



# InNature

BUSINESS AS A FORCE FOR GOOD



# 4Q2023 RESULTS

EARNINGS CALL

29<sup>TH</sup> FEBRUARY 2024



Certified



Corporation

This company is part of the global movement for an inclusive, equitable, and regenerative economic system.

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# FY2023 PERFORMANCE AT A GLANCE

**RM135.3m**

Revenue

↓ 9.4% reported  
↓ 12.6% same store

**68.1%**

GP margin  
FY2022: 66.2%

**RM145.5m**

Net assets  
as at 31.12.2023

**Net Cash**

Net gearing ratio  
as at 31.12.2023

**RM12.7m**

Core operating profit  
9.4% of revenue

**RM11.2m**

Core PAT  
8.3% of revenue

**RM22.4m**

Net operating cashflow

**RM7.1m**

Final dividend for  
FY2023, representing  
67.2% payout ratio

Notes:

(1) Core profits exclude business development expenses, one-off gains and MFRS16 accounting adjustments.

(2) 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.

**ONE**

**4Q2023 FINANCIAL  
PERFORMANCE**

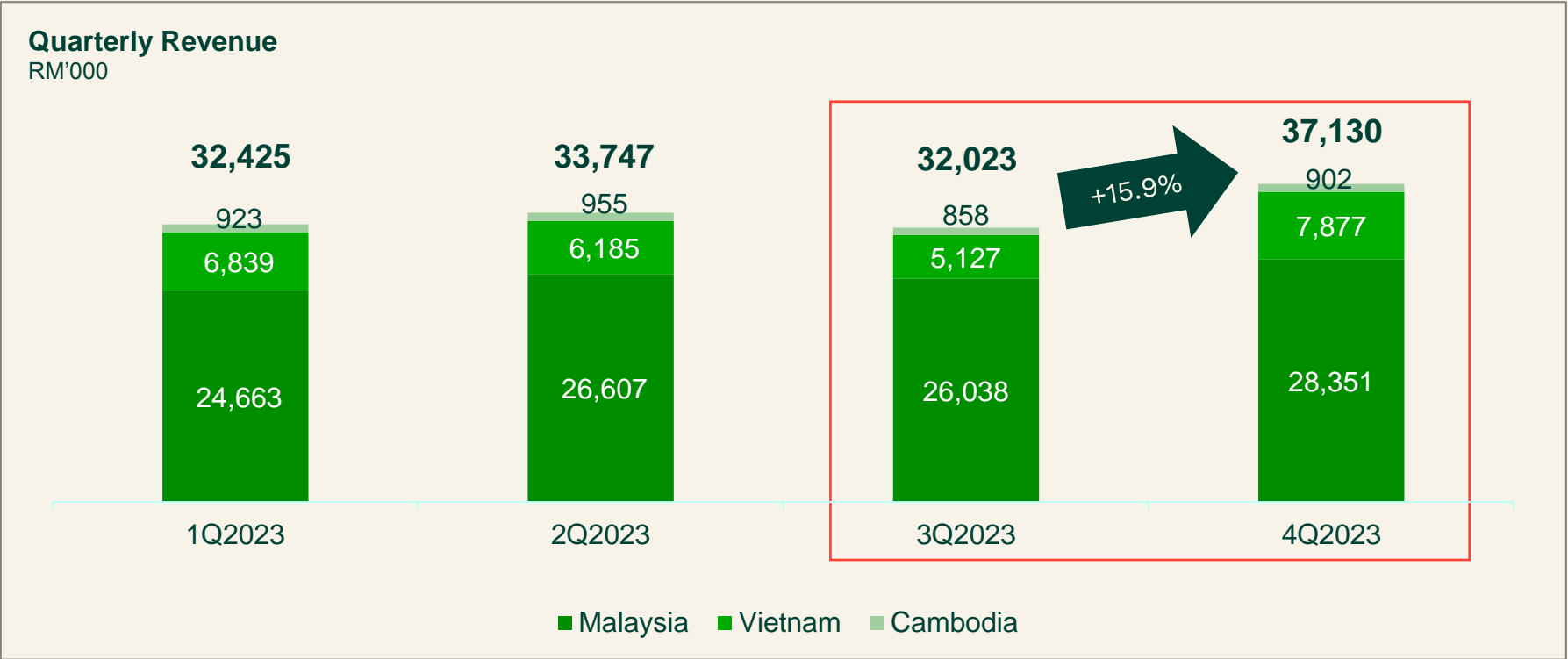
# 4Q2023 TOPLINE

Revenue	4Q2023 RM'000	YoY change same store	YoY change constant currency	YoY change reported
Malaysia	28,351	-5.8%	-11.9%	-11.9%
Vietnam	7,877	-7.9%	-2.5%	2.5%
Cambodia	902	-20.9%	-13.3%	-5.1%
<b>Group Total</b>	<b>37,130</b>	<b>-6.7%</b>	<b>-10.1%</b>	<b>-9.0%</b>

