



# InNature

BUSINESS AS A FORCE FOR GOOD



# 1Q2023 RESULTS

25 MAY 2023



Certified



Corporation

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**ONE**

**1Q2023  
PERFORMANCE  
REVIEW**

# FINANCIALS AT A GLANCE

**RM32.4m**

Revenue

- ↓ 3.9% reported
- ↓ 6.4% same store

**69.4%**

GP margin  
1Q2022: 66.6%

**RM137.8m**

Net assets at 31.3.2023

**Net Cash**

Net gearing ratio  
as at 31.3.2023

**RM3.0m**

Profit after tax  
(9.3% of revenue)

**0.43 sen**

EPS  
1Q2022: 0.64 sen

**RM4.1m**

Net operating cashflow  
(after netting off MFRS 16  
lease payments)

**RM14.1m**

Dividend paid in  
1Q2023

Note: 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.

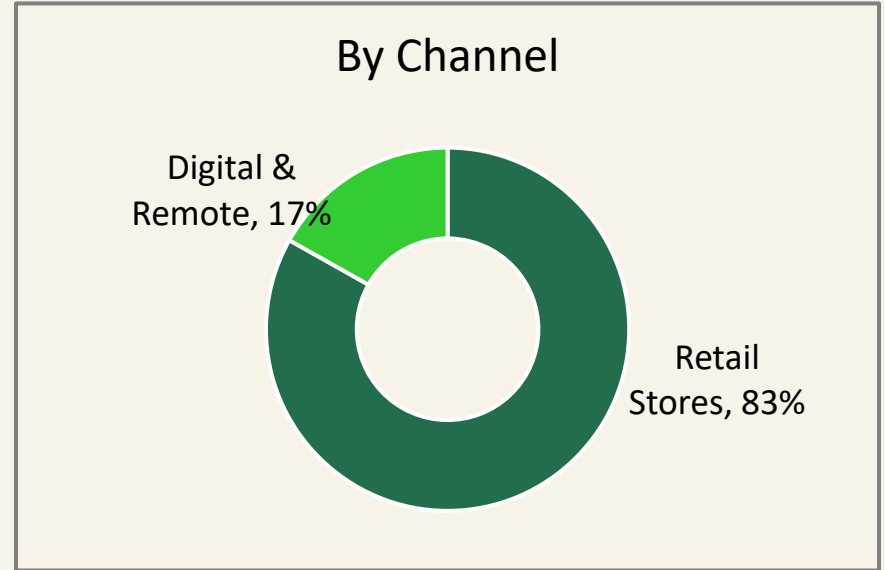
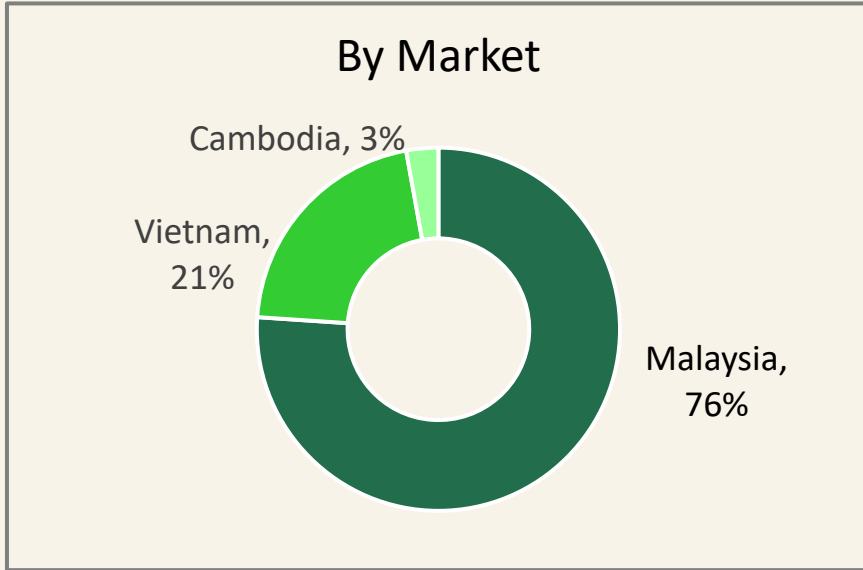
# REVENUE

