

ACCO Brands | 1Q Earnings Conference Call | May 3, 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: a relatively limited number of large customers account for a significant percentage of our sales; sales of our products are affected by general economic and business conditions globally and in the countries in which we operate; 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; the long-term impacts of the COVID-19 pandemic; 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; our ability to successfully execute our multi-year restructuring and cost savings program and realize the anticipated benefits; 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; 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, and successfully integrate them; 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; the impact of additional tax liabilities stemming from our global operations and changes in tax laws, regulations and tax rates; 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, 2023, and in other reports we file with the Securities and Exchange Commission.

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. On an interim basis, we also calculate adjusted income tax expense using our estimated annual income tax rate. 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 EBITDA, 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.

1Q 2024 Key Messages

- Reported net and comparable sales down due to weaker consumer and business spending and from the exit of lower margin business
- Lower demand for end of season back-to-school in Brazil
- Computer accessories rate of decline is moderating
- Gaming accessories grew
- Gross margin expanded 120 basis points due to moderating input costs, cost savings and strategic pricing
- Executing on our $60 million multi-year cost reduction program
  - Achieved $4 million in savings in the first quarter
  - On track to deliver savings of over $20 million in 2024
- Generated free cash flow of $26 million, an improvement of $51 million versus the prior year
- 3.5x leverage ratio at quarter end, versus 4.3x last year
- Maintain free cash flow outlook of at least $120 million in 2024



1Q Results Summary

Comparison Versus Prior Year

SALES

Down 11% to $359M; Comparable sales down 11% to $357M

- Volume impacted globally by weaker consumer and business spending and from the exit of lower margin business in the Americas segment
- Americas sales decline reflects industry wide trends and lower season end demand for back-to-school products in Brazil
- International sales decline reflects weaker economic activity due to softer consumer and business spending

OPERATING INCOME

$5.9M versus $10.1M; adjusted operating income $16.2M versus $24.3M

- Operating income dollars and margin rate lower due to the lower sales volumes and negative fixed cost leverage, more than offsetting moderating input costs, cost reduction initiatives and pricing
- Americas segment adjusted operating margin down due to lower sales volumes and negative fixed cost leverage
- International segment adjusted operating margin expanded despite the sales decline due to moderating input cost and cost actions

EPS

Loss per share of ($0.07) versus loss per share of ($0.04); adjusted EPS $0.03 versus $0.09

- Adjusted EPS down due to lower level of net income

FREE CASH FLOW

$26M versus prior year outflow of $25M

- Free cash flow improved $51M driven by working capital
- Dividend payments of $7M
- Gross debt down $138M year over year
- 3.5x consolidated net leverage ratio at quarter end



1Q Segment Financial Metrics

$ in millions	1Q 2024	1Q 2023	Y/Y Change
ACCO Brands Americas			
Sales	$197.1	$230.0	(14.3%)
Comparable Sales	$194.8	$230.0	(15.3%)
Adjusted Operating Income	$12.3	$18.7	(34.2%)
Adjusted Operating Margin	6.2%	8.1%	(190 bps)
ACCO Brands International			
Sales	$161.7	$172.6	(6.3%)
Comparable Sales	$162.4	$172.6	(5.9%)
Adjusted Operating Income	$16.9	$17.5	(3.4%)
Adjusted Operating Margin	10.5%	10.1%	40 bps



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

1Q Segment Results Summary

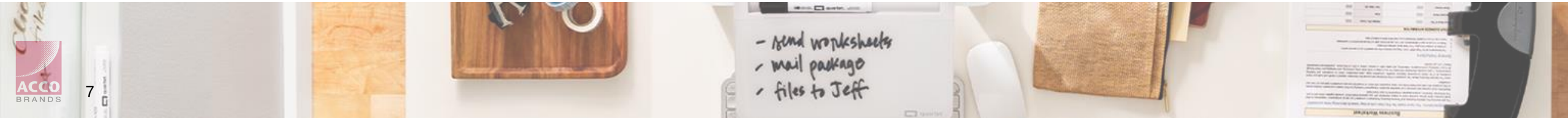
Comparison Versus Prior Year

Americas

- Lower sales due to softer consumer and business demand and from the exit of low margin business
- Lower end-of-season back-to-school sales in Brazil
- Gaming accessories category growth
- Adjusted operating margin down 190 basis points reflecting lower sales and negative fixed cost leverage

