

# InNature

BUSINESS AS A FORCE FOR GOOD

## 2Q2022 RESULTS

17 AUGUST 2022



FTSE4Good

A constituent of  
FTSE4Good Bursa Malaysia Index and  
FTSE4Good Bursa Malaysia Syariah Index  
since June 2022

# BUSINESS AS A FORCE FOR GOOD



THE BODY SHOP

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# BUSINESS REVIEW



 THE BODY SHOP

Achieves  
fourfold jump in  
profits, declares  
1.0 sen interim  
dividend

- ❑ Surge in quarterly results amid Hari Raya festivity on the back of economy reopening and reduced Covid-19 restrictions, and improvement in margins.
- ❑ **Digital & remote channels** contributed 13.9% to total revenue despite almost all stores being in full operation.
- ❑ **Solid balance sheet** with RM144.8m net assets, RM58.4m cash, and net cash position.
- ❑ Declares **1.0 sen** interim dividend representing **70.0%** pay-out.



## MALAYSIA

- ❑ Hari Raya celebration amid reopening of economy fueled transactions, footfall and topline growth.
- ❑ SSSG of 54.2% for 2Q2022 and 20.2% for 1H2022.
- ❑ Digital & remote channels made up 11.1% of country revenue for 2Q2022 and 12.8% for 1H2022.
- ❑ 79% of revenue are recurring from our LYB members.
- ❑ Added 1 store in JB, relocated 1 store in Sunway, closed 2 stores in Klang and Tawau.



## VIETNAM

- ❑ Topline growth driven mainly by transactions and footfall, but at a slower pace vis-à-vis Malaysia and Cambodia.
- ❑ SSSG of 9.4% for 2Q2022 and **(7.5)%** for 1H2022.
- ❑ Digital & remote channels made up 24.5% of country revenue for 2Q2022 and 24.8% for 1H2022.
- ❑ 71% of revenue are recurring from our LYB members.
- ❑ Added 1 mall store in Hanoi, closed 1 high street store in HCMC.



## CAMBODIA

- ❑ Stronger topline driven mainly be higher transactions and footfall.
- ❑ SSSG of 22.5% for 2Q2022 and 3.9% for 1H2022.
- ❑ Digital & remote channels made up 25.6% of country revenue for 2Q2022 and 13.6% for 1H2022.
- ❑ 71% of revenue are recurring from our LYB members.

# 2Q2022 BUSINESS REVIEW

As at 30.6.2022, we operate **116** stores across Malaysia, Vietnam and Cambodia, supported by more than **600** employees.

Malaysia Store Count	
At 1.1.2022	77
Addition	1
Closure	3
<b>At 30.6.2022</b>	<b>75</b>
Relocation	1



Vietnam Store Count	
At 1.1.2022	39
Addition	1
Closure	1
<b>At 30.6.2022</b>	<b>39</b>
Relocation	1

Cambodia Store Count	
At 1.1.2022	2
<b>At 30.6.2022</b>	<b>2</b>

# POST-2Q2022 OUTLOOK

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- ❑ Post-pandemic business environment continues to be challenging.
- ❑ Demand for The Body Shop brand will remain.
- ❑ Product rejuvenation rolling out progressively with improved formulations and sustainable packaging.
- ❑ Prudent in managing the business.
- ❑ Target to open at least 1 more store in Malaysia, Vietnam and Cambodia by end of 2022.