Group Revenue	1Q2023 RM'000	YoY change same store	YoY change constant forex	YoY change reported
Malaysia	24,663	-5.7%	-5.2%	-5.2%
Vietnam	6,839	-8.1%	-2.9%	-0.6%
Cambodia	923	-12.7%	+4.7%	+10.1%
<b>Group</b>	<b>32,425</b>	<b>-6.4%</b>	<b>-4.5%</b>	<b>-3.9%</b>

- Challenging retail environment with consumer sentiment weighed down by cost-of-living issues and higher interest rate.
- Supply chain disruption.
- Seasonality factors:
  - Lunar New Year celebrations occurring very soon in January after the festive year-end season.
  - Ramadan commenced earlier on 23 March 2023 in Malaysia.

Note: Same-store sales compare revenue generated by existing points-of-sale (including online channels) over a certain period with the same period last year at constant forex.

# REVENUE (CONT'D)



Increasing overseas contribution amid softer Malaysia revenue.

Retail stores continue to be the primary revenue contributor.

# PROFITABILITY

Group Profitability	1Q2023 RM'000	% of Revenue	1Q2022 RM'000	% of Revenue
Gross profit	22,499	69.4%	22,480	66.6%
Operating profit	3,165	9.8%	5,721	17.0%
PBT	4,062	12.5%	6,024	17.9%
PAT	3,003	9.3%	4,531	13.4%

- GP at the same level as last year despite revenue decline, supported by higher GP margin.
- Operating profit impacted by higher operating expenses due to inflation, increased operational activities & investments essential for future growth. Also the absence of RM750k financial support from Natura in current year.
- PBT lifted mainly by higher interest income and gain on disposal of fixed assets.

Note: Operating profit excludes MFRS16 effect.

