UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the Quarterly Period Ended September 30, 2019

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 001-08454

ACCO Brands Corporation

(Exact Name of Registrant as Specified in Its Charter)

Delaware	**36-2704017**
(State or Other Jurisdiction of Incorporation or Organization)	**(I.R.S. Employer Identification Number)**

Four Corporate Drive
Lake Zurich, Illinois 60047
(Address of Registrant's Principal Executive Office, Including Zip Code)

(847) 541-9500
(Registrant's Telephone Number, Including Area Code)
Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value $0.01 per share	ACCO	NYSE

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 ☐

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 and post such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, 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	(Do not check if a smaller reporting company)	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 ☒

As of October 22, 2019, the registrant had outstanding 96,986,635 shares of Common Stock.

Cautionary Statement Regarding Forward-Looking Statements

Certain statements contained in this Quarterly Report on Form 10-Q other than statements of historical fact, particularly those anticipating future financial performance, business prospects, growth, operating strategies and similar matters are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. These statements, which are generally identifiable by the use of the words "will," "believe," "expect," "intend," "anticipate," "estimate," "forecast," "project," "plan," and similar expressions, are subject to certain risks and uncertainties, are made as of the date hereof, and we undertake no duty or obligation to update them. Because actual results may differ materially from those suggested or implied by such forward-looking statements, you should not place undue reliance on them when deciding whether to buy, sell or hold the Company's securities.

Some of the factors that could affect our results or cause plans, actions and results to differ materially from current expectations are detailed in "Part I, Item 1. Business" and "Part I, Item 1A. Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2018, and the financial statement line item discussions set forth in "Part I, Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations" of this Quarterly Report on Form 10-Q and from time to time in our other Securities and Exchange Commission (the "SEC") filings.

Website Access to Securities and Exchange Commission Reports

The Company's Internet website can be found atwww.accobrands.com. The Company makes available free of charge on or through its website its Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934 as soon as practicable after the Company files them with, or furnishes them to, the SEC.

TABLE OF CONTENTS

PART I — FINANCIAL INFORMATION	4
Item 1. Financial Statements	4
Condensed Consolidated Balance Sheets	4
Consolidated Statements of Income	5
Consolidated Statements of Comprehensive Income	6
Condensed Consolidated Statements of Cash Flows	7
Consolidated Statement of Stockholders' Equity	8
Notes to Condensed Consolidated Financial Statements	10
Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations	34
Item 3. Quantitative and Qualitative Disclosures About Market Risk	46
Item 4. Controls and Procedures	46
PART II — OTHER INFORMATION	47
Item 1. Legal Proceedings	47
Item 1A. Risk Factors	47
Item 2. Unregistered Sales of Equity Securities and Use of Proceeds	47
Item 3. Defaults Upon Senior Securities	47
Item 4. Mine Safety Disclosures	48
Item 5. Other Information	48
Item 6. Exhibits	48
SIGNATURES	49

PART I — FINANCIAL INFORMATION

ITEM 1. *FINANCIAL STATEMENTS*

ACCO Brands Corporation and Subsidiaries
Condensed Consolidated Balance Sheets

(in millions)	September 30, 2019 (unaudited)	December 31, 2018
Assets		
Current assets:		
Cash and cash equivalents	$ 37.7	$ 67.0
Accounts receivable, net	377.4	428.4
Inventories	312.5	340.6
Other current assets	45.3	44.2
Total current assets	772.9	880.2
Total property, plant and equipment	631.4	618.7
Less: accumulated depreciation	(372.0)	(355.0)
Property, plant and equipment, net	259.4	263.7
Right of use asset, leases	95.8	—
Deferred income taxes	105.0	115.1
Goodwill	709.7	708.9
Identifiable intangibles, net	756.8	787.0
Other non-current assets	22.5	31.5
Total assets	$ 2,722.1	$ 2,786.4
Liabilities and Stockholders' Equity		
Current liabilities:		
Notes payable	$ 3.6	$ —
Current portion of long-term debt	31.6	39.5
Accounts payable	175.7	274.6
Accrued compensation	46.1	41.6
Accrued customer program liabilities	89.2	114.5
Lease liabilities	20.6	—
Other current liabilities	110.8	129.0
Total current liabilities	477.6	599.2
Long-term debt, net	882.5	843.0
Long-term lease liabilities	84.6	11.0
Deferred income taxes	183.0	176.2
Pension and post-retirement benefit obligations	226.8	257.2
Other non-current liabilities	100.7	110.1
Total liabilities	1,955.2	1,996.7
Stockholders' equity:		
Common stock	1.0	1.1
Treasury stock	(38.2)	(33.9)
Paid-in capital	1,893.8	1,941.0
Accumulated other comprehensive loss	(478.4)	(461.7)
Accumulated deficit	(611.3)	(656.8)
Total stockholders' equity	766.9	789.7
Total liabilities and stockholders' equity	$ 2,722.1	$ 2,786.4

See Notes to Condensed Consolidated Financial Statements (Unaudited).

ACCO Brands Corporation and Subsidiaries
Consolidated Statements of Income
(Unaudited)

(in millions, except per share data)	Three Months Ended September 30, 2019	Three Months Ended September 30, 2018	Nine Months Ended September 30, 2019	Nine Months Ended September 30, 2018
Net sales	$ 505.7	$ 507.3	$ 1,418.3	$ 1,411.9
Cost of products sold	349.8	346.5	970.8	961.2
Gross profit	155.9	160.8	447.5	450.7
Operating costs and expenses:				
Selling, general and administrative expenses	96.4	92.8	287.8	294.6
Amortization of intangibles	8.6	9.4	26.8	27.2
Restructuring charges	2.1	1.1	4.8	7.9
Total operating costs and expenses	107.1	103.3	319.4	329.7
Operating income	48.8	57.5	128.1	121.0
Non-operating expense (income):				
Interest expense	11.5	11.6	33.6	30.9
Interest income	(0.7)	(1.1)	(2.9)	(3.5)
Non-operating pension income	(1.3)	(2.6)	(4.1)	(7.1)
Other (income) expense, net	(0.9)	0.6	0.1	1.6
Income before income tax	40.2	49.0	101.4	99.1
Income tax expense	12.2	13.4	38.1	27.4
Net income	$ 28.0	$ 35.6	$ 63.3	$ 71.7
Per share:				
Basic income per share	$ 0.29	$ 0.34	$ 0.63	$ 0.68
Diluted income per share	$ 0.28	$ 0.34	$ 0.62	$ 0.66
Weighted average number of shares outstanding:				
Basic	97.6	103.8	100.4	105.6
Diluted	98.9	105.9	101.9	107.9

See Notes to Condensed Consolidated Financial Statements (Unaudited).

ACCO Brands Corporation and Subsidiaries
Consolidated Statements of Comprehensive Income
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
(in millions)	**2019**	**2018**	**2019**	**2018**
Net income	$ 28.0	$ 35.6	$ 63.3	$ 71.7
Other comprehensive income (loss), net of tax:				
Unrealized income (loss) on derivative instruments, net of tax (expense) benefit of $(0.6) and $0.3 and $0.4 and $(1.1), respectively	1.4	(0.7)	(0.9)	2.8
Foreign currency translation adjustments, net of tax benefit (expense) of $0.9 and $1.2 and $0.5 and $(1.6), respectively	(25.1)	(4.5)	(22.4)	(18.6)
Recognition of deferred pension and other post-retirement items, net of tax (expense) of $(1.2) and $(0.4) and $(1.9) and $(1.9), respectively	4.2	1.1	6.6	6.2
Other comprehensive loss, net of tax	(19.5)	(4.1)	(16.7)	(9.6)
Comprehensive income	$ 8.5	$ 31.5	$ 46.6	$ 62.1

See Notes to Condensed Consolidated Financial Statements (Unaudited).

ACCO Brands Corporation and Subsidiaries
Condensed Consolidated Statements of Cash Flows
(Unaudited)

(in millions)	Nine Months Ended September 30, 2019	Nine Months Ended September 30, 2018
Operating activities		
Net income	$ 63.3	$ 71.7
Amortization of inventory step-up	0.2	—
Loss on disposal of assets	—	0.1
Depreciation	26.3	25.5
Other non-cash items	0.2	—
Amortization of debt issuance costs	1.7	1.5
Amortization of intangibles	26.8	27.2
Stock-based compensation	6.3	6.0
Loss on debt extinguishment	0.3	0.3
Changes in balance sheet items:		
Accounts receivable	54.0	46.2
Inventories	34.8	(81.2)
Other assets	(2.6)	(0.6)
Accounts payable	(102.1)	39.1
Accrued expenses and other liabilities	(40.8)	(58.1)
Accrued income taxes	6.7	7.0
Net cash provided by operating activities	75.1	84.7
Investing activities		
Additions to property, plant and equipment	(21.9)	(26.3)
Proceeds from the disposition of assets	0.1	0.2
Cost of acquisitions, net of cash acquired	(42.1)	(37.3)
Other assets acquired	(5.2)	—
Net cash used by investing activities	(69.1)	(63.4)
Financing activities		
Proceeds from long-term borrowings	325.9	217.4
Repayments of long-term debt	(272.0)	(118.3)
Repayments of notes payable, net	(8.6)	—
Payments for debt issuance costs	(3.3)	(0.6)
Dividends paid	(18.1)	(18.9)
Repurchases of common stock	(56.8)	(75.0)
Payments related to tax withholding for stock-based compensation	(4.3)	(7.5)
Proceeds from the exercise of stock options	3.1	6.8
Net cash (used) provided by financing activities	(34.1)	3.9
Effect of foreign exchange rate changes on cash and cash equivalents	(1.2)	(7.1)
Net (decrease) increase in cash and cash equivalents	(29.3)	18.1
Cash and cash equivalents		
Beginning of the period	67.0	76.9
End of the period	$ 37.7	$ 95.0
Cash paid during the year for:		
Interest	$ 27.6	$ 22.8
Income taxes	$ 38.6	$ 24.5

See Notes to Condensed Consolidated Financial Statements (Unaudited).

ACCO Brands Corporation and Subsidiaries
Consolidated Statement of Stockholders' Equity
(Unaudited)

(in millions)	Common Stock	Paid-in Capital	Accumulated Other Comprehensive Income (Loss)	Treasury Stock	Accumulated Deficit	Total
Balance at December 31, 2018	$ 1.1	$ 1,941.0	$ (461.7)	$ (33.9)	$ (656.8)	$ 789.7
Net loss	—	—	—	—	(0.6)	(0.6)
Loss on derivative financial instruments, net of tax	—	—	(1.1)	—	—	(1.1)
Translation impact	—	—	(3.1)	—	—	(3.1)
Pension and post-retirement adjustment, net of tax	—	—	(1.1)	—	—	(1.1)
Common stock repurchases	—	(11.0)	—	—	—	(11.0)
Stock-based compensation	—	2.0	—	—	—	2.0
Common stock issued, net of shares withheld for employee taxes	—	—	—	(4.3)	—	(4.3)
Dividends declared, $.06 per share	—	—	—	—	(6.2)	(6.2)
Other	—	(0.1)	—	—	0.1	—
Cumulative effect due to the adoption of ASU 2016-02	—	—	—	—	0.5	0.5
Balance at March 31, 2019	1.1	1,931.9	(467.0)	(38.2)	(663.0)	764.8
Net income	—	—	—	—	35.9	35.9
Loss on derivative financial instruments, net of tax	—	—	(1.2)	—	—	(1.2)
Translation impact	—	—	5.8	—	—	5.8
Pension and post-retirement adjustment, net of tax	—	—	3.5	—	—	3.5
Common stock repurchases	—	(28.3)	—	—	—	(28.3)
Stock-based compensation	—	3.6	—	—	(0.2)	3.4
Common stock issued, net of shares withheld for employee taxes	—	0.2	—	—	—	0.2
Dividends declared, $.06 per share	—	—	—	—	(6.0)	(6.0)
Other	(0.1)	0.1	—	—	(0.1)	(0.1)
Balance at June 30, 2019	1.0	1,907.5	(458.9)	(38.2)	(633.4)	778.0
Net income	—	—	—	—	28.0	28.0
Gain on derivative financial instruments, net of tax	—	—	1.4	—	—	1.4
Translation impact	—	—	(25.1)	—	—	(25.1)
Pension and post-retirement adjustment, net of tax	—	—	4.2	—	—	4.2
Common stock repurchases	(0.1)	(17.6)	—	—	—	(17.7)
Stock-based compensation	—	1.0	—	—	(0.1)	0.9
Common stock issued, net of shares withheld for employee taxes	—	2.9	—	—	—	2.9
Dividends declared, $.06 per share	—	—	—	—	(5.9)	(5.9)
Other	0.1	—	—	—	0.1	0.2
Balance at September 30, 2019	$ 1.0	$ 1,893.8	$ (478.4)	$ (38.2)	$ (611.3)	766.9

Shares of Capital Stock

	Common Stock	Treasury Stock	Net Shares
Shares at December 31, 2018	106,249,322	3,500,622	102,748,700
Common stock issued, net of shares withheld for employee taxes	1,437,021	458,987	978,034
Common stock repurchases	(1,260,163)	—	(1,260,163)
Shares at March 31, 2019	106,426,180	3,959,609	102,466,571
Common stock issued, net of shares withheld for employee taxes	44,180	7,836	36,344
Common stock repurchases	(3,443,904)	—	(3,443,904)
Shares at June 30, 2019	103,026,456	3,967,445	99,059,011
Common stock issued, net of shares withheld for employee taxes	386,781	—	386,781
Common stock repurchases	(2,258,645)	—	(2,258,645)
Shares at September 30, 2019	101,154,592	3,967,445	97,187,147

See Notes to Condensed Consolidated Financial Statements (Unaudited).

ACCO Brands Corporation and Subsidiaries
Consolidated Statement of Stockholders' Equity
Continued (Unaudited)

(in millions)	Common Stock	Paid-in Capital	Accumulated Other Comprehensive Income (Loss)	Treasury Stock	Accumulated Deficit	Total
Balance at December 31, 2017	$ 1.1	$ 1,999.7	$ (461.1)	$ (26.4)	$ (739.2)	$ 774.1
Net income	—	—	—	—	10.4	10.4
Gain on derivative financial instruments, net of tax	—	—	0.6	—	—	0.6
Translation impact	—	—	(4.3)	—	—	(4.3)
Pension and post-retirement adjustment, net of tax	—	—	(2.6)	—	—	(2.6)
Common stock repurchases	—	(9.3)	—	—	—	(9.3)
Stock-based compensation	—	3.5	—	—	(0.3)	3.2
Common stock issued, net of shares withheld for employee taxes	—	5.2	—	(7.5)	—	(2.3)
Dividends declared, $.06 per share	—	—	—	—	(6.3)	(6.3)
Cumulative effect due to the adoption of ASU 2014-09	—	—	—	—	1.5	1.5
Balance at March 31, 2018	1.1	1,999.1	(467.4)	(33.9)	(733.9)	765.0
Net income	—	—	—	—	25.7	25.7
Gain on derivative financial instruments, net of tax	—	—	2.9	—	—	2.9
Translation impact	—	—	(9.8)	—	—	(9.8)
Pension and post-retirement adjustment, net of tax	—	—	7.7	—	—	7.7
Common stock repurchases	—	(41.7)	—	—	—	(41.7)
Stock-based compensation	—	4.1	—	—	(0.2)	3.9
Common stock issued, net of shares withheld for employee taxes	—	1.0	—	—	—	1.0
Dividends declared, $.06 per share	—	—	—	—	(6.4)	(6.4)
Balance at June 30, 2018	1.1	1,962.5	(466.6)	(33.9)	(714.8)	748.3
Net income	—	—	—	—	35.6	35.6
Loss on derivative financial instruments, net of tax	—	—	(0.7)	—	—	(0.7)
Translation impact	—	—	(4.5)	—	—	(4.5)
Pension and post-retirement adjustment, net of tax	—	—	1.1	—	—	1.1
Common stock repurchases	—	(24.0)	—	—	—	(24.0)
Stock-based compensation	—	(0.9)	—	—	(0.2)	(1.1)
Common stock issued, net of shares withheld for employee taxes	—	0.5	—	—	—	0.5
Dividends declared, $.06 per share	—	—	—	—	(6.2)	(6.2)
Other	—	0.1	—	—	—	0.1
Balance at September 30, 2018	$ 1.1	$ 1,938.2	$ (470.7)	$ (33.9)	$ (685.6)	$ 749.1

Shares of Capital Stock

	Common Stock	Treasury Stock	Net Shares
Shares at December 31, 2017	109,597,197	2,913,113	106,684,084
Common stock issued, net of shares withheld for employee taxes	2,442,703	580,755	1,861,948
Common stock repurchases	(760,473)	—	(760,473)
Shares at March 31, 2018	111,279,427	3,493,868	107,785,559
Common stock issued, net of shares withheld for employee taxes	115,620	1,933	113,687
Common stock repurchases	(3,272,480)	—	(3,272,480)
Shares at June 30, 2018	108,122,567	3,495,801	104,626,766
Common stock issued, net of shares withheld for employee taxes	75,171	1,286	73,885
Common stock repurchases	(1,961,006)	—	(1,961,006)
Shares at September 30, 2018	106,236,732	3,497,087	102,739,645

See Notes to Condensed Consolidated Financial Statements (Unaudited).

1. Basis of Presentation

As used in this Quarterly Report on Form 10-Q for the quarter ended September 30, 2019, the terms "ACCO Brands," "ACCO," the "Company," "we," "us," and "our" refer to ACCO Brands Corporation and its consolidated subsidiaries.

The management of ACCO Brands Corporation is responsible for the accuracy and internal consistency of the preparation of the condensed consolidated financial statements and notes contained in this Quarterly Report on Form 10-Q.

The condensed consolidated interim financial statements have been prepared pursuant to the rules and regulations of the SEC. Although the Company believes the disclosures are adequate to make the information presented not misleading, certain information and note disclosures normally included in annual financial statements prepared in accordance with generally accepted accounting principles in the U.S. ("GAAP") have been condensed or omitted pursuant to those rules and regulations. These condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and notes thereto included in the Company’s Annual Report on Form 10-K for the year ended December 31, 2018.

The Condensed Consolidated Balance Sheet as of September 30, 2019, the related Consolidated Statements of Income, the Consolidated Statements of Comprehensive Income, and the Consolidated Statement of Stockholders' Equity for the three and nine months ended September 30, 2019 and 2018 and Condensed Consolidated Statements of Cash Flows for the nine months ended September 30, 2019 and 2018 are unaudited. The December 31, 2018 Condensed Consolidated Balance Sheet data was derived from audited financial statements, but does not include all annual disclosures required by GAAP. The above referenced financial statements included herein were prepared by management and reflect all adjustments (consisting solely of normal recurring items unless otherwise noted) which are, in the opinion of management, necessary for the fair presentation of results of operations and cash flows for the interim periods ended September 30, 2019 and 2018, and the financial position of the Company as of September 30, 2019. Interim results may not be indicative of results for a full year.

