

Zacks Small-Cap Research

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Prenetics Global Ltd. (PRE-NASDAQ)

PRE: Rapid Revenue Acceleration Continues

Prenetics Global is a health care company with a rapidly growing product in the premium growth supplement market. We value PRE at \$30.00 per share using conservative assumptions on a DCF basis.

Current Price (05/13/26) \$17.57
Valuation \$30.00

OUTLOOK

Prenetics is a health care company that has undergone a dramatic transformation that has resulted in exponential growth in revenues and a worldwide reach for a premium supplement.

IM8 is the company's brand name premium supplement and through great science, customer retention and smart marketing, sales growth has been exponential. The company's 1Q2026 preliminary earnings showed rapid revenue growth and continued plans to expand the successful product line.

SUMMARY DATA

52-Week High \$22.15
52-Week Low \$5.25
One-Year Return (%) 203.16
Beta 0.15
Average Daily Volume (sh) 178,989

Shares Outstanding (mil) 17
Market Capitalization (\$mil) \$296
Short Interest Ratio (days) N/A
Institutional Ownership (%) 25
Insider Ownership (%) 8

Annual Cash Dividend \$0.00
Dividend Yield (%) 0.00

5-Yr. Historical Growth Rates
Sales (%) N/A
Earnings Per Share (%) N/A
Dividend (%) N/A

P/E using TTM EPS N/A
P/E using 2026 Estimate -7.5
P/E using 2027 Estimate 26.6

Risk Level
Type of Stock
Industry
Average
Small-Blend
Health care

ZACKS ESTIMATES

Revenue

(in millions of \$)

	Q1 (Mar)	Q2 (Jun)	Q3 (Sep)	Q4 (Dec)	Year (Dec)
2024	6 A	6 A	8 A	18 A	31 A
2025	17 A	18 A	24 A	37 A	92 A
2026	36 E	47 E	51 E	56 E	190 E
2027	64 E	70 E	76 E	83 E	293 E

Earnings per share

	Q1 (Mar)	Q2 (Jun)	Q3 (Sep)	Q4 (Dec)	Year (Dec)
2024	-\$0.38 A	-\$0.88 A	-\$0.84 A	-1.29 A	-\$3.39 A
2025	-\$0.80 A	-\$0.94 A	-\$0.53 A	-\$1.75 A	-\$4.02 A
2026	-\$0.78 E	-\$0.58 E	-\$0.49 E	-\$0.39 E	-\$2.24 E
2027	-\$0.20 E	\$0.10 E	\$0.30 E	\$0.76 E	\$0.96 E

OVERVIEW

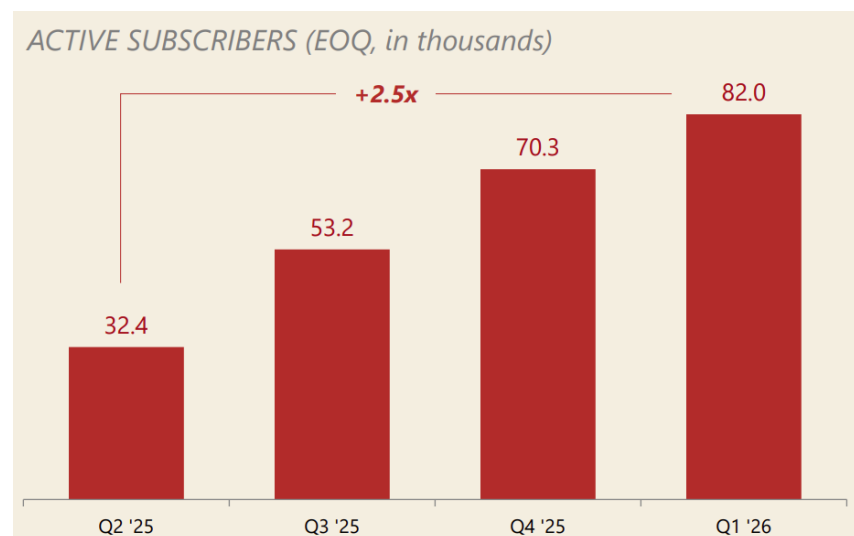
Prenetics' recent first quarter update added another layer to what is becoming one of the more aggressive growth stories in the consumer health and longevity space. While the main story is the extraordinary growth trajectory of IM8, company management also provided additional detail on its future product roadmap, announcing plans to launch three new SKUs in the fourth quarter of 2026 targeting hydration, creatine, and kids' gummies. The significance of these launches extends beyond simply adding products to the lineup, as the company specifically emphasized that each category represents a very large addressable market capable of materially expanding IM8's long-term revenue opportunity, again showing the company will not rest on its IM8 laurels alone.

