



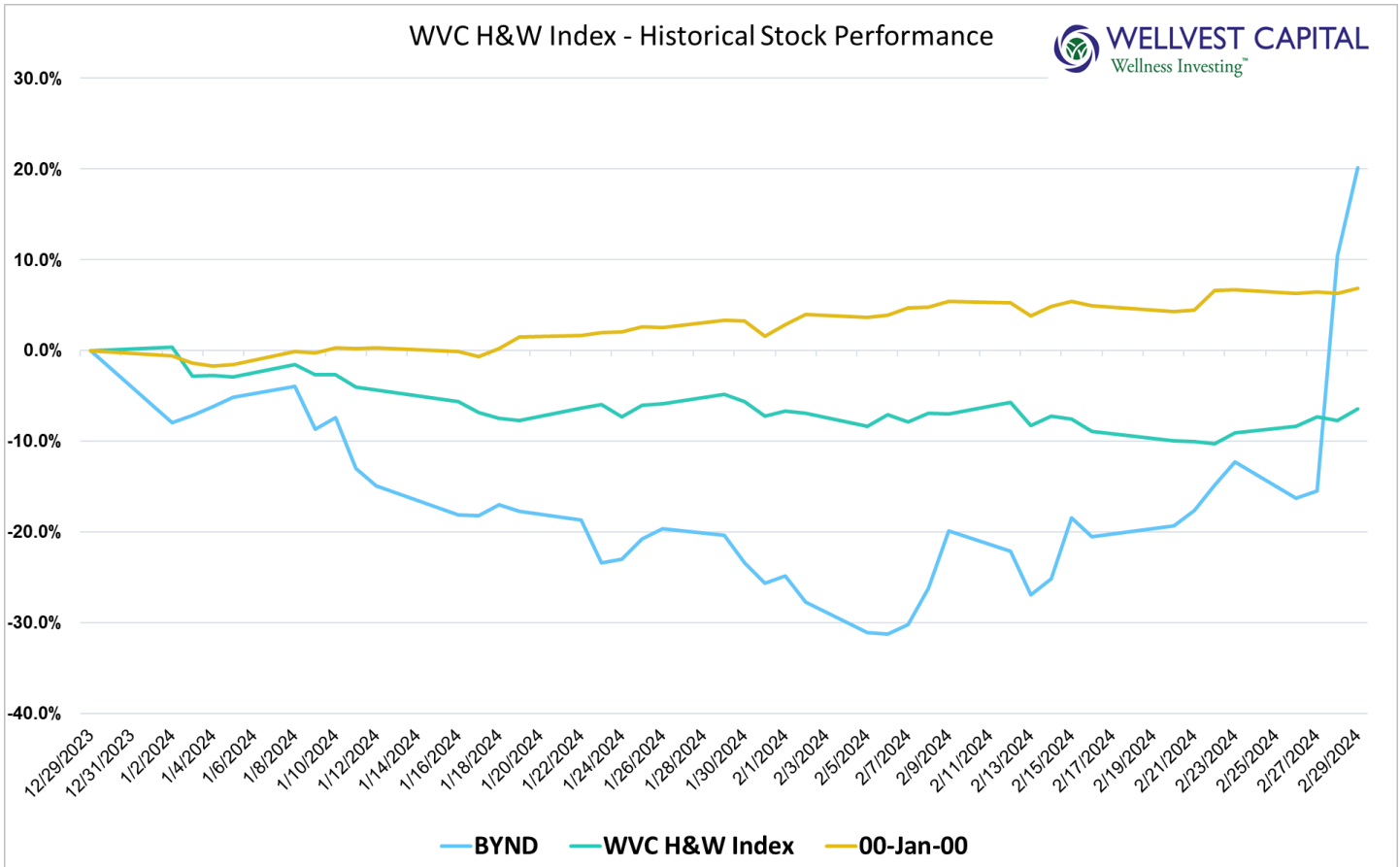
# WELLVEST CAPITAL

Wellness Investing™

## WELLVEST CAPITAL'S HEALTH AND WELLNESS PUBLIC COMPANY INDEX

The WVC H&W Index 2024

February 2024



### HIGHLIGHTS

The S&P500 continued its strong start to the year with a 5.17% gain for the month bring the YTD return to 6.84%, excluding dividends. The Wellvest H&W Index delivered a modest gain, bringing the YTD loss to 6.41%, up 1.11% for the month. Two narratives are driving the markets that appear to have equal attention from investors. The now long-in-the-tooth macro stories of inflation, geopolitical uncertainty and a resilient consumer are being counterbalanced by company level fundamentals. The market is significantly bidding up stocks that beat earnings forecasts and crushing those that don't; could be a sign of a healthy market.

Last month, we said *“For the WVC H&W Index, moving away from the “story” drivers; plant-based, GLP-1, sustainable; to generating good-old-fashioned consistent profits and unit volume growth will do more to reignite long term stock gains.”* In the case of Beyond Meat (BYND) the market rewarded them with a 30%+ pop, for just talking about cutting costs and “right sizing” the business.

## EARNINGS MATTER

Earnings reports had a heavy influence on the stocks in the WVC H&W Index, generating some exhilarating volatility! The upside surprises, good for the Bulls, not so good for the Bears, included Sprouts Farmers Market (SFM), Fresh Pet (FRPT), and Celsius Holdings (CELH). SFM's earnings beat pushed the stock to new highs and YTD return of 29.7%. FRPT, +30.3% YTD, is stringing together multiple quarters of consistent growth and profitability. CELH enjoyed an upwards spike on positive earnings, squeezing the shorts. On the flip side, Blowflex (BFX) is facing a cash crisis due to large operating losses crushing the stock. Prior Wall Street darling, WW International (WW), -64.5% YTD, has fallen from grace and the outlook is not good. Oprah's departure from the board was a significant factor in the decline. Another GLP-1 casualty, Medifast (MED), has come under pressure as investor question the legacy business model in light of the dramatic changes in the weight management category. Bottom line; fundamentals matter and nimbly adapting to a changing world is just as important.

## H&W INDEX WINNERS and LOSERS - YTD

- Top Five Winners
  - Celsius Holdings (CELH) 39.6%
  - SunOpta (SOY) 31.7
  - Fresh Pet (FRPT) 30.3
  - Sprouts Famers Market (SFM) 29.7
  - Else Nutrition (BABY) 24.3
  
- Top Five Losers
  - Bowflex (BFX) -75.0%
  - WW International (WW) -64.5
  - Herbalife Nutrition (HLF) -42.1
  - Medifast (MED) -40.4
  - Nu Skin Enterprises (NUS) -35.6

Data sources: Pitchbook  
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