

ACCO Brands | 2Q Earnings Conference Call | August 9, 2023

Forward-Looking Statements

Statements contained herein, 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 the war in Ukraine; the impact of inflation and global economic uncertainties, fluctuations in foreign currency exchange rates 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: our ability to successfully execute our restructuring plans and realize the benefits of our productivity initiatives; our ability to obtain additional price increases and realize longer-term cost reductions; 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 exchange rate 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 accessories business; continued disruptions in the global supply chain; risks associated with inflation and other 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, 2022 and in other reports we file with the Securities and Exchange Commission ("SEC").

Reg. G – Non-GAAP Financial Measures

We explain below how we calculate each of our non-GAAP financial measures. This is followed by a reconciliation of our current period and historical non-GAAP financial measures to the most directly comparable GAAP financial measures.

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 business. We believe our non-GAAP financial 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 exchange rate fluctuations and acquisitions, unusual tax items, goodwill impairment charges, 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.

We also provide forward-looking non-GAAP comparable sales, adjusted earnings per share, free cash flow, adjusted free cash flow, adjusted EBITDA, and adjusted tax rate, and historical and forward-looking consolidated leverage ratio. We do not provide a reconciliation of these forward-looking and historical non-GAAP measures to GAAP because the GAAP financial measure is not currently available and management cannot reliably predict all the necessary components of such non-GAAP measures without unreasonable effort or expense 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 results. The probable significance of each of these items is high and, based on historical experience, could be material.

2Q 2023 Key Messages

- Delivered net sales in line with expectations; comparable sales down 5%
- Better than expected adjusted EPS due to gross margins expanding 450 basis points
- Adjusted operating income of $66 million grew 14% year over year
- North America sales declined due to difficult comparisons, weaker macroeconomic environment and a more normalized supply chain in 2023
- EMEA sales declined due to a challenging macroeconomic environment; significant improvement in operating profit and margin from the cumulative effect of pricing and cost actions
- International sales declined slightly due to weaker demand in certain countries, partially offset by price increases and growth in Latin America
- Adjusted free cash flow improved by $50 million versus the prior year, driven by improved working capital management, as inventory was down 16% versus last year
- Maintained full year adjusted EPS; Raised free cash flow outlook and lowered end of year consolidated leverage ratio outlook



Executing on 2023 Key Priorities

Restoring Gross Margin

- Cumulative Impact of Price Increases
- Productivity Savings
- SKU Reduction
- Restructuring Actions

Profitably Manage Revenue

- Complementary Assortments
- Targeting Value to Premium Price Points
- Disciplined in Offering Right Assortment for the Price Point
- Not Discounting Our Premium Feature Rich Brands

Invest In Growth

- Support Long-Term Innovation
- New Product Introductions
- Key Brands

Manage SG&A Spend and Inventory

- Prudent Management of Headcount
- Control Discretionary Spending
- Reduce Inventory and Normalize Working Capital

Awards and New Product Development

reddot



Kensington H3000 Professional Bluetooth® Headset

Kensington Pro Fit® Ergo Trackball

Kensington QuiteType™ Pro Silent Wireless Mechanical Keyboard

WINNER EOPA 23 BUSINESS PRODUCT OF THE YEAR



Leitz® Ergonomic Solutions

PowerA



Legend of Zelda

ACCO Brands has received prestigious design and quality awards for new products

2Q 2023 Results Summary

Comparison Versus Prior Year

SALES

down 5% to $493.6M; comparable sales down 5% to $494.4M

- Volume impacted by global macroeconomic weakness and lower global IT spending versus the prior year
- North America sales decline due to difficult comparisons, weaker macroeconomic environment and a more normalized supply chain in 2023
- Lower volumes in EMEA more than offset price increases
- International segment sales decline attributable to weaker demand in certain countries, offsetting price increases and growth in Latin America

OPERATING INCOME

$55.2M versus $55.4M; adjusted operating income $66.2M versus $58.1M

- In 2022 operating income benefitted from income related to a change in the value of the PowerA contingent earnout of $9.4 million, partially offset by $1.9 million in restructuring charges.
- Adjusted operating income grew 14% over the prior year, with adjusted operating margin expanding 220 basis points
- Increase primarily reflects higher gross margins from the effect of cumulative price increases and cost savings actions
- Significant operating margin improvement in EMEA of 610 bps and North America of 200 bps

