

CardieX could start appearing on suitors' radar as value inflection points loom – CEO

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CardieX [ASX:CDX], an Irvine, California and Sydney-based medtech company, could attract suitor interest as it expands its SphygmoCor technology into wearables and other new devices, said CEO and Managing Director Craig Cooper.

Despite potential interest, the company is focused on growth, Cooper said, noting that it is arguably “the most undervalued company on the ASX”, with recent US private company capital raisings suggesting it should be worth at least 4x-5x its current AUD 46m (USD 34m) market cap. Last November, Boston, Massachusetts-based wearable sensor maker **Whoop** raised USD 55m in a Series D after raising USD 25m at a USD 125m valuation in 2018, he noted.

CardieX, currently the only firm that sells two FDA-approved medical devices that can non-invasively measure central blood pressure in adults, is finalizing trials at Macquarie University to further validate its sensor technology, which also has applications in the wearables market, Cooper noted.

The trials follow world-first Phase I trials earlier this year showing that CardieX's technology can obtain advanced blood pressure and arterial health readings that sense the rate of blood flow as controlled by the heart's pumping action, as opposed to traditional blood pressure devices that only measure less-accurate peripheral blood pressure, he said.

With final trial results expected end of this month (September), it could be a significant value inflection point for CardieX, which could attract attention from companies in the healthtech ecosystem looking to build advanced arterial and cardiovascular vital signs monitoring into their devices, Cooper said, citing as examples **Masimo** [NASDAQ:MASI], New York-based **Welch Allyn**, **Omron** [TYO:6645], and **Medtronic** [NYSE:MDT].

CardieX could also gain the interest of major players in the wearables sector as they look to provide more medically relevant data to gain a competitive edge in a burgeoning industry that is expected to be valued at USD 37bn by 2025, he noted.

He cited as

examples **Apple** [NASDAQ:AAPL], **Microsoft** [NASDAQ:MSFT], **Amazon** [NASDAQ:A

MZN] and **Garmin** [NASDAQ:GRMN], which acquired Finland's **Firstbeat** for an undisclosed deal value this June; and **Google** [NASDAQ:GOOGL], which acquired **Fitbit** last November for USD 2.1bn.

CardieX's appeal would be further enhanced as it is also developing new devices for home use that can identify arterial inflammation and be able to diagnose patients at higher risk of contracting COVID-19. Studies to date show that some 90% of COVID-19 patients are co-indicated with hypertension or cardiovascular disease, Cooper said. In addition to people with undiagnosed or minimally managed cardiovascular problems, survivors of COVID-19 will also require deep management and monitoring in the future, he said.

CardieX's products are a non-sensor-based XCEL device and an Oscar 2 blood pressure monitor. It has plans to launch some eight products and revenue streams for 2020/2021, according to an August company announcement. For FY20, the company reported revenue of AUD 4.2m.

CardieX's largest shareholder with a 27% stake is **C2 Ventures**, which is owned by Cooper and private equity firm **Kestrel Capital's** Niall Cairns, who is also CardieX's executive chairman, the CEO noted.

CardieX shares closed at AUD 0.057 on 4 September, up 90% YTD.

by Louise Weihart in Sydney

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