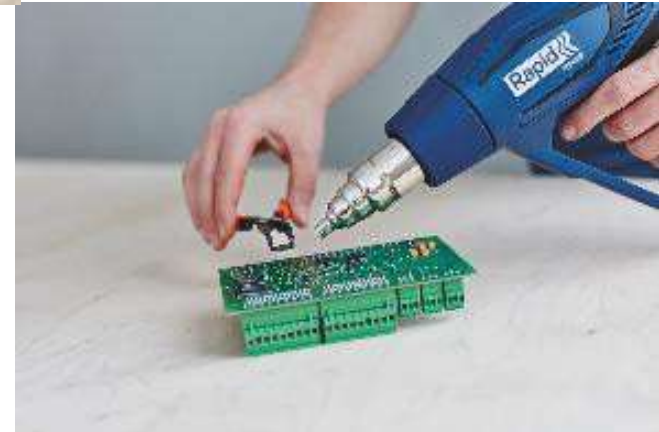




# ACCO Brands 2Q Earnings Conference Call August 9, 2022



# Forward-Looking Statements

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Statements contained in this presentation, other than statements of historical fact, particularly those anticipating future financial performance, business prospects, growth, strategies, business operations and similar matters, results of operations, liquidity and financial condition, are “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. These statements are based on the beliefs and assumptions of management based on information available to us at the time such statements are made. These statements, which are generally identifiable by the use of the words “will,” “believe,” “expect,” “intend,” “anticipate,” “estimate,” “forecast,” “project,” “plan,” and similar expressions, are subject to certain risks and uncertainties, are made as of the date hereof, and we undertake no duty or obligation to update them. Because actual results may differ materially from those suggested or implied by such forward-looking statements, you should not place undue reliance on them when deciding whether to buy, sell or hold the company’s securities.

Our outlook is based on certain assumptions, which we believe to be reasonable under the circumstances. These include, without limitation, assumptions regarding both the near-term and long-term impact of the COVID-19 pandemic; inflation and the impact on demand of global economic uncertainties; changes in the competitive landscape, including ongoing uncertainties in the traditional office products channels; as well as the impact of fluctuations in foreign currency and acquisitions and the other factors described below.

Among the factors that could cause our actual results to differ materially from our forward-looking statements are: the ongoing impact of the COVID-19 pandemic; a relatively limited number of large customers account for a significant percentage of our sales; issues that influence customer and consumer discretionary spending during periods of economic uncertainty or weakness; risks associated with foreign currency fluctuations; challenges related to the highly competitive business environment in which we operate; our ability to develop and market innovative products that meet consumer demands and to expand into new and adjacent product categories that are experiencing higher growth rates; our ability to successfully expand our business in emerging markets and the exposure to greater financial, operational, regulatory, compliance and other risks in such markets; the continued decline in the use of certain of our products; risks associated with seasonality; the sufficiency of investment returns on pension assets, risks related to actuarial assumptions, changes in government regulations and changes in the unfunded liabilities of a multi-employer pension plan; any impairment of our intangible assets; our ability to secure, protect and maintain our intellectual property rights, and our ability to license rights from major gaming console makers and video game publishers to support our gaming business; continued disruptions in the global supply chain; risks associated with changes in the cost or availability of raw materials, transportation, labor, and other necessary supplies and services and the cost of finished goods; the continued global shortage of microchips which are needed in our gaming and computer accessories businesses; risks associated with outsourcing production of certain of our products, information technology systems and other administrative functions; the failure, inadequacy or interruption of our information technology systems or its supporting infrastructure; risks associated with a cybersecurity incident or information security breach, including that related to a disclosure of personally identifiable information; our ability to grow profitably through acquisitions; our ability to successfully integrate acquisitions and achieve the financial and other results anticipated at the time of acquisition, including planned synergies; risks associated with our indebtedness, including limitations imposed by restrictive covenants, our debt service obligations, and our ability to comply with financial ratios and tests; a change in or discontinuance of our stock repurchase program or the payment of dividends; product liability claims, recalls or regulatory actions; the impact of litigation or other legal proceedings; our failure to comply with applicable laws, rules and regulations and self-regulatory requirements, the costs of compliance and the impact of changes in such laws; our ability to attract and retain qualified personnel; the volatility of our stock price; risks associated with circumstances outside our control, including those caused by public health crises, such as the occurrence of contagious diseases like COVID-19, severe weather events, war, terrorism and other geopolitical incidents; and other risks and uncertainties described in “Part I, Item 1A. Risk Factors” in our Annual Report on Form 10-K for the year ended December 31, 2021, and in other reports we file with the Securities and Exchange Commission (“SEC”).

# Reg. G – Non-GAAP Financial Measures

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This presentation contains non-GAAP financial measures. We explain how we calculate and use each of these non-GAAP measures and provide a reconciliation of our current period and historical non-GAAP financial measures to the most directly comparable GAAP financial measure in the tables attached to this presentation.

