Brand Doctor

Brand Check-up

23andMe

As of April 29, 2025

Status: Bleeding

23andMe sold a test most people buy once, then lost the trust its data business needed. In Chapter 11, its customer data sits at the centre of the sale.

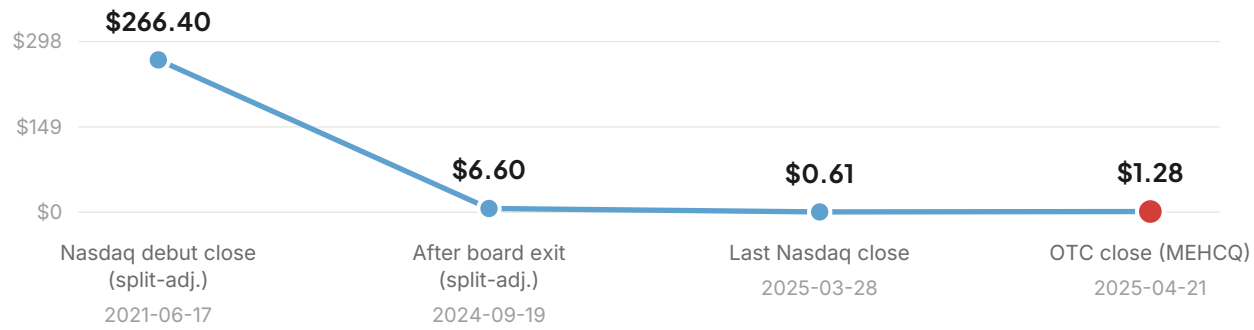
About this check-up

Brand Doctor reviews well-known brands the way we review a client's marketing: symptoms, diagnosis, treatment. This check-up uses public information available on April 29, 2025. It is brand and marketing analysis, not investment advice. Sources are listed at the end.

Vital signs

Share price

USD, at the dates shown [1, 5, 10, 3, 4, 15]



Share price

$0.61

Last Nasdaq close, March 28, 2025; Nasdaq suspended trading on March 31. Shares now quoted over the counter as MEHCQ; latest verified OTC close, April 21, 2025: $1.28. [3, 4, 13, 15]

Change since debut

-99.8%

$0.61 vs. the June 17, 2021 debut close of $13.32 ($266.40 adjusted for the 1-for-20 reverse split of October 16, 2024) [1, 3, 5, 12]

Valuation

About $50 million

Latest valuation reported by Reuters on March 24, 2025, vs. $3.5 billion at the 2021 listing [8, 1]

Revenue, nine months

$144.7 million

Nine months to December 31, 2024, vs. $155.6 million a year earlier; latest reported before the filing [12]

Consumer services revenue

$39.6 million

Quarter to December 31, 2024, down 8% from $42.9 million a year earlier [12]

People reached in breach

6.9 million

Breach disclosed in October 2023; about half of the 14 million customers reported at the time [6, 7]

Timeline

2021-06-17 Shares begin trading on Nasdaq as ME after the merger with VG Acquisition Corp.; the deal valued 23andMe at $3.5 billion. [1, 2]

2023-10 23andMe discloses that hackers accessed customer data; in December it says 6.9 million people were affected. [6]

2024-04 Anne Wojcicki discloses that she is seeking to take the company private. [11, 10]

2024-09-17 All seven independent directors resign, saying they had not received an actionable proposal. [11, 10]

2024-10-16 A 1-for-20 reverse stock split takes effect. [5, 12]

2024-11-11 Substantially all therapeutics operations close; the company reports a 40% workforce reduction for the quarter. [12]

2025-01-28 Quarterly results state substantial doubt about the company's ability to continue as a going concern. [12]

2025-03-21 California Attorney General Rob Bonta says customers can request deletion of their genetic data and samples. [14]

2025-03-23 23andMe files for Chapter 11 to sell itself; Wojcicki resigns as CEO and CFO Joe Selsavage becomes interim CEO. [9, 7]

2025-04-18 The company, now quoted as OTC: MEHCQ, sets sale terms: bidders must comply with its privacy policies and the law, and it will not accept bids from entities based in countries of concern. [13]

Symptoms

- Shares down more than 99% from the June 2021 debut close, adjusted for the reverse split
- Consumer services revenue down 8% year over year in the latest reported quarter
- A 2023 breach that reached 6.9 million people

- All seven independent directors resigned in September 2024
- Chapter 11 filing and CEO resignation on March 23, 2025

Diagnosis

1 A product most people buy once

Consumer services revenue fell 8% to $39.6 million in the quarter to December 31, 2024. Total revenue rose to $60.3 million, mainly because of $19.3 million of non-recurring GSK research revenue, and nine-month revenue fell to $144.7 million from $155.6 million. [12]

2 A sharing feature that multiplied the breach

Hackers accessed about 14,000 accounts directly through reused passwords, the company said. Through DNA Relatives they reached data on 6.9 million people, about half of the customer base, and the company later agreed to a $30 million class-action settlement. [6, 7]

3 A second act in drug discovery that was shut down

At the 2021 listing Wojcicki said she wanted to be “a therapeutics company that people love,” with more than 40 drug programs underway. The company reported a $667 million net loss for its last full fiscal year and closed substantially all therapeutics operations in November 2024. [1, 10, 12]

4 A public fight over control

Wojcicki held 49% of the voting power and offered 40 cents a share in a late July 2024 proposal, which the special committee said carried no premium. All seven independent directors resigned in September 2024, and the committee rejected her final proposal, dated March 10, 2025, before the filing. [10, 11, 9]

Prognosis

As of April 29, 2025, 23andMe is a well-known brand for sale under court supervision. Its value to a buyer rests on customer data and on customers' willingness to stay. We are watching four things: who bids, including whether Wojcicki returns with a new offer, as Reuters reported she planned; whether the court appoints a Customer Data Representative; how state officials respond to a transfer of genetic data; and how many customers ask for deletion. A buyer that makes binding, plain privacy commitments has a chance to rebuild trust. A sale that looks like a data transfer would deepen the bleed.

