



ACCO Brands | 4Q Earnings Conference Call | February 23, 2024

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, and those relating to cost reductions and anticipated pre-tax savings and restructuring costs 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. Forward-looking statements are subject to the occurrence of events outside the Company’s control and actual results and the timing of events may differ materially from those suggested or implied by such forward-looking statements due to numerous factors that involve substantial known and unknown risks and uncertainties. Investors and others are cautioned not to place undue reliance on forward-looking statements 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 impact of inflation and global geopolitical and economic uncertainties and fluctuations in foreign currency exchange rates; 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 and cost savings plans and realize the anticipated benefits of these plans and our other ongoing 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, 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

An explanation of how we calculate each of our Non-GAAP financial measures and a reconciliation of our current period and historical non-GAAP financial measures to the most directly comparable GAAP financial measures can be found at the end of 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 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, the impact of foreign currency exchange rate fluctuations, 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.

2023 Key Takeaways

- Reported net sales, adjusted EPS and cash flow above outlook
- Comparable sales down to prior year due to weaker global demand and lower global sales of technology accessories
- Gross margin expansion of 420 basis points on pricing and cost actions
- Adjusted operating income of \$205 million grew 17% year over year, despite SG&A increase due to restoration of incentive compensation expense
- Reacted well to challenging demand environment throughout 2023:
 - Accelerated footprint rationalization
 - Prudently managed SG&A costs
 - Delivered \$29 million in productivity and cost savings
- Grew both dollar and unit shares in the North America back-to-school market, despite a weaker than expected selling season
- EMEA's operating profit and margin improved significantly from the cumulative effect of price increases and targeted cost reductions
- International sales increase, driven by recovery of back-to-school in Latin America
- Generated adjusted free cash flow of \$118 million, reduced gross debt by \$88 million, and ended 2023 with a consolidated net leverage ratio of 3.4x



Executed Well on 2023 Key Priorities

Restoring Gross Margin

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

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 Working Capital

2024 Key Messages

- Taking actions to reposition the company for long-term, sustainable profitable growth
- Near-term, macroeconomic backdrop remains muted in first half 2024
- Announced \$60 million, multi-year restructuring and cost savings program
 - Simplifies and delayers the operating structure
 - Reduces headcount
 - Accelerates footprint rationalization program
 - Consolidates to two operating segments from three
 - Leverages global sourcing capabilities
- Better positioned to deliver growth long-term
 - Leaders are closer to customers to better focus on share and distribution gains
 - Savings will be reinvested to fund growth opportunities
 - Sharpened focus on innovation
 - Improve cadence of new product development and product refreshes
- Solid platform to execute on the current strategy
 - Portfolio is geographically diverse, with iconic brands
 - Products range from value to premium price points
 - Superior supply chain and customer service capabilities
 - Experienced leadership team with deep knowledge of categories
- Capital allocation priorities remain focused on supporting dividend and debt reduction



Full Year 2023 Results Summary

Comparison Versus Prior Year

SALES

down 6% to \$1,833M;
comparable sales down 7%
to \$1,822M

- Volume impacted by global macroeconomic weakness, contributing to lower global IT spending versus the prior year, and lower than anticipated return-to-office trends
- In addition, North America sales decline due to tight inventory control by retailers
- Lower volumes in EMEA were primarily due to lower demand for technology accessories
- International segment sales grew on recovery of back-to-school in Latin America

OPERATING INCOME

\$44.7M versus \$34.8M;
adjusted operating income
\$204.8M versus \$175.8M

- Operating margin recovery across all three operating segments, with significant recovery in EMEA of 500 bps
- Adjusted operating income grew 17% over the prior year, with adjusted operating margin expanding 220 basis points
- Non-cash goodwill impairment charges of \$89.5M in 2023 and \$98.7M in 2022

EPS

Loss per share of (\$0.23)
versus loss per share of
(\$0.14); adjusted EPS \$1.09
versus \$1.04

- Reported net losses primarily due to non-cash goodwill impairment charges of \$89.5M in 2023 and \$98.7M in 2022.
- In 2023, restructuring charges were higher by \$18M related to our continuing footprint rationalization and cost reduction programs
- Adjusted EPS growth due to stronger operating income was largely offset by increases of \$14M in net interest expense and \$6M of non-cash non-operating pension expense