We use our non-GAAP financial measures both to explain our results to stockholders and the investment community and in the internal evaluation and management of our businesses. We believe our non-GAAP measures provide management and investors with a more complete understanding of our underlying operational results and trends, facilitate meaningful period-to-period comparisons and enhance an overall understanding of our past and future financial performance.

Our non-GAAP financial measures exclude certain items that may have a material impact upon our reported financial results such as restructuring charges, transaction and integration expenses associated with material acquisitions, the impact of foreign currency fluctuation and acquisitions, unusual tax items and other non-recurring items that we consider to be outside of our core operations. These measures should not be considered in isolation or as a substitute for, or superior to, the directly comparable GAAP financial measures and should be read in connection with the Company's financial statements presented in accordance with GAAP.

This presentation also provides forward-looking non-GAAP comparable net sales, adjusted earnings per share, comparable adjusted earnings per share, free cash flow, adjusted EBITDA, adjusted tax rate and net leverage ratio. We do not provide a reconciliation of forward-looking comparable net sales, adjusted earnings per share, comparable adjusted earnings per share, free cash flow, adjusted EBITDA, adjusted tax rate and net leverage ratio to GAAP because the GAAP financial measure is not accessible on a forward-looking basis and reconciling information is not available without unreasonable effort due to the inherent difficulty of forecasting and quantifying certain amounts that are necessary for such a reconciliation, including adjustments that could be made for restructuring, integration and acquisition-related expenses, the variability of our tax rate and the impact of foreign currency fluctuations and material acquisitions, and other charges reflected in our historical numbers. The probable significance of each of these items is high and, based on historical experience, could be material.

# 2Q 2022 Results Summary

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## Comparisons Versus Prior Year

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**Sales up 1% to \$521M**  
**Comparable sales up 5% to \$545M**

- FX headwind of \$24M
- North America back-to-school sell-in consistent with expectations
- Strong recovery in International segment
- EMEA price increases offset by volume declines
- Gaming accessories sales down due to semiconductor shortages and normalizing demand environment

**Operating income \$55M, up from \$50M**  
**Adjusted operating income \$58M, down from \$67M**

- Operating income increased due to a reversal of PowerA contingent earnout compared to expense last year
- Adjusted operating income primarily down due to inflation not fully mitigated by price increases

**EPS \$0.40 vs \$0.50**  
**Adjusted EPS \$0.37 vs. \$0.43**

- EPS declined as 2021 included favorable discrete tax items and Brazilian operating tax credits, offset by the earnout change noted above.
- Adjusted EPS down due to lower adjusted operating income

**Source of \$12M free cash flow (after capex of \$4M)**

- Dividend payment of ~\$7M
- Share repurchase of \$19M for 2.7M shares
- Normal seasonal working capital build up

# 2Q 2022 Segment Results Summary

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## *Comparisons Versus Prior Year*

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**North America sales \$307M, up 4%**  
**Comparable sales \$308M, up 4%**  
**Operating income \$51M, down 6%**  
**Adjusted operating income \$57M, down 5%**

- Sales up from higher prices
- Strong back-to-school sell-in consistent with expectations
- Gaming accessories sales declined due to market conditions
- Operating/adjusted operating income declined due to lower gross margins as inflation offset higher pricing and lower SG&A

**EMEA sales \$138M, down 12%**  
**Comparable sales \$158M, flat**  
**Operating loss \$2M vs \$10M income**  
**Adjusted operating income \$2M vs. \$14M**

- Sales down due to adverse foreign exchange of \$20M
- Comparable sales flat, with pricing offsetting lower volumes
- Posted operating loss and lower adjusted operating income as inflation exceeded price increases, and from lower volume

**International sales \$77M, up 16%**  
**Comparable sales \$79M, up 20%**  
**Operating income \$6M vs. \$3M**  
**Adjusted operating income \$9M vs. \$5M**

- Sales rose from higher prices and volume due to school re-openings
- Operating income/adjusted operating income up from higher sales pricing and volume, partially offset by inflation

# 2022 Segment Results

Segment Financial Metrics \$ in millions	2Q22	2Q21	Y/Y Change
<b>ACCO Brands North America</b>			
Sales	\$306.6	\$295.1	3.9%
Comparable Sales	\$308.0	\$295.1	4.4%
Adjusted Operating Income	\$57.2	\$59.9	(4.5%)
Adjusted Operating Margin	18.7%	20.3%	(160 bps)
<b>ACCO Brands EMEA</b>			
Sales	\$137.9	\$157.0	(12.2%)
Comparable Sales	\$157.7	\$157.0	0.4%
Adjusted Operating Income	\$2.1	\$13.8	(84.8%)
Adjusted Operating Margin	1.5%	8.8%	(730 bps)
<b>ACCO Brands International</b>			
Sales	\$76.5	\$65.7	16.4%
Comparable Sales	\$78.9	\$65.7	20.1%
Adjusted Operating Income	\$8.6	\$4.8	79.2%
Adjusted Operating Margin	11.2%	7.3%	390 bps

