

SECURITIES & EXCHANGE COMMISSION EDGAR FILING

Flux Power Holdings, Inc.

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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): October 25, 2017 (October 25, 2017)

FLUX POWER HOLDINGS, INC.

(Exact name of registrant as specified in its charter)

Nevada

(State or Other Jurisdiction of
Incorporation)

000-25909

(Commission File Number)

86-0931332

(IRS Employer
Identification No.)

985 Poinsettia Avenue, Suite A, Vista, California

(Address of Principal Executive Offices)

92081

(Zip Code)

877-505-3589

(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 (see General Instruction A.2. below):

- 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))

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 October 25, 2017, Flux Power Holdings, Inc. (the "Company") issued a press release reporting, among other things, limited financial and operational information relating to the quarter ended September 30, 2017 and the period from July 1, 2017 through October 24, 2017, and provided certain forward-looking performance estimates. A copy of the press release is attached hereto as Exhibit 99.1 and incorporated herein by reference. The projections constituting the performance estimates included in the release involve risks and uncertainties, the outcome of which cannot be foreseen at this time and, therefore, actual results may vary materially from these forecasts. In this regard, see the information included in the release under the caption "Forward-Looking Statements."

The information contained in this Item 2.02 and Exhibit 99.1 attached hereto shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, is not subject to the liabilities of that section and is not deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, except as shall be expressly set forth by specific reference in such a filing.

Item 7.01 Regulation FD Disclosure.

On October 25, 2017, the Company hosted a conference call to discuss the press release attached hereto as Exhibit 99.1. An audio file of the call will be posted in the Investor section of Flux's website when available. A copy of the material prepared for use by management during this conference call is attached hereto as Exhibit 99.2

The information contained in this Item 7.01 and Exhibits 99.1 and 99.2 attached hereto shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, is not subject to the liabilities of that section and is not deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, except as shall be expressly set forth by specific reference in such a filing.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

<u>Exhibit No.</u>	<u>Exhibit Description</u>
99.1	Press Release dated October 25, 2017.
99.2	Conference Call Presentation Materials.

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.

Flux Power Holdings, Inc.,
A Nevada Corporation

Dated: October 25, 2017

/s/ Ron Dutt
Ron Dutt, Chief Executive Officer
and Chief Financial Officer



**Flux Power Sees Ramping Lithium Forklift Battery Adoption as
First-Four-Months Orders Rose to \$0.8M vs. FY 2017 Full Year Revenue of \$0.9M,
Investor Update Call Today at Noon ET**

Vista, CA – October 25, 2017 -- Flux Power Holdings, Inc. (OTCQB: FLUX), a developer of advanced lithium industrial batteries today reviewed recent sales, marketing and product development progress in its lithium forklift battery business. Flux will host a conference call today at noon ET to update investors and answer questions (details below).

Flux CEO, Ron Dutt, commented, "After four years of development and customer and channel communications, we believe the industry-wide adoption of lithium-ion forklift batteries has begun and will continue to gain momentum going forward. Many leading global companies – with intensive material handling requirements - now recognize the clear performance, safety and total cost benefits of lithium power vs. lead-acid solutions and are now at various stages of procurement evaluation, planning and initial deployments.

"Flux is committed to building out our product lines to serve this growing market. We believe the long-term sales potential for the displacement of lead-acid solutions with lithium power represents a multi-billion-dollar opportunity, and Flux is very well positioned to play a meaningful role."

Highlights

- **Flux has refocused its sales effort and substantially enhanced its sales team over the last six months**, contributing to strong year-to-date order activity and a growing sales pipeline.
 - o Appointed new national sales director, Tod Kilgore, who has repositioned Flux's sales strategy and recruited new sales management targeting four geographic regions.
 - o Flux's regional sales team brings a new level of experience and relationships in the material handling equipment and battery segments. The new team has already made significant progress advancing dialogues with customers, OEMs, dealers and battery distributors.
 - o Customer focus has been shifted to Fortune 500 companies and other large end-users with significant national or regional forklift fleets. It had become clear that the distribution channel was not yet effective in catalyzing purchasing interest from key customers, a function that Flux's enhanced team is now well suited to execute.
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- **In the first 4 months of FY 2018, Flux has secured \$0.8M in orders for Class 3 lithium LiFT Pack batteries.** In comparison, Flux had total revenue of \$474,000 in the first six months of fiscal 2017.
 - o Includes Q1'18 sales plus a \$0.5M order - Flux's largest-ever - from a global beverage company for delivery in November. Flux is in discussions on a similar-sized order with same customer with a potential delivery in January 2018.
 - o Includes a \$100,000 recently-shipped initial order from a national food distributor.

