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

FORM 8-K

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

Date of Report (Date of earliest event reported) **August 10, 2016**



U.S. AUTO PARTS NETWORK, INC.

(Exact name of registrant as specified in its charter)

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) 735-0085**

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

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 August 11, 2016, at the Canaccord Genuity 36th Annual Growth Conference in Boston, Massachusetts, U.S. Auto Parts Network, Inc. (the "Company") will be speaking and meeting with certain analysts, investors and others in one-on-one meetings regarding the Company. The information to be disclosed during these meetings is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

The information contained in Item 7.01 and in Item 9.01 and in Exhibit 99.1 attached to this report is being furnished to the Securities and Exchange Commission and shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liability of that Section, or incorporated by reference in any filing under the

Exchange Act or the Securities Act of 1933, as amended, regardless of any general incorporation language contained in such filing.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

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

2

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.

Dated: August 10, 2016

U.S. AUTO PARTS NETWORK, INC.

By: /s/ NEIL WATANABE
Neil Watanabe
Chief Financial Officer

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EXHIBIT INDEX

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

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NASDAQ: PRTS

US **AUTOPARTS**

Investor Presentation

August 2016



This presentation contains “forward-looking” statements, within the meaning of the federal securities laws, that are based on our management’s beliefs and assumptions and on information currently available to management. Forward-looking statements include information concerning our possible or assumed future results of operations, expected growth and business strategies, key operating metrics, financing plans, competitive position, industry environment, potential product offerings, potential market and growth opportunities and the effects of competition.

Forward-looking statements include all statements that are not historical facts and can be identified by terms such as “anticipates,” “believes,” “could,” “seeks,” “estimates,” “intends,” “may,” “plans,” “potential,” “predicts,” “projects,” “should,” “will,” “would” or similar expressions and the negatives of those terms. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Forward-looking statements represent our management’s beliefs and assumptions only as of the date of this presentation. 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 disclosures contained in the U.S. Auto Parts Annual Report on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K filed with the Securities and Exchange Commission, including the risk factors set forth therein, for more detailed discussion on the factors that can cause actual results to differ materially from those projected in any forward-looking statements. Except as required by law, we assume no obligation to update these forward-looking statements publicly, or to update the reasons actual results could differ materially from those anticipated in the forward-looking statements, even if new information becomes available in the future.

This presentation includes certain non-GAAP financial measures as defined by SEC rules. We have provided a reconciliation of those measures to the most directly comparable GAAP measures in this presentation, where applicable, as well as in the appendix to this presentation.

All financial measures in this presentation refer solely to the Company’s core auto parts operating segment (“Base USAP”) and exclude the AutoMD operating segment (“AutoMD”), an online automotive repair information source of which we are a majority stockholder, unless otherwise specified on a consolidated basis.

- ▶ **US Auto Parts is a leading pure-play internet retailer of aftermarket auto parts**
- ▶ **We operate online sites, marketplaces and wholesale channels** focused on the do-it-yourself (DIY) customer
- ▶ **Offer over 1 million SKUs** of high quality private label and branded aftermarket products
- ▶ **Reach ~10 million online customers** per month through our well-established network of websites

*A Value Leader in
Aftermarket Auto Parts*



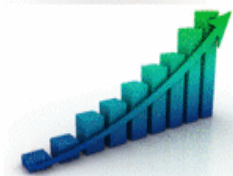
AUTO PARTS
WAREHOUSE



How have we been performing



▶ We experienced positive Y/Y traffic growth in the 2nd quarter and that trend is continuing in the 3rd quarter



▶ Our private label business continued its strong growth

▶ Gross Margin continued to expand above 30%, driven by higher product mix of private label SKUs



▶ Adjusted EBITDA for the 2nd quarter came in at \$4.0M, up 129% Y/Y and Adjusted EBITDA margin increased 290 basis points to 5.2%



▶ Our TTM Q2-16 Adjusted EBITDA is now \$13.8M, up over 92% from this time last year

▶ We completely eliminated our revolver debt and experienced a \$9M swing in our net cash position over last year



▶ We are increasing Adjusted EBITDA guidance to range between \$13M and \$15M, up from \$11.5M to \$14M

1) 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. See Appendix for a reconciliation of Adjusted EBITDA to net income

Customer Value Proposition

Low Cost Products

- Cost-conscious customers are able to purchase over 55,000 products at a significant cost savings because we are able to identify high demand SKUs and source them from one of 350+ reputable factories in Asia; over 60% of USAP unit sales are private label

Product Warranties

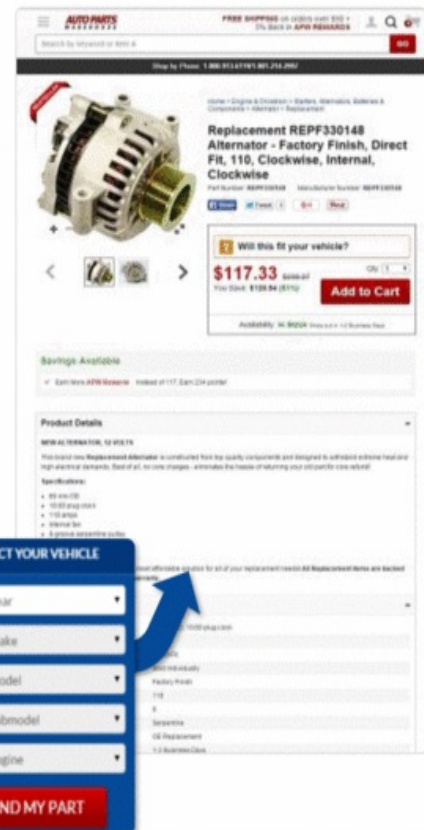
- We provide a limited warranty for all products sold including a full parts replacement

User-Friendly Websites

- Customers shop websites designed specifically for the auto parts segment driven by our complex catalogs allowing customers to quickly identify SKUs required and build complete jobs

Over 1M SKUs

- Customers have one-stop shopping on over 1 million products across all major categories for auto parts: Collision, Engine/Under Car, and Performance and Accessories

