
**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 11, 2015



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 May 12-13, 2015, at the 16th Annual B. Riley & Co. Investor Conference in Los Angeles, California, 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.

Item 9.01. Financial Statements and Exhibits

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

<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: March 11, 2015

U.S. AUTO PARTS NETWORK, INC.

By: /s/ SHANE EVANGELIST

Name: Shane Evangelist

Title: Chief Executive Officer

US **AUTOPARTS**[®]

Investor Presentation



Safe Harbor

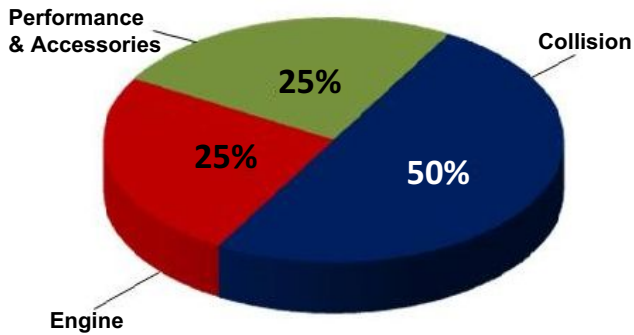


This presentation may contain certain forward-looking statements and management may make additional forward-looking statements in response to your questions. These statements do not guarantee future performance and speak only as of the date hereof, and qualify for the safe harbor provided by Section 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.

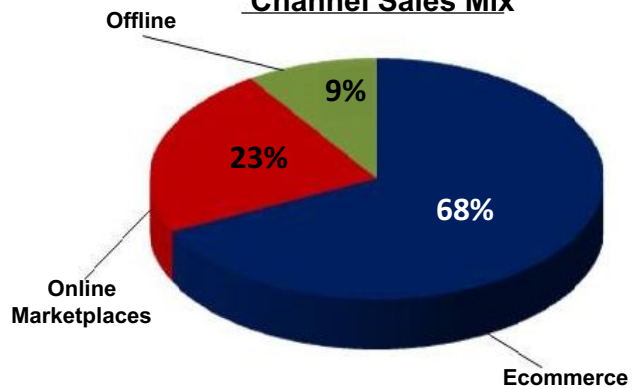
A leading online retailer of aftermarket auto parts and accessories

- Operates in multiple online channels focused on the DIY customer (operates a small wholesale DIFM channel)
- Offers over 1.5mm SKUs across a diverse assortment of high quality private label and branded products
- Reaches over 10mm online customers per month with well established brands (JC Whitney 100 Year Anniversary)

