



Compumedics promotes eHealth, ponders spinoffs

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David Burton's \$CMP/Compumedics today unveiled plans to move further into eHealth and to spin off two operations.

In a 32pp Corporate Presentation the group says it is developing two eHealth platforms from its core world-class sleep diagnostic technology, built over more than two decades and \$100m+ in accumulated R&D.

The two platforms are:

1. eHealthMEDICS - cloud-based sleep diagnostic service for existing and new professional practices.
2. eLifeMEDICS – a new consumer based device and service that delivers 'real' medical quality sleep data for personal use.

"Large scale strategic and distribution discussions underway", the company says, adding that contracts worth \$10m are "already locked in".

In the context of overall FY/15 revenue guidance of \$33m, the reference to sales of \$10m is salutary - it flags that eHealth will soon comprise one third of the CMP business.

As for spin-offs, CMP is looking at two options:

1. **DWL** the founding business and global leader in TCD ultrasound.

Valuing a 30% stake (assuming CMP spin off 70%) in the new entity of \$US9.6m and \$US22.4m of cash freed up for investment in growth of Compumedics and potential returns to shareholders

2. Neuroscan CURRY, world's best-of-class brain analysis software

- CURRY multi modal brain analysis technology - traditional research market - \$50m pa
- CURRY - multi modal brain analysis monitoring - new imaging market - \$4bn pa
- CURRY - MEG Imaging – currently the preferred solution
- NeuroScan/CMP - 9% revenue growth expected. EBITDA approx. \$1.1m
- Similar AIM IPO comparables - post money 5x revenue market capitalization

A CURRY tech spinout would unlock significant value, fund growth initiatives and "potentially allow a capital distribution to shareholders".

The company offers this FY15 guidance: Revenue \$33m, EBITDA \$3.5m-\$4m, NPAT \$1.8m-\$2m.

The market welcomed the update. Shares climbed 17.9% to 23c.

<http://www.medifydaily.com.au/compumedics-moves-into-ehealth-ponders-spinoffs/>