

Stock Data

Share Price: 1.79p
Target Price: 3.23p
Market Cap: 19.2m
Shares in issue: 1072.4m

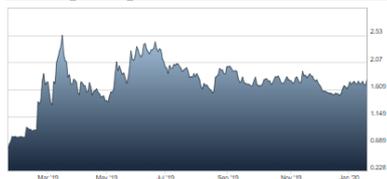
Company Profile

Sector: Healthcare
Ticker: SKIN
Exchange: AIM

Activities

Integumen plc ('the Group') is a 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 provided both a trading update and announced the signing of a cooperative alliance with the Shanghai-based [Innocare Group](#). This MOU has been established to promote innovation and cooperation between research institutions developing cosmetics and skincare products. It will assist commercial enterprises in China seeking routes to regulatory compliance using Labskin and LabskinAI without the need for animal testing. Today's trading update also provided unaudited figures for the year to end-December 2019 confirming, as expected, 12-months pro-forma revenues of just over £1m, representing almost a four-fold increase on the comparable period. This reflects the fact that skincare and personal product manufacturers continue to find themselves overwhelmed by excessive data and strict new EU, US and Chinese regulation, together with an urgent need to heighten clinical trial efficiencies. The resultant surge in demand for Labskin's laboratory and data services has recently seen Integumen's Board reiterating guidance that anticipates a further, four-fold revenue increase this year. Against such a background, the incorporation of Rinocloud's high margin analytic and AI services offer potential for the Group to be generating positive monthly cash flows before the end of the first half of 2020E, with the weight of anticipated demand from global-scale manufacturers potentially even testing the Group's recently expanded laboratory capacity before the period end. Initiation research on Integumen plc released by TPI on 8th January 2020 set a target price of 3.23p/share.

Delivering on expectations – The Group's unaudited figures show that revenues for the 12-months ended December 2019 increased 366% to £1.004m (2018: £0.274m - audited). This number includes £0.178m of (pro-forma) consolidated revenues relating to that achieved by Rinocloud in the four months prior to its 2 May 2019 acquisition. Based instead on IFRS accounting, a revenue figure of around £0.826m might be anticipated.

Labskin laboratories: Scaling to meet demand – The Group delivered this exceptional revenue growth during 2019 despite a delay of six weeks in the opening of its new Labskin laboratories in York, UK. Their official opening on 7th November 2019 followed floorspace expansion and incorporated £0.4m of new laboratory equipment in order to satisfy expanding client demand for Labskin and LabskinAI services. The Board has estimated that this investment might provide as much as a 10-fold increase on 2019 turnover capacity during the current year. Designed to satisfy demands from a customer base that includes 'global Top 20 cosmetic and skincare' companies, Integumen now also declares it started 2020 as the 'No.#1 Thought Leader on Skin Microbiome and AI'. Facilities that the Group is now in the process of providing include:

- Additional tissue culture labs for Labskin production
- Additional microbiology labs for microbiome testing
- A dedicated analytical service laboratory, including next generation sequencing
- Dedicated immunohistochemistry and media preparation labs
- Additional office space for shared services centre.

Cooperative alliance MOU with Shanghai's Innocare Group - Over the past decade, [Labcare Scientific International](#) has provided laboratory customers with innovative instrument, equipment and supplies from around the world. With offices in Edinburgh, China and Hong Kong, now partnering with the Shanghai Hi-Tech International Development Program, Labcare seeks to internationally bridge the innovation gap between China and the Rest of the World for technologies in Healthcare, Biotech and Internet of Things. Since 2017 the company has participated in the annual European forum "Beyond IoT" held in the Nimbus Research Centre, Cork, Ireland and for the first time Innocare Group will host the 'Beyond IoT' Forum in China in 2020. The combined expertise of the two technologies and their access to R&D in China and Europe might be expected to enable faster commercialisation on both continents.

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