

InNature still profitable after hardest Covid-19 Lockdown in 3Q2021

SUBANG JAYA, 19 NOVEMBER 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 RM0.7 million on the back of RM22.3 million revenue in the 3rd Quarter ended 30 September 2021 (“**3Q2021**”). For the 9-month ended 30 September 2021 (“**9M2021**”), the Group registered revenue of RM88.2 million and PAT of RM7.3 million.

Performance Review

Commenting on the performance, Group Managing Director Datin Mina Cheah-Foong (“**Datin Mina**”) said, “We all thought that 2020 was the worst but our Group endured the hardest Covid-19 lockdown since March 2020 in 3Q2021, where most of our stores in Malaysia and Vietnam were physically shuttered for the large part of the reporting quarter. Our Cambodia market was also subjected to the resurgence in cases there. Overall, group revenue fell 46.5% year-on-year, with Malaysia, Vietnam and Cambodia recording lesser sales by 45.5%, 55.3% and 12.6% respectively in 3Q2021. We are thankful to still be recording a small profit for this very challenged quarter!”

“Our Omnichannel capabilities allowed us to continue serving our customers through remote and mobile selling channels such as e-commerce, conversational commerce and social selling. These channels contributed 63.5% to the group revenue in 3Q2021 (6.2% for 3Q2020),” she added.

For 9M2021, revenue of the Group declined 20.2% year-on-year. Tracking the trend in 3Q2021, remote selling channels registered higher revenue contribution to the Group at 35.4% for 9M2021 (9.6% for 9M2020).

Despite the protracted lockdown, the Group managed to remain profitable in 3Q2021 through active cost management efforts as well as support from landlords and brand principals. The Group exited 3 underperforming locations in Malaysia during the reporting quarter, bringing total store count of the Group to 119 as at 30 September 2021.

Healthy Balance Sheet and Cash Flow

The Group’s financial position remained solid with total equity of RM136.6 million as at 30 September 2021. During 9M2021, the Group generated net cash from operating activities of RM14.5 million, and continued to maintain a healthy cash balance (including fixed deposits and fixed income funds under Other Investments) of RM49.9 million as at 30 September 2021 after accounting for dividend distribution of RM10.6 million to shareholders.

Outlook

Commenting on the Group's outlook, Datin Mina said, "With the reopening of the economy in Malaysia, Vietnam and Cambodia as well as year-end festivities around the corner, we expect an improving 4Q2021 performance quarter-on-quarter and a profitable FY2021. While stores are seeing some brisk activity, we will continue to invest in our remote selling channels and build our Brands to be omnipresent. InNature's objective moving forward, is of achieving a balanced contribution between all revenue streams."

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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 3rd Quarter ended 30 September 2021, as announced to Bursa Malaysia Securities Berhad on 19 November 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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