

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 11, 2021**

iPower Inc.

(Exact name of registrant as specified in its charter)

Commission file number: 001-40391

<u>Nevada</u> (State of Incorporation)	<u>5200</u> (Primary Standard Industrial Classification Code Number.)	<u>82-5144171</u> (IRS Employer Identification No.)
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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 11, 2021, iPower Inc., a Nevada corporation (the “Company”), issued a press release announcing its financial results for the fiscal first quarter ended September 30, 2021 (the “Earnings Release”). The Earnings Release was issued in conjunction with the Company’s previously disclosed earnings call, which was held November 11, 2021, at 4:30 p.m. ET, 1:30 p.m. PT, during which time the Company discussed its financial results for the fiscal first quarter ended September 30, 2021.

For those who were unable to participate during the live broadcast of the earnings call, a replay of the webcast is available on the Company's website at <https://ir.meetipower.com/>, where the Company has also posted a copy of the Earnings Release. A copy of the Earnings 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 Financial Statements and Exhibits.

(d) Exhibits

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press Release, dated November 11, 2021.
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

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 12, 2021

iPOWER INC.

By: /s/ Chenlong Tan

Name: **Chenlong Tan**

Title: **Chief Executive Officer**



iPower Reports Fiscal First Quarter 2022 Results

Fiscal Q1 Revenue up 16% to \$17.4 Million; In-House Branded Product Sales Drive Continued Gross Margin Expansion Despite Supply Chain Headwinds

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

DUARTE, CA, November 11, 2021 -- iPower Inc. (Nasdaq:IPW) (“iPower” or the “Company”), one of the leading online hydroponic equipment suppliers and retailers in the United States, today announced financial results for its fiscal first quarter ended September 30, 2021.

Fiscal Q1 2022 Results vs. Year-Ago Quarter

- Total revenue increased 16% to a record \$17.4 million.
- Gross profit increased 31% to \$7.3 million. As a percentage of revenue, gross margin increased 490 basis points to 42.1%.
- Net income increased 16% to \$0.89 million or \$0.03 per share.

Management Commentary

“We continued to execute on our growth initiatives during the quarter, as reflected by another period of double-digit year over year revenue growth and gross margin expansion,” said Lawrence Tan, CEO of iPower. “Given the broader industry weakness in commercial hydroponics and comping a record quarter last year, we were pleased with our top-line performance. We continued to emphasize in-house product sales, which grew by 21% to approximately \$13 million and accounted for 75% of revenue in fiscal Q1 compared to 72% in the year-ago quarter. This helped offset the rapid increase in freight costs we experienced over the summer.

“From a product perspective, our in-house ventilation line was our strongest category during the quarter. This was a much smaller category for us prior to the pandemic, and its growth is a reflection of our superior product design and merchandising capability, as well as the work we put in to effectively manage our supply partner network.”

iPower CFO Kevin Vassily added, “We have started to see lower shipping costs in fiscal Q2 as congestion in the California ports has begun to ease, however the supply chain more broadly remains volatile, particularly around input costs and COVID-19 disruptions that continue to impact our partners overseas. Our focus is nevertheless unchanged. We will continue to bring new in-house SKUs to market and plan to continue working with our suppliers to navigate this unique supply chain environment as we deliver on our various growth objectives in fiscal 2022.”

Fiscal First Quarter 2022 Financial Results

Total revenue in the fiscal first quarter of 2022 increased 16% to \$17.4 million compared to \$15.0 million for the same period in fiscal 2021. The increase was primarily driven by greater in-house product sales, as well as increased sales of ventilation and nutrient products.

Gross profit in the fiscal first quarter of 2022 increased 31% to \$7.3 million compared to \$5.6 million. As a percentage of revenue, gross margin increased 490 basis points to 42.1% compared to 37.2%. The increase was driven by a greater mix of in-house product sales, partially offset by increased freight and product input costs.

Total operating expenses in the fiscal first quarter were \$6.0 million compared to \$4.5 million for the same period in fiscal 2021. The increase was primarily driven by increased sales volumes, increases in advertising, and an increase in expenses associated with being a publicly traded company.

Net income in the fiscal first quarter of 2022 increased 17% to \$0.89 million or \$0.03 per diluted share, compared to net income of \$0.76 million or \$0.04 per diluted share for the same period in fiscal 2021.

Cash and cash equivalents were \$1.2 million as of September 30, 2021, compared to \$6.7 million as June 30, 2021. The decrease was attributed to the timing of receivables with the Company's largest channel partner and is not an indication of any other business or operating trend. Total debt as of September 30, 2021 was \$0.5 million compared to \$0.7 million as of June 30, 2021.

