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

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**FORM 8-K**

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**CURRENT REPORT**  
**Pursuant to Section 13 or 15(d)**  
**of the Securities Exchange Act of 1934**

**Date of Report (Date of earliest event reported) May 27, 2014**

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**U.S. AUTO PARTS NETWORK, INC.**

(Exact name of registrant as specified in its charter)

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**Delaware**  
(State or other jurisdiction  
of incorporation)

**001-33264**  
(Commission  
File Number)

**68-0623433**  
(IRS Employer  
Identification No.)

**16941 Keegan Avenue, Carson, CA 90746**  
(Address of principal executive offices) (Zip Code)

**Registrant's telephone number, including area code (310) 735-0553**

**N/A**  
(Former name or former address, if changed since last report)

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Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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**Item 7.01. Regulation FD Disclosure.**

On May 28, 2014, at the 11th Annual Craig-Hallum Institutional Investor Conference in Minneapolis, Minnesota, U.S. Auto Parts Network, Inc. will be participating in one-on-one meetings with analysts, investors and others regarding the Company. The information to be disclosed during these meetings is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

**Item 9.01. Financial Statements and Exhibits**

(d) Exhibits. The following exhibit is filed with this Current Report on Form 8-K:

**Exhibit**

<u>No.</u>	<u>Description</u>
99.1	Presentation of U.S. Auto Parts Network, Inc.

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**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

U.S. AUTO PARTS NETWORK, INC.

Dated: May 27, 2014

By: /s/ DAVID ROBSON

David Robson  
Chief Financial Officer

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## EXHIBIT INDEX

<b><u>Exhibit No.</u></b>	<b><u>Description</u></b>
99.1	Presentation of U.S. Auto Parts Network, Inc.

The logo for US Autoparts, featuring the letters "US" in a large, bold, italicized font, followed by "AUTOPARTS" in a smaller, bold, italicized font. A registered trademark symbol (®) is located at the end of the word "AUTOPARTS".

**USAUTOPARTS®**

## Investor Presentation

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# Safe Harbor



This presentation may contain certain forward-looking statements and management may make additional forward-looking statements in response to your questions. These statements do not guarantee future performance and speak only as of the date hereof, and qualify for the safe harbor provided by Section 21E of the Securities Exchange Act of 1934, as amended, and Section 27A of the Securities Act of 1933. We refer all of you to the risk factors contained in US Auto Parts Annual Report on Form 10-K and quarterly reports on Form 10-Q filed with the Securities and Exchange Commission, for more detailed discussion on the factors that can cause actual results to differ materially from those projected in any forward-looking statements.

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# Case for Investment



- ✓ Large and Growing Online Market
- ✓ Significant Customer Reach
- ✓ Significant Private Label Offering
- ✓ Reduced Cost Structure
- ✓ No Debt
- ✓ Experienced Leadership Team

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# Highlights from Q1-14 Earnings Call

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Go forward sales channels up 11% with total comps up 4%

