

Office Depot Plans 13,100 Layoffs and Store Closures by 2023



Massive layoffs and an undisclosed number of store and distribution facility closures are coming at Office Depot after the company announced a three-year restructuring plan to focus on its business-to-business

operations according to a filing with the Securities and Exchange Commission on May 14.

U.S. office supply retailer Office Depot ([ODP.O](#)) said it plans to cut about 13,100 jobs and close certain retail stores by the end of 2023, in a bid to curb costs and focus on its IT services business units. That figure equates to roughly one third of the 40,000 employees Office Depot indicated it had at the end of its most recent fiscal year.

The company expects the restructuring to yield up to \$860 million in net savings by 2023 end and incur charges of up to \$543 million. (bit.ly/3bsRL8h)

Office Depot said the charges include costs related to potential retail store and distribution facility closures and headcount reductions. The company said it is still evaluating the number of potential store closures.

Earlier this month, the retailer withdrew its 2020 guidance, citing global business disruption and uncertainty caused by the COVID-19 pandemic.

Office Depot was very precise about the number of employees affected by its restructuring plan and it also was able to peg

the total restructuring charge at \$543 million. However, when it came to the actual number of potential store and distribution facility closures, the company declined to elaborate. The omission is noteworthy since it wouldn't be possible to arrive at reasonably accurate head count reduction or restructuring charge figures without envisioning a range of possibilities for a store and distribution facility closures.

"The company is still evaluating the number of potential retail store and distribution facility closures, as well as the timing of any such closures," according to the SEC filing.

Office Depot ended its first quarter with 1,295 stores, but that figure is well below the 1,912 stores in operation shortly after Office Depot and OfficeMax merged in 2013. A similar decline can be seen in the company's workforce which was said to total 64,000 employees at the time of the merger.