

# Cellmid Ltd

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## Cellmid has record September quarter sales from hair loss products

Cellmid Ltd (ASX:CDY) has recorded over \$1 million in sales for its hair loss products during the September quarter for the first time ever.

The company's consumer health business, sells its hair loss products in Australia and Japan, and is currently expanding distribution in other territories.

Australian sales grew by 115%, with the new national advertising program showing strong results.

Overall sales are up by 30% compared with the same period last year.

Sales from the U.S. are expected to commence in the current December quarter.

The U.S. is the biggest single market for hair loss treatments with combined sales of circa US\$3.5 billion annually.

### Background

Cellmid has two business segments, consumer health and its midkine (MK) portfolio.

Cellmid holds the largest and most comprehensive portfolio of intellectual property relating to the MK and FGF5 globally.

Cellmid's consumer health division currently sells hair growth products in Japan and Australia, which were developed using FGF5 related intellectual property.

Cellmid aims to follow in the footsteps of FGF5 by commercialising its MK portfolio.

Cellmid has recently set up dedicated subsidiaries, Lynamid Limited and Kinera Limited as part of its clinical development plan to commercialise its MK antibody assets.

### U.S. opportunity

Recently, Cellmid entered into a distribution partnership with Colour Collective in the U.S. for the launch of Cellmid's evolis® hair growth products.

This provides Cellmid with an accelerated, direct route to U.S. sales channels that have proven successful in Australia and Japan.

The U.S. is the biggest single market for hair loss treatments with combined

**Price:** A\$0.5

**Market Cap:** A\$28.46M

### 1 Year Share Price Graph



### Share Information

**Code:** CDY

**Listing:** ASX

52 week	High	Low
	0.8p	0.35p

**Sector:** Pharma & Biotech

**Website:** [www.cellmid.com.au](http://www.cellmid.com.au)

### Company Synopsis:

Cellmid Ltd (ASX:CDY) is listed on the Australian Securities Exchange.

### Author:

**Proactive Investors Australia**

**+61 (0)2 9280 0700**

[action@proactiveinvestors.com.au](mailto:action@proactiveinvestors.com.au)

sales of circa US\$3.5 billion annually.

U.S. sales will commence in 2016 through e-commerce channels with distribution to high-end retail and other direct to consumer opportunities to follow.

The U.S. market is comprised 57.7% of minoxidil based products, which cater mostly for men.

Cellmid's evolis® range is formulated for both men and women.

This is particularly important as almost half of those suffering from hair loss are women without a safe and effective treatment alternative.

Colour Collective see evolis® as a US\$100 million plus brand in the U.S.

## Analysis

Surpassing \$1 million in quarterly sales on the back of 30% growth compared to the September quarter in 2015 is a significant achievement for Cellmid.

The strong growth from Australian sales and the current expansion into the U.S. bodes well for continued future growth from Cellmid's consumer health division sales.

The distribution partnership with Colour Collective provides Cellmid with an accelerated, direct route to U.S. sales channels that have proven successful in Australia and Japan.

The consumer health business which sells hair growth products operates at over 70% gross margin providing very strong profitability potential as the business scales up through sales growth and new market entry.

Cellmid also continues to prepare its MK assets for clinical development; which will act as major value catalysts.

Cellmid shares have been trading positively, up 45% year to date at \$0.035.

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Contact us +61 (0)2 9280 0700 [action@proactiveinvestors.com.au](mailto:action@proactiveinvestors.com.au)

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