- As of 5/6 go forward trend for Q2 trending up 20% and overall comps up 13%

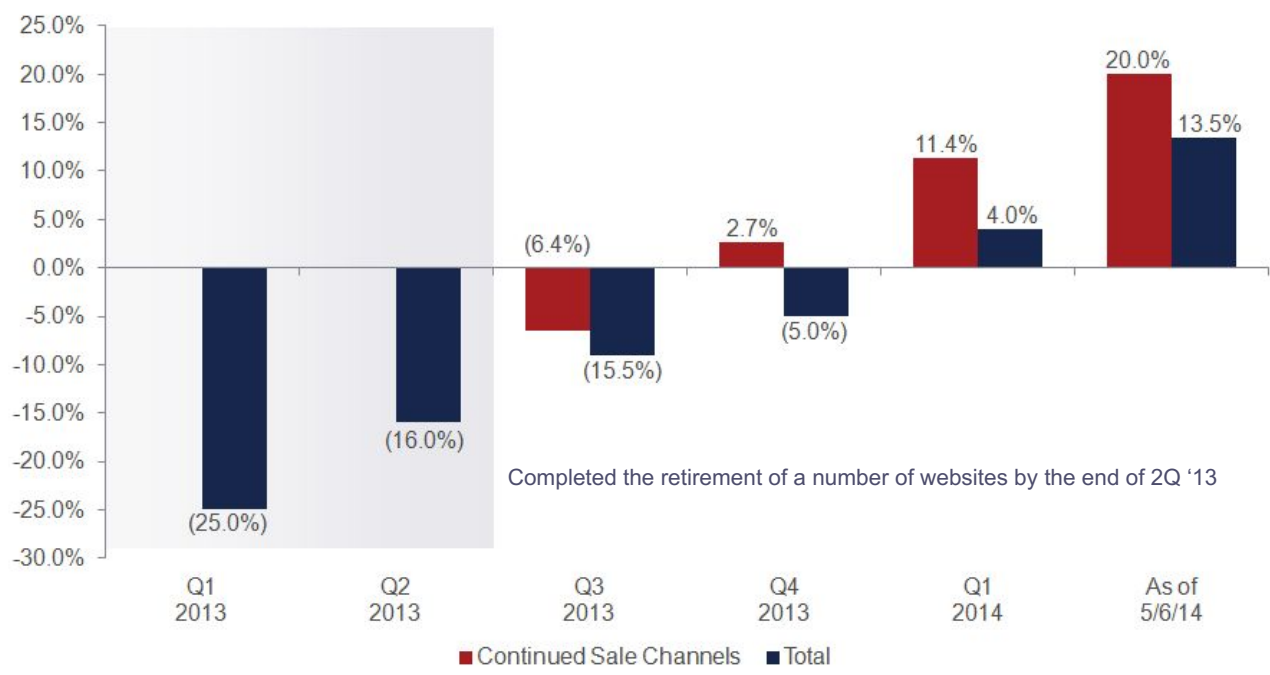
Adjusted EBITDA was \$3.3M up from \$1.5M in Q1-13

Adjusted EBITDA less CAPEX was \$1.8M up from (\$1.1M) in Q1-13

As of 5/6 - \$3M of cash on the balance sheet with no debt



# Recent Revenue Trends

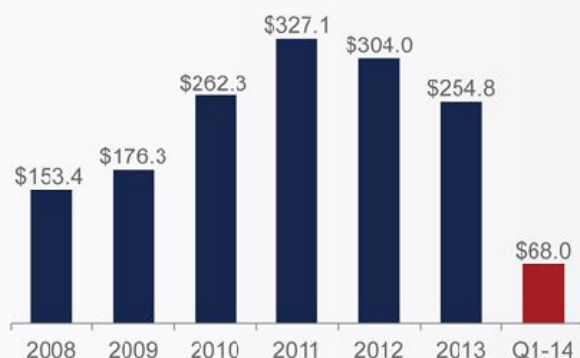


# Sales & Adjusted EBITDA



## Consolidated Sales <sup>1</sup>

(\$ In Millions)



## Consolidated Adjusted EBITDA <sup>2</sup>

(\$ In Millions)



Adj. EBITDA Margin

1. JCWhitney was acquired in Aug 2010 adding revenue of \$39.1M in 2010 and \$83.4M in 2011. Amounts not separately disclosed after 2011.

