

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**  
Washington, DC 20549

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**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) November 19, 2002**

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**Advance Auto Parts, Inc.**

(Exact name of registrant as specified in its charter)

**Delaware**  
(State or other jurisdiction  
of incorporation)

**001-16797**  
(Commission File Number)

**54-2049910**  
(IRS Employer  
Identification No.)

**5673 Airport Road, N.W., Roanoke, Virginia**  
(Address of principal executive offices)

**24012**  
(Zip Code)

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

(Former name or former address, if changed since last report.)

**INFORMATION TO BE INCLUDED IN THE REPORT**

**Item 7. Financial Statements and Exhibits.**

(c) Exhibits.

<u>Exhibit Number</u>	<u>Description</u>
99.1	Press Release of Advance Auto Parts, Inc., dated November 18, 2002

**Item 9. Regulation FD Disclosure.**

Reference is made to the press release of Advance Auto Parts, Inc. ("Advance"), issued on November 18, 2002, which contains information regarding Advance's fiscal third quarter financial results. The press release is incorporated herein to this Form 8-K by this reference. A copy of the press release is attached to this Form 8-K as Exhibit 99.1.

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## 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.

ADVANCE AUTO PARTS, INC.

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(Registrant)

Date November 19, 2002

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/s/ JEFFREY T. GRAY

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Jeffrey T. Gray  
Senior Vice President, Controller  
and Assistant Secretary

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## EXHIBIT INDEX

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5673 Airport Road  
Roanoke, VA 24012  
Phone (540) 362-4911  
Fax (540) 561-1448

CONTACT: Sheila Stuewe  
Sstuewe@AdvanceAutoParts.com  
Advance Auto Parts  
(540) 561-3281

**ADVANCE AUTO PARTS EARNINGS PER SHARE INCREASED 74% TO \$0.92 BEFORE  
ONE TIME ITEMS, AND ROSE 45% TO \$0.77 AFTER ONE TIME ITEMS  
~ Conference Call November 19, 2002 at 8:00am ~**

Roanoke, Virginia, November 18, 2002

- **Third Quarter Same Store Sales Rose 5.5%**
- **Comparable Operating Margins Increased 280 Basis Points**
- **Free Cash Flow of \$100 to \$110 Million Projected for the Full Year**

Advance Auto Parts, Inc. (NYSE: AAP) today announced its earnings per diluted share increased 73.6% to \$0.92 for the third quarter ended October 5, 2002, before integration expenses and an extraordinary item, compared to \$0.53 for the same quarter last year. After integration expenses and the extraordinary item, earnings per diluted share rose 45.3% to \$0.77.

Year-to-date earnings per diluted share, before integration expenses and the extraordinary item, increased 94.8% to \$2.26 compared to \$1.16 last year. After integration expense and the extraordinary item, earnings per diluted share rose 35.3% to \$1.57.

The Company incurred pre-tax integration expenses related to the Discount Auto Parts acquisition of \$8.2 million during the third quarter and \$26.4 million during the first three fiscal quarters. The Company anticipates its total integration expenses to be approximately \$3 million lower than originally announced and will be approximately \$37 million for 2002.

During the quarter, the Company recorded an after-tax extraordinary loss of \$0.3 million from the extinguishment of debt including un-amortized discounts and premiums paid to repurchase \$3.5 million face value of its 10.25% senior subordinated notes.

Third quarter sales increased 31.7% to \$788.7 million, compared to \$598.8 million last year. Same store sales grew 5.5% for the third quarter compared to 7.1% in the comparable period last year. Discount Auto Parts stores, which are not yet in the reported comparable store base, produced a comparable store sales increase of 6.3% during the third quarter compared to 2.4% last year.

Year-to-date sales rose 33.6% to approximately \$2.6 billion from \$1.9 billion last year. Same store sales rose

6.2% year-to-date, compared to 6.5% last year. The majority of same stores sales gains were generated from an increase in customers, with the remainder being achieved through an increase in transaction size.

Operating income, before integration expenses, increased 90.7% to \$70.8 million from \$37.1 million in the comparable period last year, generating an operating margin increase of 280 basis points to 9.0% from 6.2% last year. Including integration expenses, the Company reported a 68.4% increase in operating income to \$62.5 million, producing a 170 basis points increase in operating margin to 7.9%. Year-to-date operating income, before integration expenses, rose 95.8% to \$194.6 million from \$99.4 million last year, generating an operating margin increase of 240 basis points to 7.5%, compared to 5.1% last year. Including integration expenses, operating income rose 69.2% to \$168.1 million, which produced a 140 basis point increase in operating margin to 6.5%.

Net income, before integration expense and the extraordinary item, rose 121.3% in the third quarter to \$33.7 million from \$15.2 million in the comparable quarter last year. Including integration expenses and the extraordinary item, the Company reported a 86.2% increase in net income to \$28.3 million. Year-to-date net income, before integration expense and the extraordinary item, increased 144.6% to \$81.3 million from \$33.2 million last year. Including integration expense and the extraordinary item, the Company reported a 69.7% increase in net income to \$56.4 million.

