

ADVANCE AUTO PARTS INC  
Form 10-Q  
November 16, 2011  
Table of Contents

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549  
Form 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended October 8, 2011

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_.

Commission file number 001-16797

\_\_\_\_\_

ADVANCE AUTO PARTS, INC.  
(Exact name of registrant as specified in its charter)

\_\_\_\_\_

Delaware  
(State or other jurisdiction of  
incorporation or organization)

54-2049910  
(I.R.S. Employer  
Identification No.)

5008 Airport Road, Roanoke, Virginia 24012  
(Address of Principal Executive Offices)  
(Zip Code)

(540) 362-4911  
(Registrant's telephone number, including area code)

Not Applicable  
(Former name, former address and former fiscal year, if changed since last report).

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Registration S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes  No

Edgar Filing: ADVANCE AUTO PARTS INC - Form 10-Q

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definition of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Non-accelerated filer  (Do not check if a smaller reporting company)

Accelerated filer

Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

As of November 14, 2011, the registrant had outstanding 72,445,870 shares of Common Stock, par value \$0.0001 per share (the only class of common stock of the registrant outstanding).

---

Table of Contents

	Page
<u>PART I.</u>	
<u>FINANCIAL INFORMATION</u>	
<u>Item 1.</u>	
<u>Condensed Consolidated Financial Statements of Advance Auto Parts, Inc. and Subsidiaries (unaudited):</u>	
<u>Condensed Consolidated Balance Sheets as of October 8, 2011, January 1, 2011 and October 9, 2010</u>	<u>1</u>
<u>Condensed Consolidated Statements of Operations for the Twelve and Forty Week Periods Ended October 8, 2011 and October 9, 2010</u>	<u>2</u>
<u>Condensed Consolidated Statements of Changes in Stockholders' Equity for the Forty Week Periods Ended October 8, 2011 and October 9, 2010</u>	<u>3</u>
<u>Condensed Consolidated Statements of Cash Flows for the Forty Week Periods Ended October 8, 2011 and October 9, 2010</u>	<u>4</u>
<u>Notes to the Condensed Consolidated Financial Statements</u>	<u>6</u>
<u>Item 2.</u>	
<u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	<u>16</u>
<u>Item 3.</u>	
<u>Quantitative and Qualitative Disclosures About Market Risk</u>	<u>28</u>
<u>Item 4.</u>	
<u>Controls and Procedures</u>	<u>28</u>
<u>PART II.</u>	
<u>OTHER INFORMATION</u>	
<u>Item 2.</u>	
<u>Unregistered Sales of Equity Securities and Use of Proceeds</u>	<u>29</u>
<u>Item 6.</u>	
<u>Exhibits</u>	<u>30</u>
<u>SIGNATURE</u>	<u>S-1</u>

Table of Contents

## PART I. FINANCIAL INFORMATION

ITEM 1. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS OF  
ADVANCE AUTO PARTS, INC. AND SUBSIDIARIES

Advance Auto Parts, Inc. and Subsidiaries  
Condensed Consolidated Balance Sheets  
October 8, 2011, January 1, 2011 and October 9, 2010  
(in thousands, except per share data)  
(unaudited)

	October 8, 2011	January 1, 2011	October 9, 2010
Assets			
Current assets:			
Cash and cash equivalents	\$65,929	\$59,209	\$194,502
Receivables, net	131,409	124,227	115,731
Inventories, net	2,109,721	1,863,870	1,839,498
Other current assets	67,063	76,965	51,931
Total current assets	2,374,122	2,124,271	2,201,662
Property and equipment, net of accumulated depreciation of \$963,845, \$927,564 and \$906,296	1,191,453	1,143,170	1,104,380
Assets held for sale	707	1,472	1,472
Goodwill	51,378	34,387	34,387
Intangible assets, net	29,122	25,360	25,583
Other assets, net	31,286	25,557	26,841
	\$3,678,068	\$3,354,217	\$3,394,325
Liabilities and Stockholders' Equity			
Current liabilities:			
Current portion of long-term debt	\$949	\$973	\$1,176
Financed vendor accounts payable	—	31,648	50,310
Accounts payable	1,586,058	1,292,113	1,255,608
Accrued expenses	390,283	404,086	429,262
Other current liabilities	128,338	119,229	91,508
Total current liabilities	2,105,628	1,848,049	1,827,864
Long-term debt	599,438	300,851	301,043
Other long-term liabilities	195,376	165,943	123,380
Commitments and contingencies			
Stockholders' equity:			
Preferred stock, nonvoting, \$0.0001 par value	—	—	—
Common stock, voting, \$0.0001 par value	11	11	11
Additional paid-in capital	485,242	456,645	443,595
Treasury stock, at cost	(1,642,807)	(1,028,612)	(869,256)
Accumulated other comprehensive income (loss)	7,621	(1,597)	(2,080)
Retained earnings	1,927,559	1,612,927	1,569,768
Total stockholders' equity	777,626	1,039,374	1,142,038
	\$3,678,068	\$3,354,217	\$3,394,325

The accompanying notes to the condensed consolidated financial statements  
are an integral part of these statements.



Table of Contents

Advance Auto Parts, Inc. and Subsidiaries  
 Condensed Consolidated Statements of Operations  
 For the Twelve and Forty Week Periods Ended  
 October 8, 2011 and October 9, 2010  
 (in thousands, except per share data)  
 (unaudited)

	Twelve Week Periods Ended		Forty Week Periods Ended	
	October 8, 2011	October 9, 2010	October 8, 2011	October 9, 2010
Net sales	\$1,464,988	\$1,406,511	\$4,842,890	\$4,655,073
Cost of sales, including purchasing and warehousing costs	740,485			