

InNature Remains Profitable in 2Q2021 Despite Covid-19 Lockdown

SUBANG JAYA, 20 AUGUST 2021 – InNature Berhad (“**InNature**” or “**Company**”, together with its subsidiaries, the “**Group**”), a leading regional retailer of cosmetics and personal care products carrying The Body Shop and Natura brands, announced today a profit after tax (“**PAT**”) of RM1.4 million on the back of RM27.9 million revenue in the 2nd Quarter ended 30 June 2021 (“**2Q2021**”). For the 6-month ended 30 June 2021 (“**6M2021**”), the Group registered revenue of RM65.9 million and PAT of RM6.5 million.

Performance Review

Commenting on the performance, Group Managing Director Datin Mina Cheah-Foong (“**Datin Mina**”) said, “Our Group continues with our resilient response to heightened Covid-19 restrictions across all our operating countries during 2Q2021. The spike in positive cases and lockdown measures led to the decline in footfall to our stores. Overall, group revenue contracted 11.2% year-on-year, with Malaysia, Vietnam and Cambodia recording lesser sales by 11.6%, 10.7% and 1.2% respectively in 2Q2021.”

“We continue to reach out to our customers through various remote selling channels such as e-commerce, conversational commerce and social selling. Our remote selling channels cushioned the impact of store closure, having contributed 30.9% to the group revenue in 2Q2021 (2Q2020: 20.1%),” she added.

The Group remained profitable in all its operating countries for 2Q2021. “We exercise vigilance in managing the business, eradicating non-essential expenses while investing in all the necessary business drivers to position us for the future. We pursue support from landlords and suppliers during this challenging period, monitor our inventory level, and constantly evaluate the performance of each of our store. We exited two underperforming locations in Malaysia during the reporting quarter, bringing total store count of the Group to 122 as at 30 June 2021,” shared Datin Mina.

For 6M2021, revenue of the Group slipped 4.2% as a result of Covid-19 impact. Tracking the trend in 2Q2021, remote selling channels showed higher revenue contribution to the Group at 25.8% for 6M2021 (6M2020: 11.6%). The Group recorded higher PAT by 11.2% due to the absence of listing-related expenses during the first half of the current financial year.

Healthy Balance Sheet and Cash Flow

The Group’s financial position remained solid with total equity of RM135.4 million as at 30 June 2021. During 6M2021, the Group generated net cash from operating activities of RM16.0 million, and continued to maintain a healthy cash balance (including fixed deposits and fixed income funds under Other Investments) of RM51.8 million as at 30 June 2021 after accounting for distribution of RM10.6 million dividend to shareholders.

Outlook

Commenting on the Group's outlook, Datin Mina said, "While near-term prospect will inevitably be impacted by the lockdown measures, we are encouraged by the acceleration of vaccination in Malaysia. We aim for 100% vaccination of all our staff ASAP. Barring worsening macro circumstances, we expect to remain profitable for FY2021."

"We continue to innovate in improving our digital and omnichannel operations, and to stay vigilant in managing our business. We have shown resilience in FY2020, and we are confident in our capacity to remain so in FY2021. Our Brands continue to be strong and relevant, our Teams are intact and committed, and our business model is proven resilient," she added.

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About InNature Berhad

InNature is a leading regional retailer of cosmetics and personal care products carrying The Body Shop and Natura brands, serving customers across West Malaysia, Sabah, Labuan, Vietnam and Cambodia through stores, e-commerce and other remote selling channels.

The Group has garnered over 37 years of experience operating The Body Shop franchise business since its founder, Datin Mina opened the first store in 1984 in Kuala Lumpur, Malaysia. The Group was subsequently awarded the franchise for Vietnam in 2009, and for Cambodia in 2019.

In collaboration with Natura Cosmetics SA, the Group introduced the Natura beauty brand to Malaysia in 2019 to expand its brand portfolio as well as to strengthen its leadership and market share in the naturals sector of the cosmetics and personal care industry.

For more information, please visit www.innature.com.my

Disclaimer

This document shall be read in conjunction with the Company's interim financial report for the 2nd Quarter ended 30 June 2021, as announced to Bursa Malaysia Securities Berhad on 20 August 2021. Statements included herein may include "forward-looking statements" relating to the Group's business and the sector in which the Group operates. These forward-looking statements include statements relating to the Group's performance. These statements reflect the current views of the Group with respect to future events and are subject to certain risks, uncertainties and assumptions. It is important to note that actual results may differ materially from those anticipated in these forward-looking statements, and there can be no assurance on the occurrence of certain events, achievability of projections or accuracy of assumptions made by the Group.

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