



Second Quarter 2024 Financial Results Conference Call

NASDAQ:FLUX

February 8, 2024



SAFE HARBOR LANGUAGE

This presentation contains forward-looking statements. All statements other than statements of historical fact contained in this presentation, including statements as to the Company's future results of operations and financial position, planned products and services, business strategy and plans and objectives of management for future operations, are forward-looking statements.

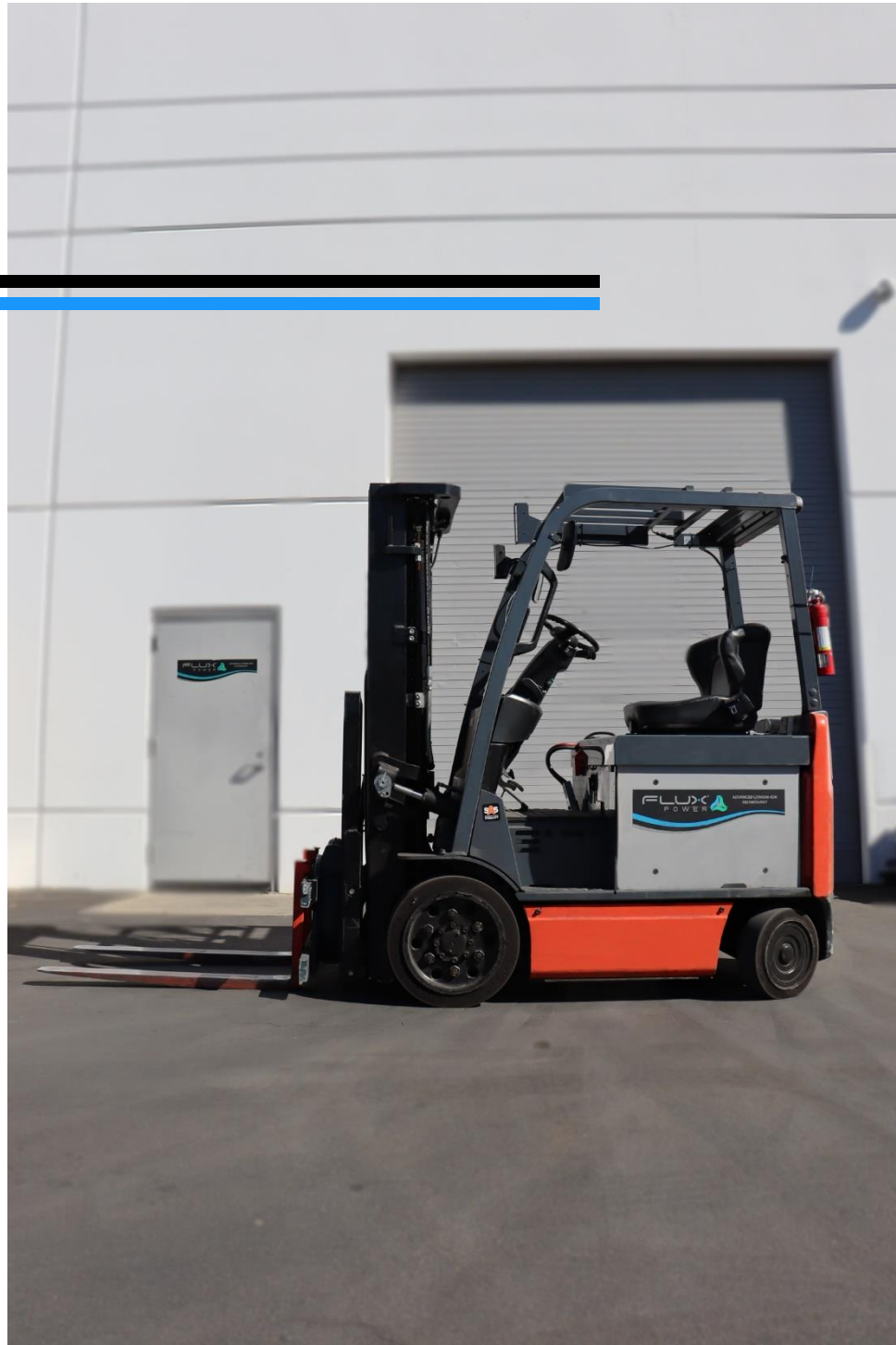
These statements involve known and unknown risks, uncertainties, assumptions and other factors that may cause the Company's actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements.