## 2Q 2022 Margin Reconciliation

	2Q 2022 Adjusted (non-GAAP)	Change vs. Prior Year Adjusted	Items of Significant Impact on Adjusted Results	Bps
<b>Gross Profit</b>	\$150.0M	(\$14.1M)	Pricing/Product Cost	(290)
			Cost Savings	50
<b>Gross Margin</b>	28.8%	(290) bps	Mix/Other	(50)
<hr/>				
<b>SG&amp;A</b>	\$91.9M	(\$5.0M)	Sales Leverage	(100)
			Incentive Compensation/Other	(60)
<b>SG&amp;A Margin</b>	17.6%	(110) bps	Net Cost Savings	(20)
			Sales and Marketing investment	70

# 2022 Cash Flow

\$ in millions*	2Q22	1Q22	2022 YTD	2021YTD	Change vs 2021
Adjusted EBITDA	71	39	110	125	(15)
Interest	(4)	(15)	(19)	(17)	(2)
Taxes	(11)	(8)	(19)	(15)	(4)
Capital expenditures	(4)	(3)	(7)	(9)	2
Working capital and other	(38)	(114)	(152)	(130)	(22)
Pension	(2)	(5)	(7)	(11)	4
Cash restructuring costs	--	(2)	(2)	(6)	4
Transaction and Integration expenses	--	--	--	(1)	1
<b>Free cash flow</b>	<b>12</b>	<b>(108)</b>	<b>(96)</b>	<b>(64)</b>	<b>(32)</b>
FX impact on cash balance	(3)	4	1	--	1
Gross debt incr/(decr)	24	157	181	110	71
Payment of contingent consideration liability	(27)	--	(27)	--	(27)
Bond redemption	--	--	--	(10)	10
Debt Issuance Costs	--	--	--	(11)	11
Cost of Acquisition	--	--	--	15	(15)
Share repurchases	(21)	3	(18)	1	(19)
Dividends Paid	(7)	(7)	(14)	(12)	(2)
FX impact on Debt	22	1	23	12	11
<b>Incr/(decr) in cash on hand</b>	<b>0</b>	<b>50</b>	<b>50</b>	<b>41</b>	<b>9</b>

\*Numbers may not foot due to rounding



# Capital Structure

- ❑ Capital structure as of June 30, 2022
- ❑ No maturities until 2026

Facility	(\$ in millions) Balance <sup>1</sup>	Interest Rate Methodology	Rate
\$600M multicurrency revolver	240	LIBOR + 200 bps, 35.0 bps unused	3.42%
USD Term Loan A	87	U.S. LIBOR + 200 bps	4.25%
EUR Term Loan A	229	Euro LIBOR (floor 0%) + 200 bps	2.00%
AUD Term Loan A	<u>36</u>	Australian BBSR + 200 bps	3.86%
Subtotal Senior secured credit facilities <sup>2</sup>	612	Weighted average	3.02%
Senior unsecured notes	<u>575</u>	4.25% fixed	4.25%
<b>Total Debt<sup>2</sup></b>	<b>1,187</b>	<b>Weighted average interest rate</b>	<b>3.63%</b>

<sup>1</sup> Currencies converted using June 30, 2022, closing spot rates.

<sup>2</sup> Includes Other Borrowings of \$20 million.

# Full Year 2022 Outlook

(\$ in millions, except EPS)

	Current Outlook	Mid-Point	Prior Outlook	Mid-Point
Comparable Net Sales Growth	4.0% to 6.0%	5.0%	3.5% to 8.5%	6.0%
FX Impact on Net Sales <sup>(1)</sup>	(4.5%)		(2.5%)	
Reported Net Sales Growth	(0.5%) to 1.5%	0.5%	1.0% to 6.0%	3.5%
Comparable Adjusted EPS	\$1.45 to \$1.50	\$1.48	\$1.52 to \$1.62	\$1.57
FX impact on Adjusted EPS <sup>(1)</sup>	(\$0.06)		(\$0.04)	
Adjusted EPS Reported	\$1.39 to \$1.44	\$1.42	\$1.48 to \$1.58	\$1.53
Free Cash Flow	\$135.0M to \$150M	\$142.5M	\$165M	
Adjusted Tax Rate	Approximately 29%		Approximately 29%	
Bank Net Leverage	Approximately 3.0x		Less than 3.0x	

<sup>(1)</sup> Based on spot rates as of 7/19/2022

# Executing On Capital Allocation Strategy

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## Capital Allocation

- Disciplined capital allocation strategy
- 2H 2022 priority on dividend payments and debt reduction

## Debt Reduction

- 2Q 2022 bank net leverage 3.97x, due to seasonal use of cash in 1H
- Expect an approximate 3.0x bank net leverage ratio at year-end 2022
- Long-term bank net leverage target 2.0x - 2.5x

## Shareholder Returns

- 2Q 2022 Repurchased 2.7M shares for ~\$19M
- 2Q 2022 Paid ~\$7M in dividends

# About Non-GAAP Financial Measures

Our non-GAAP financial measures include the following:

**Comparable Net Sales:** Represents net sales excluding the impact of acquisitions with current-period foreign operation sales translated at prior-year currency rates. We believe comparable net sales are useful to investors and management because they reflect underlying sales and sales trends without the effect of acquisitions and fluctuations in foreign exchange rates and facilitate meaningful period-to-period comparisons. We sometimes refer to comparable net sales as comparable sales.

