

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): **September 14, 2023**

**iPower Inc.**

(Exact name of registrant as specified in its charter)

Nevada  
\_\_\_\_\_  
(State or other jurisdiction  
of incorporation)

001-40391  
\_\_\_\_\_  
(Commission File Number)

82-5144171  
\_\_\_\_\_  
(IRS Employer  
Identification No.)

8798 9th Street  
Rancho Cucamonga, CA 91730  
(Address Of Principal Executive Offices) (Zip Code)

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

2399 Bateman Avenue  
Duarte, CA 91010  
(Former name or former address, if changed since last report.)

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:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
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.

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**Item 2.02 Results of Operations and Financial Condition.**

On September 14, 2023, iPower Inc., a Nevada corporation (the “Company”), issued a press release announcing its earnings for the fiscal fourth quarter and full fiscal year ended June 30, 2023. The press release also announced the Company will hold a conference call to discuss its fiscal fourth quarter and full fiscal year financial results on Thursday, September 14, 2023, at 4:30 p.m. Eastern Time.

The conference call details are as follows:

**Date:** Thursday, September 14, 2023  
**Time:** 4:30 p.m. Eastern Time / 1:30 p.m. Pacific Time  
**Dial-in Registration Link:** <https://register.vevent.com/register/BI3034b2b0ea624c2a9ac35ca1e37c42eb>  
**Live Webcast Registration Link:** <https://edge.media-server.com/mmc/p/ujcagrw/>

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](http://www.meetipower.com).

A copy of the press release is attached 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	<a href="#">Press Release dated September 14, 2023.</a>
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: September 14, 2023

iPower Inc.

By: /s/ Chenlong Tan

Name: **Chenlong Tan**

Title: **Chief Executive Officer**



## iPower Reports Fiscal Fourth Quarter and Full Year 2023 Results

- Fiscal 2023 Revenue up 12% to Record \$88.9 Million, with Cash Flow from Operations of \$9.2 Million -

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

**DUARTE, CA, September 14, 2023** -- iPower Inc. (Nasdaq: IPW) (“iPower” or the “Company”), a tech and data-driven online retailer and supplier of consumer home and garden products, as well as a provider of value-added ecommerce services, today announced financial results for its fiscal fourth quarter and full fiscal year ended June 30, 2023.

### Fiscal Q4 2023 Results vs. Year-Ago Quarter

- Total revenue increased 6% to \$23.4 million as compared to \$22.1 million.
- Gross profit remained flat at \$9.1 million, with gross margin of 38.7% as compared to 41.2%.
- Net loss attributable to iPower was \$3.0 million or \$(0.10) per share, as compared to net loss of \$1.3 million or \$(0.05) per share.
- As of June 30, 2023, net debt (total debt less cash) was reduced by 43% to \$8.1 million as compared to net debt of \$14.2 million as of June 30, 2022.

### Fiscal 2023 Results vs. Fiscal 2022

- Total revenue increased 12% to \$88.9 million as compared to \$79.4 million.
- Gross profit increased 5% to \$34.8 million as compared to \$33.2 million, with gross margin of 39.1% compared to 41.8%.
- Net loss attributable to iPower was \$12.0 million or \$(0.40) per share, as compared to net income of \$1.5 million or \$0.06 per share. The fiscal 2023 period includes approximately \$3 million related to a goodwill impairment incurred earlier in the fiscal year.
- Cash flow from operations improved significantly to \$9.2 million as compared to cash used of \$16.6 million.

### Management Commentary

“Fiscal 2023 marked our third consecutive year of double-digit revenue growth driven by consistent, strong demand for our in-house products and continued expansion of our non-hydroponic portfolio,” said Lawrence Tan, CEO of iPower. “Throughout the fiscal year, we emphasized in-house products sales which accounted for over 90% of revenue while continuing to diversify our product offerings beyond hydroponics, which grew to more than 75% of sales in fiscal 2023. We believe that our ability to generate double-digit growth while shifting our product mix into new categories demonstrates our superior product research, design and merchandising capabilities.”

iPower CFO, Kevin Vassily, added, “During the year, we continued to work through high-cost inventory buildup from prior periods, which has weighed on our gross margin in recent quarters. However, we have now sold through most of the excess inventory and expect gross margin to improve in fiscal 2024. With an improved supply chain, normalized inventory levels and continued demand for our in-house products, we believe that we are well positioned to execute on our growth and profitability objectives in fiscal 2024.”

## **Fiscal Fourth Quarter 2023 Financial Results**

Total revenue in the fiscal fourth quarter of 2023 increased 6% to \$23.4 million as compared to \$22.1 million for the same period in fiscal 2022. The increase was primarily driven by greater product sales to the Company's largest channel partner, as well as strong demand for iPower's non-hydroponic product portfolio which now accounts for over 75% of revenue.