Effective August 1, 2019, we completed the acquisition (the "Foroni Acquisition") of Indústria Gráfica Foroni Ltda. ("Foroni"), a leading provider of Foroni® branded notebooks and paper-based school and office products in Brazil, for a preliminary purchase price of $42.1 million, subject to working capital and other adjustments. The Foroni Acquisition advances our strategy to expand in faster growing geographies and product categories, add consumer-centric brands and diversify our customer base. The results of Foroni are included in the ACCO Brands International segment from August 1, 2019.

On July 2, 2018, we completed the acquisition (the "GOBA Acquisition") of GOBA Internacional, S.A. de C.V. ("GOBA"), a leading provider of Barrilito® branded school and craft products in Mexico. The purchase price was $37.2 million, net of cash acquired, and working capital and other adjustments. The GOBA Acquisition has increased the breadth and depth of our distribution throughout Mexico, especially with wholesalers and retailers and added a strong offering of school and craft products to our product portfolio in Mexico. The results of GOBA are included in the ACCO Brands International segment from July 2, 2018.

See "Note 3. Acquisitions" for details on the Foroni and GOBA acquisitions.

On January 1, 2019, the Company adopted accounting standard ASU No. 2016-02, Leases (Topic 842), applying the transition method in accounting standard ASU 2018-11 Leases (Topic 842), Targeted Improvements. ASU 2018-11 allows an entity to initially apply ASU 2016-02 at the adoption date and recognize a cumulative-effect adjustment to the opening balance of retained earnings in the period of adoption. The comparative information has not been restated and continues to be reported under the accounting standards in effect for those periods. For more information, see "Note 2. Recent Accounting Pronouncements and Adopted Accounting Standards" and "Note 5. Leases."

Certain prior year amounts have been reclassified for consistency with the current year presentation in our Condensed Consolidated Balance Sheet, primarily due to the Company's adoption of ASU No. 2016-02, Leases (Topic 842) at the beginning of 2019.

The preparation of financial statements in conformity with GAAP requires management to make certain estimates and assumptions that affect the reported assets and liabilities at the date of the financial statements and the reported revenues and expenses during the reporting periods. Actual results could differ from those estimates.

2. Recent Accounting Pronouncements and Adopted Accounting Standards

Recent Accounting Pronouncements

In August 2018, the Financial Accounting Standards Board (the "FASB") issued ASU No. 2018-15, Intangibles - Goodwill and Other - Internal-Use Software (Subtopic 350-40), *Customer's Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement That Is a Service Contract.* This ASU aligns the requirements for capitalizing implementation costs incurred in a hosting arrangement that is a service contract with the requirements for capitalizing implementation costs incurred to develop or obtain internal-use software (and hosting arrangements that include an internal use software license). While the Company does not expect a material impact to its consolidated financial statements, we are currently in the process of evaluating the adoption of ASU 2018-15. ASU 2018-015 is effective for fiscal years ending after December 15, 2019. Early adoption of the standard is permitted, including adoption in any interim period for which financial statements have not been issued. The Company will adopt ASU No. 2018-15 beginning January 1, 2020.

There are no other recently issued accounting standards that are expected to have an impact on the Company's financial condition, results of operations or cash flow.

Recently Adopted Accounting Standards

On January 1, 2019, the Company adopted accounting standard ASU No. 2016-02, Leases (Topic 842), applying the transition method in accounting standard ASU 2018-11 Leases (Topic 842), Targeted Improvements. ASU 2018-11 allows an entity to initially apply ASU 2016-02 at the adoption date and recognize a cumulative-effect adjustment to the opening balance of retained earnings in the period of adoption. The comparative information has not been restated and continues to be reported under the accounting standards in effect for those periods.

The cumulative effect of the changes on our January 1, 2019, opening Condensed Consolidated Balance Sheet due to the adoption of ASU 2016-02 was as follows:

(in millions)	Balance at December 31, 2018	Adjustments due to ASU 2016-02	Balance at January 1, 2019
Assets:			
Property, plant and equipment, net	$ 263.7	$ (0.9)	$ 262.8
Right of use asset, leases	—	90.9	90.9
Liabilities and stockholders' equity:			
Current portion of long-term debt	39.5	(0.1)	39.4
Lease liabilities	—	24.1	24.1
Long-term debt, net	843.0	(0.1)	842.9
Long-term lease liabilities	11.0	65.6	76.6
Accumulated deficit	(656.8)	0.5	(656.3)

The impact of the adoption of ASU 2016-02 on our Condensed Consolidated Balance Sheet for the period ended September 30, 2019 was as follows:

	Balance at September 30, 2019		
(in millions)	As Reported	Balances without adoption of ASU 2016-02	Effect of Change Higher/(Lower)
Condensed Consolidated Balance Sheet:			
Assets:			
Property, plant and equipment, net	$ 259.4	$ 260.2	$ (0.8)
Right of use asset, leases	95.8	—	95.8
Liabilities and stockholders' equity:			
Current portion of long-term debt	31.6	31.7	(0.1)
Lease liabilities	20.6	0.3	20.3
Long-term debt, net	882.5	882.6	(0.1)
Long-term lease liabilities	84.6	10.2	74.4
Accumulated deficit	(611.3)	(611.8)	0.5

See "Note 5. Leases" for further details and the required disclosures related to ASU 2016-02.

The adoption of ASU 2016-02 did not materially affect our Consolidated Statements of Income, Condensed Consolidated Statements of Cash Flows or Consolidated Statement of Stockholders' Equity.

There were no other accounting standards that were adopted in the first nine months of 2019 that had a material effect on the Company’s financial condition, results of operations or cash flow.

3. Acquisitions

Acquisition of Foroni

Effective August 1, 2019, we completed the acquisition of Foroni, a leading provider of Foroni® branded notebooks and paper-based school and office products in Brazil. The Foroni Acquisition advances our strategy to expand in faster growing geographies and product categories, add consumer-centric brands and diversify our customer base. The results of Foroni are included in the ACCO Brands International segment from August 1, 2019.

The preliminary purchase price was R$159.5 million (US$42.1 million based on July 31, 2019, exchange rates) subject to working capital and other adjustments and includes the assumption of $7.6 million in debt. A portion of the purchase price (R$25.0 million or US$6.6 million based on July 31, 2019 exchange rates) is being held in an escrow account for a period of up to 6 years after closing in the event of any claims against the sellers under the quota purchase agreement. The Company may also make claims against the sellers directly, subject to limitations in the quota purchase agreement, if the escrow is depleted. The Foroni Acquisition and related expenses were funded by cash on hand.

For accounting purposes, the Company was the acquiring enterprise. The Foroni Acquisition is being accounted for as a purchase business combination and Foroni's results are included in the Company’s condensed consolidated financial statements as of August 1, 2019. The net sales for Foroni for each of the three and nine months ended September 30, 2019 were $5.7 million for the two months owned.

The following table presents the preliminary allocation of the consideration given to the fair values of the assets acquired and liabilities assumed at the date of acquisition:

(in millions)		*At August 2, 2019*
Calculation of Goodwill:		
Purchase price, net of working capital adjustment	$	42.1
Plus fair value of liabilities assumed:		
Accounts payable and accrued liabilities		12.1
Deferred tax liabilities		5.2
Debt		7.6
Lease liabilities		4.8
Fair value of liabilities assumed	$	29.7
Less fair value of assets acquired:		
Cash acquired		—
Accounts receivable		17.5
Inventory		12.6
Property and equipment		8.9
Identifiable intangibles		10.2
Deferred tax assets		2.2
Right of use asset, leases		4.8
Other assets		3.7
Fair value of assets acquired	$	59.9
Goodwill	$	11.9

We are continuing our review of our fair value estimate of assets acquired and liabilities assumed during the measurement period, which will conclude as soon as we receive the information we are seeking about facts and circumstances that existed as of the acquisition date or learn that more information is not available. This measurement period will not exceed one year from the acquisition date. The excess of the purchase price over the fair value of net assets acquired is allocated to goodwill. The preliminary goodwill of $11.9 million is primarily attributable to synergies expected to be realized from facility integration, headcount reduction and other operational streamlining activities, and from the existence of an assembled workforce.

Our fair value estimate of assets acquired and liabilities assumed is pending the completion of several elements, including the final determination of the purchase price, pending calculations of working capital and other adjustments, of the fair value of the assets acquired and liabilities assumed and the final review by our management. The primary areas that are not yet finalized relate to inventory, intangible assets, property and equipment, reserves and liabilities, and income and other taxes. Accordingly, there could be material adjustments to our condensed consolidated financial statements, including changes in our amortization and depreciation expense related to the valuation of intangible assets and property and equipment acquired and their respective useful lives, among other adjustments.

The final determination of the purchase price, fair values and resulting goodwill may differ significantly from what is reflected in these condensed consolidated financial statements.

During the nine months ended September 30, 2019, transaction costs related to the Foroni Acquisition were $1.3 million. These costs were reported as selling, general and administrative ("SG&A") expenses in the Company's Consolidated Statements of Income.

Pro forma financial information is not presented due to immateriality.

Cumberland Asset Acquisition

On January 31, 2019, the Company completed the purchase of certain assets, including inventory and certain identifiable intangibles, for the Cumberland brand (the "Cumberland Asset Acquisition") in Australia for a purchase price of A $8.2 million (US$6.0 million based on January 31, 2019 exchange rates). The Cumberland Asset Acquisition extends our presence in Australia into new product categories. The Company accounted for the transaction as an asset acquisition, as the set of assets acquired does not meet the criteria to be classified as a business under GAAP. During the nine months ended September 30, 2019, transaction costs related to the Cumberland Asset Acquisition were $0.1 million. These costs were reported as SG&A expenses in the Company's Consolidated Statements of Income.

The following table summarizes the fair value of assets acquired:

(in millions)	*At January 31, 2019*
Inventory	$ 2.8
Identifiable intangibles	3.2
Fair value of assets acquired	$ 6.0

Acquisition of GOBA

On July 2, 2018, the Company completed the GOBA Acquisition. GOBA is a leading provider of Barrilito® branded school and craft products in Mexico. The GOBA Acquisition increased the breadth and depth of our distribution throughout Mexico, especially with wholesalers and retailers and added a strong offering of school and craft products to our product portfolio in Mexico.

The purchase price paid at closing was Mex$796.8 million (US$39.9 million based on July 2, 2018 exchange rates), and was later reduced by $0.8 million of working capital adjustments. The purchase price, net of cash acquired of $1.9 million, was $37.2 million. A portion of the purchase price (Mex$115.0 million (US$5.8 million based on July 2, 2018 exchange rates)) is being held in an escrow account for a period of up to 5 years after closing in the event of any claims against the sellers under the stock purchase agreement. The Company may also make claims against the sellers directly, subject to limitations in the stock purchase agreement, if the escrow is depleted. The GOBA Acquisition and related expenses were funded by increased borrowing under our revolving facility.

For accounting purposes, the Company was the acquiring enterprise. The GOBA Acquisition was accounted for as a purchase business combination. The results of GOBA are included in the ACCO Brands International segment as of July 2, 2018. The net sales for the six month period ended June 30, 2019 for GOBA were $23.7 million.

The following table presents the allocation of the consideration given to the fair values of the assets acquired and liabilities assumed at the date of acquisition.

(in millions)		*At July 2, 2018*
Calculation of Goodwill:		
Purchase price, net of working capital adjustment	$	39.1
Plus fair value of liabilities assumed:		
Accounts payable and accrued liabilities		10.1
Deferred tax liabilities		3.1
Other non-current liabilities		6.5
Fair value of liabilities assumed	$	19.7
Less fair value of assets acquired:		
Cash acquired		1.9
Accounts receivable		30.0
Inventory		7.1
Property, plant and equipment		0.6
Identifiable intangibles		10.3
Deferred tax assets		2.0
Other assets		4.2
Fair value of assets acquired	$	56.1
Goodwill	$	2.7

In the second quarter of 2019, we finalized our fair value estimate of assets acquired and liabilities assumed as of the acquisition date.

During the year ended December 31, 2018, transaction costs related to the GOBA Acquisition were $1.1 million. These costs were reported as interest and SG&A expenses in the Company's Consolidated Statements of Income.

4. Long-term Debt and Short-term Borrowings

Notes payable and long-term debt, listed in order of the priority of security interests in assets of the Company, consisted of the following as of September 30, 2019 and December 31, 2018:

(in millions)	September 30, 2019	December 31, 2018
Euro Senior Secured Term Loan A, due May 2024 (floating interest rate of 1.75% at September 30, 2019)	$ 273.0	$ —
Euro Senior Secured Term Loan A, due January 2022 (floating interest rate of 1.50% at December 31, 2018)	—	289.0
USD Senior Secured Term Loan A, due May 2024 (floating interest rate of 3.94% at September 30, 2019)	98.7	—
Australian Dollar Senior Secured Term Loan A, due May 2024 (floating interest rate of 2.76% at September 30, 2019)	40.8	—
Australian Dollar Senior Secured Term Loan A, due January 2022 (floating interest rate of 3.56% at December 31, 2018)	—	43.0
U.S. Dollar Senior Secured Revolving Credit Facility, due May 2024 (floating interest rate of 3.94% at September 30, 2019)	64.7	—
U.S. Dollar Senior Secured Revolving Credit Facility, due January 2022 (floating interest rate of 4.36% at December 31, 2018)	—	106.8
Australian Dollar Senior Secured Revolving Credit Facility, due May 2024 (floating interest rate of 2.78% at September 30, 2019)	67.7	—
Australian Dollar Senior Secured Revolving Credit Facility, due January 2022 (floating interest rate of 3.54% at December 31, 2018)	—	73.9
Senior Unsecured Notes, due December 2024 (fixed interest rate of 5.25%)	375.0	375.0
Other borrowings	3.6	0.3
Total debt	923.5	888.0
Less:		
Current portion	35.2	39.5
Debt issuance costs, unamortized	5.8	5.5
Long-term debt, net	$ 882.5	$ 843.0

The Company entered into a Credit Agreement (the "Credit Agreement"), dated as of January 27, 2017, among the Company, certain subsidiaries of the Company, Bank of America, N.A., as administrative agent, and the other agents and various lenders party thereto. The Credit Agreement provided for a five-year senior secured credit facility, which consisted of a €300.0 million (US$320.8 million based on January 27, 2017, exchange rates) term loan facility, an A$80.0 million (US$60.4 million based on January 27, 2017, exchange rates) term loan facility, and a US$400.0 million multi-currency revolving credit facility (the "Revolving Facility").

Effective July 26, 2018, the Company entered into the First Amendment (the "First Amendment") to the Credit Agreement among the Company, certain subsidiaries of the Company, Bank of America, N.A., as administrative agent, and the other lenders party thereto. The First Amendment increased the aggregate revolving credit commitments under the Revolving Facility by $100.0 million such that, after giving effect to such increase, the aggregate amount of revolving credit available under the Revolving Facility was $500.0 million. In addition, the First Amendment also affected certain technical amendments to the Credit Agreement, including the addition of provisions relating to LIBOR successor rate procedures if LIBOR becomes unascertainable or is discontinued in the future and to expressly permit certain intercompany asset transfers. The changes related to LIBOR successor rate procedures are not expected to have a material effect on the Company.

Effective May 23, 2019, the Company entered into a Second Amendment (the "Second Amendment") to the Credit Agreement. Pursuant to the Second Amendment, the Credit Agreement was amended to, among other things:

- extend the maturity date to May 23, 2024;

- increase the aggregate revolving credit commitments under the Revolving Facility from $500.0 million to $600.0 million;
- establish a new term loan facility denominated in U.S. Dollars in an aggregate principal amount of $100.0 million (the "USD Term Loan");
- replace the minimum fixed coverage ratio of 1.25:1.00 with a minimum interest coverage ratio, as calculated under the Credit Agreement, of 3.00:1.00;
- reflect a more favorable restricted payment covenant, with the consolidated leverage ratio hurdle for unlimited restricted payments (including share repurchases and dividends) as calculated under the Credit Agreement increasing from 2.50x to 3.25x;
- reflect, in certain cases, more favorable pricing with a 25 basis point reduction in the applicable rate on outstanding loans than was in effect prior to the Second Amendment based on the Company's current consolidated leverage ratio, along with lower fees on undrawn amounts;
- eliminate the requirement to make annual principal prepayments of excess cash flow;
- reduce amortization payments for the term loans; and
- increase the qualified receivables transaction basket with respect to sales or financings of certain receivables.

Effective upon the closing of the Second Amendment, the Company borrowed the entire principal amount committed under the USD Term Loan, which was used to repay revolver borrowings and, in combination with the increase in the Revolving Facility, resulted in $200.0 million of additional liquidity becoming available under the Revolving Facility.

We incurred and capitalized approximately $3.3 million in bank, legal and other fees associated with the Second Amendment.

As of September 30, 2019, there were $132.4 million in borrowings outstanding under the Revolving Facility. The remaining amount available for borrowings as of September 30, 2019, was $454.8 million (allowing for $12.8 million of letters of credit outstanding on that date).

As of and for the periods ended September 30, 2019 and December 31, 2018, the Company was in compliance with all applicable loan covenants.

5. Leases

On January 1, 2019, the Company adopted accounting standard ASU No. 2016-02, Leases (Topic 842), applying the transition method in accounting standard ASU 2018-11 Leases (Topic 842), Targeted Improvements. ASU 2018-11 allows an entity to initially apply ASU 2016-02 at the adoption date and recognize a cumulative-effect adjustment to the opening balance of retained earnings in the period of adoption. The comparative information has not been restated and continues to be reported under the accounting standards in effect for those periods. The Company recorded a net increase to beginning retained earnings of $0.5 million as of January 1, 2019 due to the cumulative impact of adopting ASU 2016-02. The impact of adopting ASU 2016-02 on our Condensed Consolidated Balance Sheet was material, but the impact was immaterial for our Consolidated Statements of Income, Condensed Consolidated Statements of Cash Flows and Consolidated Statement of Stockholders' Equity.

The Company leases its corporate headquarters, various other facilities for distribution, manufacturing, and offices, as well as vehicles, forklifts and other equipment. The Company determines if an arrangement is a lease at inception. Leases are included in "Right of use asset, leases" ("ROU Assets"), and the current portion of the lease liability is included in "Lease liabilities" and the non-current portion is included in "Long-term lease liabilities" in the Condensed Consolidated Balance Sheet. The Company currently has an immaterial amount of financing leases and leases with a term of less than 12 months. ROU Assets and lease liabilities are recognized based on the present value of lease payments over the lease term. Because most of the Company’s leases do not provide an implicit rate of return, the Company uses its incremental collateralized borrowing rate, on a regional basis, in determining the present value of lease payments. The Company has lease agreements with lease and non-lease components, which are combined for accounting purposes.

