

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

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 14, 2022**

iPower Inc.

(Exact name of registrant as specified in its charter)

Commission file number: 001-40391

Nevada
(State of
Incorporation)

5200
(Primary Standard Industrial
Classification Code Number.)

82-5144171
(IRS Employer
Identification No.)

iPower Inc.
2399 Bateman Avenue
Duarte, CA 91010
(Address Of Principal Executive Offices) (Zip Code)

(626) 863-7344
(Registrant's Telephone Number, Including Area Code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of each class</u>	<u>Trading Symbol(s)</u>	<u>Name of each exchange on which registered</u>
Common Stock \$0.001 per share	IPW	The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 2.02 Results of Operations and Financial Condition.

On November 14, 2022, iPower Inc., a Nevada corporation (the “Company”), issued a press release announcing its earnings for the first fiscal quarter of 2023. The press release also announced the Company will hold a conference call to discuss its first quarter financial results on Monday, November 14, 2022 at 4:30 p.m. Eastern Time.

The conference call details are as follows:

Date: Monday, November 14, 2022
Time: 4:30 p.m. Eastern Time / 1:30 p.m. Pacific Time
Dial-in Registration Link: <https://register.vevent.com/register/B1913697e089cd46d8af8e45be9b4731b8>
Webcast Registration Link: <https://edge.media-server.com/mmc/p/bm276ipo>

The conference call will be broadcast live and will also be available for replay in the Events & Presentations section of the Company’s website at www.meetipower.com.

A copy of the press release is attached as Exhibit 99.1 hereto and incorporated herein by reference.

In accordance with General Instruction B.2 of Form 8-K, the information in this Item 2.02, including Exhibit 99.1, shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that Section. Such information may be incorporated by reference in another filing under the Exchange Act or the Securities Act of 1933, as amended, only if and to the extent that such subsequent filing specifically references such information.

Item 9.01 Exhibits.

(d) Exhibits

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press Release dated November 14, 2022
104	Cover Page Interactive Data File (formatted in inline XBRL)

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.

Dated: November 14, 2022

iPOWER INC.

By: /s/ Chenlong Tan

Name: **Chenlong Tan**

Title: **Chief Executive Officer**



iPower Reports Fiscal First Quarter 2023 Results

- Fiscal Q1 Revenue up 50% to a Record \$26.0 Million -

- iPower Management to Host Conference Call Today at 4:30 p.m. Eastern Time -

DUARTE, CA, November 14, 2022 -- iPower Inc. (Nasdaq:IPW) (“iPower” or the “Company”), a leading online retailer and supplier of consumer home and garden products, today announced its financial results for its fiscal first quarter ended September 30, 2022.

Fiscal Q1 2023 Results vs. Year-Ago Quarter

- Total revenue increased 50% to \$26.0 million.
- Gross profit increased 37% to \$10.0 million.
- As a percentage of revenue, gross margin was 38.4% compared to 42.1%.
- Net loss was \$4.3 million or \$(0.14) per share as compared to net income of \$0.9 million or \$0.03 per share. The decline was primarily driven by a \$3.1 million goodwill impairment triggered by a decrease in the Company’s market capitalization and the net loss in the quarter.

Management Commentary

“Fiscal Q1 was a period of strong growth despite contending with lingering challenges in the supply chain,” said Lawrence Tan, CEO of iPower. “We generated 50% year-over-year revenue growth while also increasing our in-house product catalog and diversifying our sales with non-hydroponic products. This shift, coupled with our ability to materially grow sales, demonstrates our superior product research, design and merchandising expertise.

“In the next week, we will be unveiling our new corporate rebrand and website. With non-hydroponic products now accounting for the majority of sales, we felt it was prudent to revamp our image to better showcase the new iPower businesses alongside our increasingly diverse product portfolio. This strategic decision will unify iPower’s various products and services as we continue to grow the business both domestically and abroad.”

iPower CFO Kevin Vassily added, “Although certain headwinds in the macro environment persist, we have begun to see improvements in shipping lead times and a reduction in freight costs, which will enable us to lower inventory levels and reduce short-term warehouse expenses. We expect this to benefit our operating margins as well as our cash flow. Looking ahead, we plan to continue driving growth in both our hydroponic and non-hydroponic businesses, while maintaining our judicious approach to capital allocation and returning to profitability.”

Fiscal First Quarter 2023 Financial Results

Total revenue in the fiscal first quarter of 2023 increased 50% to \$26.0 million compared to \$17.4 million for the same period in fiscal 2022. The increase was driven by strong demand for iPower's non-hydroponic product portfolio, including commercial fans, shelving equipment and office chairs, among other items.

