

Zacks Small-Cap Research

Sponsored – Impartial - Comprehensive

Brad Sorensen

312-265-9674

bsorensen@zacks.com

scr.zacks.com

101 N. Wacker Drive, Chicago, IL 60606

Prenetics Global Ltd. (PRE-NASDAQ)

PRE: Results Confirm Rapid Revenue Expansion

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.

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 earnings showed rapid revenue growth and continued plans to expand the successful product line.

Current Price 06/09/26) \$20.19
Valuation \$30.00

SUMMARY DATA

52-Week High \$23.63
52-Week Low \$5.25
One-Year Return (%) 203.16
Beta 0.15
Average Daily Volume (sh) 281,987

Shares Outstanding (mil) 17
Market Capitalization (\$mil) \$327
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 A	47 E	51 E	56 E	190 E
2027	64 E	70 E	76 E	83 E	293 E

Earnings per share

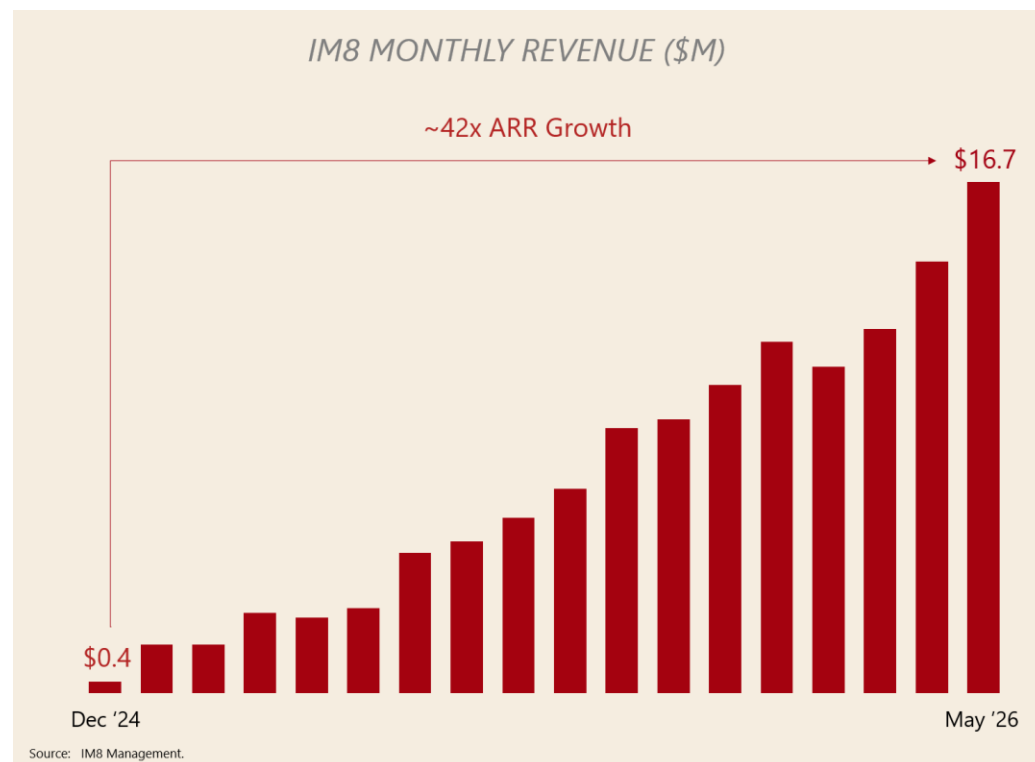
	Q1 (Mar)	Q2 (Jun)	Q3 (Sep)	Q4 (Dec)	Year (Dec)
2024	-\$0.38 A	-\$0.88 A	-\$0.84 A	-1.29 A	-\$3.39 A
2025	-\$0.80 A	-\$0.94A	-\$0.53 A	-\$1.75 A	-\$4.02 A
2026	-\$1.36 A	-\$0.16 E	-\$0.08 E	\$0.02 E	-\$1.58 E
2027	-\$0.20 E	\$0.20 E	\$0.50 E	\$0.66 E	\$1.56 E

OVERVIEW

Prenetics' recent first quarter release 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 recently 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' 2026 revenue of \$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. Early indications also support that view, with April revenues for IM8 18.6% higher than the previous month.