International

- Lower sales due to softer consumer and business demand for legacy products
- Computer accessories rate of decline is moderating
- Gaming accessories category growth
- Adjusted operating margin improved 40 basis points from the moderating input costs, cost actions and pricing



1Q 2024 Margin Reconciliation



	1Q 2024	Change vs. Prior Year	Items of Significant Impact	Bps
Gross Profit	$110.4M	($8.9M)	Pricing/Product Cost	**140**
			Cost Savings	**50**
Gross Margin	30.8%	+120 Bps	Volume	**(120)**
			FX/Other	**50**
SG&A	$94.2M	($0.8M)	Cost Savings	**(90)**
			Sales Deleverage	**290**
SG&A Margin	26.2%	(260 bps)	Incentive Compensation	**50**
			Investments/Other	**10**

Free Cash Flow

$ in millions*	1Q 2024		1Q 2023	Change vs 2023
Net cash provided by operations	28		(23)	51
Additions to PP&E	(2)		(2)	--
Free cash flow	**26**		**(25)**	**51**
Dividends paid	(7)		--	(7)
Other, net	(2)		(2)	--
Increase in debt	42		90	(48)
Increase in cash on hand	**58**		**65**	**(7)**

Debt/Cash Reconciliation	Debt		Cash
$ in millions*			
Beginning of period 12/31/2023	926		66
Increase	42		59
FX	(7)		(1)
End of period 03/31/2024	961		125



*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	71	SOFR + CSA[3] + 175 bps, 30 bps unused	7.07%
USD Term Loan A	76	SOFR + CSA[3] + 175 bps	7.18%
EUR Term Loan A	208	EURIBOR + 175 bps	5.65%
AUD Term Loan A	30	Australian BBSR + 175 bps	6.17%
Subtotal Senior secured credit facilities[2]	385	Weighted average	6.26%
Senior unsecured notes	575	4.25% fixed	4.25%
Total Gross Debt[2]	961	Weighted average interest rate	5.06%

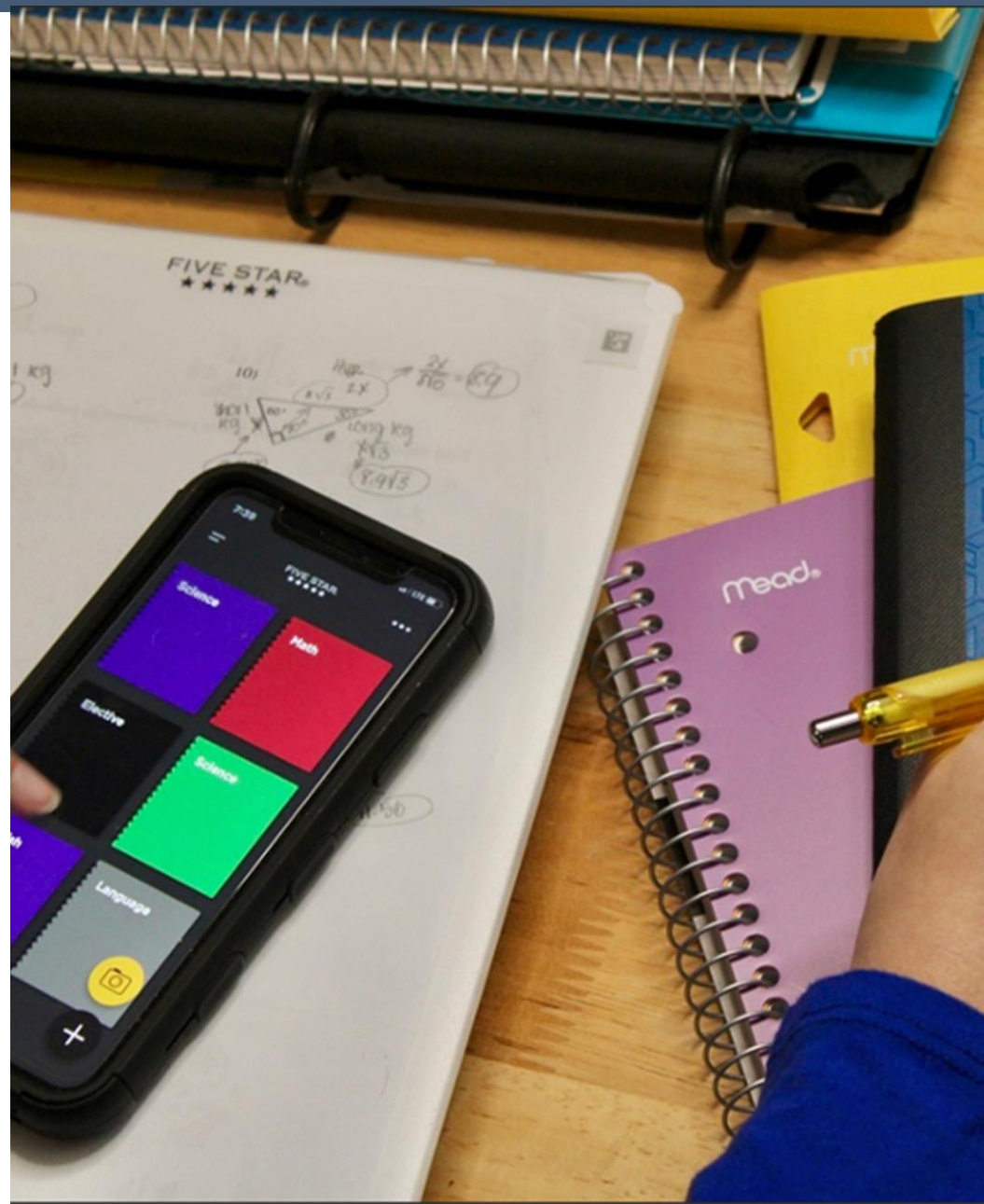
1 Currencies converted using March 31, 2024, closing spot rates.
2 Is not net of debt issuance costs of $6.2 million.
3 Credit Spread Adjustment of 10 bps.