ADJUSTED FREE CASH FLOW

\$118M versus prior year of
\$78M

- Adjusted free cash flow improved \$40M driven by higher profits and improved working capital management
- Inventory down 17%, or about \$68M, versus the prior year
- Dividend payments of \$29M
- Reduced debt by \$88M, ended the year at 3.4x consolidated net leverage ratio



Full Year 2023 Segment Financial Metrics

\$ in millions	2023	2022	Y/Y Change
ACCO Brands North America			
Sales	\$887.2	\$998.0	(11.1%)
Comparable Sales	\$891.1	\$998.0	(10.7%)
Adjusted Operating Income	\$122.4	\$121.5	0.7%
Adjusted Operating Margin	13.8%	12.2%	160 bps
ACCO Brands EMEA			
Sales	\$547.2	\$580.3	(5.7%)
Comparable Sales	\$541.7	\$580.3	(6.7%)
Adjusted Operating Income	\$62.5	\$37.0	68.9%
Adjusted Operating Margin	11.4%	6.4%	500 bps
ACCO Brands International			
Sales	\$398.4	\$369.3	7.9%
Comparable Sales	\$388.7	\$369.3	5.3%
Adjusted Operating Income	\$68.1	\$58.3	16.8%
Adjusted Operating Margin	17.1%	15.8%	130 bps

Note: Comparable Sales and Adjusted Operating Income are Non-GAAP Financial Measures



Full Year 2023 Segment Results Summary

Comparison Versus Prior Year

North America

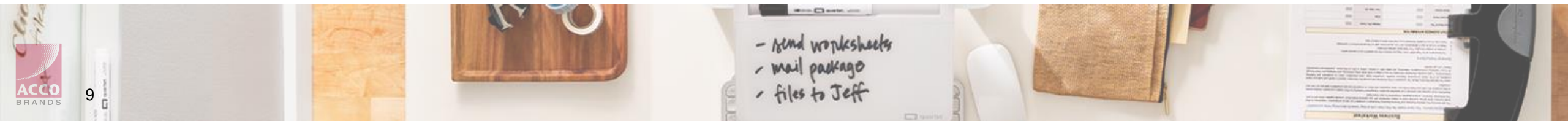
- Lower sales due to a weaker demand environment and tight inventory management by retailers
- Technology accessories decline reflecting industry wide trends
- Grew market share during weaker than expected back-to-school
- Adjusted operating margin grew 160 basis points reflecting strong pricing and cost reduction measures

EMEA

- Technology accessories decline reflecting industry wide trends
- Adjusted operating income grew by \$25.5M, as operating margin expanded 500 basis points from the cumulative effect of pricing that lagged inflation and cost actions

International

- Net sales increased as back-to-school sales recover in Latin America
- Technology accessories decline reflecting industry wide trends
- Adjusted operating margin increased from pricing and cost initiatives



- send worksheets
- mail package
- files to Jeff

Full Year 2023 Margin Reconciliation



	Full Year 2023	Change vs. Prior Year Adjusted (non-GAAP)	Items of Significant Impact on Adjusted Results	Bps
Gross Profit	\$598.3M	\$46.0M	Pricing/Product Cost	360
			Cost Savings	90
Gross Margin	32.6%	+420 Bps	Volume	(80)
			FX/Other	50
SG&A	\$393.5M	\$17.0M	Cost Savings	(60)
			Sales Deleverage	140
SG&A Margin	21.5%	+220 bps	Incentive Compensation	90
			Investments/Other	50

4Q 2023 Results Summary

Comparison Versus Prior Year

SALES

down 2% to \$488.6M;
comparable sales down 4.5%
to \$476.4M

- 2.5% positive impact from favorable FX of \$12M
- Volume impacted by global macroeconomic weakness, contributing to lower global IT spending versus the prior year, and lower than anticipated return-to-office trends
- North America sales decline due to lower demand for technology accessories categories and commercial products
- Lower volumes in EMEA were primarily due to lower demand for technology accessories
- International segment sales growth driven by recovery of back-to-school in Latin America