Product Sales Mix



Channel Sales Mix



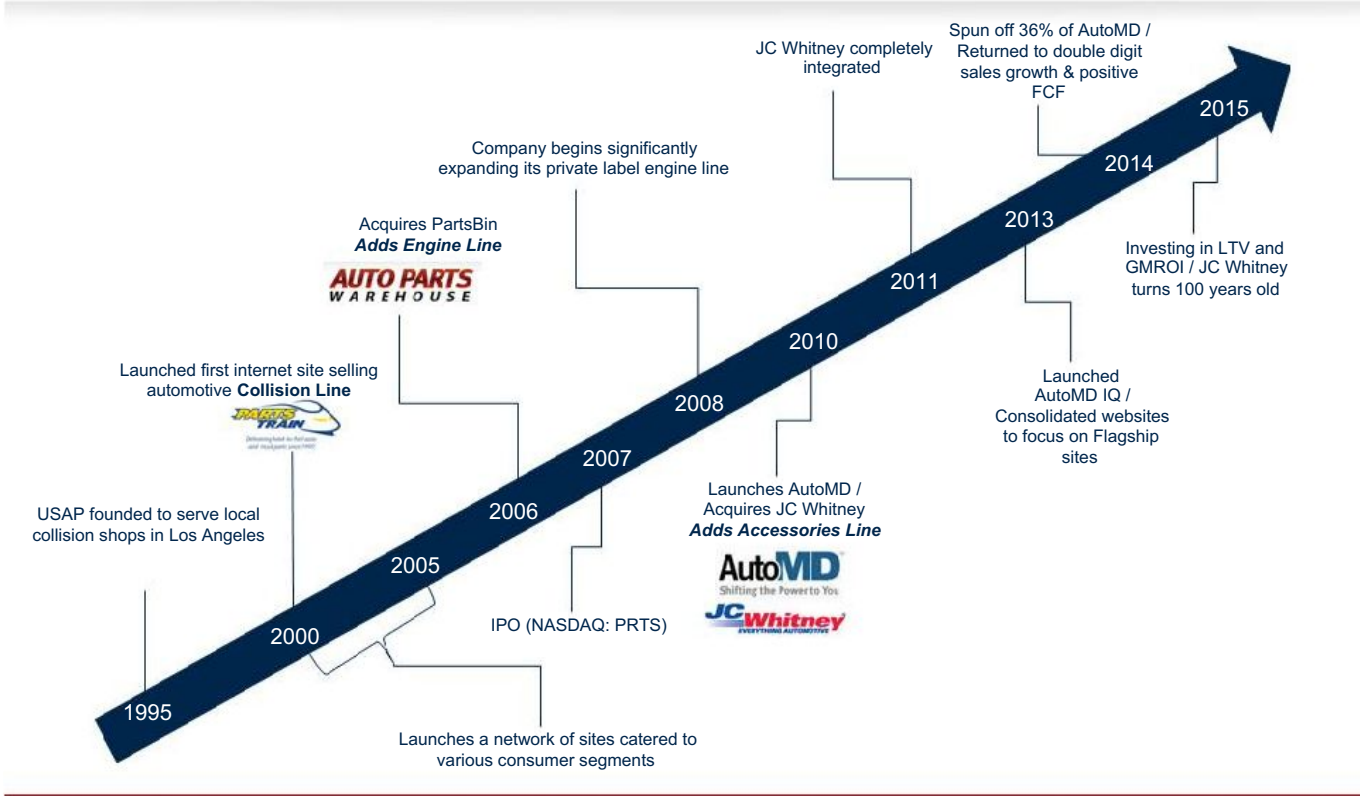
Company Snapshot



- US Auto Parts is a value leader in the aftermarket car parts category
- Operates online sites, marketplaces and wholesale channels
- Headquartered in Carson, CA
- Traded on NASDAQ since 2007: PRTS
- Revenue of \$284M in FY-14
- Track record of growth in sales and traffic



Company History



Financial Highlights from Q1-15 Earnings Call

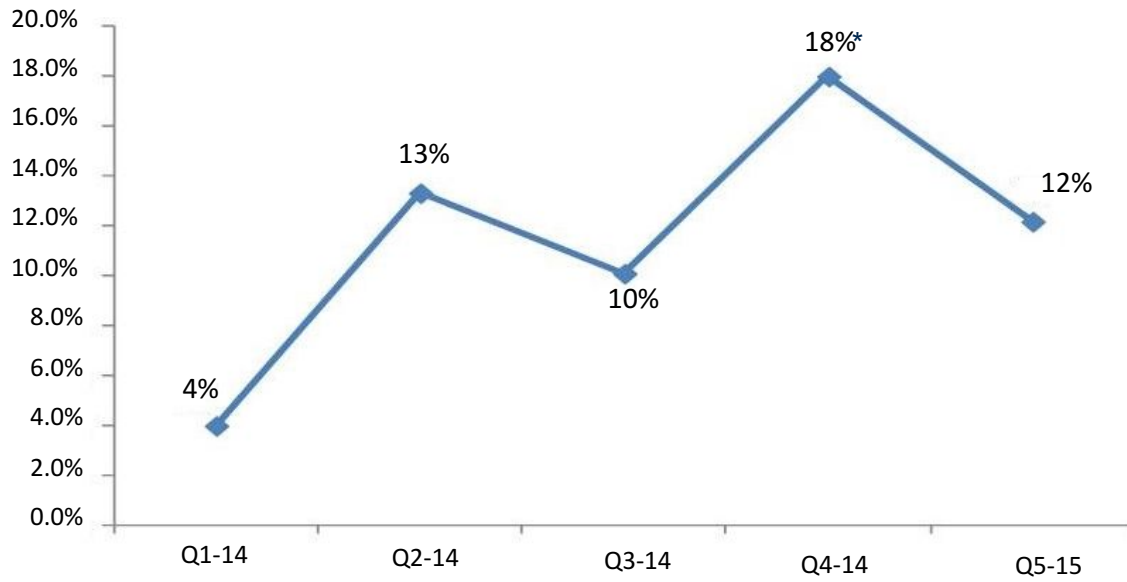


- Total revenue \$76.3M
- Sales up 12% for the quarter
- Adjusted EBITDA excluding AutoMD was \$2.9M
- Hired new CFO Neil Watanabe