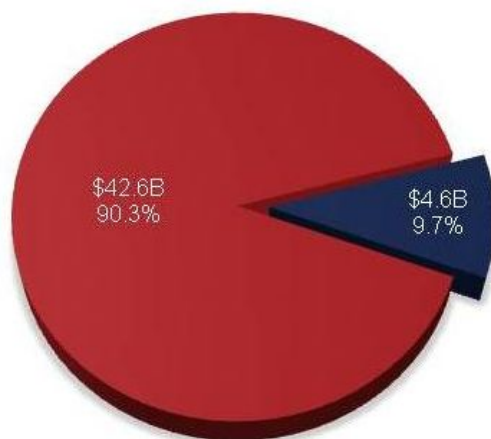
2. Non-GAAP financial measure EBITDA consists of net income before (a) interest expense, net; (b) income tax provisions; (c) amortization of intangible assets; (d) depreciation and amortization. Adjusted EBITDA excludes Stock based compensation of \$2.9M, \$3.3M, \$2.7M, \$2.6M, \$1.7M, \$1.3M and \$0.4M in 2008, 2009, 2010, 2011, 2012, 2013 and Q1-14, respectively and restructuring costs and other one time charges of \$23.4M, \$0.4M, \$5.8M, \$12.9M, \$27.5M and \$6.8M in 2008, 2009, 2010, 2011, 2012 and 2013, respectively. There were no restructuring or one time charges in Q1-14.

# Do It Yourself (DIY) Market Size



At 9.7% online market penetration, auto parts still lags industry average in the teens. US Auto Parts is the largest pure-play online retailer of auto parts

Total DIY Market Size for 2013 of 47.2B<sup>1</sup>



Company	2013 Est. Rev <sup>2</sup>	% of total
Marketplaces (in million)		
eBay Motors	\$2,200	47.6%
Amazon	\$600	13.0%
Sub Total	\$2,800	60.6%
Wholesale Online		
Tire Rack (online)	\$440	9.5%
Other Tire Companies	\$190	4.1%
Sub Total	\$630	13.6%
Pure Play		
USAP	\$250	5.4%
Rock Auto	\$180	3.9%
Summit	\$170	3.7%
Auto Anything (AutoZone)	\$120	2.6%
JEGS	\$70	1.5%
CarID	\$60	1.3%
All Other Pure Play	\$90	1.9%
Sub Total	\$940	20.3%
Brick & Mortar Retailers		
AutoZone (w/o AA) <sup>3</sup>	\$110	2.4%
Advance	\$80	1.7%
Pep	\$30	0.6%
O'Reilly	\$20	0.4%
NAPA	\$10	0.2%
Sub Total	\$250	5.4%
<b>Total</b>	<b>4,620</b>	<b>100.0%</b>

<sup>1</sup> AASA estimates

<sup>2</sup> Estimates by US Auto Parts where amounts are not publicly reported & we estimate the total online

DIY market to be larger than the \$3.8B that is reported in the 2014 AAI Fact Book

<sup>3</sup> Excludes AutoAnything which is wholly owned by AutoZone

# Online Market is Vibrant and Growing **USAUTOPARTS**

## Aftermarket e-Commerce Overview

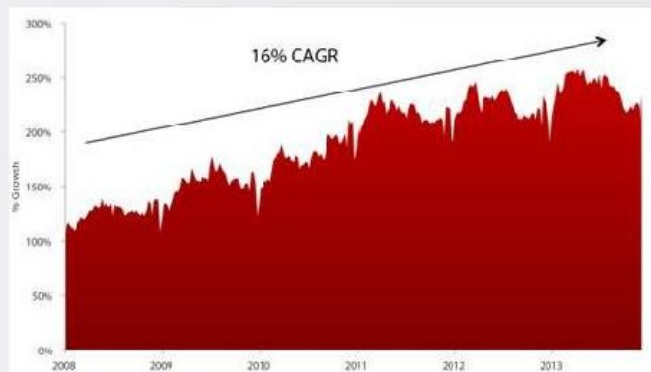
Online sales of automotive parts and accessories have grown in the high teens and are expected to grow at 20% going forward

### eBay Parts Sales Continue to Increase



Source: eBay filings, press releases

### Google Queries for Parts Growing



Source: Google

# Online Market is Vibrant and Growing **USAUTOPARTS**

## Aftermarket e-Commerce Overview

Booz & Co. estimates by 2018 that Online DIY could reach 17% of the total DIY market

