

Stock Data

Share Price: 1.69p
Target Price: 3.23p
Market Cap: £18.1m
Shares in issue: 1072.4m

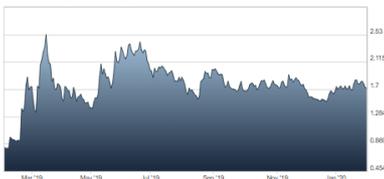
Company Profile

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.

Turner Pope contact details

Turner Pope Investments ("TPI") Limited
8 Frederick's Place
London EC2R 8AB

Tel: 0203 657 0050
Email: info@turnerpope.com
Web: www.turnerpope.com

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Barry Gibb
Research Analyst
Tel: 0203 657 0061
barry.gibb@turnerpope.com

Andrew Thacker
Corporate Broking & Sales
Tel: 0203 657 0050
andy.thacker@turnerpope.com

Zoe Alexander
Corporate Broking & Sales
Tel: 0203 657 0050
zoe.alexander@turnerpope.com

Integumen plc

Integumen has signed a commercial and AI partnership with [Acumen Software](#) of South Africa. This represents the Group's first RAWTest™ AI and distribution agreement. It is seen providing access across multiple continents for its real-time AI water contamination monitoring system, through its integration with Acumen's well-established mobile asset and management software platform for wastewater and water utilities that has been established over the past 12-years. Given that the industrial sector is a major global water polluter, with only 60% of waste receiving treatment before being physically disposed of into the environment, escalating pressures from international governments to rectify the situation prospectively creates a significant, long-term market opportunity. Given that this partnership potentially offers such an ideal and timely solution, Integumen's management expects a material revenue contribution from this partnership during 2020 to magnify significantly in future years.

Integumen's subsidiary Rinocloud has announced it has entered into a commercial and AI development partnership with Acumen Software (Pty) Ltd of South Africa. This cooperative alliance has been established to create a combined offering of Acumen's integrated mobile asset and management software platform with RinoDrive's data analytics, data refining capabilities and its RAWTest™ AI real-time water monitoring service. This new offering will be rolled-out to their respective strategic business partners that extend across Asia, North and South America, and Australasia. Integumen management states that it expects a material revenue contribution from this partnership in the current year.

This partnership agreement provides an ideal demonstration of Integumen's international ability to capitalise on the capabilities of its core data technologies. Its AI software division is tapping into a global sales channel that already exists, where each side contributes elements of their existing tried and tested systems that can then be rapidly adapted to satisfy the evolving environmental needs of global enterprises.

In Europe, for example, industry is one of the principal water users, accounting for about 40% of total water abstractions. Water is used in the production and manufacturing process (i.e. for cooling, lubrication, dilution, cleaning/washing as well as for general use by employees and livestock etc.) and is sourced either by public utilities or collected independently. Within this, the sector is a major water polluter, with only up to 60% of industrial wastewater receiving treatment (value based on data from eight countries) before being disposed of into the environment.

Given the enthusiasm reported from Rinocloud, Acumen and Parity's existing client bases, following presentation of the technical capabilities and vision of this new partnership, it is expected that in coming months this will result in the signing of some material contracts. The extended client access now being made available to Integumen is possibly best highlighted by Acumen itself in their [12-year development](#) summary, which outlines their impressive list of existing business partners/top tier consultancies, which open access to government and large utilities on a number of continents.

Today's news reflects the opportunity available to AI and data management companies with the ability to deploy regulatory technologies ("RegTech") that help shape the needs of clients in a rapidly changing global environment. This has already been highlighted by the surge in demand for Labskin's laboratory data services that have seen Integumen's Board reiterating guidance that anticipates a further, four-fold revenue increase in 2020. Against such a background, exploitation of Rinocloud's high margin analytic and AI RegTech 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.

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