Conference Call

The Company will conduct a conference call today at 4:30 p.m. Eastern time to discuss the results for its fiscal first quarter ended September 30, 2021.

iPower management will host the conference call, followed by a question-and-answer period.

Date: Thursday, November 11, 2021

Time: 4:30 p.m. Eastern time

Toll-free dial-in number: (888) 705-0179

International dial-in number: (409) 981-0009

Conference ID: 5848879

Webcast: iPower FQ1 2022 Conference Call

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 (949) 200-4603.

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 one of the leading online retailers and suppliers of hydroponics equipment and accessories in the United States. 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. All orders are fulfilled from its two fulfillment centers in Southern California. 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 occurring 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 in iPower's registration statement and in its other filings with the SEC.

US & Canada Investor Relations Contact:

Sean Mansouri, CFA
Elevate IR
(949) 200-4603
IPW@elevate-ir.com

Asia Investor Relations Contact:

Sherry Zheng
Weitian Group LLC
(718) 213-7386
shunyu.zheng@weitian-ir.com

iPower Inc.
Unaudited Condensed Consolidated Balance Sheets
As of September 30, 2021 and June 30, 2021

	September 30, 2021 (Unaudited)	June 30, 2021
<u>ASSETS</u>		
Current assets		
Cash and cash equivalent	\$ 1,219,580	\$ 6,651,705
Accounts receivable	13,083,946	7,896,347
Inventories, net	14,594,078	13,065,741
Prepayments and other current assets	6,243,929	4,693,000
Total current assets	<u>35,141,533</u>	<u>32,306,793</u>
Non-current assets		
Right of use - non-current	1,648,133	1,819,421
Property and equipment, net	102,026	55,659
Non-current prepayments	1,249,375	1,357,292
Other non-current assets	328,643	99,645
Total non-current assets	<u>3,328,177</u>	<u>3,332,017</u>
Total assets	<u>\$ 38,469,710</u>	<u>\$ 35,638,810</u>
<u>LIABILITIES AND EQUITY</u>		
Current liabilities		
Accounts payable	6,186,446	3,940,963
Credit cards payable	787,176	584,311
Customer deposit	248,384	297,407
Other payables and accrued liabilities	2,690,163	2,487,441
Short-term loans payable	–	162,769
Lease liability - current	749,132	731,944
Long-term loan payable - current portion	29,244	29,244
Income taxes payable	377,145	790,823
Total current liabilities	<u>11,067,690</u>	<u>9,024,902</u>
Non-current liabilities		
Long-term loan payable	448,823	458,571
Lease liability - non-current	976,830	1,169,552
Total non-current liabilities	<u>1,425,653</u>	<u>1,628,123</u>
Total liabilities	<u>12,493,343</u>	<u>10,653,025</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, 2021 and June 30, 2021	–	–
Common stock, \$0.001 par value; 180,000,000 shares authorized; 26,448,663 and 26,448,663 shares issued and outstanding at September 30, 2021 and June 30, 2021	26,449	26,449
Additional paid in capital	23,317,317	23,214,263
Retained earnings	2,632,601	1,745,073
Total equity	<u>25,976,367</u>	<u>24,985,785</u>
Total liabilities and equity	<u>\$ 38,469,710</u>	<u>\$ 35,638,810</u>

iPower Inc. and Subsidiaries
Unaudited Condensed Consolidated Statements of Operations
For the Three Months Ended September 30, 2021 and 2020

	For the Three Months Ended September 30,	
	2021 (Unaudited)	2020 (Unaudited)
REVENUES	\$ 17,366,765	\$ 14,959,935
TOTAL REVENUES	17,366,765	14,959,935
COST OF REVENUES	10,053,063	9,397,147
GROSS PROFIT	7,313,702	5,562,788
OPERATING EXPENSES:		
Selling and fulfillment	3,665,921	3,213,674
General and administrative	2,357,466	1,272,741
Total operating expenses	6,023,387	4,486,415
INCOME FROM OPERATIONS	1,290,315	1,076,373
OTHER INCOME (EXPENSE)		
Interest income (expenses)	–	(25,830)
Other financing expenses	(59,000)	–
Other non-operating income (expense)	(812)	7,397
Total other (expenses), net	(59,812)	(18,433)
INCOME BEFORE INCOME TAXES	1,230,503	1,057,940
PROVISION FOR INCOME TAXES	342,975	295,944
NET INCOME	\$ 887,528	\$ 761,996
WEIGHTED AVERAGE NUMBER OF COMMON STOCK*		
Basic	26,484,528	20,204,496
Diluted	26,495,420	20,204,496
EARNINGS PER SHARE *		
Basic	\$ 0.03	\$ 0.04
Diluted	\$ 0.03	\$ 0.04