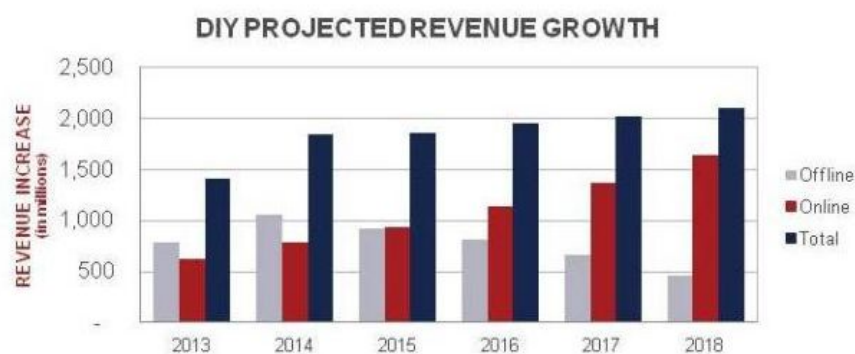


# Do It Yourself (DIY) Projections<sup>1</sup>



	DIY PROJECTED REVENUES (in millions)						
	2012	2013	2014	2015	2016	2017	2018
Offline	\$42,544	\$43,331	\$44,388	\$45,306	\$46,120	\$46,778	\$47,236
Online	3,202	3,827	4,611	5,549	6,680	8,041	9,680
	<b>\$45,746</b>	<b>\$47,158</b>	<b>\$48,999</b>	<b>\$50,855</b>	<b>\$52,800</b>	<b>\$54,819</b>	<b>\$56,916</b>

	DIY PROJECTED MARKET SHARE						
	2012	2013	2014	2015	2016	2017	2018
Offline	93.0%	91.9%	90.6%	89.1%	87.3%	85.3%	83.0%
Online	7.0%	8.1%	9.4%	10.9%	12.7%	14.7%	17.0%

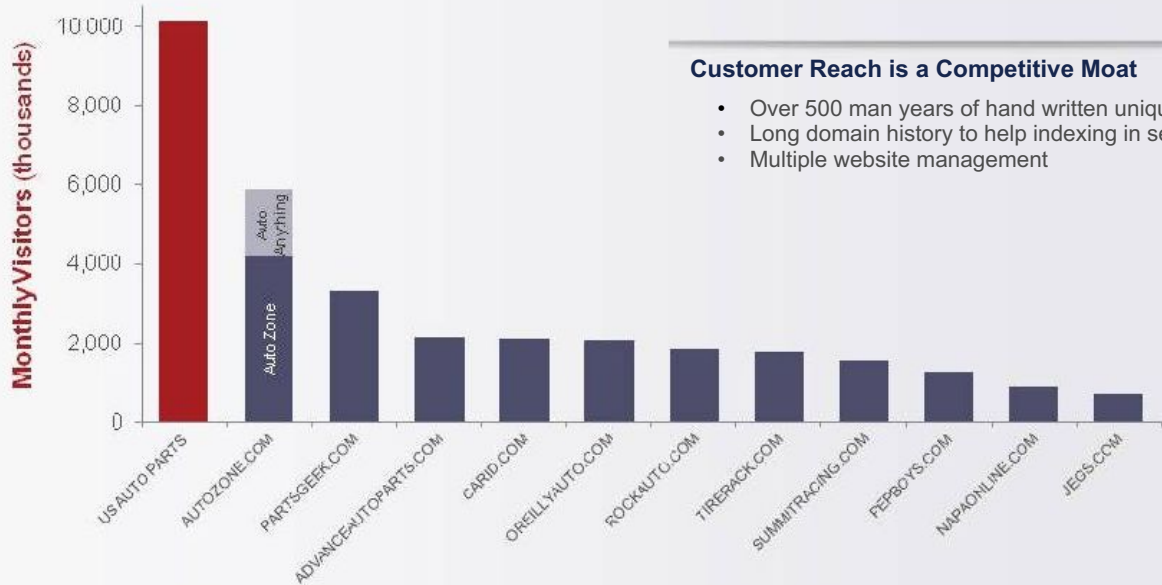


<sup>1</sup> Projections obtained from AIA 2014 Digital Automotive Aftermarket Fact Book and March 2014 AASA Digital Disruption: e-tailing in the Automotive Aftermarket Report