OPERATING INCOME

loss of (\$52.8M) versus
\$35.6M; adjusted operating
income \$68.3M versus
\$52.3M

- Operating loss primarily due to \$89.5M non-cash goodwill impairment charge
- Significant operating margin recovery in EMEA and North America of 440 basis points each
- Adjusted operating income grew 31% over the prior year, with adjusted operating margin expanding 350 basis points

EPS

loss of (\$0.62) versus EPS of
\$0.20; adjusted EPS \$0.39
versus \$0.32

- Loss primarily due to \$89.5M non-cash goodwill impairment charge
- In 2023, restructuring charges increased by \$14M related to our continuing footprint rationalization and cost reduction programs, offsetting a favorable change in discrete tax items of \$22M related to recent tax legislation in both the U.S. and Brazil
- Adjusted EPS growth due to stronger operating income mitigated by higher interest expense and non-cash non-operating pension expense

ADJUSTED FREE CASH FLOW

- Adjusted free cash flow of \$55M
- Dividend payments of \$7M
- Remaining free cash flow reduced debt



4Q 2023 Segment Financial Metrics

\$ in millions	4Q23	4Q22	Y/Y Change
ACCO Brands North America			
Sales	\$199.0	\$225.7	(11.8%)
Comparable Sales	\$199.1	\$225.7	(11.8%)
Adjusted Operating Income	\$25.3	\$18.7	35.3%
Adjusted Operating Margin	12.7%	8.3%	440 bps
ACCO Brands EMEA			
Sales	\$159.1	\$156.0	2.0%
Comparable Sales	\$152.0	\$156.0	(2.6%)
Adjusted Operating Income	\$25.8	\$18.4	40.2%
Adjusted Operating Margin	16.2%	11.8%	440 bps
ACCO Brands International			
Sales	\$130.5	\$117.7	10.9%
Comparable Sales	\$125.3	\$117.7	6.5%
Adjusted Operating Income	\$30.2	\$24.3	24.3%
Adjusted Operating Margin	23.1%	20.6%	250 bps

Notes: Comparable Sales and Adjusted Operating Income are Non-GAAP Financial Measures



4Q 2023 Segment Results Summary

Comparison Versus Prior Year

North America

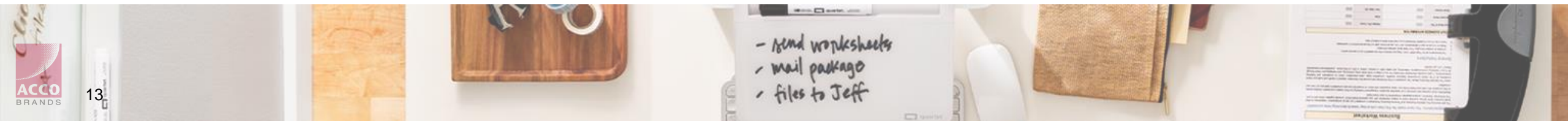
- Technology accessories decline reflecting industry wide trends
- Weaker demand environment and tight inventory management by retailers
- Adjusted operating margin grew 440 basis points reflecting strong pricing, and cost reduction measures and moderating input costs

EMEA

- Technology accessories decline reflecting industry wide trends
- Adjusted operating income grew by \$7.4M, as operating margin expanded 440 basis points from the cumulative effect of pricing and cost actions and moderating input costs

International

- Net sales increased as back-to-school sales recover in Latin America
- Technology accessories decline reflecting industry wide trends
- Adjusted operating margin increased 250 basis points from pricing and cost initiatives



4Q 2023 Margin Reconciliation



	4Q 2023	Change vs. Prior Year Adjusted (non-GAAP)	Items of Significant Impact on Adjusted Results	Bps
Gross Profit	\$170.0M	\$24.7M	Pricing/Product Cost	510
			Cost Savings	90
Gross Margin	34.8%	+570 Bps	Volume	(30)
SG&A	\$101.7M	\$8.7M	Cost Savings	(50)
			Sales Deleverage	90
SG&A Margin	20.8%	+220 bps	Incentive Compensation	170
			Investments/Other	10

