Prenetics Global Ltd.

Buy

(PRE – $21.24) Price Target: $35

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$1B Non-Dilutive Financing Removes Growth Constraint And Supports Higher IM8 Guidance; Reiterate Buy And Raising PT To $35

Our Take – We view the $1B growth financing agreement with General Catalyst's Customer Value Fund as a significant positive for Prenetics. The structure provides IM8 with access to substantial non-dilutive capital to fund customer acquisition while preserving the company's roughly $140M of existing liquidity for product development, clinical research, international expansion, and other strategic uses. More importantly, we believe the agreement provides meaningful third-party validation of IM8's customer economics. General Catalyst completed transaction-level diligence across the company's monthly customer cohorts, with every mature cohort exceeding the required performance thresholds. Management indicated that each $1 invested in customer acquisition has generated $1.44 in gross profit across mature cohorts, with returns continuing to increase as subscription revenue compounds. In our view, this directly addresses the concern that IM8 could remain dependent on elevated marketing investment without generating sufficient customer value. The facility should allow the company to accelerate growth without issuing equity or materially weakening the balance sheet. Prenetics also raised FY26 IM8 revenue guidance to $210M-$220M and now expects to exit 2026 at a $300M annualized revenue run rate, further supporting our view that IM8 continues to scale faster than previously expected. Additionally, the company guided to $400M in annual IM8 revenue in 2027 vs. the consensus expectation of $348.6M. Based on our raised 2027 estimates, we are increasing our price target to $35.

Details – General Catalyst's Customer Value Fund has committed up to $1B to finance up to 70% of IM8's marketing spend by monthly customer cohort. Prenetics retains control over facility usage and marketing decisions. In return, General Catalyst receives a capped share of the income generated by each financed cohort until it recovers its investment and predetermined return, after which all remaining customer value accrues to IM8. The agreement includes no equity, warrants, fixed maturity, financial covenants, or recourse beyond the financed cohorts. Funding will be recorded as a financial liability, with General Catalyst's return recognized as interest expense, while Prenetics continues to record the full marketing expense.

Benefit – The facility allows Prenetics to accelerate customer acquisition using less of its own cash and without issuing equity. By funding only the remaining portion of marketing spend, Prenetics can build a larger subscriber base while preserving liquidity for product launches, international expansion, clinical research, and other strategic investments. Although the structure does not improve reported marketing expense or adj. EBITDA, it increases Prenetics' return on its own capital and removes a major cash constraint on IM8's growth.

Changes	Previous	Current
Rating:	--	Buy
Price Target:	$29	$35
FY26E Rev M:	$211.5	$221.3
FY27E Rev M:	$316.0	$400.0
FY26E EPS:	($5.85)	($5.40)
FY27E EPS:	($4.45)	($4.49)

Profile	
Price:	$21.24
Shares Out (M):	17.0
Market Cap (M):	$361
Enterprise Value (M):	$221
Avg. Daily Vol (K):	218
Insiders Own:	17%
Short Int (M) / % of Float:	0.6 / 4%
Net Cash /Sh:	$8.23
Div / Yield:	NA / NA

Rev (M)	2025A	2026E	2027E
Mar	$14.6	$36.0A	$82.0
Jun	$17.7	$49.8	$94.0
Sep	$23.6	$61.0	$110.0
Dec	$36.6	$74.5	$114.0
FY	$92.4	$221.3	$400.0
y/y Growth	480%	139%	81%

EPS	2025A	2026E	2027E
Mar	($0.68)	($1.61A)	($1.34)
Jun	($0.82)	($1.35)	($1.14)
Sep	($0.41)	($1.40)	($1.03)
Dec	($1.77)	($1.28)	($0.96)
FY	($3.79)	($5.40)	($4.49)
AEBITDA (M)	($13.0)	($25.0)	($16.1)

