
Jefferies Global Consumer Conference

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Forward-Looking Statements

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ESND: A Value-Adding Wholesale Distributor



Our goal is to be the fastest, most convenient solution for workplace essentials



ESSENDANT™
BEYOND ESSENTIAL

On June 1, 2015 we combined
our family of brands to become
ESSENDANT
(NASDAQ: ESND)

ESSENDANT™

Essendant at a Glance

Office
Products



Industrial



JanSan &
Breakroom



Value of U.S.
wholesale
market
exceeds \$100B
in each
category

Automotive



ESSENDANT[™]

Source: Company Estimates, 2015 10-K.

OP: Large & Profitable Category Despite Secular Decline

Office Products



At Essendant:

- FY15 Revenue: \$2.9B
- % of Total Sales: ~55%

Estimated Category Growth:

- Estimate secular decline to be shrinking overall market by 3-5% annually

Industry Trend:

- Consolidating market—large independents buying smaller dealers and “mom and pops”

OUR STRATEGY:

- Focused alignment with large dealers—grow our share/sales with them as they consolidate space

JanSan: Impressive Historical Growth With Long Runway

JanSan & Breakroom



At Essendant:

- FY15 Revenue: \$1.5B
- % of Total Sales: ~28%

Estimated Category Growth:

- Approximately GDP

Industry Trend:

- Fragmented market likely to coalesce around best players from digital and convenience perspective

OUR STRATEGY:

- Enhance customer value through “Common Platform”—cross-sell to OP and other customers

Industrial: Cyclical Outperformer With Opportunity to Benefit From Leveraging Core Business

Industrial



At Essendant:

- FY15 Revenue: \$575M
- % of Total Sales: ~11%

Estimated Category Growth:

- GDP+

Industry Trend:

- Highly fragmented market facing headwinds that have impacted results and near-term expectations

OUR STRATEGY:

- Expand customer set beyond energy, optimize product assortment, advance digital capabilities and leverage core business for return to growth

Automotive: Industry Tailwinds Expected to Drive Long-Term Growth

Automotive



At Essendant:

- FY15 Revenue: \$294M
- % of Total Sales: ~6%

Estimated Category Growth:

