

Wellnex Life Limited (ASX:WNX)

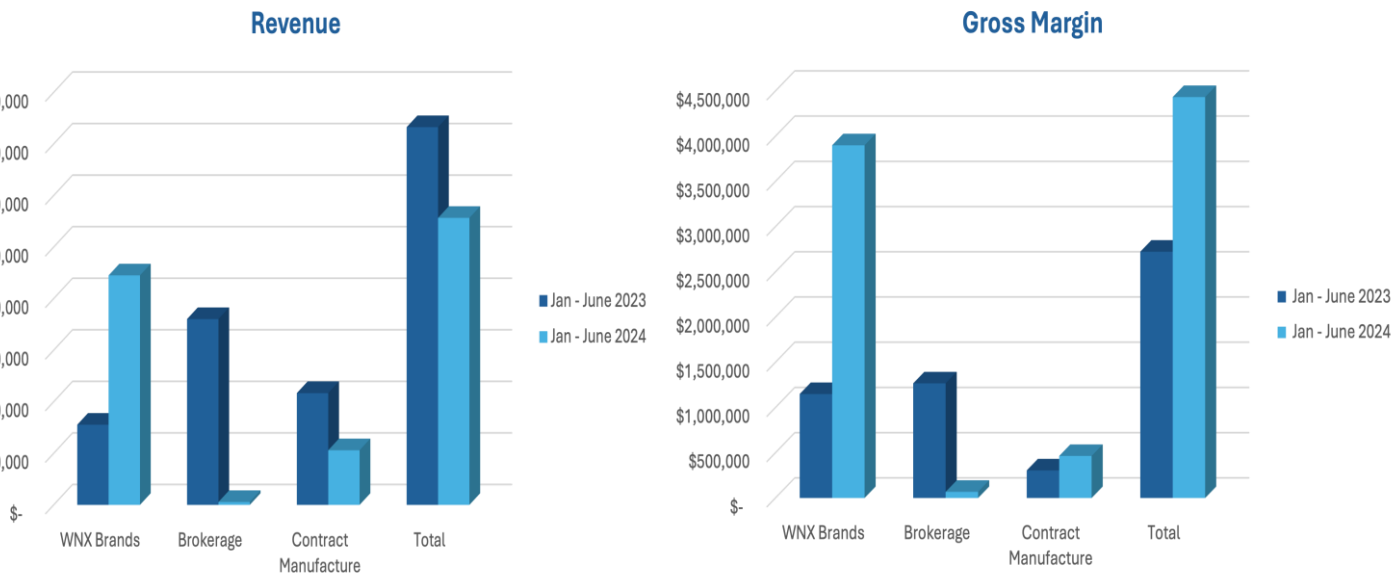
TRADING UPDATE: Wellnex Life records net sales of \$2.95M in June .

Investment Highlights

- Revenue for the six months to end of June was \$11.1M
- Five consecutive months of organic growth lifting to \$2.95M revenue in June
- Significant improvement in gross margins to 40% (18% pcp)
- Expansion of owned product brands Wakey Wakey and Wellness Life to drive further organic growth in H1 2025
- New territories for both Branded and IP Licensing products in FY25

Wellnex Life Limited (ASX) ("Wellnex Life" or the "Company") is pleased to provide an update for the January to June period, which shows continued growth following the transformative acquisition of Pain Away in December 2023.

Since acquiring Pain Away, Wellnex Life has demonstrated consistent month-on-month sales growth, with net sales in June reaching \$2.95M with a gross margin of 40%.



Total revenue for Wellnex Life for the January to June period was \$11.1M, compared to \$14.6M (pcp), with the fall in revenue a strategic decision to transition the business away from low margin Brokerage to higher margin Branded Product sales, while maintaining the IP Licencing (Contract Manufacturing) operations.

Despite the reduction in revenue, gross profits for the period increased 62% to \$4.4 m (\$2.7 m pcp) reflecting the changed business mix.