- Consumer sentiment weighed down by cost-of-living issues & economic uncertainty.

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.

# SEASONALLY STRONGER QUARTER

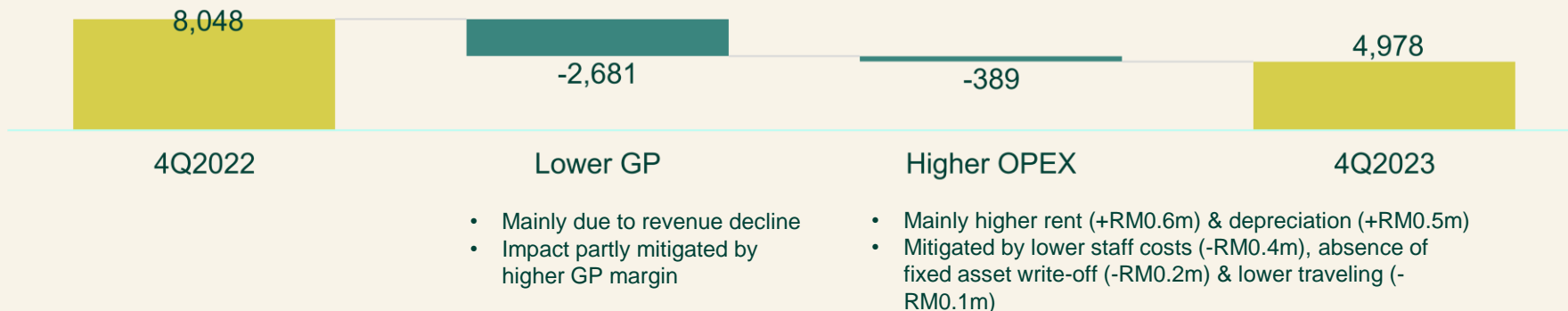


# SOFTER CORE OPERATING PROFIT IMPACTED BY REVENUE & OPEX

Core Operating Results constant currency	4Q2023 RM'000	% of Revenue	4Q2022 RM'000	% of Revenue
Gross profit	25,091	67.2%	27,772	66.9%
EBITDA	6,310	16.9%	8,881	21.4%
Operating profit	4,978	13.3%	8,048	19.4%

## 4Q2023 Movement in Core Operating Profit

RM'000 & on constant currency



# 4Q2023 OPEX BREAKDOWN

OPEX constant currency	4Q2023 RM'000	% of Revenue	4Q2022 RM'000	% of Revenue	YoY change RM'000	YoY change %
Rental <small>Note 1</small>	6,032	16.2%	5,421	13.1%	611	+11.3%
Staff	9,067	24.3%	9,524	22.9%	(457)	-4.8%
Distribution	660	1.8%	637	1.5%	23	+3.6%
Marketing	1,044	2.8%	1,011	2.4%	33	+3.3%
Depreciation	1,332	3.6%	833	2.0%	499	+60.0%
Royalty fee	375	1.0%	415	1.0%	(40)	-9.7%
Others <small>Note 1</small>	1,603	4.3%	1,883	4.5%	(280)	-14.9%
<b>Group Total</b>	<b>20,113</b>	<b>53.9%</b>	<b>19,724</b>	<b>47.5%</b>	<b>389</b>	<b>+2.0%</b>

- Lower staff costs mainly due to lesser sales commission (RM0.3m).
- Lower other opex mainly come from absence of fixed assets written off for closed stores (RM0.2m) and reduced traveling (RM0.1m).