# Financial Performance





# FINANCIALS AT A GLANCE

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2Q2022 Revenue

**RM39.6m**

↑ 42% y-o-y

2Q2022 GP Margin

**66.2%**

↑ 1.3 pp y-o-y

Shareholders' equity

**RM144.8m**

as at 30.6.2022

Net gearing ratio <sup>(1)</sup>

**Net Cash**

as at 30.6.2022

2Q2022 PAT

**RM5.6m**

↑ 3.9 times y-o-y

2Q2022 PAT Margin

**14.2%**

↑ 9.0 pp y-o-y

2Q2022 Net operating  
cashflow

**RM11.7m**

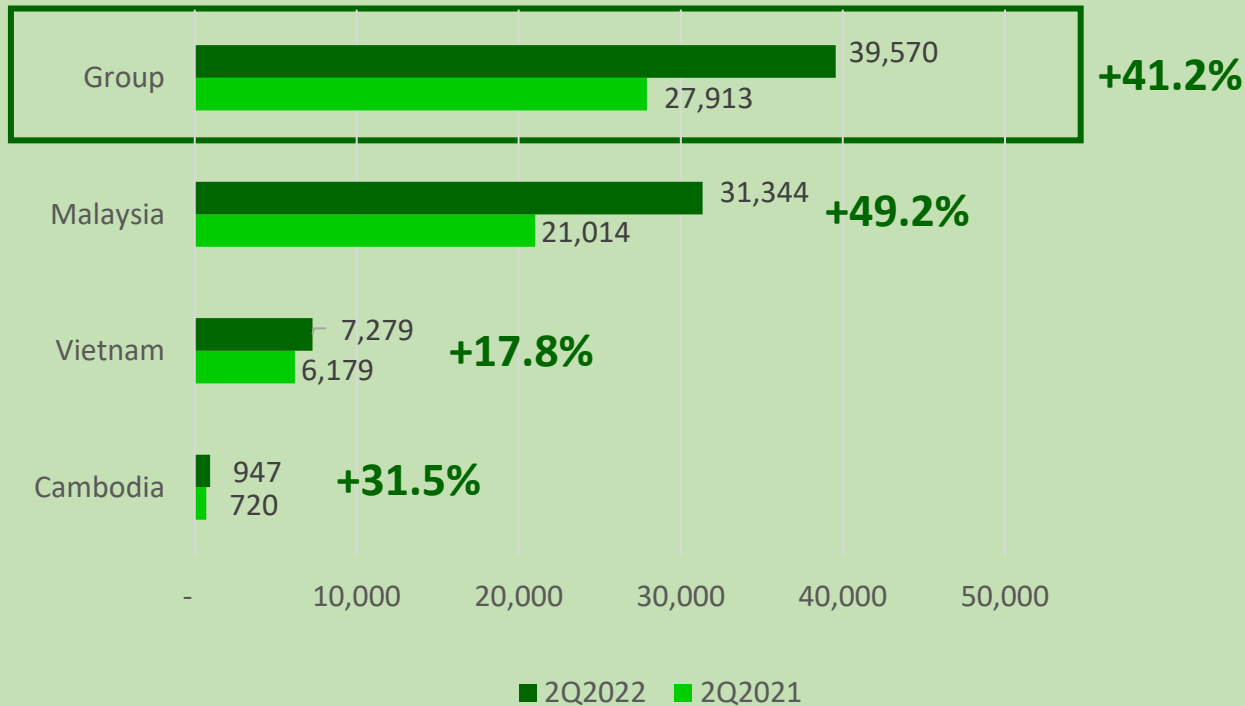
Declares 1.0 interim  
dividend, representing  
pay-out of

**70.0%**

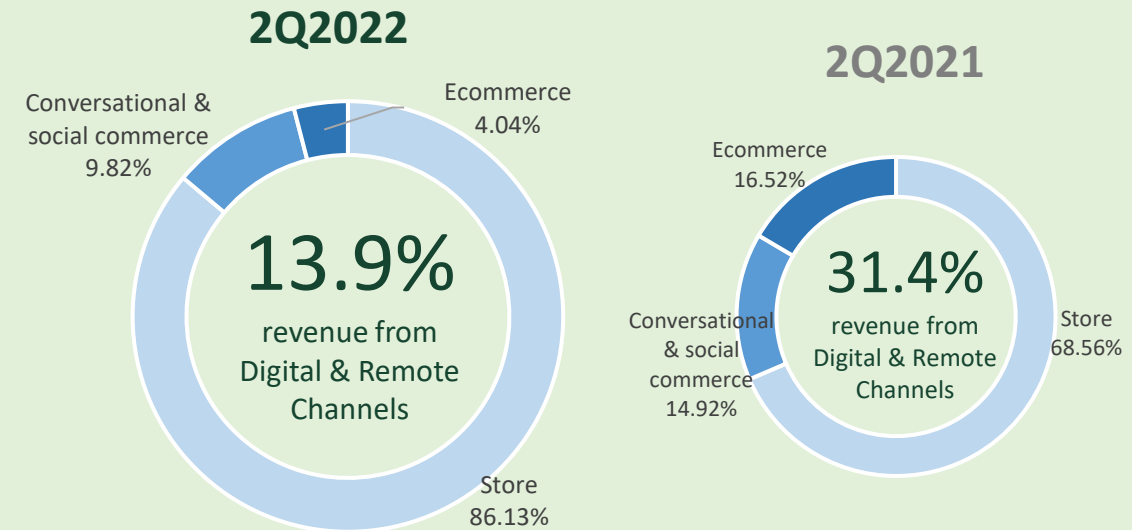
(1) Net Gearing Ratio is computed as net borrowings (total bank borrowings less cash and cash equivalents and other investments) divided by total equity. Negative net gearing ratio denotes a net cash position.

