

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, 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)

(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.

Item 2.02 Results of Operations and Financial Condition.

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

The conference call details are as follows:

Date: Tuesday, November 14, 2023
Time: 4:30 p.m. Eastern time / 1:30 p.m. Pacific Time
Dial-in Registration Link: <https://register.vevent.com/register/B1c82c47457e9b44f6965c9010a134f2dc>
Live Webcast Registration Link: <https://edge.media-server.com/mmc/p/yzuoi4h4/>

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 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, 2023.
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, 2023

iPower Inc.

By: /s/ Kevin Vassily

Name: Kevin Vassily

Title: Chief Financial Officer



iPower Reports Fiscal First Quarter 2024 Results

- Record Quarterly Revenue, Driven In-Part by Ramp of New SuperSuite Supply Chain Business -

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

DUARTE, CA, November 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 first quarter ended September 30, 2023.

Fiscal Q1 2024 Results vs. Fiscal Q1 2023 (unless otherwise noted)

- Total revenue increased 2% to \$26.5 million compared to the Company’s record \$26.0 million in Q1 2023.
- Gross profit increased 18% to \$11.8 million, while gross margin increased 600 bps to 44.4% compared to 38.4%.
- Net loss attributable to iPower improved 69% to \$1.3 million or \$(0.04) per share, compared to net loss attributable to iPower of \$4.2 million or \$(0.14) per share.
- As of September 30, 2023, net debt (total debt less cash) was reduced by 48% to \$4.2 million compared to net debt of \$8.1 million as of June 30, 2023.

Management Commentary

“We continued to generate revenue growth during the quarter, surpassing the challenging comp against our record revenues in fiscal Q1 2023,” said Lawrence Tan, CEO of iPower. “Sales of our non-hydroponic products remained strong at more than 75% of revenue, largely driven by categories such as fans, shelving and outdoor patio furniture. Business generated by our SuperSuite supply chain partnerships has reached an annualized revenue run-rate of approximately \$7.0 million and continues to gain momentum as we work through our growing pipeline of prospective partnerships. We are pleased with the early financial results as well as the invaluable insights that we are gaining from this accelerating area of our business.”

iPower CFO, Kevin Vassily, added, “As highlighted last quarter, we have continued to drive reductions to our supply of higher cost inventory and are now beginning to realize the benefit of our efforts through gross margin expansion, which has reached our highest level in nearly two years. Additionally, we made material improvements to our capitalization during the quarter, with net debt decreasing 48% as compared to the close of fiscal 2023. These actions place us in a good position to capitalize on prospective acquisition opportunities as we continue to drive growth and target a return to profitability in fiscal 2024.”

Fiscal First Quarter 2024 Financial Results

Total revenue in the fiscal first quarter of 2024 increased 2% to \$26.5 million as compared to \$26.0 million for the same period in fiscal 2023. The increase was driven in-part by growth from the Company's SuperSuite supply chain offerings, which is generating approximately \$600,000 in revenue per month, as well as favorable seasonality in the Company's product mix.

Gross profit in the fiscal first quarter of 2024 increased 18% to \$11.8 million as compared to \$10.0 million in the same quarter in fiscal 2023. As a percentage of revenue, gross margin increased 600 basis points to 44.4% compared to 38.4% in the year-ago period. The increase in gross margin was primarily driven by a favorable product mix.

Total operating expenses in the fiscal first quarter of 2024 improved 11% to \$13.0 million compared to \$14.6 million for the same period in fiscal 2023. The decrease was driven primarily by a \$3.1 million decrease in impairment loss on goodwill, partially offset by increased selling and fulfillment expenses.

Net loss attributable to iPower in the fiscal first quarter of 2024 improved to \$1.3 million or \$(0.04) per share, as compared to a net loss attributable to iPower of \$4.2 million or \$(0.14) per share for the same period in fiscal 2023. The improvement was driven by the aforementioned higher gross profit and lower operating expenses.

Cash and cash equivalents were \$2.7 million at September 30, 2023, as compared to \$3.7 million at June 30, 2023. Total debt as of September 30, 2023 was \$7.0 million as compared to \$11.8 million as of June 30, 2023. As a result of the Company's debt paydown, net debt (total debt less cash) was reduced by 48% to \$4.3 million compared to \$8.1 million as of June 30, 2023.

Conference Call

The Company will hold a conference call today, November 14, 2023, at 4:30 p.m. Eastern Time to discuss the results for its fiscal first quarter ended September 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: Tuesday, November 14, 2023

Time: 4:30 p.m. Eastern time

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

Live webcast registration link: [here](#)

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.

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 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 and www.simplifiedeluxe.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.

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 15, 2023, its Quarterly Report on Form 10-Q, as filed with the SEC on November 14, 2023, and in its other SEC filings.