**Adjusted Gross Profit:** Represents gross profit excluding the effect of the amortization of the step-up in inventory from acquisitions. We believe adjusted gross profit is useful to investors and management because it reflects underlying gross profit without the effect of inventory adjustments resulting from acquisitions that we consider to be outside our core operations and facilitates meaningful period-to-period comparisons.

**Adjusted Selling, General and Administrative (SG&A) Expenses:** Represents selling, general and administrative expenses excluding transaction and integration expenses related to our acquisitions. We believe adjusted SG&A expenses are useful to investors and management because they reflect underlying SG&A expenses without the effect of expenses related to acquiring and integrating acquisitions that we consider to be outside our core operations and facilitate meaningful period-to-period comparisons.

**Adjusted Operating Income/Adjusted Income Before Taxes/Adjusted Net Income/Adjusted Net Income Per Diluted Share:** Represents operating income, income before taxes, net income, and net income per diluted share excluding restructuring charges, the amortization of intangibles, the amortization of the step-up in value of inventory, the change in fair value of contingent consideration, transaction and integration expenses associated with material acquisitions, non-recurring items in interest expense or other income/expense such as expenses associated with debt refinancing, a bond redemption, or a pension curtailment, and other non-recurring items as well as all unusual and discrete income tax adjustments, including income tax related to the foregoing. We believe these adjusted non-GAAP financial measures are useful to investors and management because they reflect our underlying operating performance before items that we consider to be outside our core operations and facilitate meaningful period-to-period comparisons. Senior management's incentive compensation is derived, in part, using adjusted operating income and adjusted net income per diluted share, which is derived from adjusted net income. We sometimes refer to adjusted net income per diluted share as adjusted earnings per share.

**Comparable Adjusted Net Income Per Diluted Share:** Represents adjusted net income per diluted share excluding the incremental current year impact of foreign exchange. We sometimes refer to comparable adjusted net income per diluted share as comparable adjusted earnings per share.

**Adjusted Income Tax Expense/Rate:** Represents income tax expense/rate excluding the tax effect of the items that have been excluded from adjusted income before taxes, unusual income tax items such as the impact of tax audits and changes in laws, significant reserves for cash repatriation, excess tax benefits/losses, and other discrete tax items. We believe our adjusted income tax expense/rate is useful to investors because it reflects our baseline income tax expense/rate before benefits/losses and other discrete items that we consider to be outside our core operations and facilitates meaningful period-to-period comparisons.

**Adjusted EBITDA:** Represents net income excluding the effects of depreciation, stock-based compensation expense, amortization of intangibles, the change in fair value of contingent consideration, interest expense, net, other (income) expense, net, and income tax expense, the amortization of the step-up in value of inventory, transaction and integration expenses associated with material acquisitions, restructuring charges, non-recurring items in interest expense or other income/expense such as expenses associated with debt refinancing, a bond redemption, or a pension curtailment and other non-recurring items. We believe adjusted EBITDA is useful to investors because it reflects our underlying cash profitability and adjusts for certain non-cash charges, and items that we consider to be outside our core operations and facilitates meaningful period-to-period comparisons.

**Free Cash Flow:** Represents cash flow from operating activities, excluding cash payments made for contingent earnouts, less cash used for additions to property, plant and equipment, plus cash proceeds from the disposition of assets. We believe free cash flow is useful to investors because it measures our available cash flow for paying dividends, funding strategic acquisitions, reducing debt, and repurchasing shares.

**Net Leverage Ratio:** Represents balance sheet debt, plus debt origination costs and less any cash and cash equivalents divided by Adjusted EBITDA. We believe that net leverage ratio is useful to investors since the company has the ability to, and may decide to use a portion of its cash and cash equivalents to retire debt.

This presentation also provides forward-looking non-GAAP comparable net sales, adjusted earnings per share, comparable adjusted earnings per share, free cash flow, adjusted EBITDA, net leverage ratio, and adjusted tax rate. We do not provide a reconciliation of forward-looking comparable net sales, adjusted earnings per share, comparable adjusted earnings per share, free cash flow, adjusted EBITDA, net leverage ratio or adjusted tax rate to GAAP because the GAAP financial measure is not accessible on a forward-looking basis and reconciling information is not available without unreasonable effort due to the inherent difficulty of forecasting and quantifying certain amounts that are necessary for such a reconciliation, including adjustments that could be made for restructuring, integration and acquisition-related expenses, the variability of our tax rate and the impact of foreign currency fluctuation and material acquisitions, and other charges reflected in our historical numbers. The probable significance of each of these items is high and, based on historical experience, could be material.

