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.

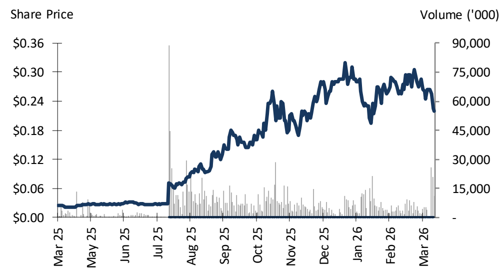
Recommendation	**Buy**
Previous	Buy
Risk	Medium
Price Target	**$0.51**
Previous	$0.42
Share price (A$)	**$0.220**
ASX code	LDX
52 week low-high	$0.019-0.335
Valuation - risked (A$/share)	**$ 0.51**
Methodology	NPV
Capital structure	
Shares pre-placement (M)	798
Placement shares (M)	89
Market cap (A$M)	195
Net cash (debt) pro-forma (A$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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