Growth in IM8 Revenue Accelerating

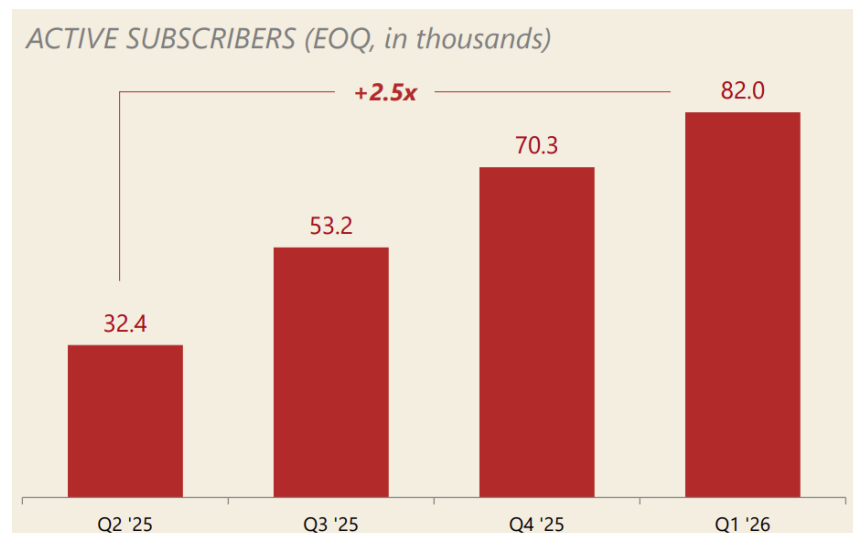


Source: Prenetics

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

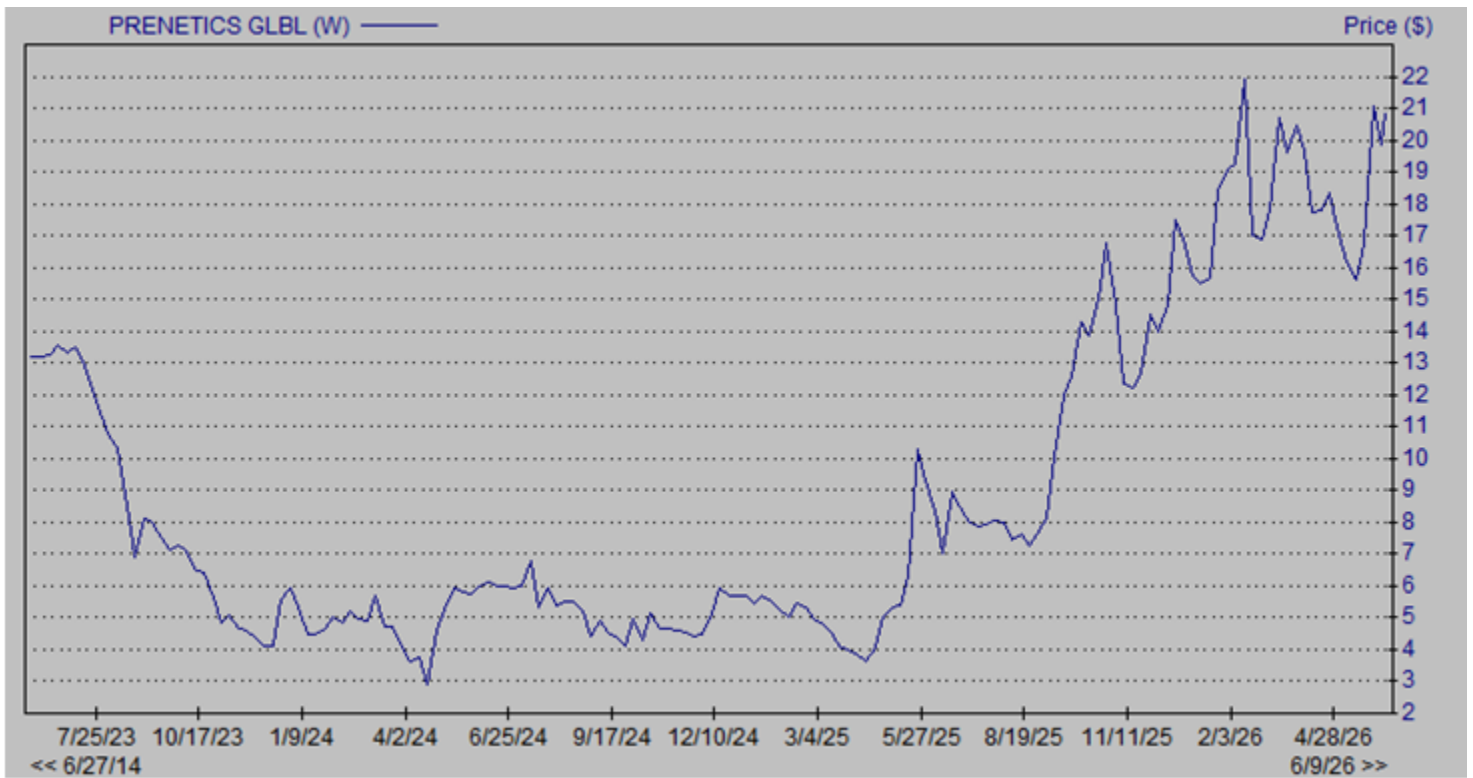
sheet and proceeds from the bitcoin divestiture could support additional shareholder-friendly actions going forward.