Gross profit in the fiscal fourth quarter of 2023 remained flat at \$9.1 million compared to the same quarter in fiscal 2022. As a percentage of revenue, gross margin was 38.7% as compared to 41.2% in the year-ago period. The decrease in gross margin was primarily driven by a higher cost of goods sold related to inventory that previously incurred higher freight charges, as well as normal variations in product and channel mix.

Total operating expenses in the fiscal fourth quarter of 2023 were \$12.0 million as compared to \$10.6 million for the same period in fiscal 2022. The increase was driven in part by higher selling, fulfillment, and marketing costs related to the sale of inventory built up in prior quarters.

Net loss attributable to iPower in the fiscal fourth quarter of 2023 was \$3.0 million or \$(0.10) per share, as compared to a net loss of \$1.3 million or \$(0.05) per share for the same period in fiscal 2022. The decline was driven in part by the aforementioned higher operating expenses.

Cash and cash equivalents were \$3.7 million at June 30, 2023, as compared to \$1.8 million at June 30, 2022. Total debt as of June 30, 2023 was \$11.8 million as compared to \$16.0 million as of June 30, 2022. As a result of the Company's debt paydown, iPower's net debt (total debt less cash) position was reduced by 43% to \$8.1 million as compared to \$14.2 million as of June 30, 2022.

## **Conference Call**

The Company will hold a conference call today, September 14, 2023, at 4:30 p.m. Eastern Time to discuss the results for its fiscal fourth quarter and full fiscal year ended June 30, 2023.

iPower's management will host the conference call, which will be followed by a question-and-answer session.

The conference call details are as follows:

Date: Thursday, September 14, 2023

Time: 4:30 p.m. Eastern Time

Dial-in registration link: <https://register.vevent.com/register/BI3034b2b0ea624c2a9ac35ca1e37c42eb>

Live webcast registration link: <https://edge.media-server.com/mmc/p/ujcagrwy/>

Please dial into the conference call 5-10 minutes prior to the start time. If you have any difficulty connecting with the conference call, please contact the Company's investor relations team at [IPW@elevate-ir.com](mailto:IPW@elevate-ir.com).

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](http://www.meetipower.com).

**About iPower Inc.**

iPower Inc. is a tech and data-driven online retailer and supplier of consumer home and garden products, as well as a provider of value-added ecommerce services for third-party products and brands. iPower offers thousands of stock keeping units from its in-house brands as well as hundreds of other brands through its ecommerce channel partners and its websites, [www.zenhydro.com](http://www.zenhydro.com) and [www.simpledeluxe.com](http://www.simpledeluxe.com). iPower has a diverse customer base that includes both commercial businesses and individuals. For more information, please visit iPower's website at [www.meetipower.com](http://www.meetipower.com).

**Forward-Looking Statements**

All statements other than statements of historical fact in this press release 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 14, 2023, and in its other SEC filings.

**Investor Relations Contact:**

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iPower Inc. and Subsidiaries  
Consolidated Balance Sheets  
As of June 30, 2023 and 2022

	June 30, 2023	June 30, 2022
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalent	\$ 3,735,642	\$ 1,821,947
Accounts receivable, net	14,071,543	17,432,287
Inventories, net	20,593,889	30,433,766
Other receivable - related party	–	51,762
Prepayments and other current assets	2,858,196	5,444,463
Total current assets	<u>41,259,270</u>	<u>55,184,225</u>
<b>Non-current assets</b>		
Right of use - non-current	7,837,345	10,453,282
Property and equipment, net	536,418	544,633
Deferred tax assets	2,155,250	–
Non-current prepayments	531,456	925,624
Goodwill	3,034,110	6,094,144
Investment in joint venture	33,113	43,385
Intangible assets, net	4,280,071	4,929,442
Other non-current assets	427,254	406,732
Total non-current assets	<u>18,835,017</u>	<u>23,397,242</u>
Total assets	<u>\$ 60,094,287</u>	<u>\$ 78,581,467</u>
<b>LIABILITIES AND EQUITY</b>		
<b>Current liabilities</b>		
Accounts payable	13,244,957	9,533,408
Credit cards payable	366,781	807,687
Customer deposit	350,595	273,457
Other payables and accrued liabilities	4,831,067	5,915,220
Advance from shareholders	85,200	92,246
Investment payable	–	1,500,000
Lease liability - current	2,159,173	2,582,933
Long-term promissory note payable - current portion	2,017,852	1,879,065
Income taxes payable	276,683	299,563
Total current liabilities	<u>23,332,308</u>	<u>22,883,579</u>
<b>Non-current liabilities</b>		
Long-term revolving loan payable, net	9,791,191	12,314,627
Long-term promissory note payable, net	–	1,781,705
Deferred tax liabilities	–	939,115
Lease liability - non-current	6,106,047	8,265,611
Total non-current liabilities	<u>15,897,238</u>	<u>23,301,058</u>
Total liabilities	<u>39,229,546</u>	<u>46,184,637</u>
Commitments and contingency	–	–
<b>Stockholders' Equity</b>		
Preferred stock, \$0.001 par value; 20,000,000 shares authorized; 0 shares issued and outstanding at June 30, 2023 and 2022	–	–
Common stock, \$0.001 par value; 180,000,000 shares authorized; 29,710,939 and 29,572,382 shares issued and outstanding at June 30, 2023 and 2022	29,712	29,573
Additional paid in capital	29,624,520	29,111,863
(Accumulated deficits) Retained earnings	(8,702,442)	3,262,948
Non-controlling interest	(24,915)	(13,232)
Accumulated other comprehensive income (loss)	(62,134)	5,678
Total equity	<u>20,864,741</u>	<u>32,396,830</u>
Total liabilities and equity	<u>\$ 60,094,287</u>	<u>\$ 78,581,467</u>