- Capital structure as of March 31, 2024
- Company had cash on hand of $124.6M
- Fixed rate debt matures in 2029; credit facility matures in 2026
- Debt is split 60/40 fixed and variable with weighted average rate of 5.06%



Full Year 2024 Outlook

Guidance	FY2024
Reported Net Sales Growth	(5.0%) to (7.0%)
Reported Net Sales*	$1.700 to $1.740 billion
FX Impact on Sales*	Approximately 0.0%
Comparable Sales Growth	(5.0%) to (7.0%)
Adjusted EPS	$1.02 to $1.07
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 03/31/2024*
Notes: Comparable Sales, Adjusted EPS, Free Cash Flow and Adjusted Tax Rate are Non-GAAP Financial Measures

2Q 2024 Outlook

Guidance	2Q 2024
Reported Net Sales Growth	(7.0%) to (9.0%)
Reported Net Sales*	$450 to $460 million
FX Impact on Sales*	0.0%
Comparable Sales Growth	(7.0%) to (9.0%)
Adjusted EPS	$0.30 to $0.33



**Translation impact based on spot rates as of 03/31/2024*
Notes: Comparable Sales and Adjusted EPS are Non-GAAP Financial Measures

Executing On Capital Allocation Strategy

Capital Allocation	Debt Reduction	Shareholder Returns
Disciplined capital allocation strategy with a more balanced view longer-term	Gross debt down $138 million year-over-year	Declared $0.075 per share quarterly dividend on April 26th
Free Cash Flow improved to $26M versus outflow of $25M a year ago, a $51M improvement over the prior year	1Q 2024 consolidated leverage ratio of 3.5x	$7M in dividends paid year-to-date
	Long-term consolidated leverage ratio target of 2.0x - 2.5x	Annualized dividend yield of 6%

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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 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 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 income (loss) per diluted share excluding restructuring and goodwill impairment charges, the amortization of intangibles, non-recurring items, other income/expense, adjustments to reflect the estimated annual tax rate 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: Represents income tax expense calculated using the estimated annual income tax rate and excludes 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 is useful to investors because it reflects our income tax calculated using the estimated annual tax rate before 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: Free cash flow represents cash flow from operating activities less cash used for additions to property, plant and equipment. We believe free cash flow is useful to investors because it measures 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 information reported in accordance with GAAP to Adjusted Non-GAAP Information for the three months ended March 31, 2024 and 2023.

