Venn Brown
Investment Research

Company earnings

Artrya Limited

Market overreaction – buying opportunity

30th July 2026

The market responded negatively to Artrya's 4Q26 cash flows today, closing down -16%. While there was some frustration in the delay in realising cash from Tanner and the other foundation partners, the response was overblown and represents a buying opportunity.

Real-time payment authorisation caused Tanner delay

Today's frustration stems from the longer-than-expected time to see revenue materialise from AYA's foundation partners (coupled with further SCF delays). With Tanner going live in April, we and the market expected to see cash in the quarter's report. Unfortunately, Salix's near-real-time assessment far outpaces the time traditionally taken for payer pre-authorisation (~24-48hrs). Artrya had to build a system (which it's patenting) to reduce hospitals' pre-authorisation times to match Salix's processing times. The fix is near universal, requiring only minor adjustments for future integrations, meaning this quarter's delays shouldn't be extrapolated to future integrations.

Pipeline growing – upside not factored in

Almost entirely lost in yesterday's announcement and in today's call were AYA's positive comments around its pipeline, both from inbound inquiries and commercialisation discussions with SAPPHIRE partners. AYA reported that it expects to sign at least one SAPPHIRE partner to a commercial agreement by the end of the year. We've not assumed this in our forecasts and, depending on the size of the partner, would likely need to materially upgrade our forecasts were it to eventuate.

Thesis remains unchanged – maintain buy

The realisation of cash flows will act as a de-risking event, confirming feedback we've had from customers that Salix delivers genuine time, convenience and cost savings. Whilst its delay is frustrating and pushes back and slows our revenue forecasts, it does not change our investment thesis.

Downgraded forecasts & new valuation: $6.07

Venn Brown has revised our forecasts, slowing volume and revenue growth. We have pushed our 400,000 scan target out two years to 2033 and reaching cash flow positive six months to 1H29. Consequently, we've reduced our valuation to $988 million or $6.07 per share (from $6.62). We maintain our buy recommendation. Looking ahead, catalysts include: lodgement of the SCF FDA application, SCF FDA clearance, reporting meaningful US revenues, inclusion in the S&P/ASX 300 index and signing new customers.

Artrya Limited

ASX:AYA

Industry	Health Care Technology
Date	30th July 2026
Currency	AUD
Valuation	$6.07
Recommendation	Buy
Share price	$4.00
52-week range	$0.85 / $6.49
Market cap	$652m
Free float	67.6%
Dividend	-
Yield	-

Year-end 30 June	FY24	FY25	FY26e	FY27e
Revenue	$4m	$5m	$10m	$17m
EBITDA	-$12m	-$15m	-$15m	-$9m
EBIT	-$14m	-$17m	-$16m	-$11m
Net profit	-$14m	-$16m	-$16m	-$8m
Earnings per share	-$0.18	-$0.15	-$0.10	-$0.05
Op. cash flow	-$15m	-$14m	-$15m	-$7m
Free cash flow	-$15m	-$15m	-$15m	-$7m
Net debt	-$7m	-$11m	-$77m	-$69m
Net debt / EBITDA	1x	1x	5x	7x
Dividend per share	$-	$-	$-	$-
Dividend yield	-%	-%	-%	-%
P/E	-1x	-49x	-50x	-97x
EV/EBIT	-1x	-48x	-44x	-68x
ROA	-74%	-69%	-18%	-10%
ROE	-83%	-77%	-19%	-11%

2-year Price Chart

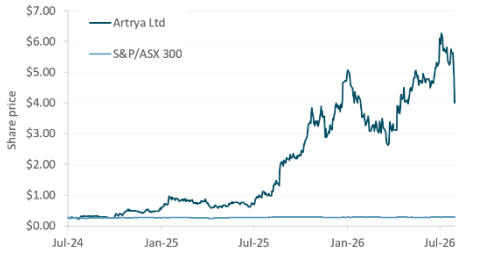

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Table 1: Slower rollout delays cash flow

		4Q25	4Q26	12M25	12M26
Cash receipts	$m	0.0	0.1	0.0	0.2
Operating costs	$m	-4.4	-5.4	-15.1	-20.2
R&D	$m	-1.6	-1.1	-3.1	-3.7
Gov grants	$m	0.4	0.5	7.2	6.0
Net interest	$m	0.1	1.2	0.3	2.2
Operating cash flow	**$m**	**-5.4**	**-4.8**	**-10.8**	**-15.5**
Cash & equivalents	**$m**	**11.3**	**44.0**	**11.3**	**44.0**
inc term deposit	$m	11.3	74.0	11.3	74.0

*Artrya only reported its cash flow and not its full results
Source: Artrya

Our thesis hasn't changed; our timing has

Artrya closed down -16% today, which we believe is overblown but stems from perceived delays in the realisation of cash flow. Management has guided the market that integrations, once signed, should occur within 6-9 months. Since AYA finalised its agreement with Tanner in July and went live in April, we (and the market) were expecting to see cash flows this quarter. It didn't materialise.