# 2Q2022 REVENUE

### Revenue by Country (RM'000)



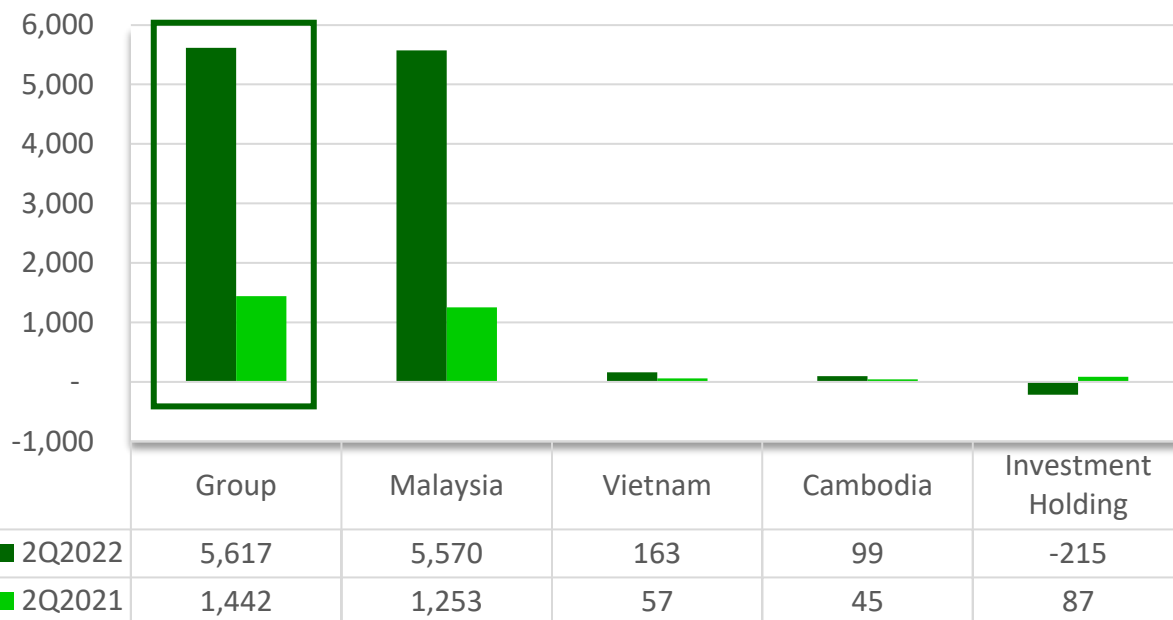
### Revenue by Channel (%)



- Revenue growth across all markets on reopening of economy and reduced Covid-19 restrictions.
- Overseas revenue contribution stood at **20.8%** in 2Q2022 (24.7% in 2Q2021).
- Digital & remote channels continue to contribute a significant portion to group revenue, with **RM5.5m / 13.9%** contribution for 2Q2022.

# 2Q2022 PROFITABILITY

PAT by Country (RM'000)



RM'mil	2Q2022	As a % of revenue	2Q2021	As a % of revenue	% change vs 2Q2021
<b>Revenue</b>	<b>39.57</b>	<b>100.0%</b>	<b>27.91</b>	<b>100.0%</b>	<b>41.8%</b>
<b>GP</b>	<b>26.19</b>	<b>66.2%</b>	<b>18.11</b>	<b>64.9%</b>	<b>44.6%</b>
Rent	(5.20)	13.1%	(4.36)	15.6%	19.2%
Staff	(9.42)	23.8%	(7.37)	26.4%	27.8%
Depreciation	(1.13)	2.9%	(1.26)	4.5%	-10.1%
Others	(2.92)	7.4%	(3.19)	11.4%	-8.7%
MFRS 16	0.02	0.0%	0.04	-0.1%	-57.1%
Tax	(1.92)	4.8%	(0.51)	1.8%	273.8%
<b>PAT</b>	<b>5.62</b>	<b>14.2%</b>	<b>1.44</b>	<b>5.2%</b>	<b>289.6%</b>

- Higher profitability across all markets in line with revenue growth.
- GP margin improved mainly on reduced stock clearance promotions.
- Overall expenses increased in line with revenue growth, except for depreciation due to fully depreciated fixed assets, and other operating expenses due to RM750k financial support from Natura.

