

Dual listing sought on Nasdaq

Would enable valuation comparison with true peers

On 2 October, G Medical Innovations Holdings Limited (ASX:GMV) announced its intention to seek a dual listing for the company on the Tech-heavy Nasdaq stock exchange in the United States. The minimum requirement for this dual listing is a US\$ 75M market capitalization upon listing.

The company has already retained an advisor/underwriter in New York to facilitate the process. GMV anticipates the listing process may take 4 to 5 months but cautions that there is no certainty the dual listing will proceed.

Assuming that GMV will be successful in listing on Nasdaq, we believe this would enable investors to draw realistic valuation comparisons with GMV's true peers, not other ASX-listed Tech and/or Medical Devices companies.

As we illustrated in our initiating research report on GMV, which can be found [HERE](#), we believe GMV's true peers are Biotelemetry (Nasdaq:BEAT) and iRhythm (Nasdaq:IRTC). These companies are trading at an average EV/Revenue multiple of 8.1x and 6.5x respectively for FY19 and FY20 (December year-end, Figure 1).

FIGURE 1: US PEER GROUP VALUATION

Company	Ticker	EV/EBITDA			EV/Revenue		
		2018	2019	2020	2018	2019	2020
BioTelemetry Inc.	BEAT	21.1	19.0	18.0	5.5	5.0	4.6
iRythm	IRTC	-53.9	-73.7	-143.8	15.2	11.2	8.5
Average		nm	nm	nm	10.4	8.1	6.5

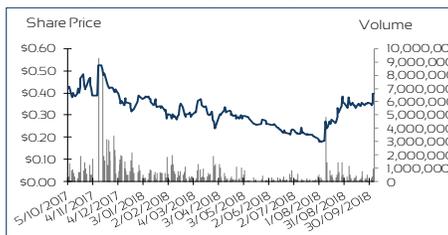
Source: S&P Capital IQ, TMT Analytics

GMV generated revenues of US\$ 1M during 1HY18 (June end), mostly from its US-based call center, or Independent Diagnostic Testing Facility (IDTF). This is a long way off from revenues generated by BEAT (US\$ 273.5M in FY17) and IRTC (US\$ 98.5M in FY17). However, GMV has only been operating this IDTF since late 2017. And GMV's small assembly facility in Israel has been producing the Prizma and G Medical Patch in very low volumes since early June.

GMV is awaiting CFDA approval of its Chinese manufacturing facility. This regulatory approval is expected in the current quarter and will allow the company to start ramping up production of the Prizma and G Medical Patch very significantly.

In other words, if CFDA approval is indeed received in the near term and the company can start to fill orders previously received, we expect 2019 will

Number of shares (m)	356.8
Number of shares FD (m)	508.8
Market capitalisation (A\$ m)	140.9
Free Float (%)	34%
12 month high/low A\$	0,525 / 0,13
Average daily volume (k)	658



G Medical Innovations Holdings Limited

(ASX:GMV)

Healthcare Services & Equipment

Australia

Risk: High

G Medical Innovations Holdings Limited (ASX:GMV) is commercializing mobile vital signs monitoring systems that enable remote monitoring of patients. GMV's products have to potential to substantially lower healthcare costs and to improve patients' overall wellness and mobility.

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Speculative Buy

Current price: A\$ 0.395

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be the first year in which investors will get a true sense of the company's longer-term revenue potential. In turn, the US peer group's relative valuation multiples can then be used to ascertain a valuation for GMV.

Chinese FDA approval is the nearest term share price catalyst

As illustrated in our previous Flash Note, dated 14 August, approval of GMV's production facilities in China is the single most important share price catalyst in the near term. CFDA approval will enable the company to ramp up mass production of the Patch and Prizma in China and will also enable GMV to start fulfilling the previously received orders.

Given this near-term potential for GMV we reiterate our Speculative Buy rating for GMV shares.

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