Adjusted Free Cash Flow

\$ in millions*	2023	2022	Change vs 2022
Net cash provided by operations	129	78	51
Additions to PP&E	(14)	(17)	3
Add back contingent consideration payment in operating activities	--	9	(9)
Proceeds from disposition of assets	3	7	(4)
Adjusted free cash flow	118	78	41
Dividends paid	(29)	(29)	--
Share Repurchase	--	(19)	19
Payment for the 2021 contingent consideration	--	(27)	27
Refinancing costs	--	(1)	1
Other	(2)	2	(4)
Increase/(decrease) in debt	(88)	17	(105)
Increase in cash on hand	4	24	(20)

Debt/Cash Reconciliation	Debt	Cash
\$ in millions*		
Beginning of period 12/31/2022	1,005	62
Increase/(decrease)	(88)	0
FX	9	4
End of period 12/31/2023	926	66

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



Capital Structure

Facility	(\$ in millions) Balance ¹	Interest Rate Methodology	Rate
\$600M multicurrency revolver	22	SOFR + CSA ³ + 200 bps, 35 bps unused	6.75%
USD Term Loan A	78	SOFR + CSA ³ + 200 bps	7.50%
EUR Term Loan A	218	EURIBOR + 200 bps	5.93%
AUD Term Loan A	<u>33</u>	Australian BBSR + 200 bps	6.42%
Subtotal Senior secured credit facilities ²	351	Weighted average	6.38%
Senior unsecured notes	<u>575</u>	4.25% fixed	4.25%
Total Gross Debt ²	926	Weighted average interest rate	5.05%

¹ Currencies converted using December 31, 2023 closing spot rates.

² Includes Other Borrowings of \$0.3 million and is not net of debt issuance costs of \$6.7 million.

³ Credit Spread Adjustment of 10 bps.

- Capital structure as of December 31, 2023
- Company had cash on hand of \$66M
- Fixed rate debt matures in 2029; credit facility matures in 2026
- Debt is split 62/38 fixed and variable with weighted average rate of 5.05%