Positive Quarterly Comp Sales Trend



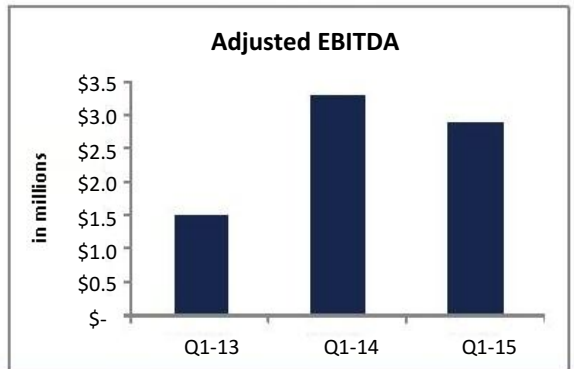
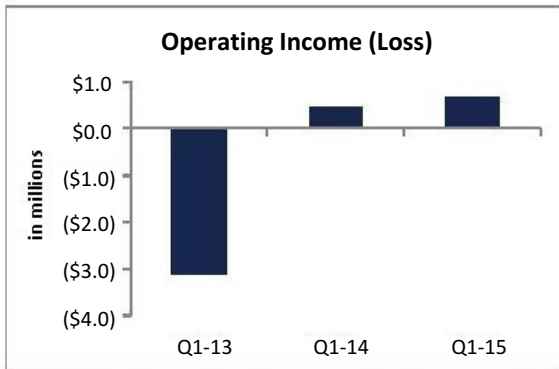
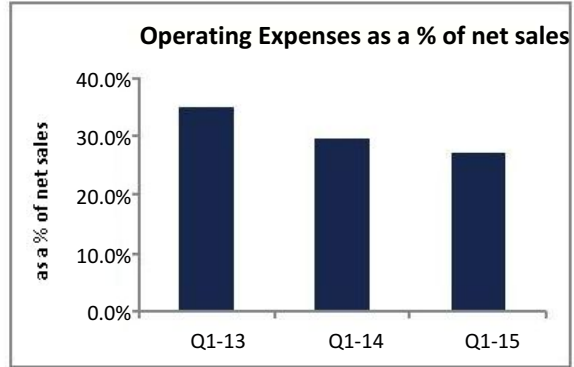
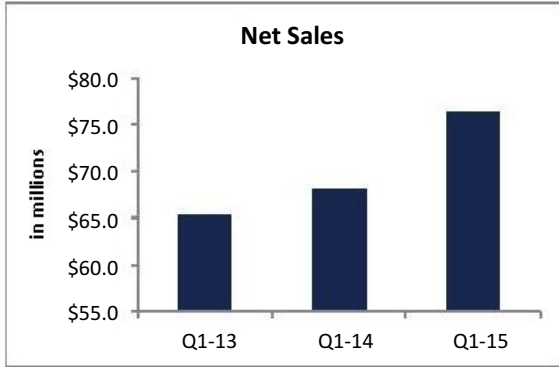
Four consecutive positive, double digit comp growth



* Includes an extra week – would have been 12% on a normalized basis.

Q1 Financial Performance

(excluding AutoMD)



Case for Investment



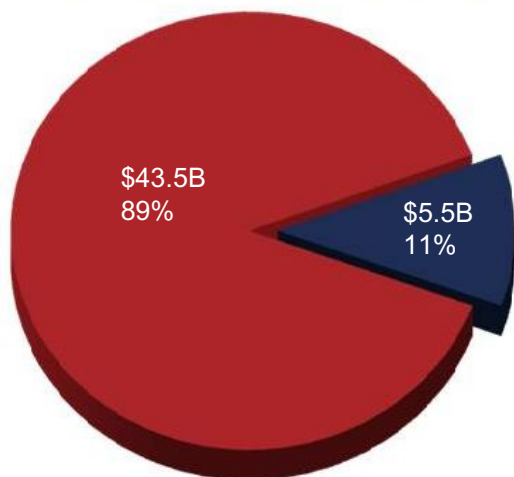
- ☑ Improving Financial Performance
- ☑ Large and Growing Online Market
- ☑ Significant Customer Reach
- ☑ Significant Private Label Offering
- ☑ Experienced Leadership Team

Do It Yourself (DIY) Market Size



At 11% online market penetration, auto parts still lags industry average in the teens. US Auto Parts is estimated to be the largest pure-play online retailer of auto parts

Total DIY Market Size for 2014 of \$49B ¹



Company	2014 Est. Rev ²	% of total
Marketplaces		
	(in million)	
eBay Motors	\$2,560	46.1%
Amazon	\$720	13.0%
Sub Total	\$3,280	59.1%
Wholesale Online		
Tire Rack (online)	\$530	9.6%
Other Tire Companies	\$230	4.1%
Sub Total	\$760	13.7%
Pure Play		
US Auto Parts	\$280	5.0%
Rock Auto	\$260	4.7%
Summit	\$200	3.6%
Auto Anything (AutoZone)	\$140	2.5%
JECS	\$80	1.4%
CarlD	\$70	1.3%
All Other Pure Play	\$180	3.2%
Sub Total	\$1,210	21.8%
Brick & Mortar Retailers ³		
AutoZone (w/o AA) ⁴	\$140	2.5%
Advance	\$90	1.6%
Pep	\$40	0.7%
O'Reilly	\$20	0.4%
NAPA	\$10	0.2%
Sub Total	\$300	5.4%
Total	\$5,550	100.0%

¹ Digital Auto Care fact book estimates

² Estimates by US Auto Parts where amounts are not publicly reported

³ Only includes estimated mail delivered business – does not include store pick ups

