
**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) May 24, 2018



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 (424) 702-1455

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))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

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.

Item 7.01. Regulation FD Disclosure.

On May 24, 2018, at the Jefferies 2018 Global Automotive Aftermarket Investor Conference in New York, New York, 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.

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: May 24, 2018

U.S. AUTO PARTS NETWORK, INC.

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

NASDAQ: PRTS

USAUTOPARTS

Investor Presentation

May 2018



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 anticipated outcome of any litigation.

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. We have not included a reconciliation of Adjusted EBITDA guidance to projected net income due to the high variability and difficulty in making accurate long-term forecasts and projections of our net operating loss carryforwards, which have a significant impact on future net income. As a result, we are unable to quantify projected net income without unreasonable efforts.

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 which was classified as discontinued operations in March 2017, unless otherwise specified on a consolidated basis.

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Company Overview



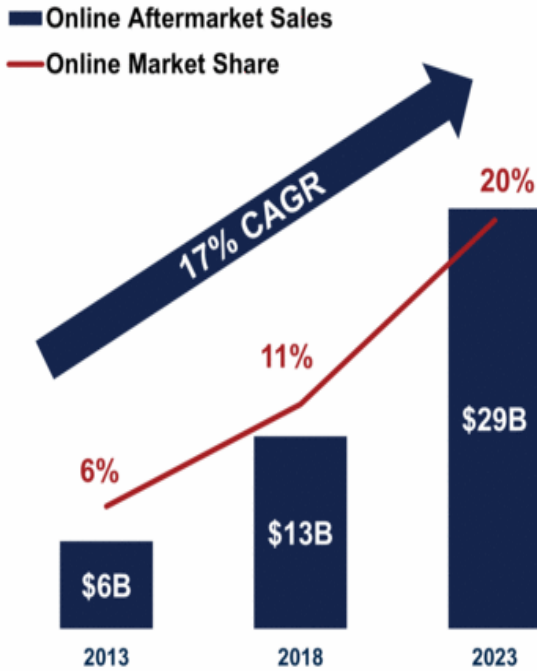
- ▶ **US Auto Parts is a leading pure-play internet retailer of aftermarket auto parts**
- ▶ **We operate online sites, marketplace storefronts and wholesale channels focused on the do-it-yourself (DIY) customer**
- ▶ **Offer over 1 million SKUs of high quality private label and branded aftermarket products**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

*A Value Leader in
Aftermarket Auto Parts*



Online Aftermarket Auto Parts Sales Benefits From Macro Trends

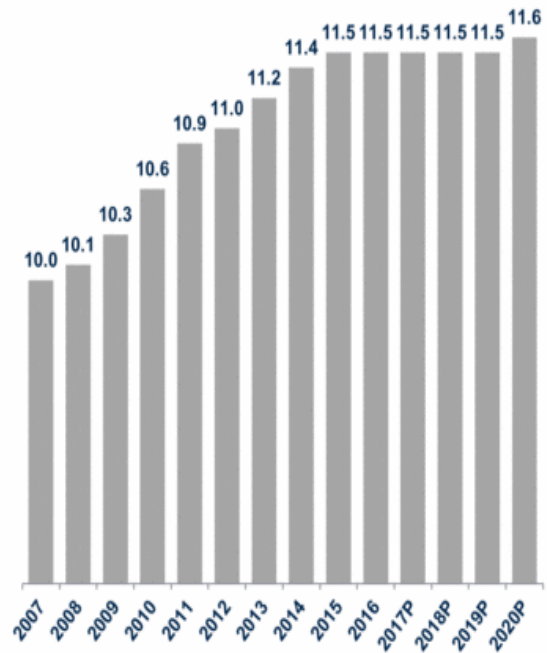
Online aftermarket sales to more than double by 2023 as market share continues to increase



Source: US Auto Care Association

Average age of light vehicles on the road remains high

(in years)



Source: IHS

How We Go To Market: Channels & Percent of Revenue

eCommerce Websites:

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



90%

Online Marketplaces:

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

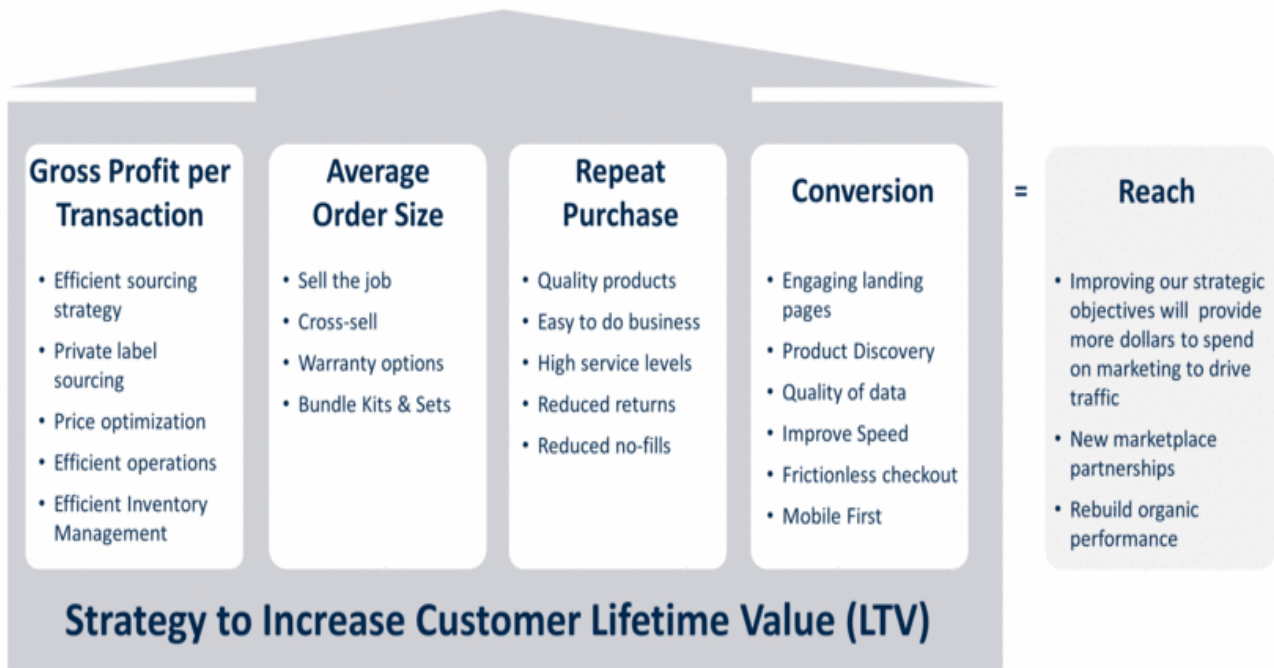


Offline/Wholesale: Products distributed directly to commercial customers and our Kool-Vue® branded products sold to wholesale distributors.