In some cases, you can identify forward-looking statements by terms such as "may," "will," "should," "expects," "plans," "anticipates," "could," "intends," "target," "projects," "contemplates," "believes," "estimates," "aims," "predicts," "potential," "seeks," "attempts," "poised" or "continues" or the negative of these terms or other similar words. These statements are only predictions.

The Company has based these forward-looking statements largely on its current expectations and projections about future events and financial trends that it believes may affect its business, financial condition and results of operations. Also, these forward-looking statements represent the Company's estimates and assumptions only as of the date of this presentation. The Company assumes no obligation to update any forward-looking statements after the date of this presentation.

This presentation also contains estimates and other statistical data made by independent parties and by the Company relating to market size and growth and other industry data. This data involves several assumptions and limitations, and you are cautioned not to give undue weight to such estimates. The Company has not independently verified the statistical and other industry data generated by independent parties and contained in this presentation and, accordingly, it cannot guarantee their accuracy or completeness.

In addition, projections, assumptions and estimates of its future performance and the future performance of the industries in which it operates are necessarily subject to a high degree of uncertainty and risk due to a variety of factors. These and other factors could cause results to differ materially from those expressed in the estimates made by independent parties and by the Company. For more information, please refer to risk factors discussed in Company's periodic filings with the SEC.



POWERING YOUR TRANSITION TO SUSTAINABLE LITHIUM-ION TECHNOLOGY

OUR REPUTATION AND BRAND



Reputation:

- Fortune 100 companies have chosen Flux Power as a supplier because we have leading technology, product and service for large fleet needs. We have a track record of enduring relationships as supplier to large Fortune 500 fleets.

Brand:

- Trustworthy: we do what we say
- Responsiveness: relentless
- Transparent
- Experienced
- Accountable
- Provide product and service capability to large fleets, for sustaining relationships now AND the future

KEY SECOND QUARTER 2024 HIGHLIGHTS

- Revenue increased 7% to a record \$18.3M in Q2'24 compared to Q2'23 revenue of \$17.2M due to more units sold during the quarter, as well as price increases for certain energy storage units sold
- Gross profit increased 38% to \$5.7M in Q2'24 compared to \$4.1M in Q2'23
- Gross margin was 31% in Q2'24 compared to 24% in Q2'23
- Adjusted EBITDA improved \$1.2 million to a positive \$0.3 million for the quarter ended December 31, 2023, compared to a loss of \$0.9 million for the quarter ended December 31, 2022, and a loss of \$1.2 million in Q1'24
- Order backlog increased to \$30.1 million as of December 31, 2023, as record new orders of \$26.6 million outpaced record shipments of \$18.3 million
- Backlog as of February 1, 2024, was \$29.7 million
- New heavy-duty models and OEM private label program in early 2024 to address strong market demand
- Partnering with top 5 global OEM to launch an industry-first fleet-wide integrated telematics program later in 2024
- Working with partners to introduce fast charging technology and international sales opportunities

TRAJECTORY TO CASH FLOW BREAK-EVEN



- ✓ Adjusted EBITDA of positive \$0.3 million in Q2'24 compared to losses of \$0.9 million in Q2'23 and \$1.2 million in Q1'24
- ✓ Improvement in gross margins from cost and price initiatives: 31% in Q2'24 compared to 24% in Q2'23 and 29% in Q1'24
- ✓ Inventory balance more consistent due to improved inventory management, sourcing, and supply chain management

Our Priorities:

