FOSTER STOCKBROKING

EQUITY RESEARCH

Healthcare

1 April 2026

Lumos Diagnostics Holdings Ltd (LDX.ASX)

A wider net is cast

Event:

- **Receipt of CLIA-Waiver; Customer feedback; Placement; PT change.**

Investment Highlights:

- **CLIA-waiver expands market.** LDX's FebriDx last week received FDA CLIA waiver approval, the long-awaited designation a massive milestone, expanding the total addressable market to ca. 277k healthcare settings from just 32k, as it allows an untrained person to administer the test.
- **>US$600M market for LDX.** We estimate there are 80M acute respiratory infections (ARIs) in the US, of which we assume the 2-64 years age cohort translates to a TAM of US$600Mpa for LDX, based on a selling price of US$11 per test.
- **Positive experience from first major customer**. WellStreet Urgent Care provided encouraging feedback from five months of piloting FebriDx at one of its centres. Senior Medical Officer Dr Brian Bobb relayed how it seamlessly fits into workflow, delivers results within consult times, and improves doctors' decision-making. He stated both patients and doctors "love" FebriDx, and its fingerstick is more tolerable than the discomforting nasal swab of Covid tests.
- **Economics profitable**. Dr Bobb stated the test delivers a profitable margin for WellStreet, further incentivising adoption by doctors. Prescriptions of antibiotics have also declined, making savings for insurers as well as delivering health benefits for patients (reducing antimicrobial resistance).
- **Expansion to other clinics underway.** With CLIA-waiver attained, WellStreet has commenced rolling out to another 14 sites in Georgia, and eventually will expand use across all its 165 centres. WellStreet treated 1.1M ARI patients in 2024, assuming all would be tested with FebriDx would represent a US$11M revenue to LDX from just one customer. LDX also has an immediate pipeline of eight urgent care organisations similar to WellStreet, which have >350 locations across the US, and we expect many have been waiting for CLIA-waiver.
- **Raising for growth and working capital.** LDX completed a US$14M equity placement, not unexpected, as we had factored a similar size raise for funding the FebriDx rollout. A US$1.4M SPP is also being undertaken while Tenmile and Ryder Capital will exercise 44M options for US$2.2M. LDX will have US$26.1M pro-forma cash.

Earnings and Valuation:

- **Long-term earnings upgrade.** We upgrade our long-term (from FY31e) FebriDx gross margin to 70% from 65%, and its market share of ARI testing to 16% from 14%, based on increased confidence from the WellStreet experience.
- **Valuation increases to $0.51 from $0.42.** Valuation rises from upgrading our long-term gross margin and market share, which more than offset the dilutive impact of new 1-for-2 options from the placement/SPP, while the raise itself of US$15.4M at $0.225 was in-line with our prior estimate of US$15M at $0.21.

Recommendation:

- **Maintain Buy, raise 12-month price-target to $0.51 from $0.42,** based on valuation. Catalysts for the share price include increasing FebriDx sales, successful pediatric trial, and progress of own women's health products.

Disclosures

The analyst owns 179,000 LDX shares. Foster Stockbroking, staff, and Cranport own 1.1% of LDX shares, and 3,308,890 options exercise $0.34, expiry 31 December 2027, inclusive of the March 2026 placement.

Foster Stockbroking acted as Co-Lead Manager to the $20M placement of LDX shares at $0.225 in March 2026, for which it earned fees. Refer details at end of report.

Recommendation	**Buy**
Previous	Buy
Risk	Medium
Price Target	**$0.51**
Previous	$0.42
Share price (A$)	**$0.220**
ASX code	LDX
52 week low-high	$0.019-0.335
Valuation - risked (A$/share)	**$ 0.51**
Methodology	NPV
Capital structure	
Shares pre-placement (M)	798
Placement shares (M)	89
Market cap (A$M)	195
Net cash (debt) pro-forma (A$M)	38
Performance rights (M)	62
SPP shares (M)	9
Options (M)	163
Diluted EV (A$M)	220
Ave daily volume ('000)	6,155