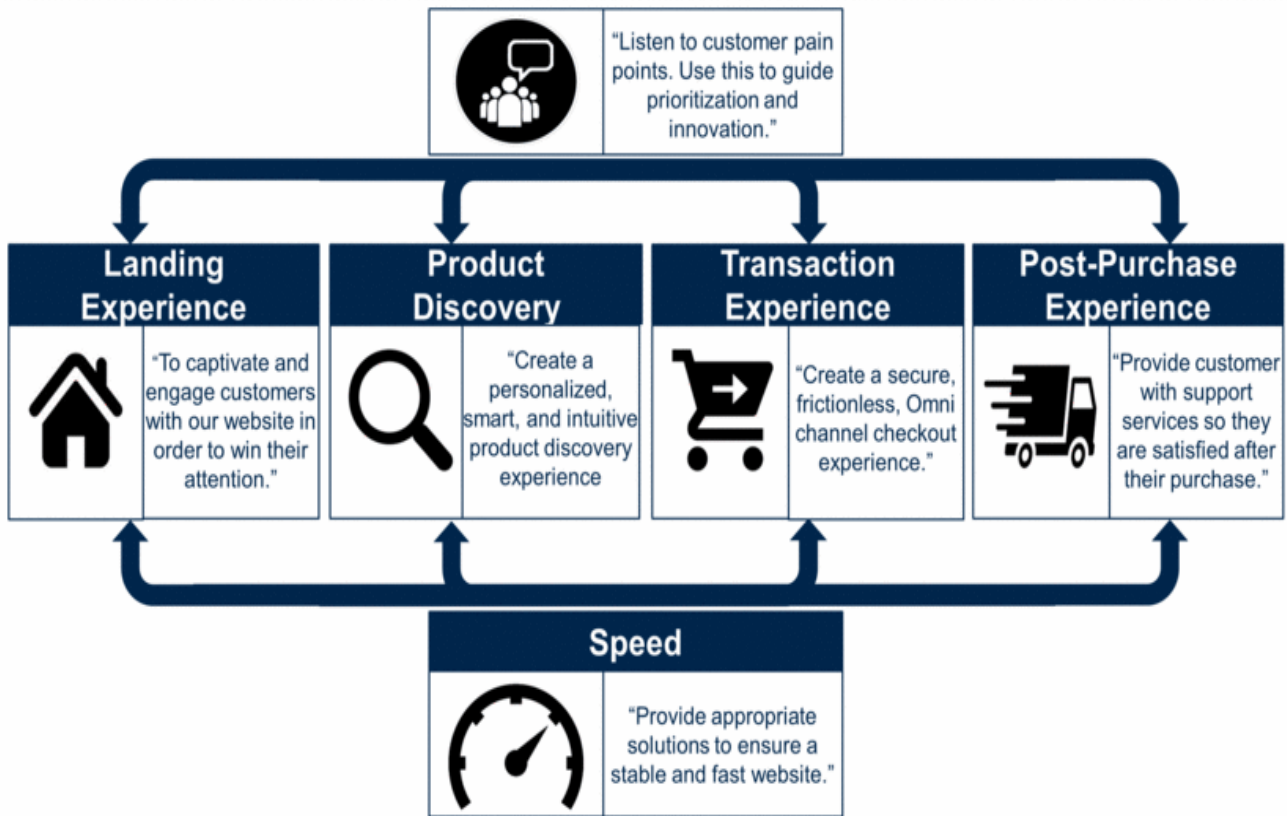
10%

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

The Customer Journey Experience



By focusing on the consumer experience, we will increase conversion which will allow us to drive more traffic

Customer Value Proposition

Value

- Cost-conscious customers are able to purchase our private label products at a significant cost savings.
- Private label product pricings when compared against the same branded product averaged more than 20% below the online competitors and over 40% below the brick and mortars

Selection

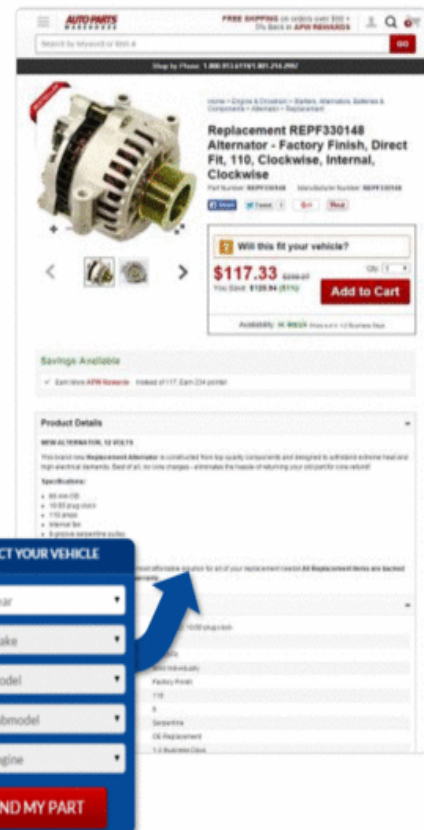
- Customers have one-stop shopping on over 1 million products across all major categories for auto parts
- Over 55K SKUs that are privately sourced at a significant cost savings through Asia

Product Warranties

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

User-Friendly Websites

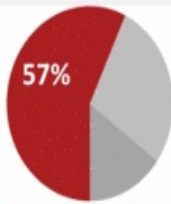
- Our websites are designed specifically for the auto parts segment driven by our complex catalogs allowing customers to quickly identify SKUs required and build complete jobs



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

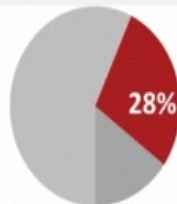
We Address the Market with an Expansive Product Offering