# US Auto Parts Dominant Reach- Largest Pure Play Internet Retailer



(some overlap of monthly visitors across websites)



USAP traffic includes traffic from continued sales channels  
Competitive sites' traffic based on Compete March 2014 reports

# Broad Auto Parts Product Offering



US Auto Parts has one of the largest product offerings with over 1.5 million products across body parts, engine parts, and performance & accessories

## Body Parts

Lamps 	Mirrors 	Bumpers 
Hoods 	Tailgates 	Doors 
Grills 	Wheels 	Window Regulators 

Revenue\* **48%**

## Engine Parts

Brake Discs 	Catalytic Converters 	Radiators 
Headers 	Oxygen Sensors 	Alternators 
Exhaust 	Driveshaft 	Fuel Injection / Delivery 

**36%**

## Performance & Accessories

Seat Covers 	Car Covers 	Floor Mats / Carpeting 
Cold Air Intakes 	Vent Visors 	Tonneau Covers 
Nerf Bars 	Bug Shields 	Car Bras 

**16%**

\*Represents USAPonline mix

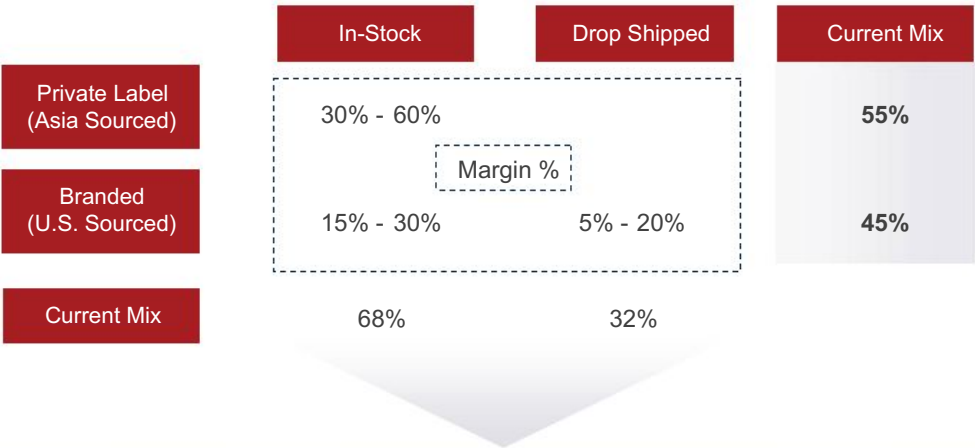


# USAP's Supply Chain Creates Pricing Advantage



USAP's ability to competitively price products while maintaining healthy margins is a function of the Company's ability to leverage its robust private label supply chain.

- Currently over 40,000 Private Label Products.
- Adding 4,000 – 5,000 Private Label SKUs this year
- The Company sources product directly from over 200 factories in Asia



The breadth of our Private Label products provides a significant competitive moat

Recent new trends for our go forward sales channel are growing at 20% as of the 5/6 earnings call

Incremental Flow Thru	
Revenue	100%
Gross Margins	<u>27% - 29%</u>
Variable OPEX Costs	15%
Fixed Cost	<u>0%</u>
Incremental Flow	12% - 14%

