

Respiri

First patients enrolled in the US RPM programme

Respiri has announced that the first patients have been enrolled in its wheezo remote patient monitoring (RPM) programme in the United States. Respiri also expects the two signed US clients, Children’s Hospital of Michigan and the unnamed North Carolina-based health organisation, to start patient onboarding in December 2022. This marks a key milestone in Respiri’s US commercial roll-out efforts for its wheezo device, taking it a step closer to becoming the first Australian medtech to realise reimbursement under the Centers for Medicare and Medicaid Services’ Current Procedural Terminology reimbursement codes for RPM. Management anticipates the first reimbursement claims to be processed within 45 days. We expect traction from these initial patient enrollments to set the pace for future growth momentum. Our valuation remains unchanged at A\$0.24 per share.

Year end	Revenue (A\$m)	EBITDA* (A\$m)	PBT* (A\$m)	EPS* (c)	P/revenue (x)	P/E (x)
06/21	1.4	(8.4)	(8.5)	(1.22)	21.2	N/A
06/22	0.8	(6.2)	(6.3)	(0.87)	37.1	N/A
06/23e	5.0	(2.3)	(2.3)	(0.29)	5.9	N/A
06/24e	8.1	0.4	0.4	0.03	3.7	123.3

Note: *EBITDA, PBT and EPS are normalised, excluding amortisation of acquired intangibles, exceptional items and share-based payments. FY23 and FY24 EPS are adjusted for new shares.

As a reminder, Respiri’s flagship wheezo platform offering (which includes the monitoring device/sensor, associated smartphone applications and health portal) supports the monitoring and maintenance of irregular breathing patterns (wheeze) in asthma and chronic obstructive pulmonary disease (COPD) patients, both areas with a large patient population (50 million people are living with asthma or COPD in the United States, according to the company) that currently lacks adequate tracking and monitoring. Wheezo was launched in the US market in December 2021 to leverage the RPM reimbursement infrastructure in the country. The company has partnered with two telehealth providers (mTelehealth and Access Telehealth) and has signed agreements with two large US hospitals – Michigan Children’s Hospital and an unnamed hospital in North Carolina. The sales pipeline remains strong with the company pursuing over 120 qualified leads with the potential to translate into future customers.

Enrollment of the first patients in the RPM programme marks an important milestone for the company in our opinion, highlighting early acceptance from physicians/pulmonologists for the potential utility of the wheezo device for active, real-time monitoring of asthma/COPD patients. Successful reimbursement by payors (a key component of the company’s US revenue model) would also confer initial validation to Respiri’s business model in the United States. We expect feedback from the first lot of enrolled patients to lay the foundation for subsequent uptake of the product and associated services.

Commercialisation update

Healthcare equipment

8 November 2022

Price **A\$0.04**

Market cap **A\$32m**

US\$0.6/A\$

Pro-forma net cash (A\$m) at September 2022 including A\$0.84m raised post period 1.5

Shares in issue (excluding 40m shares to enter circulation on 7 October 2022) 801.2m

Free float 83%

Code RSH

Primary exchange ASX

Secondary exchange OTCQB

Share price performance



Business description

Respiri is an Australia-based medical device and SaaS company focused on respiratory health management through its integrated wheezo platform. The device is a breath sensor that works with the respiri mobile applications to record data such as wheeze rates, breath recordings and other environmental factors and medication usage, which can be accessed by physicians in real time. Wheezo received FDA clearance in March 2021 and was launched in the US in December 2021.

Analysts

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