The Company generated \$22.3 million in free cash flow in the third quarter and \$166.9 million during the first-three quarters. The Company anticipates generating \$100 to \$110 million in free cash flow in 2002.

Commenting on the third quarter results, Lawrence P. Castellani, the Company's Chief Executive Officer, said, "Generating an operating margin increase of 280 basis points in the third quarter demonstrates that our new initiatives, including our exciting new store format, our labor management system, and our proprietary electronic catalog are generating results. Our team members are dedicated to our three key goals, which are to increase our operating margins, successfully integrate Discount Auto Parts, and use our free cash flow to pay down our debt."

The Company is reaffirming its earnings per diluted share guidance of \$0.38 to \$0.42 per share, before integration expenses and extraordinary items, for the fourth quarter of 2002. For the fiscal year 2003, the Company believes it can achieve a 25% increase in earnings per diluted share.

The Company will host a conference call tomorrow, November 19, 2002, at 8:00 a.m. Eastern Time to discuss its third quarter results. To listen to the live webcast please log on to <http://www.advanceautoparts.com>. The call will be archived on the Company's website: <http://www.advanceautoparts.com> until December 16, 2002.

Advance Auto Parts, Inc. is based in Roanoke, Va., and is the second largest retailer of automotive parts in the United States. At October 5, 2002, the Company had 2,393 stores in 37 states, Puerto Rico and the Virgin Islands. The Company serves both the do-it-yourself and professional installer markets.

***Certain statements contained in this news release are forward-looking statements. These statements discuss, among other things, expected growth, store development and expansion strategy, business strategies, future revenues and future performance, including our future free cash flow and earnings per share. These forward-looking statements are subject to risks, uncertainties and assumptions including, but not limited to, competitive pressures, demand for the Company's products, the market for auto parts, the economy in general, inflation, consumer debt levels, the weather, and other risk factors***

*listed from time to time in the Company's filings with the Securities and Exchange Commission. Actual results may materially differ from anticipated results described in these forward-looking statements. The Company intends these forward looking statements to speak only as of the time of the news release and does not undertake to update or revise them as more information becomes available.*

-Financial Tables To Follow-

**Advance Auto Parts, Inc. and Subsidiaries**

**Condensed Consolidated Balance Sheets**  
**(in thousands)**

	<b>October 5, 2002</b>	<b>December 29, 2001</b>
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 56,843	\$ 18,117
Receivables, net	131,957	93,704
Inventories, net	1,078,388	982,000
Other current assets	32,065	42,027
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Total current assets	1,299,253	1,135,848
Property and equipment, net	718,352	711,282
Assets held for sale	38,569	60,512
Other assets, net	27,029	42,973
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	<b>\$ 2,083,203</b>	<b>\$ 1,950,615</b>
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<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities:		
Bank overdrafts	\$ —	\$ 34,748
Current portion of long-term debt	11,542	23,715
Accounts payable	554,609	429,041
Accrued expenses	223,682	176,218
Other current liabilities	35,276	30,027
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Total current liabilities	825,109	693,749
Long-term debt	761,226	932,022
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Other long-term liabilities	40,677	36,273
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Total stockholders' equity	456,191	288,571
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	<b>\$ 2,083,203</b>	<b>\$ 1,950,615</b>
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*NOTE: These balance sheets do not include the footnotes required by generally accepted accounting principles for complete financial statements.*

**Advance Auto Parts, Inc. and Subsidiaries**

**Condensed Consolidated Statements of Operations**

**Twelve Week Periods Ended  
(in thousands, except per share data)**

	October 5, 2002			October 6, 2001
	As Reported	Adjustment for Non-recurring and Extraordinary Items	Comparable 2002	As Reported(d)
Net sales	\$ 788,662	\$ —	\$ 788,662	\$ 598,793
Cost of sales, including purchasing and warehousing costs	439,000	—	439,000	342,059
Gross profit	349,662	—	349,662	256,734
Selling, general and administrative expenses	287,117	(8,248)(a)	278,869	219,603
Operating income	62,545	8,248	70,793	37,131
Other, net:				
Interest expense	(16,016)	—	(16,016)	(12,121)
Other income, net	299	—	299	310
Total other, net	(15,717)	—	(15,717)	(11,811)
Income before provision for income taxes and extraordinary item	46,828	8,248	55,076	25,320
Provision for income taxes	18,170	3,200 (b)	21,370	10,088
Income before extraordinary item	28,658	5,048	33,706	15,232
Extraordinary item, loss on debt extinguishment, net of \$187 income tax benefit	(295)	295 (c)	—	—
Net income	\$ 28,363	\$ 5,343	\$ 33,706	\$ 15,232
Net income per basic share from:				
Income before extraordinary item	\$ 0.80	\$ 0.14	\$ 0.94	\$ 0.54
Extraordinary item, loss on debt extinguishment	—	—	—	—
	\$ 0.80	\$ 0.14	\$ 0.94	\$ 0.54
Net income per diluted share from:				
Income before extraordinary item	\$ 0.77	\$ 0.15	\$ 0.92	\$ 0.53
Extraordinary item, loss on debt extinguishment	—	\$ —	—	—
	\$ 0.77	\$ 0.15	\$ 0.92	\$ 0.53
Average common shares outstanding	35,673(e)	35,673 (e)	35,673(e)	28,320
Dilutive effect of stock options	1,052	1,052	1,052	456
Average common shares outstanding—assuming dilution	36,725	36,725	36,725	28,776

