ACCO Brands Corporation

TRANSPARENCY ANALYTICS

OVERVIEW

MARCH 10, 2026

ACCO's issuer credit rating of B+ reflects its strong market position, brands and product quality in the office and educational supplies markets, ample cash flow generation, and moderate leverage. The rating is constrained by sustained pressure on revenues driven by secular trends away from use of paper-based products as well as by increased prevalence of remote work. The company is working to diversify into the growing Technology Accessories category, but pro forma for the recent acquisition of EPOS the category accounts for about 25% of revenues. In 2025, EBITDA declined due to combination of soft demand and effect of US tariffs on products imported from Asia which the company was able to pass through partially. Cost actions, pricing and mix, and EPOS transaction synergies will support margins at the current lower levels. While in 2026 the total revenue trend may be slightly positive due to addition of about $80 million of revenues from the EPOS acquisition, we expect the organic revenue trend to remain modestly negative.

Adjusted total leverage in December 2025 is elevated at 5.0x (including pension liability) and is expected to decline in 2026 due to debt reduction. Free cash flow generation is solid with low capital intensity and high conversion, though in 2025 it was affected by working capital inefficiencies due to supply chain effects of tariffs. Nearest debt maturities are in 2029 and term loan amortization is modest. Liquidity is adequate with cash balance of $64 million and available revolver of about $70 million taking into account the constraint of the credit facility's total leverage covenant. Credit facility amendment in 2025 limited total capital return (dividends and share repurchase) in 2026 to $40 million, and we expect ACCO to apply a portion of cash flow toward debt reduction.

CREDIT RATING SUMMARY

ISSUER
B+

OUTLOOK
Stable

CREDIT FACILITY
BB-

UNSECURED NOTES
B

RATING ACTION
Affirmation

ANALYTICAL CONTACTS

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FINANCIAL METRICS

$ millions	Dec. 2021A	Dec. 2022A	Dec. 2023A	Dec. 2024A	Dec. 2025A	Dec. 2026E	Dec. 2027E
Revenue	$2,025	$1,948	$1,833	$1,666	$1,525	$1,535	$1,495
Revenue Growth	22.4%	(3.8%)	(5.9%)	(9.1%)	(8.5%)	0.7%	(2.6%)
Adj. EBITDA	$284	$223	$253	$235	$192	$193	$191
EBITDA Margin	14.0%	11.5%	13.8%	14.1%	12.6%	12.6%	12.8%
Free Cash Flow	$133	$47	$103	$121	$40	$66	$67
Cash Balance	$41	$62	$66	$74	$64	$59	$55
Total Debt	$1,223	$1,156	$1,081	$956	$967	$931	$891
Total Debt/EBITDA	4.3x	5.2x	4.3x	4.1x	5.0x	4.8x	4.7x
Net Debt/EBITDA	4.2x	5.0x	4.1x	3.8x	4.8x	4.6x	4.5x
EBITDA/Interest	4.9x	4.2x	3.8x	4.0x	3.7x	4.2x	4.5x
FCF/Total Debt	10.9%	4.1%	9.5%	12.6%	4.1%	7.1%	7.5%

Note: All metrics reflect TA definitions and analytical adjustments. EBITDA adds back stock-based compensation. Metrics are adjusted for the defined benefit pension liability. Free cash flow is reduced by dividends and adds back pension funding in excess of service cost. Net Debt/EBITDA calculation reduces cash balance by assumed operating cash requirement of $20 million.

RATING OUTLOOK AND UPGRADE / DOWNGRADE FACTORS

OUTLOOK The stable outlook reflects elevated current leverage with expected improvement driven by debt reduction over the next 24 months.

UPGRADE FACTORS Ratings can be upgraded if ACCO generates stable revenue and EBITDA with solid free cash flow, and if Total Debt/EBITDA is sustained below 4.0x.

DOWNGRADE FACTORS Ratings can be downgraded if Total Debt/EBITDA is sustained above 5.0x, or if free cash flow is pressured.

