

Stock Data

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| Share Price: | 1.85p |
| Market Cap: | 18.2m |
| Shares in issue: | 981.2m |

Company Profile

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| Sector: | Healthcare |
| Ticker: | SKIN |
| Exchange: | AIM |

Activities

Vertically integrated test services company focused on developing and commercialising technology and products that scientifically prove the impact of skin care product claims for healthcare, life sciences, clinical research, pharmaceutical and cosmetics industries.

Share price performance



Source: LSE

Past performance is not an indication of future performance.

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Integumen plc

Integumen has launched Rinodrive AI, an independent Artificial Intelligence platform for the company's collaboration joint venture partners. Rinodrive is a standalone open source cloud-based ecosystem which Integumen is rolling out with its existing healthcare clients in addition to an increasing list of higher education institutions, an international financial advisory company and a major UK bank. Rinodrive is also being tested in government departments which could provide a potentially huge market for the company's AI platform.

Rinocloud, a wholly owned subsidiary of Integumen, has been developing Rinodrive since 2016. The platform functions as a data aggregation, refining and AI analysis open source ecosystem designed to provide third party service providers with the ability to offer their clients valuable insights in support of clinical, operational and financial decisions in several sectors. These include tertiary education, government departments and the financial sector.

Integumen's in-depth research demonstrates that the doubling time of the volume of healthcare data in 2010 was estimated to be three and half years compared to 50 years in 1950. However, the same research suggests that this metric will be only 73 days by 2020 and the International Data Corporation forecasts a compound annual growth rate of 36% for healthcare data up to 2025. This is expected to be driven by analytics, imaging and real time data for decision support in particular.

The company notes that for healthcare companies to retain key staff and quality of care, they need to increase efficiency by reducing costs, waste, duplication and the length of care to maintain patient satisfaction. To achieve this, Integumen suggests that data management is crucial and connecting existing systems with open platforms, specialists with patients and employing AI to analyse medical data is fundamental to meet the increasing demands on modern healthcare ecosystems.

Integumen suggests that Rinodrive represents such a solution. The platform is a robust state of the art open-source cloud-based infrastructure through which many existing Labskin clients already share their clinical trial data through high security encrypted access. However, the company has identified a commercial opportunity for Rinodrive which can be achieved through partnerships, joint ventures and revenue sharing collaborations.

The business generation opportunities include consultant companies managing client data aggregation and migration to the cloud and creating value from the use of Rinodrive AI tools on this data. Similarly, Integumen suggests that healthcare sector recruitment companies supplying IT personnel in a competitive and low margin market can boost their business models by targeting higher margin clients contracting personnel in order to compete on more equal terms with larger consultant companies such as Accenture and McKinsey.

We believe that this latest news represents somewhat of a watershed for Integumen as its AI business model moves the company beyond the wider healthcare space and into other economic areas including financial, advisory, government and education sectors. In early October 2019, the company was confident that full year revenue would exceed the £1m mark in 2019 as Labskin AI services gain traction. With the annualised benefits of the company's progress likely to drive further growth coupled with the prospect of significant additional revenue from Rinodrive AI next year, we believe that Integumen has the potential to deliver several multiples of current year revenue from 2020 onwards.

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