Valuation	2025A	2026E	2027E
EV/Rev	2.4x	1.0x	0.6x
EV/AEBITDA	NA	NA	NA

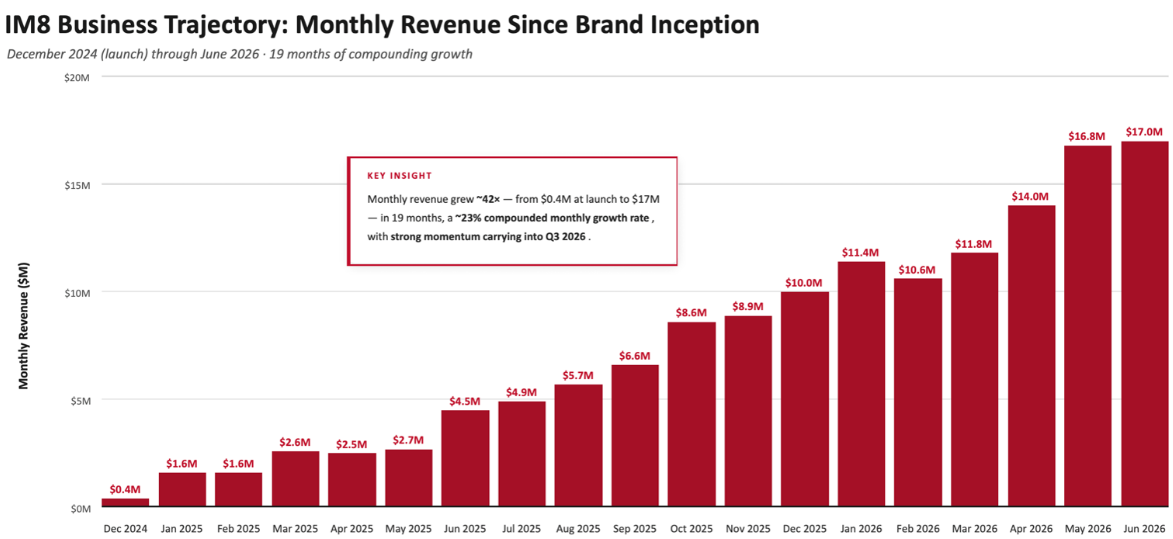
Management	
CEO	Danny Yeung
CFO	Stephen Lo

Company Description

Prenetics Global is a consumer health company focused on premium nutrition supplements and genetic testing services.

HIGHLIGHTS

- **$1.0B Facility Terms –** $1.0B of non-dilutive, non-recourse growth capital funding up to 70% of each month's sales and marketing spend, tracked cohort-by-cohort with no cross-collateralization. IM8 retains full discretion over how much to draw. Repayment is self-liquidating from the revenue each funded cohort generates, with no fixed schedule, maturity date, or financial covenants. GC earns a projected blended premium of 4.7%-7.6% on the capital it deploys, capped at a 1.17x return multiple (a 17% maximum premium on the slowest-paying cohorts). Once GC recovers its capital plus that capped return on a given cohort, all subsequent revenue from those customers accrues 100% to IM8.
- **Q2'26 IM8 Revenue & Cash Prelim –** The company announced prelim unaudited Q2'26 IM8 revenue and cash. Unaudited Q2 revenue was $47.8M, with revenue scaling from $14.0M in April to $17.0M in June. Cash was approximately $140M as of May 31.
- **Updated IM8 Guidance –** Prenetics offered the following updated guidance: FY26 IM8 revenue of $210M-$220M, an IM8 ARR exiting Q4'26 of $300M, and FY27 IM8 Revenue of more than $400M.
- **Updating Estimates –** We are updating our estimates to reflect management's guidance with FY26 IM8 revenue of $211.6M and FY27 IM8 revenue of $400M.