The components of lease expense were as follows:

	Three Months Ended September 30,	Nine Months Ended September 30,
(in millions)	2019	2019
Operating lease cost	$ 7.3	$ 21.7
Sublease income	(0.5)	(1.3)
Total lease cost	$ 6.8	$ 20.4

Other information related to leases was as follows:

	Nine Months Ended September 30,
(in millions, except lease term and discount rate)	2019
Cash paid for amounts included in the measurement of lease liabilities:	
Operating cash flows from operating leases	$ 22.4
Right-of-use assets obtained in exchange for lease obligations:	
Operating leases	$ 25.6
Weighted average remaining lease term:	
Operating leases	7.2 years
Weighted average discount rate:	
Operating leases	5.3%

Future minimum lease payments, net of sub-lease income, for all non-cancelable leases as ofSeptember 30, 2019 were as follows:

(in millions)	
2019	$ 6.8
2020	24.7
2021	20.8
2022	17.0
2023	12.9
2024	11.4
Thereafter	40.3
Total minimum lease payments	133.9
Less imputed interest	28.2
Future minimum payments for leases, net of sublease rental income and imputed interest	$ 105.7

6. Pension and Other Retiree Benefits

The components of net periodic benefit (income) cost for pension and post-retirement plans for the three and nine months ended September 30, 2019 and 2018 were as follows:

	Three Months Ended September 30,					
	Pension				Post-retirement	
	U.S.		International			
(in millions)	2019	2018	2019	2018	2019	2018
Service cost	$ 0.3	$ 0.4	$ 0.3	$ 0.6	$ —	$ —
Interest cost	1.8	1.6	3.3	3.1	0.1	0.1
Expected return on plan assets	(2.9)	(2.9)	(5.1)	(5.6)	—	—
Amortization of net loss (gain)	0.6	0.7	0.9	0.8	(0.1)	(0.1)
Amortization of prior service cost	0.1	0.1	0.1	—	—	—
Curtailment gain	—	—	—	(0.6)	—	—
Net periodic benefit income(1)	$ (0.1)	$ (0.1)	$ (0.5)	$ (1.7)	$ —	$ —

	Nine Months Ended September 30,					
	Pension				Post-retirement	
	U.S.		International			
(in millions)	2019	2018	2019	2018	2019	2018
Service cost	$ 1.0	$ 1.2	$ 0.9	$ 1.6	$ —	$ —
Interest cost	5.5	5.0	10.1	9.8	0.2	0.1
Expected return on plan assets	(8.7)	(8.8)	(15.4)	(17.3)	—	—
Amortization of net loss (gain)	1.6	2.0	2.6	2.6	(0.3)	(0.3)
Amortization of prior service cost	0.3	0.3	0.1	—	—	—
Curtailment gain	—	—	—	(0.6)	—	—
Net periodic benefit income(1)	$ (0.3)	$ (0.3)	$ (1.7)	$ (3.9)	$ (0.1)	$ (0.2)

(1) The components, other than service cost, are included in the line "Non-operating pension income" in the Consolidated Statements of Income.

We expect to contribute approximately $20.4 million to our defined benefit plans in 2019. For the nine months ended September 30, 2019, we have contributed $16.1 million to these plans.

7. Stock-Based Compensation

The following table summarizes our stock-based compensation expense (including stock options, restricted stock units ("RSUs") and performance stock units ("PSUs")) for the three and nine months ended September 30, 2019 and 2018:

	Three Months Ended September 30,		Nine Months Ended September 30,	
(in millions)	2019	2018	2019	2018
Stock option compensation expense	$ 0.7	$ 0.5	$ 2.0	$ 1.5
RSU compensation expense	1.2	0.8	4.1	3.7
PSU compensation expense	(1.0)	(2.5)	0.2	0.8
Total stock-based compensation expense	$ 0.9	$ (1.2)	$ 6.3	$ 6.0

We generally recognize compensation expense for stock-based awards ratably over the vesting period. Stock-based compensation expense for each of the nine months ended September 30, 2019 and 2018 includes $1.0 million of expense related to stock awards granted to eligible non-employee directors, which were fully vested on the grant date.

The following table summarizes our unrecognized compensation expense and the weighted-average period over which the expense will be recognized as of September 30, 2019:

	September 30, 2019	
(in millions, except weighted average years)	Unrecognized Compensation Expense	Weighted Average Years Expense To Be Recognized Over
Stock options	$4.2	2.0
RSUs	$6.8	2.0
PSUs	$5.7	2.1

8. Inventories

The components of inventories were as follows:

(in millions)	September 30, 2019	December 31, 2018
Raw materials	$ 43.2	$ 55.4
Work in process	3.9	4.3
Finished goods	265.4	280.9
Total inventories	$ 312.5	$ 340.6

9. Goodwill and Identifiable Intangible Assets

Goodwill

As more fully described in the Company’s 2018 Annual Report on Form 10-K, we test goodwill for impairment at least annually and on an interim basis if an event or circumstance indicates that it is more likely than not that an impairment loss has been incurred. The Company performed this annual assessment, on a qualitative basis, as allowed by GAAP, in the second quarter of 2019 and concluded that no impairment existed.

Changes in the net carrying amount of goodwill by segment were as follows:

(in millions)	ACCO Brands North America	ACCO Brands EMEA	ACCO Brands International	Total
Balance at December 31, 2018	$ 375.6	$ 165.6	$ 167.7	$ 708.9
Acquisitions	—	—	12.3	12.3
Foreign currency translation	—	(10.4)	(1.1)	(11.5)
Balance at September 30, 2019	$ 375.6	$ 155.2	$ 178.9	$ 709.7

The goodwill balance is net of $215.1 million of accumulated impairment losses, which occurred prior to December 31, 2016.

Identifiable Intangible Assets

Foroni Acquisition

The preliminary valuation of identifiable intangible assets of $10.2 million acquired in the Foroni Acquisition includes an amortizable trade name, "Foroni®," which has been recorded at its estimated fair value. The fair value of the trade name was determined using the relief from royalty method, which is based on the present value of royalty fees derived from projected revenues. The Foroni® trade name is expected to be amortized over 23 years on a straight-line basis.

Cumberland Asset Acquisition

The valuation of identifiable intangible assets of$3.2 million acquired in the Cumberland Asset Acquisition includes an amortizable trade name and amortizable customer relationships, which have been recorded at their estimated fair values. The fair value of the trade name was determined using the relief from royalty method, which is based on the present value of royalty fees derived from projected revenues. The fair value of the customer relationships was determined using the multi-period excess earnings method which is based on the present value of the projected after-tax cash flows.

The amortizable trade name is expected to be amortized over10 years on a straight-line basis while the customer relationships will be amortized on an accelerated basis over 7 years from January 31, 2019, the date the Cumberland assets were acquired by the Company.The allocation of the identifiable intangibles acquired in the Cumberland Asset Acquisition was as follows:

(in millions)	Fair Value	Remaining Useful Life Ranges
Trade name - amortizable	$ 0.8	10 Years
Customer relationships	2.4	7 Years
Total identifiable intangibles acquired	$ 3.2	

GOBA Acquisition

The valuation of identifiable intangible assets of$10.3 million acquired in the GOBA Acquisition includes an amortizable trade name and amortizable customer relationships, which have been recorded at their estimated fair values. The fair value of the trade name was determined using the relief from royalty method, which is based on the present value of royalty fees derived from projected revenues. The fair value of the customer relationships was determined using the multi-period excess earnings method which is based on the present value of the projected after-tax cash flows.

The amortizable trade name is expected to be amortized over15 years on a straight-line basis, while the customer relationships will be amortized on an accelerated basis over 10 years from July 2, 2018, the date GOBA was acquired by the Company. The allocation of the identifiable intangibles acquired in the GOBA Acquisition was as follows:

(in millions)	Fair Value	Remaining Useful Life Ranges
Trade name - amortizable	$ 3.8	15 Years
Customer relationships	6.5	10 Years
Total identifiable intangibles acquired	$ 10.3	

The Company's gross carrying value and accumulated amortization by class of identifiable intangible assets as of September 30, 2019 and December 31, 2018, was as follows:

	September 30, 2019			December 31, 2018		
(in millions)	Gross Carrying Amounts	Accumulated Amortization	Net Book Value	Gross Carrying Amounts	Accumulated Amortization	Net Book Value
Indefinite-lived intangible assets:						
Trade names	$ 462.8	$ (44.5) (1)	$ 418.3	$ 471.7	$ (44.5) (1)	$ 427.2
Amortizable intangible assets:						
Trade names	312.9	(80.0)	232.9	306.0	(70.5)	235.5
Customer and contractual relationships	236.9	(135.4)	101.5	240.2	(120.5)	119.7
Patents	5.3	(1.2)	4.1	5.5	(0.9)	4.6
Subtotal	555.1	(216.6)	338.5	551.7	(191.9)	359.8
Total identifiable intangibles	$ 1,017.9	$ (261.1)	$ 756.8	$ 1,023.4	$ (236.4)	$ 787.0

(1) Accumulated amortization prior to the adoption of authoritative guidance on goodwill and other intangible assets, at which time further amortization ceased.

The Company's intangible amortization expense was $8.6 million and $9.4 million for the three months ended September 30, 2019 and 2018, respectively, and $26.8 million and $27.2 million for the nine months ended September 30, 2019 and 2018, respectively.

Estimated amortization expense for amortizable intangible assets as of September 30, 2019, for the current year and the next five years are as follows:

(in millions)	2019	2020	2021	2022	2023	2024
Estimated amortization expense(2)	$ 35.7	$ 32.4	$ 28.7	$ 25.1	$ 22.9	$ 21.2

(2) Actual amounts of amortization expense may differ from estimated amounts due to changes in foreign currency exchange rates, additional intangible asset acquisitions, impairment of intangible assets, accelerated amortization of intangible assets and other events.

We test indefinite-lived intangibles for impairment at least annually and on an interim basis if an event or circumstance indicates that it is more likely than not that an impairment loss has been incurred. We performed this annual assessment, on a qualitative basis, as allowed by GAAP, in the second quarter of 2019 and concluded that no impairment existed.

10. Restructuring

The Company recorded $2.1 million and $4.8 million of restructuring expense for the three and nine months ended September 30, 2019, respectively. The restructuring expenses are primarily for severance costs related to cost reduction initiatives in our North America and International segments.

The summary of the activity in the restructuring liability for thenine months ended September 30, 2019, was as follows:

(in millions)	Balance at December 31, 2018	Provision	Cash Expenditures	Non-cash Items/ Currency Change	Balance at September 30, 2019
Employee termination costs[(1)]	$ 7.9	$ 4.1	$ (7.2)	$ (0.2)	$ 4.6
Termination of lease agreements[(2)]	1.8	0.1	(1.6)	—	0.3
Other[(3)]	—	0.6	(0.1)	—	0.5
Total restructuring liability	$ 9.7	$ 4.8	$ (8.9)	$ (0.2)	$ 5.4

(1) We expect the remaining $4.6 million employee termination costs to be substantially paid in the next12 months.
(2) We expect the remaining $0.3 million termination of lease costs to be substantially paid in the next6 months.
(3) We expect the remaining $0.5 million of other costs to be substantially paid in the next6 months.

The summary of the activity in the restructuring liability for thenine months ended September 30, 2018, was as follows:

(in millions)	Balance at December 31, 2017	Provision	Cash Expenditures	Non-cash Items/ Currency Change	Balance at September 30, 2018
Employee termination costs	$ 12.0	$ 4.2	$ (8.7)	$ (0.4)	$ 7.1
Termination of lease agreements	0.8	3.5	(1.6)	(0.1)	2.6
Other	0.5	0.2	(0.5)	—	0.2
Total restructuring liability	$ 13.3	$ 7.9	$ (10.8)	$ (0.5)	$ 9.9

11. Income Taxes

For the three months ended September 30, 2019, we recorded an income tax expense of$12.2 million on income before taxes of$40.2 million, for an effective rate of 30.3 percent.

For the three months ended September 30, 2018, we recorded an income tax expense of$13.4 million on income before taxes of$49.0 million, for an effective rate of 27.3 percent.

For the nine months ended September 30, 2019, we recorded an income tax expense of$38.1 million on income before taxes of$101.4 million, for an effective rate of 37.6 percent. The increase in effective tax rate for the period is primarily due to the Company increasing its reserves for uncertain tax positions during the first quarter of 2019, in connection with the Brazil Tax Assessments (see Brazil Tax Assessments below) in the amount of $5.6 million, the recording of deferred state taxes on unremitted non-U.S. earnings in the amount of $0.8 million and $1.6 million of Brazilian income taxes accrued on a contingent gain resulting from a reduction of the Brazilian indirect tax base (see "Note 18. Commitments and Contingencies - Brazil Tax Credits").

For the nine months ended September 30, 2018, we recorded an income tax expense of$27.4 million on income before taxes of$99.1 million, for an effective rate of 27.6 percent. The tax expense for the nine months ended September 30, 2018 included an excess tax benefit resulting from the realization of stock-based compensation related tax deductions, the partial release of the reserve for the uncertain tax positions in connection with the Brazil Tax Assessments resulting from the expiration of the statute of limitation for the 2011 tax year, and positive impacts attributable to the Tax Cuts and Jobs Act (the "U.S. Tax Act") and foreign tax refunds. This was partially offset by the revaluation of the deferred tax assets and liabilities resulting from the decrease in the Swedish corporate tax rate.

The U.S. federal statute of limitations remains open for the years2015 and forward. Foreign and U.S. state jurisdictions have statutes of limitations generally ranging from 2 to 5 years. Years still open to examination by foreign tax authorities in major jurisdictions include Australia (2014 forward), Brazil (2013 forward), Canada (2014 forward), Germany (2014 forward), Sweden (2013 forward) and the U.K. (2017 forward). We are currently under examination in certain foreign jurisdictions.

Immaterial Out-of-Period Adjustment

The $5.6 million tax expense resulting from the increase in the reserve related to uncertain tax positions in connection with the Brazil Tax Assessments that was recorded in the first quarter of 2019 should properly have been recorded in 2018 when the

Company decided to appeal an administrative decision to the judicial level. The impact of recording this out-of-period adjustment to our Consolidated Statements of Income in the three months ended March 31, 2019, is a $5.6 million increase in our income tax expense and a $5.6 million decrease to our Net Income, resulting in a Net Loss for the three months ended March 31, 2019; the Company has concluded that this amount would not have been material to its Net Income for the twelve months ended December 31, 2018, or its expected Net Income for the twelve months ended December 31, 2019. Further, the impact of the correction was not material to either our Condensed Consolidated Balance Sheets, our Condensed Consolidated Statements of Cash Flows or our Consolidated Statement of Stockholders' Equity. This amount is not expected to be paid in cash in the foreseeable future, and would only be paid in the event that we do not ultimately prevail in the case.

Brazil Tax Assessments

In connection with our May 1, 2012, acquisition of the Mead Consumer and Office Products business ("Mead C&OP"), we assumed all of the tax liabilities for the acquired foreign operations including Tilibra Produtos de Papelaria Ltda. ("Tilibra"). In December of 2012, the Federal Revenue Department of the Ministry of Finance of Brazil ("FRD") issued a tax assessment against Tilibra, challenging the tax deduction of goodwill from Tilibra's taxable income for the year 2007 (the "First Assessment"). A second assessment challenging the deduction of goodwill from Tilibra's taxable income for the years 2008, 2009 and 2010 was issued by FRD in October 2013 (the "Second Assessment" and together with the First Assessment, the "Brazil Tax Assessments"). Tilibra is disputing both of the tax assessments.

The final administrative appeal of the Second Assessment was decided against the Company in 2017. In 2018, the Company decided to appeal this decision to the judicial level. In the event we do not prevail at the judicial level, the Company will be required to pay an additional amount representing attorneys' costs and fees. Accordingly, in the first quarter of 2019, the Company recorded an additional reserve in the amount of $5.6 million reflecting the increased liability, bringing the total reserve to $27.5 million for the Second Assessment. In connection with the judicial challenge, we were required to provide security to guarantee payment of the Second Assessment, should we not prevail. The First Assessment is still being challenged through established administrative procedures.

We believe we have meritorious defenses and intend to vigorously contest both of the assessments; however, there can be no assurances that we will ultimately prevail. The ultimate outcome will not be determined until the Brazilian tax appeal process is complete, which is expected to take a number of years. If the FRD's initial position is ultimately sustained, payment of the amount assessed would materially and adversely affect our cash flow in the year of settlement.

Because there is no settled legal precedent on which to base a definitive opinion as to whether we will ultimately prevail, we consider the outcome of these disputes to be uncertain. Since it is not more likely than not that we will prevail, in 2012, we recorded a reserve in the amount of $44.5 million (at December 31, 2012 exchange rates) in consideration of this contingency, of which $43.3 million was recorded as an adjustment to the purchase price and which included the 2007-2012 tax years plus penalties and interest through December 2012. Included in this reserve is an assumption of penalties at 75 percent, which is the standard penalty. While there is a possibility that a penalty of 150 percent could be imposed in connection with the First Assessment, based on the facts in our case and existing precedent, we believe the likelihood of a 150 percent penalty is not more likely than not as of September 30, 2019. We will continue to actively monitor administrative and judicial court decisions and evaluate their impact, if any, on our legal assessment of the ultimate outcome of our disputes. In addition, we will continue to accrue interest related to this contingency until such time as the outcome is known or until evidence is presented that we are more likely than not to prevail. The time limit for issuing an assessment for 2011 expired in January 2018 and we did not receive an assessment; we therefore reversed $5.6 million of reserves related to 2011 in the first quarter of 2018. During the three months ended September 30, 2019 and 2018, we accrued additional interest as a charge to current income tax expense of $0.3 million and $0.3 million, respectively, and for the nine months ended September 30, 2019 and 2018, we accrued additional interest of $0.9 million and $0.9 million, respectively. At current exchange rates, our accrual through September 30, 2019, including tax, penalties and interest is $33.4 million.

12. Earnings per Share

Total outstanding shares as of September 30, 2019 and 2018, were 97.2 million and 102.7 million, respectively. Under our stock repurchase program, for the three and nine months ended September 30, 2019, we repurchased and retired 2.3 million and 7.0 million shares, respectively. For the three and nine months ended September 30, 2018, the shares repurchased and retired were 2.0 million and 6.0 million, respectively. For the nine months ended September 30, 2019 and 2018, we acquired 0.5 million and 0.6 million shares, respectively, related to tax withholding for share-based compensation.

The calculation of basic earnings per share of common stock is based on the weighted-average number of shares of common stock outstanding in the year, or period, over which they were outstanding. Our calculation of diluted earnings per share of common stock assumes that any shares of common stock outstanding were increased by shares that would be issued upon exercise of those stock awards for which the average market price for the period exceeds the exercise price less the shares that could have been purchased by the Company with the related proceeds, including compensation expense measured but not yet recognized.