The first quarter itself showed exceptional momentum. Prenetics expects Q1 2026 revenue of approximately \$36 million, with IM8 contributing roughly \$33.8 million, representing sequential growth of more than 23% from Q4 2025 levels. Gross margins also improved meaningfully, rising to approximately 64%, reflecting increasing scale and operational leverage. Management further raised full-year 2026 IM8 revenue guidance to between \$190 million and \$210 million, suggesting confidence that growth is accelerating rather than slowing.

One of the most notable aspects of the update was the company's increasingly global revenue mix. By the end of the quarter, IM8 products were being shipped to 43 countries, with more than 60% of IM8 revenue generated outside the United States. The company identified the United States, Canada, the United Kingdom, Australia, and Singapore as its top five markets, illustrating that IM8 is evolving into an international premium wellness brand rather than a purely U.S.-focused supplement company. This diversification will become strategically important over time, as it reduces dependence on any single geography while opening opportunities for broader international scaling.

Management also highlighted the success of its quarterly subscription strategy, which appears to be materially improving customer economics. Average order values have risen sharply, with new customer average order value reaching approximately \$240 during Q1 2026 compared to roughly \$110 during 2025. Subscription adoption remains extremely high at roughly 80% for new customers, helping establish recurring revenue visibility and stronger cash flow generation.

Active Subscribers Show Rapid Growth



Source: Prenetics.com

We believe the announced planned expansion into hydration, creatine, and kids' gummies is especially important because these are among the largest and fastest-growing categories within the global supplement industry. The sports hydration market alone is widely estimated to represent a multi-billion-dollar annual opportunity globally, benefiting from increasing consumer demand for performance and recovery products. Creatine has become one of the fastest-growing supplement categories in the broader wellness market, expanding well beyond bodybuilding into mainstream fitness, longevity, cognitive health, and healthy aging applications. Meanwhile, the global children's gummy vitamin market has also grown rapidly as parents increasingly seek convenient nutritional supplementation products for children. Prenetics specifically framed these categories as "very large addressable markets," suggesting the company believes these launches could substantially broaden IM8's revenue base beyond its flagship Daily Ultimate Essentials platform.

Importantly, and in contrast to many other players in the space, management emphasized that the new products will maintain the same premium science-backed positioning that has helped IM8 gain traction globally. That positioning has been reinforced through partnerships with David Beckham, Giannis Antetokounmpo, Aryna Sabalenka, Ollie Bearman, and more recently Inter Miami CF, which continue to enhance brand visibility and credibility worldwide.

Another major strategic development during the quarter was Prenetics' decision to completely divest its bitcoin holdings. The company sold its digital assets for approximately \$41.3 million in proceeds and indicated that it would no longer pursue a bitcoin treasury strategy. Instead, management is redirecting capital toward IM8 growth initiatives and shareholder returns. We strongly support this move as it significantly simplifies the business by focusing the company squarely on consumer health and operational execution rather than cryptocurrency exposure.