EPS

$0.27 versus EPS of $0.40; adjusted EPS $0.38 versus $0.37

- EPS in 2023 reflects higher interest, tax and non-operating pension expenses. EPS in 2022 benefitted from items noted above in operating income
- Adjusted EPS growth due to stronger margin profile, partially offset by higher interest expense and non-cash and non-operating pension expense

ADJUSTED FREE CASH FLOW

($45M) versus prior year of ($96M)

- Free cash flow improved $50 million driven by improved working capital management
- Inventory down 16%, or about $75 million, versus the prior year



2Q 2023 Segment Financial Metrics

$ in millions	2Q23	2Q22	Y/Y Change
ACCO Brands North America			
Sales	$292.6	$306.6	(4.6%)
Comparable Sales	$294.2	$306.6	(4.1%)
Adjusted Operating Income	$60.7	$57.2	6.1%
Adjusted Operating Margin	20.7%	18.7%	200 bps
ACCO Brands EMEA			
Sales	$125.7	$137.9	(8.8%)
Comparable Sales	$125.3	$137.9	(9.1%)
Adjusted Operating Income	$9.5	$2.1	352.4%
Adjusted Operating Margin	7.6%	1.5%	610 bps
ACCO Brands International			
Sales	$75.3	$76.5	(1.6%)
Comparable Sales	$74.8	$76.5	(2.3%)
Adjusted Operating Income	$8.3	$8.6	(3.5%)
Adjusted Operating Margin	11.0%	11.2%	(20 bps)

Notes: Comparable Sales, Adjusted EPS, Free Cash Flow and Adjusted Tax Rate are Non-GAAP Financial Measures



2Q 2023 Segment Results Summary

Comparison Versus Prior Year

North America

- Lower sales due to difficult comparisons, weaker macroeconomic environment and a more normalized supply chain in 2023
- Computer accessories demand impacted by IT spending slowdown
- Growth in gaming accessories driven by greater availability of chips for wireless controllers, new product introductions and triple A gaming title releases
- Adjusted operating margin grew 200 basis points reflecting stronger pricing, and cost reduction measures

EMEA

- Challenging macroeconomic environment led to soft consumer and business demand
- Technology accessories decline reflecting industry wide trends
- Adjusted operating income grew to $9.5M, as operating margin expanded 610 basis points from the cumulative effect of pricing and cost actions

International

- Volume decreased from weaker demand in certain countries, partially offset by growth in Latin America
- Technology accessories decline reflecting industry wide trends
- Adjusted operating income down modestly on lower sales



2Q 2023 Margin Reconciliation



	2Q 2023	Change vs. Prior Year Adjusted (non-GAAP)	Items of Significant Impact on Adjusted Results	Bps
Gross Profit	$164.2M	$14.2M	Pricing/Product Cost	**330**
			Mix/FX	**90**
Gross Margin	33.3%	+450 Bps	Cost Savings	**60**
			Volume	**(30)**
SG&A	$98.0M	($6.1M)	Cost Savings	**(70)**
			Sales Deleverage	**110**
SG&A Margin	19.9%	+230 bps	Incentive Compensation	**100**
			Investments/Other	**90**

Adjusted Free Cash Flow

$ in millions*	1Q 2023	2Q 2023	1H 2023		1H 2022	Change vs 2022
Net cash provided by operations	(23)	(16)	(39)		(98)	59
Additions to PP&E	(2)	(4)	(6)		(7)	1
Add back contingent consideration payment in operating activities	--	--	--		9	(9)
Adjusted free cash flow	**(25)**	**(20)**	**(45)**		**(96)**	**51**
Dividends paid	--	(14)	(14)		(14)	--
Share Repurchase	--	--	--		(19)	19
Payment for the 2021 contingent consideration	--	--	--		(27)	27
Other	(2)	--	(2)		2	(4)
Increase in debt	90	(13)	77		204	(127)
Increase in cash on hand	**65**	**(45)**	**20**		**50**	**(30)**

Debt/Cash Reconciliation	**Debt**		**Cash**
$ in millions*			
Beginning of period 12/31/2022	1,005		62
Increase	77		16
FX	3		4
End of period 06/30/2023	1,085		82