Note: Rent, Depreciation and Finance Cost (part of Others) in the above table excludes MFRS 16 impact which is presented as a separate row.

# YTD FINANCIAL PERFORMANCE

RM'mil	1H2022	As a % of revenue	1H2021	As a % of revenue	% change 1H2022 vs 1H2021
<b>Revenue</b>	<b>73.31</b>	<b>100.0%</b>	<b>65.91</b>	<b>100.0%</b>	<b>11.2%</b>
<b>GP</b>	<b>48.67</b>	<b>66.4%</b>	<b>43.65</b>	<b>66.2%</b>	<b>11.5%</b>
Rent	(10.01)	13.7%	(9.18)	13.9%	9.1%
Staff	(17.83)	24.3%	(15.78)	23.9%	13.0%
Depreciation	(2.43)	3.3%	(2.60)	3.9%	-6.5%
Others	(4.94)	6.7%	(7.42)	11.3%	-33.4%
MFRS 16	0.10	-0.1%	0.36	-0.5%	-72.9%
Tax	(3.41)	4.7%	(2.50)	3.8%	36.5%
<b>PAT</b>	<b>10.15</b>	<b>13.8%</b>	<b>6.54</b>	<b>9.9%</b>	<b>55.2%</b>

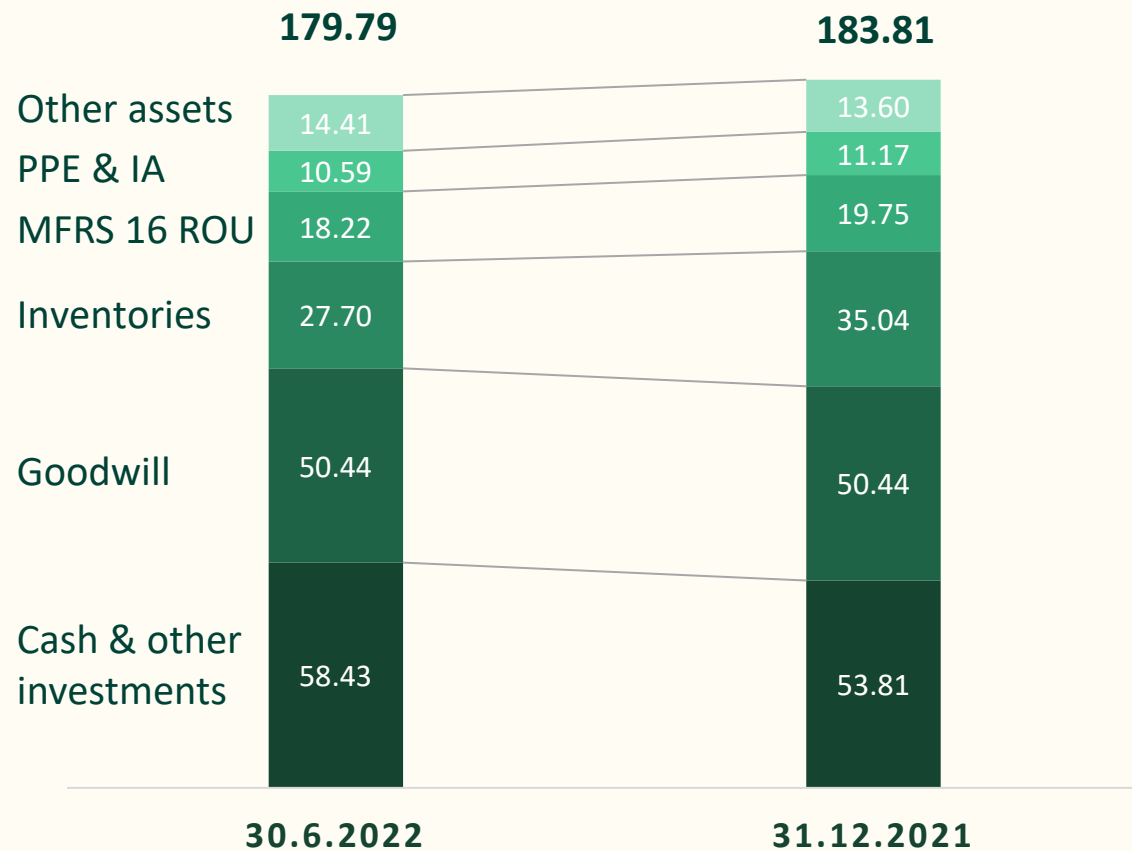
Note: Rent, Depreciation and Finance Cost (part of Others) in the above table excludes MFRS 16 impact which is presented as a separate row.

