Earnings Presentation

First Quarter 2016

April 20, 2016

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BEYOND ESSENTIAL

Forward-Looking Statements

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Q1 2016 Overview

- **Q1 results in-line with expectation**
  - Organic sales increased 2.0% year-over-year
    - Organic workday adjusted sales increased 0.4%
    - Workday adjusted sales decreased (0.1%)
  - $0.45 Adjusted EPS[1] vs. $0.46 last year
- **Re-affirm FY 2016 Guidance**
- **Revenue growth trajectory on track**
  - New account wins fully ramped by May—expected to deliver in excess of $100M revenue annually

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1) For a definition and reconciliation of Adjusted EPS, please see appendix.

Q1 2016 Accomplishments

- **Common Platform facility conversions for core OP & JanSan categories complete**
  - 45 facilities nationwide now on same operating & IT platform
    - Enhances next day fulfillment and value for customers
    - Enables opportunity for cross-sell and operating leverage improvement

- **JanSan growth back to positive after disruption**
  - Implemented fixes after common platform transition to restore positive growth
  - Incremental opportunity to increase sales

- **Opportunities and insights from Core Lab[1] meeting**
  - Near-term opportunity from highlighting common platform and expanding offering
  - Digital capabilities are a significant differentiator
  - Vertical Markets group continues to grow enterprise account revenue at double-digit rate
    - Resellers looking to Essendant for leadership

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1) Center for Reseller Excellence. Core Lab was a meeting we hosted of 115+ resellers and 30+ suppliers in Chicago on April 4-5, 2016.

Near-Term Objectives

1) **Generate profitable sales growth**
   - Aligning with customers who are taking share in each channel we serve

2) **Move businesses onto common platform**
   - Completed Office Products, JanSan and Breakroom
   - CPO and Automotive to follow

3) **Simplify business and continue to control costs**
   - Gain operating leverage and reduce overhead by fully integrating recently acquired businesses

4) **Pursue merchandising excellence**
   - Optimize assortment and create additional value for business and customers

5) **Stabilize Industrial business**
   - Revised business value proposition to diversify beyond oilfield and energy sectors

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Q2 Goals

1 Continue Positive Revenue Trends

- Increase revenue by growing share
- Fully integrate/onboard new business
- E-tail growth
- Continue Industrial stabilization

2 Complete Common Platform Transition & Normalize Operations

- Continue to enhance customer experience
- Continue to regain momentum in JanSan

3 Improve Working Capital / Inventory

- Position company to achieve full-year targets

4 Staples Wholesale Business Acquisition

- Continue to prepare transition plan

5 Refinements to Industrial Long-Term Strategy

- Expand target customer group

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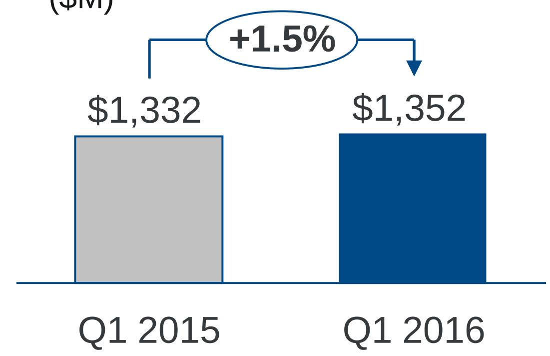
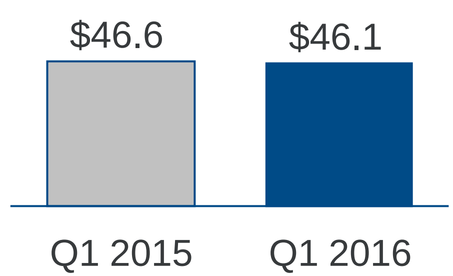
Q1 2016 Financial Results

- Organic sales increased 2%
  - Overall sales up 1.5%
  - Decrease from Mexico business sale partly offset by Nestor automotive acquisition
- Adjusted EBITDA[1] decreased $0.6M on $0.3M higher Adjusted Operating Expense
  - Impacted by incremental common platform expense and lower inflation of $6M total
- Adjusted EPS[1] of $0.45 down 1 cent YOY

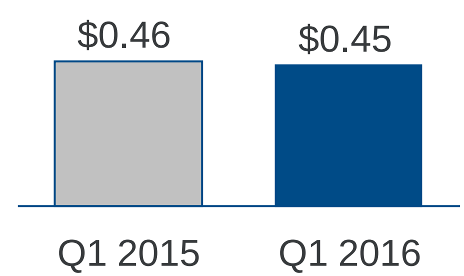
Net Sales
($M)



Adjusted EBITDA[1]
($M)



Adjusted EPS[1]
($/share)



