

InNature stays profitable in 2Q2023 amid lingering macro headwinds

SUBANG JAYA, 25th AUGUST 2023 – InNature Berhad (“**InNature**” or “**Company**”, together with its subsidiaries, the “**Group**”) announced today a profit after tax (“**PAT**”) of RM1.8 million on the back of RM33.7 million revenue in the 2nd Quarter ended 30th June 2023 (“**2Q2023**”). Excluding non-operating items, the 2Q2023 core PAT would have been RM2.0 million.

Performance Review

Commenting on the performance, Group Managing Director, Datin Mina Cheah-Foong (“**Datin Mina**”) said, “As previously guided in the 1Q2023 financial results announcement, the Group’s operating environment in 2Q2023 remained challenging with ongoing macro headwinds impacting consumer sentiment and supply chain challenges.”

“Overall, revenue of the Group excluding the results of the disposed Natura operation declined 13.6%. Core PAT of the Group was impacted by the lower topline and the increase in operating expenses, though this was partially mitigated by the higher interest income,” she added.

“Despite the challenging landscape, we have and will continue to invest and drive the business such as accelerating ecommerce in Vietnam, renovating our key top stores in Malaysia and Vietnam, and recruit more new consumers. The Group’s GP margin has improved year-on-year, which enabled us to deploy tactical promotions to stimulate consumer spending when needed in view of fiercer competition.,” stated Datin Mina.

For the First Half ended 30th June 2023 (“**1H2023**”), the Group recorded revenue of RM66.2 million and core PAT of RM4.6 million.

Healthy Balance Sheet and Cash Flow

As at 30th June 2023, the Group’s financial position remains in net cash, with cash and other investments of RM46.3 million and net assets of RM141.1 million. The Group generated net operating cash flow of RM10.5 million for 1H2023.

Outlook

Commenting on the Group's outlook, Datin Mina said, "We expect the 3rd quarter ending 30th September 2023 to be seasonally quieter with the absence of major festive celebrations."

"As we navigate these uncertain times, we are encouraged by the strength of the brand and the resilience of our people. We are also excited by the potential expansion of our Group's business through the opportunity to enter the beauty retail market in Taiwan, as per our MOU announced on 25th July 2023."

"Barring any unforeseen circumstances, we expect the Group to remain profitable for FY2023," concluded Datin Mina.

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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 close to 40 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 2nd Quarter ended 30th June 2023, as announced to Bursa Malaysia Securities Berhad on 25th August 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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