- **Flux continues to work closely with leading forklift OEMs to advance customer exposure and access to Flux Lithium packs.** Flux's Class 3 LiFT Packs have received technical approvals from several of the largest forklift OEMs, and Flux continues to work toward its goal of making its lithium batteries a standard OEM option both for lead-acid replacement and for new equipment.
 - o Several recent Flux orders have been facilitated by OEMs, and Flux is developing specific products at the request of certain OEMs.
 - o Flux expects significant developments on the OEM front within the next several months. However, because of non-disclosure agreements, Flux is unable to comment further on its OEM dialogues.

- **Flux continues to develop much larger lithium battery solutions for Class 1 and Class 2 material handling equipment .**
 - o The Class 1 and 2 equipment markets are a natural progression of Flux's business, leveraging its scalable technology and design, while also enabling Flux to serve larger customers seeking one lithium battery vendor to address all their material handling equipment needs.
 - o The Class 1 and 2 forklift battery market, while about equal to Class 3 based on units sold, is far larger than Class 3 in terms of revenue. Contemplated pricing for Flux's Class 1 and 2 battery solutions is four-to-six times that of its Class 3 Walkie LiFT Packs.
 - o Flux customers will begin evaluation of Class 1 packs in November, with commercial production targeted to begin in the first calendar quarter of 2018. Development of packs for Class 2 equipment is on track, trailing the progress of Class 1 by approximately two months.

- **LiFT Pack production capacity continues to expand over recent quarters** to 56 packs per week, with an increase to 84 packs per week targeted for early November.

- **Flux has successfully completed audits for ISO 9001 certification** and is awaiting issuance of the formal certification document.
 - o ISO 9001 compliance is well established as an industry standard and provides the foundation for meeting standardized customer quality and delivery requirements.

Flux Q1 and First Half FY 2018 Preview

Q4'17 and Q1'18 revenue was slowed due to the rebuilding of Flux's sales team over the last six months, along with the strategic repositioning of Flux's go-to-market strategy to focus directly on larger end-customers which tend to have longer sales cycles. The recent ramp in interest and order activity is a clear indication of improved sales traction being generated by the new sales strategy and team.

Reflecting Flux's shift in sales strategy and resources, along with a migration in sourcing strategy for onboard chargers, Flux anticipates Q1 '18 revenue to be only slightly higher than Q4'17 revenue of \$121,000 and well below year-ago Q1'17 revenue of \$293,000.

Based only on orders to date, Flux anticipates revenue in the first half of fiscal 2018 ending December 31, 2017 to increase 27% - 69% to \$600,000- \$800,000, compared to revenue of \$474,000 in the first half of fiscal 2017.

Flux is experiencing increased interest from a range of new and existing customers that reflects a growing recognition of the operational and cost benefits of lithium motive power solutions. Flux's expanded regional sales team is working closely with a select set of larger end users in order to support the initiation of their deployment of lithium battery solutions.

Gross margin continues to benefit from improvements in design and sourcing, partially offset by early-stage sales volumes and infrastructure building. Flux has identified a series of additional design and sourcing enhancements that it intends to implement over the next twelve months in order to progress gross margins toward its target of 30%.

Flux Investor Call:

Date/Time: Wednesday, October 25, 2017 at Noon ET

Dial-in Number: 1-866-652-5200 (domestic) or 1-412-317-6060 (international)

Questions: Will be taken on the call or can be submitted via email to flux@catalyst-ir.com or by calling our investor relations team 212 924 9800.

Online Replay/Transcript: Audio file and call transcript will be posted to the Investor section of Flux's website when available.

About Flux Power Holdings, Inc. (www.fluxpwr.com)

Flux Power develops advanced lithium-ion batteries for industrial uses, including its first-ever UL 2271 Listed lithium-ion "LiFT Pack" forklift batteries. Flux solutions utilize its proprietary battery management system (BMS) and in-house engineering and product design. Flux batteries deliver improved performance, extended cycle life and lower total cost of ownership than lead-acid solutions. Flux sells primarily to lift equipment OEM's, their dealers and battery distributors. Current products include advanced battery packs for motive power in the lift equipment and airport ground support markets.