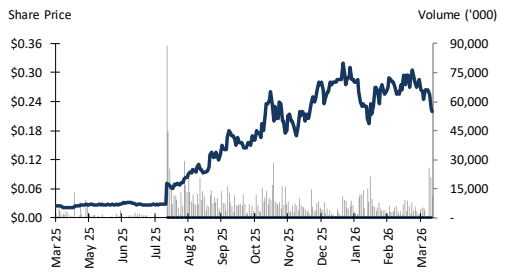
Earnings US$M y/e Jun	**FY25a**	**FY26e**	**FY27e**	**FY28e**
Sales	12	13	25	44
EBITDA adj	-5	-10	-3	8
NPAT reported	-7	-9	-6	4
NPAT adj	**-8**	**-12**	**-6**	**4**
EPS adj. $*	**-0.01**	**-0.01**	**-0.01**	**0.00**
PE x	**nm**	**nm**	**nm**	**38.6x**
EV/EBITDA x	nm	nm	nm	13.3x

** Adj =underlying*

Substantial shareholders	
Tenmile Ventures	19.9%
Ryder Capital	17.0%

Board	
Sam Lanyon	Non-Executive Chair
Doug Ward	CEO &MD
Bronwyn Le Grice	Non-Executive Director
Lawrence Mehren	Non-Executive Director
Catherine Robson	Non-Executive Director

Share price graph



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Lumos Diagnostics Holdings (LDX)

Full Year Ended 30 June

Profit and Loss US$M	2025a	2026e	2027e	2028e
Revenue	12	13	25	44
Operating costs adj.	18	23	28	36
EBITDA adj.	**-5**	**-10**	**-3**	**8**
D&A	3	2	3	4
EBIT adj.	-8	-12	-6	4
Net Interest expense/(income)	1	0	0	0
PBT adj.	-8	-12	-6	4
Tax expense/(benefit)	0	0	0	0
NPAT adj.	**-8**	**-12**	**-6**	**4**
Non-recurring items	1	3	0	0
NPAT reported	**-7**	**-9**	**-6**	**4**
EPS diluted adj. ($)	**-0.01**	**-0.01**	**-0.01**	**0.00**

Financial Metrics	2025a	2026e	2027e	2028e
EBITDA margin %	-44%	-72%	-11%	19%
EBIT margin %	-64%	-90%	-24%	9%
Gearing ND/(ND+E) %	-47%	632%	nm	nm
Interest cover (EBIT/net int exp) x	-15	-33	16	-8
Average RoE %	-128%	-112%	-32%	19%
Average RoA %	-33%	-41%	-16%	8%
Wtd ave shares M	680	905	940	940
Wtd ave shares diluted M	837	1073	1,118	1,118

Valuation multiples	2025a	2026e	2027e	2028e
P/E x	**nm**	**nm**	**nm**	**38.8x**
EV/EBITDA x	nm	nm	nm	13.5x

Cashflow US$M	2025a	2026e	2027e	2028e
EBITDA adj	-5	-10	-3	8
Chng in working capital	-5	2	0	0
Net interest	-1	0	0	0
Tax	0	0	0	0
Shares-based payments	0	2	2	2
Other	1	8	0	0
Operating cashfow	**-9**	**2**	**-1**	**10**
PPE	0	-1	-1	-1
Acquisitions	0	0	0	0
Investment	0	0	0	0
Other	0	0	0	0
Investing cashflows	**0**	**-1**	**-1**	**-1**
Equity issue	6	16	8	0
Debt proceeds	0	1	0	0
Debt repayments	0	-1	0	0
Other	-1	-1	-1	-1
Financing cash flow	**5**	**15**	**6**	**-1**
Net cash flows	**-4**	**17**	**5**	**8**

Company Valuation		
Segment NPV 10% nominal	**A$M**	**A$/share**
FebriDx	496	$0.44
Other products	13	$0.01
Services	50	$0.04
Corporate	-51	-$0.05
Net cash pro-forma	38	$0.03
Options-in-money at valuation	22	$0.02
Equity value	**568**	**$0.51**
	M	
Shares current	798	
Placement shares	89	
SPP shares	9	
Tenmile/Ryder exercise of options	44	
Performance rights	62	
Other options-in-money at valuation	116	
Diluted shares	**1,117**	