TTM Q1-18
Revenue
Mix



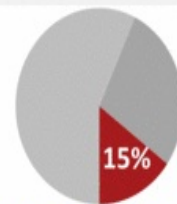
Collision Parts

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 97%

Branded 3%

63%

37%

3%

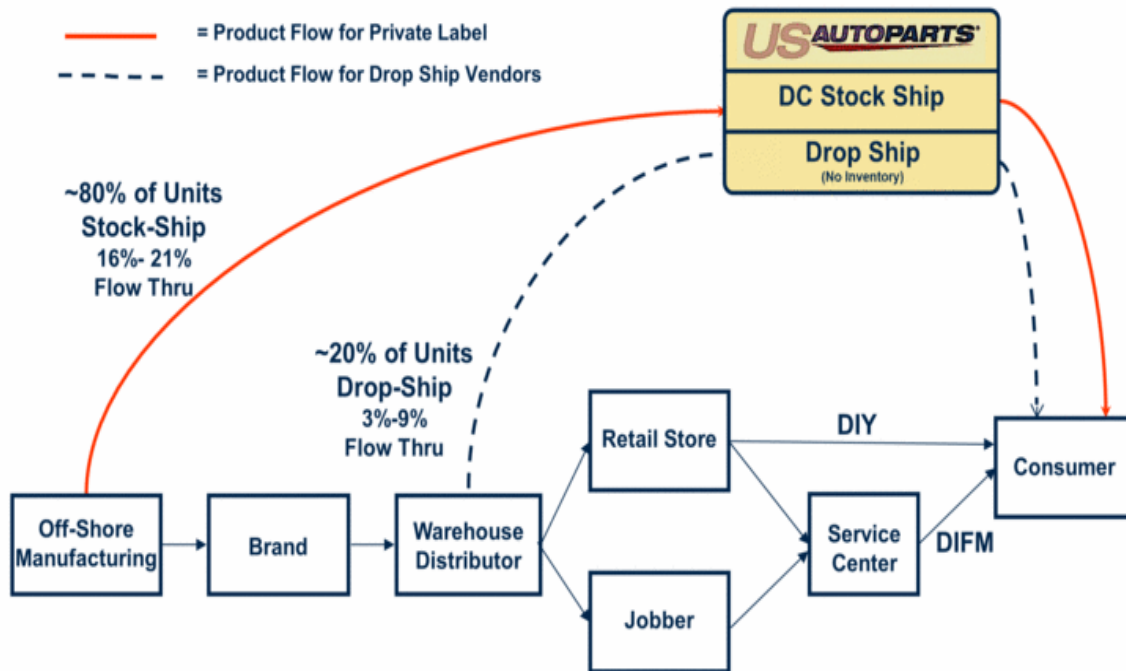
97%

Note: All percentages of sales revenue is estimated using trailing twelve months (TTM) Q1-18

Over 1 Million SKUs Across Several Categories

Efficient Supply Chain Creates a Pricing Advantage

USAP has built a vertically integrated online business



Projected Avg. Unit 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-17 Growth Rate ¹	9%	(17%)	0%
FY-17 Revenue Mix	72%	28%	100%
Projected Gross Margins ²	33% - 36%	14% - 18%	29% - 30%
Projected Variable OPEX Costs	15% - 17%	9% - 11%	14% - 16%
Incremental Flow Thru ³	16% - 21%	3% - 9%	13% - 16%

1) Excludes non-operating channel segments

2) Projections above are based on management assumptions as of May 8th, 2018

3) Incremental Flow Thru excludes any incremental fixed costs



Financial Highlights

Company Profile



▶ Revenues over \$300M



▶ FY-2017 Net Income of \$24.6M ¹

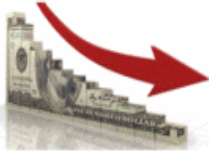


▶ FY-2017 Adjusted EBITDA of \$14.2M²

▶ High Margin private label business was 72% of sales for FY-17



▶ Positive Free Cash Flow with no revolver debt

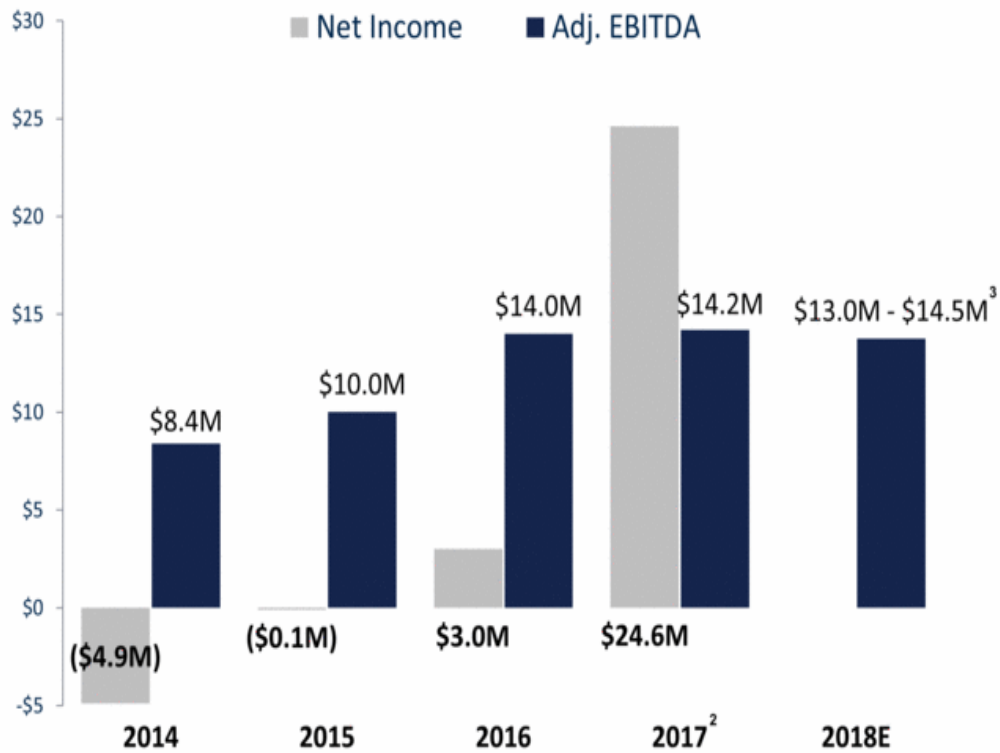


▶ Public Company since 2007 – NASDAQ (PRTS)