**Numbers may not foot due to rounding*
Notes: Adjusted free cash flow is a non-GAAP financial measures



Capital Structure

Facility	($ in millions) Balance[1]	Interest Rate Methodology	Rate
$600M multicurrency revolver	164	SOFR + CSA[3] + 225 bps, 37.5 bps unused	7.31%
USD Term Loan A	82	SOFR + CSA[3] + 225 bps	7.41%
EUR Term Loan A	224	EURIBOR + 225 bps	5.85%
AUD Term Loan A	33	Australian BBSR + 225 bps	6.61%
Subtotal Senior secured credit facilities[2]	510	Weighted average	6.63%
Senior unsecured notes	575	4.25% fixed	4.25%
Total Gross Debt[2]	1,085	Weighted average interest rate	5.36%

1 Currencies converted using June 30, 2023, closing spot rates.
2 Includes Other Borrowings of $7.9 million.
3 Credit Spread Adjustment of 10 bps.

- ❑ Capital structure as of June 30, 2023
- ❑ Company had cash on hand of $82M
- ❑ Fixed rate debt matures in 2029; credit facility matures in 2026
- ❑ Interest is split 53/47 fixed and variable with weighted average rate of 5.36%



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3Q 2023 Outlook

Guidance	3Q 2023
Reported Net Sales Growth	0% to (3%)
Reported Net Sales*	$470 to $485
FX Impact on Sales*	Approximately 4%
Comparable Net Sales Growth	(4%) to (7%)
Adjusted Reported EPS	$0.21 to $0.24
FX Impact on Adjusted EPS*	$0.02
Comparable EPS	$0.19 to $0.22

**Translation impact based on spot rates as of 07/31/2023*
Notes: Comparable Sales and Adjusted EPS are Non-GAAP Financial Measures



Updated Full Year 2023 Outlook

Guidance	FY2023
Reported Net Sales Growth	(1.0%) to (3.0%)
Reported Net Sales*	$1.890 to $1.930 billion
FX Impact on Sales*	Approximately 1.5%
Comparable Net Sales Growth	(2.5%) to (4.5%)
Adjusted EPS Reported	$1.08 to $1.12
FX Impact on Adjusted EPS*	$0.06
Comparable EPS	$1.02 to $1.06
Free Cash Flow	At least $110 million
Adjusted Tax Rate	Approx. 30%
Consolidated Leverage Ratio	3.3x to 3.5x

**Translation impact based on spot rates as of 07/31/2023*
Notes: Comparable Sales, Adjusted EPS, Free Cash Flow and Adjusted Tax Rate are Non-GAAP Financial Measures



2023 Adjusted EPS Outlook Summary

Improved operational performance and FX, offset by increases in interest costs and tax expense

Prior 2023 Adjusted EPS Outlook	**$1.08 to $1.12**
Operational Improvement	$0.03
FX*	$0.03
Interest Expense	($0.04)
Taxes	($0.02)
New 2023 Adjusted EPS Outlook	**$1.08 to $1.12**

**Translation impact based on spot rates as of 07/31/2023*

Note: Adjusted EPS is a Non-GAAP Financial Measure



Executing On Capital Allocation Strategy

Capital Allocation

- Disciplined capital allocation strategy
- Adjusted Free Cash Flow improved to ($45M) versus ($96M) a year ago
- Announced $0.075 per share quarterly dividend on August 1

Debt Reduction

- 2Q 2023 consolidated leverage ratio 4.3x
- 2023 end of year leverage ratio target of 3.3x – 3.5x
- Long-term consolidated leverage ratio target of 2.0x - 2.5x

Shareholder Returns

- $14M in dividends paid year-to-date

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About Non-GAAP Financial Measures

Our non-GAAP financial measures include the following:

***Comparable Sales*:** Represents net sales excluding the impact of material acquisitions, if any, with current-period foreign operation sales translated at prior-year currency rates. We believe comparable 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 sales as comparable net sales.

***Adjusted Selling, General and Administrative (SG&A) Expenses*:** Represents selling, general and administrative expenses excluding transaction and integration expenses related to material 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 and goodwill impairment 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 or adjusted EPS.

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 and goodwill impairment 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/ Adjusted Free Cash Flow: Free cash flow represents cash flow from operating activities less cash used for additions to property, plant and equipment. Adjusted free cash flow represents free cash flow, excluding cash payments made for contingent earnouts, plus cash proceeds from the disposition of assets. We believe free cash flow and adjusted free cash flow are useful to investors because they measure our available cash flow for paying dividends, funding strategic material acquisitions, reducing debt, and repurchasing shares

Consolidated Leverage Ratio: Represents balance sheet debt, plus debt origination costs and less any cash and cash equivalents divided by adjusted EBITDA. We believe that consolidated 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.