This release contains projections and other "forward-looking statements" relating to Flux's business, that are often identified by the use of "believes," "expects" or similar expressions. Forward-looking statements involve a number of estimates, assumptions, risks and other uncertainties that may cause actual results to be materially different from those anticipated, believed, estimated, expected, etc. Such forward-looking statements include the development and success of new products, projected sales, the Company's ability to timely obtain UL Listing for its products, the Company's ability to fund its operations, distribution partnerships and business opportunities and the uncertainties of customer acceptance of current and new products. Actual results could differ from those projected due to numerous factors and uncertainties. Although Company believes that the expectations, opinions, projections, and comments reflected in these forward-looking statements are reasonable, Company can give no assurance that such statements will prove to be correct, and that the Company's actual results of operations, financial condition and performance will not differ materially from the results of operations, financial condition and performance reflected or implied by these forward-looking statements. Undue reliance should not be placed on the forward-looking statements and Investors should refer to the risk factors outlined in our Form 10-K, 10-Q and other reports filed with the SEC and available at www.sec.gov/edgar. These forward-looking statements are made as of the date of this news release, and Company assumes no obligation to update these statements or the reasons why actual results could differ from those projected.

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Facebook: FLUXPower
Twitter Company: @FLUXpwr

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Conference Call Presentation

October 25, 2017

Cautionary Statement on Forward-Looking Statements

Certain statements included herein contain "forward-looking statements" relating to Flux's business, that are often identified by the use of "believes," "expects" or similar expressions. Forward-looking statements involve a number of estimates, assumptions, risks and other uncertainties that may cause actual results to be materially different from those anticipated, believed, estimated, expected, etc. Such forward-looking statements include the development and success of new products, projected sales, the Company's ability to fund its operations, distribution partnerships and business opportunities and the uncertainties of customer acceptance of current and new products. Actual results could differ from those projected due to numerous factors and uncertainties. Although the Company believes that the expectations, opinions, projections, and comments reflected in these forward-looking statements are reasonable, the Company can give no assurance that such statements will prove to be correct, and that the Company's actual results of operations, financial condition and performance will not differ materially from the results of operations, financial condition and performance reflected or implied by these forward-looking statements. Undue reliance should not be placed on the forward-looking statements and Investors should refer to the risk factors outlined in our Form 10-K, 10-Q and other reports filed with the SEC and available at www.sec.gov/edgar. These forward-looking statements are made as of the date of this presentation, and the Company assumes no obligation to update these statements or the reasons why actual results could differ from those projected.

Opening Remarks

Thank you and thanks to all those joining us today. The purpose of today's call is to update shareholders on the Company and its recent progress and to take your questions. Additionally, we issued a news announcement this morning which provided an overview of recent highlights in major account sales, product development, enhancements made to our sales team and strategy over the past six months and OEM relationships.

The key message today is that Flux is finally in the beginning of a significant sales ramp as the forklift industry is now ready to embrace lithium battery power as a viable alternative to lead acid batteries. Flux made mention earlier this morning of a few significant orders plus another large order on the horizon which I plan to elaborate on today. Based in part on our first mover position in a multi-billion dollar and well-defined market and very positive customer feedback, I have never felt more optimistic about Flux's future.

We have made slow but steady progress the last several years to get to this point in our sales ramp. With the financial support of our major shareholder, Flux has been able to continue to advance our products, technology, production capabilities, and our customer, OEM and distribution relationships to this point and are now on the brink of new product launches to offer a full product line of lithium battery packs for forklifts, which is an \$8 billion addressable market for us.

The purchase order announced today is but some of the evidence that the material handling industry has begun to embrace the operational and financial benefits of Flux lithium packs. We are seizing a ready-made opportunity based on the material handling industry's appreciation for any solution that improves efficiency and margins.

So, let me briefly touch on the items announced in our release today and then provide some additional perspective on our efforts, goals and expected milestones over the next few quarters.

Beverage

Most significantly, after more than three years of piloting, dialogues and small orders, a leading global beverage company issued Flux a \$550,000 purchase order for our LiFT Pack to power their Class 3 Walkie pallet jack forklifts.

