

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): **February 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.)

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 February 14, 2023, iPower Inc., a Nevada corporation (the “Company”), issued a press release announcing its earnings for the second fiscal quarter ended December 31, 2022. The press release also announced the Company will hold a conference call to discuss its second fiscal quarter financial results on Tuesday, February 14, 2023 at 4:30 p.m. Eastern Time.

The conference call details are as follows:

**Date:** Tuesday, February 14, 2023  
**Time:** 4:30 p.m. Eastern time / 1:30 p.m. Pacific Time  
**Dial-in Registration Link:** <https://register.vevent.com/register/B1fe8defdfa93a4003b77203e9a995d61b>  
**Webcast Registration Link:** <https://edge.media-server.com/mmc/p/sddbmnhf>

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 February 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: February 14, 2023

iPower Inc.

By: /s/ Chenlong Tan

Name: **Chenlong Tan**

Title: **Chief Executive Officer**



## iPower Reports Fiscal Second Quarter 2023 Results

- Fiscal Q2 Revenue up 12% to 19.3 Million -

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

**DUARTE, CA, February 14, 2023** -- iPower Inc. (Nasdaq:IPW) (“iPower” or the “Company”), a leading online retailer and supplier of consumer home and garden products, today announced financial results for its fiscal second quarter ended December 31, 2022.

### **Fiscal Q2 2023 Results vs. Year-Ago Quarter** (unless otherwise noted)

- Total revenue increased 12% to \$19.3 million.
- Gross profit increased 5% to \$8.0 million, with gross margin of 41.4% compared to 44.1%.
- Net loss attributable to iPower was \$3.3 million or \$(0.11) per share, compared to net income of \$0.8 million or \$0.03 per share.
- As of December 31, 2022, net debt (total debt less cash) was reduced by 42% to \$8.2 million compared to net debt of \$14.2 million as of June 30, 2022.

### **Management Commentary**

“We generated double-digit revenue growth during our fiscal second quarter as we strategically leaned into sales and marketing to offload excess inventory that had built up in recent quarters,” said Lawrence Tan, CEO of iPower. “During the fiscal second quarter, our in-house products accounted for the majority of our revenue mix, demonstrating the consistent, strong demand for iPower’s products. We anticipate our continued investment in product development will ensure our product catalog is stocked with market-leading offerings to drive future growth and profitability.”

iPower CFO Kevin Vassily added, “Toward the end of the calendar year, the supply chain environment began to stabilize with freight and shipping costs returning to pre-covid levels. With an improved supply chain, we made the strategic decision to increase our marketing spend to significantly reduce our inventory. This ongoing effort will enable us to eliminate extra warehousing space and the higher cost associated with it. We expect these actions, coupled with continued revenue growth, will drive improvements to our bottom line in the quarters ahead.”

### **Fiscal Second Quarter 2023 Financial Results**

Total revenue in the fiscal second quarter of 2023 increased 12% to \$19.3 million compared to \$17.1 million for the same period in fiscal 2022. The increase was driven by strong demand for iPower’s in-house product portfolio, including shelving, office and pet products, as well as hydroponic equipment.

Gross profit in the fiscal second quarter of 2023 increased 5% to \$8.0 million compared to \$7.6 million for the same quarter in fiscal 2022. As a percentage of revenue, gross margin was 41.4% compared to 44.1% in the year-ago period. The decrease in gross margin was primarily driven by increased freight charges, as well as channel and product category mix.

Total operating expenses in the fiscal second quarter were \$12.1 million compared to \$6.4 million for the same period in fiscal 2022. The increase in operating expenses was primarily driven by higher selling, fulfillment and marketing costs related to the sale of inventory built-up in prior quarters. iPower anticipates lower operating expenses going forward.

Net loss attributable to iPower in the fiscal second quarter of 2023 was \$3.3 million or \$(0.11) per share, compared to net income of \$0.8 million or \$0.03 per share for the same period in fiscal 2022. The decline was primarily driven by the aforementioned higher selling, fulfillment and marketing costs.

