

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 19, 2020

DPW HOLDINGS, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

001-12711
(Commission File Number)

94-1721931
(I.R.S. Employer Identification No.)

201 Shipyard Way, Suite E, Newport Beach, CA 92663
(Address of principal executive offices) (Zip Code)

(949) 444-5464
(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:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, \$0.001 par value	DPW	NYSE American

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 7.01 REGULATION FD DISCLOSURE

On November 19, 2020, DPW Holdings, Inc., a Delaware corporation (the “**Company**”), issued a press release announcing that it reported financial results for its third quarter and its nine-month period ended September 30, 2020 on its Form 10-Q filed with the Securities and Exchange Commission on November 18, 2020.

A copy of the press release is furnished herewith as **Exhibit 99.1** and is incorporated by reference herein.

In accordance with General Instruction B.2 of Form 8-K, the information under this item and **Exhibit 99.1** shall not be deemed filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, nor shall such information be 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. This report will not be deemed an admission as to the materiality of any information required to be disclosed solely to satisfy the requirements of Regulation FD.

The Securities and Exchange Commission encourages registrants to disclose forward-looking information so that investors can better understand the future prospects of a registrant and make informed investment decisions. This Current Report on Form 8-K and exhibits may contain these types of statements, which are “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995, and which involve risks, uncertainties and reflect the Registrant’s judgment as of the date of this Current Report on Form 8-K. Forward-looking statements may relate to, among other things, operating results and are indicated by words or phrases such as “expects,” “should,” “will,” and similar words or phrases. These statements are subject to inherent uncertainties and risks that could cause actual results to differ materially from those anticipated at the date of this Current Report on Form 8-K. Investors are cautioned not to rely unduly on forward-looking statements when evaluating the information presented within.

Where You Can Find Additional Information

Investors and security holders will be able to obtain documents filed with the Securities and Exchange Commission free of charge at the Commission’s website, www.sec.gov. Security holders may also read and copy any reports, statements and other information filed by the Company with the Commission, at the SEC public reference room at 100 F Street, N.E., Washington D.C. 20549. Please call the Commission at 1-800-SEC-0330 or visit the Commission’s website for further information on its public reference room.

ITEM 9.01 FINANCIAL STATEMENTS AND EXHIBITS**(d) Exhibits:****Exhibit No. Description**

99.1	Press Release issued on November 19, 2020.
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SIGNATURE

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.

DPW HOLDINGS, INC.

/s/ Henry Nisser

Henry Nisser

Executive Vice President and General Counsel

Dated: November 19, 2020



DPW Holdings Reports Third Quarter Financial Results

Newport Beach, CA, November 19, 2020 -- DPW Holdings, Inc. (NYSE American: DPW) a diversified holding company (“DPW,” or the “Company”), reported financial results for its third quarter and its nine-month period ended September 30, 2020 on its Form 10-Q filed with the Securities and Exchange Commission yesterday.

Q3-2020 highlights

- Revenue of \$5.7 million, an increase of 6.2% from the prior third fiscal quarter;
- Gross profit of \$1.9 million, an increase of 94.7% from the prior third fiscal quarter;
- Loss from continuing operations of \$1.6 million, a 78.9% decrease from the loss from continuing operations of \$7.7 million during the prior third fiscal quarter; and
- Net loss of \$16.7 million for the quarter, including non-cash charges of \$14.6 million.

Nine months ended September 30, 2020 highlights

- Revenue of \$16.7 million, an increase of 3.6% from the prior nine-month period;
- Gross profit of \$5.6 million, an increase of 110.8% from the prior nine-month period;
- Loss from continuing operations of \$5.3 million, a 66.2% decrease from the loss from continuing operations of \$15.8 million in the prior nine-month period; and
- Net loss of \$24.6 million, including non-cash charges of \$18.1 million.

Revenues

Our revenues increased by \$330,735, or 6.2%, to \$5,675,564 for the three months ended September 30, 2020, from \$5,344,829 for the three months ended September 30, 2019. The increase from the three months ended September 30, 2019, is attributable to an increase in revenue from customized solutions for the military markets as we continue to experience the benefit of capital that was allocated to our defense business during the second half of 2019. The increase in revenue from the military markets was partially offset by a decrease in revenue from our commercial lending segment, attributed to a reduction in our loan portfolio and a decrease in revenue due to our decision to cease operations at our cryptocurrency mining operations.

Gross margins

Gross margins increased to 34.2% for the three months ended September 30, 2020 compared to 18.6% for the three months ended September 30, 2019. Our gross margins of 18.6% recognized during the three months ended September 30, 2019, were adversely impacted by the negative margins at Digital Farms. Excluding the effects of Digital Farms, our adjusted gross margins for the three months ended September 30, 2019, would have been 33.2%, consistent with our historical average.



