

Respiri

wheezo to access a larger addressable market

Distribution update

Healthcare equipment

Respiri has announced a three-year distribution and marketing agreement (non-exclusive) with Fi-Med Management, a US-based company providing healthcare support and management solutions to large healthcare organisations. Under this revenue-share arrangement, Respiri will receive \$30 per patient per month for active patients enrolled as wheezo RPM users. Although the initial Fi-Med customer review suggests an immediate opportunity to address 5,000 patients, the collaboration is anticipated to enable Respiri to access a wider patient base. The development closely aligns with management's strategic focus to expand into other indications and generate incremental top-line growth.

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)	16.1	N/A
06/22	0.8	(6.2)	(6.3)	(0.87)	31.1	N/A
06/23e	1.7	(4.2)	(4.2)	(0.51)	15.9	N/A
06/24e	5.9	(1.1)	(1.1)	(0.13)	4.7	N/A

Note: *EBITDA, PBT and EPS are normalised, excluding amortisation of acquired intangibles, exceptional items and share-based payments.

Fi-Med Management provides healthcare management solutions across a wide customer base including physician practices, hospitals, surgical centres, clinics and accountable care organisations. Its cloud-based platform offers subscription analytics, chronic care management, revenue cycle management, coding, compliance tools, predictive analytics and other related services. Some of its key customers include CommonSpirit Health (one of the largest non-profit health systems in the US with 142 hospitals, 2.2k care sites and over 25k physician and clinicians across 21 US states), Mount Sinai (an integrated health system with 400 ambulatory practice locations across New York City, Westchester and Long Island) and Essentia Health (caters to 14 hospitals and 120 health facilities in Minnesota, Wisconsin and North Dakota). We believe this opportunity, if it materialises, could provide significant uptake for the wheezo customer base.

Under the terms of the agreement, Respiri will receive \$30 per patient per month for active and enrolled patients on wheezo RPM programme. As per the initial review, both companies have identified an addressable target of 29 healthcare organisations, providing an immediate access to patient base of 5,000 patients and the potential for a larger customer network in the medium term. This 5,000 patient base seems to be in addition to the company's previously stated break-even target of 9,000 patients by end-CY24, post Respiri's acquisition of Access Telehealth. With its commercialisation focus on the US, Respiri has c 10 healthcare clients for its wheezo RPM programme, with over 200 patients onboarded and 3,500 additional prospects in the pipeline. We note that the US RPM market is highly fragmented. Therefore, it makes strategic sense to collaborate with multiple telehealth partners to reach a wider portion of the market.

Respiri recently announced the [proposed acquisition](#) of Access Managed Services, its US RPM and chronic care management partner, which we believe will provide further impetus to Respiri's US commercialisation plans for wheezo, diversify the company's operations and expand the addressable market.

17 July 2023

Price **A\$0.033**

Market cap **A\$28m**

US\$0.67/A\$

Net cash (A\$m) at end-March 2023 0.9

Shares in issue 843.2m

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 software-as-a-service 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 launched in the US in December 2021. In May 2023, Respiri announced the acquisition of US RPM partner Access, which, after deal closure, will make it one of the few RPM companies with its own IP (wheezo).

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