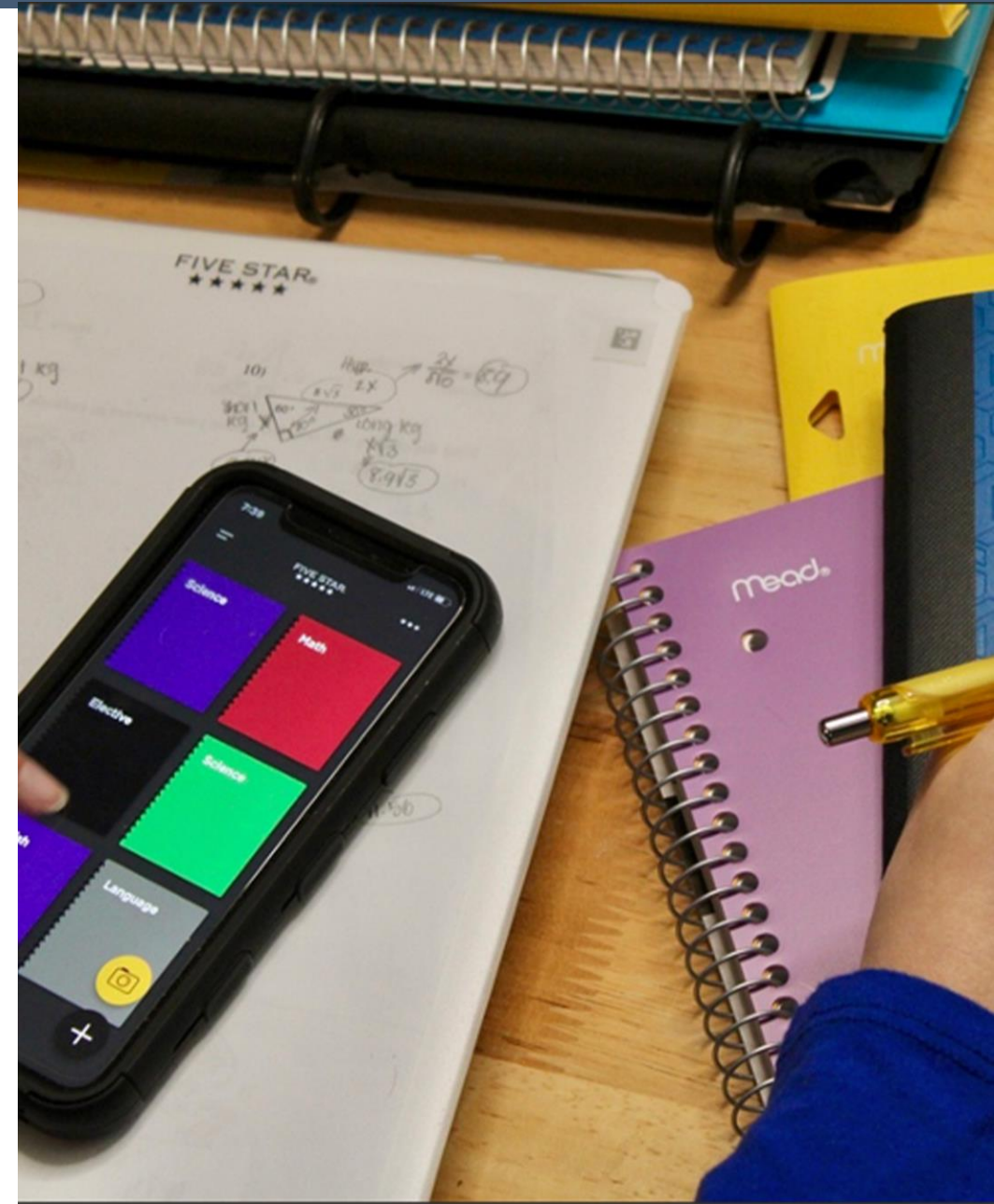


Full Year 2024 Outlook

Guidance	FY2024
Reported Net Sales Growth	(2.0%) to (5.0%)
Reported Net Sales*	\$1.740 to \$1.788 billion
FX Impact on Sales*	Approximately 0.5%
Comparable Sales Growth	(2.5%) to (5.5%)
Adjusted EPS Reported	\$1.07 to \$1.11
Free Cash Flow	At Least \$120 million
Adjusted Tax Rate	Approximately 29%
Consolidated Leverage Ratio	Approximately 3.0x to 3.2x.

*Translation impact based on spot rates as of 12/31/2023

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



1Q 2024 Outlook

Guidance	1Q 2024
Reported Net Sales Growth	(6.5%) to (8.0%)
Reported Net Sales*	\$370 to \$377 million
FX Impact on Sales*	1.0%
Comparable Sales Growth	(7.5%) to (9.0%)
Adjusted EPS Reported	\$0.01 to \$0.04



*Translation impact based on spot rates as of 12/31/2023
Notes: Comparable Sales and Adjusted EPS are Non-GAAP Financial Measures

Executing On Capital Allocation Strategy

FIVE STAR.
★★★★★
BUILT STRONG TO LAST LONG

FIVE STAR.
★★★★★

Capital Allocation

Disciplined capital allocation strategy with a long-term more balanced view

Adjusted Free Cash Flow improved to \$118M versus \$78M a year ago

Debt Reduction

Reduced debt by \$88 million in 2023

4Q 2023 consolidated leverage ratio of 3.4x

Long-term consolidated leverage ratio target of 2.0x - 2.5x

Shareholder Returns

Announced \$0.075 per share quarterly dividend on February 16th

\$29M in dividends paid in 2023

TRULY
Note WORTHY

FIVE STAR.
★★★★★
STUDY APP

Meed.

FIVE STAR.
★★★★★
2023-2024

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 material 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 non-recurring items. 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 (Loss)/Adjusted Income (Loss) Before Taxes/Adjusted Net Income (Loss)/Adjusted Net Income (Loss) Per Diluted Share: Represents operating income (loss), income (loss) before taxes, net income (loss), and net (loss) income per diluted share excluding restructuring and goodwill impairment charges, the amortization of intangibles, the change in fair value of contingent consideration, non-recurring items, other income/expense 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, restructuring and goodwill impairment charges, 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. In addition, this calculation of adjusted EBITDA is used in our loan agreement to calculate our leverage ratio covenant.

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, less 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.