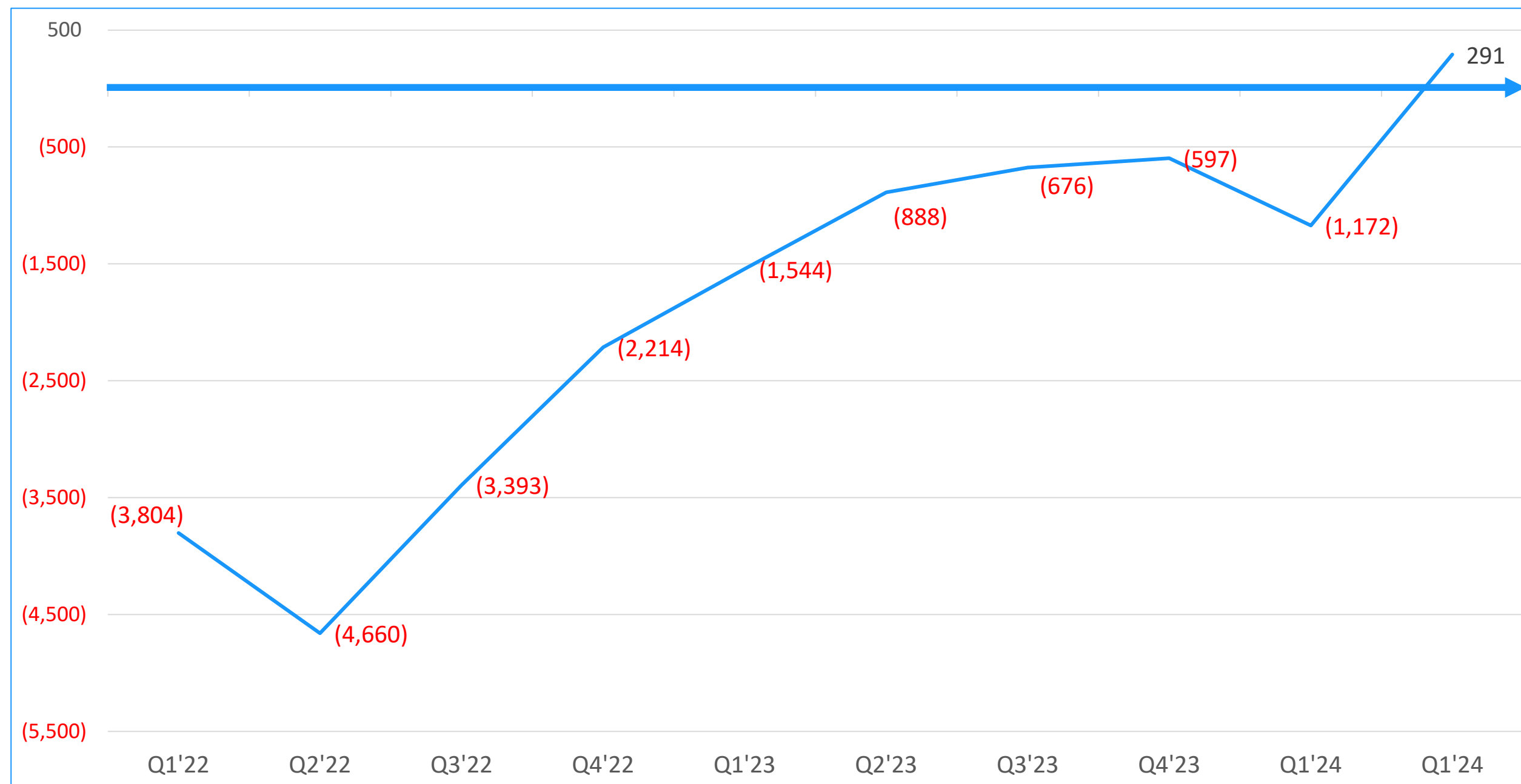
Short Term:

- Cash flow breakeven, sustained profitability beginning FY 2024
- Expansion of product line-up, operational efficiencies, and service network

Long Term:

- Increase profitability through revenue, gross margins, and current operating leverage
- Expand current organic growth momentum
- Expand and develop partnerships that provide revenue growth and technology leverage

