

Respiri

wheezo included in paediatric standard of care

Commercialisation update

Healthcare equipment

21 February 2023

Price **A\$0.046**

Market cap **A\$39m**

US\$0.69/A\$

Pro-forma net cash (A\$m) at 21 February 2023 (including gross proceeds of January/February raise) 2.2

Shares in issue (including 38.7m shares issued under Jan/Feb SPP) 842.4m

Free float 79.6%

Code RSF, RSUF

Primary exchange ASX

Secondary exchange OTCQB

Respiri has **announced** the successful completion of the Michigan Children’s Hospital’s pilot programme assessing the wheezo SAAS (Respiri and partner Access Telehealth) platform. The initial March 2022 agreement enabled pulmonologists to employ wheezo to increase the engagement of paediatric patients with asthma. The hospital will include the wheezo RPM programme in its current standard of care for eligible asthma patients. We expect the paediatric population to be one of the cohorts to find the most utility from the wheezo monitoring protocol (given this population is not always able to self-identify and flag symptoms) and usage feedback from these patients is anticipated to be crucial for Respiri. We also note the Michigan Children’s Hospital is a part of the of the NYSE-listed Tenet Healthcare Corporation (over 60 hospitals across the US) and uptake, if encouraging, can support a broader roll out.

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)	27.0	N/A
06/22	0.8	(6.2)	(6.3)	(0.87)	50.2	N/A
06/23e	5.0	(2.3)	(2.3)	(0.28)	7.7	N/A
06/24e	8.1	0.4	0.4	0.03	4.8	139.4

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.

The Michigan Children’s Hospital was the first RPM client Respiri signed back in **March 2022**, with systems integration undertaken in July 2022 and final internal systems pilot programme assessment now complete. Pulmonologists at the hospital have now started prescribing wheezo as part of the standard of care for all eligible children with asthma, without any cap on the prescribed numbers. The wheezo device needs to record just 30 seconds of normal breathing to provide objective physiological data (wheeze rate) and may be especially useful for the paediatric asthma population, who are unable to self-monitor their asthma symptoms. Respiri will also be providing an on-site clinical staff member to help accelerate patient onboarding.

We note that Detroit, the location of the children’s hospital, is home to over 70,000 children living with asthma and the hospital offers extensive asthma outpatient services, providing a sound launchpad for Respiri to release its device. As a reminder, the Michigan Children’s Hospital is part of the of the NYSE-listed Tenet Healthcare Corporation, which operates more than 60 hospitals and 110 outpatient centres across the US and recorded revenues of US\$19.2bn in 2022. Successful uptake and feedback from the wheezo RPM programme at the Michigan Children’s Hospital should facilitate a broader roll out of the device to the group’s entities, in our opinion.

The RPM programme is eligible for reimbursement under the Centers for Medicare and Medicaid Services’ procedural terminology reimbursement codes for RPM (with a typical claim processing time of two months) and is mandated in the state of Michigan. Respiri has so far signed six commercial deals across six US states and recently recorded **first inflows** from RPM reimbursement claims.

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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