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Zacks Small-Cap Research

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Prenetics Global Ltd. (PRE-NASDAQ)

PRE: Company Announces new Partnership with Large Upside

Prenetics Global is a health care company with a rapidly growing product in the premium growth supplement market. We value PRE at $33.00 per share using conservative assumptions on a DCF basis.

Current Price (11/04/26)	$19.37
Valuation	**$33.00**

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.

Company management announced a partnership with Care Bears that we believe has tremendous upside by opening up an entirely new market with an established brand.

SUMMARY DATA

52-Week High	**$26.25**
52-Week Low	**$11.79**
One-Year Return (%)	**26.10**
Beta	**0.40**
Average Daily Volume (sh)	**184,941**
Shares Outstanding (mil)	**17**
Market Capitalization ($mil)	**$271**
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	**N/A**
P/E using 2027 Estimate	**N/A**

Risk Level	**Average**
Type of Stock	**Small-Blend**
Industry	**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	46 A	64 E	80 E	226 E
2027	85 E	95 E	110 E	127 E	417 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	-$0.52 A	-$0.25 E	$0.20 E	-$1.93 E
2027	-$0.13 E	$0.20 E	$0.50 E	$0.66 E	$1.49 E

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Update

Prenetics Global Limited (NASDAQ: PRE) continues to demonstrate that its transformation into a fast-growing global consumer health company is about much more than the extraordinary early success of its flagship IM8 nutrition brand we've been telling investors about. The recent announcement of a 10-year exclusive worldwide partnership with Authentic Brands Group to develop and commercialize a new family wellness brand, Care Bears by IM8, represents what we believe is an important expansion of the company's addressable market, distribution opportunities, and long-term revenue potential. Perhaps most importantly, it demonstrates management's ambition to leverage its proven digital marketing, product development, and subscription capabilities to establish an entire portfolio of recognizable consumer health brands.

The agreement brings together two significant assets: IM8's rapidly developing reputation for premium, science-backed nutritional supplements and Care Bears' extraordinary global brand recognition, built over more than four decades. Under the arrangement, Prenetics will serve as the exclusive operating partner, recognize all revenue generated by Care Bears by IM8, and pay royalties to Authentic Brands Group. We also like that authentic will also become a strategic shareholder in Prenetics, aligning the interests of the two companies in building the new business.

A major opportunity in the global nutritional supplements market

The initial Care Bears by IM8 product lineup will feature gummy multivitamins for children and adults, with a worldwide launch planned for the first half of 2027, coinciding with the 45th anniversary of Care Bears. The products will emphasize the same quality standards that helped establish IM8, including science-backed formulations, third-party testing, and guidance from scientific and medical advisers. The gummies are planned to be vegan, sugar-free, and free of gelatin, artificial colors, and artificial flavors.
The market opportunity is substantial. According to market research cited by Prenetics, the global gummy supplements market was valued at approximately $24.4 billion in 2025 and is expected to reach $47.8 billion by 2030, representing a compound annual growth rate of 14.4%. Additionally, the global children's dietary supplements market was estimated at approximately $26 billion in 2025, within an overall vitamins and supplements market of roughly $164 billion. Although these categories overlap, their size underscores the potential demand for convenient nutritional products targeting children and adults.

We believe a key advantage of the partnership is that Prenetics will not be introducing an unfamiliar brand into this highly competitive market. Care Bears has generated more than $12 billion in cumulative retail sales and has a presence in more than 190 countries and 26 languages. Its recognizable characters appeal not only to children but also to adults who grew up with the franchise. This multigenerational recognition should give Prenetics a marketing advantage compared with introducing an entirely new consumer brand. While brand recognition alone does not guarantee sales, it can reduce the time and expense required to introduce products to customers and retailers.

The expansion also addresses a different consumer segment than IM8's existing flagship product. IM8 Daily Ultimate Essentials primarily targets adults seeking premium, comprehensive nutritional supplementation. Care Bears by IM8 will target children, parents, and consumers interested in a more convenient gummy format. This distinction creates the opportunity for incremental sales rather than simply shifting customers from one Prenetics product to another.

Management envisions Care Bears by IM8 as an entire family wellness platform rather than merely a gummy vitamin line. Future products could include healthier confectionery, children's snacks, and other food and wellness offerings. Successfully extending the franchise into these categories would allow Prenetics to participate in additional large consumer markets while leveraging the same established brand identity.

Expanding distribution beyond direct-to-consumer

Another attractive aspect of the agreement to us is its potential to accelerate Prenetics' entry into traditional retail distribution. While IM8 has achieved impressive growth primarily through direct-to-consumer sales, subscriptions, and online marketing, Care Bears by IM8 is being developed for both digital and physical retail channels.

