve efficiencies
  ✓ Simplifying operational structure to improve service velocity
  ✓ Aggressively pursuing cross-selling opportunities
Retail Division – 2Q19

• 2Q19 total reported sales declined 5%; same store sales down 3.6% versus 2Q18
  ✓ Lower same store sales; fewer retail outlets as compared to the prior year
  ✓ Higher conversion rates, 17% increase in Buy On-Line Pick-up In Store (BOPIS)

• Product sales down 7%, services sales up 12% on a same store basis versus 2Q18

• 2Q19 operating income of $9 million versus $22 million in 2Q18
  ✓ Flow-through impact of lower sales and deleveraging related to store closures
  ✓ Investments in services platform, training and customer oriented initiatives
  ✓ Partial offsets: Lower reported lease costs; improved distribution/inventory cost; cost savings initiatives
**Balance Sheet / Cash Flow Highlights***

| **Net Cash Position** | • Total available liquidity of approximately $1.4 billion at end of 2Q19  
✓ $444 million in cash and cash equivalents  
✓ $1 billion available credit under asset-based lending facility  
• Total debt of $712 million, excluding non-recourse Timber Notes  
✓ Net debt of $268 million |
|-----------------------|-------------------------------------------------------------------------------------------------
| **Operating Cash Flow** | • Operating cash outflow of $58 million in 2Q19  
✓ Building inventory for Back-to-School  
✓ Increased stocking units to reduce distribution costs  
✓ $4 million in acquisition and integration-related costs  
✓ $33 million in restructuring costs |
| **Capital Expenditures & Other** | • Capital expenditures of $45 million in 2Q19, up from $37 million in 2Q18  
• Investments in services platform, distribution network, eCommerce  
• Federal Trade Commission cash settlement of $25 million  
• Business Acceleration Program cash expenditures of $30 million |
| **Adjusted Free Cash Flow*** | • Adjusted Free Cash Flow of $(48) million |

*Balance sheet and cash flow financial measures are for continuing operations only; Free Cash Flow is a non-GAAP measure and is defined as operating cash flow from continuing operations less capital expenditures. A reconciliation of GAAP to non-GAAP measures can be found at investor.officedepot.com. Adjusted Free cash flow excludes the Federal Trade Commission cash settlement of $25 million and cash charges of associated with the Company’s Business Acceleration Program of $30 million in the second quarter of 2019.
Balanced Capital Allocation

Capital Deployment 2Q19

- Capital Expenditures
  - $45 Million
- Shareholder Dividends
  - $13 Million
- Debt Pay Down
  - $19 Million
- Distribution Acquisitions
  - $18 Million
- Business Acceleration Program
  - $30 Million

Investing for Future Growth and Returned Capital to Stakeholders
Office Depot

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Q & A