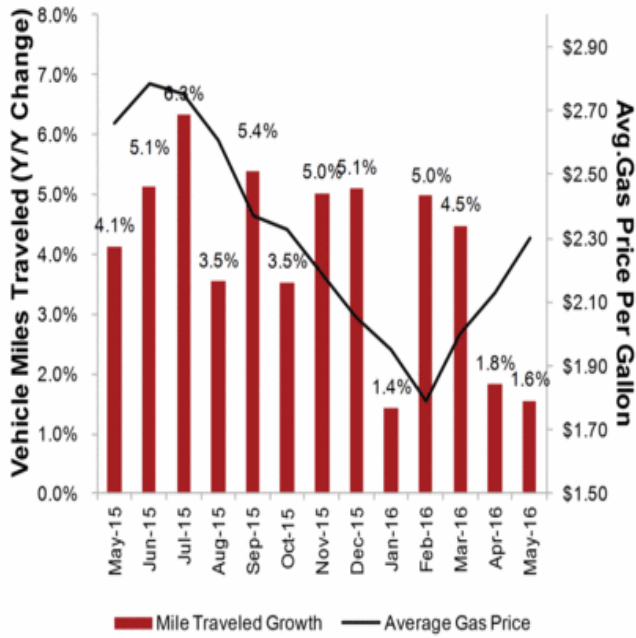


Price & Product Availability: The Two Most Important Factors for DIY Customers

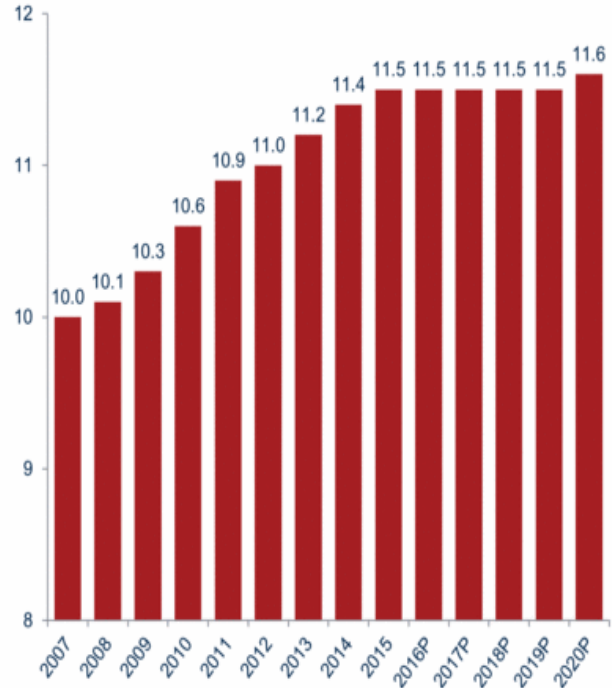
Source: Aftermarket Business World, Feb 2014

Aftermarket Auto Parts Sales Benefits From Macro Trends

Lower Gas Prices Result in Increased Auto Miles Traveled



Average Age of Light Vehicles on the Road Continues to Increase



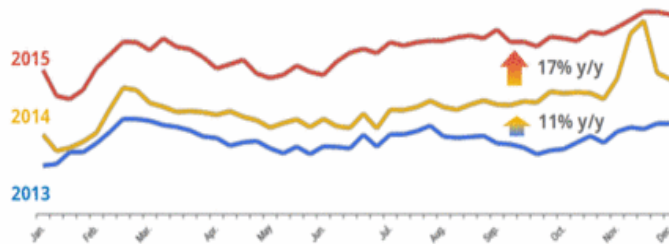
Source: Miles Traveled – U.S. Department of Transportation; Gas Prices – U.S. Energy Information Administration; BHS

Online Adoption of Aftermarket Auto Parts has Favorable Trends

- Increased online/mobile adoption, strong search demand for automotive related searches
- Drivers are increasingly relying on Google to search for parts and service information

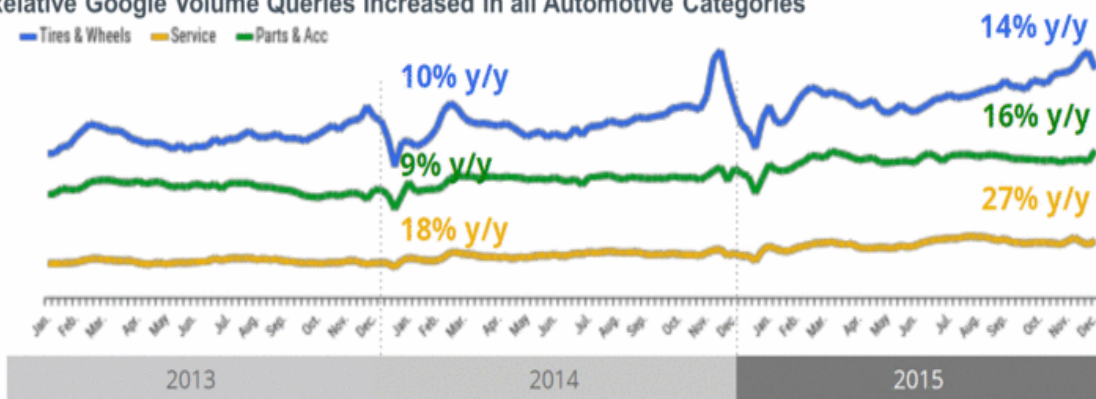
Digital Trends

[Vehicle Parts & Service Monthly Searches]