Cash and cash equivalents were \$4.0 million at December 31, 2022, compared to \$1.8 million at June 30, 2022. The increase was primarily due to improved working capital. Total debt as of December 31, 2022 was \$12.2 million compared to \$16.0 million as of June 30, 2022. As a result of the Company's debt paydown and improved working capital, iPower's net debt (total debt less cash) position was reduced 42% to \$8.2 million compared to \$14.2 million as of June 30, 2022.

### **Conference Call**

The Company will conduct a conference call at 4:30 p.m. Eastern time on Tuesday, February 14, 2023, to discuss the results for its fiscal second quarter ended December 31, 2022.

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

Date: Tuesday, February 14, 2023

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](http://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 ecommerce channel partners and its website, [www.zenhydro.com](http://www.zenhydro.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 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 December 31, 2022, and in its other filings with the SEC.

### **Investor Relations Contact:**

Sean Mansouri, CFA

Elevate IR

(720) 330-2829

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iPower Inc. and Subsidiaries  
Unaudited Condensed Consolidated Balance Sheets  
As of December 31, 2022 and June 30, 2022

	December 31, 2022 (Unaudited)	June 30, 2022
<b>ASSETS</b>		
Current assets		
Cash and cash equivalent	\$ 3,997,125	\$ 1,821,947
Accounts receivable, net	11,646,757	17,432,287
Inventories, net	23,258,161	30,433,766
Other receivable - related party	39,853	51,762
Prepayments and other current assets	3,714,473	5,444,463
<b>Total current assets</b>	<b>42,656,369</b>	<b>55,184,225</b>
Non-current assets		
Right of use - non-current	9,161,836	10,453,282
Property and equipment, net	603,518	544,633
Deferred tax assets	849,579	-
Non-current prepayments	709,790	925,624
Goodwill	3,034,110	6,094,144
Investment in joint venture	36,057	43,385
Intangible assets, net	4,604,756	4,929,442
Other non-current assets	401,312	406,732
<b>Total non-current assets</b>	<b>19,400,958</b>	<b>23,397,242</b>
<b>Total assets</b>	<b>\$ 62,057,327</b>	<b>\$ 78,581,467</b>
<b>LIABILITIES AND EQUITY</b>		
Current liabilities		
Accounts payable	12,109,715	9,533,408
Credit cards payable	223,039	807,687
Customer deposit	368,717	273,457
Other payables and accrued liabilities	2,070,567	5,915,220
Advance from shareholders	89,592	92,246
Investment payable	-	1,500,000
Lease liability - current	2,563,468	2,582,933
Long-term promissory note payable - current portion	1,977,502	1,879,065
Income taxes payable	290,946	299,563
<b>Total current liabilities</b>	<b>19,693,546</b>	<b>22,883,579</b>
Non-current liabilities		
Long-term revolving loan payable, net	9,334,819	12,314,627
Long-term promissory note payable, net	881,445	1,781,705
Deferred tax liabilities	-	939,115
Lease liability - non-current	7,023,320	8,265,611
<b>Total non-current liabilities</b>	<b>17,239,584</b>	<b>23,301,058</b>
<b>Total liabilities</b>	<b>36,933,130</b>	<b>46,184,637</b>
Commitments and contingency	-	-
Stockholders' Equity		
Preferred stock, \$0.001 par value; 20,000,000 shares authorized; 0 shares issued and outstanding at December 31, 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 December 31, 2022 and June 30, 2022	29,573	29,573
Additional paid in capital	29,382,011	29,111,863
(Accumulated deficits) Retained earnings	(4,209,867)	3,262,948
Non-controlling interest	(18,872)	(13,232)
Accumulated other comprehensive income (loss)	(58,648)	5,678
<b>Total equity</b>	<b>25,124,197</b>	<b>32,396,830</b>
<b>Total liabilities and equity</b>	<b>\$ 62,057,327</b>	<b>\$ 78,581,467</b>

iPower Inc. and Subsidiaries  
Unaudited Condensed Consolidated Statements of Operations  
For the Three and Six Months Ended December 31, 2022 and 2021