QUARTERLY ADJUSTED EBITDA TRAJECTORY

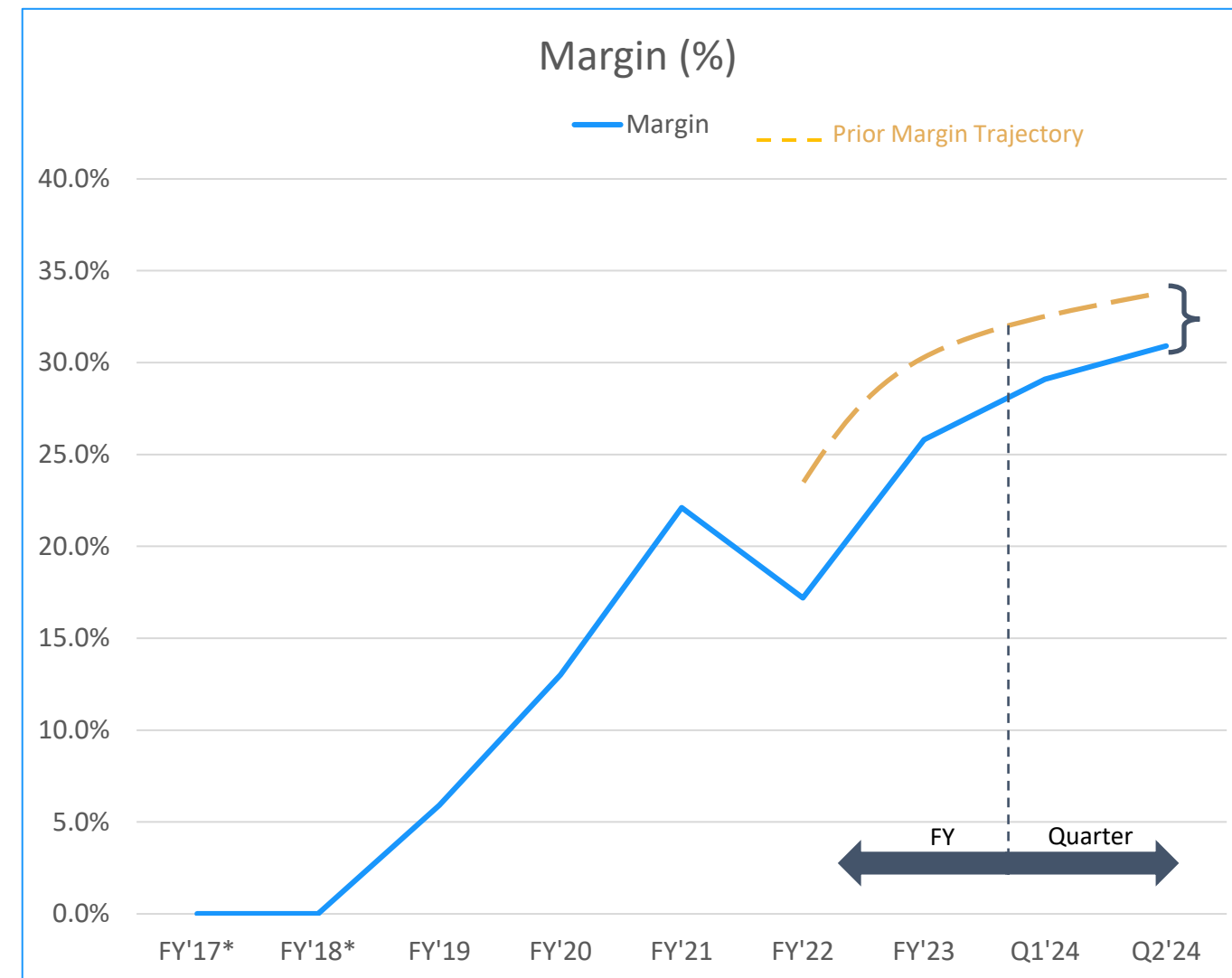