Relative Google Volume Queries Increased in all Automotive Categories

■ Tires & Wheels ■ Service ■ Parts & Acc

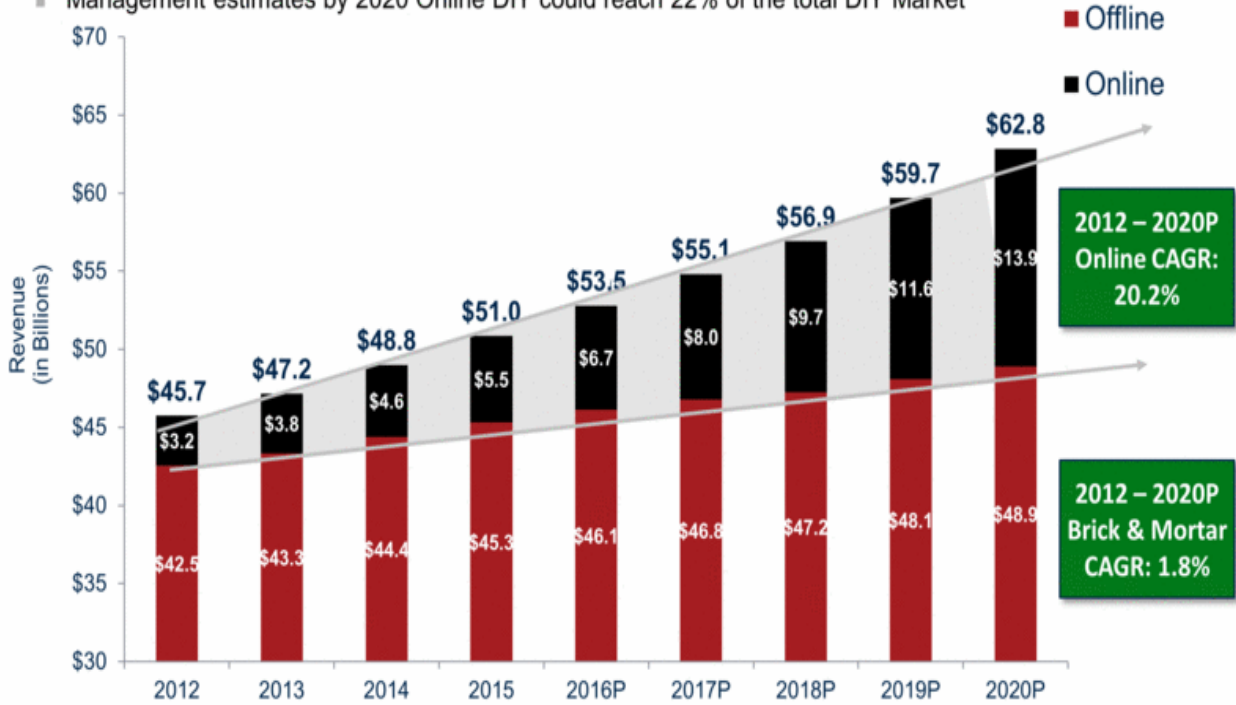


Source: Google

Online DIY Market is Growing Faster than Brick and Mortar

DIY Online Penetration

- The online portion of the DIY market is expected to double in the next four year¹
- Management estimates by 2020 Online DIY could reach 22% of the total DIY Market



1) Based on management assumptions and projections

How We Go To Market: Channels & Percent of Revenue¹

eCommerce Websites:

Network of flagship websites supported by our call center agents. Sites also generate advertising & sponsorship revenue.

US AUTOPARTS

JC Whitney
100 YEARS EVERYTHING AUTOMOTIVE

AUTOPARTS
WAREHOUSE

CarParts.com

91%

Online Marketplaces:

3rd party auction sites and shopping portals, enabling access to additional consumer segments.

amazon

eBay
store

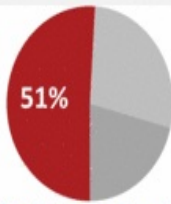
Offline/Wholesale: Products distributed directly to commercial customers, mostly collision repair shops. Also our Kool-Vue™ branded products sold to wholesale distributors.

KOOL-VUE
A PRODUCT OF
Kool-Vue
Kool-Vue
Kool-Vue

9%

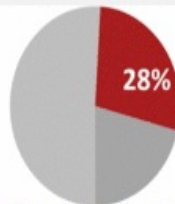
We Address the Market with an Expansive Product Offering

TTM Q2-16
Revenue
Mix



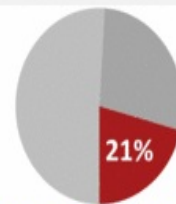
Collision Parts

Lamps 	Mirrors 	Bumpers
Hoods 	Tailgates 	Doors
Grills 	Wheels 	Window Regulators



Engine Parts

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



Performance & Accessories

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

Private Label	96%
Branded	4%

53%
47%

4%
96%

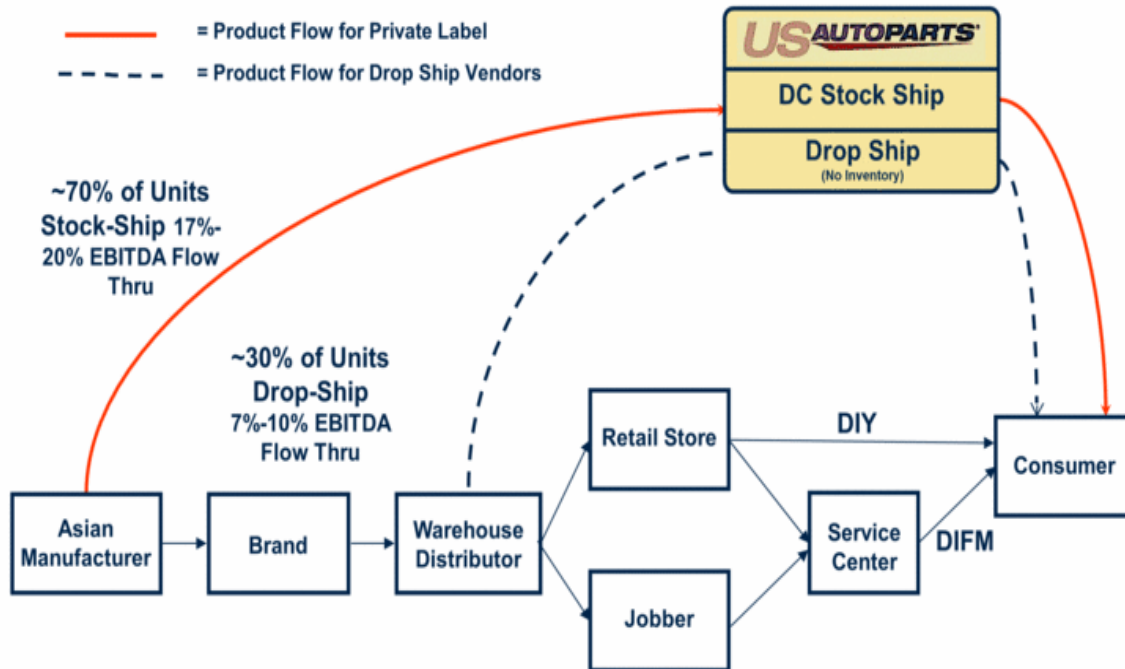
Note: All percentages of sales revenue is estimated using TTM Q2-16

