



## ASX Announcement

28 February 2025

### **Wellnex Life Limited releases half-year report with growing revenue, margin and EBITDA**

- Revenue for 1H FY25 increased 111.4% to \$11.96 million compared to 1H FY24 (**PCP**) of \$5.65 million with brand revenue increasing 186% to \$8.49 million compared to PCP and IP licensing increasing 64% to \$3.47 million for the same period.
- Gross Profit for the period was up 319% to \$2.72 million compared to \$0.65 million for the PCP, notwithstanding a 70% increase in trade spend for this period of 27.2% of revenue (\$3.25 million) compared to 15.9% for the PCP (\$0.90 million). Gross profit minus trade spend was \$5.97 million, or 49.9% of revenue, compared to \$1.55 million (27.4% of revenue) for the PCP.
- The loss for the period, improved 22.8% to \$7.52 million compared to \$9.75 million loss for the PCP, was impacted by non-cash expenses and one-off non-operational expenses of \$5.12 million associated with the dual listing on the AIM market of the London Stock Exchange and the Pain Away acquisition.
- The EBITDA loss for the period was reduced by 62.7% to \$1.9 million compared to a \$5.1 million loss for the PCP; this is despite an increase of 70% increase in trade spend. The level of trade spend for 2H FY25 will reduce as a percentage of revenue as will operational expenses due to a reduction in staff costs and other efficiencies.
- Revenue and margin growth expected to continue in 2H FY25 with continued growth of our brands in distribution and sales and the continued expansion of our IP licensing arrangements, primarily driven by the international expansion of the Haleon arrangement.

**Wellnex Life Limited** (ASX: WNX) (**Wellnex Life or Company**) is pleased to release its half year report, that shows the Company continuing to grow its revenue, margins and pathway to profitability.

Wellnex Life recorded a 111.4% increase in revenue for the 1H FY25 of \$11.96 million compared to \$5.65 million for 1H FY24 (PCP), with 71% of the revenue coming for Wellnex Life's high margin brands which recorded a 186% increase in sales of \$8.49 million compared to PCP (31 December 2023: \$3.0 million). IP licensing revenue also increased 64% to \$3.47 million compared to PCP (31 December 2023: \$2.12 million).

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Wellnex Life recorded a gross profit for the period of \$2.72 million, which was a 319% increase on the PCP (31 December 2023: \$0.65 million), with the Company increasing trade investment for the period to \$3.24 million, or 27% of revenue, compared to 16% of revenue for the PCP (31 December 2023: \$0.90 million). The discretionary trade spend increase was a company strategy to support an increase in distribution penetration and sales for the brands. The plan is to reduce trade spend in 2H FY25 as per normal strategy. Margin from sales, minus trade spend, increased 283% to \$5.96 million compared to PCP (31 December 2023: \$1.55 million).

	H1 FY25(\$)	H1 FY25(%)	H1 FY24 (\$)	H1 FY24 (%)
Revenue	\$11.96 million	-	\$5.65 million	
Cost of Goods	\$5.99 million	50.1%	\$4.10 million	72.6%
Trade Spend	\$3.25 million	27.2%	\$0.90 million	15.9%
Gross Profit	\$2.72 million	22.7%	\$0.65 million	11.5%

Wellnex Life recorded a net loss of \$7.52 million for the period, which was improved 22.8% compared to the PCP (31 December 2023: \$9.75 million net loss), which was impacted with one-off non-cash expenses and non-operational expenses of \$5.12 million.

Wellnex Life's normalised EBITDA loss for the period was reduced by 62.7% to \$1.9 million compared to PCP (31 December 2023: \$5.1 million loss). Wellnex Life continues to review its ongoing business model and as a result of the review has made operational savings of \$1 million annually due to a reduction in field staff and the use of outsourced third-party providers.

	H1 FY24	H1 FY25	%
Net Loss	(\$9.75 million)	(\$7.52 million)	22.8%
Add Backs			
Share Based Payments	\$0.44 million	\$2.11 million	
Depreciation	\$0.17 million	\$0.59 million	
Impairment	\$3.35 million	\$0.37 million	
Finance Cost	\$0.70 million	\$2.16 million	
One off non-operational expenses	\$0	\$0.30 million	
Normalised EBITDA loss	\$5.10 million	\$1.99 million	60.9%

Wellnex Life anticipates continuing to see revenue and margin growth in 2H FY25. With brands continuing to see increased sales coupled with Haleon going global with the launch in the UK, the Company is targeting a positive EBITDA for H2 FY25.

**Zack Bozinovski, Managing Director of Wellnex Life** said "Wellnex Life continues to see growth across the whole business in terms of revenue and margin, with a strong focus on profitability in FY25. Our journey to becoming a strong branded business continues to be our focus for investment and ensuring that our improving margin brands drive revenue. Our licensing revenue partnerships, with Haleon, Chemist Warehouse and Arrotex, will also accelerate our revenue growth and contribute to our target of achieving positive EBITDA in H2 FY25."

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To stay up to date on company news and announcements, please register your details on the Wellnex Life Limited investor portal: <https://wellnexlife.investorportal.com.au/register/>

This announcement was authorised for release to the market by the board of Wellnex Life Limited.

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