Balance Sheet US$M	2025a	2026e	2027e	2028e
Cash	2	19	24	32
Receivables	1	0	1	2
Inventories	1	1	3	5
PPE	0	0	1	1
Right-of-use assets	6	5	5	5
intangibles	8	8	8	8
Other	3	3	0	0
Total Assets	**21**	**38**	**41**	**52**
Payables	3	3	3	5
Provisions	2	1	1	1
Debt	0	0	0	0
Lease liabilities	7	6	6	6
Contract liabilities	0	3	0	0
Other	0	8	10	15
Total Liabilities	**12**	**22**	**21**	**27**
Capital	104	123	132	133
Reserves	0	1	1	1
Retained earnings	-98	-108	-113	-109
Equity	**6**	**16**	**19**	**26**

Capital structure	M
Shares current	798
Placement shares	89
SPP shares	9
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Substantial shareholders	%
Tenmile Ventures	19.9%
Ryer Capital	17.0%

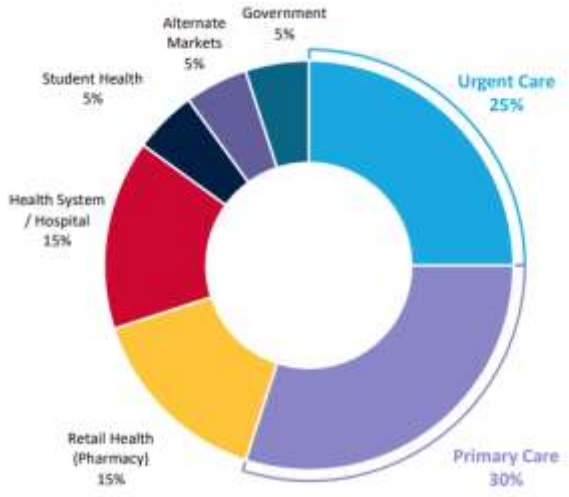
Source: Company; Foster Stockbroking estimates.

US MARKET OPPORTUNITY EXPANDS

CIA waiver opens up urgent and primary care

- Last week LDX received CLIA waiver for FebriDx from the FDA, which now fully opens the market for FebriDx to virtually all 277k healthcare settings in the US from just 32k. To recap, CLIA-waiver allows an untrained person to administer the test to patient, meaning places such as urgent care clinics and physician offices can have staff such as nurses or assistant personnel administering the test.
- We estimate there are 80M acute respiratory infections (ARIs) in the US, of which we assume the 2-64 years age cohort translates to a TAM of US$600Mpa for LDX, based on a selling price of US$11 per test. We expect long-term that FebriDx will make a 70% gross margin for LDX, translating to a US$420Mpa gross profit TAM.
- Most of the healthacre settings comprise urgent care clinics and primary care, which together account for 55% of of acute respiratory infection (ARI) testing (Figure 1). The former includes large chains and ownership groups, and will be a target for Phase Scientific (Phase), LDX's exclusive US distributor, in marketing. In contrast primary care is more fragmented with >100k sites (Figure 2), and will be targeted by the likes of large national distributors Henry Schein and Mackesson, who already have existing contracts with Phase, effectively acting as sub-distributors.

Figure 1: ARI testing by segment



Source: Company; Powered by perplexity.

Figure 2: Healthcare setting by segment

Source: Company; Medicare and Medicaid.