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Wellnex Life's owned brands products contributed 82% of total revenue for the period, compared to 21% during the same period in 2023, with revenue from this division increasing from \$3.1M to \$8.9M, and lifting Group gross margins to \$4.4M in the period from \$2.7M (pcp).

Branded Products

The uplift in branded product revenue has been predominantly driven by the acquisition of Pain Away in December 2023, which has augmented sales of other brands including: Mr. Bright, The Iron Company, Nighty Night; Wakey Wakey and Wagner Health Liquigesic.

Wellnex Life anticipates continued growth in branded product revenue, which is expected to be propelled by the launch of new product lines, expanded domestic distribution, and the initiation of international sales.

As announced on 8 May 2024, Wellnex Life has expanded its Wakey Wakey product range with the launch of two new products, increasing the range to eight products with the new products available commencing July 2024.

The launch will include an extension of the +range with the introduction of a multivitamin effervescent with caffeine and an innovative caffeine energy soft gel. These new products will be available nationally through key grocery and pharmacy retailers and wholesalers.



Another pivotal brand launch, announced on 5 June 2024, is Wellness Life, a prescription medicinal cannabis brand targeting the growing SAS-B¹ market in Australia.

Under the Wellness Life brand, the Company will introduce a comprehensive range of medicinal cannabis products. These products, developed based on best-selling market trends, will be available through the extensive Chemist Warehouse network in Australia.

Additionally, plans are in place to distribute these products to other pharmaceutical wholesalers and retailers, thereby broadening our market reach.

To support this launch, [InstantConsult](#), a leading telehealth provider affiliated with Chemist Warehouse, will support the prescription of Wellness Life products.

¹ SAS-B description - The Special Access Scheme Category B (SAS-B) allows medical practitioners to prescribe medicinal cannabis products to patients not included in the Australian Register of Therapeutic Goods. The medicinal cannabis market in Australia is projected to reach USD 356.70 million in 2024, with a compound annual growth rate (CAGR) of 4.58% from 2024 to 2029, potentially reaching USD 446.30 million by 2029 ([Source: Statista](#)).

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Wellnex Life expects to continue to grow both its revenue and profit from this division with new products and territory expansion to continue throughout FY25.

IP Licensing

IP Licensing (contract manufacturing) revenue for the January to June period was \$2.1M, down from \$4.3M (pcp) due to international regulatory delays. Approvals have now been granted, and with additional supply partner launched products and territories coming online throughout 2024, we expect revenue to improve over the course of this year.

IP Licensing gross margins improved to 22.0% from 7.0% (pcp) lifting gross profit by 50% to \$0.47M (\$0.3MM pcp).

The Group's partnership with Haleon - a world-leading consumer healthcare company that owns brands including Panadol, Sensodyne, Voltaren, Centrum, and Advil - continues to develop with the companies finalising additional global market launches in 2025.

Brokerage

This segment contributed \$7.2M in revenue during January to June 2023, with gross margins of only 12%. The company has transitioned completely from the Brokerage operation to focus its resources on higher margin company owned branded sales.

This ASX announcement has been authorised by the Board of Wellnex Life Limited (ASX:WNX)

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About Wellnex Life

Wellnex Life Limited (ASX: WNX) is a consumer healthcare business with a track record for developing, licensing, and marketing registered products and brands to customers in the growing healthcare market segment. Since listing in 2021, Wellnex Life has successfully launched a host of brands and products now ranged in major retailers in the healthcare market space, pharmacies and supermarkets included. Its distribution arrangements have seen Wellnex Life secure significant licensing arrangements with major pharmaceutical companies in Australia and globally that have given the company's registered products a distribution channel with a steadily increasing global geographic footprint.

Wellnex Life has more recently acquired leading Australian topical pain relief brand Pain Away. Its addition to Wellnex Life's product offering both compliments and accelerates the potential growth of the company's business operations. This transformational acquisition gives added impetus to Wellnex Life's financial growth and scale and reinforces its place as a major and respected participant in the growing healthcare market, both in Australia and overseas.

To learn more, please visit: www.wellnexlife.com.au/

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