This cash flow would have signalled a de-risking event, proving Salix market fit and AYA's ability to commercialise the product. While in the medium and long term, a three to six-month delay in cash flow is immaterial (especially for a company with $74 million in the bank), what this quarter's limited cash flow prevented was the de-risking of the business from a product-market fit and implementation perspective.

Scan volumes and revenue would be tangible proof to support comments from management and customers of the overwhelmingly positive reception Salix has had amongst clinicians and hospital groups. While we have no reason to doubt this is the case, it's always nice to have the cash receipts to prove it.

Solving near-real-time payer approval caused the delay

Management spent time on the call explaining that the delay in receiving Tanner revenue was primarily due to needing near-real-time payer approval for plaque (and flow) analysis. Where previously taking 24-48 hours for approval wasn't an issue because assessments were never performed in real time, with Salix's 8-10 minute turnaround, payment approval became the bottleneck.

AYA has now solved this problem with a proprietary workflow (that they intend to patent) that is near-universal, needing only minor adjustments for each new client integration.

So while we were disappointed not to see cash flow materialise this quarter, our overall thesis hasn't changed, and we see today's sell-off (-16%) as a buying opportunity.

The commercialisation announcements should have been positive

During the conference call, AYA spoke enthusiastically about the commercialisation pipeline. CEO Konstantopoulos spoke of the growing volume of inbound inquiries from potential

customers as well as his confidence in signing commercial agreements with a (some) SAPPHIRE partner(s) by the end of the calendar year.

This news should have been greeted with enthusiasm by the market, and had the fourth quarter results not fallen short of expectations, we believe it would have been. Unfortunately, the market may now take more of a "believe it when we see it" approach, which represents a buying opportunity for the more patient investors willing to see through the noise.

It's worth remembering that combined, the SAPPHIRE partners (see Table 6) reportedly complete 400,000 CCTA scans a year, compared to the combined ~15,000 performed by the three foundation partners. Depending on which partner/partners is signed, it is likely to be a radically company-changing event.

Our forecasts do not assume a SAPPHIRE partner signs a commercial agreement this year, which means we may have to materially change our cash flows if one (or more) of the big three (HCA, CommonSpirit or Ascension) signs an agreement.

Scepticism COULD lead to a significant rerating event

AYA is down -16% from yesterday and down -38% from its all-time high from just 24 days ago ($6.49 on 6th July). The path to a rerating is clear and could happen by next quarter:

1. Prove demand by demonstrating customers are using and paying for Salix in the expected volumes;
2. Prove the price point by delivering revenue that matches pricing guidance;
3. Prove ability to implement by rolling Salix out to all the sites of the two remaining foundation partners (Northeast Georgia and Cone Health);
4. Prove ability to sell by closing more commercial agreements; and
5. Get FDA clearance for Salix Coronary Flow (SCF)

Not only will achieving these goals bring in cash flow, but it will also significantly de-risk Salix and Artrya, proving to the market the company's shift from a development company into a commercial company. It's worth remembering that (except for SCF), management and customers are reporting all of these points to be true; it's simply a matter of removing all doubt by seeing the resulting cash flows.

AYA also reported that preliminary SAPPHIRE study results could be published in conference abstracts as early as next year. This would be another positive outcome that should see a step up in the company's outlook.

Forecast changes – all timing related

As mentioned above, our thesis has not changed, but due to the slower-than-expected rollout and FDA clearance delays, we've pushed out our cash flow assumptions. That said, management reaffirmed its expected 6-9 month implementation cycle from signing a commercial agreement to going live, so future implementations should occur more quickly than we've seen with the foundation partners.

We have pushed out our 400,000 scan target by two years to 2033 and also pushed out our expectation of reaching cash flow positive six months to 1H29. These forecasts are far below

management guidance, which reiterated its expectation of hitting its 15,000-a-year scan cadence by the end of FY27.

