



PowerA Acquisition Investor Presentation

November 11, 2020



Forward-Looking Statements

Statements contained in this presentation, other than statements of historical fact, particularly those anticipating future financial performance, business prospects, growth, operating strategies and similar matters, including without limitation, statements about the benefits of the proposed acquisition of Power A, including future financial and operating results, the expected timing of completion of the acquisition, and other statements relating to PowerA and the acquisition, are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. These statements are based on the beliefs and assumptions of management based on information available to us at the time such statements are made. These statements, which are generally identifiable by the use of the words "will," "believe," "expect," "intend," "anticipate," "estimate," "forecast," "project," "plan," and similar expressions, are subject to certain risks and uncertainties, are made as of the date hereof, and we undertake no duty or obligation to update them. Because actual results may differ materially from those suggested or implied by such forward-looking statements, you should not place undue reliance on them when deciding whether to buy, sell or hold the company's securities.

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

Among the factors that could cause our actual results to differ materially from our forward-looking statements are: the risk that material conditions to the closing of the acquisition of PowerA, including regulatory approvals and contract consents, may not be satisfied; the risks that the acquisition of PowerA may not be completed; the length of time necessary to consummate the acquisition of PowerA; our ability to realize the growth opportunities, synergies and other potential benefits of acquiring PowerA and to successfully integrate it with our existing business; and the risks associated with the additional indebtedness incurred to finance the acquisition, including debt service obligations.

Other factors that could cause our actual results to differ materially from our forward-looking statements are: the scope and duration of the COVID-19 pandemic, government actions and other third party responses to it and the consequences for the economy, as well as the regional and local economies in which we operate; uncertainties regarding when the risks of the pandemic will subside and how geographies, distribution channels and consumer behaviors will evolve over time in response to the pandemic; and the pandemic's impact on our business, operations, results of operations and financial condition, including, among others, manufacturing, distribution and supply chain disruptions, reduced demand for our products and services, and the financial condition of our suppliers and customers, including their ability to fund their operations and pay their invoices; a relatively limited number of large customers account for a significant percentage of our sales; risks associated with shifts in the channels of distribution for our products; issues that affect customer and consumer spending decisions during periods of economic uncertainty or weakness; risks associated with foreign currency fluctuations; challenges related to the highly competitive business environments in which we operate; our ability to develop and market innovative products that meet consumer demands; our ability to grow profitably through acquisitions and expand our product assortment into new and adjacent categories; our ability to successfully integrate acquisitions and achieve the financial and other results anticipated at the time of acquisition, including planned synergies; our ability to successfully implement our cost reduction and productivity initiatives; risks associated with the changes to U.S. trade policies and regulations, including increased import tariffs and overall uncertainty surrounding international trade relations; the failure, inadequacy or interruption of our information technology systems or 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 successfully expand our business in emerging markets and the exposure to greater financial, operational, regulatory and compliance and other risks in such markets; the effects of the U.S. Tax Cuts and Jobs Act; the impact of litigation or other legal proceedings; the risks associated with outsourcing production of certain of our products, information systems and other administrative functions; the continued decline in the use of certain of our products; risks associated with seasonality; risks associated with changes in the cost or availability of raw materials, labor, transportation and other necessary supplies and services and the cost of finished goods; our failure to comply with applicable laws, rules and regulations and self-regulatory requirements and the costs of compliance; the sufficiency of investment returns on pension assets, risks related to actuarial assumptions and changes in the unfunded liabilities of a multi-employer pension plan; any impairment of our intangible assets; risks associated with our indebtedness, including our debt service obligations, limitations imposed by restrictive covenants, our ability to comply with financial ratios and tests, and the phase out of the London Interbank Offered Rate; a change in or discontinuance of our stock repurchase program or the payment of dividends; the bankruptcy or financial instability of our customers and suppliers; our ability to secure, protect and maintain our intellectual property rights; product liability claims, recalls or regulatory actions; our ability to attract and retain key employees; 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, 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, 2019, in "Part II, Item 1A. Risk Factors" in our Quarterly Report on Form 10-Q for the quarters ended March 31 and June 30, 2020, and in other reports we file with the Securities and Exchange Commission. Additionally, many of the other risk factors affecting us are currently elevated by, and may continue to be elevated by, the COVID-19 pandemic.

