



# Investor Presentation

Q3 2024



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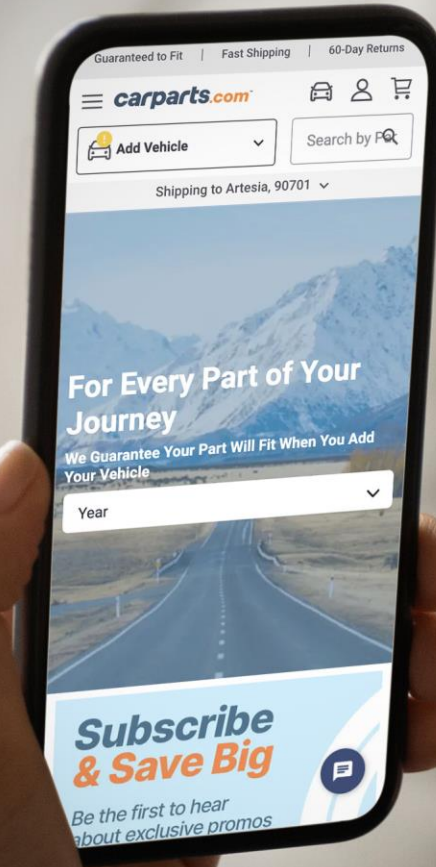
This presentation includes certain non-GAAP financial measures as defined by SEC rules. We have provided a reconciliation of those measures to the most directly comparable GAAP measures in this presentation, where applicable, as well as in the appendix to this presentation. We have not included a reconciliation of Adjusted EBITDA guidance to projected net income (loss) 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 (loss). As a result, we are unable to quantify projected net income without unreasonable efforts.

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This presentation also includes certain preliminary unaudited financial and operating results of the Company for the quarter ended September 28, 2024. These preliminary results represent the Company's estimates, which are based only on currently available information and do not present all necessary information for an understanding of the Company's financial condition as of September 28, 2024 or results of operations for the quarter ended September 28, 2024. Undue reliance should not be placed on these preliminary estimates.

**CarParts.com is a leading eCommerce auto parts retailer**

**and has a significant opportunity to become the go-to destination for all automotive repair and maintenance needs.**



# A Leading Pure-Play eCommerce Auto Parts Supplier

**100M**

website visitors  
annually

**#1**

eBay store  
in the world

**6.8M**

FY23 orders

**550K**

mobile app downloads since  
August 2023 launch

**\$676M**

FY23 revenue

**1,500+**

team members

# Investment Thesis

- 1** The only public, pure-play auto eCommerce retailer and **one of the largest by revenue** in highly fragmented market ripe for disruption, providing long runway for growth.

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- 2** Digital-first strategy, extensive proprietary portfolio, integrated supply chain and best-in-class customer experience create **unique competitive advantages**.

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- 3** **Driving profitability** through three key strategies: supercharging the automotive eCommerce experience, expanding product assortment and services, and increasing brand awareness.

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- 4** **Attractive financial profile and strong balance sheet** provide flexibility for continued investment in the business.