# Reg G Reconciliations

## ACCO Brands Corporation and Subsidiaries Reconciliation of GAAP to Adjusted Non-GAAP Information (Unaudited) (In millions, except per share data)

The following tables set forth a reconciliation of certain Consolidated Statements of Income information reported in accordance with GAAP to adjusted Non-GAAP Information for the three months ended June 30, 2022 and 2021.

		Three Months Ended June 30, 2022									
		SG&A	% of Sales	Operating Income	% of Sales	Income before Tax	% of Sales	Income Tax Expense (E)	Tax Rate	Net Income	% of Sales
<b>Reported GAAP</b>		\$ 91.6	17.6%	\$ 55.4	10.6%	\$ 51.8	9.9%	\$ 12.4	23.9%	\$ 39.4	7.6%
<b>Reported GAAP diluted income per share (EPS)</b>										\$ 0.40	
	(A)	0.3		(0.3)		(0.3)		(0.1)		(0.2)	
		—		1.9		1.9		0.4		1.5	
		—		10.5		10.5		2.7		7.8	
	(B)	—		(9.4)		(9.4)		(2.4)		(7.0)	
	(I)	—		—		(3.8)		(1.3)		(2.5)	
	(J)	—		—		—		3.0		(3.0)	
		<u>\$ 91.9</u>	<u>17.6%</u>	<u>\$ 58.1</u>	<u>11.2%</u>	<u>\$ 50.7</u>	<u>9.7%</u>	<u>\$ 14.7</u>	<u>29.0%</u>	<u>\$ 36.0</u>	<u>6.9%</u>
<b>Adjusted diluted income per share (Adjusted EPS)</b>										\$ 0.37	

		Three Months Ended June 30, 2021									
		SG&A	% of Sales	Operating Income	% of Sales	Income before Tax	% of Sales	Income Tax Expense (E)	Tax Rate	Net Income	% of Sales
<b>Reported GAAP</b>		\$ 97.7	18.9%	\$ 49.9	9.6%	\$ 50.3	9.7%	\$ 1.7	3.4%	\$ 48.6	9.4%
<b>Reported GAAP diluted income per share (EPS)</b>										\$ 0.59	
	(D)	(0.8)		0.8		0.8		0.2		0.6	
		—		11.6		11.6		3.2		8.4	
	(B)	—		4.9		4.9		1.5		3.4	
	(I)	—		—		(9.1)		(3.1)		(6.0)	
	(J)	—		—		—		13.0		(13.0)	
		<u>\$ 96.9</u>	<u>18.7%</u>	<u>\$ 67.2</u>	<u>13.0%</u>	<u>\$ 58.5</u>	<u>11.3%</u>	<u>\$ 16.5</u>	<u>28.2%</u>	<u>\$ 42.0</u>	<u>8.1%</u>
<b>Adjusted diluted income per share (Adjusted EPS)</b>										\$ 0.43	

See "Notes to Reconciliations of GAAP to Adjusted Non-GAAP Information and Net Income to Adjusted EBITDA (Unaudited)" for further information regarding adjusted items.

# Reg G Reconciliations

## ACCO Brands Corporation and Subsidiaries Reconciliation of GAAP to Adjusted Non-GAAP Information (Unaudited) (In millions, except per share data)

The following tables set forth a reconciliation of certain Consolidated Statements of Income information reported in accordance with GAAP to adjusted Non-GAAP Information for the six months ended June 30, 2022 and 2021

	Six Months Ended June 30, 2022									
	SG&A	% of Sales	Operating Income	% of Sales	Income before Tax	% of Sales	Income Tax Expense (E)	Tax Rate	Net Income	% of Sales
<b>Reported GAAP</b>	\$ 190.4	19.8%	\$ 62.2	6.5%	\$ 50.8	5.3%	\$ 14.1	27.8%	\$ 36.7	3.8%
<b>Reported GAAP diluted income per share (EPS)</b>									\$ 0.37	
Charge for Russia business (A)	(1.5)		1.5		1.5		0.3		1.2	
Restructuring charges	—		2.2		2.2		0.5		1.7	
Amortization of intangibles	—		21.6		21.6		5.7		15.9	
Change in fair value of contingent consideration (B)	—		(6.8)		(6.8)		(1.7)		(5.1)	
Operating tax gains (H)	—		—		(0.1)		—		(0.1)	
Brazil tax credits (I)	—		—		(3.8)		(1.3)		(2.5)	
Other discrete tax items (J)	—		—		—		1.4		(1.4)	
<b>Adjusted Non-GAAP</b>	\$ 188.9	19.6%	\$ 80.7	8.4%	\$ 65.4	6.8%	\$ 19.0	29.0%	\$ 46.4	4.8%
<b>Adjusted diluted income per share (Adjusted EPS)</b>									\$ 0.47	