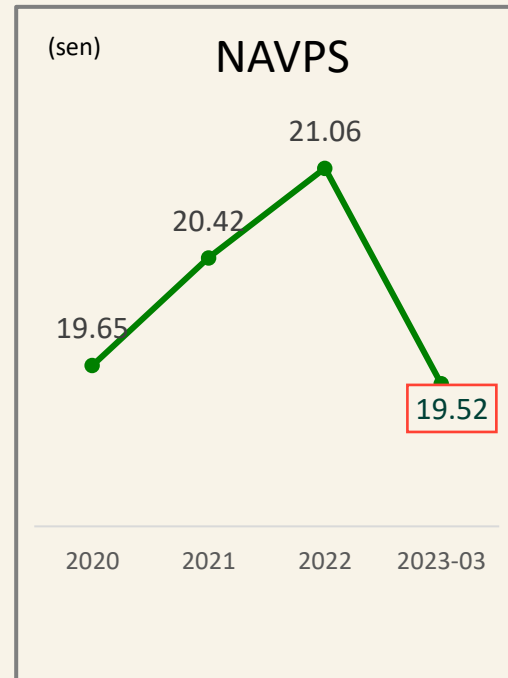
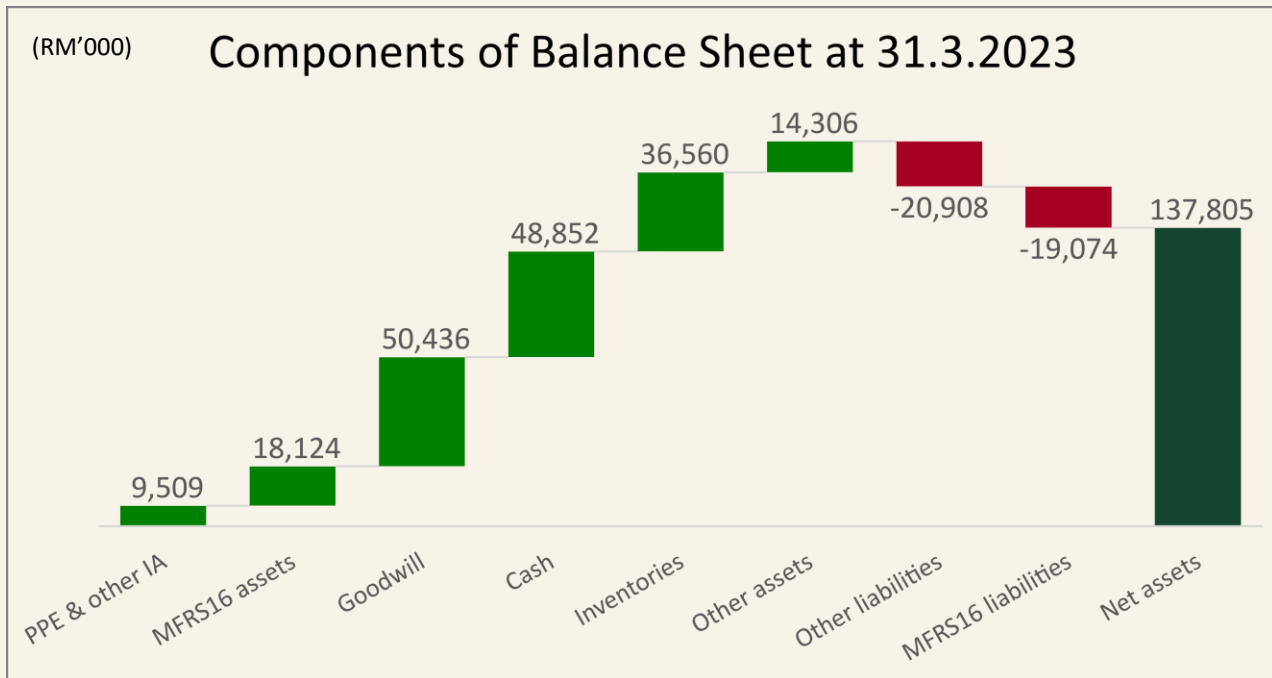
# PROFITABILITY (CONT'D)

PAT By Market	1Q2023 RM'000	% of Revenue	1Q2022 RM'000	% of Revenue
Malaysia	3,008	12.2%	4,442	17.1%
Vietnam	(25)	-0.4%	133	1.9%
Cambodia	60	6.5%	81	9.6%
<b>Market Total</b>	<b>3,043</b>	<b>9.4%</b>	<b>4,656</b>	<b>13.8%</b>
Corporate	(40)	-0.1%	(125)	-0.4%
<b>Group</b>	<b>3,003</b>	<b>9.3%</b>	<b>4,531</b>	<b>13.4%</b>

- Profitability for Malaysia and Vietnam impacted by operating deleverage.
- Cambodia registered lower profitability on incremental costs from a new store (opened Dec 2022).