# Industry Landscape

# The Auto Parts Industry is **Expanding**

STRONG INDUSTRY FUNDAMENTALS WITH SIGNIFICANT ROOM  
FOR FURTHER MARKET PENETRATION

**\$405B**

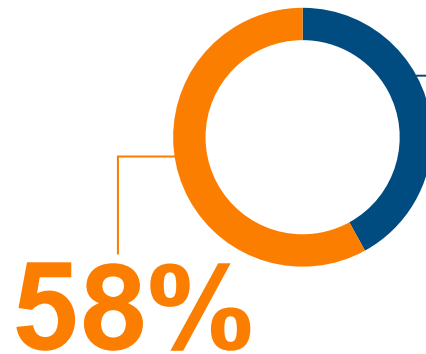
TAM in 2024

**\$435B**

Expected TAM in 2026

**42%**

B&M Stores &  
Dealerships



**58%**

Opportunity

**285M**

cars on the road

**12.5yrs**

Avg. age of  
cars on the road

# The Auto Parts Industry is **Going Online**

THE INDUSTRY IS DUE FOR DISRUPTION BY AN ECOMMERCE PLAYER

Low eCommerce penetration

<5%

vs

22%

Auto parts industry  
online penetration <sup>1</sup>

Overall eCommerce  
online penetration <sup>2</sup>

Shifting consumer behavior

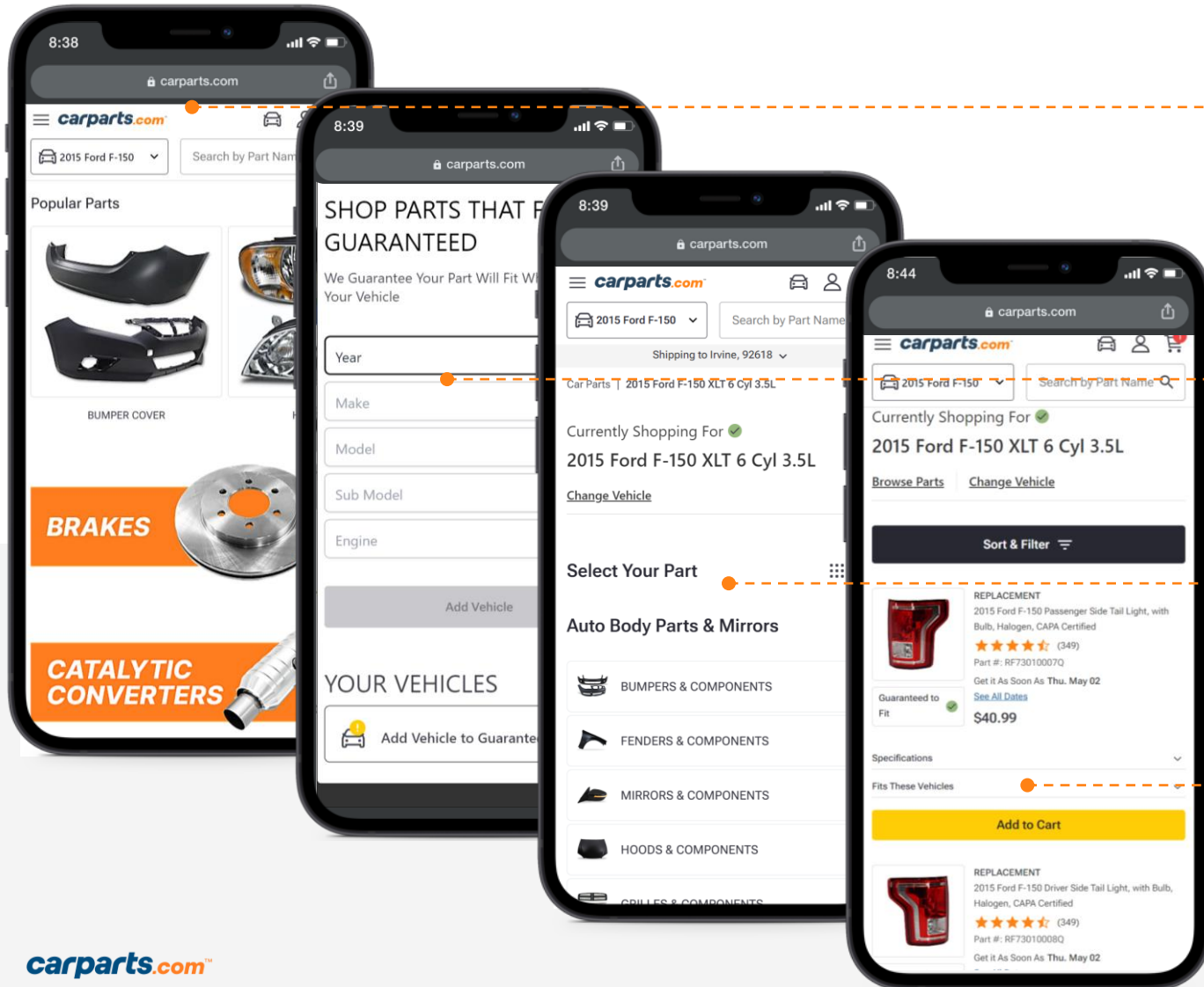


Increased adoption of purchasing auto parts  
online vs. brick and mortar retailers



# Our Competitive Advantage

# Simple & Seamless Online Experience



**Solving the customer's problem from any device**

Intuitive platform with over 1 million SKUs available online

**Value propositions that count**

Quality, speed, convenience and competitive pricing

**Real-time personalized experience**

Removing the paradox of choice by providing a proprietary and highly curated catalog