Overall, the first quarter release 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 rerating of PRE stock.

PROJECTED INCOME STATEMENT & BALANCE SHEET

Prenetics Income Statement and Balance Sheet										
(US \$ in thousands)										
	1Q2025A	2Q2025A	3Q2025A	4Q2025A	1Q2026A	2Q2026E	3Q2026E	4Q2026E	2027E	
Total Revenues	17,312	17,680	23,555	36,558	35,954	46,500	51,150	56,265	292,578	
Cost of Revenues	9,970	10,391	9,531	14,817	12,671	18,600	20,460	22,506	117,031	
Gross Profit	7,342	7,289	14,024	21,741	23,283	27,900	30,690	33,759	175,547	
Other operating income and gains	312	(196)	395	227	840	0	0	0	0	
Operating Expenses										
Selling and Distribution	4,789	5,457	9,859	16,091	22,205	23,315	24,481	25,705	107,961	
General and Admin.	11,081	10,489	9,554	17,298	9,341	9,528	9,718	9,913	39,651	
Research and Development	2,416	1,212	1,170	743	1,443	1,587	1,746	1,921	7,683	
Other Expense	0	0	0	8,194	18,442	0	0	0	0	
Total operating expenses	18,286	17,158	20,583	42,326	51,431	34,430	35,945	37,538	155,295	
Operating Income/(Loss)	(10,632)	(10,065)	(6,164)	(20,358)	(27,308)	(6,530)	(5,255)	(3,779)	20,252	
Other income and (expenses)										
Other income, net	(317)	(889)	(1,244)	(8,012)	3,866	3943	4022	4103	4185	
Total other income and (expenses), net	(10,949)	(10,954)	(7,408)	(28,370)	(23,442)	(2,587)	(1,233)	323	24,437	
Pretax Income/(Loss)	(10,949)	(10,954)	(7,408)	(28,370)	(23,442)	(2,587)	(1,233)	323	24,437	
Income Tax Credit/(expense)	0	33	0	(43)	(28)	0	0	0	0	
	(10,949)	(10,921)	(7,408)	(28,413)	(23,470)	(2,587)	(1,233)	323	24,437	
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)	(23,470)	(2,587)	(1,233)	323	24,437	
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)	\$ (1.36)	\$ (0.16)	\$ (0.08)	\$ 0.02	\$ 1.56	
Basic and diluted wtd avg common shares	13,002	13,247	13,895	16,034	16,983	16,643	16,310	15,984	15,665	
Assets										
Current Assets:										
Cash	47,966	17,249	13,264	32,131	56,017	58,818	61,759	64,847	68,089	
Accounts Receivable	4,462	1,845	1,787	2,978	2,529	2,655	2,788	2,928	3,074	
Other current assets	25,596	24,943	23,225	48,276	73,562	77,240	81,102	85,157	89,415	
Total Current Assets	78,024	44,037	38,276	83,385	132,108	138,713	145,649	152,932	160,578	
Property, Plant and Equipment, net	7,073	2,744	2,212	1,763	594	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	42,600	46,860	51,546	56,701	62,371	
Total Assets	204,015	199,106	196,507	203,519	175,302	187,429	199,086	211,542	224,935	
Liabilities and stockholder equity										
Current liabilities:										
Accounts Payable	4,137	4,958	5,920	7,725	1,961	1,981	2,000	2,020	2,041	
Accrued Expenses	10,231	8,692	10,727	15,496	20,293	19,887	19,489	19,100	18,718	
Current portion of lease	2,604	1,526	1,426	1,330	407	366	330	297	267	
Other current liabilities	20,724	6,636	7,205	3,117	2,979	2,890	2,803	2,719	2,637	
Total Current Liabilities	37,696	21,812	25,278	27,668	25,640	25,124	24,622	24,136	23,663	
Long-term Liabilities:										
Lease less current portion	2,546	1,048	679	437	50	45	41	36	33	
Other non-current liabilities	2,657	25,354	9,348	905	28,590	29,305	30,037	30,788	31,558	
Total liabilities	42,899	48,214	35,305	29,010	54,280	54,473	54,700	54,960	55,253	
Stockholders Equity										
Total stockholders equity	161,116	150,892	161,202	174,509	121,022	132,956	144,386	156,582	169,682	
Total liabilities and stockholder equity	204,015	199,106	196,507	203,519	175,302	187,429	199,086	211,542	224,935	