Authentic Brands Group brings an extensive international licensing and commercial network, while Care Bears itself has more than 500 licensing partners worldwide. This provides potential access to pharmacies, supermarkets, major retail chains, and warehouse clubs, creating opportunities to reach millions of consumers who might never encounter IM8 through online advertising.

We think it’s apparent that the financial implications could be significant. Retail distribution would diversify Prenetics' sources of revenue, reduce reliance on digital customer acquisition, and introduce its products to entirely new consumer groups. Meanwhile, the company's existing subscription infrastructure could encourage repeat purchases and support long-term customer relationships.

Importantly, the agreement does not require Prenetics to purchase the Care Bears intellectual property outright. Instead, the company obtains exclusive rights to commercialize the new wellness brand while paying royalties to Authentic. This structure offers substantial market access without the potentially enormous capital commitment of acquiring a globally recognized brand, although contractual royalty obligations and marketing expenses will affect profitability.

A compelling addition to an already impressive growth story

The Care Bears announcement builds upon an exceptional period of growth for Prenetics. Since launching IM8 in December 2024, the company has established one of the fastest-growing premium nutrition businesses in the industry, driven by its flagship Daily Ultimate Essentials product, which combines 90 ingredients into one daily nutritional drink. Co-founded with David Beckham, IM8 has expanded into 46 countries, benefiting from an international ambassador network that includes prominent athletes and entertainment personalities.

The financial results demonstrate that the company's growth strategy is producing meaningful results. During the second quarter of 2026, IM8 generated $45 million in revenue, representing approximately 359% year-over-year growth and marking its sixth consecutive record quarter. July revenue reached $20.9 million, equivalent to an annualized revenue run rate of approximately $251 million. While this annualized figure is not guaranteed future revenue, it illustrates the impressive pace at which the business has expanded.

Prenetics has increased its full-year 2026 revenue guidance to $220 million–$230 million and established a 2027 IM8 revenue target of at least $400 million. Significantly, the 2027 guidance excludes revenue from Care Bears by IM8 and other upcoming product launches, creating the possibility of meaningful upside if these initiatives achieve commercial success.

The company's broader product expansion includes planned launches in hydration and creatine, both of which address growing markets and provide opportunities to generate additional sales from existing customers. The growing product portfolio should also improve customer lifetime value, an important consideration for a subscription-oriented business.

Prenetics has also demonstrated progress toward financial sustainability. In July 2026, the company achieved its first month of positive consolidated adjusted free cash flow, and management subsequently expressed confidence that positive adjusted free cash flow could continue through the third quarter and beyond. This is an important milestone because it suggests that rapid revenue expansion is beginning to translate into improved operating economics, rather than simply requiring continually increasing marketing expenditures. The company also secured a $1 billion customer-acquisition growth financing

commitment from General Catalyst's Customer Value Fund, providing a potential mechanism for financing further expansion, subject to the facility's terms.

Of course, the Care Bears agreement is not without financial obligations on the Prenetics side. The licensing agreement includes guaranteed minimum royalties and share consideration for Authentic, potentially creating additional costs and dilution for existing shareholders. Furthermore, the new products have not yet launched, so their commercial potential remains unproven. Nevertheless, Prenetics' existing operating infrastructure and its partner's established brand recognition provide a credible foundation for commercializing the new franchise.

Investment outlook

Today's announcement is especially encouraging to us because it demonstrates that Prenetics is evolving from a successful single-brand supplement business into a potentially much larger global consumer health platform. Management is pursuing a strategy that combines recognizable global brands, premium nutritional formulations, efficient digital marketing, subscription revenue, and increasingly diversified distribution channels.

The Care Bears partnership provides Prenetics with an established international consumer franchise, access to attractive and rapidly expanding markets, and an opportunity to build additional revenue streams without having to create an entirely new brand identity. Moreover, Authentic's decision to become a strategic shareholder provides an additional indication of its commitment to the venture. For investors, the most compelling aspect of the announcement is the possibility that Prenetics' substantial existing growth trajectory may be only the beginning. With IM8 targeting at least $400 million in revenue during 2027, several additional product categories under development, and Care Bears by IM8 introducing an entirely new family-focused growth platform, Prenetics has multiple opportunities to expand revenue beyond its current projections.