**Seamless transaction**

Get the parts, tools and resources you need without leaving your device

# Massive Cross-Channel Reach



# Product Assortment



## Replacement Parts



Headlights

Tail lights

Side mirrors

Bumpers

## Hard Parts



Brake discs & pads

Wheel hubs

Shocks & struts

Control arms

## Tools & Accessories



Tonneau cover

Off-road bumper

Fender flare

Receiver hitch

OVER 1 MILLION SKU'S AND OVER 3,000 APPLICATIONS

# Extensive Proprietary Catalog



Over one million SKUs available



Up to 50% less expensive with similar quality than brick-and-mortar retailers

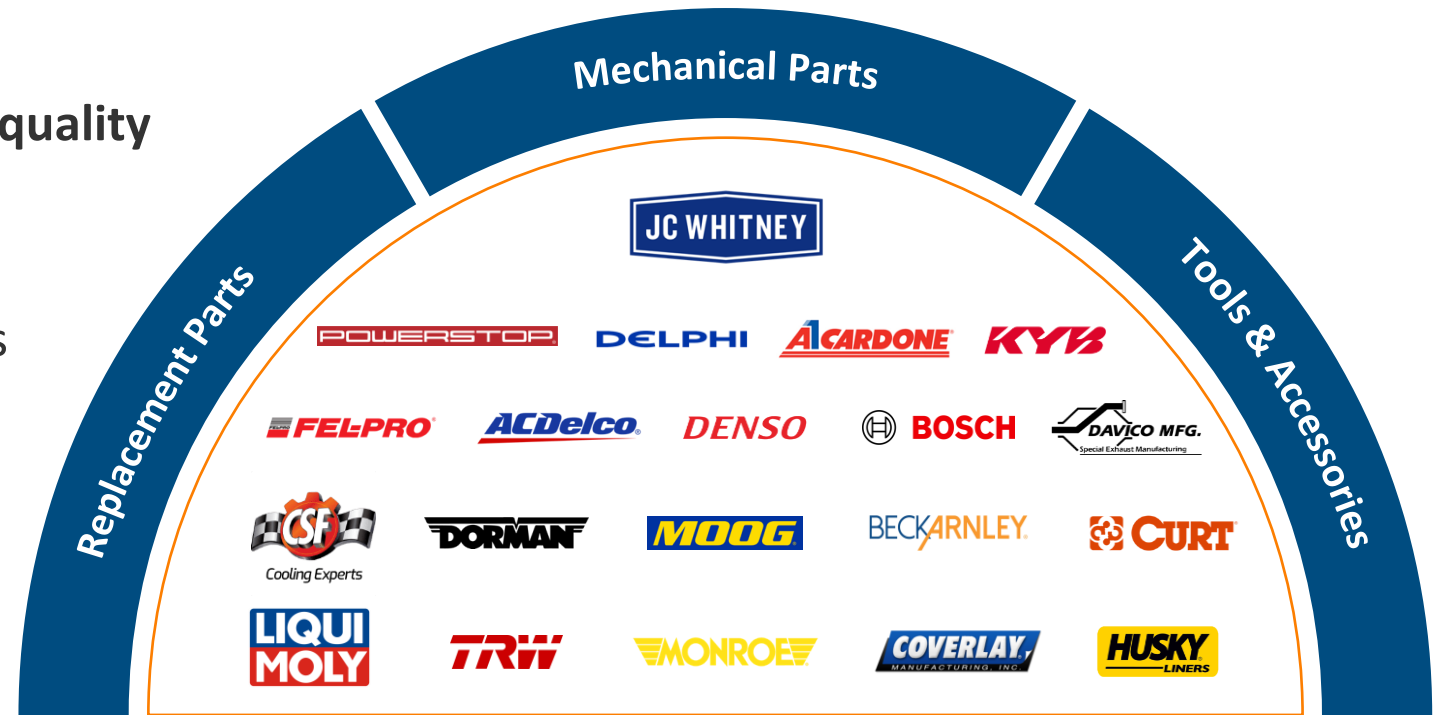


Our private label brand JC Whitney has superior brand recognition



Wide assortment from private label to national brands

## Categories and Select Brands



# Integrated Supply Chain

## COMPANY-OPERATED DISTRIBUTION NETWORK



**1.24M**

warehouse  
square footage

**5**

distribution  
centers

**99%**

U.S. population  
reachable in 2 days

**57%**

U.S. population  
reachable in 1 day

### OPERATED NETWORK

Company operated; not dependent on 3PL fulfillment for over 80% of revenues

### ADVANCED CAPABILITIES

to pick, pack, and ship odd-shaped/bulky/oversized items and sheet metal

### DATA ANALYTICS

to reduce shipping costs, optimize pricing, and improve insights

### LABOR OPTIMIZATION

to support warehouse efficiency and process improvement

### SEMI-AUTOMATION

conveyance, labeling, taping, custom boxes, and sorting

# Best-in-Class Customer Experience

**500+**

customer focused  
live agents



with over 50,000  
Google reviews

**60**

Net promotor score vs.  
52 industry average<sup>1</sup>

**35%**

of revenue from return  
eCommerce customers

**190K**

new customers monthly

**Education Hub**

helps customers navigate  
their vehicle maintenance and repair  
needs

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# Strategic Priorities

# Drive **Medium Term Profitability**

## OUR CORE STRATEGIC DRIVERS

- 1** Supercharging the automotive eCommerce and mobile app experience
- 2** Expanding product assortment and services
- 3** Increasing brand awareness