# USAP has significantly reduced operating cost



OPEX (in thousands)	Q1-14	% of rev	Q1-13	% of rev	\$ Change	% of rev change
Fulfillment*	3,935	5.8%	3,994	6.1%	(59)	(30 bps)
Marketing*	8,691	12.8%	8,967	13.7%	(276)	(90 bps)
Technology*	1,129	1.7%	1,395	2.1%	(266)	(40 bps)
General & Administrative*	3,620	5.3%	3,873	5.9%	(252)	(60 bps)
Subtotal	17,376	25.5%	18,229	27.9%	(853)	(240 bps)
D&A and Stock Based Comp	2,829	4.2%	4,153	6.3%	(1,324)	(210 bps)
Restructuring	-	0.0%	498	0.8%	(498)	(80 bps)
<b>Total OPEX</b>	<b>20,205</b>	<b>29.7%</b>	<b>22,880</b>	<b>35.0%</b>	<b>(2,675)</b>	<b>(530 bps)</b>
Fixed Cost	7,206	10.6%	8,253	12.6%	(1,047)	(200 bps)
Variable	10,170	14.9%	9,976	15.3%	193	40 bps
D&A & Stock Based Comp	2,829	4.2%	4,153	6.3%	(1,324)	(210 bps)
Restructuring	-	0.0%	498	0.8%	(498)	(80 bps)
<b>Total</b>	<b>20,205</b>	<b>29.7%</b>	<b>22,880</b>	<b>35.0%</b>	<b>(2,675)</b>	<b>(530 bps)</b>
CAPEX	1,558	2.3%	2,623	4.0%	(1,065)	(170 bps)
<b>Total OPEX &amp; CAPEX</b>	<b>21,763</b>	<b>32.0%</b>	<b>25,503</b>	<b>39.0%</b>	<b>(3,740)</b>	<b>(700 bps)</b>
<b>Annualized</b>	<b>87,053</b>		<b>102,012</b>		<b>(14,959)</b>	

\*Excludes non-cash D&A, stock based comp and restructuring

Over \$19M of costs have been reduced over a two year period

# Financial Sensitivity



Our business model has significant cost leverage as revenues grow

	Base			8%			18%			27%			37%		
Revenue	\$255			\$275			\$300			\$325			\$350		
Gross Margin %	27.0%	–	29.0%	27.0%	–	29.0%	27.0%	–	29.0%	27.0%	–	29.0%	27.0%	–	29.0%
Variable:															
Fulfillment	3.4%			3.4%			3.4%			3.4%			3.4%		
Marketing	9.2%			9.2%			9.2%			9.2%			9.2%		
Technology	0.6%			0.6%			0.6%			0.6%			0.6%		
G&A	1.7%			1.7%			1.7%			1.7%			1.7%		
<b>Total Variable</b>	<b>14.9%</b>			<b>14.9%</b>			<b>14.9%</b>			<b>14.9%</b>			<b>14.9%</b>		
Fixed:															
Fulfillment	2.5%			2.3%			2.1%			2.0%			1.8%		
Marketing	3.8%			3.5%			3.2%			3.0%			2.8%		
Technology	1.1%			1.1%			1.0%			0.9%			0.8%		
G&A	3.8%			3.5%			3.2%			3.0%			2.8%		
<b>Total Fixed</b>	<b>11.2%</b>			<b>10.4%</b>			<b>9.5%</b>			<b>8.8%</b>			<b>8.2%</b>		
Adjusted EBITDA %	0.9%	–	2.9%	1.7%	–	3.7%	2.5%	–	4.5%	3.3%	–	5.3%	3.9%	–	5.9%
Adjusted EBITDA \$	<b>\$2</b>	–	<b>\$7</b>	<b>\$5</b>	–	<b>\$10</b>	<b>\$8</b>	–	<b>\$14</b>	<b>\$11</b>	–	<b>\$17</b>	<b>\$14</b>	–	<b>\$21</b>

1. 2013 Revenue was \$255M
2. Excludes stock based compensation, depreciation and amortization
3. For every incremental year required to achieve growth levels, fixed expenses increase \$1.0M or 3%

# AutoMD – Addressing the DIFM Market



AutoMD  
Shutting the Power to You











2008 Toyota Camry LE 4-Cyl 2.4L ▼ Tracey Log Out Search

AutoMD Instant-Quotes? Diagnose How-To Guides Auto Answers Estimate Cost Find a Shop Follow Us

Compare Shops  
By Distance and Price  
5.9m → 11.2m  
\$377 → \$491

Service: Alternator Replacement  
Location: Edin Woodside, NY 11377  
Select Part Brands: AC Delco  
Sort By: Rating A...