1) The \$24.6M in Net Income includes a \$21.5M income net tax benefit due to the change in valuation allowance in addition to the impact of the Tax Cuts and Jobs Act

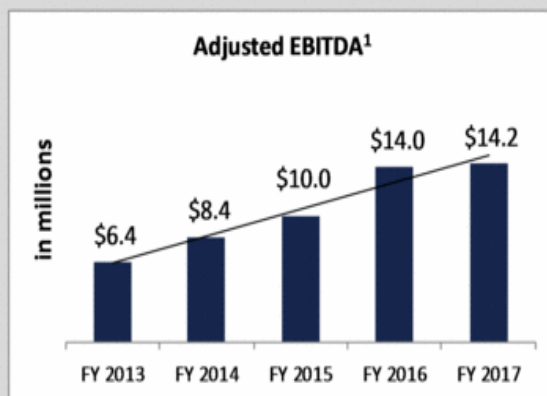
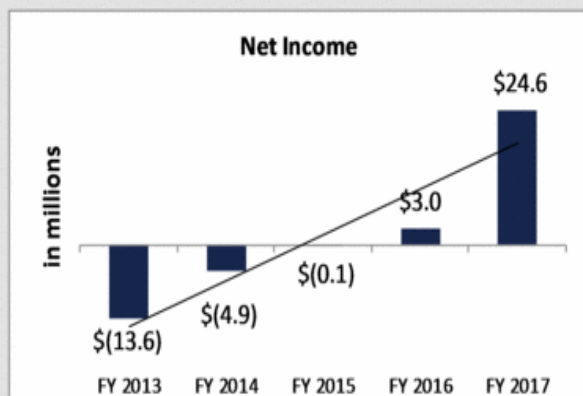
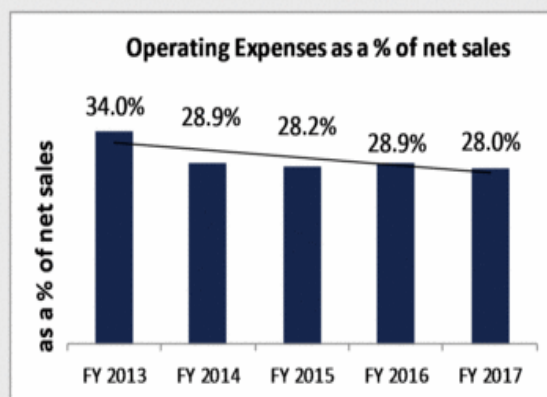
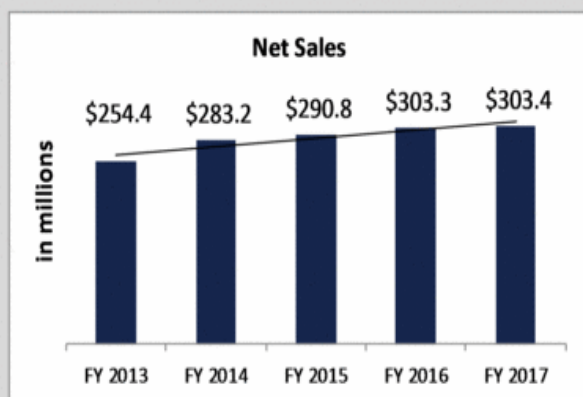
2) Non-GAAP financial measure EBITDA consists of net income before (a) interest expense, net; (b) income tax provisions; (c) amortization of intangible assets; (d) depreciation and amortization. See Appendix for a reconciliation of Adjusted EBITDA to net income

Strong Net Income & Adjusted EBITDA¹ Growth Trends for U.S. Auto Parts



- 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) 2017 Net Income reflects benefit from release of valuation tax allowance based on Company
- 3) Represents guidance for Adjusted EBITDA growth, issued and only effective May 8, 2018. We did not provide guidance on net income and have not included a reconciliation of Adjusted EBITDA guidance to projected net income due to the high variability and difficulty in making accurate long-term forecasts and projections of our net operating loss carryforwards, which have a significant impact on future net income. As a result, we are unable to quantify projected net income without unreasonable efforts.