# FROM CORE OPERATING PROFIT TO CORE PAT

<b>Core Operating Profit to Core PAT</b> constant currency	<b>4Q2023</b> <b>RM'000</b>	<b>% of</b> <b>Revenue</b>	<b>4Q2022</b> <b>RM'000</b>	<b>% of</b> <b>Revenue</b>	<b>YoY</b> <b>change</b>
<b>Core operating profit</b>	<b>4,978</b>	<b>13.3%</b>	<b>8,048</b>	<b>19.4%</b>	<b>-38.1%</b>
Interest income	390		456		
Forex gain	100		269		
Others	110		71		
<b>Core PBT</b>	<b>5,578</b>	<b>14.9%</b>	<b>8,844</b>	<b>21.3%</b>	<b>-36.9%</b>
Tax	(817)		(2,349)		
<b>Core PAT</b>	<b>4,761</b>	<b>12.7%</b>	<b>6,495</b>	<b>15.6%</b>	<b>-26.7%</b>

Note: Core profits are on constant currency and exclude (i) business development expenses, and (ii) MFRS16 accounting adjustments.

# ALL MARKETS REMAINED PROFITABLE

Core PAT constant currency	4Q2023 RM'000	% of Revenue	4Q2022 RM'000	% of Revenue
Malaysia	4,475	15.8%	5,925	18.4%
Vietnam	355	4.4%	702	8.5%
Cambodia	44	4.7%	129	12.0%
<b>Market Total</b>	<b>4,874</b>	<b>13.1%</b>	<b>6,756</b>	<b>16.3%</b>
Corporate	(113)	(0.4)%	(261)	(0.7)%
<b>Group Total</b>	<b>4,761</b>	<b>12.7%</b>	<b>6,495</b>	<b>15.6%</b>

Note: Core profits are on constant currency and exclude (i) business development expenses, and (ii) MFRS16 accounting adjustments.

# RECONCILIATION FROM CORE TO REPORTED PAT

PAT reconciliation	4Q2023 RM'000	4Q2022 RM'000
<b>Core PAT</b> (constant currency)	4,761	6,495
Forex effect	-	(78)
MFRS 16 effect	(155)	(33)
Business development expenses	16	(37)
Service charges income from Natura	-	270
Natura results	-	7
<b>Reported PAT</b>	4,622	6,624

**TWO**

**FY2023 FINANCIAL  
PERFORMANCE**

# FULL YEAR TOPLINE

Revenue	FY2023 RM'000	YoY change same store	YoY change constant currency	YoY change reported
Malaysia	105,659	-11.1%	-9.7%	-9.7%
Vietnam	26,028	-17.3%	-11.0%	-9.3%
Cambodia	3,638	-19.3%	-4.8%	-0.1%
<b>Group Total</b>	<b>135,325</b>	<b>-12.6%</b>	<b>-9.9%</b>	<b>-9.4%</b>

- Subdued consumer sentiment affected by inflationary pressure amid uncertain macro environment.

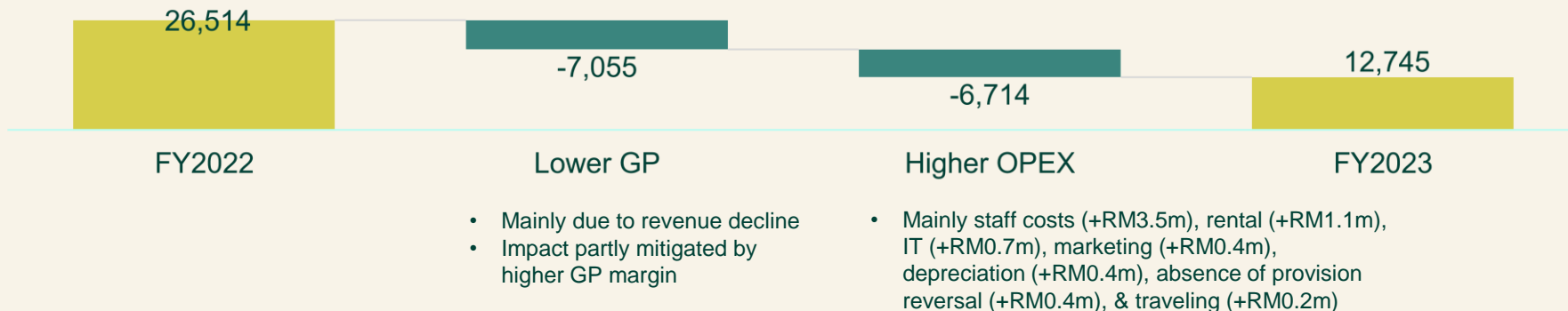
Note: Same-store sales compare revenue generated by existing points-of-sale (including online channels) over a certain period with the same period last year at constant forex.