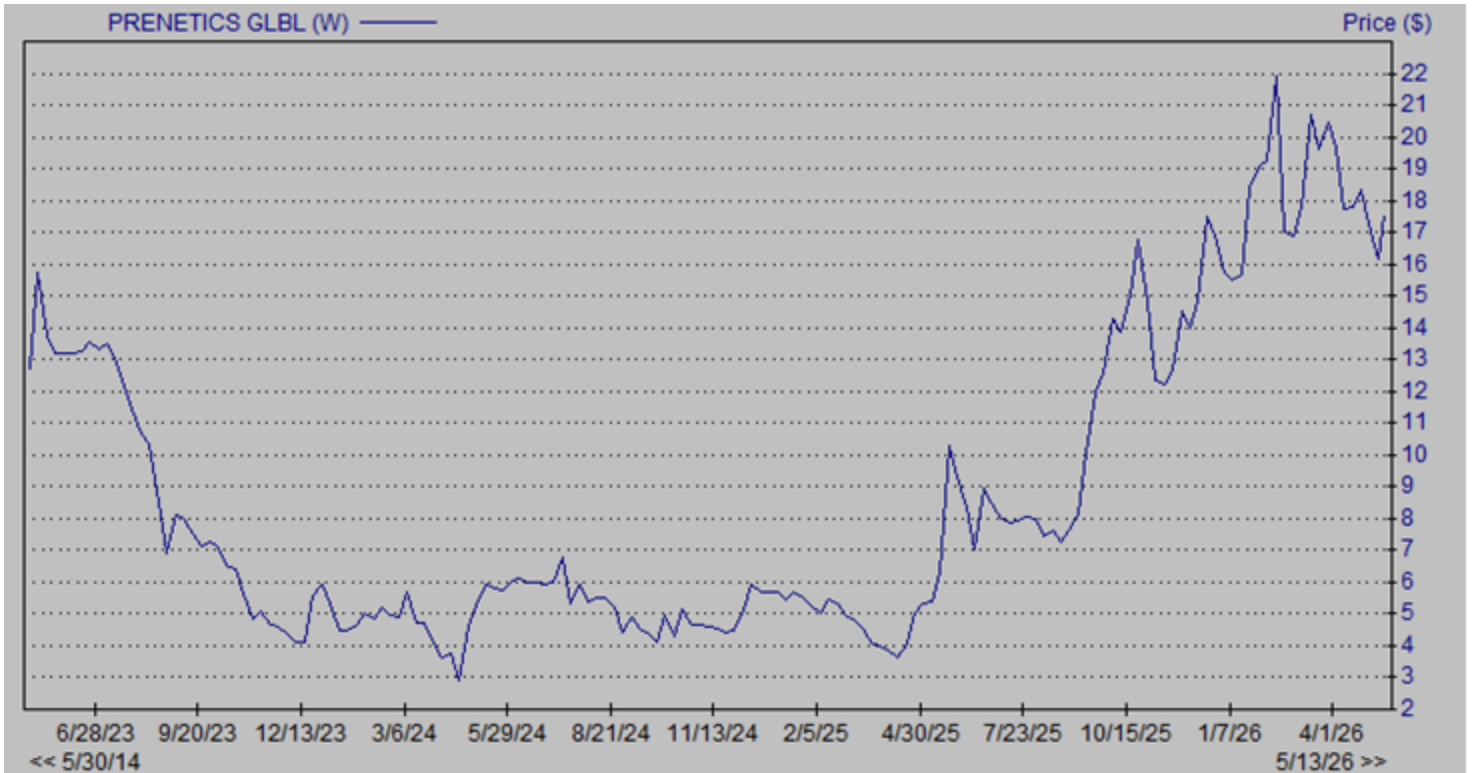
Prenetics has simultaneously become more aggressive in returning capital to shareholders. The company disclosed that it has already executed approximately \$19 million of its previously announced \$40 million share repurchase authorization. Management has indicated that the strengthened balance sheet and proceeds from the bitcoin divestiture could support additional shareholder-friendly actions going forward.

Overall, the first quarter update reinforced the view that Prenetics is evolving rapidly into a focused global consumer health company centered around the IM8 platform. Revenue growth, rising margins, international expansion, recurring subscription revenue, and the planned entry into several massive supplement categories all point toward a company attempting to build a diversified premium wellness ecosystem rather than a single-product brand. If management can successfully execute on the upcoming hydration, creatine, and kids' gummies launches while sustaining current growth rates, the addressable market opportunity for IM8 could become substantially larger than investors initially anticipated and lead to a significant re-rating of PRE stock.