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 (Loss) Income information reported in accordance with GAAP to Adjusted Non-GAAP Information for the three months ended December 31, 2023 and 2022.

	Three Months Ended December 31, 2023							
	Operating (Loss) Income	% of Sales	(Loss) Income before Tax	% of Sales	Income Tax (Benefit) Expense (A)	Tax Rate	Net (Loss) Income	% of Sales
Reported GAAP	\$(52.8)	(10.8)%	\$(73.4)	(15.0)%	\$(14.0)	19.1 %	\$(59.4)	(12.2)%
Reported GAAP diluted loss per share (EPS)							\$(0.62)	
Restructuring charges	20.9		20.9		5.2		15.7	
Goodwill impairment charge	89.5		89.5		—		89.5	
Amortization of intangibles	10.7		10.7		3.0		7.7	
Exit certain products in the wellness category	—		5.1		1.3		3.8	
Other discrete tax items	—		—		19.8		(19.8)	
Adjusted Non-GAAP	\$68.3	14.0 %	\$52.8	10.8 %	\$15.3	29.0 %	\$37.5	7.7 %
Adjusted net income per diluted share (Adjusted EPS)							\$0.39	

	Three Months Ended December 31, 2022									
	SG&A	% of Sales	Operating Income	% of Sales	Income before Tax	% of Sales	Income Tax Expense (A)	Tax Rate	Net Income	% of Sales
Reported GAAP	\$92.4	18.5 %	\$35.6	7.1 %	\$28.7	5.7 %	\$9.9	34.5 %	\$18.8	3.8 %
Reported GAAP diluted income per share (EPS)									\$0.26	
Release of charge for Russia business	0.6		(0.6)		(0.6)		(0.1)		(0.5)	
Restructuring charges	—		7.3		7.3		1.9		5.4	
Amortization of intangibles	—		10.0		10.0		2.6		7.4	
Gain on sale of property	—		—		(3.5)		(0.9)		(2.6)	
Other discrete tax items	—		—		—		(2.0)		2.0	
Adjusted Non-GAAP	\$93.0	18.6 %	\$52.3	10.5 %	\$41.9	8.4 %	\$11.4	27.2 %	\$30.5	6.1 %
Adjusted net income per diluted share (Adjusted EPS)									\$0.32	

See "Notes to Reconciliations of GAAP to Adjusted Non-GAAP Information and Net (Loss) 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 (Loss) Income information reported in accordance with GAAP to Adjusted Non-GAAP Information for the twelve months ended December 31, 2023 and 2022.

	Twelve Months Ended December 31, 2023							
	Operating Income	% of Sales	Income before Tax	% of Sales	Income Tax Expense (A)	Tax Rate	Net (Loss) Income	% of Sales
Reported GAAP	\$44.7	2.4 %	\$(13.1)	(0.7)%	\$8.7	(66.4)%	\$(21.8)	(1.2)%
Reported GAAP diluted loss per share (EPS)							\$(0.23)	
Restructuring charges	27.2		27.2		6.8		20.4	
Goodwill impairment charge	89.5		89.5		—		89.5	
Amortization of intangibles	43.4		43.4		11.6		31.8	
Other asset write-off	—		1.1		0.3		0.8	
Gain on sale of property	—		(1.5)		(0.5)		(1.0)	
Exit certain products in the wellness category	(B)		5.1		1.3		3.8	
Operating tax gains	(D)		(1.3)		(0.4)		(0.9)	
Other discrete tax items	—		—		17.0		(17.0)	
Adjusted Non-GAAP	\$204.8	11.2 %	\$150.4	8.2 %	\$44.8	29.8 %	\$105.6	5.8 %
Adjusted net income per diluted share (Adjusted EPS)							\$1.09	