Revenue RM'mil	1H2022	As a % of revenue	1H2021	As a % of revenue	% change 1H2022 vs 1H2021
<b>By Country</b>					
<b>Group</b>	<b>73.31</b>	<b>100.0%</b>	<b>65.91</b>	<b>100.0%</b>	<b>11.2%</b>
Malaysia	57.37	78.3%	49.70	75.4%	15.4%
Vietnam	14.16	19.3%	14.57	22.1%	-2.8%
Cambodia	1.79	2.4%	1.64	2.5%	9.2%
<b>By Channel</b>					
<b>Group</b>	<b>73.31</b>	<b>100.0%</b>	<b>65.91</b>	<b>100.0%</b>	<b>11.2%</b>
Store	62.22	84.9%	48.68	73.9%	27.8%
Ecommerce	3.47	4.7%	7.83	11.9%	-55.6%
Conversational & social commerce	7.61	10.4%	9.40	14.3%	-19.0%

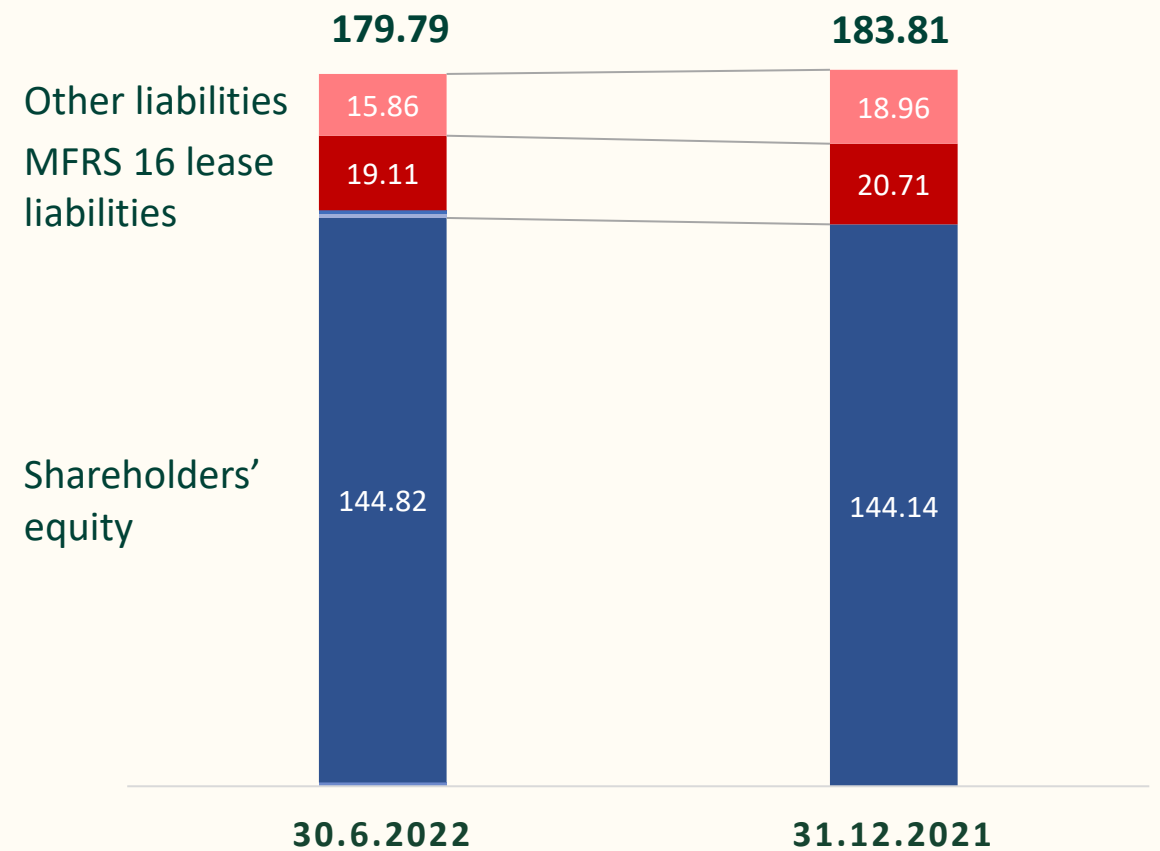
PAT RM'mil	1H2022	As a % of revenue	1H2021	As a % of revenue	% change 1H2022 vs 1H2021
<b>By Country</b>					
<b>Group</b>	<b>10.15</b>	<b>100.0%</b>	<b>6.54</b>	<b>100.0%</b>	<b>55.2%</b>
Malaysia	10.01	13.7%	5.49	8.3%	82.4%
Vietnam	0.30	0.4%	0.99	1.5%	-70.0%
Cambodia	0.18	0.2%	0.17	0.3%	4.3%
Investment Holding	(0.34)	-0.5%	(0.11)	-0.2%	206.3%