⁴ Excludes AutoAnything which is wholly owned by AutoZone

Online Market is Vibrant and Growing

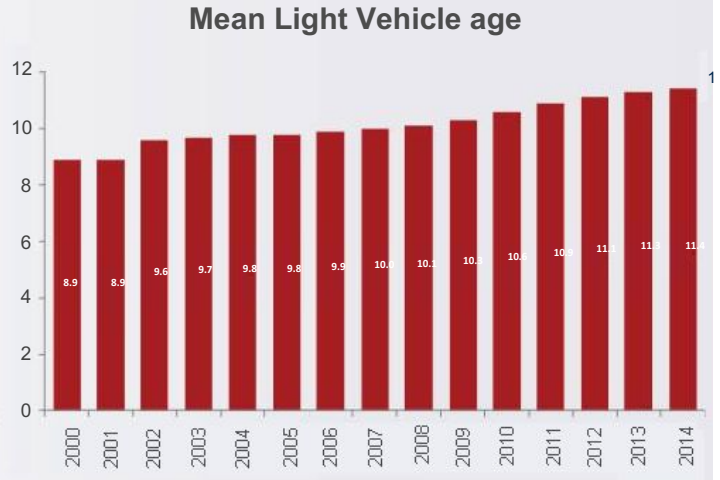


Booz & Co. estimates by 2018 that Online DIY could reach 17% of the total DIY market

The average age of a light vehicle on the road continues to increase each year since 1997



Source: Booz & Co.



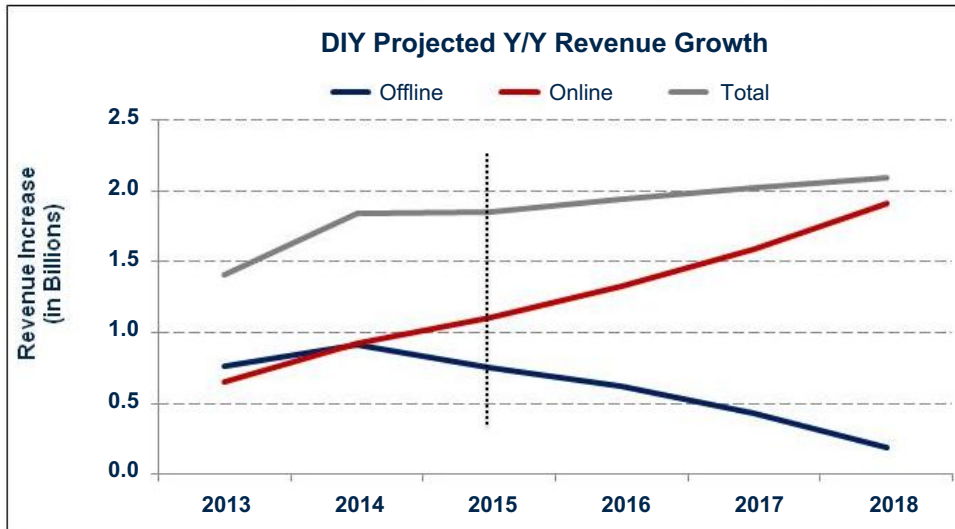
Source: R.L. Polk and BB&TCM

¹ 2014 is estimated by IHS

Do It Yourself (DIY) Projections



More of the incremental growth will come online vs. offline



DIY Projected Revenue (in Billions)						
Offline	\$42.6	\$43.5	\$44.2	\$44.8	\$45.3	\$45.5
Online*	4.6	5.5	6.6	8.0	9.5	11.5
Total**	\$47.2	\$49.0	\$50.8	\$52.8	\$54.8	\$57.0
% Online	9.8%	11.3%	13.0%	15.1%	17.4%	20.1%

*Projections for industry from USAP estimates and applied to Booz & Co

**Projections obtained from 2015 Digital Auto Care fact book

US Auto Parts Has Dominant Reach

(some overlap of monthly visitors across websites)