9 Shops Found Up to \$131 saved off dealer price, that's 35% savings!

 <b>Sosa Auto Diagnostics</b> yelp 4.0 (1) AutoMD 5.0 (1) 630 Broadway Brooklyn, NY 4.6 miles away   <a href="#">View Shop Details</a>	 <b>\$393</b> <a href="#">View Quote</a>	<a href="#">Request Appointment</a> <small>Pay at shop after work is completed</small>
 <b>Bismillah Auto Center</b> AutoMD 5.0 (1) 10 Malcolm Boulevard Brooklyn, NY 4.5 miles away   <a href="#">View Shop Details</a>	 <b>\$377</b> <a href="#">View Quote</a>	<a href="#">Request Appointment</a> <small>Pay at shop after work is completed</small>
 <b>Robel and Sons Auto Repair</b> AutoMD 5.0 (1) 30 Bedford Street Brooklyn, NY 4.8 miles away   <a href="#">View Shop Details</a>	 <b>\$377</b> <a href="#">View Quote</a>	<a href="#">Request Appointment</a> <small>Pay at shop after work is completed</small>
 <b>Prela Enterprises, Inc.</b> yelp 4.0 (10) 42-42 Francis Lewis Boulevard Bayside, NY 9.1 miles away   <a href="#">View Shop Details</a>	 <b>\$491</b> <a href="#">View Quote</a>	<a href="#">Request Appointment</a> <small>Pay at shop after work is completed</small>
 <b>Yellowbird Auto Diagnostic Center, Inc.</b> yelp 4.0 (15) 20-2 29th Street Astoria, NY	 <b>\$379</b> <a href="#">View Quote</a>	<a href="#">Request Appointment</a> <small>Pay at shop after work is completed</small>

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# Case for Investment



- ☑ Large and Growing Online Market
- ☑ Significant Customer Reach
- ☑ Significant Private Label Offering
- ☑ Reduced Cost Structure over
- ☑ No Debt
- ☑ Experienced Leadership Team

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# Leadership Team



## **Shane Evangelist - Chief Executive Officer**

Chief Executive Officer since October 2007 with over 10 years of leading internet businesses

Senior Vice President and General Manager of Blockbuster Online

Vice President of Strategic Planning for Blockbuster Inc.

B.A. degree in Business Administration from the University of New Mexico and a M.B.A. from Southern Methodist University

## **Charles Fischer - Senior Vice President of Global Procurement**

Senior Vice President of Global Sourcing and Procurement since May 2008 with over 30 years of global sourcing experience

Vice President, Supply Chain Management for Keystone Automotive Industries

Director, Business Development for Modern Engineering

Multiple leadership positions with multiple companies in the automotive aftermarket industry

## **David Robson - Chief Financial Officer**

Chief Financial Officer since January 2012

Over 20 years of finance, accounting, and operational experience and has held senior positions with both public and private companies

Executive Vice President and Chief Administrative Officer at Mervyns' LLC, SVP of Finance and Principal Accounting Officer for Guitar Center, Inc.

B.S. degree in Accounting from University of Southern California; certified public accountant

## **Aaron E. Coleman - Chief Operating Officer**

Chief Operating Officer since September 2010, and was Executive Vice President of Operations and CIO from April 2008 until September 2010 with over 18 years of e-commerce experience

Senior Vice President –Online Systems at Blockbuster Inc.