We view today's announcement as a meaningful positive development for Prenetics shareholders. While execution, product adoption, licensing costs, and profitability remain important considerations, the agreement strengthens our argument that Prenetics is building a scalable international consumer health business with significant long-term growth potential. If management can replicate even a portion of IM8's remarkable commercial success with the Care Bears franchise, the resulting incremental revenue and customer diversification could meaningfully enhance the company's future earnings power and investment appeal.

PROJECTED INCOME STATEMENT & BALANCE SHEET

Prenetics Income Statement and Balance Sheet (US $ in thousands)										
		1Q2025A	2Q2025A	3Q2025A	4Q2025A	1Q2026A	2Q2026A	3Q2026E	4Q2026E	2027E
Total Revenues		17,312	17,680	23,555	36,558	35,954	46,488	63,500	80,100	416,520
	Cost of Revenues	9,970	10,391	9,531	14,817	12,671	16,285	25,400	32,040	166,608
Gross Profit		7,342	7,289	14,024	21,741	23,283	30,203	38,100	48,060	249,912
	Other operating income and gains	312	(196)	395	227	840	941	0	0	0
Operating Expenses										
	Selling and Distribution	4,789	5,457	9,859	16,091	22,205	41,300	43,365	45,533	191,240
	General and Admin.	11,081	10,489	9,554	17,298	9,341	10,065	10,266	10,472	41,887
	Research and Development	2,416	1,212	1,170	743	1,443	757	833	916	3,664
	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	52,122	54,464	56,921	236,790
Operating Income/(Loss)		(10,632)	(10,065)	(6,164)	(20,358)	(27,308)	(20,978)	(16,364)	(8,861)	13,122
Other income and (expenses)										
	Other income, net	(317)	(889)	(1,244)	(8,012)	3,866	11895	12133	12376	12623
Total other income and (expenses), net		(10,949)	(10,954)	(7,408)	(28,370)	(23,442)	(9,083)	(4,231)	3,515	25,745
Pretax Income/(Loss)		(10,949)	(10,954)	(7,408)	(28,370)	(23,442)	(9,083)	(4,231)	3,515	25,745
Income Tax Credit/(expense)		0	33	0	(43)	(28)	(5)	0	0	0
		(10,949)	(10,921)	(7,408)	(28,413)	(23,470)	(9,088)	(4,231)	3,515	25,745
Other after tax gains/(charges)		0	(1,485)	0	(932)	0	188	0	0	0
Total gain/(loss)-shareholders		(10,243)	(12,410)	(7,408)	(28,116)	(23,470)	(8,900)	(4,231)	3,515	25,745
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)	$ (0.52)	$ (0.25)	$ 0.20	$ 1.49
Basic and diluted wtd avg common shares		13,002	13,247	13,895	16,034	16,983	17,266	17,266	17,266	17,266
Assets										
Current Assets:										
	Cash	47,966	17,249	13,264	32,131	56,017	59,050	62,003	65,103	68,358
	Accounts Receivable	4,462	1,845	1,787	2,978	2,529	5,131	5,388	5,657	5,940
	Other current assets	25,596	24,943	23,225	48,276	73,562	83,498	87,673	92,057	96,659
Total Current Assets		78,024	44,037	38,276	83,385	132,108	147,679	155,063	162,816	170,957
Property, Plant and Equipment, net		7,073	2,744	2,212	1,763	594	753	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	5,223	5,745	6,320	6,952
Total Assets		204,015	199,106	196,507	203,519	175,302	153,655	162,699	171,046	179,895
Liabilities and stockholder equity										
Current liabilities:										
	Accounts Payable	4,137	4,958	5,920	7,725	1,961	1,030	1,040	1,051	1,061
	Accrued Expenses	10,231	8,692	10,727	15,496	20,293	30,821	30,205	29,600	29,008
	Current portion of lease	2,604	1,526	1,426	1,330	407	538	484	436	392
	Other current liabilities	20,724	6,636	7,205	3,117	2,979	4,171	4,046	3,924	3,807
Total Current Liabilities		37,696	21,812	25,278	27,668	25,640	36,560	35,775	35,011	34,269
Long-term Liabilities:										
	Lease less current portion	2,546	1,048	679	437	50	144	130	117	105
	Other non-current liabilities	2,657	25,354	9,348	905	28,590	24,028	24,629	25,244	25,876
Total liabilities		42,899	48,214	35,305	29,010	54,280	60,732	60,533	60,373	60,249
Stockholders Equity										
Total stockholders equity		161,116	150,892	161,202	174,509	121,022	92,923	102,166	110,673	119,646
Total liabilities and stockholder equity		204,015	199,106	196,507	203,519	175,302	153,655	162,699	171,046	179,895

HISTORICAL STOCK PRICE



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