We also provide forward-looking non-GAAP comparable sales, adjusted earnings per share, free cash flow, adjusted free cash flow, adjusted EBITDA, and adjusted tax rate, and historical and forward-looking consolidated leverage ratio. We do not provide a reconciliation of these forward-looking and historical non-GAAP measures to GAAP because the GAAP financial measure is not currently available and management cannot reliably predict all the necessary components of such non-GAAP measures without unreasonable effort or expense 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 results. 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, 2023 and 2022.

		Three Months Ended June 30, 2023							
		Operating Income	% of Sales	Income before Tax	% of Sales	Income Tax Expense (I)	Tax Rate	Net Income	% of Sales
Reported GAAP		$55.2	11.2 %	$42.0	8.5 %	$15.6	37.1 %	$26.4	5.3 %
Reported GAAP diluted income per share (EPS)								*$0.27*	
Amortization of intangibles		11.0		11.0		2.9		8.1	
Other discrete tax items	(A)	—		—		(2.0)		2.0	
Adjusted Non-GAAP		$66.2	13.4 %	$53.0	10.7 %	$16.5	31.1 %	$36.5	7.4 %
Adjusted net income per diluted share (Adjusted EPS)								$0.38	

		Three Months Ended June 30, 2022									
		SG&A	% of Sales	Operating Income	% of Sales	Income before Tax	% of Sales	Income Tax Expense (I)	Tax Rate	Net Income	% of Sales
Reported GAAP		$91.6	17.6 %	$55.4	10.6 %	$51.8	9.9 %	$12.4	23.9 %	$39.4	7.6 %
Reported GAAP diluted income per share (EPS)										*$0.40*	
Release of charge for Russia business		0.3		(0.3)		(0.3)		(0.1)		(0.2)	
Restructuring charges		—		1.9		1.9		0.4		1.5	
Amortization of intangibles		—		10.5		10.5		2.7		7.8	
Change in fair value of contingent consideration	(C)	—		(9.4)		(9.4)		(2.4)		(7.0)	
Operating tax gains	(D)	—		—		(3.8)		(1.3)		(2.5)	
Other discrete tax items	(A)	—		—		—		3.0		(3.0)	
Adjusted Non-GAAP		$91.9	17.6 %	$58.1	11.2 %	$50.7	9.7 %	$14.7	29.0 %	$36.0	6.9 %
Adjusted net income per diluted share (Adjusted EPS)										*$0.37*	

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, 2023 and 2022

Six Months Ended June 30, 2023

		Operating Income	% of Sales	Income before Tax	% of Sales	Income Tax Expense (I)	Tax Rate	Net Income	% of Sales
Reported GAAP		**$65.3**	**7.3 %**	**$38.7**	**4.3 %**	**$16.0**	**41.3 %**	**$22.7**	**2.5 %**
Reported GAAP diluted income per share (EPS)								*$0.23*	
Restructuring charges		3.3		3.3		0.9		2.4	
Amortization of intangibles		21.9		21.9		5.8		16.1	
Other asset write-off	(B)	—		1.1		0.3		0.8	
Other discrete tax items	(A)	—		—		(3.0)		3.0	
Adjusted Non-GAAP		$90.5	10.1 %	$65.0	7.3 %	$20.0	30.8 %	$45.0	5.0 %
Adjusted net income per diluted share (Adjusted EPS)								$0.47	

Six Months Ended June 30, 2022

		SG&A	% of Sales	Operating Income	% of Sales	Income before Tax	% of Sales	Income Tax Expense (I)	Tax Rate	Net Income	% of Sales
Reported GAAP		**$190.4**	**19.8 %**	**$62.2**	**6.5 %**	**$50.8**	**5.3 %**	**$14.1**	**27.8 %**	**$36.7**	**3.8 %**
Reported GAAP diluted income per share (EPS)										*$0.37*	
Charge for Russia business		(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	(C)	—		(6.8)		(6.8)		(1.7)		(5.1)	
Operating tax gains	(D)	—		—		(3.9)		(1.3)		(2.6)	
Other discrete tax items	(A)	—		—		—		1.4		(1.4)	
Adjusted Non-GAAP		$188.9	19.6 %	$80.7	8.4 %	$65.4	6.8 %	$19.0	29.0 %	$46.4	4.8 %
Adjusted net income per diluted share (Adjusted EPS)										*$0.47*	