Gross profit in the fiscal first quarter of 2023 increased 37% to \$10.0 million as compared to \$7.3 million for the same quarter in fiscal 2022. As a percentage of revenue, gross margin was 38.4% compared to 42.1%. The decrease in gross margin was primarily driven by a greater portion of sales coming from older inventory that incurred higher freight costs.

Total operating expenses in the fiscal first quarter were \$11.5 million compared to \$6.0 million for the same period in fiscal 2022. As a percentage of revenue, operating expenses were 44.1% compared to 34.7% in the year-ago quarter. The increase in operating expenses was primarily driven by higher warehouse expenses due to elevated inventory levels.

Net loss in the fiscal first quarter of 2023 was \$4.3 million or \$(0.14) per share, compared to a net income of \$0.9 million or \$0.03 per share for the same period in fiscal 2022. The decline was primarily driven by a \$3.1 million goodwill impairment charge triggered by the decline in the Company's market capitalization, as well as the aforementioned higher warehouse and freight expenses.

Cash and cash equivalents were \$4.8 million at September 30, 2022, compared to \$1.8 million at June 30, 2022. The increase was primarily due to lower inventory purchases. Total long-term debt as of September 30, 2022 was \$16.1 million compared to \$14.1 million as of June 30, 2022. The increase was driven in-part by timing as the Company utilized its revolving line of credit to better manage working capital.

Conference Call

The Company will conduct a conference call at 4:30 p.m. Eastern time on Monday, November 14, 2022, to discuss the results for its fiscal first quarter ended September 30, 2022.

iPower management will host the conference call, followed by a question-and-answer period. The conference call details are as follows:

Date: Monday, November 14, 2022

Time: 4:30 p.m. Eastern time

Dial-in registration link: [here](#)

Live webcast registration link: [here](#)

Please call the conference call dial-in 5-10 minutes prior to the start time. An operator will register your name and organization. If you have any difficulty connecting with the conference call, please contact Elevate IR at (720) 330-2829.

The conference call will also be broadcast live and available for replay in the Events & Presentations section of the Company's website at www.meetipower.com.

About iPower Inc.

iPower Inc. is a leading online retailer and supplier of consumer home and garden products. iPower offers thousands of stock keeping units from its in-house brands as well as hundreds of other brands through its website, www.zenhydro.com, and its online platform partners. iPower has a diverse customer base that includes both commercial businesses and individuals. For more information, please visit iPower's website at <https://ir.meetipower.com/>.

Forward-Looking Statements

All statements other than statements of historical fact in this announcement are forward-looking statements. These forward-looking statements involve known and unknown risks and uncertainties and are based on current expectations and projections about future events and financial trends that iPower believes may affect its financial condition, results of operations, business strategy and financial needs. Investors can identify these forward-looking statements by words or phrases such as "may," "will," "expect," "anticipate," "aim," "estimate," "intend," "plan," "believe," "potential," "continue," "is/are likely to" or other similar expressions. iPower undertakes no obligation to update forward-looking statements to reflect subsequent events or circumstances, or changes in its expectations, except as may be required by law. Although iPower believes that the expectations expressed in these forward-looking statements are reasonable, it cannot assure you that such expectations will turn out to be correct, and iPower cautions investors that actual results may differ materially from the anticipated results and encourages investors to review other factors that may affect its future results and performance in iPower's Annual Report on Form 10-K, as filed with the SEC on September 28, 2022, iPower's Quarterly Report on Form 10-Q for the quarter ended September 30, 2022, and in its other filings with the SEC.

Investor Relations Contact:

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IPW@elevate-ir.com

Unaudited Condensed Consolidated Balance Sheets
As of September 30, 2022 and June 30, 2022