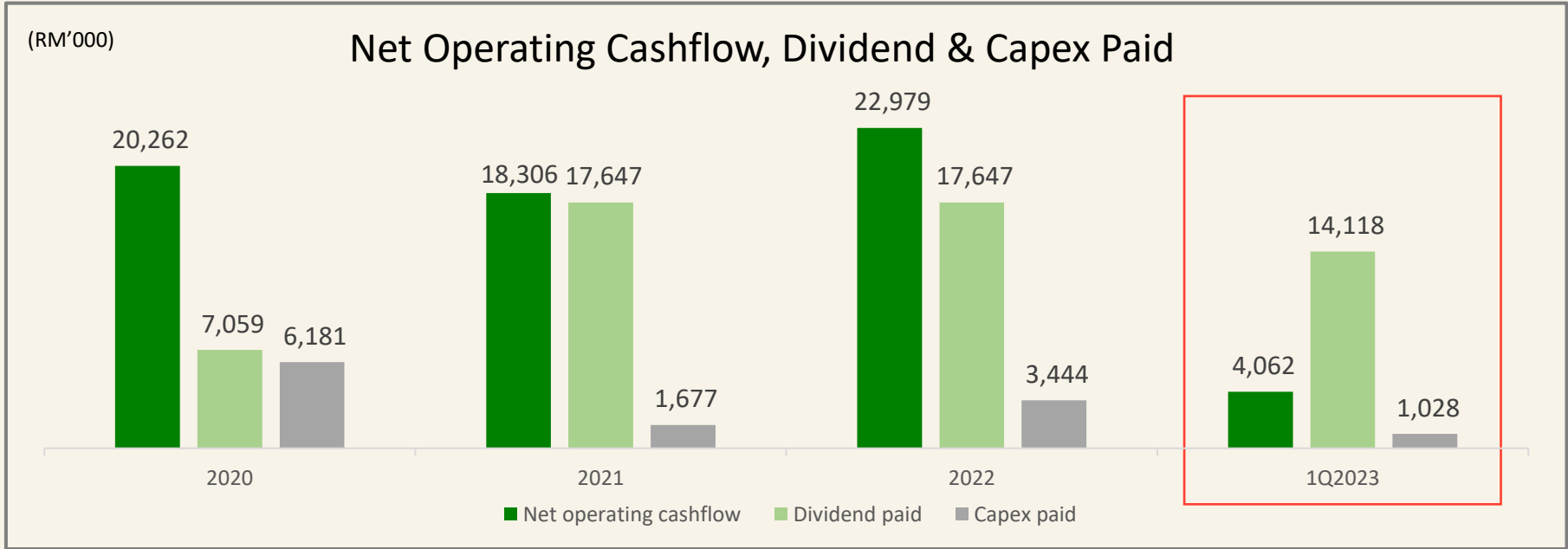


# SOLID BALANCE SHEET



- Asset light & net cash financial position.
- Lower NAVPS after payment of 2 sen final dividend on 31 March 2023.

# CASH GENERATIVE BUSINESS



- Flexibility in capital management & dividend policy
- Annual dividend payout of > 60% since IPO

Note: Net Operating Cashflow = net cash generated from operations – repayment of MFRS16 lease liabilities (principal + interest)

**TWO**



**OUTLOOK**

# OUTLOOK



- Challenging 2Q2023 expected but long-term trajectory to remain intact.
- Focus on delivering value to customers, improving productivity, and strategic expansion of physical points-of-sale.
- Remain ready to take on opportunity that presents itself.

# FULL FLOWERS

INTENSELY FLORAL. TRULY PRECIOUS.



# ANNEXES

# RETAIL STORE COUNT

	Malaysia	Vietnam	Cambodia	Group
Retail stores at 1.1.2023	73	38	3	114
Closure	-	(1)	-	(1)
<b>Retail stores at 31.3.2023</b>	<b>73</b>	<b>37</b>	<b>3</b>	<b>113</b>
Pop-up stores at 31.3.2023	3	3	-	6
<b>Retail + pop-up stores at 31.3.2023</b>	<b>76</b>	<b>40</b>	<b>3</b>	<b>119</b>