Over 1 Million SKUs Across Several Categories

USAP Supply Chain Creates Pricing Advantage **USAUTOPARTS**

NASDAQ:PRTS

- ▶ USAP has built a vertically integrated e-commerce business that also uses low/no capital intensive branded product to identify demand, drive traffic and supplement products that have not been private labeled



Projected Margin Profile

- ▶ Incremental flow through from private label business is driving higher margins
- ▶ Minimal fixed costs creates significant leverage in our business model
- ▶ We believe revenue mix will continue to shift to private label

	Private Label	Branded	Total
FY-15 Growth Rate ¹	17%	(9%)	6%
Projected Revenue Mix	65%	35%	100%
Projected Gross Margins	34% - 36%	19% - 21%	29% - 31%
Projected Variable OPEX Costs	16% - 17%	11% - 12%	15% - 16%
Incremental Fixed Cost	0%	0%	0%
Incremental Flow Thru	17% - 20%	7% - 10%	13% - 16%

1) Excludes non-operating channel segments

2) Projections above are based on management assumptions as of August 8, 2016.

Competitive Landscape

Online Traffic Volume Comparison

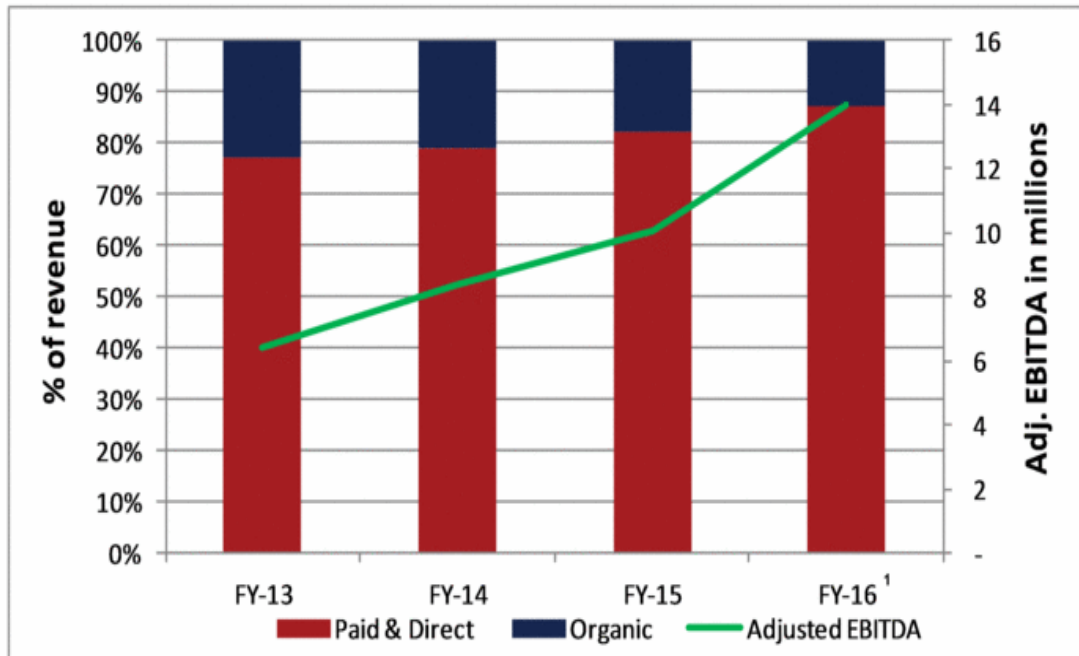
Monthly Visitors¹



- ▶ **Our long domain history** and quality content drives 2x as many monthly visitors as the next competitor
- ▶ Also reflects our ability to attract customers through paid search advertising (SEM), SEO, affiliate programs and e-mail campaigns

1) Competitor sites' traffic based on Compete using the average monthly traffic for Q2-16
2) Monthly Visitors for US Auto Parts is average monthly traffic for Q2-16

- ▶ We are becoming less dependant on organic search for revenue generation and project it to be ~14% of overall revenues in FY-16



¹ FY-16 EBITDA is the midpoint of Management's guidance of \$13.0 - \$15.0M

² See Appendix for reconciliation of Adjusted EBITDA to Net Income.



Financial Highlights

Key Stats: PRTS (NASDAQ) – Consolidated



NASDAQ:PRTS

Trading Data (@ August 8, 2016)		Financial Highlights (@ July 2, 2016)	
Stock Price	\$3.79	Revenues (TTM)	\$297.1M
52 Wk. High/Low	\$4.49/1.87	Gross Margin (TTM)	30.1%
Avg. Daily Vol. (3 mo.)	151,244	Net Income (TTM)	\$0.6M
Common Shares Out. ¹	34.9M	Cash & Equiv.	\$4.9M
Institutional Holdings	29%	Total Assets	\$76.2M
Insider Holdings	36%	Total Revolver Debt	\$0
Valuation Measures		Total Liabilities	\$51.1M
Market Cap ²	\$132.3M	Total Equity	\$25.1M
Enterprise Value	\$127.4M		
EV/Revenue	0.4X		
EV/NTM Adj. EBITDA	9.1X		
Employees ³	1,171		

Data sources: Yahoo! Finance, S&P Capital IQ, company filings.