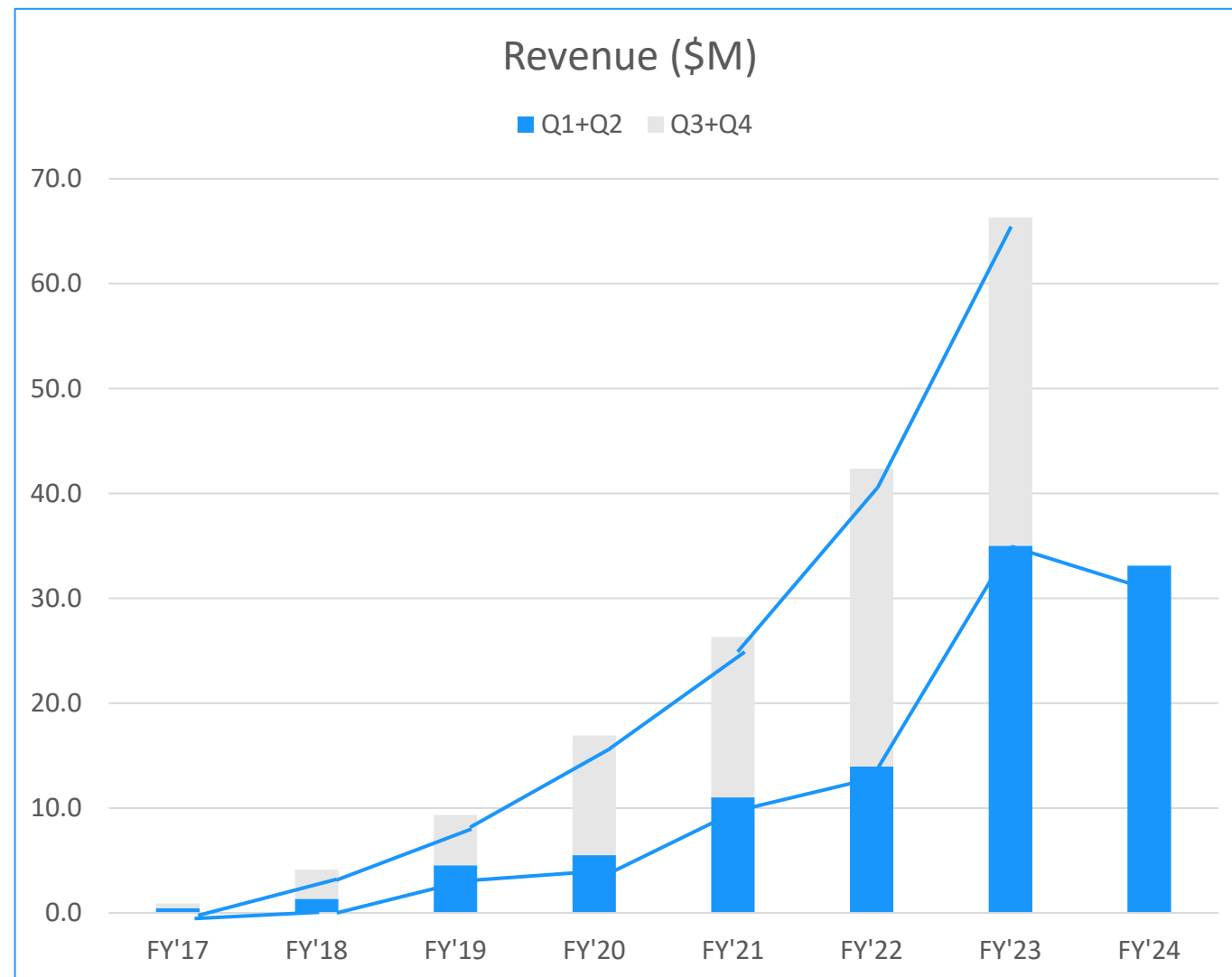