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,		
		2023	2022	% Change	2023	2022	% Change
Net income		**$26.4**	**$39.4**	*(33.0)%*	**$22.7**	**$36.7**	*(38.1)%*
Stock-based compensation		3.3	2.3	*43.5 %*	8.9	7.2	*23.6 %*
Depreciation		8.3	9.7	*(14.4)%*	17.3	19.6	*(11.7)%*
(Release) charge for Russia business		—	(0.3)	*100.0 %*	—	1.5	*(100.0)%*
Amortization of intangibles		11.0	10.5	*4.8 %*	21.9	21.6	*1.4 %*
Restructuring charges		—	1.9	*(100.0)%*	3.3	2.2	*50.0 %*
Change in fair value of contingent consideration	(C)	—	(9.4)	*100.0 %*	—	(6.8)	*100.0 %*
Interest expense, net		13.3	8.6	*54.7 %*	24.8	16.9	*46.7 %*
Other (income) expense, net		(0.3)	(3.7)	*91.9 %*	1.5	(2.8)	*NM*
Income tax expense		15.6	12.4	*25.8 %*	16.0	14.1	*13.5 %*
Adjusted EBITDA (non-GAAP)		$77.6	$71.4	*8.7 %*	$116.4	$110.2	*5.6 %*
Adjusted EBITDA as a % of Net Sales		15.7 %	13.7 %		13.0 %	11.4 %	

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) Provided by Operating Activities to Adjusted Free Cash Flow (Unaudited)
(In millions)

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

	Three months ended June 30, 2023	Three months ended June 30, 2022	For the six months ended June 30, 2023	For the six months ended June 30, 2022
Net cash (used) provided by operating activities	**$(16.1)**	**$6.3**	**$(39.3)**	**$(97.9)**
Net (used) provided by:				
Additions to property, plant and equipment	(4.1)	(3.6)	(6.1)	(7.0)
Proceeds from the disposition of assets	—	0.2	—	0.2
Payments of contingent consideration	—	9.2	—	9.2
Adjusted Free Cash Flow (non-GAAP)	$(20.2)	$12.1	$(45.4)	$(95.5)

Reg G Reconciliations

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

A. The adjustments to income tax expense include the effects of other adjustments and discrete tax items.
B. Represents the write off of assets related to a capital project.
C. Represents the change in fair value of the contingent consideration for the PowerA acquisition, which is included as expense/income in the consolidated statements of income.
D. Represents gains related to the release of reserves for certain operating taxes.