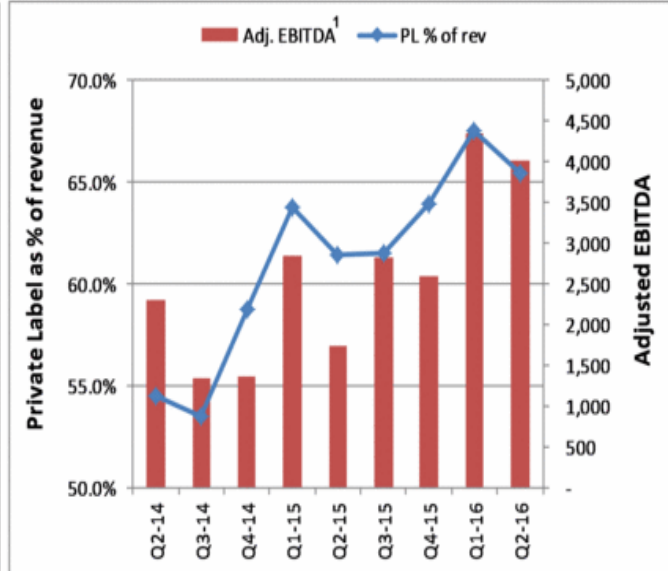
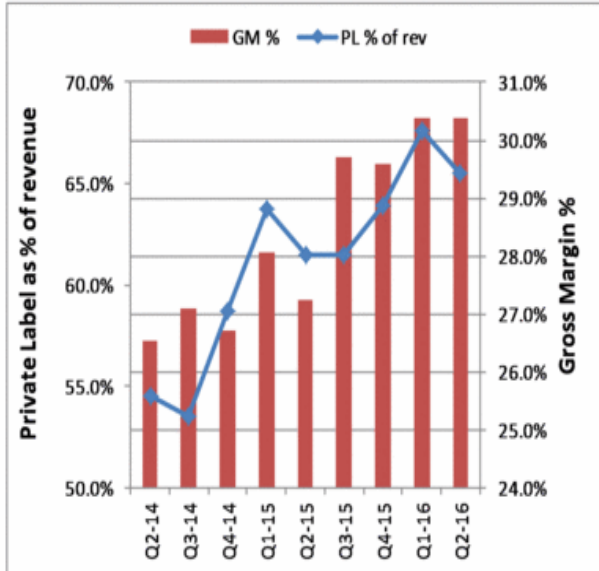
1) Does not include 4.1M preferred shares

2) Based on common shares outstanding

3) As of July 2, 2016.

Increased Private Label Penetration tracks to Margin & Adjusted EBITDA Improvement

Our ability to grow our overall private label business has a positive impact to our overall margin and adjusted EBITDA



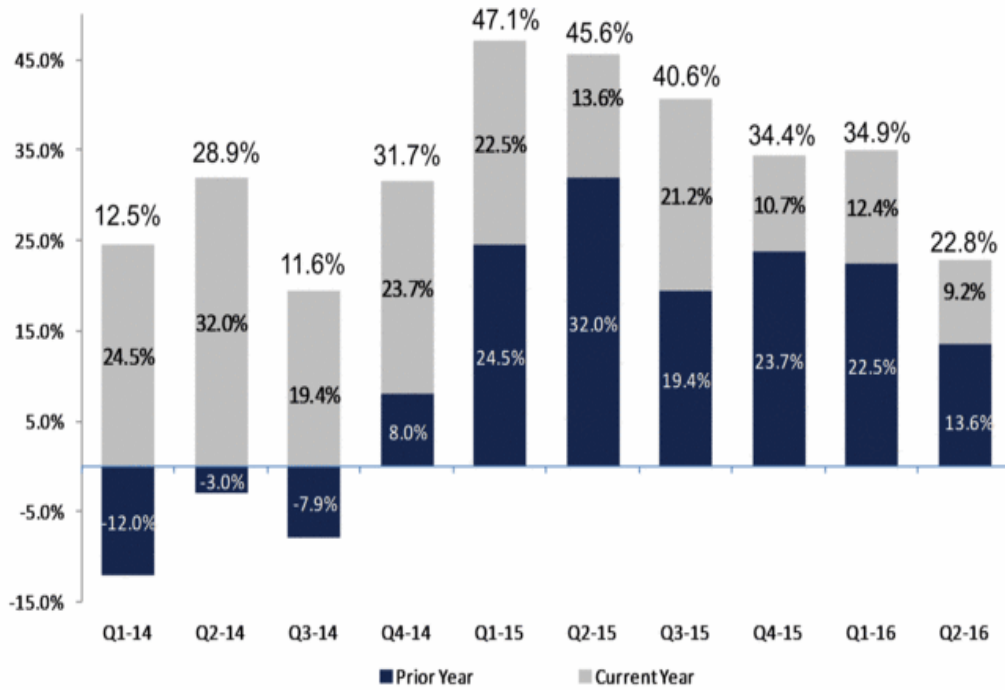
¹See Appendix for reconciliation of Adjusted EBITDA to Net Income.

Private Label continues to be a major focus of our business

2 Year Stacked Private Label Quarterly Comp Sales Trend¹ **US** **AUTOPARTS**

NASDAQ:PRTS

Two Year Stacked Comps



¹ Comparable net sales was calculated by excluding \$2.0M in private label sales related to the final week of Q4-14, as well as \$1.7M, \$1.4M, \$0.8M and \$0.5M in sales related to the West Coast Wholesale operations from Q1-14, Q2-14, Q3-14 and Q4-14, respectively.

This year we have focused on improved profitability vs. high growth in sales

Financial Highlights – Q2-16

- ▶ Total revenue \$78.0M
- ▶ Total sales up 2.1%
- ▶ Gross Margin expansion of 320 basis points over prior year
- ▶ Adjusted EBITDA was 5.2% of net sales or \$4.0M . A 129% increase over prior year
- ▶ Net Income \$1.3M vs. net loss of (\$0.6M) in the prior year
- ▶ \$2M in cash with no borrowings on our revolver debt vs. \$1.0M in cash and borrowings on our revolver debt of \$8.0M last year
- ▶ Unique visitors increased 3% to 30.2 million
- ▶ Added over 2,300 Private Label SKUs during the quarter

1) 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. See Appendix for a reconciliation of Adjusted EBITDA to net income

**Q2-15 Net Debt [cash less revolver debt] of (\$7.0M)
Grew \$9M to \$2.1M Cash with No Revolver Debt**



Key Business Metrics Improvement Over Last Five Quarters



NASDAQ:PRTS

	Margin %	Y/Y BPS Change
Q2-16	30.4%	3.2%
Q1-16	30.4%	2.3%
Q4-15	29.6%	2.9%
Q3-15	29.7%	2.6%
Q2-15	27.2%	0.7%