Non-GAAP Financial Measures

This presentation contains non-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 businesses. We believe our non-GAAP measures provide management and investors with a more complete understanding of our underlying operational results and trends, facilitate meaningful period-to-period comparisons and enhance an overall understanding of our past and future financial performance.

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

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

Our non-GAAP financial measures include the following:

Adjusted Operating Income/Adjusted Income Before Taxes/Adjusted Net Income/Adjusted Net Income Per Diluted Share: Represents operating income, income before taxes, net income, and net income per diluted share excluding restructuring charges, the amortization of the step-up in value of inventory, transaction and integration expenses associated with acquisitions, non-recurring items in interest expense or other income/expense such as expenses associated with debt refinancings 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.

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

Net Leverage Ratio: Represents total debt, less debt origination costs and cash and cash equivalents divided by Adjusted EBTIDA. We believe that net leverage ratio is useful to investors since the company has the ability to, and may decide to, use a portion of its cash and cash equivalents to retire debt. This presentation contains non-GAAP financial measures. We explain how we calculate and use each of these non-GAAP measures and provide a reconciliation of our current period and historical non-GAAP financial measures to the most directly comparable GAAP financial measure in the tables attached to this presentation.

Executing Our Strategy

Expanding our global footprint

- Acquisitions of Esselte, Pelikan Artline, GOBA, Foroni

Growing our portfolio of consumer brands

- Esselte: Leitz® staplers and laminators, Rapid® DIY tools
- Pelikan Artline: Artline® pens and markers
- GOBA: Barrilito® school and craft products
- Foroni: School and office notebooks

Increasing our presence in growing channels and diversifying customer base

- Investing in growing channels of mass and e-tail
- Acquisitions have diversified customer base, added consumer-facing channels, and reduced dependencies on declining customers

Achieving significant cost synergies and productivity savings

- Achieved \$40M of savings in 2019
- YTD September savings in 2020 of \$63M, including incremental actions in response to COVID-19

Focus on the shareholder

- Significant FCF generation
- Dividend added in 2018; raised 8.3% in 2019; ~\$25M per year
- Returned \$275M in share repurchases since 2014
- Historical balance among dividend, debt reduction, share repurchases, acquisitions

Recent Acquisitions

PELIKAN ARTLINE (2016)

Leading distributor of academic, consumer and business products in Australia and New Zealand



Extended reach into consumer and school categories, adds scale

- \$104M cash transaction
- ~4.1x (6.1x pre-synergies) for incremental \$25M annual Adj. EBITDA, incl. \$8M of synergies
- Immediately accretive to EPS

ESSELTE (2017)

Leading European manufacturer and marketer of office and consumer products



Expanded channel and geographic presence

- \$327M cash transaction
- ~4.0x (5.6x pre-synergies) for incremental \$83M of annual Adj. EBITDA, incl. \$23M of synergies
- ~\$55M incremental FCF in Yr. 3

GOBA INTERNACIONAL (2018)

Premier marketer and seller of school and craft products in Mexico
Key brand: Barrilito



Extended into school and craft categories, diversified customer base

- \$38M net cash transaction
- ~6.0x for incremental \$6M of Adj. EBITDA
- Modest EPS accretion

FORONI (2019)

Premier manufacturer, marketer and seller of consumer and school products in Brazil



Expand leadership in consumer and school products in Brazil

- \$57M net cash transaction
- ~6.0x for incremental \$10M of Adj. EBITDA
- Modest EPS accretion

Note: Adjusted EBITDA and free cash flow of acquired company based on IFRS, not U.S. GAAP, and excluding charges

Acquisitions Are Core to Our Growth Strategy

Strategic Focus Areas

- 1. Categories/
Geographies with
Opportunity for Growth**
 - Categories with proven growth potential
 - Geographies with demographic tailwinds
 - More focus on consumer-oriented brands and categories
- 2. Complementary
Brand
Attributes**
 - Acquired brands are market share leaders
 - Strong brand preference among end-user consumers
 - Ability to extend existing or acquired brands across new categories or geographies
- 3. Channel
Diversity**
 - Increased diversity of channels to market
 - Increased access to end-user consumer