Our weighted-average shares outstanding for the three and nine months ended September 30, 2019 and 2018 was as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
(in millions)	2019	2018	2019	2018
Weighted-average number of shares of common stock outstanding - basic	97.6	103.8	100.4	105.6
Stock options	0.4	1.1	0.4	1.1
Restricted stock units	0.9	1.0	1.1	1.2
Weighted-average shares and assumed conversions - diluted	98.9	105.9	101.9	107.9

Awards of potentially dilutive shares of common stock, which have exercise prices that were higher than the average market price during the period, are not included in the computation of dilutive earnings per share as their effect would have been anti-dilutive. For the three and nine months ended September 30, 2019, the number of anti-dilutive shares was approximately 5.0 million and 4.7 million, respectively, and for the three and nine months ended September 30, 2018, the number of anti-dilutive shares was approximately 3.8 million and 3.6 million, respectively.

13. Derivative Financial Instruments

We are exposed to various market risks, including changes in foreign currency exchange rates and interest rate changes. We enter into financial instruments to manage and reduce the impact of these risks, not for trading or speculative purposes. The counterparties to these financial instruments are major financial institutions. We continually monitor our foreign currency exposures in order to maximize the overall effectiveness of our foreign currency hedge positions. Principal currencies hedged against the U.S. dollar include the Euro, Australian dollar, Canadian dollar, Swedish krona, British pound and Japanese yen. We are subject to credit risk, which relates to the ability of counterparties to meet their contractual payment obligations or the potential non-performance by counterparties to financial instrument contracts. Management continues to monitor the status of our counterparties and will take action, as appropriate, to further manage our counterparty credit risk. There are no credit contingency features in our derivative financial instruments.

When hedge accounting is applicable, on the date we enter into a derivative, the derivative is designated as a hedge of the identified exposure. We measure the effectiveness of our hedging relationships both at hedge inception and on an ongoing basis.

Forward Currency Contracts

We enter into forward foreign currency contracts with third parties to reduce the effect of fluctuating foreign currencies, primarily on foreign denominated inventory purchases and intercompany loans. The majority of the Company's exposure to local currency movements is in Europe (the Euro, the Swedish krona and the British pound), Australia, Canada, Brazil, and Mexico.

Forward currency contracts are used to hedge foreign denominated inventory purchases for Europe, Australia, Canada, Japan and New Zealand, and are designated as cash flow hedges. Unrealized gains and losses on these contracts are deferred in Accumulated Other Comprehensive Income ("AOCI") until the contracts are settled and the underlying hedged transactions relating to inventory purchases are recognized, at which time the deferred gains or losses will be reported in the "Cost of products sold" line in the "Consolidated Statements of Income." As of September 30, 2019 and December 31, 2018, we had cash-flow-designated foreign exchange contracts outstanding with a U.S. dollar equivalent notional value of $103.7 million and $98.7 million, respectively.

Forward currency contracts used to hedge foreign denominated intercompany loans are not designated as hedging instruments. Gains and losses on these derivative instruments are recognized within "Other (income) expense, net" in the "Consolidated Statements of Income" and are largely offset by the change in the current translated value of the hedged item. The periods of the forward foreign exchange contracts correspond to the periods of the hedged transactions, and do not extend beyond September 2020, except for one relating to intercompany loans which extends to December 2020. As of September 30, 2019 and December 31, 2018, we had undesignated foreign exchange contracts outstanding with a U.S. dollar equivalent notional value of $85.5 million and $113.3 million, respectively.

The following table summarizes the fair value of our derivative financial instruments as of September 30, 2019 and December 31, 2018:

	Fair Value of Derivative Instruments					
	Derivative Assets			Derivative Liabilities		
(in millions)	Balance Sheet Location	September 30, 2019	December 31, 2018	Balance Sheet Location	September 30, 2019	December 31, 2018
Derivatives designated as hedging instruments:						
Foreign exchange contracts	Other current assets	$ 2.0	$ 3.3	Other current liabilities	$ 0.3	$ 0.1
Derivatives not designated as hedging instruments:						
Foreign exchange contracts	Other current assets	—	0.6	Other current liabilities	1.0	1.7
Foreign exchange contracts	Other non-current assets	1.5	12.7	Other non-current liabilities	1.5	12.7
Total derivatives		$ 3.5	$ 16.6		$ 2.8	$ 14.5

The following tables summarize the pre-tax effect of our derivative financial instruments on the condensed consolidated financial statements for thethree and nine months ended September 30, 2019 and 2018:

	The Effect of Derivative Instruments in Cash Flow Hedging Relationships on the Condensed Consolidated Financial Statements				
	Amount of Gain (Loss) Recognized in AOCI (Effective Portion)		Location of (Gain) Loss Reclassified from AOCI to Income	Amount of (Gain) Loss Reclassified from AOCI to Income (Effective Portion)	
	Three Months Ended September 30,			Three Months Ended September 30,	
(in millions)	2019	2018		2019	2018
Cash flow hedges:					
Foreign exchange contracts	$ 2.7	$ (3.6)	Cost of products sold	$ (0.7)	$ 2.6

	The Effect of Derivative Instruments in Cash Flow Hedging Relationships on the Condensed Consolidated Financial Statements				
	Amount of Gain (Loss) Recognized in AOCI (Effective Portion)		Location of (Gain) Loss Reclassified from AOCI to Income	Amount of (Gain) Loss Reclassified from AOCI to Income (Effective Portion)	
	Nine Months Ended September 30,			Nine Months Ended September 30,	
(in millions)	2019	2018		2019	2018
Cash flow hedges:					
Foreign exchange contracts	$ 2.3	$ (1.6)	Cost of products sold	$ (3.6)	$ 5.5

	The Effect of Derivatives Not Designated as Hedging Instruments on the Consolidated Statements of Income				
	Location of (Gain) Loss Recognized in Income on Derivatives	Amount of (Gain) Loss Recognized in Income		Amount of (Gain) Loss Recognized in Income	
		Three Months Ended September 30,		Nine Months Ended September 30,	
(in millions)		2019	2018	2019	2018
Foreign exchange contracts	Other (income) expense, net	$ (0.2)	$ 1.0	$ (0.7)	$ 1.4

14. Fair Value of Financial Instruments

In establishing a fair value, there is a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The basis of the fair value measurement is categorized in three levels, in order of priority, as described below:

Level 1	Unadjusted quoted prices in active markets for identical assets or liabilities
Level 2	Unadjusted quoted prices in active markets for similar assets or liabilities, or
	Unadjusted quoted prices for identical or similar assets or liabilities in markets that are not active, or
	Inputs other than quoted prices that are observable for the asset or liability
Level 3	Unobservable inputs for the asset or liability

We utilize the best available information in measuring fair value. Financial assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

We have determined that our financial assets and liabilities described in "Note 13. Derivative Financial Instruments" are Level 2 in the fair value hierarchy. The following table sets forth our financial assets and liabilities that were accounted for at fair value on a recurring basis as of September 30, 2019 and December 31, 2018:

(in millions)	September 30, 2019	December 31, 2018
Assets:		
Forward currency contracts	$ 3.5	$ 16.6
Liabilities:		
Forward currency contracts	$ 2.8	$ 14.5

Our forward currency contracts are included in "Other current assets," "Other non-current assets," "Other current liabilities" or "Other non-current liabilities." The forward foreign currency exchange contracts are primarily valued based on the foreign currency spot and forward rates quoted by banks or foreign currency dealers. As such, these derivative instruments are classified within Level 2.

The fair values of cash and cash equivalents, notes payable to banks, accounts receivable and accounts payable approximate carrying amounts due principally to their short maturities. The carrying amount of total debt was $923.5 million and $888.0 million and the estimated fair value of total debt was $936.1 million and $848.6 million at September 30, 2019 and December 31, 2018, respectively. The fair values are determined from quoted market prices, where available, and from investment bankers using current interest rates considering credit ratings and the remaining time to maturity.

15. Accumulated Other Comprehensive Income (Loss)

Accumulated Other Comprehensive Income (Loss) is defined as net (loss) income and other changes in stockholders' equity from transactions and other events from sources other than stockholders. The components of, and changes in, accumulated other comprehensive income (loss), net of tax were as follows:

(in millions)	Derivative Financial Instruments	Foreign Currency Adjustments	Unrecognized Pension and Other Post-retirement Benefit Costs	Accumulated Other Comprehensive Income (Loss)
Balance at December 31, 2018	$ 2.1	$ (299.2)	$ (164.6)	$ (461.7)
Other comprehensive loss before reclassifications, net of tax	1.4	(22.4)	3.2	(17.8)
Amounts reclassified from accumulated other comprehensive (loss) income, net of tax	(2.3)	—	3.4	1.1
Balance at September 30, 2019	$ 1.2	$ (321.6)	$ (158.0)	$ (478.4)

The reclassifications out of accumulated other comprehensive income (loss) for the three and nine months ended September 30, 2019 and 2018 were as follows:

(in millions)	Three Months Ended September 30,		Nine Months Ended September 30,		
	2019	2018	2019	2018	
Details about Accumulated Other Comprehensive Income Components	**Amount Reclassified from Accumulated Other Comprehensive Income (Loss)**		**Amount Reclassified from Accumulated Other Comprehensive Income (Loss)**		**Location on Income Statement**
Gain (loss) on cash flow hedges:					
Foreign exchange contracts	$ 0.7	$ (2.6)	$ 3.6	$ (5.5)	Cost of products sold
Tax (expense) benefit	(0.4)	0.8	(1.3)	1.6	Income tax expense
Net of tax	$ 0.3	$ (1.8)	$ 2.3	$ (3.9)	
Defined benefit plan items:					
Amortization of actuarial loss	$ (1.4)	$ (1.4)	$ (3.9)	$ (4.3)	(1)
Amortization of prior service cost	(0.2)	(0.1)	(0.4)	(0.3)	(1)
Total before tax	(1.6)	(1.5)	(4.3)	(4.6)	
Tax benefit	0.5	0.4	0.9	1.1	Income tax expense
Net of tax	$ (1.1)	$ (1.1)	$ (3.4)	$ (3.5)	
Total reclassifications for the period, net of tax	$ (0.8)	$ (2.9)	$ (1.1)	$ (7.4)	

(1) These accumulated other comprehensive income components are included in the computation of net periodic benefit cost for pension and post-retirement plans. See "Note 6. Pension and Other Retiree Benefits" for additional details.

16. Revenue Recognition

Revenue is recognized when control of the promised goods or services is transferred to our customers in an amount reflective of the consideration we expect to be received in exchange for those goods or services. Taxes we collect concurrent with revenue producing activities are excluded from revenue. Incidental items incurred that are immaterial in the context of the contract are expensed.

At the inception of each contract, the Company assesses the products and services promised and identifies each distinct performance obligation. To identify the performance obligations, the Company considers all products and services promised regardless of whether they are explicitly stated or implied within the contract or by standard business practices.

Freight and distribution activities performed before the customer obtains control of the goods are not considered promised services under customer contracts and therefore are not distinct performance obligations. The Company has chosen to account for shipping and handling activities as a fulfillment activity, and therefore accrues the expense of freight and distribution in "Cost of products sold" when product is shipped.

Service or Extended Maintenance Agreements ("EMAs") As of December 31, 2018, there was $5.0 million of unearned revenue associated with outstanding EMAs, primarily reported in "Other current liabilities." During the three and nine months ended September 30, 2019, $0.8 million and $3.7 million, respectively, of the unearned revenue was recognized. As of September 30, 2019, the amount of unearned revenue was $4.8 million. We expect to recognize approximately $4.2 million of the unearned amount in the next 12 months and $0.6 million in periods beyond the next 12 months.

The following tables present our net sales disaggregated by regional geography[(1)], based upon our reporting business segments and our net sales disaggregated by the timing of revenue recognition for the three and nine months ended September 30, 2019 and 2018:

	Three Months Ended September 30,		Nine Months Ended September 30,	
(in millions)	2019	2018	2019	2018
United States	$ 235.8	$ 227.6	$ 646.4	$ 617.7
Canada	36.6	35.8	94.3	94.1
ACCO Brands North America	272.4	263.4	740.7	711.8
ACCO Brands EMEA[(2)]	133.1	143.1	407.9	438.1
Australia/N.Z.	37.1	41.4	100.7	118.8
Latin America	52.1	47.6	134.8	106.7
Asia-Pacific	11.0	11.8	34.2	36.5
ACCO Brands International	100.2	100.8	269.7	262.0
Net sales	$ 505.7	$ 507.3	$ 1,418.3	$ 1,411.9

(1) Net sales are attributed to geographic areas based on the location of the selling subsidiaries.
(2) ACCO Brands EMEA is comprised largely of Europe, but also includes export sales to the Middle East and Africa.

	Three Months Ended September 30,		Nine Months Ended September 30,	
(in millions)	2019	2018	2019	2018
Product and services transferred at a point in time	$ 489.8	$ 493.3	$ 1,370.4	$ 1,372.0
Product and services transferred over time	15.9	14.0	47.9	39.9
Net sales	$ 505.7	$ 507.3	$ 1,418.3	$ 1,411.9

17. Information on Business Segments

The Company has three operating business segments each of which is comprised of different geographic regions. The Company's three segments are as follows:

Operating Segment	Geography
ACCO Brands North America	United States and Canada
ACCO Brands EMEA	Europe, Middle East and Africa
ACCO Brands International	Australia/N.Z., Latin America and Asia-Pacific

Each of the Company's three operating segments designs, markets, sources, manufactures and sells recognized consumer and other end-user demanded branded products used in businesses, schools and homes. Product designs are tailored based on end-user preferences in each geographic region.

Our product categories include storage and organization; stapling; punching; laminating, binding and shredding machines and related consumable supplies; whiteboards; notebooks; calendars; computer accessories; and do-it-yourself tools, among others. Our portfolio of consumer and other end-user demanded brands includes both globally and regionally recognized brands.

Customers

We distribute our products through a wide variety of retail and commercial channels to ensure that our products are readily and conveniently available for purchase by consumers and other end-users, wherever they prefer to shop. These channels include mass retailers; e-tailers; discount, drug/grocery and variety chains; warehouse clubs; hardware and specialty stores; independent office product dealers; office superstores; wholesalers; and contract stationers. We also sell directly to commercial and consumer end-users through our e-commerce platform and our direct sales organization.

ACCO Brands North America

The ACCO Brands North America segment is comprised of the United States and Canada where the Company is a leading branded supplier of consumer and business products under brands such as AT-A-GLANCE ®, Five Star®, GBC®, Hilroy®, Kensington®, Mead®, Quartet®, and Swingline®. The ACCO Brands North America segment designs, sources or manufactures and distributes school notebooks, calendars, whiteboards, storage and organization products (such as three-ring binders, sheet protectors and indexes), stapling, punching, laminating, binding and shredding products, and computer accessories, among others, which are primarily used in schools, homes and businesses. The majority of revenue in this segment is related to consumer and home products and is associated with the "back-to-school" season and year-end calendar purchases. We expect sales of consumer products to become an increasingly greater percentage of our revenue as demand for consumer products is faster growing than most business-related products.

ACCO Brands EMEA

The ACCO Brands EMEA segment is comprised largely of Europe, but also includes export sales to the Middle East and Africa. The Company is a leading branded supplier of consumer and business products under brands such as Derwent®, Esselte®, GBC®, Kensington®, Leitz®, NOBO®, Rapid®, and Rexel®. The ACCO Brands EMEA segment designs, manufactures or sources and distributes storage and organization products (such as lever-arch binders, sheet protectors and indexes), stapling, punching, laminating, binding and shredding products, do-it-yourself tools, and computer accessories, among others, which are primarily used in businesses, homes and schools.

ACCO Brands International

The ACCO Brands International segment is comprised of Australia/N.Z., Latin America and Asia-Pacific where the Company is a leading branded supplier of consumer and business products under brands such as Artline®, Barrilito®, Foroni®, GBC®, Kensington®, Marbig®, Quartet®, Rexel®, Tilibra®, and Wilson Jones®, among others. The ACCO Brands International segment designs, sources or manufactures and distributes school notebooks, calendars, whiteboards, storage and organization products (such as three-ring binders, sheet protectors and indexes), stapling, punching, laminating, binding and shredding products, writing instruments, and janitorial supplies, among others, which are primarily used in schools, businesses and homes. The majority of revenue in this segment is related to consumer products and is associated with the "back-to-school" season and year-end calendar purchases. We expect sales of consumer products to become an increasingly greater percentage of our revenue as demand for consumer products is faster growing than most business-related products.

Net sales by business segment for the three and nine months ended September 30, 2019 and 2018 were as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
(in millions)	2019	2018	2019	2018
ACCO Brands North America	$ 272.4	$ 263.4	$ 740.7	$ 711.8
ACCO Brands EMEA	133.1	143.1	407.9	438.1
ACCO Brands International	100.2	100.8	269.7	262.0
Net sales	$ 505.7	$ 507.3	$ 1,418.3	$ 1,411.9

Operating income by business segment for the three and nine months ended September 30, 2019 and 2018 was as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
(in millions)	2019	2018	2019	2018
ACCO Brands North America	$ 33.7	$ 33.7	$ 101.1	$ 88.1
ACCO Brands EMEA	13.8	14.6	37.1	37.1
ACCO Brands International	10.8	16.1	20.5	25.2
Segment operating income	58.3	64.4	158.7	150.4
Corporate	(9.5)	(6.9)	(30.6)	(29.4)
Operating income(1)	48.8	57.5	128.1	121.0
Interest expense	11.5	11.6	33.6	30.9
Interest income	(0.7)	(1.1)	(2.9)	(3.5)
Non-operating pension income	(1.3)	(2.6)	(4.1)	(7.1)
Other (income) expense, net	(0.9)	0.6	0.1	1.6
Income before income tax	$ 40.2	$ 49.0	$ 101.4	$ 99.1

(1) Operating income as presented in the segment table above is defined as i) net sales; ii) less cost of products sold; iii) less selling, general and administrative expenses; iv) less amortization of intangibles; and v) less restructuring charges.

18. Commitments and Contingencies

Pending Litigation - Brazil Tax Assessments

In connection with our May 1, 2012, acquisition of the Mead C&OP business, we assumed all of the tax liabilities for the acquired foreign operations including Tilibra Produtos de Papelaria Ltda. ("Tilibra"). For further information, see "Note 11. Income Taxes - *Brazil Tax Assessments*" for details on tax assessments issued by the FRD against Tilibra challenging the tax deduction of goodwill from Tilibra's taxable income for the years 2007 through 2010. If the FRD's initial position is ultimately sustained, payment of the amount assessed would materially and adversely affect our cash flow in the year of settlement.