COMPANY OVERVIEW

ACCO designs, produces and markets business office and educational supplies, including items for note-taking, organization and filing, equipment for stapling and other paper management, and computer accessories. Leading suite of office supply brands includes Swingline, Five-Star, Mead, Kensington and others. In 2025, Business Essentials (organization, paper management equipment) products accounted for 51% of sales, Learning & Creative (note-taking, boards, art) for 29%, and Technology Accessories (gaming and computer accessories) for 20%. In January 2026, ACCO acquired EPOS, a European manufacturer of enterprise headsets and audio solutions with revenues of $90 million, which increases Technology Accessories' revenue contribution to 25% on a pro forma basis. The company operates internationally, with Americas accounting for 59% of revenues and International accounting for 41% of revenues in 2025. The company manufactures about 40% of its products in its facilities located in countries in which it operates, and sources the remaining 60% from lower cost countries primarily in Asia including a meaningful portion from China.

FINANCIAL ASSESSMENT

GROWTH ACCO's revenues have been on a declining trend (except a rebound in 2021 from a low COVID-impacted 2020), due to difficult secular demand trends in office supplies and paper-driven product categories. The company has worked to diversify into the growing Technology Accessories category but it accounts for 25% of revenues pro forma for the recent EPOS acquisition. Revenue trends in 2025 were affected by US tariffs on products imported from Asia which the company partially recovered through higher pricing, which further affected sales volumes. In 2026, the EPOS acquisition will add about $80 million of revenues (11 months), supporting the total revenue trend even as organic growth remains negative as paper-driven products continue declining. While further mix shift and pricing may support forward trends from the current lower level, sustained solid growth in unlikely until product mix evolves more substantially.

PROFITABILITY ACCO sustained profitability through 2024 through cost reductions and product mix shift toward higher-margin categories. The company is executing a $100 million cost saving program of which $60 million was realized through 2025. However, in 2025 tariffs and supply chain effects had a negative effect on margins as pricing pass-through was partial, and lower revenues caused negative operating leverage. The combination of lower revenues and margins in 2025 resulted in an EBITDA decline of 17% for the year. In 2026 and 2027, we expect margins to stabilize at the current lower levels with support from the cost saving program, continued pricing recovery of tariffs, positive mix, and EPOS acquisition synergies.

CASH FLOW Despite the manufacturing aspect of the business, capital intensity is low at only about 1% of revenues. Working capital swing is meaningful intra-year due to seasonality, but annual investment usually is not significant. In 2025, supply chain effects caused working capital inefficiencies resulting in an elevated cash outflow. Combination of EBITDA decline and higher working capital cash use reduced free cash flow in 2025. We expect stable EBITDA and lower working capital cash use in 2026 to cause a rebound of free cash flow to about $66 million (reduced by dividend but adding back pension funding in excess of service cost).

CREDIT METRICS Following the credit facility amendment in October 2024, ACCO has no debt maturities until 2029. Adjusted total leverage including the pension liability stands at 5.0x in December 2025. With EBITDA expected to stabilize and modest debt reduction through amortization and revolver repayment, we project leverage to decline modestly in 2026 and 2027. As free cash flow generation recovers in 2026, FCF/Total Debt is projected to rebound to about 7%.

BUSINESS ASSESSMENT

DEMAND CHARACTERISTICS

ACCO's business portfolio is concentrated in products that help office workers and students use paper in many forms and ways. Pro forma for the EPOS acquisition, about 75% of revenues are generated from items that are either made from paper (for example notebooks, folders) or manage paper (for example stapling, shredding). Continued digitization of office and educational workflows, including internationally, is a secular headwind for ACCO's product suite. Additionally, the greater prevalence of remote work reduces demand for office supplies. However, there could be a floor to demand for paper-related products, and much of the digitization and remote work effects have already been realized. Computer and gaming accessories product lines are growing but currently account for about 25% of revenues.

STABILITY PROFILE

Demand for ACCO's products is not cyclical as office work and educational activity is recurring and stable in nature. There is seasonality due to timing of back-to-school purchases and holiday season technology accessory purchases, with revenues and profits higher in the second half of the year and majority of cash flow generated in the second half due to the working capital cycle. While historically volatility has been relatively low, trade policy can introduce volatility as a significant portion of sales in the US market are manufactured in Asia, as was the case in 2025 and may continue into 2026.