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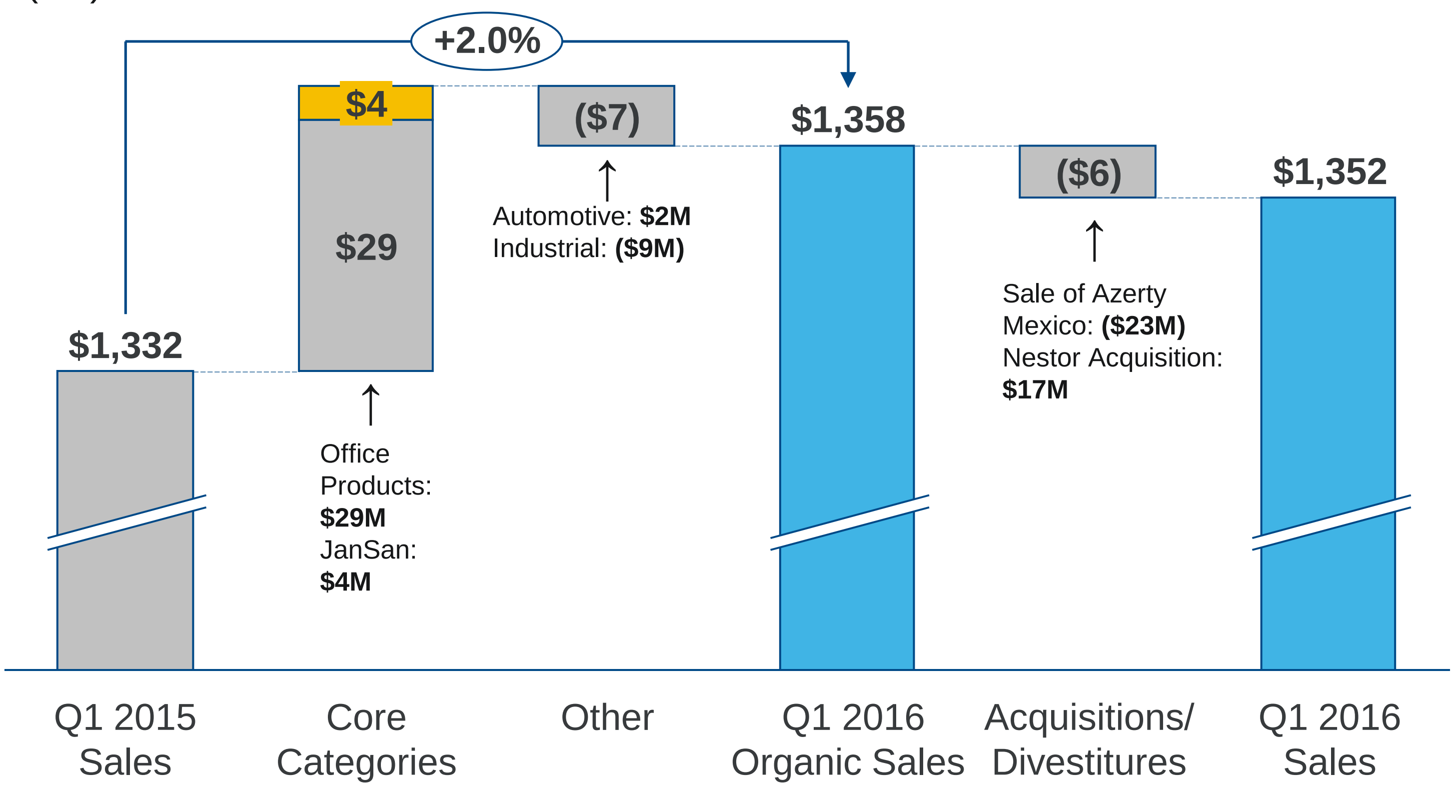
1) For a definition and reconciliation of Adjusted EBITDA and Adjusted EPS, please see appendix.

Q1 Organic Sales Increased 2.0%, Driven by Office Products

Q1 2016 Net Sales Bridge
($M)



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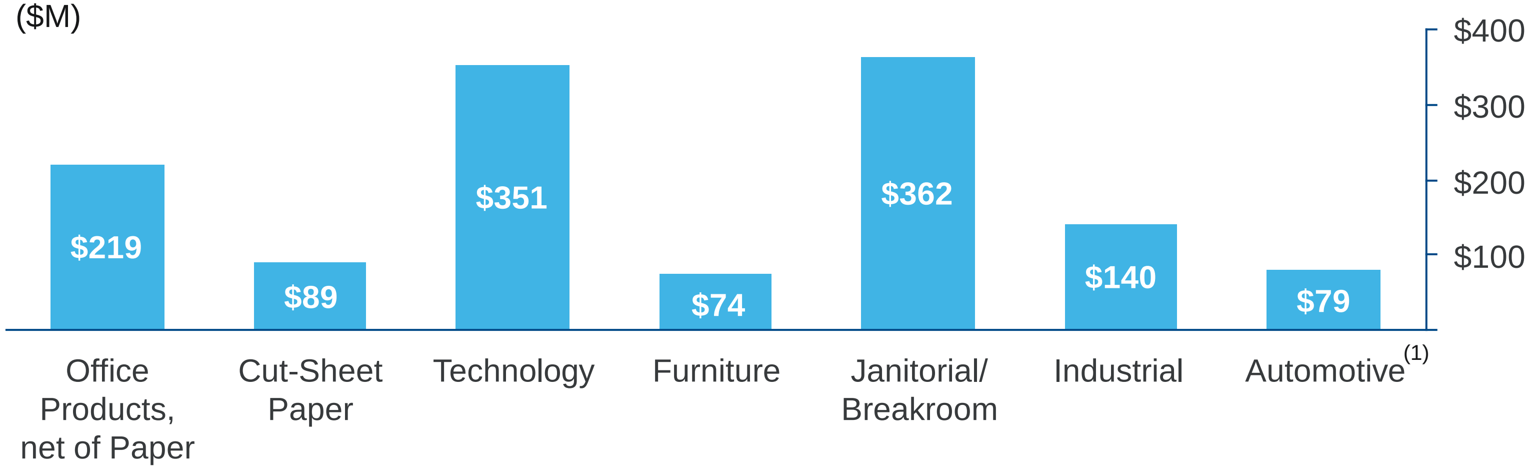
Growth in Core Categories in Q1