Source: Company Information

Figure 1 – IM8 Monthly Revenues

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Payback Speed (months)	General Catalyst's Premium
≤ 3 months	3.5%
3 – 6 months	~4.7%
6 – 12 months	~7.6%
12 – 18 months	~11.5%
18 – 24 months	~15.4%
25+ months	17% Cap

Source: Company Information, LSCM Research

Figure 2 – General Catalyst's Payback Premium Schedule

INVESTMENT THESIS AND VALUATION

Prenetics is a consumer health company centered around its rapidly growing IM8 supplement platform. Over the past year, the company has transformed from a diversified diagnostics and healthcare services business into a focused direct-to-consumer health platform following the divestiture of several non-core assets. We believe this repositioning significantly improves the investment case by simplifying the story around a single high-growth asset with attractive unit economics and recurring revenue characteristics. The core of the thesis is IM8, which launched in late 2024 and has scaled rapidly through a subscription-driven DTC model supported by performance marketing and global athlete partnerships, including David Beckham. The business has already reached a revenue run-rate approaching $200M while maintaining gross margins above 60%, and management continues to report improving customer economics, including higher average order values, strong retention trends, and increasing subscription penetration. We believe these metrics support the view that IM8 is evolving into a scaled global wellness platform rather than simply another early-stage supplement brand. Importantly, Prenetics maintains a strong balance sheet with substantial liquidity and no debt, allowing the company to continue investing aggressively behind customer acquisition, international expansion, and new product launches without requiring external financing. Looking ahead, we believe additional products, expanding global reach, and improving operating leverage can continue to support strong revenue growth and eventual profitability. Despite this growth profile, shares currently trade at a meaningful discount to comparable high-growth DTC health and wellness businesses, which we believe creates an attractive risk/reward opportunity as execution continues.

Our $35 Price Target – We derive our $35 price target by applying a 1.4x EV/Revenue multiple to our 2027 total revenue estimate of $400.0M. Our valuation incorporates $139.7M of cash and cash equivalents to arrive at our equity value. We believe a 1.4x revenue multiple is appropriate given the company's early-stage growth profile, its transition to a pure-play consumer health platform centered around IM8, and management's expectation for roughly 100% revenue growth in FY26.

RISKS

A position in Prenetics includes the following risks:

- **Single-Brand Concentration –** After divesting from ACT Genomics, Insighta, and Europa, Prenetics has narrowed its business down to IM8 and CircleDNA. While CircleDNA offers some diversification, it is a relatively small contributor to revenue and is not a meaningful offset to IM8 in terms of scale or trajectory. Therefore, the investment thesis rests almost entirely on IM8's execution.

- **Unproven Customer Retention –** While the company has reached an impressive $120M ARR within 12 months of launch, we believe that durable recurring revenues have yet to be entirely proven and remain to be the biggest bear case for the company. If churn is higher than expected, a low LTV/CAC ratio could negatively impact profitability.
- **Lack Of Profitability –** The company is currently not profitable. If the company continues to post losses, it may need additional capital in the future.
- **Competitive Market Dynamics –** The dietary supplement sector is highly competitive, featuring well–established brands and new market entrants. Increased competition could lead to pricing pressures, reduced margins, and market share erosion. Additionally, shifting consumer preferences and emerging health trends may require continuous innovation, potentially leading to higher expenses.
- **Regulatory Compliance And Industry Oversight –** The nutritional supplement industry is subject to strict regulatory scrutiny from agencies such as the FDA and FTC. Changes in legislation, enforcement actions, or evolving consumer protection policies could increase compliance costs and limit the company's ability to market or sell certain products. Regulatory risks present potential operational hurdles that could impact future growth.
- **Celebrity And Influencer Dependency –** IM8 has built significant brand equity around its high–profile ambassador relationships. These endorsements have driven meaningful awareness and lend credibility to the brand's premium positioning. However, a reputational issue involving an ambassador could damage consumer trust at a critical stage of growth. The company has continued to add ambassadors, broadening the portfolio but also increasing exposure to the public actions of individuals outside management's direct control.
- **Dual-Class Share Structure** – The company maintains a dual-class share structure in which Class B shares carry 20 votes per share compared to one vote per share for Class A shares. As a result, holders of Class B shares, primarily company insiders and early investors, maintain a disproportionate level of voting control relative to their economic ownership. This structure limits public shareholders' ability to influence corporate governance decisions and may reduce the impact of shareholder votes on matters such as board composition and strategic direction. Some institutional investors view dual-class structures unfavorably, which could limit the potential investor base for the shares.

