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## Access acquisition delivers new RPM and RTM opportunities

### NEED TO KNOW

- Newly acquired subsidiary Access signs new RPM contracts and adds RTM services with existing client
- Advanced discussions with US insurers and ACOs

**New remote patient monitoring (RPM) contracts:** Respiri has announced that newly acquired subsidiary Access has signed new remote patient monitoring (RPM) contracts with leading cardiology provider VDO Cardiology (New York) and progressive palliative care provider Angelic Health (New Jersey). Collectively, these contracts will generate approx. US\$450k (A\$675k) in annualised revenues, with Respiri indicating it expects patient numbers to grow.

**Access expands remote therapeutic monitoring (RTM) service offering to existing customer:** Respiri has also announced that Access has enabled it to deliver reimbursed RTM services to patients of its existing client, Minnesota Lung Center, who have obstructive sleep apnea (OSA) that is treated with a prescribed medical device. This represents annualised revenue of US\$150k (A\$225k).

**Advanced discussions with new client segments:** Respiri has also disclosed it is in advanced discussions with:

- two US insurers with potential access to 40k patients in 12 months (potential contracts valued at around US\$20m)
- three Accountable Care Organisations (ACOs) with potential access to 30k patients (potential contracts valued at US\$14m).

### Investment Thesis

**wheezo® represents a new monitoring approach:** wheezo® allows asthmatics to measure, manage, and monitor their condition before an acute attack. The device measures wheezing with an objective and passive method. It is ergonomically designed and easy to use for children and the elderly.

**Targeting an enormous market opportunity:** Asthma and COPD patients provide Respiri with a large target addressable market in the US of 50m people. Despite new treatments, asthma remains poorly controlled. Medication non-adherence, inconsistent inhaler technique and patients failing to fully understand symptom deterioration often lead to serious and expensive hospitalisations.

**RPM opportunity expanded with newly acquired Access:** Access's end-to-end monitoring solution for multiple diseases is underpinned by US RPM reimbursement codes. Patients of its 10 HCO customers include those with respiratory & cardiovascular conditions, diabetes and obesity. Respiri estimates the deal will broaden its customer base and expand its potential addressable market up to 3X. Respiri has said it expects to capture a significant distributor margin (per-patient monthly recurring revenues increasing to US\$70–100 from US\$10–20), lower projected monthly breakeven patient volume to 9K (from 30K), and accelerate algorithm development efforts with larger patient data sets.

### Valuation

Our valuation stands at A\$0.11 (previously A\$0.12)/share, using DCF and based on shares on issue of 974m following the \$3m capital raising in August 2023.

### Risk

Risks include adoption of wheezo®, supply chain disruptions to components in manufacturing, and integration into hospital electronic medical record systems. Integration risk of the acquisition is lowered by Access partnership to date.

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### Equities Research Australia

#### Pharmaceuticals, Biotechnology and Life Sciences

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Respiri Limited is a commercial stage health-tech company developing mHealth and SaaS solutions for respiratory health management. It has proprietary technology and mobile health tools that specifically detect wheeze (an indicator of asthma, COPD, and respiratory disease more broadly) to provide an objective measure of airflow limitation. The company's flagship wheezo® device and platform analyses breathing objectively, allowing for environmental factors; records, monitors and schedules medication including reminders; and shares data with healthcare providers. Both CE (Conformité Européene) mark and Therapeutic Goods Administration approval have been received.

Valuation	<b>A\$0.11</b> (A\$0.12 previously)
Current price	<b>A\$0.03</b>
Market cap	<b>A\$31m</b>
Cash on hand	<b>A\$0.15m</b> (30 June 2023, excluding SPP)

### Upcoming Catalysts/Newsflow

Period	
Ongoing	Additional RPM client signings in the US
Ongoing	Announcement of potential revenue-sharing agreements with US insurers

### Share Price (A\$)



Source: FactSet, MST Access.