MAJOR CUSTOMER FEEDBACK POSITIVE

WellStreet Urgent Care experiencing major benefits

- One of the US's largest urgent care providers, WellStreet Urgent Care (WellStreet), has already been piloting FebriDx at one of its Georgia clinics for five months. We received positive feedback from its Senior Medical Officer Dr Brian Bobb. As a background, WellStreet has grown from 15 clinics in 2017 to 165 by end 2025, and includes Urgent Care brands Piedmont, Corewell, Prisma Health, and University Hospital, all located across the eastern United Sates.
- Dr Bobb commented on how the test is seamlessly fitting into clinic workflow and delivering results within consult times. The process for an ARI patient is simple: check-in, triage where FebriDx is typically administered, a result 10-minutes later, and then treatment determination by doctor.
- Dr Bobb noted prescriptions of antibiotics for ARIs at the clinic have declined, supporting industry evidence that these are overprescribed, with up to 50% being unnecessary. The reduction in prescriptions is resulting not only in health benefits for patients (e.g. reducing antimicrobial resistance) and improved decision-making for doctors, but savings for insurers who are paying for the drugs.
- In summary, Dr Bobb stated both patients and doctors "love" FebriDx. He noted that the fingerstick test is more tolerable for patients than the highly discomforting nasal swab of Covid tests. For doctors, FebriDx addresses the challenge of differentiating between bacterial and viral infection which share similar symptoms, removing "guesswork prescribing".

Economics – "sweet spot" price profitable for all

- Dr Bobb commented that reimbursement has been as expected. Five of eight national insurers are currently paying at least, and some more than, the Medicare schedule fee of US$41.38 per test, the remainder still undergoing an education process, waiting for accumulating documented outcomes, and/or for volumes to increase. FebriDx is priced at a "sweet spot" - reasonable for both the insurer and a self-payor, but also economically profitable for the clinic, Dr Bobb indicating that "the margin is there" and that there had been no unexpected issues with payors. LDX has guided on gross margins of 30-35% for distributors and >35% for the clinics (based on US$41.38 reimbursement) which are in-line with our estimates.
- LDX partner PRO-spectus is helping prepare dossiers submitted to insurers which details the health and economic benefits of FebriDx to assist reimbursement. While the Medicare fee for the test is US$41.38, physicians can claim and receive above this amount based on the compelling benefits of FebriDx. It represents upside to our earnings forecasts – not from higher selling price of the test for LDX to Phase, but from higher sales volumes and market penetration due to greater incentivisation of clinics to procure and administer FebriDx.

CLIA-waiver triggers rollout across all clinics

- WellStreet has been waiting for FebriDx attaining CLIA-waiver so it can gradually expand the test to use ultimately across all its 165 centres. The first phase of rollout has already commenced last Friday – to all its 14 sites in the Fayettville District, to be followed by a second Georgia District (another 14 sites), and then Michigan (28 locations).
- WellStreet treated 1.1M ARI patients in 2024 across its centres, or ca. 50% of total patients, with Dr Bobb saying ARI is the clinics' "bread and butter". Tests at the non-CLIA clinics will be administered by staff such as licensed nurses and medical assistants.

A > US$11M opportunity from just one customer

- Dr Bobb highlighted that in peak flu season, an urgent care clinic can see 40 to 60 patients daily per clinician, with a 15-minute average visit time. The flu season is at its most intense in November-January, tailing off in February-March. However, he observed that a summer flu season has emerged since Covid, which begins around mid/late July and ends mid-September.
- Assuming WellStreet tested all its ca. 1.1M patients with FebriDx, this would represent would generate US$11M in revenue to LDX from just one customer. However, given WellStreet is seeking to expand its clinics over next few years, this bodes well for LDX to further grow FebriDx revenue with this customer.

More large clinic groups in pipeline

- LDX has an immediate pipeline of eight urgent care organisations similar to WellStreet, which have >350 locations across the US, which together represent an additional US$24M market, assuming similar ARI patients per location as WellStreet. We expect many of these urgent care groups been waiting for the CLIA-waiver before considering ordering FebriDx.

EARNINGS FORECASTS

Upgrading long-term gross margin and market share

- We upgrade our long-term (from FY31e) FebriDx gross margin to 70% from 65%, and market share of ARI testing to 16% from 14%, based on increased confidence following WellStreet's experience. We note our gross margin assumption is still more conservative than the company's long-term target of 80%. Our short-term earnings forecasts are materially unchanged.