(a) The \$8,248 represents the non-recurring merger and integration expenses associated with the integration of the Discount Auto Parts operations.

(b) This adjustment reflects the tax impact for the non-recurring merger and integration expenses discussed above at a 38.8% effective tax rate.

(c) This adjustment reflects the ratable portion of deferred loan costs and the premium paid upon the repurchase and retirement of outstanding bonds, net of tax.

(d) The reported results for the quarter ended October 6, 2001 have been restated to reflect the change in accounting principle for unrestricted cooperative advertising funds. See the December 29, 2001, audited financial statements and related footnotes.

(e) Average common shares outstanding is calculated based on the weighted average number of shares outstanding for the quarter. At October 5, 2002, we had 35,686 shares outstanding.

NOTE: These preliminary statements of operations have been prepared on a consistent basis with previously presented statements of operations and do not include the footnotes required by generally accepted accounting principles for complete financial statements.



**Advance Auto Parts, Inc. and Subsidiaries**  
**Condensed Consolidated Statements of Operations**  
**Forty Week Periods Ended**  
**(in thousands, except per share data)**

	October 5, 2002			October 6, 2001
	As Reported	Adjustment for Non-recurring and Extraordinary Items	Comparable 2002	As Reported(d)
Net sales	\$2,585,466	\$ —	\$2,585,466	\$ 1,935,630
Cost of sales, including purchasing and warehousing costs	1,450,282	—	1,450,282	1,110,218
Gross profit	1,135,184	—	1,135,184	825,412
Selling, general and administrative expenses	967,035	(26,442)(a)	940,593	726,011
Operating income	168,149	26,442	194,591	99,401
Other, net:				
Interest expense	(62,734)	—	(62,734)	(45,195)
Other income, net	949	—	949	879
Total other, net	(61,785)	—	(61,785)	(44,316)
Income before provision for income taxes and extraordinary item	106,364	26,442	132,806	55,085
Provision for income taxes	41,270	10,259 (b)	51,529	21,856
Income before extraordinary item	65,094	16,183	81,277	33,229
Extraordinary item, loss on debt extinguishment, net of \$5,512 income tax benefit	(8,694)	8,694 (c)	—	—
Net income	\$ 56,400	\$ 24,877	\$ 81,277	\$ 33,229
Net income per basic share from:				
Income before extraordinary item	\$ 1.87	\$ 0.46	\$ 2.33	\$ 1.17
Extraordinary item, loss on debt extinguishment	(0.25)	0.25	—	—
	\$ 1.62	\$ 0.71	\$ 2.33	\$ 1.17
Net income per diluted share from:				
Income before extraordinary item	\$ 1.81	\$ 0.45	\$ 2.26	\$ 1.16
Extraordinary item, loss on debt extinguishment	(0.24)	0.24	—	—
	\$ 1.57	\$ 0.69	\$ 2.26	\$ 1.16
Average common shares outstanding	34,851(e)	34,851 (e)	34,851(e)	28,295
Dilutive effect of stock options	1,163	1,163	1,163	347
Average common shares outstanding—assuming dilution	36,014	36,014	36,014	28,642

- (a) The \$26,442 represents the non-recurring merger and integration expenses associated with the integration of the Discount Auto Parts operations.
- (b) This adjustment reflects the tax impact for the non-recurring merger and integration expenses discussed above at a 38.8% effective tax rate.
- (c) This adjustment reflects the current and deferred loan costs associated with the Company's refinancing of the tranche B term loan under its senior credit facility and reflects the ratable portion of deferred loan costs and the premium paid upon the repurchase and retirement of outstanding bonds, net of tax.
- (d) The reported results for the quarter ended October 6, 2001 have been restated to reflect the change in accounting principle for unrestricted cooperative advertising funds. See the December 29, 2001, audited financial statements and related footnotes.
- (e) Average common shares outstanding is calculated based on the weighted average number of shares outstanding for the quarter. At October 5, 2002, we had 35,686 shares outstanding.

NOTE: These preliminary statements of operations have been prepared on a consistent basis with previously presented statements of operations and do not include the footnotes required by generally accepted accounting principles for complete financial statements.