Table 2: Slowing our revenue growth expectations leaves plenty of upside potential

CCTA scan volume		FY27e	FY28e	FY29e	FY30e	FY31e	FY32e	FY33e	FY34e	FY35e
New	#k	8k	20k	60k	112k	220k	320k	400k	480k	576k
Old	#k	17k	32k	115k	225k	400k	500k	625k	750k	900k
Revenue										
New	$m	$10m	$20m	$59m	$110m	$216m	$315m	$393m	$472m	$566m
Old	$m	$17m	$33m	$114m	$223m	$395m	$493m	$616m	$740m	$887m
EBIT										
New	$m	-$21m	-$20m	$14m	$65m	$140m	$204m	$255m	$306m	$367m
Old	$m	-$11m	-$3m	$62m	$133m	$256m	$320m	$400m	$480m	$576m

Source: Venn Brown estimates

Where we could be wrong – upside

There is clear upside to our expectations, but we'll need to see some evidence before revisiting them.

1. **Timing:** We have meaningfully pushed out and slowed our scan volume growth assumptions. This is the key driver of everything downstream. The signing and roll out of any of the larger SAPPHIRE study partners (HCA, Ascension or CommonSpirit – see Table 6) would meaningfully lift and bring forward our scan volumes and revenue while also fundamentally de-risking the business.
   Also, if one or more of these top ten largest healthcare groups adopt Salix, then it's a fair assumption that several of the others will follow.
2. **Plaque and flow scan ratios:** We've maintained our assumptions that 60% of scans require plaque analysis and 35% of these also require flow analysis. AYA has consistently said they expect these ratios to be 70% and 50%, respectively. Applying these ratios lifts our valuation by 26%.

New products not included

As is consistent with our previous valuation methodology, our forecasts do not include any additional products beyond Salix Coronary Anatomy, Plaque and Flow.

As is clear from conversations with Artrya customers, there is very real interest in expanding Salix's offering, not only to entirely new services but also to replace existing point solutions and bring them onto the Salix workflow platform.

We see those opportunities as offering significant upside to our current valuation, although we don't expect to see any movement on this front for at least 12 months, with monetisation at least 18 months beyond that.

New valuation: $6.07 per share

As outlined in Table 3, our revised cash flow expectations have lowered our valuation to $988 million or $6.07 per share. Our intentionally high discount rate (15%) represents the uncertainty of future cash flows but also means the valuation is highly sensitive to the negative cash flows we expect in FY27 (-$18 million) and FY28 (-$17 million).

Should Artrya reach its goal of being cash flow positive in FY27, it will lift our valuation. Just rolling our valuation forward a year lifts the valuation by +18%.

Table 3: Our new valuation is $6.07 per share

Discount rate: 16%		**FY27e**
Cash flow	$m	350
Terminal value	$m	564
Cash & equiv	$m	74
Equity value	**$m**	**$988m**
shares outstanding	#m	163
per share	**$**	**$6.07**

To test our valuation, we present two scenarios, summarised in Table 4. By assuming AYA reaches our scan targets of 400k (2033) and 250k (2031), a modest EBIT margin (65%) and EV/EBIT multiple, for a rapidly growing AI-powered SaaS business (45x) implies a present value of $24 and $14, respectively.

Table 4: Both scenarios are below management guidance* and support our valuation

	Scenario 1	**Scenario 2**
Annual CCTA scans	400,000	250,000
SCP/SCA ratio	60%	50%
SCF/SCP ratio	35%	20%
EBIT margin	65%	65%
EV/EBIT multiple	45x	45x
Valuation (per share)	**$63**	**$29**
Year to target	2033	2031
Present value**	**$24**	**$14**

* AYA has guided to an SCP/SCA ratio of 60-70%, and an SCF/SCP ratio of 50%
** Applying 15% discount rate

Table 5 below shows the sensitivity of the valuation to the margin and multiple assumptions. Even on a low multiple and low margin, implies a value well below Artrya's current share price.

