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 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, 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
Second Quarter 2018 Summary

• Sales of $2.6 billion, up 11% versus 2Q17

• Improving sales trends in all three divisions:
  ✓ Business Solutions Division (BSD) up 4%
  ✓ CompuCom Division up 3%(1)
  ✓ Retail Division Comparable Store Sales down 2%

• Service revenue doubles year-over-year to 16% of total sales

• Operating income of $48 million; diluted EPS from continuing operations of $0.03
  ✓ Adjusted operating income (AOI)(2) of $63 million in-line with prior year
  ✓ Adjusted EBITDA(2) of $115 million up $11 million versus prior year
  ✓ Adjusted diluted EPS(2) from continuing operations of $0.05

• Generated $177 million of free cash flow(3) year-to-date in 2018

(1) Based on unaudited adjusted historical results for the second quarter of 2017. Because CompuCom was not part of Office Depot until November 2017, historical results for the second quarter 2017 for this business have not been subject to audit or the Company’s internal control processes. Comparable sales performance provided for reference only.

(2) Non-GAAP measure. A reconciliation of GAAP to non-GAAP measures can be found at investor.officedepot.com.

(3) Free Cash Flow is defined as cash flows from operating activities of continuing operations less capital expenditures.
Transformation Well Underway

2017 Q1
- Retail: 51%
- BSD: 49%
- Services: 8%

2018 Q2
- Retail: 40%
- BSD: 49%
- CompuCom: 11%
- Services: 16%
Continued Growth in BSD Sales

Quarterly Reported Year-Over-Year Sales Change for BSD Division

*Excludes 53rd week impact
BSD Growing Beyond Office Products

Office Products: 64%
Adjacencies: 36%

Adjacency categories growing ~10% YTD 2018

- Cleaning & Breakroom
- Copy & Print
- Furniture
- Technology
Keys to Changing the Retail Experience

- Engaged customers
- Knowledgeable and passionate associates
- Innovative assortment of products and services
- Increase traffic, conversion and average order value
- Utilize services and subscriptions to drive recurring customer relationships
2018 Back-to-School Program

• First to launch in market – Week 20

• Competitive pricing all season long

• Increased focus to K through College

• Expanded omni-channel offerings and capabilities

• New partnerships

• Supporting our communities
Capitalizing on CompuCom Opportunity

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 store locations.

We are developing new service offerings to address the unique needs of SMBs.
Joe Lower
Chief Financial Officer
## Second Quarter 2018 Summary

<table>
<thead>
<tr>
<th>($ in millions, except per share amounts)</th>
<th>Second Quarter</th>
<th>Year-to-Date</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2018</td>
<td>2017</td>
</tr>
<tr>
<td>Sales</td>
<td>$2,628</td>
<td>$2,363</td>
</tr>
<tr>
<td>Operating Income (GAAP)</td>
<td>$48</td>
<td>$41</td>
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<tr>
<td>Adjusted Operating Income (1)</td>
<td>$63</td>
<td>$63</td>
</tr>
<tr>
<td>Earnings Per Share from Continuing Operations (GAAP)</td>
<td>$0.03</td>
<td>$0.04</td>
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<tr>
<td>Adjusted Diluted EPS from Continuing Operations (1)</td>
<td>$0.05</td>
<td>$0.06</td>
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<tr>
<td>Adjusted EBITDA (1)</td>
<td>$115</td>
<td>$104</td>
</tr>
<tr>
<td>Free Cash Flow from Continuing Operations (2)</td>
<td>$7</td>
<td>$2</td>
</tr>
</tbody>
</table>

- Total reported Company sales increased 11% compared to 2Q17
  - Addition of CompuCom’s 2Q18 results which were not part of company in 2Q17
  - Growth in BSD’s eCommerce and contract channels
- 2Q18 adjusted operating income(1) of $63 million vs. $63 million in prior year
  - Excludes $15 million in merger, acquisition, integration-related and restructuring charges
  - Adjusted EBITDA(1) of $115 million, up versus 2Q17
- 2Q18 Free Cash Flow(2) of $7 million and $177 million in YTD18