Positive Adjusted EBITDA driven by improved gross margins

DIVERSE CUSTOMER BASE IN MULTIPLE SEGMENTS

Food & Beverage	Retail & Grocery	Manufacturing	Distribution	Stationary Energy Storage	Airport GSE
					
					
					
					
					
					
					

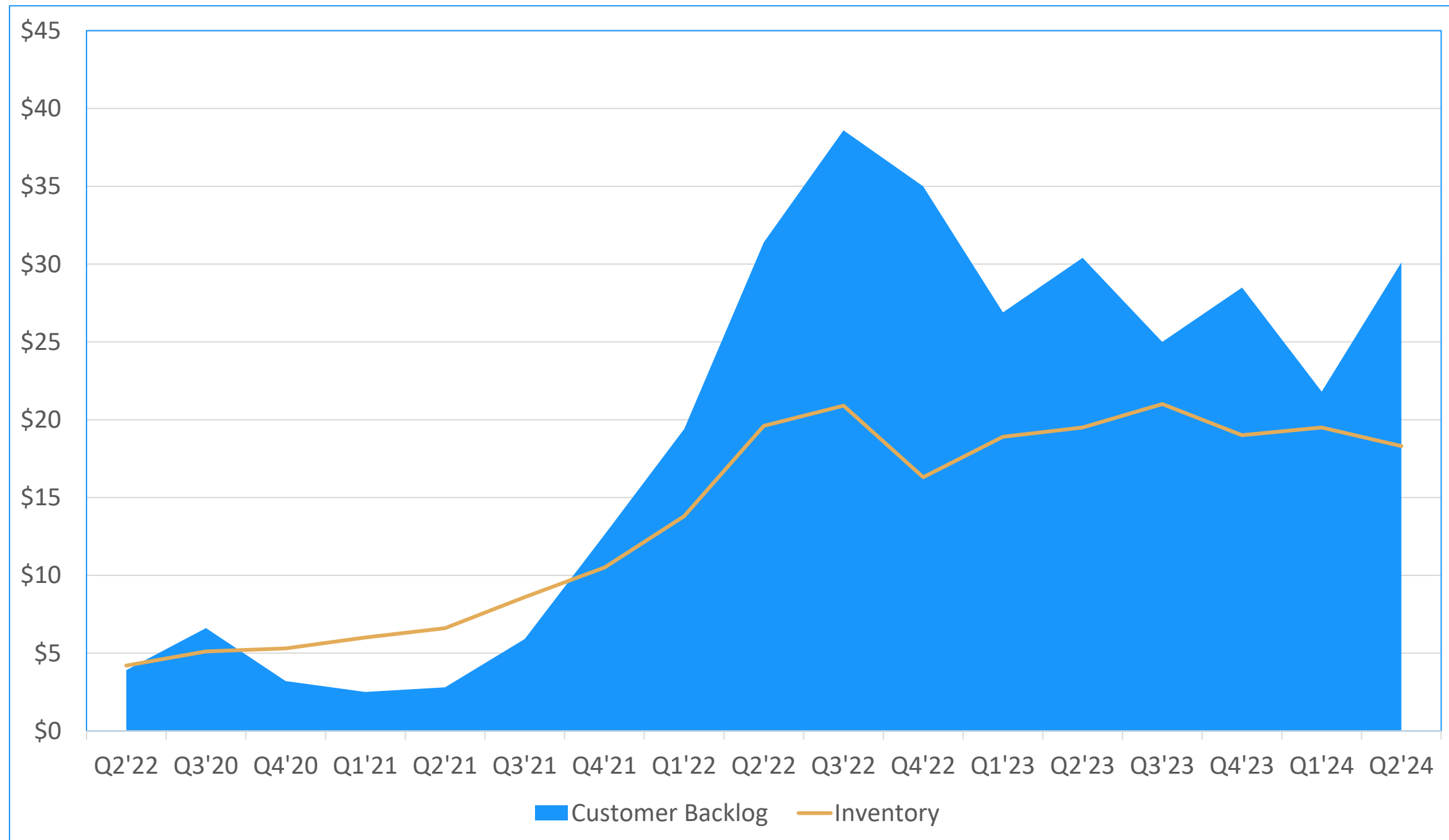
STRONG TRAJECTORIES OVERCOME PANDEMIC DISRUPTION



*Gross Margins were negative in FY'17 & FY'18

CUSTOMER BACKLOG & INVENTORY

(VARIES BY POINT IN TIME)



- Customer backlog increased to \$30.1 million as of December 31, 2023, as record new orders of \$26.6 million outpaced record shipments of \$18.3 million. Backlog was \$29.7M as of February 1.
- Normalization of global supply chains, ongoing adoption of lean manufacturing principles driving throughput and capacity improvements as we continue to monetize Customer backlog.
- Inventory decreased to \$18.3M as of December 31, 2023, from \$19.5M as of September 30, 2023.

SECOND QUARTER 2024 FINANCIAL HIGHLIGHTS

Three Months Ended December 31

	\$ in millions		2023	2022
Revenue	\$	18.3	\$	17.2
Gross profit	\$	5.7	\$	4.1
Gross margin (%)		30.9%		23.9%
SG&A expenses	\$	4.6	\$	4.3
R&D expenses	\$	1.4	\$	1.2
Adjusted EBITDA	\$	0.3	\$	(0.9)

CLOSING SUMMARY

ONE

Nearing profitability with positive Adjusted EBITDA

TWO

Continuing momentum in expanding organically

THREE

Record revenue trajectory addresses strong demand for sustainable energy



FOUR

Capacity, operating efficiencies, and infrastructure is poised to support accelerating growth

FIVE

Restructured \$2.0 million subordinated line of credit with Cleveland Capital, increased working capital line of credit with Gibraltar Business Capital to \$16 million to support planned growth



E-mail info@fluxpower.com

Website fluxpower.com

Phone 877-505-3589

Address 2685 S Melrose Dr, Vista, CA 92081

INVESTOR RELATIONS

MZ NORTH AMERICA

Executive VP Chris Tyson

E-mail FLUX@mzgroup.us

Website www.mzgroup.us

Phone 949-491-8235