INNATURE REPORTS RM1.8 MILLION CORE PROFIT AFTER TAX FOR 2Q2024

SUBANG JAYA, 27 AUGUST 2024 – InNature Berhad ("**InNature**" or "**Company**", together with its subsidiaries, the "**Group**") announced today a core profit after tax ("**PAT**") of RM1.8 million on the back of RM31.3 million revenue for the 2nd Quarter ended 30 June 2024 ("**2Q2024**"). Core PAT excludes corporate expenses and one-off items.

Performance Review

Commenting on the performance for Q2 2024, Group Managing Director, Datin Mina Cheah-Foong ("**Datin Mina**") said, "The operating environment remains challenging across all our markets, characterized by ongoing inflation concerns and cautious consumer sentiment. We observed much lower consumer spending across all markets, including the Hari Raya festive season in Malaysia and during our annual May promotion campaign in Vietnam. In Cambodia, performance of the market was additionally impacted by high base comparison due to SEA Games in May 2023."

Datin Mina further noted, "Our physical retail stores including pop-up stores continued to be a strong revenue driver, contributing 93.3% of the Group's revenue in Q2 2024. We are pleased to report significant progress in our digital channels, which now account for 6.7% of our revenue, up from 4.4% a year ago."

For the first half of 2024, the Group recorded revenue of RM62.8 million, reflecting the current market conditions. Our core PAT was RM4.1 million, influenced by the lower topline and a slight decrease in gross profit margin due to increased promotional activities, higher cost of goods sold and a weaker Ringgit.

Healthy Balance Sheet and Cash Flow

The Group's financial position remains in net cash as at 30 June 2024, with cash and other investments of RM49.7 million, and net assets of RM141.8 million. The Group generated higher net operating cash flow of RM19.4 million in the first half of 2024.

Outlook

Looking ahead, Datin Mina stated, "While we expect that the challenging conditions may persist for the rest of the year, we are optimistic about a boost in the final quarter from the year-end holiday season. We remain committed to optimizing our retail store network to enhance productivity, while accelerating contribution from our digital channels. Additionally, we expect the onboarding of the Burger & Lobster business in August 2024 to contribute positively to the Group's performance. All in all, we remain confident in our Group's continued profitability."

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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 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 30 June 2024, as announced to Bursa Malaysia Securities Berhad on 27 August 2024. 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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