

Advance Auto Parts Acquires Sears' DieHard Brand for \$200 Million in Cash

|

18 hours ago

DieHard, the Sears brand famous for its car batteries, is set to be sold to Advance Auto Parts in a \$200 million deal that's expected to close today.

Calling DieHard an "iconic American brand" with the "highest brand awareness and regard of any automotive battery brand in North America," Advance Auto Parts president and CEO Tom Greco said in a statement that "DieHard will help differentiate Advance, drive increased DIY customer traffic, and build a unique value proposition for our professional customers and independent car quest partners."

Transformco, the Sears and Kmart parent company that succeeded Sears Holdings following its October 2018 bankruptcy, will retain the rights to sell some DieHard products in Sears stores under the deal. Advance is also giving Transformco an "exclusive royalty-free, perpetual license" to develop, market and sell non-automotive DieHard products.

"DieHard revolutionized the automotive battery category when it launched in 1967, and has continued to be a leader in the category," said Peter Boutros, president of Transformco's Kenmore, Craftsman and DieHard business unit, in a statement. The acquisition by Advance "will complement our plans to introduce new DieHard products in non-automotive categories such as sporting goods, lawn and garden, authentic workwear and other exciting new categories."

Last month, Reuters reported that Sears won a \$250 million lifeline from lenders including billionaire owner Eddie Lampert's hedge fund. It also announced at the time that it would be closing 96 more stores, lowering the number of Sears locations to a mere 182. ESL Investments acquired Sears in January for \$5.3 billion in a quest to save the retailer from dissolution. This all-cash \$200 million deal will provide another influx of cash for the beleaguered company.

At its peak, the 126-year-old department store operated over 4,000 locations under the Sears and Kmart brands. Roughly 600 total are left, including offshoots like Kmart discount stores and Sears Hometown.

In October, it was reported that Sears was exploring potential assets to sell off, including DieHard. Another Sears brand, Craftsman, was sold to Stanley Black & Decker in March 2017 for \$900 million. The tool brand is now sold at home improvement retailers such as Lowe's.

Sears was last profitable in 2010, according to CNBC. Since 2011, the retailer, which was once the top department store in the country, has lost more than \$11 billion.

<https://www.adweek.com/brand-marketing/advance-auto-parts-acquires-sears-diehard-brand-for-200-million-in-cash/>