Table 5: Applying reasonable multiples to 400,000 scans implies a $63 per share value

Scenario 1 – 400,000 scans (2033)						
	EV/EBIT multiple					
EBIT margin	35x	40x	45x	50x	55x	60x
55%	$41	$47	$53	$59	$65	$71
60%	$45	$51	$58	$65	$71	$78
65%	$49	$56	**$63**	$70	$77	$85
70%	$53	$60	$68	$76	$83	$91
75%	$56	$65	$73	$81	$90	$98

Scenario 2 – 250,000 scans (2031)						
	EV/EBIT multiple					
EBIT margin	35x	40x	45x	50x	55x	60x
55%	$19	$22	$24	$27	$30	$33
60%	$21	$24	$27	$30	$33	$36
65%	$22	$26	**$29**	$33	$36	$39
70%	$24	$28	$32	$35	$39	$43
75%	$26	$30	$34	$38	$42	$46

Source: Venn Brown estimates

Salix Coronary Flow

- There was no substantial news regarding Salix Coronary Flow, with the FDA submission still not filed.
- Management reported in its release that "Salix Coronary Flow validation progressed towards completion, with FDA submission imminent."
    - This point was reiterated on the results call. The cause of the delay appears to be the delay in obtaining scans of sufficient quality to complete the validation studies to be included in the submission.
- While frustrating for all involved (especially Artrya I'm sure), the most expedient path to FDA clearance is to submit the most robust application possible, which is the strategy AYA has adopted.
    - Salix Coronary Flow represents approximately 24% of our valuation, and pushing volumes back another 6 months has no impact on the group's term value beyond the next 6 months.

SAPPHIRE

- The SAPPHIRE study officially kicked off in mid-July with the investigators from several of the participating health systems meeting in San Diego for the Annual Scientific Meeting of the Society of Cardiovascular Computed Tomography (SCCT).
    - Plaque analysis was a major theme of the conference, which is clearly positive for AYA.

  - We've also heard reports of significant tension between Artrya's competitors, namely Heartflow, Cleerly and Elucid, the first two of which are battling each other in a lawsuit over IP infringement.
- Phase 1 of the study is supposed to run for 12 months. On today's call, AYA commented that preliminary results from the study could be available by early CY27, which may allow the results to be included in abstracts for various conferences early next year.
  - We don't expect any substantial study-related news for at least the next eight months.

Table 6: SAPPHIRE is being led by global leaders in cardiac research

Health System	National Ranks (by size)	Hospitals	Research Profile
HCA Midwest Health	1	~220	**Leading cardiac research & big data:** HCA is a commercial giant and the largest healthcare system in the US. HCA Midwest Health is a central hub for the HCA Healthcare Research Institute (HRI). It manages a sophisticated portfolio of cardiovascular and is a leader in using "big data" to optimise operational efficiency in heart centres. HCA Midwest is regarded as a world-leading cardiac research institute.
Dignity Health Arizona	5	~156	**Leading cardiac research:** Dignity Health Arizona is part of CommonSpirit Health, the fifth-largest healthcare system in the US. CommonSpirit operates 40 hospitals and 300 care centres across 21 states. The group is a recognised leader in cardiovascular care. Its cardiovascular program has completed over 30,000 interventional cardiology procedures, 250,000 cardiac catheterisations, 120,000 open heart procedures and 1,600 heart transplants
Ascension Health	7	~100	**The National Research Network:** Ascension is the seventh largest US healthcare system. Its Cardiac Research Institute (ACRI) coordinates trials across a massive national footprint, specialising in bridging the gap between academic innovation and community cardiac care.
Mass General Brigham		12-15	**The academic benchmark:** Mass General is one of the most prestigious research hospitals in the world. As the primary Harvard teaching hub, it is the global leader in pioneering "cardiac" imaging. Its involvement in SAPPHIRE provides the ultimate validation for AI-based plaque analysis. Mass Gen's involvement also means the study is highly visible and will receive far more attention from cardiac specialists than it would otherwise.
Piedmont Healthcare		27	**Global heart trial specialists:** Piedmont Heart Institute is frequently ranked number one in the world for specific heart trial volumes. They excel in Real-World Evidence (RWE) because they care for a large, high-acuity cardiac patient population. Like Mass Gen, Piedmont's involvement will significantly amplify the study's reach and interest among cardiac professionals.
Huntsville Hospital Heart Center		14	**Advance tech early adopters:** Known for some of the most advanced imaging technology in the US (such as Photon Counting CT), Huntsville is a "destination centre" that often leads the Southeast in early-stage cardiac device and AI trials.