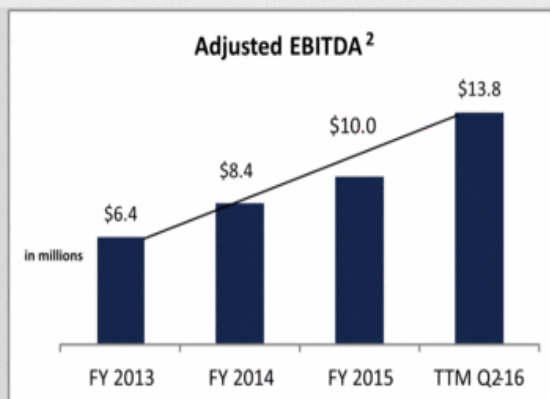
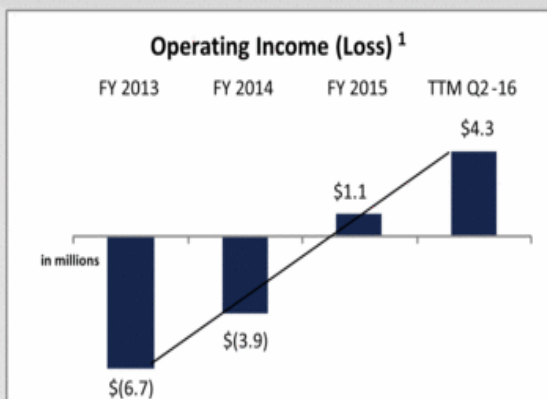
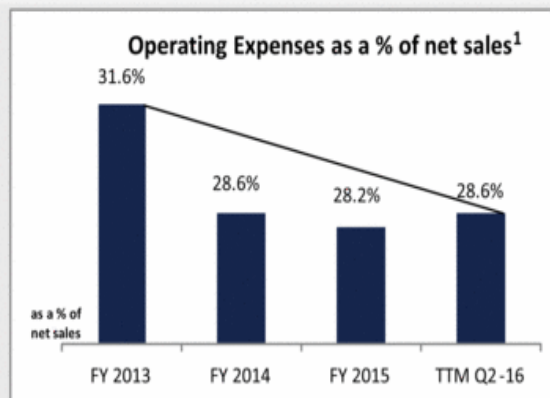
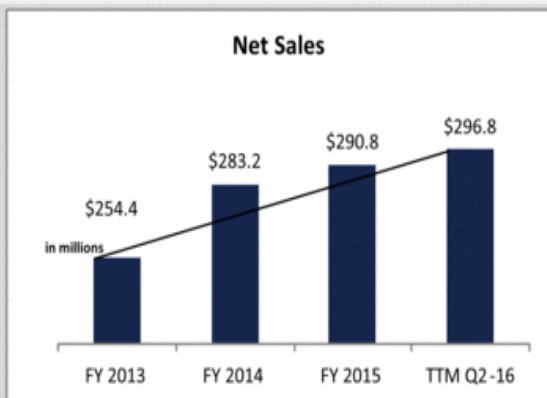
	Private Label % Mix	Y/Y BPS Change
Q2-16	65%	5%
Q1-16	67%	4%
Q4-15	63%	5%
Q3-15	60%	7%
Q2-15	60%	6%

	Traffic (in millions)	Y/Y % Change
Q2-16	30.2	3.2%
Q1-16	31.4	2.7%
Q4-15	27.6	-5.6%
Q3-15	29.3	-0.5%
Q2-15	29.2	-4.8%

	Conversion	Y/Y BPS Change
Q2-16	1.80%	0.01%
Q1-16	1.78%	0.09%
Q4-15	1.78%	0.11%
Q3-15	1.75%	0.08%
Q2-15	1.79%	0.03%

Private Label continues to be a major focus of our business

Financial Performance



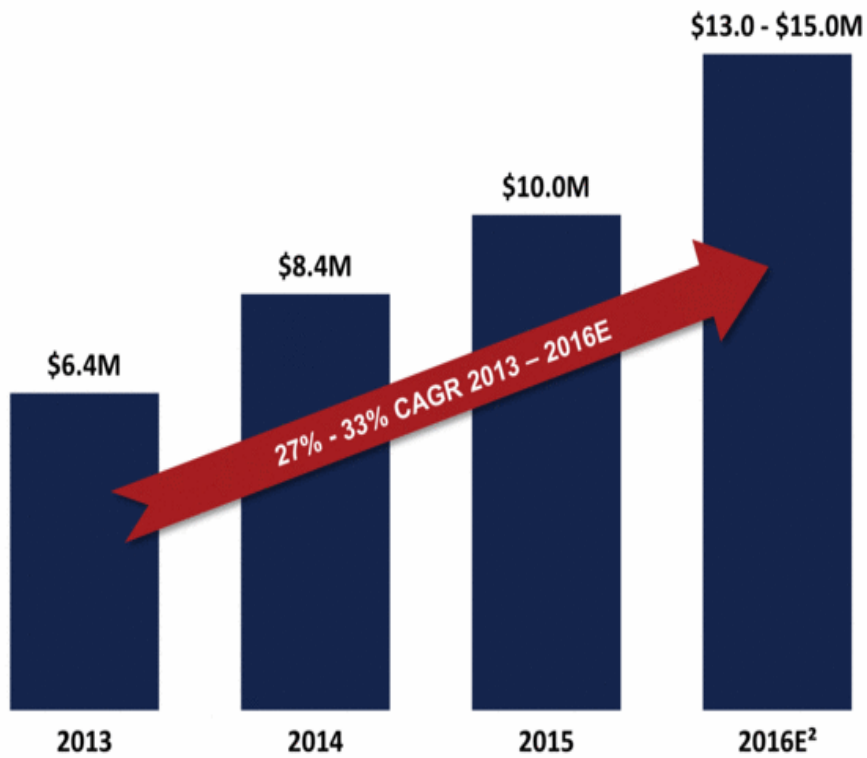
1) Excludes one time write downs of \$6.1 and \$0.9M for FY-13 and FY-14, respectively

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 \$1.3M, \$2.4M, \$2.3M & \$2.8M for FY-13, FY-14, FY-15 & TTM Q2-16, respectively and restructuring costs and not expected to be recurring charges of \$6.8M and \$2.0M for FY-13 and FY-14, respectively. Refer to the appendix for a full Adjusted EBITDA reconciliation to net income

Strong EBITDA¹ Growth Trends for U.S. Auto Parts

US **AUTOPARTS**

NASDAQ:PRTS



1) 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, restructuring costs and other one-time charges. See Appendix for reconciliation of Adjusted EBITDA to net income

2) Represents guidance for EBITDA growth, issued and only effective August 8, 2016

