

## InNature achieves a fourfold jump in profits for 2Q2022, declares 1.0 sen interim dividend

**SUBANG JAYA, 17 AUGUST 2022** – InNature Berhad (“**InNature**” or “**Company**”, together with its subsidiaries, the “**Group**”) announced today a profit after tax (“**PAT**”) of RM5.6 million on the back of RM39.6 million revenue in the 2<sup>nd</sup> Quarter ended 30 June 2022 (“**2Q2022**”). The Group’s latest quarterly PAT was 3.9 times above 2Q2021 level.

### Performance Review

Commenting on the performance, Group Managing Director Datin Mina Cheah-Foong (“**Datin Mina**”) said, “Compared with the same period last year, the Group’s operating environment benefitted from reduced Covid-19 restrictions and a return to mall shopping in 2Q2022. Overall, Group revenue increased 41.8%, with growth in all our Markets; Malaysia grew by 49.2%, Vietnam 17.8% and Cambodia 31.5%.”

“Digital & Remote Channels made up 13.9% of Group revenue in 2Q2022. These sales channels continue to contribute a significant portion to the Group revenue even with almost all of our stores being in full operation during the reporting quarter,” she added.

In line with the revenue growth, PAT of the Group increased 3.9 times in 2Q2022, with all operating countries recording higher profitability. The improvement in PAT was bolstered by the Group’s ongoing strategy of focusing on larger stores in quality malls only. During the reporting quarter, the Group exited 3 underperforming locations and opened 2 stores in Malaysia and Vietnam, bringing total store count to 116 as at 30 June 2022. Recent investments in systems are starting to result in better cost efficiencies.

Quarter-on-quarter, the Group achieved higher revenue and PAT by 17.3% and 24.0% respectively, having benefitted from the Hari Raya celebration in Malaysia amid further easing in Covid-19 restrictions following the transition to endemic phase during the reporting quarter.

For the First Half ended 30 June 2022, the Group recorded higher revenue and PAT by 11.2% and 55.2% respectively. Each Market of the Group continues to be profitable albeit in varying phases of business recovery.

### Healthy Balance Sheet and Cash Flow

The Group’s financial position remains solid with net assets of RM144.8 million as at 30 June 2022. The Group generated net operating cashflow of RM23.0 million in 6M2022, and continues to be in net cash position with total cash and other investments of RM58.4 million as at 30 June 2022.

### Dividend

InNature declared an interim dividend of 1.0 sen per ordinary share in respect of the financial year ending 31 December 2022. This represents a dividend payout ratio of 70.0%.

## Outlook

Commenting on the Group's outlook, Datin Mina said, "The business environment post-pandemic continues to be subject to a myriad of uncertainties, which includes the rising cost of doing business as well as inflation and rising interest rates affecting the disposable income of consumers. Nevertheless, we believe demand for The Body Shop brand will remain. Our products have been undergoing rejuvenation progressively with improved formulations and sustainable packaging, which we believe will bring greater value to our customers. We remain prudent in managing the business, striving to improve operational efficiencies via investment in technologies while watching our costs closely. We have plans to open at least 1 more store in Malaysia, Vietnam and Cambodia respectively by the end of 2022."

"We have gone through numerous peaks and troughs in our 38 years of retailing business, including the recent Covid-19 pandemic. We believe that as long as the economy remains open, we will be able to resume our growth trajectory with solid performance for the financial year ending 31 December 2022," she added.

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## About InNature Berhad

InNature is a leading regional retailer of cosmetics and personal care products, serving customers across Malaysia, Vietnam and Cambodia through stores, e-commerce and other remote selling channels. The Group has garnered over 38 years of experience operating The Body Shop franchise business since the opening of its first store at Kuala Lumpur, Malaysia in 1984. The Group was subsequently awarded the franchise for Vietnam in 2009, and for Cambodia in 2018. For more information, please visit [www.innature.com.my](http://www.innature.com.my)

## Disclaimer

This document shall be read in conjunction with the Company's interim financial report for the 2<sup>nd</sup> Quarter ended 30 June 2022, as announced to Bursa Malaysia Securities Berhad on 17 August 2022. 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.

**Issued by:** InNature Berhad

**Date:** 17 August 2022

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