- GDP+

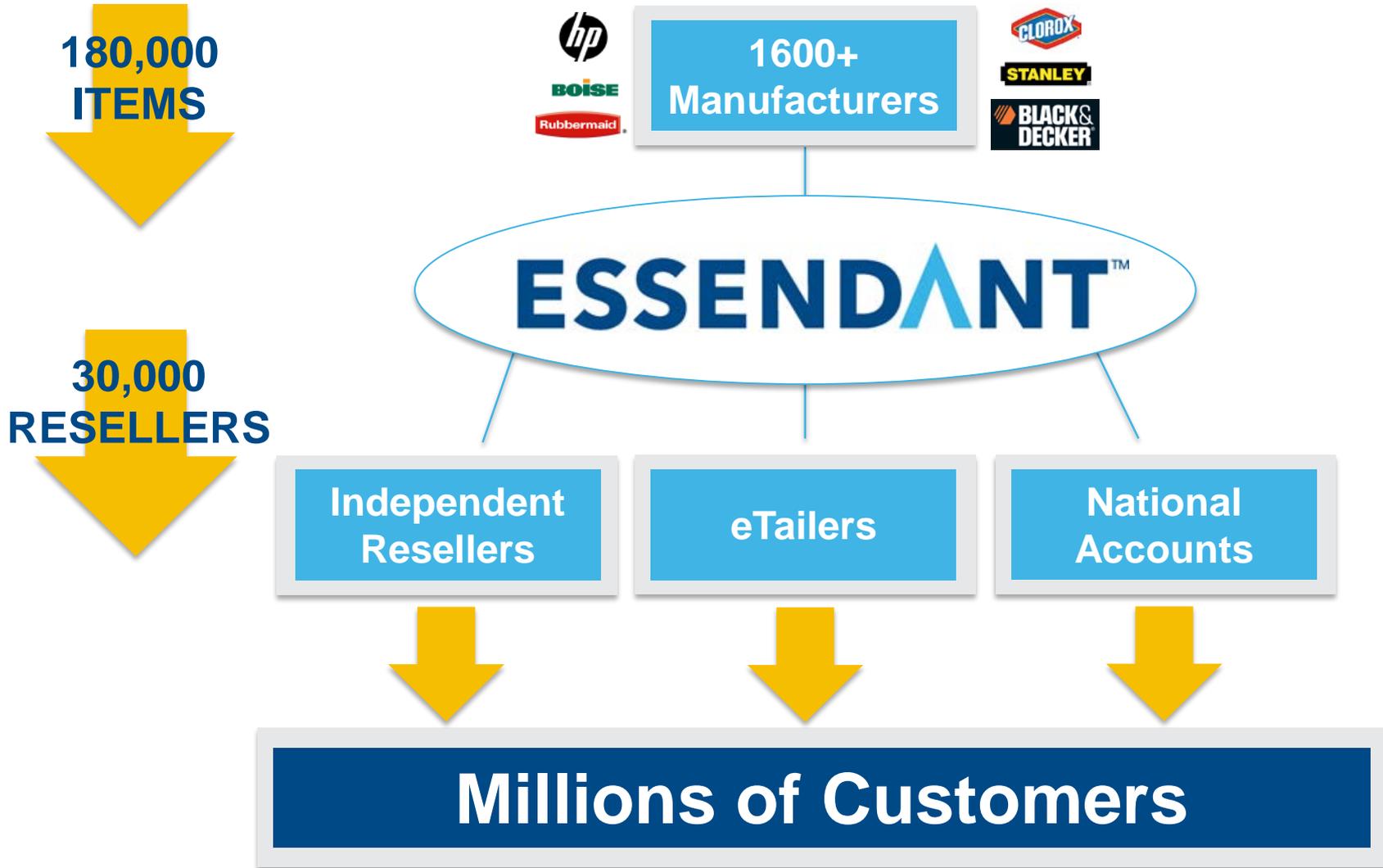
Industry Trend:

- Higher average vehicle age, complexity and miles driven driving demand trends

OUR STRATEGY:

- Focus on niche markets supported by common inventories—leverage expertise and develop right product mix for customers

Drive Profit by Enabling a Full Range of Resellers



Our Three Channels Well-Positioned to Benefit From Shifting Consumer Demand

ESSENDANT™

Independent Resellers – 78% of FY 15 sales

Key value drivers for channel:

- Enhanced digital services
- Broad assortment & geographic reach
- Operating excellence



eTailers – 12% of FY 15 sales

- Ease of market entry
- Broad assortment in one shipment
- Rich item content
- Operating excellence under their brand



National Accounts – 10% of FY 15 sales

- Category breadth including non-core items
- Supplemental sourcing
- Support contract business: limited exposure to retail
- Highly integrated operating model



Core Capabilities Provide Solid Platform

**Category & Item
Breadth**



**National Reach &
Infrastructure**



**Operational
Excellence**



**Core capabilities well-known in industry and highly valued by
both long-term and new customers**

Differentiated Capabilities to Drive Growth

Digital Services



Category &
Channel Expertise



Ease of Doing
Business



Differentiated offering supports customers in expanding their business

Compelling Long-Term Value Proposition

1 Steady and diversified business

- Office products remains large and profitable category
- 45% of revenue outside of core office products
- Consistent profitability

2 Opportunity to grow business faster than GDP

- Recent sales momentum: four large new customers in the first quarter
- Remain interested in inorganic growth opportunities that leverage platform

3 New management team executing clear plan

- Expect to begin realizing benefits of common platform project this year
- Drive operating leverage by fully integrating recently acquired businesses
- Reducing costs to remain price competitive and drive free cash to re-invest in business