# SOLID FINANCIAL POSITION

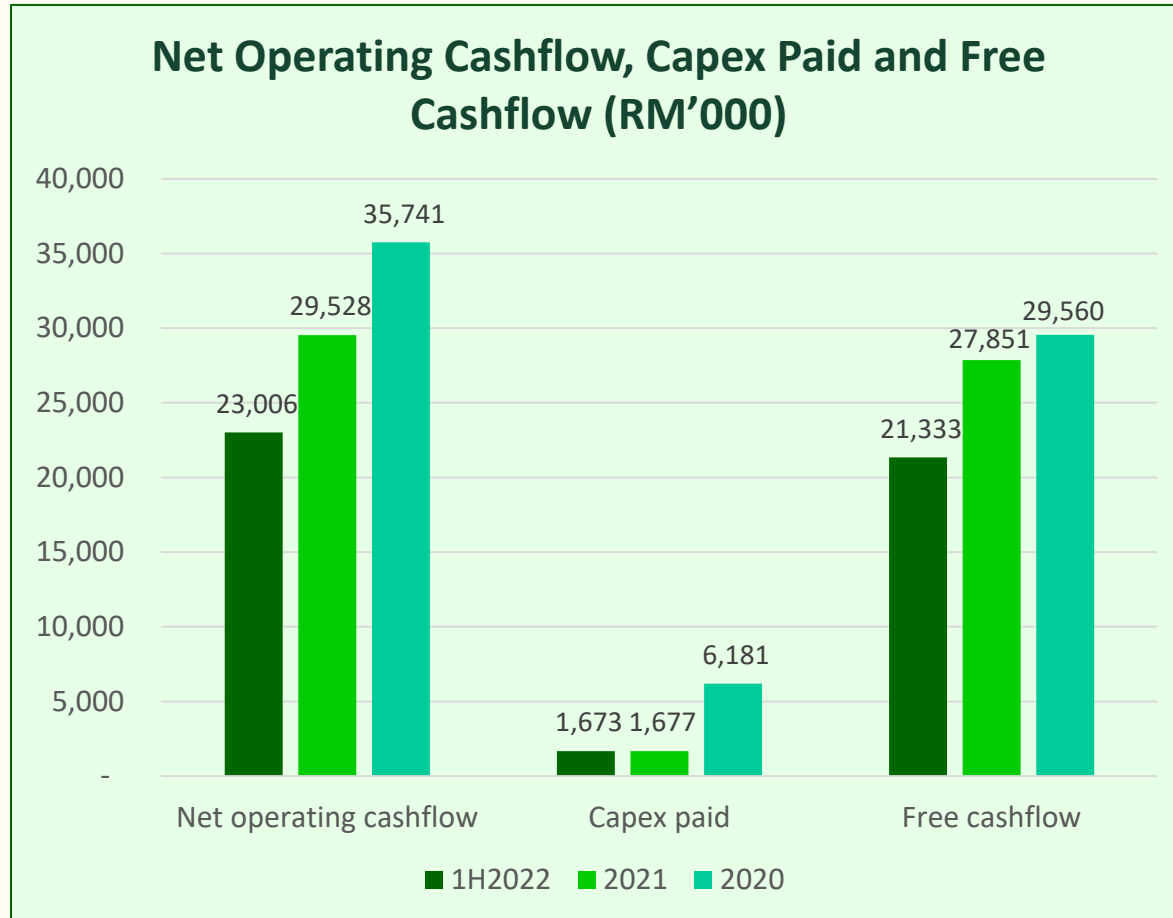
## Assets (RM'mil)