	Six Months Ended June 30, 2021											
	Gross Profit	% of Sales	SG&A	% of Sales	Operating Income	% of Sales	Income before Tax	% of Sales	Income Tax (Benefit) Expense (E)	Tax Rate	Net Income	% of Sales
<b>Reported GAAP</b>	\$ 279.6	30.1%	\$ 191.7	20.7%	\$ 48.8	5.3%	\$ 24.0	2.6%	\$ (4.2)	(17.5)%	\$ 28.2	3.0%
<b>Reported GAAP diluted income per share (EPS)</b>											\$ 0.29	
Inventory step-up amortization (C)	2.4		—		2.4		2.4		0.6		1.8	
Transaction and integration expenses (D)	—		(1.5)		1.5		1.5		0.4		1.1	
Restructuring charges	—		—		3.9		3.9		1.0		2.9	
Amortization of intangibles	—		—		23.6		23.6		6.4		17.2	
Change in fair value of contingent consideration (B)	—		—		11.6		11.6		3.2		8.4	
Refinancing costs (E)	—		—		—		3.7		1.0		2.7	
Operating tax gain (H)	—		—		—		(0.2)		—		(0.2)	
Brazil tax credits (I)	—		—		—		(9.1)		(3.1)		(6.0)	
Bond redemption (F)	—		—		—		9.8		2.6		7.2	
Pension curtailment (G)	—		—		—		1.4		0.4		1.0	
Other discrete tax items (J)	—		—		—		—		12.3		(12.3)	
<b>Adjusted Non-GAAP</b>	\$ 282.0	30.4%	\$ 190.2	20.5%	\$ 91.8	9.9%	\$ 72.6	7.8%	\$ 20.6	28.4%	\$ 52.0	5.6%
<b>Adjusted diluted income per share (Adjusted EPS)</b>											\$ 0.54	

See "Notes to Reconciliations of GAAP to Adjusted Non-GAAP Information and Net Income to Adjusted EBITDA (Unaudited)" for further information regarding adjusted items.

# Reg G Reconciliations

## ACCO Brands Corporation and Subsidiaries Reconciliation of Net Income to Adjusted EBITDA (Unaudited) (In millions)

The following table sets forth a reconciliation of net income reported in accordance with GAAP to Adjusted EBITDA.

	Three Months Ended June 30,			Six Months Ended June 30,		
	2022	2021	% Change	2022	2021	% Change
	\$	\$		\$	\$	
<b>Net income</b>	<b>39.4</b>	<b>48.6</b>	<b>(18.9)%</b>	<b>36.7</b>	<b>28.2</b>	<b>30.1%</b>
Inventory step-up amortization (C)	—	—	NM	—	2.4	(100.0)%
Transaction and integration expenses (D)	—	0.8	(100.0)%	—	1.5	(100.0)%
Stock-based compensation	2.3	4.2	(45.2)%	7.2	9.0	(20.0)%
Depreciation	9.7	10.0	(3.0)%	19.6	19.6	—%
(Release) charge for Russia business (A)	(0.3)	—	NM	1.5	—	NM
Amortization of intangibles	10.5	11.6	(9.5)%	21.6	23.6	(8.5)%
Restructuring charges	1.9	—	NM	2.2	3.9	(43.6)%
Change in fair value of contingent consideration (B)	(9.4)	4.9	NM	(6.8)	11.6	NM
Pension curtailment (G)	—	—	NM	—	1.4	(100.0)%
Interest expense, net	8.6	11.1	(22.5)%	16.9	24.2	(30.2)%
Other (income) expense, net	(3.7)	(9.0)	(58.9)%	(2.8)	3.9	NM
Income tax expense (benefit)	12.4	1.7	NM	14.1	(4.2)	NM
<b>Adjusted EBITDA (non-GAAP)</b>	<b>71.4</b>	<b>83.9</b>	<b>(14.9)%</b>	<b>110.2</b>	<b>125.1</b>	<b>(11.9)%</b>
<i>Adjusted EBITDA as a % of Net Sales</i>	13.7%	16.2%		11.4%	13.5%	

See "Notes to Reconciliations of GAAP to Adjusted Non-GAAP Information and Net Income to Adjusted EBITDA (Unaudited)" for further information regarding adjusted items.

## Reconciliation of Net Cash Used by Operating Activities to Free Cash Flow (Unaudited) (In millions)

The following table sets forth a reconciliation of net cash provided by operating activities reported in accordance with GAAP to Free Cash Flow.