Year end 30 June, AUD unless otherwise noted

## MARKET DATA

Price	\$	0.03
52 week high / low	\$	0.03-0.07
Valuation	\$	0.11
Market capitalisation	\$m	30.2
Shares on issue (basic)	m	973.7
Options / rights	m	283.0
Other equity	m	0.0
Shares on issue (diluted)	m	1256.7

## 12-MONTH SHARE PRICE PERFORMANCE (AS)



## INVESTMENT FUNDAMENTALS

		FY21A	FY22A	FY23E	FY24E	FY25E
Reported NPAT	\$m	(11.0)	(6.6)	(5.9)	1.0	13.8
Underlying NPAT	\$m	(11.0)	(6.6)	(5.9)	1.0	13.8
Reported EPS (diluted)	¢	(158.0)	(90.9)	(60.8)	9.7	132.2
Underlying EPS (diluted)	¢	(158.0)	(90.9)	(60.8)	9.7	132.2
Growth	%		-42.5%	-33.2%	-115.9%	1267.5%
Underlying PER	x	nm	nm	nm	0.3	0.0
Operating cash flow per share	¢	(1.0)	(1.2)	(0.7)	(0.1)	0.8
Free cash flow per share	¢	(1.1)	(1.2)	(0.7)	(0.1)	0.8
Price to free cash flow per share	x	nm	nm	nm	nm	4.0
FCF Yield	%	nm	nm	nm	nm	24.7%
Dividend	¢	0.0	0.0	0.0	0.0	0.0
Payout	%	0.0%	0.0%	0.0%	0.0%	0.0%
Yield	%	0.0%	0.0%	0.0%	0.0%	0.0%
Franking	%	0.0%	0.0%	0.0%	0.0%	0.0%
Enterprise value	\$m	22.2	29.0	28.7	30.0	22.0
EV/EBITDA	x	nm	nm	nm	29.4	1.6
EV/EBIT	x	nm	nm	nm	29.8	1.6
Price to book (NAV)	x	2.2	7.4	5.5	4.6	2.1
Price to NTA		2.2	7.4	5.5	4.6	2.1

## KEY RATIOS

		FY21A	FY22A	FY23E	FY24E	FY25E
EBITDA margin	%	nm	nm	nm	15.7	67.2
EBIT margin	%	nm	nm	nm	15.5	67.2
NPAT margin	%	nm	nm	nm	15.5	67.2
ROE	%	nm	nm	nm	19.8	73.0
ROA	%	nm	nm	nm	17.2	68.8
Net tangible assets per share	\$	0.0	0.0	0.0	0.0	0.0
Book value per share	\$	0.0	0.0	0.0	0.0	0.0
Net debt/(cash)	\$m	(8.0)	(1.2)	(1.5)	(0.2)	(8.1)
Interest cover (EBIT/net interest)	x	nm	nm	nm	794.7	98,921.0
Gearing (net debt/EBITDA)	x	nm	nm	nm	nm	nm
Leverage (net debt/(net debt + equity))	x	nm	nm	nm	nm	nm

## DUPONT ANALYSIS

		FY21A	FY22A	FY23E	FY24E	FY25E
Net Profit Margin	%	nm	nm	nm	15.5	67.2
Asset Turnover	x	0.0	0.1	0.1	1.1	1.0
Return on Assets	%	nm	nm	nm	17.2	68.8
Financial Leverage	x	0.0	0.0	0.0	0.0	0.0
Return on Equity	%	nm	nm	nm	-	-

## KEY PERFORMANCE INDICATORS

		FY21A	FY22A	FY23E	FY24E	FY25E
<b>Wheezo</b>	<b>Key metrics</b>					
Australia	n/a					
United States	Partnering deals, clinical adoption and CMS reimbursement claims					
United Kingdom	Clinical trials and rendered data					
Europe	Partnering and access to reimbursed markets					

## HALF YEARLY DATA

		2H20	1H21	2H21	1H22	2H22
Total Revenue	\$m	0.1	1.2	0.0	0.7	0.1
Operating expenses	\$m	(5.9)	(6.0)	(3.8)	(3.5)	(3.8)
EBITDA	\$m	(5.8)	(6.4)	(4.8)	(2.8)	(3.7)
EBIT	\$m	(5.8)	(6.4)	(4.8)	(2.9)	(3.8)
PBT	\$m	(5.8)	(6.4)	(4.8)	(2.8)	(3.8)
Reported NPAT	\$m	(5.8)	(6.4)	(4.8)	(2.8)	(3.8)

