

## **InNature ends FY2021 with higher y-o-y 4Q2021 profitability, declares 1.5 sen final dividend**

**SUBANG JAYA, 16 FEBRUARY 2022** – 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 RM7.8 million on the back of RM43.7 million revenue in the 4<sup>th</sup> Quarter ended 31 December 2021 (“**4Q2021**”). The Group’s latest quarterly PAT represents a 0.6% improvement above 4Q2020 level.

For the financial year ended 31 December 2021 (“**FY2021**”), the Group registered revenue of RM131.9 million and PAT of RM15.0 million.

### **Performance Review**

Commenting on the performance, Group Managing Director Datin Mina Cheah-Foong (“**Datin Mina**”) said, “Our Group recorded a 2.6% year-on-year decline in 4Q2021 revenue as a result of the muted contribution from our overseas businesses. While Malaysia saw improving revenue by 2.4% amid economy reopening and year-end festivities, Vietnam remained impacted by Covid-19, with the country’s daily number of confirmed cases at the end of the reporting quarter continuing to swiftly trend upwards. For Cambodia, the lower revenue in 4Q2021 was mainly due to cautious consumer sentiment given the evolving Covid-19 situation.”

“Our remote selling channels such as e-commerce, conversational commerce and social selling continue to contribute a significant portion to the group revenue post-lock down. These channels made up 14.2% of the group revenue in 4Q2021 (8.8% for 4Q2020),” she added.

The Group’s businesses in Malaysia, Vietnam and Cambodia were profitable in 4Q2021. During the reporting quarter, the Group exited 2 underperforming locations in Malaysia and opened its 39th store in Vietnam, bringing total store count to 118 as at 31 December 2021.

For FY2021, group revenue declined 15.1% year-on-year, with businesses in Malaysia, Vietnam and Cambodia each recording lesser revenue by 14.8%, 17.7% and 2.2% respectively. The Group’s remote selling channels mitigated the effect of Covid-19 lockdown in FY2021 with revenue contribution increasing by 2.6 times to 28.6%.

Despite the Covid-19 headwinds, the Group achieved PAT of RM15.0 million in FY2021, and has been profitable for every single quarter during the financial year. InNature has continued with all existing ESG matters as always and in fact initiated new social campaigns in FY2021. Progress is also being made with ESG external certification. While exercising vigilance in managing the business, there is continued investments in all the necessary business drivers to position InNature for the future. The Group continues to monitor inventory level, and evaluate the performance of each store on a monthly basis. In FY2021, the Group exited 8 underperforming locations in Malaysia and opened 2 stores in Vietnam.

## Healthy Balance Sheet and Cash Flow

The Group's financial position remained solid with total equity of RM144.1 million as at 31 December 2021. The Group generated net cash from operating activities of RM21.8 million in FY2021 despite Covid-19 lockdown, and continues to be in net cash position with cash balance (including fixed deposits and fixed income funds under Other Investments) of RM53.3 million as at 31 December 2021.

## Dividend

InNature declared a final dividend of 1.5 sen per ordinary share for FY2021. Including the interim dividend of 0.5 sen per ordinary share paid on 15 June 2021, total dividend declared for FY2021 would be RM14.1 million, representing 94.0% of the Group's PAT.

## Outlook

Commenting on the Group's outlook, Datin Mina said, "We expect an improving year-on-year performance in FY2022 as long as businesses are allowed to operate unfettered. We continue to invest in enhancing our systems and processes supporting both our physical and remote selling channels. Physical store locations remain a key contributor, hence we will ensure our brands are represented at all key locations."

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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](http://www.innature.com.my)

## Disclaimer

This document shall be read in conjunction with the Company's interim financial report for the 4<sup>th</sup> Quarter ended 31 December 2021, as announced to Bursa Malaysia Securities Berhad on 16 February 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.

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