Non-cash charges

During the three months ended September 30, 2020 and 2019, our reported net loss included non-cash charges of \$14,601,675 and \$6,296,889, respectively. During the nine months ended September 30, 2020 and 2019, our reported net loss included non-cash charges of \$18,099,816 and \$11,165,085, respectively. A summary of these non-cash charges is shown below:

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2020	2019	2020	2019
Loss on extinguishment of debt	\$ 12,823,039	\$ 155,448	\$ 13,297,793	\$ 963,232
Interest expense – debt discount	1,471,716	1,357,845	2,379,196	3,034,454
Stock-based compensation	129,525	361,779	272,466	1,354,062
Depreciation and amortization	182,448	898,289	609,051	2,793,598
Impairment of property and equipment	-	4,315,856	1,525,316	4,315,856
Accretion of original issue discount on notes receivable – related party	5,532	(607,356)	20,532	(1,869,778)
Accretion of original issue discount on notes receivable	(401)	(19,132)	(4,538)	(77,155)
Fair value in excess of proceeds upon issuance of warrants	-	-	-	1,763,481
Change in fair value of warrant liability	(10,184)	(165,840)	-	(1,112,665)
Non-cash items included in net loss	<u>\$ 14,601,675</u>	<u>\$ 6,296,889</u>	<u>\$ 18,099,816</u>	<u>\$ 11,165,085</u>

Backlog

The Company reports that its order backlog at the end of the third quarter was approximately \$66.5 million, including \$46 million of related party backlog (note that related-party backlog is delinquent in the production schedule).

DPW's CFO Kenneth S. Cragun said, "The results for the first nine months of 2020 demonstrate that we are achieving our objectives to grow revenue and improve operating results. In spite of the disruption from the COVID-19 pandemic, we were able to grow third quarter revenues by 6.2% from the prior year period, driven by our defense business. Our gross margins for the first nine months of 2020 improved dramatically, up \$2.9 million or 110.8% from the first nine months of 2019. Combined with a reduction in operating expenses, our loss from continuing operations for the first nine months of 2020 decreased by \$10.4 million from the comparable prior year period."

DPW's CEO and Chairman, Milton "Todd" Ault, III said, "There are, in my view, three important indicators that stockholders and investors should pay attention to; first, top-line growth during a disruptive pandemic; second, major improvement in gross margins and third, lower operating expenses. I would like to thank our employees and partners for their dedication, focus and amazing performance during these challenging times. At the beginning of 2018, we stated that our long-term goals include growing our consolidated business to \$100 million in annual revenues. We believe we are making progress towards this goal with our significant order backlog, improved capital structure, growth in the defense business and new product announcements such as the Coolisys electric vehicle chargers."

Mr. Ault continued "I would like to restate our mission and discuss our strategy. As a holding company, our business strategy is designed to increase shareholder value. Under this strategy, we are focused on managing and financially supporting our existing subsidiaries and partner companies, with the goal of pursuing monetization opportunities and maximizing shareholder value. We have, are and will consider several initiatives including, among others: public offerings, the sale of individual subsidiaries and investees, the sale of certain or all equity interests in secondary market transactions, or a combination thereof, as well as other opportunities to maximize shareholder value. Over the recent past we have provided capital and relevant expertise to fuel the growth of businesses in defense/aerospace, industrial, telecommunications, medical, automotive and textiles. We have provided capital to subsidiaries as well as partner companies in which we have an equity interest or may be actively involved, influencing development through board representation and management support. We anticipate making additional investments to increase value to shareholders after satisfying our debt obligations and addressing working capital needs."

For more information on DPW Holdings and its subsidiaries, the Company recommends that stockholders, investors and any other interested parties read the Company's public filings and press releases available under the Investor Relations section at www.DPWHoldings.com or available at www.sec.gov.



About DPW Holdings, Inc.

DPW Holdings, Inc. is a diversified holding company pursuing growth by acquiring undervalued businesses and disruptive technologies with a global impact. Through its wholly and majority-owned subsidiaries and strategic investments, the Company provides mission-critical products that support a diverse range of industries, including defense/aerospace, industrial, telecommunications, medical, and textiles. In addition, the Company extends credit to select entrepreneurial businesses through a licensed lending subsidiary. DPW's headquarters are located at 201 Shipyard Way, Suite E, Newport Beach, CA 92663; www.DPWHoldings.com.

Forward-Looking Statements

This press release contains "forward looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These forward-looking statements generally include statements that are predictive in nature and depend upon or refer to future events or conditions, and include words such as "believes," "plans," "anticipates," "projects," "estimates," "expects," "intends," "strategy," "future," "opportunity," "may," "will," "should," "could," "potential," or similar expressions. Statements that are not historical facts are forward-looking statements. Forward-looking statements are based on current beliefs and assumptions that are subject to risks and uncertainties. Forward-looking statements speak only as of the date they are made, and the Company undertakes no obligation to update any of them publicly in light of new information or future events. Actual results could differ materially from those contained in any forward-looking statement as a result of various factors. More information, including potential risk factors, that could affect the Company's business and financial results are included in the Company's filings with the U.S. Securities and Exchange Commission, including, but not limited to, the Company's Forms 10-K, 10-Q and 8-K. All filings are available at www.sec.gov and on the Company's website at www.DPWHoldings.com.

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