Financial Criteria

Returns > WACC

- Consolidating transactions to deliver +15% ROIC driven by synergies
- New category/geography transactions to deliver +10% ROIC

Achievable Cost Synergies

- Easily recognized cost synergies in SG&A, footprint consolidation, and/or sourcing/manufacturing
- Predictable costs and timing to realize synergies

Accretive to Cash Flow and EPS

- Accretive to EPS in 1-2 years
- Consistent and predictable cash flow
- Ability to pay down debt quickly and reload

PowerA Strategic Rationale

Acquisition Criteria & Rationale

<u>Growth:</u> Categories/Geographies with Opportunity for Growth	<u>Brands:</u> Complementary Brand Attributes	<u>Channels:</u> Channel Diversity
<ul style="list-style-type: none"> • The Company has had strong organic growth (~40% historic CAGR). • The Company projects future organic growth to be ~15% • Growth forecasts supported by new console launches and market expansion due to staying and playing at home • Opportunity to accelerate growth in EMEA and International with local ACCO Brands presence • Platform for additional acquisitions 	<ul style="list-style-type: none"> • Recognizable brands (licensed and owned) with strong placement at retail. • The Company's products enjoy leading positions in their respective categories. 	<ul style="list-style-type: none"> • Increases our presence in faster growing mass and e-tail channels • Expands our U.S. channels by adding presence in electronics and gaming focused retailers.
<u>Returns:</u> ROIC Above Our WACC	<u>Accretion:</u> Accretive to Cash Flow and EPS	<u>Synergies:</u> Achievable Cost Synergies
<ul style="list-style-type: none"> • Year 3 ROIC ~11% assuming no synergies. 	<ul style="list-style-type: none"> • Expected to be accretive to earnings and normalized cash flow in year one. 	<ul style="list-style-type: none"> • We do not expect to realize material net synergies as we intend to operate the company on a more-or-less standalone basis. • Future opportunities to explore for supply chain and product development synergies with Kensington® computer accessories.

PowerA at a Glance

Leading provider of third-party controllers and power solutions in North America

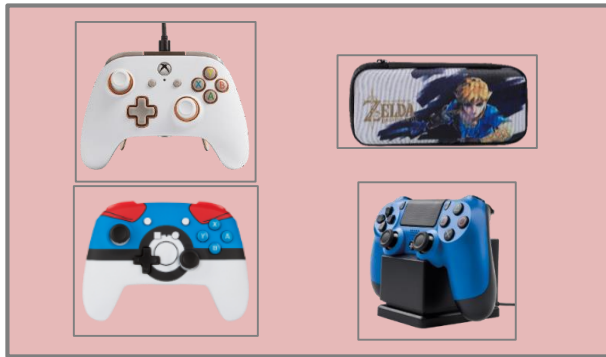
Founded 1984	HQ Woodinville, WA	Products Sold 75% U.S.
2019 Revenue \$166M	2019 Adj. EBITDA \$34M	Double-digit sales growth



PowerA at a Glance

TRUSTED PARTNER

PARTNER OF CHOICE FOR LEADING
GAMING PLATFORM PROVIDERS



MARKET LEADER

**#1 PROVIDER OF THIRD-PARTY CONTROLLERS
AND POWER SOLUTIONS** IN NORTH AMERICA

CONNECTING GAMERS TO GAMES

PROVIDES ENABLING TECHNOLOGY FOR THE
WORLD'S FASTEST GROWING
ENTERTAINMENT MEDIUM

2.9 BILLION

GAMERS GLOBALLY BY 2022

Trusted Licensing Partner for Gaming Platforms, Publishers and Game Titles

CONSOLE PLATFORMS



PUBLISHERS



GAME TITLES



Growth Opportunities

- ❑ Proven track record of increasing market share across all core product categories due to best-in-class products, speed to market, aligned incentives with partners and utilization of data-driven consumer and market insights
- ❑ Launch of next generation console platforms (Xbox Series X, Nintendo Switch Next and PlayStation 5) will drive incremental growth, along with continued sales from soon-to-be previous generation console controllers and power solutions
- ❑ Well positioned to benefit from the launch of cloud gaming services due to first mover advantage in mobile controllers
- ❑ Expansion in EMEA and other international markets
- ❑ Introduction of upmarket FUSION pro product line addresses unmet needs of growing aspirational gamer audience

