

OFFICE DEPOT INC  
Form 10-Q  
November 07, 2018  
UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

FORM 10-Q

(Mark One)

Quarterly Report Pursuant to Section 13 or 15 (d) of the Securities Exchange Act of 1934

For the quarterly period ended September 29, 2018

or

Transition Report Pursuant to Section 13 or 15 (d) of the Securities Exchange Act of 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number 1-10948

Office Depot, Inc.

(Exact name of registrant as specified in its charter)

Delaware 59-2663954  
(State or other jurisdiction of (I.R.S. Employer  
incorporation or organization) Identification No.)

6600 North Military Trail, Boca Raton, Florida 33496  
(Address of principal executive offices) (Zip Code)

(561) 438-4800

(Registrant's telephone number, including area code)

(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Edgar Filing: OFFICE DEPOT INC - Form 10-Q

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of “large accelerated filer,” “accelerated filer,” “smaller reporting company,” and “emerging growth company” in Rule 12b-2 of the Exchange Act.:

Large accelerated filer Accelerated filer Non-accelerated filer  
Smaller reporting company Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

The number of shares outstanding of the registrant’s common stock, as of the latest practicable date: At October 27, 2018, there were 547,197,827 outstanding shares of Office Depot, Inc. Common Stock, \$0.01 par value.

TABLE OF CONTENTS

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (Unaudited) 3

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (Unaudited) 4

CONDENSED CONSOLIDATED BALANCE SHEETS (Unaudited) 5

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited) 6

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) 7

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations 25

Item 3. Quantitative and Qualitative Disclosures About Market Risk 33

Item 4. Controls and Procedures 33

PART II. OTHER INFORMATION 35

Item 1. Legal Proceedings 35

Item 1A. Risk Factors 35

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds 35

Item 6. Exhibits 36

SIGNATURES 37

EX 3.1

EX 31.1

EX 31.2

EX 32

EX 101

OFFICE DEPOT, INC.

## CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(In millions, except per share amounts)

(Unaudited)

|                                              | 13 Weeks Ended |           | 39 Weeks Ended |           |
|----------------------------------------------|----------------|-----------|----------------|-----------|
|                                              | September      | September | September      | September |
|                                              | 29,            | 30,       | 29,            | 30,       |
|                                              | 2018           | 2017      | 2018           | 2017      |
| <b>Sales:</b>                                |                |           |                |           |
| Products                                     | \$2,453        | \$ 2,426  | \$7,072        | \$ 7,053  |
| Services                                     | 434            | 194       | 1,273          | 606       |
| Total sales                                  | 2,887          | 2,620     | 8,345          | 7,659     |
| <b>Cost of goods and occupancy costs:</b>    |                |           |                |           |
| Products                                     | 1,906          | 1,877     | 5,534          | 5,461     |
| Services                                     | 295            | 110       | 862            | 344       |
| Total cost of goods and occupancy costs      | 2,201          | 1,987     | 6,396          | 5,805     |
| Gross profit                                 | 686            | 633       | 1,949          | 1,854     |
| Selling, general and administrative expenses | 567            | 506       | 1,674          | 1,519     |
| Asset impairments                            | —              | —         | —              | 1         |
| Merger and restructuring expenses, net       | 14             | 22        | 45             |           |