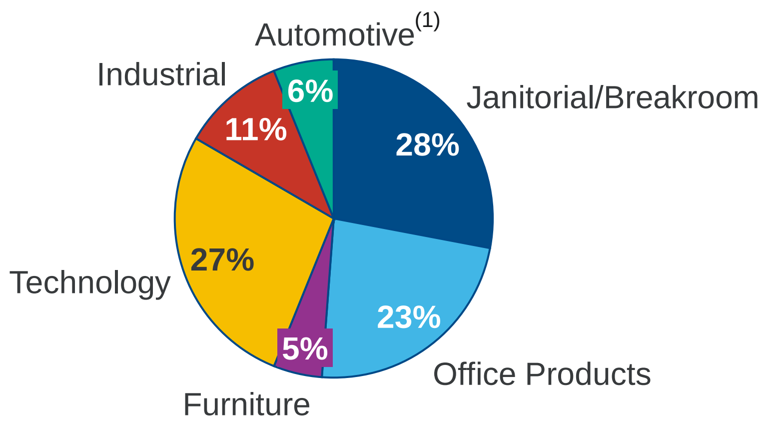
Q1 2016 Category Sales
($M)



YOY % Δ	4.1%	3.8%	(0.5%)	(5.0%)	1.0%	(6.2%)	31.8%

Q1 2016 Sales Mix

Largely unchanged year-over-year



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1) Includes acquisition of Nestor Sales LLC in July 2015.

Re-iterate Full-Year 2016 Guidance

	FY 2015A	Expected Change YOY	2016E Guidance Range
Revenue	$5,363M	+1% to +5%	**$5.4B - $5.6B**
Adjusted EPS	$3.08	+4% to +10%	**$3.20 - $3.40**

- Expect 2016 annual Free Cash Flow to be equal to or greater than Net Income
- Guidance above excludes impact of potential Staples transaction, any new acquisitions or unusual charges

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Appendix

Non-GAAP Reconciliation

	For the Three Months Ended March 31, 2016	For the Three Months Ended March 31, 2015 (Revised)
Operating expenses	$ 167,678	$ 197,581
Workforce reduction and facility closure charge	(254)	(6,433)
Intangible asset impairment charge and accelerated amortization related to rebranding	-	(10,462)
Asset held for sale impairment	-	(13,566)
Adjusted operating expenses	$ 167,424	$ 167,120
Operating income	$ 32,404	$ 2,814
Operating expense items noted above	254	30,461
Adjusted operating income	$ 32,658	$ 33,275
Depreciation and amortization	$ 10,489	$ 10,711
Equity compensation	2,911	2,640
Adjusted earnings before interest, taxes, depreciation and amortization (EBITDA)	$ 46,058	$ 46,626
Net income (loss)	$ 16,530	$ (6,007)
Operating expense items noted above, net of tax	155	23,896
Adjusted net income	$ 16,685	$ 17,889
Diluted net income (loss) per share(1)	$ 0.45	$ (0.16)
Per share operating expense items noted above	0.00	0.62
Adjusted diluted net income per share	$ 0.45	$ 0.46

1) Diluted net income (loss) per share for the first quarter of 2015 under GAAP reflect an adjustment to the basic earnings per share due to the net loss. The diluted earnings per share shown here does not reflect this adjustment.

Note: Adjusted Operating Expenses, Adjusted Operating Income, Adjusted EBITDA, Adjusted Net Income and Adjusted Earnings Per Share in the first quarter of 2016 exclude the effects of a workforce reduction and facility consolidation charge. The 2015 quarter excludes the effects of a workforce reduction and facility consolidation charge, intangible asset charge and accelerated amortization related to rebranding, and an impairment charge related to listing a non-strategic business for sale. Generally Accepted Accounting Principles require that the effects of these items be included in the Condensed Consolidated Statements of Income. Management believes that excluding these items is an appropriate comparison of its ongoing operating results and to the results of the prior year. It is helpful to provide readers of its financial statements with a reconciliation of these items to its Condensed Consolidated Statements of Income reported in accordance with Generally Accepted Accounting Principles.

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