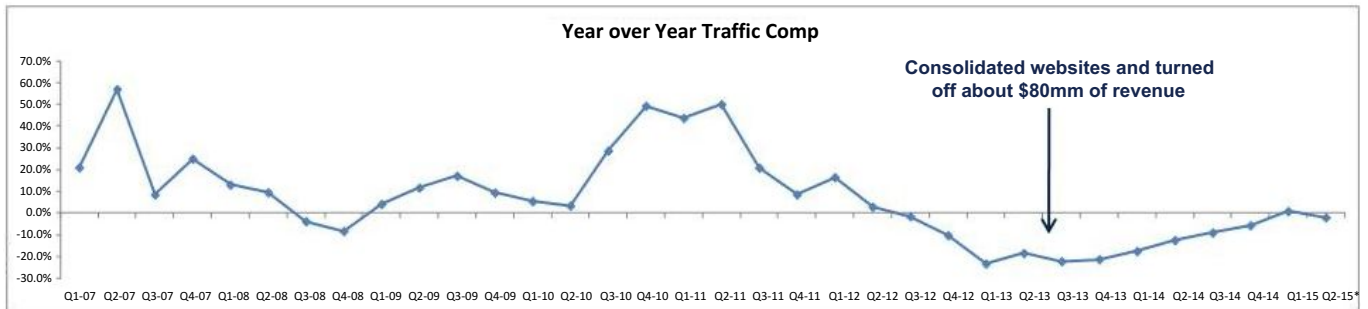


Customer Reach is a Competitive Moat

- Over 500 man years of hand written unique content
- Long domain history to help indexing in search
- Multiple website management

Competitor sites' traffic based on Compete March 2015 reports

Historical Traffic & Conversion Growth



*Q2-15 based on April trend

Strategies For Increasing Customer Life Time Value **US**AUTOPARTS[®]

The 2015 strategy is to increase Customer Life Time Value












We believe increased customer LTV will result in a greater mix of traffic from both direct to website and paid channels resulting in less dependence and impact from organic search

Broad Auto Parts Product Offering



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

Collision Parts

Lamps 	Mirrors 	Bumpers 
Hoods 	Tailgates 	Doors 
Grills 	Wheels 	Window Regulators 




Revenue **50%**

Engine Parts

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

25%

Performance & Accessories

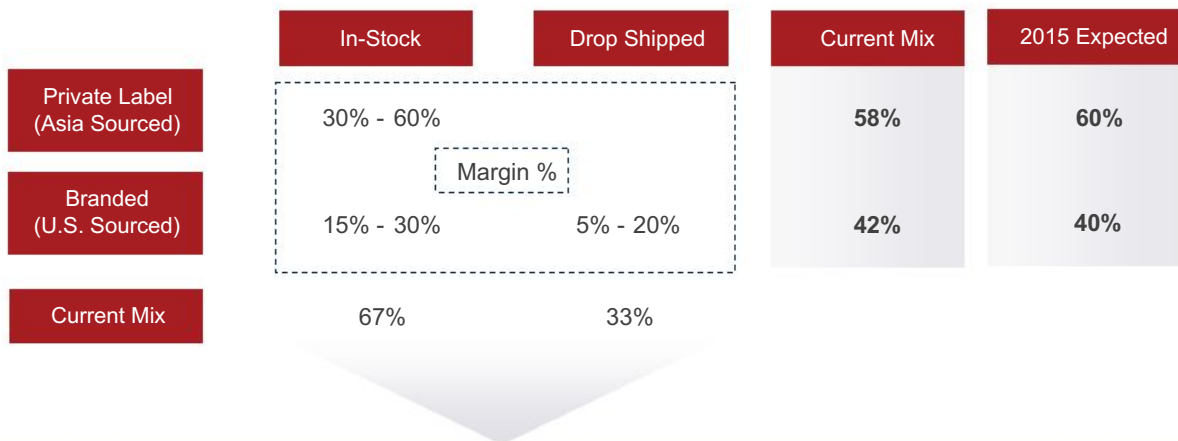
Seat Covers 	Car Covers 	Floor Mats / Carpeting 
Cold Air Intakes 	Vent Visors 	Tonneau Covers 
Nerf Bars 	Bug Shields 	Car Bras 

25%

Supply Chain Creates Pricing Advantage **US**AUTOPARTS

USAP's ability to competitively price products while maintaining healthy margins is a function of leveraging its robust private label supply chain:

- Currently over 40,000 Private Label Products.
- Adding 5,000 – 7,000 Private Label SKUs this year
- The Company sources product directly from over 200+ factories in Asia