Three Months Ended March 31, 2024

		Operating Income	% of Sales	(Loss) Income before Tax	% of Sales	Income Tax Expense (B)	Tax Rate	Net (Loss) Income	% of Sales
Reported GAAP		**$5.9**	**1.6 %**	**$(5.3)**	**(1.5)%**	**$1.0**	**(18.9)%**	**$(6.3)**	**(1.8)%**
Reported GAAP diluted loss per share (EPS)								***$(0.07)***	
Restructuring		(0.3)		(0.3)		(0.1)		(0.2)	
Amortization of intangibles		10.6		10.6		2.9		7.7	
Net operating tax gains	(A)	—		(1.2)		(0.4)		(0.8)	
Discrete tax items and adjustments to annual tax rate	(B)	—		—		(2.3)		2.3	
Adjusted Non-GAAP		$16.2	4.5 %	$3.8	1.1 %	$1.1	29.0 %	$2.7	0.8 %
Adjusted net income per diluted share (Adjusted EPS)								*$0.03*	

Three Months Ended March 31, 2023

		Operating Income	% of Sales	Income (Loss) before Tax	% of Sales	Income Tax Expense (B)	Tax Rate	Net (Loss) Income	% of Sales
Reported GAAP		**$10.1**	**2.5 %**	**$(3.3)**	**(0.8)%**	**$0.4**	**(12.1)%**	**$(3.7)**	**(0.9)%**
Reported GAAP diluted loss per share (EPS)								***$(0.04)***	
Restructuring		3.3		3.3		0.9		2.4	
Amortization of intangibles		10.9		10.9		2.9		8.0	
Other asset write-off	(C)	—		1.1		0.3		0.8	
Discrete tax items and adjustments to annual tax rate	(B)	—		—		(1.0)		1.0	
Adjusted Non-GAAP		$24.3	6.0 %	$12.0	3.0 %	$3.5	29.4 %	$8.5	2.1 %
Adjusted net income per diluted share (Adjusted EPS)								*$0.09*	

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

A. Represents certain indirect tax credits in Brazil and losses related to the additional recorded reserves for certain operating taxes.
B. The income tax impact of the non-GAAP adjustments and other discrete tax items. The Company adjusts its tax rate to 29.0% which represents its full year non-GAAP estimated annual tax rate as of March 31, 2024. The Company's full year non-GAAP estimated annual effective tax rate remains subject to variation from the mix of earnings across the Company's operating jurisdictions.
C. Represents the write off of assets related to a capital project.

Reg G Reconciliations

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

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

	Three months ended March 31,		
	2024	2023	% Change
Net loss	**$(6.3)**	**$(3.7)**	***70.3 %***
Stock-based compensation	5.1	5.6	*(8.9)%*
Depreciation	7.4	9.0	*(17.8)%*
Amortization of intangibles	10.6	10.9	*(2.8)%*
Restructuring credits	(0.3)	3.3	*(109.1)%*
Interest expense, net	11.4	11.5	*(0.9)%*
Other (income) expense, net	(0.6)	1.8	*(133.3)%*
Income tax expense	1.0	0.4	*NM*
Adjusted EBITDA (non-GAAP)	$28.3	$38.8	*(27.1)%*
Adjusted EBITDA as a % of Net Sales	7.9 %	9.6 %	

Reconciliation of Net Cash Provided 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.

	For the three months ended March 31, 2024	For the three months ended March 31, 2023
Net cash provided by operating activities	**$28.2**	**$(23.2)**
Net (used) provided by:		
Additions to property, plant and equipment	(2.3)	(2.0)
Free Cash Flow (non-GAAP)	$25.9	$(25.2)

Reg G Reconciliations

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

	2024					2023					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 Americas	**$197.2**	**$6.1**	$6.2	$12.3	6.2%	**$230.0**	**$12.3**	$6.4	$18.7	8.1%	$(32.8)	(14.3)%	$(6.4)	(34.2)%	(190)
ACCO Brands International	**161.7**	**12.8**	4.1	16.9	10.5%	**172.6**	**9.7**	7.8	17.5	10.1%	(10.9)	(6.3)%	(0.6)	(3.4)%	40
Corporate	**—**	**(13.0)**	—	(13.0)		**—**	**(11.9)**	—	(11.9)		—		(1.1)		
Total	**$358.9**	**$5.9**	$10.3	$16.2	4.5%	**$402.6**	**$10.1**	$14.2	$24.3	6.0%	$(43.7)	(10.9)%	$(8.1)	(33.3)%	(150)

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 Sales Change (A)	Net Sales Change	Currency Translation	Comparable Sales Change (A)	Comparable Sales
Q1 2024:							
ACCO Brands Americas	**(14.3)%**	1.0 %	(15.3)%	**$(32.8)**	$2.4	$(35.2)	$194.8
ACCO Brands International	**(6.3)%**	(0.4)%	(5.9)%	**(10.9)**	(0.7)	(10.2)	162.4
Total	**(10.9)%**	0.4 %	(11.3)%	**$(43.7)**	$1.7	$(45.4)	$357.2

(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.