	September 30, 2022 (Unaudited)	June 30, 2022
ASSETS		
Current assets		
Cash and cash equivalent	\$ 4,842,146	\$ 1,821,947
Accounts receivable, net	18,989,969	17,432,287
Inventories, net	30,313,684	30,433,766
Other receivable - related party	134,262	51,762
Prepayments and other current assets	3,163,763	5,444,463
Total current assets	<u>57,443,824</u>	<u>55,184,225</u>
Non-current assets		
Right of use - non-current	9,805,484	10,453,282
Property and equipment, net	569,878	544,633
Non-current prepayments	817,707	925,624
Goodwill	3,034,110	6,094,144
Investment in joint venture	39,994	43,385
Intangible assets, net	4,767,099	4,929,442
Other non-current assets	412,626	406,732
Total non-current assets	<u>19,446,898#</u>	<u>23,397,242</u>
Total assets	<u>\$ 76,890,722</u>	<u>\$ 78,581,467</u>
LIABILITIES AND EQUITY		
Current liabilities		
Accounts payable	\$ 14,818,253	\$ 9,533,408
Credit cards payable	151,125	807,687
Customer deposit	348,948	273,457
Other payables and accrued liabilities	2,090,595	5,915,220
Advance from shareholders	86,847	92,246
Short-term loans payable	-	-
Investment payable	1,500,000	1,500,000
Lease liability - current	2,593,995	2,582,933
Long-term promissory note payable - current portion	2,806,565	1,879,065
Income taxes payable	282,029	299,563
Total current liabilities	<u>24,678,357</u>	<u>22,883,579</u>
Non-current liabilities		
Long-term revolving loan payable, net	15,192,660	12,314,627
Long-term promissory note payable, net	894,023	1,781,705
Deferred tax liabilities	271,040	939,115
Lease liability - non-current	7,616,586	8,265,611
Total non-current liabilities	<u>23,974,309</u>	<u>23,301,058</u>
Total liabilities	<u>48,652,666</u>	<u>46,184,637</u>
Commitments and contingency	-	-
Stockholders' Equity		
Preferred stock, \$0.001 par value; 20,000,000 shares authorized; 0 shares issued and outstanding at September 30, 2022 and 2021	-	-
Common stock, \$0.001 par value; 180,000,000 shares authorized; 29,572,382 and 29,572,382 shares issued and outstanding at September 30, 2022 and June 30, 2022	29,573	29,573
Additional paid in capital	29,249,745	29,111,863
Retained earnings	(919,428)	3,262,948
Non-controlling interest	(16,037)	-13,232
Accumulated other comprehensive (loss) income	(105,797)	5,678
Total equity	<u>28,238,056</u>	<u>32,396,830</u>
Total liabilities and equity	<u>\$ 76,890,722</u>	<u>\$ 78,581,467</u>

iPower Inc. and Subsidiaries
Unaudited Condensed Consolidated Statements of Operations and Comprehensive Income (Loss)
For the Three Months Ended September 30, 2022 and 2021

	For the Three Months Ended September 30,	
	2022 (Unaudited)	2021 (Unaudited)
REVENUES	\$ 26,022,673	\$ 17,366,765
TOTAL REVENUES	<u>26,022,673</u>	<u>17,366,765</u>
COST OF REVENUES	16,036,957	10,053,063
GROSS PROFIT	<u>9,985,716</u>	<u>7,313,702</u>
OPERATING EXPENSES:		
Selling and fulfillment	8,418,812	3,665,921
General and administrative	3,100,176	2,357,466
Impairment loss - goodwill	3,060,034	-
Total operating expenses	<u>14,579,022</u>	<u>6,023,387</u>
(LOSS) INCOME FROM OPERATIONS	<u>(4,593,306)</u>	<u>1,290,315</u>
OTHER INCOME (EXPENSE)		
Interest expenses	(248,041)	-
Other financing expenses	-	(59,000)
Loss on equity method investment	(3,390)	-
Other non-operating income (expense)	211,760	(812)
Total other expenses, net	<u>(39,671)</u>	<u>(59,812)</u>
(LOSS) INCOME BEFORE INCOME TAXES	(4,632,977)	1,230,503
PROVISION FOR INCOME TAX (BENEFIT) EXPENSE	(447,796)	342,975
NET (LOSS) INCOME	<u>(4,185,181)</u>	<u>887,528</u>
Non-controlling interest	(2,805)	-
NET (LOSS) INCOME ATTRIBUTABLE TO IPOWERS INC.	<u>\$ (4,182,376)</u>	<u>\$ 887,528</u>
OTHER COMPREHENSIVE LOSS		
Foreign currency translation adjustments	(111,475)	-
COMPREHENSIVE (LOSS) INCOME ATTRIBUTABLE TO IPOWERS INC.	<u>\$ (4,293,851)</u>	<u>\$ 887,528</u>
WEIGHTED AVERAGE NUMBER OF COMMON STOCK		
Basic	<u>29,665,716</u>	<u>26,484,528</u>
Diluted	<u>29,665,716</u>	<u>26,495,420</u>
(LOSSES) EARNINGS PER SHARE		
Basic	<u>\$ (0.14)</u>	<u>\$ 0.03</u>
Diluted	<u>\$ (0.14)</u>	<u>\$ 0.03</u>