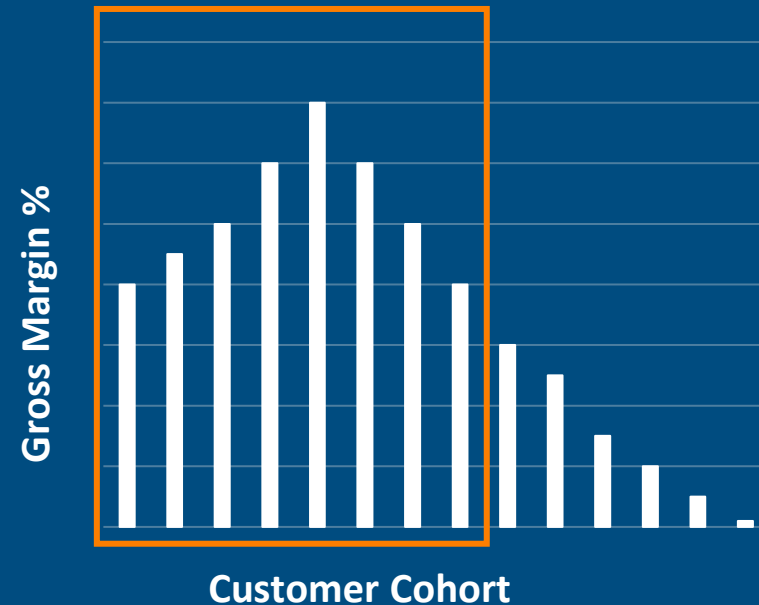
**6-8%**  
**Adjusted**  
**EBITDA**

# Focused Customer Segmentation

## Target a more profitable customer base

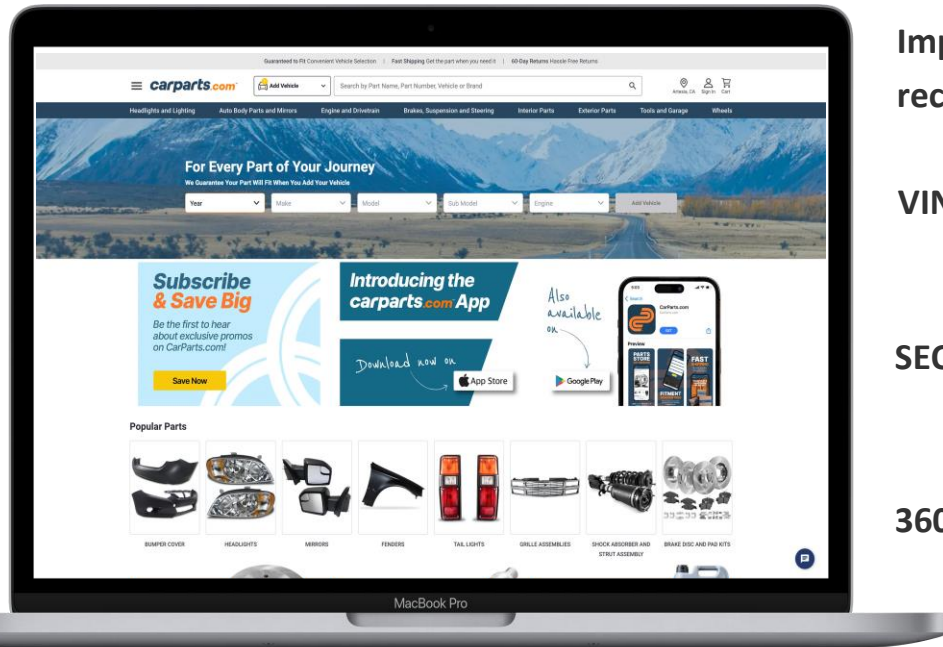
- ➔ Deliver a seamless eCommerce experience tailored to premium shoppers
- ➔ Dynamically adjust pricing and expand range of premium products
- ➔ Expand reach in higher-value segment through new services
- ➔ Roll out customer acquisition programs focused on less repair-savvy consumers