4 Business generates strong cash flow

- Expect free cash flow to be equal to or better than net income in 2016
- Operating model generates strong operating cash flows with modest capex

5 Returning value to shareholders

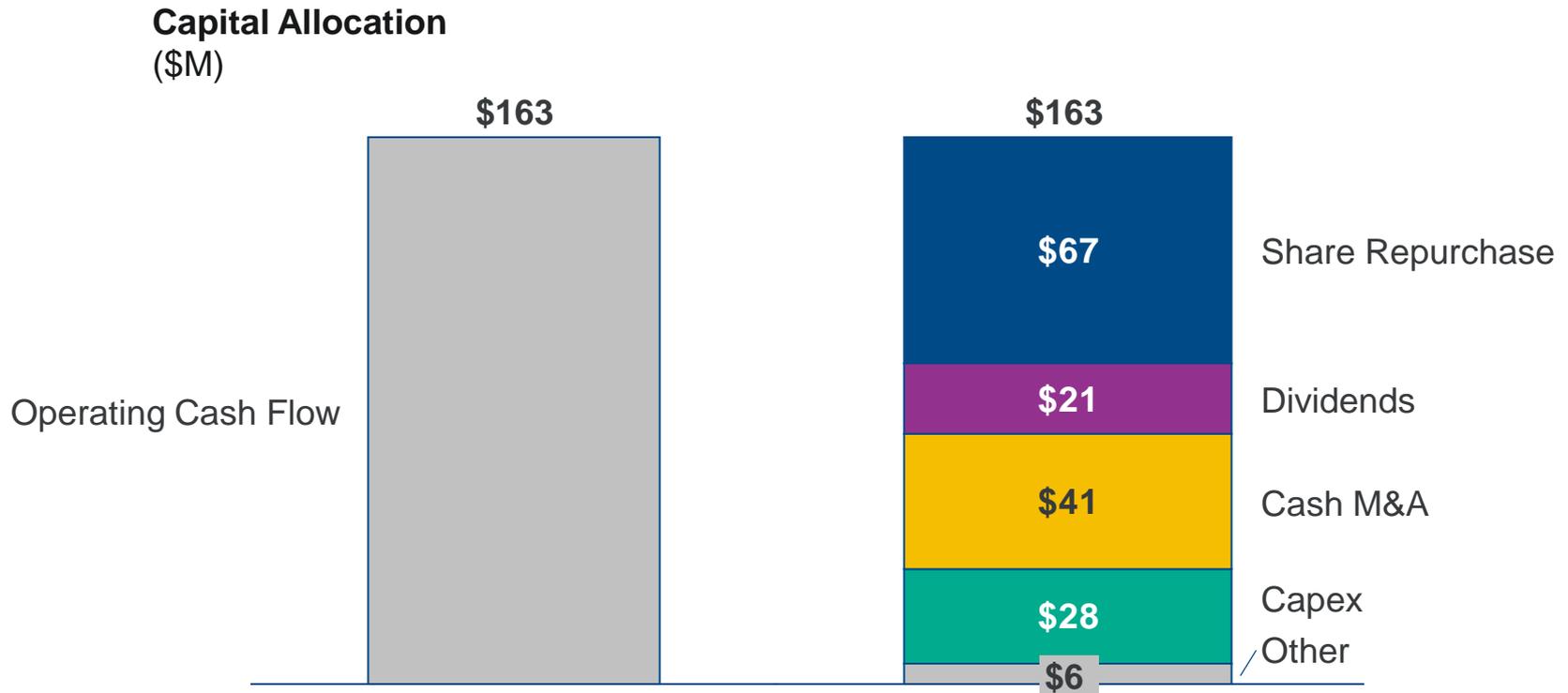
- Reduced share count 42% in last 10 years
- Share repurchase and dividend viewed as key part of our capital allocation

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Q&A



YE 2015 Capital Allocation



Note: Dividend pays \$0.14/share per quarter

More than half of operating cash (\$88.5M) was returned to shareholders via share repurchase and dividends in 2015