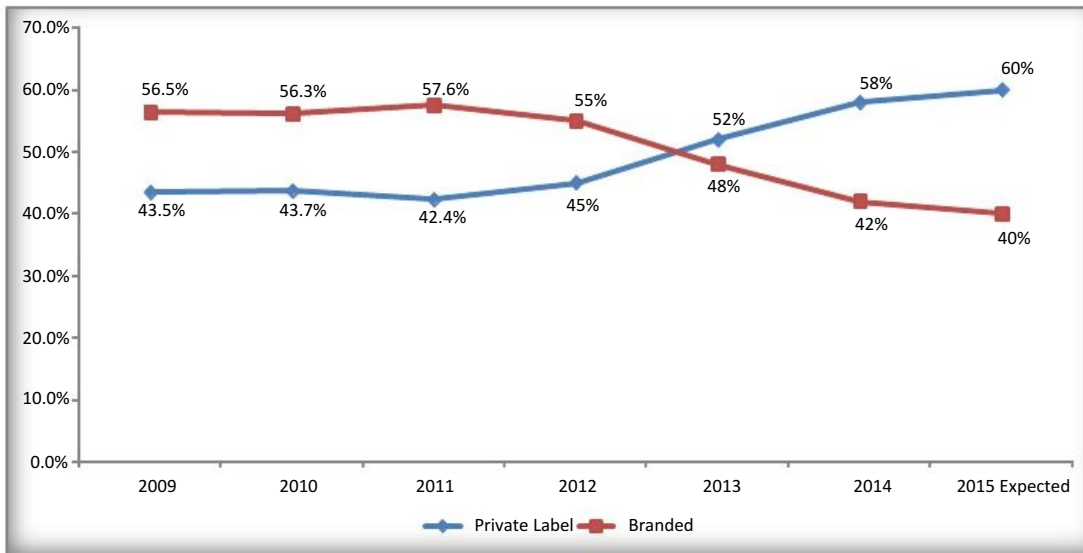


The breadth of our Private Label products provides a significant competitive advantage

Historical Product Sales Mix



US Auto Parts has transitioned to Private Label products to be a low cost leader with high quality products in the marketplace



- Utilize our automated price optimization tool to tailor our pricing strategies for all online channels
- Take action on slow moving inventory to minimize margin erosion
- Leverage our proprietary inventory management systems to improve in-stock levels and reduce unnecessary weeks of supply
- Determine private label vs. branded in-stock vs. drop ship partners mix

Incremental Flow Thru

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

Financial Sensitivity

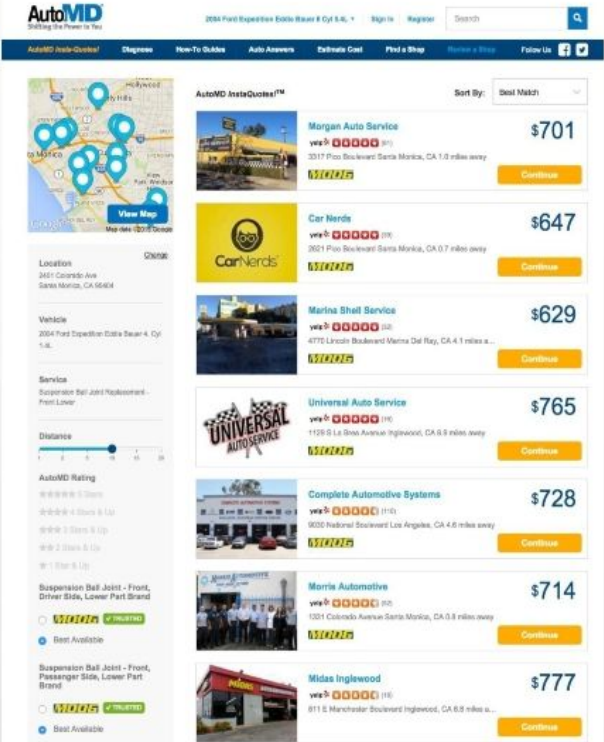


Our business model has significant cost leverage as revenues grow

	Base		10%		20%		30%		40%		50%	
Revenue	\$284		\$312		\$341		\$369		\$398		\$426	
Gross Margin %	27.0%	– 29.0%	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%		3.4%	
Marketing	9.4%		9.4%		9.4%		9.4%		9.4%		9.4%	
Technology	0.5%		0.5%		0.5%		0.5%		0.5%		0.5%	
G&A	1.8%		1.8%		1.8%		1.8%		1.8%		1.8%	
Total Variable	15.1%		15.1%		15.1%		15.1%		15.1%		15.1%	
Fixed:												
Fulfillment	2.0%		1.8%		1.7%		1.6%		1.4%		1.4%	
Marketing	3.8%		3.5%		3.2%		2.9%		2.7%		2.6%	
Technology	1.0%		0.9%		0.8%		0.7%		0.7%		0.6%	
G&A	3.6%		3.3%		3.0%		2.8%		2.6%		2.4%	
Total Fixed	10.4%		9.5%		8.7%		8.0%		7.4%		6.9%	
Adjusted EBITDA %	1.4%	– 3.4%	2.4%	– 4.4%	3.2%	– 5.2%	3.9%	– 5.9%	4.4%	– 6.4%	4.9%	– 6.9%
Adjusted EBITDA \$	\$4	– \$10	\$7	– \$14	\$11	– \$18	\$14	– \$22	\$18	– \$26	\$21	– \$29

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

AutoMD – Repair Lead Generation Site



AutoMD
Shifting the Power to You

2004 Ford Expedition Eddie Bauer 4 Cyl 5.0L
Sign In Register Search

AutoMD InstaQuotes™
Sort By: Best Match

Morgan Auto Service
vrs 4.0 (11) \$701
3317 Pico Boulevard Santa Monica, CA 1.0 miles away
Continue