Well positioned to Capitalize on Expansion of Cloud Gaming

Cloud gaming will require controllers and power solutions that enable a consistent gaming experience across all gaming modalities (PC, console, mobile)

Cloud Gaming Services Will Expand the Market for Premium Games Beyond the Current Console and PC Audience



Launched public beta for xCloud in October 2019 before general launch in 2020



As of March 2019, PS4 Remote Play allowed users to stream PS4 games to their mobile devices over Wi-Fi



Launched Stadia in November 2019 to enable cross-screen gameplay across TVs, laptops, desktops and mobile devices



Launched Apple Arcade in September 2019, which allows players to download and play 100+ exclusive games on their Apple devices

Controllers and Power Solutions Will Ensure Consistent Experience Across All Gaming Modalities

"Just as mobile gaming has expanded the market by making games accessible to billions of people across the globe via smartphones and tablets, **cloud gaming has the potential to expand the market for premium games beyond the current console and PC audience by making them accessible to anyone on any device.**"



"In the short term, we're already seeing some models come to the market that are really **centered on the promise of 5G. This is the promise of play anywhere, at any time, on any screen.** This is a mechanism that helps to stoke the kind of demand that will be required to hit a number like **5 billion gamers in the future.**"



"In xCloud, we are building a convenience capability to allow you to **take your Xbox experience with you.** Meaning, that's why we **focus on the phone,** and the experience is not the same as running the games on an Xbox One X... We're going to bring **convenience and choice** to you on your phone."



PowerA Has First Mover Advantage in Mobile Controllers and Power Solutions With the Launch of MOGA Product Line in 4Q 2019



XPS
PORTABLE



XPS
TRADITIONAL



XPS
ADAPTABLE



CHAT
EARBUDS



MOBILE GAMING
CLIP









POWER
BANK

Product Overview/Relationships







20 YEARS

CONSOLES	SELECT PRODUCTS
Wii	 Wii Wireless Controller
NINTENDO SWITCH	 Switch Wireless Controller
	 Switch Charging Dock
	 Switch FUSION FightPad
Nintendo Switch Lite	 Switch Lite Protection Case
	 Switch Lite Stealth Case







13 YEARS

CONSOLES	SELECT PRODUCTS
XBOX 360	 Xbox 360 Wired Controller
XBOX ONE	 Xbox One FUSION Pro Wired Controller
	 Xbox One Charging Station
	 Xbox Series X



13 YEARS

CONSOLES	SELECT PRODUCTS
PS3	 PlayStation 3 Wired Controller
PS4	 PlayStation 4 FUSION Wireless Controller
	 PlayStation 4 FUSION FightPad
	 PlayStation 4 Charging Stand

POWERFUL, LONGSTANDING RELATIONSHIPS WITH KEY PARTNERS

Many Customer Synergies with ACCO Brands

REGION	KEY RETAIL AND ECOMMERCE PARTNERS				
NORTH AMERICA	amazon	BEST BUY	EBGAMES™	Fred Meyer	
	GameStop®	meijer	Sam's CLUB	SOURCE	
	TARGET	VIDEOTRON		Walmart*	
EMEA	amazon	Argos	ASDA	Auchan	Carrefour
	El Corte Inglés	ELKJOP	fnac	GAME	MediaMarkt
	MICROMANIA	Sainsbury's	SATURN	SMYTHS TOYS SUPERSTORES	TESCO