	Twelve Months Ended December 31, 2022									
	SG&A	% of Sales	Operating Income	% of Sales	Income before Tax	% of Sales	Income Tax Expense (A)	Tax Rate	Net (Loss) Income	% of Sales
Reported GAAP	\$376.7	19.3 %	\$34.8	1.8 %	\$14.9	0.8 %	\$28.1	188.6 %	\$(13.2)	(0.7)%
Reported GAAP diluted loss per share (EPS)									\$(0.14)	
Charge for Russia business	(0.2)		0.2		0.2		0.1		0.1	
Restructuring charges	—		9.6		9.6		2.5		7.1	
Goodwill impairment charge	—		98.7		98.7		—		98.7	
Amortization of intangibles	—		41.5		41.5		10.9		30.6	
Change in fair value of contingent consideration	(C)		(9.0)		(9.0)		(2.3)		(6.7)	
Gain on sale of property	—		—		(3.5)		(0.9)		(2.6)	
Operating tax gains	(D)		—		(11.2)		(3.8)		(7.4)	
Other discrete tax items	—		—		—		5.6		(5.6)	
Adjusted Non-GAAP	\$376.5	19.3 %	\$175.8	9.0 %	\$141.2	7.2 %	\$40.2	28.5 %	\$101.0	5.2 %
Adjusted net income per diluted share (Adjusted EPS)									\$1.04	

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

Reg G Reconciliations

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

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

	Three months ended December 31,			Year ended December 31,		
	2023	2022	% Change	2023	2022	% Change
Net (loss) income	\$ (59.4)	\$ 18.8	NM	\$ (21.8)	\$ (13.2)	65.2 %
Stock-based compensation	4.4	1.7	NM	14.8	9.5	55.8 %
Depreciation	7.5	9.3	(19.4)%	32.7	37.9	(13.7)%
(Release) charge for Russia business	—	(0.6)	(100.0)%	—	0.2	(100.0)%
Amortization of intangibles	10.7	10.0	7.0 %	43.4	41.5	4.6 %
Restructuring charges	20.9	7.3	NM	27.2	9.6	NM
Goodwill impairment charge	89.5	—	NM	89.5	98.7	(9.3)%
Change in fair value of contingent consideration	(C) —	—	NM	—	(9.0)	(100.0)%
Interest expense, net	12.7	10.9	16.5 %	51.5	37.3	38.1 %
Other expense (income), net	6.6	(2.7)	NM	4.5	(12.9)	NM
Income tax (benefit) expense	(14.0)	9.9	NM	8.7	28.1	(69.0)%
Adjusted EBITDA (non-GAAP)	\$ 78.9	\$ 64.6	22.1 %	\$ 250.5	\$ 227.7	10.0 %
Adjusted EBITDA as a % of Net Sales	16.1 %	12.9 %		13.7 %	11.7 %	

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

Reconciliation of Net Cash Provided by Operating Activities to Adjusted 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 Adjusted Free Cash Flow.

	Three months ended December 31, 2023	Three months ended December 31, 2022	For the year ended December 31, 2023	For the year ended December 31, 2022
	Net cash provided by operating activities	\$ 558.0	\$ 87.2	\$ 128.7
Net (used) provided by:				
Additions to property, plant and equipment	(4.1)	(4.7)	(13.8)	(16.5)
Proceeds from the disposition of assets	0.4	7.0	2.6	7.2
Payments of contingent consideration	—	—	—	9.2
Adjusted Free Cash Flow (non-GAAP)	\$ 54.3	\$ 89.5	\$ 117.5	\$ 77.5

