

Respiri

Trading recap highlights continued market traction

Quarterly activities update

Healthcare equipment

26 January 2023

Price **A\$0.05**

Market cap **A\$39m**

US\$0.71/A\$

Estimated net cash (A\$m) at 31 December 2022 (excluding gross proceeds of Jan/Feb raise) 0.2

Shares in issue (excluding shares to be issued under Jan/Feb SPP) 803.7m

Free float 79.6%

Codes RSF, RSUF

Primary exchange ASX

Secondary exchange OTCQB

Respiri has [released](#) its Q223 quarterly activity report and provided a business update for the quarter. The second quarter was characterised by improving commercial traction for Respiri, with the company signing three new contracts for wheezo (including Minnesota Lung Center and Arkansas Heart Hospital), taking the total client count to six at the end of the period. Respiri's wearable device Sorfe also continues to make progress with clinical studies anticipated to commence by March/April 2023. The [recent announcement](#) of a A\$1.5m capital raise (with the option to increase the offering size based on investors interest) is expected to extend the company's cash runway to Q423, based on current burn rates. With patient onboarding ongoing at multiple sites, we expect initial cash inflows from device sales and RPM services in the coming months, which should help scale up commercial activities and likely expand the cash runway further.

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)	24.3	N/A
06/22	0.8	(6.2)	(6.3)	(0.87)	47.2	N/A
06/23e	5.0	(2.3)	(2.3)	(0.29)	7.9	N/A
06/24e	8.1	0.4	0.4	0.03	4.9	144

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.

During the quarter, Respiri continued to expand its commercial footprint by signing three new customer contracts, including a major deal with the [Minnesota Lung Center](#) (a leading private pulmonary practice based in Minneapolis focused on lung diseases, respiratory therapies and diagnostics). The company also announced a deal with [Arkansas Heart Hospital](#) (one of the largest privately held cardiovascular disease focused hospitals in the US). These wins are expected to expand wheezo's customer base and provide access to a broader referral network, with the potential to enhance product awareness and engage key stakeholders in the healthcare community. Respiri also reports a strong sales pipeline, which we believe should translate to further client conversions in the coming months.

In terms of the R&D pipeline, Respiri continues to make progress in developing its wearable device, Sorfe, which is being designed as a continuous monitoring device to capture physiological data to assess asthma/COPD symptoms. Sorfe will be focused on tracking and monitoring nocturnal asthma symptoms and hospital transition care (for recently discharged patients) and should help bolster the wheezo portfolio, if successfully developed and commercialised.

Respiri has focused on cost-optimisation to support its US roll-out plans, which has helped preserve cash (operating cash outflow of A\$1.2m in Q223). The period end net cash balance stood at A\$0.2m, with further support expected from the recent A\$1.5m [fund raise](#) through a share purchase plan, expected to close on 10 February. At current burn rates, this financing should fund operations into Q423, but we expect cash inflows from the currently onboarded patients in coming months, which should provide additional operating headroom.

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

Soo Romanoff +44 (0)20 3077 5700

Jyoti Prakash, CFA +44 (0)20 3077 5700

Nidhi Singh +44 (0)20 3077 5700

healthcare@edisongroup.com

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Frankfurt +49 (0)69 78 8076 960
Schumannstrasse 34b
60325 Frankfurt
Germany

London +44 (0)20 3077 5700
280 High Holborn
London, WC1V 7EE
United Kingdom

New York +1 646 653 7026
1185 Avenue of the Americas
3rd Floor, New York, NY 10036
United States of America

Sydney +61 (0)2 8249 8342
Level 4, Office 1205
95 Pitt Street, Sydney
NSW 2000, Australia