

# Respiri

## Commercialization efforts gathering steam

The Respiri/Access Telehealth collaboration continues to make steady gains in the US with the partners announcing their fourth commercial deal to date, with Arkansas Heart Hospital (AHH), a healthcare facility focussed on cardiovascular health. The program will focus on assessing the utility of Respiri's wheezo device in a remote patient monitoring (RPM) setting using Access Telehealth's cloud-based RPM solution, Remotli. The target population will include cardiovascular patients also suffering from chronic obstructive pulmonary disease (COPD), a common comorbidity. The deal follows close on the heels of the recent agreement signed with Minnesota Lung Center, although we note that, unlike the former, the AHH deal forgoes the requirement for an initial pilot study. Patient recruitment is expected to commence with immediate effect. As with the previous deals, we expect the monitoring services to be eligible for reimbursement under the Centers for Medicare and Medicaid Services's (CMS's) Current Procedural Terminology reimbursement codes for RPM. The market has reacted positively to the news, with the stock closing 18% higher.

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 & EPS are normalised, excluding amortisation of acquired intangibles, exceptional items and share-based payments. FY23 & FY24 EPS adjusted for new shares.

AHH, located in Little Rock, Arkansas, is one of the largest privately held cardiovascular disease (CVD) focussed hospitals in the US. The 112-bed facility employs nine cardiologists and, according to the American Hospital Directory, delivered 21,758 annual patient days of care, recording \$647.3m in annual patient billing as per the latest available information. Importantly, AHH holds a five-star rating from the CMS, the highest accolade accorded to a hospital. In 2021, of the [4,586 hospitals rated by the CMS, only 455 received a five-star rating](#).

The RPM contract with AHH includes the full suite of RPM services, including Remotli, remote monitoring and patient engagement. The program has been selected by AHH as an add-on to the current standard of care for CVD patients who also suffer from COPD. The hospital will use wheezo to track and monitor patient physiologic data following hospital discharge and between follow-ups.

According to a [2018 scientific journal](#), the prevalence of COPD ranges between 13% and 39% in heart failure patients and 10–15% in cases of atrial fibrillation. Moreover, one-third of patients with ischemic heart disease are believed to also suffer from COPD. The Centres for Disease Control and Prevention reports [5.6% of the US population to be suffering from COPD](#) (or c 18.5m people) which, despite the large patient population, continues to lack adequate tracking and monitoring.

We note that the deal with AHH is differentiated from the previous three as it calls for a full rollout of the program across all target patients, unlike the pilot studies which were a prerequisite for the other deals. We believe that this would allow Respiri to tap a larger patient population and to help build evidence-based data on the utility of wheezo as a remote monitoring tool for respiratory management.

## Commercialization update

### Healthcare equipment

28 November 2022

**Price** **A\$0.045**

**Market cap** **A\$36m**

US\$0.67/A\$

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

Shares in issue 801.2m

Free float 83%

Code RSH/RSHUF

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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