Brazil Tax Credits

In March 2017, the Supreme Court of Brazil ruled against the Brazilian tax authority in a leading case related to the computation of certain indirect taxes. The Supreme Court ruled that the indirect tax base should not include a value-added tax known as "ICMS." The Supreme Court decision, in principle, affects all applicable judicial proceedings in progress, and reduces future indirect taxes on our Brazilian subsidiary, Tilibra. However, the Brazilian tax authority has filed an appeal seeking clarification of certain matters, including the amount by which taxpayers would be entitled to reduce their indirect tax base (i.e. the gross ICMS collected or the net ICMS paid). The appeal also requests a modulation of the decision’s effects, which may limit its retrospective impact on taxpayers, including Tilibra.

Tilibra has paid and continues to pay these indirect taxes on a tax base which includes the gross ICMS collected. It has also filed legal actions in Brazil to request reimbursement of these excess tax payments by way of future credits ("Tax Credits") and for permission to exclude the gross ICMS collected from the tax base in future periods. Tilibra’s legal actions cover various time periods and some have been finally decided in a court of law in favor of Tilibra while others are still pending a final decision.

Due to the uncertainties associated with the scope of the application of the Brazilian Supreme Court’s ruling, taking into account the Brazilian tax authority’s appeal and request for modulation, the Company is treating the potential recovery resulting from the Tax Credits as a contingent gain and intends to record as income only the amount of Tax Credits actually realized in the periods monetized. As such, the Company will recognize income when Tilibra receives a cash flow benefit from applying the Tax Credits against various taxes payable in Brazil. The benefit of the Tax Credits realized by the Company will be recorded in the Consolidated Statements of Income in the line item "Other (income) expense, net."

Tilibra has Tax Credits in the amount of $4.3 million which it reasonably expects to offset against Brazilian taxes in the fourth quarter of 2019. This represents the amount of Tax Credits for the periods for which Tilibra has received favorable final court decisions and assumes that only the net amount of ICMS paid can be excluded from the tax base. The value of these Tax Credits was recorded as a gain in Tilibra's local statutory accounts during the third quarter of 2019, resulting in Brazilian federal taxes payable of approximately $1.6 million.

Final decisions in the remaining legal actions Tilibra has filed may result in additional Tax Credits that could be monetized in future periods. Further, a favorable decision in the leading case by the Brazilian Supreme Court on the methodology to compute the Tax Credits (i.e. gross ICMS collected) would result in additional Tax Credits being available to Tilibra. The amount of these additional Tax Credits may be material.

Foroni has also filed legal actions in Brazil, which seek to recover these excess indirect tax payments made prior to the acquisition by Tilibra. The Company also intends to recognize income for Tax Credits from Foroni when Foroni receives a cash flow benefit from applying such Tax Credits against various taxes payable in Brazil. Any net cash benefit recognized as a result of Tax Credits arising from periods prior to August 1, 2019, must be remitted to the former owners of Foroni in accordance with the terms of the quota purchase agreement.

Other Pending Litigation

We are party to various lawsuits and regulatory proceedings, primarily related to alleged patent infringement and employee terminations as well as other claims incidental to our business. In addition, we may be unaware of third party claims of intellectual property infringement relating to our technology, brands or products and we may face other claims related to business operations. Any litigation regarding patents or other intellectual property could be costly and time-consuming and might require us to pay monetary damages or enter into costly license agreements. We also may be subject to injunctions against development and sale of certain of our products.

It is the opinion of management that, other than the Brazil Tax Assessments, the ultimate resolution of currently outstanding matters will not have a material adverse effect on our financial condition, results of operations or cash flow. However, there is no assurance that we will ultimately be successful in our defense of any of these matters or that an adverse outcome in any matter will not affect our results of operations, financial condition or cash flow. Further, future claims, lawsuits and legal proceedings could materially and adversely affect our business, reputation, results of operations and financial condition.

Environmental

We are subject to national, state, provincial and/or local environmental laws and regulations concerning the discharge of materials into the environment and the handling, disposal and clean-up of waste materials and otherwise relating to the protection of the environment. This includes environmental laws and regulations that affect the design and composition of certain of our products. It is not possible to quantify with certainty the potential impact of actions regarding environmental matters, particularly remediation and other compliance efforts that we may undertake in the future. In the opinion of our management, compliance with the present environmental protection laws, before taking into account estimated recoveries from third parties, will not have a material adverse effect upon our capital expenditures, financial condition and results of operations or competitive position.

19. Subsequent Events

Dividends

On October 29, 2019, the Company's Board of Directors declared a quarterly cash dividend of6.5¢ cent per share on its common stock, representing an increase of 8.3 percent from 6.0¢ cent in the prior quarter. The dividend is payable onDecember 18, 2019 to stockholders of record as of the close of business on November 29, 2019. The declaration and payment of future dividends will be at the discretion of the Board of Directors and will be dependent upon, among other things, the Company's financial position, results of operations, cash flows, debt covenant compliance, anticipated liquidity needs, and other factors.

ITEM 2. *MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS*

INTRODUCTION

Management's Discussion and Analysis of Financial Condition and Results of Operations for the three and nine months ended September 30, 2019 and 2018 should be read in conjunction with the unaudited condensed consolidated financial statements of ACCO Brands Corporation and the accompanying notes contained therein.

Overview of the Company

ACCO Brands is a designer, marketer and manufacturer of recognized consumer and other end-user demanded brands used in businesses, schools, and homes. Our widely known brands include AT-A-GLANCE ®, Barrilito®, Derwent®, Esselte®, Five Star®, Foroni®, GBC®, Hilroy®, Kensington®, Leitz®, Marbig®, Mead®, NOBO®, Quartet®, Rapid®, Rexel®, Swingline®, Tilibra® and Wilson Jones®. More than 75 percent of our net sales come from brands that occupy the No. 1 or No. 2 position in the select product categories in which we compete. We distribute our products through a wide variety of retail and commercial channels to ensure that our products are readily and conveniently available for purchase by consumers and other end-users, wherever they prefer to shop. These channels include mass retailers, e-tailers, discount, drug/grocery and variety chains; warehouse clubs; hardware and specialty stores; independent office product dealers; office superstores; wholesalers; and contract stationers. Our products are sold primarily in the U.S., Europe, Australia, Canada, Brazil and Mexico. For the year ended December 31, 2018, approximately 42 percent of our net sales were in the U.S.; down from 45 percent in 2017. This decrease was primarily the result of the Esselte and GOBA acquisitions, which further expanded our international business.

Our strategy is to grow our global portfolio of consumer brands, increase our presence in faster growing geographies and channels and diversify our customer base. We plan to supplement organic growth globally with strategic acquisitions in both existing and adjacent product categories. We continue to focus on strong free cash flow, as well as leveraging our cost structure through synergies and productivity savings to drive long-term profit improvement.

In furtherance of our strategy, we have transformed our business by acquiring companies with consumer and other end-user demanded brands, and by continuing to diversify our distribution channels. In 2012, we acquired the Mead Consumer and Office Products business. That acquisition substantially increased our presence in North America and Brazil in school and calendar products with well-known consumer brands. In 2016, we purchased the remaining equity interest in Pelikan Artline from our joint venture partner. That purchase enhanced our competitive position in school and business products in Australia and New Zealand and added new categories, including writing instruments and janitorial supplies. In early 2017, we acquired Esselte Group Holdings AB ("Esselte"), which more than doubled our presence in Europe. The purchase of Esselte added several iconic business brands, a significant base of independent dealer customers, and a new product category of do-it-yourself hardware tools. In 2018, we completed the acquisition of GOBA Internacional, S.A. de C.V. in Mexico to extend our presence into new categories. Recently, we completed the acquisition of Indústria Gráfica Foroni Ltda. in Brazil, which expanded our market-leading presence. Together these acquisitions have meaningfully expanded our portfolio of well-known end-user demanded brands; enhanced our competitive position from both a product and channel perspective, and added scale to our operations. Today ACCO Brands is a global enterprise focused on developing innovative branded consumer products for use in businesses, schools and homes.

We believe our leading product category positions provide the scale to enable us to invest in marketing and product innovation to drive profitable growth. Over the long term, we expect to derive much of our growth from faster-growing geographies such as Latin America and parts of Asia, the Middle East and Eastern Europe. These areas exhibit a growing demand for our product categories. In all of our markets, we see opportunities for sales growth through share gains, channel expansion and innovative products.

Acquisitions

Indústria Gráfica Foroni Ltda Acquisition

Effective August 1, 2019, we completed the acquisition (the "Foroni Acquisition") of Indústria Gráfica Foroni Ltda. ("Foroni"), a leading provider of Foroni® branded notebooks and paper-based school and office products in Brazil. The preliminary purchase price was $42.1 million, and is subject to working capital and other adjustments. The Foroni Acquisition advances our strategy to expand in faster growing geographies and product categories, add consumer-centric brands and diversify our customer base. The results of Foroni are included in the ACCO Brands International segment from August 1, 2019.

The results for the three and nine months ended September 30, 2019, include the results of Foroni for two months.

GOBA Internacional, S.A. de C.V. Acquisition

On July 2, 2018, we completed the acquisition (the "GOBA Acquisition") of GOBA Internacional, S.A. de C.V. ("GOBA"), a leading provider of Barrilito® branded school and craft products in Mexico. The purchase price was $37.2 million, net of cash acquired, and working capital and other adjustments. The GOBA Acquisition has increased the breadth and depth of our distribution throughout Mexico, especially with wholesalers and retailers and added a strong offering of school and craft products to our product portfolio in Mexico. The results of GOBA are included in the ACCO Brands International segment from July 2, 2018.

The nine months ended September 30, 2019, include the results of GOBA in all months, while only three months are included in the nine months ended September 30, 2018.

For further information on the Foroni and GOBA acquisitions, see "Note 3. Acquisitions" to the condensed consolidated financial statements contained in Item 1. of this report.

Foreign Exchange Rates

The quarterly and year-to-date average foreign exchange rates have declined relative to the prior-year period for most of our major currencies relative to the U.S. dollar as detailed below:

	2019 3rd QTR Average Versus 2018 3rd QTR Average	2019 YTD Average Versus 2018 YTD Average
Currency	**Increase/(Decline)**	**Increase/(Decline)**
Euro	(4)%	(6)%
Australian dollar	(6)%	(8)%
Canadian dollar	(1)%	(3)%
Brazilian real	—%	(8)%
Swedish krona	(7)%	(9)%
British pound	(5)%	(6)%
Mexican peso	(2)%	(1)%
Japanese yen	3%	1%

Overview of Performance

For the three months ended September 30, 2019, net sales declined slightly due to negative foreign exchange of $9.7 million. The acquisition of Foroni contributed $5.7 million in net sales. Comparable net sales, excluding foreign exchange and Foroni were up 0.5 percent with strong sales in North America, partially offset by weakness in EMEA and International. Operating income declined 15.1 percent, primarily due to lower gross margins in our EMEA and International segments and higher SG&A expenses. Foreign exchange further negatively impacted our operating income by $1.1 million.

Operating cash flow for the three months ended September 30, 2019, was $190.8 million, which was significantly higher than last year's operating cash flow of $91.2 million. The $99.6 million year-over-year improvement was due to front loading of payments in the first quarter of 2019 for inventory purchased in the fourth quarter of 2018 to secure supply and partially mitigate the impact of anticipated tariffs. This inventory was consumed during the third quarter and inventory levels are now at a seasonal normal, although reflecting inflation. As a result, payments for inventory in the third quarter were significantly less than a year ago.

Operating cash flow for the nine months ended September 30, 2019 of $75.1 million decreased $9.6 million compared with last year, primarily due to higher income tax payments in 2019.

With the high operating cash flow in the quarter we repaid $174 million of our seasonal borrowings in the three months ended September 30, 2019.

Consolidated Results of Operations for the Three Months Ended September 30, 2019 and September 30, 2018

	Three Months Ended September 30,		Amount of Change	
(in millions, except per share data)	2019	2018	$	%/pts
Net sales	$ 505.7	$ 507.3	$ (1.6)	(0.3)%
Cost of products sold	349.8	346.5	3.3	1.0 %
Gross profit	155.9	160.8	(4.9)	(3.0)%
Gross profit margin	*30.8%*	*31.7%*		*(0.9) pts*
Selling, general and administrative expenses	96.4	92.8	3.6	3.9 %
Amortization of intangibles	8.6	9.4	(0.8)	(8.5)%
Restructuring charges	2.1	1.1	1.0	90.9 %
Operating income	48.8	57.5	(8.7)	(15.1)%
Operating income margin	*9.6%*	*11.3%*		*(1.7) pts*
Interest expense	11.5	11.6	(0.1)	(0.9)%
Interest income	(0.7)	(1.1)	(0.4)	(36.4)%
Non-operating pension income	(1.3)	(2.6)	(1.3)	(50.0)%
Other (income) expense, net	(0.9)	0.6	1.5	NM
Income tax expense	12.2	13.4	(1.2)	(9.0)%
Effective tax rate	*30.3%*	*27.3%*		3.0 *pts*
Net income	28.0	35.6	(7.6)	(21.3)%
Weighted average number of diluted shares outstanding:	98.9	105.9	(7.0)	(6.6)%
Diluted income per share	$ 0.28	$ 0.34	$ (0.06)	(17.6)%

Net Sales

Net sales of $505.7 million decreased $1.6 million, or 0.3 percent, from $507.3 million last year. The decrease reflected negative foreign exchange of $9.7 million, or 1.9 percent, partially offset by $5.7 million, or 1.1 percent, in net sales from Foroni. Excluding net sales from Foroni and foreign exchange, comparable net sales increased $2.4 million, or 0.5 percent, as higher back-to-school sales in the North America segment were partially offset by declines in the EMEA and International segments.

Cost of Products Sold

Cost of products sold includes all manufacturing, product sourcing and distribution costs, including depreciation related to assets used in manufacturing; procurement and distribution process; allocation of certain information technology costs supporting those processes; inbound and outbound freight; shipping and handling costs; purchasing costs associated with materials and packaging used in the production processes; and inventory valuation adjustments.

Cost of products sold was $349.8 million, up $3.3 million, or 1.0 percent, from $346.5 million. Foreign exchange reduced cost of products sold $6.5 million, or 1.9 percent. Foroni added $4.2 million, or 1.2 percent. Excluding Foroni and foreign exchange, cost of products sold rose primarily because of inflationary cost increases, including tariffs.

Gross Profit

We believe that gross profit and gross profit margin provide enhanced shareholder understanding of our underlying operating profit drivers. Gross profit was $155.9 million, down $4.9 million, or 3.0 percent, from $160.8 million last year. Foroni contributed $1.5 million, or 0.9 percent, while foreign exchange reduced gross profit $3.2 million, or 2.0 percent. Excluding Foroni and foreign exchange, gross profit and gross profit margin decreased primarily due to unfavorable product mix and lower cost absorption as we reduced inventory.

Gross profit as a percent of net sales decreased to30.8 percent from 31.7 percent for the reasons noted above.

Selling, General and Administrative Expenses

Selling, general and administrative expenses ("SG&A") include advertising, marketing, selling (including commissions), research and development, customer service, depreciation related to assets outside the manufacturing and distribution processes and all other general and administrative expenses outside the manufacturing and distribution functions (e.g., finance, human resources, and information technology).

SG&A of $96.4 million increased $3.6 million, or 3.9 percent, from $92.8 million. Foroni added $1.2 million, or 1.3 percent. Foreign exchange reduced SG&A $1.7 million, or 1.8 percent. The prior-year period included $0.9 million of integration costs primarily related to Esselte. The current-year period included $1.4 million of transaction and integration costs primarily related to the Foroni Acquisition. Excluding Foroni, transaction and integration costs, and foreign exchange, SG&A increased primarily due to higher management incentive compensation expenses. SG&A as a percentage of net sales increased to 19.1 percent from 18.3 percent.

Operating Income

Operating income was $48.8 million, down $8.7 million, or 15.1 percent, from $57.5 million last year. Foreign exchange reduced operating income $1.1 million, or 1.9 percent. Foroni contributed $0.2 million, or 0.3 percent. Excluding Foroni, transaction and integration costs, restructuring charges, and foreign exchange, operating income decreased due to lower gross profit and higher SG&A expenses.

Interest Expense, Non-Operating Pension Income and Other (Income) Expense, Net

Interest expense of $11.5 million decreased $0.1 million, or 0.9 percent, from $11.6 million last year. Higher average debt outstanding and higher interest rates on our variable rate debt was offset by lower hedging cost on our intercompany loans.

Non-operating pension income of $1.3 million decreased $1.3 million, or 50.0 percent, from $2.6 million last year. The decrease was due to lower expected rates of return on plan assets in our foreign plans.

Other (income) expense, net was income of $0.9 million compared to expense of $0.6 million in the same period last year. The increase in income was due to a gain from the release of reserves no longer required for certain operating taxes related to a pre-acquisition period for GOBA and lower foreign exchange losses this year.

Income Tax Expense

Income tax expense was $12.2 million on income before taxes of $40.2 million, or an effective tax rate of30.3 percent. Last year income tax expense was $13.4 million on income before taxes of $49.0 million, or an effective tax rate of27.3 percent. The higher effective tax rate this year was primarily due to $1.6 million in Brazilian income taxes accrued on a contingent gain related to the Brazil Tax Credits.

See "Note 18. Commitments and Contingencies - *Brazil Tax Credits*" to the condensed consolidated financial statements contained in Item 1. of this report for additional details on the Brazil Tax Credits.

Net Income/Diluted Income per Share

Net income was $28.0 million, down $7.6 million, or 21.3 percent, from $35.6 million last year. Foreign exchange reduced net income $0.7 million, or 2.0 percent. Diluted income per share was $0.28 compared with $0.34 last year. Excluding Foroni, transaction and integration costs, restructuring charges, and foreign exchange, net income decreased due to lower gross profit and higher SG&A expenses. Diluted income per share benefited from fewer outstanding shares.

Segment Net Sales and Operating Income for the Three Months Ended September 30, 2019 and September 30, 2018

(in millions)	Three Months Ended September 30, 2019 Net Sales	Segment Operating Income (A)	Segment Operating Income Margin	Amount of Change Compared to the Three Months Ended September 30, 2018 Net Sales $	Net Sales %	Segment Operating Income (A) $	Segment Operating Income %	Margin Points
ACCO Brands North America	$ 272.4	$ 33.7	12.4%	$ 9.0	3.4%	$ —	—%	(40)
ACCO Brands EMEA	133.1	13.8	10.4%	(10.0)	(7.0)%	(0.8)	(5.5)%	20
ACCO Brands International	100.2	10.8	10.8%	(0.6)	(0.6)%	(5.3)	(32.9)%	(520)
Total	$ 505.7	$ 58.3		$ (1.6)		$ (6.1)		

(in millions)	Three Months Ended September 30, 2018 Net Sales	Segment Operating Income (A)	Segment Operating Income Margin
ACCO Brands North America	$ 263.4	$ 33.7	12.8%
ACCO Brands EMEA	143.1	14.6	10.2%
ACCO Brands International	100.8	16.1	16.0%
Total	$ 507.3	$ 64.4	

(A) Segment operating income excludes corporate costs. See "Part I, Item 1. Note 17. Information on Business Segments," for a reconciliation of total "Segment operating income" to "Income before income tax."

