

InNature remains profitable in 1Q2023 despite challenging environment

SUBANG JAYA, 25 MAY 2023 – InNature Berhad (“InNature” or “Company”, together with its subsidiaries, the “Group”) announced today a profit after tax (“PAT”) of RM3.0 million on the back of RM32.4 million revenue in the 1st Quarter ended 31 March 2023 (“1Q2023”).

Performance Review

Commenting on the performance, Group Managing Director, Datin Mina Cheah-Foong (“Datin Mina”) said, “The Group encountered a challenging retail environment in 1Q2023 with consumer sentiment weighed down by cost-of-living issues and higher interest rates. Our performance was further affected by seasonality factors of Lunar New Year celebrations occurring very soon in January after the festive year-end season. In Malaysia, Ramadan also commenced earlier on 23 March 2023.”

“Overall, the Group recorded lesser revenue by 3.9% in 1Q2023, or 2.8% excluding the discontinued Natura business. Operating profit of the Group reflects the weaker top line, amid higher operating expenses and absence of one-off income,” she added.

“We have made some progress in our operations despite the challenges. Overall GP margin of the Group in 1Q2023 has improved as a result of price adjustments in 2022 as well as careful management of promotional discounts. Productivity of our stores in Malaysia has shown improvement whilst tourist-prone stores recorded encouraging revenue rebound. Our business in Cambodia continues to thrive during the current quarter under review. Our Deputy CEO is stationed in Ho Chi Minh City to drive changes essential for our Group’s sustainable growth,” stated Datin Mina.

Healthy Balance Sheet and Cash Flow

As at 31 March 2023, the Group’s financial position remains in net cash, with cash and fixed income funds of RM48.9 million and net assets of RM137.8 million. For 1Q2023, the Group generated net operating cash flow of RM4.1 million after taking into account lease payment to landlords.

Outlook

Commenting on the Group's outlook, Datin Mina said, "We expect an equally challenging 2nd quarter ending 30 June 2023 with ongoing macro headwinds impacting consumer sentiment and supply chain challenges. Nevertheless, we believe our Group will be profitable and our long-term trajectory remains intact."

"We will continue to focus on delivering value to our customers on their personal care needs, and work on improving productivity and operational efficiency. Expansion of our physical points-of-sale will continue in a strategic manner. We remain ready to take on any opportunity that presents itself."

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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 channels. The Group has garnered over 39 years of experience operating The Body Shop franchise business since the opening of its first store at Kuala Lumpur, Malaysia in 1984. The Group subsequently made inroads into Vietnam in 2009, and Cambodia in 2019. 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 1st Quarter ended 31 March 2023, as announced to Bursa Malaysia Securities Berhad on 25 May 2023. Statements included herein may include forward-looking statements relating to the Group's business and the sector in which the Group operates. 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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