# SOFTER CORE OPERATING PROFIT IMPACTED BY REVENUE & OPEX

Core Operating Results constant currency	FY2023 RM'000	% of Revenue	FY2022 RM'000	% of Revenue
Gross profit	92,214	68.1%	99,269	66.8%
EBITDA	17,218	12.7%	30,606	20.6%
Operating profit	12,745	9.4%	26,514	17.8%

## FY2023 Movement in Core Operating Profit

RM'000 & on constant currency



Note: Core Operating Results are on constant currency and exclude; (i) business development expenses, (ii) one-off gains, (iii) Natura results in FY2022 and (iv) MFRS16 accounting adjustment.

# FY2023 OPEX BREAKDOWN

OPEX constant currency	FY2023 RM'000	% of Revenue	FY2022 RM'000	% of Revenue	YoY change RM'000	YoY change %
Rental <sup>Note 1</sup>	22,447	16.6%	21,325	14.3%	1,122	+5.3%
Staff	38,409	28.4%	34,950	23.5%	3,459	+9.9%
Distribution	2,470	1.8%	2,363	1.6%	107	+4.5%
Marketing	3,788	2.8%	3,446	2.3%	342	+9.9%
Depreciation	4,473	3.3%	4,092	2.8%	381	+9.3%
Royalty fee	1,354	1.0%	1,453	1.0%	(99)	-6.8%
Others <sup>Note 1</sup>	6,528	4.8%	5,126	3.4%	1,402	+27.4%
<b>Group Total</b>	<b>79,469</b>	<b>58.7%</b>	<b>72,755</b>	<b>48.9%</b>	<b>6,714</b>	<b>+9.2%</b>

- Higher other opex mainly on IT (RM0.7m), absence of provision reversal on donation in current year (RM0.4m), & traveling (RM0.2m).

# FROM CORE OPERATING PROFIT TO CORE PAT

<b>Core Operating Profit to Core PAT</b> constant currency	<b>FY2023</b> <b>RM'000</b>	<b>% of</b> <b>Revenue</b>	<b>FY2022</b> <b>RM'000</b>	<b>% of</b> <b>Revenue</b>	<b>YoY</b> <b>change</b>
<b>Core operating profit</b>	<b>12,745</b>	<b>9.4%</b>	<b>26,514</b>	<b>17.8%</b>	<b>-51.9%</b>
Interest income	1,873		937		
Forex (loss)/gain	(158)		650		
Fair value gain on fixed income funds	-		195		
Others	57		53		
<b>Core PBT</b>	<b>14,517</b>	<b>10.7%</b>	<b>28,349</b>	<b>19.1%</b>	<b>-49.0%</b>
Tax	(3,328)		(7,290)		
<b>Core PAT</b>	<b>11,189</b>	<b>8.3%</b>	<b>21,059</b>	<b>14.2%</b>	<b>-46.9%</b>

Note: Core profits are on constant currency and exclude (i) business development expenses, (ii) one-off gains, (iii) Natura results in FY2022, and (ii) MFRS16 accounting adjustments.



# OPERATING DELEVERAGE IMPACTED ALL MARKETS

<b>Core PAT</b> constant currency	<b>FY2023</b> <b>RM'000</b>	<b>% of</b> <b>Revenue</b>	<b>FY2022</b> <b>RM'000</b>	<b>% of</b> <b>Revenue</b>
Malaysia	12,816	12.1%	20,395	17.4%
Vietnam	(983)	(3.8)%	957	3.3%
Cambodia	205	5.6%	443	11.6%
<b>Market Total</b>	<b>12,038</b>	<b>8.9%</b>	<b>21,795</b>	<b>14.7%</b>
Corporate	(849)	(0.6)%	(736)	(0.5)%
<b>Group Total</b>	<b>11,189</b>	<b>8.3%</b>	<b>21,059</b>	<b>14.2%</b>

Note: Core profits are on constant currency and exclude (i) business development expenses, (ii) one-off gains, (iii) Natura results in FY2022, and (iv) MFRS16 accounting adjustments.