## Customer Segmentation & Targeting <sup>1</sup>



# Optimizing Our eCommerce Experience

## New CarParts.com Website Roadmap



Improved search and recommendation engine

VIN lookup capability

SEO optimization

360° images and videos

## Leveraging Our Mobile App



App revenue accounts for >8% of eCommerce revenue

Allows for personalized and direct customer communication

Helps reduce ad spend and reliance on search engines

Incentivizes repeat purchases

# Driving Organic **Customer Acquisition**

**Continuing to build close and direct relationships with current and prospective customers with a focus on attracting higher value customers**

- Invest in new video opportunities on owned YouTube channel
- Increasing subscribers and engagement across the major social media channels
- Develop educational content and product recommendations for our YouTube channel and website blog

**Consolidating 17 house brands to focus on JC Whitney private label with new brand strategy**

- Highly recognizable brand with over 105 years of history
- Allows targeting towards high-value customers
- Lifestyle-driven website and printed magazine & catalog
- Events and collaborations

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# Financial Profile

# Stable Balance Sheet

**\$38M**

cash

**\$97M**

inventory

**\$75M**

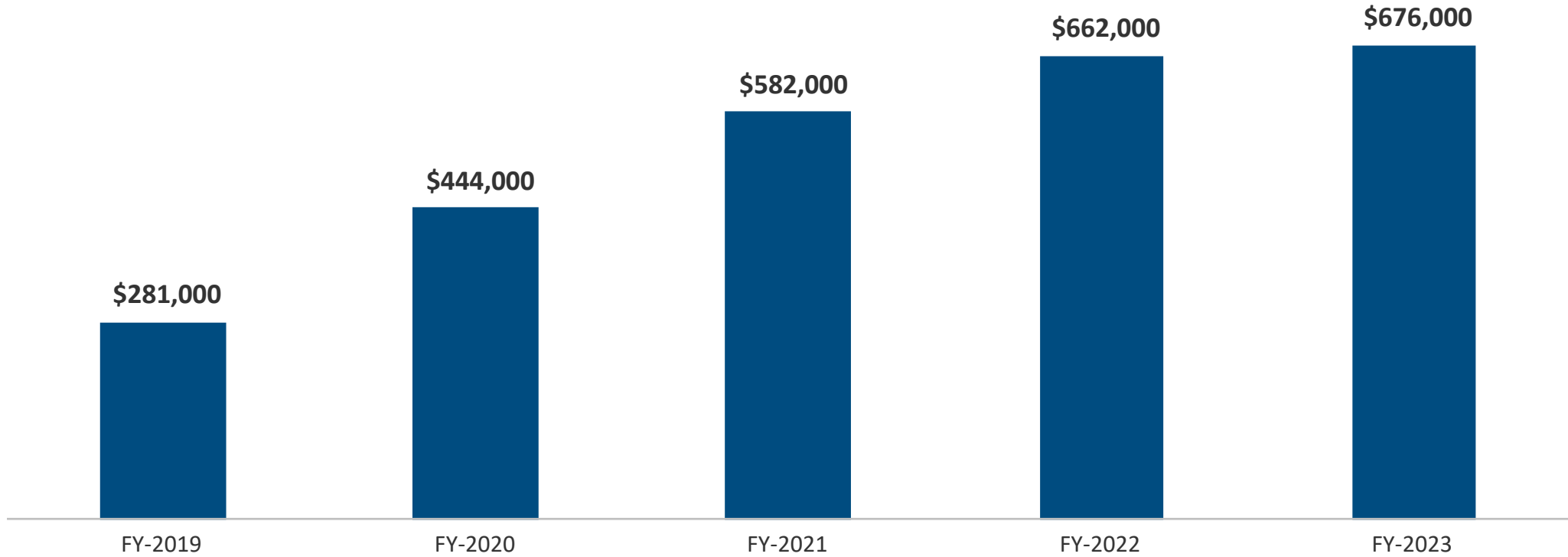
asset-based  
credit line<sup>1</sup>

**\$0**

revolver debt



# Historical Revenue Growth



**+24.5% CAGR**

# Creating Value by Returning Capital to Shareholders

**\$4.3M**

share repurchases in  
FY 2023

**1.2M**

shares repurchased in FY  
2023

**\$25.2M**

authorization  
remaining



**Thank you!**

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[CarParts.com/investor](https://CarParts.com/investor)