EQUITY RAISING

Shores up growth capital

- Concurrent with the CLIA-waiver receipt, LDX undertook and completed a US$14M equity placement at $0.225 and undertaking a US$1.4M SPP, to shore up both working and growth capital. This was not unexpected, as our model had already factored a US$15M raising at $0.21 for funding of the FebriDx rollout. Major shareholders Tenmile and Ryder Capital also indicated together they will exercise 43.9M options for US$2.2M cash. Finally, LDX will receive US$5M as a pre-payment from Phase and US$0.5M from BARDA, both for achieving the CLIA waiver milestone. All these result in LDX pro-forma cash of US$26.1M and nil debt (Figure 3).
- Funds will be partly used to expand manufacturing capability at its existing Carlsbad facility, to be competed in 2026, so LDX is in preparedness for expected volumes from Year 3 as part of minimum order quantities under the Phase distribution agreement. The balance will be for other rollout activities such as for sales, marketing, and regulatory.

Figure 3: LDX Use and Source of Funds

Source	US$M	Use	US$M
Placement and SPP	15.4	FebriDx:	
Cash end December 2025	3.0	Manufacturing automation	2.5
BARDA CLIA waiver milestone payment	0.5	Scaling & expansion	4.0
Phase CLIA waiver pre-payment	5.0	Marketing	7.8
Exercise of Tenmile & Ryder options*	2.2	Supply chain	1.0
		Medical implementation	2.1
		Other:	
		New product development	0.7
		Loan repayment	0.7
		Working capital, offer costs, other	7.3
Total	**26.1**	**Total**	**26.1**

*Source: Company; Foster Stockbroking estimates. *43.9M options.*

LDX VALUATION

Increases to $0.51 from $0.42 per share

- We have increased our share valuation of LDX to $0.51 from $0.42. It stems from upgrading our long-term FebriDx gross margin assumption to 70% from 65% and market share of ARI testing to 16% from 14%. These more than offset the dilutive impact of the new 1-for-2 $0.34 options to be issued with the placement and SPP, while the equity raise itself of US$15.4M at $0.225 was in-line with our prior estimate of US$15M at $0.21. We assume the SPP will complete for US$1.4M and that Tenmile and Ryder Capital exercise 43.9M options for US$2.2M.

Figure 4: LDX Valuation

Segment NPV 10% nominal	A$M	A$/share
FebriDx	496	$0.44
Other products incl. women's health	13	$0.01
Services	50	$0.04
Corporate	-51	-$0.05
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Equity value	**568**	**$0.51**

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Placement shares	89
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Performance rights	62
Other options-in-money at valuation	116
Diluted shares	**1,117**

Source: Foster Stockbroking estimates.

RECOMMENDATION

Maintain Buy, PT increases to $0.51

- We have increased our 12-month price target to $0.51 from $0.42, based on our DCF valuation. Key catalysts for the share price include:
    - Increasing FebriDx sales;
    - Successful rollout of FebriDx across more WellStreet locations;
    - Increasing reimbursement of FebriDx by insurers;
    - Signing of new major customers for FebriDx such as other urgent care clinics;
    - Successful completion of FebriDx pediatric trial;
    - Progress of own womens' health products; and
    - Advancement of Hologic services work.

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Specific disclosure: The analyst owns 179,000 LDX shares at the time of this report. Diligent care has been taken by the analyst to maintain honesty and fairness in writing the report and making the recommendation.

Specific disclosure: Foster Stockbroking acted as Co-Lead Manager to the $20M placement of LDX shares at $0.225 in March 2026, for which it earned fees.

Specific disclosures: As of close of business 31 March 2026, Foster Stockbroking, staff, and Cranport own 1.1% of LDX shares and 3,308,890 options exercise $0.34, expiry 31 December 2027, inclusive of shares subscribed for in the March 2026 placement. The position may change at any time and without notice, including on the day that this report has been released. Foster Stockbroking and its employees may from time to time own shares in LDX, and trade them in ways different from those discussed in research. Foster Stockbroking may also make a market in securities of LDX, including buying and selling securities on behalf of clients.

Disclosure review. All the disclosures in the report have been reviewed and checked by Mark Fichera, Head of Research.