Multiple positions with internet and technology companies including American Airlines, Travelweb (Priceline), Baan

B.A. degree in Business Administration from Gonzaga University

# Adjusted EBITDA

(Non-GAAP Financial Measure – in thousands)



	Thirteen Weeks Ended	
	March 29	March 30
	2014	2013
Net income (loss)	\$ 201	\$ (3,343)
Interest expense, net	259	185
Income tax provision	32	21
Amortization of intangible assets	84	106
Depreciation and amortization expense	2,368	3,638
EBITDA	2,944	607
Share-based compensation expense	376	409
Restructuring costs	-	498
Adjusted EBITDA	\$ 3,320	\$ 1,514



# Consolidated Statements of Comprehensive Operations

(Unaudited, in Thousands, Except Per Share Data)

	Thirteen Weeks Ended	
	March 29, 2014	March 30, 2013
Net sales	\$ 68,028	\$ 65,405
Cost of sales <sup>(1)</sup>	47,327	45,667
Gross profit	20,701	19,738
Operating expenses:		
Marketing	10,115	11,191
General and administrative	4,147	4,687
Fulfillment	4,712	5,381
Technology	1,148	1,515
Amortization of intangible assets	84	106
Total operating expenses	20,206	22,880
Income (loss) from operations	495	(3,142)
Other income (expense):		
Other income (expense), net	(3)	7
Interest expense	(259)	(187)
Total other expense, net	(262)	(180)
Income (loss) before income tax provision	233	(3,322)
Income tax provision	32	21
Net income (loss)	201	(3,343)
Other comprehensive income (loss), net of tax:		
Foreign currency translation adjustments	8	(6)
Total other comprehensive income (loss)	8	(6)
Comprehensive income (loss)	\$ 209	\$ (3,349)
Net income (loss) per share:		
Basic	\$ 0.00	\$ (0.11)
Diluted	\$ 0.00	\$ (0.11)
Weighted average common shares outstanding:		
Basic	33,384	31,141
Diluted	34,158	31,141

<sup>(1)</sup>Excludes depreciation and amortization expense which is included in marketing, general and administrative and fulfillment expense.

# Consolidated Balance Sheet

(Unaudited, in Thousands, Except Par and Per Share Liquidation value)



	March 29 2014	December 28 2013
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 1,392	\$ 818
Short-term investments	39	47
Accounts receivable, net of allowances of \$152 and \$213 at March 29, 2014 and December 28, 2013, respectively	4,882	5,029
Inventory	36,613	36,986
Other current assets	2,959	3,234
Total current assets	45,885	46,114
Property and equipment, net	18,810	19,663
Intangible assets, net	1,517	1,601
Other non-current assets	1,720	1,804
Total assets	\$ 67,932	\$ 69,182
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities:		
Accounts payable	\$ 21,469	\$ 19,669
Accrued expenses	6,867	5,959
Revolving loan payable	750	6,774
Current portion of capital leases payable	277	269
Other current liabilities	5,383	3,682
Total current liabilities	34,746	36,353
Capital leases payable, net of current portion	9,431	9,502
Deferred income taxes	65	335
Other non-current liabilities	2,125	2,126
Total liabilities	\$ 46,367	\$ 48,316
Stockholders' equity:		
Series A convertible preferred stock, \$0.001 par value; \$1.45 per share liquidation value or aggregate of \$6,017; 4,150 shares authorized; 4,150 shares issued and outstanding at March 29, 2014 and December 28, 2013, respectively	4	4
Common stock, \$0.001 par value; 100,000 shares authorized; 33,413 and 33,352 shares issued and outstanding at March 29, 2014 and December 28, 2013, respectively	33	33
Additional paid-in capital	169,243	168,693
Common stock dividend distributable	59	60
Accumulated other comprehensive income	454	446
Accumulated deficit	(148,228)	(148,370)
Total stockholders' equity	21,565	20,866
Total liabilities and equity	\$ 67,932	\$ 69,182