	For the Three Months Ended December 31,		For the Six Months Ended December 31,	
	2022 (Unaudited)	2021 (Unaudited)	2022 (Unaudited)	2021 (Unaudited)
REVENUES	\$ 19,254,590	\$ 17,125,663	\$ 45,277,263	\$ 34,492,428
TOTAL REVENUES	<u>19,254,590</u>	<u>17,125,663</u>	<u>45,277,263</u>	<u>34,492,428</u>
COST OF REVENUES	11,285,064	9,568,051	27,322,021	19,621,114
GROSS PROFIT	<u>7,969,526</u>	<u>7,557,612</u>	<u>17,955,242</u>	<u>14,871,314</u>
OPERATING EXPENSES:				
Selling and fulfillment	9,338,737	3,641,839	17,757,549	7,307,760
General and administrative	2,713,355	2,780,488	5,813,531	5,137,954
Impairment loss - goodwill	-	-	3,060,034	-
Total operating expenses	<u>12,052,092</u>	<u>6,422,327</u>	<u>26,631,114</u>	<u>12,445,714</u>
(LOSS) INCOME FROM OPERATIONS	<u>(4,082,566)</u>	<u>1,135,285</u>	<u>(8,675,872)</u>	<u>2,425,600</u>
OTHER INCOME (EXPENSE)				
Interest expenses	(314,119)	(75,112)	(562,160)	(75,112)
Other financing expenses	-	-	-	(9,000)
Loss on equity method investment	(3,938)	-	(7,328)	-
Other non-operating income	59,600	60,403	271,360	9,591
Total other expenses, net	<u>(258,457)</u>	<u>(14,709)</u>	<u>(298,128)</u>	<u>(74,521)</u>
(LOSS) INCOME BEFORE INCOME TAXES	(4,341,023)	1,120,576	(8,974,000)	2,351,079
PROVISION FOR INCOME TAX (BENEFIT) EXPENSE	(1,047,749)	322,715	(1,495,545)	665,690
NET (LOSS) INCOME	<u>(3,293,274)</u>	<u>797,861</u>	<u>(7,478,455)</u>	<u>1,685,389</u>
Non-controlling interest	(2,835)	-	(5,640)	-
NET (LOSS) INCOME ATTRIBUTABLE TO IPOWERS INC.	<u>\$ (3,290,439)</u>	<u>\$ 797,861</u>	<u>\$ (7,472,815)</u>	<u>\$ 1,685,389</u>
OTHER COMPREHENSIVE LOSS				
Foreign currency translation adjustments	47,149	-	(64,326)	-
COMPREHENSIVE (LOSS) INCOME ATTRIBUTABLE TO IPOWERS INC.	<u>\$ (3,243,290)</u>	<u>\$ 797,861</u>	<u>\$ (7,537,141)</u>	<u>\$ 1,685,389</u>
WEIGHTED AVERAGE NUMBER OF COMMON STOCK				
Basic	<u>29,742,620</u>	<u>26,491,103</u>	<u>29,687,878</u>	<u>26,487,816</u>
Diluted	<u>29,742,620</u>	<u>26,491,103</u>	<u>29,687,878</u>	<u>26,487,816</u>
(LOSSES) EARNINGS PER SHARE				
Basic	<u>\$ (0.11)</u>	<u>\$ 0.03</u>	<u>\$ (0.25)</u>	<u>\$ 0.06</u>
Diluted	<u>\$ (0.11)</u>	<u>\$ 0.03</u>	<u>\$ (0.25)</u>	<u>\$ 0.06</u>