POWERA HAS LONG-TERM, WELL-ESTABLISHED RELATIONSHIPS WITH KEY RETAILERS

Acquisition Terms



Transaction Details

- ❑ Total upfront consideration of \$340M plus additional earnout of \$55M based on achieving one- and two-year sales and profit growth objectives
- ❑ Accretive to earnings and normalized cash flow for full year 2021
- ❑ Subject to customary closing conditions, including contract consents and regulatory filings
- ❑ Expected to close before year end
- ❑ Financed through cash on hand and borrowings from \$600 million revolving credit facility
- ❑ Amended our bank credit agreement to increase its maximum net leverage covenant by 0.5x from current levels for a period of six quarters, beginning with 1Q 2021 and ending with 2Q 2022, to allow for similar headroom as before the acquisition

Pro Forma Capital Structure

- ❑ Pro Forma capital structure as of December 31, 2020
- ❑ No maturities until 2024

Facility	(\$ in millions) Balance ¹	Interest Rate Methodology	Rate
\$600M multicurrency revolver	352	LIBOR + 250 bps, 50 bps unused	3.75%
USD Term Loan A	93	U.S. LIBOR ³ + 250 bps	3.70%
EUR Term Loan A	275	Euro LIBOR (floor 0%) + 250 bps	2.50%
AUD Term Loan A	<u>40</u>	Australian BBSR + 250 bps	2.65%
Subtotal Senior secured credit facilities ²	786	Weighted average	3.23%
Senior unsecured notes	<u>375</u>	5.25% fixed	5.25%
Total Debt²	1,140	Weighted average interest rate	3.90%

¹ Assumes ACCO achieving \$100 million in free cash flow for 2020; also includes the financing of the PowerA acquisition through revolver borrowings.

² Includes Other Borrowings of \$5 million.

³ US dollar denominated loans subject to a LIBOR floor of 1% beginning May 1, 2020.

Executing On Capital Allocation Strategy

Priorities

Capital Allocation

- Expect to generate more than \$100M in FCF in 2020 (at least \$120M cash from operations minus < \$20M capex)
- Near-term focus on funding dividend and reducing debt
- Long-term strategy remains to deploy FCF to fund dividends, reduce debt, repurchase shares, make acquisitions

Debt Reduction

- 3Q 2020 net leverage of 3.45x
- Acquisition close net leverage ~4.2x
- Anticipate return to current level of ~3.5x by year end 2021
- Long-term net leverage goal 2.0x-2.5x

Shareholder Returns

- 2020 expect to pay ~\$25M in dividends
- 1Q 2020 repurchased 2.9M shares for \$19M*

*includes payments related to tax withholding for compensation of \$1.8M, offset by \$1.7M of proceeds from exercise of stock options

Outlook

- Due to the uncertainty associated with the global economic disruption from the COVID-19 pandemic and related government and business measures, the company withdrew its annual guidance for sales and adjusted earnings per share on April 13, 2020. The following outlook is for 4Q.

4Q 2020 Outlook

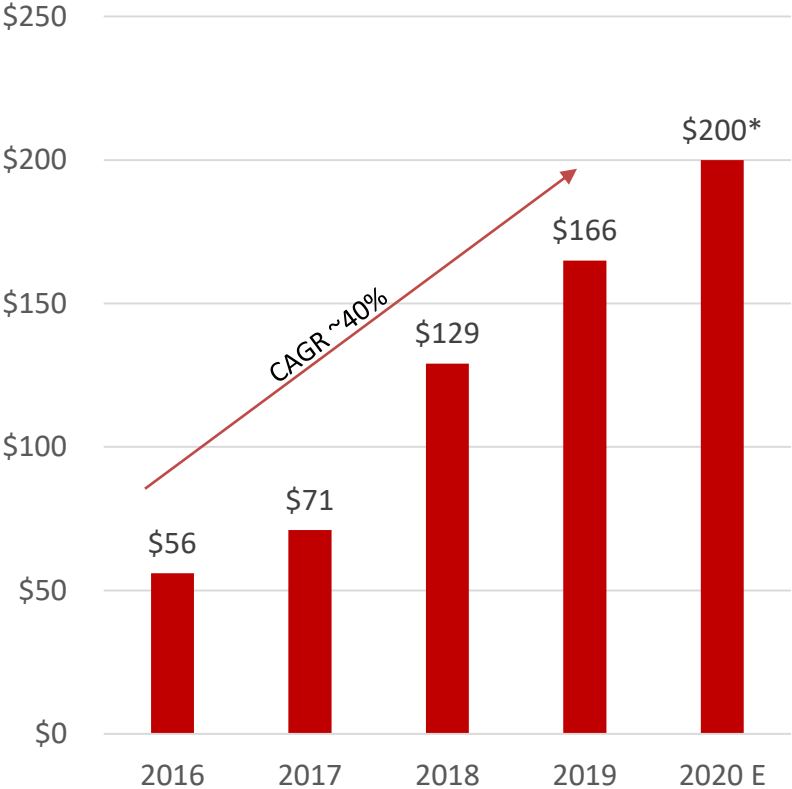
Net Sales¹	(15)% to (20)%
Adj. EPS¹	\$0.26 to \$0.32