Car Nerds
vrs 4.0 (11) \$647
2821 Pico Boulevard Santa Monica, CA 0.7 miles away
Continue

Marine Shell Service
vrs 4.0 (11) \$629
4770 Lincoln Boulevard Marina Del Rey, CA 4.1 miles away
Continue

Universal Auto Service
vrs 4.0 (11) \$765
1129 G Le Brea Avenue Inglewood, CA 5.8 miles away
Continue

Complete Automotive Systems
vrs 4.0 (11) \$728
9030 National Boulevard Los Angeles, CA 4.6 miles away
Continue

Morris Automotive
vrs 4.0 (11) \$714
1021 Colorado Avenue Santa Monica, CA 0.8 miles away
Continue

Midas Inglewood
vrs 4.0 (11) \$777
811 E Manchester Boulevard Inglewood, CA 6.8 miles away
Continue

Location: 3451 Colorado Ave Santa Monica, CA 90404
Vehicle: 2004 Ford Expedition Eddie Bauer 4 Cyl 5.0L
Service: Suspension Ball Joint - Front, Driver Side, Lower Part Brand
Distance: 0 to 20 miles
AutoMD Rating: 5 Stars (11), 4 Stars (11), 3 Stars (11), 2 Stars (11), 1 Star (11)
Suspension Ball Joint - Front, Driver Side, Lower Part Brand: Best Available, 1517425, 7504700

Overview

- Repair lead generation site addresses the DIFM market

Recent Strategic Investment

- \$12.5M pre-money valuation
- Raised \$7.0M in capital
 - Fed Mogul: \$3.0M
 - Cox Automotive: \$2.0M
 - Insiders: \$2.0M
- Post-funding valuation of \$19.5M
 - USAP in control with 64% of the business
- There are approximately 2,250 shops on the program currently with a goal to double by the end of the year between 3,250 – 4,500.

- **US Auto Parts**
 - ✓ A leading e-Commerce company
 - ✓ That is growing with positive FCF
 - ✓ In a \$5B industry that is expected to double in the next 5-7 years

- **We have two significant competitive advantages**
 - ✓ Our customer reach is over 10mm visitors monthly
 - ✓ Our supply chain sources over 40,000 Private Label products

- **We have an experienced management team with a mix of e-commerce and automotive expertise**

APPENDIX

Leadership Team



Shane Evangelist - Chief Executive Officer since October 2007

- Over 10 years 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 a M.B.A. from Southern Methodist University

Neil Watanabe - Chief Financial Officer since March 2015

- Over 30 years of finance, accounting & retail experience in both private & public companies
- Chief Operating Officer of National Stores
- EVP & Chief Financial Officer – Anna Linens
- EVP & Chief Financial Officer – Pet Smart
- EVP & Chief Financial Officer – Elizabeth Arden Red Door Spas
- B.A. degree in Social Sciences from the University of California, Los Angeles and obtained CPA certification in Illinois

Aaron E. Coleman - Chief Operating Officer since September 2010

- 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.
- Multiple positions with internet and technology companies including American Airlines, Travelweb (Priceline), Baan
- B.A. degree in Business Administration from Gonzaga University

Charles Fischer - Senior Vice President 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

Sales & Adjusted EBITDA¹



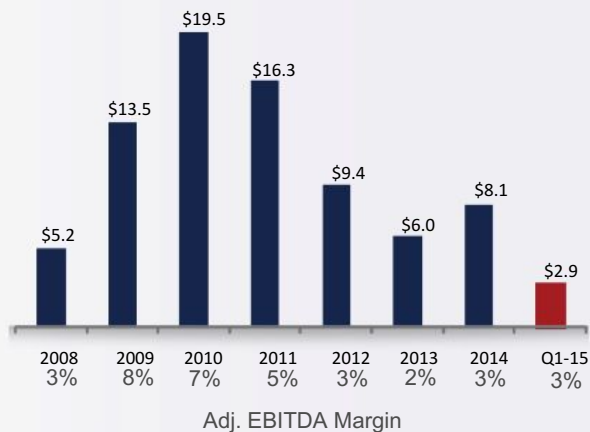
Consolidated Sales²

(\$ In Millions)



Consolidated Adjusted EBITDA³

(\$ In Millions)



1. Excludes AMD starting in Q4-14 which is funded through capital raised

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

3. 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, \$2.4M and \$0.5M in 2008, 2009, 2010, 2011, 2012, 2013, 2014 and Q1-15, respectively and restructuring costs and other one time charges of \$23.4M, \$0.4M, \$5.8M, \$12.9M, \$27.5M, \$6.8M, and \$2.4 in 2008, 2009, 2010, 2011, 2012, 2013, and 2014 respectively.

