

# Respiri

## NC rollout to expand wheezo market potential

Respiri has started patient onboarding for a major North Carolina (NC)-based healthcare organisation (the initial contract was signed in August 2022). The agreement applies to chronic obstructive pulmonary disease (COPD) patients for the full service wheezo remote patient monitoring (RPM) programme. We believe positive feedback or a strong display of utility from initial patients will generate an opportunity to accelerate wheezo's adoption across broader healthcare groups, in line with commercialisation efforts. Our valuation is 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)	28.0	N/A
06/22	0.8	(6.2)	(6.3)	(0.87)	52.0	N/A
06/23e	5.0	(2.3)	(2.3)	(0.29)	8.0	N/A
06/24e	8.1	0.4	0.4	0.03	5.0	144

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

As a reminder, Respiri signed the contract with an unnamed NC-based customer focused on COPD management. The deal included partner Access Telehealth's full-service premium model, comprising patient engagement through Remotli, its cloud-based platform. The RPM programme is eligible for reimbursement under the Centers for Medicare and Medicaid Services' current procedural terminology reimbursement codes for RPM, with Respiri generating revenue from device sales and monthly RPM revenues per patient for reimbursement services. The Centres for Disease Control and Prevention reports [5.6% of the US population suffers from COPD](#) (around 18.5 million people) and, despite the large patient population, there is still adequate tracking and monitoring.

We note that the NC customer is part of a larger healthcare network focused on the region, which manages over 60,000 in-patient admissions, 187,000 emergency department visits and 2,000,000 outpatient visits per year. According to Respiri, this translates to 25,000 emergency department visits and over 250,000 outpatient visits for respiratory conditions, a number of which would likely be eligible for the wheezo RPM programme. We therefore believe a strong display of clinical utility from the initial patients could create an opportunity to accelerate adoption across the broader healthcare network and expand wheezo's market potential.

Respiri signed six commercial deals in 2022, of which at least three have begun patient onboarding. We expect Respiri to start realising first reimbursement claims in Q1 CY23. Respiri's revenue in the United States is made up of two distinct streams: device sales, US\$50–60 per unit based on device sales volumes, and monthly fees of US\$10–20 per patient per month, based on the type of services subscribed for with partner Access Telehealth.

## Commercialisation update

### Healthcare equipment

9 January 2023

**Price** **A\$0.05**

**Market cap** **A\$40m**

US\$0.68/A\$

Estimated net cash (A\$m) at September 2022 including A\$0.94m raised post period 1.6

Shares in issue 803.7m

Free float 79.6%

Code RSF/RSUF

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.

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