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FINANCIAL MODEL

Prenetics Global Ltd.

Fiscal Year End Dec. 30	2024	2025					2026					2027				
Income Statement *($ and shares in 000s)*	**2024A**	**Mar-25A Q1**	**Jun-25A Q2**	**Sep-25A Q3**	**Dec-25A Q4**	**2025A**	**Mar-26A Q1**	**Jun-26E Q2**	**Sep-26E Q3**	**Dec-26E Q4**	**2026E**	**Mar-27E Q1**	**Jun-27E Q2**	**Sep-27E Q3**	**Dec-27E Q4**	**2027E**
Revenue	**15.936**	14.597	17.680	23.555	36.558	**92.390**	35.954	49.800	61.000	74.500	**221.254**	82.000	94.000	110.000	114.000	**400.000**
Direct costs	**6.659**	8.707	10.391	9.531	14.817	**43.446**	12.671	19.920	24.400	29.800	**86.791**	32.406	36.702	42.630	43.662	**155.400**
Gross Profit	**9.277**	**5.890**	**7.289**	**14.024**	**21.741**	**48.944**	**23.283**	**29.880**	**36.600**	**44.700**	**134.463**	**49.594**	**57.298**	**67.370**	**70.338**	**244.600**
Operating expenses																
Other income and other net gain	**(2.006)**	(0.203)	0.196	(0.395)	(0.227)	**(0.629)**	(0.840)	(0.840)	(0.840)	(0.840)	**(3.360)**	(0.840)	(0.840)	(0.840)	(0.840)	**(3.360)**
Selling and marketing expenses	**5.413**	4.133	5.457	9.859	16.091	**35.540**	22.205	24.500	32.000	38.000	**116.705**	38.000	42.300	49.500	51.300	**181.100**
Research and development expenses	**9.051**	2.007	1.212	1.170	0.743	**5.132**	1.443	0.800	0.800	0.800	**3.843**	0.800	0.800	0.800	0.800	**3.200**
Impairment loss of goodwill	**0.000**	0.000	0.000	0.000	8.194	**8.194**	0.000	0.000	0.000	0.000	**0.000**	0.000	0.000	0.000	0.000	**0.000**
Administrative and other expenses	**33.090**	8.315	10.489	9.554	17.298	**45.656**	9.341	10.000	10.000	10.000	**39.341**	16.000	16.000	17.000	17.000	**66.000**
Total Operating Expenses	45.548	14.252	17.354	20.188	42.099	93.893	32.149	34.460	41.960	47.960	156.529	53.960	58.260	66.460	68.260	246.940
Operating Income (Loss)	**(36.271)**	**(8.362)**	**(10.065)**	**(6.164)**	**(20.358)**	**(44.949)**	**(8.866)**	**(4.580)**	**(5.360)**	**(3.260)**	**(22.066)**	**(4.366)**	**(0.962)**	**0.910**	**2.078**	**(2.340)**
Total other income	(9.754)	(0.460)	(0.889)	(0.615)	(8.012)	(9.976)	(18.442)	(18.442)	(18.442)	(18.442)	(73.768)	(18.442)	(18.442)	(18.442)	(18.442)	(73.768)
Pre-Tax Income (Loss)	**(46.025)**	**(8.822)**	**(10.954)**	**(6.779)**	**(28.370)**	**(54.925)**	**(27.308)**	**(23.022)**	**(23.802)**	**(21.702)**	**(95.834)**	**(22.808)**	**(19.404)**	**(17.532)**	**(16.364)**	**(76.108)**
Income tax (expense)/credit	7.639	(0.020)	0.033	(0.009)	(0.043)	(0.039)	0.028	(0.046)	(0.048)	(0.043)	(0.109)	(0.046)	(0.039)	(0.035)	(0.033)	(0.152)
Loss from continuing operations	(38.386)	(8.842)	(10.921)	(6.788)	(28.413)	(54.965)	(27.336)	(22.976)	(23.754)	(21.659)	(95.943)	(22.762)	(19.365)	(17.497)	(16.331)	(76.260)
Net Income (Loss)	**(49.806)**	**(11.015)**	**(12.727)**	**(8.693)**	**(28.157)**	**(60.593)**	**(23.105)**	**(22.976)**	**(23.754)**	**(21.659)**	**(91.712)**	**(22.762)**	**(19.365)**	**(17.497)**	**(16.331)**	**(76.260)**
Net income (Loss) / share - Diluted	**(3.04)**	**(0.68)**	**(0.82)**	**(0.41)**	**(1.77)**	**(3.79)**	**(1.61)**	**(1.35)**	**(1.40)**	**(1.28)**	**(5.40)**	**(1.34)**	**(1.14)**	**(1.03)**	**(0.96)**	**(4.49)**
Weighted Avg. Shares Out. Diluted (M)	12.495	13.004	13.247	13.895	16.034	14.053	16.983	16.983	16.983	16.983	16.983	16.983	16.983	16.983	16.983	16.983
Adj. EBITDA	*(17.853)*	*(4.524)*	*(4.132)*	*(2.083)*	*(2.252)*	*(12.989)*	*(5.599)*	*(6.920)*	*(7.697)*	*(4.605)*	*(25.039)*	*(7.707)*	*(4.316)*	*(2.452)*	*(1.289)*	*(16.068)*
Growth Y/Y																
Revenue	*NA*	*127.6%*	*595.0%*	*567.7%*	*457.0%*	*479.8%*	*146.3%*	*181.7%*	*159.0%*	*103.8%*	*139.5%*	*128.1%*	*88.8%*	*80.3%*	*53.0%*	*80.8%*
Margins																
Gross Profit	*58.2%*	*40.4%*	*41.2%*	*59.5%*	*59.5%*	*53.0%*	*64.8%*	*60.0%*	*60.0%*	*60.0%*	*60.8%*	*60.5%*	*61.0%*	*61.2%*	*61.7%*	*61.2%*
Adj. EBITDA	*-112.0%*	*-31.0%*	*-23.4%*	*-8.8%*	*-6.2%*	*-14.1%*	*-15.6%*	*-13.9%*	*-12.6%*	*-6.2%*	*-11.3%*	*-9.4%*	*-4.6%*	*-2.2%*	*-1.1%*	*-4.0%*