Investor Relations Contact:

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iPower Inc. and Subsidiaries
Unaudited Condensed Consolidated Balance Sheets
As of September 30, 2023 and June 30, 2023

	September 30, 2023 (Unaudited)	June 30, 2023
ASSETS		
Current assets		
Cash and cash equivalent	\$ 2,729,161	\$ 3,735,642
Accounts receivable, net	13,237,282	14,071,543
Inventories, net	15,056,623	20,593,889
Other receivable - related party	-	-
Prepayments and other current assets	1,811,499	2,858,196
Total current assets	<u>32,834,565</u>	<u>41,259,270</u>
Non-current assets		
Right of use - non-current	7,763,712	7,837,345
Property and equipment, net	496,901	536,418
Deferred tax assets	2,432,439	2,155,250
Non-current prepayments	461,034	531,456
Goodwill	3,034,110	3,034,110
Investment in joint venture	32,088	33,113
Intangible assets, net	4,117,728	4,280,071
Other non-current assets	417,639	427,254
Total non-current assets	<u>18,755,651</u>	<u>18,835,017</u>
Total assets	<u>\$ 51,590,216</u>	<u>\$ 60,094,287</u>
LIABILITIES AND EQUITY		
Current liabilities		
Accounts payable	12,031,323	13,244,957
Credit cards payable	693,327	366,781
Customer deposit	362,826	350,595
Other payables and accrued liabilities	3,292,581	4,831,067
Advance from shareholders	84,718	85,200
Investment payable	-	-
Lease liability - current	2,169,603	2,159,173
Short-term loan payable - related party	1,006,060	2,017,852
Long-term promissory note payable - current portion	1,149,961	-
Income taxes payable	275,117	276,683
Total current liabilities	<u>21,065,516</u>	<u>23,332,308</u>
Non-current liabilities		
Long-term revolving loan payable, net	4,808,322	9,791,191
Long-term promissory note payable, net	-	-
Deferred tax liabilities	-	-
Lease liability - non-current	6,023,813	6,106,047
Total non-current liabilities	<u>10,832,135</u>	<u>15,897,238</u>
Total liabilities	<u>31,897,651</u>	<u>39,229,546</u>
Commitments and contingency	-	-
Stockholders' Equity		
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	29,712
Additional paid in capital	29,742,402	29,624,520
(Accumulated deficits) Retained earnings	(9,988,957)	(8,702,442)
Non-controlling interest	(27,751)	(24,915)
Accumulated other comprehensive income (loss)	(62,841)	(62,134)
Total equity	<u>19,692,565</u>	<u>20,864,741</u>
Total liabilities and equity	<u>\$ 51,590,216</u>	<u>\$ 60,094,287</u>

iPower Inc. and Subsidiaries
Unaudited Condensed Consolidated Statements of Operations
For the Three Months Ended September 30, 2023 and 2022

	For the Three Months Ended September 30,	
	2023 (Unaudited)	2022 (Unaudited)
REVENUES	\$ 26,508,487	\$ 26,022,673
TOTAL REVENUES	<u>26,508,487</u>	<u>26,022,673</u>
COST OF REVENUES	14,749,529	16,036,957
GROSS PROFIT	<u>11,758,845</u>	<u>9,985,716</u>
OPERATING EXPENSES:		
Selling and fulfillment	10,063,471	8,418,812
General and administrative	2,964,051	3,100,176
Impairment loss - goodwill	-	3,060,034
Total operating expenses	<u>13,027,522</u>	<u>14,579,022</u>
(LOSS) INCOME FROM OPERATIONS	<u>(1,268,677)</u>	<u>(4,593,306)</u>
OTHER INCOME (EXPENSE)		
Interest expenses	(228,365)	(248,041)
Other financing expenses	-	-
Loss on equity method investment	(1,025)	(3,390)
Other non-operating income	(67,166)	211,760
Total other expenses, net	<u>(296,556)</u>	<u>(39,671)</u>
(LOSS) INCOME BEFORE INCOME TAXES	(1,565,233)	(4,632,977)
PROVISION FOR INCOME TAX (BENEFIT) EXPENSE	(275,882)	(447,796)
NET (LOSS) INCOME	<u>(1,289,351)</u>	<u>(4,185,181)</u>
Non-controlling interest	(2,836)	(2,805)
NET (LOSS) INCOME ATTRIBUTABLE TO IPOWVER INC.	<u>\$ (1,286,515)</u>	<u>\$ (4,182,376)</u>
OTHER COMPREHENSIVE LOSS		
Foreign currency translation adjustments	(707)	(111,475)
COMPREHENSIVE (LOSS) INCOME ATTRIBUTABLE TO IPOWVER INC.	<u>\$ (1,287,222)</u>	<u>\$ (4,293,851)</u>
WEIGHTED AVERAGE NUMBER OF COMMON STOCK		
Basic	<u>29,764,515</u>	<u>29,665,716</u>
Diluted	<u>29,764,515</u>	<u>29,665,716</u>
(LOSSES) EARNINGS PER SHARE		
Basic	<u>\$ (0.04)</u>	<u>\$ (0.14)</u>
Diluted	<u>\$ (0.04)</u>	<u>\$ (0.14)</u>