- For the full year, we expect to generate at least \$100M in FCF (at least \$120M cash from operations minus < \$20M capex)

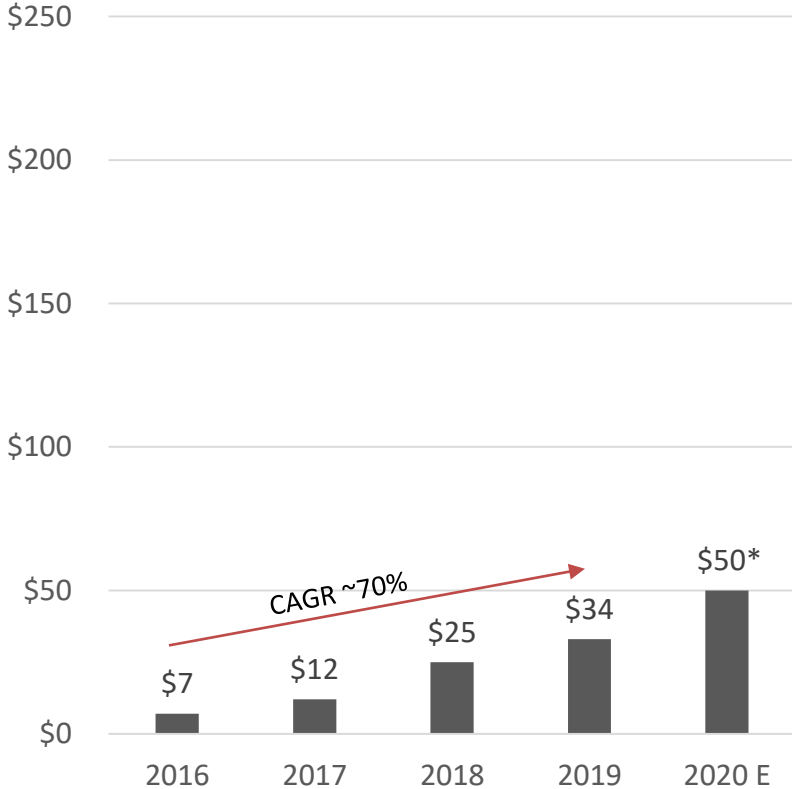
¹ Includes assumption of (2.0)% impact on sales and \$(0.02) impact on adjusted EPS from adverse FX.
FX impact based on September 30, 2020, spot rates.

PowerA Financials

Sales (in Millions)



Adjusted EBITDA (in Millions)



*2020 sales and adjusted EBITDA are estimates
Historic sales and adjusted EBITDA presented are as reported by the seller

Q&A

Invest With Us as We Transform Our Company

Leading branded supplier of consumer and business products

Focused on increasing sales concentration to faster growing, consumer products categories

~75% of net sales from brands that occupy the #1 and #2 positions within their respective product categories

Scale, strategies and capabilities to significantly grow sales and EPS



More globally diversified business creates more stable financial performance

Acquisitive company skilled at integrating businesses and brands into portfolio

Strong cash flow generation that supports growth, innovation, and improved shareholder returns

Potential for more significant value creation over the next several years