ACCO Brands North America

Net sales were $272.4 million, up $9.0 million, or 3.4 percent, from $263.4 million last year. Unfavorable foreign exchange reduced net sales $0.2 million, or 0.1 percent. Excluding foreign exchange, comparable net sales increased 3.5 percent, largely due to strong back-to-school sales. Net sales benefited from price increases, including on back-to-school items that were partially offset by lower volume.

Operating income was $33.7 million, flat with last year. Operating income margin decreased to 12.4 percent from 12.8 percent. The margin decrease was a result of an unfavorable product mix, lower cost absorption from reducing inventory, higher management incentive compensation expenses and higher restructuring charges.

Tariffs on finished goods we import from China increased in May 2019. This negatively impacted our cost of products sold in the third quarter of 2019. We raised prices in August to offset the impact of these increased tariffs. Additional tariffs became effective in September 2019, which will negatively impact our cost of products sold during the fourth quarter and beyond. An additional tariff rate increase is currently expected to take effect in December 2019. We intend to continue to increase our sales prices to recover any increased costs from tariffs, which may result in a decrease in sales volume. In such circumstances, the impact of increased tariffs on cash flow and cost of products sold is likely to occur before we see the benefit of our price increases because of our contractual obligations to provide our customers with advance notice of price increases.

ACCO Brands EMEA

Net sales were $133.1 million, down $10.0 million, or 7.0 percent, from $143.1 million last year. The decrease was primarily due to foreign exchange, which reduced net sales $6.7 million, or 4.7 percent. Excluding foreign exchange, comparable net sales decreased 2.3 percent, primarily due to reduced demand from customers in a slowing economic environment.

Operating income was $13.8 million, down $0.8 million, or 5.5 percent, from $14.6 million last year, but operating income margin increased slightly to 10.4 percent from 10.2 percent. Foreign exchange reduced operating income $0.7 million, or 4.8 percent. The current-year period included only $0.1 million of restructuring charges, while the same period last year included $2.2 million of restructuring charges and integration costs primarily related to Esselte. Excluding foreign exchange, restructuring charges and integration costs, operating income decreased as lower comparable net sales and higher input costs were only partially offset by lower management incentive compensation expenses.

ACCO Brands International

Net sales were $100.2 million, down $0.6 million, or 0.6 percent, from $100.8 million last year. Foroni contributed net sales of $5.7 million, or 5.7 percent. Unfavorable foreign exchange reduced net sales $2.8 million, or 2.8 percent. Excluding Foroni and foreign exchange, comparable net sales decreased 3.5 percent. The decline was mainly due to lost placements in Australia and lower back-to-school sales in Mexico, and lower sales in Asia as a result of exiting our commodity filing business, partially offset by growth in Brazil.

Operating income was $10.8 million, down $5.3 million, or 32.9 percent, from $16.1 million last year. Operating income included $0.2 million from Foroni. Foreign exchange reduced operating income $0.4 million, or 2.5 percent. Operating margin decreased to 10.8 percent from 16.0 percent. Excluding Foroni and foreign exchange, operating income decreased primarily due to lower gross profit margin driven by inflationary cost increases and expenses related to our commodity filing business exit in Asia.

Consolidated Results of Operations for the Nine Months Ended September 30, 2019 and September 30, 2018

	Nine Months Ended September 30,		Amount of Change	
(in millions, except per share data)	**2019**	**2018**	**$**	**%/pts**
Net sales	$ 1,418.3	$ 1,411.9	$ 6.4	0.5 %
Cost of products sold	970.8	961.2	9.6	1.0 %
Gross profit	447.5	450.7	(3.2)	(0.7)%
Gross profit margin	*31.6%*	*31.9%*		*(0.3) pts*
Selling, general and administrative expenses	287.8	294.6	(6.8)	(2.3)%
Amortization of intangibles	26.8	27.2	(0.4)	(1.5)%
Restructuring charges	4.8	7.9	(3.1)	(39.2)%
Operating income	128.1	121.0	7.1	5.9 %
Operating income margin	*9.0%*	*8.6%*		*0.4 pts*
Interest expense	33.6	30.9	2.7	8.7 %
Interest income	(2.9)	(3.5)	(0.6)	(17.1)%
Non-operating pension income	(4.1)	(7.1)	(3.0)	(42.3)%
Other expense, net	0.1	1.6	(1.5)	(93.8)%
Income tax expense	38.1	27.4	10.7	39.1 %
Effective tax rate	*37.6%*	*27.6%*		*10.0 pts*
Net income	63.3	71.7	(8.4)	(11.7)%
Weighted average number of diluted shares outstanding:	101.9	107.9	(6.0)	(5.6)%
Diluted income per share	$ 0.62	$ 0.66	$ (0.04)	(6.1)%

Net Sales

Net sales were $1,418.3 million, up $6.4 million, or 0.5 percent, from $1,411.9 million last year. Unfavorable foreign exchange reduced net sales $45.4 million, or 3.2 percent. Net sales benefited from the additional six months for GOBA and two months for Foroni that contributed $23.7 million and $5.7 million, respectively, or a total of 2.1 percent. Excluding foreign exchange and net sales from GOBA and Foroni, comparable net sales increased $22.4 million, or 1.6 percent, as growth in the North America segment was partially offset by declines, primarily in the International segment.

Cost of Products Sold

Cost of products sold was $970.8 million, up $9.6 million, or 1.0 percent, from $961.2 million last year. GOBA and Foroni added $19.8 million, or 2.1 percent. Foreign exchange reduced cost of products sold $30.9 million, or 3.2 percent. Excluding GOBA, Foroni, and foreign exchange, cost of products sold increased due to cost increases, primarily in North America from inflationary cost increases and tariffs, partially offset by productivity and cost savings.

Gross Profit

Gross profit was $447.5 million, down $3.2 million, or 0.7 percent, from $450.7 million last year. GOBA and Foroni contributed $9.6 million, or 2.1 percent. Foreign exchange reduced gross profit $14.5 million, or 3.2 percent, in 2019. Excluding GOBA, Foroni, and foreign exchange, gross profit increased, primarily from higher net sales in the North America segment.

Gross profit as a percent of net sales decreased to 31.6 percent from 31.9 percent. Excluding the acquisitions and foreign exchange, gross profit margin declined in both the EMEA and International segments.

Selling, General and Administrative Expenses

SG&A was $287.8 million, down $6.8 million, or 2.3 percent, from $294.6 million last year. GOBA and Foroni contributed $4.5 million, or 1.5 percent. Foreign exchange reduced SG&A $9.1 million, or 3.1 percent. The current year includes $1.9 million of transaction and integration costs related to the Foroni, Cumberland asset and GOBA acquisitions. The prior-year period included $4.4 million in integration costs related primarily to Esselte. Excluding GOBA, Foroni, transaction and integration costs, and foreign exchange, SG&A was flat.

SG&A as a percentage of net sales decreased to 20.3 percent from 20.9 percent last year, primarily due to higher net sales.

Restructuring Charges

Restructuring charges were $4.8 million, down $3.1 million from $7.9 million last year. The current-year charges related to severance costs associated with cost reduction initiatives in the operating structure of our North America and International segments. The prior-year charges primarily related to Esselte integration activities, and changes in the operating structure of the North America segment.

Operating Income

Operating income was $128.1 million, up $7.1 million, or 5.9 percent, from $121.0 million last year. GOBA and Foroni contributed $4.2 million, or 3.5 percent. Foreign exchange reduced operating income $4.1 million, or 3.4 percent. Excluding GOBA and Foroni, restructuring charges, transaction and integration costs, and foreign exchange, operating income increased primarily due to higher net sales in North America and productivity and cost savings, which more than offset net sales declines in the International segment, as well as unfavorable product mix.

Interest Expense and Non-Operating Pension Income

Interest expense was $33.6 million, up $2.7 million, or 8.7 percent, from $30.9 million last year. The increase was primarily due to higher average debt outstanding and higher interest rates on our variable rate debt.

Non-operating pension income was $4.1 million, down $3.0 million, or 42.3 percent, from $7.1 million in 2018. The decrease was due to lower expected rates of return on plan assets in our foreign plans.

Income Tax Expense

Income tax expense was $38.1 million on income before taxes of $101.4 million, or an effective tax rate of 37.6 percent. The high effective tax rate was due to recording additional reserves for uncertain tax positions related to the Brazil Tax Assessments ($5.6 million), the recording of deferred state taxes on unremitted non-U.S. earnings ($0.8 million) and the recording of reserves related to various tax contingencies, and additional taxes of $1.6 million in Brazilian income taxes accrued on a contingent gain related to the Brazil Tax Credits.

The increase of $5.6 million in the reserve related to uncertain tax positions in connection with the Brazil Tax Assessments was recorded in the first quarter of 2019, although the increase should have been recorded in 2018 when we decided to appeal an administrative decision to the judicial level.

For the prior year, income tax expense was $27.4 million on income before taxes of $99.1 million, or an effective tax rate of 27.6 percent. The low effective tax rate was primarily due to a $5.6 million benefit resulting from the partial release of the reserve for the Brazil Tax Assessments due to the expiration of the statute of limitations for the 2011 tax year.

See "Note 11. Income Taxes - *Brazil Tax Assessments*" to the condensed consolidated financial statements contained in Item 1. of this report for additional details on the Brazil Tax Assessments. See "Note 18. Commitments and Contingencies - *Brazil Tax Credits*" to the condensed consolidated financial statements contained in Item 1. of this report for additional details on the Brazil Tax Credits.

Net Income/Diluted Income per Share

Net income was $63.3 million down $8.4 million, or 11.7 percent, from $71.7 million last year. Foreign exchange reduced net income $2.0 million, or 2.8 percent. Diluted income per share was $0.62, compared with $0.66 last year. Excluding GOBA, Foroni, restructuring charges, transaction and integration costs, and foreign exchange, net income decreased primarily due to higher income tax and interest expense, partially offset by higher operating income. Diluted income per share benefited from fewer outstanding shares.

Segment Net Sales and Operating Income for the Nine Months Ended September 30, 2019 and September 30, 2018

	Nine Months Ended September 30, 2019			Amount of Change Compared to the Nine Months Ended September 30, 2018				
(in millions)	Net Sales	Segment Operating Income (A)	Segment Operating Income Margin	Net Sales $	Net Sales %	Segment Operating Income (A) $	Segment Operating Income %	Margin Points
ACCO Brands North America	$ 740.7	$ 101.1	13.6%	$ 28.9	4.1%	$ 13.0	14.8 %	120
ACCO Brands EMEA	407.9	37.1	9.1%	(30.2)	(6.9)%	—	— %	60
ACCO Brands International	269.7	20.5	7.6%	7.7	2.9%	(4.7)	(18.7)%	(200)
Total	$ 1,418.3	$ 158.7		$ 6.4		$ 8.3		

	Nine Months Ended September 30, 2018		
(in millions)	Net Sales	Segment Operating Income (A)	Segment Operating Income Margin
ACCO Brands North America	$ 711.8	$ 88.1	12.4%
ACCO Brands EMEA	438.1	37.1	8.5%
ACCO Brands International	262.0	25.2	9.6%
Total	$ 1,411.9	$ 150.4	

(A) Segment operating income excludes corporate costs. See "Part I, Item 1.Note 17. Information on Business Segments," for a reconciliation of total "Segment operating income" to "Income before income tax."

ACCO Brands North America

Net sales were $740.7 million, up $28.9 million, or 4.1 percent, from $711.8 million last year. Unfavorable foreign exchange reduced net sales $2.5 million, or 0.4 percent. Excluding foreign exchange, comparable net sales increased 4.5 percent, largely due to a strong back-to-school season, benefit from price increases, including on back-to-school items that were partially offset by volume declines, including lost placements.

Operating income was $101.1 million, up $13.0 million, or 14.8 percent, from $88.1 million last year. Operating income margin increased to 13.6 percent from 12.4 percent. Operating income and margin increased because of higher net sales, and productivity and cost savings.

ACCO Brands EMEA

Net sales were $407.9 million, down $30.2 million, or 6.9 percent, from $438.1 million last year due to foreign exchange, which reduced net sales $29.1 million, or 6.6 percent. Excluding foreign exchange, comparable net sales decreased 0.3 percent.

Operating income was $37.1 million, even with last year. Foreign exchange reduced operating income $2.8 million, or 7.5 percent. Operating income margin increased to 9.1 percent from 8.5 percent. Excluding foreign exchange, operating income increased primarily due to $7.0 million in lower restructuring charges and integration costs, and savings from those prior year actions, partially offset by lower net sales.

ACCO Brands International

Net sales were $269.7 million, up $7.7 million, or 2.9 percent, from $262.0 million last year. The GOBA and Foroni acquisitions contributed net sales of $23.7 million and $5.7 million, respectively, or a total of 11.2 percent. Unfavorable foreign exchange reduced net sales $13.8 million, or 5.3 percent. Excluding GOBA, Foroni and foreign exchange, comparable net sales decreased 3.0 percent primarily due to lower demand, including lost placements in Australia. In our other territories, comparable net sales grew in Brazil, were flat in Mexico, and declined in Asia as we exited our commodity filing business.

Operating income was $20.5 million, down $4.7 million, or 18.7 percent, from $25.2 million last year. GOBA and Foroni contributed $4.2 million, or 16.7 percent. Foreign exchange reduced operating income $1.0 million, or 4.0 percent. Operating income margin decreased to 7.6 percent from 9.6 percent. Excluding GOBA, Foroni and foreign exchange, operating income decreased primarily due to lower comparable net sales, and lower gross profit margin driven by unfavorable product mix and foreign-exchange-related-inflation. In addition, the segment was impacted by higher restructuring charges, as well as expenses associated with our commodity filing business exit in Asia.

SUPPLEMENTAL NON-GAAP FINANCIAL MEASURE

To supplement our consolidated financial statements presented in accordance with generally accepted accounting principles in the U.S. ("GAAP"), we provide investors with the non-GAAP financial measurement entitled "comparable net sales."

We provide the comparable net sales measurement to facilitate comparisons of our historical sales results as well as to highlight the underlying sales trends in our business. We use comparable net sales in the internal evaluation and management of our business. We believe this measure provides management and investors with a more complete understanding of our underlying sales results and trends, and enhances the overall understanding of our past sales performance and our prospects.

We calculate comparable net sales by excluding the effect of acquisitions and by translating the current-period foreign operation net sales at prior-year currency rates.

The following tables provide a reconciliation of GAAP net sales change as reported to non-GAAP comparable net sales change:

Amount of Change - Three Months Ended September 30, 2019 compared to the Three Months Ended September 30, 2018

$ Change - Net Sales

		Non-GAAP		
(in millions)	**GAAP Net Sales Change**	Currency Translation	Acquisition	Comparable Net Sales Change
ACCO Brands North America	**$9.0**	$(0.2)	$—	$9.2
ACCO Brands EMEA	**(10.0)**	(6.7)	—	(3.3)
ACCO Brands International	**(0.6)**	(2.8)	5.7	(3.5)
Total	**$(1.6)**	$(9.7)	$5.7	$2.4

% Change - Net Sales

		Non-GAAP		
	GAAP Net Sales Change	Currency Translation	Acquisition	Comparable Net Sales Change
ACCO Brands North America	**3.4%**	(0.1)%	—%	3.5%
ACCO Brands EMEA	**(7.0)%**	(4.7)%	—%	(2.3)%
ACCO Brands International	**(0.6)%**	(2.8)%	5.7%	(3.5)%
Total	**(0.3)%**	(1.9)%	1.1%	0.5%

Amount of Change - Nine Months Ended September 30, 2019 compared to the Nine Months Ended September 30, 2018

$ Change - Net Sales

		Non-GAAP		
(in millions)	**GAAP Net Sales Change**	Currency Translation	Acquisition	Comparable Net Sales Change
ACCO Brands North America	**$28.9**	$(2.5)	$—	$31.4
ACCO Brands EMEA	**(30.2)**	(29.1)	—	(1.1)
ACCO Brands International	**7.7**	(13.8)	29.4	(7.9)
Total	**$6.4**	$(45.4)	$29.4	$22.4

% Change - Net Sales

		Non-GAAP		
	GAAP Net Sales Change	Currency Translation	Acquisition	Comparable Net Sales Change
ACCO Brands North America	**4.1%**	(0.4)%	—%	4.5%
ACCO Brands EMEA	**(6.9)%**	(6.6)%	—%	(0.3)%
ACCO Brands International	**2.9%**	(5.3)%	11.2%	(3.0)%
Total	**0.5%**	(3.2)%	2.1%	1.6%

Liquidity and Capital Resources

Our primary liquidity needs are to service indebtedness, fund capital expenditures, fund our acquisition strategy and support working capital requirements. Our principal sources of liquidity are cash flows from operating activities, cash and cash equivalents held and seasonal borrowings under our $600 million multi-currency revolving credit facility (the "Revolving Facility"). As of September 30, 2019, there were $132.4 million in borrowings under our Revolving Facility and the amount available for borrowings was $454.8 million (allowing for $12.8 million of letters of credit outstanding on that date). We maintain adequate financing arrangements at market rates.

Because of the seasonality of our business, we typically generate much of our cash flow from operating activities in the third and fourth quarters, as accounts receivables are collected, and we typically use cash in the second quarter to fund working capital in order to support the North America back-to-school season. We had a different cash flow pattern in the nine months of 2019, with a large operating cash outflow in the first quarter and a smaller outflow in the second quarter which resulted from our decision to purchase raw materials and finished goods inventory earlier than normal to secure supply and partially mitigate the effect of anticipated inflation and tariffs. As expected and as shown below, in the third quarter of 2019 we generated significantly higher operating cash inflow than we did last year, due to reduced payments for inventory.

Summary of Cash Flow by Quarter and Year-to-Date for 2019 and 2018:

	2019			
	1st Quarter	2nd Quarter	3rd Quarter	Year-to-Date
Net cash (used) provided by operating activities	$ (61.3)	$ (54.4)	$ 190.8	$ 75.1
Net cash (used) by investing activities:	(12.5)	(7.1)	(49.5)	(69.1)
Net cash provided (used) by financing activities:	107.6	54.3	(196.0)	(34.1)
Effect of foreign exchange rate changes on cash and cash equivalents	(0.3)	0.8	(1.7)	(1.2)
Net increase (decrease) in cash and cash equivalents	$ 33.5	$ (6.4)	$ (56.4)	$ (29.3)

	2018			
	1st Quarter	2nd Quarter	3rd Quarter	Year-to-Date
Net cash provided (used) by operating activities	$ 60.4	$ (66.9)	$ 91.2	$ 84.7
Net cash (used) by investing activities:	(8.0)	(9.0)	(46.4)	(63.4)
Net cash (used) provided by financing activities:	(7.0)	99.1	(88.2)	3.9
Effect of foreign exchange rate changes on cash and cash equivalents	0.4	(6.7)	(0.8)	(7.1)
Net increase (decrease) in cash and cash equivalents	$ 45.8	$ 16.5	$ (44.2)	$ 18.1

Our Brazilian businesses are also highly seasonal due to the timing of the back-to-school season, which coincides with the calendar year-end in the fourth quarter. Due to various tax laws, it is costly to transfer short-term working capital in and out of Brazil; therefore, our normal practice is to hold seasonal cash requirements in Brazil, and invest it in short-term Brazilian government securities. Consolidated cash and cash equivalents were $37.7 million as of September 30, 2019, approximately $9 million of which was held in Brazil. In the third quarter of 2019 we usedUS$42.1 million of Brazil's cash on hand to fund the Foroni Acquisition.