PROJECTED INCOME STATEMENT & BALANCE SHEET

Prenetics Income Statement and Balance Sheet										
(US \$ in thousands)										
	1Q2025A	2Q2025A	3Q2025A	4Q2025A	1Q2026E	2Q2026E	3Q2026E	4Q2026E	2027E	
Total Revenues	17,312	17,680	23,555	36,558	36,000	46,500	51,150	56,265	292,578	
Cost of Revenues	9,970	10,391	9,531	14,817	12,700	18,600	20,460	22,506	117,031	
Gross Profit	7,342	7,289	14,024	21,741	23,300	27,900	30,690	33,759	175,547	
Other operating income and gains	312	(196)	395	227	0	0	0	0	0	
Operating Expenses										
Selling and Distribution	4,789	5,457	9,859	16,091	16,896	17,740	18,627	19,559	82,147	
General and Admin.	11,081	10,489	9,554	17,298	17,644	17,997	18,357	18,724	74,896	
Research and Development	2,416	1,212	1,170	743	817	899	989	1,088	4,351	
Other Expense	0	0	0	8,194	0	0	0	0	0	
Total operating expenses	18,286	17,158	20,583	42,326	35,357	36,636	37,973	39,370	161,394	
Operating Income/(Loss)	(10,632)	(10,065)	(6,164)	(20,358)	(12,057)	(8,736)	(7,283)	(5,611)	14,153	
Other income and (expenses)										
Other income, net	(317)	(889)	(1,244)	(8,012)	(175)	(179)	(182)	(186)	(189)	
Total other income and (expenses), net	(10,949)	(10,954)	(7,408)	(28,370)	(12,232)	(8,915)	(7,465)	(5,797)	13,964	
Pretax Income/(Loss)	(10,949)	(10,954)	(7,408)	(28,370)	(12,232)	(8,915)	(7,465)	(5,797)	13,964	
Income Tax Credit/(expense)	0	33	0	(43)	0	0	0	0	0	
	(10,949)	(10,921)	(7,408)	(28,413)	(12,232)	(8,915)	(7,465)	(5,797)	13,964	
Other after tax gains/(charges)	0	(1,485)	0	(932)	0	0	0	0	0	
Total gain/(loss)-shareholders	(10,243)	(12,410)	(7,408)	(28,116)	(12,232)	(8,915)	(7,465)	(5,797)	13,964	
Total gain/(loss)-non-controlling interests	(706)	(317)	(1,285)	(42)	0	0	0	0	0	
Basic and diluted loss per share	\$ (0.80)	\$ (0.94)	\$ (0.53)	\$ (1.75)	\$ (0.78)	\$ (0.58)	\$ (0.49)	\$ (0.39)	\$ 0.96	
Basic and diluted wtd avg common shares	13,002	13,247	13,895	16,034	15,713	15,399	15,091	14,789	14,493	
Assets										
Current Assets:										
Cash	47,966	17,249	13,264	32,131	56,000	58,800	61,740	64,827	68,068	
Accounts Receivable	4,462	1,845	1,787	2,978	3,127	3,283	3,447	3,620	3,801	
Other current assets	25,596	24,943	23,225	48,276	50,690	53,224	55,886	58,680	61,614	
Total Current Assets	78,024	44,037	38,276	83,385	109,817	115,308	121,073	127,127	133,483	
Property, Plant and Equipment, net	7,073	2,744	2,212	1,763	1,638	1,855	1,891	1,910	1,986	
Goodwill	37,364	8,194	8,194	-	-	-	-	-	-	
Other assets	81,554	144,131	147,825	118,371	105,208	115,729	127,302	140,032	154,035	
Total Assets	204,015	199,106	196,507	203,519	216,663	232,892	250,266	269,068	289,504	
Liabilities and stockholder equity										
Current liabilities:										
Accounts Payable	4,137	4,958	5,920	7,725	7,802	7,880	7,959	8,039	8,119	
Accrued Expenses	10,231	8,692	10,727	15,496	15,186	14,882	14,585	14,293	14,007	
Current portion of lease	2,604	1,526	1,426	1,330	1,197	1,077	970	873	785	
Other current liabilities	20,724	6,636	7,205	3,117	3,023	2,933	2,845	2,759	2,677	
Total Current Liabilities	37,696	21,812	25,278	27,668	27,209	26,773	26,358	25,964	25,588	
Long-term Liabilities:										
Lease less current portion	2,546	1,048	679	437	393	354	319	287	258	
Other non-current liabilities	2,657	25,354	9,348	905	928	951	975	999	1,024	
Total liabilities	42,899	48,214	35,305	29,010	28,530	28,078	27,651	27,249	26,870	
Stockholders Equity										
Total stockholders equity	161,116	150,892	161,202	174,509	188,133	204,814	222,615	241,819	262,634	
Total liabilities and stockholder equity	204,015	199,106	196,507	203,519	216,663	232,892	250,266	269,068	289,504	

HISTORICAL STOCK PRICE



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