

Stock Data

Share Price:	1.00p
Market Cap:	£10.7m
Shares in issue:	1,072.4m

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

Further to its signing of a US\$£3.75m (£3.12m*) bacteria production agreement with Modern Water plc (AIM:MWG, 'Modern Water') earlier this month, Integumen has announced that the global COVID-19 public health crisis has resulted in both a significant acceleration of anticipated customer demand and the Group's planned response. In order to meet back-orders and growing demand for water contamination detection bacteria from existing customers across Spain, Italy and China, production of MWG's monitoring reagent has commenced this week, some six weeks ahead of the originally planned production date. Recognising that the pandemic still appears to be in a relatively early stage of its evolution across western zones, it has also become apparent that immediate demand could significantly outstrip the initial production agreement signed between the two companies, while recognising the need for more permanent and rigorous 'early warning' contamination detection programmes that are likely to be specified by international governments going forward, could also provide a major new, long-term source of ongoing demand.

Meeting an Urgent Need

In February 2020, microbiologists at [Dutch research institute KWR](#) conducted a series of [RNA-analyses](#) at municipal waste water treatment plants ('WWTP') in the Netherlands. Significantly, their analyses showed the presence of RNA gene fragments of the COVID-19 virus in the influent water. According to KWR, the screening of the COVID-19 virus at municipal WWTPs could become an important containment step, being used to signal new outbreaks in advance and play an important role in tracking and curtailing the pace and evolution of the pandemic. As such, rapid and rigorous sewage screening could potentially provide both national and local authorities with a clearer picture of the virus circulation, the resultant pace of infection and the effectiveness of measures designed to protect the wider populations. Moreover, recognition of the continuing vulnerability of human populations to such global pandemics, as has been demonstrated by the uncontrolled spread of COVID-19, even after the current peak infection rate has passed governments will almost certainly be forced to adopt new, long-term means for early detection. The products and services now being jointly provided by Integumen and Modern Water for sewage screening is potentially one of the most obvious solutions.

New Laboratory Capacity

Further to previous notifications, enlargement of Integumen's laboratories and fit-out has commenced with the ordering of the new laboratory equipment. Its bacterial products are used in fixed and portable monitoring equipment, designed and manufactured by Modern Water plc to identify contamination in wastewater outlets from residential, hospital and municipal sewage treatment outflows that may contribute to the current public health crisis.

Exceptional Demand

In addition to the c£2m of confirmed orders received so far in Q1 2020 for delivery in the current financial year, Integumen is investing £250,000 (as announced in its [RNS of 18 March 2020](#)), to rapidly expand its laboratories floorspace by 100% to 6,000 square feet, in order to service Labskin's operational demand and accelerate bacteria production that is used by a range of monitoring equipment for the detection of up to 2,300 different bacteria/virus/toxin water-based contaminants.

Today's news reflects Integumen's ability to rapidly respond to the urgent needs presented by the current global pandemic. It demonstrates the Group's ability to provide European bacteria reagent manufacturing capacity, together with the logistical support for Modern Water's sales, marketing and distribution in the US, EU, China and Japan. With a view to adding value and opportunity, the Group's AI division is also exploring options to develop data analytic tools/facilities for Modern Water monitoring equipment, with the potential to include 'bolt-on' real-time alert services in anticipation of new longer-term national detection requirements and opportunity to secure higher client revenues. This, together with ongoing expansion of Rinocloud's high margin data and AI services, Labskin's analytical/monitoring technologies and the extended customer reach now offered through ecowaterOS's multi-continental consortium, highlights the scale of opportunity being presented to Integumen in these underserved global markets. With the weight of anticipated demand from global-scale manufacturers potentially testing the Group's expanded laboratory capacity before the current period end, TPI's Initiation research on Integumen plc (released on 8th January 2020) set a target price of 3.23p/share.

*£=1.20US\$

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