iPower Inc. and Subsidiaries  
Consolidated Statements of Operations  
For the Years Ended June 30, 2023 and 2022

	For the Three Months Ended June 30,		For the Years Ended June 30,	
	2023	2022	2023	2022
	(Unaudited)	(Unaudited)		
REVENUES	\$ 23,399,166	\$ 22,117,831	\$ 88,902,048	\$ 79,418,473
TOTAL REVENUES	<u>23,399,166</u>	<u>22,117,831</u>	<u>88,902,048</u>	<u>79,418,473</u>
COST OF REVENUES	14,348,668	12,998,903	54,104,587	46,218,580
GROSS PROFIT	<u>9,050,498</u>	<u>9,118,928</u>	<u>34,797,461</u>	<u>33,199,893</u>
OPERATING EXPENSES:				
Selling and fulfillment	8,133,299	6,842,363	32,427,972	19,180,390
General and administrative	3,913,672	3,767,117	12,792,998	11,707,466
Impairment loss - goodwill	-	-	3,060,034#	-
Total operating expenses	<u>12,046,971</u>	<u>10,609,480</u>	<u>48,281,004</u>	<u>30,887,856</u>
(LOSS) INCOME FROM OPERATIONS	<u>(2,996,473)</u>	<u>(1,490,552)</u>	<u>(13,483,543)</u>	<u>2,312,037</u>
OTHER INCOME (EXPENSE)				
Interest expenses	(265,497)	(231,017)	(1,066,280)	(458,159)
Other financing expenses	-	-	-	(80,010)
Loss on equity method investment	(1,376)	5,673	(10,001)	(6,616)
Other non-operating income	(306,874)	210,893	(107,749)	296,366
Total other expenses, net	<u>(573,747)</u>	<u>(14,451)</u>	<u>(1,184,030)</u>	<u>(248,419)</u>
(LOSS) INCOME BEFORE INCOME TAXES	(3,570,220)	(1,505,003)	(14,667,573)	2,063,618
PROVISION FOR INCOME TAX (BENEFIT) EXPENSE	(605,374)	(146,570)	(2,690,500)	558,975
NET (LOSS) INCOME	<u>(2,964,846)</u>	<u>(1,358,433)</u>	<u>(11,977,073)</u>	<u>1,504,643</u>
Non-controlling interest	(2,805)	(9,162)	(11,683)	(13,232)
NET (LOSS) INCOME ATTRIBUTABLE TO IPOWERR INC.	<u>\$ (2,962,041)</u>	<u>\$ (1,349,271)</u>	<u>\$ (11,965,390)</u>	<u>\$ 1,517,875</u>
OTHER COMPREHENSIVE LOSS				
Foreign currency translation adjustments	(21,090)	8,904	(67,812)	5,678
COMPREHENSIVE (LOSS) INCOME ATTRIBUTABLE TO IPOWERR INC.	<u>\$ (2,983,131)</u>	<u>\$ (1,340,367)</u>	<u>\$ (12,033,202)</u>	<u>\$ 1,523,553</u>
WEIGHTED AVERAGE NUMBER OF COMMON STOCK				
Basic	<u>29,747,497</u>	<u>29,662,448</u>	<u>29,713,354</u>	<u>27,781,493</u>
Diluted	<u>29,747,497</u>	<u>29,662,448</u>	<u>29,713,354</u>	<u>27,781,493</u>
(LOSSES) EARNINGS PER SHARE				
Basic	<u>\$ (0.100)</u>	<u>\$ (0.045)</u>	<u>\$ (0.403)</u>	<u>\$ 0.055</u>
Diluted	<u>\$ (0.100)</u>	<u>\$ (0.045)</u>	<u>\$ (0.403)</u>	<u>\$ 0.055</u>