Advance Auto Parts Announces Purchase of the DieHard Brand from Transformco

RALEIGH, N.C. & HOFFMAN ESTATES, Ill., December 23, 2019 – Advance Auto Parts, Inc. (NYSE: AAP) has acquired the DieHard brand from Transform Holdco LLC ("Transformco"), for $200 million utilizing cash on hand.

This asset acquisition will give Advance the right to sell DieHard batteries, the most trusted brand in the automotive battery category, and enables Advance to extend the DieHard brand into other automotive and vehicular categories. In addition, the deal allows Transformco to sell DieHard brand batteries through its existing channels pursuant to a supply agreement with Advance. Advance is also granting Transformco an exclusive royalty-free, perpetual license to develop, market, and sell DieHard branded products in non-automotive categories.

"We are excited to acquire global ownership of an iconic American brand. DieHard will help differentiate Advance, drive increased DIY customer traffic and build a unique value proposition for our Professional customers and Independent Carquest partners. DieHard has the highest brand awareness and regard of any automotive battery brand in North America and will enable Advance to build a leadership position within the critical battery category," said Tom Greco, president and CEO, Advance Auto Parts. "DieHard stands for durability and reliability and we will strengthen and leverage the brand in other battery categories, such as marine and recreational vehicles. We also see opportunities to extend DieHard in other automotive categories. We remain committed to providing our customers with high-quality products and excellent service. The addition of DieHard to our industry leading assortment of national brands, OE parts and owned brands will enable us to differentiate Advance and drive significant long-term shareholder value."

"DieHard is among the most successful and one of the most widely trusted brands in the auto industry, and we have long believed that the brand has even more potential," said Peter Boutros, President of Transformco's Kenmore, Craftsman and DieHard business unit. "DieHard revolutionized the automotive battery category when it launched in 1967, and has continued to be a leader in the category. Advance Auto Parts' acquisition of this iconic American brand will complement our plans to introduce new DieHard products in non-automotive categories such as sporting goods, lawn and garden, authentic work wear and other exciting new categories."

About Advance Auto Parts

Advance Auto Parts, Inc. is a leading automotive aftermarket parts provider that serves both professional installer and do-it-yourself customers. As of October 5, 2019, Advance operated 4,891 stores and 152 Worldpac branches in the United States, Canada, Puerto Rico and the U.S. Virgin Islands. The Company also serves 1,260 independently owned Carquest branded stores across these locations in addition to Mexico, the Bahamas, Turks and Caicos and British Virgin Islands. Additional information about Advance, including employment opportunities, customer services, and online shopping for parts, accessories and other offerings can be found at www.AdvanceAutoParts.com.

About Transformco

Transform Holdco LLC is a leading integrated retailer focused on seamlessly connecting the digital and physical shopping experiences to serve its members – wherever, whenever and however they want to shop. Transformco is home to Shop Your Way®, a social shopping platform offering members rewards for shopping at Sears, Kmart and other retail partners. Transformco operates through its subsidiaries with full-line and specialty retail stores across the United States.

Advance Auto Parts Contacts:

Media Relations:

Darryl Carr
T: (984) 389-7207
E: darryl.carr@advance-auto.com

Investor Relations:

Elisabeth Eisleben
T: (919) 227-5466
E: invrelations@advanceautoparts.com

Transformco Media Contact:

Larry Costello
T: (847) 286-9036
E: Larry.Costello@searshc.com

Forward-Looking Statements

Certain statements in this report are “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. All statements, other than statements of historical facts, may be forward-looking statements. Forward-looking statements address future events or developments, and typically use words such as “believe,” “anticipate,” “expect,” “intend,” “plan,” “forecast,” “guidance,” “outlook” or “estimate” or similar expressions. These forward-looking statements include, but are not limited to, statements related to the benefits or other effects of the acquisition, statements regarding expected growth and future performance of the Company, and all other statements that are not statements of historical facts. These statements are based upon assessments and assumptions of management in light of historical results and trends, current conditions and potential future developments that often involve judgment, estimates, assumptions and projections. Forward-looking statements reflect current views about the Company's plans, strategies and prospects, which are based on information currently available as of the date of this release. Except as required by law, the Company undertakes no obligation to update any forward-looking statements to reflect events or circumstances after the date of such statements. Please refer to the risk factors discussed in "Item 1a. Risk Factors" in the Company's most recent Annual Report on Form 10-K, as updated by its Quarterly Reports on Form 10-Q and other filings made by the Company with the Securities and Exchange Commission, for additional factors that could materially affect the Company’s actual results. Forward-looking statements are subject to risks and uncertainties, many of which are outside its control, which could cause actual results to differ materially from these statements. Therefore, you should not place undue reliance on those statements.

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