

Skin Elements Ltd

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Skin Elements is well positioned in a growing market

Skin Elements (ASX:SKN) is a growing natural and organic skin care company positioned within a US\$130 billion global cosmetic market that continues to trend towards natural products.

Having successfully listed on the ASX in January 2017, Skin Elements is focused on expanding distribution of its products on a global scale.

The company's natural and organic product range covers three key skin care areas - cosmetic, therapeutic and everyday skin care (sunscreen).

Most recently, Skin Elements entered a memorandum of understanding (MoU) with Ageless Products, a marketing organisation with a focus on entering and penetrating the Chinese market.

Furthermore, earlier this year, the company partnered with Baxter Laboratories, a significant move as Baxter's manufacturing capacity can allow Skin Elements to become a truly global supplier.

Background

Skin Elements is a skin care company focused on the development of natural and organic skin care products, as an alternative to current chemical-based products.

The company's portfolio of products includes:

- Soléo Organics: natural and organic sunscreen;
- McArthur Skincare: pawpaw-based natural therapeutic skin care; and
- Elizabeth Jane Natural Cosmetics (EJNC): natural cosmetic skin care.

Skin Elements has invested \$9 million into developing its portfolio of skin care products over an eight year period.

WATCH NOW: Skin Elements at the forefront of natural, organic skin care products

The company listed on the ASX in January 2017 with the Soléo Organics and EJNC brands and acquired the McArthur Skincare business in May 2017.

Product sales are in an embryonic high-growth stage with \$128,000 worth of customer receipts recorded in the September quarter, an increase of 45.5% on the previous quarter.

Skin Elements aims to expand its product range and sales and distribution footprint, to position the Company as a leading, recognised national and international skin care company.

Price: 0.014

Market Cap: \$2.27 m

1 Year Share Price Graph



Share Information

Code: SKN

Listing: ASX

52 week	High	Low
	0.06	0.009

Sector: Pharma & Biotech

Website: soleoorganics.com

Company Synopsis:

Skin Elements Ltd (ASX:SKN) is listed on the Australian Securities Exchange.

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The growing trend for natural products

The global cosmetic skin care market was worth an estimated US\$130 billion in 2016 and is forecast to grow at circa 5% compounded annually through to 2023.

One of the key drivers for this high rate of growth is the increasing demand for cosmetics with natural active ingredients.

This growing trend is supported by a significant rise in awareness regarding the potential dangers of additives, chemicals, and other harmful ingredients in skincare products.

For example, in 2016, 57% of U.S. women said it was important to buy all-natural skin-care products.

MoU with Ageless Products a doorway to China

Last month, Skin Elements entered into a MoU to facilitate sales and distribution into Chinese market with Australian, China-focused healthcare export business, Ageless Products.

The two entities will explore the opportunity to form a joint venture for the distribution of Skin Elements' product range into China and other major global markets.

A joint venture has the potential to add significant value by paving the way for commercial scale access to these major global targets markets.

READ NOW: Skin Elements eyes natural cosmetics market in China

Ageless is led by Brett Greene, an experienced international health care sector product marketer, and director Andrew Robb, the former Federal Minister for Trade and Investment who was responsible for the landmark China-Australia Free Trade Agreement.

A partner with capacity to supply cosmetics globally

During March 2017, Skin Elements appointed Baxter Laboratories as its preferred manufacturing partner.

Baxter has renowned expertise in the sunscreen sector and is acknowledged as a global leader in the development, manufacture and supply of world class sun protection products.

Its facility in Melbourne is able to produce up to 50 million tubes per annum and is currently utilising over 50% of this capacity.

Production continued to ramp up during the September quarter with a further 20,000 tube production run of the Soléo Organics sunscreen and a 10,000 tube production run of McArthur Skincare products completed.

An experienced partner with capacity such as Baxter plays an important role in enabling and supporting Skin Elements' international expansion plans.

Soléo Organics sunscreen now sold in over 16 countries

Soléo Organics sunscreen is Skin Elements' lead product and has won multiple global awards as a number one sun care product.

It has undergone a highly successful test marketing phase in major global markets, which generated sales of around \$3 million.

Soléo Organics has distributors in place in more than 16 countries and regulatory approval in key target markets - including the U.S. FDA, the TGA in Australia, Health Canada and Japan Ministry of Health.

Expanding the EJNC cosmetic range

Skin Elements is currently focused on expanding the EJNC product range, which consists of 10 products.

These products are currently the subject of a rigorous test marketing program, similar to that undertaken by the Soléo Organics product range, in preparation for a proposed commercial launch.

Broker report outlines share price upside

Recently, Perth firm Gloucester & Portman Capital assigned a Speculative Buy rating to Skin Elements with a target price range of up to \$0.73.

READ NOW: Skin Elements attracts Speculative Buy from broker with four-bagger potential

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