Financial Performance

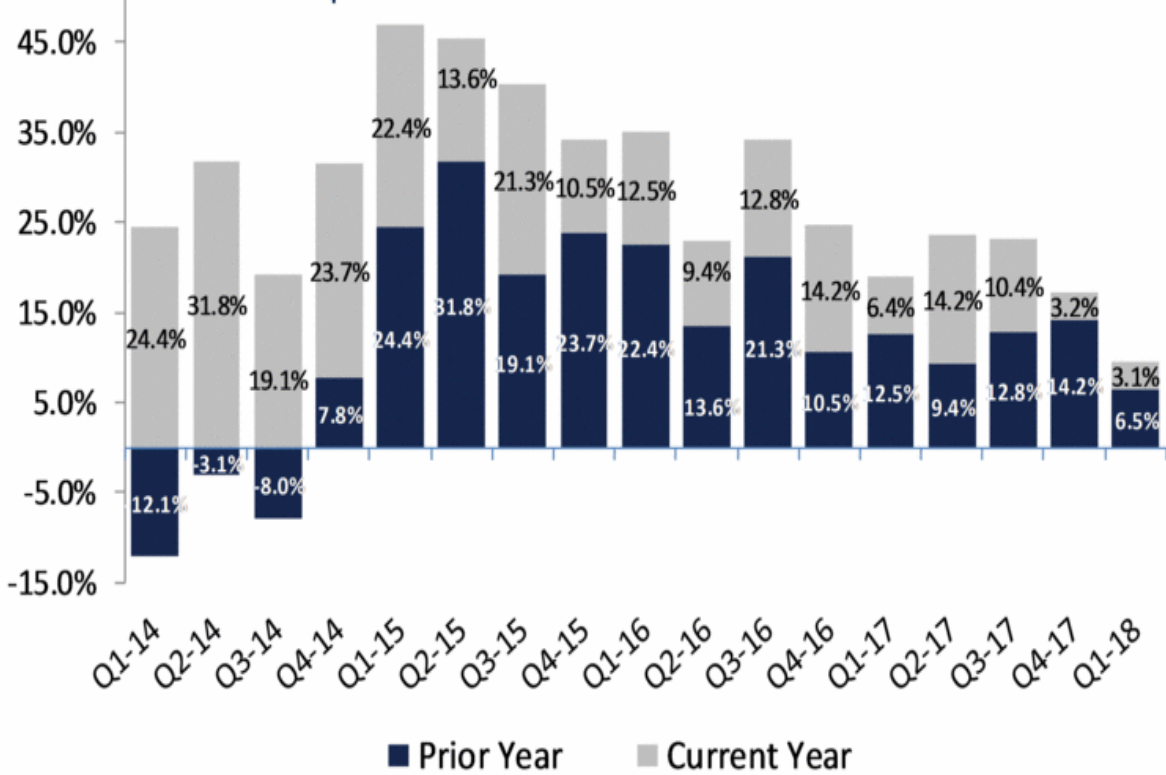


1) Non-GAAP financial measure EBITDA consists of net income before (a) interest expense, net; (b) income tax provisions; (c) amortization of intangible assets; (d) depreciation and amortization. Adjusted EBITDA excludes Stock based compensation of \$1.2M, \$2.4M, \$2.3M, \$2.9M & \$2.8M for FY-13, FY-14, FY-15, FY-16 & FY-17, 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.

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

NASDAQ:PRTS

Two Year Stack Comps



¹Comparables net sales was calculated by excluding \$2.0M in private label sales related to the extra week in 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.

Private Label continues to be a major focus of our business

- ▶ A leading pure-play internet retailer of aftermarket auto parts
- ▶ \$13 billion on-line market expected by 2018 and anticipated to nearly double by 2023¹
- ▶ Extensive reach across our websites and marketplace partnerships
- ▶ Transitioning to a higher mix of private label products to drive increased conversion rates, higher-margin revenues, net income and Adjusted EBITDA
- ▶ Shifting Focus from Growth to Profitability – Improved profitability resulting in free cash flow generation and no revolver debt