Our priorities for cash flow use over the near term, after funding business operations, including restructuring expenses, are funding strategic acquisitions, reducing debt, paying dividends and repurchasing shares.

The current senior secured credit facilities have a weighted average interest rate of2.61 percent as of September 30, 2019 and our senior unsecured notes have a fixed interest rate of 5.25 percent.

Restructuring and Integration Activities

From time to time the Company may implement restructuring, realignment or cost-reduction plans and activities, including those related to integrating acquired businesses.

During the three and nine months ended September 30, 2019, the Company recorded $2.1 million and $4.8 million in restructuring expenses, respectively, primarily related to additional changes in the operating structure of the North America segment. For additional details, see "Note 10. Restructuring" to the condensed consolidated financial statements contained in Item 1. of this report.

In addition, during the three and nine months ended September 30, 2019, the Company recorded an aggregate $1.4 million and $1.9 million, respectively, in non-restructuring integration expenses related to the integration of recent acquisitions with ACCO Brands operations.

Cash Flow for the Nine Months Ended September 30, 2019 and September 30, 2018

Cash Flow from Operating Activities

Cash sourced from operating activities during the nine months ended September 30, 2019 of $75.1 million was $9.6 million less than the $84.7 million sourced in the 2018 period. The decrease resulted from income tax payments which were $14.1 million higher and higher working capital requirements (accounts receivable, inventories, and accounts payable) in 2019 compared to 2018, partially offset by lower customer incentive and employee incentive payments.

The table below shows our cash flow used or provided by accounts receivable, inventories and accounts payable for the nine months ended September 30, 2019 and 2018:

	Nine Months Ended				
(in millions)		**September 30, 2019**		**September 30, 2018**	**Amount of Change**
Accounts receivable	$	54.0	$	46.2	7.8
Inventories		34.8		(81.2)	116.0
Accounts payable		(102.1)		39.1	(141.2)
Cash flow (used) provided by net working capital	$	(13.3)	$	4.1	$ (17.4)

- Inventories generated $34.8 million in 2019, a favorable change of $116.0 million when compared with the $81.2 million used in the prior year. Inventory was higher at year end 2018 following advanced purchases of materials to secure supply and to partially reduce the anticipated inflation, including tariffs, which have continued to inflate the value of inventory held. As a consequence, incremental purchases in 2019 were lower than the prior year and inventory levels are now similar to our seasonal normal although reflecting inflation.
- Accounts payable used $102.1 million in 2019, an adverse change of $141.2 million when compared with the $39.1 million contributed in 2018. This was due to a cycle of earlier inventory purchases which occurred in the fourth quarter of 2018 that resulted in unusually high payables at 2018 year end (and higher payments earlier in 2019). Incremental purchases in the third quarter of 2019 were lower than the prior year as inventory was consumed.
- Accounts receivable contributed $54.0 million in 2019, compared to a contribution of $46.2 million in the prior year. The $7.8 million improvement resulted from strong third quarter back-to-school collections in North America, partially offset by lower 2018 year-end accounts receivable which reduced collections in early 2019.

Income tax payments were $14.1 million higher than a year ago due to international tax payments in 2018 that were reduced by the use of tax losses accumulated in prior years, and deferred payments related to legal entity reorganizations. Partially offsetting the adverse change in cash flow from income tax and working capital were lower payments of customer incentives, primarily due to the settlement of disputed amounts which occurred in the prior year; and, payments of annual and long-term employee incentive payments in the first quarter of 2019 that were $12 million lower than those in the prior year.

Cash Flow from Investing Activities

Cash used by investing activities was $69.1 million and $63.4 million for the nine months ended September 30, 2019 and 2018, respectively. The 2019 cash outflow included $42.1 million of preliminary purchase price paid for the Foroni Acquisition in Brazil and $5.2 million of purchase price paid to acquire certain Cumberland assets in Australia, and is net of receipt of the final purchase price adjustment associated with the GOBA Acquisition. The 2018 cash outflow included $37.3 million of preliminary purchase price, net of cash acquired, paid for GOBA. For further details, see "Note 3. Acquisitions" to the condensed consolidated financial statements contained in Item 1. of this report. Capital expenditures were $21.9 million and $26.3 million for the nine months ended September 30, 2019 and 2018, respectively.

Cash Flow from Financing Activities

Cash used by financing activities was $34.1 million for the nine months ended September 30, 2019, compared with $3.9 million provided by financing activities for the same period of 2018. Cash used in 2019 includes $58.0 million for repurchases of our common stock, payments related to tax withholding for stock-based compensation, net of proceeds received from the exercise of stock options, and $18.1 million for the payment of dividends to stockholders, partially offset by incremental net borrowings of $45.3 million.

Cash provided by financing activities for the nine months ended September 30, 2018, was $3.9 million and reflects incremental net borrowings of $99.1 million. This was partially offset by $75.7 million for repurchases of our common stock and payments related to tax withholding for stock-based compensation, net of proceeds received from the exercise of stock options, and $18.9 million for the payment of dividends to stockholders.

Credit Facilities and Notes Covenants

As of and for the periods ended September 30, 2019 and December 31, 2018, the Company was in compliance with all applicable loan covenants.

Guarantees and Security

Generally, obligations under the Credit Agreement are guaranteed by certain of the Company's existing and future subsidiaries, and are secured by substantially all of the Company's and certain guarantor subsidiaries' assets, subject to certain exclusions and limitations.

Adequacy of Liquidity Sources

We believe that cash flow from operations, our current cash balance and other sources of liquidity, including borrowings available under our Revolving Facility, will be adequate to support our requirements for working capital, capital and restructuring expenditures and to service indebtedness for the foreseeable future.

ITEM 3. *QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK*

See "Part II, Item 7A. *Quantitative and Qualitative Disclosures about Market Risk*" of the Company's Annual Report on Form 10-K for the year ended December 31, 2018. There have been no material changes to Foreign Exchange Risk Management or Interest Rate Risk Management in the quarter ended September 30, 2019 or through the date of this report.

ITEM 4. *CONTROLS AND PROCEDURES*

(a) Evaluation of Disclosure Controls and Procedures.

As of the end of the period covered by this Quarterly Report on Form 10-Q, we carried out an evaluation under the supervision of the Chief Executive Officer and the Chief Financial Officer, and with the participation of our Disclosure Committee, of the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended). Based upon that evaluation, the Chief Executive Officer and the Chief Financial Officer have concluded that our disclosure controls and procedures were effective as of September 30, 2019.

(b) Changes in Internal Control over Financial Reporting.

There were no changes in our internal control over financial reporting that occurred during the quarter ended September 30, 2019 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting, except that in August 2019, we completed the Foroni Acquisition, which represented $5.7 million of our consolidated net sales for the quarter ended September 30, 2019 and approximately $61 million of our consolidated assets as of September 30, 2019.

PART II — OTHER INFORMATION

ITEM 1. *LEGAL PROCEEDINGS*

There are various claims, lawsuits and pending actions against us incidental to our operations, including the income tax assessments against our Brazilian subsidiary, Tilibra Produtos de Papelaria Ltda (the "Brazil Tax Assessments"), which is more fully described in our Annual Report on Form 10-K for the year ended December 31, 2018 and in "Part I, Item 1. Note 11. Income Taxes - Brazil Tax Assessments" to the Condensed Consolidated Financial Statements contained in this Quarterly Report on Form 10-Q. It is the opinion of management that (other than the Brazil Tax Assessments) the ultimate resolution of these matters will not have a material adverse effect on our consolidated financial condition, results of operations or cash flow. However, there is no assurance that we will ultimately be successful in our defense of any of these matters or that an adverse outcome in any matter will not affect our results of operations, financial condition or cash flow.

ITEM 1A. *RISK FACTORS*

There have been no material changes in our risk factors from those disclosed in "Part I, Item 1A. Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2018.

ITEM 2. *UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS*

(a) Not applicable.

(b) Not applicable.

(c) Common Stock Purchases

The following table provides information about our purchases of equity securities during the quarter endedSeptember 30, 2019:

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plan or Program(1)	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Program(1)
July 1, 2019 to July 31, 2019	1,504,310	$ 7.91	1,504,310	$ 157,733,070
August 1, 2019 to August 31, 2019	353,935	9.46	353,935	154,384,473
September 1, 2019 to September 30, 2019	249,378	9.59	249,378	151,993,771
Total	2,107,623	$ 8.37	2,107,623	$ 151,993,771

(1) On February 14, 2018, the Company announced that its Board of Directors had approved an authorization to repurchase up to $100 million in shares of its common stock. On August 7, 2019, the Company announced that its Board of Directors had approved an authorization to repurchase up to an additional $100 million in shares of its common stock.

The number of shares to be purchased, if any, and the timing of purchases will be based on the Company's stock price, leverage ratios, cash balances, general business and market conditions, and other factors, including alternative investment opportunities and working capital needs. The Company may repurchase its shares, from time to time, through a variety of methods, including open-market purchases, privately negotiated transactions and block trades or pursuant to repurchase plans designed to comply with the Rule 10b5-1 of the Securities Exchange Act of 1934, as amended. Any stock repurchases will be subject to market conditions, SEC regulations and other considerations and may be commenced or suspended at any time or from time to time, without prior notice. Accordingly, there is no guarantee as to the number of shares that will be repurchased or the timing of such repurchases.

ITEM 3. *DEFAULTS UPON SENIOR SECURITIES*

None.

ITEM 4. ***MINE SAFETY DISCLOSURES***

Not applicable.

ITEM 5. ***OTHER INFORMATION***

None.

ITEM 6. ***EXHIBITS***

Exhibit Number	Description of Exhibit
3.1	Restated Certificate of Incorporation of ACCO Brands Corporation *
31.1	Certification of the Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 *
31.2	Certification of the Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 *
32.1	Certification of the Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 **
32.2	Certification of the Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 **
101.INS	Inline XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document
101.SCH	Inline XBRL Taxonomy Extension Schema Document
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

* Filed herewith.

** Furnished herewith.

SIGNATURES

Pursuant to the requirements of the Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

REGISTRANT:

ACCO BRANDS CORPORATION

By: /s/ Boris Elisman

Boris Elisman

Chairman, President and
Chief Executive Officer
(principal executive officer)

By: /s/ Neal V. Fenwick

Neal V. Fenwick

Executive Vice President and Chief Financial Officer
(principal financial officer)

By: /s/ Kathleen D. Hood

Kathleen D. Hood

Senior Vice President and Chief Accounting Officer
(principal accounting officer)

Date: October 30, 2019

**RESTATED CERTIFICATE OF INCORPORATION
OF
ACCO BRANDS CORPORATION**

ARTICLE I

The name of the Company is ACCO Brands Corporation.

ARTICLE II

The Company's registered office in the State of Delaware is located at 9 E. Loockerman Street, Suite 311, City of Dover 19901, County of Kent; and the name of the registered agent of the corporation in the State of Delaware at such address is Registered Agents Solutions, Inc.

ARTICLE III

The nature of the business, or objects or purposes to be transacted, promoted or carried on, are: To engage in any lawful act or activity for which corporations may be organized under the Delaware General Corporation Law.

ARTICLE IV

The total number of shares of all classes of stock which the Company shall have the authority to issue is 225,000,000, of which (i) 200,000,000 shares of the par value of $.01 each are to be of a class designated Common Stock (the "Common Stock") and (ii) 25,000,000 shares par value $.01 per share are to be of a class designated Preferred Stock (the "Preferred Stock").

In this Article IV, any reference to a section or paragraph, without further attribution, within a provision relating to a particular class of stock is intended to refer solely to the specified section or paragraph of the other provisions relating to the same class of stock.

Common Stock

The Common Stock shall have the following voting powers, designations, preferences and relative, participating, optional and other special rights, and qualifications, limitations or restrictions thereof:

1. Dividends. Whenever the full dividends upon any outstanding Preferred Stock for all past dividend periods shall have been paid and the full dividends thereon for the then current respective dividend periods shall have been paid, or declared and a sum sufficient for the respective payments thereof set apart, the holders of shares of the Common Stock shall be entitled to receive such dividends and distributions in equal amounts per share, payable in cash or otherwise, as may be declared thereon by the Board of Directors from time to time out of assets or funds of the Company legally available therefor.

2. Rights on Liquidation. In the event of any liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary, after the payment or setting apart for payment to the holders of any outstanding Preferred Stock of the full preferential amounts to which such holders are entitled as herein provided or referred to, all of the remaining assets of the Company shall belong to and be distributable in equal amounts per share to the holders of the Common Stock. For purposes of this paragraph 2, a consolidation or merger of the Company with any other corporation, or the sale, transfer or lease of all or substantially all its assets shall not constitute or be deemed a liquidation, dissolution or winding-up of the Company.

3. Voting. Except as otherwise provided by the laws of the State of Delaware or by this Article IV, each share of Common Stock shall entitle the holder thereof to one vote.

Preferred Stock

The Preferred Stock may be issued from time to time in one or more series. The Board of Directors is hereby authorized to provide for the issuance of shares of Preferred Stock in series and, by filing a certificate pursuant to the applicable law of the State of Delaware (hereinafter referred to as a "Preferred Stock Designation"), to establish from time to time the number of shares to be included in each such series, and to fix the designation, powers, preferences and rights of the shares of each such series and the qualifications, limitations and restrictions thereof. The authority of the Board of Directors with respect to each series shall include, but not be limited to, determination of the following:

(a) the designation of the series, which may be by distinguishing number, letter or title;

(b) the number of shares of the series, which number the Board of Directors may thereafter (except where otherwise provided in the Preferred Stock Designation) increase or decrease (but not below the number of shares thereof then outstanding);

(c) whether dividends, if any, shall be cumulative or noncumulative, and, if cumulative, the dates from which dividends on shares of such series shall be cumulative, and the dividend rate of the series;

(d) the dates at which dividends, if any, shall be payable;

(e) the redemption rights and price or prices, if any, for shares of the series;

(f) the terms and amount of any sinking fund provided for the purchase or redemption of shares of the series;

(g) the amounts payable on shares of the series in the event of any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Company;

(h) whether the shares of the series shall be convertible into shares of any other class or series, or any other security, of the Company or any other corporation, and, if so, the specification of such other class or series or such other security, the conversion price or prices or rate or rates, any adjustments thereof, the date or dates as of which such shares shall be convertible and all other terms and conditions upon which such conversion may be made;

(i) restrictions on the issuance of shares of the same series or of any other class or series; and

(j) the voting rights, if any, of the holders of shares of the series.

Except as may be provided in this Certificate of Incorporation or in a Preferred Stock Designation, the Common Stock shall have the exclusive right to vote for the election of directors and for all other purposes, and holders of Preferred Stock shall not be entitled to receive notice of any meeting of stockholders at which they are not entitled to vote. The number of authorized shares of Preferred Stock may be increased or decreased (but not below the number of shares thereof then outstanding) by the affirmative vote of the holders of a majority of the outstanding Common Stock, without a vote of the holders of the Preferred Stock, or of any series thereof, unless a vote of any such holders is required pursuant to this Certificate of Incorporation or any Preferred Stock Designation.

The Company shall be entitled to treat the person in whose name any share of its stock is registered as the owner thereof for all purposes and shall not be bound to recognize any equitable or other claim to, or interest in, such share on the part of any other person, whether or not the Company shall have notice thereof, except as expressly provided by applicable law.

ARTICLE V

The Company is to have perpetual existence.

ARTICLE VI

The private property of the stockholders of the Company shall not be subject to the payment of corporate debts to any extent whatever.

ARTICLE VII

Subject to the rights of the holders of any series of Preferred Stock to elect additional directors under specified circumstances, the number of directors of the Company shall be fixed from time to time exclusively by the Board of Directors pursuant to a resolution adopted by a majority of the whole Board. A director need not be a stockholder. The election of directors of the Company need not be by ballot unless the By-laws so require.

At each annual meeting of stockholders beginning with the 2008 annual meeting of stockholders, directors shall be elected for a term of office to expire at the next annual meeting of stockholders; *provided, however*, that any director who prior to the 2008 annual meeting of stockholders was elected to a term that continues beyond the date of the 2008 annual meeting of stockholders shall continue in office for the remainder of his or her elected term. Each director shall hold office until such director's successor is duly elected and qualified or until his or her earlier death, resignation or removal.

Subject to the rights of the holders of any series of Preferred Stock, and unless the Board of Directors otherwise determines, newly created directorships resulting from any increase in the authorized number of directors or any vacancies on the Board of Directors resulting from death, resignation, retirement, disqualification, removal from office or other cause may be filled only by a majority vote of the directors then in office, though less than a quorum, and directors so chosen shall hold office for a term expiring at the next annual meeting of stockholders, *provided, however*, that a successor appointed to fill any vacancy on the Board of Directors due to the death, resignation, retirement, disqualification, removal from office or other cause of a director who prior to the 2008 annual meeting of stockholders was elected to a term that continues beyond the date of the 2008 annual meeting of stockholders shall hold office for the remainder of such term. Each director appointed to fill a vacancy or a newly created directorship shall hold office until such director's successor is duly elected and qualified or until his or her earlier death, resignation or removal.

Subject to the rights of the holders of any series of Preferred Stock or any other series or class of stock, as provided herein or in any Preferred Stock Designation, to elect additional directors under specific circumstances, any director may be removed from office at any time, with or without cause, but only by the affirmative vote of the holders of at least 80% of the voting power of the then outstanding capital stock of the Company (the "Capital Stock") entitled to vote generally in the election of directors (the "Voting Stock"), voting together as a single class, *provided, however*, that any director who prior to the 2008 annual meeting of stockholders was elected to a term that continues beyond the 2008 annual meeting of stockholders may be removed at any time during such term, but only for cause, and only by the affirmative vote of the holders of at least 80% of the voting power of the then outstanding Voting Stock, voting together as a single class.

No director of the Company shall be personally liable to the Company or its stockholders for monetary damages for breach of fiduciary duty as a director, except for liability
(i) for any breach of the director's duty of loyalty to the Company or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) under Section 174 of the Delaware General Corporation Law, or (iv) for any transaction from which the director derived an improper personal benefit. No repeal or modification of this paragraph, directly or by adoption of an inconsistent provision of this Certificate of Incorporation, by the stockholders of the Company shall be effective with respect to any cause of action, suit, claim or other matter that, but for this paragraph, would accrue or arise prior to such repeal or modification.