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

- A. The income tax impact of the non-GAAP adjustments and other discrete tax items including the effects of recent tax legislation in both Brazil and the United States.
- B. Represents charges for the exit of certain products in the wellness category.
- C. Represents income from the change in fair value of the contingent consideration for the PowerA acquisition.
- 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) %	Adjusted 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	\$218.9	\$19.9	\$5.6	\$25.5	11.6%	\$257.2	\$(78.4)	\$104.2	\$25.8	10.0%	\$(38.3)	(14.9)%	\$(0.3)	(1.2)%	160
ACCO Brands EMEA	126.6	6.9	6.7	13.6	10.7%	130.3	4.9	2.5	7.4	5.7%	(3.7)	(2.8)%	6.2	83.8%	500
ACCO Brands International	102.5	16.4	1.5	17.9	17.5%	98.1	17.3	1.9	19.2	19.6%	4.4	4.5%	(1.3)	(6.8)%	(210)
Corporate	—	(11.0)	—	(11.0)	—	—	(6.8)	(2.8)	(9.6)	—	—	(1.4)	—	—	—
Total	\$448.0	\$32.2	\$13.8	\$46.0	10.3%	\$485.6	\$(63.0)	\$105.8	\$42.8	8.8%	\$(37.6)	(7.7)%	\$3.2	7.5%	150
Q4:															
ACCO Brands North America	\$199.0	\$(86.1)	\$111.4	\$25.3	12.7%	\$225.7	\$8.9	\$9.8	\$18.7	8.3%	\$(26.7)	(11.8)%	\$6.6	35.3%	440
ACCO Brands EMEA	159.1	18.3	7.5	25.8	16.2%	156.0	12.7	5.7	18.4	11.8%	3.1	2.0%	7.4	40.2%	440
ACCO Brands International	130.5	28.6	1.6	30.2	23.1%	117.7	22.7	1.6	24.3	20.6%	12.8	10.9%	5.9	24.3%	250
Corporate	—	(13.6)	0.6	(13.0)	—	—	(8.7)	(0.4)	(9.1)	—	—	(3.9)	—	—	—
Total	\$488.6	\$(52.8)	\$121.1	\$68.3	14.0%	\$499.4	\$35.6	\$16.7	\$52.3	10.5%	\$(10.8)	(2.2)%	\$16.0	30.6%	350
YTD:															
ACCO Brands North America	\$887.2	\$(5.9)	\$128.3	\$122.4	13.8%	\$998.0	\$(4.9)	\$126.4	\$121.5	12.2%	\$(110.8)	(11.1)%	\$0.9	0.7%	160
ACCO Brands EMEA	547.2	38.7	23.8	62.5	11.4%	580.3	21.7	15.3	37.0	6.4%	(33.1)	(5.7)%	25.5	68.9%	500
ACCO Brands International	398.4	60.7	7.4	68.1	17.1%	369.3	50.5	7.8	58.3	15.8%	29.1	7.9%	9.8	16.8%	130
Corporate	—	(48.8)	0.6	(48.2)	—	—	(32.5)	(8.5)	(41.0)	—	—	(7.2)	—	—	—
Total	\$1,832.8	\$44.7	\$160.1	\$204.8	11.2%	\$1,947.6	\$34.8	\$141.0	\$175.8	9.0%	\$(114.8)	(5.9)%	\$29.0	16.5%	220

See "Notes to Reconciliations of GAAP to Adjusted Non-GAAP Information and Net (Loss) 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		
	Net Sales Change	Currency Translation	Comparable Sales Change (A)	Net Sales Change	Currency Translation	Comparable Sales Change (A)	Comparable 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
Q3 2023:							
ACCO Brands North America	(14.9)%	(0.3)%	(14.6)%	\$(38.3)	\$(0.7)	\$(37.6)	\$219.6
ACCO Brands EMEA	(2.8)%	5.4 %	(8.2)%	(3.7)	7.0	(10.7)	119.6
ACCO Brands International	4.5 %	4.3 %	0.2 %	4.4	4.2	0.2	98.3
Total	(7.7)%	2.2 %	(9.9)%	\$(37.6)	\$10.5	\$(48.1)	\$437.5
Q4 2023:							
ACCO Brands North America	(11.8)%	— %	(11.8)%	\$(26.7)	\$(0.1)	\$(26.6)	\$199.1
ACCO Brands EMEA	2.0 %	4.6 %	(2.6)%	3.1	7.1	(4.0)	152.0
ACCO Brands International	10.9 %	4.4 %	6.5 %	12.8	5.2	7.6	125.3
Total	(2.2)%	2.4 %	(4.6)%	\$(10.8)	\$12.2	\$(23.0)	\$476.4
2023 YTD:							
ACCO Brands North America	(11.1)%	(0.4)%	(10.7)%	\$(110.8)	\$(3.9)	\$(106.9)	\$891.1
ACCO Brands EMEA	(5.7)%	1.0 %	(6.7)%	(33.1)	5.5	(38.6)	541.7
ACCO Brands International	7.9 %	2.6 %	5.3 %	29.1	9.7	19.4	388.7
Total	(5.9)%	0.6 %	(6.5)%	\$(114.8)	\$11.3	\$(126.1)	\$1,821.5

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