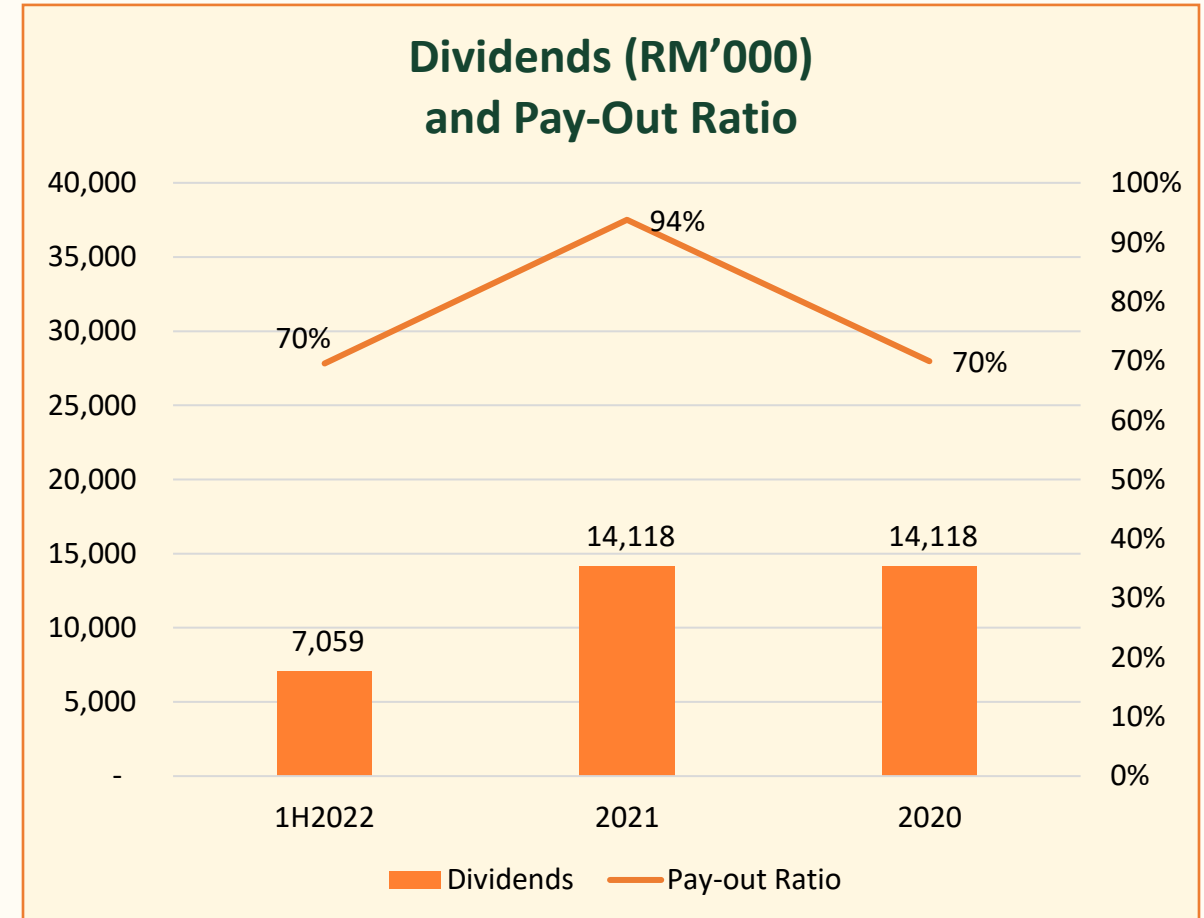
## Liabilities & Shareholder's Equity (RM'mil)



# CASH GENERATIVE BUSINESS



Notes: Free cash flow is computed as net cash from operations less capex paid.



enabling flexibility in capital management and dividend policy

A stylized graphic of a dark teal bottle with a yellow landscape and birds inside. The bottle has a dark teal cap with three light teal curved lines. The main body of the bottle is dark teal and contains a yellow landscape with a horizon line and three dark teal birds flying. The background is a solid teal color.

**THANK YOU**