We are in advanced discussions for a similarly sized follow on order for early in calendar 2018.

Flux is equipped to fill this order with existing inventory.

The PO eclipses all of our previous orders by 7-fold and sets us up for a very significant revenue improvement over fiscal 2017.

Our experience has shown, including this customer, that large organizations with rigorous supply chains and risk management practices are deliberate in taking their time to study and review new products such as lithium battery packs.

While we believe our recent orders should help accelerate our sales cycle, we expect some new customers to proceed in a cautious manner as they gain comfort with deploying a new solution and working with a new supplier.

Two other factors of importance underlie this sale – the customer has done exhaustive work on all aspects of our product, its deployment and the financial ramifications – and following this review decided to move forward with Flux.

Importantly we also had the help of a leading forklift OEM – who worked closely with the beverage company and Flux to support the order.

The packs will be deployed in various locations across the country.

We believe this customer's large order will influence other large companies to follow suit, as there are numerous other companies with large forklift fleets that have made modest purchases from us to date.

Let me turn to the other customer we announced in today's release:

Food Distributor

We recently received a \$100,000 purchase order for walkie LiFT Packs from a leading natural food distributor with almost \$10 billion in annual revenue .

This customer is the quintessential Flux LiFT Pack user as they deliver products every day to conventional supermarkets, specialty food stores and independent retailers and therefore appreciate the durability and reliability of our LiFT Packs.

Their initial order touches just one of approximately 20 nationwide distribution depots – so the long -term potential of this customer is quite significant.

This customer has been developed by one of our large battery distributor partners on the east coast.

I would now like to introduce our National Sales Director, Tod Kilgore, who will provide a few highlights regarding our progress on sales.

Sales Team

Our sales traction is not by accident, as it reflects revamping of our sales strategy and building a new sales team with 4 proven performers from the industry.

I joined the Flux Power organization late spring and have led the sales restructuring including two new regional sales managers, mentioned in our press release this past week. I am very pleased with our new hires who bring extensive industry training, relationships, and expertise to our organization. Our strong focus on fortune 500 companies with large fleets and our distribution network is starting to pay-off in great demands.

Our sales coverage is based on 4 geographic locations within the country East / West / Midwest / and Southern region. We ran a very lean operation for a several years, but Flux now has experienced sales personnel and the right resources in place to advance dialogue with large accounts.

These relationships across the industry are proving invaluable in helping us break into the industry and get full attention of decision makers and understanding the needs of our customers.

I should point out that our new sales team comes from very successful organizations with credibility. They have joined us based on the technology of lithium and the strength of Flux Power.

OEM Relationship

As we have mentioned in the past, three of the large OEMs have approved our packs for use on their equipment. We are working on enhancing those relationships with developments to be implemented in the near future.

Many of the large forklift customers and OEMs have patiently studied different alternative power options for a few years but many signs indicate the battery market is at a turning point for acceptance of lithium as a viable battery option for their electric forklift fleets.

Major customers have also made it clear to Flux and the OEMs that they prefer to deal with a limited number of vendors to outfit their forklift fleets. We know that simplifying complex logistics and procurement policies is crucial to running cost effective business. Having shipped about 1,000 Flux LiFT Packs for the Class 3 walkie pallet jack market, we are nearing commercial production for LiFT Packs built for the large "sit-on" Class 1 & 2 markets. To that end, we believe having a full product line will strengthen the attractiveness of doing business with Flux and offer customers a trusted source of expertise on new lithium technology.

As mentioned in the press release this morning, our ISO 9001 audits have been approved and we are awaiting issuance of the certificate. I am pleased we were able to accomplish requirements within a 4-month effort, a relatively short time, as a testament to our level of processes and infrastructure we have built. As many of you know, ISO 9001 and its ongoing audits are an important path to ensuring high levels of quality.

And with those prepared remarks, let's turn the call over to the operator to open the call for questions.

Closing

Thank you again for joining today's call. We plan to keep investors updated via regular quarterly releases and announcements but do not yet plan to initiate quarterly conferences calls at this time. Of course, we are always available to speak with investors, and I ask you to set up calls with me via our Investor Relations team of Chris Eddy and David Collins at Catalyst Global – you can reach them at 212 924 9800.

Finally, we do plan to present at the LD Micro Conference again this year in December in Los Angeles.

I hope to see some of you at that event.

Thank you and this concludes the call .