HISTORICAL STOCK PRICE



DISCLOSURES

The following disclosures relate to relationships between Zacks Small-Cap Research ("Zacks SCR"), a division of Zacks Investment Research ("ZIR"), and the issuers covered by the Zacks SCR Analysts in the Small-Cap Universe.

ANALYST DISCLOSURES

I, Brad Sorensen, hereby certify that the view expressed in this research report accurately reflect my personal views about the subject securities and issuers. I also certify that no part of my compensation was, is, or will be, directly or indirectly, related to the recommendations or views expressed in this research report. I believe the information used for the creation of this report has been obtained from sources I considered to be reliable, but I can neither guarantee nor represent the completeness or accuracy of the information herewith. Such information and the opinions expressed are subject to change without notice.

INVESTMENT BANKING AND FEES FOR SERVICES

Zacks SCR does not provide investment banking services nor has it received compensation for investment banking services from the issuers of the securities covered in this report or article.

Zacks SCR has received compensation from the issuer directly, from an investment manager, or from an investor relations consulting firm engaged by the issuer for providing non-investment banking services to this issuer and expects to receive additional compensation for such non-investment banking services provided to this issuer. The non-investment banking services provided to the issuer includes the preparation of this report, investor relations services, investment software, financial database analysis, organization of non-deal road shows, and attendance fees for conferences sponsored or co-sponsored by Zacks SCR. The fees for these services vary on a per-client basis and are subject to the number and types of services contracted. Fees typically range between ten thousand and fifty thousand dollars per annum. Details of fees paid by this issuer are available upon request.

POLICY DISCLOSURES

This report provides an objective valuation of the issuer today and expected valuations of the issuer at various future dates based on applying standard investment valuation methodologies to the revenue and EPS forecasts made by the SCR Analyst of the issuer's business. SCR Analysts are restricted from holding or trading securities in the issuers that they cover. ZIR and Zacks SCR do not make a market in any security followed by SCR nor do they act as dealers in these securities. Each Zacks SCR Analyst has full discretion over the valuation of the issuer included in this report based on his or her own due diligence. SCR Analysts are paid based on the number of companies they cover. SCR Analyst compensation is not, was not, nor will be, directly or indirectly, related to the specific valuations or views expressed in any report or article.

ADDITIONAL INFORMATION

Additional information is available upon request. Zacks SCR reports and articles are based on data obtained from sources that it believes to be reliable, but are not guaranteed to be accurate nor do they purport to be complete. Because of individual financial or investment objectives and/or financial circumstances, this report or article should not be construed as advice designed to meet the particular investment needs of any investor. Investing involves risk. Any opinions expressed by Zacks SCR Analysts are subject to change without notice. Reports or articles or tweets are not to be construed as an offer or solicitation of an offer to buy or sell the securities herein mentioned.

CANADIAN COVERAGE

This research report is a product of Zacks SCR and prepared by a research analyst who is employed by or is a consultant to Zacks SCR. The research analyst preparing the research report is resident outside of Canada, and is not an associated person of any Canadian registered adviser and/or dealer. Therefore, the analyst is not subject to supervision by a Canadian registered adviser and/or dealer, and is not required to satisfy the regulatory licensing requirements of any Canadian provincial securities regulators, the Investment Industry Regulatory Organization of Canada and is not required to otherwise comply with Canadian rules or regulations.