COMPETITIVE POSITION

ACCO's brands have strong market shares and a reputation for quality, and generally have strong market positions, with about 75% of revenues generated from brands that are No. 1 or 2 in their markets. Products have strong positions across important sales channels including key retailers and mass merchants, e-commerce merchants, and technology specialists. Competition includes other branded product suppliers, private label suppliers and importers from low-cost geographies. Some of the company's retail customers import their own private label products directly from low-cost geographies.

DIVERSIFICATION

ACCO's product suite is diversified across many brands and product types, but revenue generation is concentrated in the broad office and school supply category, and in products that are paper-based or paper-related. Shifting business mix toward Technology Accessories increases diversification. While sales are broadly diversified geographically, the prevailing secular trends are similar in most geographies. ACCO's manufacturing supply base is diversified across several countries, and while the proportion manufactured in China is meaningful, the company is able to shift production volumes across geographies.

FINANCIAL POLICY

Following recent credit facility amendments, capital allocation strategy balances debt repayment, capital return and acquisitions to enhance top line trends. The recent acquisition of EPOS is indicative of strategy of tuck-in acquisitions to enhance business mix. Capital return consists of dividend payout of about 35% of pre-dividend cash flow and modest share repurchases. Total capital return in 2026 is limited to a maximum of $40 million by the terms of the credit facility amendment. Management has guided total leverage to decline in 2026. We expect the company to apply a portion of free cash flow to reduce outstanding revolver balances.

LIQUIDITY

As of December 2025, ACCO has adequate liquidity with $64 million of cash and $303 million of revolver availability (commitment of $467.5 million and outstanding balance of $164.6 million). However, credit facility leverage covenant of 4.5x (as defined in the credit agreement) limits potential revolver draw to only about $70 million. Free cash flow in 2026 is projected to be over $65 million (after dividends but before pension funding in excess of service cost). Term Loan amortization requirements are modest, and the nearest debt maturities are in 2029. Reduction of outstanding revolver balances from cash flow generation would increase liquidity.

INSTRUMENT RATINGS

Statistical recovery analysis assumes average recovery across entire debt capital structure of 50% with a standard deviation of 25%. Senior secured credit facilities are rated BB-, one notch above the ICR of B+, reflecting priority position relative to the unsecured senior notes which are rated B. The credit facilities are guaranteed by certain subsidiaries and are secured by substantially all assets of the company and guarantor subsidiaries. The senior notes are guaranteed on an unsecured basis by domestic subsidiaries.

TRANSPARENCY ANALYTICS

METHODOLOGY SCORECARD

ACCO BRANDS CORPORATION
ISSUER CREDIT RATING – METHODOLOGY SCORECARD
METHODOLOGY: GENERAL CORPORATE

FINANCIAL ASSESSMENT

Financial Assessment Factors	Factor Weighting	Financial Metrics: Trailing 12 Months	Financial Metrics: One Year Forward	Financial Metrics: Two Years Forward	Financial Metrics: *Forecast-Weighted*	Factor Letter Score
Revenue Scale ($ billions)	15%	$1.52	$1.54	$1.50	*$1.52*	BB
EBITDA Margin	15%	12.6%	12.6%	12.8%	*12.6%*	B
Free Cash Flow / Total Debt	25%	4.1%	7.1%	7.5%	*6.0%*	B
Total Debt / EBITDA	25%	5.0x	4.8x	4.7x	*4.9x*	BB
Net Debt / EBITDA	10%	4.8x	4.6x	4.5x	*4.7x*	B
EBITDA / Interest	10%	3.7x	4.2x	4.5x	*4.1x*	BB
	Weight:	*40.0%*	*40.0%*	*20.0%*	*100.0%*	
		INDICATIVE FINANCIAL ASSESSMENT				**B+**

BUSINESS ASSESSMENT

	Low	High		
Business Assessment Range	B	B+		
			NOTCHING ADJUSTMENT	**0**
			ICR BEFORE MODIFIERS	**B+**

MODIFYING FACTORS

Financial Policy	Notching Adjustment	0
Liquidity	Notching Adjustment	0
Idiosyncratic Factors and Peer Comparisons	Notching Adjustment	0
	TOTAL MODIFIERS ADJUSTMENT	**0**
	ASSIGNED ICR	**B+**

DISCLOSURES

Transparency Analytics is not registered with the SEC as an NRSRO. This credit rating was not solicited by any external party. The analysis is based entirely on publicly available information.