Adjusted EBITDA

(Non-GAAP Financial Measure –in thousands)



<i>(in thousands)</i>	Thirteen Weeks Ended April 4, 2015			Thirteen Weeks Ended March 29, 2014		
	Base			Base		
	USAP	AutoMD	Consolidated	USAP	AutoMD	Consolidated
Net loss	\$ 187	\$ (503)	\$ (316)	\$ 683	\$ (482)	\$ 201
Interest expense, net	373	-	373	259	-	259
Income tax provision	158	(210)	(52)	32	-	32
Amortization of intangible assets	107	8	115	84	-	84
Depreciation and amortization expense	1,549	385	1,934	1,934	434	2,368
EBITDA	2,374	(320)	2,054	2,992	(48)	2,944
Share-based compensation expense	477	33	510	376	-	376
Adjusted EBITDA	<u>\$ 2,851</u>	<u>\$ (287)</u>	<u>\$ 2,564</u>	<u>\$ 3,368</u>	<u>\$ (48)</u>	<u>\$ 3,320</u>

Consolidated Statements of Comprehensive Operations **US**AUTOPARTS[®]

(Unaudited, in Thousands, Except Per Share Data)

	Thirteen Weeks Ended	
	April 4, 2015	March 29, 2014
Net sales	\$ 76,388	\$ 68,028
Cost of sales ⁽¹⁾	<u>54,910</u>	<u>47,327</u>
Gross profit	<u>21,478</u>	<u>20,701</u>
Operating expenses:		
Marketing	10,852	10,115
General and administrative	4,181	4,147
Fulfillment	5,060	4,712
Technology	1,288	1,148
Amortization of intangible assets	115	84
Total operating expenses	<u>21,496</u>	<u>20,206</u>
Loss from operations	<u>(18)</u>	<u>495</u>
Other income (expense):		
Other income, net	23	(3)
Interest expense	<u>(373)</u>	<u>(259)</u>
Total other expense, net	<u>(350)</u>	<u>(262)</u>
Loss before income taxes	<u>(368)</u>	<u>233</u>
Income tax (benefit) provision	<u>(52)</u>	<u>32</u>
Net loss including noncontrolling interests	<u>(316)</u>	<u>201</u>
Net Loss attributable to non-controlling interests	<u>256</u>	<u>-</u>
Net loss attributable to U.S. Auto Parts	<u>(60)</u>	<u>201</u>
Other comprehensive income attributable to U.S. Auto Parts, net of tax:		
Foreign currency translation adjustments	<u>(10)</u>	<u>8</u>
Total other comprehensive income attributable to U.S. Auto Parts	<u>(10)</u>	<u>8</u>
Comprehensive loss attributable to U.S. Auto Parts	<u>\$ (70)</u>	<u>\$ 209</u>
Basic net income (loss) per share	\$ 0.00	\$ 0.00
Diluted net income (loss) per share	\$ 0.00	\$ 0.00
Shares used in computation of basic and diluted net loss per share	33,720	33,384
Shares used in computation of basic and diluted net loss per share	33,720	34,158

⁽¹⁾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)



	April 4 2015	January 3 2015
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 7,917	\$ 7,653
Short-term investments	66	62
Accounts receivable, net of allowances of \$38 and \$41 at April 4, 2015 and January 3, 2015, respectively	4,209	3,804
Inventory	48,347	48,362
Other current assets	3,321	2,669
Total current assets	63,860	62,550
Property and equipment, net	16,690	16,966
Intangible assets, net	1,617	1,707
Other non-current assets	1,672	1,684
Total assets	<u>\$ 83,839</u>	<u>\$ 82,907</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 26,591	\$ 25,362
Accrued expenses	8,498	7,747
Revolving loan payable	9,485	11,022
Current portion of capital leases payable	276	269
Other current liabilities	4,560	3,505
Total current liabilities	49,410	47,905
Capital leases payable, net of current portion	9,197	9,270
Deferred income taxes	1,550	1,618
Other non-current liabilities	1,661	1,891
Total liabilities	<u>61,818</u>	<u>60,684</u>
Stockholders' equity:		
Series A convertible preferred stock, \$0.001 par value; \$1.45 liquidation value or aggregate of \$6,017; 4,150 shares authorized; 4,150 and 0 shares issued and outstanding at April 4, 2015 and at January 3, 2015, respectively	4	4
Common stock, \$0.001 par value; 100,000 shares authorized; 33,949 and 33,624 shares issued and outstanding at April 4, 2015 and January 3, 2015, respectively	34	33
Additional paid-in capital	174,552	174,369
Accumulated other comprehensive income	350	360
Accumulated deficit	(155,609)	(155,489)
Total stockholders' equity	19,331	19,277
Noncontrolling interest	2,690	2,946
Total stockholders' equity	22,021	22,223
Total liabilities and equity	<u>\$ 83,839</u>	<u>\$ 82,907</u>