

Cellmid Ltd

08:10 20 Jul 2016

Cellmid Ltd to enter world's largest hair loss treatment market

Cellmid Ltd (ASX:CDY) has entered into a distribution partnership with Colour Collective in the U.S. for the launch of Cellmid's Advangen 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 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.

Colour Collective

Colour Collective is a specialist in launching high end hair brands in the U.S. and is based in Dallas, Texas.

The principals of Colour Collective have over 40 years of combined experience in launching and distributing brands in the U.S., Europe and Asia for companies such as Revlon, Unilever, LVMH, Colomer and Toni & Guy.

Since 2012, Colour Collective has launched nine new brands covering 146 products.

U.S. opportunity with women

The US\$3.5 billion 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.

Kerry Yates, director of marketing at Colour Collective commented:

"Given that minoxidil based products cater mostly for men, evolis® has a much greater market potential in the hair loss segment alone, not to mention the rapidly growing anti -aging hair care category.

"We see evolis® as a US\$100 million plus brand in the USA alone".

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

Company Synopsis:

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

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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.

Analysis

This distribution agreement represents a major milestone for Cellmid as it continues to grow revenues from its FGF5 inhibitor hair growth products by expanding into new markets.

With the company well on track to achieve its \$2 million sales target in Japan, its recent entry into the Australia market and coming entry into the U.S. market – Cellmid's consumer health business is set to continue its rapid growth.

Sales growth to date has been achieved with limited advertising spend with Cellmid planning to deploy a call-to-action sales generating program from mid-July.

Entry into the U.S. market will see Cellmid be rewarded for dedicating early funding to its U.S. and Chinese expansion.

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.

News flow is expected over the coming months regarding major research, regulatory and product development milestones in China and Europe.

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

Cellmid shares have been trading positively, up 40% over the past three months at \$0.031.

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