Reg G Reconciliations

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

	2023					2022					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
Q1:															
ACCO Brands North America	**$176.7**	**$5.2**	$5.7	$10.9	6.2%	**$208.5**	**$13.9**	$5.9	$19.8	9.5%	$(31.8)	(15.3)%	$(8.9)	(44.9)%	(330)
ACCO Brands EMEA	**135.8**	**7.8**	5.8	13.6	10.0%	**156.1**	**5.6**	3.5	9.1	5.8%	(20.3)	(13.0)%	4.5	49.5%	420
ACCO Brands International	**90.1**	**9.0**	2.7	11.7	13.0%	**77.0**	**4.2**	2.0	6.2	8.1%	13.1	17.0%	5.5	88.7%	490
Corporate	—	**(11.9)**	—	(11.9)		—	**(16.9)**	4.4	(12.5)		—		0.6		
Total	**$402.6**	**$10.1**	$14.2	$24.3	6.0%	**$441.6**	**$6.8**	$15.8	$22.6	5.1%	$(39.0)	(8.8)%	$1.7	7.5%	90
Q2:															
ACCO Brands North America	**$292.6**	**$55.1**	$5.6	$60.7	20.7%	**$306.6**	**$50.7**	$6.5	$57.2	18.7%	$(14.0)	(4.6)%	$3.5	6.1%	200
ACCO Brands EMEA	**125.7**	**5.7**	3.8	9.5	7.6%	**137.9**	**(1.5)**	3.6	2.1	1.5%	(12.2)	(8.8)%	7.4	NM	610
ACCO Brands International	**75.3**	**6.7**	1.6	8.3	11.0%	**76.5**	**6.3**	2.3	8.6	11.2%	(1.2)	(1.6)%	(0.3)	(3.5)%	(20)
Corporate	—	**(12.3)**	—	(12.3)		—	**(0.1)**	(9.7)	(9.8)		—		(2.5)		
Total	**$493.6**	**$55.2**	$11.0	$66.2	13.4%	**$521.0**	**$55.4**	$2.7	$58.1	11.2%	$(27.4)	(5.3)%	$8.1	13.9%	220
Q3:															
ACCO Brands North America						**$257.2**	**$(78.4)**	$104.2	$25.8	10.0%					
ACCO Brands EMEA						**130.3**	**4.9**	2.5	7.4	5.7%					
ACCO Brands International						**98.1**	**17.3**	1.9	19.2	19.6%					
Corporate						—	**(6.8)**	(2.8)	(9.6)						
Total						**$485.6**	**$(63.0)**	$105.8	$42.8	8.8%					
Q4:															
ACCO Brands North America						**$225.7**	**$8.9**	$9.8	$18.7	8.3%					
ACCO Brands EMEA						**156.0**	**12.7**	5.7	18.4	11.8%					
ACCO Brands International						**117.7**	**22.7**	1.6	24.3	20.6%					
Corporate						—	**(8.7)**	(0.4)	(9.1)						
Total						**$499.4**	**$35.6**	$16.7	$52.3	10.5%					
YTD:															
ACCO Brands North America	**$469.3**	**$60.3**	11.3	$71.6	15.3%	**$998.0**	**$(4.9)**	$126.4	$121.5	12.2%					
ACCO Brands EMEA	**261.5**	**13.5**	9.6	23.1	8.8%	**580.3**	**21.7**	15.3	37.0	6.4%					
ACCO Brands International	**165.4**	**15.7**	4.3	20.0	12.1%	**369.3**	**50.5**	7.8	58.3	15.8%					
Corporate	—	**(24.2)**	—	(24.2)		—	**(32.5)**	(8.5)	(41.0)						
Total	**$896.2**	**$65.3**	$25.2	$90.5	10.1%	**$1,947.6**	**$34.8**	$141.0	$175.8	9.0%					

See "Notes to Reconciliations of GAAP to Adjusted Non-GAAP Information and Net Loss 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		
	Net Sales Change	Currency Translation	Comparable Net Sales Change (A)	Net Sales Change	Currency Translation	Comparable Net Sales Change (A)	Comparable Net Sales
Q1 2023:							
ACCO Brands North America	**(15.3)%**	(0.7)%	(14.6)%	**$(31.8)**	**$(1.5)**	**$(30.3)**	$178.2
ACCO Brands EMEA	**(13.0)%**	(5.7)%	(7.3)%	**(20.3)**	**(9.0)**	**(11.3)**	144.8
ACCO Brands International	**17.0 %**	(0.2)%	17.2 %	**13.1**	**(0.2)**	**13.3**	90.3
Total	**(8.8)%**	(2.4)%	(6.4)%	**(39.0)**	**$(10.6)**	**$(28.4)**	$413.2
Q2 2023:							
ACCO Brands North America	**(4.6)%**	(0.5)%	(4.1)%	**$(14.0)**	**$(1.6)**	**$(12.4)**	$294.2
ACCO Brands EMEA	**(8.8)%**	0.3 %	(9.1)%	**(12.2)**	**0.4**	**(12.6)**	125.3
ACCO Brands International	**(1.6)%**	0.7 %	(2.3)%	**(1.2)**	**0.5**	**(1.7)**	74.8
Total	**(5.3)%**	(0.2)%	(5.1)%	**$(27.4)**	**$(0.8)**	**$(26.6)**	$494.4
2023 YTD:							
ACCO Brands North America	**(8.9)%**	(0.6)%	(8.3)%	**$(45.8)**	**$(3.1)**	**$(42.7)**	$472.4
ACCO Brands EMEA	**(11.1)%**	(2.9)%	(8.2)%	**(32.5)**	**(8.6)**	**(23.9)**	270.1
ACCO Brands International	**7.8 %**	0.2 %	7.6 %	**11.9**	**0.3**	**11.6**	165.1
Total	**(6.9)%**	(1.2)%	(5.7)%	**$(66.4)**	**$(11.4)**	**$(55.0)**	$907.6

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