Source: Venn Brown, Definitive Healthcare, company reports

About Artrya

The future of cardiac imaging diagnostics

Artrya is the Perth-based developer of Salix, an AI-driven diagnostic imaging solution for coronary artery disease. Salix is an automated workflow and diagnostic solution that integrates with hospitals' and clinics' existing imaging and patient management systems. Australian clinicians Venn Brown spoke with report that the time Salix saves in analysis and reporting would allow clinics to perform at least 2-4 additional scans a day, equating to $2,600 - $3,500/day of additional revenue. In the US, Salix turns a healthcare provider's cost centre into a revenue centre, earning them ~US$200-300/scan

$3 billion addressable market

Conservatively, Salix's existing addressable imaging market is $3 billion in annual revenue. This does not include the 7%+ pa growth in CCTA imaging seen across Australia, the US, and most of Europe. CCTA imaging accounts for only around 10-15% of cardiac diagnostic testing, with leading cardiac specialists expecting this share to grow to 80% over the coming years.

Land and expand

Salix is the first near-real-time AI-enabled cardiac imaging solution to offer integrated workflow management and plaque assessment, providing Artrya a platform to roll out additional imaging products. As a SaaS, Salix offers enormous economies of scale. Once adopted and installed, the Salix workflow is a highly sticky base on which Artrya can build additional products to capture a greater share of cardiac imaging spend.

Valuation

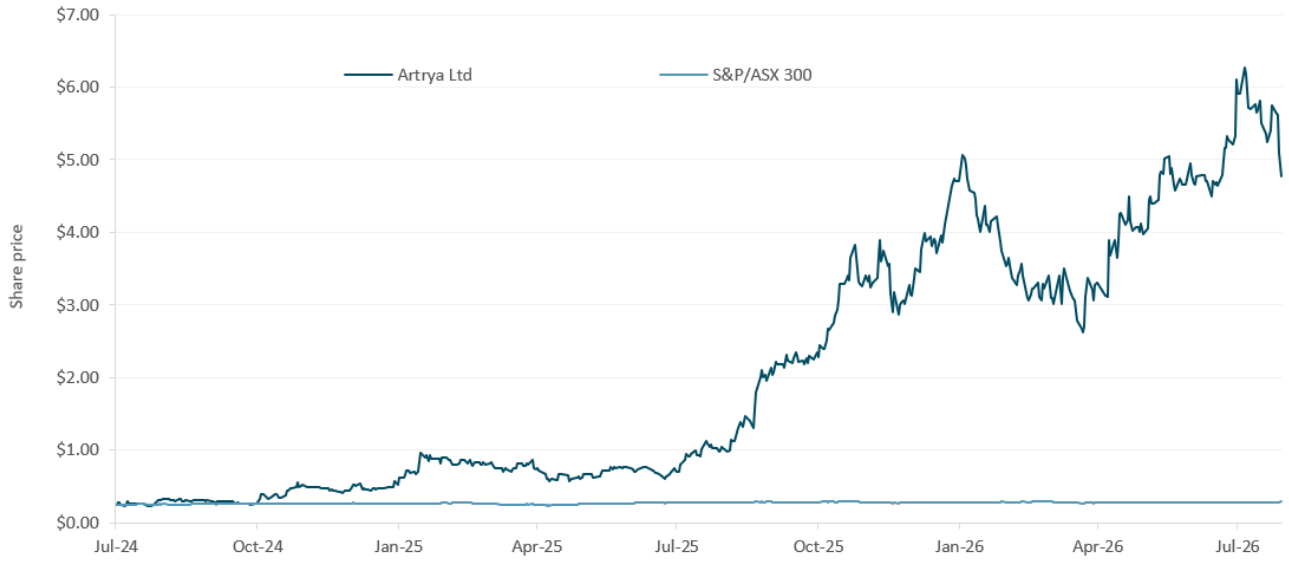
Based on our DCF, we value Artrya at $6.07 per share. The value is based on conservative assumptions around pricing, the speed of the group's rollout, and costs, and it assumes a 15% cost of equity and a 2.5% terminal growth rate. We expect to revise the valuation upward once there is greater certainty regarding the SAPPHIRE study.

Catalysts

We see several catalysts that will progressively drive AYA's value higher as greater visibility into future earnings emerges. This includes: Commercial launch of SCP, FDA approval and launch of SCF, progress of the SAPPHIRE study, reporting its first US revenues, the launch of US sales activities and ongoing US customer wins.

Read more in our initiation of coverage report: 'Salix: The future of cardiac imaging diagnostics', available on our website (http://www.vennbrown.com/artrya).

Share Price



Source: S&P Global

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