	Three Months Ended June 30, 2022	Three Months Ended June 30, 2021	Six Months Ended June 30, 2022	Six Months Ended June 30, 2021
	\$	\$	\$	\$
<b>Net cash provided (used) by operating activities</b>	<b>6.3</b>	<b>(12.7)</b>	<b>(97.9)</b>	<b>(55.1)</b>
Net cash (used) provided by:				
Additions to property, plant and equipment	(3.6)	(5.5)	(7.0)	(9.3)
Proceeds from the disposition of assets	0.2	—	0.2	—
Payments of contingent consideration	9.2	—	9.2	—
<b>Free cash flow (non-GAAP)</b>	<b>12.1</b>	<b>(18.2)</b>	<b>(95.5)</b>	<b>(64.4)</b>

# Reg G Reconciliations

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## Notes to Reconciliations of GAAP to Adjusted Non-GAAP Information and Net Income to Adjusted EBITDA (Unaudited)

- A. Represents a net charge to operating expense related to our Russia business.
- B. Represents the change in fair value of the contingent consideration for the PowerA acquisition. The change in fair value of the contingent consideration is assessed every quarter and is included as expense/income in the consolidated statements of income.
- C. Represents the amortization of step-up in the value of inventory associated with the PowerA acquisition.
- D. Represents transaction and integration expenses associated with our acquisitions.
- E. Represents the write-off of debt issuance costs and other costs associated with the Company's 2021 debt refinancing and discharge of its obligations on the senior unsecured notes due in 2024.
- F. Represents a call premium on the 2021 redemption of the senior unsecured notes due in 2024.
- G. Represents a pension curtailment related to restructuring projects.
- H. Represents gains related to the release of unneeded reserves for certain operating taxes
- I. Represents certain indirect tax credits related to Brazil
- J. The adjustments to income tax expense include the effects of the adjustments outlined above and discrete tax adjustments.



# Reg G Reconciliations

## ACCO Brands Corporation and Subsidiaries Supplemental Business Segment Information and Reconciliation (Unaudited) (In millions)

	2022					2021					Changes				
	Reported Net Sales	Reported Operating Income (Loss)	Adjusted Items	Adjusted Operating Income (Loss)	Adjusted Operating Income (Loss) Margin	Reported Net Sales	Reported Operating Income (Loss)	Adjusted Items	Adjusted Operating Income (Loss)	Adjusted Operating Income (Loss) Margin	Net Sales \$	Net Sales %	Adjusted Operating Income (Loss) \$	Adjusted Operating Income (Loss) %	Margin Points
<b>Q1:</b>															
ACCO Brands North America	\$ 208.5	\$ 13.9	\$ 5.9	\$ 19.8	9.5%	\$ 188.8	\$ (0.7)	\$ 11.9	\$ 11.2	5.9%	\$ 19.7	10.4%	\$ 8.6	76.8%	360
ACCO Brands EMEA	156.1	5.6	3.5	9.1	5.8%	156.9	16.8	4.4	21.2	13.5%	(0.8)	(0.5)%	(12.1)	(57.1)%	(770)
ACCO Brands International	77.0	4.2	2.0	6.2	8.1%	64.8	0.6	2.5	3.1	4.8%	12.2	18.8%	3.1	100.0%	330
Corporate	—	(16.9)	4.4	(12.5)	—	—	(17.8)	6.9	(10.9)	—	—	—	(1.6)	—	—
<b>Total</b>	<b>\$ 441.6</b>	<b>\$ 6.8</b>	<b>\$ 15.8</b>	<b>\$ 22.6</b>	<b>5.1%</b>	<b>\$ 410.5</b>	<b>\$ (1.1)</b>	<b>\$ 25.7</b>	<b>\$ 24.6</b>	<b>6.0%</b>	<b>\$ 31.1</b>	<b>7.6%</b>	<b>\$ (2.0)</b>	<b>(8.1)%</b>	<b>(90)</b>
<b>Q2:</b>															
ACCO Brands North America	\$ 306.6	\$ 50.7	\$ 6.5	\$ 57.2	18.7%	\$ 295.1	\$ 53.8	\$ 6.1	\$ 59.9	20.3%	\$ 11.5	3.9%	\$ (2.7)	(4.5)%	(160)
ACCO Brands EMEA	137.9	(1.5)	3.6	2.1	1.5%	157.0	9.9	3.9	13.8	8.8%	(19.1)	(12.2)%	(11.7)	(84.8)%	(730)
ACCO Brands International	76.5	6.3	2.3	8.6	11.2%	65.7	2.8	2.0	4.8	7.3%	10.8	16.4%	3.8	79.2%	390
Corporate	—	(0.1)	(9.7)	(9.8)	—	—	(16.6)	5.3	(11.3)	—	—	—	1.5	—	—
<b>Total</b>	<b>\$ 521.0</b>	<b>\$ 55.4</b>	<b>\$ 2.7</b>	<b>\$ 58.1</b>	<b>11.2%</b>	<b>\$ 517.8</b>	<b>\$ 49.9</b>	<b>\$ 17.3</b>	<b>\$ 67.2</b>	<b>13.0%</b>	<b>\$ 3.2</b>	<b>0.6%</b>	<b>\$ (9.1)</b>	<b>(13.5)%</b>	<b>(180)</b>
<b>Q3:</b>															
ACCO Brands North America						\$ 287.5	\$ 34.6	\$ 7.0	\$ 41.6	14.5%					
ACCO Brands EMEA						161.1	13.4	3.9	17.3	10.7%					
ACCO Brands International						78.1	7.3	2.5	9.8	12.5%					
Corporate						—	(16.7)	5.0	(11.7)	—					
<b>Total</b>						<b>\$ 526.7</b>	<b>\$ 38.6</b>	<b>\$ 18.4</b>	<b>\$ 57.0</b>	<b>10.8%</b>					
<b>Q4:</b>															
ACCO Brands North America						\$ 271.0	\$ 34.2	\$ 7.7	\$ 41.9	15.5%					
ACCO Brands EMEA						187.9	21.6	3.3	24.9	13.3%					
ACCO Brands International						111.4	20.9	2.0	22.9	20.6%					
Corporate						—	(13.1)	2.5	(10.6)	—					
<b>Total</b>						<b>\$ 570.3</b>	<b>\$ 63.6</b>	<b>\$ 15.5</b>	<b>\$ 79.1</b>	<b>13.9%</b>					
<b>YTD:</b>															
ACCO Brands North America	\$ 515.1	\$ 64.6	\$ 12.4	\$ 77.0	14.9%	\$ 1,042.4	\$ 121.9	\$ 32.7	\$ 154.6	14.8%					
ACCO Brands EMEA	294.0	4.1	7.1	11.2	3.8%	662.9	61.7	15.5	77.2	11.6%					
ACCO Brands International	153.5	10.5	4.3	14.8	9.6%	320.0	31.6	9.0	40.6	12.7%					
Corporate	—	(17.0)	(5.3)	(22.3)	—	—	(64.2)	19.7	(44.5)	—					
<b>Total</b>	<b>\$ 962.6</b>	<b>\$ 62.2</b>	<b>\$ 18.5</b>	<b>\$ 80.7</b>	<b>8.4%</b>	<b>\$ 2,025.3</b>	<b>\$ 151.0</b>	<b>\$ 76.9</b>	<b>\$ 227.9</b>	<b>11.3%</b>					