# RECONCILIATION FROM CORE TO REPORTED PAT

PAT reconciliation	FY2023 RM'000	FY2022 RM'000
<b>Core PAT</b> (constant currency)	<b>11,189</b>	<b>21,059</b>
Forex effect	-	(77)
MFRS 16 effect	(259)	93
Business development expenses	(856)	(37)
One-off gains	277	-
Service charges income from Natura	153	270
Natura results	-	27
<b>Reported PAT</b>	<b>10,504</b>	<b>21,335</b>

THE  
BODY  
SHOP

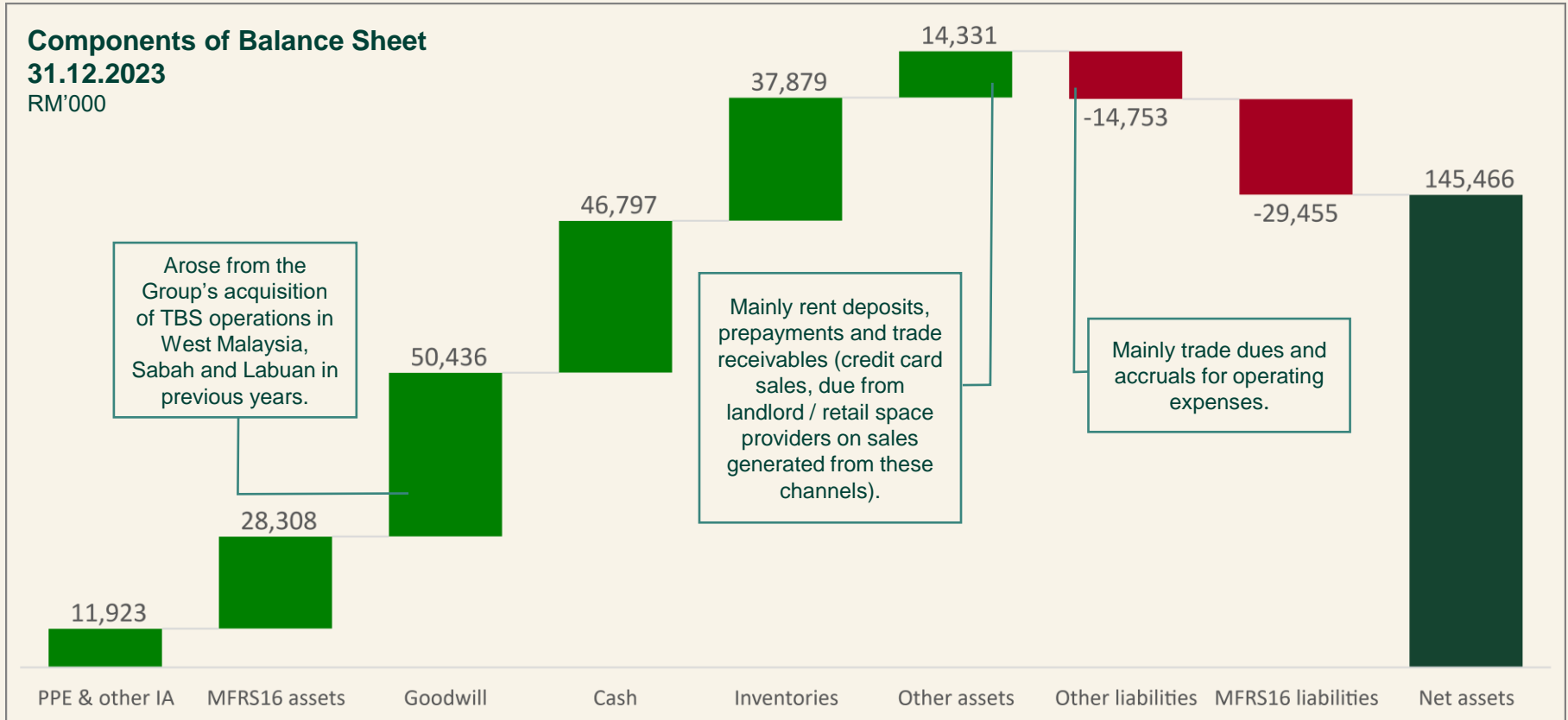
**FINANCIAL  
POSITION &  
CASHFLOW**

# BALANCE SHEET REMAINS ASSET LIGHT & NET CASH

## Components of Balance Sheet

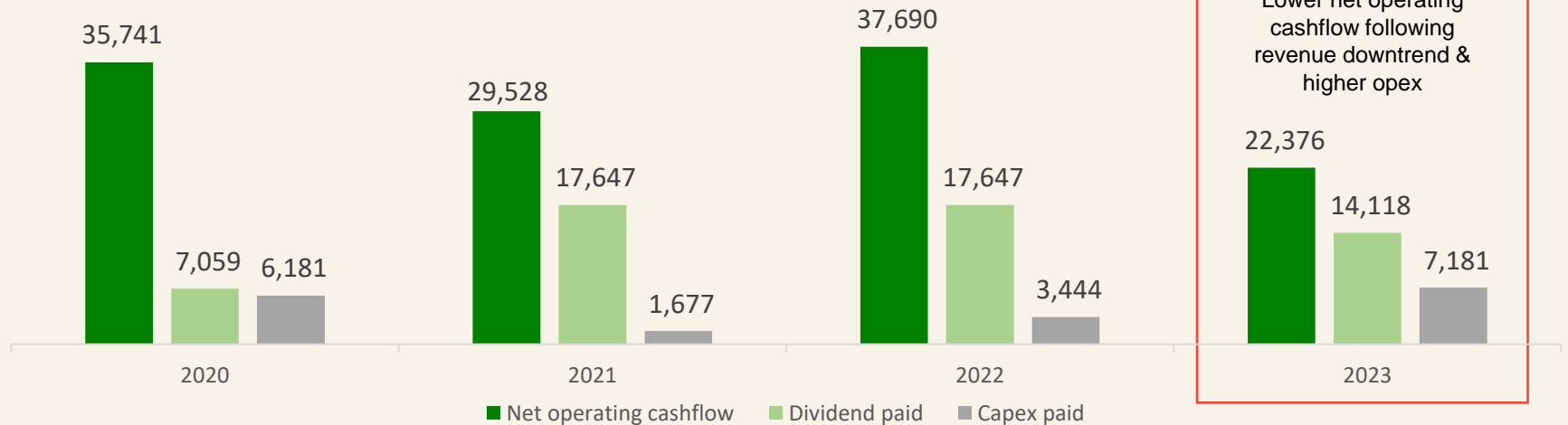
31.12.2023

RM'000



# CASH GENERATIVE BUSINESS

Net Operating Cashflow, Dividend & Capex Paid  
RM'000



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

**FOUR**

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**NEXT STEPS**

# 2023 PROGRESS

- GP margin up 2 percentage points to 68.1%.
- Reoptimised retail store network, having closed 5 and opened at 5 new locations, including TRX.