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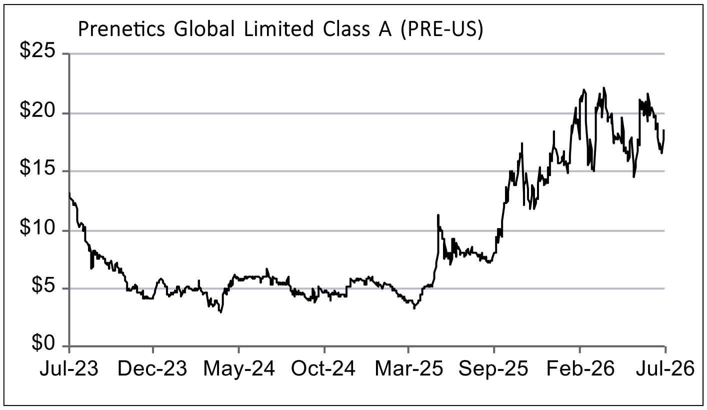

Source: FactSet

Initiate: March 16, 2026 – Rating: Buy – Price Target: $29
July 15, 2026 – Rating: Buy – Price Target: $35

RATINGS DEFINITION

Buy rated stocks are expected to generate greater than 10% returns during the next 12 months. **Hold** rated stocks are expected to generate returns of 0% to 10% during the next 12 months. **Sell** rated stocks are expected to generate negative returns over the next 12 months and generally do not have a price target.

Information on our valuation methodology and risks can be found in the "Investment Thesis & Valuation" and "Risks" sections.

RATINGS DISTRIBUTION

(as of June 10, 2026)

Rating	All Covered Companies (%)	Investment Banking Clients (%)
Buy	96.1%	22.6%
Hold	3.9%	0.0%
Sell	0.0%	0.0%

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