See "Notes to Reconciliations of GAAP to Adjusted Non-GAAP Information and Net Income to Adjusted EBITDA (Unaudited)" for further information regarding adjusted items.

# Reg G Reconciliations

## ACCO Brands Corporation and Subsidiaries Supplemental Net Sales Change Analysis (Unaudited)

	% Change - Net Sales			\$ Change - Net Sales (in millions)			
	GAAP	Non-GAAP		GAAP	Non-GAAP		Comparable Net Sales
	Net Sales Change	Currency Translation	Comparable Net Sales Change	Net Sales Change	Currency Translation	Comparable Net Sales Change	
<b>Q1 2022:</b>							
ACCO Brands North America	10.4 %	— %	10.4 %	\$ 19.7	\$ —	\$ 19.7	\$ 208.5
ACCO Brands EMEA	(0.5)%	(7.9)%	7.4 %	(0.8)	(12.4)	11.6	168.5
ACCO Brands International	18.8 %	(3.9)%	22.7 %	12.2	(2.5)	14.7	79.5
Total	7.6 %	(3.6)%	11.2 %	\$ 31.1	\$ (14.9)	\$ 46.0	\$ 456.5
<b>Q2 2022:</b>							
ACCO Brands North America	3.9 %	(0.5)%	4.4 %	\$ 11.5	\$ (1.4)	\$ 12.9	\$ 308.0
ACCO Brands EMEA	(12.2)%	(12.6)%	0.4 %	(19.1)	(19.8)	0.7	157.7
ACCO Brands International	16.4 %	(3.7)%	20.1 %	10.8	(2.4)	13.2	78.9
Total	0.6 %	(4.6)%	5.2 %	\$ 3.2	\$ (23.6)	\$ 26.8	\$ 544.6
<b>2022 YTD:</b>							
ACCO Brands North America	6.4 %	(0.3)%	6.7 %	\$ 31.2	\$ (1.4)	\$ 32.6	\$ 516.5
ACCO Brands EMEA	(6.3)%	(10.3)%	4.0 %	(19.9)	(32.2)	12.3	326.2
ACCO Brands International	17.6 %	(3.8)%	21.4 %	23.0	(4.9)	27.9	158.4
Total	3.7 %	(4.1)%	7.8 %	\$ 34.3	\$ (38.5)	\$ 72.8	\$ 1,001.1

(A) Comparable net sales represents net sales excluding material acquisitions and with current-period foreign operation sales translated at the prior-year currency rates.