

AMERICAN TIRE DISTRIBUTORS ENTERS ASSET PURCHASE AGREEMENT WITH AD HOC LENDER GROUP

ATD Targets Completing Sale Process in Early 2025

HUNTERSVILLE, N.C., November 27, 2024 – American Tire Distributors, Inc. (“ATD” or the “Company”) today announced that it has entered into a “stalking horse” asset purchase agreement (the “APA”) with a buyer entity supported by certain of its prepetition lenders, including credit funds and accounts managed by Guggenheim Partners Investment Management, LLC, KKR, Monarch Alternative Capital LP, Sculptor Capital Management, Inc., and Silver Point Capital, L.P. (collectively, the “Ad Hoc Lender Group”).

“With this APA, we are taking the expected next step in our process to best position ATD for long term success and as a stronger partner to manufacturers and customers who rely on us for their business needs,” said Jim Bienias, Chief Restructuring Officer of ATD, and Partner and Managing Director at AP Services, LLC, an affiliate of AlixPartners, LLP (“AlixPartners”). “We appreciate the Ad Hoc Lender Group’s support and strong belief in our business and associates. We look forward to working with them as we continue our court-supervised process to transition the Company’s ownership and ensure value is maximized for all stakeholders.”

Mr. Bienias continued, “All of us at ATD are grateful for the support we have received from our manufacturer partners and customers since we began this process. We look forward to continuing to work with them and help them drive their businesses. I’m also thankful to all of our associates for their continued hard work and dedication to ATD.”

The APA contemplates that substantially all of the Company’s assets will be acquired through a credit bid of certain of the Company’s funded debt, as well as additional consideration including the assumption of postpetition trade payables and other liabilities, which will reduce ATD’s debt by \$1.3 billion and significantly enhance its operational flexibility. Additional details regarding the consideration for the transaction is included in Court filings. The APA will be subject to a competitive sale process pursuant to Section 363 of the U.S. Bankruptcy Code (the “Sale Process”), during which ATD is soliciting and may consider other bids submitted by third parties in accordance with certain court-approved bidding procedures. Accordingly, the APA will be subject to higher and otherwise better offers, court and regulatory approval, and other closing conditions.

The Court approved the bidding procedures for the Sale Process, which set forth the procedures for the submission of other bids, after a hearing on November 26, 2024. The Company expects to operate normally throughout the Sale Process, which it intends to complete in early 2025.

Additional Information

As previously announced, on October 22, 2024, ATD commenced voluntary proceedings under Chapter 11 of the U.S. Bankruptcy Code to implement a restructuring support agreement entered into with the Ad Hoc Lender Group that contemplated transitioning ownership of the Company through the Sale Process. Additional information regarding ATD’s court-supervised process is available at a dedicated website, www.ATDNext.com.

Court filings and other information related to the proceedings, including instructions on how to file a proof of claim, are available on a separate website administered by the Company's claims agent, Donlin Recano & Company, at www.donlinrecano.com/atd, by calling toll-free at 1-866-666-1597 (or 1-212-771-1128 for calls originating outside the U.S. or Canada), or by sending an email to atdinfo@drc.equiniti.com.

Advisors

Kirkland & Ellis LLP is serving as legal counsel, Moelis and Company LLC is serving as investment banker, and AlixPartners is serving as restructuring advisor to ATD.

The Ad Hoc Lender Group is represented by Akin Gump Strauss Hauer & Feld LLP as legal counsel and Perella Weinberg Partners LP as financial advisor.

The ABL Lenders are represented by Otterbourg P.C. as legal counsel and Carl Marks & Co. as financial advisor.

About American Tire Distributors

American Tire Distributors is one of the largest independent suppliers of tires to the replacement tire market. It operates more than 115 distribution centers serving approximately 80,000 customers across the U.S. The company offers an unsurpassed breadth and depth of inventory, frequent delivery, and value-added services to tire and automotive service customers. American Tire Distributors employs approximately 4,500 associates across its distribution center network.

In 2024, the company has been recognized as: an Environment+Energy Leader Award recipient; a Stevie® Award for Sales & Customer Service recipient; and a multi-award recipient of The American Business Awards®, including a Gold Stevie® Award recipient in the Company of the Year - Automotive & Transport Equipment – Large category and a Silver Stevie® Award recipient in the Artificial Intelligence/Machine Learning Solution category.

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