## PROFIT AND LOSS \*

		FY21A	FY22A	FY23E	FY24E	FY25E
Revenue	\$m	0.3	0.3	0.3	6.5	20.5
Other income	\$m	1.2	0.5	0.6	0.6	0.3
Total Revenue	\$m	1.4	0.8	0.9	7.1	20.8
Operating expenses	\$m	(9.9)	(6.8)	(6.7)	(4.4)	(3.5)
EBITDA	\$m	(11.0)	(6.5)	(5.9)	1.0	13.8
Depreciation & Amortisation	\$m	0.1	0.1	0.0	0.0	0.0
EBIT	\$m	(11.0)	(6.6)	(5.9)	1.0	13.8
Net interest	\$m	0.0	0.0	0.0	0.0	0.0
Pretax Profit	\$m	(11.0)	(6.6)	(5.9)	1.0	13.8
Tax expense	\$m	0.0	0.0	0.0	0.0	0.0
Reported NPAT	\$m	(11.0)	(6.6)	(5.9)	1.0	13.8

Weighted average diluted shares

	m	699.1	728.6	973.7	1,041.9	1,041.9
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\* FY23 result currently under review

## GROWTH PROFILE

		FY21A	FY22A	FY23E	FY24E	FY25E
Revenue	%	(34.9)	(46.3)	16.2	694.9	191.6
EBITDA	%	51.2	(40.3)	(10.0)	(117.3)	1,251.3
EBIT	%	52.0	(39.9)	(10.8)	(117.0)	1,269.2
Reported NPAT	%	52.1	(40.0)	(10.7)	(117.0)	1,267.5
DPS	%	nm	nm	nm	nm	nm

## BALANCE SHEET

		FY21A	FY22A	FY23E	FY24E	FY25E
Cash	\$m	8.0	1.2	1.5	0.2	8.1
Receivables	\$m	0.1	0.1	0.1	2.7	8.4
Other	\$m	0.8	2.9	2.9	2.9	2.9
Current assets	\$m	8.9	4.1	4.5	5.7	19.4
PPE	\$m	0.2	0.1	0.1	0.2	0.6
Intangible assets	\$m	0.0	0.0	0.0	0.0	0.0
Other	\$m	0.0	0.0	0.0	0.0	0.0
Non current assets	\$m	0.2	0.1	0.1	0.2	0.6
Total assets	\$m	9.1	4.2	4.5	5.9	20.0
Trade and other payables	\$m	1.3	0.8	0.0	0.4	0.7
Borrowings	\$m	0.0	0.0	0.0	0.0	0.0
Other	\$m	0.2	0.4	0.4	0.4	0.4
Current liabilities	\$m	1.5	1.2	0.4	0.8	1.1
Other financial liability	\$m	0.1	0.0	0.0	0.0	0.0
Other liability	\$m	0.0	0.0	0.0	0.0	0.0
Non current liabilities	\$m	0.1	0.0	0.0	0.0	0.0
Total liabilities	\$m	1.5	1.2	0.4	0.8	1.1
Net assets	\$m	7.6	3.0	4.1	5.1	18.9
Share capital	\$m	127.1	128.8	135.8	135.8	135.8
Retained earnings	\$m	(126.3)	(133.3)	(139.2)	(138.2)	(124.4)
Other	\$m	6.8	7.5	7.5	7.5	7.5
Total equity	\$m	7.6	3.0	4.1	5.1	18.9

## CASH FLOW

		FY21A	FY22A	FY23E	FY24E	FY25E
Net loss for period	\$m	(11.0)	(6.6)	(5.9)	1.0	13.8
Depreciation & Amortization	\$m	0.1	0.1	0.0	0.0	0.0
Changes in working capital	\$m	0.1	0.0	0.0	0.0	0.0
Other	\$m	3.5	(1.9)	(0.9)	(2.2)	(5.4)
Operating cash flow	\$m	(7.3)	(8.5)	(6.7)	(1.2)	8.4
Payments for PPE	\$m	(0.1)	(0.0)	(0.0)	(0.1)	(0.4)
Other	\$m	0.0	0.0	0.0	0.0	0.0
Investing cash flow	\$m	(0.1)	(0.0)	(0.0)	(0.1)	(0.4)
Equity	\$m	12.4	1.7	7.0	0.0	0.0
Other	\$m	(0.6)	(0.0)	0.0	0.0	0.0
Financing cash flow	\$m	11.8	1.6	7.0	0.0	0.0
Cash year end	\$m	8.0	1.2	1.5	0.2	8.1
Free cash flow	\$m	(7.4)	(8.5)	(6.7)	(1.3)	8.0

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