# PROFIT & LOSS

RM'000	1Q2023	As a % of revenue	1Q2022	As a % of revenue	% change 1Q2023 vs 1Q2022
<b>Revenue</b>	<b>32,425</b>	<b>100.0%</b>	<b>33,741</b>	<b>100.0%</b>	<b>-3.9%</b>
<b>GP</b>	<b>22,499</b>	<b>69.4%</b>	<b>22,480</b>	<b>66.6%</b>	<b>0.1%</b>
Rent	(4,674)	-14.4%	(4,394)	-13.0%	6.4%
Staff	(9,481)	-29.2%	(8,404)	-24.9%	12.8%
Depreciation	(1,015)	-3.1%	(1,593)	-4.7%	-36.3%
Distribution	(590)	-1.8%	(638)	-1.9%	-7.5%
Marketing	(690)	-2.1%	(634)	-1.9%	8.8%
Other operating expense	(2,884)	-8.9%	(1,096)	-3.2%	163.1%
<b>Operating profit</b>	<b>3,165</b>	<b>9.8%</b>	<b>5,721</b>	<b>17.0%</b>	<b>-44.7%</b>
MFRS 16	(87)	-0.3%	79	0.2%	-210.0%
Other income	494	1.5%	199	0.6%	148.2%
Finance income (net)	490	1.5%	25	0.1%	1893.0%
Tax	(1,059)	-3.3%	(1,493)	-4.4%	-29.1%
<b>PAT</b>	<b>3,003</b>	<b>9.3%</b>	<b>4,531</b>	<b>13.4%</b>	<b>-33.7%</b>

# BALANCE SHEET

RM'000	31.03.2023	31.12.2022	% change	RM'000	31.03.2023	31.12.2022	% change
<b>Non-current assets</b>				<b>Non-current liabilities</b>			
Goodwill	50,436	50,436	0.0%	Lease liabilities	8,903	9,938	-10.4%
PPE & IA	9,509	9,975	-4.7%	Others	1,874	1,908	-1.8%
Right-of-use assets	18,124	19,922	-9.0%		<u>10,777</u>	<u>11,846</u>	-9.0%
Others	6,776	6,929	-2.2%				
	<u>84,845</u>	<u>87,262</u>	-2.8%	<b>Current liabilities</b>			
<b>Current assets</b>				Payables and accruals	17,539	7,954	120.5%
Inventories	36,560	28,767	27.1%	Lease liabilities	10,171	10,842	-6.2%
Receivables, deposits and prepayments	7,166	7,221	-0.8%	Hire purchase liabilities	-	27	-100.0%
Cash and other investments	48,852	58,927	-17.1%	Others	1,495	2,830	-47.2%
Others	364	-			<u>29,205</u>	<u>21,653</u>	34.9%
	<u>92,942</u>	<u>94,915</u>	-2.1%	<b>Total liabilities</b>	<u>39,982</u>	<u>33,499</u>	19.4%
<b>Total assets</b>	<u>177,787</u>	<u>182,177</u>	-2.4%	<b>Net assets</b>	<u>137,805</u>	<u>148,678</u>	-7.3%
				<b>Shareholders' equity</b>			
				Share capital	50,326	50,326	0.0%
				Reserves	87,479	98,352	-11.1%
				<b>Total shareholders' equity</b>	<u>137,805</u>	<u>148,678</u>	-7.3%



# CASHFLOW

RM'000	31.03.2023	31.03.2022	% change
Cash generated from operations	10,098	12,452	-18.9%
Income tax paid	(2,328)	(1,046)	122.6%
<b>Net cash generated from operating activities</b>	<b>7,770</b>	<b>11,406</b>	<b>-31.9%</b>
Capex	(1,028)	(742)	38.5%
Movement in fixed income funds and fixed deposits	12,644	9,920	27.5%
Interest received	405	115	252.4%
Proceed from disposal of fixed asset	235	-	100.0%
<b>Net cash generated from investing activities</b>	<b>12,256</b>	<b>9,293</b>	<b>31.9%</b>
Dividends paid	(14,118)	(10,588)	33.3%
MFRS 16 leases	(3,708)	(3,577)	3.7%
Hire purchase	(27)	(41)	-34.1%
<b>Net cash used in financing activities</b>	<b>(17,853)</b>	<b>(14,206)</b>	<b>25.7%</b>
<b>Net changes in cash and cash equivalents</b>	<b>2,173</b>	<b>6,493</b>	<b>-66.5%</b>
Forex	259	164	
At beginning of the period	42,681	11,299	
<b>At end of the period</b>	<b>45,113</b>	<b>17,956</b>	<b>151.2%</b>

# THANK YOU

## CHANGEMAKING BEAUTY



Effective. Ethical. Vegan.