Key Takeaways

- ▶ **A leading pure-play internet retailer of aftermarket auto parts**
- ▶ **\$6.7 billion on-line DIY market** anticipated to nearly double by 2020²
- ▶ **~10 million monthly website visitors** – more than double next competitor
- ▶ **Transitioning to a higher mix of private label products** to drive increased conversion rates higher-margin revenues and Adjusted EBITDA
- ▶ **Shifting Focus from Growth to Profitability** – Improved profitability resulting in free cash flow generation and significantly pay down of debt in 2016



1) Revenue estimate represents low to mid-single digit growth from 2015. Guidance updated and effective only on August 8, 2016.
 2) Based on managements assumptions and projections
 3) See Appendix for a reconciliation to net income

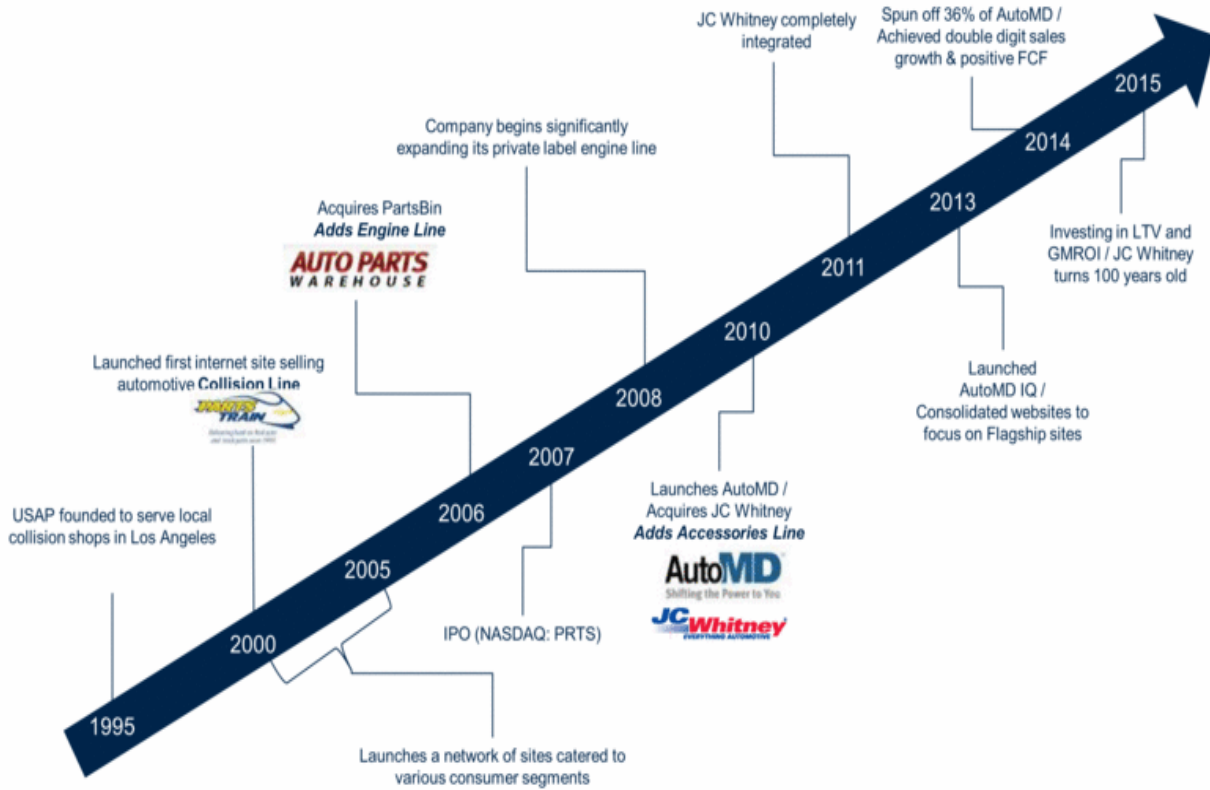
Ramping Profitability





APPENDIX

Company History



Experienced Leadership Team



Shane Evangelist | Chief Executive Officer

- Since October 2007
- Over 13 years of experience 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 M.B.A. from Southern Methodist University



Neil Watanabe | Chief Financial Officer

- Since March 2015
- Over 30 years of finance, accounting and retail experience in both private & public companies
- Chief Operating Officer of National Stores
- EVP & Chief Financial Officer – Pet Smart
- B.A. degree in Social Sciences from the University of California, Los Angeles and CPA certification in Illinois



Aaron E. Coleman | Chief Operating Officer

- Since April 2008
- Former Executive Vice President of Operations and CIO from April 2008 - September 2010
- Over 18 years of e-commerce experience
- Senior Vice President – Online Systems at Blockbuster Inc.
- B.A. degree in Business Administration from Gonzaga University



Charles Fischer | SVP of Global Procurement

- Since May 2008
- 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

Yearly Adjusted EBITDA Reconciliation



NASDAQ:PRTS

	FY-13	FY-14	FY-15	TTM Q2-16
	52 Weeks Ending	53 Weeks Ending	52 Weeks Ending	52 Weeks Ending
<i>(in thousands)</i>	December 28, 2013	January 2, 2015	January 2, 2016	April 2, 2016
Net income (loss)	\$ (13,644)	\$ (4,907)	\$ (136)	\$ 3,040
Depreciation	10,676	7,230	6,141	6,208
Amortization of intangibles	381	422	431	441
Interest expense, net	972	1,101	1,208	1,161
Taxes	43	137	88	145
EBITDA	\$ (1,572)	\$ 3,983	\$ 7,732	\$ 10,997
Stock comp expense	1,211	2,367	2,297	2,803
Inventory write down related to Carson closure	-	897	-	-
Restructuring Cost	723	1,137	-	-
Impairment loss on property & equipment	4,832	-	-	-
Impairment loss on intangible assets	1,245	-	-	-
Adjusted EBITDA	6,439	8,384	10,029	13,799

1) 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, restructuring cost, and impairment loss