AUTOPARTS
WAREHOUSE

JCWhitney[®]
100 YEARS EVERYTHING AUTOMOTIVE

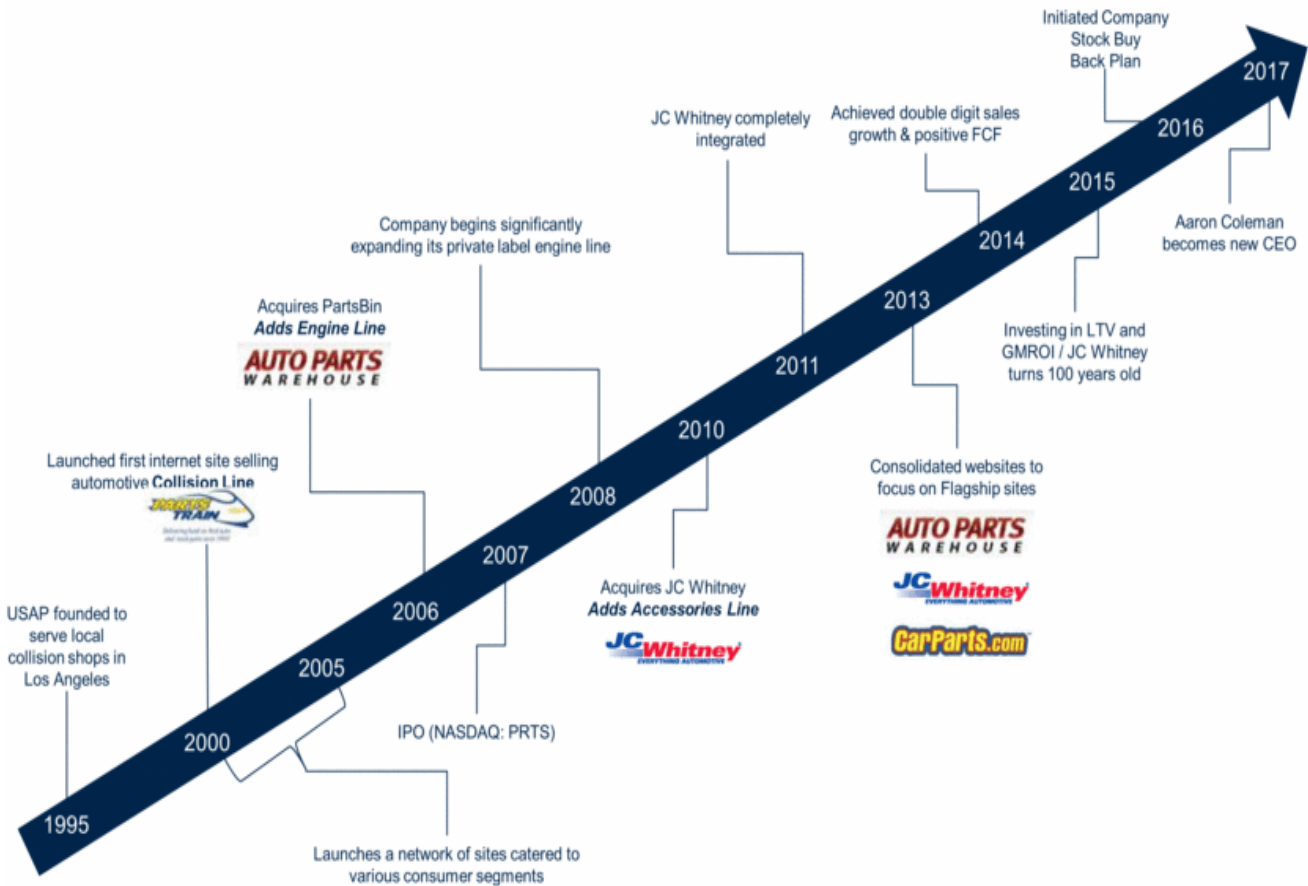
CarParts.com[™]

1) US Auto Care Association



APPENDIX

Company History



Experienced Leadership Team



Aaron E. Coleman | Chief Executive Officer

- Since April 2017
- President since October 2016 and COO since September 2010
- 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



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



Jim Hastie | VP of Product Management

- Since December 2012
- Over 18 years of progressively responsible experience in the automotive aftermarket collision industry
- CEO/President of American Condenser and Coil
- Owner/Cofounder of EJB Medical
- B.A. degree from University of California Davis
- MBA degree from Chapman 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

- ▶ Total revenue \$78.4M
- ▶ Net income from continuing operations was \$0.7M vs. the prior year \$0.8M
- ▶ Adjusted EBITDA¹ \$4.1M vs. prior year of \$4.0M
- ▶ \$9.2M in cash with zero revolver debt vs. last year of \$7.2M in cash with zero revolver debt
- ▶ Added approximately 1,100 Private Label SKUs during the quarter
- ▶ Ecom revenue capture² of 88% vs. 85% last year
- ▶ Online Marketplace revenue growth of 10%

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

2) Revenue capture is the amount of actual dollars retained after taking into consideration returns, credit card declines and product fulfillment and excludes online marketplaces and media properties

Key Business Metrics Over Last Nine Quarters

	Margin %	Y/Y BPS Change
Q1-18	29.9%	0.5%
Q4-17	30.3%	0.2%
Q3-17	29.6%	-0.9%
Q2-17	29.0%	-1.4%
Q1-17	29.4%	-1.0%
Q4-16	30.1%	0.5%
Q3-16	30.5%	0.8%
Q2-16	30.4%	3.2%
Q1-16	30.4%	2.3%

	Private Label % Mix	Y/Y BPS Change
Q1-18	76%	5%
Q4-17	72%	4%
Q3-17	72%	6%
Q2-17	72%	7%
Q1-17	71%	4%
Q4-16	68%	5%
Q3-16	66%	6%
Q2-16	65%	5%
Q1-16	67%	4%