- Pop-up stores grew 150%, contributed 2.3% to Group topline. Converted a pop-up store in Malaysia to full-fledged store.
- Ecomm in Vietnam grew 46%, led by Tiktok and Shopee. Contribution up from 6.9% to 11.3%.







# 2024 PRIORITIES

- 40 years in business.
- Ignite growth in all markets, focusing on:
  - Customer recruitment
  - Productivity improvement
  - Acceleration of digital channels' contribution
- 2 confirmed store openings in Vietnam.



# THANK YOU

## CHANGEMAKING BEAUTY



Effective. Ethical. Vegan.



**POSITIVE CHANGE**  
**STARTS WITH A GIFT**  
A world of wonder awaits.

**SUPPLEMENTARY INFORMATION**

# RETAIL STORE COUNT

	Malaysia	Vietnam	Cambodia	Group
Retail stores at 1.1.2023	73	38	3	114
Opening	3	2	-	5
Conversion from pop-up to full-fledged store	1	-	-	1
Closure	(1)	(4)	-	(5)
<b>Retail stores at 31.12.2023</b>	<b>76</b>	<b>36</b>	<b>3</b>	<b>115</b>
Pop-up stores at 31.12.2023	2	4	-	6
<b>Retail + pop-up stores at 31.12.2023</b>	<b>78</b>	<b>40</b>	<b>3</b>	<b>121</b>