ARTICLE VIII

Unless otherwise determined by the Board of Directors, no holder of stock of the Company shall, as such holder, have any right to purchase or subscribe for any stock of any class which the Company may issue or sell, whether or not exchangeable for any stock of the Company of any class or classes and whether out of unissued shares authorized by the Certificate of Incorporation of the Company as originally filed or by any amendment thereof or out of shares of stock of the Company acquired by it after the issue thereof.

ARTICLE IX

1. Amendment of Certificate of Incorporation. From time to time any of the provisions of this Certificate of Incorporation may be amended, altered or repealed, and other provisions authorized by the statutes of the State of Delaware at the time in force may be added or inserted in the manner at the time prescribed by said statutes, and all rights at any time conferred upon the stockholders of the Company by its Certificate of Incorporation are granted subject to the provisions of this Article IX. Notwithstanding anything contained in this Certificate of Incorporation to the contrary, the affirmative vote of the holders of at least 80% of the voting power of the then outstanding Voting Stock, voting together as a single class, shall be required to amend or repeal Article VII, this Article IX or Article XI or adopt any provision inconsistent with any of the foregoing articles.

2. By-laws. The Board of Directors is expressly authorized to make, alter, amend and repeal the By-laws of the Company in any manner not inconsistent with the laws of the State of Delaware or of this Certificate of Incorporation, subject to the power of the holders of the Capital Stock to alter or repeal the By-laws made by the Board of Directors; *provided*, that any such amendment or repeal by stockholders shall require the affirmative vote of the holders of at least 80% of the voting power of the then outstanding Voting Stock, voting together as a single class.

ARTICLE X

The stockholder vote required to approve Business Combinations (as hereinafter defined) shall be as set forth in this Article X.

1. Higher Vote for Business Combinations. In addition to any affirmative vote required by law, this Certificate of Incorporation or the By-laws of the Company, and except as otherwise expressly provided in Section 2 of this Article X, a Business Combination shall not be consummated without the affirmative vote of the holders of at least 80% of the voting power of the then outstanding Voting Stock, voting together as a single class. Such affirmative vote shall be required notwithstanding the fact that no vote may be required, or that a lesser percentage or separate class vote may be specified, by law or in any agreement with any national securities exchange or otherwise.

2. When Higher Vote Is Not Required. The provisions of Section 1 of this Article X shall not be applicable to a Business Combination if the conditions specified in either of the following paragraphs A or B are met.

A. Approval by Continuing Directors. The Business Combination shall have been approved by at least two-thirds of the Continuing Directors (as hereinafter defined), whether such approval is made prior to or subsequent to the date on which the Interested

Stockholder (as hereinafter defined) became an Interested Stockholder (the "Determination Date").

B. Price and Procedure Requirements. Each of the seven conditions specified in the following subparagraphs (i) through (vii) shall have been met:

(i) The aggregate amount of the cash and the Fair Market Value (as hereinafter defined) as of the date of the consummation of the Business Combination (the "Consummation Date") of any consideration other than cash to be received per share by holders of Common Stock in such Business Combination shall be an amount at least equal to the higher amount determined under
clauses (a) and (b) below (the requirements of this paragraph B(i) shall be applicable with respect to all shares of Common Stock outstanding, whether or not the Interested Stockholder has previously acquired any shares of the Common Stock):

(a) the highest per share price (including any brokerage commissions, transfer taxes and soliciting dealers' fees) paid by or on behalf of the Interested Stockholder for any shares of Common Stock acquired beneficially by it (1) within the two-year period immediately prior to the first public announcement of the proposal of the Business Combination (the "Announcement Date") or (2) in the transaction in which it became an Interested Stockholder, whichever is higher, plus interest compounded annually from the Determination Date through the Consummation Date at the prime rate of interest of Citibank N.A. (or of such other major bank headquartered in New York City selected by at least two-thirds of the Continuing Directors) from time to time in effect in New York City, less the aggregate amount of any cash dividends paid, and the Fair Market Value of any dividends paid in other than cash, per share of Common Stock from the Determination Date through the Consummation Date in an amount up to but not exceeding the amount of such interest payable per share of Common Stock; and

(b) the Fair Market Value per share of Common Stock on the Announcement Date or on the Determination Date, whichever is higher.

(ii) The aggregate amount of the cash and the Fair Market Value as of the Consummation Date of any consideration other than cash to be received per share by holders of shares of any class or series of outstanding Capital Stock, other than the Common Stock, in such Business Combination shall be an amount at least equal to the highest amount determined under clauses (a), (b) and (c) below (the requirements of this paragraph B(ii) shall be applicable with respect to all shares of every class or series of outstanding Capital Stock, other than the Common Stock, whether or not the Interested Stockholder has previously acquired any shares of a particular class or series of Capital Stock):

(a) the highest per share price (including any brokerage commissions, transfer taxes and soliciting dealers' fees) paid by or on behalf of the Interested Stockholder for any shares of such class or series of Capital Stock acquired beneficially by it (1) within the two-year period immediately prior to the Announcement Date or (2) in the transaction in which it became an Interested Stockholder, whichever is higher, plus interest compounded annually from the Determination Date through the Consummation Date at the prime rate of interest of Citibank N.A. (or of such other major bank headquartered in New York City selected by at least two-thirds of the Continuing Directors) from time to time in effect in New York City, less the aggregate amount of any cash dividends paid, and the Fair Market Value of any dividends paid in other than cash, per share of such class or series of Capital Stock from the Determination Date through the Consummation Date in an amount up to but not exceeding the amount of such interest payable per share of such class or series of Capital Stock; and

(b) the Fair Market Value per share of such class or series of Capital Stock on the Announcement Date or on the Determination Date, whichever is higher; and

(c) the highest preferential amount per share to which the holders of shares of such class or series of Capital Stock would be entitled in the event of any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Company, regardless of whether the Business Combination to be consummated constitutes such an event.

(iii) The consideration to be received by holders of a particular class or series of outstanding Capital Stock (including Common Stock) shall be in cash or in the same form as previously has been paid by or on behalf of the Interested Stockholder in its direct or indirect acquisition of beneficial ownership of shares of such class or series of Capital Stock. If the consideration so paid for shares of any class or series of Capital Stock varied as to form, the form of consideration for such class or series of Capital Stock shall be either cash or the form used to acquire beneficial ownership of the largest number of shares of such class or series of Capital Stock previously acquired by the Interested Stockholder.

(iv) After such Interested Stockholder has become an Interested Stockholder and prior to the consummation of such Business Combination, such Interested Stockholder shall not have become the beneficial owner of any additional shares of Capital Stock except as part of the transaction that results in such Interested Stockholder becoming an Interested Stockholder and except in a transaction that, after giving effect thereto, would not result in any increase in the Interested Stockholder's percentage beneficial ownership of any class or series of Capital Stock; and, except as approved by at least two-thirds of the Continuing Directors: (a) there shall have been no failure to declare and pay at the regular date therefor any full quarterly dividends (whether or not cumulative) payable in accordance with the terms of any outstanding Capital Stock; (b) there shall have been no reduction in the annual rate of dividends paid on the Common Stock (except as necessary to reflect any stock split, stock dividend or subdivision of the Common Stock); and (c) there shall have been an increase in the annual rate of dividends paid on the Common Stock as necessary to reflect any reclassification (including any reverse stock split), recapitalization, reorganization or any similar transaction which has the effect of reducing the number of outstanding shares of Common Stock.

(v) After such Interested Stockholder has become an Interested Stockholder, such Interested Stockholder shall not have received the benefit, directly or indirectly (except proportionately as a stockholder of the Company), of any loans, advances, guarantees, pledges or other financial assistance or any tax credits or other tax advantages provided by the Company, whether in anticipation of or in connection with such Business Combination or otherwise.

(vi) A proxy or information statement describing the proposed Business Combination and complying with the requirements of the Securities Exchange Act of 1934, as amended, and the rules and regulations thereunder (or any subsequent provisions replacing such Act, rules or regulations) shall be mailed to all stockholders of the Company at least 30 days prior to the consummation of such Business Combination (whether or not such proxy or information statement is required to be mailed pursuant to such Act or subsequent provisions). The proxy or information statement shall contain on the first page thereof, in a prominent place, any statement as to the advisability of the Business Combination that the Continuing Directors, or any of them, may choose to make and, if deemed advisable by at least two-thirds of the Continuing Directors, the opinion of an investment banking firm selected for and on behalf of the Company by at least two-thirds of the Continuing Directors as to the fairness of the terms of the Business Combination from a financial point of view to the holders of the outstanding shares of Capital Stock other than the Interested Stockholder and its Affiliates or Associates (as hereinafter defined).

(vii) Such Interested Stockholder shall not have made any material change in the Company's business or equity capital structure without the approval of at least two-thirds of the Continuing Directors.

Any Business Combination to which Section 1 of this Article X shall not apply by reason of this Section 2 shall require only such affirmative vote as is required by law, any other provision of this Certificate of Incorporation, the By-laws of the Company or any agreement with any national securities exchange.

3. Certain Definitions. For the purposes of this Article X:

A. A "Business Combination" shall mean:

(i) any merger or consolidation of the Company or any Subsidiary (as hereinafter defined) with (i) any Interested Stockholder or (ii) any other corporation (whether or not itself an Interested Stockholder) which is, or after such merger or consolidation would be, an Affiliate or Associate of an Interested Stockholder; or

(ii) any sale, lease, exchange, mortgage, pledge, transfer or other disposition (in one transaction or a series of transactions) to or with any Interested Stockholder or any Affiliate or Associate of any Interested Stockholder involving any assets or securities of the Company, any Subsidiary or any Interested Stockholder or any Affiliate or Associate of any Interested Stockholder having an aggregate Fair Market Value of
$20,000,000 or more; or

(iii) the adoption of any plan or proposal for the liquidation or dissolution of the Company proposed by or on behalf of any Interested Stockholder or any Affiliate or Associate of any Interested Stockholder; or

(iv) any reclassification of securities (including any reverse stock split), or recapitalization of the Company, or any merger or consolidation of the Company with any Subsidiary or any other transaction (whether or not with or into or otherwise involving an Interested Stockholder) that has the effect, directly or indirectly, of increasing the proportionate share of any class or series of Capital Stock, or any securities convertible into Capital Stock or into equity securities of any Subsidiary, that is beneficially owned by any Interested Stockholder or any Affiliate or Associate of any Interested Stockholder; or

(v) any agreement, contract, arrangement or other understanding providing for any one or more of the actions specified in clauses (i) through (iv) above.

B. A "person" shall mean any individual, firm, corporation or other entity and shall include any group composed of any person and any other person with whom such person or any Affiliate or Associate of such person has any agreement, arrangement or understanding, directly or indirectly, for the purpose of acquiring, holding, voting or disposing of Capital Stock.

C. "Interested Stockholder" shall mean any person (other than the Company or any Subsidiary and other than any profit-sharing, employee stock ownership or other employee benefit plan of the Company, any Subsidiary, Fortune Brands, Inc., a Delaware corporation ("Fortune"), or any subsidiary of Fortune or any trustee of or fiduciary with respect to any such plan when acting in such capacity) who or which:

(i) is the beneficial owner of Voting Stock having 10% or more of the votes entitled to be cast by the holders of all then outstanding shares of Voting Stock; or

(ii) is an Affiliate or Associate of the Company and at any time within the two-year period immediately prior to the date in question was the beneficial owner of Voting Stock having 10% or more of the votes entitled to be cast by the holders of all then outstanding shares of Voting Stock; or

(iii) is an assignee of or has otherwise succeeded to any shares of Voting Stock which were at any time within the two-year period immediately prior to the date in question beneficially owned by any Interested Stockholder, if such assignment or succession shall have occurred in the course of a transaction or series of transactions not involving a public offering within the meaning of the Securities Act of 1933;

provided, *however*, that Fortune shall not be an Interested Stockholder as a result of its ownership of Capital Stock of the Company prior to the distribution of the shares of Capital Stock of the Company held by Fortune to the holders of capital stock of Fortune (the "Distribution").

D. A person shall be a "beneficial owner" of any Capital Stock:

(i) which such person or any Affiliate or Associate of such person beneficially owns, directly or indirectly; or

(ii) which such person or any Affiliate or Associate of such person has, directly or indirectly, (a) the right to acquire (whether such right is exercisable immediately or only after the passage of time), pursuant to any agreement, arrangement or understanding or upon the exercise of conversion rights, exchange rights, warrants or options, or otherwise, or (b) the right to vote pursuant to any agreement, arrangement or understanding; or

(iii) which are beneficially owned, directly or indirectly, by any other person with which such person or any Affiliate or Associate of such person has any agreement, arrangement or understanding for the purpose of acquiring, holding, voting or disposing of any shares of Capital Stock.

E. For the purposes of determining whether a person is an Interested Stockholder pursuant to paragraph C of this Section 3, the number of shares of Capital Stock deemed to be outstanding shall include shares deemed owned by the Interested Stockholder through application of paragraph D of this Section 3 but shall not include any other shares of Capital Stock that may be issuable pursuant to any agreement, arrangement or understanding, or upon exercise of conversion rights, warrants or options, or otherwise.

F. "Affiliate" and "Associate" shall have the respective meanings ascribed to such terms in Rule 12b-2 of the General Rules and Regulations under the Securities Exchange Act of 1934, as amended, as in effect on August 16, 2005 (the term "registrant" in such
Rule 12b-2 meaning in this case the Company).

G. "Subsidiary" means any corporation of which a majority of any class of equity security is beneficially owned by the Company; provided, however, that for the purposes of the definition of Interested Stockholder set forth in paragraph C of this Section 3, the term "Subsidiary" shall mean only a corporation of which a majority of each class of equity security is beneficially owned by the Company.

H. "Continuing Director" means any member of the Board of Directors of the Company (the "Board") who is not an Affiliate or Associate or representative of the Interested Stockholder and was a member of the Board prior to the time that the Interested Stockholder became an Interested Stockholder, and any successor of a Continuing Director who is not an Affiliate or Associate or representative of the Interested Stockholder and is recommended or elected to succeed a Continuing Director by at least two-thirds of the Continuing Directors then members of the Board.

I. "Fair Market Value" means: (i) in the case of cash, the amount of such cash; (ii) in the case of stock, the highest closing sale price during the 30-day period immediately preceding the date in question of a share of such stock on the New York Stock Exchange Composite Transactions reporting system, or, if such stock is not quoted on such system, on the New York Stock Exchange, or, if such stock is not listed on such Exchange, on the principal United States securities exchange registered under the Securities Exchange Act of 1934, as amended, on which such stock is listed, or, if such stock is not listed on any such exchange, the highest closing bid quotation with respect to a share of such stock during the 30-day period immediately preceding the date in question on the National Association of Securities Dealers, Inc. Automated Quotations System or any system then in use, or if no such quotations are available, the fair market value on the date in question of a share of such stock as determined in good faith by at least two-thirds of the Continuing Directors; and (iii) in the case of property other than cash or stock, the fair market value of such property on the date in question as determined in good faith by at least two-thirds of the Continuing Directors.

J. In the event of any Business Combination in which the Company survives, the phrase "consideration other than cash to be received" as used in paragraphs B(i) and (ii) of Section 2 of this Article X shall include the shares of Common Stock and/or the shares of any other class or series of Capital Stock retained by the holders of such shares.

4. Powers of Continuing Directors. Any determination as to compliance with this Article X, including without limitation (A) whether a person is an Interested Stockholder, (B) the number of shares of Capital Stock or other securities beneficially owned by any person, (C) whether a person is an Affiliate or Associate of another, (D) whether the requirements of paragraph B of Section 2 have been met with respect to any Business Combination, and (E) whether the assets that are the subject of any Business Combination have, or the consideration to be received for the issuance or transfer of securities by the Company or any Subsidiary in any Business Combination has, an aggregate Fair Market Value of $20,000,000 or more shall be made only upon action by not less than two-thirds of the Continuing Directors of the Company; and the good faith determination of at least two-thirds of the Continuing Directors on such matters shall be conclusive and binding for all the purposes of this Article X.

5. No Effect on Fiduciary Obligations. Nothing contained in this Article X shall be construed to relieve the Board of Directors or any Interested Stockholder from any fiduciary obligation imposed by law.

6. Amendment, Repeal, etc. Notwithstanding any other provisions of this Certificate of Incorporation or the By-laws of the Company (and notwithstanding the fact that a lesser percentage or separate class vote may be specified by law, this Certificate of Incorporation or the By-laws of the Company), the affirmative vote of the holders of at least 80% of the voting power of the then outstanding Voting Stock, voting together as a single class, shall be required to amend or repeal, or adopt any provisions inconsistent with, this Article X; provided, however, that the preceding provisions of this Section 6 shall not apply to any amendment to this Article X, and such amendment shall require only such affirmative vote as is required by law and any other provisions of this Certificate of Incorporation or the By-laws of the Company, if such amendment shall have been approved by at least two-thirds of the members of the Board who are persons who would be eligible to serve as Continuing Directors.

ARTICLE XI

From and after the time of the Distribution (as defined in Article X), any action required or permitted to be taken by the stockholders shall be taken only at an annual or special meeting of such stockholders and not by consent in writing. Special meetings of the stockholders for any purpose or purposes shall be called only by the Board of Directors pursuant to a resolution adopted by a majority of the whole Board.

Exhibit 31.1

CERTIFICATIONS

I, Boris Elisman, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of ACCO Brands Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and we have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

By: /s/ Boris Elisman

Boris Elisman

Chairman, President and
Chief Executive Officer

Date**:** October 30, 2019

Exhibit 31.2

CERTIFICATIONS

I, Neal V. Fenwick, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of ACCO Brands Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and we have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

By: /s/ Neal V. Fenwick

Neal V. Fenwick

Executive Vice President and Chief Financial Officer

Date**:** October 30, 2019

Exhibit 32.1

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,

As adopted pursuant to

SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of ACCO Brands Corporation on Form 10-Q for the period ended September 30, 2019 as filed with the Securities and Exchange Commission on the date hereof, (the "Report"), I, Boris Elisman, Chief Executive Officer of ACCO Brands Corporation, hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of ACCO Brands Corporation.

By: /s/ Boris Elisman

Boris Elisman

Chairman, President and
Chief Executive Officer

Date: October 30, 2019

Exhibit 32.2

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,

As adopted pursuant to

SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of ACCO Brands Corporation on Form 10-Q for the period ended September 30, 2019 as filed with the Securities and Exchange Commission on the date hereof, (the "Report"), I, Neal V. Fenwick, Chief Financial Officer of ACCO Brands Corporation, hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of ACCO Brands Corporation.

By: /s/ Neal V. Fenwick
Neal V. Fenwick
Executive Vice President and
Chief Financial Officer

Date: October 30, 2019