	Traffic (in millions)	Y/Y % Change
Q1-18	20.1	-30.4%
Q4-17	20.1	-28.0%
Q3-17	24.1	-15.1%
Q2-17	24.7	-18.2%
Q1-17	28.9	-8.0%
Q4-16	27.9	1.0%
Q3-16	28.4	-2.8%
Q2-16	30.2	3.2%
Q1-16	31.4	2.7%

	Conversion	Y/Y BPS Change
Q1-18	2.29%	0.50%
Q4-17	2.08%	0.21%
Q3-17	1.99%	0.10%
Q2-17	2.00%	0.20%
Q1-17	1.79%	0.01%
Q4-16	1.87%	0.09%
Q3-16	1.89%	0.14%
Q2-16	1.80%	0.01%
Q1-16	1.78%	0.09%

Yearly Adjusted EBITDA Reconciliation



NASDAQ:PRTS

	FY-13		FY-14		FY-15		FY-16		FY-17	
	52 Weeks Ending December 28, 2013	53 Weeks Ending January 2, 2015	52 Weeks Ending January 2, 2016	52 Weeks Ending January 2, 2016	52 Weeks Ending December 31, 2016	52 Weeks Ending December 31, 2016	52 Weeks Ending December 30, 2017	52 Weeks Ending December 30, 2017	52 Weeks Ending December 30, 2017	52 Weeks Ending December 30, 2017
<i>(in thousands)</i>										
Net income (loss)	\$ (13,644)	\$ (4,907)	\$ (136)	\$ (136)	\$ 2,973	\$ 2,973	\$ 24,574	\$ 24,574	\$ 24,574	\$ 24,574
Depreciation	10,676	7,230	6,141	6,141	6,351	6,351	6,397	6,397	6,397	6,397
Amortization of intangibles	381	422	431	431	449	449	319	319	319	319
Interest expense, net	972	1,101	1,208	1,208	1,219	1,219	1,647	1,647	1,647	1,647
Taxes	43	137	88	88	100	100	(21,540)	(21,540)	(21,540)	(21,540)
EBITDA	\$ (1,572)	\$ 3,983	\$ 7,732	\$ 7,732	\$ 11,092	\$ 11,092	\$ 11,397	\$ 11,397	\$ 11,397	\$ 11,397
Stock comp expense	1,211	2,367	2,297	2,297	2,932	2,932	2,816	2,816	2,816	2,816
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	10,029	14,024	14,024	14,213	14,213	14,213	14,213

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>	Q1-15	Q2-15	Q3-15	Q4-15	Q1-16	Q2-16	Q3-16	Q4-16	Q1-17	Q2-17	Q3-17	Q4-17	Q1-18
Net income (loss)	\$ 187	\$ (611)	\$ 353	\$ (65)	\$ 1,537	\$ 1,216	\$ 358	\$ (195)	\$ 816	\$ 26,918	\$ 919	\$ (4,079)	\$ 735
Depreciation	1,549	1,484	1,539	1,570	1,544	1,556	1,611	1,640	1,633	1,637	1,620	1,507	1,504
Amortization of intangibles	107	107	107	110	112	113	111	113	112	112	47	48	47
Interest expense, net	373	272	273	300	346	242	287	344	376	466	398	407	431
Taxes	158	(69)	(22)	21	33	113	(2)	13	27	(25,859)	28	4,264	442
EBITDA	\$ 2,374	\$ 1,183	\$ 2,250	\$ 1,936	\$ 3,572	\$ 3,240	\$ 2,365	\$ 1,915	\$ 2,964	\$ 3,274	\$ 3,012	\$ 2,147	\$ 3,159
Stock comp expense	477	574	587	659	772	785	764	611	1,064	544	565	643	976
Adjusted EBITDA	2,851	1,757	2,837	2,595	4,344	4,025	3,129	2,526	4,028	3,818	3,577	2,790	4,135

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

Key Stats: PRTS (NASDAQ) – Consolidated



Trading Data (@ May 21, 2018)		Financial Highlights (@ Mar 31, 2018)	
Stock Price	\$1.62	Revenues (TTM)	\$300.9M
52 Wk. High/Low	\$3.37/1.45	Gross Margin (TTM)	29.7%
Avg. Daily Vol. (3 mo.)	172,077	Cash & Equiv.	\$9.2M
Shares Outstanding ¹	37.7M	Total Assets	\$111.7M
Institutional Holdings	70%	Total Revolver Debt	\$0
Insider Holdings	8%	Total Liabilities	\$69.7M
		Total Equity	\$42.0M
Valuation Measures			
Market Cap	\$56.7M		
Enterprise Value	\$47.5M		
EV/Revenue	0.2x		
Employees ²	1,069		



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

1) Includes 2.8M preferred shares

2) As of December 31, 2017