Treatment

- Put privacy first in every message about the sale: say plainly what a buyer may and may not do with customer data, and keep deletion simple.
- Make the safest settings the default for relative-matching features, so one reused password cannot expose data on thousands of relatives.
- Rebuild the consumer offer around repeat value, such as membership reports that give existing customers a reason to return.
- Speak to customers directly and early through the Chapter 11 process, before regulators and news reports set the story.

Lessons for growing companies

Plan the second purchase

If customers need your product once, design the reason to return before you scale acquisition. Otherwise growth depends on an ever larger stream of new buyers.

Test sharing features for the worst case

Features that connect customers also connect their risks. Check how far one compromised account can reach before you promote the feature.

Governance is part of the brand

When the product rests on trust, board fights and control disputes become customer news. Settle them early and out of the headlines.

Sources

1 Shares in DNA-testing firm 23andMe soar 21% after going public. Fortune (Bloomberg), 2021-06-17.
https://www.fortune.com/2021/06/17/23andme-shares-soar-after-going-public

2 23andMe Successfully Closes its Business Combination with VG Acquisition Corp.. 23andMe press release (GlobeNewswire, via BioSpace), 2021-06-16.
https://www.biospace.com/23andme-successfully-closes-its-business-combination-with-vg-acquisition-corp-combined-company-to-trade-on-nasdaq-under-ticker-me-commencing-june-17

3 23andMe Holding - 5 Year Stock Price History | ME. Macrotrends, 2025-03-28.
https://m.macrotrends.net/stocks/charts/ME//stock-price-history

4 23andMe Holding Co. (ME) price history. Stocknear, 2025-04-21.
https://stocknear.com/stocks/ME/history

5 23andMe Holding Co. (MEHCQ) stock splits. Twelve Data, 2024-10-16.
https://twelvedata.com/markets/100136/stock/otc/mehcq/historical-data/splits

6 23andMe confirms hackers stole ancestry data on 6.9 million users. TechCrunch, 2023-12-04.
https://techcrunch.com/2023/12/04/23andme-confirms-hackers-stole-ancestry-data-on-6-9-million-users/

7 23andMe files for Chapter 11 bankruptcy, CEO steps down. USA Today (via Yahoo Finance), 2025-03-24.
https://finance.yahoo.com/news/23andme-files-chapter-11-bankruptcy-133158976.html

8 BUZZ-23andMe slumps after filing for bankruptcy protection. Reuters (via Tiger Brokers), 2025-03-24.
https://www.itiger.com/news/2521927237

9 23andMe Initiates Voluntary Chapter 11 Process to Maximize Stakeholder Value Through Court-Supervised Sale Process. 23andMe press release, 2025-03-23.
https://insider.fitt.co/press-release/23andme-initiates-court-supervised-sale-process/

10 23andMe directors resign as the CEO of the genetic-testing company seeks to take it private. Associated Press (via News4JAX), 2024-09-19.
https://www.news4jax.com/business/2024/09/19/23andme-directors-resign-as-the-ceo-of-the-genetic-testing-company-seeks-to-take-it-private/

11 23andMe Independent Directors Resign Amid Clash With CEO Over Buyout Proposal. Dow Jones Newswires (via Tiger Brokers), 2024-09-17.
https://www.itiger.com/news/2468390482

12 23andMe Reports Third Quarter Fiscal Year 2025 Financial Results. 23andMe press release (GlobeNewswire, via BioSpace), 2025-01-28.
https://www.biospace.com/press-releases/23andme-reports-third-quarter-fiscal-year-2025-financial-results

13 23andMe Provides Update Regarding Court-Supervised Sale Process. 23andMe press release (via Dow Jones / Tiger Brokers), 2025-04-18.
https://www-web.itiger.com/news/2528014234

14 23andMe stock plunges following bankruptcy, CEO exit. Yahoo Finance (via Tiger Brokers), 2025-03-25.
https://www.itiger.com/news/2522301083

15 Form 8-K: Notice of Delisting (Nasdaq trading to be suspended at the opening of business on March 31, 2025). 23andMe Holding Co., U.S. Securities and Exchange Commission, 2025-03-28.
https://www.sec.gov/Archives/edgar/data/1804591/000119312525067076/d928462d8k.htm

About Brand Doctor

Brand Doctor is a marketing strategy consultancy founded by Cliff K. F. Lin. He has spent 17 years in marketing and managed more than $30 million in spend for SaaS, tech and lead-generation companies.

A Brand Check-up applies the method we use with clients to a well-known brand: the symptoms you can see from outside, the root causes behind them, and the treatment we would prescribe. For your own company, we look at six areas (positioning, messaging, customer journey, channel mix, budget and spend, and measurement) and rank what to fix first.

$30M+	135+	8×	17
In marketing spend managed	Campaigns treated	Growth achieved	Years in marketing

Find out where your marketing is bleeding.

Brand Doctor runs the same check-up on your marketing. Book a free diagnosis at brandmd.ca/contact.

Book your free diagnosis