(1) Non-GAAP measure. A reconciliation of GAAP to non-GAAP measures can be found at investor.officedepot.com.
(2) Free Cash Flow is defined as operating cash flow from continuing operations less capital expenditures.
Business Solutions Division – 2Q18

- 2Q18 reported sales increased 4% versus 2Q17
  ✓ Sequential improvement of 300bps over 1Q18
- Product sales up 3%, Services up 15%
  ✓ Growth in acquisitions, adjacency categories and eCommerce channel
  ✓ Core flat excluding acquisition impact, services up strongly
- 2Q18 operating income increased $3 million compared to prior year
  ✓ Benefit of higher sales volumes and cost reduction initiatives
Retail Division – 2Q18

- 2Q18 comparable store sales declined 2% compared to prior year
  - Sequential improvement of 200bps over 1Q18
- Product sales down 7%, Services up 12% (excluding revenue recognition change)
  - Negative impact from prior period store closures
  - Cleaning & breakroom and copy & print sales increased, technology, supplies and furniture sales declined
- 2Q18 operating income increased $2 million compared to prior year
  - Lower SG&A expenses offset negative flow-through impact from lower sales
CompuCom Division – 2Q18

- 2Q18 sales increased 3% versus historical sales in prior year
- Growth in both product sales and services
  ✓ Fourth consecutive quarter of year-over-year growth in service orders
- 2Q18 operating income down versus adjusted historical prior year results
  ✓ Lower gross margin on product sales mix, investment expenses to support growth initiatives, incremental depreciation and amortization and acquisition-related expenses, partially offset by cost reduction initiatives

* The CompuCom unaudited historical results for the second quarter and year-to-date for 2017 have been adjusted for historical restructuring and acquisition costs and have been presented for reference purposes only and have not been subject to audit or the Company’s internal review process. As such, adjusted historical results may not be comparable to current year results nor indicative of the results of future operations of the CompuCom division or the results that would have been attained had the acquisition been completed on January 1, 2017.
## Balance Sheet / Cash Flow Highlights*

| **Net Cash Position** | • Total liquidity of approximately $1.7 billion at end of 2Q18  
  ✓ $0.7 billion of cash & equivalents  
  ✓ $1.0 billion available under asset-based lending facility  
  • Debt of $1.0 billion at end of 2Q18, excluding non-recourse timber notes |
|-----------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| **Operating Cash Flow** | • Operating cash flow of $44 million in 2Q18, driven by working capital improvements and included cash outflows related to:  
  ✓ $7 million in OfficeMax merger costs  
  ✓ $5 million in acquisition and integration-related costs  
  ✓ $3 million in restructuring costs |
| **Capital Expenditures** | • Capital expenditures of $37 million in 2Q18 |
| **Free Cash Flow** | • Generated strong free cash flow of $177 million YTD18 |
| **Capital Allocation** | • Paid cash dividend of $0.025 per share or approximately $14 million  
  • Made scheduled debt repayment of $19 million under Term Loan  
  • Repurchased approximately 3 million shares for $8 million |

*Balance sheet and cash flow financial measures are for continuing operations only; Free Cash Flow is defined as operating cash flow from continuing operations less capital expenditures.
# 2018 Full-Year Outlook*

<table>
<thead>
<tr>
<th></th>
<th>Full Year 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sales</strong></td>
<td>~ $10.8 billion</td>
</tr>
<tr>
<td><strong>Adjusted Operating Income</strong></td>
<td>~ $360 million</td>
</tr>
<tr>
<td><strong>Free Cash Flow</strong></td>
<td>~ $350 million</td>
</tr>
</tbody>
</table>

* The Company’s outlook for 2018 included in this release 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.
2018 Pivot to Drive Long-Term Value

- Stability in the Core
- “Green Shoots” of Demand Improvement
- Shift to Recurring / Service Based Model
- Free Cash Flow Generation

Creating a unique omni-channel business services platform to drive long-term sustainable growth and shareholder value
Q & A