Quarterly Adjusted EBITDA Reconciliation



NASDAQ:PRTS

<i>(in thousands)</i>	Q2-14	Q3-14	Q4-14	Q1-15	Q2-15	Q3-15	Q4-15	Q1-16	Q2-16
Net income (loss)	\$ (1,619)	\$ (1,960)	\$ (2,010)	\$ 187	\$ (611)	\$ 353	\$ (65)	\$ 1,537	\$ 1,216
Depreciation	1,817	1,803	1,676	1,549	1,484	1,539	1,570	1,544	1,556
Amortization of intangibles	126	106	106	107	107	107	110	112	113
Interest expense, net	238	283	327	373	272	273	300	346	242
Taxes	21	15	69	158	(69)	(22)	21	33	113
EBITDA	\$ 583	\$ 247	\$ 168	\$ 2,374	\$ 1,183	\$ 2,250	\$ 1,936	\$ 3,572	\$ 3,240
Stock comp expense	624	682	685	477	574	587	659	772	785
Inventory write down related to Carson closure	478	-	102	-	-	-	-	-	-
Restructuring Cost	625	410	419	-	-	-	-	-	-
Adjusted EBITDA	2,310	1,339	1,374	2,851	1,757	2,837	2,595	4,344	4,025

1) 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, restructuring cost, and impairment loss

Projected FY-16 Adjusted EBITDA reconciliation **US AUTOPARTS**

NASDAQ:PRTS

<i>(in thousands)</i>	Low End	High End
	52 Weeks Ending December 31, 2016	52 Weeks Ending December 31, 2016
Net income	\$ 1,655	\$ 3,655
Depreciation	6,349	6,349
Amortization of intangibles	437	437
Interest expense, net	1,099	1,099
Taxes	256	256
EBITDA	<u>\$ 9,796</u>	<u>\$ 11,796</u>
Stock comp expense	<u>3,204</u>	<u>3,204</u>
Adjusted EBITDA	<u>13,000</u>	<u>15,000</u>

1) 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

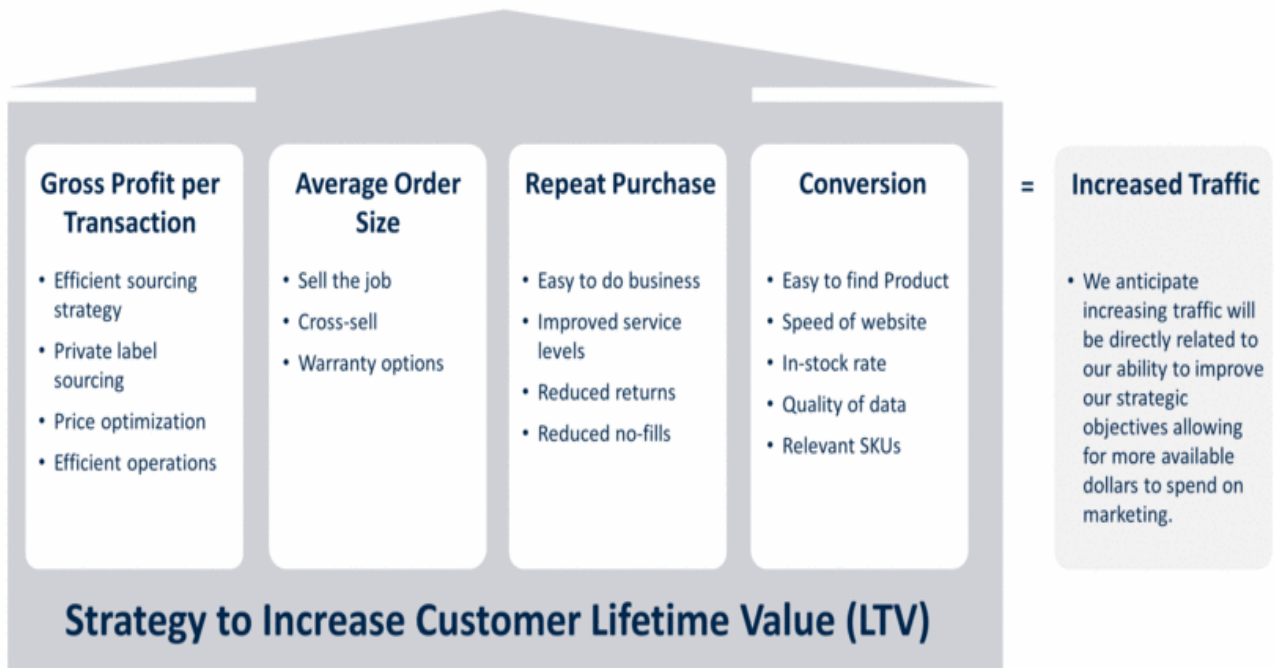
Financial Sensitivity

	2015	5%		10%		20%		30%		40%	
Revenue	\$291	\$306		\$320		\$349		\$378		\$407	
Gross Margin %	28.6%	29.0%	– 31.0%	29.0%	– 31.0%	29.0%	– 31.0%	29.0%	– 31.0%	29.0%	– 31.0%
Variable:											
Fulfillment	3.6%	3.7%		3.7%		3.7%		3.7%		3.7%	
Marketing	9.3%	9.4%		9.4%		9.4%		9.4%		9.4%	
Technology	0.6%	0.6%		0.6%		0.6%		0.6%		0.6%	
G&A	1.7%	1.8%		1.8%		1.8%		1.8%		1.8%	
Total Variable	15.2%	15.5%		15.5%		15.5%		15.5%		15.5%	
Fixed:¹											
Fulfillment	2.1%	2.0%		1.9%		1.8%		1.6%		1.5%	
Marketing	3.8%	3.8%		3.6%		3.3%		3.0%		2.8%	
Technology	1.1%	1.2%		1.1%		1.0%		0.9%		0.9%	
G&A	3.2%	3.0%		2.9%		2.7%		2.5%		2.3%	
Total Fixed	10.1%	10.0%		9.6%		8.8%		8.1%		7.5%	
Adjusted EBITDA %	3.4%	3.5%	– 5.5%	4.0%	– 6.0%	4.8%	– 6.8%	5.4%	– 7.4%	6.0%	– 8.0%
Adjusted EBITDA \$ ²	\$10	\$11	– \$17	\$13	– \$19	\$17	– \$24	\$21	– \$28	\$24	– \$33

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

Our Business Model Projects Significant Cost Leverage as Revenues Grow 30

Key Avenues for Growth – Increase Customer Lifetime Value



Increased customer LTV would result in greater mix of traffic from both direct-to-website and paid channels, and less dependence on organic search